

Annual Report

FOR THE FIFTEEN MONTHS ENDED
30 JUNE 2022



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Chair & CEO Report



Dear Shareholder

Me Today's financial results for the for the fifteen month period ended 30 June 2022 includes the twelve months trading of the King Honey business since acquisition on 30 June 2021, together with fifteen months trading for the other members of Me Today Group. The Group recently changed its balance date to 30 June.

The past fifteen month period has focused on integrating the King Honey business into the Me Today Group together with continued investment in the Me Today brand in New Zealand and internationally.

The acquisition of the King Honey business has provided challenges to the Group given the over stocking and performance of its largest customer who operates in the Chinese market. The resulting reduction in sales together with a high yielding 2022 harvest created cashflow pressure on the Group.

As a result of these challenges the Board of Me Today agreed to undertake a pro-rata capital raise of up to \$10m through a rights issue of 1.3 shares for every share held at 1 cent per share. The Group completed the capital raise through June and July 2022 and in total raised \$7.5m through the rights issue and a shortfall placement to new and existing shareholders.

The purpose of the capital raise funds was to:

- enable continued investment in brands
- take advantage of international opportunities
- lessen cashflow pressure
- meet additional working capital requirements

Given the recent capital raise, the restructuring and the sales pipeline, the Group believes it has sufficient funding to meet operational requirements while it focusses on strong sales growth through FY23.

The result for the Group records net revenue of \$8.27m and a loss after tax of \$19.54m. Included within the loss after tax are one off and amortisation items which total \$14.47m. As part of the one off and amortisation items is a \$9.9m impairment recognised on the goodwill and intangible assets of the King Honey business.

Restructuring

The Group has continued to implement plans to reduce costs within the King Honey operation.

With the significant volume of honey stocks, the Group made the decision to downsize its beekeeping operations and reduce the cashflow draw created by the next season's harvest. The decision was taken to close the Kaitaia, Kerikeri and Blenheim beekeeping operations. In addition, the Group has completed a review of the remaining operations in the Wairarapa and Central Plateau. As a result of this review the total hive numbers will be reduced to approximately 4,000. The business proposes to continue to operate reduced beekeeping operations in these areas to provide a geographical spread to help mitigate the impact of weather on the harvest. The changes made to take physical hive numbers from 15,595 to 4,000 will reduce the cost of the harvest by approximately \$5m per annum.

At 30 June 2022 the Group had 630 tonnes of Mānuka honey. The Group's strategy is to sell down honey stocks in a managed way through investment in brand creating increased demand for jar honey sales, together with sales of drum honey on the wholesale market as appropriate opportunities arise.

The Group will continue to optimise its Beekeeping operation and its production and storage facility in Taupō.

Strategy and opportunities within the 2023 Financial Year

The Group now operates in 3 clear health and wellness categories:

1. Mānuka Honey
2. Supplements
3. Skincare

The focus for FY23 and beyond remains to grow brands locally and internationally within the Health and Wellness spaces. The Group will expand this strategy through three brands, Me Today, SuperLife, and BEE+.

Investment in brand and international opportunities will continue through FY23 meaning that the brands and the Group will continue to be loss making. The investment will provide revenue growth and growth in the value of brands.

Further explanation of the opportunities and strategy by brand are explained below.

Me Today

Me Today continues to expand internationally with Me Today products now available in New Zealand, Australia, Japan, Ireland (and other selected EU countries), and the United Kingdom.

- In New Zealand Me Today continues to grow its retail footprint and is now available in selected Unichem and Life Pharmacy stores, independent pharmacy stores, Chemist Warehouse and Bargain Chemist. Fourteen Me Today supplements have been ranged in 190 Countdown stores New Zealand-wide and five Me Today Women's Daily Skincare products have also been accepted into the Countdown range.
- In Australia Me Today launched nine TGA approved supplements and eleven skincare products into Adore Beauty's Australian and New Zealand websites late 2021. Four more online retailers have also accepted the Me Today brand.
- The UK and Irish markets continue to show interest in the Me Today brand with Me Today supplements and skincare now in John Bell & Croydon alongside SuperLife Mānuka honey. Me Today is now in approximately 200 retail stores in Ireland including selected pharmacy outlets, online and through Chemist Warehouse Ireland stores. Me Today launched into Dunne's stores in April 2022. Twelve skincare SKUs have launched in Tesco supermarkets and Tesco have also accepted a range of Me Today supplements, launching September 2022.
- Me Today has launched a range of Me Today skincare into Mash Beauty's Biople stores across Japan in partnership with Mash Beauty Co Lab. Mash Beauty introduced the brand at its Biople Fes in October 2021 to media

and influencers with the brand being well received. Mash has also accepted Me Today skincare products into its Cosme Kitchen stores meaning that the brand is now available in approximately 80 premium stores in Japan. A pipeline of New Products are being developed for the Japanese market across all key categories.

- Me Today has signed an agreement with a distributor and launched a range of skincare into retail and online in Romania and Hungary. The distributor has also agreed to distribute the SuperLife brand.
- In other parts of Europe, the Group is progressing discussions around distribution of Me Today and SuperLife products in Sweden, Finland, Italy, Austria, France and Poland.
- The Group also sees the US market as an opportunity with a strategic focus to drive branded presence through online and retail sales across supplements, skincare and Mānuka honey. The Group has employed a senior sales manager and engaged a broker to work directly with potential key partners in market. A pipeline of product has been through initial regulatory review with launch into market late 2022/ early 2023.

The brand also continues to expand its product offering. The Me Today brand now includes an extensive skincare and supplement range, with a new Mānuka Active skincare range launched in August 2022 as well as three new Mānuka honey products launching in October 2022. New product development continues to be a core part of the growth strategy for the brand. In the second half of the 2022 calendar year Me Today expects to launch nine new supplements, further expanding its presence in the growing supplement category.



SuperLife

- SuperLife is available in selected SuperDrug stores in the UK and on SuperDrug online.
- SuperLife launched in New Zealand into selected Pharmacy and Pak n Save stores and is now also available in several other stores around New Zealand.
- SuperLife is available through SuperLifeManuka.co.nz and SuperLifeManuka.co.uk and on Amazon.co.uk.
- Purchase orders have been received from the company's German distributor.
- The UK and Irish markets continue to show interest in the SuperLife brand with the product now available in John Bell & Croydon in London.
- The brand is about to be launched in Romania and Hungary through its distribution partnership in both countries.
- In Switzerland the Group has signed an agreement with a partner to distribute Me Today supplements and skincare as well as SuperLife Mānuka honey.
- The Group has secured a relationship with a US Grocery chain and a purchase order has been received for a select honey product. The order is the initial pipe fill order however, the Group is expecting additional sell through orders on an ongoing basis.

BEE +

The largest opportunity the Group has is with Bee+ through Access Corporate Group (ACG) & its brand management division Access Brand Management (ABM). ABM continues to sell through its high levels of BEE+ inventory and the Group continues to closely work with ABM to maximize the opportunities that their network offers. Discussions are ongoing with ACG in respect to sales plans and market opportunities into 2023 and beyond. Sales are expected to resume on a regular basis to ABM through the later part of the 2022 calendar year and into 2023. It should be noted that the ongoing

lockdowns by the Chinese Government relating to Covid-19 continues to provide a challenging operating environment within China and the Group continues to discuss the impact with ABM when assessing forecast orders into 2023.

The opening of borders within New Zealand has enabled in-market promotional activity to occur. King Honey hosted 50 members of the ABM sales team in Auckland and Taupō during June 2022. ABM have also started to promote the brand outside of China in markets such as Canada and South East Asia and are also looking at opportunities for Bee+ on other e-commerce platforms.

As borders continue to open, the Group expects to see more interest in its products from global travellers. The opening up of the Duty-Free channel and the Tourism channel will bring revived demand from an area of retail that was strong for King Honey prior to the COVID-19 pandemic. The opportunity now exists across all Group brands; Me Today, SuperLife and BEE+.

At Me Today our Group mission is "To produce world leading products that support people to manage their overall health and wellness". We believe we will do this "by formulating, manufacturing and marketing desirable consumer products that help people to live better lives daily".

The Board would like to thank shareholders for their support over the past 15 months. The Board would also like to thank our employees for their hard work in what has been a challenging 15 months. As a team we are excited about the progress that has been made and the platform created to take advantage of the many opportunities for our brands in New Zealand and internationally.



Grant Baker
Chairman



Michael Kerr
CEO





Directors' Profiles





Grant Baker

NON-EXECUTIVE CHAIRMAN

Appointed to the Board, March 2020

Grant Baker has wide experience at a senior level in both public and private New Zealand companies. He is currently the chairman of Turners Automotive Group, a position he has held for more than 10 years. He was a cofounder of The Business Bakery and has a number of successes under his belt, including being chairman of both 42 Below vodka and Trilogy International. 42 Below was sold to Bacardi in 2006, and Trilogy was sold to CITIC Group. Grant is also a cancer survivor and has a strong interest in the health and wellbeing sector. Until recently he was the chairman of The Gut Cancer Foundation, a position he held for more than 10 years.

Grant is not considered to be an independent director under the NZX Listing Rules as MTL Securities Limited, a company in which he is a director, is a substantial product holder of Me Today. Also, interests associated with Grant have an ownership interest in MTL Securities Limited.



Michael Kerr

CHIEF EXECUTIVE OFFICER / EXECUTIVE DIRECTOR

Appointed to the Board, March 2020

Michael holds a Bachelor of Commerce degree, majoring in marketing and management, from the University of Auckland. Michael has worked in sales and marketing roles for several local and multinational businesses. More recently he was responsible for establishing the Swisse brand in New Zealand across multiple retail channels, and was the general manager of the skincare brand, Trilogy. Michael's career spans 20 years, in which time he has developed a wealth of knowledge both locally and internationally of how to create and grow brands in the Health and Wellness space.

Michael is not considered to be an independent director under the NZX Listing Rules as he is the Chief Executive Officer and a director of MTL Securities Limited, a substantial product holder of Me Today. Interests associated with Michael have an ownership interest in MTL Securities Limited.



Stephen Sinclair

EXECUTIVE DIRECTOR

Appointed to the Board, March 2020

Stephen is a Chartered Accountant, and spent the early part of his career with PriceWaterhouseCoopers. In 1999 he started working with Grant Baker and since then has been involved with numerous successful startups, including 42 Below, Ecoya and Trilogy, and was involved in the recapitalisation of Dorchester Pacific which is now the Turners Automotive Group.

Stephen is not considered to be an independent director under the NZX Listing Rules as MTL Securities Limited, a company in which he is a director, is a substantial product holder of Me Today. Interests associated with Stephen have an ownership interest in MTL Securities Limited. Stephen also provides consulting services to Me Today.

Hannah Barrett

INDEPENDENT DIRECTOR

Appointed to the board, March 2020

Hannah has a Bachelor of Commerce degree, majoring in commercial law and accounting, from Victoria University and is a qualified Chartered Accountant. Hannah spent three years working at PricewaterhouseCoopers in the Financial Advisory team working on assignments for global companies as well as New Zealand based businesses and individuals. Hannah also runs her own business specialising in digital consulting and marketing. Hannah supports a number of charities and is an ambassador for Sweet Louise.



Roger Gower

INDEPENDENT DIRECTOR

Appointed to the Board, July 2008

Roger has wide experience as a company executive, director and Chairman in both public and private companies. He is currently Chairman of PrimePort Timaru Limited and New Zealand Food Innovation Auckland Limited (the Food Bowl). Roger is the Chief Executive of New Zealand's Best Food & Beverage Limited, a company affiliated with Douglas Pharmaceuticals that has developed wellbeing products targeting the mother & baby and aged care sectors under the Douglas Nutrition brand. Roger was Chairman at Charlie's juice company, which listed in 2005 and prior to that had a corporate career in logistics and transportation. Roger has a BCom from the University of Auckland, an MBA from Massey University and an MPhil from the University of Cambridge.



