SELECT HARVESTS LIMITED
ABN 87 000 721 380
AND CONTROLLED ENTITIES

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 MARCH 2024
PROVIDED TO THE ASX UNDER LISTING RULE 4.2A

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 September 2023.

Rule 4.2A.3

Appendix 4D

Half Year Report for the six months to 31 March 2024

Name of entity

Select Harvests Limited

ABN 87 000 721 380

1. Reporting period

Report for the half year ended 31 March 2024
Previous corresponding period is the financial year ended 30 September 2023 and half year ended 31 March 2023

2. Results for announcement to the market

(All amounts in this report are expressed in $'000 unless otherwise stated)

Revenues from continuing ordinary activities *(item 2.1)*	Down	1.6%	to	67,823
Loss from continuing ordinary activities after tax attributable to members (*item 2.2*)	Up	97.8%	to	(2,128)
Net loss after tax attributable to members *(item 2.3)*	Up	97.8%	to	(2,128)

Dividends *(item 2.4)*	Amount per security	Franked amount per security
Interim dividend	Nil	Nil
Previous corresponding period Interim dividend	Nil	Nil
Record date for determining entitlements to the interim and special dividend *(item 2.5)*	Not applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood *(item 2.6)*:

Please refer to the attached announcement.

3. Net tangible assets per security *(item 3)*

	Current period*	Previous corresponding period
Net tangible asset backing per ordinary security	$2.89	$3.06

* Includes Right-of-Use Assets and lease liabilities in accordance with AASB 16 Leases

4. Details of entities over which control has been gained or lost during the period: *(item 4)*

Control gained over entities

Name of entities *(item 4.1)*	-
Date(s) of gain of control *(item 4.2)*	-
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired *(item 4.3)*	$ -
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period* *(item 4.3)*	$ -

5. Dividends *(item 5)*

	Date of payment	**Total amount of dividend ($'000)**
Interim dividend – year ended 30 September 2024	Not Applicable	Nil
Interim dividend – year ended 30 September 2023	Not Applicable	Nil

Amount per security

	Amount per security	Franked amount per security at 30 % tax	Amount per security of foreign sourced dividend
Total dividend: Current year (interim)	Nil ¢	Nil ¢	Nil ¢
Previous year (interim)	Nil ¢	Nil ¢	Nil ¢

Total dividend on all securities

	Current period $'000	Previous corresponding period $'000
Ordinary securities *(each class separately)*	-	-
Preference securities *(each class separately)*	-	-
Other equity instruments *(each class separately)*	-	-
Total	-	-

6. Details of dividend or distribution reinvestment plans in operation are described below *(item 6)*:

Not applicable

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	Not applicable

7. Details of associates and joint venture entities *(item 7)*

Name of associate or joint venture entity	%Securities held
N/A	

Aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	2024 $	2023 $
Profit (loss) from ordinary activities before tax	-	-
Income tax on ordinary activities	-	-
Net profit (loss) from ordinary activities after tax	-	-
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	-	-

8. The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached), which has been prepared in accordance with Australian accounting standards.

9. Independent review of the financial report *(item 9)*

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.

10. Matters relating to a qualified independent review statement

A description of the dispute or qualification in respect of the independent review of the half-year financial report is provided below *(item 17)*

N/A

SELECT HARVESTS

SELECT HARVESTS LIMITED
ABN 87 000 721 380

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 MARCH 2024

SELECT HARVESTS LIMITED
ABN 87 000 721 380

FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 MARCH 2024

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 30 September 2023 and any public announcements made by Select Harvests Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*

DIRECTORS' REPORT

The directors present their report together with the financial report of Select Harvests Limited and its controlled entities (referred to hereafter as the "Company", "the Group" or "the consolidated entity") for the half-year ended 31 March 2024.

Directors
The directors of the Group in office at any time during or since the end of the half-year are:

T Dillon (Chair)
D Surveyor
G Kingwill
M Zabel
M Somerville
P van Heerwaarden (appointed 1 November 2023)

The directors have been in office, except where specifically indicated, since the start of the financial period to the date of this report.

Review of Continuing Operations

The Company is in the early stages of its turnaround strategy. The program is built over three horizons and across four strategic pillars:

1. Substantially greater almond volumes (at lowest possible cost)
2. Leadership in Processing Scale and Efficiency
3. Maximise the return from the crop
4. Innovate to drive step out growth

Whilst strong progress has been made in the transformation program, it is being done within the backdrop of a challenging global market environment for almonds. The Company will continue to focus on the aspects of the business within its control.

The consolidated loss after tax of the Group for the half year amounted to $2.1 million (31st March 2023: $96.2 million Net loss after tax).

The result reflects the agricultural risk exposure of almond farming, with an improved 2024 crop year and a continued low global pricing environment.

2024 Crop and Processing

The 2024 crop harvest has now been completed. In general, harvest conditions were positive, allowing for an efficient end to end harvest process and a forecast favourable quality outcome.

Based on weights received over the weighbridge at the Carina West processing facility and a historic 'dirty' crack-out average of 27%, the Company is forecasting a 2024 crop of at least 29,000MT (47% higher than the 2023 crop). Whilst the 2024 crop delivered a significant increase, it was slightly lower than forecast of approximately 30,000MT. Strong yields were achieved across the Company's South Australian orchards, the Victorian orchards yields were in line with forecast however, the NSW orchards delivered yields below forecast. Initial analysis indicates the NSW orchards have not yet fully recovered from the extreme wet weather events of 2022 and 2023.

With favourable growing and harvest conditions, the quality of the 2024 crop is positive. Higher than average levels of inshell are being produced with improved quality specifications achieved. Kernel quality has improved with lower levels of manufacturing grade product and increased volumes of high-grade, well sized material. Levels of recorded insect damage are well below last year.

Consistent with the requirements of Accounting Standard AASB 141 Agriculture, the harvested portion of the 2024 crop has been valued at the estimated fair value less costs to sell. At the half year the Company recognises the fair value profit based on the proportion of the crop that is ‘at the point of harvest’ as at 31 March 2024. With an early start to harvest and the favourable harvest conditions, the Company completed the majority of harvest operations by 31 March 2024. Therefore for 1H 2024 the Company is recognising 75% of the 2024 crop fair value profit within its 1H FY2024 accounts.

