

Me Today Limited

Independent Report

In Respect of the Acquisition of King Honey Limited

June 2021

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1. Executive Summary

1.1 Background

Me Today Limited (**Me Today** or the **Company**) is a New Zealand owned and operated lifestyle and wellness company.

The Company acquired 100% of the shares in The Good Brand Company Limited (**Good Brand**) and Good Brand's wholly owned subsidiary Me Today NZ Limited for \$5.55 million on 31 March 2020 (the **Me Today Acquisition**). The Me Today Acquisition was a backdoor listing of Good Brand into the Company. The Company changed its name to Me Today Limited on 31 March 2020.

Me Today's shares are listed on the main equities securities market (the **NZX Main Board**) operated by NZX Limited (**NZX**) with a market capitalisation of approximately \$37.9 million as at 2 June 2021. Its audited total equity as at 31 March 2021 was approximately \$5.9 million.

A profile of the Company is set out in section 3.

1.2 Acquisition of King Honey

On 31 May 2021, Me Today and its wholly owned subsidiary Me Today Manuka Honey Limited (**MTMHL**) entered into the *Agreement for the Sale and Purchase of Shares in King Honey Limited* (the **Sale Agreement**) with Terry Jarvis and Jarvis Burnes Trustee Limited as trustees of the TW Jarvis Family Trust (the **Jarvis Family Trust**), whereby Me Today (through MTMHL) agreed to acquire 100% of the shares in King Honey Limited (**King Honey**) from the Jarvis Family Trust (the **King Honey Acquisition**) for \$36.0 million (the **Purchase Price**).

The Purchase Price is to be satisfied by:

- cash of \$21.0 million (the **Cash Consideration**)
- \$5.0 million by way of a 3 year subordinated note (the **Subordinated Note**)
- \$10.0 million through the issue of 113,636,364 fully paid ordinary shares in Me Today (the **Consideration Shares**) to the Jarvis Family Trust at an issue price of \$0.088 per share (the **Jarvis Allotment**). 50% of the Consideration Shares will be subject to transfer restrictions for one year and the remaining 50% of the shares will be subject to transfer restrictions for 2 years from the date the shares are allotted (the **Jarvis Lock-up**).

Me Today expects that the King Honey Acquisition will be completed by 30 June 2021 (the **Completion Date**).

King Honey is a premium New Zealand Mānuka Honey business, with the capacity to produce over 350 tonnes of honey from more than 18,000 hives and 3,600 queen bee rearing hives, placed across the North Island and into the Marlborough region.

A profile of King Honey is set out in section 4.

Capital Raise

In conjunction with the King Honey Acquisition, Me Today intends to undertake a placement of 178,977,273 fully paid ordinary shares (the **Capital Raise Shares**) at \$0.088 per share to a number of third party investors to raise \$15.75 million (the **Capital Raise**).

The minimum 178,977,273 Capital Raise Shares will represent 25.39% of Me Today's shares on issue following the Jarvis Allotment and the Capital Raise.

The Company has mandated investment bank CM Partners to arrange the Capital Raise. CM Partners intends to seek binding commitments from third party subscribers to participate in the Capital Raise following announcement of the King Honey Acquisition.

On 2 June 2021, Me Today announced that it had conditionally placed \$10 million of the Capital Raise with financial market participants and other wholesale investors. The Company plans to raise the balance of \$5.75 million of the Capital Raise through a retail offer to existing Me Today shareholders and other members of the public in New Zealand.

The proceeds from the Capital Raise, along with \$8.5 million of bank debt from Bank of New Zealand Limited (**BNZ**), will be used to fund the Cash Consideration.

1.3 Impact on Shareholding Levels

Me Today currently has 412,278,428 ordinary shares on issue, held by 2,002 shareholders (the **Current Shareholders**).

Following the King Honey Acquisition and assuming 178,977,273 Capital Raise Shares are issued and there are no other changes to the Company's capital structure:

- the Current Shareholders will collectively hold 58.49% of the Company's ordinary shares on issue
- the Jarvis Family Trust will hold 16.12% of the Company's ordinary shares on issue
- the subscribers to the Capital Raise (the **Capital Raise Shareholders**) will collectively hold 25.39% of the Company's ordinary shares.

Impact of the King Honey Acquisition on Shareholding Levels				
	Current Shareholders	Jarvis Family Trust	Capital Raise Shareholders	Total
Current	412,278,428	-	-	412,278,428
Jarvis Allotment	-	113,636,364	-	113,636,364
Capital Raise	-	-	178,977,273	178,977,273
Post the King Honey Acquisition	<u>412,278,428</u>	<u>113,636,364</u>	<u>178,977,273</u>	<u>704,892,065</u>
%	58.49%	16.12%	25.39%	100.00%

1.4 Special Meeting

Me Today is holding a special meeting of shareholders on 25 June 2021, where the Company will seek shareholder approval of 3 resolutions which cover the King Honey Acquisition (the **King Honey Resolutions**):

- resolution 1 – approval of the King Honey Acquisition for the purposes of the NZX Listing Rules (the **Listing Rules**)
- resolution 2 – approval of the Jarvis Allotment for the purposes of the Listing Rules
- resolution 3 – approval of the Capital Raise for the purposes of the Listing Rules.

The King Honey Resolutions are interdependent. All 3 resolutions must be passed in order for any one particular resolution to be implemented. If a resolution is not passed then no further resolutions will be put to the meeting and any resolutions previously put to the meeting will not be treated as having been passed.

The King Honey Resolutions are ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of those shareholders entitled to vote and voting on the resolutions in person or by proxy.

Voting Restrictions

All Current Shareholders are entitled to vote on each of the King Honey Resolutions, other than any wholesale investor that is a party to a subscription agreement with the Company in the Capital Raise or their Associated Person(s) (as defined in the Listing Rules) who is not permitted to vote on resolution 3.

The Jarvis Family Trust is not a Current Shareholder. In any event, the Jarvis Family Trust and any Associated Person (as defined in the Listing Rules) are not permitted to vote on resolution 2.

1.5 Purpose of the Report

The Company's board of directors (the **Board**) has engaged Simmons Corporate Finance Limited (**Simmons Corporate Finance**) to prepare an Independent Report on the merits of the King Honey Acquisition.

Simmons Corporate Finance issues this Independent Report to the Board for the benefit of the Current Shareholders to assist them in forming their own opinion on whether to vote for or against the King Honey Resolutions.

We note that each shareholder's circumstances and objectives are unique. Accordingly, it is not possible to report on the merits of the King Honey Acquisition in relation to each shareholder. This report on the merits of the King Honey Acquisition is therefore necessarily general in nature.

The Independent Report is not to be used for any other purpose without our prior written consent.

We note that neither an Independent Adviser's Report, as defined in the Takeovers Code (the **Code**), nor an Appraisal Report, as defined in the Listing Rules, is required to be provided by Me Today to the Current Shareholders.

1.6 Currency References

Currency references in this report are to:

- New Zealand dollars: **\$**
- Australian dollars: **A\$**.

2. Evaluation of the Merits of the King Honey Acquisition

2.1 Basis of Evaluation

We have evaluated the merits of the King Honey Acquisition, having regard to the interests of the Current Shareholders.

There is no legal definition of the term *merits* in New Zealand in any statute dealing with securities or commercial law.

In the absence of an explicit definition of *merits*, guidance can be taken from:

- the Takeovers Panel Guidance Note on Independent Advisers dated 11 March 2021
- definitions designed to address similar issues within New Zealand regulations which are relevant to the proposed transaction
- overseas precedents
- the ordinary meaning of the term *merits*.

We are of the view that an assessment of the merits of the King Honey Acquisition should focus on:

- the rationale for the King Honey Acquisition
- the terms and conditions of the King Honey Acquisition
- the impact of the King Honey Acquisition on Me Today's financial position
- the impact of the King Honey Acquisition on the control of Me Today
- the impact of the King Honey Acquisition on Me Today's share price
- the benefits and disadvantages for the Current Shareholders of the King Honey Acquisition
- the implications if the King Honey Resolutions are not approved.

Our opinion should be considered as a whole. Selecting portions of the evaluation without considering all the factors and analyses together could create a misleading view of the process underlying the opinion.

2.2 Summary of the Evaluation of the Merits of the King Honey Acquisition

The Current Shareholders currently hold shares in a listed health and wellness company focused on supplements and skincare products.

The King Honey Acquisition will expand the nature of Me Today's business into a complementary product line (Mānuka Honey) that is aligned with the Company's existing health, lifestyle and wellbeing focus.

The King Honey Acquisition consists of Me Today:

- acquiring King Honey from the Jarvis Family Trust for \$36.0 million
- issuing 113,636,364 Consideration Shares at an issue price of \$0.088 per share to Jarvis Family Trust
- issuing at least 178,977,273 Capital Raise Shares at an issue price of \$0.088 per share to raise at least \$15.75 million.

The intended completion date of the King Honey Acquisition is 30 June 2021.

The Current Shareholders are being asked to vote on 3 resolutions in respect of the King Honey Acquisition. All resolutions must be passed in order for the King Honey Acquisition to proceed.

Accordingly, shareholders have 3 alternatives with regard to their voting:

- vote in favour of all 3 resolutions. In event that all resolutions are passed, the Company will complete the King Honey Acquisition and will transform into an owner and operator of King Honey, or
- vote against any of the 3 resolutions. In the event that any resolution is not passed, then the King Honey Acquisition will not be undertaken and Me Today will remain as an owner of a supplements and skincare brand and a sales and marketing agency business, or
- abstain from voting, in which case the voting of the other shareholders will determine the outcome.

Our evaluation of the merits of the King Honey Acquisition is set out in detail in sections 2.3 to 2.14.

In summary, the positive aspects of the King Honey Acquisition are:

- the rationale for the King Honey Acquisition is sound. The King Honey Acquisition will help to drive growth in the Company by expanding into a complementary product line and is aligned with the existing health, lifestyle and wellbeing focus of Me Today
- the terms of the King Honey Acquisition are reasonable:
 - the Purchase Price of \$36.0 million is reasonable based on our assessment of the value of King Honey
 - the terms of the \$5.0 million Subordinated Note are fair to the Current Shareholders
 - the issue price of \$0.088 per share under the Jarvis Allotment and the Capital Raise is fair to the Current Shareholders. The issue price of \$0.088 per share is at a premium to Me Today's recent volume weighted average share prices (**VWAP**). The Company's one month VWAP to 28 May 2021 (the last trading day before the announcement of the King Honey Acquisition) was \$0.081. The issue price represents a premium of 9% to the VWAP
 - the conditions and warranties set out in the Sale Agreement are in line with market practice for transactions of this nature and are not unreasonable
- there is unlikely to be any material transfer of value from the Current Shareholders to the Jarvis Family Trust under the King Honey Acquisition as we consider the Acquisition Price to be reasonable and the Subordinated Note and the issue price of the Consideration Shares to be fair
- the King Honey Acquisition will have a positive impact on the Company's financial position. The Company's revenue and profitability will increase significantly, as will the size of the Company on a total assets and net assets basis
- the Jarvis Family Trust will not have a strong degree of influence over the Company:
 - its 16.12% shareholding will not be able to singlehandedly determine the outcome of shareholder voting on special resolutions or ordinary resolutions

- it will not be represented on the Board immediately, but may be represented at some stage in the future
- it will not be part of the Company's senior management team
- MTL Securities Limited (**MTL**) is currently Me Today's largest shareholder, holding 53.85% of the Company's shares. The Jarvis Allotment and the Capital Raise will significantly reduce MTL's ability to exert control over shareholder voting
- given that the Consideration Shares and the Capital Raise Shares issue price of \$0.088 is at a 9% premium to the one month VWAP and the size of the Jarvis Allotment and the Capital Raise, we are of the view that any impact of the King Honey Acquisition on the Company's share price is more likely to be positive than negative
- the implication of any of the King Honey Resolutions not being approved by the Current Shareholders is that the King Honey Acquisition will not proceed. Me Today will remain as a health and wellness business focussed on supplements and skincare products and no capital will be raised under the Capital Raise.

