



# GOOD DRINKS AUS<sup>TM</sup>

## 2023 ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

**GOOD DRINKS AUSTRALIA LIMITED**

ABN 22 103 014 320



*You're in  
good company*

GDA™



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# Chairman's Letter

## Dear Shareholders,

On behalf of your Board and Company I am pleased to report on a transformational year for Good Drinks Australia that saw the Group deliver record revenue growth (52%) in FY23, reflecting expansion across all business units, including core operations, agency and hospitality.

Unfortunately this significant headline growth, which saw the Group generate \$106 million in revenue, was not reflected in a similar growth in earnings, with the business generating EBITDA of \$7.0 million in FY23, down from FY22's \$8.7 million EBITDA result.

On face value the FY23 result is disappointing considering that the Company grew revenue 52% and also enjoyed full year contributions from the Gage Roads Freo venue and partner agency brands Millers, Coors and Magners.

However closer analysis between FY23 and FY22 reveals that a combination of higher investment in sales and marketing, higher post-Covid raw materials costs and the elimination of low-margin contract brewing volume contributed to a drag on earnings, eclipsing an otherwise strong growth in headline revenue.

Your Board expects that this continued investment in sales and marketing, which has historically been incurred ahead of an expected growth in revenue, coupled with a reversal of transitory raw material cost growth, which has now reverted to long term averages, should drive higher operating margins into FY24 and beyond.

Once again, the entire team at Good Drinks Australia is to be commended for their passion, professionalism and commitment to growing a world-class operation and on behalf of your Board, I would also like to thank all shareholders for your ongoing support of our great Company.



**Ian Olson**

CHAIRMAN

# Review of Operations

## FY23 SUMMARY

- GDA doubled retail market Share to 2.5%<sup>1</sup> (Australian total beer market)
- Revenue ▲ 52% to \$106.2m
- Good Drinks Own-Brand Volume ▲ 6% to 13.6m litres
- Total Volume ▲ 34% to 26m litres
- Gross Profit ▲ 27% to \$60m
- Good Drinks Hospitality EBITDA \$6.1m
- Good Drinks Core EBITDA \$0.9m
- FY23 Group EBITDA \$7.0m

Results are in comparison to FY22

<sup>1</sup>Source: IRI MarketEdge Australia Liquor Weighted MAT To 02/07/23

FY23 saw Good Drinks continue to achieve excellent momentum, revenues grew 52%, distributions 68% and sales volumes 34%, representing significant uplift over last year. With a full 12 months of operations of both the new 1500-person capacity Gage Roads Freo venue and the newly integrated brands of Millers, Coors and Magners, Good Drinks achieved record revenues of \$106m and a doubling of our share of the total Australian beer market to 2.5%.

This positions Good Drinks Australia clearly as one of the most successful Australian brewers and national sales, distribution and marketing platforms, 4th in market share (behind Asahi (CUB), Kirin (Lion) and Coopers) and the fastest-growing of the top 4 national brewers.

Despite the strong market share and revenue results, we look back at FY23 as a year of transition for Good Drinks Australia leading to a lower-than-expected financial result for the year. The financial year has been impacted by a planned transition away from low-margin contract brewing, increased sales and marketing expenditure during a period of poorer than expected trading conditions, and the one-off impact of higher costs of goods sold (COGS). The timely integration of the partner brands and the success of the Hospitality business

unit mitigated these impacts and the Company is pleased to deliver an EBITDA result of \$7m (FY22: \$8.7m). Please see the Earnings section below for further details of the key drivers that impacted earnings in FY23.

We feel the financial result is not a true reflection of the progress made during the year on our strategic goals. We have grown our revenue by 52%, broadened our portfolio of products, grew our national sales and marketing capability and achieved sales growth in pack and keg volumes in every state.

With COGS normalising, industry pricing recovering, and our prioritisation of sales and marketing expenditure on core high margin brands in key growth markets, we expect margins and earnings of the proprietary brand business to be stronger in FY24. Coupled with consistent hospitality and partner brand earnings, the Company expects FY24 to be closely aligned with our longer-term financial targets.





# Review of Operations

## Good Drinks Core

Good Drinks owned brands (Gage Roads, Matso's, Atomic, Alby and Hello Sunshine) continued to outperform the retail beer market, achieving 1.3% growth (total retail beer market down 8.2% by volume, craft beer category down 4.3% by volume) (Source: IRI MarketEdge Australia Liquor Weighted MAT To 02/07/23), although lower than our internal expectations at the start of the year, a strong result, outperforming our peers within an environment of reduced discretionary spending.

Sales of our higher margin draught beer grew at a healthy 29.5%, exceeding expectations, as we continue to invest in strategic partnerships with key customer groups on a national basis.

FY23 saw a 28% uplift to \$8m in sales investment, predominantly focused on expanding our key accounts, commercial, logistics and field force teams with a focus on growing our reach in key un-tapped state markets. Our scaled sales capability also allowed us to leverage the 2000 incremental customers introduced to Good Drinks via the existing distributions of Millers, Coors and Magners. Good Drinks maintains the position as Australia's #1 independent national sales force in the craft beer market.



With the on-boarding this year of our partner brands Miller's, Coors and Magners we meaningfully entered the incremental and complementary international beer and cider segments. With continued new product development and ongoing commitment to marketing investment, up 46% to \$10.5m, supporting our growing Good Drinks portfolio we are nearing our ambition of becoming a full solutions provider for our customers. Importantly, we continue to position our brands and new brand innovation in growth segments of the Australian liquor market. Gage Roads Single Fin and Matso's Ginger Beer maintained their position as the #1 independent brands in their respective categories by volume and Miller Chill with Real Lime continues to be the category leader in volume and value in the rapidly growing flavoured beer segment.

In FY23 production volumes of our proprietary brands and contract production exceeded 14m litres, down 4m litres from last year as we transitioned away from approximately 6m litres of lower margin contract brewing in comparison to the year before. This planned reduction in contract brewing volumes provides headroom (at no



## Review of Operations

additional capital investment) to continue to meet the demand of our higher margin proprietary brands as they grow. The operations team managed these lower volumes extraordinarily well by adjusting and restructuring operations, utilising resources efficiently to maintain our direct manufacturing costs at \$0.35 per Litre, slightly above our target of \$0.32 per litres.

During the year we also future-proofed capacity by securing a lease over adjoining land (5,042m<sup>2</sup>) allowing for future low-capital expansion of our production capacity from the current 22m litres per annum to approximately 30m litres as sales volumes grow. The ability to now further expand our production capacity at low capital investment, allows the business to lift its longer-term own-brand volume ambitions.

Positioning Good Drinks products as lifestyle brands, transcending the craft beer category, is leading to broader distribution and higher sales volumes. We expect our own brands, particularly flagship brands Gage Roads Single Fin and Matso's Ginger Beer to continue to perform strongly as we increase national distributions.



### Good Drinks Hospitality

The Good Drinks Hospitality businesses, including Gage Roads Freo, Atomic Redfern and Joe's Waterhole in Eumundi, all operating for a full 12 months, generated revenues of \$29m, up 123% over the previous year. Our flagship venue, Gage Roads Freo proved to trade strongly during all seasons and has quickly become a "must visit" destination for domestic and international travellers to WA.

In June, we were also excited to commence the re-development of Joe's Waterhole in Eumundi Queensland into our new venue concept Matso's Sunshine Coast. Located in one of Australia's most highly visited domestic tourist hotspots, Matso's Sunshine Coast will provide a home, local production and an authentic consumer experience for the Matso's brand in Queensland. Matso's Sunshine Coast, expected to be completed by late October 2023, in time for the summer trading period is designed to help us accelerate the awareness and growth of Matso's across the eastern seaboard of Australia. We were also pleased with the market prices achieved on the sale of 15 gaming licenses (announced in May 2023), delivering a cash inflow of \$4.9m largely

covering the \$5.5m expected costs of development.

This year we are seeing the benefits of our (and our shareholders) patient investment in our strategy to develop longer-term competitive advantages, allowing us to continually expand our reach and product offering, producing at low cost and competitively positioning our brands to compete and deliver market share growth in what was otherwise a year of challenging trading conditions.

# Review of Operations

## EARNINGS

The financial results highlight the strong contribution that the hospitality segment provided to Group earnings but also the impact of the challenges we encountered in our core business during the year.

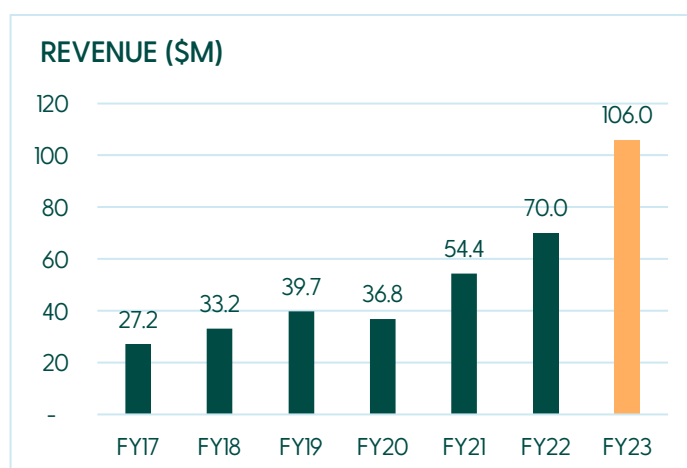
Those challenges were predominantly one-off and the resilience of the business and the diversity of its income streams allowed the impact to be effectively managed in FY23.

FY23 (MILLIONS)	GOOD	GOOD DRINKS	GROUP
	DRINKS CORE	HOSPITALITY	
Litres Sold	25.9	0.3	26.2
Revenue	78.0	29.0	107.0
Cogs & Variable Costs	(49.3)	(19.4)	(68.7)
Gross Contribution	28.7	9.6	38.3
GC %	37%	33%	36%
Sales	(8.0)	-	(8.0)
Marketing	(10.5)	-	(10.5)
Operating Costs	(9.4)	(3.4)	(12.9)
EBITDA	0.8	6.2	7.0

## Good Drinks Core

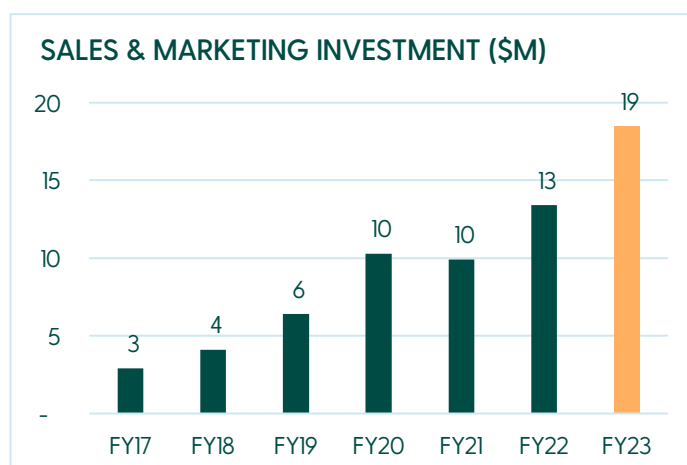
Although sales and revenue growth were strong, the earnings of the core business were impacted by a number of market conditions and longer-term strategic decisions:

- Price realisation:** Although price increases were passed through to customers, the industry continued to trade at heavily discounted levels up until Easter. During that period, Good Drinks matched competitor pricing to maintain momentum in market share growth, however we are now starting to see prices increasing, allowing for improved margin to be realised. Revenue per litre in our core business reduced in response to those competitive pricing pressures and the introduction of lower priced partner brands. With increased industry wide pricing in recent months we expect revenue per litre to track closer to historical levels.



- Supply chain disruption:** COGS temporarily increased up to 20% during the year due to a spike in international freight rates during the period of global supply chain disruptions. Cost of goods sold, for our own brands, landed at \$1.16 per litre for the year, higher than our historical target of \$1.00 per litre. Freight rates have since normalised and are returning to historic cost levels. The Company has now depleted this higher-cost inventory and is currently processing production inputs at close to pre-Covid cost levels and is expecting COGS in FY24 to track closer to \$1.09. Longer-term inflationary pressures can be managed through price increases to avoid margin compression.

- Sales & Marketing commitment:** FY23 sales and marketing expenditure, largely committed prior to December, was maintained at planned levels and, given the impacts above, was unable to be offset with increased gross profit margins. With a brand-led growth strategy in mind, we expect to continue to maintain appropriate levels of sales and marketing expenditure.



- Lower production volumes:** In line with our strategy to unwind lower-margin contract brewing, FY23 saw an annualised reduction of 6m Litres in contract brewing services. The resulting



## Review of Operations

loss of gross contribution, expected to be met by stronger growth of own brands was not fully offset and therefore impacted on FY23 earnings. This transition is now complete and this longer-term strategic decision frees up existing capacity for expected growth in high-margin Good Drinks own brands.

