

Maggie Beer Holdings Ltd

ABN 69 092 817 171

Appendix 4D & Half-Year Report - 31 December 2021

1. Company details

Name of entity:	Maggie Beer Holdings Ltd
ABN:	69 092 817 171
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	133.8% to	64,525
Profit from ordinary activities after tax attributable to the owners of Maggie Beer Holdings Ltd	up	1604.1% to	5,520
Profit for the half-year attributable to the owners of Maggie Beer Holdings Ltd	up	1604.1% to	5,520

Dividends

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

Comments

The profit for the consolidated entity after providing for income tax amounted to \$5.5 million (31 December 2020: loss of \$0.4 million)

Review of operations

Financial Performance

The group's strong financial results for the 6 months ended 31 December 2021 (H1 FY22) reflects the strong underlying trading position of its four premium brands and the successful completion of the integration of Hampers & Gifts Australia Pty Ltd (**HGA**) into Maggie Beer Holdings Limited (**MBH**). The MBH Group has been transformed and now is a scalable, large premium e-commerce business, that together with its retail offer, has great momentum and provides a strong platform to accelerate future growth

As with most businesses, MBH has experienced challenges across supply chain, staffing and retail grocery due to COVID-19, which has negatively impacted H1 FY22 and continues to impact the group in H2 FY22, however our diversification between e-commerce and retail has reduced our risk and allowed the group to continue to have strong growth in both revenue and earnings in H1 FY22.

With the integration of HGA successfully completed, the group achieved revenue growth of 133.8% (18.2% on a pro-forma basis*) to \$64.5 million for H1 FY22, compared to \$27.6 million for H1 FY21.

The group's large e-commerce business represented 59.5% of the group's total net sales in H1 FY22, due to the uplift in online trade over the Christmas period for both HGA and Maggie Beer Products Pty Ltd (**MBP**), with the integration of HGA delivering on its promises and the group's gross margin % increasing by 5.1 pts or \$20.4 million in H1 FY22 vs H1 FY21.

Trading EBITDA also demonstrated significant growth increasing by 438.2% to \$9.8 million in H1 FY22 compared to \$1.8 million in H1 FY21, adjusted for JobKeeper. As a % of net sales, Trading EBITDA improved by 8.6 pts to 15.2% of net sales (H1 FY21: 6.6%).

The group achieved \$5.5 million net profit after tax which was an increase of \$5.9 million (H1 FY21 loss: \$0.4 million) as a result of:

- Strong e-commerce sales growth for HGA and MBP
- Retail sales growth for MBP of 9.7% despite the COVID-19 headwinds
- GM% increasing by 5.1 pts due to strong diversification of revenue between e-commerce and retail grocery
- Offset by increased inbound shipping, national freight, staffing and digital marketing costs
- Increased brand investment to accelerate revenue growth and market share gains
- Share options and performance rights issued totalling \$0.5 million
- JobKeeper voluntarily repaid in full totalling \$0.8 million

Hampers & Gifts Australia (HGA)

HGA continued to have excellent growth achieving net sales of \$34.7 million, an increase of 28.6% over H1 FY21.

HGA experienced higher inbound shipping costs and higher labour costs due to COVID-19 disruption. The business also made the strategic decision to invest in its outbound freight and postage services, to ensure consumers received faster delivery over the Christmas period and avoid delays caused by COVID-19. HGA also strategically increased its investment in its marketing costs to grow its sales and market share of premium consumers, and with its large customer base, strong organic growth and new customer data platform HGA will capitalise on this investment in H2 FY22. HGA was well stocked in H1 FY22, bringing inventory in early, which allowed it to sell right up until Christmas and making it well placed to continue to grow sales in H2 FY22. HGA continued to have a very strong GM% at 55.9% and its trading EBITDA achieved strong growth increasing by 9.2% to \$8.8 million over H1 FY21*.

To accelerate growth in H2 FY22, HGA is launching its new Mother's Day, pamper and homewares hamper ranges which will extend its offer and capitalise on year-round gifting occasions. HGA and MBP will also be launching a new range of cheese & entertaining hampers in H2 FY22, which will continue to diversify our premium offer and differentiate us from competitors.

