Midway

Annual Report 2024

Creating value for a sustainable future

Midway Limited
ABN 44 005 616 044

At a glance

~2.0M

metric tonnes of woodchips exported each year

$146M

In net assets

$274M

revenue FY24

52,000

hectares of plantations under management

Over 380

employees and indirect contractors supported by a significant national footprint

Contents

About Midway Limited

Founded in 1980, Midway Limited is one of Australia's largest woodfibre processors and exporters with a strong and growing plantation carbon management business.

Midway's fibre is used in plastic replacement products and recyclable paper and packaging.

The Company is building a plantation carbon management business to generate carbon abatement and emissions offsets solutions for landowners, emitters and investors.

Midway has woodchip processing and exporting operations at five major port locations in key forestry areas around Australia including: Bell Bay, Tasmania; Portland and Geelong in Victoria; Brisbane, Queensland; and Melville Island in the Northern Territory's Tiwi Islands.

Values

Our values represent what we stand for and determine our behaviour when dealing with our customers, stakeholders and each other.

1 Safety and the environment

We are committed to protecting the safety and health of our employees, our contractors, customers and the people of the communities in which we operate. We also seek to manage the business to the highest possible environmental standards.

2 Honesty, integrity and respect

We will strive to uphold the highest possible standards and ensure we are open, honest and direct in all our dealings. We will treat people with respect, acknowledging their knowledge, capability and experience as individuals and team members.

3 Performance

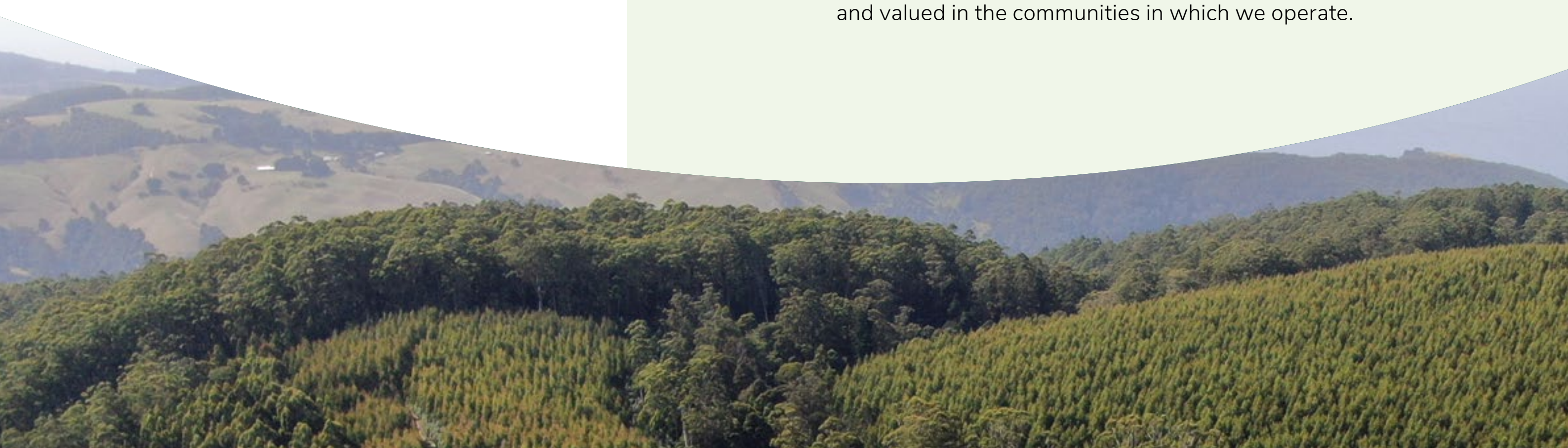
We continuously strive for more effective and efficient ways to create value for our customers and shareholders.

4 Sustainability

We are advocates for sustainable forestry and have a strong commitment to the development of productive and viable forest estates, ensuring they co-exist with other community values.

5 Community

We aim to be a trusted corporate citizen respected and valued in the communities in which we operate.



Our strategy

In May 2022, we commenced a full strategic review of the company and identified several priorities that needed to be addressed.

We are seeing this both in the progress on strategic initiatives as well as the financial results and strength of the company's balance sheet.

The growth focus for the company has been on developing capability, pipeline and revenue in the plantation carbon space.

We have a clear focus on delivering our strategy to create value for shareholders

Lifting operating performance

01 Improved EBITDA-S at $14.2M (+$11.3M), driven by improved margins at Geelong due to strong prices and targeted supply acquisition.

02 Strong second half volume, particularly out of Geelong and Tasmania.

03 Softwood shipments commenced out of Midway Geelong.

04 Completed the development of infrastructure in Tasmania and now focussed on increasing volume.

05 Secured a long-term lease for port access in QCE.

Maximising value of assets

01 Grain project development works are well progressed with land lease commenced.

02 Reconfigured the Geelong woodchip operation and developed the unutilised part of the site.

03 Sale of 5ha of the Geelong site for $15.5M due to settle in 2Q25.

04 Grain project will contribute revenue for use of ship loader infrastructure.

05 Sale of plantation land will complete in Sep 24.

Carbon growth

01 Built a team which is leading the industry in plantation carbon.

02 Registered 3,150ha plantation carbon projects with CER.

03 Managing 10,127ha for institutional investors.

04 Second Rotation on the Tiwi Islands with a potential ~5.0M ACCUs will be Australia's largest plantation carbon project.

05 Contracted by Rio Tinto to develop a pioneering decarbonisation pilot project.

06 In the market with a forward sale prepayment product.

Lifting the operating performance

In FY24, Midway Geelong successfully introduced the export of softwood. Midway Tasmania has bedded down the newly developed mill and export infrastructure, secured supply agreements and is building the contractor capacity to develop into a standalone profitable business. QCE has secured a long-term lease at the strategic location in the port of Brisbane.

Maximising the value of the assets

Positive progress has been made with the grain project. We've signed contracts with CHS Broadbent and the development lease has commenced, with work underway on the grain infrastructure. The sale of that portion of the Geelong site is due for settlement in the first half FY25.

The reconfiguration of the Geelong woodchip operations has progressed very well with a new log yard and the new concrete chip pad completed, road infrastructure well advanced, new site office under construction and a new weighbridge in place.

Further work to complete the development of the previously undeveloped part of the site will include installing a new reclaim and transfer conveyor to improve efficiency and enable a wider range of products.

The sale of the plantation estates will complete the final tranche of the plantation estate sale settled in September 2024.

Carbon growth strategy

Encouraging progress has been made on the carbon growth strategy. As manager, the Company has successfully registered 3,150 ha of plantation carbon projects with the Clean Energy Regulator. Midway is managing over 10,000 ha of plantations for institutional investors.

The Tiwi second rotation project equity raising is progressing well with positive signs for achieving a good result for the company and for our Tiwi partners.

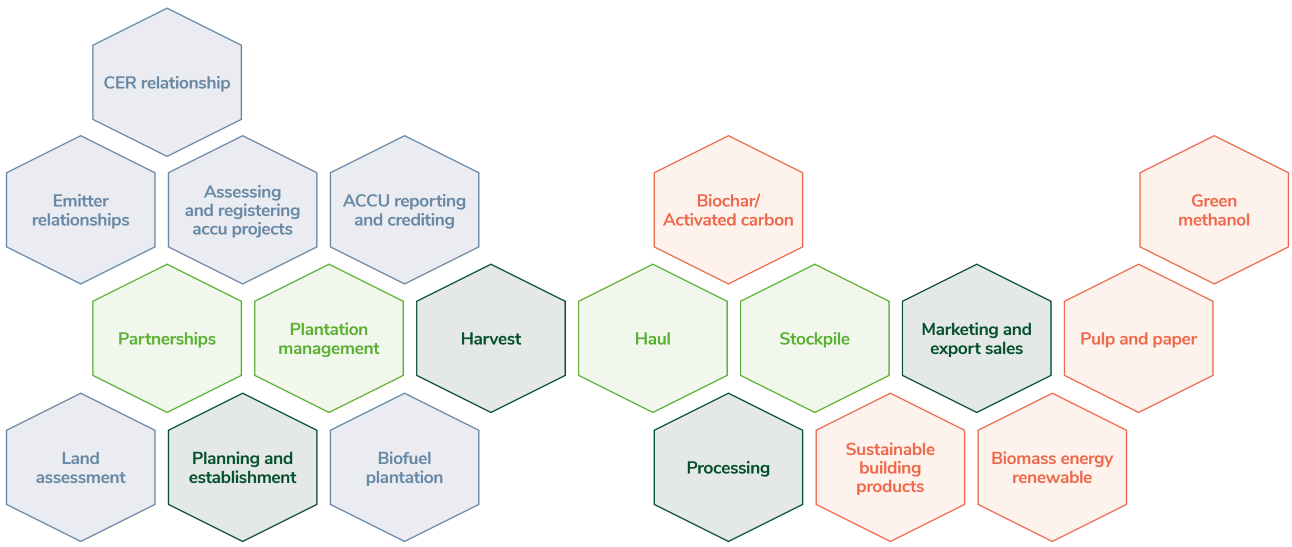
The Company has been contracted by Rio Tinto to develop a pioneering decarbonisation pilot project.

Midway is now in the market with a product offering landowners a forward sale of ACCUs and pre-payment to fund the establishment of carbon plantation projects.

Midway is well placed to continue this positive momentum, constantly improving the woodfibre business and growing the carbon opportunity and we are confident that this will create value for all our stakeholders.

Our unique value chain

Carbon strategy: developing natural adjacencies



Chairman's report

I am pleased to present the Annual Report for the fiscal year ending 2024. This year has been marked by strategic achievements, significant partnerships, and the continued strengthening of our financial performance. The initiatives set forth during our 2022 Strategic Review are now bearing fruit, positioning Midway as a leader in the plantation carbon space and fortifying our path towards sustainable growth.

Strategic achievements

One of the most noteworthy developments this year has been the realisation of the grain project at our Geelong site. International grain company, CHS Broadbent has taken possession of the site under a development lease and commenced work on silos and other infrastructure. The settlement of the land sale is due in the second quarter of FY25. This project marks a pivotal moment in leveraging our assets for enhanced operational efficiency and profitability.

We are delighted to announce our partnership with Rio Tinto on a groundbreaking project in plantation oil seed for the production of biodiesel. This collaboration is not only a testament to Midway's capabilities in plantation carbon but also a promising new avenue for our business. The partnership underscores our commitment to innovation and sustainability, and we are excited about the potential it holds for future growth.

In addition, we have entered the second year of our collaboration with MEAG, during which we have successfully registered and managed over 1,700 hectares of new plantation carbon projects. This partnership continues to thrive, showcasing our ability to deliver meaningful results and advance our strategic objectives.

We are also working closely with a major financier to offer a plantation carbon financing product to landowners. This initiative has garnered significant interest, and we have signed several aggregations, further expanding our reach and impact in the plantation carbon market.

We are also making substantial progress on the Tiwi Island project. Our comprehensive process is nearing resolution, promising significant improvements for the company.

These advancements are expected to deliver considerable value and enhance our strategic positioning.

Financial performance

The financial health of Midway has seen a pleasing improvement. Since March 2022, we have sold and settled a substantial portion of our land and plantations, amounting to $173 million, with the final tranche due in 2Q FY25. These sales have enabled us to eliminate the onerous "Strategy" financing liability, repositioning and strengthening our balance sheet. This repositioning has been crucial in ensuring the long-term stability and growth of the company.

Our traditional businesses have also seen significant financial improvements. The underlying EBITDA for FY24 stands at $14.2M, reflecting marked improvement on the previous year. This positive trend underscores our commitment to enhancing operational efficiency and delivering value to our shareholders, despite the challenging conditions faced by the Tiwi first rotation project and South West Fibre.

Dividends

I am pleased that this year we have been able to declare two fully franked special dividends. In December 2023 we paid 5.0 cents per share fully franked and in August we declared a 14.5 cents per share fully franked dividend, fulfilling our commitment to provide 19.5 cents per share to our valued shareholders. We have also declared an ordinary dividend of 1.6 cents per share fully franked from FY24 earnings. Our disciplined approach to financial management and strategic execution has allowed us to survive the recent market volatility, to capitalise on subsequent market opportunities and to return some capital to shareholders.

Financial highlights

$14.2M
underlying EBITDA-S – $11.3M improvement vs pcp

$20.5M
cash surplus net debt position[1]

3.64
current asset ratio

$2.0M
underlying NPAT

$1.65
net tangible assets per share

$146.4M
net assets

1.6 cents
per share ordinary dividend declared for FY24, marking a return to paying dividends

Looking ahead

As we look to the future, Midway remains committed to its strategic vision of growth and innovation. Our focus will continue to be on expanding our presence in the plantation carbon space, leveraging our partnerships, and enhancing our operational capabilities. The projects and initiatives we have undertaken this year lay a solid foundation for sustained growth and profitability.

We are particularly excited about the potential of our partnership with Rio Tinto and the opportunities it presents in the biodiesel market. Similarly, our collaborations with MEAG and a major financier are expected to yield significant benefits, further cementing our leadership in the plantation carbon sector.

In closing, I would like to welcome Mr Andy Preece who was appointed to the Board in March as a Non-Executive Director. He brings a wealth of experience and capability as a director and businessman.

I would also like to extend my gratitude to our shareholders, employees, and partners for their support and dedication. The progress we have made this year is a testament to our collective efforts and shared vision. As we move forward, I am confident that Midway is well-positioned to achieve new heights and deliver genuine value to our stakeholders.

Thank you for your continued trust and confidence in Midway.

Gordon Davis
Chairman

1. Excluding AASB 16 *Lease Liabilities*.

Managing director's report

It is my pleasure to present this update on Midway's performance for the 2024 financial year.

Delivering on strategy

In 2022, Midway embarked on a comprehensive Strategic Review aimed at enhancing our financial performance and repositioning the company for growth. This report outlines the significant strides we have made in executing our strategy and the positive impact these initiatives have had on our company's growth and profitability.

Operational improvements

We have undertaken several initiatives to boost the financial performance of our operations. We enhanced our Geelong operations by diversifying our product offerings, exporting softwood and alternative hardwood sources to replace native hardwood. This shift has significantly improved our results for FY24.

In Tasmania, we successfully developed infrastructure, secured resource and contractor crews, established a market for Tasmanian Certified Eucalyptus Regrowth Thinnings and secured third party chip sales, leading to a major improvement in our results in that market. Furthermore, we have secured a long-term lease for QCE, ensuring its position as the key exporter for SE Queensland and northern NSW.

Part of the improvement comes from the exit of our unprofitable logistics business in FY23, which streamlined operations and reduced costs.
All these initiatives improve Midway's performance regardless of the market cycles. While the Tiwi second rotation project remains a work in progress, we are confident that we will achieve a positive outcome.

Plantation estate sales

Our strategic focus on plantation estate sales has yielded positive results. We contracted and settled the sale of the plantation estates at prices above book value, including the sale of the Wandong estate. We successfully sold the Otways/Heytsbury estate to MEAG for $156.3 million, with the final tranche settled in early September. Through that process we eliminated the burdensome "Strategy" liability with the final payment made in September. In addition, we established a standalone business focused on plantation and carbon management, positioning us for future growth.

Geelong grain project

Our efforts to secure additional export volume through the Geelong site, to reconfigure the Geelong woodchip operation and to develop unused parts of the site have been productive. We contracted the grain project with CHS Broadbent, and development works have commenced. The sale of five hectares for $15.5 million is expected to settle in Q2 2025, proving up the valuation of the Geelong portside land. This project is poised to make a significant contribution to our operating profitability as well as optimising the utilisation of a key piece of infrastructure.

Plantation carbon growth

We have successfully established a rapidly growing plantation carbon business, building an industry-leading team in plantation carbon management. We have registered 3,150 ha of plantation carbon projects with the Clean Energy Regulator (CER). Additionally, we manage over 10,000 ha of plantations for international institutional investors. We have also been contracted to scope and develop a decarbonisation pilot project for Rio Tinto. The partnerships with international investment funds, a global resources company, a major financier and others are a very satisfying endorsement of the company's capabilities in plantation carbon.

Financial performance and dividends

The asset sales improved financial performance and has enabled us to declare dividends for shareholders. We paid a 5.0 cents per share fully franked special dividend in December 2023, declared a 14.5 cents per share fully franked special dividend in August 2024 and declared a 1.6 cents per share fully franked ordinary dividend at the same time.

The refinance of the company's debt facilities has ensured financial stability and enabled flexibility with inventory build up when necessary. Further supporting our growth initiatives, Midway has funded the capital expenditure for the initial stage of the Tasmanian mill and export facility development and most of the works for the Geelong site development and reconfiguration.

Team and culture

The Midway team has rallied around our strategic priorities, demonstrating a high level of commitment to the organisation's success. Our carbon team has expanded around a core capability in plantation management, with strong recruitment and development of existing team members. It has been incredibly motivating to witness the team's dedication and hard work.

Safety and sustainability

Safety remains a top priority for us, and we continue to implement measures to ensure a safe working environment for all employees. Sustainability is integral to our company's identity and strategy. Midway is transitioning from being a traditional woodchip exporter to a nature-based solutions provider for decarbonisation, aligning our operations with global sustainability goals.

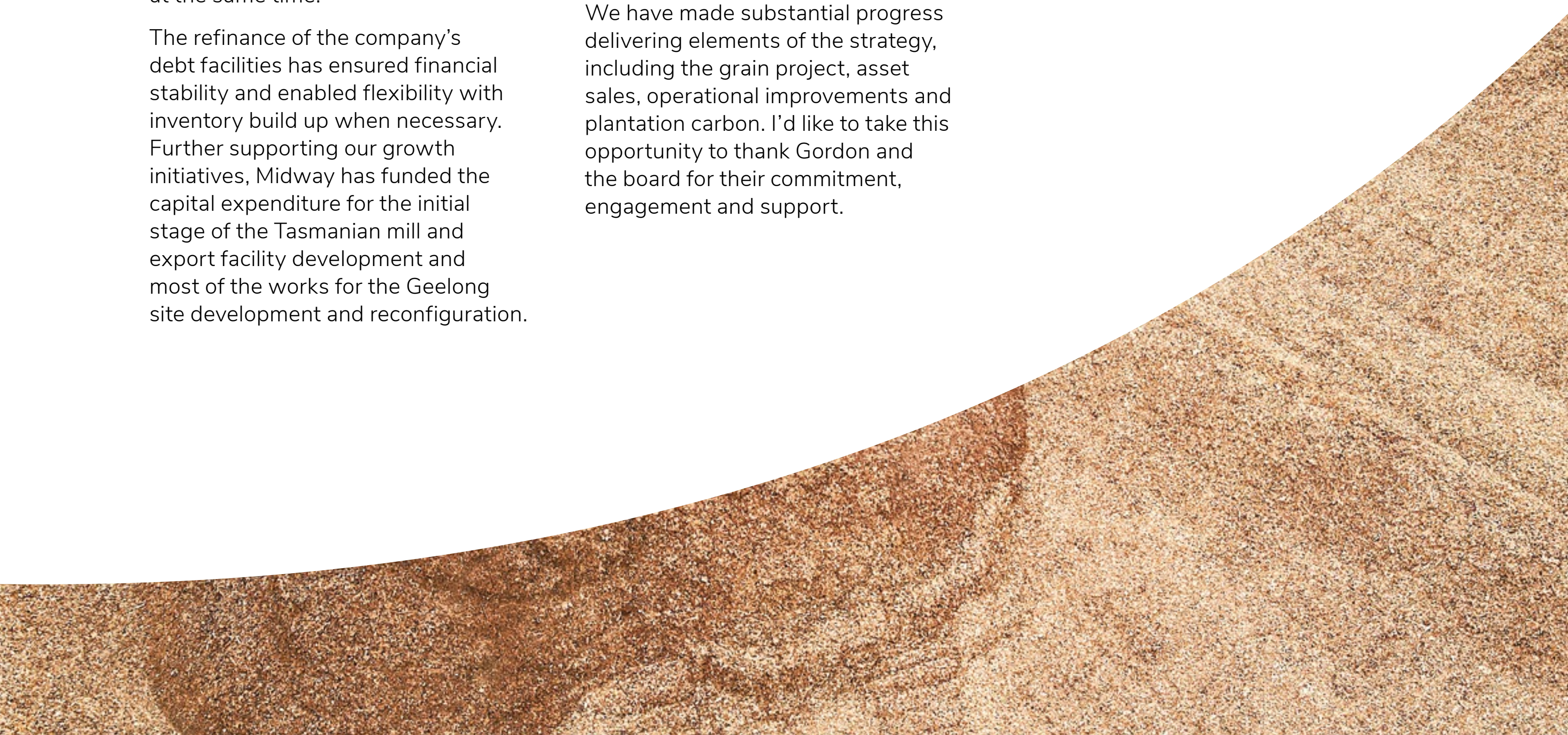
Conclusion

Our strategic initiatives over the past two years have significantly improved our financial performance, operational efficiency, and growth prospects. We have made substantial progress delivering elements of the strategy, including the grain project, asset sales, operational improvements and plantation carbon. I'd like to take this opportunity to thank Gordon and the board for their commitment, engagement and support.

