Farm Pride Foods Limited

ABN 42 080 590 030

and Controlled Entities

Financial Report

For the year ended 30 June 2024

Corporate Information

Farm Pride Foods Ltd.
ABN 42 080 590 030

Directors
George Palatianos (Non-Executive Chairman)
Malcolm Ward (Non-Executive Director)
Darren Lurie (Managing Director)

Management Team
Darren Lurie (Managing Director)
Tony Enache (Chief Financial Officer)

Company Secretary
Justin Mouchacca (appointed 10 October 2023)

Registered office and principal place of business
551 Chandler Road
Keysborough, Victoria 3173
+61 3 9798 7077

Solicitors
QR Lawyers
Level 6
400 Collins Street
Melbourne, Victoria 3000

Financiers
MC FP Pty Ltd
Level 18, 90 Collins Street
Melbourne, Victoria 3000

Tradeplus24 Australia
Level 2, 696 Bourke St
Melbourne, Victoria 3000

Share Registry
Computershare Registry Services Pty. Ltd.
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria 3067

ASX: FRM

Auditors
Pitcher Partners
Level 13, 664 Collins Street
Docklands, Victoria 3008

Internet Address
www.farmpride.com.au

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Chairman's Report

The Company achieved substantial improvement in the financial year ending 30 June 2024 (FY24). Management appointments during FY24 played a pivotal role in the improved operating and financial performance and focus by the whole team is assisting the Company to recover as quickly as possible from the impact of avian influenza on our 3 farms in the Lethbridge, Victoria area.

The Company continued to invest in capital expenditure and repairs and maintenance to drive operational improvements and the profitability and reliability of the business. During FY24, $1.2m and $2.7m was spent respectively compared to $0.5m and $2.2m in FY23. These expenditures will contribute to further improved financial performance in FY25.

Total Revenue increased by 23% to $101.85m (FY23: $82.78m) with an improvement in Earnings before tax, interest, depreciation and amortisation of $7.25m and a Net Profit improvement of $6.77m on FY23.

The Company has taken a number of actions during and post FY24 to improve the Company's balance sheet including:

a) Completion of the sub-division and sale of the Company's surplus non-arable land at its Lethbridge property receiving $2.35m (net of costs) of which $2.00m was used to repay borrowings.

b) Renewal of the Company's existing debt facility for $12.55m with MC FP Pty Ltd (arranged by Merricks Capital) for 18 months until 31 December 2025.

As part of the renewal of this facility, three Company owned farm properties were valued by external valuers at $25.9m for mortgage purposes. The three properties are in the balance sheet at historical cost less accumulated depreciation of $18.22m.

c) Renewal of the Company's existing debt facility of $2m on 7 August 2024 with Tradeplus24 Australia until 31 August 2025.

d) Conversion of $1.035m of Director related loans to equity following approval at the General Meeting on 31 July 2024; and

e) A non-renounceable, fully underwritten pro rata entitlement rights issue to raise approximately $6.17m before costs. This is expected to be completed in the first week of September 2024.

In June 2024, after many years of service to the Company, Mr Bruce De Lacy resigned from the Board. The Board on behalf of all Farm Pride Foods Ltd stakeholders thank Bruce for his significant contribution over many years and wish him the very best for the future.

The Board thanks all our customers and suppliers for their continued support, particularly following the avian influenza event in June 2024. Thanks also to all our employees who have worked tirelessly turning around the business and placing the Company in a stronger position and now striving to return quickly to normal production levels and improved profitability.

George Palatianos
Chairman

30 August 2024

The directors present their report together with the financial report of the consolidated entity consisting of Farm Pride Foods Limited ('the Company') and the entities it controlled (the 'group'), for the financial year ended 30 June 2024 and auditor's report thereon.

Directors

The names of directors in office at any time during or since the end of the year are:

George Palatianos	Non-executive Director, Chair
Malcolm Ward	Non-executive Director
Bruce De Lacy	Non-executive Director (resigned 25 June 2024)
Darren Lurie	Managing Director

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Principal activities

The principal activities of the group during the financial year were the production, processing, manufacturing and sale of eggs and egg products.

There has been no significant change in the nature of these activities during the financial year.

Review of operations and financial results

Statutory consolidated net profit after tax attributable to the members of Farm Pride Foods Ltd ("Statutory Profit") for the year ended 30 June 2024 was a loss of $2.345 million (2023: $9.112 million loss). Earnings before interest, tax, depreciation and amortisation (EBITDA) was $7.045 million (2023: $0.205 million loss).

The following table reconciles the Statutory Profit to EBITDA for the year ended 30 June 2024:

	30 June 2024 $'000	30 June 2023 $'000
Statutory (loss)	(2,345)	(9,112)
Add back:		
- Interest (finance costs)	3,221	2,518
- Depreciation	6,169	6,389
EBITDA	7,045	(205)

For further discussion of the review and results of operations of the group reference should be made to the Chairman's Report dated 30 August 2024.

Significant changes in the state of affairs

There have been no significant changes in the group's state of affairs during the financial year, other than as disclosed in this report.

Subsequent Events

Rights Issue: On 11 June 2024, the Company announced a proposed non-renounceable fully underwritten pro-rata entitlement offer to raise approximately $6.17m before costs (Rights Issue). The Rights Issue offer booklet was sent to shareholders on 1 July 2024 and the offer closed on 16 August 2024. The Rights Issue was underwritten by Willow Heights Pty Ltd, an entity associated with Mr. George Palatianos, the Group's Chair. All funds are to be received by 6 September 2024. Funds raised under the Rights Issue will be used to support the Group's operations while it recovers from the impacts of Avian Influenza (AI) and to further enhance and expand the Group's farming, grading and manufacturing operations

On 23 August 2024 the Company issued 9,114,626 Rights Issue shares with the balance of the Rights Issue shares to be issued to the underwriters in September 2024.

Conversion of Loans to Equity: At the General Meeting held on 31 Jul 2024 approval was given for the conversion of loans to equity. On 6 August 2024, part or all of the following loans (as indicated) that were provided to the Group by interests associated with the Group's board of directors were converted.

- $835,000 of the $1,750,000 loan provided by Ackenberg Holdings Pty Ltd (an interest associated with Mr. George Palatianos) was converted into equity. 8,350,000 fully paid ordinary shares were issued to Ackenberg Holdings Pty Ltd at a deemed issue price of $0.10 per share.

- The $200,000 loan provided by LDL Custodians Pty Ltd (an interest associated with Mr. Darren Lurie) was converted into equity. 2,000,000 fully paid ordinary shares were issued to LDL Custodians Pty Ltd at a deemed issue price of $0.10 per share.

Issue of shares to LDL Custodians Pty Ltd (an interest associated with Mr. Darren Lurie - Managing Director): At the General Meeting held on 31 July 2024, approval was given for the issue of 1,090,000 fully paid ordinary shares,1,090,000 Performance Rights and 3,600,000 options for nil consideration to LDL Custodians Pty Ltd. These were issued on 6 August 2024.

Prior to the issue of new shares for the loan conversions, Rights Issue and shares issued to LDL Custodians Pty Ltd, described above, the Group's largest shareholder was West Coast Eggs Pty Ltd, holding 43,519,979 or 30.25% of the shares in the Group. Subsequent to the issue of the new shares described above, West Coast Eggs Pty Ltd continues to be the Group's largest shareholder, holding 43,519,979 or 26.47% of the shares in the Group. Further new Rights Issue shares allocated to the underwriters will be issued in September 2024.

Refinancing of Working Capital Loan: On 7 August 2024, the Group successfully refinanced its existing working capital loan of $2 million with Tradeplus24 Australia for a period of 12 months until 31 August 2025.

Environmental regulation

The Group's operations are not subject to any significant environmental, Commonwealth or State regulations or laws. The group is not aware of any significant breaches of environmental regulations during the financial year.

Dividend paid, recommended and declared

No dividends were paid, declared or recommended since the start of the financial year.

Share options and performance rights granted to directors and officers

Options and performance rights over unissued ordinary shares granted during or since the end of the financial year to directors and any of the 5 most highly remunerated officers of the Group (other than the directors) as part of their remuneration, are outlined in the following table:

	Number of performance rights granted	Number of options granted
LDL Custodians Pty Ltd (an interest associated with Mr. Darren Lurie)	1,090,000 (i)	3,600,000 (i)

i) Mr Darren Lurie was appointed as the Managing Director of the Group by shareholders at an extraordinary general meeting of the Group held on 23 February 2023 (2023 EGM). Further resolutions were passed by shareholders at the 2023 EGM relating to the grant and issue to LDL Custodians Pty

Ltd of 2,180,000 performance rights (Performance Rights) and 3,600,000 options (Options) (together, Securities).

Due to an administrative oversight, the 2,180,000 Performance Rights and 3,600,000 Options were not issued to LDL Custodians Pty Ltd within one month after the date of the 2023 EGM as required by ASX Listing Rule 10.13.5. As the Securities were not issued within the period required by the ASX Listing Rules pursuant to the approval at the 2023 EGM, the Group was unable to issue the Securities pursuant to the approval at the 2023 EGM. The first two tranches of the Performance Rights would have otherwise vested during the Financial Year.

Consequently, following approval at the General Meeting of 31 July 2024 the Group reissued 1,090,000 Performance Rights and 3,600,000 Options to LDL Custodians Pty Ltd. The Group also issued 1,090,000 ordinary Shares to LDL Custodians Pty Ltd.

Unissued shares under options and performance rights

There are 3,600,000 unissued shares under share options and 1,090,000 unissued shares under performance rights that are outstanding at the date of the directors' report.

Tranche	Number of share options	Exercise Price	Vesting Condition	Expiry Date
1	1,200,000	$0.055	Achieving EBITDA of $4m during any financial year before 30 June 2025	3 years from vesting
2	1,200,000	$0.055	Achieving EBITDA of $6m during any financial year before 30 June 2026	3 years from vesting
3	1,200,000	$0.055	Achieving EBITDA of $8m during any financial year before 30 June 2027	3 years from vesting
Total Options	**3,600,000**			

Tranche	Number of performance rights	Exercise Price	Vesting Date
1	545,000	-	23rd August 2024
2	545,000	-	23rd February 2025
Total Rights	**1,090,000**		

Shares issued on exercise of options:

No shares or interests were issued during or since the end of the financial year as a result of the exercise of an option over unissued shares or interest.

Information on directors and company secretary

The qualifications, experience and special responsibilities of each person who has been a director of Farm Pride Foods Limited at any time during the year and up to the date of this report is provided below, together with details of the company secretary as at the year end.

