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Contact

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1H 2022 results & business update

TASMANIA'S
NATURAL ADVANTAGE

Substantial transformation underway to improve performance

- Our business transformation agenda is underway and is moving at pace. It is a multi-year programme that will deliver significant benefits.
- Market conditions starting to improve but headwinds will remain into 2023.
- We have moved through the primary COVID related impacts and COVID normal has stabilised.
- We have a premium portfolio of authentic brands that we will grow and we will look to add to our portfolio in attractive categories.
- We have an unrivalled distribution network in Tasmania that we will look to leverage for accelerated growth.
- Financial recovery is possible but headwinds primarily relating to global events and supply chain disruption impacting input costs will remain into 2023.
- Excellent progress has been made with implementing price rises in all channels and customers.
- Extensive efficiency and effectiveness programme is well advanced and is a key focus for 2H 2022 and into 2023.
- Investment into improving capability in shared services will deliver visible impact to revenue and earnings in the medium/long term.

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1H 2022 Results

1H 2022 Profit & Loss

$000's	1H 2022	1H 2021	% Change
Income			
Revenue from operations	34,131	33,934	0.6%
Other income	181	327	(44.4%)
Total income	**34,312**	**34,261**	**0.1%**
Expenses			
Fair value adjustment of biological assets	116	219	47.0%
Raw materials used	(20,011)	(19,348)	(3.4%)
Employment and contractor expense	(11,336)	(9,491)	(19.4%)
Freight	(2,696)	(2,359)	(14.3%)
Occupancy costs	(757)	(683)	(10.9%)
Depreciation and amortisation	(1,038)	(987)	(5.2%)
Insurance	(324)	(280)	(15.6%)
Finance costs	(199)	(140)	(42.2%)
Legal and professional fees	(504)	(173)	(190.7%)
Marketing and event expenses	(311)	(341)	8.8%
Repairs and maintenance	(663)	(468)	(41.6%)
Other expenses	(1,995)	(1,635)	(22.1%)
Loss before income tax	**(5,406)**	**(1,424)**	**(279.5%)**
Income tax benefit/(expense)	-	-	-
Net Loss after tax for the year from continuing operations	**(5,406)**	**(1,424)**	**(279.5%)**

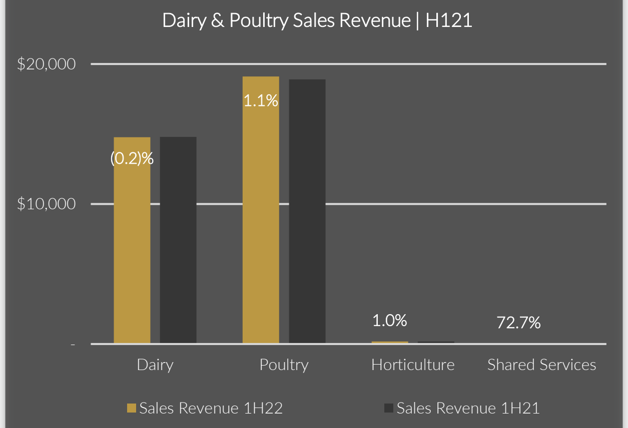
- Revenue from operations increased by 0.6%. This result is satisfactory given the Company's focus towards sustainable, profitable sales.
- The Company has begun implementing its value chain findings and has made deliberate decisions in reducing SKU's and implementing significant price rises. These decisions together with macro economic and competitive headwinds saw volume reduce by 3.8% in poultry and 4.6% in the core white milk business.
- Key revenue metrics have significantly improved in 1H 2022, with revenue per litre of milk increasing by 2.5%, revenue per kg of poultry increasing by 5.6% and revenue per litre of Betta cream increasing by 17.1%.
- Raw material costs increases of 3.4% were predominately felt in milk (12.8% per litre), cream (17.1% per litre) and chicken feed (11.5% per tonne). Overall increase in total dollars (3.4%) was limited due to lower volumes procured.
  - TasFoods has moved proactively to pass on increased input costs through customer price increases however the benefit of this will not be seen until 2H 2022.
- Employment costs reflect increases due to COVID impacts across the business ($0.4m for 1H22), as well as investment in capability build in focused areas of sales and marketing, operations and finance/IT.
- Freight and distribution costs increased by 14.3% compared to the pcp as a result of higher fuel costs and cost increases from 3PL providers.
- Marketing costs are consistent with pcp, noting investment in marketing capability/people is reflected in employment costs.
- Repairs & Maintenance costs increased following the implementation of preventative programs and the initial catch-up program.
- Other expenses have risen predominately due to increases in IT related expenditure (including ERP related and licensing costs), gas, waste removal, equipment hire, quality assurance and general listed company and administrative costs.