Antony Vriens

INDEPENDENT DIRECTOR

Appointed to the board, March 2020

Antony is a seasoned executive with a career in health and financial services corporations across New Zealand, Australia and Asia. He is currently an Independent Director of the Turners Automotive Group, and is the Chairman of DPL Insurance Limited (Turners' insurance subsidiary). Antony is a medical doctor by background and brings a strong interest in wellness and nutrition, which is supported by his medical training. Antony is also currently involved in new health technology initiatives to support lifestyle change in the Asia region. In addition to his medical degree, Antony holds an MBA from the University of Auckland, with a background in international business and innovation.



Richard Pearson

NON-EXECUTIVE DIRECTOR

Appointed to the board, November 2021

Richard has been Chairman of Wellington Electricity Distribution Network Limited and its subsidiary companies since the organisation's establishment in 2008. He was also appointed Chairman of Enviro (NZ) Limited in 2013. Prior to his current positions, Richard worked for Hutchison Whampoa Group (now known as CK Hutchison Holdings) from 1975 to 2007, holding various senior roles in Hutchison Port Holdings Group, including Managing Director – Europe Division from 2005 to 2007, President of ECT Rotterdam from 2002 to 2004, as well as Managing Director of Hongkong International Terminals Ltd from 1996 to 1998. Richard holds a Bachelor's degree in Commerce. Richard is not considered to be an independent director under the NZX listing rules due to an association with the trustees of the TW Jarvis (No. 1) Trust, the company's second largest shareholder.





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Financial Statements

FOR THE FIFTEEN MONTHS ENDED 30 JUNE 2022



Consolidated Statement of Comprehensive Income

FOR THE FIFTEEN MONTHS ENDED 30 JUNE 2022

	Note	15 mths ended 30 Jun 2022 NZ\$000	12 mths ended 31 Mar 2021 NZ\$000
Revenue before marketing services provided by a customer		8,811	1,455
Less marketing services provided by a customer		(538)	(312)
Revenue	5	8,273	1,143
Cost of sales		(5,132)	(463)
Selling and marketing expenses		(3,729)	(2,659)
Distribution expenses		(610)	(97)
Administrative and other operating expenses		(5,489)	(851)
Amortisation of customer relationship asset	20	(1,084)	-
Finance income	6	13	73
Finance expenses	6	(641)	(6)
Acquisition related costs	29.1	(368)	-
Operating loss before one-off items and income tax	6	(8,767)	(2,860)
Fair value loss on harvested honey	15	(1,724)	-
Fair value loss on biological assets	16	(720)	-
Restructuring costs		(494)	-
Write down of assets held for sale	14	(543)	-
Impairment of goodwill	19.1	(9,120)	-
Impairment of other intangible assets	19.1	(780)	-
Loss before income tax		(22,148)	(2,860)
Income tax (expense)/benefit	8	2,604	-
Loss for the period attributable to owners of the company	6	(19,544)	(2,860)
Total comprehensive loss for the period attributable to owners of the company		(19,544)	(2,860)
Earnings (loss) per share:			
Basic and diluted loss per share (NZ\$)	9	(0.029)	(0.007)

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

Consolidated Statement of Changes in Equity

FOR THE FIFTEEN MONTHS ENDED 30 JUNE 2022

	Note	Share capital NZ\$000	Share based payments reserve NZ\$000	Accumulated losses NZ\$000	Total equity NZ\$000
At 1 April 2020		9,350	-	(5,027)	4,323
Total comprehensive income					
Loss attributable to owners of the company	-	-		(2,860)	(2,860)
Transactions with owners					
Shares issued during the year	23	4,500	-	-	4,500
Less: share issue costs		(181)	-	-	(181)
Share options issued	25	-	21	-	21
Other share based payments	24	-	89	-	89
At 31 March 2021		13,669	110	(7,887)	5,892
Total comprehensive income					
Loss attributable to owners of the company	-	-		(19,544)	(19,544)
Transactions with owners					
Shares issued during the period	23	28,733	(177)	-	28,556
Less: share issue costs		(975)	-	-	(975)
Shares issued on acquisition of subsidiaries	29	10,000	-	-	10,000
Share options issued	25	-	30	-	30
Share options expired	24		(26)	26	-
Other share based payments	24	-	140	-	140
At 30 June 2022		51,427	77	(27,405)	24,099

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

Consolidated Statement of Financial Position

AS AT 30 JUNE 2022

	Note	30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
ASSETS			
Current assets			
Cash and cash equivalents	10	5,370	1,195
Short term deposits	11	-	3,804
Trade and other receivables	12	1,199	418
Inventory	13	16,793	934
Biological work in progress	15	698	-
Taxation receivable		35	23
		24,095	6,374
Assets classified as held for sale	14	1,063	-
Total current assets		25,158	6,374
Non-current assets			
Biological assets	16	1,598	-
Property, plant and equipment	17	3,788	91
Right-of-use asset	18.1	1,387	176
Goodwill	19	-	-
Customer relationship asset	20	7,436	-
Other intangible assets	20	89	73
Total non-current assets		14,298	340
Total assets		39,456	6,714
LIABILITIES			
Current liabilities			
Trade and other payables	21	1,766	629
Lease liabilities	18.2	316	79
Borrowings	22	942	-
Total current liabilities		3,024	708
Non-current liabilities			
Lease liabilities	18.2	1,041	114
Borrowings	22	11,292	-
Total non-current liabilities		12,333	114
Total liabilities		15,357	822
Net assets		24,099	5,892
EQUITY			
Share capital	23	51,427	13,669
Share based payments reserve	24	77	110
Accumulated losses		(27,405)	(7,887)
Total equity		24,099	5,892

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

These financial statements were approved by the Board on 29 August 2022.

Signed on behalf
of the Board by:


Grant Baker
Chairman


Michael Kerr
CEO

Consolidated Statement of Cash Flows

FOR THE FIFTEEN MONTHS ENDED 30 JUNE 2022

	Note	15 mths ended 30 Jun 2022 NZ\$000	12 mths ended 31 Mar 2021 NZ\$000
Cash flows from operating activities			
Receipts from customers		8,270	1,384
Payments to suppliers and employees		(19,849)	(4,774)
Interest received		13	69
Income tax paid		(11)	(13)
Net cash used in operating activities	26	(11,577)	(3,334)
Cash flows from investing activities			
Proceeds from/(investments in) short term deposits		3,804	(3,800)
Acquisition of subsidiaries	29.1	(20,791)	-
Acquisition related costs	29.1	(368)	-
Payments for property, plant and equipment		(327)	(98)
Proceeds from sale of property, plant and equipment		97	-
Payments for intangibles		(23)	(21)
Net cash used in investing activities		(17,608)	(3,919)
Cash flows from financing activities			
Proceeds from issue of share capital		27,983	4,500
Share capital issue costs		(474)	(181)
Proceeds from bank borrowings	27	8,500	-
Repayment of principal on borrowings	27	(1,466)	-
Interest paid on borrowings	27	(379)	-
Payment of lease liabilities	27	(742)	(33)
Interest paid on lease liabilities	27	(62)	(6)
Net cash flows from financing activities		33,360	4,280
Net (decrease)/increase in cash and cash equivalents		4,175	(2,973)
Cash and cash equivalents at the beginning of the period		1,195	4,168
Cash and cash equivalents at the end of the period	10	5,370	1,195

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 FIFTEEN MONTHS ENDED 30 JUNE 2022

1. GENERAL INFORMATION

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

The Company has recently changed its annual reporting date to 30 June and, as a result of the change, these consolidated financial statements are for the 15 months ended 30 June 2022. The comparative information is for the 12 months ended 31 March 2021.

These financial statements are for Me Today Limited and its subsidiaries (together 'the Group'). Details of subsidiary companies and their principal activities are set out in note 28.

The Group produces, sells, and markets health and wellbeing products or act as an agent on behalf of other health and wellbeing suppliers. With the acquisition of King Honey Limited ('King Honey') on 30 June 2021 the Group also produces premium manuka honey.

2. BASIS OF PREPARATION

2.1. Basis of measurement

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

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

2.2. 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below. The consolidated financial statements have been prepared using the same accounting policies and methods of computation detailed in the audited consolidated financial statements for the year ended 31 March 2021, except for the new additional accounting policies which have been implemented in response to the acquisition of King Honey.

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.

3.2. Revenue recognition

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.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that deferred tax assets or liabilities, and liabilities related to employee benefit arrangements, are recognised and measured in accordance with NZ IAS 12 Income Taxes and NZ IAS 19 Employee Benefits respectively.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of

the acquisition date that, if known, would have affected the amounts recognised as of that date. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3.3. Goodwill

Goodwill that arises on the acquisition of subsidiaries and other business combinations is measured at cost less accumulated impairment losses.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

3.4. 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.

3.4.1. Sale of goods

The Group sells goods such as health and wellbeing products, and honey 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 for the purchase of health and wellbeing products, are treated as a reduction in revenue.

3.4.2. 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.

3.5. Income Tax

Income tax expense comprises both current and deferred tax.

3.5.1. Current tax

The tax currently payable is based on taxable profit for the period. 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 periods 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.

3.5.2. 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 except for the initial recognition of goodwill and the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit. 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.

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.

3.6. 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.

3.7. 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 estimated costs of completion and costs necessary to make the sale.

The deemed cost for the Group's agricultural produce (honey) inventory is fair value at harvest less estimated point-of-sale costs. Fair value is determined by reference to selling prices for honey. Point-of-sale costs include all costs that would be necessary to sell the assets.

3.8. Biological assets

Biological assets consist of bees (including queens).

Biological assets are measured at fair value less point-of-sale costs, with any change therein recognised in the profit or loss. Point-of-sale costs include all costs that would be necessary to sell the assets. The fair value of biological assets is assessed on an annual basis post-harvest, which involves reviewing the number of operational hives in use and referencing market prices for hives.

3.9. Biological work in progress

Biological work in progress consists of unharvested honey.

Biological assets are measured at fair value less point-of-sale costs, with any change therein recognised in the profit or loss. Point-of-sale costs include all costs that would be necessary to sell the assets.

The growth in the biological work in progress in the period from harvest to 30 June 2022 cannot be reliably measured at fair value due to the variables in hive growth and honey production between harvest and reporting date. Therefore, as required

under NZ IAS 41: Agriculture, the cost of agricultural activity (beekeeping costs) in the period to 30 June 2022 has been capitalised as biological work in progress to account for this growth. Likewise, the cost of agricultural activity incurred by the King Honey Group in the pre-acquisition period from the 2021 harvest to 30 June 2021, was capitalised and recognised as the value of biological work in progress at acquisition date (refer note 29.1).

Agricultural produce (honey) from biological assets is transferred to inventory at fair value, by reference to market prices for honey less estimated point-of-sale costs, at the date of harvest. The biological work in progress is transferred to inventory as part of this fair value recognition at each harvest, which occurs at least annually. A fair value loss on honey harvest was recognised in the loss for the period (note 15).

3.10. 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 NZ IAS 36: Impairment of Assets 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.

3.11. Property, plant and equipment

Property, plant and 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, vehicles and equipment	6% - 67%
Office equipment and furniture	10% - 50%
Leasehold improvements	6% - 25%

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.

3.12. Assets held for sale

Biological assets held for sale are measured at fair value less costs to sell. Other non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. The Group must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

3.13. 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:

Customer relationship	12.5%
Website	50%
Trademarks & domains	indefinite useful life

3.14. 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 are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3.15. Financial assets

Financial assets are measured at amortised cost 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, less impairment provisions.

