



**MY  
FOODIE  
BOX**

For personal use only



**ANNUAL REPORT  
30 JUNE 2023**

**ABN 62 622 021 265**

Corporate directory	2
Directors' report	3
Auditor's independence declaration	16
Statement of profit or loss and other comprehensive income	17
Statement of financial position	18
Statement of changes in equity	19
Statement of cash flows	20
Notes to the financial statements	21
Directors' declaration	49
Independent auditor's report to the members of My Foodie Box Limited	50
Additional shareholder information	54
Corporate governance statement	58

#### **General information**

My Foodie Box Limited is a listed public company limited by shares, incorporated and domiciled in Australia. The financial statements are presented in Australian dollars, which is My Foodie Box Limited's functional and presentation currency. Its registered office and principal place of business are:

##### **Registered office**

Level 11, 12-14 The Esplanade  
Perth WA 6000  
Ph: +61 8 6363 9222

##### **Principal place of business**

9 Foundry Street  
Maylands WA 6051  
Ph: +61 8 6363 9222

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 2 November 2023. The Directors have the power to amend and reissue the financial statements.

**CORPORATE DIRECTORY**  
**30 JUNE 2023**



Directors	Bryan Hughes Mai (Parisrat) Hughes Guy Perkins Shane Wee (Resigned on 17 November 2022)
Company secretary	Kyla Garic
Registered office	Level 11, 12-14 The Esplanade Perth WA 6000 Ph: +61 8 6363 9222
Principal place of business	9 Foundry Street Maylands WA 6051 Ph: +61 8 6363 9222
Auditor	RSM Australia Partners Level 32, Exchange Tower 2 The Esplanade Perth WA 6000
Stock exchange listing	My Foodie Box Limited's shares are listed on the Australian Securities Exchange (ASX code: MBX)
Website	<a href="http://www.myfoodiebox.com.au">www.myfoodiebox.com.au</a>
Corporate Governance Statement	<a href="http://www.myfoodiebox.com.au/investors/">www.myfoodiebox.com.au/investors/</a>

For personal use only

## DIRECTORS' REPORT

### 30 JUNE 2023



The Directors of My Foodie Box Limited (Company) present their report, together with the financial statements for the full year ended 30 June 2023.

#### Directors

The names of the Directors in office at any time during the full year and to the date of this report are:

Name	Position	Appointed / Ceased
Bryan Hughes	Executive Chairman	2 October 2017
Mai (Parisrat) Hughes	Executive Director and CEO	2 October 2017
Guy Perkins	Non-Executive Director	8 September 2021
Shane Wee	Non-Executive Director	10 November 2021 / 17 November 2022

#### Company Secretary

The following person held the position of Company Secretary during and to the date of this report:

Name	Position	Appointed
Kyla Garic	Company Secretary	8 September 2021

#### Principal Activity

The Company is a food technology and logistics business. The principal activity of the Company during the year was the development, preparation, and delivery of meal kits to Western Australian households, with a vision to use its existing technology platform to expand its services and product offering to become a broader, national, e-commerce business.

#### Dividends

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

#### Review of operations

The loss for the year amounted to \$4,181,974 (30 June 2022: loss of \$3,472,640). Refer to the statement of profit and loss and other comprehensive income for further information.

2023 has been a challenging year for MBX. We started the year focussed on growth and by October 2022 we were achieving month on month growth of over 30%. All systems were working well and handling this growth but it came at a burn rate of approximately \$400,000 per month. The intention was to scale up and then consolidate but that required additional funding. Unfortunately the equity capital markets collapsed in 2022 and there was no prospects of raising the additional funds required. This change in the external environment necessitated a change in strategy for MBX. The Company transitioned from a growth strategy to a profitability strategy in November 2022. Since that time the Company has consolidated, restructured and reduced costs. The monthly overheads have been reduced from over \$350,000 to under \$100,000. Margins have been improved and subject to subleasing additional warehouse space which has been freed up in the restructure, the business will operate at break even. Having regard to the various factors noted above, the Board is of the view that it may be in the best interests of shareholders that the MBX business be privatised and continue as a private company without the corporate and compliance overheads associated with being a publicly listed company. As noted in the Company's 17 October 2023 ASX announcement, the Company is in advanced discussions regarding a potential management buyout and privatisation of the business which would see the purchaser acquire 100% of the business and assets of the Company as well as take on all of its liabilities (save for specified corporate costs) (**Proposed Transaction**). Discussions on the Proposed Transaction are advanced but incomplete, and there is no guarantee that the transaction will proceed.

If the Proposed Transaction proceeds, MBX will continue to be listed on the ASX and its primary undertaking will be to identify and assess potential acquisition opportunities to facilitate the relisting of the Company on ASX (**Re-Compliance Transaction**).

#### Significant changes in the state of affairs

There have been no significant changes to the state of affairs.

**My Foodie Box Ltd**  
**Directors' report**  
**30 June 2023**

**Matters subsequent to the end of the financial year**

On 12 July 2023, the Company issued 96,074,816 fully paid ordinary shares and 96,074,816 free attaching options on conversion of Promissory Note holders and an additional 4,293,936 fully paid ordinary shares and 4,293,936 free attaching options in settlement of interest payable on the Promissory Notes as approved at Annual General Meeting held on 12 April 2023.

On 17 October 2023, the Company announced that it was in advanced discussions regarding the Potential Transaction and that it had secured \$60,000 in loan funding to provide working capital whilst the Company advanced those discussions. In early November, the Company entered into loan agreements with various lenders under which the lenders agreed to loan \$480,000 to the Company, conditional on finalisation of these financial statements, a formal agreement in relation to the Potential Transaction being signed and the Company being reinstated to trading on ASX. The loans bear 10% interest per annum and are repayable in cash on the earlier of 3 years from drawdown and date of completion of a Re-compliance Transaction. Lenders will be issued 1 option for every 2c loaned, each with an exercise price equal to a 50% premium to the capital raising to be undertaken in connection with a Re-compliance Transaction expiring 3 years from issue. Some of the loans are secured against the assets of the Company.

Apart from the above, there are no other matters or circumstance that have arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Likely developments and expected results of operations**

As noted above, the Company is advanced discussions regarding the Potential Transaction to privatise the business. Discussions are advanced but incomplete, and there is no guarantee the transaction will proceed. The Company will keep the market updated in accordance with its continuous disclosure obligations. The business is finalising a sublease on half the space in the warehouse and that sublease is the last material item in the restructure and restores the business to profitability.

**Environmental regulation**

The Company aims to comply with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known material breaches of the environmental regulations.

**Information on Directors**

Name:	Bryan Hughes
Title:	Executive Chairman
Qualifications:	BCom UWA, Chartered Accountant
Experience and expertise:	Mr Hughes is the Chairman of Pitcher Partners, Perth. Mr Hughes is a Chartered Accountant who specialises in corporate advisory, corporate finance and corporate turnarounds. Bryan has over 30 years' corporate experience and has facilitated and overseen many projects to significant financial success. Bryan has significant ASX experience and was a key player behind the listing of Western Areas and facilitated the restructure and recapitalisation of Sirius Resources Limited which was subsequently acquired by IGO Limited (ASX: IGO).
Other current directorships:	Moab Minerals Limited, Non Executive Chairman (ASX: MOM)
Former directorships (last 3 years):	Nil
Interests in shares:	30,305,799 Ordinary Shares
Interests in options:	3,800,000 Options

## DIRECTORS' REPORT 30 JUNE 2023



Name:	Mai Hughes
Title:	Executive Director and Chief Executive Officer
Qualifications:	BA English and German Literature and Foreign Civilization
Experience and expertise:	Ms Hughes has extensive experience in the hospitality and food sectors working for Fortune 500 companies. Ms Hughes' expertise in Management and Customer Service strategies were developed whilst working internationally in luxury hotels in Sales and Marketing. Ms Hughes grew up in the food industry. Her parents opened the first Thai restaurant in Paris in 1979, which the family is still operating today. Ms Hughes combined her professional experience in hospitality management with her passion for food to start her own foodtech company at the age of 28. Ms Hughes was featured in 66 minutes (French television newsmagazine) which covered her bold entrepreneurial journey. Ms Hughes speaks four languages fluently.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	30,305,799 Ordinary shares
Interests in options:	3,800,000 Options

For personal use only

**Information on Directors (continued)**

**Name:** Guy Perkins  
**Title:** Independent Non-Executive Director  
**Qualifications:** BEng(Civil)  
**Experience and expertise:** Mr Perkins has over 25 years' experience in the global Information Technologies (IT) industry including in several key management positions. Originally a Civil Engineer, Mr Perkins pivoted towards the IT Industry and developed significant extensive business know-how and IT industry knowledge. He has worked with global innovative leaders in IT companies such as ESRI (US), MapInfo (NYSE: PBI), ER Mapper (Australia), Hexagon, NearMap (ASX: NEA) and 1Spatial (AIM: SPA). He was the COO of NearMap in its formative years and later Co-Founder of Spookfish (ASX: SFI). He was also the Managing Director and CEO of Connexion Telematics (ASX: CXZ).  
**Other current directorships:** Schrole Group Limited, Non-Executive Director (ASX: SCL)  
**Former directorships (last 3 years):** Connexion Telematics, Managing Director and CEO (ASX: CXZ) resigned 24 June 2020  
**Interests in shares:** 1,302,457 Ordinary shares  
**Interests in options:** 2,500,000 Options

**Name:** Shane Wee  
**Title:** Independent Non-Executive Director (Resigned 17 November 2022)  
**Qualifications:** -  
**Experience and expertise:** Shane has extensive ASX experience and has worked in the financial services industry for the past 28 years, holding multiple corporate and advisor roles with various ASX entities and building a solid network of contacts in Australia and South-East Asia. On 30 June 2021, he retired as a Founding Director of Alto Capital to pursue other opportunities and increase focus on his role as CEO of The Magic Coat for Kids, an organisation to empower children while also equipping them with powerful psychological tools to maintain strong mental health  
**Other current directorships:** DC Two Limited, Non-Executive Chairman (ASX: DC2)  
**Former directorships (last 3 years):** Nil  
**Interests in shares:** 423,275 Ordinary shares  
**Interests in options:** 1,500,000 Options

**Company secretary**

**Name:** Kyla Garic  
**Qualifications:** B Com, MAcc, CA, FGIA, FGIS  
**Experience:** Ms Garic is a Chartered Accountant and Director of Onyx Corporate. Onyx Corporate provides financial reporting, accounting, company secretarial and other services primarily to ASX listed companies. Ms Garic acts as Company Secretary for a number of ASX listed companies.

**Meetings of Directors**

The number of formal meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

		DIRECTORS' MEETINGS	
		Number Eligible to Attend	Number Attended
Bryan Hughes	Appointed 02 October 2017	12	12
Mai Hughes	Appointed 02 October 2017	12	12
Guy Perkins	Appointed 08 September 2021	12	12
Shane Wee	Appointed 10 November 2021	5	5

The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of separate committees. Accordingly, all matters are considered by the full Board of Directors, in accordance with committee charters.

For personal use only

**Remuneration report (audited)**

This remuneration report for the year ended 30 June 2023 outlines the remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* (Cth), as amended (**Act**) and its regulations. This information has been audited as required by section 308(3C) of the Act.

Key management personnel (**KMP**) have authority and responsibility for planning, directing and controlling the major activities of the Company. KMP comprise the Directors of the Company and the Chief Financial Officer (**CFO**).

The remuneration report is presented under the following headings:

- Executive Remuneration arrangements
- Non-executive Director fee arrangements
- Details of remuneration
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

**Executive remuneration arrangements**

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages may include a mix of fixed compensation, equity-based compensation, as well as employer contributions to superannuation funds. Shares, options and other equity instruments may only be issued subject to approval by shareholders in a general meeting.

At the date of this report, the Company has two executives appointed, the terms of their agreement with the Company is summarised in the following table.

