



MY FOOD BAG

Annual Report 2024





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. 'FY23' and 'FY24') are to the financial year ended 31 March. References to \$ and NZ\$ are to New Zealand dollars.

The annual report includes certain non-GAAP financial information, including EBITDA, Ingredients margin and Contribution margin. These measures are used extensively by the Board and management as indicators of underlying profitability. Non-GAAP measures are not defined in NZ IFRS and are not subject to audit. Non-GAAP performance measures are not defined consistently by all companies.

Accordingly, these performance measures may not be comparable with similarly titled measures used by other companies. Reconciliations of Non-GAAP financial information to a comparable GAAP measure are shown on page 56.

FY24 included a part 53rd week based on where My Food Bag's weekly delivery cycle fell in the financial year. This last delivery weekend coincided with Easter, which (as expected) had fewer deliveries and relatively higher labour costs. The earnings associated with this part 53rd week were materially lower than usual as a result. All reported numbers are inclusive of this part 53rd week.

CONTENTS

Letter from the Chair and CEO	2
Results at a Glance	6
Business Update	8
Environmental, Social and Governance	14
Culture and Capability	22
Board of Directors	24
Management Team	26
Financial Statements	29
Independent Auditor's Report	52
Non-GAAP Financial Information	56
Corporate Governance Statement	57
Other Disclosures	69
Directory	77
Key Dates	77

This Annual Report is dated 22 May 2024 and is signed on behalf of the Board by:


Tony Carter
Chair


Jen Bunbury
Director and Chair of the
Audit and Risk Committee

Letter from the Chair and CEO

This financial year marks a successful transition for My Food Bag's business.

The steps we took in 2023 to realign aspects of our business to reflect trading conditions, capitalise on market opportunities and add value for our customers is working.

Against the backdrop of a difficult macro-economic environment, we have transformed our operations, and the second half of the year has demonstrated that having stabilised and reset the business we can continue to grow profit.

We are a profitable business with a strong brand and customer offer, and the ability to take a greater share of New Zealand's online food market.



Financial Performance

Across FY24 revenue was \$162.2 million, down 7.7% compared to the previous year. We achieved an EBITDA of \$16 million, compared to \$18.2 million in FY23.

While NPAT was \$6.0 million in FY24, compared to \$7.9 million in FY23, it's pleasing to see that FY24 H2 NPAT was \$3.5 million compared to FY23 H2 NPAT of \$2.0 million – an increase of 75% year-on-year.

This demonstrates the success of the business' cost-out initiatives and realignment of its strategic pillars, as well as My Food Bag's resilience in a difficult macro-economic environment.

Active customer numbers have remained relatively stable at 56,800 at the end of FY24, versus 57,500 at the end of FY23. These numbers have dropped from a peak of 62,300 active customers in late winter. But as active customer numbers are generally seasonal, we expect to see these trends across the year.

Gross margin also remained stable at 48.5% across FY24, compared to 48.4% during FY23. Contribution margin was down slightly at 22.6% in FY24, versus 23.5% in FY23.

Average order value was \$129.54 across the year, down from \$130.11 in FY23. This was largely driven by an upswing in Bargain Box customers, changing the business' brand mix.



Across the year we focused on paying down debt and by the end of FY24, we reduced net debt from \$15.3m at the end of March 2023 to \$11.8m. Capital expenditure costs are expected to further reduce in the year ahead.

Based on FY24 performance and performance during the start of FY25, the Board is pleased to resume paying dividends and confirms a fully imputed dividend of 0.5 cent per share for FY24.

Business update

OUR WINNING BRAND PORTFOLIO

With FY24 continuing to present challenging economic conditions, we upweighted our focus on each of the three core brands to highlight the unique value propositions relevant to current and future customers.

From Bargain Box, New Zealand's most affordable meal kit, through to Fresh Start for weight loss goals and My Food Bag which helps Kiwis do dinner better, our broad range of meal kit and food solutions that sets us apart from our competitors.

By realigning the brand architecture of our three core brands – My Food Bag, Fresh Start and Bargain Box – we're able to build on the unique properties and proposition of each brand, giving us appeal to a wider audience to meet more specific customer needs.

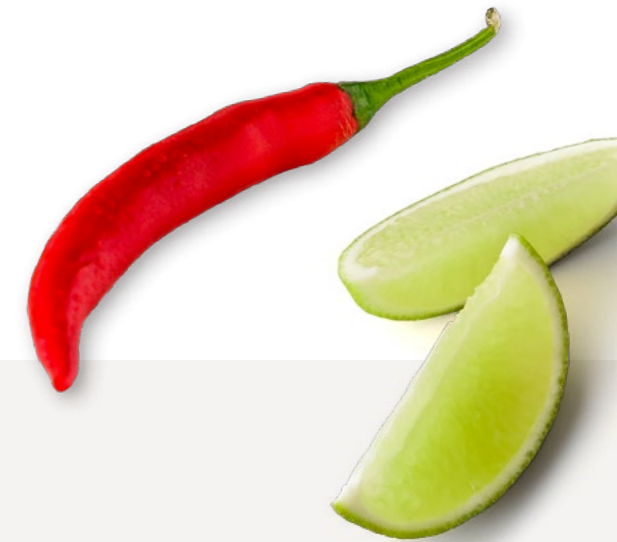
As a result, we've seen delivery numbers increase year on year for Bargain Box, by 19.5%.

Our portfolio of brands remains a key tool for us in navigating current economic conditions and also provides the foundation for further innovation to advance the flexibility and convenience of our offering.

Building on our experience of one-off occasion bags at Christmas, last year we launched seasonal products to reach new occasions and audiences. This included Amber's Long Lunch, a three-course meal sold as a one off over the summer (available for subscribers and non-subscribers), and our Gourmet Edit featuring meals from top local restaurants.

We also launched The Butcher, which gives people the ability to pick locally sourced proteins delivered fresh to their door, and a one-off purchase functionality to drive a trial of meal kits.

During the year we also invested in our ready-made capability and just prior to the release of this report, re-branded our ready-made meal offering under the My Food Bag brand. By growing our offering here, we can gain access to another market segment, looking for an easier and more convenient alternative to cooking a high-quality, nutritious recipe.



TRANSFORMING BUSINESS OPERATIONS

Across the year we have transformed business functions to unlock customer value, while achieving cost reductions for the business.

One of the standout achievements of FY24 was the successful implementation of Pick to Light technology at our Christchurch and Auckland distribution centres, which enabled us to consolidate our two previous Auckland operations into a single site.

In the second half of FY24, we saw continued improvement in the operating performance of Pick to Light by increasing throughput rates and further reducing quality issues with our customers.

We averaged 99% accuracy across all types of customer quality issues, which translates into reduced customer credits as well as increased customer satisfaction scores.

Our Net Promoter Score is up 4 points to 30% in FY24. Alongside quality issue reductions, this growth was supported by a wider range of recipes and customer flexibility.

Since March 2023, we have added 16 additional recipe options across all brands each week, with a total of 96 meals now on the weekly menu across our three core brands.

To deliver on increased recipe choice and other business transformation projects, we have invested in many digital requirements across the business, including new forecasting tools to help with supplier ordering and restructuring recipe data to enable future systemised menu planning with our recipe data project.

Beyond offering more recipe choice, we have also focused on how we can offer more flexibility in order lead times and delivery slots. A key enabler to achieving this was our supplier forecasting capabilities.

In January this year, we shifted the time that customers need to confirm their orders with us from Sunday night to Monday night.

We also introduced our first Friday delivery slot for our limited-edition Summer BBQ Box, so customers could enjoy the meal over the weekend. And in Easter 2024, we offered a Thursday evening delivery slot for customers who wanted to take their meal kit away with them.

BUILDING TEAM CULTURE & CAPABILITY

Across the year team engagement has grown, with eNPS up 11 points during the last year, and turnover has reduced by 14%.

Underpinning these achievements has been a firm focus on championing learning and development, as well as embedding our new values in our company activity. We have also focused on driving diversity across the business.

During the year we expanded our internal leadership programme Raising the Bar, which was a finalist in the 2024 Human Resources New Zealand (HRNZ) awards for the Learning and Development Category.

We also won the Consumer Support Services Award at the CRM/CCNNZ Contact Centre Awards, demonstrating the effectiveness of our Customer Love team.

COMMUNITY AND ENVIRONMENTAL IMPACT

Our environmental, social and governance strategy continues to be a core part of how My Food Bag operates and ensures our success now and into the future.

In 2023 we commissioned external consultants to define and measure our Scope 1, 2 and 3 greenhouse gas (GHG) emissions. Using FY22 as a base year, we're pleased to see we reduced the total carbon footprint and carbon intensity of our business in FY23.

As we complete our FY24 carbon measurement we are putting together our carbon management plan, focussed on improving our measurements and developing a carbon reduction strategy.

Alongside this, we continue to innovate how our business operates to lessen our impact on the environment and we're pleased that our Coola Box (made of 70% recycled cardboard and FSC pulp) was recognised at the NZ Packing Innovation & Design Awards 2023.

As part of our responsibility to the health and wellbeing of Kiwi consumers, we strongly believe cooking and eating together can help build stronger, healthier families and communities in Aotearoa New Zealand.

This is why we support Garden to Table, the City Mission and partner with the Heart Foundation, as well as supporting two dietary intervention studies.

Outlook

Convenience, health and wellness, and ecommerce are sustaining trends in the retail food sector, and on all of these fronts we're well-positioned to continue delivering for our customers.

Looking towards FY25, we recognise market conditions will remain challenging in the year ahead.

To counter this we will invest further in our brands for the health and growth of our business, via four key priority areas: further strengthening our brands, continuing to improve convenience, building a seamless customer experience, and fuelling our offer with unique ready-made solutions.

All this ladders up to driving active customer numbers by better delivering to customers lifestyles now and in the future.

We are encouraged by the start to FY25, with the first 8 weeks of trading showing overall net sales and active customers (59,009) broadly in line with the prior year and our partnership with the New Zealand Olympic Team having been successfully launched.

The Board expects to continue to pay dividends in FY25.

We look forward to continuing advancing our offering and would like to thank our shareholders, team and business partners for their commitment to the business during this time.


Tony Carter
Chair


Mark Winter
CEO

Results at a glance

REVENUE

\$162.2m

YOY
↓ 7.7%

EBITDA

\$16.0m

QUALITY PERFORMANCE

99%

H2 FY24

19.5%

INCREASE IN BARGAIN BOX DELIVERIES

GENDER PAY GAP

1.4%

FY23 13%

Recipe choice expanded to **96 options** per week

ACTIVE CUSTOMERS

56.8k

↓ FY23 57.5k

AVERAGE ORDER VALUE

\$129.5

↓ 0.4% YOY

GROSS MARGIN %

48.5%

FY23 48.4%

NPAT

\$6.0m

TRIFR*

1.6 30% IMPROVEMENT YOY

* Total Recordable Injury Frequency Rate

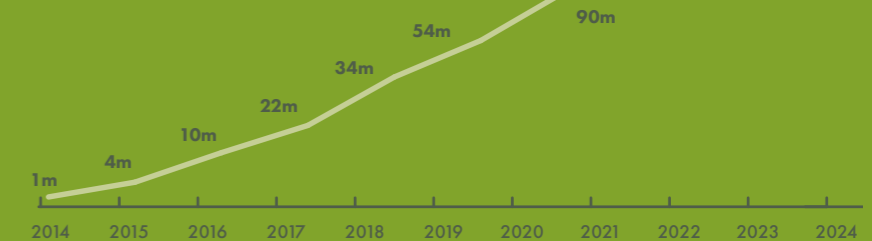
NPS

30%

FY23 26%

MEALS DELIVERED SINCE LAUNCH

137m



98%

fresh protein & produce sourced locally

Almost \$50k raised for Garden To Table



FY24 included a part 53rd week based on where My Food Bag's weekly delivery cycle fell in the financial year. This last delivery weekend coincided with Easter, which (as expected) had fewer deliveries and relatively higher labour costs. The earnings associated with this part 53rd week were materially lower than usual as a result. All reported numbers are inclusive of this part 53rd week.



Business Update



We have a clear purpose to help Aotearoa New Zealand eat and live well. Our portfolio of brands puts us in a good position to achieve this, while continuously evolving our offering to meet the needs of New Zealand consumers.

During FY24 we focused on operational transformation, implementing initiatives to advance the flexibility and convenience of our offering.

This included completing the roll out of Pick to Light technology, improving our digital platforms to strengthen our e-commerce offering and further unlock flexibility, restructuring our non-operational team and further reducing overheads by consolidating our Auckland distribution centres to one site, and effectively managing input costs.