Total 2024 crop growing costs were lower than forecast. Project Management Office (PMO) initiatives delivered favourable results particularly through lower labour requirements. Market pricing for fertiliser and chemical inputs reduced from prior years. Water costs were lower with increased volume applied (drier year) offset by lower pricing (high volume of water in catchments). As a result of higher water usage electricity costs were also above 2023 crop costs.

The Company’s processing facility is in full production with approximately 41% of the crop processed. The quality mix is currently very good in both inshell production (also higher than historic averages) and kernel. The Company strategy to deliver increased capacity by increasing processing speed to 10t/per hour is being achieved and therefore increasing total annual processing capacity to 40,000MT. Based on this performance, processing costs per kg are forecast to reduce.

The Company has increased the volume of third party processing and it will make up approximately 25% of our total processing volumes with the ability to do this being enabled by our capacity increases. The impact of this will be seen in the second half as this volume is delivered and processed.

The Company has recently signed a contract with a new logistics supplier to handle all of its freight and logistics requirements from the processing facility. Based on agreed rates this is forecast to lead to lower freight and logistics costs per kg.

The Company’s value adding facility continues to deliver positive outcomes. The facility is processing low grade material and producing higher valued product (e.g. paste and sliced material). A detailed activity-based costing analysis has been completed and this has led to improved scheduling of production to increase margins.

2023 Crop

The Company has increased its cash velocity by decreasing the level of inventory of prior year crops being held (through external market sales). At the end of 1H FY2024, any remaining 2023 stock on hand was only held for contracted domestic volumes and value add input requirements.

Cash Flows

Operational cashflows followed the normal seasonal profile with cash invested to grow the crop in the first half followed by cash generation in the second half as the crop is sold and therefore cashflows were similar to 1H FY2023. The lower volume 2023 crop led to less product available to be sold in the six months to 31 March 2024. Additionally, almond pricing is above FY2023 although remains at historically low levels. Operational cashflows are forecast to return to positive levels in 2H FY2024 as the sales program for the 2024 crop gets delivered and operational costs decrease during the tree’s dormancy period and completion of harvest.

Investing cash outflows were lower than 1H FY2023 as the Company consciously lowered its level of capital expenditure. Additionally, tree development costs decreased as the younger trees reached their full maturity profile.

Safety and ESG

The Company is committed to improving its safety performance and looking after our people.

The Company measures its safety performance across a number of key safety metrics, including Total Recordable Injury Frequency Rate (TRIFR), Lost Time Injury Frequency Rate (LTIFR), Medical Treatment Injury Frequency Rate (MTIFR), and Hazard Identification, to gauge safety performance over a Moving Annual Target (MAT) period.

Our safety performance continues to improve with our TRIFR at 5.3. Both our LTIFR and MTIFR, demonstrate positive trends, with reductions noted in both lost time and medical treatment injuries. This granular approach enables the Company to identify trends and areas for improvement effectively.

The Company is equally focussed on Environment, Sustainability and Governance (ESG). This commitment is evident through the activities of the Board's Sustainability Committee and the release of the Sustainability Report alongside our annual report in November 2023, which outlines clear focus areas and targets. The Company has recorded zero environmental incidents during the current reporting period.

Balance Sheet

Inventory and biological asset balances are higher than the same period last year reflecting the larger crop size and the take up of increased levels of third-party grower’s inventory which will generate cash as sold.

Property, plant and equipment balances have reduced with lower spending ($9.7M of additions) on capital more than offset by annual depreciation.

The Company maintains its policy of recording land and water assets at their cost of acquisition. As at 31 March 2024, the market value of the Company’s land assets are $135M higher and its water assets are $59M higher their respective recorded book values. These assets have continued to grow in value over time and provide the Company with additional asset backing security. The Company will complete a valuation process again in September 2024 for its land and water assets and this will be detailed in the FY2024 financial statements.

As per normal, debt levels as at 31 March 2024 approached their seasonal peak. The combination of a smaller 2023 crop and lower than historic average pricing levels meant the net debt balance at 31 March 2024 was $48M higher than the corresponding period in FY2023. The Company’s debt peak was slightly below forecast and is expected to further decrease during the second half of FY2024. All banking covenants continue to be met and our debt position will reduce as the 2024 crop is sold.

Business Outlook

As previously noted in this report, the 2024 crop is forecast to be at least 29,000MT and of high quality which will help optimise price.

Our 2024 sales program is progressing well and as at 20 May 2024 we have contracted 45% of our total 2024 volumes comprising our own and external growers. Inshell sales are effectively complete and Kernel product is being contracted with improved quality. The Company continues to grow its customer base in China, India, Middle East and Southeast Asia allowing for an improved sales profile and customer diversification as we add more direct customers as per our strategy.

The Company has improved its treasury policy with hedging cover put in place to align to crop volume certainty. We currently have 82% of the 2024 crop hedged at an average AUD/USD exchange rate of 66c.

From October 2023 we saw consistent monthly price rises across all grades. However, this softened following the Californian bloom in February 2024.

On the 10th of May 2024, the US Department of Agriculture released its forecast Subjective Estimate for the 2024 Californian Almond Crop of 3.0B pounds. This crop forecast, when combined with carry in volumes, has been price neutral.

The April 2024 US Almond Industry Position Report showed a 22.4% increase in crop shipments for the month compared to prior year (4.24% increase YTD). This increase in crop shipments is likely to lead to the US2024 crop carryout volume to be less that the forecast position of 0.625B pounds. A lower carryout position means there is less inventory available for sale leading into the 2024 US crop year.

March 2024 shipments from the Australian Almond Board position report were strong (18% higher than March 2023) and continued the trend of improved market activity and increased stock movements.

Prices have stabilised and the Company’s price forecast of $7.30/kg - $7.50/kg remains current. In recent weeks we have seen signals of strengthening prices and longer term we see continued improvement in pricing as global supply and demand become increasingly balanced with the removal of almond acres in California and lower carry in volumes on the back of improved demand.

