Lynch Group Holdings Limited

Appendix 4E
Preliminary Final Report to the ASX
For the financial year ended 29 June 2025
ASX Listing Rule 4.3A

ABN 35 608 543 219

Contents

Lynch Group Holdings Limited
Appendix 4E Preliminary Final Report

Reporting Period

Current reporting period	Comparative reporting period
Financial year ended 29 June 2025 from 1 July 2024 to 29 June 2025 (52 weeks)	Financial year ended 30 June 2024 from 3 July 2023 to 30 June 2024 (52 weeks)

Results for announcement to the market

	June 2025 $000s	June 2024 $000s	% Change
Revenue from ordinary activities	430,465	397,715	Improved by 8.2%
Loss from ordinary activities after tax attributable to members	(4,031)	(26,052)	Improved by 84.5%
Earnings before interest, tax, depreciation, amortisation and impairment	36,720	39,619	Reduced by 7.3%
Net loss for the period attributable to members	(4,031)	(26,052)	Improved by 84.5%

Explanation of results

Please refer to the Review of Operations contained within the Directors' Report for further information on the results for the period including the significant features of operating performance.

Dividends or dividend distribution plan

Declared and paid to ordinary shareholders during the year	Cents per share	Franking %
Final dividend declared on 20 August 2025 for financial year ended June 2025 expected to be paid on 18 September 2025	9.0 cents	100% franked
Interim dividend declared on 19 February 2025 for half-year ended December 2024 paid on 19 March 2025	5.0 cents	100% franked

The final dividend is payable on 18 September 2025 and is not recognised as a liability as at 29 June 2025. There was no dividend reinvestment plan during the financial years ended June 2025 or June 2024.

Earnings per share

	June 2025 (cents)	June 2024 (cents)
Basic earnings per share	(3.30)	(21.34)
Diluted earnings per share	(3.30)	(21.34)

Net Tangible Assets per Share

	June 2025 (cents)	June 2024 (cents)
Net tangible asset backing per ordinary share[1]	26.44	36.24

[1] Net tangible assets include Right-of-use assets of $35,277,000 (June 2024: $41,136,000) and Lease liabilities of $40,036,000 (June 2024: $44,669,000)

Parent Entity, Subsidiaries and Joint Ventures

The ultimate parent entity of the consolidated Group is Lynch Group Holdings Limited. Please refer to Note 25 of the notes to the financial statements for a list of the Group's subsidiaries. As at June 2025 the Group has no associates or joint ventures.

Audit review and status

The Appendix 4E, financial statements (including the notes to the financial statements) and the Remuneration Report have been audited. A copy of the Auditor's Report is included following the financial statements.

Dated 20 August 2025

The Directors present their report, together with the consolidated financial statements, of Lynch Group Holdings Limited (**company**) and its controlled entities (**Group**) for the financial year ended 29 June 2025. In order to comply with the provisions of the *Corporations Act 2001* (Cth), the Directors' report as follows:

Reporting periods

The current reporting period is the financial year ended 29 June 2025. This is the 52-week period from 1 July 2024 to 29 June 2025 and is referred to as **June 2025** throughout the Directors' report, consolidated financial statements and notes to the consolidated financial statements.

The comparative reporting period is the financial year ended 30 June 2024. This is the 52-week period from 3 July 2023 to 30 June 2024 and is referred to as **June 2024** throughout the Directors' report, consolidated financial statements and notes to the consolidated financial statements.

Directors and Secretary

The names and expertise, experience and qualifications of the Directors and Secretary of the company during and since the end of the financial year are set out below:

Name	Expertise, experience, and qualifications
Patrick Elliott Non-Executive Chair **Period of Service** 06 November 2015 - Current	Patrick was appointed to the Board as Chair and Non-Executive Director in 2015. Patrick is a Partner of Next Capital and cofounded the firm in 2005. In this capacity, Patrick sits on several Next Capital portfolio company boards. Patrick has previously served as Chair of the Australian Investment Council previously called Australian Venture Capital Association Limited (AVCAL) and was formerly Non-Executive Chair of ASX listed Scottish Pacific (between May 2013 and December 2018) and JB HiFi (between 2000 and 2012). Prior to his role at Next Capital, Patrick was an Executive Director of Macquarie Bank having joined the private equity division in 1997. Before joining Macquarie, Patrick was a Partner with Australia's leading insolvency and restructuring specialist, Ferrier Hodgson. Patrick holds a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales, and a Master of Business Administration from IMD International Institute for Management Development.
Peter Arkell Independent Non-Executive Director **Period of Service** 16 February 2021 – Current	Peter was appointed to the Board in February 2021 as an independent Non-Executive Director. He was previously Non-Executive Director of the Group's China operations between January 2018 and February 2021. Peter is currently the Managing Director of Carrington Day, a consulting company based in China which assists international companies to operate effectively in China. Peter has been based in China since 2004. He is an active member of the international business community there, having been on the Board of Directors and Chair of AustCham Shanghai, the Australian Chamber of Commerce. He is

	the Chair of the Global Mining Association of China, the representative body of the international mining community in China. Peter is also a founder and Non-Executive Director of the GE Morrison Institute, a China-Australia business focused think tank. He was appointed for 2019-2024 to the panel of mediators of the Shenzhen International Mediation and Arbitration Centre of China Mining. In addition, Peter was a Board Member of the China International Mining Cooperation Committee, a sounding board for the Chinese Ministry of Commerce on outbound investment. Peter has an extensive network at the most senior levels of international and Chinese business and government in China. Peter is a member of each of the Audit and Risk Committee and the Remuneration and Nomination Committee.
Peter Clare Independent Non-Executive Director **Period of Service** 16 February 2021 – Current	Peter was appointed to the Board in February 2021 as an independent Non-Executive Director. With an extensive corporate career in banking and broad industry experience, Peter has served on a variety of boards in the technology and finance industries in Australia and New Zealand. Peter is currently a Non-Executive Director of People First Bank, MoneyTech and SilverChef. Peter was formerly the CEO of Westpac New Zealand and, prior to that, held numerous roles within Westpac, St. George and Commonwealth Banks. Peter's career began as an insolvency practitioner and included a number of years as a management consultant. Peter holds a Bachelor of Commerce from the University of New South Wales and a Master of Business Administration from Macquarie University. Peter is also a fellow of the Australian Institute of Company Directors, Governance Institute of Australia and a fellow of CPA Australia and the Financial Services Institute of Australasia (FINSIA). Peter is Chair of the Audit and Risk Committee and is a Member of the Remuneration and Nomination Committee.
Elizabeth Hallett Independent Non-Executive Director **Period of Service** 16 February 2021 – Current	Elizabeth was appointed to the Board in February 2021 as an independent Non-Executive Director. Elizabeth is an experienced Non-Executive Director, bringing legal and regulatory, corporate governance, and risk management skills to the Board. Elizabeth is currently Deputy Chair of the Civil Aviation Safety Authority, and a Non-Executive Director on the boards of NSW Land Registry Services and Clayton Utz. She was formerly a reappointed member of the Australian Takeovers Panel. Elizabeth was previously a partner with an international law firm for 22 years, including more than three years as senior Australian partner in the firm's affiliated Jakarta office. At that firm, she held global and national leadership roles (including membership of the global firm's Group Executive Committee). Elizabeth holds a Bachelor of Commerce and Bachelor of Laws from the University of Melbourne, is a member of the Australian Institute of Company Directors (AICD) and is a Graduate of the AICD Company Directors' Course. Elizabeth is Chair of the Remuneration and Nomination Committee and is a Member of the Audit and Risk Committee.

Hugh Toll Group Chief Executive Officer Managing Director **Period of Service** 16 February 2021 – Current	Hugh was appointed as Group Chief Executive Officer in 2019 and sits on the Board as the Managing Director. He joined the Group in 2017 as General Manager Business Development, before moving into the role of Group Chief Financial Officer in 2018. Hugh has a deep understanding of the operational, financial, and marketing functions of the Group and has overall responsibility for the Group's strategy. Prior to joining the Group, Hugh had an extensive background in private equity investment, spanning 20 years, holding senior investment roles with Next Capital, Goldman Sach Principal Investment Area, and Macquarie Direct Investment. He worked on the Next Capital deal team that acquired a controlling stake in the Group in 2015. Hugh holds Bachelor and Master of Commerce degrees from the University of New South Wales and completed a Program for Executive Development at IMD.
Steve Wood Group Chief Financial Officer and Company Secretary **Period of Service** 29 August 2019 - Current	Steve is the Group Chief Financial Officer and Company Secretary, having joined the Group in 2018. Steve has overall responsibility for the Group finance, systems and risk functions as well as the formal role of Company Secretary. Steve has held senior finance positions across multiple industries including retail, media, and manufacturing over the last 20 years. These include the financial controller position at Network Ten (in its out of home media subsidiary) for over 6 years and at Toys R Us for over 5 years. Steve is a qualified Chartered Accountant and is accredited with both CAANZ (Chartered Accountants Australia and New Zealand) and ICAEW (Institute of Chartered Accountants in England and Wales). Prior to the commercial accounting roles, Steve qualified as a Chartered Accountant in London in the early 2000s before transferring to Sydney in 2003 and continuing in the professional services sector until 2005. Steve holds a Bachelor of Arts from Canterbury Christ Church University.

Director's Meetings

The number of meetings of the Board and of each Board committee held during the current year, and the number of meetings attended by each Director were:

	BOARD		REMUNERATION & NOMINATION		AUDIT & RISK	
	ATTENDED	HELD[1]	ATTENDED	HELD[1]	ATTENDED	HELD[1]
Patrick Elliott	14	14	-	-	-	-
Peter Arkell	14	14	3	3	3	3
Peter Clare	14	14	3	3	3	3
Elizabeth Hallett	14	14	3	3	3	3
Hugh Toll	14	14	-	-	-	-

[1] Represents the number of meetings held during the time the Director held office or was a member of the relevant committee

Directors' interests in the company

Name	Fully paid ordinary shares			Share options		
	Direct	Indirect	Total	Direct	Indirect	Total
Patrick Elliott	-	600,699	600,699	-	-	-
Peter Arkell	16,666	-	16,666	-	-	-
Peter Clare	-	228,943	228,943	-	-	-
Elizabeth Hallett	27,777	-	27,777	-	-	-
Hugh Toll	639,999	-	639,999	3,442,400	-	3,442,400

Share options

Unissued ordinary shares under option
Unissued ordinary shares of the company under option at the date of this report are:

Number of unissued ordinary shares under option	Issue Price	Expiry Date of option
943,979	$3.60	June 2027
3,044,456	$2.24	June 2028
3,236,357	$1.84	June 2029
6,542,379	$1.41	June 2030

All unissued shares will be converted into ordinary shares in the company immediately after exercise of the relevant option. No option holder has the right under options to participate in any other share issue of the Company.

Shares issued on exercise of options

During the current or the comparative reporting period, the company did not issue any shares as a result of the exercise of options by members of the company's Senior Executive team.

Sustainability Reporting - Environmental, Social and Governance

Australia's floral industry faces a unique set of Environmental, Social and Governance (ESG) issues characterised by rapidly evolving stakeholder expectations and technology. As a leader in its industry, the Group is cognisant of its contribution to environmental and social issues. It also understands the importance of proactively and strategically managing these risks and opportunities for sustainable innovation, competitive differentiation and enhanced financial returns.

The Group is committed to the transparent reporting of its environmental, social and governance impact and policies. Further information will be provided in the Group's "Flourish" Sustainability Report which will be released with the Annual Report.

Diversity Policy

The Group is committed to establishing and maintaining an inclusive workplace that embraces and promotes diversity. There is a wide mix of cultural diversity within the Group in recognition of the value that individuals with diverse skills, values, backgrounds, and experiences bring and that the promotion of diversity, at all organisational levels, enhances creativity and innovation. The Group also recognises the strategic and personal advantages that arise from a workplace where decisions are based on merit and where all employees are treated equally, and that organisational performance is linked to an inclusive environment that embraces and promotes diversity.

The Group has adopted a Diversity Policy to ensure a work environment where people are treated fairly and with respect, notwithstanding their gender, ethnicity, disability, age, or educational experience. The Diversity Policy is approved by the Board and sets out the Group's commitment to diversity and inclusion in the workplace and provides a framework to achieve diversity goals. The Remuneration & Nomination Committee oversees the Diversity Policy, recommends annual, diversity-related measurable objectives, and assesses the progress in achieving them.

For the current reporting period, the Group set the target of a minimum composition for Board of Directors, Senior Management Team encompassing key decision makers and the workplace having regard to gender diversity of 40%. The results for the current reporting period are noted below:

Type	Target	Result
Board of Directors	Minimum composition of 40%	Not achieved – 80% male / 20% female
Key decision makers	Minimum composition of 40%	Achieved – 59% male / 41% female
Workplace	Minimum composition of 40%	Not achieved – 26% male / 74% female

For the reporting period ending June 2026, and future reporting periods, the Group has set the following measurable objectives:

- A minimum composition of Board of Directors having regard to gender diversity of 40%
- A minimum composition of Senior Management Team encompassing key decision makers of 40%
- A minimum composition of the workplace having regard to gender diversity of 40%

The Diversity Policy is available on the Group's website (https://lynchGroup.com.au/investor-centre) and, as such, is available to all employees at any time. Employees responsible for employment and promotion were reminded of the Policy and these objectives during the reporting period. All employment positions within the Group, whether Board, Executive or other employee, are filled by the best candidates available without discrimination. The Group is committed to ensuring that it interviews a balance of genders for each new hire position. Where the requirements of a role permit, the Group will consider the provision of flexible work arrangements to balance family and other commitments with the role.

The Group is a relevant employer under the Workplace Gender Equality Act and reported on its Gender Equality Indicators in accordance with the Workplace Gender Equality Act 2012.

Corporate Governance Statement

A copy of the Group's Corporate Governance Statement is available on the Group's website https://lynchGroup.com.au/investor-centre.

Principal activity

The principal activity of the Group is the horticultural production and wholesale of flowers and plants. The Group is a for profit entity. No significant change in the nature of the principal activity of the Group occurred during the financial year.

Dividends

The payment of a dividend by the Group is at the discretion of the Directors and will be a function of a number of factors, including the general business environment, the operating results and the financial condition of the Group, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal, regulatory restrictions on the payment of dividends by the Group, and any other factors the Directors may consider relevant.

In respect of the financial year ended June 2025:

- a dividend of 9.0c per share ($11.0m in total) franked to 100% at 30% corporate income tax was declared on 20 August 2025 and is expected to be paid to holders of ordinary shares of the company on 18 September 2025
- a dividend of 5.0c per share ($6.1m in total) franked to 100% at 30% corporate income tax was declared on 19 February 2025 and was paid to holders of ordinary shares of the company on 19 March 2025

In respect of the financial year ended June 2024:

- a dividend of 8.0c per share ($9.8m in total) franked to 100% at 30% corporate income tax was declared on 21 August 2024 and was paid to holders of ordinary shares of the company on 18 September 2024
- a dividend of 4.0c per share ($4.9m in total) franked to 100% at 30% corporate income tax was declared on 21 February 2024 and was paid to holders of ordinary shares of the company on 20 March 2024

No further dividends have been paid or declared since the start of the current financial year, and the Directors do not intend to declare any further dividends in respect of the current financial year.

Operating and Financial Review

The Board presents its operating and financial review for the financial year ended June 2025, which is intended to provide shareholders with an overview of the Group's operations, its financial performance and position and prospects for the future. This review is intended to complement the financial report.

Review of Operations

The Group traces its origin back to 1915, when it was founded in Australia by the Lynch Family. The business has grown over time by leveraging its strong, long-term relationships with participants along the supply chain including breeders, growers (both domestically and globally) and retail partners, and its deep expertise in large-scale production of delicate and short vase life products.

The results of the Group are disclosed in the financial statements.

The loss for the year of the Group after providing for income tax amounted to $4.0m (2024: loss of $26.1m). The loss for the current year includes a non-cash impairment expense of $6.5m. Excluding the impairment expense the result for the current year after providing for income tax amounted to a profit of $2.5m. The loss for the previous year included a non-cash impairment expense of $30.1m. Excluding the impairment expense the result for the previous year after providing for income tax amounted to a profit of $4.1m.

Trading Performance

Australia

The Australia segment delivered strong revenue and underlying EBITDA growth within the context of an ongoing cautious consumer spending environment and challenging but improving economic conditions. Revenue growth was achieved during a period of resilience for supermarket floral product. Continued investment in product innovation during the current financial year has achieved premium quality and on trend curated ranges designed to offer value to consumers and to align with current consumer demands. A strong brand launch with one customer has led to solid revenue growth, supported by 50 sale or return store conversions and ongoing high quality in store merchandising. Consumer perceptions of supermarket floral quality driven by the Group's strategy of product innovation and merchandising continue to deliver revenue growth.

International freight rates from all major international markets have remained stable during the year, noting the China route remains elevated compared to historical rates.   The introduction of automated bouquet lines into two sites during the current financial year has led to some labour efficiencies and the reducing of the requirement for material overtime during major events. Labour rate inflation has continued to reflect broader economic trends. Efficient cost management across floral procurement, labour and freight achieved an improvement in underlying EBITDA margin of 20bps over the previous financial year.

China

The China segment has experienced a gradual improvement in consumer confidence translating to a better sales dynamic and pricing across all channels. Revenue growth was achieved from higher volumes and pricing of tulips and in the export channel, with rose volumes and pricing similar to the previous year. Event performance in the second half of the financial year (Valentine's Day, International Women's Day and Mother's Day) was strong with these major events trading well.

Rose pricing remains subdued compared to historical pricing achieved, but second half pricing was up on the previous year. Consumer confidence in China overall has noticeably improved with the stabilisation of the property sector likely a contributing factor to better confidence in the market overall.

Operational execution and costs continue to be well controlled with higher tulip bulbs and energy costs experienced during the year as well as additional international freight costs driven by increased volumes of product exported to Australia. International freight rates between China and Australia remain elevated compared to those achieved historically. Operational execution across growing, processing, sales and distribution remain well managed delivering volume lift with costs well controlled.

The existing in-market production facilities in Shanghai and Guangzhou continued to perform well during the year with these facilities allowing for further expansion of customers across multiple sales channels to market.

Funding

The Group has separate debt funding in place in Australia and China.

In Australia, the Group has a $75.0m debt facility from the Commonwealth Bank of Australia available which expires in October 2026. At the balance sheet date $50.0m was fully drawn, $2.5m was utilised for bank guarantees and the remaining $22.5m was undrawn.

In China, $5.0m of debt from a combination of the Bank of China ($3.1m) and Yunan Rural Credit Cooperatives ($1.9m) was drawn at the balance sheet date and is repayable in instalments between July 2025 and June 2026. An additional $5.0m of undrawn facilities are available at the balance sheet date from a combination of the Bank of China ($0.1m), Yunan Rual Credit Cooperatives ($0.6m) and a new facility with China Merchant Bank ($4.3m). The new facility with China Merchant Bank was granted in May 2025 in order to provide working capital support for the Group's tulip bulb program.

The Directors believe this level of funding is appropriate to support the business to deliver its future strategies.

Principal Risks

There are a number of factors, both specific to the Group and of a general nature, which may threaten both the future operating and financial performance of the Group. There can be no guarantee that the Group will achieve its stated objectives or that forward looking statements will be realised. The operating and financial performance of the Group is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest and exchange rates, access to debt and capital markets, government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, may have an adverse impact on the Group's business or financial condition.

