SELECT HARVESTS

2024 Annual Report

Our almond kernels can be traced to the orchard where they are grown whether they are sold in India, China or in other parts of the world.

We acknowledge and pay our respect to the First Nations custodians of our lands, and to Elders past, present and emerging.

Select Harvests is uniquely positioned to deliver sustainable growth through a combination of disciplined management, market expansion and innovation.

Company Profile

We are one of the world's largest almond growers, with a geographically diverse almond orchard portfolio supplying our state-of-the-art primary processing facility.

Our Vision

To be a leader in the supply of better for you plant-based foods.

Our Operations

We supply the Australian and global almond markets. Our core capabilities include: Horticulture, Orchard Management, Almond Processing, Sales and Marketing enabling us to add value across each of our business activities.

Our geographically diverse almond orchards are located in Victoria, South Australia and New South Wales, with a portfolio that includes more than 9,165 hectares (22,643 acres) of company owned and leased almond orchards. These orchards, plus other independent orchards, supply our state-of-the-art processing facility at Carina West near Robinvale, Victoria.

Our Carina West processing facility has the capacity to process above 40,000MT of almonds in the peak season and is capable of meeting the ever increasing demand for inshell, kernel and value-added products.

Export

Select Harvests is one of Australia's largest almond exporters and continues to build strong relationships in the fast growing markets of India and China, as well as maintaining established routes to markets in Asia, Europe and the Middle East.

Value-Adding Almond Business

Demand for Select Harvests value-added almond products continues to grow under our Renshaw and Allinga Farms brands.

Our business supplies a full range of premium value-added almond products (blanched, roasted, sliced, diced, meal and paste) in multiple customer categories (beverage, bakery, confectionery, cereal, snacking, health, dairy (ice cream), re-packers and wholesalers) to over 600 customers globally.

9,165 HA (22,643 acres)
Total Planted Area

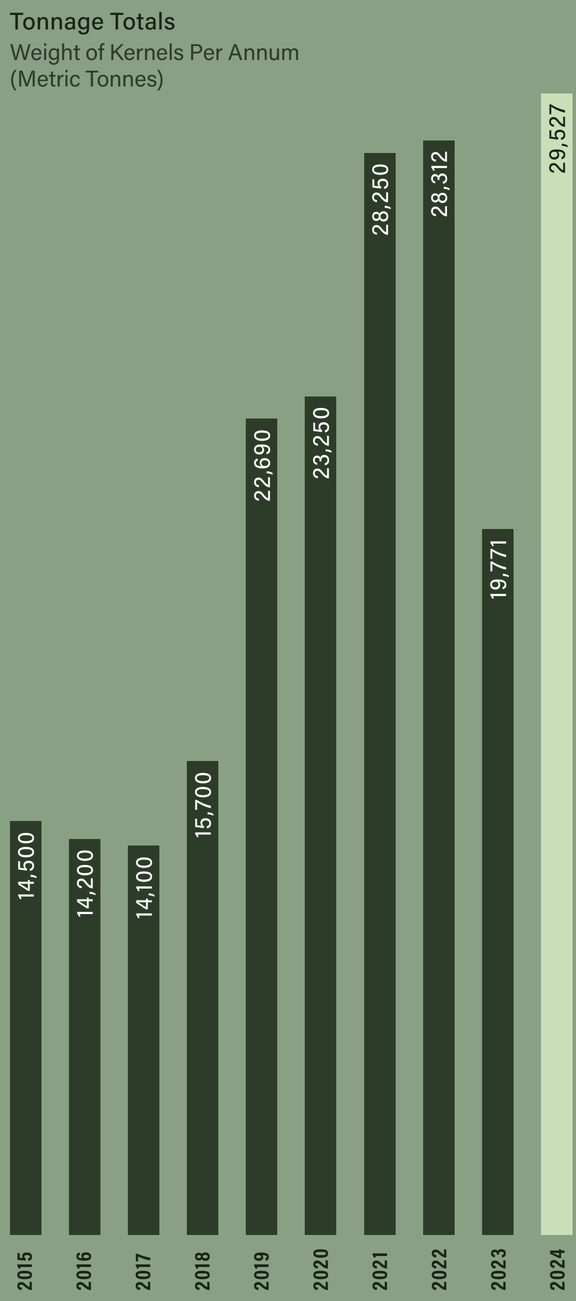
2,677 HA (6,613 Acres)
Southern Region Planted Area

4,651 HA (11,491 Acres)
Central Region Planted Area

1,837 HA (4,539 Acres)
Northern Region Planted Area

SELECT HARVESTS ORCHARDS
SELECT HARVESTS PROCESSING
SELECT HARVESTS HEAD OFFICE

Business Highlights



Earnings Before Interest Tax Depreciation and Amortisation
(EBITDA)

$46.0M

Net Profit After Tax
(NPAT)

$1.5M

Total Recordable Injury Frequency Rate – per million hours worked
(TRIFR)

7.1

Net Bank Debt to Equity
(Excluding lease liabilities)

34% (29% post completion of capital raise)

Average Select Harvests Almond Price
AUD

$7.69/KG

Almond Production Costs

$6.60/KG

Almond Crop
Yield impacted by favourable growing/harvesting conditions

29,527MT

Operating Cash Flow
Increase of $18m, impacted by higher 2024 crop sales volumes and prices and lower input costs

$21.3M

Value-Add Sales

5,226MT

Chairman & Managing Director's Report

Select Harvests has made significant strides in FY2024, advancing its transformation strategy across key areas including crop volume, processing capacity and efficiency, and sustainability initiatives. While achieving a notable financial turnaround and solid progress on operational goals, the company remains focused on delivering sustainable returns to our shareholders by marketing premium almond products to the world.

Year at a glance

Select Harvest recorded a Net operating profit after tax (NPAT) of $1.5 million for FY2024. This profit result marks an improvement of $116 million on the prior year. Whilst this is a substantial year on year improvement it more reflects a return to more normal operating conditions. The company is making solid progress towards our financial goals, although we recognise that we have further work to do in this area.

Our emphasis on safety performance continues to deliver results, with the company recording a total recordable injury frequency rate (TRIFR) of 7.1 per million hours worked. Whilst this is slightly higher than the FY2023 figure of 6.7, we think the data we have now is more accurate and is based off working 100,000 less hours despite a larger crop. The 2024 year was another important step in our journey towards world-class safety performance.

Overall, FY2024 has been largely positive – we saw a reduction in production costs and an increase in processing capacity, flowing through to a substantiative increase in sales.

In 2024, Select Harvests delivered a crop of 29,527MT, which marked a return to more normal crop levels, with the quality being excellent. The company introduced an innovative approach to harvesting this year at selected farms by changing the oscillation frequency and duration of tree shaking to maximise the number of nuts collected off each tree. The success of this new approach means it will be repeated in 2025. Another innovation for the 2024 bloom was to increase the bee drop frequency for specific farms to reduce the distance bees needed to fly to pollinate trees.

The NSW crop was disappointing and reflects four years of extremely wet weather, with the average rainfall for this period approximately double that of the prior period. We have this year taken a write down on the Yilgah farm lease to reflect the yield challenge.

The company replanted 69 hectares of trees at our Jubilee orchard as part of a continuous approach to managing its orchards. As at the end of FY2024, 92% of Select Harvests' orchards are considered to be in the maturity 'sweet spot' for production.

The year also saw a step change increase in external grower volumes to 10,520MT, for which Select Harvests provides processing and sales and distribution services.

The Carina West processing facility (CWPF) increased total productive capacity by approximately 30% to 40,000MT, and processed a record 40,047MT of product in FY2024, while simultaneously reducing processing costs by 8.1%.

2024 saw the company accelerate its sales velocity with contracted sales volume of 36,624MT, which was well above the average of the past 3 years of 27,793MT. This consisted of 31,326MT of the 2024 crop and 5,298MT of the 2023 crop. The total volume invoiced was 37,484MT an increase of 19% on the prior year.

The year commenced with low almond prices, largely driven by a substantial carryover from the previous California crop. During the year, sellers sold through their inventories, resulting in over a 5% increase in global shipments, this reduced carryover to levels not seen since 2019. In July, California released its objective crop estimate of 2.8 billion pounds, a 7% decrease from the subjective estimate in May. The combination of a lower carryover, the revised crop forecast, and rising demand as seen by increased global shipments, has brought supply and demand fundamentals into balance. As a result, almond prices have firmed across all grades. This has increased market confidence for both buyers and sellers, leading to strong sales in key markets as they secure supply.

This is the first year we are consolidating external supply with our own volumes, the impact is an increase in our revenue from $206 million to $337.3m and gives a better sense of the scale of Select Harvests. Strategically the growth in external supply and processing capacity reflects a shift in the company profile with the increased importance of our mid-stream operations and supports more consistent earnings.

Transformation strategy

The company made substantial progress on each of its four strategic pillars in FY2024 as we work to ensure that the business is more robust throughout all stages of the production cycle.

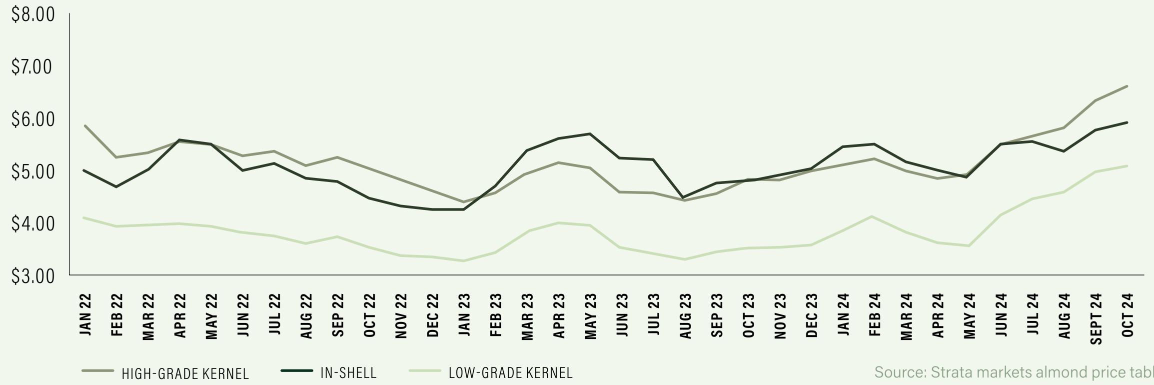
Highlights of our progress against the strategy were:

- a record crop and reduced horticulture costs.
- a reduction in the total cost of production (growing, harvesting and processing) to $6.60 per kilogram, and by way of comparison to $6.73 per kilogram versus 2023 of $6.94 per kilogram on a 29,000MT equivalent basis.
- a one-third increase in processing capacity (from 30,000 to 40,000MT).
- a 36% increase in sales contracting (3 year average of 27,793 to 36,624MT).

The company increased direct sales by 14% as we get closer to manufacturing customers.

In 2024 there were 27 Project Management Office (PMO) projects completed that delivered a value of approximately $32m to the company. This value should be netted off against the inflationary pressures all businesses face, which for Select Harvests is $11 million.

Global Almond Pricing
USD Per Pound



Source: Strata markets almond price table

One of our PMO projects this year was to deliver savings of $3.6 million from a change to our logistics model. The project was unsuccessful and did not deliver the planned outcomes. Our logistics position has since been recovered. The financial impact of this was a $1m provision in our accounts and a delay in cash of $56m (not at risk) due to document and shipping delays. As at 26 November, 91% of this cash has been collected and the balance is coming on normal terms and remains expected to be received prior to end December. Going forward, the company is implementing plans to derisk the logistics component of its operations by adding a new service provider while also reducing dependence on external suppliers by increasing its internal logistics capability

The net result is that the project management office (net of inflation and logistics costs) has been significantly positive for Select Harvests and generated $20 million in 2024.

Financial performance

Select Harvests recorded an underlying EBIT result of $17.1 million for FY2024, with the following one-off considerations:

- $6.7 million profit on the sale of water as the company rebalances its water portfolio to align more evenly with its farm locations (this process is ongoing);
- ($6.6 million) impairment of the Yilgah Right-of-Use asset;
- ($1.0 million) of costs incurred (customer claims for demurrage, etc) due to the issues experienced with the change in logistics provider.

Equity Raise

During the second half of the year, the Company undertook a fully underwritten capital raising worth $80 million. At 27 September, the institutional offer (worth $61.7 million less transactional costs of $2.8 million) was successfully completed with the cash received of $58.9 million netted off against the Company's debt facilities at year end. The company also completed a retail offer post balance date on 15 October 2024 with cash received of $17.4 million ($18.3 million less transaction costs of $0.9 million). The purpose of the capital raise was to reset the balance sheet and fund a further expansion of our CWPF processing capacity in line with our transformation strategy and will further grow our mid-stream position. The proceeds from the equity raising have been applied towards the repayment of debt of $71.3 million, capital investment to increase processing capacity of $5 million and associated transaction costs of $3.7 million.

The net debt balance at the end of the financial year decreased to $162.3 million (2023 - $190.2 million) as a result. Excluding the capital raise amount of $59.7 million, the Company's net debt of $222 million was due to a delay in cash timings following some issues with the change in logistics provider during the second half of the financial year.

