MAGGIE BEER HOLDINGS

ANNUAL REPORT

23

Corporate Directory

Directors
Reg Weine (Non-executive Chairman)
Maggie Beer AO (Non-executive Director)
Tom Kiing (Non-executive Director)
Hugh Robertson (Non-executive Director)
Susan Thomas (Non-executive Director)

Executive Management
Kinda Grange (Chief Executive Officer)
Eddie Woods (Chief Financial Officer to 31 August 2023)
Craig Louttit (Chief Financial Officer from 1 September 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

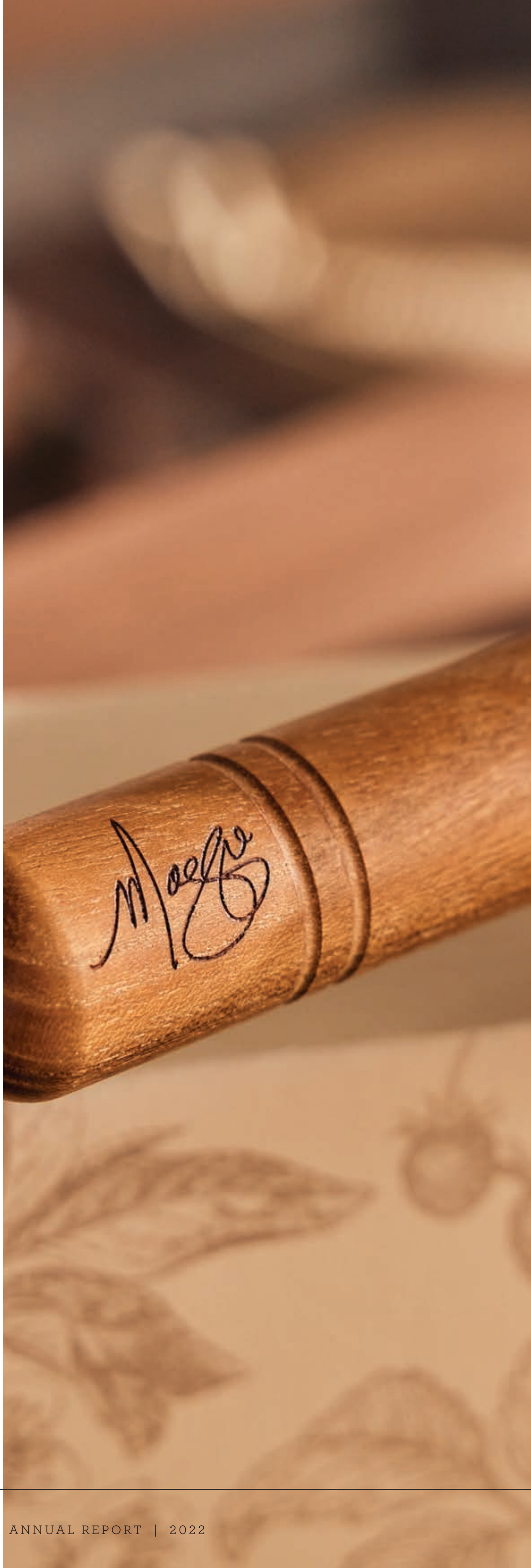
Share Registry
Boardroom Pty Limited
Level 8, 210 George Street, Sydney NSW 2000
GPO Box 3993, Sydney NSW 2001
Tel: 1300 737 760
Fax: 1300 653 459

Auditor
PricewaterhouseCoopers
Level 11/70 Franklin Street
Adelaide, SA 5000

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/



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 CHAMPION THE JOY OF AUSTRALIAN FOOD, CULTURE AND GIFTING.

Maggie Beer Holdings represents three premium brands, that all follow the principles of making Australian premium gifting, food and beverage products using predominantly Australian ingredients and materials that support local communities, dairy farmers, fruit and vegetable growers.

Maggie Beer Products, Paris Creek Farms and Hampers & Gifts Australia are all committed to making innovative products that meet consumer demand for high quality, convenient and indulgent food, beverage and gifting products.

All three brands resonate strongly with Australian consumers who are increasingly looking for locally produced products, which matches the very essence and ethos of our three brands.

Maggie Beer Products

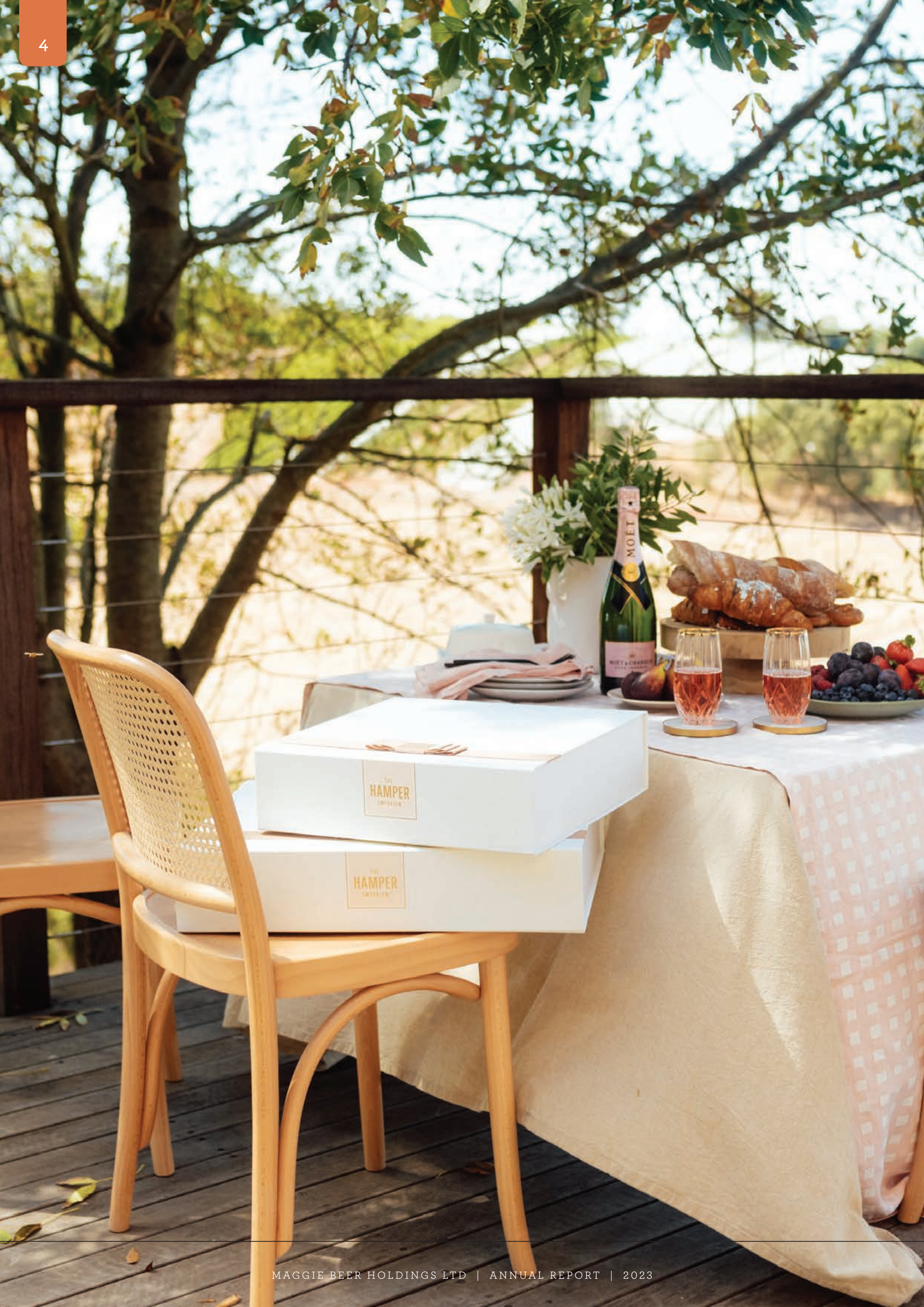
Maggie Beer Products is an iconic food & lifestyle brand in Australian kitchens, homes and gardens. Maggie Beer Products bases its reputation on Maggie's own philosophy of using superior in season ingredients, to produce premium cooking, entertaining, gifting and indulgent products, for the domestic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

Hampers and Gifts Australia

Hampers and Gifts Australia is a market leading e-commerce platform that is the first choice destination 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.

Paris Creek Farms

Paris Creek Farms is a superior quality dairy manufacturer in Milk, Yoghurt and Cheese. For more than 30 years, it has created a wide range of natural dairy products in the most sustainable way, and its award-winning dairy products are sold and loved in both domestic and international markets.


MOET
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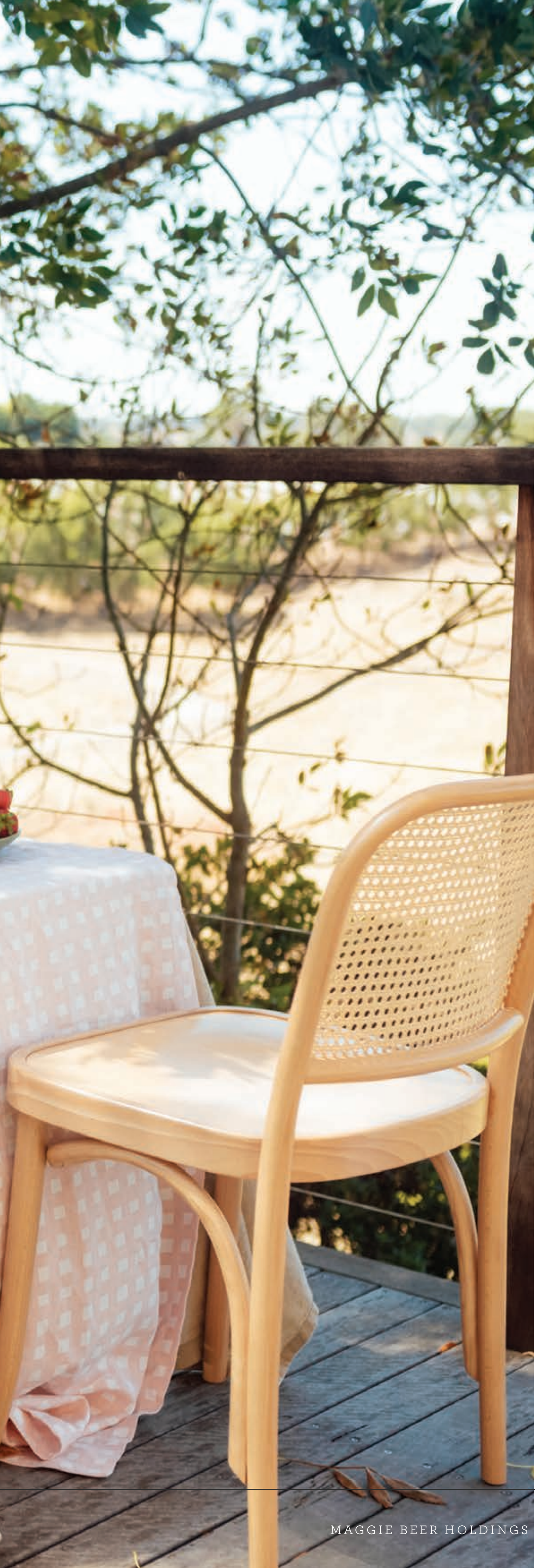
HAMPER



Contents

Our vision is to champion the joy of Australian Food, Culture and Gifting.

Maggie Beer Holdings Ltd

ABN 69 092 817 171
Annual Report - 30 June 2023

Letter from the Chairman

REG WEINE
CHAIRMAN

Dear Shareholders

The strategic decisions we have taken over the past three years to transform Maggie Beer Holdings into Australia's leading purveyor of premium food, beverage, and gifting products, allowed us to successfully navigate difficult and evolving economic conditions as well as the shift in consumer and shopper behaviour during the year, while continuing to position the business for future growth.

Refreshed strategy

As our markets continue to evolve, we launched a refreshed 5-year strategy.

Our strategy is focused on unlocking value across Maggie Beer Holdings, optimising and unifying our assets, expanding the Maggie Beer brand, and building scale in our e-commerce platform as we further diversify our categories.

This 5-year strategy supports our aspiration to create a $300 million net sales revenue business with strong margins and return on assets. Kinda's CEO report includes further detail on each aspect of our strategy.

Leadership transition

Leadership transitions can at times be difficult, but I am pleased to say we have managed the transition to a new CEO smoothly and with the support of our outgoing CEO & Managing Director Chantale Millard, who after serving more than 8 years with MBH, handed the reins to Kinda Grange during the course of the year.

Chantale leaves a lasting legacy, having led many of the strategic growth initiatives, including the acquisition of The Hamper Emporium & Gifts Australia (HGA), reshaping the dairy asset portfolio, improving the balance sheet and returning the business to profitability.

On behalf of the Company, I want to acknowledge and thank Chantale for her significant contribution to MBH and wish her every success in the next chapter of her career.

In March 2023 we were pleased to welcome Kinda Grange as the Company's new Chief Executive Officer of to lead MBH through the next phase of growth.

Kinda is a highly experienced food and beverage executive with an outstanding track record of building brands with a focus on marketing, innovation, insights, and data. Kinda's experience directly aligns with MBH's ambitious brand and e-commerce growth strategy and we were delighted to secure a dynamic CEO of Kinda's calibre and experience to lead the Company.

More recently, we announced the appointment of Craig Louttit as the Company's Chief Financial Officer. Craig is an experienced CFO who has held senior roles in large multinational and high growth businesses across ASX listed companies, including CFO of The a2 Milk Company.

Craig replaces Eddie Woods who retires in September 2023 after 6 years with the Maggie Beer Group. Eddie made a significant contribution to the transformation and strategic repositioning of the Group during that time, and we acknowledge and thank him for his efforts.

Dairy assets

In August 2022, the Company completed the sale of St David Dairy to Goulburn Valley Creamery. The business was sold as a going concern with all staff transferring with the business to the new owners. Goulburn Valley Creamery is an experienced player in the local dairy industry which ensures St David Dairy has the focus and opportunity to reach its full potential under new ownership.

In June 2023, we announced that our subsidiary, Paris Creek Farms, had been reclassified as a continuing asset and no longer held for sale. This follows a detailed strategic review undertaken by the Board and management that included the viability of upgrading the PCF facility to expand its dairy product making capabilities, and specifically its potential value as an internal asset for the manufacture and supply of Maggie Beer Products, including the strategically important and fast-growing cheese products.

FY23 financial results

It is in the above context, combined with the continued impact of rising interest rates and inflation, shifting consumer habits in online shopping, together with higher freight and labour costs during the period, that we report our financial outcomes for FY23.

Our Group revenue from continuing operations for the year was broadly in line with last year at $88.7m and our gross margins remained strong at 50.3%

Group Trading EBITDA[1] from continuing operations was $3.2 million, in line with our most recent guidance and compared to $10.5 million for the prior year.

MBH purchased the HGA business in May 2021 for an upfront consideration of $40 million ($20 million cash and $20 million shares), plus contingent consideration (provision for earnout with initial fair value of $14 million) and net of a working capital adjustment of $0.6 million.

We announced in May that we did not expect this earnout hurdle to be met and therefore the earnout provision was reversed resulting in a positive impact to FY23 Net Profit After Tax of $14 million.

Following a review of the value of cash generating units and assets, the Company has recorded a non-cash impairment charge of $12.5 million against the goodwill of HGA in the FY23 accounts which is an offset to the contingent consideration release and reflective of the macro economic environment the business is operating in. This impairment has reduced the carrying value of the net assets of HGA from $63.6 million to $51.1million.

Notwithstanding the impairment, the Board believes the HGA business remains a market leading e-commerce platform, with untapped potential.

Strong financial position

The Company maintains a strong balance sheet with total net assets of $85.7 million, cash of $9.2 million at 30 June 2023 and no debt[2].

This strong financial position enables the business to respond to the current market challenges and opportunities and means we can self-fund investments in growth initiatives to build further scale, capability and optimise our asset base.

In November 2022 the Company implemented a 1.0 cent per share return of capital and in March 2023 paid a 0.5 cent fully franked dividend to eligible shareholders. As we look to further invest in our capability and build scale in our business, the Board took the decision not to declare a final dividend for FY23. Capital management will continue to be a focus of the Board.

Looking to the future

In FY24 we will continue to focus on our core operations, investing in key areas of our business, to strengthen our brands, accelerate innovation and enhance the customer experience.

