21 May 2021

NZX/ASX Code: MFB

MY FOOD BAG GROUP LIMITED – FY21 RESULTS

My Food Bag Group Limited releases the following to the market in relation to its FY21 results:

1. Media release
2. NZX Results Announcement form
3. Financial Statements (audited)
4. Investor Presentation

These documents will also be made available at https://investors.myfoodbag.co.nz/Investor-Centre/

Investors and analysts are invited to attend a conference call results briefing at 10:30am (New Zealand time) (8:30am AEST) today (21 May 2021) where management will discuss My Food Bag's results for FY21. If you would like to join the briefing, please register at https://s1.c-conf.com/diamondpass/10013946-oi2ta7.html following which you will be provided with dial-in details. We ask that you please complete your registration and dial into the conference call five minutes before the scheduled start.

For the purpose of ASX Listing Rule 1.15.3, My Food Bag Group Limited confirms that it continues to comply with the NZX Listing Rules, being the rules of its overseas home exchange.

Authorised by:
Mark Winter
Chief Financial Officer

Ends

For investor or analyst queries, please contact:
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21 May 2021
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My Food Bag FY21 results ahead of PFI and FY22 forecast reaffirmed

- Revenue of $190.7 million, up 24% on FY20 and up $1.2 million on PFI forecast
- Pro forma EBITDA[1] of $29.0 million, up 78% on FY20 and $0.5 million on PFI forecast
- NPAT of $2.4 million, which includes one-off transaction costs relating to the IPO of $14.1 million
- 4.8 million meals delivered during FY21, up 22.6% on FY20
- Active customers[2] of 66,492 in the last quarter of FY21

My Food Bag Group Limited (NZX / ASX: MFB) has announced that its FY21 results were ahead of the forecast outlined in the company's prospective financial information (**PFI**) prepared in connection with its IPO. My Food Bag reported revenue of $190.7 million, up 24% on FY20 and up $1.2 million on the PFI.

The growth experienced in FY21 is attributed to the success of new products, particularly through the introduction of My Choice for My Food Bag. It is also attributed to margin improvements as a result of supply chain optimisation and the macro societal effects of the COVID-19 pandemic, which led to faster adoption of online shopping.

Chairman, Tony Carter, says My Food Bag's IPO was a significant milestone for the company and that the business' significant investment in innovation and technology, and commitment to operational efficiencies, in the lead up to the IPO has helped underpin this year's strong growth.

"I would like to welcome all the people who bought a slice of My Food Bag this year and recognise their support of this iconic Kiwi business. As a Board, we are conscious of how the share price has performed since the IPO. We want to reassure investors that My Food Bag remains a very high-quality business positioned for growth and committed to achieving what was laid out in the recent product disclosure statement.

"We're therefore very pleased to confirm that our financial performance for FY21 has been stronger than the PFI and to reaffirm the forecast provided in the PFI for FY22. At My Food Bag, we're all working hard to ensure that the business continues to grow, and we expect that growth to be reflected in the share price over time."

Kevin Bowler, CEO of My Food Bag, says during FY21 My Food Bag saw a connection between product innovation and higher order frequency, as well as higher levels of customer retention.

"Our high value customers are now buying more frequently, and we have increased our active customer base, which sat at 66,492 in the final quarter of FY21. Introducing My Choice, a product that gives customers the ability to choose what recipes they want in their bag each week, is a key driver of our growth since its launch in July 2020.

"As a result of the success of My Choice for the My Food Bag brand, in April 2021 we began offering recipe selection across Bargain Box," says Mr Bowler.

[1] Pro forma EBITDA is a non-GAAP measure that includes pro forma adjustments. These adjustments include adding incremental costs associated with running a listed company and removing the one-off transaction costs associated with the IPO. A reconciliation from GAAP NPAT to non-GAAP pro forma EBITDA can be found in the appendix of the accompanying FY21 results presentation. Pro forma EBITDA has not been separately audited but has been derived from My Food Bag's audited financial statements for the year ended 31 March 2021.

[2] My Food Bag uses the industry standard definition of "active customers" which includes acquired customers, retained customers and reactivated customers and is generally measured over a 13-week period.

Operational highlights

Throughout the year, My Food Bag welcomed new suppliers and strengthened its relationships with its cornerstone partners. Of particular note is the entry into a new five-year agreement with New Zealand Post. The arrangement with New Zealand Post underpins My Food Bag's commitment to superior customer service and, alongside many other benefits, gives My Food Bag exclusive access to a Sunday delivery network provided by New Zealand Post.

"We began a review of our supply chain during the year. This has resulted in added confidence in our supplier contracts, further assuring us of accessing the best quality ingredients, delivered in full, on time, and at competitive prices. This review has already realised considerable gross margin improvements for the business," says Mr Bowler.

My Food Bag also committed to a soft plastics recycling programme and launched it in partnership with the NZ Packaging Forum and Future Post in March 2021. This programme leads the category by offering a direct pick-up recycling solution to customers for their entire households' soft plastics and is one of the many initiatives My Food Bag is focusing on to reduce the business' environmental impact.

In mid-2020, the business also implemented an integrated Enterprise Resource Planning (ERP) system which provides the foundation for scalability. The system strengthens My Food Bag's control environment and provides improved margin visibility.

"To set us up for growth, in FY21 we also signed a contract to design and build a facility to be leased by My Food Bag in Christchurch. It is custom made for our growing needs in the South Island and we anticipate this will be operational in 2022," says Mr Bowler.

Dividend and forecast

Mr Carter says the company has ended FY21 in a strong financial position with a balance sheet well positioned for growth opportunities, alongside continued strong cash flow generation.

"It has been a busy start to the new year. Trading and operations during the first seven weeks of FY22 have been in-line with expectations. We've launched Bargain Box choice and an up-graded iOS app, as well as delivered strong margins through on-going improvements to our supply chain," says Mr Carter.

My Food Bag is pleased to reaffirm the FY22 forecast provided in its PFI, being revenue of $186.4 million, EBITDA of $34.2 million and NPAT of $20.1 million for FY22.

As outlined during the IPO process, My Food Bag expects to declare and pay dividends twice yearly following our interim and annual results. My Food Bag's first dividend as a listed company is expected to be the interim dividend paid in December 2021.

Authorised by:
Board of Directors of My Food Bag Group Limited

Ends

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This release should be read in conjunction with the audited financial statements accompanying this release and the NZX results announcement form. My Food Bag intends to finalise and release its annual report shortly.

Results Announcement

Results for announcement to the market	
Name of issuer	My Food Bag Group Limited (MFB)
Reporting Period	12 months to 31 March 2021
Previous Reporting Period	12 months to 31 March 2020
Currency	NZD

	Amount (000s)	Percentage change
Revenue from continuing operations	$190,710	24.40%
Total Revenue	$190,710	24.40%
Net profit/(loss) from continuing operations	$2,442	-70.15%
Total net profit/(loss)	$2,442	-70.15%

Interim/Final Dividend	
Amount per Quoted Equity Security	No dividend is proposed to be paid.
Imputed amount per Quoted Equity Security	N/A
Record Date	N/A
Dividend Payment Date	N/A

	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	-$0.1314	-$0.1343
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to accompanying audited financial statements. In January 2021, the company undertook a 2017:1 share split whereby shareholders received 2017 ordinary shares for every one ordinary share held. Net tangible assets per share for the comparable period has been restated accordingly.	

Authority for this announcement	
Name of person authorised to make this announcement	Mark Winter, Chief Financial Officer
Contact person for this announcement	Mark Winter, Chief Financial Officer
Contact phone number	+64 9 886 9840
Contact email address	ir@myfoodbag.co.nz
Date of release through MAP	21 May 2021

Audited financial statements accompany this announcement.

My Food Bag Group Limited

Consolidated Financial Statements

31 MARCH 2021

Financial Statements

FOR THE YEAR ENDED 31 MARCH 2021

Consolidated Statement of Financial Position

AS AT 31 MARCH 2021

NZ$000	Note	2021	2020
ASSETS			
Current			
Cash and cash equivalents	13	1,599	8,337
Trade and other receivables	5, 13	460	1,537
Raw materials work in progress		1,024	765
Packaging		192	343
Prepayments		951	290
Lease receivable		52	47
Total current assets		**4,278**	**11,319**
Non-current			
Property, plant and equipment	7	3,118	3,141
Intangible assets	8	86,063	85,296
Non-current lease receivable		308	358
Right-of-use assets	9	8,618	9,534
Total non-current assets		**98,107**	**98,329**
Total assets		**102,385**	**109,648**
LIABILITIES			
Current			
Trade and other payables	6	(12,118)	(11,388)
Deferred revenue		(2,682)	(5,078)
Lease liabilities	13	(2,542)	(1,093)
Derivative financial liabilities	12, 13	(179)	(497)
Other current liabilities		(1,980)	(888)
Current tax liability		(826)	(1,585)
Total current liabilities		**(20,327)**	**(20,529)**
Non-current			
Lease liabilities	13	(7,464)	(9,519)
Bank loan	12	(15,864)	(16,919)
Deferred tax liability	14	(4,282)	(4,208)
Provisions		(250)	(250)
Total non-current liabilities		**(27,860)**	**(30,896)**
Total liabilities		**(48,187)**	**(51,425)**
Net assets		**54,198**	**58,223**
EQUITY			
Share capital	10	59,336	1,000
Retained earnings		(5,138)	5,769
Other shareholder contributions	15	-	51,095
Share-based payment reserve	11	-	359
Total equity		**54,198**	**58,223**

The above statement of financial position should be read in conjunction with the accompanying notes.

Tony Carter
Chair
21 May 2021

Jen Bunbury
Director
21 May 2021

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2021

NZ$000	Note	Year ended 2021	Year ended 2020
Income	1	190,710	153,301
Cost of sales		(141,913)	(120,640)
Gross profit		**48,797**	**32,661**
Marketing expenses		(4,527)	(3,736)
Financing expenses		(1,690)	(1,408)
Indirect expenses	3	(19,223)	(16,098)
Other income	1	32	110
Share-based payment expense	11	(305)	(273)
Offer costs		(14,115)	-
Net profit before tax		**8,969**	**11,256**
Income tax expense	14	(6,527)	(3,076)
Net profit after tax		**2,442**	**8,180**
Total comprehensive income		**2,442**	**8,180**
Earnings per share			**Restated***
Basic profit for the year attributable to ordinary equity holders of the parent	4	**0.01**	**0.04**
Diluted profit for the year attributable to ordinary equity holders of the parent	4	**0.01**	**0.04**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

* Refer to note 4 for restatement.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2021

NZ$000	Note	Share capital	Other shareholder contributions	Retained earnings	Share-based payment reserve	Total equity
Balance at 1 April 2020		**1,000**	**51,095**	**5,769**	**359**	**58,223**
Profit for the period		-	-	2,442	-	2,442
Total comprehensive income for the year		**-**	**-**	**2,442**	**-**	**2,442**
Cash dividends (pre IPO)		-	-	(13,349)	-	(13,349)
Share-based payment expense		-	-	-	305	305
Vesting of employee share options	10	5,541	-	-	(664)	4,877
Offer costs capitalised to equity	10	(2,046)	-	-	-	(2,046)
Proceeds from primary issuance	10	54,841	-	-	-	54,841
Repayment of shareholder loans		-	(51,095)	-	-	(51,095)
Balance at 31 March 2021		**59,336**	**-**	**(5,138)**	**-**	**54,198**
Balance at 1 April 2019		**1,000**	**51,095**	**6,147**	**86**	**58,328**
Effect of adoption of new accounting standards		-	-	(157)	-	(157)
Profit for the period		-	-	8,180	-	8,180
Total comprehensive income for the year		**-**	**-**	**8,023**	**-**	**8,023**
Cash dividends		-	-	(8,401)	-	(8,401)
Share-based payment expense		-	-	-	273	273
Balance at 31 March 2020		**1,000**	**51,095**	**5,769**	**359**	**58,223**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2021