In summary, the negative aspects of the King Honey Acquisition are:

- the risk profile of Me Today will expand to a degree from just the risks associated with a business operating in the health and wellness sector to the wider range of risks associated with the apiary and honey production sector
- the dilutionary impact of the King Honey Acquisition on the Current Shareholders will result in their current collective interests in the Company reducing by approximately 42%.

In our opinion, after having regard to all relevant factors, the positive aspects of the King Honey Acquisition significantly outweigh the negative aspects from the perspective of the Current Shareholders.

2.3 The Rationale for the King Honey Acquisition

The Board's rationale for the transaction is set out in detail in the notice of special meeting and is summarised below:

- access to new markets, which will support Me Today's international growth ambitions
- increased customer base and cross-selling opportunities given the overlap in target customer audience
- growth through core range and new product development (eg launching honey products through the *Me Today*TM brand and extending King Honey's product range through Me Today's new product development program)
- strong strategic and premium brand alignment
- robust financial profile (strong revenue and earnings growth)
- an opportunity to realise revenue and cost synergies by leveraging distribution networks and production channels and through increased purchasing power.

In our view, the rationale for the King Honey Acquisition is sound. The King Honey Acquisition will help to drive growth in the Company by expanding into a complementary product line and is aligned with the existing health, lifestyle and wellbeing focus of Me Today.

2.4 Process Undertaken by Me Today

We are advised by the Board that the Company was approached by an investment bank on behalf of the Jarvis Family Trust to discuss the possible acquisition of King Honey to Me Today.

The Board commenced discussions in October 2020. Negotiations on behalf of Me Today were led by directors Grant Baker and Stephen Sinclair with consultation with the Board.

On 22 February 2021, Me Today entered into a non-binding term sheet with the Jarvis Family Trust (the **Term Sheet**).

The due diligence process undertaken by the Board and its financial and legal advisers encompassed a review of King Honey's commercial operations, its financial performance and legal matters.

The Board then negotiated and entered into the Sale Agreement with the Jarvis Family Trust on 31 May 2021.

2.5 Terms of the King Honey Acquisition

Purchase Price

The Purchase Price is \$36.0 million (on a debt free / cash free basis) and is to be satisfied by the Cash Consideration, the Subordinated Note and the Jarvis Allotment.

There is no allowance for any working capital adjustment to the Purchase Price at the Completion Date.

The Board has advised us that it negotiated the Purchase Price on a commercial arms-length basis with the Jarvis Family Trust, based on the Board's evaluation of the underlying King Honey business model, King Honey's future cash flows and its assets.

Our assessment of the value of King Honey is set out in section 5. We assess the value of King Honey on a debt free / cash free basis to be in the range of \$35.4 million to \$40.5 million as at the present date.

Based on our analysis, we consider the Purchase Price to be reasonable.

Subordinated Note

Terms

The key terms of the Subordinated Note are:

- a term for repayment of 3 years following the Completion Date
- the note is secured but second ranking to secured bank debt from BNZ
- an annual interest rate of 4.0%
- interest is payable annually in arrears.

Conclusion

We consider the terms of the Subordinated Note to be in line with market practice for subordinated debt of this nature and that they are fair to the Current Shareholders.

Jarvis Allotment

Terms

The 113,636,364 Consideration Shares issued under the Jarvis Allotment will be fully paid ordinary shares ranking equally in all respects with all existing shares, issued at \$0.088 per share to the Jarvis Family Trust.

The Jarvis Family Trust has agreed that the Consideration Shares will be subject to the Jarvis Lock-up, meaning that:

- 50% of the Consideration Shares cannot be traded until one year from the date the shares are allotted
- the remaining 50% of the Consideration Shares cannot be traded until 2 years from the date the shares are allotted.

These transfer restrictions are subject to exceptions if the Company gives its written consent or to enable the Jarvis Family Trust to accept a takeover offer or to participate in a scheme of arrangement in relation to the Company's shares.

Reasonableness Assessment

Our assessment of the reasonableness of the issue price of the Consideration Shares and the Capital Raise Shares is set out in section 6.

Conclusion

We consider the Consideration Shares issue price of \$0.088 per share under the Jarvis Allotment to be fair, from a financial point of view, to the Current Shareholders.

The Consideration Shares issue price is the same price at which the Capital Raise Shares will be issued.

Capital Raise

Terms

The Capital Raise Shares will be fully paid ordinary shares ranking equally in all respects with all existing shares, issued at \$0.088 per share to the Capital Raise Shareholders.

The \$15.75 million raised from the issue of the Capital Raise Shares will be applied towards the Cash Consideration.

Conclusion

We consider the Capital Raise Shares issue price to be fair to the Current Shareholders.

The Capital Raise Shares issue price is the same price at which the Consideration Shares will be issued.

Sale Agreement Conditions

The King Honey Acquisition is conditional on:

- Me Today obtaining the Current Shareholders' approval of the King Honey Resolutions
- Me Today raising \$15.75 million through the Capital Raise
- King Honey receiving written consent to the King Honey Acquisition from the landlords of its leased properties.

The proposed date for satisfaction of the above conditions is 30 June 2021.

We are of the view that the conditions of the King Honey Acquisition are in line with market practice for transactions of this nature and are not unreasonable.

Sale Agreement Warranties

Under the Sale Agreement, the Jarvis Family Trust has provided warranties in respect of King Honey's shares, power and authority, information, accounts, related party transactions, records and corporate matters, contracts, financing arrangements, assets, stock and equipment, properties, intellectual property rights and confidential information, information technology, litigation, compliance and authorisations, employees, solvency, insurance, taxes and guarantees.

Mr Jarvis has agreed to a restraint of trade and has provided non-solicitation undertakings for a period of 7 years from completion on usual arm's length terms.

Each party's liability under these warranties is limited to claims brought within 18 months of the Completion Date and to an aggregate amount limited to the Purchase Price in the case of warranties relating to title and claim warranties or any tax claim and 50% of the Purchase Price in the case of any other warranties.

We are of the view that the warranties provided under the Sale Agreement are in line with market practice for transactions of this nature and are not unreasonable.

Completion Date

Completion of the King Honey Acquisition is expected to take place by 30 June 2021.

2.6 Impact on Financial Performance and Financial Position

A summary of Me Today's and King Honey's recent financial performance is set out in sections 3.5 and 4.6 respectively and their recent financial position is set out in sections 3.6 and 4.7 respectively.

As at 31 March 2021, Me Today had approximately \$5.0 million of cash and short term deposits and total equity of approximately \$5.9 million.

The table below shows Me Today's summary pro forma financial performance and financial position as at 31 March 2021, assuming the King Honey Acquisition was completed on 31 March 2021.

Financial Impact of the King Honey Acquisition				
	Me Today (Audited) \$000	King Honey (Unaudited) \$000	Impact of Acquisition and Funding \$000	Combined (Pro Forma) \$000
Revenue	1,143	16,515	-	17,658
EBITDA	(2,891)	3,868	-	977
Net profit / (loss) for the year	(2,860)	2,289	-	(571)
Total assets	6,714	26,411	14,199	47,324
Total liabilities	(822)	(2,110)	(13,500)	(16,432)
Net assets	<u>5,892</u>	<u>24,301</u>	<u>699</u>	<u>30,892</u>

EBITDA: Earnings before interest, tax, depreciation and amortisation

The analysis shows that the King Honey Acquisition will result in Me Today's revenue and profitability increasing significantly, as will the size of the Company on both a total assets and net assets basis.

2.7 Impact on Control

Share Capital and Shareholders

Me Today currently has 412,278,428 fully paid ordinary shares on issue held by 2,002 shareholders. The names, number of shares and percentage holding of the Company's 10 largest shareholders as at 28 May 2021 are set out in section 3.4.

The Company's largest shareholder at present is MTL, holding 53.85% of the Company's shares, which it acquired in March 2020 under the Me Today Acquisition. MTL is owned by interests associated with Me Today directors Grant Baker, Michael Kerr and Stephen Sinclair.

MTL's current holding of 53.85% of the Company's voting rights enables it to:

- pass or block ordinary resolutions (which require the approval of more than 50% of the votes cast by shareholders)
- block special resolutions (which require the approval of 75% of the votes cast by shareholders).

Accordingly, MTL currently holds significant control over shareholder voting. However, it cannot singlehandedly pass special resolutions.

Shareholding Levels Post the King Honey Acquisition

The Jarvis Family Trust currently does not hold any shares in the Company. As set out in section 1.3, following the King Honey Acquisition (and assuming 178,977,273 Capital Raise Shares are issued):

- the Jarvis Family Trust will hold 16.12% of the Company's shares
- the Current Shareholders will collectively hold 58.49% of the Company's shares, including MTL which will hold 31.49%
- the Capital Raise Shareholders will collectively hold 25.39% of the Company's shares.

Shareholding Voting

The King Honey Acquisition will result in a change from one shareholder (MTL) holding 53.85% of the voting rights in the Company to 2 non-associated shareholders (MTL and the Jarvis Family Trust) collectively holding 47.62% of the voting rights (depending on the number of Capital Raise Shares issued). This will result in a lessening of one or more shareholders being able to control shareholding voting:

- MTL will lose its ability to singlehandedly determine the outcome of ordinary resolutions but it will still be able to singlehandedly block special resolutions
- as the Company's second largest shareholder, the Jarvis Family Trust will be able to influence the outcome of shareholder voting to a limited degree but it will not be able to singlehandedly block special resolutions
- neither MTL nor the Jarvis Family Trust will be able to singlehandedly pass or block ordinary resolutions nor pass special resolutions. However, if MTL and the Jarvis Family Trust vote in the same manner, they may be able to collectively determine the outcome of an ordinary resolution.

The ability for any shareholder to influence the outcome of voting on the Company's ordinary resolutions or special resolutions may be reduced by external factors such as the Company's constitution, the Code, the Listing Rules and the Companies Act 1993 (**Co's Act**) (eg if the shareholder is precluded from voting on the resolution because it is a party to the transaction which the resolution relates to).

MTL will Lose the Ability to Creep

MTL is currently able to utilise the *creep provisions* of Rule 7(e) of the Code. The *creep provisions* enable entities that hold more than 50% and less than 90% of the voting securities in a code company to acquire up to a further 5% of the code company's shares in any 12 month period without the need for shareholder approval.

Following the King Honey Acquisition, MTL will no longer be able to utilise the *creep provisions* as it will hold less than 50% of the Company's voting securities.

Board Control

As set out in section 3.3, the Company currently has 6 directors on the Board:

- 3 directors are associated with MTL
- no directors are associated with the Jarvis Family Trust.

We are advised by the Board that at this point in time there is no intention to appoint a Jarvis Family Trust representative to the Board. However, the Jarvis Family Trust may seek to have a representative on the Board in the future.

Operations

Following the King Honey Acquisition, the current King Honey management team (other than Terry Jarvis) will continue to manage the day to day operations of King Honey.

They will report to Me Today director / chief financial officer Stephen Sinclair who will also assume the role of King Honey general manager.

Terry Jarvis is the current chief executive officer of King Honey. Following the King Honey Acquisition, it is intended that Mr Jarvis will transition away from the day to day running of the King Honey business but he will be available to be consulted.

Protection for Minority Shareholders

While MTL and the Jarvis Family Trust will have a degree of control over Me Today, neither shareholder can act in an oppressive manner against minority shareholders. The Co's Act provides a level of protection to minority shareholders. Furthermore, any transactions between the Company and any shareholder holding 10% or more of the Company's shares will need to satisfy the requirements of the Listing Rules with respect to transactions with related parties.

