THE Original™
JUICE Co. LIMITED

PREMIUM SINCE 1988 AUSTRALIAN JUICE

INTERIM ANNUAL REPORT

DECEMBER 2023

The Original Juice Co. Limited ABN 20 150 015 446 and Controlled Entities

Interim Financial Report

APPENDIX 4D – INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Results for Announcement to the Market

Key Information	Half-year Ended 31 December 2023 $	Half-year Ended 31 December 2022 $	Change %
Gross revenue from ordinary activities	27,649,794	24,363,492	Increase 13.5%
Loss after tax from ordinary activities attributable to members	(3,377,065)	(1,167,108)	Increase 189%
Net loss attributable to members	(3,377,065)	(1,167,108)	Increase 189%

Dividends Paid and Proposed

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Explanation of Key Information and Dividends

An explanation of the above figures is contained in the 'Operating and Financial Review' included within the attached directors' report.

Net Tangible Assets per Share

	Half-year Ended 31 December 2023 cents/Share	Half-year Ended 31 December 2022 cents/Share
Net tangible assets per share	1.75	1.96

Note: Net Tangible Assets per Share for Dec 2022 has been adjusted to reflect share consolidation at the ratio of 1 shares to 4 shares effective on 6 March 2023.

Control Gained or Lost over Entities in the Half-year

No changes.

Dividend Reinvestment Plans

The Group does not have any dividend reinvestment plans in operation.

Investments in Associates and Joint Ventures

Not applicable.

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group (Group) for the half-year ended 31 December 2023.

Directors

The names of directors who held office during or since the end of the half-year:

Jeffrey Kennett – Non-Executive Chairman

Tao (Norman) Li – Non-Executive Director

Jacqueline Phillips – Non-Executive Director

David Marchant – Non-Executive Director

Adam Brooks – Non-Executive Director

Kerry Smith – Non-Executive Director (appointed 30 November 2023)

Principal Activities

The principal activities of the Group during the period were:

- the manufacture of a range of fractional juices, fibres, infused fruits and fruit waters for sale as branded products and/or ingredients;
- the provision of co-packing services to third parties; and
- the research and development of various innovative food-related technologies to develop new functional food products and ingredients.

The Group's operations are conducted in Australia.

Operating and Financial Review

H1 FY2024 overview

Key activities of the Group in H1 FY2024 are summarised below:

- Issue of 50,000,000 fully paid ordinary shares as announced to the market on 16 November 2023, raising $5m capital before costs.
- Appointment of Ms Kerry Smith as a non-executive board member effective from 30 November 2023. Kerry was CEO of PFD Foods for 15 years, guiding their sales from $1billion/year to $3billion/year. Kerry has 25 years of experience in food & distribution.
- Settlement in full of ATO aged balance of $1.3m.
- $0.76 million capital expenditure predominantly on a new aseptic filling machine which is expected to be installed at Mill Park in March 2024.
- Launch of Juice Lab Wellness Kids Shots range, OBL Citrus Shield 600ml, and OBL Goodness Green Juice.
- Entry into 7-Eleven network with branded 350ml Original Juice Co range.

Earnings performance review H1 FY2024

In H1 FY2024, the Group generated reported earnings before interest, tax, depreciation and amortisation (EBITDA) of $1.1 million loss, which was a decline of $1.85 million on the comparative period. Lower than expected supply of citrus, driven by a worldwide shortage of oranges and juice concentrate, hindered profitability despite the positive growth in revenues. The Group has been working hard to pass through increased supply costs, however, while cost increases are immediate, there remains a time lag in increasing pricing with our customers, coupled with our contracted exposure to private labels. Price increases taken in December 2023 and January 2024, with further increases expected in Q3 2024, will help mitigate the impact of cost increases on profitability.

Gross sales increased from $24.4m in H1 FY2023 to $27.6m H1 FY2024 delivering a sales uplift of 13.5% in the same comparison period. As above, market factors and supply shortages hindered profitability in H1 2024.

Expenses increased by 30% as compared to prior period and EBITDA was $1.1 million loss during H1 of 2024.