The Group's key risks include and are not limited to:

Risk	Description	Mitigation
Macro-economic conditions (including consumer confidence and cost of living)	**Macro-economic conditions: China** The Group continues to experience subdued consumer confidence in China with consumers widely reported to be spending less on discretionary items. Higher than historical levels of unemployment in younger demographics and a deflationary environment are likely contributing factors	The Group monitors its China revenue closely with detailed data on product type, sales channel, customer and pricing constantly analysed to ensure the Group maximises its sales opportunities. The Group is focused on ensuring it has the information to react efficiently to any changes to economic conditions

	Consistent with many other businesses the Group has experienced higher than normal historical inflation across many of its key cost lines (in particular, energy, raw materials cost, labour)	
	Macro-economic conditions: Inflation A high inflationary environment may also affect consumer spending on discretionary items such as those offered by the Group. Continuing increases in costs at a rate faster than can be recovered through range and price management could have a material impact on the Group's financial performance	The Group receives timely and detailed analysis on sales of individual products from its team of in store merchandisers and from its customers. This frequent and timely information allows it to react quickly to any changes in consumer behaviour The Group operates sophisticated internal modelling to review the margin of each of its product lines against internal targets. Where these are identified as not meeting required benchmarks, appropriate action is taken to adjust them. These changes can lag costs by 3-6 months
	Macro-economic conditions: Interest rates Based on commentary from the Reserve Bank of Australia, economic consensus, and central bank decisions overseas, the trajectory of interest rates appears to be downwards. Further increases, or a prolonged period of high interest rates could lead to depressed consumer buying and could have a material impact on the Group's revenue In addition, the Group has external borrowings which attract variable interest repayments. A rise in interest rates would increase the interest payable on its borrowings	The specific impact of movement in interest rates are discussed further in the financial risk note in the consolidated financial statements. The impact of interest rates has also been considered when assessing discount rates used for valuing assets and impairment analysis
Workplace Health and safety	The nature of the business exposes the Group's employees to the risk of workplace accidents or injuries The Group has a responsibility to its employees, and to the communities in which it is active in, to operate in a safe and responsible manner. Through its focus on safety, the Group strives to reduce the risk of workplace accidents and injuries occurring	The health, safety and well-being (physical or psychological) of the Group's employees is fundamental to the success of the Group and as such the Group remains focused on ensuring a safe working environment for its employees across Australia and China The Group strives to support and protect its people by investing in,

	The Group recognises that employees who feel safe at work are more likely to be productive and feel satisfied with their jobs leading to positive work environments across the various sites the Group operates across	deploying, and training in its Work Health and Safety Management System (WHSMS) which is compliant with ISO 45001 Moreover, the Group's dedicated safety team is focussed on implementing a range of activities designed to maintain or improve safety culture awareness, enhance safety reporting capabilities and implement injury management practices
Market disruption	A material natural or manmade event could lead to unexpected, profound, or widespread changes to the business environment and could force significant transformation in the way the Group conducts its business. Impacts could include changed customer behaviour and buying patterns, logistics delays, increased freight costs and other supply chain disruptions The Group could face difficulty in achieving business growth during and in the aftermath of a material market disruption event. This is particularly so given the Group's relatively complex and time critical supply chain Global trade uncertainty caused by both US tariffs and conflicts in the Middle East and Europe continue to pose a risk to availability of trade routes, freight rates and cost of doing business	Recent material market disruption events have left the Group well placed to anticipate and manage the impacts of a major market disruptive event With regard to the Group's supply chain, international freight rates and local buying costs are key inputs in the margin performance of individual product lines and are assessed regularly, with action taken to adjust margins that do not meet required benchmarks. There can be a lag effect in adjusting ranges The Group proactively monitors and recalibrates floral product volumes exported from the China business to the Australia business versus volumes sold in China's domestic market to optimise the Group financial performance The Group's supply base is diversified by geography allowing the flexibility to substitute product from alternative regions if required
Environmental risk (including climate-related risk)	Developing resilience to the impacts of climate change, most noticeably weather volatility and water security issues, presents the Group with an evolving set of operational risks As nations, governments and businesses transition to low carbon economies, the Group expects to address associated risks to its business from changes in government policies, business processes, broader community expectations and the introduction of mandatory climate reporting	The Group continues to publish a sustainability report on a voluntary basis which it sees as a milestone towards the future reporting against mandatory climate standards. The Group intends to continue to voluntarily report its sustainability progress annually in anticipation of mandatory reporting standards in the future The Group continues to collate its scope 1 and scope 2 emissions as well as reporting on a range of other key

	The Group's operations are subject to various environmental laws, regulations and customer and community standards. In the event the Group was held responsible for any environmental pollution, contamination or undue waste it may incur substantial costs including fines and remediation costs, its operations may be interrupted, and it may suffer reputational damage	environmental and other sustainability focussed initiatives Future phases of the Group's environmental roadmap are expected to focus on further data analysis that will contribute to it meeting mandatory climate reporting obligations as they are introduced
Ethical sourcing and trade	The Group sources products through a combination of its inhouse farms in Australia and China as well as long-term relationships with leading, third-party growers in Australia and other key global floral growing regions such as Kenya, Ecuador, and Colombia and Vietnam The Group requires its supply chain to adopt and reflect the highest standards of ethical conduct and activity Failure of the Group's suppliers to comply with the Group's ethical sourcing policy could result in adverse safety or living conditions for supplier workers and could result in reputational or financial risk for the Group	The Group's enhanced internal systems and procedures strive to support its continued ethical sourcing policy and management of potential human rights risks including modern slavery The Group is committed to acting fairly, reasonably, equitably, and cooperatively with suppliers and requires suppliers to maintain appropriate certifications and comply with applicable laws and regulations in their countries of operation The Group has developed a series of due diligence activities to support its mitigation and management of risks associated with ethical sourcing and trade. This includes lodgement of an annual Modern Slavery Statement on the Australian Modern Slavery Statements register
People capability and labour availability	The Group operates labour forces within its production facilities which are required to scale up during peak events and festival periods in both the Australia and China markets. These include Christmas, Valentine's Day, International Women's Day and Mother's Day To facilitate this, the Group engages short term casual labour. A lack of suitable workforce could result in the Group being unable to fulfill its full production potential or require investment in material overtime for existing employees during the event and festival periods	The Group has active programs in place for ongoing recruitment, development, and retention across its workforce. The Group continues to invest in its people offering competitive remuneration and benefits within a safe working environment
Customer concentration risk	In Australia a substantial proportion of the Group's revenue is attributable to a small number of the major supermarkets,	Whilst there are no fixed-term contracts with these major customers, the Group has relied on its

	including Coles, Woolworths, and ALDI, who trade with the Group on a purchase order basis, with no guaranteed orders or certain volume The Group relies on long-standing relationships with its customers to generate and secure ongoing revenue. If the relationship between the Group and any of these major customers deteriorates, or the Group is not able to maintain its competitive advantage as the major supplier of floral and plant products to Australian supermarkets, this may result in a material adverse impact on the Group's revenue and financial performance	strong long-term commercial relationships with these key customers (some of which have been the Group's customers for 30+ years), its competitive positioning, innovation and scale to generate ongoing revenue from these key customers During the current reporting period the percentage of the Group's external revenue derived from sales to major supermarkets has decreased slightly from the comparative year
Key suppliers and other strategic relationships	The Group relies on several key suppliers to provide high quality products to the Group. The terms of supply for these products are typically for a contracted duration of no more than one year or on a purchase order basis The Group's ability to secure ongoing supplies on a timely basis depends on the strength of its relationships with its key suppliers and any deterioration could have material adverse effect on financial performance of the Group	The Group has developed long-term, positive relationships with its key suppliers. It follows a diversified sourcing strategy across key floral regions including inhouse farms in China and Australia and a mix of local and overseas grower supply agreements The Group remains active in exploring and developing relationships with new suppliers of high-quality product that it may not currently have a relationship with
Geopolitical risks of operating in China	The Group operates and owns key assets in China, therefore is exposed to China's political, economic, and social landscape and the broader bilateral relationship between Australia and China. Any heightening of political and economic tensions in the bilateral relationship between Australia and China may impact the Group's operations including from government responses to these tensions Specific impacts could include heightened regulatory burdens on foreign investment, restrictions on export activities, expropriation of real property assets, repudiation, renegotiation or nullification of existing agreements and leases, or restrictions on currency conversion and the repatriation of funds	The Group has operated in China since 2004 and continues to actively invest in its operation in China The Group believes it is the largest employer (by number of employees) in China for an Australian company with its China based employees almost exclusively all locally based Although the Group cannot influence wider geopolitical issues, it strives to be a model corporate citizen with appropriate corporate governance and values its strong relationships with Chinese authorities in the areas it operates in As an importer from China, the Group is less exposed to trade restrictions imposed by Chinese authorities
Changes to Australia's	The Group is subject to Australia's strict biosecurity and quarantine requirements	The Group has developed a highly diversified supply chain both in

quarantine and customs requirements	which apply to the importation of plant-based products The Australian Government may review and implement changes to the import conditions, customs requirements or quarantine controls following changes to local circumstances or based on new scientific evidence Any significant alteration of the import requirements in respect of plant-based products could either restrict or prevent the Group's importation of its floral and plant products into Australia Similarly, alterations of import requirements may also open and/or allow increases in trade from various jurisdictions or allow the entry of new categories of plants or flowers, which may have the effect of enhancing or diminishing the market position of the company, exposing the company to increased commercial competition, or else changing the overall supply landscape	Australia and internationally. It actively monitors supplier volumes to ensure it does not become overly reliant on any one supplier The Group has an inhouse quality team supported by a highly experienced, biosecurity expert. This team works proactively with the Australian Government to ensure ongoing compliance with all biosecurity regulations, as well as to advocate for science-based trade liberalisation
Foreign currency exposure	Some products sourced by the Group are purchased directly in foreign currency and accordingly the Group is exposed to the foreign exchange rate movements, particularly the AUD / CNY and AUD / USD rate Material movements in the foreign exchange rates can have a material adverse effect on the Group, including reduced consumer demand for products or increased costs to produce and distribute products	The Group undertakes regular hedging of USD based on future expected purchases. The Group aims to hedge approximately 50% of expected USD based purchases approximately 6 months ahead The specific impact of movement in the AUD / CNY are discussed further in the financial risk note in the consolidated financial statements
Glyphosate	Glyphosate is a broad-spectrum systemic herbicide, which acts by inhibiting an enzyme found in plants. Glyphosate is a widely used product to kill weeds and grasses that compete with agricultural crops. While glyphosate has been approved by regulatory bodies worldwide, there have been concerns about its effect on humans and its links to causing cancer The Group uses glyphosate as a herbicide at farms where the risk is relatively low and in accordance with label and local	The Group is continuing to actively work with the Australian government to remove the requirement for the use of glyphosate. In the meantime, the Group mandates the use of protective equipment for employees who may come into contact with glyphosate. To date there have been no claims against the Group

	regulations. The Group also uses glyphosate as a mandatory treatment to render some specific flower varieties non-propagable in a process known as 'devitalisation', a treatment mandated by the Australian Government There have been some successful and some pending litigations globally, including in Australia, claiming liability for cancer relating to the use of glyphosate. As such, there is a risk that the Group could be involved in future litigation regarding its use of glyphosate, which may have a material impact on the Group's financial position	
Information technology and cyber security	The Group uses information technology systems throughout its operations. Key system unreliability, instability, or failure or deliberate or accidental compromise of the IT systems could impact the Group's efficiency or profitability or lead to reputational damage	The Group maintains a specific focus on potential information technology and cyber security risks The Group undertakes regular employee education as well as secure infrastructure housing, regular backups, and disaster recovery processes to secure its data and systems The Group also engages independent security experts to review and identify potential security risks in its IT environment to enable remediation of any identified weaknesses, which includes the facilitation of exercises to simulate cyber incidents and the Group's response to them

Business Strategies and Prospects

Australia

The Group continues to be well positioned to leverage its existing platform and scale to capitalise on structural changes in the Australian floral retail market and drive revenue and EBITDA growth. Key strategic objectives are to:

Strategic objective	Further detail
Enhance merchandising effectiveness to support like for like sales growth and profitability (lower waste) across customer store network	The depth of data from the Group's merchandising technology platform continues to evolve with real time data and analytics facilitating efficient decision making in relation to product range and volume. The Group plans to continue to analyse the current and historical data available to ensure best possible decision making around range and operational efficiency to drive improved profitability
Investment in product innovation	The Group plans to continue its investment in product innovation with the objective of providing premium quality and on trend curated ranges designed to offer value to consumers and to align with consumer demands
Grow Sale or Return (SOR) store network and support more Core stores with merchandising	During the current financial year, the Group converted an additional 50 SOR stores. The Group plans to drive further sales growth by continuing to work with its customers to grow the SOR store network. Existing SOR stores generally over index Core stores from the unique service model – tailored range, direct store delivery, dedicated merchandising. AS SOR continues to expand to new areas this will allow additional Core stores in the same areas to be considered for merchandising. The Group believes significant opportunities remains to further grow the SOR network
Deliver operational improvements focussed on product quality and speed to the consumer	Further investment in automated bouquet lines is planned for additional sites. The Group's Western Australia site is planned to be relocated during the year. Ongoing transport management initiatives are expected to be completed
Execute on new channel development initiatives	Further opportunities for expansion in the wholesale and florist channel (both greenfield and acquisition-based) continue to be actively considered along with developing a product offering for customers or regions in the supermarket channel not currently serviced

China

In the China market, the Group expects to focus on the acceleration of its integrated floral model and EBITDA recovery. Key strategic objectives are to:

Strategic objective	Further detail
Increase retail channel partnerships	The Group has developed strong retail customer relationships. It plans to leverage the success of these existing retail partners

	into new customer acquisitions aided by its expansion of processing facilities in major consumer markets
Build processing facility network, replicating Shanghai and Guangzhou facilities into other major metropolitan consumer markets	The Group intends to actively explore further sites in other major metropolitan cities to support its existing Shanghai and Guangzhou sites with a view to adding one additional site within the next twelve months
Expand farm production footprint	The Group has added > 50 hectares of productive land across its existing four farms since 2019 and intends to pause material investment in a new farm at this point. Modest incremental expansion and upgrades to existing farms are expected to continue
Leverage Australian segment know-how to further develop vertically integrated floral supply model into China	The Group intends to continue strengthening its domestic China team's capabilities in product development and scaled value-added production capacity to support ongoing growth with its retail customers

Financial Review

The results of the Group are disclosed in the financial statements. Non-AASB financial measures are financial measures other than those defined or specified under all relevant accounting standards. The Group uses non-AASB financial measures to monitor and report on the performance of the business on an ongoing basis. In particular, the Group reports on Earnings before interest, tax, depreciation, and amortisation (EBITDA) and Underlying EBITDA, as the Board and Management of the Group believe that these are the best measures of the performance of the business. These measures are in common and widespread use across the sectors in which the business operates and have not been subject to review by Deloitte Touche Tohmatsu.

Key metrics achieved by the Group during the current reporting period are as follows:

- The revenue of the Group was $430.5m (2024: $397.7m)
- The EBITDA[1] of the Group was $36.7m (2024: $39.6m)
- The Underlying EBITDA[2] of the Group was $43.2m (2024: $39.6m)
- The profit of the Group before impairment and income tax expense was $3.5m (2024: $8.5m)
- An impairment loss of $6.5m was recognised in relation to farm assets in Australia, primarily related to damage from Cyclone Alfred and subsequent re-evaluation of the operations of those farms. Further information is noted under the header "Significant changes in state of affairs"
- In the comparative year an impairment loss of $30.1m was recognised in relation to an impairment of goodwill in the China Group of cash-generating units
- The loss of the Group after providing for impairment and income tax amounted to $4.0m (2024: $26.1m)
- The NPATA[3] of the Group was $10.2m (2024: $9.2m)
- The underlying earnings per share of the Group was 4.15 cents (2024: 3.33 cents)
- The earnings per share of the Group was a loss of 3.30 cents (2024: 21.34 cents)
- The net tangible assets per share was 26.44 cents (2024: 36.24 cents)

A reconciliation between statutory and underlying reported key metrics is noted below:

EBITDA to NPATA reconciliation	**Statutory $'000**	**Australia SAP upgrade[4] $'000**	**Australia farm closures[5] $'000**	**Non-cash amortis-ation[6] $'000s**	**Underlying reported total[2] $'000**
EBITDA[1]	**36,720**	**1,606**	**4,895**	**-**	**43,221**
Depreciation and amortisation	(26,437)	-	-	-	(26,437)
Financing costs	(6,784)	-		-	(6,784)
Impairment expenses	(6,496)	-	6,496	-	-
Taxation	(1,034)	(482)	(3,417)	-	(4,933)
(Loss)/profit of the Group	**(4,031)**	**1,124**	**7,974**	**-**	**5,067**
Amortisation of acquired intangible assets (net of tax)	-	-		5,140	5,140
NPATA[3]	**(4,031)**	**1,124**	**7,974**	**5,140**	**10,207**

Non-AASB financial measures include:

[1] EBITDA is Earnings before interest, tax, depreciation, amortisation and impairment
[2] Underlying EBITDA is Earnings before interest, tax, depreciation, amortisation and impairment adjusted for non-recurring costs
[3] NPATA is Net loss after tax adjusted for amortisation and non-recurring items including impairment of goodwill
[4] Australia SAP upgrade relates to expenditure incurred in the update of the Group's cloud-based ERP (SAP) system expensed in accordance with the applicable IFRIC guidance
[5] Australian farm closures relate to costs incurred in the closure of two of the three Australian farms. EBITDA includes costs in relation to unsaleable inventories of $2.9m, disposal of fixed assets of $0.6m and closure costs of $1.4m. Impairment expenses include impairment charges against Property, plant and equipment of $5.2m and Right-of-use assets of $1.3m
[6] Non-cash amortisation includes adjustments in relation to the amortisation of acquired intangible assets

A reconciliation between statutory and underlying earnings per share is noted below:

Earnings per share reconciliation	**Statutory Cents**	**Underlying adjustments Cents**	**Underlying Cents**
Basic earnings per share	(3.30)	7.45	4.15
Diluted earnings per share	(3.30)	7.45	4.15

Underlying basic and earnings per share does not include the impact of dilution.

Revenue

Revenue increased by $32.8m (8.2%) from $397.7m in 2024 to $430.5m in 2025. The current reporting period includes 52 weeks (comparative reporting period 52 weeks). The major components of the movement are:

Australia – growth of 6.4%

- Strong brand launch with one customer delivering solid revenue growth and category expansion via a curated product range developed to support gifting and customer loyalty
- Conversion of 50 Core stores to Sale or Return during the second half of the current financial year increasing Sale or Return stores to c.29% of major customer network
- Supermarket penetration of the floral market continues to increase
- Stable consumer demand for floral products within environment of ongoing cautious consumer spending and challenging economic conditions
- Ongoing investment in product innovation to deliver premium quality and on trend curated ranges designed to offer value to consumers and to align with consumer demands
- Continued product range optimisation supported by regular high quality in store merchandising

China – growth of 18.3%

- Increase in revenue from tulips of c.40% from both volume and ASP
- Rose volumes and ASP similar to FY24 but with improvement in ASP during 2H events offset partially by volatility in 2H volumes due to extreme weather conditions
- Export volume and revenue up c.25% with additional volumes exported to Australia during current period of weaker domestic pricing

Intersegment eliminations – growth of 22.5%

- Intersegment eliminations reflect products exported from the China segment to the Australia segment and include products produced at the Group's farms in China as well as products purchased from parties external to the Group. Intersegment eliminations also include the associated freight costs to land the products in Australia
- Volumes of produced products have increased compared to the comparative reporting period. International freight costs between Australia and China were stable during the period
- Volumes of purchased products (floral and sundry items) have also increased relative to the comparative reporting period

EBITDA

Underlying EBITDA increased by $3.6m (9.1%) from $39.6m in 2024 to $43.2m in 2025. In the current reporting period underlying EBITDA includes $4.9m in relation to the announced closure of two Australian farms, and $1.6m in relation to the update of the Group's ERP (SAP) system. Expenditure on the cloud-based ERP has been expensed in accordance with the applicable IFRIC guidance. There are no adjustments to underlying EBITDA in the comparative reporting period. EBITDA, excluding underlying adjustments in the current reporting period, declined by $2.9m (7.3%) from $39.6m in 2024 to $36.7m in 2025.