While economic conditions have been challenging and our revenue is down year on year, our portfolio of brands remains a key tool for us in navigating this.

We realigned our brand architecture, bringing all three core brands under the My Food Bag masterbrand to shine a light on the unique value propositions for each, reinforcing there's something for everyone while leveraging the strength and credibility of the My Food Bag brand.

Operational transformation

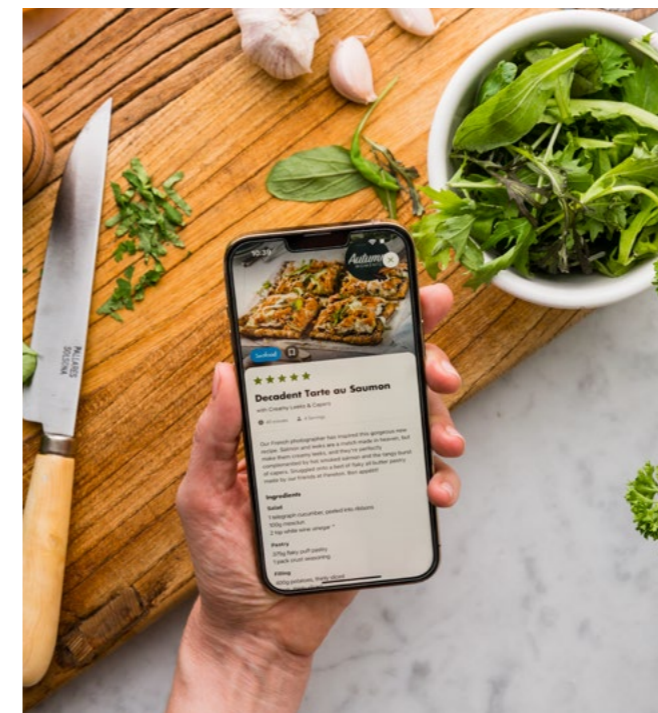
In FY24 we completed the roll out of new pick technology (Pick to Light) at our Christchurch and Auckland distribution centres, as well as consolidated our two previous Auckland operations (Māngere and Highbrook) into one single site (Māngere).

Pick to Light technology enables us to pack orders at an ingredient level, rather than recipe level, improving productivity and picking accuracy in our distribution centres. This enables us to offer our customers more choice and variety within the same operational footprint, using less labour overall.

By consolidating the assembly of boxes for all brands onto one site for the North Island, we were able to close our Highbrook distribution centre at the end of September 2023. This has enabled more recipe choice for our Bargain Box customers and reduced further overheads, all while continuing to deliver value for our customers.

Since March 2023, we have added 16 additional recipe options across all brands each week, with a total of 96 meals now on the weekly menu across our three core brands – My Food Bag, Bargain Box and Fresh Start.

The feedback from customers on the increased recipe choice has been extremely positive. Within two months of implementing Pick to Light in Auckland, we saw an increase in the accuracy of picking ingredients, and our Net Promoter Score improved 4 points to 30% in FY24 – supported by a wider range of recipes and customer flexibility.



DIGITAL PLATFORM IMPROVEMENTS

Throughout FY23, our in-house digital team focussed on a wide range of projects, including a number of internal systems projects that ensure we are building robust management systems.

These projects included building the digital requirements for the implementation and ongoing management of Pick to Light, the development of new forecasting tools to help with supplier ordering and the restructuring of our recipe data to enable future systemised menu planning with our recipe data project.

In FY24 we launched a number of other customer-facing features to improve customer experience, flexibility and personalisation. This included enhancing our 'Customer Messaging Platform' to better communicate our offers to customers on our website through the development of pop ups and banners that let customers know about new features, loyalty promotions and campaigns.

We also continued to increase the number of premium meals we offer each week at a range of surcharge prices. On average, we're achieving around 5% attachment each week for surcharge and gourmet upsell meals.

EFFECTIVE COST MANAGEMENT

We reviewed and adjusted cost across the business at the end of FY23 to match current levels of demand and to set us up for FY24.

In March 2023 we restructured our non-operational teams to ensure we had the right team mix for FY24, while also removing some overhead costs. As a result, we reduced the number of people across the non-operational team by over 10% and made the decision to not make a grant of the Employee Share Ownership Scheme (ESOS) available to eligible staff in FY24.

Our investment in pick technology has allowed us to increase efficiency at our assembly centres. We now pick more efficiently and have seen an overall improvement in product picking accuracy, quality and delivery performance and a corresponding reduction in the value of customer credits through the application of the technology.

We continue to drive efficiency and productivity improvements via our well-established Project Management Office, where all operational cost saving initiatives are captured and managed.

Our Procurement team, in conjunction with our Development Kitchen chefs, have worked effectively this year to manage our costs in the current inflationary environment. Through strategic price increases, working closely with our supplier networks and developing well designed, seasonal menus, we have maintained ingredient margins throughout FY24.

In FY25 we plan to introduce supplier awards to recognise and acknowledge supplier performance across quality, delivery and service. We will also develop a national maintenance strategy to increase effectiveness of maintenance learnings, spend and plant reliability.

UNLOCKING FLEXIBILITY

Beyond offering flexibility in recipe choice, there has been a significant focus on how we can offer more flexibility in order lead times and delivery slots. A key enabler to achieving this was the improvement to our supplier forecasting capabilities.

The enhancements our digital team developed in this space, as well as working with suppliers, has enabled us to offer customers tighter delivery turnaround times. This resulted in us shifting our order 'lock' from Sunday night to Monday in January 2024 which has been positively received by customers.

Additionally, our increased supplier forecasting capabilities enable us to better anticipate customer demand, while still giving our suppliers the certainty they need.

We also introduced our first Friday delivery slot for our limited-edition My Food Bag Summer BBQ Box, so customers could enjoy the meal over the weekend. And in Easter 2024, we offered a Thursday evening delivery slot for all Auckland and Christchurch customers who wanted to take their Food Bag away with them.

PRODUCT INNOVATION

We continue to build our range beyond meal kits to access new occasions and customer segments, and reinforce our convenience offering.

Our ready-made meal brand, MADE, can be purchased as a weekly or fortnightly subscription, or included as meals within our recipe ranges. This gives us access to another market segment, looking for an easier and more convenient alternative to cooking a recipe.

In FY24, we focused on building our product quality and offering more ways for customers to access our range of ready-made meals. We expanded the number of ready-made meals on our meal kit menus from 3 to 9, and made them available as extras to sell in the Kitchen.

In FY25 we will increase our emphasis on ready-made meals, starting with re-branding MADE under My Food Bag to reinforce the quality, health and taste credentials to the range.

Throughout the year, we also continued to build the extras and add ons that are available in the Kitchen building our attachment to 17% in FY24. Seasonal and promotional products played a role in maintaining brand relevance and allowing us to reach new occasions and audiences, including Amber's Long Lunch – a three course meal sold as a one off over the summer (available for subscribers and non-subscribers), and our Gourmet Edit featuring meals from top local restaurants.

Ongoing, Christmas remains an important tool for us to drive brand awareness and deliver a delightful brand experience, with customers rating their experience an average of 4.4/5 in FY24 (up from 4.3 in FY23).

We have also trialled a number of additional one-off products and seasonal subscriptions this year.

We launched a trial product called The Butcher, which gave people the ability to pick locally sourced proteins delivered fresh to their door, and a one-off purchase functionality to drive a trial of meal kits. With this functionality, we trialled one off bags, gourmet single meal offers and ready-made meals – all available as a one off purchase.

In FY25 we'll build on the learnings we have post-trial, through other targeted offers that reinforce the relevance of each of our brands and add convenience for consumers via shorter lead time products delivered when they want them.



Our winning brand portfolio

In FY24 we realigned the brand architecture of our three core brands My Food Bag, Bargain Box and Fresh Start under the My Food Bag Masterbrand, recognising the strong trust and credibility the My Food Bag brand brings to our full range.

We remain committed to building the unique value proposition for each of the brands, allowing us to highlight what makes them unique and how they can meet more specific customer needs, while ensuring the different price points appeal to a wider audience overall.

In FY25, MADE will be re-branded under My Food Bag to upweight the convenience of My Food Bag and strengthen our position in ready-made meals.

This strategy, along with the work we're doing to grow our one-off meal solution offering, ensures we remain connected to households. As our customers' wants and needs continue to evolve, we can trade them up through our My Food Bag portfolio.



BARGAIN BOX BRINGING NEW CUSTOMERS TO MEAL KITS

Bargain Box is our most accessible meal kit and is New Zealand's most affordable, making it well placed to capitalise on the current economic environment. During FY24, we have seen strong active customer growth increasing year-on-year, and deliveries across this brand were also up 19.5% in FY24. In April 2023, we went head-to-head with the supermarket category and showed people they can get like-for-like quality at a cheaper price with Bargain Box. To bring this to life, we conducted an independent price comparison with the New Zealand Institute of Economic Research (NZIER) that revealed five Bargain Box meals for a household of four was 4.4% cheaper on average than Countdown and New World, making it a very compelling offer for Kiwis and helping to dispel the myth that meal kits are expensive.

We also implemented a price freeze for Bargain Box, helping give Kiwis financial stability and certainty at a time when food costs were continuing to rise. In FY24, we continued to upweight our investment in the Bargain Box brand, and we promoted these pricing initiatives and strong messaging with high impact PR and ongoing TV and digital media support.

In late September, Nadia Lim, in conjunction with our Bargain Box chefs and TikTok star 'The Contraversial Kiwi' (John Fox), created a free online cookbook (Saver Flavour) featuring more than 45 recipes to help Kiwi households navigate increasing food prices. Each recipe costs no more than \$20 for 4 serves, has been carefully crafted using a number of pantry staples that most Kiwis have on hand, and contains at least one to three servings of vegetables.

Saver Flavour was launched via a broadcast exclusive earned PR story on the AM show featuring Nadia Lim, and has been downloaded more than 38,000 times.

For the third year in a row, Bargain Box won the Canstar Blue award for 'Best-Rated Meal Kits – Most Satisfied Customers', and was rated number one by Kiwi home cooks. This message was picked up in the media giving Bargain Box another burst of PR.



MY FOOD BAG DOES DINNER BETTER

The My Food Bag brand offers greater choice and inspiration for all Kiwi households, with our largest range of recipes (32+).

During the first half of FY24, we invested in a large-scale brand reset of the My Food Bag brand, including rolling out a new marketing campaign – Dinner, Done Better. – to highlight the gap My Food Bag meal kits fill for busy Kiwi consumers.

We were delighted to have Nadia Lim leading this campaign for My Food Bag, including fronting both PR and media opportunities. In addition to featuring on a TV commercial, Nadia appeared on Seven Sharp to talk about New Zealand’s dinner time routines.

Our range of 32 recipes meets a broad range of consumers needs and many customers enjoy choosing their recipes each week. We are now evolving this range to offer curated menus from within this choice range and have launched specific menus targeted at dietary preferences. In March we re-launched our Plant Power offering and our Gourmet Bag, and have used a range of strategies to promote these menus and re-engage with lapsed customers, including outbound calling by our Auckland-based Customer Love team.

In FY25 we plan to launch additional dietary preferences to clearly demonstrate and reinforce how My Food Bag has the perfect menu that suits everyone. My Food Bag is also the key sponsor of the second season of Nadia’s Farm, which launched on TV in April 2024.



DRIVING FRESH START’S WEIGHT LOSS PROPOSITION

Fresh Start targets weight loss and wellness with calorie-controlled meals.

In FY24 we launched an ‘always-on’ 8 week weight loss programme – the 8 week Reset. This programme was designed by our in-house nutritionist to support Fresh Start customers to achieve their goals and has been successful in driving purchase frequency of the brand.

Our large campaign of the year was a summer campaign. We launched a new Mediterranean menu based on the proven health benefits of this diet, as well as launching Breakfast, Lunch and Snack options on the Fresh Start menu, taking the total recipe range from 15 up to 20 options per week.

Overall, this campaign drove delivery growth for Fresh Start, a high margin product for the business.

FY25 FOCUS

Our FY25 strategy is focused on driving active customer growth by better suiting customers lifestyles now and in the future – of which convenience is a significant priority.

Health and wellness, provenance and ecommerce are sustaining trends for customers, and we are well positioned across our portfolio of brands to capitalise on this.

