



Maggie Beer Holdings Limited
ACN 092 817 171

**APPENDIX 4D, DIRECTORS' REPORT &
FINANCIAL REPORT**
For the half year ended 31 December 2020

Maggie Beer Holdings Limited
(Formerly known as Longtable Group Limited)
Appendix 4D
Half-year report

1. Company details

Name of entity:	Maggie Beer Holdings Limited
ABN:	69 092 817 171
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	20.1% to	27,807
Loss from ordinary activities after tax attributable to the owners of Maggie Beer Holdings Limited	down	97.4% to	(367)
Loss for the half-year attributable to the owners of Maggie Beer Holdings Limited	down	97.4% to	(367)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The consolidated entity reported a net loss of \$0.367 million for the financial period (31 December 2019: \$14.303 million loss). Included in the operating loss for the half-year period are depreciation and amortisation expense of \$1.5 million (31 December 2019: \$1.6 million).

Financial position

The net assets of the consolidated entity increased by \$0.8 million to \$51.4 million (30 June 2020: \$50.6 million). The increase was mainly due to the \$0.367 million loss offset by \$1.2 million share-based payment during the period.

Review of operations

Financial Performance

The Group's statutory financial results for the 6 months ended 31 December 2020 (H1 FY21) reflects the strong trading position of the Group and its current growth trajectory, after the Group's restructure that was completed in FY20.

The Group achieved revenue of \$27.8 million for H1 FY21, compared to \$23.2 million for H1 FY20. The Group incurred a loss after tax of \$0.367 million which was an improvement of \$13.9 million on the prior comparative period (H1 FY20 loss: \$14.3 million) as a result of:

- Strong net sales growth for Maggie Beer Products
- Solid performance from Saint David Dairy, with a positive trading EBITDA and operating cashflow position even under the adverse trading conditions imposed by COVID-19 restrictions
- Continued and sustainable net sales growth for Paris Creek Farms and controlled costs
- Finalisation of the Group restructure with further savings in corporate costs
- Share options issued totalling \$1.2m
- No impairment expense this year (H1 FY20: \$12.1m)

Revenue and Costs

Maggie Beer Products

Maggie Beer Products continued to perform strongly with H1 FY21 trading EBITDA increasing 48% to \$2.8 million for H1 FY21 an improvement of \$0.9 million on H1 FY20 (H1 FY20 \$1.9 million) and trading EBITDA margin 2.5 pts better at 19.2% of net sales for H1 FY21 compared to H1 FY20 (H1 FY20: 16.7%).

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Net sales of \$14.6 million for H1 FY21 was 28.6% better than the same period last year (H1 FY20 \$11.3m) which was a result of focusing on growing its e-commerce business, together with launching new products, continued growth in its traditional go-to-market retail channels and its core portfolio performing above expectation with key lines of fruit paste, pate, cheese and cooking stocks achieving strong growth.

Maggie Beer Products' focus on growing its e-commerce business saw it generate excellent growth with net sales increasing by 167% in H1 FY21 over H1 FY20. The business launched its new e-commerce platform on 5 November 2020 as planned, which has given the consumer an enhanced shopping experience. The new e-commerce platform, together with the continued refinement of its digital marketing strategy allowed the business to capitalise on the busy Black Friday and Christmas shopping periods.

Relationships with key retail partners remain strong, as we look to launch further new product development and expand our national ranging of key lines.

Paris Creek Farms

The H1 FY21 performance for Paris Creek Farms reflects the changes implemented in Q4 FY19 and H1 FY20 with net sales continuing to grow, a reduced cost base and an improving trading EBITDA.

Net sales of \$8.7 million for H1 FY21 was 11.4% better than the same period last year (H1 FY20 \$7.8 million) and reflected continued growth in its branded and rebranded products, together with strengthening of relationships with key customers in both the major and independent supermarkets. The business also launched a new yoghurt line in a national retailer and has further new product development that it plans to launch in Q4 FY21

The business achieved a positive trading EBITDA for H1 FY21 which is a \$1.0m improvement on H1 FY20. A key driver of the result was a 5.5 pts improvement in its gross margin in H1 FY21 compared to H1 FY20, which was the result of the successful business restructure and implementation of cost efficiencies completed in FY19/FY20.