Executive	Remuneration Summary
Mr Bryan Hughes	<p>Mr Hughes is engaged with the Company through a Consultancy Services Agreement, the terms of which are as follows:</p> <ul style="list-style-type: none"> <li>● Salary of A\$70,000 (of which an amount of \$A42,000 is for services related specifically to his role as a member of the Board) plus statutory superannuation per annum.</li> <li>● Non-cash benefit                             <ul style="list-style-type: none"> <li>- 1,900,000 Class A Options (each exercisable at \$0.20 on or before the date which is 3 years from the date the Company is admitted to the Official List of the ASX). Class A Options vest if the Company's audited revenue (excluding one-off or extraordinary items, or revenue derived from any business acquisitions) for any financial year (ending 30 June) is at least \$25 million; and</li> <li>- 1,900,000 Class B Options (each exercisable at \$0.30 on or before the date which is 5 years from the date the Company is admitted to the Official List of the ASX). Class B Options vest if the Company's audited revenue (excluding one-off or extraordinary items, or revenue derived from any business acquisitions) for any financial year (ending 30 June) is at least \$50 million.</li> </ul> </li> <li>● Reimbursement of reasonable business expenses incurred in the ordinary course of the business in accordance with the Company's reimbursement policies.</li> <li>● The agreement commenced on 1 July 2021 and may be terminated by either party with 6 months' notice. It may be terminated immediately with justifiable cause.</li> </ul>

For personal use only

**Remuneration report (audited) (continued)**

**Executive remuneration arrangements (continued)**

Executive	Remuneration Summary
Ms Mai Hughes	<p>Ms Hughes is engaged with the Company through a Consultancy Service Agreement, the terms of which are as follows:</p> <ul style="list-style-type: none"> <li>• Salary of A\$230,000 (of which an amount of \$A42,000 is for services related specifically to her role as a member of the Board) plus statutory superannuation per annum.</li> <li>• Non-cash benefit <ul style="list-style-type: none"> <li>- 1,900,000 Class A Options (each exercisable at \$0.20 on or before the date which is 3 years from the date the Company is admitted to the Official List of the ASX). Class A Options vest if the Company's audited revenue (excluding one-off or extraordinary items, or revenue derived from any business acquisitions) for any financial year (ending 30 June) is at least \$25 million; and</li> <li>- 1,900,000 Class B Options (each exercisable at \$0.30 on or before the date which is 5 years from the date the Company is admitted to the Official List of the ASX). Class B Options vest if the Company's audited revenue (excluding one-off or extraordinary items, or revenue derived from any business acquisitions) for any financial year (ending 30 June) is at least \$50 million.</li> </ul> </li> <li>• Reimbursement of reasonable business expenses incurred in the ordinary course of the business in accordance with the Company's reimbursement policies.</li> <li>• The agreement commenced on 1 July 2021 and may be terminated by either party with 6 months' notice. It may be terminated immediately with justifiable cause.</li> </ul>
Mr Luke Gundry	<p>Mr Gundry was engaged with the Company through an Employment Agreement, the terms of which are as follows:</p> <ul style="list-style-type: none"> <li>• Salary of A\$165,000 plus statutory superannuation per annum.</li> <li>• Reimbursement of reasonable business expenses incurred in the ordinary course of the business in accordance with the Company's reimbursement policies. The agreement commenced on 1 November 2021 and resigned in December 2022.</li> </ul>

*Employee Share Option Plan*

The Company has established and maintains the My Foodie Box Limited Employee Securities Incentive Plan (**Plan**) to provide ongoing incentives to Eligible Participants of the Company. Eligible Participants means a person that:

- is an 'eligible participant' (as that term is defined in ASIC Class order 14/1000) in relation to the Company or an Associated Body Corporate; and/or
- has been determined by the Board to be eligible to participate in the plan from time to time.

The purpose of the Plan is to assist in the reward and motivation of Eligible Participants and link the reward of Eligible Participants to shareholder value creation and it is designed to align the interest of Eligible Participants more closely to the interests of shareholders by providing an opportunity for Eligible Participants to receive an equity interest in the Company in the form of securities. There were no Options issued to key management personnel or their related parties under the Plan during the 2023 financial year (2022: Nil Options).

For personal use only

**Remuneration report (audited) (continued)**

**Non-executive Director fee arrangements**

The Board policy is to remunerate non-executive Directors at a level to comparable companies for time, commitment, and responsibilities. Directors' fees cover all main Board activities, and non-executive Directors may receive additional remuneration for other services (including being a member of any separate Board committee) provided to the Company. The Board has not established retirement or redundancy schemes in relation to non-executive Directors.

All non-executive Directors enter into a service agreement with the Company in the form of a Letter of Appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of Director.

The maximum aggregate amount of fees that can be paid to non-executive Directors is presently limited to an aggregate of \$500,000 per annum and any change is subject to approval by shareholders at the General Meeting.

Fees for non-executive Directors are not linked to the performance of the Company, however, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company. Non-executive Directors may also receive equity-based compensation in the form of shares or options.

**Details of remuneration**

Details of the remuneration of key management personnel of the Company are set out in the following tables.

The key management personnel of the Company consisted of the Directors of the Company:

- Bryan Hughes – Executive Chairman
- Mai Hughes – Executive Director and Chief Executive Officer
- Guy Perkins – Non-Executive Director
- Shane Wee – Non-Executive Director (Resigned 17 November 2022)

And the following persons:

- Luke Gundry – CFO (Resigned 17 December 2022)

2023	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled shares	Equity-settled options	
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-Executive Directors:</b>								
Guy Perkins	42,576	-	-	4,471	-	-	124,737	171,784
Shane Wee	16,615	-	-	1,745	-	-	(44,989)	(26,629)
<b>Executive Directors:</b>								
Bryan Hughes	70,000	-	-	7,350	-	-	-	77,350
Mai Hughes	230,000	-	-	24,150	-	-	-	254,150
<b>Other Key Management Personnel:</b>								
Luke Gundry	75,931	-	-	7,730	-	-	(11,854)	71,807
	<b>435,122</b>	-	-	<b>45,446</b>	-	-	<b>67,894</b>	<b>548,462</b>

**DIRECTORS' REPORT**  
**30 JUNE 2023**



**Remuneration report (audited) (continued)**

**Details of remuneration (continued)**

2022	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled shares	Equity-settled options	
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-Executive Directors:</b>								
Guy Perkins	19,923	-	-	1,992	-	-	65,410	87,325
Shane Wee	19,923	-	-	1,992	-	-	65,410	87,325
<b>Executive Directors:</b>								
Bryan Hughes	70,000	-	-	7,000	-	-	33,040	110,040
Mai Hughes	230,000	-	-	23,000	-	-	33,040	286,040
<b>Other Key Management Personnel:</b>								
Luke Gundry	105,491	-	-	10,090	-	-	17,535	133,116
	<b>445,337</b>	-	-	<b>44,074</b>	-	-	<b>214,435</b>	<b>703,846</b>

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2023	2022	2023	2022	2023	2022
<b>Non-Executive Directors:</b>						
Guy Perkins	27%	25%	-	-	73%	75%
Shane Wee	69%	25%	-	-	(169%)	75%
<b>Executive Directors:</b>						
Bryan Hughes	100%	70%	-	-	-	30%
Mai Hughes	100%	88%	-	-	-	12%
<b>Other Key Management Personnel:</b>						
Luke Gundry	117%	87%	-	-	(17%)	13%

**Share-based compensation**

*Issue of shares*

There were 209,695 shares with a dollar value of \$11,114 issued to Non-Executive Directors as part of compensation during the year ended 30 June 2023 (2022: Nil).

*Options*

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Option Class	Number Granted	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Total value at grant date
Class A Director's Option	3,800,000	15/11/2021	07/01/2025	07/01/2025	20c	\$402,420
Class B Director's Option	3,800,000	15/11/2021	07/01/2027	07/01/2027	30c	\$435,860
Class C Director's Option	1,000,000	11/11/2021	07/01/2023	07/01/2025	20c	\$99,400
Class D Director's Option	2,000,000	11/11/2021	07/01/2025	07/01/2027	30c	\$219,600

Options granted carry no dividend or voting rights. All options were granted over unissued fully paid ordinary shares in the Company.

**Class A Director's Options**

Per the terms of the service agreement and the Replacement Prospectus dated 30 November 2021. The terms and conditions of the Class A Director Options are, Class A Options (each exercisable at \$0.20 on or before the date which is 3 years from the date the Company is admitted to the Official List of the ASX). Class A Options Vest if the Company's audited revenue (excluding one-off or extraordinary items, or revenue derived from any business acquisitions) for any financial year (ending 30 June) is at least \$25 million.

**Class B Director's Options**

Per the terms of the service agreement and the Replacement Prospectus dated 30 November 2021. The terms and conditions of the Class B Director Options are, Class B Options (each exercisable at \$0.30 on or before the date which is 5 years from the date the Company is admitted to the Official List of the ASX). Class B Options Vest if the Company's audited revenue (excluding one-off or extraordinary items, or revenue derived from any business acquisitions) for any financial year (ending 30 June) is at least \$50 million.

For personal use only

**Remuneration report (audited) (continued)**

**Share-based compensation (continued)**

**Class C Director's Options**

Per the terms of the non-Executive Letters of Appointment and the Replacement Prospectus dated 30 November 2021.

The terms and conditions of the Class C Director Options are, Class C Options (each exercisable at \$0.20 on or before the date which is 3 years from the date the Company is admitted to the Official List of the ASX). Class C Options Vest if the Director remains in service for a period of 12 months from listing.

**Class D Director's Options**

Per the terms of the non-Executive Letters of Appointment and the Replacement Prospectus dated 30 November 2021.

The terms and conditions of the Class D Director Options are, Class D Options (each exercisable at \$0.30 on or before the date which is 5 years from the date the Company is admitted to the Official List of the ASX). Class D Options Vest if the Company's audited revenue (excluding one-off or extraordinary items, or revenue derived from any business acquisitions) a 12-month period is at least \$25 million at any time in the 3 years following the Company's listing on the ASX.

**Class A Performance Management Options**

Per the terms in the Replacement Prospectus dated 30 November 2021.

The terms and conditions of the Class A Performance Management Options (Per Man A) are, Per Man A Options (each exercisable at \$0.20 on or before the date which is 3 years from the date the Company is admitted to the Official List of the ASX). Per Man A Options Vest if the Employee remains in service for a period of 12 months from listing and the Company attaining at least 4,000 Active subscribers within the same 12 month period.

**Class B Performance Management Options**

Per the terms in the Replacement Prospectus dated 30 November 2021.

The terms and conditions of the Class B Performance Management Options (Per Man B) are, Per Man B Options (each exercisable at \$0.25 on or before the date which is 4 years from the date the Company is admitted to the Official List of the ASX). Per Man B Options Vest if the Employee remains in service for a period of 2 years from listing and the Company attaining at least 10,000 Active subscribers within the same 2 year period.

**Class C Performance Management Options**

Per the terms in the Replacement Prospectus dated 30 November 2021.

The terms and conditions of the Class C Performance Management Options (Per Man C) are, Per Man C Options (each exercisable at \$0.30 on or before the date which is 5 years from the date the Company is admitted to the Official List of the ASX). Per Man B Options Vest if the Employee remains in service for a period of 3 years from listing and the Company attaining at least 20,000 Active subscribers within the same 3 year period.

Values of options over ordinary shares granted, exercised and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
Bryan Hughes	-	-	-	-
Mai Hughes	-	-	-	-
Shane Wee	-	-	(44,989)	(169%)
Guy Perkins	-	124,737	-	73%
Luke Gundry	-	-	(11,854)	(17%)

**DIRECTORS' REPORT**  
**30 JUNE 2023**



**Remuneration report (audited) (continued)**

**Additional information**

The earnings of the Company for the five years to 30 June 2023 are summarised below:

	2023 \$	2022 \$	2021 \$	2020 \$	2019 \$
Sales revenue	5,455,413	5,268,673	3,553,800	1,343,155	245,928
EBITDA	(3,896,593)	(3,184,319)	(337,661)	(235,049)	(250,909)
EBIT	(4,089,911)	(3,358,386)	(473,740)	(272,490)	(295,726)
Profit/(loss) after income tax	(4,181,974)	(3,472,640)	(601,115)	(357,701)	(349,058)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022
Share price at financial year end (\$)	0.005	0.096
Total dividends declared (cents per share)	-	-
Basic earnings per share (cents per share)	-	-

MBX was admitted to the Official List of ASX on 5 January 2022.

**Additional disclosures relating to key management personnel**

*Shareholding*

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Bryan Hughes	30,305,799	-	-	-	30,305,799
Mai Hughes	30,305,799	-	-	-	30,305,799
Shane Wee	575,000	48,275	-	-	623,275
Guy Perkins	375,000	161,420	566,037	-	1,102,457
Luke Gundry	200,000	-	-	-	200,000

*Option holding*

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Bryan Hughes	3,800,000	-	-	-	3,800,000
Mai Hughes	3,800,000	-	-	-	3,800,000
Shane Wee	2,000,000	-	-	(1,000,000)	1,000,000
Guy Perkins	2,000,000	-	-	-	2,000,000
Luke Gundry	900,000	-	-	(900,000)	-
	12,500,000	-	-	(1,900,000)	10,600,000

**Remuneration report (audited) (continued)**

**Additional disclosures relating to key management personnel (continued)**

**Consultancy Agreements with Executive Directors**

On 15 November 2021, the Company entered into a consultancy agreement with Bryan Hughes pursuant to which it agreed to engage Mr. Hughes to act as an Executive Director (B Hughes Consultancy Agreement). As at 30 June 2023 there was a balance owing in trade & other payables totalling \$51,566.