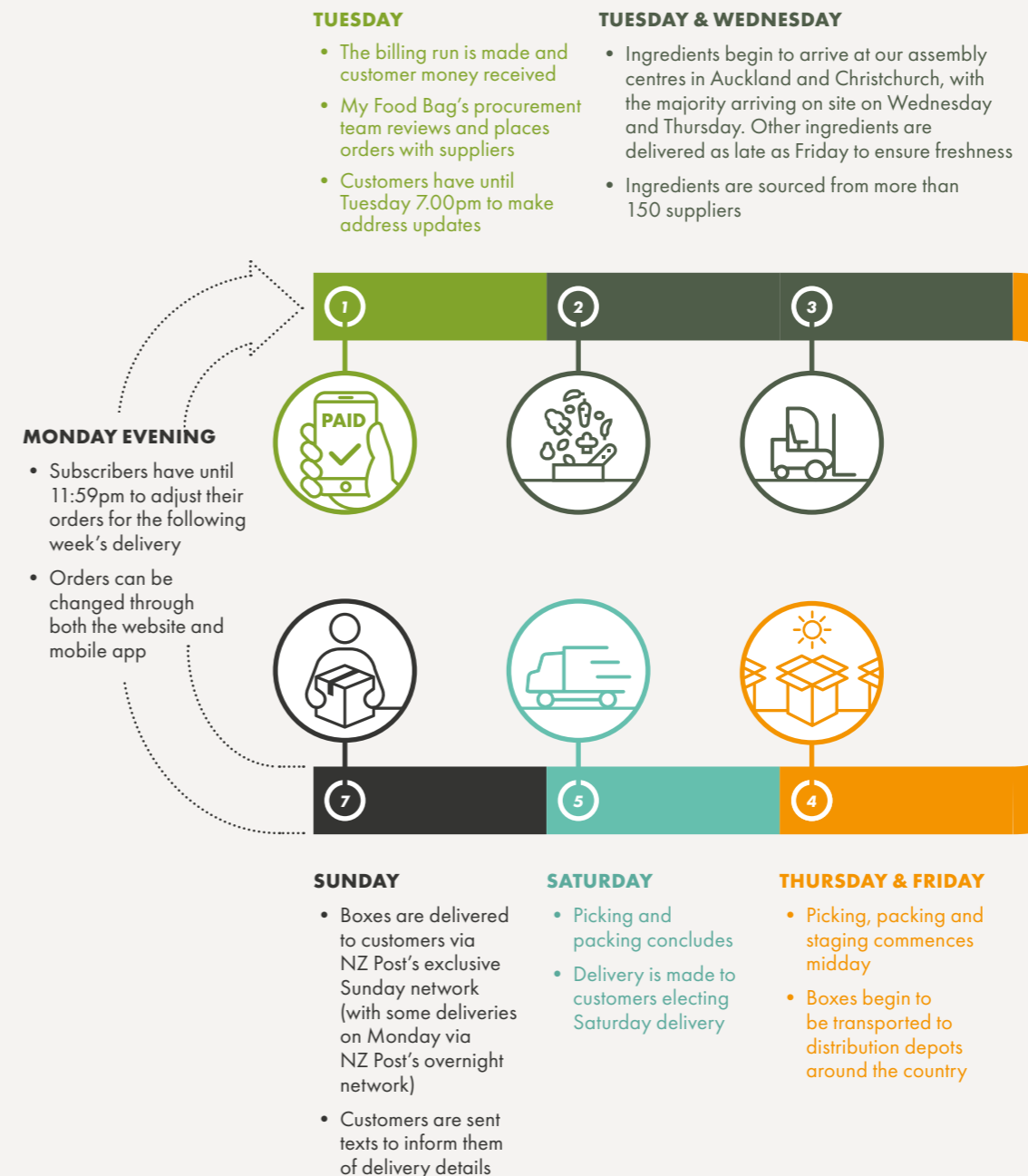
We recognise market conditions are challenging and this has intensified our focus on product innovation, particularly for our premium brands. We strongly believe there continues to be opportunity for further growth in Bargain Box, gaining a bigger share of our competitors’ customer-base – meal kits and supermarkets – by reinforcing Bargain Box as New Zealand’s most affordable meal kit.

Another focus over the coming year is the delivery of our customer transformation, providing a strong foundation to sustainably grow from.

Our philosophy is to invest in our brands for the health and growth of our business. We will do this through four key priority areas; further strengthening our brands, step changing convenience, building a seamless customer experience and fuelling our offer with unique ready-made solutions.

These priority areas will be supported by reinforcing and building on our company culture, our community of Kiwi customers and our technology and data expertise.

Evolving our business model for greater customer flexibility



Environmental, Social & Governance

Creating a better way to shop and eat

Our Environmental, Social and Governance Strategy embodies our commitment to creating a better way for New Zealanders to shop and eat.

By extending our focus beyond exceptional customer service and products to how we serve the environment, our people and the communities we can impact, we're ensuring success now and into the future.

We view our responsibility through four broad sustainability workstreams.



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.



Better packaging

We remain committed to using the minimum amount of the most sustainable packaging we can, to keep food safe and fresh for our customers. We're focused on reducing packaging where possible, and ensuring all packaging we need to use is easily recyclable.

This includes:

- Approximately 70% of our ingredients by value are now delivered to our distribution centres in reusable crates.
- Our cardboard boxes are made from forest stewardship council (FSC) certified 47% recycled cardboard and all our paper printing comes from FSC-certified pulp.
- The trays we use for our ready-made meals contain 80% recycled plastic.
- We use 100% water in our ice packs, instead of the gel still found in many chiller packs, and were the first New Zealand meal kit provider to do so.
- In FY23 we reduced the use of our plastic-lined wool insulation system and implemented a new fully recyclable, cardboard solution – the Coola Box. The Coola Box is made with 70% recycled cardboard and Forest Stewardship Council (FSC) pulp and was the winner of the 'Outside of the Box Design of the Year' category at the NZ Packaging Innovation & Design Awards in 2023.

SPOTLIGHT ON: Evolving our insulation

In FY24 we continued to evolve the insulation we use within our boxes, with the goal of finding a solution to replace the remaining plastic-lined wool insulation.

We tested numerous solutions and decided on 'Woolkraft' – wool wrapped in eco-friendly kraft paper. This innovation maintains our cold chain while aligning with our commitment to reduce the amount of soft plastic we use. The wool is both home compostable and biodegradable and the kraft paper lining is easily recyclable.



Better for the environment

We aim for our meal kits to be the most environmentally sustainable way to shop and eat. We pride ourselves on the development of innovative ideas and strong partnerships, ultimately helping to comprehensively monitor and reduce our greenhouse gas emissions and operational waste.

Some examples of this:

- Research shows meal kits are as much as 33% more greenhouse-gas efficient than supermarket-bought meals because of reduced wastage in our supply chain*.
- 98% of our fresh meat and produce is locally sourced close to our North Island and South Island factories, greatly reducing transport emissions.
- Our operations have significantly reduced the food waste which has become normalised in conventional grocery retailing, and we are a near-zero food waste company.
- Working with NZ Post, our delivery partner, we optimise delivery routes to minimise emissions for our depot-to-door deliveries.
- Our e-vehicle that was purchased in FY23 is now the most used vehicle in our My Food Bag owned delivery fleet.



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



**SPOTLIGHT ON:
Measuring our Carbon Footprint**

What we're doing

In 2023 we commissioned external consultants Tadpole to help define and measure our Scope 1, 2 and 3 greenhouse gas (GHG) emissions. We utilised FY22 as our base year and have audited the measurement of our Carbon Footprint for this year.

In FY22, absolute gross GHG emissions were 3,177 tonnes CO₂e. Measured to ISO standard 14064-1 (2018), it has undergone independent third-party verification.

Our Carbon Footprint journey to date

In FY23, Scope 1 emissions made up 1% total emissions and consisted of fuel emissions from our company vehicles, as well as lost refrigerant gas from cold stores.

Our Scope 2 emissions are our purchased electricity. These made up 9% of our total emissions in FY23.

The remaining 90% of our emissions were from indirect (Scope 3) sources, with the two largest contributors being emissions from packaging and from deliveries.

Emissions associated with making the packaging we use have been calculated using international database emission factors. They do not account for supplier specific attributes such as the actual % of recycled content or the carbon efficiencies or inefficiencies of supplier specific manufacturing processes.

We are working with our packaging suppliers to obtain data to enhance the accuracy of our packaging measurement which will in turn allow us to better understand the opportunities for reducing this large contributor to our footprint.

FIGURE 1: MY FOOD BAG EMISSIONS BY SCOPE FOR FY23

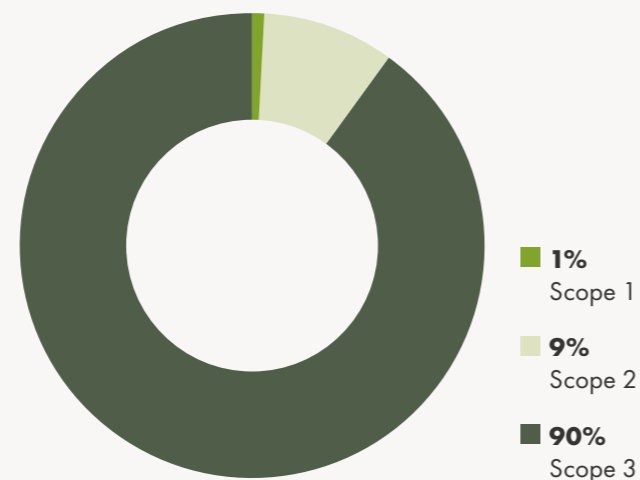
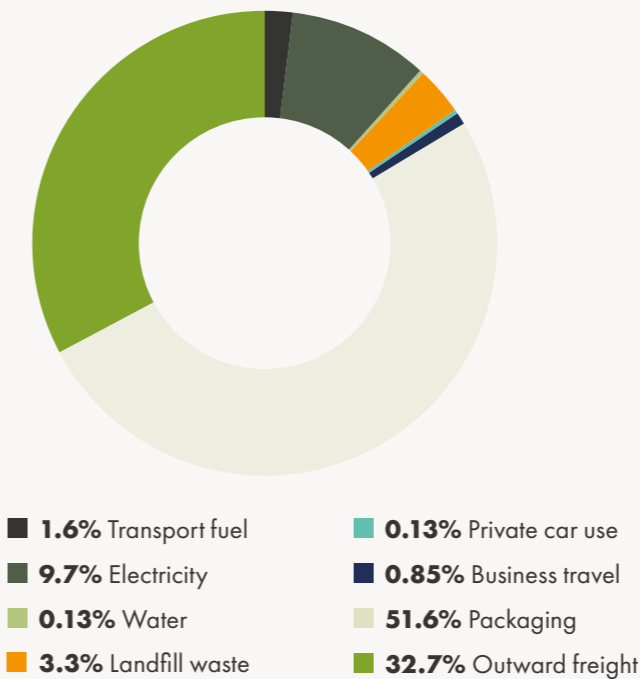


FIGURE 2: MY FOOD BAG EMISSIONS BY SOURCE FOR FY23



Delivery emissions, as measured, includes both our long-haul freight and the customer deliveries made by our delivery partner NZ Post.

We have worked closely with NZ Post to develop accurate monthly reporting that accounts for both our dedicated Sunday delivery network and the overnight network we utilise for Saturday and Monday deliveries.

Other Scope 3 emission sources in our measurement include business travel, water use, waste management, well to tank fuel emissions and electricity line losses.

In FY23, absolute gross GHG emissions were 2,658 tonnes CO₂e. As well as measure absolute emissions, we calculate “intensity” emissions. We do this to understand our carbon efficiency. Intensity emissions are our GHG emissions per dollar of revenue.

Results to date and FY24

We were pleased to see both the total carbon footprint and the carbon intensity of our business reduce in FY23 versus our base year of FY22.

Eliminating refrigerant gas leaks in FY23 has contributed significantly to the overall reduction in GHG emissions and a more favourable emission factor for electricity generation in FY23, due to “greening of the grid”, has seen electricity related emissions reduce too.

As we work through completion of our FY24 carbon measurement we are putting together our carbon management plan. This consists of a focus on improving our measurements and developing a carbon reduction strategy.

SPOTLIGHT ON:
Health, Safety & Wellbeing

This year, we expanded our health and safety focus to include a wellbeing programme emphasising physical and mental health. We established four Health and Safety committees within Operations known as “SWAGs” (Safety Wellbeing Action Groups) to engage employees in health, safety, and wellbeing initiatives across our sites and shift patterns.

To enhance risk awareness, we implemented a Critical Risk Controls and Behaviours programme to empower teams to contribute to a safer workplace. Additionally, our leadership team conducts safety walks to engage with staff, identify risks, and explore opportunities for improvement in Health & Safety.