NZ$000	Year ended 2021	Year ended 2020
OPERATING ACTIVITIES		
Cash was provided from:		
Receipts from customers	188,291	157,526
Interest received	13	41
Proceeds from insurance	-	22
Cash was applied to:		
Payments to suppliers and employees	(158,684)	(134,699)
Interest paid	(1,698)	(1,283)
Tax paid	(3,858)	(2,406)
Net cash flows from operating activities	**24,064**	**19,201**
INVESTING ACTIVITIES		
Cash was provided from:		
Proceeds from sale of property, plant and equipment	7	13
Cash was applied to:		
Purchase of property, plant and equipment	(674)	(482)
Payments for development of digital assets	(2,315)	(3,172)
Net cash flows from investing activities	**(2,982)**	**(3,641)**
FINANCING ACTIVITIES		
Cash was provided from:		
Proceeds from issue of shares	54,841	-
Proceeds from repayment of shareholder options	1,535	-
Proceeds from borrowings	67,095	-
Cash was applied to:		
Principal payments on leases	(2,226)	(1,775)
Dividends paid	(13,349)	(8,401)
Repayment of borrowings	(68,095)	-
Equity repurchase	(51,095)	-
Offer costs	(16,161)	-
Borrowing establishment costs	(365)	-
Net cash flows from financing activities	**(27,820)**	**(10,176)**
Net increase/(decrease) in cash flows	(6,738)	5,384
Cash and cash equivalents at the beginning of the period	8,337	2,953
Cash and cash equivalents at the end of the period	**1,599**	**8,337**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2021

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2021

General Information

Reporting Entity

The consolidated financial statements (the financial statements) presented are those of My Food Bag Group Limited and its subsidiary My Food Bag Limited ("the Group"). My Food Bag Group Limited is a profit-oriented Group incorporated and domiciled in New Zealand under the New Zealand Companies Act 1993. My Food Bag Limited's shares are publicly traded on the New Zealand Stock Exchange (NZX) and Australian Securities Exchange (ASX).

The Group is an FMC reporting entity under the Financial Markets Conduct Act 2013.

The financial statements of the Group are for the year ended 31 March 2021. The financial statements were authorised for issue by the Directors on 21 May 2021.

On 14 January 2021 MFB Group Limited was renamed My Food Bag Group Limited.

Basis of Preparation

STATEMENT OF COMPLIANCE

The financial statements comply with International Financial Reporting Standards (IFRS) and also with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The 2020 income statement comparatives have been reclassified to conform to the current year's presentation.

The changes are presentational only and do not change previously reported profit or equity.

BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis except where identified in the accounting policies below. The Group's consolidated financial statements are presented in New Zealand dollars, which is the Group's functional currency. The financial statements have been rounded to the nearest thousand dollars ($000), unless otherwise stated.

The financial statements have been prepared using the going concern assumption. In relation to the going concern assumption, the Group has prepared forecasts which indicate that cash on hand, combined with cash flow as a result of operations, will enable the Group to continue operating and satisfy its going concern and solvency requirements.

Accordingly, the Directors believe the going concern assumption is valid and have reached this conclusion having regard to the circumstances which they consider likely to affect the Group during the period of one year from the date these financials are approved.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2021.

KEY SOURCES OF ESTIMATION UNCERTAINTY AND KEY JUDGMENTS

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and judgments that are critical to the determination of the amounts reported in the financial statements have been disclosed with the relevant financial statement notes.

Summary of Significant Accounting Policies

The primary accounting policies applied in the preparation of these financial statements are set out below or, where an accounting policy is directly related to an individual note, within the accompanying notes to the financial statements. These policies have been consistently applied to the years presented, unless otherwise stated.

BASIS OF CONSOLIDATION

The financial statements comprise of the financial statements of the Group and its subsidiary as at 31 March 2021. The subsidiary is an entity controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The subsidiary is included in the consolidated financial statements using the acquisition method of accounting, from the date control commences to the date the control ceases.

OTHER TAXES

Revenue, expenses, assets and liabilities are recognised net of the amount of GST, except receivables and payables, which are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a basis net of the GST component of the cash flows arising from investing and financing activities, which is recoverable from, or payable to, the IRD which is classified as part of the operating cash flows.

CASH AND SHORT-TERM DEPOSITS

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

CHANGE IN ACCOUNTING POLICIES

There are no new standards and interpretations that have impacted the financial statements for the year ended 31 March 2021.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

There are no new standards and interpretations that have been issued, but not yet effective, that will impact the Group up to the date of issuance of the Group's financial statements.

PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Financial Performance

1. Income

NZ$000	Year ended 2021	Year ended 2020
Contracts with customers	190,710	153,301
Total income	**190,710**	**153,301**
Interest income	13	41
Other income	35	56
Gain/(loss) on disposal of plant, property and equipment	(16)	13
Total other income	**32**	**110**

Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has concluded that it is the principal in its revenue arrangements.

Revenue from sale of goods (net of discounts) is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery. Cash is normally received in advance of delivery. Where cash is received during the period in advance of delivery, which is after year end, the balance is recognised as deferred revenue.

The Group considers there are no other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers there is no variable or non-cash consideration and no significant financing component exists.

2. Operating Segments

The Group determines its operating segments based on internal information that is regularly reported to the Chief Executive, who is the Group's Chief Operating Decision Maker.

The Group operates in one reportable segment being online meal kit and pre-prepared ready to heat meal delivery. This consists of creating and delivering meal kits and pre-prepared ready to heat meals to New Zealand consumers. Within this reportable segment there are no separate operating segments.

The Group operates in one geographic area, that being New Zealand. The Group has no single external customers with revenues that amount to more than 10% of the Group's total revenue.

3. Expenses

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

NZ$000	Notes	Year ended 2021	Year ended 2020
Staff expenses			
Salaries and wages		(13,365)	(10,901)
Defined contribution		(366)	(234)
Interest expense		(1,698)	(1,282)
IT expenses		(1,929)	(1,632)
Fair value of derivatives		318	(74)
Amortisation expense on intangible assets	8	(1,540)	(2,073)
Depreciation expense on property, plant and equipment	7	(674)	(844)
Depreciation expenses on right of use assets	9	(2,554)	(1,395)
Fees paid to Ernst & Young:			
Audit and review of financial statements		(98)	(74)

4. Earnings per Share (EPS)

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

NZ$000	Year ended 2021	Restated year ended 2020
Basic earnings per share		
Net profit attributable to shareholders ($)	2,442	8,180
Weighted average number of ordinary shares on issue (000)	242,438	201,700
Basic earnings per share ($)	0.01	0.04
Diluted earnings per share		
Net profit attributable to shareholders ($)	2,442	8,180
Weighted average number of ordinary shares on issue for diluted earnings per share (000)	242,438	212,794
Diluted earnings per share ($)	0.01	0.04
Reconciliation of weighted average number of shares (000)		
Ordinary shares	242,438	201,700
Adjustment for shares outstanding under the employee share scheme*	-	11,094
Weighted average number of shares used as the denominator in calculating diluted earnings per share	242,438	212,794

* There is no impact on diluted EPS of the senior executive incentive scheme (note 11) at balance date.

Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Working Capital

5. Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 1 – 30 days and therefore are all classified as current. Debtors are recognised at their realisable value. Collectability of trade receivables is reviewed on an ongoing basis. Refer to note 13 for expected credit loss policy.

NZ$000	2021	2020
Trade receivables	189	135
Estimated credit loss for trade receivables	(112)	(41)
Sundry debtors	240	1,443
GST receivable	143	-
Trade and other receivables	**460**	**1,537**

6. Trade and Other Payables

Trade and other payables are stated at cost or estimated liability where accrued.

NZ$000	2021	2020
Current liabilities		
Trade payables	(11,302)	(9,979)
Credit cards	(58)	(44)
GST payable	-	(657)
Accrued expenses	(758)	(708)
Trade and other payables	**(12,118)**	**(11,388)**

Long-Term Assets

7. Property, Plant and Equipment

NZ$000	Motor vehicles	Plant and machinery	Furniture, fittings and equipment	Computers	Total
Year ended 31 March 2021					
Balance as at 1 April 2020	418	2,565	1,824	476	5,283
Additions	22	432	84	136	674
Transfers	-	-	-	-	-
Disposals	(28)	(218)	(56)	(86)	(388)
Balance as at 31 March 2021	**412**	**2,779**	**1,852**	**526**	**5,569**
Accumulated depreciation					
Balance as at 1 April 2020	(252)	(746)	(770)	(374)	(2,142)
Depreciation charge	(63)	(301)	(195)	(115)	(674)
Depreciation eliminated on disposal of assets	22	209	52	82	365
Balance as at 31 March 2021	**(293)**	**(838)**	**(913)**	**(407)**	**(2,451)**
Net book value as at 31 March 2021	**119**	**1,941**	**939**	**119**	**3,118**
Year ended 31 March 2020					
Balance as at 1 April 2019	371	2,317	1,754	369	4,811
Additions	47	246	78	111	482
Transfers	-	2	(2)	-	-
Disposals	-	-	(6)	(4)	(10)
Balance as at 31 March 2020	**418**	**2,565**	**1,824**	**476**	**5,283**
Accumulated depreciation					
Balance as at 1 April 2019	(183)	(387)	(501)	(237)	(1,308)
Depreciation charge	(69)	(359)	(275)	(141)	(844)
Depreciation eliminated on disposal of assets	-	-	6	4	10
Balance as at 31 March 2020	**(252)**	**(746)**	**(770)**	**(374)**	**(2,142)**
Net book value as at 31 March 2020	**166**	**1819**	**1,054**	**102**	**3,141**

Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the term of the lease. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For the purposes of considering whether there has been any impairment, assets are grouped at the lowest level for which there are identifiable cash inflows that are largely independent of the cash flows of other groups of assets. When the book value of a group of assets exceeds the recoverable amount an impairment loss arises and is recognised in earnings immediately.

