

**MY FOOD BAG GROUP LIMITED
INITIAL PUBLIC OFFER**

11 FEBRUARY 2021

ADDITIONAL INFORMATION FOR AUSTRALIAN INVESTORS

Important Notice

This document contains additional information for eligible Australian investors (as defined below) (**Additional Australian Information**), and accompanies the attached New Zealand product disclosure statement (**New Zealand PDS**) for the invitation to apply for fully paid ordinary shares (**Shares**) in My Food Bag Group Limited (**My Food Bag**), a company incorporated in New Zealand with Company Number 6113607 and registered as a foreign company in Australia ARBN 646 807 301 in connection with its initial public offer of Shares, including the existing Shares to be sold by MFB Offeror Limited (**Offer**). Unless otherwise defined, capitalised terms in this Additional Australian Information have the same meaning as in the *Glossary* section of the New Zealand PDS.

1 Offer in Australia

The Offer may be made in Australia to selected institutional investors (**Australian Institutional Investors**) who are sophisticated investors or professional investors within the meaning of sections 708(8) and 708(11) respectively of the *Corporations Act 2001* (Cth) (**Corporations Act**).

No general public offer is being made in Australia. Australian residents who are not Australian Institutional Investors will not be eligible to apply for Shares.

If made, the institutional offer in Australia consists of an invitation to Australian Institutional Investors to bid for Shares. For further details, refer to the *Terms of the Offer* section of the New Zealand PDS.

2 New Zealand PDS

The Offer will be made pursuant to the final New Zealand PDS lodged on 11 February 2021. Australian Institutional Investors may participate in the Offer by way of bidding into a bookbuild and, following confirmation of the final price of the Offer and their allocation of Shares, the Shares will be issued to, and acquired by, Australian Institutional Investors pursuant to the New Zealand PDS. The New Zealand PDS will be lodged with ASIC in reliance on the trans-Tasman mutual recognition scheme under Chapter 8 of the *Corporations Act* and the *Corporations Regulations 2001* (Cth) (**Corporations Regulations**).

This Additional Australian Information contains disclosures relevant to Australian Institutional Investors and is required in part in order to comply with the requirements for a “recognised offer” under Chapter 8 of the *Corporations Act* and the *Corporations Regulations* and the requirements of the ASX Listing Rules.

The New Zealand PDS has been prepared to comply with New Zealand regulatory requirements, which differ in some respects from Australian regulatory requirements for an offer of the Shares. The New Zealand PDS and this Additional Australian Information are not, and do not purport to be, a prospectus or document containing disclosure to investors for the purposes of, and do not contain all information that would be required for a prospectus or disclosure document under, Part 6D.2 or Part 7.9 of the *Corporations Act*.

If you are in Australia, you may obtain a copy of the final New Zealand PDS by contacting the Joint Lead Managers.

3 Important information for all Australian investors

The following statements are required to be included in this document by Chapter 8 of the *Corporations Act* and the *Corporations Regulations*.

This Offer to Australian investors is a recognised offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations. In New Zealand, this is Subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* of New Zealand and the *Financial Markets Conduct Regulations 2014* of New Zealand.

This Offer and the content of the offer document (the New Zealand PDS) are principally governed by New Zealand, rather than Australian, law. In the main, the *Financial Markets Conduct Act 2013* of New Zealand and the *Financial Markets Conduct Regulations 2014* of New Zealand set out how the Offer must be made.

There are differences in how securities and financial products are regulated under New Zealand, as opposed to Australian, law. For example, the disclosure of fees for managed investment schemes is different under New Zealand law.

The rights, remedies and compensation arrangements available to Australian investors in New Zealand securities and financial products may differ from the rights, remedies and compensation arrangements for Australian securities and financial products.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Australian Securities and Investments Commission (**ASIC**). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of New Zealand securities and financial products is not the same as that for Australian securities and products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial advisor.

The Offer may involve a currency exchange risk. The currency for the security or financial product is in dollars that are not Australian dollars. The value of the security or financial product will go up and down according to changes in the exchange rate between those dollars and Australian dollars. These changes may be significant.

If you receive any payments in relation to the security or financial product that are not in Australian dollars, you may incur significant fees in having the funds credited to a bank account in Australia in Australian dollars.

If the security or financial product is able to be traded on a financial market and you wish to trade the security or financial product through that market, you will have to make arrangements for a participant in that market to sell the security or financial product on your behalf. If the financial market is a foreign market that is not licensed in Australia (such as a securities market operated by NZX Limited (**NZX**)) the way in which the market operates, the regulation of participants in that market and the information available to you about the security or financial product and trading may differ from Australian licensed markets.

4 Lodgement with the Australian Securities and Investments Commission

The final New Zealand PDS (accompanied by this Additional Australian Information) was lodged with ASIC on 11 February 2021. ASIC accepts no responsibility for the contents of the New Zealand PDS and this Additional Australian Information, or the merits of the investment to which the New Zealand PDS and this Additional Australian Information relate.

5 NZX and ASX listings

Application has been made to NZX for permission to quote the Shares on the NZX Main Board. All the requirements of NZX relating to the proposed quotation that can be complied with on or before the date of this Additional Australian Information have been duly complied with. However, NZX accepts no responsibility for any statement in this Additional Australian Information. The NZX Main Board is a licensed market operated by NZX, which is a licensed market operator, regulated under the *Financial Markets Conduct Act 2013* of New Zealand. My Food Bag's NZX

code is “MFB”. Once the Shares are quoted on NZX, the NZX Listing Rules will apply to My Food Bag (subject to any waivers or rulings given from time to time by NZX).

Application will also be made to the Australian Securities Exchange (ASX) operated by ASX Limited to admit My Food Bag to the official list of ASX (ASX Official List) as a foreign exempt listing and to quote the Shares on ASX. My Food Bag’s ASX code will, if quoted, be “MFB”. If My Food Bag is admitted to the ASX Official List as a foreign exempt listing, it will still need to comply with the NZX Listing Rules (other than as waived by NZX), but will not need to comply with the vast majority of the ASX Listing Rule obligations. Rather, My Food Bag will need to comply only with the rules specified in ASX Listing Rule 1.15 which are relatively procedural in nature. My Food Bag will not be subject to substantive ASX Listing Rule requirements such as the rules on continuous disclosure, periodic reporting, shareholder approval of share issuances, escrow, transactions with persons of influence and significant transactions.

ASX takes no responsibility for the contents of the New Zealand PDS or the Additional Australian Information or for the merits of the investment to which the New Zealand PDS and the Additional Australian Information relate. Admission of My Food Bag to the ASX Official List and quotation of the Shares on ASX are not guaranteed and are not to be taken as an indication of the merits, or as an endorsement by ASX, of My Food Bag or the Shares.

Failure to achieve admission of My Food Bag to the ASX Official List will not, of itself, prevent the issue by My Food Bag of Shares under the Offer from proceeding.

6 Continuous disclosure

As noted above, My Food Bag will not be required to comply with the continuous disclosure provisions of the ASX Listing Rules if it is admitted to the ASX Official List as a foreign exempt listing. Accordingly, My Food Bag will only need to comply with the continuous disclosure rules of the NZX Listing Rules (including as modified by any waivers or rulings applicable to My Food Bag or the Shares). Broadly, the NZX Listing Rules require that My Food Bag immediately release to NZX any material information (being information that a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of My Food Bag’s securities and is information that relates to My Food Bag or its securities) it is aware of. There are exceptions to the requirement to disclose for certain information. However, for the exceptions to apply the information must be confidential and confidentiality must be maintained. There are a number of other requirements that also must be met for the exceptions to apply.

All information provided to NZX and ASX in accordance with the NZX Listing Rules and the ASX Listing Rules will be available on the NZX and ASX websites and on My Food Bag’s website at www.myfoodbag.co.nz.

For more information in relation to My Food Bag’s continuous disclosure policy, refer to My Food Bag continuous disclosure policy which will be available on My Food Bag’s website following listing.

7 Risks

You should refer to the information set out in section 8 (*Risks to My Food Bag’s business and plans*) of the New Zealand PDS. That section describes the circumstances that My Food Bag is aware of that exist or are likely to arise that significantly increase the risk to My Food Bag’s financial position, financial performance or stated plans. Section 8 of the New Zealand PDS outlines My Food Bag’s assessment of the likelihood, nature and potential magnitude of the impact of the circumstances. The risks are based on the knowledge and assessment of the Board as at the date of the New Zealand PDS and it is possible that the importance of each risk may change or other risks may emerge over time.

In addition to the risks set out in Section 8 of the New Zealand PDS, there are other risks that are common to all investments in shares and other securities generally or that are specific to an investment in the Shares.

Set out below are certain risks that are specific to Australian investors. The risks described below do not purport to be a comprehensive statement of the risks associated with investing in

the Shares. These risks should be read in conjunction with the risks set out in Section 8 of the New Zealand PDS.

Liquidity and realisation risk

There can be no assurance that an active trading market in the Shares will develop or that the price of the Shares to be issued will increase. The risk may be increased if you wish to trade your Shares on ASX. As it is expected that the Shares will predominantly be traded on the NZX Main Board, the volume of Shares traded on ASX might be particularly low.

Foreign exchange risk on dividend payments

Dividends are made at the discretion of My Food Bag's board of directors, and depend on My Food Bag's financial performance. The payment of dividends is not guaranteed, and My Food Bag's dividend policy may change over time. In declaring dividends, My Food Bag must comply with the solvency test under the Companies Act and the covenants in its banking facilities.

My Food Bag's dividend policy is to target a dividend payout ratio of between 70% to 90% of net profit after tax (**NPAT**) for a financial year, taking into account the operating cashflow, future capital requirements and an aim to provide stability of dividend income. For FY22F My Food Bag is targeting a dividend payout ratio of approximately 80% of NPAT. Dividends will be imputed to the extent possible, and are expected to be fully imputed in FY22F.

If My Food Bag pays dividends, it will pay dividends in New Zealand dollars. You may be exposed to foreign exchange risk in the conversion of dividends to Australian dollars and may incur significant fees in having the funds credited to a bank account in Australia in Australian dollars.

8 Selling restrictions

Neither the New Zealand PDS nor this Additional Australian Information constitute an offer for the issue or sale of Shares or an invitation in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. Refer to the information under the heading "*Selling restrictions and further information*" in section 5 (*Terms of the Offer*) of the New Zealand PDS and the document entitled "Other Material Information" on the Offer Register.

Each successful bidder under the Australian Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it in connection with their ability to legally participate in the Offer in accordance with the laws of their jurisdiction.

9 This Additional Australian Information does not constitute investment advice. You should seek your own financial advice.

The information provided in the New Zealand PDS and this Additional Australian Information is not financial product advice and has been prepared without taking into account the investment objectives, financial circumstances or particular needs of any investor.

Investors should read the whole of the New Zealand PDS and this Additional Australian Information and consider all of the risk factors that could affect the performance of My Food Bag and other information concerning the Shares in light of their own particular investment objectives, financial circumstances and particular needs (including financial and taxation issues) before deciding whether to invest in the Shares.

10 CHES and issuer sponsored subregisters

In conjunction with its application to be admitted to the ASX Official List, My Food Bag will apply to participate in Clearing House Electronic Subregister System (**CHES**) in accordance with the ASX Settlement Operating Rules. CHES is an automated transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic (i.e. paperless) form.

Holdings of Shares in Australia will be registered in one of two subregisters, an electronic CHESS subregister or an issuer sponsored subregister. The Shares of an investor who is a participant in CHESS or a person sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares held in Australia will be registered on the issuer-sponsored subregister.

11 Trading in Shares on ASX

Notifications to successful Applicants of their allotments under the Offer are expected to be issued within five days of the allotment date (with the allotment date expected to be 4 March 2021).

Following allotment of the Shares, shareholders on the Australian share register will be sent a separate initial statement of holding for each holding of Shares that provides details of:

1. the holder's Holder Identification Number (**HIN**) (for CHESS holders) or a Shareholder Reference Number (**SRN**) for issuer-sponsored holders; and
2. the number of Shares that have been allocated.

Shareholders will subsequently receive from time to time updated statements showing any changes to their shareholding in My Food Bag.

Initial quotation and trading of the Shares on the NZX Main Board and ASX is expected to occur on or about 5 March 2021.

The bids in the Australian Institutional Offer will be conditional on NZX agreeing to quote the Shares of My Food Bag. However, failure to achieve admission to the ASX Official List will not, of itself, prevent the issue or sale of Shares under the Offer from proceeding.

Applicants under the Australian Institutional Offer trade any Shares at their own risk until they know whether, and how many, Shares have been allocated to them. None of ASX, My Food Bag, the Joint Lead Managers, the Share Registrar, any other person named in the New Zealand PDS, nor any of their respective directors, officers, employees or advisers accepts any liability or responsibility should any person attempt to sell or otherwise deal in Shares before statements confirming allotments of Shares are received by the successful Applicants under the Australian Institutional Offer.

12 Applicable law

My Food Bag as a New Zealand company

My Food Bag is a company incorporated in New Zealand and is principally governed by New Zealand law, rather than Australian law. My Food Bag is registered with ASIC as a foreign company with Australian Registered Body Number 646 807 301. Its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated in New Zealand by the *Companies Act 1993* (New Zealand) (**Companies Act**) and the Financial Markets Authority and Companies Office.

Set out below is a table summarising key features of the laws that apply to My Food Bag as a New Zealand company (under New Zealand law, including as modified by exemptions or waivers) compared with the laws that apply to Australian publicly-listed companies generally. It is important to note that this summary does not purport to be a complete review of all matters of New Zealand law applicable to My Food Bag or all matters of Australian law applicable to Australian publicly-listed companies or to highlight all provisions that may differ from the equivalent provisions in Australia.

Table: Comparison of laws governing My Food Bag as a New Zealand publicly-listed company with laws governing Australian publicly-listed companies generally

Unless otherwise stated, the Corporations Act provisions do not apply to My Food Bag as a foreign company and the vast majority of the ASX Listing Rule requirements do not apply to My Food Bag given that it is proposing to be admitted to the ASX Official List as a foreign exempt listing.

	NEW ZEALAND	AUSTRALIA
Transactions that require shareholder approval	<p>Under the Companies Act, the principal transactions or actions requiring shareholder approval include:</p> <ul style="list-style-type: none"> adopting or altering the constitution of the company; appointing or removing a director or auditor; major transactions (being transactions involving the acquisition or disposition of assets, the acquisition of rights or interests or the incurring of obligations or liabilities, the value of which is more than half the value of the company's total assets); amalgamations (other than between the company and its wholly-owned subsidiaries); putting the company into liquidation; and changes to the rights attached to shares. <p>In addition to the Companies Act requirements listed above, shareholder approval is required under the NZX Listing Rules for:</p> <ul style="list-style-type: none"> director remuneration; certain transactions with related parties; certain issues of shares; and in certain circumstances, the provision of financial assistance for the purpose of, or in connection with, the acquisition of shares. 	<p>Under the Corporations Act, the principal transactions or actions requiring shareholder approval are generally comparable to those under the Companies Act. Shareholder approval is also required for certain transactions affecting share capital (e.g. share buybacks and share capital reductions).</p> <p>Although there is no shareholder approval requirement for major transactions, certain related party transactions require shareholder approval.</p> <p>Shareholder approval is required under the ASX Listing Rules for:</p> <ul style="list-style-type: none"> directors' termination benefits in certain circumstances; certain transactions with related parties; certain issues of shares; and if a company proposes to make a significant change to the nature or scale of its activities or proposes to dispose of its main undertaking.
Shareholders' right to request or requisition a general meeting	<p>A special meeting of shareholders must be called by the board on the written request of shareholders holding shares carrying together not less than 5% of the voting rights entitled to be exercised on the issue.</p>	<p>The Corporations Act contains a comparable right.</p> <p>Shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.</p>
Shareholders' right to appoint proxies to attend and vote at meetings on their behalf	<p>A shareholder may exercise the right to vote at a meeting either by being present in person or by proxy. A proxy is entitled to attend and be heard, and to vote, at a meeting of shareholders as if the proxy were the shareholder.</p> <p>A proxy must be appointed by notice in writing signed by or, in the case of an electronic notice, sent by the shareholder to the company. The notice of appointment must state whether the appointment is for a particular meeting or a specified term.</p>	<p>The position is comparable under the Corporations Act.</p> <p>To be effective, the proxy appointment (and any authority under which the appointment is made) must be given to the company at least 48 hours before the meeting.</p>

	NEW ZEALAND	AUSTRALIA
Changes in the rights attaching to shares	<p>A company must not take action that affects the rights attached to shares unless that action has been approved by a special resolution of each affected interest group. (An "Interest group" in relation to an action or proposal affecting the rights attached to shares means a group of shareholders whose affected rights are identical and whose rights are affected by the action or proposal in the same way and who comprise the holders of one or more classes of shares in the company).</p>	<p>The Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares.</p> <p>If a company does not have a constitution, or has a constitution that does not set out a procedure, the rights may only be varied or cancelled by:</p> <ul style="list-style-type: none"> • a special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class; or • a written consent of members who hold at least 75% of the votes in the class.
Shareholder protections against oppressive conduct	<p>A shareholder or former shareholder of a company (or any other entitled person) who considers that the affairs of a company have been (or are being, or are likely to be) conducted in a manner that is (or any act or acts of the company have been, or are, or are likely to be) oppressive, unfairly discriminatory, or unfairly prejudicial to him or her in any capacity may apply to the court for relief.</p> <p>The court may, if it thinks it is just and equitable to do so, make such orders as it thinks fit.</p>	<p>Under the Corporations Act, shareholders have statutory remedies for conduct that is:</p> <ul style="list-style-type: none"> • contrary to the interests of the members as a whole; or • oppressive to, unfairly prejudicial to, or unfairly discriminatory against, a member or members in that capacity or in any other capacity. <p>The court can make any order as it considers appropriate.</p>
Shareholders' rights to bring or intervene in legal proceedings on behalf of the company	<p>A court may, on the application of a shareholder or director of a company, grant leave to that shareholder or director to bring proceedings in the name and on behalf of the company or any related company, or intervene in proceedings to which the company or any related company is a party, for the purpose of continuing, defending or discontinuing the proceedings on behalf of the company or related company. Leave may only be granted if the court is satisfied that either the company or related company does not intend to bring, diligently continue or defend, or discontinue the proceedings, or it is in the interests of the company or related company that the conduct of the proceedings should not be left to the directors or to the determination of the shareholders as a whole.</p> <p>No proceedings brought by a shareholder or a director or in which a shareholder or a director intervenes with leave of the court (as described above) may be settled or compromised or discontinued without the approval of the court.</p>	<p>The Corporations Act permits certain persons to apply to the court for leave to bring proceedings on behalf of the company, or to intervene in, proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings.</p> <p>Those who may apply are members, former members, persons entitled to be registered as members of the company or a related body corporate, officers and former officers of the company.</p> <p>The court must grant the application if it is satisfied that:</p> <ul style="list-style-type: none"> • it is probable that the company will not itself bring the proceedings, or properly take responsibility for them, or for the steps in them; • the applicant is acting in good faith; • it is in the best interests of the company that the applicant be granted leave; • if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and • either at least 14 days before making the application, the applicant gave written notice to the company of the intention to apply for leave and of the reasons for applying, or the court considers it appropriate to grant leave. <p>Proceedings brought or intervened in with leave must not be discontinued, compromised or settled without the leave of the court.</p>

	NEW ZEALAND	AUSTRALIA
“2 strikes” rule in relation to remuneration reports	<p>There is no equivalent of a “2 strikes” rule in relation to remuneration reports in New Zealand. New Zealand companies are not required to publish remuneration reports so shareholders necessarily cannot vote on them.</p> <p>There is, however, an obligation to state in the company’s annual report, in respect of each director or former director of the company, the total of the remuneration and the value of other benefits received by that director or former director from the company during the relevant accounting period and, in respect of employees or former employees of the company (not being directors of the company) who received remuneration and any other benefits in their capacity as employees during the relevant accounting period, the value of which was or exceeded NZ\$100,000 per annum, the number of such employees, stated in brackets of NZ\$10,000.</p>	<p>The Corporations Act requires that a company’s annual report must include a report by the directors on the company’s remuneration framework (called a “remuneration report”).</p> <p>For a listed company, a resolution must be put to a shareholder vote at each annual general meeting of the company’s shareholders (<i>AGM</i>) that the remuneration report be adopted. The result of that vote is advisory only, however, if more than 25% of shareholders vote against the adoption of the remuneration report at 2 consecutive <i>AGMs</i> (i.e. 2 strikes) an ordinary (50%) resolution must be put to shareholders at the second <i>AGM</i> proposing that a further meeting be held within 90 days at which all of the directors who were directors when the second remuneration report was approved must resign and stand for re-election (except for the managing director who may continue to hold office indefinitely in accordance with the ASX Listing Rules).</p>

	NEW ZEALAND	AUSTRALIA
Related party transactions and interests	<p>The company must comply with NZX Listing Rule requirements in respect of related party transactions, except to the extent this obligation is modified by waivers or rulings granted by NZX Regulation Limited in respect of the company.</p> <p>In particular, shareholder approval is required for significant transactions between a listed company and a “related party”. The definition of related party catches a number of persons, for example, a director of a listed company, or the holder of a relevant interest in 10% or more of a class of securities of a listed company carrying votes. A related party who is a direct party to or a beneficiary of a material transaction (and its associates) are prohibited from voting in favour of a resolution to approve that transaction.</p> <p>The Financial Markets Conduct Act 2013 requires a director or officer of a listed issuer who has a “relevant interest” in a quoted financial product of the listed issuer to give notice of this fact to NZX and to disclose any such relevant interest in the interests register of the listed issuer.</p> <p>The Companies Act requires directors who are “interested” in transactions or potential transactions with the company to make appropriate disclosure to the company. Under a company’s constitution and the NZX Listing Rules, interested directors will generally not be permitted to vote on such transactions.</p> <p>Director remuneration requires approval of shareholders under the NZX Listing Rules. Certain share issues, redemptions and buybacks, and certain “financial assistance” in connection with the purchase of shares, will also require shareholder approval if a director (or an associated person of a director) is party to that transaction.</p> <p>Each New Zealand company is required to keep an interests register, containing particulars of certain director disclosure. The company’s annual report must state particulars of entries in the interests register made during the accounting period.</p>	<p>Under the Corporations Act, public companies must obtain shareholder approval before giving a financial benefit to a “related party” of the public company unless an exemption applies. The exemptions include where:</p> <ul style="list-style-type: none"> • the arrangement is on arm’s length terms; • the benefit is reasonable remuneration paid to an officer or employee of the company; • the benefit is a reasonable indemnity or insurance premium given to an officer or employee of the company; • the benefit is given to a “closely held subsidiary”; or • the benefit is given to all shareholders and does not discriminate other shareholders unfairly. <p>In addition, a company will be required to comply with ASX Listing Rule requirements in respect of related party transactions. Unless an exception applies, shareholder approval is required for:</p> <ul style="list-style-type: none"> • the acquisition of a substantial asset from, or disposal of a substantial asset to, among other persons, a related party or a person who, together with their associates, holds, or has held in the six months before the relevant transaction, 10%+ of the voting securities; • issuing or agreeing to issue securities to related parties or a or a person who, together with their associates, holds, or has held in the six months before the relevant transaction, a relevant interest in at least 30%+ the voting securities, or a person who, together with their associates, holds, or has held in the six months before the relevant transaction, a relevant interest in at least 10%+ of the voting securities and who has nominated a director to the board of the entity; • increasing the total remuneration pool for directors’; • certain directors’ termination benefits; and • directors acquiring securities under an employee incentive scheme. <p>The definition of related party includes, among others, entities that control the public company and directors of the public company and of the entity that controls the public company.</p> <p>Under the ASX Listing Rules, a company is also required to disclose the notifiable interests of its directors at prescribed times and any changes to those notifiable interests.</p>

	NEW ZEALAND	AUSTRALIA
Disclosure of substantial holdings	<p>The Financial Markets Conduct Act 2013 requires every person who is a “substantial product holder” in a listed issuer to give notice to that listed issuer and NZX that they are a substantial security holder.</p> <p>“Substantial product holder” means, in relation to a listed issuer, a person who has a relevant interest in 5% or more of a class of quoted voting securities of that listed issuer.</p> <p>The substantial product holder has ongoing disclosure requirements to notify the listed issuer and NZX of certain changes in the number of voting securities in which the substantial product holder has a relevant interest or if there is any change in the nature of any relevant interest in the relevant holding or where that person ceases to be a substantial product holder.</p>	<p>The Corporations Act requires every person who is a substantial holder to notify the listed company and ASX that they are a substantial holder and give prescribed information in relation to their holding if:</p> <ul style="list-style-type: none"> • the person begins to have, or ceases to have, a substantial holding in the company; • there is a movement of at least 1% in their holding; or • the person makes a takeover bid for securities of the company. <p>A person has a substantial holding if the total votes attached to voting shares in the company in which they or their associates have relevant interests is 5% or more of the total number of votes attached to voting shares in the company or the person has made a takeover bid for voting shares in the company and the bid period has started and not yet ended.</p> <p>These provisions do not apply to My Food Bag as an entity established outside Australia. However, My Food Bag will release to ASX any substantial holder notices that are released to NZX.</p>
How takeovers are regulated	<p>The New Zealand position under the Takeovers Code and Financial Markets Conduct Act 2013 is comparable to the Australian position in relation to the regulation of takeovers.</p> <p>Substantial product holder notice requirements apply to relevant interests in 5% or more of a company’s quoted voting securities (as discussed above under the heading “Disclosure of substantial holdings”).</p> <p>A 20% threshold applies (under which a person is prevented from increasing the percentage of voting rights held or controlled by them in excess of that threshold or from becoming the holder or controller of an increased percentage of voting rights if they already hold or control more than 20% of the voting rights), subject to certain “compliance options” (including full and partial offers, 5% creep over 12 months in the 50% to 90% range, and acquisitions with shareholder approval).</p> <p>Compulsory acquisitions are permitted by persons who hold or control 90% or more of voting rights in a company.</p>	<p>The Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a listed company if any person’s voting power in the company will increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.</p> <p>Exceptions to the prohibition may apply (e.g. acquisitions with shareholder approval, 3% creep over 6 months and rights issues that satisfy prescribed conditions).</p> <p>Substantial holder notice requirements apply (as discussed above under the heading “Disclosure of substantial holdings”).</p> <p>Compulsory acquisitions are permitted by persons who hold 90% or more of securities or voting rights in a company.</p> <p>The New Zealand takeovers regime, not the Australian takeovers regime, will apply to My Food Bag as a foreign company.</p>

	NEW ZEALAND	AUSTRALIA
Filing of documents	<p>My Food Bag must prepare and file the following documents with the Companies Office every year:</p> <ul style="list-style-type: none"> • annual financial statements as an FMC Reporting Entity under the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013 (including the statement of financial position, statement of financial performance, statement of cashflows, statement of movements in equity, statement of accounting policies, notes to the accounts and an audit report); and • an annual return required under the Companies Act. <p>The Companies Office must also be notified of certain changes (e.g. the appointment or resignation of directors or changes to the company's constitution).</p>	<p>As a foreign registered company, My Food Bag has limited filing obligations in Australia. It is required to file annual accounts with ASIC (including the balance sheet, cash flow statement and profit and loss statement for the last financial year, as well as any other documents required to be prepared under New Zealand law). ASIC must also be notified of certain changes (e.g. the appointment or resignation of directors or changes to the company's constitution).</p>
Requirement for information to be sent to shareholders	<p>My Food Bag must send the following information to its shareholders:</p> <ul style="list-style-type: none"> • annual reports (or a statement as to how to obtain them, which need only be sent to each shareholder once); • notices of meetings of shareholders (including, where applicable, such information as necessary to enable shareholders to appraise the implications of the proposed resolutions); • a disclosure document where the board of the company proposes to acquire or redeem shares in the company or offer financial assistance; • where requested by a shareholder, a statement that sets out the information about the shareholder's shareholding and the rights attached to that shareholder's shares; and • information requested by a shareholder or an explanation as to why the company has refused to provide the information. 	<p>The Corporations Act and the ASX Listing Rules require a public company to send the following information to its shareholders:</p> <ul style="list-style-type: none"> • financial statements (annual); • directors' report (annual); • auditor's report (annual); • annual report, including remuneration report and corporate governance report; • notices of meetings of shareholders (which includes the information prescribed by the Corporations Act or the ASX Listing Rules (as applicable); and • offer documentation for certain types of capital raising undertaken by the company.

