



EAST 3°

2024 Annual Report



Cover image: Image by Yara Eisinger
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2024 Annual Report
East 33 Limited
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East 33 Limited

- 04 Our Mission
- 05 Our Values
- 07 Chair’s Letter

Business Review

- 08 Hatchery Operations
- 09 Farming Operations
- 09 Third Party Supply, Shucking & Distribution Operations
- 10 People & Safety
- 10 Sustainability
- 11 Brand & Marketing

Annual Financial Statements - 30 June 2024

Shareholder Information

OUR MISSION



We are dedicated to pioneering the world's best oyster culture, by empowering the people behind it, caring for the places that support it, and delivering moments to be savoured.



OUR VALUES



East 33 represents quality, a dedication to the authentic and an inspired legacy, focused on delivering a moment of joy.





ABOUT US

As one of Australia's largest vertically integrated Sydney Rock Oyster (SRO) businesses, East 33 continues to focus on building an iconic Australian seafood brand. We aim for efficient and innovative aquaculture production and actively seek collaborative opportunities that will benefit the NSW and Australian oyster industries. Sensitive to market expectations, our service to our customers is always central to what we do, and we strive to work sustainably in our environment, contribute meaningfully to our communities and deliver value to our shareholders and employees alike.

Image: East 33 Asset Library

CHAIR'S LETTER

Dear Shareholders

I am pleased to present an annual report that demonstrates East 33's resilience and commitment to innovation as the business continues to progress towards future growth after a challenging 24 months.

Key additions to the executive team over the course of the year have completed the governance and leadership renewal that commenced in 2023. Dr Justin Welsh joining as CEO in October signalled the start of a comprehensive strategic review process to analyse and adjust operational responses to significant pressure points and position the business to achieve future profitability objectives. The appointment of Ms. Amy Knoll to the CFO role in April completed and consolidated the senior executive team with the suite of expertise and capability required to execute ongoing strategic initiatives successfully.

Our focus throughout FY 2024 has remained on rebuilding our biological assets, which has seen improvements in stock management and better integration of farm assets, along with a staged re-stocking program implemented in February. The farm is now well positioned to produce a consistently high-quality product and deliver improved annual harvest targets from FY 2025.

Efficiency coupled with improved safety has continued to be a major driver across our farming operations with resources being applied to gear improvements and automated technology in place of manual handling. In both the farming and

distribution divisions, aligning workforce requirements to operational objectives via restructuring has continued to put downward pressure on expenses with further reductions in headcount.

Replacement of old and outdated farm infrastructure is a linchpin in our renewed approach to sustainability that targets partnership opportunities. The transition towards more sustainable infrastructure commenced this year and will provide opportunity to monitor and measure ecosystem impacts and explore options for additional restoration initiatives which we aim to pursue in collaboration with government and/or the research sector.

Extending our aspirations in the ESG space, East 33's Diversity Policy has been expanded upon in FY 2024 with the development of a Diversity Equity and Inclusion Strategy that broadens our focus beyond gender equity. Importantly, we have outlined a clear action plan for Aboriginal engagement and are formalising our cultural and linguistic diversity inclusion initiatives.

The distribution division remains in a market-leading position with a firm commitment to service delivery underpinned by agility that has allowed continuity of supply throughout seasonal fluctuations in harvest volumes. The strategic review has identified opportunities to leverage this performance and continue to build the East 33 brand as the foundation for future growth and market expansion.

A core element of the strategic review has been management of the company's financial position in the context of East 33's debt facility. The business undertook a recapitalisation transaction with Yumbah Finance, converting part of its convertible note to release additional working capital to fund implementation of East 33's strategy in FY 2025. This has further strengthened our working relationship with Yumbah Aquaculture.

Considerable work has been undertaken across the business over the course of FY 2024 to assess our performance, consolidate our position and more clearly define our strategic direction. I would like to express my gratitude to our shareholders for your continued support and trust in our efforts. I also extend my heartfelt thanks to all our dedicated employees, whose passion and commitment are the backbone of our success.

Yours sincerely,



Sarah Courtney
Chair



Image: East 33 Asset Library

Hatchery Operations

East 33's hatchery operations are based in Camden Haven and are supplemented by substantial on-water nursery capacity. These facilities combined have a significant production capacity. Hatchery-supplied seed is central to our production risk-mitigation strategy and underpins our long-term growth and business resilience objectives. We are actively seeking partnership opportunities to utilize East 33's spat production capabilities to generate long-term industry-wide improvements in product quality and reliability of supply.



Farming Operations

East 33 holds 204 hectares in NSW's prime oyster-producing waterways making it one of the largest SRO aquaculture leaseholders in the state. Some of these areas have been farmed continuously for over a century by generations of our founding farmer families. Distributed throughout the mid-north coast, East 33's aquaculture leases and corresponding land holdings represent a diversified asset base with

significant growth potential. As part of our strategy to address stock losses experienced in previous years and retain focus on efficient production of high-quality oysters, East 33 has invested in new and innovative on-water infrastructure and implemented a staged restocking plan in early 2024. These initiatives have been complemented with greater attention to asset integration, stock management and

quality control, particularly the culling of underperforming stock. Our current inventory position has continued to grow, with greater volumes of maturing oysters leading to improved confidence around future harvest targets. At present, the harvest target for FY 2025 is substantially larger than FY 2024 and we expect to see further increases over the medium term as we continue to improve our farming practices and progress expansion of assets and infrastructure.



Image: East 33 Asset Library

Third Party Supply, Shucking & Distribution Operations

In addition to our on-farm production, East 33 is a market-leading buyer of SRO in Australia, providing small-scale farmers with access to market and leveraging our brand to target a strategic customer base. East 33's processing facility in Bankstown is the largest in Australia with 32 shucking stations and maintains an A grade food safety rating. In FY 2024 we have undertaken a comprehensive review of our service offering and begun to implement plans to scale our procurement, utilize additional processing capacity and target technology to broaden our capability. We aim to continue to respond to market expectations by evolving our products and practices with a persistent focus on delivering quality consistently.



Image: East 33 Asset Library

PEOPLE & SAFETY

A renewed senior executive team has brought increased emphasis on leadership, culture and accountability throughout East 33's business in 2024. We know that our people are our key to success and unlocking our future potential. Building on the collective experience and oyster industry expertise within both the farming and distribution divisions, we have restructured our management models to align our resources with our strategic objectives. We have sought to create career pathways for our emerging leaders as we continue to focus on the future growth of the business. We have also highlighted and formalized responsibility and accountability for safety within all our teams and have assessed and updated our equipment and practices to meet improved standards of diligence and care across our operations.

Image: East 33 Asset Library



SUSTAINABILITY

East 33 recognizes the critical role sustainable farming practices and methods plays in fostering and maintaining healthy ecosystems, protecting biodiversity, and securing the prosperous future of our industry. We also aspire to be a sensitive and responsible corporate citizen and contribute meaningfully to social equity and thriving local communities. In FY 2024 we have set specific strategic environmental and social priorities for our business that will build on practices developed over generations by our founding farming families which will give us the ability to respond to ever-evolving market expectations. SRO are a native species, growing naturally on the east coast of Australia. As we continue to cultivate this unique, low impact seafood in some of our most pristine environments, our aim will be to ultimately deliver a net-benefit to the aquatic ecosystems that support our operations. We actively seek to collaborate with governments, research organizations and our fellow producers in the industry to realize opportunities that have tangible positive impacts in marine and estuarine ecosystem restoration. In our workforce and amongst our regional communities we have laid the foundation to pursue better social equity outcomes by improving our commitment to diversity and inclusion.

Image: East 33 Asset Library





BRAND & MARKETING

East 33 has built a strong brand underpinned by our commitment to providing the market with a consistent supply of excellent oysters. In FY 2024 our strategic review process identified opportunities to further develop our brand vision, strengthen our in-market partnerships and leverage our leadership position to extend our market access.

Image: Alan Benson Photographer

ANNUAL FINANCIAL STATEMENTS

30 JUNE 2024



East 33 Limited

ABN 70 636 173 281

Contents

| | |
|----|--|
| 14 | Corporate Directory |
| 15 | Directors' Report |
| 35 | Auditor's Independence Declaration |
| 36 | Statement of profit or loss and other comprehensive income |
| 37 | Statement of financial position |
| 38 | Statement of changes in equity |
| 39 | Statement of cash flows |
| 40 | Notes to the Financial Statements |
| 67 | Consolidated entity disclosure statement |
| 68 | Directors' Declaration |
| 69 | Independent auditor's report |
| 73 | Additional shareholder information |

CORPORATE DIRECTORY

| | |
|---|--|
| Directors | 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) |
| Chief Executive Officer | Dr Justin Welsh |
| Company Secretary | Mathew Watkins |
| Notice of annual general meeting | The Company will hold its Annual General Meeting of shareholders on 21 November 2024 |
| Registered office | 12 Point Road Tuncurry NSW 2428 Ph: +61 2 8001 6310 |
| Principal place of business | 12 Point Road Tuncurry NSW 2428 |
| Auditor | HLB Mann Judd Level 4, 130 Stirling Street Perth WA 6000 |
| Solicitors | Thomson Geer Law Level 28, Waterfront Place 1 Eagle Street Brisbane QLD 4000 |
| Bankers | NAB Level 3, 2 Carrington Street Sydney NSW 2000 |
| Share Registry | Link Market Services Ltd Level 12, 680 George Street, Sydney NSW 2000 Ph: 1300 554 474 |
| Stock exchange listing | East 33 Limited shares are listed on the Australian Securities Exchange (ASX code: E33) |
| Website | https://east33.sydney |
| Corporate Governance Statement | https://east33.sydney/asx-info/ |

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the Group (referred to hereafter as 'the Group') consisting of East 33 Limited (referred to hereafter as 'the Company' or 'the parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

Sarah Jane Courtney

Non-Executive Chair

Michael Joseph Ryan

Non-Executive Director

Gary Raymond Higgins

Non-Executive Director

Ben Alexander Cameron

Non-Executive Director

Veronica Papacosta

Non-Executive Director (appointed 26 July 2023)

Principal activities

During the financial year the principal continuing activities of the Group consisted of oyster farming operations in Port Stephens, Wallis Lake, Manning River and Camden Haven, and the operation of an oyster processing and distribution facility in Sydney and a restaurant in Wallis Lake.

Dividends

No dividends were paid during the financial year.

Review of operations

Extending the recovery work that was commenced in FY23, East 33 has consolidated its approach to increasing its total on-farm stock inventory while simultaneously improving quality control processes and removing under-performing stock from the production cycle. A staged 3-year restocking plan was implemented in the second half of FY24 involving stabilising hatchery spat intake and supplementing with the purchase of high-quality larger juvenile animals. A thorough program of performance assessment and grading has also been undertaken on existing stock in conjunction with the progressive removal of old fixed infrastructure and installation of new floating gear which is both more efficient to work with and improves conditions for benthic ecosystems.

A restructuring of the distribution division to strengthen and refocus the management team has facilitated a shift to a more targeted business development approach, allowing the application of key resources to the pursuit of market leadership opportunities.