Whilst the fruit shortage pressures are starting to ease, the Group's efforts on reducing overheads and labour costs are expected to deliver an improved result in Q3 2024.

Juice Lab wellness shots sales increased 33% over H1 2023 and have continued to outperform competitors with a 73% market share in wellness shots segment[1] with grocery scans growth of 44%. In line with the strategy of

[1] Source data – IRI Australia data Total Grocery MAT dollars to 31 December 2023

maximising opportunities in this immerging market, the Group launched Juice Lab Wellness Kids shots range in H1 2024, initially 2 flavours – Strawberry & Tropical taking up shelf space at our major retailers from October 2023.

The extension of our Original Juice Co. range has included the introduction of OBL Citrus Shield 600ml in October 2023 and OBL Goodness Green Juice 600ml in November 2023.

As a result of a strategic decision taken in 2023 to maximise utilisation of available manufacturing capacity, the Group significantly increased share in the national private label fresh juice range. This contributed to H1 2024 private label sales increasing by 33% over H1 2023.

In order to address reduced gross margin, the Group increased private label prices in H1 2024. The Group is in discussion with major retailers to increase prices of Original Juice Co brands and further price increases for private labels as well. These price increases have been accepted by retailers in February 2024. Some key private label products will be supplied via co-pack arrangements in H2 2024. This will ensure constant cost and margin from these sales. Further steps were taken to save costs on overheads which are expected to improve in H2 2024 and turnaround the profitability.

Operating Results

- Revenue
  - Gross sales for the Group were $27,649,794, an increase of 13.5% compared to previous corresponding period. Net revenues after trading terms, volume rebates and other claims (trading terms) were $ 22,637,568. Trading terms generally apply in respect of sales of product into the grocery channel.

- Cashflow
  - Operational cash outflow for the period of $2.4m.
  - The operating cash outflow for the first half was negatively impacted by a settlement of ATO liability for $1.3m in December 23.
  - Operating cash outflows were also adversely affected by supply issues and rising material costs.

- Gross profit and EBITDA
  - The gross profit for the period was $5.67m which equates to 25% of net sales.
  - The loss before tax was $3,377,065 for the half-year.
  - Due to supply shortage pressures, increases in overheads and labour costs, the Group reported an EBITDA of $1.11 million loss for H1 FY2024.

- *EBITDA calculation*

Loss before tax	**(3,377,065)**
Add: depreciation and amortisation	1,583,263
Add: finance costs	683,566
EBITDA	**(1,110,236)**

Future Developments, Prospectus and Business Strategies

As disclosed in the most recent annual financial statements, the Group's vision is to be a leading provider of beverages and wellness products, that improve the quality of consumers' lives in the use of all-natural ingredients.

The ambition in Australia is to establish the Group as a leading supplier of juice and functional/ wellness beverages. The Group continues to roll out wellness ranges domestically and explore export opportunities.

Key strategic pillars to deliver future profitable growth:

Improve the foundations:

- Balance Sheet
- Cash improvements
- Governance
- Capability and brand

Profitability and growth:

- Original Juice Co core range growth
- Juice Lab brand growth
- Maximise margins through improved procurement and asset utilisation
- Domestic channel growth
- Export opportunities
- Develop new and innovative functional food products and ingredients.

These strategies are expected to assist the achievement of the Group's long-term goals and development of new business opportunities.

The material business risks that could adversely affect the achievement of the financial performance or financial outcomes of the Group are described in the table below.