Sale of water rights

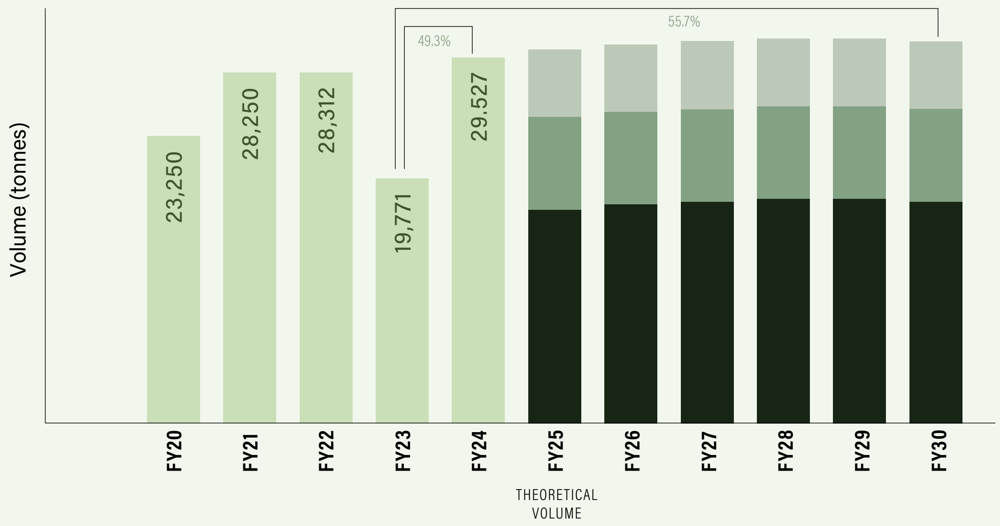
In the second half of the year the Company commenced the rebalancing of its water portfolio by selling and purchasing permanent water rights so to align the water rights more closely to its farm locations. At the end of the year there were signed contracts for water sales of $11.7 million (representing 4,566ML of water) that were settled after year-end, which will deliver a one-off gain of $5.8 million gain in the 2025 accounts. As the company has been selling water it has been using the cash generated to buy additional water in locations aligned to our farming activities.

People and safety

The board renewal process that began several years ago is now complete with the appointment of Paul van Heerwaarden as a non-executive director in November 2023. Paul brings significant agribusiness experience to the company, including management of integrated supply chains from farm through to processing and distribution.

In addition, we are taking the opportunity for a sensible refresh of leadership talent, which has led to the addition of some new capabilities, including General Manager of Strategy and Corporate Development, and Chief Financial Officer. These changes mean the company is now better placed to improve systems and work on critical risks to the business. Beyond the leadership team we

Select Harvests Theoretical Harvest Volume
(MT)



1. The almond crop is biennial in nature with expected +/- 10% per annum variation in tonnage
2. Assuming a 3.3MT per ha (1.35MT per acre) maturity profile for Select Harvests' orchards and immature yields based on the average of the 2019, 2020 and 2021 crops
3. Assuming a 3.5MT per ha (1.4MT per acre) maturity profile for Piangil Almond Orchard.

are increasing talent through the organisation and looking to invest more in the development of our talent. In FY2024, the company conducted an alignment and engagement survey to provide further insight on how we can continue to foster and build our desired culture.

In FY2024, we reviewed our remuneration approach by engaging an independent external provider. This work confirmed that the company's pay practices for key management personnel (KMP) and senior leaders is contemporary, and remuneration levels are comparable to similar companies.

The company recorded a TRIFR score of 7.1 compared to 6.7 in FY2023. We believe it reflects improvements to the reporting and recording processes to provide greater accuracy. Safety remains our primary consideration, and we are concentrating our efforts to addressing the common industry issue of under-reporting, which will remain a focus in the current financial year and beyond. We have this year also commenced work on the critical risks of machine guarding and have a program underway to improve this across the business.

Sustainability performance

We are proud of the fact that Select Harvests products are not only good for consumers, but they are also good for the planet. Our company reports its sustainability performance in line with Australian Sustainability Reporting Standard AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information on a voluntary basis in preparation for mandatory reporting under AASB S2 in 2025.

This year has seen Select Harvests consolidate its sustainability practices and progress its sustainability goals. This approach to sustainability is also aligned to the United Nations Sustainable Development Goals.

The company produces 90% of its own compost through a closed loop economy which involves composting of nut hull and shell post-processing. The company views sustainability performance as a journey of continuous improvement.

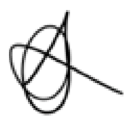
Almond market outlook

The future of the macro environment for almonds is looking bright. At the global level, the trend for consuming healthy foods continues.

In the US, bearing acres appears to have peaked and we are witnessing a reduction in orchards across California. The US objective forecast is for 2.8 billion pounds, and the initial feedback suggests the actual crop is more likely to be smaller. Carry forward inventories are also low, and history suggests that this is likely to remain the case for at least the next few years. These factors will help support prices here in Australia.

In terms of the forward outlook the very wet weather in NSW from the previous four years remains a watch factor for the 2025 crop.

As we look back on these last 12 months, we would like to end by thanking our employees, our customers and our shareholders for their continued support. We remain committed to producing a world-class product in a sustainable manner that benefits everyone.



Travis Dillon
Chairman

David Surveyor
Managing Director & CEO

Select Harvests Strategy

VISION

To be a leader in the supply of 'better for you' and 'better for the planet', plant-based foods

MISSION

Our mission is to deliver sustainable returns to our shareholders by marketing premium almond products to the world

THREE HORIZONS

HORIZON 1	HORIZON 2	HORIZON 3
Strong Foundation	Sustainably Profitable	Transformation

OUR FOUR STRATEGIC PILLARS

- Substantially greater almond volume
- Leadership in processing scale and efficiency
- Maximise return from the crop
- Innovate to drive step-out growth

DELIVERY PILLARS

- ZERO HARM
- SUSTAINABLE GROWTH
- FINANCIAL PERFORMANCE
- HORTICULTURAL EXCELLENCE
- PROCESSING EXCELLENCE
- SUPPLY CHAIN INTEGRATION
- CUSTOMER VALUE
- HIGH PERFORMANCE & CULTURE

2024/25 Focus Areas

Our attention is on the product we produce, minimising the impact on the planet and ensuring the safety of our people, whilst delivering sustainable profits.

FOOD SAFETY & QUALITY
52 complaints
(114 in 2022–23)

CIRCULAR FOOD PRODUCTION
10,077 tonnes harvest biomass returned to orchards in our compost mix
(7,792 tonnes in 2022–23)
58,273 tonnes to external feed

WATER EFFICIENCY
100% of our orchards use drip irrigation, tree and soil monitoring systems

EMISSIONS, CLIMATE ADAPTATION & RESILIENCE
21% reduction in greenhouse gas emissions
(compared to our 2020-21 baseline)

WORKPLACE HEALTH & SAFETY
7.1
Total recordable work-related injury frequency rate
(6.7 in 2022–23)*

LOCAL COMMUNITIES
$10,000
Community grants**
($19,400 in 2022–23)

CARINA WEST PROCESSING CAPABILITY
Increased to 40,000MT

PROJECT MANAGEMENT DELIVERY
86 Projects identified with 39 completed

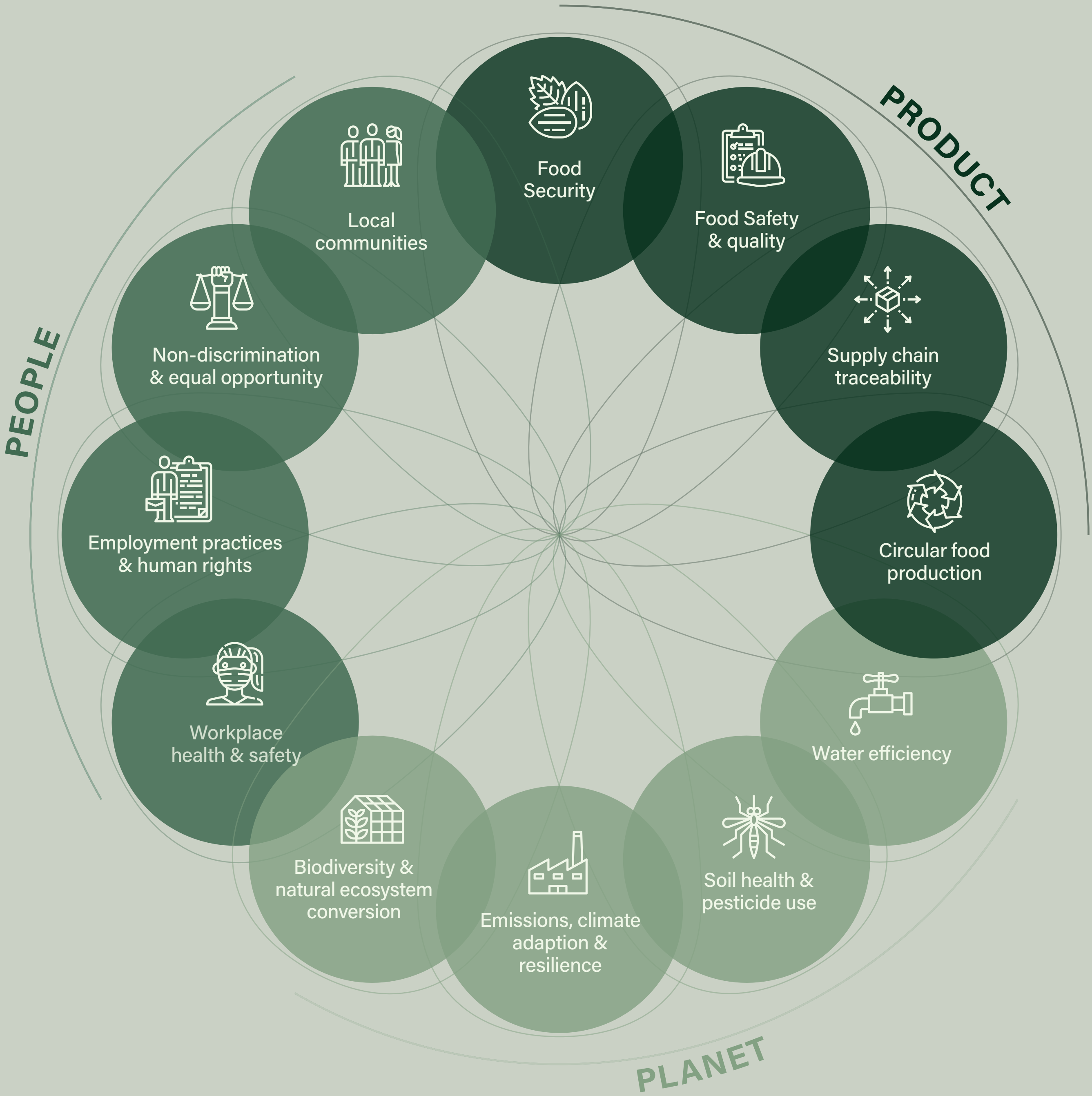
* Total recordable work-related injuries include ‘treatment injuries’ and ‘lost time injuries’. Frequency rates are calculated by multiplying the total number of injuries by one million, then dividing by the total hours worked (for all direct and labour hire staff).

** Our focus was on consolidating our approach and reviewing how we can deliver meaningful, long-term benefits to our communities. While this review is underway, we maintained smaller grants programs this year.


451


Moisture 2
4.831 g

Sustainability Focus



Our sustainability strategy centres around three pillars: product, planet and people, with two priorities for each to achieve our renewed strategy, metrics and targets.

Executive Team

David Surveyor
Managing Director and CEO

Appointed as the Managing Director and Chief Executive Officer of Select Harvests Limited on 20th February 2023. David has experience across a variety of industries and expertise in the food sector. David was previously Chief Executive of Alliance Group Limited, Chairman of Alliance Group (NZ) Ltd, the UK subsidiary, a director of The Lamb Company (North America), Director Meateor Pet Foods, Director Beef and Lamb New Zealand and a member of the Meat Industry Association Council. David was also previously Executive General Manager of Laminex, a subsidiary of Fletcher Building and has held roles with BHP in Australia and as President of Bluescope Lysaght in Malaysia.

Tim Bradfield
(Interim Chief Financial Officer and Company Secretary)

Joined Select Harvests as Interim Chief Financial Officer on 9 July 2024 and appointed Company Secretary on 24 July 2024. Tim is a seasoned CFO with extensive experience in ASX and NYSE listed organisations, including MaxiTrans and General Motors, where he managed significant financial operations and led major transformation initiatives. With broad operational leadership experience across various sectors he has worked closely with listed company CEOs and executive teams, driving business optimisation and growth.

Sumana Islam
General Manager, Strategy and Corporate Development

Sumana joined Select Harvests in January 2024, bringing over 14 years of experience in strategy development, revenue management, marketing and sales, and operations. She has a proven track record in driving business growth and operational excellence across various industries, combining a strategic mindset with a practical approach to delivering results. Prior to joining Select Harvests, Sumana was a management consultant at the Boston Consulting Group, where she worked across the retail and consumer sectors. She also held senior strategy and commercial management roles at Melbourne Airport and Treasury Wine Estates.

Liam Nolan
Chief Financial Officer

As per the ASX Announcement issued on 28 November 2024, Liam commenced with Select Harvests on 2 December 2024.

Photo left to right: Ekrem Omer, Tim Bradfield, Sumana Islam, Ben Brown, David Surveyor, Trisha Crichton and Dan Wilson

Ben Brown
General Manager, Horticulture

Ben joined Select Harvests in 2014. Ben held the position of Project and Technical Manager of the Horticultural Division, before being appointed General Manager Horticulture in April 2018. Ben is an Applied Science graduate with Honours in Soil Science and has 20 years experience across perennial irrigated horticulture with expertise in: orchard development; production horticulture; development of detailed RD&E strategies; and extension and technology transfer of best practice. Prior to joining Select Harvests, Ben was the Industry Development Manager at the Almond Board of Australia and an irrigation and soil agronomist.