While down on prior year, we are pleased to deliver this result, while making strong progress on the key pillars of our strategy. With fewer disruptions expected in FY24, we look forward to a year of normal trading conditions in our core business .



### Good Drinks Hospitality

We are pleased to report EBITDA earnings of \$6.1m from our hospitality segment which includes Gage Roads Freo, Atomic Redfern and the soon-to-reopen Matso's Sunshine Coast venues.

The result includes a one-off \$1.6m gain from the sale of gaming licenses from our Matso's Sunshine Coast site .

Not surprisingly given its scale, our flagship venue Gage Roads Freo has contributed most significantly to the overall result. Our hospitality businesses generated \$29m in total revenue, 16% EBITDA margin (excluding the one-off gain) and have performed in line with other industry financial ratios.

We were particularly pleased with hospitality's contribution to Group earnings as it helped offset the impact of the lower-than-expected earnings from our core business this year.

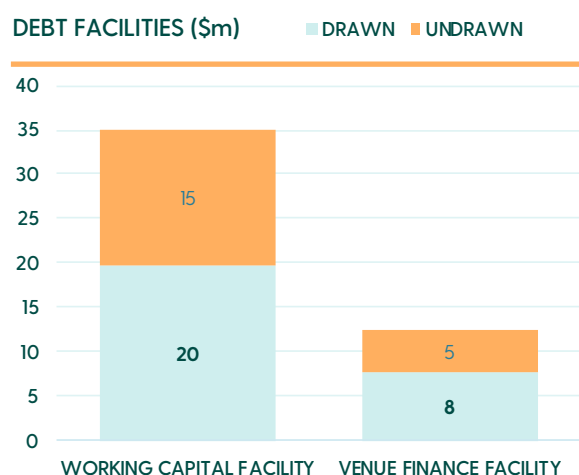
In FY24 we again expect consistent earnings from Gage Roads Freo and Atomic Redfern and look forward to opening our new Matso's Sunshine Coast to the public in late 2023.

## CASHFLOW AND BALANCE SHEET

### CASHFLOW RECONCILIATION

	\$'000
Opening Cash 1 July 2022	5,683
Operating Result	5,444
(Increase) in receivables	(1,729)
Decrease in inventory	677
(Decrease) in trade and other payables	(1,335)
Drawdown from Working Capital Facility	8,772
Repayments of Venue Finance Facility	(3,160)
Proceeds from Sale of Gaming Licences	4,948
CAPEX Spend	(3,846)
<b>Closing Cash 30 June 2023</b>	<b>15,454</b>

### DEBT FACILITIES (\$m)



The Company ended the year with a strong cash position of \$15.5m and with headroom in our facilities, the business and our growth strategy remain fully funded through operating cash flows.

# Review of Operations



The Company has generated \$5.2m in positive cashflow from operations for year. This highlights the positive working capital cycle of our Good Drinks Hospitality segment. The working capital impact from the onboarding of our partner brands has been managed well with only a modest increase in receivables at year-end. Intra-year swings in working capital were absorbed using our dedicated working capital facility, which was further drawn down by \$8.8m.

Capital expenditure for the period amounted to \$3.9m and was largely spent on maintenance capex and plant improvements (\$2.0m), pre-development works at the Matso's Sunshine Coast site (\$1.0m) and trailing works at Gage Roads Freo (\$0.9m).

This coming year, capital expenditure is expected to be \$2.6m (excluding \$4.5m spend on Matso's Sunshine Coast). In line with our values to reduce

our environmental footprint we are installing a \$0.5m, 350kw solar power array at our main production facility, providing a 20% reduction in electricity demand and lower carbon emissions. Capital projects also include upgrades to existing processing equipment and expanded pack-format flexibility.

During the year, we have also applied \$3.2m of cash towards a reduction in borrowings. Given the current interest rate environment, the Board has reviewed its debt position, expectations for FY24 and interest expenditure carefully and is comfortable the current position is appropriate and provides flexibility for the balance sheet.

With the Stomping Ground transaction no longer proceeding and the gain from the sale of the Queensland gaming licenses higher than expected, we are satisfied that the existing facility limits along with our cash reserves and positive cashflows from operations will provide the Company with ample headroom to execute its strategies.

## OUTLOOK

Good Drinks is a brand-led business and our brands are resonating strongly with consumers. Increasing the value of our brands through growing distributions, consumer awareness and consumer demand are true measures of the value Good Drinks is aspiring to create for shareholders.

### FY24 EXPECTATIONS:

- Maintain investment in sales capability and marketing aligned with revenue and market share expectations
- Prioritise this investment to drive growth of core brands in key geographic markets
- COGS normalising
- Exploring one additional venue to support Gage Roads brand
- Exciting innovation pipeline in high growth segments
- Matso's Sunshine Coast opening in late 2023

## Review of Operations

We anticipate last year's challenging trading conditions including cost of living pressures and softer discretionary spending may persist for some time and accordingly we are unable to maintain short term earnings guidance.

However, the scale that we have developed across our business along with our diversified earnings streams and flexible balance sheet have proven resilient. We are confident that maintaining our strategy of growing market share of own-brands to 20m litres. Combined with partner brands and hospitality earnings and focusing our resources on core higher margin brands in key growth markets, we will continue to deliver growth in sales volumes, earnings and value for our shareholders.

We thank you for your continued support of the business. *You're in Good Company.*



**John Hoedemaker**

MANAGING DIRECTOR





# Directors' Report

Your Directors present their report on Good Drinks Australia Limited (the Group) for the year ended 30 June 2023.

## Directors

The following persons were Directors of the Group during the whole of the financial year and up to the date of this report, unless otherwise stated.

Graeme Wood (Non-Executive Director)  
Ian Olson (Chairman)  
John Hoedemaker (Managing Director)  
Robert Gould (Non-Executive Director)  
Aaron Heary (Executive Director) – appointed 7<sup>th</sup> February 2023

## Company Secretary

Marcel Brandenburg

## Principal activities

During the year the principal continuing activities of the Group were the brewing, packaging, marketing and selling of beer, cider and other beverages.

During the year, the Group added hospitality operations to its list of continuing material activities.

No other significant change in the nature of these activities occurred during the year.

## Rounding

The Report is presented in Australian dollars and amounts have been rounded to the nearest thousand dollars unless otherwise stated, in accordance with ASIC Corporations (Rounding Financial/Directors Reports) Instrument 2016/191.

## Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

## Review and results of operations

The profit/(loss) of the Group for the financial year after providing for income tax amounted to (\$157,246) (2022: \$2,285,981). A review of the Group's operations and its financial position, business strategies and prospects is located at page 3 of this report.

## Significant changes in the state of affairs

Other than the changes discussed in the Operating and Financial Review on pages 3 to 9 and the changes to the Board outlined in the Board of Directors section on pages 10 to 14, there have been no other significant changes in the state of affairs of the Group during the financial year.

## Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023, which has significantly affected, or may significantly affect, the operations of the Group, the result of those operations or the state of affairs of the Group in subsequent financial years.

## Likely developments and expected results of operations

The Group will continue to brew, sell and market beer, cider and other beverages and continue to expand its distribution.



# Directors' Report

## Significant Business Risks

### Changes in the macroeconomic environment, customer preferences and competition

The retail and hospitality trading environments are highly competitive. Existing players vie for market share and face technological disruption, new market entrants and rapidly evolving customer needs and preferences. The risk landscape shifts as macroeconomic conditions change. Failure to evolve and deliver Good Drinks' strategy and maintain market competitiveness may lead to poor business performance, including loss of revenue and earnings.

We review critical insights, including consumer and supplier metrics, competitor movements and market forces to enable well-informed decision making. We continually evolve and innovate with our product offerings to meet the changing needs of consumers.

### Team and Capability

Our business depends on attracting and retaining high-quality team members. A loss in the Group's ability to attract and retain team members, hire and train new team members, and meet labour needs in a controlled costs environment, could negatively impact our operating and financial performance. Failure to pay team members in line with entitlements may also result in loss of trust, reputational damage and additional costs. The markets for FMCG professionals are currently constrained; and there is a risk these constraints will worsen over time.

We continue to develop and refine effective workforce plans, conduct regular succession planning activities, and help manage and support our teams through their careers.

### Brand, Reputation and Trust

Good Drinks Australia's brands and our reputation with our varied stakeholders are key assets and enablers of our future business success and competitive position in our chosen markets. Events, business and operational decisions, our commitments and their delivery, how our brands communicate, what they're associated with and what they stand for may all enhance or detract from our reputation in these areas. Evolving market and community expectations towards sustainability and ESG (environmental, social and governance) standards, may impact retail and hospitality industry participants, including Good Drinks. Due to our operations' breadth and diversity, we are exposed to different risks, both strategic and operational, across our footprint. We also recognise that environmental-related expectations (e.g. climate change) are rising and could impact our business operations and negatively affect stakeholder and societal expectations if not managed appropriately. Impacts from these risks could extend to the Group's profitability (for existing or acquired operations or brands), regulatory changes that increase our operational and compliance costs, and our ability to attract (or sustain) investment or partners.

We will continue to develop frameworks, standards and processes in line with our values while delivering long-term growth in sustainable shareholder value.

### Business Resilience

Good Drinks Australia may be subject to unexpected events and natural hazards, including severe weather events, pandemics and utilities or infrastructure disruptions. Any of these could cause a sudden or complete cessation of our day-to-day operations. The last three years have seen unprecedented strain on our business via significant weather events, the COVID-19 pandemic and international supply chain disruptions.

The Group has business continuity protocols in place that mitigate the impact of those events, including supply chain management, diversified logistics and buffer supplies.

# Directors' Report

## Information on Directors

### Graeme Wood

(Non-Executive, appointed 5 April 2017)

**Experience and expertise** - Graeme Wood has significant experience as a senior executive with both Foster's Australia and Treasury Wine Estates. Graeme spent 18 years at Foster's Australia – including as General Manager of Sales at Matilda Bay Brewing Company – where he developed a deep knowledge of the beer landscape in Australia. More recently, he spent four years at Treasury Wine Estates as Regional Manager responsible for WA, SA and NT, further enhancing his liquor retail experience.

**Other current public directorships** – None.

**Former directorships in listed companies within last 3 years** - None.

**Special responsibilities** - Member of the Remuneration Committee, Chairman of the Risk Committee.

**Interests (direct and indirect) in shares and options** – 446,667 shares and nil options in the Group.

### Ian Olson CA, BCom, MAICD

(Non-Executive Chairman, appointed 12 November 2007)

**Experience and expertise** - An experienced Chartered Accountant, Ian Olson brings extensive knowledge in corporate advisory, audit and assurance to the Board. Ian is a professional public company director with a 25-year career in finance and the capital markets. Ian is also the Managing Director of Pointerra Limited and former executive chairman of WKC Spatial. Prior to his involvement in WKC Spatial, Ian was Managing Partner of PKF Chartered Accountants in Western Australia.

**Other current public directorships** – Pointerra Ltd.

**Former directorships in listed companies within last 3 years** – None.

**Special responsibilities** - Chairman of the Board, Chairman of the Remuneration Committee, Member of the Audit Committee.

**Interests (direct and indirect) in shares and options** – 1,325,823 shares and nil options in the Group.

### John Hoedemaker BCom

(Director, appointed 3 December 2002, Managing Director, appointed 17 August 2011)

**Experience and expertise** - John Hoedemaker is a founding Shareholder and Director of Good Drinks Australia since 2002. He has played a key role in achieving profitability by developing and implementing the growth and cost reduction strategies for the business. John has an acute understanding of both the Group's operational needs and financial requirements. John is responsible for the strategic planning, leadership and management of the operations of the Group. Prior to his involvement with Good Drinks Australia, John was a Shareholder, General Manager and Chief Financial Officer of a successful building products manufacturing business, Architectural & Structural Adhesives (WA), which he managed from a start-up operation through to a trade sale to a multi-national conglomerate.

**Other current public directorships** - None.

**Former public directorships within last 3 years** - None.

**Special responsibilities** - None.

**Interest (direct and indirect) in shares and options** – 7,305,400 shares and nil options in the Group.

# Directors' Report

## Robert Gould *FAICD*

*(Non-Executive, appointed 12 November 2007)*

**Experience and expertise** - Robert Gould has held numerous roles in finance and the management and guidance of start-up, early stage and fast growing companies. His experience includes international mergers and acquisition activity and previous management of a venture capital fund with \$113m under management. Robert was a seed capital investor in Good Drinks Australia in 2003.

**Other current public directorships** - None.

**Former directorships in listed companies within last 3 years** - None.

**Special responsibilities** - Chairman of the Audit Committee, Member of the Remuneration Committee, Member of the Risk Committee.

