



# BOXED

Strategic Update  
August 2022

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## Forward Looking Statements

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## Proven Execution Since Public Debut

- ✓ Strengthening B2C Brand Awareness
- ✓ Rapid B2B channel growth & momentum
- ✓ Acquisition, Integration, and Expansion of Boxed Market Offering (formerly “MaxDelivery”)
- ✓ Growth of Spresso technology presence across Vietnam and U.S. markets
- ✓ \$100m Committed Capital On-Demand facility to support ongoing investments, and actively pursuing additional fundraising opportunities
- ✓ Combined Cash & Cash Equivalents, and Marketable Securities balance of approximately \$50m to help support operations in near-term

## Recent Business Highlights

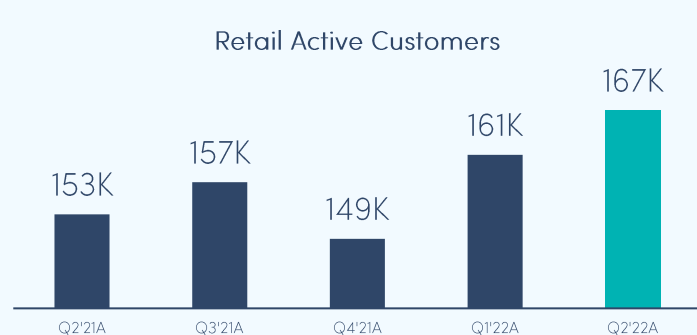


- ✓ Software & Services platform launches expanded product offering and brands as “Spresso”, supporting market expansion
- ✓ AEON partnership expands into Vietnam
- ✓ Spresso enters the U.S. Market with Jeffers Pet partnership
- ✓ Chief Revenue Officer hired to support business development efforts and growth



- ✓ Strong Q2'22 Retail Active Customer growth (+14k YoY) supported by YTD marketing investments
- ✓ Retail segment achieving double digit YoY revenue growth, up +11% over YTD period ended June 30<sup>th</sup>, 2022
- ✓ 3 consecutive quarters of 55%+ YoY B2B Customer GMV growth with B2B customer AOVs hitting all-time highs
- ✓ Boxed Market (formerly MaxDelivery) expanding in 2 new markets (full market launches expected in Q4'22)

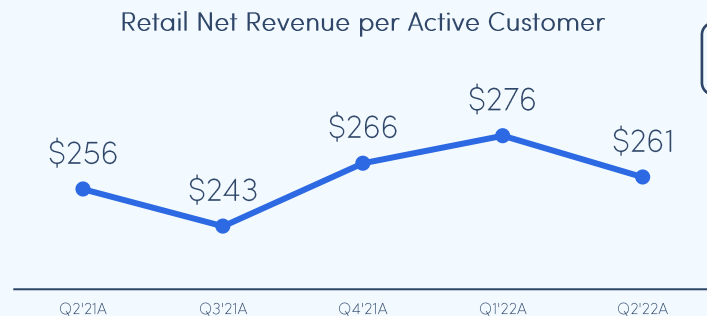
# Key Performance Indicators: Quarterly

YoY %  
Growth

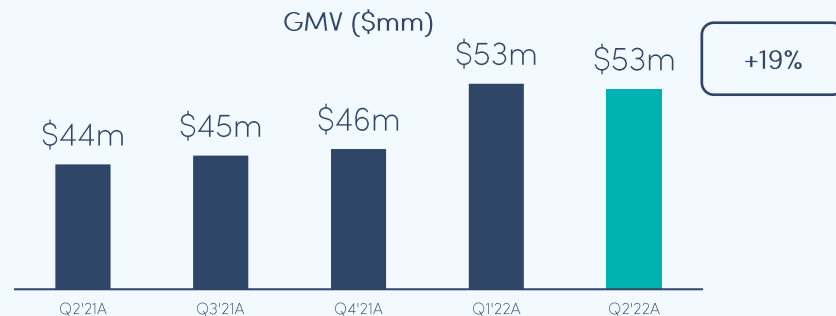
+9%

YoY %  
Growth

+7%



+2%



+19%



\*For further detail on definitions of the Company's Key Performance Indicators, please refer to appendix herein or the Company's 10-Q SEC filing disclosures

## Focusing Investments On Most Profitable Business Areas

- ✓ **Spresso** – differentiated product with attractive software economics
- ✓ **B2B** – 3 consecutive quarters of rapid GMV growth
- ✓ **Boxed Market** – high AOVs, strong unit economics, strong customer retention & order frequency

