Me Today Limited

Unaudited
Condensed Interim
Consolidated Financial Statements

For the twelve months ended 31 March 2022

Contents

Me Today Limited

Consolidated Statement of Comprehensive Income

For the twelve months ended 31 March 2022

	Note	12 mths ended 31 Mar 2022 (unaudited)	12 mths ended 31 Mar 2021 (audited)
		NZ$000	NZ$000
Revenue before marketing services provided by a customer		**7,593**	**1,455**
Less marketing services provided by a customer		(377)	(312)
Revenue	4	**7,216**	**1,143**
Cost of sales		(4,554)	(463)
Selling and marketing expenses		(3,057)	(2,659)
Distribution expenses		(539)	(97)
Administrative and other operating expenses		(4,104)	(851)
Finance income		13	73
Finance expenses	5	(492)	(6)
Acquisition related costs	17.1	(368)	-
Operating loss before revaluations, impairments and income tax		**(5,885)**	**(2,860)**
Fair value loss on harvested honey	13	(1,149)	-
Fair value loss on biological assets	12	(305)	-
Write down of assets held for sale	9	(566)	-
Impairment of goodwill	17.5	(9,900)	-
Loss before income tax	5	**(17,805)**	**(2,860)**
Income tax expense		-	-
Loss for the period attributable to owners of the company		**(17,805)**	**(2,860)**
Total comprehensive loss for the period attributable to owners of the company		**(17,805)**	**(2,860)**
Earnings (loss) per share:			
Basic and diluted loss per share (NZ$)	7	(0.028)	(0.007)

These interim financial statements have not been audited, nor reviewed by the auditor. The accompanying notes form part of these interim financial statements and should be read in conjunction with them.

Me Today Limited

Consolidated Statement of Changes in Equity

For the twelve months ended 31 March 2022

	Note	Share capital	Share based payments reserve	Accumulated losses	Total equity
		NZ$000	**NZ$000**	**NZ$000**	**NZ$000**
Balance at 1 April 2020 (audited)		**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 period	16	4,500	-	-	4,500
Less: share issue costs		(181)	-	-	(181)
Share options issued		-	21	-	21
Other share based payments		-	89	-	89
Balance at 31 March 2021 (audited)		**13,669**	**110**	**(7,887)**	**5,892**
Balance at 1 April 2021 (audited)		**13,669**	**110**	**(7,887)**	**5,892**
Total comprehensive income					
Loss attributable to owners of the company		-	-	(17,805)	(17,805)
Transactions with owners					
Shares issued during the period	16	21,890	(111)	-	21,779
Less: share issue costs		(854)	-	-	(854)
Shares issued on acquisition of subsidiaries	17	10,000	-	-	10,000
Shares bought back and cancelled	16	(2)	-	-	(2)
Share options issued		-	25	-	25
Other share based payments		-	112	-	112
Balance at 31 March 2022 (unaudited)		**44,703**	**136**	**(25,692)**	**19,147**

These interim financial statements have not been audited, nor reviewed by the auditor. The accompanying notes form part of these interim financial statements and should be read in conjunction with them.

Me Today Limited

Consolidated Statement of Financial Position

As at 31 March 2022

	Note	31 Mar 2022 (unaudited)	31 Mar 2021 (audited)
		NZ$000	NZ$000
ASSETS			
Current assets			
Cash and cash equivalents		1,146	1,195
Short term deposits		-	3,804
Trade and other receivables		2,564	418
Inventory	8	17,070	934
Assets held for sale	9	858	-
Taxation receivable		36	23
Total current assets		**21,674**	**6,374**
Non-current assets			
Property, plant and equipment	10	4,248	91
Right-of-use assets	11	1,556	176
Biological assets	12	2,013	-
Goodwill	17	6,066	-
Other intangible assets		91	73
Total non-current assets		**13,974**	**340**
Total assets		**35,648**	**6,714**
LIABILITIES			
Current liabilities			
Trade and other payables		2,595	629
Lease liabilities	14	672	79
Borrowings	15	1,817	-
Total current liabilities		**5,084**	**708**
Non-current liabilities			
Lease liabilities	14	781	114
Borrowings	15	10,636	-
Total non-current liabilities		**11,417**	**114**
Total liabilities		**16,501**	**822**
Net assets		**19,147**	**5,892**
EQUITY			
Share capital	16	44,703	13,669
Share based payments reserve		136	110
Accumulated losses		(25,692)	(7,887)
Total equity		**19,147**	**5,892**