**Interests (direct and indirect) in shares and options** – 2,186,532 shares and nil options in the Group.

## Aaron Heary *MBA*

*(Executive Director, appointed 7 February 2023)*

**Experience and expertise** – Aaron Heary has more than 26 years' experience in the liquor market both in Australia and abroad. He has been with the company since 2004 and has held the dual roles of Chief Operating Officer (COO) and Chief Strategy Officer for Good Drinks Australia since 2014. Aaron has earned a Master of Business Administration through the Curtin Graduate School of Business WA, is qualified in brewery operations through the Institute of Brewing and Distilling London and is a qualified beer judge. During his tenure as COO Aaron gained a strong understanding of both the cost structures and operating capabilities of the business. Aaron will continue to lead strategy development for the Group and maintain oversight of the hospitality business unit.

**Other current public directorships** - None.

**Former public directorships within last 3 years** - None.

**Special responsibilities** - None.

**Interest (direct and indirect) in shares and options** – 5,937,429 shares and nil options in the Group.

## Information on Company Secretary

### Marcel Brandenburg *CA, FGIA, FCIS, MAcc, BCom*

*(Company Secretary and Chief Financial Officer)*

**Experience and expertise** - Marcel Brandenburg has been with the Group since October 2011 in the capacity of Financial Controller and is responsible for the areas of financial accounting, governance and administration aspects of the business. He was appointed Chief Financial Officer on 30 June 2014. Marcel has extensive experience in dealing with ASX-listed companies, having spent a significant part of his career auditing publicly listed entities. As a Chartered Accountant and Fellow of the Governance Institute of Australia, he has an excellent understanding of financial markets, market compliance and governance. Marcel also holds company secretarial roles in a number of unlisted companies.

**Other current public directorships** - None.

**Former public directorships within last 3 years** - None.

**Special responsibilities** – Chief Financial Officer.

**Interest (direct and indirect) in shares and options** – 1,095,686 shares and nil options in the Group.

# Directors' Report

## Meetings of Directors

The number of meetings of the Group's Board of Directors and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each Director, were as follows:

2023	Full Meeting of Directors		Meetings of Audit Committee		Meetings of Remuneration Committee		Meeting of Risk Committee	
	A	B	A	B	A	B	A	B
Directors								
Graeme Wood (Non-Executive)	11	11	n/a	n/a	1	1	3	3
Ian Olson (Non-Executive)	11	11	2	2	1	1	n/a	n/a
Robert Gould (Non-Executive)	11	11	2	2	1	1	3	3
John Hoedemaker (Executive)	11	11	n/a	n/a	n/a	n/a	n/a	n/a
Aaron Heary (Executive)	3	3	n/a	n/a	n/a	n/a	n/a	n/a

A =number of meetings held during the time the Director held office or was a member of the committee

B =number of meetings attended.

n/a =not a member of the relevant committee.

## Total shares under options

There were no unissued ordinary shares under option at the date of this report (2022: Nil).

## Shares issued on the exercise of performance rights

There were 157,422 shares issued on the exercise of performance rights during the year ended 30 June 2023 (2022: Nil).

## Options granted to Directors

No options over unissued ordinary shares were granted to Directors during the year ended 30 June 2023 (2022: Nil).

## Options granted to Key Management Executives and other employees

No options over unissued ordinary shares were granted to Key Management Executives or other employees during the year ended 30 June 2023 (2022: Nil).

## Options cancelled, forfeited or lapsed

No options were voluntarily forfeited or cancelled during the year ended 30 June 2023 (2022: Nil).

## Shares issued to Directors

No shares were issued to directors during the year ended 30 June 2023 (2022: Nil).

## Shares issued to Employees

No shares were issued to employees during the year ended 30 June 2023 (2022: 100,000 employee shares were issued and 50,000 employee shares were cancelled).



# Remuneration Report

The information provided in this report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

## Principles used to determine the nature and amount of remuneration

The Remuneration Committee is responsible for determining and reviewing remuneration packages of all Directors and Key Management Personnel (“KMP”) on an annual basis. The Remuneration Committee currently consists of Non-Executive Directors Ian Olson, Robert Gould and Graeme Wood.

The committee’s reward policy reflects its obligation to align Director and Executive remuneration with Shareholders’ interests and to retain appropriately qualified talent for the benefit of the Group. The main principles of the policy are:

- a) the reward considers comparative industry benchmarks and reflects the competitive market in which the Group operates;
- b) individual reward should be linked to performance criteria if appropriate;
- c) Executives should be rewarded for both financial and non-financial performance; and
- d) the committee shall have access to external professional advice if required to assist in determining appropriate remuneration.

## Statutory Indicators

We aim, where practicable, to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth.

**Non-Executive Directors** - The Remuneration Committee is responsible for recommending individual Non-Executive Directors’ fees within the limit approved by Shareholders. The current aggregate Directors’ fee limit is \$400,000. Directors are entitled to have premiums paid for Directors’ & Officers’ insurance.

**Executives and Executive Directors** - The total remuneration of the Key Management Personnel and Executive Directors consists of the following:

- a) *salary* - the Key Management Personnel and Executive Directors receive a fixed sum payable monthly in cash;
- b) *cash at risk component* - Key Management Personnel and Executive Directors are eligible to participate in a Short-Term Incentive (STI) cash bonus plan if deemed appropriate;
- c) *share and option at risk component* - Key Management Personnel and Executive Directors may participate in share and option schemes generally being made in accordance with thresholds set in plans approved by Shareholders if deemed appropriate. The Board, however, considers it appropriate to retain the flexibility to issue shares and options to Key Management Executives and Executive Directors outside of an approved option scheme in exceptional circumstances; and
- d) *other benefits* - Key Management Personnel and Executive Directors are eligible to participate in superannuation schemes, may be entitled to have loss of income insurance paid by the Group, be provided a fully expensed company car or company car allowance and be provided a fully expensed mobile phone and other forms of remuneration if deemed appropriate.

There is no Group policy in place at this point in time in relation to prohibiting margin lending against financial instruments granted to Directors or Key Management Personnel.

The objective of the Group’s remuneration policy for Directors and other Key Management Personnel is to ensure reward for performance is adequate and appropriate for the results delivered, taking into account competitiveness, reasonableness, acceptability to Shareholders and transparency. Equity instruments issued may be for services rendered by eligible employees and Directors to date and, going forward, for services rendered by existing and any new eligible employees and Directors who are appointed in the future. The Group feels that incentive shares are effective consideration to eligible employees and Directors for their ongoing commitment and contribution to the Group.

An Employee and Executive Share Plan provides some senior executives with incentive over and above their base salary. The allocation of shares under the Employee and Executive Share Plan may not be subject to performance conditions of the Group. The reasons for establishing the Employee and Executive Share Plan were:

# Remuneration Report

- a) To align the interests of senior management with Shareholders. The Employee and Executive Share Plan provides employees with incentive to strive for long term profitability which is in line with Shareholder objectives; and
- b) To provide an incentive for employees to extend their employment terms with the Group. The experience of senior employees is an important factor in the long term success of the Group.

## Details of remuneration

Details of the remuneration of the Directors and Key Management Personnel (as defined in AASB 124 Related Party Disclosures) of the Group for the financial year are set out in the following tables. The Key Management Personnel of the Group are the following Non-Executive and Executive Directors and officers of the Group:

### Executive Directors

John Hoedemaker	Managing Director
Aaron Heary	Executive Director

### Non-Executive Directors

Graeme Wood	
Ian Olson	Chairman
Robert Gould	

### Executive Officers

Marcel Brandenburg	Chief Financial Officer and Company Secretary
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No other employee had authority or responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly, during the financial year.

		SHORT-TERM BENEFITS		POST EMPLOYMENT BENEFITS	SHARE BASED BENEFITS		PER-FORMANCE BASED
		CASH SALARY & FEES	NON-MONETARY BENEFITS	SUPER-ANNUATION	EMPLOYEE SHARES	TOTAL	
<b>Non-Executive Directors</b>							
<b>Graeme Wood</b>	FY23	82,500	4,401	8,663	18,896	114,460	17%
Non-Executive Director	FY22	82,500	5,003	8,250	18,896	114,649	16%
<b>Ian Olson</b>	FY23	132,000	4,401	-	12,748	149,149	9%
Non-Executive Chairman	FY22	132,000	5,003	-	601	137,604	0%
<b>Robert C Gould</b>	FY23	82,500	4,401	8,663	12,748	108,312	12%
Non-Executive Director	FY22	112,668	5,003	11,267	601	129,539	0%
<b>Executive Key Management</b>							
<b>Aaron Heary</b>	FY23	359,500	7,875	37,748	38,109	443,232	9%
Exec Director Strategy, Brand, Hospitality	FY22	319,000	3,596	37,150	1,502	361,248	0%
<b>John Hoedemaker (MD)</b>	FY23	444,015	30,339	45,236	38,109	557,699	7%
Managing Director	FY22	429,000	26,430	42,900	1,502	499,832	0%
<b>Marcel Brandenburg</b>	FY23	312,984	7,848	32,863	6,374	360,069	2%
Chief Financial Officer, Company Sec	FY22	303,264	1,488	35,576	300	340,628	0%

Aaron Heary was appointed as Executive Director on 7<sup>th</sup> February 2023.

At the Company's AGM on 29<sup>th</sup> November 2022, shareholders approved the extension of loans pertaining to non-recourse loan-funded shares which resulted in additional non-cash share-based payments. Refer to note 19 for further information.

The maximum value yet to vest for Graeme Wood's employee shares is \$16,391. All other employee shares above have vested and the maximum value yet to vest is nil.

# Remuneration Report

		FIXED REMUN- ERATION	AT RISK STI	AT RISK LTI
<b>Non-Executive Directors</b>				
<b>Graeme Wood</b>	FY23	83%	-	17%
Non-Executive Director	FY22	87%	-	12%
<b>Ian Olson</b>	FY23	91%	-	9%
Non-Executive Chairman	FY22	92%	-	8%
<b>Robert C Gould</b>	FY23	88%	-	12%
Non-Executive Director	FY22	91%	-	9%
<b>Executive Key Management</b>				
<b>Aaron Heary</b>	FY23	91%	-	9%
Exec Director Strategy, Brand, Hospitality	FY22	92%	-	8%
<b>John Hoedemaker (MD)</b>	FY23	93%	-	7%
Managing Director	FY22	94%	-	6%
<b>Marcel Brandenburg</b>	FY23	98%	-	2%
Chief Financial Officer, Company Sec	FY22	98%	-	2%

## Short-Term Incentive (STI) Cash Bonus Plan

The Remuneration Committee ratified a Short-Term Incentive (STI) Plan for executives and key management personnel. 25% of any earnings in excess of the board approved EBITDA target is available to be distributed to eligible participants.

For the year ended 30 June 2023, the Group did not exceed the EBITDA target. Accordingly, no bonus was payable.

## Service agreements

Remuneration and other terms of employment for the following Key Management Personnel are formalised in employment agreements. The significant terms of employment at the date of this report are set out below:

### Aaron Heary – Chief Operating Officer & Chief Strategy Officer

- Term of agreement: No fixed term
- Base salary: \$400,000 pa, plus statutory superannuation contribution, reviewed annually by the Remuneration Committee
- Termination notice period: 8 month notice (without cause)
- Termination notice period: 4 month notice (with cause)

### John Hoedemaker – Managing Director

- Term of agreement: No fixed term
- Base salary: \$459,030 pa, plus statutory superannuation contribution, reviewed annually by the Remuneration Committee
- Termination notice period: 8 month notice (without cause)
- Termination notice period: 4 month notice (with cause)

### Marcel Brandenburg – Chief Financial Officer and Company Secretary

- Term of agreement: No fixed term
- Base salary: \$323,568 pa, plus statutory superannuation contribution, reviewed annually by the Remuneration Committee
- Termination notice period: 8 month notice (without cause)
- Termination notice period: 4 month notice (with cause)

No Director or Executive is entitled to any termination payments apart from payment in lieu of the notice periods outlined above, remuneration payable up to and including the date of termination and payments due by way of accrued leave entitlements. There are no service agreements in respect of non-executive directors.

# Remuneration Report

## Equity instruments held by Key Management Personnel

### Shares issued to key management personnel

The following tables show the number of ordinary shares in the Group that were held during the financial year by key management personnel of the Group, including their close family members and entities related to them.

There were no options over unissued ordinary shares granted to Key Management Personnel in existence at the date of this report (2022: Nil).

### Ordinary shares in the Group

	NOMINALLY HELD	BALANCE AT START OF THE YEAR	NET PURCHASE (DISPOSAL) OF SHARES	EMPLOYEE SHARES RECEIVED	BALANCE AT END OF THE YEAR
<b>Directors</b>					
Ian Olson	4%	1,325,823	-	-	1,325,823
John Hoedemaker	0%	6,505,400	800,000	-	7,305,400
Robert Gould	0%	2,033,679	152,853	-	2,186,532
Graeme Wood	67%	300,000	146,667	-	446,667
Aaron Heary	0%	4,647,762	1,289,667	-	5,937,429
<b>Executive</b>					
Marcel Brandenburg	93%	1,095,686	-	-	1,095,686
<b>Total</b>		<b>15,908,350</b>	<b>2,389,187</b>	<b>-</b>	<b>18,297,537</b>

No shares were issued to Key management personnel during the year 30 June 2023 (2022: Nil).