George Palatianos
Non-executive Chairman – Appointed 23 February 2023

George is a highly experienced Investment Director and Group CFO. He has held prominent roles in major organisations within various business sectors including agri-business, construction, property investment and finance. These roles include Group CFO of the Costa Group, Hickory Construction Group Commercial Director of Prudential Equity Partners and Director of Integration and Growth at MaxCap Group.

Malcolm Ward
Non-executive Director – Appointed 30 May 2008, Chair of the Audit Committee

Malcolm has been in the egg industry for over 35 years having owned and operated cage and free-range farms and has served on industry related boards in the area of farm management and feed supply. He is also a director of AAA Egg Company Pty Ltd and its subsidiary West Coast Eggs Pty Ltd as well as being a director on a number of other private companies. Malcolm is the Managing Director of his family's independent supermarkets and also has commercial interests in property. He is also a director of Australian United Retailers Limited, appointed 17 November 2010.

Bruce De Lacy
Non-executive director– Appointed 30 November 2018, Resigned 25 June 2024
Company Secretary – Appointed 16 December 2022, Resigned 10 October 2023

Bruce has extensive experience in the egg industry and has previously been employed in a number of positions at the Company including Chief Executive Officer, General Manager and Chief Operating Officer.

Darren Lurie
Managing Director – Appointed 23 February 2023

Darren is a former non-executive director and Chair of Farm Pride Foods Ltd. He is an experienced leader of businesses and management teams and has previously held positions as Managing Director, Chair and CFO in a number of companies, including ASX listed company Optiscan Imaging Ltd (ASX:OIL) and EduCo International Group.

Darren has 15 years' experience as a corporate advisor leading finance, strategy and merger and acquisition assignments across a range of finance and investor communities.

Justin Mouchacca

Company Secretary – Appointed 10 October 2023

Directors' meetings

	Board of Directors		**Audit Committee**	
	Eligible to attend	Attended	Eligible to attend	Attended
Malcolm Ward	15	15	3	3
Bruce De Lacy	14	14	3	3
George Palatianos	15	15	3	3
Darren Lurie	15	15	3	3

Directors' interests in shares

Directors' relevant interests in shares of Farm Pride Foods Limited or options over shares in the Company are detailed below:

	Ordinary shares of Farm Pride Foods Limited	**Options over shares in Farm Pride Foods Limited**	**Rights over shares in Farm Pride Foods Limited**
Malcolm Ward (i)	3,809,576	-	-
Bruce De Lacy	2,214,748	-	-
George Palatianos	22,465,547	-	-
Darren Lurie (ii)	14,545,454	3,600,000	1,090,000

(i) Malcolm Ward has an indirect interest in the 43,519,979 shares held by West Coast Eggs Pty Ltd (2023: 43,519,979 shares) and the 1,584 shares held by Southern Egg Pty Ltd (2023: 1,584).

(ii) As described on Page 5 of the Directors Report, due to an administrative oversight, the issue of 2,180,000 Performance Rights and 3,600,000 Share Options to LDL Custodians Pty Ltd did not comply with ASX Listing Rules. Following approval at the General Meeting of 31 July 2024 the Group issued the Performance Rights and Options to LDL Custodians Pty Ltd. The Group also issued 1,090,000 fully paid ordinary shares for nil consideration to LDL Custodians Pty Ltd as described in Note 27.

Indemnification and Insurance of directors and officers

During the financial year, the Company has paid premiums to insure each of the Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the Group.

Under the Directors and Officers Liability Insurance Policy the company shall not release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium. Accordingly, the Group relies on section 300 (9) of the *Corporations Act 2001* to exempt it from the requirement to disclose the nature of the liability insured against and the premium amount of the policy.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of Farm Pride Foods Limited or any of its subsidiaries.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided within this report.

Indemnification of auditors

No indemnities have been given or insurance premiums paid during or since the end of the financial year for the auditors of the Group.

Non-audit services

Non-audit services are approved by resolution of the Audit and Risk Committee and approval is provided in writing to the board of directors. Non-audit services were provided by the auditors of entities in the consolidated group during the year, namely Pitcher Partners (Melbourne), network firms of Pitcher Partners, and other non-related audit firms, as detailed below. The directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by Farm Pride Foods Ltd and have been reviewed and approved by the Audit and Risk Committee to ensure they do not impact on the integrity and objectivity of the auditor; and

- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including independence Standards)*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for Farm Pride Foods Ltd or any of its related entities, acting as an advocate for Farm Pride Foods Ltd or any of its related entities, or jointly sharing risks and rewards in relation to the operations or activities of Farm Pride Foods Ltd or any of its related entities.

Amounts paid and payable to Pitcher Partners (Melbourne) for non-audit services:

	2024 $	2023 $
Taxation services	15,000	40,109

Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191*, the amounts in the Directors' report and in the Financial Report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

Remuneration Report (Audited)

The directors present the group's 2024 remuneration report which details the remuneration information for Farm Pride Foods Limited's key management personnel ('KMP') in accordance with the *Corporations Act 2001* and its Regulations ('Remuneration Report'). The Remuneration Report has been audited by Farm Pride Foods Ltd external auditors, Pitcher Partners.

(a) Key management personnel

The Remuneration Report discloses the remuneration arrangements and outcomes for people listed in the table below who are those individuals who have been determined as KMP as defined by AASB 124 *Related Party Disclosures*.

Name	Position	Term as KMP
Non-Executive Directors		
Malcolm Ward	Non-executive Director	Full financial year
Bruce De Lacy	Non-executive Director	Until 25 June 2024
	Company Secretary	Until 10 October 2023
George Palatianos	Non-executive Director	Full financial year
Executive Directors		
Darren Lurie	Managing Director	Full financial year
Senior Executives		
Tony Enache	Group Chief Financial Officer	Full financial year

(b) Remuneration policy

The performance of the group depends upon the quality of its directors and executives. To be successful, the group must attract, motivate and retain highly skilled directors and executives. To this end, the group adopts the following principles in its remuneration framework:

- Provide competitive rewards to attract high caliber executives;
- Link executive rewards to the performance of the group and the creation of shareholder value;
- Establish appropriate performance hurdles for variable executive remuneration;
- Meet the Group's commitment to a diverse and inclusive workplace;
- Promote the Group as an employer of choice;
- Comply with relevant legislation and corporate governance principles.

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

The board of directors are responsible for determining and reviewing compensation arrangements for directors and executives. The board of directors assess the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant market conditions, as well as whether performance targets have been met, with the overall objective of ensuring maximum shareholder benefit from the retention of a high-quality board and executives.

(c) Use of Remuneration Consultants

To ensure the board of directors are fully informed when making remuneration decisions, the group seeks external remuneration advice. Remuneration consultants are engaged by, and report directly to, the board of directors. In selecting remuneration consultants, the Board of directors considers potential conflicts of interest and requires independence from the group's key management personnel and other executives as part of their terms of engagement.

During the year ended 30 June 2024, the group did not engage external remuneration consultants.

(d) Non-Executive Director Remuneration

Objective
The board aims to set aggregate remuneration at a level which provides the group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure
The group's Constitution and the ASX Listing Rules specify the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed.

The cap on aggregate non-executive director's remuneration (which requires shareholder approval), and the manner in which it is apportioned amongst non-executive directors, is reviewed annually. The board will consider advice from external consultants as well as fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Non-executive directors receive fees and do not receive share-based remuneration or bonus payments.

Superannuation contributions are made by the Group on behalf of non-executive directors in line with statutory requirements and are included in the remuneration package amount allocated to individual directors.

The remuneration of non-executive directors for the year ended 30 June 2024 is detailed in the table titled KMP Remuneration on page 12 (the 'Remuneration Table').

(e) Executive Remuneration

Objective
The group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the group. This involves:

- Rewarding executives for the group, business unit and individual performance against targets set by reference to appropriate benchmarks
- Aligning the interest of executives with those of shareholders
- Linking reward with the strategic goals and performance of the group
- Ensuring total remuneration is competitive by market standards.

Structure
In determining the level and make-up of executive remuneration, the board of directors engage external consultants on market levels of remuneration for comparable roles. Remuneration consists of the following key elements:

- Fixed remuneration
- Variable remuneration.

The proportion of fixed remuneration and variable remuneration is established for each executive by the board of directors. The variable portion consists of a short-term cash bonus which is performance-based and is disclosed separately in the Remuneration Table.
The board of directors also considers current market conventions with regards to the splits between fixed, short-term and long-term incentive elements.

Fixed Remuneration

Objective
The level of fixed remuneration is set to provide an appropriate and market-competitive base level of remuneration. Fixed remuneration is reviewed annually by the board of directors consisting of a review of group, business and individual performance, relevant comparative remuneration in the market and internal and external advice on policies and practices where necessary.

Structure
Total fixed remuneration ('TFR') is the non-variable component of an executive's annual remuneration. It consists of the base salary plus any superannuation contributions paid to a complying super fund on the executive's behalf, and the cost (including any component for fringe benefits tax) for other items such as novated vehicle lease payments.

Linking remuneration to performance - variable remuneration
Remuneration is linked to performance to retain high calibre executives by motivating them to achieve performance goals which are designed to increase shareholders value.

Variable remuneration

Objective
The objective of executive variable remuneration is to link executive remuneration to the achievement of the group's annual operational and financial targets through a combination of both group and individual performance targets.

Structure
Variable remuneration is expressed as a percentage of a participant's TFR comprising base salary, superannuation contributions and may include other non-cash benefits, and are based on the achievement of group-wide budgeted revenue and profit targets each financial year and individual performance targets at the board's discretion.

For executives, the group provides a remuneration package that incorporates annual cash bonuses, payable at the discretion of the board of directors.

