

# Me Today Limited

## Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 31 December 2023

Me Today Limited

# Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 31 December 2023

---

## Contents

	Page
Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Consolidated Statement of Changes in Equity	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Cash Flows	6
Condensed Notes to the Interim Consolidated Financial Statements	7
Company Directory	17

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2023

		6 mths ended 31 Dec 2023 (unaudited) NZ\$000	6 mths ended 31 Dec 2022 (unaudited) NZ\$000
Revenue before marketing services provided by customers		2,885	4,146
Less marketing services provided by customers		(609)	(547)
<b>Revenue</b>	4	<b>2,276</b>	<b>3,599</b>
Changes in inventories of finished goods and work in progress		(1,213)	(2,178)
Selling and marketing expenses		(1,141)	(1,651)
Distribution expenses		(329)	(437)
Administrative and other operating expenses		(2,001)	(2,657)
Amortisation of customer relationship asset		(542)	(542)
Finance income		-	4
Finance expenses	5	(326)	(289)
<b>Operating loss before tax, fair value adjustments, restructuring and impairment costs</b>	5	<b>(3,276)</b>	<b>(4,151)</b>
Fair value loss on biological assets	10	(350)	(544)
Impairment of customer relationship asset	11	(3,451)	-
Impairment of biological work in progress asset		-	(861)
Restructuring costs		(150)	(151)
Write down of assets held for sale		(24)	(98)
<b>Loss before income tax</b>		<b>(7,251)</b>	<b>(5,805)</b>
Income tax (expense)/benefit		-	-
<b>Loss for the period attributable to owners of the company</b>		<b>(7,251)</b>	<b>(5,805)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(54)	-
<b>Total comprehensive loss for the period attributable to owners of the company</b>		<b>(7,305)</b>	<b>(5,805)</b>
<b>Earnings (loss) per share:</b>			
Basic and diluted loss per share (NZ\$)	7	(0.4697)	(0.3810)

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 2023

	Share capital NZ\$000	Share based payments reserve NZ\$000	Accumulated losses NZ\$000	Foreign currency translation reserve NZ\$000	Total equity NZ\$000
<b>At 1 July 2022 (unaudited)</b>	<b>51,427</b>	<b>77</b>	<b>(27,405)</b>	<b>-</b>	<b>24,099</b>
<b>Total comprehensive income</b>					
Loss attributable to owners of the company	-	-	(5,805)	-	(5,805)
<b>Transactions with owners</b>					
Shares issued during the period	752	-	-	-	752
Less: share issue costs	(70)	-	-	-	(70)
Share options issued	-	3	-	-	3
Other share based payments	-	61	-	-	61
<b>At 31 December 2022 (unaudited)</b>	<b>52,109</b>	<b>141</b>	<b>(33,210)</b>	<b>-</b>	<b>19,040</b>
<b>At 1 July 2023 (audited)</b>	<b>52,381</b>	<b>-</b>	<b>(40,379)</b>	<b>(69)</b>	<b>11,933</b>
<b>Total comprehensive income</b>					
Loss attributable to owners of the company	-	-	(7,251)	-	(7,251)
Exchange differences on translation of foreign operations	-	-	-	(54)	(54)
<b>At 31 December 2023 (unaudited)</b>	<b>52,381</b>	<b>-</b>	<b>(47,630)</b>	<b>(123)</b>	<b>4,628</b>

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 2023

	Note	31 Dec 2023 (unaudited) NZ\$000	30 Jun 2023 (audited) NZ\$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances		-	913
Trade and other receivables		2,131	2,443
Inventory	8	14,224	14,759
Biological work in progress	9	736	160
Taxation receivable		9	11
		<u>17,100</u>	<u>18,286</u>
Assets classified as held for sale		43	93
<b>Total current assets</b>		<b>17,143</b>	<b>18,379</b>
<b>Non-current assets</b>			
Biological assets	10	304	752
Property, plant and equipment		2,582	2,958
Right-of-use assets		518	770
Customer relationship asset	11	-	3,993
Other intangible assets		107	98
<b>Total non-current assets</b>		<b>3,511</b>	<b>8,571</b>
<b>Total assets</b>		<b>20,654</b>	<b>26,950</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank overdraft	12	1,161	-
Trade and other payables		1,791	1,777
Lease liabilities		252	334
Borrowings	12	-	7,248
<b>Total current liabilities</b>		<b>3,204</b>	<b>9,359</b>
<b>Non-current liabilities</b>			
Lease liabilities		288	472
Borrowings	12	12,534	5,186
<b>Total non-current liabilities</b>		<b>12,822</b>	<b>5,658</b>
<b>Total liabilities</b>		<b>16,026</b>	<b>15,017</b>
<b>Net assets</b>		<b>4,628</b>	<b>11,933</b>
<b>EQUITY</b>			
Share capital		52,381	52,381
Accumulated losses		(47,630)	(40,379)
Foreign currency translation reserve		(123)	(69)
<b>Total equity</b>		<b>4,628</b>	<b>11,933</b>