### Shares issued to Key Management Personnel on the exercise of options

No ordinary shares were issued during the financial year on the exercise of options granted to Key Management Personnel (2022: Nil).

### Loan instruments to Key Management Personnel

The following tables show the non-recourse loan balances provided to Key Management Personnel that are linked to shares issued as part of its Employee and Executive Share Plan.

	BALANCE AT START OF THE YEAR	PROVIDED DURING THE YEAR	PAID BY THE EMPLOYEE	PAID AND PAYABLE FOR THE YEAR	INTEREST NOT CHARGED	BALANCE AT END OF THE YEAR
<b>Directors</b>						
Ian Olson	612,986	-	-	-	-	612,986
John Hoedemaker	1,904,466	-	-	-	-	1,904,466
Robert Gould	612,986	-	-	-	-	612,986
Graeme Wood	189,000	-	-	-	-	189,000
Aaron Heary	1,780,466	-	-	-	-	1,780,466
<b>Executive</b>						
Marcel Brandenburg	558,493	-	-	-	-	558,493
<b>Total</b>	<b>5,658,397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,658,397</b>

### Use of remuneration consultants

The Group did not engage in remuneration consultants during the financial year ended 30 June 2023.

### Voting and comments made at the Group's 2022 Annual General Meeting

Good Drinks Australia Ltd received more than 99.5% of "Yes" votes on its remuneration report for the 2022 financial year. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the audited remuneration report.



# Corporate Governance Statement

The Board is committed to achieving and demonstrating high standards of corporate governance. As such Good Drinks Australia Ltd has adopted the third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council and became effective for financial years beginning on or after 1 July 2014.

The Group's Corporate Governance Statement for the financial year ended 30 June 2023 was approved by the Board on 31<sup>st</sup> August 2023. The Corporate Governance Statement can be located on the Group's website: <https://gooddrinks.com.au/investor/governance/>

# Auditor's Independence Declaration



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Perth WA 6000  
PO Box 700 West Perth WA 6872  
Australia

## DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF GOOD DRINKS AUSTRALIA LIMITED

As lead auditor of Good Drinks Australia Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Good Drinks Australia Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Phillip Murdoch', written over a horizontal line.

**Phillip Murdoch**  
Director

**BDO Audit (WA) Pty Ltd**  
Perth  
31 August 2023

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

# Directors' Declaration

The Directors declare that:

- a) the financial statements comprising the Consolidated Statement of Profit or Loss and Other Comprehensive
- b) Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated
- c) Statement of Changes in Equity, and accompanying notes, are in accordance with the Corporations Act 2001
- d) and other mandatory professional reporting requirements, and;
  - i. comply with Accounting Standards and the Corporations Regulations 2001; and
  - ii. give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date.
- e) in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- f) the Group has included in the notes to the financial statements an explicit and unreserved Statement of Compliance with International Financial Reporting Standards.
- g) the Directors have been given the declarations by the Managing Director and the Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



**Ian Olson**  
**Chairman**

Palmyra  
Dated this 31st day of August 2023

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the financial year ended 30 June 2023

	Notes	2023 \$000s	RESTATED 2022 \$000s
Revenue from the sale of goods and services	2	106,226	70,029
Other revenue	2	3,621	1,157
<b>Total Revenue</b>		<b>109,846</b>	<b>71,186</b>
Raw materials, consumables & delivery		(52,263)	(25,464)
Operating expenses		(6,439)	(5,734)
Employee expense		(32,092)	(23,746)
Depreciation and amortisation expense		(5,241)	(4,480)
Sales and marketing expense		(7,778)	(5,183)
Administration costs		(3,856)	(2,767)
Occupancy costs		(392)	(313)
Gain on acquisition	27	-	686
<b>Profit before interest and tax</b>		<b>1,786</b>	<b>4,186</b>
Finance costs	4	(2,277)	(972)
<b>Profit/(Loss) before income tax</b>		<b>(490)</b>	<b>3,214</b>
Income tax expense	10	333	(928)
<b>Profit/(Loss) for the year</b>		<b>(157)</b>	<b>2,286</b>
<b>Profit/(Loss) for the year attributable to:</b>			
Members of Good Drinks Australia Limited	11	(157)	2,286
		(157)	2,286
<b>Other Comprehensive Income/(Loss)</b>			
<b>Items that may be reclassified to profit or loss, net of tax:</b>			
Effective portion of changes in the fair value of cash flow hedges		(174)	419
<b>Total Other Comprehensive Income/(Loss) for the year</b>		<b>(332)</b>	<b>2,705</b>
		<b>CENTS</b>	<b>CENTS</b>
<b>Earnings per share (EPS) attributable to members of Goods Drinks Australia Limited:</b>			
Basic and diluted earnings per share	13	(0.12)	1.78

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes. The accompanying notes form an integral part of these consolidated financial statements and the comparative information has been updated to reflect the finalisation of the provisional accounting for a business acquisition - refer note 27.

# Consolidated Balance Sheet

as at 30 June 2023

	Notes	2023 \$000's	RESTATED 2022 \$000's
<b>Current assets</b>			
Cash and cash equivalents		15,454	5,683
Trade and other receivables	5	23,136	21,406
Inventories	6	10,857	11,534
<b>Total current assets</b>		<b>49,447</b>	<b>38,623</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	51,396	50,985
Lease assets	7	16,603	16,211
Intangible assets	9	15,747	18,753
Deferred tax assets	10	454	163
<b>Total non-current assets</b>		<b>84,201</b>	<b>86,112</b>
<b>Total assets</b>		<b>133,647</b>	<b>124,735</b>
<b>Current liabilities</b>			
Trade and other payables	11	22,779	19,104
Lease liabilities	7	1,424	1,351
Borrowings	17	19,772	11,000
Current tax liability	11	(37)	881
Provisions	12	1,118	1,308
<b>Total current liabilities</b>		<b>45,056</b>	<b>33,644</b>
<b>Non-current liabilities</b>			
Lease liabilities	7	15,957	15,353
Borrowings	17	7,771	10,931
Provisions	12	843	756
<b>Total non-current liabilities</b>		<b>24,572</b>	<b>27,040</b>
<b>Total liabilities</b>		<b>69,628</b>	<b>60,684</b>
<b>Net assets</b>		<b>64,019</b>	<b>64,052</b>
<b>Equity</b>			
Contributed equity	14	60,312	60,373
Hedge reserve	15	(156)	18
Share options reserve	15	3,542	3,182
Retained Earnings	15	322	479
<b>Total equity</b>		<b>64,019</b>	<b>64,052</b>

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes. The accompanying notes form an integral part of these consolidated financial statements and the comparative information has been updated to reflect the finalisation of the provisional accounting for a business acquisition - refer note 27.



# Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2023

<b>2023</b>	Notes	SHARE CAPITAL \$000's	RETAINED EARNINGS \$000's	RESERVES \$000's	TOTAL \$000's
Balance at 1 July 2022		60,373	479	3,200	64,052
Loss for the year		-	(157)	-	(157)
Other Comprehensive expense for the year, net of tax		-	-	(174)	(174)
<b>Total comprehensive loss for the year, net of tax</b>		-	(157)	(174)	(332)
<b>Transactions with equity holders in their capacity as equity holders:</b>					
Contributions of equity, net of transaction costs		(61)	-	-	(61)
Issue of share capital net of transaction costs		-	-	-	-
Employee and other share options expensed	19	-	-	360	360
<b>Balance at 30 June 2023</b>		<b>60,312</b>	<b>322</b>	<b>3,386</b>	<b>64,019</b>

<b>2022 (RESTATED)</b>	Notes	SHARE CAPITAL \$000's	RETAINED EARNINGS \$000's	RESERVES \$000's	TOTAL \$000's
Balance at 1 July 2021		60,113	(1,807)	2,109	60,415
Profit for the year		-	2,286	-	2,286
Other Comprehensive income for the year, net of tax		-	-	419	419
<b>Total comprehensive profit for the year, net of tax</b>		-	<b>2,286</b>	<b>419</b>	<b>2,705</b>
<b>Transactions with equity holders in their capacity as equity holders:</b>					
Contributions of equity, net of transaction costs		260	-	-	260
Issue of share capital net of transaction costs and tax		-	-	-	-
Employee and other share options expensed	19	-	-	672	672
<b>Balance at 30 June 2022</b>		<b>60,373</b>	<b>479</b>	<b>3,200</b>	<b>64,052</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes. The accompanying notes form an integral part of these consolidated financial statements and the comparative information has been updated to reflect the finalisation of the provisional accounting for a business acquisition - refer note 27.

# Consolidated Statement of Cash Flows

for the financial year ended 30 June 2023

	Notes	2023 \$000's	RESTATED 2022 \$000's
<b>Cash flows from operating activities</b>			
Receipts from customers		169,154	113,455
Receipts from government incentives		350	350
Payments to suppliers and employees		(161,170)	(105,302)
Interest paid		(2,277)	(972)
Interest received		3	-
Income tax paid		(881)	(434)
<b>Net cash provided by operating activities</b>	16	<b>5,180</b>	<b>7,097</b>
<b>Cash flows from investing activities</b>			
Receipts from government grant		138	-
Payments for property, plant and equipment		(3,928)	(11,793)
Payments for intangibles		(55)	(1,807)
Payments for the purchase of businesses	27	-	(5,102)
Proceeds from the sale of gaming licences		4,948	-
<b>Net cash provided by/(used in) investing activities</b>		<b>1,103</b>	<b>(18,702)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		29	605
Proceeds from borrowings		8,772	12,959
Repayment of borrowings		(3,160)	-
Borrowing transaction costs		42	(56)
Repayment of lease liabilities		(1,864)	(1,677)
<b>Net cash provided by financing activities</b>		<b>3,819</b>	<b>11,831</b>
<b>Net increase in cash and cash equivalents</b>		<b>10,101</b>	<b>266</b>
Effect of movement in exchange rates on cash held		(331)	(41)
Cash and cash equivalents at the beginning of the financial year		5,683	5,458
<b>Cash and cash equivalents at the end of the financial year</b>	6	<b>15,454</b>	<b>5,683</b>

# Notes to the Financial Statements

for the year ended 30 June 2023

## Note 1: Summary of Significant Accounting Policies

### a) Basis of preparation

Good Drinks Australia Limited (the Company) is a for-profit company, limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business of the Company is 14 Absolon Street, Palmyra WA 6157.

The Financial Report (the Report) of the Company is for the year ended 30 June 2023 (the financial year) and comprises the Company and its controlled entities (together referred to as the Group or Good Drinks Australia).

The Report is presented in Australian dollars and amounts have been rounded to the nearest thousand dollars unless otherwise stated, in accordance with ASIC Corporations (Rounding Financial/Directors Reports) Instrument 2016/191.

The Report has been prepared on the historical cost basis, except for certain assets that are measured at revalued amounts or fair value, as explained in accounting policies.

Certain comparative amounts have been re-presented to conform with the financial year's presentations to better reflect the nature of the financial position and performance of the Group, in particular:

- The valuation of the gaming licences acquired as part of Joe's Waterhole acquisition has subsequently been assessed to be higher than provisionally recognised. This has led to an upward revaluation of the licences by \$1.26 million.
- The valuation of the land and buildings acquired as part of the Joe's Waterhole acquisition has subsequently been assessed to be lower than provisionally recognised. This has led to a downward revaluation of the land and buildings by \$0.57 million.
- Restated the comparative information to reflect the finalisation of the provisional accounting for the acquisition accounting of Joe's Waterhole. Refer to Note 27 for further detail.

Accounting policies have been applied consistently to all years presented in the Report, unless otherwise stated.

The Report is a general purpose financial report prepared in accordance with Corporations Act 2001, and Australian Accounting Standards and Interpretations.

### Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Good Drinks Australia Limited at the end of the reporting period. A controlled entity is any entity over which Good Drinks Australia Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the period, the financial performance of those entities are included only for the period that they were controlled. A list of controlled entities is listed below:

- Matso's Broome Brewing Pty Ltd
- Regent Street Hospitality Pty Ltd
- Cliff Street Hospitality Pty Ltd
- Memorial Drive Hospitality Pty Ltd
- Good Drinks Agency Pty Ltd

# Notes to the Financial Statements

for the year ended 30 June 2023

In preparing the consolidated financial statements, all inter-Group balances and transactions between entities in the consolidated Group have been eliminated in full on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

## Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at amortised cost in the Group's financial statements.

