



Share in *the goodness*

INTERIM FINANCIAL REPORT

For the six months ended 30 September 2021





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LETTER FROM THE CHAIR AND CEO

What's simmering



The My Food Bag Board is delighted to announce record earnings for the six-month period to 30 September 2021, with NPAT and EBITDA¹ up 24.6% and 11.6%, respectively, on the prior year.

Revenue for the period of \$98.4 million is down 6.5% year-on-year due to the 2020 nationwide lockdown spike.

These results reflect that we are on track to deliver the previously forecast full year EBITDA of \$34.2m, which will be up 18% year-on-year.

This report marks the halfway point of our first full year as a publicly listed company and demonstrates clear progress, and the achievement of some important milestones, as we grow within New Zealand's \$37 billion retail food sector.

FINANCIAL PERFORMANCE

Deliveries and revenue during H1 FY22 were in line with expectations.

During the first half of this financial year, My Food Bag recorded revenue of \$98.4 million. We also recorded net profit after tax of \$9.4 million, up 24.6% year-on-year, and EBITDA of \$16.0 million, up 11.6% year-on-year. The growth of EBITDA was underpinned by procurement optimisation that led to improved contribution margin, at a rate of 26.3%.

Total deliveries of 808k during H1 FY22 were down on the same period in FY21, due to a spike during the first Alert Level 4 nationwide lockdown in 2020.

Average order value was also slightly down on H1 FY21, from \$124.04 to \$121.81. Again, this was mainly driven by a spike in larger bag orders during the first Alert Level 4 nationwide lockdown, as well as an upweight of marketing discounts and stronger Bargain Box performance skewing brand mix during the first half of FY22.

Pleasingly active customers increased by 3.3% compared to H1 FY21 and high value active customers² grew by 3.1% year-on-year, with margin improvements further increasing their value. Retained customer numbers remained strong at around 60% of active customers during the last six months.

DIVIDEND AND REAFFIRMING GUIDANCE

Due to these strong results and outlook, the Board is pleased to declare a fully imputed interim dividend of 3.0 cents per share, payable on 16 December 2021. A final dividend of 4.0 cents per share is forecast to be paid in 2022, following the release of the FY22 results.

This interim dividend allows for sufficient retained cash to fund growth requirements internally and, together with the expected final dividend, represents a distribution of approximately 85% of anticipated net profit after tax (within My Food Bag's distribution policy which aims to distribute between 70% and 90% of NPAT).

The Board is also pleased to reaffirm its FY22 EBITDA guidance of \$34.2m as outlined in My Food Bag's Prospective Financial Information (PFI) prior to listing. While revenue for FY22 is now anticipated to be slightly improved on the PFI, this is not expected to result in an increase in earnings for the period given higher input costs and operating expenses associated with operating safely during the pandemic and introducing new product initiatives.

1. A reconciliation from GAAP NPAT to non-GAAP EBITDA can be found in the appendices to the FY22 Half Year Results Announcement Presentation at www.myfoodbag.co.nz.

2. High value active customer is a customer who has taken at least 20 deliveries in the past 12 months.



BUSINESS UPDATE

OPERATING AS AN ESSENTIAL SERVICE

Building on our 2020 COVID-19 business continuity plans, our operations smoothly transitioned when the country, once again, found itself in Alert Level 4 during August. This included rigorous planning to position us well to manage health and safety, and any supply chain disruptions.

We experienced an increase in demand during the short nationwide Alert Level 4 lockdown. We also incurred increased costs stemming from reduced productivity in operations as a result of changed operating procedures, the provision of additional PPE and other safety measures implemented during this time.

Thankfully, as in 2020, My Food Bag recorded zero cases of COVID-19 among its workforce, and we continued to adhere to the robust processes to protect business continuity to manage any suspected COVID-19 cases.

We would like to take this opportunity, on behalf of the My Food Bag Board of Directors and Senior Leadership Team, to convey our heart-felt thanks to every member of our resilient, amazing team for their dedication during this period and ongoing.