2.8 Dilutionary Impact

The King Honey Acquisition will result in the Current Shareholders' shareholdings in the Company being diluted by 41.5%:

- the Jarvis Allotment will dilute the Current Shareholders' shareholdings by 21.6%
- the Capital Raise will further dilute the Current Shareholders' (already diluted) shareholdings by 25.4%.

While the dilutionary impact is significant, we are of the view that the Current Shareholders' main focus should be on whether there is any dilutionary impact on the value of their respective shareholdings rather than on their level of voting rights. As stated in section 2.5, we are of the view that the Purchase Price, the Subordinated Note and the Consideration Shares and the Capital Raise Shares issue price are fair to the Current Shareholders from a financial point of view and therefore the King Honey Acquisition does not dilute the value of their respective shareholdings.

2.9 Impact on Share Price and Liquidity

Me Today's shares were placed on a trading halt on 11 December 2019 following the announcement of the Me Today Acquisition. The quotation of the Company's shares was suspended by NZX Regulation on 17 December 2019 and recommenced on 3 April 2020.

A summary of Me Today's daily closing share price and monthly volume of shares traded from 3 April 2020 is set out in section 3.8.

In the year up to 28 May 2021 (immediately prior to the announcement of the King Honey Acquisition), 20.1% of the Company's shares traded at a VWAP of \$0.099. The closing share price on 28 May 2021 was \$0.083 and the one month VWAP was \$0.081.

Given that the Consideration Shares and the Capital Raise Shares issue price of \$0.088 is at a 9% premium to the one month VWAP and the size of the Jarvis Allotment and the Capital Raise, we are of the view that any impact of the King Honey Acquisition on the Company's share price is more likely to be positive than negative.

Liquidity

Trading in the Company's shares is relatively thin, reflecting that the top 10 shareholders collectively hold 86.36% of the shares.

The King Honey Acquisition will not necessarily improve the liquidity of the Company's shares as the number of shares held by the Current Shareholders will not change and the shares issued to the Jarvis Family Trust are subject to the Jarvis Lock-up.

Should the Jarvis Family Trust seek to dispose of some of its Me Today shares following the restricted transfer periods, this may result in increased trading in the Company's shares, thereby improving liquidity. Similarly, the sale of any Capital Raise Shares may improve liquidity.

While we would expect a potential increase in demand for the Company's shares post the King Honey Acquisition, we note that the relatively small free float means that there will be a limited number of shares available for sale and this may restrict the level of trading in the Company's shares.

2.10 Main Advantage to the Current Shareholders of the King Honey Acquisition

The Current Shareholders currently hold 100% of the shares in a relatively early stage business that owns a supplements and skincare brand and a sales and marketing agency business.

The King Honey Acquisition will significantly increase the size of the Company, expanding the nature of Me Today's business into a complementary product line that is aligned with the Company's existing health, lifestyle and wellbeing focus.

2.11 Main Disadvantage to the Current Shareholders of the King Honey Acquisition

The main disadvantage to the Current Shareholders of the King Honey Acquisition is that the shares issued under the Jarvis Allotment and the Capital Raise will significantly dilute their interests in the Company. Their collective shareholding will be diluted by approximately 42% from their collective shareholding of 100% at present to 58.49%.

In our view, the positive aspects of the expansion of the Company's operations outweigh the dilutionary impact of the King Honey Acquisition.

2.12 Other Issues for the Current Shareholders to Consider

Change in Business Risk

A detailed analysis of the risks associated with an investment in King Honey is set out in the notice of special meeting and is summarised in section 4.5 of this report.

The analysis highlights the increased level of risk associated with an investment in the Company post the King Honey Acquisition and the Current Shareholders need to be cognisant of the change in the risk profile of their investment in the Company.

Benefits to Me Today of the Jarvis Family Trust as Cornerstone Shareholders

The Jarvis Allotment will position the Jarvis Family Trust as an important cornerstone investor in Me Today along with MTL, signalling its confidence in the future prospects of the Company.

Current Shareholder Approval is Required

Pursuant to the Listing Rules, the Current Shareholders must approve by ordinary resolutions the King Honey Acquisition, the Jarvis Allotment and the Capital Raise.

The King Honey Acquisition will not proceed unless the Current Shareholders approve all of the King Honey Resolutions.

May Increase the Attractiveness of the Company as a Takeover Target

Me Today will potentially have a higher profile following the King Honey Acquisition and may be more visible and attractive to potential investors, which may increase the likelihood of a takeover offer for the Company.

2.13 Likelihood of the King Honey Resolutions Being Approved

The King Honey Resolutions are interdependent with each other. All 3 King Honey Resolutions must be passed in order for any one resolution of the 3 King Honey Resolutions to be passed.

All Current Shareholders are entitled to vote on each of the King Honey Resolutions, other than any accepted investor in the Capital Raise who cannot vote on resolution 3.

The Board has unanimously recommended that the Current Shareholders vote in favour of the King Honey Resolutions.

The Company's largest shareholder is MTL, which holds 53.85% of the voting rights in the Company. MTL is owned by interests associated with 3 of the Company's directors – Grant Baker, Michael Kerr and Stephen Sinclair.

Given the Board's recommendations, it appears that MTL will singlehandedly ensure that each ordinary resolution is passed.

2.14 Implications of the King Honey Resolutions not Being Approved

If any one of the 3 King Honey Resolutions is not approved, then the King Honey Acquisition will not proceed and Me Today will remain as a health and wellness business focussed on supplements and skincare products. No capital will be raised under the Capital Raise.

2.15 Voting For or Against the King Honey Resolutions

Voting for or against the King Honey Resolutions is a matter for individual shareholders based on their own views as to value and future market conditions, risk profile and other factors. Shareholders will need to consider these consequences and consult their own professional adviser if appropriate.

3. Profile of Me Today

3.1 Background

The Company was incorporated on 27 June 2007 as RLV No. 3 Limited (**RLV**). It changed its name to Orion Minerals Group Limited on 16 December 2008, to CSM Group Limited on 8 April 2016 and to Me Today Limited on 31 March 2020.

RLV was established as a reverse listing vehicle for the purpose of providing a privately owned company with a cost and time efficient way to achieve a stock market listing on the NZX markets.

RLV issued a prospectus on 8 October 2007 and raised \$250,000 (before issue costs) through the issue of 25,000,000 shares at an issue price of \$0.01 per share.

RLV was listed on the alternative market (the **NZAX**) operated by NZX on 29 October 2007.

On 12 December 2007, the Company announced that it had agreed to acquire all the shares in TJRE Holdings Limited for approximately \$13.75 million, representing a reverse listing of The Joneses national residential real estate business through RLV (the **Joneses Transaction**). However, the Company announced on 18 February 2008 that the Joneses Transaction would no longer proceed.

On 11 December 2008, RLV acquired 100% of the shares in Minera Varry S.A, a Chilean company which owned an iron ore mining concession in Chile (the **Minera Varry Transaction**).

In conjunction with the Minera Varry Transaction, RLV entered into a subscription agreement with Fengli Group (Hong Kong) Co. Limited (**Fengli**), whereby Fengli agreed to subscribe for up to 200,000,000 ordinary shares in RLV at an issue price of US\$0.125 per share and 50,000,000 options to acquire 50,000,000 ordinary shares in RLV (the **Fengli Capital Raise**). Fengli eventually acquired 178,977,273 shares under the Fengli Capital Raise.

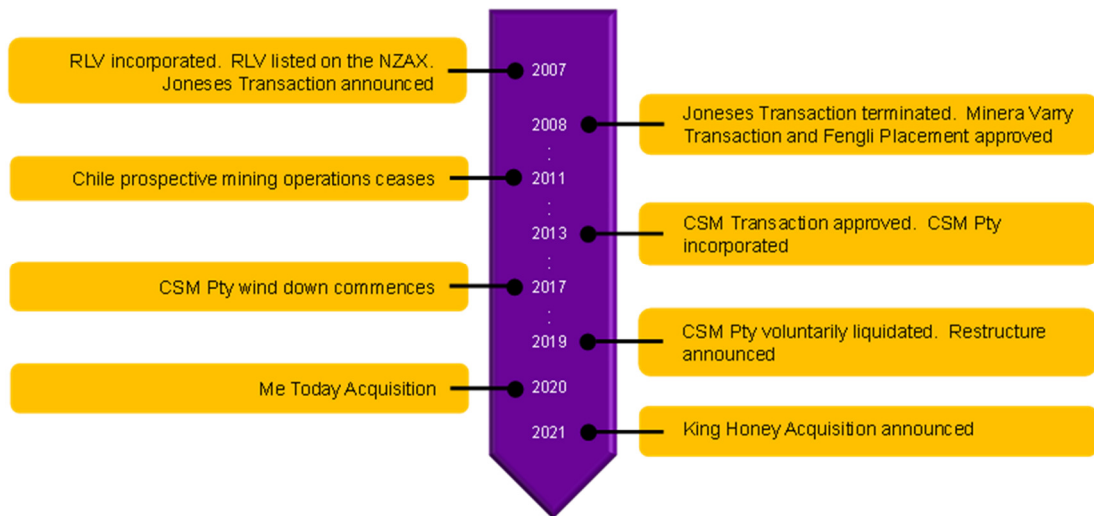
In 2011, the Board decided to cease the Company's prospective mining operations in Chile and pursue an alternative business strategy of undertaking private equity investment in projects and companies with Chinese market potential.

On 17 July 2013, the Company's shareholders approved the commencement of a new business operation in Australia processing scrap metal for export sale to Chinese markets (the **CSM Transaction**). China Scrap Metals Resources Pty Limited (**CSM Pty**) was incorporated in Australia as a wholly owned subsidiary of the Company to undertake the operations.

On 10 May 2017, the Company announced its intention to wind down CSM Pty's commercial scrap metal operations. CSM Pty was voluntarily liquidated on 6 January 2019.

On 11 December 2019, the Company announced the Me Today Acquisition. The Me Today Acquisition was approved by the Company's shareholders on 30 March 2020 and completed on 31 March 2020.

The Company's key events are summarised below.



3.2 Nature of Operations

Me Today owns and operates the *Me Today*TM brand, a New Zealand founded and based health and wellness brand that produces premium quality products clearly linking supplements and natural skincare.

The Me Today product range was launched on 1 November 2019 with 8 supplements products and 12 skincare products. The products are formulated using absorbable ingredients and, where possible, are either vegetarian or vegan friendly. The range has since grown to 17 supplements and 20 skincare products.

The products are contract manufactured in New Zealand by reputable contract manufacturers.

The Me Today supplements and natural skincare ranges were launched into the New Zealand pharmacy sector through the Green Cross Health Limited (**Green Cross**) network of Unichem and Life Pharmacy stores. Green Cross has a network of 361 stores nationwide. Me Today's products are currently stocked in 280 Green Cross stores.

As well as selling through the Green Cross network, Me Today sells its products direct to consumers on its website www.metoday.com.

While the *Me Today*TM brand has been launched with supplements and natural skincare products as the platform, the Company sees significant opportunity to further expand the product offering and take advantage of new trends within the health, beauty and wellbeing spaces. It believes there are significant opportunities to take the brand offshore into markets such as Australia, North America, United Kingdom, Asia and China through a cross border e-commerce model.

Me Today announced on 15 June 2020 that it had appointed Beauden Barrett as a brand ambassador for the *Me Today*TM brand globally. The Company announced distribution agreements with Mash Beauty Lab Co., Limited in Japan on 10 March 2021 and Uniphar Wholesale Limited in Ireland on 31 March 2021.