The following depreciation rates have been used:

• Motor vehicles	21% – 25%	Straight line
• Plant and machinery	8% – 67%	Straight line
• Furniture, fittings and equipment	13% – 67%	Straight line
• Computers	50% – 67%	Straight line

8. Intangible Assets

NZ$000	Software	Software work in progress	Goodwill	Customer relationships	Brand	Total
Year ended 31 March 2021						
Cost or valuation						
Balance as at 1 April 2020	3,257	1,722	63,631	5,261	18,357	92,228
Additions for the year	5	2,310	-	-	-	2,315
Transfers	3,122	(3,122)	-	-	-	-
Disposals	(1,378)	-	-	-	-	(1,378)
Balance as at 31 March 2021	**5,006**	**910**	**63,631**	**5,261**	**18,357**	**93,165**
Accumulated amortisation and impairment						
Balance as at 1 April 2020	(1,671)	-	-	(5,261)	-	(6,932)
Amortisation charge	(1,540)	-	-	-	-	(1,540)
Amortisation eliminated on disposal of asset	1,370	-	-	-	-	1,370
Balance as at 31 March 2021	**(1,841)**	**-**	**-**	**(5,261)**	**-**	**(7,102)**
Book value as at 31 March 2021	**3,165**	**910**	**63,631**	**-**	**18,357**	**86,063**
Year ended 31 March 2020						
Cost or valuation						
Balance as at 1 April 2019	1,394	478	63,539	5,261	18,357	89,029
Additions for the year	53	3,119	92	-	-	3,264
Transfers	1,875	(1,875)	-	-	-	-
Disposals	(65)	-	-	-	-	(65)
Balance as at 31 March 2020	**3,257**	**1,722**	**63,631**	**5,261**	**18,357**	**92,228**
Accumulated amortisation and impairment						
Balance as at 1 April 2019	(742)	-	-	(4,160)	-	(4,902)
Amortisation charge	(972)	-	-	(1,101)	-	(2,073)
Amortisation eliminated on disposal of asset	43	-	-	-	-	43
Balance as at 31 March 2020	**(1,671)**	**-**	**-**	**(5,261)**	**-**	**(6,932)**
Book value as at 31 March 2020	**1,586**	**1,722**	**63,631**	**-**	**18,357**	**85,296**

Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2021

ANNUAL IMPAIRMENT ASSESSMENT OF INDEFINITE USUAL LIFE ASSETS

Goodwill and brand are considered indefinite life intangible assets and are tested for impairment each reporting period.

There is only one cash-generating unit (CGU). For impairment purposes, the CGU has been valued on a value-in-use basis using a discounted cash flow model.

The Group has assessed brand assets as having an indefinite useful life. In coming to this conclusion, management considered expected expansion of the usage of the brands across other products and markets, the typical customer life cycle of these assets, the stability of the industry in which the brands are operating, the level of maintenance expenditure required and the period of legal control over the brands.

During the current period, management has determined that there is no impairment of any of the goodwill and brands.

The Group has determined that the assessment of any potential impairment of goodwill and intangible assets with indefinite useful life is most sensitive to changes in the following assumptions:

- Projected cash flows, in particular the underlying growth rates supporting this which have been based on historical data, Prospective Financial Information (PFI) information and current market information. Cash flows beyond five years have been extrapolated using estimated terminal growth rates, which do not exceed the long-term average growth rate. The terminal growth rate used was 2.0%.
- Post-tax discount rates to reflect the Group's estimate of the time value of money and risks associated with the CGU. In determining the appropriate discount rate, consideration has been given to the estimated weighted average cost of capital (WACC) of 6.8%.

SENSITIVITY TO REASONABLY POSSIBLE CHANGES IN ASSUMPTION

The impairment assessment confirmed the recoverable amount exceeded the carrying value at 31 March 2021. Based on current economic conditions and performance of the CGU, no reasonably possible change in a key assumption used in the determination of the recoverable value of the CGU would result in a material impairment to the Group.

Computer Software

Costs that are directly associated with the development of identifiable and unique software products controlled by the Group that will generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Costs are capitalised in accordance with NZ IAS 38. Costs associated with maintaining computer software programs are recognised as an expense when incurred.

Computer software licences and development costs recognised as assets are amortised on a straight-line basis at the rates below:

- Software 14%–50% Straight-line

Brands

Brands for which relevant factors indicate that there is no limit to the foreseeable net cash flows are considered to have an indefinite useful life and are held at cost and are not amortised but are subject to an annual impairment test. Brands are considered to have an indefinite useful life as there are no factors which indicate that there is a limit on their capacity to generate foreseeable cash flows.

Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Goodwill is not amortised, but tested for impairment at least annually.

Finite-life Intangible Assets

Finite-life intangible assets represent customer relationships acquired in a business combination and are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis, to appropriately reflect the reduction in value of the intangible over its deemed useful life of 2 years.

Intangible Assets Acquired in a Business Combination

All potential intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably.

9. Leases

The Group has lease contracts for property and various items of plant, machinery, vehicles and other equipment used in its operations. Leases of property have lease terms between 2 and 9 years, while plant, machinery, vehicles and other equipment generally have lease terms between 3 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. Some leases contain extension options by the Group up to 1 year before the end of the non-cancellable contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension option. The Group reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

NZ$000	Property	Motor vehicles	Plant and machinery	Total
As at 1 April 2020				
Balance as at 1 April 2020	9,190	14	330	9,534
Additions/Increases	4,587	-	-	4,587
Modifications	(2,949)	-	-	(2,949)
Depreciation expense	(2,410)	(14)	(130)	(2,554)
Balance as at 31 March 2021	**8,418**	**-**	**200**	**8,618**
As at 1 April 2019				
Balance as at 1 April 2019	10,193	58	451	10,702
Additions/Increases	187	-	40	227
Depreciation expense	(1,190)	(44)	(161)	(1,395)
Balance as at 31 March 2020	**9,190**	**14**	**330**	**9,534**

The following are the amounts recognised in profit or loss:

NZ$000	2021	2020
Depreciation expense of right-of-use assets	2,554	1,395
Interest expense on lease liabilities	496	464
Total amount recognised in profit or loss	**3,050**	**1,859**

The Group had total cash outflows for leases of $2,647 thousand in 2021. The Group also had non-cash additions to right-of-use assets and lease liabilities of $4,587 thousand in 2021. However, on 3 November 2020, the Group was notified by a current landlord that a buyer has been identified for the My Food Bag leased property and My Food Bag will be required to vacate the site in 2022. This has resulted in a modification. During the period the Group determined it was no longer reasonably certain it would extend one of its property leases by utilising the extension option. This resulted in a modification.

Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Determining the Lease Term of Contracts with Renewal and Termination Options – Group as Lessee

Determining the lease term of contracts with renewal and termination options – Group as lessee: The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (for example, construction of significant leasehold improvements or significant customisation to the leased asset).

Leases – Estimating the Incremental Borrowing Rate

Leases – Estimating the incremental borrowing rate: The Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

Funding and Equity

10. Issued Capital and Reserves

	2021		2020	
	NZ$000	Number (000s)	NZ$000	Number (000s)
Issued capital and reserves compromises:				
Fully-paid ordinary shares	59,336	242,438	1,000	100

Each fully-paid ordinary share confers on the holder one vote at a meeting of the Group, a share in distributions approved by the Directors, and a share in the distribution of the surplus assets of the Group on dissolution.

The ordinary shares have no par value.

	2021	
	NZ$000	Number (000s)
As at 1 April 2020	**1,000**	**100**
Share split	-	201,600
Primary issuance	54,841	29,644
Issue of share capital on vesting of share options	2,198	11,094
Offer costs	(2,046)	-
Tax benefit of share options vested	3,343	-
As at 31 March 2021	**59,336**	**242,438**

CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, share options and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise shareholder value. The Group complied with all externally imposed capital requirements during the period to which it is subject.

11. Share Option Schemes

The Group has a share option scheme under which options to subscribe for the Group's shares have been granted to certain shareholders, board members and executives. The scheme vested during the year ended 31 March 2021. The options convert to ordinary shares. This is an equity-settled share scheme.

A new Senior Executive Incentive Scheme was established in February 2021 for certain members of the executive management team. Under the Scheme these executives will be offered a number of share rights determined by dividing a dollar value by the value of one share in the Group at the issue date of the share rights (being the date on which the Group releases its FY22 results).

The dollar value of the grant of the share rights is based upon the Group's EBITDA and certain other performance hurdles, assessed against the Group's performance during FY22 against the Prospective Financial Information (PFI) included in the Group's recent product disclosure statement, with a grant only being made where the Group outperforms the PFI by a prescribed amount for this period.

The scheme has been determined to be an equity settled arrangement. The fair value assessment of the equity instruments granted has been determined to be $124 thousand. The fair value of the scheme has been determined using the black-scholes option pricing calculator and is being amortised over the restrictive period.

OTHER CAPITAL RESERVES

NZ$000	2021	2020
As at 1 April	359	86
Expense for the year	305	273
Reversal to share capital	(664)	-
As at 31 March	**-**	**359**

NATURE AND PURPOSE OF RESERVES

The share-based payment valuation reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

All other reserves are as stated in the consolidated statement of changes in equity.

FAIR VALUE

The fair value of the share options were estimated on the grant date, based on a valuation methodology having regard to the Group valuation at grant date, expiry date of the options, exercise price, risk free interest rate, volatility and dividend yield.

Fair value of equity share options

	Options	NZ$000
Opening value – 1 April 2019	**4,675**	**397**
Changes during the period	825	267
Closing value – 31 March 2020	**5,500**	**664**
Changes during the period	(5,500)	(664)
Closing balance – 31 March 2021	**-**	**-**

Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Equity-settled Transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised in the statement of comprehensive income, together with a corresponding increase in equity (share-based payment reserve), over the period in which service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of the period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided that the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

12. Borrowings

The Group borrows in the form of bank loans and other financial instruments. Funding costs associated with the Group's borrowings are shown in the note below.

Reconciliation of Liabilities arising from Financial Activities

NZ$000	2021	2020
Bank loans	15,864	16,919
Value of derivatives used to manage changes in hedged risk on debt instruments	179	497
Economic debt	**16,043**	**17,416**
Less: Cash and cash equivalents	(1,599)	(8,337)
Net debt	**14,444**	**9,079**

Carrying Value of Borrowings included within the Balance Sheet as follows:

NZ$000	2021	2020
Non-current borrowings	15,864	16,919
Total borrowings	**15,864**	**16,919**
Less: Cash and cash equivalents	(1,599)	(8,337)
Net debt	**14,265**	**8,582**

At reporting date, the Group had the following facilities:

NZ$000	2021	2020
Utilised revolving credit facility	16,000	-
Unutilised overdraft	5,000	-
Unutilised revolving credit facility	19,000	-
Total facilities	**40,000**	**-**

BANK LOANS

At 31 March 2021 the Group had secured a revolving credit facility under a Senior Facility Agreement, the security interest in the personal property, and a fixed charge over the 'other property' (meaning real property, and anything that is not personal property), of My Food Bag Group Limited, and an expiry date of 5 March 2024.

Interest rate comprises a line fee of 1.16% and the base rate (BKBM rate) plus a margin of 1.74%.

On 5 March 2021, the Group repaid the historical term loan facility with the proceeds from the primary capital raise.

The Group has met the covenant requirements for the year ended 31 March 2021.

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial commitments as they fall due. The Group manages its liquidity risk by maintaining a target level of undrawn committed credit facilities and a spread of the maturity dates of the Group's debt facilities that it reviews on an ongoing basis.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual payments.

Period ended 31 March 2021

NZ$000	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Trade and other payables	-	(12,118)	-	-	(12,118)
Bank loan	-	-	-	(15,864)	(15,864)
Lease liabilities	-	-	(2,542)	(7,464)	(10,006)
Financial Liabilities	**-**	**(12,118)**	**(2,542)**	**(23,328)**	**(37,988)**

INTEREST RATE RISK

It is estimated a +10 basis point increase in interest rates would result in an increase in the Group's interest costs by approximately $4 thousand pre-tax on the Group's debt portfolio.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. The Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	2021 Effect on profit before tax NZ$000	2020 Effect on profit after tax NZ$000
NZD	+10	4	(478)
NZD	–10	4	(516)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

The impact on equity is the same as the impact on profit before tax.