A reconciliation between Statutory loss before tax to EBITDA and Underlying EBTIDA is noted below:

	June 2025 $'000s	June 2024 $'000s
Statutory loss before tax	**(2,997)**	**(21,646)**
Depreciation and amortisation	26,437	24,640
Financing costs	6,784	6,506
Impairment expense	6,496	30,119
EBITDA	**36,720**	**39,619**
Underlying adjustments	6,501	-
Underlying EBITDA	**43,221**	**39,619**

The major components of the movement in underlying EBITDA are:

Australia – underlying increase of 8.1%

- Revenue growth of 6.4% underpinned by stable consumer demand for floral product within environment on ongoing cautious consumer spending and challenging but improving economic conditions
- Conversion of 50 Core stores to Sale or Return during the second half of the current financial year
- Strong demand across key customer events (Valentine's Day and Mother's Day) with this success laying strong foundations for future event orders
- The introduction of automated bouquet lines into two sites during the current financial year has achieved early progress in improved labour efficiencies and reductions in overtime during major events
- Stable international freight rates from major international markets during the current financial year, noting the China route remains elevated compared to historical rates
- Ongoing focus on cost reductions on key inputs (freight, floral buying, labour) and productivity related projects with a focus domestic freight savings
- Cost inflation generally, including product cost, wages, and freight rates reflecting broader economic conditions

China – increase of 12.7%

- Revenue growth of 18.3% from increases in tulips, export and stable performance in roses
- A gradual improvement in consumer confidence translating to better sales dynamic and pricing across all channels with stronger pricing achieved during second half events of Valentine's Day, International Women's Day and Mother's Day
- An increase in export volumes up as more product distributed to markets including Australia
- Increase in productive farm area by 1 hectare to 85 hectares
- Operational execution and costs controlled with higher tulip bulbs and energy costs experienced

- Enhancing downstream distribution capabilities and broadening channel and customer reach from Kunming, Shanghai and Guangzhou continue to progress well with particularly strong growth in retail customer channel share underpinned by both volume and ASP growth

Loss for the year

On a statutory basis, loss for the year decreased by $22.0m (84.5%) from $26.1m in 2024 to $4.0m in 2025. The current reporting period includes underlying after-tax adjustments of $8.0m in relation to the announced closure of two Australian farms, and $1.1m in relation to the update of the Group's ERP (SAP) system details of which are noted in the previous EBITDA to NPATA reconciliation table. An impairment expense of $30.1m was recognised in the comparative reporting period in relation to goodwill in China. No tax effect is applicable for goodwill impairment.

NPATA in the current and comparative reporting periods includes an adjustment in relation to the amortisation of acquired intangible assets of $5.1m. NPATA increased by $1.0m (11.4%) from $9.2m in 2024 to $10.2m in 2025.

A reconciliation between Statutory loss for the year to NPATA is noted below:

	June 2025 $'000s	June 2024 $'000s
Statutory loss for the year	**(4,031)**	**(26,052)**
Underlying adjustments	4,551	-
Impairment expense	4,547	30,119
Amortisation of acquired intangible assets	5,140	5,094
NPATA	**10,207**	**9,161**

The major components of the movement are:

- Revenue and EBITDA factors as noted above, including underlying adjustments and impairment expense. Further details of the underlying adjustments are set out at EBITDA to NPATA reconciliation table above
- Increase in depreciation from capital invested in China growth assets to develop productive land and deprecation from right-of-use assets in the current reporting period
- Increase in financing costs from increased right-of-use interest as a result of the Group's lease arrangements
- Tax effect of all above items, including the higher effective tax rate in Australia relative to China

Consolidated Statement of Financial Position

The Statement of Financial Position compared to the comparative reporting period shows some significant changes. The Directors have defined a significant change as one where the balance of a particular line item is more or less than 10% than that of the comparative reporting period. There are several significant changes in the current reporting period. Key components of the movements are:

- Trade and other receivables increased by $5.2m (26.2%) from $19.9m in 2024 to $25.1m in 2025 due in part to the timing of receipts from key customers in relation to the Group's year end date (current financial year 29 June, previous financial year 30 June) and from higher sales revenue
- Inventories increased by $1.6m (14.9%) from $10.5m in 2024 to $12.1m in 2025 from increases in non-perishable inventories to support approved product ranges during the current reporting period

- Biological assets decreased by $2.6m (43.1%) from $6.0m in 2024 to $3.4m in 2025 due predominately to the reduction in plants in production at the Group's Australian farms
- Other assets increased by $0.9m (14.6%) from $6.2m in 2024 to $7.1m in 2025 largely from prepayments made towards an expanded 2026 tulip program in China
- Property, plant and equipment decreased by $10.8m (12.6%) from $85.3m in 2024 to $74.6m in 2025 from depreciation, foreign exchange translation and impairments / write downs of assets in relation to Australian farms
- Net deferred tax assets / liabilities increased by $3.9m (340.6%) from a net deferred tax liability of $1.2m in 2024 to a net deferred tax asset of $2.8m in 2025 largely as a result of tax timing differences from the impairment of assets in relation to Australian farms
- Right-of-use assets decreased by $5.9m (14.2%) from $41.1m in 2024 to $35.3m in 2025 from depreciation and impairment of assets in relation to Australian farms
- Trade and other payables increased by $6.1m (13.7%) from $44.2m in 2024 to $50.3m in 2025 largely due to the timing of payments to suppliers in relation to the Group's year end date (current financial year 29 June, previous financial year 30 June)
- Lease liabilities, including current and non-current lease liabilities, decreased by $4.6m (10.4%) from $44.7m in 2024 to $40.0m in 2025 in line with the unwind of capitalised property leases

Consolidated Statement of Cash Flows

Cash and cash equivalents at the balance date decreased by $1.5m (4.7%) from $32.3m in 2024 to $30.8m in 2025. Significant components of the cash flows during the year, include:

- Operating cash flows associated with the operating activities of the Group increased by $1.2m to $27.7m in the current financial year
- $7.2m capital investment projects, including automated bouquet lines in Australia, farm infrastructure in China and stay in business capital expenditure in both Australia and China
- $15.9m from two dividends paid during the current reporting period. $9.8m was declared as a final dividend for 2024 and paid in September 2024. $6.1m was declared as an interim dividend declared for 2025 and paid in March 2025

Significant changes in state of affairs

During the year the Group conducted a strategic review in relation to its three Australian farms. As part of the Group's FY25 strategic planning process and recognising the farms create complexity but do not make a material earnings contribution, the Group decided to close two of the three farms. The Group's Australian core business focus, being the design and supply of value-added floral and potted products, linked with in-store merchandising support, does not depend on owning and operating its own farms. Potted product lines will continue to be sourced via the Group's long-term third-party grower supply commitments to support ongoing potted supply programs with customers.

During the current financial year, the Group has recognised expenses of $4.9m and impairment of $6.5m in relation to the closure of the two Australian farms.

There were no other significant changes in the state of affairs of the Group during the reporting year.

Matters subsequent to the end of the financial year

Scheme implementation agreement
On 20 August 2025, Lynch Group Holdings Limited (Lynch) announced it had entered into a Scheme Implementation Agreement with Hasfarm Holdings Limited (Hasfarm) and Darwin Aus Bidco Pty Ltd (Hasfarm Bidco) under which Hasfarm Bidco has agreed to acquire 100% of the shares in Lynch by way of a scheme of arrangement (Scheme). Hasfarm and Hasfarm Bidco are controlled by private equity fund TPG Capital Asia. Implementation of the Scheme is subject to a number of customary conditions including approval of the Scheme by the requisite majorities of shareholders, and court approval. A scheme booklet containing important information in relation to the Scheme and the Scheme Meeting will be released to shareholders in due course.

The directors have determined this to be a non-adjusting subsequent event, as the conditions giving rise to the event occurred after the reporting period. Consequently, no adjustments have been made to the amounts recognised in the financial statements for the year ended 29 June 2025. The financial effects of this transaction will be reflected in future reporting periods.

Dividends
In respect of the current reported period ended June 2025, the Directors have declared a final dividend of 9.0 cents per ordinary share which is fully franked. The record date of the dividend is 3 September 2025, and the dividend is expected to be paid on 18 September 2025.

Funding
In order to support its working capital requirements, the Group has drawn a proportion of its banking facilities in China that were undrawn at the balance sheet date. This includes a component of the new facility with China Merchant Bank that was established in May 2025. The Group notes all funding drawdowns are in the ordinary course of business.

Economic environment
The uncertain economic environment in both Australia and China continues to impact the Group to the date of this report.

In Australia the wider economy continues to experience cautious consumer spending. This environment may affect consumer spending on discretionary items such as those offered by the Group. Some products sourced by the Group in Australia are purchased directly in foreign currency and accordingly the Group is exposed to foreign exchange rate movement. Weakness in the AUD / USD rate can have a material adverse effect on the Group, including reduced consumer demand for products or increased costs to produce and distribute products.

In China weak consumer confidence continues to impact the pricing of domestic product. Prolonged weakness in the China market, particularly in relation to consumption of discretionary items, may have a material impact on the Group's financial performance in future periods.

The Group notes macro-economic conditions (including consumer confidence and cost of living) remains a key risk for the Group. The extent that any future impact from macro-economic conditions has on the Group's operational and financial performance will depend on certain developments, including the nature and duration of any disruptive events, any regulations imposed by governments and the impact on customers, employees, and the Group's supply chain, all of which are uncertain and cannot be predicted at this time. The Group may face difficulty in achieving business growth during and in the aftermath of any further deterioration in macro-economic conditions, particularly due to the Group's relatively complex and time critical supply chain.

As at the date of these financial statements are authorised for issue, the Directors of the company have assessed that there is not expected to be a material financial impact that may affect the Group's ability to continue as a going concern.

Other
Other than as noted above, there has not been any other matter or circumstance occurring subsequent to the end of the period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Likely developments

The Group expects to grow its present level of operations, both in Australia and China. In Australia, the Group intends to continue driving the penetration of the convenience purchase segment (including supermarkets) component of the overall floral market. In China, the Group remains confident in the medium to long term outlook for the floral market in China and intends to continue to serve new and existing customers.

Remuneration report (audited)

This report sets out the remuneration arrangements for the Group's Key Management Personnel (KMP). It forms part of the Directors' Report and has been prepared and audited in accordance with section 300A of the *Corporations Act 2001* (Cth).

KMP are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly. The Group's KMP for the financial year ended 29 June 2025 include Non-Executive Directors and Senior Executives. Senior Executives include Executive Directors.

Non–Executive Directors

Name	Position
Patrick Elliott	Chair and Non-Executive Director
Peter Arkell	Independent Non-Executive Director
Peter Clare	Independent Non-Executive Director
Elizabeth Hallett	Independent Non-Executive Director

Senior Executives

Name	Position
Hugh Toll	Group Chief Executive Officer (CEO) and Managing Director
Steve Wood	Group Chief Financial Officer (CFO) and Company Secretary
David Di Pietro	Chief Executive Officer, Australia
Dirk Vlaar	Chief Executive Officer, China

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive remuneration and reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and is considered to conform to the market best practice for the delivery of reward. The Board ensures that the executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- termination payments, if any, are justified and appropriate

Remuneration and Nomination Committee

Name	Position
Elizabeth Hallett	Chair
Peter Arkell	Member
Peter Clare	Member

The Remuneration and Nomination Committee (RNC) is responsible for recommending to the Board for final approval of matters relating to succession planning, nomination and remuneration of Directors and senior executives. The role of the RNC is to:

- Review and recommend to the Board executive remuneration generally (including, but not limited to, base pay, incentive payments, equity awards, termination payments and service contracts), specific remuneration for senior executives of the Group, and levels of remuneration for Non-Executive Directors, including fees, superannuation, and other benefits
- Review and recommend to the Board, the size and composition of the Board (including review of Board succession plans and the succession of the Chair of the Board and Executive Directors) having regard to the objective that the Board comprise Directors with a broad range of skills, expertise, and experience from a broad range of backgrounds, including gender
- Review and recommend to the Board the criteria for Board membership, including the necessary and desirable competencies of Board members and the time expected to be devoted by Non-Executive Directors in relation to the Group's affairs
- Review and make recommendations to the Board in respect of membership of the Board, including making recommendations for the re-election of Directors, subject to the principle that a committee member must not be involved in making recommendations to the Board in respect of themselves and assisting the Board as required to identify individuals who are qualified to become Board members (including in respect of Executive Directors)
- Assist the Board as required in relation to the performance evaluation of the Board, its committees, and individual Directors, and in developing and implementing plans for identifying, assessing, and enhancing Director competencies
- Ensuring that appropriate checks are undertaken before appointing a potential candidate or putting forward a candidate to shareholders for approval
- Ensuring that an effective induction process is in place
- Reviewing the effectiveness of the Group's Diversity Policy by assessing the Group's progress towards the achievement of the measurable objectives and any strategies aimed at achieving the objectives and reporting to the Board any changes to the measurable objectives, strategies, or the way in which they are implemented
- In accordance with the Group's Diversity Policy, on an annual basis, review the relative proportion of women and men in the workforce at all levels of the Group, and submit a report to the Board which outlines the Committee's findings

Remuneration consultant

From time to time the RNC may engage with external remuneration consultants to review the structure of the executive remuneration framework to ensure it is market competitive and complementary to the reward strategy of the Group. The RNC did obtain services from remuneration consultants Egan Associates Pty Limited during the current reporting period.

The RNC engaged Egan Associates to

- Ensure the Group is competitive in the market with its overall remuneration programs

- Provide confidence to the management team in regard to fairness and equity, via an independent review process, in the lead up to the June 2025 performance and remuneration review process

The scope of the review included all components of remuneration, both fixed and variable, and included:

- Board
- Executive KMP
- Other direct reports to the Group CEO
- Direct reports to the Australia CEO

The cash consideration payable for the remuneration recommendation to Egan Associates was $29,900.

The Board and the RNC are satisfied that the remuneration recommendations were made free from undue influence by any member of the KMP to whom any recommendation relates as the remuneration consultant is viewed to be fully independent to the KMP, the RNC and the Board. The specific recommendations in relation to the remuneration of the Group Chief Executive Officer were made directly to the Chair of the RNC.

In accordance with best practice corporate governance, the structure of the remuneration of Non-Executive Directors and senior executives is separate.

Non-Executive Director Remuneration

Under the Constitution, shareholders may, in a general meeting, determine the maximum aggregate remuneration to be provided to or for the benefit of the Directors as remuneration for their services as a Director. Further the total amount paid to all Non-Executive Directors for their services must not exceed in aggregate in any financial year the amount fixed by the members of the Group in a general meeting.

Initially, and until a different amount is determined, the Constitution provides that the maximum aggregate Directors' Remuneration is $750,000 per annum. This amount excludes, among other things, amounts payable to any Executive Director under any services agreement with the Group or any special remuneration which the Board may grant to its Directors for special exertions or additional services performed by a Director for or at the request of the Group, which may be made in addition to or in substitution for the Director's fees.

The annual Directors' fees paid during the current reporting period are $183,750 to the Non-Executive Chair of the Board and $105,000 to each of the other Non-Executive Directors. In addition, Directors are paid $21,000 for each of the roles of Chair of the Audit and Risk Committee and the Remuneration and Nomination Committee, and $10,500 for members of those Committees. Peter Arkell is paid an additional $10,500 for China based services. Superannuation payments are included in the Directors' fees.

Executive Remuneration

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

Executive Remuneration and Reward Framework

Fixed Fixed remuneration	Variable Short-term incentive (STI)	Variable Long-term incentive (LTI)
• Benchmarked against market • Based on role and responsibilities • Reviewed annually	• Based on financial targets set by the Board • Based on annual targets and paid annually • Paid in cash	• Grant of options over ordinary shares in the Group (**options**) that may convert to ordinary shares • Vesting subject to Earnings Per Share (**EPS**) and Total Shareholder return (**TSR**) hurdles • Vesting period of 3 – 5 years

Financial performance

The Group's performance for financial years between June 2021 and June 2025 is outlined below:

	June 2025 $'000s	June 2024 $'000s	June 2023 $'000s	June 2022 $'000s	June 2021 $'000s
Underlying EBITDA	43,221	39,619	42,310	48,216	58,648
Impairment expense	(6,496)	(30,199)	-	-	-
Net (loss)/profit after tax	(4,031)	(26,052)	9,940	19,580	24,871
NPATA	10,207	9,161	15,657	24,708	32,379

	June 2025 $	June 2024 $	June 2023 $	June 2022 $	June 2021 $
Share price at start of year	1.39	2.61	2.10	3.65	3.60
Share price at end of year	1.75	1.39	2.61	2.10	3.65
Interim dividend	0.05	0.04	-	0.06	0.82
Final dividend	0.09	0.08	0.07	0.06	-
Underlying basic and diluted earnings per share	4.15	3.33	8.14	16.04	31.36
Basic and diluted earnings per share	(3.30)	(21.34)	8.14	16.04	31.36

Fixed Remuneration

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits are based on individual and Group financial performance and benchmarked against comparable market remunerations on an annual basis.

Short-Term Incentive Scheme (STI)

The STI is a variable cash-based component of Executive remuneration which is subject to the achievement of performance conditions. The STI aligns the performance hurdles of Senior Executives with the overall targets of the Group.

Participation	Senior Executives and selected Senior Managers
Period	Financial year ended June 2025
Incentive as proportion of fixed remuneration	0% - 80%
Conditions	Achievement of earnings before interest, depreciation, and amortisation (**EBITDA**) targets. The STI must also self-fund by delivering incremental earnings above target EBITDA sufficient to satisfy the cost of the plan. These performance conditions were chosen to closely align participants' STI outcomes with the performance of the Group
Potential	The STI potential as a proportion of the fixed remuneration (base salary + superannuation) for KMP are:
Eligibility	The participant must be employed and performing duties and responsibilities of role to the satisfaction of the Board at the time of payment. The participant must not be serving out any period of notice of termination (however arising), on gardening leave, on suspension, subject to any investigation for misconduct, subject to any performance management process, or subject to any disciplinary process
Discretion	The STI is at the discretion of the CEO, Board and RNC and is subject to change or cancellation at any time. The CEO has no discretion over his own STI. Discretion is permitted by the CEO (in consultation with the Remuneration and Nominations Committee, or that Committee's Chair) in respect of his or her reports, and the Chair of the Board in respect of the CEO (on recommendation from the Remuneration and Nomination Committee) to award a short term incentive on qualitative factors (in addition to the bases on which STIs can be awarded under the Plan)
Payment date	Payment for actual STI awarded is made in July 2025

Potential (KMP):

	Minimum	Maximum
Hugh Toll	0%	80%
Steve Wood	0%	60%
David Di Pietro	0%	60%
Dirk Vlaar	0%	60%

Award and percentage of STI payable and forfeited for KMP for the year ended June 2025

KMP	Maximum STI potential ($)	Actual STI awarded ($)	Proportion awarded (%)	Proportion forfeited (%)
Senior Executives				
Hugh Toll	526,014	65,752	13%	87%
Steve Wood	244,051	30,506	13%	87%
David Di Pietro	289,206	72,302	25%	75%
Dirk Vlaar	250,226	-	0%	100%
	1,309,497	**168,560**	**13%**	**87%**

Hugh Toll, Steve Wood and David Di Pietro were awarded STI based on the financial performance of the Australian segment. No STI was awarded for the financial performance of the China segment.

