

Me Today Limited

Annual Financial Statements

For the year ended 31 March 2021

Me Today Limited
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For the year ended 31 March 2021

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Me Today Limited

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2021

	2021	2020
Note	NZ\$000	NZ\$000
Revenue before marketing services provided by a customer	1,455	639
Less marketing services provided by a customer	(312)	(73)
Revenue	1,143	566
Cost of sales	(463)	(107)
Selling and marketing expenses	(2,659)	(1,055)
Administrative expenses	(954)	(219)
Operating loss	(2,933)	(815)
Reverse acquisition - share based payment	-	(3,977)
Reverse listing expenses	-	(191)
Finance income	73	1
Loss before tax	(2,860)	(4,982)
Income tax expense	-	-
Loss for the year attributable to owners of the company	(2,860)	(4,982)
Total comprehensive loss for the year attributable to owners of the company	(2,860)	(4,982)
Earnings (loss) per share		
Basic and diluted loss per share (NZ\$)	10 (0.007)	(0.041)

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with them.

Me Today Limited

Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

	Note	Share capital NZ\$000	Share based payments reserve NZ\$000	Accumulated losses NZ\$000	Total equity NZ\$000
Balance at 1 April 2019		-	-	(45)	(45)
<i>Total comprehensive income</i>					
Loss attributable to owners of the company		-	-	(4,982)	(4,982)
<i>Transactions with owners</i>					
Shares issued during the year	21	3,800	-	-	3,800
Shares issued as part of reverse listing	21,27	5,550	-	-	5,550
Balance at 31 March 2020		9,350		(5,027)	4,323
<i>Total comprehensive income</i>					
Loss attributable to owners of the company		-	-	(2,860)	(2,860)
<i>Transactions with owners</i>					
Shares issued during the year	21	4,500	-	-	4,500
Less: share issue costs		(181)	-	-	(181)
Share options issued	22,23	-	21	-	21
Other share based payments	22	-	89	-	89
Balance at 31 March 2021		13,669	110	(7,887)	5,892

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with them.

Me Today Limited

Consolidated Statement of Financial Position

As at 31 March 2021

	Note	2021 NZ\$000	2020 NZ\$000
ASSETS			
Current assets			
Cash and cash equivalents	12	1,195	4,168
Short term deposits	13	3,804	-
Trade and other receivables	14	418	247
Inventory	15	934	341
Taxation receivable		23	11
Total current assets		6,374	4,767
Non-current assets			
Property, plant and equipment	16	91	23
Right-of-use asset	17	176	-
Intangible assets	18	73	62
Total assets		6,714	4,852
LIABILITIES			
Current liabilities			
Trade payables and other liabilities	19	629	529
Lease liability	20	79	-
Total current liabilities		708	529
Non-current liabilities			
Lease liability	20	114	-
Total liabilities		822	529
Net assets		5,892	4,323
EQUITY			
Share capital	21	13,669	9,350
Share based payments reserve	22	110	-
Accumulated losses		(7,887)	(5,027)
Total equity		5,892	4,323

For and on behalf of the Board:

Director

Dated: 31 May 2021

Director

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with them.

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	2021	2020
Note	NZ\$000	NZ\$000
Cash flows from operating activities		
Receipts from customers	1,384	439
Interest received	69	1
Payments to suppliers and employees	(4,774)	(1,504)
Income tax refunded (paid)	(13)	-
Net cash used in operating activities	(3,334)	(1,064)
24		
Cash flows from investing activities		
Cash received on reverse listing acquisition	-	1,587
Investments in short term deposits	(3,800)	-
Payments for property, plant and equipment	(98)	(22)
Payments for intangibles	(21)	(71)
Net cash (used in)/received from investing activities	(3,919)	1,494
Cash flows from financing activities		
Proceeds from issue of share capital	4,500	3,700
Share capital issue costs	(181)	-
Interest paid on lease liabilities	(6)	-
20,25		
Payment of lease liabilities	(33)	-
20,25		
Net cash generated by financing activities	4,280	3,700
Net (decrease)/increase in cash and cash equivalents	(2,973)	4,130
Cash and cash equivalents at the beginning of the year	4,168	38
Cash and cash equivalents at the end of the year	1,195	4,168
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The accompanying notes form part of these consolidated financial statements and should be read in conjunction with them.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

1. General information

These financial statements are for Me Today Limited ('MTL' or 'the Company') and its subsidiaries, The Good Brand Company Limited (TGBC) and Me Today NZ Limited (together 'the Group').