2025 Crop Outlook

The Company has a strategy aimed at improving crop yield through horticultural excellence. Whilst the timing of this will always be influenced by climatic factors, tree health remains positive and early indications are that the 2025 crop will deliver targeted results including improved yields from the underperformed (2024 crop) NSW orchards. The Bureau of Meteorology has shifted its forecast for Australia from a likely move into an El Nino pattern to a neutral position.

The 2025 growing program has commenced and the Company is executing its horticultural plan.

Given the wetter than average conditions over the 2022 and 2023 growing seasons, water costs for the 2025 crop are expected to remain at lower-than-average levels. Water allocations remain favourable, dam storage levels are high and temporary market water pricing is expected to remain at below average rates. The exposure to water price variability continues to be managed through the Company’s diversified water policy of owning, leasing and acquiring water on the annual allocation market.

Business Risks

There are various risks that could have an impact on the achievement of the Company's strategies and future performance.

Set out in the table below are the risks that the Company considers having the greatest possible impact to the business and an outline of what the Company is doing to mitigate these risks.

With the impact of geopolitical tensions and uncertainty, global inflation is continuously monitored and where possible managed for its resulting impact on key supply inputs (i.e. fertiliser, etc) across the Company.

Risk	Description	Mitigation
People Safety	The majority of the Company's employees work within farm or processing related environments. The Carina West Processing Facility is a major operating plant that handles the end-to-end process for all of the Company's almond and bio-mass inventory. In addition to the potential harm to any worker, the occurrence of a workplace incident has the potential to harm both the reputation and financial performance of the Company.	Policies and procedures are designed and in place to minimise the risks of injuries occurring. Results are continually measured and reported to the board. Standard operating procedures, training, ongoing capital maintenance, engineering reviews and proactive maintenance are mitigating actions in place to minimise the risk of a safety event (e.g. fire).
Food Safety (including product quality, utilities supply and major equipment failure).	The Company's almond products move to the end consumer through various channels. Quality issues, product contamination or public health issues could damage the Company's reputation which could adversely impact the Company's financial performance.	Quality testing procedures are in place at each of the Company's processing stages. Additionally, the Company's facilities are subject to independent and customer audits to ensure required standards are met.
Foreign Currency Fluctuations	The global almond price is determined in US Dollars. Given the majority of the Company's sales are transacted in US dollars, the Company's profitability could be negatively impacted by movements in the USD/AUD foreign exchange rate.	A Treasury and Risk Management policy is in place that ensures the Company's foreign exchange exposure is managed in accordance with the crop growing and sales cycle. Additionally, a Treasury Committee meets monthly to monitor and assess the Company's foreign exchange exposures.

Risk	Description	Mitigation
Almond Price	A key sensitivity to the Company's earnings is its exposure to the almond price which is determined by the US supply market and global demand.	The Company aims to mitigate this risk by maintaining contact with key industry bodies in Australia and the US, major traders and customers in key export markets. Crop sales plans are developed each year taking into account pricing factors that impact industry supply and demand. In addition, extensive global marketing and consumer demand drivers get monitored and considered along with global food consumption trends.
Cyber security	The Company has numerous IT infrastructure, systems and processes to support the operations and growth of the business. Should such infrastructure, systems and processes fail or become compromised there is a risk that sensitive or personally identifiable data is accessed or stolen, data is lost, or data and systems are unable to be accessed which may result in reputational damage, legal penalties and ongoing disruptions to operations.	The Company implements various strategies to mitigate cyber risk across its applications, networks and websites. The Company focusses on employee education, network defence, enterprise wide testing, disaster recovery and segregation of sensitive data. These strategies are internally and externally periodically reviewed, audited and updated.
Adequate water supply and cost	Inadequate supply of good quality water, whether due to drought or otherwise, and fluctuating temporary and permanent water prices could impact the Company's profitability and operations. Additionally, given increased demand and decreased water supply together with the entrance of non-water users and the government the cost of water could continue to increase and affect the Company's profitability.	The Company has a balance of owned, leased and spot market temporary water. When commercially viable, the Company also invests in permanent water rights in order to manage price and deliverability. The Company has developed a pricing and supply financial model to guide purchase timings and price. The Company further proactively forecasts water usage and availability and maintains a focus on reducing water usage in growing its crops through continuous investment in water efficient technology. Following a detailed strategic review the Company, when practical, will increase the percentage of water it owns. The Company is aware of the potential impact of government water buybacks and is continuously monitoring this so that it can respond to any material changes.

Risk	Description	Mitigation
Major Facility catastrophe	A major catastrophic event at the Company's Carina West Processing facility including fire / flood or critical equipment failure, resulting in an extended shut down or loss in product could have a significant impact on the Company's financial performance.	To minimise the impacts from a major disruption event, the Company is developing a Crisis Management Plan which includes a strategy to be followed in the event of a crisis, as well as establishing roles, responsibilities and key activities to be undertaken to effectively manage any type of crisis at the Carina West Processing facility. The Company also reviews and continually assess the adequacy of its insurance cover in place.
Security of Bee Supply	The inability of the Company to secure an adequate quantity of bees at required quality levels for pollination of its almond trees could have a significant impact on its crop yield and financial performance.	The Company continuously engages with the bee keeping industry, the Almond Board and state governments in order to monitor and assess potential risks of supply of bees (e.g. bee disease, etc.). The Company also completes post season analysis of beekeeper performance in order to ensure adequate bee supply numbers are contracted for future crop seasons. During season monitoring of movement of bee keepers within the industry is also carried out in order to ensure adequate supply volumes in future seasons.
Climate and Environment	Changes in climate (both in Australia and in the United States) present an operating risk to the Company's business in the form of weather volatility, water security, crop quality and yield which could have an impact on the Company's production assets (farm orchards) and financial performance. Risks associated with transitioning to a low-carbon- economy, such as government actions to reduce the impacts of climate change, may also impact the Company's operational costs and performance. The Company's operations are subject to various environmental laws and regulations, and a range of licences and	The Company's diversification of assets across Australia is a key strategy in minimising the impact of physical risk of climate change. This is in addition to continually improving water security and management practices, investing in new water and farming technologies, prioritising the use of integrated pest management and adopting the use of renewable energy sources. The Company's Board Sustainability Committee oversees strategies relating to climate and environment, with one of its areas of focus being the Company's adaptation to the impacts of climate change. The Company utilises the Task force on Climate-Related Financial Disclosures (TCFD) framework as a tool