Award and percentage of STI payable and forfeited for KMP for the year ended June 2024

KMP	Maximum STI potential ($)	Actual STI awarded ($)	Proportion awarded (%)	Proportion forfeited (%)
Senior Executives				
Hugh Toll	505,762	75,864	15%	85%
Steve Wood	234,655	35,198	15%	85%
David Di Pietro	278,073	41,711	15%	85%
Dirk Vlaar	246,987	-	0%	100%
	1,265,477	**152,773**	**12%**	**88%**

Long-term incentive Scheme

Year ended June 2025 LTI plan

The Group is currently assessing its long-term incentive scheme **(LTI)** in relation to the financial year ended June 2025 and anticipates this will be complete prior to the AGM in November 2025. The Group notes it expects any future LTI to assist in the motivation, reward and retention of Senior Executives and other selected Senior Managers and will be designed to align participants' interests with the interests of shareholders. At the date of this report no options have been issued in relation to the financial year ended June 2025 except for those granted to Hugh Toll under the 2024 LTI plan which required shareholder approval at the Group's AGM in November 2024.

Summary of Remuneration mix

The remuneration mix for the financial year ended June 2025 for the KMP is:

KMP	Fixed	STI	LTI	Total
Non-Executive Directors				
Patrick Elliott	100%	n/a	n/a	100%
Peter Arkell	100%	n/a	n/a	100%
Peter Clare	100%	n/a	n/a	100%
Elizabeth Hallett	100%	n/a	n/a	100%
	100%	**0%**	**0%**	**100%**
Senior Executives				
Hugh Toll	57%	6%	37%	100%
Steve Wood	74%	6%	20%	100%
David Di Pietro	69%	10%	21%	100%
Dirk Vlaar	82%	0%	18%	100%
	67%	**6%**	**27%**	**100%**

KMP Contract Terms

Non-Executive Directors are party to letters of appointments. Non-Executive Director fees are fixed and do not include any performance-based remuneration. No fixed term is specified however Non-Executive Directors are required to retire by rotation at the Group's AGM.

Senior Executives are party to a written executive service agreement with the Group. Key terms of Senior Executive service agreements are:

Senior Executive	Contract Term	Notice by the Group	Notice by Executive	Post-employment restrictions[1]
Hugh Toll	n/a	6 Months	6 Months	Yes
Steve Wood	n/a	6 Months	6 Months	Yes
David Di Pietro	n/a	3 Months	3 Months	Yes
Dirk Vlaar	n/a	3 Months	3 Months	Yes

[1] Senior Executive KMP service agreements include post-employment restrictions in order to protect the goodwill of the Group and its confidential information. These restrictions are designed to protect the Group from loss of business or employees as a direct result of Senior Executives competing against the Group in the same industry

Details of remuneration

Amounts of Remuneration for KMP for the financial year ended June 2025 was as follows:

KMP	Short term cash salary and fees ($)	Short term cash bonus ($)	Termination benefits ($)	Post employment benefits ($)	Equity settled ($)[1]	Total ($)
Non-Executive Directors[2]						
Patrick Elliott	164,798	-	-	18,952	-	183,750
Peter Arkell	122,422	-	-	14,078	-	136,500
Peter Clare	122,422	-	-	14,078	-	136,500
Elizabeth Hallett	122,422	-	-	14,078	-	136,500
	532,064	**-**	**-**	**61,186**	**-**	**593,250**
Senior Executives						
Hugh Toll[3]	627,518	65,752	-	30,000	422,111	1,145,381
Steve Wood[4]	376,752	30,506	-	30,000	111,929	549,187
David Di Pietro[5]	452,011	72,302	-	30,000	151,447	705,760
Dirk Vlaar[6]	417,020	-	-	-	92,034	509,054
	1,873,301	**168,560**	**-**	**90,000**	**777,521**	**2,909,382**
	2,405,365	**168,560**	**-**	**151,186**	**777,521**	**3,502,632**

[1] Represents the accounting value recognised in profit or loss in accordance with AASB 2 Share-based payments during the financial year ended June 2025 in relation to options granted to Senior Executives under the Group's long-term incentive plan

[2] Non-Executive Directors received a 5% increase in remuneration for the year ended June 2025 reflective of CPI noting that prior to this increase there has been no increase in Director fees since April 2021

[3] Hugh Toll received an increase in fixed remuneration of 4.0% reflective of CPI and the statutory increase in superannuation rate. The increase in the equity settled expense is due to the following:

- The effect of updates to the estimated achievement of non-market vesting conditions
- The cumulative effect of an additional years' options issues
- The increased accounting value of share options granted to Hugh Toll in November 2024 due to changes to the share price between May 2024 and the AGM approval date. Further information of these options is set out in the "LTI grants for the financial year ended 30 June 2025" section of this report

[4] Steve Wood received an increase in fixed remuneration of 4.0%. The increase in equity settled expense relative to the prior year is due to the effect of updates to the estimated achievement of non-market vesting conditions, and the cumulative effect of an additional years' options issued

[5] David Di Pietro received an increase in fixed remuneration of 4.0%. The increase in equity settled expense relative to the prior year is due to the effect of updates to the estimated achievement of non-market vesting conditions, and the cumulative effect of an additional years' options issued

[6] Dirk Vlaar did not receive an increase in fixed remuneration during the year. During the previous year Dirk Vlaar received an increase in fixed remuneration of 10.3% on 1 January 2024. Dirk Vlaar's remuneration is denominated in RMB and translated to AUD at the average foreign exchange rate for the relevant period

Amounts of Remuneration for KMP for the financial year ended June 2024 was as follows:

KMP	Short term cash salary and fees ($)	Short term cash bonus ($)	Termination benefits ($)	Post employment benefits ($)	Equity settled ($)[1]	Total ($)
Non-Executive Directors						
Patrick Elliott	157,658	-	-	17,342	-	175,000
Peter Arkell	117,117	-	-	12,883	-	130,000
Peter Clare	117,117	-	-	12,883	-	130,000
Elizabeth Hallett	117,117	-	-	12,883	-	130,000
	509,009	**-**	**-**	**55,991**	**-**	**565,000**
Senior Executives						
Hugh Toll[2]	604,702	75,864	-	27,500	112,494	820,560
Steve Wood	363,592	35,198	-	27,500	45,261	471,551
David Di Pietro	435,955	41,711	-	27,500	45,876	551,042
Dirk Vlaar	392,434	-	-	-	20,596	413,030
	1,796,683	**152,773**	**-**	**82,500**	**224,227**	**2,256,183**
	2,305,692	**152,773**	**-**	**138,491**	**224,227**	**2,821,183**

[1] Represents the accounting value recognised in profit or loss in accordance with AASB 2 Share-based payments during the financial year ended June 2024 in relation to options granted to Senior Executives under the Group's long-term incentive plan

[2] Equity settled remuneration for Hugh Toll includes a service amount estimate recognised in the financial year ended June 2024 in respect of an issue of options which was approved by Shareholders at the company's AGM in November 2024

Equity Instruments

The movement in ordinary shares in the company held by KMP either directly, indirectly, or beneficially for the financial year ended June 2025 was as follows:

KMP	Opening balance	Shares purchased	Closing balance
Non-Executive Directors			
Patrick Elliott[1]	600,699	-	600,699
Peter Arkell	16,666	-	16,666
Peter Clare[2]	228,943	-	228,943
Elizabeth Hallett	27,777	-	27,777
	874,085	**-**	**874,085**
Senior Executives			
Hugh Toll	639,999	-	639,999
Steve Wood	237,300	-	237,300
David Di Pietro	299,999	-	299,999
Dirk Vlaar	101,495	-	101,495
	1,278,793	**-**	**1,278,793**

[1] Patrick Elliott holds shares in the company via entities for which he is not the registered holder. Elliott Services Pty Limited as trustee of the Elliott Family Trust holds 331,449 shares, Avanteos Investments Limited as trustee for the Elliott Superannuation A/C holds 164,276 shares and Avanteos Investments Limited as trustee for the Elliott Family A/C holds 104,974 shares

[2] Peter Clare holds shares in the company via entities for which he is not the registered holder. GHWE Capital Pty Ltd as trustee for the Peter Clare Family Trust holds 144,721 shares, Moore Park Nominees Pty Ltd as trustee for the Peter Clare & Ass. Super Fund holds 70,722 shares and One Runway Pty Limited holds 13,500 shares

Share options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of KMP in this financial year or future reporting years are:

Grant date	Vesting date[1]	Expiry date	Exercise price	Fair value per option at grant date
FY21 LTI grants				
Between 6 April 2021 and 6 May 2021	29 June 2024[2]	30 June 2027	$3.60	TSR - $0.96 EPS - $1.07
Between 6 April 2021 and 6 May 2021	30 June 2025[2]	30 June 2027	$3.60	TSR - $1.03 EPS - $1.09
Between 6 April 2021 and 6 May 2021	30 June 2026	30 June 2027	$3.60	TSR - $1.06 EPS - $1.12
FY22 LTI grants				
16 June 2022 and 25 November 2022	30 June 2025[2]	30 June 2028	$2.24	TSR - $0.40 EPS - $0.44
16 June 2022 and 25 November 2022	30 June 2026	30 June 2028	$2.24	TSR - $0.43 EPS - $0.45
16 June 2022 and 25 November 2022	30 June 2027	30 June 2028	$2.24	TSR - $0.44 EPS - $0.45
FY23 LTI grants				
31 May 2023	30 June 2026	30 June 2029	$1.84	TSR - $0.45 EPS - $0.48
24 November 2023	30 June 2026	30 June 2029	$1.84	TSR - $0.50 EPS - $0.54
31 May 2023	30 June 2027	30 June 2029	$1.84	TSR - $0.48 EPS - $0.49
24 November 2023	30 June 2027	30 June 2029	$1.84	TSR - $0.53 EPS - $0.55
31 May 2023	30 June 2028	30 June 2029	$1.84	TSR - $0.48 EPS - $0.50
24 November 2023	30 June 2028	30 June 2029	$1.84	TSR - $0.54 EPS - $0.56
FY24 LTI grants				
31 May 2024	30 June 2027	30 June 2030	$1.41	TSR - $0.24 EPS - $0.25
22 November 2024	30 June 2027	30 June 2030	$1.41	TSR - $0.48 EPS - $0.49
31 May 2024	30 June 2028	30 June 2030	$1.41	TSR - $0.24 EPS - $0.25
22 November 2024	30 June 2028	30 June 2030	$1.41	TSR - $0.49 EPS - $0.49

31 May 2024	30 June 2029	30 June 2030	$1.41	TSR - $0.23 EPS - $0.25
22 November 2024	30 June 2029	30 June 2030	$1.41	TSR - $0.49 EPS - $0.49
FY25 LTI grants				
At the date of this report no options have been issued in relation to FY25 LTI grants				

[1] Vesting date is subject to retesting as described in the key terms of the long-term incentive plan rules under the term "vesting conditions"

[2] These options have not vested as the market and non-market vesting conditions were not met. These options remain subject to re-testing under the LTI plan rules and have not yet been forfeited. Vesting date is subject to retesting as described in the key terms of the long-term incentive plan rules under the term "vesting conditions" and remains subject to service conditions

Details of Share Option grants for KMP during the financial year ended June 2025 were as follows:

KMP	Type	Number	Grant date	Vesting date[1]	Exercise Price
Hugh Toll[2]	LTI options	525,651	22 November 2024	30 June 2027	$1.41
	LTI options	525,652	22 November 2024	30 June 2028	$1.41
	LTI options	525,652	22 November 2024	30 June 2029	$1.41

[1] Vesting date is subject to retesting as described in the key terms of the long-term incentive plan rules under the term "vesting conditions"

[2] Consistent with prior years, options issued to Hugh Toll were subject to approval at the AGM as required for equity instruments issued to directors. In accordance with AASB 2 *Share based payment,* the fair value to be recognised as an expense over the service period is determined at the date approved by shareholders, being the AGM date of 22 November 2024. Hugh Toll was issued 1,576,955 options under the grant for the financial year ended June 2024 on this date

Due to the appreciation in the share price between 31 May 2024 and 22 November 2024, the fair value per option increased from $0.23 to $0.49 and $0.25 to $0.49 for TSR and EPS options respectively. There was no change to the terms of the LTI grants proposed in May 2024 and those granted in November 2024

Movement in options held by KMP for the financial year ended June 2025 were as follows:

KMP	Opening balance	Granted	Vested	Forfeited	Closing balance
Senior Executives					
Hugh Toll[1]	1,865,445	1,576,955	-	-	3,442,400
Steve Wood	1,240,172	-	-	-	1,240,172
David Di Pietro	1,662,959	-	-	-	1,662,959
Dirk Vlaar	956,509	-	-	-	956,509
	5,725,085	**1,576,955**	**-**	**-**	**7,302,040**

[1] Hugh Toll was granted 1,576,955 options under the 2024 LTI plan after approval at the company's AGM in November 2024

No options have been granted under the LTI plan for the year to June 2025.

No options were granted to Non-Executive Directors.

Options carry no dividend or voting rights.

This concludes the remuneration report which has been audited

Indemnification of officers and auditors

During the financial year, the Group paid a premium in respect of a contract insuring the Directors of the Group, the Company Secretary, and all Executive Officers of the Group and of any related body corporate against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001* (Cth). The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the company

During or since the end of the financial year, no person has applied to the court under section 237 of the *Corporations Act 2001* (Cth) for leave to bring proceedings in respect of the Group, or to bring or intervene in any proceedings on behalf of the Group.

Non-audit services

Details of the amounts paid to the auditor of the Group, Deloitte Touche Tohmatsu, and its network firms for audit and non-audit services provided during the period are included in Note 31 of the notes to the consolidated financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by Deloitte Touche Tohmatsu as the auditor (or by another person or firm on the auditors behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth). The Directors are of the opinion that the services provided do not compromise the external auditor's independence requirements of the *Corporations Act 2001* (Cth) for the following reasons:

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

Environmental regulations

The Group is subject to various state and federal environmental regulations and has procedures in place to manage the Group's environmental responsibilities and compliance. No material breaches of the requirements or any environmental issues have been identified during the year, and to the best of the Directors' knowledge and belief, all activities have been undertaken in compliance with environmental regulations.

Rounding Amounts

ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, applies to the Group and consequently the amounts in the Directors' Report and the financial statements are rounded to the nearest thousand dollars unless otherwise stated.

Director independence

The Board regularly monitors and assesses the independence of each Director. An independent Director is a Non-Executive Director who is not a member of Management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. The Board considers many factors including those identified by the ASX Corporate Governance Council. When determining the independent status of a Director, the Board will consider whether the Director:

- is, represents, or has been within the last three years, an officer, or staff member of, or professional adviser to a substantial holder
- is employed, or has previously been employed, in an executive capacity by the company or a member of the Group, and there has not been a period of at least three years between ceasing such employment and serving on the Board
- has within the last three years been a partner, Director or senior staff member of a material professional adviser or a material consultant to the company or a member of the Group, or a staff member materially associated with the service provided
- is a material supplier or customer of the company or a member of the Group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer
- has a material contractual relationship with the company or a member of the Group other than as a Director of the company
- has any close family ties with any person who falls within any of the categories described above
- has been a Director of the company for such a period that his or her independence may have been compromised

All Directors, whether independent or not, should bring an independent judgement to bear on all Board decisions.

On the basis of the above guidelines, the Board has made the following assessments in respect of the company's Directors:

- Independent: Peter Arkell, Peter Clare, and Elizabeth Hallett. None of these Directors is a related party of any substantial shareholder of the company, have provided services to the company (other than in their capacity as a Director), or been an employee or officer of a relevant service provider
- Not independent: Patrick Elliott and Hugh Toll. Patrick Elliott is a partner at Next Capital which is a substantial Shareholder. Hugh Toll is an employee in his role as Group Chief Executive Officer

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out immediately after the Director's Declaration.

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

On behalf of the Directors

Patrick Elliott	**Hugh Toll**
Chair and Non-Executive Director	**Chief Executive Officer and Managing Director**

20 August 2025
Sydney

Lynch Group Holdings Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 29 June 2025

	Note	June 2025 $'000	June 2024 $'000s
Continuing operations			
Revenue			
Total revenue	2	430,465	397,715
		430,465	**397,715**
Add: income			
Other income	3	91	71
Fair value loss on biological assets	10	(101)	(336)
Less: expenses			
Changes in inventories		1,734	(2,410)
Raw materials and consumables used		(233,975)	(209,245)
Employee benefits expenses	4	(60,888)	(54,897)
Contractors' expenses		(46,622)	(41,553)
Freight expenses		(26,569)	(26,058)
Depreciation and amortisation expense	4	(26,437)	(24,640)
Selling and marketing expenses		(732)	(741)
Occupancy expenses	4	(2,609)	(1,914)
Other expenses		(24,074)	(21,013)
Finance costs	4	(6,784)	(6,506)
Impairment expenses	4	(6,496)	(30,119)
		(433,462)	**(419,361)**
Loss before income tax expense		**(2,997)**	**(21,646)**
Income tax expense	5	(1,034)	(4,406)
Loss for the year		**(4,031)**	**(26,052)**
Other comprehensive gain /(loss) that will subsequently be reclassified to loss			
Foreign currency translation differences		3,093	(338)
Cash flow hedges – effective portion of changes in fair value net of tax		(522)	(289)
Other comprehensive gain / (loss), net of tax		**2,571**	**(627)**
Total comprehensive loss attributable to: Lynch Group Holdings Limited		**(1,460)**	**(26,679)**

Earnings per share for profit attributable to ordinary shareholders		June 2025 Cents	June 2024 Cents
Basic	6	(3.30)	(21.34)
Diluted	6	(3.30)	(21.34)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements

Lynch Group Holdings Limited
Consolidated Statement of Financial Position
As at 29 June 2025

	Note	June 2025 $'000	June 2024 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	30,831	32,345
Trade and other receivables	8	25,105	19,897
Inventories	9	12,088	10,522
Biological assets	10	3,434	6,039
Other assets	11	7,114	6,210
Total current assets		**78,572**	**75,013**
Non-current assets			
Property, plant and equipment	12	74,558	85,324
Deferred tax assets	5	4,276	-
Right-of-use assets	13	35,277	41,136
Intangible assets	14	149,905	154,561
Total non-current assets		**264,016**	**281,021**
Total assets		**342,588**	**356,034**
LIABILITIES			
Current liabilities			
Trade and other payables	15	50,291	44,231
Current tax liabilities	5	800	5
Lease liabilities	16	6,061	5,530
Borrowings	18	5,009	4,154
Provisions	17	9,269	8,164
Total current liabilities		**71,430**	**62,084**
Non-current liabilities			
Lease liabilities	16	33,975	39,139
Borrowings	18	49,813	50,909
Provisions	17	3,704	3,951
Deferred tax liabilities	5	1,490	1,158
Total non-current liabilities		**88,982**	**95,157**
Total liabilities		**160,412**	**157,241**
Net assets		**182,176**	**198,793**
EQUITY			
Issued share capital	19	245,653	245,653
Reserves	20	12,394	9,111
Accumulated losses		(75,871)	(55,971)
Total equity		**182,176**	**198,793**

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements

Lynch Group Holdings Limited
Consolidated Statement of Changes in Equity
For the financial year ended 29 June 2025

