



ANNUAL REPORT 2022

Delivering *the goodness*



Kia *ora*

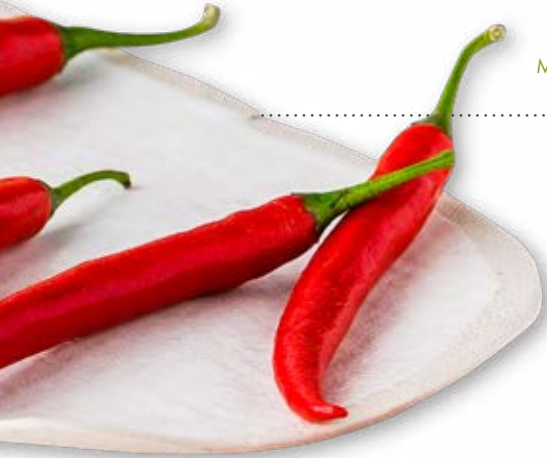


Welcome to our 2022 Annual Report – after achieving a record revenue of \$194 million in FY22, the results show the company has delivered in line with its PFI forecasts, provided prior to listing in 2021.

We navigated changing COVID-19 uncertainties and escalating inflationary pressures.

We delivered record-breaking brand campaigns and made our first significant step beyond weeknight meals with the My Food Bag Kitchen.

And looking to the future, we now have a pipeline of business improvement and growth initiatives that will see us deliver the goodness to even more Kiwis.



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This Annual Report is dated 19 May 2022
and is signed on behalf of the Board by:

Tony Carter
Chair

Jen Bunbury
**Chair of the Audit
and Risk Committee**

When used in this Annual Report, references to the 'Company' are references to My Food Bag Group Limited. References to 'My Food Bag' or the 'Group' are to My Food Bag Group Limited together with its subsidiary, My Food Bag Limited. All references to financial years (e.g. 'FY21' and 'FY22') in this Annual Report are to the financial year ended 31 March, and references to 'Prospective Financial Information' (PFI) is to prospective financial information included in the Company's Product Disclosure Statement (PDS). References to \$ and NZ\$ are to New Zealand dollars unless otherwise stated.

LETTER FROM THE CHAIR AND CEO

What's simmering



It is a pleasure to report that My Food Bag has performed strongly during our first full year as an NZX and ASX listed company. The results show the company has delivered in line with its PFI forecasts, provided prior to listing in 2021.

FINANCIAL PERFORMANCE

The company achieved another record revenue of \$194.0 million in FY22, up \$7.6 million on our PFI forecast and up 1.7% FY21 revenue. We also achieved a Pro forma EBITDA¹ of \$34.2 million, up 18.1% on FY21, and NPAT of \$20.0 million, up from \$2.4 million in FY21.

The board and senior leadership team are very satisfied with the 18.1% year-on-year Pro forma EBITDA increase, off a 1.7% increase in revenue during the FY22 year compared to the previous year.

The company delivered in excess of 18 million meals across FY22 and achieved an average order value of \$126.6, up \$2.23 compared to FY21.

We believe that our results speak for themselves. The company has delivered in line with its PFI forecasts and paid its planned, maiden dividend to shareholders. These results show that My Food Bag is a high-quality business, positioned for growth.

As a group, we are committed to profitable business growth and have every faith that capital markets will better reflect the underlying strength in this business over time.

BUSINESS UPDATE

Navigating COVID-19 and inflation

As with all New Zealand businesses, the second half of the financial year was marred by the impact of the Delta and Omicron COVID-19 outbreaks.

As a 'just-in-time' food delivery business, My Food Bag was reliant on its partners and its own operations being able to function at full capacity throughout this period.

The outbreaks presented ongoing challenges to operating procedures, productivity, front line staff availability and increased health and safety costs.

The second half of FY22 also featured strong inflationary pressures affecting virtually all input costs, particularly ingredients and, directly and indirectly, labour costs and availability.

Throughout this period the business's highest priority was, and still is, keeping its people and suppliers' teams safe, while also being mindful of ongoing business continuity risks posed by the pandemic.

As a result of labour availability uncertainty due to the Omicron variant of COVID-19, we made the decision to temporarily reduce the recipe choice we offered customers and to stop taking orders for the My Food Bag Kitchen during March.

The accumulative result of a challenging period in Q4 FY22 dampened financial performance, offset by micro-management of largely cost and supply issues as our processes adapted. By the end of the quarter a sense of predictability began to return.

1. Pro forma EBITDA is a non-GAAP measure. It has been calculated on a consistent basis to the EBITDA measure presented in the FY22 PFI. Pro forma EBITDA has not been restated for the change in accounting policy relating to software as a service arrangement.



Record breaking brand campaigns

The company celebrated a record Christmas period with Christmas Day orders up 11.8% year-on-year, and an estimated 100,000 Kiwis enjoying a My Food Bag Christmas meal. As part of the Christmas campaign, we also launched our first fully plant-based Christmas meal.

Following our generous amount of Christmas cheer, we went on to help a record number of Kiwis reset their year in a healthy direction with our highest ever level of Fresh Start sales.

The Fresh Start programme started in 2017 and is an example of how My Food Bag can offer value beyond recipes and ingredients, helping thousands of Kiwis manage weight with a varied, delicious, low calorie diet – a clear opportunity for future value growth.

Innovation delivering value

My Food Bag's innovation programme continued to deliver strong outputs in FY22.

The launch of the My Food Bag Kitchen pilot in July was the company's first significant step beyond weeknight dinners. This curated collection of food solutions for different meal occasions has helped simplify life for our customers and offered the company a clear growth path.

While still in the pilot phase, more than 200 different products, with a weekly range available of more than 80 items, across ten categories have been offered and the potential of the concept has been proven. The Kitchen achieved an attachment rate of 14% and average order value of \$21 in H2 FY22.

During the year, recipe choices were also added to all Bargain Box and Fresh Start bags, and there was an increase in the number of recipes offered in our My Food Bag branded range.

The company also invested in web and the iOS app to improve customer experience, offering more flexibility and ease of adding more meals and/or upgrading to premium, gourmet recipes.

Building for South Island growth

The completion of a new Christchurch factory was delivered on time and on budget, and was opened mid-April 2022, complete with four pick lines and capacity for a wider Kitchen range.

The facility is a foundation to deliver more growth in the South Island and has scope for further expansion in years to come.

Strong supplier relationships

In the final quarter of the financial year we concluded a new produce contract with our most important food ingredient provider, T&G Fresh. This, along with our current contractual arrangements with our cornerstone suppliers such as NZ Post and Neat Meat, puts us in a secure position for the year ahead.

Sustainability and community engagement

The whole My Food Bag team is committed to creating a better way for people to shop and eat. In 2021 we mapped out the four pillars we intend to deliver on:

- Better packaging
- Better for the environment
- Better for our people and the community
- Better, safe food.



By their very nature, meal kits are as much as 33% more greenhouse-gas efficient than supermarket-bought meals because of reduced wastage in the supply chain.* But we are committed to reducing the environmental footprint of our business further than this.

In FY22, we delivered a soft plastics programme that diverted more than 13 tonnes of soft plastic waste from landfill. This, along with our commitment to use minimal amounts of the most sustainable packaging, reflects our focus on reduction, recyclability and reusability wherever possible.

The company also continued to donate unused Food Bags and leftover ingredients to charities across the Motu to reduce food waste to as close to zero as possible.

During the year we launched a partnership with the Heart Foundation NZ aimed at making it easier for Kiwis to eat for a healthier heart. Between the company's efforts and those of our customers, more than \$50,000 in donations were raised for our charity partner, Garden to Table.

Senior Leadership appointments

During the course of the FY22 year we strengthened the My Food Bag senior leadership team with the addition of Cassie Ormand leading People & Culture, Joanne Mitchell leading Marketing & Customer Love, and Paul Kelly leading Operations.

Outlook

The board and management anticipate continued uncertainty across macro-environment challenges, such as inflation, labour availability and supply chain pressures. But we remain confident in our growth plans. Underpinned by our strong brand and distribution reach, we continue to look for opportunities by offering exceptional recipes and ingredients,

and enhanced customer flexibility and choice. Supporting this we will also be expanding our product offering through the Kitchen, while investing in the resilience of our operating environment.

SUMMARY

The Board and CEO wish to thank staff at My Food Bag for delivering a strong performance in FY22 during a period of uncertainty.

We would also like to acknowledge the role of My Food Bag's partners in the food, packaging, transport and services sectors who've committed to supporting the company through the many challenges presented through FY22.

We look forward to an exciting year ahead, in anticipation of more success in meeting Kiwis' growing demand for high quality, locally sourced food ingredients combined with recipes and meal options that suit their lifestyle.

Tony Carter
Chair

Kevin Bowler
CEO

* Source: Scientific Journal Resources, Conservation and Recycling (USA, 2019)

RESULTS AT A GLANCE

Sliced & diced

REVENUE

\$194m

YOY GROWTH

1.7% ↑

PRO FORMA EBITDA

\$34.2m

YOY GROWTH

18.1% ↑

NPAT

\$20m

ACTIVE CUSTOMERS

61.7k

FY22 Q4

AOV

\$126.6

↑ \$2.23 YOY

LTIFR

6.5

Lost Time Injury Frequency Rate



DIVIDEND

7.0c / SHARE

Gross dividend yield of 12.2% based on share price of \$0.80 per share (as at 16 May 2022)





Total number of
4 star out of 5 and
above recipe ratings

200,000

Our customers
love convenience

38%

growth in
ready-made meals

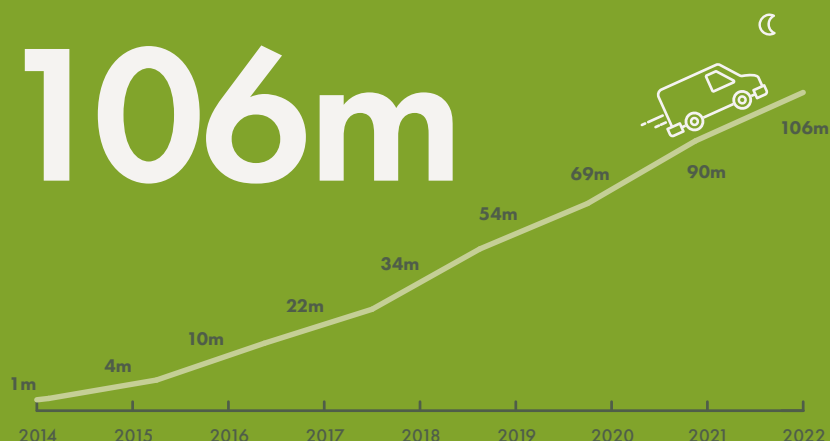
2.8m+

Plant Based and
Veggie meals sold
this year



MEALS DELIVERED SINCE LAUNCH

106m



More than 200
products launched
in the My Food Bag
Kitchen

13T

of soft plastics diverted from
landfill thanks to our Soft Plastics
Recycling programme

FINANCIAL PERFORMANCE – KEY FINANCIAL METRICS

The table below summarises the key financial metrics.

	FY22 Reported	FY22 PFI	Restated FY21 Reported
FINANCIAL PERFORMANCE (\$MILLION UNLESS STATED)			
Deliveries volume ('000s)	1,532	1,503	1,533
Revenue	194.0	186.4	190.7
Ingredients margin *	95.5	92.8	89.1
Contribution margin **	52.7	53.8	48.8
EBITDA	34.0	34.0	15.3
Pro forma EBITDA	34.2	34.2	29.0
Net profit after tax (NPAT)	20.0	20.1	2.4
BALANCE SHEET AND CASH FLOW ITEMS (\$MILLION)			
Total assets	105.7	99.1	102.4
Cash and cash equivalents	5.9	(0.2)	1.6
Total liabilities	38.8	32.8	48.2
Net cash / (debt)	2.5	(1.3)	(14.3)
Net cash flows from operating activities	29.5	26.6	23..8
RECONCILIATION OF GAAP TO NON-GAAP FINANCIALS (\$MILLION)			
Net profit after tax	20.0	20.1	2.4
Add back:			
Depreciation and amortisation	5.1	5.0	4.6
Net financing costs	1.0	1.1	1.7
Income tax expense	7.8	7.8	6.5
EBITDA	34.0	34.0	15.3
Change in accounting for SaaS arrangements	0.3	0.3	0.2
Listed company costs			(0.6)
Offer costs			14.1
Pro forma EBITDA	34.2	34.2	29.0

* Ingredients margin is defined as revenue less cost of goods sold (excluding assembly and distribution expenses).

** Contribution margin is defined as revenue less cost of goods sold.

The annual report includes certain non-GAAP financial information, including EBITDA and Pro forma EBITDA. EBITDA is a performance measure used extensively by the Board and management as an indicator of underlying profitability. Non-GAAP performance measures, including EBITDA, are not defined in NZ IFRS and are not subject to audit. Non-GAAP performance measures are defined consistently by all companies. Accordingly, these performance measures may not be comparable with similarly titled performance measures used by other companies.

KEY ACHIEVEMENTS

Freshly made



Extending Choice

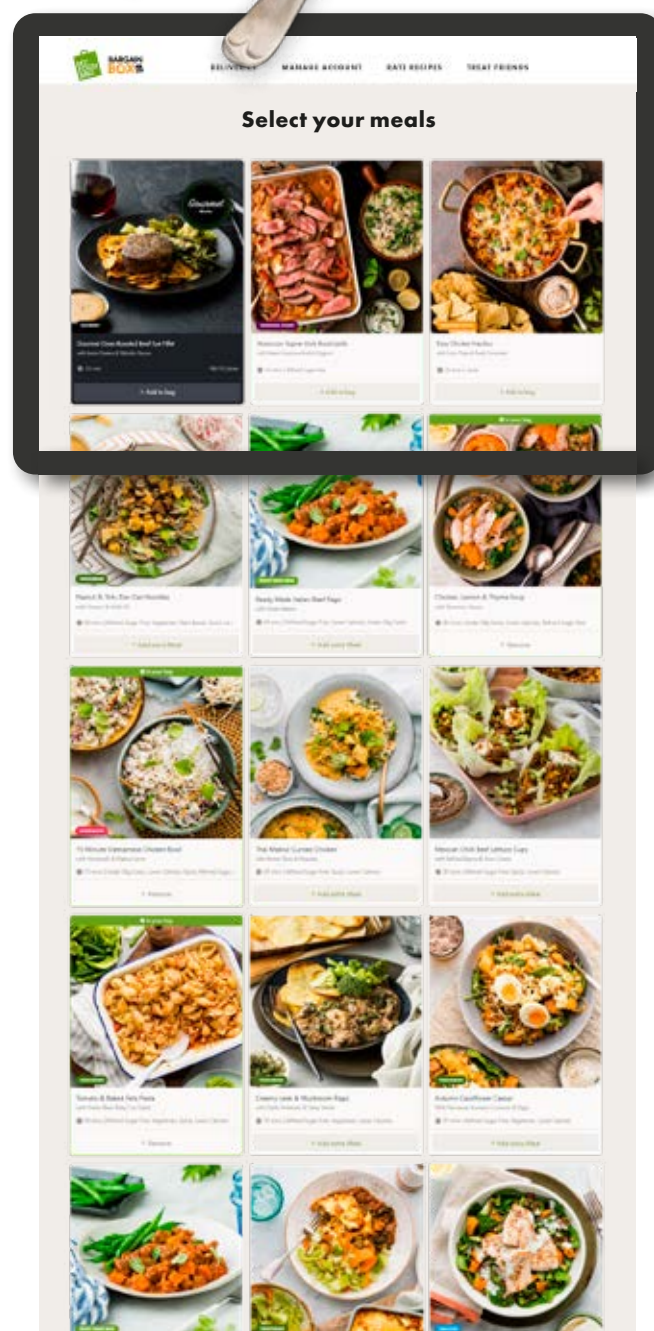
Across FY22, recipe choice drove higher average order value and increased order frequency. It is clear that this strategy is delivering what customers want and business outcomes.

After first launching recipe choice in January 2020, the range of options was expanded to 15 meals across My Choice during FY22. Recipe choice was offered across Bargain Box and Fresh Start brands through FY22.

During the year we saw particularly strong success with the launch of our Superquick options within My Choice. These options are typically selected by around half of My Choice customers every week reflecting the desire for quick meals some nights of the week.

The most recent innovation within My Choice is Gourmet recipe selection, which allows customers to upgrade to a Gourmet meal within their weekly recipe selection. Since introducing it in March we have already experienced good uptake and an average recipe rating of more than 4 (out of 5) for these premium recipes.

Growing recipe choice across our portfolio of brands also allowed us to analyse what recipes customers are selecting. We then cross reference this with recipe ratings to drive efficient menu planning resulting in more options we know Kiwi customers will love.





Expanding Beyond Meals

In July 2021, we launched the My Food Bag Kitchen, offering a curated collection of food solutions in addition to our range of meal kits.

The Kitchen is designed to tempt customers to purchase more of their weekly shop from My Food Bag, and to meet more meal occasions across the week, plus add on a few special treats. It is one of the reasons behind the uplift in overall average order value during FY22, compared to FY21.

Using the company's well-established supplier network and procurement expertise, we quickly built a range of 'hard-to-find' food products and unique solutions for our customers to choose from. More than 200 different products, with a weekly range available of more than 80 items, across ten broad categories have been offered through the Kitchen pilot to date.

At My Food Bag's interim results we reported that Kitchen attachment rates were in line with our internal target of 10% – 15%, and an average order value in excess of \$20 in September. Across the second half of FY22, this has continued to improve as the product range has expanded and average order value has been maintained.

The Kitchen was taken offline for two order cycles in March FY22 while we managed the risk of labour shortages and uncertainties due to Omicron across up-stream suppliers and all pick and packing operations.

Once re-started, the company's focus returned to three workstreams to grow the Kitchen in the medium term:

- Expanding the range;
- Growing awareness and attachment across current customers;
- Further optimising product data and stock management.

The My Food Bag Kitchen also provides a secondary benefit of offering valuable insights into adjacent food and grocery categories, informing the company's growth options beyond meal kits and ready-made meals.

KEY ACHIEVEMENTS





Investing in being a South Island local

My Food Bag is committed to maintaining robust supply chains and sourcing as locally to the company's customers as we can.

