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ANNUAL
REPORT

24



Corporate Directory

Directors

Susan Thomas (Non-executive Director to 29 August 2023, thereafter Non-executive Chair)

Maggie Beer AO (Non-executive Director)

Tom Kiing (Non-executive Director)

Hugh Robertson (Non-executive Director)

Reg Weine (Resigned as Chair on 29 August 2023 and Non-executive Director on 31 October 2023)

Executive Management

Kinda Grange (Chief Executive Officer)

Craig Louttit (Chief Financial Officer from 1 September 2023)

Eddie Woods (Chief Financial Officer to 31 August 2023)

Company Secretary

Sophie Karzis

Registered Office & Principal Place of Business

2 Keith Street,

Tanunda, SA 5352

Tel: +61 8 7004 1307

Fax: +61 8 9077 9233

Share Registry

Boardroom Pty Limited

Level 8, 210 George Street, Sydney NSW 2000

GPO Box 3993, Sydney NSW 2001

Tel: 1300 737 760

Fax: 1300 653 459

Auditor

PricewaterhouseCoopers

One International Towers Sydney,

Watermans Quay, Barangaroo, NSW 2000

Stock exchange listing

Maggie Beer Holdings Ltd shares are listed on the Australian Securities Exchange (ASX code: MBH)

Website

www.maggiebeerholdings.com.au

Corporate Governance

The Company's Corporate Governance charters are located on the Company's website at the following link:

www.maggiebeerholdings.com.au/investors/corporate-governance/

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Our Brands

AT MAGGIE BEER HOLDINGS, OUR PURPOSE IS TO CREATE PREMIUM, INNOVATIVE, AND MEMORABLE FOOD, BEVERAGE, AND GIFTING PRODUCTS OF THE HIGHEST QUALITY, WHILE STAYING TRUE TO OUR VALUES OF BEING PASSIONATE, NIMBLE, AMBITIOUS, INCLUSIVE AND COMMUNITY FOCUSED.

OUR VISION IS TO BECOME AUSTRALIA'S LEADING PURVEYOR OF PREMIUM FOOD AND GIFTING PRODUCTS.

Maggie Beer Holdings has unique assets and capabilities:

1. An iconic Australian Brand; and
2. A leading online gifting business.

To deliver on our vision to become Australia's leading purveyor of premium food and gifting products.



Maggie Beer Products

Maggie Beer Products is an iconic food & lifestyle brand in Australian kitchens, homes and gardens. Maggie Beer Products bases its reputation on Maggie's own philosophy of using superior in season ingredients, to produce premium cooking, entertaining, gifting and indulgent products.



Hampers and Gifts Australia

Hampers and Gifts Australia is a market leading e-commerce platform for gifting, entertaining, and sharing occasions. Home to two leading e-commerce brands: The Hamper Emporium and Gifts Australia that specialise in providing premium, luxury hampers as well as personalised, beautiful and thoughtful gifts. Offering a unique selection of premium quality food, beverage and gifting items (including Maggie Beer Products), these businesses are two of Australia's most sought after and trusted online destinations for beautiful gifts for any occasion.

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Our vision is to become Australia's leading purveyor of premium food and gifting products.

Maggie Beer Holdings Ltd

ABN 69 092 817 171

Annual Report - 30 June 2024



Letter from the Chair



SUSAN THOMAS
CHAIR

Dear Shareholders

I share what I believe are your disappointments in the trading results for FY24, and whilst economic conditions and consumer sentiment have been difficult, we cannot allow that to be an excuse. I assure you that we have an absolute focus on cutting costs, returning the business to profitability and delivering on our strategic objective to be **Australia's leading purveyor of premium food and gifting products**, that transform everyday moments into celebrations of joy.

I have great optimism for the future of Maggie Beer Holdings for the following reasons.

The Maggie Beer brand is a great asset, and we are executing on our strategy to fully develop it into a great business. Some of the key initiatives we are taking include:

1. Driving an increase in sales volumes, which in turn support and enhance the value of the Maggie Beer brand and proposition in the market. Our standout performers this year have been our Maggie Beer bone broths, and I believe there are a lot of adjacencies we can launch which develop on this product;
2. We have developed a framework 'the Right to Win' for product development, which remains true to our brand values but overlays commercial imperatives including the right to play and ability to win. This includes :
 - a. Evaluating the Total Addressable Market (TAM) in the premium end of the product,
 - b. Evaluating what part of this TAM we can expect to win; and
 - c. Ensuring that we can develop a product which remains true to brand but meets the relevant price parameters and is therefore commercially successful;

Our e-commerce is a solid and fast growing business. We believe it can become even more scalable, with the focus on our key priorities around technology improvements, increasing the corporate customer, product development, and utilising data from our customers in a more strategic and synergistic manner across all of our brands.

We have achieved a lot that we can be proud of this year including:

1. Hamper and Gifts Australia (HGA) had an 8% YOY growth in Q2 2024 including significant growth in Corporate sales in FY24;
2. New products and brand partners have delivered incremental revenue including, The Maggie Living range, Penfolds hampers, Corporate hampers and Pamper Hampers
3. Maggie Beer product expansion in Cooking has delivered 16.3% growth in this category and a strong foundation to execute on an innovation pipeline. This also proves we can gain significant share of the retail basket in the right categories;
4. The technology roadmap is underway and Shopify migration underway with a new Maggie Beer website due for implementation pre Christmas peak to improve customer experience and increase customer engagement.

We have reviewed the strategic importance of cheese making and have entered into an agreement with a manufacturing partner who we believe can provide the quality we expect at a more competitive price. Therefore, we have post balance date classified Paris Creek Farms as an asset for sale.

We are also pleased to have been able to settle the HGA earn out dispute.

While Group revenue increased marginally to \$89.4m (up 0.8% from the prior year), the challenging operating conditions, particularly within our Paris Creek Farms business, resulted in Group Trading EBITDA¹ declining by \$3m to \$0.3m.

¹ Trading EBITDA is a non-IFRS measure as defined in page 20 of the Directors Report

Responding to market challenges to drive return to sustainable profitability

As a Board, we are absolutely focused on supporting management to reduce the Company's cost base, ensuring that we maintain margins and optimise operations to return the business to profitability in FY25. We have commenced this process, and have identified significant areas of saving.

Once the core business is optimised, we will concentrate on our mission to be **Australia's leading purveyor of premium food and gifting products**, that transform everyday moments into celebrations of joy with the needs of our customer at the centre of every decision.

We will do this by capitalising on our competitive advantage:

1. An iconic well recognised brand;
2. Scalable world class e-commerce business and capability;
3. Investing in the success and rapid growth of our B2B business;
4. Lifting customer experience through the scaling of the e-commerce platform;
5. Launch 'Everyday Premium' to create a sustainable business model all year round;
6. Deliver on our commitment to simplify our operations and improve our productivity;
7. Execute on synergistic opportunities within the Group;
8. Launch FY25 portfolio and product expansion plans within the Right to Win framework; and
9. Future proof innovation pipeline.

Our immediate priority is to ensure the Company has an unrelenting focus on maximising trading performance and profitability through the key Christmas trading period (especially for e-commerce). This is a key trading period for the Company and we will ensure we are well-positioned to capitalise with a continued focus on corporate customers and targeted product range supported by activation strategies to drive increased traffic and conversion.

Within the Maggie Beer Products (MBP) business, our focus will be on driving sales through continuing range expansion in products where we have a 'right to win' and meet our customer needs, increased brand promotion and leveraging partnerships. We will also undertake a strategic review of MBP product and channel strategy to optimise sales and gross margin.

In e-commerce, while our focus remains on maximising Christmas trading, we will also target increased Corporate sales and leverage technology to drive increased traffic and lift our customer experience and engagement on our websites.

As a business, we aspire to give our customers more choices and enable them through our investment in technology to move effortlessly between digital platforms and real-world interactions. From in-store visits to email campaigns and web/mobile experiences, our aim is to deliver touchpoints that represents a holistic experience in customers' minds through an 'omni-channel model'.

Paris Creek Farms

As per the ASX trading update on 28 June 2024, the Company commenced a process to consider all options regarding the Paris Creek Farms business.

Whilst there is no guarantee that the process will result in a full or partial disposal of the Paris Creek Farms business, the process is continuing and the Company, through its advisors, is formally engaged with a number of parties who have expressed interest in the asset.

The market will continue to be updated accordingly.

Hampers and Gifts Australia Earn Out

As previously announced, MBH had been engaged in an earn-out dispute related to the acquisition of Hampers and Gifts Australia (HGA). The parties have resolved their differences and there is no longer a dispute between them. Under the terms of the settlement, MBH has agreed to make a cash payment of \$2 million to the Vendors.

Financial Position

The Company maintains a solid balance sheet with total net assets of \$57.8 million, cash of \$4.7 million and no debt¹ at 30 June 2024. We are reviewing our working capital requirement to look at better ways to limit the large inventory buildup leading into Christmas.

Given the Company's financial performance for the year, and as we look to further invest in our capability and build scale in our business, the Board did not declare a final dividend for FY24.

Capital management will continue to be a focus of the Board.

¹ Only asset-backed leases/debt

Leadership Transition

Although leadership transitions can be difficult, I am delighted to be able to welcome Penny Diamantakiou as CFO / COO.

Kinda Grange, CEO and Craig Louttit, CFO have both announced their resignation. On behalf of the Board and the Company, I wish to acknowledge and thank Kinda and Craig for their contribution in leading the Company since their appointment in 2023.

As announced, the Board has restructured the senior management team to focus on the key priorities I outlined above including cost reduction, increasing revenue, pursuing our strategic objectives and priorities and of course returning the Company to profitability.

Under the restructure, Sam Reece has been appointed Head of E-commerce and Brand Partnerships with Laila Khalid appointed as head of Maggie Beer Products Commercial and Strategy.

The Board will continue to support management in driving these key priorities.

Summary

The Company experienced a challenging year in FY24.

We are responding to these challenges focussing on our strategic priorities, targeting further cost reductions and working capital improvements to return the Company to profitability in FY25 and hopefully to convince investors that we have a compelling investment case.

I would like to thank my fellow directors, and on behalf of the board, I want to thank our employees, customers, suppliers, and also our shareholders for their continued support of the Company.

Yours sincerely,



Susan Thomas
Chair



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CEO Report



KINDA GRANGE
CEO

Dear Shareholders

In what was a challenging year, our focus in FY24 was on core operations, investing in key areas of our business to strengthen our brands, accelerate innovation and enhance the customer experience. The external environment continued to be challenging, including the impacts of weaker consumer sentiment, a more competitive environment and shifting consumer shopping behaviours online and in supermarkets. Against this backdrop, we delivered strong revenue growth for Maggie Beer Products (MBP) of +6.3% and marginal growth in Hampers and Gifts Australia (HGA) in a declining hamper market.