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.

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.

Impairment of financial assets at amortised cost

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.

3.16. Financial liabilities

Other financial liabilities

Other financial liabilities (including trade, other payables and borrowings) 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, 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.

3.17. 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.

3.18. Foreign currency translation

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.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve.

3.19. 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.

3.20. 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, or for transactions with employees, 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.

3.21. Borrowing costs

Borrowing costs are capitalised, net of interest received on cash drawn down yet to be expended when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

3.22. 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.



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

The international and domestic impact of the COVID-19 pandemic, the extended lockdown and other restrictions in Auckland and the rest of New Zealand since 17 August 2021, and the recent lockdowns in China, have impacted the Group's performance during the period. While the Group has continued to make significant progress, the restrictions on retail during lockdown and other restrictions and the lack of tourists to New Zealand have reduced domestic sales, and the ongoing closure of New Zealand's borders have slowed the Group's ability to develop international markets and interact with existing customers.

King Honey's most important customer relationship currently is the partnership relating to the Bee+ brand. This brand is well established in the Chinese market with an extensive reach created by the brand principal and distribution partner. The impact of the COVID-19 pandemic in China, including lockdowns, has impacted on the volume of sales through this distribution partner, which have been significantly lower than expected (refer note 19.1). The reduced level of sales through this distribution partner has been a key consideration in the Group's decision to downsize its beekeeping operations. The financial impact of the downsizing, the assessed impairment in goodwill (refer note 19) and the requirements during the period for additional working capital, are all linked to this underperformance of Bee+ distribution in the Chinese market.

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

4.2. Going concern

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

The Group incurred an after-tax loss of \$19.54 million in the 15 months to 30 June 2022 (12 months to 31 March 2021: \$2.86 million loss). The Group's net cash outflows from operating activities during the

15 months was \$11.7 million (12 months to 31 March 2021: \$3.3 million).

During the period, to meet operational and working capital funding requirements, the Company undertook a capital raise of \$6 million in March 2022 and a further capital raise of \$6.75 million in June 2022.

At the reporting date the Group had cash of \$5.4 million (2021: \$1.2 million), working capital of \$22.1 million (2021: \$5.7 million) and net assets of \$24.1 million (2021: \$5.9 million). The Group had bank loans of \$7.3 million (2021: nil) and \$5.2 million was payable to the previous owners of King Honey under a subordinated note (2021: nil).

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

For this reason, the Board considers the adoption of the going concern basis in preparing the consolidated financial statements for the 15 months ended 30 June 2022 to be appropriate. The Board has reached this conclusion having regard to circumstances which it considers likely to affect the Group during the period of at least one year from the date of approval of these consolidated financial statements, and to circumstances which it considers will occur after that date which will affect the validity of the going concern basis.

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

Following the reporting date, the Company raised a further \$0.75 million through the issue of ordinary shares on 6 July 2022.

The Group's banker, Bank of New Zealand, has confirmed that it will keep the Group's existing bank

facilities in place (refer note 22) subject to further review no later than 31 August 2023 in conjunction with the FY23 audited financial statements and FY24 budget. Facilities will remain on an interest only basis until 31 August 2023. The requirement for an amortisation programme will be considered at that time in conjunction with the FY24 budget. The bank also confirmed covenant requirements were amended to extend the suspension of earnings related covenants until 31 August 2023 at which stage the covenants will be aligned with the FY24 budget.

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

Strong commercial relationships are developing with new customers. Me Today continues to expand internationally with Me Today now available in New Zealand, Australia, Japan, Ireland, and the United Kingdom. The SuperLife brand has now launched within both New Zealand and international markets.

4.3. 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. At 30 June 2022 the Group has recognised the benefit in respect of the tax losses generated to the extent they offset a deferred tax liability (refer note 8).

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 3.1 and 18).

The Group has included the extension period as part of those premises leases where it is reasonably certain an extension option will be exercised.

4.5. Impairment of goodwill

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The Board has undertaken value in use impairment testing and reviewed sensitivity analysis relating to the carrying value of the goodwill. Judgement is required in determining the extent to which there has been an impairment in goodwill (refer note 19.1).

4.6. Fair value of biological assets

Biological assets are measured at fair value less point-of-sale costs. The fair value of biological assets is assessed on an annual basis post-harvest, which involves reviewing the number of operational hives in use and referencing market prices for hives. Judgement is required to determine the fair value of hives (refer note 16).

4.7. Fair value of biological work in progress

Biological assets are measured at fair value less point-of-sale costs. The growth in the biological work in progress in the period from harvest to 30 June 2022 cannot be reliably measured at fair value due to the variables in hive growth and honey production between harvest and reporting date. Therefore, as required under NZ IAS 41: Agriculture, the cost of agricultural activity (beekeeping costs) in the period to 30 June 2022 has been capitalised as biological work in progress to account for this growth (refer note 15).

4.8. Fair value of inventory at harvest

The deemed cost for the Group's agricultural produce (honey) inventory is fair value at harvest less estimated point-of-sale costs. Fair value is determined by reference to market prices for honey. Judgement is required to determine the market price of the honey at harvest based upon each drum's tested chemical markers (refer note 15).

5. REVENUE

	15 mths ended 30 Jun 2022 NZ\$000	12 mths ended 31 Mar 2021 NZ\$000
Revenue from sale of health and wellbeing products before marketing services provided by customers	3,260	932
Less marketing services provided by customers	(538)	(312)
Revenue from sale of health and wellbeing products	2,722	620
Revenue from sale of honey products	5,022	-
Revenue from agency services	529	523
Total revenue	8,273	1,143

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

\$431,000 of the Group's revenue was generated in Europe (2021: nil). All other revenue was generated in New Zealand. Revenue is allocated geographically based upon jurisdiction in which the revenue is recognised for taxation purposes.



6. EXPENSES

The loss for the year includes the following expenses.

	Note	15 mths ended 30 Jun 2022 NZ\$000	12 mths ended 31 Mar 2021 NZ\$000
Salaries		(7,898)	(1,212)
Employer kiwisaver contributions		(163)	(30)
Directors' fees		(538)	(329)
Accounting and consulting		(125)	(106)
Shareholder expenses		(90)	(88)
Depreciation and amortisations:			
Depreciation of property, plant and equipment		(986)	(30)
Depreciation of right of use assets		(695)	(50)
Amortisation of customer relationship asset		(1,084)	-
Amortisation of other intangible assets		(7)	(10)
		(2,772)	(91)
Depreciation and amortisation are allocated as follows:			
Capitalised to biological WIP		647	-
Included in the operating loss		(2,125)	(91)
Finance expenses:			
Interest on lease liabilities		(62)	(6)
Interest on borrowings		(579)	-
		(641)	(6)
Auditor's remuneration:			
For the current year audit		(106)	(57)
For the prior year audit		(1)	-
For tax advice and returns		(9)	(12)
For general accounting advice		(5)	(5)
Total auditor's remuneration		(121)	(74)

7. SEGMENT INFORMATION

The Group produces, sells, and markets health and wellbeing products ('sale of goods' segment) or acts as an agent on behalf of other health and wellbeing suppliers ('agency services' segment). With the acquisition of King Honey Limited ('King Honey') on 30 June 2021 the Group also produces and sells premium manuka honey ('honey' segment).

	15 months to 30 June 2022					12 months to 31 March 2021				
	Sale of goods NZ\$000	Agency services NZ\$000	Honey NZ\$000	Other / unallocated NZ\$000	Total NZ\$000	Sale of goods NZ\$000	Agency services NZ\$000	Honey NZ\$000	Other / unallocated NZ\$000	Total NZ\$000
Revenue before marketing services provided by a customer	3,260	529	5,022	-	8,811	932	523	-	-	1,455
Less marketing services provided by a customer	(538)	-	-	-	(538)	(312)	-	-	-	(312)
Total external revenue	2,722	529	5,022	-	8,273	620	523	-	-	1,143
Total inter-segment revenue	-	-	-	-	-	-	-	-	-	-
Total EBITDA	(1,913)	(310)	(1,881)	(1,548)	(5,652)	(1,764)	(91)	-	(982)	(2,837)
Finance income	-	-	6	13	19	-	-	-	73	73
Finance expenses	-	-	(633)	(8)	(641)	-	-	-	(6)	(6)
Amortisation of customer relationship asset	-	-	(1,084)	-	(1,084)	-	-	-	-	-
Depreciation and amortisation	(20)	(8)	(889)	(124)	(1,041)	(21)	(8)	-	(61)	(90)
Acquisition expenses	-	-	-	(368)	(368)	-	-	-	-	-
Fair value loss on harvested honey	-	-	(1,724)	-	(1,724)	-	-	-	-	-
Fair value loss on biological assets	-	-	(720)	-	(720)	-	-	-	-	-
Restructuring costs	-	-	(494)	-	(494)	-	-	-	-	-
Write down of assets held for sale	-	-	(543)	-	(543)	-	-	-	-	-
Impairment of goodwill	-	-	(9,120)	-	(9,120)	-	-	-	-	-
Impairment of customer relationship asset	-	-	(780)	-	(780)	-	-	-	-	-
Net loss before taxation	(1,933)	(318)	(17,862)	(2,035)	(22,148)	(1,785)	(99)	-	(976)	(2,860)
Income tax benefit	-	-	2,604	-	2,604	-	-	-	-	-
Net loss for the year	(1,933)	(318)	(15,258)	(2,035)	(19,544)	(1,785)	(99)	-	(976)	(2,860)
	30 June 2022					31 March 2021				
	Sale of goods NZ\$000	Agency services NZ\$000	Honey NZ\$000	Other / unallocated NZ\$000	Total NZ\$000	Sale of goods NZ\$000	Agency services NZ\$000	Honey NZ\$000	Other / unallocated NZ\$000	Total NZ\$000
Segment assets	2,255	147	31,590	5,464	39,456	1,319	128	-	5,267	6,714
Segment liabilities	396	43	14,471	447	15,357	3,974	(1,652)	-	(1,500)	822

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

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

Significantly all operations are carried out in New Zealand.

7.1. Information about major customers

For the 15 months ended 30 June 2022 there were 2 customers who individually accounted for more than 10% of the Group's total sales (12 months to 31 March 2021: 3 customers). Sales to these customers were \$2,011,161 and \$1,852,980 (2021: \$474,923, \$315,203 and \$116,557). These customers purchased goods or agency services.