13 Details regarding financial information

The financial information provided in respect of My Food Bag in the New Zealand PDS has been prepared applying generally accepted accounting practice in New Zealand (**NZ GAAP**).

All ongoing financial information prepared by My Food Bag and provided directly to Shareholders or to NZX or ASX will be prepared in accordance with the requirements of NZ GAAP applicable at that time, except as indicated in that ongoing financial information from time to time.

There may be some presentation, disclosure and classification differences between financial information prepared in accordance with NZ GAAP and financial information prepared in accordance with Australian generally accepted accounting principles (**Australian GAAP**). For example, financial information prepared in accordance with Australian GAAP might contain

details of director remuneration that would not be required under NZ GAAP. None of these differences in presentation, disclosure or classification would be expected to change the material financial results reported under NZ GAAP.

Where financial information has not been prepared in accordance with NZ GAAP there may be material differences between the financial information presented and financial information prepared in accordance with Australian GAAP.

14 Australian taxation

You should seek your own taxation advice on the implications of an investment in the Shares. Australian tax implications for an investment in My Food Bag may be different from the New Zealand tax implications.

15 Privacy

If you apply for Shares, you will be asked to provide personal information to My Food Bag, the Share Registrar and their respective agents who will collect and hold the personal information provided by you in connection with your Application at their respective addresses shown in Section 12 (*Contact Information*) of the New Zealand PDS.

Personal information provided by you will be used for:

- the purposes of considering, processing and corresponding with you about your Application; and
- managing and administering your holding of Shares, including sending you information concerning My Food Bag, your Shares and other matters My Food Bag considers may be of interest to you by virtue of your holding of Shares.

Australian law requires some of the information to be collected in connection with your Application. To do these things, My Food Bag or the Share Registrar may disclose your personal information to their related companies, respective agents, contractors or third party service providers to whom they outsource services such as mailing and registry functions. For the avoidance of doubt, this may include the Joint Lead Managers or their respective affiliates. However, all of these parties will be bound by their respective privacy policies. My Food Bag or the Share Registrar may also disclose your personal information to ASX, NZX or other regulatory authorities.

Failure to provide the required personal information may mean that your application is not able to be processed efficiently, if at all.

If you become a Shareholder, your information may be used or disclosed from time to time to facilitate dividend payments and corporate communications and for compliance by My Food Bag with legal and regulatory requirements. Under the *Australian Privacy Act 1988* (Cth), you may request access to your personal information held by (or on behalf of) My Food Bag, the Joint Lead Managers and the Share Registrar. You can request access to your personal information by telephoning or writing to My Food Bag, the Joint Lead Managers or the Share Registrar using the details shown in Section 12 (*Contact Information*) of the New Zealand PDS.

16 Disclaimer

Jarden Securities Limited and Craigs Investment Partners Limited have acted as joint lead managers of the Offer (**Joint Lead Managers**). Neither of the Joint Lead Managers has authorised, permitted or caused the issue or lodgement, submission, despatch or provision of the Additional Australian Information and the New Zealand PDS and there is no statement in the Additional Australian Information or the New Zealand PDS which is based on any statement made by them or by any of their affiliates, officers or employees. To the maximum extent permitted by law, each of the Joint Lead Managers and their respective affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of the Additional Australian Information and the New Zealand PDS and make no representation or warranty as to the

currency, accuracy, reliability or completeness of the Additional Australian Information and the New Zealand PDS.

17 Enquiries

If you have any questions about the institutional offer in Australia, you should contact the Joint Lead Managers.

If you do not understand any part of the New Zealand PDS or this Additional Australian Information, or are in any doubt as to whether to invest in the Shares or not, it is recommended that you seek professional guidance from your solicitor, accountant or other independent and qualified professional adviser.

Make My Food Bag yours.



Product Disclosure Statement

Initial public offering of ordinary shares in My Food Bag Group Limited

11 February 2021

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.disclose-register.companiesoffice.govt.nz/. My Food Bag Group Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.



Section 1

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Key information summary



What is this?

This is an offer of ordinary shares in My Food Bag Group Limited. Ordinary shares give you a stake in the ownership of My Food Bag. You may receive a return if dividends are paid or My Food Bag increases in value and you are able to sell your ordinary shares at a higher price than you paid for them.

If My Food Bag runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

About My Food Bag

My Food Bag is New Zealand's longest standing meal kit provider, and is a well-loved and successful New Zealand brand. Each week My Food Bag delivers thousands of bags full of fresh, tasty and locally sourced ingredients along with easy-to-follow recipes direct to families across New Zealand so that they can create nutritious meals in their homes.

Since inception we have been intensely focussed on developing healthy and delicious recipes, product innovation and exceptional customer service. This has resonated with New Zealand customers and we have delivered over 85 million meals to Kiwis since we began trading in 2013. We have a strong understanding of customers' needs and our portfolio of product offerings is designed to appeal to a wide range of Kiwi preferences. We offer a variety of products under the My Food Bag, Bargain Box, and Fresh Start brands and most recently we have entered the ready-made meal market with the MADE brand.

We operate in the fast growing online food delivery market. Our extensive database, high brand awareness, digital capabilities and nationwide coverage provide a strong platform for growth in this market, as well as an opportunity for expansion beyond food.

Waterman Fund 3 LP (*Waterman*) is the major shareholder of My Food Bag with an approximate 66% shareholding. The balance of the Shares are held by the co-founders of My Food Bag and others, including senior management of My Food Bag.

For more information, see Section 2 (My Food Bag and what it does).

Purpose of this offer

The purpose of this offer is to raise capital for My Food Bag to repay existing bank debt and to enable Existing Shareholders to realise part of their investment. The Offer is not underwritten. Waterman intends to retain a shareholding of not less than 15% following the Offer, with other Existing Shareholders intending to retain at least 8.7% in aggregate.

You can find more information about the use of the proceeds of the Offer in Section 3 (Purpose of the Offer).

Key terms of the offer

Description of the Shares	Ordinary shares
Offer Price	\$1.85 per Share
Bookbuild	19 February 2021
Foodies Offer, Priority Offer and Broker Firm Offer open	19 February 2021
Foodies Offer, Priority Offer and Broker Firm Offer close	26 February 2021
Expected commencement of trading on the NZX Main Board and ASX	5 March 2021 (Shares will be allotted no later than the Business Day prior to the commencement of trading)
Number of new Shares being offered by My Food Bag	29.6 million (being 12.2% of the total Shares on issue immediately following the Offer)
Number of existing Shares offered by SaleCo	155.3 million (being 64.1% of the total Shares on issue immediately following the Offer)
Total number of Shares being offered	185.0 million (being 76.3% of the total Shares on issue immediately following the Offer)
Liabilities, fees and charges	If you sell your Shares, you may be required to pay brokerage or other sale expenses. You may also be liable for tax on the sale of your Shares. You should seek your own tax advice in relation to your Shares.

These dates are indicative only and may change. My Food Bag, with the agreement of the Joint Lead Managers, reserves the right to vary or extend these dates and to withdraw the Offer at any time before the date on which Shares are first allotted. My Food Bag may also accept late Applications (either generally or in individual cases).

How you can get your money out

My Food Bag intends to quote these ordinary shares on the NZX Main Board and on the ASX. This means you may be able to sell them on the NZX Main Board or ASX if there are interested buyers. You may get less than you invested. The price will depend on the demand for the ordinary shares.

Key drivers of returns

ASPECTS OF OUR BUSINESS WHICH DRIVE FINANCIAL PERFORMANCE	OUR KEY STRATEGIES AND PLANS
<p>1. MEAL KIT BAG DELIVERY VOLUME</p> <p>The number of bags delivered, which is a function of the number of Active Customers and the number of bags they buy in a given period, is a key driver of revenue.</p>	<ul style="list-style-type: none"> Investment in marketing to drive consumer awareness of our brands. Selective use of marketing activities targeted at acquiring and reactivating valuable customers. Provide a range of product offerings, each with a different proposition to target a specific market segment. Provide innovative solutions (such as My Choice Bag and new goal-based offerings) to engage new and existing customers and increase order frequency.
<p>2. PRODUCT MIX</p> <p>The type of bag selected, and one-offs or extras added, impact Average Order Value and Contribution Margin.</p>	<ul style="list-style-type: none"> Targeted new product development to increase Average Order Value and Contribution Margin. Actively manage our pricing strategy to increase order frequency and ensure an appropriate return on our bags.
<p>3. OPERATING COSTS</p> <p>Our operating costs directly impact profitability.</p>	<ul style="list-style-type: none"> Focus on procurement optimisation to provide higher quality ingredients to our customers, enhancing customer experience, and realising cost efficiencies. Tightening of ordering processes and heightened operational controls via our newly implemented ERP System. Attention to costs to deliver margin improvement as the business scales.
<p>4. PLATFORM AND DISTRIBUTION CAPABILITIES</p> <p>Established platform and distribution network to facilitate growth.</p>	<ul style="list-style-type: none"> Harness data and technology to develop new cost-effective methods for providing our services. Use our database and insights to better understand our customers and build stronger customer relationships. Utilise our extensive distribution network and ability to reach ~86% of the New Zealand population to support growth and expand beyond food.

You should read this table in conjunction with Section 2 (My Food Bag and what it does).

Key risks affecting this investment

Investments in shares are risky. You should consider if the degree of uncertainty about My Food Bag's future performance and returns is suitable for you. The price of these ordinary shares should reflect the potential returns and the particular risks of these ordinary shares. My Food Bag considers that the most significant risk factors that could affect the value of the ordinary shares are:

- Food Safety Risk** – Our products could contain foreign objects, allergens not properly labelled, harmful bacteria or other organisms due to receipt of compromised product, incorrect handling of food (including through our distribution network) or failure to follow food safety procedures. A food safety incident could cause harm to customers and result in product withdrawal, damage to our reputation, loss of customers or regulatory consequences.
- IT and Data Security Risk** – We rely on various information systems to run our websites, mobile apps and business operations and to store customer data. These systems may suffer a material malfunction, disruption or security breach affecting our ability to communicate with or fulfil our commitments to customers, suppliers or key stakeholders. A data security breach involving private customer data could result in damage to our reputation, regulatory consequences or litigation.
- Product Assembly Risk** – Assembly of our products could be disrupted by an event (such as a fire, a power outage or a serious health and safety incident at one of our assembly centres, a lack of availability of temporary labour or disruption to delivery of ingredients to our assembly centres). This could cause delivery of our products to be late or we may be unable to deliver our products, resulting in refunds or credits or customers cancelling their subscriptions.

This summary does not cover all of the risks of investing in ordinary shares. You should also read Section 8 (Risks to My Food Bag's business and plans).

My Food Bag's financial information

The financial position and performance of My Food Bag are essential to an assessment of this offer. You should also read Section 7 (My Food Bag's financial information).

CAPITALISATION TABLE

Number of Shares being offered	185.0 million
Number of Shares on issue following the Offer	242.4 million
Offer Price	\$1.85
Implied market capitalisation ¹	\$448.5 million
Net Debt (including lease liabilities) / (Cash) on completion of the Offer ²	\$26.1 million
Implied enterprise value ¹	\$474.6 million

KEY INVESTMENT METRICS	FY21F	FY22F
Implied enterprise value / Pro forma EBITDA	16.7x	13.9x
Price / Pro forma earnings per Share	28.7x	22.4x
Pro forma earnings per Share	\$0.06	\$0.08
Price / Earnings per Share	585.9x	22.4x
Earnings per Share	\$0.00	\$0.08
Dividends declared per Share		\$0.07
Implied dividend yield - cash dividend declared		3.6%
Implied dividend yield - gross dividend declared		5.0%

The key investment metrics are prepared based on NZ GAAP, as well as certain non-NZ GAAP pro forma financial information. More information on pro forma adjustments and reconciliations to information prepared in accordance with NZ GAAP is available in the Supplementary Financial Information on the Offer Register.

The first dividend that will be paid following the Offer is expected to be the FY22F interim dividend in December 2021.

¹ You can find an explanation of implied market capitalisation and implied enterprise value in Section 7 (My Food Bag's financial information).

² Net debt on completion of the Offer is calculated as term loans and borrowings less net cash and cash equivalents, including lease liabilities of \$10.0 million, immediately following the completion of the Offer, and assumes that all transaction costs are paid before or upon completion of the Offer.

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Letter from the Chair

Dear Investor,

On behalf of the My Food Bag Board, I am delighted to invite you to become an investor in our Company.



My Food Bag is an online food delivery business and is synonymous with meal kits in New Zealand. We are New Zealand's longest standing meal kit provider and have delivered over 85 million meals to more than 300,000 New Zealand households since 2013.

Each week, we deliver thousands of bags full of fresh, tasty and locally sourced ingredients along with easy-to-follow recipes direct to families across New Zealand so that they can create nutritious meals in their homes. By investing in My Food Bag, you will have the opportunity to share in our mission to 'inspire Kiwi families to be happier and healthier, one meal at a time'.

We offer the broadest range of meal kit bags in New Zealand under the My Food Bag, Bargain Box and Fresh Start brands, and most recently we have entered the ready-made meal market with the MADE brand. We focus on evolving our product offering through innovation and a strong understanding of customers' needs to appeal to a wide range of New Zealand consumers.

My Food Bag operates in the fast growing online food delivery market. Global trends towards online shopping, and growing demand for food convenience and healthy living are key trends on which we can build our brands and product offerings. There is further opportunity for expansion within My Food Bag's core meal kit and ready-made meal markets to align to consumer trends and play a bigger part in customers' lives.

I am personally excited about My Food Bag's growth opportunities beyond our core markets, with benefits expected after the Prospective Period. My Food Bag's track record of innovation and established platform consisting of our extensive database, high brand awareness, proven e-commerce capability and nationwide distribution network positions the business well to expand into the wider food and grocery market.

We are committed to further improving our sustainability practices, focusing on minimising waste and reducing our environmental impact. Our strategic positioning of assembly centres across the country supports the reduction of transportation mileage. Relative to traditional food retailers, we source and deliver just the right amount of meal ingredients, supported by our like-minded suppliers. We also use sustainable packaging where possible, including re-usable crates, recycled cardboard and water ice packs.

Led by Kevin Bowler, My Food Bag has an accomplished and passionate management team supported by a diverse staff of 200 that have the expertise, skillset and vision to continue to deliver value for both shareholders and customers. In addition, we have an experienced board of directors with extensive experience in the grocery and e-commerce industries, and significant listed company experience.

Waterman Fund 3 LP is the major shareholder of My Food Bag with an approximate 66% shareholding. The balance of the shares are held by the co-founders of My Food Bag and others, including senior management. In addition to the issuance of new Shares to raise funds for My Food Bag, the Offer will enable Existing Shareholders to realise part of their investment in My Food Bag, allowing new investors and our Eligible Foodies to participate in our future success. The new funds raised by My Food Bag will be used to repay bank debt and pay transaction costs, which will assist in providing My Food Bag with balance sheet flexibility to pursue our growth strategy and to respond to trading conditions as required. Together, Existing Shareholders will retain at least 23.7% ownership of My Food Bag following the Offer, reflecting their ongoing support and belief in our vision.

My Food Bag's Board and management are excited about offering you the opportunity to become a part of our future. This PDS contains important information about My Food Bag and the Offer. We encourage you to read this PDS carefully and consider in particular *Section 8 (Risks to My Food Bag's business and plans)* before making your investment decision.

We look forward to My Food Bag becoming a publicly listed company and, on behalf of my fellow Directors, I welcome your interest in this Offer.

Yours sincerely,

Tony Carter
Chair

Section 2

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My Food Bag and what it does



Overview of the business

My Food Bag is an online food delivery business and New Zealand's longest standing meal kit provider. Each week My Food Bag delivers thousands of bags full of nutritious, locally sourced ingredients along with easy-to-follow recipes direct to families across New Zealand, taking the stress out of meal times and bringing families together. Since the business commenced trading in 2013, we have delivered over 85 million meals to New Zealanders.

My Food Bag offers the broadest range of meal kit bags in New Zealand under the My Food Bag, Bargain Box and Fresh Start brands. Since inception we have focussed on evolving our product offering through innovation and a strong understanding of customers' needs to appeal to a wide range of New Zealand consumers. We continue to innovate to meet changing consumer food, demographic and societal trends, and most recently we entered the large and growing ready-made meal market with the MADE brand.

We regularly review our bags to ensure we are priced competitively to supermarkets. Not only is our offer convenient and tailored to customers' dietary preferences, it is also cost effective for our customers.

My Food Bag operates a source-to-order model meaning just the right amount of ingredients are delivered to My Food Bag assembly centres and subsequently the customer which minimises waste (food, packaging and transport) across the entire process from supplier to customer.

My Food Bag has an established platform consisting of our extensive database, high brand awareness, proven e-commerce capability and nationwide distribution network. Our platform has enabled us to scale to where we are today and will provide the foundation for future growth:

- **Loved Brand:** My Food Bag is a highly loved brand and enjoys high levels of awareness and advocacy.
- **Customer Database:** We utilise the data and insights from our database of ~300,000 customers (and their purchasing behaviour) and over 10,000 recipes (and associated reviews), to drive our day-to-day decision making and inform our strategic direction.

- **Nationwide Distribution:** Our nationwide network allows us to deliver to approximately 86% of the New Zealand population, and we have sufficient capacity to support growth.
- **Capability:** We have an experienced senior leadership group supported by a highly engaged team, deep digital expertise, and a demonstrable capability to successfully execute innovative e-commerce solutions.

Building on our history of innovation and exceptional customer service, we have identified a pipeline of growth opportunities based upon two strategic areas of focus to expand further into the \$37 billion New Zealand retail food sector (refer to Our Growth Strategy for further information):³

1. Continued leadership in the meal kit market and expand our food-based offerings to align to consumer trends and play a bigger part in customers' lives. These are current and continuing areas of focus for the business, which we refer to as Horizon One; and
2. Utilise the established My Food Bag platform to disrupt the New Zealand business to consumer market – for example, by expanding into the broader online food and grocery market. These opportunities have been identified and are in development for future launch with benefits expected after the Prospective Period. We refer to this area of focus as Horizon Two.

My Food Bag Group Limited is the company that is expected to be listed on completion of the Offer with the ticker code 'MFB' on NZX and ASX. My Food Bag Limited, a wholly owned subsidiary of My Food Bag Group Limited, is the operating company of the Group and is the only subsidiary of My Food Bag Group Limited.

³ This encompasses grocery sales, food and beverage services i.e. café, restaurant and takeaway spend, and specialised food retailing (e.g. butchers). Stats NZ - Sales and stocks by industry, in current and constant prices (SAFC) (Annual+Mar) in the year ended 31 March 2020.

How it works



1. CREATE

Every week our chefs and in-house nutritionist develop new recipes, building on our database of over 10,000 recipes. Recipes are designed to use only basic kitchen utensils and a few pantry staples; a list of which is emailed to customers.

2. CHOOSE

Customers can choose from the full My Food Bag brand portfolio, which includes a range of 12 bags with options for different numbers of people and nights per week, as well as dietary preferences or requirements. Customers can choose to have their bag delivered weekly or fortnightly on a flexible subscription.

3. SOURCE & DELIVER

We source to order the freshest New Zealand meat, fish and produce, resulting in minimal food waste at our assembly centres. Bags are delivered direct to customers on a Saturday, Sunday or Monday depending on their location and preference.

4. COOK & ENJOY

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

5. RECIPE RATINGS

Customers can then rate their recipes to provide feedback direct to our chefs. Ratings drive the direction of future innovation and ensure recipes which customers love are available again.

Our history

My Food Bag commenced trading in 2013 and is recognised as a loved and successful brand in New Zealand.

Built on strong values with a clear purpose to inspire Kiwi families to be happier and healthier, one meal at a time, My Food Bag was created to answer the question, "what are we having for dinner tonight?" From day one we have focused on innovation, sustainability, provenance (with approximately 98% of all meat and produce sourced locally), and exceptional customer service.

We are an entrepreneurial growth story, supported by exceptional human and technological capability. In just over eight years, we have grown to become one of the most well known online food retailers in New Zealand.⁴

Timeline of key My Food Bag milestones:



⁴ Prompted Awareness, Colmar Brunton August 2020.

Our strengths

1. Highly loved brand with high levels of customer advocacy

- The My Food Bag brand has a high level of awareness in the meal kit market at 88%.⁵
- My Food Bag is identified by its customers as a sustainable, innovative and high-quality Kiwi brand.⁵
- My Food Bag has industry leading user feedback and Net Promoter Scores (NPS) across all brands. 85% of customers said they either like or love the brand in a recent customer survey.⁵
- Our My Food Bag, Fresh Start and Bargain Box brands have consistently achieved a 4.7 out of 5 rating on external review platform Reviews.IO.

2. Nationwide customer base, assembly centre and distribution capabilities with capacity for growth

- We have a geographically diverse customer base with customers located throughout the country, as far north as Kaitiāia and as far south as Bluff. This is supported by a nationwide delivery network which allows us to service ~86% of the New Zealand population by partnering with New Zealand Post.
- We are the only large scale New Zealand meal kit delivery business with chilled assembly centres in both the North and South Island, providing logistical efficiencies and greater delivery certainty. At all centres, physical capacity exceeds the current and forecast output.
- Our supply chain is robust and resistant to adverse events with 98% of all meat and produce being sourced locally in New Zealand.⁶



85%
of customers love or like the My Food Bag brand⁵



~86%
of the New Zealand population able to be serviced

⁵ Colmar Brunton, August 2020.

⁶ The remaining 2% includes produce that can't be sourced in New Zealand e.g. tropical fruits or ginger.

3. Loyal growing customer database supports high recurring revenue

- Our significant database consisting of ~300,000 customers provides us with rich data insights to personalise our marketing, product range and recipe mix in order to keep customers engaged. This promotes customer loyalty and purchase frequency, driving high recurring revenue. Further, these insights enable us to successfully reactivate customers.⁷
- We have achieved consistent growth in Active Customers (40% between Q1 FY18 and Q3 FY21), and our average orders per quarter (approximately 5.5 times per customer) and Average Order Value (average net sales revenue per delivery of ~\$125) translates into a high (~\$690) average revenue per customer per quarter in FY21 YTD.
- We have achieved an uplift of 28.4% in delivery volumes in FY21 YTD (compared to FY20 YTD) due to successful customer led innovation, exceptional customer service and the onset of COVID-19. This uplift in delivery volumes has been driven by My Food Bag's existing, loyal customers (nearly 90% of FY21 YTD revenue has been contributed by customers who have purchased over 6 orders, and this is consistent with the previous comparable period).
- The improvement in customer purchasing behaviour and increase in customers we have achieved this year to date has strengthened our Active Customer base, and as such, we believe the revenue uplift achieved in FY21 YTD reflects an increase in sustainable, recurring revenue.

