

## 1. Company details

Name of entity:	Maggie Beer Holdings Ltd
ABN:	69 092 817 171
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

## 2. Results for announcement to the market

		%	\$'000
Revenues from ordinary activities	up	0.8%	89,389
Loss from continuing operations after tax attributed to the owners of Maggie Beer Holdings Ltd	down	3786.6%	(28,239)
Total Loss from ordinary activities after tax attributable to the owners of Maggie Beer Holdings Ltd	down	3786.6%	(28,239)
Profit for the year attributable to the owners of Maggie Beer Holdings Ltd	down	3786.6%	(28,239)

### Operating results for the year

Net Sales from continuing operations \$89.4 million; up 0.8% on the prior year:

- Maggie Beer Products (MBP) net sales up 6.3% driven by category expansion in retail and positive momentum in revenue growth from online sales.
- Hampers & Gifts Australia (HGA) net sales up 0.7% FY24, a result of: Strong Christmas execution delivered +8% sales in Q2 and Continued focus on corporate customers.
- Paris Creek Farms (PCF) net sales down 9.5%; primarily driven by lower milk supply.

Gross Margin (GM) was down 1.1 percentage points to 49.2% impacted by:

- MBP Retail - mix shift to lower margin categories and channels including increased inventory write offs.
- Online - weak consumer sentiment that led to delayed price recovery of increased input costs. Cost recovery in online in H2 has delivered GM improvement from 54.7% (H1) to 57.4% (H2).

Trading EBITDA \$0.3 million (FY23: \$3.2m) reflecting earnings loss in PCF, delayed input cost recovery, and investments in advertising and people costs. Trading EBITDA Margin % of 0.3% (3.1% excluding PCF).

MBH has no debt with a net cash position of \$4.7 million at 30 June 2024.

The loss for the consolidated entity for the 12 months ended 30 June 2024 after providing for income tax amounted to \$28.2 million (FY23: profit of \$0.4 million).

During FY24, the principal continuing activities of the consolidated entity was the sale of branded premium food and beverage & gifting products in Australia and overseas markets.

### Financial Position

The consolidated entity is supported by a balance sheet with net assets at 30 June 2024 of \$57.8 million (30 June 2023: \$85.7 million), including a cash balance of \$4.7 million (30 June 2023: \$9.2 million). The net assets decreased by \$28.0 million to \$57.8 million (30 June 2023: \$85.7 million). This decrease was due to the impairment of the carrying value of property, plant and equipment and goodwill (\$18.3 million), HGA earnout costs and settlement (\$2.6 million), and the balance being mainly depreciation and amortisation. Net tangible assets decreased by \$10.2 million to \$28.0 million (30 June 2023: \$38.2 million).

### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	7.95	10.84

### 4. Control gained over entities

Not applicable.

### 5. Loss of control over entities

Not applicable.

### 6. Dividends

#### *Current period*

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

#### *Previous period*

There was a fully franked dividend of 0.5c declared during the current financial period, paid in March 2023.

### 7. Dividend reinvestment plans

Not applicable.

### 8. Foreign entities

Not applicable.

### 9. Status of the audit

This report should be read in conjunction with the preliminary financial report. The financial statements in the preliminary financial report are in the process of being audited.

### 10. Preliminary financial statements

Please refer to pages 5 through 45 of this report wherein the following are provided ("financial report"):

- Consolidated income statement and consolidated statement of other comprehensive income for the year ended 30 June 2024
- Consolidated statement of financial position as at 30 June 2024
- Consolidated statement of changes in equity for the year ended 30 June 2024
- Consolidated statement of cash flows for the year ended 30 June 2024
- Notes to the consolidated financial statements

11. Signed

Signed *S Thomas*

Date: 30 August 2024

Susan Thomas  
Non-Executive Chair

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# Maggie Beer Holdings Ltd

ABN 69 092 817 171

## Preliminary Final Annual Report - 30 June 2024

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	Note	Consolidated 2024 \$'000	2023 \$'000
<b>Continuing Operations</b>			
<b>Revenue</b>			
Revenue	5	89,389	88,706
Other income	6	345	118
		89,734	88,824
<b>Expenses</b>			
Raw materials and consumables used		(46,226)	(44,098)
Overheads		(1,451)	(1,436)
Occupancy and utilities costs		(1,679)	(1,198)
Employee benefits expense		(18,112)	(16,408)
Transportation expense		(8,257)	(8,691)
Professional fees		(1,354)	(1,366)
Marketing and advertising expense		(10,009)	(9,002)
Other expenses		(4,113)	(3,744)
Depreciation expense		(2,957)	(2,356)
Amortisation expense		(3,123)	(2,507)
Finance costs		(252)	(130)
Impairment expense		(18,329)	(12,500)
Other (losses)/gains		(2,110)	14,000
		(28,238)	(612)
<b>Loss before income tax benefit from continuing operations</b>		(28,238)	(612)
Income tax benefit	7	-	1,378
		(28,238)	766
<b>(Loss)/profit after income tax benefit from continuing operations</b>		(28,238)	766
Loss after income tax benefit from discontinued operations	8	-	(328)
		-	(328)
<b>(Loss)/profit after income tax benefit for the year attributable to the owners of Maggie Beer Holdings Ltd</b>		(28,238)	438
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net gain on hedge of net investment, net of tax		-	24
		-	24
Other comprehensive income for the year, net of tax		-	24
		-	24
<b>Total comprehensive income for the year attributable to the owners of Maggie Beer Holdings Ltd</b>		(28,238)	462
Total comprehensive income for the year is attributable to:			
Continuing operations		(28,238)	790
Discontinued operations		-	(328)
		(28,238)	462

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

**Maggie Beer Holdings Ltd**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024**



		Cents	Cents
<b>Earnings per share for profit/(loss) from continuing operations attributable to the owners of Maggie Beer Holdings Ltd</b>			
Basic earnings per share	35	(8.012)	0.218
Diluted earnings per share	35	(8.012)	0.212
<b>Earnings per share for loss from discontinued operations attributable to the owners of Maggie Beer Holdings Ltd</b>			
Basic earnings per share	35	-	(0.093)
Diluted earnings per share	35	-	(0.093)
<b>Earnings per share for profit/(loss) attributable to the owners of Maggie Beer Holdings Ltd</b>			
Basic earnings per share	35	(8.012)	0.125
Diluted earnings per share	35	(8.012)	0.121

