

Me Today Limited

Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 31 December 2022

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Consolidated Statement of Profit or Loss and other Comprehensive Income

For the six months ended 31 December 2022

		6 mths ended 31 Dec 2022 (unaudited) NZ\$000	6 mths ended 31 Dec 2021 (unaudited) NZ\$000
Revenue before marketing services provided by a customer		4,146	3,942
Less marketing services provided by a customer		(547)	(286)
Revenue	4	3,599	3,656
Cost of sales		(2,178)	(2,379)
Selling and marketing expenses		(1,651)	(1,694)
Distribution expenses		(437)	(240)
Administrative and other operating expenses		(2,657)	(2,390)
Amortisation of customer relationship asset		(542)	(542)
Impairment of biological work in progress asset	11	(861)	-
Finance income		4	4
Finance expenses	5	(289)	(275)
Acquisition related costs		-	(45)
Operating loss before restructure related items and income tax	5	(5,012)	(3,905)
Fair value loss on biological assets	10	(544)	-
Restructuring costs		(151)	-
Write down of assets held for sale	8	(98)	-
Loss before income tax		(5,805)	(3,905)
Income tax (expense)/benefit		-	-
Loss for the period attributable to owners of the company		(5,805)	(3,905)
Other comprehensive income			
Other comprehensive income for the period		-	-
Total comprehensive loss for the period attributable to owners of the company		(5,805)	(3,905)
Earnings (loss) per share:			
Basic and diluted loss per share (NZ\$)	7	(0.0038)	(0.0055)

These interim financial statements have not been audited, nor reviewed by the auditor. The accompanying notes form part of these interim financial statements and should be read in conjunction with them.

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2022

	Share capital	Share based payments reserve	Accumulated losses	Total equity
	NZ\$000	NZ\$000	NZ\$000	NZ\$000
At 1 July 2021 (unaudited)	38,744	33	(17,421)	21,356
<i>Total comprehensive income</i>				
Loss attributable to owners of the company	-	-	(3,905)	(3,905)
<i>Transactions with owners</i>				
Share options issued	-	12	-	12
Other share based payments	-	56	-	56
At 31 December 2021 (unaudited)	38,744	101	(21,326)	17,519
At 1 July 2022 (audited)	51,427	77	(27,405)	24,099
<i>Total comprehensive income</i>				
Loss attributable to owners of the company	-	-	(5,805)	(5,805)
<i>Transactions with owners</i>				
Shares issued during the period	752	-	-	752
Less: share issue costs	(70)	-	-	(70)
Share options issued	-	3	-	3
Other share based payments	-	61	-	61
At 31 December 2022 (unaudited)	52,109	141	(33,210)	19,040

These interim financial statements have not been audited, nor reviewed by the auditor. The accompanying notes form part of these interim financial statements and should be read in conjunction with them.

Consolidated Statement of Financial Position

As at 31 December 2022

	Note	31 Dec 2022 (unaudited) NZ\$000	30 Jun 2022 (audited) NZ\$000
ASSETS			
Current assets			
Cash and cash equivalents		2,312	5,370
Trade and other receivables	8	2,853	1,199
Inventory		15,648	16,793
Biological work in progress	11	1,171	698
Taxation receivable		9	35
		<u>21,993</u>	<u>24,095</u>
Assets classified as held for sale	9	128	1,063
Total current assets		22,121	25,158
Non-current assets			
Biological assets	10	752	1,598
Property, plant and equipment		3,280	3,788
Right-of-use assets	12.1	801	1,387
Customer relationship asset		6,894	7,436
Other intangible assets		96	89
		<u>11,823</u>	<u>14,298</u>
Total assets		33,944	39,456
LIABILITIES			
Current liabilities			
Trade and other payables		1,788	1,766
Lease liabilities	12.2	281	316
Borrowings	13	538	942
		<u>2,607</u>	<u>3,024</u>
Total current liabilities		2,607	3,024
Non-current liabilities			
Lease liabilities	12.2	501	1,041
Borrowings	13	11,796	11,292
		<u>12,297</u>	<u>12,333</u>
Total non-current liabilities		12,297	12,333
Total liabilities		14,904	15,357
Net assets		19,040	24,099
EQUITY			
Share capital		52,109	51,427
Share based payments reserve		141	77
Accumulated losses		(33,210)	(27,405)
		<u>19,040</u>	<u>24,099</u>
Total equity		19,040	24,099

These financial statements were approved by the Board on 28 February 2023.