Trisha Crichton
General Manager People, Safety & Sustainability

Trisha joined Select Harvests in July 2023. Trisha is a highly accomplished and results driven HR executive with a proven track record in driving organisational change, leadership, and optimising HR initiatives. With extensive experience in centralised HR services, safety culture and fostering employee engagement, she is adept in aligning HR strategies with business objectives to achieve exceptional outcomes. Throughout her career, Trisha has successfully led large-scale transformational initiatives, implemented change management strategies, and driving a culture of continuous improvement. Trisha has held key leadership roles, including General Manager Human Resources at McConnell Dowell, where she oversaw the development and execution of HR strategies for the Australian Business Unit, and HR Shared Services Director at Serco, where she led the implementation of global HR centralised solutions.

Dan Wilson
General Manager, Almond Operations

Dan joined Select Harvests in 2017. He has held the positions of H2E Cogen Manager, Operations Manager - Mechanical Engineering, and was appointed General Manager of Almond Operations in July 2021. Before joining Select Harvests, Dan was the Plant Manager for the BOC bulk gas division in the Northern Territory and brings with him extensive knowledge in production, processing and operations.

Ekrem Omer
General Manager, Sales

Ekrem joined Select Harvests in August 2021 where he assumed the role of International Sales Manager, before being appointed as the General Manager of Sales in July 2023. Ekrem holds an international business degree, and has over 15 years' experience in the industry. Before joining Select Harvests he was involved in an Ingredients business in Australia. His career has spanned multiple business areas with extensive knowledge in sales, procurement and shipping operations, whilst adding value to stakeholder partnerships, making him a driving force in the organisation.

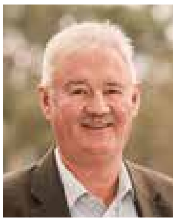
Board of Directors

Travis Dillon
Chair and Non-Executive Director

Joined the board on 29 November 2021 and appointed Chair on 27 May 2022. Travis has commercial and strategic expertise in the agricultural sector and relevant distribution channels. He is currently the Deputy Chair of Lifeline Australia and also a non-executive director of Australian Grain Technologies. Travis has previously served as CEO and Managing Director of Ruralco Holdings Limited until its acquisition by Nutrien in September 2019. Prior to becoming Ruralco's Managing Director in 2015, he was the Executive General Manager of Ruralco's Operations. Over a career in Agriservices, spanning nearly three decades, Travis has held many positions including Branch Manager, Agronomist and numerous Category Manager roles. He is a current member of the Remuneration and Nominations Committee.

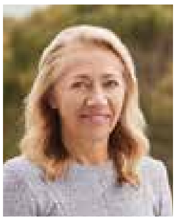
David Surveyor
Managing Director and CEO

Appointed as the Managing Director and Chief Executive Officer of Select Harvests Limited on 20th February 2023. David has experience across a variety of industries and expertise in the food sector. David was previously Chief Executive of Alliance Group Limited, Chairman of Alliance Group (NZ) Ltd, the UK subsidiary, a director of The Lamb Company (North America), Director Meateor Pet Foods, Director Beef and Lamb New Zealand and a member of the Meat Industry Association Council. David was also previously Executive General Manager of Laminex and has held roles with BHP in Australia and as President of Bluescope Lysaght in Malaysia.



Guy Kingwill
Non-Executive Director

Appointed to the board on 25 November 2019. Guy has an extensive background in horticulture, international soft commodity marketing and water investment and trading. He is currently on the Board of Agriculture Capital Management (Australia) Pty Ltd. Guy has previously served as Managing Director of Tandou Limited, and as a non-executive Director of Lower Murray Water Urban and Rural Water Corporation and Tasmanian Irrigation Pty Ltd. He is Chair of the Remuneration and Nomination Committee and a current member of the Audit and Risk Committee.



Margaret Zabel
Non-Executive Director

Appointed to the board effective on 3 October 2022. Margaret is a specialist in customer centred business transformation, brand strategy, innovation, digital communications, customer experience and change leadership. She has 20 years' experience working across major companies and brands in FMCG, food, technology and communications industries including multinationals, ASX 100 and not-for-profits. Her previous roles include National Marketing Director Lion Nathan, VP Marketing for McDonalds's Australia and CEO and Board Director of The Communications Council. Margaret has also served as a Non-Executive Director for the mental health charity RUOK? for 5 years and is currently a Non-Executive Director of G8 Education (ASX: GEM), Australian Vintage (ASX: AVG), The Reject Shop (ASX: TRS), Collective Wellness Group. She is Chair of the Sustainability Committee and member of the Remuneration and Nomination Committee.

Michelle Somerville
Non-Executive Director

Appointed to the board effective on 13 December 2022. Michelle was previously a partner of KPMG for nearly 14 years specialising in external audit and advising Australian and international clients both listed and unlisted primarily in the financial services market in relation to business, finance risk and governance issues. Michelle holds a Bachelor of Business and a Masters of Applied Finance. She is a Graduate member of the Australian Institute of Company Directors and a Fellow Chartered Accountant. Michelle is currently a director of Insignia Financial Limited (ASX: IFL), Epworth Foundation and Summer Foundation. She was previously a director of GPT Group (ASX: GPT). She is Chair of the Audit and Risk Committee and a current member of the Sustainability Committee.

Paul van Heerwaarden
Non-Executive Director

Appointed to the Board on 1 November 2023. Paul has over 30 years' experience in agribusiness including soft commodity cycle risk management and managing integrated supply chains from farm through to processing and distribution into industrial and consumer channels, both domestically and internationally. He has previously held roles with Cargill and Ridley AgriProducts and Bega Group. Paul is a Director of Dairy Australia Ltd. He is a current member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

Performance Summary

Results – Key Financial Data				
$'000 (except where indicated)	FY2024	FY2023	Variance	Variance %
Revenue from Continuing Operations	**337,285**	**205,987**	**131,298**	**63.7%**
Almond Crop Volume (MT)	29,527	19,771	9,756	49.3%
Almond Price (A$/kg)	$7.69	$6.42	$1.27	19.8%
Underlying EBITDA from Continuing Operations	**46,879**	**(86,987)**	**133,866**	**153.9%**
Depreciation and Amortisation	(29,788)	(32,247)	2,460	7.6%
Underlying EBIT from Continuing Operations	17,091	(119,234)	136,325	114.3%
One off items	(834)	(30,080)	29,246	97.2%
Reported EBIT	**16,257**	**(149,314)**	**165,571**	**110.9%**
Interest expense	(14,982)	(10,212)	(4,770)	(46.7%)
Profit before tax	**1,275**	**(159,526)**	**160,801**	**100.8%**
Tax benefit	225	44,799	(44,574)	(99.5%)
Net Profit After Tax (NPAT)	**1,500**	**(114,727)**	**116,227**	**101.3%**
Earnings Per Share (EPS) (cents)	**1.24**	**(94.80)**	**96.04**	**101.3%**
Dividend Per Share (DPS) - Interim (cents)	–	–		
Dividend Per Share (DPS) - Final (cents)	–	–		
DPS - Total (cents)	–	–		
Net Debt	162,330	190,188		
Gearing (%)	33.8%	46.2%		
Share Price (A$/Share as at 30 Sep)	$3.68	$4.01		
Market Capitalisation (A$M)	505.3	485.4		
Market Capitalisation – post completion of equity raise (A$M)*	523.0			

Note: It should be reiterated that, as is always the case at the time the Company develops the crop value estimate, there is the potential for changes to occur both in yield outcomes (as the crop harvest and processing progress) and the pricing environment (driven by almond market or currency) shift.

* Market capitalisation calculation based on number of shares issued after completion of the Retail Entitlement Offer on 15 October 2024.

Definitions:

1. EBITDA and EBIT are Non-IFRS measures used by the Company are relevant because they are consistent with measures used internally by management and by some in the investment community to assess the operating performance of the business. The non-IFRS measures have not been subject to audit or review.

Our carbon-based fertiliser is used at scale in our orchards and has the potential to recycle most of our hull waste. We have created a closed loop by using the waste hull ash from the CoGen power plant, which is high in potassium, as an important ingredient to our fertiliser program.

Financial Report

Directors' Report

The directors present their report together with the financial report of Select Harvests Limited and controlled entities (referred to hereafter as the "Company", "the Group" or "the consolidated entity") for the year ended 30 September 2024.

Directors

The qualifications, experience and special responsibilities of each person who has been a director of Select Harvests Limited at any time during or since the end of the financial year is provided below, together with details of the Company Secretary. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Travis Dillon

Adv Dip RBM, MBA, MAICD (Chair, Non-Executive Director)

Joined the board on 29 November 2021 and appointed Chair on 27 May 2022. Travis has commercial and strategic expertise in the agricultural sector and relevant distribution channels. He is currently the Deputy Chair of Lifeline Australia and also a non-executive director of Australian Grain Technologies. Travis has previously served as CEO and Managing Director of Ruralco Holdings Limited until its acquisition by Nutrien in September 2019. Prior to becoming Ruralco's Managing Director in 2015, he was the Executive General Manager of Ruralco's Operations. Over a career in Agriservices, spanning nearly three decades, Travis has held many positions including Branch Manager, Agronomist and numerous Category Manager roles. He is a current member of the Remuneration and Nomination Committee.

Interest in Shares: 35,025 fully paid shares.

David Surveyor

B Economics, Grad Dip Applied Finance and Investment (Managing Director and CEO)

Appointed as the Managing Director and Chief Executive Officer of Select Harvests Limited on 20th February 2023. David has experience across a variety of industries and expertise in the food sector. David was previously Chief Executive of Alliance Group Limited, Chairman of Alliance Group (NZ) Ltd, the UK subsidiary, a director of The Lamb Company (North America), Director Meateor Pet Foods, Director Beef and Lamb New Zealand and a member of the Meat Industry Association Council. David was also previously Executive General Manager of Laminex and has held roles with BHP in Australia and as President of Bluescope Lysaght in Malaysia.

Interest in shares: 15,500 fully paid shares.

Guy Kingwill

B Com, CA, FAICD (Non-Executive Director)

Appointed to the board on 25 November 2019. Guy has an extensive background in horticulture, international soft commodity marketing and water investment and trading. He is currently on the Board of Agriculture Capital Management (Australia) Pty Ltd. Guy has previously served as Managing Director of Tandou Limited, and as a non-executive Director of Lower Murray Water Urban and Rural Water Corporation and Tasmanian Irrigation Pty Ltd. He is Chair of the Remuneration and Nomination Committee and a current member of the Audit and Risk Committee.

Interest in shares: 23,511 fully paid shares.

Margaret Zabel

B Math, MBA, GAICD (Non-Executive Director)

Appointed to the board effective on 3 October 2022. Margaret is a specialist in customer centred business transformation, brand strategy, innovation, digital communications, customer experience and change leadership. She has 20 years' experience working across major companies and brands in FMCG, food, technology and communications industries including multinationals, ASX 100 and not-for-profits. Her previous roles include National Marketing Director Lion Nathan, VP Marketing for McDonalds's Australia and CEO and Board Director of The Communications Council. Margaret has also served as a Non-Executive Director for the mental health charity RUOK? for 5 years and is currently a Non-Executive Director of G8 Education (ASX: GEM), Australian Vintage (ASX: AVG), The Reject Shop (ASX: TRS), Collective Wellness Group. She is Chair of the Sustainability Committee and a current member of the Remuneration and Nomination Committee.

Interest in shares: 15,000 fully paid shares.

Michelle Somerville

B Bus (Accounting), MAF, FCA, FAICD (Non-Executive Director)

Appointed to the board effective on 13 December 2022. Michelle was previously a partner of KPMG for nearly 14 years specialising in external audit and advising Australian and international clients both listed and unlisted primarily in the financial services market in relation to business, finance risk and governance issues. Michelle holds a Bachelor of Business and a Masters of Applied Finance. She is a Graduate member of the Australian Institute of Company Directors and a Fellow Chartered Accountant. Michelle is currently a director of Insignia Financial Limited (ASX: IFL), Epworth Foundation and Summer Foundation. She was previously a director of GPT Group (ASX: GPT). She is Chair of the Audit and Risk Committee and a current member of the Sustainability Committee.

Interest in shares: 6,426 fully paid shares.

Paul van Heerwaarden

B Bus, MBA, MAICD (Non-Executive Director)

Appointed to the Board on 1 November 2023. Paul has over 30 years' experience in agribusiness including soft commodity cycle risk management and managing integrated supply chains from farm through to processing and distribution into industrial and consumer channels, both domestically and internationally. He has previously held roles with Cargill and Ridley AgriProducts and Bega Group. Paul is a Director of Dairy Australia Ltd. He is a current member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

Interest in shares: 10,000 fully paid shares.

Company Secretary

Tim Bradfield

(Interim Chief Financial Officer and Company Secretary)

Joined Select Harvests as Interim Chief Financial Officer on 9 July 2024 and appointed Company Secretary on 24 July 2024. Tim is a seasoned CFO with extensive experience in ASX and NYSE listed organisations, including MaxiTrans and General Motors, where he managed significant financial operations and led major transformation initiatives. With broad operational leadership experience across various sectors he has worked closely with listed company CEOs and executive teams, driving business optimisation and growth.