4. Established and scalable business model supports significant earnings growth and cash flow generation

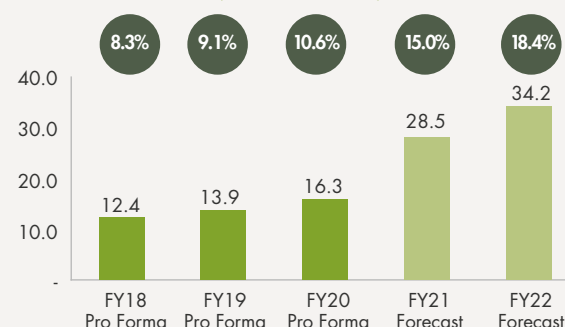
- Our established platform facilitates scalable and profitable growth while our brand equity and product offering minimises the need for significant discounting to attract new customers.
- Our strengthened procurement function has identified significant operational efficiencies and product quality improvements, driving Contribution Margin expansion.
- Historically we have delivered compound Pro Forma EBITDA growth of 14.9% per annum (from FY18 to FY20) and are forecast to deliver Pro Forma EBITDA growth of 74.5% in FY21 and a further 20.2% in FY22.
- Our asset-light model supports significant cash flow generation, enabling dividend payments in the Prospective Period (FY22 forecast gross dividend yield of 5.0%) and future dividend growth potential in line with earnings growth.

ROLLING DELIVERY VOLUMES BY FINANCIAL YEARS (000'S)



Note: Rolling delivery volume figures represent the last twelve months of deliveries up to and including the end of each quarter shown

PRO FORMA EBITDA (NZD MILLIONS) AND MARGIN



FY22 forecast gross dividend yield of

5.0%

⁷ Refer to the Glossary for the definition of a Reactivated Customer.

5. Demonstrated resilience to competitive pressure

- We have continued to grow revenue and earnings, evident in the growth in Active Customers since the arrival of competition. This is despite the arrival of HelloFresh in FY19, which resulted in growth slowing for a short period. We continue to offer a portfolio of brands which is market leading on quality and innovation at a range of price points to suit Kiwi customers.
- Our chefs and in-house nutritionist have developed a database of over 10,000 recipes that has been optimised over time using customer feedback data with a focus on using locally sourced ingredients to suit Kiwi tastes.
- Our Customer Love team are all based in New Zealand to best serve our Kiwi customers.

6. Significant market tailwinds are highly supportive

- Continuing trends towards online shopping, both in New Zealand and elsewhere in the world, accelerated by COVID-19 are positive for demand for My Food Bag. The first ten months of 2020 have seen online shopping spend in New Zealand grow by over 25% (compared to 2019).⁸
- Supporting this trend is an increased desire from customers to favour trusted brand names selling locally sourced goods, especially those with greater supply chain transparency.
- Growing demand for food convenience and healthy living combined with increasing levels of 'goal-based', personalised eating solutions are key trends on which we can leverage our brands.

7. Sustainability is a key focus for us

- We use environmentally friendly packaging wherever possible and order and pre-portion the exact amount of food required, which almost eliminates supply chain food waste and reduces excess packaging. By comparison, supermarkets send approximately 23% of their waste to landfill, which equates to 3kg per person every year.¹⁰
- Approximately 80% of our ingredients by value are delivered to our assembly centres in re-usable crates, boxes are made from 47% recycled cardboard, wool insulation liners are 100% compostable and biodegradable and we predominantly use 100% water ice packs.
- We are committed to continuing to remove waste and only work with suppliers who align themselves with our ethical and environmental standards.

⁸ <https://thefulldownload.co.nz/ecommerce-spotlight-december>.

⁹ <https://covid19.govt.nz/everyday-life/support-your-community/buy-local-to-support-locals/>

¹⁰ University of Otago Food Science Department, 2020, study based on a sample of 16 supermarkets nationwide.

Over
10k
recipes

developed with
locally sourced
ingredients to
suit Kiwi tastes



New Zealand Government promoting
'buy local to support locals'⁹



Supply chain designed to
minimise food waste

8. Established platform to execute on pipeline of growth opportunities

- We have a proven record of successful growth since our inception in 2013, consistently bringing innovative product ranges and recipes to market to cater to changing consumer food, demographic and societal trends.
- Our loved brands, large database of highly engaged customers, significant reach to New Zealand households and proven capability to successfully execute innovative e-commerce solutions provides us a strong platform to take advantage of industry trends to further our growth.
- We have a meaningful near term opportunity for continued leadership in the meal kit market and expanding our food-based offerings to align to consumer trends and play a bigger part in customers' lives.
- We have a significant opportunity to utilise the My Food Bag platform to disrupt the New Zealand business to consumer market – for example, by expanding into the broader online food and grocery market.

MY FOOD BAG PLATFORM



You can find information on the Risks to My Food Bag's business and plans in *Section 8 (Risks to My Food Bag's business and plans)*.

Our brands

My Food Bag offers the broadest range of meal kit bags in New Zealand, under three major brands, My Food Bag, Bargain Box and Fresh Start. Under our MADE brand, we offer a range of ready-made meals. Each of our brands has a different proposition to target a specific market segment.



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



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



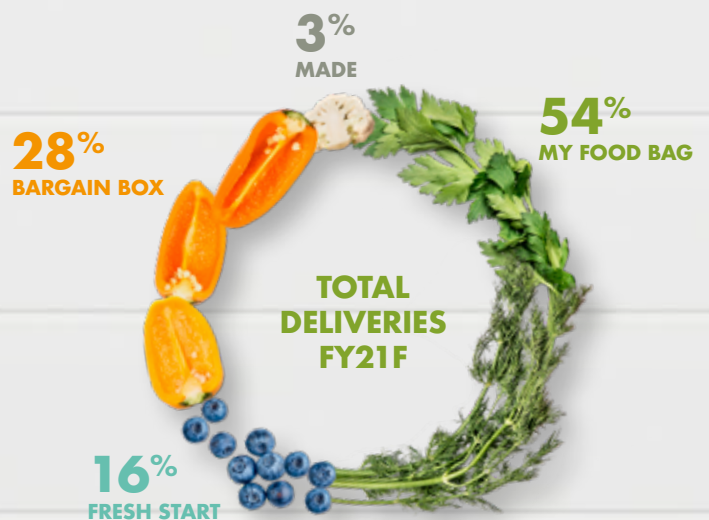
Goal-based offerings designed to help customers achieve goals whether it be weight loss or fitness focused goals.



An important format differentiator to our meal kits. Designed to offer an easier alternative to cooking, MADE offers a range of fresh, ready-made meals that only require heating.

Within the My Food Bag, Bargain Box and Fresh Start brands we offer a variety of goal-based offerings which assist customers to achieve a goal through their diet. For example, the goal might be weight loss or reducing meat intake.

To further cater to customer needs, when ordering My Food Bag, Bargain Box and Fresh Start, customers can add extra offerings to their bags, such as MADE, My Fruit Box and Lunch. We also create innovative seasonal and one-off bags within these brands to drive customer demand and brand relevance, such as My Christmas Bag and My Winter Wellness Bag.





My Food Bag is the longest standing meal kit brand in New Zealand, with a value proposition that targets everyday New Zealanders. The My Food Bag brand range has an offer to suit all household types and food preferences, containing a diverse range of recipes to answer the question "What are we having for dinner tonight?"

Designed in response to consumer's request for choice, our latest innovation, My Choice Bag, provides customers with the flexibility to choose between 3, 4 or 5 nights for 2 or 4 people, and pick their recipes from 10 different options each week.



My Choice Bag

Pick from a selection of 10 recipes!

People	Nights
2 4	3 4 5

\$10.00 - \$17.50 per plate
\$104.99 - \$199.99 per week



My Family Bag

Kid friendly meals for the whole family.

People	Nights
4	5

\$8.75 per plate
\$174.99 per week



My Gourmet Bag

Restaurant quality meals made easy.

People	Nights
2	4

\$19.12 per plate
\$152.99 per week



My Plant Based Bag

Plant based recipes using vegan ingredients.

People	Nights
2 4	4

\$11.00 - \$16.00 per plate
\$127.99 - \$175.99 per week



My Veggie Bag

Seasonally inspired vegetarian recipes.

People	Nights
2 4	3 4

\$11.58 - \$16.00 per plate
\$127.99 - \$138.99 per week



My Classic Bag

Classic meals (with a Nadia twist).

People	Nights
1 2 4	3 5

\$10.00 - \$20.60 per plate
\$102.99 - \$199.99 per week



My Gluten Free Bag

Delicious, gluten-free meals for families.

People	Nights
4	5

\$9.60 per plate
\$191.99 per week

BARGAIN BOX

New Zealand's most affordable meal kit available nationwide, providing "Family Faves, Bargain Prices". Bargain Box was launched as a separate brand to My Food Bag in June 2016 and is our lowest priced offering.

Bringing convenient, affordable, flavoursome and healthy meals to New Zealand's households, Bargain Box recipes are designed to be consistently priced below supermarkets (for the equivalent quality ingredients) on a delivered, per portion basis, providing the best value for money option of its kind.

Bargain Boxes offer variety for customers, typically including at least one beef meal, one chicken meal and a pork meal each week. Promoting nutrition, Bargain Box uses premium free-range meat and plenty of fresh vegetables. All meals strive to live up to the "Family Faves" promise using the highest quality ingredients in crowd pleasing recipes. Recipe ratings help us ensure meals are designed to suit the whole family, including children.



Bargain Box

A cost-effective option for families.

 People  Nights

2 4 6 3 5

\$6.10 - \$14.66 per plate

\$87.99 - \$182.99 per week



Bargain Box Veggie

Family friendly vegetarian recipes.

 People  Nights

2 4 3

\$8.50 - \$14.17 per plate

\$84.99 - \$101.99 per week

fresh START

Fresh Start was launched in April 2017 and is a great example of our approach to helping people achieve their goals through diet. Fresh Start currently offers meal kits designed to help customers achieve their weight loss goals with the tagline "Lose weight the delicious way".

Fresh Start recipes are designed by chefs and our in-house nutritionist to be refined sugar free, made with mostly unrefined and minimally processed carbohydrates, naturally lower in both gluten and dairy, and to provide protein from both lean meat and plant-based sources.

Fresh Start customers have the option to join the free Fresh Start Programme. The Fresh Start Programme has driven customer loyalty and brand love. Once enrolled in the programme, customers are sent weekly emails providing motivation and education from our nutrition team as well as milestone rewards on a four and eight-week basis. They also receive an invitation to join our closed Facebook group for additional community support from both My Food Bag and their peers on the programme. Since the launch of the Fresh Start Programme more than 16,000 customers have participated, enjoying the high level of support and accountability the programme offers.



Fresh Start Lite

450 calories or less & reduced carbs

 People  Nights

1 2 4 5

\$10.80 - \$23.40 per plate

\$116.99 - \$215.99 per week



MADE was established in July 2019 and offers customers an easier alternative to cooking – delivering a range of ready-made meals that just require heating.

MADE complements our existing meal kit offering and targets a demographic outside of our core meal kit market. The offering also provides another way to drive customer reactivation.

The ready-made meal market is a growing market globally, and ready-made meals cater to older singles and couples looking for a break from cooking as well as customers aged between 20 and 30 years old (typically time poor professionals with a higher discretionary spend).

MADE meals are offered as a weekly subscription, can be added as an extra by My Food Bag, Bargain Box and Fresh Start customers, and are also a popular option within My Choice Bags.

The meals are available in 1, 2 and 4 person portions, and are ready-made in small batches by our three supply partners using premium fresh and free range ingredients. These meals are delivered to our assembly centres fresh, packed into bags and are delivered to customers chilled, not frozen.

Buying MADE as a single subscription



MADE

Option to select:

4 6 9 12

nutritious heat and eat meals

\$12.99 - \$15.99 per plate
\$63.96 - \$155.88 per week

+ \$10 delivery

HOW MADE WORKS



Choose your meals
12 different delicious & nutritious meals to choose from



We deliver
Hand-made and delivered fresh & fast



Heat & eat
Nothing frozen, just pop in microwave or oven



Repeat
Change meals, skip a week or cancel anytime

Seasonal and one-off bags

My Food Bag continues to innovate and offer seasonal or one-off bags to drive customer demand and brand relevance, including:

- **My Christmas Bag:** My Food Bag's range of Christmas bags has been a popular offering, and is designed to feed the whole extended family at Christmas. Each year it is launched in October, and caters to approximately 100,000 people for Christmas dinner.
- **My Winter Wellness Bag:** Seasonally inspired winter meals offered from around April each year, typically for a 5 month period. This bag combines slow cooker meals with roasts and winter comfort foods, and in 2020 had the added aspect of "wellness".
- **My Back-up Bag:** Long life, shelf stable ingredients offered to customers in response to New Zealand's COVID-19 lockdown. The bag was offered as a one-off purchase, no subscription required.
- Other one off and seasonal bags have included **My BBQ Bag**, **My Valentine's Date Night Dinner Bag** and **My Baking Box**.



Our recipes

Nude Food

Our recipe development is guided by Nadia Lim's Nude Food philosophy, "Eat real food that comes from the ground, sea and sky, and less from factories". It guides our choice of ingredients and suppliers as well as the recipe design for all of our products. Nadia is a co-founder and shareholder in My Food Bag, and she has played an important role in the Company since its inception.

Development Kitchen

The Development Kitchen is central to My Food Bag, typically developing more than 20 unique recipes each week. The talented and passionate team of 18 is made up of chefs, food stylists, photographers, a New Zealand registered nutritionist and a recipe editing team. The team offers a diverse skill set with experience ranging from professional chefs in leading restaurants, to private chefs on super yachts, to cookbook authors, bakers and caterers.

Menu planning and recipe development is completed six weeks in advance of delivery. Having developed a bank of more than 10,000 tried, tested and rated recipes, we have a strong data-driven focus on creating delicious inspiring recipes each week that keep customers engaged in our product. In line with the Nude Food philosophy we prioritise in-season local ingredients, free range poultry, using 98% New Zealand produce. The Development Kitchen's in-house New Zealand registered nutritionist ensures all menus are nutritionally balanced and all ingredients meet our standards for additives and preservatives.

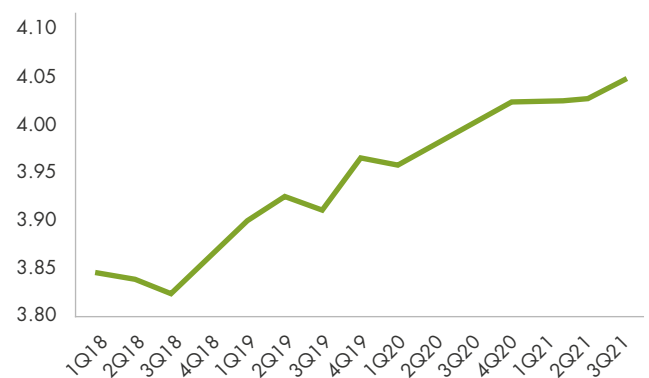
A key driver of our success is the recipe ratings provided by our customers. Each week we receive ~8,500 recipe ratings. Customers rate their recipes out of 5 and give comments, providing feedback for the Development Kitchen team. An average score is maintained for each recipe, providing a steady flow of feedback as to what customers like and dislike. This directs future recipe development and contributes to a culture of continuous improvement and much loved recipes for customers.

The Development Kitchen process is also guided by data analytics of each recipe, to generate ongoing value optimisation while driving purchase frequency.

The Photography Kitchen is a state-of-the-art studio with the capability to capture still and video imagery. Our team create all imagery for recipe cards, website, social media platforms and promotional content, shooting 40+ recipe images per week.



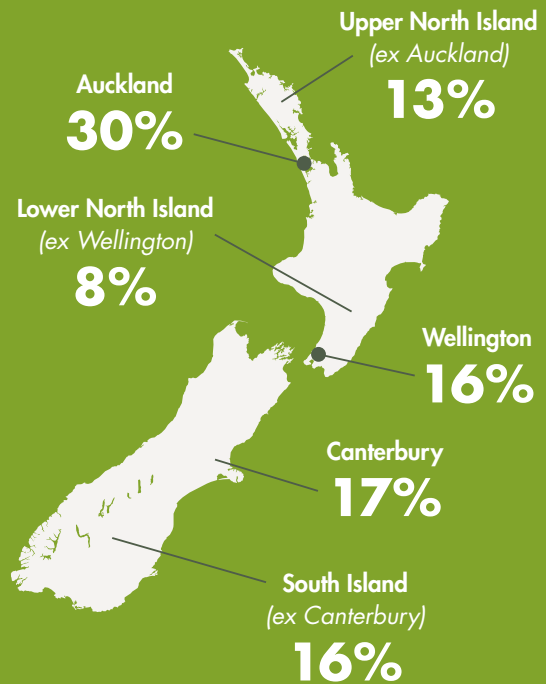
AVERAGE RECIPE RATING FY18 - 3Q FY21 (RATINGS OUT OF 5)



Our customers

We have a geographically diverse customer base with customers located throughout the country, as far north as Kaitaia and as far south as Bluff. This is supported by a nationwide delivery network which allows us to service ~86% of the New Zealand population by partnering with New Zealand Post.

CUSTOMER GEOGRAPHICAL SPLIT¹



¹ 1HFY21 split by total delivery

Growing Active Customer base

The number of Active Customers has steadily increased during recent years due to our track record of successful customer led innovation, exceptional customer service and, in FY21 YTD, the onset of COVID-19. Despite growth in Active Customers slowing for a short period following the arrival of HelloFresh in FY19, our Active Customer base has continued to grow. We expect to continue to grow our Active Customer base, drive order frequency and increase customer engagement through expansion of our existing offerings (including our recent goal-based offerings and My Choice Bag) as well as introducing new brands, products, attractive new one-off bags, seasonal offerings and including free bonus products in bags to surprise and delight customers.

TOTAL ACTIVE CUSTOMERS SPLIT (000's)



Customer Retention Analysis

There has been an uplift in My Food Bag's Active Customers in FY21 YTD due to new product development and a pull forward in demand resulting from COVID-19.

- The retention rate and average order frequency of Acquired Customers in FY21 YTD has been in line with My Food Bag's FY20 YTD (the prior comparable period) Acquired Customers.
- The retention rate of Reactivated Customers has strengthened in FY21 YTD, with Reactivated Customers taking on average 0.5 more deliveries in their first 13 weeks of reactivation (compared to the FY20 YTD prior comparable period).
- The order frequency of Retained Customers (who account for ~60% of total Active Customers) is a key driver of My Food Bag's delivery volumes and revenue. Order frequency of Retained Customers has increased and been sustained at a higher level in FY21 YTD.

Although there has been a significant uplift in Active Customers in FY21 YTD, Retained Customers have remained stable at ~60% of total Active Customers. Overall the combination of the uplift in Active Customers and improvement in average order frequency during this period (including following New Zealand returning to lower Alert Levels) provides My Food Bag the confidence that the uplift in delivery volumes and revenue is sustainable over the forecast period.

Our marketing strategy

Marketing activities

Our marketing initiatives primarily consist of the following three types of activities, all supported by our data insights:



A variety of promotional activities are employed to encourage trial and reactivation.

Segmentation of the customer database is used to ensure reactivation offers are appropriately targeted.

Automated communications are in place to ensure lapsed customers receive timely encouragement to re-purchase.

Free bonus products are regularly placed into bags to surprise and delight customers, which also provides us with the opportunity to build relationships with like-minded Kiwi companies.

We run various loyalty programmes through the year.

Promote and encourage families to cook, bake, eat together and share quality time because we believe 'dinner makes families' and supports our overarching purpose.

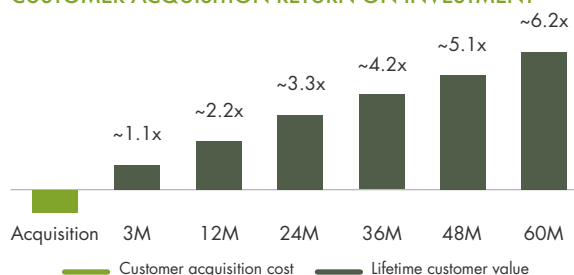
Ongoing commitment to supporting and showcasing New Zealand suppliers.

Partnering with local New Zealand charities and organisations to create better, healthier communities including Garden to Table, City Missions and Kaibosh Food Rescue. A meal kit developed for the Ministry of Social Development was piloted in 2019.

Customer acquisition cost return on investment

My Food Bag's profitability is supported by strong customer acquisition economics, with a customer acquisition cost (CAC) payback period of ~3 months. Lifetime customer value (LTV) displays consistent growth, reaching ~6.2x the CAC after 5 years, delivering a strong payback on customer acquisition.¹¹

CUSTOMER ACQUISITION RETURN ON INVESTMENT



¹¹ LTV calculated using FY21 forecast Contribution Margin. CAC represents all acquisition costs and includes total annual marketing spend (discounting, marketing cost of goods sold and general advertising) per customer acquired.

BRAND AMBASSADOR NADIA LIM

Nadia Lim is a co-founder and shareholder in My Food Bag, and is well known in New Zealand for winning MasterChef New Zealand in 2011. Nadia has a Bachelors degree in Applied Science, majoring in Human Nutrition and a post-graduate Diploma in Dietetics from The University of Otago, and was a registered dietitian for 12 years. Nadia's Nude Food philosophy continues to guide My Food Bag's recipe development. Over the last few years, Nadia's main activities for My Food Bag have included video and photo shoots, events, publicity interviews and promoting My Food Bag activities on her social media platforms.

Nadia has a Brand Ambassador Agreement with My Food Bag which expires in November 2023. This agreement provides for the usage of Nadia's 'Nude Food Philosophy' into perpetuity by the Company.



Marketing channels

We utilise multiple channels to communicate the My Food Bag story, and promote our strong and growing brands:

1. DATABASE MARKETING

We have maintained a comprehensive database of customers and their activities since inception of the business. Having developed a sophisticated customer segmentation model, which divides customers into segments based on past purchasing behaviour, we have the ability to tailor messaging and create a more personalised and commercially optimised user experience which improves customer engagement and purchasing frequency.

Our primary form of communication to our customers is via email with very high open rates reflecting high levels of engagement.

2. SOCIAL MEDIA

Social media (Facebook and Instagram) is a key pillar in the advertising strategy used to achieve direct and cost-effective customer communication. We have social media accounts for all brands (My Food Bag, Bargain Box, Fresh Start and MADE) as well as closed groups for our goal-based groups (i.e. Facebook groups for our vegetarian and Fresh Start customers) which customers are invited to join. In total we have over 350,000 followers across our various brand accounts and this large and growing social presence drives website visits and promotes on-going brand engagement, which we believe provides a valuable source of new customers.

3. SPONSORSHIPS & INFLUENCERS

We have a network of social influencers, brand ambassadors and media personalities who are used to promote our brand portfolio. These ambassadors include a diverse mix of high-profile sports people, popular television and radio personalities and some of New Zealand's largest social media influencers. Partnership arrangements depend on the influencer and specific campaign and include activities ranging from social posts to featuring in advertising campaigns and recipe collaborations.

4. PAID MEDIA

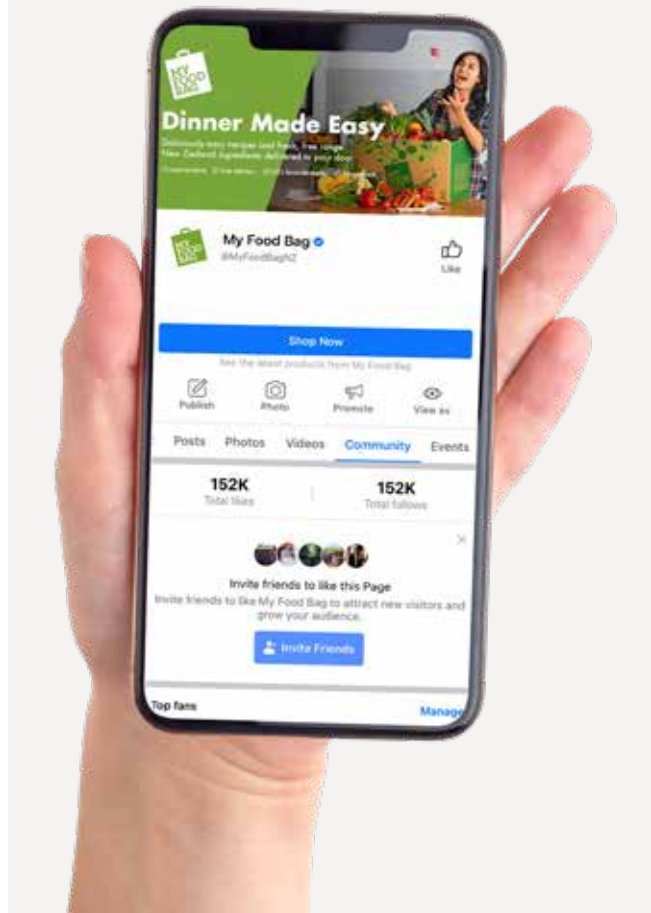
My Food Bag uses paid media strategically to boost brand awareness and communicate key messaging. An optimised blend of digital, radio, outdoor and television is used depending on the specific brand and campaign objectives.