## Transactions eliminated on consolidation

Intra-Group balances, and any unrealized gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

## Identifiable intangible assets

Intangible assets acquired separately or in a business combination are initially measured at the lower of cost or fair value cost at the time of acquisition when it is probable that the future economic benefits arising as a result of the costs incurred will flow to the Group. The Group assesses identifiable intangible assets as having either finite or indefinite useful lives.

Intangible assets with finite lives are amortised over the useful life and assessed for impairment at least twice a year or whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at least each financial year end.

Intangible assets with an indefinite life are assessed for impairment at least twice a year or whenever there is an indication that the intangible asset may be impaired and tested for impairment at least once a year.

Changes in the expected useful life or flow of economic benefits intrinsic in the asset are an accounting estimate and are continually assessed by the Group. The amortisation charge on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income.

## Compliance with IFRS

The financial statements of Good Drinks Australis Limited also complies with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

## Historical cost convention

These Financial Statements have been prepared under the historical cost convention.

## Critical Accounting Estimates and Significant Judgements

The preparation of Financial Statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

### i. Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual

# Notes to the Financial Statements

for the year ended 30 June 2023

reporting period but may impact profit or loss and equity. For details of share-based payments made during the year, see Note 19.

ii. **Going concern**

The financial report has been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

iii. **Estimation of useful lives of assets**

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

iv. **Indefinite life intangible assets**

As part of the asset acquisition the Group acquired an intangible asset being the Matso's Brand. Consideration and significant judgement has been applied by the Group in determining that the Matso's brand has an indefinite useful life in accordance with AASB 138 Intangible Assets. The Group will assess the useful life of this asset at least every reporting date or more frequently if events or changes in circumstances indicate a finite useful life.

v. **Provision for impairment of inventories**

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

vi. **Impairment of non-financial assets and other indefinite life intangible assets**

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether indefinite life intangible assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on the higher of value-in-use and fair value less cost of disposal. These calculations require the use of assumptions and judgements (refer to impairment note).

During the year, there were no impairment triggers that would suggest that the carrying value of these assets exceeded its recoverable amount.

vii. **Trade receivables**

The Group has a credit risk concentration in trade receivables with respect to national wholesalers and Endeavour Group, through their purchasing of large quantities of goods. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

The Group has applied the simplified approach to measuring expected credit losses, which uses an expected lifetime expected loss allowance, the Group's expected credit loss assessment as at 30 June 2023 was considered to be immaterial to the balance of Trade and Other Receivables as disclosed in Note 5.

viii. **Lease identification**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the date of inception.



# Notes to the Financial Statements

for the year ended 30 June 2023

The arrangement is assessed to determine whether the fulfilment is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset (or those assets are) not explicitly specific in an arrangement.

## ix. Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration for the acquisition of a business comprises the fair value of the assets transferred and liability assumed by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration agreement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

## x. Intangible Assets - Gaming Licences

Gaming licences are treated as having an indefinite useful life because they are expected to contribute to the net cashflows indefinitely. Therefore gaming licence costs will not be amortised until their useful life is determined to be finite. They would be individually tested for impairment in accordance with AASB 136 annually and whenever there is an indication that any of the gaming licences may be impaired. They are recognised at fair value upon initial recognition (refer note 9) and subsequently at cost.

## b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and members of the Board of Management.

## c) Revenue recognition

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable component, the Group estimates the expected consideration for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

The Group primarily generates revenue from the sale of alcoholic beverages.

Revenue from the sale of these goods is recognised when control over the inventory has transferred to the customer. Control is generally considered to have passed when:

- physical possession and inventory risk is transferred (including via a third-party transport provider);
- payment terms for the sale of goods can be clearly identified through invoices issued to customers; and
- the customer has no practical ability to reject the product where it is within contractually specified limits.

## d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences

# Notes to the Financial Statements

for the year ended 30 June 2023

if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

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

## e) Leases

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.

## f) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## g) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid instruments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

## h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group considers a financial asset in default when contractual payment are > 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the

# Notes to the Financial Statements

for the year ended 30 June 2023

outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

On the above basis, the loss allowance was deemed insignificant for trade receivables.

## **i) Inventories**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials for work-in-progress and finished goods. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. 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.

## **j) Financial assets**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade receivables in the Consolidated Statement of Financial Position (Note 5).

Regular purchases and sales of financial assets are recognised on trade-date, i.e. when committed. Financial assets are de-recognised when the rights to receive the cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Loans and receivables are carried at amortised cost using the effective interest method.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

## **k) Fair value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

## **l) Property, plant and equipment**

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial

# Notes to the Financial Statements

for the year ended 30 June 2023

period in which they are incurred. Depreciation is calculated using both the straight line and reducing balance methods to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Brewery, plant & equipment 3.33% - 30%
- Office equipment 7.50% - 50%
- Motor vehicles 13.64% - 18.75%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Financial Performance.

## m) Intangible assets

### Brand

Brand costs are treated as having an indefinite useful life because they are expected to contribute to the net cashflows indefinitely. Therefore brand costs will not be amortised until their useful life is determined to be finite. They would be individually tested for impairment in accordance with AASB 136 annually and whenever there is an indication that any of the brands may be impaired. They are carried at cost.

### Product Development

Product Development costs are carried at cost less amortisation. Amortisation is calculated on a straight-line basis over the assets estimated useful life of 2 years.

Costs incurred in developing products will contribute to future period revenue generation. Costs capitalised include external direct costs of materials and services.

### Gaming Licences

Gaming licences are treated as having an indefinite useful life because they are expected to contribute to the net cashflows indefinitely. Therefore gaming licence costs will not be amortised until their useful life is determined to be finite. They would be individually tested for impairment in accordance with AASB 136 annually and whenever there is an indication that any of the gaming licences may be impaired. They are recognised at fair value upon initial recognition (refer note 9) and subsequently at cost.

## n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. They are recognised initially at fair value and subsequently at amortised cost.

## o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method.

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

## p) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

# Notes to the Financial Statements

for the year ended 30 June 2023

## q) Employee benefits

### i. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

### ii. Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as 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, experiences of employee departures and periods of service.

### iii. Share-based payments & non-recourse loans

The fair value of options at grant date is determined using a Black-Scholes or Binomial option pricing model that takes into account the exercise price, term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of the options, the balance of the share-based payments reserve relating to those options is transferred to share capital and the proceeds received are credited to share capital.

## r) Contributed equity

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 from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of acquisition as part of the purchase consideration.

## s) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated goods and services tax (GST), unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

## t) Foreign currency

The functional and presentational currency of the Group is the Australian dollar. Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.



# Notes to the Financial Statements

for the year ended 30 June 2023

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## u) Earnings per share

### Basic earnings per share

This is calculated by dividing the profit or loss attributable to equity holders of the Group, 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 year.

## v) Excise Tax

As of the 1 July 2008 the Group has adopted an accounting treatment which accounts for Excise Tax as monies received on behalf of a third party and revenue is presented excluding excise tax. Excise tax collected is accounted for as a current liability until it is paid on a monthly basis.

## w) Provisions

Provisions for legal claims and other obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

## x) Share based payment transactions

### Employees and Directors

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted with the recognition of the expense accounted for over the vesting period. The fair value is determined by an internal valuation using Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted.

Key inputs to the Black Scholes options pricing model include the expected price volatility and risk free interest rate. The expected price volatility is based on the historical volatility adjusted for any expected changes to future volatility due to publicly available information. The risk interest is the risk free rate of securities with comparable terms to maturity.

## y) Government Grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

## z) 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.

### 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

# Notes to the Financial Statements

for the year ended 30 June 2023

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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.

## aa) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration for the acquisition of a business comprises the fair value of the assets transferred and liabilities assumed by the Group. The consideration transferred also includes the fair value of any asset of liability resulting from a contingent consideration agreement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition related costs are expensed as incurred.

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

## cc) New significant estimates and judgements

There are no new significant estimates and judgments relating to transactions and balances during the year ended 30 June 2023. Accordingly, all significant estimates and judgments are consistent with prior year.

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 2 : Revenue and other income

	2023 \$000's	2022 \$000's
Sale of goods*	106,226	70,029
Other	3,621	1,157
Total Revenue	109,846	71,186

### \*Sale of goods

Revenue from the sale of goods is recognised at the point in time when control over the inventory has transferred to the customer and is net of excise and wine equalisation tax.

## Note 3 : Segment disclosures

Reportable segments are identified on the basis of internal reports on the business units of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and assess its performance. These business units offer different products and services and are managed separately.

The Group's reportable segments are as follows:

Core	the manufacturing, marketing and distribution of beer, cider and other beverages
Hospitality	the operating of hospitality venues

The primary reporting measure of the reportable segments is Earnings before interest, tax, depreciation and amortisation (EBITDA), which is consistent with the way management monitor and report the performance of these segments. The financial performance of the Core and Hospitality reportable segments is affected by seasonality whereby earnings are typically greater in key trading periods.

### Intersegment transactions

Intersegment transactions were made at market rates. The hospitality operating segment purchases finished goods from the core manufacturing operating segment. Intersegment transactions are eliminated on consolidation.

### Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that bear or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

### Major customers

Endeavour Group, Liquid Mix (WA) Pty Ltd and Australian Liquor Marketers Pty Ltd are major customers of the group as defined by AASB 8, as revenue from each customer exceeds 10% of total revenue from external sources.

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 3 : Segment disclosures (continued)

2023	CORE \$000's	HOSPITALITY \$000's	CONSOLIDATED \$000's
Revenue from the sale of goods and services	77,546	28,679	106,226
Other revenue	1,910	1,710	3,621
<b>Total revenue</b>	<b>79,457</b>	<b>30,390</b>	<b>109,846</b>
Earnings before interest, tax, dep'n and amort'n	882	6,145	7,027
Depreciation and amortisation			(5,241)
Finance costs			(2,277)
Income tax expense			333
<b>Loss for the period</b>			<b>(157)</b>
Segment assets	123,406	24,753	148,159
Intersegment eliminations	(14,966)	-	(14,966)
Deferred tax assets	454	-	454
<b>Total assets</b>	<b>108,894</b>	<b>24,753</b>	<b>133,647</b>
Segment liabilities	64,855	19,773	84,628
Intersegment eliminations	-	(14,962)	(14,962)
Provision for income tax	(37)	-	(37)
<b>Total liabilities</b>	<b>64,817</b>	<b>4,811</b>	<b>69,628</b>

2022	CORE \$000's	HOSPITALITY \$000's	CONSOLIDATED \$000's
Revenue from the sale of goods and services	57,142	12,888	70,029
Other revenue	920	237	1,157
<b>Total revenue</b>	<b>58,062</b>	<b>13,125</b>	<b>71,186</b>
Earnings before interest, tax, dep'n and amort'n	7,417	1,250	8,667
Depreciation and amortisation			(4,480)
Finance costs			(972)
Income tax expense			(928)
<b>Profit for the period</b>			<b>2,286</b>
Segment assets	121,525	15,102	136,627
Intersegment eliminations	(12,056)	-	(12,056)
Deferred tax assets	163	-	163
<b>Total assets</b>	<b>109,632</b>	<b>15,102</b>	<b>124,735</b>
Segment liabilities	56,591	15,269	71,860
Intersegment eliminations	(12,056)	-	(12,056)
Provision for income tax	881	-	881
<b>Total liabilities</b>	<b>45,415</b>	<b>15,269</b>	<b>60,684</b>

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 4 : Finance Costs

	2023 \$000's	2022 \$000's
Interest expense - leases	(397)	( 299)
Interest expense and other borrowing costs - non leases	(1,879)	(673)
<b>Total Finance Costs</b>	<b>( 2,277)</b>	<b>( 972)</b>

## Note 5 : Current assets - Trade and other receivables

	2023 \$000's	2022 \$000's
<b>Current</b>		
Trade receivables	17,516	16,481
Loss allowance	(13)	-
Prepayments	3,792	3,971
Other receivables	1,841	954
<b>Total current trade and other receivables</b>	<b>23,136</b>	<b>21,406</b>

### (a) Impaired trade receivables

Due to their short-term nature, the fair value of receivables approximates their carrying value. The maximum exposure to credit risk is their carrying value above. The Group only has a credit risk concentration with respect to its major customers. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. See Note 18 for more information on the risk management policy of the Group.

The Group has applied the simplified approach to measuring expected credit losses, which uses an expected lifetime expected loss allowance.

### (b) Interest rate risk

There are no interest-bearing balances in receivables, therefore the Group has no interest rate risk.

### (c) Past due but not impaired

As of 30 June 2023, trade receivables of \$963,281 (2022: \$1,231,833) were past due but not impaired. These relate to a number of unrelated customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2023 \$000's	2022 \$000's
Up to 3 months	491	836
3 to 6 months	473	396
<b>Total past due but not impaired</b>	<b>963</b>	<b>1,232</b>

### (d) Fair value and credit risk

Due to their short-term nature, the fair value of receivables approximates their carrying value. The maximum exposure to credit risk is their carrying value above. The Group only has a credit risk concentration with respect to its major customers. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. See Note 18 for more information on the risk management policy of the Group.



# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 6 : Current assets - Inventories

	2023 \$000's	2022 \$000's
Raw material and stores - at cost	4,199	6,398
Work-in-progress - at cost	193	254
Finished goods - at cost	5,595	4,059
Other	869	823
<b>Total Inventories</b>	<b>10,857</b>	<b>11,534</b>

### Inventory expense

Inventories recognised as an expense (cost of goods sold) during the year ended 30 June 2023 amounted to \$46,545,775 (2022: \$23,585,134). Inventories written off during the year as new product development costs, obsolete stock and operational waste amounted to \$615,633 (2022: \$404,146).

## Note 7 : Leases

	2023 \$000's	2022 \$000's
Amounts recognised in the balance sheet:		
<b>Right of use assets</b>		
Property	20,737	18,787
Motor Vehicles	1,211	1,169
Equipment	253	184
Accumulated amortisation	(5,598)	(3,928)
<b>Total right of use assets</b>	<b>16,603</b>	<b>16,211</b>
<b>Lease liabilities</b>		
Current	1,424	1,351
Non-current	15,957	15,353
<b>Total lease liabilities</b>	<b>17,381</b>	<b>16,704</b>

The Group leases land and buildings for its operations under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity also leases plant and equipment under agreements of between three to seven years.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

For impairment testing, the right-of-use assets have been allocated to the identified cash-generating unit. Refer to note 11 for further information on the impairment testing key assumptions and sensitivity analysis.

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 8 : Non-current assets - Property, plant and equipment

2023	PLANT & EQUIPMENT \$000's	OFFICE EQUIPMENT \$000's	MOTOR VEHICLES \$000's	TOTAL \$000's
Opening net book amount	50,266	446	274	50,985
Additions	3,448	295	53	3,796
Depreciation charge	(3,078)	(261)	(46)	(3,385)
<b>Closing net book amount</b>	<b>50,636</b>	<b>480</b>	<b>280</b>	<b>51,396</b>
<b>At 30 June 2023</b>				
Cost or fair value	70,409	1,773	590	72,772
Accumulated depreciation	(19,773)	(1,293)	(310)	(21,376)
<b>Net book amount</b>	<b>50,636</b>	<b>480</b>	<b>280</b>	<b>51,396</b>

2022 (RESTATED)	PLANT & EQUIPMENT \$000's	OFFICE EQUIPMENT \$000's	MOTOR VEHICLES \$000's	TOTAL \$000's
Opening net book amount	39,504	437	60	40,001
Additions	13,429	170	246	13,845
Depreciation charge	(2,667)	(161)	(33)	(2,861)
<b>Closing net book amount</b>	<b>50,266</b>	<b>446</b>	<b>274</b>	<b>50,985</b>

<b>At 30 June 2022</b>				
Cost or fair value	66,961	1,478	537	68,976
Accumulated depreciation	(16,695)	(1,032)	(264)	(17,991)
<b>Net book amount</b>	<b>50,266</b>	<b>446</b>	<b>274</b>	<b>50,985</b>

30 June 2022 comparatives have been restated - refer to note 27.

### (a) Assets in the course of construction

The carrying value of assets disclosed above include the following expenditure recognised in relation to plant and equipment which is in the course of construction. The balance can be primarily attributed to the construction and development of the Matso's Sunshine Coast (formly known as Joe's Waterhole).

	2023 \$000's	2022 \$000's
Plant and equipment	2,618	675

### (b) Non-current assets pledged as security.

Refer to note 17 for information on non-current assets pledged as security by the Group.

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 9 : Intangible assets

<b>2023</b>	BRANDS \$000's	GAMING LICENSES \$000's	OTHER \$000's	TOTAL \$000's
Cost	15,675	3	786	16,464
Less: Accumulated depreciation	-	-	(717)	(717)
<b>Carrying amount at end of year</b>	<b>15,675</b>	<b>3</b>	<b>70</b>	<b>15,747</b>
Carrying amount at start of year	15,675	2,959	119	18,753
Additions	-	-	55	55
Disposals	-	(2,956)	-	(2,956)
Depreciation charge	-	-	(104)	(104)
<b>Carrying amount at end of year</b>	<b>15,675</b>	<b>3</b>	<b>70</b>	<b>15,747</b>

<b>2022 (RESTATED)</b>	BRANDS \$000's	GAMING LICENSES \$000's	OTHER \$000's	TOTAL \$000's
Cost	15,675	2,959	732	19,365
Less: Accumulated depreciation	-	-	(613)	(613)
<b>Carrying amount at end of year</b>	<b>15,675</b>	<b>2,959</b>	<b>119</b>	<b>18,753</b>
Carrying amount at start of year	15,675	-	113	15,788
Additions	-	2,959	105	3,063
Disposals	-	-	-	-
Depreciation charge	-	-	(98)	(98)
<b>Carrying amount at end of year</b>	<b>15,675</b>	<b>2,959</b>	<b>119</b>	<b>18,753</b>

30 June 2022 comparatives have been restated - refer to note 27.

As part of the Matso's asset acquisition occurring in September 2018, the Group acquired an intangible brand asset, which as at 30 June 2023 is carried at \$15,674,646. The Group has recognised the intangible asset as having an indefinite useful life and accordingly tests the Group's Cash Generating Unit ("CGU") for impairment annually, or more frequently if events or changes in circumstances indicate impairment, as disclosed within the critical accounting judgements, estimates and assumptions note 1.

The recoverable amount of the CGU which was tested for impairment has been assessed using the higher of the fair value less cost to sell and the value in use method.

Value in use has been derived by calculating the discounted value of net cash flows expected to be delivered from the CGU. The fair value less cost to sell has been assessed using a market approach based upon the market capitalisation of the Group as at 30 June 2023 on the Australian Securities Exchange (ASX).

Value in use has been based on a 1 year budget approved by the Board and extrapolated for a further 4 years using a steady growth rate, together with a terminal value.

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 9 : Intangible assets (continued)

	2023	2022
Short term growth rate	10.27%	13.1%
Capital expenditure invested to sustain operational growth	15%	20%
Discount rate	11%	10%

Management have considered and assessed the sensitivities associated with the assumptions and rates used above and note all key assumptions would have to be adversely affected by 12.26% (2022: 13.99%) for the carrying value to exceed the recoverable value or for an impairment to arise.

## Note 10 : Income tax expense

### (a) Income tax expense recognised in the Consolidated Statement of Profit or Loss

	2023 \$000's	2022 \$000's
Current tax	( 333)	928
<b>Income Tax Expense</b>	<b>(333)</b>	<b>928</b>

### (b) Reconciliation between profit before income tax and income tax expense

	2023 \$000's	2022 \$000's
Profit/(Loss) before income tax expense	(490)	3,214
Income tax expense using the Australian corporate tax of 30%	(147)	964
Tax effect of amounts which are not (taxable)/deductible (taxable) in calculating taxable income:		
Non-deductible expenses	127	166
Other	(313)	(112)
<b>Income tax expense</b>	<b>( 333)</b>	<b>1,018</b>

### (c) Deferred tax balances recognised in the Consolidated Balance Sheet

	2023 \$000's	2022 \$000's
Deferred tax assets	454	163
Deferred tax liabilities	-	-
<b>Net deferred tax asset</b>	<b>454</b>	<b>163</b>

### Movement in Deferred tax asset

Deferred tax asset at the start of year	163	496
Deferred Tax Asset @ 30%	6,636	5,910
Deferred Tax Asset in Equity @ 30%	38	84
Deferred Tax Liability @ 30%	(6,220)	(5,831)
<b>Deferred tax asset at the end of year</b>	<b>454</b>	<b>163</b>

Recognition of deferred tax asset - prior year losses	-	-
- current year profit/(loss)	(291)	333
	<b>( 291)</b>	<b>333</b>

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 10 : Income tax expense (continued)

Deferred tax assets and liabilities have previously been brought to account after considering the level of tax losses carried forward and available to the Group against future taxable profits and the probability within the future that taxable profits will be available against which the benefit of the deductible temporary differences can be claimed.

## Note 11 : Liabilities - Trade, other payables, and current tax liabilities

	2023 \$000's	2022 \$000's
<b>Trade and other payables</b>		
<b>Current</b>		
Trade payables	6,874	7,483
Payables for capital purchases	162	139
GST Payable	4,494	1,802
Current tax liability	(37)	881
Other payables (a)	11,249	9,679
<b>Total current payables</b>	<b>22,742</b>	<b>19,984</b>

Current tax liability is excluded from trade & other payables on balance sheet.

### (a) Amounts expected to be settled within one year

Movement in other payables relate primarily to timing of excise tax payments (\$988k) and timing of operational accruals (\$582k).

### (b) Risk exposure

Information about associated liquidity and fair value risk is set out in Note 18.

## Note 12 : Provisions

	2023 \$000's	2022 \$000's
<b>Current</b>		
Provision for annual leave	1,142	1,186
Provision for obsolete stock	(23)	122
<b>Total current provisions</b>	<b>1,118</b>	<b>1,308</b>
<b>Non-Current</b>		
Provision for long service leave	838	706
Provision for parental leave	5	50
<b>Total non-current provisions</b>	<b>843</b>	<b>756</b>
<b>Total provisions</b>	<b>1,962</b>	<b>2,064</b>

### Amounts not expected to be settled within one year

The entire obligation for annual leave is expressed as a current liability as the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave within the next 12 months. The estimated leave that is not expected to be taken in the next twelve months is \$500,000 (2022: \$500,000). This is considered to be immaterial.

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 13 : Earnings Per Share

	2023	RESTATED 2022
Profit/(Loss) for the year attributable to equity holders of the Group used in earning per share (\$000's)	(157)	2,286
Weighted average number of ordinary shares used in earnings per share - Basic and diluted (shares, \$000's)	128,395	128,395
<b>Basic and diluted earnings per share (cents per share)</b>	<b>(0.12)</b>	<b>1.78</b>

30 June 2022 comparatives have been restated - refer to note 27.

The profit/loss used in the calculation of basic and diluted earnings per share equates to the net profit/(loss) in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The weighted average number of ordinary shares used in calculating basic and diluted earnings per share does not include potential ordinary shares such as shares under option.

## Note 14 : Contributed equity

	2023		2022	
	NUMBER	\$000's	NUMBER	\$000's
128,338,226 fully paid ordinary shares (2022: 128,417,656)				
<b>Movement:</b>				
<b>Balance at start of year</b>	<b>128,418</b>	<b>60,373</b>	1,278,168	60,113
<i>Issues of shares during the year</i>				
Ordinary shares issued	-	-	5,000	400
Employee shares issued	-	-	100	-
Shares cancelled	(79)	-	-	-
Share consolidation	-	-	(1,154,850)	-
Current Tax Benefit	-	(61)	-	(140)
<b>Balance at end of year</b>	<b>128,338</b>	<b>60,312</b>	128,418	60,373

### Ordinary shares

Ordinary shares have no par value. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each share is entitled to one vote.

### Share Consolidation

In the prior year, Shareholders voted in favour of a 1-for-10 share consolidation which was completed on 2 December 2021.

### Capital risk management

The Group's objectives when managing capital is to maintain an ability to trade profitably, so that they can provide returns for shareholders and benefits for other stakeholders and to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Group may seek to issue new shares and/or debt. Capital is monitored on its ability to fund the Group's objectives. Capital ratios monitored by management are those reported to the Group's financiers as part of its facility agreements (interest coverage, net tangible assets).



# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 15 : Reserves and accumulated losses

	2023 \$000's	2022 \$000's
<b>(a) Share based payment reserve</b>		
Movements in share based payment reserve were as follows:		
Balance at start of year	3,182	2,715
Share based payment expense	360	467
<b>Balance at end of year</b>	<b>3,542</b>	<b>3,182</b>

The share based payment reserve is used to recognise the fair value of shares issued.