These financial statements were approved by the Board on 28 February 2024.

Signed on behalf of the Board by:



Grant Baker



Stephen Sinclair

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 2023

Note	6 mths ended	6 mths ended
	31 Dec 2023	31 Dec 2022
	(unaudited)	(unaudited)
	NZ\$000	NZ\$000
<b>Cash flows from operating activities</b>		
Receipts from customers	2,525	2,707
Payments to suppliers and employees	(4,446)	(7,377)
Interest received	-	4
Income tax (paid)/refunded	-	26
<b>Net cash used in operating activities</b>	<b>(1,921)</b>	<b>(4,640)</b>
14		
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(10)	(15)
Payments for intangibles	(11)	(8)
Proceeds from sale of property, plant and equipment	149	-
Proceeds from sale of assets held for sale	124	1,360
<b>Net cash from investing activities</b>	<b>252</b>	<b>1,337</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	-	753
Share capital issue costs	-	(70)
Interest paid on borrowings	(217)	(177)
Payment of lease liabilities	(125)	(242)
Interest paid on lease liabilities	(9)	(19)
<b>Net cash flows from/(used in) financing activities</b>	<b>(351)</b>	<b>245</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,020)</b>	<b>(3,058)</b>
Cash and cash equivalents at 1 July	913	5,370
	<b>(1,107)</b>	<b>2,312</b>
Effect of foreign exchange rates	(54)	-
<b>Cash and cash equivalents at 31 December</b>	<b>(1,161)</b>	<b>2,312</b>

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 2023

---

## 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 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 Main Board Listing Rules.

Me Today Limited is a company registered under the Companies Act 1993 and 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 2023 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.

Certain comparative information has been adjusted to be consistent with the presentation in the current period.

The condensed interim consolidated financial statements are unaudited. The comparative information as at 30 June 2023 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. 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 \$7.3 million in the 6 months to 31 December 2023 (6 months to 31 December 2022: \$5.8 million loss). The Group's net cash outflows from operating activities during the 6 months was \$1.9 million (6 months to 31 December 2022: \$4.6 million net cash outflow).

At the reporting date the Group had drawn down \$1.16 million of its \$2.5 million cash overdraft facility (30 June 2023: \$0.91 million cash at bank and no overdraft utilised), had working capital of \$13.9 million (30 June 2023: \$9.0 million) and net assets of \$4.6 million (30 June 2023: \$11.9 million). The Group had bank loans of \$7.0 million (30 June 2023: \$7.0 million), and a subordinated note payable of \$5.5 million (30 June 2023: \$5.4 million).

Since 30 June 2023 the Group has updated its borrowing arrangements with the Bank of New Zealand ('BNZ'). The BNZ have agreed to continue supporting the business through term loan and overdraft facilities to 30 June 2026 (refer note 12). Facilities will remain on an interest only basis until 30 June 2025.

## Condensed Notes to the Interim Consolidated Financial Statements

For the six months ended 31 December 2023

---

The Jarvis Trust has agreed to extend the repayment date of the subordinated note until 30 June 2026 (refer note 12). The new terms agreed are subject to approval by the Company's shareholders.

The new terms agreed by the BNZ and the Jarvis Trust are contingent on the Company raising new capital.

The Company will hold a special meeting of shareholders on 8 March 2024 seeking approval for the amendment to the terms of the subordinated note and the recapitalisation of Me Today Limited. The total capital raise being sought is up to \$2.78 million with an ability to take oversubscriptions in excess of \$2.78 million at the Board's discretion, but subject to the NZX Listing Rules.

To assist with the capital raise the Baker Investment Trust No. 2 and the Sinclair Investment Trust have agreed to underwrite the first \$2 million (refer note 13.3). Approval for the capital raise requires an ordinary resolution of shareholders. MTL Securities Limited, which is a substantial shareholder of the Company, and its associated persons, are not permitted to vote on this resolution.