EXPANDING BEYOND MEALS

Since our inception, we've delivered exciting products and recipes that reflect Kiwis' changing food preferences. This half year was no different, as we successfully launched phase one of the My Food Bag Kitchen.

The My Food Bag Kitchen expands our offer beyond meal kits and ready made meals, for the first time, with a range of curated go-to grocery products and recipes, specifically selected by our chefs, that customers can add to their orders. This is our first significant step outside of weeknight meals and signals our move beyond providing a solution to the original question of 'What's for dinner?' towards providing more everyday solutions for our customers for more meal occasions.

The Kitchen takes My Food Bag into eight new categories and is one plank of our growth strategy to access a greater proportion of New Zealand's \$37 billion retail food sector. Top categories to emerge from the first phase of the Kitchen include sides and snacks, baking and dessert, breakfast and pantry items.

This initial offering in phase one is available across My Food Bag, Bargain Box and Fresh Start and uses our existing operational footprint and resources to extend our offering.

During phase one of the My Food Bag Kitchen we have achieved attachment rates in line with our internal target of 10% – 15% and an average order value in excess of \$20 in September.

In order to keep building attachment rates and average order values we will keep optimising and growing the range. By leveraging the insights from the first phase of the Kitchen, we have identified significant opportunities to invest and accelerate in order to establish ourselves as a source of highly valued solutions, beyond meals, for our customer base.

In the medium term, this will include enhancing availability to customers with or without a meal kit order, as well as reducing the time between ordering and delivery.

GROWING CHOICE

During the first half of the financial year we also expanded the number of bags offering recipe choice.

Our data demonstrates that recipe choice is driving higher active customer growth and increasing order frequency. The expansion of choice is one of the underpinning factors of our confidence in H2 performance.

First launched in January 2020, My Food Bag My Choice initially allowed customers to pick from 10 options, across a range of family-friendly recipes, ready-made meals and quick cooking options. This initiative gave customers more options every week, encouraging them to purchase more frequently from us.

During this half year we expanded to 15 meal options across My Choice and began offering recipe choice across Bargain Box and Fresh Start brands.

We are also proud to have partnered with The New Zealand Heart Foundation and University of Otago to develop recipes to assist with their studies to help Kiwis achieve good health outcomes. As part of these partnerships we now offer at least two heart healthy meals in our My Choice range each week.







COMMUNITY AND ENVIRONMENTAL IMPACT

Our sustainability vision is to build a healthier food system for our customers, Aotearoa and the world.

As part of this vision, just before the beginning of FY22 we launched our first Soft-Plastics Recycling Programme. This initiative, in partnership with the NZ Packaging Forum and Future Post, enables NZ Post to collect all our customers' soft-plastics, and then responsibly recycle it.

The programme has proved popular. To date, we've distributed 12,000 soft-plastic recovery bags, which translates into diverting approximately six tonnes of soft-plastics from landfill to recycling.

Packaging sustainability has also been an aspect of the My Food Bag Kitchen launch, as we've prioritised non-plastic packaging and cleaning accessories throughout the range.

Beyond packaging, we have maintained our commitment to minimising food waste through our source-to-order business model, and working with charities to ensure leftover ingredients and food are not wasted. We donated more than 35,000 meals in the first half of this financial year.

During H1 we have grown our partnership with Garden to Table by using the My Food Bag Kitchen as a channel to sell Garden to Table baking recipes. All profits from the recipes go directly to support schools to participate in this valuable programme.

BUILDING FOR FUTURE GROWTH

We have also made timely progress on a purpose built assembly site in the South Island. We anticipate this site to be operational in Q1 FY23.

OUTLOOK

As a business, we are well-positioned to benefit from the accelerated adoption and retention of digital channels seen across multiple geographies and categories.

We continue to experience high levels of input cost growth across most areas, but it has been particularly the case with food ingredients. An effectively closed border for New Zealand has tightened the labour market causing upwards pressure on wages, alongside supply chain disruptions, and weather events locally, this has contributed to an inflationary environment for the company.