Paris Creek Farms' farmers continue to deliver milk in accordance with the supply growth trajectory, with excess milk over the spring months being on-sold to other parties at market prices.

St David Dairy

Saint David Dairy continues to perform solidly with a 5.5% increase in net sales in H1 FY21 over H1 FY20.

With baseline sales growth constrained in H1 FY21 by the second round of COVID-19 restrictions in Melbourne, the business was impacted in H1 FY21 with raw milk sales causing a 6.4 pts drop in its gross margin compared to H1 FY20. Raw milk sales adversely impacted the gross margin, without this the businesses gross margin would be more in line with H1 FY20 at approximately 51%.

The business continues to demonstrate its brand strength and resilience and was cashflow and trading EBITDA positive in H1 FY21. Trading conditions are expected to improve in Q3 and Q4 FY21 as Melbourne further eases its COVID-19 restrictions, people are vaccinated, and more workers return to the Melbourne CBD.

Milk continues to be the largest product category at 67% of total net sales (H1 FY20: 67%) but with continued growth in yoghurt and plant-based milk sales this will further diversify the product mix. The business also continues to look for growth in premium independent supermarkets.

The new truck fleet has started to deliver savings with transport costs 65% lower in H1 FY21 compared to H1 FY20.

Sales and trading EBITDA growth are expected to return in late H2 FY21 as Melbourne recovers from its COVID-19 lockdowns.

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Corporate

Head office costs continued to decrease and were \$0.6 million lower in H1 FY21 compared to H1 FY20. With the restructure of the Head Office now complete, the business is investing in growth with plans to appoint an experienced E-Commerce Manager to drive the Group's e-commerce strategy, together with the hiring of an Export Manager, to capitalise on the export opportunities for Maggie Beer Products and Paris Creek Farms.

The Group head office is now consolidated into our South Australia operations.

Balance Sheet

The Group is supported by a strong balance sheet with net assets of \$51.4 million (30 June 2020: 50.6 million), including a cash balance of \$6.3 million at 31 December 2020 which is a \$1.2 million improvement on 31 December 2019.

The Group achieved a positive operating cash flow position for H1 FY21 of \$0.4 million, a \$3.7 million improvement on H1 FY20. The operating cash position will improve further in Q3 FY21 as cash is collected from Maggie Beer Products strong sales in Q2 FY21.

Inventory is well controlled, with \$3.2 million of Group inventory at 31 December 2020 (30 June 2020: \$3.5 million) or 5.8% of annualised sales (30 June 2020: 7.9%), with Maggie Beer Products holding \$2.2 million of inventory (30 June 2020: \$2.5 million) and Paris Creek Farms \$0.8 million (30 June 2020: \$0.8 million). Overall working capital for the company is approximately 13% of net sales and is expected to benefit from H1 FY21 sales collections in H2 FY21.

A disciplined approach to working capital and the Group's cash management will continue.

Outlook

The Group continues to capitalise on opportunities for its growth assets, to deliver long term value for the Group.

During H2 FY21, growth is expected to continue for the Group from increased ranging, better promotional programs and the potential launch of further new products across the Group. Maggie Beer Products will continue to focus on the growth of its e-commerce platform, with further ranging to be included for the key Easter and Mother's Day trading periods. The Group's portfolio of brands, and products that are Australian made using locally sourced ingredients, continues to be on-trend and in line with consumer demand meaning the Group is well placed for further growth in H2 FY21.

Cost management will continue to be a core focus of the Group, however the Group will also invest in key personnel to drive the strategic growth of the business. It will continue to develop innovative new products and invest in targeted marketing campaigns for new and existing markets, in particular for the Maggie Beer Products brand.

The Board is confident of the continued growth trajectory in H2 FY21 and the Group's ability to deliver future growth and shareholder value.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>11.69</u>	<u>11.87</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-Year Report.

11. Attachments

Details of attachments (if any):

The Half-Year Report of Maggie Beer Holdings Limited for the half-year ended 31 December 2020 is attached.