	Note	Issued capital $'000	Foreign currency translation reserve $'000	Statutory surplus reserve $'000	Share-based payments reserve $'000	Cash flow hedge reserve $'000	Accum-ulated losses $'000	Total $'000
Balance at July 2023		**245,653**	**4,463**	**4,274**	**422**	**206**	**(16,492)**	**238,526**
Loss for the year		-	-	-	-	-	(26,052)	(26,052)
Other comprehensive loss for the year		-	(338)	-	-	(289)	-	(627)
Total comprehensive loss for the year		**-**	**(338)**	**-**	**-**	**(289)**	**(26,052)**	**(26,679)**
Dividends paid	21	-	-	-	-	-	(13,427)	(13,427)
Share-based payments	29	-	-	-	373	-	-	373
Balance at June 2024		**245,653**	**4,125**	**4,274**	**795**	**(83)**	**(55,971)**	**198,793**
Loss for the year		-	-	-	-	-	(4,031)	(4,031)
Other comprehensive gain for the year		-	3,093	-	-	(522)	-	2,571
Total comprehensive loss for the year		**-**	**3,093**	**-**	**-**	**(522)**	**(4,031)**	**(1,460)**
Dividends paid	21	-	-	-	-	-	(15,869)	(15,869)
Share-based payments	29	-	-	-	712	-	-	712
Balance at June 2025		**245,653**	**7,218**	**4,274**	**1,507**	**(605)**	**(75,871)**	**182,176**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements

Lynch Group Holdings Limited
Consolidated Statement of Cash Flows
For the financial year ended 29 June 2025

	Note	June 2025 $'000	June 2024 $'000
Cash flows from operating activities			
Receipts from customers		460,286	430,934
Payments to suppliers and employees		(422,066)	(391,930)
Receipts from government grants and other income		91	71
Interest and other costs of finance paid		(6,634)	(6,356)
Income taxes paid		(3,947)	(6,171)
Net cash generated by operating activities	7	**27,730**	**26,548**
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		(7,158)	(11,534)
Net cash used in investing activities		**(7,158)**	**(11,534)**
Cash flows from financing activities			
Proceeds from bank loans	18	1,611	3,372
Repayment of bank loans	18	(2,150)	(3,590)
Dividends paid	21	(15,869)	(13,427)
Repayment of principal component of lease liabilities	16	(5,684)	(5,355)
Net cash used by financing activities		**(22,092)**	**(19,000)**
Net decrease in cash and cash equivalents		**(1,520)**	**(3,986)**
Cash at the beginning of the year		**32,345**	**36,409**
Effect of movement in foreign exchange rate		6	(78)
Cash at the end of the year	7	**30,831**	**32,345**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements

Index to Notes to the Consolidated Financial Statements

Basis of preparation

A. Reporting entity

Lynch Group Holdings Limited ('the company') is a company limited by shares, incorporated, and domiciled in Australia. The company's shares are publicly traded on the Australian Securities Exchange. The company and its controlled entities ('the Group') is a for profit entity. The principal activity of the Group and its subsidiaries is the horticultural production and wholesale of flowers and plants.

The current reporting period is the financial year ended 29 June 2025. This is the 52-week period from 1 July 2024 to 29 June 2025 and is referred to as **June 2025** throughout the consolidated financial statements and notes to the consolidated financial statements. The comparative reporting period is the financial year ended 30 June 2024. This is the 52-week period from 3 July 2023 to 30 June 2024 and is referred to as **June 2024** throughout the consolidated financial statements and notes to the consolidated financial statements.

B. Basis of preparation

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial report complies with IFRS Accounting Standards issued by the International Accounting Standards Board.

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments and biological assets to fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. All values have been rounded to the nearest thousand unless otherwise stated, in accordance with ASIC Corporations Instrument 2016/19. The financial report has been prepared on a going concern basis.

The consolidated financial statement were authorised for issue by the Board of Directors on 20 August 2025.

C. Foreign currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the entity (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance date.

Exchange differences are recognised in profit or loss in the year in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur in the foreseeable future, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of the Group's foreign operations (including comparatives) are translated into Australian dollars at exchange rates prevailing on the balance date. Income and expense items (including comparatives) are translated at the average exchange rates for the year. Exchange differences arising are classified as equity and transferred to the translation reserve of the Group. Such exchange differences are recognised in profit or loss in the year in which the foreign operation is disposed.

D. Material accounting policies

Material accounting policies that are relevant to the understanding of the financial statements are included throughout the notes to the consolidated financial statements.

E. Critical accounting judgements

The following are the critical judgements that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Intangible assets
Useful lives and residual value of intangible assets (excluding goodwill and indefinite life assets) are reviewed annually. Judgment is applied in determining the useful lives of intangible assets. Any reassessment of useful lives and residual value in a particular year will affect amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

F. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below or elsewhere in the financial statements.

Impairment of goodwill and other intangible assets
Determining whether goodwill and other intangible assets are impaired requires an assessment as to the existence of any indicators of impairment, and if such indicators exist, to then undertake a formal impairment assessment which involves an estimation of the higher of 'fair value less cost of disposal' and 'value in use' of the cash-generating units to which goodwill and other intangible assets have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Due to the impairment recognised in the China Group of CGUs in the comparative reporting period, the assessment of whether the remaining goodwill and other intangible assets are impaired is considered a key source of estimation uncertainty. As at 29 June 2025, the Group assessed and updated the recoverable amount, and the basis of preparation of the cash flow projections, growth rates and post-tax discount rates, of the China Group of CGUs and determined there was no impairment.

Further information is set out in Note 14.

Performance

1. Segment performance

Segment information is reported in a manner consistent with internal reporting that is provided to the Chief Operating Decision Maker ('**CODM**'). The CODM is the Board of Directors. The CODM is responsible for allocating resources and assessing the performance of operating segments.

Identification of reportable operating segments
The Group is organised into two operating segments:

- **Australia.** The Australian segment operates a vertically integrated production farm and wholesale operation in Australia; and
- **China.** The China segment operates a production farm and distribution operation in China, primarily supplying the domestic China market as well as the Australian segment

Information about reportable operating segments
The CODM reviews Revenue and Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) at an operating segment level. Depreciation and amortisation, finance costs and income tax expense are reviewed at a Group level. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. There is no aggregation of operating segments. The information reported to the CODM is monthly.

It is the Group's policy that business support or corporate costs that are not directly attributable to an operating segment are allocated to the Australian segment which is the Group's largest segment on the basis that the majority of these resources are utilised by the Australia segment. Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Seasonality
The Australian segment is affected by seasonality where December, February and May are months with higher sales due to Christmas, Valentine's Day, and Mother's Day events. Sales during spring reflect increase in demand of plant products. The segment's external revenue is derived predominately from sales to major supermarkets in Australia.

The China segment is affected by seasonality where volumes are generally higher in the summer months (June, July, and August) however pricing is generally lower during the same months due to increased competition in the China domestic market. The segment's external revenue is derived predominately from sales to major supermarkets, wholesalers and online marketplaces in China and supplying the Australia segment.

Major customers
During the year ended June 2025 approximately 69% (June 2024: 71%) of the Group's external revenue was derived from sales to major supermarkets in Australia including Coles, Woolworths, and ALDI.

Intersegment transactions
Intersegment transactions are made at market rates. The Australia operating segment purchases floral and other products from the China operating segment. Intersegment transactions are eliminated on consolidation. Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Segment performance, assets and liabilities for the current and comparative year is outlined below:

June 2025	**Australia $'000**	**China $'000**	**Intersegment eliminations $'000s**	**Total $'000**
Segment revenue – sales to customers				
Flowers	304,436	100,971	(21,091)	384,316
Plants	46,149	-	-	46,149
	350,585	**100,971**	**(21,091)**	**430,465**
One off expenses included in EBITDA				
Australia farm closures	(4,895)	-	-	(4,895)
Australia SAP upgrade	(1,606)	-	-	(1,606)
EBITDA	**27,006**	**9,714**	**-**	**36,720**
Depreciation and amortisation				(26,437)
Finance costs				(6,784)
Impairment expenses[2]				(6,496)
Loss before income tax expense				**(2,997)**
Income tax expense				(1,034)
Loss after income tax expense				**(4,031)**
Segment assets	**323,583[1]**	**142,360[1]**	**(123,355)**	**342,588**
Segment liabilities	**142,181**	**141,586**	**(123,355)**	**160,412**

[1] Includes capital additions of $1,750,000 in Australia and $5,375,000 in China
[2] Impairment expenses relate to Australia

June 2024	**Australia $'000**	**China $'000**	**Intersegment eliminations $'000s**	**Total $'000**
Segment revenue – sales to customers				
Flowers	274,153	85,358	(17,216)	342,295
Plants	55,420	-	-	55,420
	329,573	**85,358**	**(17,216)**	**397,715**
EBITDA	**31,003**	**8,616**	**-**	**39,619**
Depreciation and amortisation				(24,640)
Finance costs				(6,506)
Impairment of goodwill[2]				(30,119)
Loss before income tax expense				**(21,646)**
Income tax expense				(4,406)
Loss after income tax expense				**(26,052)**
Segment assets	**333,475[1]**	**144,666[1]**	**(122,107)**	**356,034**
Segment liabilities	**138,443**	**140,905**	**(122,107)**	**157,241**

[1] Includes capital additions of $3,452,000 in Australia and $8,169,000 in China
[2] Impairment of goodwill relates to China

2. Revenue

Revenue is comprised of the following:

	June 2025 $'000	June 2024 $'000
Sales of goods - Flowers	384,316	342,295
Sales of goods - Plants	46,149	55,420
	430,465	**397,715**

The Group recognises revenue predominantly from horticultural production and wholesale of flowers and plants. Revenue is recognised when the Group's performance obligation has been satisfied, generally at the point of delivery which is when the customer obtains control of the flowers and plants, and net of reversals for returned goods subject to 'sale or return' policy. The Group has a sale or return policy (SOR) whereby products are sold to certain customers with a right to return unsold products as agreed between the Group and the customer. Sales of goods under the SOR model represent variable consideration and sales are recognised net of the returned product. All revenue is stated net of the amount of goods and services tax (GST).

Sales of goods – Flowers
Bunches of cut flowers, either single flowers or multiple varieties, with or without foliage. Flowers typically have a short shelf life (7-8 days) with delicate handling requirements and a complex supply chain.

Sales of goods – Plants
Low maintenance indoor potted plants produced with or without visually appealing ceramic pot. Plants typically have a long shelf life (up to 5 years).

Disaggregation of revenue by geography is set out in Note 1.

3. Other income

Other income is comprised of the following:

	June 2025 $'000	June 2024 $'000
Government grants	57	31
Interest income	34	-
Insurance proceeds	-	40
	91	**71**

In the current financial year, the Group received $57,000 (June 2024: $31,000) government grants in China. No amounts have been recognised for claims relating to damage caused by Cyclone Alfred.

4. Expenses

Significant expense items disclosed in the consolidated statement of profit or loss are set out below and comprise of the following:

	June 2025 $'000	June 2024 $'000
Employee benefits expenses		
Salaries (including on costs)	54,495	49,235
Superannuation costs	3,919	3,526
Leave entitlements	413	286
Other employee expenses	2,061	1,850
	60,888	**54,897**
Depreciation and amortisation expenses		
Depreciation of property, plant and equipment	13,582	12,186
Depreciation of right-of-use assets	6,755	6,392
Amortisation of intangible assets	6,100	6,062
	26,437	**24,640**
Occupancy expenses		
Variable lease payments	1,865	1,737
Short term lease payments	744	177
	2,609	**1,914**
Finance costs		
Interest expense on borrowings	3,764	3,802
Amortisation of borrowing costs	150	150
Interest expense on lease liabilities	2,762	2,451
Interest on contractual make good obligations	108	103
	6,784	**6,506**
Impairment expenses		
Property, plant and equipment	5,180	-
Right of use assets	1,316	-
Intangible assets	-	30,119
	6,496	**30,119**

5. Income tax

The major components of income tax expense, including current and deferred income tax, in the consolidated statement of profit or loss are set out below:

	June 2025 $'000	June 2024 $'000
Income tax expense		
Current tax	4,690	6,003
Prior year adjustment	53	(13)
Deferred tax - origination and reversal of temporary differences	(3,709)	(1,584)
Aggregate income tax expense	**1,034**	**4,406**
Numerical reconciliation of income tax expense and tax at the statutory rate:		
Loss before income tax expense	**(2,997)**	**(21,646)**
Tax at the statutory tax rate of 30% (2024: 30%)	(899)	(6,494)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Impairment expense	-	9,036
Other non-deductible items	199	239
Prior year adjustments	53	(13)
	(647)	**2,768**
Difference in overseas tax rates	1,681	1,638
Income tax expense	**1,034**	**4,406**

Current and deferred tax for the year
Current and deferred tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is considered in the determination of goodwill.

Deferred tax assets and liabilities comprised temporary differences attributable to:

	June 2025 $'000	June 2024 $'000
Deferred tax assets		
Lease liabilities	10,834	12,232
Employee benefits	3,170	3,006
Section 40-880 expenditure	4	597
Allowance for expected credit losses	73	63
Inventories	531	564
Property, plant and equipment	1,019	-
Other provisions	896	608
Trade and other payables	1,509	1,300
	18,036	**18,370**
Deferred tax liabilities		
Intangible assets	5,877	7,216
Right-of-use assets	9,373	11,291
Property, plant and equipment	-	1,021
	15,250	**19,528**
Deferred tax assets	**4,276**	**-**
Deferred tax liabilities	**1,490**	**1,158**

The movement of net deferred tax assets / (liabilities) during the year is as follows:

Movements		
Opening balance	(1,158)	(2,902)
Credited to profit or loss	3,709	1,584
Credited to other comprehensive income	235	160
Closing balance	**2,786**	**(1,158)**

The current tax liability as at balance date is as follows:

	June 2025 $'000	June 2024 $'000
Current tax liability	**800**	**5**

Current tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax
Deferred tax is accounted for in respect of differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Tax consolidation
The company and all its wholly owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. The company is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the tax-consolidated group in relation to the tax contribution amounts paid or payable between the head entity and the other members of the tax-consolidated group in accordance with the arrangement. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

GST
Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

6. Earnings per share (EPS)

	June 2025 $'000	June 2024 $'000
(Loss) after tax attributable to owners of the company	**(4,031)**	**(26,052)**
	Number	**Number**
Weighted average number of Ordinary shares – Basic EPS	122,066	122,066
Weighted average number of shares – Diluted EPS	122,066	122,066
	Cents	**Cents**
Basic earnings per share	(3.30)	(21.34)
Diluted earnings per share	(3.30)	(21.34)

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares. This is determined with reference to the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. At June 2025 no shares are assumed to have been issued for nil consideration, as a result of the option exercise cost exceeding the average share price during the period.

Assets and liabilities

7. Cash and cash equivalents

Cash and cash equivalents, which are all classified as current, are comprised of the following:

	June 2025 $'000	June 2024 $'000
Cash at bank	30,831	32,345
	30,831	**32,345**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The reconciliation of loss after income tax to net cash from operating activities is as follows:

	June 2025 $'000	June 2024 $'000
Loss after income tax expense for the year	**(4,031)**	**(26,052)**
Adjustments for:		
Depreciation and amortisation	26,437	24,640
Impairment expenses	6,496	30,119
Share-based payments	712	373
Amortisation of borrowing costs	150	150
Net fair value loss on biological assets	101	336
Change in operating assets and liabilities:		
(Increase) / decrease in trade and other receivables	(5,208)	137
(Increase) / decrease in inventories	(1,566)	2,749
Decrease / (increase) in biological assets	2,605	(389)
Decrease in current tax assets	-	100
Increase in deferred tax assets	(4,276)	-
Increase in other assets	(904)	(1,578)
Increase / (decrease) in trade and other payables	5,229	(1,392)
Increase / (decrease) in current tax liabilities	795	(269)
Increase / (decrease) in deferred tax liabilities	332	(1,744)
Increase / (decrease) in provisions	858	(632)
Net cash from operating activities	**27,730**	**26,548**

Refer to Note 18 for movement in borrowings and Note 16 for movement in lease liabilities.

8. Trade and other receivables

Trade and other receivables, which are all classified as current, are comprised of the following:

	June 2025 $'000	June 2024 $'000
Trade receivables and other receivables	25,347	20,109
Provision for expected credit losses	(242)	(212)
	25,105	**19,897**

Trade receivables are initially recognised at fair value and subsequently measure at amortised costs using the effective interest method, less any allowance for expected credit losses. Trade receivables generally have credit terms between 14-60 days.

Allowance for expected credit losses
The Group recognises a lifetime loss allowance for expected credit losses (ECL) on receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the receivables. The ECL on receivables is estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	June 2025 %	June 2024 %	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Not overdue	<0.1%	<0.1%	21,884	17,388	5	5
0 to 3 months overdue	0.6%	0.8%	3,108	2,050	19	17
3 to 6 months overdue	8.0%	5.2%	126	485	10	25
Over 6 months overdue	90.8%	88.5%	229	186	208	165
			25,347	**20,109**	**242**	**212**

Movements in the allowance for expected credit losses are as follows:

	June 2025 $'000	June 2024 $'000
Current		
Opening balance	212	337
Expected credit losses recognised	86	-
Unused amounts reversed; net of additional provisions written off	(56)	(125)
Closing Balance	**242**	**212**

9. Inventories

Inventories, which are all classified as current, are comprised of the following:

	June 2025 $'000	June 2024 $'000
Raw and packaging materials at cost	12,257	10,245
Finished goods at cost	1,586	1,880
Obsolescence provision	(1,755)	(1,603)
	12,088	**10,522**

Raw and packaging materials are stated at the lower of cost and net realisable value. Cost is calculated on a weighted average basis and comprises of direct materials, delivery costs, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Finished goods are stated at the lower of cost and net realisable value. Costs are calculated on a weighted average basis and comprise of purchase and delivery costs, net of rebates and discounts received or receivable. Costs in relation to biological assets are transferred to inventory at fair value at the date of harvest. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories recognised as an expense during the year was $232,241,000 (2024: $211,655,000).

A provision for obsolescence is recognised based on an assessment where the realisable value from sale of inventory is estimated to be lower than the inventory's carrying value. Inventory provisions vary between product categories with estimates of carrying value based on expected losses associated with slow moving inventory items, usually in relation to non-perishable inventory. The cost of inventories recognised as an expense includes $3,031,000 (2024: $340,000) in respect of write-downs of inventory to net realisable value. The current year expense includes unsaleable inventories from the Group's QLD farm following damage caused by Cyclone Alfred.

10. Biological assets

Biological assets, which are all classified as current, are comprised of the following:

	June 2025 $'000	June 2024 $'000
Flowers	1,869	1,928
Plants	1,565	4,111
	3,434	**6,039**

Movement in the carrying value of biological assets is as follows:

	June 2025 $'000	June 2024 $'000
Carrying amount at start of the year	6,039	5,650
Net fair value decrease[1]	(101)	(336)
Increase due to purchases	80,947	74,929
Decrease due to harvest[1]	(83,451)	(74,204)
Carrying amount at end of the year	**3,434**	**6,039**

[1] 'Net fair value decrease' and 'Decrease due to harvest' amounts exclude fair value movements (in excess of cost) relating to items sold during the period totalling $14,360,000 (June 2024: $7,349,000). Therefore the 'net fair value decrease' shown of $101,000 (June 2024: $336,000) represents the change in the fair value amount included in closing biological assets compared to opening biological assets. The 'decrease due to harvest' of $83,451,000 (June 2024: $74,204,000) represents the costs of biological assets harvested during the period, excluding fair value movements.