Our focus on sustainability and safety continues to be at the forefront of our operations. The dedication and hard work of the Midway team have been instrumental in our success, and we are well-positioned for continued growth and profitability in the years ahead.

Thank you for your continued interest and support.

Anthony McKenna
Managing Director and
Chief Executive Officer



Carbon solutions

We are a provider of nature-based solutions to reduce and mitigate carbon emissions. We are using all our business units to access and deliver carbon solutions for our partners.

Our plantation carbon division is a natural extension to our long-standing expertise in plantation management. We are supporting businesses to find solutions to achieve high integrity net emissions reductions.

Offering an end-to-end solution, Midway sources land, establishes plantations and manages all aspects of plantation carbon projects. We also provide marketing services for the sale of carbon credits and woodfibre products. Our expertise allows us to work closely with all key stakeholders through the value chain to deliver the project.

Our key customers and partners include:

- Institutional investors.
- Landowners and agricultural enterprises.
- Corporates and emitters.
- Governments.
- Traditional owners.
- Other suppliers, contractors and participants in the value chain.

Carbon market opportunity for Midway

With the legislated safeguard mechanism in place requiring large emitters to reduce their annual CO_2 equivalent emissions by 4.9% per annum from this year, there will be a growing demand for ACCU offsets. With the ending of the HIR methodology, the supply of new ACCUs will be limited. We expect this shortfall may start as early as 2026.

Plantation methodology ACCUs, which are Midway's specialty, are highly scalable, lower cost and achieve a premium price. The plantation methodology also has predictable entitlements able to be calculated consistently from the FullCAM model. With supply growth being challenged, Midway is in a strong position to deliver sought-after nature-based solutions.

Midway manages all aspects of large-scale carbon abatement projects for our partners

Turnkey capability positions Midway as the 'Partner of Choice' for enabling carbon abatement and offset projects.

Midway capabilities

1. Project Origination
2. Partnership Enablement
3. Plantation Establishment & Management
4. Carbon & ACCU Management
5. Harvest & Wood Monetisation

■ Core Traditional ■ Expanded Carbon

Partners and customers

- Investors
- Emitters
- Agricultural Enterprises & Landowners
- Traditional Owners

Carbon enablement strategy

Commercials for Midway

- Partner-funded, managed by Midway
- Multi-year, expandable agreements
- Upfront development fees
- Base management fees
- Share of ACCUs

Asset Manager

- Investment mandates with major institutional funds for greenfield plantation

Developer – Operator

- Planting and managing large scale projects for emitters and major corporate landowners

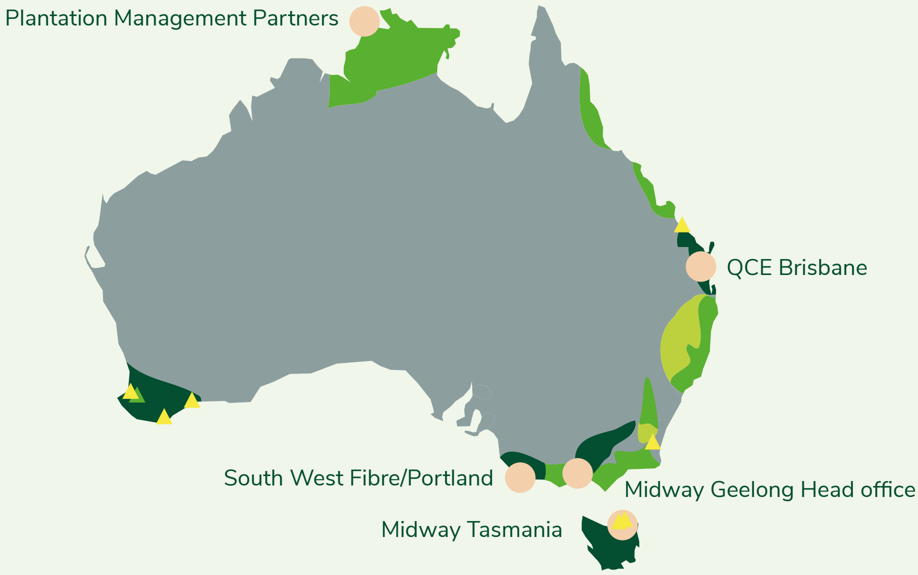
Aggregator – Operator

- Aggregating, planting and managing multiple projects on third party land
- Providing ACCU forward sale prepayment funding solutions

Plantation development and management services

Processing and exporting from five sites around Australia

"Midway has a long history of deep industry expertise"



Legend

- Midway processing and exporting facility
- Other processing and exporting facility
- Forestry and plantation regions

Our traditional business model involves: forming partnerships; acquiring land for investment and development; establishing plantations; plantation management; harvesting and hauling logs; processing; and export sales and shipping.

Volatility will remain a fact of life for the woodchip market, and it is our role to be constantly improving the business to manage that volatility. For example, continuing production and building inventory through the downturn in the first half provided support for our vital contractor base and had the company well positioned to deliver sales as the market recovered in the second half.

Port and processing facilities

Midway Geelong

- 13.6 hectares of freehold land adjacent to Geelong Port, after the sale of the grain site.
- Leading static woodfibre mill infrastructure.
- Mobile debarking and chipping line, allowing for processing of softwood.
- Three stockpiles including three reclaimers with 200,000 green metric tonnes (GMT) total capacity.
- Capacity to process and export up to 1.5 million GMT per annum of woodfibre.
- Plantation carbon management and head office functions.

QCE Brisbane

- Sole woodfibre exporter South East Queensland and Northern NSW.
- Lease on a four hectare site with the Port of Brisbane for producing, storing and loading.
- GrainCorp provides toll ship loading and owns 10% of QCE.
- Up to 600,000 GMT per annum softwood and hardwood export capacity.
- Stockpile capacity: 100,000 GMT softwood; 50,000 GMT hardwood.

South West Fibre Portland

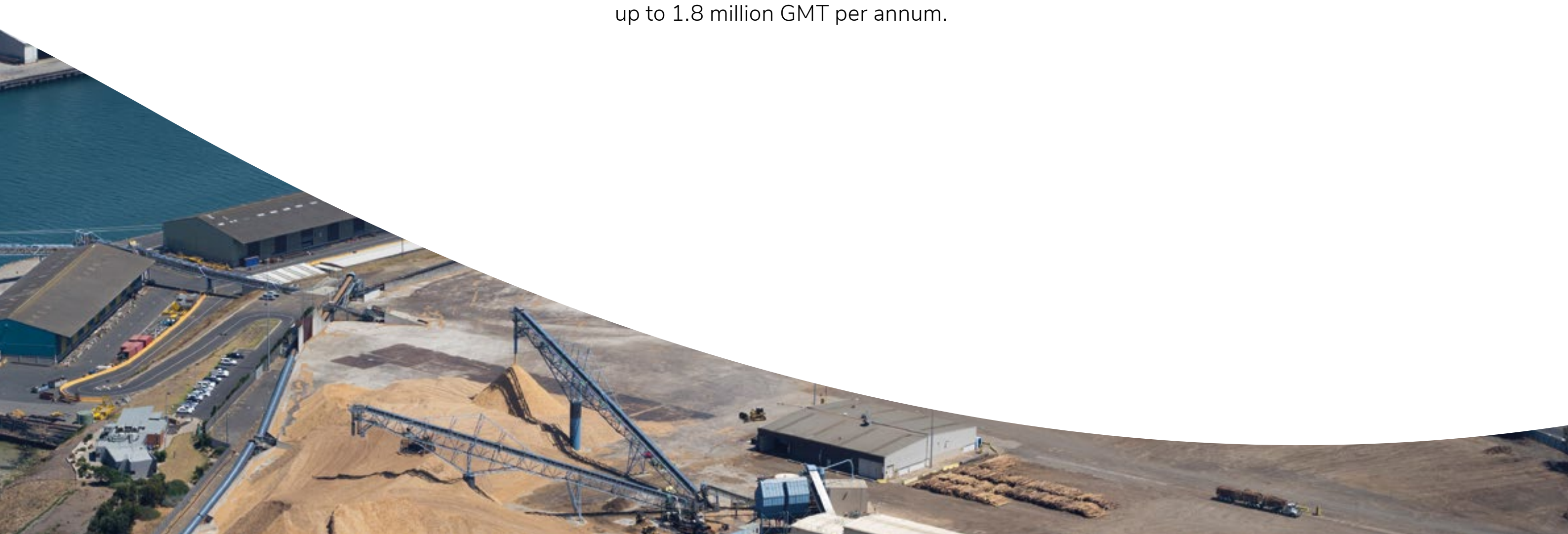
- Myamyn woodfibre static mill – 1.2 million GMT per annum capacity.
- In-field chipping and 'upstream' chip and log storage.
- Supply agreements with various bluegum plantation owners.
- 51 per cent owned joint venture with Mitsui.
- Portside woodfibre receival, storage and loading facilities contracted with GrainCorp.
- 80,000 GMT woodfibre stockpile capacity.
- Woodfibre export capacity of up to 1.8 million GMT per annum.

Plantation management partners (PMP) Tiwi Islands

- 30,000 hectares Tiwi Plantation Corporation forestry plantation project.
- Midway provides forestry management and marketing services.
- Acacia mangium woodchip exports commenced in November 2015 out of Port Melville.
- Stockpile capacity 60,000 tonnes.
- 400,000 GMT per annum export capacity.

Midway Tasmania

- New mill site at Bell Bay commenced production in October 2022.
- 80,000 tonne stockpile capacity.
- Total export capacity > 600,000 tonnes.



Sustainability

At Midway, sustainability is not just an aspiration but a core value that drives our strategies and operations. We are dedicated to fostering a sustainable environment, supporting responsible businesses, and ensuring the wellbeing, safety, and productivity of everyone in our supply chain.

Our commitment extends to managing our plantations in ways that preserve ecological balance, uplift local communities, and generate economic benefits. As an industry leader, Midway excels in the sustainable cultivation, harvesting, and sale of forest products, while also emerging as a leader in carbon sequestration and abatement management.

1

Sustainability goals include:

- Midway's products are sourced and manufactured from well managed forests in which high conservation values are protected and wood supply chains are controlled.
- Looking after our team members and providing a safe and fulfilling work environment.

2

Building specialist capabilities

Improving how all of our employees, contractors and partners deliver sustainable outcomes across our business.

Added specialists in the areas of:

- Forest Management
- Carbon Sequestration
- Health, Safety and Environment Management

Introduced a Group Sustainability Manager to our Executive Team

3

Proactive safety measures

- Introduction of voice recognition hazard reporting technology has significantly increased employee engagement in delivering safety outcomes.
- 50% reduction in reportable injuries in the past 12 months.

4

Certified supply chains

- Management systems that ensure that all woodfibre sourced across the Midway Group's supply chains, originates from identified sources where conservation and other values are identified and appropriately managed.
- Midway maintains Forest Management and Chain of Custody certification providing credible externally verified assurance that Midway is delivering its sustainability objectives.

People

Safety

Midway is committed to the improvement of Workplace Health and Safety performance and provision of a safe work environment for employees, contractors, customers and visitors. To deliver on this commitment Midway's safety management systems are certified to AS/NZS ISO 45001:2018 Occupational health and safety management systems.

Midway works closely with contractors to harvest, haul and process Midway's forest products. This close partnership is reflected in our safety reporting which includes contract employees as well as Midway employees.

Midway is pleased to report that there was a 50% reduction in reportable injuries in the past 12 months.

The number of lost time injuries remained stable year on year, with a slight increase in the lost time injury frequency rate from 5.7 to 6.6 due to a reduction in hours worked.

Improving safety outcomes relies on many things. However, a key pillar is ensuring that every single employee has the opportunity to share their experiences and raise opportunities for improvement.

This year Midway reviewed its hazard and incident reporting processes to remove impediments to capturing valuable operational information.

Through the implementation of a new voice to text reporting application Midway has dramatically increased the capture and resolution of many workplace hazards. This is one example of Midway seeking to embrace innovation to ensure health safety and wellbeing for all.

Work health and safety performance summary

	Employees		Contractors		All	
Measure	FY23	FY24	FY23	FY24	FY23	FY24
Recordable work-related injuries*	13	5	8	5	21	10
Lost Time Injuries	1	2	4	3	5	5
Fatalities	0	0	0	0	0	0
Total recordable injury frequency rate	22.4	18.9	13.8	10.2	24.1	13.3
Lost time injury frequency rate	4.5	7.6	5.2	6.1	5.7	6.6

* Injuries leading to a fatality, lost time, medical treatment or restricted work.

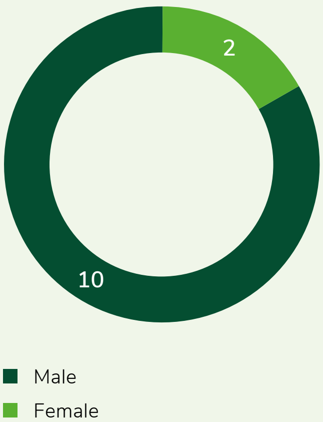
Sustainability (continued)

Diversity and inclusion

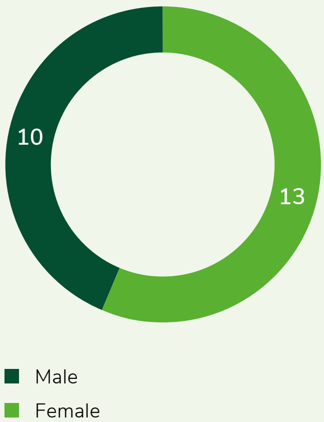
Midway is committed to developing diversity and inclusion across our business, including in the areas of gender, age and culture.

Of Midways' 119 employees at June 30, 28% were female with over 50% of our professional positions being held by female employees.

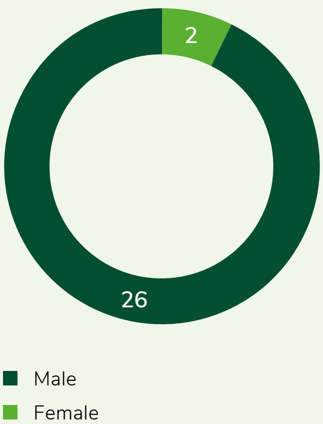
Board/Senior Managers



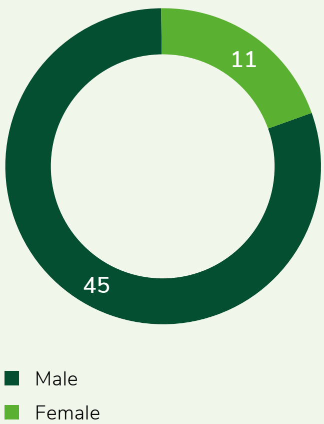
Professionals



Managers



Other (including operational, technicians and clerical)



Kinneret Hemo (Harvest Forester) and Kate Telford (Graduate Forester) reviewing operational information during field audit.

The average age of Midway employees is 49 years old with 53% over 50 years old, 38% between 30-50 years old and 9% under 30 years old.

Midway is actively encouraging the next generation of forest managers to join the business through a graduate recruitment program which introduces recent graduates to a range of opportunities within the business.

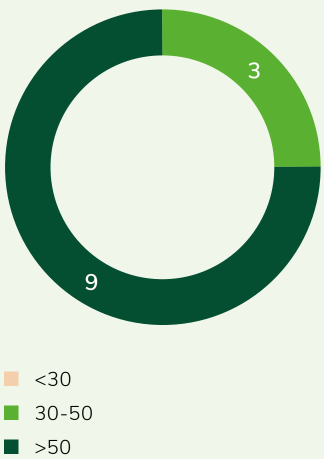
In the past year Midway has also participated in a school-based apprenticeship program. This saw Midway support a school aged apprentice gain a certificate two in forest operations, while also learning on the job as a part of the Midway Tasmania harvest management team.

Stakeholders

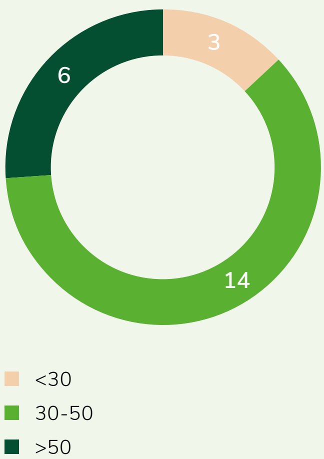
Midway acknowledges that effective stakeholder engagement is essential for the success and sustainability of our operations.

Midway continues to actively engage with stakeholders and environmental non-governmental organisations and will continue to build relationships with these and other stakeholders in the future.

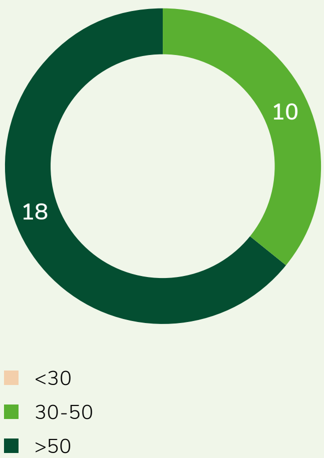
Board/Senior Managers



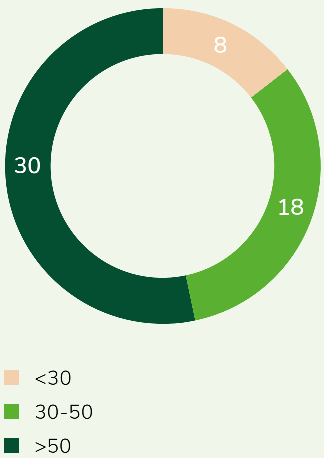
Professionals



Managers



Other (including operational, technicians and clerical)



Sustainability (continued)

Forest supply chain

Midway is committed to supplying products sourced from well managed forests where conservation and other values are identified and managed. Midway's management systems include strategic and site-based risk assessments drawing upon a variety of spatial data sources and field assessments.

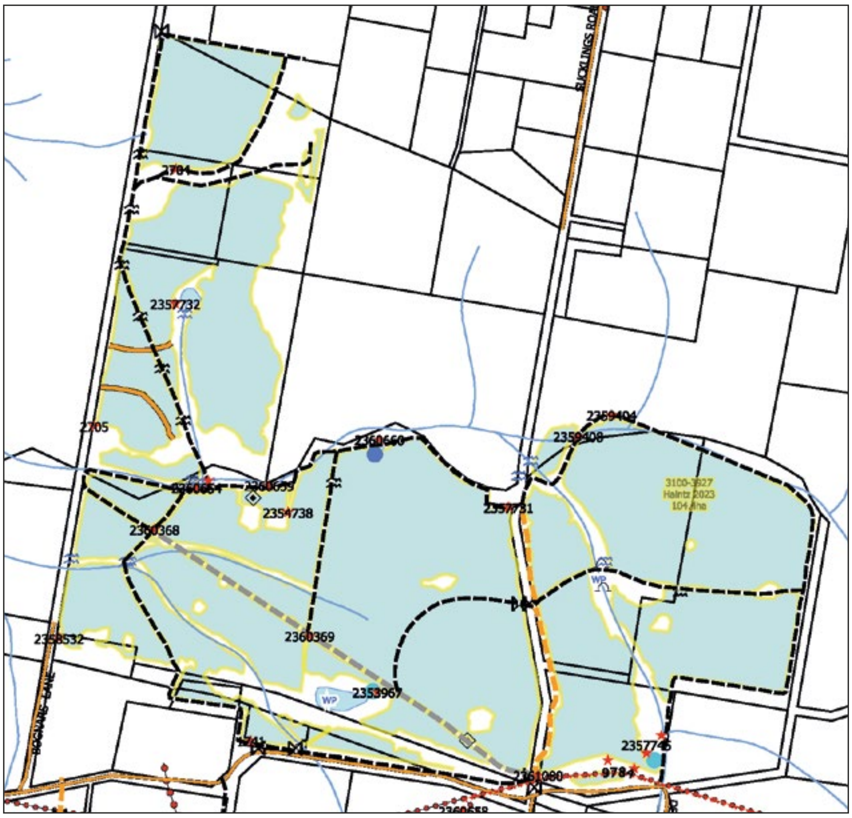
Forest management

All Midway operations are managed under site specific harvest plans which document controls for risks identified during assessment processes.

