

29 November 2021

Me Today results for the six months ended 30 September 2021 and announcement of conditional placement

Me Today Limited (NZX: MEE) has released its unaudited group results for the six months ended 30th September 2021.

The result includes ninety days trading of the King Honey business since acquisition on 30 June 2021 together with six months trading for the Me Today Group.

The result for the group records net sales of \$2.4m and net loss before tax of \$2.8m.

The company advised the market on the 23rd of September that the largest customer relationship for the King Honey business was the arrangement relating to the BEE+ Brand. In discussions with the BEE+ brand manager and channel owner, Me Today established that sales would be lower than expected due to the higher than anticipated inventory levels of BEE+ products in market in China.

Me Today has continued discussions with the Chinese channel partner in respect to future orders post their reports of a successful 11.11 trading period which consumed a significant amount of their inventory. However the group has not yet finalised forward orders for 2022. Given the uncertainty around timing of these orders the company now expects sales for the 2022 financial year for King Honey under the ownership of Me Today to be between \$5m and \$7m, which will create some cashflow pressure.

In order to lessen the cashflow impact, the company's major shareholders MTL Securities Limited and the Jarvis Trust have agreed to invest additional cash of \$6m through a share placement, conditional upon shareholder approval at a meeting to be held in February 2022. The shares will be 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 has agreed to contribute \$3.75m and the Jarvis Trust \$2.25m. It should be noted that there are no outstanding issues between the parties.

With the commitment to increased investment by Jarvis Trust, the board of Me Today has accepted a request to appoint a director to represent the trust's interests. Accordingly, Richard Pearson will be appointed to the board effective immediately. Richard has many years of experience in various board roles and currently sits on the boards of Wellington Electricity, Envirowaste Limited, New Image Limited and Dominion Salt Limited. In addition Richard has many connections in Asia and China in particular. Richard will be a valued member of the board and he will be well placed to assist the business in delivering to its strategy of international growth.

It should also be noted that the King Honey business incurs a significant portion of its annual costs in the harvesting season from November through to April. Inventory is built up during this time, and at the conclusion of the current harvest, honey inventory is expected to be approximately \$20m at wholesale value. Therefore while cash expenses are high a significant asset is being built.

In respect to underlying trading of each of the divisions the company advises as follows:

King Honey

- Through its brand principal and distribution partner King Honey launched BEE+ Lozenges mid 2021, early indications are that these have sold through well. Further BEE+ product development continues with snaps, high-end Manuka honey and other honey related products.
- The refresh of the SuperLife brand is complete with the new range now available for launch in New Zealand and internationally. The refresh creates a clean fresh look for the brand and allows SuperLife to expand its retail footprint both in bricks and mortar retail as well as online.
- Through The Good Brand Company, the newly launched Superlife brand will be sold to selected retailers around New Zealand.
- The SuperLife range has been accepted by a large customer in the United Kingdom who will sell through online channels and a significant number of retail stores. Product is shipping in December.
- The set-up of Superlife on Amazon in the United Kingdom and other selected markets is also underway with launch on Amazon first quarter of 2022.
- Discussions are advanced with a distributor in Germany with an intended launch date in market of February 2022.
- The business has developed relationships in the OEM space with some medium to long term business relationships emerging from this work.
- The 2022 manuka honey season is underway with hives in the manuka flow in the North of New Zealand. The company expects to have 18,500 hives placed through the full 2022 season.

Me Today

- Due to changes in the New Zealand Pharmacy channel driven by COVID-19 and increased competition, the retail distribution agreement with Green Cross Health was reviewed. The brand has now expanded its reach into other retailers including further expanding the number of independent pharmacies stocking Me Today, launching Me Today into Chemist Warehouse NZ stores, Hardy's Health stores, as well as launching Me Today online with Pharmacy Direct. Discussions with selected other retailers also continue.
- A range of five supplements and twelve skincare products are now stocked in over 90 Pharmacies in Ireland. Me Today's distribution partner in Ireland is confident in further expansion opportunities throughout 2022.
- Me Today was activated in Japan, from a brand perspective, throughout September and October and launched in November 2021. The brand is being well accepted in this market with Mash Beauty Co Lab, Me Today's Japanese distributor already placing a second order.
- Nine TGA approved supplements and eleven skincare products have been formatted for the Australian market and launched through Adore Beauty November 2021.
- Me Today will also launch a new Me Today Women's Daily Essentials gift pack for Christmas with stock on shelf early December 2021. New product development continues within the existing core categories of supplements and skincare.
- The Me Today Manuka Honey range has been developed and negotiations are underway with existing distribution partners for launch in the first quarter of 2022.

- Me Today continues to market actively through social media, radio and print and works collaboratively with its ambassadors Beauden Barrett, Sarah Walker and Hannah Barrett along with many other friends of the brand.

The Good Brand Company

- The Good Brand Company represents the Life Space, Artemis and Sleep Drops brands from a sales perspective into Pharmacy and Health Stores nationwide. The Good Brand Company continues to build its reputation as a reliable supplier to these channels.

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