	2023 \$000's	2022 \$000's
<b>(b) Hedge Reserve</b>		
Recognised in accordance with AASB9 - refer note 18	(156)	18

	2023 \$000's	2022 \$000's
<b>(c) Retained Earnings</b>		
Movements in retained earnings were as follows:		
Balance at start of year	479	(1,807)
Net profit/(loss) for the year	(157)	2,286
<b>Balance at end of year</b>	<b>322</b>	<b>479</b>

## Note 16 : Cash and cash equivalents

Reconciliation of profit/(loss) for the year to net cash provided by operating activities

	2023 \$000's	2022 \$000's
<b>Profit/(loss) for the year</b>	<b>(157)</b>	<b>2,286</b>
Adjustments for:		
Depreciation and amortisation	5,241	4,480
Employee share payment expense	360	467
Changes in:		
(Increase) in trade receivables	(1,034)	(2,954)
(Increase) in other receivables	(695)	(905)
(Increase)/decrease in inventories	677	(2,755)
Increase/(decrease) in trade payables	(609)	536
Increase/(decrease) in other provisions	(102)	142
(Increase)/decrease in deferred taxes	(291)	333
Increase/(decrease) in current tax payable	(37)	881
(Decrease) in current tax benefit (equity)	(90)	(140)
Increase in other operating liabilities	3,302	4,478
Increase/(decrease) from effect of AASB16 Leases	(1,384)	247
<b>Net cash provided by operating activities</b>	<b>5,180</b>	<b>7,097</b>

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 17 : Borrowings

	2023 \$000's	2022 \$000's
<b>Current, secured</b>		
Borrowing Base Facility	19,772	11,000
<b>Total current borrowings</b>	<b>19,772</b>	<b>11,000</b>
<b>Non-Current, secured</b>		
Cash Advance Facility	7,771	10,931
<b>Total non-current borrowings</b>	<b>7,771</b>	<b>10,931</b>

- (a) The Group has a borrowing base facility with the following terms:  
 Facility Limits: \$35 million  
 Interest Rate: BBSY +1%  
 Term: Revolving, subject to annual review with the next review being December 2023.
- (b) The Group also has a cash advance facility with the following terms:  
 Facility Limits: \$12.5 million  
 Interest Rate: BBSY +1.55%  
 Term: Up to 5 years, ending June 2025.
- (c) Risk exposure  
 Details of the Groups exposure to risk arising from current and non-current borrowings are set out in note 2. The Group is currently in compliance with all covenants.
- (c) Fair value disclosures  
 The fair value of borrowings for the Group are consistent with their carrying values above due to their short term nature.
- (f) Assets pledged as security  
 The carrying amounts of assets pledged as security for current and non-current borrowings are:

	2023 \$000's	2022 \$000's
<b>Fixed &amp; Floating charges</b>		
Plant and equipment	51,116	50,711
Motor vehicles	280	274
Trade Receivables	17,516	16,481
Inventory	9,988	10,711
<b>Total Fixed &amp; Floating charges</b>	<b>78,899</b>	<b>78,178</b>
<b>Total assets pledged as security</b>	<b>78,899</b>	<b>78,178</b>

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 18 : Financial Risk Management

The Group's activities expose it to a variety of financial risks, market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the management team under policies approved by the Board of Directors. Details of policies for each risk are detailed below.

### Fair Value Measurement

The Carrying Value and Fair Value of financial assets and financial liabilities, both recognised and unrecognised at reporting date, are as follows:

	2023 \$000's FAIR VALUE	2023 \$000's CARRYING VALUE	2022 \$000's FAIR VALUE	2022 \$000's CARRYING VALUE
<b>Financial assets</b>				
Cash and cash equivalents	15,454	15,454	5,683	5,683
Trade and other receivables	23,136	23,136	21,406	21,406
<b>Total financial assets</b>	<b>38,590</b>	<b>38,590</b>	<b>27,089</b>	<b>27,089</b>
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	22,779	22,779	19,984	19,104
Lease Liability	17,381	17,381	16,704	16,704
Borrowings	27,543	27,543	21,931	21,931
<b>Total financial liabilities</b>	<b>67,704</b>	<b>67,704</b>	<b>58,619</b>	<b>57,739</b>

### (a) Market risk

#### (i) Foreign exchange risk

The Group 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.

In order to protect against exchange rate movements, the Group has entered into forward foreign exchange contracts. Management has a risk management policy to hedge approx. 80% of anticipated foreign currency transactions for the subsequent 18 months.

BUY US DOLLARS	AUD	USD	AVG RATE	THROUGH TO
Hedge 1	784,683	500,000	0.637	31 Dec 2023
Hedge 2	607,756	400,000	0.656	30 Jun 2024

#### (ii) Interest rate risk

The Group's interest-bearing assets are at floating interest rates, thereby exposing the Group to cash flow interest-rate risk through changes in market interest rates. The Group policy is to accept this risk by linking in deposit terms with funding requirements and market interest rates available for different terms.

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 18 : Financial Risk Management (continued)

As at 30 June 2023, if interest rates had changed by 100 basis points (based on indicative forward cash rates) from the year-end rates and all other variables held constant, the loss for the year would have been \$82,062 higher/lower (2022: \$42,460 higher/lower) from interest income on cash and cash equivalents, based upon the average cash on hand balance of \$8,206,183 (2022: \$4,245,962).

All of the Group's long term borrowings are at a fixed interest rate and as such there is no risk to the Group's interest payments and operational cash flows arising from those liabilities.

As at 30 June 2023, if interest rates had changed by 100 basis points (based on indicative forward cash rates) from the year-end rates and all other variables held constant, the loss for the year would have been \$303,456 higher/lower (2022: \$177,782) from interest expense on borrowings, based upon the average loan balance of \$30,345,606 (2022: \$17,778,182).

### (b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities or Shareholder support. The Group has a committed cash advance facility of \$12.5m with the Commonwealth Bank of Australia which is drawn to \$7.8m at 30 June 2023. Furthermore, the Group has a \$35m revolving credit facility with Commonwealth Bank of Australia which is drawn to \$19.8m at 30 June 2023. The Group has relied on equity raising and prudent management to manage this risk.

2023	< 1 YEAR	1 - 2 YEARS	2 - 5 YEARS	TOTAL CASH FLOWS	CARRYING VALUE
Trade payables	6,874	-	-	6,874	6,874
Other payables	11,374	-	-	11,374	11,374
Lease Liability	1,424	1,424	14,534	17,381	17,381
Borrowings	21,244	-	7,771	29,016	27,543
Total Payable	40,916	1,424	22,305	64,645	63,172

2022	< 1 YEAR	1 - 2 YEARS	2 - 5 YEARS	TOTAL CASH FLOWS	CARRYING VALUE
Trade payables	7,483	-	-	7,483	7,483
Other payables	10,699	-	-	10,699	10,699
Lease Liability	1,351	1,249	14,104	16,704	16,704
Borrowings	11,543	-	10,931	22,474	21,931
Total Payable	31,076	1,249	25,035	57,361	56,818

### (c) Credit risk

Credit risk arises in relation to cash and cash equivalents and deposits with financial institutions (Credit Rating: AA-). Cash transactions are limited to high credit quality financial institutions.

Credit risk also arises in relation to trade receivables. The Group only has a credit risk concentration in trade receivables with respect to national wholesalers and Endeavour Group, through their purchasing of large quantities of goods. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Refer to Note 8 for the Group's assessment of past due trade receivables. The maximum exposure to credit risk is the carrying amount of the financial assets as disclosed above.

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 19 : Share-based payments

### (a) Executive and Employee Share Plan

Shares issued pursuant to this Plan (Incentive Shares) are for services rendered by eligible employees and Directors to date and going forward, for services rendered by existing and any new eligible employees and Directors who are appointed in the future. The Group feels that incentive shares are effective consideration to eligible employees and Directors for their ongoing commitment and contribution to the Group. Where the Group offers to issue Incentive Shares to a Director, the Group may offer to provide the Director a limited recourse, interest free loan to be used for the purposes of subscribing for the Incentive Shares in the Group (refer Note 1: Significant Estimates and Judgements).

	GRANT DATE	LOAN EXPIRY	ISSUE PRICE	BALANCE AT START OF THE YEAR 000's	GRANTED DURING THE YEAR 000's	FORFEITED DURING THE YEAR 000's	BALANCE AT END OF THE YEAR 000's	VESTED AT END OF THE YEAR 000's
Employees	6-Oct-15	5-Oct-29	0.630	2,840	-	-	2,840	2,840
Employees	30-Sep-16	29-Sep-30	0.500	11,811	-	-	11,811	11,811
Employees	30-Aug-17	29-Aug-24	0.500	117	-	-	117	94
Employees	23-Apr-18	22-Apr-25	0.720	299	-	-	299	179
Employees	1-Mar-19	28-Feb-26	1.050	470	-	-	470	282
Employees	14-Jul-20	13-Jul-27	0.520	2,925	-	-	2,925	-
Non-Executive Director	19-Nov-20	29-Nov-27	0.630	300	-	-	300	-
Employees	30-Nov-20	29-Nov-27	0.630	1,866	-	-	1,866	-
Employees	3-May-21	5-May-28	0.900	1,690	-	-	1,690	-
Employees	21-Dec-21	20-Dec-28	0.930	100	-	-	100	-
<b>Total</b>				<b>22,418</b>	<b>-</b>	<b>-</b>	<b>22,418</b>	<b>15,206</b>

The following conditions apply to all of the shares issued:

- Tenure condition for 60%: remains eligible employee for 36 months after date of issue
- Tenure condition for further 20%: remains eligible employee for 48 months
- Tenure condition for the remaining 20% : remains eligible employee for 60 months
- The Earnings Condition will be satisfied for each year tranche if at least 95% of the current internal board approved expected earnings before interest tax depreciation and amortisation (EBITDA) for that year is achieved.
- Share Value Condition: Provided the Tenure Condition has been satisfied but the Earnings Condition has not been satisfied with regards to a particular tranche, if at any time after that year and during the term of the loan the 30-day ordinary share volume weighted average price (VWAP) provides an internal rate of return of at least 32% when compared to the issue price and date at which the shares were issued in accordance with the most recent entitlements issue offer to Shareholders, all restriction conditions with regards to that particular tranche will be immediately waived, or
- Take Over Provision: Where a takeover bid for the Group's issued shares is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Group's issued shares, all restriction conditions applying to any Shares will be immediately waived, or
- Compromise or Arrangement: Where a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Group or its amalgamation with any other Group, all restriction conditions applying to any Shares will be immediately waived, or

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 19 : Share-based payments (continued)

- Death and Permanent Disability: Where an Eligible Employee dies or as a result of a total and permanent disability fails to meet any Tenure Condition with regards to a particular tranche, the loan will remain in place and at any time during the term of the loan the 30-day ordinary share volume weighted average price (VWAP) provides an internal rate of return of at least 32% when compared to the issue price and date at which the shares were issued in accordance with the most recent entitlements issue offer to Shareholders, all restriction conditions with regards to that particular tranche will be immediately waived, or
- Good Leaver Exceptions: The approved Executive & Employee Share Plan provides the Board discretion to waive restriction conditions in certain circumstances.
- Subject to the terms and conditions of the Employee and Executive Share Plan as approved by shareholders on 19 November 2020.

The loans are non-recourse except against the Shares held by the participant to which the Loan  
The fair value at grant date was calculated using the Black Scholes pricing model that took into account the term, the underlying value of the shares, the exercise price, the expected dividend yield, the impact of dilution and the risk-free interest rate.

### (b) Modification of share-based payment arrangements

In November 2022, the Group extended loans attaching to the incentive shares granted in October 2015 and September 2016 by 7 years respectively. The fair value of the options at the date of the modification was determined to be \$0.6818. The incremental fair value of \$0.01 has been fully expensed during the period.

Summary of terms and model inputs:

	29 NOVEMBER 2022
<b>Key Terms</b>	
Amount of shares issued	6,116,877
Term of Loan	7 years
Loan Expiry	29/09/2030
<b>Black Scholes Model Inputs</b>	
Exercise Price	\$0.050
Market Price of Shares	\$0.720
Expected Volatility	40%
Risk-Free rate	3.350%
Time to Maturity	5 years
Dividend yield	0%
Fair Value per share	\$0.6818
Total Fair Value	\$108,088



# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 19 : Share-based payments (continued)

The key terms of the loans are as follows:

- the repayment term of each loan shall be seven (7) years. The loan must be repaid in full by the expiry of the repayment term, with the option to elect to repay the loan at any time prior to the repayments date;
- the loan shall be interest free;
- the loan shall be applied by the Company directly toward payment of the issue price of the Shares in respect of which the loan was provided;
- the Company shall have a lien over the Shares in respect of which a loan is outstanding and the Company shall be entitled to sell those Shares in accordance with the terms of the Plan if the loan is not repaid when due; and
- the loan is non-recourse except against the Shares held by that person to which the loan relates.

As these are limited recourse loans, if there was a default by a Director, the sole recourse of the Company will be the relevant Incentive Shares. If a Director ceases to be a Director during the term of the loan, the Board may apply discretion to allow the Director to continue to hold the Incentive Shares for the remainder of the loan term.

The value of the instruments has been expensed to remuneration on a proportionate basis for each financial year from grant date to vesting date. The proportion of the value of the instrument which was expensed to remuneration and accounted for in the share option reserve was \$360k for the year ended 30 June 2023.

	2023 \$000's	2022 \$000's
<b>(b) Expenses arising from Share-based payments</b>		
Employee and Executive Share Plan shares	360	467
<b>Total share-based payments</b>	<b>360</b>	<b>467</b>

## Note 20 : Related party transactions

### (a) Key Management Personnel

Key Management Personnel as defined by AASB 124 Related Party Transactions are listed as follows:

#### (i) Executive Officers

Marcel Brandenburg Chief Financial Officer and Company Secretary

#### (ii) Executive Directors

John Hoedemaker Managing Director  
Aaron Heary Director of Strategy, Brand and Hospitality

#### (iii) Non-Executive Directors

Ian Olson Chairman  
Robert Gould  
Graeme Wood

Directors have been in office from the start of the financial year to the date of this report unless otherwise stated. No other employee had authority or responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly, during the financial year.

