MY FOODIE BOX
Local taste, less waste meal kits

ASX RELEASE | 31 OCTOBER 2022

SEPTEMBER 2022
QUARTERLY ACTIVITY REPORT & APPENDIX 4C

Rapid growth across key metrics provides foundation for planned introduction of margin/ operational efficiencies

Highlights:

- **Net revenue has increased (post end of quarter) by approximately $100k per month since July .**
- **Brand awareness marketing strategy has ended, reducing marketing costs by over $200k per month.**
- **Transition from the brand awareness marketing strategy to discount sales strategy implemented and delivering results.**
- **Post quarter over 4,000 Active Subscribers achieved in October, with corresponding increase in revenue.**
- **Net revenue of $1,619,000, represents 28% growth year-on-year and 16% growth vs previous (June 2022) quarter, after poor start to quarter with July experiencing a decline due to extended school holidays increasing skip ratios.**
- **Substantial growth in key metrics to end of quarter:**
  - **Active Subscribers up 84% YoY from 1,511 to 2,781*, and 47%, on previous quarter (1,897)**
  - **Active Customers up 133% YoY, from 2,724 to 6,347, and 115% on previous quarter (2,950)**
  - **Numbers of Orders up 84% YoY, from 10,227 to 18,861, and 43% on previous quarter (13,137)**
- **Large-scale consumer launch of My Foodie Box Thermomix® box range commenced late in quarter, expected benefits and revenue to occur in future quarters as program expands.**
- **With strong customer foundation established focus now on maximising identified operational and margin efficiencies.**
- **Three weeks of record production achieved in August, highlighting need for expanded facilities as Company remains on track to significantly out-perform target of 4,000 Active Subscribers by end CY 2022 with corresponding impact on revenue.**
- **WA Operations will commence moving into expanded facility in coming quarter to meet expected growth and introduce significant operational efficiencies.**
- **Secured expansion funding, via post period Convertible Note.**

* Average over whole quarter.

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Rapidly expanding food and logistics business My Foodie Box **(ASX: MBX) ("MBX" or "the Company")** is pleased to present the Company's quarterly activities report for the period ending 30 September 2022, a period in which significant operational milestones were achieved, to underpin the sustained growth of the business as it optimises its "go to market" strategy from a brand building to a focus on margin and operational efficiencies.

Commenting on the quarterly results, My Foodie Box CEO, Mai Hughes, said;

"We are very pleased with the growth rate of our number of Active Subscribers, which went from ~1,650 Active Subscribers since listing in January 2022 to an average of 2,781 over the September quarter.

Importantly, that growth has continued post quarter end, with the business now having more than 3,950 Active Subscribers.

We expect this growth trajectory to continue to accelerate as we see the benefits of the large-scale consumer launch of My Foodie Box Thermomix® box range, which only commenced at the end of the September quarter, and the transition of the marketing strategy from brand building to targeted sales conversion.

With a lease signed on a larger fulfilment centre, located in the Perth Airport precinct, we are able to double production capacity, which will allow us to grow significantly whilst achieving economies of scale benefits through utilisation of improved equipment, space optimisation and new technology.

In terms of cashflow, as we have moved from brand building to sales conversion with marketing expenditure reduced by ~ $200,000 per month and we are now focussed on being cashflow positive as soon as practically possible.

The Company will commence its expansion plan into NSW with its Christmas offering in 2022 and will continue its full-scale expansion into NSW in 2023.

ACTIVITY SUMMARY

The September quarter was a transition quarter for My Foodie Box, in which it (as planned) completed the large-scale brand awareness marketing strategy, which was focussed on rapidly increasing brand awareness to assist customer acquisition and build suitable levels of scale.

With the goals of that phase now met and the foundation for the next phase of operational growth now in place, the Company has moved into its planned discount sales-focused strategy, which at a low cost per acquisition has seen significant growth in both Active Subscribers and database of customers.

With a large customer base in place the Company is now able to, in a very efficient and cost-effective way, retarget and re-activate its customer database regularly via direct SMS or email promotions at very low acquisition costs.