Sales revenue amounted to \$23.1 million (2023: \$24.6 million) and other income for the Group amounted to \$0.2 million (2023: \$0.2 million). Net cash used in operating activities was \$4.2 million (2023: \$4.2 million). The net loss of the Group amounted to \$11.6 million (2023: \$9.2 million loss).

Operational highlights

Through the year, East 33 has continued its corporate evolution with the appointment of both a new CEO and CFO. Both have brought a wealth of knowledge and experience from both the aquaculture and financial sectors into the business, facilitating the ongoing development and execution of operational strategies. Central to this has been the strategic review undertaking through H2 of FY24 which identified opportunities for business stabilisation and subsequent growth.

Farming stabilisation resulting from the incoming CEO's strategic review commenced. This involved the intake of both spat and juvenile oysters to increase future harvest volumes and, deliver improved quality. Central to this strategy is the cessation of targeting front running stock to achieve harvest volumes. While this depressed forecast harvests in FY24 compared with previous targets, it is expected to deliver greater volumes of high value oysters in FY25 and beyond.

Commencement of floating gear trials in Wallis Lake marks the beginning of an exciting transition period of modernisation of the East 33 farming practices. These trials utilised both existing floating oyster production technology as well as novel, bespoke farming technology developed at the business' Wallis Lake site. These technologies are being tested across the Wallis Lake farm against traditional farming techniques and are poised to materially increase farming's production output without the need for significant capital expenditure.

Maintenance of the distribution division's A grade food safety rating according to the SQF Edition 9 Food Safety Code and SQF Edition 9 Quality Code represents a major achievement for the distribution business. Through achieving these standards, CMB Seafoods continues to demonstrate our unrelenting focus on food safety and quality to our customers.

Operational and financial risk management

To continue to manage risks, the Group has maintained its risk register, overseen by the Audit and Risk Committee whereby risks are identified and classified in terms of both impact and probability of occurrence.

The material business risks are discussed below.

Health and Safety Risk

The board and management are committed to fostering and maintaining a safe and healthy work environment by implementing initiatives including:

- Ensuring all new staff are given a proper induction into health and safety practices.
- Conducting regular training.
- Ensuring staff hold appropriate and current licenses to operate heavy equipment and machinery.
- Provision of work protective clothing and gear to staff.
- Regular maintenance of machinery and equipment.
- Clear policies on bullying, discrimination and harassment.
- Regular safety meetings.
- Engaging external auditors.

Cyber Security Risk

Cyber security addresses the risk of unauthorised access to electronic data and information which may lead to disruptions to activities, significant financial losses, data loss and reputational damage. During the year, a cyber risk review was conducted which identified a range of shortcomings. The Group engaged a reputable third-party IT provider to help implement improvements across the business to mitigate and manage cyber risk.

QX disease

QX disease is prevalent in Port Stephens and continues to be a threat to the Group and industry more broadly. This risk is managed by a range of strategies including;

- Using broodstock that has higher resilience to QX disease.
- Monitoring water temperatures regularly across our farming sites in Port Stephens (as higher temperatures can be a vector for disease).
- Utilising high-value leases at Port Stephens to condition oysters during low-risk windows of time.
- Working closely with the DPI regarding regular testing and exploring increased testing of oysters.

Flooding and excessive rainfall

Excess rainfall can close waterways from being able to sell oysters and flooding can damage infrastructure. The risk is mitigated by;

- Monitoring long-term weather patterns
- On-land site clean ups to ensure there is room to store equipment during flooding
- On-water infrastructure clean ups and improvements to help strengthen in times of flood to minimise damage
- Within distribution business, strong relationships with farmers in a wide range of estuaries to ensure continuity of supply
- Strategic stock intakes across multiple age cohorts to minimise the concentration of risk

Credit risk

Credit risk relates to the Group's customers ability to pay their debts as and when they fall due.

At a group level, credit risk is concentrated within the distribution business unit. Strategies aimed at managing credit risk include (but are not limited to) the following:

- Undertaking credit checks and use of credit application forms for new customers.
- Regular review of outstanding debts older than one and three months and prompt follow up with customers.
- Performing regular reconciliations for large customers and seeking confirmations of outstanding debts.
- Maintain strong partnerships with customers to alter oyster supply parameters to individual circumstances.

Food safety

Oysters are sold as a raw product and so strict steps must be undertaken along the supply chain to ensure product is handled appropriate and is safe for human consumption. Steps that are undertaken include to manage this risk are;

- Strict policies around understanding and adhering to estuary closures
- Strict policies/guidelines governing transport of live oysters during hot weather
- Strict policies/guidelines around how long oysters for sale can be kept unrefrigerated
- Different storage fridges at distribution business for Sydney Rock Oysters and Pacific Oysters, to optimise their preferred storage temperature
- Accredited food transport vehicles
- Strict policies/guidelines within processing facility for oyster handling that are monitored and audited
- External food safety audits
- Ongoing training to all staff in all areas of food handling and packing

Significant changes in the state of affairs

Debt Refinancing

On 15 August 2023 East 33 and its subsidiaries entered into a binding agreement with Yumbah Finance Pty Ltd (**Yumbah Finance**) for a loan in the amount of \$15.0 million (**Loan Facility**) repayable over a 5-year period and secured over all present and after acquired assets of East 33 and its subsidiaries. Directors Gary Higgins and Ben Cameron are nominees of Yumbah Aquaculture Ltd to the East 33 Board. Yumbah Finance is a related body corporate of Yumbah Aquaculture Ltd.

The Loan Facility constituted a whole of business facility and was proposed to be used for the full repayment of the balance outstanding of the \$10.0 million loan facility in place with the National Australia Bank (**NAB Loan Facility**), the payment of \$6.0 million payable under the Class A Redeemable Convertible Preference Shares (**Class A RCPS**) due in late January 2024 and other working capital requirements.

The key terms of the Loan Facility were as follows:

Facility Limit: \$15,000,000 to be drawn as follows:

- August 2023 \$8,000,000;
- December 2023 \$1,000,000;
- January 2024 \$4,000,000;
- June 2024 \$2,000,000.

Maturity Date: Five years after the date of financial close.

Repayment:

- \$Nil in the first year;
- \$250,000 per quarter in the second year;
- \$350,000 per quarter in the third year, fourth and fifth year;
- The outstanding balance at the end of the term.

Security Documents:

- General security agreements over the Borrower and the Guarantors;
- Guarantee from each of the Guarantors;
- Mortgages over all Crown leases of East 33 and its subsidiaries;
- Mortgages of real property, including all oyster leases under which East 33 or a Guarantor is the sole lessee.

Interest: The aggregate of:

- 5% per annum; and
- Interest rate benchmark, BBSY (Bid).

The Convertible Note

On 15 August 2023, East 33 entered into binding documentation for the issue of a convertible note to Yumbah Finance under the terms of a convertible note subscription agreement (**Convertible Note Subscription Agreement**) whereby, subject to receipt of the approval of holders of ordinary shares (**Shares**) in East 33 (**Shareholder Approval**):

- East 33 will issue 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 of East 33 or any of its subsidiaries (**Relevant Event of Default**), the Convertible Note will be convertible into Shares in East 33 at the election of Yumbah Finance;

- The floating face value of the Convertible Note will be the amount remaining to be repaid to Yumbah Finance (principal, interest and any other secured money) at the end of the term of the Loan Facility (or earlier in the event of an earlier Relevant Event of Default); and
- The conversion price of the Convertible Note will 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.

The NAB Loan Facility was repaid in August 2023. Shareholder Approval was obtained on 24 November 2023.

On 22 January 2024, East 33 announced that the Class A RCPS had been bought back by East 33 (as per the shareholder approval on 24 November 2023) and East 33 had carried over part of the debt obligation by entering into a short-term unsecured debt facility with each of the former Class A RCPS holders for a total of \$5.5 million (**Short Term Debt**).

Recapitalisation strategy

As announced to the market on 29 February 2024, Yumbah Finance granted East 33 a waiver of the Financial Covenants at 30 June 2024 and East 33 entered into the following documents with Yumbah Finance whereby East 33 was able to access additional debt funding in the amount of \$5.0 million:

- An amendment to the Convertible Note Subscription Agreement entered into between East 33 and Yumbah Finance on 16 August 2023 (**Amended Convertible Note Agreement**); and
- Amendment to the Facility Agreement entered into on 15 August 2023 between Yumbah Finance and the Company, amongst others (**Amended Facility Agreement**),

(collectively, the **Recapitalisation Documents**).

The Recapitalisation Documents were subsequently approved by shareholders on 23 April 2024.

The additional debt funding in the amount of \$5.0 million was facilitated by way of the following:

- the conversion of \$5.0 million of the Face Value of the convertible note currently held by Yumbah Finance (**Convertible Note Conversion**) into ordinary shares in East 33 (**Conversion Shares**), with such number of Conversion Shares being determined by dividing the \$5.0 million of the Face Value (**Conversion Amount**) by the Conversion Price.
- The \$5.0 million was paid by Yumbah Finance in reduction of the amount owing by East 33 under the Facility Agreement (**Loan Facility**), which has a Facility Limit of \$15.0 million plus capitalised interest and has \$10.0 million drawn down, so bringing the amount owing under the Facility Agreement to \$5.0 million plus capitalised interest; and
- following the Convertible Note Conversion, East 33 maintained the Facility Limit under the Facility Agreement at \$15.0 million plus capitalised interest, meaning that, with the Loan Facility paid down by \$5.0 million, East 33 had a total of \$10.0 million that could be drawn under the Facility Agreement.

The additional amount that could be drawn down under the Recapitalisation Documents, was to be used, in part, to repay the balance \$5.5 million payable on the Short Term Debt. On 30 April 2024, the \$5.5 million payable on the Short Term Debt was repaid by East 33.

Cancellation of the Letter of Credit

On 25 August 2023, the letter of credit totalling \$1 million associated with the acquisition of Troup hatchery business was cancelled, with a concurrent vendor payment of \$1 million being made on 23 August 2023.

Appointment of CEO

On 17 July 2023, the Group announced the appointment of Dr Justin Welsh as the CEO of the Group effective 16 October 2023.

Justin worked as the Chief Operations Officer of Aquaculture at Harvest Road Group in Western Australia. In this role he was responsible for the business' aquaculture production strategy and oversaw the establishment and expansion of Harvest Road's aquaculture interests.

Justin has led the development of new seafood brands and has coordinated domestic and international market research, product development and product launch events. Justin has a strong commitment to ESG principles, in particular environmental sustainability in the agricultural sector. Further, Justin has strategic leadership experience gained during his tenure on both the FutureFeed and Aquaculture Council of Western Australia boards.

Appointment of CFO

On 15 April 2024, the Group announced the appointment of Ms Amy Knoll as the CFO of the Group effective 12 April 2024.

Amy brings over a decade of extensive finance experience to the role of CFO. Beginning her career at KPMG Australia, she obtained her Chartered Accountant qualification, laying a strong foundation in accounting principles. Over the past ten years, she honed her expertise in finance within multinational blue-chip organisations across diverse industries. Her international experience provides her with a global perspective and a deep understanding of complex financial operations.