As part of this approach, we worked with Calder Stewart to design and build a new factory for our South Island operations which we have leased. We transitioned to the new site in April FY23.

With four complete pick lines and capacity for a bigger Kitchen offer, across 4405m², the new site increases our capacity in the South Island. The new centre lays down strong foundations for My Food Bag in the South Island and is future-proofed as we have substantial space to expand further, as required.



Online platform enabling personalisation

My Food Bag's in-house digital team developed several new features and advancements to our online platform. These features improve customer experience, flexibility and personalisation to drive better customer engagement.

During the year, we re-launched the My Food Bag iOS app so that customers can more easily choose recipes and add items from the Kitchen to their weekly orders.

The app now allows us to direct personalised push notifications, prompting buy specials or suggesting recipes to select. By combining targeted email communications with push notifications to specific customer cohorts, we have achieved improved levels of uptake of specific promotional offers.

Across both our web and app platforms, our team rolled out the ability for customers to seamlessly add additional meals to their weekly subscription, including premium-priced Gourmet meals. We expect this will continue to result in average order value improvements across the next year.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE –
CREATING A BETTER WAY TO SHOP AND EAT

Feeding *our future*

My Food Bag's sustainability strategy helps us bring to life our vision of creating a better way for people to shop and eat.



Our Sustainability Pillars



BETTER PACKAGING

Packaging is an essential part of our business and a primary focus across everything we do.

This pillar includes our in-product packaging, operational waste and on-site office waste.



BETTER FOR THE ENVIRONMENT

We're Kiwi through and through and want to do all we can to ensure we're helping keep Aotearoa clean, green and beautiful, and inspiring others to do the same.

This pillar includes our emissions, energy consumption, landfill impact and climate-friendly working.



BETTER FOR OUR PEOPLE & COMMUNITY

We believe cooking and eating together builds stronger, healthier communities and we want to utilise our unique advantage here to ensure Kiwi communities are flourishing nationwide.

This pillar includes our charity support, community initiatives, staff and health & safety.



BETTER, SAFER FOOD

We offer our customers uncompromisingly high food safety standards for our product and a transparent supply chain made up of local and trusted suppliers.

This pillar includes our local sourcing, our Approved Supplier Programme, our Food Safety standards and our allergen and labelling processes.

My Food Bag's ESG Framework

Feed the future of Aotearoa with a healthier and more sustainable way to eat.



BETTER PACKAGING

Improve the sustainability of our packaging with a focus on reduction, recyclable or compostable material and supporting our customers to thoughtfully dispose of their packaging waste.

Key focus areas

- Internal packaging (boxes, insulation, ice)
- On-site waste



BETTER FOR THE ENVIRONMENT

Continue to develop greener practices through monitoring and ongoing initiatives to understand, minimise and mitigate our impact on the environment to ensure our meal kits are the most climate-friendly way to shop and eat.

Key focus areas

- Food miles
- Freight
- Energy usage
- Water usage
- Food waste
- Climate-friendly cooking



BETTER FOR OUR PEOPLE & COMMUNITY

To support our people and the wider community to eat better and live better.

Key focus areas

- Charitable partnerships
- Staff benefits and initiatives
- Health & safety



BETTER, SAFER FOOD

To ensure we maintain uncompromisingly high health and safety standards for our people and product and a transparent supply chain.

Key focus areas

- Local sourcing
- Approved supplier programme
- Food safety
- Allergens & labelling



Icons indicate which of the United Nations Sustainable Development Goals (UNSDGs) our ESG Pillars are aligned with.

OUR VALUE OUTCOMES



Customers eat delicious meals that are good for them and the planet.



We are committed and excel in supporting the wellbeing of our staff.



We support Kiwi communities to help them thrive through being happier and healthier.



We sit at the forefront of food and sustainability innovation for Aotearoa and the world.

SPOTLIGHT ON:**Soft Plastics Recycling Programme**

We know from our customers that plastic waste is the issue they are most concerned about, so this continues to be a big focus area for us.

At the very end of FY21 we launched a Soft Plastics Recycling Programme, in partnership with the NZ Packaging Forum and Future Post. This initiative has led the category by offering a direct pick-up recycling solution to our customers for their entire household's soft plastics. To date 19,400 bags have been collected. At approximately 700g per bag, more than 13 tonnes of soft plastic waste has been redirected from landfill. Collected soft plastics are sent to Futurepost who recycle them into long life fence posts and garden boxes.

**Better packaging**

We are committed to using the minimum amount of the most sustainable packaging we can, to keep food safe and fresh for our customers.

Examples include:

- Approximately 80% of our ingredients by value are now delivered to our factories in reusable crates.
- We use 100% compostable and biodegradable wool insulation to keep our ingredients fresh and chilled in transit.
- Our cardboard boxes are made from forest stewardship council (FSC) certified 47% recycled cardboard and all our paper printing comes from FSC-certified pulp.
- We were the first to use 100% water in our ice packs, instead of the gel still found in many chiller packs.





Better for the environment

We aspire for our meal kits to be the most climate-friendly way to shop and eat.

What does this look like?

- 98% of our fresh meat and produce is proudly locally sourced close to our North Island and South Island factories, greatly reducing transport emissions.
- Through careful planning, management and partnership, we are a near-zero food waste company.
- Research shows meal kits to be as much as 33% more greenhouse-gas efficient than supermarket-bought meals because of reduced wastage in our supply chain.*
- Working with NZ Post, our delivery partner, to optimise delivery routes and minimise emissions for our depot-to-door deliveries.

SPOTLIGHT ON:

Climate-friendly eating

With the carbon footprint of a plant based diet sitting significantly below that of a meat-lovers, encouraging more plant based and veggie meals into our customers diets is good for their health and for the planet.

This year we increased the number of veggie and plant based meals in our range with the introduction of more veggie meals into Bargain Box Choice and Fresh Start, and sold more than 2.8 million plant based and veggie meals.



* Source: Scientific Journal Resources, Conservation and Recycling (USA, 2019)



Better for our people and communities

We passionately believe that cooking and eating together can help build stronger, healthier families and communities.

How we do this:

- Any unused food bags and food left over from recipe tests are given to families in need through our support of charitable organisations including Kiwi Harvest and City Missions across the country.
- Introduced a partnership with the Heart Foundation aimed at making it easier for Kiwis to choose to eat for a healthier heart. My Food Bag's heart-healthy recipes align to the principles of a Mediterranean lifestyle, with all recipes meeting a set of criteria that were developed in conjunction with the Heart Foundation.
- My Food Bag's motto "Work Safe, Home Safe" is frequently referenced as a reminder for our team to take all steps to work safely, so that they can go home to their families safely. Our health and safety committees have representatives at every assembly site and our senior leadership team take an active approach in safety monitoring.
- The company has maintained our Lost Time Injury Frequency Rate (LTIFR) at 6.5. LTIFR is the number of reported injury and treatment incidents multiplied by 1,000,000 divided by total hours worked in the period.



SPOTLIGHT ON: Garden to Table

My Food Bag and its customers raised more than \$50,000 for Garden to Table, a charitable trust empowering kids to grow, harvest, prepare, and share great food, during FY22.

This was a significant growth on FY21 donations thanks to the generosity of our customers. We also created two delicious veggie-based baking products which were sold in the Kitchen and donated the profits from these products to Garden to Table.



BEETROOT BROWNIES



SELF SAUCING CARROT PUDDING



Better, safer food

The company strives to build uncompromisingly high food safety standards and a transparent supply chain, through its emphasis on local sourcing and Approved Supplier Programme.

This is achieved by:

- Maintaining our sourcing of fresh produce and protein at 98% local. This is important in reducing food miles as well as connecting our customers to the food on their plate.
- Operating under a National Level 3 Food Safety Programme, compliant with the Food Act 2014.
- Requiring our suppliers to uphold our expectations, codes and standards of supplying quality and safe food.

SPOTLIGHT ON:

Local suppliers in the Kitchen

Through My Food Bag Kitchen we've built the distribution and awareness of many growing Kiwi brands.

Paneton, a My Food Bag supplier for many years, offers a range of fresh breads in the Kitchen, all freshly baked in their Auckland bakery.

We've backed snack food brands Serious Popcorn, Tom & Luke and Molly Woppy, which have all featured in many of our popular festive & snack bundles.

We've also made a successful entrance into the beverages category with a number of emerging local brands, such as Almighty, Kombucha Bros and Alchemy & Tonic.

MY FOOD BAG TEAM

The right *mix*

The 200+ strong team at My Food Bag are united by a desire for excellence in food and for delivering for customers. Together, we work in a highly energetic and collaborative culture reflective of the My Food Bag brand, and place a high priority on the health and wellbeing of all employees.

Like most workplaces, COVID-19 meant the company had to do all sorts of things a little differently. Senior leaders rolled up their sleeves to pack food boxes when many staff were isolating, and some creativity was needed to maintain our collaborative culture from a distance.

We are also really proud of how our team adapted to strengthened health and safety processes that were needed through the pandemic.

To help us retain and attract talent across all teams, we have introduced a flexible working policy as well as a reward structure that better aligns pay with capability.

New senior leaders Cassie Ormand, Joanne Mitchell and Paul Kelly in our leadership team have brought fresh energy to the areas of People & Culture, Marketing & Customer Love and Operations respectively.





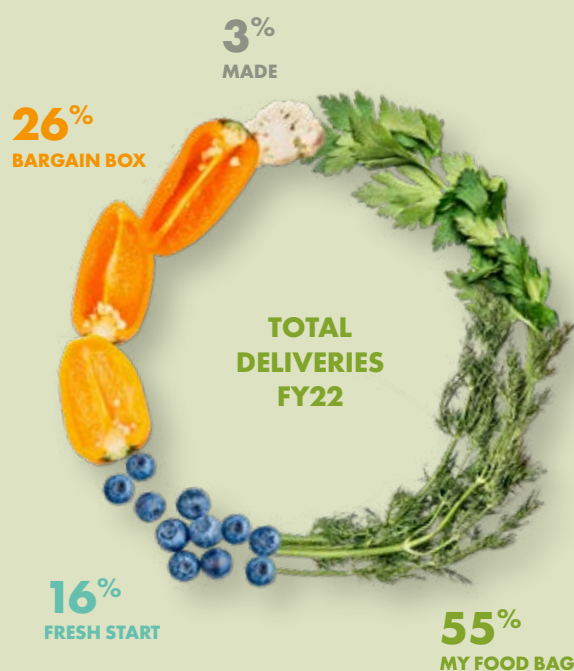
MY FOOD BAG OPERATIONS

Recipe for success

My Food Bag is an online food delivery business and New Zealand's longest-standing meal kit provider.

Each week, My Food Bag delivers thousands of boxes full of nutritious, locally sourced ingredients along with easy-to-follow recipes direct to families across New Zealand. We take the stress out of meal planning and help to bring families together around mealtimes. Since the business commenced trading in 2013, we have delivered more than 100 million meals to New Zealanders.

My Food Bag offers the broadest range of meal kit bags in New Zealand under the My Food Bag, Bargain Box and Fresh Start brands. Since inception, we have focused on evolving our product offering through innovation and a strong understanding of customers' needs to appeal to a wide range of New Zealanders. We continue to innovate to meet changing consumer food, demographic and societal trends, and most recently entered the large ready-made meal category with our MADE brand. My Food Bag's extensive database, high brand awareness, digital capabilities and nationwide coverage provide a strong platform for growth, as well as an opportunity for expansion beyond our current product scope.





Synonymous with meal kits in New Zealand, the My Food Bag brand targets the broadest range of customers and promises to help you get meals “Deliciously Sorted” with a wide selection of product offerings.

In FY22 the recipe range in My Choice was expanded with the launch of a range of Heart Healthy recipes in collaboration with the Heart Foundation. And in Mar 22, we launched “Gourmet Upsell”, a new offer that allows customers to upgrade to a premium recipe each week.



This is My Food Bag’s most accessible offering, providing “Family Faves, Bargain Prices”, designed to bring quick, easy, affordable, tasty and healthy meals to Kiwi households.

During the year, we launched recipe choice for Bargain Box customers with a range that includes family faves, vegetarian options and Superquick recipes.



This range focuses on goal-based recipes designed to help customers achieve health goals through their diet, whether it be for weight loss or fitness.

The continued year-on-year investment in Fresh Start marketing and loyalty initiatives resulted in another record year for Fresh Start. Recipe choice was also introduced for Fresh Start with a broad range covering fish, meat, vegetarian and ready-made meal choices.



This is an important format differentiator to our meal kits. Designed to offer an easier and more convenient alternative to cooking a recipe, MADE offers a range of fresh, ready-made meals.

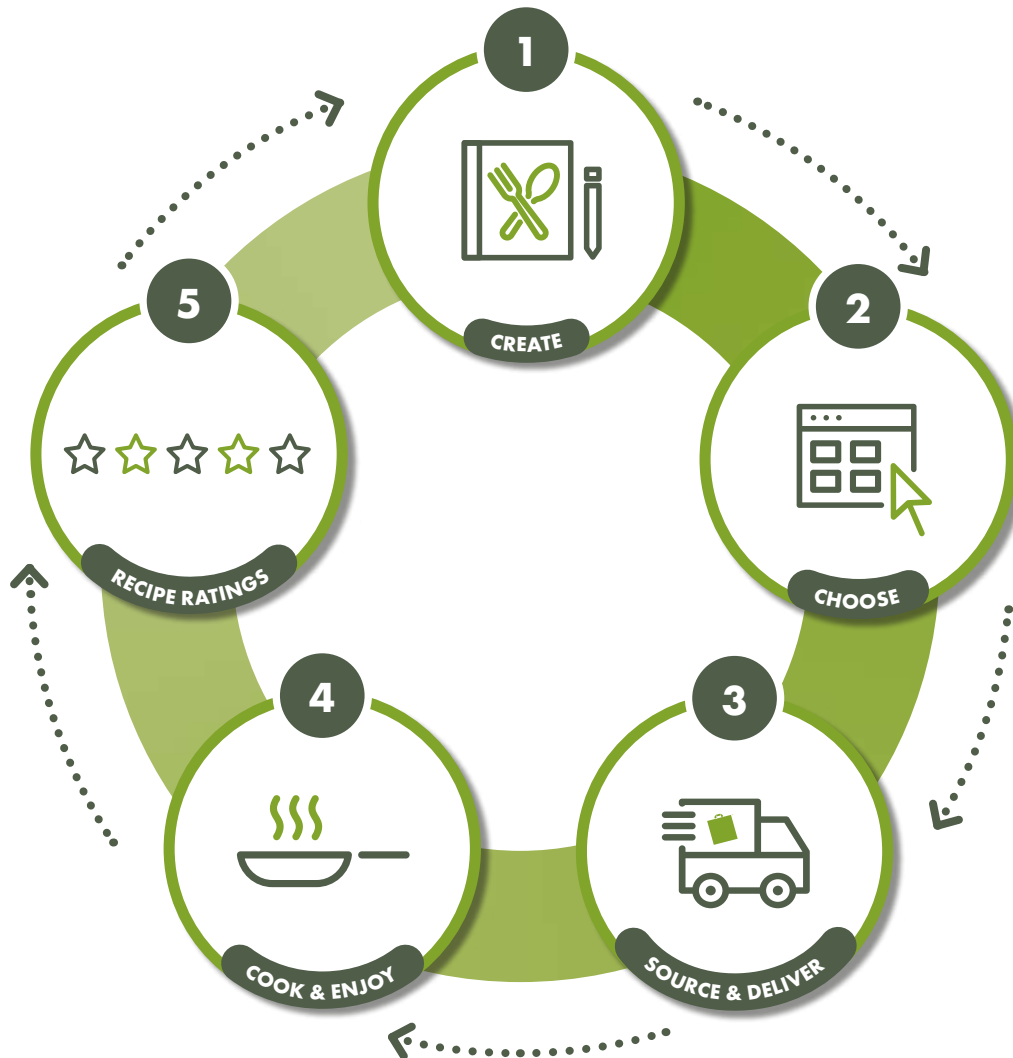
We expanded both the product formats with MADE and the product availability in FY22. Fresh soups and ready to heat puddings were launched in time for winter 2021, and we drove significant meal growth through the addition of MADE meals within Fresh Start Choice and as an item to add to your order in the Kitchen.



The My Food Bag Kitchen is a curated collection of pantry staples and delicious solutions for new meal occasions that customers can add to their weekly orders.

More than 200 products have been offered since launch covering new meal occasions like breakfast, desserts and beverages. Specific ranges for occasions and seasons have also been launched including a “Festive Fare” range and a summer BBQ collection.

Efficient Operation – Every Week



1. CREATE

Every week, our chefs and in-house nutritionist develop new recipes, building on our database of over 10,000 recipes.

Our recipes are designed to use only basic kitchen utensils and a few pantry staples, a list of which is emailed to customers.

2. CHOOSE

Customers choose from the full My Food Bag brand portfolio with options for different numbers of people and nights per week.

Customers can choose to have their bag delivered weekly or fortnightly on a flexible subscription.

3. SOURCE & DELIVER

We source to order the freshest New Zealand meat, fish and produce, resulting in minimal food waste at our assembly centres.

Bags are delivered directly to customers on a Saturday, Sunday or Monday.

4. COOK & ENJOY

The fun begins! Using our step-by-step recipes, customers create and enjoy their meals.