Within the harvest plans, a range of operational and reference maps provide the contractor with clear guidance as to where important features are located so that they can plan and implement operations without adversely impacting on them.

Operations are routinely monitored to ensure that Timber Harvest Plans are being implemented appropriately. Increasingly field monitoring is assisted with the use of drone technology to improve capacity to monitor across broad geographic areas.

Timber harvest plan map



Quality

Midway exported over 35 shipments from six different ports to five major customers during FY24. The quality of our wood chips are important to our customers, with specification varying depending on end use.

To ensure that chips meet customer requirements Midway quality management systems are certified to ISO9001 Quality Management Systems. The processes contained within these systems include collecting samples during ship loading to determine chip size, size distribution, moisture content and residue.

Forest certification

Midway's Forest Management and Chain of Custody certifications provide credible externally verified assurance that Midway is delivering its sustainability objectives.

This includes certification under Forests Stewardship Program (FSC) and Responsible Wood (which is endorsed by the Program for the Endorsement of Forest Certification (PEFC)).

	Responsible Wood (PEFC)		**Forest Stewardship Council**	
	Forest Management	Chain of Custody	Chain of Custody	Controlled Wood
Midway	•	•	•	•
Midway Tasmania	•	•	•	•
SWF		•	•	•
QCE		•	•	•
PMP	•	•	•	•

SWF and QCE do not manage forests and therefore are not included in forest management certification.

Chip size testing sieve

Sustainability (continued)

Environmental compliance

Midway manages five major processing and four export facilities as well as a range of other operational centres. Ensuring that we meet environmental management obligations and community expectations relating to these facilities is a high priority for the Group.

Environmental management plans are implemented across all locations to manage environmental risks and foster continuous improvement. These plans stipulate sampling and monitoring programs that ensure the group is able to quantify environmental management performance.

Energy and carbon

Midway is committed to positively contributing to the reduction of green house gases (GHG) through managing or facilitating carbon projects that increase carbon abatement. Energy consumption and greenhouse gas emissions have been calculated for all sites and activities where Midway has operational control.

Midway's total energy consumption increased by 130% compared to 2023, with a 130% increase in electricity use and a 30% decrease in fuel consumption. Increases were attributed to increased production at Midway and Midway Tasmania. Fuel consumption reduction occurred due to decreased activity at PMP.

Midway energy and greenhouse gas emissions summary

ENERGY			MWP	MWG*	MWT	QCE	PMP	TOTAL
Total energy consumption within the organisation	GJ/yr	FY22/23	15	6,910	18	885	–	7,828
		FY23/24	16	16,641	513	871	–	18,041
Total electricity purchased from the grid	kWh/yr	FY22/23	4,081	1.9 mil	4,938	245,888	–	2.2 mil
		FY23/24	4,500	4.6 mil	142,628	241,827	–	5.0 mil
Total fuel consumption within the organisation	GJ/yr	FY22/23	712	12,898	4,771	3,473	34,444	56,473
		FY23/24	883	14,688	8,729	5,643	9,422	39,365
GHG EMISSIONS								
Direct (Scope 1) GHG emissions	tCO_2-e/yr	FY22/23	70	1,019	378	275	2,730	4,474
		FY23/24	70	1,142	674	447	740	3,074
Indirect (Scope 2) GHG emissions	tCO_2-e/yr	FY22/23	3	1,626	1	179	–	1,809
		FY23/24	3	3,556	13	172	–	3,744

* MWL 22/23 emissions incorporated into MWG 22/23 emissions.

The current carbon storage of plantation trees within Midway's defined forest area is estimated to be 2.42 million tonnes of CO_2-e. This includes 1.19 million tonnes of CO_2-e managed by Midway Plantations, 0.67 million tonnes of CO_2-e managed by PMP, and 0.56 million tonnes of CO_2-e managed by Midway Tasmania.

Directors' report

Other information required by Listing Rule 4.3A

Other information requiring disclosure to comply with Listing Rule 4.3A is contained in the accompanying Financial Report for the year ended 30 June 2024.

The Directors present their report together with the consolidated financial statements of the Group comprising of Midway Limited (the Company) and its subsidiaries for the financial year ended 30 June 2024 and the auditor's report thereon.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows:

Name	Position Held	Employment Status
Directors		
Gordon Davis	Independent Non-Executive Chair	
Kellie Benda	Independent Non-Executive Director	
Nils Gunnersen	Non-Executive Director	
Tom Gunnersen	Non-Executive Director	
Leanne Heywood	Independent Non-Executive Director	
Andy Preece	Independent Non-Executive Director	Appointed 1 March 2024
Anthony McKenna	Managing Director and CEO	

All of the directors have been in office for the entire period unless otherwise stated.

Gordon Davis B.Sc (Forestry), M.Sc (Ag), MBA

Independent Non-Executive Chairman

Gordon has spent most of his career in the forestry and commodities industries. He was Managing Director of AWB Limited from 2006 to 2011, Chair of VicForests from 2011 to 2016, and a director of Nufarm Limited (ASX: NUF) from 2011 to 15 November 2023. He has been a director of Healius Limited (ASX: HLS) since 2015. Gordon was also the Chair of Greening Australia between 2014 and 2019, and was appointed Chairman of the Company from 1 May 2022. Gordon was appointed a director in April 2016.

Kellie Benda LLB, BA (Industrial Relations), MAppFin, Harvard AMP, FAICD

Independent Non-Executive Director

Kellie commenced her career with King & Wood Mallesons, as a corporate lawyer and then moved into investment banking. She held senior executive positions as Chief Risk Officer, Chief Operating Officer and Executive General Manager in organisations including AGL Limited, Origin Energy Limited, Emeco Holdings Limited and Aurizon Limited. She has served as a non-executive director of the WA Forests Products Commission and Chair of IMX Resources Limited. She is a director of the Foreign Investment Review Board (FIRB), PSMA Australia Limited (Geoscape Australia), Aurora Energy Pty Ltd, Grains Research and Development Corporation (GRDC), the Brightwater Group; and several not-for-profit entities. Kellie is the Chair of the People and Remuneration Committee, a member of the Safety and Sustainability Committee, and Audit and Risk Committee. She was appointed a director on 5 October 2022.

Directors' report (continued)

Nils Gunnersen B.Bus (Agricultural Commerce)

Non-Executive Director

Nils has over 30 years' experience across the forests and wood products industry. He is a member of the AICD and a graduate of the Australian Rural Leadership Programme. He was Executive Director of Operations and then Managing Director and CEO of Gunnersen Pty Ltd, a national, independent, wood products importer and distributor in Australia and New Zealand (2008-2019). He was both a Trustee and Chairman of the JW Gottstein Trust, a charitable trust which supports education in the forests products industry (2012-2024). Nils is a director of Chebmont Pty Ltd, which is a substantial holder of Midway shares. Nils is Chair of the Safety and Sustainability Committee, and a member of the People and Remuneration Committee. Nils was appointed a director in October 2012.

Tom Gunnersen B.A (Melb), MBA (Finance) (Bond)

Non-Executive Director

Tom has 20 years of corporate, investment and capital markets experience in Australia and Asia. He is a co-founder and current Director of boutique corporate advisory firm KG Capital Partners and is a Director of Chebmont Pty Ltd, which is a substantial holder of Midway shares. Previously, Tom was a Director of Equities for global investment bank Canaccord Genuity Limited during which time he was based in Hong Kong for several years. Tom is a member of the People and Remuneration Committee and Audit and Risk Committee. Tom was appointed a Director in February 2018.

Leanne Heywood OAM, B.Bus (Acc), MBA, FCPA, GAICD

Independent Non-Executive Director

Leanne is an experienced non-executive director and committee chair with broad general management experience gained through an international career in the mining sector, including 10 years with the Rio Tinto Copper Group. Leanne has been a non-executive director of Arcadium Lithium PLC (ASX: LTM, NYSE: ALTM) since January 2024, and Metals Acquisition Limited (ASX: MAC, NYSE: MTAL) since 1 May 2024. She was a director of Allkem Limited (ASX: AKE) from 2016 to January 2024, Symbio Holdings Limited (ASX: SYM) from March 2022 to February 2024, and Quickstep Holdings Limited (ASX: QHL) from February 2019 to 1 July 2024. Leanne is a director of Snowy Hydro Limited and is a graduate member of the Council of Charles Sturt University. Leanne is Chair of the Audit and Risk Committee, a member of the People and Remuneration Committee, and was appointed a director in March 2019.

Andy Preece

Independent Non-Executive Director (appointed 1 March 2024)

Andy's experience includes non-executive directorships of both Australian and New Zealand listed and private companies. He is a director of Solution Dynamics Limited (NZX: SDL). Andy has held several executive roles including Managing Director and Chief Executive Officer of Spicers Limited (ASX: SRS). He has a manufacturing, merchanting and wholesaling career spanning 30 years, originating in the UK packaging industry. Andy is a member of the Audit and Risk Committee and was appointed a director on 1 March 2024.

Anthony McKenna BA, MBA, CFA, GAICD

Managing Director and Chief Executive Officer

Tony has broad experience in private investment, M&A, and agribusiness. He was Managing Director of Ruyi Australia Group, part of Shandong Ruyi Technology, a Chinese multinational group, from 2016 to 2022. During that time, he was responsible for the operations of Cubbie Station, Australia's largest cotton farm, and Lempriere Wool, an international wool processing and trading business. Prior to 2016, Tony was CEO of Lempriere Capital, a private investment group specialising in agribusiness, and Executive Director of agri funds manager AgCAP. Tony was appointed Managing Director and Chief Executive Officer on 24 January 2022.

Company secretary

Robert Bennett B.Com, CA, FGIA

Rob has many years company secretarial and governance experience with Coles Group Limited, AWB Limited, and Medibank Private Limited.

Committee membership

As at the date of this report, the Company has an Audit & Risk Committee (ARC) (previously Audit & Risk Management Committee), a People & Remuneration Committee (PRC) (previously Remuneration & Nomination Committee) and a Safety & Sustainability Committee (SSC) (previously Workplace Health Safety and Sustainability Committee) of the Board of Directors.

Name	ARC	SSC	PRC	Comments
Directors				
Gordon Davis				Chair
Kellie Benda	✓	✓	✓	Chair PRC
Nils Gunnersen		✓	✓	Chair SSC
Tom Gunnersen	✓	✓		
Leanne Heywood	✓		✓	Chair ARC
Andy Preece	✓			
Anthony McKenna				CEO

Meetings of directors

The number of meetings of the Company's Board of Directors and of each Board committee held during the year and the number of meetings attended by each Director were as follows:

	Board		ARC		PRC		SSC		Other Committees	
Directors	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Gordon Davis	13	12	–	–	–	–	–	–	4	4
Kellie Benda	13	12	6	6	4	4	4	4	–	–
Nils Gunnersen	13	13	–	–	4	4	4	4	–	–
Tom Gunnersen	13	12	6	6	–	–	4	4	–	–
Leanne Heywood	13	12	6	6	4	4	–	–	3	3
Andy Preece	3	3	1	1	–	–	–	–	–	–
Anthony McKenna	13	13	–	–	–	–	–	–	–	–

Directors' report (continued)

Principal activities

The principal activities of the Group during the 2024 financial year are based on the reportable segments of the group as below:

Reportable Segments	Products/Services
Woodfibre	Includes primary operations whereby the Group purchases and sells both own and third party wood. SWF is also proportionally consolidated at 51% for segment reporting which reflects how management views and makes decisions of its operations.
Plantation and Carbon Management	Plantation management is the provision of silviculture services including on group owned trees combined with carbon management activities. The segment also holds any group owned plantation land and trees.
Ancillary	Other aggregated costs which are not individually significant

Operating and finance review

Financial results

Highlights

- The Group achieved positive underlying earnings before interest, tax, depreciation and amortisation (EBITDA) from continuing operations and before significant items of $14.2 million (2023: $2.9 million).
- The Group's balance sheet remains strong with net tangible assets of $1.65 cents per share.
- The Group is in a net cash position of $20.5 million, as a result of a $35.5 million improvement in operating cashflow from pcp.
- A special dividend of 5.0 cents per share was paid in December 2023; a fully franked special dividend of 14.5 cents was declared in August 2024.
- A fully franked ordinary dividend of 1.6 cents was declared in respect of full year FY24 earnings.

Group performance

- The Geelong business performed strongly in FY24 due to margin improvement, driven by targeted supply acquisition, favourable FX and a strong headline price achieved for E. Globulus.
- Tasmania volume has increased by 284k GMT to 579k GMT in FY24, as the mill is fully commissioned and increasing to nameplate capacity.
- QCE performance remained strong during the year, driven by favourable 1H24 softwood prices.
- Offsetting the above was a lower than expected SWF performance, which was adversely impacted by lower sales volumes.

A summary of the financials has been provided below to the previous corresponding period:

	Notes	2024 $'000	2023 $'000	Change
Revenue and other income				
Sales revenue	1.1	273,521	187,808	85,713
Other income	4.8	6,095	6,668	(573)
		279,616	**194,476**	**85,140**
Less: expenses				
Changes in inventories of finished goods and work in progress		(7,992)	14,156	(22,148)
Materials, consumables and other procurement expenses		(182,731)	(137,564)	(45,167)
Employee benefits expense		(18,927)	(20,620)	1,693
Plantation management expenses		(8,152)	(3,995)	(4,157)
Freight and shipping expense		(29,428)	(24,897)	(4,531)
Repairs and maintenance expense		(6,777)	(9,865)	3,088
Other expenses		(9,783)	(11,222)	1,439
Share of net profits from equity accounted investments		(1,660)	2,386	(4,046)
EBITDA – S		**14,166**	**2,855**	**11,311**
Depreciation & Amortisation		(8,426)	(6,318)	(2,108)
EBIT – S		**5,740**	**(3,463)**	**9,203**
Net finance expense		(1,983)	(2,132)	149
Net profit/(loss) before tax – S		**3,757**	**(5,595)**	**9,352**
Income tax expense		(1,748)	2,478	(4,226)
Net profit/(loss) after tax – S		**2,009**	**(3,117)**	**5,126**

Non-IFRS measures

Throughout this report the Group has used certain non-IFRS measures, predominately EBIT and EBITDA. The non-IFRS measures have been deemed useful for recipients in measuring the underlying performance of the Group. The non-IFRS measures have not been audited.

Non-IFRS measure	Description
EBIT	Earnings, before interest and tax.
EBITDA	Earnings, before interest, tax, depreciation and amortisation.
Underlying NPAT – S	Statutory net profit after tax adjusted to remove the impact of one off or non-recurring items and the net fair value gain/(loss) on biological assets.
Underlying EBITDA – S	Earnings, before interest, tax, depreciation and amortisation adjusted to remove impact of one off or non-recurring items and the net fair value gain/(loss) on biological assets.

Directors' report (continued)

Reconciliation of underlying net profit/(loss) after tax to statutory net profit after tax (NPAT)

	2024 $'000	2023 $'000	Change
Net profit/(loss) after tax – S (underlying)	**2,009**	**(3,117)**	**5,126**
Net fair value increment on biological assets	(656)	105	(761)
Non-cash interest expense (AASB 15 *Strategy Impact*)[1]	(1,037)	(3,218)	2,181
Insurance costs, net of proceeds received[2]	–	65	(65)
Impairment loss on non-current assets	–	(5,489)	5,489
Impairment loss on current assets	(89)	(245)	156
Interest received[3]	1,315	1,374	(59)
Profit on sale of non-current assets	–	8,726	(8,726)
Transaction costs incurred	(564)	(580)	16
Net profit/(loss) after tax Statutory	**978**	**(2,379)**	**3,357**

1. Non cash interest expense is incurred on the liability created on 1 July 2018 to repurchase trees under the Strategy arrangement, which was deemed a financing arrangement upon the adoption of AASB 15 *Revenue from Contracts with Customers*. The Strategy arrangement is a contractual obligation to repurchase hardwood trees the Group sold in February 2016.
2. Costs related to insurance works, and reimbursements received from the Group's insurers, are presented gross under the Consolidated Statement of Comprehensive Income.
3. Includes interest received by the Group on cash deposits relating to proceeds received from the sale of the plantation estate.

Reconciliation of underlying Earnings, before interest, tax, depreciation and amortisation to statutory Earnings, before interest, tax, depreciation and amortisation (EBITDA)

	2024 $'000	2023 $'000	Change
EBITDA – S (underlying)	**14,166**	**2,855**	**11,311**
Net fair value increment/(decrement) on biological assets	(937)	151	(1,088)
Insurance costs, net of proceeds received	–	93	(93)
Profit/loss on sale of assets – Midway Plantations	–	12,465	(12,465)
Impairment loss on non-current assets	–	(7,842)	7,842
Impairment loss on current assets	(127)	(350)	223
Transaction costs incurred	(805)	(829)	24
EBITDA – statutory	**12,297**	**6,543**	**5,754**

Performance against prior corresponding period

Woodfibre

	2024 Actual	2023 Actual	▲
Revenue[1]	284,552	225,182	26%
EBITDA – S	16,442	8,237	100%
EBITDA[2]	16,442	139	11,729%
Export sales volume in Green Metric Tonnes (GMT) achieved by site[3]	**GMT '000s**	**GMT '000s**	
Geelong	704	597	107
Portland	304	721	(417)
Brisbane	226	237	(11)
Melville Island	109	143	(34)
Tasmania	579	295	284
Total	**1,922**	**1,993**	**(71)**

1. Includes the Group's 51% share of SWF's revenue, which is eliminated per Note 1.1.
2. Woodfibre EBITDA for 2023 includes a total of $8.2 million of impairment losses recognised in PMP.
3. Includes third party chip trading volumes.

Improved EBITDA – S is in the woodfibre segment is due:

- Increased volumes Group volumes (excluding SWF JV), particularly at Geelong and Tasmania by 107k GMT and 284k GMT respectively.
- Geelong gross margin improved driven by the strong E Glob headline price and targeted supply acquisition.
- Volumes in our joint venture operation, SWF, decreased by 417k GMT. SWF was particularly impacted by the market slowdown in the first half, combined with a slower than expected return of shipping volumes in the second half.
- The Group benefited from a better FX position with an effective rate of 0.67 AUD/USD.
- Other key movements include a 5.1% increase in dry fibre % for the year particularly in Queensland and Victoria.

Plantation and carbon management

Plantation Management	2024 Actual	2023 Actual	▲
Revenue	10,878	9,943	9%
EBITDA – S	(1,550)	(1,625)	5%
EBITDA	(2,614)	10,991	(124%)

In FY2024, EBITDA – S was consistent with pcp, as costs associated with managing the remaining deferred settlement tranches following the sale of the plantation estate in FY2023 were incurred for the final full year. The final tranche of the MEAG deal is expected to settle in 1H25 which will further improve earnings.

Revenue has increased by 9%, driven by increased management fees arising from plantation estate management activities.

The asset owning business within this segment, generated an EBITDA – S loss of –$1.4 million, which includes costs associated with maintaining and harvesting the Group's remaining plantation estate and costs associated with managing the remaining deferred settlement tranches.

Directors' report (continued)

Plantation and carbon management earnings generated an EBITDA – S loss of –$0.1 million earning revenue from managing third party estates and registering and management carbon projects. Earnings related to the Group's plantation and carbon management activities are expected to build as an industry-leading team in plantation carbon is now in place, and further market offerings are developed.

Financial position

	2024 $'000	2023 $'000
Current Assets	117,785	75,147
Non-current Assets	99,661	107,452
Total assets	217,446	182,599
Current Liabilities	32,335	37,645
Non-current liabilities	38,709	17,977
Total liabilities	**71,044**	**55,622**
Net assets	**146,402**	**126,977**

Highlights

- The improved trading environment was reflected in improved operating cash flows of $22.8 million (FY23: –$12.7 million). Working capital reduced to more normal levels, with inventory balances decreasing $8.3 million to $26.7 million (2023: $35.0 million).
- A special dividend of 5.0 cents per share was paid in December 2023; a special dividend of 14.5 cents was declared in August 2024.
- A fully franked ordinary dividend of 1.6 cents per share was declared in respect of full year FY24 earnings.

