



***East 33 Ltd***

***ABN 70 636 173 281***

*Registered office: 12 Point Road, Tuncurry, NSW, 2428*

28 August 2024

*Results for announcement to the market*

# Preliminary Report of East 33 Limited for the year ended 30 June 2024

ABN 70 636 173 281

*This Preliminary Final report is provided to the Australian Securities Exchange (ASX) under Listing Rule 4.3A.*

Current Reporting Period: Year ended 30 June 2024

Previous Corresponding Period: Year ended 30 June 2023

This report should be read in conjunction with the interim financial statements.



## *East 33 Ltd*

*ABN 70 636 173 281*

*Registered office: 12 Point Road, Tuncurry, NSW, 2428*

### **East 33 Limited**

For the Year Ended 30 June 2024

#### **Revenue and Net Profit/(Loss)**

		<b>Percentage Change %</b>		<b>Amount \$</b>
Revenue from ordinary activities	Down	6%	to	23,140,180
Profit/(loss) from ordinary activities after tax attributable to members	Down	27%	to	(11,645,530)
Net profit/(loss) attributable to members	Down	27%	to	(11,645,530)

### **COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION**

Commentary on the results and review of operations will be sent as part of the audited financial statements for the year ended 30 June 2024.

#### **1. Details Relating to Dividends (Distributions)**

ASX  
Append  
4E.14.2

The company did not declare a dividend during the financial period and has not declared a dividend since the end of the financial period.

Source  
Reference

## 2. Earnings Per Share

ASX  
Append  
4E.14.1

	2024 \$ per share	2023 \$ per share
Basic earnings/(loss) per share (EPS)	(0.020)	(0.020)
Diluted earnings/(loss) per share (EPS)	(0.020)	(0.020)

### Basic Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2024 \$	2023 \$
Earnings (a)	(11,645,530)	(9,198,659)

	2024 Number	2023 Number
Weighted average number of ordinary shares	571,996,323	449,634,289
Weighted average number of dilutive ordinary shares	571,996,323	449,634,289

Source  
Reference

ASX Append  
4E.9

## 3. Net Tangible Assets and Net Assets Per Security

	2024 \$ per share	2023 \$ per share
Net tangible asset surplus/(deficit) per security	0.006	0.008
Net asset surplus/(deficit) per security	0.03	0.06

**4. Details of Entities Over which Control Has Been Gained or Lost**

N/A

**5. Segment Information**

ASX Append  
4E.14.4

Refer to Note 3 of the interim financial statements attached

**6. Discontinuing Operations**

N/A

**7. Other Significant Information**

ASX Append  
4E.12

N/A

**8. Information on Audit or Review**

ASX Append  
4E.15

This preliminary final report is based on accounts to which one of the following applies.

	The accounts have been audited	The accounts have been subject to review
X	The accounts are in the process of being audited or subject to review	The accounts have not yet been audited or reviewed

ASX Append  
4E.16

Description of likely dispute or qualification if the accounts have not yet been audited or subjected to review or are in the process of being audited or subjected to review.

None

ASX Append  
4E.17

Description of dispute or qualification if the accounts have been audited or subjected to review.

N/A



## **East 33 Limited**

**ABN 70 636 173 281**

**Unaudited Financial Statements - 30 June 2024**

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## Corporate Directory

<b>Directors</b>	Hon. Sarah Courtney (Non-Executive Chair) Michael Ryan (Non-Executive Director) Gary Higgins (Non-Executive Director) Ben Cameron (Non-Executive Director) Veronica Papacosta (Non-Executive Director)
<b>Chief Executive Officer</b>	Dr Justin Welsh
<b>Company Secretary</b>	Mathew Watkins
<b>Notice of annual general meeting</b>	The Company proposes to hold its Annual General Meeting of shareholders on 21 November 2024, however this is to be confirmed.
<b>Registered office</b>	12 Point Road Tuncurry, NSW 2428 Ph: +61 2 8001 6310
<b>Principal place of business</b>	12 Point Road Tuncurry NSW 2428
<b>Auditor</b>	HLB Mann Judd Level 4, 130 Stirling Street Perth WA 6000
<b>Solicitors</b>	Thomson Geer Law Level 28, Waterfront Place 1 Eagle Street Brisbane QLD 4000
<b>Bankers</b>	NAB Level 3, 2 Carrington Street Sydney NSW 2000
<b>Share registry</b>	Link Market Services Ltd Level 12, 680 George Street, Sydney NSW 2000 Ph: 1300 554 474
<b>Stock exchange listing</b>	East 33 Limited shares are listed on the Australian Securities Exchange (ASX code: E33)
<b>Website</b>	<a href="https://east33.sydney">https://east33.sydney</a>
<b>Corporate Governance Statement</b>	<a href="https://east33.sydney/asx-info/">https://east33.sydney/asx-info/</a>

**East 33 Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024**

## Statement of profit or loss and other comprehensive income

	Note	Consolidated	
		2024	2023
		\$'000	\$'000
Revenue	4	23,140	24,621
Cost of sales	6	(15,309)	(17,344)
Gross profit		<u>7,831</u>	<u>7,277</u>
Biological assets change in fair value	11	2,104	3,403
Other income	5	186	173
Expenses			
Employee benefits expense		(9,131)	(11,588)
Marketing expense		(62)	(169)
Occupancy expenses		(466)	(511)
Legal costs		(197)	(125)
Share-based payments	34	(121)	-
Administration expenses	6	(1,742)	(1,578)
Total operation expenses		<u>(11,719)</u>	<u>(13,971)</u>
Fair value loss of financial assets and liabilities	19	(254)	(270)
Earnings before interest, tax, depreciation, amortisation and impairment		<u>(1,852)</u>	<u>(3,388)</u>
Depreciation, amortisation and impairment expense	6	(8,301)	(4,924)
Finance costs	6	<u>(1,531)</u>	<u>(885)</u>
Loss before income tax expense		(11,684)	(9,197)
Income tax benefit / (expense)	7	<u>38</u>	<u>(1)</u>
Loss after income tax expense for the year		(11,646)	(9,198)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(11,646)</u>	<u>(9,198)</u>
		<b>\$</b>	<b>\$</b>
Basic loss per share	33	(0.020)	(0.021)
Diluted loss per share	33	(0.020)	(0.021)