On 15 November 2021, the Company entered into a consultancy agreement with Mai Hughes pursuant to which it agreed to engage Ms. Hughes to act as an Executive Director (M Hughes Consultancy Agreement). As at 30 June 2023 there was a balance owing in trade & other payables totalling \$127,075.

**Share Buy-back**

On 19 November 2021, the Company entered into a share buy-back agreement with a shareholder (Seller) for 6,700,000 shares. The buy-back amount is at 25% of the volume weighted average price of the shares over the five days preceding the share buy-back on which shareholder approval is given. These shares will be bought back by the Company if the Company fails to meet the Performance Milestone, which is achieving audited revenue that is equal to or exceeds \$7,000,000 in either the financial year ending 30 June 2022 or the financial year ending 30 June 2023. For the purposes of this Performance Milestone, audited revenue refers to revenue as independently audited by the Company's auditors excluding revenue derived from (1) one-off or extraordinary items; (2) government grants, allowances rebates or handouts; or (3) revenue or profit that has been "manufactured" to achieve the performance milestone. Bryan Hughes and Mai Hughes are the shareholders of the Seller and are also related parties of the Company by virtue of being Directors, meaning the Buy-Back Agreement represents a related party arrangement.

**Convertible Loan Agreements**

The Company notes that Director's related party and Guy Perkins, entered into Convertible Loan Agreements with the Company pursuant to which a total of 500,000 worth of Convertible Notes is subscribed. These Loan Agreements constitute related party agreements by virtue of Bryan Hughes and Guy Perkins being Directors of the Company. Refer to Note 21 Other Liabilities, for details on the facility.

**Short term loan**

A related party of a Director provided short term funding to assist in the Company's operations. As at 30 June 2023, \$1,047,191 (2022: Nil) was due and payable under this agreement. The amount is included within trade and other payables as at 30 June 2023. All transactions were made on normal commercial terms and conditions and at market rates or less.

***This concludes the remuneration report, which has been audited.***

**Shares under option**

Unissued ordinary shares of My Foodie Box Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
11/11/2021	7/01/2025	20c	1,000,000
11/11/2021	7/01/2027	30c	2,000,000
15/11/2021	7/01/2025	20c	3,800,000
15/11/2021	7/01/2027	30c	3,800,000
24/12/2021	7/01/2025	20c	300,000
24/12/2021	7/01/2026	25c	300,000
24/12/2021	7/01/2027	30c	300,000
31/12/2021	30/12/2025	30c	17,999,980
17/02/2023	17/02/2026	2.5c	10,000,000
12/07/2023	12/07/2026	0.0095c	100,368,752

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

**Shares issued on the exercise of options**

No ordinary shares of My Foodie Box Ltd were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of options granted.

**Indemnity and insurance of officers**

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

**Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

**Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 28 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 28 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

**Officers of the Company who are former partners of RSM Australia Partners**

There are no officers of the Company who are former partners of RSM Australia Partners.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

**Auditor**

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

**DIRECTORS' REPORT**  
**30 JUNE 2023**



This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to be "Bryan Hughes", written over a horizontal line.

Bryan Hughes  
Executive Chairman

2 November 2023  
Perth

For personal use only

For personal use only



Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100  
F +61 (0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of My Foodie Box Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

A handwritten signature of 'RSM' in black ink.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'Tutu Phong'.

TUTU PHONG  
Partner

Perth, WA  
Dated: 2 November 2023

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023**



	Note	2023 \$	2022 \$
<b>Revenue</b>			
Revenue from contracts with customers	4	5,455,413	5,268,673
Other revenue	4	117,802	17,238
Other income	4	445,934	-
	11	(103,000)	103,000
		<u>5,916,149</u>	<u>5,388,911</u>
<b>Expenses</b>			
Materials and consumables used	5	(3,370,470)	(2,743,600)
Transport expense		(50,353)	(162,043)
Depreciation and amortisation expense	5	(193,318)	(174,228)
Employee benefits expense	5	(3,349,511)	(3,242,015)
Technology expense		(97,962)	(113,356)
Occupancy expense		(79,487)	(62,899)
Marketing expense		(528,601)	(1,035,215)
Finance costs	5	(92,063)	(114,254)
Warehouse contractors		-	(20,979)
Listing and share registry expense		(16,080)	(209,411)
Share based payment expense	5	(297,314)	(267,037)
Other expenses		(862,692)	(716,514)
Impairment expense		(1,160,272)	-
		<u>(10,098,123)</u>	<u>(8,861,551)</u>
<b>Loss before income tax expense</b>		(4,181,974)	(3,472,640)
Income tax expense	6	-	-
<b>Loss after income tax expense for the year</b>		(4,181,974)	(3,472,640)
<b>Other comprehensive loss</b>		-	-
<b>Total comprehensive loss for the year</b>		<u>(4,181,974)</u>	<u>(3,472,640)</u>
		<b>Cents</b>	<b>Cents</b>
<b>Loss per share</b>			
Basic loss per share	7	(6.16)	(7.17)
Diluted loss per share	7	(6.16)	(7.17)

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**



	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	3,164	2,295,813
Trade and other receivables	9	14,863	122,120
Inventories	10	62,848	114,394
Financial assets at fair value through profit or loss	11	-	103,000
Other assets	12	42,399	105,320
<b>Total current assets</b>		<u>123,274</u>	<u>2,740,647</u>
<b>Non-current assets</b>			
Plant and equipment	13	-	345,204
Right-of-use assets	14	-	376,516
Intangible assets	15	-	160,516
Other assets	12	-	17,419
<b>Total non-current assets</b>		<u>-</u>	<u>899,655</u>
<b>Total assets</b>		<u>123,274</u>	<u>3,640,302</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	801,242	1,303,694
Contract liabilities	17	49,276	109,525
Borrowings	18	475,224	10,224
Lease liabilities	19	137,934	117,416
Employee benefits liabilities	20	42,716	75,610
Other current liabilities	21	435,170	-
<b>Total current liabilities</b>		<u>1,941,562</u>	<u>1,616,469</u>
<b>Non-current liabilities</b>			
Borrowings	18	12,100	31,452
Lease liabilities	19	190,752	306,041
Provisions	22	50,000	50,000
<b>Total non-current liabilities</b>		<u>252,852</u>	<u>387,493</u>
<b>Total liabilities</b>		<u>2,194,414</u>	<u>2,003,962</u>
<b>Net (liabilities)/assets</b>		<u>(2,071,140)</u>	<u>1,636,340</u>
<b>Equity</b>			
Issued capital	23	5,971,841	5,883,557
Reserve	24	914,390	617,437
Accumulated losses		<u>(8,957,372)</u>	<u>(4,864,654)</u>
<b>Total equity/(deficit)</b>		<u>(2,071,140)</u>	<u>1,636,340</u>

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023



	Issued capital \$	Reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	100	-	(1,392,014)	(1,391,914)
Loss after income tax expense for the year	-	-	(3,472,640)	(3,472,640)
Total comprehensive loss for the year	-	-	(3,472,640)	(3,472,640)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares	6,658,000	-	-	6,658,000
Capital raising costs	(424,143)	-	-	(424,143)
Share based payments	(350,400)	617,437	-	267,037
Balance as at 30 June 2022	<u>5,883,557</u>	<u>617,437</u>	<u>(4,864,654)</u>	<u>1,636,340</u>
	Issued capital \$	Reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	5,883,557	617,437	(4,864,654)	1,636,340
Loss after income tax expense for the year	-	-	(4,181,974)	(4,181,974)
Total comprehensive loss for the year	-	-	(4,181,974)	(4,181,974)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares	95,114	-	-	95,114
Capital raising costs	(6,830)	-	-	(6,830)
Convertible note equity portion	-	88,897	-	88,897
Share based payments	-	297,313	-	297,313
Expired share-based payments	-	(89,256)	89,256	-
Balance as at 30 June 2023	<u>5,971,841</u>	<u>914,391</u>	<u>(8,957,372)</u>	<u>(2,071,140)</u>

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023**



	Notes	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		5,551,527	5,481,634
Payments to suppliers and employees (inclusive of GST)		<u>(8,939,796)</u>	<u>(7,952,586)</u>
		(3,388,269)	(2,470,952)
Other revenue		108,801	12,091
Interest and other finance costs paid		<u>(57,495)</u>	<u>(114,254)</u>
Net cash used in operating activities	33	<u>(3,336,963)</u>	<u>(2,573,115)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment and intangible assets		<u>(136,872)</u>	<u>(252,211)</u>
Net cash used in investing activities		<u>(136,872)</u>	<u>(252,211)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		84,000	6,000,000
Proceeds received from convertible notes issued		970,000	283,000
Proceeds from borrowings		570,850	318,000
Share issue transaction costs		(6,830)	(424,143)
Repayment of borrowings		(307,494)	(949,614)
Repayment of lease liabilities		<u>(129,340)</u>	<u>(103,436)</u>
Net cash from financing activities		<u>1,181,186</u>	<u>5,123,807</u>
Net increase/(decrease) in cash and cash equivalents		(2,292,649)	2,298,481
Cash and cash equivalents at the beginning of the financial year		<u>2,295,813</u>	<u>(2,668)</u>
Cash and cash equivalents at the end of the financial year	8	<u>3,164</u>	<u>2,295,813</u>

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

For personal use only

**Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**Going Concern**

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Company incurred a net loss after tax of \$4,181,974 and had cash outflows from operating activities of \$3,336,963 for the year ended 30 June 2023. As at that date, the Company had net current liabilities of \$1,818,288 and net liabilities of \$2,071,140. These factors indicate a material uncertainty which may cast significant doubt as to whether the Company will continue as a going concern and therefore whether it will reduce its assets and extinguish its liabilities in the normal course of business and at the amount stated in the financial report.

Notwithstanding the above, the Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The business has been restructured to be now operating at break even;
- Related party creditors amounting to \$1,047,191 have signed a deed poll where they will not seek repayment for 12 months;
- Subsequent to the reporting date, the Company secured \$60,000 in loan funding to provide working capital. In addition, the Company has entered into loan agreements under which it (subject to the satisfaction of the conditions to drawdown), will raise \$480,000 in debt funding; and
- The Company is in advanced discussions in relation to a proposed transaction under which the purchaser will acquire 100% of the MBX business and assume its liabilities (save for specified corporate costs). If this proposed transaction completes, the Company will essentially be a cash box entity with minimal operating costs and in a position where it can raise further funds, through debt and equity, to pursue a new project(s).

Accordingly, the Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in preparation of the financial report.

The financial statements do not include any adjustment relating to the recoverability and classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

**Note 1. Significant accounting policies (continued)**

**Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

**Revenue recognition**

The Company recognises revenue as follows:

*Revenue from contracts with customers involving sale of goods*

The Company derives revenue from the sale of meal kits and other household staple grocery items to its customers. Revenue is recognised when goods are transferred to customers which depicts the transfer to the customer of the goods promised and is measured at an amount that reflects the consideration received and to which the Company expects to be entitled in exchange for the goods delivered.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**Government grants**

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to depreciable assets are credited to deferred income and are recognised in profit or loss over the period and in the proportions in which depreciation expense on those assets is recognised.

Government grants include amounts received or receivable under the Federal Government's Cash Flow Boost Scheme, which provides a temporary subsidy to eligible businesses significantly affected by coronavirus (Covid-19).

**Income tax**

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not recognised if it arises from the initial recognition of an asset or liability in a transaction.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognized directly in equity.

**Note 1. Significant accounting policies (continued)**

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at banks, and short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance.

**Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Derivative financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

**Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

**Note 1. Significant accounting policies (continued)**

**Investments and other financial assets (continued)**

*Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

**Plant and equipment**

*Plant and equipment*

Plant and equipment is measured at cost, less accumulated depreciation and any accumulated impairment losses. Costs include expenditures that are directly attributable to the acquisition of plant and equipment items.

*Depreciation*

The depreciable amount of all plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

<b>Class of fixed asset</b>	<b>Useful lives</b>	<b>Depreciation basis</b>
Warehouse equipment	4-20 years	Diminishing value
Commercial kitchen	5-15 years	Diminishing value
Improvements	40 years	Straight line
Motor vehicles	12 years	Diminishing value
Office equipment	5-10 years	Diminishing value
Computer equipment	2-4 years	Diminishing value
Cool rooms and refrigeration units	5 years	Diminishing value

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Note 1. Significant accounting policies (continued)**

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**Intangible assets**

Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually.

*IT software development costs*

Costs incurred in developing IT software are initially recognised as an asset and are subsequently amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, IT software development costs recognised as an intangible asset are measured at cost, less accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised over a useful life of 5 years on a straight line basis. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

**Impairment of non-financial assets**

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Contract liabilities**

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

**Note 1. Significant accounting policies (continued)**

**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**Provisions**

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for Financial leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

**Note 1. Significant accounting policies (continued)**

**Employee benefits (continued)**

*Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided by the Company.