Maggie Beer Products (MBP)

MBP continued to demonstrate strong growth with its net sales growing by 24.7% in H1 FY22 to be \$18.2 million (H1 FY21: \$14.6 million). Its e-commerce net sales growing by 174.1% to \$3.6 million in H1 FY22, an increase of \$2.3 million over H1 FY21 sales of \$1.3 million. MBP launched new hamper ranges during the first half of FY22 together with a new digital marketing strategy, implemented by the combined HGA digital marketing and MBP marketing teams. MBP's retail grocery sales continued to demonstrate strong growth in a challenging market, increasing by 9.7% over the same period last year, with the launch of its new Bone Broth and Finishing Sauce range, together with strong demand for its core product range. MBH's sales were impacted in H1 FY22 by the Covid-19 challenges experienced by the major supermarkets and disruption across the national supply chain, which has continued into the start of H2 FY22.

MBP strategically increased its investment in Marketing in H1 FY22, to launch and support its new product ranges, increase its in-store media presence, build brand awareness and implement its new digital marketing strategy. This investment will continue in H2 FY22 to drive growth throughout FY22 and support new product launches.

H1 FY22 Trading EBITDA increased by 6.4% to \$2.5 million for H1 FY21, an improvement of \$0.1 million on H1 FY21 (H1 FY21: \$2.4 million adjusted for JobKeeper).

MBP will be launching its new 1 litre Cooking Stock range and its 500ml Bone Broth range nationally in a major retailer in May 22, which is part of our strategic plan to increase national ranging of MBP's core product range.

Paris Creek Farms (PCF)

PCF's net sales for H1 FY22 was \$7.6 million reflecting an improvement of 9.3% compared to H1 FY21 (excluding the private label business discontinued in March 21).

The new Greek Style Yogurts launched at the end of June 2021 continue to grow our yogurt category, which was 26.7% higher in H1 FY22 vs H1 FY21.

PCF will be partnering with Woolworths to launch 3 of its 2-litre PCF branded milk lines in approximately 400 stores across VIC and NSW from March 2022 which will sustainably grow PCF's brand awareness in the eastern states, supported by a comprehensive marketing launch plan. PCF has helped its farmers achieve carbon neutral status from H2 FY22, with all of PCF's Biodynamic Organic milk now from carbon neutral dairy farms. This will be marketed on packaging as part of the launch into Woolworths.

The new business will add approximately 3 million litres of extra milk volume through the facility, improving overhead recoveries and operational efficiencies.

St David Dairy (SDD)

SDD has continued to show growth and resilience despite continued adversity as a result of COVID-19 lockdowns and restrictions in VIC and NSW, together with challenges across supply chain and staffing. Many key customers closed for extended periods of time in Melbourne and Sydney, or opened for limited trading hours due to staff shortages, which affected sales growth.

Despite the extremely tough COVID-19 challenges faced during H1 FY22, SDD continued to deliver revenue growth with net sales increasing 7.6% to \$4.8 million (H1 FY21: \$4.4 million) demonstrating its brand strength, customer loyalty and resilience.

Milk continues to be the largest product category at 63.6% of total net sales (H1 FY21: 66.6%). The diversification in the product mix is due to butter sales growth increasing by 13.6% compared to H1 FY21 and butter sales now making up 13.2% of net sales (H1 FY21: 12.2%). There is no loss on the sale of excess raw milk in H1 FY22, however the sale of raw milk at cost, does dilute the businesses GM% and without the sale of excess milk the GM% would have been 49.9% (H1 FY21 47.8%).

The business continues to look to expand further into premium retail, whilst looking to grow its café market share as businesses re-open.

Corporate

Shared services and corporate office costs of \$2.0 million are stable and are \$0.1 million lower than H1 FY21. Employee costs are the most significant component which includes \$0.5 million of non-cash share options and performance rights issued.

Balance Sheet and Cashflows

The group is supported by a strong balance sheet with net assets of \$108.9 million (30 June 2021: \$102.8 million, including a cash balance at 31 December 2021 of \$23.0 million (30 June 2021: 13.5 million) and an undrawn invoice finance facility of \$3.0 million. The group has no non-asset backed debt at 31 December 21. Due to the positive cash flow and strong performance of the group, and in line with our corporate values, the company voluntarily repaid all \$820,500 of Jobkeeper in H1 FY22.

The group achieved a strong operating cashflow position for H1 FY22 of \$11.4 million, a \$10.9 million improvement on H1 FY21's operating cashflow of \$0.4 million. This demonstrates the group's successful diversification into the direct-to-consumer channel and trading over H1 FY22.

The increase in group net assets is mainly attributed to the net profit after tax of \$5.5 million and \$0.5 million of share-based payments.