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



**East 33 Limited**  
**Statement of financial position**  
**As at 30 June 2024**

## Statement of financial position

	Note	Consolidated 2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	1,592	893
Trade and other receivables	9	1,452	1,557
Biological assets	11	4,396	3,099
Inventories	10	165	265
Total current assets		<u>7,605</u>	<u>5,814</u>
<b>Non-current assets</b>			
Biological assets	11	3,191	2,198
Property, plant and equipment	12	9,639	10,288
Right-of-use assets	13	2,007	1,591
Intangible assets	14	19,943	27,003
Deferred tax assets	7	2,303	1,671
Total non-current assets		<u>37,083</u>	<u>42,751</u>
<b>Total assets</b>		<b><u>44,688</u></b>	<b><u>48,565</u></b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	1,883	1,760
Other liabilities	20	400	400
Deferred acquisition consideration	16	131	1,179
Borrowings	17	929	4,309
Financial liabilities at fair value	19	-	5,930
Lease liabilities	18	281	186
Total current liabilities		<u>3,624</u>	<u>13,764</u>
<b>Non-current liabilities</b>			
Lease liabilities	18	1,879	1,532
Deferred tax liability	7	2,235	1,603
Deferred acquisition consideration	16	-	100
Borrowings	17	11,967	100
Financial liabilities at fair value	19	90	-
Other liabilities	20	-	400
Total non-current liabilities		<u>16,171</u>	<u>3,735</u>
<b>Total liabilities</b>		<b><u>19,795</u></b>	<b><u>17,499</u></b>
<b>Net assets</b>		<b><u>24,893</u></b>	<b><u>31,066</u></b>
<b>Equity</b>			
Issued capital	21	61,995	56,643
Reserves	34	121	-
Accumulated losses		<u>(37,223)</u>	<u>(25,577)</u>
<b>Total equity</b>		<b><u>24,893</u></b>	<b><u>31,066</u></b>

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

## Statement of changes in equity

	Issued capital \$'000	Accumulated losses \$'000	Share-based payment reserves	Total equity \$'000
<b>Consolidated</b>				
Balance at 1 July 2022	49,283	(16,410)	31	32,904
Loss after income tax expense for the year	-	(9,198)	-	(9,198)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	(9,198)	-	(9,198)
<i>Transactions with owners in the capacity as owners:</i>				
Equity issued during the year net of share issue costs	7,360	-	-	7,360
Performance rights forfeited	-	31	(31)	-
<b>Balance at 30 June 2023</b>	<b>56,643</b>	<b>(25,577)</b>	<b>-</b>	<b>31,066</b>
	Issued capital \$'000	Accumulated losses \$'000	Share-based payment reserves	Total equity \$'000
<b>Consolidated</b>				
Balance at 1 July 2023	56,643	(25,577)	-	31,066
Loss after income tax expense for the year	-	(11,646)	-	(11,646)
Total comprehensive loss for the year	-	(11,646)	-	(11,646)
<i>Transactions with owners in the capacity as owners:</i>				
Equity issued during the year net of share issue costs	5,352	-	-	5,352
Share based Payments	-	-	121	121
<b>Balance at 30 June 2024</b>	<b>61,995</b>	<b>(37,223)</b>	<b>121</b>	<b>24,893</b>

## Statement of cash flows

	<b>Note</b>	<b>Consolidated 2024 \$'000</b>	<b>2023 \$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		23,260	24,759
Payment of legal settlement	20	(400)	(400)
Payments to suppliers and employees		(26,709)	(27,882)
Income taxes paid		-	(32)
Interest paid on borrowings		(318)	(673)
Net cash used in operating activities	32	(4,167)	(4,228)
<b>Cash flows from investing activities</b>			
Payment for purchase of businesses, net of cash acquired	31	(30)	-
Payment for vendor finance	31	(1,119)	(666)
Sale of property plant and equipment		20	880
Payments for property, plant and equipment	12	(449)	(243)
Payments for intangible assets		-	(225)
Proceeds from sale of business		-	75
Net cash used in investing activities		(1,578)	(179)
<b>Cash flows from financing activities</b>			
Proceeds from share capital raised	21	-	7,967
Net proceeds from borrowings	17	23,221	224
Repayment of borrowings	17	(10,314)	(5,305)
Repayment of Class A RCPS	19	(6,000)	-
Debt/capital raising transaction costs	21	(227)	(607)
Repayment of lease liabilities	18	(236)	(387)
Net cash provided by financing activities		6,444	1,892
Net increase/(decrease) in cash and cash equivalents		699	(2,515)
Cash and cash equivalents at the beginning of the financial year		893	3,408
Cash and cash equivalents at the end of the financial year	8	1,592	893

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

## Notes to the Financial Statements

### **Note 1. Material accounting policy information**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of preparation**

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

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 31.

#### **Going concern**

The Group incurred an operating loss of \$11.6 million (2023: \$9.2 million) for the year ended 30 June 2024, has a net cash outflow from operating activities amounting to \$4.2 million (2023: \$4.2 million), and has a working capital surplus of \$3.9 million (2023: \$7.9 million deficit). Notwithstanding the above, the Directors are of the opinion that the Group is a going concern because:

- They have reasonable grounds to expect that the Group will generate future cash flow from operations as a result of implementing initiatives identified in the strategic review, along with an ability to adjust operating expenses.
- The Group has reduced payroll costs and other operating costs and increased its sale prices of oysters to enable it to improve operational cash flows.
- On 23 April 2024 East 33 shareholders approved a recapitalisation transaction, which saw the conversion of \$5m of the Yumbah Facility convertible note option into equity, the provision of a further \$4.5m in working capital funding and the repayment of the short-term loans (refer to note 17).

Should a combination of cash flow generation and cost saving initiatives be unable to be realised, or if the funding from Yumbah Finance is insufficient, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and therefore whether it will be able to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

## **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of East 33 Limited ('the Company' or 'the parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. East 33 Limited and its subsidiaries together are referred to in these financial statements as 'the Group'.

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

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

## **Functional and presentation currency**

The financial statements are presented in Australian dollars, which is East 33 Limited's functional and presentation currency.

## **Revenue recognition**

Revenue is recognised at a "point in time" being the delivery of oysters and seafood to customer or alternatively when the goods are collected by customer.

Revenue from restaurant sales is generated through dine-in or alternatively collection by customer, being 'point in time' when the performance obligation is satisfied.

Revenue arises mainly from the sale of oysters and seafood. The Group generates revenue largely in Australia.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax.

## **Income Tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

East 33 Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated Group under the tax consolidation regime. The head entity will account for the Group's current and deferred tax amounts. In addition to its own current and deferred tax amounts, the head entity will recognise the future in the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and the unused tax credits assumed from each subsidiary in the tax consolidated Group.

## **Biological assets**

Biological assets consist of oysters. These assets have been measured at fair value less costs to sell in accordance with AASB 141 Agriculture. The estimated fair values are based on a typical growth cycle of the oyster and takes into account catch method, location of oyster, mortality rates, infrastructure used, an estimate of the number of oysters at period end and oyster prices reflecting the age and condition of the oysters.

These assumptions are reviewed at each reporting date and amended if required. Changes in the fair value of the oysters are reflected in the statement of profit or loss and other comprehensive income.

## **Inventories**

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

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.

## **Financial Instruments**

Financial Instruments are initially measured at their fair value. Transaction costs are included as part of the initial measurement except for financial assets at fair value through profit and loss.