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12. Signed

Signed  _____

Date: 24 February 2021

Reg Weine
Non-Executive Chairman

Maggie Beer Holdings Limited

(Formerly known as Longtable Group Limited)

ABN 69 092 817 171

Half-Year Report - 31 December 2020

Maggie Beer Holdings Limited
(Formerly known as Longtable Group Limited)
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Maggie Beer Holdings Limited
(Formerly known as Longtable Group Limited)
Corporate directory
31 December 2020

Directors	Reg Weine (Non-executive Chairman) Hugh Robertson (Non-executive Director) Tom Kiing (Non-executive Director) Maggie Beer AM (Non-executive Director)
Chief Executive officer	Chantale Millard
Company secretary	Sophie Karzis
Registered office	2 Keith St Tanunda, SA 5352 Tel: +61 8 7004 1307 Fax: +61 8 9077 9233
Principal place of business	2 Keith St Tanunda, SA 5352 Tel: +61 8 7004 1307 Fax: +61 8 9077 9233
Share register	Boardroom Pty Limited Level 12, 225 George Street, Sydney NSW 2000 GPO Box 3993, Sydney NSW 2001 Tel: 1300 737 760 Fax: 1300 653 459
Auditor	PricewaterhouseCoopers Level 19/2 Riverside Quay Southbank VIC 3006
Stock exchange listing	Maggie Beer Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: MBH)
Website	maggiebeerholdings.com.au

Maggie Beer Holdings Limited
(Formerly known as Longtable Group Limited)
Directors' report
31 December 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Maggie Beer Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Reg Weine (Non-executive Chairman)
Hugh Robertson (Non-executive Director)
Tom Kiing (Non-executive Director)
Maggie Beer AM (Non-executive Director)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity were the expansion of its activities in the food and beverage industry with a particular focus on premium products. This includes:

- expanding its activities in the food and beverage industry with a particular focus on premium products;
- managing its investment in Maggie Beer Products Pty Ltd ("MBP");
- managing its investment in St David Dairy; and
- managing its investment in B.-d Farm Paris Creek Pty Ltd ("Paris Creek Farms").

Review of operations

The consolidated entity reported a net loss of \$0.4 million for the financial period (31 December 2019: \$14.3 million loss). Included in the operating loss for the half-year period are depreciation and amortisation expense of \$1.5 million (31 December 2019: \$1.6 million).

The net assets of the consolidated entity increased by \$0.8 million to \$51.4 million (30 June 2020: \$50.6 million). The increase was mainly due to the \$0.4 million loss offset by \$1.2 million share-based payment during the period.

A summary of the consolidated entity's review of operations for the six month period is included in Appendix 4D, which is attached to this half-year report.

Significant changes in the state of affairs

On 16 July 2020, the Company held a General Meeting of shareholders where the following resolutions were approved by the shareholders:

- **Change of name to Maggie Beer Holdings Limited**
In accordance with the Board's strategy to refresh and enhance the Group's brand, the name of the parent Company was changed from Longtable Group Limited to Maggie Beer Holdings Limited.
The Board is of the opinion that changing the name of the Company to Maggie Beer Holdings Limited better reflected the Company's core focus, whilst the Maggie Beer Products brand provides a premium halo for the Company's diverse product portfolio. Maggie Beer Holdings Limited will be instantly recognised by shareholders, employees, customers and consumers of the Group's products. The Board believes that the new name will help to facilitate an improved understanding of the Company's businesses and our potential for growth.
- **Non-executive directors' fees taken in shares**
The Director Fees Plan was established to allow the Company's directors to elect, from time to time, to be paid their remuneration through the issue of Shares in the Company, rather than as a cash payment. The Board believes the Director Fees Plan will form an important part of the remuneration for the Company's non-executive Directors that elect to participate in the Director Fees Plan, aligning their interests with those of Shareholders by linking their remuneration to the long-term success of the Company and its financial performance.
- **Chairman's options**
4,500,000 Options were issued to the Chairman, Mr Reginald Weine, under the Company's Employee Share Option Plan.

**Maggie Beer Holdings Limited
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Directors' report
31 December 2020**

On 20 August 2020, the Company repaid a \$400,000 loan (Loan Amount) in full early, together with accrued interest, to the Beer Family Holdings Pty Ltd as trustee for the Beer Family Trust.

On 30 September 2020, the Company announced the resignation of Clinton Orr from his position of General Counsel and Company Secretary and appointed Sophie Karzis as the Company Secretary.