Outlook

Following on from the successful half-year achieved so far, the group will continue to capitalise and invest in opportunities for growth and continue to review its asset portfolio to maximise shareholder value.

H2 FY22 will see the group busy launching new hamper and gifting ranges for HGA and MBP, together with new national product launches for MBP and the launch of PCF branded milk in Woolworths VIC and NSW.

Due to its premium offer and superior customer value proposition, the group has the ability to affect price increases to protect its profitability and GM%.

MBH has strategically increased its investment in its brands in H1 FY22 to accelerate revenue growth and market share gains. MBH is currently on track to meet its Group revenue guidance target of \$100m for FY22. Our FY22 trading EBITDA guidance continues to be contingent on the abnormal costs and trading conditions experienced due to Covid-19, abating and returning to normal in H2 FY22. Regardless, MBH will continue to invest in and scale up its business in the second half of FY22, to capitalise on growth opportunities and create sustainable, long-term shareholder value.

***Pro-forma H1 FY21 results include the pre-acquisition results for HGA for comparability. The pre-acquisition numbers for HGA are unaudited.**

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>9.03</u>	<u>7.00</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 Appendix 4D & Half-Year Report.

11. Attachments

Details of attachments (if any):

The Appendix 4D & Half-Year Report of Maggie Beer Holdings Ltd for the half-year ended 31 December 2021 is attached.

12. Signed



Signed _____

Date: 16 February 2022

Reg Weine
Non-Executive Chairman

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Directors	Reg Weine (Non-executive Chairman) Chantale Millard (Chief Executive Officer/Executive Director) (Appointed Managing Director 2 August 2021) Maggie Beer AM (Non-executive Director) Tom Kiing (Non-executive Director) Hugh Robertson (Non-executive Director)
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 Ltd shares are listed on the Australian Securities Exchange (ASX code: MBH)
Website	www.maggiebeerholdings.com.au
Corporate Governance Statement	The company's Corporate Governance charters are located on the Company's website at the following link: www.maggiebeerholdings.com.au/investors/corporate-governance/

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'group') consisting of Maggie Beer Holdings Ltd (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 2021.

Directors

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

Reg Weine (Non-executive Chairman)
 Chantale Millard (Executive Director/Chief Executive Officer) (Appointed Director on 2 August 2021)
 Maggie Beer AM (Non-executive Director)
 Tom Kiing (Non-executive Director)
 Hugh Robertson (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 and e-commerce sector with a particular focus on premium products;
- managing its investment in Maggie Beer Products Pty Ltd (**MBP**);
- managing its investment in St David Dairy (**SDD**);
- managing its investment in Paris Creek Pty Ltd (**PCF**); and
- managing its investment in Hampers & Gifts Australia (**HGA**)

Non-IFRS measures

The directors' report includes references to Non-IFRS financial measures such as Trading EBITDA and pro-forma results. Trading EBITDA has been used by the group for a number of years to present financial information that is helpful to readers of this financial report and the directors believe that it best reflects the underlying operating performance of the group. Trading EBITDA is used as a measure of financial performance by excluding non-recurring transactions and long-term non-cash share-based incentive payments. Trading EBITDA is also utilised by senior management to manage and measure the performance of the business and for discussions with and disclosures to the market. Non-IFRS measures are not subject to audit or review.

Pro-forma results include pre-acquisition results for HGA for comparability. The pre-acquisition results for HGA are unaudited.

	Consolidated	
	31 December 2021	31 December 2020
	\$'000	\$'000
Statutory profit/(loss) after income tax	5,520	(367)
<i>Finance costs</i>	130	155
<i>Interest income</i>	(14)	-
<i>Depreciation expense</i>	1,380	1,070
<i>Amortisation expense</i>	1,438	479
Statutory EBITDA	8,454	1,337
Non-Trading Items:		
<i>Non-recurring items:</i>		
<i>Cashflow boost</i>	-	(200)
<i>Jobkeeper refunded/(received)</i>	821	(405)
<i>Professional fees</i>	102	21
<i>(Gain)/Loss on disposal of fixed assets / right-of-use assets</i>	(40)	-
<i>Non-cash items:</i>		
<i>LTI - non-cash options and performance rights issued</i>	501	1,075
Trading EBITDA	9,838	1,828

Review of operations

The profit for the consolidated entity after providing for income tax amount to \$5.5 million for the financial period (31 December 2020: \$0.4 million loss).