### *Classification and subsequent measurement*

Financial instruments are subsequently measure at fair value through profit and loss, amortised cost using the effective interest method, or fair value through other comprehensive income. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation technique are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

#### *Impairment*

At the end of each reporting period, the Group assesses whether there are any expected credit losses in relation to its financial assets, and if so, allowance is made for these.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

#### *Derecognition*

Financial assets are derecognised when the contract rights to receipt of cash flows expire, or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### **Property, Plant and Equipment**

Property, plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

## **Depreciation**

The depreciation rates and methods used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>	<b>Depreciation Method</b>
Plant and equipment	10% - 40%	Straight Line
Computer equipment	20%	Straight Line
Buildings	5%	Diminishing value
Motor Vehicles	18.75% - 25%	Diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised.

## **Right-of-use assets**

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

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

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## **Intangible assets**

### *Oyster Leases Acquisition Costs*

Oyster leases acquisition costs are measured on the cost basis and therefore carried at cost less any accumulated impairment except for leases acquired through business combinations which are recorded at fair value on acquisition in line with AASB3 Business Combinations. In the event the carrying amount of an oyster lease is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss.

The Group's Government awarded oyster leases are classified as 'production leases' by the New South Wales Department of Primary Industries (NSW DPI) and are granted for a maximum term of 15 years on water leases and 25 years on crown leases with options to extend for a further 15 years (water leases) . Upon the expiry of any given term, they are renewable for successive terms. As such, the useful life of the leases is based on maximum terms inclusive of extension options.

The carrying amount of oyster leases are reviewed by directors for any indicators of impairment to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.



### *Goodwill*

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

### *Software*

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

### **Impairment of non-financial assets**

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### **Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

### **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group'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.

### **Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

## **Employee benefits**

### *Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are not currently provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the 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, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

## **Rounding of amounts**

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

**Standards and interpretations applicable to 30 June 2024**

In the year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

The Directors have also reviewed all Standards and Interpretations issued but not yet adopted for the year ended 30 June 2024. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

**General information**

The financial statements cover East 33 Limited as a Group consisting of East 33 Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is East 33 Limited's functional and presentation currency.

East 33 Limited is a listed public Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office**

12 Point Road  
Tuncurry NSW 2428

**Principle place of business**

12 Point Road  
Tuncurry NSW 2428

## **Note 2. Critical accounting judgements, estimates and assumptions**

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

### *Valuation of Biological Stock*

Management value oysters held for sale at their fair value less costs to sell in accordance with AASB 141 Agriculture. Estimated fair values are based on estimated selling prices observed in the industry and other relevant factors that ultimately impact fair value. Where there are no observable prices, management may determine a fair price based on certain deductions made on the closest comparable prices. These estimates may vary from net proceeds ultimately achieved.

There is inherent uncertainty in the biomass estimate and resultant fair valuation of the Biological assets. This is common to all such valuations and best practice methodology is used to facilitate reliable estimates. The estimated fair value of oyster inventory is based on a stock lifecycle model developed internally by the Group which incorporates various key assumptions to simulate stock growth which are regularly reviewed and updated. These assumptions include anticipated:

- Oyster prices less cost to sell
- Mortality rates
- Spawning cycles
- Seasonal growth rates

Actual growth will invariably differ to some extent, which is monitored along with mortality rates during periodic physical grading and harvest counts. Perpetual stock records are then adjusted and reconciled following the completion of each periodic physical count.

### *Fair value hierarchy*

AASB 13 Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level than an input that is significant to the measurements can be categorised into as follows:

Level 1 Unadjusted quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included at level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Valuation techniques*

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- i. Market approach uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- ii. Income approach converts estimated future cash flows or income and expenses into a single discounted present value.
- iii. Cost approach reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risk. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The Group's valuation of biological assets, oyster/crown leases and redeemable convertible preference shares are considered to be Level 2 in the fair value hierarchy. There were no transfers between levels of the fair value hierarchy during the period.

*Estimation of useful lives of assets*

The Group 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 estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Goodwill*

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 14 for further information.

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

*Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

**Note 3. Operating segments**

The Group is organised into three operating segments based on differences in products and services provided: oyster farming, distribution and sundry business units including corporate, online sales, restaurant and bottle shop. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

*Types of products and services*

The principal products and services of each of these operating segments are as follows:

Oyster farming	Growing and wholesaling of live oysters in Australia
Distribution	Wholesale and retail distribution of oysters in Australia
Corporate and Sundry	Provision of restaurant services

Segment Report 2024	Farming	Distribution	Corporate and sundry business units	Total
	2024 \$'000	2024 \$'000	2024 \$'000	2024 \$'000
<b>Revenue</b>				
Revenue from external customers	1,309	20,102	1,729	23,140
Intersegment sales	2,068	376	-	2,444
<b>Total segment revenue</b>	<b>3,377</b>	<b>20,478</b>	<b>1,729</b>	<b>25,584</b>
Other income	69	56	61	186
Biological assets change in fair value	2,104	-	-	2,104
Cost of sales	(150)	(14,508)	(651)	(15,309)
Intersegment purchases	(347)	(2,006)	(91)	(2,444)
<b>Total cost of sales</b>	<b>(497)</b>	<b>(16,514)</b>	<b>(742)</b>	<b>(17,753)</b>
Employee benefits expense	(4,613)	(1,268)	(3,250)	(9,131)
<b>Total employee benefit expenses</b>	<b>(4,613)</b>	<b>(1,268)</b>	<b>(3,250)</b>	<b>(9,131)</b>
Fair value loss on financial liabilities	-	-	(254)	(254)
Goodwill impairment	(4,900)	(1,500)	-	(6,400)
Depreciation and amortisation	(1,344)	(112)	(445)	(1,901)
Finance costs	-	-	(1,531)	(1,531)
Other expenses	(697)	(505)	(1,386)	(2,588)
Segment result before tax	(6,501)	635	(5,818)	(11,684)
Income tax expense	-	-	38	38
Net loss for the year	(6,501)	635	(5,780)	(11,646)
Non-current segment assets*	18,534	14,016	4,533	37,083
Total segment assets	23,052	16,245	5,391	44,688
Segment liabilities	(2,298)	(862)	(16,635)	(19,795)