Appointment of Non-Executive Director

On 26 July 2023, the Group announced the appointment of Ms Veronica Papacosta as non-executive director.

Ms Papacosta is an experienced director with over 20 years' experience in complex, fast-growing companies in seafood retail, commercial and residential property holdings, accounting, marketing and SME administration sectors.

Veronica is currently the Chief Executive Officer of Seafood Industry Australia, the national peak body representing the interests of Australian seafood, and a Managing Director of Sydney Fresh Seafood (Aust) Pty Ltd, a seafood retail business with 20 retail and food service sites across NSW and QLD.

Events arising since the end of the reporting period

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 (\$2.5M).

Likely developments and expected results of operations

The strategic review process undertaken in FY24 has resulted in the development of a Strategic Plan for FY25-27 that focuses on stabilising annual harvest targets, realizing a range of market leadership opportunities, and delivering substantially improved profitability based on core efficiency and innovation initiatives across the business.

As a priority, the strategy is expected to deliver lower-cost, higher volume oyster harvests in FY25 and beyond. With quality at the forefront of the revised farming production strategy, East 33 is expecting to maintain its leadership position in not only sourcing but also producing the best rock oysters.

Further, the business is targeting a continued focus on hatchery and nursery operations. In doing so, East 33 will uphold an industry leadership position in the spat supply landscape. Facilitating third party farmer's access to spat will strengthen the industry by contributing to the continued improvement of rock oyster genetics and facilitate the recovery of the national rock oyster production volumes following the flood and disease events from the past few years.

Environmental regulation

NSW oyster farmers are required to adhere to the guidelines laid out in the NSW Oyster Industry Sustainable Aquaculture Strategy Fourth Edition (2021) which outlines the accepted standard practices in oyster farming and regulatory considerations.

MARPOL – The international Convention for the Prevention of Pollution from Ships requires that all waste products that we generate are returned to land for appropriate recycling or disposal.

Bio Security Risk Management Plan (incorporating Pest and Disease

Control) and DPI Primefact No. 1290, (Biosecurity NSW, 2015) outline the restrictions and requirements for the transportation of oysters, vessels and equipment between estuaries. It also lists standard and emergency procedures, training syllabus and records.

The POEO Act and the Protection of the Environment Operations (Noise Control) Regulation 2017 ensure that we operate with consideration to our neighbours, community and the environment.

Information on directors

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|---|--|
| Name: | Hon. Sarah Courtney (appointed 12 December 2022) |
| Title: | Non-Executive Chair (Independent) |
| Qualifications: | Bachelor of Engineer (Chemical) with Honours Class 1 Bachelor of Commerce (Finance) Master of Wine Technology and Viticulture GAICD, The Australian Institute of Company Directors |
| Experience and expertise: | <p>Sarah Courtney is an experienced leader who has worked across diverse roles in government and the private sector. After a decade working as a stockbroker and equities analyst Sarah established and continues to run a successful boutique vineyard in Tasmania.</p> <p>Sarah served as Member for the state seat of Bass (Tasmania) from March 2014 to February 2022 and was a State Government Minister from March 2018 to February 2022 across a wide range of portfolios, including Minister for Primary Industries and Water.</p> <p>Sarah is on the board on the Australian Wine Research Institute and is the Independent Chair of the Tasmanian Forest Products Association.</p> |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | None |
| Interest in shares: | 781,648 Fully Paid Ordinary Shares |
| Interests in options: | 1,000,000 Options expiring 27/11/2026 |
| Contractual rights to shares: | None |

| | |
|---|---|
| Name: | Michael Ryan (appointed 29 November 2022) |
| Title: | Non-Executive Director (Independent) |
| Qualifications: | Bachelor of Agriculture |
| Experience and expertise: | <p>Mike Ryan has an agricultural degree from Massey University, New Zealand and comes from an agricultural background. Mr Ryan is currently a chair of Sequoia Financial Group. Mike has high profile executive and board experience. He was previously an executive director and Head of Distribution of Morgan Stanley Australia, an executive director of Citi.</p> <p>Mike also has previous executive experience at Goldman Sachs JBWere in Sydney and London where he was an executive director. He is also a former Managing Director and Head of Equities and Operations at CIMB and is the former Head of Equities at Shaw and Partners.</p> |
| Other current directorships: | <p>Chairman – Sequoia Financial Group (ASX: SEQ)</p> <p>Director – Energy One Limited (ASX: EOL)</p> <p>Director – PM Capital Global Opportunities Fund Limited (ASX:PGF)</p> |
| Former directorships (last 3 years): | Interim Chairman – Australian Pacific Coal (ASX: AQC) |
| Special responsibilities: | Chair of Audit & Risk Committee, Member of Nomination & Remuneration Committee |
| Interest in shares: | 336,139 Fully Paid Ordinary Shares |
| Interests in performance rights: | None |
| Contractual rights to shares: | None |

| | |
|---|---|
| Name: | Gary Higgins (appointed 29 November 2022) |
| Title: | Non-Executive Director (Non-Independent) |
| Qualifications: | Chartered Accountant (CA ANZ), Registered Tax Agent |
| Experience and expertise: | <p>Gary Higgins is a senior finance professional with over 40 years' experience across a range of industries.</p> <p>Gary runs his own advisory practice and is the non-executive chairman of Yumbah Aquaculture Limited (Yumbah). Gary became a director of Yumbah in 2008 and the chairman of Yumbah in 2016. He has assisted with the acquisition of multiple abalone farms and oyster operations in addition to a mussel farm. Gary has also reviewed many aquaculture operations which did not result in any transactions.</p> <p>Gary also has experience in business valuations, mergers, acquisitions, divestments and financial analysis. Gary was a partner at Ernst & Young for 18 years prior to starting his own practice. Gary is a Chartered Accountant, a Registered Tax Agent.</p> |
| Other current directorships: | Non-Executive Director – Clean Seas Seafood Limited (ASX:CSS) |
| Former directorships (last 3 years): | None |
| Special responsibilities: | Member of Audit & Risk Committee |
| Interest in shares: | None |
| Interests in performance rights: | None |
| Contractual rights to shares: | None |

| | |
|---|--|
| Name: | Ben Cameron (appointed 29 November 2022) |
| Title: | Non-Executive Director (Non-Independent) |
| Qualifications: | Bachelor of Economics, Bachelor of Arts |
| Experience and expertise: | <p>Ben Cameron is a well-known farming figure in the Australian oyster industry. He has 15 years' experience in hatcheries, nurseries and on farms.</p> <p>The majority of Ben's experience has been as general manager and director of Cameron of Tasmania (CoT), Australian's first vertically integrated oyster business.</p> <p>Ben guided the business through the Tasmanian POMS disease outbreak and through that process, he helped found Yumbah Hatchery Pty Ltd, a successful pacific oyster hatchery in Port Lincoln.</p> <p>Ben became an executive director on the board of Yumbah Aquaculture Limited in 2021 after concluding an M&A process that saw CoT merge with Yumbah. Ben has a degree in economics and arts and has input on multiple industry boards, including the Tasmanian oyster research council.</p> |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | Member of Nomination & Remuneration Committee |
| Interest in shares: | None |
| Interests in performance rights: | None |
| Contractual rights to shares: | None |

| | |
|---|--|
| Name: | Veronica Papacosta (appointed 26 July 2023) |
| Title: | Non-Executive Director (Independent) |
| Qualifications: | Bachelor of Economics |
| Experience and expertise: | <p>Veronica Papacosta is an experienced director with over 20 years' experience in complex, fast-growing companies in seafood retail, commercial and residential property holdings, accounting, marketing and SME administration sectors.</p> <p>Veronica is currently the Chief Executive Officer of Seafood Industry Australia, the national peak body representing the interests of Australian seafood, and a Managing Director of Sydney Fresh Seafood (Aust) Pty Ltd, a seafood retail business with 20 retail and food service sites across NSW and QLD.</p> <p>Prior to this, Veronica worked as a Director of VBK Marketing and served as a Chair of Seafood Industry Australia and a Council Member of such bodies as Ministerial Advisory Council, Agricultural Industry Advisory Council and National Fisheries Advisory Council.</p> |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | Chair of Nomination & Remuneration Committee, Member of Audit & Risk Committee |
| Interest in shares: | None |
| Interests in performance rights: | None |
| Contractual rights to shares: | None |

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

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

Company Secretary

Mathew Watkins

Mr Watkins is a highly qualified company secretary and member of global financial and corporate services provider, Vistra (Australia) Pty Ltd. He has more than a decade of experience, specialising in the provision of services to ASX-listed and unlisted public companies operating in the mining, biotechnology, and industrial sectors. Mr Watkins is also a member of the Institute of Chartered Accountants of Australia and New Zealand and possesses a Bachelor of Business from Swinburne University of Technology.

Meetings of Directors

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

| | Full board | | Nomination and Remuneration Committee | | Audit and Risk Committee | | Independent Board Committee | |
|---------------------------|------------|------|---------------------------------------|------|--------------------------|------|-----------------------------|------|
| | Attended | Held | Attended | Held | Attended | Held | Attended | Held |
| Sarah Courtney | 22 | 22 | 1 | 1 | 3 | 3 | 16 | 16 |
| Michael Ryan | 21 | 22 | 2 | 2 | 11 | 11 | 16 | 16 |
| Gary Higgins | 22 | 22 | 1 | 1 | 11 | 11 | N/A | N/A |
| Ben Cameron | 22 | 22 | 2 | 2 | 2 | 3 | N/A | N/A |
| Veronica Papacosta | 18 | 21 | 1 | 1 | 7 | 8 | 12 | 12 |

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration Report (audited)

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

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

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

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward.

The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

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

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, growth in share price, and delivering constant or increasing return on assets, and
- attracting and retaining high calibre executives.

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

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments will be reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting.

The aggregate non-executive directors' remuneration last approved by shareholders amount to \$500,000.

During the period the Company issued 1,000,000 Options at nil Exercise Price to Sarah Courtney, in consideration for additional services provided outside the normal course of Sarah Courtney's Non-Executive Chair duties as approved by shareholders at the Annual General Meeting on 24 November 2023 under ASX Listing Rule 10.14. The securities had a vesting date of 30 June 2024, with the vesting condition being that Ms Courtney remains employed as a Director of the Company. The securities will expire three (3) years from the date of issue.

Executive remuneration

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

The executive remuneration and reward framework has three components available:

- base pay and non-monetary benefits
- cash and share-based payments (including short-term incentives); and
- other remuneration such as superannuation and long service leave.

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

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

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Group and provides additional value to the executive. Incentives are reviewed annually.

The long-term incentives ('LTI') are made up of share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market.

Consolidated Entity performance and link to remuneration

Currently, the Consolidated Entity assesses its performance in relation to achievement of operational goals and shareholder value. The performance measures for both the Company's Short Term Incentive Program (STI Program) and Long-Term Incentive Program (LTI Program) are tailored to align at-risk remuneration and performance hurdle thresholds to the delivery of the Consolidated Entity's operational and financial objectives and sustained shareholder value growth.