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

	Note	Consolidated 2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,710	9,355
Trade and other receivables	9	7,902	7,534
Inventories	10	12,295	14,028
Other assets	11	2,165	1,170
<b>Total current assets</b>		<b>27,072</b>	<b>32,087</b>
<b>Non-current assets</b>			
Receivables	12	1,469	-
Property, plant and equipment	13	8,466	13,198
Right-of-use assets	14	3,836	7,448
Intangibles	15	31,474	47,580
Deferred tax	7	3,625	3,625
<b>Total non-current assets</b>		<b>48,870</b>	<b>71,851</b>
<b>Total assets</b>		<b>75,942</b>	<b>103,938</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	8,334	8,943
Contract liabilities	17	536	419
Lease liabilities	14	1,874	2,109
Employee benefits	18	1,123	1,156
Provisions	19	2,000	-
<b>Total current liabilities</b>		<b>13,867</b>	<b>12,627</b>
<b>Non-current liabilities</b>			
Lease liabilities	14	3,700	5,400
Employee benefits	20	94	170
Provisions	21	511	-
<b>Total non-current liabilities</b>		<b>4,305</b>	<b>5,570</b>
<b>Total liabilities</b>		<b>18,172</b>	<b>18,197</b>
<b>Net assets</b>		<b>57,770</b>	<b>85,741</b>
<b>Equity</b>			
Issued capital	22	166,285	166,285
Reserves	23	3,213	2,946
Accumulated losses		(111,728)	(83,490)
<b>Total equity</b>		<b>57,770</b>	<b>85,741</b>

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





	Note	Consolidated	
		2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		93,613	92,224
Payments to suppliers and employees (inclusive of GST)		(94,447)	(85,561)
Net cash from/(used in) operating activities	34	(834)	6,663
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	13	(978)	(1,243)
Payments for intangibles	15	(767)	(210)
Net proceeds from disposal of business		-	427
Net cash used in investing activities		(1,745)	(1,026)
<b>Cash flows from financing activities</b>			
Principal elements of lease		(1,900)	(1,783)
Interest and other finance costs paid		(252)	(136)
Interest received		86	116
Dividends paid	24	-	(1,758)
Return of capital		-	(3,522)
Net cash used in financing activities		(2,066)	(7,083)
Net decrease in cash and cash equivalents		(4,645)	(1,446)
Cash and cash equivalents at the beginning of the financial year		9,355	10,801
Cash and cash equivalents at the end of the financial year		4,710	9,355

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

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## Note 1. General information

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and Interpretations, the *Corporations Act 2001* and complies with other requirements of the law.

The financial report covers the company and controlled entities. The company is a public company, incorporated and domiciled in Australia.

For the purpose of preparing the consolidated financial statements, the company is a for-profit entity.

The financial report includes the consolidated financial statements of the group and is referred to as the group or consolidated entity.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2024. The directors have the power to amend and reissue the financial statements.

## Note 2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The consolidated entity 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 amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

### Going concern

The financial statements have been prepared on the going concern basis, which assumes the continuity of normal business activities, and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The company expects its normal cash flows over the next 12 months from the date of signing to be sufficient to continue as a going concern.

### 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').

The presentation and functional currency of the group is Australian dollars.

### Historical cost convention

The financial statements have been prepared under the historical cost convention.

### 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 consolidated entity'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 3.

### Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

## Note 2. Material accounting policy information (continued)

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Maggie Beer Holdings Ltd ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Maggie Beer Holdings Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

A controlled entity is any entity the company has the power over and is exposed or has rights to variable returns from its involvement in the entity, and has the ability to use its power to affect its returns.

A list of controlled entities is contained in note 30 to the financial statements.

All inter-company balances and transactions between entities in the consolidated entity, including any recognised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Where an entity previously classified as held for sale is no longer classified as such, the results of operations for this component previously presented in discontinued operations is reclassified and included as continuing operations for all periods presented, including prior periods.

The investments in controlled entities are measured at cost in the parent entity's financial statements less any impairments.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

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## Note 2. Material accounting policy information (continued)

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the consolidated entity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

### Revenue recognition

The consolidated entity recognises revenue as follows:

#### *Sale of goods - retail and online*

Revenue from the sale of goods is recognised to the extent that the group satisfies its single performance obligation to transfer agreed goods and the transaction price can be readily identified. All revenue is recognised at a point in time when control of the goods is transferred to the customer i.e. when the goods are delivered to the customer. Revenue is measured at the fair value of the consideration received or receivable being the amount to which the entity expects to be entitled to in exchange for goods. Amounts disclosed as revenue are net of discounts, trade allowances and rebates, and does not include revenue from discontinued operations.

All revenue from the sale of goods is recognised at a point in time.

#### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Other revenue*

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

### 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 consolidated entity 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.

#### *Accounting policy for lease receivable*

During the year, the group entered into a sublease arrangement, leasing a portion of the premises of an existing lease to a third party. The right-of-use assets associated with this lease was de-recognised at its carrying amount and the new lease receivable recognised at fair valued, with the resulting gain being recorded in the state of comprehensive income.

Lease payments include fixed increases, but there are no variable lease payments that depend on an index or rate.

## Note 2. Material accounting policy information (continued)

### 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 consolidated entity'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.

The group has not applied any practical expedients for lease liabilities.

### Current and non-current classification

Assets and liabilities are presented in the consolidated 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 consolidated entity'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 consolidated entity'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.

### 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.

Derivatives are classified as current or non-current depending on the expected period of realisation.

### Cash flow hedges

Cash flow hedges are used to cover the consolidated entity's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

## Note 2. Material accounting policy information (continued)

### Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the consolidated statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the consolidated statement of financial position, in current liabilities.

### Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Where an entity previously classified as held for sale is no longer classified as such, the results of operations for this component previously presented in discontinued operations is reclassified and included as continuing operations for all periods presented including prior periods.

### Impairment of non-financial assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss and other comprehensive income immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised in income.



## Note 2. Material accounting policy information (continued)

### Financial Liabilities

Financial liabilities are classified as other financial liabilities.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

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

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

### Comparative figures

Comparative figures have been adjusted where appropriate to conform to changes in presentation in the current financial year.

### Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

## Note 3. 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.

### *Goodwill and other indefinite life intangible assets*

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 15. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.



### Note 3. Critical accounting judgements, estimates and assumptions (continued)

#### Recovery of deferred tax assets

The recognition of deferred tax assets is a critical estimate given the judgement involved in estimating the ability to use tax benefits through future earnings.

### Note 4. Operating segments

#### Identification of reportable operating segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the Chief Executive Officer ('CEO') in order to allocate resources to the segment and to assess its performance.

There are currently three operating segments under the criteria set out in AASB 8, being Maggie Beer Products Pty Ltd ("MBP"), Hampers and Gifts Australia Pty Ltd ("HGA"), B D Farm Paris Creek Pty Ltd ("PCF") and other corporate costs. Refer to note 8 for further information.

Information regarding these segments is set out below.

All operations were in Australia for both current and comparative period.