My Choice TVNZ Ad



Bargain Box TVNZ Ad



Customer Love Team

A key strength of the business is our New Zealand based award-winning Customer Love team with a proven track record of delighting our customers, a growing strength in outbound selling and providing us with rich customer insights. The value of the Customer Love team is illustrated through the following areas:

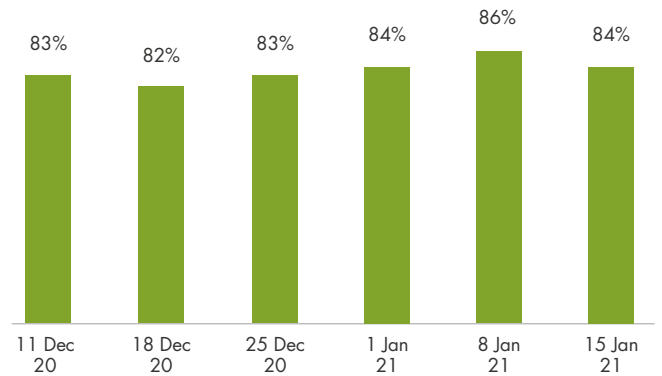
1. QUALITY

- Customer Satisfaction, measured by surveys and ratings on a weekly basis, often scores over 80%, which is ahead of the US benchmark of 74.4%.¹²
- 2017 Westpac Business Excellence Awards – Excellence in Customer Service.
- 2019 Readers Digest Award for Best Customer Service in Meal Kits (My Food Bag Gold, Bargain Box Silver).
- The team is based in our Auckland head office, enabling them to easily collaborate responses with different business functions.

2. CAPABILITY

- Customer Love helps customers with a range of questions from customer account to delivery queries.
- The mix of permanent, part time and casual staff allows the team size to flex to meet demand as required.
- Capability for both inbound queries and outbound sales supported by plans to extend further through automation.
- Multi-channel communications – email is the primary form of inbound contact, followed by phone, chat and social (social and email have grown as channels year-on-year).

WEEKLY CUSTOMER SATISFACTION SCORE



Excellence in Customer Service
Westpac Auckland Business Awards

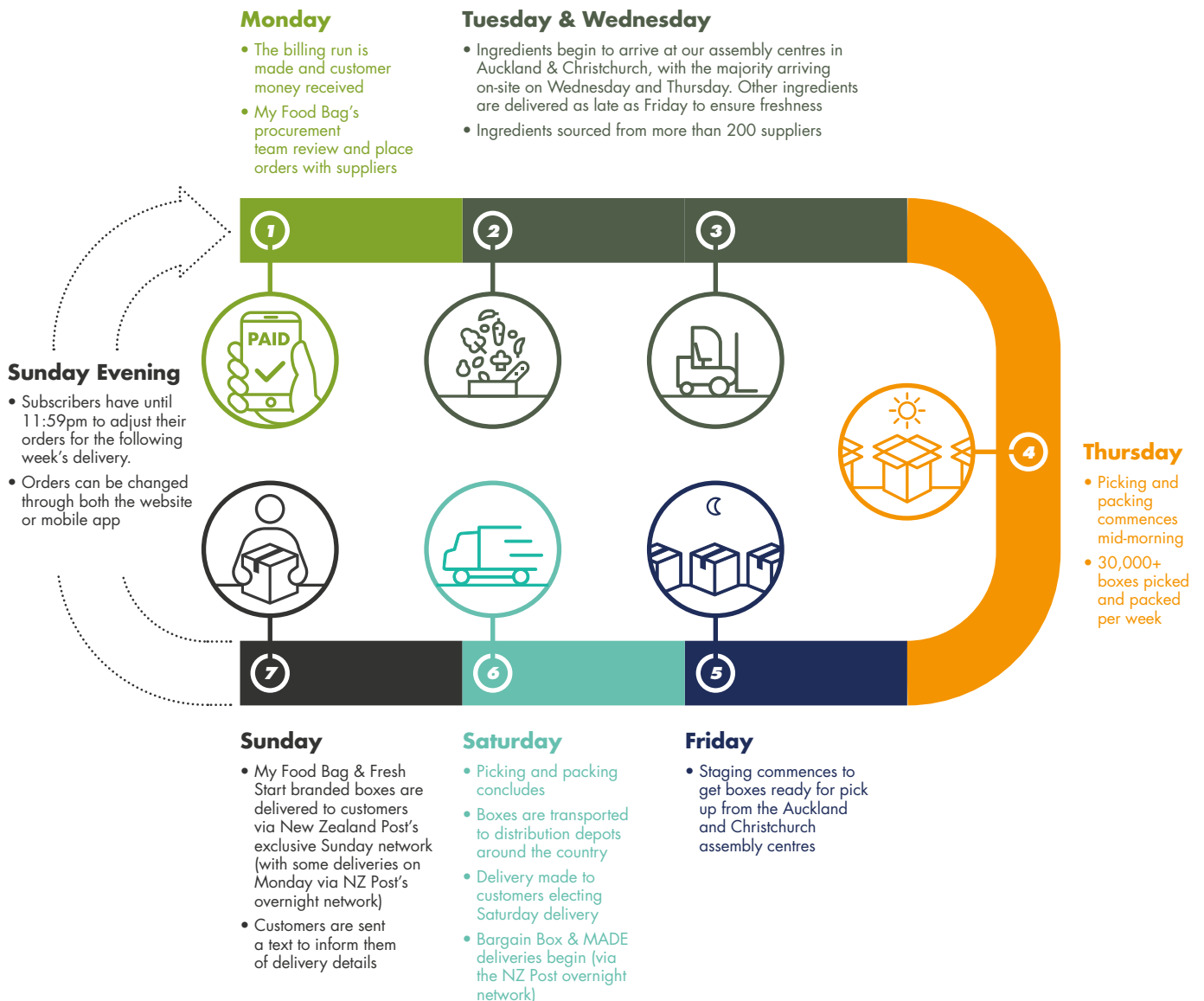


¹² U.S. Overall Customer Satisfaction Average Score, American Customer Satisfaction Index, Q3 2020.

Our operating cycle and distribution channels

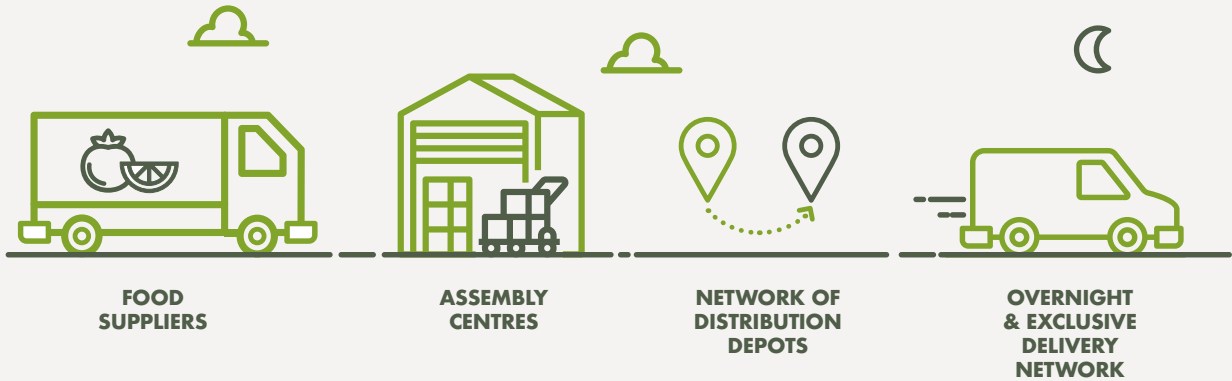
Weekly Operations Cycle

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



Supply Chain Overview

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



FOOD SUPPLIERS

We are dedicated to sourcing the freshest local produce, meat and fish, by working closely with some of New Zealand's best food suppliers. My Food Bag exclusively provides free range and sustainably farmed products across its entire portfolio of brands.

FLEXIBLE SUPPLIER RELATIONSHIPS

We operate a 'source-to-order' model: purchase orders are placed with suppliers on a weekly basis at the exact levels required to match customer orders (allowing for a small buffer of stock) to minimise waste and thus drive efficiency.

Through our ERP System, our purchase orders are automatically generated based on the associated customer orders for the week and sent out to suppliers on a Monday. Items begin arriving at our chilled assembly centres on Tuesday afternoon, and continue arriving as needed through to Friday.

We have formed close relationships with our suppliers, sharing demand and supply forecasts several weeks in advance. If any supply issues are encountered, we have the flexibility to adapt and respond with a range of different recipe choices. Whilst current suppliers sign up to our Approved Supplier Programme, smaller suppliers are generally not contracted, providing us with greater flexibility.





ASSEMBLY CENTRES

We operate from three chilled assembly centres, two located in Auckland to service the North Island and one in Christchurch to service the South Island, strategically positioned to provide logistical efficiencies, giving us the opportunity to reduce food miles and gain greater delivery certainty during weather events. At all of our centres, physical capacity exceeds the current and forecast output by a material amount.

One of our key differentiators is that our South Island assembly centre reduces the carbon mileage for bag delivery relative to only having one centre in Auckland.

Bags are distributed by long haul freight partners from the Auckland and Christchurch centres to approximately 30 depots across the country, before finally being delivered to customers weekly during select delivery windows between Saturday and Monday.

At all assembly centres, picking and packing labour is outsourced, providing us with the ability to scale up and down to meet demand. Each week over 500 shifts are undertaken by temporary picking staff. The arrangements with the temporary staffing agencies are flexible in nature and allow us to optimise our labour plan each week based on the volume and range of bags sold.

Brigade Road, Auckland

Lease term: Oct 2026
Chilled area: 3,357m²
Bag capacity: 24,300 per week
Pallet spaces: 718
Distribution area: North Island
Depots utilised: 21

Highbrook, Auckland

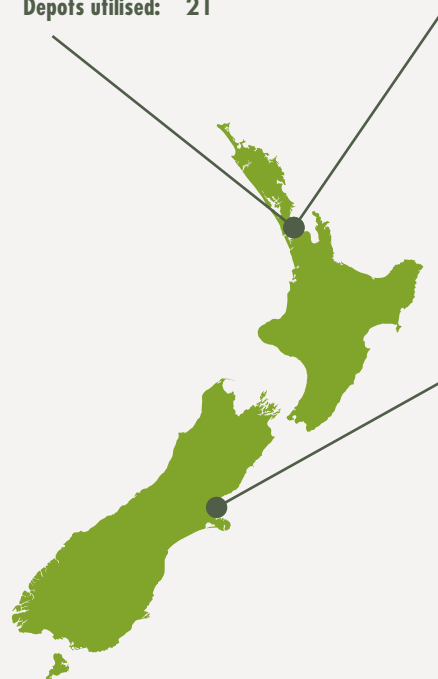
Lease term: Jan 2023
Chilled area: 1,121m²
Bag capacity: 10,000 per week
Pallet spaces: 290
Distribution area: North Island
Depots utilised: n/a

Highbrook stock is delivered only to New Zealand Post's Auckland Courier Post Depot

Matipo Street, Christchurch

Lease term: Until Jan 2022
Chilled area: 2,459m²
Bag capacity: 15,700 per week
Pallet spaces: 400
Distribution area: South Island
Depots utilised: 9

We are currently securing a new fit for purpose facility in Christchurch.



PICKING AND PACKING

We maintain full oversight of operations to ensure adherence to quality control and food safety standards are met. Our picking operations are largely manual, with workers typically responsible for packing specific items into each bag. This ensures a high pick accuracy and acts as a quality control mechanism. My Choice Bags are picked on a separate line from the standard bags due to the different picking process that is utilised.

The picking and packing function is constantly evolving using data and is subject to frequent review with a stringent focus on efficiency, accuracy, cost reduction and product quality. Worker engagement remains strong with high pick rates and accuracy.



OVERNIGHT AND EXCLUSIVE DELIVERY NETWORK

We have a strong relationship with distribution partner New Zealand Post, recently renewing their contract for a further five years until May 2025. We utilise New Zealand Post's depots and distribution network to transport our bags. Along with providing ongoing logistics support, New Zealand Post operates a currently exclusive, Sunday delivery service for our bags. We also deliver bags to customers on a Saturday and Monday through New Zealand Post's standard overnight delivery network. Utilising this overnight network further expands our delivery footprint and allows My Food Bag to reach ~86% of the New Zealand population. New Zealand Post have also typically set up bespoke delivery capabilities to service My Food Bag customers for My Christmas Bags, as well as long weekends, to ensure on-going deliveries and support our one-off products.



“New Zealand Post has enjoyed being a long-standing distribution partner of My Food Bag, working collaboratively with them to grow their business. I am particularly proud of the way our teams work seamlessly together to deliver the exceptional delivery service My Food Bag customers have come to expect.”

David Walsh (New Zealand Post CEO)



FOOD SAFETY

My Food Bag is subject to the National Programme Level 3 (guidelines set out by the Ministry for Primary Industries) as a retailer which handles food but does not prepare or manufacture food. MPI complete business and site audits of National Programme Type 3 once every two years. Since 2017 we have had 8 MPI audits across our sites. To date we have had minimal non-conformances flagged during these audits and no non-compliances.

We also require our suppliers to meet a strict prescribed code of conduct outlining food safety, ingredient and operational requirements.

We also regularly review and audit our food handling settings to ensure procedures meet the recommended standards. We maintain a direct line of contact with customers, so that any issues are immediately identified and remedied. This is supported by a Serious Incident Register to record reported customer complaints relating to food quality and concerns.




**BE SAFE
KEEP YOUR
SPACE!**

Be Prepared. Not Scared.
#SocialDistancing

HEALTH AND SAFETY

We adopt a systematic approach to the management of health and safety and have 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. We encourage active involvement by directors, management, employees and contractors to participate in improving health and safety within our organisation.

My Food Bag has a Total Recordable Injury Frequency Rate (TRIFR)¹³ of 4 which is better than the current New Zealand benchmark of 5.4.¹⁴ We focus internally on critical risks, with a strong emphasis on managing risks. For example, we manage the risk of operating moving equipment inside assembly centres safely through the use of an Infolink forklift tracking system and by distancing equipment like forklifts from workers, while also adopting strict traffic management and separation procedures. Each site operates a Health and Safety Committee which meets monthly and our senior leadership team and Board are active participants in our site safety audits.

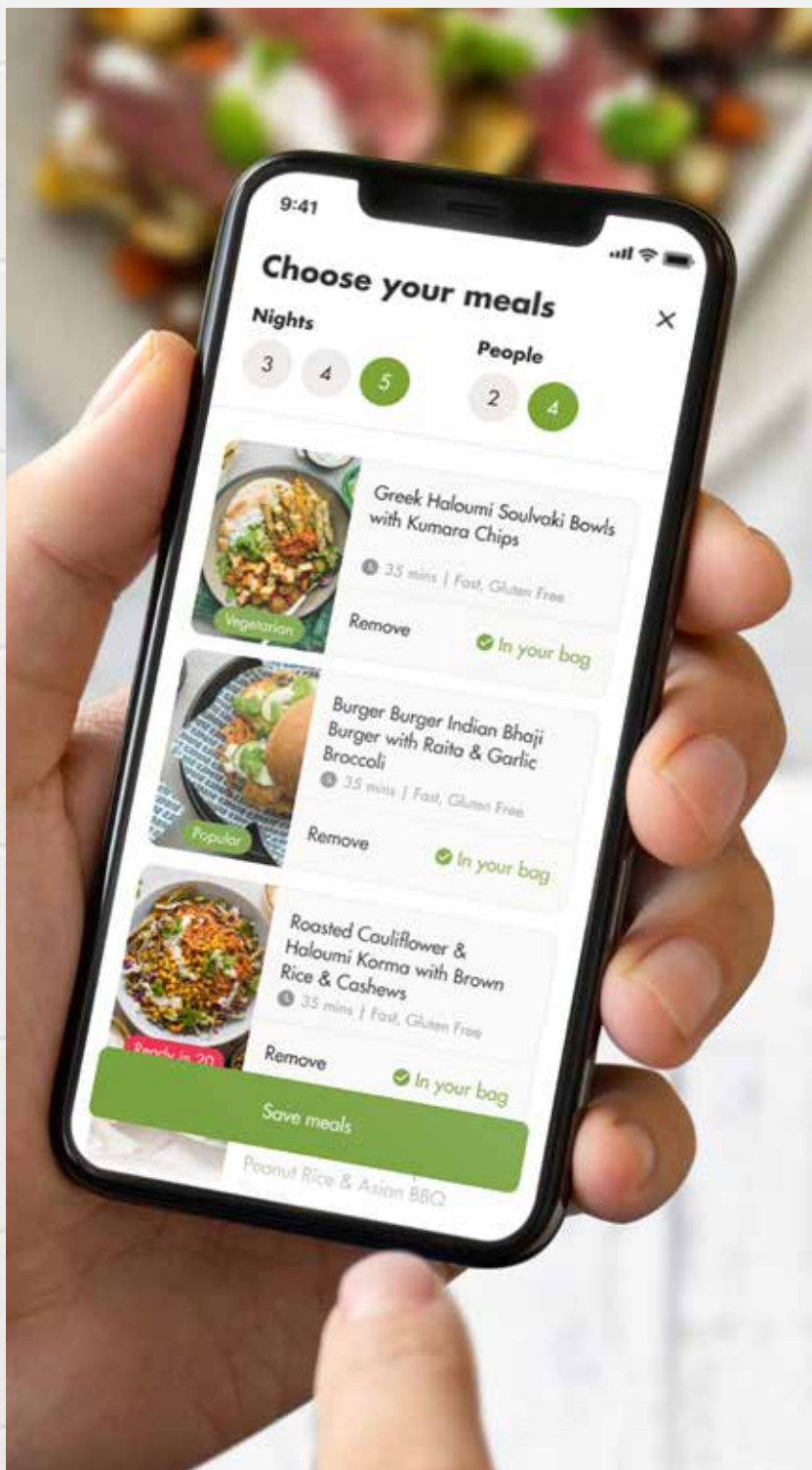
COVID-19 PROTOCOLS

In response to COVID-19, we designed and implemented the My Food Bag COVID-19 Prevention and Control Protocol which outlines the actions we take to prevent and control the transmission of COVID-19 throughout all of the New Zealand Government's COVID-19 Alert Levels. Our protocol ensures minimal adjustment would be required if New Zealand were to re-enter Alert Levels 3 or 4.

¹³ TRIFR is calculated by taking the number of injuries resulting in medical treatment or lost time, multiplying this number by 200,000 to standardise for business size and then dividing by the number of hours worked in a month. It is then averaged over 12 months and is reported as a rolling 12 month figure.

¹⁴ Business Leaders' Health & Safety Forum 2019 Benchmarking Report.

Our supporting infrastructure



Digital and Technology Infrastructure

Our highly scalable e-commerce infrastructure has been developed and is supported by our talented in-house digital team. This infrastructure provides the business with the ability to quickly bring new product offers to market, to scale as the business continues to grow and to evolve into new product categories.

Our websites, account area and mobile apps are the three key interaction points with customers, all residing on our e-commerce platform. Currently we see a high percentage of Active Customers using the app on a monthly basis. Constantly looking for ways to improve the overall customer experience, we embarked on an app upgrade project in 2020 to re-design and build a new mobile app experience, expected to go live in 2021.

Our recently implemented ERP System, Infor, fully integrates all business activities and introduces a heightened layer of controls to support recipe development, data integrity and greater margin visibility.

Our environmental, social and governance focus

We are continually striving to reduce waste in all parts of the business as we make progress towards reducing our overall environmental impact. Approximately 80% of our ingredients by value are delivered to our assembly centres in re-usable crates, avoiding the use of cardboard and other materials. Packaging is fit for purpose, ensuring that we do not use more plastic than needed. Each week any unused bags are given to families in need and any food left over from recipe tests is collected by Kiwi Harvest. We also have relationships with a range of other charitable organisations, including Kaibosh Food Rescue and the Auckland, Wellington and Christchurch City Missions.

We use sustainable packaging where possible. Boxes are made from 47% recycled cardboard, some ingredient packaging is biodegradable, wool insulation liners are 100% compostable and biodegradable, MADE meals are packaged in recyclable PET trays and the ice packs we predominantly utilise are filled with 100% water. This sustainable approach is also front-of-mind in the selection of business partners – we only work with suppliers who align themselves with our ethical and environmental standards.

We launched a charitable partnership with Garden to Table in 2020. Garden to Table is a charity which advocates for learning through the growing of vegetables in New Zealand primary schools. We collect donations for Garden to Table from our customers via our websites. To date, we have collected more than \$10,000 for Garden to Table – enabling hundreds of Kiwi kids to join the programme.



We have implemented a comprehensive Approved Supplier Programme and are only willing to partner with suppliers who pledge to meet this prescribed code of conduct. In addition to food safety, ingredient and operational requirements, this document underpins a supplier's commitment to ethical and sustainable business practices such as:

- Exclusive use of free range, free farmed meat and animal products
- Fair worker remuneration and labour rights
- Suppliers will operate a Health and Safety management system compliant with the Health and Safety at Work Act 2015, associated regulations and relevant codes of practice
- Bribery and corruption free business practices
- Products free of harmful preservatives and/or additives

Additionally, all supply partners are required to run extensive Food Control Plans or National Programmes, aligned to the Food Act 2014. Gluten-free suppliers must also follow strict gluten testing programs and are regularly audited.





“The Auckland City Mission has enjoyed a long-standing relationship with My Food Bag. The high quality produce and ingredients we receive from My Food Bag throughout the year form a valuable part of the food parcels and meals we create for our ever growing number of clients. Additional to this weekly contribution, My Food Bag also run an annual Christmas gift drive and the generosity of their customers always astounds us and ensures we can bring a little Christmas cheer to many families in need.”

Chris Farrelly, City Missioner



Kiwi Harvest is a national food rescue charity collecting leftover food from recipe waste before it goes to waste and distributing it to those in need



Our people and culture

From chefs in the Development Kitchen to our award-winning Customer Love team, our people have a strong focus on delivering for our valued customers. We have around 200 employees (approximately 182 full time employees) across Auckland's head office and our three assembly centres. Our team is well-balanced with 54% women and 46% men.

Our team has a strong sense of common purpose, pride in our organisation and a shared commitment to My Food Bag's success. Our teams are flexible and agile, excited by quick execution as well as long-term thinking and continuous improvement. The business has a number of unique rituals and benefits that provide numerous opportunities for teams to connect and for the business to recognise individual, team and business achievements.

Wellbeing is top of mind at My Food Bag, with access to the employee assistance programme (EAP) and a dedicated Wellness Committee to support our team. We have a highly supportive parental leave programme and a commitment to paying the Living Wage. Our staff also receive a generous discount on all of our product range and are given their birthday as an additional day of annual leave. In addition, more than 90% of eligible staff participate in the annual engagement survey with scores consistently high.





My Food Bag Rituals:

Foodie Name

Every staff member is invited to choose a unique foodie middle name.

Company Meals

Fortnightly on Mondays we provide lunch for the staff in our Auckland head office. Each shift of the Auckland Operations team also hosts a fortnightly meal specific to their shift.

Love Box

Held fortnightly in our Auckland head office this ritual is focused on peer-to-peer recognition in the form of "love notes". Peers recognise anyone who has gone above and beyond and each love note recipient gets a spin on the Winning Wheel!

Bacon Bites

Every week the CEO (Kevin Bacon Bowler) ends out his ruminations on the week via his Bacon Bites email to all staff nationwide.

The industry

The New Zealand meal kit and ready-made meals markets are part of New Zealand's online food delivery industry and the wider \$37 billion retail food sector.¹⁵

Consumers buy meal kits and ready-made meals for a range of reasons, including convenience, access to healthy and nutritious meals, to achieve diet-based goals (such as weight loss), cost benefits compared to alternative grocery shopping methods and food waste reduction.

My Food Bag expects that growth in New Zealand's meal kit and ready-made meal markets, each a relatively new part of the national food retail market, will be driven by a variety of factors including increasing consumer preference and propensity to buy online, and changing food, demographic and societal trends. These same trends are driving growth in meal kit and ready-made meal markets in developed countries overseas (such as Australia and the United States).

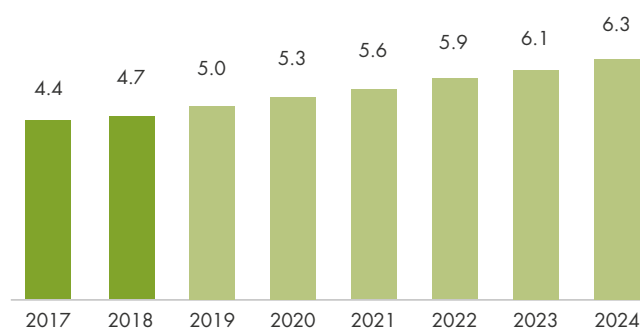
ONLINE RETAIL AND GROCERY TRENDS

The New Zealand meal kit sector is still a relatively new part of the national food retail market, although is expected to grow as online retail, and in particular, online grocery, continues to increase as a preferred channel throughout the country.

Online retail

New Zealand online retail spending has steadily increased as Kiwis have progressively shifted their shopping online.