8. TAXATION

8.1. Income tax recognised in profit or loss

The analysis of the income tax expense is as follows:

	30 Jun 2022	31 Mar 2021
	NZ\$000	NZ\$000
Current income tax		
Current income tax charge	-	-
Deferred tax	(2,604)	-
Total income tax expense/(benefit)	(2,604)	194

8.2. Reconciliation of income tax expense

The charge for the year can be reconciled to the loss before income tax as follows:

	15 mths ended 30 Jun 2022	12 mths ended 31 Mar 2021
	NZ\$000	NZ\$000
Loss before income tax	(22,148)	(2,860)
Current year tax at the tax rate of 28% (2021: 28%)	(6,201)	(801)
Non-deductible expenses	2,868	3
Timing differences	-	7
Current tax losses not recognised	729	791
Income tax expense/(benefit)	(2,604)	-

8.3. Deferred tax

	Opening balance NZ\$000	Recognised in loss NZ\$000	Acquisition of subsidiaries NZ\$000	Closing balance NZ\$000
30 June 2022				
Deferred tax assets/(liabilities) in relation to:				
Customer relationship asset	-	522	(2,604)	(2,082)
Inventory fair value adjustments at acquisition	-	(14)	1,486	1,472
Fair value loss on harvested honey	-	483	-	483
Write down of assets held for sale	-	152	-	152
Other	13	54	79	146
Deferred tax assets not recognised	(13)	(675)	(1,565)	(2,253)
Tax losses offset against deferred tax liability	-	2,082	-	2,082
	-	2,604	(2,604)	-
31 March 2021				
Deferred tax assets/(liabilities) in relation to:				
Other	6	7	-	13
Deferred tax asset not recognised	(6)	(7)	-	(13)
	-	-	-	-

	30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
Tax losses		
Tax losses for which no deferred tax asset has been recognised	14,735	3,454
Potential tax benefit @ 28%	4,126	967

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

9. EARNINGS PER SHARE

	15 mths ended 30 Jun 2022	12 mths ended 31 Mar 2021
Basic and diluted earnings/(loss) per share (NZ\$)	(0.029)	(0.007)
The losses and weighted average number of ordinary shares used in the calculation of loss per share are as follows:		
Loss from continuing operations (NZ\$000)	(19,544)	(2,860)
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share ('000)	664,695	398,961

At 30 June 2022, there were no financial instruments that carried any shareholder dilution rights that were considered to be dilutive (2021: none). The 1,000,000 share options on issue were not considered to be dilutive due to the Group's loss (2021: 3,000,000) (note 25).

10. CASH AND CASH EQUIVALENTS

	30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
Cash at bank and on hand	5,370	1,195
	5,370	1,195

The carrying amount for cash and cash equivalents equals the fair value. Cash balances are on call and earn no interest.

11. SHORT TERM DEPOSITS

	30 Jun 2022 NZ\$000	31 Mar 2021 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%.

12. TRADE AND OTHER RECEIVABLES

	30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
Trade receivables	913	218
Other receivables	5	-
GST receivable	112	56
Prepayments	169	144
Total trade and other receivables	1,199	418

There has been no expected credit loss impairment to profit or loss in the period (2021: none).

	30 Jun 2022 NZ\$000	31 Mar 2021 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
30 June 2022					
Trade receivables	736	87	23	67	913
Loss allowance	-	-	-	-	-
31 March 2021					
Trade receivables	218	-	-	-	218
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.

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.

13. INVENTORIES

		30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
Raw materials		13,069	-
Finished goods		3,119	647
Packaging materials		605	287
		16,793	934

No inventory was written off to profit and loss in the period (2021: \$79,657). Inventory expensed in the period was \$4,899,517 (2021: \$541,543).

14. ASSETS HELD FOR SALE

		30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
Property, plant and equipment		450	-
Biological assets		613	-
		1,063	-

		30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
Balance at 1 April		-	-
Reclassified from property, plant & equipment:			-
- cost		744	-
- accumulated depreciation		(104)	-
Write down of assets held for sale		(190)	-
Net book value reclassified from property, plant & equipment		450	-
Reclassified from biological assets		965	-
Write down of assets held for sale		(352)	-
Net book value reclassified from biological assets		613	-
Balance at reporting date		1,063	-

The Board has decided to downsize its beekeeping operations. As part of this restructure, the Group is planning to sell approximately 3,650 hives and 2,300 nucs. These hives and nucs have been classified as assets held for sale and measured at their fair value which is their anticipated sales price.

15. BIOLOGICAL WORK IN PROGRESS

	30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
As at 1 April	-	-
Acquisition of subsidiaries	1,437	-
Current period beekeeping costs	7,239	-
Fair value loss on harvested honey	(1,724)	-
Honey recognised as inventory on harvest	(6,952)	-
Beekeeping costs related to next harvest	698	-
As at reporting date	698	-

16. BIOLOGICAL ASSETS

	30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
Bees:		
At 1 April	-	-
Acquisition of subsidiaries	3,283	-
Reclassified to assets held for sale (note 14)	(965)	-
Fair value loss on biological assets	(720)	-
Balance at reporting date	1,598	-

The bees biological assets consist of hives and nucs.

	30 Jun 2022 number of	31 Mar 2021 number of
Hives:		
At 1 April	-	-
Acquisition of subsidiaries	15,595	-
Reduction in operational hives	(2,995)	-
Hives classified as assets held for sale (note 14)	(3,650)	-
Hives included in biological assets at reporting date	8,950	-

	30 Jun 2022 number of	31 Mar 2021 number of
Nucleus colonies (Nucs):		
At 1 April	-	-
Acquisition of subsidiaries	3,660	-
Reduction in operational nucs	(1,360)	-
Nucs classified as assets held for sale (note 14)	(2,300)	-
Nucs included in biological assets at reporting date	-	-

The Group is exposed to some risks related to owning bees, primarily the risk of damage from climatic changes and diseases. The Group has processes in place aimed at monitoring and mitigating those risks, through hiring of experienced beekeepers, the intensive maintenance of beehives and disease prevention programmes.

Fair value hierarchy

The Group's bees are level 3 on the fair value hierarchy, being calculations for which inputs are not based on observable market data (unobservable inputs).

The Group has valued the biological assets based on market sales price information and the Group's own sales of hives. The fair value per hive is \$179 (2021: n/a).

17. PROPERTY, PLANT AND EQUIPMENT

	Plant & equipment NZ\$000	Vehicles NZ\$000	Office equipment & furniture NZ\$000	Leasehold improvements NZ\$000	Total NZ\$000
Cost:					
At 1 April 2020	10	-	28	-	38
Additions	-	-	67	31	98
Disposals	-	-	-	-	-
At 31 March 2021	10	-	95	31	136
Additions	81	208	37	1	327
Acquisition of subsidiaries	3,731	968	62	335	5,096
Transferred to assets held for sale	(406)	(338)	-	-	(744)
Disposals	(2)	(133)	-	-	(135)
At 30 June 2022	3,414	705	194	367	4,680
Accumulated depreciation:					
At 1 April 2020	(2)	-	(13)	-	(15)
Depreciation expense	(2)	-	(22)	(6)	(30)
At 31 March 2021	(4)	-	(35)	(6)	(45)
Depreciation expense	(660)	(210)	(68)	(48)	(986)
Transferred to assets held for sale	104	-	-	-	104
Disposals	-	35	-	-	35
At 30 June 2022	(560)	(175)	(103)	(54)	(892)
Carrying Amount:					
At 30 June 2022	2,854	530	91	313	3,788
At 31 March 2021	6	-	60	25	91
At 1 April 2020	8	-	15	-	23

18. RIGHT-OF-USE ASSET

18.1. Right-of-use asset

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

	Premises NZ\$000	Hive placements NZ\$000	Total NZ\$000
Cost:			
At 1 April 2020	-	-	-
Additions	226	-	226
At 31 March 2021	226	-	226
Additions	296	313	609
Acquisition of subsidiaries	934	1,071	2,005
Lease modifications *	(82)	(626)	(708)
At 30 June 2022	1,374	758	2,132
Accumulated amortisation:			
At 1 April 2020	-	-	-
Depreciation expense	(50)	-	(50)
At 31 March 2021	(50)	-	(50)
Depreciation expense	(371)	(324)	(695)
At 30 June 2022	(421)	(324)	(745)
Carrying Amount:			
At 30 June 2022	953	434	1,387
At 31 March 2021	176	-	176
At 1 April 2020	-	-	-

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

18.2. Lease liability

		30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
Maturity analysis - contractual undiscounted cash flows			
Up to one year		381	86
One to two years		526	88
Two to five years		492	29
More than five years		77	-
Total undiscounted lease liabilities at period end		1,476	203
Lease liabilities included in the Consolidated Statement of Financial Position at reporting date			
Current		316	79
Non-current		1,041	114
		1,357	193

At the reporting date the Group had 8 property leases with an average remaining term of 3.75 years (2021: 2.1 years). The Group also had 25 land access leases with an average remaining term of 0.75 years (2021: nil).

The average IBR rate is 3.63% (2021: 4.5%).

Short term lease expenses included in operating loss were \$1,122,000 (2021: \$nil).

As at 30 June 2022, 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 (2021: \$181,000).

19. GOODWILL

		30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
Cost:			
Balance at 1 April		-	-
Recognised on acquisition of subsidiary (note 20)		9,120	-
Balance at reporting date		9,120	-
Accumulated impairment losses:			
Balance at 1 April		-	-
Impairment losses for the period		(9,120)	-
Balance at reporting date		(9,120)	-
Carrying amount		-	-

The goodwill relates to expected synergies, and the capability and expertise developed within the acquired business.

19.1. Impairment testing for cash-generating units containing goodwill and the customer relationship asset

For the purpose of impairment testing, goodwill (note 19) and the customer relationship asset (note 20) are allocated to the Group's cash generating units ('CGUs') which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. All goodwill and the customer relationship asset are currently allocated to the Honey segment.

Given the underperformance of the Bee+ brand distribution channel, the Board undertook a value in use impairment test at 31 March 2022 and reviewed sensitivity analysis relating to the carrying value of the goodwill and the customer relationship asset.

The Group has considered the future cash flows arising out of the sale of Manuka Honey through the Honey segment. As a result of the completion of discounted cashflow modelling at 31 March 2022 the Board has assessed the value of the Honey CGU as \$29.0 million and has concluded that it is appropriate for the Group to recognise the following impairments in value in the goodwill and the customer relationship asset arising from the King Honey acquisition:

			30 Jun 2022 NZ\$000
Impairment losses:			
	Impairment of goodwill (note 19)		(9,120)
	Impairment of customer relationship asset (note 20)		(780)
			(9,900)

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

Anticipated annual revenue growth included in the cash flow projections for the years 2023 to 2027		26% - 39%
Pre-tax discount rate		16.5%
Terminal growth rate		3%

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

The discount rate selected reflects the level of uncertainty in relation to the future sales through the Bee+ distribution channel.

The growth rate applied in years 2027-2032 (years 5 to 10 in the model) to revenue is 3% and to costs is 2-3%. These rates reflect the long-term growth rates of the markets in which the revenues are earned and the costs expended. These years have been included in the calculation to forecast a tax outflow in the terminal year where the terminal value has been derived, as existing tax losses in early years are expected to be utilised against taxable profits in earlier years.

At 30 June 2022, management has concluded that there were no indicators of impairment in relation to the Group's customer relationship asset.

20. OTHER INTANGIBLE ASSETS

	Customer relationship NZ\$000	Website NZ\$000	Trademarks & domains NZ\$000	Total NZ\$000
Cost:				
At 1 April 2020	-	26	40	66
Additions	-	-	21	21
At 31 March 2021	-	26	61	87
Additions	-	-	23	23
Acquisition of subsidiaries (note 29.1)	9,300	-	-	9,300
At 30 June 2022	9,300	26	84	9,410
Accumulated amortisation:				
At 1 April 2020	-	(4)	-	(4)
Amortisation expense	-	(10)	-	(10)
At 31 March 2021	-	(14)	-	(14)
Amortisation expense	(1,084)	(7)	-	(1,091)
Impairment of intangibles asset (note 19.1)	(780)	-	-	(780)
At 30 June 2022	(1,864)	(21)	-	(1,885)
Carrying Amount:				
At 30 June 2022	7,436	5	84	7,525
At 31 March 2021	-	12	61	73
At 1 April 2020	-	22	40	62

21. TRADE AND OTHER PAYABLES

	30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
Trade payables	482	183
Accruals	626	385
Other payables	658	61
	1,766	629

22. BORROWINGS

	30 Jun 2022	31 Mar 2021
	NZ\$000	NZ\$000
Banks loans	7,034	-
Subordinated note	5,200	-
	12,234	-
Current	942	-
Non-current	11,292	-
	12,234	-

The Group has two bank loans from the Bank of New Zealand. A customised average rate loan facility (CARL) of \$3,015,980 (31 March 2021: \$nil) and a fixed rate loan of \$4,286,125 (31 March 2021: \$nil). The loans were taken out on 30 June 2021 and are for five years, ending 29 June 2026. The loans are secured over all property of Me Today Manuka Honey Limited, the parent company of King Honey Limited and a subsidiary of Me Today Limited.