For and on behalf of the Board on 30 May 2022:

Grant Baker

Michael Kerr

These interim financial statements have not been audited, nor reviewed by the auditor. The accompanying notes form part of these interim financial statements and should be read in conjunction with them.

Me Today Limited

Consolidated Statement of Cash Flows

For the twelve months ended 31 March 2022

	Note	12 mths ended 31 Mar 2022 (unaudited) NZ$000	12 mths ended 31 Mar 2021 (audited) NZ$000
Cash flows from operating activities			
Receipts from customers		5,682	1,384
Payments to suppliers and employees		(15,303)	(4,774)
Interest received		13	69
Income tax refunded (paid)		(12)	(13)
Net cash used in operating activities	20	**(9,620)**	**(3,334)**
Cash flows from investing activities			
Cash paid on acquisition of subsidiaries	17	(21,000)	-
Cash received on acquisition of subsidiaries	17	209	-
Acquisition related costs		(368)	-
Investments in short term deposits		3,804	(3,800)
Payments for property, plant and equipment		(270)	(98)
Payments for intangibles		(12)	(21)
Net cash used in investing activities		**(17,637)**	**(3,919)**
Cash flows from financing activities			
Proceeds from issue of share capital		21,248	4,500
Share capital issue costs		(352)	(181)
Payments to buy back shares		(2)	-
Proceeds from bank borrowings		8,500	-
Repayment of principal on borrowings		(1,198)	-
Interest paid on borrowings		(296)	-
Payment of lease liabilities		(652)	(33)
Interest paid on lease liabilities		(40)	(6)
Net cash flows from financing activities		**27,208**	**4,280**
Net increase/(decrease) in cash and cash equivalents		**(49)**	**(2,973)**
Cash and cash equivalents at 1 April		1,195	4,168
Cash and cash equivalents at 31 March		**1,146**	**1,195**

These interim financial statements have not been audited, nor reviewed by the auditor. The accompanying notes form part of these interim financial statements and should be read in conjunction with them.

1. General information

Me Today Limited ('MTL' or '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, will prepare full audited consolidated financial statements for the 15 months ended 30 June 2022. Due to the change in reporting date the Company has prepared these unaudited interim condensed consolidated financial statements for the 12 months ended 31 March 2022.

The interim condensed consolidated financial statements presented are for Me Today Limited and its subsidiaries (together 'the Group'). Details of subsidiary companies and their principal activities are set out in note 18.

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

These unaudited interim condensed consolidated financial statements for the 12 months ended 31 March 2022 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'), with New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting ('NZ IAS 34'), with International Accounting Standard 34: Interim Financial Reporting ('IAS 34'), and with the requirements on the NZX Listing Rules.

Me Today Limited is a company registered under the Companies Act 1993 and is an FMC reporting entity under the Financial Markets Conduct Act 2013. The Company is listed on the NZX Main Board.

The interim condensed consolidated financial statements do not include all of the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the financial statements included in the annual report for the year ended 31 March 2021 which have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

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

The interim condensed consolidated financial statements are unaudited. The comparative information for the year ended 31 March 2021 is audited.

2.1. Basis of measurement

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

2.2. 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 interim 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 to note 17.2). The reduced level of sales through this distribution partner has been a key consideration in the Group's decision to downsize its beekeeping operations (refer note 23.1). The financial impact of the downsizing, the assessed impairment in goodwill (refer note 17.5) 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.