# Q2'22 Customer Channel Overview

Focused investment toward profit centers with greatest upside

Customer Channel Type	B2C (Non-Boxed Up)	B2B + Boxed Market + Boxed Up (Combined)
YoY GMV Growth % <sup>1</sup>	+7%	+56%
GMV per Retail Active Customer <sup>2</sup>	\$169	\$460
Order-Level Unit Economics <sup>3</sup>		+12 pts vs. B2C



1) Boxed Market Gross Merchandise Value ("GMV") growth not reported on a pro forma basis (acquisition completed in Q4'21); adjusting for pro forma results, B2B + Boxed Market + Boxed Up combined customer channel growth was +10% YoY

2) Defined as customer channel \$ GMV / # of Retail Active Customers; please see Key Performance Indicators in 10-Q SEC filing disclosures for further information on definitions Gross Merchandise Value ("GMV") and "Retail Active Customers"

3) Defined as estimated customer channel net sales less product, shipping, packaging, credit card processing, and other direct variable costs, allocated at the order level; figures reflect operational estimates and are not comparable to GAAP-based results

# Strategic Vision: Accelerated Path to Profitability

Targeting Adj. EBITDA profitability by the end of Fiscal Year 2024



Scale Retail  
Business  
Sustainably

- Build on B2B momentum through increased dedicated sales & marketing efforts
- Accelerate Boxed Market expansion through launch of new markets (2 expected in FY'22)
- Drive increase in penetration within Boxed Up / loyalty, supporting improved retention rates



Focused Investment  
in Highest Profit  
Customers /  
Segments

- Focus investment, marketing & resources toward B2B & Boxed Market efforts
- Allocate added resources toward engineering, technology & sales to support Spresso growth
- Scale Boxed Market through facility expansion into new geographies



Improve Unit  
Economics through  
Proven Levers

- Mix shift toward channels with stronger unit economics (+12 pts compared to B2C channel)\*
- Rapid growth of Software & Services business segment (H1'22 gross margin of 59%)
- Deliver margin expansion through proven historical levers (increased scale, vendor cost improvements, average order value increases, advertising revenue & FC expansion)



\*Reflects B2B + Boxed Market + Boxed Up combined compared to B2C (non-Boxed Up); order-level unit economics defined as estimated customer channel net sales less product, shipping, packaging, credit card processing, and other direct variable costs, allocated at the order level; figures reflect operational estimates and are not comparable to GAAP-based results





# Appendix

# Key Performance Indicators – Definitions

**Retail Active Customers** – Boxed defines active customers as the distinct number of customers in its Retail segment who placed at least one order in the referenced respective time-period (“Retail Active Customers”). The change in Retail Active Customers in a reporting period captures both the inflow of new customers as well as the outflow of customers who have not made a purchase in the time period. The Company views the number of Retail Active Customers as a key indicator of its performance, which is influenced by the level of investment in advertising expenses, the number of new customers acquired during a given time period, as well as the churn of previously Retail Active Customers.

**Retail Average Order Value (AOV)** – The Company defines Retail AOV as the GMV for the respective time-period divided by the total number of orders placed by customers during the same period. Boxed believes Retail AOV is an important indicator of business performance as it is supported by the Company's proprietary e-commerce technology, where its mobile app, website, and personalization engine provide a seamless shopping experience, enabling customers to easily discover new and relevant products and categories. This results in a trend where on average, Retail AOVs expand over the course of a customer's lifecycle. Further, larger orders are on average more profitable, helping to drive margin improvement from shipping, packaging, and labor efficiencies.

**Retail Net Revenue per Active Customer (RPAC)** – The Company defines Retail Net Revenue per Active Customer as total Retail Net Revenue for the respective time-period divided by the total number of Retail Active Customers during the same period. We believe RPAC is an important indicator of business performance as it demonstrates customer engagement within our Retail business, blending both our Retail Average Order Values along with the order frequency of customers shopping our Retail e-commerce offerings.

**Gross Merchandise Value (GMV)** – The Company defines GMV as (i) the total value of Boxed goods sold, (ii) 3rd party goods sold on Boxed Sites, gross of any customer promotions, price discounts, credits, or rewards used, and (iii) goods sold on 3rd party (i.e. AEON) websites which are leveraging Boxed Software & Services technology, all of which are (iv) inclusive of shipping fees, service fees and taxes. The Company believes its ability to expand GMV is an indicator of the global scale of our technology services platform in any given period, and an indicator of end-customer engagement on its technology services platform worldwide. GMV is not intended for use as an alternative to net revenue recorded in accordance with GAAP.