Signed on behalf of the Board by:



Grant Baker



Michael Kerr

These interim financial statements have not been audited, nor reviewed by the auditor. The accompanying notes form part of these interim financial statements and should be read in conjunction with them.

Consolidated Statement of Cash Flows

For the six months ended 31 December 2022

	6 mths ended 31 Dec 2022 (unaudited)	6 mths ended 31 Dec 2021 (unaudited)
Note	NZ\$000	NZ\$000
Cash flows from operating activities		
Receipts from customers	2,707	3,130
Payments to suppliers and employees	(7,377)	(9,175)
Interest received	4	4
Income tax (paid)/refunded	26	(4)
Net cash used in operating activities	(4,640)	(6,045)
	15	
Cash flows from investing activities		
Acquisition related costs	-	(45)
Payments for property, plant and equipment	(15)	(208)
Payments for intangibles	(8)	(10)
Proceeds from sale of assets held for sale	1,360	-
Net cash from/(used in) investing activities	1,337	(263)
Cash flows from financing activities		
Proceeds from issue of share capital	753	-
Share capital issue costs	(70)	-
Repayment of principal on borrowings	-	(797)
Interest paid on borrowings	(177)	(159)
Payment of lease liabilities	(242)	(670)
Interest paid on lease liabilities	(19)	(43)
Net cash flows from/(used in) financing activities	245	(1,669)
Net decrease in cash and cash equivalents	(3,058)	(7,977)
Cash and cash equivalents at 1 July	5,370	6,576
Cash and cash equivalents at 31 December	2,312	(1,401)

These interim financial statements have not been audited, nor reviewed by the auditor. The accompanying notes form part of these interim financial statements and should be read in conjunction with them.

Condensed Notes to the Interim Consolidated Financial Statements

For the six months ended 31 December 2022

1. General information

Me Today Limited ('the Company') is a limited liability company incorporated and domiciled in New Zealand.

The condensed interim consolidated financial statements presented are for Me Today Limited and its subsidiaries (together 'the Group').

The Group produces, sells, and markets health and wellbeing products or acts as an agent on behalf of other health and wellbeing suppliers. The Group also produces and sells premium Mānuka honey.

2. Basis of preparation

These unaudited condensed interim consolidated financial statements for the 6 months ended 31 December 2022 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'), with New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting ('NZ IAS 34'), with International Accounting Standard 34: Interim Financial Reporting ('IAS 34'), and with the requirements on the NZX Listing Rules.

Me Today Limited is a company registered under the Companies Act 1993 and is an FMC reporting entity under the Financial Markets Conduct Act 2013. The Company is listed on the NZX Main Board.

The condensed interim consolidated financial statements do not include all of the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the financial statements included in the annual report for the year ended 30 June 2022 which have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

The condensed interim consolidated financial statements are presented in New Zealand dollars which is the Company's functional and presentation currency, rounded to the nearest thousand dollars.

This is the first time the Group has reported interim results for the six months to 31 December following the recent change of balance date from 31 March to 30 June. As a result, this is also the first time the Group has reported the financial results for the 6 months to 31 December 2021 as shown in the comparatives. The condensed interim consolidated financial statements, including the financial results for the 6 months to 31 December 2022 and 2021, are unaudited. The comparative information as at 30 June 2022 and for the 15 months then ended, is audited.

2.1. Basis of measurement

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for biological assets which are measured at fair value less cost to sell. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2. Impact of COVID-19

The international and domestic impact of the COVID-19 pandemic, including the ongoing lockdowns in China, continued to have an impact on the Group's performance during the period.

Retail domestic sales have continued to be impacted by the reduced number of tourists in New Zealand.