Net Debt	2024 $'000	2023 $'000
Bank loans – current	–	1,000
Bank loans – non-current	–	–
Hire purchase liabilities – current	932	2,027
Hire purchase liabilities – non-current	3,460	3,599
Cash and cash equivalents	(24,856)	(5,606)
Term deposit	–	(2,009)
Net Debt/(Net Cash)[1]	**(20,464)**	**(989)**

1. Excludes AASB 16 *Lease Liabilities*.

Highlights

- The balance sheet position remains strong, with a net cash surplus position of $20.5 million.
- Lease liabilities increased to $19.5 million (2023: $4.9 million), due principally to the extension of the Group's port lease in its Brisbane operations, securing port access into the future.
- Following receipt of the final tranche of the plantation estate sale, of the deferred settlement receivable, the Company will pay a special dividend of 14.5 cents per share.
- The Group has a current asset ratio of 3.64.

Outlook

The incremental demand from new and upgraded mills in China and Indonesia is encouraging for the long-term demand for higher quality Australian wood fibre. The majority of 1H25 sales volumes are contracted.

Pulp prices remain well above the bottom of the price cycle of US $470 per tonne that was seen in June 2023, despite a recent fall for bleached eucalyptus kraft pulp to US $630 per tonne.

The headline Eucalyptus Globulus price has been settled, down US$10.00 to US$188.75 per bone dry metric tonne for calendar year 2024. The Company is cautiously optimistic that this pricing level will support sustained demand for high quality Australian hardwood in the international market.

The Company continues to develop its experienced carbon team, which is leading the industry in plantation carbon, and is focused on delivering on a strong project pipeline.

Key risks and business challenges

The principal risks and business challenges for the Group are:

- Security of supply – There is a risk that Midway may not be able to secure sufficient timber supply necessary to meet customer demand.
- Customer demand – As most sales are achieved on a short-term contractual basis, there can be no guarantee that these relationships will continue.
- Exposure to foreign exchange rates – As most sales are denominated in USD whilst costs are in AUD, any adverse exchange rate fluctuations would have an adverse effect on Midway's future financial performance and position.
- Banking facilities – Midway has a debt facility which is subject to various covenants. Factors such as a decline in Midway's operations and financial performance (including any decline arising from any adverse foreign exchange rate fluctuations) could lead to a breach of its banking covenants. If a breach occurs, Midway's financier may seek to exercise enforcement rights under the debt facility, including requiring immediate repayment, which may have a materially adverse effect on Midway's future financial performance and position.
- Excess system capacity – Midway is subject to a number of contracts which contain minimum annual volume commitments. Financial costs are imposed if these volume commitments are not met.
- Contamination of product – Woodfibre export contracts all contain similar contamination requirements. There is a risk of financial recourse in the event of a breach of contract.
- Costs – Midway's profitability could be materially and adversely affected by changes in costs which are in many respects beyond its reasonable control.
- Australian Carbon Credit Units (ACCUs) – the Group is exposed to volatility in future ACCU price and demand movements as it is now entering carbon management activities. The Group's future profit could be impacted if demand or pricing falls.
- Vessel chartering – There is a risk that Midway may not be able to finalise an export sale contract rendering a vessel idle, or that a vessel cannot be chartered when needed, causing a potential shipment to be adversely impacted.
- Employee recruitment and retention risk – There is a risk the Group may not be able to attract and retain key staff, particularly in remote regions.
- Project delivery – The risk that current works to redevelop the Group's Geelong site are delayed or cost more than expected, which could adversely impact earnings.
- Fire – The loss of plantation resource and therefore supply due to fire is an ever-present industry risk.
- Extreme weather events – There is a risk of extreme weather events occurring.
- Geopolitical conditions – There is a risk that global political developments may adversely affect market conditions and access.
- Other risks facing the company include failure to comply with laws, regulations and industry standards generally (and environmental matters and industry accreditations specifically), risk of litigation, claims and disputes, bribery and corruption in foreign jurisdictions.

Directors' report (continued)

In order to manage these challenges, the Company hedges a significant proportion of its forward sales through foreign exchange hedging contracts and continues to maintain and strengthen its business relationships including entering into strategic alliances with key suppliers. Additionally, imposing a strong control environment focusing on preventative controls, acts to further manage these business challenges.

Dividends

A special dividend of 5.0 cents per share was declared and paid in the 2024 financial year. A fully franked special dividend of 14.5 cents per share was declared in August 2024.

A fully franked ordinary dividend of 1.6 cents per share was declared in respect of full year FY24 earnings.

Corporate governance

The Group has adopted a range of charters and policies aimed at ensuring that the Group's business is conducted in an ethical manner and in accordance with the expected standards of corporate governance.

Significant changes in the state of affairs

Plantation management partners

Northern Territory Port and Marine Pty Ltd (NTPM), operator of the Port Melville facility in the Tiwi Islands has exited administration and is now subject to a Deed of Company Arrangement (DOCA). The DOCA effects the going concern sale of the Port to Port Melville Pty Ltd. Orders obtained by the Deed Administrator in the Federal Court of Australia on 13 August 2024 will enable the transfer of NTPM shares to Port Melville Pty Ltd and the release of noteholder security over the Port assets. It is expected that the DOCA will be effectuated, and the business handed over to Port Melville Pty Ltd by mid-September 2024.

Significant events subsequent to the end of the financial year

There is no matter or circumstance which has arisen since 30 June 2024 that has significantly affected or may significantly affect the operations of the Group in subsequent financial years, the results of those operations, or the state of affairs of the Group in future financial years.

Likely developments and expected results of operations

Midway will continue to pursue further growth opportunities through:

- securing additional supply to meet expected unfulfilled demand from existing and potential customers, including through strategic supply arrangements with large plantation managers and collaboration with other interested parties;
- continuing to evaluate and develop potential adjacent growth opportunities, particularly in the fields of carbon emissions offsets and carbon abatement; and
- exploring complementary business opportunities which utilise our marketing, plantation management, processing and supply chain management skills.

Environmental regulation

- The Chief Executive Officer reports to the Board on any environmental and regulatory issues at each Directors' meeting, if required. During the year, no significant incidents occurred.

Greenhouse gas and energy data reporting requirements

- The Company is not subject to the reporting requirements of either the *Energy Efficiency Opportunities Act 2006* or the *National Greenhouse and Energy Reporting Act 2007.*

Share option plan

- The Company has adopted a Long-Term Incentive Plan (LTIP) under which it has issued 1,098,310 performance rights to senior executives in the current financial year. The rights vest over a performance period ending 30 June 2026, subject to satisfaction of vesting conditions such as a comparator measure of Total Shareholder Return (TSR) benchmarked against the top ASX 300 companies.
- Refer to the Remuneration Report for details on the rights issued to Key Management Personnel (KMP).

Indemnification and insurance of directors and officers

Indemnification

The Company has indemnified the Directors and officeholders of the Company for costs incurred, in their capacity as a Director or officeholder, for which they may be held personally liable, except where there is a lack of good faith.

Insurance of directors and officers

During the year the Company paid a premium for a Directors and Officers Liability Insurance Policy. This policy covers Directors and Officers of the Company and the Company. In accordance with normal commercial practices under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of the premiums are confidential.

Insurance of auditor

No payment has been made to indemnify the Company's Auditor during or since the end of the financial year.

Proceedings on behalf of the Company

There are no legal proceedings currently outstanding.

Non-audit services

The Company may decide to employ the Auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit & Risk Committee is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit & Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of *Ethics for Professional Accountants*, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Directors' report (continued)

KPMG Australia	2024 $	2023 $
Audit and assurance services		
– Statutory audit fees	303,050	224,675
Other services		
– Non-assurance services – other advisory services	17,471	21,228

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 set out on page 31 and forms part of this report.

Rounding off

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors.

Gordon Davis
Chairman

Melbourne,
29 August 2024

Auditors independence declaration

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Midway Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Midway Limited for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Simon Dubois

Partner

Melbourne

29 August 2024

Remuneration report (audited)

Introduction

The Directors are pleased to present the FY2024 Remuneration Report, which forms part of the Midway Limited (Company) Directors' Report. It outlines the Board's remuneration philosophy and remuneration information for the Company's Non-Executive Directors, Executive Directors and other KMP in accordance with the requirements of the *Corporations Act 2001* and its regulations.

For the purposes of this report, KMP is defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Executive Remuneration represents remuneration for the Executive KMPs and other members of senior management. This report discloses remuneration as it relates to Executive KMP's, however the framework is applied more broadly to other members of senior management.

The information provided in this Remuneration Report, which forms part of the Directors' Report, has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Key management personnel disclosed in this report

Name	Position Held	Employment Status
Directors		
Gordon Davis	Non-Executive Chairman	
Kellie Benda	Non-Executive Director	
Nils Gunnersen	Non-Executive Director	
Tom Gunnersen	Non-Executive Director	
Leanne Heywood	Non-Executive Director	
Andy Preece	Non-Executive Director	Appointed 1 March 2024
Executives		
Anthony McKenna	Managing Director and CEO	
Michael McKenzie	Chief Financial Officer	

Principles used to determine nature and amount of remuneration

The performance of the Group depends upon the quality and performance of its Directors and executives. To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high performing executives;
- Link executive rewards to shareholder value;
- Have a portion of executive remuneration variable, dependent upon meeting performance benchmarks; and
- Establish appropriate and demanding performance benchmarks in relation to variable executive remuneration.

This section of the Remuneration Report outlines the Company's remuneration framework and philosophy which is designed to attract, motivate and retain highly skilled Directors and executives.

People and remuneration committee

The Board has established a People and Remuneration Committee to assist the Board in reviewing and making recommendations to the Board in relation to the Company's remuneration policy, and remuneration arrangements for the Directors and executives.

The People and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of high quality, high performing Directors and executives.

The People and Remuneration Committee is comprised of Non-Executive Directors, the majority of whom are independent in accordance with the People and Remuneration Committee Charter. The Board considers that having a separate remuneration committee serves as an efficient and effective mechanism to bring the transparency, focus and independent judgement needed on remuneration decisions.

The Board has also adopted a number of key policies to support the Company's remuneration framework. The Company's policies and the People and Remuneration Committee Charter, which sets out the functions and responsibilities of that committee, are available at www.midwaylimited.com.au.

Remuneration framework

In accordance with best practice corporate governance standards, the Company's remuneration policies and practices regarding the remuneration of Non-Executive Directors are separate and distinct from the remuneration of Executive Directors and other senior executives.

These policies and practices appropriately reflect the different roles and responsibilities of Non-Executive Directors compared with Executive Directors and other senior executives of the Company.

Use of remuneration consultants

The People and Remuneration Committee may, from time to time, engage external remuneration consultants to provide it with advice, information on current market practices, and other matters to assist the Committee in the performance of its duties.

Non-executive director remuneration

Objective

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors.

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

Framework

Under the Company's Constitution, the Non-Executive Directors as a whole may be paid or remunerated for their services a total amount or value not exceeding $1.2 million per annum or such other maximum amount fixed by the Company in a general meeting. An amount not exceeding the amount determined is then divided between the Non-Executive Directors as approved by the Board upon recommendation from the People and Remuneration Committee.

Non-Executive Directors' fees and payments are reviewed periodically by the People and Remuneration Committee.

Directors may also be reimbursed for expenses properly incurred by the Directors in connection with the affairs of the Company including travel and other expenses in attending to the Company's affairs.

Remuneration report (audited) (continued)

Table 1.1 Non-Executive Director fee structure

	Board Base Fee $	Additional Fee $
Non-Executive Director	90,000	–
Chair	180,000	–
Chair – Audit and Risk Committee	–	15,000
Chair – People and Remuneration Committee	–	15,000
Chair – Safety and Sustainability Committee	–	15,000
Committee member	–	7,500

The aggregate remuneration of Non-Executive Directors for the year ended 30 June 2024 was $659,742.

Executive remuneration

In determining the level and make-up of executive remuneration, the Remuneration and Nomination Committee uses a combination of business experience, comparisons with executive remuneration of comparable companies and comparative remuneration in the market and makes its recommendations to the Board.

The executive remuneration and reward framework includes both fixed and 'at risk" reward components. 'At risk' reward includes short and long-term incentives which are based on performance outcomes. The structure has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- long term share-based performance incentives; and
- other remuneration such as superannuation and long service leave.

From time to time the People and Remuneration Committee may consider "one-off" payments to executives, as part of their remuneration, in relation to specific events.

The combination of these comprises each executive's total remuneration.

Fixed remuneration

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the People and Remuneration Committee, based on individual and business unit performance, the overall performance of the Company, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Variable remuneration

Objective

The objective of the variable remuneration component of executive remuneration, comprising short-term performance incentives and share based performance incentives, is to link the achievement of the Company's targets with the remuneration received by the executives charged with meeting those targets, and to reward executives in a manner which is consistent with the interests of shareholders.

The total potential variable component is set at a level so as to provide sufficient incentive to the executive to achieve the targets and such that the cost to the Company is reasonable in the circumstances.

Structure

Actual variable incentives granted to each executive depend on the extent to which specific targets set at the beginning of the financial year are met. The targets consist of a number of key performance indicators (KPIs) covering both financial and non-financial measures of performance. Typically included are measures such as contribution to operational profit, occupational health and safety and risk management, leadership and team contribution. The Company has predetermined benchmarks which must be met in order to trigger payments.

The type of variable incentives and performance against KPIs of the Company and the individual performance of each executive are taken into account when determining the amount, if any, of the variable incentive that is to be awarded to each executive. Any variable incentives to be awarded to executives across the Company are subject to the approval of the Board.

Total remuneration for the CEO and CFO includes a combination of fixed remuneration, short-term incentives and long-term incentives in the form of issued performance rights.

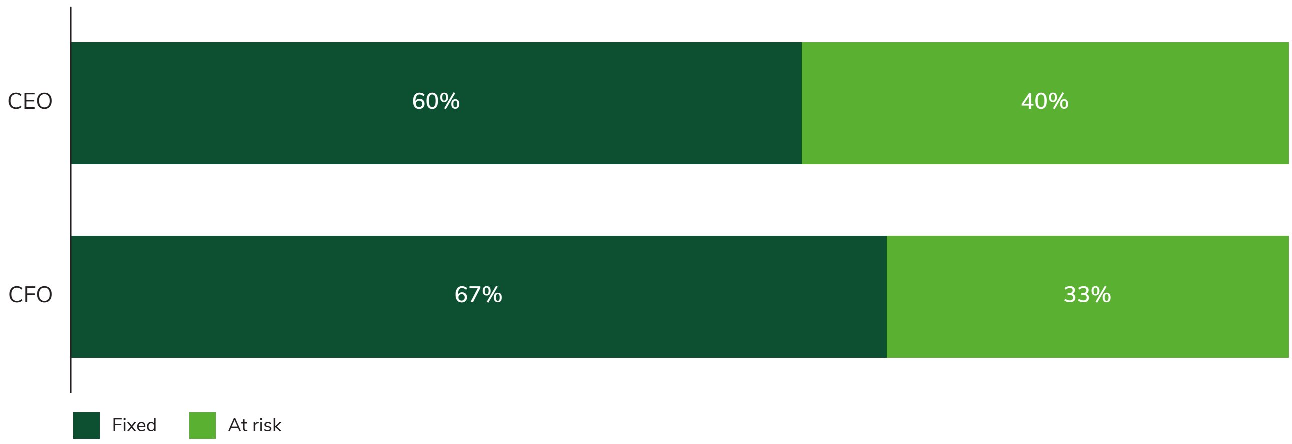
In assessing whether the KPIs for each variable component have been met, the Company measures actual results against internal targets.

A summary of contractual arrangements is provided below:

	Base Salary[1] $	Maximum STI $	Eligibility LTIP	Termination Notice	Restraint of Trade Provisions
Chief Executive Officer	577,324	173,764	✓	6 months	✓
Chief Financial Officer	299,812	99,050	✓	3 months	✓

1. Includes superannuation and car allowances.

The remuneration mix is outlined below:



Short-term incentive plan

The Company's executive KMP and other members of senior management are eligible to participate in the Company's short-term incentive plan (**STI Pla**n).

Participants in the STI Plan have a maximum cash payment which is set as a percentage of their total fixed remuneration (**TFR**). Actual short-term incentive payments in any given year are dependent on the achievement of financial and non-financial criteria as approved by the Board. No incentive payment is payable if the threshold performance target is not met.

Remuneration report (audited) (continued)

FY2024 short-term incentives

In FY2024, an offer to participate in the short-term incentive (STI) Plan was made to the Company's executives including Executive KMP and other senior managers. Under the offer, employees will receive a STI payment calculated as a percentage of their TFR conditional on achieving performance measures including:

- Board approved underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) Actual vs Budget measured annually;
- Safety metrics including a number of lead and lag indicators which are all measured annually against target positions; and
- Agreed and documented objectives specific to each executive's position measured annually.

EBITDA represents how the Company monitors its performance against budget, including achieving its strategic goals. Achieving the targeted EBITDA has a linkage to shareholder returns and therefore is an appropriate measure to incentivise executive performance.

Safety covers an appropriate set of operational performance targets as they are critical to the Company on two fronts: (1) It ensures the occupational health and safety measures implemented by the Company are first class to ensure employees are appropriately protected from any hazards in the workplace and; (2) By having limited downtime due to workplace injuries ensures maximum operational time of the Company's equipment.

A summary of the key terms of the Company's FY2024 STI Plan is set out as follows:

<table>
<tr><th>Term</th><th>Description</th></tr>
<tr><td>Objective</td><td>To reward participants for achieving targets linked to the Company's business strategy</td></tr>
<tr><td>Participants</td><td>All Executive key management personnel and selected senior management members</td></tr>
<tr><td>Performance period</td><td>Financial year ended 30 June 2024</td></tr>
<tr><td>Performance measures</td><td>STI is assessed against both financial and non-financial measures with the following weighting:
<table>
<tr><th>Measure</th><th>Weighting CEO</th><th>Weighting CFO</th></tr>
<tr><td>EBITDA</td><td>40%</td><td>40%</td></tr>
<tr><td>Safety</td><td>20%</td><td>20%</td></tr>
<tr><td>Individual performance measures</td><td>40%</td><td>40%</td></tr>
</table></td></tr>
<tr><td>Payment</td><td>Upon final endorsement by Board</td></tr>
</table>

FY2024 short-term incentive outcomes

The following is a breakdown of the short-term incentive outcomes achieved by key management personnel at the end of the 2024 financial year:

KMP	Maximum STI	% of Maximum STI Achieved
CEO	173,764	75
CFO	99,050	70

Long-term incentive plan

Objective

The Company has established and adopted a Long-Term Incentive Plan (**LTIP**), which is intended to assist in the motivation, retention and reward of certain executives. The LTIP is designed to align the interests of executives more closely with the interests of shareholders by providing an opportunity for senior executives to receive an equity interest in Midway through the granting of awards including shares, options and performance rights, subject to satisfaction of certain conditions.

In FY2024, the Group issued performance rights to the Chief Executive Officer and Senior Executive Team. In total, 1,098,310 rights were issued based on the conditions set out in section (a).

Structure

The key terms of the LTIP are summarised below.

Term	Description
Administration	The Board has the discretion to determine which executive Directors and employees of Midway or any related Company are eligible to participate in the LTIP (Eligible Employees).
Eligibility	The awards (Awards) that may be issued under the LTIP currently include: • shares; • options; and • performance rights.
Awards	The Board may determine that the Awards will be subject to performance, service or other conditions (Vesting Conditions) and, if so, will specify those Vesting Conditions in the offer. Vesting Conditions may include conditions relating to continuous employment, performance of the participant or the occurrence of particular events.
Vesting conditions	Subject to the satisfaction of any applicable Vesting Conditions, Awards held by a participant will vest on the date specified in the terms of the offer for those Awards, which are to be determined by the Board at the time of offer and advised to the participant in individual offer documents.
Vesting date	Shares allocated on vesting of an Award carry the same rights and entitlements as other issued Shares, including dividend and voting rights.
Shares as an Award, or on vesting of an Award	Depending on the terms issued, the Shares may be subject to disposal and/or forfeiture restrictions, which means that they may not be disposed of or dealt with for a period of time and/or may be forfeited if certain further conditions are not satisfied.
Dividend and voting entitlements	Awards, other than Shares, are not entitled to dividend or voting rights.
Change of control	Upon the occurrence of a change of control of Midway, the Board may at its discretion and subject to such terms and conditions as it determines, resolve that the Vesting Conditions applicable to any unvested Awards be waived.
Restrictions	Without the prior approval of the Board or as expressly provided in the LTIP: • options and performance rights may not be disposed of, transferred or encumbered; and • unvested Shares may not be disposed of, dealt with or encumbered or transferred in any way whatsoever until the first to occur of the following: (i) the satisfaction of the applicable Vesting Conditions; and (ii) the time when the Participant is no longer employed by the Company or a related Company.
Loans	At the direction of the Board, the Company or a related Company may offer a participant a loan for the purpose of acquiring any Shares offered to the participant under the LTIP.
Amendments	To the extent permitted by the Listing Rules, Midway may amend all or any of the provisions of the LTIP rules.
Other terms	The LTIP also contains customary and usual terms having regard to Australian law for dealing with the administration, variation, suspension and termination of the LTIP.