The CARL facility monthly repayments consist of a fixed principal repayment plus interest based on a floating rate that is adjusted monthly. The average interest on the CARL facility rate during the reporting period was 3.91%. Interest on the fixed rate loan is fixed at 2.51% and the loan is repaid by 60 monthly instalments over the term of the loan.

The Group has a 6 month repayment holiday from June 2022 to November 2022. Subsequent to the reporting date, the bank has provided an additional repayment holiday through to 31 August 2023. As this was not in place at the reporting date it is not reflected in the Consolidated Statement of Financial Position classification at 30 June 2022.

The bank has agreed to continue its suspension of earnings related covenants until 31 August 2023 at which stage covenants will be re-assessed in line with the FY24 budget. The Group was compliant with applicable covenants at 30 June 2022.

Under the terms of the sale and purchase agreement for the acquisition of King Honey it was agreed that \$5,000,000 of the purchase price would be left payable to the vendors as a subordinated note (refer note 29.1). The subordinated loan is repayable in three years from the acquisition date of 30 June 2021 with interest of 4% payable annually in arrears. The note is secured over all property of Me Today Manuka Honey Limited. This security interested ranks behind any security interest in favour of the Bank of New Zealand pursuant to the bank loan agreements noted above, but ahead of any other indebtedness of Me Today Manuka Honey Limited.

23. SHARE CAPITAL

	30 Jun 2022		31 Mar 2021
	Voting ordinary shares '000	Non-voting ordinary shares '000	Voting ordinary shares '000
Number of ordinary shares:			
Ordinary shares as at 1 April	412,278	-	1,824,550
Share consolidation	-	-	(1,459,640)
Issue of shares as settlement of purchase price	113,636	-	-
Ordinary shares issued during the period	924,903	-	47,368
Ordinary shares reclassified as non-voting	(287,086)	287,086	-
Share buy back and cancellation	(34)	-	-
Ordinary shares as at reporting date	1,163,697	287,086	412,278

On 14 June 2021 the Company issued 809,074 fully paid ordinary shares in the favour of BB Promotions Limited, Sarah Walker and independent directors. Shares issued to BB Promotions Limited and Sarah Walker are in accordance with the terms of the relevant agreements for promotional services.

On 29 June 2021 Me Today issued 178,977,270 fully paid ordinary shares under a wholesale and retail share offer to part fund the purchase of King Honey.

On 29 June 2021 a further 765,356 fully paid ordinary shares were issued in favour of BB Promotions Limited, Sarah Walker and independent directors.

On 30 June 2021 Me Today issued 113,636,364 fully paid ordinary shares to the vendors as part consideration for the acquisition of King Honey (refer note 29.1).

On 14 September 2021 the company bought back shares held in parcel sizes of less than 1,000 shares. The total number of shares acquired and cancelled were 34,414 from 1,302 shareholders.

On 22 March 2022 the Company issued 42,613,636 fully paid ordinary shares to MTL Securities Limited and 25,568,182 fully paid ordinary shares to the trustees of TW Jarvis (No. 1) Trust for \$6 million.

On 30 May 2022 the Company issued a further 1,571,168 fully paid ordinary shares in the favour of BB Promotions Limited, Sarah Walker and independent directors.

On 29 June the Company issued 674,598,811 for \$6.75 million. Contemporaneously to this share issue, the Company agreed with MTL Securities Limited (refer note 31) to reclassify 287,086,206 of its quoted shares held by MTL Securities Limited, as non-voting shares to ensure compliance with the takeovers code. The non-voting shares have the same rights as ordinary shares, except the right to vote at meetings of Me Today Limited shareholders. The non-voting shares may be reclassified as quoted ordinary shares by notice in writing by the holder (MTL Securities Limited) to the Company.

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

All non-voting ordinary shares are fully paid.

24. SHARE BASED PAYMENTS RESERVE

	30 Jun 2022	31 Mar 2021
	NZ\$000	NZ\$000
Balance as at 1 April	110	-
Share options granted (refer note 25)	30	21
Share options expired	(26)	-
Share based payments for promotional services	140	89
Shares issued in period	(177)	-
Balance at reporting date	77	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.

25. SHARE OPTIONS

At 30 June 2022 BB Promotions Limited, a related party to the Group (refer note 31), held options on 1,000,000 ordinary shares of the Company (31 March 2021: 3,000,000). 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.

	30 Jun 2022		30 Jun 2021	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Balance as at 1 April	3,000,000	\$0.09	-	-
Granted during the period	-	-	3,000,000	\$0.09
Exercised during the period	-	-	-	-
Expired during the period	(2,000,000)	\$0.09	-	-
Balance at reporting date	1,000,000	\$0.09	3,000,000	\$0.09

At reporting date, 1,000,000 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
	30 Jun 2022	31 Mar 2021				
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	1,000,000	1 June 2023	30 June 2023	\$0.09	\$0.019
Balance at reporting date	1,000,000	3,000,000				

	30 Jun 2022	31 Mar 2021
	NZ\$000	NZ\$000
Share based payments are included in:		
Promotional costs	30	21

26. RECONCILIATION OF LOSS AFTER TAXATION WITH CASH FLOW FROM OPERATING ACTIVITIES

	15 mths ended 30 Jun 2022	12 mths ended 31 Mar 2021
Net loss after taxation	(19,544)	(2,860)
Adjustments for:		
Depreciation and amortisation	2,771	90
Interest on lease liabilities	62	6
Interest on borrowings	579	-
Impairment of goodwill	9,270	-
Impairment of customer relationship asset	629	-
Acquisition costs	368	-
Fair value loss on biological assets	720	-
Write down of assets held for sale	543	-
Share-based payments	242	110
Interest accrued on term deposits	-	(4)
Income tax benefit	(2,604)	-
Movements in working capital		
(Increase) / decrease in trade and other receivables	(778)	(170)
(Increase) / decrease in inventory	(15,859)	(593)
(Increase) / decrease in biological work in progress	(698)	-
Decrease / (increase) in taxation receivable	(12)	99
Increase / (decrease) in trade and other payables	1,139	(12)
Movement in working capital on acquisition of subsidiaries	11,595	-
Net cash outflows from operating activities	(11,577)	(3,334)

27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
Borrowings:		
At 1 April	-	-
Cash:		
Proceeds from bank borrowings	8,500	-
Payment of principal on borrowings	(1,466)	-
Interest paid on borrowings	(379)	-
Non-cash:		
On acquisition of subsidiaries	5,000	-
Interest on borrowings	579	-
At reporting date	12,234	-

	30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
Lease liabilities:		
At 1 April	193	-
Cash:		
Payment of lease liabilities principal	(742)	(33)
Interest paid on lease liabilities	(62)	-
Non-cash:		
Lease liabilities recognised	609	226
On acquisition of subsidiaries	2,005	-
Lease modifications	(708)	-
Interest on lease liabilities	62	-
At reporting date	1,357	193

28. SUBSIDIARIES AND OTHER INVESTMENTS

Name	Principal activity	Equity holding	
		30 Jun 2022	31 Mar 2021
Subsidiaries:			
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%
Me Today EU Limited	Sale of health & wellbeing products	100%	100%
Me Today UK Group Limited	Sale of health & wellbeing products	100%	-
Me Today Manuka Honey Limited	Investment in King Honey Limited	100%	-
King Honey Limited	Sale of manuka honey products	100%	-
Me Today AU Pty Limited	Non-trading entity	100%	-
Manuka Wellness Limited	Non-trading entity	100%	-
King Honey Health Products Limited	Non-trading entity	100%	-
Pure Manuka NZ Limited	Non-trading entity	100%	-
Bee Plus Manuka NZ Limited	Non-trading entity	100%	-
Me Today USA Inc.	Sale of health, wellbeing and honey products	100%	-
Other investments:			
Bee Plus New Zealand Limited	Brand ownership. Non trading	15%	-

All subsidiaries are domiciled in New Zealand, with the exception of Me Today EU Limited which is domiciled in Ireland, Me Today UK Group Limited which is domiciled in England and Me Today Pty which is domiciled in Australia. All subsidiaries have a reporting date of 30 June.

29. ACQUISITION OF SUBSIDIARIES

On 30 June 2021 Me Today Manuka Honey Limited, a subsidiary of Me Today Limited, acquired 100% of the issued share capital of King Honey Limited ('King Honey') thereby obtaining control of King Honey and its subsidiaries, Pure Manuka NZ Limited, Bee Plus Manuka NZ Limited, Manuka Wellness Limited and King Honey Health Products Limited. King Honey is one of New Zealand's premium Manuka Honey producers. Its subsidiaries are all non-trading. The King Honey business complements the Me Today brand and the acquisition enables Me Today to expand its existing lifestyle, health and wellness businesses.

29.1. Assets acquired and liabilities assumed at the date of acquisition

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed as at the date of acquisition are as set out in the table below.

	30 Jun 2021 NZ\$000
Net assets / (liabilities) acquired at fair value:	
Cash	209
Receivables and prepayments	179
Inventory	11,594
Taxation receivable	95
Deferred tax liability	(2,604)
Biological work in progress	1,437
Biological assets	3,283
Property, plant and equipment	5,096
Right of use assets	2,005
Customer relationship asset	9,300
Trade and other payables	(1,709)
Lease liabilities	(2,005)
Net assets acquired	26,880
Goodwill	9,120
Total consideration	36,000
Satisfied by:	
Cash	21,000
Issue of shares (113,636,364 ordinary shares of Me Today Limited)	10,000
Subordinated loan	5,000
Total consideration transferred	36,000
Net cash outflows on acquisition:	
Cash consideration	21,000
Less: cash balances acquired	(209)
	20,791

The fair value of the 113,636,364 ordinary shares issued at \$0.088 per share as part of the consideration paid for King Honey (\$10 million) was determined on the basis of the agreement between the parties supported by an independent appraisal. The issue price of \$0.088 per share is in line with the volume-weighted average price (VWAP) of the Me Today shares prior to the announcement of the King Honey acquisition.

Acquisition related costs amounted to \$0.37 million.

29.2. Previous provisional interim accounting for the acquisition

The accounting for the acquisition of King Honey has now been finalised.

Since the Group's previous provisional interim acquisition reporting as at 31 March 2022, the Group has received further information about the identifiable intangibles acquired, including undertaking an independent valuation of customer relationships.

The acquisition balances have been updated accordingly with a corresponding adjustment to goodwill, as set out below:

- A \$9.3 million customer relationship asset has been recognised as part of the acquisition balances. The ABM customer relationship has been determined by Me Today to be the only material intangible asset of King Honey that meets the criteria for separate recognition at acquisition. The ABM customer relationship is formalised in a Distribution Partnering Agreement dated 8 May 2019 and varied on 31 December 2020 (the ABM Agreement), whereby King Honey appointed ABM to be its sole and exclusive importer and distributor of King Honey Mānuka Honey BEE+ branded products in China, Taiwan, Hong Kong and Macau (Territory 1) and the USA and Canada (Territory 2). The ABM Agreement has an initial term of 10 years from 1 April 2019 to 31 March 2029, which, subject to agreement, shall renew for a further 5 years and thereafter, subject to agreement, automatically renew for 1 year on a rolling basis. The ABM Agreement sets annual minimum purchase requirements in each Territory.

