



Local taste, less waste meal kits

28 JULY 2022: My Foodie Box Limited (**ASX: MBX**) (“MBX” or “the Company”) is pleased to present the Company’s quarterly activities report for the period ending 30 June 2022.

Highlights:

- Q2 2022 net revenue of \$1,393,694, +31% growth year-on-year
- Net revenue for FY 2022 of \$5,271,618, +45% growth year-on-year
- Thermomix® box trial went live to approximately 280 consultants across Perth and on track for launch in Q3 2022
- Implementation of a new sales and marketing strategy that saw an increase in subscribers of 27% during the quarter
- School holidays and Easter break, coupled with the reopening of the Western Australian borders affected skip ratio and an increase in number of cancellations
- Contribution Margin (CM) remains stable despite inflationary pressure in raw material, packaging cost and fuel price
- On track to achieve well over 4,000 active subscribers by end of CY 2022

My Foodie Box CEO, Mai Hughes highlighted: *“The first six months since listing have been very exciting, full of challenges and educational. As a result, we are starting the new financial year in a very solid position. We have grown our subscriber base by 56% (Dec21 to Jun22), we have trialled our Thermomix® Box, we have increased our brand presence, we have managed through Covid entering Western Australia and its impact on our workforce, and we have managed to keep our Contribution Margin stable despite inflationary pressures.*

We are on-track to meet or exceed our targets set for this calendar year. Particularly when you consider the imminent launch of the Thermomix Box together with our expansion into Sydney.

We are not immune to market conditions that are currently depressing stocks globally, so we are concentrating heavily on those factors within our control. We believe growth and operational success are the solution and we look forward to demonstrating that over the balance of this year.

We would like to thank our shareholders and other stakeholders for their support.”



ACTIVITY SUMMARY

Net operating cash outflows for June total (\$1,026k) which, as anticipated in the March quarterly report, was an improvement of \$152k on the March Quarterly report (\$1,178k). This was achieved by reduced expenses, and we are continuing to reduce further expenses. We now estimate our breakeven point to be at approximately 5,500 Active Subscribers. We have previously announced we would achieve 4,000 Active Subscribers by the end of CY22 and we are looking at revising this estimate upwards once we see the traction over July and August from the new marketing strategy. We are very mindful of funds on hand and we are assessing a number of strategies to avoid the need to seek further funding.

At the same time, we are still aiming to commence trading in Sydney this calendar year and we are assessing and managing the cashflow implications. There are no capital costs required for this expansion but there are working capital requirements and a level of funding will be needed.

We continue to develop our next version of our e-commerce platform (version 4) as well as our app and we anticipate they will both be live in September 2022. The new version is essential to our launch in Sydney and it will also improve conversion rates of people registering on our site but not purchasing. The new site will have significantly better functionality and allow us to partner with other organisations more effectively, creating a more powerful e-commerce platform. The new website will be able to further personalise our offering according to a specific customer profile, such as options for our customers to increase their protein portion size or upgrade their cut of meat etc. This will also allow us to further manage inflationary cost pressures by giving customers the choice to pay a premium price for increased portion sizes.

We are confident we have solid financial reporting systems in place such that we can manage the inflationary pressures all businesses are currently facing. We have not yet needed to increase our pricing to customers and we note one of our major competitors have increased their pricing, so we are monitoring the situation closely.

SUMMARY OF ISSUES

The June quarter was slower than expected in terms of customer growth and revenue compared to Q1 2022. This was a direct result of the school holidays, the Easter break and the Western Australian borders re-opening for the first time since March 2020 in March 2022.

We also initiated a new Premium brand marketing strategy. The Premium Brand strategy reduced the discount structure and increased brand awareness spend (See table 1). However, we have found that this strategy doesn't align with our goal for rapid new subscribers' growth, which is significantly driven by discounts. The brand awareness spending undertaken has been beneficial from a brand power perspective and we do think the Premium Brand

marketing strategy is a good one, but once we are at scale. Accordingly, in June we reverted to the discounting strategy in combination with brand awareness spending. The new strategy included sending out a free box offer to people who had registered on our site but not purchased (cart abandonment customers). This new strategy saw a significant increase in new subscribers (see table 1). We are now continuing this combined strategy until we are at breakeven turnover, at which time we will reconsider the Premium Brand marketing strategy. We have retained 41% of customers from the free box strategy. Free box promotions are capped at boxes for 2 people with 3 meals, which has a higher margin.

Accordingly, receipts from customers in the June quarter totalled \$1,385k, down \$124k or 8.2% on the March quarter of \$1,509.

KEY OPERATING METRICS

Q2 2022 Active subscribers grew 38% compared to the previous quarter and active subscribers finished at 2,580 for FY22 after the free box offer (see table 1).

Our active subscribers generated 6.9 orders in the quarter, down 7% versus the previous quarter with an increase in skip week % due to the border reopening coinciding with Easter break and April school holidays. We saw a 6% increase in average order value driven by increased pantry item selection, which improved our margin and revenue.

