

Halo Food Co.

Acquisition of The Healthy Mummy
and capital raising.

15 February 2022

Notices and disclaimer

These presentation materials (**the Presentation Materials**) have been prepared by Halo Food Co. Limited (**Company**). By accepting the Presentation Materials, you acknowledge and represent to the Company that you have read, understood and accepted the terms of this disclaimer. It is the responsibility of all recipients of these Presentation Materials to obtain all necessary approvals to receive these Presentation Materials and receipt of the Presentation Materials will be taken by the Company to constitute a representation and warranty that all relevant approvals have been obtained.

Not an offer

These Presentation Materials are for information purposes only. The Presentation Materials do not comprise a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with the Australian Securities and Investments Commission) or any other law. The Presentation Materials also do not constitute or form part of any invitation, offer for sale or subscription or any solicitation for any offer to buy or subscribe for any securities nor shall they or any part of them form the basis of or be relied upon in connection therewith or act as any inducement to enter into any contract or commitment with respect to securities. In particular, these Presentation Materials do not constitute an offer to sell or a solicitation to buy, securities in the United States of America.

Not investment advice

The Presentation Materials are not investment or financial product advice (nor tax, accounting or legal advice) and are not intended to be used for the basis of making an investment decision. Recipients should obtain their own advice before making any investment decision.

Summary information

The Presentation Materials do not purport to be all inclusive or to contain all information about the Company, The Healthy Mummy Pty Ltd (**THM**) or any of the assets, current or future, of the Company or THM. The Presentation Materials contain summary information about the Company and THM and their respective activities which are current as at the date of the Presentation Materials. The information in the Presentation Materials is of a general nature and does not purport to contain all the information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus or product disclosure statement or other offering document prepared in accordance with the requirements of Australian law or the laws of any other jurisdiction, including the United States of America. The Company does not undertake to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Forward looking statements

Certain statements contained in the Presentation Materials, including information as to the future financial or operating performance of the Company and THM and their respective projects, are forward looking statements. Such forward looking statements:

- (a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company and THM, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;
- (b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward looking statements; and
- (c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The Company disclaims any intent or obligation to publicly update any forward looking statements, whether as a result of new information, future events or results or otherwise. The words “believe”, “expect”, “anticipate”, “indicate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward looking statements.

All forward looking statements contained in the Presentation Materials are qualified by the foregoing cautionary statements. Recipients are cautioned that forward looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein.

Further, some of the financial information in this presentation is based on unaudited financial information which may be subject to change.

NO LIABILITY

The Company has prepared the Presentation Materials based on information available to it at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in the Presentation Materials. To the maximum extent permitted by law, the Company, its related bodies corporate (as that term is defined in the Corporations Act 2001 (Commonwealth of Australia)) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the Presentation Materials or its contents or otherwise arising in connection with it.

Presenting Today



Danny Rotman

CEO, Halo Food Co.

Co-founder of Omniblend
Lawyer with Gadens and Rotman & Morris



Rhian Allen

Founder, The Healthy Mummy

Strategy director at Max Media Lab
Key accounts sales director at ACP Magazines
Advertising Manager at The Financial Times Group



Jourdan Thompson

CFO, Halo Food Co.

Director at Greenhill & Co in Sydney
Mergers & Acquisitions, ING London
Corporate Finance, Ernst & Young Sydney
Corporate Recovery & Restructuring, KPMG



Agenda

1. Executive summary
2. Overview of Halo Food Co.
3. Overview of The Healthy Mummy
4. Acquisition rationale and impact on Halo Food Co.
5. Acquisition funding and financial impact
6. Offer summary

Appendices

- A. Key risks
- B. International offer restrictions

Executive Summary

Acquisition overview

- Halo Food Co. (**Halo**) (ASX.HLF) has entered into a binding conditional agreement to acquire 100% of the shares on issue of The Healthy Mummy (**THM**) for an upfront consideration of \$17.0m and up to \$5.0m earn-out subject to revenue and EBITDA performance milestones (**Acquisition**)
 - upfront consideration consists of \$10.8m cash payment and \$6.2m equity issue to the vendors of THM, Whiteoak Pty Ltd (Whiteoak) and Rhian Allen (Founder & CEO) (together, the **Vendors**)
 - earn-out consideration consists of \$1.0m cash payment and \$4.0m equity issue to Rhian Allen split evenly across two deferred tranches
 - \$2.0m of equity issued to Vendors (**Vendor Shares**) to be escrowed for 12 months with remainder escrowed for 24 months from date of issue
- Implied Acquisition multiple of approximately 4.1x EV / FY21 upfront EBITDA and 3.4x EV / FY23F blended EBITDA (assuming top earnout threshold is met)

Halo Food Co highlights

- Halo is an established and rapidly growing manufacturer, exporter and brand owner of formulated dairy and health and wellness products
- Operates 2 key divisions:
 - **Manufacturing:** 7 purpose built and fully accredited production facilities in Australia and New Zealand; and
 - **Proprietary Brands:** Tonik, SuperCubes, Gran's Fudge and KeyDairy
- Growth strategy to leverage its manufacturing capabilities to make acquisitions, implement organic growth initiatives including proprietary brands and extract operational efficiencies and scale benefits

Halo Q3 FY22 and trading update

- Q3 FY22 strongest quarterly results on record
- FY22 YTD revenue is \$46.9m⁽¹⁾ and FY22 revenue is forecast at \$60.1m (FY21 revenue \$50.7m), growth of more than 18% on FY21
- 17% sales growth over the prior quarter to a record high of \$17.5m for the 3 months ending 31 December 2021
- \$2.6m net cash generation from operations
- Consolidated normalised EBITDA profitability of \$503k for the quarter
- Strong pipeline of orders and new clients moving into calendar year 2022

Executive Summary

THM overview	<ul style="list-style-type: none"> • THM was founded in 2010 by Rhian Allen due to a lack of support for mothers to lose weight and regain health • THM's mission is to help millions of mothers around the world who want to lose weight after having children • THM has one of the world's largest weight loss and health community of mothers with young children • In FY21 THM generated ~\$21m of revenue and ~\$4m of EBITDA
Acquisition rationale	<ul style="list-style-type: none"> • Differentiated product and service offering with substantial cross-sell opportunities for Halo and THM brands • High margin subscription digital product offering feeding product sales • Complementary digital distribution channels unlike any other competitor in the market • Contract manufacturing and R&D synergies with manufacturing of core products to be brought in house (Melbourne & Sydney) – estimate of \$4-5m contract manufacturing to be brought in-house • Established, profitable and cash generative business • Higher margin, proprietary brand sales to transform Halo sales mix and profitability
Acquisition funding	<ul style="list-style-type: none"> • The Acquisition and associated costs will primarily be funded through a combination of equity and debt • an equity raising comprising; <ul style="list-style-type: none"> - placement of \$3.5m under ASX listing rule 7.1⁽¹⁾ - SPP of \$3.0m⁽²⁾ • ~\$13.0m new debt facility⁽³⁾
Financial impact	<ul style="list-style-type: none"> • Strong deleveraging profile post Acquisition underpinned by synergies and organic growth initiatives • Combined revenue of ~\$84 million and normalised EBITDA of ~\$5.7 million (pre-synergies)⁽⁴⁾ • \$800k of identified cost synergies in manufacturing capabilities and R&D, with additional THM growth initiatives driving further potential synergy upside

Notes: (1) The Board reserves the right to increase the size of the placement up to and within the Company's placement capacity in accordance with ASX listing rule 7.1 (2) In the event of oversubscriptions, the Directors may, in their absolute discretion, accept oversubscriptions (in accordance with the ASX Listing Rule parameters) or alternatively scale-back all Applications on an equitable basis. (3) Issue of \$3m Warrants to debt providers with a 3 year term (4) Combined revenue and normalised EBITDA is illustrative and based on Halo LTM to December 2021, and THM FY22 June year-end forecast



Overview of Halo Food Co.

Halo Food Co.

Halo is a rapidly growing and expanding health and wellness company

Halo is an established and rapidly growing manufacturer, exporter and brand owner of formulated dairy and health and wellness products

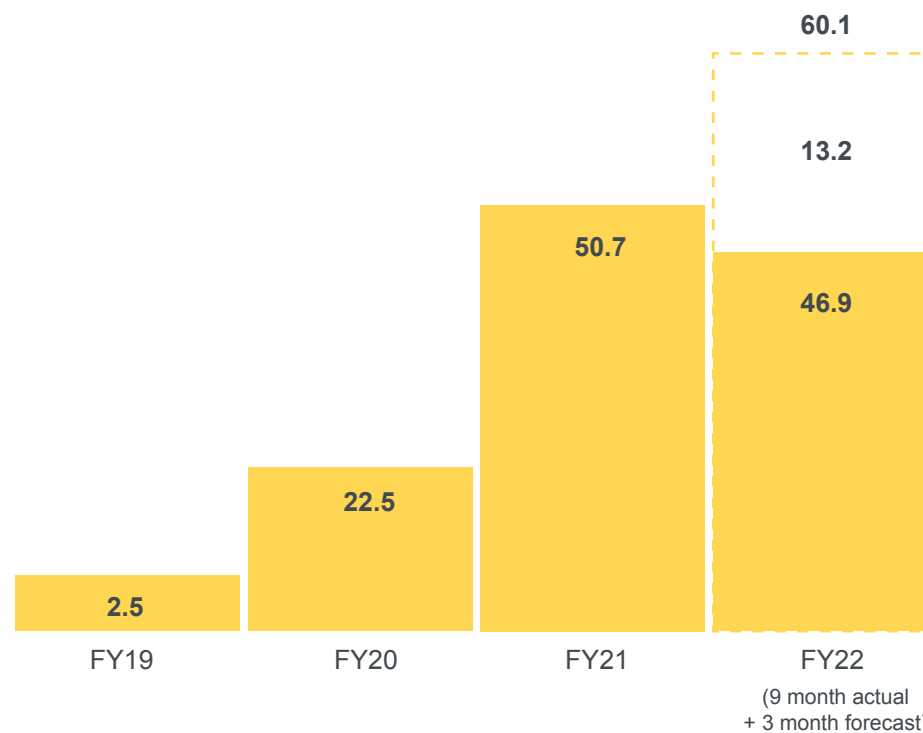
Operates 2 key divisions:

- **Manufacturing** – 7 purpose built and fully accredited production facilities in Australia and New Zealand
- **Proprietary brands** – Tonik, SuperCubes, Gran's Fudge and KeyDairy
- Halo's facilities and accreditations meet diverse and broad needs of consumers from different markets and cultures
- Growth strategy to leverage its manufacturing capabilities to make strategic acquisitions, implement organic growth initiatives, including proprietary brands, and extract operational efficiencies and scale benefits
- Total forecast sales for FY22 are \$60.1m compared with \$50.7m (FY21) and \$22.5m (FY20)

Q3 FY22 strongest quarterly results on record:

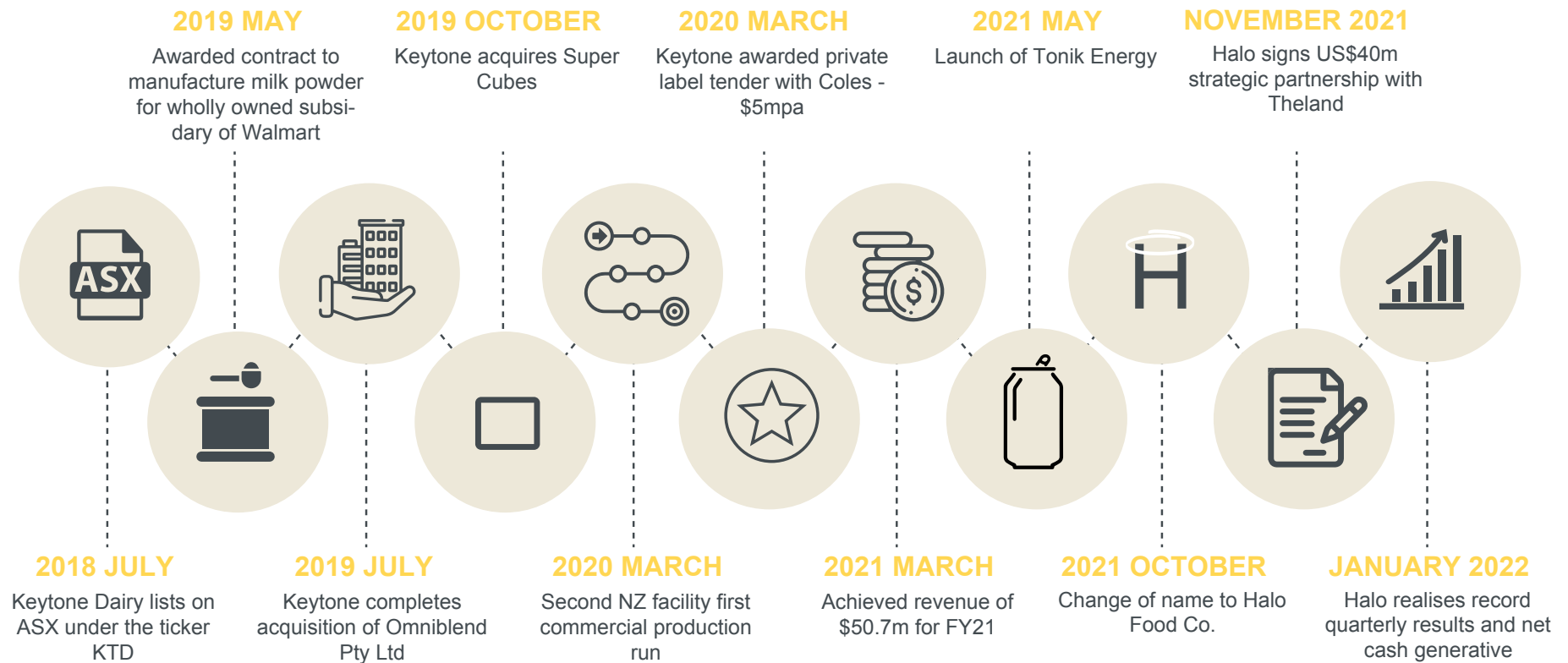
- 17% sales growth over prior quarter to a record high of \$17.5m for the 3 months ending 31 December 2021
- Consolidated normalised EBITDA of \$503k for the quarter and \$2.6m net cash generation from operations
- Halo is a trusted production partner, contract packing for well-known brands in Australia, New Zealand and internationally.

Annual revenue (A\$m)





Our Journey



Manufacturing capabilities - Australia

Diversified manufacturing capabilities built to scale

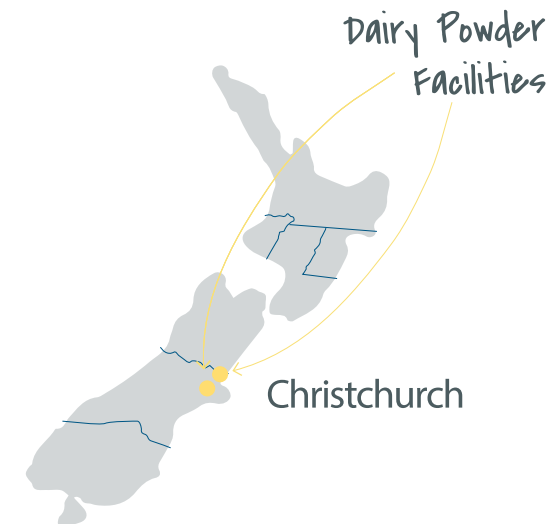
- **Powder facilities integrated into the large and modern Mordialloc facility**
 - Dedicated multi-room blending and warehousing facility
9 accredited packing rooms, including dairy-free, gluten free
 - In-house product development laboratory
 - Powder packing capabilities include: Jars & Tubs, Buckets, Composite Containers, Doy Bags, Pillow & Block Bottom, Sachets
- **Ready-to-drink (UHT) PET bottled products in Australia**
 - Production of long-life drinks at aseptic site including sports nutrition, weight loss and non-dairy drinks
 - Ranging in size from 225ml up to 450ml
- **Protein Bar and Healthy Snacking Plant**
 - Significant capex program undertaken through FY21 to build a state-of-the-art snacking and bar plant - fully operational from September 2021
 - Specialises in the production of sports and fitness bars, functional multi-layered protein bars, cereal bars and healthy snacks
 - Manufacture of permissible indulgence products, including Gran's Fudge



Manufacturing capabilities - New Zealand

Diversified manufacturing capabilities built to scale

- Two fully operational dairy powder manufacturing and packing facilities in Christchurch, New Zealand
- Constructed to comply with the highest food grade standards, infant formula capable
- Powder packing capabilities include Sachets, Pillow Bags, Zip-lock bags, Cans and Jars (from Q3 FY22)



Ministry for Primary Industries
Manatū Ahu Matua



Certification and Accreditation
Administration of the People's Republic of China



Our proprietary brands

Tonik

Proudly Australian owned, this premium functional beverage brand exists to help people get more out of life, one sip at a time. A range of ready to drink solutions including high protein low carb, hydration and plant based options.



SUPER CUBES[®]

Convenient, 'ready-to-eat' healthy meal and snack solutions. Super Cubes products are plant based, with protein and highly nutritious ingredients.



Gran's

A range of delicious handcrafted fudges. Our luxury fudge recipes are blended with the goodness of personally selected quality ingredients, a hint of nostalgia and lashings of flavour.



KeyDairy[®]

A range of premium milk powders for all ages from children over three years to the elderly. A real creamy taste to support healthy bodies, digestive systems and strong bones.





Select distribution channels and retail partners

A growing distribution footprint for our proprietary brands

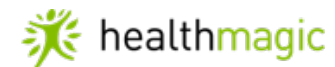
Supermarket



Petrol & convenience



Specialty & online





The Halo team



Peter James

Non-Executive Chairman



Danny Rotman

Chief Executive Officer



Andrew Reeves

Non-Executive Director



Jourdan Thompson

Chief Financial Officer

Newly appointed Non-Executive Director



Sue Klose

Sue will join the Halo Board prior to the completion of The Healthy Mummy transaction.

Background in SaaS businesses focusing on digital strategy, corporate development, partnerships and business growth in Australia and the US.

Previous role was Chief Operating Officer at Michelle Bridges' online business, 12WBT (12 Week Body Transformation)

Sue has also previously held roles at GraysOnline as Chief Marketing Officer

Sue currently holds Non-Executive Director roles at Nearmap, Azupay and Envirosuite.