Interest in shares: Nil.

Corporate Information

Nature of operations and principal activities

The principal activities during the year of entities within the Group were the growing, processing, packaging and sale of almonds and its by-products from company owned, leased and externally grown almond orchards.

Employees

The Company employed 471 full time employees as at 30 September 2024 (30 September 2023: 476 full time equivalent employees). Our casual employee and labour hire numbers vary according to the needs of our horticultural and processing divisions throughout the horticultural season and can fluctuate to over 850 people during our peak period. Over 90% of our workforce is employed in regional Australia.

Full time equivalent employees include: executive, permanent, contractor and seasonal (casual and labour agency hire) employment types.

Operating and Financial Review

Overview

Select Harvests is one of the world's largest fully integrated almond companies and the second largest almond producer in Australia. With its core world class assets, the Company is well placed to continue benefiting from the global almond macro environment and growth in the wider better for you plant based foods.

The Company strategy is delivered through four strategic pillars

1. Substantially greater almond supply
2. Leadership in processing scale and efficiency
3. Maximising the return from the crop
4. Step out growth

With the Company focus primarily directed towards the first three pillars.

FY2024 has been a year of financial consolidation and strategic transition for the Company, which saw good progress on the Company's transformation program.

The 2024 year has seen the Company deliver both a fivefold increase in external grower volumes and a step change in processing capacity to 40,000MT. The impact is an increase in our revenue from $206 million to $337.3 million and for the reader this gives a better sense of the scale of Select Harvests. Strategically the growth in external supply and processing capacity reflects a shift in the Company profile with the increased importance of our mid-stream operations and supports more earnings certainty.

FY2024 has been a mostly positive year, which saw the Company recording a net profit after tax of $1.5 million based on an increased crop size of 29,527MT, a higher almond pool price of $7.69/kg, a reduction in production costs and an increase in processing capacity.

We continue our focus on safety improvement with Total Recordable Incident Frequency Rate (TRIFR) for the full year at 7.1. We consider our data is increasingly accurate and our performance has stabilised at a much lower rate than any point in our history. We still have much to do to achieve our sustainability goal of zero harm.

The Board, Executive, and key leaders remain committed to ensuring all employees remain engaged with driving the Company to maximise returns for its owners.

Growing and Harvesting – 2024 Crop

The 2024 crop growing and harvesting conditions were favourable leading to an increased crop volume of 29,527MT (49% higher than the 2023 crop) and a better-quality crop profile. Whilst the 2024 crop delivered a significant increase, it was slightly lower than forecast of approximately 30,000MT. Strong yields were achieved across the Company's South Australian and Victorian orchards. Our NSW orchards yields were lower than forecast. They have for the last 4 years received over 550mm of rain per year, nearly double the yearly average, which has been one factor contributing to the reduced yields.

Higher than average levels of inshell were produced with improved quality specifications achieved. Kernel quality improved with lower levels of manufacturing grade product and increased volumes of higher-grade, well sized material. Levels of recorded insect damage were well below last year as trees were harvested as early as possible in line with our strategy to improve product quality.

Total 2024 crop growing and harvesting costs were lower than forecast. PMO initiatives delivered favourable results particularly through lower labour requirements. Market pricing for fertiliser and chemical inputs reduced from prior years while water costs were lower with increased volume applied (drier year) offset by lower pricing (high volume of water in catchments).

Processing - 2024 Crop

The Company's Carina West processing facility (CWPF) processed a record 40,047MT of product in FY2024, due to the successful strategy delivery to substantially increase capacity and processing speed. The 2024 crop had been fully hulled and shelled by the end of the FY2024 year. The remaining sorting and packing continue and will be completed in the first quarter of FY2025.

During the year the Company increased the volume of third-party processing to 10,520MT which made up 26% of the total processing volumes with the ability to do this being enabled by our capacity increase to 40,000MT. As a result of the increased processing capacity and increased third party processing tonnes, the processing costs per kg reduced substantially compared to 2023.

The Company's value adding facility continues to deliver positive outcomes by producing higher valued product (e.g. paste and sliced material). Our Sales & Operations Planning process has led to improved scheduling of production to increase margins.

Sales and Marketing

2024 saw the Company accelerate its sales velocity with contracted sales volume of 36,624MT, which was well above the average of the past 3 years of 27,793MT. This consisted of 31,326MT of the 2024 crop and 5,298MT of the 2023 crop. The total volume invoiced was 37,484MT an increase of 19% on prior year.

The year commenced with low almond prices, largely driven by a substantial carryover from the previous California crop. During the year, almond prices remained relatively stable as sellers sold through their inventories, resulting in an approximate 5% increase in global shipments, which reduced carryover to levels not seen since 2019. In July, California released its objective crop estimate of 2.8 billion pounds, a 7% decrease from the subjective estimate in May. The combination of a lower carryover, the revised crop forecast, and rising demand as seen by increased global shipments, has brought supply and demand fundamentals into balance. As a result, almond prices have firmed across all grades. This has increased market confidence for both buyers and sellers, leading to strong sales in key markets as they secure supply.

Select Harvests price optimisation initiatives have generated an additional $4.1 million in margin. The Company successfully increased margins through:

1. **Tariff maximisation** – aligning our sales efforts to focus on key markets China and India, where we have leveraged tariff advantages over California. As a result, Select Harvests increased sales to China by nearly 30% for the 2024 season.
2. **Increase direct supply** – Sales to direct manufacturers and retailers for the financial year have increased by 14%, leading to reduced broker fees and improved margins and allowed a deeper understanding of customer requirements and needs, enabling partnerships with our customers.
3. **Inshell/Kernel Optimisation** – By gaining a deeper understanding of our customer requirements, we were able to optimise price by supplying grades to customers that met their applications and capabilities, which supports both buyer and seller.

Project Management Office (PMO)

The Company has a PMO which it uses to capture and drive its improvement projects. In FY2024 there were 27 projects completed that delivered a profit of approximately $32 million to the Company. This value should be netted off against the inflationary pressures all businesses face, which for Select Harvests is $11 million.

One of our PMO projects this year was to deliver savings of $3.6 million from a change to our logistics model. The project was unsuccessful and did not deliver the planned outcomes. Our logistics position has since been recovered. The financial impact of this was a $1 million provision in our accounts and a delay in cash collections of $56 million (not at risk) due to document and shipping delays. The specific contract delays have now been completed. As at 26 November, 91% of this cash has been collected and the balance is coming on normal terms and is expected to be received prior to the end of December 2024.

The net result is that the PMO has been significantly positive for Select Harvests and generated $20 million in FY2024.

Costs, Capital and Cashflow

The total cost of production comprising growing, harvest and processing costs was $6.60kg on 29,527MT crop versus prior year $10.18/kg on a 19,771MT crop. To allow a more meaningful comparison we have normalised the data for price per kilo based on a 29,000MT which shows a 2024 crop cost $6.73 vs 2023 at $6.94/kg.

The improvement in our cost base is a function of initiatives that saw costs such as labour, harvest and processing reduce supported by lower input material costs for fertiliser, water and chemicals offset by higher bee and electricity costs due to increased water pumping. The year also saw increased lease costs due to several orchards reaching full maturity. Additionally, immature orchards cost recognition increased in line with their age profile with increased yield.

Operational cashflows improved in FY2024 because of a higher 2024 crop volume, improved quality, increasing almond prices and increased external grower volumes.

Select Harvests's 2024 inshell levels (which attract premium pricing and generate early cashflows) were higher than average due to favourable growing and harvesting conditions. The Company produced $50.9 million operating cashflows in the second half.

During the second half of the year, the Company undertook a fully underwritten capital raising worth $80 million. At 27 September 2024, the institutional offer (worth $61.7 million less transactional costs of $2.8 million) was successfully completed with the cash received of $58.9 million netted off against the Company's debt facilities at year end. The Company also completed a retail offer on 15 October 2024 with cash received of $17.4 million ($18.3 million less transaction costs of $0.9 million). The purpose of the capital raise was to reset the balance sheet and fund a further expansion of our CWPF processing capacity in line with our transformation strategy. The proceeds from the equity raising have been applied towards the repayment of debt of $71.3 million, capital investment to increase processing capacity of $5 million and associated transaction costs of $3.7 million.

The net debt balance at the end of the financial year decreased to $162.3 million (2023 - $190.2 million) as a result. Excluding the capital raise amount of $58.9 million, the Company's net debt of $222 million increased from the prior year due to a delay in cash collections following some issues with the change in logistics provider during the second half of the financial year.

Also, in the second half of the year the Company commenced the rebalancing of its water portfolio by selling and purchasing permanent water rights so to align the water rights more closely to its farm locations. At the end of the year there were signed contracts for water sales of $23 million that delivered a one-off gain of $6.7 million in the FY2024 accounts and will deliver a $5.8 million gain in the 2025 accounts.

The Company's focus is on direct improvement through gains in horticulture, processing and sales with activity captured and driven through the Project Management Office to deliver our Plan 1 transformation program.

Profit

Financial Performance Review

Profitability

Reported Net Profit After Tax (NPAT) is $1.5 million. Reported Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is $46.0 million and Reported Earnings Before Interest and Taxes (EBIT) is $16.3 million.

Results Summary and Reconciliation	Reported Result (AIFRS)	
	FY2024 $000's	FY2023 $000's
Underlying EBIT	17,091	(119,234)
One off items	(834)	(30,080)
Reported EBIT	**16,257**	**(149,314)**
Interest expense	(14,982)	(10,212)
Net Profit/(Loss) Before Tax	**1,275**	**(159,526)**
Tax (expense)/benefit	225	44,799
Net Profit/(Loss) After Tax	**1,500**	**(114,727)**
Earnings/(Loss) Per Share (cents)	1.24	(94.80)

Underlying EBIT

The Company recorded an underlying EBIT result of $17.1 million for FY2024, with the following items considered one-off and outside of normal operations:

- $6.7 million profit on the sale of water as the Company rebalances its water portfolio to align more evenly with its farm locations;
- ($6.6 million) impairment of the Yilgah Right-of Use asset;
- ($1.0 million) of costs incurred (customer claims for demurrage, etc) due to the issues experienced with the change in logistics provider.

Company Profitability

The FY2024 reported earnings before interest and taxes (EBIT) of $16.3 million was $165.6 million better than FY2023. The improved result was mainly due to:

- The 2024 crop volume increasing by 49.3% compared to the 2023 crop volume. The 2024 crop volume marked a return to more normal crop levels.
- Global almond prices increased over the period due to lower 2023 US crop carry over inventory levels and a lower-than-expected Subjective estimate of the 2024 US crop. Select's 2024 crop almond price was at $7.69/kg.
- External grower tonnes increasing during 2024 to 10,520MT resulting in increased processing profitability and sales and distribution margin.
- In 2024, a write-off of 2023 stock value was recognised due to a quality downgrade of only $2.4 million.

Interest Expense

Interest expense of $15 million reflects the higher interest rates applicable to current finance facilities and the higher average debt levels due to the lower 2023 crop volume, continued lower than average global almond prices and a delay in cash inflow following some issues experienced after the change in logistics provider during the period.

Consolidated Statement of Financial Position

Net assets as at 30 September 2024 are $480.8 million, compared to $411.5 million as at 30 September 2023. This improvement is mainly due to the Company's equity raise of $80 million of which $58.9 million ($61.7 million less transaction costs of $2.8 million) settled on 27 September 2024.

Net working capital has increased by 36.9% with the 49.3% increase of the 2024 crop volume compared to 2023. Additionally, the impact of the delayed cash collections because of issues with the change in logistics provider was valued at approximately $56 million.

Trade and other payables increased primarily due to an increase in the external grower volumes contracted during the year. We continue to increase payment cycles across several suppliers and due to an increase in the external grower volumes contracted during the year.

	FY2024 $000's	FY2023 $000's
Trade and other receivables	106,342	47,489
Inventories	124,992	85,317
Biological assets	73,815	70,557
Trade and other payables	(122,193)	(69,674)
Net working capital	**182,956**	**133,689**

Cash flow and Net Bank Debt

Total net debt as at 30 September 2024 was $162.3 million (30 September 2023 was $190.2 million), with a gearing ratio (total net debt excluding lease liabilities)/equity) of 33.8% (30 September 2023: 46.2%). The decrease in borrowings is a result of the Company's capital raise of $80 million announced to the ASX on 20 September 2024, of which $58.9 million ($61.7 million institutional offer less $2.8 million transactional costs) was settled and applied to its debt facilities on 27 September 2024. This position will improve as the $56 million of delayed cash is collected.

Operating cash inflows for FY2024 amounted to $21.8 million (2023: $3.3 million). This improved result was due to higher sales receipts for the year due to the higher 2024 crop volume and price as well as the increased external grower volumes contracted compared to last year. The Company delivered a positive operating cashflow of $45.0 million in the second half of the 2024 financial year.

Investing cash outflows of $18.8 million were $7.3 million lower than FY2023. The Company consciously reduced its capital spend in the financial year following the lower 2023 crop.

Dividends

No dividend has been declared for the financial year.

Sustainability

Sustainability is embedded within our business strategy. Select Harvests recognises the United Nations Brundtland Commission definition of sustainability, which is defined as 'meeting the needs of the present without compromising the ability of future generations to meet their own needs'.