Equity-settled transactions are awards of shares, or options over shares, that are provided by the Company in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or recipient, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or recipient and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**Note 1. Significant accounting policies (continued)**

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

**Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Dividends**

Dividends are recognised when declared during the financial year.

**Earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Note 1. Significant accounting policies (continued)**

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the financial reporting period ended 30 June 2023. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Share based payments*

The Company initially measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them, as well as an assessment of the probability of achieving non-market based vesting conditions. The probability of achieving non-market based vesting conditions of performance rights is assessed at each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 24.

**Note 3. Operating segment**

The financial statements have been prepared under one operating segment. The Company is a food technology business focused on preparing and delivering meal kits to customers in Western Australia, with intentions to expand both its offerings and its markets.

**Note 4. Revenue**

	2023 \$	2022 \$
<i>Revenue from contracts with customers</i>		
Sale of goods in Australia – at a point-in-time recognition	5,455,413	5,268,673
	<b>5,455,413</b>	<b>5,268,673</b>
<i>Other income</i>		
Other income	117,802	17,238
Gain on revaluation of convertible notes	445,934	-

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2023**



**Note 5. Expenses**

	2023 \$	2022 \$
Loss before income tax from continuing operations includes the following specific expenses:		
<i>Materials and consumables used</i>		
Materials and consumables used	3,370,470	2,743,600
<i>Depreciation and amortisation</i>		
Depreciation of plant and equipment and amortisation of intangible assets	72,734	55,852
Amortisation of right-of-use assets	120,584	118,376
Total depreciation and amortisation	193,318	174,228
<i>Finance costs</i>		
Interest and finance charges on borrowings	57,495	66,958
Interest and finance charges on lease liabilities	34,567	47,296
Total finance costs	92,063	114,254
<i>Employee benefits expense</i>		
Wages and salaries	2,952,359	2,739,729
Superannuation expense	277,680	270,860
Payroll tax	136,305	149,176
Other employee benefits expense	35,293	82,250
Total employee benefits expense	3,349,511	3,242,015
<i>Share-based payments expense</i>		
Share-based payments expense	297,314	267,037

For personal use only

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2023**



**Note 6. Income tax**

	2023 \$	2022 \$
<b>(a) Income tax expense</b>		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
<b>(b) Prima facie tax payable</b>		
The prima facie tax payable on loss before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on loss before income tax at 25% (2021: 26%)	(1,045,442)	(156,290)
Add/(less) tax effect of;		
- Deferred tax position not recognised	953,178	163,651
- Other non-allowable items	92,264	680
- Over provision for income tax in prior year	-	10,679
- Non-assessable government grants received	-	(18,720)
Income tax expense	<u>-</u>	<u>-</u>
<b>(c) Current tax liability</b>		
Current tax relates to the following:		
Current tax liabilities / (assets)	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>(d) Deferred tax</b>		
Deferred tax relates to the following:		
<b>Deferred tax assets balance comprises:</b>		
Plant and equipment under lease	14,343	146,729
Accruals	76,224	75,109
Provisions - annual and long service leave	10,679	14,218
Business related costs	35,128	4,886
Inventory	-	11,837
Provision for make good	12,500	13,000
Investments	3,698	-
Offset against deferred tax assets/deferred tax assets not recognised	(2,035,534)	(496,125)
Tax losses	1,882,962	230,346
	<u>-</u>	<u>-</u>
<b>Deferred tax liabilities balance comprises:</b>		
Prepayments	(14,913)	-
Plant and equipment under lease	14,913	-
Offset against deferred tax assets	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net deferred tax	<u>-</u>	<u>-</u>
<b>(e) Deferred income tax expense included in income tax expense comprises:</b>		
Decrease / (increase) in deferred tax assets	(915,461)	-
(Decrease) / increase in deferred tax liabilities	(37,717)	-
Deferred tax assets not recognised	953,178	-
	<u>-</u>	<u>-</u>
<b>(f) Deferred tax assets not brought to account</b>		
Temporary differences	137,658	265,779
Operating tax losses	1,882,962	230,346
	<u>2,020,620</u>	<u>496,125</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2023**



**Note 7. Loss per share**

	2023 \$	2022 \$
<b>Loss per share (EPS)</b>		
(a) Loss used in calculation of basic EPS and diluted EPS	<u>(4,181,974)</u>	<u>(3,472,640)</u>
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share	67,859,476	48,449,310
Basic loss per share (cents)	(6.16)	(7.17)
Diluted loss per share (cents)	(6.16)	(7.17)

**Note 8. Cash and cash equivalents**

	2023 \$	2022 \$
Cash on hand	100	100
Cash at bank	3,064	2,295,713
	<u>3,164</u>	<u>2,295,813</u>

*Reconciliation to cash and cash equivalents at the end of the financial year*

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	3,164	2,295,813
Balance as per statement of cash flows	<u>3,164</u>	<u>2,295,813</u>

**Note 9. Receivables**

	2023 \$	2022 \$
<b>Current</b>		
Other receivables		
- Other receivables	35	2,141
GST Input Credits	14,828	119,979
	<u>14,863</u>	<u>122,120</u>

**Note 10. Inventories**

	2023 \$	2022 \$
Raw materials, at cost	<u>62,848</u>	<u>114,394</u>
	62,848	114,394

For personal use only

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2023**



**Note 11. Financial assets at fair value through profit or loss**

	2023 \$	2022 \$
Derivative financial instrument - designated at fair value through profit or loss	-	103,000

*Reconciliation*

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	103,000	-
Additions	-	-*
Net gain or loss on recognition fair value adjustment of financial asset	(103,000)	103,000
Closing fair value	-	103,000

\*On 19 November 2021, the Company entered into a share buy-back agreement with a shareholder for 6,700,000 shares. These shares will be bought back by the Company if the Company fails to meet the performance milestone, which is achieving audited revenue that is equal to or exceeds \$7,000,000 in either the financial year ended 30 June 2022 or the financial year ending 30 June 2023. For the purposes of this performance milestone, audited revenue refers to revenue as independently audited by the Company's auditor excluding revenue derived from (1) one-off or extraordinary items; (2) government grants, allowances rebates or handouts; or (3) revenue or profit that has been "manufactured" to achieve the performance milestone. The shares will be bought back at 25% of the volume weighted average price of the Company's shares over the five days preceding on the date on which shareholder approval is given.

**Note 12. Other Assets**

	2023 \$	2022 \$
<b>CURRENT</b>		
Prepayments	42,399	105,320
<b>NON-CURRENT</b>		
Security deposits	-	17,419

For personal use only

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2023**



**Note 13. Plant and equipment**

	2023 \$	2022 \$
Plant and equipment		
Warehouse equipment	77,965	69,053
Accumulated depreciation	(26,544)	(20,582)
Impairment	(51,421)	-
	<u>-</u>	<u>48,471</u>
Commercial kitchen	65,623	65,623
Accumulated depreciation	(32,009)	(26,666)
Impairment	(33,614)	-
	<u>-</u>	<u>38,957</u>
Improvements at cost	46,260	46,260
Accumulated depreciation	(2,771)	(1,615)
Impairment	(43,489)	-
	<u>-</u>	<u>44,645</u>
Motor vehicles at cost	77,685	74,276
Accumulated depreciation	(35,015)	(26,312)
Impairment	(42,670)	-
	<u>-</u>	<u>47,964</u>
Office equipment at cost	65,794	65,794
Accumulated depreciation	(34,889)	(28,658)
Impairment	(30,905)	-
	<u>-</u>	<u>37,136</u>
Computer equipment at cost	94,541	91,351
Accumulated depreciation	(55,061)	(41,867)
Impairment	(39,480)	-
	<u>-</u>	<u>49,484</u>
Cool rooms and refrigeration units - at cost	121,365	90,828
Accumulated depreciation	(18,359)	(12,281)
Impairment	(103,006)	-
	<u>-</u>	<u>78,547</u>
Total plant and equipment	<u>-</u>	<u>345,204</u>

For personal use only

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2023**



**Note 13. Plant and equipment (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	2023	2022
	\$	\$
Warehouse equipment		
Opening carrying amount	48,471	24,793
Additions	8,912	27,840
Depreciation expense	(5,962)	(4,162)
Impairment expense	(51,421)	-
Closing carrying amount	<u>-</u>	<u>48,471</u>
Commercial kitchen		
Opening carrying amount	38,957	35,038
Additions	-	9,608
Depreciation expense	(5,343)	(5,689)
Impairment expense	(33,614)	-
Closing carrying amount	<u>-</u>	<u>38,957</u>
Improvements at cost		
Opening carrying amount	44,645	45,802
Additions	-	-
Depreciation expense	(1,156)	(1,157)
Impairment expense	(43,489)	-
Closing carrying amount	<u>-</u>	<u>44,645</u>
Motor vehicles at cost		
Opening carrying amount	47,964	46,105
Additions	3,409	12,751
Depreciation expense	(8,703)	(10,892)
Impairment expense	(42,670)	-
Closing carrying amount	<u>-</u>	<u>47,964</u>
Office equipment at cost		
Opening carrying amount	37,136	22,379
Additions	-	21,110
Depreciation expense	(6,231)	(6,353)
Impairment expense	(30,905)	-
Closing carrying amount	<u>-</u>	<u>37,136</u>
Computer equipment at cost		
Opening carrying amount	49,484	5,862
Additions	3,190	56,028
Depreciation expense	(13,194)	(12,406)
Impairment expense	(39,480)	-
Closing carrying amount	<u>-</u>	<u>49,484</u>
Cool rooms and refrigeration units at cost		
Opening carrying amount	78,547	84,157
Additions	30,538	-
Depreciation expense	(6,079)	(5,610)
Impairment expense	(103,006)	-
Closing carrying amount	<u>-</u>	<u>78,547</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2023**



**Note 14. Right-of-use assets**

	<b>2023</b>	<b>2022</b>
	\$	\$
Land and buildings - right-of-use	602,920	579,255
Less: accumulated amortisation and impairment	<u>(602,920)</u>	<u>(202,739)</u>
	<u>-</u>	<u>376,516</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Land and buildings - right-of-use</b>		
Opening carrying amount	376,516	480,933
Additions	15,382	13,959
Amortisation expense	(120,584)	(118,376)
Impairment expense	(271,314)	-
Closing carrying amount	<u>-</u>	<u>376,516</u>

Lease assets relates to the Company's lease of premises for its principal place of business for a term of 5 years from October 2020. The Company also holds an option to further extend this lease term by a further 5 years. It is uncertain at this point in time whether this option will be utilised.

**Note 15. Intangible Assets**

	<b>2023</b>	<b>2022</b>
	\$	\$
Website development	337,081	58,306
Less: accumulated amortisation and impairment	<u>(337,081)</u>	<u>(39,166)</u>
	<u>-</u>	<u>19,140</u>
Work-in-progress – Website development	196,800	141,376
Less: accumulated impairment	<u>(196,800)</u>	<u>-</u>
	<u>-</u>	<u>141,376</u>
	<u>-</u>	<u>160,516</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Sales, procurement and logistics platform</i>		
Opening carrying amount	19,140	28,723
Additions	337,081	-
Disposal	(9,558)	-
Amortisation expense	(16,509)	(9,583)
Impairment expense	(330,154)	-
Closing carrying amount	<u>-</u>	<u>19,140</u>

For personal use only

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2023**



**Note 15. Intangible Assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Work-in-progress – Website development</i>		
Opening carrying amount	141,376	-
Additions	392,505	141,376
WIP Capitalised	(337,081)	-
Impairment expense	(196,800)	-
Closing carrying amount	<u>-</u>	<u>141,376</u>
	<u>-</u>	<u>160,516</u>

**Note 16. Trade and other payables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade creditors	480,581	609,128
Superannuation payable	35,252	87,358
PAYG withholding payable	14,479	186,786
Other payable	1,286	-
Accrued expense	269,644	333,192
Loan from related party	-	87,230
	<u>801,242</u>	<u>1,303,694</u>

The loan from related party has been provided by a related entity of a Director.

**Note 17. Contract liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Contract liabilities	<u>49,276</u>	<u>109,525</u>

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Opening balance	109,525	-
Amount recognised as revenue	(109,525)	-
Payments received in advance	<u>49,276</u>	<u>109,525</u>
Closing balance	<u>49,276</u>	<u>109,525</u>

The contract liabilities are expected to be recognised as revenue during the month of July 2023.

For personal use only

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2023**



**Note 18. Borrowings**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>CURRENT</b>		
<i>Unsecured liabilities</i>		
Loans from related party	247,594	-
Banjo and Momentum	212,070	-
	<u>459,664</u>	<u>-</u>
<i>Secured liabilities</i>		
Hire purchase liability	15,560	10,224
	<u>15,560</u>	<u>10,224</u>
<b>NON-CURRENT</b>		
<i>Secured liabilities</i>		
Hire purchase liability	12,100	31,452
	<u>12,100</u>	<u>31,452</u>
	<b><u>487,324</u></b>	<b><u>41,676</u></b>

**Assets pledged as security**

Plant and equipment received under finance arrangement from banking institutions are secured via a registered security interest prescribed under their relevant agreement. All other loan facilities are secured via a registered GSA over all other plant and equipment of the Company. In addition, a personal guarantee has been provided for amounts owing by one of the Directors. The interest rate on loan facilities provided to the Company range from 9-20% per annum.