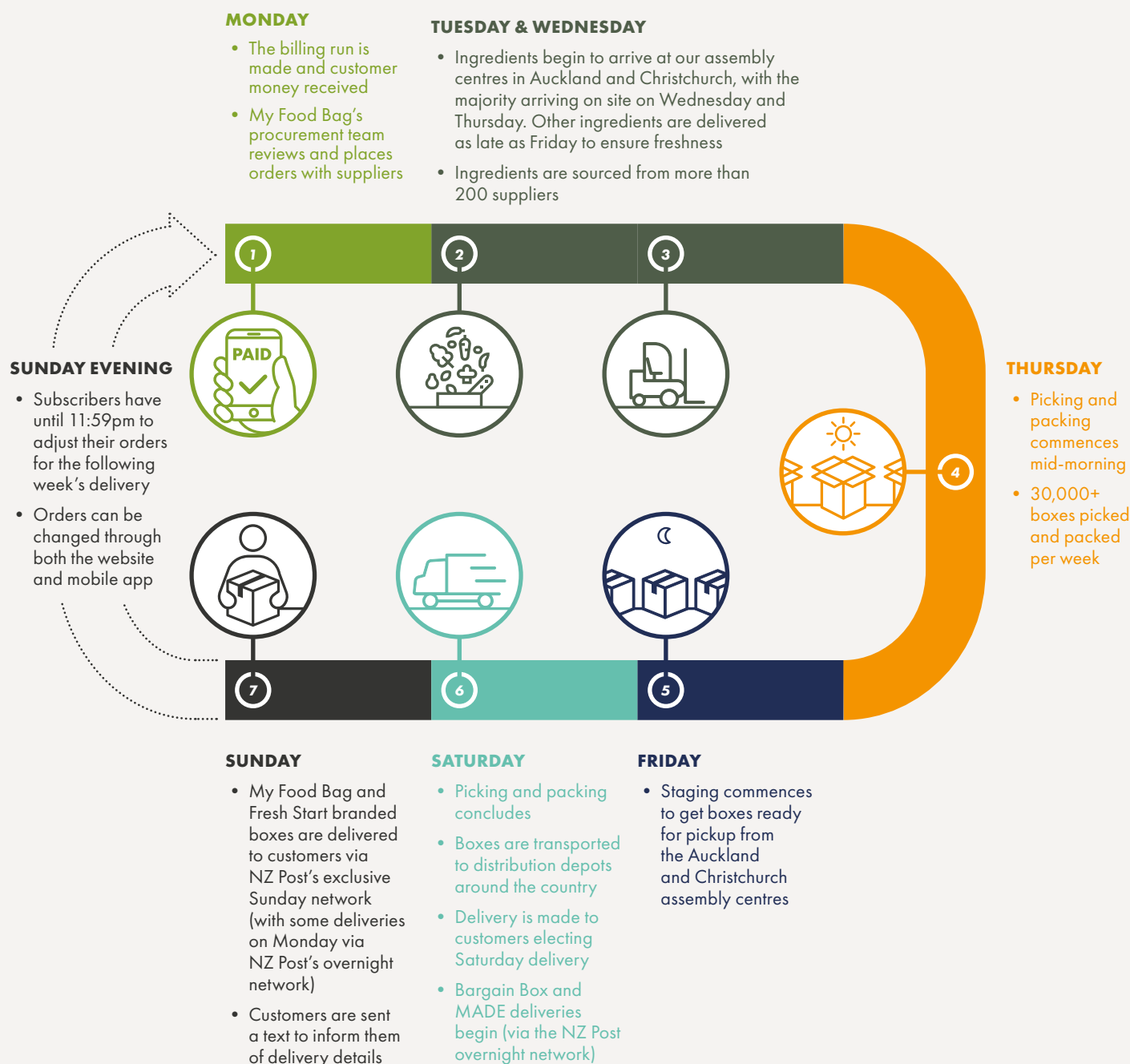
5. RECIPE RATINGS

Customers can then rate the recipes to provide feedback direct to our chefs.

Ratings drive the direction of future innovation and ensure recipes which customers love are available again.

Weekly Operations Cycle

We operate a weekly business cycle, with orders for the following week's delivery 'locked' on a Sunday night, ingredients arriving to our assembly centres on Tuesday through Friday, and items 'picked and packed' on Thursday and Friday prior to being delivered to customers.



My Food Bag operates a negative working capital position. This is a benefit of the operating model arising because cash is generated from customers before it has to pay suppliers for the cost of goods sold.

Supply Chain Overview

We operate a largely outsourced and asset-light supply chain model, while always maintaining close oversight across supply and delivery.



FOOD SUPPLIERS

- We operate a 'source-to-order' model: purchase orders are placed with suppliers on a weekly basis at the exact levels required to match customer orders (allowing for a small buffer of stock) to minimise waste.
- Our supply chain with food suppliers is robust and resistant to adverse events, with 98% of all meat and produce sourced locally in New Zealand.



ASSEMBLY CENTRES

- We are the only large-scale New Zealand meal-kit delivery business with chilled assembly centres in both the North and South Islands, providing logistical efficiencies, more localised sourcing of ingredients and greater delivery certainty to the South Island.



OVERNIGHT & EXCLUSIVE DELIVERY NETWORKS

- We have a strong relationship with distribution partner NZ Post who currently operate an exclusive Sunday delivery service for My Food Bag.

Food Safety

My Food Bag is subject to the National Programme Level 3 (guidelines set out by the Ministry for Primary Industries – MPI) as a retailer which handles food but does not prepare or manufacture food. MPI complete business and site audits of National Programme Level 3 once every two years.

We also require our suppliers to meet a strict prescribed code of conduct outlining food safety, ingredient and operational requirements. We regularly review and audit our food handling settings as well, to ensure procedures meet the recommended standards. We maintain a direct line of contact with our customers, so that any issues are immediately identified and remedied. This is supported by a Serious Incident Register to record reported customer complaints relating to food quality and concerns.



Health and Safety

We have a systematic approach to the management of health and safety. Detailed health and safety policies, standards and procedures are implemented alongside hazard and risk management processes, including an incident notification and management system. Each site operates a Health and Safety Committee, which meets monthly and our Senior Leadership Team and Board are active participants in our site safety audits.



GROWTH STRATEGY

Market *opportunities*

We have a strategy to expand our share of the retail food sector via a pipeline of growth initiatives. Underpinned by our nationwide brand love we will grow the business by:

- 1 **Winning in meals**
- 2 **Expanding our horizons**
- 3 **Enhancing our strong foundations**

Taking a greater share of Aotearoa's \$37 billion retail food sector





1 Winning in meals

Inspiring more Kiwis to dine in more often, with continued innovation, and commitment to quality & delicious meal kit solutions.

- A clear portfolio approach to differentiate brands each with a clear mission, including Bargain Box and taking our goal-based offering to the next level with Fresh Start
- Improving our personalisation and customisation options to add more value
- A relentless focus on improving the customer experience from the Development Kitchen, Digital, Operations and Customer Love teams

Lead the modernisation of the ready-made meal market through quality, innovation and convenience.

- Build awareness to drive subscription model and add-on options for meal kit customers
- Extend menu choices into more meal occasions and more audiences
- Strengthen margin while protecting and growing IP
- Exploring vertical integration opportunities



2 Expanding our horizons

Expand the Kitchen – A curated collection of food solutions that meet the needs of more meal occasions

- Provide more solutions by accessing more meal occasions and further expansion of high success categories
- Extend the Kitchen range depth and breadth, fuelled by the introduction of better picking technology
- Build awareness via paid advertising and owned assets, as well as leveraging new product introductions
- Grow sales via bundling, promotions, in-app recommendations, and upsell and personalised navigation

Extend into new categories

- The Kitchen and the company's experience collaborating with other companies provides a low-risk/low-cost pilot into new categories to inform further investment decisions
- The Kitchen allows us to introduce new categories to our database, building a more logical connection for consumers between our existing products and new categories
- Continue to assess M&A options, targeting businesses that we can add value to
- Collaborating with complementary players in other categories to innovate wider offerings

3 Enhancing our strong foundations

System and operational step change

- Transform our operating model by introducing picking technology that assures the scalability of the operation to meet future customer and business requirements
- Integrate technology and data platform to support improvements to picking capability
- Smooth transition to the new Christchurch factory
- Active management of key business risks, such as cyber security and operational processes
- Continued investment in food safety systems and processes

Culture and capability

- Recognising the workforce needs of the future, My Food Bag will undertake a reset of its approach to attracting, retaining and engaging talent during FY23
- The reset will reflect a change in 'ways of working' following two-years during which the pandemic necessitated remote working for many staff and changed the way we collaborate and communicate
- The business is acutely aware of the need to build its attractive employment brand by offering the right balance of reward, recognition, learning, and growth prospects for its people. Planning for the introduction of a staff share scheme is well underway, with implementation anticipated in the first quarter of FY23

Integrated ESG ambition

- Intensify our focus on measurement, and then further reduction and recyclability of packaging
- Working with our suppliers to measure, and then reduce the end-to-end carbon footprint
- Create healthier Kiwi communities by building strong integrated partnerships with the likes of our existing partners such as Garden to Table and City Missions
- Encourage better food choices by providing a wide range of plant-based and healthier options with a strong bias to local sourcing
- Continue to minimise food waste and help customers reduce food waste by providing portioned ingredients
- Encourage diversity across the business, particularly in leadership



BOARD OF DIRECTORS



Tony Carter

Independent Chair

Tony joined the My Food Bag board in January 2021 and was appointed Chair at that time.

He has a broad range of experience in governance across the consumer, industrial services, infrastructure and energy sectors. Tony moved into governance following a successful executive career, where he served as Chief Executive and Managing Director at Foodstuffs – New Zealand's largest retail organisation – for 10 years.

Tony is currently Chairman of Datacom and TR Group and sits on the respective boards of Vector, The Interiors Group and The Skin Institute. He was formerly Chair of Air New Zealand for six years, Chair of Fisher & Paykel Healthcare for eight years, a director of Fletcher Building for nine years and a director of ANZ Bank New Zealand for 10 years. He was Chairman of the New Zealand Institute when it merged with the New Zealand Business Roundtable to form the New Zealand Initiative in 2012, of which he served as inaugural Chairman until 2013.

Tony graduated from the University of Canterbury with a Bachelor of Engineering with honours, before completing a Master's of Philosophy at Loughborough University of Technology in the United Kingdom. In 2020 he was made a Companion of the New Zealand Order of Merit for services to business governance.



Jennifer (Jen) Bunbury

Independent Non-Executive Director

Jen was appointed as a director of My Food Bag in January 2021 and acts as Chair of the Audit and Risk Committee.

She has an extensive background in financial services, including NZX listings, acquisitions, mergers and strategic advisory. Jen was a director in the Investment Banking team at Craigs Investment Partners for nine years, with experience in the horticulture, logistics and energy sectors. Her earlier career included investor relations roles at BHP and Publicis in Europe, following four years in the Investment Banking team at ABN AMRO in New Zealand.

Most recently, Jen served as the Chief Financial Officer for NZX50-listed Tourism Holdings Limited until October 2020 and was a director of Togo Group during this time. She is a member of the NZ Institute of Directors and participated in the Future Directors programme, spending 12 months with the board of agribusiness Scales Corporation.

Jen completed a Bachelor of Commerce majoring in finance, graduating with first-class honours from the University of Canterbury.



Sarah Hindle

Independent Non-Executive Director

Sarah was appointed as a director of My Food Bag in January 2021.

She has a broad range of experience in management and governance across the technology and consumer sectors. Sarah was most recently the founding general manager of Tech Futures Lab, where she helped grow New Zealand's most innovative, tech-led learning institute.

Previously, Sarah was Global Head of Business Delivery for Direct Wines and Manager of Customer Experience and Digital for KPMG Boxwood in the United Kingdom. She began her career as a solicitor for Minter Ellison Rudd Watts in New Zealand.

She is also passionate about agri-tech and the application of 'tech for good' and has held governance roles as Chair of the Executive Council of AgriTech New Zealand and as a director and deputy chair for NZTech.

Sarah holds a Bachelor of Arts and Bachelor of Laws from Victoria University of Wellington, along with an MBA from BI Norwegian Business School of Management. She is enrolled as a barrister and solicitor of the High Court in New Zealand.



Jon Macdonald

Independent Non-Executive Director

Jon joined the My Food Bag board in January 2021.

He has deep experience in technology, the internet and consumer behaviour.

Jon held senior roles at Trade Me for more than 15 years, including 11 years as Chief Executive Officer, and has since held a position as a director (through Trade Me's parent company, Titan Parent NZ Ltd). He is also on the boards of Contact Energy, Mitre 10 and Sharesies.

Earlier in his career, Jon worked in the United Kingdom for HSBC, and in Australia and New Zealand for Deloitte. He has a Bachelor of Engineering (Hons) from the University of Canterbury, and is a Chartered Member of the NZ Institute of Directors.



Chris Marshall

Non-Executive Director

Chris joined the My Food Bag board on 6 October 2016, upon Waterman Capital's acquisition of a majority stake in the Company.

He co-founded Waterman Capital in 2004 and is currently serving as an executive director of Waterman Capital. Waterman Capital is a private company investor which invests in mid-market New Zealand growth businesses. Chris has more than 20 years of principal investment experience in New Zealand. Prior to this he worked in a management consulting role in London assisting mid-market businesses.

Chris is a member of Waterman Capital's Investment Committee and is currently a non-executive director of Healthcare Holdings Limited (owner of the Mercy Ascot Hospitals and other healthcare businesses) and a non-executive director of Lewis Holdings Limited, an investment company associated with Sir David Levene.

He graduated with a Bachelor of Commerce from the University of Otago and is a Chartered Accountant.

MANAGEMENT TEAM

My Food Bag's Senior Leadership Team has an average tenure at the Company of four years. The team brings a depth and breadth of experience across multiple industries including FMCG, services, e-commerce and media.

The team members have backgrounds that encompass early-phase start-ups through to corporates within New Zealand and overseas. With an equal representation of men and women, the team has a proven track record of driving the business strategy and culture effectively.



Kevin Bowler

Chief Executive Officer

Kevin drives the team to do the basics brilliantly every week while also developing and implementing the Company's long-term vision and goals. He is responsible for all day-to-day management decisions.



Mark Winter

Chief Financial Officer

Mark leads the finance function and has primary responsibility for planning, implementing and controlling all finance-related activities. Mark is also responsible for leading the procurement team. He leads these teams with a strong focus on collaboration and business partnerships.



Paul Kelly

Chief Supply Chain Officer

Paul oversees a broad team, and is responsible for both our operations and logistics teams. This includes the management of our assembly operations in both the North and South Islands, as well as the nationwide logistics teams. Paul also leads the compliance functions covering both health and safety and food safety.



Jo Mitchell

Chief Customer Officer

Jo leads the teams who are focused on understanding, engaging with, and enhancing the experience our customers have with My Food Bag. The eCommerce and Brand Marketing teams create and implement strategies and campaigns to drive revenue growth and the Customer Love team ensures My Food Bag delivers an award winning customer service experience, and constantly delights our customers.

Past experience:

- CEO, Frucor Suntory Beverages NZ (2016 – 2018)
- CEO, Tourism New Zealand (2010 – 2016)
- CEO, Yahoo!Xtra (2007 – 2009)

Past experience:

- Group Financial Controller, Fonterra Brands NZ (2016 – 2019)
- Commercial Manager Operations & Supply Chain, Fonterra Brands NZ (2015 – 2016)
- General Manager Commercial Operations, Fonterra LATAM (2014 – 2015)

Past experience:

- General Manager – Dairy Process Excellence, Fonterra (2021 – 2022)
- Director Technical Excellence (Acting), Fonterra (2019 – 2021)
- General Manager – Value Chain Centres of Excellence, Fonterra (2016 – 2019)
- Director Operations, Fonterra Brands (2012 – 2014)

Past experience:

- Marketing Director, NZ Breweries (2020 – 2021)
- Director of Marketing NZ, McDonalds Restaurants NZ (2013 – 2020)
- Marketing Manager Coffee UK, Kraft Foods (2007 – 2011)



Polly Brodie

Head of Development Kitchen

Polly leads a passionate team who are responsible for both recipe development and food photography. The culinary team design the menus and recipes as well as sourcing and developing new ingredients. The team ensure that not only is the product delicious, but ingredient margin is maintained while upholding My Food Bag's high food quality and nutrition standards.



Craig Jordan

Chief Digital Officer

Craig manages all digital, technology and data functions, leading a capable data-driven team responsible for maintaining and enhancing My Food Bag's proprietary e-commerce platform, along with providing actionable data insights.



Trish Whitwell

Head of Innovation

Trish drives business growth through the creation of new products and the evolution of existing ones. She runs a collaborative innovation process that allows My Food Bag to respond quickly to market changes.



Cassie Ormand

Head of People & Culture

Cassie drives performance and culture within the business by ensuring sound frameworks and processes are in place to attract and retain great people and enable them to achieve. She leads a team that offers commercially focused advice in partnership with the business to drive culture, capability and communication.

Past experience:

- Development Kitchen and Nutrition Manager, My Food Bag (2015 – 2018)
- Recipe Development and Test Kitchen Chef, My Food Bag (2014 – 2015)
- Sous Chef, Motor Yacht *SIRONA III* (2012 – 2014)

Past experience:

- Chief Digital Officer, The Warehouse Group (2014 – 2017)
- Various executive and senior leadership roles, Trade Me (2007 – 2014)

Past experience:

- Head of Marketing, My Food Bag (2016 – 2017)
- Marketing Manager, Meadow Fresh, Goodman Fielder (2015 – 2016)
- Marketing Manager, Digital Channels, TVNZ (2011 – 2013)

Past experience:

- Head of People & Culture Plan B (2019 – 2021)
- Senior HR Business Partner, Goodman Fielder (2018 – 2019)
- Head of HR AMEA, Rexam Beverage Can (2014 – 2017)



Financial Statements

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Statement of Financial Position

AS AT 31 MARCH 2022

NZ\$000	Note	2022	Restated ¹ 2021
ASSETS			
Current			
Cash and cash equivalents		5,913	1,599
Trade and other receivables	5	570	512
Inventories	6	2,608	1,216
Prepayments		1,799	2,168
Total current assets		10,890	5,495
Non-current			
Property, plant and equipment	9	3,372	3,118
Intangible assets	10	84,889	84,846
Right-of-use assets	11	6,269	8,618
Other receivables		248	308
Total non-current assets		94,778	96,890
Total assets		105,668	102,385
LIABILITIES			
Current			
Trade and other payables	7	13,000	12,118
Deferred revenue		4,004	2,682
Lease liabilities	11	2,022	2,542
Derivative financial liabilities		-	179
Other current liabilities	8	1,089	1,980
Tax liability		4,850	826
Total current liabilities		24,965	20,327
Non-current			
Lease liabilities	11	5,576	7,464
Borrowings	13	3,411	15,864
Deferred tax liability	15	4,556	4,282
Provisions		250	250
Total non-current liabilities		13,793	27,860
Total liabilities		38,758	48,187
Net assets		66,910	54,198
EQUITY			
Share capital	12	59,336	59,336
Retained earnings		7,574	(5,138)
Total equity		66,910	54,198

For and on behalf of the Board of Directors who authorised the issue of the financial statements on 19 May 2022.