Overview of The Healthy Mummy

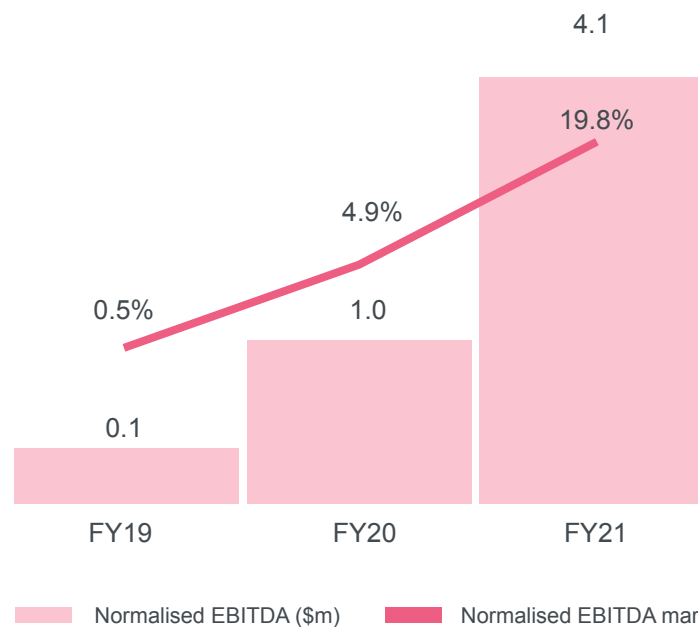


Introduction to The Healthy Mummy

Founded in 2010 with a vision of becoming Australia's leading support solution for mother's aiming to regain their health and fitness

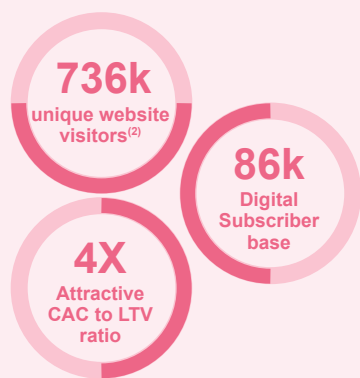
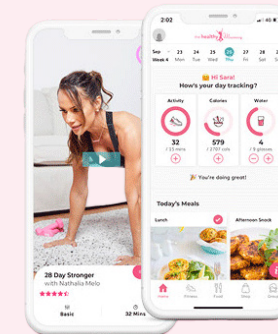
Company Snapshot

- The Healthy Mummy was founded in Australia in 2010 by Rhian Allen after giving birth, when she discovered that there was a lack of support for mothers to regain their health and fitness
- The Healthy Mummy's mission is to help millions of mothers around the world who want to improve their health and wellbeing after having children. The Healthy Mummy has the world's largest health and wellbeing community of mothers with young children; its 28 Day Weight Loss Challenge ("28 Day Challenge") has helped women lose over 2.7m kg (6m lbs)⁽¹⁾ collectively
- The business generated c.\$21m of revenue and c.\$4m of Normalised EBITDA in FY21



Core Product Offering

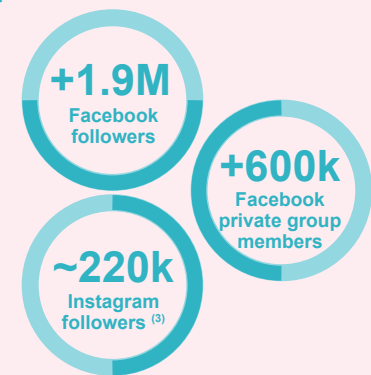
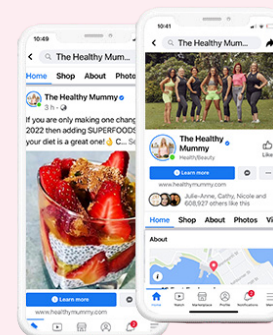
Digital Subscription Program



Products & Mechanise



Powered by a community that motivates & drives revenue



Source: (1) Management analysis based on member surveys and App data; (2) As at January 2022
(3) includes @thehealthymummy and @rhianbusyallen Instagram accounts

the healthy Mummy Key highlights

AUTHENTIC BRAND

Authentic, trusted health and wellness brand with strong end-market resonance

NICHE MARKET LEADER

A leading player in the mothers-focused health and wellness segment with a highly engaged, supportive and carefully moderated digital community

LARGE & GROWING MARKET

Large addressable market of \$647m⁽¹⁾ with attractive category fundamentals and growth opportunities

STRONG FINANCIALS

Strongly cash generative, with \$20.7m of revenue and \$4.1m of Normalised EBITDA in FY21

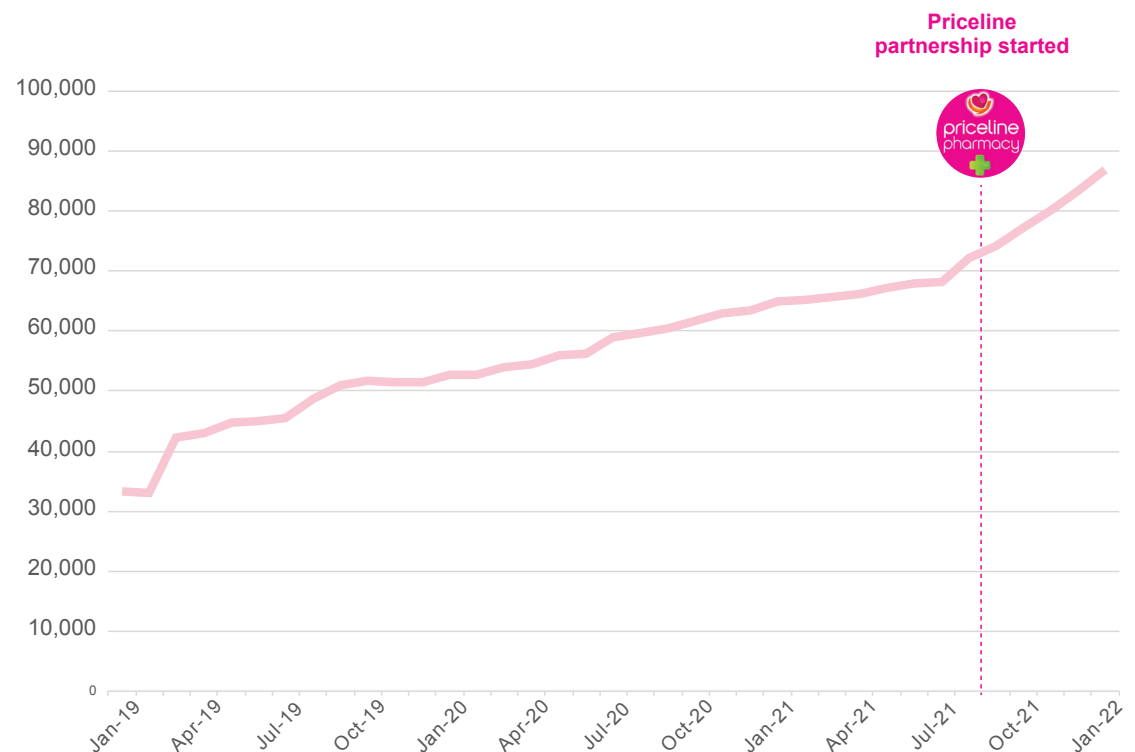
PRICELINE PARTNERSHIP

Retail distribution into 440 Priceline Pharmacy stores, integration with The Health Mummy App, and strong customer referral tool via Priceline's 7.5m member Sister Club

SIGNIFICANT OPPORTUNITIES

New growth initiatives including the Healthy Mummy marketplace, corporate partnerships, new products & services, and The Healthy Mummy Wellness App

Digital Subscriber Growth



Notes: (1) Weight Loss Services in Australia is A\$466m (IBIS World 2021), Online vitamin and supplement sales in Australia is A\$181m (IBIS 2021)



Business model

Three interlinked business segments create a unique and hard-to-replicate offering that provides everything a mother needs to change her lifestyle – including real-time support and encouragement to keep going

1

Digital Subscription

28 Day Challenge

~39% of revenue ⁽¹⁾

100% gross margin ⁽¹⁾

- Healthy eating, meal plans, recipes, support and plans designed for busy mums on a budget
- Delivered via The Healthy Mummy App, which effectively provides a nutritionist, personal trainer and motivational coach all in your pocket



2

Food and products to supercharge health & wellbeing

~61% of revenue ⁽¹⁾

~48% gross margin ⁽¹⁾

- A curated range of nutritionally superior products created for mums to support their health journey
- Includes a bestselling kids nutrition range as well as a Skincare range and The Healthy Man range
- The products are trusted and recommended by other mums and health care professionals

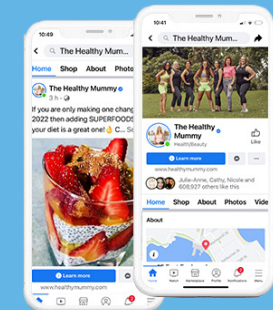


3

Community that motivates and drives revenue

+600k Facebook group members

- Highly engaged global community of over 600,000 private group members
- Large social follower base with over 1.9m Facebook followers and ~220k Instagram followers
- Mothers share social proof, healthy living tips, body confidence inspiration, weight loss tips, success stories, advice and more
- The Business ensures the groups are moderated to maintain body positivity and a supportive, non-judgemental environment
- A highly trusted brand and product range



Notes: (1) FY21 Management accounts. Source: Management, July 2021



Digital Subscription Program (28 Day Challenge)

Delivered by the highly rated The Healthy Mummy App, the 28 Day Challenge is a comprehensive customisable program to help women regain body confidence and get fit, healthy and strong



86k+ Subscribers



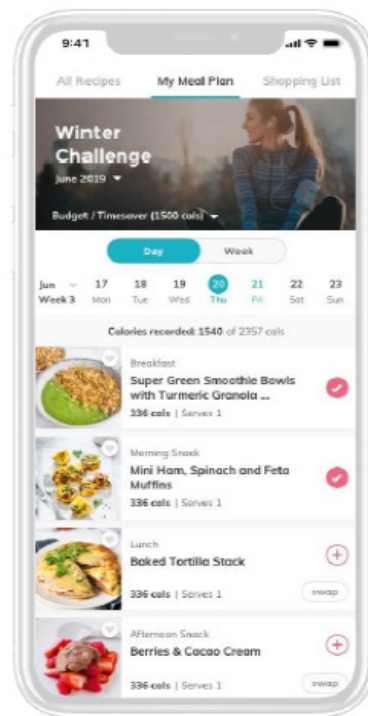
92% increase
their self-esteem
after 28 days