Our earnings were significantly impacted by the loss at Paris Creek Farms (PCF) that is now an asset held for sale. In addition, the Gross Margin (GM) was impacted by under recovery of cost increases due to the competitive landscape. This was addressed in H2 through price increases in the online business. FY24 also saw us invest in advertising, brand building and people to enable the delivery of our strategic initiatives.

Progress on Strategic Initiatives

Notwithstanding the challenging environment, we made good progress against our strategic initiatives in FY24 which serve to strengthen the foundations and financial performance leading into FY25:

1. SCALE THE E-COMMERCE PLATFORM

- Successfully executed Christmas plans delivering 8% growth in Q2 including improved conversion, average order value, and customer repeat rates vs. pcpc
- Launched new categories & partnerships on The Hamper Emporium (THE) including Penfolds, Maggie Beer, Grazing, Chocolate and updated Pamper Hampers

- Delivered corporate sales customer growth through personalised CRM approach, improvements to corporate ordering platform (HEBO) and delivery via bulk shipping option
- Improved customer service focus delivering Net Promoter Score 71 and awarded the Canstar 2024 Award for Customer Satisfaction for the category "Online Gift Delivery"
- Optimised conversion rate by reducing friction in the purchase funnel helping offset organic traffic decline in hamper related keywords
- Implementing enhanced technology platform with migration to Shopify for MBP pre Christmas 2024 and for The Hamper Emporium and Gifts Australia in Q3.

2. GROW THE MAGGIE BEER BRAND

- Refreshed marketing program with "Make it a Maggie Moment" platform with major campaigns launched including digital, social, outdoor, and magazines
- Growing Maggie Beer Food Club from 60k to over 70k members through exclusive offers and content
- Expanded Maggie Beer Living range online, in hampers, and at David Jones
- Optimised performance marketing in H2 delivered double digit revenue growth in Maggie Beer Online vs pcpc
- Product strategy and innovation pipeline developed for FY25 and beyond.

Retail growth through New Product Development and ranging:

- Portfolio of new Cooking products launched in FY24 and further launches planned for FY25
- Stocks and broths performed particularly well
- Hard Cheese achieved double digit growth
- Launch of ice-cream in Woolworths and Coles.

3. OPTIMISE AND UNIFY ASSETS

- Entered into agreement with manufacturing partner for cheese at high quality and competitive price. As such an advisor has been appointed to optimise the value of PCF. As a subsequent event, PCF is now an asset held for sale.

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CEO Report, cont.

- Cost out initiatives across MBP, PCF and HGA were delivered, even though these were offset by investment in e-commerce capability at HGA. The MBP sales team restructure removed layers in organisation while HGA production efficiencies delivered casual labour savings
- Optimised range to enhance online product offer. Rationalised under-performing products and filled range gaps (for example; Bridesmaids, chocolate, corporate hampers)
- Developed pipeline of further cost optimisation opportunities for FY25 execution.

FY24 Financial Performance

The Group's underlying results for FY24 were consistent with the trading update announced on 28 June 2024.

Group revenue from continuing operations was \$89.4 million up slightly from the prior year. Across the three business units we saw the impact of rising interest rates and inflation. MBP and HGA showed resilience in the face of challenging market conditions. In MBP revenue growth of 6.3% reflects the impact of new product development and ranging in the retail channel. HGA delivered marginal growth in a contracting category through the implementation of strategic initiatives and in particular by winning the key Christmas trading period. PCF revenues were down 9.5% primarily driven by lower milk supply.

Gross margin (GM)¹ was down \$0.6m vs. FY23 predominantly in our online channels. This was impacted by cost increases incurred in the first half which were not recovered through price increases until the second half. In the second half, we improved online GM from H1 54.7% to H2 57.4%. This provides a stronger position leading into the Christmas trading period for FY25.

Group Trading EBITDA¹ from continuing operations was \$0.3 million, down from \$3.2 million in FY23. The key drivers of the gap are PCF, Gross Margin and Cost of Doing Business (CODB). Excluding PCF, Trading EBITDA would be \$2.3 million.

Increased investment in Maggie Beer marketing included a one-off campaign during the peak Summer entertaining period for brand building as well as higher level of investment in supermarket activation to support increased distribution.

In online, the increased advertising spend was required in H2 due to increased competition. A focus on growing corporate sales as a higher proportion of total sales should reduce the reliance on performance marketing in the future.

Labour cost increases reflected an investment in e-commerce capability, partly offset by cost saving initiatives. A number of these initiatives will deliver a full year benefit in FY25, while the pipeline of newly identified initiatives are also implemented.

Following a review of the value of cash generating units and assets, the Company has recorded a non-cash impairment charge of \$13.8 million against the goodwill of HGA. Notwithstanding the impairment, the HGA business remains a market leading gifting platform with further potential. In FY24, the Company also recorded an impairment of \$4.6 million in PCF. In addition, statutory EBITDA includes \$2.6 million for the settlement payment and legal fees associated with the HGA earn out dispute and \$0.8 million for onerous contracts associated with PCF. The inclusion of these one-off costs resulted in a statutory loss of \$28.2 million after tax. The Group has not recognised a tax benefit during the current year.

Our Group maintains its capital light position and ability to respond to the current market challenges while maintaining our investments in growth initiatives.

Wellbeing and growth of our people: Recipe for Success

Our people are our most important asset and looking after their wellbeing, mental health and growth continued to be a priority over the past 12 months.

We continued to make significant progress on our employee engagement initiatives, embedding our Group values and Employee Value Proposition into programs across the employee lifecycle. Our annual employee engagement survey provides a valuable source of feedback from employees, on the employee experience and overall employee engagement.

¹ Gross Margin and Trading EBITDA are non-IFRS measures as defined in page 20 of the Directors Report
Above results are for continuing operations.

Our continued focus on the wellbeing of our employees has included:

- Formally accrediting a group of Mental Health First Aid Officers (MHFAO) across the Group, to further support the wellbeing of our employees.
- A step challenge to encourage mental and physical health, through keeping active
- Training on Psychosocial hazards and managing the risks
- We continue to have an Employee Assistance Program available to employees and their families, to confidentially discuss any mental health and wellbeing issues.

We will continue this journey over FY25, to retain and attract great people and to ensure a positive employee experience.

Having informed the Board of my resignation, this is my last CEO Report for MBH. I wish to acknowledge and thank the passionate and resilient MBH team, our suppliers, partners and customers. I also thank you, our shareholders, for your continued interest and support of the Company. It has been a privilege to lead a Company with such an iconic brand and long-term growth opportunities and I look forward to watching the Group's future progress.



Kinda Grange,
CEO



Operating and Financial Review

In addition to the financial metrics of the Group highlighted already, the below outlines some of the key operational opportunities and challenges in FY24.

FY24 Trading

The Group generated net sales from continuing operations of \$89.4 million and a trading EBITDA¹ from continuing operations of \$0.3 million. This reflects earnings loss in PCF, delayed input cost recovery, and investments in advertising and people costs.

Gross Margin (GM)¹ was down 1.1 percentage points to 49.2% impacted by:

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

Balance Sheet and Cashflows

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

Net tangible assets¹ decreased by \$10.2 million to \$28.0 million (30 June 2023: \$38.2 million).

The negative operating cashflow result of \$0.8 million was driven by decline in trading EBITDA, lower inventory levels and timing of supplier payments.

Overall working capital for the Company is at circa 15.1% of sales, an increase of 0.1 points compared to 30 June 2023.

The Company's disciplined approach to working capital and the Group's cash management will continue.

Working Capital

Working capital timing is in line with FY23, with inventory expected to peak in October 2024 and will reduce to more normal levels by Christmas 2024.

Inventory has been timed so that long life products such as packaging, alcohol/champagne, homewares and pamper items arrive earlier and are packed into finished goods. Any food items with a shorter shelf life are sourced domestically and arrive just in time for production.

Corporate

Shared services and corporate office costs of \$3.8 million (excluding one-off items) were consistent with FY23.

Maggie Beer Products

Maggie Beer product sales grew by 6.3% given significant growth in Cooking and Desserts products, partly offset by declining sales in Entertaining & Online. This presents an opportunity in FY25 to continue using Cooking & Desserts offers as a foundation for further category expansions, while refocusing on Entertaining & E-commerce through an integrated approach across the Group leveraging the HGA asset.

Growth in Cooking (+16.3% vs. LY) has been delivered through Stocks, Broths & Finishing Sauces expansion into grocery retailers with incremental distribution points. This was supported by social media and in-store activations, catalogues and magazines to drive household penetration. The strong retailer partnerships unlocked through this launch have opened the pathway to incremental Cooking launches in FY25.

Decline in Entertaining (-4.7% vs. LY) has been across specialty cheeses, fruits pastes & pates. Reduction in consumer discretionary spend along with competitive pressure has limited the levers to stimulate growth in these categories. They remain important categories with plans to address in FY25.

Growth in Ice Cream due to launches in major supermarkets with incremental distribution points. This was supported by social media and in-store activations. Where launches were in H1, the ice cream range was featured in marketing activities for Summer Entertaining.

GM% decreased by 2.1 percentage points, mainly due to product mix.

¹ Gross Margin, Trading EBITDA and Net tangible assets are non-IFRS measures as defined in page 20 of the Directors Report

Paris Creek Farms

On 1 August 2024 the Group resolved that Paris Creek Farms (PCF) business is an asset held for sale. Following a review of the PCF business and the identification of an alternative third party supplier for Maggie Beer cheese, this decision was made to maximise value for shareholders.

An advisor was appointed on 28 June 2024 to consider all options to optimise the value of the PCF business, including initiating an active program to locate potential buyers.

Hampers and Gifts Australia

In FY24, HGA faced a reduction in online hamper and gift searches, reflecting a general decline in e-commerce demand as disposable income continued to be challenged and celebrations continued to shift to experiences. Despite this, our strategic investments in product, personalisation and conversion optimisation yielded positive results, with notable growth in conversion rates even as website visits decreased year-on-year. This success was exemplified by our Corporate Christmas campaign, which achieved significant success due to a focused communications effort.

The competitive landscape intensified as more players entered the market, leading to higher cost-per thousand impressions (CPM) and customer acquisition costs. In response, we chose to invest significantly in our full-funnel marketing efforts to enhance our market share and leverage our operational scale. This strategy resulted in increased growth in both our total customer base and new customer acquisition. We also saw product wins from onboarding new partners like Penfolds and scaling the Maggie Beer offering with a larger focus on hampers.

In H2, we focused on driving new customer acquisition through targeted campaigns and strategic partnerships aligned with our Corporate focus.

We continued to invest in user experience improvements, particularly within the Corporate segment. Upgrades to our bespoke online corporate ordering tool have greatly enhanced how corporate clients interact with us, providing a more personalised and seamless shopping experience. Additionally, we consolidated our CRM, including SMS, to leverage our Customer Data Platform (CDP) effectively and increase customer lifetime value (LTV).