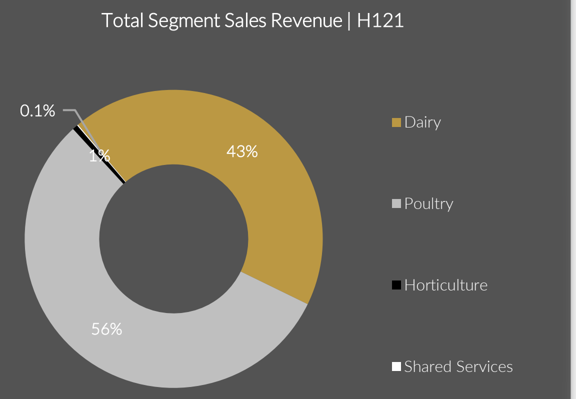
1H 2022 Operating & Financial Review

Satisfactory sales revenue with operating cost headwinds negatively impacting EBITDA

$000's	1H 2022 Dairy	1H 2022 Poultry	1H 2022 Horticulture	1H 2022 Shared Services	1H 2022 Total	1H 2021 Dairy	1H 2021 Poultry	1H 2021 Horticulture	1H 2021 Shared Services	1H 2021 Total
Revenue										
Total Segment Sales Revenue	14,789	19,106	198	38	34,131	14,812	18,906	196	22	33,936
Other Income	28	136	17	-	181	58	235	8	25	326
Total Segment Revenue	**14,817**	**19,242**	**215**	**38**	**34,312**	**14,870**	**19,142**	**205**	**46**	**34,263**
Segment EBITDA	**341**	**(1,061)**	**(45)**	**(3,521)**	**(4,285)**	**1,120**	**586**	**(21)**	**(2,203)**	**(518)**
Depreciation	(416)	(512)	(44)	(66)	(1,038)	(441)	(456)	(44)	(46)	(987)
Interest	(31)	(151)	(1)	(16)	(199)	(23)	(104)	-	(11)	(139)
Biological Asset Movement	-	73	43	-	116	(32)	266	(15)	-	219
Segment Profit / (Loss)	**(106)**	**(1,651)**	**(46)**	**(3,603)**	**(5,406)**	**624**	**291**	**(79)**	**(2,260)**	**(1,424)**
Profit/(Loss) Before Income Tax Expense	(106)	(1,651)	(46)	(3,603)	(5,406)	624	291	(79)	(2,260)	(1,424)
Income Tax Benefit / (Expense)	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) Loss After Income Tax Expense	**(106)**	**(1,651)**	**(46)**	**(3,603)**	**(5,406)**	**624**	**291**	**(79)**	**(2,260)**	**(1,424)**

- Revenue growth of 0.6% was achieved, despite difficult market conditions and reduced volumes. Price rises were implemented in late 1H22 for some major customers, with the majority of price rises effective from 1 July, the benefits of which will be recognised in 2H 2022.
- EBITDA declined by $3.8m to -$4.3m (2H 2021: -$0.5m) largely driven by rising input costs and operational restructuring. Mitigation strategies are now largely in place to improve product and customer profitability for 2H 2022.
- Value chain/logistics review recommendations for value enhancement and cost mitigation commenced in June/July. A SKU rationalisation program is continuing to ensure further streamlining of operations and cost management.





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Dairy Division

Whilst there was growth in revenue, margin deterioration impacted profitability within the Dairy Division

- Sales revenue for the dairy division grew by 1% to $14.9 million. The sales growth was driven by increases in Pyengana Cheese and Meander Valley Butter range. Betta Milk sales were in line with the pcp.
- Input costs in the dairy division increased significantly during the year, predominately on the back of rises in farm gate milk prices of 12.8% per litre and cream of 17.1% per litre.
- The Pyengana business unit was the highlight in this division. Sales (including our Farm Gate Café) increased by 8% which flowed through to a excellent EBITDA performance.
- The Meander Valley Dairy business unit recorded sales volume growth across its key categories of cream & butter. Sales revenue was flat to pcp and this was driven by our cream range which offset sales gains in butter.
- White milk volume Betta Milk brand declined from 2021 levels but sales value increased as our new strategy started to be implemented stemming from our operational review. Cream volumes reduced significantly as we implemented price rises to ensure category profitability.
- Significant value chain changes have been made to this division effective 1 July which include price rises to limit the impact of rising input costs, minimum order values and recovery of freight costs.

MEANDER VALLEY
DAIRY

PYENGANA
DAIRY

BettaMILK

Poultry Division

Several headwinds arising from Covid-19 caused margin compression leading to an EBITDA loss in the Poultry Division

- Sales revenue for the poultry division grew by 1% on the pcp in 2021 to $19.1 million. Revenue growth was largely driven by the organic range, Isle & Sky. This brand has now been discontinued from sale in July due to operational and financial considerations.

- Sales volume in kg was down 4% on pcp driven by an increased alignment of demand and supply. Stock sold as frozen (at reduced revenue rates) accounted for all the volume decline.

- Revenue per kg sold increased by 5.6% as a result of the changes implemented as part of our operational review.

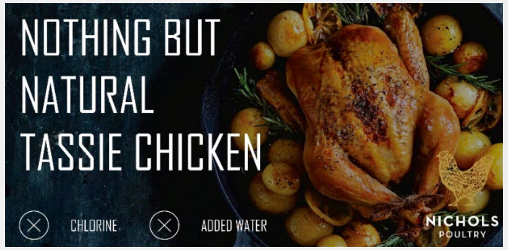
- Gross margin was significantly impacted in this division by increased input costs with feed costs up by 11.5% per tonne and increased labour processing costs as the business dealt with Covid-19 related pressures particularly in February/March of circa $0.4 million.

- Significant value chain changes have been made to this division effective 1 July which include price rises to limit the impact of rising input costs, reduction by 1/3 of available SKU's, minimum order values and recovery of freight costs.