The biological assets of the Group are measured initially and on an ongoing basis at their fair value, less estimated sale costs. Fair value is determined as the net present value of cash flows expected to be generated from the biological assets. The fair value adjustment during the year is recognised within "income" in the consolidated statement of profit or loss and other comprehensive income. Biological assets are transferred to inventory at their fair value at the date of harvest.

The following table outlines the valuation techniques used in measuring the Level 3 fair values and the significant unobservable inputs:

Type	Description	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Flowers and plants	These are flowers and potted plants with 4–6-week life cycle	The valuation considers expected sales prices, yields, and expected direct costs related to the harvest and sale of the assets and Management must make a judgement as to the trend in these factors	• Estimated post-harvest sales prices • Estimated farm yields and stage of maturity • Estimated remaining harvest and transportation costs	The estimated fair value would increase / (decrease) if: • the estimated sales prices were higher (lower) • the estimated yields per farm were higher (lower) • the estimated harvest and transportation costs were lower (higher)

11. Other assets

Other assets, which are all classified as current, are comprised of the following:

	June 2025 $'000	June 2024 $'000
Prepayments	7,114	6,210
	7,114	**6,210**

12. Property, plant and equipment

Property, plant and equipment, which are all classified as non-current are comprised of the following:

	Leasehold improve-ments $'000	Plant and equipment $'000	Motor vehicles $'000	Bearer plants $'000	Construct-ion in progress $'000	Total $'000
Cost						
At July 2023	**50,791**	**53,698**	**1,829**	**6,486**	**4,795**	**117,599**
Additions/(transfers)	7,083	6,536	67	284	(2,389)	11,581
Exchange differences	(95)	(103)	(1)	(16)	(12)	(227)
Disposals	(1,224)	(1,084)	(14)	(253)	-	(2,575)
At June 2024	**56,555**	**59,047**	**1,881**	**6,501**	**2,394**	**126,378**
Additions/(transfers)	2,462	5,728	4	496	(1,686)	7,004
Exchange differences	1,316	1,379	17	190	50	2,952
Disposals	(1,208)	(1,131)	(177)	-	-	(2,516)
At June 2025	**59,125**	**65,023**	**1,725**	**7,187**	**758**	**133,818**
Accumulated depreciation and impairment						
At July 2023	**(6,043)**	**(22,137)**	**(1,172)**	**(1,774)**	**-**	**(31,126)**
Charge for the year	(1,705)	(9,032)	(177)	(1,272)	-	(12,186)
Exchange differences	37	142	3	14	-	196
Eliminated on disposals	1,153	642	14	253	-	2,062
At June 2024	**(6,558)**	**(30,385)**	**(1,332)**	**(2,779)**	**-**	**(41,054)**
Charge for the year	(2,500)	(9,489)	(97)	(1,496)	-	(13,582)
Impairment	(4,536)	(598)	(46)	-	-	(5,180)
Exchange differences	(170)	(876)	(14)	(97)	-	(1,157)
Eliminated on disposals	498	1,079	136	-	-	1,713
At June 2025	**(13,266)**	**(40,269)**	**(1,353)**	**(4,372)**	**-**	**(59,260)**
Carrying amount						
At June 2024	**49,997**	**28,662**	**549**	**3,722**	**2,394**	**85,324**
At June 2025	**45,859**	**24,754**	**372**	**2,815**	**758**	**74,558**

Property, plant and equipment is carried at cost less accumulated depreciation and any recognised impairment. Depreciation is calculated on a straight-line basis to write off the net cost of each asset over its expected useful life to its estimated residual value. Repairs and maintenance costs are included in the consolidated statement of profit or loss at the time they are incurred.

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit ('CGU') to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest Group of CGUs for which a reasonable and consistent allocation basis can be identified.

Leasehold improvements
Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each year, with the effect of any changes recognised on a prospective basis. Leasehold improvements are considered to have a useful life of between 2 and 20 years.

Plant and equipment
Plant and equipment are depreciated over their useful life which is individually defined for each asset. Plant and equipment are considered to have a useful life of between 3 and 20 years.

Motor vehicles
Motor vehicles are depreciated over the useful life which is considered to be between 2 and 10 years.

Bearer plants
Bearer plants are classified as property, plant and equipment, measured at cost less subsequent depreciation calculated on a straight-line basis. The produce growing on bearer plants is classified as biological assets. Bearer plants are considered to have a useful life of between 5 and 7 years.

Construction in progress
Construction in progress are costs incurred in assets not yet available for use. Costs are transferred to the relevant asset category upon completion when assets are available for us. Depreciation over the useful life of the asset commences from the date is asset is available for use.

Australian farm restructure
During the year the Group conducted a strategic review in relation to its three Australian farms. As part of the Group's FY25 strategic planning process and recognising the farms create complexity but do not make a material earnings contribution, the Group has decided to close two of the three farms. The Group's Australian core business focus, being the design and supply of value-added floral and potted products, linked with in-store merchandising support, does not depend on owning and operating its own farms. Potted product lines will continue to be sourced via the Group's long-term third-party grower supply commitments to support ongoing potted supply programs with customers.

During the current financial year, the Group has recognised impairment of $5.2m in relation to one of the Australian farms and disposed of assets with a value of $0.6m for the second Australian farm.

13. Right-of-use assets

Right-of-use assets, which are classified as non-current, are recognised at the commencement date of a lease. Right-of-use assets are measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date, and net of any lease incentives received. Right-of-use assets also include estimates of contractual make good obligations.

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

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

Right of use assets and their associated movement during the year are as follows:

	Land and Buildings $'000	Plant and Equipment $'000	Total $'000
Right of Use Assets			
At July 2023	**43,481**	**576**	**44,057**
Additions	2,134	-	2,134
Modifications	1,342	-	1,342
Remeasurements	1,179	-	1,179
Make good assets	150	-	150
Reversal of make-good assets	(1,330)	-	(1,330)
Depreciation expense	(6,296)	(96)	(6,392)
Foreign exchange	(4)	-	(4)
At June 2024	**40,656**	**480**	**41,136**
Additions	771	-	771
Modifications	(390)	-	(390)
Remeasurements	437	-	437
Make good assets	1,289	-	1,289
Impairment	(1,316)	-	(1,316)
Depreciation expense	(6,654)	(101)	(6,755)
Foreign exchange	94	11	105
At June 2025	**34,887**	**390**	**35,277**

The split of asset class and its associated costs and accumulated depreciation is as follows:

Net book value (cost, less accumulated depreciation)	June 2025 $'000	June 2024 $'000
Right-of-use land and buildings – cost	67,026	64,824
Less: Accumulated depreciation and impairment	(32,139)	(24,168)
	34,887	**40,656**
Right-of-use plant and equipment – cost	885	874
Less: Accumulated depreciation	(495)	(394)
	390	**480**
	35,277	**41,136**

Land and buildings
The Group leases land and buildings for its offices, warehouses, greenhouses and retail outlets under agreements of between 2 and 20 years with, in some cases, options to extend. Right-of-use assets have been recognised for option periods where the likelihood of an extension is deemed to be reasonably certain at inception date. The leases have various escalation clauses. On renewal, the terms of the lease are renegotiated.

Plant and equipment
The group leases some office equipment under agreements of between 2 and 8 years.

Short term and low value
The Group also has some lease which are either short-term or low value. These leases have been expensed as incurred and not capitalised as right-of-use assets.

14. Intangible assets

The Group's intangible assets, which are classified as non-current, are comprised of the following:

	Goodwill $'000	Brand names $'000	Computer software $'000	Customer relationships $'000	Total $'000
Cost					
At July 2023	**145,328**	**17,031**	**6,675**	**60,207**	**229,241**
Additions	-	-	40	-	40
Exchange differences	(329)	(8)	(1)	(32)	(370)
At June 2024	**144,999**	**17,023**	**6,714**	**60,175**	**228,911**
Additions	-	-	121	-	121
Exchange differences	742	161	-	431	1,334
At June 2025	**145,741**	**17,184**	**6,835**	**60,606**	**230,366**
Amortisation					
At July 2023	**-**	-	**(6,467)**	**(31,726)**	**(38,193)**
Impairment loss	(30,119)	-	-	-	(30,119)
Charge for the year	-	-	(42)	(6,020)	(6,062)
Eliminated on disposal	-	-	-	24	24
At June 2024	**(30,119)**	-	**(6,509)**	**(37,722)**	**(74,350)**
Charge for the year	-	-	(37)	(6,063)	(6,100)
Exchange differences	-	-	(1)	(10)	(11)
At June 2025	**(30,119)**	-	**(6,547)**	**(43,795)**	**(80,461)**
Carrying amount					
At June 2024	**114,880**	**17,023**	**205**	**22,453**	**154,561**
At June 2025	**115,622**	**17,184**	**288**	**16,811**	**149,905**

Goodwill
Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is subsequently measured at its cost less any impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs), or Groups of CGUs, expected to benefit from the synergies of the business combination.

If the recoverable amount of the CGU (or Group of CGUs) is less than the carrying amount of the CGU (or Groups of CGUs), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or Groups of CGUs) and then to the other assets of the CGU (or Groups of CGUs) pro-rata on the basis of the carrying amount of each asset in the CGU (or Groups of CGUs). An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

The Goodwill acquired through business combinations has been allocated to the Group of CGUs to which it relates, being the Australian Group of CGUs or the China Group of CGUs.

On disposal of an operation within a CGU (or Groups of CGUs), the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

Goodwill is considered to have an indefinite useful life and is therefore not amortised. CGUs (or Groups of CGUs) to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

Brand names
Brand names are measured initially at their cost of acquisition. Brand names are considered to have an indefinite useful life as there is no expiry date associated with the asset in terms of its ability to generate future economic benefits. Brand names are tested for impairment annually or whenever there is an indication of impairment.

Computer software
Computer software is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over the estimated useful life of each asset. Computer software is considered to have an average useful life of 2.5 years. Computer software is tested for impairment if indicators of impairment are identified.

Customer relationships
Customer relationships are measured initially at their cost of acquisition. Customer relationships are considered to have a useful life of 10 years and are amortised over that period. Customer relationships are tested for impairment if indicators of impairment are identified.

Brands/Databases/Customer Relationships acquired in a business combination
Amortisation is charged on a straight-line basis over the estimated useful life of finite life intangible assets.

Allocation of indefinite life intangible assets to cash generating units
Intangibles acquired in a business combination which are considered to have an indefinite useful life are tested for impairment individually on an annual basis. They are also included in the carrying value of assets in the CGU or Group of CGUs to which they relate. To date, such allocations have been made to the Australian and China Group of CGUs as follows:

	June 2025 $'000	June 2024 $'000
Goodwill		
Australia Group of CGUs	86,605	86,605
China Group of CGUs	29,017	28,275
	115,622	**114,880**
Brand names		
Australia Group of CGUs	10,870	10,870
China Group of CGUs	6,314	6,153
	17,184	**17,023**

Impairment
Intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that the asset may be impaired. The recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of an asset (or CGU) is estimated to be less than it's carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior periods. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Impairment testing: Australia Group of CGUs
At June 2025, December 2024 and June 2024, the Directors assessed the recoverable amount of the Australia Group of CGUs and determined there was no impairment. The recoverable amount of the Group of CGUs (including Goodwill) was determined based on value in use calculations using cash flow projections based on the financial budget approved by the Directors covering a five-year period which was extrapolated into perpetuity using a growth rate of 2.0% (June 2024: 2.0%). The net cash flows were then discounted using a post-tax discount of 10.5% (June 2024: 10.5%).

The Directors have conducted an analysis of the sensitivity of the impairment test to reasonable changes in key assumptions (10.0% reduction in annual cash flows, 0.5% decrease in the terminal growth rate, and 1.0% increase in the discount rate applied). None of these sensitivities, applied individually, gave rise to an impairment.

The Directors have separately tested indefinite life brand names in the Australia Group of CGUs for impairment using a relief from royalty method and concluded that no impairment is required at balance date.

Impairment testing: China Group of CGUs
At June 2025, December 2024 and June 2024, the Directors assessed the recoverable amount of the China Group of CGUs. Determining whether intangible assets are impaired requires an assessment as to the existence of any indicators of impairment, and if such indicators exist, to then undertake a formal impairment assessment which involves an estimation of the higher of 'fair value less cost of disposal' and 'value in use' of the cash-generating units to which goodwill and other intangible assets have been allocated. Goodwill is tested for impairment annually regardless of whether impairment indicators exist. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Deteriorating levels of consumer confidence in China during the prior financial year have impacted demand for and pricing of the Group's products in the China domestic market. Consumer confidence and spending in the China market remain weak for discretionary items. These conditions have resulted in a decline in profitability of the China Group of CGU's which has continued throughout the current financial year.

The Group remain confident in the recovery of pricing and optimistic in the long-term opportunity and profitability of the China market and have prepared a value-in-use model which reflects a recovery in pricing throughout FY26-FY28 followed by consistent growth assumptions to the end of a 5-year discrete period. A terminal value is then determined based on an extrapolation of cash flows beyond the 5-year discrete period using a terminal growth rate which does not exceed the long-term inflation rate. Due to the increased uncertainty with respect to the challenging economic conditions expected in China for the next twelve months and beyond, along with a softening in pricing resulting from these conditions, the rate used to discount the cash flows has included an additional premium to reflect the elevated risk.

As at June 2025, the Directors assessed and updated the recoverable amount, and the basis of preparation of the cash flow projections, growth rates and post-tax discount rates, of the China Group of CGUs and determined there was no further impairment.

The following key assumptions were used in determining the value-in-use valuation model for the China Group of CGUs:

- Post-tax discount rate: 14.95% (June 2024: 14.95%)
- Terminal growth rate: 2.50% (June 2024: 2.50%)
- Revenue growth rate based on a gradual price recovery in FY26 - FY28 to approximate FY23 prices and a consistent growth rate of 2.50% thereafter (June 2024: 2.50%)
- Cost of goods sold (COGS) escalation: 3.10% (June 2024: 2.50%)

These assumptions are consistent with assumptions used as at December 2024.

The Directors remain confident in the medium to long term outlook for the floral market in China.

The Group has also performed a sensitivity analysis considering reasonable changes in key assumptions, including discount rate, terminal growth rate, revenue growth and COGS escalation rates. Headroom in the China Group of CGUs remains narrow, with no significant increase in the headroom since the impairment of Goodwill was recognised in the prior year.

The changes in the following table to assumptions used in the impairment review would, in isolation, lead to a further decrease in the recoverable amount of the China Group of CGUs.

	Change in impairment recognised	
	Sensitivity applied	**Decrease in headroom $'000s**
Post tax discount rate	+ 1.0%	(10,130)
Terminal growth rate	- 0.5%	(3,398)
Revenue growth rate	-1.0%	(17,014)
COGS escalation	+1.0%	(6,148)

15. Trade and other payables

Trade and other payables, which are considered to be current, are comprised of the following:

	June 2025 $'000	**June 2024 $'000**
Trade payables	31,160	29,172
Contract liabilities	2,681	875
Other payables and accruals	15,815	14,184
Foreign exchange contracts at fair value	635	-
	50,291	**44,231**

Trade payables are non-interest bearing. Further information is contained within the note on financial instruments (Note 23).

16. Lease liabilities

Lease liabilities, which are both current and non-current, are recognised at the commencement date of a lease. Lease liabilities are initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease, or, if the rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprised of fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate.

Lease liabilities and their associated movement during the year are as follows:

	June 2025 $'000	June 2024 $'000
Carrying amount at start of year	**44,669**	**45,455**
Additions	771	2,134
Modifications	(390)	1,197
Remeasurements	437	1,179
Foreign exchange movements	233	59
Lease payments	(8,446)	(7,806)
Interest expense	2,762	2,451
Carrying amount at the end of year	**40,036**	**44,669**

Lease liabilities are classified as current if the liability is expected to be satisfied within the following 12 months. Those greater than 12 months are classified as non-current. The split between current and non-current lease liabilities is as follows:

	June 2025 $'000	June 2024 $'000
Current liability	6,061	5,530
Non-current liability	33,975	39,139
	40,036	**44,669**

The Group leases land and buildings for its production facilities, farms offices and warehouses under agreements of between 2 to 20 years with, in some cases, options to extend. Lease liabilities have been recognised for option periods where the likelihood of an extension is deemed to be reasonably certain at inception date. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases plant and equipment under agreements of between 2 to 8 years and office equipment and motor vehicles under agreements of between 2 to 5 years respectively. The Group has leases which are either short-term or low-value, and under its policy related payments have been expensed as incurred and not capitalised as right-of-use assets.

The maturity profile of the Group's lease liabilities based on contractual undiscounted payments is as follows:

	June 2025 $'000	June 2024 $'000
Year 1	8,384	7,944
Year 2	7,584	7,896
Year 3	7,525	7,258
Year 4	4,889	7,276
Year 5	3,743	4,810
Onwards	21,461	25,697
	53,586	**60,881**
Unearned interest	(13,550)	(16,212)
	40,036	**44,669**

The weighted average incremental borrowing rate that has been used to calculate the maturity profile is 5.9% (June 2024: 5.8%).

17. Provisions

The Group's provisions, which are both current and non-current, are comprised of the following:

	June 2025 $'000	June 2024 $'000
Current		
Employee benefits	8,230	8,102
Other – contractual make-good obligations	1,039	62
	9,269	**8,164**
Non-current		
Employee benefits	1,143	1,133
Other – contractual make-good obligations	2,561	2,818
	3,704	**3,951**
	12,973	**12,115**

Employee benefits

Employee benefits include annual leave and long service leave entitlements. A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of other short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Contractual make-good obligations
Contractual make-good obligations comprise estimates of contractual make-good obligations for property leases on their expiry.

Movement in contractual make good obligation provision is as follows:

	June 2025 $'000	June 2024 $'000
Carrying amount at start of year	**2,880**	**3,957**
Recognition of contractual make-good obligations	1,289	150
Reversal of make-good obligations	-	(1,330)
Make-good obligations settled	(632)	-
Interest expense	108	103
Foreign exchange movements	(45)	-
Carrying amount at the end of year	**3,600**	**2,880**

Make-good obligations have been recognised where a property lease includes a specific make good clause. The provision recognised is an estimate of the value of the expected obligation at the time of lease termination. In some cases, the Group may seek to negotiate a cash settlement of its make good obligations as opposed to conducting specific rectification works to reinstate a premise to the same condition as at lease commencement subject to fair wear and tear.

In China, the Group is party to certain land lease arrangements. The Directors consider, based on legal advice, that it is not probable that an outflow will be required for restoration of certain leased land. Accordingly, no make good obligation has been recognised for leases where it is not probable that an outflow will be required.

Capital

18. Borrowings

The Group's borrowings, which are both current and non-current, are comprised of the following:

	June 2025 $'000	June 2024 $'000
Current, secured – at amortised cost		
Bank loans – commercial bills	5,009	4,154
Total current borrowings	**5,009**	**4,154**
Non-current, Secured – at amortised cost		
Bank loans – term facility	50,000	50,000
Bank loans – commercial bills	-	1,246
Capitalised borrowing costs – term facility	(187)	(337)
Total non-current borrowings	**49,813**	**50,909**
Total borrowings	**54,822**	**55,063**

Movement in the Group's borrowing for the years to June 2025 and June 2024 is as follows:

Movement in borrowings	**Bank loans term facilities $000s**	**Bank loans commercial bills $000s**	**Total $000s**
Carrying amount at July 2023	**49,513**	**5,616**	**55,129**
Proceeds from bank borrowings	-	3,372	3,372
Repayment of bank borrowings	-	(3,590)	(3,590)
Exchange differences	-	2	2
Amortisation of prepaid borrowing establishment expenses	150	-	150
Carrying amount at June 2024	**49,663**	**5,400**	**55,063**
Proceeds from bank borrowings	-	1,611	1,611
Repayment of bank borrowings	-	(2,150)	(2,150)
Exchange differences	-	148	148
Amortisation of prepaid borrowing establishment expenses	150	-	150
Carrying amount at June 2025	**49,813**	**5,009**	**54,822**

Borrowings are presented net of capitalised loan establishment fees which are amortised over the life of the applicable facility.