Receipts from customers in the September quarter totalled $1,619,000 up $234,000 or 16% on the June quarter of $1,385.000.

Extraordinary costs, which increased the cash expended in the quarter, were FY21 Payroll tax totalling $149,000 paid in July, and the deposit paid with the proposal to lease new premises of $46,000. There was also a body of creditors (approximately $200k) that had delayed payments from the prior quarter that were paid in this quarter. Those payments are considered extraordinary and should not be included in the cash burn rate on a normalised basis. All these extraordinary costs paid in the quarter total approximately $400k.

Net operating cash outflows for September total ($1,707,000), which was up ($681,000) from the June quarter ($1,026,000), primarily as a result of increased brand awareness marketing costs which have now ended, and the extraordinary costs mentioned above.

The Company has proactively reduced costs, in line with the advance to the new phase of its marketing strategy, by over $200,000 per month, which will be reflected in coming quarters. This, coupled with increasing revenues and no further extraordinary costs, is expected to significantly improve cashflows.

NEW WEBSITE AND APP

Due to delays in sourcing suitably qualified programmers, which has negatively impacted the timing of the next evolution of the My Foodie Box website, app and online marketplace, the Company proactively built up an internal IT department with 2 back-end developers, and a front-end developer supported by two offshore contractors. They have spent the past 6 months developing the next e-commerce platform (version 4) whilst maintaining the current platform. The new version will be live in December 2022, and management is confident the new platform will provide for a more efficient and enjoyable new customer experience.

The new version of the website will provide significantly more functionality, which will in turn allow the Company to further monetise its expanded e-commence platform by accessing new revenue streams, optimising cost control, and introducing complementary partner opportunities.

The new e-commerce platform will also assist the marketing team in increasing sales by being more intuitive and user-friendly (reduced cart abandonment rate).

Complimenting the new e-commerce platform is a new App, which is expected to be live in December 2022.

With the new platform and App in place the Company is now also able to confidently expand into the east coast of Australia in the current quarter.

SUMMARY OF ISSUES

2022, including the past quarter, the Company has had to overcome two main issues: human resources and high "skip" ratios.

2022 has been a difficult year for human resources. Recruitment and retention of staff remains challenging, particularly for a growing business in Western Australia, which has record low unemployment.

With Western Australian's now travelling freely outside of the state for the first time in almost three years, the Company has seen unusually high skip ratios for its meal kits, particularly in the past quarter.

Despite this, the Company has experienced hyper-growth, which has put operations under pressure and exposed the shortcomings of its current warehouse.

Strategies have been proactively implemented to reduce/ overcome these issues in current quarters.

With inflationary pressure also evident, the Company is confident its systems are allowing it to appropriately monitor and control costs. The new functionality offered by the new e-commerce platform will further allow for additional cost control efficiencies, derive additional revenue, and more easily partner with appropriate third parties.

During the quarter the Company has actively worked with third parties, such as Wide Open Agriculture (ASX: WOA), to develop a ready to eat line. Meal kits are ready to cook, so the Company believes that by adding a ready to eat offering will provide customers with even greater convenience and choice and add additional revenue to our model.

The Company is in preliminary discussions with other third parties who have ready to eat products it thinks will fit our distribution model and who see the enormous benefit of partnering with, or joining, MBX.

KEY OPERATING METRICS

September 2022 quarter Active Subscribers grew 84% compared to the previous YOY quarter.

The Company provided 64,185 meals in the quarter, which is an increase of 66% on the previous YOY quarter and an increase of 39% on the previous quarter.

The September quarter has seen the Company move into a period of hyper-growth which it expects to continue, importantly at a significantly lower cost per acquisition. October has seen a record increase in Active Subscribers, with an increase of over 600 Active Subscribers. My Foodie Box has now more than doubled in size this calendar year to date.