(f) Directors' remuneration

	Short Term Benefits			Long Term Benefits	Post-Employment	Share based payments		
	Salary and fees $	Performance Based Payment $	Non-cash Benefits $	Long Service Leave $	Superannuation $	Options & Performance Rights $	Performance Based %	Total remuneration $
2024								
Malcolm Ward	72,398	-	-	-	7,964	-	-	80,362
Bruce De Lacy	63,609	-	-	-	6,968	-	-	70,577
George Palatianos	70,000	-	-	-	-	-	-	70,000
Darren Lurie	356,165	-	-	-	27,399	212,092	-	595,656
	562,172	-	-	-	42,331	212,092	-	816,595
2023								
Malcolm Ward	67,420	-	-	-	7,079	-	-	74,499
Bruce De Lacy	200,272	-	-	-	16,315	-	-	216,587
George Palatianos	25,757	-	-	-	-	-	-	25,757
Darren Lurie	118,462	-	-	-	10,281	115,273	-	244,016
Peter Bell	22,414	-	-	-	2,354	-	-	24,768
Beth Mathison	48,258	-	-	-	5,067	-	-	53,325
Roland Roccioletti	91,483		-	-	9,606	-	-	101,089
	574,066	-	-	-	50,702	115,273	-	740,041

(g) Executives' remuneration

	Short Term Benefits			Long Term Benefits	Post-Employment		
	Salary and fees $	Performance Based Payment $	Non-cash Benefits $	Long Service Leave $	Superannuation $	Performance Based %	Total remuneration $
2024							
Tony Enache[3]	196,138	-	-	-	21,450	-	217,588
	196,138	-	-	-	21,450	-	217,588
2023							
Daryl Bird[1]	178,142	-	-	-	12,063	-	190,205
Robin Donohue[2]	120,209	-	-	-	11,106	-	131,315
Tony Enache[3]	32,250	-	-	-	3,386	-	35,636
	330,601	-	-	-	26,555	-	357,156

[1] Appointed as Chief Operating Officer on 8 October 2018, Chief Executive Officer on 1 December 2018, Resigned 27 December 2022

[2] Appointed as Chief Financial Officer on 31 May 2021, Resigned 16 Dec 2022

[3] Appointed as Chief Financial Officer on 26 April 2023

Share options included in remuneration The remuneration of Mr. Darren Lurie (Managing Director) includes the share options and performance rights granted to LDL Custodians Pty Ltd (an interest associated with Mr. Darren Lurie) that vest upon the satisfaction of specified performance conditions as detailed in the following tables:

Tranche (iii)	Number of Share options (i)	Grant Date	Fair value per option (at grant date) (ii)	Total value of options (ii)	Vesting Condition	Exercise price per option	Expiry Date	Number of options vested during the year	Number of options lapsed during the year
1	1,200,000	23rd February 2023	$0.070	$84,000	Achieving EBITDA of $4m during any financial year before 30 June 2025	$0.055	3 years from vesting	1,200,000	-
2	1,200,000	23rd February 2023	$0.075	$90,000	Achieving EBITDA of $6m during any financial year before 30 June 2026	$0.055	3 years from vesting	1,200,000	-
3	1,200,000	23rd February 2023	$0.079	$94,800	Achieving EBITDA of $8m during any financial year before 30 June 2027	$0.055	3 years from vesting	-	-
Total Options	**3,600,000**			**$268,800**					

Tranche (iii)	Number of Performance rights (i)	Grant Date	Fair value per right (at grant date) (ii)	Total value of rights granted (ii)	Vesting Condition	Exercise Price per right	Number of rights vested during the year (iii)	Number of rights lapsed during the year	Expiry Date	Vesting Date
1	545,000	23rd February 2023	$0.11	$59,950	Remaining employed at the group	-			-	23rd August 2023
2	545,000	23rd February 2023	$0.11	$59,950	Remaining employed at the group	-			-	23rd February 2024
3	545,000	23rd February 2023	$0.11	$59,950	Remaining employed at the group	-			-	23rd August 2024
4	545,000	23rd February 2023	$0.11	$59,950	Remaining employed at the group	-			-	23rd February 2025
Total Rights	**2,180,000**			**$239,800**						

(i) Options and rights are granted over ordinary shares of the Group. Vested options and rights are exercisable on a one-for-one basis.
(ii) The fair value of options and rights granted is determined at grant date, using the Black-Scholes model. This amount is included in remuneration of executive directors and other key management personnel over the vesting period (i.e., a portion is allocated to each financial year within the vesting period).
(iii)As described on Page 5 of the Directors Report, Due to an administrative oversight, the issue of 2,180,000 Performance Rights and 3,600,000 Share Options didn't comply with ASX Listing Rules. Consequently, the Group issued the Performance Rights and Options subsequent to 30 June 2024. The first two tranches of the Performance Rights would have otherwise vested during the Financial Year. The Group also issued 1,090,000 of fully paid ordinary shares for nil consideration to LDL Custodians Pty Ltd subsequent to 30 June 2024 as described in Note 27.

(h) Shareholdings of KMP

	Balance 1 July 2023	Received as remuneration	Options exercised	Other On market purchases/ (sales)	Balance 30 June 2024
Malcolm Ward	3,809,576	-	-	-	3,809,576
Bruce De Lacy	2,214,748	-	-	-	2,214,748
George Palatianos	21,818,182	-	-	647,365	22,465,547
Darren Lurie	14,545,454	-	-	-	14,545,454
Tony Enache	-	-	-	-	-
	42,387,960	-	-	647,365	43,035,325

Malcolm Ward has an indirect interest in the 43,519,979 shares held by West Coast Eggs Pty Ltd (2023: 43,519,979 shares) and the 1,584 shares held by Southern Egg Pty Ltd (2023: 1,584).

(i) Other transactions with KMP

The value of transactions (inclusive of GST) and amounts receivable/(payable) between directors and their related entities and Farm Pride Foods Limited and its controlled entities.

Director related entities	Transaction	Revenue		Expenditure		Balance Receivable / (Payable)	
		2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Ackenberg Holdings Pty Ltd[1] (G. Palatianos)	Loan Interest	-	-	118	-	(1,750)	-
Oakmeadow Pty Ltd[2] (M. Ward)	Loan Interest	-	-	7	6	(300)	-
LDL Custodians Pty Ltd[3] (D. Lurie)	Loan Interest	-	-	6	-	(200)	-
West Coast Eggs Pty Ltd[2] (P. Bell/M. Ward)	Egg sales / Purchases	-	141	-	331	-	(46)
AAA Egg Company Pty Ltd[2] (P.Bell/M. Ward)	Loan Interest	-	-	-	12	-	-
Siamje Pty Ltd[4] (D. Lurie)	Consulting	-	-	-	84	-	-
Bruce De Lacy[5]	Loan Interest	-	-	3	-	-	-
Days Eggs Pty Ltd[2] (P. Bell/ M. Ward)	Egg sales / Purchases	-	8	149	223	-	(52)
Pure Foods Eggs Pty Ltd[2] (P. Bell)	Egg sales / Purchases	-	-	-	-	-	-
Morago Holdings Pty Ltd[2] (P. Bell)	Loan Interest	-	-	-	17	-	-

[1]George Palatianos through his related entity provided unsecured interest-bearing loans during the year.

[2]Malcolm Ward and Peter Bell through their related entities provides eggs and egg products to and acquire eggs, egg product and packaging from Farm Pride Foods Limited and its controlled entities. Malcolm Ward and Peter Bell through their related entities also provided unsecured interest-bearing loans. These transactions are on normal trading terms and conditions. Peter Bell resigned as director in September 2022.

[3]Darren Lurie through his related entity (LDL Custodians) provided unsecured interest-bearing loans during the year.

[4]Darren Lurie through his related entity (Siamje) had provided consulting services before his appointment as director in February 2023.

[5]Bruce De Lacy provided unsecured interest-bearing loans during the year.

Transactions in the above table represent related party transactions for the full financial year from July '23 – June '24 and comparatives for July '22 - June '23.

(j) Service Agreements

The contracts for service between the group and executives are on a continuing basis, the terms of which are not expected to change in the immediate future. Remuneration and other terms of employment for key management personnel are formalised in service agreements as follows:

Managing Director
Darren Lurie is the Managing Director of the Group appointed on 23 February 2023. Darren is employed under a standard employment contract with no defined length of tenure. Under the terms of his employment contract:

- Darren may resign from his position by providing the group with six months written notice,
- The group may terminate this agreement by providing six months written notice or provide payment in lieu of the notice period, or the unexpired part of any notice period,
- The group may terminate at any time without notice if serious misconduct has occurred,
- Darren is awarded share options and performance rights that vest upon the satisfaction of specified performance conditions.

Details of Darren Lurie's salary are detailed in the Remuneration Table.

Chief Financial Officer
Tony Enache is the Chief Financial Officer of the Group appointed 26 April 2023. Tony is employed under a standard employment contract with no defined length of tenure.

- Tony may resign from his position by providing the group with six weeks written notice,
- The group may terminate this agreement by providing six weeks written notice or provide payment in lieu of the notice period, or the unexpired part of any notice period,
- The group may terminate at any time without notice if serious misconduct has occurred.

Details of Tony Enache's salary are detailed in the Remuneration Table.

(k) Revenue and Other Income

The group's revenue, profit before tax and earnings per share for the last five financial years is presented in the table below:

	2024 $'000	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Revenue	101,854	82,842	76,577	76,991	90,327
Net (loss)/profit before tax	(2,345)	(9,112)	(13,955)	(14,518)	(3,099)
Net (loss)/profit after tax	(2,345)	(9,112)	(19,782)	(11,971)	(2,169)
Share price at end of year in dollars	0.097	0.12	0.115	0.42	0.27
Basic (loss)/earnings cents per share	(1.63)	(9.89)	(35.85)	(21.69)	(3.93)
Diluted (loss)/earnings cents per share	(1.63)	(9.89)	(35.85)	(21.69)	(3.93)

Voting and comments made at the company's 2023 Annual General Meeting (AGM)

At the company's most recent AGM, a resolution to adopt the prior year remuneration report was put to the vote and at least 75% of votes were cast as 'yes' for adoption of that report. No comments were made on the remuneration report that was considered at the AGM.

This is the end of the audited remuneration report.

Signed in accordance with a resolution of the directors.

George Palatianos
Director
Melbourne
30 August 2024

FARM PRIDE FOODS LIMITED

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF FARM PRIDE FOODS LIMITED

In relation to the independent audit for the year ended 30 June 2024, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Farm Pride Foods Limited and its controlled entities during the year.