On 5 November 2020, the Company issued 282,840 fully paid ordinary shares to settle director fees owing, totalling \$90,000, and 9,000,000 options under the Company's Employee Share Option Plan exercisable in 3 equal tranches upon satisfaction of time and performance-based conditions as at 30 June 2021, 30 June 2022 and 30 June 2023 respectively.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 13 January 2021, the Company issued 65,544 fully paid ordinary shares at \$0.4577 per share to settle director fees owing, totalling \$30,000.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in the directors' report and financial statements have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, unless otherwise indicated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Reg Weine
Non-Executive Chairman

24 February 2021



Auditor's Independence Declaration

As lead auditor for the review of Maggie Beer Holdings Limited (formerly known as Longtable Group Limited) for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Maggie Beer Holdings Limited (formerly known as Longtable Group Limited) and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Brad Peake'.

Brad Peake
Partner
PricewaterhouseCoopers

Melbourne
24 February 2021

Maggie Beer Holdings Limited
(Formerly known as Longtable Group Limited)
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	Consolidated 31 December 2020 \$'000	31 December 2019 \$'000
Revenue		27,595	23,045
Other income		212	112
Total revenue		<u>27,807</u>	<u>23,157</u>
Expenses			
Raw materials and consumables used		(14,770)	(11,841)
Overheads		(858)	(787)
Occupancy and utilities costs		(669)	(620)
Employee benefits expense		(6,821)	(6,574)
Impairment expense		-	(12,068)
Transportation expense		(1,591)	(1,710)
Professional fees		(270)	(415)
Marketing and advertising expense		(571)	(465)
Other expenses		(920)	(1,194)
Depreciation expense		(1,070)	(1,162)
Amortisation expense		(479)	(484)
Finance costs		<u>(155)</u>	<u>(140)</u>
Loss before income tax expense		(367)	(14,303)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of Maggie Beer Holdings Limited		(367)	(14,303)
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year attributable to the owners of Maggie Beer Holdings Limited		<u><u>(367)</u></u>	<u><u>(14,303)</u></u>
		Cents	Cents
Basic earnings per share	12	(0.18)	(6.90)
Diluted earnings per share	12	(0.18)	(6.90)

Refer to note 3 for detailed information on restatement of comparatives.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Maggie Beer Holdings Limited
(Formerly known as Longtable Group Limited)
Statement of financial position
As at 31 December 2020

		Consolidated	
	Note	31 December 2020 \$'000	30 June 2020 \$'000
Assets			
Current assets			
Cash and cash equivalents		6,282	7,245
Trade and other receivables		9,606	8,022
Inventories		3,217	3,500
Other current assets		522	429
Total current assets		<u>19,627</u>	<u>19,196</u>
Non-current assets			
Property, plant and equipment		16,349	17,347
Right-of-use assets		3,358	3,345
Intangibles	6	<u>23,814</u>	<u>24,138</u>
Total non-current assets		<u>43,521</u>	<u>44,830</u>
Total assets		<u>63,148</u>	<u>64,026</u>
Liabilities			
Current liabilities			
Trade and other payables		6,159	6,883
Other current financial liabilities		1,428	1,721
Employee benefits		827	970
Total current liabilities		<u>8,414</u>	<u>9,574</u>
Non-current liabilities			
Other non-current financial liabilities		2,975	3,700
Employee benefits		363	153
Total non-current liabilities		<u>3,338</u>	<u>3,853</u>
Total liabilities		<u>11,752</u>	<u>13,427</u>
Net assets		<u>51,396</u>	<u>50,599</u>
Equity			
Issued capital	7	120,786	120,695
Reserves	8	2,707	1,634
Accumulated losses		<u>(72,097)</u>	<u>(71,730)</u>
Total equity		<u>51,396</u>	<u>50,599</u>

Refer to note 3 for detailed information on restatement of comparatives.

The above statement of financial position should be read in conjunction with the accompanying notes

Maggie Beer Holdings Limited
(Formerly known as Longtable Group Limited)
Statement of changes in equity
For the half-year ended 31 December 2020

Consolidated	Contributed equity \$'000	Share based payments reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2019	120,695	1,721	(59,452)	62,964
Adjustment for adoption of AASB 16	-	-	(28)	(28)
Balance at 1 July 2019 - restated	120,695	1,721	(59,480)	62,936
Loss after income tax expense for the half-year	-	-	(14,303)	(14,303)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(14,303)	(14,303)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 13)	-	(86)	-	(86)
Balance at 31 December 2019	<u>120,695</u>	<u>1,635</u>	<u>(73,783)</u>	<u>48,547</u>

Refer to note 3 for detailed information on restatement of comparatives.