The net assets of the consolidated entity increased by \$6.1 million to \$108.9 million (30 June 2021: \$102.8 million). The increase was mainly due to the \$5.5 million profit and \$0.6 million share-based payment expense 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 2 August 2021, Chantale Millard was appointed as a director of the board.

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

No matter or circumstance has arisen since 31 December 2021 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 this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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

16 February 2022



Auditor's Independence Declaration

As lead auditor for the review of Maggie Beer Holdings Limited for the half-year ended 31 December 2021, 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 and the entities it controlled during the period.

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

Brad Peake
Partner
PricewaterhouseCoopers

Melbourne
16 February 2022

Maggie Beer Holdings Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021



		Consolidated	
	Note	31 December 2021	31 December 2020
		\$'000	\$'000
Revenue			
Revenue	4	64,525	27,595
Other income		-	212
Interest income		14	-
Total revenue		<u>64,539</u>	<u>27,807</u>
Expenses			
Raw materials and consumables used		(31,273)	(14,770)
Overheads		(743)	(858)
Occupancy and utilities costs		(816)	(669)
Employee benefits expense		(10,847)	(6,821)
Transportation expense		(5,395)	(1,591)
Professional fees		(589)	(270)
Marketing and advertising		(4,638)	(571)
Other expenses		(1,770)	(920)
Depreciation expense		(1,380)	(1,070)
Amortisation expense		(1,438)	(479)
Finance costs		<u>(130)</u>	<u>(155)</u>
Profit/(loss) before income tax expense		5,520	(367)
Income tax expense		-	-
Profit/(loss) after income tax expense for the half-year attributable to the owners of Maggie Beer Holdings Ltd		5,520	(367)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Maggie Beer Holdings Ltd		<u>5,520</u>	<u>(367)</u>
		Cents	Cents
Basic earnings per share	11	1.55	(0.18)
Diluted earnings per share	11	1.53	(0.18)

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

		Consolidated	
	Note	31 December 2021 \$'000	30 June 2021 \$'000
Assets			
Current assets			
Cash and cash equivalents		23,030	13,542
Trade and other receivables		8,902	8,001
Inventories		9,803	8,514
Other assets		1,603	1,351
Total current assets		<u>43,338</u>	<u>31,408</u>
Non-current assets			
Property, plant and equipment		16,771	16,768
Right-of-use assets		5,426	3,066
Intangibles	5	77,033	78,414
Total non-current assets		<u>99,230</u>	<u>98,248</u>
Total assets		<u>142,568</u>	<u>129,656</u>
Liabilities			
Current liabilities			
Trade and other payables		11,881	7,925
Contract liabilities		996	411
Lease liabilities		1,762	1,644
Employee benefits		1,325	1,249
Total current liabilities		<u>15,964</u>	<u>11,229</u>
Non-current liabilities			
Lease liabilities		3,505	1,636
Employee benefits		404	217
Contingent consideration		13,790	13,790
Total non-current liabilities		<u>17,699</u>	<u>15,643</u>
Total liabilities		<u>33,663</u>	<u>26,872</u>
Net assets		<u>108,905</u>	<u>102,784</u>
Equity			
Issued capital	6	169,486	169,386
Reserves	7	3,769	3,267
Accumulated losses		<u>(64,350)</u>	<u>(69,869)</u>
Total equity		<u>108,905</u>	<u>102,784</u>

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

Maggie Beer Holdings Ltd
Statement of changes in equity
For the half-year ended 31 December 2021



Consolidated	Contributed capital \$'000	Share based payment 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 12)	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>

Consolidated	Contributed capital \$'000	Share based payment reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2021	169,386	3,267	(69,870)	102,783
Profit after income tax expense for the half-year	-	-	5,520	5,520
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	5,520	5,520
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 12)	100	502	-	602
Balance at 31 December 2021	<u>169,486</u>	<u>3,769</u>	<u>(64,350)</u>	<u>108,905</u>

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

Note	Consolidated	
	31 December 2021 \$'000	31 December 2020 \$'000
Cash flows from operating activities		
	66,103	26,351
	(54,727)	(25,913)
	<u>11,376</u>	<u>438</u>
Cash flows from investing activities		
	(700)	(155)
5	(97)	(173)
	(3)	90
	<u>(800)</u>	<u>(238)</u>
Cash flows from financing activities		
6	(972)	(486)
	-	(532)
	(130)	(154)
	14	9
	<u>(1,088)</u>	<u>(1,163)</u>
	9,488	(963)
	<u>13,542</u>	<u>7,245</u>
	<u>23,030</u>	<u>6,282</u>

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

Note 1. General information

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

Maggie Beer Holdings Limited 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 16 February 2022.