STEPHEN SCHONBERG
Partner

Date: 30 August 2024

PITCHER PARTNERS
Melbourne

	Notes	2024 $'000	2023 $'000
Revenue and other income			
Revenue from contracts with customers	4	97,069	82,677
Other income	4	4,785	165
		101,854	82,842
Less: Expenses			
Changes in inventories of finished goods and work in progress	5	1,355	(307)
Raw materials and consumables used	5	(70,255)	(59,922)
Employee benefits expense	5	(22,531)	(18,635)
Depreciation	5	(6,169)	(6,389)
Loss on disposal of property, plant & equipment and lease assets		-	(46)
Finance costs	5	(3,221)	(2,518)
Other expenses		(3,378)	(4,137)
(Loss) before income tax		(2,345)	(9,112)
Income tax (expense)	6	-	-
(Loss) from continuing operations		(2,345)	(9,112)
(Loss) for the year		(2,345)	(9,112)
Total comprehensive (loss) for the period		(2,345)	(9,112)
Basic (loss) per share (cents per share)	19	(1.63)	(9.89)
Diluted (loss) per share (cents per share)	19	(1.63)	(9.89)

The above statement should be read in conjunction with the accompanying notes

	Notes	2024 $'000	2023 $'000
Current Assets			
Cash and short-term deposits	21	1,686	1,987
Trade and other receivables	8	12,005	8,619
Inventories	9	5,900	4,545
Biological assets	10	5,301	9,662
Other current assets	11	677	757
Assets held for sale	12	-	1,822
Total current assets		25,569	27,392
Non-current assets			
Biological assets	10	433	349
Property, plant and equipment	13	20,549	21,838
Lease assets	14	14,260	6,336
Total non-current assets		35,242	28,523
TOTAL ASSETS		60,811	55,915
Current liabilities			
Trade and other payables	15	12,333	14,327
Lease liabilities	14	3,635	3,305
Borrowings	16	4,455	190
Provisions	17	2,290	1,874
Total current liabilities		22,713	19,696
Non-current liabilities			
Borrowings	16	12,659	15,624
Lease liabilities	14	22,519	15,429
Provisions	17	98	115
Total non-current liabilities		35,276	31,168
TOTAL LIABILITIES		57,989	50,864
NET ASSETS		2,822	5,051
EQUITY			
Contributed equity	18	34,307	34,307
Share option reserve	20	187	71
Retained losses		(31,672)	(29,327)
		2,822	5,051

The above statement should be read in conjunction with the accompanying notes.

	Contributed equity	Share Option Reserve	Retained losses	Total
	$'000	$'000	$'000	$'000
Balance as at 1 July 2023	34,307	71	(29,327)	5,051
Loss for the year	-	-	(2,345)	(2,345)
Total comprehensive income	**-**	**-**	(2,345)	(2,345)
Transactions with owners in their capacity as owners				
Share based payments		116		116
Balance as at 30 June 2024	34,307	187	(31,672)	2,822
Balance as at 1 July 2022	29,578	-	(20,215)	9,363
Loss for the year	-	-	(9,112)	(9,112)
Total comprehensive income	**-**	**-**	(9,112)	(9,112)
Transactions with owners in their capacity as owners				
Issue of ordinary shares	4,877	-	-	4,877
Shares issue costs	(148)	-	-	(148)
Share based payments		71	-	71
Balance as at 30 June 2023	34,307	71	(29,327)	5,051

The above statement should be read in conjunction with the accompanying notes.

	Notes	2024	2023 Restated
		$'000	$'000
Cash flow from operating activities			
Receipts from customers		104,261	88,959
Payments to suppliers and employees		(98,401)	(88,650)
Finance costs paid		(2,929)	(2,417)
Net cash provided by/(used in) operating activities	21	2,931	(2,108)
Cash flow from investing activities			
Proceeds from sale of asset held for sale net of transaction costs		2,345	-
Payment for property, plant and equipment		(1,207)	(529)
Proceeds from sale of property, plant and equipment		-	6
Net cash provided by/(used in) investing activities		1,138	(523)
Cash flow from financing activities			
Proceeds from Issue of new shares net of transaction costs		-	4,729
Repayment of borrowings		(4,211)	(5,805)
Proceeds from borrowings		4,000	8,050
Repayment of lease liabilities		(4,159)	(4,506)
Net cash provided by/ (used in) financing activities		(4,370)	2,468
Net (decrease)/increase in cash and cash equivalents		(301)	(163)
Cash and cash equivalents at beginning of the year		1,987	2,150
Cash and cash equivalents at end of the year	21	1,686	1,987

The above statement should be read in conjunction with the accompanying notes.

Note 1: Summary of significant accounting policies

The following is a summary of significant accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. Farm Pride Foods Limited (the Company or parent entity) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

(a) Basis of preparation of the financial report

This financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

The financial report is presented in Australian dollars.

The financial report was authorised for issue by the directors as at 30 August 2024.

Compliance with International Financial Reporting Standards (IFRS)
The consolidated financial statements of Farm Pride Foods Ltd also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Significant accounting estimates
The preparation of the financial report requires the use of certain estimates and judgements in applying the group's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2.

(b) Going concern

The financial report has been prepared on the basis that the Group is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the year ended 30 June 2024 (FY24) the Group incurred a net loss after tax of $2.345 million (2023: loss $9.112 million). This improved financial performance was also reflected in the EBITDA of the Group which improved from negative $0.205 million in FY23 to positive $7.045m in FY24. Net cash flow from operating activities was an inflow of $2.931 million (2023: cash outflow $2.108 million). As at 30 June 2024 current assets of $25.569 million exceeded current liabilities of $22.713 million by $2.856 million. (2023: current assets of $27.392 million exceeded current liabilities of $19.696 million by $7.696 million). Borrowings of $12.659 million (2023 $15.624 million) are classified as non-current.

As described in Note 16 the Group has four debt facilities at 30 June 2024 providing funding of up to $17.154 million. These facilities were drawn to $17.114 million as at 30 June 2024. The largest facility expires on 31 December 2025.

In determining the basis for preparation of the financial report, the directors have assessed the financial performance, future operating plans, financial forecasts, existing financial position and recent equity raising by the Group. The directors believe there are reasonable grounds to expect the Group to be able to continue as a going concern for at least 12 months from the date of issue of the financial report, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. It is acknowledged however that there are uncertainties associated with the forecast assumptions including the ability to achieve forecast revenue levels and gross profit margins, and to achieve forecast cost reductions and efficiencies.

As a result of the above, the directors have concluded that the going concern basis is appropriate. Given the circumstances detailed above and conditions affecting the Australian egg and grain industry more broadly, there exists uncertainty that could cast doubt on the ability of the Group to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business, and at the amounts stated in the financial report.

(c) Biological assets

Biological assets comprise flocks of hens. As there is no active market for flocks of hens, the biological assets are recorded based upon the capitalised cost of the flock less accumulated amortisation. The cost is amortised over the productive life of the flock. This is approximately 60 weeks. The flocks are held for the purposes of producing eggs.

(d) Borrowing costs

Borrowing costs are expensed as incurred, except for borrowings directly incurred as part of the cost of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale. Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and other costs that an entity incurs in connection with its borrowing of funds.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, short-term deposits with an original maturity of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(f) Restatement of prior year statement of cash flow:

In June 2023, the Group originally recognised a trade payable for insurance premium funding and the payments associated with the insurance premium funding as cash outflows from operating activities. In June 2024, it was identified that the liability should have been recognised in borrowings and the associated cashflows should have been presented as cash outflows from financing activities. The comparative figures for the year ended 30 June 2023 have been restated as follows:

	2023	2023
		Restated
Cash flow from operating activities	**$'000**	**$'000**
Receipts from customers	88,959	88,959
Payments to suppliers and employees	(89,945)	(88,650)
Finance costs	(2,417)	(2,417)
Net cash (used in) operating activities	**(3,403)**	**(2,108)**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	6	6
Payment for property, plant and equipment	(529)	(529)
Net cash (used in) investing activities	**(523)**	**(523)**

Cash flow from financing activities		
Proceeds from Issue of new shares net of transaction costs	4,729	4,729
Repayment of borrowings	(4,510)	(5,805)
Proceeds from borrowings	8,050	8,050
Repayment of lease liability	(4,506)	(4,506)
Net cash provided by financing activities	**3,763**	**2,468**
Net (decrease) in cash and cash equivalents	(163)	(163)
Cash and cash equivalents at beginning of the half-year	2,150	2,150
Cash and cash equivalents at end of the half-year	**1,987**	**1,987**

In summary, this resulted in a reduction in net cash outflows from operating activities of $1.295 million and a reduction in net cash inflows from financing activities of $1.295 million.

(g) Employee benefits

Provisions for short-term employee benefits, including annual leave that are expected to be settled wholly within twelve months after the end of the reporting period, are measured at the (undiscounted) amount of the benefit expected to be paid.

Provisions for other long-term employee benefits, including long service leave and annual leave that are not expected to be settled wholly within twelve months after the end of the reporting period, are measured at the present value of the expected benefit to be paid in respect of the services provided by employees up to the reporting date.

(h) Events after the reporting period

Events after the reporting period are those events, favourable or unfavourable, that occur between the end of the reporting period and the date when the financial report is authorised for issue.

The amounts recognised in the financial statements reflect events after the reporting period that provide evidence of conditions that existed at the reporting date. Whereas events after the reporting period that are indicative of conditions that arose after the reporting period (i.e. which did not exist at the reporting date) are excluded from the determination of the amounts recognised in the financial statements.

(i) Financial instruments

Financial assets
Financial assets are measured at either amortised cost or fair value on the basis of the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Payables
Contingent consideration payable by the Group for the acquisition of a business is measured at fair value. All other payables are measured at amortised cost.

Borrowings
Borrowings are measured at amortised cost.

Impairment of financial assets
The Group recognises an allowance for expected credit losses in respect of receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the financial asset, reflecting credit losses that are expected to result from default events over the life of the financial asset.

The Group recognises an allowance for expected credit losses for all other financial assets subject to impairment testing on the basis of:

- the lifetime expected credit losses of the financial asset, for those other receivables for which a significant increase in credit risk has been identified, reflecting credit losses that are expected to result from default events over the life of the financial asset; and
- the 12-month expected credit losses of the financial asset, for those other receivables for which no significant increase in credit risk has been identified, reflecting the portion of lifetime expected credit losses that are expected to result from default events within twelve months after the end of the reporting period.

The Group determines expected credit losses based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The gross carrying amount of a financial asset is written off (i.e. reduced directly) when the counterparty is in severe financial difficulty and the Group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Group. Recoveries, if any, are recognised in profit or loss.

(j) Foreign currency translations and balances

Functional and presentation currency
The financial statements are presented in Australian dollars which is the group's functional and presentation currency.

Transactions and balances
Transactions undertaken in foreign currencies are recognised in the group's functional currency, using the spot rate at the date of the transaction.

(k) Foreign currency translations and balances

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are restated to the spot rate at the reporting date.

Except for certain foreign currency hedges, all resulting exchange gains or losses are recognised in profit or loss for the period in which they arise.

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST.

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. 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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Impairment of non-financial assets

Non-financial assets, including property, plant and equipment and lease assets are tested for impairment whenever events or circumstances indicate that the asset may be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash inflows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. An impairment loss is recognised when the carrying amount of an asset or cash generating unit (to which the asset belongs) exceeds its recoverable amount.