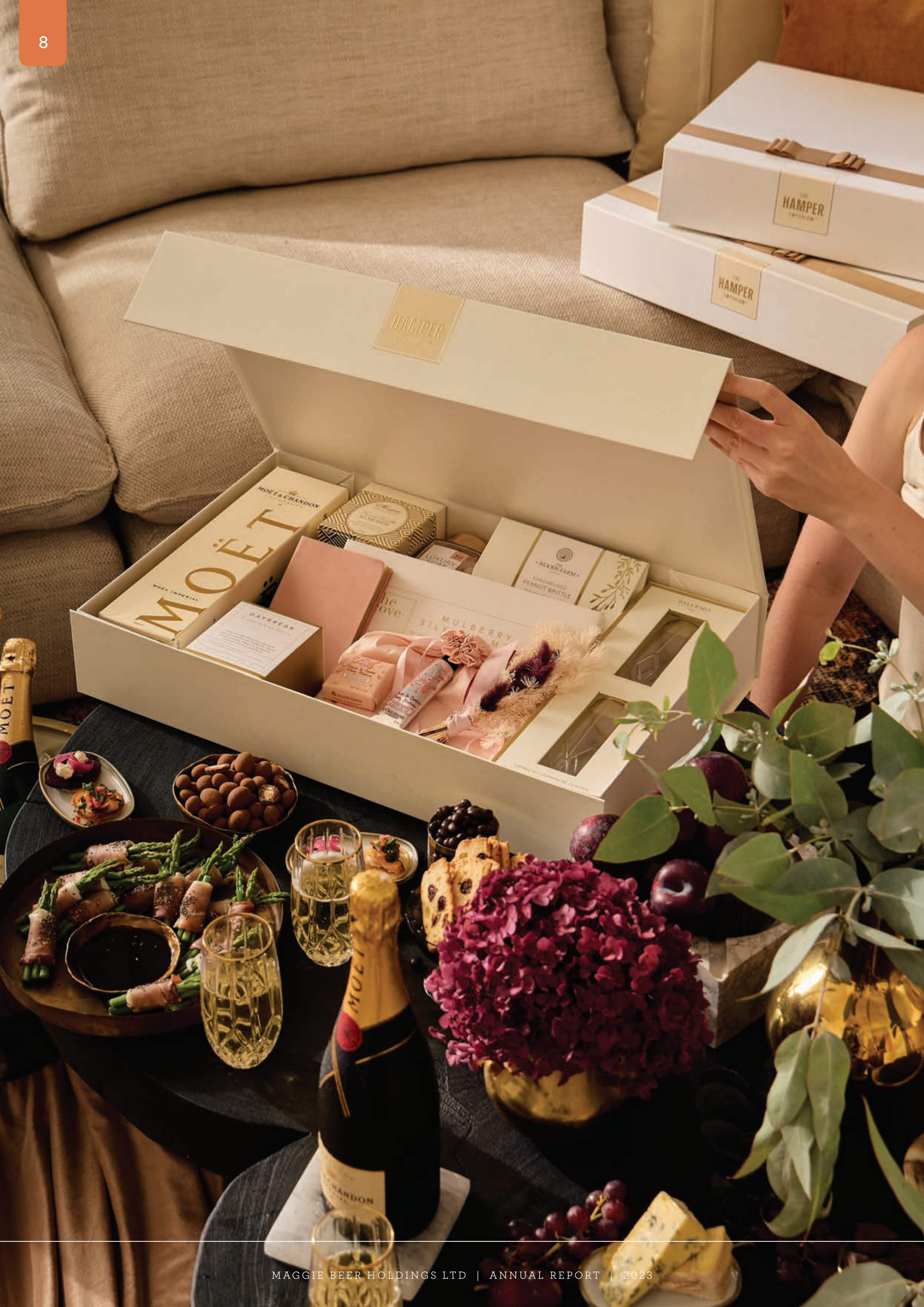
MBH has a strong balance sheet, is profitable and cashflow positive and we have a clear strategy that positions MBH for sustained growth in revenue and earnings.

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,

Reg Weine
Chairman

1 Trading EBITDA is a non-IFRS measure as defined in page 20 of the Directors Report
2 Only asset-backed leases/debt


MOËT & CHANDON
MOËT
HAMPER
DAYBREAK
MULBERRY
CARAMELISED PEANUT BRITTLE

CEO Report

KINDA GRANGE
CEO

Dear Shareholders

Having joined Maggie Beer Holdings as Chief Executive Officer in March 2023, I am honoured to present my first CEO report and be given the opportunity to lead such a wonderful company with so much potential.

First and foremost, I want to express my gratitude for your continued support as shareholders and acknowledge our long-term supporters. Your trust in our Company's potential enables us to work tirelessly to deliver sustainable growth and enhance long-term shareholder value.

Since joining MBH, I have had the privilege of engaging with our talented team, meeting some of our shareholders and customers, and conducting a thorough assessment of our operations, performance, broader market dynamics and growth opportunities.

We recently announced our new 5-year strategy and vision to champion the joy of Australian food, culture and gifting. We will achieve this vision and our financial aspirations by focusing on the untapped potential of our assets; our brands, our manufacturing footprint, and our e-commerce platform. These will be enabled through development and investment in people, marketing and technology.

FY23 Overview

FY23 continued to be a challenging period, including the impacts of weaker consumer sentiment, rising freight, energy and labour costs and increased interest rates. Post Covid, we continued to see a shift in the consumer channel away from online which impacts gross margin.

Our results in FY23 were also impacted by higher investments in marketing, people and products.

However, these investments are part of our strategy to expand and leverage the Maggie Beer brand and harness the strength of our e-commerce platform to build our revenue opportunity.

In FY23 we made the important decision to reclassify Paris Creek Farms as a continuing asset given its strategic importance to our growth. Premium dairy segments are large and growing and we have proven Maggie Beer's success in Dairy through specialty cheese and cheese hampers. Our priorities are to optimise the site, generate stronger returns from the asset, and invest to further grow in specialty cheese.

FY23 Financial Performance

The Group's operating results for FY23 were consistent with the trading update announced in May and the subsequent announcement in June regarding the reclassification of Paris Creek Farms as a continuing asset.

Group revenue from continuing operations was $88.7 million down 1.4% compared to FY22 reflecting a shift from online to physical stores as we, like other consumer-related businesses, experienced the impact of rising interest rates and inflation on consumer spending. While our HGA business saw a 7.5% decline in total sales, we were pleased that our retail sales across Maggie Beer and Paris Creek Farms grew by 7.2% given the strength of their brands and product offerings. The shifting mix in channel (online decreased from 55% share of sales to 51%) and product, resulted in a 1.4pt drop in Gross Margin to 50.3%.

Group Trading EBITDA[1] from continuing operations was $3.2 million, down from $10.5 million in FY22. Cost increases across the supply chain continued in FY23 across freight, raw materials, labour and energy costs. We successfully implemented price increases across our portfolio to mitigate some of the impact of these cost increases. Trading EBITDA was also impacted by increased investments in people and advertising. Increased advertising spend was key to the success of the FY23 Christmas trading period and to continue to position HGA as the premium destination for gifting.

The marketplace challenges and shifting consumer habits have served as catalysts for us to re-frame our strengths to unlock value across MBH, optimise our operational efficiencies, maintain continuous improvement within our cost base, and further diversify our categories and e-commerce platform. These form part of our 5-year strategic plan.

CEO Report, cont.

Key results for growth Continuing Operations for FY23

NET SALES	GROSS MARGIN
$88.7m -1.4% vs FY22	50.3% vs. 51.7% in FY22

TRADING EBITDA[1]	TRADING EBITDA % SALES
$3.2m	3.6%

NPAT	STRONG BALANCE SHEET
$0.8m	$9.2m in cash with no debt[2]

Our Group maintains its strong financial position which enables us to respond to the current market challenges while maintaining our investments in growth initiatives.

Investing in and Looking After our People

Our people are our most valuable asset and looking after their wellbeing and career growth is a priority for MBH.

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

Our Reward & Recognition Program is fully established and empowers our leaders to formally and informally recognise the excellent work done by our people.

We have further developed our online HR portal that allows access for all employees to important information, policies, tools and enables us to facilitate employee performance and development discussions.

The implementation of an E-learning platform provides all employees access to compliance and role specific training, as well as professional and personal development, to support the growth of our people.

The wellbeing survey we conducted earlier this year provided important insight into the development of a wellbeing action plan, which includes:

- Identifying mental health first aid officers across the group, who will be formally accredited early in FY24, to further support the wellbeing of our employees
- A winter step challenge to encourage mental and physical health, through keeping active during winter
- Financial wellbeing information through our e-learning platform
- Leader 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 FY24, to retain and attract great people and to ensure a positive employee experience.

1 Trading EBITDA is a non-IFRS measure as defined in page 20 of the Directors Report
2 Only asset-backed leases/debt
Above results are for continuing operations.

Investing in Marketing, Innovation & Customer Experience

As a consumer-led business, it's critical to continue investing in developing and building brand awareness and engagement, driving conversion, delighting our consumers and customers with our products, and growing loyalty and preference.

In FY23 we invested in the following marketing activities:

- Upweighted investment across e-commerce and grocery retail to maximise Christmas sales
- Extensive retail marketing campaigns to support new product launches
- New content including videos created to promote and engage with our consumers across organic and paid digital media.

In FY23, we delivered the following innovations and range extensions:

- National ranging of 5 new Maggie Beer Cooking SKUs in supermarkets across Finishing Sauces & Stocks. These were launched late April and have already delivered greater than $0.5 million in retail sales over 15 weeks. The successful launch and partnership has initiated further strategic ranging opportunities with our customers.
- Launch of incremental entertaining offers across Maggie Beer pates, fruit pastes & non-alcoholic sparkling wines.
- Launch of cheese & entertaining hampers which are our fastest growing hamper offer. Cycling a full year of cheese hampers, has yielded an incremental $2.8 million in net sales to MBH.
- Launch of new Homewares and Christmas hampers that delivered incremental sales.

We improved the customer experience through the following initiatives:

- Hamper Emporium Bulk Order (HEBO) platform launched in September 2022, allowing corporate customers to place their orders via the platform
- HEBO upgraded in March 2023 to include instant payment and retained branding for a much more streamlined ordering experience

Through these investments we delivered:

- Strong growth in Maggie Beer's heartland of Cooking products +12.4%
- Over 2 million visits to each of our 3 websites over the past 12 months
- Increased the size of our database to over 1 million customers
- Corporate sales in HGA increased by 5.4%
- Delivered strong Net Promoter Scores across our e- commerce platforms of greater than 70% with an aspiration to grow to 80%.

Environmental, Social & Governance Focus

Maggie Beer Holdings has an unwavering commitment to our environment, community and people.

As a proudly Australian-owned company, we are always looking for ways to help support our employees, the local communities we operate in, as well as our environment.

We use Australian ingredients and materials wherever possible, with a focus on sustainability, reduced food waste and innovation to ensure we are building a better future for generations to come.

In FY23 we made good progress in the area of sustainable packaging. We moved our core ranges of Pate & Fruit Paste to 100% recyclable packaging. Our newly designed Pate ramekin-style pots are created to be reusable.

5-year Growth Strategy

In June we announced a refreshed vision, aspiration and key strategic pillars to realise the untapped potential of our strong and valuable assets:

1. We have the iconic Maggie Beer brand, and market leading brands in The Hamper Emporium and Gifts Australia.
2. We have scalable and fit for purpose manufacturing assets in Tanunda, South Australia. Here we have an innovation hub and test kitchen. In Paris Creek farms, we have a high-quality dairy manufacturing asset.
3. We have a strong e-commerce platform with global procurement capabilities, a scalable fulfillment centre and efficient dispatch and delivery.

All of the above is underpinned by a passionate and nimble team and a strong balance sheet.

CEO Report, cont.

Our vision is to champion the joy of Australian food, culture, and gifting. Our commercial aspiration is to create a $300 million net sales revenue business with strong margins and return on assets. We will achieve this through the execution of our three key strategic pillars:

1. **Optimise & Unify Assets**

   The re-framing of our vision should unlock the potential for synergies and cost efficiencies across our three business units. Unifying our assets also enables us to fully leverage the e-commerce platform across the entire business.

   We made the decision to retain the PCF asset given its strategic value to the group. We will invest in capacity and capability in Cheese to further support our Maggie Beer Cheese expansion plans as well as fueling the success of our Cheese Hampers in e-commerce.

   We will streamline and implement robust supply chain processes. We will also assess our core range to ensure an efficient product range. We will optimise our cost base and do so through a zero-waste mindset.

   Our medium to long term opportunities hinge on growing volume and generating better returns from our assets.

2. **Expand the Maggie Beer Brand**

   The Maggie Beer brand will continue to bring joy to everyone's table through uncompromising quality, integrity in every way, and uniqueness and flavour that excites. We will expand the brand by creating and sharing fresh products and inspirations that encourage us all to experience the joy of good food.

   We will do this by focusing on the pillars of "Good Food" and "Good Life".

   Our expansion under "Good Food" will be centered around three key occasions: cooking, entertaining, and desserts. In addition, we will enter new verticals related to kitchen, home, and garden that will enhance the creation and sharing of food experiences.

   Under the "Good Food" pillar, we will focus on maintaining a strong presence in core food categories, continuing to refresh our offers to continue to delight our consumers. We will also innovate to enter new attractive categories over the next two years.

   In the "Good Life" pillar, we will expand our ranges for the kitchen and enter the home and garden category in FY24. Our products will always offer uncompromising quality and uniqueness that is synonymous with the Maggie Beer brand. This range of products and solutions will leverage our e-commerce capability.

   This growth plan will be underpinned by investment in Masterbrand advertising, refreshing content in our social channels, strengthening the foundations in e-commerce including the Food Club, and investing in people capability.

   These investments will support the aspiration to grow the Maggie Beer brand to $125 million net sales over the next five years.

3. **Scale E-commerce Platform**

   Our e-commerce platform has the potential to support significant growth outside of the Christmas peak by optimising our current offer as well as diversifying into new verticals that leverage our capability and capacity.

   Firstly, we will strengthen the foundations by delivering operational excellence and streamlining our range. We will also focus on providing exceptional customer service, building on our strong net promoter score.

   To increase awareness of our offer, we will test non-digital channels to assess the return on investment compared to other paid online channels.

   Secondly, we will improve conversion rates on our core business. While we have good traffic and strong conversion rates on desktop, there is an opportunity to enhance conversion on mobile. We will refresh our websites and adopt a mobile-first approach.

   Additionally, our investment in new technology will enable us to segment and reach our customers more effectively using our large database of over 1 million customers.

   There is also significant potential to further develop corporate and B2B sales by targeting specific verticals. We will reset our approach to capture a larger share of this market.

   Finally, we will stay on top of consumer trends and shopping habits to continue to evolve our offer.

Outlook

Our focus in the coming year is aligned to our recently announced 5-year strategy to optimise and unify the asset base, expand the Maggie Beer brand and enhance the scale of our e-commerce platform.

Our key focus areas in FY24 include:

- Investing in marketing, analytics and e-commerce capability to set a strong foundation for FY25
- Optimising our assets
- Expanding our ranges in MBP and e-commerce; and
- Building new categories and partnerships

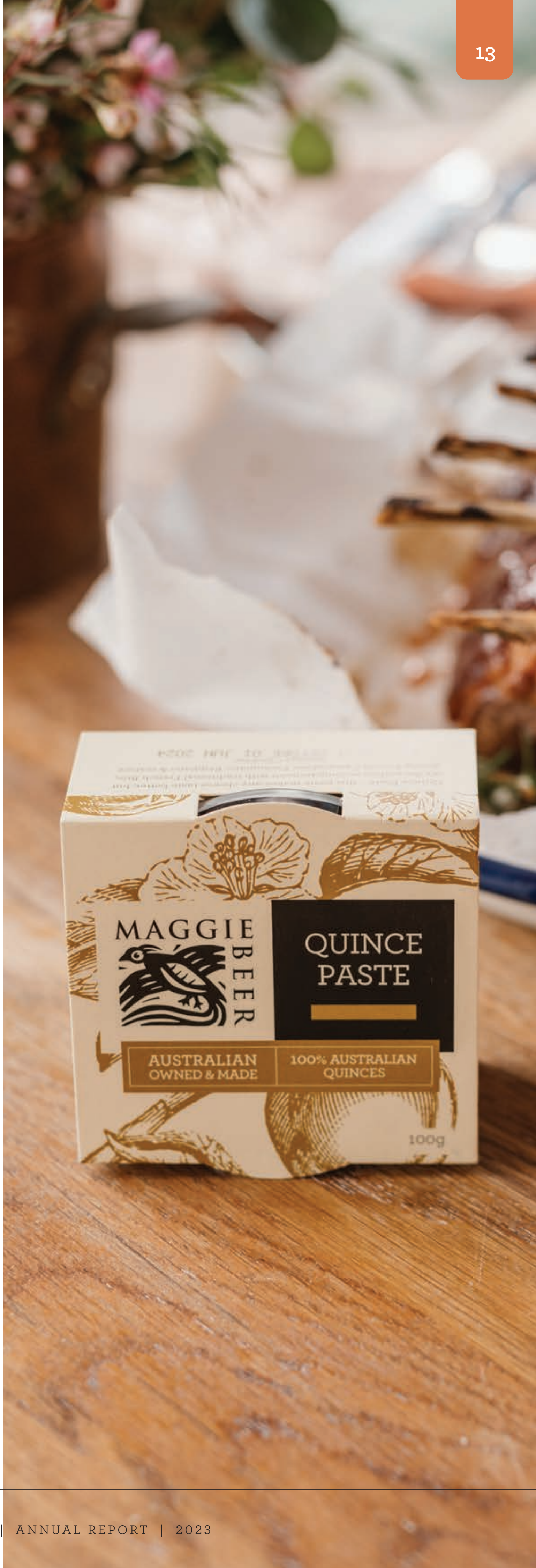
Our FY24 outlook:

- We are focused on leveraging our strengths to meet shifting consumer habits as market conditions remain uncertain.
- We expect to return to positive sales growth in FY24 led by growth in MBP across retail and e-commerce
- Gross margin percentage (GM%) is expected to be broadly in line with FY23 given similar macro environment and channel mix
- We will continue to focus on operational cost and pricing discipline which is expected to lead to improved EBITDA margin
- We retain a strong balance sheet enabling continued investment in growth.