90% would
recommend to
their friends

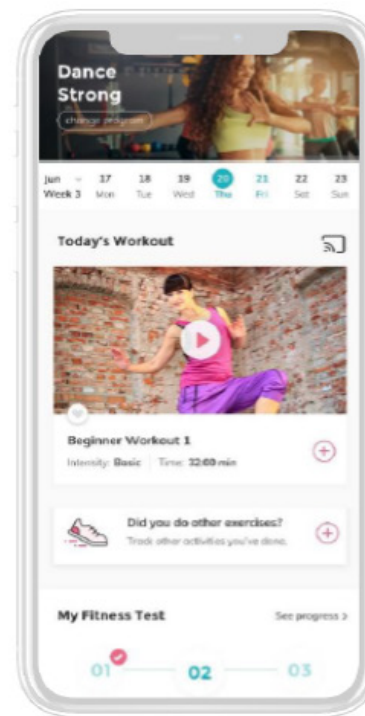


Up to 50% saving on
average weekly meal
spend due to budget
friendly meal plans



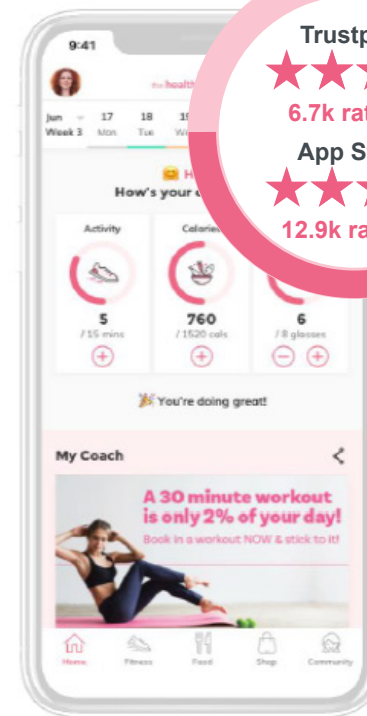
Nutritionist Designed Meal Plans

Nutritionist designed, budget
friendly meal plan with over
5,000 recipes



Personal Trainer Designed Fitness Plans

500+ videos catering for
postnatal to advanced fitness



Motivational Coach

Lifestyle tips & goal tracker
for accountability

Trustpilot
★★★★★
6.7k ratings
App Store
★★★★★
12.9k ratings



Product overview

Broad range of products across consumables and non-consumables

The Healthy Mummy

Consumables

Smoothies



2012 Launch Year

- Features a range of delicious, easy to prepare meal replacement smoothie powders
- High nutritional profile
- Also offer specific products for mothers in the various pregnancy stages and breastfeeding stages of motherhood as well as mums with older and teenage children

Snacks



2014 Launch Year

- Includes natural snack bars, cake mixes, drinking mixes to satiate cravings or provide energy for busy mothers
- Products contain no added sugar or preservatives

Supplements



2017 Launch Year

- Includes protein powders, ingestible metabolism support tablets, and gastrointestinal health supplements
- The products are high in protein, probiotics, vitamins, minerals and omega-3, providing immune support for mothers and babies

Other

Consumables

The Healthy Man

Meal Replacement



Supplements



Exercise



The Healthy Kids

Smoothies



Supplements



Snacks



Non-consumables

Skincare



Merchandise



Books





Community and content



**#1 reason Mothers
subscribe to the 28
Day challenge**



**+600k Facebook
private group
members**



**~220k
Instagram
followers**



**2,500+
New members
each month**

Real Mums



+500,000 Members
in the primary Facebook group,
exchanging advice, support and
their health stories

Real Support



Exchange Tips
The difficulties and hurdles of the
weight loss journey are shared
with the group

Real Results



Product appraisal
Mothers said the #1 reason
they purchased a product was
because of a positive testimonial
from a Facebook member

Community includes: Carefully moderated private Facebook group and paid dietitians and nutritionists providing free advice and tips to the community



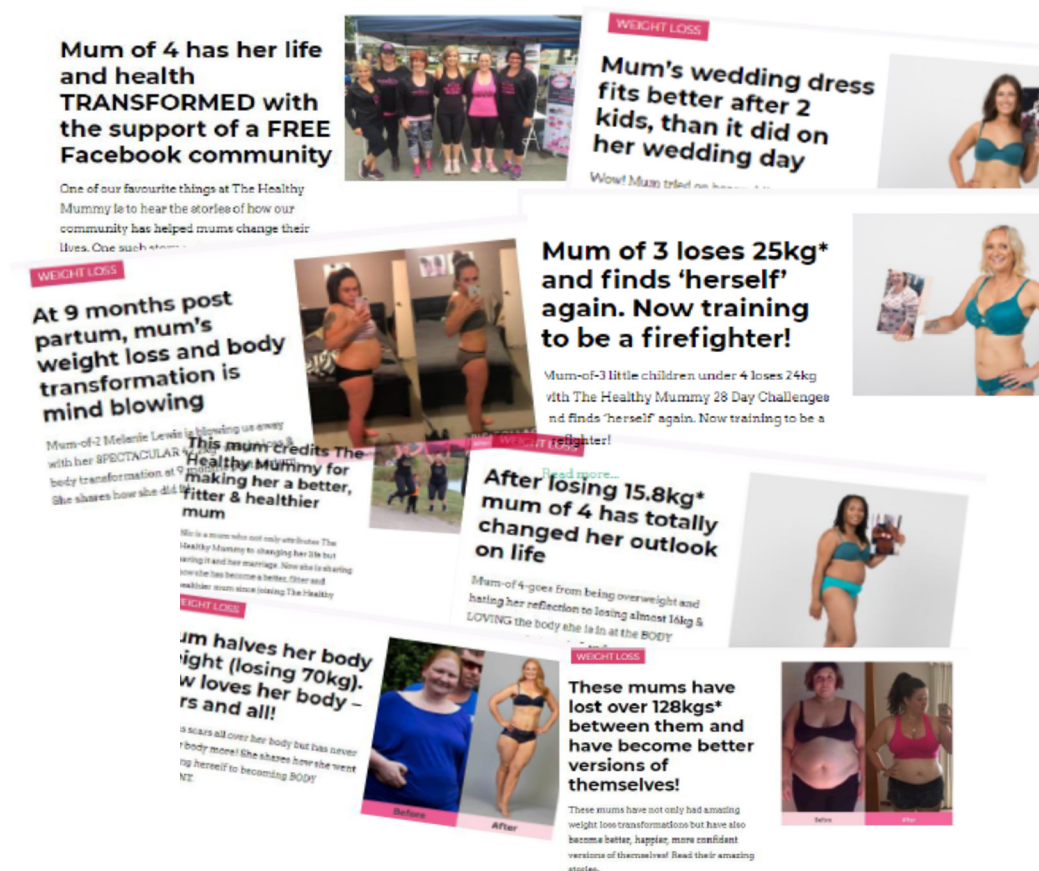
The results

“I feel like I get to be me and who I’ve always wanted to be”

Cicily

“The transformation was incredible for not just me but my family too”

Sacha



The Healthy Mummy has gained media attention globally due to the outstanding results yielded by its community

SHAPE

Parade

CBS

THRIVE GLOBAL

WE

ABC AUSTRALIA

Mirror

Daily Mail

The Sun

7news

Woman's Day

news.com.au

Highly complementary Priceline partnership

Mutually beneficial partnership providing access to Australia's leading women's loyalty program

- Leading bricks and mortar retailer for health and nutritional products with over 440 Priceline Pharmacy stores across Australia
- Distributing a range of premium smoothies and supplements, including a special range of smoothie sizes that will be sold exclusively via Priceline stores and Priceline online
- New and exclusive THM products to drive further traffic in store and online
- **Priceline's Loyalty Program, SisterClub, provides a powerful customer referral tool for THM, accessing 7.5m members (93% female)** via email and affiliate marketing – a significant opportunity to expand the THM subscriber base
- SisterClub members are provided with a 30-day free trial of The Healthy Mummy App, featuring healthy recipes, fitness workouts and a new wellbeing program – the 8 Week Challenge, as well as additional perks such as Sister Club Points
- **Digital subscriber growth of ~80% on pcip basis -**
 - 1 Sep 2020-27 Jan 2021: 16,412
 - 1 Sep 2021-27 Jan 2022: 29,403



An *Exclusive* offer just for you

Get 4 Weeks Free on The Healthy Mummy app and get up to 80% off your subscription after your free trial ends while earning 5x bonus Sister Club Points.