Looking ahead to FY25, we are setting up for considerable tech improvements, beginning with a major upgrade to the Maggie Beer store. This initiative aims to enhance our technology infrastructure, improve customer experiences, and drive further growth.



Environmental, Social and Governance

OUR COMMITMENT TO OURSELVES AND OUR COMMUNITY

Our aim is to make products that people love, in a sustainable way and staying true to our values: by being **Passionate, Nimble, Ambitious, Inclusive and Community Focused**.

This report outlines our approach to Environmental, Social and Corporate Governance (ESG). It explores what we've done to strengthen positive outcomes with our team, our customers, stakeholders and our community.

Our Values

In FY24 we continued to embed our Maggie Beer Holdings Group values Recipe for Success into our programs.

Through engagement with our people, we have defined supporting behaviours, enabling us to recognise and reward our people in line with our values. Feedback through our employee engagement survey continues to show the values that resonate with, and inspire, our people.

We create premium, innovative & memorable food, beverage and gifting products of the highest quality that match people's every-changing shopping habits and lifestyles by being:

- ✓ **Passionate**
- ✓ **Nimble**
- ✓ **Ambitious**
- ✓ **Inclusive**
- ✓ **Community Focused**

Further, an Employee Value Proposition was developed, to help attract and retain employees with goals and values aligned to our organisational goals and values.

As part of our contributions to the community, aligned to our values, we encourage and support our people to contribute to the welfare of others, by the generous donation of money and time. Our Reward and Recognition program includes a workplace giving element through offering volunteering days to our employees.

Diversity and Inclusion

At Maggie Beer Holdings, our people and our culture are two of our most important assets. We are dedicated to proactively managing diversity to enhance the Company's performance by leveraging the diverse skills and talents

of our directors, officers, and employees. We cultivate a culture that embraces diversity at all levels, promoting inclusivity regardless of age, gender, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation, or gender identity.

We highly value these unique differences among our team members and recognise their valuable contributions to the Company. Discrimination, harassment, vilification, and victimisation are not tolerated in our working environment. To uphold these principles and foster diversity, the Board has adopted a comprehensive Diversity and Inclusion policy.

The leadership team consisted of three females and two males as at 30 June 2024.

Diversity Data

MBH records diversity data through its HR systems and can share the following diversity breakdown of its employees.

The age distribution of employees at the end of FY24 is as follows:

- under 20 years: 2%
- 20-30 years: 26%
- 31-40 years: 24%
- 41-50 years: 17%
- 50+ years: 31%

The gender distribution of employees at the end of in FY24 is as follows:

- Female: 64%
- Male: 35%
- Unspecified: 1%

Diversity and Inclusion Program

As part of our commitment to diversity and inclusion, Maggie Beer Holdings has developed an employee reward and recognition program. This program acknowledges and celebrates employee's achievements in contributing to our 'Recipe for Success', while also enhancing their overall work experience. Recognising and appreciating employees for their hard work and dedication fosters a sense of value and appreciation, reinforcing positive behaviour and boosting morale.

This, in turn, leads to increased productivity, loyalty, and well-being, fostering stronger working relationships and reducing employee turnover and absenteeism. Aligned with our values and dedication to community involvement, we also encourage and support our employees in contributing to the welfare of others, with our Reward and Recognition program including a workplace giving element by offering volunteering days to our employees.

To ensure the effectiveness of these initiatives, we conduct regular engagement surveys through the Employment Hero Human Resources Information System. This system also enables us to better monitor, measure and report on our workforce, including diversity. The survey results are thoughtfully reviewed and a summary shared with the Board and with employees, accompanied by action planning to continuously enhance and improve the overall employee experience. By implementing these measures, we aim to create a workplace that embraces diversity, fosters inclusivity, and empowers our employees to thrive and make meaningful contributions to both our organisation and the wider community.

Pay Equality

MBH adheres to the principle of equitable and ethical remuneration, recognising the importance of providing equal pay for equal work to all employees in fostering a supportive work environment.

To demonstrate this commitment, we have developed a comprehensive Remuneration Policy that aligns executive objectives with those of shareholders and the overall business. This is achieved through a combination of fixed remuneration and, when appropriate, targeted short and long-term incentives tied to key performance areas that significantly influence the Group's results. We have a Remuneration Committee tasked with assisting the Board in fulfilling its corporate governance responsibilities in this regard, which includes reviewing and making appropriate recommendations.

At Maggie Beer Holdings, we firmly believe that promoting a workplace that prioritises and advocates for pay equality is not only a matter of moral responsibility but also a crucial element in building a strong and successful company.

In accordance with the requirements of the *Workplace Gender Equality Act 2012* (Act), on 27 May 2024, Maggie Beer Holdings lodged its annual public report with the Workplace Gender Equality Agency (Agency) for 1 April 2023 to 31 March 2024 data.

To access the three public data reports, please visit the Company website maggiebeerholdings.com.au and locate the 'Workplace Gender Equality Reports' in the investor reports section:

- Workforce Management Statistics Public Report 2024
- Workplace Gender Equality Public Questionnaire 2024
- Workplace Profile Public Report 2024

Health and Wellbeing

Maggie Beer Holdings is committed to prioritising the health and safety of all individuals within the organisation and ensuring a secure and productive workplace. Our Workplace Health and Safety (WHS) Policy serves as a foundation for our commitment to the safety and well-being of our workforce and is aligned with federal and state legislation governing workplace health and safety. Our focus lies in identifying hazards, assessing risks, and implementing control strategies to minimise potential injuries to people and property.

The well-being and mental health of our team has been a top priority for MBH as we recognise our people as our most valuable asset. As part of this commitment to supporting our employees' well-being, we also offer an Employee Assistance Program. This program provides access to counselling services to address any challenges that may arise in their personal lives or the lives of their family members. We prioritise the mental and emotional health of our workforce and strive to provide comprehensive support for their overall well-being.

MBH also runs an annual Employee Wellbeing Survey to capture employee suggestions and improvements. Our continued focus on the wellbeing of our employees has included:

- Formally accrediting a group of Mental Health First Aid Officers (MHFAO) across the Group, to further support the wellbeing of our employees.

Environmental, Social and Governance, cont.

- A step challenge to encourage mental and physical health, through keeping active
- Leader, MHFAO and Work Health Safety Representative training on Psychosocial Hazards and managing the risks
- We continue to have an Employee Assistance Program available to employees and their families, to confidentially discuss any mental health and wellbeing issues.

Skills for the Future

At Maggie Beer Holdings, we are committed to providing staff training that empowers employees to enhance their skills and progress in their careers within the Company.

We provide all our employees with comprehensive training on our policies and values. Our E-learning platform 'go1' provides all employees access to compliance and role specific training, as well as professional and personal development, to support the growth of our people.

We utilise 'Employment Hero' to conduct annual Performance Development Reviews, 'My Recipe for Success'. Assessing performance and contribution is important for many reasons. It enables achievements to be recognised, for training and development opportunities to be identified and ensures a focus on what we need to get done, to contribute to Maggie Beer Holding's success.

We are supporting several leaders in gaining leadership qualifications through an external provider.

Governance policies and procedures are in place at Maggie Beer Holdings to provide clear directions and intended practices that are consistent with the organisation's values and culture. They are based on integrity and fairness and outline clear ethical guidelines and terms of required roles, treatment and conduct of Board members and employees. We have conducted training to support these policies, including:

- Equal Employment Opportunity
- Anti-Discrimination Sexual Harassment and Bullying
- Modern Slavery
- Workplace Health and Safety
- Psychosocial Safety

Sustainability

At Maggie Beer Holdings, our commitment to ethical and sustainable practices is evident in our continuous efforts to lead the way in responsible food, beverage, and gifting production. As stakeholders increasingly seek information about environmental, social, and governance (ESG) factors, we recognise the paramount importance of greenhouse gas emissions as a key indicator, especially in light of the threat of climate change.

MBH is dedicated to responsible energy consumption practices. To maintain operational energy efficiencies, Maggie Beer Products conducts regular maintenance of all site equipment in line with factory standards. When acquiring new equipment, we carefully review their efficiency in terms of gas, water, and electricity usage. Our vigilant approach includes tracking monthly consumption in relation to manufacturing hours, allowing us to promptly identify and address any inefficiencies. This proactive monitoring helps us assess operational changes that may impact energy consumption and drives continuous improvement in our energy management efforts. We also engage with transportation suppliers that have clear policies and processes in place to track and monitor climate relevant emissions.

Risk Statement

KEY RISKS AND MITIGANTS

Maggie Beer Holdings Limited (the **Company**) continues to apply a proactive approach to risk through the administration of its enterprise risk framework. The Company's Executive team has allocated ownership for risk through the business and risks are regularly reviewed and assessed to ensure accurate and timely reporting of key risk issues to the Board through its Audit and Risk Committee.

The risk profile for the Company's business is constantly evolving and the application of the risk framework ensures risks are identified and mitigation plans are developed in a timely manner. The development and implementation of risk mitigation plans ensures the business is delivering continual improvement in the business, with resources deployed based on risk priority.

At the same time the established mechanisms to maintain operational risks such as food safety and workplace health and safety continue to be a priority for management and are validated through externally certified management systems to industry relevant standards.

Through the administration of the risk framework, the Company has identified and is mitigating the following priority risks:

- **Cyber** - as for most modern boards, the readiness of the business for cyber threats continues to be an area of focus, with the business applying established cyber risk management frameworks for the assessment of the business's preparedness. This includes the protection of commercially sensitive and/or personal data and a review of what customer data we need to store.
- **IT Architecture and Resilience** - the business is reliant on third party service providers to manage the IT infrastructure. An independent third-party specialist has reviewed current IT infrastructure and architecture provided recommendations on how this should evolve in the future. The business has prioritized the recommendations and is actioning these in line with that framework.

- **Economic Downturn** - operating in the premium retail categories, the business faces pressure on price and volume as the broader economy retracts; this is being actively managed through SKU level reviews of costs and profitability, product diversification and review of distribution channels.
- **Food Safety** - a continuous improvement approach to food safety with a particular focus on the hamper business where the control framework has been strengthened.
- **Production Resilience** - a review of the potential for interruption of the production process has led to improvements in the protection of business-critical assets as well as a review of the resilience in the supply chain and manufacturing process.
- **Workplace Health and Safety** - we are committed to the health and safety of our people, and we have systems and processes to identify, report, investigate, control and monitor health and safety risks across the business.
- **Contracts** - the business has recognised the need to standardise the contracting processes for both suppliers and customers across all operating business units. The review of contracts with priority suppliers has been the focus of addressing this risk and this review is well progressed.

Throughout FY24 the Company has reviewed the resourcing being applied to risk and the allocation of risk accountability. This has improved the reporting process through to the Company's Audit and Risk Committee and the Board. Throughout FY25, the Company will continue to maintain the risk framework, regularly assessing existing and emerging risks to ensure resources for risk mitigation are applied to the highest priority risks.