Going Concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 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 2021 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, unless otherwise stated.

New or amended 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.

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

Note 3. Operating segments

Identification of reportable 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 board of directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

There are currently four operating segments under the criteria set out in AASB 8, being Hampers & Gifts Australia Pty Ltd ("Hampers & Gifts Australia"), Maggie Beer Products Pty Ltd ("Maggie Beer Products"), B.-d Farm Paris Creek Pty Ltd ("Paris Creek Farms"), St David Dairy Pty Ltd ("St David Dairy") and other corporate costs. All operations were in Australia for both current and comparative period.

Information regarding these segments is set out below.

Note 3. Operating segments (continued)

Operating segment information

	Hampers & Gifts Australia	Maggie Beer Products	Paris Creek Farms	St David Dairy	Other segments	Total
Consolidated - 31 December 2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Sales to external customers	34,722	18,176	7,650	4,754	-	65,302
Intersegment sales	(14)	(621)	(142)	-	-	(777)
Total sales revenue	34,708	17,555	7,508	4,754	-	64,525
Other revenue	-	14	-	-	-	14
Total revenue	34,708	17,569	7,508	4,754	-	64,539
Profit/(loss) before income tax expense, impairment and fair value gain						
	8,473	1,270	(884)	127	(3,466)	5,520
Profit/(loss) before income tax expense	8,473	1,270	(884)	127	(3,466)	5,520
Income tax expense						-
Profit after income tax expense						5,520
Assets						
Segment assets	75,428	28,825	17,470	18,013	13,946	153,682
Intersegment eliminations						(11,114)
Total assets						142,568
Liabilities						
Segment liabilities	10,170	4,808	21,038	1,641	1,276	38,933
Intersegment eliminations						(5,270)
Total liabilities						33,663

Note 3. Operating segments (continued)

	Hampers & Gifts Australia	Maggie Beer Products	Paris Creek Farms	St David Dairy	Other segments	Total
Consolidated - 31 December 2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Sales to external customers	-	14,580	8,718	4,420	-	27,718
Intersegment sales	-	-	(123)	-	-	(123)
Total sales revenue	-	14,580	8,595	4,420	-	27,595
Other revenue	-	62	50	50	50	212
Total revenue	-	14,642	8,645	4,470	50	27,807
Profit/(loss) before income tax expense, impairment and fair value gain						
	-	2,346	(386)	268	(2,595)	(367)
Profit/(loss) before income tax expense	-	2,346	(386)	268	(2,595)	(367)
Income tax expense						-
Loss after income tax expense						(367)
Consolidated - 30 June 2021						
Assets						
Segment assets	60,606	27,913	17,447	18,336	15,769	140,071
Intersegment eliminations						(10,415)
Total assets						129,656
Liabilities						
Segment liabilities	2,875	4,973	20,107	1,841	1,346	31,142
Intersegment eliminations						(4,270)
Total liabilities						26,872

Note 4. Revenue

The group derives the following types of revenue from contracts with customers:

	Consolidated	
	31 December 2021	31 December 2020
	\$'000	\$'000
Types of goods		
Sale of goods - retail	26,166	26,268
Sale of goods - online	38,359	1,327
	<u>64,525</u>	<u>27,595</u>

All revenue is recognised at a point in time.

Note 5. Intangibles

	Consolidated	
	31 December	30 June 2021
	2021	2021
	\$'000	\$'000
Goodwill - at cost	56,104	56,104
Brand	16,278	16,278
Less: Accumulated amortisation	(1,923)	(1,226)
	<u>14,355</u>	<u>15,052</u>
Customer contracts	7,935	7,935
Less: Accumulated amortisation	(2,025)	(1,309)
	<u>5,910</u>	<u>6,626</u>
Other intangible assets	928	831
Less: Accumulated amortisation	(264)	(199)
	<u>664</u>	<u>632</u>
	<u><u>77,033</u></u>	<u><u>78,414</u></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 all CGUs at 31 December 2021 and no impairment testing was deemed necessary.