This is achieved through certain executives being entitled to both short-term and long-term incentives. The STI Program primarily incorporates operational, corporate and financial performance objectives into its hurdles. The LTI Program generally incorporates into Quantitative (Share Price and Return on Net Assets) and Qualitative (Delivery of ESG Priorities) performance measures and hurdles. The LTI Program is part of the Company's remuneration strategy and is designed to align the interests of management and shareholders and assist the Company to attract, motivate and retain executives. In particular, the LTI Program is designed to provide relevant Executives, key employees and other selected personnel with an incentive to remain with the Company and contribute to the future performance of the Group over the long term. Further details on the STI & LTI Program are presented below.

FY24 STI & LTI Program

STI's – CEO

During the FY24 period, Dr Welsh was entitled to the Short-Term Incentive (STI) of up to 27% of base salary – capped at \$99,900 (but pro-rata for the period of service 37 weeks of 52 weeks resulting in \$71,000) to be paid in cash or ordinary shares in the Company (if agreed by the Company and Dr Welsh) the number of which is determined by dividing the potential incentive value by the amount equal to the volume weighted average price (VWAP) over a period commencing 15 trading days before 30 June 2024 and ending 15 trading days after 30 June 2024, subject to satisfaction of the KPI.

| KPI's | STI Allocation Weighting |
|------------------------|--------------------------|
| Corporate Objectives | 20% |
| Financial Objectives | 60% |
| Operational Objectives | 20% |
| TOTAL | 100% |

STI's – CFO

During the period and for FY24, Ms. Knoll was entitled to the Short-Term Incentive (STI) of up to 16.66% of base salary – capped at \$36,652 (but pro-rata for the period of service 18 weeks of 52 weeks resulting in \$11,180). To be paid in cash or ordinary shares in the Company (if agreed by the Company and Ms Knoll) the number of which is determined by dividing the potential incentive value by the amount equal to the volume weighted average price (VWAP) over a period commencing 15 trading days before 30 June 2024 and ending 15 trading days after 30 June 2024, subject to satisfaction of the KPI.

| KPI's | STI Allocation Weighting |
|------------------------|--------------------------|
| Corporate Objectives | 5% |
| Financial Objectives | 25% |
| Operational Objectives | 70% |
| TOTAL | 100% |

FY24 STI program amounts payable at 30 June 2024:

CEO: \$42k

CFO: \$7k

LTI's

Dr Welsh also received the Long-Term Incentive ('LTI') comprising of 18,820,833 Performance Rights valued at \$508,163 based on 53% of his base salary vesting on satisfaction of performance hurdles, over a performance period. The details of the Performance Rights issue are summarised below:

| | |
|---------------------|---|
| Type: | Performance Rights |
| Annual grant Value: | 53% of base salary (or \$196,100) |
| Year 1: | 16/10/2023 to 30/6/2024 being 37 of 52 weeks 71.15% of first year rights - \$139,533 |
| Year 2: | 16/10/2023 to 30/6/2025 being 89 of 104 weeks – \$167,816 |
| Year 3: | 16/10/2023 to 30/6/2026 being 141 of 156 weeks – \$177,244 |

| Performance Conditions | Performance Rights | LTI Allocation Weighting |
|--|--------------------|--------------------------|
| Quantitative | | |
| 50% Share Price – achieve a share price of \$0.05 in 3 years | 6,587,292 | 35% |
| Qualitative | | |
| 50% Return on Net Assets (RONA) | 6,587,292 | 35% |
| Qualitative | | |
| Achieving ESG Priorities | 5,646,239 | 30% |
| TOTAL | 18,820,833 | 100% |

The Share Price Target and RONA targets have a Target and a Stretch Target. The ESG priorities target will be either met or not met.

With respect to the Total Grant Value for the KPI targets (and in respect of each Performance Right):

- To receive any of the Total Grant Value, the Target % must be achieved;
- If the Target % is achieved (but no more), 50% of the Total Grant Value will be paid.
- To receive the entire Total Grant Value, the Stretch Target % or more must be achieved.
- In the event between the Target % and the Stretch Target % is achieved, a pro-rata proportion of the Total Grant Value will be received.

The basis for the Share Price calculation and Rona calculation and ESG Priorities are as follows:

a. Share Price calculation

The Share price at the time of commencement is set at \$0.027 (based on VWAP 15 days prior and post commencement date). The stretch targets are outlined in the table below.

| Year | Target | Stretch Target |
|--------------|---------|----------------|
| 30 June 2024 | \$0.03 | \$0.035 |
| 30 June 2025 | \$0.035 | \$0.04 |
| 30 June 2026 | \$0.045 | \$0.05 |

b. RONA Calculation

RONA targets have been set which encourage the medium and long term development of the CEO strategy with a view to increasing value, without the influence of market conditions of the day. Using RONA as a target has the added benefit of withstanding any change of ownership and control and delisting.

The RONA calculation is:

$$\text{Return on Net Assets} = \frac{\text{Profit/Loss Before Income Tax}}{\text{Net Assets}}$$

c. ESG Priorities

30% of the overall LTI will be assigned to achievement of ESG priorities (**ESG Priorities**) as approved by the Board.

The determination on whether the ESG Priorities have been satisfied is then at the discretion of the Board.

As part of the STI and LTI payment, Dr Welsh and Ms Knoll (in respect of STI) are responsible for growing the entity and increasing shareholders' value. The STI and LTI provide an incentive to Dr Welsh and Ms Knoll to remain with the Company and to continue to enhance the shareholders' value.

FY25 STI & LTI Program

STI's – CEO

For FY25, Dr Welsh is entitled to the Short-Term Incentive (STI) of up to 27% of base salary – capped at \$99,900 to be paid in cash. The relevant targets for each hurdle have both a target and stretch target to incentivise the Executive.

| KPI's | STI Allocation Weighting |
|------------------------|--------------------------|
| Corporate Objectives | 20% |
| Financial Objectives | 60% |
| Operational Objectives | 20% |
| TOTAL | 100% |

STI's – CFO

For FY25, Ms Knoll is entitled to the Short-Term Incentive (STI) of up to 16.66% of base salary – capped at \$36,652 to be paid in cash. The relevant targets for each hurdle have both a target and stretch target to incentivise the Executive.

| KPI's | STI Allocation Weighting |
|------------------------|--------------------------|
| Corporate Objectives | 10% |
| Financial Objectives | 60% |
| Operational Objectives | 30% |
| TOTAL | 100% |

STI's – Head of Supply Chain

For FY25, Mr Rupnik is entitled to the Short-Term Incentive (STI) calculated as 15% of the amount achieved above the targeted East 33 Gross Margin for FY25, being the 'Potential Incentive Value' to be paid in cash. The STI requires firstly satisfaction of a global hurdle and is then scaled by the satisfaction of relevant KPI's to incentivise the Executive.

Global Hurdle – East 33 EBITDA (excl. Biological Asset Value) in line with FY25 Budget.

| KPI's | STI Allocation Weighting |
|------------------------|--------------------------|
| Corporate Objectives | 20% |
| Financial Objectives | 40% |
| Operational Objectives | 40% |
| TOTAL | 100% |

LTI's – CEO

Dr Welsh is entitled to the Long-Term Incentive (LTI) comprising of 16,341,667 Performance Rights valued at \$196,100 based on 53% of base salary vesting on satisfaction of performance hurdles, over a performance period. The details of the Performance Rights issue are summarised below:

| | |
|---------------------|---|
| Type: | Performance Rights |
| Annual grant Value: | 53% of base salary (or \$196,100) |
| Grant Volume: | 16,341,667 (based on the 15 day VWAP pre and post 30 June 2024) |
| Vesting Date: | 30/6/2027 |
| Method: | At the conclusion of the three years vesting period of the Performance Rights, whether the Performance Rights are to be converted into fully paid ordinary shares in East 33 will be determined by the Board based on satisfaction of performance measured against applicable KPIs. |

Weighting of each performance condition:

| Performance Conditions | Performance Rights | LTI Allocation Weighting |
|---|--------------------|--------------------------|
| Quantitative | | |
| 50% Share Price – achieve a share price of \$0.045 in 3 years | 5,719,583 | 35% |
| Qualitative | | |
| 50% Return on Net Assets (RONA) | 5,719,583 | 35% |
| Qualitative | | |
| Achieving ESG Priorities | 4,902,501 | 30% |
| TOTAL | 16,341,667 | 100% |

The Share Price Target and RONA targets have a Target and a Stretch Target. The ESG priorities target will be either met or not met.

With respect to the Total Grant Value for the KPI targets (and in respect of each Performance Right):

- To receive any portion of the Total Grant Value, the Target % must be achieved;
- If the Target % is achieved (but no more), 50% of the Total Grant Value will be paid.
- To receive the entire Total Grant Value, the Stretch Target % or more must be achieved.
- In the event between the Target % and the Stretch Target % is achieved, a pro-rata proportion of the Total Grant Value will be received.

The basis for the Share Price calculation and Rona calculation and ESG Priorities are as follows:

d. Share Price calculation

The Share price at the time of commencement is set at \$0.012 (based on VWAP 15 days prior and post 30 June 2024). The stretch target share price is outlined below.

| Year | Target | Stretch Target |
|--------------|---------|----------------|
| 30 June 2027 | \$0.035 | \$0.045 |

e. RONA Calculation

RONA targets have been set which will encourage the medium- and long-term development of the CEO strategy with a view to increasing value, without the influence of market conditions of the day. Using RONA as a target has the added benefit of withstanding any change of ownership and control and delisting.

The RONA calculation is:

$$\text{Return on Net Assets} = \frac{\text{Profit/Loss Before Income Tax}}{\text{Net Assets}}$$

f. ESG Priorities

The assessment of the LTI will be assigned to achievement of the agreed ESG priorities of which the high levels targets are outlined below (furthermore detailed targets have been set by the Board but summarised into the below categories):

- Environmental;
- Social; and
- Governance.

The determination on whether the ESG Priorities have been satisfied is then at the discretion of the Board.

As part of the STI and LTI payment, Dr Welsh is responsible for growing the entity and increasing shareholders' value. The STI and LTI provide an incentive to Dr Welsh to remain with the Company and to continue to enhance the shareholders' value.

LTI's - CFO

Ms Knoll is entitled to the Long-Term Incentive (LTI) comprising of 6,110,500 Performance Rights valued at \$73,326 based on 33.33% of base salary. The details of the Performance Rights issue are summarised below:

| | |
|---------------------|---|
| Type: | Performance Rights |
| Annual grant Value: | 33.33% of base salary (or \$73,326) |
| Grant Volume: | 6,110,500 (based on the 15 day VWAP pre and post 30 June 2024) |
| Vesting Date: | 30/6/2027 |
| Method: | At the conclusion of the three years vesting period of the Performance Rights, whether the Performance Rights are to be converted into fully paid ordinary shares in East 33 will be determined by the Board based on satisfaction of performance measured against applicable KPIs. |

As part of the STI and LTI payment, Ms Knoll is responsible for growing the entity and increasing shareholders' value. The STI and LTI provide an incentive to Ms Knoll to remain with the Company and to continue to enhance the shareholders' value.