2.3. Going concern

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

The Group incurred a loss of $17.8 million in the 12 months to 31 March 2022 (12 months to 31 March 2021: $2.86 million loss). The Group's net cash outflows from operating activities during the 12 months was $9.6 million (2021: $3.3 million). At reporting date the Group had cash of $1.1 million (2021: $1.2 million), working capital of $16.6 million (2021: $5.7 million) and net assets of $19.1 million (2021: $5.9 million). The Group had bank loans of $7.3 million (2021: nil) and $5.15 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 and support from shareholders (discussed below), that will enable it to meet its financial obligations for the foreseeable future.

For this reason, the Board considers the adoption of the going concern basis in preparing the unaudited interim condensed consolidated financial statements for the 12 months ended 31 March 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 interim consolidated financial statements, and to circumstances which it considers will occur after that date which will affect the validity of the going concern basis.

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 interim condensed 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:

On 29 November 2021 the Company announced subject to shareholder approval, and on 22 March 2022 following shareholder approval completed, a placement of $6 million through the issue of 68,181,818 fully paid ordinary shares to assist the Group meet its operational and working capital funding requirements including the repayment of its bank overdraft.

On 29 May 2022, the Board decided to undertake a further capital raise of up to $10 million. The capital raise is expected to be completed by 30 June 2022. The Company's largest shareholder, MTL Securities Limited, has agreed to apply for $4.2 million of new shares (comprising its $3.4 million entitlement and the balance as oversubscriptions).

The Group's banker, Bank of New Zealand, has confirmed that it will keep the Group's existing bank facilities in place (refer note 15) on the basis of MTL Securities Limited's shareholder support. The bank has agreed to a 12-month amortisation relief period with a six-month review. 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.

3. Changes in Significant Accounting Policies

The interim condensed 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 detailed below which have been implemented in response to the acquisition of King Honey. For details of the accounting policies for the year ended 31 March 2021 please refer to the 2021 Annual Report.

3.1. Business combinations

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

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.

3.2. 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.

3.3. Inventories

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. Point-of-sale costs include all costs that would be necessary to sell the assets.

3.4. 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.

3.5. 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.

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.

The growth in the biological work in progress in the period from the 2021 harvest to 30 June 2021 (the date of acquisition of King Honey) could not be reliably measured at fair value due to the variables in hive growth and honey production between 1 April 2021 and the acquisition date. Therefore, as required under NZ IAS 41, the cost of agricultural activity (beekeeping costs) in the pre-acquisition period to 30 June 2021 was capitalised and recognised as the value of biological work in progress at acquisition date (refer note 17.1).

At 31 March 2022 the biological work in progress could be reliably measured at fair value as all honey had been harvested and tested. At that point the total biological work in progress asset was recognised as inventory. An unrealised loss on honey harvest was recognised in the loss for the period (refer note 13).

3.6. 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 following depreciation rates are used in the calculation:

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

3.7. Assets held for sale

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.

4. Revenue

	12 mths ended 31 Mar 2022 (unaudited)	12 mths ended 31 Mar 2021 (audited)
	NZ$000	NZ$000
Revenue from sale of health and wellbeing products before marketing services provided by customers	2,571	932
Less marketing services provided by customers	(377)	(312)
Revenue from sale of health and wellbeing products	2,194	620
Revenue from sale of honey products	4,614	-
Revenue from agency services	408	523
Total revenue	**7,216**	**1,143**

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

$214,000 of the Group’s revenue was generated in Europe. All other revenue was generated in New Zealand. Revenue is allocated geographically based upon jurisdiction in which the revenue is recognised for taxation purposes.

5. Expenses

The loss for the period includes the following expenses.