[Start your challenge](#)

Marketing spend and mix

Australian acquisition cost

As the Business has established itself as a household name in Australia, the marketing spend and mix has been refined to utilise different marketing channels and capture outstanding market share:

- Marketing acquisition costs include all marketing costs
- Marketing effectiveness drives improved performance: pricing, offers, promotions, new product launches and channel allocation

Customer lifetime value easily justifies customer acquisition cost

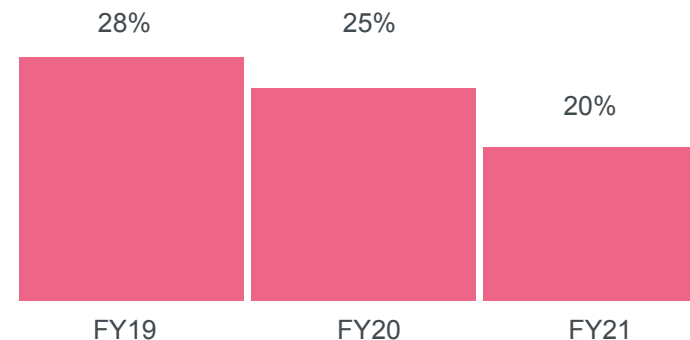
- Strong 4:1 CAC⁽¹⁾ to LTV⁽²⁾ ratio, comparing well to other similar consumer subscription businesses

Brand ambassadors and social media

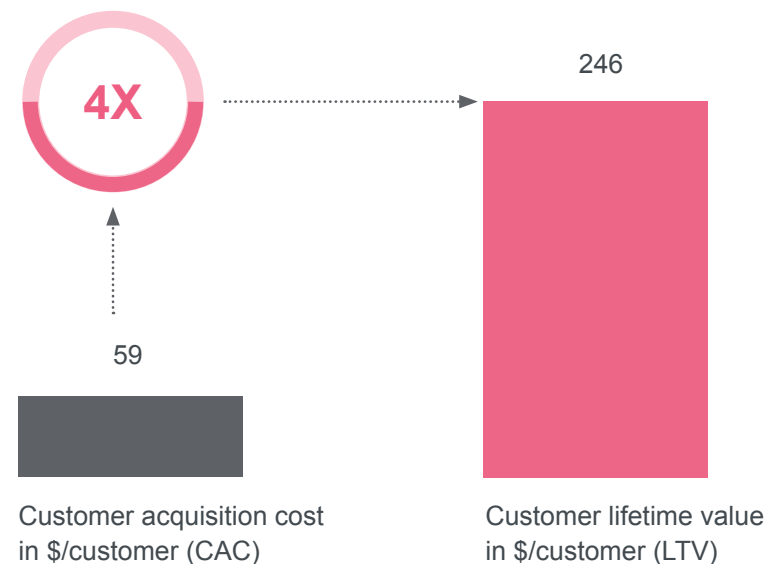
- Australian TV personality Fiona Falkiner has joined The Healthy Mummy as a global brand ambassador sharing her health and wellness journey on social media, including participation in the '28 Day Challenge'



Indicative marketing spend as percentage of revenue FY21 CAC to LTV ratio



Subscription marketing economics, FY21



Notes: (1) CAC includes all marketing expenses outside new channel experimentation costs; (2) LTV is calculated using the ASP and renewal rates for each plan over 36 months. Contribution from product sales is excluded, and no discount rate has been applied.

Evolving competitive landscape

- Full-service health and wellness offering
- Focused exclusively on mothers at all stages of the parenthood journey
- Easily accessible content (via online app) to anyone at any time
- One of the largest engaged and supportive womens only health and wellness communities of over 600k

Uniquely positioned in the health and wellness sector



The Healthy Mummy growth initiatives

THM has a structured growth plan for FY22 which diversifies revenue streams and stretches the brand equity into adjacent categories. Growth in FY23 and beyond is expected to be substantial

1

Continued B2B expansion

Launched product in Priceline in September 2021
Continue to assess B2B expansion opportunities to grow sales contribution from retail channels

2

Monetise traffic through a mummy marketplace

Developing functionality to offer extended product categories through THM website – targeting launch in first half of calendar year 2022

3

Development of The Healthy Mummy Wellness App

Targeting launch of the new App in first half of calendar year 2022 to support mental wellbeing and health for mums and families (vs weight loss)

4

Partner with corporates to access new customers

Recently signed partnership with Optus to create fitness content and increase digital traffic

5

Extend products and services to new audiences

Physical and digital product extensions including The Healthy Man

6

International expansion

Assess additional US and UK growth opportunities, and/or sell high quality weight loss products into China

7

Other growth initiatives include:

- Re-design of website and improving the overall e-commerce and customer experience
- Focus on more sustainable packaging



The Healthy Mummy team

A highly capable management team has been appointed and incentivised to ensure solid execution and strong, sustainable business growth



Rhian Allen | Founder & CEO

- Rhian founded The Healthy Mummy in 2010 to improve the health and wellbeing of mothers post birth
- Prior to THM, Rhian spent over 12 years across various sales and advertising roles at leading media companies



Deb Staltari

Business Development Director



Rachael Javes

Operations Director



Sara Wright

Head of Technology



Lynsey Nercessian

Community and Content
Director



Bec Kriletic

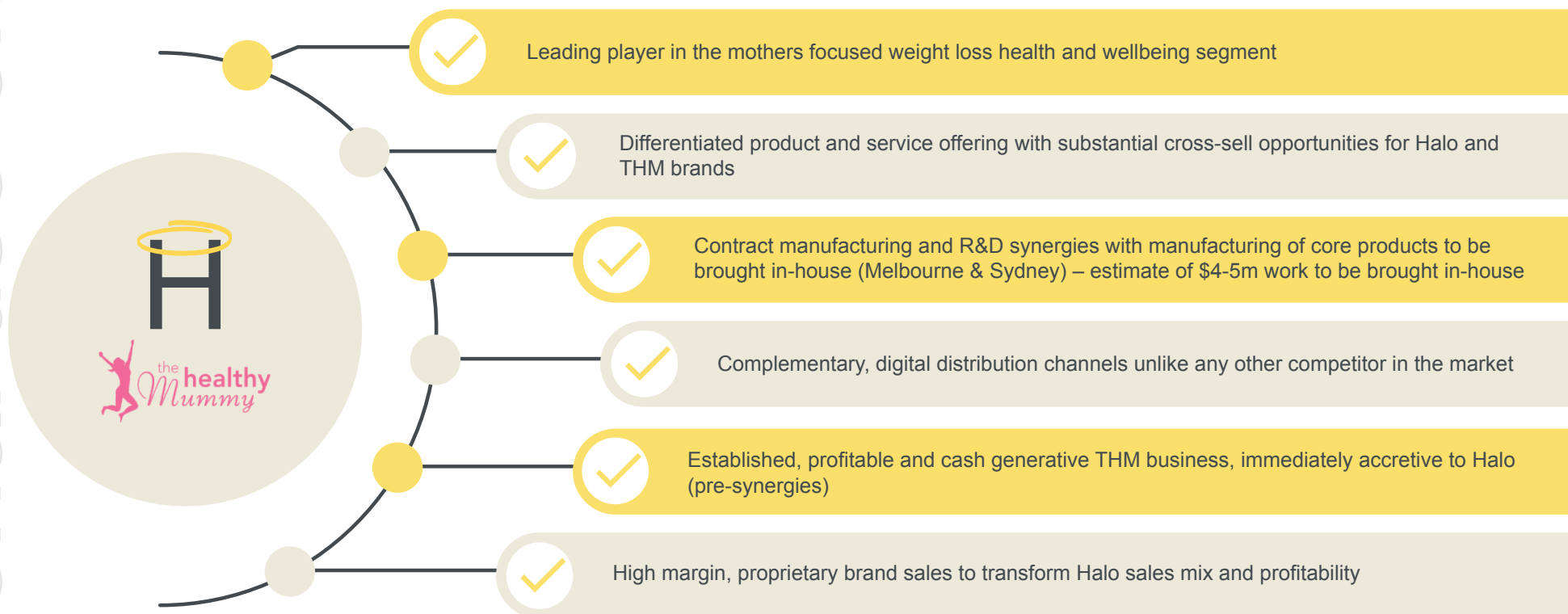
Marketing Manager



Acquisition rationale and impact on Halo



strategic rationale and highlights



Differentiated product and service offering

Differentiated product and service offering with substantial cross-sell opportunities for Halo and THM brands

- THM's product fits within Halo's health and wellness house of brands, with several similar SKUs that are already contract manufactured for external clients
- Diversified product portfolio covering weight loss smoothies, protein shakes, supplements, skincare and digital subscription-based services
- THM's differentiated product and customer base allows Halo a level of immediate diversification on a scale that may otherwise take years to establish due to the importance of reputation and the loyal customer base
- Digital aspect a key differentiator in the market, with attractive margins, customer loyalty, bundling and new product opportunities