Remuneration report (audited) (continued)

2024 long-term incentives

The LTIP offered to Midway's Executive KMP and other senior executives, is summarised below:

(a) Performance rights

In FY2024, the Board granted the Chief Executive Officer and members of the Senior Executive Team 1,098,310 performance rights, subject to vesting conditions (see below). Following satisfaction of the vesting conditions the rights will automatically vest and the underlying shares will be issued. The performance period is until 30 June 2026. The performance rights granted to the Chief Executive Officer were approved by shareholders at the Annual General Meeting held on 30 November 2023 in accordance with ASX Listing Rule 10.14.

Term	Description
Eligibility	Chief Executive Officer, Chief Financial Officer and members of the Senior Executive Team.
Consideration for grant	Nil.
Instrument	**2024 plan:** Performance rights issued on 6 December 2023 and 22 December 2023. **2023 plan:** Performance rights issued on 9 December 2022 and 13 April 2023.
Number of rights granted	**2024 plan:** CEO 623,066; CFO 138,375; Other Senior Executives 336,869. **2023 plan:** CEO 349,940; CFO 132,950; Other Senior Executives 470,629.
Additional cash settlement performance rights to CEO	Due to an error in the 2022 Notice of Annual General Meeting, it may have been unclear whether shareholders approved 489,916 performance rights or the 349,940 performance rights issued and shown above. Both numbers appeared in the notice but the intended number of performance rights was 489,916. To correct the situation, the Board approved a cash settlement equivalent to 489,916-349,940 = 139,976 performance rights on 11 January 2023. A cash amount equivalent to the fair value of 139,976 performance rights (or a proportionate number) will be paid to the CEO at around the same time that any of the 349,940 performance rights vest.
Service conditions	Participant must maintain continuous employment over the performance period.
Performance period	**2024 plan:** 1 July 2023 to 30 June 2026. **2023 plan:** 1 July 2022 to 30 June 2025.
Performance measure	The percentage of performance rights that will vest will depend on Midway's total shareholder return (TSR) over the performance period, relative to the comparator Company (companies in the S&P/ASX 300 Index excluding mining and energy companies). Performance rights will only vest on the following conditions: • less than median of the comparator Company, no performance rights will vest; • at median of the comparator Company, 50% of the performance rights will vest; • between median and the 75th percentile of the comparator Company, a straight-line pro rata vesting between 50% and 100% of the performance rights will occur; and • greater than 75th percentile of the comparator Company, 100% of the performance rights will vest.
Entitlement	Each Performance Right entitles the participant, on vesting of the performance right, to receive (at the discretion of the Board, other than as provided in the Plan Rules) by issue or transfer, one fully paid ordinary share in the capital of the Company (Share).
Restrictions	Performance rights are subject to the restrictions set out in the Plan Rules. In particular the participants must not: • Dispose of any performance rights without the prior consent of the Board or otherwise in connections with the Plan Rules; or • Enter into any arrangement for the purpose of hedging, or otherwise affecting the participants economic exposure to the Performance Rights.

Term	Description
Fair value at grant date[1]	**2024 plan:** Rights issued 6 December 2023 ($0.61 cents); Rights issued 22 December 2023 ($0.51 cents). **2023 plan:** Rights issued 9 December 2022 ($0.65 cents); Rights issued 13 April 2023 ($0.54 cents).

1. Represents the fair value as calculated using a Monte Carlo Simulation model which incorporates the TSR performance conditions.

(b) FY2022 LTI plan

The performance period ended on 30 June 2024 was subject to the performance measures outlined in the LTI plan described in section (a) performance rights. Midway's total shareholder return over the performance period between 1 July 2021 and 30 June 2024 was less than median of the comparator Company's and as a result 338,729 performance rights issues will not vest.

Relationships between company remuneration policy and company performance

The relationship between remuneration policy and Company performance is assessed for the current financial year and the prior four comparative periods. Measures set out below are not necessarily consistent with the measures used in determining variable amounts of remuneration to be awarded to KMP's. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

Key Performance Indicator	FY2024 Actual $'000	FY2023[1] Actual $'000	FY2022[1] Actual $'000	FY2021 Actual $'000	FY2020 Actual $'000
Net profit/(loss) after tax	978	(2,379)	(12,878)	(5,178)	(11,733)
EBITDA	12,297	6,543	3,533	10,933	752
Underlying EBITDA – S[2]	14,166	2,855	(1,762)	14,632	13,836
Dividend paid (cents per share)	5.0	–	–	–	–

1. Consolidated figures shown.
2. Underlying figures have not been audited.

Other non financial measures such as Lost Time Injury Frequency Rate (LTIFR) Actual vs Previous Year are also taken into account when assessing the variable remuneration awarded.

Remuneration report (audited) (continued)

Key management personnel remuneration

The statutory remuneration disclosures for the year ended 30 June 2024 are detailed below and are prepared in accordance with Australian Accounting Standards (AASBs).

		Short-Term Benefits			Post Employment	Long-Term Benefits	Share Based Payments	Total
		Salary and Fees	**STI**	**Non-monetary[1]**	**Super-annuation**	**Other[2]**		
Directors								
Gordon Davis	**2024**	**179,384**	**–**	**–**	**–**	**–**	**–**	**179,384**
	2023	180,074	–	–	–	–	–	180,074
Kellie Benda	**2024**	**106,593**	**–**	**–**	**11,706**	**–**	**–**	**118,299**
	2023	72,350	–	–	7,623	–	–	79,973
Nils Gunnersen	**2024**	**100,999**	**–**	**–**	**11,277**	**–**	**–**	**112,276**
	2023	99,091	–	–	10,332	–	–	109,423
Tom Gunnersen	**2024**	**94,266**	**–**	**–**	**10,410**	**–**	**–**	**104,676**
	2023	95,058	–	–	10,019	–	–	105,077
Leanne Heywood	**2024**	**105,258**	**–**	**–**	**8,216**	**–**	**–**	**113,474**
	2023	111,396	–	–	11,741	–	–	123,137
Andy Preece[3]	**2024**	**28,488**	**–**	**–**	**3,144**	**–**	**–**	**31,632**
	2023	–	–	–	–	–	–	–
Gregory McCormack[4]	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	36,185	–	–	3,851	–	–	40,036
Thomas Keene[4]	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	38,968	–	–	4,148	–	–	43,116
Current Executives								
Anthony McKenna	**2024**	**550,049**	**130,322**	**–**	**27,500**	**18,251**	**229,456**	**955,578**
	2023	533,684	–	–	27,606	14,915	224,610	800,815
Michael McKenzie	**2024**	**272,429**	**69,825**	**–**	**27,500**	**6,213**	**52,282**	**428,249**
	2023	262,608	–	–	27,606	7,215	18,732	316,161

1. Relates to vehicle allowance paid by the Group.
2. Includes the movement in annual leave and long service leave provisions.
3. Appointed 1 March 2024.
4. Retired 28 November 2022.

Equity instruments

KMP	Held at 1 July 2023	Shares Acquired	Shares Sold	Other Changes	Held at 30 June 2024
Gordon Davis	90,000	–	–	–	90,000
Kellie Benda	–	–	–	–	–
Nils Gunnersen	9,829	–	–	–	9,829
Tom Gunnersen	–	–	–	–	–
Leanne Heywood	5,000	10,000	–	–	15,000
Andy Preece	–	–	–	–	–
Anthony McKenna	–	–	–	–	–
Michael McKenzie	–	–	–	–	–

1. Held at retirement date.

Details of equity incentives affecting current and future remuneration

The table below outlines each KMP's unvested performance rights at the end of the reporting period. Details of vesting profiles of the performance rights held by each KMP are detailed below:

	Instrument	Number	Grant Date	% Vested in Year	% Forfeited in Year	Financial Year in Which Grant Vests
Anthony McKenna	Options	360,718	24/01/2022	0%[1]	–	2023
Anthony McKenna	Options	360,718	24/01/2022	100%[2]	–	2024
Anthony McKenna	Performance Rights	349,940	09/12/2022	0%	–	2025
Michael McKenzie	Performance Rights	132,950	09/12/2022	0%	–	2025
Anthony McKenna	Performance Rights	587,521	06/12/2023	0%	–	2026
Michael McKenzie	Performance Rights	130,481	06/12/2023	0%	–	2026
Anthony McKenna	Performance Rights	35,545	22/12/2023	0%	–	2026
Michael McKenzie	Performance Rights	7,894	22/12/2023	0%	–	2026

1. Options vested in 2023 and remain exercisable until 30 June 2025.
2. Options vested and remain uncalled at 30 June 2024.

Other transactions with KMP

There are no other transactions between any of the KMP with any of the companies which are related to or provide services to the Company unless disclosed in this Remuneration Report.

Financial report

Introduction

This is the Financial Report of Midway Limited (the Company) and its subsidiaries (the Group). The Company is a for-profit entity for the purposes of preparing a Financial Report.

Accounting policies and critical accounting judgements applied to the preparation of the Financial Report are included throughout the Financial Report with the related accounting balance or financial statement matters to allow them to be easily understood by the users of this Report.

Contents

Consolidated statement of comprehensive income

For the year ended 30 June

	Notes	2024 $'000	2023 $'000
Continuing operations			
Revenue and other income			
Sales revenue	1.1	273,521	187,808
Other income	4.8	6,095	19,226
		279,616	**207,034**
Less: expenses			
Changes in inventories of finished goods and work in progress		(7,992)	14,156
Materials, consumables and other procurement expenses		(182,731)	(137,564)
Depreciation and amortisation expense	2.1|2.7	(8,426)	(6,318)
Employee benefits expense		(18,927)	(20,620)
Biological assets net fair value increment/(decrease)	2.3	(937)	151
Plantation management expenses		(8,152)	(3,995)
Freight and shipping expense		(29,428)	(24,897)
Repairs and maintenance expense		(6,777)	(9,865)
Impairment loss	1.2|1.6	(127)	(8,192)
Other expenses		(10,588)	(12,051)
		(274,085)	**(209,195)**
Finance expense	3.1	(4,134)	(6,493)
Finance income		2,548	1,726
Net finance expense		(1,586)	(4,767)
Share of net profit/(loss) from equity accounted investments	4.2	(1,660)	2,386
Profit/(loss) before income tax expense		**2,285**	**(4,542)**
Income tax expense benefit/(expense)	1.3	(1,307)	2,163
Profit/(loss) for the period		**978**	**(2,379)**
Items that will not be reclassified to profit and loss			
Revaluation of land fair value adjustment, net of tax	2.1	20,020	–
Items that may be reclassified subsequently to profit and loss			
Cash flow hedges effective portion of changes in fair value, net of tax		2,543	4,492
Foreign operations – foreign currency translation differences		6	–
Equity accounted investees – share of OCI		–	–
Other comprehensive income for the period		22,569	4,492
Total comprehensive income for the period		**23,547**	**2,113**
Profit/(loss) is attributable to:			
– Owners of Midway Limited		858	(2,803)
– Non-controlling interests		120	424
		978	**(2,379)**
Total comprehensive income is attributable to:			
– Owners of Midway Limited		23,427	1,689
– Non-controlling interests		120	424
		23,547	2,113

Earnings per share for profit attributable to equity holders:			
Basic (loss)/earnings per share		$0.01	($0.03)
Diluted (loss)/earnings per share		$0.01	($0.03)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

As at 30 June

	Notes	2024 $'000	2023 $'000
Current assets			
Cash and cash equivalents	3.1	24,856	5,606
Receivables	2.6	45,423	27,567
Inventories	2.6	26,692	34,996
Biological assets	2.3	3,012	1,744
Other assets		4,116	5,234
Current tax receivable	1.3	215	–
Assets held for sale	2.2	12,360	–
Derivative financial asset		1,111	–
Total current assets		**117,785**	**75,147**
Non-current assets			
Biological assets	2.3	3,225	6,730
Other Receivables		–	33,476
Investments accounted for using the equity method	4.2	11,745	13,405
Intangible assets	2.7	1,971	1,971
Property, plant and equipment	2.1	64,220	44,554
Right of use lease assets	2.5	18,500	7,316
Total non-current assets		**99,661**	**107,452**
Total assets		**217,446**	**182,599**
Current liabilities			
Trade and other payables	2.6	17,627	16,707
Current tax payable		–	1,246
Borrowings	3.1	932	3,027
Lease liabilities		1,377	540
Strategy financial liability	3.1	8,237	9,151
Derivative financial liability		–	2,523
Provisions		4,162	4,451
Total current liabilities		**32,335**	**37,645**
Non-current liabilities			
Borrowings	3.1	3,460	3,598
Lease liabilities		18,094	4,349
Strategy financial liability		–	7,146
Provisions		89	139
Deferred tax liabilities	1.3	17,066	2,745
Total non-current liabilities		**38,709**	**17,977**
Total liabilities		**71,044**	**55,622**
Net assets		**146,402**	**126,977**
Contributed Equity			
Share capital	3.3	64,888	64,888
Reserves	3.3	116,896	91,926
Accumulated losses		(37,209)	(31,544)
Equity attributable to owners of Midway Limited		**144,575**	**125,270**
Equity attributable to non-controlling interests		1,827	1,707
Total equity		**146,402**	**126,977**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June

$'000	Share capital	Reserves	Retained earnings	Non-controlling interests	Total equity
Balance as at 1 July 2022	**64,888**	**87,368**	**(28,741)**	**1,283**	**124,798**
Profit/(loss) for the year	–	–	(2,803)	424	(2,379)
Revaluation of land, net of tax	–	–	–	–	–
Cash flow hedges effective portion of changes in fair value, net of tax	–	4,492	–	–	4,492
Foreign operations – foreign currency translation differences	–	–	–	–	–
Total comprehensive income for the year	**–**	**4,492**	**(2,803)**	**424**	**2,113**
Other Transactions:					
Issuance of ordinary shares, net of transaction costs	–	–	–	–	–
Issuance of performance rights	–	–	–	–	–
Share based payments expense	–	66	–	–	66
Transfer from asset revaluation reserve	–	37,337	–	–	37,337
Transfer from profit reserve	–	(37,337)	–	–	(37,337)
Transactions with owners in their capacity as owners:					
Dividends	–	–	–	–	–
Total other transactions	–	66	–	–	66
Balance as at 30 June 2023	**64,888**	**91,926**	**(31,544)**	**1,707**	**126,977**
Balance as at 1 July 2023	**64,888**	**91,926**	**(31,544)**	**1,707**	**126,977**
Profit/(loss) for the year	–	6,523	(5,665)	120	978
Revaluation of land, net of tax	–	20,020	–	–	20,020
Cash flow hedges effective portion of changes in fair value, net of tax	–	2,543	–	–	2,543
Foreign operations – foreign currency translation differences	–	6	–	–	6
Total comprehensive income for the year	**–**	**29,092**	**(5,665)**	**120**	**23,547**
Other Transactions:					
Issuance of ordinary shares, net of transaction costs	–	–	–	–	–
Issuance of performance rights	–	–	–	–	–
Share based payments expense	–	245	–	–	245
Transfer from asset revaluation reserve	–	–	–	–	–
Transfers to profits reserve	–	–	–	–	–
Transactions with owners in their capacity as owners:					
Dividends	–	(4,367)	–	–	(4,367)
Total other transactions	–	(4,122)	–	–	(4,122)
Balance as at 30 June 2024	**64,888**	**116,896**	**(37,209)**	**1,827**	**146,402**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated statement of cashflows

For the Year Ended 30 June

	Notes	2024 $'000	2023 $'000
Cash flow from operating activities			
Receipts from customers		257,422	201,678
Payments to suppliers and employees		(239,647)	(212,625)
Interest received		637	504
Interest paid		(1,126)	(2,032)
Income tax (paid)/received		5,501	(241)
Net cash flow – operating activities	3.1	**22,787**	**(12,716)**
Cash flow from investing activities			
Payment for property, plant and equipment		(6,768)	(4,281)
Proceeds from sale of fixed assets		16,350	63,445
Proceeds from sale of plantation trees		7,651	36,459
Payment for non-current biological assets		–	(6,094)
Income tax (paid)/received		(3,617)	(7,958)
Net cash flow – investing activities		**13,616**	**81,571**
Cash flow from financing activities			
Repayment of Strategy financial liability		(9,548)	(27,395)
Principal repayment of lease liabilities		(3,977)	(4,850)
Dividends paid		(4,367)	–
Proceeds from bank borrowings		4,606	2,415
Repayment of bank borrowings		(5,976)	(36,625)
Proceeds from loan receivable		100	237
Redemption of term deposit		2,009	–
Net cash flow – financing activities		**(17,153)**	**(66,218)**
Reconciliation of cash			
Cash at beginning of the financial period		5,606	2,969
Net increase/(decrease) in cash held		19,250	2,637
Cash at end of financial period (net of overdrafts)		**24,856**	**5,606**

The above Consolidated Statement of Cashflows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

Section 1: Our performance

This section provides an insight into the performance of Midway and its subsidiaries including:

- The Woodfibre segment performance improved in FY24. Margin improvement was driven by favourable pricing and FX achieved during the year, along with effective wood supply management.
- The Group achieved an underlying consolidated EBITDA from continuing operations of $14.2 million (2023: $2.9 million).
- A special dividend of 5.0 cents per share was paid in December 2023; a fully franked special dividend of 14.5 cents per share was declared in August 2024. A fully franked ordinary dividend of 1.6 cents per share was declared in respect of full year FY24 earnings.

1.1 Segment reporting

(a) Description of segments

The Group reports segment information based on the internal reporting used by management for making decisions and assessing performance. The operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is the Chief Executive Officer.

Reportable Segments	Products/Services
Woodfibre	Includes primary operations whereby the Group purchases and sells both own and third party wood. SWF is also proportionally consolidated at 51% for segment reporting which reflects how management views and makes decisions of its operations.
Plantation and Carbon Management	Plantation management is the provision of silviculture services including on group and third party owned trees, including carbon-related services. The segment also holds any Group owned plantation land and trees.
Ancillary	Represents any one off, transactional and other non recurring costs.

The Group evaluates the performance of its operating segments based on net sales (net of insurance and freight costs). Net sales for geographic segments are generally based on the location of customers. Earnings before interest, tax, depreciation and amortisation (EBITDA) for each segment includes net sales to third parties, related cost of sales and operating expenses directly attributable to the segment. EBITDA for each segment excludes other income and expense and certain expenses managed outside the operating segments.

Key adjustment items relate to the gross up of revenue and cost of goods sold transactions relating to chip trading activities performed within the woodfibre segment. Management accounts are prepared on a segment basis with 51% share of SWF joint venture included in Woodfibre processing. For statutory accounts SWF is equity accounted with revenue and expenses of SWF eliminated.