NEW ZEALAND ONLINE RETAILING (NZD BILLIONS)



Source: Ibis World Report: Online Shopping in New Zealand (October 2019)

Prior to COVID-19, New Zealand online retail spending was forecast to grow at a Compound Annual Growth Rate of 4.7% between 2020 and 2024.¹⁶ However, the impact of COVID-19 has increased consumer preference and propensity to buy online. In New Zealand, the first ten months of 2020 have seen online shopping spend grow by over 25%.¹⁷ Furthermore, online shopping remained up ~22% year-on-year in the month of September 2020 (despite New Zealand returning to lower Alert Levels), indicating a permanent change in New Zealand consumer behaviour.¹⁸

The uplift in New Zealand's online retail spending is driven by three key factors:

- An increase in the number of people shopping online – there were 172,000 new online shoppers in the six-month period to 30 June 2020.¹⁹
- Consumers buying more online – online transactions per shopper in June 2020 were up 6% Year on Year.¹⁹
- Consumers spending more per purchase online – the average spend per transaction was up 7% in the six months to 30 June 2020 compared to the prior comparable period.¹⁹

¹⁵ This encompasses grocery sales, food and beverage services i.e. café, restaurant and takeaway spend, and specialised food retailing (e.g. butchers). Stats NZ - Sales and stocks by industry, in current and constant prices (SAFC) (Annual-Mar) in the year ended 31 March 2020.

¹⁶ Ibis World Report: Online Shopping in New Zealand (October 2019).

¹⁷ <https://thefulldownload.co.nz/ecommerce-spotlight-december>.

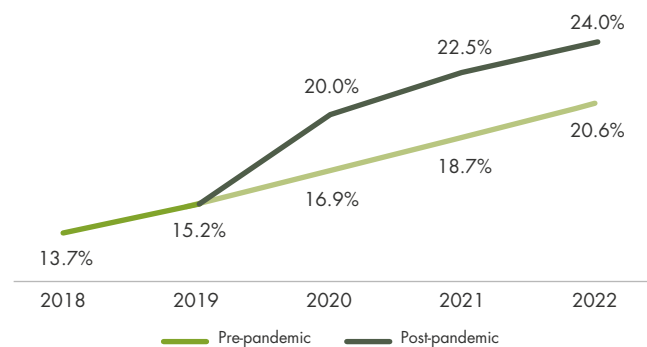
¹⁸ New Zealand Post e-commerce Spotlight (October 2020).

¹⁹ New Zealand Post e-commerce Spotlight (August 2020).

While New Zealand's online retail spending has been increasing, it remains a small proportion of total retail spending. For the six months ended 30 June 2020, online retail spending as a proportion of total retail spending was 11.6%, representing a large opportunity for further growth.²⁰ Further, New Zealand's online retail spending growth rate and penetration of total retail spending has lagged that of other developed markets, for example the United States.

Prior to COVID-19, United States e-commerce sales as a percentage of total retail sales was forecast to increase from 16.9% in 2020 to 20.6% in 2022. However, the impact of COVID-19 on consumer purchasing behaviour is forecast to accelerate this growth to achieve e-commerce sales as a percentage of total retail sales of 20.0% in 2020 and 24.0% in 2022. As a less developed online retail market, over time New Zealand's online retail spending is expected to reflect the trends experienced in the United States.

US eCOMMERCE SALES AS A % OF TOTAL US RETAIL SALES



Source: US Census Bureau, Euromonitor, Prologis Research forecast

Online grocery market

During 2020, New Zealand's weekly online spend on specialty food, groceries and liquor increased significantly due to the impact of COVID-19 and continued at elevated levels compared to 2019 despite New Zealand returning to lower Alert Levels, demonstrating changing consumer behaviour and a preference to shop for groceries and liquor online.

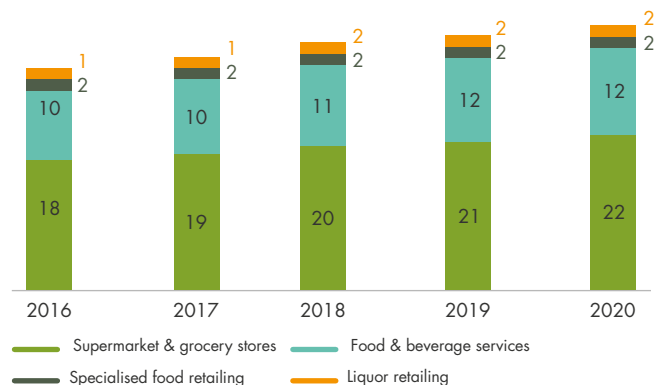
SPECIALITY FOOD GROCERIES AND LIQUOR WEEKLY ONLINE SPEND



Source: NZ Post eCommerce Spotlight (August 2020)

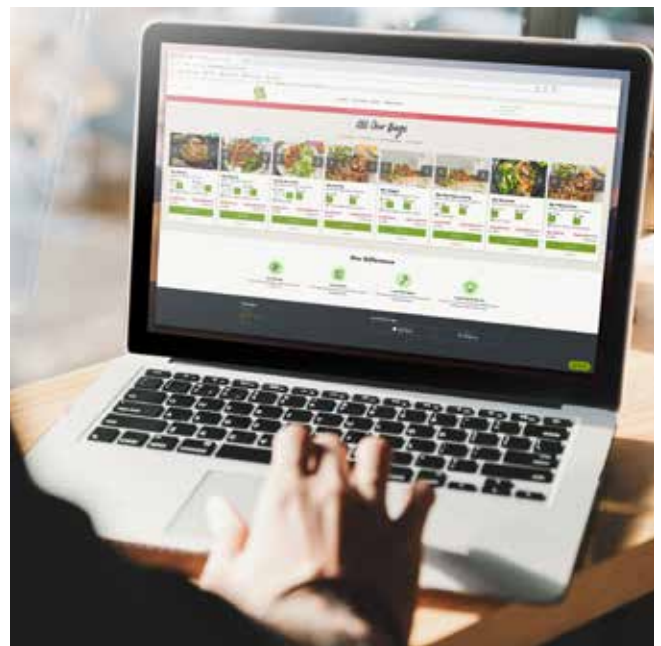
New Zealand food retail sales are worth approximately \$37 billion (refer to New Zealand Food Retail Sales chart). While New Zealand online food retail sales are growing (increasing from 3% to 4% between 2018 and 2019), online food retail sales currently account for just ~\$1.5 billion of this value,²¹ signalling significant upside for further online food retail sales growth.

NEW ZEALAND FOOD RETAIL SALES (NZD BILLIONS)



Source: Stats NZ - Sales and stocks by industry, in current and constant prices (SAFC) (Annual-Mar)

The supermarket and grocery industry in New Zealand is currently dominated by two key players, Foodstuffs and Woolworths, both of whom also offer an online delivery service. Both players have over 400 stores and 180 stores respectively. There are also a range of other boutique grocery stores and specialist retailers, including Farro and Huckleberry, which provide an online delivery service.



²⁰ New Zealand Post e-commerce Spotlight (July 2020).

²¹ In 2019 New Zealand Post estimated that online spend accounted for 4% of total sector spend. 4% has therefore been applied to the 2020 Statistics New Zealand total New Zealand food retail sales figure. Total New Zealand food retail sales figure.

THE MEAL KIT MARKET

New Zealand's meal kit industry primarily comprises three key competitors, My Food Bag, German-based global meal kit delivery company HelloFresh, and New Zealand meal kit delivery company Woop, although a number of other companies produce meal kit based bags, ready-made meals, or meat and fresh produce bags.

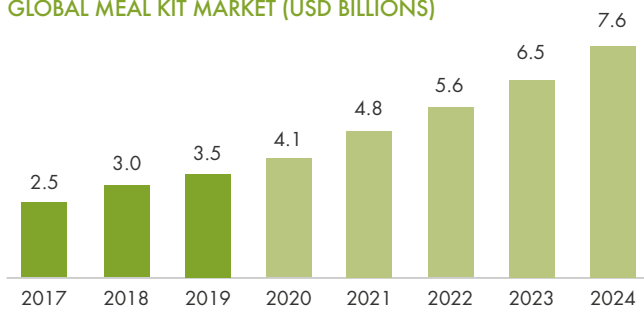
Name	My Food Bag	HelloFresh	Woop!
Launched in New Zealand	2013	2018	2015
Ownership	Expected to be NZX and ASX listed on completion of the Offer	Publically Listed (Frankfurt, Germany)	New Zealand Private
Location of Customer service team	New Zealand	Philippines	New Zealand
Location of Recipe Development team	New Zealand	Australia	New Zealand
New Zealand Assembly Centres	3	1	1
Delivery	~86% of the New Zealand population	84% of the New Zealand population	Major New Zealand metropolitan areas
Persons serviced	1-6	2-4	1-4
Meal kit offering	✓	✓	✓
Heat and eat offering	✓		
Weight Loss Meal kit offering	✓		
Price per plate range Including shipping	\$6.10 to \$23.40	\$8.49 to \$15.66	\$12.44 to \$31.67
Offerings (in New Zealand)	My Choice, My Classic, Fresh Start Lite, My Family, My Veggie, My Plant Based, My Gourmet, My Gluten Free, Bargain Box, Bargain Box Veggie, MADE	Meat & Veggies, Veggie, Family	Classic, Foodie, Balance, Vegetarian, Gluten-free

The above table compares My Food Bag's direct competitors in the New Zealand meal kit delivery market. It does not include New Zealand supermarkets, who currently do not have large scale meal kit delivery operations.

As market size or forecast market growth information is not readily available for the New Zealand meal kit market, the global, United States and Australian meal kit markets are discussed below.

Prior to COVID-19, the global meal kit market was forecast to increase at a Compound Annual Growth Rate of 17.1% from 2017 to 2024.²² That predicted growth will likely be further accelerated as a result of COVID-19. Given total online spend on meal kits only contributes 9% of total online food and grocery spend (pre- COVID-19), there is likely to be material growth potential within the global meal kit market.²³

GLOBAL MEAL KIT MARKET (USD BILLIONS)

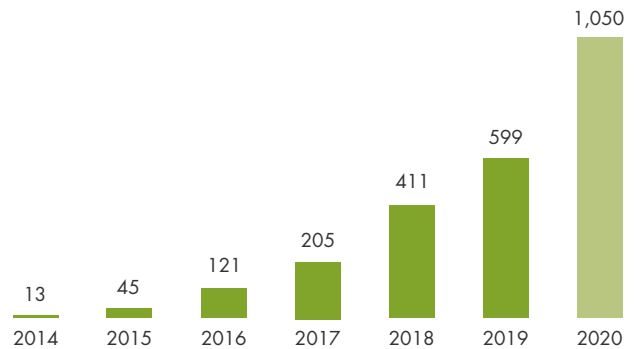


Source: Statista (pre- COVID-19)

The United States meal kit market is the largest meal kit market globally. It experienced significant growth and expansion through the period of 2012 to 2017. The United States has experienced a pulled forward increase in demand for meal kits during COVID-19, resulting in an increase in revenue of 20.6%.²⁴ Following the impacts of COVID-19 it is anticipated the United States will experience a 3.6% Compound Annual Growth Rate from 2021 to 2025, as the increase in the demand is pulled forward and increase in market size is sustained.

The Australian meal kit market size is more comparable to that of New Zealand. Based on publicly available meal kit data, from Marley Spoon and HelloFresh, revenue growth in the Australian market has occurred at exponential rates. Since 2014 the Compound Annual Growth Rate has been 109%, with revenue on average doubling each year. The Australian market acts as a good proxy for New Zealand due to the existence of two to three key competitors and similar lifestyles and trends experienced in both countries. The Australian market has also experienced a similar recent increase in demand with the expected growth in 2020 exceeding that of 2019.

AUSTRALIAN MEAL KIT REVENUE (A\$M)



Source: Ibis Australia Online Grocery Industry Report (2019) (HelloFresh) and FactSet historical and consensus (Marley Spoon)

As the conversion of consumers to online food retail as a proportion of total food retail continues to rise, the meal kit industry is well placed to benefit from additional demand for its product.

New Zealand’s meal kit industry primarily comprises three key competitors, My Food Bag, German-based global meal kit delivery company HelloFresh, and New Zealand meal kit delivery company Woop, although a number of other companies produce meal kit based bags, ready-made meals, or meat and fresh produce bags.

THE READY-MADE MEAL MARKET

In 2019, the global ready-made meal market was valued at USD 159.2 billion.²⁵ It is expected to grow at a Compound Annual Growth Rate of 5.5% from 2020 to 2027. Ready-made meals are a popular option for time poor consumers opting for more convenient meal options to support their busier lifestyles. There is increasing demand for ready-made meals which are minimally processed and provide a healthier alternative to takeaways. Consumers are also factoring sustainable packaging into their purchasing of ready-made meals.

Europe has a market value of over US\$45 billion, with North America being the second biggest market, while Asia-Pacific is expected to grow rapidly.²⁶ In Australasia, the market for ready-made meals, at retail prices, was estimated at AUD 3.2 billion, with faster growth expectations than the global market (6.1% Compound Annual Growth Rate from 2016 – 2022F).²⁷

22 Statista (pre- COVID-19).

23 Nielsen market research in Australia.

24 US Meal kit Industry Report (IBIS, 2019).




25 Ready meals market size, share & trends analysis report by product (frozen & chilled, canned, dried), by distribution channel (supermarket & hypermarket, online retail), by region, and segment forecasts, 2020 – 2027.

26 Global Ready Meals Market – Growth, Trends, and Forecast (2018 – 2023).

27 Frost and Sullivan.

Food, demographic and societal trends

Growth in the meal kit and ready-made meal markets is expected to be supported by evolving consumer food, demographic and societal trends. There is significant opportunity for market participants to develop and innovate products to further cater to existing consumers' needs and attract new consumers to these markets.

TREND	DESCRIPTION	OPPORTUNITY FOR MARKET PARTICIPANTS
Health & wellbeing 	<ul style="list-style-type: none"> Consumers are being encouraged to place emphasis on healthy attributes in their meal choices.²⁸ There is a strong focus by consumers to eat more natural, fresh foods, to stay healthy and lose weight.²⁹ Dietary trends are receiving greater exposure with the rise of social networking and influencers.³⁰ While many trends are often short lived, medically backed diets are becoming ever more prevalent. 	<ul style="list-style-type: none"> Develop products that focus on consumer health or cater to specific dietary requirements.
Provenance 	<ul style="list-style-type: none"> Consumers increasingly reference product quality based on its origin.³¹ Consumers are demanding locally grown produce to ensure food quality and safety. In addition, the prevalence of COVID-19 has seen an emphasis on "support local".³² 	<ul style="list-style-type: none"> Specify and source ingredients from local producers and demonstrate to consumers the origins of product components.
Online migration 	<ul style="list-style-type: none"> Consumers are empowered by social networks and digital devices, increasingly dictating what they want, when and where they want it.³³ Consumers are demanding a more personalised service and expect offerings to be tailored to suit their needs.³⁴ In New Zealand, online purchasing of food is growing materially faster than offline channels, with 18% year-on-year growth in 2019.³⁵ In 2018, the average online basket size at \$138 was 267% higher than the average offline basket.³⁴ 	<ul style="list-style-type: none"> Utilise online social networks to convert brand followers to customers. Facilitate personalised online consumer interactions and purchasing through consumer facing ecommerce developments.

28 Ministry of Health – Healthy eating guidance 2020.

29 Research and Markets – Organic Fresh Food Market (2019-2023).

30 Cambridge University Press - The Role of Influencer Marketing and Social Influencers in Public Health.

31 International Business & Economics Research Journal - The Effect And Influence Of Country-Of-Origin On Consumers Perception Of Product Quality And Purchasing Intentions.

32 ZypMedia Survey – Consumers Want to Support Their Local Economy by Supporting Local Businesses.

33 Clodagh O'Brien – The Emergence of the Social Media Empowered Customer.

34 <https://www.foodnavigator-usa.com/Article/2020/03/16/For-personalized-nutrition-to-reach-its-full-market-potential-brands-must-better-explain-benefits#>

35 New Zealand Post e-commerce Report 2019.

TREND**DESCRIPTION****OPPORTUNITY FOR MARKET PARTICIPANTS****Convenience**

- Due to a wide range of factors, consumers are increasingly time poor and are looking for time saving alternatives.³⁶ Stemming from this, more dual-working families and households are demanding convenient meal solutions such as meal kits and ready-made meals.³⁷

- Continue to tailor both the product and delivery options to maximise consumer convenience.

Environmental, social and governance

- There is an increasing focus on food retailers and manufacturers to reduce waste, increase recycling and promote environmentally friendly practices.³⁸
- Other focus areas include consumers recognising the importance of plant-based meals for the environment (a Colmar Brunton survey published in February 2020 shows 49% of Kiwis agree they need to change their diet to save the environment).³⁹
- Consumers are looking for corporates who 'do social good'.⁴⁰ They are evaluated on an all-encompassing set of social metrics before consumers will trust, follow or purchase from a particular brand.

- Increase use of sustainable practices and educate consumers on the benefits of reducing food waste and how meal kits assist with this.
- Introduce consumers to the sustainability benefits of eating more plant-based meals and locally sourced ingredients.
- Align to consumer values to build brand loyalty.

Ageing population

- By 2036, the over 65 population of New Zealand is forecast to increase 77% to approximately 1.3 million.⁴¹ There is an increasing awareness of the importance of eating well with the publishing of new research emphasising the benefit of a fresh, healthy and balanced diet in older age.⁴²

- Recognise nutritional needs of a growing population group and support their health and well-being through product development and communications.
- Target new sales channels such as aged care facilities for ready-made meals.

Cooking at home

- Consumers want more control over their nutritional intake and this is promoting an increase in the number of households who cook at home.⁴³ An increase in food media is also inspiring at-home chefs.⁴⁴

- Encourage cooking at home by making it a more enjoyable and accessible experience through products and communications.

Premiumisation

- Positioning claims and special nutritional designations are becoming an increasingly important driver of consumer purchasing decisions. Free-range and organic products are also being increasingly sought after by consumers.⁴⁵

- Provide options for unique and premium products in order to grow brand loyalty.

36 <https://www.nielsen.com/ug/en/insights/article/2018/in-todays-hyperconnected-world-convenience-is-the-ultimate-currency/>.

37 <https://kerry.com/insights/kerrydigest/2020/meal-kits-retail-restaurants>.

38 <https://www.bcg.com/en-au/publications/2020/sustainability-matters-now-more-than-ever-for-consumer-companies>.

39 NZ Post eCommerce Review 2019 (Colmar Brunton 2020).

40 Harvard Business Review – We're Entering the Age of Corporate Social Justice.

41 <http://www.superseniors.msd.govt.nz/about-superseniors/media/key-statistics.html>.

42 NCB – Nutrition Concerns for Aging Populations.

43 <https://www.foodnavigator-usa.com/Article/2020/04/15/Survey-Cooking-at-home-will-become-the-new-normal-post-pandemic>

44 <https://www.foodnetwork.com/fn-dish/news/2018/9/americans-are-cooking-more-meals-at-home-eating-out-less>.

45 <https://www.naturalproductsinsider.com/regulatory/consumers-will-pay-price-premiums-healthy-foods>.

Our growth strategy


Building on our history of innovation and exceptional customer service, we have identified a pipeline of growth opportunities based upon two strategic areas of focus:

1. Continued leadership in the meal kit market and expanding our food-based offerings to align to consumer trends and play a bigger part in customers' lives. These are current and continuing areas of focus for the business, which we refer to as Horizon One; and
2. Utilising the established My Food Bag platform to disrupt the business to consumer market, for example, by expanding into the broader online food and grocery market. We refer to this area of focus as Horizon Two. These opportunities have been identified and are in development for future launch with benefits expected after the Prospective Period.

Horizon One – Lead in meals & expand food-based offerings

We have a proven record of successful growth since our inception in 2013, consistently bringing innovative product ranges and recipes to market to cater to changing consumer food, demographic and societal trends.

Continuing this trend, we have a range of ongoing and potential growth opportunities within our core addressable market, each of which aim to leverage our existing platform:

KEY INITIATIVE	DESCRIPTION
<p>1 Drive increased order frequency by providing further personalisation choices</p> 	<ul style="list-style-type: none">• Our My Choice Bag was rolled out nationwide in July 2020 in response to multiple customer requests for choice and was designed to improve meal optionality without increasing recipe development requirements.• Customer satisfaction and average recipe ratings are both extremely strong, indicating that being able to choose a personalised combination of recipes is a strength of this offer.• My Choice Bag is already displaying strong unit economics and a material increase in customer purchase frequency relative to My Classic Bag. Over the 13 weeks to 15 November 2020, on average My Choice Bag customers purchased 18% more frequently than My Classic Bag customers.• Learnings from My Choice Bag inform the direction of New Product Development (NPD) and the introduction of further customer choice into the portfolio.• Additional recipe types, upgrades and enhancements are currently under development.

KEY INITIATIVE

DESCRIPTION

2 Expand our high retention goal-based offerings



- Our goal-based offerings include Fresh Start, My Plant Based Bag and My Veggie Bag, with Bargain Box Veggie also being trialled in Q2 FY21 to meet the need for a vegetarian box at a lower price point.
- All goal-based offerings display high levels of customer retention, delivery frequency and engagement.
- Growth in Fresh Start has been strong (with a Compound Annual Growth Rate of 21.9% over FY18 to FY20), despite low awareness, presenting an opportunity to expand market presence via an increased marketing focus. We expect growth in Fresh Start to continue.
- Growth has also been experienced in My Plant Based Bag and My Veggie Bag with a Compound Annual Growth Rate of 34.8% over FY18 to FY20, with growth expected to continue.
- Further innovation in goal-based offerings is currently in the pipeline.

3 Secure further Contribution Margin uplift via procurement optimisation



- Our increased scale and consequent improvement in purchasing power has provided a significant opportunity to improve our Contribution Margin.
- Through our focus on procurement optimisation, we have been able to provide higher quality ingredients to our customers, enhancing customer experience.
- Further procurement efficiencies have been identified across ingredients, labour and packaging, which are expected to provide additional Contribution Margin improvements.

4 Implement system and operational improvements



- Our rigorous focus on improving our digital and operational systems is forecast to drive further margin uplift in the PFI period, while also building the foundation to capitalise upon future growth opportunities.
- The established ERP System assists in waste-avoidance and productivity improvements, providing material cost-out as well as allowing for simple addition and integration of further SKUs to the system.
- We have identified additional opportunities for cost upside within our value chain including enhancement of stock planning, improved supplier negotiations, tailored marketing and recipe optimisation.

5 Profitable delivery growth of the MADE offering



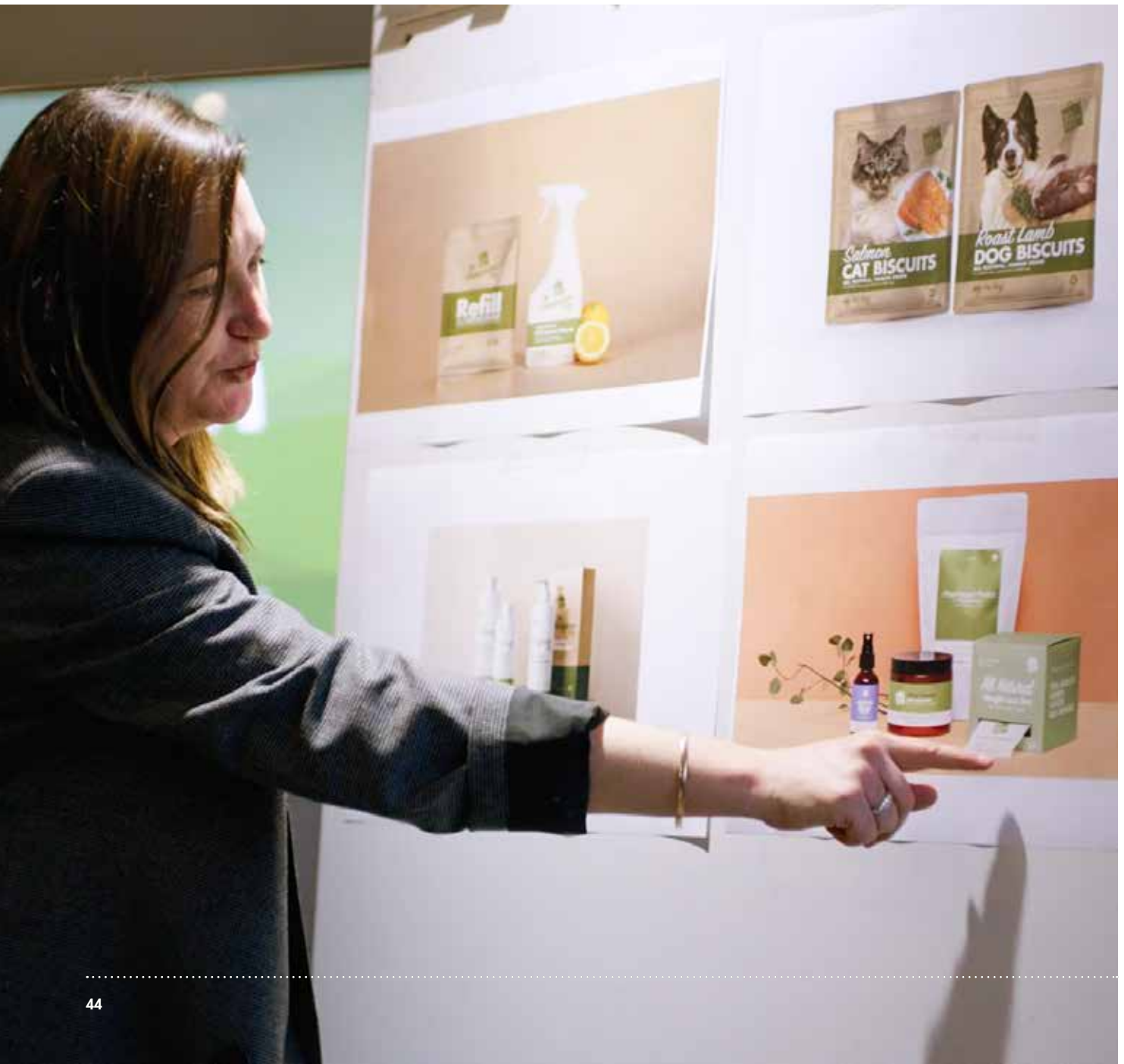
- We have successfully changed the operating model for MADE to improve profitability and target new customer segments, with further opportunities planned.
- MADE unlocks a new customer demographic for My Food Bag and acts as a key differentiator from competitors. MADE has been well-received by customers and a popular option in My Choice Bag.
- We have identified further growth potential through the expansion of products into goal-based offerings, new distribution channels and new meal formats.
- The New Zealand ready-made market is under-developed with no large leading brand, and established brands not displaying any significant innovation. This is particularly evident when considered in the context of the more mature ready-made sector in global western markets.