In the immediate future, we forecast that average order value will be higher in H2 FY22 than H1 due to the first phase of the My Food Bag Kitchen, a favourable brand mix and a price rise in October.

We are also forecasting an increase in deliveries during H2 compared to the same period a year ago. We also anticipate our contribution margin in H2 to improve based on seasonality (lower produce costs) and the benefit of ongoing continuous improvement initiatives.

We are informing our growth strategy through the first phase of the My Food Bag Kitchen and building the footprint we need to profitably expand into the second phase during FY23. This second phase will see us introduce new categories and deepen our offer in some of the categories that have proven successful to date.

The business continues to see opportunities for vertical integration, which will be margin accretive and add further operational flexibility beyond the PFI period.

The strength of our balance sheet allows us the flexibility to consider M&A activity when the right option is available to us.



SUMMARY

My Food Bag has continued to operate as an essential service since August 2021 when New Zealand entered a new period of lockdowns in response to the COVID-19 Delta variant being present in our communities. As our top priority, we have looked after our staff and stakeholders' wellbeing through these uncertain periods.

My Food Bag continues to meet more and more of New Zealanders' demand for high quality, locally sourced food ingredients combined with Kiwi developed recipes that meet their lifestyle needs. By adding recipe choice and additional Kitchen items, we have seen customer numbers, purchase frequency and order values respond favourably.

The FY22 EBITDA outlook remains consistent with the prospective financial information issued prior to listing.

Looking beyond the PFI period and into FY23, the business continues to see opportunities for growth from its core product offering and its expansion of the My Food Bag Kitchen, and is well positioned to pursue inorganic growth opportunities that arise and offer value to the business.

Tony Carter
Chair

Kevin Bowler
CEO

Directory

BOARD OF DIRECTORS

Tony Carter (Chair)

Jen Bunbury

Jon Macdonald

Sarah Hindle

Chris Marshall

SENIOR LEADERSHIP TEAM

Kevin Bowler

Chief Executive Officer

Mark Winter

Chief Financial Officer

Fred Britton

(Acting) Chief Operating Officer

Jo Mitchell

Chief Customer Officer

Craig Jordan

Chief Digital Officer

Cassie Ormond

Head of People & Performance

Polly Brodie

Head of Development Kitchen

Trish Whitwell

Head of Innovation

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BANKERS

ASB Bank

SHARE REGISTRY

My Food Bag's share register is maintained by Link Market Services Limited. Link is your first point of contact for any queries regarding your investment in My Food Bag.

You can view your investment, indicate your preference for electronic communications, access and update your details and view information relating to dividends and transaction history at any time by visiting the Link Investor Centre at investorcentre.linkmarketservices.co.nz (for New Zealand shareholders) and investorcentre.linkmarketservices.com.au (for Australian shareholders).

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My Food Bag Group Limited

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Interim Financial Statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

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Consolidated Statement of Financial Position

AS AT 30 SEPTEMBER 2021

NZ\$000	Note	Unaudited 30 September 2021	Audited Restated ¹ 31 March 2021
ASSETS			
Current			
Cash and cash equivalents	6	1,844	1,599
Trade and other receivables		511	460
Raw materials work in progress		2,374	1,024
Packaging		243	192
Prepayments		2,176	2,168
Lease receivable		54	52
Total current assets		7,202	5,495
Non-current			
Property, plant and equipment		3,220	3,118
Intangible assets	5	84,805	84,846
Lease receivable		273	308
Right-of-use assets		7,353	8,618
Total non-current assets		95,651	96,890
Total assets		102,853	102,385
LIABILITIES			
Current			
Trade and other payables		(12,468)	(12,118)
Deferred revenue		(4,270)	(2,682)
Lease liabilities		(2,316)	(2,542)
Derivative financial liabilities	7	-	(179)
Other current liabilities		(1,264)	(1,980)
Current tax liability		(2,280)	(826)
Total current liabilities		(22,598)	(20,327)
Non-current			
Lease liabilities		(6,401)	(7,464)
Bank loan	6	(5,887)	(15,864)
Deferred tax liability		(4,084)	(4,282)
Provisions		(250)	(250)
Total non-current liabilities		(16,622)	(27,860)
Total liabilities		(39,220)	(48,187)
Net assets		63,633	54,198
EQUITY			
Share capital		59,336	59,336
Retained earnings		4,297	(5,138)
Total equity		63,633	54,198