This year, we've made progress in aligning our Sustainability Report with the upcoming AASB Sustainability Disclosures. We also upheld our commitment to the Global Reporting Initiative (GRI) 2021 and the United Nations Sustainable Development Goals (SDGs). Consequently, we are well-equipped for the emergent obligatory sustainability-related disclosures set forth by the Australian Government. We've also pursued independent assurance over our greenhouse gas emissions while managing the National Greenhouse and Energy Reporting scheme (NGERs) for our second consecutive year.

To deliver on our vision and goal, we have framed our approach to sustainability around three pillars.

- **Our product:** we are committed to supplying high quality, safe, traceable plant-based food that is better for you, while contributing to a circular economy.
- **Our planet:** we are committed to responsible stewardship of natural resources, reducing our emissions, and building a business that is adapted to climate change and resilient to climate related shocks and stresses.
- **Our people:** we are committed to providing a safe workplace, with a 'zero harm' goal, promoting a culture of wellbeing, diversity and inclusion, attracting high performing talent and contributing to the communities in which we operate.

We are committed to the continual improvement of sustainability performance, and report progress in our accompanying Sustainability Report 2024.

Environmental regulation

Select Harvests is subject to environmental regulations under various federal, state and local laws relating predominantly to the use of water and air and noise emission levels. We are also subject to conditions of licences and permits related to our operations (such as those for our biomass generation plant and manufacturing compost). Select Harvests was not in breach of any environmental regulations during the reporting period.

Governance

The Board of Select Harvests Limited is responsible for the overall corporate governance of the Company, including the consideration of climate-related risks and opportunities.

The Audit and Risk Committee is responsible for the oversight of Company's overall risk management framework and risk appetite, including internal compliance and control systems.

The Remuneration and Nomination Committee is responsible for setting and approving compensation framework for the Company's Directors, Executives and staff.

The Board Sustainability Committee, comprising members of the Board of Directors, is responsible for providing oversight of our sustainability strategy, considering climate-related risks and opportunities, and ensuring accountability for targets and timelines set, including reporting.

Business Risks

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

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

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

Business Risks

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

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

Risk	Description	Mitigation
People Safety	The majority of the Company's employees work within farm or processing related environments. The Carina West Processing Facility is a major operating plant that handles the end-to-end process for all of the Company's almond and bio-mass inventory. In addition to the potential harm to any worker, the occurrence of a workplace incident has the potential to harm both the reputation and financial performance of the Company.	Policies and procedures are designed and are in place in order to minimise the risks of injuries occurring. Key operating procedures, incident investigation and corrective actions, training, ongoing capital maintenance, engineering reviews and proactive maintenance are mitigating actions in place to minimise the risk of a safety event (e.g. fire).
Food Safety (including product quality, utilities supply and major equipment failure).	The Company's almond products move to the end consumer through various channels. Quality issues, product contamination or public health issues could damage the Company's reputation which could adversely impact the Company's financial performance.	Quality testing procedures are in place at each of the Company's processing stages. Additionally, the Company's facilities are subject to numerous independent and customer audits to ensure required standards are met.
Foreign Currency Fluctuations	The global almond price is transacted in US dollars. Given most of the Company's sales are transacted in US dollars, the Company's profitability could be negatively impacted by movements in the USD/AUD foreign exchange rate.	A Treasury and Risk Management policy is in place that ensures the Company's foreign exchange exposure is managed in accordance with the crop growing and sales cycle. Additionally, a Treasury Committee meets to monitor and assess the Company's foreign exchange exposures. The board has visibility of adherence to policy and levels of exposure.
Almond Price Decrease	A key sensitivity to the Company's earnings is its exposure to the almond price which is greatly determined by the US supply and levels of global demand.	The Company aims to manage this risk by maintaining contact with key industry bodies in the US and major traders and customer in key export markets. Crop sales plans are developed each year considering pricing factors that impact industry supply and demand. In addition, extensive global marketing and consumer demand drivers get monitored and considered along with global food consumption trends.
Cyber security	The Company has numerous IT infrastructure, systems and processes to support the operation and growth of the business. Should such infrastructure, systems and processes fail or become compromised then there is a risk that sensitive or personally identifiable data is accessed or stolen, data is lost, or data and systems are unable to be accessed which may result in reputational damage, legal penalties and ongoing disruptions to operations.	The Company implements various strategies to mitigate cyber risk across its applications, networks and websites. The Company focusses on employee education, network defence, enterprise-wide testing, disaster recovery and segregation of sensitive data. These strategies are internally and externally periodically reviewed, audited and updated.

Business Risks (continued)

Risk	Description	Mitigation
Adequate water supply and cost	Inadequate supply of good quality water, whether due to drought or otherwise, and fluctuating temporary and permanent water prices could impact the Company's profitability and operations. Additionally, given increased demand and decreased supply together with Government water buy back strategies the cost of water could continue to increase and affect the Company's profitability.	The Company has a balance of owned, leased and spot market temporary water. When commercially viable, the Company also invests in permanent water rights in order to manage price and deliverability. The Company has developed a pricing and supply financial model to guide purchase timings and price. The Company further proactively forecasts water usage and availability and maintains a focus on efficient water usage in growing its crops through continuous investment in water efficient technology. Following a detailed strategic review the Company, when practical will increase the percentage of water it owns. The Company is currently rebalancing its water portfolio to more closely align the locations of water and farm ownership. The Company is aware of the potential impact of government water buybacks and is continuously monitoring this so that it can respond to any material changes.
Major Facility catastrophe	A major catastrophic event at the Company's Carina West Processing facility including fire/flood or critical equipment failure, resulting in an extended shut down or loss in product could have a significant impact on the Company's financial performance.	To minimise the impacts from a major disruption event, the Company has a Crisis Management Plan which includes a strategy to be followed in the event of a crisis, as well as establishing roles, responsibilities and key activities to be undertaken to effectively manage any type of crisis at the Carina West Processing facility. The Company also reviews and continually assesses the adequacy of its insurance cover in place and as part of this process the Company is improving its risk profile over time.
Security of Bee Supply	The inability of the Company to secure an adequate quality and quantity of bees for pollination of its almond trees could have a significant impact on its crop yield and financial performance.	The Company continuously engages with the bee keeping industry, the Almond Board and state governments in order to monitor and assess potential risks of supply of bees (i.e. bee disease, etc.). The Company also completes post season analysis of beekeeper performance to ensure adequate bee supply numbers are contracted for future crop seasons. During season monitoring of movement of bee keepers within the industry is also carried out in order to ensure adequate supply volumes in future seasons.

Business Risks (continued)

Risk	Description	Mitigation
Climate and Environment	Changes in climate (both in Australia and in the United States) present an operating risk to the Company’s business in the form of weather volatility, water security and crop quality which could have an impact on the Company’s production assets (farm orchards) and financial performance. Risks associated with transitioning to a low-carbon- economy, such as government actions to reduce the impacts of climate change, may also impact the Company’s operational costs and performance. The Company’s operations are subject to various environmental laws and regulations, and a range of licences and permits are required for its farming and processing operations. If the Company becomes responsible for any breach of any of its licences or permits, the Company may incur substantial costs, its operations may be interrupted, and it may suffer reputational damage.	The Company’s diversification of assets across Australia is a key strategy in minimising the impact of physical risk of climate change. This is in addition to continually improving water security and management practices, investing in new water and farming technologies, prioritising the use of integrated pest management and adopting the use of renewable energy sources. The Company’s Board Sustainability Committee oversees strategies on climate with one of its areas of focus being the Company’s adaptation to the impacts of climate change. The Company utilises the TCFD framework as a tool to aid the analysis of the impacts of climate change and is continually developing and implementing strategies to manage the risk. The Company continues to assess additional ways to reduce its environmental impact, including measures across its business to improve water usage efficiency and chemical usage. The Company also reviews its operations to identify ways in which it can minimise the environmental impact of its operations.
Disruption Event	Broader disruption events such as a global Pandemic, global conflicts in key strategic regions, geopolitical changes or general prolonged supply chain disruptions could have the potential to have a significant impact on the Company’s operations.	The Company maintains a diverse supplier base both domestically and internationally. Additionally, sales and distribution channels are varied to ensure there is not a reliance on any one customer. The Company is in the process of further refining its approach to risk management and mitigation using external experts. This is planned to be completed in the 2025 financial year.

Outlook FY2025

The Company will continue with its strategy of improving crop yield through horticultural excellence through increased fertiliser inputs, water application and bee drops. Whilst the Company expects to see horticultural gains from 2026, the impact will be influenced by climatic factors. The Bureau of Meteorology continues its forecast for Australia to be in a "neutral" position over the forecast period to February 2025. The 2025 growing program commenced in May 2024, continues and is on track with minimal weather-related disruptions to date except for some minor frost damage outside of the frost fans areas across some of the Company's orchard portfolio.

With the Commonwealth Government's water buyback tender process and the forecast "neutral" weather position over the remainder of the Company's growing period, water costs for the 2025 crop are expected to increase slightly versus the 2024 year. Water allocations remain favorable, dam storage levels are high but temporary market water pricing is expected to increase with drier and hotter conditions being experienced than the previous three years. The exposure to water price variability continues to be managed through the Company's diversified water policy of owning, leasing and acquiring water on the annual allocation market. The Company's water rebalancing strategy adjusted for 2024/2025 water usage, maintains the trajectory towards increasing the total percentage of entitlement coverage across the Company's water portfolio. Following the execution of the proposed changes, Select Harvests permanent entitlement weighting will increase from 16.34% to 18.12%.

The 2025 total cost of production (growing, harvesting and processing) is forecast to slightly increase mainly due to the strategic investment in fertiliser, water and bees to improve almond yields, and increased farm leasing costs. These cost increases will be partly offset by cost savings due to labour efficiencies, increased consolidation of repair and maintenance activities across the business and lower processing costs due to increased processing tonnages achieved through the Company's cost initiatives. The Company is directionally trying to keep its costs as flat as possible.

We are forecasting almond prices to increase in FY2025. Total US acreage is declining, the US Objective Estimate was released in July 2024 at 2.8 billion pounds, and the industry is expecting the actual volume to be lower. In addition to this, the prior season carry-over has been fully contracted leading to less stock in the market. This, coinciding with strong Global demand has seen market pricing continue to strengthen over recent months. Select Harvests expects to capitalise on higher priced inshell and quality kernel products.

The Select Harvests' team continues to focus on improving efficiency, managing costs and optimising the 2025 crop volume and quality.

In the second half of FY2024 the Company commenced the installation of a pre-cleaner and drier. This will allow for the processing of almonds efficiently and deliver an improved quality profile during wetter than average seasons.

The Company's cashflow forecasts indicate it will operate within its current lending limits and meet its required covenant measures for at least the next 12 months.

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

The immediate focus of the Company is on:

- Delivering our 2025 crop horticultural program
- Increasing external 3rd party almond supply
- Increased capacity of the Company's Carina West processing facility by a further 25%, which is to be funded by $5 million of the capital raise as previously disclosed. This increase in processing capacity will be operational in the FY2026 financial year onwards.
- Continuing our drive for operational efficiency
- Ensuring our sales are maximizing achievable price and increasing cash velocity

The global outlook for the almond industry and 'better for you' plant-based foods remain very strong. Select Harvests has high quality assets, a sustainable and increasingly efficient production profile supported by world class technology. We remain well placed to deliver on the opportunities that will arise from the demand growth globally for almonds.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company.

Significant events after the balance date

Equity Raise Completion

On 20 September 2024 the Company announced to the ASX an equity raising of $80 million less estimated transaction costs of $3.4 million at an offer price of $3.80 per share which included institutional and retail investors. The equity raising for institutional investors offer was fully settled within the 2024 financial statements and the retail offer in the 2025 financial statements subsequent to year end.

The institutional offer was successfully completed on 27 September 2024 and raised $61.7 million less transaction costs of $2.8 million.

The retail entitlement offer was competed on 15 October 2024 and raised $18.3 million less transaction costs of $0.9 million.

The proceeds from the equity raising have been applied towards the repayment of debt and provision of facility headroom ($71.3 million), capital investment to increase processing capacity ($5.0 million) and associated transaction costs ($3.7 million).

The combined share raising was successfully completed by 15 October with a total of 21,048,975 million shares issued.

For further details, please refer to the relevant announcements made to the ASX.

Sale of water rights

In the second half of the year the Company commenced the rebalancing of its water portfolio by selling and purchasing permanent water rights so to align the water rights more closely to its farm locations. At the end of the year there were signed contracts for water sales of $11.7 million (representing 4,566ML of water) that were settled after year-end, which will deliver a one-off gain of $5.8 million in the 2025 financial statements.

Non IFRS Financial Information

The non IFRS financial information included within this Directors' Report has not been audited or reviewed in accordance with Australian Auditing Standards. Where Non IFRS financial information has been used it better reflects the Company's underlying performance.

Non IFRS financial information includes underlying EBIT, underlying result, underlying NPAT, underlying earnings per share, net interest expense and adjustments to reconcile from reported results to underlying results.

Dividends	Cents	2024 $'000
Final fully franked dividend declared for 30 September 2024		
• on ordinary shares	Nil	Nil

Indemnification and insurance of directors and officers

During the year the Company entered into an insurance contract to indemnify Directors and Officers against liabilities that may arise from their position as directors and officers of the Company and its controlled entities. The terms of the contract do not permit disclosure of the premium paid.

Officers indemnified include the Company secretary, all directors, and executive officers participating in the management of the Company and its controlled entities.