Tony Carter
Chair
19 May 2022



Jen Bunbury
Director
19 May 2022

1. Comparative information has been restated for the change in accounting policy relating to software as a service arrangements. Please see the General Information section, page 44 for further details.

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2022

NZ\$000	Note	2022	2021
Income	1	193,954	190,710
Cost of sales		(141,282)	(141,913)
Gross profit		52,672	48,797
Marketing expenses		(4,804)	(4,527)
Financing expenses		(1,079)	(1,690)
Indirect expenses		(19,130)	(19,223)
Other income	1	148	32
Share-based payment expense		-	(305)
Offer costs		-	(14,115)
Net profit before tax	3	27,807	8,969
Income tax expense	15	(7,800)	(6,527)
Net profit after tax		20,007	2,442
Total comprehensive income		20,007	2,442
Earnings per share		NZ\$	NZ\$
Basic and diluted earnings per share	4	0.08	0.01

Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2022

NZ\$000	Note	Share capital	Other shareholder contributions	Retained earnings	Share-based payment reserve	Total equity
At 1 April 2021		59,336	-	(5,138)	-	54,198
Net profit for the year		-	-	20,007	-	20,007
Total comprehensive income for the year		-	-	20,007	-	20,007
Dividend	12	-	-	(7,295)	-	(7,295)
At 31 March 2022		59,336	-	7,574	-	66,910
At 1 April 2020		1,000	51,095	5,769	359	58,223
Net profit for the year		-	-	2,442	-	2,442
Total comprehensive income for the year		-	-	2,442	-	2,442
Dividend (Pre IPO)	12	-	-	(13,349)	-	(13,349)
Share-based payment expense		-	-	-	305	305
Vesting of employee share options		5,541	-	-	(664)	4,877
Offer costs		(2,046)	-	-	-	(2,046)
Proceeds from primary issuance		54,841	-	-	-	54,841
Repayment of shareholder loans		-	(51,095)	-	-	(51,095)
At 31 March 2021		59,336	-	(5,138)	-	54,198

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2022

NZ\$000	2022	Restated ¹ 2021
OPERATING ACTIVITIES		
<i>Cash was provided from:</i>		
Receipts from customers	194,958	188,291
Proceeds from insurance	59	-
Interest received	40	13
<i>Cash was applied to:</i>		
Payments to suppliers	(160,667)	(158,992)
Interest paid	(1,211)	(1,698)
Tax paid	(3,645)	(3,858)
Net cash flows from operating activities	29,534	23,756
INVESTING ACTIVITIES		
<i>Cash was provided from:</i>		
Proceeds from the sale of property, plant and equipment	11	7
<i>Cash was applied to:</i>		
Purchase of property, plant and equipment	(896)	(674)
Payments for development of software	(1,983)	(2,007)
Net cash flows from investing activities	(2,868)	(2,674)
FINANCING ACTIVITIES		
<i>Cash was provided from:</i>		
Proceeds from issue of shares	-	54,841
Proceeds from repayment of shareholder options	-	1,535
Proceeds from borrowings	13 8,000	67,095
<i>Cash was applied to:</i>		
Principal payments on leases	(2,557)	(2,226)
Dividends paid	(7,295)	(13,349)
Repayment of borrowings	13 (20,500)	(68,095)
Equity repurchase	-	(51,095)
Offer costs	-	(16,161)
Borrowing establishment costs	-	(365)
Net cash flows from financing activities	(22,352)	(27,820)
Net increase/(decrease) in cash flows	4,314	(6,738)
Cash and cash equivalents at the beginning of the year	1,599	8,337
Cash and cash equivalents at the end of the year	5,913	1,599

1. Comparative information has been restated for the change in accounting policy relating to software as a service arrangements. Please see the General Information section, page 44 for further details.

Notes to the Financial Statements

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Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2022

General Information

Reporting Entity

My Food Bag Group Limited is a profit-oriented company incorporated and domiciled in New Zealand. My Food Bag Group Limited is registered under the Companies Act 1993 and is a 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 consolidated financial statements (the financial statements) presented are for My Food Bag Group Limited and its wholly owned subsidiary My Food Bag Limited (together referred to as "the Group").

Basis of Preparation

STATEMENT OF COMPLIANCE

These financial statements comply with International Financial Reporting Standards (IFRS) and New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). These financial statements have been prepared in accordance with Generally Accepted Accounting Practice applicable to for-profit entities and the requirements of the Financial Markets Conduct Act 2013.

BASIS OF MEASUREMENT

These financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value.

FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in New Zealand dollars (NZ\$), which is the Group's functional currency, and rounded to the nearest thousand dollars (NZ\$000) unless otherwise stated.

Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures. Actual outcomes may differ from these estimates.

Information about significant estimation uncertainty and judgments in applying accounting policies that have the most significant effect on the amounts recognised are set out below:

- Recoverable amount assessment (Note 10 Intangible Assets)
An impairment test is performed annually to assess the recoverable amount of goodwill. The recoverable amount is based on a value-in-use calculation that requires the use of estimates.
- Lease liabilities (Note 11 Leases)
At the commencement of a lease contract that includes renewal options, judgement is required to determine the lease term.

COVID-19 CONSIDERATIONS

My Food Bag is classified as an essential business by the New Zealand government which means it is able to operate at all alert levels. To operate through the pandemic, additional health and safety protocols have been established to maintain a safe environment. My Food Bag is also registered as a critical service and participates in the close contact exemption scheme using Rapid Antigen Tests. The risks associated with COVID-19 include supply chain disruption and the availability of labour. These risks are primarily managed through collaboration with key suppliers.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2022

Significant Accounting Policies

The significant accounting policies which are relevant to an understanding of these financial statements are included throughout the notes to the financial statements.

CHANGE IN ACCOUNTING POLICY

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 financial statements as follows:

Statement of Comprehensive Income:

- An increase in indirect expenses for the year ended 31 March 2021 of NZ\$179,000;
- A decrease in amortisation expense on intangible assets for the year ended 31 March 2021 of NZ\$179,000.

Statement of Financial Position:

- An increase in prepayments at 1 April 2020 of NZ\$1,088,000;
- A decrease in intangible assets at 1 April 2020 of NZ\$1,088,000;
- 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 year ended 31 March 2021 of NZ\$308,000;
- A decrease in payments for development of digital assets for the year ended 31 March 2021 of NZ\$308,000.

RE-PRESENTATIONS

To improve disclosure effectiveness, the following presentation changes have been made in the Statement of Financial Position:

- Raw materials work in progress and Packaging have been combined and presented as Inventories. In the financial statements for the year ended 31 March 2021 these items were presented separately.
- Lease receivable has been included in Other receivables. In the financial statements for the year ended 31 March 2021 lease receivable was presented separately.

Comparative period information has been re-presented to reflect the current year presentation as shown below.

NZ\$000	Note	Audited 2021	Inventories adjustment	Receivables adjustment	Re-presented 2021
Statement of Financial Position (Extract)					
Trade and other receivables	5	460	-	52	512
Raw materials and work in progress		1,024	(1,024)	-	-
Packaging		192	(192)	-	-
Inventories	6	-	1,216	-	1,216
Lease receivable		52	-	(52)	-
Total current assets		4,278	-	-	4,278

Standards Issued but Not Yet Effective

There are no new or amended standards that are issued, but not yet effective, that are expected to have a material impact to the Group.

Financial Performance

1. Income

Revenue from the sale of goods is recognised when control of the goods transfers to the customer. This is typically when the goods are delivered to the customer.

The amount of revenue recognised reflects the consideration that the Group expects to be entitled for providing the goods to the customer.

Revenue is measured as the sales price (net of discounts), adjusted for customer credits. Customer credits are recognised as deductions from revenue at the time that the related sales are recognised.

Payment for the goods is typically received in advance of delivery. The payment received in advance of delivery is recognised in the Statement of Financial Position as a liability (deferred revenue) until the goods are delivered to the customer.

NZ\$000	2022	2021
Contracts with customers	193,954	190,710
Total income	193,954	190,710
Interest income	40	13
Proceeds from insurance	59	-
Other income	58	35
Loss on disposal of plant, property and equipment	(9)	(16)
Total other income	148	32

2. Segment Reporting

Operating segments are determined based on the financial information that is regularly reported to the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). The CEO together with the CFO is considered to be the Chief Operating Decision Maker (CODM).

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

The Group operates in one geographic area, New Zealand.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2022

3. Expenses

Net profit before income tax has been arrived at after charging/(crediting) the following items:

NZ\$000	2022	Restated 2021
Staff expenses		
Salaries and wages	13,168	13,365
Defined contribution	426	366
Interest expense	1,258	2,008
Fair value of derivatives	(179)	(318)
IT expenses	2,267	2,108
Depreciation and amortisation	5,121	4,589
Fees paid to the auditor (Ernst & Young)		
Audit and review of the financial statements ¹	120	98

1. The audit fee includes the fees for both the annual audit of the financial statements and the review of the interim financial statements.

4. Earnings per Share (EPS)

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders by the weighted average number of shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the profit or loss attributable to equity holders and the weighted average number of shares outstanding during the year for the effects of shares with dilutive potential. There were no shares with dilutive potential for either of the years presented.

	2022	2021
Basic and diluted earnings per share		
Net profit attributable to equity holders (NZ\$000)	20,007	2,442
Weighted average number of shares on issue (000)	242,438	242,438
Basic and diluted earnings per share (NZ\$)	0.08	0.01

Working Capital

The Group operates a weekly business cycle, with orders for the following week's delivery confirmed and invoiced on a Sunday night. Ingredients arrive at our assembly centres on Tuesday through Friday, and are packed into boxes on Thursday and Friday prior to being delivered to customers. This means that the profile of working capital across trade receivables, inventories and payables varies depending on the day of the week the reporting date falls. The 31 March 2022 was a Thursday (31 March 2021: Wednesday).

5. Trade and Other Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are initially recognised at the amount invoiced to the customer and subsequently measured at the amount expected to be collected.

Estimates are used to determine the amount of trade receivables that may not be collected. A provision for impairment of trade receivables is recognised based on the lifetime expected credit loss at each reporting date.

NZ\$000	2022	2021
Trade receivables	238	189
Provision for impairment of trade receivables	(125)	(112)
Other receivables	457	292
GST receivable	-	143
Trade and other receivables	570	512

6. Inventories

Inventories are measured at the lower of cost or net realisable value. In the case of finished goods, cost includes direct costs plus a portion of fixed and variable overheads incurred in assembling the finished goods.

NZ\$000	2022	2021
Ingredients and work in progress	1,584	1,024
Finished goods	766	-
Packaging	258	192
Inventories	2,608	1,216

During the year inventories of NZ\$103,976,000 (2021: NZ\$108,204,000) were recognised as an expense in Cost of sales.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2022

7. Trade and Other Payables

Trade and other payables are recognised at the amount invoiced by the supplier, or the estimated amount where the cost is accrued.

NZ\$000	2022	2021
Trade payables	11,965	11,302
Other payables	384	58
Accrued expenses	651	758
Trade and other payables	13,000	12,118

8. Other Current Liabilities

Liabilities for wages and salaries and annual leave are recognised at the amounts expected to be paid when the liabilities are settled.

NZ\$000	2022	2021
Accrued wages and salaries	279	943
Annual leave	627	550
Employee benefits	906	1,493
Dividend withholding tax	-	143
Other liabilities	183	344
Other current liabilities	1,089	1,980

EMPLOYEE BENEFITS

In May 2022 the Board approved an Employee Share Ownership Scheme (ESOS) and a Long-Term Incentive scheme (LTI) for the year ending 31 March 2023. The restricted share rights and the performance share rights will be granted to participants following the announcement of the Group's financial results for the year ended 31 March 2022. The key features of the schemes are as follows:

ESOS

Permanent employees working at least 30 hours per week are eligible to participate in the ESOS. Under the scheme, participants are awarded restricted share rights of \$3,000 annually. The rights vest after two years, subject to participants continued employment with the Group.

LTI

The Senior Leadership Team and certain Key Operational Leaders are eligible to participate in the LTI. Under the scheme, participants are awarded performance share rights based on a percentage of their base salary. For the FY23 scheme the rights vest after two years, subject to achievement of the following performance measures:

- 50% of the rights vest based on continued employment with the Group,
- 50% of the rights vest based on continued employment with the Group and the relative Total Shareholder Return (TSR) compared to the companies included the NZX 50.

The Board has indicated that for future grants under the LTI, if any, the vesting period would be increased to 3 years as the scheme becomes more established.

Long-Term Assets

9. Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses. Cost includes the purchase consideration and those costs attributable to bringing the asset to the location and condition necessary for its intended use. Subsequent costs are capitalised only when it is probable the future economic benefits associated with the item will flow to the Group. The carrying amount of any replaced part is derecognised. All other repairs and maintenance costs are recognised as an expense when they are incurred.

Gains or losses on disposals are calculated by comparing the sales proceeds with the carrying amount, and are recognised in profit or loss.

Depreciation is calculated on a straight-line basis to allocate the cost of the asset, less any residual value, over its useful economic life. Residual values and useful lives are reviewed, and adjusted if required, each financial year.

The depreciation rates for each class of property, plant and equipment are as follows:

- Motor vehicles 21% - 25%
- Plant and machinery 8% - 67%
- Furniture, fixtures and fittings 13% - 67%
- Computers 50% - 67%

NZ\$000	Motor vehicles	Plant and machinery	Furniture, fittings and equipment	Computers	Total
Cost					
At 1 April 2021	412	2,779	1,852	526	5,569
Additions	-	680	24	192	896
Disposals	(23)	(13)	(5)	(7)	(48)
At 31 March 2022	389	3,446	1,871	711	6,417
Accumulated depreciation					
At 1 April 2021	293	838	913	407	2,451
Depreciation	34	355	102	132	623
Disposals	(18)	-	(5)	(6)	(29)
At 31 March 2022	309	1,193	1,010	533	3,045
Net book value at 31 March 2022	80	2,253	861	178	3,372
Cost					
At 1 April 2020	418	2,565	1,824	476	5,283
Additions	22	432	84	136	674
Disposals	(28)	(218)	(56)	(86)	(388)
At 31 March 2021	412	2,779	1,852	526	5,569
Accumulated depreciation					
At 1 April 2020	252	746	770	374	2,142
Depreciation	63	301	195	115	674
Disposals	(22)	(209)	(52)	(82)	(365)
At 31 March 2021	293	838	913	407	2,451
Net book value at 31 March 2021	119	1,941	939	119	3,118

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2022

10. Intangible Assets

The significant intangible assets recognised by the Group are goodwill, brands and software assets.

Goodwill

Goodwill represents the premium paid by the Group over the fair value of the Group's share of net identifiable assets of an acquired subsidiary at the date of acquisition. Goodwill is initially measured at cost and subsequently measured at cost less accumulated impairment losses, if any. Goodwill is not amortised.

Brands

Brands that are purchased by the Group are initially recognised at cost, or at their fair value if acquired as part of a business combination. A brand is determined to have an indefinite life where there is an intention to maintain and support the brand for an indefinite period. Indefinite life brands are not amortised, they are subsequently measured at cost less accumulated impairment losses, if any.

Software assets

Software assets, both purchased and internally developed, are capitalised provided there is an identifiable asset, controlled by the Group, that will generate future economic benefits through supporting revenue generation or cost savings. Subsequent costs are capitalised if they extend the useful life or enhance the functionality of the asset. Software assets are amortised on a straight-line basis over their estimated useful lives (using amortisation rates of 14% - 50%). Amortisation is included in Indirect expenses.

Impairment testing

Goodwill and indefinite life brands are tested for impairment annually, or more frequently if there is an indicator of impairment. Software assets are tested for impairment when an indicator of impairment exists.

NZ\$000	Goodwill	Brands	Software	Software WIP	Other	Total
Cost						
At 1 April 2020 (Restated)	63,631	18,357	3,195	696	5,261	91,140
Additions	-	-	5	2,002	-	2,007
Transfers	-	-	1,798	(1,798)	-	-
Disposals	-	-	(1,378)	-	-	(1,378)
At 31 March 2021 (Restated)	63,631	18,357	3,620	900	5,261	91,769
Accumulated amortisation						
At 1 April 2020 (Restated)	-	-	1,671	-	5,261	6,932
Amortisation	-	-	1,361	-	-	1,361
Disposals	-	-	(1,370)	-	-	(1,370)
At 31 March 2021 (Restated)	-	-	1,662	-	5,261	6,923
Net book value at 31 March 2021 (Restated)	63,631	18,357	1,958	900	-	84,846
NZ\$000	Goodwill	Brands	Software	Software WIP	Other	Total
Cost						
At 1 April 2021 (Restated)	63,631	18,357	3,620	900	5,261	91,769
Additions	-	-	131	1,852	-	1,983
Transfers	-	-	2,480	(2480)	-	-
At 31 March 2022	63,631	18,357	6,231	272	5,261	93,752
Accumulated amortisation						
At 1 April 2021 (Restated)	-	-	1,662	-	5,261	6,923
Amortisation	-	-	1,940	-	-	1,940
At 31 March 2022	-	-	3,602	-	5,261	8,863
Net book value as at 31 March 2022	63,631	18,357	2,629	272	-	84,889

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2022

IMPAIRMENT TESTING

The recoverable amount of the Group, which is a single cash-generating unit, was determined on a value-in-use basis using a discounted cash flow methodology.

The model uses a 5-year cash flow forecast based on the budget for the financial year ending 31 March 2023 approved by the Board. Cash flows for years two to five have been prepared based on growth expectations for the core meal kit business in its current state, without inclusion of strategic growth initiatives.

The key assumptions in the cash flow forecast are revenue growth (estimated based on number of deliveries and average order value), ingredients price inflation and operational performance. The values attributed to the key assumptions are based on past performance and current market information including, where negotiated, contracted prices for ingredients.

The long-term growth rate applied to the forecast cash flows after year 5 is 2.0% (2021: 2.0%). This reflects the expected long-term economic growth rate in New Zealand.

The discount rate used in the model is 8.5% (2021: 6.8%).