Risk	Description	Mitigation
	permits are required for its farming and processing operations. If the Company becomes responsible for any breach of any of its licences or permits, the Company may incur substantial costs, its operations may be interrupted and it may suffer reputational damage.	to aid the analysis of the impacts of climate change and is continually developing and implementing strategies to manage the risk. The Company continues to assess additional ways to reduce its environmental impact, including measures across its business to improve water usage efficiency and chemical usage. The Company also continually reviews its operations to identify ways in which it can minimise the environmental impact of its operations.
Disruption Event	Broader disruption events such as a global Pandemic, global conflicts in key strategic regions, geopolitical changes or general prolonged supply chain disruptions could have the potential to have a significant impact on the Company's operations.	The Company maintains a diverse supplier base both domestically and internationally. Additionally, sales and distribution channels are varied to ensure there is not a reliance on any one region. The Company is in the process of developing a Crisis Management Plan to enact in the event of a major disruption. This will outline a strategy to be followed including establishing roles, responsibilities and key activities if a major disruption event occurs. This is planned to be completed in the second half of 2024.

The risks identified above are reported to the Company's Audit and Risk Committee along with relevant mitigation controls to reduce risks where possible.

Strategic Initiatives

The Company is in the process of delivering on its strategy with execution managed through its Project Management Office.

The immediate focus of the Company is on:

- Continuing to process and market the 2024 crop to achieve an optimal sell price
- Delivering our 2025 crop horticultural program to ensure a continued increase in yield and maximise the rebound in its NSW orchards
- Increasing external 3rd party almond supply
- Delivering increased capacity at Carina West by increasing processing speeds and driving reduced costs of production
- Ensuring our sales are maximizing achievable price and increasing cash velocity

The medium horizon is more focused on:
- Increasing farm yield, quality and leveraging our scale for cost
- Further increasing almond supply and related service offerings
- Options to further expand our processing capacity and efficiency such that the operational gains flow to the bottom line.
- Identifying capital expenditure and growth opportunities that deliver favourable paybacks and improve the Company's financial returns

The long term horizon remains in development and will focus on more substantive transformation projects. We will provide further detail on these projects at the appropriate time.

Our PMO is delivering financial improvement to the Company. As at the time of writing (and post half-year balance sheet date) the Company has a suite of 74 projects of which 34 have been completed. Completed actions to date have generated forecast profit upside and cash flow improvements and this can be seen in our operating costs. It is worth noting some of these gains will be consumed by Australia's general inflationary environment. The Company will continue to report on the progress of benefits delivered.

The Company remains well placed to ensure it can operate through the cycle and become more robust through the execution of its strategy. Tree health is positive and forecast weather patterns remain favourable with the likelihood of stable conditions during the 2025 crop growing period. The global almond market is active and price trajectory is positive. Previously high US supply inventory balances have decreased to manageable levels. The USDA subjective forecast of a 3.0B pound 2024 crop is price neutral and almond prices are forecast to increase over time.

Interim Dividend

No dividend has been declared for the half year financial period.

Subsequent Events

On 30th April 2024, the Group increased its external debt facility limit by entering into a AUD$10 million overdraft facility for operational purposes. At the same time the Group agreed to close its USD Overdraft facility of USD$5 million on 30 June 2024. This new AUD10 million overdraft facility will be reviewed in line with the existing debt facilities on an annual basis.

No other significant events occurred after the half year balance date.

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 on page 11.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Group under ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191. The Group is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors:

Travis Dillon
Chairman
Dated 31 May 2024

Auditor's Independence Declaration

As lead auditor for the review of Select Harvests Limited for the half-year ended 31 March 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

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

This declaration is in respect of Select Harvests Limited and the entities it controlled during the period.

Alison Tait Milner

Alison Milner
Partner
PricewaterhouseCoopers

Melbourne
31 May 2024

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 MARCH 2024

	Note	31 March 2024 $'000	31 March 2023 *Restated $'000
Revenue			
Total revenue		67,823	68,903
Other income/ (expenses)			
Fair value gain / (loss) of biological assets	3.2	14,643	(34,738)
Gain on sale of assets		273	326
Insurance claims proceeds		-	1,665
Gain/ (Loss) on foreign currency transactions		372	(2,311)
Total other income/ (expenses)		**15,288**	**(35,058)**
Expenses			
Cost of sales		(70,090)	(95,831)
Administrative expenses		(8,955)	(9,429)
Finance costs		(7,106)	(4,250)
Impairment of assets		-	(61,805)
Loss before income tax		**(3,040)**	**(137,470)**
Income tax benefit	2.2	912	41,241
Loss for the half-year attributable to members of Select Harvests Limited		**(2,128)**	**(96,229)**
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Changes in fair value of cash flow hedges, net of tax		1,124	9,249
Other Comprehensive Income for the period		**1,124**	**9,249**
Total Comprehensive Income Attributable to Members Of Select Harvests Limited		**(1,004)**	**(86,980)**
(Loss) / Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic (loss) per share (cents per share)		(1.8)	(79.5)
Diluted (loss) per share (cents per share)		(1.7)	(79.1)

* Refer to note 1.1 Basis for preparation for details of the restatement of comparative information