Segment Report 2023	Farming	Distribution	Corporate and sundry business units	Total
	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000
<b>Revenue</b>				
Revenue from external customers	2,303	20,664	1,654	24,621
Intersegment sales	3,310	411	-	3,721
<b>Total segment revenue</b>	<b>5,613</b>	<b>21,075</b>	<b>1,654</b>	<b>28,342</b>
Other income	69	14	90	173
Biological assets change in fair value	3,403	-	-	3,403
Cost of sales	(3,589)	(13,215)	(540)	(17,344)
Intersegment purchases	(371)	(3,238)	(112)	(3,721)
<b>Total cost of sales</b>	<b>(3,960)</b>	<b>(16,453)</b>	<b>(652)</b>	<b>(21,065)</b>
Employee benefits expense	(5,498)	(2,923)	(3,167)	(11,588)
<b>Total employee benefit expenses</b>	<b>(5,498)</b>	<b>(2,923)</b>	<b>(3,167)</b>	<b>(11,588)</b>
Fair value loss on financial liabilities	-	-	(270)	(270)
Goodwill impairment	(1,443)	(1,500)	-	(2,943)
Depreciation and amortisation	(1,398)	(105)	(478)	(1,981)
Finance costs	-	-	(885)	(885)
Other expenses	(776)	(344)	(1,263)	(2,383)
Segment result before tax	(3,990)	(236)	(4,971)	(9,197)
Income tax expense	-	-	(1)	(1)
Net loss for the year	(3,990)	(236)	(4,972)	(9,198)
Non-current segment assets	23,620	15,570	3,561	42,751
Total segment assets	27,139	17,707	3,719	48,565
Segment liabilities	(2,155)	(852)	(14,492)	(17,499)

\* There were additions of \$370,000 to PPE also allocated to the Farming CGU and \$53,000 allocated to Distribution CGU.



**Note 4. Revenue**

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	<b>Oyster Farming</b>	<b>Distribution</b>	<b>Corporate and sundry business units</b>	<b>Total</b>
<b>Consolidated – 2024</b>	<b>2024 \$'000</b>	<b>2024 \$'000</b>	<b>2024 \$'000</b>	<b>2024 \$'000</b>
Oyster sales	1,309	20,102**	-	21,411
Restaurant sales	-	-	1,694	1,694
Sundry sales	-	-	35	35
	<u>1,309</u>	<u>20,102</u>	<u>1,729</u>	<u>23,140</u>
<i>Geographical regions</i>				
Australia	<u>1,309</u>	<u>20,102</u>	<u>1,729</u>	<u>23,140</u>
	<u>1,309</u>	<u>20,102</u>	<u>1,729</u>	<u>23,140</u>
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	<u>1,309</u>	<u>20,102</u>	<u>1,729</u>	<u>23,140</u>

  

	<b>Oyster Farming</b>	<b>Distribution</b>	<b>Corporate and sundry business units</b>	<b>Total</b>
<b>Consolidated – 2023</b>	<b>2023 \$'000</b>	<b>2023 \$'000</b>	<b>2023 \$'000</b>	<b>2023 \$'000</b>
Oyster sales	2,303	20,664**	-	22,967
Restaurant sales	-	-	1,542	1,542
Bottle shop sales*	-	-	86	86
Sundry sales	-	-	26	26
	<u>2,303</u>	<u>20,664</u>	<u>1,654</u>	<u>24,621</u>
<i>Geographical regions</i>				
Australia	<u>2,303</u>	<u>20,664</u>	<u>1,654</u>	<u>24,621</u>
	<u>2,303</u>	<u>20,664</u>	<u>1,654</u>	<u>24,621</u>
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	<u>2,303</u>	<u>20,664</u>	<u>1,654</u>	<u>24,621</u>

\*Bottle shop was sold during FY23.

\*\* Customers accounting for over 10% of Distribution revenue include Costco (11.6%), Pyrmont Seafoods (10.3%) and Foodlink (22.6%)

**Note 5. Other Income**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Adjustments on prior year acquisitions	-	65
Government grants and waivers	41	-
Other sundry income	145	108
	<u>186</u>	<u>173</u>
Other income		

**Note 6. Expenses**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Total cost of sales	<u>15,309</u>	<u>17,344</u>
<i>Depreciation</i>		
Property plant and equipment	1,067	1,139
Right-of-use-assets	178	186
Total depreciation	<u>1,245</u>	<u>1,325</u>
<i>Impairment</i>		
Goodwill	1,500	2,943
Intangibles	4,900	-
	<u>6,400</u>	<u>2,943</u>
<i>Amortisation</i>		
Oyster/Crown leases	543	548
Software	113	108
Total amortisation	<u>656</u>	<u>656</u>
Total depreciation, amortisation and impairment	<u>8,301</u>	<u>4,924</u>
<i>Finance Costs</i>		
Interest and finance charges paid/payable on borrowings	1,110	569
Unwinding of the discount on provisions	421	316
Finance costs expensed	<u>1,531</u>	<u>885</u>

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Administration expenses</i>		
Insurance costs	256	283
Professional fees	348	224
Licences	5	13
Consultants	123	209
Bank fees	41	61
IT related costs	207	126
Repairs and maintenance	173	196
Other costs	589	466
	<u>1,742</u>	<u>1,578</u>
Administration expenses		
	<u>1,742</u>	<u>1,578</u>

**Note 7. Income tax expense and deferred tax**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Income tax expenses		
Current tax	-	-
Deferred tax – origination and reversal of temporary differences	-	-
Adjustment recognised for prior periods	38	(1)
	<u>38</u>	<u>(1)</u>
Aggregate income tax benefit / (expense)	<u>38</u>	<u>(1)</u>
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	-	-
Increase/(decrease) in deferred tax liabilities	-	-
	<u>-</u>	<u>-</u>
Deferred tax – origination and reversal of temporary differences	<u>-</u>	<u>-</u>
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(11,684)	(9,197)
Tax at the base rate entity rate of 25% (25% FY23)	(2,921)	(2,299)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-deductible amounts	1,896	9
Other non-assessable amounts	(525)	51
Current year deferred tax loss not recognised	1,830	3,644
Movements in other deferred tax assets and liabilities not recognised	(280)	(1,405)
	<u>-</u>	<u>-</u>
Adjustment recognised for prior periods	38	(1)
	<u>38</u>	<u>(1)</u>
Income tax benefit / (expense)	<u>38</u>	<u>(1)</u>

**Note 7. Income tax expense and deferred tax (continued)**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss		
Employee benefits	157	138
Tax assets (carried forward losses)	1,606	1,103
Leases	540	430
	<u>2,303</u>	<u>1,671</u>
Deferred tax asset		
	<u>2,303</u>	<u>1,671</u>
<i>Movements</i>		
Opening balance	1,671	609
Credited to loss	632	1,062
	<u>2,303</u>	<u>1,671</u>
Closing balance		
	<u>2,303</u>	<u>1,671</u>
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss		
Right of use assets	502	398
Fair value gain on biological assets	1,733	1,205
	<u>2,235</u>	<u>1,603</u>
Deferred tax liability		
	<u>2,235</u>	<u>1,603</u>
<i>Movements</i>		
Opening balance	1,603	541
Debited to loss	632	1,062
	<u>2,235</u>	<u>1,603</u>
Closing balance		
	<u>2,235</u>	<u>1,603</u>

**Note 8. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash on hand	6	2
Cash at bank	1,586	891
	<u>1,592</u>	<u>893</u>