The impairment test does not result in an impairment of goodwill or indefinite life brands. Reasonably possible changes in key assumptions do not result in impairment of goodwill or indefinite life brands.

11. Leases

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of the future lease payments over the term of the lease. If the rate implicit in the lease is not readily determinable, the lease payments are discounted using the Group's incremental borrowing rate at the lease commencement date. The lease term is the non-cancellable period plus rental renewal options that are determined to be reasonably certain to be exercised. Once the lease has commenced, the Group only reassesses the lease term on occurrence of a significant event or change in circumstance that is within its control and affects its ability to exercise, or not exercise a renewal option in the contract.

Right-of-use assets

Right-of-use assets are initially measured at the amount of the lease liability at commencement date plus direct costs incurred in establishing the lease and an estimate of costs required to dismantle and remove the underlying asset or to restore the underlying asset.

Right-of-use assets are depreciated on a straight-line basis over the lease term, unless the useful life of the asset is less than the lease term, or if the Group will own the asset at the end of the lease term. In these circumstances the right-of-use asset is depreciated over the useful life of the asset.

The Group enters into lease arrangements for property, and plant and machinery. Leases of property have lease terms between two and ten years, plant and machinery have terms between three and five years. Changes to the lease payments are renegotiated at periods specified in the contracts and are usually based on the consumer price index or market rental rates. The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases. These lease costs are recognised as an expense as incurred.

Information about right-of-use assets is shown below.

NZ\$000	2022		2021	
	Net book value	Depreciation charge	Net book value	Depreciation charge
Property	6,029	2,369	8,418	2,410
Plant and machinery	240	189	200	130
Motor vehicles	-	-	-	14
Right-of-use assets	6,269	2,558	8,618	2,554

Additions to right-of-use assets during the year were NZ\$232,000 (2021: NZ\$4,587,000).

Amounts recognised in the Statement of Comprehensive Income

NZ\$000	2022	2021
Interest on lease liabilities	328	496
Expense relating to short-term leases and low value assets	151	204

Lease liabilities

Total cash payments for leases during the year was NZ\$2,885,000 (2021: NZ\$2,647,000).

Leases not yet commenced

The lease of the Group's new assembly and distribution site in Christchurch commenced in April 2022. The total cash payments over the non-cancellable lease term is NZ\$8,322,000, of which \$760,000 is due within 12 months of balance date.

At 31 March 2022 the Group has entered into leases for machinery that have not yet commenced. The total cash payments over the non-cancellable lease terms of these leases is NZ\$231,000.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2022

Funding and Equity

12. Share Capital and Dividend

The Group completed an Initial Public Offering (IPO) and listed on the NZX Main Board and the Australian Securities Exchange (ASX) on 5 March 2021.

SHARE CAPITAL

	2022		2021	
Fully paid ordinary shares	NZ\$000	Number (000s)	NZ\$000	Number (000s)
At 1 April	59,336	242,438	1,000	100
Share split	-	-	-	201,600
Primary issuance	-	-	54,841	29,644
Issuance on vesting of share options	-	-	2,198	11,094
Tax on share options vested	-	-	3,343	-
Offer costs	-	-	(2,046)	-
At 31 March	59,336	242,438	59,336	242,438

All ordinary shares issued are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends as declared by the Board and are entitled to one vote per share. All shares rank equally in any surplus on winding up of the Group.

DIVIDENDS

A liability to pay a dividend is recognised when the distribution is declared by the Board. A corresponding amount is recognised directly in equity.

	2022	2021
Interim dividend for 2021 (Pre IPO)	-	6,288
Final dividend for 2021 (Pre IPO)	-	7,061
Interim dividend for 2022 – 3.0 cents per share	7,295	-
Dividends paid	7,295	13,349

The imputation credit account balance as at 31 March 2022 is NZ\$481,000 (2021: NZ\$500).

Dividend declared after the reporting period

On 19 May 2022 the Board declared a fully imputed final dividend of 4.0 cents per share, to be paid on 16 June 2022 to shareholders on the company's register on 1 June 2022.

CAPITAL MANAGEMENT

The Group's capital includes share capital and retained earnings. The objective of the Group's capital management is to maintain a strong capital base to support investor and market confidence and the future growth of the business. To manage the capital structure, the Group may adjust the proportion of earnings paid to shareholders, return capital to shareholders, issue new shares or amend capital spending plans.

The Group is not subject to externally imposed capital requirements.

13. Borrowings

Borrowings are initially measured at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised costs using the effective interest method.

The Group's net debt position is shown below.

NZ\$000	2022	2021
Bank loan – non-current	3,411	15,864
Total borrowings	3,411	15,864
Less: cash and cash equivalents	(5,913)	(1,599)
Net (cash)/debt	(2,502)	14,265

A reconciliation of the changes in borrowings to the proceeds and repayments of borrowings presented in the Statement of Cash Flows is shown below.

NZ\$000	2022	2021
Total borrowings at 1 April	15,864	16,554
Proceeds from borrowings	8,000	67,095
Repayments of borrowings	(20,500)	(68,095)
Non-cash change in deferred finance costs	47	310
Total borrowings at 31 March	3,411	15,864

Funding arrangements

The Group's funding arrangements are shown below.

NZ\$000	2022	2021
Revolving credit facility – drawn down	3,500	16,000
Revolving credit facility – undrawn	31,500	19,000
Total revolving credit facility	35,000	35,000
Bank overdraft – undrawn	5,000	5,000
Total facilities	40,000	40,000

The revolving credit facility of NZ\$35,000,000 expires on 5 March 2024. The amount drawn down is secured over current and future accounts receivables and other property, plant and equipment of the Group. The interest rate on the revolving credit facility comprises base rate (BKBM rate) plus a margin of 1.74%.

The Group was in compliance with its banking covenants during the year and at 31 March 2022.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2022

14. Financial Risk Management

The objective of the Group's risk management framework is to appropriately identify and manage risks within acceptable levels. Risk management policies and procedures are reviewed regularly to ensure they reflect changes in market conditions and the Group's activities.

The financial risks that impact the Group are liquidity risk and interest rate risk and credit risk.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulties in meeting its financial commitments as they fall due. The Group manages its liquidity risk by maintaining a level of undrawn credit facilities and a spread of maturity dates.

The table below shows the timing of the gross contractual cash flows of the Group's financial liabilities.

NZ\$000	Carrying amount	Contractual cash flows	2022		
			3 months or less	3 to 12 months	1 to 5 years
Bank loan	3,411	3,500	-	-	3,500
Lease liabilities	7,598	7,880	591	1,613	5,676
Trade and other payables	13,000	13,000	13,000	-	-
Financial liabilities	24,009	24,380	13,591	1,613	9,176

NZ\$000	Carrying amount	Contractual cash flows	2021		
			3 months or less	3 to 12 months	1 to 5 years
Bank loan	15,864	16,000	-	-	16,000
Lease liabilities	10,006	10,522	697	2,099	7,726
Trade and other payables	12,118	12,118	12,118	-	-
Financial liabilities	37,988	38,640	12,815	2,099	23,726

INTEREST RATE RISK

Interest rate risk is the impact of changes in interest rates on the financial results. The Group manages its interest rate risk through the use of interest rate swaps where appropriate, based on the amount and tenure of the Group's borrowing requirements.

The following table shows the effect on profit or loss and equity at reporting date of a reasonably possible change in interest rates. A change in interest rates would impact the floating rate interest payments on the Groups borrowings held at reporting date.

NZ\$000	2022		2021	
	Equity	Profit	Equity	Profit
50 basis point (2021: 10 basis point) increase	(19)	(19)	(4)	(4)
10 basis point decrease	4	4	4	4

In the year ended 31 March 2021, the Group had an interest rate swap agreement in place for a notional amount of NZ\$15,000,000. Under this arrangement the Group paid a fixed rate of interest of 2.785% and received a variable interest rate. The interest rate swap matured on 30 September 2021.

CREDIT RISK

Credit risk is the risk of loss due to customers not paying amounts owed. The Group's exposure to credit risk is managed through the Group's operating model, where payment for the goods is typically received in advance of delivery. Refer to Note 5 Trade and Other Receivables for details of the level of provision for impairment of trade receivables at reporting date.

Other Notes

15. Taxation

Tax expense comprises current and deferred tax. Tax expense is recognised in the Statement of Comprehensive Income. The tax consequence of items recognised directly in equity is also recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of a previous year.

Deferred tax arises due to certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those for tax purposes. Deferred tax is measured at the tax rate that is expected to apply to the temporary differences when they reverse, based on laws that have been enacted or substantially enacted at the reporting date.

Deferred tax is not recognised on the initial recognition of goodwill, or the initial recognition of assets and liabilities in a transaction that affects neither accounting nor taxable profit.

Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Tax expense

NZ\$000	2022	2021
Current period	7,739	6,401
Adjustments for prior periods	(213)	46
Current tax expense	7,526	6,447
Origination and reversal of temporary differences	274	74
Recognition of previously unrecognised tax losses	-	6
Deferred tax expense	274	80
Income tax expense	7,800	6,527

Reconciliation of effective tax rate

NZ\$000	2022	2021
Profit before tax	27,807	8,969
Prima facie income tax expense at 28% on profit before tax	7,786	2,511
Under provided in prior year	-	46
Non-deductible expenses	14	3,970
Income tax expense	7,800	6,527

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2022

Deferred tax

Deferred tax assets and liabilities are attributed to the following:

NZ\$000	At 1 April 2021	Recognised in the Statement of Comprehensive Income	At 31 March 2022
Property, plant and equipment	(52)	277	225
Leases and right-of-use assets	373	(16)	357
Prepayments	-	(265)	(265)
Intangible assets	(5,140)	-	(5,140)
Derivatives	50	(50)	-
Accruals and provisions	481	(220)	261
Tax losses carried forward	6	-	6
Net deferred tax liability	(4,282)	(274)	(4,556)

NZ\$000	At 1 April 2020	Recognised in the Statement of Comprehensive Income	At 31 March 2021
Property, plant and equipment	197	(249)	(52)
Leases and right-of-use assets	354	19	373
Intangible assets	(5,140)	-	(5,140)
Derivatives	139	(89)	50
Accruals and provisions	236	245	481
Tax losses carried forward	6	-	6
Net deferred tax liability	(4,208)	(74)	(4,282)

16. Related Party Transactions

The transactions with related parties that were entered into during the year, and the year-end balances that arose from those transactions are shown below.

KEY MANAGEMENT PERSONNEL REMUNERATION

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

NZ\$000	2022	2021
Short-term employee benefits	2,269	2,191
Share-based payment transactions	-	202
Directors' remuneration	420	289
Key management personnel remuneration	2,689	2,682

A Senior Executive Incentive Scheme was established in February 2021 for certain members of the SLT. Under this scheme the eligible participants would be offered a number of share rights, subject to the achievement of certain performance hurdles.

No expense was recognised in relation to this scheme during the year because the performance hurdle, which required the Group to outperform the EBITDA performance for the year ended 31 March 2022 presented in the Prospective Financial Information (PFI) by a prescribed amount, was not expected to be met.

TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR

Transactions with related parties are at a discount to normal terms and conditions.

NZ\$000	2022	2021
Key management personnel		
Sale of goods	63	60

17. Operating Cash Flow Reconciliation

The reconciliation of net profit before tax to net cash flows from operations is shown below:

NZ\$000	2022	Restated 2021
Net profit before tax	27,807	8,969
<i>Adjustments for non-cash items</i>		
Depreciation and amortisation	5,121	4,589
Non-cash change in deferred finance costs	47	310
Loss on sale of property, plant and equipment	9	(15)
Derivative financial instruments	(179)	(318)
Share-based payment expense	-	359
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	(58)	1,077
(Increase) in inventories	(1,392)	(108)
Decrease/(increase) in prepayments	369	(482)
Increase in trade and other payables	882	422
Increase/(decrease) in deferred revenue	1,322	(2,396)
(Decrease)/increase in other current liabilities	(749)	1,092
Income tax paid	(3,645)	(3,858)
Offer costs not included in operating activities	-	14,115
Net cash flows from operating activities	29,534	23,756

18. Contingent Liabilities

The Group has no contingent liabilities (2021: Nil)

19. Capital Commitments

The Group has capital commitments of NZ\$61,000 (2021: NZ\$35,000).

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2022

20. Comparison to Prospective Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

NZ\$000	Reported 2022	Unaudited Prospective* 2022
Income	193,954	186,382
Cost of sales	(141,282)	(132,591)
Gross profit	52,672	53,791
Marketing expenses	(4,804)	(4,784)
Financing expenses	(1,079)	(1,088)
Indirect expenses	(19,130)	(20,063)
Other income	148	-
Net profit before tax	27,807	27,856
Income tax expense	(7,800)	(7,800)
Net profit after tax	20,007	20,056
Total comprehensive income	20,007	20,056
	NZ\$	NZ\$
Earnings per share		
Basic and diluted earnings per share	0.08	0.08

EXPLANATION OF VARIANCES

The key variances to PFI are:

- Higher income due to higher average order value driven by introduction of the Kitchen and price increases to recover ingredient cost inflation.
- Higher cost of sales due to ingredient cost inflation and higher assembly and distribution costs associated with operating during the COVID-19 pandemic.

* This information is sourced from the PDS and where necessary the prospective information has been aligned to the statutory financial statement format.

STATEMENT OF CHANGES IN EQUITY

Reported 2022

NZ\$000	Share capital	Other shareholder contributions	Retained earnings	Share-based payment reserve	Total equity
At 1 April 2021	59,336	-	(5,138)	-	54,198
Net profit for the year	-	-	20,007	-	20,007
Total comprehensive income for the year	-	-	20,007	-	20,007
Dividend	-	-	(7,295)	-	(7,295)
At 31 March 2022	59,336	-	7,574	-	66,910

Prospective (unaudited) * 2022

NZ\$000	Share capital	Other shareholder contributions	Retained earnings	Share-based payment reserve	Total equity
At 1 April 2021	59,373	-	(6,712)	-	52,661
Net profit for the year	-	-	20,056	-	20,056
Total comprehensive income for the year	-	-	20,056	-	20,056
Dividend	-	-	(6,400)	-	(6,400)
At 31 March 2022	59,373	-	6,944	-	66,317

EXPLANATION OF VARIANCES

The key variances to PFI are:

- Higher retained earnings brought forward at 1 April 2021 due to higher earnings than forecast in the year ended 31 March 2021.
- Higher interim dividend paid in December 2021.

* This information is sourced from the PDS and where necessary the prospective information has been aligned to the statutory financial statement format.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF FINANCIAL POSITION

NZ\$000	Reported 2022	Unaudited Prospective* 2022
ASSETS		
Current		
Cash and cash equivalents	5,913	-
Trade and other receivables	570	1,284
Inventories	2,608	1,527
Prepayments	1,799	1,935
Total current assets	10,890	4,746
Non-current		
Property, plant and equipment	3,372	3,553
Intangible assets	84,889	84,432
Right-of-use assets	6,269	6,117
Other receivables	248	250
Total non-current assets	94,778	94,352
Total assets	105,668	99,098
LIABILITIES		
Current		
Trade and other payables	13,000	8,722
Deferred revenue	4,004	4,002
Lease liabilities	2,022	1,952
Borrowings	-	150
Derivative financial liabilities	-	395
Other current liabilities	1,089	1,255
Tax liability	4,850	4,947
Total current liabilities	24,965	21,423
Non-current		
Lease liabilities	5,576	5,501
Borrowings	3,411	1,109
Deferred tax liability	4,556	4,498
Provisions	250	250
Total non-current liabilities	13,793	11,358
Total liabilities	38,758	32,781
Net assets	66,910	66,317
EQUITY		
Share capital	59,336	59,373
Retained earnings	7,574	6,944
Total equity	66,910	66,317

EXPLANATION OF VARIANCES

The key variances to PFI are:

- Higher net cash earned from operating activities used to repay borrowings.
- Higher inventories due to ingredient cost inflation and an increase in inventory holding as a response to operating during the COVID-19 pandemic.
- Higher trade payables due to ingredient cost inflation.
- Lower supplier rebates receivable (presented in Trade and other receivables) and higher trade payables due to changes in trading terms following supplier contract renegotiations during the year ended 31 March 2021.

* This information is sourced from the PDS and where necessary the prospective information has been aligned to the statutory financial statement format.

STATEMENT OF CASH FLOWS

NZ\$000	Reported 2022	Unaudited Prospective* 2022
OPERATING ACTIVITIES		
<i>Cash was provided from:</i>		
Receipts from customers	194,958	186,931
Proceeds from insurance	59	
Interest received	40	-
<i>Cash was applied to:</i>		
Payments to suppliers	(160,667)	(155,581)
Interest paid	(1,211)	(1,041)
Tax paid	(3,645)	(3,759)
Net cash flows from operating activities	29,534	26,550
INVESTING ACTIVITIES		
<i>Cash was provided from:</i>		
Proceeds from the sale of property, plant and equipment	11	-
<i>Cash was applied to:</i>		
Purchase of property, plant and equipment	(896)	(1,076)
Payments for development of software	(1,983)	(1,638)
Net cash flows from investing activities	(2,868)	(2,714)
FINANCING ACTIVITIES		
<i>Cash was provided from:</i>		
Proceeds from borrowings	8,000	-
<i>Cash was applied to:</i>		
Principal payments on leases	(2,557)	(2,448)
Dividends paid	(7,295)	(6,400)
Repayment of borrowings	(20,500)	(23,797)
Net cash flows from financing activities	(22,352)	(32,645)
Net increase / (decrease) in cash flows	4,314	(8,809)
Cash and cash equivalents at the beginning of the year	1,599	8,659
Cash and cash equivalents at the end of the year	5,913	(150)

EXPLANATION OF VARIANCES

The key variances to PFI are:

- Higher net cash inflows from operating activities due to higher average order value.
- Lower net cash outflows from financing activities as the higher net cash earned from operating activities was used to repay borrowings.

* This information is sourced from the PDS and where necessary the prospective information has been aligned to the statutory financial statement format.