In closing I wish to acknowledge and thank the passionate and nimble team we have across our Group who showed resilience in a number of challenges during the year. I would like to thank all our people for their dedication, commitment, and tremendous effort over the past 12 months.

Thank you to our shareholders for your continued support. I am excited about the journey ahead and our ability to enhance long term sustainable value.

Kinda Grange,
CEO



Operation 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 FY23.

FY23 Trading

The Group generated net sales from continuing operations of $88.7 million and a trading EBITDA from continuing operations of $3.2 million.

Balance Sheet and Cashflows

Group is supported by a strong balance sheet with net assets at 30 June 2023 of $85.7 million (30 June 2022: $90.9 million), including a cash balance of $9.2 million (30 June 2022: $10.8 million). The reduction in group net assets is mainly due to the return of capital and dividend paid, trading EBITDA and reversal of contingent consideration ($14.0 million) for HGA, partly offset by the non-cash impairment of HGA goodwill of $12.5 million.

Net tangible assets increased by $9.9 million to $38.2 million (30 June 2022: $28.3 million).

The positive operating cashflow result of $6.5 million was generated in FY23 with $2.7 million less in inventory compared to FY22 and EBITDA of $3.2m.

Overall working capital for the company is at circa 16% of sales, a decrease of 4 points compared to 30 June 2022.

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

Working Capital

Working capital timing changed in FY23, with inventory expected to peak in October 2023 compared to July 2022 and will reduce to more normal levels by Christmas 2023.

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

Corporate

Shared services and corporate office costs of $3.8 million (excluding one-off items) were $1.0 million higher than FY22 reflecting increased costs and investments. Costs increases include insurance, professional fees and travel. While investments include additional roles in the business to support the delivery of growth initiatives.

Maggie Beer Products

Maggie Beer product sales grew by 1.9% given significant growth in Cooking and Entertaining products, partly offset by declining online sales. This presents an opportunity in FY24 to refocus on e-commerce through an integrated approach across the group leveraging HGA asset.

Growth in Cooking (+12.4% vs. LY) has been delivered through Stocks & Finishing Sauces expansion into grocery retailers with almost 4,000 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 FY24.

Specialty Cheese (+9.1% vs. LY) has led the growth in Entertaining, primarily driven by increasing category values. Cheese & overall dairy have been impacted by inflationary pressures and supply chain costs.

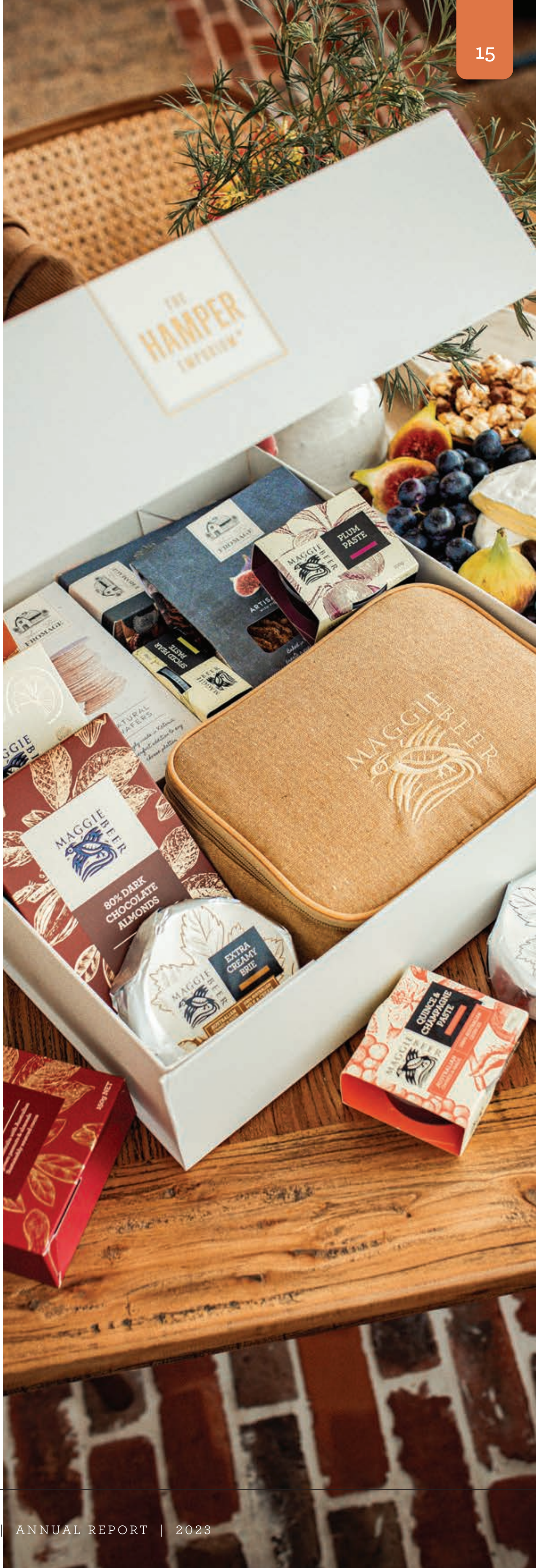
GM% decreased by 2.6 pts, mainly due to product mix, with the large sales growth in our lower margin 3rd party produced products.

Paris Creek Farms

The decision to retain PCF as a continuing asset within the group was made in June, underpinned by strong strategic rationale and a path to profit for the asset. PCF achieved a net sales increase of 10.5% across the range of milk, yoghurt and cheese. This was driven primarily by increased milk volumes.

FY24 will see a re-invigorated focus on this asset to optimise efficiency, reduce waste and deliver the capital investment in specialty cheese. This investment will be supported by enhanced people capability.

As part of the transition to in-house manufacturing for Maggie Beer cheese, the Ash Brie product has transitioned into PCF.



Hampers and Gifts Australia

Post Covid stay-at-home restrictions, FY23 saw a slight decline in e-commerce demand generally. In line with this, online hamper and gift demand declined as the population resumed celebrating special occasions in person.

Whilst HGA's main e-commerce site, The Hamper Emporium, saw its website visits decrease YOY due to shifting consumer habits, our focused investment on growing our share is reflected in conversion growth.

As the growth in demand for online hampers during Covid attracted increased competitor numbers, average customer acquisition costs also increased. However, we made a decision to invest in marketing to grow share, and to leverage our significant operational scale, and pleasingly delivered growth in total customers and in new customers.

We continued to invest in user experience improvements to offer our customers a more personalised and seamless shopping experience, especially in the Corporate segment, with ongoing improvements to our bespoke online corporate ordering tool, which has transformed the way corporates shop with us.

We will continue to leverage the e-commerce platform with renewed focus on Maggie Beer and Gifts Australia and continued expansion of The Hamper Emporium.

Environmental, Sustainability 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 FY23 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.

People and Culture - Access and Equity

Our people and our culture are two of our most important assets. In addition to the below initiatives, our employees have access to an Employee Assistance Program providing counselling services for any issues that arise in their or their family's lives. This continues to be a key part of our employee support program.

Employment Hero

Our Human Resources Information System 'Employment Hero' provides equitable access to all employees to corporate information ensuring employee engagement and participation, through the ability to access the system and important information via any electronic device, together with conducting employee engagement surveys and employee annual reviews within the system.

This system also enables us to monitor, measure and report on our workforce, including diversity.

E-Learning go1

The implementation of an 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.

Reward and Recognition Program

Our employee reward and recognition program has been designed to recognise employees for their achievements in contributing to our *Recipe for Success* and enhance the employee experience. Recognising employees for their contributions at work, makes them feel appreciated and valued. This reinforces positive behaviour while boosting morale, increasing productivity, loyalty, wellbeing, strengthening working relationships and reducing employee turnover and absenteeism.

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

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.

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 in FY23 is as follows:

- under 20 years: 3%
- 20-30 years: 20%
- 31-40 years: 23%
- 41-50 years: 22%
- 50+ years: 31%

The gender distribution of employees in FY23 is as follows:

- Female: 58%
- Male: 40%
- Unspecified: 2%

First Nations Engagement

A key area of focus on stakeholder engagement for MBH over the last year has been the development of our First Nations Engagement Strategy . In March and April 2023, two workshops were held to gain input from MBH senior leaders, managers and staff to develop our inaugural First Nations Engagement Strategy. The workshops included an orientation session to gain insight into the context of Aboriginal and Torres Strait Islander lives and community priorities with a particular focus on reconciliation. The second 'planning' workshop identified priority areas and actions for MBH's activities.

Of our five values, 'Inclusive' and 'community focused' centre us to create a workplace where everyone is welcomed and to deliver actions in the community to make lives better. When we consider our other values of being Passionate, Nimble and Ambitious, it is a natural extension of who we are to take positive and purposeful steps to engage authentically with First Nations Australia.

MBH has developed a strategy and action plan for authentically engaging with First Nations peoples. Our priorities will be employee cultural awareness, building partnerships with First Nations communities, creating new food and beverages experiences of traditional ingredients and their origins, and reconciliation activities.

Governance Training

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:

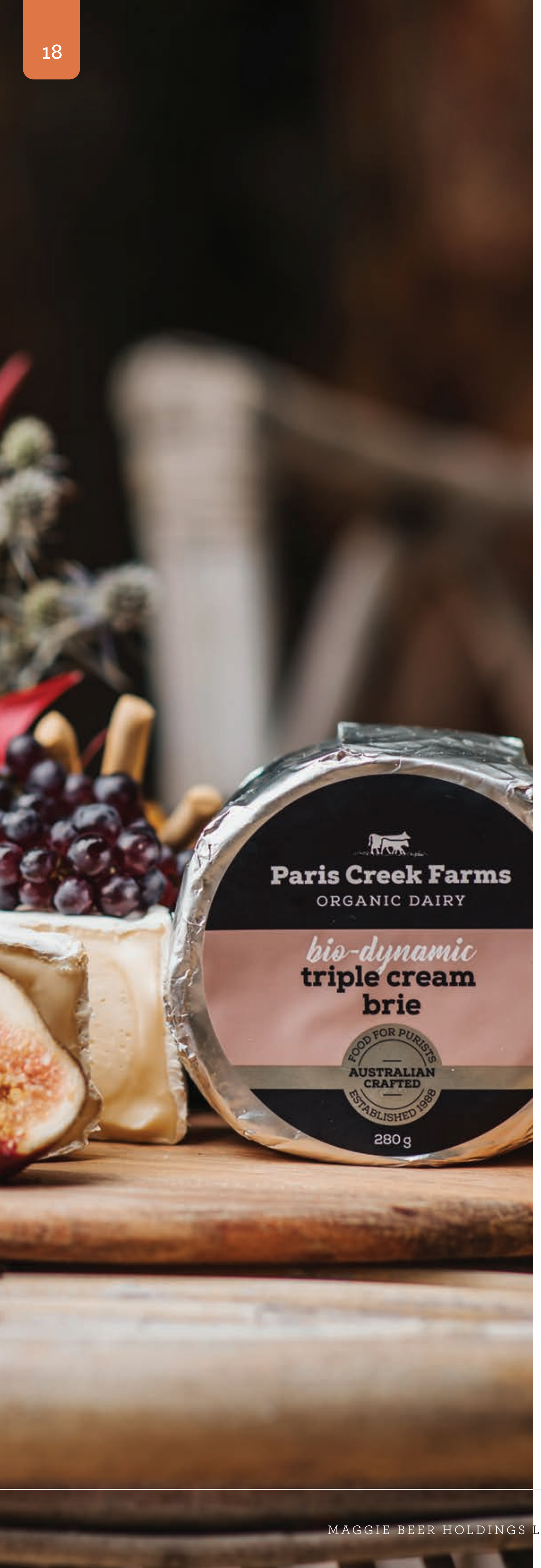
- Equal Employment Opportunity
- Anti-Discrimination Sexual Harassment and Bullying
- Modern Slavery
- Workplace Health and Safety

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 drive 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.

Our Paris Creek Farms' range of 100% organic dairy products sources milk entirely from carbon-neutral dairy farms, which continues to position us at the forefront of sustainable primary production.



Environmental, Sustainability and Governance, cont.

Maggie Beer Products furthered its venture into the continuous improvement of sustainable practices by making updates to some of our largest ranges. During FY23, our team completed an intensive project to update our core Fruit Paste and Pate ranges, upgrading the overwraps of these products to use 100% recycled materials. This update, launching into supermarkets in H1 FY24, is a large step in the group's goal to reduce our use of virgin packaging.

In addition to updating the overwraps of our popular Fruit Paste and Pate ranges, we also made exciting innovations to our Pate pot. In H1 FY24, as a result of a team-wide effort and new in-house manufacturing capabilities, our Pates will transition to use a new white ramekin-style pot. This pot is 100% recyclable, and is designed to be reusable; the perfect, stylish pot to present nuts, fruit or chocolate, or even to bake individually portioned desserts.

Our commitment extends to The Hamper Emporium, where we prioritise recyclable materials for hamper packaging, providing clear instructions to consumers on proper recycling practices. We also meticulously design our hampers to minimise the need for fillers and padding, effectively reducing waste.

As part of our comprehensive approach to waste minimisation, we have a strict policy on reducing food waste by donating any unwanted or short shelf-life products to Food Bank, OzHarvest, and Second Bite, which also supports those in need within the community.

Greenhouse Gas Emissions Inventory:

MBH commissioned a GHG emissions inventory for its three brands which will form its overall group-wide emissions profile: Maggie Beer Products (MBP), Paris Creek Farms (PCF), and Hampers & Gifts Australia (HGA). The emissions inventories have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

By calculating the MBH group emissions, the Company is able to understand its emissions profile and then appropriately set emissions reduction targets or emissions offsetting activities accordingly. We are currently in the process of analysing our GHG emissions profile and assessing our risks and opportunities associated with climate change.

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.

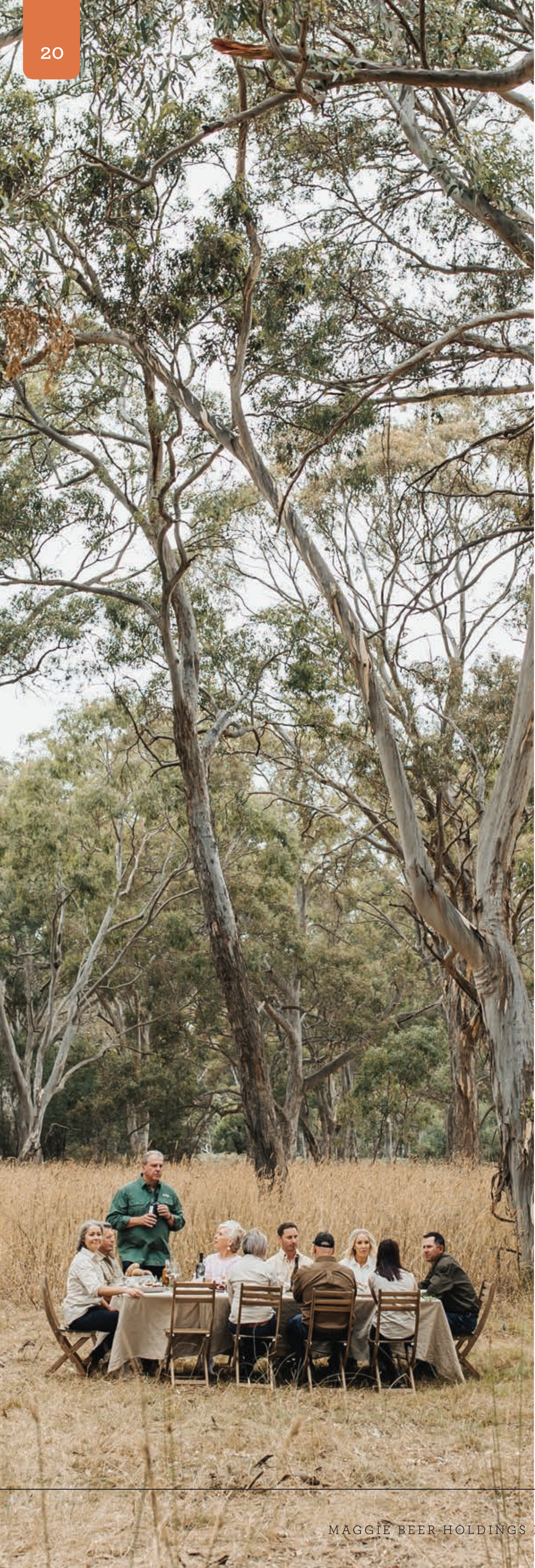
The risk profile for the Company's business is constantly evolving and the application of the risk framework ensures risks are identified and mitigation plans are developed in a timely manner. The development and implementation of risk mitigation plans ensures the business is delivering continual improvement 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.
- **IT Architecture and Resilience** - the business is reliant on third party service providers to manage the IT infrastructure. An independent third-party specialist has been engaged to review the current IT infrastructure and architecture and how this should evolve in the future.
- **Food Safety** – a continual improvement approach to food safety with a particular focus on the hamper business to strengthen the control framework.
- **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.
- **Psychosocial Safety** – acknowledging the emergence of psychosocial safety as a real and present hazard in the modern workforce and the business is applying the Code of Practice for Psychosocial Hazards in the workplace to proactively respond.
- **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.
- **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.
- **Project Management** – considering the strategic investment in new equipment, the business recognises the need to have the appropriate project management capabilities to mitigate the risks associated with project execution.