**Note 9. Trade and other receivables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	1,192	1,313
Prepaid expenses and deposits	260	244
	<u>1,452</u>	<u>1,557</u>

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	<b>Expected credit loss rate</b>		<b>Carrying amount</b>		<b>Allowance for expected credit losses</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Consolidated</b>	<b>%</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Not overdue	0%	0%	1,116	1,266	-	-
3 to 6 months overdue	0%	0%	52	10	-	-
Over 6 months overdue	46%	0%	45	37	(21)	-
			<u>1,213</u>	<u>1,313</u>	<u>(21)</u>	<u>-</u>

**Note 10. Inventories**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Finished goods at cost	20	34
Oyster stock at cost	145	231
	<u>165</u>	<u>265</u>

**Note 11. Biological assets**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Fair Value of Oyster stock	<u>7,587</u>	<u>5,297</u>
Current – at fair value	4,396	3,099
Non-Current – at fair value	3,191	2,198
Total Biological Assets	<u>7,587</u>	<u>5,297</u>

**East 33 Limited**  
**Notes to the financial statements**  
**30 June 2024**

Ageing of Biological Assets

Less than 1 year old	958	637
Between 1-2 years old	3,470	1,561
Two years and older	3,159	3,099
Total Biological Assets	<u>7,587</u>	<u>5,297</u>

Reconciliation of Biological Assets

Stock value at the beginning of the period	5,297	5,209
Biological assets purchased	634	564
Mortality and low yield*	-	(1,106)
Fair value movement in biological assets	2,104	4,509
Cost of sales	<u>(448)</u>	<u>(3,879)</u>
Biological stock at the end of the period	<u>7,587</u>	<u>5,297</u>

Refer to Note 2 for valuation technique for biological assets and significant estimates and judgements applied.

Biological assets consist of live oysters in the water with an average lifecycle of 3 years.  
The oysters are grown and farmed in Northern NSW namely Wallis Lakes, Manning Point and Port Stephens.

\* Mortality and low yield associated with QX disease in Port Stephens and flood losses has been included in the biological assets change in fair value in the statement of profit or loss and other comprehensive income.

**Note 12. Property, plant and equipment**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Plant and equipment – at cost	7,018	6,693
Less: Accumulated depreciation	(2,127)	(1,471)
	<u>4,891</u>	<u>5,222</u>
Buildings and improvements -at cost	5,062	5,062
Less: Accumulated depreciation	(635)	(373)
	<u>4,427</u>	<u>4,689</u>
Motor Vehicles – at cost	593	544
Less: Accumulated depreciation	(321)	(230)
	<u>272</u>	<u>314</u>
Office Equipment – at cost	48	43
Less: Accumulated depreciation	(30)	(23)
	<u>18</u>	<u>20</u>
Computer Equipment – at cost	96	85
Less: Accumulated depreciation	(65)	(42)
	<u>31</u>	<u>43</u>
Total	<u>9,639</u>	<u>10,288</u>

*Reconciliations*

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

<b>Consolidated</b>	Plant and equipment \$'000	Buildings and improvements \$'000	Motor vehicles \$'000	Office equipment \$'000	Computer equipment \$'000	Total \$'000
Balance at 1 July 2022	6,037	4,877	483	30	37	11,464
Additions	163	42	-	2	36	243
Disposals	(534)	(58)	(63)	(10)	(16)	(681)
Depreciation on disposals	301	76	5	7	12	401
Depreciation expense	(745)	(248)	(111)	(9)	(26)	(1,139)
Balance at 30 June 2023	<u>5,222</u>	<u>4,689</u>	<u>314</u>	<u>20</u>	<u>43</u>	<u>10,288</u>
Additions	379	-	54	5	11	449
Disposals	(54)	-	(5)	-	-	(59)
Depreciation on disposals	26	-	2	-	-	28
Depreciation expense	(682)	(262)	(93)	(7)	(23)	(1,067)
Balance at 30 June 2024	<u>4,891</u>	<u>4,427</u>	<u>272</u>	<u>18</u>	<u>31</u>	<u>9,639</u>

**Note 12. Property, plant and equipment – continued**

During the year management made either a full or partial provision against the carried cost of low value plant and equipment items as well as motor vehicles to reflect the consumption of economic benefits.

**Note 13. Right-of-use assets**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Oyster and Crown leases - right-of-use	1,682	1,697
Property leases	956	347
Less: Accumulated amortisation	(631)	(453)
	<u>2,007</u>	<u>1,591</u>

*Reconciliation of Right-of-use assets*

Opening Balance	1,591	1,811
Additions	609	-
Disposals	(15)	(34)
Amortisation	(178)	(186)
	<u>2,007</u>	<u>1,591</u>

The Group leases land on crown land and oyster leases from the NSW Department of Primary Industry. As per AASB 16 Leases, the present value of oyster and crown leases acquired by the Group are discounted over the initial lease period as well as the renewal option period as set out in the lease agreements.

**Note 14. Intangibles assets**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Goodwill	14,815	17,758
Less: impairment	(1,500)	(2,943)
	<u>13,315</u>	<u>14,815</u>
Oyster/Crown Leases	12,559	13,059
Less Impairment	(4,475)	-
Less: Accumulated amortisation	(1,775)	(1,303)
	<u>6,309</u>	<u>11,756</u>
Software – at cost	562	562
Less: Accumulated amortisation	(243)	(130)
	<u>319</u>	<u>432</u>
	<u><b>19,943</b></u>	<u><b>27,003</b></u>



**Note 14. Intangibles assets- continued**

*Reconciliations*

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

	Goodwill \$'000	Oyster and Crown Leases \$'000	Software \$'000	Total \$'000
<b>Consolidated</b>				
Balance at 1 July 2022	17,758	12,304	90	30,152
Additions	-	-	450	450
Impairment provision	(2,943)	-	-	(2,943)
Amortisation expense	-	(548)	(108)	(656)
Balance at 30 June 2023	14,815	11,756	432	27,003
Additions	-	-	-	-
Disposals	-	(500)	-	(500)
Depreciation on disposals	-	71	-	71
Impairment provision	(1,500)	(4,475)	-	(5,975)
Amortisation expense	-	(543)	(113)	(656)
Balance at 30 June 2024	13,315	6,309	319	19,943

*Goodwill Impairment testing*

AASB136 requires entities to perform an annual assessment of goodwill and other intangibles to ensure the carrying value of such assets does not exceed their recoverable amount.

Goodwill from current and past business combinations has been allocated to cash generating units (CGU) as follows:

- Oyster Farming CGU \$Nil
- Oyster Distribution CGU \$13,315k

As the fair value of assets and liabilities allocated to the CGU's could not be determined based on market observable inputs, the Value in Use approach was adopted for the purposes of estimating the recoverable amount of such assets and liabilities.