Independent Auditor's Report

FOR THE YEAR ENDED 31 MARCH 2022



Independent auditor's report to the shareholders of My Food Bag Group Limited

OPINION

We have audited the financial statements of My Food Bag Group Limited (the "Company") and its subsidiaries (together the "Group") on pages 38 to 63, which comprise the consolidated statement of financial position of the Group as at 31 March 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the Group, and the notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the consolidated financial statements on pages 38 to 63 present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2022 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's 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 audit work, for this report, or for the opinions we have formed.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interest in, the Company or any of its subsidiaries. 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



REVENUE

Why significant	How our audit addressed the key audit matter
<p>The Group's principal revenue stream is the sale of meal kits. Revenue is recognised at the time of delivery of the meal kit. Revenue is presented net of any sales discounts.</p> <p>As customers pay for meal kits in advance of delivery, revenue recognition is deferred until delivery of the meal kits. As a result, at balance date, cash received in relation to undelivered meal kits is deferred on the statement of financial position and presented as a liability.</p> <p>The volume of meal kits sold and the receipt of cash in advance of delivery increases the likelihood that revenue is recorded in the incorrect period.</p> <p>Disclosures in relation to the Group's revenue are included in Note 1 to the consolidated financial statements.</p>	<p>In obtaining sufficient appropriate audit evidence, we:</p> <ul style="list-style-type: none"> • used data analytical techniques to assess the correlation between revenue, deferred revenue and cash; • validated a sample of cash receipts related to revenue transactions; • assessed the appropriateness of the deferred revenue balance at year end by reference to deliveries subsequent to balance date; • analysed credit notes issued subsequent to balance date to assess whether these indicated that revenue was incorrectly recognised in the 2022 financial year; and • considered the adequacy of the associated disclosures in the consolidated financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The directors of the Company are responsible for the annual report, which includes information other than the consolidated financial statements and auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing on behalf of the entity the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (continued)

FOR THE YEAR ENDED 31 MARCH 2022



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/>. This description forms part of our auditor's report.

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

Chartered Accountants

Auckland

19 May 2022

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Corporate Governance Statement

The Board of My Food Bag Group Limited (**Company**) and its subsidiary (collectively, **My Food Bag**) are responsible for the overall management of My Food Bag and aim to promote and achieve high standards of corporate governance, consistent with the size and nature of My Food Bag's operations.

The objective of strong corporate governance at My Food Bag is to lay the foundation for a culture that is open, transparent and inclusive, and which develops capability, seeks out new opportunities and drives good decision-making, in turn creating long-term, sustainable value for shareholders.

This Corporate Governance Statement provides an overview of My Food Bag's current corporate governance framework, which primarily takes into consideration contemporary corporate governance standards in New Zealand. It is therefore structured in the same manner as the NZX Corporate Governance Code (**NZX Code**) and discloses the extent to which My Food Bag has followed the recommendations in the NZX Code. The Board's view is that (unless specifically stated) My Food Bag generally complies in all material respects with the principles and recommendations set out in the NZX Code.

This statement was approved by the Board on 19 May 2022 and is current as at that date.

Principle 1 – Code of Ethical Behaviour

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

CODE OF ETHICS

My Food Bag expects its people to behave ethically and act with integrity. It has adopted a written Code of Ethics with which all of its Directors and employees are required to comply. This Code does not include an exhaustive list of what is or is not acceptable behaviour at My Food Bag – rather, it is intended to facilitate decisions and promote ethical standards that are consistent with My Food Bag's business standards, reputation, objectives and legal obligations.

The Code of Ethics (taken together with My Food Bag's other internal policies and charters) includes the content specified in Recommendation 1.1 of the NZX Code and will be reviewed by the Board at least every two years. It is currently structured to include certain fundamental requirements for ethical behaviour generally, alongside a number of more targeted areas, including the management of conflicts of interest, protection of My Food Bag's assets and information, reporting of unlawful or unethical behaviour, confidentiality and pursuit of corporate opportunities. Since My Food Bag's last corporate governance statement, the Code of Ethics was updated to reference My Food Bag's inaugural modern slavery statement, recognising that My Food Bag has a zero tolerance for modern slavery practices within its own operations and in its supply chain.

The Code of Ethics is readily available to all employees at My Food Bag. In addition, every new Director and employee of My Food Bag is provided with a copy of the Code of Ethics as part of their induction to the business. Any breaches of the Code of Ethics are required to be addressed promptly, dealt with consistently and handled by senior management and/or the Board, as appropriate. The reporting of breaches of the Code of Ethics is encouraged and the steps for doing so are set out in the Code and My Food Bag's separate Whistleblowing Policy.

The Code of Ethics is available to view on the My Food Bag investor website.

SECURITIES TRADING POLICY

My Food Bag has a Securities Trading Policy that details the Company's trading policy and guidelines, including the restrictions on trading in the Company's securities. It applies to all Directors, employees and contractors of My Food Bag. The requirements imposed by the policy are separate from, and in addition to, the legal prohibitions on insider trading.

The Securities Trading Policy places additional restrictions on certain "restricted persons" which includes the Directors, the Chief Executive Officer (**CEO**), the members of the Senior Leadership Team and their direct reports. These restricted persons are generally prohibited from trading in the Company's securities during prescribed "blackout" periods. Outside of these blackout periods, the restricted persons are generally permitted to trade with the prior written consent of the Chief Financial Officer (**CFO**) (and subject always to compliance with underlying insider trading laws).

The Securities Trading Policy is available to view on the My Food Bag investor website.

Principle 2 – Board Composition and Performance

“To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.”

BOARD CHARTER

The role of the Board is to provide overall strategic direction to My Food Bag and effective management for the purpose of protecting and enhancing the value of My Food Bag and its assets. The Board has legal responsibility for managing the business and affairs of the Company, which, in practice, is substantially achieved through delegation to the CEO, who is charged with the day-to-day operational leadership and management of the business (and who subdelegates certain functions to other members of the Senior Leadership Team, subject to certain limitations and qualifications).

The Board operates under a written Board charter, which sets out the role, responsibilities, composition, structure and approach of the Board. The charter provides guidance for the effective oversight and monitoring of the operational management of My Food Bag on behalf of shareholders, employees and other stakeholders. The charter distinguishes and discloses the respective roles and responsibilities of the Board and management – in this regard, Directors are generally free to discuss business matters with the Senior Leadership Team, but they are expected to respect the distinction between Board and management responsibilities.

A copy of the Board charter is available to view on the My Food Bag investor website.

NOMINATION AND APPOINTMENT OF DIRECTORS

The appointment of directors to the Board is principally governed by the Companies Act 1993, the Company’s constitution and the NZX Listing Rules. The Board has delegated to the Nomination and Remuneration Committee the responsibility to make recommendations to the Board for nomination as members of the Board and its committees and the terms, if any, of such membership.

This Committee is governed by its own written charter. It is responsible for identifying individuals believed to be qualified to become Board members, and to recommend to the Board the nominees to stand for election as directors at the annual shareholders’ meeting. If a casual vacancy arises, the Committee recommends to the Board an individual to fill such vacancy. In nominating candidates, the Committee may consider a range of factors and attributes, including any terms of reference for the Directors from time to time. The Committee is also responsible for reviewing nominations from shareholders and providing recommendations to the Board in respect of such nominations.

The Company enters into written agreements with each of its Directors establishing the terms and conditions of their appointment, including in relation to their duties, term of appointment (subject to shareholder approval) and expectations of the role and remuneration. In addition, the Company indemnifies and arranges insurance for its Directors in accordance with applicable laws for certain claims which may be brought against them as directors.

Under the NZX Listing Rules, a director must not hold office (without re-election) past the third annual shareholders’ meeting following that director’s appointment or three years, whichever is longer. From time to time certain Directors may also retire early and seek reappointment at an annual shareholders’ meeting, so as to effectively stagger the appointment of Directors and better preserve continuity by avoiding a scenario where all or a majority of the Directors are required to retire at the same meeting.

Corporate Governance Statement (continued)

DIRECTORS

The Board currently comprises five Directors: an independent Chair, Tony Carter; three independent non-executive Directors, Sarah Hindle, Jen Bunbury and Jon Macdonald; and one non-executive Director, Chris Marshall. A profile highlighting the experience of each Director, including his or her length of service with My Food Bag, is available on My Food Bag's website and included in the Board of Directors section of the Annual Report.

Directors are chosen for their corporate leadership skills, professional backgrounds, experience and expertise. The right blend of skills and experience, combined with a diversity of perspectives, is crucial for the Board to be able to create value for My Food Bag's shareholders over the long term. The current balance of skills, experience, tenure and diversity on the Board is summarised below:

	Board skills, experience, tenure and diversity	
Experience	Banking and finance	
	Legal and regulatory	
	Technology	
	Consumer business	
	Grocery	
	Investment and M&A	
Skills	Financial acumen	
	Governance and compliance	
	Strategy and risk	
	Grocery supply chain and logistics	
	Customer experience and agri-tech	
	E-commerce	
	Investor relations	
Tenure	3 to 6 years	1
	Less than 3 years	4
Diversity	Female	40%
	Male	60%

Directors are encouraged (but not required) to hold shares in the Company in order to more strongly align their interests with the interests of shareholders. All Directors currently own shares (either directly or through a related entity or trust), and those relevant interests are included in the Other Disclosures section of the Annual Report.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

For the year ended 31 March 2022

	Board meetings available to attend	Number attended	ARC ¹ meetings available to attend	Number attended	NRC ² meetings available to attend	Number attended
Chris Marshall	14	14	4	4	3	3
Tony Carter	14	14	4	4	3	3
Jon Macdonald	14	14	4	4	3	3
Sarah Hindle	14	13	4	4	3	3
Jen Bunbury	14	14	4	4	3	3

1. Audit and Risk Committee.

2. Nomination and Remuneration Committee.

During FY22, members of the Board also provided more informal oversight and strategic support to management at different times to help assess the impacts of COVID-19 on My Food Bag's business and its response as an essential service, including during the recent Omicron outbreak.

DIVERSITY

My Food Bag aims to cultivate an environment where all of its people enjoy coming to work and contributing to the collective success of the business. It is committed to creating an open workplace where every team member is welcomed, supported and inspired, and where diversity is celebrated at all levels of the business. To do this, My Food Bag actively seeks to remove perceived or tangible barriers to becoming part of the My Food Bag team and provides equal opportunities based on performance and potential.

My Food Bag has a written Inclusion and Diversity Policy that is available on the My Food Bag investor website. The guiding principles of this policy include to: encourage diversity throughout the workforce; create a flexible and inclusive work environment; leverage diversity of thought and individuality; ensure the behaviour of My Food Bag's leaders reflects its values; attract and retain talented people; and maintain a zero tolerance for bullying and harassment. This policy will be reviewed by the Board as required and at least every two years.

Diversity and inclusion has been a hallmark of My Food Bag's values since its inception, reflecting the values and expectations of the founders of the business. These values are formalised in the written policy. The Board is generally comfortable with My Food Bag's core statistics with regards to diversity and inclusion, albeit it recognises there are always opportunities to further improve My Food Bag's workplace, including through new programmes and initiatives designed to target particular aspects of diversity and inclusion.

During FY22, the focus for management has been on supporting its people through further lockdowns and periods of isolation in response to the pandemic. For many parts of My Food Bag, this has increased the opportunities for flexible working arrangements, including remote working. This flexibility is expected to remain a feature of My Food Bag's overall employment proposition going forward, helping the business to recruit and retain employees from a diverse range of backgrounds and circumstances.

In FY23, as part of a broader focus on people and culture, My Food Bag will be considering whether there are new opportunities to promote and advance diversity and inclusion, and whether to introduce any more formal measurable objectives for achieving diversity that are reflective of My Food Bag's values. As part of this, My Food Bag intends to review the extent of any gender pay gap evident in the organisation and what steps the business can take to continue to effectively measure, monitor and improve this issue. A further update on these diversity and inclusion initiatives, including any formal measurable objectives adopted, will be provided in next year's annual report (or other corporate governance reporting).

Corporate Governance Statement (continued)

The Board recognises that gender is one important and commonly reported measure of diversity. The gender composition at My Food Bag as at the last two balance dates is set out in the table below.

	2021 ^{1, 3}		2022 ^{1, 3}	
	Female	Male	Female	Male
Directors	2	3	2	3
Officers ²	4	4	4	4
Other employees	104	91	130	88
Total	110	98	136	95

DIRECTOR TRAINING

On appointment, all Directors receive a comprehensive induction from the business to familiarise themselves with My Food Bag's management and operations. Under its charter, the Board has also committed to ensure that new Directors are appropriately introduced to My Food Bag's management and business, are acquainted with relevant industry knowledge and receive all appropriate papers, policies and documents to enable them to discharge their duties effectively. Visits to specific operations of the business are arranged, when appropriate, and reports and presentations from management are incorporated into the Board meeting schedule on a regular basis.

More generally, Directors are expected to maintain appropriate levels of financial, legal and industry understanding, and are encouraged to take responsibility for their own professional development, including by attending relevant courses or conferences and through membership of industry bodies such as the NZ Institute of Directors. Each Director is also entitled to access Company information and to seek independent advice in respect of their role as a Director should the need arise.

BOARD PERFORMANCE

The Board has committed to critically evaluate its own performance and the performance of individual Directors every two years (as well as to review My Food Bag's key policies and charters). In addition, the Chair of the Audit and Risk Committee reviews that Committee's performance at least every two years and is required to report her findings to the Board.

The Nomination and Remuneration Committee is tasked with making recommendations to the Board to ensure that adequate procedures are in place to review the performance of the Board as a whole, its Committees and the contributions of Directors.

More generally, open and constructive discussion is encouraged at all Board and Committee meetings to ensure decisions are taken that benefit from the diverse range of skills, experiences and perspectives of Directors – in this regard, each Director is expected to fully participate in meeting discussions, having read all Board and briefing papers provided.

INDEPENDENCE

The Board currently comprises five Directors. All Directors are non-executive Directors. The Board has considered which of the Directors are independent Directors for the purposes of the NZX Listing Rules and has determined that, as at 19 March 2022 (the date of this corporate governance statement), four Directors are independent Directors, including the Chair and the Chair of the Audit and Risk Committee. The independent Directors are Tony Carter, Jen Bunbury, Jon Macdonald and Sarah Hindle. Chris Marshall is not considered to be independent at this time due to his association with a current substantial product holder of My Food Bag (Waterman Fund 3 LP).

The positions of Chair of the Board and CEO of My Food Bag are held by different people.

The Board's standards for determining independence of Directors includes the non-exhaustive factors set out in Recommendation 2.4 of the NZX Code, and requires the Board to ultimately assess whether a Director's interest, position, association or relationship might interfere, or might reasonably be seen to interfere, with that Director's capacity to bring an independent judgment to bear on issues before the Board, to act in the best interests of the Company and to represent its shareholders generally. The Board assesses the independence of Directors on their appointment and at least annually thereafter. If there is a change in the Board's determination, it will be announced to the market.

1. As at 31 March in each year.

2. In accordance with NZX Listing Rule 3.8.1(c), an "Officer" for this purpose means a person who is concerned or takes part in the management of an issuer and reports directly to the Board or a person who reports to the Board. In My Food Bag's circumstances, this category of person comprises members of the Senior Leadership Team.

3. Directors, officers and other employees are also given the option to elect to not specify their gender or to identify as non-binary.

The Company maintains an Interests Register. Any Director who is interested in a transaction with the Company must immediately disclose to the Board the nature, monetary value and extent of that interest. A Director who is interested in a transaction may attend and participate at a Board meeting at which the transaction is discussed, but may not be counted in the quorum for that meeting or vote in respect of the transaction, unless it is one in respect of which Directors are expressly required by the Companies Act 1993 to sign a certificate. The particulars of entries made in My Food Bag's Interests Register during FY22 are included in the Other Disclosures section of the Annual Report.

Principle 3 – Board Committees

"The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility."

AUDIT AND RISK COMMITTEE

The Company has an Audit and Risk Committee which operates under its own written charter. The members of the Audit and Risk Committee are currently the same as the Board, except that the Chair of the Audit and Risk Committee is Jen Bunbury who has a background in financial services and was previously the Chief Financial Officer of another major listed company. Like the Board, the Audit and Risk Committee is majority independent and comprises solely non-executive Directors of the Company.

The Committee may, in its discretion, invite My Food Bag's external auditors (currently Ernst & Young), CEO, CFO, Financial Controller and others, as appropriate, to attend committee meetings. The Committee meets formally at least three times a year, including in the lead up to the release of half-year and annual results.

NOMINATION AND REMUNERATION COMMITTEE

The Company has a combined Nomination and Remuneration Committee which operates under its own written charter. The members of the Nomination and Remuneration Committee are currently the same as the Board, and the Chair of this Committee is now Jon Macdonald, with Mr Macdonald having taken over this role from Tony Carter at the start of FY23. Like the Board, the Nomination and Remuneration Committee is majority independent and comprises solely non-executive Directors of the Company.

The primary responsibilities of the Nomination and Remuneration Committee include to identify and make recommendations to the Board in respect of Director nominations (including casual vacancies and composition of Committees), to review and recommend to the Board appropriate remuneration of non-executive Directors, and to review and approve annually the remuneration strategy for My Food Bag, including specific responsibilities in relation to the CEO and his direct reports.

Management is only invited to attend meetings of the Nomination and Remuneration Committee at the invitation of the Committee. The Committee meets formally at least three times a year.

OTHER COMMITTEES

The Board does not consider that it is necessary at this time to establish any other standing committees. However, from time to time the Board may seek to establish ad hoc or special purpose committees to examine, or have the delegated authority to deal with, specific issues.

TAKEOVER PROTOCOLS

The Board has established detailed takeover protocols to assist My Food Bag to prepare for, and to respond to, any unsolicited approaches or proposals it may receive in relation to a takeover. These protocols would help to inform the Board of their roles and responsibilities with respect to any approach or proposal, assist the Board and its advisers in developing and executing a response strategy, and act as a basic guide on the process for any takeover offer. These protocols include the option of forming a committee to investigate and consider the approach or proposal, with that committee to be comprised of Directors who are not interested in the relevant approach.

Corporate Governance Statement (continued)

Principle 4 – Reporting and Disclosure

“The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.”

CONTINUOUS DISCLOSURE

My Food Bag is committed to ensuring that all investors have equal, full and timely access to material information about the Company that is accurate, balanced, meaningful and consistent.