- The customer relationship asset was valued using an income approach commonly referred to as the multi-period excess earnings method.
- A deferred tax liability of \$2.6 million in relation to the \$9.3 million intangible asset noted above, has been recognised as part of the acquisition balances.

The above adjustments resulted in a corresponding \$6.7 million reduction in the initial goodwill arising on acquisition (prior to the assessment of impairment) compared to the goodwill recognised in the 31 March 2022 interim consolidated financial statements.

29.3. Trading transactions

During the period, and prior to acquisition, the Group had no transactions with King Honey. Following the acquisition of King Honey, transactions and balances due between companies in the Group have been eliminated on consolidation.

29.4. Impact of acquisition on the results of the Group

King Honey contributed \$4.6 million revenue and \$14.3 million to the Group's loss for the period between the date of acquisition and the reporting date.

30. 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	30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
Financial assets at amortised cost			
Cash and cash equivalents	10	5,370	1,195
Short term deposits	11	-	3,804
Trade receivables	12	913	218
Total financial assets		6,283	5,217

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.

	Note	30 Jun 2022 NZ\$000	31 Mar 2021 NZ\$000
Financial liabilities at amortised cost			
Trade payables and other liabilities	21	1,766	629
Lease liabilities - current	18.2	316	79
Lease liabilities - non current	18.2	1,041	114
Borrowings - current	22	942	-
Borrowings - non current	22	11,292	-
Total financial liabilities		15,357	822

The Group does not have any derivative financial instruments (2021: nil).

30.1. 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.

30.2. Cash flow and fair value interest rate risk

The Group's interest rate risk arises from interest on borrowings at variable rates. The Group has no interest-bearing cash and cash equivalent bank accounts.

The fixed rate bank loan and the subordinated note (see note 22) have interest rates that are fixed for the life of the loan. The BNZ CARL is the only borrowing with a variable interest rate (see note 22). The Group's exposure to a change in interest rates is therefore currently limited to the borrowings under the BNZ CARL facility. The table below shows the impact of a 1% movement in the current interest rate on the BNZ CARL facility.

	30 Jun 2022 NZ\$000	Rate (+/-1%) NZ\$000
BNZ CARL facility	2,921	29/(29)

30.3. 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 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.

30.4. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's liquidity risk management includes maintaining sufficient cash reserves to meet future commitments. Refer to notes 4.1 and 4.2 in relation to the impact of COVID-19 and going concern.

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 30 June 2022						
Trade and other payables	1,766	1,766	1,766	-	-	-
Borrowings	12,234	13,291	270	926	7,417	4,677
Lease liability	1,357	1,389	386	166	421	416
	15,357	16,445	2,422	1,092	7,838	5,093
As at 31 March 2021						
Trade and other payables	629	629	629	-	-	-
Lease liability	193	203	43	43	88	29
	822	832	672	43	88	29

30.5. 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.

31. RELATED PARTIES

31.1. Directors

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

31.2. 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 \$538,000 (2021: \$329,000). \$14,062 was payable to directors at 30 June 2022 (2021: \$15,322). This amount is payable to the independent directors and is intended to be settled by the issue of shares in the Company. In the period to 30 June 2022 \$71,572 of the remuneration due to the independent directors was settled by the issue of 1,312,266 shares in the Company (31 March 2021: \$29,384).

At 30 June 2022 \$7,000 was payable to Mei Mei Limited, a company owned by Richard Pearson, for directors fees (2021: nil).

Michael Kerr received total remuneration of \$281,000 in the 15 months to 30 June 2022 in his role as CEO (2021: \$212,500).

A company owned by Stephen Sinclair received \$156,250 in consulting fees (2021: \$114,000).

31.3. 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 holds 34.16% of the voting ordinary shares, and 47.19% of the total voting and non-voting ordinary shares in Me Today Limited.

31.4. Related party transactions

In the 15 months to 30 June 2022, the Company issued 965,613 ordinary shares to Antony Vriens, Hannah Barrett and Roger Gower in part settlement of their directors' remuneration.

The Company issued 712,575 ordinary shares to Roger Gower and 3,411,778 ordinary shares to Antony Vriens as part of the retail offer to investors

on 29 June 2022 for \$7,126 and \$34,118 respectively.

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.

On 15 June 2020 the Company entered into an Ambassador Agreement with BB Promotions Limited for a term of three years. BB Promotions Limited is a related party to the Group, as the shareholder and director of BB Promotions Limited, B Barrett, is married to H Barrett, a director of the Company. Under the terms of the agreement, BB Promotions Limited agreed to provide promotional services to the Company in exchange for the payment of \$50,000 per annum, the issue by the Company of ordinary shares to BB Promotions Limited to the value of \$100,000 per annum, and the granting of 3,000,000 options to purchase ordinary shares in the Company (as detailed in notes 25). Share based payments for promotion services shown in note 25 includes \$62,500 in relation to the Ambassador Agreement with BB Promotions Limited.

On 1 April 2021 Hannah Barrett entered into a marketing services agreement, renewed annually, to provide promotional services to the value of \$15,000 per annum.

31.5. Share placement subscription agreement

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

On 22 March 2022 the Company issued 42,613,636 fully paid ordinary shares to MTL Securities Limited and 25,568,182 fully paid ordinary shares to the trustees of TW Jarvis (No. 1) Trust.

Jarvis Trust is a substantial security holder in Me Today and is the previous vendor of King Honey Limited. MTL is a substantial security holder, and the largest shareholder, in Me Today. MTL 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.

32. CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2022 (2021: nil).

33. COMMITMENTS

The Company had no commitments for future capital expenditure as at 30 June 2022 (2021: nil).

34. EVENTS SUBSEQUENT TO REPORTING DATE

On 6 July 2022 the Company issued a further 75,264,609 fully paid ordinary shares for \$752,646 as a part placement of the shortfall from its rights issue undertaken in June 2022. The Company

has agreed with MTL Securities Limited to contemporaneously reclassify 39,051,043 of its non-voting shares as quoted shares to preserve MTL Securities Limited's holding and control of voting rights at 34.16%. The new shares issued have consequentially reduced MTL Securities Limited's economic rights to 44.86%.

On 24 August 2022 the Group's bank confirmed its continuance of existing facilities subject to further review no later than 31 August 2023 in conjunction with the FY23 audited financial statements and FY24 budget. Facilities will remain on an interest only basis until 31 August 2023. The requirement for an amortisation programme will be considered at that time in conjunction with the FY24 budget. The bank also confirmed covenant requirements were amended to extend the suspension of earnings related covenants until 31 August 2023 at which stage the covenants will be aligned with the FY24 budget.

Subsequent to the reporting date the Board has decided to further reduce beekeeping operations with a view to reducing total hive numbers to approximately 4,000.





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Independent Auditor's Report

TO THE SHAREHOLDERS OF ME TODAY LIMITED





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 30 June 2022, 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 15 month period ("the period") 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 30 June 2022, and its consolidated financial performance and its consolidated cash flows for the period 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 15 month period. 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.

Acquisition of subsidiaries, including recognition of customer relationship intangible asset

Key Audit Matter

On 30 June 2021 Me Today Manuka Honey Limited, a subsidiary of Me Today Limited, acquired 100% of the issued share capital of King Honey Limited ('King Honey') thereby obtaining control of King Honey and its subsidiaries.

The financial reporting of the acquisition involves assessing the fair value accounting for assets acquired and liabilities assumed, as well as the identification of separate intangible assets. This has resulted in the recognition of a customer relationship intangible asset of \$9.3m. In addition, goodwill of \$9.12m was recorded but subsequently

How The Matter Was Addressed in Our Audit

Fair value accounting for assets acquired and liabilities assumed as part of the business combination:

- We obtained management's assessment of the King Honey transaction as a business combination under NZ IFRS 3. We compared the assessment to requirements of the accounting standard and final signed sale and purchase agreement. We confirmed the acquirer, acquisition date, consideration, the warranties/indemnities, book value of assets and liabilities, and commitments and contingencies taken

impaired during the period.

We consider there to be a significant level of management judgement required in determining if separately identifiable intangible assets were acquired as part of the business combination, and in determining fair values of assets and liabilities.

See note 29 to the financial statements.

over, which may impact the accounting for the business combination.

- We performed audit procedures on management's fair value adjustments to assets and liabilities at acquisition date. This included fair value adjustments to inventories, biological assets, biological work in progress, and leases recognition (see separate Key Audit Matters on the recognition of these assets).
- We performed audit procedures on the book value of other assets and liabilities at acquisition date.
- We performed cut off procedures for debtors and creditors transactions around the acquisition date to ensure transactions were recorded in the correct period.
- We attended the King Honey stocktake on the date of acquisition to inspect physical inventories and property, plant and equipment on hand.

Intangible asset acquired as part of the business combination:

- We obtained management's fair value calculation for the customer relationship intangible asset, prepared by an external valuation expert.
- We assessed the competence and objectivity of management's external valuation expert and challenged the expert as to findings and conclusions of their work.
- We reviewed the key assumptions/inputs to the fair value calculations to supporting documentation.
- We engaged our internal valuation expert to review the valuation methodology used and the discount rate applied.

Goodwill impairment

Key Audit Matter

The Group recognised goodwill of \$9.12m arising from the King Honey acquisition. The annual impairment testing was completed at 31 March 2022 and this determined that the recoverable amount of the Group's goodwill was \$nil. An impairment charge was recognised to profit or loss.

The recoverable amount of the King Honey goodwill is derived from a value in use calculation. This calculation is subject to key inputs and assumptions, such as discount rate and future cash flows, which inherently include a degree of estimation uncertainty.

See note 19 to the financial statements.

How The Matter Was Addressed in Our Audit

- We obtained management's value in use calculation prepared at 31 March 2022, and critically evaluated the key inputs and assumptions. The key inputs included forecast revenue, gross margin, costs, working capital assumptions and discount rate.
- We obtained management's discount rate calculation, prepared by an external valuation expert. We challenged the expert as to the findings and conclusions of their work.
- We engaged our internal valuation expert to review the mechanics of the value in use calculation against valuation industry techniques and the discount rate used.

- We compared the carrying value of the assets to the recoverable amount determined by the impairment test that calculated the impairment charge of \$9.9m applied to goodwill and other assets.
- As the goodwill balance was fully impaired at 30 June 2022, we considered management's assessment of impairment for the remaining nonfinancial assets, including the customer relationship intangible asset.

Fair value of biological work in progress and biological assets

Key Audit Matter

The Group has recognised biological work in progress (unharvested honey) and biological assets consisting of bees (including hives and nucs) on acquisition of the King Honey business.

The determination of fair value involves significant judgement and estimation. Also, management has made a significant judgement that the fair value of unharvested honey cannot be reliably measured.

See notes 15 and 16 to the financial statements. The Group's accounting policies are disclosed in notes 3.8 and 3.9 to the financial statements.

How The Matter Was Addressed in Our Audit

Biological work in progress:

- We obtained management's assessment of the fair value of the unharvested honey biological work in progress at the acquisition date and period end.
- We challenged the determination that the fair value of unharvested honey cannot be reliably measured against the requirements of the accounting standard, industry norms and other available information.
- We agreed a sample of costs recognised to supporting invoices and ensured the transactions related to the harvest.
- We reviewed the disclosures in the financial statements to the requirements of the accounting standards.

Biological assets (bees):

- We obtained management's assessment of the fair value of the biological assets relating to the bees and compared to the requirements of the accounting standard.
- We obtained management's fair value calculations at the acquisition date and at the reporting date for the bees biological assets. We agreed the key inputs to supporting documentation, and critically evaluated judgements and assumptions made by management in the calculations. This included the number of hives and value per hive.
- We considered the movement in the fair values between date of acquisition and the reporting date, including the fair value gains or losses in profit or loss and items held for sale.
- We reviewed the disclosures in the financial statements to the requirements of the accounting standards.