In FY23, we launched “First Move,” educating staff on proper lifting techniques in our distribution centres. This included a “Discomfort Programme” to encourage proactive issue reporting, resulting in a reduction in manual handling injuries in FY24.

Over the year, our Total Recordable Injury Frequency Rate (TRIFR) decreased from 2.3 in FY23 to 1.6 in FY24. These initiatives demonstrate our commitment to fostering a safer and healthier workplace environment.



Better for our people and community

We believe that cooking and sharing meals can strengthen families and communities in Aotearoa.

Here’s how we contribute:

- Supporting City Mission: We donate unused food across our My Food Bag range to the City Mission. Through our My Christmas Gift drive with NZ Post, we collected donations for charities nationwide. We also allowed customers to ‘add a seat at the table’ to their Christmas Bag orders, contributing to meals for families in need. Our foodies donated \$8,800, which My Food Bag matched with a \$10,000 donation also.
- Heart Foundation Partnership: We partner with the Heart Foundation to promote heart-healthy eating. In FY24, we expanded our range of ‘Heart Healthy’ meals to include Bargain Box and Fresh Start, in addition to My Food Bag. We supported the Heart Foundation’s 30th Birthday Lottery with a prize of 12 weeks of My Food Bag valued at \$1,895.
- Promoting Healthy Eating: We support studies demonstrating how healthy eating can improve health outcomes. Two dietary intervention studies using our products will publish results in FY25. One study, ‘Healthy Hearts’ with Otago University, delivered healthy ingredients to participants. The other study, ‘He Rourou Whai Painga’ with High Value Nutrition, explores the effects of a whole diet incorporating high-quality New Zealand food and beverages on metabolic and cardiovascular health in those at risk of cardiometabolic disease.
- Through these initiatives, we aim to show the benefits of healthy eating and how My Food Bag contributes to the well-being of all New Zealanders.



Better, safer food

We strive to build uncompromisingly high food safety standards and a transparent supply chain, through our local sourcing, Approved Supplier Programme and our cold chain management.

Investing in better, safer food:

- In FY24 we refreshed our Supplier Audit Programme and brought it completely in house.
- All high risk and My Food Bag branded suppliers have been audited during the year, with improvement plans in place with all of them. We also worked with suppliers to get them to meet our increased supplier standards.
- Ran a full re-evaluation of our cool-chain, which resulted in significant improvements to our ice pack system, including working with a new supplier.
- All of our suppliers also run extensive Food Control Plans or National Programmes aligned to the Food Regulations Act 2015, and we operate under a National Level 3 Food Safety Programme, compliant with the Food Act 2014.



SPOTLIGHT ON:
Garden to Table

We are proud to have raised \$150k for Garden to Table since our partnership began in 2020 to help our tamariki get access to education to learn to grow, prepare and share kai. Garden to Table is set up in more than 300 schools across the motu, meaning there are 32.5 thousand Kiwi kids growing, harvesting, preparing and sharing food. The knowledge and tools given to these students through this programme is no doubt incredibly beneficial for the next generation. We ran a number of campaigns to raise funds for Garden to Table in FY24, including a campaign in March where we developed a lemon cake and sold a range of Garden to Table items to raise awareness and donations for the partnership.

Culture & Capability



My Food Bag continues to be an employer of choice and have a dynamic and engaged workforce. Our core values of Ambition, Customer Love and Teamwork are well embedded in our language and processes.

My Food Bag was named as an Excellence Awardee in the New Zealand HRD HR Awards in the >200 Employer of Choice category.



STRENGTHENING STAFF ENGAGEMENT

It's been one year since we created and launched a new set of values, embedding these into all our company activity including our recruitment processes, development and performance frameworks and our recognition programme. It's been rewarding to see the impact this has had within the business.

The strength of our talent and our staff engagement efforts were reinforced by the fact that in FY24 close to 45% of our vacancies were filled internally and turnover reduced by 14%.

Our eNPS (our internal measure of staff engagement) steadily improved, with a score of +26 in the most recent survey, up from +15 at the end of FY23.

The quality of and engagement with our staff has also been seen across a number of other facets – this included our win of the Consumer Support Services Award at the CRM/CCNNZ Contact Centre Awards, demonstrating the effectiveness of our Customer Love team.

CHAMPIONING LEARNING & DEVELOPMENT

We're proud to announce that in FY24, almost 80% of our staff completed learning and development programmes.

In late 2022 we launched our bespoke internal leadership programme 'Raising the Bar', and in FY24 we continued to expand this and make it available to more of our staff.

The three-day programme is evaluated throughout by participants, and the first community of 11 staff to complete it rated the programme 4.4 / 5. The overall average rating remains steady at 4.5.



This programme was a finalist in the 2024 Human Resources New Zealand (HRNZ) awards for the Learning and Development Category.

We also operate another programme for our Auckland Operations team to help build numeracy and literacy skills. This programme is run in partnership with Aspire2 and is supported by government funding.

Almost half (46%) of our Auckland Operations team have completed the course to date, with some fantastic results including a lift in confidence and capability on site, increased communication levels and a greater interest in personal wellness. Overall the course has enabled our staff to be more productive and successful, both at work and in their broader life.

DRIVING DIVERSITY

Reducing our gender pay gap and supporting women to succeed at My Food Bag continues to be a focus. Our gender pay gap is built into our remuneration and recruitment processes, and we have maintained our 40% women, 40% men and 20% open gender balance across the Senior Leadership Team and our Board.

Our HR team also led the launch of a My Food Bag Women's Leadership Network to help our wahine to grow and feel supported. This Network has featured many inspiring speakers such as Theresa Gattung (Founder of My Food Bag, NZ business leader and philanthropist), Cecilia Robinson (Founder of My Food Bag and Founder and Co-CEO of Tend), Kristy Robertson (Director at BENE-FIT Wellness Solutions), and Sarah Hindle (My Food Bag board member) covering topics from leadership and entrepreneurship to lifestyle and health.

In FY24, a Diversity, Engagement & Inclusion committee was also launched to embrace our diversity and drive equity and belonging. A number of successful events were run by the committee, including Māori Language Week, Lunar New Year and Diwali events.

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, The Skin Institute, The Interiors Group and TR Group and sits on the respective boards of Ravensdown and The Warehouse Group. He was formerly Chair of Air New Zealand for six years, Chair of Fisher & Paykel Healthcare for eight years and a director of Fletcher Building, ANZ Bank New Zealand and Vector. 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 Co-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 an Investment Banking director for 9 years, following investor relations and other investment banking roles in NZ and Europe. She was also previously the CFO of NZX listed Tourism Holdings.

Jen is currently also Chief Investment Officer to a family investment office and a member of the NZX Regco Advisory Panel. She is a member of the NZ Institute of Directors and completed a Bachelor of Commerce majoring in finance.



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 agritech and food systems, online and physical retail, ed-tech, banking and litigation. Sarah leads New Zealand Trade and Enterprise’s agritech work programme and prior to that was the founding general manager of Tech Futures Lab (now AcademyEX), where she helped grow New Zealand’s most innovative, tech-led learning institute.

Previously, Sarah was based in the UK where she held a number of roles including as Global Head of Business Delivery for Direct Wines. She began her career as a solicitor for Minter Ellison Rudd Watts in New Zealand.

Sarah is passionate about helping businesses address the challenges facing our food system 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.



Cecilia Robinson

Non-Executive Director

Cecilia was appointed as a director of My Food Bag in August 2022 and acts as Chair of the Marketing Committee.

Cecilia has extensive knowledge of the business as she co-founded My Food Bag in 2012, was co-CEO until 2018 and served as a director of the company prior to its listing on the NZX Main Board in 2021.

Cecilia the founder and co-CEO of Tend Health – one of New Zealand’s largest primary care providers, brings an extensive background in business management. Cecilia has been recognised for her contributions to business and entrepreneurship with several awards, most recently as the New Zealand Innovator of the Year 2024, Supreme Winner of the 2017 Women of Influence Awards, Next Magazine Businesswoman of the year 2014 and EY Young Entrepreneur of the Year 2013. Additionally she was a founding trustee of the Prince’s Trust Aotearoa New Zealand.

Cecilia is passionate about supporting women in business and addressing the challenges faced by working parents. She also holds positions as a board member of Pie Funds and is a member of the NZ Institute of Directors.



Mark Powell

Independent Non-Executive Director

Mark joined the My Food Bag board in November 2022 and acts as the Chair of the Nomination and Remuneration Committee.

Mark has extensive and diverse experience having worked in a number of different industries in New Zealand and overseas as part of his executive and governance career, including retail, property, logistics, food services, financial services, agriculture and education. Mark moved into governance following a successful executive career, where he established and led Wal-Mart Canada’s logistics operations, served as the Logistics Operations Director for Tesco Plc, and spent 13 years at the Warehouse Group, ultimately as Group CEO – for five years. Mark is currently a director of STIHL Australia, ASX listed JB Hi-Fi and Bapcor.

Mark graduated from the University of Wales, UK with a Bachelor of Mining Engineering with honours, before completing a Masters in Logistics at Cranfield and later a MBA at Cardiff Business School, UK. He is a Chartered Member of the New Zealand Institute of Directors, a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Chartered Institute of Transport and Logistics.

MANAGEMENT TEAM

My Food Bag's Senior Leadership Team bring a depth and breadth of experience across multiple industries including FMCG, services, and e-commerce.

With a balanced representation of men and women, the team work collaboratively together to effectively lead the business strategy and culture.



Mark Winter
Chief Executive Officer

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



Louise Newsome
Chief Financial Officer

Louise leads the finance function and has primary responsibility for planning, implementing, and controlling all finance related activities. She achieves this with a collaborative team focused on strong business partnerships.



Paul Kelly
Chief Operations Officer

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



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 & Growth 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. Craig also leads the growth marketing team to drive customer acquisition and retention through digital channels.



Trish Whitwell
Chief Marketing Officer

Trish leads the brand marketing team to create and implement campaigns that strengthen and grow awareness of My Food Bags' portfolio of brands. Trish also 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:

- Chief Financial Officer, My Food Bag (2019 – 2022)
- Group Financial Controller, Fonterra Brands NZ (2016 – 2019)
- Commercial Manager Operations & Supply Chain, Fonterra Brands NZ (2015 – 2016)
- GM Commercial Operations, Fonterra LATAM (2014 – 2015)

Past experience:

- Chief Financial Officer, Ray White Damerell Group (2020 – 2022)
- Chief Financial Officer, Southern Cross Travel Insurance (2017 – 2019)
- Financial Controller, Southern Cross Travel Insurance (2009 – 2017)

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:

- 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

FOR THE YEAR ENDED 31 MARCH 2024

Statement of Financial Position	30
Statement of Comprehensive Income	31
Statement of Changes in Equity	32
Statement of Cash Flows	33
Notes to the Financial Statements	34
Independent Auditor's Report	52

Statement of Financial Position

AS AT 31 MARCH 2024

NZ\$000	Note	2024	2023
ASSETS			
Current			
Cash and cash equivalents		150	150
Trade and other receivables	5	311	670
Inventories	6	449	2,160
Prepayments		728	1,628
Total current assets		1,638	4,608
Non-current			
Property, plant and equipment	9	8,035	7,946
Intangible assets	10	85,912	85,263
Right-of-use assets	11	8,418	10,549
Other receivables		116	185
Total non-current assets		102,481	103,943
Total assets		104,119	108,551
LIABILITIES			
Current			
Bank overdraft	13	472	3,995
Trade and other payables	7	10,767	12,737
Deferred revenue		257	3,199
Lease liabilities	11	2,383	2,535
Other current liabilities	8	1,570	1,296
Tax liability		949	1,400
Total current liabilities		16,398	25,162
Non-current			
Lease liabilities	11	7,324	9,344
Borrowings	13	11,446	11,420
Deferred tax liability	15	4,029	4,317
Provisions		330	330
Total non-current liabilities		23,129	25,411
Total liabilities		39,527	50,573
Net assets		64,592	57,978
EQUITY			
Share capital	12	59,336	59,336
Retained earnings		4,420	(1,624)
Share-based payment reserve		836	266
Total equity		64,592	57,978

For and on behalf of the Board of Directors who authorised the issue of the financial statements on 22 May 2024.