Consolidated	Contributed equity \$'000	Share based payments reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2020	120,695	1,634	(71,730)	50,599
Loss after income tax expense for the half-year	-	-	(367)	(367)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(367)	(367)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 13)	91	1,073	-	1,164
Balance at 31 December 2020	<u>120,786</u>	<u>2,707</u>	<u>(72,097)</u>	<u>51,396</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Maggie Beer Holdings Limited
(Formerly known as Longtable Group Limited)
Statement of cash flows
For the half-year ended 31 December 2020

	Consolidated	
	31 December	31 December
Note	2020	2019
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers and others	26,351	21,570
Payments to suppliers and employees	(25,913)	(24,919)
Interest received	9	112
	<u>447</u>	<u>(3,237)</u>
Net cash from/(used in) operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	(155)	(932)
Payments for intangibles	(173)	(132)
Proceeds from sale of property, plant and equipment	90	-
	<u>(238)</u>	<u>(1,064)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Principal elements of lease	(486)	(127)
Repayment of borrowings	(532)	(128)
Finance costs paid	(154)	(140)
	<u>(1,172)</u>	<u>(395)</u>
Net cash used in financing activities		
Net decrease in cash and cash equivalents	(963)	(4,696)
Cash and cash equivalents at the beginning of the financial half-year	7,245	9,819
	<u>6,282</u>	<u>5,123</u>
Cash and cash equivalents at the end of the financial half-year		

The above statement of cash flows should be read in conjunction with the accompanying notes

**Maggie Beer Holdings Limited
(Formerly known as Longtable Group Limited)
Notes to the financial statements
31 December 2020**

Note 1. General information

The financial statements cover Maggie Beer Holdings Limited as a consolidated entity consisting of the Company and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

The Company is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

2 Keith St
Tanunda, SA 5352
Tel: +61 8 7004 1307
Fax: +61 8 9077 9233

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 February 2021.

Going Concern

The financial statements have been prepared on the going concern basis, which assumes the continuity of normal business activities, and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the half year ended 31 December 2020, the consolidated entity has incurred losses of \$0.4 million (2019: \$14.3 million) and incurred net cash inflows of \$0.4 million from operations (2019: outflow of \$3.2 million).

The Company expects its normal cash flows over the next 12 months from the date of signing to be sufficient to continue as a going concern.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New Accounting Standards and Interpretations Adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of the Accounting Standards and Interpretations adopted had a material impact on the Company.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in the director's report and financial statements have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, unless otherwise indicated.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Maggie Beer Holdings Limited
(Formerly known as Longtable Group Limited)
Notes to the financial statements
31 December 2020

Note 3. Restatement of comparatives

Retrospective fair value adjustments on finalisation of business combination accounting

During the financial period ended 30 June 2019 the consolidated entity made a number of business acquisitions, details of which are set out in the 2019 annual report.

In relation to the business acquisitions, the consolidated entity originally performed a provisional assessment of the fair value of the assets and liabilities as at the date of the acquisition and for the purposes of the balance sheet as at 30 June 2019, the assets and liabilities were originally recorded at provisional fair values.

Under Australian Accounting Standards, the consolidated entity had up to 12 months from the date of acquisition to complete its initial acquisition accounting. The consolidated entity has completed this exercise to consider the fair value of intangible assets acquired in the acquisitions and, in accordance with Accounting Standards, has retrospectively adjusted the values of the relevant identifiable intangible assets and has transferred the differences between the provisional valuation and the finalised fair value to the respective Goodwill accounts. The adjustments to the fair values have an equal and opposite impact on the goodwill recorded on acquisition. Accordingly, such adjustments have no impact on the aggregate of the net assets or the consolidated entity's net profit after tax.

Statement of profit or loss and other comprehensive income

	31 December 2019 \$'000 Reported	\$'000 Adjustment	31 December 2019 \$'000 Restated
Loss before income tax benefit	(14,303)	-	(14,303)
Income tax benefit*	2,450	(2,450)	-
Loss after income tax benefit for the year attributable to the owners of Maggie Beer Holdings Limited	<u>(11,853)</u>	<u>(2,450)</u>	<u>(14,303)</u>
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the owners of Maggie Beer Holdings Limited	<u><u>(11,853)</u></u>	<u><u>(2,450)</u></u>	<u><u>(14,303)</u></u>

*A deferred tax asset of \$2,450 thousand attributable to carried forward tax losses was recognised to offset the equivalent deferred liability arising from the intangible assets acquired through the business combinations.