Throughout FY23 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 FY24, 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 2023.

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:

Reg Weine (Non-executive Chairman)
Maggie Beer AO (Non-executive Director)
Tom Kiing (Non-executive Director)
Hugh Robertson (Non-executive Director)
Susan Thomas (Non-executive Director)
(Appointed on 1 July 2022)
Chantale Millard (Executive Director/Chief Executive Officer)
(Appointed director on 2 August 2021 and ceased as a director on 31 December 2022)

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. Trading EBITDA has 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 2023 $'000	Consolidated 2022 $'000
Statutory profit/(loss) after income tax from continuing operations	**766**	**2,387**
Finance costs	130	166
Depreciation expense	2,356	2,509
Amortisation expense	2,507	2,458
Tax	(1,378)	(1,897)
Statutory EBITDA	4,381	5,623
Non-Trading Items from continuing operations:		
Non-recurring items:		
Jobkeeper repaid	-	821
Professional fees	473	161
Retention bonus	235	-
Non-cash items:		
LTI - non-cash options and performance rights issued	(370)	289
Impairment expense	12,500	3,640
Gain on reversal of deferred consideration	(14,000)	-
Total Non-Trading Items from continuing operations	**(1,162)**	**4,911**
Trading EBITDA from continuing operations	**3,219**	**10,534**

	Consolidated 2023 $'000	Consolidated 2022 $'000
Revenue from continuing operations	88,706	89,989
Revenue from discontinued operations	1,195	8,136
Combined revenue	**89,901**	**98,125**

Dividends

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

Dividends paid during the financial year were as follows:

	Consolidated 2023 $'000	Consolidated 2022 $'000
Dividend for the year ended 30 June 2023 of 0.5 cents paid on 31 March 2023 (FY22: nil) per ordinary share	1,758	-

Directors' Report, cont.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to $0.4 million (30 June 2022: loss of $12.5 million). Continuing operations NPAT of $0.8 million (30 June 2022: $2.4 million) with the change mainly due to higher marketing and transportation costs; the write back of earnout provision, offset by an impairment of the carrying value of goodwill.

Financial Position

The consolidated entity is supported by a strong balance sheet with net assets at 30 June 2023 of $85.7 million (30 June 2022: $90.9 million), including a cash balance of $9.2 million (30 June 2022: $10.8 million). The net assets decreased by $5.2 million to $85.7 million (30 June 2022: $90.9 million). This decrease was due to the return of capital of $3.5 million paid in November 2022, dividends paid of $1.8 million in March 2023, a $2 million increase in operating cashflows net of working capital movements, the reversal of contingent consideration ($14.0 million), partly offset by the impairment of the carrying value of goodwill ($12.5 million), and the balance of $3.3 million being depreciation, amortisation and income tax benefit. Net tangible assets increased by $9.9 million to $38.2 million (30 June 2022: $28.3 million).

Significant changes in the state of affairs

On 1 July 2022, Susan Thomas was appointed a non-executive Director of the Board.

On 31 August 2022, the group sold St David Dairy Pty Ltd.

On 17 October 2022, the Company announced the intended resignation of Ms Chantale Millard, as Chief Executive Officer and Managing Director, effective on 31 December 2022.

On 28 December 2022, the Company announced the appointment of Ms Kinda Grange as Chief Executive Officer, effective on 1 March 2023.

On 14 June 2023, the Company announced that its subsidiary, Paris Creek Farms Pty Ltd (PCF), which had been classified as a discontinued operation and an asset held for sale since 30 June 2022, had been reclassified as a continuing asset and no longer held for sale. The decision to reclassify PCF came as a result of a detailed strategic review undertaken by the Board and management that included the viability of upgrading the PCF facility to expand its dairy product making capabilities, and specifically its potential value as an internal asset for the manufacture and supply of Maggie Beer Products including the strategically important cheese products. The Board determined that with modest capital expenditure, the PCF facility would be able to be upgraded and utilised as a financially and operationally sustainable dairy manufacturing asset.

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 19 July 2023, the Company announced the appointment of Craig Louttit as Chief Financial Officer as from 1 September 2023.

No other matter or circumstance has arisen since 30 June 2023 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 includes 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.

INFORMATION ON DIRECTORS

REG WEINE
Non-executive Chairman

Experience and expertise:

Reg Weine is an executive with over 25 years' experience in fast moving consumer goods and agri-food and more than 15 years working in international markets and trade. An experienced CEO, Reg was previously Managing Director of SPC Ardmona (Coca-Cola Amatil), CEO of Australia's largest and oldest privately-owned dairy business – Bulla Dairy Foods, and Director of Sales and International at Blackmores Limited. Currently, Reg is the Chair of Otway Pork Pty Ltd and Chair of Apple & Pear Australia Limited and a non-executive director of Bubs Australia Limited. Reg sits on the Board of the Starlight Children's Foundation and is Chair of its Nomination and Remuneration Committee.

Reg has a Bachelor of Business from Monash University, is a graduate of the Australian Institute of Company Directors (GAICD) and is a Certified Practicing Marketer and Fellow of the Australian Marketing Institute. In 2019 Reg completed the AGSM at UNSW Business School Governance for Social Impact certificate and completed the Wharton Executive Education – Venture Capital program.

Other current directorships:
Bubs Australia Limited (ASX:BUB)

Former directorships (last 3 years):
None

Special responsibilities:
Chairman of the Remuneration and Nomination Committee and a member of the Audit & Risk Committee

Interests in shares:
900,000 fully paid ordinary shares

Interests in options:
4,000,000 options over ordinary shares

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:
10,007,987 fully paid ordinary shares

Interests in options:
None

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:
10,490,968 fully paid ordinary shares

Interests in options:
None

Directors' Report, cont.

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 working with a variety of firms including Bell Potter, Investor First and Wilson HTM.

Other current directorships:
Envirosuite Limited (ASX:EVS)
Credit Clear Limited (ASX:CCR)

Former directorships (last 3 years):
Touch Ventures Limited (ASX:TVL)

Special responsibilities:
Member of the Remuneration and Nomination Committee

Interests in shares:
4,705,248 fully paid up ordinary shares

Interests in options:
None

SUSAN THOMAS
Non-executive Director
(Appointed Director on 01 July 2022)

Experience and expertise:

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

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

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

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

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

Other current directorships:
Nuix Limited (ASX: NXL)
Cash Converters Limited (ASX: CCV)
Fitzroy River Holdings Limited (ASX: FZR)

Former directorships (last 3 years):
Temple and Webster Limited (ASX: TPW)
Royalco Resources Limited (formerly ASX: RCO). Royalco Resources Limited became a wholly owned subsidiary of Fitzroy River Resources Limited in February 2020. Sue is still a director of Royalco but it is now a private company.

Special responsibilities:
Chair of the Audit & Risk Committee

Interests in shares:
6,605,000

Interests in options:
None

CHANTALE MILLARD
(Ceased to be a Director on 31 December 2022)

Interests in shares:
106,853

Interests in options:
3,000,000

'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 15 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 2023, and the number of meetings attended by each director were:

	Board			Audit & Risk Committee		
	HELD	ELIGIBLE TO ATTEND	ATTENDED	HELD	ELIGIBLE TO ATTEND	ATTENDED
Reg Weine	13	13	13	7	7	7
Chantale Millard *	13	5	5	7	-	-
Maggie Beer AO	13	13	13	7	-	-
Tom Kiing	13	13	13	7	7	7
Hugh Robertson	13	13	13	7	-	-
Susan Thomas	13	13	13	7	7	7

*As Chantale Millard resigned on 31 December 2022, she was not eligible to attend any Board 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:

Reg Weine – Non-executive Chairman

Tom Kiing – Non-executive Director

Hugh Robertson – Non-executive Director

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

Susan Thomas – Non-executive Director (Appointed 1 July 2022)

Chantale Millard – Chief Executive Officer and Managing Director (Resigned 31 December 2022 as Director and CEO and performed transitional executive services from 1 January 2023 until 30 June 2023)

Kinda Grange – Chief Executive Officer (Appointed 1 March 2023)

Eddie Woods – Chief Financial Officer

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.

The Remuneration and Nomination Committee is responsible for determining and reviewing 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.

During the period, Crichton and Associates Pty Limited was engaged to undertake a benchmarking review of 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. 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 during FY23.

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. 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.

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 costs such as annual leave and long service leave

In addition, from time to time, the Company may include 'sign-on' 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, are 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 those executives responsible for meeting those targets. 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 FY23 and the relative achievement were as follows:

	CEO (Chantale Millard)	CEO (Kinda Grange)	CFO (Eddie Woods)
FY23 STI Opportunity	$124,200	$0	$94,546
FY23 STI Awarded	$124,200	$0	$70,910
%	100%	0%	75%

The Board opted to pay the full 100% to the exiting CEO and 75% to the exiting CFO as part of their transitional services from their resignation till 30 June 2023.

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 trading EBITDA hurdles, which are linked to increasing shareholder value.

Directors' Report, cont.

Feature	Description
KMP participant	Kinda Grange
Performance Rights	Performance Rights to acquire ordinary shares, beginning 1 March 2023
Opportunity/Allocation	1,750,000
Performance Hurdle	Ms Grange must remain employed by the Company in the position of Chief Executive Officer (or equivalent) from 1 March 2023 up until and including 28 February 2024.
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-related vesting condition 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 1 March 2023 in order to align Ms Grange's personal interests with the interests of the Company.

Feature	Description
KMP participant	Chantale Millard
Options	Options to acquire ordinary shares
Opportunity/Allocation	3,000,000 options, expiring 28 October 2024.
Performance Hurdle	Tranche 1: EBITDA requirement and continuous employment until 1 July 2021
Last exercise date	28 October 2024
Exercise price	Exercisable at $0.14
Forfeiture and termination	Options will lapse if performance conditions are not met. Options will be forfeited on cessation of employment unless the board determines otherwise, e.g., in the case of retirement due to injury, disability, death or redundancy.
Purpose	The options were granted to the former CEO on 7 August 2020 with performance hurdles linked to improving the financial performance of the Company and tested over a 3-year performance period. The former CEO was not issued any options during the year ended 30 June 2023. The Board believes the three-year LTI for the former CEO was appropriate at that time as it was aligned with the strategic objective of leading a restructure and revitalisation of the Group's businesses and establishing a firm foundation for growth. Of the 9,000,000 options granted to the former CEO, 3,000,000 have vested (Tranche 1) and 6,000,000 have lapsed (Tranches 2 and 3). Ms Millard has until 28 October 2024 to exercise the vested options which are exercisable at $0.14.

Feature	Description
KMP participant	Reg Weine
Options	Options to acquire ordinary shares
Opportunity/Allocation	4,000,000 options with tranche 1 comprising of 1,000,000 options and the remaining 2 comprising of 1,500,000 options
Performance Hurdle	No performance hurdle required. Options have vested immediately on grant date of 16 July 2020
Last exercise date	16 July 2024
Exercise price	Exercisable at $0.14 (Tranche 1), $0.17 (Tranche 2) and $0.19 (Tranche 3)
Purpose	The options were granted to Mr Weine on 16 July 2020 under the Company's ESOP as part of his remuneration arrangements in relation to his role as the Company's new Chairman. Shareholder approval was received for the grant of options at the General Meeting held in 16 July 2020. The Board was of the view that in order to attract a chairman of Mr Weine's calibre, the cash component of the Chairman's fee needed to be appropriately augmented with a one-off grant of options. With a strong background in FMCG, the Board was unanimously of the view that Mr Weine's appointment added considerable value to the Company in terms of strategic direction and discipline.

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 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 98.58% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. 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	Chantale Millard	Eddie Woods
Title	Chief Executive Officer	Chief Executive Officer & Managing Director	Chief Financial Officer
Details	The new CEO is entitled to receive Fixed Annual Remuneration (FAR) of $550,000 (inclusive of superannuation)	The CEO was entitled to receive Fixed Annual Remuneration (FAR) of $414,000 (inclusive of superannuation).	The CFO is entitled to receive Fixed Annual Remuneration (FAR) of $310,500 (inclusive of superannuation).

Directors' Report, cont.

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:

- Reg Weine
- Tom Kiing
- Hugh Robertson
- Maggie Beer AO
- Susan Thomas
- Chantale Millard (Resigned as Managing Director and CEO on 31 December 2022)

And the following persons:

- Kinda Grange (Chief Executive Officer) (Appointed CEO 1 March 2023)
- Eddie Woods (Chief Financial Officer)

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

	Short-term benefits		Post-employment benefits	Termination payments	Leave provisions	Share-based payments	
2023	**Cash salary and fees $**	**Bonus $**	**Super-annuation $**	**Annual and long service leave $**	**Annual and long service leave ***** $**	**Equity-Settled****** $**	**Total $**
Non-Executive Directors:							
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
Executive Directors:							
Chantale Millard**	317,582	124,200	25,292	-	57,030	(411,252)	112,852
Other Key Management Personnel							
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

* The Directors 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 terminations payment 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 will be departing 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 time related conditions are met. In addition to forfeiting of share based payments expensed in previous years. The credit balances for Ms. Millard and Mr. Woods, represent prior year accruals reversed in current year due to resignation and forfeiting their LTIs.

Table B: KMP Remuneration for the year ended 30 June 2022

	Short-term benefits		Post-employment benefits	Termination payments	Leave provisions	Share-based payments	
2022	**Cash salary and fees $**	**Bonus $**	**Super-annuation $**	**Annual and long service leave $**	**Annual and long service leave* $**	**Equity-Settled** $**	**Total $**
Non-Executive Directors:							
Reg Weine	100,000	-	10,000	-	-	-	110,000
Tom Kiing	75,000	-	-	-	-	-	75,000
Hugh Robertson	37,500	-	-	-	-	37,500	75,000
Maggie Beer AO	32,500	-	-	-	-	32,500	65,000
Executive Directors:							
Chantale Millard	376,432	33,879	23,568	-	101,037	246,751	781,667
Other Key Management Personnel							
Eddie Woods	276,432	40,000	23,568	-	26,132	137,117	503,249
	897,864	73,879	57,136	-	127,169	453,868	1,609,916

* 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 $246,751 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 be issued to the CFO on completion of performance hurdles.

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Non-Executive Directors:						
Reg Weine	100%	100%	-	-	-	-
Tom Kiing	100%	100%	-	-	-	-
Hugh Robertson	100%	100%	-	-	-	-
Maggie Beer AO	100%	100%	-	-	-	-
Sue Thomas	100%	-	-	-	-	-
Executive Directors:						
Chantale Millard	76%	64%	24%	4%	-	32%
Other Key Management Personnel						
Kinda Grange	62%	-	-	-	38%	-
Eddie Woods	82%	65%	18%	8%	-	27%

Directors' Report, cont.