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	**31 March 2024 $'000**	**30 September 2023 $'000**
CURRENT ASSETS			
Cash and cash equivalents		296	1,134
Trade and other receivables		20,576	47,489
Inventories	3.1	241,016	85,317
Biological assets	3.2	47,080	70,557
Derivative financial instruments		-	-
Current tax receivable		21	21
Total Current Assets		**308,989**	**204,518**
NON-CURRENT ASSETS			
Other receivables		2,076	2,076
Deferred tax assets		6,854	6,424
Property, plant and equipment		444,526	449,631
Right-of-use assets	3.3	199,230	190,077
Intangible assets	3.4	60,435	60,524
Total Non-Current Assets		**713,121**	**708,732**
TOTAL ASSETS		**1,022,110**	**913,250**
CURRENT LIABILITIES			
Trade and other payables		125,873	69,674
Borrowings	3.5	1,745	6,322
Lease liabilities	3.6	31,112	27,119
Derivative financial instruments		2,316	3,922
Deferred gain on sale		175	175
Provisions		2,903	3,515
Total Current Liabilities		**164,124**	**110,727**
NON-CURRENT LIABILITIES			
Other Payables		241	527
Borrowings	3.5	236,500	185,000
Lease liabilities	3.6	207,768	202,536
Deferred gain on sale		1,839	1,926
Provisions		817	1,009
Total Non-Current Liabilities		**447,165**	**390,998**
TOTAL LIABILITIES		**611,289**	**501,725**
NET ASSETS		**410,821**	**411,525**
EQUITY			
Contributed equity	4.1	401,615	401,615
Reserves		7,505	6,081
Retained profits		1,701	3,829
TOTAL EQUITY		**410,821**	**411,525**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 MARCH 2024

	Contributed Equity $'000	Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 October 2022	**401,164**	**2,029**	**117,091**	**520,284**
Loss for the period	-	-	(96,229)	(96,229)
Other Comprehensive Income	-	9,249	-	9,249
Total comprehensive income for the half year	**-**	**9,249**	**(96,229)**	**(86,980)**
Transactions with equity holders in their capacity as equity holders:				
- Contributions of equity, net of transaction costs and deferred tax (note 4.1)	451	-	-	451
- Dividend paid (note 2.3)	-	-	(2,419)	(2,419)
- Employee performance rights reserve	-	300	-	300
Balance at 31 March 2023	**401,615**	**11,578**	**18,443**	**431,636**
Balance at 1 October 2023	**401,615**	**6,081**	**3,829**	**411,525**
Loss for the period	-	-	(2,128)	(2,128)
Other Comprehensive Income	-	1,124	-	1,124
Total comprehensive loss for the half year	**-**	**1,124**	**(2,128)**	**(1,004)**
Transactions with equity holders in their capacity as equity holders:				
- Employee performance rights reserve	-	300	-	300
Balance at 31 March 2024	**401,615**	**7,505**	**1,701**	**410,821**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 MARCH 2024

	31 March 2024 $ '000	31 March 2023 $ '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	87,019	82,713
Payments to suppliers and employees	(103,123)	(100,710)
	(16,103)	(17,997)
Interest received	5	10
Interest paid	(12,403)	(10,188)
Income tax received	-	1,431
Net cash outflow from operating activities	(28,502)	(26,744)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from government grant	-	120
Proceeds from sale of property, plant and equipment	292	342
Payment for property, plant and equipment	(9,426)	(13,573)
Payment for tree development costs	(1,237)	(2,879)
Net cash outflow from investing activities	(10,371)	(15,990)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	112,100	95,800
Repayments of borrowings	(60,600)	(43,000)
Principal elements of lease payments	(8,887)	(10,696)
Dividend payment on ordinary shares, net of Dividend Reinvestment Plan	-	(1,969)
Net cash inflow from financing activities	42,613	40,135
Net increase/ (decrease) in cash and cash equivalents	3,740	(2,599)
Cash and cash equivalents at the beginning of the half-year	(5,189)	(1,528)
Cash and cash equivalents at the end of the half-year	(1,449)	(4,127)
Reconciliation to cash at the end of the period:		
Cash and cash equivalents	296	2,283
Bank overdraft	(1,745)	(6,410)
	(1,449)	(4,127)

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION

1.1 Basis of preparation of half-year report

This general purpose financial report for the half-year ended 31 March 2024 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 September 2023 and any public announcements made by Select Harvests Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous annual financial report, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted during the financial year

The Group has adopted all relevant new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. These do not have a material effect on the Group's financial statements.

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

Restatement of comparative information

(a) Revenue recognition for sale of external grower almonds
During the previous financial year, the Group assessed the revenue recognition policy for the sale of almonds received for processing from external growers. Previously, revenue had been recognised assuming the Group was acting as an agent, however the recent assessment concluded that the Group was acting as a principal in the arrangement. The revised position resulted in a material understatement of Total Revenue recognised at 31 March 2023 and prior financial years and a corresponding understatement in Cost of Sales. This understatement did not impact Net Profit. Additionally, there was an understatement of Inventory and Trade Receivables and other Payables. There was no impact on equity.

(b) Unwinding of fair value margin recognised on crops harvested in prior periods
Almond crops are accounted for as a biological asset and measured at fair value. In prior years, the fair value margin recognised on almond crops when harvested and transferred to inventory was reversed when the almonds were sold through the fair value adjustment of biological assets line. Going forward the fair value movement and cost of sales will be recognised at their respective gross amounts and will not be reversed when sold. There was no impact on Net Profit. For the half year ended 31 March 2023, the amount of $0.55m has been reclassified to decrease cost of sales with a corresponding adjustment in the fair value adjustment of Biological assets.

1.1 Basis of preparation of half-year report (continued)

The revised positions for both (a) and (b) above have been corrected by restating each of the affected consolidated financial statement line items for the prior periods as follows:

$'000 **For the half-year ended 31 March 2023** **(Consolidated Statement of Comprehensive Income extract)**	**31 March 2023** **(as reported)**	**Increase / Decrease**	**31 March 2023 (restated)**
Total Revenue (a)	60,864	8,039	68,903
Fair Value adjustment of biological assets (b)	(34,190)	(548)	(34,738)
Cost of sales (a) & (b)	(88,340)	(7,491)	(95,831)

Rounding

The amounts contained in this half-year financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Group under ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191. The Group is an entity to which the Class Order applies.

1.2 Comparative Information

The Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows provide comparative information for the half-year ended 31 March 2024. The Consolidated Statement of Financial Position provides comparative information as at 30 September 2023.

Where necessary, the comparatives have been reclassified and repositioned to be consistent with the current year disclosures.