	12 mths ended 31 Mar 2022 (unaudited)	12 mths ended 31 Mar 2021 (audited)
	NZ$000	NZ$000
Salaries	(5,197)	(1,212)
Employer kiwisaver contributions	(122)	(30)
Directors' fees	(420)	(329)
Depreciation and amortisations:		
Depreciation of property, plant and equipment	(741)	(30)
Depreciation of right of use assets	(526)	(50)
Amortisation of intangible assets	(4)	(10)
	(1,271)	(90)
Depreciation and amortisation are allocated as follows:		
Included in the operating loss	(772)	(90)
Capitalised to biological WIP	(499)	-
	(1,271)	(90)

	12 mths ended 31 Mar 2022 (unaudited)	12 mths ended 31 Mar 2021 (audited)
	NZ$000	NZ$000
Finance expenses:		
Interest on lease liabilities	(46)	(6)
Interest on borrowings	(446)	-
	(492)	(6)
Auditor's remuneration:		
For the current year audit	(82)	(57)
For tax services and accounting advisory services	(8)	(17)
Total auditor's remuneration	(90)	(74)

6. Segment information

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

	Twelve months ended 31 March 2022					Twelve months ended 31 March 2021				
	Sale of goods	Agency services	Honey	Other / unallocated	Total	Sale of goods	Agency services	Honey	Other / unallocated	Total
	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000
Revenue before marketing services provided by a customer	2,571	408	4,614	-	7,593	932	523	-	-	1,455
Less marketing services provided by a customer	(377)	-	-	-	(377)	(312)	-	-	-	(312)
Total external revenue	2,194	408	4,614	-	7,216	620	523	-	-	1,143
Total inter-segment revenue					-	-	-	-	-	-
Total operating EBITDA	(1,535)	(278)	(1,207)	(1,246)	(4,266)	(1,764)	(91)	-	(982)	(2,837)
Finance income	-	-	-	13	13	-	-	-	73	73
Finance expenses	-	-	(492)	-	(492)	-	-	-	(6)	(6)
Depreciation and amortisation	(16)	(6)	(652)	(98)	(772)	(21)	(8)	-	(61)	(90)
Acquisition expenses	-	-	-	(368)	(368)	-	-	-	-	-
Fair value loss on harvested honey	-	-	(1,149)	-	(1,149)	-	-	-	-	-
Fair value loss on biological assets	-	-	(305)	-	(305)	-	-	-	-	-
Write down of assets held for sale	-	-	(566)	-	(566)	-	-	-	-	-
Impairment of goodwill	-	-	(9,900)	-	(9,900)	-	-	-	-	-
Net loss before taxation	(1,551)	(284)	(14,271)	(1,699)	(17,805)	(1,785)	(99)	-	(976)	(2,860)
Income tax expense	-	-	-	-	-	-	-	-	-	-
Net loss for the year	(1,551)	(284)	(14,271)	(1,699)	(17,805)	(1,785)	(99)	-	(976)	(2,860)

	As at 31 March 2022					As at 31 March 2021				
	Sale of goods	Agency services	Honey	Other / unallocated	Total	Sale of goods	Agency services	Honey	Other / unallocated	Total
	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000
Segment assets	2,282	178	32,052	1,136	35,648	1,319	128	-	5,267	6,714
Segment liabilities	549	75	15,397	480	16,501	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.

6.1. Seasonal and cyclical influences

The Group’s honey production operations have seasonal influences. Over winter, hives are downsized and operating costs are primarily spent on maintaining hives and operations. Honey production occurs from early spring to late summer with the majority of honey harvest occurring from January to March. Operating costs increase during the honey production and harvest months. Beekeeping costs are deferred and recognised as biological work in progress up until harvest, at which point they are transferred to inventory. Sales of honey occur throughout the year and the cost of honey sold is recognised at the same time.

There are no seasonal or cyclical influences on the sale of goods or agency services operations.