#### Operating segment information

	Hampers & Gifts Australia*** \$'000	Maggie Beer Products \$'000	Paris Creek Farms ** \$'000	Other segments * \$'000	Total **** \$'000
<b>Consolidated - 2024</b>					
<b>Revenue</b>					
Sale to external customers	42,123	33,954	15,439	-	91,516
Intersegment sales	-	(1,448)	(679)	-	(2,127)
Other revenue	328	14	3	-	345
<b>Total revenue</b>	<b>42,451</b>	<b>32,520</b>	<b>14,763</b>	<b>-</b>	<b>89,734</b>
<b>EBITDA</b>					
Depreciation and amortisation	(4,050)	(1,330)	(626)	(74)	(6,080)
Finance costs	(173)	(34)	(10)	(36)	(253)
<b>Loss before income tax benefit</b>	<b>(13,135)</b>	<b>(69)</b>	<b>(7,951)</b>	<b>(7,083)</b>	<b>(28,238)</b>
Income tax benefit					-
<b>Loss after income tax benefit</b>					<b>(28,238)</b>
<b>Assets</b>					
Segment assets	35,339	24,506	10,617	5,480	75,942
<b>Total assets</b>					<b>75,942</b>
<b>Liabilities</b>					
Segment liabilities	7,309	4,838	2,573	3,452	18,172
<b>Total liabilities</b>					<b>18,172</b>

#### Material impacts to results

The group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the group.

#### Note 4. Operating segments (continued)

- \* Other segments EBITDA includes the provision for earnout and associated legal fees of \$2.6 million, and impairment expense of \$0.1 million.
- \*\* Paris Creek Farms EBITDA includes impairment expense of \$4.4 million and the onerous contract expense of \$0.9 million, which includes expensing an amount of \$0.4 million of amounts previously prepaid under the contract, and an onerous contract provision of \$0.5 million.
- \*\*\* Hampers & Gifts Australia EBITDA includes impairment expense of \$13.75 million.
- \*\*\*\* The group has not recognised a tax benefit in the current year.

<b>Consolidated - 2023</b>	Hampers & Gifts Australia \$'000	Maggie Beer Products \$'000	Paris Creek Farms \$'000	Other segments \$'000	Total \$'000
<b>Revenue</b>					
Sales to external customers	41,811	31,604	16,393	-	89,808
Intersegment sales	-	(1,017)	(85)	-	(1,102)
Total sales revenue	41,811	30,587	16,308	-	88,706
Other revenue	91	27	-	-	118
<b>Total revenue</b>	<b>41,902</b>	<b>30,614</b>	<b>16,308</b>	<b>-</b>	<b>88,824</b>
<b>EBITDA *</b>	6,221	2,065	(1,472)	(2,432)	4,382
Depreciation and amortisation	(2,844)	(1,245)	(712)	(63)	(4,864)
Finance costs	(84)	(29)	(17)	-	(130)
<b>Profit/(loss) before income tax benefit</b>	<b>3,293</b>	<b>791</b>	<b>(2,201)</b>	<b>(2,495)</b>	<b>(612)</b>
Income tax benefit					1,378
<b>Profit after income tax benefit</b>					<b>766</b>
<b>Assets</b>					
Segment assets	59,453	26,394	14,109	3,982	103,938
<b>Total assets</b>					<b>103,938</b>
<b>Liabilities</b>					
Segment liabilities	8,408	5,483	2,464	1,842	18,197
<b>Total liabilities</b>					<b>18,197</b>

#### Material impact to results

The group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the group.

- \* Other segments EBITDA includes gain on reversal of deferred consideration \$14.0 million and impairment of the carrying value of goodwill (\$12.5 million) in regards to Hampers & Gifts Australia Pty Ltd.

#### Note 5. Revenue

The group derives the following types of revenue from contracts with customers:

**Note 5. Revenue (continued)**

	<b>Consolidated 2024 \$'000</b>	<b>Consolidated 2023 \$'000</b>
<b>Continued operations - Types of goods</b>		
Sale of goods - retail channel	43,663	43,355
Sale of goods - online channel	45,726	45,351
	<u>89,389</u>	<u>88,706</u>
<b>Discontinued operations - Types of goods</b>		
Sale of goods - retail channel	-	1,195
	<u>89,389</u>	<u>89,901</u>

All revenue is recognised at a point in time.

**Note 6. Other income**

	<b>Consolidated 2024 \$'000</b>	<b>Consolidated 2023 \$'000</b>
Other income *	259	2
Finance income	86	116
	<u>345</u>	<u>118</u>

Other income includes a gain of \$0.2m resulting from the recognition of a lease receivable during the year (note 12).

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Note 7. Income tax

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Income tax benefit</i>		
Deferred tax benefit	-	(1,562)
Aggregate income tax benefit	<u>-</u>	<u>(1,562)</u>
Income tax benefit is attributable to:		
Loss from continuing operations	-	(1,378)
Loss from discontinued operations	-	(184)
Aggregate income tax benefit	<u>-</u>	<u>(1,562)</u>
Deferred tax included in income tax benefit comprises:		
Decrease/(increase) in deferred tax assets	1,370	(1,126)
Decrease in deferred tax liabilities	(1,370)	(436)
Deferred tax benefit	-	(1,562)
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit from continuing operations	(28,238)	(612)
Loss before income tax benefit from discontinued operations	-	(512)
	<u>(28,238)</u>	<u>(1,124)</u>
Tax at the statutory tax rate of 30%	(8,471)	(337)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	4,968	5
Tax losses not booked	482	-
Non-assessable non-operating income	-	(592)
Derecognition of DTA previously booked	2,594	-
Adjustments to prior year	427	(638)
Income tax benefit	<u>-</u>	<u>(1,562)</u>

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Note 7. Income tax (continued)

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	4,393	6,855
Leases	1,699	2,253
Provisions and accruals	686	556
Deferred revenue	100	116
R&D tax offsets	-	316
Other	133	234
Property, plant and equipment	1,949	-
Deferred tax asset	<u>8,960</u>	<u>10,330</u>
Movements:		
Opening balance	3,625	2,063
Credited/(charged) to profit or loss	(1,370)	1,126
Set-off of deferred tax liabilities pursuant to set-off provisions	1,370	436
Closing balance	<u>3,625</u>	<u>3,625</u>
<b>Consolidated</b>		
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Right of use assets	1,690	2,235
Intangible assets	3,645	4,470
Deferred tax liability	<u>5,335</u>	<u>6,705</u>
Movements:		
Opening balance	-	-
Credited to profit or loss	(1,370)	(436)
Set-off of deferred tax liabilities pursuant to set-off provisions	1,370	436
Closing balance	<u>-</u>	<u>-</u>
<b>Consolidated</b>		
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Unused tax losses for which no deferred tax has been recognised	12,644	-
Potential tax benefit @ 30%	3,793	-

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## Note 7. Income tax (continued)

### *Accounting policy for income tax*

The charge for current income tax expense/(benefit) is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the consolidated statement of financial position date.

Deferred tax is accounted for using the consolidated statement of financial position liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is recognised or liability is settled. Deferred tax is credited in the profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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 company and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognised its own current and deferred tax liabilities, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group entered into the tax consolidation regime from 1st June 2006 and notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1st June 2006. The tax will be paid by the parent entity as the group has not entered into a tax funding agreement. The company is the designated parent entity for tax consolidation purposes.

