

## THE HEALTHY MUMMY RANGE EXPANSION IN WOOLWORTHS AND TRADING UPDATE

**30 March 2023**

Halo Food Co. Limited (ASX:HLF) (“**Halo**” or the “**Company**”) is pleased to announce its 100% owned subsidiary The Healthy Mummy (“THM”) has been successful in increasing its ranging in Woolworths.

Halo has continued to execute on its key growth initiative of expanding THM into major grocery and mass market retailers. THM recently participated in the Woolworths Vitamins range review and has been awarded three products to go into store from late June 2023. The products include The Healthy Mummy Metabolism tablets, The Healthy Mummy Bloat capsules and The Healthy Mummy Apple Cider Vinegar capsules.

The sales value of the products to Halo is forecast to be approximately \$1,000,000 in the first year. This sales value is in addition to the THM powder smoothie products presently ranged in Woolworths.

### **The Healthy Mummy Trading Update**

While the growing retail presence of The Healthy Mummy brand is performing well at an early stage, THM has experienced a more challenging trading environment in its online business in recent months than forecast at the time of the acquisition as consumers continue to evaluate and reduce discretionary spending. This has been driven by a combination of macro-economic factors including, high inflation, rising costs of living and increasing interest rates, resulting in lower disposable income of THM’s core customer demographic.

This reduced consumer spending is resulting in softer sales of both the digital app subscriptions and The Healthy Mummy products via the company’s direct to consumer e-commerce store. Halo has undertaken a cost rationalisation review and reduced costs across The Healthy Mummy business by approximately \$160,000 a month over the last six months.

While the stronger and more positive impact of the increased retail ranging is mitigating the underperformance of the balance of the business and simultaneously increasing the reach and awareness of The Healthy Mummy brand it is not yet offsetting the weaker sales in the remaining THM online business.



In this respect, Halo expects that upon the release of its full year accounts by the end of May 2023, it will record a non-cash impairment to the goodwill of The Healthy Mummy on the Company's balance sheet.

Jourdan Thompson, Halo's CEO, commented, "It is great to see the continued expansion of The Healthy Mummy in retail and the strong support and roll-out into Woolworths supermarkets. The initial demand from a new and broader retail customer in major grocery has highlighted the underlying strength and demand for the brand."

"Halo is addressing the underperformance of the online THM business in a difficult e-commerce macroeconomic environment. Expansion into retail is mitigating this underperformance to an extent and the Company will update the market upon completion of its strategic review of THM in the coming months."

Furthermore, as the Company assesses the strategic options for THM it intends to undertake a full strategic review of the broader Halo business and its various verticals in the short to medium term and provide an update to shareholders in due course.

Release of this announcement was authorised by the Halo Board of Directors.

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### Further Information

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## About Halo Food Co. Limited

Based in Sydney and Melbourne, Australia and Christchurch, New Zealand, Halo Food Co. Limited is an established brand owner, manufacturer and exporter of formulated health and wellness products. Halo Food Co. is a leading Australian and New Zealand brand owner, developer and manufacturer in the health and wellness sector, with dry powder, ready to drink UHT and protein bar health and wellness-based product capability. In addition to Halo Food Co.'s own brands, the company is a trusted production partner, contract packing for well-known brands in Australia, New Zealand and internationally. The Company's purpose-built production facilities in Australia and New Zealand offer a wide range of dairy, health and wellness and nutritional packing solutions, meeting the diverse needs of consumers from different markets and cultures. Please visit [www.halofoodco.com](http://www.halofoodco.com) for further information.

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