Notes to the consolidated financial statements (continued)

(b) Segment information provided to senior management

2024 ($'000)	Woodfibre	Plantation & Carbon Management	Ancillary	Eliminations	Total
Sales revenue	284,552	10,546	–	(21,577)	273,521
Inter segment sales	–	332	–	(332)	–
Other income	4,421	1,845	–	(171)	6,095
Total revenue and other income	**288,973**	**12,723**	**–**	**(22,080)**	**279,616**
Share of equity accounted profits	–	–	–	(1,660)	(1,660)
EBITDA – S[1]	**16,442**	**(1,550)**	**(175)**	**(551)**	**14,166**
Significant items	–	(127)	(805)	–	(932)
Fair value gain/(loss) on biological assets	–	(937)	–	–	(937)
EBITDA	**16,442**	**(2,614)**	**(980)**	**(551)**	**12,297**
Depreciation and amortisation	(9,228)	(352)	–	1,154	(8,426)
EBIT[2]	**7,214**	**(2,966)**	**(980)**	**603**	**3,871**
Net finance expense	(2,053)	360	9	98	(1,586)
Net profit/(loss) before tax	**5,161**	**(2,606)**	**(971)**	**701**	**2,285**
Income tax benefit/(expense)	(1,203)	511	86	(701)	(1.307)
Net profit/(loss) after tax	**3,958**	**(2,095)**	**(885)**	**–**	**978**
Segment assets	**159,886**	**88,479**	**16,851**	**(47,770)**	**217,446**
Equity accounted investees	11,745	–	–	–	11,745
Capital expenditure	6,718	249	–	(550)	6,417
Segment liabilities	**(52,534)**	**(18,079)**	**(7,021)**	**6,590**	**(71,044)**

2023 ($'000)	Woodfibre	Plantation & Carbon Management	Ancillary	Eliminations	Total
Sales revenue	225,182	6,718	–	(44,092)	187,808
Inter segment sales	–	3,225	–	(3,225)	–
Other income	5,519	714	–	12,993	19,226
Total revenue and other income	**230,701**	**10,657**	**–**	**(34,324)**	**207,034**
Share of equity accounted profits	–	–	–	2,386	2,386
EBITDA – S[1]	**8,237**	**(1,625)**	**(60)**	**(3,697)**	**2,855**
Significant items	(8,098)	12,465	(830)	–	3,537
Fair value gain/(loss) on biological assets	–	151	–	–	151
EBITDA	**139**	**10,991**	**(890)**	**(3,697)**	**6,543**
Depreciation and amortisation	(6,207)	(1,161)	–	1,050	(6,318)
EBIT[2]	**(6,068)**	**9,830**	**(890)**	**(2,647)**	**225**
Net finance expense	(2,295)	(2,591)	–	120	(4,766)
Net profit/(loss) before tax	**(8,363)**	**7,239**	**(890)**	**(2,527)**	**(4,541)**
Income tax benefit/(expense)	2,782	(2,172)	18	1,534	2,162
Net profit/(loss) after tax	**(5,581)**	**5,067**	**(872)**	**(993)**	**(2,379)**
Segment assets	**132,179**	**67,768**	**6,259**	**(23,607)**	**182,599**
Equity accounted investees	13,405	–	–	–	13,405
Capital expenditure	9,093	215	–	(139)	9,169
Segment liabilities	**(35,646)**	**(27,958)**	**(3,787)**	**11,769**	**(55,622)**

1. EBITDA – S: Earnings before interest, tax, depreciation and amortisation, significant items and net fair value gain/(loss) on biological assets.
2. EBIT includes equity accounted investment.

(c) Revenue by geographic region

The presentation of geographical revenue is based on the geographical location of customers.

2024 Revenue by geographic region	Woodfibre	Plantation & Carbon Management	Ancillary	Eliminations	Total
Australia	2,541	10,878	–	(332)	13,087
China	191,850	–	–	(2,874)	188,976
Japan	90,161	–	–	(18,703)	71,458
South East Asia	–	–	–	–	–
	284,552	**10,878**	**–**	**(21,909)**	**273,521**

2023 Revenue by geographic region	Woodfibre	Plantation & Carbon Management	Ancillary	Eliminations	Total
Australia	1,780	9,943	–	(2,910)	8,813
China	132,664	–	–	(15,546)	117,118
Japan	87,281	–	–	(28,861)	58,420
South East Asia	3,457	–	–	–	3,457
	225,182	**9,943**	**–**	**(47,317)**	**187,808**

For the financial year ending 30 June 2024 there were three (2023: four) customers in China and Japan that individually made up 10% or above total sales for the Group.

Policy

Revenue

Sales revenue is recognised on settlement of each performance obligation. Export woodfibre sales are generally on CIF or FOB shipping terms, with revenue recognised when last goods are loaded on board at the point when the performance obligation is settled under the shipping terms. All other sales are generally recognised as revenue at the time of delivery of the goods to the customer.

The Group also arranges the insurance and freight for CIF vessels which is deemed a separate performance obligation. The performance obligation is satisfied over time until the shipment arrives at the destination port. Therefore, the component of revenue relating to freight and insurance should also be recognised over time (i.e. as performance obligation settled).

Revenue from the rendering of services is recognised over time as the performance obligations within each contract are settled.

Notes to the consolidated financial statements (continued)

1.2 Individually significant items

Individually significant items before tax	Notes	2024 $'000	2023 $'000
Profit on sale of assets (Plantation Land)[1]		–	12,465
Impairment loss on non-current assets	1.6	–	(7,842)
Impairment loss on current assets	1.6	(127)	(350)
Insurance costs, net of recoveries[2]		–	93
Transaction costs		(805)	(829)
Impact of individually significant items		**(932)**	**3,537**

1. The Group recognised a gain of $12.5 million in relation to the disposal of the plantation estate in the 2023 year.
2. Costs related to insurance works, and reimbursements received from the Group's insurers, are presented gross under the Consolidated Statement of Comprehensive Income.

1.3 Income tax

	2024 $'000	2023 $'000
(a) Current tax reconciliation		
Current tax	4,763	5,927
Deferred tax	(4,181)	(7,984)
(Under)/Over provision in prior years	725	(4)
	1,307	**(2,061)**
(b) Prima facie tax payable		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax receivable on profit before income tax at 30.0% (2022: 30.0%)	686	(1,275)
	686	**(1,275)**
Less tax effect of:		
– Over provision for income tax in prior years	725	–
– Share of (profits)/losses from joint ventures	498	(716)
– Other	(602)	(70)
	621	**(786)**
Income tax expense/(benefit) attributable to profit	**1,307**	**(2,061)**

	2024 $'000	2023 $'000
(c) Deferred tax		
Deferred tax assets		
Payables	747	918
Blackhole expenditure	222	222
Provision for doubtful debts	2,353	2,353
Hedge Reserve	–	757
Tax losses carried forward	–	7,847
Other	150	105
	3,472	**12,202**
Deferred tax liabilities		
Biological assets	1,287	1,323
Property, plant and equipment	18,760	13,624
Hedge Reserve	333	–
Other	158	–
	20,538	**14,947**
Net deferred tax liabilities	**17,066**	**2,745**
(d) Deferred income tax (revenue)/expense included in income tax expense comprises		
Decrease/(increase) in deferred tax assets	1,146	(714)
(Decrease)/increase in deferred tax liabilities	(5,327)	(7,270)
	(4,181)	**(7,984)**
(e) Deferred income tax related to items charged or credited directly to equity		
Increase in deferred tax liabilities	(9,670)	1,925

Notes to the consolidated financial statements (continued)

Policy

Current income tax expense or benefit is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or 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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

Tax consolidation

The parent entity Midway Limited and its subsidiaries have implemented the tax consolidation legislation and have formed a tax-consolidated group from 1 July 2002. The parent entity and subsidiaries in the tax consolidated group have entered into a tax funding agreement such that each entity in the tax-consolidated group recognises the assets, liabilities, expenses and revenues in relation to its own transactions, events and balances only.

Key estimates and judgements

From time to time the Group takes tax positions that require consideration, including an assessment of the recoverability of Deferred Tax Assets (DTA). The Group only recognises DTA to the extent it is probable they will be realised in the foreseeable future.

1.4 Earnings per share

(a) Earnings per share

	2024	2023
Earnings per share	$0.01	($0.03)
Diluted earnings per share*	$0.01	($0.03)

	2024 Number	2023 number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	87,336,222	87,336,222
Adjustments for calculation of diluted earnings per share:		
Performance rights[1]	1,788,264	–
Options[1]	721,436	–
	89,845,922	**87,336,222**

* Diluted earnings per share is basic earnings per share adjusted for the effects of all dilutive potential ordinary shares.

1. As at 30 June 2023, 1,089,171 performance rights and 721,436 options were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive.

Basic earnings per share is calculated on the profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

1.5 Dividends

	2024 $'000	2023 $'000
Fully franked at 30% (2023: 30%)	**18,437**	–

A special dividend of 5.0 cents per share was paid in December 2023; a fully franked special dividend of 14.5 cents per share was declared in August 2024. A fully franked ordinary dividend of 1.6 cents per share was declared in respect of full year FY24 earnings.

The balance of the franking account at 30 June 2024 is $6,855,531 (2023: $13,083,758).

1.6 Impairment of non financial assets

Impairment tests for all assets are performed when there is an indicator of impairment, although goodwill is tested at each reporting date. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is charged to the income statement.

The Group's cash generating units (CGUs) consist of individual business units at the lowest level at which cash inflows are made including:

- Midway Geelong;
- Queensland Commodity Exports;
- Midway Tasmania;
- Plantation Management Partners; and
- South West Fibre.

Key assumptions and estimates

Key assumptions and estimates used in the impairment analysis consist of:

Projected cash flows

The recoverable amount of a CGU is based on value in use calculations that are based on detailed management prepared forecasts for five years through to FY2029, unless the timing of tree crop rotation profiles justifies a longer period. As part of the prepared forecasts, management have considered future potential impacts from climate change.

Long-term average growth rate

A terminal growth rate of 2.4% has been used and only applied to CGUs whereby it is likely they will exceed into perpetuity and there is a reasonable chance of sourcing woodfibre in each catchment whereby a CGU resides.

Discount rate

The Group used a pre-tax discount rate of between 10.0% and 13.1% for all CGUs (2023: 11.5% – 13.3%).

Sensitivity analysis

The Group believes any reasonable possible change in the key assumptions would not cause the carrying value of the CGUs to materially exceed their recoverable amount.

Notes to the consolidated financial statements (continued)

Section 2: Our asset base

This section provides an insight into the asset base the Group requires to operate a forestry business:

- The Group sources wood supply primarily from third party plantation land, which is used to grow hardwood trees;
- The Group recognised a revaluation of $28.6 million relating to the freehold land in North Shore, Geelong, during the year;
- The Group did not record a change in fair value of its plantation land in FY24 (FY23: nil) due to the majority of the portfolio being disposed in the prior year;
- The Group holds $6.2 million of biological assets for harvest of which $0.2 million relates to seedlings, $3.0 million is plantation hardwood and $3.0 million of pine; and
- Plantation Land ($0.8 million) and Biological Assets ($6.2 million) are held on the balance sheet at fair value.

2.1 Property, plant and equipment

Each class of property, plant and equipment is set out below:

	Plantation Land $'000	Freehold Land $'000	Buildings $'000	Plant and Equipment $'000	Roading $'000	Total $'000
Depreciation policy			2.5-27%	3-33%	5-15%	
Year ended 30 June 2023						
Opening net book amount	91,624	16,400	7,302	19,229	5,922	140,477
Additions	–	–	1,386	7,573	325	9,284
Disposals	(90,804)	–	–	(4,657)	(4,896)	(100,357)
Depreciation	–	–	(239)	(4,063)	(548)	(4,850)
Reclassification to asset held for sale	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–
Closing carrying amount	**820**	**16,400**	**8,449**	**18,082**	**803**	**44,554**
Year ended 30 June 2024						
Opening net book amount	820	16,400	8,449	18,082	803	44,554
Additions	–	–	2,697	6,970	180	9,847
Disposals	–	–	38	(286)	–	(248)
Depreciation	–	–	(882)	(5,241)	(50)	(6,173)
Reclassification to asset held for sale	–	(12,360)	–	–	–	(12,360)
Revaluation	–	28,600	–	–	–	28,600
Closing carrying amount	**820**	**32,640**	**10,302**	**19,525**	**933**	**64,220**

Refer to note 2.5 for a full breakdown of right of use assets.

(a) Key estimates and judgements – fair value

	2024 Fair Value $'000	Valuation Technique	Description of Valuation Technique
Freehold land	32,640	Market approach	The Company's freehold land is stated at fair value. The fair value measurements of the Company's land as at 30 June 2024 were performed by an independent valuer. The valuation was performed using a direct market comparison approach. A change to inputs to the market approach assessment would result in differing valuation results.
Plantation land	820	Market Approach/Net present value approach1	The Company's plantation land is stated at revalued amounts, being the fair value for its highest and best use at the date of revaluation. The highest and best use is subjective and judgemental given potential alternate uses. It requires careful analysis and detailed knowledge of the local market conditions and recent sales trends. Following the divestment of the plantation estate, plantation land is not material to the Group's financial statements, and as such an independent valuation was not performed as at 30 June 2024.

1. Internal valuations were performed as at 30 June 2024. The stated techniques were used in the last independent valuation in 2022.

Freehold and forest plantation land have been classified as level three on the fair value hierarchy. Level three represents inputs that are not based on observable market data. No transfers in and out of level three occurred during the period.

The potential future impact of current global supply chain challenges remain uncertain and could impact the key estimates and judgments noted above.

(b) Sensitivity analysis

As at the balance date, the impact of a change of certain assumptions on the plantation land of the Group (all other things being equal) would have resulted in the following impacts on Other Comprehensive Income (OCI):

Freehold land

A 5% change in assumptions to the dollar rate per ha applied will increase the value by $1.7 million (2023: $0.8 million), or decrease by $1.6 million (2023: $0.8 million). Based on current and prior valuations of the land a 5% rate change is considered reasonable.

(c) Policy

Freehold and plantation land

Freehold and plantation land is measured at fair value. At each balance date the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date.

Increases in the carrying amounts arising on revaluation of land is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve. To the extent that the increase reverses a decrease of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same asset are recognised in other comprehensive income with a corresponding decrease to the asset revaluation reserve; all other decreases are charged to the statement of profit or loss.

Other items of property, plant and equipment

Other items of property, plant and equipment are measured on a cost basis and are a separate asset class to land assets.

Where roading is capitalised on third party or leased blocks, it is classified as an other asset if it is expected to be utilised within 12 months or an item of property, plant and equipment if it will be used for a period greater than 12 months.

Notes to the consolidated financial statements (continued)

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Roading which has been built on land owned by Midway is amortised on a straight-line basis over the period of one harvest. Roading which is built on third party properties is amortised using the unit production method at the earliest of the lease agreement with the supplier or the wood supply running out for a particular operation to which the roading relates.

2.2 Asset held-for-sale

	2024 $'000	2023 $'000
Opening balance	–	314
Land at Fair Value	12,360	–
Fixed assets	–	(314)
Closing balance	**12,360**	**–**

During the period the Group entered into an Unconditional Land Sale Contract to sell part of the Geelong site to a third party.

Policy

Assets held-for-sale are measured at the lower of carrying amount and fair value less costs to sell.

2.3 Biological assets

	2024 $'000	2023 $'000
Current		
Plantation hardwood at fair value	1,000	–
Plantation softwood at fair value	2,012	1,744
Non-Current		
Plantation hardwood at fair value	1,905	4,566
Plantation softwood at fair value	1,146	1,951
Plantation hardwood at fair value (new plantings)	174	213
	6,237	**8,474**

(a) Reconciliation of carrying amount

	Biological Assets $'000
at 1 July 2023	**8,474**
Harvested timber	(1,325)
New plantings	25
Change in fair value less estimated point of sale costs – due to:	
Change in volumes, prices and markets	(937)
Balance at 30 June 2024	**6,237**

Policy

Biological assets are held at fair value, with exception of new plantings (see below).

Biological assets are classified as current if it is anticipated they will be harvested within twelve months from balance date.

The fair value net increase or decrease to the carrying value of the standing timber revaluation is recognised in the statement of profit or loss and other comprehensive income.

Biological assets are classified as level three on the fair value hierarchy. There were no transfers between level 1, 2 or 3 on the fair value hierarchy.

New plantings

Fair value is unable to be reliably measured until year three, however cost is considered to approximate fair value up until this point. Once the trees are three years old they are measured at fair value and remeasured each year after via an independent valuation if the carrying amount is significant.

Site preparation costs are capitalised into the cost of the asset. Where there are no plantings, these costs are expensed.

(b) Key estimates and judgements – fair value (level three)

Valuation Technique	Description of Valuation Technique	Significant Unobservable Inputs	Inter-relationship Between Key Unobservable Inputs and Fair Value Measurement
Net present value approach	An internally generated valuation is performed based on a net present value calculation (NPV) calculation. An external expert is used to provide independent inputs to the calculation, including price, foreign exchange and inflation expectations. NPV is calculated as the net of the future cash inflows and outflows associated with forest production activities discounted back to current values at the appropriate discount rate. Key assumptions underpinning the NPV calculation include: • Forest valuations are based on the expected volumes of merchantable timber that will be realised from existing stands, given current management strategies and forecast timber recovery rates; • Only the current crop (standing timber) is valued. The cash flow analysis is based on the optimised timing of the harvest of existing stands, which has been developed in the context of sustained yield management; • Volume increments/decrements are determined both by periodic re-measurement of forest samples and by modelling growth from the date of the most recent measurement to date of harvest; and • Ancillary income earned from activities such as the leasing of land for grazing and other occupancy rights is added to the net harvest revenues.	• Estimated future timber market prices per tonne (weighed average USD/BDMT $212.0 2023: $216.8). • Estimated yields per hectare (weighed average gmt/ha 189 2023: 196 gmt/ha). • Estimated harvest and transportation costs (weighted average $57.3/gmt 2023: $52.2/gmt). • Risk-adjusted discount rate 7.0% (2023: 7.0%).	The estimated fair value would increase/(decrease) if the: • estimated timber prices per tonne were higher/(lower). • estimated yield per hectare or estimated timber projections were higher/(lower). • estimated average direct and indirect costs were lower/(higher). • discount rate was lower/(higher).

Notes to the consolidated financial statements (continued)

(c) Sensitivity analysis

As at the balance date, the impact of key assumptions on the biological assets of the Group (all other things being equal) would have resulted in the following impacts in income statement:

	2024		2023	
Biological assets	**Increase $'000**	**Decrease $'000**	**Increase $'000**	**Decrease $'000**
Discount rate +/– 1%	147	(136)	(190)	203
Expected future sales prices +/– 10%	(2,036)	2,036	(1,357)	1,603
Expected future harvest and transportation costs +/– 10%	492	(492)	907	(413)
Expected future changes in volume +/– 10%	(781)	766	(646)	645

2.4 Commitments

	2024 $'000	**2023 $'000**
– not later than one year	25,422	23,861
– later than one year and not later than five years	67,143	64,682
– later than five years	50,268	60,103
	142,833	**148,646**

Commitments relate to the minimum charges under the Geelong Port bulk loader agreement and various supply agreements for the supply of timber to be used in production for which the Group is required to purchase minimum quantities. In addition, the Group has also secured a proportion of its long term supply of woodfibre through a number of executory contracts which allow for the Group to purchase woodfibre at market prices. Commitments are entered into by Midway Limited, parent entity.

2.5 Leases

(a) Right of use assets

Right of use assets by category	**Leased Land $'000**	**Leased Building $'000**	**Leased Property, Plant and Equipment $'000**	**Total $'000**
Balance at 1 July 2022	4,146	216	5,696	10,058
Additions	3,465	–	169	3,634
Disposal	(2,020)	–	(935)	(2,955)
Depreciation	(998)	(193)	(2,230)	(3,421)
Closing carrying amount	**4,593**	**23**	**2,700**	**7,316**
Balance at 1 July 2023	4,593	23	2,700	7,316
Additions	16,182	–	265	16,447
Disposal	(45)	–	(1,018)	(1,063)
Depreciation	(2,230)	(23)	(1,947)	(4,200)
Closing carrying amount	**18,500**	**–**	**–**	**18,500**

(b) Amounts recognised in profit or loss

	2024 $'000	2023 $'000
Interest on lease liabilities	968	201
Expenses relating to short-term leases	–	–

(c) Amounts recognised in the statement of cashflows

	2024 $'000	2023 $'000
Total cash outflows for leases	3,977	4,068

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Policy

The Group recognises a right to use asset for a lease whereby there is right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date, a right to use asset is measured at cost and a corresponding lease liability is created to reflect the present value of the lease payments that are not paid at that date, discounted using the incremental borrowing rate specific to that lease.

Subsequently, the right to use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the asset's lease term. Lease liability is measured at amortised cost using the effective interest method.

The Group will not recognise a right to use asset for any short term or insignificant leases.

Notes to the consolidated financial statements (continued)

2.6 Working capital

Working capital	Section	2024 $'000	2023 $'000
Cash and cash equivalents		24,856	5,606
Inventories	(a)	26,692	34,996
Trade and other receivables	(b)	10,441	3,809
Deferred settlement receivables		34,982	23,758
Trade and other payables	(c)	(17,627)	(16,707)
Provisions		(4,251)	(4,590)
		75,093	**46,872**

(a) Inventories

	2024 $'000	2023 $'000
At cost		
Finished goods	24,181	34,205
Work in progress	2,511	791
	26,692	**34,996**

Policy

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

At each balance date, the Group measures inventory to ensure it is held at the lower of cost and net realisable value. No write-downs occurred as a result of this test.

Key estimates and judgements

Woodfibre is purchased in Green Metric Tonnes (GMTs), (fibre inclusive of moisture) and is sold in Bone Dry Metric Tonnes (BDMTs), being fibre exclusive of moisture. Cost is determined on an actual cost basis. Moisture content and production losses are applied to the GMT values. Factors vary depending on the timber species and variations in moisture content.