<i>Preliminary & Unaudited</i>	Q2 2022	Q2 2021	Variance %
Active Customers (1)	2,950	2,376	24%
Active Subscribers (2)	1,897	1,374	38%
Number of Orders	13,137	10,227	28%
Orders per customer	4.5	4.3	3%
Orders per subscriber	6.9	7.4	-7%
Meals	46,285	35,210	31%
Avg Order Value	\$118.2	\$111.2	6%
Avg Order Value (Net of Discounts)	\$95.2	\$92.5	3%

1. Active Customers are customers who have purchased a My Foodie Box meal kit at least once over the past 3 months.

2. Active Subscribers are customers who have ordered or skipped a My Foodie Box meal kit, on an average weekly basis, during the quarter.

PLANS FOR THE NEXT REPORTING QUARTER

As part of the new marketing strategy implemented in June, we reviewed all marketing spend and we will be exiting certain marketing contracts we do not believe we were getting value for. These savings crystallise over July and August with an estimated reduction in expenditure of \$100k+ monthly and ongoing from September. Further reductions in expenditure have been made by removing the future door-to-door sales team saving an estimated \$615k in FY23 budget and replacing it with a new referral program where the lead cost is nil but the discount cost will be approximately \$300k (net saving of over \$300k for the year). Our current customers are our biggest advocates and we are offering them a free box for every 3 customers they refer to us, and to make it as easy as possible we let our customers give their referral lead a free box.

Our new marketing strategy is also focused on accessing large databases of potential leads via partnerships, Corporate Wellness/Retention programs and strategic social media campaigns where we can reduce the CPA cost of the lead.

We continue to gain information on our customers and better insights into the lifecycle of an average customer. Using this information, we are refreshing our onboarding process for new customers and implementing more sophisticated retention strategies including a re-order discount on the fourth box.

THERMOMIX® BOX ON TRACK FOR LAUNCH IN Q3 2022

We continue to work closely with Thermomix® Australia, who are firmly committed to the launch of the Thermomix® box. This is a unique offering that will assist with our goal for rapid customer growth.

The Thermomix® Box has been trialled to approximately 280 Perth-based Thermomix® consultants with their feedback now being incorporated into the final product.

The official launch will initially target the ~100,000 Thermomix® customers in the Perth metro area, with these customers able to view and select the new range of meal kits designed to be used with their Thermomix® at home via the MBX website on www.myfoodiebox.com.au.

The Thermomix® Box will be launched on the eastern seaboard when we expand our operations into those markets in the second half CY2022. Across Australia Thermomix® has approximately 500,000 customers.

Thermomix® has a reputation for a vibrant and engaged community, with the Thermomix® Box designed to provide those customers with the quality and convenience of a My Foodie Box meal kit.

DISCLOSURE REQUIRED UNDER LISTING RULE

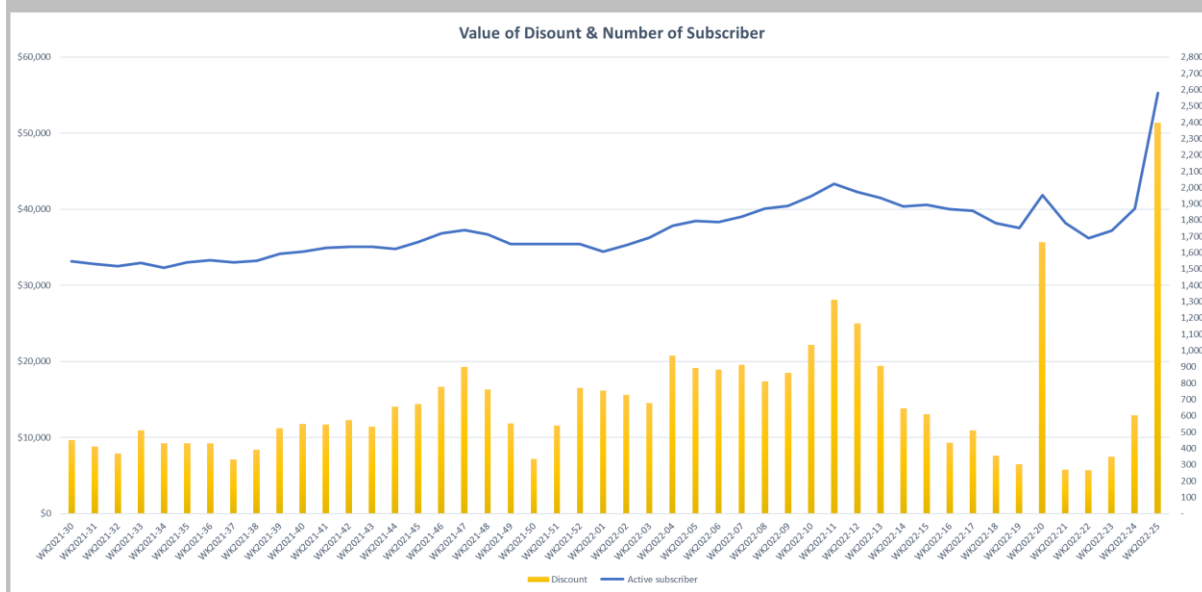
The Company provides the following disclosure required by ASX listing rule 4.7C.2 regarding a comparison of its actual expenditure to the 30 June 2022 against the 'use of funds' statement in its replacement prospectus dated 30 November 2021. As with any budget, the allocation of funds may change depending on factors including the risk factors outlined in the Prospectus, and the outcome of operational and growth activities, regulatory developments and market and general economic conditions.