**Unsecured Loans**

*Banjo and Momentum*

Short term finance to manage working capital. Interest rates provided range from 13.45% to 14.59%.

**Note 19. Lease Liabilities**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Lease liability</b>		
<b>CURRENT</b>		
Leasehold premises	137,934	117,416
	<u>137,934</u>	<u>117,416</u>
<b>NON-CURRENT</b>		
Leasehold premises	190,752	306,041
	<u>190,752</u>	<u>306,041</u>
Total carrying amount of lease liabilities	<u>328,686</u>	<u>423,457</u>
<b>Lease expense and cashflows</b>		
Interest expense on lease liabilities	34,567	47,296
Expense relating to lease payments made for leases of low value assets (for which a lease asset and a lease liability has not been recognised)	17,194	148,093
Amortisation expense on lease assets	<u>120,584</u>	<u>118,376</u>

**Note 20. Employee benefits liabilities**

	<b>2023</b>	<b>2022</b>
	\$	\$
Annual leave provision	<u>42,716</u>	<u>75,610</u>

For personal use only

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2023**



**Note 21. Other current liabilities**

	2023 \$	2022 \$
Convertible loan	411,104	-
Promissory note	24,066	-
	<u>435,170</u>	<u>-</u>

To raise funds for working capital the Company conducted a convertible note raising which raised \$500,000. Under this raising, the Company entered into convertible loan agreements with Directors, Bryan Hughes and Guy Perkins. Subject to shareholder approval, these convertible loans are convertible into Shares at a conversion price of 5.3c per share.

The Company also raised funds for working capital under a Promissory note raising to raise \$500,000. Each note has a face value of \$1.00 with an interest rate of 10% per annum. The notes have a maturity date of 24 months from the date of issue.

The convertible loan Agreements were entered into with related parties. Refer to Note 30 for further information.

**Note 22. Non-current liabilities - provisions**

	2023 \$	2022 \$
Lease make good	<u>50,000</u>	<u>50,000</u>
<i>Lease make good</i>		

The provision represents the present value of the estimated costs to make good the premises leased by the Company at the end of the respective lease terms.

**Note 23. Equity - issued capital**

	2023 Shares	2022 Shares	2023 \$	2022 \$
68,794,583 fully paid ordinary shares	<u>68,794,583</u>	<u>66,999,990</u>	<u>5,971,841</u>	<u>5,883,557</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2021	100	1	100
Share split (1 to 300,000)	15 August 2021	29,999,900	-	-
Shares issued under the Public Offer	31 December 2021	30,000,000	0.20	6,000,000
Shares issued on conversion of convertible notes	31 December 2021	6,999,990	-	658,000
Costs of capital raising		-		<u>(774,543)</u>
Balance	30 June 2022	66,999,990		5,883,557
Shares issued under the SPP	22 December 2022	1,584,898	0.05	84,000
Issue of shares to Guy Perkins and Shane Wee	1 May 2023	209,695	0.05	11,114
Costs of capital raising				<u>(6,830)</u>
<b>Balance</b>	<b>30 June 2023</b>	<b><u>68,794,583</u></b>		<b><u>5,971,841</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

### 30 JUNE 2023



#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### Share buy-back

Refer to Note 11 on the share buy-back.

#### Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The capital risk management policy remains unchanged from the 30 June 2022 Financial Report.

#### Note 24. Equity - reserves

	2023 \$	2022 \$
<b>a) Reserves</b>		
Share Based Payment Reserve - 39,499,980 (30 June 2022: 33,199,980) unquoted options	825,494	617,437
Convertible Note Reserve	88,896	-
	<u>914,390</u>	<u>617,437</u>

#### b) Movement in Share Based Payment Reserve

	Date	No.	Total \$
<b>Opening balance</b>	<b>1 July 2021</b>	-	-
Issue of convertible loan note options, free attaching	31 December 2021	13,999,980	-
Lead Manager Options (Note 32b)	31 December 2021	4,000,000	350,400
Performance Management Options (Note 32a)	31 December 2021	4,500,000	119,363
Director Options (Note 32c)	31 December 2021	11,600,000	196,899
Cessation of Performance Management Options	30 May 2023	(900,000)	(49,225)
<b>Closing Balance as at 30 June 2022</b>	<b>30 June 2022</b>	<b>33,199,980</b>	<b>617,437</b>
Cessation of Performance Management Options	18 August 2022	(900,000)	(29,048)
Cessation of Director Options	9 December 2022	(1,000,000)	(54,411)
Cessation of Performance Management Options	17 December 2022	(900,000)	(11,677)
Cessation of Performance Management Options	30 December 2022	(900,000)	(8,246)
Unlisted options to lead manager	17 February 2023	10,000,000	-
Director Options expense	30 June 2023	-	185,999
Performance Management Options expense	30 June 2023	-	28,462
<b>Closing balance at 30 June 2023</b>		<b>39,499,980</b>	<b>728,615</b>

**Note 25. Dividends**

There are no dividend proposed or paid for the financial year ended 30 June 2023 (2022: Nil).

**Note 26. Financial instruments**

**Financial risk management objectives**

The Company is exposed to the following financial risks in respect to the financial instruments that it held at the end of the reporting period:

- (a) Interest rate risk
- (b) Credit risk
- (c) Liquidity risk
- (d) Fair values compared with carrying amounts

The Board of Directors have overall responsibility for identifying and managing operational and financial risks.

**Interest rate risk**

The Company is exposed to interest rate risk in relation to its borrowings. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Company manages its interest rate risk through the use of fixed rate borrowings. Undertaking arrangements on fixed interest terms ensures the Company is not exposed to any unnecessary risk resulting from changes and fluctuations in prevailing market rates.

The following table outlines that Company's exposure to interest rate risk in relation to future cashflows and the effective weighted average interest rates on classes of financial assets and financial liabilities:

Financial instruments Interest bearing

Financial Instruments	Interest Bearing	Weighted average interest rate	
<b>2022</b>	\$		
Cash at bank	2,295,813	0.0%	
Hire purchase liability	41,676	9.9%	Fixed
Lease liabilities	423,457	9.0%	Fixed
Other payables	87,230	9.0%	Fixed
	<u>2,848,176</u>		
<b>2023</b>			
Cash at bank	3,164	0%	
Hire purchase liability	27,660	9.9%	Fixed
Lease liabilities	328,686	9%	Fixed
Promissory Note	24,066	10%	Fixed
Loans from related party	247,594	0%	
Unsecured Loans	<u>212,070</u>	13.45% to 14.59%	Fixed
	<u>843,240</u>		

No other financial assets or financial liabilities are expected to be exposed to interest rate risk.

**Sensitivity**

There is no impact on the loss after tax as the Company's borrowings are obtained on fixed interest terms.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 JUNE 2023



#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance sheet date of recognised financial assets is the carrying amount of those assets, net of any allowance for impairment of those assets, as disclosed in statement of financial position and notes to financial statements.

The Company does not have any material credit risk exposure to any single counterparty or group of counterparties under financial instruments entered into by the Company.

#### (i) Cash and cash equivalents

Credit risk for cash and cash equivalents is managed by holding all cash deposits with major Australian banks with a minimum credit rating of AA assigned by reputable credit rating agencies.

#### (ii) Other receivables

The Company's receivable balances relate to amounts owing from the Australian Taxation Office and from the Directors of the Company (refer to Note 9 for further information). The Company regularly monitors amounts receivable from related parties and their expected recoverable amounts. Given the nature of the amount receivable, the Company believes it will be recovered.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other available lines of credits. The Company manages its liquidity risk by monitoring forecast cash flows from operating and financing activities.

The following table outlines the Company's remaining contractual maturities for non-derivative financial instruments. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the Company can be required to pay.

	< 6 months	6-12 months	1-5 years	Total contractual cash flows	Carrying Amount
2023	\$	\$	\$	\$	\$
Payables	1,048,836	-	-	1,048,836	801,242
Borrowings	8,558	6,988	14,474	30,020	27,660
Convertible Loans	-	-	500,000	500,000	411,104
Promissory Note	-	-	500,000	500,000	24,066
Unsecured Loans	196,978	21,352	-	218,330	212,070
Lease Liabilities	80,357	80,357	200,892	361,606	328,686
	<b>1,334,729</b>	<b>108,697</b>	<b>1,215,366</b>	<b>2,658,792</b>	<b>1,804,828</b>

	< 6 months	6-12 months	1-5 years	Total contractual cash flows	Carrying Amount
2022	\$	\$	\$	\$	\$
Payables	1,303,694	-	-	1,303,694	1,303,694
Borrowings	8,558	8,558	30,804	47,920	41,676
Lease Liabilities	74,820	74,820	336,690	486,330	423,457
	<b>1,387,072</b>	<b>83,378</b>	<b>367,494</b>	<b>1,837,944</b>	<b>1,768,827</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 JUNE 2023



#### Fair values compared with carrying amounts

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in statement of financial position and notes to financial statements.

#### Note 27. Fair value measurement

The following tables detail the Company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>30 Jun 2023</b>				
Asset				
Financial asset at fair value through profit or loss	-	-	-	-
Total asset	-	-	-	-
<b>30 June 2022</b>				
Asset				
Financial asset at fair value through profit or loss	-	103,000	-	103,000
Total asset	-	103,000	-	103,000

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

#### Note 28. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM, the auditor of the Company and its network firms:

	2023 \$	2022 \$
<i>Audit and review services – RSM Australia Partners</i>	70,500	58,000
<i>Other services – RSM Australia Pty Ltd</i>		
Investigating Accountant report	-	12,000
	<u>70,500</u>	<u>70,000</u>

#### Note 29. Commitments, Contingent Assets & liabilities

There are no contingent liabilities or assets as at 30 June 2023 (30 June 2022: Nil).

There are no commitments as at 30 June 2023 (30 June 2022: Nil).

**Note 30. Related party transactions**

**Consultancy Agreements with Executive Directors**

On 15 November 2021, the Company entered into a consultancy agreement with Bryan Hughes pursuant to which it agreed to engage Mr. Hughes to act as an Executive Director (B Hughes Consultancy Agreement). As at 30 June 2023 there was a balance owing in trade & other payables totalling \$58,029.

On 15 November 2021, the Company entered into a consultancy agreement with Mai Hughes pursuant to which it agreed to engage Ms. Hughes to act as an Executive Director (M Hughes Consultancy Agreement). As at 30 June 2023 there was a balance owing in trade & other payables totalling \$127,075.

**Share Buy-back (Refer to Note 11)**

On 19 November 2021, the Company entered into a share buy-back agreement with a shareholder (Seller) for 6,700,000 shares. The buy-back amount is at 25% of the volume weighted average price of the shares over the five days preceding the share buy-back on which shareholder approval is given. These shares will be bought back by the Company if the Company fails to meet the Performance Milestone, which is achieving audited revenue that is equal to or exceeds \$7,000,000 in either the financial year ending 30 June 2022 or the financial year ending 30 June 2023. For the purposes of this Performance Milestone, audited revenue refers to revenue as independently audited by the Company's auditors excluding revenue derived from (1) one-off or extraordinary items; (2) government grants, allowances rebates or handouts; or (3) revenue or profit that has been "manufactured" to achieve the performance milestone. Bryan Hughes and Mai Hughes are the shareholders of the Seller and are also related parties of the Company by virtue of being Directors, meaning the Buy-Back Agreement represents a related party arrangement.

**Convertible Loan Agreements**

The Company entered into Convertible Loan Agreements with Bryan Hughes and Guy Perkins, which a total of \$500,000 worth of Convertible Notes were subscribed. Refer to Note 21 Other Liabilities, for details on the facility.

**Short term loan**

A related party of a Director provided short term funding to assist in the Company's operations. As at 30 June 2023, \$1,047,191 (2022: Nil) was due and payable.

**Key Management Personnel disclosures**

*Compensation*

The aggregate compensation made to Directors and other member of Key Management Personnel of the Company is set out below:

	<b>2023</b>	<b>2022</b>
	\$	\$
Short-term employee benefits	435,122	445,337
Post-employment benefits	45,446	44,075
Share-based payments	67,894	214,434
	<b>548,462</b>	<b>703,846</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2023**



**Note 31. Events after the reporting period**

On 12 July 2023, the Company issued 96,074,816 fully paid ordinary shares and 96,074,816 free attaching options on conversion of Promissory Note holders and an additional 4,293,936 fully paid ordinary shares and 4,293,936 free attaching options in settlement of interest payable on the Promissory Notes as approved at Annual General Meeting held on 12 April 2023.