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 20 : Related party transactions (continued)

	2023 \$000's	2022 \$000's
<i>Key Management Personnel compensation</i>		
Short-term employment benefits		
- Executives & Executive Directors	1,163	1,083
- Non-Executive Directors	310	342
Long-term employment benefits		
- Executives & Executive Directors	-	-
Post-employment benefits	133	135
Share-based payments	127	23
<b>Total key management personnel compensation</b>	<b>1,733</b>	<b>1,584</b>

### (b) Loans to key management personnel

Details of loans made to directors of the Group and other Key Management Personnel, including their personally related parties are set out below.

Key Management Personnel with loans during the financial year:

	BALANCE AT START OF THE YEAR	LOANS PROVIDED DURING THE YEAR	LOANS PAID BY THE EMPLOYEE	PAID AND PAYABLE FOR THE YEAR	INTEREST NOT CHARGED	BALANCE AT END OF THE YEAR
<b>2023</b>						
<b>Directors</b>						
Ian Olson	612,986	-	-	-	-	612,986
John Hoedemaker	1,904,466	-	-	-	-	1,904,466
Robert Gould	612,986	-	-	-	-	612,986
Graeme Wood	189,000	-	-	-	-	189,000
Aaron Heary	1,780,466	-	-	-	-	1,780,466
<b>Executive</b>						
Marcel Brandenburg	558,493	-	-	-	-	558,493
<b>Total</b>	<b>5,658,397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,658,397</b>

All loans to key management personnel are under the terms and conditions as set out in remuneration report relating to the incentive share plan.

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 21 : Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Group, its related practices and non-related audit firms:

	2023 \$000's	2022 \$000's
<b>Audit Services</b>		
Audit and review of financial report		
BDO Audit (WA) Pty Ltd	141	110
<b>Non-audit services</b>		
BDO Advisory (WA) Pty Ltd	28	12
<b>Total remuneration of auditors</b>	<b>169</b>	<b>122</b>

## Note 22 : Commitments

	2023 \$000's	2022 \$000's
<b>(a) Commitments</b>		
The Group has the following commitments:		
Within one year	23,370	23,329
Later than one year but not later than five years	61,491	95,841
<b>Total commitments</b>	<b>84,861</b>	<b>119,170</b>

These commitments relate to the purchase of products from distribution partners as part of distribution agreements.

## Note 23 : Events occurring after the reporting date

No further matter or circumstance has arise since 30 June 2023, which has significantly affected, or may significantly affect, the operations of the Group, the result of those operations or the state of affairs of the Group in subsequent financial years.

## Note 24 : Contingencies and Guarantees

### (a) Contingent assets or liabilities

The Group had no other contingent assets or liabilities as at 30 June 2023 or 2022.

### (b) Guarantees

The Group has the following bank guarantees as at 30 June 2023 in respect to its leased commercial properties:

	2023 \$000's	2022 \$000's
Brewery - 14 Absolon Street, Palmyra 6057	193	193
Warehousing facility	148	148
Redfern Brewery Property	100	100
<b>Total guarantees</b>	<b>441</b>	<b>441</b>

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 25 : Parent Entity Financial Information

The financial information for Good Drinks Australia Limited has been extracted from the books and records of the parent and has been prepared on the same basis as the consolidated financial statements except as described below:

### Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of the parent entity.

### Tax consolidation legislation

Good Drinks Australia Ltd and its wholly owned Australian subsidiary, Matsos Broome Brewing Pty Ltd, have formed an income tax consolidated Group.

For additional information, please refer to the Income Tax Expense details set out in note 10.

### Guarantees entered into by the parent entity

Good Drinks Australia Limited has provided bank guarantees of \$441,430 (2022: \$441,430). Please refer to note 24 (b) for additional information on Group guarantees.

### Contingent liabilities of the parent entity

Good Drinks Australia Limited did not have any contingent liabilities as at 30 June 2023. Please refer to note 24 (a) for details of Group contingencies.

The individual statements for the parent entity show the following aggregate amounts:

	2023 \$000's	2022 \$000's
<b>Balance Sheet</b>		
Current assets	44,951	34,925
Non-current assets	78,909	86,245
<b>Total assets</b>	<b>123,860</b>	<b>121,171</b>
Current Liabilities	42,118	31,187
Non-current liabilities	15,301	26,233
<b>Total liabilities</b>	<b>57,420</b>	<b>57,420</b>
<b>Net assets</b>	<b>62,983</b>	<b>64,052</b>
Contributed equity	60,312	60,373
Hedge reserve	(156)	18
Share options reserve	3,542	3,182
Retained earnings	322	479
<b>Total Shareholders Equity</b>	<b>64,019</b>	<b>64,052</b>
<b>Profit/(Loss) for the year</b>	<b>(157)</b>	<b>2,286</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>(332)</b>	<b>2,705</b>

# Notes to the Financial Statements

for the financial year ended 30 June 2023

## Note 26 : Interest in subsidiaries

### (a) Parent and ultimate controlling entity

The parent and ultimate controlling entity is Good Drinks Australia Limited, incorporated in Australia.

### (b) Controlled entities

The investments in subsidiaries are accounted for at cost in the financial statements of the parent entity.

Subsidiary	Country of Incorporation	HOLDING %	HOLDING %
		2023	2022
Matso's Broome Brewing Pty Ltd	Australia	100	100
Regent Street Hospitality Pty Ltd	Australia	100	100
Cliff Street Hospitality Pty Ltd	Australia	100	100
Memorial Drive Hospitality Pty Ltd	Australia	100	100
Good Drinks Agency Pty Ltd	Australia	100	100

## Note 27 : Business Combination

### Acquisition of Joe's Waterhole

On 15th November 2021, Memorial Drive Hospitality Pty Ltd completed the acquisition of Joe's Waterhole for a total consideration of \$5.1 million (excluding \$0.3 million in transaction costs). The purpose of the acquisition was to add a strategically located venue to the Group's hospitality portfolio with a view to developing it into a branded Matso's experience. The amounts recognised in respect of the fair value for the assets and liabilities acquired are set out below:

	PROVISIONAL \$000's	ADJUSTMENT \$000's	FINAL \$000's
Land and Buildings	3,300	( 570)	2,730
Gaming Licences	1,700	1,256	2,956
Cash & Inventory	102	-	102
<b>Fair Value of assets acquired</b>	<b>5,102</b>	<b>686</b>	<b>5,788</b>
Gain on acquisition	-	686	686
Consideration	5,102	-	5,102
<b>Earnings per share</b>			
Basic (cents)	1.55	0.23	1.78
Diluted (cents)	1.55	0.23	1.78

The fair value of the assets are finalised. The adjustment between the provisional fair value of the assets presented at 30 June 2022 and the final fair value of the assets at 30 June 2023, relate to the land and building asset and gaming licences acquired. On reassessment the fair value of those assets has been determined to be \$5.79 million. As a result, the acquisition of Joe's Waterhole resulted in a gain on acquisition.

# Independent Auditor's Report



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## INDEPENDENT AUDITOR'S REPORT

To the members of Good Drinks Australia Limited.

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Good Drinks Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) 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 ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

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

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

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

#### Key audit matters

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

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



# Independent Auditor's Report



## Carrying Value of Intangible Assets

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Note 9 of the financial report discloses the individual intangible assets and the assumptions used by the Group in testing these assets for impairment.</p> <p>As required by Australian Accounting Standards, the Group performs an annual impairment test for its cash generating unit (“CGU”) to which indefinite life intangible assets have been allocated to determine whether the recoverable amount is below the carrying amount at the reporting date.</p> <p>This was determined to be a key audit matter as management’s assessment of the recoverable value of intangible assets requires the use of estimates and judgements.</p> <p>These include estimates and judgements regarding CGU determination, the expectation of possible future revenues, growth rates and the associated discount rate applied as disclosed in Note 1 and Note 11 to the financial report</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the CGU identified and the allocable assets and liabilities;</li> <li>• Evaluating forecast cash flows by assessing the accuracy of historic forecasts against actual results;</li> <li>• Challenging key inputs used in management’s impairment assessment including the following:               <ul style="list-style-type: none"> <li>○ Assessing the discount rate used by management for reasonableness;</li> <li>○ Comparing the future growth rate with economic and industry forecasts;</li> <li>○ Assessing the Group’s forecast cash flows is consistent with our knowledge of the business and board approved budgets;</li> <li>○ Performing sensitivity analysis over revenue, growth rates, profit measures, discount rates; and</li> <li>○ Assessing the reasonableness of management’s value in use model by comparing the recoverable value to the market capitalisation of the group.</li> </ul> </li> <li>• Assessing the adequacy of the related disclosures in Note 1 and Note 9 of the financial report.</li> </ul>

# Independent Auditor's Report



## Revenue Recognition

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Revenue is disclosed in Note 2 of the financial report and Note 1 of the financial report for the accounting policy.</p> <p>Revenue is generated from multiple streams and across different geographic locations.</p> <p>Revenue has been identified as a key audit matter due to its financial significance to the performance of the Group and due to the volume of transactions during the year.</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"><li>• Assessing the Group's accounting policy for revenue to assess it has been correctly recorded in accordance with the Australian Accounting Standards;</li><li>• Performing analytical procedures to understand movements and trends in revenue against expectations;</li><li>• Testing a sample of transactions to supporting information to confirm the existence and accuracy of the revenue recognised and to confirming whether the transactions were recorded in the correct period;</li><li>• Assessing credit notes issued subsequent to the reporting period and performing cut-off testing to evaluate revenue transactions have been recorded in the correct reporting period; and</li><li>• Assessing the adequacy of the related disclosures in the financial report.</li></ul>

# Independent Auditor's Report



## Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

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

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

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

## 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 has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

# Independent Auditor's Report



## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 18 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Good Drinks Australia, 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.

BDO Audit (WA) Pty Ltd

BDO  


Phillip Murdoch

Director

Perth

31 August 2023

## Additional ASX Information

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in the annual report is as follows. This information is as at 30 August 2023.

### Substantial Shareholders (holding more than 5%)

SHAREHOLDER	FULLY PAID ORDINARY SHARES	
	ORDINARY SHARES	PERCENTAGE
Citicorp Nominees Pty Limited	22,882,529	17.83%
Hsbc Custody Nominees (Australia) Limited	15,604,021	12.16%
J P Morgan Nominees Australia Pty Limited	10,002,667	7.79%

### Top 20 Shareholders

SHAREHOLDER	FULLY PAID ORDINARY SHARES	
	ORDINARY SHARES	PERCENTAGE
Citicorp Nominees Pty Limited	22,882,529	17.83%
Hsbc Custody Nominees (Australia) Limited	15,604,021	12.16%
J P Morgan Nominees Australia Pty Limited	10,002,667	7.79%
Mr Shimin Song	5,188,142	4.04%
Smooth Seas Pty Ltd	4,825,400	3.76%
Nice Day For A Walk Pty Ltd	3,068,784	2.39%
Broadgate Investments Pty Ltd	2,762,337	2.15%
Nice Day For A Walk Pty Ltd	2,121,792	1.65%
El-Raghy Kriewaldt Pty Ltd	2,000,000	1.56%
Robert Gould	1,229,826	0.96%
Jennifer Madeline Olson	1,225,973	0.96%
Ms Linda Suzanne Hoedemaker	1,200,000	0.94%
Giromol Pty Ltd	1,083,853	0.84%
Mr Matthew Lloyd Morisey	1,012,986	0.79%
Mr Marcel Brandenburg	1,012,986	0.79%
Mintox Investments Pty Ltd	880,000	0.69%
Surplus Pty Ltd	803,853	0.63%
Mr Richard Spicer	800,000	0.62%
Mr Lee Behan	800,000	0.62%
Mr John-Paul Murphy	800,000	0.62%
	79,305,149	61.79%

### Distribution of Holders of Ordinary Fully Paid Shares

RANGE	TOTAL HOLDERS	UNITS	PERCENTAGE
1-1,000	1,168	729,260	0.57%
1,001-5,000	1,711	4,182,971	3.26%
5,001-10,000	526	3,999,767	3.12%
10,001-100,000	699	21,198,015	16.52%
100,001 and above	102	98,228,313	76.54%
Total	4,206	128,338,326	100.00%

Number of holders with an unmarketable holding: 635, with total 255,875, amounting to 0.2% of Issued Capital

### Voting rights

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each share is entitled to one vote. Options have no voting rights.

### Shares and Options subject to escrow

As at 29 August 2023 there are nil ordinary shares and options held in escrow.