Share-based compensation

Table D: Number of performance rights granted as remuneration to KMP during FY23

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

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
Options							
Reg Weine *	4,000,000	-	-	-	-	4,000,000	4,000,000
Chantale Millard *	6,000,000	-	-	(3,000,000)	-	3,000,000	3,000,000
Rights							
Kinda Grange **	-	-	1,750,000	-	-	1,750,000	-
Eddie Woods	528,572	-	-	(228,572)	(300,000)	-	-
	10,528,572	-	1,750,000	(3,228,572)	(300,000)	8,750,000	7,000,000

* Options for Mr. Weine expire on 16 July 2024 and rights for Ms. Millard expire 28 October 2024.
** Kinda Grange's 1,750,000 performance rights, are attached with a service period condition, which require Ms. Grange to remain employed by the Company in the position of Chief Executive Officer from the date of the grant of the performance rights, 1 March 2023, up until and including 28 February 2024.

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

No rights over ordinary shares remains

Additional information

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

	2023 $'000	2022* $'000	2021* $'000	2020 $'000	2019 $'000
Total revenue	88,824	90,012	53,804	45,555	25,753
Profit/(loss) before tax from continuing operations	(612)	490	(2,429)	(14,754)	(24,160)
Profit/(loss) after income tax from continuing operations	766	2,387	1,861	(14,754)	(21,656)

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

	2023	2022	2021	2020	2019
Share price at financial year beginning ($)	0.350	0.390	0.140	0.210	0.718
Share price at financial year end ($)	0.120	0.350	0.390	0.140	0.210
Basic earnings per share (cents per share) from continuing operations	0.218	0.680	0.805	(7.120)	(16.726)
Diluted earnings per share (cents per share) from continuing operations	0.212	0.658	0.805	(7.120)	(16.726)

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
Dividends ($)	1,758	-	-	-	-
Return of capital ($)	3,516	-	-	-	-

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
Ordinary shares					
Reg Weine *	850,000	-	550,000	(500,000)	900,000
Hugh Robertson *	4,200,000	-	265,625	-	4,465,625
Tom Kiing	9,490,968	-	1,000,000	-	10,490,968
Maggie Beer AM*	8,872,612	-	1,135,375	-	10,007,987
Susan Thomas	605,000	-	6,000,000	-	6,605,000
Kinda Grange	-	-	500,000	-	500,000
Chantale Millard	106,853	-	-	-	106,853
Eddie Woods	20,000	-	300,000	-	320,000
	24,145,433	**-**	**9,751,000**	**(500,000)**	**33,396,433**

* Prior year restatement disclosure of the FY22 ending balance.

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.

Reg Weine took over the leadership of SDD in preparation for sale. Reg was paid consultancy fees during the year of $73,391.

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
16 July 2020	16 July 2024	$0.140	1,000,000
16 July 2020	16 July 2024	$0.170	1,500,000
16 July 2020	16 July 2024	$0.190	1,500,000
28 October 2020	28 October 2024	$0.140	3,000,000
			7,000,000

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
01/03/2023	28/02/2024	1,750,000

Shares issued on the exercise of options or performance rights

There were no ordinary shares of Maggie Beer Holdings Ltd issued on the exercise of options during the year ended 30 June 2023 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.

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

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

Proceedings on behalf of the company

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

Non-audit services

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

Reg Weine
Non-Executive Chairman

28 August 2023

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 2023, 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

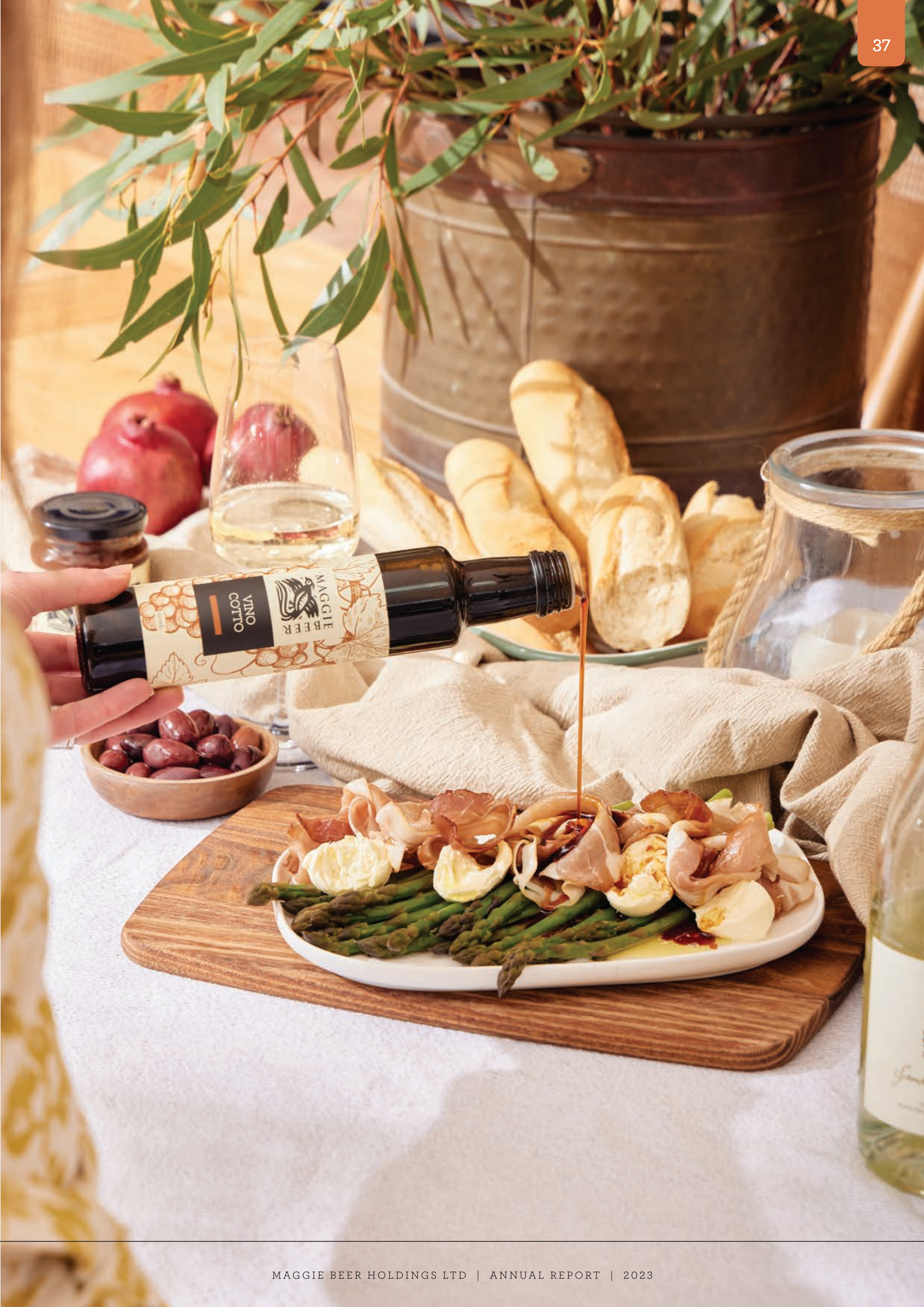
(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Brad Peake
Partner
PricewaterhouseCoopers

Adelaide
28 August 2023

PricewaterhouseCoopers, ABN 52 780 433 757
Level 11, 70 Franklin Street, ADELAIDE SA 5000, GPO Box 418, ADELAIDE SA 5001
T: +61 8 8218 7000, F: +61 8 8218 7999, www.pwc.com.au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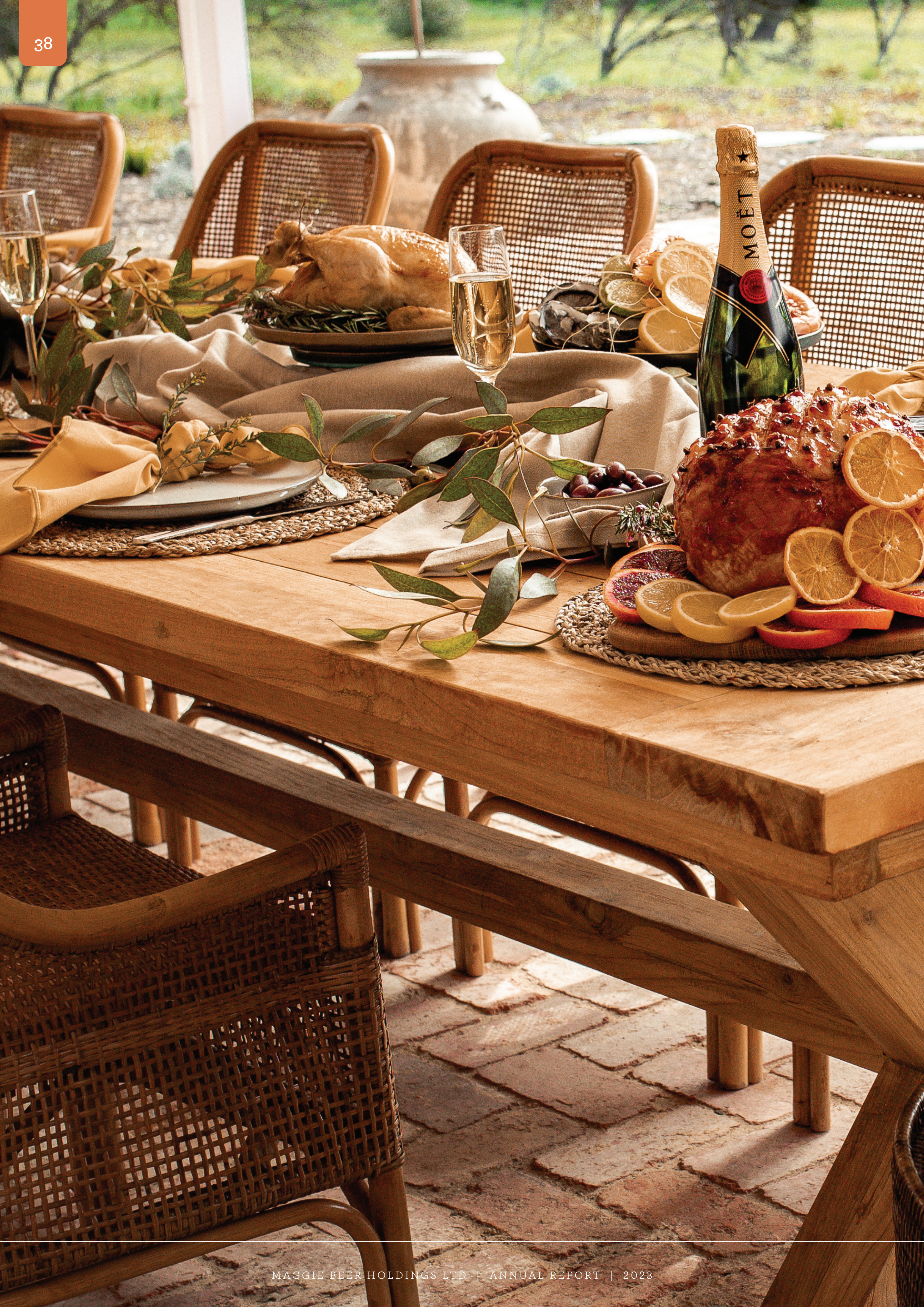
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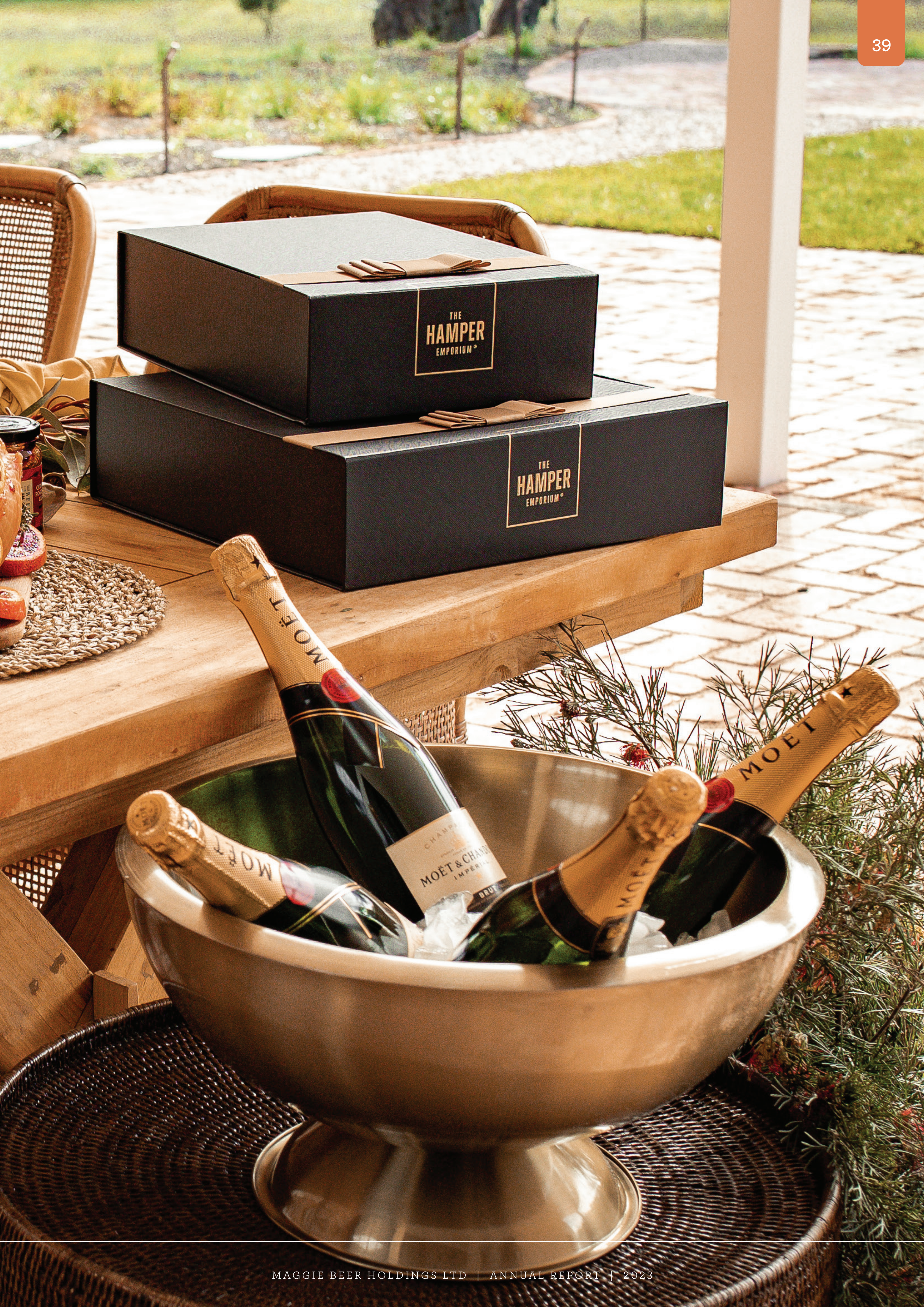
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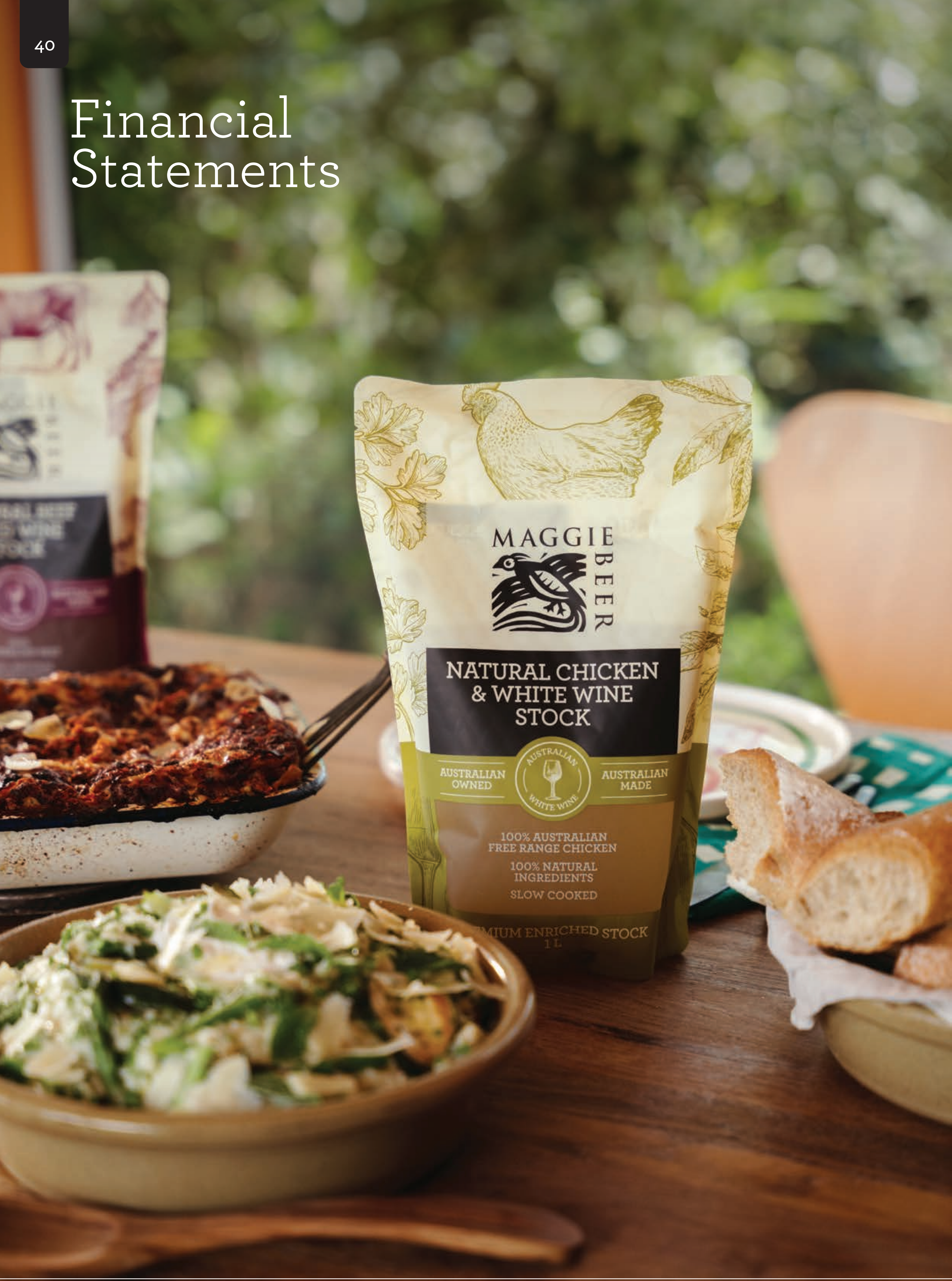
Financial Statements