King Honey's most important customer relationship currently is the partnership relating to the Bee+ brand. This brand is well established in the Chinese market with an extensive reach created by the brand principal and distribution partner. The impact of the COVID-19 pandemic in China, including lockdowns, impacted on the volume of sales through this distribution partner. The financial impact of the downsizing of the King Honey operations, which commenced in the previous financial period, is linked to this underperformance of Bee+ distribution in the Chinese market.

The COVID-19 pandemic has not had a material impact on trade receivables.

Condensed Notes to the Interim Consolidated Financial Statements

For the six months ended 31 December 2022

2.3. Going concern

The interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Group has the intention and ability to continue its operations for the foreseeable future.

The Group incurred an after-tax loss of \$5.8 million in the 6 months to 31 December 2022 (6 months to 31 December 2021: \$3.9 million loss). The Group's net cash outflows from operating activities during the 6 months was \$4.6 million (2021: \$6.0 million net cash outflow).

At the reporting date the Group had cash of \$2.31 million (30 June 2022: \$5.37 million), working capital of \$19.5 million (30 June 2022: \$22.1 million) and net assets of \$19.0 million (30 June 2022: \$24.1 million). The Group had bank loans of \$7.03 million (30 June 2022: \$7.03 million), and a subordinated note payable of \$5.3 million (30 June 2022: \$5.2 million) which is due for payment to the previous owners of King Honey in June 2024.

The considered view of the Board is that, after making due enquiries and considering relevant factors, there is a reasonable expectation that the Group will have access to adequate resources and commitments from its borrowers, that will enable it to meet its financial obligations for the foreseeable future.

For this reason, the Board considers the adoption of the going concern basis in preparing the unaudited interim consolidated financial statements for the 6 months ended 31 December 2022 to be appropriate. The Board has reached this conclusion having regard to circumstances which it considers likely to affect the Group during the period of at least one year from the date of approval of these interim consolidated financial statements, and to circumstances which it considers will occur after that date which will affect the validity of the going concern basis.

The Directors are satisfied, based on their review of the Group's current financial forecasts, that, during the 12 months after the date of signing these condensed interim consolidated financial statements, there will be adequate cash flows available to meet the financial obligations of the Group as they arise. This consideration is made with reference to the following events:

The Group's banker, Bank of New Zealand, has confirmed that it will keep the Group's existing bank facilities in place (refer note 13) subject to further review no later than 31 August 2023 in conjunction with the FY23 audited financial statements and FY24 budget. Facilities will remain on an interest only basis until 31 August 2023. The requirement for an amortisation programme will be considered at that time in conjunction with the FY24 budget. The bank also confirmed covenant requirements were amended to extend the suspension of earnings-related covenants until 31 August 2023 at which stage the covenants will be aligned with the FY24 budget.

The Group currently has available overdraft facilities of \$5 million to support seasonal operating cash flows.

Strong commercial relationships continue to be developed with new customers with ongoing expansion into international markets.

3. Changes in Significant Accounting Policies

There have been no changes in the accounting policies and methods of computation used in preparing the condensed interim consolidated financial statements compared to those used in preparing the audited consolidated financial statements for the 15 months ended 30 June 2022. For details of the accounting policies for the 15 months ended 30 June 2022 please refer to the 2022 Annual Report.

Condensed Notes to the Interim Consolidated Financial Statements

For the six months ended 31 December 2022

4. Revenue

	6 mths ended 31 Dec 2022 (unaudited) NZ\$000	6 mths ended 31 Dec 2021 (unaudited) NZ\$000
Revenue from sale of health and wellbeing products before marketing services provided by customers	1,353	1,524
Less marketing services provided by customers	(547)	(286)
Revenue from sale of health and wellbeing products	806	1,238
Revenue from sale of honey products	2,509	2,216
Revenue from agency services	284	202
Total revenue	3,599	3,656

The details above disaggregate the Group's revenue from contracts with customers into primary markets, and major product and service lines.

The Group's revenue by geographical region is shown below.

	6 mths ended 31 Dec 2022 (unaudited) NZ\$000	6 mths ended 31 Dec 2021 (unaudited) NZ\$000
New Zealand	2,953	3,202
Europe	158	433
United Kingdom	19	21
United States	469	-
Total revenue	3,599	3,656

5. Expenses

The loss for the period includes the following expenses.