On behalf of the Board

Tony Carter
Chair

18 November 2021

Jen Bunbury
Director

18 November 2021

1. Comparative information has been restated for the change in accounting policy relating to software as a service arrangements. Please see Basis of Preparation section for further details.

Consolidated Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

NZ\$000	Note	Unaudited 6 months ended 30 September 2021	Unaudited 6 months ended 30 September 2020
Revenue	1	98,441	105,292
Cost of sales		(72,598)	(79,985)
Gross profit		25,843	25,307
Marketing expenses		(2,883)	(3,067)
Financing expenses		(847)	(371)
Indirect expenses		(9,370)	(10,456)
Other income	1	86	24
Share based payment expense		-	(153)
Net profit before tax		12,829	11,284
Income tax expense		(3,394)	(3,709)
Net profit after tax		9,435	7,575
Total comprehensive income		9,435	7,575
Earnings per share			Restated
		NZ\$	NZ\$
Basic and diluted earnings per share	3	0.04	0.04

Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

NZ\$000	Share capital	Other shareholder contributions	Retained earnings	Share-based payment reserve	Total equity
Balance at 1 April 2021	59,336	-	(5,138)	-	54,198
Profit for the period	-	-	9,435	-	9,435
Total comprehensive income for the period	-	-	9,435	-	9,435
Balance at 30 September 2021 (Unaudited)	59,336	-	4,297	-	63,633
Balance at 1 April 2020	1,000	51,095	5,769	359	58,223
Equity repurchase	-	(6,095)	-	-	(6,095)
Profit for the period	-	-	7,575	-	7,575
Total comprehensive income for the period	-	(6,095)	7,575	-	1,480
Cash dividends (pre IPO)	-	-	(6,288)	-	(6,288)
Share-based payment expense	-	-	-	152	152
Balance at 30 September 2020 (Unaudited)	1,000	45,000	7,056	511	53,567

Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	Unaudited 6 months ended 30 September 2021	Unaudited Restated ¹ 6 months ended 30 September 2020
NZ\$000		
OPERATING ACTIVITIES		
<i>Cash was provided from:</i>		
Receipts from customers	100,017	104,224
Interest received	7	7
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(84,249)	(91,035)
Interest paid	(1,003)	(467)
Tax paid	(2,284)	(2,670)
Net cash flows from operating activities	12,488	10,059
INVESTING ACTIVITIES		
<i>Cash was provided from:</i>		
Proceeds from sale of property, plant and equipment	10	-
<i>Cash was applied to:</i>		
Purchase of property, plant and equipment	(369)	(432)
Payments for development of digital assets	(896)	(958)
Net cash flows from investing activities	(1,255)	(1,390)
FINANCING ACTIVITIES		
<i>Cash was provided from:</i>		
Proceeds from borrowings	3,000	6,095
<i>Cash was applied to:</i>		
Principal payments on leases	(988)	(1,279)
Dividends paid	-	(6,288)
Repayment of borrowings	(13,000)	(5,000)
Equity repurchase	-	(6,095)
Net cash flows from financing activities	(10,988)	(12,567)
Net increase/(decrease) in cash flows	245	(3,898)
Cash and cash equivalents at the beginning of the period	1,599	8,337
Cash and cash equivalents at the end of the period	1,844	4,439

¹ Comparative information has been restated for the change in accounting policy relating to software as a service arrangements. Please see the Basis of Preparation section for further details.