Horizon Two – Utilise the My Food Bag platform to disrupt the business to consumer market

We consider that there is a significant opportunity to utilise the established My Food Bag platform (brand, database, nationwide coverage, capability) to disrupt the business to consumer market and expand beyond our core addressable meal kit and ready-made meal market.

We have always been focussed on the customer and have a proven track record of innovation to meet evolving and growing consumer needs, and the following areas have been identified as potential initiatives to further grow our existing operations:

- **New food categories:** Enter new food categories by leveraging the existing business model and platform (e.g. expansion into the broader online food and grocery market).
- **New distribution channels:** Move beyond online and sell our existing products through new distribution channels (e.g. MADE meals in aged care facilities).
- **Beyond food:** Leverage our food credentials to expand beyond food and provide a wide range of consumer products (e.g. household cleaners, personal care products or pet food).
- **Vertical integration:** Elements of the supply chain could be performed in-house providing significant margin improvement opportunities (e.g. in-house manufacturing).



Our directors and senior leadership team

Board of directors



TONY 'TEA' CARTER
INDEPENDENT CHAIR

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

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

Tony is currently Chairman of Datacom and TR Group and sits on the respective boards of ANZ Bank New Zealand and Vector. 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 for nine years. He was Chairman of the New Zealand Institute when it merged with the New Zealand Business Roundtable to form the New Zealand Initiative in 2012, of which he served as inaugural Chairman until 2013.

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



JENNIFER (JEN) 'BISCOTTI' BUNBURY
INDEPENDENT NON-EXECUTIVE DIRECTOR

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

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

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

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



SARAH 'SAUERKRAUT' HINDLE
INDEPENDENT NON-EXECUTIVE DIRECTOR

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

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

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

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

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



JON 'MACCHIATO' MACDONALD
INDEPENDENT NON-EXECUTIVE DIRECTOR

Jon Macdonald joined the My Food Bag board in January 2021.

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

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



CHRIS 'MACADAMIA' MARSHALL
NON-EXECUTIVE DIRECTOR

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

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

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

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

Senior leadership team

My Food Bag's senior leadership team have an average tenure at the company of more than 4 years. The team bring a depth and breadth of experience across multiple industries including FMCG, services, e-commerce and media. The team have backgrounds that encompass early phase start-ups through to corporates within New Zealand and overseas. With an equal representation of men and women, the team have a proven track record of working effectively to lead the business strategy and culture.



KEVIN 'BACON' BOWLER

CHIEF EXECUTIVE OFFICER

Kevin 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.



MARK 'WHITEBAIT' WINTER

CHIEF FINANCIAL OFFICER

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



RICHARD 'RAGU' WAFER

CHIEF OPERATING OFFICER

Richard oversees the largest team, managing the entire supply chain. This includes the procurement of product, the development, design and improvement of production and the logistics of distribution systems.



LOUISE 'CHORIZO' CUNNINGHAM

CHIEF MARKETING & CUSTOMER OFFICER

Lou develops marketing strategies that drive revenue growth, enhance customer experience and create social impact. Lou also leads the Customer Love team ensuring My Food Bag delivers award winning customer service and constantly delights customers.

Past experience:

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

Past experience:

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

Past experience:

- Chief Procurement Officer and National Purchasing and Operations Manager, My Food Bag (2014 – 2016)
- National Planning Manager and Demand Manager, Goodman Fielder (2011 – 2014)

Past experience:

- Executive Director, Geometry Global (Ogilvy NZ) (2013 – 2017)
- Independent Director, UNION / Digital (2013 – 2015)
- Partner and Shareholder, Farrimond Ltd (2007 – 2011)



CRAIG 'COFFEE' JORDAN

CHIEF DIGITAL OFFICER

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



MEAGAN 'MARZIPAN' HALPIN

HEAD OF PEOPLE & PERFORMANCE

Meagan ensures My Food Bag attracts top talent and matches them to the right roles. She has a strong focus on inclusive company communications that has resulted in an engaged workforce and a reputation as an enviable place to work.



POLLY 'POMEGRANATE' BRODIE

HEAD OF DEVELOPMENT KITCHEN

Polly leads a passionate team in designing new recipes each week while maintaining a strong focus on ingredient margin and My Food Bag's high nutritional standards.



TRISH 'TERIYAKI' WHITWELL

HEAD OF INNOVATION

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

Past experience:

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

Past experience:

- Managing Director Human Resources, mcgarrybowen (2005 – 2016)
- Senior Benefits Counselor, University of Virginia (2003 – 2005)
- HR Generalist, Barnes & Noble.com (2000 – 2003)

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:

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

Substantial shareholders and relevant interests held by directors and senior managers

SUBSTANTIAL SHAREHOLDERS

As at the date of this PDS, the following shareholders have a relevant interest in 5% or more of the Shares in the Company:

SHAREHOLDER AND NATURE OF RELEVANT INTEREST	NUMBER OF SHARES	% OF SHARES
Waterman Fund 3 LP is the registered holder and beneficial owner of Shares in the Company. Waterman Capital (Fund 3) Limited has the power to control the acquisition and disposition of, and the exercise of the right to vote attached to, the Shares held by Waterman Fund 3 LP as manager of that fund under an investment management contract and therefore has a relevant interest in the Shares held by Waterman Fund 3 LP.	141,190,000	66.35%
Cecilia Charlotte Louise Robinson, Heimsath Alexander Trustee Limited and James Charles Robinson are the registered holders of Shares in the Company as trustees of the APL Holdings Trust.	23,800,600	11.18%
Philippa Mary Greenwood and Theresa Elizabeth Gattung are the registered holders of Shares in the Company as trustees of the Theresa Gattung Investment Trust.	21,783,600	10.24%
Carlos Edward James Bagrie, Covisory Trust Limited, JKA Holdings Limited and Nadia Rui-chi Lim are the registered holders of Shares in the Company as trustees of the Bagrie Lim Family Trust.	12,102,000	5.69%

The following shareholders are likely to have a relevant interest in 5% or more of the Shares in the Company immediately following completion of the Offer:

SHAREHOLDER AND NATURE OF RELEVANT INTEREST	NUMBER OF SHARES	% OF SHARES
Waterman Fund 3 LP will be the registered holder and beneficial owner of Shares in the Company. Waterman Capital (Fund 3) Limited will have the power to control the acquisition and disposition of, and the exercise of the right to vote attached to, the Shares held by Waterman Fund 3 LP as manager of that fund under an investment management contract and therefore has a relevant interest in the Shares held by Waterman Fund 3 LP.	36,365,629	15.00%
Harbour Asset Management Limited will have as fund manager, the power to exercise (or control the exercise of) a right to vote attached to, and power to acquire or dispose of (or control the acquisition or disposal of), certain Shares, under investment powers contained in investment management agreements with clients (the beneficial owners of the product) or managed fund trust deeds. ¹	15,405,405	6.35%
Milford Funds Limited will have as fund manager, the power to exercise (or control the exercise of) a right to vote attached to, and power to acquire or dispose of (or control the acquisition or disposal of), certain Shares, under investment powers contained in managed fund trust deeds. ¹	15,405,405	6.35%
Investment Services Group Limited is the sole shareholder of Devon Funds Management Limited and Clarity Funds Management Limited. Each of Devon Funds Management Limited and Clarity Funds Management Limited will have as independent fund managers, the power to exercise (or control the exercise of) a right to vote attached to, and power to acquire or dispose of (or control the acquisition or disposal of), certain Shares, under investment powers contained in investment management agreements with clients (the beneficial owners of the product) or managed fund trust deeds. ¹	13,783,782	5.69%

Note:

1. Allocations have been made to certain Institutional Investors in advance of the Bookbuild, who have committed to bid for at least a certain number of Shares in the Bookbuild at the Offer Price (including Harbour Asset Management Limited, Milford Funds Limited, Devon Funds Management Limited and Clarity Funds Management Limited). Those Institutional Investors may choose to bid for additional Shares in the Bookbuild, in which case there is no assurance that such investors will be allocated any Shares in excess of their pre-committed allocation, and therefore the table above only reflects committed allocations as at the date of this PDS.

SHAREHOLDINGS HELD BY DIRECTORS AND SENIOR MANAGERS

The table below sets out the equity securities in the Company that the directors and senior managers of My Food Bag have an interest in prior to the Offer (at the date of the PDS) and will likely have an interest in immediately following completion of the Offer.

DIRECTOR OR SENIOR MANAGER	NATURE OF RELEVANT INTEREST	PRIOR TO THE OFFER		IMMEDIATELY FOLLOWING THE OFFER ¹	
		Number of Shares	% of Shares	Number of Shares	% of Shares
Tony Carter	20% or more interest in Loughborough Investments Limited (which will be the registered holder of Shares), resulting in Tony being deemed to have the same relevant interest in the Shares as Loughborough Investments Limited.	-	-	54,054	0.02%
Jen Bunbury	Registered holder as trustee of the Jennifer L Bunbury Trust.	-	-	16,216	0.01%
Sarah Hindle	Registered holder and beneficial owner	-	-	10,811	0.00%
Jon Macdonald	Registered holder and beneficial owner	-	-	54,054	0.02%
Chris Marshall	20% or more interest in Waterman Capital (Fund 3) Limited, resulting in Chris being deemed to have the same relevant interests in the Shares as Waterman Fund 3 LP and Waterman Capital (Fund 3) Limited described in the substantial shareholders table above.	141,190,000	66.35%	36,365,629	15.00%
	20% or more interest in CMC Limited (which will be the registered holder of Shares), resulting in Chris being deemed to have the same relevant interest in the Shares as CMC Limited.	-	-	54,054	0.02%
Kevin Bowler	Beneficial owner ²	4,437,400	2.09%	1,109,350	0.46%
Mark Winter	Beneficial owner ²	1,008,500	0.47%	252,125	0.10%

Notes:

1. Directors and senior managers are permitted to acquire Shares under the Offer. The interests in Shares expected to be held immediately following the Offer reflect the intentions of the directors and senior managers at the date of the PDS in relation to their acquisition of Shares under the Offer.
2. These Shares are held by SaleCo as trustee on behalf of the relevant senior manager until that senior manager's loan has been repaid in full under the Existing Senior Executive Share Ownership Scheme described below, at which point the Shares will be transferred to the relevant senior manager.

Other equity securities of the Company

Under the Constitution, any other class of equity securities of the Company that ranks equally with, or in priority to, the Shares may be issued without a special resolution of the holders of the Shares. However, the issue of new equity securities in the Company is governed by the NZX Listing Rules, which requires the approval by ordinary resolution of the holders of the Shares to the issue of new equity securities, except in certain circumstances set out in the NZX Listing Rules.

Directors' remuneration and other benefits

The table below sets out the total remuneration and value of other benefits received by each director of the Company during FY20 and expected to be received in FY21, as well as the nature of the services to which that remuneration, or those other benefits, relates (other than services provided in a person's capacity as a director).

DIRECTOR	TOTAL REMUNERATION AND VALUE OF OTHER BENEFITS RECEIVED IN FY20 ⁴⁶	EXPECTED TOTAL REMUNERATION AND VALUE OF OTHER BENEFITS EXPECTED TO BE RECEIVED IN FY21 ⁴⁷
Tony Carter	-	\$46,411
Jen Bunbury	-	\$21,548
Sarah Hindle	-	\$13,534
Jon Macdonald	-	\$28,178
Chris Marshall	\$30,000	\$37,288

The remuneration paid to the directors of the Company in FY21 will be higher than that paid in FY20. This reflects that, as a result of the listing of My Food Bag on the NZX Main Board and ASX, the directors have increased responsibilities and will be required to devote more time to the performance of their duties as directors.

The fees for non-executive directors of the Company that will apply from listing have been fixed as a total pool of \$600,000 per annum.

The 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.

The Company has granted indemnities, as permitted by the Companies Act and the FMCA, in favour of each of its directors. The Company also maintains insurance for its directors and officers.

Employee remuneration

During FY20 a number of employees, not being directors of the Company, received remuneration and other benefits in their capacity as employees that exceeded \$100,000 in value as follows:

REMUNERATION	NO. OF EMPLOYEES
\$100,000 to \$109,999	1
\$110,000 to \$119,999	1
\$130,000 to \$139,999	1
\$140,000 to \$149,999	1
\$150,000 to \$159,999	1
\$160,000 to \$169,999	1
\$170,000 to \$179,999	2
\$180,000 to \$189,999	2
\$190,000 to \$199,999	3
\$220,000 to \$229,999	1
\$230,000 to \$239,999	1
\$250,000 to \$259,999	1
\$260,000 to \$269,999	1
\$320,000 to \$329,999	1
\$330,000 to \$339,999	1
\$500,000 to \$509,999	1

Kevin Bowler's remuneration as Chief Executive during FY20 was \$500,000 and is expected to be \$509,500 in FY21.

FY21 employee remuneration is expected to be higher than FY20. As well as small increases to employee base remuneration, a one-off COVID-19 discretionary payment of \$140,000 was paid to 14 senior leaders in June 2020. Additionally, higher FY21 short term incentive payments are anticipated as a result of expected over-delivery against the incentive targets. The CEO did not participate in the FY21 COVID-19 payment and is ineligible for the short term incentive programme. In addition, certain senior executives have received shares in FY21 under the existing senior executive ownership scheme outlined on the following page.

⁴⁶ Chris Marshall is the only current director of My Food Bag who was also a member of the Board during FY20.

⁴⁷ The expected total remuneration and value of other benefits for FY21 includes an additional amount paid to Tony Carter (\$17,260), Jen Bunbury (\$8,014) and Jon Macdonald (\$10,479) for their participation in the due diligence process in relation to the Offer.

New senior executive incentive scheme

My Food Bag has established a senior executive incentive scheme in which the Board has invited Kevin Bowler and Mark Winter to participate. Under the scheme, a senior executive who is invited to participate will be offered a number of share rights determined by dividing a dollar value by the value of one My Food Bag share at the date of the offer of share rights. The dollar value of the grant of share rights will be determined based upon My Food Bag's EBITDA and certain other performance hurdles, assessed against My Food Bag's performance during FY22F against the PFI with a grant only being made where My Food Bag outperforms the PFI for this period.

Subject to the senior executive remaining employed at 30 June 2023, each share right under the initial grant is converted to one ordinary share. The executive is liable for tax on the shares received at this point.

The Board intends to consider implementing a long term incentive scheme for My Food Bag's senior management after the Offer during FY22, which is not expected to have any impact on the PFI for FY22F.

Existing senior executive share ownership scheme

In addition to the new senior executive incentive scheme, certain senior executives (and former directors) of My Food Bag participate in an executive share ownership scheme which provides participants with an interest free loan in order to fund the exercise price of options up to 100% of the amount of the exercise price of those options. The executive share ownership scheme has been in existence since November 2016 with the last grant of options being made under the scheme in June 2019, and all options under the plan have now vested and been exercised. As at the date of this PDS, participants in the scheme have a beneficial interest in 11,093,500 Shares which are held on trust on their behalf by SaleCo (and the Shares issued under the scheme are of the same class as those being offered under the Offer), being the only securities issued under the scheme within the 12 months prior to the date of this PDS. The existing scheme will cease upon My Food Bag Group being listed and participants are entitled to sell up to 75% of the Shares held by them under the scheme before the Offer through the Offer, with the proceeds to be used to repay loans made by My Food Bag to participants and any remaining amount retained by those participants (including to meet tax obligations). These participants are subject to the escrow arrangements described in *Section 5 (Terms of the Offer)* in respect of their remaining Shares held upon completion of the Offer.

Other governance disclosures

The Board intends to adopt, from listing, various board policies and charters that are typical for a company listed on the NZX Main Board and ASX. Following listing, the Board will have the power to appoint additional directors to the Board from time to time, in accordance with the NZX Listing Rules. Any director appointed by the Board must retire and seek re-appointment at the next Annual Shareholders' Meeting of My Food Bag in accordance with the NZX Listing Rules.

Section 3

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Purpose of the Offer



The purpose of the Offer is to raise capital for My Food Bag to repay debt and to enable Existing Shareholders to realise part of their investment by selling up to 155.3 million Shares. The minimum amount that must be raised before the Shares are issued or transferred is \$250 million.

The proceeds from the Offer will be used, and relate to our strategy, as follows:

AMOUNT	USE OF PROCEEDS
\$38.2 million	To repay bank debt
\$16.7 million	To fund Offer costs
\$54.8 million	Total proceeds from new Shares
Up to \$193.9 million	Proceeds to be received by Waterman for the sale of its existing Shares
Up to \$93.4 million	Proceeds to be received by other selling shareholders for the sale of their existing Shares
Up to \$342.2 million	Total gross proceeds from the Offer

In FY21F, and prior to the date of this PDS, My Food Bag borrowed an additional \$45.7 million of bank debt, and has repaid \$51.1 million of shareholder loans (which have been treated as equity in the Historical Period). As noted above, My Food Bag will apply \$38.2 million of the proceeds from the Offer to repay bank debt, resulting in forecast drawn bank debt of \$16.2 million at the end of FY21F in comparison to \$16.9 million of drawn bank debt at the end of FY20. You can find further details about My Food Bag's cash flows in the Supplementary Financial Information.

The use of the money raised under the Offer will not change depending on the total amount that is raised, although the number of Shares that Waterman sells will depend on the level of demand in the Offer and the number of Shares that the Existing Shareholders sell will depend on the level of demand in the Offer excluding the Priority Offer. The Offer is not underwritten.

Section 4

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Key dates and offer process



Bookbuild	19 February 2021
Foodies Offer, Priority Offer and Broker Firm Offer opens	19 February 2021
Foodies Offer, Priority Offer and Broker Firm Offer closes	26 February 2021
Ordinary shares are issued/transferred	4 March 2021
Ordinary shares are quoted	5 March 2021
Expected commencement of trading on the NZX Main Board and ASX	5 March 2021
Earliest expected mailing of holding statements	8 March 2021
Expected date of first dividend payment following the Offer	December 2021

This timetable is indicative only and the dates may change. My Food Bag, with the agreement of the Joint Lead Managers, reserves the right to vary or extend these dates.

Section 5

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Terms of the Offer



Key terms of the Offer

The table below sets out the terms of the Offer. All Shares are issued on the terms set out in the Constitution (a copy of which is available on the Offer Register).

DESCRIPTION OF THE SHARES	Ordinary shares
KEY DATES	See Section 4 (Key dates and offer process)
STRUCTURE OF THE OFFER	<p>The Offer comprises:</p> <ul style="list-style-type: none">• The Foodies Offer, which is available only to Eligible Foodies.• The Priority Offer, which is available only to Waterman Investors.• A Broker Firm Offer, which is available only to New Zealand clients of Brokers, who have received an allocation from their Broker.• An Institutional Offer, which will be an invitation to bid for Shares made to selected Brokers and Institutional Investors in New Zealand, Australia, Hong Kong and Singapore. <p>There is no general public offer under which you may subscribe for Shares. Therefore members of the public who are not eligible to participate in the Priority Offer or the Foodies Offer and who wish to subscribe for Shares must do so through a Broker with an allocation of Shares.</p>
OFFER PRICE	<p>The Offer Price is \$1.85 per Share. In determining the Offer Price, consideration was given to the following factors:</p> <ul style="list-style-type: none">• the level of interest for participation in the Foodies Offer and the Priority Offer received by My Food Bag in the priority registration process conducted before the date of this PDS;• the level of demand for Shares from certain Institutional Investors who have committed to bid for Shares in advance of the Bookbuild; and• the desire for a successful and consistent aftermarket for the Shares.
ESCROW ARRANGEMENTS	<p>Each Existing Shareholder has entered into escrow arrangements under which they have agreed not to sell or otherwise dispose of any of the Shares held by them prior to the Offer which they continue to hold upon completion of the Offer until the first day after the date on which My Food Bag releases to NZX its results announcement for the financial year ended 31 March 2022, subject to limited exceptions set out on the Offer Register. 23.7% of the total number of Shares on issue in My Food Bag immediately following completion of the Offer are expected to be subject to escrow arrangements.</p>
DISCRETION REGARDING THE OFFER	<p>The Offerors may withdraw the Offer, or any part of it, at any time before the allotment of Shares. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest) no later than five Business Days after the announcement of the decision to withdraw the Offer or any part of it.</p> <p>The Offerors reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications, settlement or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or any bidder fewer Shares than applied or bid for.</p> <p>If the Offerors refuse an Application or accept an Application in part (including due to scaling), the relevant Application Monies will be refunded no later than five Business Days after the last date on which Shares are allotted under the Offer. No interest will be paid on any Application Monies that are refunded.</p> <p>Refunds will be paid by direct credit to the bank account supplied for future dividend payments on your Application Form.</p> <p>See Section 11 (How to apply)</p>

ALLOTMENTS

Any New Zealand Applicant with a CSN will have their Shares allotted under their CSN, if the CSN was provided on their Application Form. The CSN provided must be in exactly the same name(s) as that on the Application Form, otherwise a new CSN will be allocated.

Foodies Offer and Priority Offer Applicants who do not have a CSN, or who do not provide a CSN on their Application Form, will be allocated a CSN at the time of Application. The CSN will be advised at the time the allotment of Shares is confirmed and the associated Authorisation Code (FIN) will be sent as a separate communication by mail on the first Business Day after the Allotment Date.

Shares allocated under the Offer are expected to be allotted on 4 March 2021.

If a mobile number is supplied on your Application Form, a text message will be sent to that number advising the number of Shares allocated to you on the Allotment Date.

If an email address is supplied on your Application Form, an allotment notice including details of any scaling information (if applicable) will be emailed to you by close of business on the Allotment Date.

Holding transaction statements are expected to be sent to all successful Applicants within five Business Days of the Allotment Date.

No person accepts any liability should any person attempt to sell or otherwise deal with Shares before a communication confirming allotment is received.

WHAT YOU NEED TO DO TO SELL YOUR SHARES

If you wish to sell Shares you hold directly on the NZX Main Board, after confirming your allocation, you must contact a Broker and have a CSN and an Authorisation Code (FIN). Opening a new broker account can take a number of days depending on the Broker's new client procedures. If you do not have a CSN, you will:

- be assigned one when you set up an account with a Broker; or
- receive one from the Share Registrar.

If you do not have a FIN, it is expected that you will be sent one as a separate communication by the Share Registrar. If you have a Broker and have not received a FIN by the date you want to trade your Shares, your Broker can obtain one, but may pass the cost for doing so on to you.

If you sell your Shares, you may be required to pay brokerage or other sale expenses. You may also be liable for tax on the sale of your Shares. You should seek your own tax advice in relation to your Shares.

NO GUARANTEE

No person guarantees the Shares affected under this PDS. No person warrants or guarantees the performance of the Shares or any return on any investments made pursuant to this PDS.



Components of the Offer

	BROKER FIRM OFFER	FOODIES OFFER	PRIORITY OFFER
Who can apply?	The Broker Firm Offer is open to New Zealand clients who have received an allocation from their Broker. You should contact your Broker to determine whether they may allocate Shares to you under the Broker Firm Offer.	The Foodies Offer is open to Eligible Foodies. My Food Bag reserves the right to determine in its sole discretion whether you are eligible to apply in the Foodies Offer or the Priority Offer.	The Priority Offer is open to Waterman Investors.
How do you apply?	See <i>Section 11 (How to apply)</i>		
How many shares can you apply for?	Brokers will determine the number of Shares their New Zealand clients will be allocated.	The minimum Application amount you can apply for as an employee of My Food Bag under the Foodies Offer is 135 Shares. The minimum Application amount you can apply for as an Eligible Foodie who is not an employee of My Food Bag is 270 Shares.	The minimum Application amount you can apply for under the Priority Offer is 1,000 Shares.
How do you pay for your Shares?	See <i>Section 11 (How to apply)</i>		
When do you need to apply?	The Broker Firm Offer opens on 19 February 2021. You should make your Application in accordance with the instructions of your Broker.	The Foodies Offer and the Priority Offer open on 19 February 2021. Applications may be made online only. You need to complete the Application Form and provide a direct debitable bank account from which your Application Monies will be direct debited. The direct debit will be made on the day of Application or the next Business Day.	
Allocation policy	<p>The number of Shares to be offered under the Broker Firm Offer will be determined following the Bookbuild by My Food Bag.</p> <p>Allocations by Brokers to their New Zealand clients will be determined by those Brokers. It will be a matter for Brokers to ensure that their New Zealand clients who have received an allocation from them receive their Shares.</p> <p>Applicants in the Broker Firm Offer should contact the Broker from whom they received their allocation to find out if their Application was successful.</p>	<p>The number of Shares to be allocated to the Foodies Offer, the Priority Offer and among participants in the Foodies Offer and the Priority Offer, will be determined following the Bookbuild by My Food Bag.</p> <p>If the value of Applications received under the Foodies Offer or the Priority Offer is greater than the value of Shares available under the Foodies Offer or the Priority Offer (as determined by My Food Bag), Applications will be scaled back in such manner as My Food Bag may determine, which may differ as between the Foodies Offer and the Priority Offer, and as between individual Applicants.</p> <p>In the event that demand for Shares in the Foodies Offer or the Priority Offer does not meet the quantity reserved for Eligible Foodies or Waterman Investors, the residual Shares may be reallocated at the discretion of the Offerors.</p> <p>Applicants in the Foodies Offer and the Priority Offer should contact the Share Registrar to find out if their Application was successful after the allotment of Shares.</p>	

Institutional Offer

The Institutional Offer will be conducted through the Bookbuild. The Joint Lead Managers will invite selected Institutional Investors along with Brokers to bid for Shares in the Bookbuild to be undertaken by the Joint Lead Managers on 19 February 2021.