	6 mths ended 31 Dec 2022 (unaudited) NZ\$000	6 mths ended 31 Dec 2021 (unaudited) NZ\$000
Salaries	(2,196)	(3,194)
Employer Kiwisaver contributions	(74)	(74)
Directors' fees	(235)	(198)
Depreciation and amortisation:		
Depreciation of property, plant and equipment	(302)	(449)
Depreciation of right of use assets	(254)	(458)
Amortisation of customer relationship asset	(542)	(542)
Amortisation of intangible assets	(1)	(3)
	(1,099)	(1,452)
Depreciation and amortisation is allocated as follows:		
Capitalised to biological work in progress	308	642
Included in the operating loss	(791)	(810)

Condensed Notes to the Interim Consolidated Financial Statements

For the six months ended 31 December 2022

	6 mths ended 31 Dec 2022 (unaudited) NZ\$000	6 mths ended 31 Dec 2021 (unaudited) NZ\$000
Finance expenses:		
Interest on lease liabilities	(19)	(43)
Interest on borrowings	(277)	(259)
	(296)	(302)
Finance expenses are allocated as follows:		
Capitalised to biological work in progress	7	27
Included in the operating loss	(289)	(275)

6. Segment information

The Group produces, sells, and markets health and wellbeing products ('sale of goods' segment) or acts as an agent on behalf of other health and wellbeing suppliers ('agency services' segment). The Group also produces and sells premium Mānuka honey ('honey' segment).

	Six months ended 31 December 2022					Six months ended 31 December 2021				
	Sale of goods NZ\$000	Agency services NZ\$000	Honey NZ\$000	Other / unallocated NZ\$000	Total NZ\$000	Sale of goods NZ\$000	Agency services NZ\$000	Honey NZ\$000	Other / unallocated NZ\$000	Total NZ\$000
Revenue before marketing services	1,353	284	2,509	-	4,146	1,524	202	2,216	-	3,942
Less marketing services provided	(547)	-	-	-	(547)	(286)	-	-	-	(286)
Total external revenue	806	284	2,509	-	3,599	1,238	202	2,216	-	3,656
Total inter-segment revenue	-	-	-	-	-	-	-	-	-	-
Operating EBITDA	(1,240)	(85)	(1,058)	(692)	(3,075)	(934)	(127)	(1,086)	(632)	(2,779)
Impairment of biological work in progress asset	-	-	(861)	-	(861)	-	-	-	-	-
Depreciation and amortisation	(4)	(2)	(735)	(50)	(791)	(8)	(3)	(750)	(49)	(810)
Fair value loss on biological assets	-	-	(544)	-	(544)	-	-	-	-	-
Restructuring costs	-	-	(151)	-	(151)	-	-	-	-	-
Write down of assets held for sale	-	-	(98)	-	(98)	-	-	-	-	-
Acquisition related costs	-	-	-	-	-	-	-	-	(45)	(45)
Finance income	-	-	-	4	4	-	-	-	4	4
Finance expenses	-	-	(287)	(2)	(289)	-	-	(272)	(3)	(275)
Net loss before taxation	(1,244)	(87)	(3,734)	(740)	(5,805)	(942)	(130)	(2,108)	(725)	(3,905)
Income tax expense	-	-	-	-	-	-	-	-	-	-
Net loss for the year	(1,244)	(87)	(3,734)	(740)	(5,805)	(942)	(130)	(2,108)	(725)	(3,905)
	As at 31 December 2022					As at 30 June 2022				
	Sale of goods NZ\$000	Agency services NZ\$000	Honey NZ\$000	Other / unallocated NZ\$000	Total NZ\$000	Sale of goods NZ\$000	Agency services NZ\$000	Honey NZ\$000	Other / unallocated NZ\$000	Total NZ\$000
Segment assets	3,610	417	28,930	1,848	34,805	2,255	147	31,590	5,464	39,456
Segment liabilities	378	138	14,036	352	14,904	396	43	14,471	447	15,357

The Group has identified its operating segments based on the internal reports reviewed and used by the Chief Operating Decision Maker ('CODM'), being the Board of Directors, in assessing the Group's performance and in determining the allocation of resources.