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of Maggie Beer Holdings Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were directors of Maggie Beer Holdings Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Susan Thomas (Non-executive Director to 29 August 2023, thereafter Non-executive Chair)

Maggie Beer AO (Non-executive Director)

Tom Kiing (Non-executive Director)

Hugh Robertson (Non-executive Director)

Reg Weine (Resigned as Chair on 29 August 2023 and Non-executive Director on 31 October 2023)

Principal activities

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

Non-IFRS measures

The directors' report includes references to Non-IFRS financial measures such as Trading EBITDA, Gross Margin and Net tangible assets. The three measures have been used by the Group for a number of years to present financial information that is helpful to readers of this financial report and the directors believe that it best reflects the underlying operating performance of the Group. Trading EBITDA is used as a measure of financial performance by excluding non-recurring transactions and long-term non-cash share-based incentive payments and does not include discontinued operations. Trading EBITDA is also utilised by senior management to manage and measure the performance of the business and for discussions with and disclosures to the market. Non-IFRS measures are not subject to audit or review.

	Consolidated	
	2024 \$'000	2023 \$'000
Statutory profit/(loss) after income tax from continuing operations	(28,238)	766
Finance costs	252	130
Depreciation expense	2,957	2,356
Amortisation expense	3,123	2,507
Tax	-	(1,378)
Statutory EBITDA	(21,906)	4,381
Non-Trading Items from continuing operations:		
Non-recurring items:		
Redundancies	67	-
Professional fees	66	473
(Gain)/Loss on disposal of fixed assets	(3)	-
Onerous contract	797	-
Retention bonus	-	235
Other non trading project related costs	65	-
Non-cash items:		
LTI - non-cash options and performance rights issued	267	(370)
Impairment expense	18,329	12,500
Gain on reversal of deferred consideration	-	(14,000)
HGA earnout costs and settlement	2,609	-
Total Non-Trading Items from continuing operations	22,198	(1,162)
Trading EBITDA from continuing operations	291	3,219
	Consolidated	
	2024 \$'000	2023 \$'000
Revenue from continuing operations	89,389	88,706
Revenue from discontinued operations	-	1,195
Combined revenue	89,389	89,901

Dividends

There were no dividends paid during the current financial year.

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

Directors' Report, cont.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$28.2 million (30 June 2023: profit of \$0.4 million). Continuing operations NPAT of \$28.2 million (30 June 2023: \$0.8 million) mainly due to impairment of the carrying value of goodwill and property, plant and equipment (\$18.3 million), and higher raw material, employee benefits and investment in marketing costs.

Financial Position

The consolidated entity is supported by a balance sheet with net assets at 30 June 2024 of \$57.8 million (30 June 2023: \$85.7 million), including a cash balance of \$4.7 million (30 June 2023: \$9.2 million). The net assets decreased by \$28.0 million to \$57.8 million (30 June 2023: \$85.7 million). This decrease was due to the impairment of the carrying value of property, plant and equipment and goodwill (\$18.3 million), HGA earnout legal costs and settlement (\$2.6 million), and the balance being mainly depreciation and amortisation. Net tangible assets¹ decreased by \$10.2 million to \$28.0 million (30 June 2023: \$38.2 million).

Significant changes in the state of affairs

On 29 August 2023, Susan Thomas was appointed as non-executive Chair of the Board.

On 31 October 2023, Reg Weine resigned as non-executive Director of the Board.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

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

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

On 1 August 2024 the Group resolved that Paris Creek Farms (PCF) business is an asset held for sale. An advisor was appointed on 28 June 2024 to consider all options to optimise the value of the PCF business, including initiating an active program to locate potential buyers.

Financial information relating the PCF for the periods 2024 and 2023 is disclosed as a reportable segment in Note 4 of the financial statements.

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

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

Likely developments and expected results of operations

The future developments of the consolidated entity include leveraging the strength of each brand, growing the distribution points for each business, launching new products, creating further synergies across the Group and driving brand awareness through targeted marketing campaigns.

Information on these developments is included in the review of operations and activities.

Environmental regulation

The Company takes a proactive approach in relation to the management of environmental matters. Paris Creek Farms is licenced under the *Environment Protection Act 1993* to undertake milk processing works. In accordance with customary wastewater management practices for a dairy facility, wastewater generated by the plant is tanked offsite and fully utilised by a business local to Paris Creek Farms, which includes the wastewater in its organic compost matter. The EPA has approved Paris Creek Farms' action plans in regard to wastewater generated at the site.

All other significant environmental risks have been reviewed and the Group has no other legal obligation to take corrective action in respect of any environmental matter.

¹ Net tangible assets are a non-IFRS measure as defined in page 20 of the Directors Report

INFORMATION ON DIRECTORS

SUSAN THOMAS

Non-executive Chair
(Appointed Non-executive Chair
29 August 2023)

Experience and expertise:

Susan has had a distinguished career in law, corporate finance, IT and financial services.

Susan is an experienced company director and held audit and risk committee chair positions on other boards.

During the 1990s, Susan established and grew FlexiPlan Australia (subsequently MasterKey Custom), a successful investment administration platform sold later to MLC. Sourcing strategic partners, growing administered funds, Susan's achievements saw her acknowledged as an industry leader by the financial planning community and was at the forefront of the FinTech market.

Susan brings strong commercial, technology, compliance and regulatory skills and background to her board positions.

Susan is also a Senior Executive Coach at Foresight Global Coaching, working with multinational c-suite executives.

Other current directorships:

Fitzroy River Holdings Limited (ASX: FZR)

Former directorships (last 3 years):

Cash Converters Limited (ASX: CCV)

Nuix Limited (ASX: NXL)

Temple and Webster Limited (ASX: TPW)

Special responsibilities:

Chair of the Audit & Risk Committee

Interests in shares:

8,305,000 fully paid ordinary shares

Interests in options:

None

MAGGIE BEER AO

Non-executive Director

Experience and expertise:

Maggie Beer's career in the food industry spans over 40 years, beginning as a farmer at the Pheasant Farm in 1979, whereby the fresh, seasonal ingredients produced led to a farm shop in the Barossa, and soon after a nationally acclaimed restaurant, followed by a commercial food production business, Maggie Beer Products.

Maggie was Telstra South Australia Business Woman of the Year in 1997, Senior Australian of the Year 2010 and once again in 2011, appointed as a Member of the Order of Australia in 2012 and awarded an honorary doctorate of Macquarie University in 2013, and honorary doctorate of the University of South Australia in 2016 in recognition of her achievements in tourism, hospitality and the promotion of Australian cuisine. In addition to this, Maggie established the Maggie Beer Foundation in 2014 to improve the food experiences for older Australians, particularly those living within aged care homes.

Maggie Beer joined the board of the consolidated entity as part of the acquisition of Maggie Beer Products Pty Ltd by the Group. Maggie continues to play a pivotal role in the Growth and strategy of the Maggie Beer Products business as well remaining deeply involved in the development of new and exciting products.

Other current directorships:

None

Former directorships (last 3 years):

None

Special responsibilities:

None

Interests in shares:

10,507,987 fully paid ordinary shares

Interests in options:

None

Directors' Report, cont.

TOM KIING

Non-executive Director

Experience and expertise:

Board member since July 2008, Tom is also a director of Bridge Capital Pty Ltd, an Australian technology investment firm that manages a portfolio of investments in the IT sector. Tom also sits on the Board of The Atomic Group, a retail and footwear company in Australia which holds the Adidas license in Australia. Tom has extensive experience as a technology, retail and consumer brand executive in building and growing businesses in the field. Tom travels extensively through the ASEAN region to promote a wide range of Australian investment opportunities to Asian institutions and private investors.

Other current directorships:

None

Former directorships (last 3 years):

None

Special responsibilities:

Member of the Audit & Risk Committee and a member of the Remuneration and Nomination Committee

Interests in shares:

11,490,968 fully paid ordinary shares

Interests in options:

None

HUGH ROBERTSON

Non-executive Director

Experience and expertise:

Hugh has over 30 years' experience in financial services as an investor, advisor and company director across a broad range of businesses. Hugh's deep experience and knowledge in capital markets with a particular concentration on small cap industrials is highly valued. Hugh is a stockbroker and investment adviser with Morgans Financial Limited.

Other current directorships:

Credit Clear Limited (ASX:CCR)

Former directorships (last 3 years):

Envirosuite Limited (ASX:EVS)
Touch Ventures Limited (ASX:TVL)

Interests in shares:

4,705,248 fully paid ordinary shares

Interests in options:

None

REG WEINE

(Ceased to be a Director on 31st October 2023)

Interests in shares:

1,150,000 fully paid ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

COMPANY SECRETARY

Sophie Karzis

Sophie is a practising lawyer with over 20 years' experience as a corporate and commercial lawyer, and Company Secretary and General Counsel for a number of private and public companies.

Sophie is the principal of Legal Counsel, a corporate law practice with a focus on equity capital markets, mergers and acquisitions, corporate governance for ASX-listed entities, as well as the more general aspects of corporate and commercial law.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board			Audit & Risk Committee		
	HELD	ELIGIBLE TO ATTEND	ATTENDED	HELD	ELIGIBLE TO ATTEND	ATTENDED
Susan Thomas	9	9	9	3	3	3
Maggie Beer AO	9	9	8	3	-	-
Tom Kiing	9	9	9	3	3	3
Hugh Robertson	9	9	9	3	3	3
Reg Weine*	9	3	3	3	1	1

*As Reg Weine retired on 31 October 2023, he was not eligible to attend any Board or Committee meetings after that date

Retirement, election and continuation in office of directors

The Board of Directors (Board) has power to appoint persons as directors to fill any vacancies. Other than those directors appointed during the year, at least one director is required to retire by rotation at each annual general meeting and is eligible to stand for re-election together with those directors appointed during the year to fill any vacancy who must retire and stand for election. A director may not hold office for more than three years or beyond the third annual general meeting following the director's appointment (whichever is the longer period) without submitting for re-election.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors. KMP at the date of this report are:

Susan Thomas – Non-executive Chair

Tom Kiing – Non-executive Director

Hugh Robertson – Non-executive Director

Maggie Beer AO – Founder, Brand Ambassador and Non-executive Director

Reg Weine – Non-executive Director (retired 31st October 2023)

Kinda Grange – Chief Executive Officer (resigned 13 August 2024)

Craig Louttit – Chief Financial Officer (appointed 1 September 2023) (resigned 27 August 2024)

Eddie Woods – Chief Financial Officer (retired 31 August 2023)

Directors' Report, cont.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Executive contracts
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The senior executive remuneration policy is designed to strengthen the alignment between performance related remuneration and shareholder returns, ensuring that remuneration outcomes for senior executives are directly linked to performance (both Group and individual) in a manner that is aligned to shareholder's interest as well as designed to incentivise and retain key executives.