Note 4. Operating segments

Identification of reportable operating segments

Operating Segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the Chief Executive Officer (the Chief Operating Decision Maker) in order to allocate resources to the segment and to assess its performance.

There are currently four operating segments under the criteria set out in AASB 8, being B.-d Farm Paris Creek Pty Ltd ("Paris Creek Farms"), St David Dairy Pty Ltd ("St David Dairy"), Maggie Beer Products Pty Ltd ("Maggie Beer Products") and other corporate costs.

Information regarding these segments is set out below.

All operations were in Australia for both current and comparative period.

Maggie Beer Holdings Limited
(Formerly known as Longtable Group Limited)
Notes to the financial statements
31 December 2020

Note 4. Operating segments (continued)

	Paris Creek Farms \$'000	St David Dairy \$'000	Maggie Beer Products \$'000	Other segments \$'000	Total \$'000
Consolidated - 31 December 2020					
Revenue					
Sales to external customers	8,718	4,420	14,580	-	27,718
Intersegment sales	(123)	-	-	-	(123)
Total sales revenue	8,595	4,420	14,580	-	27,595
Other revenue	50	50	62	50	212
Total revenue	8,645	4,470	14,642	50	27,807
Profit/(loss) before income tax expense, impairment and fair value gain					
	(386)	268	2,346	(2,595)	(367)
Profit/(loss) before income tax expense	(386)	268	2,346	(2,595)	(367)
Income tax expense					-
Loss after income tax expense					(367)
Assets					
Segment assets	18,642	18,500	28,627	7,488	73,257
Intersegment eliminations					(10,109)
Total assets					63,148
Liabilities					
Segment liabilities	20,455	2,009	5,984	1,056	29,504
Intersegment eliminations					(17,752)
Total liabilities					11,752
Consolidated - 31 December 2019					
Revenue					
Sales to external customers	7,824	4,192	11,339	-	23,355
Intersegment sales	(310)	-	-	-	(310)
Total sales revenue	7,514	4,192	11,339	-	23,045
Other revenue	-	-	103	9	112
Total revenue	7,514	4,192	11,442	9	23,157
Profit/(loss) before income tax expense, impairment and fair value gain					
	(1,414)	460	1,383	(2,664)	(2,235)
Impairment expense	(12,068)	-	-	-	(12,068)
Profit/(loss) before income tax expense	(13,482)	460	1,383	(2,664)	(14,303)
Income tax expense					-
Loss after income tax expense					(14,303)
Consolidated - 30 June 2020					
Assets					
Segment assets	19,099	19,278	25,897	9,504	73,778
Intersegment eliminations					(9,752)
Total assets					64,026
Liabilities					
Segment liabilities	20,749	1,668	3,828	2,099	28,344
Intersegment eliminations					(14,917)
Total liabilities					13,427

Maggie Beer Holdings Limited
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Notes to the financial statements
31 December 2020

Note 5. Significant items

Significant items relate to significant changes in the business during the past financial year and are identified due to their nature and magnitude on the assessment of business performance.

The following significant items are included in Other Income, Employee benefits expense and Other expenses:

	Consolidated	
	31 December	31 December
	2020	2019
	\$'000	\$'000
Redundancy	-	474
Litigation costs	-	61
Brand redesign	-	135
Government grants (COVID-19 related)	(200)	-
Share based payments	1,135	(87)
	<u>935</u>	<u>583</u>

Note 6. Non-current assets - intangibles

	Consolidated	
	31 December	30 June
	2020	2020
	\$'000	\$'000
Goodwill - at cost	<u>15,388</u>	<u>15,388</u>
Brand	6,838	6,838
Less: Accumulated amortisation	(922)	(697)
	<u>5,916</u>	<u>6,141</u>
Customer contracts	3,075	3,075
Less: Accumulated amortisation	(999)	(769)
	<u>2,076</u>	<u>2,306</u>
Other intangible assets	589	416
Less: Accumulated amortisation	(155)	(113)
	<u>434</u>	<u>303</u>
	<u>23,814</u>	<u>24,138</u>

Recoverable amount of goodwill

In accordance with AASB 136, impairment testing has been undertaken for all cash generating units (CGUs) with indefinite intangibles where there is an indication of impairment. There was no indication of impairment for Maggie Beer Products' goodwill at 31 December 2020 and no impairment testing was deemed necessary.