1.3 Critical Accounting Estimates and Assumptions

In addition to those critical accounting estimates and assumptions disclosed in the Group's previous annual financial report, the estimates and assumptions that have a risk of causing a material adjustment to the forecast cash flows, and carrying amounts of assets and liabilities within the current and next financial year are discussed below.

1.3 Critical Accounting Estimates and Assumptions (continued)

Going concern

As a result of adverse operating conditions (impacting crop volumes and market pricing) experienced over the past couple of years, the Board and management have considered the Group's ability to continue as a going concern for at least the next 12 months from the date the financial statements are issued ("forecast period").

As of 31 March 2024, the Group has non-current bank debt of $236.5 million and current debt by way of a USD overdraft facility of $1.7 million (limit of USD$5 million).

During the period the Group extended $20 million of its debt facilities, which were due for renewal on 30 June 2024, for another 12 months to 30 June 2025. The $20 million debt extension results in a $260 million working capital facility limit to 30 June 2025. This limit will reduce by $40 million at 1st July 2025, unless renewed by mutual agreement.

In addition, subsequent to the 31 March 2024 half year-end, the Group increased its debt facilities by securing an AUD Overdraft facility worth $10 million. This overdraft facility provides additional headroom in the overall debt facilities while the Company markets and sells its 2024 crop and will next be reviewed on 28 February 2025. Furthermore at 30 June 2024, the USD$5 million overdraft facility will be closed, resulting in a slight overall net increase in the debt facility of the group until 30 June 2025 when this limit reduces by $40 million unless renewed by mutual agreement (the remaining $220m of banking facilities expires on 31 March 2026).

The Group has reviewed its cash flow forecast and its ability to operate within the net debt limit for the forecast period. In undertaking this review, the Group considered the critical assumptions in relation to the forecast and performed a sensitivity analysis on the forecast cash flows.

The Group's forecast cash flows include assumptions relating to crop quality, crop volume and almond pricing and operating costs.

Crop quality, volumes and pricing
A key assumption is the 2024 crop volume. The forecast takes into account current available data from product that has been weighed on arrival at the Company's processing centre and crack-out percentages once the crop has been hulled and shelled. Based on the current data the Company is estimating the 2024 crop volume to be 29,000 MT. The cash flow includes the assumption of 29,000 MT for the 2024 crop, to be sold over the next 4-6 months.

Following a lower than average (volume and quality) 2023 US almond crop, and improved US shipping levels leading to reduced US inventory holdings, global almond prices have been increasing since the start of the 2024 calendar year. Towards the end of March 2024 this increasing pricing environment paused in anticipation of the official USDA 2024 almond crop subjective estimate which was released on 10 May 2024. Post balance date pricing has again started to increase as US inventories decline.

Based on the Company's current 2024 crop contracted sales (36% of total 2024 crop at 31 March 2024 and 45% as at 25 May 2024) and assessing the current market conditions following the official USDA 2024 almond crop subjective estimate, the Company is forecasting a net selling price for the 2024 crop to be A$7.52/kg (note this forecast price assumes a A$0.10/kg benefit from freight savings achieved through the Company's procurement initiatives).

1.3 Critical Accounting Estimates and Assumptions (continued)

Going concern (continued)

The almond price is also based on the assessment of the quality of the 2024 crop. The Company has assessed the quality of the crop based on the 41% of almonds processed to date. A change in the quality profile would impact on almond pricing and future cash flows.

Operating costs
The forecast includes the impact of inflationary increases on the 2025 crop input costs (i.e. these costs commenced on the 1st of May 2024). These costs are offset by forecast decreases in global input pricing and impacts of the Company's Project Management Office initiatives.

Sensitivity of cash flows
The Group has considered the downside scenarios of changes to almond pricing and volumes on its cashflows. A decrease in the 2024 crop price to $6.60/kg (decrease by 12.23%) or a drop in the 2024 crop volume to below 25,120 MT (decrease by 13.38%) will create a liquidity issue towards the end of quarter two in the 2025 financial year. Based on these potential downside scenarios, the Group is satisfied that reasonable changes to key assumptions would not create a liquidity issue.

If the sales volume and pricing was to adversely impact the cash flow, the Group has alternative cash flow initiatives to maintain the headroom in the debt facilities. These include divestment of certain assets (e.g. water) and other cost saving initiatives and business efficiency projects.

Compliance with forecast covenants
The Group's FCC ratio will be tested for the period ending 30 September 2024 and 31 March 2025. The compliance with the FCC ratio at 30 September 2024 will be based on the results for the 2024 crop. This will be dependent on the current 2024 forecast crop volumes, quality profile and almond price being achieved. This covenant is currently forecast to be met.

The FCC and Gearing ratios are sensitive to changes in the 2024 crop forecast. A change in the 2024 crop almond price assumption below $7.34/kg (decrease by 2.39%) or a drop in 2024 crop volume to below 28,286MT (decrease by 2.46%) would result in a FCC ratio breach at 30 September 2024.

A change in the 2024 crop almond price assumption below $5.36/kg (decrease by 28.72%) or a drop in 2024 crop volume to below 19,460MT (decrease by 32.90%) would result in a Gearing ratio breach at 30 September 2024.

The compliance with the 31 March 2025 FCC ratio will be based on the estimated profit for the 2025 crop. This will be dependent on the 2025 crop volumes, quality profile and almond pricing aligning to the long-term average.

Based on this analysis the Group will continue to trade within the limits of the available funding facilities and comply with financial covenants throughout the going concern forecast period. It has been concluded that the Group will continue to operate as a going concern. As a result, the financial statements have been prepared on that basis.

1.3 Critical Accounting Estimates and Assumptions (continued)

Carrying value of non-current assets

At 31 March 2024, an assessment has been performed on indicators of impairment including an assessment at an individual orchard (owned and right-of-use (ROU)) level. This assessment did not identify any indicator of impairment on an overall Company level as well as at the owned orchards.

Indicators of impairment were identified at two of the ROU farms (Yilgah and Mooral) due to a significant reduction in 2024 crop tonnage produced vs forecast at each farm, and as such impairment testing was completed for these two cash generating units (CGU's). The Yilgah CGU value totals $58.9 million including a ROU asset of $39.6 million, and the Mooral CGU value totals $12.8 million including a ROU asset of $9 million.