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

		Consolidated	
Continuing Operations	**Note**	**2023 $'000**	**2022 $'000**
Revenue			
Revenue	5	88,706	89,989
Other income		118	23
		88,824	90,012
Expenses			
Raw materials and consumables used		(44,098)	(43,427)
Overheads		(1,436)	(1,226)
Occupancy and utilities costs		(1,198)	(1,281)
Employee benefits expense		(16,408)	(16,349)
Transportation expense		(8,691)	(7,899)
Professional fees		(1,366)	(846)
Marketing and advertising expense		(9,002)	(6,679)
Other expenses		(3,744)	(3,042)
Depreciation expense		(2,356)	(2,509)
Amortisation expense		(2,507)	(2,458)
Finance costs		(130)	(166)
Impairment expense	15	(12,500)	(3,640)
Other gains	20	14,000	-
Profit/(loss) before income tax benefit from continuing operations		(612)	490
Income tax benefit	7	1,378	1,897
Profit after income tax benefit from continuing operations		766	2,387
Loss after income tax benefit from discontinued operations	8	(328)	(14,865)
Profit/(loss) after income tax benefit for the year attributable to the owners of Maggie Beer Holdings Ltd		438	(12,478)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax		-	153
Net gain on hedge of net investment, net of tax		24	-
Other comprehensive income for the year, net of tax		24	153
Total comprehensive income for the year attributable to the owners of Maggie Beer Holdings Ltd		462	(12,325)
Total comprehensive income for the year is attributable to:			
Continuing operations		790	2,540
Discontinued operations		(328)	(14,865)
		462	(12,325)

Prior year comparatives have been represented due to Paris Creek Farms being converted to continuing operations, refer to note 8 for details.

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

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

		Consolidated	
		2023 Cents	2022 Cents
Earnings per share for profit from continuing operations attributable to the owners of Maggie Beer Holdings Ltd			
Basic earnings per share	32	0.218	0.680
Diluted earnings per share	32	0.212	0.658
Earnings per share for loss from discontinued operations attributable to the owners of Maggie Beer Holdings Ltd			
Basic earnings per share	32	(0.093)	(4.232)
Diluted earnings per share	32	(0.093)	(4.232)
Earnings per share for profit/(loss) attributable to the owners of Maggie Beer Holdings Ltd			
Basic earnings per share	32	0.125	(3.552)
Diluted earnings per share	32	0.121	(3.552)

Prior year comparatives have been represented due to Paris Creek Farms being converted to continuing operations, refer to note 8 for details.

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	Consolidated 2023 $'000	2022 $'000
Assets			
Current assets			
Cash and cash equivalents		9,216	10,801
Trade and other receivables	9	7,534	7,567
Inventories	10	14,028	16,733
Derivative financial instruments	11	-	153
Other	12	1,170	2,664
		31,948	37,918
Assets classified as held for sale	8	-	1,899
Total current assets		31,948	39,817
Non-current assets			
Property, plant and equipment	13	13,198	12,391
Right-of-use assets	14	7,448	4,030
Intangibles	15	47,580	62,377
Deferred tax	7	3,625	2,064
Total non-current assets		71,851	80,862
Total assets		103,799	120,679
Liabilities			
Current liabilities			
Trade and other payables	16	8,804	8,647
Contract liabilities	17	419	470
Lease liabilities	14	2,109	1,431
Employee benefits	18	1,156	1,287
		12,488	11,835
Liabilities directly associated with assets classified as held for sale	8	-	1,342
Total current liabilities		12,488	13,177
Non-current liabilities			
Lease liabilities	14	5,400	2,399
Employee benefits	19	170	180
Contingent consideration	20	-	14,000
Total non-current liabilities		5,570	16,579
Total liabilities		18,058	29,756
Net assets		85,741	90,923
Equity			
Issued capital	21	166,285	169,561
Reserves	22	2,946	3,556
Accumulated losses		(83,490)	(82,194)
Total equity		85,741	90,923

Prior year comparatives have been represented due to Paris Creek Farms being converted to continuing operations, refer to note 8 for details.

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

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

	Contributed Equity $'000	Option Reserves $'000	Cashflow Hedge Reserve $'000	Accumulated Losses $'000	Total equity $'000
Consolidated					
Balance at 1 July 2021	169,386	3,267	-	(69,869)	102,784
Loss after income tax benefit for the year	-	-	-	(12,478)	(12,478)
Other comprehensive income for the year, net of tax	-	-	153	-	153
Total comprehensive income for the year	-	-	153	(12,478)	(12,325)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 21)	75	-	-	-	75
Share-based payments (note 33)	100	289		-	389
Balance at 30 June 2022	169,561	3,556	153	(82,347)	90,923

	Contributed Equity $'000	Option Reserves $'000	Cashflow Hedge Reserve $'000	Accumulated Losses $'000	Total equity $'000
Consolidated					
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
Transactions with owners in their capacity as owners:					
Share-based payments exercised (note 33) & (note 22)	240	(240)	-	-	-
Share-based payments (note 33) & (note 22)	-	133	-	-	133
Share-based payments forfeited (note 33) & (note 22)	-	(503)	-	-	(503)
Return of capital (note 21)	(3,516)	-	-	-	(3,516)
Dividends paid (note 23)	-	-	-	(1,758)	(1,758)
Balance at 30 June 2023	166,285	2,946	-	(83,490)	85,741

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Consolidated 2023 $'000	Consolidated 2022 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		92,224	102,938
Payments to suppliers and employees (inclusive of GST)		(85,700)	(102,265)
Net cash from operating activities	31	6,524	673
Cash flows from investing activities			
Payments for property, plant and equipment	13	(1,243)	(1,200)
Payments for intangibles	15	(210)	(180)
Net proceeds from disposal of business		427	-
Proceeds from disposal of property, plant and equipment		-	62
Net cash used in investing activities		(1,026)	(1,318)
Cash flows from financing activities			
Proceeds from issue of shares	21	-	75
Principal elements of lease		(1,783)	(1,947)
Interest and other finance costs paid		(136)	(244)
Interest received		116	20
Dividends paid	23	(1,758)	-
Return of capital		(3,522)	-
Net cash used in financing activities		(7,083)	(2,096)
Net decrease in cash and cash equivalents		(1,585)	(2,741)
Cash and cash equivalents at the beginning of the financial year		10,801	13,542
Cash and cash equivalents at the end of the financial year		9,216	10,801

The above cashflow statement includes continuing and discontinued operations. Refer to note 8 for details on cashflow relating to discontinued operations.

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

Notes to the Financial Statements 30 June 2023

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 28 August 2023. The directors have the power to amend and reissue the financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, 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 28.

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 2023 and the results of all subsidiaries for the year then ended. Maggie Beer Holdings Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'group'.

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

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

A list of controlled entities is contained in note 29 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.

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.

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES, CONT.

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.

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.

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.

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. SIGNIFICANT ACCOUNTING POLICIES, CONT.

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.

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.

Assets held for sale and discontinued operations

The fair value of assets held for sale are recognised at the lower of their carrying amount or fair value less cost of disposal. The fair value less cost of disposal is based on offers received subsequent to the financial year and any anticipated costs management are aware of.

Business combinations

The business combinations accounting for HGA was finalised at 30 June 2022. The fair value of assets acquired, liabilities and contingent liabilities was finalised by the consolidated entity taking into consideration all available information at the reporting date. The fair value recognised at 30 June 2023 included a contingent consideration liability subject to meeting earnings target in FY23.

Changes to the fair value of contingent consideration resulting from events after the finalisation of the fair value of assets acquired, liabilities and contingent liabilities, such as meeting an earnings target are not considered measurement period adjustments.

Changes in the fair value of contingent consideration that are not measurement period adjustments shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

NOTE 4. RESTATEMENT OF COMPARATIVES

Reclassification

At 30 June 2023, Paris Creek Farms was converted back to Continuing operations and no longer disclosed as asset held for sale. The FY22 comparatives represents Paris Creek Farms as a continuing operation, including being removed from Discontinued operations in Note 8.

NOTE 5. 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 & Gifts Australia Pty Ltd ("HGA"), B.-d Farm Paris Creek Pty Ltd ("PCF") and other corporate costs. St David Dairy Pty Ltd ("SDD") is classified as discontinued operations and no longer disclosed as an operating segment. 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

Consolidated - 2023	**Hampers & Gifts Australia $'000**	**Maggie Beer Products $'000**	**Paris Creek Farms $'000**	**Other segments $'000**	**Total $'000**
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
Finance costs	(84)	(29)	(17)	-	(130)
Depreciation and amortisation	(2,844)	(1,245)	(712)	(63)	(4,864)
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	59,314	26,394	14,109	3,982	103,799
Total assets					103,799
Liabilities					
Segment liabilities	8,269	5,483	2,464	1,842	18,058
Total liabilities					18,058

* 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. OPERATING SEGMENTS, CONT.

Consolidated - 2022	Hampers & Gifts Australia $'000	Maggie Beer Products $'000	Paris Creek Farms $'000	Other segments $'000	Total $'000
Revenue					
Sales to external customers	45,325	31,036	15,017	-	91,378
Intersegment sales	(127)	(1,007)	(255)	-	(1,389)
Total sales revenue	45,198	30,029	14,762	-	89,989
Other revenue	4	19	-	-	23
Total revenue	45,202	30,048	14,762	-	90,012
EBITDA*	10,477	2,828	(4,466)	(3,216)	5,623
Finance costs	(78)	(65)	(17)	(6)	(166)
Depreciation and amortisation	(2,611)	(1,198)	(1,101)	(57)	(4,967)
Profit/(loss) before income tax benefit	7,788	1,565	(5,584)	(3,279)	490
Income tax benefit					1,897
Profit after income tax benefit					2,387
Assets					
Segment assets	72,275	28,594	13,408	6,402	120,679
Total assets					120,679
Liabilities					
Segment liabilities	20,414	4,372	2,209	2,761	29,756
Total liabilities					29,756

* Paris Creek Farms EBITDA includes impairment of net tangible assets ($3.6 million).

Prior year comparatives have been restated due to Paris Creek Farms being converted to continuing operations, refer to note 8 for details.

NOTE 6. REVENUE

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

	Consolidated 2023 $'000	2022 $'000
Continuing operations - Types of goods		
Sale of goods - retail	43,355	40,456
Sale of goods - online	45,351	49,533
Discontinued operations - Type of goods		
Sale of goods - retail	1,195	8,136
	89,901	98,125

All revenue is recognised at a point in time.

NOTE 7. INCOME TAX BENEFIT

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Income tax benefit		
Current tax expense / (benefit)	(167)	2,068
Deferred tax expense / (benefit)	(1,211)	(1,901)
Recognition of Deferred Tax Assets	-	(2,064)
Aggregate income tax expense / (benefit)	(1,378)	(1,897)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Profit before income tax expense from continuing operations	(612)	492
Tax at the statutory tax rate of 30%	(184)	148
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	5	1,920
Non-assessable non-operating income	(561)	-
Movement in Deferred Taxes	(638)	-
Recognition of Deferred Taxes	-	(3,965)
Income tax benefit attributable to continuing operations	(1,378)	(1,897)
Deferred Tax Assets and Liabilities		
Deferred tax assets	10,330	9,024
Deferred tax liabilities	(6,705)	(6,960)
Net temporary differences	3,625	2,064

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 subsidiaries being Paris Creek Farms and St David Dairy. The associated assets and liabilities were consequently presented as held for sale in the FY22 financial statements.

The subsidiary, St David Dairy was sold on 31 August 2022 with effect from 1 September 2022 and is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

In June 2023, following a strategic review, Paris Creek Farms was converted back to a continuing operation. This has resulted in an NPAT of ($1.9 million) and ($5.0 million), for FY23 and FY22, respectively, and net liabilities (excluding intercompany loans) of ($3.9 million) and ($1.0 million), for FY23 and FY22, respectively. Refer note 4 for restatement of comparatives.

Financial performance information

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Revenue	1,195	8,136
Raw materials and consumables used	(807)	(4,652)
Overheads	(119)	(184)
Occupancy and utility costs	-	(358)
Employee benefits expense	(457)	(2,277)
Transportation costs	(36)	(233)
Professional expenses	-	(351)
Marketing and advertising fees	(10)	(29)
Other expenses	(76)	(315)
Depreciation	-	(285)
Amortisation	-	(519)
Impairment	(196)	(13,921)
Finance costs	(6)	(44)
Total expenses	(1,707)	(23,168)
Loss before income tax benefit	(512)	(15,032)
Income tax benefit	184	167
Loss after income tax benefit	(328)	(14,865)
Income tax expense	-	-
Gain on disposal after income tax expense	-	-
Loss after income tax benefit from discontinued operations	(328)	(14,865)

Cash flow information

	Consolidated	
	2023	**2022**
	$'000	**$'000**
Net cash used in operating activities	(656)	(698)
Net cash used in investing activities	(78)	(174)
Net cash from/(used in) financing activities	(20)	335
Net decrease in cash and cash equivalents from discontinued operations	(754)	(537)

Carrying amounts of assets and liabilities classified as held for sale

	Consolidated 2022 $'000
Trade and other receivables	483
Inventories	209
Other current assets	152
Property, plant and equipment	450
Right of use assets	605
Total assets	1,899
Trade and other payables	346
Employee benefits	217
Lease liabilities	779
Total liabilities	1,342
Net assets	557

Details of the disposal

	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	-

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	
	2023 $'000	2022 $'000
Trade receivables	7,006	6,834
Lease receivable (sub-lease)	39	217
Other receivable	115	137
GST receivable	374	379
	7,534	7,567

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 24 for additional information.

NOTE 10. CURRENT ASSETS - INVENTORIES

	Consolidated	
	2023 $'000	2022 $'000
Raw materials	4,025	5,080
Work in progress	178	223
Finished goods	7,004	8,135
Stock in transit	468	819
Packaging	2,353	2,476
	14,028	16,733

The total amount of inventory recognised as an expense during the year is $50.6 million (FY22: $49.9 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 - DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	2023 $'000	2022 $'000
Forward foreign exchange contracts - cash flow hedges	-	153

NOTE 12. CURRENT ASSETS - OTHER

	Consolidated	
	2023 $'000	2022 $'000
Prepayments	1,038	2,057
Other current assets	132	607
	1,170	2,664

Prepayments

Included in the prepayments balance is $0.3 million (FY22: $1.3 million) worth of deposits paid on inventory arriving in FY24.