NICHOLS POULTRY

NICHOLS KITCHEN

NICHOLS ETHICAL FREE RANGE CHICKEN



Horticulture Division

Shima Wasabi is a high margin business with a modest revenue base and significant scope to grow

- Sales revenue for the horticulture division grew by 4.9% to $0.2m.
- Gross margin is a healthy 49% which is 14% higher than the pcp. The margin reflects the premium nature of the product offering.
- Shima Wasabi provides access to premium independent outlets and restaurants. In the future, TasFoods will be able to leverage this access to maximise sales for our other premium offerings.
- EBITDA has been impacted by a major maintenance programme that was required to ensure safety and compliance at our operational site.
- We have significantly improved our Shima Wasabi on-line presence and embarked on a social media campaign to raise awareness.
- Shima Wasabi product offering focuses on being the only true wasabi business in Australia and which TasFoods will look to leverage for future growth both domestically and internationally.
- Over 75% of Shima Wasabi products are sold outside of Tasmania which helps facilitate our mainland expansion strategy going forward.

SHIMA
WASABI

Shared Services

Centre of Excellence development continuing

- The Shared Services function has been repositioned as the Centre of Excellence - the heartbeat of the entrepreneurial, nimble and value enhancing central function making our business units more valuable than if they were stand alone.
- The focus of the shared services business unit is streamlining of activities, adding value and creating efficiencies across the business.
- Investment in the half includes a focus on capability build in focused areas of sales and marketing, operations and finance/IT.
- The strategic reviews across the business in 1H 2022 identified a number of opportunities particularly in the area of logistics. Implementation of these initiatives commenced in June 2022, with benefits to be realised in 2H 2022 and into 2023.
- Sales and Customer support staff for the entire group is provided by the shared services function. Future focus is ensuring connectivity across all sites and further centralisation of resources.
- Investment in technology during the half included migration of site specific platforms to cloud based shared services, upgrading of security and dedicated staff to assist with implementation of the new ERP.
- Implementation of the new ERP continued during the half with the first two group entities successfully going live on 1 July. Implementation of remaining entities will continue throughout 2H 2022 and into early 1H 2023.

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Initiatives implemented 1H 2022

Top 10 initiatives

	Initiative	Status update
1.	Fix the foundations	Complete
2.	Reset strategic direction	Complete
3.	Implement capital management framework	Complete
4.	Develop a marketing and brand investment plan	Work in progress
5.	Implement ERP	Work in progress.
6.	Determine TasFoods distribution and warehouse model	Work in progress
7.	Build commercial accountability and capability	Complete
8.	Implement value chain analysis findings	Work in progress
9.	Build Centre of Excellence	Complete
10.	Targeted mainland and e-commerce growth	Work in progress

1H 2022 completed initiatives

Following the strategic reset of the business, management have implemented changes with pace

1. Updated Vision, Mission, Values and Purpose has been imbedded to improve corporate culture and accountability.
2. Capital management framework implemented to improve discipline and rigour in capital allocation. Framework to assess initiatives on 4 criteria; Strategic fit, Financial profile, Risk profile, Resource profile. First tangible example of the framework in practice has been the decision to exit the organic poultry operations.
3. Operational and strategic reviews of Dairy and Poultry business divisions complete and changes started to be implemented in 2Q 2022 in line with the findings.
4. Implemented first phase of price increases in dairy & poultry in 2Q 2022 to reflect actual input costs and reviewed major customer supply contracts. Further value chain initiatives implemented 1 July with impacts seen in 2H 2022.
5. Reconfigured the ERP solution to be fit for purpose. First business go-line in July (Meander Valley Dairy) with others to follow in 2H 2022.
6. Started SKU rationalisation with initial focus in poultry and reviews complete in dairy with implementation in 2H 2022.
7. Distribution, warehouse and route to market review complete. Some initiatives implemented in 2Q 2022 with the majority to be implemented in 2H 2022.
8. All leadership and capability build activities complete for 2022 across marketing, finance, sales, procurement and supply chain.
9. ‘Consumer drivers and barriers of purchase study’ in dairy to understand consumer behaviours towards categories and brands is complete and implementation of new campaigns and products in 2H 2022 to drive growth.

1H 2022 Utilisation of Capital Raise Funding

$000's	Estimated*	1H 2022 Actual
Capital raise funding (before costs)	**5,964**	**5,964**
Uses of funds 1H22		
Capital raise costs	300	231
Working capital support	2,500	2,364
Commercial acceleration through brand building	1,732	129
Connectivity to build foundations	1,432	118
Total allocation of funds raised	**5,964**	**2,842**
Cash on hand at 30 June 2022	-	3,122
Total use of funds raised	**5,964**	**5,964**

* Per TFL Capital Raising presentation March 2022, adjusted for Share Purchase Plan funding received which was unknown at the time of capital raise.

- During 1H 2022, the Company successfully raised $6.0m (before costs), including $5.5m from a two-tranche placement, plus an additional $0.5m from a Share Purchase Plan.
- Funding raised has been applied in accordance with the uses of funds previously advised by the Company as follows:
  - Working capital support during 1H 2022 of $2.3m - includes repayment of bank overdraft as at 31 March 2022 of $0.6m, plus additional funds required to support operating performance during 2Q 2022.
  - Commercial acceleration costs include capability build in areas of sales and marketing as well as additional marketing spend compared to pcp.
  - Connectivity costs include ERP implementation costs and other capitalised IT infrastructure spend.
- Closing cash on hand at 30 June 2022 was $3.1m.

Supply chain initiatives

TasFoods has started to implement an integrated supply chain solution to gain the benefits from our scale.

