

## **General Meeting 18 March 2022**

### **Chairman's Address**

Good morning, my name is Peter James and I am the Chairman of Halo Food Co. Welcome to the extraordinary general meeting of Halo Food Co, convened to consider the resolutions regarding the acquisition of The Healthy Mummy. I would like to welcome you all as shareholders to the meeting, my fellow non-executive board members, Andrew Reeves & Sue Klose, our Chief Executive Officer, Danny Rotman, our Chief Financial Officer, Jourdan Thompson, Heidi Aldred our Company Secretary and a special welcome to Rhian Allen, the CEO of founder of The Healthy Mummy. The Halo team and I are incredibly excited to welcome Rhian and her team to Halo and we are looking forward to capitalising on the opportunities, synergies and strength of the combined businesses of The Healthy Mummy and Halo Food Co. Prior to considering the resolutions put to shareholders in the Notice of Meeting dated 17 February 2022, I am pleased to provide an update on the recent activities and milestones of Halo.

Through the third quarter of financial year 2022, being the quarter ended 31 December 2021, Halo realised sales of more than \$17.5m for the quarter and consolidated normalised EBITDA profitability across the group, an increase of over 17% on the prior quarter's sales and Halo's largest sales quarter on record. Halo is on track to record another year of double digit sales growth through to the end of FY22 and will continue this strong trajectory into FY23.

The quarterly results and growth were realised as all divisions of the group across Australia and New Zealand continued to build upon the solid foundations that have been established and set in place over recent years. Halo is beginning to realise the benefits of scale, a diversified and growing client base, operational leverage across seven manufacturing sites in Australia and New Zealand with a broad manufacturing and operational capability alongside growing brand awareness in the health and wellness sector.

Leading into the final quarter of FY22, Halo has continued to pursue new growth opportunities and is realising material new purchase orders for new



clients from our New Zealand business, a growing sales pipeline with increased product diversification for existing clients across Australia and New Zealand and has announced the acquisition of The Healthy Mummy, a highly strategic, a natural and logical adjacency and complementary business to the existing Halo business.

The Healthy Mummy is an established and leading digital platform focussed on the health and wellbeing of woman and in particular mothers. The Healthy Mummy was founded over 10 years ago by Rhian Allen and has grown to more than \$20m revenue and over \$4m EBITDA for the twelve months ending 30 June 2021. The business has a broad product offering of powdered smoothies and ancillary products focussed on weight loss and broader health and wellness, this accounts for approximately 60% of the turnover and will be manufactured in house at Halo Food Co in our Melbourne facilities moving forward. The balance of The Healthy Mummy business is attributable to the digital and recurring subscription revenue generated via the Healthy Mummy app providing access to thousands of recipes, workouts and other health and wellness benefits. Healthy Mummy has approximately 86,000 digital subscribers and is continuing to grow month on month.

Uniquely and setting it apart from competing fitness and weight loss focussed digital offerings is the engaged and supportive community of like minded mums. The Healthy Mummy has content moderated facebook groups approaching two million followers and hundreds of thousands of followers through additional social media channels, including Instagram. These high margin direct to consumer channels offer Halo an accelerated opportunity to generate cross-sell synergies that would have otherwise taken years to establish organically. Simultaneously Halo's retail distribution channels domestically and internationally offer The Healthy Mummy additional upside and further penetration.

After considering the resolutions, I will invite Danny Rotman to provide a further overview of The Healthy Mummy and the strategic rationale for the acquisition.

This is a compelling and transformational acquisition for Halo. The acquisition is underpinned by a strong strategic rationale and articulated upon the



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Company's growth strategy and core objective of being a leading and vertically integrated brand owner and manufacturer in the health and wellness sector. With the acquisition of The Healthy Mummy, Halo accelerates its objective of being a vertically integrated brand owner and manufacturer, with a broad manufacturing capability, broad distribution channels across retail, petrol and convenience, pharmacy, speciality and direct to consumer digital channels with an engaged and captive client base.

Importantly, the acquisition is highly earnings per share accretive for Halo shareholders. It offers further scale and diversification to Halo's existing business, significant manufacturing synergies, a depth of product offering and the ability to cross sell Halo brands through Healthy Mummy digital channels.

Thank you to shareholders who have supported the acquisition via the placement and share purchase plan and indeed those who have voted in favour of the resolutions. We are excited about the future prospects of the combined group and strategic opportunities and goals in front of Halo Food Co.

END



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