The Directors are satisfied that based on their review of the Group's current financial forecasts, the extension agreement with the BNZ and the Jarvis Trust, and the agreements to underwrite the March 2024 capital raise, that, during the 12 months after the date of signing these consolidated financial statements, there will be adequate cash flows available to meet the financial obligations of the Group as they arise. The Directors acknowledge that whilst the Group continues to build commercial relationships with new and existing customers future looking forecasts are inherently uncertain. The Directors consider the pending capital raise and the overdraft facility available to the Group provide it with sufficient headroom should it be required if sales or cost forecasts are not achieved.

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 2023 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.

### 3. Changes in Accounting Policies

There have been no changes in the material 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 12 months ended 30 June 2023. For details of the accounting policies for the 12 months ended 30 June 2023 please refer to the 2023 Annual Report.



**Condensed Notes to the Interim Consolidated Financial Statements**

For the six months ended 31 December 2023

**4. Revenue**

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

	<b>Six months ended 31 December 2023</b>			
	<b>Sale of goods</b>	<b>Agency services</b>	<b>Honey</b>	<b>Total</b>
	<b>NZ\$000</b>	<b>NZ\$000</b>	<b>NZ\$000</b>	<b>NZ\$000</b>
New Zealand - Retail	472	304	156	932
New Zealand - Bulk	-	-	-	-
China	-	-	470	470
United States	189	-	477	666
Europe	49	-	22	71
Rest of the world	112	-	25	137
<b>Total revenue</b>	<b>822</b>	<b>304</b>	<b>1,150</b>	<b>2,276</b>

  

	<b>Six months ended 31 December 2022</b>			
	<b>Sale of goods</b>	<b>Agency services</b>	<b>Honey</b>	<b>Total</b>
	<b>NZ\$000</b>	<b>NZ\$000</b>	<b>NZ\$000</b>	<b>NZ\$000</b>
New Zealand - Retail	462	284	229	976
New Zealand - Bulk	-	-	836	836
China	-	-	207	207
United States	-	-	555	555
Europe	158	-	285	443
Rest of the world	185	-	396	581
<b>Total revenue</b>	<b>806</b>	<b>284</b>	<b>2,509</b>	<b>3,599</b>

**5. Expenses**

The loss for the period includes the following expenses.

	<b>6 mths ended 31 Dec 2023 (unaudited)</b>	<b>6 mths ended 31 Dec 2022 (unaudited)</b>
	<b>NZ\$000</b>	<b>NZ\$000</b>
Salaries	(1,018)	(2,196)
Employer Kiwisaver contributions	(36)	(74)
Directors' fees	(118)	(235)
<b>Depreciation and amortisation:</b>		
Depreciation of property, plant and equipment	(239)	(302)
Depreciation of right of use assets	(94)	(254)
Amortisation of customer relationship asset	(542)	(542)
Amortisation of intangible assets	(1)	(1)
	<b>(876)</b>	<b>(1,099)</b>
<b>Depreciation and amortisation is allocated as follows:</b>		
Capitalised to biological work in progress	150	308
Included in the operating loss	<b>(726)</b>	<b>(791)</b>

**Condensed Notes to the Interim Consolidated Financial Statements**

For the six months ended 31 December 2023

	6 mths ended 31 Dec 2023 (unaudited) NZ\$000	6 mths ended 31 Dec 2022 (unaudited) NZ\$000
<b>Finance expenses:</b>		
Interest on lease liabilities	(9)	(19)
Interest on borrowings	(318)	(277)
	(327)	(296)
<b>Finance expenses are allocated as follows:</b>		
Capitalised to biological work in progress	1	7
Included in the operating loss	(326)	(289)

**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); and
- produces premium manuka honey ('honey' segment).

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.

The 'Operating EBITDA' measure is stated after depreciation and amortisation capitalised to biological WIP (note 9). Head office expenses include costs related to the NZX listing.