Committee membership

During or since the end of the financial year, the Company had the following committees that comprise members of the Board of Directors as follows:

Audit and Risk Committee	Remuneration & Nomination Committee	Sustainability Committee
Michelle Somerville (Chair) Guy Kingwill Paul van Heerwaarden	Guy Kingwill (Chair) Travis Dillon Margaret Zabel Paul van Heerwaarden	Margaret Zabel (Chair) Michelle Somerville

Directors' meetings

The number of meetings of directors (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director was as follows:

	Directors' Meetings		Meetings of Committees					
			Audit & Risk		Sustainability		Remuneration & Nominations	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Travis Dillon	11	11	2	2	1	1	3	3
David Surveyor	11	11	2	2	1	1	3	3
Guy Kingwill	11	11	2	2	–	–	3	3
Margaret Zabel	11	11	–	–	1	1	3	3
Michelle Somerville	11	11	2	2	1	1	-	-
Paul van Heerwaarden	10	10	2	2	–	–	2	2

Reflects the number of meetings held during the time the Director held office, or was a member of the Committee during the year.

Directors' interests in contracts

Directors held no interests in contracts during the year ending 30 September 2024.

Non-audit services

Non-audit services provided by the external auditor are approved by the Audit and Risk Committee. During the period PwC delivered other audit services worth $60,000 in relation to the capital raise transaction completed on 15 October 2024. Amounts paid to PwC are included in Note 6.4 to the financial report.

Rounding

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

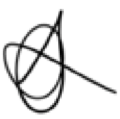
Proceedings on behalf of the Company

There are no material legal proceedings in place on behalf of the Company as at the date of this report.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Select Harvests Limited support and have adhered to the ASX principles of corporate governance. The Company has previously adopted Listing Rule 4.10.3 which allows companies to publish their corporate governance statement on their website rather than in their annual report. A copy of the statement along with any related disclosures is available at: http://www.selectharvests.com.au/governance.

This report is made in accordance with a resolution of the Directors.



T Dillon
Chairman
Melbourne, 27 November 2024

Remuneration Report

Remuneration Report for FY2024

The directors present the Select Harvests Remuneration Report for key management personnel (KMP) for the financial year ended 30 September 2024 (FY2024). This report details key elements of our FY2024 remuneration policy and framework, the remuneration awarded, and the alignment between executive remuneration practices and performance outcomes.

This report is part of the Directors' Report and outlines the company's remuneration arrangements for FY2024, prepared in accordance with Section 300A of the *Corporations Act 2001* (Cth). The information has been audited as required by Section 308(3C) of the Corporations Act.

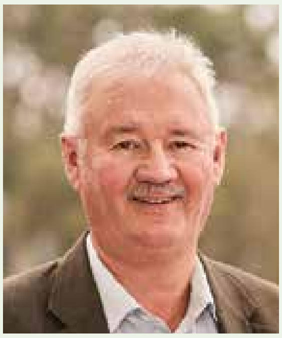
Who is covered by this report

This report outlines the FY2024 remuneration arrangements in place for the company's KMP, which comprises all non-executive directors and executives who have authority and responsibility for planning, directing and controlling Select Harvests' activities.

The following table identifies the non-executive directors and executives who were the company's KMP in FY2024.

Key management personnel	Position	Term as KMP
Independent non-executive directors		
Travis Dillon	Non-Executive Director and Chair of Board of Directors	Full year
Guy Kingwill	Non-Executive Director	Full year
Michelle Somerville	Non-Executive Director	Full year
Margaret Zabel	Non-Executive Director	Full year
Paul van Heerwaarden	Non-Executive Director	Effective 1 November 2023
Executive KMP		
David Surveyor	Managing Director and Chief Executive Officer	Full year
Bradley Crump	Chief Financial Officer	Resigned 31 July 2024
Ben Brown	General Manager, Horticulture	Full year
Daniel Wilson	General Manager, Almond Operations	Full year
Tim Bradfield	Interim Chief Financial Officer	Effective 9 July 2024

Message from the Chair of the Remuneration and Nomination Committee



Guy Kingwill
Chair of Remuneration Nomination Committee

Dear shareholders,

On behalf of the Remuneration and Nomination Committee (RNC), I am pleased to present the Remuneration Report for FY2024. This report provides a comprehensive overview of our executive remuneration framework and its alignment with our business strategy.

FY2024 performance

In FY2024, Select Harvests achieved a significant turnaround, recording an operating profit of $1.5 million. This marks a significant improvement on the $114 million loss incurred the previous financial year. This positive momentum reflects our ongoing commitment to strengthening our business and enhancing shareholder value.

Our strategy focuses on increasing almond volume, improving processing scale and efficiency, maximising crop value, and pursuing growth opportunities. We have made substantial progress in this regard, including a fivefold increase in external almond supply and expanding processing capacity from 30,000 to 40,000 tonnes. Additionally, sales grew impressively from 27,700 to 36,600 tonnes. Our project management office has been instrumental in delivering gains in profit and cash flow, positioning us for sustained success.

To further support the business, we undertook an $80 million capital raise, aimed at bolstering our balance sheet and funding the expansion of our Carina West processing facility (CWPF). This strategic investment is designed to enhance midstream profitability and reduce our own agriculture risk within the business model.

In FY2024, the Managing Director and Chief Executive Officer (CEO) achieved 71.7% of the stretch target for the short-term incentive (STI). While the formal performance metrics reflected strong outcomes, the Board has taken into account the challenges associated with the logistics strategy. As a result, the total STI payment has been reduced by 30%, leading to an adjusted award of 50.2% of the stretch target. Furthermore, no increase in non-executive director remuneration was requested or implemented this year. This decision underscores our commitment to a balanced approach to remuneration, taking into account alignment with shareholder interests and the long-term sustainability of Select Harvests.

As we look ahead, we remain focused on refining our culture and driving value for our shareholders while capitalising on the positive trends in the almond market. These initiatives reflect our commitment to delivering sustainable growth and improving operational efficiency, in order to best position Select Harvests for future success.

Culture

We are currently growing and developing our culture, underpinned by our redefined values. These values are a cornerstone of our business turnaround strategy and business plan. In FY2024, we successfully completed an organisational redesign within the horticulture sector that directly supports our strategic goals and enhances operational efficiency. To better understand and measure our workplace culture, we engaged Insync to run an engagement and alignment survey. The results were 64% alignment (placing us in the top quartile) and 72% engagement (falling within the 2nd and 3rd quartiles). We are now building on these insights with an action plan and focus groups. This is a key step in aligning our culture with our strategic objectives and desired behaviours, driving continuous improvement and fostering a high-performance environment across the organisation.

Talent attraction and development

In FY2024, we successfully enhanced our executive capability through strategic recruitment to secure talent that aligns with our long-term goals. We have refined our recruitment processes to ensure we attract people with the capabilities we require and introduced initiatives to strengthen our leadership pipeline. We have also engaged external consultants to provide coaching that supports our desired culture and reinforces our commitment to safety behaviours. These efforts address immediate needs and also position us for sustained success.

We experienced a transition within our executive team with the departure of Chief Financial Officer (CFO) Bradley Crump, effective 31 July 2024. We are grateful for his contribution and wish him all the best in his future endeavours. To ensure continuity during this transition, we appointed Tim Bradfield as interim CFO. Tim brings a wealth of experience to the role and will oversee the finance function until we appoint a permanent replacement for Bradley. This approach allows us to maintain operational stability and continue to focus on our strategic objectives.

We are also pleased to welcome Sumana Islam as the General Manager of Strategy and Corporate Development. Her expertise will be instrumental as we pursue our corporate goals and enhance shareholder value.

Diversity, equity and inclusion

Our commitment to diversity, equity and inclusion remains central to our operations. In recent months, we ran comprehensive discrimination, harassment and bullying prevention training to further strengthen the inclusivity of our workplace. We are also pleased to report significant progress in gender pay equity, with the gap at the senior management level reduced to 2.73% and a base salary difference of less than 1% among general management staff.

Remuneration framework

Select Harvests completed a review of its executive remuneration framework in 2024 to ensure that our compensation remains competitive and aligned with our strategic goals. This process involved benchmarking against ASX-listed companies in agriculture and related sectors, aligned by financial metrics and relevance.

The review showed that total fixed remuneration (TFR) is appropriately positioned within the market.

Conclusion

At the 2023 annual general meeting (AGM), 88.83% of shareholders voted in favour of the FY2023 Remuneration Report, reflecting strong support for our approach. This Remuneration Report for FY2024 highlights our commitment to building a strong organisational culture and aligning our pay practices with our strategic goals. This year, we made significant strides in improving operational efficiency, boosting profitability and advancing our diversity and inclusion efforts - all aimed at creating value for our shareholders.

Looking ahead, we will continue to refine our culture, invest in talent development and ensure that our executive pay reflects performance outcomes. The progress that we have made to date positions Select Harvests well for future growth. We are confident that the strategies we are putting in place today will drive ongoing success.

Thank you for your continued support as we navigate this transformative time for our company. Together, we are committed to delivering value and excellence in all that we do.

Guy Kingwill
Chair of the Remuneration
Nomination Committee

1. Remuneration governance

The executive remuneration framework is managed by the RNC on behalf of the board of Select Harvests, chaired by Travis Dillon. The board established the RNC to develop a fair and responsible company-wide remuneration policy that promotes the creation of value in a sustainable manner.

1.1 Remuneration and Nomination Committee

The RNC oversees the remuneration and governance framework to ensure practices align with strategic objectives, remuneration principles and shareholder expectations. The committee consists of four non-executive directors and is chaired by Guy Kingwill. Meetings are also attended by the Managing Director and CEO; the General Manager for People, Safety and Sustainability; and the CFO and Company Secretary.

The objectives of the committee are:

- to make recommendations to the board on setting and evaluating key performance areas for directors and executives
- to review and make recommendations in relation to board composition, competencies and diversity
- to develop and review board succession plans and director induction programs
- to ensure a robust and effective process for evaluating the performance of the board, its committees and individual directors
- to review and make recommendations in relation to board appointments, re-elections and terminations.

For further details of the RNC's composition and responsibilities, including a copy of its charter, please refer to our website's Corporate Governance section.

1.2 Remuneration benchmarking

Executive remuneration is set according to each executive's knowledge, experience and skills, the responsibilities and complexities associated with their role, and peer benchmarks. The peer group was selected from ASX-listed companies in agriculture and related sectors, refined based on financial metrics and business relevance to ensure alignment. This peer group is periodically reviewed in consultation with an independent external remuneration consultant. The RNC conducts a comparative analysis of the executive compensation within the peer group.

1.3 External and independent advice

In FY2024, the RNC engaged an independent remuneration advisor to provide information about market dynamics, trends and regulatory changes impacting Select Harvests. No remuneration recommendations as defined in section 9B of the Corporations Act 2001 were obtained in FY2024.

1.4. Executive key management personnel service agreements

Remuneration and other terms of employment for the KMP are formalised in service agreements that detail the TFR and review processes. Each agreement provides for participation in an STI plan and an LTI plan.

Executive key management personnel	Notice period[1]	Restraint of trade[2]
David Surveyor	6 months	12 months
Bradley Crump[3]	6 months	12 months
Ben Brown	6 months	12 months
Daniel Wilson	6 months	12 months
Tim Bradfield[4] (contractor)	1 month	6 months

1 Any termination payment (notice and severance) will be subject to compliance with all relevant legislation and will not exceed 12 months of fixed remuneration.
2 The executive is restricted from engaging in similar roles with a competitor or similar company in each Australian state or territory where they conducted business on behalf of the company during the last 12 months of their Select Harvests employment.
3 Resigned 31 July 2024.
4 Commenced 9 July 2024.

1.5 Related party transactions

There were no related party transactions in FY2024. In accordance with the Corporations Act, we confirm that no loans were made, guaranteed, or secured, directly or indirectly, to KMPs or their related parties, fulfilling all disclosure requirements.

2. Remuneration framework

Our objective is to deliver sustainable returns as a leader in plant-based foods that are 'better for you and better for the planet'. To achieve this, we design our remuneration practices to align to management and shareholder interests, while also reflecting our core values: zero harm, trust and respect, be one team, sustainability, performance, and innovation. We encourage a diverse workforce by delivering a competitive advantage in attracting, motivating and retaining talent. Our remuneration structure is simple and easy to understand. It rewards performance and fosters a culture that consistently delivers shareholder value.

Figure 1. Strategic imperatives

Deliver substantially greater almond volume	Provide leadership in processing scale and efficiency	Maximise returns from the crop	Innovate to drive step-out growth

OUR FOUR STRATEGIC PILLARS

Figure 2. Remuneration principles

Attract, motivate and retain competent executives	Demonstrate balanced compensation structure	Create shareholder value through equity incentives	Reward differentiation to drive performance values and behaviours

2.1 Framework overview

The executive remuneration framework aligns our strategic priorities with short-term and long-term business objectives through a blend of fixed remuneration and performance-based STIs and LTIs. These are linked to key performance areas that impact our financial results and company goals. The following table outlines the structure of these remuneration components and how they apply to our executive KMP to align with our overall strategy.