The Company also owns Good Brand. Good Brand was established to sell and market third party brands within the health and wellness space. Good Brand represents the *Me Today*TM brand and other agency branded businesses such as *Life-space*, *Artemis* and *SleepDrops*.

3.3 Directors and Senior Management

The Board consists of 6 directors:

- Grant Baker, non-executive chair
- Hannah Barrett, independent director
- Roger Gower, independent director
- Michael Kerr, executive director
- Stephen Sinclair, executive director
- Antony Vriens, independent director.

The Company's senior management team consists of:

- Michael Kerr, chief executive officer
- Stephen Sinclair, chief financial officer.

3.4 Capital Structure and Shareholders

Ordinary Shares

Me Today currently has 412,278,428 fully paid ordinary shares on issue held by 2,002 shareholders.

The names, number of shares and percentage holding of the 10 largest shareholders as at 28 May 2021 are set out below.

Me Today's 10 Largest Shareholders		
Shareholder	No. of Shares	%
MTL	222,000,000	53.85%
Hunter Holdings Limited (Hunter)	44,000,000	10.67%
New Zealand Depository Nominee (NZDN)	22,715,282	5.51%
Marvel Fantasy Limited (Marvel)	20,000,000	4.85%
Forsyth Barr Custodians Limited (FBCL)	10,000,506	2.43%
APZ Limited	9,913,290	2.40%
Wallflower Limited (Wallflower)	8,933,400	2.17%
James Keogh	7,180,609	1.74%
Custodial Services Limited	6,040,000	1.47%
Rhonda Preston	5,250,000	1.27%
Subtotal	356,033,087	86.36%
Others (1,992 shareholders)	56,245,341	13.64%
Total	412,278,428	100.00%

Source: NZX Company Research

MTL is owned by interests associated with Company directors Grant Baker, Michael Kerr and Stephen Sinclair.

Hunter is owned by Adam Sorensen and Michael Sorensen.

NZDN holds 23,183,518 shares on behalf of Sharesies Limited.

Marvel is incorporated in Hong Kong and acquired its shareholding in December 2009.

FBCL holds 10,000,506 shares on behalf of the Lindsay Investment Trust.

APZ Limited is owned by John Sorensen.

Wallflower appears to be a New Zealand incorporated company owned by Lan Zhu that has been removed from the companies register.

Share Options

On 15 June 2020, Me Today granted 3,000,000 share options to BB Promotions Limited, a company owned by interests associated with Beauden Barrett.

The options are in 3 tranches of 1,000,000 options each, with vesting dates ranging from 1 June 2021 to 1 June 2023 and expiry dates ranging from 30 June 2021 to 30 June 2023. The exercise price of each option is \$0.09.

3.5 Financial Performance

A summary of Me Today's recent financial performance is set out below.

Summary of Me Today Financial Performance			
	6 Mths to 31 Mar 19 (Audited) \$000	Year to 31 Mar 20 (Audited) \$000	Year to 31 Mar 21 (Audited) \$000
Revenue	80	566	1,143
Expenses	(125)	(1,381)	(4,076)
Operating loss	(45)	(815)	(2,933)
Finance income	-	1	73
Reverse acquisition costs and listing expenses	-	(4,168)	-
Loss before tax	(45)	(4,982)	(2,860)
Income tax expense	-	-	-
Net loss for the year	(45)	(4,982)	(2,860)

Source: Me Today audited financial statements and annual financial statements for the year ended 31 March 2021

Me Today's revenue consists of the sale of *Me Today*TM branded products and agency income earned by Good Brand.

Expenses consist mainly of cost of sales, marketing expenses, salaries and wages and directors' expenses.

The Company incurred \$4.2 million of costs associated with the Me Today Acquisition on 31 March 2020:

- reverse listing expenses - \$0.2 million
- reverse listing share based payment expense - \$4.0 million.

On 31 March 2021, Me Today advised the market that it expected forecast revenue for the 2022 financial year to exceed \$3 million. While the Me Today business is continuing to grow and further develop its brand and market presence, the business is expected to continue to incur a net loss after tax in the 2022 financial year.

3.6 Financial Position

A summary of Me Today's recent financial position is set out below.

Summary of Me Today Financial Position			
	As at 31 Mar 19 (Audited) \$000	As at 31 Mar 20 (Audited) \$000	As at 31 Mar 21 (Audited) \$000
Cash and cash equivalents	38	4,168	1,195
Short term deposits	-	-	3,804
Trade and other receivables	21	247	418
Inventory	-	341	934
Taxation receivable	-	11	23
Current assets	59	4,767	6,374
Property, plant and equipment ¹	10	23	267
Intangible assets	-	62	73
Non current assets	10	85	340
Total assets	69	4,852	6,714
Trade payables and other liabilities	(14)	(529)	(629)
Shareholder advances	(100)	-	-
Lease liabilities – current	-	-	(79)
Current liabilities	(114)	(529)	(708)
Lease liabilities – non current	-	-	(114)
Total liabilities	(114)	(529)	(822)
Net assets	(45)	4,323	5,892
Net tangible assets per share		\$0.012 ²	\$0.014

¹ Including right-of-use assets
² On a post share consolidation basis

Source: Me Today audited financial statements and annual financial statements for the year ended 31 March 2021

Me Today's main assets are cash and deposits, which amounted to \$5.0 million as at 31 March 2021.

The Company also had \$0.9 million of inventory on hand as at 31 March 2021 and \$0.3 million of fixed assets and right-of-use assets.

Payables of \$0.6 million exceeded receivables of \$0.4 million as at 31 March 2021.

The Company has no external borrowings and recorded lease liabilities of \$0.2 million as at 31 March 2021.

The Company had total equity of approximately \$5.9 million as at 31 March 2021, comprising:

- share capital – \$13.7 million
- share based payments reserve – \$0.1 million
- accumulated losses – negative \$7.9 million.

3.7 Cash Flows

A summary of Me Today's recent cash flows is set out below.

Summary of Me Today Cash Flows			
	6 Mths to 31 Mar 19 (Audited) \$000	Year to 31 Mar 20 (Audited) \$000	Year to 31 Mar 21 (Audited) \$000
Net cash (outflow) from operating activities	(51)	(1,064)	(3,334)
Net cash inflow / (outflow) from investing activities	(11)	1,494	(3,919)
Net cash inflow from financing activities	100	3,700	4,280
Net increase in cash held	38	4,130	(2,973)
Opening cash balance	-	38	4,168
Closing cash balance	38	4,168	1,195

Source: Me Today audited financial statements and annual financial statements for the year ended 31 March 2021

Me Today has incurred approximately \$4.4 million of cash losses from its operations over the past 2 and a half year period to 31 March 2021.

The Company received \$1.6 million of cash from CSM Group Limited under the Me Today Acquisition in the 2020 financial year.

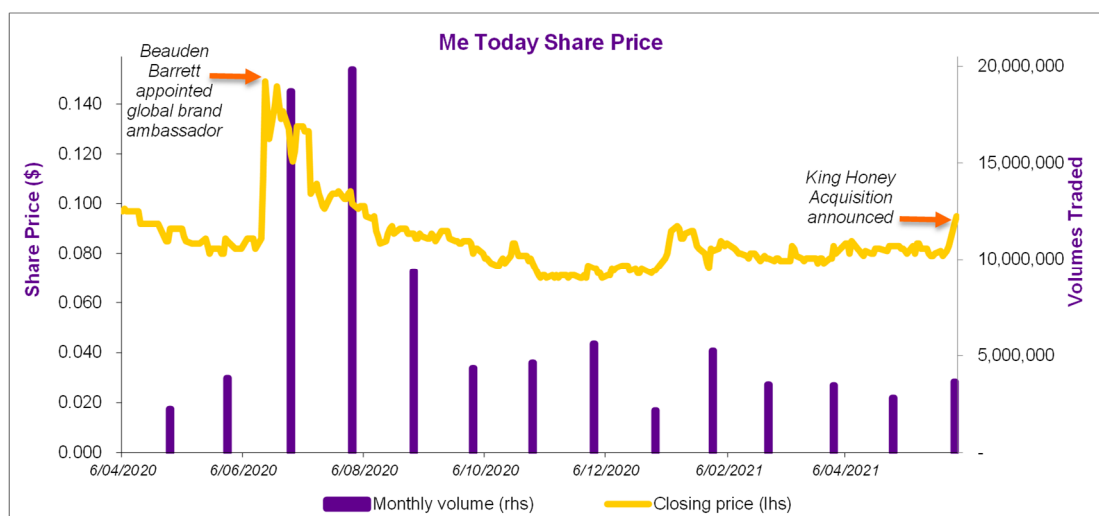
\$3.8 million of cash was invested into short term deposits in the 2021 financial year.

Me Today raised \$1.5 million in cash from wholesale investors on 31 March 2020 as part of the Me Today Acquisition.

The Company raised \$4.0 million on 10 July 2020 from a retail offer priced at \$0.095 per share (the **2020 Retail Offer**) and \$0.5 million on 31 July 2020 under a share purchase plan priced at \$0.095 per share (the **2020 SPP**).

3.8 Share Price History

Set out below is a summary of Me Today's daily closing share price and monthly volumes of shares traded from 3 April 2020 (following the completion of the Me Today Acquisition) to 1 June 2021.



Source: NZX Company Research

During the period, Me Today's shares have traded between \$0.07 and \$0.149 at a VWAP of \$0.098.

An analysis of Me Today's recent VWAP, traded volumes and liquidity (measured as traded volumes as a percentage of shares outstanding) up to 28 May 2021 (the last trading day before the announcement of the King Honey Acquisition) is set out below.

Share Trading up to 28 May 2021					
Period	Low (\$)	High (\$)	VWAP (\$)	Volume Traded (000)	Liquidity
1 month	0.079	0.085	0.081	2,955	0.7%
3 months	0.076	0.085	0.080	9,225	2.2%
6 months	0.070	0.092	0.081	20,321	4.9%
12 months	0.070	0.160	0.099	82,719	20.1%

Source: NZX Company Research

Trading in the Company's shares is relatively thin, reflecting that the top 10 shareholders collectively hold 86.36% of the Company's shares.

4. Profile of King Honey

4.1 Ownership Structure

King Honey was incorporated on 17 March 2011 as King Honey Health Products Limited. It changed its name to King Honey Limited on 23 January 2015.

The issued capital of King Honey consists of 1,000 ordinary shares.

The shares are held by Terry Jarvis and Jarvis Burnes Trustee Limited as trustees of the Jarvis Family Trust.

The sole director of King Honey is Terry Jarvis.

4.2 Nature of Operations

An overview of King Honey is set out in the notice of special meeting and is summarised below.

King Honey began operations in 2016 with a vision to bring highly skilled beekeepers together to develop a fully integrated Mānuka Honey brand.

Until 2018, King Honey primarily accumulated high quality honey with limited third party brand exports to China and Europe.

Nowadays it has the capacity to produce more than 350 tonnes of honey from over 18,000 hives and 3,600 queen bee rearing hives, placed across the North Island and into the Marlborough region.

As well as servicing the domestic market, the business now exports into Asia, Australia, UK, Europe and USA.

King Honey holds licences or has other commercial arrangements with over 100 landowners covering approximately 900 hive sites. King Honey has targeted Mānuka dense areas by mapping large parts of the North Island, utilising GPS and aerial mapping techniques through partnering with an aviation company.

King Honey operates across the North Island (Kerikeri, Northland, Central North Island, Taranaki, Kawhia and Wairarapa) and in Blenheim.

Its operations include:

- 5 leased apiary facilities used for staff operations, storage of equipment, hive maintenance components
- 2 queen bee rearing operations employing 13 staff
- 5 regional managers and 45 highly skilled employed beekeepers
- licences with over 100 landowners covering approximately 900 hive sites
- an agri-testing laboratory to ensure only quality Mānuka Honey is stored
- a processing, bottling and storage plant located in Taupō with 27 employees
- a head office located in Auckland with 3 sales and 4 finance staff.