On 17 October 2023, the Company announced that it was in advanced discussions regarding the Potential Transaction and that it had secured \$60,000 in loan funding to provide working capital whilst the Company advanced those discussions. In early November, the Company entered into loan agreements with various lenders under which the lenders agreed to loan \$480,000 to the Company, conditional on finalisation of these financial statements, a formal agreement in relation to the Potential Transaction being signed and the Company being reinstated to trading on ASX. The loans bear 10% interest per annum and are repayable in cash on the earlier of 3 years from drawdown and date of completion of a Re-compliance Transaction. Lenders will be issued 1 option for every 2c loaned, each with an exercise price equal to a 50% premium to the capital raising to be undertaken in connection with a Re-compliance Transaction expiring 3 years from issue. Some of the loans are secured against the assets of the Company.

Apart from the above, there are no other matters or circumstance that have arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Note 32. Share-based payments**

During the financial year, 10,000,000 options were issued. On 18 August 2022, 900,000 Performance Management options ceased with a resignation of personnel. On 9 December 2022, 1,000,000 Non-Executive Director options ceased with a resignation of personnel. On 17 December 2022, 900,000 Performance Management options ceased with a resignation of personnel. On 30 December 2022, 900,000 Performance Management options ceased with a resignation of personnel.

30 June 2023

Grant date	Expiry date	Exercise price	Note	Balance at the start of the year	Granted	Ceased	Balance at the end of the year
31/12/2021	30/12/2025	\$0.30	(32b)	4,000,000	-	-	4,000,000
31/12/2021	30/12/2025	\$0.30	(32d)	13,999,980	-	-	13,999,980
11/11/2021	07/01/2025	\$0.20	(32c)	2,000,000	-	(1,000,000)	1,000,000
11/11/2021	07/01/2027	\$0.30	(32c)	2,000,000	-	-	2,000,000
15/11/2021	07/01/2025	\$0.20	(32c)	3,800,000	-	-	3,800,000
15/11/2021	07/01/2027	\$0.30	(32c)	3,800,000	-	-	3,800,000
24/12/2021	07/07/2025	\$0.20	(32a)	1,200,000	-	(900,000)	300,000
24/12/2021	07/01/2026	\$0.25	(32a)	1,200,000	-	(900,000)	300,000
24/12/2021	07/01/2027	\$0.30	(32a)	1,200,000	-	(900,000)	300,000
17/02/2023	17/02/2026	\$0.025	(32a)	-	10,000,000	-	10,000,000
				<b>33,199,980</b>	<b>10,000,000</b>	<b>(3,700,000)</b>	<b>39,499,980</b>

**Note 32. Share-based payments (continued)**

**a) Performance Management Options**

The issue of 4,500,000 Performance Management Options to certain senior member of staff (**Senior Staff**) (or their respective nominees as follows):

- 1,500,000 Class A Performance Management Options, subject to vesting conditions and exercisable at \$0.20 on or before 07 January 2025;
- 1,500,000 Class B Performance Management Options, subject to vesting conditions and exercisable at \$0.25 on or before 07 January 2026; and
- 1,500,000 Class C Performance Management Options subject to vesting conditions and exercisable at \$0.30 on or before 07 January 2027.

On 18 August 2022, 900,000 Performance Management options ceased with a resignation of personnel.

On 17 December 2022, 900,000 Performance Management options ceased with a resignation of personnel.

On 30 December 2022, 900,000 Performance Management options ceased with a resignation of personnel.

Class	Number of Performance management Options	Vesting and Expiry Deadline	Vesting Condition
A	1,500,000	07 January 2023	The relevant employee remaining in service for a period of twelve months from 07/01/2023. The Company should attain at least 4,000 Active Subscribers within the 12 months period from 07/01/2023.
B	1,500,000	07 January 2024	The relevant employee remaining in service for a period of 2 years from 07/01/2023. The Company should attain at least 10,000 Active Subscribers within the 2 years period from 07/01/2023.
C	1,500,000	07 January 2025	The relevant employee remaining in service for a period of 3 years from 07/01/2023. The Company should attain at least 20,000 Active Subscribers within the 3-year period from 07/01/2023.

**b) Joint Lead Manager Options**

The issue of 4,000,000 Options exercisable at \$0.30 on or before 31 December 2025.

The options were issued to Joint Lead Managers as part consideration for Corporate Advisory and Lead Manager Services.

The issue of 10,000,000 Options exercisable at \$0.025 on or before 17 February 2026.

The options were issued to Joint Lead Managers as part consideration for Corporate Advisory and Lead Manager Services.

**c) Director Options (Related Party)**

The issue of 11,600,000 Director Options under four classes. Vesting of the Director Options is subject to achievement of vesting conditions as follows:

Class	Number of Director Options	Vesting and Expiry Deadline	Vesting Condition
A	3,800,000	07 January 2025	Audited revenue for any financial year is at least \$25 million at any time in the three years from 07/01/2023
B	3,800,000	07 January 2027	Audited revenue for any financial year is at least \$50 million at any time in the five years from 07/01/2023
C	2,000,000	07 January 2023	The relevant director remains in service for at least 12 months from 07/01/2023
D	2,000,000	07 January 2025	Audited revenue for any financial year is at least \$25 million at any time in the three years from 07/01/2023

On 9 December 2022, 1,000,000 Non-Executive Director Class C options ceased with a resignation of personnel.

**d) Convertible loan holders**

At IPO, the convertible loans will convert into shares, together with 13,999,980 free attaching options exercisable at \$0.30 per option, on or before 30 December 2025.

For personal use only

Note 32. Share-based payments (continued)

Fair Value

Option fair values were determined using the following option pricing models and inputs:

Options	Joint Lead Manager Options	Performance Management Options		
		Class (A)	Class (B)	Class (C)
Number of options	4,000,000	300,000	300,000	300,000
Grant Date	31/12/2021	24/12/2021	24/12/2021	24/12/2021
Vesting date	Immediately	7/01/2023	7/01/2024	7/01/2025
Expiry	30/12/2025	7/01/2025	7/01/2026	7/01/2027
Exercise price	\$0.30	\$0.20	\$0.25	\$0.30
Share price at grant date	\$0.20	\$0.20	\$0.20	\$0.20
Risk free rate	1.34%	0.91%	1.30%	1.30%
Volatility	80%	80%	80%	80%
Early Exercise Multiple	2.5x	2.5x	2.5x	2.5x
Valuation	\$0.09	\$0.10	\$0.10	\$0.11
<b>Total Value over the vesting period</b>	<b>\$350,400</b>	<b>\$29,280</b>	<b>\$30,810</b>	<b>\$32,460</b>

Options	Director Options			
	Class (A)	Class (B)	Class (C)	Class (D)
Number of options	3,800,000	3,800,000	1,000,000	2,000,000
Grant Date	15/11/2021	15/11/2021	11/11/2021	11/11/2021
Vesting date	7/01/2025	7/01/2027	7/01/2023	7/01/2025
Expiry	7/01/2025	7/01/2027	7/01/2025	7/01/2027
Exercise price	\$0.20	\$0.30	\$0.20	\$0.30
Share price at grant date	\$0.20	\$0.20	\$0.20	\$0.20
Risk free rate	0.97%	1.39%	1.00%	1.41%
Volatility	80%	80%	80%	80%
Early Exercise Multiple	2.5x	2.5x	2.5x	2.5x
Valuation	\$0.11	\$0.11	\$0.10	\$0.11
<b>Total Value over the vesting period</b>	<b>\$402,420</b>	<b>\$435,860</b>	<b>\$99,400</b>	<b>\$219,600</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2023**



**Note 32. Share-based payments (continued)**

**Share Based Payments Expense**

Share based payment expense is comprised as follows:

		<b>2023</b>	<b>2022</b>
		\$	\$
Lead Manager Options exercisable at \$0.30 expire 4 years from issue date (escrowed for 24 months)	32b	-	350,400
Class A Director's Options exercisable at \$0.20 expire 3 years from issue date (Escrowed for 24 months)	32c	63,919	39,752
Class B Director's Options exercisable at \$0.30 expire 5 years from issue date (Escrowed for 24 months)	32c	42,335	26,328
Class C Director's Options exercisable at \$0.20 expire 3 years from issue date (Escrowed for 24 months)	32c	(9,422)	108,822
Class D Director's Options exercisable at \$0.30 expire 5 years from issue date (Escrowed for 24 months)	32c	34,759	21,998
Class A Performance Management's Options exercisable at \$0.20 expire 3 years from issue date (Escrowed for 12 months)	32a	(13,481)	43,572
Class B Performance Management's Options exercisable at \$0.25 expire 4 years from issue date (Escrowed for 12 months)	32a	(4,120)	15,570
Class C Performance Management's Options exercisable at \$0.30 expire 5 years from issue date (Escrowed for 12 months)	32a	(2,910)	10,995
<b>Total share based payment expense</b>		<b>111,080</b>	<b>617,437</b>

**Note 33. Reconciliation of loss after income tax to net cash used in operating activities**

	<b>2023</b>	<b>2022</b>
	\$	\$
Loss before income tax expense	(4,181,974)	(3,472,640)
Adjustments for:		
Net gain on fair value adjustment of financial asset	(342,934)	(103,000)
Depreciation and amortisation	193,318	174,228
Interest on lease	34,567	114,254
Share-based payment expenses	297,314	267,037
Impairment expense	1,160,271	-
Changes in operating assets and liabilities		
Increase in trade and other receivables	165,921	(76,637)
Increase in inventories	51,546	(114,394)
Increase in other assets	107,259	(105,320)
Increase in trade and other payables	(789,359)	836,686
Increase in employee benefits liabilities	(32,894)	20,925
<b>Net cash used in operating activities</b>	<b>(3,336,963)</b>	<b>(2,573,115)</b>


## DIRECTORS' DECLARATION



In the Director's opinion:

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - a) complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements,
  - b) complying with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements,
  - c) giving a true and fair view, the Company's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001. Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001. Signed for and on behalf of the Directors by:

  
Bryan Hughes  
Executive Chairman

2 November 2023  
Perth

For personal use only



**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100  
F +61 (0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF MY FOODIE BOX LIMITED**

**Opinion**

We have audited the financial report of My Foodie Box Limited (the Company) which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

### Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the Company incurred a net loss after tax of \$4,181,974 and had cash outflows from operating activities of \$3,336,963 for the year ended 30 June 2023. As at that date, the Company had net current liabilities of \$1,818,288 and net liabilities of \$2,071,140. These conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
<p><b>Revenue</b> Refer to Note 4 in the financial statements</p> <p>The Company has recognised revenue from contracts with customers of \$5,455,413 for the year ended 30 June 2023.</p> <p>We considered revenue to be a key audit matter as it is the most significant account balance in the statement of profit or loss and other comprehensive income.</p> <p>Management judgement is required in determining the timing of revenue recognition, given the delivery terms and the related timing of when control of goods passes to the end customer.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Assessing whether the revenue recognition policies are in compliance with the Australian Accounting Standards;</li> <li>Gained an understanding of management's controls related to revenue recognition;</li> <li>Testing, on a sample basis, revenue transactions to sales invoices, delivery documentation and cash receipts to ascertain the occurrence and accuracy of revenue recognised;</li> <li>Testing, on a sample basis, sales transactions before and after the reporting date to ascertain that revenue is recognised in the correct financial year; and</li> <li>Assessing the disclosures in the financial statements.</li> </ul>

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf). This description forms part of our auditor's report.

## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of My Foodie Box Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

  
RSM AUSTRALIA PARTNERS

  
TUTU PHONG  
Partner

Perth, WA  
Dated: 2 November 2023

## ADDITIONAL SHAREHOLDER INFORMATION



The shareholder information set out below was applicable as at 27 October 2023.

### CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement is located within the Company Annual Report.

### ORDINARY SHARE CAPITAL

169,163,335 fully paid ordinary shares are held by 369 holders.

### VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held.

There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

### TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Fully Paid Shares

Name	No of Ordinary Shares Held	Percentage of Issued Shares
LITTLE ONEROA PTY LTD	30,000,000	17.73%
BLAMNCO TRADING PTY LTD	16,743,728	9.90%
ROMFAL SIFAT PTY LTD	15,818,682	9.35%
CONSPICUOUS CAPITAL PTY LTD	11,704,152	6.92%
AD & MP BEARD <AD & MP BEARD SUPER FUND A/C>	11,129,152	6.58%
MAGNET INVESTMENTS PTY LTD	10,000,000	5.91%
HGL INVESTMENTS PTY LTD	9,926,237	5.87%
GODIN CORP PTY LTD	9,798,321	5.79%
JAF CAPITAL PTY LTD	9,637,672	5.70%
JOMALCO PTY LTD	7,633,528	4.51%
ARKALYA PTY LTD <THE SUPER BUTRFLY A/C>	4,611,661	2.73%
NGATI WHAKAUE PTY LTD	4,411,661	2.61%
HYVA PTY LTD	2,255,830	1.33%
FLAVOCADO PTY LTD	2,255,830	1.33%
MR DOMINIC VIRGARA	1,250,001	0.74%
ILWELLA PTY LTD	1,101,665	0.65%
ARKYN PTY LTD	750,000	0.44%
MR GUY PERKINS	736,420	0.44%
LYNX ADVISORS PTY LTD	713,922	0.42%
MR DAVID WILLIAM YOUNG	711,010	0.42%
<b>Total Top 20</b>	<b>151,189,472</b>	<b>89.37%</b>
<b>Others</b>	<b>17,973,863</b>	<b>10.63%</b>
<b>Total Ordinary Shares on Issue</b>	<b>169,163,335</b>	<b>100.00%</b>

## ADDITIONAL SHAREHOLDER INFORMATION



### SUBSTANTIAL HOLDERS

The Company has nine substantial shareholders as at 27 October 2023.

Holder Name	Holding	% IC
MR BRYAN KEVEN HUGHES AND ASSOCIATED ENTITIES	30,305,799	17.91%
FALDI ISMAIL & ASSOCIATED ENTITIES	25,458,035	15.05%
ANDREW CARR AND ASSOCIATES	16,943,728	10.02%
CONSPICUOUS CAPITAL PTY LTD AND PAUL YOUNG	11,704,152	6.92%
AD & MP BEARD <AD & MP BEARD SUPER FUND A/C>	11,129,152	6.58%
MAGNET INVESTMENTS PTY LTD	10,000,000	5.91%
HGL INVESTMENTS PTY LTD	9,926,237	5.87%
GODIN CORP PTY LTD	9,798,321	5.79%
JAF CAPITAL PTY LTD	9,637,672	5.70%

### DISTRIBUTION OF EQUITY SECURITIES

Ordinary Fully Paid Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	11	1,726	0.00%
1,001 - 5,000	58	191,332	0.11%
5,001 - 10,000	91	865,936	0.51%
10,001 - 100,000	132	4,929,135	2.91%
100,001 – and over	74	163,175,206	96.46%
<b>Totals</b>	<b>366</b>	<b>169,163,335</b>	<b>100.00%</b>

### RESTRICTED SECURITIES

As at 27 October 2023, the following restricted securities are on issue:

**31,666,665 Fully Paid Ordinary Shares escrowed 24 months from issue, releasing 07/01/2024 – 10 Holders**

*Holders with more than 20%*

Holder Name	Holding	% IC
Little Oneroa Pty Ltd	30,000,000	94.74%

### UNMARKETABLE PARCELS

There were 291 shareholders with less than marketable parcel totaling 6,160,354 shares based on the share price of \$0.004 as at close of business on 27 October 2023.

## ADDITIONAL SHAREHOLDER INFORMATION



### UNQUOTED SECURITIES

As at 27 October 2023, the following unquoted securities are on issue:

#### 300,000 Class A Performance Management Options expiring 07/01/2025 @ \$0.20 – 1 Holder

*Holders with more than 20%*

Holder Name	Holding	% IC
Yukiko Higashi	300,000	100.00%

#### 300,000 Class B Performance Management Options expiring 07/01/2026 @ \$0.25 – 1 Holder

*Holders with more than 20%*

Holder Name	Holding	% IC
Yukiko Higashi	300,000	100.00%

#### 300,000 Class C Performance Management Options expiring 07/01/2026 @ \$0.30 – 1 Holder

*Holders with more than 20%*

Holder Name	Holding	% IC
Yukiko Higashi	300,000	100.00%

#### 3,800,000 Class A Director Options expiring 07/01/2025 @ \$0.20, escrowed to 07/01/2024 – 2 Holders

*Holders with more than 20%*

Holder Name	Holding	% IC
Ms Parisrat Rodthong	1,900,000	50.00%
Mr Bryan Kevin Hughes	1,900,000	50.00%

#### 3,800,000 Class B Director Options expiring 07/01/2027 @ \$0.30, escrowed to 07/01/2024 – 2 Holders

*Holders with more than 20%*

Holder Name	Holding	% IC
Ms Parisrat Rodthong	1,900,000	50.00%
Mr Bryan Kevin Hughes	1,900,000	50.00%

#### 1,000,000 Class C Director Options expiring 07/01/2025 @ \$0.20, escrowed to 07/01/2024 – 1 Holders

*Holders with more than 20%*

Holder Name	Holding	% IC
Mr Guy Perkins	1,000,000	100.00%

#### 2,000,000 Class D Director Options expiring 07/01/2027 @ \$0.30, escrowed to 07/01/2024 – 2 Holders

*Holders with more than 20%*

Holder Name	Holding	% IC
Mr Guy Perkins	1,000,000	50.00%
Mr Shane Hoehock Wee <The Wee Family A/C>	1,000,000	50.00%

## ADDITIONAL SHAREHOLDER INFORMATION



### 4,000,000 Lead Manager Options expiring 07/01/2026 @ \$0.30, escrowed to 07/01/2024 – 10 Holders

*Holders with more than 20%*

Holder Name	Holding	% IC
Northpoint Australia Pty Ltd <W N & D Hazeldine F A/C>	1,333,335	33.33%

### 10,000,000 Lead Manager Options expiring 17/02/2026 @ \$0.25 – 4 Holders

*Holders with more than 20%*

Holder Name	Holding	% IC
GODIN CORP PTY LTD	2,500,000	25.00%
ROMFAL SIFAT PTY LTD	2,500,000	25.00%
TELLARO PTY LTD	2,500,000	25.00%
ARKYN PTY LTD	2,500,000	25.00%

### 100,368,752 Options expiring 12/07/2026 @ \$0.00948 – 12 Holders

*Holders with more than 20% - nil*

### 7,333,320 Convertible Loan Options expiring 07/01/2026 @ \$0.30 – 10 Holders

*Holders with more than 20% - nil*

### 6,666,660 Convertible Loan Options expiring 07/01/2026 @ \$0.30, escrowed to 07/01/2024 – 9 Holders

*Holders with more than 20%*

Holder Name	Holding	% IC
Godin Corp Pty Ltd	1,500,000	22.50%
Romfal Sifat Pty Ltd	1,500,000	22.50%
Arkyn Pty Ltd	1,500,000	22.50%

### ON-MARKET BUY BACK

There is currently no on-market buyback program.

### ASX LISTING RULE 4.10.19

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing on the ASX in January of 2022 in a way consistent with its business objectives.

The shareholder information set out above was applicable as at 27 October 2023.

## Introduction

My Foodie Box Limited (**Company**) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Company refers to the recommended corporate governance practices for ASX listed entities set out in the ASX Corporate Governance Council Principles and Recommendations (**Principles and Recommendations**).

This Corporate Governance Statement discloses the extent to which the Company, for the period 1 July 2022 to 30 June 2023 (**Reporting Period**), has followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations – 4th Edition (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

The information in the statement is current at 02 November 2023 and was approved by a resolution of the Board on the 02 November 2023.

## Corporate governance policies and procedures

The Company has adopted the following suite of corporate governance policies and procedures (together, the Corporate Governance Plan):

### Corporate Governance

- Statement of Values
- Board Charter
- Corporate Code of Conduct
- Audit and Risk Committee Charter
- Remuneration Committee Charter
- Nomination Committee Charter
- Environmental social and governance committee Charter
- Performance Evaluation Policy
- Continuous Disclosure Policy
- Risk Management Policy
- Trading Policy
- Diversity Policy
- Whistleblower Protection Policy
  - Summary of protections under the Corporations Act
  - Summary of protections under the Taxation Administration Act
  - Designated Disclosure Officers – Key Contacts
- Anti-Bribery and Anti Corruption Policy
- Shareholder Communication Strategy
- Environmental, Social and Governance Policy
- Privacy Policy

The Company's Corporate Governance Plan is available on the Company's website at <https://www.myfoodiebox.com.au/>

Recommendations	Comply	Explanation
<b>Principle 1: Lay solid foundations for management and oversight</b>		
<b>Recommendation 1.1</b> A listed entity should have and disclose a charter which: <ul style="list-style-type: none"> <li>(a) sets out the respective roles and responsibilities of the board, the chair and management; and</li> <li>(b) includes a description of those matters expressly reserved to the board and those delegated to management.</li> </ul>	Yes	The Company has established the respective roles and responsibilities of its Board, Chair and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter. The Board Charter further sets out Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy and is included within the Company Corporate Governance Plan, which is disclosed on the Company's website.
<b>Recommendation 1.2</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</li> <li>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</li> </ul>	Yes	(a) The Board undertakes appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) before appointing a person, these checks were undertaken for all Directors appointed. The checks undertaken are set out in the Nomination Committee Charter. In the event of an unsatisfactory check, a Director is required to submit their resignation.  (b) Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.
<b>Recommendation 1.3</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Nomination Committee Charter outlines the requirement to have a written agreement with each Director and senior executive of the Company which sets out the terms of that Director's or senior executive's appointment.  The Company has a written agreement with each of its Directors, and senior executives.
<b>Recommendation 1.4</b> The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	Yes	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
<b>Recommendation 1.5</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) have a diversity policy which includes requirements for the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</li> <li>(b) disclose that policy or a summary of it; and</li> <li>(c) disclose as at the end of each reporting period:               <ul style="list-style-type: none"> <li>(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and</li> </ul> </li> </ul>	No	The Company has a Diversity Policy, which is disclosed on the Company's website, as part of the Corporate Governance Plan. However, the Diversity Policy does not include requirements for the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them. The Board has not set measurable objectives for achieving gender diversity.  Given the Company's stage of development and the number of employees, the Board considers it is not practical to set measurable objectives for achieving gender diversity at this time.

Recommendations	Comply	Explanation																
<p>(ii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under the Workplace Gender Equality Act.</p>		<p>The respective proportions of men and women on the Board, in senior executive positions and across the whole organisations are set out in the following table. Senior executives for these purposes means those person who report directly to the chief executive officer (or equivalent):</p> <table border="1"> <thead> <tr> <th></th> <th>Male</th> <th>Female</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Board of My Foodie Box Limited</td> <td>2</td> <td>1</td> <td>3</td> </tr> <tr> <td>Senior executives</td> <td>0</td> <td>1</td> <td>1</td> </tr> <tr> <td>Total</td> <td>2</td> <td>2</td> <td>4</td> </tr> </tbody> </table>		Male	Female	Total	Board of My Foodie Box Limited	2	1	3	Senior executives	0	1	1	Total	2	2	4
	Male	Female	Total															
Board of My Foodie Box Limited	2	1	3															
Senior executives	0	1	1															
Total	2	2	4															
<p><b>Recommendation 1.6</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>(a) The Company’s Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company’s Corporate Governance Plan which is available on the Company’s website.</p> <p>(b) The Company’s Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to undertake performance evaluations in respect of the Board, its committees (if any) and individual Directors for each financial year following in accordance with the above process.</p>																
<p><b>Recommendation 1.7</b> A listed entity should:</p> <p>(a) have and disclose a process evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Yes	<p>(a) The Company’s Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company’s senior executives on an annual basis. The Company’s Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company’s senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director.</p> <p>The applicable processes for these evaluations can be found in the Company’s Corporate Governance Plan, which is available on the Company’s website.</p> <p>(b) The Company’s Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to undertake performance evaluations in respect of the Board and Senior Executives for each financial year in accordance with the above process.</p>																

For personal use only

Recommendations	Comply	Explanation
<b>Principle 2: Structure the board to be effective and add value</b>		
<p><b>Recommendation 2.1</b> The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent Directors; and</li> <li>(ii) is chaired by an independent Director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	Yes	<p>(a) The Company will not have a separate Nomination Committee. The Company's Nomination Committee Charter provides for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director.</p> <p>(b) The Company does not have a Nomination Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:</p> <ul style="list-style-type: none"> <li>(i) devoting time at least annually to discuss Board succession matters and updating the Company's Board skills matrix; and</li> <li>(ii) all Board members being involved in the Company's nomination process to the maximum extent permitted under the Company's Articles and ASX Listing Rules.</li> </ul> <p>Details of director attendance at meetings of the full Board, during the reporting period, are set out in a table in the Directors' Report in the Company's 2023 Annual Report.</p>
<p><b>Recommendation 2.2</b> A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	Yes	<p>Under the Nomination Committee Charter (in the Company's Corporate Governance Plan), the Nomination Committee (or, in its absence, the Board) will be required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.</p> <p>The Board has identified the appropriate mix of skills and diversity required of its members to operate efficiently and effectively.</p>