The Company has established a written Continuous Disclosure Policy which sets out the internal principles and processes designed to ensure that the Company complies with the continuous disclosure obligations under the Financial Markets Conduct Act 2013 and the NZX Listing Rules. The Board has adopted this policy and it applies to all members of the Board as well as senior managers, officers, employees and contractors of, and secondees to, My Food Bag. Directors formally consider at each Board meeting whether there is material information which should be disclosed to the market to comply with the Company’s continuous disclosure obligations.

The Continuous Disclosure Policy is available to view on the My Food Bag investor website.

CHARTERS AND POLICIES

Information about My Food Bag’s corporate governance framework (including its Code of Ethics, Board and Committee Charters, Securities Trading Policy and other key governance policies) is available to view on the My Food Bag investor website at <https://investors.myfoodbag.co.nz/investor-centre/>.

REPORTING

Financial reporting

My Food Bag publishes its half-year and audited full-year financial statements that are prepared in accordance with the relevant financial reporting standards. The audited full-year financial statements for FY22 are included in this Annual Report.

The Audit and Risk Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of financial statements. The Committee is committed to providing balanced, clear and objective financial reporting. It reviews half-year and annual financial statements and makes recommendations to the Board concerning accounting policies, areas of judgment, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit.

Non-financial reporting

Non-financial information is included throughout this Annual Report, including in relation to My Food Bag’s general environmental and social sustainability factors and practices. For more information, refer to the Environmental, Social and Governance section of this Annual Report.

My Food Bag recognises the opportunity to further formalise its sustainability framework and to set a clear set of operational or non-financial targets which are aligned with My Food Bag’s strategy, values and reputation. As part of this, My Food Bag has begun preparing for the new mandatory climate-related disclosure regime that will be introduced from FY24. The business is also aiming to release its first standalone sustainability report during FY23.

Principle 5 – Remuneration

“The remuneration of directors and executives should be transparent, fair and reasonable.”

DIRECTORS’ REMUNERATION

Shareholders fix the total remuneration available for Directors. The current director fee pool limit is \$600,000 per annum, which was approved by the shareholders on 14 January 2021 and is to be divided among the non-executive Directors as they see fit. Directors are entitled to be reimbursed for all reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or shareholder meetings, or otherwise in connection with the Company’s business. No additional fees are paid to any Director for their role on any Board Committee.

The current Directors do not receive any performance- or equity-based remuneration. This reflects the differences in the role of the Directors, which is to provide oversight and strategic direction, and the role of management, which is to operate the business and execute My Food Bag's strategy.

Under NZX Listing Rule 2.11.3, if the total number of Directors subsequently increases, the Directors are permitted (without seeking shareholder approval) to increase the total remuneration by the amount necessary to enable the Company to pay the additional Director or Directors remuneration not exceeding the average amount then being paid to the existing Directors (other than the Chair).

The actual remuneration of Directors of the Company in respect of FY22 is included in the Other Disclosures section of the Annual Report.

REMUNERATION POLICY

The Nomination and Remuneration Committee is responsible for reviewing and recommending to the Board appropriate remuneration for the non-executive Directors. Where appropriate, the Board will consider advice of independent remuneration consultants when setting remuneration levels and other relevant factors when recommending Directors' fees to shareholders. The Board will not be seeking any increase in the current fee pool limit of \$600,000 at the upcoming annual meeting.

My Food Bag has a separate remuneration policy that provides a framework for setting and reviewing remuneration arrangements for the officers of My Food Bag. This policy is administered by the Nomination and Remuneration Committee. The Committee may seek external advice on remuneration matters as it deems appropriate and will make recommendations to the Board in regard to the CEO's contractual arrangements, including remuneration. The Committee may also endorse the CEO's recommendations on the total remuneration packages for his direct reports and the Company generally.

When setting remuneration, My Food Bag has regard to market remuneration, taking into account the complexity of the business itself, and also carefully considers the scale and complexity of the role and its performance requirements and expectations. During FY22, My Food Bag engaged a third party to assist it with an end-to-end review of its employee remuneration framework, including a benchmarking exercise for different roles within the organisation (by reference to the New Zealand private sector). The outcome of that review will be reflected in the next financial year, including by establishing the new incentive schemes discussed below.

In respect of FY22, the remuneration of the CEO and other members of the Senior Leadership Team included a mix of fixed and variable components, summarised as follows:

- **Fixed remuneration** – this included the relevant employee's base salary and any direct cash or non-cash benefits (e.g. KiwiSaver contributions and other fringe benefits such as discounted My Food Bag meal kits and car parking).
- **Other variable remuneration** – some members of the Senior Leadership Team were eligible to participate in a short-term incentive plan (STI), a recurring plan which rewards achievement against prescribed performance measures. Eligibility was determined by the Board and the CEO. Each participating employee's STI was valued at 20% of their base salary (or 15% for invitees that are not part of the Senior Leadership Team), with a payout range of up to 150% in circumstances of outperformance against the agreed targets. The performance measures were based 60% on overall company performance and 40% on the individual's performance against agreed objectives. Subject to individual performance, which was measured on an individual-by-individual basis, the STI which operated in respect of FY21 was paid out at the start of FY22 to eligible employees. However, no STI will be paid in respect of FY22 (including any individual performance component) as a consequence of My Food Bag's EBITDA in respect of FY22 not exceeding the PFI by an amount that would effectively "self-fund" the STI.

The STI that will operate in respect of FY23 is being modified, with a focus going forward solely on company performance (based 40% on a revenue target and 60% on an EBITDA target) rather than an individual performance component. The CEO will be invited to participate in this STI.

A breakdown of employees of My Food Bag, not being Directors of the Company, who received remuneration and other benefits in their capacity as employees that exceeded \$100,000 during FY22 is included in the Other Disclosures section of this Annual Report. The remuneration arrangements in relation to the CEO, Kevin Bowler, are also included in that section of the Annual Report for the purposes of Recommendation 5.3 of the NZX Code. For clarity, Mr Bowler was not eligible to participate in My Food Bag's STI for FY22.

Corporate Governance Statement (continued)

SENIOR EXECUTIVE INCENTIVE SCHEME

My Food Bag established a senior executive incentive scheme in connection with the IPO and in respect of which the Board invited the CEO and CFO to participate. The performance hurdles attached to this scheme were not achieved, and as a result neither the CEO nor CFO became entitled to subscribe for new shares in My Food Bag. This scheme is now at an end and no new grants will be made under it.

MY FOOD BAG'S LONG TERM INCENTIVE PLAN

As contemplated in last year's annual report, the Board has established a new long term incentive plan (LTI) which will operate for the first time in FY23. This LTI will operate as a performance share rights scheme, which is a common incentive structure used by a number of issuers in New Zealand. The purpose of the LTI is threefold: (1) to assist in the reward and retention of eligible employees; (2) to drive longer-term business performance; and (3) to align the interests of eligible employees with the interests of shareholders.

The employees invited to participate in the LTI will include the members of the Senior Leadership Team, as well as certain other senior employees of the business based on job grading. The performance rights issued to eligible employees in the LTI will be capable of vesting based on a retention condition and the achievement of performance hurdles set by the Board. If and to the extent that such performance rights vest, the eligible employee will be entitled to exercise those rights to subscribe for (or be transferred) shares in My Food Bag.

It is expected that the first tranche of performance rights under the LTI will be issued to eligible employees shortly after My Food Bag releases its FY22 results, with the conditions attaching to those performance rights generally comprising retention over the vesting period of two years and (as to 50% of the performance rights issued to each eligible employee) the achievement of a performance hurdle measured by reference to My Food Bag's relative total shareholder returns over that vesting period. The value of these initial grants is expected to be between 20% and 30% of base salary, depending on the job grading of the eligible employee. The Board has indicated that for future grants under the LTI, if any, the vesting period would be increased to 3 years as the scheme becomes more established.

The grant made to the CEO, Mr Bowler, under the LTI is expected to be slightly more bespoke and is still being finalised with the Board. Further details about that grant will be announced to the market at the time that the first tranche of performance rights are issued (including as part of an updated D&O disclosure notice), and will also be detailed in the CEO remuneration section of next year's Annual Report.

MY FOOD BAG'S EMPLOYEE SHARE OWNERSHIP SCHEME

In the course of the review of My Food Bag's remuneration framework, the Board identified an opportunity to establish a more inclusive employee share ownership scheme (ESOS) targeted at all permanent employees (other than those participating in the LTI) working at least 30 hours per week. The purpose of the ESOS is to assist My Food Bag to reward and retain employees, and empower employees to act like owners of the business. The ESOS will operate in a similar manner to the LTI, except that the condition that attaches to the share rights granted under the ESOS will solely comprise retention over the vesting period.

It is expected that the first tranche of share rights under the ESOS will be issued to eligible employees shortly after My Food Bag releases its FY22 results. The value of each grant is expected to be \$3,000.

Principle 6 – Risk Management

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

RISK MANAGEMENT FRAMEWORK

My Food Bag is committed to the process of identifying and mitigating material risks and has systems, policies and procedures in place to manage risks and to protect My Food Bag and its employees, customers, shareholders and other stakeholders. While no risk management system can ever be infallible, the overriding objective at My Food Bag is to make sure that at all times material risks are appropriately identified and managed within acceptable levels.

The Board is ultimately responsible for endorsing My Food Bag's risk management framework and policies, monitoring compliance, reviewing risk registers, considering advice and recommendations made by the Audit and Risk Committee and, where appropriate, responding to serious risk incidents.

The CEO and other members of the Senior Leadership Team are required to review, approve and take ownership of the day-to-day management and operation of My Food Bag's risk management framework and associated policies and procedures. This includes identifying new risks within each senior employee's area of responsibility, allocating "risk owners" to each risk, maintaining a risk register, undertaking periodic risk assessments and preparing appropriate risk mitigation plans or controls. This risk management framework is embedded into My Food Bag's processes, including the annual planning and budgeting processes, project management, procurement and reporting.

As a general rule, different risks will have different risk treatments depending on the severity and nature of the risk – these risk treatments include avoidance, mitigation, acceptance and transfer (e.g. through insurance or contract).

The Board is provided with updates from the Senior Leadership Team at least every quarter, including an update on any new risks identified, the status of any risk incidents that have occurred (or are heightened or emerging) and the adequacy of any action plans and controls. More generally, risk owners report any risk incidents that have occurred (or are heightened) (including new risks that have emerged) to the Senior Leadership Team as soon as practicable so that they can consider how best to manage or control that risk. If the matter escalated is material, it will be promptly reported to the Board. At the same time, the CFO and the Board will consider whether any disclosure is required to the market under the Company's continuous disclosure obligations.

PRINCIPAL BUSINESS RISKS AND KEY STRATEGIES TO MITIGATE

My Food Bag is currently focused on nine principal business risks across its business (not including health and safety risks which My Food Bag has an ongoing focus on). These risks are dynamic and in the future the importance or extent of each risk may change, or new risks and uncertainties may materialise, owing to changes in economic or environmental conditions, the regulatory environment and other factors (e.g. COVID-19). For the purposes of this Annual Report and Recommendation 6.1 of the NZX Code, a high-level description of these principal business risks is provided below.¹

Area	Description of risk	Key strategies to mitigate
Food safety	Customers could become unwell as a result of eating our products (e.g. where products contain foreign objects or harmful bacteria). We may have to withdraw products. Our reputation could be impacted and we may face other regulatory consequences.	We have strict and thorough procedures in place for food handling and safety. These include inward checks of ingredients, monitoring cold chain settings, removal of damaged products, maintenance of incident registers and quality control standards, and checks of products prepared by third parties. We also continually monitor customer feedback and have strict supplier standards, including an "Approved Supplier Programme". Regular food safety audits are undertaken to ensure our procedures meet recommended standards.
IT and data security	Access to our IT systems could be impacted (e.g. by a cyber-attack) and we may be unable to communicate with our customers or suppliers effectively. This could impact our ability to accept orders or fulfil our commitments.	We have systems and processes in place to lessen the likelihood that our business would be subject to or affected by a cyber-attack. This includes compliance with high standards of data protection and frequent identification and reporting on any weaknesses or issues in our existing system. To this end, a review of My Food Bag's response readiness to a cyber-attack was undertaken in FY22, and a number of business continuity plans were tested, updated and refined in response to that review. We have also implemented alternative communication channels for our customers, have good relationships with our suppliers, have back-up systems in place to ensure data and business continuity is maintained and do not hold any customer credit card details.

1. Certain financial risks are separately disclosed in the audited FY22 financial statements included in this Annual Report.

Corporate Governance Statement (continued)

Area	Description of risk	Key strategies to mitigate
Product assembly	Product assembly could be disrupted by an event (e.g. fire, power outage or lack of availability of temporary labour). This could result in us being late or unable to deliver to customers, which could lead to refunds, credits or cancelled subscriptions.	<p>We operate decentralised assembly centres with robust systems and procedures in place to prevent serious disruption. This includes a secondary assembly site in Auckland, providing an ability to move and restart a proportion of our operations.</p> <p>Assembly centres have heat and smoke detection systems to identify fires before they spread. Windsock and ammonia alarms are included at assembly centres that utilise ammonia as a refrigerant.</p> <p>We also maintain relationships with a range of temporary labour suppliers to mitigate risks of temporary labour shortages or cost pressure.</p>
Distribution	Our distribution network could be interrupted (e.g. by weather or road closures). This could result in us being late or unable to deliver to customers, which could lead to refunds, credits or cancelled subscriptions. Products could also be stolen or damaged.	<p>We use a reliable third-party distributor, NZ Post, with an extensive distribution network. We also have alternative transport providers available to us at short notice for all main centres. Appropriate driver training and insurance is arranged.</p> <p>We prepare 'buffer bags' each week to cover damaged or lost orders, and we have alternative sales channels in place that we can utilise.</p>
COVID-19	Product assembly could be disrupted by a number of workers testing positive for COVID-19 or being "close contacts" and required to isolate for a period. This could result in us being late or unable to deliver to customers, which could lead to refunds, credits or cancelled subscriptions.	<p>We are designated as an "essential service" enabling us to continue operating at different government Alert Levels. We also operate decentralised assembly centres (reducing risk of widespread disruption) and have specific site requirements (including protective equipment, social distancing, shift separation and temperature checks).</p> <p>In response to the most recent Omicron outbreak, we have obtained a stock of Rapid Antigen Tests (RATs) which are available to all staff to utilise to indicate whether they are positive for COVID-19 and, if not, facilitate their physical return to work as soon as possible. Our office staff are encouraged to work remotely while Auckland is in the red traffic light setting in response to the current outbreak.</p>
Competition	Customers may switch to existing competitors, including in response to discounting or other promotions or inflationary pressure on spending, or a new competitor may enter the market and seek to gain market share.	<p>My Food Bag already operates in this competitive industry as a long-standing meal-kit provider. We have high levels of brand advocacy, a diverse product range, and experience in adapting our strategy in response to the actions of competitors and changes in consumer spending.</p> <p>We continue to develop new products in response to customer preferences and continue to improve customer experience.</p>

Area	Description of risk	Key strategies to mitigate
Ingredients	An ingredient could become unavailable (e.g. due to inclement weather) or more expensive, impacting our ability to satisfy customer needs.	We retain an ability to substitute ingredients, change upcoming menus or seek to pass on sustained price increases to customers. We communicate any changes clearly and appropriately with our customers.
Inflation	Inflation could impact the cost of ingredients and put pressure on My Food Bag's margins. Higher costs of living could put financial pressure on customers, and they may be less able to absorb price increases or may trade down to cheaper substitutes (within My Food Bag's brands or otherwise).	As noted above, we retain some ability to preserve margins by substituting ingredients, changing upcoming menus or seeking to pass on sustained price increases to customers. In response to an inflationary environment, we carefully position our brands and messaging, and we continue to innovate, to appeal to our customers and recognise and adapt to any change in consumption behaviour. We use marketing campaigns, including promotions and loyalty programmes, to drive frequency and favourable brand mix.
Brand and marketing	A brand ambassador or promoter could be brought under public scrutiny and bring into question the integrity of our brand and cause a loss of goodwill and customer trust.	We have a long association with our brand ambassadors and go through a careful process when selecting new brand ambassadors. We also monitor content and follow up rapidly if any inappropriate or offensive content is identified.

HEALTH AND SAFETY

My Food Bag is very conscious of the importance of health and safety. The business adopts a systematic approach to the management of health and safety risks and has comprehensive health and safety documentation in place. Detailed health and safety policies, standards and procedures are implemented alongside hazard and risk management processes, including an incident notification and management system. The business encourages active involvement by Directors, management, employees and contractors to participate in improving health and safety within the organisation.

The business focuses internally on critical risks, with a strong emphasis on managing risks. For example, My Food Bag manages the risk of operating moving equipment inside assembly centres safely through the use of an InfoLink forklift tracking system and by distancing equipment like forklifts from workers, while also adopting strict traffic management and separation procedures. Each site operates a Health and Safety Committee, which meets monthly and the Senior Leadership Team and Board are active participants in site safety audits.

In response to COVID-19, My Food Bag designed and implemented a COVID-19 Prevention and Control Protocol, which outlines the actions the business takes to prevent and control the transmission of COVID-19 throughout all the New Zealand Government's different COVID-19 settings.

Corporate Governance Statement (continued)

Principle 7 – Auditors

“The board should ensure the quality and independence of the external audit process.”

AUDIT

My Food Bag is committed to maintaining auditor independence, consistent with best-practice governance and regulatory requirements. The Company has adopted an Auditor Independence Policy that is administered by the Audit and Risk Committee. The objective of this policy is to ensure that My Food Bag’s auditors carry out their functions independently and without impairment, safeguarding the reliability and credibility of My Food Bag’s external financial reporting. The policy addresses Recommendation 7.1 of the NZX Code and includes the criteria for approval of an external audit firm, the monitoring of audit independence, the audit rotation requirements, the circumstances where it may be appropriate for an auditor to provide non-audit services and the responsibilities of My Food Bag (including in relation to the monitoring of audit performance, value and fees).

Ernst & Young, as auditor of the FY22 financial statements, will be invited to attend this year’s annual shareholders’ meeting and will be available to answer questions about the conduct of the audit, preparation and content of the auditor’s report, accounting policies adopted by My Food Bag and the independence of the auditor in relation to the conduct of the audit.

