



16 August 2024
NZX Code: MFB

My Food Bag Annual Shareholders' Meeting – Chairman and CEO Addresses

Chairman's Address

Mōrena and welcome to the annual shareholders' meeting for My Food Bag. I am My Food Bag's independent chair, Tony Carter.

Today's meeting is being conducted in person and online - we are very pleased to welcome those of you participating online through the virtual meeting platform. I'll provide you with further instructions as we progress through the meeting, but for those of you attending virtually if you encounter any technical issues, please refer to the virtual meeting online portal guide or you can phone the helpline on 0800 200 220.

Before we formally begin, I would like to start by acknowledging Board members, Jen Bunbury (Chair of the Audit and Risk Committee), Cecilia Robinson (Chair of the Marketing Committee and one of My Food Bag's founders), Sarah Hindle and Mark Powell (Chair of the Nomination and Remuneration Committee).

We also have My Food Bag's Leadership team in attendance, including:

- Mark Winter, Chief Executive Officer,
- Louise Newsome, Chief Financial Officer, and
- Olivia Clark, Financial Controller, who will assist with Q&A later in the meeting.

Our auditors, EY, are in attendance, represented by Lloyd Bunyan. Mr Bunyan will be available to address any questions regarding the conduct of the audit. Finally, you will of course notice that we are in the offices of our share registrar, MUFG Corporate Markets, and members of their team are available today to help conduct the vote and act as our scrutineer.

I have had it confirmed to me that the Notice of Meeting has been sent to shareholders and other persons entitled to receive it and I have been advised that we have a quorum present. On that basis, I am pleased to formally declare the meeting open.

As always, shareholders were given the opportunity to attend the meeting and vote, or to appoint a proxy to vote on their behalf. Proxies have been appointed for the purpose of this meeting in respect of approximately 36 million shares, representing about 15% of our total share capital. My fellow directors and I intend to vote all discretionary proxies we have received in favour of the only resolution set out in the Notice of Meeting.

Turning to the agenda for today. Following my address, My Food Bag's CEO, Mark Winter will provide a business update before we move on to the more formal agenda items regarding the acceptance of the FY24 financial statements and our ordinary resolution regarding the auditor's remuneration.



There will then be an opportunity for general Q&A. As always, I encourage shareholders to exercise their right to vote and ask questions. You can send through your questions at any time through the online portal by clicking the 'Ask a Question' button, and I encourage you to do so as early as possible as this will allow us to answer these questions at the appropriate time during the meeting.

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 transformed our operations, and the second half of the year 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.

With FY24 presenting 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.

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. Based on FY24 performance and performance during the start of FY25, the Board was pleased to pay a dividend of 0.5 cents per share for FY24. We reduced our Board size during FY24. Following the resignation of Jon Macdonald during the year, our Board size reduced from 6 Directors to 5 Directors.

As we navigate FY25, we recognise market conditions will remain challenging in the year ahead. We've had an encouraging start to the year with the first 20 weeks of trading broadly in line with the prior year, showing active customers of 60,100 while net sales are down around 1.6%.

We remain focused on active customer growth with recent initiatives including our partnership with the New Zealand Olympic Team, Bargain Box loyalty programme and relaunch of our ready-made offering. We continue to see the benefits of the action taken in FY24 to invest in and right size the business, with our productivity and quality performance continuing to trend up. The Board declared a final FY24 dividend of 0.5 cents and expects to pay an interim and final dividend in FY25.

We will provide a full financial update when we release our interim results in November.

I would like to finish by acknowledging and thanking all our team at My Food Bag for their continued efforts and passion for our business, and also our shareholders for their continued support.



CEO's Address

Tēnā Koutou and welcome.

Thank you to everyone here and online for attending today, it is always nice to meet with our shareholders and we appreciate the opportunity.

We reported EBITDA of \$16.0m for the 12 months to 31 March 2024. These earnings were generated off \$162.2m of revenue equating to an EBITDA percentage of 9.9%. Revenue was down 7.7% on the prior year, with our first half down -11.2% and our second half down -3.5%.