The Group enters into interest rate swaps to manage the interest rate risk on the bank loan.

As at 31 March 2021, the Group had an interest rate swap agreement in place for a total notional amount of $15,000 thousand whereby the Group pays a fixed rate of interest of 2.785% and receives interest at a variable rate, which as at 31 March 2021 is 0.32%.

	Deal date	Maturity date	Interest rate	Notional amount ($000s)	Pay frequency	Fair value ($000s)
Interest rate swaps	25/11/2016	30/09/2021	0.32%	15,000	Quarter	(179)

Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2021

13. Financial Instruments and Financial Risk Management

NZ$000	2021 Financial loans and receivables at amortised cost	2021 Financial assets/liabilities at fair value (level 2)	2020 Financial loans and receivables at amortised cost	2020 Financial assets/liabilities at fair value (level 2)
Assets				
Cash and cash equivalents	1,599	-	8,337	-
Trade receivables	460	-	1,537	-
Total financial assets	**2,059**	**-**	**9,874**	**-**
Liabilities				
Trade and other payables	(12,118)	-	(11,388)	-
Derivative financial liabilities	-	(179)	-	(497)
Finance lease liabilities	(10,006)	-	(10,862)	-
Bank loan	(15,864)	-	(16,919)	-
Total financial liabilities	**(37,988)**	**(179)**	**(39,169)**	**(497)**

Financial Instruments and Financial Risk Management

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

The Group's financial assets are classified, at initial recognition, and subsequently measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets at amortised cost includes trade receivables.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

For trade receivables, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group does not measure any assets at fair value through other comprehensive income (OCI) or fair value through profit or loss.

FINANCIAL LIABILITIES

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Other Notes

14. Taxation

NZ$000	Year ended 2021	Year ended 2020
Current period	6,401	3,671
Adjustments for prior periods	46	(60)
Current tax expense	**6,447**	**3,611**
Origination and reversal of temporary differences	74	(541)
Recognition of previously unrecognised tax losses	6	6
Deferred tax expense/(income)	**80**	**(535)**
Total income tax expense	**6,527**	**3,076**

Reconciliation of effective tax rate

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate applicable in New Zealand as follows:

NZ$000	Year ended 2021	Year ended 2020
Profit before tax	8,969	11,256
Income tax using the Group tax rate 28%	2,511	3,152
(Under)/over provided in prior years	46	(60)
Non-deductible expenses	3,970	(16)
Income tax expense	**6,527**	**3,076**
Deferred income tax		
As at 1 April	(4,208)	(4,804)
Impact of IFRS 16 adoption to retained earnings	-	61
(Under)/over provided in prior years	-	(6)
Charge/(credit) to statement of comprehensive income	(74)	541
As at 31 March	**(4,282)**	**(4,208)**

Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2021

The movement in deferred income tax assets and liabilities during the period, without taking into consideration the offsetting balances within the same tax jurisdiction, is as follows:

NZ$000	Leases and right-of-use assets	Fixed assets	Derivatives	Intangibles	Accrual and provisions	Tax losses	Total
As at 1 April 2020	**354**	**197**	**139**	**(5,140)**	**236**	**6**	**(4,208)**
Credited/(charged) to the statement of comprehensive income	19	(249)	(89)	-	245	-	**(74)**
Credited/(charged) to equity	-	-	-	-	-	-	**-**
Deferred tax as at 31 March 2021	**373**	**(52)**	**50**	**(5,140)**	**481**	**6**	**(4,282)**
As at 1 April 2019	**-**	**62**	**118**	**(5,448)**	**458**	**6**	**(4,804)**
Credited/(charged) to the statement of comprehensive income	254	135	21	308	(222)	-	**496**
Credited/(charged) to equity	100	-	-	-	-	-	**100**
Deferred tax as at 31 March 2020	**354**	**197**	**139**	**(5,140)**	**236**	**6**	**(4,208)**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable.

Imputation credit account

The imputation credit account balance in the Group as at 31 March 2021 is $0.5 thousand (2020: $2,072 thousand).

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

CURRENT TAX

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

DEFERRED TAX

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

CURRENT AND DEFERRED TAX FOR THE PERIOD

Current and deferred tax are recognised in the statement of comprehensive income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

15. Related Party Transactions

Balances and transactions between the Group and its subsidiary, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

TRADING TRANSACTIONS

During the period, Group entities entered into the following trading transactions with related parties that are not members of the Group:

NZ$000	Directors' fees	Other fees	Total
J & C Robinson	47	-	47
T Gattung	23	-	23
K Roberts	25	-	25
C Marshall	37	-	37
P Maud	24	-	24
L Jenkins	24	-	24
N Lim	-	263	263
T Carter	29	16	45
J Macdonald	18	10	28
J Bunbury	14	8	22
S Hindle	14	-	14
Total	**255**	**297**	**552**

Other shareholder contributions:

NZ$000	2021	2020
The APL Holdings Trust	-	5,518
The Theresa Gattung Investment Trust	-	5,518
The Lim & Bagrie Family Trust	-	2,759
The Red Rose Trust	-	1,533
Waterman Fund 3LP	-	35,767
Total	**-**	**51,095**

The shareholder contributions have been repaid in full during FY21.

The other shareholder contributions were historically classified as equity contributions as repayment is on mutual agreement of both the borrower and the lender (or else they are perpetual) and the contributions are interest free. The other shareholder contributions carry no voting rights.

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FOR THE YEAR ENDED 31 MARCH 2021

COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE GROUP

The following amounts were paid to key management personnel of the Group during the financial period:

NZ$000	2021	2020
Short-term employee benefits	2,191	2,126
Share-based payment transactions	202	181
Total compensation paid to key management personnel	**2,393**	**2,307**

Share-based Payments

From time to time related parties, senior executive and management personnel of the Group receive remuneration in the form of share-based payments and render services as consideration for equity instruments (equity-settled transactions). During the period 5.5 thousand options were executed by senior executives and related parties (James Robinson – 500 options, Cecila Robinson – 500 options, Nadia Lim – 600 options, Kevin Roberts – 250 options). $1,535 thousand was received by the Group on execution of the options and a tax benefit of $3,343 thousand has been recorded in Equity in respect of employees who executed their options.

16. Operating Cash Flow Reconciliation

The reconciliation of profit before tax to net cash flows from operations is as follows:

NZ$000	2021	2020
Net profit before taxation	8,969	11,256
Adjustments for non-cash items:		
Depreciation on property plant and equipment	674	844
Amortisation on intangible assets	1,540	2,073
Non-cash movements in intangible assets	310	(22)
Gain/loss on sale of property, plant and equipment	(15)	13
Derivative financial instruments	(318)	74
Share-based payment expense	359	273
Depreciation on right-of-use assets	2,554	1,395
Lease modifications	-	352
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	1,077	(410)
(Increase)/decrease in packaging	151	(115)
(Increase)/decrease in raw materials work in progress	(259)	(500)
(Increase)/decrease in prepayments	(661)	(58)
Increase/(decrease) in trade and other payables	730	1,100
Increase /(decrease) in deferred revenue	(2,396)	4,729
Increase/(decrease) in other liabilities	1,092	22
(Increase)/decrease finance leases relating to operating cash flows	-	581
Income tax paid	(3,858)	(2,406)
Offer costs not included in operating cash flow	14,115	-
Positive net cash flows from operating activities	**24,064**	**19,201**

17. Contingent Liabilities

The Group has no contingent liabilities (2020: Nil).

18. Capital Commitments

The Group has capital commitments of $35 thousand (2020: $1,015 thousand).

19. Comparison to Prospective Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NZ$000	Actual 2021	Unaudited prospective 2021 *
Income	190,710	189,499
Cost of sales	(141,913)	(141,430)
Gross profit	**48,797**	**48,069**
Marketing expenses	(4,527)	(4,531)
Financing expenses	(1,690)	(1,764)
Indirect expenses	(19,223)	(19,390)
Other income	32	-
Share-based payment expense	(305)	(305)
Offer costs	(14,115)	(14,634)
Net profit for the year – before tax	**8,969**	**7,445**
Income tax expense	(6,527)	(6,679)
Net profit for the year – after tax	**2,442**	**766**
Total comprehensive income for the year	**2,442**	**766**
Earnings per Share		
Basic profit for the year attributable to ordinary equity shareholders of the parent	0.01	0.00
Diluted profit for the year attributable to ordinary equity holders of the parent	**0.01**	**0.00**

EXPLANATION OF VARIANCES

The key variances to the PFI were:

- Higher sales volumes drove the gross profit variance.
- Financial expenses are less due to the gain of financial derivatives.
- Offer costs were lower than estimated.

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

Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Actual

NZ$000	Share capital	Other shareholder contributions	Retained earnings	Share-based payment valuation reserve	Total equity
Balance at 1 April 2020	**1,000**	**51,095**	**5,769**	**359**	**58,223**
Profit for the period	-	-	2,442	-	2,442
Total comprehensive income for the year	**-**	**-**	**2,442**	**-**	**2,442**
Cash dividends	-	-	(13,349)	-	(13,349)
Share-based payment expense	-	-	-	305	305
Vesting of employee share options	5,541	-	-	(664)	4,877
Offer costs capitalised to equity	(2,046)	-	-	-	(2,046)
Proceeds from primary issuance	54,841	-	-	-	54,841
Repayment of shareholder loans	-	(51,095)	-	-	(51,095)
Balance at 31 March 2021	**59,336**	**-**	**(5,138)**	**-**	**54,198**

Prospective (unaudited)*

NZ$000	Share capital	Other shareholder contributions	Retained earnings	Share-based payment valuation reserve	Total equity
Balance at 1 April 2020	**1,000**	**51,095**	**5,769**	**359**	**58,223**
Profit for the period	-	-	766	-	766
Total comprehensive income for the year	**-**	**-**	**766**	**-**	**766**
Cash dividends	-	-	(13,287)	-	(13,287)
Share-based payment expense	-	-	-	305	305
Vesting of employee share options	5,685	-	-	(664)	5,021
Offer costs capitalised to equity	(2,033)	-	-	-	(2,033)
Proceeds from primary issuance	54,841	-	-	-	54,841
Repayment of shareholder loans	-	(51,095)	-	-	(51,095)
Balance at 31 March 2021	**59,493**	**-**	**(6,752)**	**-**	**52,741**

EXPLANATION OF VARIANCES

Total equity is higher than PFI due to the higher profit during the PFI period.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NZ$000	Actual 2021	Unaudited prospective 2021 *
Assets		
Current		
Cash and cash equivalents	1,599	-
Trade and other receivables	460	1,182
Raw materials work in progress	1,024	458
Packaging	192	287
Prepayments	951	876
Other current assets	52	97
Total current assets	**4,278**	**2,900**
Non-current		
Property, plant and equipment	3,118	3,165
Intangible assets	86,063	85,866
Non-current lease receivable	308	306
Right-of-use assets	8,618	8,562
Total non-current assets	**98,107**	**97,899**
Total assets	**102,385**	**100,799**
Liabilities		
Current		
Trade and other payables	(12,118)	(11,079)
Deferred revenue	(2,682)	(3,452)
Lease liabilities	(2,542)	(2,498)
Derivative financial liabilities	(179)	(395)
Other current liabilities	(1,980)	(1,438)
Bank loan	-	77
Current tax liability	(826)	(824)
Total current liabilities	**(20,327)**	**(19,609)**
Non-current		
Lease liabilities	(7,464)	(7,453)
Bank loan	(15,864)	(16,248)
Deferred tax liability	(4,282)	(4,498)
Provision	(250)	(250)
Total non-current liabilities	**(27,860)**	**(28,449)**
Total liabilities	**(48,187)**	**(48,058)**
Net assets	**54,198**	**52,741**
Equity		
Share capital	59,336	59,493
Retained earnings	(5,138)	(6,752)
Other shareholder contributions	-	-
Share-based payment reserve	-	-
Total equity	**54,198**	**52,741**

EXPLANATION OF VARIANCES

Cash and cash equivalents are up on PFI due to higher profit in the PFI period. Trade and other receivables are lower than PFI due to the reduction in supplier rebates as a result of supplier renegotiations. This has caused trade and other payables to be higher due to changes in supplier payment terms.