While My Food Bag does not have a dedicated internal audit function, it has, in addition to the external audit process, an internal framework through which it seeks to review, evaluate and continually improve risk management and internal control processes. Where appropriate, more specific audits are carried out by My Food Bag using external providers or regulators.

Principle 8 – Shareholder rights and relations

“The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.”

SHAREHOLDER INFORMATION

My Food Bag maintains an investor that contains a comprehensive set of investor-related material and data, including market disclosures and media releases, annual reports, share-price and dividend information, shareholder meeting materials and all My Food Bag’s important governance charters and policies.

SHAREHOLDER COMMUNICATION

Shareholders have the option of receiving their communications electronically, including by email, and are actively encouraged to take up this option. My Food Bag is committed to open dialogue with shareholders and welcomes investor enquiries. Following each results announcement, My Food Bag holds an investor call to present the results and to allow investors to ask questions.

RIGHT TO VOTE ON MAJOR DECISIONS

In accordance with the Companies Act 1993, the Company’s constitution and NZX Listing Rules, the Company refers any significant matters to shareholders for approval at the annual shareholders’ meeting, and shareholders are given the opportunity to vote by proxy ahead of the meeting or by polling if attending the meeting in person or virtually. If a significant transaction or decision requiring shareholder approval were to arise outside the period of the annual shareholders’ meeting, a special meeting of the shareholders would be called by the Board to allow shareholders to consider and vote on that matter.

NOTICE OF ANNUAL SHAREHOLDERS’ MEETINGS

The annual meeting of shareholders is held at a convenient time and location and this year is anticipated to be run as a hybrid meeting (being a combination of the physical meeting as well as a virtual online meeting) or as a virtual-only meeting. This is due to the uncertainties around COVID-19 and given the desire to maximise participation. The annual shareholders’ meeting is expected to be held on 19 August 2022. The Notice of Meeting will be circulated at least 20 working days before the meeting and will also be posted on the My Food Bag investor website.

Other Disclosures

STOCK EXCHANGE LISTINGS

The Company's ordinary shares are listed and quoted on the NZX Main Board and the ASX under the company code 'MFB'. The Company's listing on the ASX is as a Foreign Exempt Listing. This category of listing on the ASX is based on a principle of substituted compliance recognising that, for secondary listings, the primary regulatory role and oversight rests with the home exchange and the supervisory regulator in that jurisdiction. Therefore, the Company must comply with the NZX Listing Rules, but is exempt from almost all the ASX Listing Rules. For the purpose of ASX Listing Rule 1.15.3, the Company confirms that it continues to comply with the NZX Listing Rules.

PRINCIPAL ACTIVITIES

My Food Bag's principal activity remains the commercial operation of a meal-kit business. There has been no material change in the nature of My Food Bag's business, or the classes of business in which the Company has an interest, during FY22.

MY FOOD BAG DIRECTORS

The Directors of the Company holding office as at 31 March 2022 are noted below. No Director ceased to hold office as a Director of the Company during FY22.

Name	Date of appointment	Independence
Chris Marshall	6 October 2016	Non-independent
Jon Macdonald	14 January 2021	Independent
Sarah Hindle	14 January 2021	Independent
Tony Carter (Chairperson)	14 January 2021	Independent
Jen Bunbury	14 January 2021	Independent

The current Directors of the Company's only subsidiary, My Food Bag Limited, are Kevin Bowler (CEO) and Mark Winter (CFO). Mr Bowler and Mr Winter were appointed on 14 January 2021.

DISCLOSURE OF DIRECTORS' INTERESTS

The Company maintains an Interests Register in which particulars of relevant transactions and matters involving the Directors are entered. Details of the interests entered during FY22 are recorded below.

General disclosures

The following are particulars of general disclosures of interest made during FY22 by Directors of the Company (or its subsidiary) holding office as at 31 March 2022, pursuant to section 140(2) of the Companies Act 1993. Each Director will be regarded as interested in all transactions between My Food Bag and their disclosed companies, trusts or persons (or their subsidiaries).

Director	General disclosure
Tony Carter	Skin Institute Holding Company Limited (director) The Interiors Group Holdco Limited (director) Royal Auckland and Grange Golf Club (captain) <i>Mr Carter also gave the Company notice that he ceased to be a director of ANZ Bank New Zealand Limited on 28 August 2021.</i>

Jon Macdonald also gave the Company notice that he ceased to be a director of NZX Limited on 8 April 2021.

There were no specific disclosures made by Directors of the Company or its subsidiary during FY22 of any interests in transactions entered into by the Company or its subsidiary.

Other Disclosures (continued)

Use of Company information

There were no notices from Directors of the Company or its subsidiary requesting to disclose, use or act on My Food Bag's information received in their capacity as Directors.

Indemnity and insurance

The Company has granted indemnities in favour of each of its Directors (and the Directors of its subsidiary) as permitted by the Companies Act 1993 and the Financial Markets Conduct Act 2013. The Company also maintains Directors' and Officers' liability insurance for all Directors and officers of the Company and its related companies. In addition, the Company effected public offering of securities insurance in relation to the Company's IPO in 2021.

Directors holding of securities

Directors are encouraged (but not required) to hold shares in the Company in order to more strongly align their interests with the interests of shareholders. Details of the ordinary shares of the Company in which each Director has a relevant interest (as defined in the Financial Markets Conduct Act 2013) as at 31 March 2022 are set out below:

Director	Nature of relevant interest	Shares
Tony Carter	20% or more interest in Loughborough Investments Limited, resulting in Tony being deemed to have the same relevant interest in the shares as Loughborough Investments Limited. 100,000 of these ordinary shares are held by FNZ Custodians Limited as custodian for Loughborough Investments Limited.	154,054
Jon Macdonald	Registered holder and beneficial owner	100,000
Sarah Hindle	Registered holder and beneficial owner	10,811
Chris Marshall	20% or more interest in Waterman Capital (Fund 3) Limited, resulting in Chris being deemed to have the same relevant interests in the shares as Waterman Fund 3 LP and Waterman Capital (Fund 3) Limited.	38,165,965
	20% or more interest in CMC Limited, resulting in Chris being deemed to have the same relevant interest in the shares as CMC Limited.	262,122
Jen Bunbury	Registered holder as trustee of the Jennifer L Bunbury Trust	26,216

Securities dealings of Directors

For the purposes of section 148(2) of the Companies Act 1993, Directors disclosed the following acquisitions or disposals of relevant interests (of the nature described in the previous table) in the Company's ordinary shares during FY22. No shares were acquired or disposed of by a Director during any "blackout" period of trading prescribed by the Company's Securities Trading Policy.

Director	Date	Nature of transaction	Consideration (NZ\$)	Shares
Tony Carter	24 May 2021	Acquisition	\$27,200	20,000
	5 July 2021	Acquisition	\$26,400	20,000
	24 Nov 2021	Acquisition	\$24,800	20,000
Jon Macdonald	24 May 2021	Acquisition	\$14,400	10,000
	22 Nov 2021	Acquisition	\$25,000	20,000
	23 Nov 2021	Acquisition	\$7,433	5,946
Chris Marshall	24 Jan 2022	Acquisition	\$89,939	79,592
	25 Jan 2022	Acquisition	\$82,073	73,476
Jen Bunbury	24 May 2021	Acquisition	\$13,600	10,000

REMUNERATION

Employee remuneration

All employees of My Food Bag are employed by My Food Bag Limited. The number of employees and former employees of My Food Bag Limited, not being Directors of the Company, who, in their capacity as employees, received remuneration and other benefits, the value of which was or exceeded \$100,000, during FY21 is set out in the table of remuneration bands below.

Remuneration (NZ\$)	Number of employees
\$100,000 to \$109,999	3
\$110,000 to \$119,999	1
\$120,000 to \$129,999	3
\$130,000 to \$139,999	4
\$140,000 to \$149,999	1
\$150,000 to \$159,999	3
\$160,000 to \$169,999	2
\$170,000 to \$179,999	1
\$190,000 to \$199,999	1
\$200,000 to \$209,999	1
\$210,000 to \$219,999	1
\$230,000 to \$239,999	2
\$240,000 to \$249,999	1
\$360,000 to \$369,999	1
\$380,000 to \$389,999	1
\$550,000 to \$559,999	1

The remuneration figures include all monetary amounts actually paid to employees and former employees during FY22, including: base salaries; short-term incentives (if any) paid in FY22 (relating to FY21); and if the employee is a KiwiSaver member, contributions of 3% of gross earnings towards that employee's KiwiSaver scheme. The figures do not include amounts paid after 31 March 2022 relating to FY22; and fringe benefits provided to employees such as product concessions or car parking.

Directors' remuneration and other benefits

The total remuneration and value of other benefits received by each Director in respect of FY22 is set out below. All of this remuneration reflects the fees paid to each individual in the ordinary course for services provided in their capacity as a director of the Company.

Director	Total remuneration and value of other benefits received in respect of FY22 ¹
Chris Marshall	\$65,000
Jon Macdonald	\$85,000
Sarah Hindle	\$65,000
Tony Carter	\$140,000
Jen Bunbury	\$65,000

1. Directors' fees are gross amounts in NZD and exclude GST (where applicable) and are rounded to the nearest dollar.

Other Disclosures (continued)

Shareholders fix the total remuneration available for Directors. The current Director fee pool limit is \$600,000 per annum, which was approved by the shareholders on 14 January 2021 and is to be divided among the non-executive Directors as they see fit. The current Directors do not receive any performance or equity-based remuneration. No additional fees are paid to any Director for their role on any Board committee.

Directors are entitled to be reimbursed for all reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at meetings, or otherwise in connection with the Company's business.

The Company has granted indemnities, as permitted by law, in favour of each of its Directors. The Company also maintains insurance for its Directors and officers.

No employee of My Food Bag who is appointed as an executive director of the Company's subsidiary, My Food Bag Limited, receives or retains any remuneration or other similar benefits in their capacity as a Director, except for the benefit of indemnification and insurance referenced above.

CEO REMUNERATION

The remuneration and other benefits paid to the Chief Executive Officer (CEO) of My Food Bag, Kevin Bowler, during FY22 is set out in the table below. For clarity, Mr Bowler was not eligible to participate in the Company's Short Term Incentive plan (STI) in respect of FY22.

Remuneration	FY22 (NZ\$)	FY21 (NZ\$) ³
Base salary ¹	\$540,000	\$509,500
Other benefits ²	\$16,200	\$15,285

As noted in the FY21 Annual Report, Mr Bowler (together with the CFO, Mark Winter) was invited to participate in a Senior Executive Incentive Scheme, a one-off share rights scheme established in connection with the IPO and linked to certain performance hurdles related to the PFI. These performance hurdles were not achieved and neither Mr Bowler nor Mr Winter became entitled to any shares under the scheme.

Going forward, Mr Bowler will be eligible to participate in the Company's STI plan and new long term incentive plan, both of which are discussed in further detail in the Corporate Governance section of this Annual Report.

1. Base salary is not at risk.

2. Includes a contribution of 3% of gross earnings towards Mr Bowler's KiwiSaver scheme.

3. As noted in the FY21 Annual Report, under the Company's Senior Executive Share Ownership Scheme (which no longer operates following the Company's listing) Mr Bowler also received options that vested and were exercised during FY21, entitling Mr Bowler to be issued 4,437,400 shares in the Company. Mr Bowler continues to hold 1,109,350 of these shares in the Company, and these shares are subject to an escrow arrangement which generally continues until the first business day after the Company announces its FY22 results. This means that this escrow arrangement will expire shortly after this Annual Report is released to the market.

SHAREHOLDER INFORMATION

The shareholder information in this section of the disclosures has been taken from the Company's registers.

Twenty largest shareholders (as at 19 April 2022)

Shareholder ¹	Number of ordinary shares	% of ordinary shares
Waterman Fund 3 LP	33,421,936	13.79
National Nominees New Zealand Limited	20,760,421	8.56
Custodial Services Limited	14,131,859	5.83
TEA Custodians Limited	13,689,259	5.65
FNZ Custodians Limited	13,198,727	5.44
Citibank Nominees (NZ) Ltd	12,318,310	5.08
Accident Compensation Corporation	11,903,853	4.91
New Zealand Permanent Trustees Limited	8,048,994	3.32
Cecilia Charlotte L Robinson, James Charles Robinson and Heimsath Alexander Trustee Ltd	7,430,258	3.06
Theresa Elizabeth Gattung and Philippa Mary Greenwood	6,825,158	2.82
HSBC Nominees (New Zealand) Limited	5,373,387	2.22
Waterman Fund 3 LP <Non-resident A/C>	4,744,029	1.96
BNP Paribas Nominees NZ Limited	4,575,008	1.89
Cogent Nominees (NZ) Limited	4,510,898	1.86
JP Morgan Chase Bank	4,495,252	1.85
Carlos Edward James Bagrie, Covisory Trust Limited and JKA Holdings Limited	3,775,639	1.56
New Zealand Depository Nominee	3,502,614	1.44
JB Were (NZ) Nominees Limited	3,171,249	1.31
Premier Nominees Limited	3,002,703	1.24
New Zealand Superannuation Fund Nominees Limited	2,315,036	0.95
Total	181,194,590	74.74

Distribution of shareholders and shareholdings

As at 19 April 2022, the total number of voting securities of the Company was 242,437,524 fully paid ordinary shares, each conferring on the registered holder the right to one vote on a poll at a meeting of shareholders. The distribution of these shareholders and their shareholding at that date is shown below.

Size of holding	Number of holders	% of holders	Number of ordinary shares	% of ordinary shares
1 – 1,000	2,824	45.73	1,493,062	0.62
1,001 – 5,000	2,095	33.92	5,440,511	2.24
5,001 – 10,000	601	9.73	4,604,777	1.90
10,001 – 100,000	578	9.36	16,793,553	6.93
100,001 and over	78	1.26	214,105,621	88.31
Total	6,176	100.00	242,437,524	100.00

1. New Zealand Central Securities Depository Limited (NZCSD) provides a custodial depository service which allows electronic trading of securities to its members. For the purpose of this table, shares in the Company held by NZCSD have been allocated to the applicable members. For reference, as at 19 April 2022, the total holding through NZCSD was 96,693,981 ordinary shares or 39.88% of shares on issue.

Other Disclosures (continued)

Substantial product holders

According to notices given to the Company under the Financial Markets Conduct Act 2013, the following persons were substantial product holders of the Company as at 31 March 2022. There were 242,437,524 ordinary shares in the Company at that date.

Substantial product holder	Number of ordinary shares in which relevant interest is held	% of shares held at date of notice	Date of notice
Waterman Fund 3 LP ¹	38,165,965	15.743%	5 March 2021
My Food Bag Group Limited ²	60,084,684	24.784%	5 March 2021
Investment Services Group Limited	18,732,756	7.727%	8 June 2021
Milford Asset Management Limited	21,303,327	8.796%	12 Nov 2021
Harbour Asset Management Limited and Jarden Securities Limited	38,289,764	15.794%	30 March 2022

EXERCISE OF NZX DISCIPLINARY POWERS

Neither NZX or ASX took any disciplinary action against the Company during FY22. In particular, there was no exercise of powers by NZX under NZX Listing Rule 9.9.3 (relating to powers to cancel, suspend or censure an issuer) with respect to the Company.

NZX WAIVERS

No waivers were granted by NZX or relied on by the Company during FY22.

AUDITOR'S FEES

My Food Bag's external auditor is Ernst & Young (EY). Total fees payable by My Food Bag to EY in its capacity as auditor in respect of FY22 is \$120,000. No other professional services were provided by EY during FY22.

CREDIT RATING

My Food Bag does not have a credit rating.

DONATIONS

During FY22 My Food Bag made a one-off cash donation of \$20,000 to The National Heart Foundation of New Zealand. My Food Bag also partners closely with the Garden to Table charity, and donated \$11,735 to this charity in FY22 and collected (and passed through) donations of \$43,019 from customers. In addition, and as discussed in further detail elsewhere in this Annual Report, My Food Bag regularly donates food to a number of worthwhile New Zealand charities.

1. Waterman Fund 3 LP (**Waterman**) (among other existing shareholders participating in the IPO) is subject to a restricted security agreement dated 10 February 2021 (Restricted Security Agreement) with the Company in respect of all shares held by it prior to the initial public offering of shares in the Company (the **Offer**) which it continued to hold upon completion of the Offer (the **Waterman Escrowed Shares**). Waterman has agreed not to sell or otherwise dispose of or do or omit to do anything which could have the effect of transferring effective ownership or control of any Waterman Escrowed Shares until the first business day after the Company's results announcement has been released to the market in respect of FY22 except in accordance with limited exceptions set out in the Restricted Security Agreement. This means that this escrow arrangement will expire shortly after this Annual Report is released to the market.

2. The Company is a substantial product holder on the basis that it has the power to control the acquisition and disposition of all of the shares that are escrowed under the Restricted Security Agreement, being 60,084,684 ordinary shares. The Company will cease to be a substantial product holder after the escrow period referred to in footnote 1 expires, which will occur shortly after this Annual Report is released to the market.

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

Paul Kelly

Chief Supply Chain Officer

Jo Mitchell

Chief Customer Officer

Craig Jordan

Chief Digital Officer

Cassie Ormand

Head of People & Culture

Polly Brodie

Head of Development Kitchen

Trish Whitwell

Head of Innovation

REGISTERED OFFICE

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AUDITOR

Ernst & Young, Auckland

SOLICITORS

Chapman Tripp

Russell McVeagh

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).

NEW ZEALAND REGISTRY

Link Market Services Limited

Level 11 Deloitte Centre

80 Queen Street

Auckland 1010

New Zealand

Ph: +64 9 375 5998

Email: myfoodbag@linkmarketservices.co.nz

www.linkmarketservices.co.nz

AUSTRALIAN REGISTRY

Link Market Services Limited

Level 12, 680 George Street

Sydney NSW 2000

Australia

Ph: +61 1300 554 474

Email: myfoodbag@linkmarketservices.co.nz

www.linkmarketservices.com.au

My Food Bag Group Limited

NZCN 6113607

ARBN 646 807 301

Key Dates

Annual shareholders' meeting – 19 August 2022

Half year end – 30 September 2022

Half year results – November 2022

FY23 balance date – 31 March 2023

Notes



myfoodbag.co.nz