Note 6. Issued capital

	Consolidated			
	31 December	30 June 2021	31 December	30 June 2021
	2021	2021	2021	2021
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>351,339,920</u>	<u>351,151,240</u>	<u>169,486</u>	<u>169,386</u>

Note 7. Reserves

	Consolidated	
	31 December	30 June 2021
	2021	2021
	\$'000	\$'000
Share based payment reserve	<u>3,769</u>	<u>3,267</u>

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Share based payment reserve \$'000
Balance at 1 July 2021	3,267
Share based payments	<u>502</u>
Balance at 31 December 2021	<u><u>3,769</u></u>

Note 8. Dividends

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

Note 9. Contingent assets and liabilities

The directors are not aware of any contingent assets or contingent liabilities as at 31 December 2021 (2020: Nil).

Note 10. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 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.

Note 11. Earnings per share

	Consolidated	
	31 December 2021	31 December 2020
	\$'000	\$'000
Profit/(loss) after income tax attributable to the owners of Maggie Beer Holdings Ltd	5,520	(367)
	Cents	Cents
Basic earnings per share	1.55	(0.18)
Diluted earnings per share	1.53	(0.18)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	354,997,207	207,357,213
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	5,622,124	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	360,619,331	207,357,213

Note 12. Share-based payments

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

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

Options

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

31 December 2021

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
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
			13,500,000	-	-	-	13,500,000

Note 12. Share-based payments (continued)

**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

Set out below are the options exercisable at the end of the financial half-year:

Grant date	Expiry date	31 December 2021 Number	31 December 2020 Number
16/07/2020	15/07/2024	1,500,000	1,500,000
16/07/2020	15/07/2024	1,500,000	1,500,000
16/07/2020	15/07/2024	1,500,000	1,500,000
28/10/2020	27/10/2024	3,000,000	-
		<u>7,500,000</u>	<u>4,500,000</u>

Performance rights

Set out below are summaries of performance rights granted:

**31 December
2021**

Grant date	Expiry date	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
01/07/2021	31/08/2022	-	300,000	-	-	300,000
01/07/2021	31/08/2022	-	300,000	-	-	300,000
01/07/2021	30/06/2022	-	185,714	-	-	185,714
01/07/2021	30/06/2023	-	319,286	-	-	319,286
01/07/2021	30/06/2024	-	319,286	-	-	319,286
		-	1,424,286	-	-	1,424,286

Valuation of options and performance rights

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
16/07/2020	15/07/2024	\$0.225	\$0.150	90.00%	-	0.26%	\$0.131
16/07/2020	15/07/2024	\$0.225	\$0.180	90.00%	-	0.26%	\$0.121
16/07/2020	15/07/2024	\$0.225	\$0.200	90.00%	-	0.26%	\$0.115
28/10/2020	27/10/2024	\$0.321	\$0.150	90.00%	-	0.11%	\$0.220
28/10/2020	27/10/2024	\$0.321	\$0.180	90.00%	-	0.13%	\$0.217
28/10/2020	27/10/2024	\$0.321	\$0.200	90.00%	-	0.13%	\$0.219

Note 12. Share-based payments (continued)

There are service period and non-market conditions attached to the options issued on 28 October 2020, which require reaching trading EBITDA targets each financial year. Management has assessed the probability of these targets being reached as 100% as at 31 December 2021.

On 24 June 2021, the board approved one-off bonus grant of 600,000 performance rights. The performance rights expiring on 31 August 2022 in the below table are subject to vest based on time-based hurdle of continuous employment with the group until August 2022 being met.

On 24 June 2021, the directors approved a Long-Term Incentive Plan (LTIP) for the executive team in the form of granting performance rights over 3 years in 3 tranches. The performance rights are based on a % of each individual's Total Fixed Remuneration (including super) (TFR). Therefore, if an individual's TFR is increased, the LTIP value and number of shares is adjusted over the course of the 3 years at the same value of \$0.35.

The \$ value of shares remains constant with the number of shares being variable.

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/07/2021	31/08/2022	\$0.400	90.00%	-	0.06%	\$0.400
01/07/2021	30/06/2022	\$0.400	90.00%	-	0.07%	\$0.350
01/07/2021	30/06/2023	\$0.400	90.00%	-	0.07%	\$0.350
01/07/2021	30/06/2024	\$0.400	90.00%	-	0.20%	\$0.350

There are service period and non-market conditions attached to the performance rights granted, which require reaching trading EBITDA targets in the respective periods. Management has assessed the probability of these targets being reached as 100% as at 31 December 2021.

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 2021 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

16 February 2022



Independent auditor's review report to the members of Maggie Beer Holdings Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Maggie Beer Holdings 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 2021, 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 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 2021 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities 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.



Auditor's responsibilities 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 2021 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
16 February 2022