The Remuneration and Nomination Committee is responsible for reviewing and recommending to the Board remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

In consultation with external remuneration consultants, the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

Use of Independent Remuneration Consultants, Crichton and Associates Pty Limited were engaged to assist the Board with various aspects of the Group's executive remuneration practices, including fixed remuneration, short term incentives and long term incentives. The reward framework is designed to align executive reward to shareholders' interests as well as to provide an incentive and as a retention tool. The Board's objective is to structure executive remuneration packages so as to align with shareholders' interests by:

- having key financial growth metrics as a core component of variable remuneration plan design;
- focusing on sustained growth in shareholder wealth, consisting of growth in share price, and on key non-financial drivers of value; and

- attracting and retaining high calibre executives.

Additionally, the reward framework seeks to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards through both the short term and long term incentive structures.

The reward framework was reviewed by the board and the criteria for the LTIP was agreed with the consultant, with no other remuneration recommendations being made in FY24. The board paid the consultant \$1,184 (inclusive of GST).

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

Each non-executive director receives \$65,000 annually for being a director of the Company and an additional \$10,000 annually for chairing a committee. The Chair receives a base fee of \$110,000 per annum. Director fees are inclusive of superannuation entitlements (if applicable). All non-executive directors receive their fees in cash. The maximum director aggregate fee pool is \$600,000 as approved by shareholders at the annual general meeting held on 9 November 2021.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- fixed annual remuneration (FAR) comprising base salary, superannuation and other non-monetary benefits
- annual short-term performance incentives (STI), paid in cash
- long term incentives (LTI) awarded in equity and expensed as share-based payments
- other remuneration such as annual leave and long service leave

In addition, from time to time, the Company may include 'sign-on' or bonus incentives to a KMP as part of their overall remuneration package.

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

Fixed Annual Remuneration

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Remuneration and Nomination Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market executive remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits, with FBT grossed up on a Total Employment Cost basis) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

Short Term Incentives

The short-term incentive (**STI**) program is designed to align the identified key performance targets of the Company and business units with the targets of relevant executives. Short-term incentives are used to differentiate rewards based on performance on a year-by-year basis. The principal performance indicator of the STI Program is the Group's financial performance. The financial performance measurements selected are revenue growth and trading Earnings Before Interest, Tax, Depreciation and Amortisation (trading EBITDA), together with key projects and milestones for each specific year. They have been selected by the Board as the most appropriate measures of trading performance, and are calculated based on a percentage above a revenue and trading EBITDA threshold level and on the achievement of projects within specified timeframes. This allows the individual to be rewarded for growth in revenue and profitability of the Company or their responsible business unit. The percentage and threshold level can differ for each individual and are reviewed every year. The revenue and trading EBITDA thresholds are determined based on the ability of the key management personnel to influence the Group's earnings and to ensure alignment between executive remuneration and Company performance.

Executive KMP short term incentives for FY24 and the relative achievement were as follows:

	CEO (Kinda Grange)	CFO (Craig Louttit)	CFO (Eddie Woods)
FY24 STI Opportunity	\$363,000	\$156,000	\$0
FY24 STI Awarded	\$90,750	\$39,000	\$0
% Awarded	25%	25%	0%
% Forfeited	75%	75%	0%

The STI award is determined after the end of the financial year following a review of performance over the year by the Remuneration and Nominations Committee. The Board approves the final STI award, which is paid one month after the end of the financial year.

Long Term Incentives

The objectives of the long-term incentive (**LTI**) plans are to:

- establish a method by which eligible participants can participate in the future growth and profitability of the Group;
- provide an incentive and reward to recognise eligible participants for their contributions to the Group; and
- attract and retain a high standard of managerial and experienced personnel for the benefit of the Group.

The Group currently has two long term incentive plans: the Employee Share Option Plan (**ESOP**) under which share options are granted and the Performance Rights Plan (**PR Plan**) under which performance rights are granted to employees. The long-term incentives are awarded in equity, subject to performance conditions. Performance Rights and options have been awarded to selected executives with vesting subject to service and performance over a period of three years. At present the LTI is linked directly to total shareholder return (**TSR**) hurdles, which are linked to increasing shareholder value.

Directors' Report, cont.

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Feature	Description
KMP participant	Kinda Grange
Performance Rights	Performance Rights to acquire ordinary shares
Opportunity/Allocation	2,750,000
Performance Hurdle	Ms Grange must remain employed in current position until 31 August 2026 and achieve TSR increase of 10% +CPI over the performance period. The Company achieves an increase in total shareholder return (TSR) of 10% + CPI (compounded) for the period from 31 August 2023 until 31 August 2026 Performance Period). 50% of the Rights will vest if the TSR is equal to 5% + CPI (compounded), and if the TSR is between 5% + CPI and 10% + CPI, the Rights will vest on a pro-rata basis, i.e. a proportion calculated on a straight line.
Exercise price	There is no exercise price payable for the Performance Rights to convert to ordinary fully paid shares.
Forfeiture and termination	Performance Rights will vest subject to the time and market-related vesting conditions described above being met. The Performance Rights will lapse if the time-related vesting condition is not met.
Purpose	The Performance Rights were granted to the CEO on 16 May 2024 in order to align Ms Grange's personal interests with the interests of the Company.
Feature	Description
KMP participant	Craig Louttit
Performance Rights	Performance Rights to acquire ordinary shares
Opportunity/Allocation	1,477,273
Performance Hurdle	Mr Louttit must remain employed in current position until 31 August 2026 and achieve TSR increase of 10% +CPI over the performance period. The Company achieves an increase in total shareholder return (TSR) of 10% + CPI (compounded) for the period from 31 August 2023 until 31 August 2026 Performance Period). 50% of the Rights will vest if the TSR is equal to 5% + CPI (compounded), and if the TSR is between 5% + CPI and 10% + CPI, the Rights will vest on a pro-rata basis, i.e. a proportion calculated on a straight line.
Exercise price	There is no exercise price payable for the Performance Rights to convert to ordinary fully paid shares.
Forfeiture and termination	Performance Rights will vest subject to the time and market-related vesting conditions described above being met. The Performance Rights will lapse if the time-related vesting condition is not met.
Purpose	The Performance Rights were granted to the CFO on 17 May 2024 in order to align Mr Louttit's personal interests with the interests of the Company.

Consolidated entity performance and link to remuneration

A component of remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

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

At the 2023 AGM, 97.20% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Executive contracts

The remuneration and other terms of employment for executives are covered in formal employment contracts that have no fixed terms. The Group may terminate an executive's employment contract immediately for cause, in which case the executive is not entitled to any payment other than the value of total fixed remuneration (and accrued entitlements) up to the termination date. Executive KMP contracts have a notice period of 2-3 months by either the employee or company. Details of remuneration are as follows:

Name	Kinda Grange	Craig Louttit
Title	Chief Executive Officer	Chief Financial Officer
Details	The CEO is entitled to receive Fixed Annual Remuneration (FAR) of \$550,000 (inclusive of superannuation)	The new CFO is entitled to receive Fixed Annual Remuneration (FAR) of \$390,000 (inclusive of superannuation)

Details of remuneration

Amounts of remuneration

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

The key management personnel of the consolidated entity consisted of the following directors of Maggie Beer Holdings Ltd:

- Susan Thomas (Non-executive Director to 29 August 2023, thereafter Non-executive Chair)
- Tom Kiing
- Hugh Robertson
- Maggie Beer AO
- Reg Weine (Resigned as Chair on 29 August 2023 and Non-executive Director on 31 October 2023)

And the following persons:

- Kinda Grange (Chief Executive Officer) (Resigned 13 August 2024)
- Craig Louttit (Chief Financial Officer) (Appointment CFO 1 September 2023 and Resigned 27 August 2024)
- Eddie Woods (Chief Financial Officer) (Resigned 31 August 2023)

Directors' Report, cont.

Table A: KMP Remuneration for the year ended 30 June 2024

	Short-term benefits		Post-employment benefits	Long Term-Leave provisions	Share-based payments	
2024	Cash salary and fees* \$	Bonus \$	Superannuation \$	Annual and long service leave ***** \$	Equity-Settled ***** \$	Total \$
<i>Non-Executive Directors:</i>						
Susan Thomas ***	105,165	-	-	-	-	105,165
Tom Kiing	75,000	-	-	-	-	75,000
Hugh Robertson	65,000	-	-	-	-	65,000
Maggie Beer AO	58,559	-	6,441	-	-	65,000
Reg Weine **	27,500	-	-	-	-	27,500
<i>Other Key Management Personnel:</i>						
Kinda Grange ****	522,601	90,750	27,399	17,138	240,333	898,221
Craig Louttit	296,589	39,000	22,832	17,456	15,148	391,025
Eddie Woods *****	47,184	100,000	15,567	61,290	-	224,041
	1,197,598	229,750	72,239	95,884	255,481	1,850,952

* Non-executive director cash salary and fees is inclusive of superannuation, but is paid to their trusts.

** Reg Weine resigned as non-executive director in October 2023.

*** Susan Thomas was appointed as chair of the REM committee on 29 August 2023.

**** Kinda Grange sign on bonus criteria were met and \$240,333 was expensed in the current period.

***** Annual and long service leave represents the expense recognised during the year for the change in annual and long service leave provisions

***** Equity Settled for the CEO and CFO represents an accrual of \$45,569 for performance rights that could potentially be received under the LTIP Plan for FY24 if time related conditions are met. Kinda Grange's resignation on 13 August 2024 means the LTIP criteria will not be achieved and \$30,421 has not been expensed in FY24, and no expenses associated with this LTIP will be achieved in future periods.

***** Eddie Woods resigned as CFO and departed the Group in 15 September 2023, forfeiting his LTI. A retention fee of \$100,000, was paid in FY24.

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Table B: KMP Remuneration for the year ended 30 June 2023

	Short-term benefits		Post-employment benefits	Long Term Leave provisions	Share-based payments	
2023	Cash salary and fees* \$	Bonus \$	Superannuation \$	Annual and long service leave ***** \$	Equity-settled ***** \$	Total \$
<i>Non-Executive Directors:</i>						
Reg Weine	110,000	-	-	-	-	110,000
Tom Kiing	67,500	-	-	-	-	67,500
Hugh Robertson	75,000	-	-	-	-	75,000
Maggie Beer AO	65,000	-	-	-	-	65,000
Susan Thomas	73,500	-	-	-	-	73,500
<i>Executive Directors:</i>						
Chantelle Millard **	317,582	124,200	25,292	57,030	(411,252)	112,852
<i>Other Key Management Personnel</i>						
Kinda Grange***	174,902	-	8,431	15,633	120,167	319,133
Eddie Woods****	285,208	70,910	25,292	2,317	(17,147)	366,580
	1,168,692	195,110	59,015	74,980	(308,232)	1,189,565

* Non-executive director cash salary and fees is inclusive of superannuation, but is paid to their trusts.

** Chantale Millard resigned 31 December 2022 as director and CEO, and provided transitional services as a consultant till 30 June 2023. Included in the termination payments for annual leave and long service leave is \$6,850 of superannuation.