- The capability build within the TasFoods supply chain team has allowed us to start the building blocks of an integrated supply chain network.
- Logistics optimisation begun in 2Q 2022 with the simplification programme accelerating in 2H 2022. Benefits will be seen in reduced cost to serve and transport efficiencies.
- All Nichols Poultry logistics has been consolidated to a single provider and work is underway to streamline our Dairy offering using the scale provided by Betta Milk.
- Increased capability in procurement has seen TasFoods mitigate some increased input costs through forward contracts and improved supplier relationships.
- Efficient operation of manufacturing sites is critical to maintaining availability of product and the Company has implemented a planned maintenance schedule to improve efficiency and minimise down time.

Shared Services - Centre of Excellence

The heartbeat of the entrepreneurial, nimble and value enhancing central function making our business units more valuable than if they were stand alone. **The reason we are a united TasFoods.**

- TasFoods operates a shared service model to minimise duplication and maximise efficiency to support our business units.
- Our shared services lead the way in delivering excellence in everything we do and building our key core competencies.
- Implementing a single ERP (SAP Business One) has been a critical initiative in 1H 2022. We have successfully implemented in Meander Valley Dairy business unit and the remainder of business units will follow.
- Providing upweighted support across IT, workplace health & safety (WHS), procurement and logistics have been key focus areas.
- As highlighted earlier, significant capability build has occurred in Sales and Marketing with the benefits to be seen in 2H 2022.

Sales initiatives

TasFoods will increase presence in Tasmania and enter mainland markets with considered strategies for each brand

- TasFoods has significantly increased its sales capability in 1H 2022.
- We have re-structured our Tasmanian team with an increased focused on Food Service and Key Accounts, areas where our products resonate with customers and will fuel growth.
- On the mainland, we have added two resources with a General Manager – Sales and a Sales representative for Victoria to compliment our National Key Account Manager.
- With the implementation of our ERP beginning, we are also expanding the responsibility of our customer service/call centre team to focus on the total TasFoods portfolio.
- TasFoods whole sales team now focus on selling the entire TasFoods portfolio which will drive greater cross-sell opportunities and increase distribution points.
- Our brands with a unique selling proposition (USP) and premium positioning will be prioritised for development outside of Tasmania.

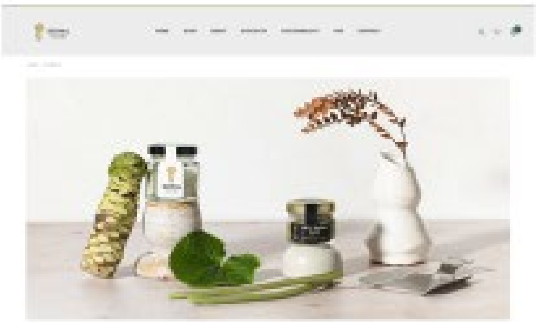
Marketing initiatives

TasFoods has begun a re-invigoration of our marketing initiatives to drive sales and customer/consumer engagement

- TasFoods is a consumer products business (FMCG) business at its core and needs to increase investment behind its authentic brands. Premiumisation of our offering will continue.
- Improving brand equity will have many flow on benefits to the Company, most notably in increased sales velocity and improved margins.
- Investing behind our brands will also provide confidence to our retail partners that we believe in the strength of our offering.
- Our initial focus has been to re-establish our digital footprint for Shima Wasbi in the form of a new website and improved social media presence.
- A new in-store brand awareness campaign has been launched for Nichols Poultry which reinforces its all natural unique selling proposition.
- As shown following, Betta Milk will begin its reinvigoration with a grass roots sports based campaign in September.
- We have increased capability in the E-commerce space and we are finalising plans to significantly grow in this important channel.
- The following pages highlight some of the marketing initiatives implemented.

Building awareness of Nichols through 'Nothing But' BTL campaign

Shima Wasabi e-commerce and online presence significantly enhanced



Relaunched E-Commerce

Fresh Socials

PR

Iconic New Identity

Influencer Outreach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2H 2022 focus

TasFoods New Strategic Focus

TasFoods focus is on four key pillars to ensure the Company can leverage our competitive advantage and realise its potential as a leading premium branded company

Fortress Tasmania

Capitalise on our home-grown advantage

Mainland Markets

Expand aggressively but strategically with the right products, in the right markets

Adjacent Expansion

NPD and M&A under a strict criteria to ensure success

Centre of Excellence

Right-sized, focussed and professional corporate centre

Our Centre of Excellence is the foundation of everything we do

Strategic ambitions

Our strategic ambitions are outlined below and these will provide the focus for more a more detailed sequence of strategies and actions over the next three years

Fortress Tasmania

For those brands that TasFoods determines fits within its strategic framework, they need to be:

- Ranked 1st or 2nd Tasmanian brand by market share;
- Be 100% available i.e. distribution of 1 SKU by brand in all available outlets;
- Be premium positioned;
- Be a brand consumers demand. Drive in store traffic; and
- Be profitable for TasFoods.

Centre of Excellence capabilities will enable the execution of this strategy.

Mainland Markets

Within our portfolio, TasFoods have a range of brands that will resonate with consumers outside of Tasmania.

For those brands, TasFoods will leverage its Centre of Excellence capabilities to maximise ranging, awareness and sales.

Only brands with a unique selling proposition (USP) and premium positioning will be developed outside of Tasmania.