NOTE 13. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2023 $'000	Consolidated 2022 $'000
Land	460	460
Motor vehicles	372	332
Less: Accumulated depreciation	(325)	(249)
	47	83
Plant and equipment	13,736	11,749
Less: Accumulated depreciation	(6,934)	(6,036)
	6,802	5,713
Building and leasehold improvements	7,357	7,353
Less: Accumulated depreciation	(1,468)	(1,218)
	5,889	6,135
	13,198	12,391

Reconciliations

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

Consolidated	Land $'000	Motor vehicles $'000	Building and leasehold improvements $'000	Plant and equipment $'000	Total $'000
Balance at 1 July 2021	460	310	6,370	9,628	16,768
Additions	-	15	11	1,174	1,200
Classified as held for sale	-	(109)	-	(341)	(450)
Disposals	-	(45)	-	(16)	(61)
Impairment of assets	-	-	-	(3,971)	(3,971)
Transfer from ROU	-	-	-	317	317
Depreciation expense	-	(88)	(246)	(1,078)	(1,412)
Balance at 30 June 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

Accounting policy for property, plant and equipment

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

Impairment expense

Impairment expense relates to assets held for sale during the year which was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification, resulting in the recognition of a write-down of $4.0 million as impairment expense in the consolidated statement of profit or loss. 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	4 to 20 years
Building and leasehold improvements	10 to 33 years

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

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

NOTE 14. NON-CURRENT ASSETS - RIGHT-OF-USE ASSETS

Right-of-use assets

	Consolidated	
	2023 $'000	**2022 $'000**
Land and buildings - right-of-use	8,297	4,947
Less: Accumulated depreciation	(1,295)	(1,974)
	7,002	2,973
Plant and equipment - right-of-use	743	1,390
Less: Accumulated depreciation	(487)	(594)
	256	796
Motor vehicles - right-of-use	285	748
Less: Accumulated depreciation	(95)	(487)
	190	261
	7,448	4,030

NOTE 14. NON-CURRENT ASSETS - RIGHT-OF-USE ASSETS, CONT.

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 2022	2,973	796	261	4,030
Additions	5,175	237	-	5,412
Transfers to property, plant and equipment	-	(614)	-	(614)
Depreciation expense	(1,146)	(163)	(71)	(1,380)
Balance at 30 June 2023	7,002	256	190	7,448

Lease liabilities	Consolidated 2023 $'000	2022 $'000
Current	2,109	1,431
Non-current	5,400	2,399
	7,509	3,830

Lease liabilities	Consolidated 2023 $'000	2022 $'000
Interest expense (included in finance costs)	130	166

The total cash outflow for leases in FY23 was $1.8 million (FY22: $1.9 million).

NOTE 15. NON-CURRENT ASSETS - INTANGIBLES

Reconciliations

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

Consolidated	Goodwill - Paris Creek Farms $'000	Goodwill - St David Dairy $'000	Goodwill - Maggie Beer Products $'000	Goodwill - Hampers & Gifts Australia $'000	Brand* $	Customer Contracts** $	Other Intangible $	Total $
Balance at 1 July 2021	-	11,802	3,585	40,717	15,052	6,626	632	78,414
Additions from internal development	-	-	-	-	-	-	180	180
Revaluation increments	-	-	-	210	-	-	-	210
Impairment of assets	-	(11,802)	-	-	(1,316)	(329)	-	(13,447)
Amortisation expense	-	-	-	-	(1,394)	(1,431)	(155)	(2,980)
Balance at 30 June 2022	-	-	3,585	40,927	12,342	4,866	657	62,377
Additions from internal development	-	-	-	-	-	-	210	210
Classified as held for sale	-	-	-	-	-	-	-	-
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

* The carrying amount of the brand intangible asset consists of $3.7 million allocated to the Maggie Beer Products CGU and $7.5 million allocated to the Hampers & Gifts Australia CGU as at 30 June 2023.

** The carrying amount of the customer contract intangible asset consists of $0.9 million allocated to the Maggie Beer Products CGU and $2.8 million allocated to the Hampers & Gifts Australia CGU as at 30 June 2023.

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.

NOTE 15. NON-CURRENT ASSETS - INTANGIBLES, CONT

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

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

Intangible Assets acquired in a business combination

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

Recoverable amount of goodwill

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

At 30 June 2023, for Maggie Beer Products and Hampers & Gifts Australia CGUs, the recoverable amounts have been determined based on value-in-use calculations which uses cash flow projections based on financial forecasts covering a five-year period, including changes in working capital and expenditure for maintenance.

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

Key assumptions used in the value-in-use calculations for CGUs is based on management's latest forecast for financial year 2024 and incorporating previous revenue growth, achievable margin, reasonable expense increases, 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 which has a reasonable and 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 on a business-as-usual basis and assumes no New Products Development ('NPD') or 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 12.1% per annum (compared with actual 5-year average revenue growth of 10.8%).

Costs

Gross margin in FY24 is expected to soften slightly from its FY23 levels, due to the increase in input costs, and is then assumed to remain flat for the remainder of the model's period with the sales mix including increased higher margin from e-commerce sales. 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 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 Maggie Beer Products.

Review outcome

In completing the impairment review based on the aforementioned, the value in use of the CGU exceeded its carrying value by $2.7 million.

Sensitivities

A change in the EBITDA margin by 0.5% in each of the five-year forecast period would result in a $1.9 million impact to the recoverable amount of the CGU compared to the carrying amount of goodwill; a change of 1% in revenue each year over the forecast period would result in a $1.2 million impact to the recoverable amount; and a change of 1% in the pre-tax discount rate would result in a $1.8 million impact to the recoverable amount. These sensitivities cover the key possible material impacts to the recoverable amount.

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 and assumes no New Products Development ('NPD') or 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 4.4% per annum (compared with actual 3-year average revenue growth of 7.9%).

Costs

Gross margin in FY24 is expected to remain flat for the remainder of the model's 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 18.57% per annum (13.00% post tax) for Hampers & Gifts Australia.

Review outcome

In completing the impairment review based on the aforementioned, the carrying value of goodwill for Hampers & Gifts Australia was impaired by $12.5 million.

Sensitivities

A change in the EBITDA margin by 0.5% in each of the five-year forecast period would result in a $1.6 million impact to the recoverable amount of the CGU compared to the carrying amount of goodwill; a change of 1% in revenue each year over the forecast period would result in a $0.8 million impact to the recoverable amount; and a change of 1% in the pre-tax discount rate would result in a $3.5 million impact to the recoverable amount. These sensitivities cover the key possible material impacts to the recoverable amount.

Brand

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

Customer contracts

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

NOTE 16. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2023 $'000	**2022 $'000**
Trade payables	5,547	6,703
Employee related payables	1,384	886
Other payables	1,873	1,058
	8,804	8,647

Refer to note 24 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	
	2023 $'000	2022 $'000
Contract liabilities	419	470

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	
	2023 $'000	2022 $'000
Employee benefits	1,156	1,287

Accounting policy for employee benefits

Short-term employee benefits

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

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

Superannuation expense

Contributions to superannuation recognised as an expense in the profit and loss for FY23 were $1.4 million (FY22: $1.2 million).

NOTE 19. NON-CURRENT LIABILITIES - EMPLOYEE BENEFITS

	Consolidated	
	2023 $'000	2022 $'000
Employee benefits	170	180

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 20. NON-CURRENT LIABILITIES - CONTINGENT CONSIDERATION

	Consolidated	
	2023 $'000	2022 $'000
Contingent Consideration	-	14,000

As part of the acquisition of Hampers & Gifts Australia in 2021, a contractual contingent consideration arrangement formed part of the consideration.

As at 30 June 2023, there was a decrease of the full amount of $14.0 million recognised in other gains in profit or loss for the contingent consideration arrangement as the Trading EBITDA for HGA was $6.5 million, therefore no earnout payment is required. The current liability has been removed in full from the balance sheet.

In accordance with accounting standards the reversal of this contingent liability that was included in the calculation of goodwill when initially recognised, cannot be reversed against goodwill as more than the allowed 12 month period has elapsed.

NOTE 21. EQUITY - ISSUED CAPITAL

	Consolidated			
	2023 Shares	2022 Shares	2023 $'000	2022 $'000
Ordinary shares - fully paid	352,439,920	351,839,920	166,285	169,561

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2022	351,839,920		169,561
Performance rights	30 September 2022	600,000	$0.000	240
Return of capital $0.01	31 March 2023	-		(3,516)
Balance	30 June 2023	352,439,920		166,285

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 2022 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 22. EQUITY - RESERVES

	Consolidated	
	2023 $'000	2022 $'000
Options reserve	2,946	3,556

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 33 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 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 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 2021	3,267
Share based payment	289
Balance at 30 June 2022	3,556
Share based payment	133
Share based payments exercised	(240)
Share based payments forfeited	(503)
Balance at 30 June 2023	2,946

NOTE 23. EQUITY - DIVIDENDS

Dividends

The directors declared a dividend of half a cent per fully paid ordinary share (2022 - nil), fully franked based on tax paid at 30%. The aggregate amount of the dividend paid on 31 March 2023 out of the current half year profits, but not recognised as a liability at the end of the half year, is $1.76 million.

The $3.5 million repayment to shareholders in November 2022 was a return of capital.

Dividends paid during the financial year were as follows:

	Consolidated	
	2023 $'000	2022 $'000
Dividend for the year ended 30 June 2023 of 0.5 cents paid on 31 March 2023 (FY22: nil) per ordinary share	(1,758)	-

NOTE 23. EQUITY - DIVIDENDS, CONT'D

Franking credits

	Consolidated	
	2023 $'000	2022 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	6,815	7,568

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 24. 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 undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

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

The aggregate net foreign loss recognised in profit or loss were $176,776 (2022: $0).

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.

NOTE 24. FINANCIAL INSTRUMENTS, CONT.

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 increase			Basis points decrease		
Consolidated 2023	Basis points change	Effect on profit before tax $'000	Effect on equity $'000	Basis points change	Effect on profit before tax $'000	Effect on equity $'000
Bank deposits	100	92	92	(50)	(46)	(46)

	Basis points increase			Basis points decrease		
Consolidated 2022	Basis points change	Effect on profit before tax $'000	Effect on equity $'000	Basis points change	Effect on profit before tax $'000	Effect on equity $'000
Bank deposits	100	109	109	(50)	(54)	(54)

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 2023 was determined as follows for trade receivables:

	Loss allowance provision 2023 $'000	Loss allowance provision 2022 $'000	Gross amount 2023 $'000	Gross amount 2022 $'000
Not past due	-	-	3,995	4,535
Past due 0 - 60 days	-	-	2,832	1,855
Past due 60+ days	153	145	207	463
	153	145	7,034	6,853

NOTE 24. FINANCIAL INSTRUMENTS, CONT.

Liquidity risk

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

Remaining contractual maturities

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

Consolidated 2023	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						
Non-interest bearing						
Trade payables	-	8,804	-	-	-	8,804
Interest-bearing - fixed rate						
Lease liability	4.05%	2,108	1,875	2,664	862	7,509
Total non-derivatives		10,912	1,875	2,664	862	16,313

Consolidated 2022	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						
Non-interest bearing						
Trade payables	-	8,647	-	-	-	8,647
Interest-bearing - fixed rate						
Lease liability	4.10%	1,431	624	1,775	-	3,830
Total non-derivatives		10,078	624	1,775	-	12,477

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

NOTE 24. FINANCIAL INSTRUMENTS, CONT.

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:

	2023		2022	
Consolidated	**Carrying amount $'000**	**Fair value $'000**	**Carrying amount $'000**	**Fair value $'000**
Assets				
Cash and cash equivalents	9,216	9,216	10,801	10,801
Trade and other receivables	7,534	7,534	7,691	7,691
	16,750	16,750	18,492	18,492
Liabilities				
Trade and other payables	8,804	8,804	8,647	8,647
Lease liability	7,509	7,509	6,431	6,431
	16,313	16,313	15,078	15,078

NOTE 25. KEY MANAGEMENT PERSONNEL DISCLOSURES

Directors

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

Reg Weine	Non-Executive Chairman
Chantale Millard	Chief Executive Officer/Executive Director (resigned 31 December 2022)
Maggie Beer AO	Non-Executive Director
Tom Kiing	Non-Executive Director
Hugh Robertson	Non-Executive Director
Susan Thomas	Non-Executive Director

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 (appointed 1 March 2023)	Chief Executive Officer
Eddie Woods	Chief Financial Officer

Compensation

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

	Consolidated	
	2023 $	**2022 $**
Short-term employee benefits	1,363,802	971,743
Post-employment benefits	59,016	57,136
Leave provisions	74,979	127,169
Share-based payments	(308,232)	453,868
	1,189,565	1,609,916

NOTE 26. 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	
	2023 $	2022 $
Audit services - PricewaterhouseCoopers		
Audit or review of the financial statements	240,000	219,300

NOTE 27. 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 29.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Transactions with related parties

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

	Consolidated	
	2023 $	2022 $
Sale of goods and services:		
- To entities with common directorship*	365,869	302,252
Payment for goods and services:		
- From entities with common directorship*	675,368	750,732
- From key management personnel**	230,495	227,104

*Sales and purchases to entities with common directorship 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.

**During the year, Reg Weine stepped in for the short term from April 2022 to the sale in August 2022 to take over the leadership of SDD in order to prepare the entity for sale. Reg was paid consultancy fees of $73,391 during the current financial year.

NOTE 27. RELATED PARTY TRANSACTIONS, CONT.

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	
	2023	**2022**
	$	**$**
Current receivables:		
Trade receivables from entities with common directorship	28,945	31,921
Current payables:		
Trade payables to entities with common directorship	81,465	63,435

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 28. 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	
	2023	**2022**
	$'000	**$'000**
Profit / (Loss) after income tax	(4,338)	(22,896)
Total comprehensive income	(4,338)	(22,896)

Consolidated statement of financial position

	Parent	
	2023	**2022**
	$'000	**$'000**
Total current assets	161	1,227
Total assets	71,581	82,318
Total current liabilities	1,731	1,105
Total liabilities	1,801	2,558
Equity		
Issued capital	166,285	169,561
Option reserve	2,946	3,556
Accumulated losses	(99,451)	(93,356)
	69,780	79,761
Total equity	69,780	79,761

There were no contingent liabilities of the company (2022: Nil).

NOTE 28. PARENT ENTITY INFORMATION, CONT.

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 (2022: Nil).

Significant accounting policies

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 29. 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.

St David Dairy Pty Ltd are classified as discontinued operations and assets held for sale, refer to note 8 for details.

		Ownership interest	
Name	Principal place of business / Country of incorporation	2023 %	2022 %
B.-d Farm Paris Creek Pty Ltd*	Australia	100.00%	100.00%
St David Dairy Pty Ltd**	Australia	-	100.00%
Maggie Beer Products Pty Ltd*	Australia	100.00%	100.00%
Hampers & 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 & 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.

** St David Dairy Pty Ltd was removed from the cross guarantee on the date of sale on 31 August 2023.

NOTE 30. EVENTS AFTER THE REPORTING PERIOD

On 19 July 2023, the Company announced the appointment of Craig Louttit as Chief Financial Officer from 1 September 2023.

No other matter or circumstance has arisen since 30 June 2023 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 31. RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	Consolidated	
	2023 $'000	2022 $'000
Profit/(loss) after income tax benefit for the year	438	(12,478)
Adjustments for:		
Depreciation and amortisation	4,863	5,770
Impairment of intangible and tangible assets	12,500	17,559
Reversal of contingent liability	(14,000)	-
Share-based payments / (reversed)	(370)	388
Interest income classified as financing cashflow	(116)	21
Interest expense classified as financing cashflow	136	210
Transactions costs, net of gain of disposal	153	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,507	(1,657)
Decrease/(increase) in inventories	2,658	(8,428)
Increase in deferred tax assets	(1,562)	(2,064)
Increase in trade and other payables	418	1,119
Increase/(decrease) in other provisions	(101)	233
Net cash from operating activities	6,524	673

NOTE 32. EARNINGS PER SHARE

	Consolidated	
	2023 $'000	2022 $'000
Earnings per share for profit from continuing operations		
Profit after income tax attributable to the owners of Maggie Beer Holdings Ltd	766	2,387

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	351,324,742	351,250,310
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	10,477,771	11,335,753
Weighted average number of ordinary shares used in calculating diluted earnings per share	361,802,513	362,586,063

	Cents	Cents
Basic earnings per share	0.218	0.680
Diluted earnings per share	0.212	0.658

NOTE 32. EARNINGS PER SHARE, CONT.

	Consolidated	
	2023 $'000	2022 $'000
Earnings per share for loss from discontinued operations		
Loss after income tax attributable to the owners of Maggie Beer Holdings Ltd	(328)	(14,865)

	Cents	Cents
Basic earnings per share	(0.093)	(4.232)
Diluted earnings per share	(0.093)	(4.232)

	Consolidated	
	2023 $'000	2022 $'000
Earnings per share for profit/(loss)		
Profit/(loss) after income tax attributable to the owners of Maggie Beer Holdings Ltd	438	(12,478)

	Cents	Cents
Basic earnings per share	0.125	(3.552)
Diluted earnings per share	0.121	(3.552)

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 33. 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:

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)	-
			10,000,000	-	-	(3,000,000)	7,000,000

2022

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	1,500,000	-	(500,000)	-	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	01/07/2022	$0.170	3,000,000	-	-	(3,000,000)	-
28/10/2020	01/07/2023	$0.190	3,000,000	-	-	-	3,000,000
			13,500,000	-	(500,000)	(3,000,000)	10,000,000

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	31/08/2022	300,000	-	(300,000)	-	-
01/07/2021	31/08/2022	300,000	-	(300,000)	-	-
01/07/2021	30/06/2023	319,285	-	-	(319,285)	-
01/07/2021	30/06/2024	319,286	-	-	(278,429)	40,857
01/03/2023	28/02/2024	-	1,750,000	-	-	1,750,000

NOTE 33. SHARE-BASED PAYMENTS, CONT.