Source of risk	Risk overview	Mitigation strategies
Competitors	Business operates in a competitive market with its sales and profitability impacted by the pricing strategies, product offerings, and marketing activities, of existing and new competitors.	– Maintain trusted and transparent two-way relationships with retail category managers. – Understand the strengths, strategies, and market positioning of existing and potential competitors. – Monitor the market through industry reports, emerging technologies, consumer insights and leveraging networks. – Product innovation and differentiation strategies. – Ensure the business can scale up or down efficiently as market conditions change.
Customer Dependence	Reliance on a limited number of key retail customers	– Commercial function to continuously explore new distribution channels and opportunities including petrol and convenience, industrial, and international export. – Strategic alignment with key customers regarding product development and product performance via bi-annual reviews. – Product development team to innovate and meet changing consumer demands.
Climate change	Business ability to react and manage climate related impacts such as drought, floods, and fires.	– Continuous communication with industry bodies and suppliers both domestically and globally. – Regional diversification for sourcing of fruit. – Understand long term supply and expected yields of key materials such as fruit due to weather patterns.
Fruit supply	Availability, quality, and cost of fruit and fruit concentrate are impacted by domestic and international production levels which in turn are impacted by multiple factors including growing conditions, natural disasters, and disease.	– Cultivating strong relationships with suppliers through open and timely communication and collaborative problem solving. – Contingency planning through the investment of safety stock and materials as backup. – Developed supply chain that is flexible and can adapt quickly to changes.
Supply Chain Disruptions	Ability for the business to ensure ongoing supply and maintain necessary service levels.	– Use of multiple logistics partners servicing the same routes domestically. – Ongoing review of supplier contracts with annual tender programs implemented. – Open two-way communication with suppliers to understand any market risks.

Source of risk	Risk overview	Mitigation strategies
Food Safety	Unsafe products may leave the facility without detection and cause harm to consumers.	– Hazard Analysis and Critical Control Points (HACCP): Implement a systematic preventive approach to food safety that identifies and controls potential hazards. – Conduct routine inspections of facilities, equipment, and processes to identify and rectify potential hazards. – Establish systems that allow for easy tracking of food products throughout the supply chain, enabling quick identification and removal of contaminated items if needed. – Develop and enforce rigorous cleaning schedules and protocols for equipment, surfaces, and food handling areas. – Have a well-defined plan in place to handle emergencies or food safety incidents promptly and effectively.
Business continuity	Business continuity plans to ensure organisation's ability to maintain essential functions during and after a disaster or unexpected event.	– Risk assessment continually updated, and actions implemented to reduce the potential risk and threat to the business. – Backup crucial data regularly and ensure redundancy in power supply, network connectivity, and essential resources. – Diversify suppliers and vendors to minimise dependency on a single source. – Invest in business interruption insurance to mitigate financial losses during disruptions. – Establish clear communication channels and protocols for internal and external stakeholders during emergencies.
Technology and cyber security	Failure to complete software updates, maintain robust authentication methods, refresh employee training, maintain encryption, and employ appropriate security technologies may lead to penetration and business breach.	– Organisational-wide cyber security review conducted and monitored by expert third party provider. – Operation technology is reviewed and upgraded in conjunction with industry standards. – Ongoing and regular organisation-wide awareness – and training programs. – Enterprise-wide backup and system recovery solutions implemented.
Workplace Safety	Safety measures not in place to protect employees from injury or harm.	– Identify potential hazards in the workplace. Regularly assess risks associated with equipment, processes, and environmental factors. – Ensure employees are well-trained in safety procedures, hazard recognition, and emergency protocols. Regular safety training refreshers can reinforce these practices. – Develop and enforce strict safety protocols and procedures. This includes wearing appropriate personal protective equipment. – Create an open culture where employees feel comfortable reporting potential hazards or near-misses without fear of repercussions. Encourage reporting of safety concerns and incidents to mitigate future risks. – Establishment of safety committee with regular meetings.

Source of risk	Risk overview	Mitigation strategies
Product and consumer trends	Inability to be agile and adapt with consumer needs and losing market share and relevance.	– Invest in comprehensive market research to identify emerging trends and consumer preferences. Regularly analyse data to anticipate shifts in demand and behaviour. – Avoid reliance on a single product or range. – Diversifying product offerings through innovation to spread risk across multiple ranges and brands. – Regular feedback loops via retailers and owned social media channels. – Keep an eye on competitors to understand how they are responding to trends. Learn from their successes and failures. – Broaden distribution channels to ensure the business is not reliant on individual retailers or categories.
People	Challenges in attracting, retaining, and developing talent, including adapting to changing labour markets, and maintaining employee engagement and productivity.	– A comprehensive onboarding process for employees to set clear expectations and guidelines. – Continuous training keeps employees updated on best practices, safety measures, compliance standards, and evolving technologies, reducing the risk of errors or accidents. – Clearly documented policies on conduct, safety protocols, data handling, and other relevant areas provide guidelines for expected behaviour and actions. – Open communication channels foster an environment where employees feel comfortable reporting concerns, thereby mitigating risks early. – Implementation of externally operated whistleblower services. – Employee Assistance Programs providing employees access to necessary support services. – Succession plans in place, regular discussion between board and CEO.