7. Earnings per share

	12 mths ended 31 Mar 2022 (unaudited)	12 mths ended 31 Mar 2021 (audited)
Basic and diluted earnings/(loss) per share (NZ$)	(0.028)	(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)	(17,805)	(2,860)
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share ('000)	634,784	398,691

At 31 March 2022, there were no financial instruments that carried any shareholder dilution rights that were considered to be dilutive (2021: none). The 3,000,000 share options on issue where not considered to be dilutive due to the Group’s loss.

8. Inventory

	31 Mar 2022 (unaudited)	31 Mar 2021 (audited)
	NZ$000	NZ$000
Raw materials	13,850	-
Finished goods	2,490	647
Packaging materials	730	287
	17,070	**934**

9. Assets held for sale

	31 Mar 2022 (unaudited)	31 Mar 2021 (audited)
	NZ$000	**NZ$000**
Property, plant and equipment	269	-
Biological assets	589	-
	858	**-**

	31 Mar 2022 (unaudited)	31 Mar 2021 (audited)
	NZ$000	**NZ$000**
Balance at 1 April	**-**	**-**
Reclassified from property, plant & equipment:		
- cost	516	-
- accumulated depreciation	(58)	-
Net book value reclassified from property, plant & equipment	458	-
Reclassified from biological assets	965	-
Write down of assets held for sale	(566)	-
Balance at 31 March	**858**	**-**

The Board has decided to downsize its beekeeping operations (refer note 23.1). 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 the lower of their carrying value and the anticipated sales price.

10. Property, plant and equipment

	Plant, vehicles and equipment	Office equipment and furniture	Leasehold improvements	Total
	NZ$000	NZ$000	NZ$000	NZ$000
Cost:				
Balance at 1 April 2020	**10**	**28**	**-**	**38**
Additions	-	67	31	**98**
Balance at 31 March 2021	**10**	**95**	**31**	**136**
Additions	286	40	1	**327**
Acquisition of subsidiary	4,698	62	335	**5,095**
Transferred to assets held for sale	(516)	-	-	**(516)**
Disposals	(95)	-	-	**(95)**
Balance at 31 March 2022	**4,383**	**197**	**367**	**4,947**
Accumulated depreciation:				
Balance at 1 April 2020	**(2)**	**(13)**	**-**	**(15)**
Depreciation expense	(2)	(22)	(6)	**(30)**
Balance at 31 March 2021	**(4)**	**(35)**	**(6)**	**(45)**
Depreciation expense	(654)	(52)	(35)	**(741)**
Transferred to assets held for sale	58	-	-	**58**
Disposals	29	-	-	**29**
Balance at 31 March 2022	**(571)**	**(87)**	**(41)**	**(699)**

	Plant, vehicles and equipment	Office equipment and furniture	Leasehold improvements	Total
	NZ$000	NZ$000	NZ$000	NZ$000
Carrying Amounts:				
31 March 2021				
Cost	10	95	31	136
Accumulated depreciation	(4)	(35)	(6)	(45)
Carrying amounts	**6**	**60**	**25**	**91**
31 March 2022				
Cost	4,383	197	367	4,947
Accumulated depreciation	(571)	(87)	(41)	(699)
Carrying amounts	**3,812**	**110**	**326**	**4,248**

11. Right-of-use asset

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

	Premises	Hive placements	Total
	NZ$000	NZ$000	NZ$000
Cost:			
Balance at 1 April 2020 (audited)	-	-	-
Additions	226	-	226
Balance at 31 March 2021 (audited)	**226**	**-**	**226**
Additions	296	313	609
Lease modifications *	(82)	(626)	(708)
Acquisition of subsidiary	934	1,071	2,005
Balance at 31 March 2022 (unaudited)	**1,374**	**758**	**2,132**
Accumulated amortisation:			
Balance at 1 April 2020 (audited)	-	-	-
Depreciation expense	(50)	-	(50)
Balance at 31 March 2021 (audited)	**(50)**	**-**	**(50)**
Depreciation expense	(283)	(243)	(526)
Balance at 31 March 2022 (unaudited)	**(333)**	**(243)**	**(576)**

