



Missfresh Expands Its Supply Chain By Directly Sourcing From 550 Farms, Factories, and Processing Facilities

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Its dense supply chain network allows Missfresh to have better control over production, which helps to optimize operations, increase cost-effectiveness, and better meet consumers' needs

BEIJING, Oct. 28, 2021 /PRNewswire/ -- [Missfresh Limited](#) ("Missfresh" or the "Company") (NASDAQ: MF), an innovator and leader in China's neighborhood retail industry, has enhanced its supply chain to directly source from 200 farms and 350 factories and processing facilities across China that directly supply the Company with fresh goods. An efficient and quality-controlled supply chain is the cornerstone of providing an excellent digital shopping experience for customers of the Company's on-demand online retail platforms, the Missfresh app and WeChat mini program.

With the addition of these farms, factories, and processing facilities to the supply chain, Missfresh is able to source more of its products from its origin and eliminate middlemen, enabling the Company to closely control and ensure the consistent and high-quality production of products (from fresh farm produce to seafood, meat, eggs, and other fast-moving consumer goods), maintain a stable supply, and directly support local farmers and producers. Missfresh currently sources more than 90% of its fresh produce from its origin, and aims to increase this by continuously improving its supply chain with direct-to-consumer suppliers.

A more closely connected supply chain also speeds up the movement of fresh produce and food products between each stage, from sourcing and processing to packaging and cold chain transportation. By lowering cold chain costs, sourcing directly from farmers and producers, and eliminating middlemen who jack up prices during periods of high demand, Missfresh is able to offer better pricing for customers while improving margins.

The higher level of freshness is particularly evident for products with short shelf lives such as hairy crabs, vegetables, meat, and flowers. For example, hairy crabs are delivered from their place of origin to customers within 24 hours through Missfresh's direct sourcing, and fresh broccoli is delivered to consumers within 36 hours after being harvested from farms. Fresh produce is consistently popular among customers – Missfresh saw a 86% jump in sales for its daily fresh meat specials (sold only on the day) in Q3 2021, as compared to the previous quarter.

Through cooperatives that supply directly to processing facilities, Missfresh can not only improve the cost-effectiveness, quality, and stable supply of products, but also use big data to accurately predict sales and thus determine production levels and improve production efficiency. As a new type of "sales-based production" operational model for determining agricultural output, ordering goods directly from farms can effectively avoid losses caused by surplus produce and inaccurate inventory forecasting.

Since 2020, Missfresh has invested in strengthening its supply chain, empowering suppliers with multi-dimensional R&D capabilities, branding and data to build a more mutually beneficial and win-win cooperative ecosystem.

About Missfresh Limited

Missfresh Limited (NASDAQ: MF) is an innovator and leader in China's neighborhood retail industry. We invented the Distributed Mini Warehouse (DMW) model to operate an integrated online-and-offline on-demand retail business focusing on offering fresh produce and fast-moving consumer goods (FMCGs). Through our "Missfresh" mobile application and Mini Program embedded in third-party social platforms, consumers can easily purchase quality groceries at their fingertips and have the finest products delivered to their doorstep in 37 minutes on average. Leveraging our core capabilities, we launched our intelligent fresh market business in the second half of 2020. This innovative business model is dedicated to standardizing and transforming fresh markets into smart fresh malls. We have also built up a full stack of proprietary technologies that empower a wide range of participants in the neighborhood retail business, such as supermarkets, fresh markets and local retailers, to jumpstart and efficiently operate their business in a digital way across smart omni-channel marketing, smart supply chain management and store-to-home delivery capabilities.

For more information, please visit: <http://ir.Missfresh.cn>

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