Volumetric chip stack surveys are used in determining inventory volumes at year end. Conversion from M3 to GMT ranges from 2.20 to 2.60 – the range depends upon factors such as timber species type and seasonal factors.

(b) Trade and other receivables

	2024 $'000	2023 $'000
Trade debtors	2,133	1,028
Accrued income	6,352	1,111
Deferred settlement receivable[1]	34,982	23,758
GST receivable	1,956	1,670
	45,423	**27,567**

1. Deferred settlement receivable relates to pending settlement of a tranche of the plantation estate.

Policy

Trade and other receivables are measured at fair value and subsequently measured at amortised cost using the effective interest method.

(c) Trade and other payables

	2024 $'000	2023 $'000
Unsecured liabilities		
Trade creditors	2,790	8,692
Sundry creditors and accruals	14,837	8,015
	17,627	**16,707**

Policy

Financial liabilities include trade payables, other creditors and loans from third parties.

Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

2.7 Intangible assets

The reconciliation of the carrying amount is set out below:

	Goodwill $'000	Total $'000
Year ended 30 June 2023		
Opening net book amount	1,971	1,971
Amortisation	–	–
Closing carrying amount	**1,971**	**1,971**
Year ended 30 June 2024		
Opening net book amount	1,971	1,971
Amortisation	–	–
Closing carrying amount	**1,971**	**1,971**

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Notes to the consolidated financial statements (continued)

Section 3: Funding structures

The Group has a disciplined approach applying key principles in capital management and maximising shareholder returns. This includes:

- Forward cover taken out against the USD currency fluctuations on USD denominated sales in accordance with the Group's hedging policy to safeguard against volatility and maximise profits (see section 3.2).
- Maintaining a gearing ratio which allows flexibility in the balance sheet (<0.3).

3.1 Net debt

	2024 $'000	2023 $'000
Bank loans – current	–	1,000
Bank loans – non-current	–	–
Hire purchase liabilities – current	932	2,027
Hire purchase liabilities – non-current	3,460	3,599
Cash and cash equivalents	(24,856)	(5,606)
Term deposit	–	(2,009)
Net Debt[1]	**(20,464)**	**(989)**

1. Excludes AASB 16 *Lease Liabilities*.

(i) Assets pledged as security

The Midway facilities are secured by the following:

- A fixed and floating charge granted by Midway Limited and Midway Plantations Pty Ltd;
- A property mortgage over:
  - The property situated at 150-190 Corio Quay Road, North Shore, Victoria, granted by Midway Limited; and
  - The property situated at 10 The Esplanade, North Shore, Victoria, granted by Midway Properties Pty Ltd; and the property situated at 1A The Esplanade, North Shore, Victoria, granted by Midway Limited.

(ii) Refinancing

The following amounts represent the Group's outstanding liabilities with external financiers:

Type	Utilised $'000	Total $'000	Maturity
Working capital	–	35,000	30-Jun-25[1]
Asset finance	4,383	10,000	30-Jun-25[2]
Asset finance	9	3,000	30-Sep-24[2]

1. Variable limit based on inventory and eligible debtor levels, subject to a $35.0 million maximum facility limit. The facility is subject to an annual review cycle.
2. The Group has an ability to entry into purchase arrangements under the asset finance facility until it expires on 30-Jun-2025 (NAB) and 30-Sep-24 (ANZ), Each outstanding finance arrangement will then be repaid within a five-year period.

Policy

Borrowings are initially recognised at fair value, net of transactions costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months following the reporting period.

(a) Cash and cash equivalents

Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated balance sheet as follows:

	2024 $'000	2023 $'000
Cash on hand	1	1
Cash at bank	24,855	5,605
Reconciliation of cash flow from operations with profit after income tax		
Profit from ordinary activities after income tax	978	(2,379)
Adjustments and non-cash items		
Depreciation & amortisation	8,426	6,318
Net (gain) on disposal of property, plant and equipment	(533)	(13,199)
Sundry movements	240	68
Share of equity accounted investees loss/(profit)	1,660	(2,386)
Fair value (increment)/decrement on revaluation of biological assets	937	(151)
Impairment recognised	135	8,192
Non-cash interest expense	537	3,047
Changes in operating assets and liabilities		
(Increase)/decrease in receivables	(7,983)	11,044
(Increase) in other assets	485	(511)
(Increase)/decrease in inventories	8,304	(14,224)
Increase in biological assets (net of revaluation increment/decrement)	1,300	–
Increase/(decrease) in payables	1,201	(5,997)
Increase/(Decrease) in deferred taxes	(2,511)	(2,050)
Increase/(decrease) in tax provision	9,318	(353)
(Decrease) in provisions	293	(132)
Cash flows provided from operating activities	**22,787**	**(12,716)**

Policy

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated balance sheet.

Notes to the consolidated financial statements (continued)

(b) Finance expense

	2024 $'000	2023 $'000
Interest expenses	1,115	1,744
Strategy finance expenses	1,487	4,068
Bank charges	288	197
Interest expense on lease liabilities	1,244	461
	4,134	**6,470**

(c) Reconciliation of liabilities arising from financing activities

	Borrowings – Current $'000	Borrowings – Non-current $'000	Strategy Financial Liability Current $'000	Strategy Financial Liability – Non-current $'000
Balance at 1 July 2023	3,567	7,947	9,151	7,146
Cash changes				
Proceeds from borrowings	435	4,171	–	–
Repayment of borrowings	(6,078)	(3,875)	(9,547)	–
Total cash flows	**(5,643)**	**296**	**(9,547)**	**–**
Non cash changes				
Lease Additions	1,635	19,402	–	–
Interest	968	–	–	1,487
Disposals	(381)	(3,928)	–	–
Transfer	2,162	(2,162)	8,633	(8,633)
Balance at 30 June 2024	**2,308**	**21,555**	**8,237**	**–**

3.2 Financial risk management

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital, so that it can provide returns to the shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the Audit & Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

The Group is exposed to a variety of financial risks comprising:

(a) Market risk;

(b) Credit risk; and

(c) Liquidity risk.

The Group holds the following financial instruments:

	2024 $'000	2023 $'000
Financial assets		
Cash and cash equivalents	24,856	5,606
Receivables	2,133	1,028
Other receivables	43,290	26,539
Term deposit	–	2,009
Non-current receivables	–	33,459
Derivatives	1,111	–
	71,390	**68,641**
Financial liabilities		
Bank and other loans	–	1,000
Creditors	2,790	8,692
AASB 16 *Lease Liabilities*	19,470	4,888
Finance lease liability	4,392	5,626
Other payables	14,837	8,015
Derivatives	–	2,523
	41,489	**30,744**

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, bills, leases and derivatives. The objective of market risk management is to maintain and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Group has an Australian Dollar (AUD) presentation currency, which is also the functional currency of its Australian entities. The Group is exposed to currency risk as below:

What is the risk?	How does Midway manage the risk?	Impact at 30 June 2024
If transactions are denominated in currencies other than AUD. There is a risk of an unfavourable financial impact if there is an adverse movement in foreign currency. Export sales are denominated in U.S Dollars (USD), with one of the Group's bank accounts being in USD.	The Group mitigates currency risk by entering into forward exchange/swap contracts and FX options to sell specified amounts of USD usually within 12 months at stipulated exchange rates in accordance with the Group's hedging policy. The objective in entering the contracts is to protect the Group against unfavourable exchange rate movements for contracted and anticipated future sales undertaken in USD.	At balance date the notional amount of outstanding forward exchange contracts was $60.4 million (2023: $62.5 million), and USD options was $0.0 million (2022: $0.0 million). Sensitivity analysis has been performed below.

Notes to the consolidated financial statements (continued)

Derivative assets/(liabilities) held on the balance sheet representing the fair value of cash flow hedges at balance date are as follows:

	2024 $'000	2023 $'000
Derivative assets	1,111	–
Derivative financial liability	–	(2,523)

During the period there was no (2023: $0) hedge ineffectiveness resulting in a transfer to the income statement (no transactions were over-hedged in the year).

Policy

Certain derivatives are designated as hedging instruments and are further classified as either fair value hedges or cash flow hedges.

At the inception of each hedging transaction, the Group documents the relationship between the hedging instruments and hedged items, its risk management objective and its strategy for undertaking the hedge transaction. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair value or cash flows of hedged items. The Group determines the existence of an economic relationship between the hedging instrument and hedge items based on the currency, amount of timing of their respective cashflows.

The Group designates the spot element of forward exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1.

The effective portion of changes in the fair value of the derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the cash flow hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. The Group does not speculate in the trading of derivative instruments.

In these hedge relationships the main sources of ineffectiveness are:

- The effect of the counterparties and the Groups own credit risk on the fair value of the forward exchange contracts, which is not reflected in the change in the fair value of the hedged cashflows attributable to the change in exchange rates; and
- Changes in timing of the hedged transactions.

All exchange differences arising on settlement or revaluation are recognised as income or expenses for the financial year.

	2024 USD $'000	2023 USD $'000
Cash	116	131
Trade receivables	55	54

The forward exchange and swap contracts in place are to hedge cash flows associated with the above mentioned trade receivables and highly probable future sales.

Sensitivity

If foreign exchange rates were to change by 10% from USD rates used to determine fair values as at the reporting date, assuming all other variables that might impact on fair value remain constant, including effective hedging, then the impact on profit for the year and equity is as follows:

	2024		2023	
USD movement impact +/– 10%	**Increase $'000**	**Decrease $'000**	**Increase $'000**	**Decrease $'000**
Impact on profit after tax	(11)	12	(12)	13
Impact on equity	(6,415)	5,758	4,199	(8,318)

A 10% change is deemed reasonable given recent historical trends in the AUD/USD.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

What is the risk?	How does Midway manage the risk?	Impact at 30 June 2024
The Group has variable interest rate debt, and therefore if interest rates increase, the amount of interest the Group is required to pay will also increase.	Monitoring of announcements from the central banking authority and other sources which may impact movements in the variable rate. Effective interest rate monitored by Audit and Risk Committee. No swaps are currently taken out.	If interest rates were to increase/decrease by 100 basis points from rates applicable at the reporting date, assuming all other variables that might impact on fair value remain constant, the impact on profit for the year and equity is not significant.

Notes to the consolidated financial statements (continued)

The Group's exposure to interest rate risk in relation to future cashflows and the effective weighted average interest rates on classes of financial assets and financial liabilities is as follows:

2023	Interest Bearing $'000	Non-interest Bearing $'000	Total Carrying Amount $'000	Weighted Average Effective Interest Rate	
Financial assets					
Cash	5,605	1	5,606	0.00%	Floating
Trade receivables	–	1,028	1,028		
Other receivables	–	59,998	59,998		
Term deposit	2,009	–	2,009	0.10%	Fixed
Derivatives	–	–	–		
	7,614	**61,027**	**68,641**		
Financial liabilities					
Bank and other loans	1,000	–	1,000	5.70%	Floating
Creditors	–	8,692	8,692		
AASB 16 *Lease Liability*	4,888	–	4,888	3.50%	
Finance lease liability	5,626	–	5,626	5.71%	Fixed
Sundry creditors and accruals	–	8,015	8,015		
Derivatives	–	2,523	2,523		
	11,514	**19,230**	**30,744**		
2024					
Financial assets					
Cash	24,856	1	24,857	4.45%	Floating
Trade receivables	–	2,133	2,133		
Other receivables	–	43,290	43,290		
Term deposit	–	–	–	0.10%	Fixed
Derivatives	–	1,111	1,111		
	24,856	**46,535**	**71,391**		
Financial liabilities					
Bank and other loans	–	–	–	0.00%	Floating
Creditors	–	2,790	2,790		
AASB 16 *Lease Liability*	19,470	–	19,470	5.41%	
Finance lease liability	4,392	–	4,392	6.95%	Fixed
Sundry creditors and accruals	–	14,837	14,837		
Derivatives	–	–	–		
	23,862	**17,627**	**41,489**		

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

(b) Credit risk

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

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

Credit risk for derivative financial instruments arises from the potential failure by counterparties to the contract to meet their obligations. The credit risk exposure of forward exchange and swap contracts is the net fair value of these contracts.

What is the risk?	How does Midway manage the risk?	Impact at 30 June 2024
The Group has significant exposure to export customers as they represent a significant portion of the Group's annual sales.	Letters of credit with reputable financial institutions are used to mitigate credit risk with some customers where the Group determines there is sufficient rationale to do so, which comprise the majority of the Group's annual woodfibre sales. The balance of woodfibre sales are made to long standing customers with the short trading terms applicable to these customers, being payment within 7 business days of invoicing.	As at 30 June 2024 there were was one vessel-related receivable outstanding, which has subsequently been received. Based on Management's assessment of its exposure, the Group has low credit risk.
The Group is exposed to credit risk on plantation management activities in addition to the sale of woodfibre to customers in China.	The Group produces and markets woodfibre on the Tiwi Islands on behalf of the wood owners. Receiving outstanding receivables is contingent on sufficient volumes of wood fibre being sold into the market.	In the prior period, the Group recognised a provision of $7.8 million against aged receivables from the Tiwi Islands project. No change has been made to this position during FY2024.

As at 30 June 2024, the ageing of trade and other receivables that were not impaired was as follows:

	2024 $'000	2023 $'000
Neither past due nor impaired	43,669	60,554
Past due 1–30 days	605	384
Past due 31–60 days	299	–
Past due 61–90 days	78	58
Over 90 days	772	30
	45,423	**61,026**

(c) Liquidity risk

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

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Notes to the consolidated financial statements (continued)

Maturity analysis

The table below represents the undiscounted contractual settlement terms for financial assets and liabilities and management's expectation for settlement of undiscounted maturities.

2024	< 6 Months $'000	6-12 Months $'000	15 Years $'000	>5 Years $'000	Total Contractual Cash Flows $'000	Carrying Amount $'000
Cash and cash equivalents	24,856	–	–	–	24,856	24,856
Loan receivables	47	47	20	–	114	14
Receivables	45,423	–	–	–	45,423	45,423
Derivatives	–	–	–	–	–	–
Payables	(17,627)	–	–	–	(17,627)	(17,627)
Strategy financial liability[1]	(8,472)	–		–	(8,472)	(8,237)
Finance Lease	(1,552)	(2,006)	(14,349)	(12,082)	(29,989)	(23,818)
Borrowings	(85)	(160)	–	–	(245)	–
Net maturities	**42,590**	**(2,119)**	**(14,329)**	**(12,082)**	**14,060**	**20,611**
2023						
Cash and cash equivalents	5,606	–	–	–	5,606	5,606
Loan receivables	47	47	20	–	114	108
Receivables	27,567	–	33,459	–	61,026	61,026
Derivatives	–	–	–	–	–	–
Payables	(16,707)	–	–	–	(16,707)	(16,707)
Strategy financial liability[1]	(9,546)	–	(8,826)	–	(18,372)	(16,297)
Finance Lease	(1,756)	(1,248)	(6,602)	(2,419)	(12,025)	(10,514)
Borrowings	(161)	(1,160)	–	–	(1,321)	(1,000)
Net maturities	**5,050**	**(2,361)**	**18,051**	**(2,419)**	**18,321**	**22,222**

1. The face value of the Strategy financial liability will be paid out at the earliest possible point under the contract which at this stage is expected to be completed by Sep-24.

3.3 Contributed equity

(a) Ordinary share capital

	Number of Shares		Company	
Share Capital	**2024**	**2023**	**2024 $'000**	**2033 $'000**
Ordinary Shares				
Opening balance – 1 July	87,336,222	87,336,222	64,888	64,888
Performance rights vested	–	–	–	–
Issued during the year	–	–	–	–
Capital raising costs incurred net of recognised tax benefit	–	–	–	–
Closing balance 30 June	**87,336,222**	**87,336,222**	**64,888**	**64,888**

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

(b) Reserves

Reserves	2024 $'000	2023 $'000
Movements:		
Cash flow hedge reserve[1]		
Opening balance	(1,767)	(6,259)
Cash flow hedges – effective portion	3,630	6,417
Deferred tax	(1,090)	(1,925)
Balance 30 June	**773**	**(1,767)**
Share based payments reserve[2]		
Opening balance	440	374
Share rights granted	248	66
Share rights issued/vested	–	–
Balance 30 June	**688**	**440**
Asset revaluation reserve[3]		
Opening balance	9,883	47,220
Revaluation of land	28,600	–
Asset disposals	–	(37,337)
Deferred tax	(8,580)	–
Balance 30 June	**29,903**	**9,883**
Profit reserve[4]		
Opening balance	83,450	46,113
Transfers of current year profits	6,523	37,337
Dividends Paid	(4,367)	–
Balance 30 June	**85,606**	**83,450**
Foreign currency translation reserve		
Opening balance	(80)	(80)
Foreign currency translation differences	6	–
Balance 30 June	**(74)**	**(80)**

1. **Cash flow hedge reserve**

   The hedging reserve is used to record the effective portion of gains and losses on cash flow hedges that are recognised in other comprehensive income as described in section 3.2. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

2. **Share based payment reserve**

   The shared based payment reserve is used to recognise the expense over the vesting period.

3. **Asset revaluation reserve**

   The asset revaluation reserve is used to record increments and decrements on the revaluation of land and reclassified to retained earnings on disposal. Movements in the year relate to revaluation of plantation land.

4. **Profit reserve**

   Amounts transferred to the profits reserve characterise profits available for distribution as dividends in future years and reflects the amounts transferred by individual entities in the Group and is therefore not necessarily equivalent to the consolidated Group profit for the year. The Group have elected to present this split prospectively from the 2024 financial year.

Notes to the consolidated financial statements (continued)

Section 4: Other disclosures

This section includes additional financial information that is required by the accounting standards and the *Corporations Act 2001*.

4.1 Subsidiaries

	Ownership Interest Held by the Company		Ownership Interest Held by NCI	
	2024 %	**2023 %**	**2024 %**	**2023 %**
Subsidiaries of Midway Limited and controlled entities:				
Queensland Commodity Exports Pty Ltd	90	90	10	10
Midway Plantations Pty Ltd	100	100	–	–
Midway Properties Pty Ltd	100	100	–	–
Midway Tasmania Pty Ltd	100	100	–	–
Australian Carbon Products Pty Ltd	100	100	–	–
Plantation Management Partners Pty Ltd	100	100	–	–
Resource Management Partners Pty Ltd	100	100	–	–
Plantation Management Partners Pte Ltd[1]	100	100	–	–
Midway Logistics Pty Ltd	100	100	–	–
Midway Logistics Unit Trust	100	100	–	–
Bio Growth Partners (BGP)	100	100	–	–

1. 50% held in Trust by an independent party, however all risks and benefits of ownership of the share are held by the Group. Continued the process of liquidation during the period.

Policy

The consolidated financial statements are those of the Company, comprising the financial statements of the parent entity and all of the entities the parent controls. The Company controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

4.2 Interest in joint ventures

(a) Carrying amount

	Nature of Relationship	Ownership Interest		Carrying Amount	
		2024 %	**2023 %**	**2024 $'000**	**2023 $'000**
South West Fibre Pty Ltd	Ordinary shares	51	51	11,745	13,405
				11,745	**13,405**

Policy

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about the relevant activities are required. Joint arrangements are classified as either joint operations or joint ventures based on the rights and obligations of the parties to the arrangement.

The Company's interest in joint ventures are bought to account using the equity method after initially being recognised at cost. Under the equity method, the profits or losses of the joint venture are recognised in the Company's profit or loss and the Company's share of the joint venture's other comprehensive income is recognised in the Company's other comprehensive income.

Key estimates and judgements

1. South West Fibre Pty Ltd

South West Fibre Pty Ltd (SWF) is a joint venture in which the Company has a 51% ownership interest. Voting rights are proportionately in line with share ownership. The Company has joint but not ultimate control over the venture as the shareholder agreement requires a special resolution when making key decisions.

SWF is structured as a separate vehicle and the Company has a residual interest in the net assets of SWF. Accordingly, the Company has classified the interest in SWF as a joint venture as the Company does not have control over the entity.