This model will allow us to also partner with low scale, premium Tasmanian business' who already have a Tasmanian footprint but lack scale/resources to grow outside of Tasmania.

Adjacent Expansion

TasFoods cannot only be positioned as clean/green Tasmanian heritage. This is a crowded space and not an area that TasFoods can uniquely own.

TasFoods needs to leverage its capabilities from the Centre of Excellence to grow into adjacent categories.

Expansion will be through either partnership (licensing) opportunities or M&A activity, whichever provides the greater return via capital management framework.

TasFoods doesn't need to be the asset owner of new ventures but needs to own the route to market, brand license and customer relations.

Centre of Excellence

The heartbeat of the entrepreneurial, nimble and value enhancing central function making our business units more valuable than if they were stand alone.

Being an innovator and incubator of ideas to add value for all TasFoods' stakeholders.

Excellence in everything we do. Areas of expertise:

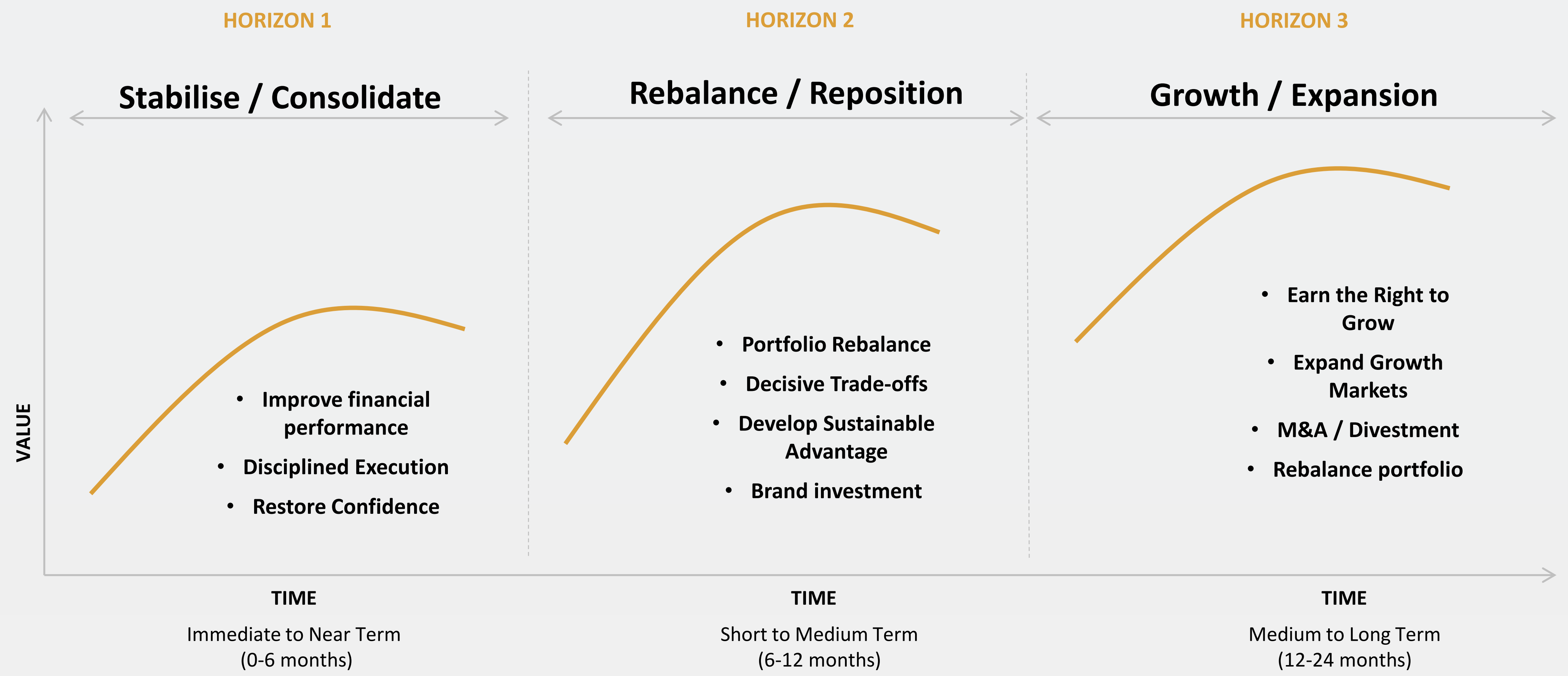
- Consumer / Marketing Insights
- Financial Systems and Compliance
- Supply Chain/Logistics/Procurement
- Customer Engagement
- People Capability & Development
- Capital Management

Betta Milk grass roots sports campaign launch in September

Betta MILK

Our Ambition

3 phase horizon model shows how we will execute the plan over the next 2-3 years



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Appendix

1H 2022 Balance Sheet

$000's	June 22	Dec 21
Current Assets		
Cash & Cash Equivalents	3,122	1,450
Trade & Other Receivables	4,732	4,973
Biological Assets	2,333	2,145
Inventory	4,987	4,647
Prepayments	385	976
Total Current Assets	15,560	14,191
Non-Current Assets		
Property, Plant & Equipment	25,308	25,904
Right of Use Assets	1,420	1,418
Intangible Assets	7,248	7,195
Biological Assets	28	30
Total Non-Current Assets	34,005	34,547
Total Assets	49,565	48,738
Current Liabilities		
Trade & Other Payables	10,643	9,605
Borrowings	586	1,047
Lease Liabilities	213	193
Provisions	1,389	1,365
Total Current Liabilities	12,830	12,210
Non-Current Liabilities		
Borrowings	6,053	6,422
Lease Liabilities	1,326	1,339
Provisions	221	169
Total Non-Current Liabilities	7,600	7,930
Total Liabilities	20,430	20,140
Net Assets	29,134	28,598
Equity		
Contributed Equity	66,756	61,053
Reserves	931	691
Accumulated Losses	(38,553)	(33,146)
Total Equity	29,134	28,598