Me Today Limited, The Good Brand Company Limited and Me Today NZ Limited are limited liability companies incorporated and domiciled in New Zealand. The address of their registered office is Level 1, 25 Broadway, Newmarket, Auckland 1141.

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

1.1. Basis of preparation

1.1.1. Reverse acquisition

On 31 March 2020 the Company entered into a reverse acquisition in which the Company acquired 100% of the shares of the already operating The Good Brand Company Limited ('TGBC') and its 100% owned subsidiary Me Today NZ Limited, in exchange for issuing 1.11 billion new fully paid ordinary shares in the Company.

The reverse acquisition did not represent a business combination in accordance with NZ IFRS 3: Business Combinations. The Board of Directors have therefore accounted for the reverse acquisition as a share-based payment transaction, as an issue of shares, in accordance with NZ IFRS 2 Share-based Payment (refer note 27).

1.1.2. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of NZ IFRS 2 Share-based Payment, leasing transactions that are within the scope of NZ IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in NZ IAS 2 Inventories or value in use in NZ IAS 36 Impairment of Assets.

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

Comparative numbers for selling and marketing expenses and administrative expenses shown in the Consolidated Statement of Comprehensive Income have been restated to align to current year classifications.

1.2. Statement of compliance and reporting framework

The consolidated financial statements have been prepared in accordance Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). The Group is a for-profit entity for the purposes of complying with NZ GAAP. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS'), and International Financial Reporting Standards ('IFRS').

The Company is an FMC reporting entity under the Financial Markets Conduct Act 2013. These financial statements have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules.

The financial statements have been approved for issue by the Board of Directors on 31 May 2021.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

2. Application of new and revised New Zealand International Financial Reporting Standards (NZ IFRSs)

2.1. Application of new and revised International Financial Reporting Standards

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. Early adoption of these new standards, interpretations or amendments would not have had a material impact on the financial result or financial position of the Group.

3. Significant accounting policies

The principal accounting policies adopted are set out below.

3.1. Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.1.1. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

Refer to note 1.1. in relation to basis of preparation due to reverse acquisition transaction.

3.2. Revenue recognition

The Group recognises revenue from the following major sources:

- sale of goods; and
- agency services

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties, such as goods and service tax and customs duties.

3.2.1. Sale of goods

The Group sells goods such as health and wellbeing products. The Group considers the performance obligation is satisfied when control of the goods has transferred, being when the goods have been delivered to the customer. Revenue derived from the sale of goods is recognised at the point in time the performance obligation is satisfied. Marketing payments paid to a customer are treated as a reduction in revenue.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

3.2.2. Agency services

For revenues derived from agency services, where the Group acts as a sales agent for other health and wellness brands, the Group considers its performance obligations are satisfied over time, on the basis that agency services are provided and consumed by the customer on a simultaneous basis, and so will recognise the related revenue as the performance obligation is satisfied. Revenue is measured on an output method basis.

3.3. Leasing

The Group assess whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and lease of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefit from the leased assets are consumed.

The lease liability is initially measured at the present value of the future lease payments, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise a purchase, extension of termination option, with a corresponding adjustment made to the carrying value of the right-of-use asset.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies NZIAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'property, plant and equipment' policy.

3.4. Income Tax

Income tax expense comprises both current and deferred tax.

3.4.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.4.2. Deferred tax

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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

3.5. Goods and services tax

Revenue, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST) except:

- where the amount of GST incurred is not recovered from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables, which are recognised inclusive of GST.

The net amount of GST recoverable or payable to the taxation authority is included as part of receivables or payables.

3.6. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.7. Property, plant and equipment

Plant and equipment, office equipment and computer equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

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

The following depreciation rates are used in the calculation:

Plant and equipment	33%
Office equipment	33%
Computer equipment	50%
Leasehold improvements	33%

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

3.8. Intangible assets

Acquired intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The following amortisation rates are used in the calculation:

Website	50%
Trademarks & domains	indefinite useful life

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

3.9. Financial instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instruments.

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

3.10. Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.11. Financial assets

Financial assets are measured at amortised cost or fair value on the basis that the Group's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised costs

The Group holds receivables with the objective to collect the contractual cash flows, the cash flows are solely payments of principal and interest, and therefore measures them subsequently at amortised cost using the effective interest method.