The Healthy Mummy Product Bundles

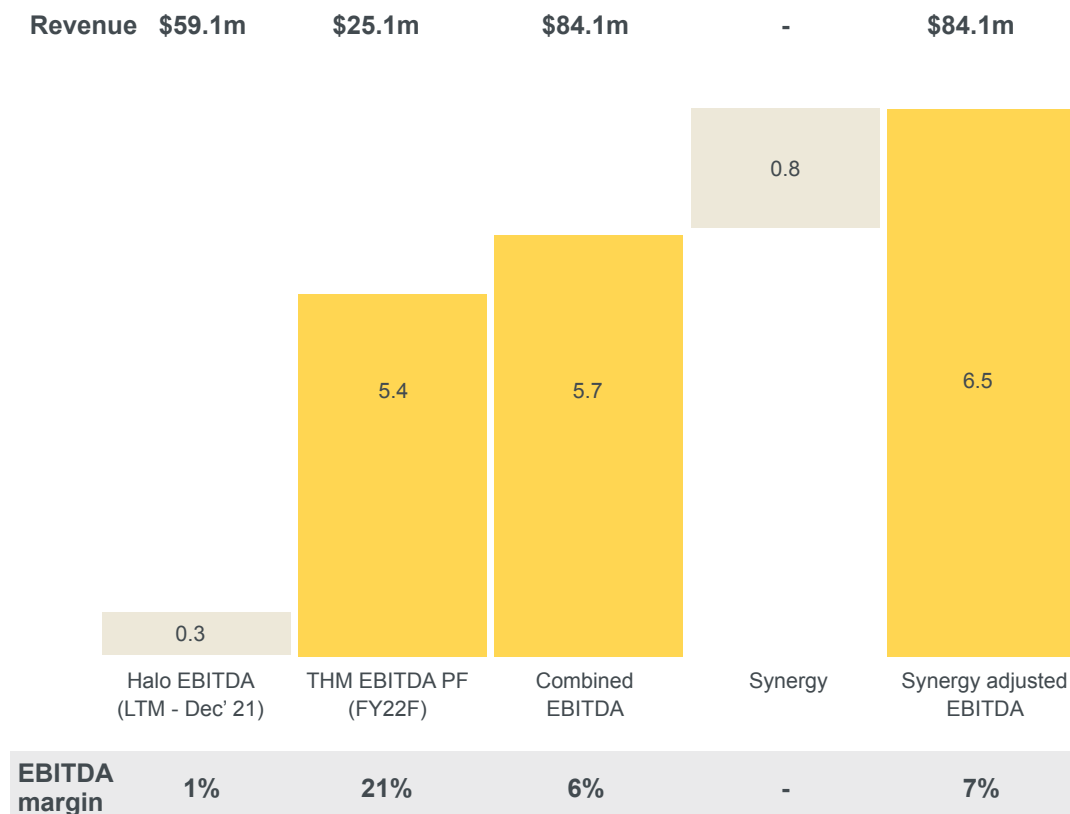
Operational and manufacturing synergies

Approximately \$800k in identified cost synergies related to manufacturing and R&D capabilities

- Manufacturing of core products can be brought in-house at Halo's existing facilities – estimate of \$4-5m currently outsourced manufacturing to be brought in-house
- Operational synergies from manufacturing brought to Halo's facilities
- Security of supply for THM given existing issues with contract manufacturers
- Utilisation of Halo's product development team and facilities to bring new products to market including men's smoothie range, functional protein bar range and new CarbX product
- Opportunity for additional synergies as the business continues to scale
- Material improvement to normalised EBITDA margin post-Acquisition

Pro forma financial impact (full-year basis) (A\$m)

Halo: LTM to Dec-21; THM: 30 June 2022 (FY22F)





Complementary distribution channels

Ability to leverage online and retail distribution channels across proprietary brands

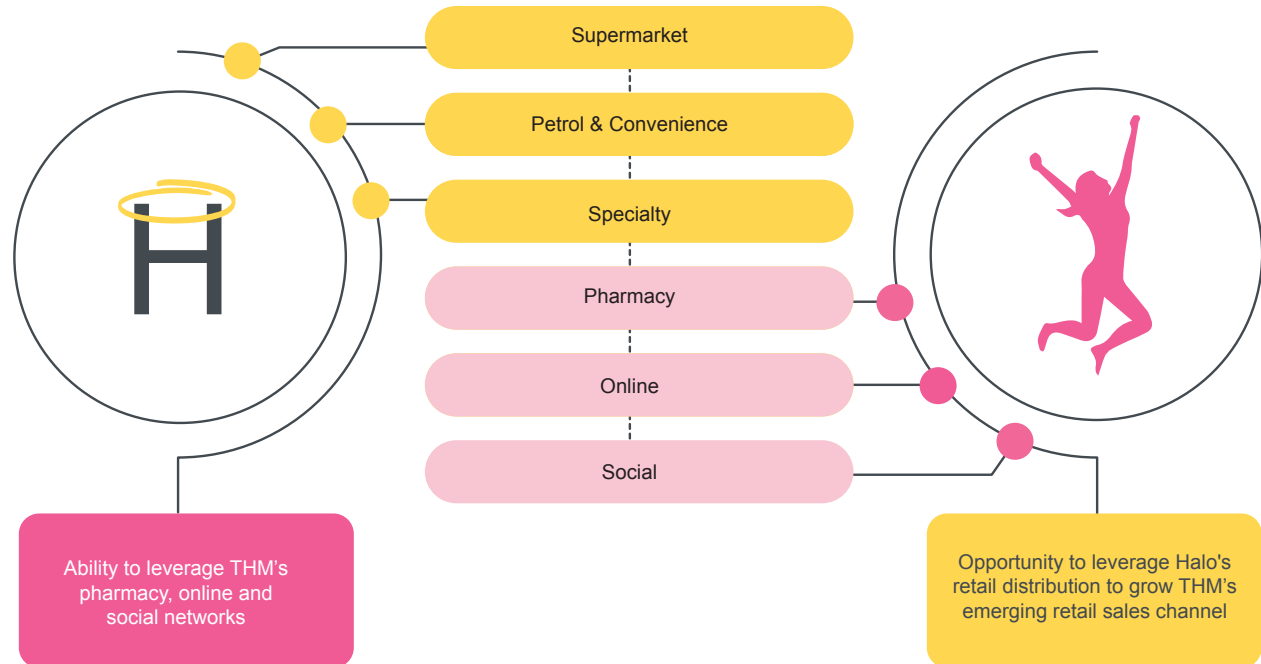
Halo Food Co.

Well established distribution into major supermarket, petrol & convenience, pharmacy, specialty retail partners and online channels across Australia, NZ and into China

- Leverage Halo's manufacturing and R&D capabilities to increase the range of THM products

The Healthy Mummy

- Unique, direct to consumer e-commerce distribution channel, with only 7% of sales coming from pharmacy (440 Priceline stores), representing a significant growth opportunity
- Engaged community of over 600,000 private group members globally
- Large social follower base with over 1.9m Facebook followers and over ~220k Instagram followers

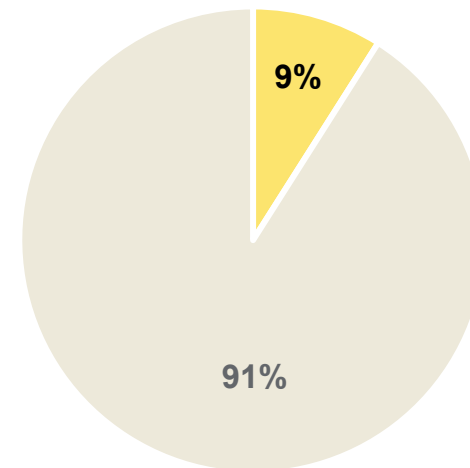


Higher margin proprietary brands

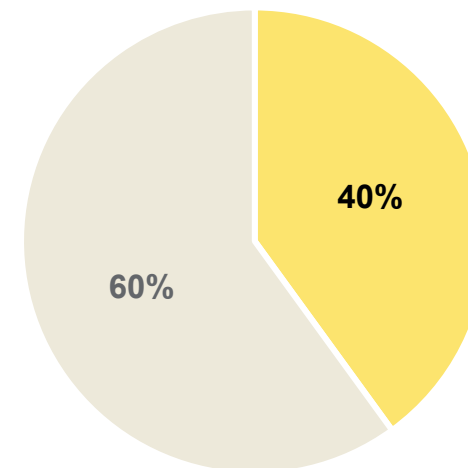
THM Acquisition transforms sales mix and profitability to higher margin, proprietary brands

- Halo proprietary brand sales are currently less than 10% of its revenue mix
- Significant amounts of capital is required to grow these products to a meaningful proportion of sales
- Gross margins on contract manufacturing are approximately 20%, whereas proprietary brands attract margins of 40%+ when scaled (THM has a ~65% average gross margin, taking into account its strong digital subscription business)
- THM acquisition would result in higher margin, proprietary brands comprising close to 40% of FY21 sales for the group (vs. 9% today)

FY21 sales mix: pre-Acquisition



FY21 sales mix: post-Acquisition





Acquisition funding and financial impact

Acquisition key terms

Purchase price	<ul style="list-style-type: none"> Halo has entered into a binding conditional agreement to acquire 100% of the shares on issue of THM for an upfront consideration of \$17.0m and up to \$5.0m earn-out subject to revenue and EBITDA performance milestones
EBITDA multiple	<ul style="list-style-type: none"> FY21 upfront EBITDA multiple of 4.1x FY23 blended EBITDA multiple of 3.4x (assuming top earnout threshold is met)
Upfront consideration	<p>Upfront consideration is to be paid as follows:</p> <ul style="list-style-type: none"> \$10.84m in cash and \$6.17m in HLF equity to Whiteoak and Rhian Allen <ul style="list-style-type: none"> - Cash: \$8.04m to Whiteoak and \$2.80m to Rhian Allen - Equity: \$2.95m to Whiteoak and \$3.22m to Rhian Allen HLF equity to be issued at the 30-day VWAP prior to announcement of the Acquisition⁽¹⁾ \$2.0m of equity will be subject to voluntary escrow for a period of 12 months from the date of issue, with remaining equity to be subject to voluntary escrow for a period of 24 months from the date of issue
Earn out	<ul style="list-style-type: none"> Cash payment of \$0.5m and an issue of HLF equity to the value of \$2.0m where FY22 revenue is greater than \$25.0m and EBITDA is greater than \$5.0m Cash payment of \$0.5m and an issue of HLF equity to the value of \$2.0m where FY23 revenue is greater than \$30.0m and EBITDA is greater than \$6.5m Deferred consideration is only payable to Rhian Allen and the HLF equity issued is subject to a 24 month escrow from the time of issue
Management	<ul style="list-style-type: none"> Key management will be retained to operate The Healthy Mummy business
Closing conditions	<ul style="list-style-type: none"> The Acquisition is subject to customary conditions precedent
Completion date	<ul style="list-style-type: none"> The Acquisition is expected to complete following shareholder approval in March 2022