(n) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit nor taxable profit or loss.

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.

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

(o) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct material, direct labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Costs are assigned on a standard cost basis which approximates actual cost. The standard cost basis is reviewed by management regularly and adjusted to reflect current conditions, where necessary. Net realisable value is an estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

(p) Leases

Lease assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, on a basis that is consistent with the expected pattern of consumption of the economic benefits embodied in the underlying asset.

Lease liabilities are measured at the present value of the remaining lease payments. Interest expense on lease liabilities is recognised in profit or loss. Variable lease payments not included in the measurement of lease liabilities are recognised as an expense in the period in which they are incurred.

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(q) Other revenue

Interest revenue is recognised using the effective interest method.

Other revenue is recognised when the right to receive income or other distribution has been established.

(r) Principles of consolidation

The consolidated financial statements are those of the group, comprising the financial statements of the parent entity and of all entities, which the parent entity controls. The parent entity controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is established and are derecognised from the date that control ceases.

(s) Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if it is highly probable their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amounts and fair value less costs of disposal.

(t) Property, plant and equipment

Cost and valuation
Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Repairs and maintenance are recognised in profit or loss as incurred.

Depreciation
Land is not depreciated. The depreciable amounts of all other property, plant and equipment are calculated using the straight-line method over their estimated useful lives 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 useful lives for each class of assets are:

	2024	2023
- Buildings	Up to 40 years	Up to 40 years
- Plant and equipment	1 to 20 years	1 to 20 years
- Leased plant and equipment	5 to 20 years	5 to 20 years

(u) Research and development expenditure

Expenditure on research activities is recognised as an expense when incurred.

Development costs are capitalised when the group can demonstrate all of the following: the technical feasibility of completing the asset so that it will be available for use or sale; the intention to complete the asset and use or sell it; the ability to use or sell the asset; how the asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and the ability to measure reliably the expenditure attributable to the asset during its development. Capitalised development costs are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to capitalised development costs is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, capitalised development costs are measured at cost, less accumulated amortisation and any accumulated impairment losses.

(v) Revenue from contracts with customers

Sales
The Group's contracts with customers for the sale of egg products include one performance obligation. The Group recognises revenue from sale of products at the point in time when control of the asset is transferred to the customer on delivery of the goods. The normal credit terms are 30 days.

Variable consideration
Some contracts for the sale of products provide customers with rebates and promotional discounts which give rise to variable consideration. The variable consideration is estimated at contract inception using the expected value method based on forecast, timing of settlement and/or volumes and is constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty is subsequently resolved.

The amount of revenue reflects the consideration to which the Group expects to be entitled to in exchange for those goods.

Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring products to a customer before payment is due, a contract asset is recognised for the right to the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer products to customers for which the Group has received consideration from the customer in advance. If a customer pays consideration before the Group transfers products to the customer, a contract liability is recognised when the payment is made, or the payment is due. Contract liabilities are recognised as revenue when the Group provides the product under the contract.

(w) Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(x) Share-based payments

Options granted to employees are measured at fair value, determined at grant date using a binomial option pricing model. The grant date fair value of options granted to employees is recognised as an expense on a straight-line basis over the vesting period, based on the estimated number of options expected to vest (with a corresponding increase in equity). The impact of any revision of the estimated number of options expected to vest is recognised in profit or loss, so that the cumulative expense (and equity) recognised reflects the actual number of options that eventually vest.

(y) Segment reporting

Management has determined the operating segments based on the reports reviewed by the board of directors (the chief operating decision maker as defined under AASB 8) that are used to make strategic and operating decisions. The board of directors considers the business primarily from a geographic perspective. On this basis the Group has identified one reportable segment, Australia. The Group does not operate in any other geographic segment.

(z) Comparatives

Where necessary the comparative information has been reclassified and repositioned for consistency with current year disclosures.

(aa) Rounding of amounts

The group have applied the relief under ASIC Corporates (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the Financial Reports and in the Directors' Report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

(bb) Adoption of new and revised Accounting Standards:

The group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2023. These standards do not have a material impact on the Group's financial results or position.

(cc) Standards and interpretations issued but not yet effective:

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future periods. The Group has decided not to early adopt any of these new and amended pronouncements. These pronouncements are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

Note 2: Significant accounting estimates and judgements

Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(a) Impairment of non-current assets other than goodwill

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Group. Impairment triggers include declining product or manufacturing performance, technology changes, adverse changes in the economic or political environment or future product expectations. If an indicator of impairment exists, the recoverable amount of the asset is determined. Refer to Note 13(b) for further details.

(b) *Income tax*

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences and tax losses to the extent that management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

(c) Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, and technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(d) Biological assets

The cost of flocks of hens are amortised over the productive life of the flock, which is approximately 60 weeks. This is based on the characteristics of the flock and the Group's historical operating experience.

(e) Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(f) Rebates and promotional discounts liabilities

Rebates and promotional discounts are either settled monthly on settlement of invoice or accrued at balance sheet date depending on the exact timing of the customer claim. The Group estimates the rebate and promotional discount based on the percentage specified in the customer contract and the timing of settlement and/or volumes sold taking into account previous claims made.

(g) Inventory provisions

Management's judgement is applied in determining the inventory provisions for obsolescence and net realisable value, where the estimated selling price of inventory is lower than the cost to sell based on historical observations and management expectations.

(h) Share Based Payments:

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments on the date at which they are granted. The value of equity instruments granted is determined according to the fair value of goods or services received unless that fair value cannot be estimated reliably, in which case the fair value is determined by reference to the underlying value of equity instruments granted.

Note 3: Financial instruments risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including market risk (commodity prices, foreign currency and interest rate risk), liquidity risk and credit risk.

The Group's senior management oversees the management of these risks by using various financial instruments, including derivative financial instruments. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The use of financial derivatives is subject to approval by the Board of Directors.

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations. The Group is exposed to some foreign currency risk as the purchase of plant and equipment from time to time is denominated in foreign currencies.

The Group holds the following financial assets and financial liabilities at reporting date:

	2024 $'000	2023 $'000
Financial assets		
Cash and cash equivalents	1,686	1,987
Receivables	12,005	8,619
	13,691	10,606
Financial liabilities		
Payables	12,333	14,327
Lease liabilities	26,154	18,734
Borrowings	17,114	15,814
	55,601	48,875

(a) Market risk

(i) ***Commodity price risk***

The Group is affected by the price variability of certain commodities. The Group's main sales product is shell eggs which is a commodity that is subject to market conditions. Where possible the Group enters longer term relationships with key customers that create more certainty around volumes and price. The Group's activities also require the ongoing purchase of grain and/or feed stock and is therefore affected by fluctuations in the price of feed ingredients, primarily wheat and soy. The Group manages this exposure utilising forward grain and/or feed stock purchase commitments through its key suppliers, within certain price parameters agreed by the Board of Directors.

(ii) ***Foreign exchange risk***

The majority of the Group's operations are denominated in Australian dollars, therefore minimising the impact of foreign currency risk. The Group undertakes some transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed utilising forward foreign exchange contracts, subject to approval by the Board of Directors.

Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments (normally Euro) for future purchases of plant and equipment.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's external debt facilities and cash at bank held at variable rates. The Group's exposure to interest rate risks in relation to future cash flows and the weighted average effective interest rates on classes of financial assets and financial liabilities is shown in the table below.

Sensitivity

The following sensitivity analysis is assessed on the interest rate risk exposures in existence at reporting date. At 30 June 2024, if interest rates had moved as illustrated in the table below, with all other variables held constant, the post-tax profit and equity would have been impacted as follows:

	Impact on post-tax profit and equity	
	2024 $'000	2023 $'000
Interest rates – increase by 100 basis points	(86)	(89)
Interest rates – decrease by 100 basis points	86	89

(b) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who assess the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities and by continuously monitoring forecast and actual cash flows. Refer to the Group's funding arrangements disclosed in Note 16.

Maturities of financial liabilities

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been prepared based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both principal and estimated interest cash flows. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing at reporting date.

2024	**<6 months $'000**	**6-12 months $'000**	**1-5 years $'000**	**Over 5 years $'000**	**Total $'000**	**Fixed/ Floating**
Financial liabilities						
Trade and other payables	(12,333)	-	-	-	(12,333)	-
Long Term Floating Loan	-	-	(12,515)	-	(12,515)	Floating 12.9%
Long Term Fixed Loan	(101)	(104)	(144)	-	(349)	Fixed at 7.5%
Working Capital Loan	(2,000)	-	-	-	(2,000)	Floating 10.9%
Short Term Fixed Loans	(2,250)	-	-	-	(2,250)	Fixed at 10.3%
Lease liability	(1,867)	(1,768)	(8,642)	(13,877)	(26,154)	Fixed at 3% to 10.3%
	(18,551)	(1,872)	(21,301)	(13,877)	(55,601)	

2023	**<6 months $'000**	**6-12 months $'000**	**1-5 years $'000**	**Over 5 years $'000**	**Total $'000**	**Fixed/ Floating**
Financial liabilities						
Trade and other payables	(14,327)	-	-	-	(14,327)	-
Long Term Floating Loan	-	-	(14,225)	-	(14,225)	Floating 12.6%
Long Term Fixed Loan	(93)	(97)	(349)	-	(539)	Fixed at 7.5%
Working Capital Loan	-	-	(1,050)	-	(1,050)	Floating 10.5%
Lease liability	(1,837)	(1,423)	(5,537)	(9,937)	(18,734)	Fixed at 3%
	(16,257)	(1,520)	(21,161)	(9,937)	(48,875)	

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations under a financial instrument or customer contract, resulting in financial loss to the Group. The Group manages its credit risk by dealing with creditworthy counterparties. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The aging analysis of trade and other receivables is provided in Note 8(b). As the Group undertakes transactions with a large number of customers and regularly monitors payment in accordance with credit terms, the financial assets that are neither past due nor impaired, are expected to be received in accordance with credit terms.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for impairment, represents the Group's maximum exposure to credit risk.

Note 4: Revenue

Disaggregation of revenue

In the following table, revenue is disaggregated by major product.

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Type of product[1]		
Shell egg	54,241	44,648
Egg product	38,774	35,547
Packaging	4,054	2,482
Total revenue from contracts with customers	97,069	82,677
Compensation due to Avian Influenza event[2]	4,232	-
Gain on sale of asset held for sale[3]	486	-
Other income	67	165
Total other income	4,785	165
Total revenue and other income	101,854	82,842

[1] The majority of sales (99.9%) are made in Australia. Revenue is recognised at a point in time, upon satisfaction of the Group's performance obligation, being delivery of the products to the customer.