Honey is extracted at the end of the season using a third party contractor and is transported back to Taupō and stored in drums for testing. The honey is then processed and bottled in Taupō into either 250g or 500g bottles.

The business currently operates 2 brands:

- the established *BEE+* brand
- the *Superlife* brand, which was launched in 2020.

The *BEE+* brand is owned by a joint venture company called Bee Plus Brands (China) Limited (**BPB**). BPB is 15% owned by King Honey and 85% by Access Brand Management Pty Limited (**ABM**).

ABM is a multi-level marketing company representing a number of well-known brands. It was established in Australia and has offices in Sydney, Melbourne and Auckland. Its head office is now in Hangzhou, Zhejiang, People's Republic of China with over 1,000 employees. It employs over 100 people in Australia.

BEE+ is the only honey brand represented by ABM. Since the partnership commenced in May 2019, ABM has purchased approximately \$21 million worth of product. ABM sales accounted for 70% of King Honey's revenue in the 2021 financial year.

King Honey wholly owns the *Superlife* brand.

4.3 Growth Opportunities

The key growth opportunities identified by Me Today in respect of the King Honey Acquisition include:

- increased sales of *BEE+* branded products in China and North America under the ABM distribution agreement
- the launch of online sales of *Superlife* branded products in North America
- the launch of *Me Today*TM branded honey products
- the launch of new products such as propolis, snap pack, lozenge and toothpaste products
- the use of Me Today's new product development program to extend and tailor King Honey's product range
- leveraging both businesses' distribution networks and production channels
- increased buying power over packaging materials.

4.4 Mānuka Honey Industry

New Zealand Honey Industry

According to Apiculture New Zealand, New Zealand's apiculture industry is a \$5 billion industry and New Zealand is the third largest global exporter of honey (on a value basis) behind China and Argentina.

Key industry statistics in 2020 are:

- registered beehives: 854,477
- registered beekeepers: 9,510
- honey production: 23,000 tonnes
- value of honey exports: \$506 million.

Mānuka Honey

Mānuka Honey comes from the nectar of the flower of the Mānuka bush (*Leptospermum scoparium*) which is indigenous to New Zealand (and may be native to South East Australia). The Mānuka flower produces nectar with characteristic and unique signature compounds.

Whilst the antibacterial properties of all types of honeys have been known for centuries, recent laboratory studies have shown that Mānuka Honey is exceptionally high in antimicrobial potential.

The chemical marker methylglyoxal (**MGO**) is the key natural compound in Mānuka Honey that gives the honey its antimicrobial activity.

Mānuka New Zealand Honey Industry

Over the past decade, the New Zealand Mānuka Honey industry has experienced exceptional growth in the number of commercial beekeeping businesses producing Mānuka Honey and the number of Mānuka Honey distributors.

From 2008 to 2018, there was an increase in beehives from approximately 360,000 to approximately 880,000 beehives, with the majority of the growth in the North Island.

During this period, there was a clear move away from bulk honey to retail packaged honey to enhance dollar returns per kilogram.

The Mānuka Honey industry in New Zealand underwent a massive change in December 2017 with the new definition for Mānuka Honey released by the Ministry for Primary Industries. To be defined as Mānuka Honey, 5 chemical markers must be present in the honey. The new definition of Mānuka Honey was released in response to the growing concerns of fraudulent honey being sold as Mānuka Honey and damaging the brand's integrity.

Mānuka Honey is now graded under the Unique Mānuka Factor™ (**UMF**) Grading System, which has 2 components which are expressed on any UMF honey product:

- label: the label claim that it is genuine Mānuka Honey
- number: the unique signature compounds characteristic of the honey which ensure purity and quality (5+ UMF, 10+ UMF, 15+ UMF, 20+ UMF and 25+ UMF).

4.5 Key Business Risks

The key business risks for Me Today arising from the King Honey Acquisition are set out in the notice of special meeting and are summarised below:

- Mānuka Honey production is dependent on weather conditions, with warm temperatures and minimal wind being ideal
- King Honey is heavily reliant on its largest customer ABM, who distributes its products in China. ABM sales accounted for 70% of King Honey's revenue in the 2021 financial year
- King Honey needs to be able to identify and react to new trends in the health and wellness sector and to achieve successful brand cut through against its competitors
- the Mānuka Honey sector in New Zealand and internationally is highly competitive
- the value of King Honey's brands may be adversely affected if King Honey is unable to obtain and enforce trade mark and intellectual property rights for its brands
- King Honey may fail to successfully execute its strategy in overseas markets or its products may not resonate with consumers in foreign markets

- the sale, marketing and production of Mānuka Honey products may be subject to new regulations
- it is not possible to assess with any certainty the implications of the COVID-19 pandemic on King Honey or the economy as a whole.

4.6 Financial Performance

A summary of King Honey’s recent financial performance is set out below.

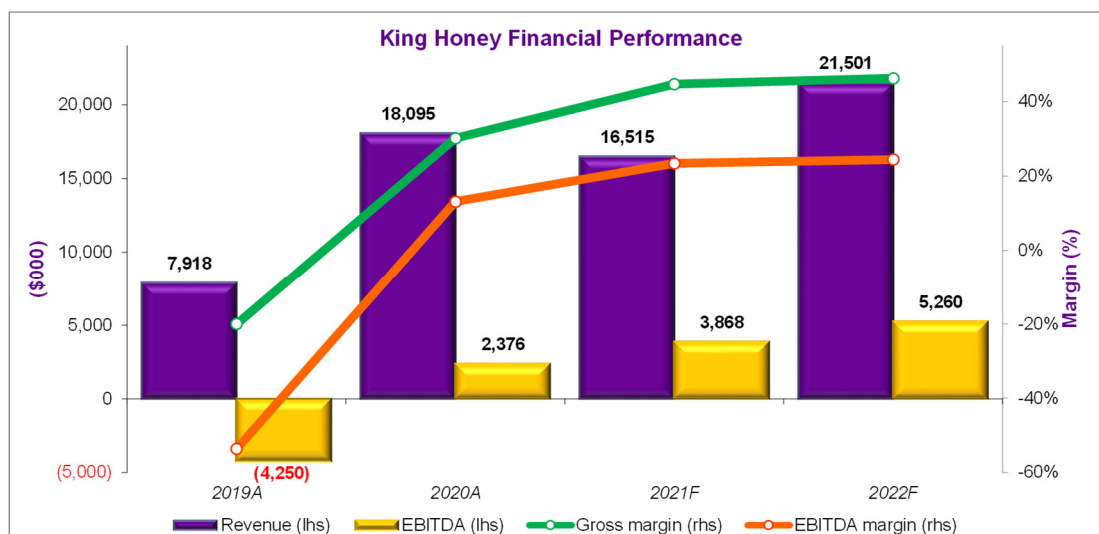
Summary of King Honey Financial Performance				
	Year to 31 Mar 19 (Unaudited) \$000	Year to 31 Mar 20 (Unaudited) \$000	Year to 31 Mar 21 (Unaudited) \$000	Year to 31 Mar 22 (Forecast) \$000
Revenue	7,918	18,095	16,515	21,501
Cost of sales	(9,502)	(12,641)	(9,135)	(11,558)
Gross profit	<u>(1,584)</u>	<u>5,454</u>	<u>7,380</u>	<u>9,943</u>
Other income	-	-	32	72
Operating expenses	(2,666)	(3,078)	(3,544)	(4,755)
EBITDA	<u>(4,250)</u>	<u>2,376</u>	<u>3,868</u>	<u>5,260</u>
Depreciation	(1,232)	(1,278)	(1,377)	(1,334)
EBIT	<u>(5,482)</u>	<u>1,098</u>	<u>2,491</u>	<u>3,926</u>
Interest expense	(84)	(302)	(202)	(65)
Net profit / (loss) for the year	<u>(5,566)</u>	<u>796</u>	<u>2,289</u>	<u>3,861</u>

EBIT: Earnings before interest and taxation

Source: King Honey 2020 financial statements, 2021 management accounts and 2022 forecast

As is common with closely held companies, King Honey’s financial statements have not been prepared in accordance with New Zealand generally accepted accounting practice (**NZ GAAP**).

King Honey recognises inventory at cost rather than valuing its honey inventory at fair value as required under New Zealand Equivalent to International Accounting Standard 41 *Agriculture* (**NZ IAS 41**).



King Honey’s revenue has grown from \$7.9 million in the 2019 financial year to \$16.5 million in the 2021 financial year and its EBITDA has steadily increased from negative \$4.3 million in 2019 to \$3.9 million in 2021.

The growth in revenue and earnings has been primarily driven by an increased number of hive placements and higher harvest yields, along with securing ABM as a new customer in the China market in May 2019.

The number of hive placements has increased from 13,696 in 2019 to 18,705 in 2021. The largest growth in hive placements has been in the Central North Island.

Despite the increase in placements in 2021, adverse weather conditions resulted in a lower yield and a 30% decrease in harvest volumes. This, along with the international travel restrictions due to the COVID-19 pandemic impacting sales to New Zealand-based gift shops, contributed to a 9% decrease in revenue in 2021.

Sales to China accounted for 73% of 2021 revenue, with Japan sales accounting for 20% of revenue.

Cost of sales includes the allocated beekeeping and production costs of honey sold.

Gross margin increased from 30% in 2020 to 45% in 2021 due to a shift away from drum honey and OEM bottled honey sales to *BEE+* branded bottled sales which sell at a higher gross margin.

King Honey's main operating expenses are:

- production costs for the bottling facility based in Taupō
- laboratory costs in respect of testing the honey for the UMF / MGO ratings
- administration expenses including personnel, advertising and marketing and office costs.

Beekeeping costs relating to the harvest of honey are capitalised to inventory.

The 2022 forecast is for a 30% increase in revenue to \$21.5 million and a 36% increase in EBITDA to \$5.3 million.

The forecast growth in revenue is mainly driven by:

- a 16% increase in China sales through brand growth and new product development
- the launch of the *BEE+* brand into the United States through ABM
- the expansion of the *Superlife* brand into online, the United States and other international markets.

Forecast gross margin of 46% is broadly in line with 2021 gross margin of 45%, utilising honey from the 2020 season.

Operating expenses are forecast to increase by \$1.2 million to \$4.8 million, due to:

- a \$0.3 million increased investment in marketing
- \$0.5 million of COVID-19 wage subsidy not recurring in 2022
- a \$0.3 million increase in other variable costs.

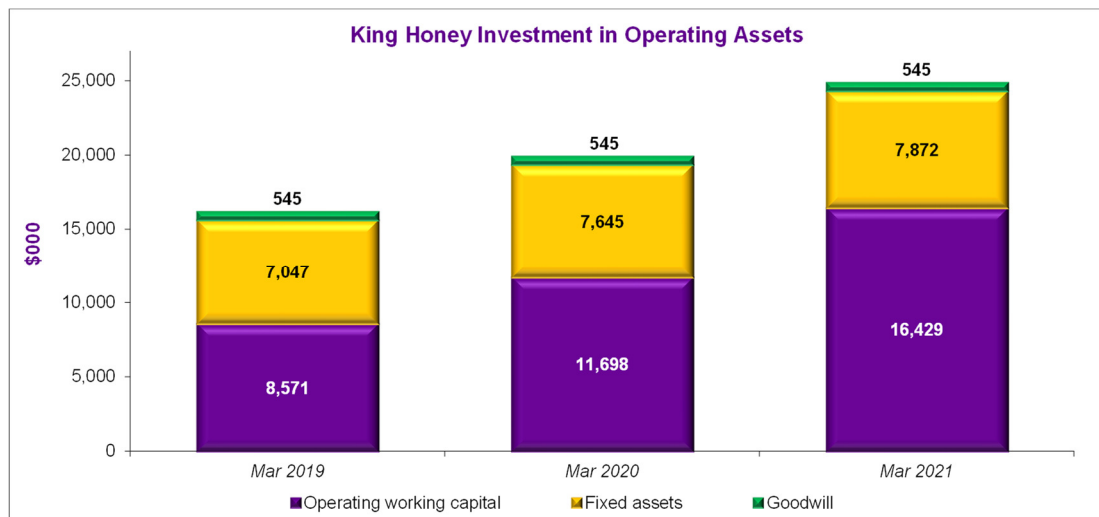
4.7 Financial Position

A summary of King Honey's recent financial position is set out below.