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

Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

NZ$000	Actual 2021	Unaudited prospective 2021 *
Operating activities		
Cash was provided from:		
Receipts from customers	188,291	187,873
Interest received	13	-
Proceeds from insurance	-	-
Cash was disbursed to:		
Payments to suppliers and employees	(158,684)	(159,835)
Interest paid	(1,698)	(1,654)
Tax paid	(3,858)	(3,664)
Net cash flows from operating activities	**24,064**	**22,720**
Investing activities		
Cash was provided from:		
Proceeds from sale of property, plant and equipment	7	-
Cash was applied to:		
Purchase of property, plant and equipment	(674)	(719)
Payments for development of digital assets	(2,315)	(2,201)
Net cash flows from investing activities	**(2,982)**	**(2,920)**
Financing activities		
Cash was provided from:		
Proceeds from issue of shares	54,841	54,841
Proceeds from repayment of shareholder options	1,535	1,535
Proceeds from borrowings	67,095	67,436
Cash was applied to:		
Principal payments on leases	(2,226)	(2,439)
Dividends paid	(13,349)	(13,288)
Repayment of borrowings	(68,095)	(68,095)
Equity repurchase	(51,095)	(51,095)
Offer costs	(16,161)	(16,667)
Borrowing establishment costs	(365)	(365)
Net cash flows from financing activities	**(27,820)**	**(28,137)**
Net increase / (decrease) in cash flows	(6,738)	(8,337)
Cash and cash equivalents at the beginning of the period	8,337	8,337
Cash and cash equivalents at the end of the period	**1,599**	**-**

EXPLANATION OF VARIANCES

Cash and cash equivalents are up on PFI due to higher profit in the PFI period.

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

Independent Auditor's Report

FOR THE YEAR ENDED 31 MARCH 2021

Building a better working world

To the Shareholders of My Food Bag Group Limited

OPINION

We have audited the financial statements of My Food Bag Group Limited ("the company") and its subsidiary (together "the group") on pages 2 to 29, which comprise the consolidated statement of financial position of the group as at 31 March 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the group, and the notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the consolidated financial statements on pages 2 to 29 present fairly, in all material respects, the consolidated financial position of the group as at 31 March 2021 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

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

BASIS FOR OPINION

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

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

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

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

KEY AUDIT MATTERS

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

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

Independent Auditor's Report (continued)

Building a better working world

REVENUE

Why significant	How our audit addressed the key audit matter
The group's principal revenue stream is the sale of meal kits. Revenue is recognised at the time of delivery of the meal kit. Revenue is presented net of any sales discounts. As customers pay for meal kits in advance of delivery, revenue recognition is deferred until delivery of the meal kits. As a result, at balance date, cash received in relation to undelivered meal kits is deferred on the statement of financial position and presented as a liability. The volume of meal kits sold and the receipt of cash in advance of delivery increases the likelihood that revenue is recorded in the incorrect period. Disclosures in relation to the group's revenue are included in note 1 to the consolidated financial statements.	In obtaining sufficient appropriate audit evidence, we: • used data analytical techniques to assess the correlation between revenue, deferred revenue and cash; • validated a sample of cash receipts related to revenue transactions; • assessed the appropriateness of the deferred revenue balance at year end by reference to deliveries subsequent to balance date; • analysed credit notes issued subsequent to balance date to assess whether these indicated that revenue was incorrectly recognised in the 2021 financial year; and • considered the adequacy of the associated disclosures in the consolidated financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The directors of the company are responsible for the Annual Report, which includes information other than the consolidated financial statements and auditor's report which is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

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

Building a better working world

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

Ernst + Young

Chartered Accountants
Auckland

21 May 2021

myfoodbag.co.nz

FY21 Results

May 2021

Disclaimer and important information

This presentation has been prepared by My Food Bag Group Limited (the "**Company**" and, together with My Food Bag Limited, "**My Food Bag**") and is dated 21 May 2021. Receipt of this document and/or attendance at the corresponding presentation given on behalf of the Company constitutes acceptance of the terms of this disclaimer.

Information

This presentation contains summary information about My Food Bag and its activities, which is current as at the date of this presentation. The information in this presentation is of a general nature and does not purport to be complete nor does it contain all the information which an investor may require when evaluating an investment in the Company. This presentation has been prepared to provide additional commentary on the financial statements of the Company for the period ending 31 March 2021. It should be read in conjunction with those financial statements and the Company's other periodic and continuous disclosure announcements, available on the NZX and ASX or My Food Bag's investor website.

Forward looking information

This presentation may include certain "forward-looking statements" about My Food Bag and the environment in which My Food Bag operates. These forward-looking statements may be identified by words such as 'forecast', 'projections', 'anticipate', 'believe', 'estimate', 'expect', 'will', 'plan', 'may', 'could' and similar expressions.

Forward-looking information is inherently uncertain and subject to contingencies, known and unknown risks and uncertainties and other factors, many of which are outside of My Food Bag's control, and may involve elements of subjective judgement and assumptions as to future events which may or may not be correct. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. No assurance can be given that actual outcomes or performance will not materially differ from the forward-looking statements. The forward-looking statements are based on information available to My Food Bag as at the date of this presentation. Except as required by law or regulation (including the Listing Rules), the Company is under no obligation to update this presentation whether as a result of new information, future events or otherwise.

No liability

The information contained in this presentation has been prepared in good faith by My Food Bag. No representation or warranty, expressed or implied, is made as to the accuracy, adequacy or reliability of any statements, estimates or opinions or other information contained in this presentation, any of which may change without notice.
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Not financial product advice

This presentation is for information purposes only and is not financial or investment advice or a recommendation to acquire the Company's securities. Before making an investment decision, you should consider the appropriateness of the information having regard to your own objectives, financial situation and needs and consult a financial adviser, solicitor, accountant or other professional adviser, if necessary.

Past performance

Any past performance information given in this presentation should not be relied upon as (and is not) an indication of future performance. No representations or warranties are made as to the accuracy or completeness of such information.

Non-GAAP financial information

This presentation includes non-GAAP financial information, including pro forma EBITDA, which is a non-GAAP financial measure that includes pro-forma adjustments. A reconciliation from GAAP NPAT to non-GAAP pro forma EBITDA can be found in the appendix to this presentation. Non-GAAP financial information, including pro forma figures, have not been separately audited but have been derived by management from My Food Bag's audited financial statements for the year ended 31 March 2021. Pro forma EBITDA is a measure used extensively by the Board and management as an indication of underlying profitability, however, as a non-GAAP measure it is provided for illustrative purposes only and caution should be taken as other companies may calculate this measure differently.

Distribution of presentation

This presentation must not be distributed in any jurisdiction to the extent that its distribution in that jurisdiction is restricted or prohibited by law or would constitute a breach by the Company of any law. The distribution of this presentation in other jurisdictions outside New Zealand or Australia may be restricted by law, and persons into whose possession this presentation comes should observe any such restrictions.

All currency amounts are in New Zealand dollars unless otherwise stated.

This presentation has been authorised for release by the Company's Board.

Presenting today

Kevin Bowler

Chief Executive Officer

Kevin joined the team in 2018 and drives the My Food Bag 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 Winter

Chief Financial Officer

Mark joined the team in 2019 and leads the finance function. Mark has primary responsibility for planning, implementing and controlling all finance related activities; he achieves this with a collaborative team focused on strong business partnerships.

Contents

1 Business Update

Dig *in*

- We are **excited to have entered the next phase** of development for My Food Bag.
- **We have delivered against the PFI,** with revenue up by 24% to $190.7m and pro forma EBITDA* up 78% to $29.0m versus prior year.
- NPAT was $2.4m versus the PFI of $0.8m. These numbers include one off transaction costs of $14.1m (compared with $14.6m in the PFI)
- MFB reaffirms FY22 PFI forecast.
- We continue to progress our strategic growth opportunities.

*Pro forma EBITDA is a non-GAAP measure that includes pro forma adjustments. These adjustments include adding incremental costs associated with running a listed company and removing the one-off transaction costs associated with the offer. A reconciliation from GAAP NPAT to non-GAAP pro forma EBITDA can be found in the appendices.

MFB at a glance

Our established platform has enabled us to scale to where we are today and provides the foundations for our future growth

Our established platform:

Loved brand

89%

Brand awareness

90%

of customers love or like the brand

Colmar Brunton, March 2021

Nationwide coverage

~86%

Population coverage

Sufficient capacity to support growth

Growing database

>300k

Database customers

~10k

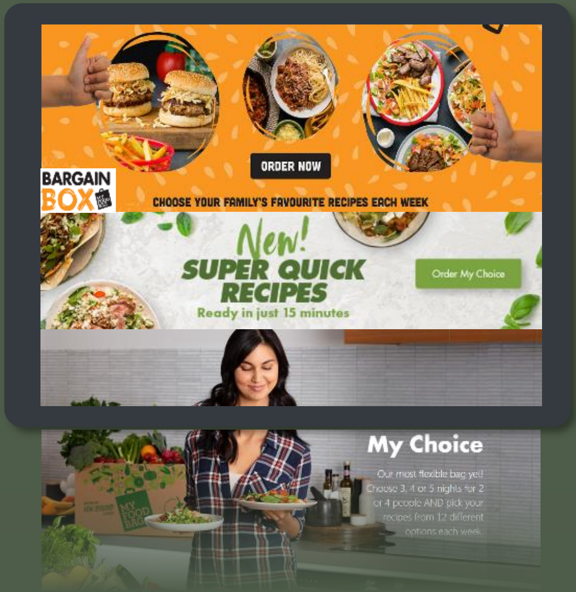
Recipes

Enhancing our platform

Demonstrable capability to successfully execute **innovative solutions**

Established **scalable systems**

Getting on with business



Growing the top line

- Data insights demonstrate that choice drives stronger active customer growth and improved order frequency.
- Since listing we have extended choice further:
  - Launched Bargain Box Choice
  - Expanded My Choice to 12 recipes (and planning to grow)
  - Introduced Super Quick recipes

Improving margin

- Procurement optimisation of key suppliers with phase 1 reviews across poultry, red meat and produce executed. Phase 2 is nearly complete.
- The outcome of our reviews has been the ability to ensure high quality ingredients and capture stronger gross margin.