*** Kinda Grange was appointed CEO as of the 1st of March 2023

**** Eddie Woods resigned as CFO and departed the Group in September 2023, forfeiting his LTI. A retention fee of \$100,000 will be reflected in the FY24 financial statements.

***** Annual and long service leave represents the expense recognised during the year for the change in annual and long service leave provisions.

***** Equity Settled for the CEO represents an accrual of \$120,167 for options that could potentially be received under the LTIP Plan for FY23 if performance hurdles are met. Equity Settled for the CFO represents an accrual for Performance Rights that will vest to the CFO on completion of performance hurdles.

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Directors' Report, cont.

Table C: Proportion of KMP's fixed remuneration and remuneration linked to performance

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2024	2023	2024	2023	2024	2023
<i>Non-Executive Directors:</i>						
Susan Thomas	100%	100%	-	-	-	-
Tom Kiing	100%	100%	-	-	-	-
Hugh Robertson	100%	100%	-	-	-	-
Maggie Beer AO	100%	100%	-	-	-	-
Reg Weine	100%	100%	-	-	-	-
<i>Other Key Management Personnel:</i>						
Chantale Millard	-	76%	-	24%	-	-
<i>Other Key Management Personnel</i>						
Kinda Grange	63%	62%	10%	-	27%	38%
Craig Louttit	86%	-	10%	-	4%	-
Eddie Woods	55%	82%	45%	18%	-	-

Share-based compensation

Table D: Number of performance rights granted as remuneration to KMP during FY24

KMP	Grant Date	Number granted	Value per right	Number vested
<i>Other Key Management Personnel</i>				
Kinda Grange	16/05/2024	2,750,000	\$0.035	-
Craig Louttit	17/05/2024	1,477,273	\$0.034	-

No options were granted as remuneration to KMP during the year.

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Table E: Movements during the year in the options and rights over shares in the Company held directly, indirectly or beneficially, by each KMP, including their related parties

	Balance at the start of the year	Granted as part of remuneration	Additions	Forfeited/ Other	Exercised	Total	Number vested	Minimum recognised in future periods	Maximum recognised in future periods
<i>Options</i>									
Reg Weine *	4,000,000	-	-	-	-	4,000,000	-	-	-
Chantale Millard *	3,000,000	-	-	-	-	3,000,000	-	-	-
<i>Rights</i>									
Kinda Grange **	1,750,000	-	2,750,000	-	-	4,500,000	-	-	-
Craig Louttit	-	-	1,477,273	-	-	1,477,273	-	-	-
Eddie Woods	-	-	-	-	-	-	-	-	-
	8,750,000	-	4,227,273	-	-	12,977,273	-	-	-

* Options for Mr. Weine expired on 16 July 2024 and rights for Ms. Millard will expire on 28 October 2024 (unless exercised prior to that date).

** On 1 March 2023, 1,750,000 Performance Rights were granted to Ms Grange as a 'sign on bonus' as part of her commencement of employment with the Company in March 2023. The time-based performance hurdle for these Performance Rights was satisfied and accordingly these Performance Rights were converted to fully paid ordinary shares on 15 July 2024.

On 16 May 2024, 2,750,000 Performance Rights were granted to Ms Grange under the Company's LTI Plan. These Performance Rights will vest if a specified TSR growth rate is achieved over a performance period from 1 August 2023 to 31 August 2026 as well as a continuation of service requirement over the same period. In light of Ms Grange's resignation, these Performance Rights will lapse prior to their conditions being satisfied.

Table F: Terms and conditions of rights over ordinary shares affecting remuneration of directors and KMP

	Number of rights granted	Grant date	Vesting date	Expiry date	Exercise price	Fair value per right at grant date
Kinda Grange	1,750,000	1/03/2023	1/03/2028	1/03/2028	\$0.000	\$0.206
Kinda Grange	2,750,000	16/05/2024	31/08/2026	31/08/2026	\$0.000	\$0.035
Craig Louttit	1,477,273	17/05/2024	31/08/2026	31/08/2026	\$0.000	\$0.034

Directors' Report, cont.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2024 are summarised below:

	2024 \$'000	2023 \$'000	2022* \$'000	2021* \$'000	2020 \$'000
Total revenue	89,734	88,824	90,012	53,804	45,555
Profit/(loss) before tax from continuing operations	(28,238)	(612)	490	(2,429)	(14,754)
Profit/(loss) after income tax from continuing operations	(28,238)	766	2,387	1,861	(14,754)

* 2022 and 2021 have been represented due to Paris Creek Farms being converted to continuing operations.

	2024	2023	2022	2021	2020
Share price at financial year beginning (\$)	0.120	0.350	0.390	0.140	0.210
Share price at financial year end (\$)	0.068	0.120	0.350	0.390	0.140
Basic earnings per share (cents per share) from continuing operations	(8.012)	0.218	0.680	0.805	(7.120)
Diluted earnings per share (cents per share) from continuing operations	(8.012)	0.212	0.658	0.805	(7.120)

	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
Dividends (\$)	-	1,758	-	-	-
Return of capital (\$)	-	3,516	-	-	-

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Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Hugh Robertson	4,465,625	-	239,623	-	4,705,248
Tom Kiing	10,490,968	-	1,000,000	-	11,490,968
Maggie Beer AO	10,007,987	-	500,000	-	10,507,987
Susan Thomas	6,605,000	-	1,700,000	-	8,305,000
Kinda Grange	500,000	-	-	-	500,000
Craig Louttit	-	-	800,000	-	800,000
Reg Weine	900,000	-	250,000	-	1,150,000
Eddie Woods	320,000	-	-	(320,000)	-
	33,289,580	-	4,489,623	(320,000)	37,459,203

Loans to key management personnel and their related parties

There were no loans given to KMPs during the year.

Other transactions with key management personnel and their related parties

Maggie Beer has continued as a brand ambassador, continuing her association with the Maggie Beer brand, its product development program and customer relationships. Under the ambassador agreement between Maggie Beer and the Company, Maggie Beer provides services in connection with the positive image of the brand and sale, promotion, marketing and advertising of the Group's products including the Cooking with Maggie and other product videos, assisting in the development, creation and implementation of new products, and media engagements such as MasterChef. Maggie Beer receives fees of \$13,092 per month for her services. Maggie Beer received \$157,104 for services provided during the year. In addition, the Company has entered into lease agreements with entities associated with Maggie Beer, being Beer Family Holdings Pty Ltd and Quincy Fine Food Distribution Pty Ltd for its premises located at Keith Street in Tanunda, South Australia and Samuel Road, Nuriootpa, in South Australia respectively. In total, the Company paid rental fees of \$541,978 under these leases for FY24.

This concludes the remuneration report, which has been audited.

Directors' Report, cont.

Shares under option

Unissued ordinary shares of Maggie Beer Holdings Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
28 October 2020	28 October 2024	\$0.140	3,000,000
			3,000,000

Shares under performance rights

Unissued ordinary shares of Maggie Beer Holdings Ltd under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number under rights
16/05/2024	28/02/2024	2,750,000
17/05/2024	31/08/2026	1,477,273
20/05/2024	31/08/2026	670,455
		4,897,728

Shares issued on the exercise of options or performance rights

1,750,000 Performance Rights held by Kinda Grange vested on the basis that the time-based performance hurdle for these Performance Rights was satisfied and accordingly these Performance Rights were converted to fully paid ordinary shares on 15 July 2024.

There were no other ordinary shares of Maggie Beer Holdings Ltd issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Indemnity and insurance of officers

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

The Company has indemnified each director referred to in this report, the Company secretary and previous directors and secretaries (officers) against all liabilities or loss (other than to the Company or a related body corporate) that may arise from their position as officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the *Corporations Act*. The indemnity stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an officer of the Company.

The Company has also indemnified the current and previous directors of its controlled entities and certain members of the Company's senior management for all liabilities and loss (other than to the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the *Corporations Act*.

The Company has executed deeds of indemnity in favour of each non-executive director of the Company and certain non-executive directors of related bodies corporate of the Company as well as with the company secretary.

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The Company has paid insurance premiums in respect of directors' and officers' liability insurance contracts, for officers of the Company and of its controlled entities. The insurance cover is on standard industry terms and provides cover for loss and liability for wrongful acts in relation to the relevant person's role as an officer, except that cover is not provided for loss in relation to officers gaining any profit or advantage to which they were not legally entitled, or officers committing any criminal, dishonest, fraudulent or malicious act or omission, or any knowing or wilful violation of any statute or regulation. Cover is also only provided for fines and penalties in limited circumstances and up to a small financial limit.

The insurance does not provide cover for the independent auditors of the Company or of a related body corporate of the Company.

In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

Indemnity and insurance of auditor

The Company has agreed to indemnify their auditors, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from the Company's breach of their agreement. The indemnity stipulates that the Company will meet the full amount of any such liabilities including a reasonable amount of legal costs.

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

Proceedings on behalf of the Company

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

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of PricewaterhouseCoopers

There are no officers of the Company who are former partners of PricewaterhouseCoopers.

Rounding of amounts

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

Auditor's independence declaration

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

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

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

On behalf of the directors



Susan Thomas
Chair

12 September 2024

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the audit of Maggie Beer Holdings Ltd for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Maggie Beer Holdings Ltd and the entities it controlled during the period.

Paddy Carney
Partner
PricewaterhouseCoopers

Sydney
12 September 2024

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Financial Statements

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



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

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

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



		2024 Cents	2023 Cents
Earnings per share for profit/(loss) from continuing operations attributable to the owners of Maggie Beer Holdings Ltd			
Basic earnings per share	35	(8.012)	0.218
Diluted earnings per share	35	(8.012)	0.212
Earnings per share for loss from discontinued operations attributable to the owners of Maggie Beer Holdings Ltd			
Basic earnings per share	35	-	(0.093)
Diluted earnings per share	35	-	(0.093)
Earnings per share for profit/(loss) attributable to the owners of Maggie Beer Holdings Ltd			
Basic earnings per share	35	(8.012)	0.125
Diluted earnings per share	35	(8.012)	0.121

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

Maggie Beer Holdings Ltd
Consolidated statement of financial position
As at 30 June 2024



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

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

Maggie Beer Holdings Ltd
Consolidated statement of changes in equity
For the year ended 30 June 2024