The Group's financial assets at amortised cost include cash and cash equivalents, short term deposits and trade receivables. Cash and cash equivalents include cash in hand and deposits held at call with banks.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

3.12. Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value profit through profit or loss ("FVTPL") or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities (including trade and other payables) are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group has no financial liabilities at FVTPL.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

3.13. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

3.14. Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the profit or loss in the period in which they arise.

3.15. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

3.16. Share based payment transactions

For equity-settled share-based payments where the goods or services acquired from non-employees can be measured reliably, then the goods or services are measured directly at their fair value. If goods or services cannot be measured reliably then the goods or services are measured indirectly, i.e. with reference to the fair value of equity instruments granted.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

4. Critical accounting estimates and judgements

In the application of the Group's accounting policies, which are described in note 3, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Below are the critical accounting judgements.

4.1. Impact of COVID-19 and going concern

The Directors have concluded that the COVID-19 pandemic has not had a material impact on the financial statements, including trade debtors impairment losses and inventory provisioning.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

The directors have concluded that the Group will be able to continue operating for at least 12 months from the date of signing these financial statements. That conclusion has been reached because the Group has substantial cash reserves and it can further reduce expenditure if it becomes necessary to do so.

4.2. Deferred Tax

Judgement is exercised in determining the timing and extent of recognition of the benefit of tax losses. The benefit of tax losses can be recognised as an asset if its recovery is 'probable' (more likely than not). In the absence of any track record of profitability, convincing evidence is needed of how the losses will be recovered in the future, before any deferred tax asset is recognised. On this basis, the Group has not recognised any benefit, as detailed in note 8, at 31 March 2021 in respect of the tax losses generated to 31 March 2021 (2020: nil).

4.3. Share options and other share-based payments

The directors used judgement in determining the fair value of the share options. Share options were independently valued using the Black-Scholes model to estimate fair value at grant date. The expected volatility in the measure of fair value has been based on the observed volatility levels of movements in Me Today's share price from 6 April 2020 up to the Grant Date and for comparable companies. The Company did not have three years' trading history at the valuation date to provide a three year historical volatility to support the share option valuation (refer note 23).

For the equity-settled share-based payments for promotional services, the services acquired cannot be measured reliably and therefore, in accordance with the Group's accounting policy (refer note 3.16), the services have been measured indirectly, i.e. with reference to the fair value of equity instruments granted.

4.4. Accounting for leases

Judgement is required in determining whether it is reasonably certain that an extension option will be exercised. The Group considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend. Refer notes 3.3, 17 and 20.

The Group has not included the extension period as part of the lease term for the leased premises.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

5. Revenue

	2021	2020
	NZ\$000	NZ\$000
Revenue from sale of goods before marketing services provided by customers	932	263
Less marketing services provided by customers	(312)	(73)
Revenue from sale of goods	<u>620</u>	<u>190</u>
Revenue from agency services	523	376
	<u>1,143</u>	<u>566</u>

The details above disaggregate the Group's revenue from contracts with customers into primary markets, and major product and service lines. All revenue is generated in New Zealand.

6. Expenses

The loss for the year includes the following expenses.

	Note	2021	2020
		NZ\$000	NZ\$000
Directors' fees	29	(329)	-
Depreciation of property, plant and equipment	16	(30)	(14)
Depreciation of right of use assets	17	(50)	-
Amortisation of intangible assets	18	(10)	(4)
Accounting and consulting		(106)	(75)
Shareholder expenses		(88)	-
Employer Kiwisaver contributions		(30)	(17)
Employee benefits expense		(1,212)	(533)
Finance expenses:			
Interest expense on lease liability		(6)	-
Fees paid to the auditor:			
For the current year audit		(57)	(38)
For tax advice and returns		(12)	(34)
For general accounting advice		(5)	-
Total fees paid to the auditor		<u>(74)</u>	<u>(72)</u>

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

7. Segment information

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.

All operations are carried out in New Zealand.