Summary of King Honey Financial Position			
	As at 31 Mar 19 (Unaudited) \$000	As at 31 Mar 20 (Unaudited) \$000	As at 31 Mar 21 (Unaudited) \$000
Receivables	602	902	1,681
Inventories	10,716	14,295	16,858
Payables and accruals	(2,747)	(3,499)	(2,110)
Operating working capital	8,571	11,698	16,429
Fixed assets	7,047	7,645	7,872
Investment in tangible operating assets	15,618	19,343	24,301
Intangible assets	545	545	545
Investment in operating assets	16,163	19,888	24,846
Cash	(104)	(96)	(4,394)
Borrowings	4,303	6,199	11,167
Net IBD	4,199	6,103	6,773
Related party advances	23,804	24,829	26,829
Total equity	(11,840)	(11,044)	(8,756)
Capital employed	16,163	19,888	24,846

IBD: Interest bearing debt

Source: King Honey 2020 financial statements and 2021 management accounts



As previously noted, King Honey's financial statements have not been prepared in accordance with NZ GAAP. The above summary does not include the fair value of beehives as required under NZ IAS 41.

King Honey's investment in operating assets has increased from \$16.2 million as at 31 March 2019 to \$24.8 million as at 31 March 2021, reflecting the growth in the size of the business' operations over the 2 year period.

Operating working capital has increased from \$8.6 million to \$16.4 million over the period. Inventory is the major component of operating working capital and consists mainly of capitalised current season beekeeping costs (work in progress), as well as bulk drum honey and bottled honey.

Inventory is valued at cost and not revalued upwards to wholesale market price as required under NZ GAAP.

Fixed assets include worker bees, brood and hives (eg boxes, frames and pallets), vehicles, beekeeping, processing plant and laboratory equipment, queen assets and leasehold equipment.

The value of beehives is not included in the above summary of financial position. Under NZ GAAP, the queens, bees and broods are required to be measured at their fair value less cost to sell and the hives are required to be recognised at cost less accumulated depreciation.

Intangible assets represent goodwill of \$0.5 million in respect of the acquisition of Far North Bees.

King Honey's investment in operating assets is funded by a mixture of net IBD, shareholders' advances and equity.

The King Honey Acquisition is structured on a debt free / cash free basis. Prior to the Completion Date, net IBD will be repaid and the shareholders' advances will be capitalised.

5. Reasonableness of the Purchase Price

5.1 Basis of Valuation

In general terms it is recognised that the value of a share represents the present value of the net cash flows expected therefrom. Cash flows can be in the form of either dividends and share sale proceeds or a residual sum derived from the liquidation of the business.

There are a number of methodologies used in valuing shares and businesses. The most commonly applied methodologies include:

- discounted cash flow (**DCF**)
- capitalisation of earnings
- net assets or estimated proceeds from an orderly realisation of assets.

Each of these valuation methodologies is applicable in different circumstances. The appropriate methodology is determined by a number of factors including the future prospects of the business, the stage of development of the business and the valuation practice or benchmark usually adopted by purchasers of the type of business involved.

The DCF method is the fundamental valuation approach used to assess the present value of future free cash flows (**FCF**), recognising the time value of money and risk. The value of an investment is equal to the value of FCF arising from the investment, discounted at the investor's required rate of return.

The capitalisation of earnings method is an adaptation of the DCF method. It requires an assessment of the maintainable earnings of the business and a selection of a capitalisation rate (or earnings multiple) appropriate to that particular business for the purpose of capitalising the earnings figure.

An assets based methodology is often used in circumstances where the assets of a company have a market value independent of the profitability of the company that owns them. A valuation based on an orderly realisation of assets is normally restricted to instances where the investor holds sufficient control to effect a sale of the assets and/or there is some indication that an orderly realisation is contemplated.

5.2 Valuation Approach

We have assessed the fair market value of King Honey using the capitalisation of earnings method.

The capitalisation of earnings method that we have applied derives an assessment of the value of the core operating business, prior to considering how the business is financed or whether it has any significant surplus assets. This ungeared business value is commonly referred to as the enterprise value and represents the market value of the operating assets (ie operating working capital, fixed assets and intangible assets such as brand names, licences, know-how and general business goodwill) that generate the operating income of the business.

5.3 Capitalisation of Earnings Valuation

Overview

We have assessed King Honey's future maintainable earnings and have reviewed the market valuation and operational performance of comparable companies to derive a range of earnings multiples to apply to our assessed level of maintainable earnings.

Future Maintainable Earnings

The evaluation of maintainable earnings involves an assessment of the level of profitability which (on average) the business can expect to generate in the future, notwithstanding the vagaries of the economic cycle.

The assessment of maintainable earnings is made after considering such factors as the risk profile of the business, the characteristics of the market in which it operates, its historical and forecast performance, non-recurring items of income and expenditure and known factors likely to impact on future operating performance.

We have used EBITDA as the measure of earnings. The use of EBITDA and EBITDA multiples is common in valuing businesses for acquisition purposes as it eliminates the effect of financial leverage which is ultimately in the control of the acquirer and also eliminates any distortions from the tax position of the business and differing accounting policies in respect of depreciation and the amortisation of intangible assets.

The table below shows EBITDA for the 2019 to 2021 (actual) and 2022 (forecast) financial years, along with adjustments for various one-off, non-recurring items of expenditure.

King Honey EBITDA				
	Year 31 Mar 2019 (Actual) \$000	Year 31 Mar 2020 (Actual) \$000	Year 31 Mar 2021 (Actual) \$000	Year 31 Mar 2022 (Forecast) \$000
Reported EBITDA	(4,250)	2,376	3,868	5,260
Adjustments for one-off, non-recurring expenditure				
Impact of COVID-19	-	(192)	(183)	-
Consulting costs	166	48	54	-
Bad debts	-	-	55	-
Owner's costs	79	-	-	-
Remuneration costs	182	144	143	(200)
Travel costs	106	156	-	-
Bank fees	89	99	93	-
Adjusted EBITDA	<u>(3,628)</u>	<u>2,631</u>	<u>4,030</u>	<u>5,060</u>

King Honey's operations have grown significantly since 2019, with a 37% increase in the number of hive placements from 13,696 in 2019 to 18,705 in 2021. The distribution agreement with ABM has seen a significant increase in sales to China. Revenue is forecast to continue to grow in 2022, driven by increased sales in China and North America through ABM and online sales under the *Superlife* brand. Accordingly, we are of the view that King Honey's maintainable EBITDA is best represented by the adjusted forecast 2022 EBITDA.

Based on the above, we assess King Honey's maintainable EBITDA to be in the vicinity of \$5.06 million.

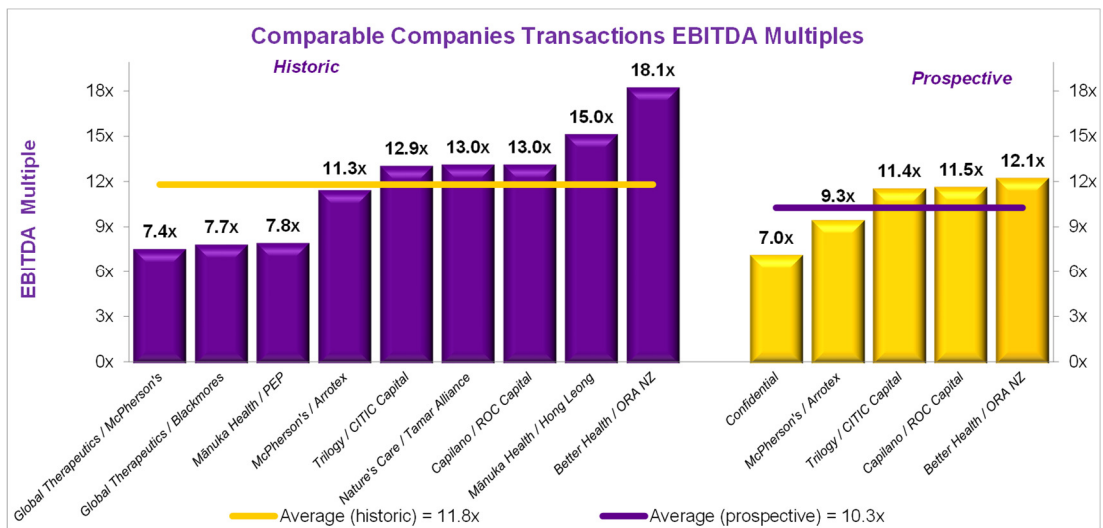
Earnings Multiple

Actual sales of comparable businesses can provide reliable support for the selection of an appropriate earnings multiple. In addition, we can infer multiples from other evidence such as minority shareholding trades for listed companies in New Zealand and overseas with similar characteristics to King Honey or transactions involving businesses in the same industry.

Given the limited number of listed companies that are truly comparable with King Honey, we have also reviewed multiples for companies in the health and wellness sector.

Transaction Multiples

Set out at Appendix I is an analysis of 10 transactions over the past 7 years involving Australasian honey businesses and health and wellness businesses, showing historic and prospective EBITDA multiples.



Source: S&P Capital IQ, broker's reports, media coverage, company websites

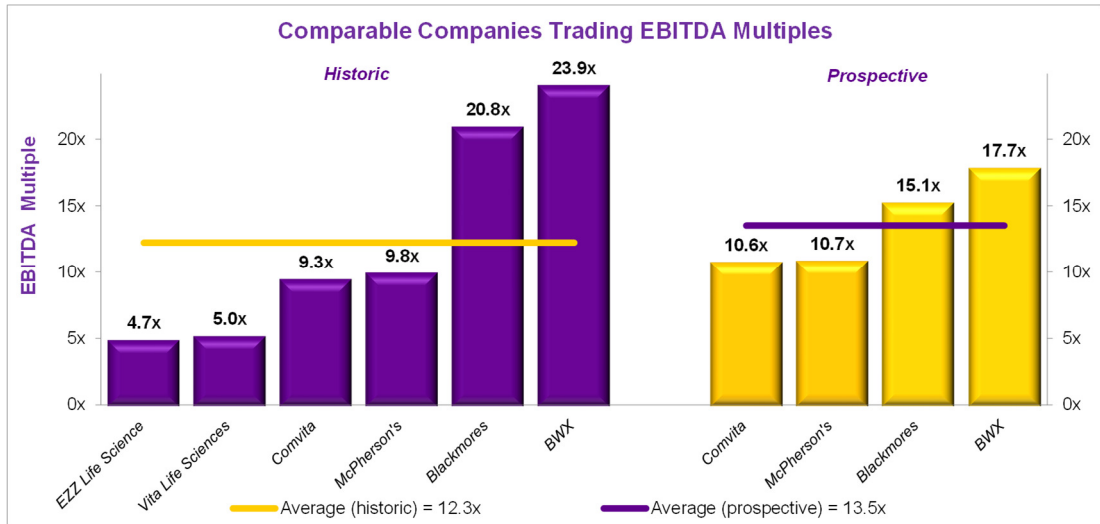
The analysis shows that:

- the historic EBITDA transaction multiples range from 7.4x to 18.1x at an average of 11.8x and a median of 12.9x
- the prospective EBITDA transaction multiples range from 7.0x to 12.1x at an average of 10.3x and a median of 11.4x.