Tony Carter
Chair
22 May 2024



Jen Bunbury
Director
22 May 2024

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2024

NZ\$000	Note	2024	2023
Income	1	162,235	175,694
Cost of sales		(125,517)	(134,319)
Gross profit		36,718	41,375
Marketing expenses		(4,514)	(5,640)
Financing expenses		(1,971)	(1,493)
Indirect expenses		(21,853)	(23,329)
Other income	1	238	90
Net profit before tax	3	8,618	11,003
Income tax expense	15	(2,574)	(3,153)
Net profit after tax		6,044	7,850
Total comprehensive income		6,044	7,850
Earnings per share			
Basic and diluted earnings per share	4	NZ\$ 0.02	NZ\$ 0.03

Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2024

NZ\$000	Note	Share capital	Retained earnings	Share-based payment reserve	Total equity
At 1 April 2023		59,336	(1,624)	266	57,978
Net profit for the year		-	6,044	-	6,044
Total comprehensive income for the year		-	6,044	-	6,044
Dividend	12	-	-	-	-
Share-based payments		-	-	570	570
At 31 March 2024		59,336	4,420	836	64,592
At 1 April 2022		59,336	7,574	-	66,910
Net profit for the year		-	7,850	-	7,850
Total comprehensive income for the year		-	7,850	-	7,850
Dividend	12	-	(17,048)	-	(17,048)
Share-based payments		-	-	266	266
At 31 March 2023		59,336	(1,624)	266	57,978

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2024

NZ\$000	Note	2024	2023
OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Receipts from customers		159,557	174,755
Tax refund		-	277
Proceeds from insurance		150	-
Interest received		68	75
<i>Cash was applied to:</i>			
Payments to suppliers		(144,717)	(156,874)
Interest paid		(1,944)	(1,447)
Tax paid		(3,315)	(7,028)
Net cash flows from operating activities		9,799	9,758
INVESTING ACTIVITIES			
<i>Cash was provided from:</i>			
Proceeds from the sale of property, plant and equipment		23	11
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment		(1,705)	(5,178)
Payments for development of software		(2,143)	(2,569)
Net cash flows from investing activities		(3,825)	(7,736)
FINANCING ACTIVITIES			
<i>Cash was provided from:</i>			
Proceeds from borrowings	13	10,000	19,250
<i>Cash was applied to:</i>			
Principal payments on leases		(2,451)	(2,603)
Dividends paid		-	(17,139)
Repayment of borrowings	13	(10,000)	(11,250)
Credit facility extension fee		-	(38)
Net cash flows from financing activities		(2,451)	(11,780)
Net (decrease) / increase in cash flows		3,523	(9,758)
Cash and cash equivalents at the beginning of the year		(3,845)	5,913
Net (bank overdraft) / cash and cash equivalents at the end of the year		(322)	(3,845)
<i>Represented by:</i>			
Cash and cash equivalents		150	150
Bank overdraft		(472)	(3,995)
Net (bank overdraft) / cash and cash equivalents at the end of the year		(322)	(3,845)

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2024

General Information	35
Financial Performance	36
1. Income	36
2. Segment Reporting	36
3. Expenses	37
4. Earnings per Share (EPS)	37
Working Capital	38
5. Trade and Other Receivables	38
6. Inventories	38
7. Trade and Other Payables	39
8. Other Current Liabilities	39
Long-term Assets	40
9. Property, Plant and Equipment	40
10. Intangible Assets	41
11. Leases	43
Funding and Equity	44
12. Share Capital and Dividend	44
13. Borrowings	45
14. Financial Risk Management	46
Other Notes	47
15. Taxation	47
16. Share-based Payments	48
17. Related Party Transactions	50
18. Operating Cash Flow Reconciliation	51
19. Contingent Liabilities	51
20. Capital Commitments	51

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2024

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.

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 costs basis.

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.

GOING CONCERN

These financial statements have been prepared on the basis the Group is a going concern.

Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, 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 judgements 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 and other intangible assets with an indefinite life. The recoverable amount is based on a value-in-use calculation that requires the use of estimates.

Material Accounting Policies

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

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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

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 up to a week 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	2024	2023
Revenue from contracts with customers	162,235	175,694
Total income	162,235	175,694
Interest income	68	75
Proceeds from insurance	150	-
Other income	20	15
Total other income	238	90

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.

3. Expenses

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

NZ\$000	2024	2023
Staff expenses		
Salaries and wages	15,385	16,627
Defined contribution pension costs	489	485
Share-based payment expense	570	266
Interest expense	1,971	1,493
IT expenses	2,886	2,720
Depreciation and amortisation	5,510	5,745
Loss on disposal of property, plant and equipment	53	45
Fees paid to the auditor (Ernst & Young)		
Audit and review of the financial statements ¹	148	155

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.

	2024	2023
Basic and diluted earnings per share		
Net profit attributable to equity holders (NZ\$000)	6,044	7,850
Weighted average number of shares for basic EPS (000)	242,438	242,438
Weighted average number of shares for diluted EPS (000)	246,548	242,646
Basic and diluted earnings per share (NZ\$)	0.02	0.03

The diluted weighted average number of shares takes into account the number of share rights and performance share rights that may be dilutive depending on the likelihood of vesting conditions being met.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Working Capital

The Group operates a weekly meal-kit subscription business and has a weekly business cycle. Customers are invoiced, and cash is received, in advance each week on a Tuesday (initially recognised as a current liability, deferred revenue). Inventory in relation to the customers invoiced is received during the week following this and suppliers are predominantly paid monthly. This cycle results in the business operating with net current liabilities and negative working capital as the cash generated from customers in advance is used to fund investing and financial activities.

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	2024	2023
Trade receivables	380	355
Provision for impairment of trade receivables	(241)	(207)
Other receivables	172	522
Trade and other receivables	311	670

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	2024	2023
Ingredients and work in progress	189	204
Finished goods	140	1,878
Packaging	120	78
Inventories	449	2,160

In FY24, 31 March landed on a Sunday (FY23: Friday) meaning the majority of meal kits had been delivered as this is our primary delivery day, resulting in a lower finished goods balance.

During the year inventories of NZ\$89,162,000 (2023: NZ\$95,953,000) were recognised as an expense in Cost of Sales.

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	2024	2023
Trade payables	9,086	11,518
Other payables	532	57
Accrued expenses	1,149	1,162
Trade and other payables	10,767	12,737

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	2024	2023
Accrued wages and salaries	652	420
Annual leave	738	751
Employee benefits	1,390	1,171
Other liabilities	180	125
Other current liabilities	1,570	1,296

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

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% (2023: 21% - 25%)
- Plant and machinery 7% - 67% (2023: 8% - 67%)
- Furniture, fixtures and fittings 13% - 67% (2023: 13% - 67%)
- Computers 40% - 67% (2023: 50% - 67%)

NZ\$000	Motor vehicles	Plant and machinery	Furniture, fittings and equipment	Computers	Total
Cost					
At 1 April 2023	518	8,332	1,943	872	11,665
Additions	-	1,585	10	110	1,705
Disposals	(105)	(90)	(13)	(112)	(320)
At 31 March 2024	413	9,827	1,940	870	13,050
Accumulated depreciation					
At 1 April 2023	338	1,549	1,166	666	3,719
Depreciation	27	1,203	166	143	1,539
Disposals	(85)	(39)	(8)	(111)	(243)
At 31 March 2024	280	2,713	1,324	698	5,015
Net book value at 31 March 2024	133	7,114	616	172	8,035
Cost					
At 1 April 2022	389	3,446	1,871	711	6,417
Additions	129	5,012	101	184	5,426
Disposals	-	(126)	(29)	(23)	(178)
At 31 March 2023	518	8,332	1,943	872	11,665
Accumulated depreciation					
At 1 April 2022	309	1,193	1,010	533	3,045
Depreciation	29	436	178	152	795
Disposals	-	(80)	(22)	(19)	(121)
At 31 March 2023	338	1,549	1,166	666	3,719
Net book value at 31 March 2023	180	6,783	777	206	7,946

At 31 March 2024 additions of \$24,000 (2023 \$1,841,000) included in Plant and machinery are not ready for use and therefore have not been subject to depreciation during the year.

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% - 33%) (2023: 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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

NZ\$000	Goodwill	Brands	Software	Software WIP	Other	Total
Cost						
At 1 April 2023	63,631	18,357	8,161	893	5,261	96,303
Additions	-	-	-	2,142	-	2,142
Transfers	-	-	2,587	(2,587)	-	-
Disposals	-	-	-	-	-	-
At 31 March 2024	63,631	18,357	10,748	448	5,261	98,445
Accumulated amortisation						
At 1 April 2023	-	-	5,779	-	5,261	11,040
Amortisation	-	-	1,493	-	-	1,493
At 31 March 2024	-	-	7,272	-	5,261	12,533
Net book value at 31 March 2024	63,631	18,357	3,476	448	-	85,912

NZ\$000	Goodwill	Brands	Software	Software WIP	Other	Total
Cost						
At 1 April 2022	63,631	18,357	6,231	272	5,261	93,752
Additions	-	-	76	2,493	-	2,569
Transfers	-	-	1,854	(1,854)	-	-
Disposals	-	-	-	(18)	-	(18)
At 31 March 2023	63,631	18,357	8,161	893	5,261	96,303
Accumulated amortisation						
At 1 April 2022	-	-	3,602	-	5,261	8,863
Amortisation	-	-	2,177	-	-	2,177
At 31 March 2023	-	-	5,779	-	5,261	11,040
Net book value at 31 March 2023	63,631	18,357	2,382	893	-	85,263

During the period, the Group reassessed the expected useful life of software assets, including those with an opening book value at 1 April 2023 and determined the useful life of the majority of software assets to be 3 years instead of 2 years. This resulted in a reduction of NZ\$549,000 in amortisation in the current period. The estimated impact of this change on amortisation for future periods is to be an increase of NZ\$549,000.

IMPAIRMENT TESTING

As at 31 March 2024, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of the Group's assets (including goodwill and indefinite life brands). When reviewing for indicators of impairment, the Group considers the relationship between its market capitalisation and its book value, among other factors.

The Group performed its annual impairment test in March 2024. 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 five-year cash flow forecast based on the Board-approved budget for FY25. Cash flows for FY26 and FY27 are based on forecast performance of the core meal kit business including the on-going impact of strategic initiatives implemented during FY23 and FY24 (implementation of Pick-to-Light technology, strengthening of the e-commerce offering, restructure of the non-operational team and consolidation of the Auckland distribution centres). Cash flows for years FY28 and FY29 are based on estimates of revenue growth and EBITDA margin assumptions.

Key assumptions in the cash flow forecast are revenue growth for years FY28 and FY29, and EBITDA margin for years FY29 onwards. Revenue growth has been estimated based on past and forecast delivery numbers, brand mix, and average order value,

taking into consideration brand strategy and economic forecasts. EBITDA margin has been estimated based on past and forecast EBITDA margin, adjusted for ingredient price inflation, economies of scale and other cost efficiency gains.

The post-tax discount rate used in the model is 13.8% (2023: 11.7%).

The terminal growth rate applied to the forecast cash flows after year five is 2.0% (2023: 2.0%). This reflects the long term New Zealand inflation target, historical sector specific growth and population projections in New Zealand.

The following table shows the impact of reasonably possible changes in key assumptions.

Key assumption	Change in key assumption	Reduction in recoverable amount NZ\$million	Increase in recoverable amount NZ\$million	Would the change result in impairment
Revenue growth FY28 & FY29: 6.1%	+/- 200 basis points	-3.3	3.3	No
EBITDA margin FY29 onwards: 12.8%	+/- 100 basis points	-8.4	8.3	No
Discount rate: 13.8%	+/- 50 basis points	-4.0	4.3	No
Terminal growth rate: 2%	+/- 100 basis points	-5.4	6.3	No

While reasonably possible changes in the key assumptions provided in the above table would not on their own result in impairment in each case, it is possible that they could occur in combination.

The impairment test does not result in an impairment of the Group's assets (including goodwill and indefinite life brands). Reasonably possible changes in key assumptions do not result in impairment of the Group's assets (including goodwill and 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 eight years, plant and machinery have terms between one 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	2024		2023	
	Net book value	Depreciation charge	Net book value	Depreciation charge
Property	8,004	2,203	10,383	2,527
Plant and machinery	414	275	166	246
Right-of-use assets	8,418	2,478	10,549	2,773

Additions to right-of-use assets during the year were NZ\$517,000 (2023: NZ\$6,315,000). This amount relates to renewed leased fleet.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Amounts recognised in the Statement of Comprehensive Income

NZ\$000	2024	2023
Interest on lease liabilities	579	610
Expense relating to short-term leases and low value assets	57	112

Lease liabilities

NZ\$000	2024	2023
Lease liabilities at 1 April	11,879	7,598
Principal lease payments	(2,451)	(2,603)
New leases	517	6,315
Non-cash changes in lease liabilities	(238)	569
Lease liabilities at 31 March	9,707	11,879

Total cash payments for leases during the year was NZ\$3,029,000 (2023: NZ\$3,213,000).