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Preliminary & Unaudited	September 2022 quarter	September 2021 quarter	Variance %
Active Customers (1)	6,347	2,724	133%
Active Subscribers (2)	2,781	1,511	84%
Number of Orders	18,861	10,227	84%
Orders per customer	3.0	3.8	-21%
Orders per subscriber	6.8	6.8	0%
Meals	64,185	38,672	66%
Avg Order Value	$111.9	$123.8	-10%
Avg Order Value (Net of Discounts)	$76.5	$103.7	-26%

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

Fund Raise

The Company will move to larger, better operating premises commencing November 2022. The move together with the hyper-growth we are experiencing requires additional funding. Post quarter end we have secured additional finance (see separate Funding Announcement). Funding will be partially used as security in term deposit for the lease bond ($330,000). The balance will be used to cover set-up and moving costs and to provide working capital until we reach breakeven and are cash flow positive. Our forecasts show us breaking even in March 2023. The funding is Company led.

THERMOMIX® BOX LAUNCHED

Since listing in January 2022, the Company have been applying all necessary resources to the development of the Thermomix® Box. Thermomix® is a cornerstone investor with 15% of MBX after investing $2m in the IPO. My Foodie Box have collaborated with Thermomix® on the development of the Thermomix® Box, which will be sold by Thermomix® consultants together with its standard marketing channels.

There are currently approximately 250 sale consultants in Perth and a further 2,000 sale consultants around Australia. The Thermomix® Box went live on the My Foodie Box website on the 28th of September, with the first orders to be delivered on the 22nd of October. Following launch, and after only one week, 400 Active Subscribers had become customers from this offering, which is more than 10% of the Company's total Active Subscribers.

Thermomix® and their consultants have started selling the Thermomix® Box to its database of approximately 125,000 Thermomix® users in Perth. Thermomix® will be instrumental in the My Foodie Box expansion plans into the eastern states as it will be able to tap into their consultant network and their database of a further 400,000 Thermomix® users.

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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 September 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 30/9/2022	Variance
Marketing	$3,070,000	$2,341,363	$728,637*
Development of Technology	$500,000	$234,695	$265,305
Expenses of the offers	$623,282	$659,895	($36,613)
Working Capital	$1,806,718	$2,371,691	($564,973)*
Total	$6,000,000	$5,607,645	$392,355

* Working capital is over budget while marketing is under budget. This is representative of the change in strategy with a drop in marketing spend and increase in discounts offered to drive growth as mentioned above.

Payments during the September quarter totalling approximately A$135k were made to related parties of the Company, being Executive Director Wages, Non-Executive Director Fees. The September quarter included 4 months of payment to Executive directors with June's invoice paid in July.

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

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	**Quarter ended ("current quarter")**
62622021265	30th September 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,619	1,619
1.2	Payments for		
	(a) research and development	(62)	(62)
	(b) product manufacturing and operating costs	(1,716)	(1,716)
	(c) advertising and marketing	(762)	(762)
	(d) leased assets	(91)	(91)
	(e) staff costs		
	(f) administration and corporate costs	(695)	(695)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(1,707)**	**(1,707)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(9)	(9)
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets	(101)	(101)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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**	**(110)**	**(110)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(87)	(87)
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**	**(87)**	**(87)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,296	2,296
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,707)	(1,707)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(110)	(110)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(87)	(87)
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**392**	**392**

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	392	2,296
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)**	**392**	**2,296**

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	135
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)	38	38
7.4	**Total financing facilities**	38	38

7.5	**Unused financing facilities available at quarter end**	0
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.	
	Hire purchase – weighted average interest rate is 9.9%	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,707)
8.2	Cash and cash equivalents at quarter end (item 4.6)	392
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	392
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.23

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.

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: No

1. Expected increase in customer subscriptions on the back of the historical increased subscriptions since the listing in January 2022;
2. Expected launch of the Thermomix box in October 2022;
3. The partnership with Wide Open Agriculture announced on the 7 September 2022 and see both companies develop an exclusive range of ready to eat product lines and expand into the Eastern States;
4. Exit from certain marketing contracts with cash savings of approximately $200,000 per month.

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: Yes, Company led fundraising now in progress, further details will be announced shortly.

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: Yes as noted above.

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.

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: 31 October 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.