Weighting of each performance condition:

| Performance Conditions | Performance Rights | LTI Allocation Weighting |
|--|--------------------|--------------------------|
| Quantitative | | |
| Improvement in Share Price | 1,833,150 | 30% |
| Qualitative | | |
| Improvement in Return on Net Assets (RONA) | 2,444,200 | 40% |
| Qualitative | | |
| Achieving ESG Priorities | 916,575 | 15% |
| IT infrastructure | 916,575 | 15% |
| TOTAL | 6,110,500 | 100% |

The Share Price Target and RONA targets have a Target and a Stretch Target. The ESG priorities and IT infrastructure targets will be either met or not met.

With respect to the Total Grant Value for the KPI targets (and in respect of each Performance Right):

- To receive any portion of the Total Grant Value, the Target % must be achieved;
- If the Target % is achieved (but no more), 50% of the Total Grant Value will be paid.
- To receive the entire Total Grant Value, the Stretch Target % or more must be achieved.
- In the event between the Target % and the Stretch Target % is achieved, a pro-rata proportion of the Total Grant Value will be received.

The basis for the Share Price calculation and Rona calculation and ESG Priorities are as follows:

g. Share Price calculation

The Share price at the time of commencement is set at \$0.012 (based on VWAP 15 days prior and post 30 June 2024). The stretch target share price is outlined below.

| Year | Target | Stretch Target |
|--------------|---------|----------------|
| 30 June 2027 | \$0.035 | \$0.045 |

h. RONA Calculation

RONA targets have been set which will encourage the medium- and long-term development of E33's strategy with a view to increasing value, without the influence of market conditions of the day. Using RONA as a target has the added benefit of withstanding any change of ownership and control and delisting.

The RONA calculation is:

$$\text{Return on Net Assets} = \frac{\text{Profit/Loss Before Income Tax}}{\text{Net Assets}}$$

i. ESG Priorities

The assessment of the LTI will be assigned to achievement of the agreed ESG priorities of which the high levels targets are outlined below (furthermore detailed targets have been set by the Board but summarised into the below categories)

- Environmental;
- Social; and
- Governance.

The determination on whether the ESG Priorities have been satisfied is then at the discretion of the Board.

j. IT Infrastructure

15% of the overall LTI will be assigned to the improvement of the business' IT infrastructure/cyber security (**IT infrastructure Improvements**).

An IT strategy will be developed, approved by the board and delivered upon to satisfy this KPI.

The determination on whether the IT infrastructure Improvements have been satisfied is at the discretion of the Board.

No LTI's were offered to the Head of Supply Chain for FY25.

Voting and comments made at the Company's 24 November 2023 Annual General Meeting ('AGM')

Voting and comments made at the Company's 24 November 2023 Annual General Meeting ('AGM')

The Company received 99.43% of 'for' votes in relation to its remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remunerations

Details of the remuneration of key management personnel of the Group are set out in the following tables. The key management personnel of the Group consisted of the following directors of East 33 Limited:

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
Dr Justin Welsh CEO
Amy Knoll CFO
Anthony Rupnik Head of Supply Chain

| 2024 | Short-term benefits | | | Post-employment benefits | Long-term benefits | | Total \$ |
|--------------------------|-------------------------|-------------------|-----------------|--------------------------|-----------------------|-------------------------|-----------|
| | Cash salary and fees \$ | Cash incentive \$ | Non-monetary \$ | Superannuation \$ | Long service leave \$ | Share-based payments \$ | |
| Non-Executive Directors: | | | | | | | |
| Sarah Courtney | 125,000 | - | - | 13,750 | - | 20,500 | 159,250 |
| Michael Ryan | 50,000 | - | - | 5,500 | - | - | 55,500 |
| Gary Higgins | 50,000 | - | - | 5,500 | - | - | 55,500 |
| Veronica Papacosta | 46,987 | - | - | 5,169 | - | - | 52,156 |
| Ben Cameron | 50,000 | - | - | 5,500 | - | - | 55,500 |
| Executive Directors/KMP: | | | | | | | |
| Dr Justin Welsh | 258,620 | 41,853 | - | 20,689 | - | 100,460 | 421,622 |
| Amy Knoll | 75,026 | 6,884 | - | 8,253 | - | - | 90,163 |
| Anthony Rupnik | 357,844 | - | - | 39,362 | - | - | 397,206 |
| | 1,013,477 | 48,737 | - | 103,723 | - | 120,960 | 1,286,897 |

| | Short-term benefits | | | Post-employment benefits | Long-term benefits | | |
|--------------------------|----------------------------|----------------------|--------------------|--------------------------|--------------------------|----------------------------|-------------|
| 2023 | Cash salary and fees \$ | Cash incentive \$ | Non-monetary \$ | Superannuation \$ | Long service leave \$ | Share-based payments \$ | Total \$ |
| Non-Executive Directors: | | | | | | | |
| Sarah Courtney | 69,220 | - | - | 7,268 | - | - | 76,488 |
| Michael Ryan | 74,416* | - | - | 7,814 | - | - | 82,230 |
| Gary Higgins | 29,167 | - | - | 3,062 | - | - | 32,229 |
| Ben Cameron | 29,167 | - | - | 3,062 | - | - | 32,229 |
| Raymond Yu | - | - | - | - | - | - | - |
| Xingqi Gao | - | | | - | | | - |
| Mark Nagy | 62,756 | | | 1,313 | | | 64,069 |
| Executive Directors/KMP: | | | | | | | |
| James Garton | 357,211** | - | - | 25,765 | - | - | 382,976 |
| Anthony Rupnik | 309,124 | - | - | 32,458 | - | - | 341,582 |
| Guy Burnett | 354,943** | - | - | 25,593 | - | - | 380,536 |
| | 1,286,004 | - | - | 106,335 | - | - | 1,392,339 |

* Includes \$50,000 remuneration (inclusive of superannuation) paid as part of an arms-length consultancy agreement

** Includes termination payments under the executive service agreements

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| | Fixed remuneration | | At risk - STI | | At risk - LTI | |
|---------------------------------|--------------------|------|---------------|------|---------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Non-Executive Directors: | | | | | | |
| Sarah Courtney | 87% | 100% | - | - | 13% | - |
| Michael Ryan | 100% | 100% | - | - | - | - |
| Gary Higgins | 100% | 100% | - | - | - | - |
| Ben Cameron | 100% | 100% | - | - | - | - |
| Veronica Papacosta | 100% | - | - | - | - | - |
| Xingqi Gao | - | - | - | - | - | - |
| Raymond Yu | - | - | - | - | - | - |
| Mark Nagy | - | 100% | - | - | - | - |
| Executive Directors/KMP: | | | | | | |
| James Garton | - | 100% | - | - | - | - |
| Guy Burnett | - | 100% | - | - | - | - |
| Anthony Rupnik | - | 100% | - | - | - | - |
| Dr Justin Welsh | 66% | - | 10% | - | 24% | - |
| Amy Knoll | 91% | - | 9% | - | - | - |

The Directors were not eligible for cash bonuses during the reporting periods and no cash bonuses were paid.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

| | |
|-----------------------------|---|
| Name: | Dr Justin Welsh |
| Title: | CEO |
| Agreement commenced: | 16 October 2023 |
| Term of agreement: | Ongoing |
| Details: | Dr Welsh's fixed remuneration is \$370,000 per annum (plus statutory superannuation). Termination by either party at any time, for any reason, by giving three (3) months written notice. |
| Name: | Amy Knoll |
| Title: | CFO |
| Agreement commenced: | 12 April 2024 |
| Term of agreement: | Ongoing |
| Details: | Ms Knoll's fixed remuneration is \$220,000 per annum (plus statutory superannuation). Termination by either party at any time, for any reason, by giving three (3) months written notice. |
| Name: | Anthony Rupnik |
| Title: | Head of Supply Chain |
| Agreement commenced: | 21 July 2024 |
| Term of agreement: | On-going |
| Details: | Mr Rupnik's fixed remuneration is \$350,000 per annum (plus statutory superannuation). Termination by either party at any time, for any reason, by giving six (6) months written notice. |

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

No shares were issued to directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Issue of options

| Grant Date | Expiry Date | Exercise Price | Fair Value per Option |
|------------------|------------------|----------------|-----------------------|
| 27 November 2023 | 21 November 2026 | Nil | \$20,500 |

Options granted carry no dividend or voting rights.

Issue of Performance Rights

| Grant Date | Expiry Date | Exercise Price | Fair Value per Option |
|------------------|--------------|----------------|-----------------------|
| 22 December 2023 | 30 June 2026 | Nil | \$218,430 |
| 22 December 2023 | 30 June 2025 | Nil | \$54,308 |
| 22 December 2023 | 30 June 2024 | Nil | \$46,842 |

Performance Rights granted carry no dividend or voting rights.

Additional Information

The earnings of the Group for the four years to 30 June 2024 are summarised below:

| | 2024 \$'000 | 2023 \$'000 | 2022 \$'000 | 2021 \$'000 |
|-------------------------------|----------------|----------------|----------------|----------------|
| Sales revenue | 23,140 | 24,621 | 22,636 | 8,395 |
| EBITDA/(loss)* | (1,852) | (3,389) | (6,118) | (2,781) |
| EBIT/(loss)* | (10,153) | (8,312) | (8,127) | (3,483) |
| Loss after income tax | (11,646) | (9,198) | (8,962) | (5,476) |
| Cash outflow from operations | (4,167) | (4,228) | (3,149) | (2,695) |
| Earnings/(loss) per share(\$) | (0.02) | (0.02) | (0.034) | (0.36) |
| Share price at 30 June (\$) | 0.013 | 0.019 | 0.04 | n/a |

Additional disclosures relating to key management personnel

Shareholding

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

| 2024 | Balance at the start of the year | Balance on appointment | RCPS Converted to equity | Received as part of remuneration | Acquired for cash | Balance on resignation | Balance at the end of the year |
|------------------------|-------------------------------------|---------------------------|-----------------------------|-------------------------------------|-------------------|---------------------------|-----------------------------------|
| Ordinary shares | | | | | | | |
| Sarah Courtney | - | - | - | - | 781,648 | - | 781,648 |
| Michael Ryan | - | - | - | - | 336,139 | - | 336,139 |
| Gary Higgins | - | - | - | - | - | - | - |
| Ben Cameron | - | - | - | - | - | - | - |
| Veronica Papacosta | - | - | - | - | - | - | - |
| Dr Justin Welsh | - | - | - | - | - | - | - |
| Amy Knoll | - | - | - | - | - | - | - |
| Anthony Rupnik | 22,884,368 | - | 4,869,516 | - | - | - | 27,753,884 |
| | 22,884,368 | - | 4,869,516 | - | 1,117,787 | - | 28,871,671 |

| 2023 | Balance at the start of the year | Balance on appointment | Notes Converted to equity | Received as part of remuneration | Acquired for cash | Balance on resignation | Balance at the end of the year |
|------------------------|----------------------------------|------------------------|---------------------------|----------------------------------|-------------------|------------------------|--------------------------------|
| Ordinary shares | | | | | | | |
| Sarah Courtney | - | - | - | - | - | - | - |
| Michael Ryan | - | - | - | - | - | - | - |
| Gary Higgins | - | - | - | - | - | - | - |
| Ben Cameron | - | - | - | - | - | - | - |
| James Garton | 5,710,067 | - | - | - | - | 5,710,067 | - |
| Mark Nagy | 5,710,067 | - | - | - | - | 5,710,067 | - |
| Guy Burnett | 5,710,067 | - | - | - | - | 5,710,067 | - |
| Anthony Rupnik | - | - | - | - | - | - | - |
| Raymond Yu | - | 422,882 | - | - | - | 422,882 | - |
| Xingqi Gao | 6,593,232 | - | - | - | - | 6,593,232 | - |
| | 23,723,433 | 422,882 | - | - | - | 24,146,315 | - |

During the year a total of \$125,203 (FY23: nil) was invoiced by Cameron of Tasmania Pty Ltd, an entity owned by Yumbah Aquaculture 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.