Funding and Equity

12. Share Capital and Dividend

SHARE CAPITAL

	2024		2023	
	NZ\$000	Number (000s)	NZ\$000	Number (000s)
Fully paid ordinary shares				
At 1 April and 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.

NZ\$000	2024	2023
Final dividend for 2022 – 4.0 cents per share	-	9,740
Interim dividend for 2023 – 3.0 cents per share	-	7,308
Dividends paid	-	17,048

The imputation credit account balance as at 31 March 2024 is NZ\$3,122,000 (2023: NZ\$1,014,000).

Dividend declared after the reporting period

On 22 May 2024 the Board declared a fully imputed final dividend of 0.5 cents per share, to be paid on 20 June 2024 to shareholders on the company's register on 5 June 2024.

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	2024	2023
Bank loan – non-current	11,446	11,420
Total borrowings	11,446	11,420
Less: cash and cash equivalents	(150)	(150)
Add: bank overdraft	472	3,995
Net debt / (cash)	11,768	15,265

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	2024	2023
Total borrowings at 1 April	11,420	3,411
Proceeds from borrowings	10,000	19,250
Repayments of borrowings	(10,000)	(11,250)
Payment of credit facility extension fee	-	(38)
Non-cash change in deferred finance costs	26	47
Total borrowings at 31 March	11,446	11,420

Funding arrangements

The Group's funding arrangements are shown below.

NZ\$000	2024	2023
Revolving credit facility	25,000	25,000
Bank overdraft	5,000	5,000
Total facilities	30,000	30,000
Revolving credit facility utilised	(11,500)	(11,500)
Bank overdraft utilised	(472)	(3,995)
Total undrawn facilities	18,028	14,505

The revolving credit facility of NZ\$25,000,000 expires on 5 April 2026. The amount drawn down is secured over current and future accounts receivables and all the property, plant and equipment of the Group. The interest rate on the revolving credit facility comprises base rate (BKBM rate) plus a margin of 1.77%.

In the prior year the revolving credit facility was amended and restated to reduce the amount of the facility available and to extend the tenure of the agreement to 5 April 2026.

The Group was in compliance with its banking covenants during the year, and at 31 March 2024. The Group was also in compliance with its banking covenants during the prior year and at 31 March 2023.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

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, 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	2024			
			3 months or less	3 to 12 months	1 to 5 years	More than 5 years
Bank loan	11,446	11,500	-	-	11,500	-
Bank overdraft	472	472	472	-	-	-
Lease liabilities	9,707	11,212	692	2,064	5,712	2,744
Trade and other payables	10,767	10,767	10,767	-	-	-
Financial liabilities	32,392	33,951	11,931	2,064	17,212	2,744

NZ\$000	Carrying amount	Contractual cash flows	2023			
			3 months or less	3 to 12 months	1 to 5 years	More than 5 years
Bank loan	11,420	11,500	-	-	11,500	-
Bank overdraft	3,995	3,995	3,995	-	-	-
Lease liabilities	11,879	13,974	806	2,213	7,347	3,608
Trade and other payables	12,737	12,737	12,737	-	-	-
Financial liabilities	40,031	42,206	17,538	2,213	18,847	3,608

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	2024		2023	
	Equity	Profit	Equity	Profit
50 basis point increase	(75)	(75)	(41)	(41)
10 basis point decrease	15	15	10	10

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	2024	2023
Current period	2,750	3,453
Adjustments to prior periods	112	(61)
Current tax expense	2,862	3,392
Origination and reversal of temporary differences	(288)	(239)
Deferred tax expense	(288)	(239)
Income tax expense	2,574	3,153

Reconciliation of effective tax rate

NZ\$000	2024	2023
Profit before tax	8,618	11,003
Prima facie income tax expense at 28% on profit before tax	2,413	3,081
Non-deductible expenses	49	12
Adjustments to prior year	112	60
Income tax expense	2,574	3,153

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Deferred tax

Deferred tax assets and liabilities are attributed to the following:

NZ\$000	At 1 April 2023	Recognised in profit or loss	At 31 March 2024
Property, plant and equipment	205	82	287
Right-of-use assets	(3,005)	616	(2,389)
Lease liability	3,418	(608)	2,810
Prepayments	(199)	66	(133)
Intangible assets	(5,140)	-	(5,140)
Accruals and provisions	373	41	414
Share-based payments	31	91	122
Net deferred tax liability	(4,317)	288	(4,029)

NZ\$000	At 1 April 2022	Recognised in profit or loss	At 31 March 2023
Property, plant and equipment	225	(20)	205
Right-of-use assets	(1,840)	(1,165)	(3,005)
Lease liability	2,197	1,221	3,418
Prepayments	(265)	66	(199)
Intangible assets	(5,140)	-	(5,140)
Derivatives	261	112	373
Accruals and provisions	-	31	31
Tax losses carried forward	6	(6)	-
Net deferred tax liability	(4,556)	239	(4,317)

16. Share-based Payments

Equity-settled share-based payments

The cost of equity-settled share-based payments is determined based on the grant-date fair value of the award. The fair value is estimated using a valuation model appropriate to the terms and conditions of the award.

The cost is recognised in Staff expenses, together with a corresponding increase in equity (Share-based payment reserve), over the period in which the service condition and, where applicable, the performance measures are fulfilled.

At each reporting date the likelihood of the service condition, and where applicable, the Earnings per Share (EPS) performance measure being met is reassessed. The cumulative expense through profit or loss and equity is adjusted to reflect the best estimate of the number of share rights and performance share rights that will ultimately vest.

Therefore, on a cumulative basis, no expense is recognised for awards that do not ultimately vest because the service condition or EPS hurdle have not been met. As the Total Shareholder Return (TSR) performance measure is reflected in the grant-date fair value, these awards are treated as vested, and the expense is recognised, irrespective of whether the TSR hurdle is achieved (provided the service condition is met).

ESOS

There were no Employee Share Ownership Scheme (ESOS) share rights offered to employees during the period to 31 March 2024 (31 March 2023: 451,497).

ESOS – FY23 awards

Permanent employees working at least 30 hours per week were eligible to participate in the ESOS June 2022 grant. Under the scheme, participants were awarded restricted share rights of \$3,000. The share rights vest after two years, subject to participants' continued employment with the Group. After two years each share right converts to one ordinary share, at no cost to the employee.

Employees eligible for the ESOS December 2022 were primarily permanent employees working at least 30 hours per week who commenced employment after June 2022. Participants in the December grant were awarded 1,691 restricted share rights. The share rights vest after 18 months, subject to participants' continued employment with the Group. After 18 months each share right converts to one ordinary share, at no cost to the employee.

The ESOS is an equity-settled share-based payment scheme.

LTI

LTI - FY24 awards

The CEO, Senior Leadership Team and certain Key Operational Leaders are eligible to participate in the Long Term Incentive (LTI) scheme. Under the scheme, participants are awarded performance share rights based on a percentage of their base salary. Each performance share right converts to one ordinary share, at no cost to the employee. The LTI is an equity-settled share-based payment scheme. The performance share rights vest after two years, subject to achievement of the following performance measures:

- Continued employment with the Group (retention tranche), and/or
- Continued employment with the Group and the relative Total Shareholder Return (TSR) compared to the companies included in the NZX 50 (TSR tranche).

The board approved 6,922,230 LTI performance share awards during the period to 31 March 2024 (31 March 2023: 1,975,193).

LTI – FY23 awards

The Senior Leadership Team and certain Key Operational Leaders were eligible to participate in the FY23 LTI. The schemes and measures are consistent with the LTI performance rights granted during FY24. All rights issued under these schemes are equity-settled. The performance share rights awarded in FY23 vest after two years (June 2022 grant) or after 18 months (December 2022 grant).

FY23 CEO award – June 2022 grant

The CEO was awarded performance share rights under the FY23 LTI (CEO's award). The performance share rights awarded to the CEO vest after two years, subject to achievement of the following performance measures:

- 50% of the rights vest based on continued employment with the Group and the earnings per share target achieved for the year ending 31 March 2024 (EPS tranche),
- 50% of the rights vest based on continued employment with the Group and the relative TSR compared to the companies included in the NZX 50 (TSR tranche).

In September 2022 the CEO resigned from the Group and the performance share rights granted under CEO's award were forfeited.

FY23 CEO award – December 2022 grant

The CEO was awarded performance share rights under the FY23 LTI (CEO's December award). The performance share rights awarded to the CEO vest after 18 months, subject to achievement of the following performance measures:

- 100% of the rights vest based on continued employment with the Group and the relative TSR compared to the companies included in the NZX 50 (TSR tranche).

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Number of rights outstanding	ESOS	LTI
At 1 April 2023	360,183	1,164,001
Granted – July 2023	-	6,922,230
Forfeited ¹	(69,331)	(1,172,292)
At 31 March 2024	290,852	6,913,939

Number of rights outstanding	ESOS	LTI
At 1 April 2022	-	-
Granted – June 2022	385,548	1,820,518
Granted – December 2022	65,949	154,675
Forfeited ¹	(91,314)	(811,192)
At 31 March 2023	360,183	1,164,001

1. Forfeited rights relate to the share rights of eligible employees who have finished their employment with the Group during the period.

No rights vested during the period to 31 March 2024 (31 March 2023: none).

At 31 March 2024, the remaining contractual life of the rights issued under the ESOS schemes is two months (FY23: 1.2 years), and the weighted average contractual life of rights issued under the LTI schemes is one year (FY23: 1.2 years).

VALUATION APPROACH

The fair value of the LTI performance share rights is estimated for each performance measure separately:

- The fair value of the TSR tranche of the performance share rights is estimated at the grant date using the Monte Carlo simulation approach, taking into account the terms and conditions of the award.
- The fair value of the Retention tranche and the EPS tranche of the performance share rights is estimated based on the grant date share price less the present value of expected dividends.

Key inputs in determining the fair values

	Jun-23	Dec-22	Jun-22
Share price at grant date	\$0.18	\$0.40	\$0.83
Risk-free interest rate	5.1%	3.4%	3.4%
Expected cash dividend yield	11.4%	8.6%	8.6%
Expected share price volatility	48.1%	36.7%	36.7%
Vesting period	2 years	1.5 years	2 years
Weighted average grant date fair value - ESOS	-	\$0.32	\$0.69
Weighted average grant date fair value - LTI	\$0.12	\$0.23	\$0.50

The expected share price volatility is based on historic data and the expected dividend yield is based on external market expectations at grant date.

17. 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). The Board comprised six members until 31 December 2023 when a sixth member ceased directorship (2023: six members). The SLT comprised seven members (2023: eight).

NZ\$000	2024	2023
Short-term employee benefits	2,229	3,185
Share-based payment transactions	272	92
Directors' remuneration	544	515
Key management personnel remuneration	3,045	3,792

TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR

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

NZ\$000	2024	2023
Key management personnel		
Sale of goods	60	76

18. Operating Cash Flow Reconciliation

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

NZ\$000	2024	2023
Net profit before tax	8,618	11,003
<i>Adjustments for non-cash items</i>		
Depreciation and amortisation	5,510	5,745
Non-cash change in deferred finance costs	26	47
Loss on disposal of property, plant and equipment	53	45
Disposal of intangible asset	-	18
Share-based payment expense	570	266
<i>Changes in assets and liabilities</i>		
Decrease / (Increase) in trade and other receivables	359	(144)
Decrease in inventories	1,711	448
Decrease in prepayments	900	171
Decrease in trade and other payables	(1,965)	(492)
Decrease in deferred revenue	(2,942)	(805)
Increase in other current liabilities	274	207
Income tax paid	(3,315)	(7,028)
Tax refund	-	277
Net cash flows from operating activities	9,799	9,758

19. Contingent Liabilities

The Group has no contingent liabilities (2023: Nil)

20. Capital Commitments

The Group has capital commitments of NZ\$81,000 (2023: NZ\$460,000)

Independent Auditor’s Report

FOR THE YEAR ENDED 31 MARCH 2024



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

Report on the audit of the financial statements

OPINION

We have audited the financial statements of My Food Bag Group Limited (the “Company”) and its subsidiaries (together the “Group”) on pages 30 to 51, which comprise the consolidated statement of financial position of the Group as at 31 March 2024, 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 material accounting policy information.

In our opinion, the consolidated financial statements on pages 30 to 51 present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2024 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 judgement, 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, 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.