Component	Alignment to FY24 performance	Alignment to strategy
Total aggregate reward (TAR) Comprising TFR, STI and LTI	• Positioned between the 50th and 75th percentile of the relevant benchmark comparisons	Designed to equitably reward, attract, inspire and retain top talent, contributing to the achievement of our strategic goals
TFR Base salary and statutory superannuation	• Assessed in each executive's total remuneration package for fairness and competitiveness • Reviewed annually, with remuneration changes effective from 1 October	Based on each executive's expertise, experience, skills and responsibilities to ensure competitive remuneration aligned with industry benchmarks
STI plan At-risk component set as a percentage of TFR granted in cash	• Performance targets: - financial objectives - operational objectives - awarded as 100% cash	Performance incentives are aimed at achieving targets approved by the board, tailored to both market conditions and shareholder expectations
LTI plan At-risk component is set as a percentage of TFR and is granted in the form of performance rights over a three-year period	• Performance targets (set annually): - absolute total shareholder returns (ATSR) (50%) - return on capital employed (ROCE) (50%) - Awarded as 100% performance rights at the end of the performance period, subject to vesting conditions	Executive rewards are aligned with enhancement of shareholder value through the provision of suitable equity incentives.

2.2 Executive remuneration

Select Harvests has completed a comprehensive review of its executive remuneration framework to ensure competitive and equitable compensation aligned with the company's strategic objectives. This review included a job evaluation exercise for executives and remuneration benchmarking for four key roles, providing valuable insights into market competitiveness.

The benchmarking process used executive remuneration data from a group of ASX-listed companies in agriculture and related sectors, refined by financial metrics and business relevance, ensuring alignment with Select Harvests' aspirations. The review indicated that TFR is appropriately positioned within the market. Performance conditions continue to be based on financial metrics to align with shareholder interests.

The table below provides a year-on-year comparison of TFR and at-risk components (STI and LTI) for KMP in FY2023 and FY2024.

This graphic demonstrates the balance between fixed remuneration and performance-based incentives, with STI and LTI linked to the achievement of specific performance outcomes. The figures reflect the total remuneration for each year, with the 3.0%-4.0% increase in fixed remuneration applied for FY2024 in line with the company's remuneration review process.

The table provides insight into the structure of executive pay, illustrating how at-risk components are designed to align the interests of KMP with those of shareholders, incentivising performance that drives long-term value. The increase in fixed remuneration for FY2024 ensures that the remuneration structure remains competitive and aligned with market conditions.

Name	Year	TFR	STI	LTI	TAR
David Surveyor Managing Director/CEO	FY2023	$1,055,250	$844,200	$1,688,400	$3,587,850
	FY2024	$1,097,644	$878,115	$1,756,230	$3,731,990
Ben Brown GM Horticulture	FY2023	$368,985	$184,493	$184,493	$763,970
	FY2024	$381,164	$190,582	$190,582	$762,328
Daniel Wilson GM Almond Processing	FY2023	$314,563	$157,282	$157,282	$629,126
	FY2024	$345,713	$172,857	$172,857	$691,426

Fixed pay

At risk component at stretch

2.3 FY2024 performance metrics

The STI and LTI scorecard ensures alignment between the group's strategic goals and executive KMP remuneration.

Short-term incentive			
	Metric	**Target**	**Weighting**
Financial (60% Managing Director) (50% KMP)	Net profit after tax (NPAT)	Achieve a range of ($8 million) to $10 million	40% Managing Director & KMP
	Project Management Office (PMO)	Achieve a profit contribution range of $20.4 to $30.6 million before tax	20% Managing Director 10% KMP
Non-financial (40% Managing Director) (50% KMP)	Strategic objectives	Make decisions regarding processing capability, evaluate the H2E strategy, enhance profitability reporting for business units, implement the horticulture and sales strategies, and foster a culture of innovation and collaboration to drive performance	20% MD
	Total recordable injury frequency rate (TRIFR) (safety)	Threshold: 16.8 Target: 14 Stretch: At or below target Machine guarding review and implementation	10% Managing Director & KMP
	Operational	Yield performance reported at farm level Manufacturing performance and increase in tonnage	10% Managing Director 40% KMP

Long-term incentive			
	Metric	**Target**	**Weighting**
	ATSR	Compound average growth rate over a three-year period	50%
	ROCE	ROCE over a three-year period	50%

2.4 Short-term incentives

The RNC assesses performance against the STI scorecard based on the company's annual audited results, financial statements and other data and makes a recommendation to the board.

The STI is determined for each employee based on their individual scorecard and the company's achievement of its targets. It is not restricted by a predefined STI pool.

The board has the discretion to adjust or cancel awards if it finds that they are not appropriate in the measurement period.

2.5 Long-term incentives

Vesting of performance rights is based on the achievement of specified hurdles in the three previous years.

Absolute total shareholder return (50%)
ATSR is calculated as the compound annual growth rate (CAGR) based on the 6-month volume weighted average price (VWAP) leading up to the end of the financial year. This serves as a benchmark for assessing performance. ATSR reflects the growth in shareholder value by comparing the VWAP at the end of the period to prior VWAP values, illustrating the overall return generated for shareholders over the specified timeframe.

ATSR compound average growth rate (CAGR) over the performance measurement. The performance targets and vesting proportions over the performance period are as follows:

Performance targets	Vesting proportions
▪ below 5%	nil
▪ threshold of 5%	25%
▪ 5% to 10%	pro rata vesting
▪ target of 10%	50%
▪ 10% to 20%	pro rata vesting
▪ 20% and above	100%

Return on capital employed (50%)
The ROCE performance targets and vesting proportions average over the performance period are as follows:

Performance targets	Vesting proportions
▪ below 5%	nil
▪ threshold of 5%	25%
▪ 5% to 7.5%	pro rata vesting
▪ target of 7.5%	50%
▪ 7.5% to 10%	pro rata vesting
▪ 10% and above	100%

2.6 Forfeiture and termination

An executive KMP who resigns, is dismissed for cause or demonstrates significant underperformance prior to payment of the STI is not eligible for any STI award. Similarly, any unvested LTI award will be forfeited.

An executive KMP is not eligible for STI or LTI if they resign prior to 30 September in the measurement period year. On cessation of employment due to redundancy or retirement from permanent full-time employment with the consent of the board, an executive KMP is entitled to a pro-rata STI plan award based on the proportion of the measurement period served as an employee. The board determines entitlement to awards, if any, at the end of the measurement period, unless otherwise determined.

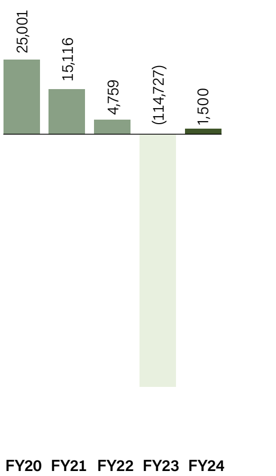
3. FY2024 executive remuneration outcomes

3.1 Statutory key performance indicators of the group over the last five years

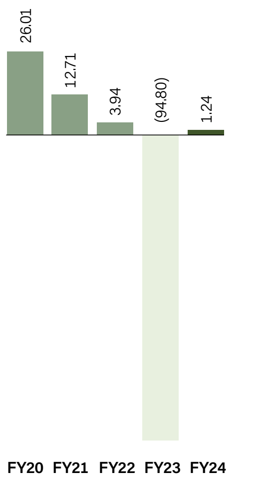
We strive to align our executive remuneration with our strategic goals and the creation of shareholder value. The chart below presents the company's financial performance over the past five years, in line with best practice in corporate governance. These measures may differ from those used to determine the variable remuneration awarded to KMP, so statutory performance measures may not directly correlate with the variable compensation awarded.

Figure 3. Financial performance over the past five years

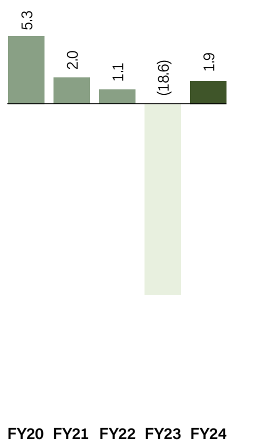
Net profit/(loss) after tax
($'000)



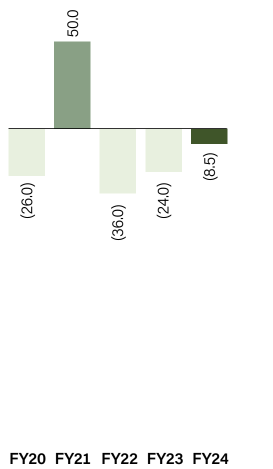
Earnings per share
(CPS)



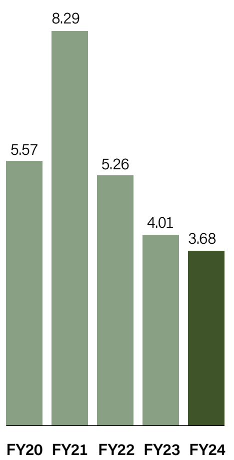
Return on capital employed
(%)



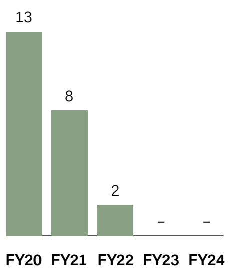
Total shareholder return
(%)



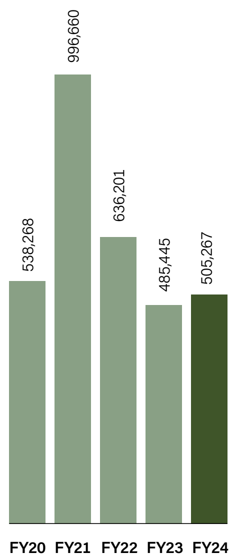
Share price at year end
($)



Dividends paid per share
(CPS)



Market capitalisation
($'000)



3.2 Fixed Remuneration

The fixed remuneration of executive KMP consists of base salary and statutory superannuation contributions.

Name	Duration of service agreement	Fixed remuneration as at end of FY2024[1]
David Surveyor	No fixed duration	$1,097,644
Ben Brown	No fixed duration	$381,164
Daniel Wilson	No fixed duration	$345,713
Bradley Crump[2]	No fixed duration	$386,932
Tim Bradfield[3] (contractor)	Interim arrangement	$152,460

1 Fixed remuneration includes base salary plus superannuation at 11.5%.
2 Included in KMP to 31 July 2024.
3 Included in KMP from 9 July 2024. Only entitled to the fixed remuneration and not entitled to any variable remuneration which follows below.

3.3 Short-term incentive outcomes

The group's performance for the fiscal year was influenced by factors such as NPAT, PMO achievements, and strategic objectives, which were compared against defined thresholds and targets. Safety performance, as well as improvements in operational metrics like yield reporting and manufacturing, also played a role in determining the incentives for the Managing Director and KMP. The table below outlines how these measures impacted remuneration.

Short-term incentive (STI)					
	Metric	**Target**	**Weighting**	**Performance**	**Achievement of target**
Financial (Managing Director 60%) (KMP 50%)	NPAT	Achieve a range of ($8 million) to $10 million	40%	$1.5 million	52.78%
	PMO	A profit range of $20.4 to $30.6 million before tax	20% Managing Director 10% KMP	$32.1 million	100%
Non- financial (Managing Director 40%) (KMP 50%)	Strategic objectives	Make decisions regarding processing capability, evaluate the H2E strategy, enhance profitability reporting for business units, implement the horticulture and sales strategies, and foster a culture of innovation and collaboration to drive performance.	20% Managing Director	Completed	83.33%
	TRIFR (safety)	Threshold: 16.8 Target: 14 Stretch: At or below target Machine guarding review and implementation	10%	7.1 TRIFR and machine guarding review implemented and in progress	100%
	Operational	Yield performance reported at farm level Manufacturing performance and increase in tonnage	10% Managing Director 40% KMP	Not achieved 9.57 tonnes per hour	0% 78.50%

In FY2024, the Managing Director achieved 71.7% of the stretch target for the STI plan.

While the formal performance metrics reflected strong outcomes, the board has taken into account the challenges associated with the logistics strategy. As a result, the total STI payment has been reduced by 30%, leading to an adjusted award of 50.2% of the stretch target. This decision underscores our commitment to a balanced approach to remuneration, aligning with shareholder interests and the long-term sustainability of Select Harvests.

STI outcomes	FY2024	FY2023	FY2022	FY2021	FY2020
STI (% of stretch)	52.4	36.0	20.2	32.0	32.4

Awards granted and forfeited in FY2024

The table below shows how much STI each executive KMP was awarded as cash payment and the percentage forfeited.

Name	Total opportunity $	Awarded %	Forfeited %
David Surveyor	878,116	50.2	49.8
Ben Brown	190,582	46.1	53.9
Daniel Wilson	172,856	60.8	39.2

3.4 Long-term incentive outcomes

The table below shows the value of rights each executive KMP was granted in FY2024 as part of their total remuneration. These rights are contingent upon achieving specified performance targets, ensuring that the granted value aligns with the company's overall performance and strategic objectives.

2024	Total granted $
David Surveyor	1,747,494
Ben Brown	190,582
Daniel Wilson	172,856

Executive KMP receive an annual grant of rights to a dollar value equivalent to 160% for the Managing Director and 50% for other KMP of their TFR, with the number of rights based on the 10-day VWAP period up to the AGM each year. For FY2024, the VWAP used for calculating the number of rights was $4.01. The rights are exercisable into shares three years after grant and achievement of the price performance hurdle and provided the executive remains employed by the company at the vesting date, unless otherwise determined by the board.

Performance rights granted, vested and exercised

The following table shows the performance rights granted to the Managing Director and other KMP in FY2024.