## Note 8. Discontinued operations

### *Description*

On 22 June 2022, the group announced the appointment of advisor in relation to the non-core dairy assets and initiated an active program to locate potential buyers for the dairy subsidiary St David Dairy. The associated assets and liabilities were consequently presented as held for sale in the FY22 financial statements. The subsidiary, was sold on 31 August 2022 with effect from 1 September 2022.

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**Note 8. Discontinued operations (continued)**

*Financial performance information*

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue	-	1,195
Raw materials and consumables used	-	(807)
Overheads	-	(119)
Occupancy and utility costs	-	-
Employee benefits expense	-	(457)
Transportation costs	-	(36)
Marketing and advertising fees	-	(10)
Other expenses	-	(76)
Impairment	-	(196)
Finance costs	-	(6)
Total expenses	-	(1,707)
Loss before income tax benefit	-	(512)
Income tax benefit	-	184
Loss after income tax benefit	-	(328)
Income tax expense	-	-
Gain on disposal after income tax expense	-	-
Loss after income tax benefit from discontinued operations	-	(328)

*Cash flow information*

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Net cash used in operating activities	-	(656)
Net cash used in investing activities	-	(78)
Net cash used in financing activities	-	(20)
Net decrease in cash and cash equivalents from discontinued operations	-	(754)

*Carrying amounts of assets and liabilities classified as held for sale*

	<b>Date of Sale</b>
	<b>31 August</b>
	<b>2022</b>
	<b>\$'000</b>
Total sale consideration	1,130
Carrying amount of net assets disposed	(510)
Disposal costs	(620)
Gain on disposal before income tax	-
Gain on disposal after income tax	-

**Note 8. Discontinued operations (continued)**

*Accounting policy for discontinued operations*

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the consolidated statement of profit or loss and other comprehensive income.

*Accounting policy for 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.

**Note 9. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	7,331	7,006
Lease receivable	325	39
Other receivables	4	115
GST receivable	242	374
	7,902	7,534
	7,902	7,534

*Accounting policy for trade and other receivables*

Trade receivables and other receivables are all classified as financial assets held at amortised cost.

Trade receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method, less a loss allowance provision. The carrying value of trade and other receivables, less loss allowance provisions, is considered to approximate fair value, due to the short term nature of the receivables.

The collectability of trade and other receivables is reviewed on an ongoing basis. Individual debts which are known to be uncollectable are written off when identified. The group recognises a loss allowance provision based upon anticipated lifetime losses of trade receivables. The anticipated losses are determined with reference to historical loss experience adjusted to reflect current and forward-looking information and is regularly reviewed and updated. This includes general macroeconomic indicators such as RBA cash rate and GDP growth.

Trade receivables are generally due for settlement between 30 and 60 days.

*Credit risks related to receivables*

Refer to note 25 for additional information.

*Lease receivable*

Refer to note 12 for additional information.



**Note 10. Current assets - inventories**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Raw materials	3,360	4,025
Work in progress	193	178
Finished goods	6,305	7,004
Stock in transit	377	468
Packaging	2,060	2,353
	<u>12,295</u>	<u>14,028</u>

The total amount of inventory recognised as an expense during the year is \$53.4 million (FY23: \$50.6 million).

*Accounting policy for inventories*

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

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.

**Note 11. Current assets - other**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Prepayments	2,165	1,038
Other current assets	-	132
	<u>2,165</u>	<u>1,170</u>

*Prepayments*

Included in the prepayments balance is \$1.1 million (FY23: \$0.3 million) worth of deposits paid on inventory arriving in FY25.

**Note 12. Non-current assets - receivables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Lease receivable	<u>1,469</u>	<u>-</u>

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**Note 12. Non-current assets - receivables (continued)**

During the year, the group entered into a sublease arrangement, leasing a portion of the premises of an existing lease to a third party. The right-of-use assets associated with this lease was de-recognised (refer note 13) at carrying amount of \$1.7m. The new lease receivable was valued at \$1.9m, resulting in a gain of \$0.2m (note 6).

Lease payments include fixed increases, but there are no variable lease payments that depend on an index or rate.

*Risk management strategy*

The end of the sublease term coincides with the end of the group's lease term of the whole premises. The group holds as security 6 months gross rent in the form of a bank guarantee.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Reconciliation of movements in lease receivable</i>		
<i>Lease receivable - current (note 9)</i>		
Transfer from non current lease receivable	325	-
<i>Lease receivable - non-current</i>		
Lease receivable recognised	1,898	-
Lease payments received	(127)	-
Finance income	23	-
Transfer to current lease receivable	(325)	-
	<u>1,469</u>	<u>-</u>
	<u>1,794</u>	<u>-</u>
<i>Maturity analysis of lease payments:</i>		
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Within 1 year	389	-
Within 1 and 2 years	442	-
Within 2 and 3 years	529	-
Within 3 and 4 years	550	-
Within 4 and 5 years	41	-
Total undiscounted lease payments	<u>1,951</u>	<u>-</u>
Unearned finance income	<u>(157)</u>	<u>-</u>
	<u>1,794</u>	<u>-</u>

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Note 13. Non-current assets - property, plant and equipment

	Consolidated 2024 \$'000	2023 \$'000
Land	460	460
Motor vehicles	125	372
Less: Accumulated depreciation	(72)	(325)
	53	47
Plant and equipment	8,218	13,736
Less: Accumulated depreciation	(4,524)	(6,934)
	3,694	6,802
Building and leasehold improvements	5,958	7,357
Less: Accumulated depreciation	(1,699)	(1,468)
	4,259	5,889
	<u>8,466</u>	<u>13,198</u>

*Reconciliations*

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

	Land \$'000	Motor Vehicles \$'000	Building and leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
<b>Consolidated</b>					
Balance at 1 July 2022	460	83	6,135	5,713	12,391
Additions	-	41	5	1,123	1,169
Transfer from ROU	-	-	-	614	614
Depreciation expense	-	(77)	(251)	(648)	(976)
Balance at 30 June 2023	460	47	5,889	6,802	13,198
Additions	-	39	-	939	978
Impairment of assets	-	-	(1,399)	(3,305)	(4,704)
Depreciation expense	-	(33)	(231)	(742)	(1,006)
Balance at 30 June 2024	<u>460</u>	<u>53</u>	<u>4,259</u>	<u>3,694</u>	<u>8,466</u>

*Accounting policy for property, plant and equipment*

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

*Impairment expense*

Impairment expense relates to assets measured at the lower of its carrying amount and fair value less cost to sell, resulting in the recognition of a write-down of \$4.7 million as impairment expense in the consolidated statement of profit or loss and other comprehensive income. The fair value of the assets was determined based on the fair value less cost to sell.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets.

Where ownership of right-of-use assets transfers to the group at the end of the lease, these assets are transferred to property, plant and equipment at its carrying amount, being cost less accumulated depreciation.