[2]In June 2024, hens on three laying farms operated by the Group in the Lethbridge, Victoria area returned positive results for Avian Influenza and were depopulated. The Group lodged a compensation claim of $4.2m with Agriculture Victoria under the Emergency Animal Disease Compensation Scheme. The compensation was received by the Group in August 2024.

[3]Refer note 12.

Note 5: Loss from continuing operations

Loss from continuing operations before income tax has been determined after the following specific expenses:

	Consolidated	
	2024 $'000	**2023 $'000**
Cost of goods sold		
Changes in inventories of finished goods and work in progress	(1,355)	307
Raw materials and consumables used	70,255	59,922
	68,900	60,229

Employee benefits expenses		
Salaries and wages	20,704	17,163
Employee superannuation contributions	1,827	1,472
Total employee benefits expenses	22,531	18,635
Depreciation of non-current assets and leased assets		
Land and buildings	716	887
Plant & equipment	1,780	1,764
Right of use and leased assets	3,673	3,738
Total depreciation of non-current assets	6,169	6,389
Foreign exchange translation loss	11	3
Flock amortisation (note 10)	12,548	10,745
Loss on disposal of flock (note 10)	3,129	104
Finance costs – interest expense	3,221	2,518

Note 6: Income tax

	Consolidated	
	2024 $'000	**2023 $'000**
(a) Components of tax expense:		
Current tax expense	-	-
Deferred tax expense	-	-
	-	-
(b) Income tax reconciliation		
(Loss) / profit before income tax	(2,345)	(9,112)
At the statutory income tax rate of 30% (2023:30%)	(704)	(2,734)
Non-deductible expenses and timing differences	(163)	(223)
Tax losses not brought to account	867	2,957
Income tax (benefit)/expense	-	-
Deferred tax assets not bought to account		
Operating losses at 30%	9,027	8,160
Deductible temporary differences not recognized	5,809	5,985
Total deferred tax assets not bought to account	14,836	14,145

Note 7: Dividends

	Consolidated 2024 $'000	Consolidated 2023 $'000
(a) Dividends proposed and recognised as a liability	Nil	Nil
(b) Franking credit balance		
Balance of franking account at year end	11,485	11,485

Note 8: Receivables

	Consolidated 2024 $'000	Consolidated 2023 $'000
Trade receivables	7,719	8,133
Allowance for expected credit losses	(52)	(22)
	7,667	8,111
Compensation receivable from Agriculture Victoria due to Avian Influenza event	4,232	-
Other receivables	106	508
	12,005	8,619

(a) Terms and conditions

Trade receivables are non-interest bearing and generally on 30-day terms.
Other receivables are non-interest bearing and have repayment terms between 30 and 60 days.

(b) Allowance for expected credit losses

	Consolidated 2024 $'000	Consolidated 2023 $'000
Movements in the allowance for expected credit losses were:		
Opening balance as at 1 July	22	6
Increase in allowance for expected credit losses	30	16
	52	22

Trade and other receivables ageing analysis as at 30 June is:

	Gross 2024 $'000	Loss Allowance 2024 $'000	Gross 2023 $'000	Loss Allowance 2023 $'000
Not past due	11,928	1	8,482	1
Past due	129	51	159	21
	12,057	52	8,641	22

Due to the short-term nature of these receivables, their carrying value approximates their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security.

Note 9: Inventories

	Consolidated 2024 $'000	2023 $'000
Raw materials	3,501	3,274
Finished goods	2,399	1,271
Total inventories	5,900	4,545

Note 10: Biological assets

	Consolidated 2024 $'000	2023 $'000
Current	5,301	9,662
Non-current	433	349
Total	5,734	10,011
Flocks		
Cost	11,166	16,318
Less: Accumulated amortisation	(5,432)	(6,307)
	5,734	10,011
Opening written down value	10,011	6,300
Additions	11,400	14,560
Amortisation	(12,548)	(10,745)
Disposal	(3,129)	(104)
Closing written down value	5,734	10,011

The number of birds held by the Group as at 30 June 2024 was 739,617 (2023: 1,163,255).
The average output per bird is approximately 5.5 eggs per week during their productive period.

Note 11: Other current assets

	Consolidated 2024 $'000	2023 $'000
Prepayments and deposits	677	757

Note 12: Assets held for sale

	Consolidated 2024 $'000	2023 $'000
Assets held for sale	-	1,822

The Group finalised the sale of its surplus non-arable land during FY24. The Group received disposal proceeds of $2.345 million (net of costs). $2.000 million of the proceeds were used to repay Group's borrowings. $0.486 million of gain on sale of asset held for sale was recognised in the consolidated statement of profit or loss.

Note 13: Property, plant and equipment

2024	Land and buildings $'000	Plant and equipment $'000	Capital works in progress $'000	Total $'000
Cost	24,121	48,451	280	72,852
Accumulated depreciation and impairment	(9,588)	(42,715)	-	(52,303)
Net book value	**14,533**	**5,736**	**280**	**20,549**
Opening net book value as at 1 July 2023	**15,200**	**6,068**	**570**	**21,838**
Additions	-	207	1,000	1,207
Disposal	-	-	-	-
Transfers	49	1,241	(1,290)	-
Depreciation	(716)	(1,780)	-	(2,496)
Net book value as at 30 June 2024	**14,533**	**5,736**	**280**	**20,549**

2023	Land and buildings $'000	Plant and equipment $'000	Capital works in progress $'000	Total $'000
Cost	24,073	46,982	570	71,625
Accumulated depreciation and impairment	(8,873)	(40,914)	-	(49,787)
Net book value	**15,200**	**6,068**	**570**	**21,838**
Opening net book value as at 1 July 2022	**17,900**	**7,418**	**195**	**25,513**
Additions	-	-	1,050	1,050
Disposal	(23)	(229)	-	(252)
Transfers	32	643	(675)	-
Transfer to assets held for sale	(1,822)	-	-	(1,822)
Depreciation	(887)	(1,764)	-	(2,651)
Net book value as at 30 June 2023	**15,200**	**6,068**	**570**	**21,838**

(a) Assets pledged as security

Included in the balances of freehold land and buildings and plant and equipment are assets over which first mortgages have been granted as security over loans (see note 16). The terms of the first mortgage preclude the assets from being sold or being used as security for further mortgages without the permission of the first mortgage holder. The mortgage also requires buildings that form part of the security to be fully insured at all times.

(b) Impairment testing of non-current assets

The Group performed an impairment test as at June 2024. The recoverable amount of the Group's property, plant and equipment was determined on a value-in-use basis, using cash flow forecasts covering a 5-year period and perpetual cash flow projections beyond the 5-year budget period using a growth rate of 3.0% (2023: 3.0%) that approximates the long-term average growth rate for the sector, and a post-tax discount rate of 12% (2023: 12%). Based on this determination, management concluded that the recoverable amount of the Group's property, plant and equipment was greater than its carrying amount at 30 June 2024 and that the Group's non-current assets were not impaired.

(c) Fair value of farm property

As part of the re-financing process of the Group's debt facilities, an independent valuation of three of the Group's owned farm properties was conducted. This valuation indicated that the fair value of these farms as at 30 June 2024 was $25.900 million. The farms are split between land and buildings and plant and equipment. The carrying value of these farms as at 30 June 2024 was $18.216 million.

Note 14: Lease assets and liabilities

Lease assets

2024	**Land and buildings $'000**	**Plant and equipment $'000**	**Total $'000**
Cost	23,022	1,182	24,204
Accumulated depreciation	(9,426)	(518)	(9,944)
Net book value	**13,596**	**664**	**14,260**
Opening net book value as at 1 July 2023	6,087	249	6,336
Depreciation	(3,454)	(219)	(3,673)
Recognition of leased assets – additions/modifications	10,963	634	11,597
Disposal	-	-	-
Net book value as at 30 June 2024	**13,596**	**664**	**14,260**

Lease assets

2023	**Land and buildings $'000**	**Plant and equipment $'000**	**Total $'000**
Cost	21,680	1,381	23,061
Accumulated depreciation	(15,593)	(1,132)	(16,725)
Net book value	**6,087**	**249**	**6,336**
Opening net book value as at 1 July 2022	9,640	451	10,091
Depreciation	(3,553)	(185)	(3,738)
Disposal	-	(17)	(17)
Net book value as at 30 June 2023	**6,087**	**249**	**6,336**

Lease liabilities

Lease liabilities	**2024 $'000**	**2023 $'000**
Current lease liabilities	3,635	3,305
Non-current lease liabilities	22,519	15,429
Total carrying amount of lease liabilities	26,154	18,734
Lease expenses and cashflows		
Depreciation expense on lease assets	3,673	3,738
Interest expense on lease liabilities	911	616
Repayment of lease liability	4,159	4,506
Total cash outflow relating to leases	5,070	5,122

Note 15: Payables

	Consolidated	
	2024 $'000	**2023 $'000**
Trade creditors	10,322	11,349
Other payables and accruals	2,011	2,978
	12,333	14,327

(i) Terms and conditions

Group's standard terms are 30 days from the end of month.

Note 16: Borrowings

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current		
Short term loans (unsecured)[1]	2,250	-
Working Capital Loan[2]	2,000	-
Long term loan (unsecured)[3]	205	190
	4,455	190
Non-current		
Long term loan (secured)[4]	12,515	14,225
Long term loan (unsecured)[3]	144	349
Working capital loan[2]	-	1,050
	12,659	15,624

[1] Short term loans have been provided by interests associated with the Group's board of directors. The facilities are unsecured. The maturity date of the facilities is 31st December 2024. $1.035 million of these loans were converted into equity in August 2024 as described in Note 27.
[2] The facility is secured over the Group's receivables. The maturity date of the facility as at 30 Jun 2024 was 31 August 2024.The facility was renewed till 31 August 2025 in August 2024.
[3] The facility is unsecured. The maturity date of the facility is 28th February 2026.
[4] The facility is secured by a fixed charge over selected property and company assets. The maturity date of the facility is 31 December 2025.

At the reporting date, the Group's financing are as follows.