Enhancing our platform

- We implemented an integrated Enterprise Resource Planning system which provides the foundation for scalability, while strengthening our control environment and providing improved margin visibility.
- The new iOS mobile app launched with an improved easy-to-follow experience and is expected to drive improved customer order frequency.

Environmental, social and governance

We are committed to further improving our sustainability practices; focusing on minimising waste and reducing our environmental impact

Waste reduction

- ~80% of ingredients by value are delivered to assembly centres in re-usable crates
- Any unused bags are given to families in need
- Any food left over from recipe tests is collected by Kiwi Harvest

Charitable partnership

- Partnership with Garden to Table, a charity which advocates for learning through the growing of vegetables in New Zealand primary schools
- To date, we have helped over 1,000 Kiwi kids into the Garden to Table programme

Sustainable packaging

- Launched soft plastics recycling programme
- Boxes are made from 47% recycled cardboard
- Wool insulation liners are 100% compostable and biodegradable
- We lead the way by filling our ice packs with water

Approved supplier programme

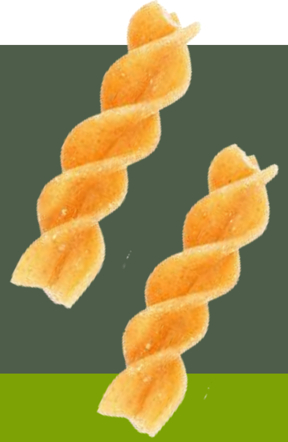
- Comprehensive Approved Supplier Programme sets out food safety, ingredient and operational requirements, and ethical and sustainable business practices
- Only partner with suppliers who pledge to meet this code of conduct

2 Financial Overview

A strong year of growth and delivery

We have achieved all key FY21 PFI metrics

>4.8m
meals delivered



$190.7m
Revenue (+24% vs PY)
PFI: $189.5m

+4.3ppt
contribution margin improvement (vs PY)
25.6%, up +0.2ppt vs PFI

Active customer growth to
66,492
Q4 FY21

$29.0m
Pro forma EBITDA*
(+78% vs PY)
PFI: $28.5m

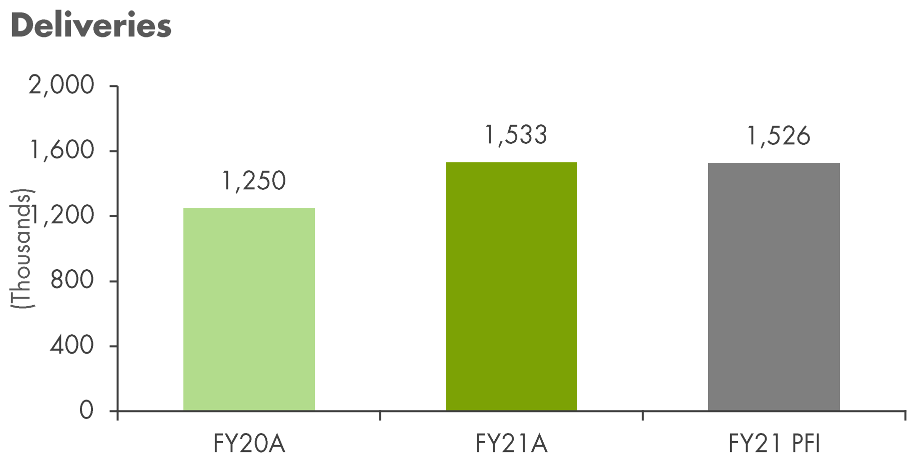
$2.4m
NPAT
PFI: $0.8m

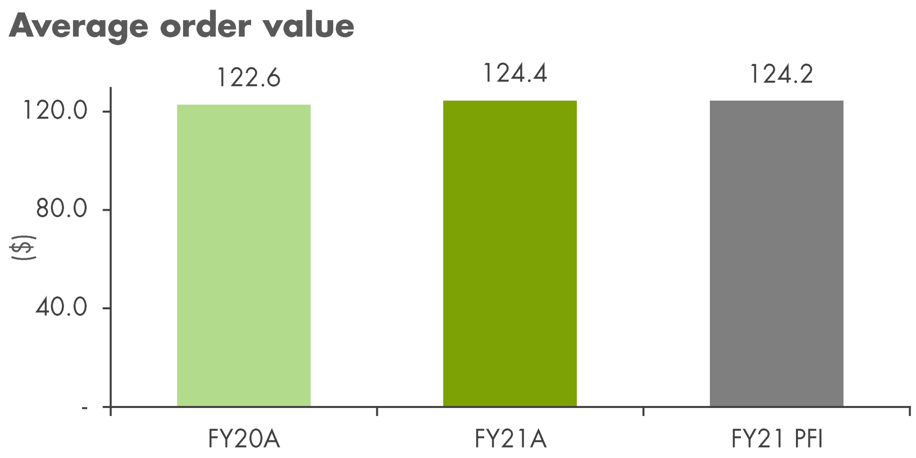
15.2%
EBITDA margin (+4.6ppt vs PY)
PFI: 15.0%

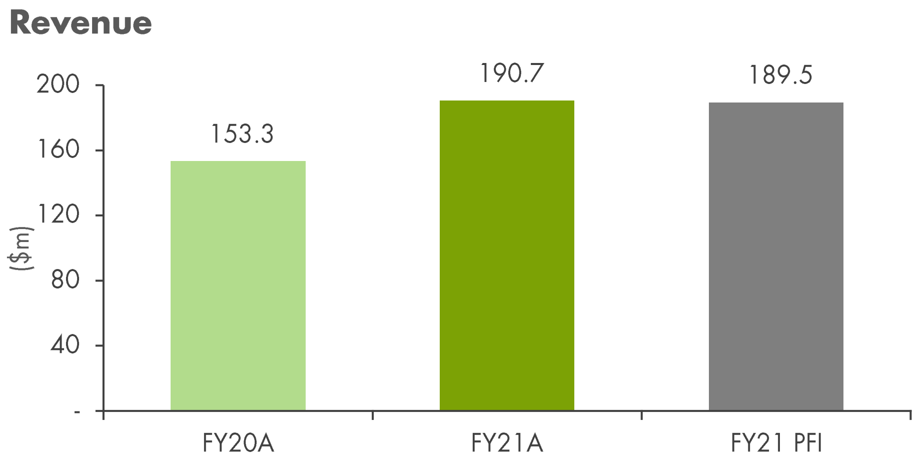
*Pro forma EBITDA is a non-GAAP measure that includes pro forma adjustments. These adjustments include adding incremental costs associated with running a listed company and removing the one-off transaction costs associated with the offer. A reconciliation from GAAP NPAT to non-GAAP pro forma EBITDA can be found in the appendices.

Strong year-on-year revenue growth

Underpinned by growth of active customers and an improvement in average order frequency in FY21





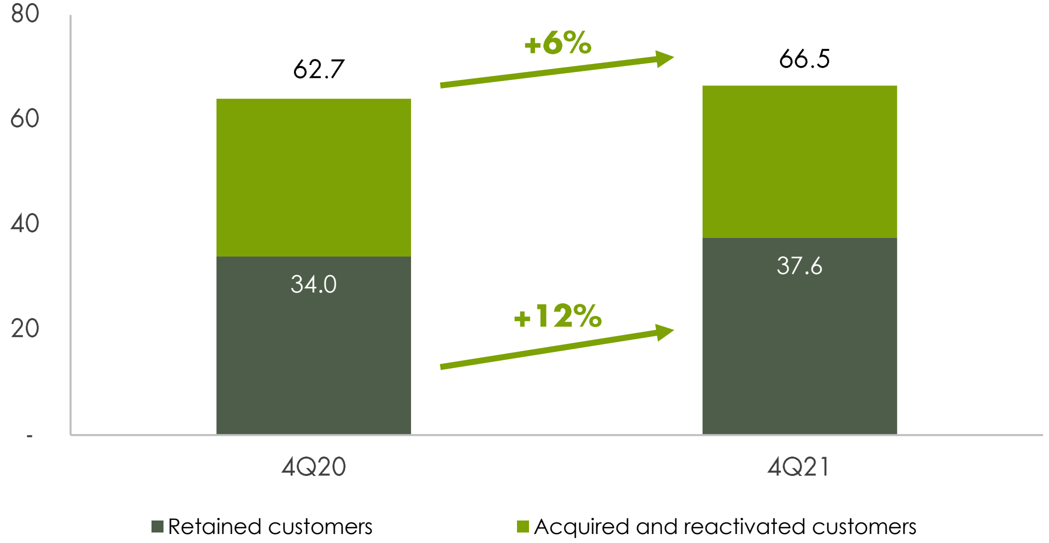


- Delivery growth of +22.6% versus prior year.
- Increased average order value of +$1.80 per delivery through improved brand mix, add-on attachment and pricing.
- Revenue +24.4% higher than prior year (and +$1.2m above the PFI).

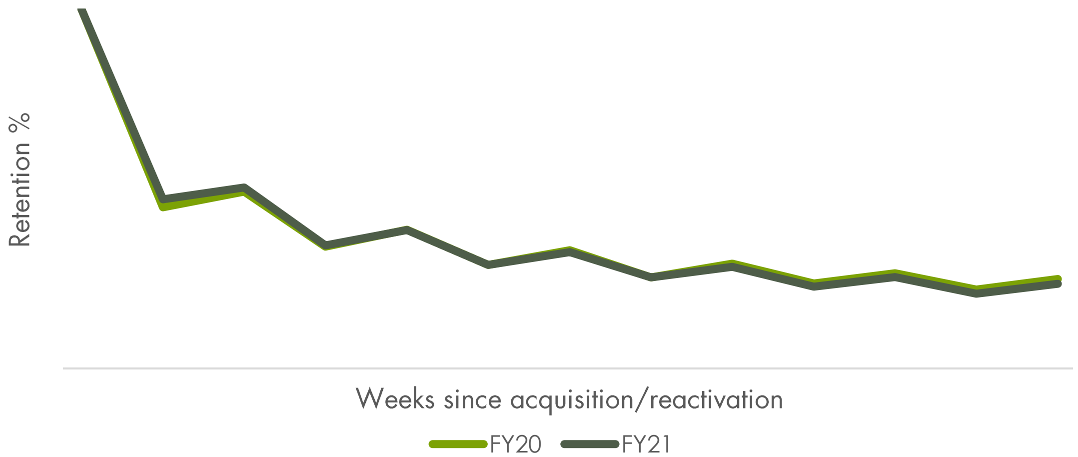
Growth in active customers continued in Q4 FY21

Customers acquired and reactivated during FY21 demonstrate consistent stickiness with prior year, underpinning confidence in FY22 PFI

Total active customers split (000's)



Retention profile of acquired and reactivated customers



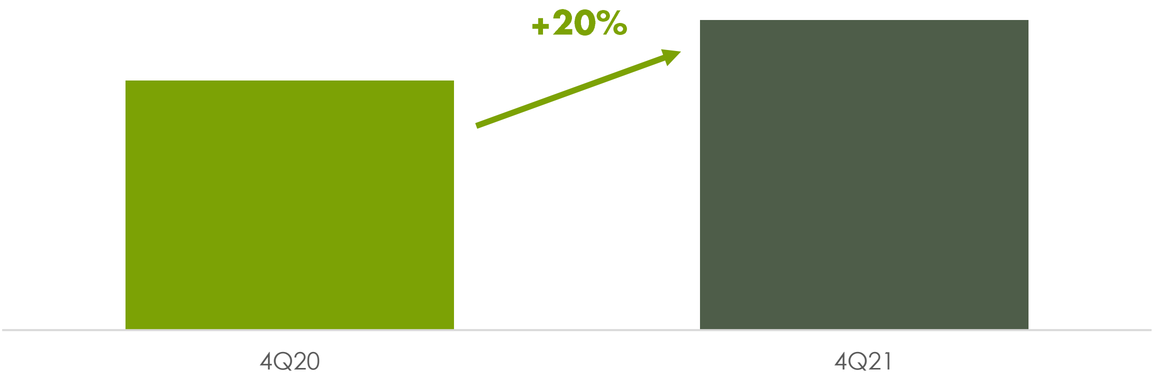
These cohorts include customers acquired and reactivated between 1 April and 31 December in the respective financial years.