The ROU assets carrying values were assessed by comparing the net present value (NPV) of future cashflows against the carrying value of the relevant orchard assets on Select Harvests' balance sheet to ensure recoverability.

Key assumptions used in the value-in-use calculations for impairment included a real pre-tax weighted average cost of capital (of 11.3%), long term growth rate (of 3.2%), an average almond price over the lease period of $8.84/kg and a tonnage/acre in FY2025 of 1.3mt/acre for Yilgah and 1.33mt/acre for Mooral, which represent the average yield both farms obtained in normal growing conditions (FY2019 to FY2022). The yield per acre for FY2026 onwards increases by 0.10mt/acre for both farms (Yilgah 1.4mt/acre and Mooral 1.43mt/acre) given the Company's strategic initiative for increased yield across its orchard portfolio.

Modelling shows that there is limited headroom for both CGU's tested.

The Directors and management have considered and assessed reasonably possible changes in key assumptions within the impairment models of both farms.

The recoverable amount of Yilgah would equal its carrying amount if the key assumptions were to change as follows:

- tonnage assumption in FY2026 to FY2030 reduces by 5.7% to 1.32mt/acre from 1.4mt/acre; or
- price assumption change by $0.43c/kg or 5.3% in FY2025 and $0.43c/kg plus CPI across the remaining life of the lease – ending 2030.

Any movement in any of Mooral's assumptions could result in an impairment of its assets carrying value. The following changes in assumptions could lead to a $1m impairment for Mooral:

- tonnage assumption in FY2026 to FY2030 reduces by 5.6% to 1.35mt/acre from 1.43mt/acre; or
- price assumption change by $0.40c/kg or 4.9% in FY2025 and $0.20c/kg plus CPI across the remaining life of the lease – ending 2030.

1.3 Critical Accounting Estimates and Assumptions (continued)

Non-current assets (excluding ROU assets) carrying values were assessed on a fair value less costs to sell basis. The fair value assessment included assumptions such as relevant transactional prices and asset useful lives. This included an independent valuation performed by Herron Todd White in September 2022 and a sample valuation performed in September 2023, of the Group's owned farms, which was reassessed based on current market conditions to support the carrying values at 31 March 2024. A market value assessment of the Group's permanent water rights was also completed by accessing the State Water Registers and determining the median price for the applicable class of water rights.

Depreciation

During the financial year, the Group reassessed the useful lives of all its assets. As a result of the useful life review, it was determined that the Group's Bearer Plants and Co-Gen plant useful lives can be extended. This is due to additional expected usage of the assets by the Group past its current useful lives and current level of wear and tear experienced to date in using the assets.

The useful lives for each class of asset have been adjusted from the start of this financial year as follows:

Asset class	Previous	Revised
Buildings	25 to 40 years	No change
Plant and Equipment	5 to 20 years	5 to 40 years
Bearer Plants	10 to 30 years	10 to 32 years
Irrigation Systems	10 to 40 years	No change
Leasehold Improvements	13 to 14 years	No change

Other Critical accounting estimates and assumptions include:

Inventory – 2024 Almond Crop: refer note 3.1 Inventories on page 24
Recoverability of booked tax losses: refer to note 2.2 Income Tax Expense on page 22.

RESULTS FOR THE HALF-YEAR

2.1 Segment Information

Segment Reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer (CEO).

Segment products and locations

The CEO and Executive Management assess the performance of the Group on a consolidated basis.

The Group grows, processes and value-adds to almonds from owned and leased almond orchards and external suppliers. Raw and processed product is exported or sold domestically to consumers and Business to Business for food service related almond products. The Group operates predominantly within the geographical area of Australia.

2.2 Income Tax Expense

	31 March 2024 $'000	31 March 2023 $'000
Loss from continuing operations	**(3,040)**	(137,470)
Tax at the Australian tax rate of 30% (2023 – 30%)	**912**	41,241
Income tax benefit	**912**	41,241

Critical Accounting Estimates & Assumptions - Recoverability of booked tax losses

The deferred tax assets include an amount of $34.7m which relates to carried-forward tax losses, predominately incurred in FY2022 and FY2023. The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the latest approved forecast. The Group is expected to generate taxable income from this year onwards. The losses can be carried forward indefinitely and have no expiry date.

2.3. Dividends

	31 March 2024 $'000	31 March 2023 $'000
(a) Dividends paid during the half-year		
Total dividends paid during the half-year	-	2,419
(b) Dividends not recognised at the end of the half-year:		
Since the end of the half-year the directors have not declared an interim dividend (31 March 2023: Nil). The aggregate amount of the declared dividends but not recognised as a liability at the end of the half-year, is:	-	-

ASSETS AND LIABILITIES

3.1. Inventories

	31 March 2024 $'000	30 September 2023 $'000
Raw Materials	**165,641**	13,383
Finished Goods and work in progress	**65,207**	62,527
Other Inventories	**10,168**	9,407
	241,016	85,317

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Raw materials and consumables: purchase cost on a first in first out basis;
- Biological assets reclassified as inventory (included within raw materials in the table above): the initial cost assigned to agricultural produce is the fair value less costs to sell at the point of harvesting in accordance with AASB 141 Agriculture. The fair value measurements for the uncommitted inventory balance have been categorised as Level 2 fair values based on the inputs to the valuation techniques used, which are based on observable market data. It is measured considering the estimated selling price at any given point in time based on:
  - current market prices for similar quality products i.e. inshell / kernel, etc;
  - executed sales of similar quality product in the market; and
  - the observable data used for measurement of the uncommitted inventory balance are inherently considering the impact of climate change risks at the time of measurement including any climate related impacts on the size of the Californian almond crop.
- Finished goods and work in progress: cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity; and
- Other inventories comprise consumable stocks of chemicals, fertilisers and packaging materials recorded at cost on a first in first out basis.

Critical Accounting Estimates & Assumptions

Point of Harvest assessment

The percentage of the 2024 crop's fair value to be recognised in the Company's half-year accounts is determined by what the assessed percentage of the crop is deemed to be at point of harvest at 31 March 2024.