	Six months ended 31 December 2023				
	Sale of goods NZ\$000	Agency services NZ\$000	Honey NZ\$000	Head office NZ\$000	Total NZ\$000
Revenue before marketing services provided by customers	1,431	304	1,150	-	2,885
Less marketing services provided by customers	(609)	-	-	-	(609)
Total external revenue	822	304	1,150	-	2,276
Total inter-segment revenue	-	-	-	-	-
Operating EBITDA	(674)	(134)	(765)	(651)	(2,224)
Depreciation and amortisation	(4)	(1)	(131)	(48)	(184)
Amortisation of customer relationship asset	-	-	(542)	-	(542)
Fair value loss on biological assets	-	-	(350)	-	(350)
Impairment of customer relationship asset	-	-	(3,451)	-	(3,451)
Restructuring costs	-	-	(150)	-	(150)
Write down of assets held for sale	-	-	(24)	-	(24)
Finance expenses	-	-	(322)	(4)	(326)
Net loss before taxation	(678)	(135)	(5,735)	(703)	(7,251)
Income tax expense	-	-	-	-	-
Net loss for the period	(678)	(135)	(5,735)	(703)	(7,251)

**Condensed Notes to the Interim Consolidated Financial Statements**

For the six months ended 31 December 2023

	Six months ended 31 December 2022				
	Sale of goods	Agency services	Honey	Head office	Total
	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
Revenue before marketing services provided by customers	1,353	284	2,509	-	4,146
Less marketing services provided by customers	(547)	-	-	-	(547)
Total external revenue	806	284	2,509	-	3,599
Total inter-segment revenue	-	-	-	-	-
Operating EBITDA	(1,240)	(85)	(1,058)	(692)	(3,075)
Depreciation and amortisation	(4)	(2)	(193)	(50)	(249)
Amortisation of customer relationship asset	-	-	(542)	-	(542)
Impairment of biological work in progress asset	-	-	(861)	-	(861)
Fair value loss on biological assets	-	-	(544)	-	(544)
Restructuring costs	-	-	(151)	-	(151)
Write down of assets held for sale	-	-	(98)	-	(98)
Finance income	-	-	-	4	4
Finance expenses	-	-	(287)	(2)	(289)
Net loss before taxation	(1,244)	(87)	(3,734)	(740)	(5,805)
Income tax expense	-	-	-	-	-
Net loss for the period	(1,244)	(87)	(3,734)	(740)	(5,805)

	As at 31 December 2023				
	Sale of goods	Agency services	Honey	Head office	Total
	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
Segment assets	3,476	606	16,195	377	20,654
Segment liabilities	1,920	224	13,366	516	16,026

	As at 30 June 2023				
	Sale of goods	Agency services	Honey	Head office	Total
	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
Segment assets	3,495	243	22,482	730	26,950
Segment liabilities	695	123	13,639	560	15,017

**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 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.

**Condensed Notes to the Interim Consolidated Financial Statements**

For the six months ended 31 December 2023

**7. Earnings per share**

	<b>6 mths ended 31 Dec 2023 (unaudited)</b>	<b>6 mths ended 31 Dec 2022 (unaudited)</b>
Basic and diluted earnings/(loss) per share (NZ\$)	(0.4697)	(0.3810)

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)	(7,251)	(5,805)
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share ('000)	15,438	15,236

On 9 January 2024 the Company undertook a 100 to 1 share consolidation. The earnings per share calculation for both the current and comparative periods reflects the impact of this share consolidation.

At 31 December 2023, there were no financial instruments that carried any shareholder dilution rights that were considered to be dilutive (31 December 2022: none).

**8. Inventories**

	<b>31 Dec 2023 (unaudited) NZ\$000</b>	<b>30 Jun 2023 (audited) NZ\$000</b>
Raw materials	10,610	10,777
Finished goods	3,033	2,686
Packaging materials	580	1,296
	<b>14,224</b>	<b>14,759</b>

**9. Biological work in progress**

	<b>31 Dec 2023 (unaudited) NZ\$000</b>	<b>31 Dec 2022 (unaudited) NZ\$000</b>	<b>30 Jun 2023 (audited) NZ\$000</b>
<b>Opening balance</b>	<b>160</b>	<b>698</b>	<b>698</b>
Current period beekeeping costs	726	1,334	2,349
Fair value loss on harvested honey	-	(861)	(2,223)
Fair value loss on harvested honey	-	-	(683)
Honey recognised as inventory on harvest	-	-	160
Beekeeping costs expensed due to restructure	(150)	-	(141)
<b>At reporting date</b>	<b>736</b>	<b>1,171</b>	<b>160</b>