Notes: (1) 30 day VWAP is \$0.1196

Sources and uses

Sources of funds ⁽¹⁾	\$ million	Uses of funds	\$ million
Placement	\$3.5m	Cash to Vendors	\$10.8m
New debt facility	\$13.0m	Refinance of existing debt facility	\$4.0m
		Working capital	\$0.9m
		Transaction costs	\$0.8m
Total	\$16.5m	Total	\$16.5m

(1) Excludes impact of any funds raised through the Share Purchase Plan

Pro forma combined P&L

- Halo financials are presented on a last twelve month (LTM) basis to December 2021, and THM is presented as FY22 June year-end forecast
- The combination brings material synergies through manufacturing and R&D, cross-sell opportunities and distribution channels
- THM generates revenue from digital subscriptions, providing content via the THM app, and the sale of product & merchandise through online and retail channels
- COGS includes product manufacturing, fulfilment, and logistics costs. All costs related to digital revenue are below the line
- Operating costs are largely marketing (e.g., Facebook), content & community, staff and technology (primarily third-party App and website development)

A\$m	LTM (Dec-21) ⁽¹⁾	THM (30 June 2022)	Pro forma combined
Revenue	59.1	25.1	84.1
Growth %	30.8%	21.3%	-
Cost of goods sold	(46.2)	(8.7)	(54.8)
Gross profit	12.9	16.4	29.3
Margin %	21.8%	65.4%	34.8%
Operating expenses	(16.6)	(11.3)	(27.9)
EBITDA	(3.7)	5.1	1.4
Normalisations ⁽²⁾	4.0	0.3	4.3
Normalised EBITDA	0.3	5.4	5.7
Margin %	0.6%	21.4%	6.8%

Notes: (1) Unaudited management accounts. (2) Normalisations for Halo include Share-based payments, one-off redundancies, one-off inventory write off (incurred in FY21) and transaction costs. Normalisations for THM include Whiteoak service fees and transaction fees

Pro forma historical combined Balance Sheet

A\$m	Halo Dec-21 ⁽¹⁾	THM Dec-21 ⁽¹⁾	Adjustments	Pro forma Combined
Cash	4.7	3.3	0.9	8.9
Inventory	9.7	2.2		11.9
Accounts receivable	14.1	0.2		14.2
Other assets	0.4	0.4		0.8
Right-of-use assets	12.7	0.0		12.7
PP&E	17.8	1.8		19.6
Deferred tax asset	0.0	1.4		1.4
Intangibles and goodwill	31.6	0.3	18.3	50.1
Total assets	91.0	9.4	19.2	119.6
Accounts payable	14.5	1.4		16.0
Deferred income	0.0	3.2		3.2
Lease liabilities	15.0	0.0		15.0
Deferred consideration and earn-out	0.0	0.0	5.0	5.0
Debt	5.1	0.0	9.0	14.1
Other liabilities	3.0	1.1		4.1
Total liabilities	37.7	5.7	14.0	57.4
Total equity	53.3	3.7	5.2	62.2

Notes: (1) Unaudited management accounts



offer summary

Sources of funding

Placement and SPP	<ul style="list-style-type: none"> An equity raising comprising of a placement and SPP (Offer) <ul style="list-style-type: none"> placement of ~35m shares to raise ~\$3.5m (Placement) share purchase plan to existing eligible shareholders to raise up to \$3.0m⁽¹⁾ (SPP)
Debt	<ul style="list-style-type: none"> \$13.0m new senior debt facility On completion of the Acquisition, Halo's targeted net debt to FY22 pro-forma EBITDA will be approximately 2.0x Halo will target group gross leverage of less than ~2.5x to EBITDA through the life of the facilities Significant liquidity and covenant headroom remaining
Shares to Vendors	<ul style="list-style-type: none"> Issue of \$6.17m of Halo shares to the Vendors on Completion <ul style="list-style-type: none"> \$2.95m to Whiteoak and \$3.22m to Rhian Allen Halo shares to be issued to the Vendors at the 30 day volume weighted average price (VWAP) prior to the announcement of the Acquisition⁽²⁾ \$2.0m of equity will be subject to voluntary escrow for a period of 12 months from the date of issue, with remaining equity to be subject to voluntary escrow for a period of 24 months from the date of issue

Notes: (1) In the event of oversubscriptions, the Directors may, in their absolute discretion, accept oversubscriptions (in accordance with the ASX Listing Rule parameters) or alternatively scale-back all Applications on an equitable basis (2) 30 day VWAP is \$0.1196

Offer details

Offer structure and size	<ul style="list-style-type: none"> Capital raising; placement and SPP to issue ~65 million shares (New Shares) and raise ~\$6.5m (Offer) Block Trade; Bergen Special Opportunity Fund LP, have agreed to sell their entire holding of 20.3 million shares at \$0.10 per share, equal to the placement price (Block Trade)
Offer price	<ul style="list-style-type: none"> The Placement price will be conducted at \$0.10 per New Share <ul style="list-style-type: none"> - 23.1% discount to last close - 22.6% discount to 5 day VWAP
SPP	<ul style="list-style-type: none"> Existing eligible shareholders will have the ability to participate via the SPP Eligible shareholders registered by 7:00pm (Sydney time) on Tuesday, 15 February 2022 will be entitled to subscribe for up to \$30,000 Halo shares to raise up to \$3.0m⁽¹⁾ All directors of the Company who are eligible to participate in the SPP have indicated they intend to subscribe for the full amount The SPP price will be conducted at an issue price equal to the lower of: <ul style="list-style-type: none"> - \$0.105 per Share, being an 18.8% discount⁽²⁾ to the five day volume weighted average market price prior to the Company being placed in Trading Halt; or - a 15% discount to the five day volume weighted average market price of Halo Shares up to and including the closing date of the SPP (expected to be Monday, 14 March 2022)
Ranking	<ul style="list-style-type: none"> New Shares issued under the Placement and SPP will rank equally with existing fully paid ordinary shares from their time of issue
Joint Lead Managers	<ul style="list-style-type: none"> Bell Potter Securities Ltd and Peloton Capital Pty Ltd are acting as Joint Lead Managers to the Offer

Notes: (1) In the event of oversubscriptions, the Directors may, in their absolute discretion, accept oversubscriptions (in accordance with the ASX Listing Rule parameters) or alternatively scale-back all Applications on an equitable basis. (2) Maximum discount for a Share Purchase Plan is 20% as per the ASX Listing Rules

Indicative timetable

Timetable ⁽¹⁾	Date (2022)
Trading halt	Monday, 14 February 2022
Record date for determining eligible participation to subscribe for New Shares via the SPP	7:00pm (Sydney Time) Monday, 14 February 2022
Trading halt lifted and announcement of the Acquisition, Block Trade, Placement and SPP. Halo shares recommence trading on the ASX	Tuesday, 15 February 2022
SPP Offer Booklet and Notice of EGM Meeting despatched to eligible shareholders	Thursday, 17 February 2022
Settlement of Placement and Block Trade	Friday, 18 February 2022
Allotment of New Shares issued under the Placement	Monday, 21 February 2022
SPP opens	Wednesday, 23 February 2022
SPP closes	Monday, 14 March 2022
EGM to approve issue of Vendor Shares ⁽²⁾ and results of SPP announced to the market	On or around Friday, 18 March 2022
Allotment of New Shares issued under the SPP and Vendor Shares and completion of the Acquisition	Monday, 21 March 2022

Notes: (1) All dates are in Sydney time. Timetable is indicative and subject to change (2) Includes approval of Warrants issued to debt providers

H

Key risks

Key risks

Transaction and Integration Risk	<ul style="list-style-type: none"> The Acquisition may consume a large amount of management time and attention during integration, and the Acquisition may fail to meet strategic objectives, or achieve expected financial performance (including unrealised synergies).
Due Diligence Risk	<ul style="list-style-type: none"> The Company has performed certain due diligence on THM and its subsidiaries. There is a risk that due diligence conducted has not identified issues that would have been material to the decision to enter into the Acquisition. A material adverse issue which was not identified prior to completion of the Acquisition could have an adverse impact on the financial performance or operations of the Company. As is usual in the conduct of acquisitions, the due diligence process undertaken by the Company identified a number of risks associated with the Acquisition, which the Company had to evaluate and manage. The mechanisms used by the Company to manage these risks included in certain circumstances the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by the Company may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated, and hence they may have a material adverse impact on the Company's earnings and financial position.
Counterparty and Contractual Risk	<ul style="list-style-type: none"> Pursuant to the agreement for the Acquisition (SPA), the Company has agreed to enter into the Acquisition subject to the fulfilment of certain conditions precedent. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the SPA and other agreements related to the Acquisition. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.
Business Strategy Risk	<ul style="list-style-type: none"> The Company's growth and financial performance is dependent on its ability to successfully execute its growth strategy including in relation to THM. If the Company fails to execute on its business strategy, its business, financial condition and results of operations could be materially and adversely affected.
New Zealand and Australian Regulatory Risks	<ul style="list-style-type: none"> As a New Zealand and Australian based manufacturer, the Company is subject to the food safety laws and regulations of the New Zealand Ministry for Primary Industries (MPI) and Dairy Food Safety Victoria, among other regulatory food bodies. In New Zealand, these laws and regulations require the Company's facilities to have a Risk Management Programme (RMP) that is validly registered with the New Zealand MPI. An RMP places onerous requirements on the Company to eliminate food safety hazards, and its compliance with its RMP must be regularly audited. Additionally, as a manufacturer of food products in Australia, the Company must comply with the food and safety laws and regulations of Dairy Food Safety Victoria. The Company's failure to comply with New Zealand's or Australia's food safety regulations, including its RMP, could result in the loss of the ability to manufacture and export its products, which would result in a material adverse impact on the company's business and financial performance.