- The Group is supported by a balance sheet with a net asset position of $29.1m (including property, plant and equipment balances of $25.3m)
- The business conducted a successful capital raise in 1H 2022 of $5.7m (net of transaction costs) for the purposes of working capital support, connectivity improvements (including ERP and business integration) and commercial acceleration initiatives.
- Cash position increased compared to December 2021 primarily due to the capital raise funding received during the 1H 2022. Closing cash at 30 June 2022 was $3.1m with an additional $2.56m of unused finance facility available to be drawn upon if required.
- Intangible assets solely relate to the brand values in Dairy and Poultry business units.
- Total borrowings have reduced by $0.83m to $6.6m compared to December 2021 of $7.5m.
- All other elements of the balance sheet are relatively consistent with last year.

1H 2022 Cash Flow

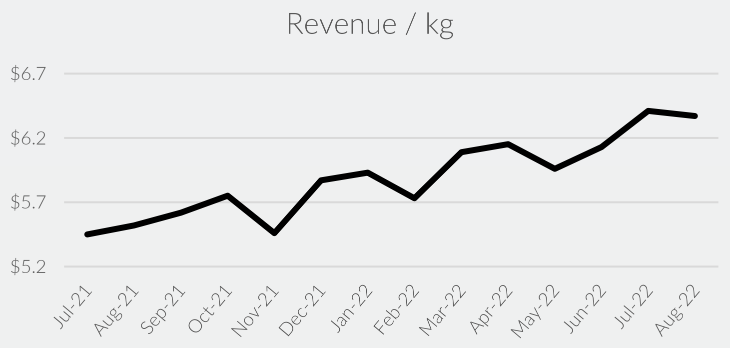
$000's	1H 2022	1H 2021
Cash flows from operating activities		
Receipts from customers	34,963	34,050
Payments to suppliers and employees	(37,447)	(35,201)
Interest received	-	1
Interest paid	(170)	(140)
Income taxes paid	-	-
Other	(91)	234
Net cash used in operating activities	(2,745)	(1,056)
Cash flows from investing activities		
Payments for property, plant and equipment	(320)	(1,561)
Payments for other non-current assets	(60)	(72)
Proceeds from disposal of property, plant, and equipment	8	-
Net cash used in investing activities	(373)	(1,633)
Cash flows from financing activities		
Proceeds from issue of shares	5,964	-
Cost of issuing shares	(231)	(14)
Proceeds from borrowings	41	-
Principal elements of borrowing payments	(770)	(204)
Principal elements of lease payments	(215)	(96)
Net cash provided by financing activities	4,789	(314)
Net (decrease)/increase in cash held	1,672	(3,003)
Cash and cash equivalents at the beginning of the half year	1,451	7,244
Cash and cash equivalents at the end of the half year	3,122	4,241

- Net cash outflows from operating activities were $2.7 million for the half which is reflective of:
  - Operational cost increases across the business - substantial increases in milk purchases, poultry feed, labour processing costs, freight and distribution costs;
  - Initiation of a preventative maintenance program and related catch up expenditure; and
  - Investment in people and capability, business integration initiatives and investment in technology.
- The business conducted a successful capital raise in 1H 2022 of $5.7m (net of transaction costs).
- Cash receipts from customers were $35.0m, 2.7% higher than the pcp.
- Investment in property, property plant and equipment of $0.3m comprised of various plant and equipment purchases across all business units.

Revenue per unit

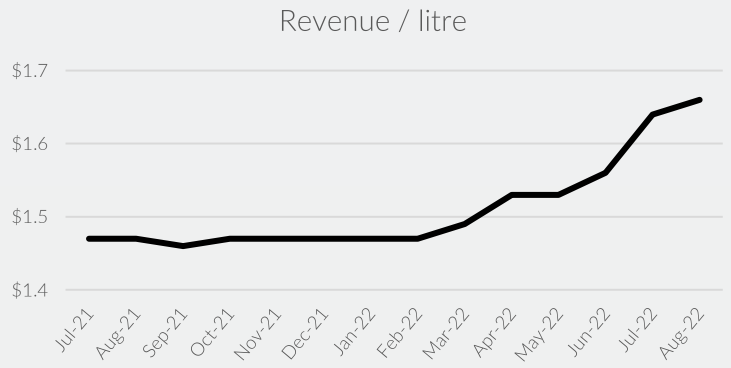
Revenue per unit in both Dairy and Poultry has made significant improvements since the value chain initiatives undertaken

Nichols revenue / kg



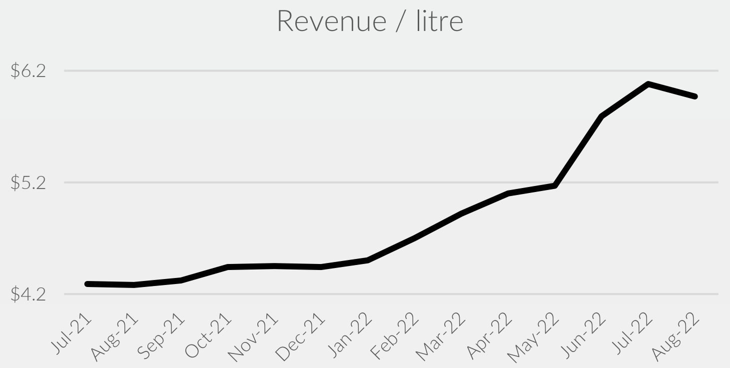
- Revenue per kg over the 12 month period has increased by 12.5%.
- Since July 2022 when further value chain initiatives implemented, revenue per kg has increased by 3.9%.