- Active customer growth +6% versus Q4 FY20 (which was impacted by the uplift from COVID-19 lockdown).
- Retained customers continue to represent around 60% of active customers.
- The FY21 acquired and reactivated customer cohort has been retained at a comparative level to FY20, consistent with global peers.
- During FY21 we have seen higher order frequency from active customers.

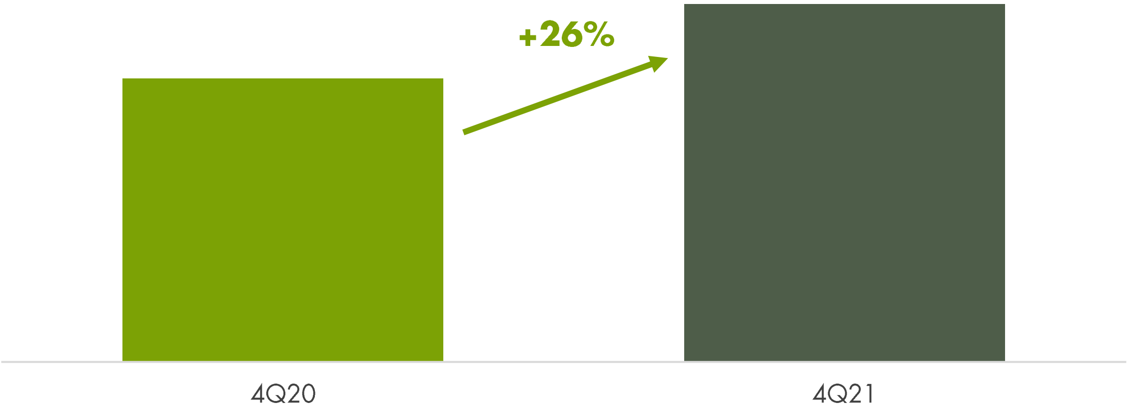
Our high value customers are growing in size and quality

Our high value customers (a customer who has taken at least 20 deliveries in the previous 12 months) are buying more frequently, with margin improvements further increasing their value.

Total high value active customers



Contribution margin per high value active customer

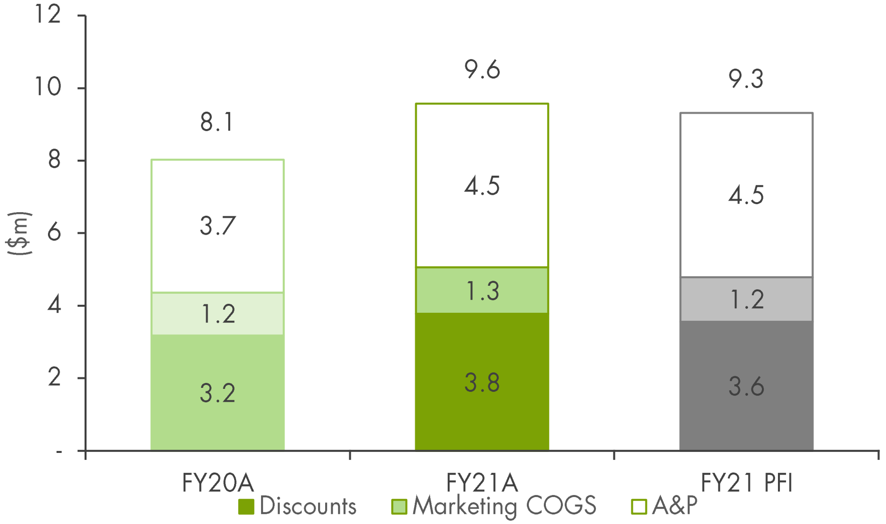


- We have grown our high value active customers by 20%. This group made up more than 55% revenue in FY21.
- Continuous product innovation is driving higher order frequency and higher levels of customer retention.
- We continue to place strong focus on recipe development, quality of ingredients and superior customer service.
- In addition, contribution margin per customer is higher due to our contracted procurement savings.

Marketing investment in FY21 supported revenue growth

Sustained marketing investment while continuing to innovate and leverage our brand portfolio

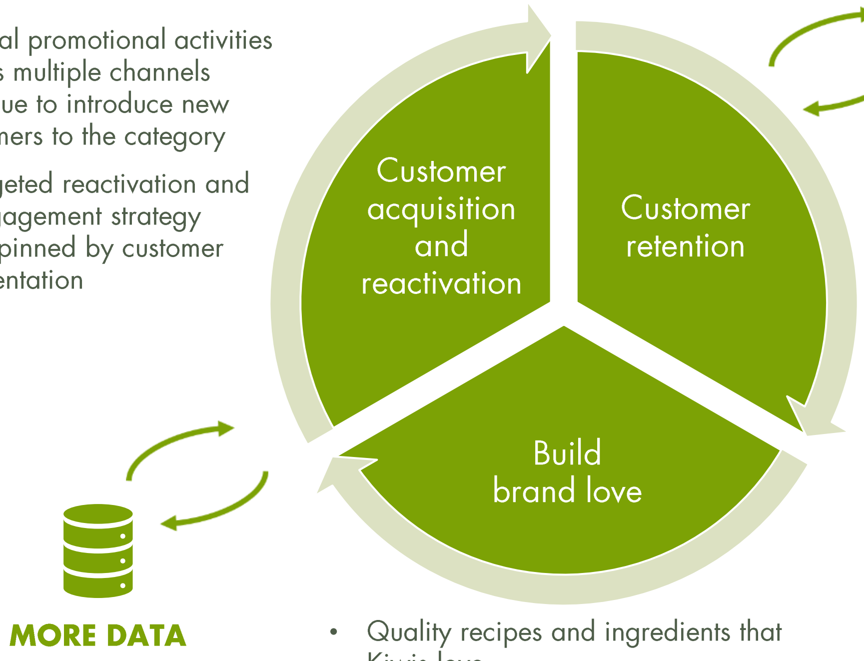
Marketing spend ($m)

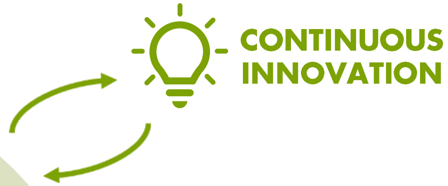


- We have maintained an efficient, targeted marketing spend while growing revenue through FY21, providing greater operating leverage.
- The quality of acquired customers is reflected by strong return on investment (~3-month payback period and 4x ROI after 3 years).
- Marketing investment levels will be linked to a clear sustainable ROI.

My Food Bag Group Brand Portfolio

- Tactical promotional activities across multiple channels continue to introduce new customers to the category
- A targeted reactivation and re-engagement strategy underpinned by customer segmentation





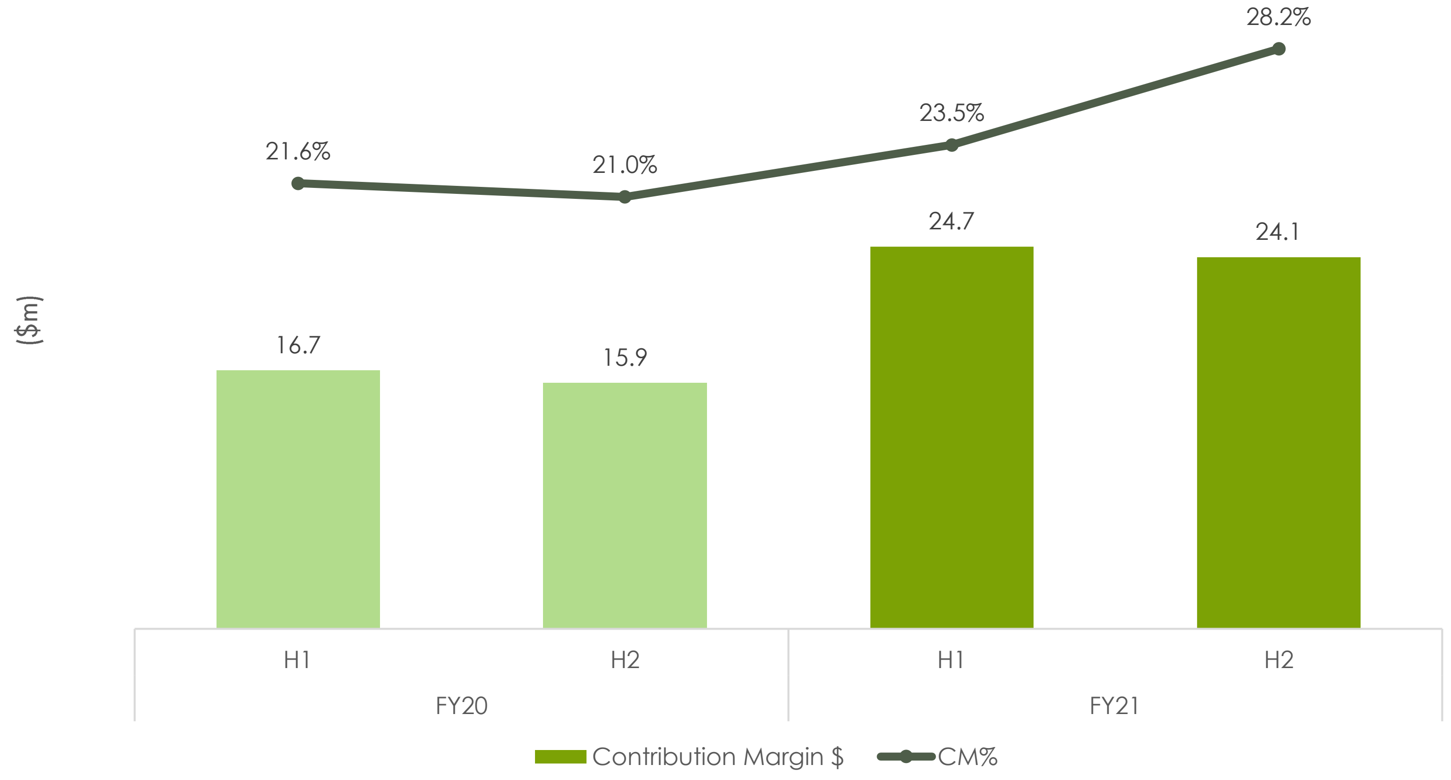
- An increasingly tailored product improves customer retention and order frequency
- Loyalty programmes proven to increase order frequency
- Multi brand strategy allows customers to find the solution that best meets their needs