At 31 December 2020, given the on-going impacts of COVID-19, an updated impairment assessment was performed for St David Dairy. The recoverable amount has been calculated on a consistent basis as that performed at 30 June 2020 using a value-in-use calculation which uses cash flow projections based on financial forecasts covering a five-year period, including cash and non-cash adjustments such as changes in working capital, depreciation and amortisation, and maintenance capital expenditure. Cash flows are extrapolated using estimated growth rates beyond the five-year period.

Management have utilised the same 3 scenarios as the impairment review performed in FY20 with revised weightings. In addition, given the uncertainty surrounding the ongoing impact of COVID-19 management have added an additional scenario with a delayed recovery from COVID-19 until September 2021 (Base scenario is forecasted recovery from March 2021).

Maggie Beer Holdings Limited
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Note 6. Non-current assets - intangibles (continued)

Key assumptions used in the value-in-use calculations for the St David Dairy CGU are based on management's latest forecast for financial year 2021 and updated key inputs to reflect the current outlook on growth, following a review of sales forecasts, the impact of raw milk price increases, expected future milk volumes and the impact on the cost base following cost out initiatives for the latter years.

The key assumptions used for the base case have not materially changed from that used at 30 June 2020:

- Long term growth rate / CPI – 2.00% (30 June 2020: 2.00%)
- Discount rate (post tax) – 9.30% (30 June 2020: 9.28%)
- Growth in sales (5 year CAGR) – 10.6% (30 June 2020: 11.5%)
- Milk price increase p.a. – 2.0% (30 June 2020: 2.0%)
- Delivery cost savings (as % of sales) - 1.1pt (30 June 2020: 1.6pt). The decrease is reflective of actual costs following introduction of the new fleet of delivery trucks.

Scenarios	Base Case	Lower Sales	Farmgate milk price increase	Delivery costs	Delayed COVID-19 Recovery
Probability Weighting	50% - estimated most likely outcome	15% - low probability and low impact	10% - low probability and medium impact	5% - low probability based on actual savings	20% - medium probability due to the uncertainty of COVID-19

Review outcome

In completing the impairment review based on the aforementioned business-as-usual assumptions, the probability weighted value in use of St David Dairy exceeds its carrying value of goodwill by \$1.5 million (June 2020: \$1.7 million).

Note 7. Equity - issued capital

	Consolidated			
	31 December 2020 Shares	30 June 2020 Shares	31 December 2020 \$'000	30 June 2020 \$'000
Ordinary shares - fully paid	207,576,463	207,262,291	120,786	120,695

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2020	207,262,291		120,695
Conversion of performance rights to ordinary shares upon vesting	5 November 2020	31,332	\$0.000	1
Issue of shares in lieu of director fees	5 November 2020	282,840	\$0.318	90
Balance	31 December 2020	207,576,463		120,786

Note 8. Equity - reserves

	Consolidated	
	31 December 2020 \$'000	30 June 2020 \$'000
Share based payments reserve	2,707	1,634

Maggie Beer Holdings Limited
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Notes to the financial statements
31 December 2020

Note 8. Equity - reserves (continued)

Movements in reserves

Movements in share based payments reserve during the current and previous financial half-year are set out below:

Consolidated	Share based payments reserve \$'000	Total \$'000
Balance at 1 July 2020	1,634	1,634
Share based payments	1,073	1,073
Balance at 31 December 2020	<u>2,707</u>	<u>2,707</u>
	Share based payments reserve \$'000	Total \$'000
Consolidated		
Balance at 1 July 2020	1,721	1,721
Share based payments *	(87)	(87)
Balance at 31 December 2020	<u>1,634</u>	<u>1,634</u>

* The decrease in the share based payment reserve during the comparative financial period has resulted from the expiry of performance rights previously expensed.

Note 9. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 10. Contingent assets and liabilities

The directors are not aware of any contingent assets or contingent liabilities as at 31 December 2020 (2019: Nil).