Cost of inventories on harvest

Key Audit Matter

Agricultural produce (honey) from biological assets is transferred to inventory at fair value, by reference to market prices for honey less estimated point-of-sale costs, at the date of harvest. This initial measurement becomes the cost of the inventory when applying NZ IAS 2 Inventories. Management has determined a fair value on harvest of \$6.52m during the period.

Management has considered if the inventories are carried at the lower of cost or net realisable value.

The determination of fair value involves significant judgement and estimation. There is also judgement involved to ensure the inventories is carried at the lower of cost or net realisable value at the reporting date.

See note 15 to the financial statements. The Group's accounting policy is disclosed in note 3.9 to the financial statements.

How The Matter Was Addressed in Our Audit

- We obtained management's assessment of the cost of harvested honey inventories at the harvest date. We agreed the key inputs to supporting documentation, and critically evaluated the judgements and assumptions made by management in the calculations. This included harvest data, market prices, historical sales data, honey laboratory testing results, physical honey on hand and any capitalised costs to sell.
- We obtained management's calculation of the required net realisable value provision against the carrying value of inventories and considered the forecast excess inventory, realisable values and provisioning rates used against inventory quantities, management agreed sales forecasts and sales prices expected.

Leases accounting

Key Audit Matter

The Group has recognised right of use assets and lease liabilities in relation to warehouse and administration premises and land used for hive placements on acquisition of the King Honey business.

The recognition of any leases requires various estimates and judgements to be made both initially and on an ongoing basis.

See note 18 to the financial statements. The Group's accounting policy is disclosed in note 3.10 to the financial statements.

How The Matter Was Addressed in Our Audit

We obtained management's assessment of key estimates and judgements involved in the land lease recognition. This included how the apiary land use agreements met the definition of a lease, the treatment of any variable price components of the lease, the "reasonably certain" lease terms, the basis for the short term (less than 12 months) lease exemption taken up and the incremental borrowing rates utilised to discount the future lease payments.

- Management also recognised lease liabilities and right of use assets for King Honey's premises. We considered the key estimates and judgements involved in the premises lease recognition, namely the reasonably certain lease term.
- We obtained management's acquisition date and period-end lease calculations and reconciled to the general ledger for the right of use assets, lease liability, depreciation charge, effective interest expense and rent payments.
- We re-performed the calculations for a sample of leases based on the underlying agreements and requirements of the new standard.
- We reviewed the disclosures to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Market Announcement on the Me Today results for the fifteen months ended 30 June 2022 (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and 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 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

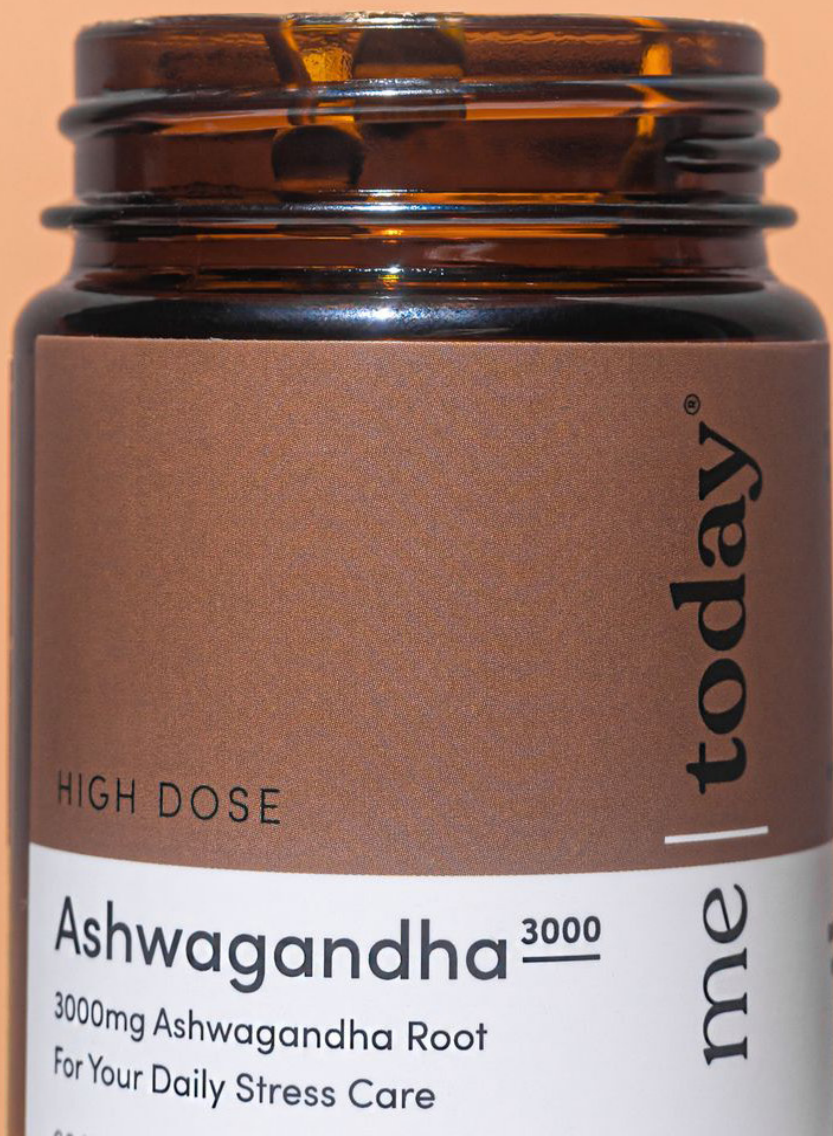
Who we Report to

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
Auckland
New Zealand
29 August 2022



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Corporate Governance Statement



Corporate Governance Statement

FOR THE 15 MONTHS ENDED 30 JUNE 2022

The Board is responsible for the overall corporate governance of the Company, and it recognises the need for the highest standards of behaviour and accountability. The Board develops strategies for the Company, reviews strategic objectives and monitors the Company's performance against those objectives. The overall goals of the corporate governance process are to:

- drive shareholder value;
- assure a prudential and ethical base to the Company's conduct and activities; and
- ensure compliance with the Company's legal and regulatory obligations.

The Governance Principles adopted by the Board are designed to achieve these goals.

The full content of the Company's Governance Code and related policies and charters, can be found at the following link (<https://www.metodayinvestors.com/corporate-governance/>).

This statement is a summary of the Corporate Governance arrangements approved and observed by the Board as at 30 June 2022. The statement has been approved by the Board.

CODE OF ETHICS

The Board has documented a code of ethics, which can be found at <https://www.metodayinvestors.com/corporate-governance/>, detailing the ethical standards to which Me Today Limited's directors and employees are expected to adhere.

ROLE OF THE BOARD

The Board assumes the following primary responsibilities:

- formulation and approval of the strategic direction, objectives and goals of the Company;
- monitoring the financial performance of the Company, including approval of the Company's financial statements;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- review of performance and remuneration of directors and executive officers; and
- establishment and maintenance of appropriate ethical standards for the Company to operate by.

A formal Governance Code, which can be found at <https://www.metodayinvestors.com/corporategovernance/>, has been adopted by the Board and outlines directors' responsibilities. The Board internally evaluates its performance and continues to assess the size, diversity and skills of the Board.

BOARD COMPOSITION

In accordance with the Company's constitution the Board will comprise not less than three directors. The Board will be comprised of a mix of persons with complementary skills appropriate to the Company's objectives and strategies.

The Board currently comprises seven Directors, three of whom are Independent. The Board considers that, although it does not have a majority of independent board members per the NZX Corporate Governance Code Recommendation, it has the right balance for the current size and structure of the Company.

Independence of directors is assessed against the requirements of the NZX Listing Rules and the factors included in the Company's Governance Code.

Although the Chair of the Board is not Independent, the Board considers that for the size and structure of the Company, an Independent Chair is not required at this time.

BOARD MEETINGS

The Board aims to meet at least 11 times each year for scheduled meetings. Additional meetings are held where specific matters require attention between scheduled meetings. Board meetings are used to monitor, challenge, develop and fully understand business and operational issues.

The following table shows director attendance at meetings during the 15 month period ended 30 June 2022.

	Board	Audit, Finance & Risk Committee
G Baker	17	n/a
H Barrett	18	3
R Gower	18	3
M Kerr	18	3
R Pearson	7	n/a
S Sinclair	18	3
A Vriens	18	n/a

CRITERIA FOR BOARD MEMBERSHIP

When a vacancy arises, the Board will identify candidates with a mix of diversity, capabilities and perspectives considered necessary for the Board to carry out its responsibilities effectively. A director appointed by the Board must stand for election at the next Annual Meeting. No director shall hold office (without re-election) past the third annual meeting following that directors' appointment or three years, whichever is longer. Retiring directors are eligible for re-election.

BOARD COMMITTEES

The Board has established an Audit, Finance and Risk Committee and a Remuneration, Nomination and Health & Safety Committee.

The Audit, Finance and Risk Committee operates under a Charter approved by the Board and is accountable to the Board for: the business relationship with, and the independence of, external auditors; the reliability and appropriateness of the disclosure of the financial statements and external financial communication; and the maintenance of an effective business risk management framework including compliance and internal controls. The Audit, Finance and Risk Committee is chaired by Roger Gower with Stephen Sinclair, Hannah Barrett as members. Mr Gower and Ms Barrett are Independent Directors.

The Remuneration, Nominations and Health & Safety Committee operates under a Charter approved by the Board. The role of the Remuneration, Nominations and Health & Safety Committee is to consider the appointment of any future directors and their suitability to hold that position, the employment of senior executive employees of the Company, and reviewing Health & Safety policies to ensure the Company is providing a safe working environment for all employees and contractors. The Remuneration, Nominations and Health & Safety Committee is also responsible for considering the remuneration to be paid to executive employees and directors.

During the period under review, given the current size of the Board and composition of the sub committees, the Board incorporated all matters of the Remuneration, Nominations and Health & Safety Committee as a separate part of board meetings and accordingly the full board are in practice the members of the committee.

TRADING IN SHARES

The Company has a detailed Financial Markets Trading Policy applying to all directors and employees which can be found at <https://www.metodayinvestors.com/corporate-governance/>. The procedures outlined in this policy must be followed by all Directors and employees to obtain consent to trade in the Company's shares, at all times. Under the policy, trading restrictions (blackout periods) apply:

- two weeks before 31 December (previously 30 September, prior to change in balance date) until 48 hours after the half-year results are released to NZX;
- two weeks before 30 June (previously 31 March, prior to change in balance date) until 48 hours after the full-year results are released to NZX; and
- 30 days prior to release of an offer document (such as a product disclosure statement or prospectus) for a general public offer of the same class of shares.

Outside the black-out periods specified above, dealing is subject to the notification and consent requirements outlined in the policy.

MAKE TIMELY AND BALANCED DISCLOSURE

The Company has in place procedures designed to ensure compliance with the NZX Listing Rules such that all investors have equal and timely access to material information concerning the Company, including its financial situation, performance, ownership and governance.

Company announcements are factual and presented in a clear and balanced way.

Significant market announcements, including the preliminary announcement of the half year and full year results, and the financial statements for those periods, require review by the Board prior to release.

The Group's Market Disclosure Policy to ensure it complies with its continuous disclosure obligations at all times can be found at <https://www.metodayinvestors.com/corporate-governance/>.

HEALTH AND SAFETY

The Group's Board is responsible for oversight of the Company's health and safety risks. Creating a safe working environment for any employees or contractors is a key focus. Health and safety issues are a separate agenda item on every board meeting where the Board monitors, supports and completes its own due diligence on the health and safety practices.