	Premises	Hive placements	Total
	NZ$000	NZ$000	NZ$000
Carrying Amounts:			
31 March 2021			
Cost	226	-	226
Accumulated amortisation	(50)	-	(50)
Carrying amounts (audited)	**176**	**-**	**176**
31 March 2022			
Cost	1,374	758	2,132
Accumulated depreciation	(333)	(243)	(576)
Carrying amounts (unaudited)	**1,041**	**515**	**1,556**

* Lease modifications – the Group has reassessed the likely period of renewal of leases impacted by the restructure (refer note 23.1) and adjusted the related right-of-use assets and lease liabilities accordingly.

12. Biological assets

	31 Mar 2022 (unaudited)	31 Mar 2021 (audited)
	NZ$000	NZ$000
Bees:		
Balance at 1 April	**-**	**-**
Acquisition of subsidiary	3,283	-
Reclassified to assets held for sale (note 9)	(965)	-
Fair value loss on biological assets	(305)	-
Balance at 31 March	**2,013**	**-**

The bees biological assets consist of Hives and Nucs.

	31 Mar 2022 (unaudited)	31 Mar 2021 (audited)
	number of	number of
Hives:		
Balance at 1 April	**-**	**-**
Acquisition of subsidiary	15,595	-
Net movement in operational hives	(1,709)	-
Hives classified as assets held for sale (note 9)	(3,650)	-
Hives included in biological assets at 31 March	**10,236**	**-**
Nucleus colonies (Nucs):		
Balance at 1 April	**-**	**-**
Acquisition of subsidiary	**3,660**	-
Net movement in operational nucs	-	-
Nucs classified as assets held for sale (note 9)	(2,300)	-
Nucs included in biological assets at 31 March	**1,360**	**-**

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 and queens.

13. Biological work in progress

	31 Mar 2022 (unaudited) NZ$000	31 Mar 2021 (audited) NZ$000
As at 1 April	**-**	**-**
Recognised on acquisition of King Honey	1,437	-
Current period beekeeping costs	6,652	-
Fair value loss on harvested honey	(1,149)	-
Honey recognised as inventory on harvest	(6,940)	-
As at 31 March	**-**	**-**

14. Lease liability

	31 Mar 2022 (unaudited) NZ$000	31 Mar 2021 (audited) NZ$000
Maturity analysis - contractual undiscounted cash flows		
Up to one year	701	86
One to two years	413	88
Two to five years	649	29
More than five years	94	-
Total undiscounted lease liabilities at period end	1,858	203

Lease liabilities included in the statement of financial position at balance date		
Current	672	79
Non-current	781	114
	1,453	193

15. Borrowings

	31 Mar 2022 (unaudited) NZ$000	31 Mar 2021 (audited) NZ$000
Banks loans	7,303	-
Subordinated note	5,150	-
	12,453	**-**
Current	1,817	-
Non-current	10,636	-
	12,453	**-**

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.

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 17). 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.

16. Share capital

	12 mths ended 31 Mar 2022 (unaudited) '000	12 mths ended 31 Mar 2021 (audited) '000
Number of ordinary shares:		
Ordinary shares as at 1 April	**412,278**	**1,824,550**
Share consolidation	-	(1,459,640)
Issue of shares on acquisition of subsidiary	113,636	-
Ordinary shares issued during the period	248,734	47,368
Share buy back and cancellation	(34)	-
Ordinary shares as at 31 March	**774,614**	**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 20 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 17).

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.

17. 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.