- Quality recipes and ingredients that Kiwis love
- Exceptional customer service

Significant improvement to contribution margin*

Contribution margin improvements in FY21 predominantly achieved through procurement optimisation

Contribution Margin and CM%



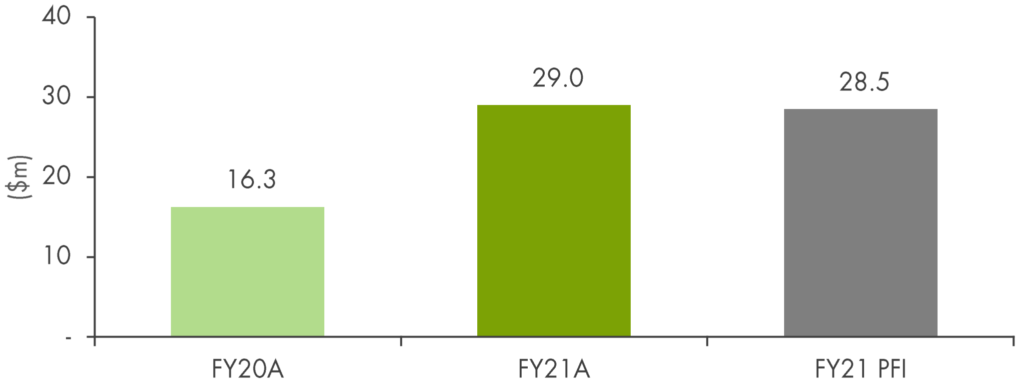
- Procurement optimisation in FY21 not only provided higher quality ingredients to our customers, enhancing customer experience, but also resulted in the realization of considerable cost savings.
- Contribution margin improvement of +4.3 percentage points is a significant step towards the performance we have observed of our global peers (~30%).
- H2 FY21 contribution margin was 28.2%, which combined with further initiatives identified, gives us confidence delivering FY22 PFI contribution margin.

*Contribution margin is a non-GAAP measure defined as revenue less cost of goods sold less direct costs (assembly and distribution expenses).

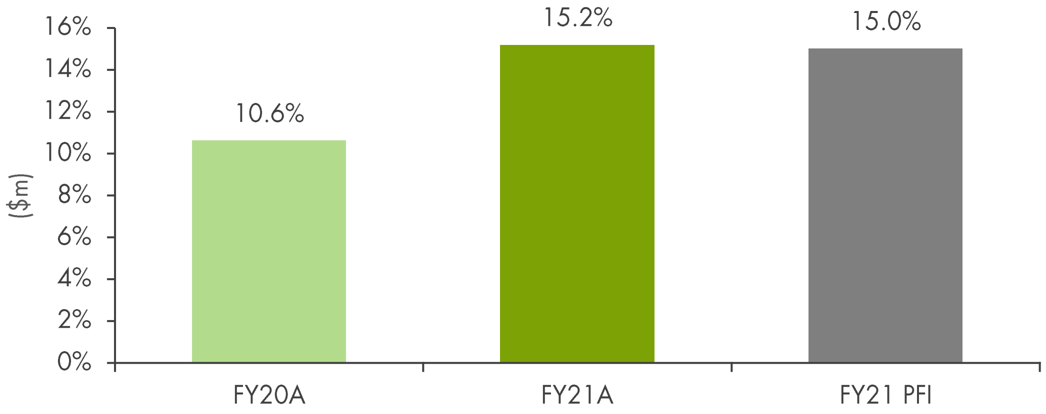
Pro forma EBITDA* of $29.0m in FY21, +$12.7m versus prior year

Volume growth and the margin improvements in FY21 demonstrate scalability

EBITDA*



EBITDA* %



- Exceeded FY21 PFI EBITDA* by $0.5m (+1.8%).
- Pro forma EBITDA* growth of $12.7m (+78%) in FY21 v FY20 driven by -
  - Strong revenue growth:
    - Innovative new product offerings including My Choice and Goal-Based solutions.
    - The trend toward purchasing of food online, accelerated by COVID-19.
  - Contribution margin expansion through ongoing procurement optimisation.
  - The margin growth demonstrates significant operating leverage which delivers improved profitability.

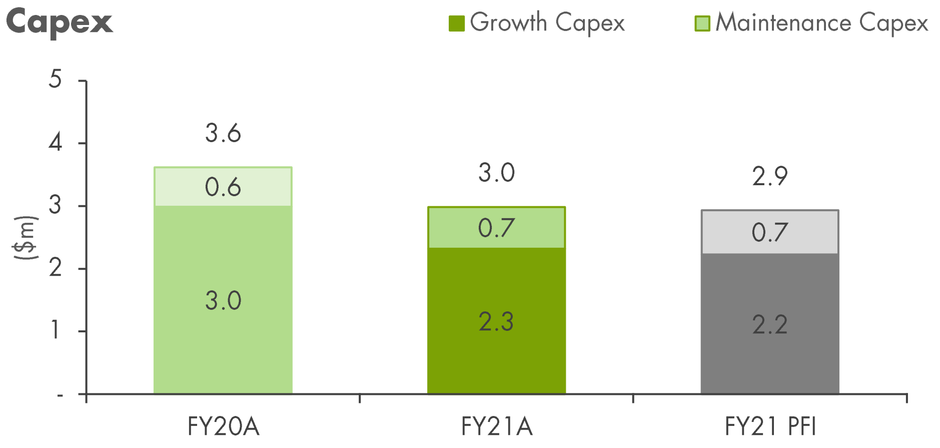
*Pro forma EBITDA is a non-GAAP measure that includes pro forma adjustments. These adjustments include adding incremental costs associated with running a listed company and removing the one-off transaction costs associated with the offer. A reconciliation from GAAP NPAT to non-GAAP pro forma EBITDA can be found in the appendices.

Balance sheet is well positioned for growth opportunities

Negative working capital position, coupled with an asset light business model underpins strong cash flow generation

Summary balance sheet, 31 March year end (NZ$M)	FY21A	FY21 PFI
Assets		
Cash and cash equivalents[1]	1.6	-
Working capital assets	2.7	2.8
Property, plant, and equipment	11.7	11.7
Intangible + other assets	86.4	86.3
Liabilities		
Working capital liabilities	(14.8)	(14.5)
Lease liabilities	(10.0)	(10.0)
Bank debt[1]	(15.9)	(16.2)
Other liabilities	(7.5)	(7.4)
Equity	**54.2**	**52.7**

1. 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.

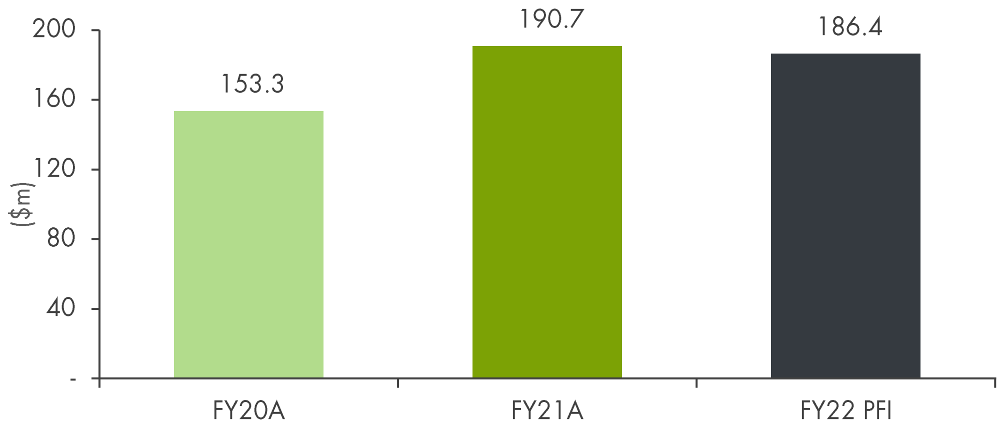


- Our net debt position is +$1.9m favourable to PFI.
- We operate with a negative working capital position.
- We have a total facility of $40m that expires in March 2024.
- FY21 capex spend broadly in line with PFI
- Leverage of ~0.6x net bank debt to FY21 EBITDA (pre IFRS 16 basis)
- The balance sheet is well positioned to execute on future growth opportunities.

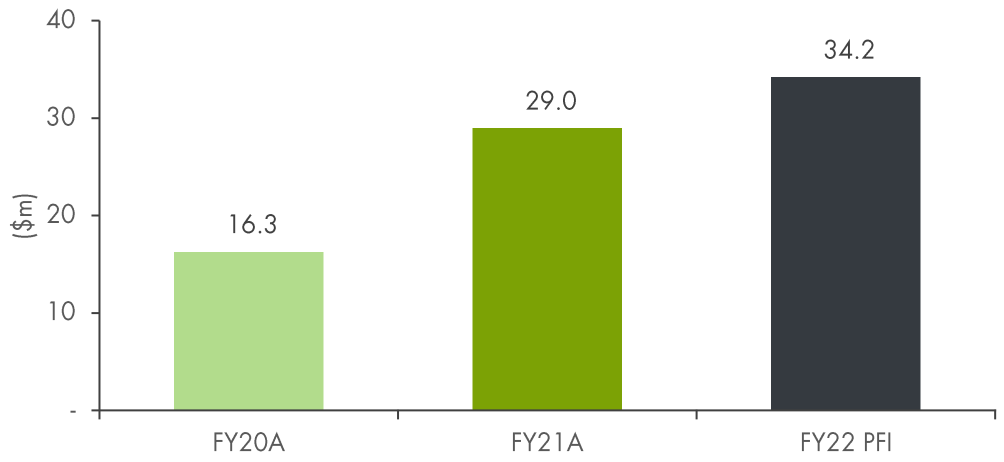
3 Outlook

FY22 outlook remains consistent with PFI

Revenue



EBITDA



- MFB reaffirms FY22 PFI forecast.
- We continue to -
  - Focus on innovation and growth supported by a strong platform of brand love.
  - Review and deliver on procurement opportunities to enhance our margins to further improve customer quality and service.
- We continue to progress our strategic growth opportunities.
- As per PFI, $16.0m dividend planned, 40% paid in December 2021 and 60% in June 2022.

4 Q&A

5 Appendices

Reconciliation between GAAP and pro forma financials

Reconciliation of non-GAAP to GAAP financials ($m)	FY21 Actual	FY21 PFI	FY20 Actual
Net profit/ (loss) After Tax	**2.4**	**0.8**	**8.2**
Add Back:			
Depreciation, amortisation and impairment	4.8	5.2	4.3
Net financing costs	1.8	1.8	1.3
Income tax expense / (income)	6.5	6.7	3.1
EBITDA	**15.5**	**14.4**	**16.9**
Pro forma adjustments:			
Offer costs	14.1	14.6	-
Listed company costs	(0.6)	(0.6)	(0.6)
Pro forma EBITDA	**29.0**	**28.5**	**16.3**
Deduct:			
Depreciation, amortisation and impairment	(4.8)	(5.2)	
Net financing costs	(1.8)	(1.8)	
Income tax expense / (income)	(6.5)	(6.7)	
Pro forma adjustments:			
Listed company capital structure (interest and funding)	0.9	0.9	
Tax impact	(0.1)	(0.1)	
Pro forma NPAT	**16.7**	**15.6**	

Our revenue building blocks