	2021				2020			
	Sale of goods NZ\$000	Agency services NZ\$000	Other / unallocated NZ\$000	Total NZ\$000	Sale of goods NZ\$000	Agency services NZ\$000	Other / unallocated NZ\$000	Total NZ\$000
Revenue before marketing services provided by a customer	932	523	-	1,455	263	376	-	639
Less marketing services provided by a customer	(312)	-	-	(312)	(73)	-	-	(73)
Total external revenue	620	523	-	1,143	190	376	-	566
Total inter-segment revenue	-	-	-	-	-	-	-	-
Total EBITDA	(1,764)	(91)	(988)	(2,843)	(515)	(233)	(4,218)	(4,966)
Finance income	-	-	73	73	-	1	-	1
Depreciation and amortisation	(21)	(8)	(61)	(90)	(9)	(8)	-	(17)
Net loss before taxation	(1,785)	(99)	(976)	(2,860)	(524)	(240)	(4,218)	(4,982)
Income tax expense	-	-	-	-	-	-	-	-
Net loss for the year	(1,785)	(99)	(976)	(2,860)	(524)	(240)	(4,218)	(4,982)

	2021				2020			
	Sale of goods NZ\$000	Agency services NZ\$000	Other / unallocated NZ\$000	Total NZ\$000	Sale of goods NZ\$000	Agency services NZ\$000	Other / unallocated NZ\$000	Total NZ\$000
Segment assets	1,319	128	5,267	6,714	538	102	4,213	4,852
Segment liabilities	3,974	(1,652)	(1,500)	822	135	230	164	529

7.1. Information about major customers

For the year ended 31 March 2021 there were 3 customers who individually accounted for more than 10% of the Group's total sales (2020: 2 customers). Sales to these customers were \$474,923, \$315,203 and \$116,557 respectively (2020: \$363,000 and \$190,000). These customers purchased goods or agency services.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

8. Taxation

	2021	2020
	NZ\$000	NZ\$000
Loss before income tax	(2,860)	(4,982)
Current year tax at the tax rate of 28%	(801)	(1,395)
Non deductible share based payment	-	1,114
Non deductible expenses	3	91
Timing differences	7	5
Current tax losses not recognised	791	185
Income tax expense	-	-
Comprising:		
Current income tax expense	-	-
Deferred tax	-	-
	-	-
	2021	2020
	NZ\$000	NZ\$000
Tax losses		
Tax losses for which no deferred tax asset has been recognised	3,454	693
Potential tax benefit @ 28%	967	194

The Group did not recognise deferred income tax assets in relation to the losses disclosed above. The losses can be carried forward against future income subject to meeting the requirements of income tax legislation including those relating to shareholder continuity.

9. Imputation credits

	2021	2020
	NZ\$000	NZ\$000
Imputation credits available for use in subsequent periods	-	-

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

10. Earnings per share

	<u>2021</u>	<u>2020</u>
Basic earnings/(loss) per share (NZ\$)	(0.007)	(0.041)
Diluted earnings/(loss) per share (NZ\$)	(0.007)	(0.041)

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

	<u>2021</u>	<u>2020</u>
Loss from continuing operations (NZ\$000)	(2,860)	(4,982)
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share ('000)	398,961	122,243

At 31 March 2021, there were no financial instruments that carried any shareholder dilution rights that were considered to be dilutive (2020: none). The 3,000,000 share options on issue were not considered to be dilutive due to the Group's loss.

11. Net tangible asset backing

	<u>2021</u>	<u>2020</u>
	<u>NZ\$000</u>	<u>NZ\$000</u>
Net tangible assets (NZ\$000)	5,820	4,261
Issued shares at balance date ('000)	412,278	1,824,550
Net tangible assets per share (NZ\$)	<u>0.0141</u>	<u>0.0023</u>

Net tangible assets are calculated as the total assets minus both intangible assets and deferred tax assets, and less all liabilities.

The issued shares as at 31 March 2020 is before a one for five share consolidation on 3 April 2020.

12. Cash and cash equivalents

	<u>2021</u>	<u>2020</u>
	<u>NZ\$000</u>	<u>NZ\$000</u>
Cash at bank and on hand	1,195	4,168
	<u>1,195</u>	<u>4,168</u>

The carrying amount for cash and cash equivalents equals the fair value.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

13. Short term deposits

	2021	2020
	NZ\$000	NZ\$000
Short term deposits	3,804	-
	3,804	-

Short term deposits are held by the Group's bank and are generally for a term of 180 days. The carrying amount for short term deposits equals their fair value. The average interest rate of deposits at 31 March 2021 was 1.0%.

14. Trade and other receivables

	2021	2020
	NZ\$000	NZ\$000
Trade receivables	218	148
GST receivable	56	53
Prepayments	144	46
Total trade and other receivables	418	247

There has been no expected credit loss impairment to profit or loss in the year (2020: none)

	2021	2020
	NZ\$000	NZ\$000
Allowance for expected credit losses	-	-

The Group's receivables aging is as follows.