Rights and Option Holdings at Year end

The relevant interest of each Director in the performance rights and options of the Company:

Performance Rights

| 2024 | Balance at the start of the year | Received as part of remuneration | Additions | Balance on resignation | Balance at the end of the year |
|---------------------------|----------------------------------|----------------------------------|-----------|------------------------|--------------------------------|
| Performance Rights | | | | | |
| Dr Justin Welsh | - | 18,820,833 | - | - | 18,820,833 |

Options

| 2024 | Balance at the start of the year | Received as part of remuneration | Additions | Balance on resignation | Balance at the end of the year |
|----------------|----------------------------------|----------------------------------|-----------|------------------------|--------------------------------|
| Options | | | | | |
| Sarah Courtney | - | 1,000,000 | - | - | 1,000,000 |

| 2023 | Balance at the start of the year | Granted as part of common control | Additions | Balance on resignation | Balance at the end of the year |
|---------------------------|----------------------------------|-----------------------------------|-----------|------------------------|--------------------------------|
| Performance Rights | | | | | |
| James Garton | 25,000,000 | - | - | 25,000,000 | - |
| Mark Nagy | 25,000,000 | - | - | 25,000,000 | - |
| Guy Burnett | 25,000,000 | - | - | 25,000,000 | - |

This concludes the remuneration report, which has been audited.

Shares under performance rights

Unissued ordinary shares of East 33 Limited under performance rights at the date of this report are as follows:

| Grant date | Expiry date | Exercise price | Number under performance rights |
|-----------------|------------------|----------------|---------------------------------|
| 26 July 2021 | 31 December 2024 | NIL | 75,000,000 |
| 16 October 2023 | 30 June 2024 | NIL | 2,583,944 |
| 16 October 2023 | 30 June 2025 | NIL | 3,107,704 |
| 16 October 2023 | 30 June 2026 | NIL | 13,129,185 |
| 1 August 2024 | 30 June 2027 | NIL | 22,452,167 |
| | | | 91,268,007 |

No person entitled to exercise the performance rights had or has any right by virtue of the option to participate in any share issue of the Company.

On 10 July 2024, 25,005,000 performance rights lapsed due to the associated performance criteria not being satisfied.

Shares under option

| Grant date | Expiry date | Exercise price | Number under option |
|------------------|------------------|----------------|---------------------|
| 27 November 2023 | 27 November 2026 | NIL | 1,000,000 |

Shares issued on the exercise of performance rights

There were no ordinary shares of East 33 Limited issued on the exercise of performance rights during the year ended 30 June 2024 and up to the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of East 33 Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Shares issued on the exercise of convertible notes

238,095,238 ordinary shares of East 33 Limited were issued on the partial conversion of the face value of the convertible note.

Indemnity and insurance of officers

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

During the financial year, the Company paid a premium in respect of a contract to ensure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of officers

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

During the financial year, the Company paid a premium in respect of a contract to ensure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the Company

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of HLB Mann Judd

There are no officers of the Company who are former partners of HLB Mann Judd.

Rounding of amounts

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

Auditor's independence declaration

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

Auditor

HLB Mann Judd continues in office in accordance with Section 327 of the Corporations Act 2001.

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

On behalf of the directors



Hon. Sarah Courtney
Chairman

24 September 2024

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of East 33 Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.



Perth, Western Australia
24 September 2024

D B Healy
Partner

hlb.com.au

HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

Statement of profit or loss and other comprehensive income

| | | Consolidated | |
|--|------|-----------------|-----------------|
| | Note | 2024 \$'000 | 2023 \$'000 |
| Revenue | 4 | 23,140 | 24,621 |
| Cost of sales | 6 | (15,309) | (17,344) |
| Gross profit | | 7,831 | 7,277 |
| 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 | | (11,719) | (13,971) |
| Fair value loss of financial assets and liabilities | 19 | (254) | (270) |
| Earnings before interest, tax, depreciation, amortisation and impairment | | (1,852) | (3,388) |
| Depreciation, amortisation and impairment expense | 6 | (8,301) | (4,924) |
| Finance costs | 6 | (1,531) | (885) |
| Loss before income tax expense | | (11,684) | (9,197) |
| Income tax benefit / (expense) | 7 | 38 | (1) |
| Loss after income tax expense for the year | | (11,646) | (9,198) |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss | | - | - |
| Total comprehensive loss for the year | | (11,646) | (9,198) |
| | | \$ | \$ |
| 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.

Statement of financial position

| | | Consolidated | |
|--------------------------------------|------|----------------|----------------|
| | Note | 2024 \$'000 | 2023 \$'000 |
| Assets | | | |
| Current assets | | | |
| 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 | | 7,605 | 5,814 |
| Non-current assets | | | |
| 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 | | 37,083 | 42,751 |
| Total assets | | 44,688 | 48,565 |
| Liabilities | | | |
| Current liabilities | | | |
| 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 | | 3,624 | 13,764 |
| Non-current liabilities | | | |
| 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 | | 16,171 | 3,735 |
| Total liabilities | | 19,795 | 17,499 |
| Net assets | | 24,893 | 31,066 |
| Equity | | | |
| Issued capital | 21 | 61,995 | 56,643 |
| Reserves | 34 | 121 | - |
| Accumulated losses | | (37,223) | (25,577) |
| Total equity | | 24,893 | 31,066 |

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 reserve | Total equity \$'000 |
|--|-----------------------------|---------------------------------|--------------------------------|---------------------------|
| Consolidated | | | | |
| 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) |
| Transactions with owners in the capacity as owners: | | | | |
| Equity issued during the year net of share issue costs | 7,360 | - | - | 7,360 |
| Performance rights forfeited | - | 31 | (31) | - |
| Balance at 30 June 2023 | 56,643 | (25,577) | - | 31,066 |

| | Issued capital \$'000 | Accumulated losses \$'000 | Share-based payment reserve | Total equity \$'000 |
|--|-----------------------------|---------------------------------|--------------------------------|---------------------------|
| Consolidated | | | | |
| Balance at 1 July 2023 | 56,643 | (25,577) | - | 31,066 |
| Loss after income tax expense for the year | - | (11,646) | - | (11,646) |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive loss for the year | - | (11,646) | - | (11,646) |
| Transactions with owners in the capacity as owners: | | | | |
| Equity issued during the year net of share issue costs | 5,352 | - | - | 5,352 |
| Share based payments | - | - | 121 | 121 |
| Balance at 30 June 2024 | 61,995 | (37,223) | 121 | 24,893 |

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

Statement of cash flows

| | Note | 2024 \$'000 | Consolidated 2023 \$'000 |
|---|------|----------------|--------------------------------|
| Cash flows from operating activities | | | |
| 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) |
| Cash flows from investing activities | | | |
| Payment for purchase of businesses, net of cash acquired | | (30) | - |
| Payment for vendor finance | | (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) |
| Cash flows from financing activities | | | |
| 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 30.

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 13 August 2024, the company drew down the remaining balance available on the Loan facility (\$2,500,000) to meet working capital needs (refer to note 36).

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:

| Class of Fixed Asset | Depreciation Rate | Depreciation Method |
|----------------------|-------------------|---------------------|
| 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 | Principle place of business |
|------------------------------------|------------------------------------|
| 12 Point Road Tuncurry NSW 2428 | 12 Point Road Tuncurry NSW 2428 |

A description of the nature of the Group’s operations and its principal activities are included in the directors’ report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 September 2024. The directors have the power to amend and reissue the financial statements.

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.

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.

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 2024 \$'000 | Distribution 2024 \$'000 | Corporate and sundry business units 2024 \$'000 | Total 2024 \$'000 |
|--|------------------------------------|---|--|----------------------------------|
| Revenue | | | | |
| Revenue from external customers | 1,309 | 20,102 | 1,729 | 23,140 |
| Intersegment sales | 2,068 | 376 | - | 2,444 |
| Total segment revenue | 3,377 | 20,478 | 1,729 | 25,584 |
| 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) |
| Total cost of sales | (497) | (16,514) | (742) | (17,753) |
| Employee benefits expense | (4,613) | (1,268) | (3,250) | (9,131) |
| Total employee benefit expenses | (4,613) | (1,268) | (3,250) | (9,131) |
| Fair value loss on financial liabilities | - | - | (254) | (254) |
| 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 2023 \$'000 | Distribution 2023 \$'000 | Corporate and sundry business units 2023 \$'000 | Total 2023 \$'000 |
|--|---------------------------|--------------------------------|--|-------------------------|
| Revenue | | | | |
| Revenue from external customers | 2,303 | 20,664 | 1,654 | 24,621 |
| Intersegment sales | 3,310 | 411 | - | 3,721 |
| Total segment revenue | 5,613 | 21,075 | 1,654 | 28,342 |
| 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) |
| Total cost of sales | (3,960) | (16,453) | (652) | (21,065) |
| Employee benefits expense | (5,498) | (2,923) | (3,167) | (11,588) |
| Total employee benefit expenses | (5,498) | (2,923) | (3,167) | (11,588) |
| Fair value loss on financial liabilities | - | - | (270) | (270) |
| 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:

| | Oyster farming 2024 \$'000 | Distribution 2024 \$'000 | Corporate and sundry business units 2024 \$'000 | Total 2024 \$'000 |
|--------------------------------------|-------------------------------------|--------------------------------|--|-------------------------|
| Consolidated – 2024 | | | | |
| Oyster sales | 1,309 | 20,102** | - | 21,411 |
| Restaurant sales | - | - | 1,694 | 1,694 |
| Sundry sales | - | - | 35 | 35 |
| | 1,309 | 20,102 | 1,654 | 23,140 |
| Geographical regions | | | | |
| Australia | 1,309 | 20,102 | 1,729 | 23,140 |
| | 1,309 | 20,102 | 1,729 | 23,140 |
| Timing of revenue recognition | | | | |
| Goods transferred at a point in time | 1,309 | 20,102 | 1,729 | 23,140 |
| | | | | |
| | Oyster farming 2023 \$'000 | Distribution 2023 \$'000 | Corporate and sundry business units 2023 \$'000 | Total 2023 \$'000 |
| Consolidated – 2023 | | | | |
| Oyster sales | 2,303 | 20,664** | - | 22,967 |
| Restaurant sales | - | - | 1,542 | 1,542 |
| Bottle shop sales* | - | - | 86 | 86 |
| Sundry sales | - | - | 24 | 24 |
| | 2,303 | 20,664 | 1,654 | 24,621 |
| Geographical regions | | | | |
| Australia | 2,303 | 20,664 | 1,654 | 24,621 |
| | 2,303 | 20,664 | 1,654 | 24,621 |
| Timing of revenue recognition | | | | |
| Goods transferred at a point in time | 2,303 | 20,664 | 1,654 | 24,621 |