	Consolidated 2024 $'000	Consolidated 2023 $'000
(i) Long Term Loan (secured)		
Facilities available	12,555	14,342
Facilities used	12,515	14,225
Facilities unused	40	117
(ii) Short Term Loans (unsecured)		
Facilities available	2,250	-
Facilities used	2,250	-
Facilities unused	-	-
(iii) Working Capital Loan		
Facilities available	2,000	2,000
Facilities used	2,000	1,050
Facilities unused	-	950
(iv) Long Term Loan (unsecured)		
Facilities available	349	539
Facilities used	349	539
Facilities unused	-	-

Note 17: Provisions

	Consolidated	
	2024 $'000	**2023 $'000**
Current		
Employee benefits		
Annual and other leave entitlements	1,328	997
Long service leave	962	877
	2,290	1,874
Non-current		
Employee benefits		
Long service leave benefits	98	115
Total employee benefits provisions	2,388	1,989

Note 18: Contributed Equity

	Consolidated	
	2024 $'000	**2023 $'000**
Issued and paid-up capital		
143,857,856 (2023: 143,857,856) Ordinary shares fully paid	34,307	34,307
	34,307	34,307

Each share is entitled to 1 vote per share.

(a) Capital management

The Board reviews the capital structure on an ongoing basis. The Group's objective is to maintain an optimal capital structure which seeks to reduce the cost of capital and safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

(b) Dividends

During the year ended 30 June 2024 no dividends were paid, declared or recommended (2023: Nil).

Note 19 (Loss)/Earnings per share

The following reflects the income and share data used in calculations of basic and diluted (loss)/earnings per share computations:

	Consolidated	
	2024 $'000	2023 $'000
Net (loss) / profit from continuing operations	(2,345)	(9,112)

Weighted average

	2024 No. of shares	2023 No. of shares
Weighted average number of shares used in calculating basic (loss)/earnings per share	143,857,856	92,129,209
Weighted average number of shares used to calculate diluted (loss)/earnings per share[1]	143,857,856	92,129,209

[1] Share Options and performance rights issued to LDL Custodians Pty Ltd (an interest associated with Mr. Darren Lurie) are not dilutive because their conversion to ordinary shares would increase loss per share.

Note 20: Share Based Payments

As described in the Director's Report, the company has granted share options and performance rights to LDL Custodians Pty Ltd (an interest associated with the Mr. Darren Lurie - Managing Director). The expense recognised in relation to these share-based payment transactions was recognised within other expenses within profit or loss were as follows:

	Consolidated	
	2024 $'000	2023 $'000
Balance of Share Option Reserve as at 1 July	71	-
Total expense recognised during the year	116	71
Balance of Share Option Reserve as at 30 June	187	71

Note 21: Cash Flow Information

	Consolidated 2024 $'000	Consolidated 2023 Restated $'000
(a) Reconciliation of cash flow from operations with profit after tax:		
(Loss)/profit from ordinary activities after tax	(2,345)	(9,112)
Non-cash items		
Depreciation	6,169	6,389
Flock amortisation	12,548	10,745
Net loss on disposal of flock	3,129	104
Net loss/(profit) on disposal of property, plant and equipment and leased assets	-	46
Net loss/(profit) on sale of asset held for sale	(486)	-
Non-cash movement on loan	1,221	1,895
Share options expense	116	71
Provision for doubtful debts	30	16
Non-cash interest	290	99
Non-cash movement on property, plant and equipment and leases	(55)	(304)
Changes in operating assets and liabilities net of effects from acquisition of businesses:		
(Increase) / decrease in trade and other receivables	(3,416)	(715)
(Increase) / decrease in inventory	(1,355)	306
(Increase) / decrease in biological assets	(11,400)	(14,560)
(Increase) / decrease in other assets	80	1,162
Increase / (decrease) in trade and other creditors	(1,994)	1,767
Increase / (decrease) in employee entitlements	399	(17)
Net cash flow from operating activities	2,931	(2,108)

	2024 $'000	2023 Restated $'000
(b) Reconciliation of cash and cash equivalents for the purposes of the Consolidated Statement of Cash Flows		
Cash at bank	1,686	1,987
	1,686	1,987

(c) Reconciliation of liabilities arising from financing activities

	As at 1 July	Financing cash flows	Non-Cash Changes Other	As at 30 June
2024	**$'000**	**$'000**	**$'000**	**$'000**
Bank loans	15,814	(211)	1,511	17,114
Lease liabilities	18,734	(4,159)	11,579	26,154
Total liabilities from financing activities	34,548	(4,370)	13,090	43,268
2023 (Restated) [1]				
Bank loans	11,575	2,245	1,994	15,814
Lease liabilities	23,240	(4,506)	-	18,734
Total liabilities from financing activities	34,815	(2,261)	1,994	34,548

[1] In June 2023, the Group originally recognised a trade payable for insurance premium funding and the payments associated with the insurance premium funding as cash outflows from operating activities. In June 2024, it was identified that the liability should have been recognised in borrowings and the associated cashflows should have been presented as cash outflows from financing activities. Refer Note 1(f) for more details.

Note 22: Commitments

Farm cost commitments

Farm commitments relate to commitments for flock replenishment and other farm operating expenditure commitments:

	Consolidated	
	2024 $'000	**2023 $'000**
Farm cost commitments	2,134	1,849

Note 23: Controlled Entities

The consolidated financial statements include the financial statements of Farm Pride Foods Limited and its controlled entities listed below:

List of companies in the group	Country of incorporation	Percentage owned	
		2024	2023
Parent entity:			
Farm Pride Foods Limited	Australia	100%	100%
Controlled entities of Farm Pride Foods Limited			
Big Country Products Pty Ltd	Australia	100%	100%
Farm Pride Property Pty Ltd	Australia	100%	100%
Mooroopna Farm Trading Pty Ltd	Australia	100%	100%
Farm Pride North Pty Ltd	Australia	100%	100%
Carton Packaging Pty Ltd	Australia	100%	100%

Note 24: Related party disclosures

(a) Parent entity and equity interests in related parties

The parent entity of the Group is Farm Pride Foods Limited, a listed public company, incorporated in Australia.

Details of the percentage of ordinary share held in subsidiaries are disclosed in Note 23.

(b) Key management personnel

Disclosures relating to key management personnel are set out in the Directors' report.

(c) Key management personnel compensation

The aggregate compensation of the key management personnel of the Group is set out below:

	Consolidated	
	2024	2023
	$'000	$'000
Short-term employee benefits	758	907
Long term employee benefits	116	71
Post-employment benefits	64	77
	938	1,055

Detailed remuneration disclosures are provided in the Remuneration Report on page 12 to 14.

Note 24: Related party disclosures

(d) Transactions with directors and director-related entities

The value of transactions (inclusive of GST) and amounts receivable / (payable) between Directors and their related entities and Farm Pride Foods Limited and its controlled entities.

Director related entities	Transaction	Revenue		Expenditure		Balance Receivable / (Payable)	
		2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Ackenberg Holdings Pty Ltd [1] (G. Palatianos)	Loan Interest	-	-	118	-	(1,750)	-
Oakmeadow Pty Ltd [2] (M. Ward)	Loan Interest	-	-	7	6	(300)	-
LDL Custodians Pty Ltd [3] (D. Lurie)	Loan Interest	-	-	6	-	(200)	-
West Coast Eggs Pty Ltd [2] (P. Bell/M. Ward)	Egg sales / Purchases	-	141	-	331	-	(46)
AAA Egg Company Pty Ltd [2] (P. Bell/M. Ward)	Loan Interest	-	-	-	12	-	-
Siamje [4] (D. Lurie)	Consulting	-	-	-	84	-	-
Bruce De Lacy[5]	Loan Interest	-	-	3	-	-	-
Days Eggs Pty Ltd[2] (P. Bell/M. Ward)	Egg sales / Purchases	-	8	149	223	-	(52)
Pure Foods Eggs Pty Ltd[2] (P. Bell)	Egg sales / Purchases	-	-	-	-	-	-
Morago Holdings Pty Ltd[2] (P. Bell)	Loan Interest	-	-	-	17	-	-

[1]George Palatianos through his related entity provided unsecured interest-bearing loans during the year.

[2]Malcolm Ward and Peter Bell through their related entities provides eggs and egg products to and acquire eggs, egg product and packaging from Farm Pride Foods Limited and its controlled entities. Malcolm Ward and Peter Bell through their related entities also provided unsecured interest-bearing loans. These transactions are on normal trading terms and conditions. Peter Bell resigned as director in September 2022.

[3]Darren Lurie through his related entity (LDL Custodians) provided unsecured interest-bearing loans during the year.

[4]Darren Lurie through his related entity (Siamje) had provided consulting services to the business before his appointment as director in February 2023.

[5]Bruce De Lacy provided unsecured interest-bearing loans during the year.

Transactions in the above table represent related party transactions for the full financial year from July '23 – June '24 and comparatives for July '22 - June '23.

Note 25: Parent entity information

Information relating to Farm Pride Foods Limited:

	2024 $'000	2023 $'000
Summarised statement of financial position		
Current assets	25,569	27,392
Total assets	60,811	55,914
Current liabilities	21,820	18,991
Total liabilities	57,067	50,113
Total equity of the Parent comprises of the following:		
Share capital	34,307	34,307
Retained (losses)	(30,750)	(28,577)
Share option reserve	187	71
Total shareholder's equity	3,744	5,801
Summarised statement of comprehensive income		
(Loss) of the parent entity	(2,173)	(9,083)
Total comprehensive (loss) of the parent entity	(2,173)	(9,083)

Farm Pride Foods Limited as parent has provided security over the loans of its subsidiaries by a fixed and floating charge (see note 16).

Note 26: Auditor's remuneration

	Consolidated Entity	
	2024 $	2023 $
Audit and other assurance services		
Audit and review of the financial report of the entity and any other entity in the consolidated entity	195,145	222,587
Other services		
Taxation services	15,000	40,109
	210,145	262,696

Note 27: Subsequent Events:

Rights Issue: On 11 June 2024, the Company announced a proposed non-renounceable fully underwritten pro-rata entitlement offer to raise approximately $6.17m before costs (Rights Issue). The Rights Issue offer booklet was sent to shareholders on 1 July 2024 and the offer closed on 16 August 2024. The Rights Issue is underwritten by Willow Heights Pty Ltd, an entity associated with the Group's Chair. All funds are to be received by 6 September 2024. Funds raised under the Rights Issue will be used to support the Group's operations while it recovers from the adverse impacts of Avian Influenza (AI) and to further enhance and expand the Group's farming, grading and production operations.

On 23 August 2024 the Company issued 9,114,626 Rights Issue shares with the balance of the Rights Issue shares to be issued to the underwriters in September 2024.

Conversion of Directors Loans to Equity: At the General Meeting held on 31 Jul 2024 approval was given for the conversion of loans to equity. On 6 August 2024, part or all of the following loans (as indicated) that were provided to the Group by interests associated with the Group's board of directors were converted to equity.