NZ\$000	Current	Less than 30 days past due	30 to 60 days past due	More than 60 days past due	Total
2021					
Trade receivables	217	-	-	-	217
Loss allowance	-	-	-	-	-
2020					
Trade receivables	148	-	-	-	148
Loss allowance	-	-	-	-	-

The standard credit period on sales of goods is 30 or 60 days on the provision of the sale of goods or rendering of agency services.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The Group has 2 main customers who are both assessed as creditworthy. The Group maintains close working relationships with these customers. The Group does not hold any collateral over these balances.

The Group determines the expected credit losses on receivables by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

15. Inventories

	2021 NZ\$000	2020 NZ\$000
Raw materials	-	2
Finished goods	647	275
Packaging materials	287	64
	934	341

Inventory of \$79,657 was written off to profit and loss in the year (2020: none). Inventory expensed in the year was \$541,543 (2020: \$107,000).

16. Property, plant and equipment

	Plant and equipment NZ\$000	Office equipment NZ\$000	Computer equipment NZ\$000	Leasehold improvements NZ\$000	Total NZ\$000
Cost:					
Balance at 1 April 2019	-	-	11	-	11
Additions	10	1	16	-	27
Balance at 31 March 2020	10	1	27	-	38
Additions	-	44	23	31	98
Balance at 31 March 2021	10	45	50	31	136
Accumulated depreciation:					
Balance at 1 April 2019	-	-	(1)	-	(1)
Depreciation expense	(2)	-	(12)	-	(14)
Balance at 31 March 2020	(2)	-	(13)	-	(15)
Depreciation expense	(2)	(8)	(14)	(6)	(30)
Balance at 31 March 2021	(4)	(8)	(27)	(6)	(45)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

	Plant and equipment NZ\$000	Office equipment NZ\$000	Computer equipment NZ\$000	Leasehold improvements NZ\$000	Total NZ\$000
Carrying Amounts:					
2020					
Cost	10	1	27	-	38
Accumulated depreciation	(2)	-	(13)	-	(15)
Carrying amounts	8	1	14	-	23
2021					
Cost	10	45	50	31	136
Accumulated depreciation	(4)	(8)	(27)	(6)	(45)
Carrying amounts	6	37	23	25	91

17. Right-of-use asset

	Premises NZ\$000	Total NZ\$000
Cost:		
Balance at 1 April 2019	-	-
Additions	-	-
Balance as at 31 March 2020	-	-
Additions	226	226
Balance as at 31 March 2021	226	226
Accumulated amortisation:		
Balance at 1 April 2019	-	-
Depreciation expense	-	-
Balance as at 31 March 2020	-	-
Depreciation expense	(50)	(50)
Balance as at 31 March 2021	(50)	(50)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

	Premises	Total
	NZ\$000	NZ\$000
Carrying Amounts:		
2020		
Cost	-	-
Accumulated amortisation	-	-
Carrying amounts	-	-
2021		
Cost	226	226
Accumulated amortisation	(50)	(50)
Carrying amounts	176	176

18. Intangible assets

	Website	Trademarks	Total
	NZ\$000	& domains	NZ\$000
	NZ\$000	NZ\$000	NZ\$000
Cost:			
Balance at 1 April 2019	-	-	-
Additions	26	40	66
Balance as at 31 March 2020	26	40	66
Additions	-	21	21
Balance as at 31 March 2021	26	61	87
Accumulated amortisation:			
Balance at 1 April 2019	-	-	-
Depreciation expense	(4)	-	(4)
Balance as at 31 March 2020	(4)	-	(4)
Depreciation expense	(10)	-	(10)
Balance as at 31 March 2021	(14)	-	(14)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

	Website NZ\$000	Trademarks & domains NZ\$000	Total NZ\$000
Carrying Amounts:			
2020			
Cost	26	40	66
Accumulated amortisation	(4)	-	(4)
Carrying amounts	22	40	62
2021			
Cost	26	61	87
Accumulated amortisation	(14)	-	(14)
Carrying amounts	12	61	73