*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

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

Note 6. Expenses

| | 2024 \$'000 | Consolidated 2023 \$'000 |
|--|----------------|--------------------------------|
| Loss before income tax includes the following specific expenses: | | |
| Cost of sales | | |
| Total cost of sales | 15,309 | 17,344 |
| Depreciation | | |
| Property plant and equipment | 1,067 | 1,139 |
| Right-of-use-assets | 178 | 186 |
| Total depreciation | 1,245 | 1,325 |
| Impairment | | |
| Goodwill | 1,500 | 2,943 |
| Intangibles | 4,900 | - |
| | 6,400 | 2,943 |
| Amortisation | | |
| Oyster/Crown leases | 543 | 548 |
| Software | 113 | 108 |
| Total amortisation | 656 | 656 |
| Total depreciation, amortisation and impairment | 8,301 | 4,924 |
| Finance Costs | | |
| Interest and finance charges paid/payable on borrowings | 1,110 | 569 |
| Unwinding of the discount on provisions | 421 | 316 |
| Finance costs expensed | 1,531 | 885 |
| Administration expenses | | |
| 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 |
| Administration expenses | 1,742 | 1,578 |

Note 7. Income tax expense and deferred tax

| | Consolidated | |
|--|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 |
| Income tax expenses | | |
| Current tax | - | - |
| Deferred tax – origination and reversal of temporary differences | - | - |
| Adjustment recognised for prior periods | 38 | (1) |
| Aggregate income tax expense | 38 | (1) |
| Deferred tax included in income tax expense comprises: | | |
| Decrease in deferred tax assets | - | - |
| Increase/(decrease) in deferred tax liabilities | - | - |
| Deferred tax – origination and reversal of temporary differences | - | - |
| 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% (2023: 25%) | (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) |
| Adjustment recognised for prior periods | 38 | (1) |
| Income tax expense | 38 | (1) |
| Deferred tax asset comprises temporary differences attributable to: | | |
| Amounts recognised in profit or loss | | |
| Employee benefits | 157 | 138 |
| Tax assets (carried forward losses) | 1,606 | 1,103 |
| Leases | 540 | 430 |
| Deferred tax asset | 2,303 | 1,671 |
| Movements | | |
| Opening balance | 1,671 | 609 |
| Credited to loss | 632 | 1,062 |
| Closing balance | 2,303 | 1,671 |
| Deferred tax liability comprises temporary differences attributable to: | | |
| Amounts recognised in profit or loss | | |
| Right use of assets | 502 | 398 |
| Fair value gain on biological assets | 1,733 | 1,205 |
| Deferred tax liability | 2,235 | 1,603 |
| Movements | | |
| Opening balance | 1,603 | 554 |
| Debited to loss | 632 | 1,062 |
| Closing balance | 2,235 | 1,063 |

Note 8. Cash and cash equivalents

| | Consolidated | |
|--------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 |
| Cash on hand | 6 | 2 |
| Cash at bank | 1,586 | 891 |
| | 1,592 | 893 |

Note 9. Trade and other receivables

| | Consolidated | |
|-------------------------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 |
| Trade receivables | 1,192 | 1,313 |
| Prepaid expenses and deposits | 260 | 244 |
| | 1,452 | 1,557 |

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

| Consolidated | Expected credit loss rate | | Carrying amount | | Allowance for expected credit losses | |
|-----------------------|---------------------------|-----------|-----------------|----------------|--------------------------------------|----------------|
| | 2024 % | 2023 % | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| 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) | - |
| | | | 1,213 | 1,313 | (21) | - |

Note 10. Inventories

| | Consolidated | |
|------------------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 |
| Finished goods at cost | 20 | 34 |
| Oyster stock at cost | 145 | 231 |
| | 165 | 265 |

Note 11. Biological assets

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

Note 11. Biological assets (continued)

| | 2024 \$'000 | Consolidated 2023 \$'000 |
|--|----------------|--------------------------------|
| 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 | (448) | (3,879) |
| Biological stock at the end of the period | 7,587 | 5,297 |

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

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

Reconciliations

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

| Consolidated | 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 | 5,222 | 4,689 | 314 | 20 | 43 | 10,288 |
| 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 | 4,891 | 4,427 | 272 | 18 | 31 | 9,639 |

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

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

Reconciliation of Right-of-use assets

| | | |
|-----------------|-------|-------|
| Opening Balance | 1,591 | 1,811 |
| Additions | 609 | - |
| Disposals | (15) | (34) |
| Amortisation | (178) | (186) |
| | 2,007 | 1,591 |

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

| | Consolidated | |
|--------------------------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 |
| Goodwill | 14,815 | 17,758 |
| Less: impairment | (1,500) | (2,943) |
| | 13,315 | 14,815 |
| Oyster/Crown Leases | 12,559 | 13,059 |
| Less: Impairment | (4,900) | - |
| Less: Accumulated amortisation | (1,350) | (1,303) |
| | 6,309 | 11,756 |
| Software – at cost | 562 | 562 |
| Less: Accumulated amortisation | (243) | (130) |
| | 319 | 432 |
| | 19,943 | 27,003 |

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 |
|---------------------------|--------------------|--------------------------------------|--------------------|-----------------|
| Consolidated | | | | |
| 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 | - | (75) | - | (75) |
| Depreciation on disposals | - | 71 | - | 71 |
| Impairment provision | (1,500) | (4,900) | - | (6,400) |
| 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 \$4,900,000 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 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

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

Note 16. Deferred Acquisition Consideration

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

Note 17. Borrowings

Short-term borrowings

| | 2024 \$'000 | Consolidated 2023 \$'000 |
|--------------------------|----------------|--------------------------------|
| NAB facility | - | 4,267 |
| Yumbah facility | 867 | - |
| Equipment finance leases | 62 | 42 |
| | 929 | 4,309 |

Long-term borrowings

| | | |
|-------------------------------|---------------|--------------|
| Yumbah facility | 11,877 | - |
| Other equipment finance loans | 90 | 100 |
| | 11,967 | 100 |
| Total Loans | 12,896 | 4,409 |

Reconciliation of Loans

| | | |
|---|---------------|--------------|
| Opening balance | 4,409 | 9,304 |
| Loan drawdowns | 23,221* | 448 |
| Borrowing costs | (503) | - |
| Amortisation of borrowing costs | 297 | 210 |
| Loan interest accrued | 794 | (24) |
| Loan repayments | (10,314)** | (5,529) |
| Reclassification to other current liabilities | (8) | - |
| Loan converted to equity | (5,000) | - |
| Closing balance | 12,896 | 4,409 |

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 \$23,231,000 are made up of \$5,500,000 Rupnik & Verdich short term loan (repaid on 30 April 2024), asset finance facility drawdown of \$55,000, insurance financing of \$286,000, \$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, insurance financing \$278,000 and \$5,500,000 RCPS Rupnik & Verdich short term loan.

Note 18. Lease liabilities

| | 2024 \$'000 | Consolidated 2023 \$'000 |
|-------------------------------|----------------|--------------------------------|
| Right of use lease liability | 2,159 | 1,716 |
| Finance lease liabilities | 1 | 2 |
| | 2,160 | 1,718 |
| Current lease liabilities | 281 | 186 |
| Non-current lease liabilities | 1,879 | 1,532 |
| | 2,160 | 1,718 |

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 | 2,160 | 1,716 |

Note 19. Financial liabilities at fair value

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

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).

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 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

| | Consolidated | |
|--------------------------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 |
| Current liabilities | | |
| Settlement of legal claim | 400 | 400 |
| | 400 | 400 |
| Non-current liabilities | | |
| Settlement of legal claim | - | 400 |
| | - | 400 |

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

Note 21. Issued capital

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

Movements in ordinary share capital

| Details | Date | Shares | Issue Price \$ | Total \$ |
|------------------------------|-------------|--------------------|-------------------|-------------------|
| Ordinary shares | | | | |
| 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 | 775,183,937 | | 61,995,373 |

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

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 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.

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.

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

| | Weighted average interest rate | 1 year or less | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Remaining contractual maturities |
|--|--------------------------------------|----------------|--------------------------|--------------------------|--------------|--|
| Consolidated - 2023 | % | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Non-derivatives | | | | | | |
| Non-interest bearing | | | | | | |
| 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 |
| Interest-bearing | | | | | | |
| 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

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------------|---------|---------------|
| Consolidated - 2024 | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | |
| 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 |
| Liabilities | | | | |
| Redeemable convertible preference shares | - | 90 | - | 90 |
| Total liabilities | - | 90 | - | 90 |
| Consolidated - 2023 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | |
| 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 |
| Liabilities | | | | |
| 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:

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

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:

| | 2024 \$ | Consolidated 2023 \$ |
|---|----------------|----------------------------|
| Audit services – HLB Mann Judd | | |
| Audit or review of the financial statements | 128,340 | 124,771 |
| Other services – HLB Mann Judd | | |
| Taxation services | 20,500 | 20,850 |
| | 148,840 | 145,621 |

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 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 31.

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

| | 2024 \$'000 | Parent 2023 \$'000 |
|--------------------------|-----------------|--------------------------|
| Loss after income tax | (11,646) | (9,198) |
| Total comprehensive loss | (11,646) | (9,198) |

Statement of financial position

| | | |
|---------------------------|---------------|---------------|
| Total current assets | 753 | 60 |
| Total assets | 41,074 | 44,633 |
| Total current liabilities | (1,890) | (12,391) |
| Total liabilities | (16,181) | (13,567) |
| Net assets | 24,893 | 31,066 |
| Equity | | |
| Issued capital | 61,995 | 56,643 |
| Reserves | 121 | - |
| Accumulated losses | (37,223) | (25,577) |
| Total equity | 24,893 | 31,066 |

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

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

Note 34. Reserves

| | Consolidated | |
|-----------------------------|----------------|----------------|
| | 2024 \$'000 | 2023 \$'000 |
| Share based payment reserve | 121 | - |
| | 121 | - |

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 current period the Group issued the following performance rights to directors and KMP's as share-based payments:

- 1,000,000 options with a fair value on grant date of \$20,500 to Hon. Sarah Courtney vesting on 30 June 2024
- 18,820,833 performance rights to Dr. Justin Welsh with a fair value of \$319,580 vesting on 30 June 2024, 2025 and 2026
- The vesting conditions for the performance rights are as follows:

| Performance Rights | Performance Rights Grant | Vesting Date | KPI Targets | | | | |
|---------------------------------------|--------------------------|--------------|------------------------------------|----------------|-----------------------------|----------------|---------------------------------|
| | | | Share Price (50%) 35% weighting | | RONA (50%) 35% weighting | | ESG Priorities 30% weighting |
| | | | Target | Stretch Target | Target | Stretch Target | |
| Performance Right 1 | 6,564,593 | 30/6/2026 | 0.045 | 0.05 | 0% | 4% | Achieved / not achieved |
| Performance Right 2 – Tranche 1 (50%) | 2,583,944 | 30/6/2024 | 0.03 | 0.035 | +10%* | +20%* | Achieved / not achieved |
| Performance Right 3 – Tranche 1 50% | 3,282,296 | 30/6/2026 | 0.045 | 0.05 | 0% | 4% | Achieved / not achieved |
| Performance Right 4 – Tranche 2 50% | 3,107,704 | 30/6/2025 | 0.035 | 0.04 | -3% | 0% | Achieved / not achieved |
| Performance Right 5 - Tranche 2 50% | 3,282,296 | 30/6/2026 | 0.045 | 0.05 | 0% | 4% | Achieved / not achieved |
| Totals | 18,820,833 | | | | | | |

The performance rights were valued with a Binomial Model and the options were valued with a Black and Scholes model. The associated option and performance rights inputs underpinning the fair value assessment are summarised below:

Performance rights

| Vesting Date | Target price | % Probability of target being achieved | Fair Value | Share price at grant date | Risk free rate | Volatility |
|--------------|--------------|--|------------|---------------------------|----------------|------------|
| 30 June 2024 | \$0.030 | 74.24% | \$0.00918 | \$0.0270 | 4.19% | 107% |
| 30 June 2024 | \$0.035 | 55.94% | \$0.00898 | \$0.0270 | 4.19% | 107% |
| 30 June 2025 | \$0.035 | 64.68% | \$0.00749 | \$0.0270 | 4.19% | 107% |
| 30 June 2025 | \$0.040 | 52.68% | \$0.00694 | \$0.0270 | 4.19% | 107% |
| 30 June 2026 | \$0.045 | 43.08% | \$0.00526 | \$0.0270 | 4.19% | 107% |
| 30 June 2026 | \$0.050 | 36.60% | \$0.00438 | \$0.0270 | 4.19% | 107% |

Options

| Vesting Date | Fair value | % Probability of vesting | Share price at grant date | Risk free rate | Volatility |
|--------------|------------|--------------------------|---------------------------|----------------|------------|
| 30 June 2024 | \$0.0205 | 100% | \$0.0200 | 4.19% | 107% |

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 Dr 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).

Consolidated entity disclosure statement

| Entity | Type of Entity | % of Share Capital held | Country of incorporation | Australian or foreign resident for tax purposes | Foreign tax jurisdiction(s) of foreign residents |
|------------------------------|----------------|-------------------------|--------------------------|---|--|
| East 33 Limited (parent) | Body corporate | n/a | Australia | Australian | n/a |
| CMB Seafoods Pty Ltd | Body corporate | 100 | Australia | Australian | n/a |
| Hamilton Supervisory Pty Ltd | Body corporate | 100 | Australia | Australian | n/a |
| Mid Coast Exco Pty Ltd | Body corporate | 100 | Australia | Australian | n/a |
| East 33 Deliveries Pty Ltd | Body corporate | 100 | Australia | Australian | n/a |
| HR Browne & Sons Pty Ltd | Body corporate | 100 | Australia | Australian | n/a |
| MS Verdich & Sons Pty Ltd | Body corporate | 100 | Australia | Australian | n/a |

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001.

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- the consolidated entity disclosure statement is true and correct.

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

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

On behalf of the directors



Hon. Sarah Courtney
Director

24th September 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of East 33 Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of East 33 Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, 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, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) 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 auditor independence requirements of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we determined the matters described below to be the key audit matters to be communicated in our report.

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| Key Audit Matter | How our audit addressed the key audit matter |
|---|--|
| Biological assets Refer to Note 11 | |
| <p>The Group's biological assets consist of oysters, which are measured at fair value less costs to sell.</p> <p>The process of estimating the fair value is complex, involving a number of judgements and estimates regarding various inputs. Due to the nature of the asset, the valuation technique includes a model that used a number of inputs from internal and external sources.</p> <p>This is a key audit matter due to the complex nature of accounting for these assets which involved a number of judgements and estimates.</p> | <p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> - Reviewed the inputs used in the valuation model by comparing to external data where external data is available; - Attended a physical count of oysters; and - Assessed the adequacy of the Group's disclosures in the financial report. |
| Intangible assets including goodwill Refer to Note 14 | |
| <p>The goodwill, together with the intangible assets relating to oyster/crown leases in the relevant cash generating units, were tested for impairment under AASB 136 <i>Impairment of Assets</i>, and an impairment expense of \$6.4 million was recorded at 30 June 2024.</p> <p>The evaluation of recoverable amount is considered a key audit matter as it was based upon a value-in-use calculation which required significant judgement and estimation.</p> <p>In addition, the balance is material to the users of the financial statements and involved the most communication with management.</p> | <p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> - Critically evaluated management's methodology in the value-in-use model and the basis for key assumptions; - Reviewed the mathematical accuracy of the value-in-use model; - Performed sensitivity analyses around the key inputs used in the model; - Considered the appropriateness of the discount rate used; - Compared value-in-use to the carrying amount of the cash-generating unit; and - Assessed the appropriateness of the disclosures included in the relevant notes to the financial report. |

Other Information

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

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

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:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of East 33 Limited for the year ended 30 June 2024 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
24 September 2024



D B Healy
Partner

ADDITIONAL SHAREHOLDER INFORMATION

ASX Shareholder Disclosures

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. The information is current as at 6 September 2024.

1. Distribution of equity securities

| Range | Securities | % | No. of holders of ordinary shares | % |
|----------------------|--------------------|---------------|-----------------------------------|---------------|
| 100,001 and Over | 765,992,678 | 98.81 | 196 | 39.44 |
| 10,001 to 100,000 | 8,591,240 | 1.11 | 195 | 39.24 |
| 5,001 to 10,000 | 485,808 | 0.06 | 57 | 11.47 |
| 1,001 to 5,000 | 111,009 | 0.01 | 38 | 7.65 |
| 1 to 1,000 | 3,202 | 0.00 | 11 | 2.21 |
| Total | 775,183,937 | 100.00 | 497 | 100.00 |
| Unmarketable Parcels | 1,611,943 | 0.21 | 164 | 33.00 |

| Range | Securities | % | No. of holders of Performance Rights | % |
|-------------------|-------------------|---------------|--------------------------------------|---------------|
| 100,001 and Over | 91,268,000 | 100.00 | 5 | 100.00 |
| 10,001 to 100,000 | - | - | - | - |
| 5,001 to 10,000 | - | - | - | - |
| 1,001 to 5,000 | - | - | - | - |
| 1 to 1,000 | - | - | - | - |
| Total | 91,268,000 | 100.00 | 5 | 100.00 |

| Range | Securities | % | No. of holders of Options | % |
|-------------------|------------------|---------------|---------------------------|---------------|
| 100,001 and Over | 1,000,000 | 100.00 | 1 | 100.00 |
| 10,001 to 100,000 | - | - | - | - |
| 5,001 to 10,000 | - | - | - | - |
| 1,001 to 5,000 | - | - | - | - |
| 1 to 1,000 | - | - | - | - |
| Total | 1,000,000 | 100.00 | 1 | 100.00 |

| Range | Securities | % | No. of holders of Convertible Note | % |
|-------------------|------------|---------------|------------------------------------|---------------|
| 100,001 and Over | - | - | - | - |
| 10,001 to 100,000 | - | - | - | - |
| 5,001 to 10,000 | - | - | - | - |
| 1,001 to 5,000 | - | - | - | - |
| 1 to 1,000 | 1 | 100.00 | 1 | 100.00 |
| Total | 1 | 100.00 | 1 | 100.00 |

2. Voting Rights

Shareholders in East 33 Limited have a right to attend and vote at general meetings. At a general meeting, individual shareholder may vote in person or by proxy. All quoted and unquoted options, performance rights and convertible notes, have no voting rights.

3. Substantial shareholders

Substantial shareholders as disclosed in substantial holder notices given to the Company under the Corporations Act:

| Ordinary Shares | Number held | % |
|--|-------------|---------|
| Yumbah Aquaculture Limited & Associated Entities | 432,746,431 | 55.8250 |

4. Twenty largest shareholders - ordinary shares

| Rank | Name | 6 Sept 2024 | %IC |
|----------------------------|---|--------------------|---------------|
| 1 | YUMBAH FINANCE PTY LTD | 238,095,238 | 30.71 |
| 2 | INVIA CUSTODIAN PTY LIMITED | 142,024,795 | 18.32 |
| 3 | YUMBAH AQUACULTURE LTD | 52,000,000 | 6.71 |
| 4 | SEISUN CAPITAL PTY LTD | 23,424,624 | 3.02 |
| 5 | RICHMOND BRIDGE SUPERANNUATION PTY LTD | 21,212,121 | 2.74 |
| 6 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 17,971,911 | 2.32 |
| 7 | CERTANE CT PTY LTD | 14,347,852 | 1.85 |
| 8 | RUPNIK ENTERPRISES (NSW) P/L | 13,086,957 | 1.69 |
| 9 | BNP PARIBAS NOMS PTY LTD | 12,219,362 | 1.58 |
| 10 | BUFFALO INVESTMENTS SUPERANNUATION NOMINEES PTY LTD | 11,980,324 | 1.55 |
| 11 | CITICORP NOMINEES PTY LIMITED | 11,459,218 | 1.48 |
| 12 | MR PETER KARAS & MRS CHRISTINA KARAS | 10,705,320 | 1.38 |
| 13 | PALM BEACH NOMINEES PTY LIMITED | 9,714,346 | 1.25 |
| 14 | BNP PARIBAS NOMINEES PTY LTD | 9,697,411 | 1.25 |
| 15 | SJ VERDICH PTY LTD | 9,375,000 | 1.21 |
| 16 | TROUPS DEAUVILLE PTY LTD | 9,347,827 | 1.21 |
| 17 | MRS DANA MARIE ALFRED | 8,105,000 | 1.05 |
| 18 | SCIFP PTY LTD | 6,343,232 | 0.82 |
| 19 | NATIONAL NOMINEES LIMITED | 5,747,494 | 0.74 |
| 20 | MARK LESLIE NAGY | 5,710,067 | 0.74 |
| Total | | 632,568,099 | 81.60 |
| Balance of register | | 142,615,838 | 18.40 |
| Grand total | | 775,183,937 | 100.00 |

5. Unquoted equity securities

| Name | Class | Number held | % held |
|------------------------|------------------|-------------|--------|
| Yumbah Finance Pty Ltd | Convertible Note | 1 | 100% |

6. Restricted securities

The Company does not currently have any restricted securities on issue.

7. Annual General Meeting

The Annual General Meeting will be held virtually on 21 November 2024. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to the ASX immediately upon dispatch.

The Closing date for receipt of nomination for the position of Director is 3 October 2024. Any nominations must be received in writing no later than 5.00pm (Melbourne time) on 3 October 2024, at the Company's Registered Office.

The Company notes that the deadline for the nominations for the position of Director is separate to voting on Director elections. Details of the Director's to be elected will be provided in the Company's Notice of Annual General Meeting in due course.