Unallocated operating expenses include head office costs and costs related to the NZX listing.

Significantly all operations are carried out in New Zealand.

6.1. Seasonal and cyclical influences

The Group's honey production operations have seasonal influences. Over winter, hives are downsized and operating costs are primarily spent on maintaining hives and operations. Honey production occurs from early spring to late summer with the majority of honey harvest occurring from January to March. Operating costs increase during the honey production and harvest months. Beekeeping costs are deferred

Condensed Notes to the Interim Consolidated Financial Statements

For the six months ended 31 December 2022

and recognised as biological work in progress (net of any impairment) up until harvest, at which point they are transferred to inventory. Sales of honey occur throughout the year and the cost of honey sold is recognised at the same time.

There are no seasonal or cyclical influences on the sale of goods or agency services operations.

7. Earnings per share

	6 mths ended 31 Dec 2022 (unaudited)	6 mths ended 31 Dec 2021 (unaudited)
Basic and diluted earnings/(loss) per share (NZ\$)	(0.0038)	(0.0055)

The losses and weighted average number of ordinary shares used in the calculation of loss per share are as follows:

Loss from continuing operations (NZ\$000)	(5,805)	(3,905)
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share ('000)	1,523,567	706,446

At 31 December 2022, there were no financial instruments that carried any shareholder dilution rights that were considered to be dilutive (2021: none). The 1,000,000 share options on issue were not considered to be dilutive due to the Group's loss (2021: 2,000,000 share options).

8. Trade and other receivables

	31 Dec 2022 (unaudited)	30 Jun 2022 (audited)
	NZ\$000	NZ\$000
Trade receivables	1,705	913
Other receivables	654	5
GST receivable	101	112
Prepayments	393	169
	2,853	1,199

Condensed Notes to the Interim Consolidated Financial Statements

For the six months ended 31 December 2022

9. Assets held for sale

	31 Dec 2022 (unaudited) NZ\$000	31 Dec 2021 (unaudited) NZ\$000	30 Jun 2022 (audited) NZ\$000
Opening balance	1,063	-	-
Reclassified from property, plant & equipment:			
- cost	275	-	744
- accumulated depreciation	(54)	-	(104)
Write down of assets held for sale	(31)	-	(190)
Net book value reclassified from property, plant & equipment	190	-	450
Reclassified from biological assets	302	-	965
Write down of assets held for sale	(67)	-	(352)
Net book value reclassified from biological assets	235	-	613
Sales of assets	(1,360)	-	-
At reporting date	128	-	1,063

The Group has continued to downsize its beekeeping operations which commenced in the previous reporting period.

10. Biological assets

	31 Dec 2022 (unaudited) NZ\$000	31 Dec 2021 (unaudited) NZ\$000	30 Jun 2022 (audited) NZ\$000
Bees:			
Opening balance	1,598	3,283	-
Acquisition of subsidiaries	-	-	3,283
Reclassified to assets held for sale	(302)	-	(965)
Fair value loss on biological assets	(544)	-	(720)
At reporting date	752	3,283	1,598
	31 Dec 2022 number of	31 Dec 2021 number of	30 Jun 2022 number of
Operational hives:			
Opening balance	8,950	18,394	-
Acquisition of subsidiaries	-	-	15,595
Net movement in operational hives	(4,738)	-	(6,645)
At reporting date	4,212	18,394	8,950

The reduction in the number of hives and the resulting reduction in the fair value of the biological asset in the six months to 31 December 2022, is a result of the downsizing of the beekeeping operations.