DIRECTORS' REPORT

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on the following page for the half-year ended 31 December 2023.

This directors' report is signed in accordance with a resolution of the Board of Directors.

…………………………………………………………………

Jeffrey Kennett

Non-Executive Chairman

Dated: 29 February 2024

THE ORIGINAL JUICE CO. LIMITED
ABN 20 150 015 446
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE ORIGINAL JUICE CO. LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of The Original Juice Co. Limited. As the lead audit partner for the review of the financial report of The Original Juice Co. Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Hall Chadwick (NSW)

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

STEWART THOMPSON
Partner
Dated: 29 February 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Consolidated Group	
	Half-year Ended 31 December 2023	**Half-year Ended 31 December 2022**
	$	**$**
Revenue	22,637,568	19,283,943
Cost of sales	(16,969,290)	(13,424,219)
Gross profit	**5,668,278**	**5,859,724**
Other income	13,236	27,094
Administrative expenses	(1,156,407)	(514,572)
Depreciation, amortisation and write-offs	(1,583,263)	(1,479,874)
Employment costs	(3,597,085)	(2,608,142)
Finance costs	(683,566)	(430,396)
Marketing expenses	(135,642)	(148,509)
Operating costs	(1,769,283)	(1,863,913)
Share-based payments	(133,333)	(8,520)
Loss before income tax	**(3,377,065)**	**(1,167,108)**
Income tax expense	-	-
Loss for the period	**(3,377,065)**	**(1,167,108)**
Other comprehensive income for the period	**-**	**-**
Total comprehensive income for the period	**(3,377,065)**	**(1,167,108)**
	Cents	**Cents**
Basic loss per share	(1.32)	(0.48) [1]
Diluted loss per share	(1.32)	(0.48) [1]

[1] EPS for H1 FY 2023 has been adjusted to reflect share consolidation at the ratio of 1 share to 4 shares effective on 6 March 2023.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		Consolidated Group	
		As at 31 December 2023	**As at 30 June 2023**
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,379,295	1,563,263
Trade and other receivables		3,058,696	2,378,936
Inventories	4	4,082,497	3,610,125
Other assets		246,487	37,403
TOTAL CURRENT ASSETS		9,766,975	7,589,727
NON-CURRENT ASSETS			
Property, plant and equipment	5	12,245,853	12,371,860
Right of use assets	6	5,291,594	5,452,129
Deferred tax assets		2,589,356	2,739,765
Intangible assets	7	7,396,123	7,142,575
TOTAL NON-CURRENT ASSETS		27,522,926	27,706,329
TOTAL ASSETS		**37,289,901**	**35,296,056**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		7,815,947	7,540,947
Lease liabilities		712,856	657,167
Borrowings	8	3,917,356	3,297,339
Provisions		703,381	576,155
TOTAL CURRENT LIABILITIES		13,149,540	12,071,608
NON-CURRENT LIABILITIES			
Lease liabilities		6,468,276	6,604,422
Borrowings	8	2,299,871	2,842,029
Deferred tax liabilities		2,589,356	2,739,765
Provisions		198,964	195,115
TOTAL NON-CURRENT LIABILITIES		11,556,467	12,381,331
TOTAL LIABILITIES		**24,706,007**	**24,452,939**
NET ASSETS		**12,583,894**	**10,843,117**
EQUITY			
Issued capital	9	59,692,534	54,574,692
Options reserve		1,147,446	1,147,446
Revaluation reserve		9,017,833	9,017,833
Accumulated losses		(57,273,919)	(53,896,854)
TOTAL EQUITY		**12,583,894**	**10,843,117**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Consolidated Group	Ordinary Share Capital	Accumulated Losses	Revaluation Surplus	Options Reserve	Total
	$	$	$	$	$
Balance at 1 July 2022	53,713,952	(51,079,492)	9,017,833	1,067,446	12,719,739
Comprehensive income					
Loss for the period	-	(1,167,108)	-	-	(1,167,108)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	(1,167,108)	-	-	(1,167,108)
Transactions with owners, in their capacity as owners, and other transfers					
Share-based payments	-	-	-	8,520	8,520
Total transactions with owners and other transfers	-	-	-	8,520	8,520
Balance at 31 December 2022	53,713,952	(52,246,600)	9,017,833	1,075,966	11,561,151
Balance at 1 July 2023	54,574,692	(53,896,854)	9,017,833	1,147,446	10,843,117
Comprehensive income					
Loss for the period	-	(3,377,065)	-	-	(3,377,065)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	(3,377,065)	-	-	(3,377,065)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the period, net of transaction costs	4,984,509	-	-	-	4,984,509
Share-based payments	133,333	-	-	-	133,333
Total transactions with owners and other transfers	5,117,842	-	-	-	5,117,842
Balance at 31 December 2023	59,692,534	(57,273,919)	9,017,833	1,147,446	12,583,894