During FY24, we stabilised overall demand and drove significant Bargain Box growth of 19.5% in deliveries. We also implemented a number of important initiatives to help enable its focus on growing active customers, including:

- the implementation of picking technology in the Auckland and Christchurch assembly centres driving a better customer experience and productivity savings
- Increased customer flexibility through extending more recipe choice, shortening order lead times and adding more delivery slots
- Consolidation of Auckland distribution centres to increase productivity and lower overheads

These initiatives were all focused on strengthening My Food Bag's performance going forward.

Our focus in FY25 is winning through growing active customers. We will achieve this by: delivering flexibility, convenience and great value – these will be driven through productivity and growth through innovative solutions.

The four pillars to grow active customers are;

1. Strengthening brand power – we will leverage our portfolio of brands to win in meal kits and meal solutions;
2. A step change in convenience; by providing meal solutions to better suit our customers lifestyles;
3. Creating a seamless customer experience – ensuring that every interaction that customers have with My Food Bag is easy, inspiring and reliable
4. And fuelling My Food Bag with Ready Made solutions – introducing the convenience of our tasty ready-made meal range to a wider customer base

We are delivering this by utilising our strengths and assets – our culinary expertise, our supply chain capability, our brands and our technology.

Our portfolio of brands remains a key tool for us in navigating current economic conditions. My Food Bag remains our flagship brand and despite recent growth in Bargain Box, remains our most popular brand. In FY24 we returned My Food Bag back to its roots - simple, healthy, delicious, with all brand touchpoints reviewed to deliver on the 'Dinner, Done Better' campaign. As New Zealand's most affordable meal kit, Bargain Box has proven to be the brand for the times in the current economic environment. Our focus has been on building the profile of the brand through PR campaigns including supermarket comparison, price freeze, a te reo cooking series and Saver Flavour e-cookbook reinforcing affordable eating. We have continued to target the health and weight loss segment with our Fresh Start brand. We have launched an 8-week reset loyalty programme and have launched breakfast and lunch kits to allow Fresh Start to become a full day solution.



On the next slide we show how investments in supply chain have improved growth and created capacity for efficiency. With the implementation of our new picking technology at our Christchurch and Auckland assembly sites, we have been able to scale our recipe choice offering to customers while seeing a 99% picking and quality accuracy since the implementation. Consolidating the assembly of boxes for all brands onto one site for the North Island has enabled more recipe choice for our Bargain Box customers and reduced further overheads.

Throughout FY24 we invested in digital capability to increase choice, convenience and recipe innovation. We enhanced our segmented and personalised messages for customers communicating new features, loyalty promotions and campaigns to strengthen frequency and average order value. We developed forecasting capability allowing a reduction in supplier lead time. This has given customers an extra day to place orders from a Sunday to a Monday to provide convenience and grow active customers.

In FY24 we focused on strengthening our staff engagement. This is reflected in improvements in our staff engagement survey, an increase in vacancies being filled internally and turnover being reduced by 14%. We continue to invest in learning and development with nearly half of our Auckland Operations team completing a numeracy and literacy course and our bespoke internal leadership programme 'Raising the Bar'. We also continued to advance our commitment to diversity and inclusion, launching the My Food Bag Woman's Leadership Network and establishing a DE&I committee.

In FY24 we delivered a number of initiatives across packaging, environment, community and food safety quality as part of our sustainability focus. This included the evolution of our insulation to Woolkraft - a wool, wrapped in eco-friendly paper; we continued to keep supporting kiwi communities including charities like garden to table and re-evaluated our cool-chain, significantly improving our ice pack system, including a new ice supplier. These initiatives along with others, strengthened the community, staff and environmental impact of my food bag.

In FY25 we remain focused on active customer growth with recent initiatives including our partnership with the New Zealand Olympic Team, Bargain Box loyalty programme and relaunch of our ready-made offering.

I look forward to providing an update on progress at our interim results in November.

Thank you again shareholders for the opportunity today and your continued support.

Ends

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