- $835,000 of the $1,750,000 loan provided by Ackenberg Holdings Pty Ltd (an interest associated with Mr. George Palatianos) was converted to equity. 8,350,000 fully paid ordinary shares were issued to Ackenberg Holdings Pty Ltd at a deemed issue price of $0.10 per share.

- The $200,000 loan provided by LDL Custodians Pty Ltd (an interest associated with Mr. Darren Lurie) was converted to equity. 2,000,000 fully paid ordinary shares were issued to LDL Custodians Pty Ltd at a deemed issue price of $0.10 per share.

Issue of shares to LDL Custodians Pty Ltd (an interest associated with Mr. Darren Lurie): At the General Meeting held on 31 July 2024 approval was given for the issue of 1,090,000, fully paid ordinary shares, 1,090,000 Performance Rights and 3,600,000 options for nil consideration to LDL Custodians Pty Ltd. These were issued 6 August 2024.

Prior to the issue of new shares for the loan conversions, Rights Issue and shares issued to LDL Custodians Pty Ltd, described above, the Group's largest shareholder was West Coast Eggs Pty Ltd, holding 43,519,979 or 30.25% of the shares. Subsequent to the issue of the new shares described above, West Coast Eggs Pty Ltd continues to be the Group's largest shareholder, holding 43,519,979 or 26.47% of the shares in the Group. The new Rights Issue shares allocated to the underwriters will be issued in September 2024.

Refinancing of Working Capital Loan: On 07 August 2024, the Group successfully refinanced its existing working capital loan of $2 million with Tradeplus24 Australia for a period of 12 months until 31 August 2025.

Consolidated Entity Disclosure Statement:

Farm Pride Foods Ltd is required by Australian Accounting Standards to prepare consolidated financial statements in relation to the company and its controlled entities (the consolidated entity).
In accordance with subsection 295(3A) of the Corporations Act 2001, this consolidated entity disclosure statement provides information about each entity that was part of the consolidated entity at the end of the financial year.

Name of entity	Type of entity	Place formed or incorporated	Percentage of share capital held	Australian tax resident or foreign tax resident	Foreign tax jurisdiction
Farm Pride Foods Limited	Company	Australia	N/A	Australian	N/A
Big Country Products Pty Ltd	Company	Australia	100%	Australian	N/A
Farm Pride Property Pty Ltd	Corporate Trustee	Australia	100%	Australian	N/A
Mooroopna Farm Trading Pty Ltd	Company	Australia	100%	Australian	N/A
Farm Pride North Pty Ltd	Company	Australia	100%	Australian	N/A
Carton Packaging Pty Ltd	Company	Australia	100%	Australian	N/A

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the consolidated entity (other than described above) a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

Directors' Declaration

The Directors declare that the financial statements and notes set out on pages 23 to 49 in accordance with the *Corporations Act 2001*:

(a) Comply with Australian Accounting Standards and the *Corporations Regulation 2001*, and other mandatory professional reporting requirements;

(b) As stated in Note 1(a) the consolidated financial statements also comply with International Financial Reporting Standards; and

(c) Give a true and fair view of the financial position of the Group as at 30 June 2024 and of its performance for the year ended on that date;

(d) The consolidated entity disclosure statement included in the financial statements is true and correct.

In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the Chief Executive Officer and Chief Financial Officer to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ending 30 June 2024.

This declaration is made in accordance with a resolution of the Directors.

Director
30 August 2024
Melbourne

FARM PRIDE FOODS LIMITED
ABN 42 080 590 030

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FARM PRIDE FOODS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Farm Pride Foods Limited "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, the consolidated entity disclosure statement and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Material Uncertainty Related to Going Concern

Without modifying our opinion expressed above, attention is drawn to the matters set out in Note 1(b) – Going Concern in the financial report.

The conditions, as set forth in Note 1(b), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FARM PRIDE FOODS LIMITED**

Key Audit Matter	How our audit addressed the key audit matter
Valuation of flock assets Valuation of flock assets - $5,734,000 Refer to Note 10: Biological Assets The Group has $5.7 million ($10.0 million as at 30 June 2023) of biological assets, "the flock assets". The flock assets should be valued at market value consistent with AASB 141 Agricultural assets, however, the lack of an active or liquid market for flock assets means the flock assets are measured at cost less accumulated amortisation and impairment losses. The amortisation rate is based on the estimated life of an individual flocks within the flock assets, and consequently the valuation of the flock assets as a whole is subject to judgement. We have focused on this balance given it is based on significant estimates involving subjective judgements and uncertainties over the estimated flock assets life due to the impact of factors such as disease and productive capacity of the individual flocks.	Our testing of the flock assets valuation focused on assessing the appropriateness of management's judgements when determining the flock assets' estimated life. Our procedures included, amongst others: • Obtained client schedule for total flock assets as at 30 June 2024 and agreed to the general ledger; • Assessed the underlying mathematical accuracy of the client schedule by performing a recalculation of the written down value of the flock assets as at 30 June 2024 based on the total capitalised cost, age and production life of each flock asset as at 30 June 2024; • Tested the appropriateness of costs capitalised to flock assets by verifying a sample of costs back to supporting invoices/documentation; • Held discussions with management and analysed the key assumptions used to determine productive life for each flock asset as at 30 June 2024. • Obtained an understanding of the design and implementation of the controls over the valuation of flock assets. • Held discussions with management regarding the process for the disposal of flocks affected by AI in June 2024, including obtaining supporting compensation claims from the Department of Agriculture and vouching the lodged claims to the amount recognised in the general ledger. • Assessed the adequacy of the presentation and disclosure of the flock assets in the financial report as at 30 June 2024.

Valuation of Property, plant and equipment Valuation of property, plant and equipment - $20,549,000. Refer to Note 13: Property, plant and equipment The Group has $20.5 million ($21.8 million as at 30 June 2023) of property, plant and equipment, which represents approximately 34% of total assets. Australian Accounting Standards require the Group to assess, at the end of each reporting period, whether there is any indication of impairment to assets. No impairments have been recorded. We have focused on this balance due to the significance of the balance and the determination that property, plant and equipment is a single cash-generating unit. The assumptions and methodologies used in the discounted cash-flow for the impairment assessment are complex judgements made by management such as forecasting revenue growth rate, terminal growth rate and discount rate.	Our testing of property, plant and equipment valuation focused on assessing the appropriateness of management's judgements in relation to its determination of cash-generating units and the associated discounted cash flow. Our procedures included, amongst others: • Evaluated the assumptions and methodologies utilised in the discounted cash flow prepared by management, including determination of discount rate, revenue growth rate, terminal growth rate and other key assumptions; • Evaluated the determination of cash-generating units; • Assessed the reasonableness of the discounted cash flow forecast in comparison to historical actuals and the forthcoming years Board approved detailed budget; • Tested the mathematical accuracy of the discounted cash flow model; • Assessed the impact of sensitivities to sales, cost of sales, margins and discount rate. • Obtained an understanding of the design and implementation of the controls over the valuation of Property, plant and equipment. • Assessed the adequacy of the presentation and disclosure of property, plant and equipment in the financial report as at 30 June 2024.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FARM PRIDE FOODS LIMITED**

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and for such internal control as the directors determine is necessary to enable the preparation of:

   (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

   (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FARM PRIDE FOODS LIMITED**

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 16 of the directors' report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Farm Pride Foods Limited and controlled entities, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

STEPHEN SCHONBERG
PITCHER PARTNERS
Partner

Melbourne

Date: 30 August 2024

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 31 July 2024.

(a) Distribution of equity security

The number of shareholders, by size of holding, in each class of share are:

	No. of shareholders	No. of shares
1 - 1,000	351	195,662
1,001 - 5,000	573	1,569,920
5,001 - 10,000	220	1,625,659
10,001 - 100,000	263	7,784,052
100,001 +	57	132,682,563
The number of shareholders holding less than a marketable parcel of shares are:	942	1,859,048

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

		Listed ordinary shares held	Percentage of ordinary shares
1	West Coast Eggs Pty Ltd	43,519,979	30.25
2	Bait of Brets Pty Ltd	22,481,615	15.63
3	Dr Philip James Currie + Mrs. Anne Jennifer Currie	21,918,182	15.24
4	LDL Custodians Pty Ltd	14,545,454	10.11
5	Oakmeadow Pty Ltd	3,772,075	2.62
6	Jadig Superannuation Pty Ltd	3,636,364	2.53
7	HSBC Custody Nominees (Australia) Ltd – A/C 2	3,291,756	2.29
8	Mr Gavin Bruce De Lacy	2,230,990	1.55
9	Normpat Pty Ltd	2,064,250	1.43
10	Markcamp No 2 Pty Ltd	2,009,468	1.40
11	David Ricardo Asset Management Pty Ltd	1,385,415	0.96
12	Glenmon No2 Pty Ltd	1,003,057	0.70
13	Mr Clinton James Quay	937,500	0.65
14	Merrill Lynch (Australia) Nominees Pty Limited	667,001	0.46
15	Vivre Investments Pty Ltd	605,000	0.42
16	Mrs Leanne Susan Hargrave	483,500	0.34
17	Fusion Electrics (Aust) P/L	475,000	0.33
18	Scolexia Pty Ltd	438,000	0.30
19	Mr Bill Papaioannou and Mrs Maria Papaioannou	400,000	0.28
20	Dr Walid Mohammed Abdel-Maksoud Aly	393,002	0.27
		126,257,608	87.76

ASX Additional Information (continued)

(c) Substantial shareholders

The names of substantial shareholders listed in the Company's register.

	No. of shares held	Percentage of ordinary shares
West Coast Eggs Pty Ltd	43,519,979	30.25
Bait of Brets Pty Ltd	22,481,615	15.63
Dr Philip James Currie + Mrs Anne Jennifer Currie	21,918,182	15.24
LDL Custodians Pty Ltd	14,545,454	10.11

(d) Voting rights

The voting rights are set out in Article Number 10 of the Company's Articles of Association. In summary, voting by or on behalf of members at a meeting shall be by show of hands or upon poll exercised by one vote for each fully paid ordinary share held or proportionate to the amount paid on each partly paid ordinary share held.

(e) Unquoted securities

3,600,000 share options are on issue (2023: 3,600,000).

(f) Stock Exchange listing

Quotation has been granted for all the ordinary shares of the Company on all members Exchanges of the Australian Stock Exchange Limited.

Publicly accessible information

For information on corporate governance policies adopted by Farm Pride Foods Ltd refer to our website:

www.farmpride.com.au