19. Trade payables and other liabilities

	2021 NZ\$000	2020 NZ\$000
Trade payables	183	206
Accruals	385	323
Other payables	61	-
	629	529

20. Lease liability

	2021 NZ\$000	2020 NZ\$000
Maturity analysis - contractual undiscounted cash flows		
Up to one year	86	-
One to two years	88	-
Two to five years	29	-
More than five years	-	-
Total undiscounted lease liabilities at period end	203	-
Lease liabilities included in the statement of financial position at balance date		
Current	79	-
Non-current	114	-
	193	-

Total cash outflows for leases during the year ended 31 March 2021 were \$39,000 (2020: nil).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

As at 31 March 2021, potential future cash outflows of \$181,000 (undiscounted) relating to a two year right of renewal of its lease for premises, have not been included in the lease liability because it is not reasonably certain that the Group will extend the lease.

21. Share capital

	2021 '000	2020 '000
Number of ordinary shares		
Ordinary shares as at 1 April	1,824,550	414,550
Share consolidation	(1,459,640)	-
Issue of shares as settlement of purchase price	-	1,110,000
Ordinary shares issued during the period	47,368	300,000
Ordinary shares as at 31 March	412,278	1,824,550

On 10 July 2020 42,105,263 shares were issued at \$0.095 per share under a retail offer to the market, to raise \$4,000,000. A further 5,263,167 shares were issued on 31 July 2020 at \$0.095 per share, under a share purchase plan, raising a further \$500,000.

In 2020, in addition to the 1,100,000,000 shares issued as consideration for the reverse acquisition, 300,000,000 ordinary shares were issued at \$0.005 per share to a number of wholesale investors to raise \$1,500,000.

On 3 April 2020, the Company undertook a one for five share consolidation.

All ordinary shares on issue are fully paid and rank equally with one vote attached to each share.

22. Share based payments reserve

	2021 NZ\$000	2020 NZ\$000
Balance as at 1 April	-	-
Share options granted (refer note 23)	21	-
Share based payments for promotional services	89	-
Balance as at 31 March	110	-

The Group has entered into two Ambassador Agreements for the provision of promotional services. A portion of the consideration payable for the promotional services will be settled by the issue of shares. For one ambassador, who is a related party, shares will be issued twice yearly with a total of 1,244,444 ordinary shares to be issued each year at an issue price of \$0.09 per share. 1,111,111 shares are to be issued annually under an agreement with a three-year term. For the other ambassador 133,333 shares are to be issued annually under an agreement with a two-year term.

All share based payments were included in promotional expenses.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

23. Share options

At 31 March 2021 BB Promotions Limited, a related party to the Group (refer note 28), held options on 3,000,000 ordinary shares of the Company (31 March 2020: nil). Each option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by BB Promotions Limited on receipt of the options. The options carry no rights to dividends and no voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

	2021		2020	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Balance as at 1 April	-	-	-	-
Granted during the period	3,000,000	\$0.09	-	-
Exercised during the period	-	-	-	-
Balance as at 31 March	3,000,000	\$0.09	-	-

At reporting date, 3,000,000 of the share options granted had not yet vested. These share options will vest over the period to 30 June 2023 as detailed in the table below.

Option series	Number		Vesting date	Expiry date	Exercise price	Fair value at grant date
	2021	2020				
Granted 15 June 2020						
2021 options	1,000,000	-	1 June 2021	30 June 2021	\$0.09	\$0.011
2022 options	1,000,000	-	1 June 2022	30 June 2022	\$0.09	\$0.015
2023 options	1,000,000	-	1 June 2023	30 June 2023	\$0.09	\$0.019
Balance as at 31 March	3,000,000	-				

	2021	2020
	NZ\$000	NZ\$000
Share based payments are included in:		
Promotional costs	21	-

23.1. Fair value of share options granted in the period

The weighted average fair value of the share options granted during the financial period is \$0.015. Options were priced using the Black-Scholes option pricing model.