Key inputs in estimating VIU for each cash generating unit are as follows:

	Oyster Farming CGU		Oyster Distribution CGU	
	2024	2023	2024	2023
Discount rate	14.5%	14.5%	13.5%	13.5%
Intangible assets allocated to CGU (\$Millions)	7.5	12.19	13.30	14.81
Tangible assets allocated to CGU (\$Millions)	13.87	7.61	0.60	0.65
Growth rate in perpetuity	2%	1.5%	3%	2%

\*Oyster Farming volume increase estimate is based on timing of biological stock maturity and seasonal trade patterns.

For impairment testing purposes corporate costs have been allocated to the CGU's where those costs related can be adequately quantified. Biological asset value is considered in the total amount of tangible assets allocated to the Farming CGU.

Based on the above inputs, the directors determined the following:

- record a further impairment of the oyster farming CGU in the amount of \$2,500,000 (31 December 23: \$2,400,000) as the carrying amount of assets allocated to this CGU exceeded its recoverable amount when a small change in discount or growth rate assumptions was applied with the primary driver of impairment being

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timing of future cashflows. This impairment has been applied against the carrying value of the oyster and crown leases relating to this CGU.

- record an impairment at the oyster distribution CGU level in the amount of \$1,500,000 as the carrying amount of goodwill exceeded its recoverable amount when a small change in discount or growth rate assumptions was applied. This impairment has been applied against the carrying value of Goodwill.

**Note 15. Trade and other payables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade payables	873	735
Employee benefits	503	500
Accrued expenses	422	243
Provisions	-	200
Other payables	85	82
	<u>1,883</u>	<u>1,760</u>

**Note 16. Deferred Acquisition Consideration**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash deferred consideration	131	1,279
Amounts payable for Business Acquisitions	<u>131</u>	<u>1,279</u>
Current deferred consideration	131	1,179
Non-current deferred consideration	-	100
Amounts payable for Business Acquisitions	<u>131</u>	<u>1,279</u>

**Note 17. Borrowings**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Short- term borrowings</i>		
NAB facility	-	4,267
Yumbah facility	867	-
Equipment finance leases	<u>62</u>	<u>42</u>
	<u>929</u>	<u>4,309</u>
<i>Long- term borrowings</i>		
Yumbah facility	11,877	-
Other equipment finance loans	<u>90</u>	<u>100</u>
	<u>11,967</u>	<u>100</u>
Total Loans	<u>12,896</u>	<u>4,409</u>

**Note 17. Borrowings- continued**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of Loans</b>		
Opening balance	4,409	9,304
Loan drawdown	22,880*	224
Asset finance loan drawdown	55	-
Insurance premium funding drawdown	286	224
Borrowing costs	(503)	-
Amortisation of borrowing costs	297	210
Loan interest accrued	794	(24)
Loan repayments	(10,036)**	(5,305)
Insurance funding repayments	(278)	(224)
Reclassification to other current liabilities	(8)	-
Loan converted to equity	(5,000)	-
Closing balance	<u>12,896</u>	<u>4,409</u>

On 16 August 2023 the Group entered into a binding agreement with Yumbah Finance Pty Ltd ("Yumbah Finance") for a loan in the amount of \$15 million (Loan Facility) repayable over a 5-year period and secured over all present and after acquired assets of East 33 and its subsidiaries.

The Loan Facility constitutes a whole of business facility and was used for the full repayment of the balance outstanding of the loan facility in place with the National Australia Bank (NAB Loan Facility), and other working capital requirements. Interest is calculated as 5% plus 3 month BBSY(bid).

On 12 December 23 East 33 issued a zero-coupon convertible note (Convertible Note) to Yumbah Finance, the face value of which being the secured money under the Yumbah facility agreement.

The Yumbah loan is secured by first mortgages over the Group's assets, and it carries an interest rate of 5.00% + BBSY (currently 4.3%).

**\*Facility Drawdowns**

Loan facility drawdowns in the year of \$22,880,000 are made up of \$5,500,000 Rupnik & Verdich short term loan (repaid on 30 April 2024), \$17,500,000 (Yumbah Loan Facility, of which \$5,000,000 was converted to equity on 26 April 2024) leaving \$2,500,000 of the Yumba Loan Facility available as at 30 June 2024. Remainder \$120,000 in relation to borrowing costs associated with the recapitalisation transaction.

**\*\*Loan Repayments**

Loan repayments during the year made up of \$4,485,215 NAB Loan Facility (paid in August 2023), \$50,627 NAB finance asset facility over the period and \$5,500,000 RCPS Rupnik & Verdich short term loan.

**Note 18. Lease liabilities**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Right of use lease liability	2,159	1,716
Finance lease liabilities	1	2
	<u>2,160</u>	<u>1,718</u>

**Note 18. Lease liabilities- continued**

Current lease liabilities	281	186
Non-current lease liabilities	1,879	1,532
	<u>2,160</u>	<u>1,718</u>

**Consolidated**  
**2024**  
**\$'000**

**2023**  
**\$'000**

**Reconciliation of right of use lease liabilities**

Opening Balance	1,716	1,882
Additions	610	-
Disposals	(14)	(16)
Lease payments	(236)	(256)
Lease obligations waived	(40)	-
Interest unwind	124	106
Closing Balance	<u>2,160</u>	<u>1,716</u>

**Note 19. Financial liabilities at fair value**

	<b>Consolidated</b> <b>2024</b> <b>\$'000</b>	<b>2023</b> <b>\$'000</b>
Convertible Note	90	-
Redeemable convertible preference shares class A at fair value	-	5,695
Redeemable convertible preference shares class B at fair value	-	235
	<u>90</u>	<u>5,930</u>
Current liability	-	5,930
Non-current liability	90	-
	<u>90</u>	<u>5,930</u>

At a General Meeting held on 23 April 2024 shareholders in East 33 approved the issue of a Convertible Note to Yumbah Finance under the terms of a convertible note subscription agreement ('Facility Agreement') entered into on the 15th August 2023. The Agreement detailed the Company issued a Convertible Note ('Convertible Note') to Yumbah Finance detailing that if, at the end of the term of the Loan Facility, Yumbah Finance has not been fully repaid (or in the event the Loan Facility is repayable early as a result of a payment event of default under the Loan Facility or an insolvency event) the Convertible Note will be convertible into Shares in East 33 at the election of Yumbah Finance Pty Ltd. The Note was issued on the 12 December 2023 (Inception Date).

**Note 19. Financial liabilities at fair value- continued**

The face value of the Convertible Note will be the amount remaining to be repaid to Yumbah Finance (including principal, interest and any other secured money) at the end of the term of the Loan Facility (or earlier in the event of a Relevant Default Event). The conversion price of the Convertible Note agreed in the Facility Agreement is to be the higher of \$0.021 or a 10% discount to the 20-day volume weighted average price calculated to the last trading day prior to the conversion date, which means there will be a floor price of \$0.021 per Share.