Notes to the Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

General Information

Reporting Entity

My Food Bag Group Limited is a profit-orientated company incorporated and domiciled in New Zealand. My Food Bag Group Limited is registered under the Companies Act 1993 and is an FMC reporting entity under the Financial Markets Conduct Act 2013.

My Food Bag Group Limited is listed on the NZX Main Board and as a Foreign Exempt Listing on the Australian Securities Exchange (ASX).

The interim financial statements presented are for My Food Bag Group Limited and its subsidiary My Food Bag Limited (together referred to as "the Group") for the six months ended 30 September 2021.

These interim financial statements were authorised for issue by the Directors on 18 November 2021.

Basis of Preparation

STATEMENT OF COMPLIANCE

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and NZ IAS 34 Interim Financial Reporting. They have also been prepared in accordance with Generally Accepted Accounting Practice (GAAP) applicable to for-profit entities.

These interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2021.

These interim financial statements are presented in New Zealand dollars, which is company's functional currency. Amounts have been rounded to the nearest thousand dollars, unless otherwise stated.

ACCOUNTING POLICIES

Other than the change discussed below in relation to Software as a Service arrangements, the accounting policies applied in the preparation of these interim financial statements were consistent with those applied in the Group's annual financial statements for the year ended 31 March 2021.

Software as a Service (SaaS) arrangements

In April 2021, the IFRS Interpretations Committee published a final agenda decision, Configuration or Customisation Costs in a Cloud Computing Arrangement. This agenda decision confirms that in a SaaS arrangement, costs incurred to configure or customise the provider's application software are recognised as an expense when the services are received.

SaaS arrangements are service contracts providing the Group with the right to access a cloud provider's application software over the contract period. The Group has previously capitalised configuration and customisation costs incurred in implementing a SaaS arrangement as an intangible software asset and amortised them over the contract period.

The change in recognition of these costs has been applied retrospectively and impacted these interim financial statements as follows:

Statement of Comprehensive Income:

- An increase in IT expenses for the period ended 30 September 2020 of NZ\$59,000;
- A decrease in amortisation expense on intangible assets for the period ended 30 September 2020 of NZ\$59,000.

Statement of Financial Position:

- An increase in prepayments at 31 March 2021 of NZ\$1,217,000;
- A decrease in intangible assets at 31 March 2021 of NZ\$1,217,000.

Statement of Cash Flows:

- An increase in payments to suppliers and employees for the period ended 30 September 2020 of NZ\$237,000;
- A decrease in payments for development of digital assets for the period ended 30 September 2020 of NZ\$237,000.

KEY SOURCES OF ESTIMATION UNCERTAINTY AND KEY JUDGMENTS

In preparing these interim financial statements, the significant judgements made in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those applied to the Group's annual financial statements for the year ended 31 March 2021.

Notes to the Consolidated Financial Statements (continued)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

SEGMENT REPORTING

The Group operates in one reportable segment being online meal kit and pre-prepared ready to heat meal delivery. This consists of creating and delivering meal kits and pre-prepared meals to New Zealand consumers.

Financial Information

1. Income

NZ\$000	Unaudited 6 months ended 30 September 2021	Unaudited 6 months ended 30 September 2020
Revenue from contracts with customers	98,441	105,292
Total revenue	98,441	105,292
Interest income	7	7
Other income	80	16
(Loss) / gain on disposal of property, plant and equipment	(1)	1
Total other income	86	24

2. Expenses

Profit before income tax has been arrived at after charging the following expenses from operations:

NZ\$000	Unaudited 6 months ended 30 September 2021	Unaudited Restated 6 months ended 30 September 2020
Staff expenses		
Salaries and wages	(6,421)	(6,655)
Defined contribution	(215)	(182)
Interest expense	(568)	(437)
Interest on Leases	(442)	(30)
IT expenses	(1,139)	(1,074)
Fair value of derivatives	179	95
Amortisation expense on intangible assets	(960)	(806)
Depreciation expense on property, plant and equipment	(256)	(196)
Depreciation expenses on right of use assets	(979)	(1,568)

3. Earnings per Share

The Group completed a 1-for-2017 share split on 22 January 2021 for ordinary shares and 11 February 2021 for vested share options. On 4 March 2021, the Group issued 242,438,000 shares in the initial public offering (IPO). The weighted average number of ordinary shares used in the calculation of earnings per share, basic and diluted, for the six months ended 30 September 2020 has been adjusted to reflect the share split.

