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Chinaâ??s Missfresh plans to expand its ready meals product category

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Missfresh Limited a pioneering leader in China’s neighborhood retail industry, announced its outstanding sales growth performance for Ready-to-Cook, Ready-to-Heat, and Ready-to-Eat products, referred to as 3R products, and its plans to further expand this category. In 2021, sales of 3R products on Missfresh’s platform increased more than 300% compared with 2020, with a gross margin for these products at least 15% above the platform’s average.



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By the end of 2021, more than 40% of Missfresh customers have added 3R products into their shopping baskets and the repurchase rate for paid membership users was close to 70%. The strong sales of this category demonstrate consumers' growing appetite for ready meals, and a notable food consumption trend in China for 2022.

Ms. Catherine Chen, Chief Financial Officer of the Company, commented, "As the consumer awareness of the product category and popularity of ready meals skyrocketed in the past two years, Missfresh has invested in developing its own in-house brands of 3R products. We currently offer more than 800 SKUs of 3R meals, including 100+ SKU of Missfresh's in-house premium line of ready meals. Missfresh plans to continue expanding its offerings of ready meals to include one-bowl meals for solo diners, hot pot dishes and home-cooked fare with mass appeal. We expect 2022 sales growth to top 2021's figures."

"We see the ready meals offerings not just as a way to meet the 'consumption upgrade' trend (the growing demand for high-quality goods and services) among our platform users, but also an important category to optimize our gross margins and improve profitability. We are confident that ready meals are poised to become an important driver for the Company's operational efficiency," Catherine continued.

According to Askci Consulting's forecast, based on an estimated annual compound growth rate of 20%, China's ready meals market will exceed RMB 1 trillion (USD 128 billion) in the next six to seven years. In the long run, the scale of China's ready meals industry is expected to reach RMB 3 trillion (USD 473 billion). Enticed by the next "trillion-dollar food market," many food chains and retail companies have set their sights on expanding their own 3R Products businesses.