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Consolidated Group	
	Half-year Ended 31 December 2023	**Half-year Ended 31 December 2022**
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	21,905,519	18,301,829
Payments to suppliers and employees	(23,848,928)	(18,226,663)
Interest paid	(415,503)	(134,046)
Net cash (used in) operating activities	(2,358,912)	(58,880)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of brand names and other intangible assets	(357,254)	(351,135)
Purchase of property, plant and equipment	(923,047)	(318,582)
Net cash (used in) investing activities	(1,280,301)	(669,717)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,424,808	1,785,074
Repayment of borrowings	(1,346,955)	(650,000)
Shares issued, net of transaction costs	4,984,509	-
Payment of lease liabilities	(607,117)	(582,505)
Net cash provided by financing activities	4,455,245	552,569
Net increase (decrease) in cash held	816,032	(176,028)
Cash and cash equivalents at beginning of period	1,563,263	909,969
Cash and cash equivalents at end of period	2,379,295	733,941

The accompanying notes form part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. **Basis of Preparation**

These general purpose interim financial statements for half-year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of The Original Juice Co. Limited and its controlled entities (referred to as the “consolidated group” or “Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 29 February 2024.

b. **Accounting Policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

c. **Going Concern**

The financial statements have been prepared on the going concern basis, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the half-year ended 31 December 2023, the Group incurred a loss after tax of $3,377,065, operating cash outflows of $2,358,912 and, as of that date, the Group’s current liabilities exceeded its current assets by $3,382,565.

In November 2023, the Group secured a capital injection of $5m via issuance of 50m ordinary shares in order to preserve the entity’s cash position.

The directors have prepared cash flow projections that support the ability of the Group to continue as a going concern. These cash flow projections assume:

- Realisation of the projected sales from new and existing products;
- Increase pricing on majority of branded and private label products in H2;
- Expectations of an improved supply of raw materials, specifically citrus;
- Increase efficiencies through co-pack arrangements for private labels;
- Implementation of cost-saving initiatives and entering into repayment arrangements with creditors to preserve working capital;
- Continued support from the existing financier (refer to Note 8). The current NAB loan facility is subject to an annual review and the Group’s ability to service loan repayment obligations and meet its covenants as required by the financier. In addition to the $3.3m Equipment finance, the Group is also utilising a $1.0m invoice finance facility and $2.4m trade facility by NAB for working capital to meet any seasonality cashflow requirements;
- The directors are confident in the Group’s ability to achieve the projected forecasts and have therefore concluded that it is appropriate to adopt the going concern basis in preparing the interim financial statements. The directors are of the view that the Group will be able to pay its debts as and when they become due and payable.

In the event that the Group is unable to achieve the above, such circumstances would indicate that a material uncertainty exists that may cast significant doubt as to whether the Group will continue as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the interim financial report.

NOTE 2: DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial half-year.