The expected volatility in the measure of fair value at grant date has been based on the volatility of the Company's share price from 6 April 2020 up to the Grant Date and for comparable companies, as a proxy of the company's future volatility.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

Inputs into the model	Option series		
	Series 1	Series 2	Series 3
Grant date opening share price	\$0.082	\$0.082	\$0.082
Exercise price	\$0.09	\$0.09	\$0.09
Expected volatility	0.35-0.45	0.35-0.45	0.35-0.45
Option life	12.5 months	24.5 months	36.5 months
Dividend yield	0%	0%	0%
Risk free interest rate	0.18%	0.25%	0.32%

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

	2021	2020
	NZ\$000	NZ\$000
Net loss after taxation	(2,860)	(4,982)
Adjustments for:		
Depreciation and amortisation	90	17
Share based payments	110	3,977
Interest accrued on term deposits	(4)	-
Interest paid on lease liabilities	6	-
Other non-cash adjustments	-	-
Movements in working capital		
(Increase) / decrease in trade and other receivables	(170)	(227)
(Increase) / decrease in inventory	(593)	(341)
Increase / (decrease) in trade payables and other liabilities	99	516
Decrease / (increase) in taxation receivable	(12)	(10)
Movement in assets and liabilities due to acquisition	-	(14)
Net cash outflows from operating activities	(3,334)	(1,064)

25. Reconciliation of liabilities arising from financing activities

	2021	2020
	NZ\$000	NZ\$000
Lease liabilities		
Balance at 1 April	-	-
Lease liabilities recognised	226	-
Cash flows	(33)	-
Balance at 31 March	193	-

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

26. Subsidiaries

Name of subsidiary	Principal activity	Equity holding	
		2021	2020
The Good Brand Company Limited	Sale of health & wellbeing products	100%	100%
Me Today NZ Limited	Production & sale of health & wellbeing products	100%	100%
Today Limited	Non-trading entity	100%	100%

All subsidiaries are domiciled in New Zealand and have a balance date of 31 March.

27. Reverse acquisition – share based payment

On 31 March 2020 Me Today Limited (formerly CSM Group Limited) was acquired by The Good Brand Company Limited through a “reverse acquisition”. 60.84% of the shares of Me Today Limited were acquired in exchange for 100% of the shares in The Good Brand Company Limited. This was accounted for as a share based payment under NZ IFRS 2 as it did not meet the definition of a business combination under NZ IFRS 3, and the resultant Group financial statements effectively represent a continuation of the Good Brand Company’s operations.

The financial impact of the reverse acquisition in the 2020 comparative numbers, and the resulting share-based payment, is summarised as follows:

	2020
	NZ\$000
Net assets / liabilities acquired:	
Cash	1,587
Receivables	35
Taxation receivable	10
Payables	(59)
Net assets acquired	1,573
The share based payment expense on acquisition was:	
Consideration	5,550
less: fair value of net assets acquired	1,573
Share based payment expense on acquisition of Me Today Limited	3,977

The fair value of the consideration of \$5,500,000 consisted of 1,110,000,000 ordinary shares issued at \$0.05 per share. The difference between the consideration and net assets acquired was accounted for as a share-based payment of \$3,977,000.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

28. Financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out under policies approved by the Board of Directors. The Board provides written principles for overall risk management as well as policies covering specific areas such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

The Group has entered into a number of non-derivative financial instruments all of which are classified as financial assets and liabilities at amortised cost. The carrying values of these items approximate their fair value and represent the maximum exposures for each type of financial instrument. They are listed as follows:

	Note	2021 NZ\$000	2020 NZ\$000
Financial assets at amortised cost			
Cash and cash equivalents	12	1,195	4,168
Short term deposits	13	3,804	-
Trade receivables	14	218	148
Total financial assets		5,217	4,316
Financial liabilities at amortised cost			
Trade payables and other liabilities	19	629	529
Lease liabilities - current	20	79	-
Lease liabilities - non current	20	114	-
Total financial liabilities		822	529

The Group does not have any derivative financial instruments (2020: nil).

28.1. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control the market risk exposures within acceptable parameters, while optimising the return on risk. There is minimal market risk.

28.2. Cash flow and fair value interest rate risk

The Group's interest rate risk arises from interest on cash and cash equivalents and short-term deposits. Cash balances denominated in New Zealand dollars at variable rates expose the Group to cash flow interest rate risk.

During the current and comparative year, the Group's interest rate risk was minimal.

28.3. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises from cash and cash equivalents, deposits with banks and the Group's receivables from customers. The Group's maximum credit risk is represented by the

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

carrying value of these financial assets. The credit risk associated with cash transactions and deposits is managed through the Group's policies that limit the use of counterparties to high credit quality financial institutions.

28.4. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when the fall due. The Group's liquidity risk management includes maintaining sufficient cash reserves to meet future commitments. Refer to note 1.3. in relation to going concern and impact of COVID-19.

The following table provides a maturity analysis of the Group's remaining contractual cash flows relating to financial liabilities. Contractual cash flows include contractual undiscounted principal and interest payments.