Use of Funds	Funds allocated under the prospectus	Actual to 30/6/2022	Variance
Marketing	\$3,070,000	\$1,579,714	\$1,490,286
Development of Technology	\$500,000	\$131,476	\$368,524
Expenses of the offers	\$623,282	\$659,895	-\$36,613
Working Capital	\$1,806,718	\$1,333,590	\$473,128
Total	\$6,000,000	\$3,704,676	\$2,295,324

Payments during the June quarter totalling approximately A\$60,500 were made to related parties of the Company, being Executive Director Wages and Non-Executive Director Fees.

Further details can be found in the Appendix 4C released with this announcement.

Table 1



ABOUT MY FOODIE BOX

My Foodie Box Limited (ASX:MBX), is a listed food technology and logistics business focused on preparing and delivering meal kits to customers in Western Australia, with a vision to use its existing technology platform to expand its services and product offering to become a broader, national e-commerce business.

With My Foodie Box meal-kits, you decide what to eat, when to eat and leave behind the inconvenience of grocery shopping. Our mission is to take the stress out of meal planning and to bring joy back into the kitchen. We are committed to providing the best local produce, preservative and hormone free meats and eco-friendly seafood from suppliers we trust. We work exclusively with farmers who raise their animals ethically and share our sustainable values.

One of My Foodie Box's top priorities is to ensure your meals arrive fresh and safe in the most environmentally responsible packaging available. That's why we only use packaging that is compostable, recyclable and reusable. We will collect your used box upon delivering your new box and reprocess it in our facilities.

For more details go to: <https://www.myfoodiebox.com.au>

Ends

This ASX Announcement has been authorised for release by the Board of My Foodie Box Limited.

DISCLAIMER

The information in this announcement is general in nature and does not purport to be complete or to contain all the information which a prospective investor may require in evaluation of a possible investment in the Company or that would be required in a prospectus prepared in accordance with the Corporations Act 2001 (Cth). Financial information, where not otherwise noted, in this announcement is unaudited. The information in this announcement should be read in conjunction with the Company's most recent financial report and all of My Foodie Box's periodic and continuous disclosure information lodged with the Australian Securities Exchange (ASX) and available at www.asx.com.au. Certain market and industry data used in this announcement may have been obtained from third parties, including industry or general publications. The Company has not independently verified any such market or industry publications.

This announcement does not take into account any person's particular investment objectives, financial resources or other relevant circumstances and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons. Any investment decision should be made solely on the basis of your own enquiries. Before making an investment decision in the Company, you should consider whether such an investment is appropriate to your particular investment objectives, financial situation or needs.

To the fullest extent permitted by law, the Company does not make any representation or warranty, express or implied, as to the accuracy or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from this announcement arising out of negligence or otherwise is accepted.

Past performance is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Past Performance of My Foodie Box cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of the Company. Nothing contained in this announcement nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future,

This announcement may include forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates. This includes statements about market and industry trends, which are based on interpretations of current market conditions. Actual values, results or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statements in this announcement speak only at the date of issue of this announcement. To the maximum extent permitted by law, the Company and any of its affiliates and their directors, officers, employees, agents, associates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumption;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this announcement, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

My Foodie Box Limited

ABN

62 622 021 265

Quarter ended ("current quarter")30th June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,385	5,464
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,183)	(4,368)
(c) advertising and marketing	(518)	(1,076)
(d) leased assets	(45)	(169)
(e) staff costs		
(f) administration and corporate costs	(661)	(2,390)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(4)	(31)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		9
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,026)	(2,561)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(26)	(107)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(26)	(107)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		6,000
3.2	Proceeds from issue of convertible debt securities		325
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		(706)
3.5	Proceeds from borrowings	54	318
3.6	Repayment of borrowings	(237)	(970)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(183)	4,967

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,531	(4)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,027)	(2,561)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(26)	(107)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(183)	4,967
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,295	2,295

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,295	3,531
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,295	3,531

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	60,500
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	87	87
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	87	87
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Onetangi Pty Ltd at 9% pa repayable by 31 July 2022 unsecured amount.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,026)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,295
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	2,295
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.24
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 July 2022

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.