DIVERSITY POLICY

The Group recognises the wide-ranging benefits that diversity brings to an organisation. The Company endeavours to incorporate diversity to ensure a balance of skills and perspectives are available to benefit our shareholders, which is reflected in the Company's Diversity Policy, which can be found at <https://www.metodayinvestors.com/corporate-governance/>.

As at 30 June 2022, the gender balance of the Company's directors and officers was as follows:

	2022		2021	
	Female	Male	Female	Male
Directors	1	6	1	5
Officers (excluding directors)	-	-	-	-
Total	1	6	1	5

CORPORATE GOVERNANCE BEST PRACTICE CODE

The Group has followed the recommendations in the NZX Corporate Governance Code in all material aspects, with the following exceptions:

Reference	Recommendation	Alternative Governance Practice and Reason for the Practice
Recommendation 2.8	A majority of the board should be independent directors.	The Board considers that, although it does not have a majority of independent board members, it has the right balance for the current needs of the Company.
Recommendation 2.9	An issuer should have an independent chair of the board. If the chair is not independent, the chair and the CEO should be different people.	Grant Baker, the current chair is not considered to be an independent director as MTL Securities Limited, a company in which he is a director, is a substantial product holder of Me Today. Mr Baker has been appointed as Chair due to the level of expertise that he brings in relation to the Company's current growth focus.
Recommendation 4.3	An issuer should provide non-financial disclosure at least annually, including considering environmental, economic and social sustainability factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the board.	Me Today has provided limited reporting on environmental, economic and social sustainability factors to date while it focuses on growing sales. The wellbeing of its customers, employees and other stakeholders is important to Me Today, as is its social responsibility and environmental impact. The Company will implement and report on appropriate non-financial measures in future periods.
Recommendation 8.5	The board should ensure that the notices of annual or special meetings of quoted equity security holders is posted on the issuer's website as soon as possible and at least 20 working days prior to the meeting.	<p>The notice of a Special Meeting was released on 9 June 2021, being 13 working days prior to the meeting held on 25 June 2021 to enable the acquisition of King Honey Limited to be completed by 30 June 2022.</p> <p>The notice of a Special Meeting was released on 2 March 2022, being 13 working days prior to the meeting held on 18 March 2022 to enable completion of the Company's \$6m share placement without undue delay.</p>



Shareholder & Statutory Information



Statutory Information

FOR THE 15 MONTHS ENDED 30 JUNE 2022

Listing

The Company's shares are listed on the NZX Main Board Market operated by NZX Limited.

20 largest holdings of quoted ordinary shares as at 24 August 2022

Name	No. of shares	% of voting Shares
MTL SECURITIES LIMITED	436,578,473	34.16
TERRENCE WAYNE JARVIS & JARVIS BURNES TRUSTEE LIMITED	139,204,546	10.89
FORSYTH BARR CUSTODIANS LIMITED <ACCOUNT 1 E>	72,973,232	5.71
CUSTODIAL SERVICES LIMITED <A/C 4>	60,650,785	4.75
NEW ZEALAND DEPOSITORY NOMINEE LIMITED <A/C 1 CASH ACCOUNT>	48,333,920	3.78
ASB NOMINEES LIMITED <184183 A/C>	35,000,000	2.74
HUNTER HOLDINGS LIMITED	35,000,000	2.74
JPMORGAN CHASE BANK NA NZ BRANCH-SEGREGATED CLIENTS ACCT - NZCSD <CHAM24>	31,545,455	2.47
JAMES PATRICK KEOGH	24,288,971	1.90
MARVEL FANTASY LIMITED	20,000,000	1.56
WAITARA TRUSTEE LIMITED	16,480,000	1.29
BETALERT LIMITED	13,750,000	1.08
APZ LIMITED	13,307,547	1.04
RHONDA LILLIAN PRESTON	11,534,091	0.90
ILAKOLAKO INVESTMENTS LIMITED	10,927,273	0.86
ASHVEGAS LIMITED	10,250,000	0.80
FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	9,357,071	0.73
WALLFLOWER LIMITED	8,933,400	0.70
FOSTER CAPITAL NZ LIMITED	8,500,001	0.67
WAYNE WRIGHT & CHLOE WRIGHT <OJW A/C>	8,009,091	0.63

Note: MTL Securities Limited has a total shareholding of 684,613,636 shares as at 24 August 2022 of which 248,035,163 are classified as non-voting and are not quoted on the NZX Main Board.

Distributions of ordinary shares as at 24 August 2022

Size of Holding	Number of Security Holders		Number of Securities	
	Number	%	Number	%
5,000,001 or more	30	3.64%	1,076,698,212	84.25%
1,000,001-5,000,000	48	5.83%	111,899,437	8.75%
500,001-1,000,000	39	4.73%	26,703,081	2.09%
100,001-500,000	193	23.42%	46,734,506	3.66%
1-100,000	514	62.38%	15,978,085	1.25%
	824	100%	1,278,013,321	100%

The above distribution does not include the non-voting ordinary shares held by MTL Securities Limited which are not quoted on the NZX Main Board.

Substantial security holders

Pursuant to Section 293 of the Financial Markets Conduct Act 2013, the following are details of substantial financial product holders and their total relevant interests as at 30 June 2022.

Name	No. of Shares	Relevant Interest	% of shares
MTL SECURITIES LIMITED	397,527,430	Beneficial owner	34.16
TERRENCE WAYNE JARVIS & JARVIS BURNES TRUSTEE LIMITED	139,204,546	Joint holder	11.96

MTL Securities Limited has a total of 684,613,636 shares of which 287,086,206 are classified as non-voting as at 30 June 2022.

Directors

The names of the directors of Me Today Limited and its subsidiaries holding office during the 15 months to June 2022 are listed below:

Me Today Limited	G Baker H Barrett R Gower M Kerr R Pearson (appointed 29 November 2021) S Sinclair A Vriens
The Good Brand Company Limited	G Baker M Kerr S Sinclair
King Honey Limited	G Baker M Kerr S Sinclair
Me Today NZ Limited Me Today Manuka Honey Limited Today Limited Me Today USA Inc.	M Kerr S Sinclair
Pure Manuka Limited King Honey Health Products Limited Bee Plus Manuka NZ Limited	M Kerr S Sinclair
Me Today UK Group Limited	M Kerr S Sinclair L Seaton
Me Today EU Limited	M Kerr S Sinclair C Egan
Me Today AU Limited	M Kerr S Sinclair F Henderson

Directors' shareholding at 30 June 2022

G Baker, M Kerr and S Sinclair have a joint relevant interest in 397,527,430 voting shares and 287,086,206 non-voting shares in the Company. H Barrett holds relevant interest in 1,659,245 shares in the Company. R Gower holds a relevant interest in 1,260,710 shares in the Company. A Vriens holds a relevant interest in 4,882,377 shares in the Company.

Independent directors

The Board consider H Barrett, R Gower and A Vriens to be independent.

Directors' remuneration

Details of the nature and the amount of remuneration paid to each director for the 15 months ended 30 June 2022 are:

	Directors' fees NZ\$000	Salary NZ\$000	Consulting fees NZ\$000	Total NZ\$000
Directors' fees and salary				
G Baker (Chairman)	118	-	-	118
H Barrett	94	-	-	94
R Gower	94	-	-	94
M Kerr (CEO)	-	281	-	281
R Pearson	44	-	-	44
S Sinclair	94	-	156	250
A Vriens	94	-	-	94
Total remuneration of directors	538	281	156	975

No director of a subsidiary receives or retains any remuneration or other benefits from Me Today for acting as such.

The remuneration arrangement with the CEO is a base salary of \$250,000 and a target driven bonus of \$25,000 for the 2023 financial year.



Directors' interests

The directors provided the following disclosure of interests in which, due to the nature of their relationship, may be related parties to Me Today Limited.

Grant Baker Baker Consultants Limited MTL Securities Limited Velocity Capital GP Limited	Director / Shareholder Director Director / Shareholder
Roger Gower Roger Gower and Associates Limited	Director / Shareholder
Michael Kerr The Good Brand Company Limited M & N Kerr Holdings Limited MTL Securities Limited	Employee Director / Shareholder Director
Richard Pearson Mei Mei Limited	Director / Shareholder
Stephen Sinclair MTL Securities Limited Velocity Capital GP Limited Stephen Sinclair Consulting Limited	Director Director / Shareholder Director / Shareholder
Hannah Barrett BB Promotions Limited	Shareholder
Antony Vriens Insight Consulting Services Limited	Director / Shareholder

In addition, Directors disclosed the following interests during the period:

The Group has provided insurance for, and indemnity to, directors and employees of the Company and its subsidiaries for losses from actions undertaken in the course of their duties, unless the liability related to conduct involving lack of good faith.

G Baker, M Kerr and S Sinclair have jointly disclosed the purchase of 42,613,636 shares for \$3,750,000 million on 22 March 2022 and 420,000,000 shares for \$4,200,000 on 29 June 2022.

A Vriens has disclosed the purchase of 321,871 shares for \$14,062.50 on 30 May 2022 and 712,575 shares for \$7,125.75 on 29 June 2022.

R Gower has disclosed the purchase of 321,871 shares for \$14,062.50 on 30 May 2022 and 3,411,778 shares for \$34,117.78 on 29 June 2022.

H Barrett has disclosed the purchase of 321,871 shares for \$14,062.50 on 30 May 2022.

In addition, H Barrett has separately entered into a marketing services agreement for the 15 months ended 31 June 2022. The agreement is to be renewed annually. The quarterly fee is \$3,750 payable at the end of each quarter.

Stephen Sinclair has disclosed a contract for services to the Group by Stephen Sinclair Consulting Limited.

Indemnification and insurance of directors and officers

As permitted by the New Zealand Companies Act 1993, the Group has provided insurance for, and indemnity to, directors and employees of the Company and its subsidiaries for losses from actions undertaken in the course of their duties, unless the liability related to conduct involving lack of good faith.

Remuneration of employees

The table below shows the number of employees and former employees (excluding Executive Directors) in the Group receiving remuneration and other benefits in their capacity as employees, the value of which was equal to or exceeded \$100,000 for the 15 months ended 30 June 2022.

Employee remuneration range	15 months to 30 June 2022	12 months to 31 March 2021
	Number of employees	Number of employees
\$100,001- \$110,000	1	-
\$110,001 - \$120,000	1	-
\$120,001- \$130,000	1	-
\$130,001 - \$140,000	2	-
\$140,001 - \$150,000	1	-
\$150,001 - \$160,000	2	1
\$170,001 - \$180,000	1	-
\$200,001 - \$210,000	1	-
\$280,001 - \$290,000	1	-

Auditor

BDO Auckland is the auditor for the Group. Audit fees due and payable to the auditor (excluding GST) as at 30 June 2022 were \$101,000. BDO also had \$10,000 of tax and general accounting advisory services due and payable as at 30 June 2022.

Donations

No donations were paid by the Group during the 15 months ended 30 June 2022.

NZX Waivers

There are no NZX waivers relied upon during the 15 months ended 30 June 2022.

Company directory

Registered Office

Level 1, 25 Broadway
Newmarket
Auckland 1141
New Zealand

Postal Address

PO Box 109047
Newmarket
Auckland 1023

Bankers

BNZ
Deloitte Building
80 Queens Street
Auckland 1010
New Zealand

Lawyers

Chapman Tripp
Level 34, PWC Tower
15 Custom Street West
Auckland 1010
New Zealand

Share Registry

Computershare Investor Services Limited
159 Hurstmere Road
Takapuna
Auckland

Private Bag 92119
Auckland 1142
New Zealand

Auditor

BDO Auckland
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Auckland
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