On 29 April 2024, the Company gave notice that it issued 238,095,238 ordinary fully paid shares (Shares) upon the conversion of \$5.0 million of the face value of the Convertible Note issued by East 33 to Yumbah Finance Pty Ltd. The issue results in a reduction of the amount owing under the Facility Agreement.

The key terms of the RCPS are:

Whose option to convert	Amount of RCPS	Conversion terms	Premium on conversion	Maturity date
Vendor	\$6 million (Class A)	Higher of \$0.2/share or 25% discount to 30 days VWAP	25%	2.5 years after issue date
East 33	\$3.6 million (Class B)	Higher of \$0.2/share or 25% discount to 30 days VWAP	25%	2.5 years after issue date

Both classes of redeemable convertible preference shares and the convertible note have been designated at fair value through profit and loss.

Security Class	Class A	Class B
Number of Securities	6,000	3,600
Face Value	\$1,000 each	\$1,000 each
Issue Date	21 July 2021	21 July 2021
Maturity Date	21 January 2024	21 January 2024
Conversion Right	Convertible at election of holder	Convertible at election of issuer
Conversion Price	Conversion price is the higher of: \$0.20 or 25% discount to the 30-day VWAP immediately prior to date of request from the holder to convert	Conversion price is the higher of: \$0.20 or 25% discount to the 30-day VWAP immediately prior to date of request from the issuer to convert
Redemption Price	\$6,000,000 (Face Value)	\$4,140,000 (Face Value plus 15%)

A reconciliation of the fair value movement is outlined below:

	Convertible Note \$'000	Class A \$'000	Class B \$'000	Consolidated Total \$'000
Fair value of instruments at 30 June 2023	-	5,695	235	5,930
Face value on issue date	275	-	-	275
Redemption		(6,000)	-	(6,000)
Equity conversion			(369)	(369)
Fair value loss/(gain) for the year	(185)	305	134	254
Fair value of instruments at 30 June 2024	90	-	-	90

**Note 20. Other liabilities**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Settlement of legal claim	400	400
	<u>400</u>	<u>400</u>
<i>Non-current liabilities</i>		
Settlement of legal claim	-	400
	<u>-</u>	<u>400</u>

On 2 July 2024 a payment of \$400,000 was made in full settlement of the claim.

**Note 21. Issued capital**

	<b>Consolidated</b>			
	<b>30 Jun 2024</b>	<b>30 Jun 2023</b>	<b>30 Jun 2024</b>	<b>30 Jun 2023</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>775,183,937</u>	<u>519,088,699</u>	<u>61,995,373</u>	<u>56,643,530</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>Total</b>
			<b>\$</b>	<b>\$</b>
<b>Ordinary shares</b>				
Balance	1 July 2023	519,088,699		56,643,530
Conversion of Class B RCPS	27 Nov 2023	18,000,000	0.020	369,000
Conversion of Loan to Equity	26 Apr 2024	238,095,238	0.021	5,000,000
Less Capital raising costs				(17,157)
Balance	30 Jun 2024	<u>775,183,937</u>		<u>61,995,373</u>

*Ordinary shares*

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

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

*Share buy-back*

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

*Capital risk management*

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

**Note 22. Dividends**

*Dividends*

No dividends were paid during the financial year.

**Note 23. Financial instruments**

**Financial risk management objectives**

The Group's activities expose it to a variety of financial risks: market risk (price risk and interest rate risk), credit risk and liquidity risk. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks as well as ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies and evaluates financial risks within the Group's operating units where appropriate. Finance reports to the Board on a monthly basis.

**Market risk**

*Price risk*

The Group is not exposed to any significant price risk.

The financial liabilities at fair value through profit and loss (FVTPL) in respect of the Yumbah convertible note is subject to the group's share price risk as the fair value is derived with reference to the share price.

A share price fluctuation of +/- 10% will have a nil effect on the profit and loss as the embedded option is out of the money.

*Interest rate risk*

Borrowings at amortised cost in respect of the Yumbah loan have a variable interest rate as there is a margin charged on the risk-free rate. A fluctuation of +/- 100 basis points will have a negative/positive effect on the profit and loss of \$133k.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

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

**Note 23. Financial instruments - continued**

## **Liquidity risk**

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

### *Financing arrangements*

The available draw balance as part of the Yumbah borrowing facilities at the reporting date is \$2,500,000.

### *Remaining contractual maturities*

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

<b>Consolidated - 2024</b>	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	1,883	-	-	-	1,883
Vendor Liabilities	-	131	-	-	-	131
Convertible Note	-	-	90	-	-	90
Other payables	-	400	-	-	-	400
<i>Interest-bearing</i>						
Borrowings	9.33%	929	1,329	10,638	-	12,896
Lease liability	5.33%	281	262	609	1,008	2,160
<b>Total non-derivatives</b>		<b>3,624</b>	<b>1,681</b>	<b>11,247</b>	<b>1,008</b>	<b>17,560</b>



**Note 23. Financial instruments- continued**

<b>Consolidated - 2023</b>	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	1,760	-	-	-	1,760
Vendor Liabilities	-	1,179	100	-	-	1,279
Redeemable convertible preference shares	-	5,930	-	-	-	5,930
Other payables	-	400	400	-	-	800
<i>Interest-bearing</i>						
Borrowings	8.58%	4,309	41	59	-	4,409
Lease liability	5.67%	186	275	421	836	1,718
Total non-derivatives		13,764	816	480	836	15,896

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

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 24. Fair value measurement**

*Fair value hierarchy*

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** Unobservable inputs for the asset or liability

<b>Consolidated - 2024</b>	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Land and buildings	-	4,427	-	4,427
Intangible leases	-	6,309	-	6,309
Biological assets	-	7,587	-	7,587
Total assets	-	18,323	-	18,323
<i>Liabilities</i>				
Convertible Note	-	90	-	90
Total liabilities	-	90	-	90

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<b>Consolidated - 2023</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<i>Assets</i>				
Land and buildings	-	4,689	-	4,689
Intangible leases	-	11,756	-	11,756
Biological assets	-	5,297	-	5,297
Total assets	-	21,742	-	21,742
<i>Liabilities</i>				
Redeemable convertible preference shares	-	5,930	-	5,930
Total liabilities	-	5,930	-	5,930

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

*Valuation techniques for fair value measurements categorised within level 2 and level 3*

The basis of the valuation of land and buildings is cost less accumulated depreciation except for land and buildings acquired under business combinations which are valued at fair value on acquisition in line with AASB3. The land and buildings acquired during the year were valued based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued.

**Note 25. Key management personnel disclosures**

*Compensation*

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

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	1,062,214	1,286,004
Post-employment benefits	103,723	106,335
Share-based payments	120,960	-
	<u>1,286,897</u>	<u>1,392,339</u>

Please refer to note 36 for share-based payment information.