**Note 13. Non-current assets - property, plant and equipment (continued)**

The depreciable amount of all fixed assets including recognised lease assets is depreciated on a straight line or diminishing value basis over their useful lives to the group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The following estimated useful lives are used in the calculation of depreciation:

Motor vehicles	5 years
Plant and equipment	3 to 20 years
Building and leasehold improvements	10 to 33 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

**Note 14. Non-current assets - right-of-use assets**

**Right-of-use assets**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Land and buildings - right-of-use	6,377	8,297
Less: Accumulated depreciation	(2,837)	(1,295)
	3,540	7,002
Plant and equipment - right-of-use	742	743
Less: Accumulated depreciation	(565)	(487)
	177	256
Motor vehicles - right-of-use	285	285
Less: Accumulated depreciation	(166)	(95)
	119	190
	3,836	7,448

*Reconciliations*

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

<b>Consolidated</b>	Land and buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Total \$'000
Balance at 1 July 2023	7,002	256	190	7,448
Additions	69	-	-	69
De-recognition of sublease ROU asset	(1,730)	-	-	(1,730)
Depreciation expense	(1,801)	(79)	(71)	(1,951)
	3,540	177	119	3,836
Balance at 30 June 2024	3,540	177	119	3,836

**Note 14. Non-current assets - right-of-use assets (continued)**

**Lease liabilities**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Current	1,874	2,109
Non-current	3,700	5,400
	<u>5,574</u>	<u>7,509</u>
	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense (included in finance costs)	<u>192</u>	<u>130</u>

The total cash outflow for leases in FY24 was \$1.9 million (FY23: \$1.8 million).

**Note 15. Non-current assets - intangibles**

*Reconciliations*

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

<b>Consolidated</b>	Goodwill - Maggie Beer Products \$'000	Goodwill - Hampers & Gifts Australia \$'000	Brand* \$'000	Customer Contracts** \$'000	Other Intangible \$'000	Total \$'000
Balance at 1 July 2022	3,585	40,927	12,342	4,866	657	62,377
Additions from internal development	-	-	-	-	210	210
Impairment of assets	-	(12,500)	-	-	-	(12,500)
Amortisation expense	-	-	(1,177)	(1,128)	(202)	(2,507)
Balance at 30 June 2023	3,585	28,427	11,165	3,738	665	47,580
Additions from internal development	-	-	-	-	767	767
Impairment of assets	-	(13,750)	-	-	-	(13,750)
Amortisation expense	-	-	(1,177)	(1,575)	(371)	(3,123)
Balance at 30 June 2024	<u>3,585</u>	<u>14,677</u>	<u>9,988</u>	<u>2,163</u>	<u>1,061</u>	<u>31,474</u>

\* The carrying amount of the brand intangible asset consists of \$3.5 million allocated to the Maggie Beer Products CGU and \$6.5 million allocated to the Hampers & Gifts Australia CGU as at 30 June 2024.

\*\* The carrying amount of the customer contract intangible asset consists of \$0.8 million allocated to the Maggie Beer Products CGU and \$1.4 million allocated to the Hampers & Gifts Australia CGU as at 30 June 2024.

*Accounting policy for intangible assets*

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. 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. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### Note 15. Non-current assets - intangibles (continued)

#### *Accounting policy for goodwill*

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the consolidated statement of profit or loss and other comprehensive income as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or when a subsidiary is disclosed as an asset held for sale, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### *Intangible Assets acquired in a business combination*

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### *Recoverable amount of goodwill*

In accordance with AASB 136, impairment testing has been undertaken for all cash generating units (CGUs) with indefinite intangibles or where there is an indication of impairment. These impairment tests have been completed via a multiple scenario approach in response to significant uncertainties in the market.

At 30 June 2024, for Maggie Beer Products and Hampers & Gifts Australia CGUs, the recoverable amounts have been determined based on the higher of the asset's fair value less costs of disposal (FVLCD) and its value in use (VIU). The FVLCD calculations have been used in the current year compared to VIU in previous years, which uses cash flow projections based on financial forecasts covering a five-year period, including changes in working capital and expenditure for maintenance.

The fair value measurement was categorised as a Level 3 fair value hierarchy based on the inputs in the valuation technique used.

Cash flows are extrapolated using estimated growth rates beyond the five-year period.

Key assumptions used in the FVLCD calculations for CGUs are based on management's latest forecast for financial year 2025 and incorporating reasonable revenue growth, margin, expenses, capital expenditure for maintenance and entity specific long-term averages for the latter years. In considering the outlook, management considered a range of possible scenarios in order to determine an estimation of future cash flows that are reasonable and on an appropriate basis.

### **Maggie Beer Products**

In considering the outlook for Maggie Beer Products CGU, management considered a range of possible scenarios in order to determine an estimation of future cash flows which has a reasonable and appropriate basis.

### Note 15. Non-current assets - intangibles (continued)

#### Revenue growth

Revenue growth over the five-year period is based upon forecasted revenue incorporating risk-adjusted new product development sales and opportunities, and is dependent on management executing its growth strategy and assumes no new geographies (in accordance with AASB 136). The starting point is an assessment of the market, leveraging industry reports and overlaying with known sales growth opportunities. The average revenue growth over the forecast period is assumed at 6.9% per annum (compared with actual 5-year average revenue growth of 10.6%).

#### Costs

Gross margin in FY25 is expected to increase slightly from its FY24 levels, mainly due to improved channel mix, with an increased proportion of higher margin e-commerce sales, and is then assumed to remain flat for the remainder of the model's period and cost efficiencies from production which is dependent on management. Raw material price increases are to be matched by price increases with retailers to offset. All fixed costs, including selling, administration and management labour, are modelled to grow at 4% a year.

#### Long-term growth rate

The long-term growth rate is the weighted average growth rate used to extrapolate cash flows beyond the modelled period. A long-term growth rate of 2.5% has been used in the value-in-use calculations, which is the midpoint of the long-term Reserve Bank of Australia's inflation target range of 2–3 percent, on average, over time.

#### Discount rate

The discount rate represents the current market assessment of the risks relating to the relevant CGU. In performing the value-in-use calculations for the CGU, the Group has applied a pre-tax discount rate of 15.74% per annum (11.02% post tax) for Maggie Beer Products.

#### Review outcome

In completing the impairment review based on the aforementioned assumptions, the fair value less costs of disposal (assessed as 2% of Carrying Value) of the CGU exceeded its carrying value by \$5.3 million (2023: \$2.7 million).

#### Reasonably possible changes

The impairment charge that would result if the key assumptions were to change, are as follows:

- Each forecast year's sales revenue growth rate (%) decreased by 3% would result in an impairment of \$0.7 million.
- Budgeted gross margin (%) changed by 2% would result in an impairment of \$1.8 million.

### Hampers & Gifts Australia

In considering the outlook for Hampers & Gifts Australia, management considered a range of possible scenarios in order to determine an estimation of future cash flows which has a reasonable and appropriate basis.