All successful participants in the Institutional Offer will pay the Offer Price for each Share allocated to them.

The information collated in the Bookbuild will then be used to assist with the allocation of Shares. The number of Shares to be offered under the Institutional Offer, and the allocation of Shares among Institutional Investors and Brokers that have bid for Shares in the Bookbuild, will be determined by My Food Bag. There is no assurance that any participant in the Bookbuild will be allocated any Shares or the number of Shares for which it has bid. The allocation policy will be influenced by a number of factors which may include the timeliness of the bid by particular bidders.

Allocations have been made to certain Institutional Investors in advance of the Bookbuild, who have committed to bid for at least a certain number of Shares in the Bookbuild at the Offer Price. Those Institutional Investors may choose to bid for additional Shares in the Bookbuild, in which case there is no assurance that such investors will be allocated any Shares in excess of their pre-committed allocation. Full details of how to participate, including bidding instructions, will be provided by the Joint Lead Managers to invited participants in due course. Participants can only bid into the book for Shares through the Joint Lead Managers.

Details of Shares offered

	SHARES	% OF SHARES FOLLOWING THE OFFER
New Shares offered by My Food Bag	29.6 million	12.2%
Existing Shares offered by SaleCo	155.3 million	64.1%
Total Shares being offered	185.0 million	76.3%

Listing

My Food Bag expects that trading of the Shares on the NZX Main Board and ASX will commence on 5 March 2021. If admission to list on the NZX Main Board is denied, the Offer will not proceed. Failure to achieve admission to list on the ASX will not, of itself, prevent the issue or sale of Shares under the Offer from proceeding.

NZX Main Board listing

An application has been made to NZX for permission to list My Food Bag and to quote the Shares on the NZX Main Board and all the requirements of NZX relating to the application that can be compiled on or before the date of this PDS have been duly complied with. However, NZX accepts no responsibility for any statement in this PDS. The NZX Main Board is a licensed market operated by NZX, which is a licensed market operator, regulated under the FMCA.

ASX listing

An application will be made to ASX after the PDS has been lodged on the Offer Register for My Food Bag to be admitted to the official list of ASX as an ASX Foreign Exempt Listing and for quotation of the Shares on the ASX.

If My Food Bag is admitted to the official list of ASX as a Foreign Exempt Listing, it will need to comply with the NZX Listing Rules (other than as waived by NZX) but will not need to comply with the vast majority of the ASX Listing Rule obligations. Rather, My Food Bag will need to comply only with the rules specified in ASX Listing Rule 1.15, which are relatively procedural in nature. My Food Bag will not be subject to substantive ASX Listing Rule requirements such as the rules on continuous disclosure, periodic reporting, shareholder approval of share issuances, escrow, transactions with persons of influence and significant transactions.

ASX takes no responsibility for the contents of this PDS or for the merits of the investment to which this PDS relates. The fact that ASX may admit My Food Bag to the official list of ASX and quote the Shares on the ASX is not to be taken as an indication of the merits, or as an endorsement by ASX, of My Food Bag or the Shares. The ASX is not a licenced market under the FMCA.

Selling restrictions and further information

The Offer is only being made to eligible persons under the Foodies Offer and the Priority Offer, New Zealand clients of Brokers who receive a firm allocation of Shares and selected Brokers and Institutional Investors in certain jurisdictions including New Zealand, Australia, Hong Kong and Singapore. The Offer is being made in Australia in reliance on the trans-Tasman mutual recognition scheme under Chapter 8 of the Corporations Act 2001 (Cth) and the Corporations Regulations 2001 (Cth).

This PDS is intended for use solely in connection with the Offer. You can find further information on the Offer Register in relation to the terms of the Offer and the Shares, including the Constitution and additional selling restrictions.



Section 6

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Key features of ordinary shares



Key features of the equity securities

All Shares issued under the Offer will be fully paid ordinary shares in My Food Bag which rank equally with each other and all other ordinary shares in My Food Bag on issue. The key features of the Shares do not differ from those that apply to other ordinary shares in a company generally.

Dividend policy

Our dividend policy is to target a dividend payout ratio of between 70% to 90% of NPAT for a financial year, taking into account the operating cashflow, future capital requirements and an aim to provide stability of dividend income. For FY22F we are targeting a dividend payout ratio of approximately 80% of NPAT. Dividends will be imputed to the extent possible, and are expected to be fully imputed in FY22F.

Total dividends declared in respect of FY22F are expected to be \$16.0 million, targeted to be paid in two instalments in December 2021 and June 2022.

Dividends are made at the Board's discretion, and depend on our financial performance. The payment of dividends is not guaranteed, and our dividend policy may change over time. In declaring dividends, My Food Bag must comply with the solvency test under the Companies Act and the covenants in our banking facilities.

Section 7

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My Food Bag's financial information



Introduction

These tables provide key financial information about My Food Bag. Full financial statements are available on the Offer Register at <https://disclose-register.companiesoffice.govt.nz/>, offer number (OFR13033). If you do not understand this financial information, you can seek advice from a financial adviser or an accountant.

The Supplementary Financial Information and other financial information is also available on the Offer Register.

This PDS contains prospective financial information (PFI) for FY21F and FY22F (together, the Prospective Period). The PFI is based on the Board's assessment of events and conditions existing at the date of this PDS and the accounting policies and assumptions set out in the Supplementary Financial Information and financial statements which are available on the Offer Register. The principal assumptions on which the PFI is based are set out under the heading *Overview of prospective financial information* in this section.

PFI by its nature is inherently uncertain. It is a prediction of future events which cannot be assured. It involves risks and uncertainties, many of which are beyond our control. The Board believes that the PFI has been prepared with due care and attention, and considers the assumptions, when taken as a whole, to be reasonable at the time of preparing this PDS. Actual results are likely to vary from the information presented and variances may be material. Accordingly, neither the Board nor any other person can provide any assurance that the PFI will be achieved and investors are cautioned not to place undue reliance on the PFI. You should read the PFI in this PDS in light of the assumptions, and in conjunction with the other information in this PDS (including in particular the information in Section 8 (*Risks to My Food Bag's business and plans*)).

The financial information in this PDS is presented in New Zealand dollars and is rounded to the nearest one hundred thousand, which may result in some discrepancies between the sum of the components and totals within tables, and also certain percentage calculations.

Selected Financial Information

The table of Selected Financial Information contains the following types of financial information:

- **Statutory historical financial information** as reported in our financial statements.
- **Statutory prospective financial information** which presents the PFI on the same basis as that on which we intend to report under NZ GAAP in the future.
- **Pro forma historical financial information** which has been derived from the statutory historical financial information, adjusted for accounting policy alignments, structural changes and non-recurring or infrequent events. We believe these adjustments allow investors to compare the historical financial information with the PFI and to better understand the trends in our financial performance. These adjustments are described under the heading *Pro forma operating adjustments* in this section. This information is not prepared in accordance with the NZ-GAAP.
- **Pro forma prospective financial information** adjusts the statutory PFI to reflect pro forma adjustments in the first year of the Prospective Period (FY21F) including the removal of non-recurring Offer costs and the change in capital structure arising from the Offer as described under the heading *Pro forma operating adjustments* in this section. This information is not prepared in accordance with the NZ-GAAP.

The pro forma historical financial information and the pro forma PFI have been prepared solely for the purpose of inclusion in this PDS. More information about the pro forma adjustments, the principal assumptions on which the PFI is based, and reconciliations of pro forma financial information to information prepared in accordance with NZ GAAP, is available in the Supplementary Financial Information.

The FY21F information includes seven months of actual results for the period ended 31 October 2020 and five months of forecast information for the period ended 31 March 2021. Where labelled pro forma, the FY21F period also includes the pro forma adjustments outlined under the heading *Pro forma operating adjustments* in this section.

The historical financial information is extracted from our audited or reviewed financial statements which are available on the Offer Register. This document presents historical financial information for My Food Bag for the financial periods ended 31 March 2018 (*FY18*), 31 March 2019 (*FY19*), 31 March 2020 (*FY20*), 30 September 2019 (*1HFY20*) and 30 September 2020 (*1HFY21*) (collectively the *Historical Periods*). The prospective financial information for the financial periods ending 31 March 2021 (*FY21F*) and 31 March 2022 (*FY22F*) is that presented and described in the Supplementary Financial Information which is available on the Offer Register.

Selected Financial Information ¹	FY18	FY19	FY19	FY20	FY21F	FY22F	1HFY20	1HFY21
	52 weeks ending 31 Mar 2018	53 weeks ending 31 Mar 2019	52 weeks ending 31 Mar 2019 ²	52 weeks ending 31 Mar 2020	52 weeks ending 31 Mar 2021	52 weeks ending 31 Mar 2022	26 weeks ending 30 Sept 2019	26 weeks ending 30 Sept 2020
NZ\$m (unless indicated otherwise)	Historical Statutory	Historical Statutory	Historical Pro Forma	Historical Statutory	Forecast Statutory	Forecast Statutory	Historical Statutory	Historical Statutory

Financial performance

Revenue	149.0	156.0	153.3	153.3	189.5	186.4	77.3	105.3
Pro forma EBITDA ^{3 4}	12.4	14.7	13.9	16.3	28.5	34.2	6.6	14.3
Pro forma EBITDA growth %		18.8%	12.4%	17.4%	74.5%	20.2%		116.0%
Pro forma EBITDA margin %	8.3%	9.4%	9.1%	10.6%	15.0%	18.4%	8.6%	13.6%
Net profit after tax	5.0	7.2		8.2	0.8	20.1	3.2	7.6
Pro forma net profit after tax ⁵					15.6	20.1		7.9

Balance sheet and cash flow items⁶

Dividends paid ^{7 8}	3.4	3.6		8.4	13.3	6.4	3.3	6.3
Total assets	93.8	92.5		109.6	100.8	99.1		109.0
Cash and cash equivalents	1.6	3.0		8.3	-	-		4.4
Total liabilities	39.0	34.2		51.4	48.1	32.7		55.5
Total debt ⁹	19.8	16.9		27.8	26.1	8.7		29.1
Total bank debt	19.8	16.9		16.9	16.2	1.3		18.0
Net cash flows from operating activities	9.2	9.3		19.2	8.1	26.6	4.6	10.3
Pro forma net cash flows from operating activities ¹⁰					22.7	26.6		10.6

Notes:

- The selected financial information (excluding any financial information in the selected financial information table that is identified as being pro forma financial information) is extracted from audited or reviewed financial statements of My Food Bag for the FY18, FY19, FY20 and 1HFY21 periods together with 1HFY20 comparatives. The financial statements and auditor's reports or reviews for these periods are available on the Offer Register. The prospective financial information for FY21F and FY22F is extracted from the Supplementary Financial Information for the Group (and not the financial statements of My Food Bag, from which the selected financial information for FY18, FY19, FY20, 1HFY20 and 1HFY21 has been extracted). Some line items in the selected financial information include adjustments applied by My Food Bag (denoted 'pro forma'), including the FY19 52 week pro forma year which removes the last trading week of the financial year to enable comparison between financial years. For an explanation of all pro forma adjustments, please refer to the information under the heading *Pro forma operating adjustments* in this section and Part B of the Supplementary Financial Information.
- The FY19 pro forma 52 weeks financial information is included to enable better comparison of operating metrics over the Historical Period and Prospective Period on a consistent 52 week basis. Given this purpose full pro forma profit and loss, pro forma balance sheet and pro forma cash flow metrics are not shown as My Food Bag does not consider that the additional information would assist with assessment of the Offer. The fact that the full pro forma profit and loss, pro forma balance sheet and pro forma cash flow metrics are not presented is not to be taken as an indication that these metrics would not differ from those shown for the FY19 historical statutory accounts.

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3. Pro forma EBITDA is a non-NZ GAAP measure that includes pro forma adjustments as described under the heading *Pro forma operating adjustments* in this section.
 4. FY22F pro forma EBITDA is the same as FY22F EBITDA; there have been no pro forma adjustments made to EBITDA in this period.
 5. Pro forma net profit after tax is a non-NZ GAAP measure. This measure reflects the pro forma adjustments reflected in pro forma EBITDA, and the overlay of My Food Bag's capital structure following completion of the Offer as if it had been in place since 1 April 2020. The pro forma operating tax expense has been adjusted to reflect the tax implications of the pro forma adjustments. A reconciliation to statutory net profit after tax is included in Part B of the Supplementary Financial Information.
 6. The balance sheet information for FY21F and FY22F reflects that one of the facilities available to My Food Bag is a revolving credit facility, and cash held by My Food Bag is therefore used to offset and reduce the balance owing as total bank debt.
 7. Historically dividends have been paid when excess cash is available for distribution. Following listing, dividends are expected to be declared and paid twice yearly following the release of interim and annual results. The FY22F dividend reflects the forecast expected payment of the FY22F interim dividend of \$6.4 million, the first dividend that will be paid following the Offer. Total dividends in relation to FY22F are forecast to be \$16.0 million. Refer to *Section 6 (Key features of ordinary shares)* for further details of the Company's dividend policy.
 8. The FY21F dividends paid of \$13.3 million will be paid to Existing Shareholders and will not be available to investors in the Offer.
 9. Total debt represents the closing balance on all right of use liabilities, term loans and financial liabilities. Total debt excludes shareholder loans, which were treated as equity in the Historical Period. In FY21F, and prior to the date of this PDS, My Food Bag borrowed an additional \$45.7 million of bank debt, and has repaid \$51.1 million of shareholder loans (which have been treated as equity over the Historical Period). My Food Bag expects to repay \$46.8 million of bank debt in FY21F, including by applying \$38.2 million of the proceeds from the Offer, resulting in the total debt and total bank debt balances set out above. Refer to the Statement of Cash Flows in the Supplementary Financial Information for further information about the sources and uses of cash in FY21F.

10. Pro forma cash flows from operating activities is a non-NZ GAAP measure that comprises net cash flows from operating activities adjusted to remove Offer costs in FY21F and overlays My Food Bag's capital structure following completion of the Offer for the seven months of actual results in FY21F.

Pro forma operating adjustments

My Food Bag believes that certain adjustments are required to enable a better comparison of operating performance over the Historical Period, a comparison of operating performance between the Historical Period and Prospective Period, and a comparison of operating performance with that of other companies.

Adjustments have been classified into three categories:

- **Adjustments for accounting policy alignments and non-recurring or infrequent items:**

These adjustments are:

- Retrospectively applying IFRS 16 for leases in FY18 and FY19 for leases held at that time;
- Removing the impact of the 53rd week in the period ended 31 March 2019, to provide consistency with the previous and prospective 52 week financial periods; and
- Removing transaction costs associated with the Offer.

- **Adjustments for structural changes in the business:**

These adjustments are:

- Adding incremental costs associated with running a listed company; and
- Adjusting interest and funding expenses to reflect the impact of the new capital structure.

- **Income tax expenses / (income) recalculations:**

An adjustment has been made to include an additional income tax expense or income that would have resulted due to the adjustments outlined above.

How we generate revenue

As an online meal kit and ready-made meal delivery business, revenue is driven primarily by the volume of bags delivered to customers and the Average Order Value of bags delivered.

Key drivers of volume are the number of Active Customers and their order frequency. We operate a subscription model, meaning a significant proportion of our revenue in any given period is derived from existing customers, who were acquired in previous periods.

Key drivers of the price per bag delivered include brand (My Food Bag, Bargain Box, Fresh Start, MADE), bag type (multiple within each brand), bag size (1 – 6 customers) and number of nights selected (3, 4 or 5 nights).

We also offer a range of “extras”, with customers able to add fruit boxes and other seasonal one-off extras to their order. MADE meals can also be added as an extra to customers’ weekly orders. The price per bag and one-offs or extras added to an order contribute to the Average Order Value.

Revenue is net of marketing discounts which include promotional and ‘refer-a-friend’ discounts used to attract new customers to My Food Bag.

Key drivers of our financial performance can be found in Section 1 (*Key information summary*).

Overview of historical financial performance

INTRODUCTION

This section provides an overview of our pro forma operating historical financial performance and should be read in conjunction with the ‘Selected Financial Information’ table under the heading *Selected Financial Information* in this section.

FY19 FINANCIAL PERFORMANCE RELATIVE TO FY18

Between FY18 and FY19 our revenue grew by 2.9% (\$4.3 million) from \$149.0 million to \$153.3 million (pro forma 52-week basis). Key factors that drove this result are:

- An increase in delivery volumes of 3.6%, driven by an increase in Active Customers;
- Strong growth in revenue from Bargain Box branded deliveries (as customers moved to larger bag sizes) and higher priced Fresh Start branded deliveries. These increases were reflective of strong marketing activity for these brands; and

- Continued new product development including the launch of My Food Bag Ready in 20 (a range of meals prepared in 20 minutes or less) and Heat 2 Cook 2 (combining two meal kit recipes with two ready-made meals).

Between FY18 and FY19 pro forma EBITDA grew by 12.4% (\$1.5 million) from \$12.4 million to \$13.9 million (pro forma 52-week basis). The growth in pro forma EBITDA was driven by:

- An increase in revenue (for reasons noted above); and
- An increase in Contribution Margin due to a reduction in raw material costs (resulting from a favourable product mix change); and
- An improvement in direct costs per bag delivered.

FY20 FINANCIAL PERFORMANCE RELATIVE TO FY19

Our revenue in FY20 was in line with FY19 (pro forma 52-week basis) at \$153.3 million. Key factors that drove this result are summarised below:

- An increase in delivery volumes (0.5%) on FY19 (pro forma 52-week basis), driven by growth in core My Food Bag and Bargain Box branded deliveries; and
- Launch of the MADE brand, which was introduced to the market via a soft launch in July 2019 as well as innovation within the My Food Bag brand with the launch of My Plant Based Bag in October 2019;

Offset by:

- Increased marketing discounts as we shifted focus from general brand advertising to increased marketing discounts in response to competitor behaviour within the New Zealand market.

Between FY19 and FY20, pro forma EBITDA grew by 17.4% (\$2.4 million) from \$13.9 million (pro forma 52-week basis) to \$16.3 million. The growth in pro forma EBITDA was driven by:

- A reduction in outsourced distribution costs, as we moved to using the more cost-efficient overnight delivery service for our regional deliveries (rather than our dedicated same day service on a Sunday);
- A reduction in total marketing spend; and
- A reduction in indirect people and general overhead costs.

Overview of prospective financial performance

INTRODUCTION

This section provides an overview of our pro forma prospective financial performance and should be read in conjunction with the 'Selected Financial Information' table under the heading *Selected Financial Information* in this section.

The table below lists the key drivers of our financial performance and briefly outlines the principal assumptions and forecasts for each of the key drivers in the Prospective Period. A full description of the assumptions and sensitivities for the Prospective Period is available in the Supplementary Financial Information on the Offer Register.

KEY DRIVER	PRINCIPAL ASSUMPTION AND FORECASTS
Revenue: <i>Revenue is driven by the volume and Average Order Value of bags delivered and is net of marketing discounts</i>	<ul style="list-style-type: none">• Increase in delivery volumes (22.0%) in FY21F and a slight decrease (-1.5%) in FY22F as demand steadies following the COVID-19 spike experienced in Q1 FY21F;• Increased number of deliveries per customer, per quarter, largely driven by the My Choice Bag offering and goal-based offerings such as My Plant Based Bag;• Increased new customer acquisition;• Pricing increase across selected brands and bags; and• Favourable change in product mix to larger sized bags and greater purchase of extras in FY21F.
Contribution Margin: <i>Defined as revenue less cost of goods sold less direct costs (assembly & distribution expenses)</i>	<ul style="list-style-type: none">• Increase in delivery volumes (as explained above);• Procurement cost savings from the renegotiation of major ingredient category contracts coming into effect in 2HFY21 and FY22F;• Packaging savings as a result of a cardboard tender process and a new packaging solution in 1HFY21;• Increased labour and overhead costs resulting from regulatory increases in the minimum wage and higher costs to pick and pack My Choice Bag;• Reduction in assembly and distribution overheads following the consolidation of our North Island assembly centres (1HFY21) and cost savings resulting from assuming control of our operations in the Christchurch assembly centre (1HFY21); and• Tightening of ordering processes and heightened operational controls via the new ERP System (implemented in 1HFY21), reducing ingredient write-offs.
Indirect expenses: <i>Includes advertising & promotional marketing spend, people, digital & general and offer costs</i>	<ul style="list-style-type: none">• Pro forma indirect expenses are forecast to increase by 20.3% in FY21F and remain at similar levels in FY22F.

FY21F FINANCIAL PERFORMANCE RELATIVE TO FY20

From FY20 to FY21F, revenue is forecast to increase by 23.6% (\$36.2 million) from \$153.3 million to \$189.5 million. This is being driven by an increase in deliveries of 22.0% and an increase in Average Order Value of 1.3% (from \$122.6 to \$124.2).

Subsequent to New Zealand's first COVID-19 lockdown (March 2020) we have experienced a sustained increase in demand for products across our portfolio.

We were already experiencing an increase in demand prior to this, driven by innovative new product offerings (My Choice Bag and My Plant Based Bag) and a gradual shift in consumer behaviour to online retail, with the lockdowns accelerating this trend.

From FY20 to FY21F, pro forma EBITDA is forecast to increase by 74.5% (\$12.2 million) from \$16.3 million to \$28.5 million. This is driven by the increase in revenue and gross profit margin (from 43.0% to 46.6%) as a result of procurement cost savings from the renegotiation of our major ingredient category contracts. Savings are partially offset by an increase in assembly and distribution costs as a result of the growth in deliveries.

FY22F FINANCIAL PERFORMANCE RELATIVE TO FY21F

From FY21F to FY22F, revenue is forecast to decrease by 1.6% (\$3.1 million) from \$189.5 million to \$186.4 million. However, this is an uplift of 21.6% compared to FY20.

This decrease in revenue is largely attributable to a 1.5% decrease in delivery volumes, driven by the exclusion of the one-off Q1 FY21F increase in deliveries that was attributable to New Zealand's COVID-19 lockdown.

Revenue in Q2 to Q4 FY22F is expected to increase versus Q2 to Q4 FY21F, driven by underlying growth across the portfolio, particularly in My Choice Bag and Fresh Start.

Average Order Value is forecast to remain steady year-on-year at \$124.0.

From FY21F to FY22F, pro forma EBITDA is forecast to increase by 20.2% (\$5.8 million) from \$28.5 million to \$34.2 million. This is primarily driven by the full year impact of the procurement cost saving from contracts that were signed in FY21F and the partial year benefit of those expected to be signed in FY22F, offset by increased assembly and distribution expenses and slight increases in marketing and people expenses.

Net Profit After Tax

Net profit after tax (NPAT) is before adjustments for accounting policy alignment, certain non-recurring or infrequent items and the impact of the Offer capital structure which have been adjusted for in calculating pro forma EBITDA and pro forma NPAT.

The key drivers of the movement in NPAT over the FY18 to FY22F period include:

- Between FY18 and FY19, and FY19 and FY20, NPAT increased by \$2.3 million and \$1.0 million respectively; driven by the increase in pro forma EBITDA (as noted above), partly offset by a corresponding increase in income tax expense;
- Despite pro forma EBITDA being forecast to increase between FY20 and FY21F, largely driven by Offer costs of \$14.6 million, NPAT is forecast to decrease by \$7.4 million in FY21F; and
- Between FY21F and FY22F NPAT is forecast to increase by \$19.3 million due to the forecast increase in pro forma EBITDA (as noted above), the non-recurrence of FY21 Offer costs of \$14.6 million, and a \$0.6 million decrease in finance costs due to the impact of the listed capital structure. This is partly offset by an increase in income tax expense.

Dividends

In the Prospective Period the Board intends to declare a dividend in respect of FY22F, provided the PFI is achieved, of \$16.0 million which represents a dividend pay-out ratio of approximately 80% of NPAT. It is expected that this will comprise an interim dividend of \$6.4 million (payable in December 2021) and a final dividend of \$9.6 million (payable in June 2022).

Dividends will be fully imputed to the extent possible and are expected to be fully imputed in FY22F.