NOTE 3: OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Directors have considered the requirements of AASB 8 – Operating Segments and have concluded that at this time there are no separately identifiable reportable segments.

NOTE 4: INVENTORIES

	Consolidated Group	
	As at 31 December 2023	**As at 30 June 2023**
	$	**$**
At cost		
Work in progress	703,865	885,785
Raw materials	1,703,750	1,395,006
Finished goods	1,674,882	1,329,334
	4,082,497	3,610,125

NOTE 5: PLANT AND EQUIPMENT

	Consolidated Group	
	As at 31 December 2023	**As at 30 June 2023**
	$	**$**
Plant and equipment:		
At fair value	23,401,692	22,495,843
Accumulated depreciation	(11,278,643)	(10,261,548)
	12,123,049	12,234,295
Office equipment:		
At cost	446,249	429,051
Accumulated depreciation	(323,445)	(291,486)
Office equipment:	122,804	137,565
Total plant and equipment	12,245,853	12,371,860

NOTE 5: PLANT AND EQUIPMENT

a. **Movements in Carrying Amounts**

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current half-year:

	Plant and Equipment	Office Equipment	Total
	$	$	$
Consolidated Group			
Balance at 30 June 2023	12,234,295	137,565	12,371,860
Additions	910,849	17,198	928,047
Disposals	(5,000)	-	(5,000)
Depreciation expense	(1,017,095)	(31,959)	(1,049,054)
Balance at 31 December 2023	12,123,049	122,804	12,245,853

NOTE 6: RIGHT-OF-USE ASSETS

	Consolidated Group	
	As at 31 December 2023	As at 30 June 2023
	$	$
Leased building	7,747,079	7,747,079
Accumulated depreciation	(2,952,290)	(2,693,204)
	4,794,789	5,053,875
Leased equipment	1,752,222	997,199
Accumulated depreciation	(1,255,417)	(598,945)
	496,805	398,254
Total right-of-use assets	5,291,594	5,452,129

a. **Movements in Carrying Amounts**

	Leased building	Leased equipment	Total
	$	$	$
Balance as of June 2023	5,053,875	398,254	5,452,129
Additions	-	269,968	269,968
Depreciation expense	(259,086)	(171,417)	(430,503)
Net carrying amount	4,794,789	496,805	5,291,594

NOTE 7: INTANGIBLE ASSETS

	Consolidated Group	
	As at 31 December 2023	As at 30 June 2023
	$	$
Intellectual property		
Cost	399,357	390,735
Accumulated impairment losses	(230,099)	(220,376)
Net carrying amount	169,258	170,359
Product development		
Cost	3,846,131	2,392,987
Accumulated amortisation and impairment losses	(2,236,532)	(1,038,037)
Net carrying amount	1,609,599	1,354,950
Brand names		
Cost	7,914,998	7,914,998
Accumulated impairment losses	(2,297,732)	(2,297,732)
Net carrying amount	5,617,266	5,617,266
Total intangible assets	7,396,123	7,142,575

a. **Movements in Carrying Amounts**

	Brand names	Intellectual property	Product development costs	Total
	$	$	$	$
Consolidated Group:				
Balance at 1 July 2023	5,617,266	170,359	1,354,950	7,142,575
Additions	-	8,622	348,632	357,254
Amortisation charges	-	(9,723)	(93,983)	(103,706)
Balance at 31 December 2023	5,617,266	169,258	1,609,599	7,396,123

NOTE 8: BORROWINGS

	CONSOLIDATED GROUP	
	As at 31 December 2023	As at 30 June 2023
	$	$
CURRENT		
Secured liabilities:		
Loan – NAB facility	3,884,012	3,297,339
Loan – equipment financing	33,344	-
Total current borrowings	3,917,356	3,297,339
NON-CURRENT		
Loan – NAB facility	2,070,756	2,842,029
Loan – equipment financing	229,115	-
Total non-current borrowings	2,299,871	2,842,029
Total borrowings	6,217,227	6,139,368

The company's financial liabilities as at 31 December 2023 comprise:

1. $3.3m NAB equipment finance loan at a fixed 4.2% interest. The equipment finance loan is secured over all of the Group's assets and will be over a 5-year term.
2. $1.0m NAB invoice finance facility at 6.22% interest and is secured over all of the Group's assets. This facility is reviewed by annually on an ongoing basis and will be used for working capital. As at 31 December 2023, the Group had drawn $0.25m from the this facility.
3. $2.4m NAB trade facility at variable interest rate and is secured over all the Group's assets. This facility will be reviewed annually on an ongoing basis.
4. $0.3m equipment financing loan from Halidon Hill is established for new production line equipment. The facility has a balance of $0.26m at the date of reporting.