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. The options relating to FY23 have been forfeited due to not reaching the performance hurdle trading EBITDA. Management has assessed the probability of future options and performance rights targets being reached as 0% as at 30 June 2023, based on service conditions not being met and performance hurdles not being met for FY23.

On 28 February 2023, the directors approved a Long-Term Incentive Plan (LTIP) for the CEO in the form of granting performance rights, sign on shares. The performance rights are based on being employed as CEO from 1 March 2023 up until and including 28 February 2024.

The $ value of shares remains constant with the number of shares being variable.

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

There are service period conditions attached to the performance rights granted, which require Kinda Grange to remain employed by the Company in the position of Chief Executive Officer from the date of the performance rights, 1 March 2023, up until and including 28 February 2024.

The group has recognised in profit or loss share-based payment of -$370,000 (2022: $289,000).

Directors' Declaration

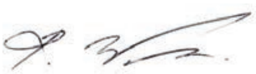
In the directors' opinion:

- 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 2023 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.

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



Reg Weine
Non-Executive Chairman

28 August 2023

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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 2023 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 Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2023
- 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, which include significant accounting policies and other explanatory information
- 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

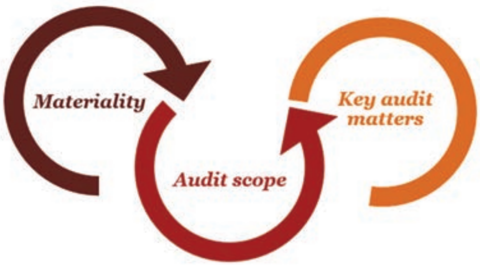
We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the 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.

PricewaterhouseCoopers, ABN 52 780 433 757
Level 11, 70 Franklin Street, ADELAIDE SA 5000, GPO Box 418, ADELAIDE SA 5001
T: +61 8 8218 7000, F: +61 8 8218 7999, www.pwc.com.au

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.



Materiality	Audit scope
• For the purpose of our audit we used overall Group materiality of $880,000, which represents approximately 1% of the Group's total revenues from continuing operations. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose Group total revenues from continuing operations because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. • We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • Maggie Beer Holdings Ltd operates across four segments with its head office functions based in South Australia, Australia.

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 *(Refer to note 15) $32.0 million* At 30 June 2023 the Group recognised $32.0 million of goodwill in the consolidated balance sheet, split across two Cash Generating Units (CGUs) – Maggie Beer Products and Hampers & Gifts Australia. The Group assesses goodwill for impairment annually, irrespective of whether there are indicators of impairment. The Group assesses impairment by preparing models which estimates forecast cash flows discounted to their present value. During the year, the Group recognised an impairment of $12.5 million within the Hampers & Gifts Australia CGU. The carrying value of goodwill was a key audit matter due to: • the financial significance of the goodwill balance; and • the level of judgement involved in assessing the recoverable amount of the goodwill including forecasting future cash flows and estimating the discount rate and terminal growth rate.	We performed the following procedures, amongst others: • Assessed the historical accuracy of the Group's cash flow forecasts by comparing prior budgets to actual performance. • Compared the forecast cash flows used in the Group's impairment model to the latest budgets and business plans. • Assessed the appropriateness and supportability of the cash flow forecasts by considering the key factors upon which they were based and the underlying drivers for growth. • Compared growth rate assumptions used in the impairment model to historical results and economic forecasts. • Tested the mathematical accuracy of the calculations made in the impairment model. • Engaged internal valuation experts to assess the appropriateness of the discount rate used in the model. • Evaluated the reasonableness of the disclosures made in note 15, against the requirements of Australian Accounting Standards.
Representation of Paris Creek Farms as a continuing operation *(Refer to note 4, 5 and 8)* For the year ended 30 June 2022, the Paris Creek Farms (PCF) and St. David Dairy (SDD) segments were recognised as discontinued operations. In June 2023, follow a strategic review, the Group converted PCF from a discontinuing operation to a continuing operation. The representation of PCF as a continuing operation was a key audit matter due to the financial impact of representing the segment from discontinuing to continuing which impacted both the current year financial result and the prior period comparative.	We performed the following procedures, amongst others: • Obtained an understanding of the changes to management's plan to support the conversion back to a continuing operations through enquiries with the Board and management and meeting minutes. • Tested the mathematical accuracy of the represented continuing operations and discontinued operations for all periods in the consolidated financial statements and disclosures. • Evaluated the appropriateness of the disclosures made in notes 4, 5 and 8, against 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 2023, 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 that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the 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 pages 25 to 33 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of Maggie Beer Holdings Ltd for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Brad Peake
Partner

Adelaide
28 August 2023

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 4 August 2023 **(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	2,775
Options exercisable at $0.15 and expiring 16 July 2024	1
Options exercisable at $0.18 and expiring 16 July 2024	1
Options exercisable at $0.20 and expiring 16 July 2024	1
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

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 352,439,920 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.

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	903	190,306	0.05
1,001 – 5,000	772	2,068,214	0.59
5,001 – 10,000	314	2,420,483	0.69
10,001 – 100,000	618	20,350,086	5.77
100,001 and over	168	327,410,831	92.90
Total	**2,775**	**352,439,920**	**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 $0.155 per unit	3226	1,446	1,294,953

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>	25,786,483	7.32%
Rubi Holdings Pty Ltd	25,465,386	7.23%
Emily McWaters Investments Pty Ltd < Emily McWaters Invest A/C>	22,270,999	6.32%
Geoff Wilson	17,982,402	5.10%
Acorn Capital Limited	17,867,022	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
NATIONAL NOMINEES LIMITED	55,106,353	15.636%
DAVID MORGAN INVESTMENTS PTY LTD <THE DAVID MORGAN INVEST A/C>	25,796,483	7.319%
RUBI HOLDINGS PTY LTD <JOHN RUBINO S/F A/C>	25,465,386	7.225%
EMILY MCWATERS INVESTMENTS PTY LTD <EMILY MCWATERS INVEST A/C>	22,139,224	6.282%
DYNASTY PEAK PTY LTD <THE AVOCA SUPER FUND A/C>	17,982,402	5.102%
BNP PARIBAS NOMS PTY LTD <DRP>	16,081,675	4.563%
UBS NOMINEES PTY LTD	14,323,564	4.064%
MUTUAL TRUST PTY LTD	12,107,075	3.435%
CITICORP NOMINEES PTY LIMITED	11,843,417	3.360%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	9,934,394	2.819%
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	9,744,129	2.765%
SIEANA PTY LTD	9,490,968	2.693%
MINEHAN SUPER PTY LTD <MINEHAN SUPER FUND A/C>	7,500,000	2.128%
AMK INVESTMENTS (WA) PTY LTD <AMK A/C>	6,000,000	1.702%
BEER FAMILY HOLDINGS PTY LTD <BEER FAMILY A/C>	5,873,685	1.667%
BICKFORDS (AUSTRALIA) PTY LTD	5,468,699	1.552%
BUNGEELTAP PTY LTD <H & B ROBERTSON S/F A/C>	4,705,248	1.335%
BUDUVA PTY LTD <BASKERVILLE SUPER FUND A/C>	4,100,000	1.163%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,092,241	1.161%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,192,200	0.906%
TOTAL SECURITIES OF TOP 20 HOLDINGS	**270,947,143**	**76.878%**
TOTAL SECURITIES	**352,439,920**	

Voluntary Escrow

Voluntary Escrowed Shares	
Escrowed until the earlier of the release of the company's financial statements for the financial year ending 30 June 2023 or 31 October 2023	28,571,430
TOTAL	**28,571,430**

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

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

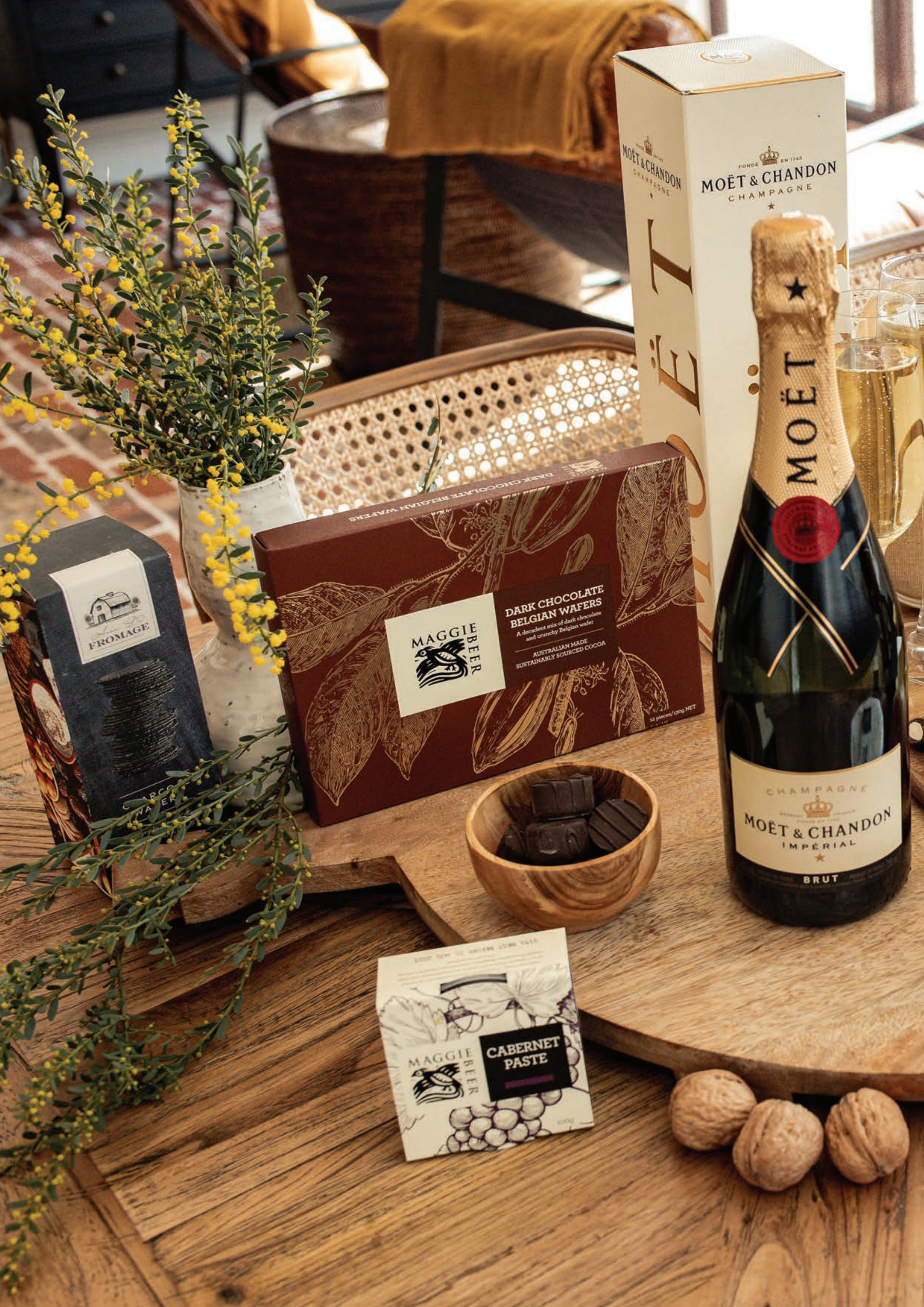
No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

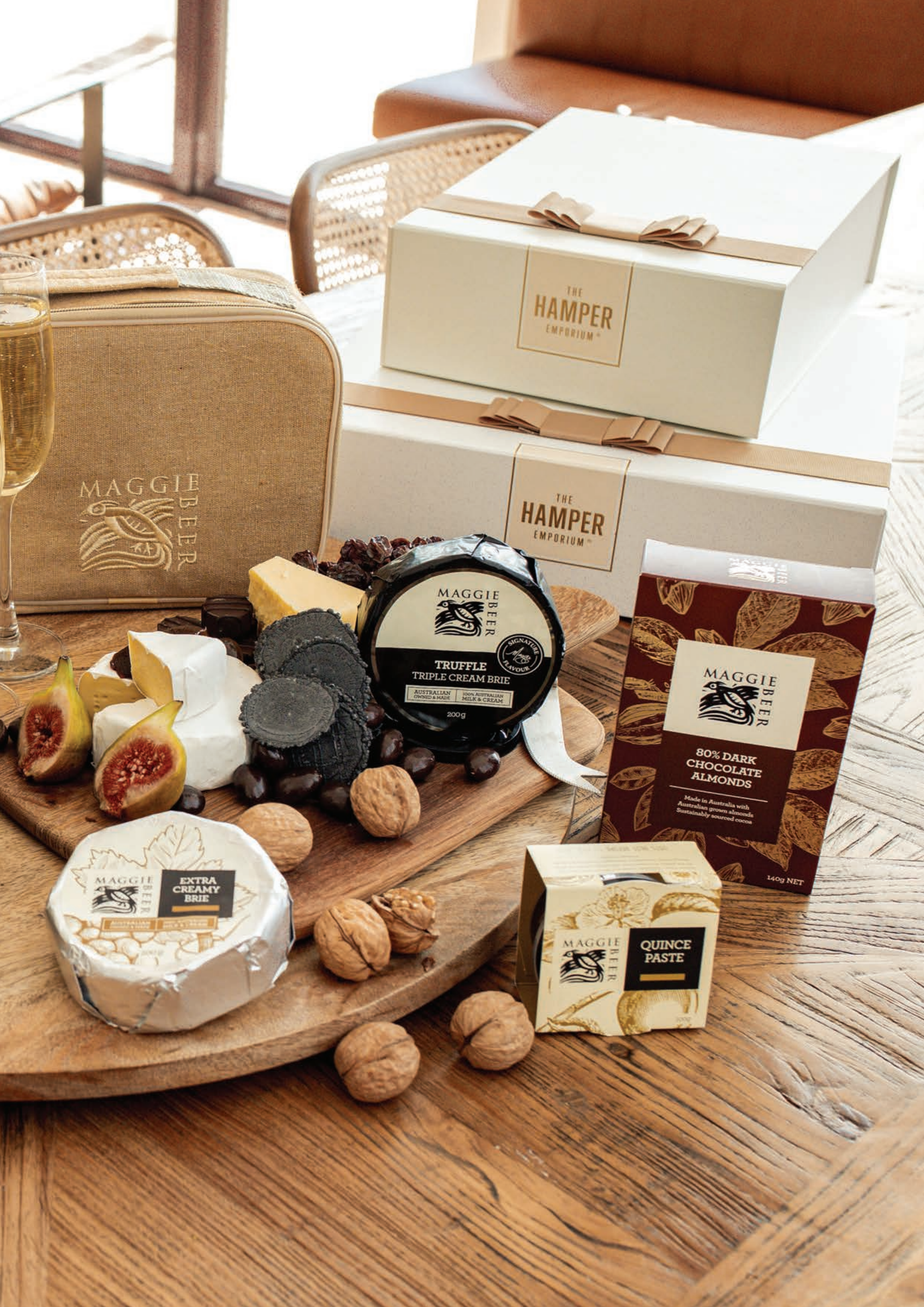
Stock Exchange Listing

Maggie Beer Holdings Ltd'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 12,225 George Street Sydney NSW 2000.


MOËT & CHANDON
CHAMPAGNE
MOËT
FROMAGE
MAGGIE BEER
DARK CHOCOLATE BELGIAN WAFERS
A decadent mix of dark chocolate and crunchy Belgian wafer
AUSTRALIAN MADE
SUSTAINABLY SOURCED COCOA
CHAMPAGNE
MOËT & CHANDON
IMPÉRIAL
BRUT
MAGGIE BEER
CABERNET PASTE


THE HAMPER EMPORIUM
THE HAMPER EMPORIUM
MAGGIE BEER
MAGGIE BEER
TRUFFLE
TRIPLE CREAM BRIE
SIGNATURE FLAVOUR
AUSTRALIAN OWNED & MADE
100% AUSTRALIAN MILK & CREAM
200g
MAGGIE BEER
80% DARK CHOCOLATE ALMONDS
Made in Australia with
Australian grown almonds
Sustainably sourced cocoa
140g NET
MAGGIE BEER
EXTRA CREAMY BRIE
MAGGIE BEER
QUINCE PASTE

ABN 69 092 817 171
maggiebeerholdings.com.au