17.1. 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 (unaudited) NZ$000
Net assets / (liabilities) acquired:	
Cash	209
Receivables and prepayments	179
Inventory	11,594
Taxation receivable	95
Biological work in progress	1,437
Biological assets	3,283
Property, plant and equipment	5,096
Right of use assets	2,005
Trade and other payables	(1,859)
Lease liabilities	(2,005)
Net assets acquired	**20,034**
Goodwill	15,966
Total consideration	**36,000**
Satisfied by:	
Cash	21,000
Issues of shares (113,636,364 ordinary shares of Me Today Limited)	10,000
Subordinated loan	5,000
Total consideration transferred	**36,000**

The fair value of the 113,636,364 ordinary shares issued 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.

Acquisition related costs amounted to $0.37 million.

17.2. Provisional accounting for the acquisition

The initial accounting for the acquisition of King Honey has only been provisionally determined during the reporting period.

Since the Group's previous interim reporting as at 30 September 2021, the Group has received further information about inventory, property, plant and equipment, right of use assets and lease liabilities acquired. These acquisition balances have been updated accordingly with a corresponding adjustment to goodwill, as set out below:

- At 30 September 2021 an initial $1 million provision for inventory obsolescence was recognised as part of the acquisition balances. During the 6 months to 31 March 2022 the provision was increased by a further $2 million.
- Property, plant and equipment was reduced by $0.5 million.
- Right of use assets were increased by $0.3 million and lease liabilities were increased by a corresponding $0.3 million.

The above adjustments resulted in a corresponding $2.5 million increase in the initial goodwill arising on acquisition (prior to the assessment of impairment) compared to the goodwill recognised in the 30 September 2021 interim consolidated financial statements.

The acquisition accounting is expected to be finalised by the next reporting date, and this may impact the fair value of net assets acquired. Potentially of most impact is the recognition of identifiable intangible assets. For King Honey the 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. Sales by the King Honey business through the Bee+ distribution partner have been significantly lower than expected. Until further discussions and investigations are completed, Me Today is unable to determine the fair value of these distribution and customer agreements and accordingly is unable to recognise the related identifiable intangible assets at this time (refer note 17.5 re assessment of impairment in intangibles assets on acquired).

17.3. 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.

17.4. 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.

17.5. Goodwill

	31 Mar 2022 (unaudited)	31 Mar 2021 (audited)
	NZ$000	NZ$000
Cost:		
Balance at 1 April	-	-
Recognised on acquisition of subsidiary	15,966	-
Balance at reporting date	**15,966**	**-**
Accumulated impairment losses:		
Balance at 1 April	-	-
Impairment losses for the period	(9,900)	-
Balance at reporting date	**(9,900)**	**-**
Carrying amount	**6,066**	**-**

The provisional goodwill arising from the acquisition of King Honey consists of distribution rights, other recurring revenue streams and relationships, which at this time have not been fair valued and separately identified. The goodwill also relates to expected synergies, and the capability and expertise developed within the acquired business.

17.5.1. Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is 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 is currently allocated to the Honey segment.

Given the current underperformance of the Bee+ brand distribution channel (refer note 17.2), the Board has undertaken value in use impairment testing and reviewed sensitivity analysis relating to the carrying value of the goodwill.

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 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 a $9.9 million impairment in the value of goodwill arising from the King Honey acquisition.

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:

	31 Mar 2022 (unaudited)
Anticipated annual revenue growth included in the cash flow projections for the years 2023 to 2027	26% - 39%
Pre-tax discount rate	17%
Terminal growth rate applied beyond 2027	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.

18. Subsidiaries

Name of subsidiary	Principal activity	Equity holding	
		31 Mar 2022	31 Mar 2021
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%	-

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 balance date of 30 June.

19. Related parties

19.1. Directors

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

19.2. 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 $420,000 (31 March 2021: $329,168). $42,187 was payable to directors at 31 March 2022. (31 March 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 31 March 2022 $29,384 of the remuneration due to the independent directors was settled by the issue of 346,653 shares in the Company (31 March 2021: nil).