Key risks

Future Profitability	<ul style="list-style-type: none"> The Company's (and THM's) business requires significant expenditure on marketing, business development and personnel, and substantial capital investment in production facilities. Accordingly, the Company may not maintain profitability and, to the extent such expenditure and investment continue, may suffer a shortage of working capital.
Manufacturing Risk	<ul style="list-style-type: none"> The manufacturing of dairy and nutrition products involves complex and capital intensive mechanical equipment and processes. In addition, manufacturing processes involve risks related to plant breakdown, logistics, supply of labour and other resources. Difficulties or delays relating to the manufacturing of the Company's (or THM's) products could also result from factors outside of its control, such as labour strikes, extreme weather, earthquakes and other natural disasters. The occurrence of any such events could increase the cost of the Company's products or require it to use third parties to manufacture its products, which would likely result in an adverse material impact on the Company's business and financial performance. Further, the Company's growth plans include the acquisition and building of two additional manufacturing facilities, the successful implementation of which are dependent on numerous third parties and various factors outside of its control.
Supply Risk	<ul style="list-style-type: none"> The Company (and THM) relies on high quality, dairy and other materials primarily from a number of local New Zealand and Australian suppliers in order to manufacture its products. The Company may be unable to secure these ingredients due to a variety of reasons, including environmental events, and price competition for limited supply from better-capitalised market participants. In addition, the cost of these materials could increase substantially due to local or international market events. The occurrence of any of these events could impact on the Company's ability to manufacture and sell its products, which could have a material adverse effect on the business and financial performance of the Company. While the Company has no contractual security of supply of materials at present, this is considered standard for the industry in which it operates. The Company further believes it has mitigated supply risk by establishing long term trade accounts with several suppliers in New Zealand and Australia.
Customer Retention Risk	<ul style="list-style-type: none"> THM's business is dependent on its ability to retain a portion of its existing customers and attract new business. THM sells its products under various subscription models, all of which are exposed to the risk of expiry, non-renewal and pricing risks. THM may fail to retain a sufficient number of existing customers or fail to attract sufficient new business for a number of reasons. THM's ability to renew existing customers and win new customers may also be impacted by broader factors affecting the dynamics of the health and wellbeing industry, changes in law or changes in regulation of the industries in which THM operates more generally.

Key risks

Reliance on Continual Platform Development Risk	<ul style="list-style-type: none"> THM's ability to grow its customer base and generate revenue is dependent in part upon its ability to continually develop and innovate the company's platform to ensure it is a market leader in the industry. This may involve introducing significant changes to the existing platform, including technologies with which there is little or no prior development or operating experience. If the modified platform does not attract customers, THM may fail to generate sufficient revenue or operating profit to justify the investment.
Demand Risk	<ul style="list-style-type: none"> The Company's growth objectives depend on continued growth in the demand for powdered dairy based products, ready to drink protein shakes and protein bars in domestic and international markets. Changes in consumer dietary preferences or an excess of supply of products may adversely impact demand or prices for these products. If the Company is unable to penetrate these markets due to a change in demand for health and wellness products or if demand for products were to otherwise fall, the Company may be unable to achieve its growth objectives.
Competition Risk	<ul style="list-style-type: none"> The Company (and THM) is in the highly competitive fast-moving consumer goods global business market and competes with many participants who are larger and have significantly greater resources, including financial, technical, marketing and human resources, than the Company. The Company competes in this market based on distribution channels, brand recognition, product quality and price, product placement and promotional activities. These competitors have already established a market share and brand and will be able to respond more quickly to changing business, regulatory and economic conditions than the Company. the Company may not be able to effectively compete with other participants in this market.
Distribution Risk	<ul style="list-style-type: none"> A majority of the Company's revenue is derived from the sale of health and wellness food products across formulated powders, ready to drink protein shakes and protein bars to national and international markets, particularly China and other Asian countries. The Company relies on various distribution channels to distribute its products to these markets. In addition, the growth objectives of the Company depend on its ability to substantially increase its distribution channels. The loss or disruption of a distribution channel could adversely affect the company's financial performance and future prospects. Additionally, the Company may take a credit risk with regard to parties to whom it supplies products. In the event of such parties failing to meet their obligations to the Company on time or at all, its financial performance may be adversely affected. While the Company has no long-term contractual security of sale of its products at present, this is again considered standard for the industry in which the Company operates, where contracting on a monthly purchase order basis (rather than long term contracts) is common practice. the Company further believes it has mitigated customer risk by establishing business relationships with as broad an array of creditable customers as possible.

Key risks

Dairy Product and Ingredients Price Risk

- The Company purchases its inventory and raw materials, including but not limited to whey protein isolate, skim milk powder, whole-milk powder amino acids and other health and wellness related products primarily from New Zealand and Australian suppliers for the packaging and manufacture of products for sale to its customers. The global market for health and wellness products and the prices for raw materials and inventory are determined by forces of supply and demand. During times where there is high demand and/or reduced supply on the global market, prices will increase and be at higher levels. Conversely, where there is low demand and/or increased supply on the global market, prices will decrease and be at lower levels. The price that the Company will be required to pay to suppliers of ingredients for purchases of ingredients, raw materials and packaging will be strongly influenced or determined by the global health and wellness market, including the dairy market. At any time, the Company is unable to predict with any certainty the future prices for ingredients. When the price of the Company's products and ingredients increase or are at high levels, it will endeavour to increase the prices to its customers to cover the increased cost of its ingredients purchased. There is a risk that the Company will be unable to pass on to its customers the increased cost of its ingredients and this would have a detrimental financial impact on its business.

Product Contamination and Recall Risk

- As a manufacturer of food products, the Company is subject to the risk that any product contamination or product recall issue (however caused) could have a material adverse effect on its brands and thus its financial performance. Adverse events could expose the Company to product liability claims or litigation and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed its insurance coverage, if any. While the Company's facilities meet the food safety standards prescribed by the regulatory bodies in Australia and New Zealand that minimise the risk of product contamination occurring, there is no guarantee that any such contamination will not occur. Any contamination or other failure to meet applicable food safety standards could result in the removal of regulatory approval to pack, produce and/or export the Company's products.

Government Regulatory Risk

- The Company (and THM) and its current and future products are subject to various laws and regulations, including, without limitation, manufacturing regulations, product liability laws, product content requirements, labelling and packing requirements, environmental laws, tax laws, anti-corruption laws, and export laws and regulations. The failure by the Company (and THM) to comply with the laws and regulations in the jurisdictions in which it manufactures, exports and sells its products could result in the loss of access to those and other markets. In addition, compliance with government regulations may also subject the Company (and THM) to additional fees and costs. Further, changes to these laws and regulations (including interpretation and enforcement), or the failure by the Company (and THM) to remain current with those changes, could adversely affect the Company's business and financial performance

Key risks

Reliance on the Internet	<ul style="list-style-type: none">• The THM platforms depend on the availability of the internet and to a lesser extent on the quality of users' access to the internet. Internet access is frequently provided by companies that have significant market power that could take actions that degrade, disrupt, or increase the cost of user access to THM's platform which would negatively impact the company
Data loss, theft or corruption	<ul style="list-style-type: none">• THM stores data in its own systems and networks and also with a variety of third-party service providers. Exploitation or hacking of any of the company's systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the company's business, financial condition and results.
Key Personnel Risk	<ul style="list-style-type: none">• The Company's success depends on its key personnel, including its Managing Director and Chief Executive Officer Daniel Rotman and the rest of the management team. The loss of any of the management team could have a significant adverse effect on the Company and may hinder the ability of the Company to achieve its product development and growth objectives. Competition for personnel in the health and wellness industry is intense, and there is a limited number of persons with knowledge of, and experience in, this industry. In particular, the pool of labour in Australia and New Zealand is limited and expensive. A failure to attract and retain other executive, operational, technical and other personnel could limit the Company's ability to grow

Key risks

Export Risk	<ul style="list-style-type: none"> The majority of the Company's New Zealand products are sold for ultimate exports from New Zealand. Any adverse changes to trade tariffs, quotas or duties, the subsidisation of local producers or the introduction of other trade barriers, including in connection with the renegotiation of the bilateral free trade agreement between China and New Zealand, could reduce the Company's profitability and adversely affect its ability to export its products.
Currency Risk	<ul style="list-style-type: none"> Whereas a portion of the Company's revenues are earned in foreign currencies through the export of its products, its expenses are predominately in Australian and New Zealand dollars. To the extent the Company's sales are in foreign currencies and where the Australian or New Zealand dollar appreciates against those foreign currencies, the Company's financial performance will be negatively affected. As a result, the Company is subject to foreign currency risk that may adversely affect its financial performance.
Taxation Risk	<ul style="list-style-type: none"> The acquisition, ownership and disposal of Halo shares may have tax consequences for investors, which may vary depending on the individual financial affairs and tax residence of each investor. All potential investors in Halo are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of shares from a taxation viewpoint and generally
Climate Change	<ul style="list-style-type: none"> There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include: <ul style="list-style-type: none"> (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
COVID-19	<ul style="list-style-type: none"> The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The COVID-19 pandemic may also give rise to issues, delays or restrictions in product processing and packaging and the Company's ability to deliver products to customers, which may result in cost increases or adverse impacts on sales. In addition, the effects of COVID-19 on the Company's share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to shareholders. The directors of the Company are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.



International offer
restrictions

International offer restrictions

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

A person is lying on their back in the ocean, with their legs raised in the air. They are silhouetted against a bright sun that is low on the horizon, creating a strong lens flare effect. The water is calm with small ripples. The sky is a pale blue. The overall mood is peaceful and serene.

Halo Food Co.