The exact crop volume and quality cannot be finally determined until the crop is hulled, shelled and assessed.

At 31 March 2024, the Company has assessed that 75% of the 2024 crop (31 March 2023; 50%) was deemed to be at the point of harvest, resulting in the Company recognising 75% of the 2024 crop (31 March 2023: 50%) fair value result within its 1H FY2024 financial accounts. The 2024 crop will be further assessed in 2H FY2024 and the remaining percentage will be recognised.

3.1. Inventories (continued)

2023 Almond Crop

The 2023 crop stock has been subject to volume and quality variations from estimates previously reflected in the Group's 30 September 2023 accounts.

During the half year the Group performed a detailed assessment of the 2023 crop stock on hand. Based on a reduction in quality of a portion of the 2023 stock during the half year, the inventory on hand was written down by $2.08M. The value of the 2023 crop inventory on hand as at 31 March 2024 is $10.8M.

At the date of this report the 2023 crop year stock balance has been sold or contracted in the domestic and export markets or used internally in our Value-Add processing facility.

2024 Almond Crop

The current year almond crop is classified as a biological asset and valued in accordance with AASB 141 "Agriculture". In applying this standard, the Consolidated entity has made various assumptions at the interim balance date. The actual crop yield will not be known until it is completely harvested, processed and sold.

To estimate the total value of the 2024 crop at 31 March 2024, the following key assumptions have been made:

- Estimated average almond price of $7.42/kg (plus $0.10/kg benefit new freight contracts) based on a product quality split of inshell, kernel & manufacturing grade;
- Almond crop yield of 29,000 metric tonnes;
- Total costs to grow, harvest and process of $198.5m.

Based on these estimates the 2024 crop is expected to result in a fair value gain of $19.5 million.

As 75% of the crop is estimated to be harvested at the half year-end, 75% of the crop fair value is included in inventory in accordance with AASB 141 "Agriculture". The remaining crop valuation is included in biological assets.

Based on these assumptions, during the half year:

- a fair value gain of $14.64m had been added to the 2024 crop inventory held, and
- the remaining 2024 crop biological asset was $47.1m.

3.2 Biological Assets

	31 March 2023 $'000	30 September 2023 $'000
Growing almond crop	**47,080**	70,557
Reconciliation of changes in carrying amount of biological assets		
Opening balance	**70,557**	61,198
Increases due to purchases/ growing costs (including capitalised depreciation)	**100,405**	206,831
Decreases due to harvest (i)	**(138,525)**	(122,960)
Gain/ (Loss) arising from changes in fair value (ii)	**14,643**	(74,512)
Closing balance	**47,080**	70,557

(i) Includes biological assets reclassified as inventory at the point of harvest
(ii) Includes physical changes as a result of biological transformation such as growth. Net increments/(decrements) in the fair value of the growing assets are recognised as income in the Statement of Comprehensive Income.

Fair value adjustment of biological assets recognised in the Statement of Comprehensive Income relates to the recognition of 2024 crop fair value margin throughout growth (31 March 2023: 2023 crop fair value loss)

Please refer to note 3.1 Inventories - Critical Accounting Estimates and Assumptions section, for the basis used in assessing the fair value of the biological asset balance.

3.3. Right-Of-Use Assets

	31 March 2024 $'000	30 September 2023 $'000
Property	**1,354**	1,513
Plant and equipment	**1,582**	1,565
Orchards	**196,294**	186,999
	199,230	190,077

Please refer to note 1.3 – Critical Accounting Estimates and Assumptions, for the basis used in assessing the recoverability of the ROU/lease orchards above.

3.4 Intangibles

Intangibles include permanent water rights $58.84M (2023: $58.8M), software $1.56M (2023: $1.7M) and license $0.04M (2023: $0.1M).

3.5 Borrowings

	31 March 2024 $'000	30 September 2023 $'000
Current- Secured		
Bank overdraft - USD	**1,745**	6,322
Non-Current- Secured		
Borrowings	**236,500**	185,000

The facility on the bank overdraft has a credit limit of USD$5m. At 31 March 2024, the undrawn overdraft facility amounted to USD$3.9m.

On 24 January 2024, the Group extended $20 million of its debt facilities which was due to expire on 30 June 2024, for another twelve months to 30 June 2025. This resulted in a $260 million working capital facility limit to 30 June 2025 which reduces by $40 million at 1st July 2025.

The Company is in compliance with all required covenants at 31 March 2024.

3.6. Lease Liabilities

	31 March 2024 $'000	30 September 2023 $'000
Current		
Lease liabilities	**31,112**	27,119
Non-Current		
Lease liabilities	**207,768**	202,536

4. CAPITAL STRUCTURE

4.1. Equity Securities Issued

	31 March 2024 Shares No	31 March 2023 Shares No	31 March 2024 $'000	31 March 2023 $'000
Issues of ordinary shares during the half-year				
Dividend reinvestment scheme issues	-	107,846	-	451
Long term incentive plan – tranche vested	-	-	-	-
Contributions to equity			**-**	**451**

5. Other information

5.1. Events Occurring After the Balance Sheet Date

On 30th April 2024, the Group extended its external debt facility limit until 30 June 2024 by entering into a$10 million overdraft facility for operational purposes. At the same time the Group agreed to close its USD Overdraft facility of USD$5 million on 30 June 2024. This new AUD$10 million overdraft facility will be reviewed next on 28 February 2025.

There were no other significant events that occurred after balance date.

DIRECTORS' DECLARATION

In the directors' opinion:

a) the financial statements and notes set out on pages 12 to 27 are in accordance with the *Corporations Act 2001* including:

    i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    ii) giving a true and fair view of the consolidated entity's financial position as at 31 March 2024 and of its performance for the half-year ended on that date;

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Travis Dillon
Chairman
Dated 31 May 2024

Independent auditor's review report to the members of Select Harvests Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Select Harvests Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 March 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Select Harvests Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 March 2024 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

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

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

Alison Tait Milner

Alison Milner
Partner

Melbourne
31 May 2024