GOODWILL AND BRAND INTANGIBLE ASSETS’ IMPAIRMENT ASSESSMENT

Why significant	How our audit addressed the key audit matter
<p>At 31 March 2024 the Group recorded indefinite useful life intangible assets, being goodwill and brand intangible assets, with a combined value of \$82 million. These comprise 79% of the Group’s total assets.</p> <p>The value-in-use of the Group’s cash generating unit (“CGU”) is determined by management each reporting period by an impairment model that requires significant judgement and estimation in respect of forecast cash flows, discount rate and terminal growth rate assumptions. Changes in certain assumptions can lead to significant changes in the assessment of the value-in-use.</p> <p>Disclosures regarding the Group’s key assumptions adopted and sensitivity to reasonably possible changes in those key assumptions are included in note 10 of the consolidated financial statements.</p>	<p>In obtaining sufficient appropriate audit evidence, we:</p> <ul style="list-style-type: none"> understood the Group’s goodwill impairment assessment process. assessed the Group’s determination of CGUs based on our understanding of the nature of the Group’s business and considered whether management’s assessment of a single CGU was appropriate. determined the appropriateness of using a discounted cash flow methodology to assess value in use. tested the discounted cash flow model for mathematical accuracy. challenged the reasonableness of management’s forecast cash flows, including by comparing them to historical results and the Board’s approved budget. considered other external valuation evidence such as market capitalisation, broker forecasts and earnings multiples of comparable companies. involved our business valuation specialists to assess the terminal growth and discount rates applied. challenged the assumptions and judgements used by management by performing sensitivity analysis in relation to the discount rate, terminal growth rate and forecast cash flows to consider the potential impact of changes in these assumptions. evaluated the adequacy of the related financial statement disclosures, including the sensitivities included in note 10.

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.

Independent Auditor's Report (continued)

FOR THE YEAR ENDED 31 MARCH 2024



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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Group 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 Lloyd Bunyan.

Chartered Accountants

Auckland

22 May 2024

Other Information

Non-GAAP Financial Information	56
Corporate Governance Statement	57
Other Disclosures	69
Directory	77
Key Dates	77

Non-GAAP Financial Information

The reconciliation of net profit after tax to earnings before interest, tax and depreciation and amortization (EBITDA) is shown below.

NZ\$000	2024	2023
Net profit after tax	6,044	7,850
Add: Tax	2,574	3,153
Net profit before tax	8,618	11,003
Add: Depreciation and amortisation	5,510	5,745
Add: Net financing costs	1,903	1,418
EBITDA	16,031	18,166

The reconciliation of revenue to gross margin and contribution margin is shown below.

NZ\$000	2024	2023
Revenue	162,235	175,694
Less: Cost of goods sold	(83,608)	(90,725)
Gross margin	78,627	84,969
Less: Assembly and distribution costs	(41,909)	(43,594)
Contribution margin	36,718	41,375

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 22 May 2024 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, purpose, 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. The Code of Ethics was last reviewed on 16 March 2023.

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 of Ethics and My Food Bag's separate Whistleblowing Policy. My Food Bag's whistleblowing processes enable employees to anonymously report suspected wrongdoing through a third party service provider. My Food Bag is also aware of its obligations with regards to protected disclosures under the Protected Disclosures Act 2022.

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.

Corporate Governance Statement (continued)

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 preserve continuity by avoiding a scenario where all or a majority of the Directors are required to retire at the same meeting.

DIRECTORS

The Board currently comprises five Directors: an independent Chair, Tony Carter; three independent non-executive Directors, Sarah Hindle, Jen Bunbury and Mark Powell; and one non-executive Director, Cecilia Robinson. 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 and meal kits Investment and M&A Health	
Skills	Financial acumen Governance and compliance Strategy and risk Grocery supply chain and logistics Customer experience and agri-tech E-commerce Investor relations Entrepreneurship	
Tenure	3 to 6 years	3
	Less than 3 years	2
Diversity	Female	60%
	Male	40%

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.

Corporate Governance Statement (continued)

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

For the year ended 31 March 2024

	Board meetings available to attend	Number attended	ARC ¹ meetings available to attend	Number attended	NRC ² meetings available to attend	Number attended	MC ³ meetings available to attend	Number attended
Tony Carter	11	11	4	4	3	3	N/A	N/A
Jon Macdonald	8	7	3	3	2	2	N/A	N/A
Sarah Hindle	11	11	4	4	3	3	4	4
Jen Bunbury	11	9	4	4	3	3	N/A	N/A
Cecilia Robinson	11	10	4	4	3	2	4	4
Mark Powell	11	11	4	4	3	3	4	4

During FY24, members of the Board also provide more informal oversight and strategic support and guidance to management at different times as and when the opportunity or need arises.

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.

My Food Bag continues to review and monitor the gender pay gap for all of its permanent employees and, at 31 March 2024, the median pay gap across the organisation was 1.44% (versus 12.77% at 31 March 2023). My Food Bag intends to continue to focus on improving the pay equity position through annual remuneration reviews and its recruitment processes. My Food Bag measures and publicly reports its gender pay gap annually.

In collaboration with the Board, My Food Bag has a number of initiatives to support gender diversity and inclusion, including: maintaining a 40/40/20 gender balance at both the Board and Senior Leadership Team level (and striving for this across the wider organisation), reducing the gender pay gap, and maintaining a Diversity and Inclusion Committee of employees to enable targeted programs of activity to increase belonging and equity. My Food Bag also offers flexible working arrangements and a generous parental leave policy to support new parents. During FY24, My Food Bag concentrated on driving greater cultural awareness and understanding across the business with events to celebrate Lunar New Year, Diwali and Māori Language week across our sites, as well as efforts to develop a better understanding of accessibility in the workplace. A further update on My Food Bag's diversity and inclusion initiatives, including any formal measurable objectives adopted, will be provided in next year's Annual Report (or other corporate governance reporting).

1. Audit and Risk Committee.

2. Nomination and Remuneration Committee.

3. Marketing Committee.

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

	2023 ^{1,3}		2024 ^{1,3}	
	Female	Male	Female	Male
Directors	3	3	3	2
Officers ²	4	3	4	3
Other employees	121	90	104	90
Total	128	96	111	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 Directors are in the process of preparing a framework for this performance evaluation which is likely to be completed in 2024 and include both an internal, self-directed evaluation as well as potentially some degree of external facilitation.

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 22 May 2024 (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, Sarah Hindle and Mark Powell. Cecilia Robinson is not considered to be independent at this time due to her long association with My Food Bag, including as co-founder. Directors are required to inform the Board of any change in circumstances that may affect their independence.

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 judgement to bear on

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.

Corporate Governance Statement (continued)

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.

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 FY24 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 the Company'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 Mark Powell (having replaced Jon Macdonald part way through FY24). 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 Company has a Marketing Committee which operates under its own written charter. The Marketing Committee was first established in FY23 to have greater oversight over, and input into, My Food Bag's marketing strategy and execution. The Chair of the Marketing Committee is Cecilia Robinson and the other two members are Mark Powell and Sarah Hindle. This Committee currently meets on a quarterly basis.

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 independent and not interested in the relevant approach.

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 FY24 are included in the 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 judgement, 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 the Annual Report, including in relation to My Food Bag's general environmental, governance and social sustainability factors and practices. For more information, refer to the Environmental, Social and Governance section of the Annual Report.

Although My Food Bag is not required to comply with the new climate-rated disclosure regime, it 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, albeit which are appropriate and reasonable for the current size of the organisation. My Food Bag recently completed the calculation of its carbon foot print for FY23, with a reduction in emissions on both an absolute basis and on a per-revenue basis. A further update on any initiatives advanced in this area or targets adopted (and how they are measured) will be provided in next year's annual report.

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 determine. 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 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.

Corporate Governance Statement (continued)

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 FY24 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 adopted a separate remuneration policy for the remuneration of directors on 29 April 2024. 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.

In respect of FY24, 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 parks).
- **Short term variable remuneration** – 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. In FY24, the STI was based 60% on company performance (an EBITDA target) and 40% on individual performance (based on individual measures generally agreed between the CEO and the individual eligible employees). The value and split for the CEO's STI was slightly different and is set out in the Other Disclosures section of the Annual Report. The company performance target was not met in respect of FY24, but the individual performance component was capable of being paid out to eligible employees depending on the outcome of their annual performance review. The STI is generally intended to operate in the same manner in respect of FY25.
- **Long term variable remuneration** – members of the Senior Leadership Team (and certain other senior employees of the business based on job grading) were invited to participate in the My Food Bag's long term incentive plan (LTI) which continued to operate in FY24. This LTI operates as a performance share rights plan and aims to: (1) assist in the reward and retention of eligible employees; (2) drive longer-term business performance; and (3) align the interests of eligible employees with the interests of shareholders. The conditions attaching to the grants made under the LTI during FY24 comprised 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 grants was generally between 20% and 30% of base salary, depending on the job grading of the eligible employee. The grant made to the CEO was slightly different insofar as it was entirely performance based.

The LTI is intended to operate during FY25, albeit with a smaller pool of participants limited to certain senior management employees and with the rights granted to be entirely performance-based and measured by reference to an absolute total shareholder return over a three year vesting period (subject to a partial acceleration after two years, depending on the shareholder return). More information in relation to these grants will be provided at the time new performance rights are issued.

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 FY24 is included in the Other Disclosures section of this Annual Report. The remuneration arrangements in relation to the CEO are also included in that section of the Annual Report for the purposes of Recommendation 5.3 of the NZX Code.

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. From time to time the business will simulate an event that causes disruption to its operations and use that as an opportunity to test and refine its controls.

PRINCIPAL BUSINESS RISKS AND KEY STRATEGIES TO MITIGATE

My Food Bag is currently focused on the following principal business risks across its business (not including health and safety risks which My Food Bag separately focuses 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. more frequent extreme weather events). 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 below¹.

Area	Description of risk	Key strategies to mitigate
Customer acquisition and retention	Our growth depends on customer acquisition and retention. Acquiring new customers is challenging in a competitive market and depends on successful marketing campaigns. The cost to switch to a competitor is low, retention is generally driven by the customer experience.	My Food Bag has a Marketing Committee, designed to have greater oversight over, and input into, our marketing strategy and execution. We use marketing campaigns, including promotions and loyalty programmes, to drive frequency and favourable brand mix. We continue to innovate to appeal to our customers and recognise and adapt to changes in customer preferences or behaviour. We continue to improve the customer experience through digital enhancements and a focus on operational performance and choice.

1. Certain financial risks are separately disclosed in the audited FY24 financial statements included in this Annual Report.

Corporate Governance Statement (continued)

Area	Description of risk	Key strategies to mitigate
Competition	Customers may switch to existing competitors, including in response to discounting or other promotions, or a new competitor may enter the market and seek to gain market share.	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.
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.
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 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. We also have procedures to ensure adherence to labelling 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. We have a detailed cyber security road map in place that is focussed on improving controls and mitigations in a number of areas of cyber security, including the key risks: DDoS; Ransomware and Data breach. We have also implemented alternative communication channels for our customers, have good relationships with our suppliers, have backup systems in place to ensure data and business continuity is maintained and do not hold any customer credit card details.
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.	We operate separate assembly centres in the North and South Island, with robust systems and procedures in place to prevent serious disruption. 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. We also maintain relationships with a range of temporary labour suppliers to mitigate risks of temporary labour shortages or cost pressure.

Area	Description of risk	Key strategies to mitigate
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.	We use a reliable third-party distributor, New Zealand Post, with an extensive NZ 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. Our 'Customer Love' team has a response plan in place to communicate with customers impacted by disruption to the distribution network. Following the North Island weather events early in 2023, a business continuity plan for flood events was developed. We prepare 'buffer bags' each week to cover damaged or lost orders, and we have alternative sales channels in place that we can utilise.
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 up and coming menus, delay production, or seek to pass on sustained price increases to customers. We communicate any changes clearly and appropriately with our customers.
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 specific initiatives and programmes established by My Food Bag during FY24 in relation to health and safety are discussed in the spotlight on health, safety and wellbeing section of the Annual Report.

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 impediment, 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 is My Food Bag’s external audit firm, having been first appointed to this role in 2017. The current lead audit partner from Ernst & Young was first appointed during FY24.

Ernst & Young, as auditor of the FY24 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 the Company and the independence of the auditor in relation to the conduct of the audit.