Trading Multiples

Set out in Appendix II is an analysis of historic and prospective EBITDA multiples for 7 Australasian health and wellness companies that are listed on the NZX Main Board and ASX.

The comparable companies' multiples are based on minority trades and as such do not include any premium for control.



Source: S&P Capital IQ, data as at 1 June 2021

The analysis shows that:

- the historic EBITDA trading multiples range from 4.7x to 23.9x at an average of 12.3x and a median of 9.6x
- the prospective EBITDA trading multiples range from 10.6x to 17.7x at an average of 13.5x and a median of 12.9x.

Conclusion

There is a considerable range in the observed multiples. In general terms, the smaller companies trade at lower multiples than the larger companies.

King Honey is significantly smaller than most of the comparable companies. Therefore we consider an appropriate EBITDA multiple for King Honey should be lower than those observed for most of the comparable companies.

Given the above, we consider an appropriate prospective EBITDA multiple for King Honey to be in the range of 7.0x to 8.0x.

Valuation Conclusion

We assess the value of King Honey's business to be in the range of \$35.4 million to \$40.5 million as at the present date based on the capitalisation of earnings method.

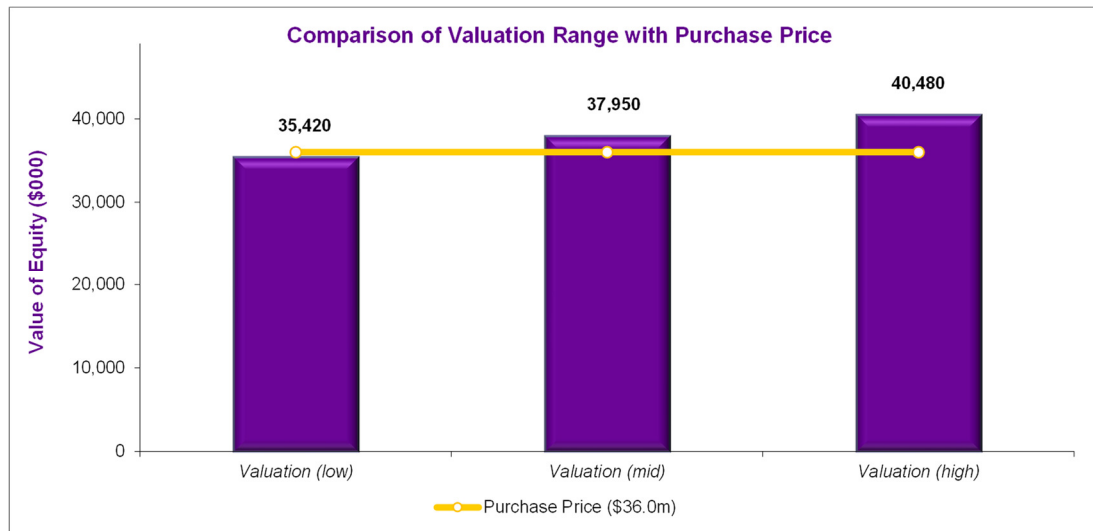
Valuation of King Honey Business		
	Low \$000	High \$000
Future maintainable EBITDA	5,060	5,060
EBITDA multiple	7.0x	8.0x
Value of King Honey business	35,420	40,480

The King Honey Acquisition is structured on a debt free / cash free basis. Accordingly, the assessed value of King Honey's business equates to the value of King Honey's equity.

5.4 Conclusion

We assess the value of King Honey's equity (on a debt free / cash free basis) to be in the range of \$35.4 million to \$40.5 million as at the present date.

The Purchase Price of \$36.0 million sits within our valuation range. Accordingly, we are of the view that the Purchase Price is reasonable.



6. Reasonableness of the Consideration Shares and the Capital Raise Shares Issue Price

6.1 Assessment of the Reasonableness of the Issue Price

We have assessed the reasonableness of the issue price of \$0.088 per share by reference to:

- the prices at which the Company has recently issued shares to raise capital
- the prices at which the Company’s shares have recently traded on the NZX Main Board prior to the announcement of the King Honey Acquisition
- the asset backing of the shares.

6.2 Capital Raising

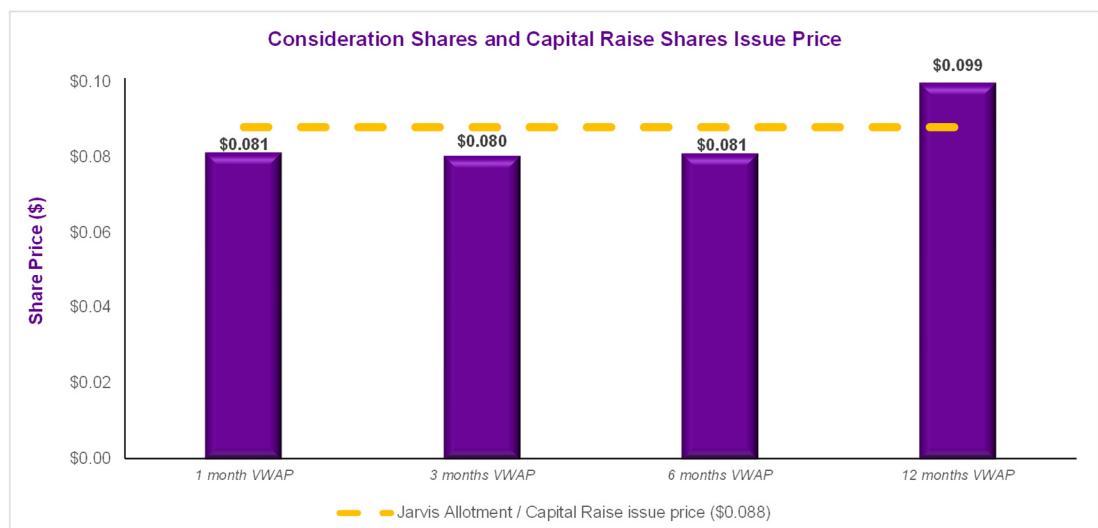
The Company has undertaken 2 share issues since the completion of the Me Today Acquisition:

- the issue of 42,105,263 ordinary shares on 10 July 2020 at \$0.095 per new ordinary share under the 2020 Retail Offer, raising \$4.0 million
- the issue of 5,263,167 ordinary shares on 31 July 2020 at \$0.095 per new ordinary share under the 2020 SPP, raising \$0.5 million.

6.3 Share Price History

A summary of Me Today’s daily closing share price and monthly volumes of shares traded since 3 April 2020 is set out in section 3.8.

The issue price of \$0.088 per share is in line with the VWAP for the past 12 months up to 28 May 2021 (ie the last trading day before the announcement of the King Honey Acquisition) and above the Company’s more recent observed trading prices.



Source: NZX Company Research

The issue price of \$0.088 per share represents a premium of:

- 9% to the 1 month VWAP prior to the announcement of the King Honey Acquisition of \$0.081
- 10% to the 3 month VWAP prior to the announcement of the King Honey Acquisition of \$0.080
- 9% to the 6 month VWAP prior to the announcement of the King Honey Acquisition of \$0.081.

6.4 Net Assets per Share

Me Today's unaudited total equity amounted to approximately \$5.9 million as at 31 March 2021, equating to net assets of \$0.014 per share.

6.5 Conclusion

We consider the Consideration Shares and the Capital Raise Shares issue price of \$0.088 per share to be reasonable from the perspective of the Current Shareholders as it is at a premium to the prices that the Company's shares have traded at recently on the NZX Main Board.

7. Sources of Information, Reliance on Information, Disclaimer and Indemnity

7.1 Sources of Information

The statements and opinions expressed in this report are based on the following main sources of information:

- the draft notice of special meeting
- the Term Sheet
- the Sale Agreement
- the Me Today annual report for the year ended 31 March 2020
- the Me Today annual financial statements for the year ended 31 March 2021
- Me Today's due diligence material in respect of King Honey
- publicly available information on the Mānuka Honey industry
- data in respect of Me Today and companies operating in the health and wellness industry from NZX Company Research and S&P Capital IQ.

During the course of preparing this report, we have had discussions with and / or received information from the Board and Me Today's financial and legal advisers.

The Board has confirmed that we have been provided for the purpose of this Independent Report with all information relevant to the King Honey Acquisition that is known to them and that all the information is true and accurate in all material aspects and is not misleading by reason of omission or otherwise.

Including this confirmation, we have obtained all the information that we believe is desirable for the purpose of preparing this Independent Report.

In our opinion, the information to be provided by Me Today to the Current Shareholders is sufficient to enable the Board and the Current Shareholders to understand all the relevant factors and to make an informed decision in respect of the King Honey Acquisition.

7.2 Reliance on Information

In preparing this report we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that was available from public sources and all information that was furnished to us by Me Today and its advisers.

We have evaluated that information through analysis, enquiry and examination for the purposes of preparing this report but we have not verified the accuracy or completeness of any such information or conducted an appraisal of any assets. We have not carried out any form of due diligence or audit on the accounting or other records of Me Today or King Honey. We do not warrant that our enquiries would reveal any matter which an audit, due diligence review or extensive examination might disclose.

7.3 Disclaimer

We have prepared this report with care and diligence and the statements in the report are given in good faith and in the belief, on reasonable grounds, that such statements are not false or misleading. However, in no way do we guarantee or otherwise warrant that any forecasts of future profits, cash flows or financial position of Me Today or King Honey will be achieved. Forecasts are inherently uncertain. They are predictions of future events that cannot be assured. They are based upon assumptions, many of which are beyond the control of Me Today and King Honey and their respective directors and management teams. Actual results will vary from the forecasts and these variations may be significantly more or less favourable.

We assume no responsibility arising in any way whatsoever for errors or omissions (including responsibility to any person for negligence) for the preparation of the report to the extent that such errors or omissions result from our reasonable reliance on information provided by others or assumptions disclosed in the report or assumptions reasonably taken as implicit, provided that this shall not absolve Simmons Corporate Finance from liability arising from an opinion expressed recklessly or in bad faith.

Our evaluation has been arrived at based on economic, exchange rate, market and other conditions prevailing at the date of this report. Such conditions may change significantly over relatively short periods of time. We have no obligation or undertaking to advise any person of any change in circumstances which comes to our attention after the date of this report or to review, revise or update this report.

We have had no involvement in the preparation of the notice of special meeting and have not verified or approved the contents of the notice of special meeting. We do not accept any responsibility for the contents of the notice of special meeting except for this report.

7.4 Indemnity

Me Today has agreed that, to the extent permitted by law, it will indemnify Simmons Corporate Finance and its directors and employees in respect of any liability suffered or incurred as a result of or in connection with the preparation of the report. This indemnity does not apply in respect of any negligence, wilful misconduct or breach of law. Me Today has also agreed to indemnify Simmons Corporate Finance and its directors and employees for time incurred and any costs in relation to any inquiry or proceeding initiated by any person. Where Simmons Corporate Finance or its directors and employees are found liable for or guilty of negligence, wilful misconduct or breach of law or term of reference, Simmons Corporate Finance shall reimburse such costs.

8. Qualifications and Expertise, Independence, Declarations and Consents

8.1 Qualifications and Expertise

Simmons Corporate Finance is a New Zealand owned specialist corporate finance advisory practice. It advises on mergers and acquisitions, prepares independent expert's reports and provides valuation advice.

The person in the company responsible for issuing this report is Peter Simmons, B.Com, DipBus (Finance), INFINZ (Cert).

Simmons Corporate Finance and Mr Simmons have significant experience in the independent investigation of transactions and issuing opinions on the merits and fairness of the terms and financial conditions of the transactions.