Bank loans consist of term facilities in Australia and commercial bills in China. Key terms of the Group's banking facilities are as follows:

Australia

- $50,000,000 term facility fully drawn with Commonwealth Bank of Australia maturing in October 2026
- $25,000,000 capital expenditure, working capital and guarantee facility with Commonwealth Bank of Australia maturing in October 2026. The facility was drawn at balance date only in respect of bank guarantees provided totalling $2,533,000 (June 2024: $2,533,000)
- The Australia facility is secured by a security interest over all present and after-acquired property of the Group's business in Australia

China

- $3,091,000 (RMB 14,500,000) drawn commercial bank bill facility with the Bank of China maturing in instalments between July 2025 and June 2026. This facility is secured by a charge over some property, plant and equipment owned by the Group in China. At the balance date there is an additional $107,000 (RMB 500,000) of available facility with Bank of China undrawn
- $1,919,000 (RMB 9,000,000) drawn commercial bank bill facility with the Yunan Rural Credit Cooperatives maturing in instalments between August 2025 and December 2025. This facility is secured by a charge over the ordinary share capital of Van den Berg Asia Holdings Limited and some property, plant and equipment owned by the Group in China. At the balance date there is an additional $640,000 (RMB 3,000,000) of available facility with Yunan Rural Credit Cooperatives undrawn
- $4,264,000 (RMB 20,000,000) undrawn commercial bank bill facility with China Merchant Bank maturing in June 2026. This facility is unsecured

The carrying value of the Group's debt approximates its fair value.

19. Issued share capital

Issued share capital is comprised of the following:

	Number	$000s	Average price paid per share
Ordinary shares			
At June 2025	**122,066,112**	**245,653**	**$2.01**
At June 2024	**122,066,112**	**245,653**	**$2.01**

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the company be wound up in proportion to the number of shares held.

20. Reserves

Reserves are comprised of the following:

	June 2025 $'000	June 2024 $'000
Foreign currency translation	7,218	4,125
Statutory surplus	4,274	4,274
Share-based payments	1,507	795
Cash flow hedge	(605)	(83)
	12,394	**9,111**

Movements in each class of reserve during the current and comparative financial year are set out below:

	Foreign currency translation $'000	Statutory surplus $'000	Share-based payments $'000	Cash flow hedge $'000	Total $'000
Balance at July 2023	**4,463**	**4,274**	**422**	**206**	**9,365**
Foreign currency translation	(338)	-	-	-	(338)
Share-based payments	-	-	373	-	373
Cash flow hedge	-	-	-	(289)	(289)
Balance at June 2024	**4,125**	**4,274**	**795**	**(83)**	**9,111**
Foreign currency translation	3,093	-	-	-	3,093
Share-based payments	-	-	712	-	712
Cash flow hedge	-	-	-	(522)	(522)
Balance at June 2025	**7,218**	**4,274**	**1,507**	**(605)**	**12,394**

Foreign currency translation
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments
The reserve is used to recognise the value of equity benefits provided to employees as part of their compensation for services.

Statutory surplus
The reserve is recognised to meet the legal requirement in China that requires the Group to accrue 10% of the net profits (after deducting carry forward losses) until the accumulated reserve reaches 50% of the capital received. The surplus can be used to mitigate the losses or transferred to capital. The surplus cannot be distributed as dividend.

Cash flow hedge
The cash flow hedge reserve recognised the gain or loss on a hedging instrument in a cash flow hedge that has been considered to be an effective hedge relationship.

21. Dividends

Dividends paid or determined by the company to its shareholders are as follows:

	June 2025 $'000	June 2024 $'000
Fully franked interim cash dividends declared and paid	15,869	13,427
	15,869	**13,427**

Movement and available franking credits are as follows:

Franking credits based on a tax rate of 30%	June 2025 $'000	June 2024 $'000
Carrying amount at the start of the year	14,039	14,054
Generated during the year	3,978	5,740
Utilised during the year	(6,801)	(5,755)
Franking credits available for subsequent financial years	**11,216**	**14,039**

22. Contingent liabilities

At the date of this report there are no claims or contingent liabilities that are expected to materially impact, either individually or in aggregate, the Group's financial position or results from operations with the exception of bank guarantees as disclosed in Note 18.

23. Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

All other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL. All other financial liabilities are measured subsequently at amortised cost using the effective interest method.

Cash flow hedges
The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'other gains and losses' line item.

When the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e., not as trading or other speculative instruments.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk. Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls, and risk limits. Finance identifies, evaluates, and hedges financial risks within the Group's operating units. Finance reports to the Board monthly.

Market risk - foreign currency transaction risk

US Dollar
The Group transacts in currencies other than the currency of the primary economic environment in which it operates. Notably both the Australian and China operations are exposed predominately to purchases in United States Dollars (USD) with other currencies making up an immaterial amount. In order to protect against exchange rate movements, the Group enters into forward foreign exchange contracts to hedge currency risk associated with highly probable forecasted foreign currency cash flows for the ensuing financial year.

The Group's current risk management policy is to hedge approximately 50% of anticipated foreign currency purchases that are forecast to be incurred over a forward 6-month period. All hedges taken out during the year were effective. Further details regarding outstanding hedge instruments at balance date are show below in this note.

The Group's exposure to material foreign currency financial items at balance date, expressed in Australian Dollars (AUD) is as follows:

Consolidated	June 2025 USD exposure $'000	June 2025 AUD equivalent $'000	June 2024 USD exposure $'000	June 2024 AUD Equivalent $'000
Foreign currency trade payables	4,271	6,528	1,952	2,946

The sensitivity of the Group's transactional currency risk is estimated by assessing the impact of a 10% increase and a 10% decrease in the AUD / USD exchange rate would have on the profit or loss of the Group at balance date.

	Movement in AUD/USD exchange rate %	(Decrease)/ increase in profit or loss and equity $'000
As at June 2025		
Foreign currency trade payables	+10%	(653)
	-10%	653
As at June 2024		
Foreign currency trade payables	+10%	(295)
	-10%	295

It is noted that the above sensitivity is not fully representative of the inherent transaction foreign exchange risk as the year end exposure shown above does not reflect the foreign exchange exposure of transactions and balances during the year. The above also does not reflect foreign currency risk associated with foreign subsidiaries (refer below).

Chinese Yuan

The Group includes certain subsidiaries located in China whose functional currency of Chinese Yuan (CNY) is different to the Group's presentation currency of AUD. On consolidation the assets and liabilities of these subsidiaries are translated into AUD at exchange rates prevailing on the balance date. The income and expense of these entities are translated at the average exchange rates for the year. Exchange differences arising are classified as equity and transferred to the foreign currency translation reserve. The Group's future reported profits or losses are impacted by changes in exchange rates between AUD and CNY.

Noted below is Group's loss for year ending June 2025 and the year ending June 2024 attributable to Chinese Yuan (CNY):

Consolidated	June 2025 CNY exposure $'000	June 2025 AUD equivalent $'000	June 2024 CNY exposure $'000	June 2024 AUD Equivalent $'000
Chinese Yuan (CNY) loss for the year after tax	(18,196)	(3,832)	(175,128)	(36,882)

The sensitivity of the Group's translated foreign currency risk is estimated by assessing the impact that a 10% increase and a 10% decrease in the AUD / CNY exchanges rate would have on profit or loss reported for year ending June 2024:

Chinese Yuan profit or loss	Movement in annual average AUD/CNY exchange rate %	Increase/ (decrease) in profit or loss and equity $'000
For the year ending June 2025	+10%	(383)
	-10%	383
For the year ending June 2024	+10%	(3,688)
	-10%	3,688

Market risk - price risk
The Group is not exposed to any significant price risk.

Market risk - interest rate risk
The Group's main interest rate risk arises from cash on hand and borrowings which are not presently hedged. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings as at June 2025 of $54,822,000 (June 2025: $55,063,000) are variable rate principal and interest payment loans. Minimum principal repayments of $5,009,000 (June 2024: $4,154,000) are due during the year ending June 2025.

The below table considers the impact to profit or loss of a movement in the interest rates for the full current year on the outstanding borrowing balance as at June 2025:

		+ change $'000	-change $'000s
Change in interest rate	+/- 50 basis points	275	(275)

Market risk - credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references, and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Group does not hold any collateral. The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available. Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

At June 2025, the Group had 12 customers (June 2024: 12) that owed it more than $200,000 each and accounted for approximately 86% (June 2024: 88%) of all the receivables outstanding. Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity, and a failure to make contractual payments for a period greater than 1 year.

Market risk - liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Undrawn borrowing facilities at the reporting date:

	June 2025 $'000	June 2024 $'000
Capital expenditure, working capital and bank guarantee facility	25,000	25,000
Bank guarantees	(2,533)	(2,533)
	22,467	**22,467**

Remaining contractual maturities

The following tables detail the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

June 2025	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	31,160	-	-	-	31,160
Contract liabilities	-	2,681	-	-	-	2,681
Other payables	-	15,815	-	-	-	15,815
Interest-bearing - variable						
Borrowings – terms facilities	6.7%	3,330	51,913	-	-	55,243
Borrowings – commercial bills	4.4%	4,611	540	-	-	5,151
Interest-bearing - fixed rate						
Lease liability	5.9%	8,384	7,584	16,157	21,461	53,586
Total non-derivatives		**65,981**	**60,037**	**16,157**	**21,461**	**163,636**
Derivatives						
Forward foreign exchange contracts inflow	-	635	-	-	-	635
Total derivatives		**635**	**-**	**-**	**-**	**635**

June 2024	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	29,172	-	-	-	29,172
Contract liabilities	-	875	-	-	-	875
Other payables	-	14,184	-	-	-	14,184
Interest-bearing - variable						
Borrowings – terms facilities	6.6%	3,300	3,300	51,918	-	58,518
Borrowings – commercial bills	5.1%	4,533	1,306	-	-	5,839
Interest-bearing - fixed rate						
Lease liability	5.8%	7,944	7,896	19,344	25,697	60,881
Total non-derivatives		**60,008**	**12,502**	**71,262**	**25,697**	**169,469**
Derivatives						
Forward foreign exchange contracts inflow	-	6	-	-	-	6
Total derivatives		**6**	**-**	**-**	**-**	**6**

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

Derivative financial instruments are comprised of the following:

	June 2025 $'000	June 2024 $'000
Current assets / (current liabilities)		
Foreign exchange contracts at fair value	(635)	(6)
	(635)	**(6)**

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk. The Group designates all hedges of foreign exchange risk on firm commitments as cash flow hedges. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The Group designates the full change in the fair value of a forward contract (i.e., including the forward elements) as the hedging instrument for all its hedging relationships involving forward contracts.

24. Fair value measurement

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
June 2025				
Assets				
Biological assets	-	-	3,434	3,434
Derivatives – forward foreign exchange contracts	-	(635)	-	(635)
	-	**(635)**	**3,434**	**2,799**
June 2024				
Assets / (liabilities)				
Biological assets	-	-	6,039	6,039
Derivatives – forward foreign exchange contracts	-	(6)	-	(6)
	-	**(6)**	**6,039**	**6,033**

There were no transfers between levels during the financial year. The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

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

- The fair value of financial instruments that are not traded in an active market (such as forward exchange contracts) is determined using prices that are derived from third party valuations

- Biological assets have been valued with key inputs underlying fair value including estimates in respect of stage of maturity, harvest yields, harvest costs, and anticipated sales prices and associated selling costs. Refer to Note 10

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Group structure

25. List of subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and results of the following entities in accordance with the accounting policies described throughout this report:

Subsidiaries	Place of incorporation	June 2025	June 2024
Lynch Group Bidco Pty Limited	Australia	100%	100%
Lynch Group Australia Holdings Pty Limited	Australia	100%	100%
Lynch Fresh Holdings Pty Limited	Australia	100%	100%
Lynch Fresh Pty Limited	Australia	100%	100%
Lynch Group Australia Pty Limited	Australia	100%	100%
Lynch Flowers Victoria Pty Ltd	Australia	100%	100%
Leo Lynch & Sons (Qld) Pty. Limited	Australia	100%	100%
Lynch Manufacturing Group Pty Ltd	Australia	100%	100%
Lynch Manufacturing NSW Pty Ltd	Australia	100%	100%
Lynch Manufacturing Victoria Pty Ltd	Australia	100%	100%
Lynch Manufacturing QLD Pty Ltd	Australia	100%	100%
Lynch Manufacturing W.A. Pty Ltd	Australia	100%	100%
Lynch Administration Pty Ltd	Australia	100%	100%
Lynch China Pty Limited	Australia	100%	100%
Lynch Admin Services Pty Ltd	Australia	100%	100%
Lynch Flowers (W.A.) Pty Ltd	Australia	100%	100%
Lynch Market Flowers Brisbane Pty Ltd	Australia	100%	100%
Exauflor Pty Ltd	Australia	100%	100%
The Lynch Group of Companies Pty Limited	Australia	100%	100%
Gladlands Flowers Pty Ltd	Australia	100%	100%
Gladlands Flowers Unit Trust	Australia	100%	100%
Pine Valley (QLD) Pty Ltd	Australia	100%	100%
Australiawide Flowers Pty Ltd	Australia	100%	100%
Lynch China (HK) Limited	Hong Kong	100%	100%
Yunnan Lynch Horticulture Company Limited	China	100%	100%
Yunnan Lynch Agriculture Company Limited	China	100%	100%
Lynch Trading (Yunnan) Company Ltd	China	100%	100%
Van den Berg Asia Holding Limited	Hong Kong	100%	100%
Kunming Fangdebo’erge Rose Supreme Floral Co., Ltd	China	100%	100%
Van Den Berg Horticulture (Yunnan) Co., Ltd	China	100%	100%
Kunming Van Den Berg Trading (Dounan) Co., Ltd	China	100%	100%
Gefa Flowers (Suzhou) Co., Ltd	China	100%	100%

Australian tax consolidated group

Lynch Group Holdings Limited is the head entity of the Australian tax-consolidated Group. All Australian entities and Lynch China (HK) Limited are members of the Australian tax-consolidated Group.

Deed of cross guarantee

All Australian entities with the exception of Trustee of Gladlands Flowers Unit Trust are wholly owned subsidiaries which have entered into a deed of cross guarantee (refer to Note 28) with company pursuant to ASIC Corporation Instrument 2016/785 and are relieved from the requirement to prepare and lodge an audited financial report.

Secured borrowing facility

All Australian entities are grantors under the secured borrowing facility.

26. Related party transactions

Associate and subsidiaries

Refer to Note 25, which includes a list of the Group's subsidiaries.

Key Management Personnel

Transactions with Key Management Personnel are set out in Note 30.

Transactions with related parties

There were no other transactions with related parties during the current or comparative financial year.

27. Parent entity disclosures

The Parent entity is Lynch Group Holdings Limited. Below is the supplementary information about the parent entity:

Summarised Statement of Financial Position of the Lynch Group Holdings Limited	**June 2025 $'000**	**June 2024 $'000**
Total current assets	-	-
Total non-current assets	286,578	284,404
Total assets	**286,578**	**284,404**
Total current liabilities	754	9
Total non-current liabilities	20,571	20,571
Total liabilities	**21,325**	**20,580**
Net assets	**265,253**	**263,824**
Issued share capital	245,653	245,653
Reserves	1,507	795
Retained earnings	18,093	17,376
Total equity	**265,253**	**263,824**

Statement of profit or loss and other comprehensive income	**June 2025 $'000**	**June 2024 $'000**
Profit for the year	**16,586**	**11,611**
Total comprehensive profit for the year	**16,586**	**11,611**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity is party to a deed of cross guarantee with company pursuant to ASIC Corporations Instrument 2016/785.

Contingent liabilities

The parent entity had no contingent liabilities as at June 2025 and June 2024 with the exception of bank guarantees as disclosed in Note 18.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments as at June 2025 and June 2024.

Material accounting policies

The accounting policies of the parent entity are consistent with those of the Group except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity
- Dividends received from subsidiaries are recognised as other income by the parent entity. Investments are assessed for indicators of impairment on an annual basis

28. Deed of cross guarantee

All Australian subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare financial statements and Directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The Australian subsidiaries, as included in Note 25, represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by the company and Controlled Entities, they also represent the 'Extended Closed Group'.

Set out below is a statement of profit or loss and other comprehensive income of the 'Closed Group':

Statement of profit or loss and other comprehensive income of 'Closed Group'	**June 2025 $'000**	**June 2024 $'000**
Revenue	350,585	329,573
Other income	4	1,086
Less: Expenses	(347,501)	(314,759)
Profit before tax	**3,088**	**15,900**
Income tax expense	(1,417)	(4,778)
Profit after income tax expense	**1,671**	**11,122**
Other comprehensive loss for the year		
Cash flow hedges – effective portion of changes in fair value	(522)	(289)
Total other comprehensive loss for the year	**(522)**	**(289)**
Total comprehensive income for the year	**1,149**	**10,833**

Set out below is a statement of financial position of the 'Closed Group':

	June 2025 $'000	June 2024 $'000
Current assets		
Cash and cash equivalents	23,662	24,823
Trade and other receivables	22,401	18,177
Inventories	8,373	6,604
Biological assets	1,565	4,111
Other assets	1,591	1,660
Total current assets	**57,592**	**55,375**
Non-current assets		
Property, plant and equipment	12,367	18,580
Right-of-use assets	28,416	35,324
Intangible assets	100,447	104,115
Deferred tax assets	4,276	742
Other non-current assets	120,485	120,081
Total non-current assets	**265,991**	**278,842**
Total assets	**323,583**	**334,217**
Current liabilities		
Trade and other payables	45,886	39,375
Current tax liabilities	754	9
Lease liabilities	5,040	4,817
Provisions	8,655	8,164
Total current liabilities	**60,335**	**52,365**
Non-current liabilities		
Lease liabilities	28,328	33,206
Borrowings	49,813	49,663
Provisions	3,705	3,951
Total non-current liabilities	**81,846**	**86,820**
Total liabilities	**142,181**	**139,185**
Net assets	**181,402**	**195,032**
Equity		
Issued capital	245,653	245,653
Reserves	2,802	2,234
Accumulated losses	(67,053)	(52,855)
Total equity	**181,402**	**195,032**

Other disclosures

29. Share-based payments

The share-based payments reserve is used to record the fair value of shares or options issued to employees. These rights granted to shares of the company are accounted for as equity-settled share-based payment transactions. Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. Fair value is measured by use of a Black Scholes model. The expected life used in the model has been adjusted, based on Management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest.

Share-based payments reserve is comprised of the following:

Share-based payments reserve	**June 2025 $'000**	**June 2024 $'000**
Opening balance	795	422
Share-based payments	712	373
	1,507	**795**

Share-based payments are included in Employee benefit expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Share based payment plan – 2025 Long-term incentive scheme

The Group is currently assessing its long-term incentive scheme **(LTI)** in relation to the financial year ended June 2025 and anticipates this will be complete prior to the AGM in November 2025. The Group notes it expects any future LTI to assist in the motivation, reward and retention of Senior Executives and other selected Senior Managers and will be designed to align participants' interests with the interests of shareholders. At the date of this report no options have been issued in relation to the financial year ended June 2025.