While the Company does not have a dedicated internal audit function, it has, in addition to the Company’s 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 website that contains a comprehensive set of investor-related materials 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 SHAREHOLDER 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). The annual shareholders’ meeting is expected to be held on 16 August 2024. 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 under the company code ‘MFB’. On 23 June 2023, the Company’s application to be delisted from the ASX was accepted. The Company’s shares are no longer quoted on the ASX and are no longer able to be traded on the ASX.

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 FY24.

MY FOOD BAG DIRECTORS

The Directors of the Company holding office as at 31 March 2024 are noted below.

Name	Date of appointment	Independence
Tony Carter (Chair)	14 January 2021	Independent
Sarah Hindle	14 January 2021	Independent
Jen Bunbury	14 January 2021	Independent
Cecilia Robinson	19 August 2022	Non-Independent
Mark Powell	1 November 2022	Independent

Jon Macdonald ceased to be a Director of the Company on 31 December 2023.

The current Directors of the Company’s only subsidiary, My Food Bag Limited, are Mark Winter (CEO) and Louise Newsome (CFO). Ms Newsome was appointed on 3 April 2024 (after the Company’s balance date) in connection with her appointment to the permanent CFO role. Leanne Dekker, the previous CFO, ceased to be a director of My Food Bag Limited on 19 January 2024 (to coincide with her departure from the business).

Other Disclosures (continued)

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 FY24 are recorded below.

General disclosures

The following are particulars of general disclosures of interest made by Directors of the Company (or its subsidiary) holding office as at 31 March 2024, 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, which are not specifically listed in the table below):

Director	General disclosure
Tony Carter	T R Group Limited (director) Datacom Group Limited (director) Capital Solutions Limited (adviser) Capital Training Limited (adviser) Fonterra Independent Selection Panel (member) Loughborough Investments Limited (director) Maurice Carter Charitable Trust (trustee) Skin Institute Holding Company Limited (director) The Interiors Group Holdco Limited (director) Royal Auckland and Grange Golf Club (captain) Ravensdown Limited (director) The Warehouse Group Limited (director) (effective 1 May 2024)
Jen Bunbury	Fenway Capital Limited (director) Oyster Property Group Limited (director) (ceased 12 April 2024) Oyster Industrial Limited (director) (ceased 12 April 2024)
Cecilia Robinson	Tend Health Holdings Limited (director) TLC Property Holdings Limited (director) The Robinson Duo Limited (director) Robinson Nominees Limited (director) Pie Funds Management Limited (director)
Mark Powell	Bapcor Limited (director) JB Hi-Fi Group Limited (director) Tahi Electrical Limited (director) STIHL Pty Ltd (Australia) (director)

For completeness, during FY24 Mr Carter ceased to be a director of Vector Limited (effective 28 September 2023).

Mr Powell ceased to be a director of Kiwi Property Group Limited (effective 19 May 2023) and 7-Eleven Australia Pty Ltd (effective 31 March 2024).

There were no specific disclosures made by Directors of the Company or its subsidiary during FY24 of any interests in transactions entered into by the Company or its subsidiary.

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. This insurance is renewed annually and was most recently renewed on 15 April 2024.

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 2024 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. 200,000 of these ordinary shares are held by FNZ Custodians Limited as custodian for Loughborough Investments Limited.	254,054
Sarah Hindle	Registered holder and beneficial owner	10,811
Jen Bunbury	Registered holder as trustee of the Jennifer L Bunbury Trust	26,216
Cecilia Robinson	Registered holder as trustee of the APL Holdings Trust	19,015,933
Mark Powell	Registered holder and beneficial owner	275,940

Other Disclosures (continued)

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 FY24. 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
Mark Powell	12 Dec 2023	Acquisition	\$20,000	170,940
Tony Carter	12 Dec 2023	Acquisition	\$11,700	100,000
Cecilia Robinson	15 Dec 2023	Acquisition	\$875,000	7,000,000
Cecilia Robinson	20 Dec 2023	Acquisition	\$687,851	4,585,675

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 FY24 is set out in the table of remuneration bands below.

Remuneration (NZ\$)	Number of employees
100,000 to 109,999	9
110,000 to 119,999	7
120,000 - 129,999	6
130,000 - 139,999	3
140,000 - 149,999	3
150,000 - 159,999	4
160,000 - 169,999	1
170,000 - 179,999	3
180,000 - 189,999	2
190,000 - 199,999	1
220,000 - 229,999	2
230,000 - 239,999	1
250,000 - 259,999	1
360,000 - 369,999	1
370,000 - 379,999	1
630,000 - 639,999	1

The remuneration figures include all monetary amounts actually paid to employees and former employees during FY24, including: base salaries; short-term incentives (if any) paid in FY24 (relating to FY23); vested share rights; 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 2024 relating to FY24; share rights that have been granted but not yet vested (including those rights granted under My Food Bag's incentive schemes); 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 FY24 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 FY24 ¹
Tony Carter (Chair)	\$140,000
Jon Macdonald	\$63,750
Sarah Hindle	\$85,000
Jen Bunbury	\$85,000
Cecilia Robinson	\$85,000
Mark Powell	\$85,000

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 determine. 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.

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

CEO REMUNERATION

Mark Winter is the Chief Executive Officer (CEO) of My Food Bag. The remuneration and other benefits paid to Mr Winter during FY24 is set out in the table below.

Remuneration – Mark Winter	FY24 (NZ\$)	FY23 (NZ\$)
Base salary ²	\$520,000	\$248,538
Other benefits ³	\$119,200	\$7,456

Mr Winter did not receive payment of any short term incentive during FY24 in respect of FY23. However, as noted below, Mr Winter was entitled to receive the individual component of the STI in respect of FY24.

1. Directors' fees are gross amounts in NZD and exclude GST (where applicable) and are rounded to the nearest dollar. The remuneration for Jon Macdonald reflects the fact that he was only a Director of the Company for part of FY24.

2. Base salary is not at risk. For comparison, Mr Winter's annualised base salary as CEO for FY23 was \$520,000.

3. Includes a contribution of 3% of gross earnings towards Mr Winter's KiwiSaver scheme and a one-off bonus of \$100,000 paid in connection with Mr Winter's appointment as CEO following the departure of the previous CEO.

Other Disclosures (continued)

CEO PAY FOR PERFORMANCE (FY24)

Mr Winter was eligible to participate in the Company's Short Term Incentive plan (STI) in FY24. This is a recurring STI plan, which rewards achievement against prescribed performance measures. Details of the STI that operated in respect of FY24 for the CEO is described in the table below.

	Description	Performance Measures	% of STI Achieved
STI	Set at 40% of base salary, with a payout range of up to 150% for overachievement against agreed performance targets.	20% based on individual performance (measured against agreed KPIs set with the Board) and 80% based on company performance (an EBITDA target).	20% (paid out at 120% given the achievement against the individual component)

Mr Winter also participated in the Company's Long Term Incentive scheme (LTI) in 2024. No performance rights previously granted to Mr Winter vested (or were capable of vesting) in FY24. The grants that have been made to Mr Winter under the LTI (in his capacity as CEO and, prior to that, CFO) are described in the table below, including the grant made in FY24. Each performance right entitles Mr Winter to receive one share in My Food Bag on vesting, with the first performance rights scheduled to vest in 2024.

Grant	Role	Performance Rights	Performance Measures	Vesting Date
July 2023 ¹	CEO	1,344,051	100% performance-based, linked to the Company's relative TSR performance against the NZX50.	2025
Dec 2022	CEO	56,369	100% performance-based, linked to the Company's relative TSR performance against the NZX50.	2024
June 2022	CFO	108,229	50% solely retention and 50% performance-based, linked to the Company's relative TSR performance against the NZX50.	2024

The extent to which those performance rights which are capable of vesting in 2024 will be determined by the Company shortly after the release of this annual report. The retention-only component of those performance rights granted to Mr Winter in his previous role as CFO are expected to vest. A further grant will be made to Mr Winter in 2024, with details of that grant to be disclosed to the market at the time.

SHAREHOLDER INFORMATION

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

Twenty largest shareholders (as at 22 April 2024)

Shareholder ¹	Number of ordinary shares	% of ordinary shares
Long Term Food Group LP	38,165,965	15.74%
FNZ Custodians Limited	20,055,986	8.27%
James C Robinson, Cecilia C L Robinson and Heimsath Alexander Trustee Limited	19,015,933	7.84%
New Zealand Depository Nominee	14,252,581	5.88%
Accident Compensation Corporation	12,053,853	4.97%
Custodial Services Limited	10,504,605	4.33%
New Zealand Permanent Trustees Limited	8,048,994	3.32%
Forsyth Barr Custodians Limited	7,721,379	3.18%
Theresa Elizabeth Gattung and Philippa Mary Greenwood	6,825,158	2.82%
Masfen Securities Limited	5,000,000	2.06%
Peter Duncan Garvan	4,400,000	1.81%
Carlos Edward James Bagrie, Covisory Trust Limited & JKA Holdings Limited	3,775,639	1.56%
Lennon Holdings Limited	3,000,000	1.24%
Daniel Charles Skinner	2,833,884	1.17%
FNZ Custodians Limited	2,068,120	0.85%
Tea Custodians Limited	1,974,616	0.81%
Craggy Range Vineyards Limited	1,881,090	0.78%
Neville Charles Goldie, Colin John McEwan and Kevin John Roberts	1,669,570	0.69%
JBWere (NZ) Nominees Limited	1,604,557	0.66%
Kevin Lester Bowler	1,109,350	0.46%
Total	165,961,280	68.46%

Distribution of shareholders and shareholdings

As at 22 April 2024, 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	2,755	44%	1,445,405	0.60%
1,001 – 5,000	1,982	32%	5,155,833	2.13%
5,001 – 10,000	580	9%	4,485,028	1.85%
10,001 – 100,000	747	12%	25,389,735	10.47%
100,001 and over	161	3%	205,961,523	84.95%
Total	6,225	100.00	242,437,524	100.00

1. In 2023, a small portion of the LTI for all participants, including Mr Winter, was agreed to be paid in cash so as to maintain the desired value of each grant but remain within the restriction on shares issues to employees in the NZX Listing Rules. This resulted in Mr Winter also being eligible to receive a cash incentive of \$21,565.35 in the event that he remains with the business at the time that his performance rights vest in 2025.

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 22 April 2024, the total holding through NZCSD was 23,982,666 ordinary shares or 9.89% 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 2024. 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
Long Term Food Group LP and Waterman Capital (Fund 3) LP	38,165,965	15.743%	31 March 2023
James Robinson, Cecilia Robinson and Heimsath Alexander Trustee Limited as trustees of the APL Holdings Trust	19,015,933	7.844%	21 Dec 2023

EXERCISE OF NZX DISCIPLINARY POWERS

NZX did not take any disciplinary action against the Company during FY24. 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 FY24.

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 FY24 are \$148,000. No other professional services were provided by EY during FY24.

CREDIT RATING

My Food Bag does not have a credit rating.

DONATIONS

My Food Bag partners closely with the Garden to Table charity, and donated \$11,452 to this charity in FY24 and collected (and passed through) donations of \$38,031 from customers. In FY24, My Food Bag also made a number of small donations totalling \$12,770 to City Mission, Movember, Rainbow Youth, SPCA, the Breast Cancer Foundation and the Heart Foundation. 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.

Directory

BOARD OF DIRECTORS

Tony Carter (Chair)

Jen Bunbury

Sarah Hindle

Mark Powell

Cecilia Robinson

SENIOR LEADERSHIP TEAM

Mark Winter

Chief Executive Officer

Louise Newsome

Chief Financial Officer

Paul Kelly

Chief Operations Officer

Craig Jordan

Chief Digital & Growth Officer

Cassie Ormand

Head of People & Culture

Polly Brodie

Head of Development Kitchen

Trish Whitwell

Chief Marketing Officer

REGISTERED OFFICE

Level 3, 56 Parnell Road

Parnell

Auckland 1052

New Zealand

Ph: 0800 469 366

Website: www.myfoodbag.co.nz

For enquiries about My Food Bag's operating and financial performance, contact investor relations:

Ph: +64 9 8869840

Email: ir@myfoodbag.co.nz

AUDITOR

Ernst & Young, Auckland

SOLICITORS

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.

NEW ZEALAND REGISTRY

Link Market Services Limited

Level 30 PwC Tower

15 Customs Street West

Auckland 1010

New Zealand

Ph: +64 9 375 5998

Email: myfoodbag@linkmarketservices.co.nz

www.linkmarketservices.co.nz

My Food Bag Group Limited

NZBN 6113607

Key Dates

Annual shareholders' meeting – 16 August 2024

Half year end – 30 September 2024

Half year results – November 2024

FY24 balance date – 31 March 2024



myfoodbag.co.nz