Betta Milk revenue / litre



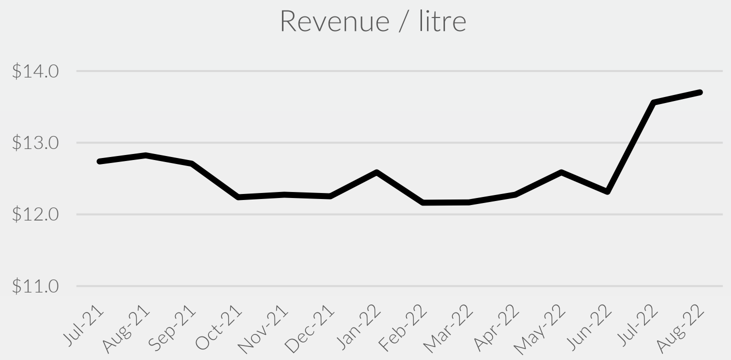
- Revenue per litre over the 12 month period has increased by 6.1%.
- Since July 2022 when further value chain initiatives implemented, revenue per kg has increased by 6.4%.

Betta Cream revenue / litre



- Revenue per litre over the 12 month period has increased by 35%.
- Since July 2022 when further value chain initiatives implemented, revenue per kg has increased by 3.1%.

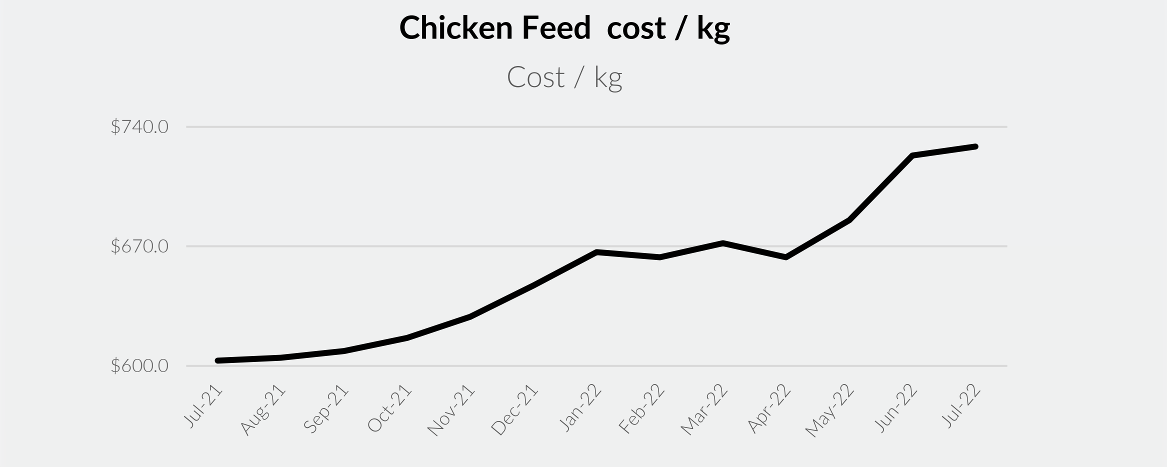
MVD Cream revenue / litre

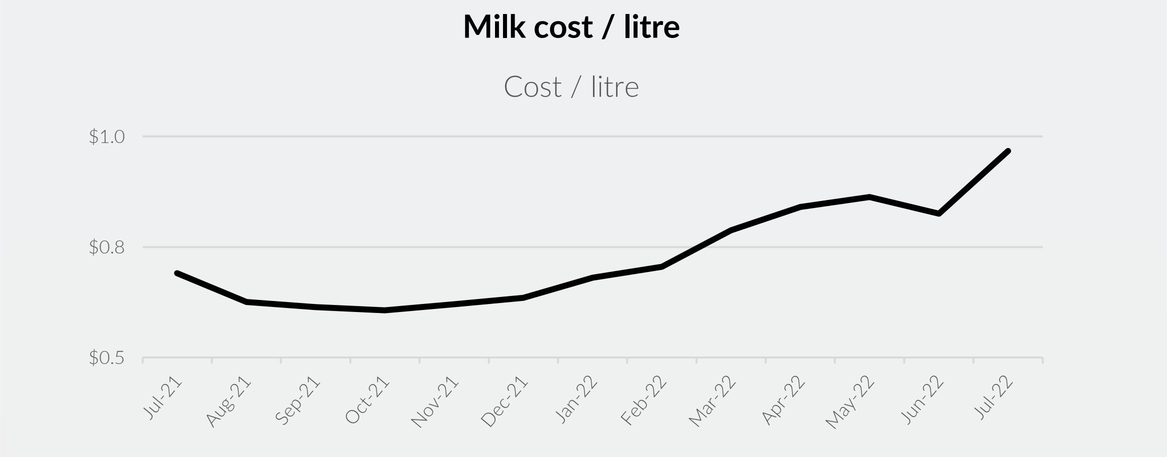


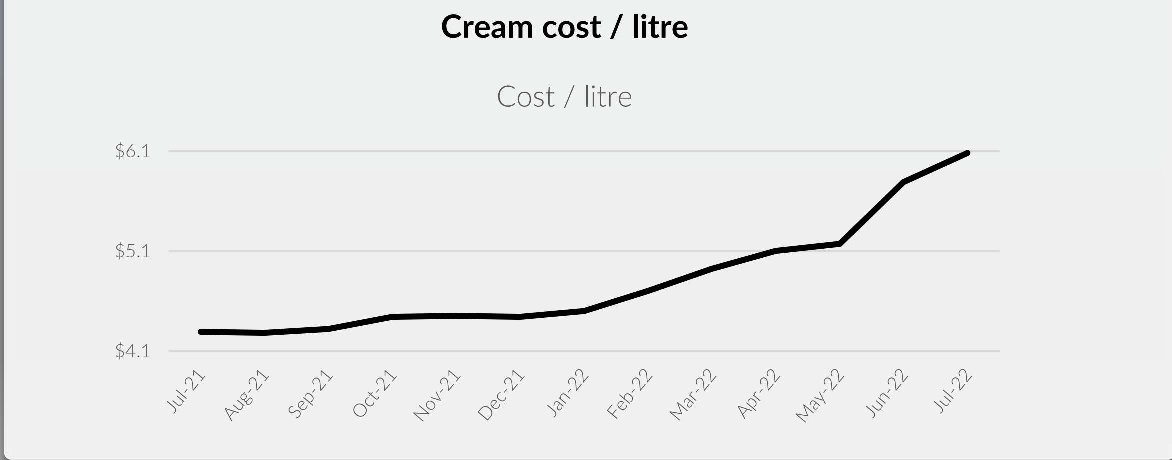
- Revenue per kg over the 12 month period has remained flat to pcp.
- Since July 2022 when further value chain initiatives implemented, revenue per kg has increased by 11.3%.

Input cost per unit

Input costs per unit have risen significantly. Measures in place to mitigate where possible







Commentary

- Chicken feed costs per kg have increased by 20.8% in the 12 months to July 2022.
- Milk cost per litre has risen by an extraordinary 40% in the 12 month period to July 2022.
- Cream cost per litre has mirrored the milk increase with a 41.7% increase over the 12 month period.
- These price rises have placed significant pressure on the margins of the business as we look to mitigate in a timely manner.

Shared Services

Building the platform for growth

$000's	1H 2022 Supply Chain/ Logistics/Ops	1H 2022 Sales/ Customer Support	1H 2022 Marketing D2C	1H 2022 Finance/IT/ HR/Shared Services	1H 2022 Other Corporate	1H 2022 Total	1H 2021 Supply Chain/ Logistics/Ops	1H 2021 Sales/ Customer Support	1H 2021 Marketing D2C	1H 2021 Finance/IT/ HR/Shared Services	1H 2021 Other Corporate	1H 2021 Total
Revenue												
Revenue			38			38			22			22
Other income											24	24
Expenses	(311)	(638)	(402)	(924)	(1,283)	(3,559)	(266)	(451)	(279)	(532)	(720)	(2,249)
Segment EBITDA	**(311)**	**(638)**	**(364)**	**(924)**	**(1,283)**	**(3,521)**	**(266)**	**(451)**	**(257)**	**(532)**	**(696)**	**(2,203)**