Share based payment plan – 2024 Long-term incentive scheme

The Group operates a Long-term incentive scheme (LTI) to assist in the motivation, reward, and retention of Key Management Personnel (excluding Non-Executive Directors), Senior Executives and other selected Senior Managers. The LTI is designed to align participants' interests with the interests of shareholders by providing participants an opportunity to receive ordinary shares in the company through the granting of options.

Pursuant to the LTI, a total of 1,576,955 options have been granted to Key Management Personnel (excluding Non-Executive Directors).

The key terms of the options are as follows:

Nature of Option	Each option represents a right to acquire one (1) ordinary share of capital of the company, subject to the terms and conditions of the Plan rules
Determination of the number of options	At the discretion of the Board
Grant Dates	22 November 2024

Vesting Dates	Tranche 1 – 30 June 2027 Tranche 2 – 30 June 2028 Tranche 3 – 30 June 2029
Exercise Expiry Date	30 June 2030
Vesting Conditions	Service based Vesting Condition and Performance based Vesting Condition which are both required to be satisfied The Service based Vesting Condition requires that the Participant is engaged by a Group entity on a continuous basis until the point in time at which all other Vesting Conditions are satisfied The Performance based Vesting Condition is split in an EPS hurdle and a TSR hurdle over the performance period. 50% of the options are subject to the EPS hurdle with the remaining 50% subject to the TSR hurdle The EPS vesting percentages will correspond to the Group's annual compounding EPS growth over the performance period (adjusted where necessary to take into account one-off items as determined by the Board), and are as follows: • Annual compounding EPS less than 8%: 0% of options will vest • Annual compounding EPS equal to 8%: 0% of options will vest • Annual compounding EPS between 8% and 12%: options will vest on a straight-line pro rata basis between 0% and 100% • Annual compounding EPS greater than 12%: 100% of options will vest The TSR vesting percentages will be determined by comparison of the Group's TSR against the TSR of companies which comprise the ASX300 index: • Group TSR in the bottom quartile (0%-25%) of the ASX300 index: 0% of options will vest • Group TSR in the second quartile (25%-50%) of the ASX300 index: 33% of options will vest • Group TSR in the third quartile (50%-75%) of the ASX300 index: 66% of options will vest • Group TSR in the top quartile (75%-100%) of the ASX300 index: 100% of options will vest
Option Exercise Price	$1.41
Dividend and voting entitlements	The options do not carry rights to dividends or voting rights prior to exercise

Recognition and measurement

The fair value of options is recognised as an expense with a corresponding increase in the share-based payments reserve which is recorded in equity. Fair value is measured at grant date and recognised over the period during which the options unconditionally vest to the participant. The amount recognised as an expense over the vesting period is adjusted to reflect the actual number of options that vest except where options lapse due to the non-achievement of market-based conditions.

Measurement of fair values

The options issued under the 2024 Long-term incentive scheme vest subject to an 'Earnings per share' hurdle and a 'relative total shareholder return' hurdle. Volatility is based on an evaluation of the historical volatility of Australian horticulture businesses.

The fair value of the options issued under the Long-term incentive scheme have been measured as noted below:

Vesting hurdle	**Valuation method**
Earnings per share	Black Scholes option pricing model
Relative total shareholder return	Monte Carlo simulation pricing model

The inputs used in the measurement of fair value as at grant date of the options granted during the year under the 2024 plan are as follow:

Long-term incentive scheme	**Tranche 1**	**Tranche 2**	**Tranche 3**
Grant date	22 November 2024	22 November 2024	22 November 2024
Vesting date	30 June 2027	30 June 2028	30 June 2029
Exercise expiry date	30 June 2030	30 June 2030	30 June 2030
Number granted	525,651	525,652	562,652
Fair value at grant date	TSR - $0.48	TSR - $0.49	TSR - $0.50
	EPS - $0.49	EPS - $0.49	EPS - $0.49
Share price at grant date	$1.75	$1.75	$1.75
Exercise price	$1.41	$1.41	$1.41
Expected volatility	40.0%	40.0%	40.0%
Expected dividend yield	8.5%	8.5%	8.5%
Risk-free rate	4.1%	4.1%	4.1%

Reconciliation of outstanding options

The number and weighted average exercise prices of options under the Long-term incentive scheme are as follow:

	June 2025		June 2024	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Opening balance	12,190,216	$1.90	6,648,254	$2.29
Disposed of or settled	-	-	-	-
Forfeited during the year[1]	-	-	(196,111)	$2.31
Granted during the year – 2023 plan[2]	-	-	772,649	$1.84
Granted during the year – 2024 plan[3]	1,576,955	$1.41	4,965,424	$1.41
Closing balance	**13,767,171**	**$1.84**	**12,190,216**	**$1.90**
Exercisable at year end	**-**	**-**	**-**	**-**

[1] 196,111 options were forfeited during the comparative financial year as a result of vesting conditions not being met
[2] 772,649 options under the grant for the financial year ended June 2023 were issued in the comparative financial year following Shareholder approval at the company's AGM in November 2023
[3] 1,576,955 options under the grant for the financial year ended June 2024 were issued in the current financial year following Shareholder approval at the company's AGM in November 2024

No options vested during the current year.

30. Key Management Personnel

The aggregate compensation made to Key Management Personnel of the Group is set out below:

	June 2025	June 2024
	$	**$**
Short-term employee benefits	2,573,925	2,458,465
Post-employment benefits	151,186	138,491
Share-based payments	777,521	224,227
	3,502,632	**2,821,183**

31. Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the company:

	June 2025	June 2024
	$	$
Audit services – Deloitte Touche Tohmatsu		
Audit or review of the financial statements		
Australia	466,899	416,587
China	199,519	194,055
	666,418	**610,642**
Other services		
Tax compliance services	40,000	43,500
Other non-audit services	12,000	12,000
	52,000	**55,500**
	718,418	**666,142**

32. Capital commitments

At the date of this report the Group has no capital commitments (June 2024: none).

33. New Accounting standards

The Group adopted all new Standards and Interpretations which were effective for the current year, and there were no material impacts. At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective and have not been adopted by the Group. These are not expected to have a material impact.

- AASB 2023-5 Amendments to Australian Accounting Standards - Lack of exchangeability 1 January 2025
- AASB 2024-2 Amendments to Australian Accounting Standards - Classification and measurement of financial instruments 1 January 2026
- AASB 2024-3 Amendments to Australian Accounting Standards - Annual improvements Volume 11 1 January 2026
- AASB 2022-8 and AASB 2022-9 Amendments to Australian Accounting Standards - Insurance contracts in the public sector 1 January 2026
- AASB18 Presentation and disclosure in financial statements 1 January 2027

34. Events subsequent to reporting date

Scheme implementation agreement

On 20 August 2025, Lynch Group Holdings Limited (Lynch) announced it had entered into a Scheme Implementation Agreement with Hasfarm Holdings Limited (Hasfarm) and Darwin Aus Bidco Pty Ltd (Hasfarm Bidco) under which Hasfarm Bidco has agreed to acquire 100% of the shares in Lynch by way of a scheme of arrangement (Scheme). Hasfarm and Hasfarm Bidco are controlled by private equity fund TPG Capital Asia. Implementation of the Scheme is subject to a number of customary conditions including approval of the Scheme by the requisite majorities of shareholders, and court approval. A scheme booklet containing important information in relation to the Scheme and the Scheme Meeting will be released to shareholders in due course.

The directors have determined this to be a non-adjusting subsequent event, as the conditions giving rise to the event occurred after the reporting period. Consequently, no adjustments have been made to the amounts recognised in the financial statements for the year ended 29 June 2025. The financial effects of this transaction will be reflected in future reporting periods.

Dividends

In respect of the current reported period ended June 2025, the Directors have declared a final dividend of 9.0 cents per ordinary share which is fully franked. The record date of the dividend is 3 September 2025, and the dividend is expected to be paid on 18 September 2025.

Funding

In order to support its working capital requirements, the Group has drawn a proportion of its banking facilities in China that were undrawn at the balance sheet date. This includes a component of the new facility with China Merchant Bank that was established in May 2025. The Group notes all funding drawdowns are in the ordinary course of business.

Other

There are no further matters which have arisen since the end of the financial year ended 29 June 2025 which have significantly affected or may significantly affect the operations or results of the Group or the state of affairs of the Group in subsequent financial periods.

Lynch Group Holdings Limited
Consolidated Entity Disclosure Statement
For the financial year ended 30 June 2025

Consolidated entity disclosure statement

The consolidated entity disclosure statement includes details of all consolidated entities as at June 2025. The consolidated financial statements incorporate the assets, liabilities, and results of all entities included in the consolidated entity disclosure statement in accordance with the accounting policies described throughout this report.

		Body corporates		Tax residency	
Entity name	**Entity type**	**Place formed or incorpor-ated**	**% of share capital held**	**Australian tax resident**	**Foreign jurisdiction**
Lynch Group Bidco Pty Limited	Body corporate	Australia	100%	Yes	N/A
Lynch Group Australia Holdings Pty Limited	Body corporate	Australia	100%	Yes	N/A
Lynch Fresh Holdings Pty Limited	Body corporate	Australia	100%	Yes	N/A
Lynch Fresh Pty Limited	Body corporate	Australia	100%	Yes	N/A
Lynch Group Australia Pty Limited	Body corporate	Australia	100%	Yes	N/A
Lynch Flowers Victoria Pty Ltd	Body corporate	Australia	100%	Yes	N/A
Leo Lynch & Sons (Qld) Pty. Limited	Body corporate	Australia	100%	Yes	N/A
Lynch Manufacturing Group Pty Ltd	Body corporate	Australia	100%	Yes	N/A
Lynch Manufacturing NSW Pty Ltd	Body corporate	Australia	100%	Yes	N/A
Lynch Manufacturing Victoria Pty Ltd	Body corporate	Australia	100%	Yes	N/A
Lynch Manufacturing QLD Pty Ltd	Body corporate	Australia	100%	Yes	N/A
Lynch Manufacturing W.A. Pty Ltd	Body corporate	Australia	100%	Yes	N/A
Lynch Administration Pty Ltd	Body corporate	Australia	100%	Yes	N/A
Lynch China Pty Limited	Body corporate	Australia	100%	Yes	N/A
Lynch Admin Services Pty Ltd	Body corporate	Australia	100%	Yes	N/A
Lynch Flowers (W.A.) Pty Ltd	Body corporate	Australia	100%	Yes	N/A
Lynch Market Flowers Brisbane Pty Ltd	Body corporate	Australia	100%	Yes	N/A
Exauflor Pty Ltd	Body corporate	Australia	100%	Yes	N/A
The Lynch Group of Companies Pty Limited	Body corporate	Australia	100%	Yes	N/A
Gladlands Flowers Pty Ltd	Body corporate	Australia	100%	Yes	N/A
Gladlands Flowers Unit Trust	Trust	Australia	100%	Yes	N/A
Pine Valley (QLD) Pty Ltd	Body corporate	Australia	100%	Yes	N/A
Australiawide Flowers Pty Ltd	Body corporate	Australia	100%	Yes	N/A
Lynch China (HK) Limited	Body corporate	Hong Kong	100%	Yes	N/A
Van den Berg Asia Holding Limited	Body corporate	Hong Kong	100%	No	Hong Kong
Yunnan Lynch Horticulture Company Limited	Body corporate	China	100%	No	China
Yunnan Lynch Agriculture Company Limited	Body corporate	China	100%	No	China
Lynch Trading (Yunnan) Company Ltd	Body corporate	China	100%	No	China
Kunming Fangdebo'erge Rose Supreme Floral Co., Ltd	Body corporate	China	100%	No	China
Van Den Berg Horticulture (Yunnan) Co., Ltd	Body corporate	China	100%	No	China
Kunming Van Den Berg Trading (Dounan) Co., Ltd	Body corporate	China	100%	No	China
Gefa Flowers (Suzhou) Co., Ltd	Body corporate	China	100%	No	China

Lynch Group Holdings Limited
Director's Declaration

The Directors of Lynch Group Holdings Limited declare that, in their opinion:

- the accompanying financial statements and notes to the financial statements comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001, and other mandatory professional reporting requirements

- the attached financial statement and notes to the financial statements comply with International Reporting Standards as issued by the International Accounting Standards Board as described in Note B to the consolidated financial statements

- the attached consolidated financial statement and notes to the consolidated financial statements give a true and fair view of the Group's financial position as at 29 June 2025 and of its performance for the financial year ended on that date

- the consolidated entity disclosure statement is true and correct

- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable

- at the date of the declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue to the Deed of Cross Guarantee between the company and those Group entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

Patrick Elliott
Chair and Non-Executive Director

Hugh Toll
Chief Executive Officer and Managing Director

20 August 2025
Sydney

Deloitte.

Deloitte Touche Tohmatsu
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8 Parramatta Square
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Australia

Phone: +61 2 9840 7000
www.deloitte.com.au

The Board of Directors
Lynch Group Holdings Limited
8b Williamson Road
Ingleburn NSW 2565
Australia

20 August 2025

Dear Directors

Auditor's Independence Declaration to Lynch Group Holdings 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 Lynch Group Holdings Limited.

As lead audit partner for the audit of the financial statements of Lynch Group Holdings Limited for the financial year ended 29 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Damien Cork
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
ABN 74 490 121 060
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Independent Auditor's Report to the Members of Lynch Group Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lynch Group Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 29 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the consolidated entity disclosure statement.

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

- giving a true and fair view of the Group's financial position as at 29 June 2025 and of its financial performance for the year then ended; and

- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Deloitte.

Key Audit Matters

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

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>
Carrying value of goodwill attributable to the China Group of cash-generating units (“CGUs”)
As set out in Note 14 to the financial statements the Group has goodwill allocated to the Australia and China Groups of CGUs of $86.6m and $29.0m respectively.
Given the economic volatility in China and resultant impact on the recoverable amount of the China Group of CGUs, we have determined this to be a Key Audit Matter.
Accounting Standard AASB 136 Impairment of Assets (“AASB 136”) requires the carrying value of goodwill and other indefinite useful life intangible assets to be tested for impairment annually, or whenever indicators of impairment are identified.
The assessment of impairment of goodwill is complex and involves significant judgements in respect of the assumptions and estimates used in preparing the discounted cash flow model (‘value in use’) including the determination of the:

Discount rate
Terminal growth rate
Revenue growth rates
Cost of goods sold escalation.

</td><td>
Our procedures with respect to the China Group of CGUs included, but were not limited to the following:

Evaluating the design and implementation of the relevant controls over the impairment assessment of goodwill.
Obtaining the value-in-use model prepared by management to support the impairment assessment and:

Comparing the forecast cash flows to the board approved budget.
Comparing the forecast cash flows to the actual cash flows generated in the current year, and challenging material differences.
Evaluating management’s historical forecasting accuracy by comparing actual results to budget.
Assessing the reasonableness of the assumptions used in projected cash flows against external economic and financial data.
In conjunction with our valuation specialists:

Assessing the integrity of the value in use model used, including the mathematical accuracy of the underlying calculation formulas.
Challenging key inputs, including the discount rate and terminal growth rate utilised by management.

Performing sensitivity analysis on the discount rate, terminal growth rate, revenue growth rates and cost of goods sold escalation.

Assessing the adequacy of the Group’s disclosure in Note 14 to the financial statements.

</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises:

- the Directors' Report, additional ASX disclosures and Shareholder information which we obtained prior to the date of this auditor's report;
- the Chair's, CEO's and Sustainability Report which will be included in the Group's Annual Report which is expected to be made available to us after the date of this auditor's report.

The other information does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chair's, CEO's and Sustainability report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 26 to 38 of the Directors' Report for the year ended 29 June 2025.

In our opinion, the Remuneration Report of the Group, for the year ended 29 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

Damien Cork
Partner
Chartered Accountants
Parramatta, 20 August 2025

Twenty largest registered shareholders (as of 8 August 2025)

Rank	Name of shareholder	Number of shares	Proportion of issued capital (%)
1	HSBC Custody Nominees (Australia) Limited	27,660,752	22.66
2	Next Capital III GP Pty. Limited	16,536,479	13.55
3	Izzac Pty Ltd	16,380,000	13.42
4	UBS Nominees Pty Ltd	12,153,116	9.96
5	Citicorp Nominees Pty Limited	9,671,615	7.92
6	AJ4 Limited	7,000,000	5.73
7	J P Morgan Nominees Australia Pty Limited	6,673,328	5.47
8	Van Den Berg Roses Asia B.V	6,252,112	5.12
9	Next Capital Services IIID Pty. Limited	4,699,841	3.85
10	Airfek Pty Ltd	1,820,000	1.49
11	National Nominees Limited	1,230,087	1.01
12	HSBC Custody Nominees (Australia) Limited – A/C 2	1,192,087	0.98
13	HSBC Custody Nominees (Australia) Limited	1,049,409	0.86
14	Buttonwood Nominees Pty Ltd	1,035,276	0.85
15	Warbont Nominees Pty Limited	780,401	0.64
16	Merrill Lynch (Australia) Nominees Pty Limited	768,628	0.63
17	Mr Hugh Edward Toll	639,999	0.52
18	Neweconomy Com Au Nominees Pty Limited	430,862	0.35
19	Elliott Services Pty Ltd	331,449	0.27
20	Mr David Di Pietro	299,999	0.25
	Total for Top 20	**116,605,440**	**95.53**
	Remaining holders	5,460,672	4.47
	Total issued capital	**122,066,112**	**100.00**

Distribution of holdings (as of 8 August 2025)

Range	Number of holders	Number of shares	% of issued capital
100,001 and over	35	119,313,245	97.75
10,001 to 100,000	61	2,003,449	1.64
5,001 to 10,000	44	323,262	0.26
1,001 to 5,000	110	295,160	0.24
1 to 1,000	371	130,996	0.11
	621	**122,066,112**	**100.00**

All shares above are fully paid ordinary shares. Each fully paid ordinary share carries one voting right. There were 262 holders of less than a marketable parcel of ordinary shares.

Substantial shareholders (as disclosed in substantial holder notices given to the company as of 8 August 2025)

Name of shareholder	Number of shares	% Of issued capital
Next Capital III GP Pty. Limited and Next Capital Services IIID Pty. Limited	21,236,320	17.40
Regal Funds Management and its associates	20,969,632	17.18
Izzac Pty Ltd	16,380,000	13.42
MA Financial Group Limited	11,285,737	9.25
FIL Limited & its related subsidiaries / affiliates	10,022,507	8.21
Bridge International Holding Limited	9,378,168	7.68
A4J Limited	7,000,000	5.73
Van Den Berg Roses Asia B.V	6,252,112	5.12

Escrowed shares

As at June 2025 there are no shares held under escrow arrangements.

Unquoted securities

As at June 2025, there are 13,767,171 (June 2024: 12,190,216) options over unissued shares of Lynch Group Holdings. These options are held by current members of the Management team including the Group Chief Executive Officer.

Shares and voting rights

All issued shares in the company are ordinary shares. Voting rights for ordinary shares one vote per share on a show of hands for every member present at a meeting in person or by proxy.

On-market buy back

As at June 2025 there is no current on-market buy back.

Use of cash and assets

Lynch Group Holdings Limited has used cash and assets in a form readily convertible to cash at the time of admission to the ASX in a consistent manner with the objectives set out in its Prospectus.

Lynch Group Holdings Limited
Corporate Directory

Directors
Patrick Elliott (Chair)
Peter Arkell
Peter Clare
Elizabeth Hallett
Hugh Toll

Company Secretary
Steve Wood

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Share Registry
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Australia Securities Exchange
Lynch Group Holdings Limited shares are quoted on the Australia Securities Exchange (ASX code: LGL)