For more information about our dividend policy, including after the Prospective Period, see *Section 6 (Key features of ordinary shares)*.

Capitalisation and Key Investment Metrics

CAPITALISATION TABLE

Number of Shares being offered	185.0 million
Number of Shares on issue following the Offer	242.4 million
Offer Price	\$1.85 per Share
Implied market capitalisation ¹	\$448.5 million
Net Debt (including lease liabilities) / (Cash) on completion of the Offer ²	\$26.1 million
Implied enterprise value ¹	\$474.6 million

Notes:

1. The implied market capitalisation and implied enterprise value are calculated on the assumption that 242.4 million Shares will be on issue immediately following completion of the Offer.
2. Net debt on completion of the Offer is calculated as term loans and borrowings less net cash and cash equivalents, including lease liabilities of \$10.0 million, immediately following the completion of the Offer, and assumes that all transaction costs are paid before or upon completion of the Offer.

EXPLANATION OF IMPLIED MARKET CAPITALISATION AND IMPLIED ENTERPRISE VALUE

Implied market capitalisation is the value of all of the issuer's equity securities, as implied by the price of the Shares being offered. It tells you what the Offerors are proposing that My Food Bag's equity is worth.

Implied enterprise value (EV) is a measure of the total value of the business of My Food Bag, as implied by the price of the Shares being offered. Implied enterprise value is the amount that a person would need to pay to acquire all of My Food Bag's equity securities and to settle all of My Food Bag's borrowings. It is a measure of what the Offerors are proposing the business of My Food Bag as a whole is worth.

KEY INVESTMENT METRICS FOR THE OFFER

The following key investment metrics are prepared based on NZ GAAP, as well as certain non-NZ GAAP pro forma financial information. More information on pro forma adjustments and reconciliations to information prepared in accordance with NZ GAAP is available in the Supplementary Financial Information on the Offer Register.

INVESTMENT METRIC	FY21F	FY22F
Implied enterprise value / Pro forma EBITDA	16.7x	13.9x
Price / Pro forma earnings per Share	28.7x	22.4x
Pro forma earnings per Share	\$0.06	\$0.08
Price / Earnings per Share	585.9x	22.4x
Earnings per Share	\$0.00	\$0.08
Dividends declared per Share ¹		\$0.07
Implied dividend yield - cash dividend declared		3.6%
Implied dividend yield - gross dividend declared		5.0%

Note:

1. The first dividend that will be paid following the Offer is expected to be the FY22F interim dividend in December 2021.

Section 8

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Risks to *My Food Bag's* business and plans



This section describes the circumstances that My Food Bag is aware of that exist or are likely to arise that significantly increase the risk to My Food Bag's financial position, financial performance or stated plans. We have outlined our assessment of the likelihood, nature and potential magnitude of the impact of the circumstances. These risks are based on the knowledge and assessment of the Board as at the date of this PDS and it is possible that the importance of each risk may change or other risks may emerge over time.

Food Safety Risk

What is it?	Our products could contain foreign objects, allergens not properly labelled, harmful bacteria or other organisms due to receipt of compromised product, incorrect handling of food, including through our distribution network, or failure to follow food safety procedures.
Why is it significant?	If our products contain foreign objects, allergens not properly labelled, harmful bacteria or other organisms, it could cause a customer to become unwell or, if detected, could result in product withdrawal. Further, if there is a disruption to cold chain delivery affecting temperature range, food that has spoiled could be delivered to customers, which could lead to customers becoming unwell.
Our assessment of the likelihood, nature and potential magnitude of any impact	<p>We consider the likelihood of there being a food safety incident to be low to moderate given the strict and thorough procedures we have in place for food handling and safety. We conduct inwards checks of all ingredients received from suppliers, thorough monitoring of cold chain settings and procedures, removal of damaged products, recipe card checks, weekly incident registers and review meetings and quality control standards and checks of products prepared by third party manufacturers (such as MADE ready-made meals). Many of our arrangements with suppliers entitle us to financial compensation in the event that we are supplied with compromised product.</p> <p>We also regularly review and audit our food handling settings to ensure procedures meet the recommended standards. We maintain a direct line of contact with customers, so that any issues are immediately identified and remedied by contacting affected customers only.</p> <p>To avoid mishandling giving rise to incorrect allergen labelling, we have implemented a fully integrated ERP System. This system means that checks can be undertaken, reducing the risk of incorrect labelling or ingredient handling which could present risks for those with allergies.</p> <p>We also have strict supplier standards that our suppliers are required to comply with, including under our Approved Supplier Programme. The procedures that we enforce greatly mitigate the risk of foreign objects being found in our products. We audit our suppliers to ensure they are complying with our high standards. If we find that a supplier is not meeting our standards, we will use another supplier until these issues are resolved.</p> <p>A food safety incident could significantly damage our reputation, by impacting customer trust (particularly if customer health is affected). This could subsequently lead to the loss of customers and could also result in regulatory consequences (including fines, penalties, loss of licences or temporary shutdowns of facilities). Depending on the nature and scale of the food safety incident, the potential magnitude of any food safety incident could be material. Over the last three years, we have not had a food safety incident that has resulted in any of these consequences.</p>

IT and Data Security Risk

What is it?	We rely on various information systems to run our website, mobile apps and business operations and to store customer data. These systems may suffer a material malfunction, disruption or security breach.
Why is it significant?	<p>If we were no longer able to access customer data, or operate our website or mobile apps, we may be unable to communicate with customers and therefore may be unable to fulfil our commitments to them.</p> <p>If we were no longer able to access operational data or the information systems used for our business operations were otherwise unavailable, we may be unable to meet our commitments to customers, suppliers or key stakeholders.</p>
Our assessment of the likelihood, nature and potential magnitude of any impact	<p>Loss or corruption of information systems is a real risk to any business, but we consider the likelihood of this occurring to be low given the systems and process that we have put in place to lessen the likelihood that our business would be subject to or affected by a cyber-attack.</p> <p>We are in compliance with high standards of data protection and frequently identify and report on any weaknesses or issues in our existing system.</p> <p>If a material malfunction, disruption or security breach occurred in respect of our information systems, we consider that the impact of this on our business would be low because we have implemented alternative communication channels for our customers, we have good relationships with our suppliers (that we would be able to work amicably with to ensure any issues are resolved quickly), we have backup systems in place to ensure data and business continuity is maintained and we do not hold any customer credit card details.</p> <p>However, we do consider that the impact of a material cyber-attack would be significant if private customer data were to become public. This could lead to us facing regulatory investigations and civil litigation, as well as having a significant reputational impact on our business. Over the last three years, we have not had an IT or data security incident that has resulted in any of these consequences.</p>

Product Assembly Risk

What is it?	Assembly of our meal kits could be disrupted by an event (such as a fire, a power outage or a serious health and safety incident at one of our assembly centres, a lack of availability of temporary labour or disruption to delivery of ingredients to our assembly centres).
Why is it significant?	If assembly disruptions cause our products to be late or unable to be delivered to customers, we may need to refund or credit customers or customers could cancel their subscription.
Our assessment of the likelihood, nature and potential magnitude of any impact	<p>We consider the likelihood of an assembly centre incident leading to material delays in production, to be low. This is because our assembly centres are decentralised (one in Christchurch to service the South Island and two in Auckland to service the North Island) and we have robust systems and procedures in place intended to prevent any such issue arising. These systems and procedures are also intended to ensure that if such an issue does arise it is quickly resolved with minimal impact on our operations or on our customers.</p> <p>We have a combination of heat and smoke detection systems in our assembly centres to identify fires before they spread, we have a secondary site available in Auckland giving us the ability to move and restart a proportion of our operations with relatively low effort (due to the lack of fixed capital equipment required for assembly to continue). At the assembly centres that utilise ammonia as a refrigerant, we also have a wind sock and ammonia alarm in place to facilitate staff processes for managing a potential ammonia leak.</p> <p>We realise that our assembly centres involve people working around heavy machinery, such as forklifts. That is why we have a clear health and safety policy and strict procedures in place, including use of protective equipment, traffic management systems, first aid equipment and defibrillators and strict rules on personal safety. This has resulted in very few incidents being reported across our sites in the past few years. We have relationships with a range of temporary labour suppliers to mitigate against the risk of temporary labour shortages and cost pressures.</p> <p>An assembly centre incident could have a significant impact on customer trust and if non-operation was frequent or for an extended period, it could lead to a loss of subscribers. Further, if a serious health and safety incident did arise, in addition to potentially disrupting an assembly centre, it could have a reputational impact on our business and result in regulatory consequences (including fines, penalties or temporary shutdowns of facilities). Over the last three years, we have not had an assembly centre incident that has resulted in any of these consequences.</p>

Distribution Risk

What is it?	Potential interruptions to our distribution network could occur, including due to a motor vehicle accident, road closures, weather events or a mechanical breakdown while on route to delivering our products to our customers, or product could be stolen or damaged.
Why is it significant?	If our products are late or unable to be delivered to customers due to a distribution issue, we may need to refund or credit customers or customers could cancel their subscription.
Our assessment of the likelihood, nature and potential magnitude of any impact	<p>We rely on a third party distributor – New Zealand Post – to manage delivery of our products to customers' homes. Given the scale of the New Zealand Post network used to deliver our products, we consider that minor disruptions from time to time are likely, but the likelihood of frequent widespread delays occurring to be low.</p> <p>We ensure that appropriate driver training and insurance is in place, prepare buffer bags to cover damaged or lost orders, have alternative transport providers available at short notice for all main centres and have alternative sales channels in place.</p> <p>We recognise the significant impact a lack of reliability could have on our brand, and therefore have procedures in place to mitigate the impact of any delivery incident to the fullest extent possible. Over the last three years, we have not had a widespread distribution incident.</p>

COVID-19 Business Disruption Risk

What is it?	If an individual at one of our assembly centres tests positive for COVID-19, assembly of our products may be disrupted. If an individual from one of our suppliers tested positive for COVID-19, we could be required to withdraw product.
Why is it significant?	Disruption to assembly of our products from one of our assembly centres may mean that we are temporarily unable to fill some customer orders. Our brand reputation could suffer as a result of a positive COVID-19 test at one of our assembly centres, or a product withdrawal due to a positive COVID-19 test at one of our suppliers, which could lead to customers suspending or cancelling their subscriptions.
Our assessment of the likelihood, nature and potential magnitude of any impact	<p>We consider the likelihood of another and more severe community outbreak of COVID-19 to be moderate, but we are comfortable that the impact of this on our operations would be low. In particular, given our assembly centres are decentralised, we consider the likelihood of any widespread disruption to our ability to assemble our products to be low.</p> <p>Our business of delivering food products to New Zealand homes has been classified by the New Zealand Government as an essential service, which means that we can continue to operate at all COVID-19 alert levels. We were able to test the capacity of our operations during the New Zealand Government's Alert Level 4 lockdown, where we quickly put in place measures to ensure the health and safety of all staff and the continued efficiency of operations.</p> <p>Under Alert Levels 2, 3 and 4, any person entering a My Food Bag assembly site is required to sign a COVID-19 declaration form, all assembly site workers are provided with protective equipment, temperature checks are carried out on all staff, pick lines are designed to ensure social distancing is maintained at all times, once a week assembly sites are disinfected with specialist fog cleaners and all non-essential office based staff work from home. We have a detailed plan in place (including a communications plan) to address a scenario where an individual tests positive for COVID-19 at one of our assembly centres or at one of our suppliers which we believe will minimise the magnitude of the impact of any such positive test.</p> <p>Our experience operating under Alert Level 4 means that we are confident that we can work quickly to re-implement all Government mandated protocols at short notice. Further, as 98% of our meat and produce for our products is sourced locally, our supply chain remains secure under all Alert Levels.</p>

Competition Risk

What is it?	We operate in the fast growing online food delivery market, a competitive industry, and may need to adapt our strategy in response to the behaviour of new and existing competitors if they were to cause a material change in the competitive environment.
Why is it significant?	There are no restrictions on our customers switching to other meal kit or ready-made meal providers. In order to win market share, competitors may discount their products more aggressively or introduce new and more compelling products or offers. In addition, new competitors may enter the market, providing customers with alternatives. In order to respond, we may need to discount our products or invest in new product development and marketing.
Our assessment of the likelihood, nature and potential magnitude of any impact	We already operate in a competitive industry and as New Zealand's longest standing meal kit provider, have high brand advocacy and experience in adapting our strategy in response to the actions of competitors. New Zealand's meal kit industry primarily comprises three key competitors, My Food Bag, German-based global meal kit delivery company HelloFresh, and New Zealand meal kit delivery company Woop, although a number of other companies produce meal kit based bags, ready-made meals, or meat and fresh produce bags. We expect competition in the industry to continue, from existing and potentially new competitors, although new entrants to the meal kit market would have challenges in establishing scale across procurement, distribution, product development and assembly.

Our assessment of the likelihood, nature and potential magnitude of any impact (continued)	We offer a diverse product range and continue to develop new products in response to customer preferences and continue to improve customer experience. The magnitude of the impact of competitive behaviour depends on the nature of that behaviour, but could result in customer's suspending or cancelling their subscription in favour of a competitor's products, a need for increased spend on marketing and other customer incentives or discounting of our products in order to remain attractive to our customers, resulting in a reduced margin.
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Ingredients Risk

What is it?	There is a risk that temporary or sustained market or weather conditions could result in unavailability or a greater cost in sourcing ingredients for our products.
Why is it significant?	If our meal kits do not satisfy customer needs or are too expensive, then customers may choose to subscribe to one of our competitors or they may leave the meal kit market all together.
Our assessment of the likelihood, nature and potential magnitude of any impact	<p>The likelihood of this risk occurring is low, because while we do rely on third party suppliers, we are able to substitute ingredients, change upcoming menus or seek to pass on sustained price increases to customers.</p> <p>We consider the magnitude of any temporary impacts is low due to our ability to substitute ingredients at short notice. The magnitude of any long term impact in these circumstances will depend on whether a whole market (such as dairy, vegetable or meat) is affected or only a single product is affected, and the length of time of such impact.</p> <p>The terms of certain supply agreements between us and key suppliers means that we have limited ability to respond to changes in supplier price in the short term. However, our current practice is to substitute products where certain goods can no longer be sourced, and we could do the same if the price was too high to pass on to customers. We recognise that this could lead to customer dissatisfaction if the substitution is perceived as inferior, which is why we ensure that appropriate communications are sent to customers directly if required and we work closely with our Development Kitchen chefs to ensure that quality and enjoyment is not compromised.</p> <p>If we are unable to negotiate lower cost products or customers are dissatisfied with substitutes, this could result in lower margins or a decrease in customer demand. This is why we will continue to innovate our product range and negotiate more favourable terms with our suppliers.</p>

Brand and Marketing Risk

What is it?	There is a risk that one of our brand ambassadors or promoters (being a person associated with our brands) could be brought under public scrutiny for their actions (whether in relation to My Food Bag or otherwise).
Why is it significant?	A negative association with a brand ambassador could bring into question the integrity of our brand and cause a loss of goodwill and customer trust.
Our assessment of the likelihood, nature and potential magnitude of any impact	<p>We consider the likelihood of this risk occurring to be low given our long association with many of our brand ambassadors. Some of our brand ambassadors own shares in My Food Bag, and therefore their interests and objectives are aligned with ours. We also monitor the content posted by our brand ambassadors in relation to My Food Bag and would follow up rapidly should we identify any inappropriate or potentially offensive content.</p> <p>We consider the impact of this would be moderate, as it is likely that it would affect customer's trust of the brand or willingness to associate with the brand (depending on the severity of the circumstances) leading to customers unsubscribing for our products at least in the short term and therefore a decrease in customer retention and revenue. Over the last three years, we have not had a brand and marketing incident that has resulted in any of these consequences on a widespread basis.</p>

Section 9



Tax

Tax can have significant consequences for investments. If you have queries relating to the tax consequences of investing in ordinary shares, you should obtain professional advice on those consequences.



Section 10

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Where you can find more information



Further information relating to the Company and the Shares is available on the Offer Register which can be found at <https://disclose-register.companiesoffice.govt.nz> (for example, the Company's Constitution and financial statements). A copy of the information on the Offer Register is available on request to the Registrar of Financial Service Providers.

Further information relating to the Company is available on the Companies Office register of the Ministry of Business, Innovation and Employment. This information can be accessed on the Companies Office website at <https://companies-register.companiesoffice.govt.nz>.

Once the Company is listed, it will be required to make half-yearly and annual announcements to NZX and ASX and such other announcements required by the listing rules from time to time. You will be able to obtain this information free of charge by searching under ticker code 'MFB' on NZX's website (www.nzx.com) and ASX's website (www.asx.com.au).



Section 11

How to apply

You should read this PDS and other available information carefully before applying for Shares. You can apply for Shares as follows:

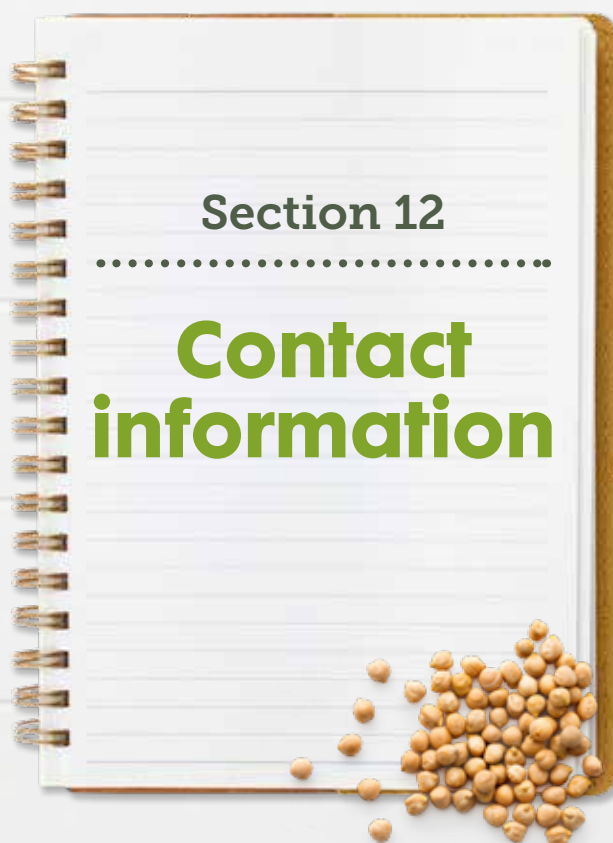
- **Foodies and Priority Offers:** You can apply for Shares under the Foodies or Priority Offer by completing the relevant Application Form online at www.myfoodbagshareoffer.co.nz or at the link provided to you in the case of the Priority Offer and following the on screen instructions (you will be required to download a copy of this PDS as part of the online Application process).
- **Broker Firm Offer:** You can apply for Shares under the Broker Firm Offer in accordance with the instructions provided by your Broker, including as to how you should make payment for your Shares.
- **Institutional Offer:** Full details of how to participate, including bidding instructions, will be provided by the Joint Lead Managers to invited participants.

Privacy policy

If you apply for Shares, you will be asked to provide personal information to the Offerors, the Share Registrar and their respective agents who will collect and hold the personal information provided by you in connection with your Application.

Details of how your personal information will be used (including to whom it may be disclosed) and your rights to access and seek correction to such information can be found on the Offer Register in the document entitled "Other Material Information".

You can also access your information on the Share Registrar's website www.linkmarketservices.co.nz (you will be required to enter your CSN (Common Shareholder Number) and Authorisation Code (FIN)).



Section 12

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Contact information

Offerors

My Food Bag Group Limited and MFB Offeror Limited

56 Parnell Road, Parnell, Auckland
0800 469 366

Share Registrar

Link Market Services Limited

Level 11, Deloitte Centre,
80 Queen Street, Auckland 1010
09 375 5998

Legal Advisor to My Food Bag

Chapman Tripp

Level 34, PwC Tower,
15 Customs Street West, Auckland
09 357 9000

Arranger and Joint Lead Manager

Jarden Securities Limited

Level 32, PwC Tower,
15 Customs Street West, Auckland
09 302 5500

Joint Lead Manager

Craigs Investment Partners Limited

Level 36, Vero Centre,
48 Shortland Street, Auckland
09 919 7400

NZ Lead Manager

Forsyth Barr Limited

Level 23, Lumley Centre,
88 Shortland Street, Auckland
09 368 0000

Investigating Accountant

KPMG

18 Viaduct Harbour Avenue, Auckland
09 367 5800

Financial Adviser

PwC

Level 27, PwC Tower,
15 Customs Street West, Auckland
09 355 8000

Section 13

Glossary



Active Customers	Acquired Customers, Retained Customers and Reactivated Customers
Acquired Customer	a customer who has ordered from My Food Bag for the first time in the current thirteen week period who had not previously ordered from My Food Bag, an industry standard definition
Allotment Date	4 March 2021, unless brought forward or extended by My Food Bag
Applicant	an investor who makes an Application
Application	an application to subscribe for Shares under the Offer
Application Form	an application form accompanying this PDS
Application Monies	the amount payable on Application
ASX	ASX Limited, or the financial market operated by ASX Limited, as the context requires
ASX Listing Rules	the listing rules of ASX, in force from time to time
Average Order Value	the average dollar value of an order by a single customer
Board	the board of directors of My Food Bag
Bookbuild	the process arranged by the Joint Lead Managers through which Institutional Investors, and selected Brokers, will submit bids for the number of Shares they wish to purchase at the Offer Price
Broker	an entity designated as an NZX Firm under the Participant Rules of NZX
Broker Firm Offer	the portion of the Offer that is open to New Zealand clients of Brokers, who have received an allocation from a Broker

Business Day	a day on which the NZX Main Board is open for trading
Companies Act	Companies Act 1993
Compound Annual Growth Rate	the average year-on-year growth rate of a specified matter over a specified period of time
Constitution	the constitution of My Food Bag
Contribution Margin	<p>is a non-GAAP measure and means gross profit less assembly and distribution expenses, where:</p> <ul style="list-style-type: none"> • gross profit means revenue less cost of goods sold (including costs, freight costs to bring the ingredients to our assembly centres and direct packaging costs); and • assembly and distribution means the costs incurred to run our assembly centres and the distribution costs to deliver the product to our customers. <p>A reconciliation of Contribution Margin to the GAAP measure of gross margin can be found in the Supplementary Financial Information</p>
CSN	Common Shareholder Number
Delivery	a shipment of one or multiple bags and/or add-ons to a single address
EBITDA	earnings before interest, tax, depreciation and amortisation
Eligible Foodie	a My Food Bag customer, employee, director or other person, in each case selected by My Food Bag as being eligible to participate in the Foodies Offer and who has a New Zealand address
ERP System	the enterprise resource planning system utilised by My Food Bag
Existing Shareholder	a registered holder or beneficial owner of Shares on the date of this PDS, as the context requires
F	the inclusion of "F" after a reference to the financial period is an indication that it is a forecast period
FMCA	Financial Markets Conduct Act 2013
Foodies Offer	the offer of Shares under this PDS to Eligible Foodies.
FY	a financial year ended 31 March, if followed by F this indicates prospective or forecast information
GAAP	Generally Accepted Accounting Practice
Group	My Food Bag Group Limited and each of its subsidiaries
Historical Period	years ended 31 March 2018, 2019, 2020 and the six months ended 30 September 2020
Institutional Investor	investors who the Joint Lead Managers reasonably believe to be a person to whom an offer or invitation in respect of Shares may be made without the need for a PDS or other formality, other than a formality with which the Offerors are willing to comply
Institutional Offer	the invitation to selected Brokers and Institutional Investors in New Zealand, Australia, Hong Kong and Singapore to participate in the Bookbuild

Joint Lead Managers (JLMs)	Jarden Securities Limited together with Craigs Investment Partners Limited
My Food Bag or the Company	My Food Bag Group Limited or the business carried on by the Group, as the context requires
NZD or NZ\$ or \$	New Zealand Dollar
NZ GAAP	generally accepted accounting practices in New Zealand
NZX	NZX Limited
NZX Listing Rules	the listing rules of the NZX Main Board, in force from time to time
NZX Main Board	the main board financial product market operated by NZX
Offer	the offer of Shares pursuant to the Broker Firm Offer, the Priority Offer, the Foodies Offer and the Institutional Offer
Offer Register	the online offer register maintained by the Companies Office known as 'Disclose' which can be found at https://disclose-register.companiesoffice.govt.nz
Offerors	My Food Bag and SaleCo
Offer Price	\$1.85 per Share
PDS	this document
PFI	prospective financial information
Priority Offer	the offer of Shares under this PDS to Waterman Investors
Prospective Period	years ending 31 March 2021 and 31 March 2022
Reactivated Customer	a customer who has ordered from My Food Bag in the current thirteen week period who had not previously made a purchase in the last thirteen weeks and had ordered from My Food Bag in a prior thirteen week period, an industry standard definition
Retained Customer	a customer who has ordered from My Food Bag in the current thirteen week period and who had previously made a purchase in the last thirteen weeks, an industry standard definition
SaleCo	MFB Offeror Limited
Share Registrar	Link Market Services Limited
Shares	ordinary shares in My Food Bag Group Limited
Supplementary Financial Information	the document entitled "My Food Bag Group Limited Prospective Financial Information, reconciliation of non-NZ GAAP information and supplementary financial information" on the Offer Register
Waterman	Waterman Fund 3 LP
Waterman Investor	any person who was recorded as a holder of a partnership interest in Waterman as at 31 December 2020 and who has a New Zealand address
We, our, us	as the context requires, either My Food Bag or the Group