**Condensed Notes to the Interim Consolidated Financial Statements**

For the six months ended 31 December 2023

**10. Biological assets**

	31 Dec 2023 (unaudited) NZ\$000	31 Dec 2022 (unaudited) NZ\$000	30 Jun 2023 (audited) NZ\$000
<b>Bees:</b>			
<b>Opening balance</b>	<b>752</b>	<b>1,598</b>	<b>1,598</b>
Reclassified to assets held for sale	-	(302)	(302)
Sale of assets	(98)	-	-
Fair value loss on biological assets	(350)	(544)	(544)
<b>At reporting date</b>	<b>304</b>	<b>752</b>	<b>752</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>30 Jun 2023</b>
	<b>number of</b>	<b>number of</b>	<b>number of</b>
<b>Operational hives:</b>			
<b>Opening balance</b>	<b>4,212</b>	<b>8,950</b>	<b>8,950</b>
Reduction in operational hives	(1,957)	(3,047)	(3,047)
Sale of assets	(551)	-	-
Hives classified as assets held for sale	-	(1,691)	(1,691)
<b>At reporting date</b>	<b>1,704</b>	<b>4,212</b>	<b>4,212</b>

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 2023, is a result of the downsizing of the beekeeping operations.

**11. Customer relationship assets**

Due to the ongoing levels of sales through the Honey segment the Board undertook an updated value in use impairment test at 31 December 2023 in relation to the carrying value of the customer relationship asset (impairment testing was previously performed as at 30 June 2023).

The Group considered the future cash flows arising out of the sale of Manuka Honey through the Honey segment. As a result of the completion of discounted cashflow modelling, the Board assessed the value of the Honey cash generating unit ("CGU") as \$17.1 million (30 June 2023: \$21.1 million). The Board concluded that it was appropriate for the Group to recognise a full impairment in value of the customer relationship asset. The customer relationship asset was originally recognised as part of the King Honey acquisition.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU and was based on the following key assumptions:

	31 Dec 2023 (unaudited)	30 Jun 2023 (audited)
Years assessed in cash projections	2024 - 2041	2024 - 2028
Anticipated annual revenue growth	3% - 31%	3% - 20%
Anticipated annual overhead expense increase	2%	3%
Pre-tax discount rate	21.0%	18.2%
Terminal growth rate	3%	3%

Cash flows were projected on actual operating results, the 12-month budget, multi-year forecasts and business plan.

The discount rate selected reflects the level of uncertainty in relation to the future revenue from the Honey CGU.

The growth rate applied in years 2029-2041 (years 6 to 18 in the model) to revenue is 3% and to costs is 2%. These rates reflect the long-term growth rates of the markets in which the revenues are earned and the costs expended. These years have been included in the calculation to forecast a tax outflow in the

**Condensed Notes to the Interim Consolidated Financial Statements**

For the six months ended 31 December 2023

terminal year where the terminal value has been derived, as existing tax losses are expected to be utilised against taxable profits in earlier years.

The movement in the customer relationship asset is shown below.

	31 Dec 2023 (unaudited) NZ\$000	31 Dec 2022 (unaudited) NZ\$000	30 Jun 2023 (audited) NZ\$000
<b>Net book value:</b>			
<b>Opening balance</b>	3,993	7,436	7,436
Amortisation expense	(542)	(542)	(1,083)
Impairment of asset	(3,451)	-	(2,360)
<b>At reporting date</b>	<b>-</b>	<b>6,894</b>	<b>3,993</b>

**12. Borrowings**

	31 Dec 2023 (unaudited) NZ\$000	30 Jun 2023 (audited) NZ\$000
Banks loans	7,034	7,034
Subordinated note	5,500	5,400
	<b>12,534</b>	<b>12,434</b>
Current	-	7,248
Non-current	12,534	5,186
	<b>12,534</b>	<b>12,434</b>

As part of the acquisition of the King Honey business the Group has borrowings of \$7.0 million with the BNZ and a subordinated note payable to the Jarvis Trust of \$5.5 million. Given the performance of the King Honey business the amounts due to both the BNZ and the Jarvis Trust have not been able to be repaid as scheduled. The Group has therefore agreed new terms with the lenders.

The loans payable to the BNZ and the Jarvis Trust have different security profiles. Currently, the BNZ debt is secured by a first ranking general security agreement over the entire Me Today group and its subsidiaries. The Jarvis debt is secured by a second ranking general security agreement over just the King Honey business.

As part of the agreement to inject new capital into Me Today Limited (Note 2.2) the BNZ has agreed that Me Today Limited be removed from the debt security group except for an amount of \$2 million. The \$2 million continues to rank ahead of the Jarvis Trust.