Note 11. Events after the reporting period

On 13 January 2021, the Company issued 65,544 fully paid ordinary shares at \$0.4577 per share to settle director fees owing, totalling \$30,000.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Maggie Beer Holdings Limited
(Formerly known as Longtable Group Limited)
Notes to the financial statements
31 December 2020

Note 12. Earnings per share

	Consolidated	
	31 December 2020	31 December 2019
	\$'000	\$'000
Loss after income tax attributable to the owners of Maggie Beer Holdings Limited	<u>(367)</u>	<u>(14,303)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>207,357,213</u>	<u>207,164,257</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>207,357,213</u>	<u>207,164,257</u>
	Cents	Cents
Basic earnings per share	(0.18)	(6.90)
Diluted earnings per share	(0.18)	(6.90)

Note 13. Share based payments

The options and performance rights hold no voting or dividend rights and are not transferable.

Set out below is a summary of options outstanding at reporting date:

31 December 2020

Grant date	Vesting date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
17/12/2013	17/12/2020	\$1.500	50,321	-	-	(50,321)	-
16/07/2020	16/07/2020	\$0.150	-	1,500,000	-	-	1,500,000
16/07/2020	16/07/2020	\$0.180	-	1,500,000	-	-	1,500,000
16/07/2020	16/07/2020	\$0.200	-	1,500,000	-	-	1,500,000
28/10/2020	01/07/2021	\$0.150	-	3,000,000	-	-	3,000,000
28/10/2020	01/07/2022	\$0.180	-	3,000,000	-	-	3,000,000
28/10/2020	01/07/2023	\$0.200	-	3,000,000	-	-	3,000,000
			50,321	13,500,000	-	(50,321)	13,500,000

31 December 2019

Grant date	Vesting date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
17/12/2013	17/12/2019	\$1.500	50,321	-	-	(50,321)	-
17/12/2013	17/12/2020	\$1.500	50,321	-	-	-	50,321
07/08/2017	07/08/2017	\$0.500	2,800,000	-	-	-	2,800,000
28/11/2018	30/06/2020	\$0.750	1,132,000	-	-	(1,132,000)	-
28/11/2018	30/06/2021	\$0.750	4,528,000	-	-	(4,528,000)	-
			8,560,642	-	-	(5,710,321)	2,850,321

Maggie Beer Holdings Limited
(Formerly known as Longtable Group Limited)
Notes to the financial statements
31 December 2020

Note 13. Share based payments (continued)

Set out below is a summary of the performance rights outstanding at reporting date:

Grant date	Expiry date	31 December 2020 Number	31 December 2019 Number
28/11/2018	30/06/2020	-	20,000
28/11/2018	30/06/2021	-	40,000
		-	60,000

Details of key inputs into the valuation of options issued during the period are as below:

Grant date	Vesting date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
16/07/2020	16/07/2020	\$0.235	\$0.150	97.00%	-	0.29%	\$0.17400
16/07/2020	16/07/2020	\$0.235	\$0.180	97.00%	-	0.29%	\$0.16800
16/07/2020	16/07/2020	\$0.235	\$0.200	97.00%	-	0.29%	\$0.16400
28/10/2020	01/07/2021	\$0.325	\$0.150	101.00%	-	0.13%	\$0.25900
28/10/2020	01/07/2022	\$0.325	\$0.180	101.00%	-	0.13%	\$0.25100
28/10/2020	01/07/2023	\$0.325	\$0.200	101.00%	-	0.13%	\$0.24700

There are service period and non-market conditions attached to the options issued on 28 October 2020, which require reaching trading EBITDA targets from \$2m to \$8m in the respective periods. Management has assessed the probability of these targets being reached as 100% as at 31 December 2020.

Maggie Beer Holdings Limited
(Formerly known as Longtable Group Limited)
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Reg Weine
Non-Executive Chairman

24 February 2021



Independent auditor's review report to the members of Maggie Beer Holdings Limited (formerly known as Longtable Group Limited)

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Maggie Beer Holdings Limited (formerly known as Longtable Group Limited) (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Maggie Beer Holdings Limited (formerly known as Longtable Group Limited) does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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Auditor's responsibility for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

Brad Peake

Brad Peake
Partner

Melbourne
24 February 2021