Recommendations	Comply	Explanation								
<p><b>Recommendation 2.3</b> A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (4<sup>th</sup> Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director</p>	Yes	<p>The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Board considered the independence of Directors with regards to factors set out in Box 2.3 of the ASX Principle and Recommendations. During the Reporting Period the Company had one independent director, being Mr Guy Perkins.</p> <p>Names of Directors during the Reporting Period and their length of service up to the date of this statement is noted below:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Length of Service</th> </tr> </thead> <tbody> <tr> <td>Bryan Hughes Executive Chairman</td> <td>6 years<sup>1</sup></td> </tr> <tr> <td>Parisrat "Mai" Hughes CEO &amp; Executive Director</td> <td>6 years<sup>2</sup></td> </tr> <tr> <td>Guy Perkins Non-Executive Director</td> <td>2 years and 1 month<sup>3</sup></td> </tr> </tbody> </table>	Name	Length of Service	Bryan Hughes Executive Chairman	6 years <sup>1</sup>	Parisrat "Mai" Hughes CEO & Executive Director	6 years <sup>2</sup>	Guy Perkins Non-Executive Director	2 years and 1 month <sup>3</sup>
Name	Length of Service									
Bryan Hughes Executive Chairman	6 years <sup>1</sup>									
Parisrat "Mai" Hughes CEO & Executive Director	6 years <sup>2</sup>									
Guy Perkins Non-Executive Director	2 years and 1 month <sup>3</sup>									
<p><b>Recommendation 2.4</b> A majority of the board of a listed entity should be independent directors.</p>	No	<p>The Company's Board Charter requires that, where practical, the majority of the Board should be independent.</p> <p>The Board currently comprises a total of four directors, of whom two are considered to be independent. As such, independent directors currently do not comprise the majority of the Board.</p> <p>The Board recognises the importance of the appropriate balance between independent and non-independent representation on the Board. However, the Board does not currently consider an independent majority of the Board to be appropriate given:</p> <ol style="list-style-type: none"> <li>the Company's limited scale of activities, means the Company only needs, and can only commercially sustain, a small board of directors;</li> <li>the Company considers at least two (2) directors need to be executive directors for the Company to be effectively managed;</li> <li>the Company considers it necessary, given its small scale activities, to attract and retain suitable directors by offering directors an interest in the Company; and</li> <li>the Company considers it appropriate to provide remuneration to its Directors in the form of securities in order to conserve its limited cash reserves</li> </ol> <p>As the Company's operations progress, the Board will review the composition of the Board, including independence of its Directors.</p>								

<sup>1</sup> At the 02 11 2023

<sup>2</sup> At the 02 11 2023

<sup>3</sup> At the 02 11 2023

## CORPORATE GOVERNANCE STATEMENT



Recommendations	Comply	Explanation
<p><b>Recommendation 2.5</b> The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	No	<p>The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director.</p> <p>The Chair of the Board is Mr Hughes. Mr Hughes is an Executive of the Company and is not considered to be an independent Director, he is not the CEO/Managing Director. The Board does not have an independent Chair because it was not feasible due to the Company's current size and Board structure.</p>
<p><b>Recommendation 2.6</b> A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	Yes	<p>In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible to help organise and facilitate inductions and professional development of directors including receiving briefings on material developments in laws, regulations and accounting standards relevant to the Company .</p>
<p><b>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</b></p>		
<p><b>Recommendation 3.1</b> A listed entity should articulate and disclose its values.</p>	Yes	<p>The Company is committed to conducting all of its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards.</p> <p>The Company's statement of values (which forms part of the Corporate Governance Plan) is available on the Company's website.</p>
<p><b>Recommendation 3.2</b> A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the Board is informed of any material breaches of that code</p>	Yes	<p>The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees.</p> <p>The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website. Any material breaches of the Code of Conduct are expected to be reported to the Board.</p>
<p><b>Recommendation 3.3</b> A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the Board is informed of any material incidents reported under that policy.</p>	Yes	<p>The Company's Whistleblower Protection Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Whistleblower Protection Policy are to be reported to the Board or a committee of the Board.</p>

For personal use only

Recommendations	Comply	Explanation
<p><b>Recommendation 3.4</b> A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose an anti-bribery and corruption policy; and</li> <li>(b) ensure that the board or a committee of the Board is informed of any material incidents reported under that policy.</li> </ul>	<p>Yes</p>	<p>The Company's Anti-Bribery and Anti-Corruption Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Board or a committee of the Board.</p>
<p><b>Principle 4: Safeguard the integrity of corporate reports</b></p>		
<p><b>Recommendation 4.1</b> The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have an audit committee which:                             <ul style="list-style-type: none"> <li>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, who is not the chair of the board,</li> </ul>                             and disclose:                             <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the relevant qualifications and experience of the members of the committee; and</li> <li>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> <li>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</li> </ul>	<p>Yes</p>	<p>The Company does not have a separate Audit and Risk Committee.</p> <p>Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit and Risk Committee. Accordingly, the Board performs the role of the Audit and Risk Committee.</p> <p>Although the Board does not have a separate Audit and Risk Committee, it had adopted an Audit and Risk Committee Charter, which is disclosed on the Company's website.</p> <p>Items usually required to be discussed by an Audit and Risk Committee will be marked as separate agenda items at Board meetings when required, and when the Board convenes to address matters as the Audit and Risk Committee it will carry out the functions which are delegated to it in the Company's Audit and Risk Committee Charter. The Board will deal with conflicts of interest that occur when it performs the functions of an Audit and Risk Committee by ensuring that any Director with a conflicting interest is not party to the relevant discussions.</p> <p>The Board will be responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor will be reviewed on an annual basis by the Board.</p>
<p><b>Recommendation 4.2</b> The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Yes</p>	<p>The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.</p> <p>The Board will receive a signed declaration from the CFO and CEO in accordance with Recommendation 4.2 prior to the approval of the Company's financial statements.</p>

For personal use only

## CORPORATE GOVERNANCE STATEMENT



Recommendations	Comply	Explanation
<p><b>Recommendation 4.3</b></p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	Yes	The Company will disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.
<p><b>Principle 5: Make timely and balanced disclosure</b></p>		
<p><b>Recommendation 5.1</b></p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the Listing Rules 3.1.</p>	Yes	<p>The Company has adopted a Continuous Disclosure Policy which sets out the processes the Company follows to comply with its continuous disclosure obligations under the ASX Listing Rules and other relevant legislation.</p> <p>The Company's Continuous Disclosure Policy (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.</p>
<p><b>Recommendation 5.2</b></p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	Yes	Under the Company's Continuous Disclosure Policy (which forms part of the Corporate Governance Plan), all members of the Board will receive material market announcements promptly after they have been made.
<p><b>Recommendation 5.3</b></p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	Yes	All substantive investor or analyst presentations will be released on the ASX Markets Announcement Platform ahead of such presentations.
<p><b>Principle 6: Respect the rights of security holders</b></p>		
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.
<p><b>Recommendation 6.2</b></p> <p>A listed entity should have an investor relations program to facilitates effective two-way communication with investors.</p>	Yes	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan.
<p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	Yes	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting.
<p><b>Recommendation 6.4</b></p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	Yes	All substantive resolutions at securityholder meetings will be decided by a poll rather than a show of hands.

For personal use only

Recommendations	Comply	Explanation
<p><b>Recommendation 6.5</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Yes	<p>The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company’s website on which all information provided to the ASX is immediately posted.</p> <p>Shareholders queries should be referred to the Company Secretary at first instance.</p>
<b>Principle 7: Recognise and manage risk</b>		
<p><b>Recommendation 7.1</b> The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity’s risk management framework.</p>	Yes	<p>The Company does not have a separate Risk Committee.</p> <p>Please refer to disclosure in relation to Recommendation 4.1 above.</p>
<p><b>Recommendation 7.2</b> The board or a committee of the board should:</p> <p>(a) review the entity’s risk management framework at least annually to satisfy itself that it continues to be sound, and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	Yes	<p>The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company’s risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.</p> <p>The Company’s Corporate Governance Plan requires the Company to disclose at least annually whether such a review of the Company’s risk management framework has taken place.</p> <p>The Board continues to review the risk profile of the Company and monitors risk throughout the reporting period.</p>

For personal use only

Recommendations	Comply	Explanation
<p><b>Recommendation 7.3</b> A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	Yes	<p>The Company does not have an internal audit function. The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor the need for an internal audit function.</p> <p>As set out in Recommendation 7.1, the Board is responsible for overseeing the Company's risk management framework .</p> <p>The Board will devote time formally at Board meetings and informally through regular communication to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p>
<p><b>Recommendation 7.4</b> A listed entity should disclose whether, it has material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Environmental, Social and Governance Committee (or, in its absence, the Board) set out in the Company's Corporate Governance Plan assists management determine whether the Company has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.</p> <p>The Company is currently exposed to minimal environmental and social risks due to its present size and magnitude of operations.</p>
<p><b>Principle 8: Remunerate fairly and responsibly</b></p>		
<p><b>Recommendation 8.1</b> The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Yes	<p>The Company's Corporate Governance Plan contains a Remuneration Committee Charter that provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom must be independent Directors, and which must be chaired by an independent Director.</p> <p>The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>The Board devotes time at Board meetings to assess the level and composition of remuneration for Directors and senior executives as necessary when there are changes to Company, Director or executives' circumstances which indicate the level and/or composition of remuneration may require amendment to achieve consistency with the revised circumstance.</p>
<p><b>Recommendation 8.2</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Yes	<p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives. The information will be set out in the Company's Annual Report.</p>

## CORPORATE GOVERNANCE STATEMENT



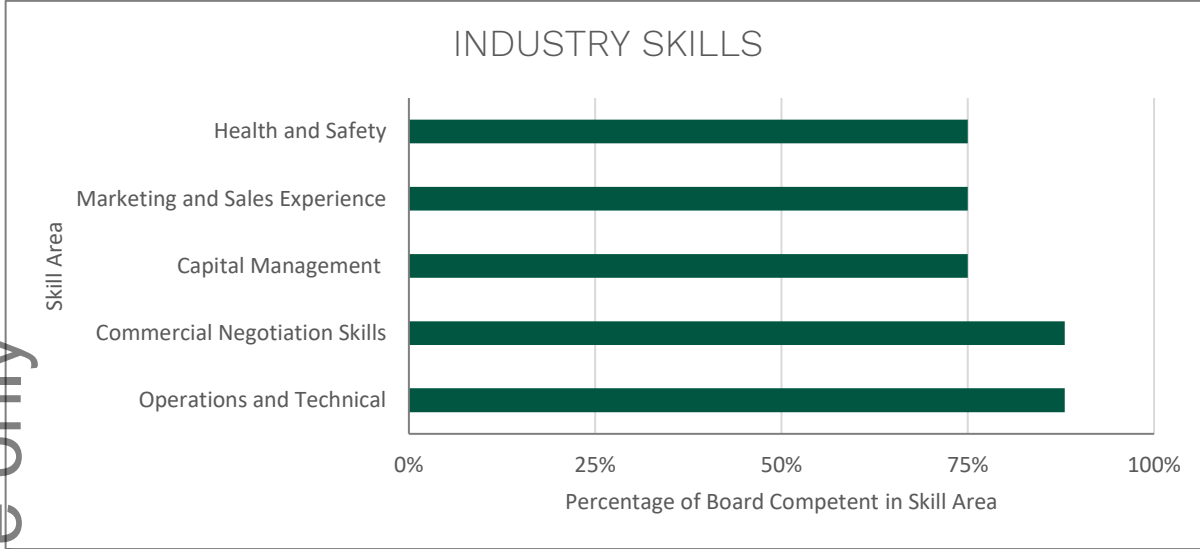
Recommendations	Comply	Explanation
<p><b>Recommendation 8.3</b> A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	The Company has an equity-based remuneration scheme in place and it is disclosed on the Company website.
<b>Principle 9: Additional recommendations that apply in certain cases</b>		
<p><b>Recommendation 9.1</b> A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</p>	N/A	Not Applicable.
<p><b>Recommendation 9.2</b> A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	N/A	Not applicable.
<p><b>Recommendation 9.3</b> A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	N/A	Not applicable.

For personal use only

APPENDIX 1: BOARD SKILLS MATRIX

The Board has identified that the appropriate mix of skills and diversity required of its members to operate effectively and efficiently is achieved by personnel having substantial skills and experience in the following Industry Skills: Health and Safety; Marketing and Sales Experience; Capital Management; Commercial Negotiation Skills; and Operations and Technical skills.

The skills and experience of the Board in each of these areas is summarised as follows:



In addition, directors of the Company are expected to be knowledgeable and experienced in the following areas: Information technology strategy and Governance; Risk and compliance oversight; Legal; Accounting and finance; Corporate governance; Commercial experience; Director duties and responsibilities; Strategic expertise; and Executive management.

The skills and experience of the Board in each of these areas is summarised as follows:



Gaps in the collective skills of the Board will be considered by the full Board in its capacity as the Nomination and Remuneration Committee.

For personal use only