Condensed Notes to the Interim Consolidated Financial Statements

For the six months ended 31 December 2022

11. Biological work in progress

	31 Dec 2022 (unaudited) NZ\$000	31 Dec 2021 (unaudited) NZ\$000	30 Jun 2022 (audited) NZ\$000
Opening balance	698	1,437	-
Acquisition of subsidiaries	-	-	1,437
Current period beekeeping costs	1,334	3,949	7,239
Impairment of biological work in progress asset	(861)	-	-
Fair value loss on harvested honey	-	-	(1,724)
Honey recognised as inventory on harvest	-	-	(6,952)
Beekeeping costs related to next harvest	-	-	698
At reporting date	1,171	5,386	698

The impairment loss recognised reduces the carrying value of biological work in progress to its estimated realisable value.

12. Leases**12.1. Right-of-use asset**

The Group leases warehouse and administration premises, and land used for hive placements.

	Premises NZ\$000	Hive placements NZ\$000	Total NZ\$000
Cost:			
At 1 July 2021	1,160	1,071	2,231
Additions	296	313	609
At 31 December 2021	1,456	1,384	2,840
Lease modifications*	(82)	(626)	(708)
At 30 June 2022	1,374	758	2,132
Additions	-	186	186
Lease modifications*	(294)	(224)	(518)
At 31 December 2022	1,080	720	1,800
Accumulated amortisation:			
At 1 July 2021	(69)	-	(69)
Depreciation expense	(175)	(283)	(458)
At 31 December 2021	(244)	(283)	(527)
Depreciation expense	(177)	(41)	(218)
At 30 June 2022	(421)	(324)	(745)
Depreciation expense	(172)	(82)	(254)
At 31 December 2022	(593)	(406)	(999)

Condensed Notes to the Interim Consolidated Financial Statements

For the six months ended 31 December 2022

	Premises	Hive placements	Total
	NZ\$000	NZ\$000	NZ\$000
Carrying amounts:			
At 31 December 2022	487	314	801
At 30 June 2022	953	434	1,387
At 31 December 2021	1,212	1,101	2,313
At 1 July 2021	1,091	1,071	2,162

* Lease modifications – the Group has reassessed the likely period of renewal of leases impacted by the Board’s decision to downsize its beekeeping operations and adjusted the related right-of-use assets and lease liabilities accordingly.

12.2. Lease liability

	31 Dec 2022 (unaudited)	30 Jun 2022 (audited)
	NZ\$000	NZ\$000
Maturity analysis - contractual undiscounted cash flows		
Up to one year	413	381
One to two years	258	526
Two to five years	155	492
More than five years	-	77
Total undiscounted lease liabilities at period end	826	1,476
Lease liabilities included in the statement of financial position at balance date		
Current	281	316
Non-current	501	1,041
	782	1,357

Short term lease expenses included in operating loss were \$309,234 (2021: \$528,607).

13. Borrowings

	31 Dec 2022 (unaudited)	30 Jun 2022 (audited)
	NZ\$000	NZ\$000
Banks loans	7,034	7,034
Subordinated note	5,300	5,200
	12,334	12,234
Current	538	942
Non-current	11,796	11,292
	12,334	12,234

The Group’s bank has provided a principal repayment holiday through to 31 August 2023. The subordinated note is repayable in June 2024.

Condensed Notes to the Interim Consolidated Financial Statements

For the six months ended 31 December 2022

14. Related parties

14.1. Directors

The names of persons who are directors of the Company are; Grant Baker (Chairman), Hannah Barrett, Roger Gower, Michael Kerr, Richard Pearson, Stephen Sinclair and Antony Vriens.

14.2. Key management personnel compensation

Key management personnel compensation is set out below. The key management personnel are all the directors of the Company.

Directors were paid directors' fees of \$235,000 in the 6 months to 31 December 2022 (6 months to 31 December 2021: \$197,500). \$45,437 was payable to directors at 31 December 2022 (30 June 2022: \$14,062). The \$45,437 is payable to the independent directors and is intended to be settled by the issue of shares in the Company (30 June 2022: \$14,062).

Michael Kerr received total remuneration of \$125,000 in the current period in his role as CEO (6 months to 31 December 2021: \$112,500).

A company owned by Stephen Sinclair received \$62,500 in consulting fees (6 months to 31 December 2021: \$62,500).

14.3. Related entities

MTL Securities Limited is an entity owned and controlled by M & N Kerr Holdings, of which Michael Kerr is a director, and Velocity Capital, of which Grant Baker and Stephen Sinclair are directors. MTL Securities Limited owns 44.86% of Me Today Limited.