NOTE 9: ISSUED CAPITAL

		Consolidated Group	
	Note	As at 31 December 2023	As at 30 June 2023
		$	$
296,257,458 fully paid ordinary shares	a	59,692,534	54,574,692
		59,692,534	54,574,692

	No.	$
a. **Ordinary Shares**		
Balance at 1 July 2023	244,590,464	54,574,692
Shares issued, net of transaction costs	50,000,000	4,984,509
Share-based payments	1,666,994	133,333
Balance at 31 December 2023	296,257,458	59,692,534

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

NOTE 10: FAIR VALUE MEASUREMENTS

The Group measures some items of plant and equipment at fair value on a non-recurring basis

a. **Valuation Techniques**

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. 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:

– *Market approach* uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

– *Income approach* converts estimated future cash flows or income and expenses into a single discounted present value.

– *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 risks. 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.

b. **Fair Value Hierarchy**

	Fair Value Measurements at 31 December 2023 Using:		
	Quoted Prices in Active Markets for Identical Assets	**Significant Observable Inputs Other than Level 1 Inputs**	**Significant Unobservable Inputs**
	$	**$**	**$**
	(Level 1)	**(Level 2)**	**(Level 3)**
Plant and equipment – at revalued amounts	-	-	12,123,049
Total recurring fair value measurements	-	-	**12,123,049**

NOTE 10: FAIR VALUE MEASUREMENTS

c. **Valuation Techniques Used to Determine Level 3 Fair Values**

The fair value of plant and equipment is based on their market value as determined by an independent valuer who has recognised and appropriate professional qualifications and recent experience in the category of plant and equipment being valued. The most recent valuation was conducted on 28 April 2021 and there were no indicators suggesting that the fair value is materially different than the carrying value of plant and equipment at balance date.

The market value is the amount which an asset should exchange at the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The valuation also assumes the assets will be sold by way of a private treaty sale and remain in its current location after the sale.

d. **Reconciliation of Recurring Level 3 Fair Value Measurements**

	Plant and equipment
	$
Balance at the beginning of the period	12,234,295
Additions	910,849
Disposal	(5,000)
Depreciation expense	(1,017,095)
	12,123,049

NOTE 11: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting period.

NOTE 12: EVENTS AFTER THE END OF THE INTERIM PERIOD

Other than those disclosed within this financial report, the directors were not aware of any other significant events subsequent to balance date.

NOTE 13: RELATED PARTY TRANSACTIONS

There has been no change in related party transactions since the last annual reporting period.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of The Original Juice Co. Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 19, are in accordance with the *Corporations Act 2001*, including:
   a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
   b. giving a true and fair view of the Consolidated Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

Chairman ______________________________

Jeffrey Kennett

Dated: 29 February 2024

THE ORIGINAL JUICE CO. LIMITED
ABN 20 150 015 446
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF THE ORIGINAL JUICE CO. LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of The Original Juice Co. Limited (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, 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 the group does not comply with the *Corporations Act 2001* including:

(i) giving a true and fair view of the group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis of Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report, which indicates that the group incurred a net loss of $3,377,065 during the half-year ended 31 December 2023, and as of that date, the group's current liabilities exceeded its current assets by $3,382,565. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility 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 Responsibility for the Review of the Financial Report

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 December 2023 and 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.*

THE ORIGINAL JUICE CO. LIMITED
ABN 20 150 015 446
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
THE ORIGINAL JUICE CO. LIMITED

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.

Hall Chadwick (NSW)

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

STEWART THOMPSON
Partner
Dated: 29 February 2024

PREMIUM
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