Notes to the consolidated financial statements (continued)

(b) South West Fibre Pty Ltd financial information

	2024 $'000	2023 $'000
Cash and cash equivalents	3,651	14,260
Other current assets	10,648	13,129
Total current assets	14,299	27,389
Property, plant and equipment	13,999	15,197
Total non-current assets	15,390	15,188
Total current liabilities	(2,127)	(11,761)
Total non-current liabilities	(4,532)	(4,532)
Net assets	**23,030**	**26,284**
Revenue	53,240	113,703
Interest Income	–	–
Depreciation & Amortisation	2,263	2,601
Income tax benefit/(expense)	(1,391)	2,015
Total Comprehensive Income	**(3,245)**	**4,679**
Reconciliation to carrying amount of interest in Joint Venture:		
Opening net assets	26,284	21,605
Add: Current year profit/(loss)	(3,245)	4,679
Less: Dividends paid	–	–
Hedge revaluation reserve	–	–
Closing net assets	23,030	26,284
Company's 51% share of net assets	11,745	13,405
Carrying amount of investment	**11,745**	**13,405**

4.3 Midway Limited – parent entity

Summarised Balance Sheet	2024 $'000	2023 $'000
Assets		
Current assets	39,819	73,888
Non-current assets	100,125	80,118
Total assets	**139,944**	**154,006**
Liabilities		
Current liabilities	14,433	50,431
Non-current liabilities	5,809	(723)
Total liabilities	**20,242**	**49,708**
Net assets	**119,702**	**104,298**
Equity		
Share capital	64,888	64,888
Retained earnings	1,614	1,614
Reserves	53,200	37,796
Total equity	**119,702**	**104,298**
Summarised statement of profit or loss and other comprehensive income		
Profit for the year after income tax	3,226	(475)
Total comprehensive income	**5,551**	**4,017**

Notes to the consolidated financial statements (continued)

4.4 Share based payments

The Board has established a Long-Term Incentive Plan (LTIP) under which Executive Directors and employees of Midway may be invited by the Board to participate. The awards which may be issued under the LTIP include:

- Shares;
- Options; and
- Performance rights.

Currently the following share based payment arrangements are in effect under the LTIP:

(a) Long-term incentive rights (equity settled)

In FY2024, the Board granted the Chief Executive Officer and members of the Senior Executive Team 1,098,310 performance rights, subject to vesting conditions (see below). Following satisfaction of the vesting conditions the rights will automatically vest and the underlying shares will be issued. The performance period is until 30 June 2026.

2024 plan

Assumption	Performance Rights Issued 6 December 2023	Performance Rights Issued 22 December 2023	Vesting Conditions
No. of shares	1,035,653	62,657	• Participant must maintain continuous employment over the performance period, which ends 30 June 2026. • The percentage of performance rights that will vest at the end of the performance period will depend on Midway's total shareholder return (TSR) over the performance period, relative to a comparator group of companies in the S&P/ASX 300 Index.
Fair value at grant date[1]	$0.61	$0.51	
Share price	$0.86	$0.76	
Risk free rate	3.92%	3.93%	
Dividend yield	2.0%	2.0%	
Volatility	56.0%	56.0%	
Initial TSR	18.6%	10.9%	

2023 plan

Assumption	Performance Rights Issued 9 December 2022	Performance Rights Issued 13 April 2023	Vesting Conditions
No. of shares	929,706	23,813	• Participant must maintain continuous employment over the performance period, which ends 30 June 2025. • The percentage of performance rights that will vest at the end of the performance period will depend on Midway's total shareholder return (TSR) over the performance period, relative to a comparator group of companies in the S&P/ASX 300 Index.
Fair value at grant date[1]	$0.65	$0.54	
Share price	$0.98	$0.90	
Risk free rate	3.03%	2.96%	
Dividend yield	2.0%	2.0%	
Volatility	57.0%	55.0%	
Initial TSR	4.8%	(3.7%)	

1. The fair value at grant date was derived using the Monte Carlo Simulation model which incorporates the total shareholder return (TSR) performance conditions.

The Group recorded a share based payments expense of $0.2 million in 2024 (2023: $0.1 million).

4.5 Related parties

KMP of the Group represent the Directors, CEO and CFO in line with their ability to influence strategy and decision making.

(a) Remuneration of key management personnel

	2024 $'000	2023 $'000
Short-term employee benefits	1,638	1,429
Post-employment benefits	100	103
Share based payments	282	243
Other long-term incentives	24	22
Total KMP remuneration expense	**2,044**	**1,797**

Transactions between related parties are on normal commercial terms no more favourable than those available to other parties unless otherwise stated. An accrual for Directors fees was recorded for three days to year end to 30 June 2024.

The aggregate shareholdings of KMP at 30 June 2024 are 114,829 (2023: 104,829).

(b) Transactions with South West Fibre Pty Ltd

Nature	2024 $'000	2023 $'000
Operator fee income	857	1,657
Reimbursement of costs	402	681
Dividends received	–	–
Sale of wood products (at cost)	3,023	9,818
	4,282	**12,155**

The outstanding receivable balance from South West Fibre Pty Ltd at 30 June 2024 is $0.0 million (2023: $0.2 million receivable).

4.6 Contingent liabilities

(a) Outstanding matters

As at the date of this report there are no claims or contingent liabilities that are expected to materially impact, either individually or in aggregate, the Company's financial position or results from operations.

(b) Bank guarantees

	2024 $'000	2023 $'000
Consolidated group		
Limit	16,000	5,250
Amount Utilised	13,979	4,125
Parent entity		
Limit	16,000	4,250
Amount Utilised	11,537	3,345

Notes to the consolidated financial statements (continued)

4.7 Remuneration of auditors

KPMG Australia	2024 $	2023 $
Audit and assurance services		
Statutory audit fees	303,050	224,675
Other services		
Non-assurance services – other advisory services	17,471	21,228

4.8 Other income

	2024 $'000	2023 $'000
Plantation management fees	1,659	685
SWF operating fee	857	1,657
Profit on sale of assets (plantation land)	–	12,465
Other	3,579	4,419
	6,095	**19,226**

Policy

Dividend income

Dividend income is recognised when the right to receive a dividend has been established. Dividends received from joint venture entities are accounted for in accordance with the equity method of accounting.

Other income

Rental income is recognised on a straightline basis over the rental term.

If the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commissions made by the Group.

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreement when it is probable that the royalty will be received, which is normally when the event has occurred.

All income is measured net of the amount of goods and services tax (GST).

4.9 Deed of Cross Guarantee

The parent entity, Midway Limited, and certain subsidiaries (Midway Plantations Pty Ltd, Resource Management Partners Pty Ltd, Plantation Management Partners Pty Ltd, Midway Tasmania Pty Ltd and Midway Properties Pty Ltd) are subject to a Deed of Cross Guarantee (Deed) under which each company guarantees the debts of the others.

By entering into the Deed, the wholly owned subsidiaries have been relieved from the requirement to prepare a financial report and Directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

A summarised consolidated statement of comprehensive income, retained earnings reconciliation and a consolidated balance sheet, comprising the Company and those controlled entities which are a party to the Deed of Cross Guarantee, after eliminating all transactions between parties to the Deed, at 30 June 2024 are set out below:

Summarised Consolidated Statement of Comprehensive Income	2024 $'000	2023 $'000
Sales revenue	221,850	153,190
Other income	7,154	18,377
	229,004	**171,567**
Expenses	(226,099)	(183,836)
Share of net profits from equity accounted investments	(1,660)	2,386
Profit before income tax expense	**1,245**	**(9,883)**
Income tax expense	(1,143)	3,876
Profit for the period	**102**	**(6,007)**
Other comprehensive income for the period	22,563	4,492
Total comprehensive income for the period	**22,665**	**(1,515)**
Retained earnings at the beginning of the financial year	**(34,388)**	**(28,381)**
Profit/(Loss) for the year	126	(6,007)
Transfers to/(from) reserves	–	–
Retained profits at the end of the financial year	**(34,262)**	**(34,388)**

Notes to the consolidated financial statements (continued)

Consolidated Balance Sheet	2024 $'000	2023 $'000
Current assets		
Cash and cash equivalents	24,876	2,659
Receivables	44,971	27,357
Inventories	18,586	25,015
Biological assets	3,012	1,744
Other assets	4,028	5,085
Derivative Assets	1,111	–
Asset held for sale	12,360	–
Total current assets	**108,944**	**61,860**
Non-current assets		
Biological assets	3,225	6,730
Other Receivables	–	33,459
Investments	17,978	19,638
Property, plant and equipment	67,914	50,130
Loan receivables – NC	–	17
Total non-current assets	**89,117**	**109,974**
Total assets	**198,061**	**171,834**
Current liabilities		
Trade and other payables	14,902	13,865
Borrowings	6,154	4,205
Provisions	4,101	4,387
Strategy financial liability	8,237	9,151
Current tax liability	1,485	–
Derivative financial liability	–	2,523
Total current liabilities	**34,879**	**34,131**
Non-current liabilities		
Borrowings	8,501	7,947
Provisions	70	120
Deferred tax liabilities	15,272	1,639
Other financial liabilities	–	7,146
Total non-current liabilities	**23,843**	**16,852**
Total liabilities	**58,722**	**50,983**
Net assets	**139,339**	**120,851**
Contributed equity		
Share capital	64,888	64,888
Reserves	126,591	90,379
Retained earnings	(52,140)	(34,416)
Total equity	**139,339**	**120,851**

4.10 Subsequent events

There have been no other matters or circumstances, which have arisen since 30 June 2024 that have significantly affected or may significantly affect:

(a) The operations, in financial years subsequent to 30 June 2024, of the Group, or

(b) The results of those operations, or

(c) The state of affairs, in financial years subsequent to 30 June 2024 of the Group.

4.11 Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report was approved by the Board of Directors as at the date of the Directors' Report.

The financial report is for Midway Limited and its consolidated entities. Midway Limited is a company limited by shares, incorporated and domiciled in Australia. Midway Limited is a for-profit entity for the purpose of preparing financial statements.

Unless explicitly highlighted in the financial report, cost approximates fair value for the carrying amounts of assets and liabilities held on the balance sheet.

The financial statements have been prepared on a going concern basis and the Directors consider that there are reasonable grounds to believe the Group will be able to pay its debts as and when they fall due based on forecast operating cash flows, their debt funding position and capital management strategy.

Over the course of the year, the Group has paid down all long-term debt and has current assets exceeding current liabilities of $84,695,000 as at 30 June 2024.

Compliance with IFRS

The consolidated financial statements of the Company also comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Historical cost convention

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

Significant accounting estimates and judgements

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

Comparatives

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

Accounting policies for subsidiaries are consistently applied. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All intercompany balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Company and are derecognised from the date that control ceases.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Company are presented as non-controlling interests. Non-controlling interests in the result of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position respectively.

Notes to the consolidated financial statements (continued)

Functional and presentation currency

The financial statements of each entity within the Group are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian Dollars (AUD) which is the parent entity's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies of entities within the Group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

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 translated using the spot rate at the end of the financial year.

A monetary item arising under a foreign currency contract outstanding at the reporting date where the exchange rate for the monetary item is fixed in the contract is translated at the exchange rate fixed in the contract.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or restatement are recognised as revenues and expenses for the financial year.

Impairment of non-financial assets

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use.

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is carried at a revalued amount such as property, in which case the impairment loss is treated as a revaluation decrease in accordance with the applicable Standard. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

New standards not yet effective

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Consolidated entity disclosure statement

For the year ended 30 June

Entity Name	Body Corporate, Partnership or Trust	Place Incorporated/ Formed	% Share Capital Held Directly or Indirectly by the Company in the Body Corporate	% Share Capital Held Directly or Indirectly by NCI	Australian or Foreign Resident	Jurisdiction for Foreign Resident
Midway Limited (the Company)	Body Corporate	Australia	100%	–	Australian	N/A
Queensland Commodity Exports Pty Ltd	Body Corporate	Australia	90%	10%	Australian	N/A
Midway Plantations Pty Ltd	Body Corporate	Australia	100%	–	Australian	N/A
Midway Properties Pty Ltd	Body Corporate	Australia	100%	–	Australian	N/A
Midway Tasmania Pty Ltd	Body Corporate	Australia	100%	–	Australian	N/A
Australian Carbon Products Pty Ltd	Body Corporate	Australia	100%	–	Australian	N/A
Plantation Management Partners Pty Ltd	Body Corporate	Australia	100%	–	Australian	N/A
Resource Management Partners Pty Ltd	Body Corporate	Australia	100%	–	Australian	N/A
Plantation Management Partners Pte Ltd[1]	Body Corporate	Singapore	100%	–	Foreign Resident	Singapore
Midway Logistics Pty Ltd	Body Corporate	Australia	100%	–	Australian	N/A
Midway Logistics Unit Trust	Trust	Australia	100%	–	Australian	N/A
Bio Growth Partners (BGP)	Body Corporate	Australia	100%	–	Australian	N/A

1. 50% held in Trust by an independent party, however all risks and benefits of ownership of the share are held by the Group. Continued the process of liquidation during the period.

Directors' declaration

The directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 47 to 82 are in accordance with the *Corporations Act 2001* including;

   (a) comply with Accounting Standards in Australia and the Corporations Regulations 2001; and

   (b) as stated in Section 4.11, the consolidated financial statements also comply with International Financial Reporting Standards; and

   give a true and fair view of the financial position of the Company and the Group as at 30 June 2024 and its performance for the year ended on that date.

   (c) The Consolidated Entity Disclosure Statement as at 30 June 2024 set out on page 83 is true and correct.

2. There are reasonable grounds to believe that the Company and the group entities identified in Note 4.1 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer as required by S 295A of the *Corporations Act 2001*.

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

Gordon Davis
Chairman

29 August 2024

Independent auditor's report

Independent Auditor's Report

To the shareholders of Midway Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Midway Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated Balance Sheet as at 30 June 2024,
- Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *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 fulfilled our other ethical responsibilities in accordance with these requirements.

Independent auditor's report (continued)

KPMG

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.

This matter was 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 this matter.

Valuation of non-current assets ($99.7m)

Refer to Note 1.6 to the Financial Report

The key audit matter	How the matter was addressed in our audit
The Group's annual testing of the recoverability of non-current assets was a key audit matter due to: • the size of the balance (being 46% of total assets); and • the inherent estimation uncertainty in auditing the significant forward-looking assumptions the Group applied in the value in use models (VIU) for each Cash Generating Unit (CGU). We focused on the significant forward-looking assumptions the Group applied in their VIU models including forecast cash flows, discount rates and terminal growth rates. These forward-looking assumptions may be prone to greater risk for potential bias, error, and inconsistent application, therefore necessitating additional scrutiny to address the objectivity of sources used for assumptions and the consistent application.	Working with our valuation specialists, our procedures included: • Assessing the appropriateness of the VIU methodology applied by the Group to perform the annual testing of the recoverability of non-current assets against the requirements of the accounting standards. • Assessing the integrity of the VIU models used including the accuracy of the underlying calculation formulas. • Considering the sensitivity of the models by varying key assumptions, such as forecast cash flows, discount rates and terminal growth rates, within a reasonably possible range. We do this to inform where to focus further procedures. • Assessing the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the VIU models. • Challenging the Group's key forecast cash flow and growth assumptions. We compared forecast growth rates to published studies of industry trends and expectations. We used our knowledge of the Group, its past performance, business and customers, and our industry experience. • Comparing the relevant cash flow forecasts to the Group's approved budgets. • Independently developing discount rate ranges using publicly available data for comparable entities, adjusted by risk factors specific to the Group. • Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Midway Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report including the Operating and Financial Report and Remuneration Report. The Letter from the Chairman, Managing Director's Review, Midway Operational Review, Sustainability Report, Shareholder Information and Corporate Directory are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken

Independent auditor’s report (continued)

KPMG

on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor’s Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Midway Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors’ 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 responsibilities

We have audited the Remuneration Report included in pages 17 to 26 of the Directors’ report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Simon Dubois

Partner

Melbourne

29 August 2024

Additional shareholder information

Additional securities exchange information

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report. The information is at 30 August 2024 (**Reporting Date**).

Corporate governance statement

The Company's Directors and management are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) (Recommendations) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a statement that sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations (Corporate Governance Statement).

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement will be available for review on the Company's website (https://www.midwaylimited.com.au/investor-center/), and will be lodged together with an Appendix 4G with ASX at the same time that this Annual Report is lodged with ASX.

The Appendix 4G will particularise each Recommendation that needs to be reported against by the Company, and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on its website, https://www.midwaylimited.com.au/investor-center/.

Substantial shareholders

The substantial holders in the Company as at the Reporting Date were:

Substantial Holders	Number of Shares Held	% of Total Issued Share Capital
CHEBMONT PTY LTD	20,798,294	23.81
GREGORY MCCORMACK AND MCCORMACK TIMBERS	9,604,599	11.00
SANDON CAPITAL PTY LTD	7,729,697	8.85
RIVER CAPITAL PTY LTD	7,109,943	8.14

Voting rights

At a general meeting of the Company, every holder of ordinary shares present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll one vote for each ordinary share held.

The performance rights and options, which are unquoted, have no voting rights.

Additional shareholder information (continued)

Distribution of ordinary shareholders/unmarketable parcels

The distribution of holders of equity securities on issue in the Company as at the Reporting Date is as follows:

Range	Total Holders	Units	% Units
1 – 1,000	269	122,442	0.14
1,001 – 5,000	284	834,204	0.96
5,001 – 10,000	185	1,432,784	1.64
10,001 – 100,000	289	9,073,760	10.39
100,001 Over	67	75,873,032	86.87
Rounding			**0.00**
Total	**1,094**	**87,336,222**	**100.00**

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $500.00 parcel at $0.9000 per unit	556	159	30,047

Distribution of performance rights

Range	Number of Holders	Total Performance Shares	%
Up to 100,000	1	22,046	1.23%
100,000 +	5	1,766,218	98.77%
		1,788,264	100.00%

Distribution of options

Holdings Ranges	Number of Holders	Total Options	%
100,001 and over	1	721,436	100.00
Total	**1**	**721,436**	**100.00**

Twenty largest shareholders

Rank	Name	Units	% Units
1	CHEBMONT PTY LTD	20,798,294	23.81
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	7,207,898	8.25
3	ONE MANAGED INVT FUNDS LTD <SANDON CAPITAL INV LTD A/C>	4,926,684	5.64
4	ONE FUND SERVICES LTD <SANDON CAPITAL ACTIVIST A/C>	3,256,899	3.73
5	MCCORMACK TIMBERS PTY LTD	2,913,152	3.34
6	MCCORMACK TIMBER HOLDINGS PTY LTD	2,893,036	3.31
7	MR GREGORY HENRY MCCORMACK + MRS JOCELYN LORNA DELAFIELD MCCORMACK <MCCORMACK TIMBERS STF SF A/C>	2,660,000	3.05
8	W.H. BENNETT & SONS PTY LTD	2,560,356	2.93
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,465,634	2.82
10	JR MICAH PTY LTD <JR MICAH SUPER FUND A/C>	2,013,194	2.31
11	M & M MURNANE HOLDINGS PTY LTD	1,800,000	2.06
12	J & J CORRIGAN NOMINEES PTY LTD <EUREKA TIMBER A/C>	1,513,530	1.73
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	1,449,009	1.66
14	MCCORMACK TIMBERS PTY LTD <STAFF SUPER FUND A/C>	1,338,411	1.53
15	EMINENT ASSET MANAGEMENT PTY LTD <EMINENT ASSET MGT SF A/C>	1,140,000	1.31
16	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,077,229	1.23
17	LUSHERI SUPER PTY LTD <LUSHERI SUPER FUND A/C>	1,043,733	1.20
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	992,159	1.14
19	CERTANE CT PTY LTD <BC1>	984,593	1.13
20	CITICORP NOMINEES PTY LIMITED	761,663	0.87
	Total Top 20 holders of ORDINARY FULLY PAID SHARES	**63,795,474**	**73.05**
	Total Remaining Holders Balance	**23,540,748**	**26.95**

Stock exchange listing/on-market buy back

The Company's ordinary shares are quoted on the Australian Securities Exchange (ASX) (ASX issuer code: MWY).

On-market buy-back

The Company is not currently conducting an on-market buy-back.

Corporate directory

Midway Limited

ABN 44 005 616 044

Registered office

10 The Esplanade
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Australia

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F +61 3 5277 0667

Website

www.midwaylimited.com.au

Board of directors

Gordon Davis (Chairman and Non-Executive Director)

Anthony McKenna (Managing Director and Chief Executive Officer)

Kellie Benda (Non-Executive Director)

Nils Gunnersen (Non-Executive Director)

Tom Gunnersen (Non-Executive Director)

Leanne Heywood (Non-Executive Director)

Andy Preece (Non-executive Director)

Auditor

KPMG Australia
727 Collins Street
Melbourne Victoria 3008
Australia

T +61 3 9288 5555

Solicitors

SBA Law
Level 13, 607 Bourke Street
Melbourne Victoria 3000
Australia

T +61 3 9614 7000

Share registry

Computershare Investor Services Pty Limited
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Midway

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