#### Revenue Growth

Revenue growth over the five-year period is based upon forecasted revenue on a business-as-usual basis plus target campaigns to drive growth (i.e. new SKUs, affiliates and corporate customers) and assumes no new geographies (in accordance with AASB 136). The starting point is an assessment of the market, leveraging industry reports and overlaying with known sales growth opportunities. The average revenue growth over the forecast period is assumed at 3.4% per annum (compared with actual 3-year average revenue growth of 6.4%).

#### Costs

Gross margin in FY25 is expected to increase due to price increases implement in the second half of FY24. The gross margin is expected to remain constant throughout the remainder of the model period. Raw material price increases are to be matched by price increases to offset. All fixed costs, including selling, administration and management labour, are modelled to grow at 3% a year.

#### Long-term growth rate

The long-term growth rate is the weighted average growth rate used to extrapolate cash flows beyond the modelled period. A long-term growth rate of 2.5% has been used in the value-in-use calculations, which is the midpoint of the long-term Reserve Bank of Australia's inflation target range of 2–3 percent, on average, over time.

### Note 15. Non-current assets - intangibles (continued)

#### Discount rate

The discount rate represents the current market assessment of the risks relating to the relevant CGU. In performing the value-in-use calculations for the CGU, the Group has applied a pre-tax discount rate of 17.15% per annum (12.00% post tax) for Hampers & Gifts Australia.

#### Review outcome

In completing the impairment review based on the aforementioned assumptions, the carrying value of goodwill for Hampers & Gifts Australia was impaired by \$13.75 million. Key assumptions that have changed include: reduced revenue growth; increase in marketing spend; lower gross margin; and increase in discount rate. These assumptions have changed as a result of increased level competition experienced in the online and gifting and hamper market.

#### Reasonably possible changes

The following reasonably possible changes in key assumptions will result in additional impairment to be recognised:

- A reduction in revenue growth in each of the years from FY25 to FY29 of 3% would result in an additional impairment of \$3.8 million.
- Budgeted gross margin (%) decreased by 1% from 57.8% to 56.8% it would result in an additional impairment of \$3.4 million.
- Pre-tax discount rate (%) increased by 1% from 17.15% to 18.15% it would result in an additional impairment of \$2.7 million.

#### Brand

Brands acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life range of 5-20 years.

#### Customer contracts

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life range of 0-10 years.

The HGA customer contracts have been assessed at a 4 year life (5 years previously), accelerating amortisation by \$0.45m in the period.

### Note 16. Current liabilities - trade and other payables

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade payables	6,024	5,547
Employee related payables	879	1,384
Other payables	1,431	2,012
	<u>8,334</u>	<u>8,943</u>

Refer to note 25 for further information on financial instruments.

#### Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity 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, non-interest bearing and are usually due for payment within 30 to 60 days of issue.

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**Note 17. Current liabilities - contract liabilities**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Contract liabilities	536	419

*Accounting policy for contract liabilities*

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

**Note 18. Current liabilities - employee benefits**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Employee benefits	1,123	1,156

*Accounting policy for employee benefits*

*Short-term employee benefits*

Liabilities for 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.

Provision is made for the group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

*Superannuation expense*

Contributions to superannuation defined contribution schemes recognised as an expense in the profit and loss for FY24 were \$1.5 million (FY23: \$1.4 million).

**Note 19. Current liabilities - provisions**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Earnout provision	2,000	-

The group has settled the Earnout dispute with the former owners of Hampers and Gifts Australia for \$2 million plus legal fees of \$0.1 million (included in other payables in note 15).

**Note 20. Non-current liabilities - employee benefits**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Employee benefits	94	170

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**Note 20. Non-current liabilities - employee benefits (continued)**

*Accounting policy for other long-term employee benefits*

The liability for annual 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 high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**Note 21. Non-current liabilities - provisions**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Make good provision	91	-
Onerous contract	420	-
	<u>511</u>	<u>-</u>

*Make good provision*

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

*Onerous contract*

The provision for onerous contract of milk supply as provided for as at 30 June 2024.

*Movements in provisions*

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	<b>Make good provision</b>	<b>Onerous contract</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Consolidated - 2024</b>		
Carrying amount at the start of the year	-	-
Charged to profit or loss	-	525
Provision charged to right-of-use assets	75	-
Amounts used	-	(105)
Unwinding of discount	16	-
Carrying amount at the end of the year	<u>91</u>	<u>420</u>

**Note 22. Equity - issued capital**

	<b>Consolidated</b>			
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$'000</b>	<b>\$'000</b>
Ordinary shares - fully paid	<u>352,439,920</u>	<u>352,439,920</u>	<u>166,285</u>	<u>166,285</u>

*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.

## Note 22. Equity - issued capital (continued)

### Share buy-back

There is no current on-market share buy-back.

### Capital risk management

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

The capital structure of the group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, retained earnings and reserves. Operating cash flows are used to maintain and expand the group's assets, as well as to make the routine outflows of payables and tax.

The capital risk management policy remains unchanged from the 2023 Annual Report.

### Accounting policy for 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.

## Note 23. Equity - reserves

	Consolidated	
	2024	2023
	\$'000	\$'000

Options reserve	3,213	2,946
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Options reserve

Options reserve arises on the grant of share options to Directors and employees of the group under the group incentive option scheme. Amounts are transferred out of the reserve and into issued capital when the options are exercised.

The company operates an ownership-based remuneration scheme through the Incentive Option Scheme, details of which are provided in note 36 to the financial statements. Other than minimal administration costs, which are expensed when incurred, the plan does not result in any cash outflow from the Company.

The fair value of equity-settled share-based payments is measured by use of the Monte Carlo model (2023: Black-Scholes model). The expected life used in the models have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest. At the end of each reporting period, the group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of profit or loss and other comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### Note 23. Equity - reserves (continued)

#### Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

<b>Consolidated</b>	Options reserve \$'000
Balance at 1 July 2022	3,556
Share based payment	133
Share based payments exercised	(240)
Share based payments forfeited	(503)
	<hr/>
Balance at 30 June 2023	2,946
Share based payment	267
	<hr/>
Balance at 30 June 2024	<u>3,213</u>

### Note 24. Equity - dividends

#### Dividends

There were no dividends paid, recommended or declared during the current financial year (2023: \$1.76 million).

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Dividend for the year ended 30 June 2024 nil (FY23: 0.5 cents paid on 31 March 2023 per ordinary share)	-	(1,758)
	<hr/>	<hr/>

#### Franking credits

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Franking credits available for subsequent financial years based on a tax rate of 30%	<u>6,815</u>	<u>6,815</u>

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

#### Accounting policy for dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

### Note 25. Financial instruments

#### Financial risk management objectives

The capital structure of the consolidated entity consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, retained earnings and reserves. Operating cash flows are used to maintain and expand the group's assets, as well as to make the routine outflows of payables and tax.