Depreciation					(66)	(66)					(46)	(46)
Interest					(16)	(16)					(11)	(11)
Segment Profit / (Loss)	**(311)**	**(638)**	**(364)**	**(924)**	**(1,365)**	**(3,603)**	**(266)**	**(451)**	**(257)**	**(532)**	**(753)**	**(2,260)**

- Shared services costs include a number of activities which support all business units, namely supply chain, logistics and procurement management, sales and customer support, marketing, and finance and corporate activities.
- Shared services has been separated into the above distinct business drivers to demonstrate investment across the business at various divisional levels.
- Expenses allocated to each division include employment expenses, and directly associated professional and marketing costs.
- Other Corporate division includes CEO employment expenses, Directors fees, share-based payment expense of $0.2m (pcp $0.04m) , audit/legal/ consulting/other professional costs of $0.2m (pcp $0.1m), occupancy costs and other corporate expenses (insurance, travel, listed company costs etc).
- Finance/IT costs include catch up of IT networking infrastructure maintenance/replacement, ERP related costs, connectivity improvements, systems architecture improvements and security upgrades as well as capability build to support business integration initiatives and insights.
- One off costs in 1H 2022 include recruitment expenses of $0.1m associated with capability build, and one-off consulting costs of $0.2m.

In the first half of the year, our brands have won numerous awards showcasing the outstanding quality product we provide to consumers

AUSTRALIAN GRAND DAIRY AWARDS

ROYAL TASMANIAN FINE FOOD AWARDS

CHAMPION Sydney Royal 2018 CHEESE & DAIRY SHOW
GOLD Sydney Royal 2018 CHEESE & DAIRY SHOW
SILVER Sydney Royal 2018 CHEESE & DAIRY SHOW
BRONZE Sydney Royal 2018 CHEESE & DAIRY SHOW

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NATURAL ADVANTAGE