As part of the new arrangement:

- the BNZ loan will remain interest only until 30 June 2025 at which time \$250,000 of the principal is repayable quarterly (repayments to commence 30 September 2025); and
- the current \$2.5 million limit of the overdraft facility is to reduce to \$1.5 million by \$250,000 increments per quarter commencing 30 September 2024. The term remains on demand and subject to annual review.

The BNZ debt is secured by a first ranking debenture over the Company and its subsidiaries. The BNZ has agreed that Me Today Limited be removed from the debt security group except for an amount of \$2 million. This \$2 million continues to rank ahead of the Jarvis Trust.

On 20 December 2023 a variation agreement was signed with the Jarvis Trust to extend the repayment date to 30 June 2026 with a quarterly review from 1 July 2025. The variation agreement with the Jarvis Trust is subject to shareholder approval. The Jarvis Trust is a substantial security holder in Me Today.

The new terms agreed by the BNZ and the Jarvis Trust are contingent on the Group raising new capital.

## Condensed Notes to the Interim Consolidated Financial Statements

For the six months ended 31 December 2023

---

### 13. Related parties

#### 13.1. 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.

#### 13.2. 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 \$117,500 in the 6 months to 31 December 2023 (6 months to 31 December 2022: \$235,000). \$32,813 was payable to directors at 31 December 2023 (30 June 2023: \$nil). The \$32,813 is payable to the independent directors and is intended to be settled by the issue of shares in the Company (30 June 2023: \$nil).

Michael Kerr received total remuneration of \$117,372 in the current period in his role as CEO (6 months to 31 December 2022: \$125,000).

A company owned by Stephen Sinclair received \$62,500 in consulting fees (6 months to 31 December 2022: \$62,500).

#### 13.3. 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 GP Limited, of which Grant Baker and Stephen Sinclair are directors. MTL Securities Limited holds 34.16% of the voting ordinary shares, and owns 44.86% of Me Today Limited.

The Company is seeking shareholder approval to raise additional share capital at a shareholders meeting on 8 March 2024 (refer note 2.2). The Baker Investment Trust No. 2, an entity associated with Grant Baker and shareholder of Velocity Capital GP Limited, has agreed to underwrite up to \$1,500,000 of the Company's proposed capital raise. The Sinclair Investment Trust, an entity associated with Stephen Sinclair and shareholder of Velocity Capital GP Limited, has agreed to underwrite up to \$500,000 of the Company's capital raise.

#### 13.4. Related party transactions

During the 6 months to 31 December 2022 the Group provided \$53,000 share based payments for promotion services to BB Promotions Limited. The shareholder and director of BB Promotions Limited, B Barrett, is married to H Barrett, a director of the Company.

During the 6 months to 31 December 2022 H Barrett received \$6,250 for providing marketing services to the Group.

**Condensed Notes to the Interim Consolidated Financial Statements**

For the six months ended 31 December 2023

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

	6 mths ended 31 Dec 2023 (unaudited) NZ\$000	6 mths ended 31 Dec 2022 (unaudited) NZ\$000
<b>Net loss after taxation</b>	<b>(7,251)</b>	<b>(5,805)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	334	557
Amortisation of customer relationship asset	542	542
Share-based payments	-	64
Interest paid on lease liabilities	9	19
Interest paid on borrowings	317	277
Impairment of customer relationship asset	3,451	-
Fair value loss on biological assets	350	544
Impairment of biological work in progress asset	-	861
Write down of assets held for sale	24	98
Other non-cash based movements	20	-
<b>Movements in working capital</b>		
(Increase) / decrease in trade and other receivables	312	(1,653)
(Increase) / decrease in inventory	535	1,145
(Increase) / decrease in biological work in progress	(576)	(1,334)
Increase / (decrease) in trade and other payables	14	19
(Increase) / decrease in taxation receivable	(2)	26
<b>Net cash outflows from operating activities</b>	<b>(1,921)</b>	<b>(4,640)</b>

**15. Contingent liabilities**

There are no contingent liabilities as at 31 December 2023 (30 June 2023: nil).

**16. Commitments**

There were no capital commitments at 31 December 2023 (30 June 2023: nil).

**17. Events subsequent to reporting date**

On 9 January 2024 the Company undertook a 100 to 1 share consolidation.



## Company Directory

As at 31 December 2023

---

### 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