## Note 25. Financial instruments (continued)

The consolidated entity's principal financial instruments comprise receivables, payables, cash and short-term deposits. These activities expose the consolidated entity to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

The consolidated entity does not have formal documented policies and procedures for the management of risk associated with financial instruments. However, the Board has responsibility for managing the different types of risks to which the consolidated entity is exposed. These responsibilities include considering risk and monitoring levels of exposure to interest rate risk, and by being aware of market forecasts for interest rate, and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts.

### Market risk

#### Foreign currency risk

The consolidated entity did not hold any outstanding foreign exchange contract forward foreign exchange contracts at the reporting date.

The aggregate net foreign exchange loss recognised in profit or loss was \$41,059 (2023: \$176,776).

#### Price risk

The group is not exposed to any significant price risk.

#### Interest rate risk

The group's exposure to market interest rates relates primarily to the group's cash and short-term deposits held.

#### Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the consolidated statement of financial position date.

At 30 June, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax-loss and equity would have been affected as follows:

Consolidated - 2024	Basis points change	Basis points increase Effect on		Basis points decrease Effect on	
		profit before tax \$'000	Effect on equity \$'000	profit before tax \$'000	Effect on equity \$'000
Bank deposits	100	47	47	(50)	(24)

  

Consolidated - 2023	Basis points change	Basis points increase Effect on		Basis points decrease Effect on	
		profit before tax \$'000	Effect on equity \$'000	profit before tax \$'000	Effect on equity \$'000
Bank deposits	100	94	94	(50)	(47)

### Credit risk

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available. This includes general macroeconomic indicators such as RBA cash rate and GDP growth.

## Note 25. Financial instruments (continued)

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

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

The group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the group's policy to securitise its trade and other receivables. It is the group's policy to consider the credit worthiness of all customers who wish to trade on credit terms.

In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

### Allowance for expected credit losses

The loss allowance as at 30 June 2024 was determined as follows for trade receivables:

	Loss allowance provision 2024 \$'000	Loss allowance provision 2023 \$'000	Gross amount 2024 \$'000	Gross amount 2023 \$'000
Not past due	-	-	5,611	3,995
Past due 0 - 60 days	-	-	1,084	2,832
Past due 60+ days	122	153	758	207
	<u>122</u>	<u>153</u>	<u>7,453</u>	<u>7,034</u>

### Liquidity risk

The group manages liquidity risk by monitoring cash flow and maturity profiles of financial assets and liabilities.

### Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the consolidated statement of financial position.

Consolidated - 2024	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	8,334	-	-	-	8,334
<i>Interest-bearing - variable</i>						
Lease liability	3.88%	1,874	1,605	2,095	-	5,574
Total non-derivatives		<u>10,208</u>	<u>1,605</u>	<u>2,095</u>	<u>-</u>	<u>13,908</u>

**Note 25. Financial instruments (continued)**

<b>Consolidated - 2023</b>	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	8,943	-	-	-	8,943
<i>Interest-bearing - variable</i>						
Lease liability	4.05%	2,108	1,875	2,664	862	7,509
<b>Total non-derivatives</b>		<b>11,051</b>	<b>1,875</b>	<b>2,664</b>	<b>862</b>	<b>16,452</b>

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

**Fair value of financial instruments**

The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

There were no financial instruments that are measured subsequent to initial recognition at fair value as at reporting date.

The fair values of financial assets and liabilities, together with their carrying amounts in the consolidated statement of financial position, for the consolidated entity are as follows:

<b>Consolidated</b>	<b>2024</b>		<b>2023</b>	
	<b>Carrying amount \$'000</b>	<b>Fair value \$'000</b>	<b>Carrying amount \$'000</b>	<b>Fair value \$'000</b>
<b>Assets</b>				
Cash and cash equivalents	4,710	4,710	9,355	9,355
Trade and other receivables	7,902	7,902	7,534	7,534
	<u>12,612</u>	<u>12,612</u>	<u>16,889</u>	<u>16,889</u>
<b>Liabilities</b>				
Trade and other payables	8,334	8,334	8,943	8,943
Lease liability	5,574	5,574	7,509	7,509
	<u>13,908</u>	<u>13,908</u>	<u>16,452</u>	<u>16,452</u>

**Note 26. Key management personnel disclosures**

**Directors**

The following persons were directors of Maggie Beer Holdings Ltd during the financial year:

Susan Thomas	Non-Executive Chair
Maggie Beer AO	Non-Executive Director
Tom Kiing	Non-Executive Director
Hugh Robertson	Non-Executive Director
Reg Weine	Non-Executive Director (retired 31 October 2023)

**Other key management personnel**

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Kinda Grange	Chief Executive Officer (resignation announced on 13 August 2024)
Craig Louttit	Chief Financial Officer (appointed 1 September 2023)
Eddie Woods	Chief Financial Officer (resigned 31 August 2023)

**Note 26. Key management personnel disclosures (continued)**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Short-term employee benefits	1,477,993	1,363,802
Post-employment benefits	76,472	59,016
Leave provisions	95,884	74,979
Share-based payments	255,481	(308,232)
	<u>1,905,830</u>	<u>1,189,565</u>

**Note 27. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the company:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Audit services - PricewaterhouseCoopers</i>		
Audit or review of the financial statements	<u>303,500</u>	<u>269,280</u>

**Note 28. Related party transactions**

*Parent entity*

Maggie Beer Holdings Ltd is the parent entity of the consolidated entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 30.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

*Transactions with related parties*

During the year, Maggie Beer Products Pty Ltd entered into the following trading transactions with related parties that are not members of the consolidated entity:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Sale of goods and services:		
- To entities controlled by key management personnel*	325,928	365,869
Payment for goods and services:		
- To entities controlled by key management personnel*	661,179	675,368
- From key management personnel*	157,104	230,495

\*Sales and purchases to entities controlled by key management personnel include rent, purchase and sale of products and other expenses to entities associated with Maggie Beer.

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### Note 28. Related party transactions (continued)

\*\*Maggie Beer has continued as a brand ambassador during the year, continuing her association with the Maggie Beer brand, its product development program and customer relationship. Maggie Beer receives fees of \$13,092 per month for her services. Maggie Beer received \$157,104 for services provided during the year.

#### Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties entered into by Maggie Beer Products Pty Ltd, with related parties that are not members of the consolidated entity:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Current receivables:		
Trade receivables from entities controlled by key management personnel	14,458	28,945
Current payables:		
Trade payables from entities controlled by key management personnel	12,008	81,465

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

#### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

### Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

#### Consolidated statement of profit or loss and other comprehensive income

	<b>Parent</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
Profit / (Loss) after income tax	(42,751)	(4,542)
Total comprehensive income	<u>(42,751)</u>	<u>(4,542)</u>

#### Consolidated statement of financial position

	<b>Parent</b>	
	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
Total current assets	362	161
Total assets	38,589	71,785
Total current liabilities	3,448	1,731
Total liabilities	3,451	1,801
Equity		
Issued capital	166,285	166,285
Option reserve	3,213	2,946
Accumulated losses	(134,360)	(99,247)
	<u>35,138</u>	<u>69,984</u>
	<u>35,138</u>	<u>69,984</u>

### Note 29. Parent entity information (continued)

#### Capital commitments - Property, plant and equipment

There were no commitments for the acquisition of property, plant and equipment by the parent entity during the year (2023: Nil).

#### Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

### Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2.

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
B D Farm Paris Creek Pty Ltd*	Australia	100.00%	100.00%
Maggie Beer Products Pty Ltd*	Australia	100.00%	100.00%
Hampers and Gifts Australia Pty Ltd*	Australia	100.00%	100.00%

Maggie Beer Holdings Ltd, B D Farm Paris Creek Pty Ltd, Maggie Beer Products Pty Ltd, and Hampers and Gifts Australia Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

### Note 31. Commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	Consolidated	
	2024 \$'000	2023 \$'000
Capital commitments		
Intangible assets	363	-

### Note 32. Contingent liabilities

The group has given bank guarantees as at 30 June 2024 of \$0.8 million (2023: \$0.5 million) to various landlords.

### Note 33. Events after the reporting period

On 13 August 2024, the group announced Kinda Grange's resignation as CEO.

On 1 August 2024, the group announced that it has agreed to settle the Earnout legal case with the former owners of Hampers and Gifts Australia (refer to Note 18 for further details).

On 1 August 2024 the group resolved that Paris Creek Farms (PCF) business is an asset held for sale. An advisor was appointed on 28 June 2024 to consider all options to optimise the value of the PCF business, including initiating an active program to locate potential buyers. The Group expects this process to be completed by 30 September 2024. Financial information relating the PCF for the periods 2024 and 2023 is disclosed as a reportable segment in Note 4 of the financial statements.

On 27 August 2024 the group announced Craig Louttit's resignation as CFO and announced the appointment of Penny Diamantakiou as CFO and COO.

**Note 33. Events after the reporting period (continued)**

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 34. Reconciliation of (loss)/profit after income tax to net cash from/(used in) operating activities**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
(Loss)/profit after income tax benefit for the year	(28,238)	438
Adjustments for:		
Depreciation and amortisation	6,080	4,863
Impairment of intangible and tangible assets	18,329	12,500
Reversal of contingent liability	-	(14,000)
Gain on recognition of sublease	(168)	-
Share-based payments / (reversed)	267	(370)
Interest income classified as financing cashflow	(86)	(116)
Interest expense classified as financing cashflow	252	136
Transactions costs, net of gain of disposal	-	153
Earnout provision and accrued legal costs	2,110	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(911)	1,507
Decrease in inventories	1,733	2,658
Increase in deferred tax assets	-	(1,562)
Increase/(decrease) in trade and other payables	(95)	557
Decrease in other provisions	(107)	(101)
Net cash from/(used in) operating activities	<u>(834)</u>	<u>6,663</u>

**Note 35. Earnings per share**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Earnings per share for profit/(loss)</i>		
(Loss)/profit after income tax attributable to the owners of Maggie Beer Holdings Ltd	<u>(28,238)</u>	<u>438</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	352,439,920	351,324,742
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	<u>9,301,578</u>	<u>10,477,771</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>361,741,498</u>	<u>361,802,513</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(8.012)	0.125
Diluted earnings per share	(8.012)	0.121

### Note 35. Earnings per share (continued)

#### Accounting policy for earnings per share

##### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Maggie Beer Holdings Ltd, 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.

### Note 36. Share-based payments

Set out below are summaries of options and performance rights outstanding at reporting date:

The options and performance rights hold no voting or dividend rights and are not transferable.

#### Options

Set out below is a summary of options outstanding at reporting date:

##### 2024

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16/07/2020	16/07/2020	\$0.140	1,000,000	-	-	-	1,000,000
16/07/2020	16/07/2020	\$0.170	1,500,000	-	-	-	1,500,000
16/07/2020	16/07/2020	\$0.190	1,500,000	-	-	-	1,500,000
28/10/2020	01/07/2021	\$0.140	3,000,000	-	-	-	3,000,000
			<u>7,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000,000</u>

##### 2023

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16/07/2020	16/07/2020	\$0.140	1,000,000	-	-	-	1,000,000
16/07/2020	16/07/2020	\$0.170	1,500,000	-	-	-	1,500,000
16/07/2020	16/07/2020	\$0.190	1,500,000	-	-	-	1,500,000
28/10/2020	01/07/2021	\$0.140	3,000,000	-	-	-	3,000,000
28/10/2020	01/07/2023	\$0.190	3,000,000	-	-	(3,000,000)	-
			<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>(3,000,000)</u>	<u>7,000,000</u>

#### Performance rights

Set out below is a summary of the performance rights outstanding at reporting date:

Grant date	Expiry Date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/07/2021	30/06/2024	40,857	-	-	(40,857)	-
01/03/2023	28/02/2024	1,750,000	-	-	-	1,750,000
16/05/2024	31/08/2026	-	2,750,000	-	-	2,750,000
17/05/2024	31/08/2026	-	1,477,273	-	-	1,477,273
20/05/2024	31/08/2026	-	670,455	-	-	670,455

30 June 2024

For the options granted, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Vesting date	VWAP share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
16/07/2020	16/07/2020	\$0.225	\$0.150	90.00%	-	0.26%	\$0.131
16/07/2020	16/07/2020	\$0.225	\$0.180	90.00%	-	0.26%	\$0.121
16/07/2020	16/07/2020	\$0.225	\$0.200	90.00%	-	0.26%	\$0.115
28/10/2020	01/07/2021	\$0.321	\$0.150	90.00%	-	0.11%	\$0.220

There are service period and non-market conditions attached to the options issued on 28 October 2020, which require reaching trading EBITDA targets each financial year.

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/03/2023	28/02/2024	\$0.206	-	-	-	\$0.206
16/05/2024	31/08/2026	\$0.073	70.00%	-	3.87%	\$0.035
17/05/2024	31/08/2026	\$0.072	70.00%	-	3.87%	\$0.034
20/05/2024	31/08/2026	\$0.071	70.00%	-	3.90%	\$0.033

There are service period conditions attached to the performance rights granted, which require remaining employed in current position until 31 August 2026 and achieving TSR increase of 10% + CPI over the performance period.

If the Company achieves an increase in total shareholder return (TSR) of 10% + CPI (compounded) for the period from 31 August 2023 until 31 August 2026 Performance Period, 100% of the Rights will vest. 50% of the Rights will vest if the TSR is equal to 5% + CPI (compounded), and if the TSR is between 5% + CPI and 10% + CPI, the Rights will vest on a pro-rata basis, i.e. a proportion calculated on a straight line.

The group has recognised in profit or loss share-based payment of \$266,961 (2023: loss of \$370,000).

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