4. Dividends

No dividends were paid in the six months ended 30 September 2021. In the six months ended 30 September 2020 a (pre IPO) cash dividend of NZ\$6,288,000 was paid.

DIVIDEND DECLARED AFTER THE REPORTING PERIOD

On 18 November 2021, the Board declared an interim dividend of 3.0 cents per share, to be paid on 16 December 2021 to shareholders on the company's register at 1 December 2021.

Notes to the Consolidated Financial Statements (continued)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

5. Intangible Assets

NZ\$000	Software	Software work in progress	Goodwill	Brand	Total
Book value as at 30 September 2021 (Unaudited)	2,629	188	63,631	18,357	84,805
Book value as at 31 March 2021 (Audited, Restated)	1,958	900	63,631	18,357	84,846

IMPAIRMENT INDICATORS

The Group performs a detailed impairment assessment annually and considers indicators of impairment at each interim reporting date. At 30 September 2021 no impairment indicators were identified.

6. Borrowings

NZ\$000	Unaudited 30 September 2021	Audited 31 March 2021
Non-current borrowings	5,887	15,864
Total borrowings	5,887	15,864
Less: Cash and cash equivalents	(1,844)	(1,599)
Net debt	4,043	14,265

AT REPORTING DATE, THE GROUP HAD THE FOLLOWING FACILITIES:

NZ\$000	Unaudited 30 September 2021	Audited 31 March 2021
Utilised revolving credit facility	6,000	16,000
Unutilised overdraft	5,000	5,000
Unutilised revolving credit facility	29,000	19,000
Total facilities	40,000	40,000

7. Fair Value Measurement

No financial instruments are measured at fair value.

At 31 March 2021, the Group had an interest rate swap agreement in place which was measured fair value. This agreement matured on 30 September 2021.

8. Related Party Transactions

KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel comprise members of the Board and members of the Senior Leadership Team.

NZ\$000	Unaudited 30 September 2021	Unaudited 30 September 2020
Short-term employee benefits	1,429	1,136
Directors' remuneration	211	105
Total compensation paid to key management personnel	1,640	1,241

9. Contingent Liabilities

The Group has no contingent liabilities (31 March 2021: NIL).

10. Capital Commitments

The Group has no capital commitments (31 March 2021: NZ\$35,000).

Independent Auditor's Review Report



To the Shareholders of My Food Bag Group Limited

CONCLUSION

We have reviewed the interim financial statements of My Food Bag Group Limited ("the Company") and its subsidiaries (together "the Group") which comprise the consolidated statement of financial position as at 30 September 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period ended on that date, and a summary of significant accounting policies and other explanatory information. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 September 2021, and its financial performance and its cash flows for the period ended on that date, in accordance with New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting.

This report is made solely to the Company's shareholders, as a body. Our review has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our review procedures, for this report, or for the conclusion we have formed.

BASIS FOR CONCLUSION

We conducted our review in accordance with NZ SRE 2410 (Revised) Review of Financial Statements Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Statements section of our report. We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Other than in our capacity as auditor we have no relationship with, or interest in, the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

DIRECTORS' RESPONSIBILITY FOR THE INTERIM FINANCIAL STATEMENTS

The Directors are responsible, on behalf of the entity, for the preparation and fair presentation of the interim financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE INTERIM FINANCIAL STATEMENTS**

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on those interim financial statements.

The engagement partner on the review resulting in this independent auditor's review report is Brent Penrose.

The logo for Ernst & Young, featuring the company name in a stylized, handwritten script font.

Chartered Accountants

Auckland

18 November 2021



myfoodbag.co.nz