8.2 Independence

Simmons Corporate Finance does not have at the date of this report, and has not had, any shareholding in or other relationship with Me Today, King Honey or the Jarvis Family Trust or any conflicts of interest that could affect our ability to provide an unbiased opinion in relation to the King Honey Acquisition.

Mr Simmons has an indirect interest in 900 shares in Me Today which are held by a family trust.

Simmons Corporate Finance has not had any part in the formulation of the King Honey Acquisition or any aspects thereof. Our sole involvement has been the preparation of this report.

Simmons Corporate Finance will receive a fixed fee for the preparation of this report. This fee is not contingent on the conclusions of this report or the outcome of the voting in respect of the King Honey Resolutions. We will receive no other benefit from the preparation of this report.

8.3 Declarations

An advance draft of this report was provided to the Board for its comments as to the factual accuracy of the contents of the report. Changes made to the report as a result of the circulation of the draft have not changed the methodology or our conclusions.

Our terms of reference for this engagement did not contain any term which materially restricted the scope of the report.

8.4 Consents

We consent to the issuing of this report in the form and context in which it is to be included in the notice of special meeting to be sent to the Current Shareholders. Neither the whole nor any part of this report, nor any reference thereto may be included in any other document without our prior written consent as to the form and context in which it appears.



Peter Simmons
Director

Simmons Corporate Finance Limited

2 June 2021

Comparable Companies Transaction Multiples

Transaction Multiples					
Date	Target	Acquirer	Enterprise Value (\$m)	EBITDA Multiple	
				Hist.	Pros.
Apr 2021	McPherson's	Arrotex	236	11.3x	9.3x
Oct 2020	Global Therapeutics	McPherson's	29	7.4x	n/a
Jul 2020	Confidential	Confidential	44	n/a	7.0x
Dec 2018	Capilano Honey	ROC Capital	230	13.0x	11.5x
Sep 2018	Mānuka Health	Hong Leong Group	~360	15.0x	n/a
Aug 2018	Nature's Care	Tamar Alliance	843	13.0x	n/a
Apr 2018	Trilogy	CITIC Capital	250	12.9x	11.4x
Dec 2016	Better Health	ORA NZ	130	18.1x	12.1x
May 2016	Global Therapeutics	Blackmores	25	7.7x	n/a
Dec 2015	Mānuka Health	Pacific Equity Partners	110	7.8x	n/a
Minimum				7.4x	7.0x
Average				11.8x	10.3x
Median				12.9x	11.4x
Maximum				18.1x	12.1x

n/a: not available

Source: S&P Capital IQ, brokers' reports, media coverage, company websites

McPherson's / Arrotex

Arrotex Pharmaceuticals Pty Limited made a non-binding indicative offer to acquire McPherson's Limited for approximately A\$210 million on 28 April 2021 under a scheme of arrangement.

McPherson's Limited provides health, wellness and beauty products in Australia, New Zealand, Asia and internationally. The company offers beauty care, hair care, skin care and personal care items including facial wipes, cotton pads and foot comfort products, as well as various kitchen essentials such as baking papers, cling wraps and aluminium foil.

Global Therapeutics / McPherson's

McPherson's Limited acquired Global Therapeutics Pty Limited from Blackmores Limited for A\$27.5 million on 26 October 2020.

Global Therapeutics Pty Limited (trading as Fusion Health) produces and sells Chinese herbal medicines. It provides products for allergies, bones and joints, cold, flu and immune health, digestion, fatigue, hair and scalp, heart and circulation, kidney and bladder, liver and detoxification support, memory and concentration, men's health, muscles, tendons and ligaments, skin and nails, sleep, stress and nervous system, women's health, weight loss and healthy metabolism and vegan for adults and children over 2 years of age.

Confidential Transaction

A New Zealand company (identity is confidential) acquired the remaining 49% in a New Zealand company (identity is confidential) (the **Target**) for \$18.7 million in July 2020.

Target is a Mānuka Honey business based in Taranaki. It owns and manages its own hives, as well as purchasing honey from third party beekeepers and suppliers. It sells bulk and bottled honey into the New Zealand and export markets.

Capilano Honey / ROC Capital Consortium

A consortium of ROC Capital Pty Limited and Wattle Hill RHC Fund 1, managed by Wattle Hill Capital, entered into a scheme implementation agreement to acquire Capilano Honey Limited from Wroxby Pty Limited and others for approximately A\$190 million on 13 August 2018. The transaction was completed on 5 December 2018.

Capilano Honey Limited packs and sells honey under the *Capilano* brand in Australia and internationally.

Nature's Care / Tamar Alliance

China Jianyin Investment Limited and Tamar Alliance Fund, a fund managed by Tamar Alliance GP 1 Limited, completed the acquisition of a 75% stake in Nature's Care Manufacture Pty Limited from the Wu family for an enterprise value of A\$800 million on 13 August 2018.

Nature's Care Manufacture Pty Limited produces and distributes health food supplements. It also offers skin care and child care products. The company distributes its products through a network of retailers in Australia, Asia and the United States.

Mānuka Health / Hong Leong Group

Hong Leong Group is understood to have acquired Mānuka Health New Zealand Limited from Pacific Equity Partners for between \$360 million and \$385 million in September 2018.

Mānuka Health New Zealand Limited manufactures natural health and beauty products. The company offers Mānuka Honey, winter wellbeing, gourmet honey, skincare, oral care and wound care products, bioactive compounds, nutrients and dietary supplements. Its products are sold through its distribution network in New Zealand and internationally.

Better Health / ORA NZ

ORA New Zealand Limited, managed by China Diamond Holdings Company Limited, acquired an 80% shareholding in The Better Health Company Limited for \$105 million on 16 December 2016.

The Better Health Company Limited manufactures and distributes natural health supplements under the *GO Healthy* brand.

Trilogy / CITIC Capital

Citic Capital China Partners III, L.P., a fund of CITIC Capital Partners, acquired Trilogy International Limited under a scheme implementation agreement for \$210 million on 18 April 2018.

Trilogy International Limited manufactures and wholesales home fragrance, body care and natural products in New Zealand, Australia, the United States, the United Kingdom, Ireland and internationally. It operates through Home Fragrance, Bodycare, Natural Products and Distribution segments.

Global Therapeutics / Blackmores

Blackmores Limited acquired Global Therapeutics Pty Limited for A\$23 million on 10 May 2016.

Global Therapeutics Pty Limited is described above.

Mānuka Health / Pacific Equity Partners

Pacific Equity Partners acquired Mānuka Health New Zealand Limited from Waterman Capital, Kerry Paul, Ray Thomson and Milford Asset Management Limited for \$110 million on 31 December 2015.

Mānuka Health New Zealand Limited is described above.

Appendix II

Comparable Companies Trading Multiples

Trading Multiples						
Company	Market Capitalisation (\$m)	Enterprise Value (\$m)	EBITDA Multiple		PE Multiple	
			Hist.	Pros.	Hist.	Pros.
Blackmores Limited	1,420	1,377	20.8x	15.1x	111.0x	34.0x
BWX Limited	772	739	23.9x	17.7x	33.0x	35.1x
Comvita Limited	232	259	9.3x	10.6x	29.9x	24.0x
EZZ Life Science Holdings Limited	21	17	4.7x	n/a	5.8x	n/a
McPherson's Limited	194	205	9.8x	10.7x	106.9x	21.2x
Star Combo Pharma Limited	36	19	n/m	n/a	17.5x	n/a
Vita Life Sciences Limited	56	43	5.0x	n/a	8.5x	n/a
Minimum			4.7x	10.6x	5.8x	21.2x
Average			12.3x	13.5x	44.6x	35.1x
Median			9.6x	12.9x	29.9x	28.6x
Maximum			23.9x	17.7x	111.0x	35.1x

n/a: not available
n/m: not meaningful

Source: S&P Capital IQ, data as at 1 June 2021

Blackmores Limited

Blackmores Limited develops, sells and markets natural health products for humans and animals in Australia, New Zealand, Asia, China and internationally. The company offers vitamins and herbal and mineral nutritional supplements. It also provides products for various conditions related to arthritis, joints, bones and muscles, brain health, cold, flu and immunity, digestive health, energy and exercise, essentials, everyday health and eye health. In addition, the company offers products in the areas of fish and nutritional oils, heart and circulation, infant nutrition, kids health, men's health, multivitamins, nails, hair and skin, pet health, probiotics, pregnancy and preconception, stress relief, weight management and women's health. It provides its products through retail and online channels. The company was founded in 1930 and is headquartered in Sydney, Australia.

BWX Limited

BWX Limited engages in the development, manufacture, marketing, distribution and wholesale of natural body, hair and skin care products in Australia, the United States and internationally. The company owns, produces and distributes products under the *Sukin*, *Mineral Fusion*, *Andalou Naturals*, *DermaSukin*, *Life Basics* and *USPA* personal care brands. It is also involved in the online sale of its products. In addition, the company provides health, beauty and wellbeing products sourced from third parties through the *Nourished Life* e-commerce site. BWX Limited was incorporated in 2013 and is based in Dandenong, Australia.

Comvita Limited

Comvita Limited engages in the manufacturing and marketing of natural health products in Australia, New Zealand, China, rest of Asia, North America, Europe, the Middle East, Africa and internationally. It offers Mānuka Honey, propolis, olive leaf extract, medihoney and skincare, gourmet honey, elixirs and lozenges, royal jelly, omega 3 and cider vinegar products, as well as oral, kids and eye health products. The company also engages in the apiary ownership and management, property ownership and research and development activities. Comvita Limited was founded in 1974 and is based in Te Puke, New Zealand.

EZZ Life Science Holdings Limited

EZZ Life Science Holdings Limited provides skin care and consumer health products to retailers and consumers in Australia and internationally. It is involved in the wholesale distribution of *EAORON* branded skin care products to pharmacies, supermarkets and specialist retailers, as well as to other grocery retailers and on-line retailers. The company also develops, produces and distributes a range of consumer health products under the *EZZ* brand to retailers and consumers through online and offline channels. EZZ Life Science Holdings Limited was founded in 2018 and is headquartered in Silver Water, Australia.

McPherson's Limited

McPherson's Limited provides health, wellness and beauty products in Australia, New Zealand, Asia and internationally. The company offers beauty care, hair care, skin care and personal care items including facial wipes, cotton pads and foot comfort products, as well as various kitchen essentials such as baking papers, cling wraps and aluminium foil. It sells its products primarily under its owned brands including *Dr. LeWinn's*, *A'kin*, *Manicare*, *Lady Jayne*, *Swisspers*, *Multix*, *Fusion Health*, *Oriental Botanicals*, *Moosehead* and *Maseur*. The company was founded in 1860 and is headquartered in Kingsgrove, Australia.

Star Combo Pharma Limited

Star Combo Pharma Limited engages in the manufacture and distribution of health food products and nutritional supplements in Australia and China. The company operates in 2 segments - Star Combo and Austoyou Retail. It develops, manufactures, markets and sells natural health supplements and skin care products. The company also provides its products through an e-commerce platform to Chinese health product consumers and 2 retail stores in Sydney, Australia. Star Combo Pharma Limited was founded in 2004 and is based in Smithfield, Australia.

Vita Life Sciences Limited

Vita Life Sciences Limited engages in the formulation, packaging, distribution and sale of vitamins and supplements. It offers a range of supplements, vitamins, minerals, herbs and superfoods. The company markets its products through pharmacies and health food stores under the *Herbs of Gold*, *VitaHealth*, *VitaScience* and *VitaLife* brands. It operates in Australia, Singapore, Malaysia, Thailand, Vietnam, Indonesia, China and internationally. Vita Life Sciences Limited was founded in 1947 and is headquartered in Kirrawee, Australia.