	Contributed	Option	Cashflow	Accumulated	
	Equity	Reserves	Hedge	Losses	Total equity
Consolidated	\$'000	\$'000	Reserve	\$'000	\$'000
Balance at 1 July 2022	169,561	3,556	153	(82,347)	90,923
Profit after income tax benefit for the year	-	-	-	438	438
Other comprehensive income for the year, net of tax	-	-	(153)	177	24
Total comprehensive income for the year	-	-	(153)	615	462
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments forfeited (note 36) & (note 23)	240	(240)	-	-	-
Share-based payments forfeited (note 36) & (note 23)	-	133	-	-	133
Share-based payments forfeited (note 36) & (note 23)	-	(503)	-	-	(503)
Return of capital (note 22)	(3,516)	-	-	-	(3,516)
Dividends paid (note 24)	-	-	-	(1,758)	(1,758)
Balance at 30 June 2023	166,285	2,946	-	(83,490)	85,741
	Contributed	Option	Cashflow	Accumulated	
	Equity	Reserves	Hedge	Losses	Total equity
Consolidated	\$'000	\$'000	Reserve	\$'000	\$'000
Balance at 1 July 2023	166,285	2,946	-	(83,490)	85,741
Loss after income tax expense for the year	-	-	-	(28,238)	(28,238)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(28,238)	(28,238)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 36) & (note 23)	-	267	-	-	267
Balance at 30 June 2024	166,285	3,213	-	(111,728)	57,770

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

Maggie Beer Holdings Ltd
Consolidated statement of cash flows
For the year ended 30 June 2024



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

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

Note 1. General information

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

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

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

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

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

Note 2. Material accounting policy information

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

New or amended Accounting Standards and Interpretations adopted

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

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

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

Going concern

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

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

Basis of preparation

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

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

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

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

Note 2. Material accounting policy information (continued)

Principles of consolidation

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

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

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

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

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

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

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

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

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

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

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

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

Note 2. Material accounting policy information (continued)

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

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

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

Revenue recognition

The consolidated entity recognises revenue as follows:

Sale of goods - retail and online

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

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

Interest

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

Other revenue

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

Right-of-use assets

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

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

Accounting policy for lease receivable

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

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

Note 2. Material accounting policy information (continued)

Lease liabilities

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

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

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

Current and non-current classification

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

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

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

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

Derivative financial instruments

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

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

Cash flow hedges

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

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

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

Note 2. Material accounting policy information (continued)

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

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

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

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

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

Discontinued operations

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

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

Impairment of non-financial assets

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

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

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

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

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

Note 2. Material accounting policy information (continued)

Financial Liabilities

Financial liabilities are classified as other financial liabilities.

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

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

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

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

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

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

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

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

Comparative figures

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

Rounding of amounts

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

Note 3. Critical accounting judgements, estimates and assumptions

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

Goodwill and other indefinite life intangible assets

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

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

Recovery of deferred tax assets

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

Note 4. Operating segments

Identification of reportable operating segments

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

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

Information regarding these segments is set out below.

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

Operating segment information

	Hampers & Gifts Australia*** \$'000	Maggie Beer Products \$'000	Paris Creek Farms ** \$'000	Other segments * \$'000	Total **** \$'000
Consolidated - 2024					
Revenue					
Sale to external customers	42,123	33,954	15,439	-	91,516
Intersegment sales	-	(1,448)	(679)	-	(2,127)
Other revenue	328	14	3	-	345
Total revenue	42,451	32,520	14,763	-	89,734
EBITDA	(8,912)	1,295	(7,315)	(6,974)	(21,906)
Depreciation and amortisation	(4,050)	(1,330)	(626)	(74)	(6,080)
Finance costs	(173)	(34)	(10)	(35)	(252)
Loss before income tax benefit	(13,135)	(69)	(7,951)	(7,083)	(28,238)
Income tax benefit					-
Loss after income tax benefit					(28,238)
Assets					
Segment assets	35,339	24,506	10,617	5,480	75,942
Total assets					75,942
Liabilities					
Segment liabilities	7,309	4,838	2,573	3,452	18,172
Total liabilities					18,172

Material impacts to results

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

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Note 4. Operating segments (continued)

- * Other segments EBITDA includes the provision for earnout and associated legal fees of \$2.6 million, and impairment expense of \$0.1 million.
- ** Paris Creek Farms EBITDA includes impairment expense of \$4.6 million of impairment expense, (\$0.2 million) reversal of impairment of receivables and the onerous contract adjustment of \$0.8 million, which includes expensing an amount of \$0.4 million of amounts previously prepaid under the contract, and an onerous contract provision of \$0.5 million.
- *** Hampers & Gifts Australia EBITDA includes impairment expense of \$13.75 million.
- **** The group has not recognised a tax benefit in the current year.

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

Material impact to results

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

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

Note 5. Revenue

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

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Note 5. Revenue (continued)

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

All revenue is recognised at a point in time.

Note 6. Other income

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

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

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Note 7. Income tax

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

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Note 7. Income tax (continued)

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

Note 7. Income tax (continued)

Accounting policy for income tax

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

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

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

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

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

Note 8. Discontinued operations

Description

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

Maggie Beer Holdings Ltd
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Note 8. Discontinued operations (continued)

Financial performance information

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

Cash flow information

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

Carrying amounts of assets and liabilities classified as held for sale

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

Note 8. Discontinued operations (continued)

Accounting policy for discontinued operations

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

Accounting policy for fair value measurement

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

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

Note 9. Current assets - trade and other receivables

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

Accounting policy for trade and other receivables

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

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

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

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

Credit risks related to receivables

Refer to note 25 for additional information.

Lease receivable

Refer to note 12 for additional information.

Note 10. Current assets - inventories

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

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

Accounting policy for inventories

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

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

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 11. Current assets - other

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

Prepayments

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

Note 12. Non-current assets - receivables

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

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

During the year, the group entered into a sublease arrangement, leasing a portion of the premises of an existing lease to a third party. The right-of-use assets associated with this lease was de-recognised (refer note 14) at carrying amount of \$1.7m. The new lease receivable was valued at \$1.9m, resulting in a gain of \$0.2m (note 6).

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

Risk management strategy

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

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

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

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

Reconciliations

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

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

Accounting policy for property, plant and equipment

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

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

Impairment

At 31 December 2023, Paris Creek Farms (PCF) CGU had indications of impairment of its assets, plant and equipment, and land and buildings. PCF's Trading EBITDA declined to a loss below budget. Additionally, an onerous milk contract provision was recognised (refer to Note 21 for further detail) and cheese project had been put on hold.

Given the assessment, plant and equipment and land and buildings is impaired. Plant and equipment was impaired to nil and an impairment totalling \$3.2m was booked, including writing off all plant and equipment, excluding the carrying values of Computing equipment, and Motor vehicles.

At 31 December 2023, an independent valuation was performed of the PCF land and buildings which indicated, based on comparable market data, that the carrying value of the land and buildings was impaired. An impairment charge of \$1.4m has been booked which reduces the carrying value of the land and buildings to \$4.7m. The key market valuation input used was a market value of \$1,075 per square metre (determined by the independent valuer) for the main building as a specialised food processing facility. The fair value of the building is classified as a level 3 fair value.

At 30 June 2024, we have done a reassessment and no further impairment is required.

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

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

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

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

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

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

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

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

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

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

Right-of-use assets

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

Reconciliations

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

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

Lease liabilities

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

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

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Note 15. Non-current assets - intangibles

Reconciliations

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

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

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

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

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Accounting policy for goodwill

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

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

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

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

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

Intangible Assets acquired in a business combination

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

Recoverable amount of goodwill

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

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

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

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

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

Maggie Beer Products

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

Revenue growth

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

Costs

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

Long-term growth rate

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

Discount rate

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

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

Review outcome

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

Reasonably possible changes

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

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

Hampers & Gifts Australia

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

Revenue Growth

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

Costs

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

Long-term growth rate

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

Discount rate

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

Review outcome

In completing the impairment review based on the aforementioned assumptions, the carrying value of goodwill for Hampers & Gifts Australia was impaired by \$13.75 million. Key assumptions that have changed include: reduced revenue growth; Increase in marketing spend; lower gross margin; and increase in discount rate. These assumptions have changed as a result of an increased level of competition in the second half of FY24 in the online and gifting and hamper market which has resulted in a lower revenue growth rate.

Reasonably possible changes

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

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

Brand

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

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

Customer contracts

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

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

Note 16. Current liabilities - trade and other payables

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

Refer to note 25 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured, non-interest bearing and are usually due for payment within 30 to 60 days of issue.

Note 17. Current liabilities - contract liabilities

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

Accounting policy for contract liabilities

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

Note 18. Current liabilities - employee benefits

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

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

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

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Note 18. Current liabilities - employee benefits (continued)

Superannuation expense

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

Note 19. Current liabilities - provisions

	Consolidated	
	2024	2023
	\$'000	\$'000
HGA settlement provision	2,000	-

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

Note 20. Non-current liabilities - employee benefits

	Consolidated	
	2024	2023
	\$'000	\$'000
Employee benefits	94	170

Accounting policy for other long-term employee benefits

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

Note 21. Non-current liabilities - provisions

	Consolidated	
	2024	2023
	\$'000	\$'000
Make good provision	91	-
Onerous contract	420	-
	511	-

Make good provision

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

Onerous contract

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

Note 21. Non-current liabilities - provisions (continued)

Movements in provisions

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

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

Note 22. Equity - issued capital

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

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

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

Capital risk management

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

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

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

Accounting policy for issued capital

Ordinary shares are classified as equity.

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

Note 23. Equity - reserves

	Consolidated 2024 \$'000	2023 \$'000
Options reserve	<u>3,213</u>	<u>2,946</u>

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Note 23. Equity - reserves (continued)

Options reserve

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

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

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

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

Movements in reserves

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

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

Note 24. Equity - dividends

Dividends

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

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

Franking credits

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

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Note 24. Equity - dividends (continued)

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

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

Accounting policy for dividends

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

Note 25. Financial instruments

Financial risk management objectives

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

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

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

Market risk

Foreign currency risk

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

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

Price risk

The group is not exposed to any significant price risk.

Interest rate risk

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

Sensitivity Analysis

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

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

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

Note 25. Financial instruments (continued)

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

Credit risk

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

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

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

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

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

Allowance for expected credit losses

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

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

Liquidity risk

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

Note 25. Financial instruments (continued)

Remaining contractual maturities

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

Consolidated - 2024	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	8,334	-	-	-	8,334
<i>Interest-bearing - variable</i>						
Lease liability	3.88%	1,874	1,605	2,095	-	5,574
Total non-derivatives		10,208	1,605	2,095	-	13,908
Consolidated - 2023						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	8,943	-	-	-	8,943
<i>Interest-bearing - variable</i>						
Lease liability	4.05%	2,108	1,875	2,664	862	7,509
Total non-derivatives		11,051	1,875	2,664	862	16,452

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

Fair value of financial instruments

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

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

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

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

Maggie Beer Holdings Ltd
Notes to the financial statements
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Note 26. Key management personnel disclosures

Directors

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

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

Other key management personnel

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

Kinda Grange	Chief Executive Officer (resigned 13 August 2024)
Craig Louttit	Chief Financial Officer (appointed 1 September 2023 and resigned 27 August 2024)
Eddie Woods	Chief Financial Officer (resigned 31 August 2023)

Compensation

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

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

Note 27. Remuneration of auditors

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

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

Note 28. Related party transactions

Parent entity

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

Subsidiaries

Interests in subsidiaries are set out in note 30.