Michael Kerr received total remuneration of $225,000 in the current period in his role as CEO (2021: $212,500).

A company owned by Stephen Sinclair received $114,500 in consulting fees (2021: $114,000).

19.3. Related entities

MTL Securities Limited is an entity owned and controlled by M & N Kerr Holdings, of which Michael Kerr is a director, and Velocity Capital, of which Grant Baker and Stephen Sinclair are directors. MTL Securities Limited owns 34.16% of Me Today Limited.

19.4. Related party transactions

In the 12 months to 31 March 2022, the Company issued 346,653 ordinary shares to Antony Vriens, Hannah Barrett and Roger Gower in part settlement of their directors' remuneration.

On 15 June 2020 the Company entered into an Ambassador Agreement with BB Promotions Limited for a term of three years. BB Promotions Limited is a related party to the Group, as the shareholder and director of BB Promotions Limited, B Barrett, is married to H Barrett, a director of MTL.

Under the terms of the agreement, BB Promotions Limited agreed to provide promotional services to the Company in exchange for the payment of $50,000 per annum, the issue by the Company of ordinary shares to BB Promotions Limited to the value of $100,000 per annum, and the granting of 3,000,000 options to purchase ordinary shares in the Company. Share based payments for promotion services in the period was $100,000 (2021: $100,000) in relation to the Ambassador Agreement with BB Promotions Limited.

19.5. 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.

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

	12 mths ended 31 Mar 2022 (unaudited)	12 mths ended 31 Mar 2021 (audited)
	NZ$000	NZ$000
Net loss after taxation	**(17,805)**	**(2,860)**
Adjustments for:		
Depreciation and amortisation	1,274	90
Share-based payments	166	110
Interest accrued on term deposits	-	(4)
Interest on lease liabilities	46	6
Interest on borrowings	446	-
Impairment of goodwill	9,900	-
Acquisition related costs	368	-
Fair value loss on biological assets	305	-
Write down of assets held for sale	566	-
Movements in working capital		
(Increase) / decrease in trade and other receivables	(2,148)	(170)
(Increase) / decrease in inventory	(16,155)	(593)
Increase / (decrease) in trade and other payables	1,966	99
(Increase) / decrease in taxation receivable	(13)	(12)
Movement in working capital on acquisition of subsidiaries	11,464	-
Net cash outflows from operating activities	**(9,620)**	**(3,334)**

21. Contingent liabilities

There are no contingent liabilities as at 31 March 2022 (2021: nil).

22. Commitments

The Company had no commitments for future capital expenditure as at 31 March 2022 (2021: nil).

23. Events subsequent to reporting date

23.1. Restructure

With the current significant volume of honey stocks, at the end of March 2022 the Board approved a plan to downsize the Group's Beekeeping operations and reduce the cashflow draw created by the next season's harvest. The decision was made to close the Kaitaia, Kerikeri and Blenheim Beekeeping operations.

The plan was communicated to relevant staff in early April. As staff were notified after the reporting date the restructure is treated as a subsequent event and, as required by NZ IFRS, estimated costs of

$670,000 associated with the restructure have not been provided for in these interim consolidated financial statements.

Under NZ IFRS the impact of the restructure is taken into account when assessing the fair value of biological assets and the carrying values of property, plant and equipment. Also, where the Group has now changed its view on the likely duration of leases, the values of both the related right-of-use assets and lease liabilities have been adjusted. The Group will sell some of its hives and nucleus colonies (‘nucs’) and these have been reclassified to assets held for sale and shown as a current asset in the Consolidated Statement of Financial Position.

23.2. Further capital raising

On 29 May 2022, the Board decided to undertake a further capital raise of up to $10 million. The capital raise is expected to be completed by 30 June 2022. The Company’s largest shareholder, MTL Securities Limited, has agreed to apply for $4.2 million of new shares (comprising its $3.4 million entitlement and the balance as oversubscriptions).

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