	Carrying amount NZ\$000	Contractual cash flows NZ\$000	Payable 0-6 months NZ\$000	Payable 6-12 months NZ\$000	Payable 1-2 years NZ\$000	Payable 2-5 years NZ\$000
Non-derivative financial liabilities						
As at 31 March 2021						
Trade payables and other liabilities	629	629	629	-	-	-
Lease liability	193	203	43	43	88	29
	822	832	672	43	88	29
As at 31 March 2020						
Trade payables and other liabilities	529	529	529	-	-	-
Lease liability	-	-	-	-	-	-
	529	529	529	-	-	-

28.5. Fair value

The fair value of trade receivables, trade payables, cash and cash equivalents and short term deposits are determined to be equivalent to their carrying value due to the short-term nature of these balances.

28.6. Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure that reduces the cost of capital.

The Company has no debt.

29. Related parties**29.1. Directors**

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

29.2. 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 \$329,000 (2020: nil). \$15,000 was payable to directors at 31 March 2021 (2020: nil). This amount is payable to the independent directors and is intended to be settled by the issue of shares in the Company. \$32,000 of the remuneration due to the independent directors was settled

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

by the issue of 332,139 shares in the Company, as part of the share purchase plan on 31 July 2020. As at 31 March 2021 these shares were held by The Good Brand Company Limited on behalf of the independent directors.

Michael Kerr received total remuneration of \$212,500 in the current year in his role as CEO (2020: \$154,500).

A company owned by Stephen Sinclair received \$114,000 in consulting fees (2020: \$60,000).

29.3. 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 60.84% of Me Today Limited.

29.4. Shareholder advances

At 31 March 2019 M & N Kerr Holdings and Velocity Capital had advanced \$10,000 and \$90,000 respectively to the Group. These advances were converted to ordinary share capital in the year ended 31 March 2020.

29.5. 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 MTL. 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 (as detailed in notes 22 and 23). Share based payments for promotion services shown in note 22 includes \$83,000 in relation to the Ambassador Agreement with BB Promotions Limited.

The Company issued 354,282 ordinary shares to Antony Vriens as part of the retail offer to investors on 19 July 2020 for \$33,657.

30. Contingent liabilities

There are no contingent liabilities as at 31 March 2021 (2020: nil).

31. Commitments

The Company had no commitments for future capital expenditure as at 31 March 2021 (2020: nil).

32. Events subsequent to reporting date

On 31 May 2021 the Group entered into a conditional agreement to purchase 100% of the shares in King Honey Limited for \$36 million. King Honey Limited is a premium New Zealand manuka honey business.

The purchase price is to be satisfied by:

- cash of \$21 million;
- \$10 million through the issue to the vendors of 113,636,364 new ordinary shares in Me Today; and
- \$5 million by way of a three year subordinated note payable to the vendors.

It is intended that the cash required for the acquisition will be funded by a bank loan of \$8.5 million and a capital raise. Me Today intends to undertake a placement of 178,977,273 new ordinary shares at \$0.088 per share to a number of third party investors to raise \$15.75 million.

Me Today Limited

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

The acquisition and the proposed issue of new shares, are subject to shareholder approval at a meeting of shareholders in late June 2021. Me Today expects the acquisition to be completed by 30 June 2021.

On 28 May 2021 Me Today Manuka Honey Limited was incorporated. Me Today Manuka Honey Limited is a 100% owned subsidiary of Me Today and will be the owner of the shares in King Honey Limited.

Refer to note 4.1 in relation to going concern and the impact of COVID-19.

There have been no other significant events after the reporting date.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ME TODAY LIMITED

Opinion

We have audited the consolidated financial statements of Me Today Limited (“the Company”) and its subsidiaries (together, “the Group”), which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at date, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with *Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In addition to audit services, our firm provided other services in the areas of taxation compliance and advisory services. BDO partners and staff also transact with the Group on normal trading terms throughout the year. These engagements and trading transactions have not impaired our independence as auditor of the Group. We have no other relationship with, or interests in, the Company or its subsidiaries.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have no key audit matters to report.

Other Information

The directors are responsible for the other information. The other information comprises the Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

A further description of our responsibility for the audit of the financial statements is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1>.

This description forms part of our auditor's report.

Who we Report to

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

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

BDO Auckland

BDO Auckland
Auckland
New Zealand
31 May 2021