14.4. Related party transactions

On 15 June 2020 the Company entered into an Ambassador Agreement with BB Promotions Limited for a term of three years. BB Promotions Limited is a related party to the Group, as the shareholder and director of BB Promotions Limited, B Barrett, is married to H Barrett, a director of the Company. Under the terms of the agreement, BB Promotions Limited agreed to provide promotional services to the Company in exchange for the payment of \$50,000 per annum, the issue by the Company of ordinary shares to BB Promotions Limited to the value of \$100,000 per annum, and the granting of 3,000,000 options to purchase ordinary shares in the Company. 1,000,000 share options remained on issue at the reporting date (30 June 2022: 1,000,000). Share based payments for promotion services in the period was \$53,000 (6 months to 31 December 2021: \$62,000) in relation to the Ambassador Agreement with BB Promotions Limited.

Hannah Barrett received \$6,250 for providing marketing services to the Group (6 months to 31 December 2021: \$7,500).

14.5. Share placement subscription agreement (2021)

On 26 November 2021, Me Today, the TW Jarvis (No. 1) Family Trust ("Jarvis Trust") and MTL Securities Limited entered into a share placement subscription agreement under which the Jarvis Trust and MTL Securities Limited agreed to invest additional cash of \$6 million through a share placement, conditional upon shareholder approval. The shares were issued at 8.8 cents per share, the same issue price for capital raised as part of the King Honey acquisition and reflecting their respective shareholdings. MTL Securities Limited agreed to contribute \$3.75 million and Jarvis Trust \$2.25 million. Shareholders approved the share placement on 18 March 2022.

Jarvis Trust is a substantial security holder in Me Today and is the previous vendor of King Honey Limited. MTL Securities Limited is a substantial security holder, and the largest shareholder, in Me Today. MTL Securities Limited is an entity owned and controlled by M & N Kerr Holdings, of which Michael Kerr is a director, and Velocity Capital, of which Grant Baker and Stephen Sinclair are directors.

Condensed Notes to the Interim Consolidated Financial Statements

For the six months ended 31 December 2022

15. Reconciliation of loss after taxation with cash flow from operating activities

	6 mths ended 31 Dec 2022 (unaudited) NZ\$000	6 mths ended 31 Dec 2021 (unaudited) NZ\$000
Net loss after taxation	(5,805)	(3,905)
Adjustments for:		
Depreciation and amortisation	557	910
Amortisation of customer relationship asset	542	542
Share-based payments	64	68
Interest paid on lease liabilities	19	43
Interest paid on borrowings	277	259
Impairment of biological work in progress asset	861	-
Fair value loss on biological assets	544	-
Write down of assets held for sale	98	-
Acquisition related costs	-	45
Movements in working capital		
(Increase) / decrease in trade and other receivables	(1,653)	(839)
(Increase) / decrease in inventory	1,145	506
(Increase) / decrease in biological work in progress	(1,334)	(3,979)
Increase / (decrease) in trade and other payables	19	309
(Increase) / decrease in taxation receivable	26	(4)
Net cash outflows from operating activities	(4,640)	(6,045)

16. Contingent liabilities

There are no contingent liabilities as at 31 December 2022 (30 June 2022: nil).

17. Commitments

The Company had no commitments for future capital expenditure as at 31 December 2022 (30 June 2022: nil).

18. Events subsequent to reporting date

There have been no significant events after the reporting date.

Company Directory

As at 31 December 2022

Registered Office

Level 1, 25 Broadway
Newmarket
Auckland
New Zealand

Postal Address

PO Box 109047
Newmarket
Auckland 1023

Bankers

BNZ
Deloitte Building
80 Queen Street
Auckland 1010
New Zealand

Lawyers

Chapman Tripp
Level 34, PwC Tower
15 Customs Street West
Auckland 1010
New Zealand

Auditor

BDO Auckland
4 Graham Street
Auckland
New Zealand

Share Registry

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Auckland

PO Box 92119
Auckland 1142