**Note 26. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd, the auditor of the Company, its network firms and related firms:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services – HLB Mann Judd</i>		
Audit or review of the financial statements	<u>128,340</u>	<u>124,771</u>
<i>Other services – HLB Mann Judd</i>		
Taxation services	20,500	20,850
Independent Accountant's Report services	<u>-</u>	<u>-</u>
	<u>20,500</u>	<u>20,850</u>
	<u><u>148,840</u></u>	<u><u>145,621</u></u>

**Note 27. Contingent liabilities**

There were no contingent liabilities at 30 June 2024 and at 30 June 2023.

**Note 28. Commitments**

The Group has no commitments (capital or otherwise) at year end.

**Note 29. Related party transactions**

During the year a total of \$125,203 (FY23: \$nil) was invoiced by Cameron of Tasmania Pty Ltd, an entity owned by Yumbah Aquaculture Pty Ltd for the supply of pacific oysters distributed by CMB Seafoods, a subsidiary of the Group. At 30 June 2024, the amount outstanding was \$nil.

An amount of \$41,493 (FY23: \$829,042) was invoiced by Artisan Oysters Pty Ltd, an entity controlled by Anthony Rupnik in respect of oyster shucking services rendered to CMB Seafoods. At 30 June 2024 the amount outstanding was \$nil and Artisan Oysters Pty Ltd is no longer trading.

Further, during the year a total of \$1,282,617 distribution revenue was invoiced from CMB Seafoods to Sydney Fresh Seafood group, an entity related to Veronica Papacosta. At 30 June 2024, the amount outstanding was \$126,404. There were no other transactions with key management personnel and their related parties.

During the year Yumbah Finance has lent the group \$17,500,000 with a further \$2,500,000 drawn in August 2024. In April 2024 \$5,000,000 was converted to equity. At 30 June 2024 the loan balance was \$13,297,410 including accrued interest of \$797,410.

*Parent entity*

East 33 Limited is the parent entity.

*Subsidiaries*

Interests in the subsidiaries are set out in Note 33.

**Note 29. Related party transactions- continued**

*Key management personnel*

Disclosures relating to key management personnel are set out in Note 26 and the remuneration report included in the Directors' Report.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Note 30. Parent entity information**

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

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Loss after income tax	<u>(11,646)</u>	<u>(9,198)</u>
Total comprehensive loss	<u>(11,646)</u>	<u>(9,198)</u>

*Statement of financial position*

	<b>Parent</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Total current assets	753	60
Total assets	<u>40,443</u>	<u>44,633</u>
Total current liabilities	<u>(961)</u>	<u>(12,391)</u>
Total liabilities	<u>(15,550)</u>	<u>(13,567)</u>
Net assets	<u>24,893</u>	<u>31,066</u>
Equity		
Issued capital	61,995	56,643
Reserves	121	-
Accumulated losses	<u>(37,223)</u>	<u>(25,577)</u>
Total equity	<u>24,893</u>	<u>31,066</u>

**Note 30. Parent entity information- continued**

**East 33 Limited**  
**Notes to the financial statements**  
**30 June 2024**

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2024 or 30 June 2023.

*Capital commitments – Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 or 30 June 2023.

**Note 31. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1.

Name	Principle place of business/ Country of Incorporation	Ownership Interest	
		2024 %	2023 %
Hamilton Supervisory	Australia	100%	100%
MS Verdich & Sons Pty Ltd	Australia	100%	100%
HR Browne & Sons Pty Ltd	Australia	100%	100%
East 33 Farming Pty Ltd	Australia	100%	100%
East 33 Deliveries Pty Ltd	Australia	100%	100%
Mid Coast Exco Pty Ltd	Australia	100%	100%
CMB Seafoods Pty Ltd	Australia	100%	100%

**Note 32. Reconciliation of loss after income tax to net cash from operating activities**

	Consolidated	
	2024 \$'000	2023 \$'000
Loss after income tax expense for the year	(11,646)	(9,198)
Adjustments for:		
(Profit)/Loss on disposal of assets	16	(27)
Depreciation, amortisation and impairment expenses	8,301	4,924
Fair value adjustments – financial liabilities	254	270
Fair value adjustments – biological assets	(2,104)	(3,403)
Finance costs accrued	1,213	211
Other income	(41)	(14)
Share based payments	121	-
Gain from bargain purchases	-	(65)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	104	53
Decrease/(increase) in biological assets	(186)	3,315
Decrease/(increase) in inventories	100	(30)
Decrease/(increase) in deferred tax assets	(632)	(1,062)
Increase/(decrease) in trade and other payables	138	(256)
Increase/(decrease) in other liabilities	(437)	(8)
Increase/(decrease) in deferred tax liabilities	632	1,062
Net cash used in operating activities	(4,167)	(4,228)

**Note 33. Earnings/loss per share**

	<b>Consolidated</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Loss after income tax	<u>(11,646)</u>	<u>(9,198)</u>
	<b>Number</b>	<b>Number</b>
Weighted average of ordinary shares used in calculating basic earnings per share		
Adjustments for calculation of diluted loss per share:		
Options over ordinary shares	<u>571,996,323</u>	<u>449,634,289</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>571,996,323</u>	<u>449,634,289</u>
	<b>\$</b>	<b>\$</b>
Basic loss per share	(0.020)	(0.021)
Diluted loss per share	(0.020)	(0.021)

**Note 34. Reserves**

	<b>Consolidated</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Share based payment reserve	<u>121</u>	<u>-</u>
	<u>121</u>	<u>-</u>

At 30 June 2024 an amount of \$120,959 was recognised in connection with options and performance rights issued to directors and CEO.

**Note 35. Share based payments**

During the year, the Group issued the following options and performance rights as share-based payments:

- 1,000,000 options to directors;
- 18,820,833 performance rights to executives

No Share based payments were made by the group during the prior year.

**Note 36. Subsequent events**

*Performance rights issued*

On 1 August 2024, the Company issued 22,452,167 performance rights under the LTI scheme to the Company's CEO and the Company's CFO:

- CEO Justin Welsh: 16,341,667
- CFO Amy Knoll: 6,110,500

At the conclusion of the three year vesting period of the performance rights (being 30 July 2027), the board will determine whether the performance rights are to be converted into fully paid ordinary shares in the Company based on satisfaction of the performance measured against applicable KPI's.

*Yumbah Aquaculture Ltd takeover intention & Bid Implementation Deed*

On 5 August 2024, the Company entered a Bid Implementation Deed dated 5 August 2024 under which Yumbah Aquaculture Ltd (Yumbah) will make an off-market takeover offer (Offer) to acquire 100% of East 33's Shares for cash of \$0.022 (2.2 cents) per East 33 Share.

On 8 August 2024, Yumbah lodged its bidder statement in relation to its off-market takeover bid for all of the ordinary shares in the Company that Yumbah does not currently own.

*Utilisation of Yumbah Finance Loan facility*

On 13 August 2024, the company drew down the remaining balance available on the Loan facility (\$2,500,000).