Key management personnel

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

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Note 28. Related party transactions (continued)

Transactions with related parties

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

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

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

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

Receivable from and payable to related parties

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

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

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

Terms and conditions

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

Note 29. Parent entity information

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

Consolidated statement of profit or loss and other comprehensive income

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

Maggie Beer Holdings Ltd
Notes to the financial statements
30 June 2024



Note 29. Parent entity information (continued)

Consolidated statement of financial position

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

Capital commitments - Property, plant and equipment

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

Material accounting policy information

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

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

Note 30. Interests in subsidiaries

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

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

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

Note 31. Commitments

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

	Consolidated	
	2024	2023
	\$'000	\$'000
<i>Capital commitments</i>		
Intangible assets	<u>363</u>	<u>-</u>

Note 32. Contingent liabilities

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

Note 33. Events after the reporting period

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

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

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

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

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

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

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

Note 35. Earnings per share

	Consolidated 2024 \$'000	2023 \$'000
Earnings per share for profit/(loss)		
(Loss)/profit after income tax attributable to the owners of Maggie Beer Holdings Ltd	<u>(28,238)</u>	<u>438</u>

Maggie Beer Holdings Ltd
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Note 35. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	352,439,920	351,324,742
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	9,301,578	10,477,771
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>361,741,498</u>	<u>361,802,513</u>
	Cents	Cents
Basic earnings per share	(8.012)	0.125
Diluted earnings per share	(8.012)	0.121

Accounting policy for earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Note 36. Share-based payments

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

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

Options

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

2024

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

2023

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

Note 36. Share-based payments (continued)

Performance rights

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

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

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

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

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

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

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

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

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

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

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Consolidated Entity Disclosure Statement

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Maggie Beer Holdings Limited	Body corporate	Australia	100.00%	Australia
B D Farm Paris Creek Pty Ltd	Body corporate	Australia	100.00%	Australia
Maggie Beer Products Pty Ltd	Body corporate	Australia	100.00%	Australia
Hampers and Gifts Australia Pty Ltd	Body corporate	Australia	100.00%	Australia
Adelaide Hills Dairies Pty Ltd	Body corporate	Australia	100.00%	Australia
Paris Creek Farms Pty Ltd	Body corporate	Australia	100.00%	Australia
Allegro Drinks Co Pty Ltd	Body corporate	Australia	100.00%	Australia

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Susan Thomas
Chair

12 September 2024

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Independent auditor's report

To the members of Maggie Beer Holdings Ltd

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Maggie Beer Holdings Ltd (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

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

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

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 for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	How our audit addressed the key audit matter
Carrying value of goodwill (\$18.3 million) (Refer to note 15) At 30 June 2024, the Group had \$18.3 million of goodwill recognised in the consolidated statement of financial position, across two Cash Generating Units (CGUs). During the year, the Group recognised an impairment of \$13.7 million to goodwill in respect of the Hampers & Gifts Australia CGU. The carrying value of goodwill was a key audit matter due to: - the financial significance of the goodwill balance to the consolidated statement of financial position; - the financial significance of the impairment recognised to the consolidated statement of profit or loss and other comprehensive income; - the level of judgement involved in assessing the recoverable amount of goodwill including estimating cash flow forecasts, the discount rate and long-term growth rate.	We performed the following procedures, amongst others: - Assessed the accuracy of the cash flow forecasts by comparing prior budgets to actual performance. - Considered whether cash flow forecasts used in the impairment models were reasonable by comparing to latest Board approved budgets, business plans, historical results and other supporting evidence. - Tested the mathematical accuracy of the impairment models. - Together with valuation experts, assessed the appropriateness of the discount rate and long-term growth rate by comparing to observable market data. - Assessed the reasonableness of the disclosures made in note 15 in light of the requirements of Australian Accounting Standards.

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Key audit matter

How our audit addressed the key audit matter

Carrying value and classification of property, plant & equipment - Paris Creek Farms (Refer to note 4, 13, 33)

Paris Creek Farms continued to be loss making which triggered an impairment assessment of its property, plant and equipment during the year. As a result, the Group recognised an impairment of \$4.6 million.

Carrying value and classification of property, plant & equipment at Paris Creek Farms was a key audit matter due to:

- the financial significance of property, plant and equipment to the consolidated statement of financial position;
- the financial significance of the impairment recognised to the consolidated statement of profit or loss and other comprehensive income; and
- uncertainty over the outcome of the strategic review of Paris Creek Farms.

We performed the following procedures, amongst others:

- Assessed the valuation performed by management's expert by considering the relevance and reasonableness of significant assumptions and methods used and comparing data to observable market transactions.
- Assessed the competence of management's expert by reviewing the qualifications and experience of the valuer.
- Tested the mathematical accuracy of the property, plant and equipment impairment calculation.
- Read meeting minutes and held inquiries with management and the Board to understand plans for Paris Creek Farms.
- Assessed the reasonableness of the disclosures made in note 33 in light of the requirements of Australian Accounting Standards.

Other information

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

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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

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



Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Maggie Beer Holdings Ltd for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

PricewaterhouseCoopers

Paddy Carney
Partner

Sydney
12 September 2024

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Additional Securities Exchange 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 provided is current as at 21 August 2024 (**Report 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 considered appropriate to the size and nature of the Group's operations.

The Company has prepared a statement which 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.maggiebeer.com.au/investor-info/corporate-governance>) 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.maggiebeer.com.au/investor-info/corporate-governance>).

Number of Holdings of Equity Securities

As at the **Report Date**, the number of holders in each class of equity securities on issue in Maggie Beer Holdings Ltd is as follows:

Class of Equity Securities	Number of holders
Fully paid ordinary shares	2,628
Options exercisable at \$0.15 and expiring 28 October 2024	1
Options exercisable at \$0.18 and expiring 28 October 2024	1
Options exercisable at \$0.20 and expiring 28 October 2024	1
Performance Rights	3

Voting Rights of Equity Securities

The only class of equity securities on issue in the Company which carry voting rights is ordinary shares.

As at the Reporting Date, there were 2,775 holders of a total of 354,189,920 ordinary shares of the Company. The voting rights attaching to the ordinary shares as set out in clause 20 of the Company's constitution are that every member who is present at a general meeting and entitled to vote:

- on a show of hands, has one vote;
- on a poll, has one vote for each fully paid share the member holds; and
- in the case of a partly paid share, that fraction of a vote equivalent to the proportion which the amount paid up (excluding any amount credited as paid up) on that partly paid share bears to the total issue price of that share. Amounts paid in advance of a call are ignored when calculating the proportion.

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Distribution of Holders of Equity Securities

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

Ordinary Fully Paid Shares			
Range	Total Holders	Units	% of Issued Capital
1 – 1,000	876	176,871	0.05
1,001 – 5,000	675	1,811,091	0.51
5,001 – 10,000	288	2,221,885	0.63
10,001 – 100,000	599	20,241,405	5.71
100,001 and over	190	329,738,668	93.10
Total	2,628	354,189,920	100

Unmarketable Parcels

The number of holders of less than a marketable parcel of ordinary shares based on the closing market price as at the Report Date is as follows:

Unmarketable Parcels	Minimum Parcel Size	Holders	Units
Minimum \$500 parcel at \$0.065 per unit	7692	1,693	2,870,016

Substantial Shareholders

As at the Report Date, the names of the substantial holders of Maggie Beer Holdings Ltd and the number of equity securities in which those substantial holders and their associates have a relevant interest, as disclosed in substantial holding notices given to the Company, are as follows:

Substantial Shareholder	Number of Shares	Percentage
Perennial Value Management Ltd	51,488,054	14.65%
David Morgan Investments Pty Ltd <The David Morgan Invest A/C>	25,796,483	7.28%
Rubino Group Pty Ltd	25,465,386	7.19%
Emily McWaters Investments Pty Ltd < Emily McWaters Invest A/C>	20,417,986	5.76%
Geoff Wilson	17,982,402	5.07%

Twenty Largest Holders of Quoted Equity Securities

The Company only has one class of quoted securities, being ordinary shares. The names of the 20 largest holders of ordinary shares, and the number of ordinary shares and percentage of capital held by each holder is as follows:

	Ordinary shares	
	Number held	% total shares issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	58,811,624	16.605%
DAVID MORGAN INVESTMENTS PTY LTD <THE DAVID MORGAN INVEST A/C>	25,796,483	7.283%
RUBINO GROUP PTY LTD <RUBINO GROUP A/C>	25,465,386	7.190%
EMILY MCWATERS INVESTMENTS PTY LTD <EMILY MCWATERS INVEST A/C>	20,417,986	5.765%
DYNASTY PEAK PTY LTD <THE AVOCA SUPER FUND A/C>	17,982,402	5.077%
UBS NOMINEES PTY LTD	14,323,564	4.044%
MUTUAL TRUST PTY LTD	12,107,075	3.418%
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	9,781,304	2.762%
SIEANA PTY LTD	9,490,968	2.680%
BNP PARIBAS NOMS PTY LTD	8,803,022	2.485%
AMK INVESTMENTS (WA) PTY LTD <AMK A/C>	7,700,000	2.174%
MINEHAN SUPER PTY LTD <MINEHAN SUPER FUND A/C>	7,500,000	2.118%
BICKFORDS (AUSTRALIA) PTY LTD	7,425,483	2.096%
CITICORP NOMINEES PTY LIMITED	6,377,058	1.800%
BEER FAMILY HOLDINGS PTY LTD <BEER FAMILY A/C>	5,873,685	1.658%
BUDUVA PTY LTD <BASKERVILLE SUPER FUND A/C>	5,000,000	1.412%
BUNGEELTAP PTY LTD <H & B ROBERTSON S/F A/C>	4,705,248	1.328%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,092,241	1.155%
C & M BEER NOMINEES PTY LTD <BEER FAMILY NO 3 A/C>	3,562,356	1.006%
AMAK PTY LTD <AMAK SUPERANNUATION A/C>	3,098,119	0.875%
TOTAL SECURITIES OF TOP 20 HOLDINGS	258,314,004	72.931%
TOTAL SECURITIES	354,189,920	

Unquoted Equity Securities

The number of each class of unquoted equity securities on issue, and the number of their holders, are as follows:

Class of Equity Securities	Number of unquoted Equity Securities	Number of holders
Options	13,500,000	2
Performance Rights	4,897,728	3

There are no persons who hold 20% or more of equity securities in each unquoted class other than under an employee incentive scheme.

On Market Buyback

There is no current on-market buy-back program in place.

Issues of Securities

There are no issues of securities approved for the purposes of item 7 of section 611 of the Corporations Act which have not yet been completed.

Securities purchased on-market

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

Stock Exchange Listing

Maggie Beer Holdings Limited's ordinary shares are quoted on the Australian Securities Exchange (ASX issuer code: MBH).

Other Information

Registers of securities are held by Boardroom Pty Limited, Level 8, 210 George Street Sydney NSW 2000.

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