	Number of performance rights granted				
	Opening balance 1 October 2023	Granted during the year	Vested during the year	Forfeited during the year	Closing balance 30 September 2024
Managing Director					
David Surveyor	261,191	435,784	Nil	–	696,975
Other KMP					
Bradley Crump	113,413	–	Nil	113,413	–
Ben Brown	93,326	47,290	Nil	15,361	125,255
Daniel Wilson	70,016	42,894	Nil	8,066	104,844

Active plan performance rights granted

The following table shows the performance rights granted to executive KMPs under the LTI plans that are relevant to FY2024 and beyond.

Grant date	Vesting conditions	Performance period	Participating KMPs	Performance achieved	Vested %	Expiry date
31 May 2022	• ATSR • ROCE • Strategy implementation • Continuous service • Holding lock	1 October 2021 – 30 September 2024	Ben Brown Daniel Wilson	ATSR (40%) Target 10% – Not Met CAGR. ROCE (40%) Target 10.1% – Not Met Strategy Implementation (20%) Piangil EBIT, Value add ROCE and Sustainability Plan – Not Met	0%	31 October 2024
9 March 2023	• ATSR • ROCE • Continuous service • Holding lock	1 October 2022 – 30 September 2025	Ben Brown Daniel Wilson	2025 period to be determined.	N/A	31 October 2025
7 April 2023	• ATSR • ROCE • Continuous service • Holding lock	1 October 2022 – 30 September 2025	David Surveyor	2025 period to be determined.	N/A	31 October 2025
3 May 2024	• ATSR • ROCE • Continuous service • Holding lock	1 October 2023 – 30 September 2026	David Surveyor Ben Brown Daniel Wilson	2026 period to be determined.	N/A	31 October 2026

The LTI plan provides participating employees with the offer of a parcel of performance rights with a three-year performance period. The rights vest at the end of the period on achievement of the performance hurdles. Performance rights are granted under the plan at no cost to participants.

The plan rules protect the at-risk aspect of the instruments granted to executives, meaning they only vest if the performance targets are met. Participants in the plan are prohibited from entering into any transaction that would remove the at-risk nature of the instruments before they vest.

Grants of performance rights

The following table details the grants of performance rights to the Managing Director and executive KMPs.

Rights to deferred shares									
Name	Year granted	Number granted	Value per right	Vested %	Vested number	Forfeited %	Forfeited number	Financial years in which rights may vest	Maximum value yet to vest[1]
David Surveyor	2023	261,191	$2.96	–	–	–	–	30-Sep-26	$91,839
	2024	435,784	$2.34	–	–	–	–	30-Sept 27	$450,506
Bradley Crump	2021	18,622	$6.29	–	–	100	18,622	30-Sep-24	–
	2022	38,280	$3.91	–	–	100	38,280	30-Sep-25	–
	2023	56,511	$2.47	–	–	100	56,511	30-Sep-26	–
Ben Brown	2021	15,361	$6.29	–	–	100	15,361	30-Sep-24	–
	2022	31,576	$3.91	–	–	–	–	30-Sep-25	$508
	2023	46,389	$2.47	–	–	–	–	30-Sep-26	$8,310
	2024	47,290	$2.34	–	–	–	–	30-Sept 27	$48,884
Daniel Wilson	2021	8,066	$6.29	–	–	100	8,066	30-Sep-24	–
	2022	23,605	$3.91	–	–	–	–	30-Sep-25	$380
	2023	38,345	$2.47	–	–	–	–	30-Sep-26	$6,869
	2024	42,894	$2.34	–	–	–	–	30-Sep-27	$44,340

1 Maximum value yet to vest refers to the total potential value of performance rights or options granted to an executive that are not yet vested, contingent upon meeting specific performance targets or conditions.

Options

No options were granted to executive KMP during the reporting period.

4. Total executive remuneration and benefits

The following table sets out the remuneration received by executive KMP for the year ended 30 September 2024. The share-based payments shown below are not amounts actually received by executive KMP during the year, as in accordance with accounting standards, they include accounting values for unvested share awards.

2024 executive KMP	Short-term employee benefits			Post-employment benefits	Long-term benefits				
Name	Base salary $	STI cash bonus $	Non-monetary benefits $	Super-annuation $	Leave entitlement[6] $	Other $	Perfor-mance rights granted[3] $	Total $	Proportion of remuneration that is performance based %
David Surveyor	1,004,513	440,740	–	28,229	20,977	102,809[4]	239,148	1,836,416	37.0
Ben Brown	324,953	87,880	13,500	28,219	14,821	–	12,267	481,640	20.8
Daniel Wilson	284,551	105,029	–	28,310	981	–	12,108	430,979	27.2
Bradley Crump[1]	325,514	Nil	13,234	23,194	(58,755)	–	(54,500)[5]	248,687	Nil
Tim Bradfield[2]	152,460	Nil	–	Nil	Nil	–	Nil	152,460	Nil
Total executive KMP remuneration	**2,091,991**	**633,649**	**26,734**	**107,952**	**(21,976)**	**102,809**	**209,023**	**3,150,182**	**26.75**

1 Resigned 31 July 2024.
2 Included in KMP from 9 July 2024 under interim CFO contract arrangements. The contractor rate paid encompasses all required on-costs.
3 Performance rights granted in FY2024 that are not yet vested and remain subject to meeting specified performance conditions.
4 For David Surveyor, the amount relates to the accrual of a retention incentive, payable of 25 October 2025, based on his continued employment.
5 Reversal of Bradley Crump expense previously recognised for awards forfeited on cessation.
6 Amounts disclosed reflect long-service leave and annual leave accrued less long-service leave and annual leave taken.

2023 executive KMP	Short-term employee benefits			Post-employment benefits	Long-term benefits				
Name	Base salary $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Leave entitlement $	Other $	Options and rights[1] $	Total $	Proportion of remuneration that is performance based %
David Surveyor	636,937	193,366	2,208	34,298	52,888	62,640[2]	113,798	1,096,135	28.0
Ben Brown	343,012	46,084	12,730	25,973	23,579	–	36,413	487,791	16.9
Daniel Wilson	289,590	68,233	–	24,973	13,768	–	25,959	422,523	22.3
Bradley Crump	423,486	78,459	–	25,981	53,203	50,000[3]	44,272	675,401	18.7
Total executive KMP remuneration	**1,693,025**	**386,142**	**14,938**	**111,225**	**143,438**	**112,640**	**220,442**	**2,681,850**	**22.6**

1 Performance rights granted in FY2022 and FY2023 that are not yet vested and remain subject to meeting specified performance conditions.
2 For David Surveyor, the amount relates to accrual of retention incentive payable on 25 October 2025 based on his continued employment to this date. The remuneration reflects a pro rata payment for his commencement on 20 February 2023.
3 On 7 June 2022 Bradley Crump was awarded a cash bonus of $100,000, payable in December 2023, subject to continuous employment.

Notes

It should be noted that Performance rights granted, as referred to in this Remuneration Report, comprise a proportion of rights that have not yet vested and are reflective of rights that may or may not vest in future years.

The elements of remuneration have been determined based on the cost to the consolidated entity.

Performance rights granted have been independently valued using the Monte Carlo simulation option pricing model for market hurdle rights and Black–Scholes–Merton model for the non–market hurdle. These models take account of factors such as the exercise price of the rights, the current level and volatility of the underlying share price, and the time to maturity of the rights. The amount shown here is an accounting expense and reflects the value as determined using this model. The value is expensed over the vesting period of the rights.

5. Non-executive director remuneration

Select Harvests is committed to ensuring that the board is composed of directors who bring a balanced blend of skills, experience, expertise and diversity. This enables the board to effectively support the company in achieving outcomes aligned with our strategic priorities. Our corporate governance framework underpins the board's strategic objectives and its commitment to shareholders and the broader community.

The size and composition of the board are determined in accordance with Select Harvests constitution and relevant laws and regulations. The board is composed of six members, including the CEO, chairperson and independent non-executive directors. The board also has regular access to executives, who attend board meetings, provide presentations, engage in discussions with directors, and offer insights on their areas of responsibility. The CFO also attends all board meetings.

The employment conditions of non-executive directors are formalised by letters of appointment. Non-executive director KMP employment conditions are formalised in contracts of employment with no fixed term. These contracts outline terms and conditions, but do not set fixed annual remuneration increases. Instead, the RNC reviews remuneration levels each year.

5.1 Non-executive director fees

Non-executive drectors receive fees, inclusive of statutory superannuation, but do not receive any performance related remuneration, nor are they granted options or performance rights on securities. This approach reflects the responsibilities and demands placed on directors by the company. The board periodically reviews non-executive directors' fees to ensure they remain appropriate and aligned with market standards.

The board periodically reviews non-executive directors' fees to ensure they remain appropriate and aligned with market standards, though no increase in non-executive director remuneration was requested or implemented this year. The company supports and funds non-executive directors' professional development through its training budget. While there is no mandatory equity ownership requirement, directors are encouraged to acquire and hold shares equivalent to the value of their annual fees.

The current aggregate fee limit of $973,750 was approved by shareholders at the AGM on 25 February 2022. In FY2024, the total amount paid to non-executive directors was $726,678.

The remuneration structure includes a base fee and additional fees for the chair of each committee, reflecting the level of responsibility involved. The following table shows the current directors' fees.

Position	FY2024	FY2023
Chair of the board	$253,038	$253,038
Non-executive directors	$109,737	$109,737
Committee chair (Audit and Risk)	$14,633	$14,633
Committee chair (Remuneration and Nomination)	$14,633	$14,633
Committee chair (Sustainability)	$14,633	$14,633

In addition to receiving board and committee fees, non-executive directors are reimbursed for travel and other expenses reasonably incurred when attending board meetings or conducting Select Harvests business.

Note: The FY2023 remuneration table shows a slight discrepancy in the TFR for non-executive directors in comparison to the reported fees. This is due to the superannuation increase which was added in FY2023, which has been absorbed into the TFR in FY2024, with no change to the non-executive director remuneration this year.

5.2 Total non-executive remuneration and benefits

2024 non-executive KMP	Short-term employee benefits			Post-employment benefits	Long-term benefits		Equity-settled share-based payments	
Name	Base salary $	STI cash bonus $	Non-monetary benefits $	Super-annuation $	Long service leave $	Other $	Performance rights granted $	Total $
Travis Dillon	227,707	–	–	25,331	–	–	–	253,038
Guy Kingwill	111,905	–	–	12,449	–	–	–	124,354
Margaret Zabel	111,905	–	–	12,449	–	–	–	124,354
Michelle Somerville	111,905	–	–	12,449	–	–	–	124,354
Paul van Heerwaarden[1]	90,500	–	–	10,078	–	–	–	100,578
Total non-executive remuneration	**653,922**	**–**	**–**	**72,756**	**–**	**–**	**–**	**726,678**

1 Joined the board on 1 November 2023.

2023 non-executive KMP	Short-term employee benefits			Post-employment benefits	Long-term benefits		Equity-settled share-based payments	
Name	Base salary $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Long service leave $	Termination benefits $	Options and rights $	Total $
Travis Dillon	227,992	–	–	24,224	–	–	–	252,216
Guy Kingwill	112,045	–	–	11,905	–	–	–	123,950
Margaret Zabel	112,045	–	–	11,905	–	–	–	123,950
Michelle Somerville	87,152	–	–	9,291	–	–	–	96,443
Total non-executive remuneration	**539,234**	**–**	**–**	**57,325**	**–**	**–**	**–**	**593,559**

5.3 Shares held by directors and other key management personnel

This table shows the movement during the year in the number of ordinary company shares each director and other KMP held directly or indirectly, including through their personal related entities.

	Held at 1 October 2023	Received on exercise of performance rights	Other changes during the year	Held at 30 September 2024	Held at 27 November 2024
Non-executive directors					
Travis Dillon	20,100	–	14,925	35,025	63,982
Guy Kingwill	23,511	–	-	23,511	26,066
Margaret Zabel	9,000	–	6,000	15,000	16,630
Michelle Somerville	–	–	6,426	6,426	7,124
Paul van Heerwaarden[1]	–	–	10,000	10,000	11,086
Managing Director					
David Surveyor	–	–	15,500	15,500	17,185
Other KMP					
Bradley Crump[2]	–	–	–	–	–
Ben Brown	29,007	–	–	29,007	29,007
Daniel Wilson	–	–	1,219	1,219	2,519
Tim Bradfield[3]	–	–	–	–	–

1 Joined the board on 1 November 2023
2 Resigned 31 July 2024
3 Commenced 9 July 2024

Auditor's Independence Declaration

As lead auditor for the audit of Select Harvests Limited for the year ended 30 September 2024, I declare that to the best of my knowledge and belief, there have been:

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

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

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

Alison Tait Milner

Alison Tait Milner
Partner
PricewaterhouseCoopers

Melbourne
29 November 2024

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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2024 Financial Report

Consolidated Statement of Comprehensive Income

For the financial year ended 30 September 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Revenue			
Total revenue	2.2	**337,285**	**205,987**
Other income/(expenses)			
Fair value gain/(loss) of biological assets	3.3	27,068	(74,512)
Gain on sale of assets	2.3	420	1,020
Gain on sale of intangible assets	2.3	6,730	–
Insurance claims proceeds	2.3	-	2,148
Gain/(Loss) on foreign currency transactions		408	(3,102)
Interest income		113	16
Total other income/(expenses)		**34,739**	**(74,430)**
Expenses			
Cost of sales	2.3	(331,024)	(232,427)
Administrative expenses	2.3	(18,157)	(18,364)
Finance costs		(14,982)	(10,212)
Impairment of non-current assets	2.3	(6,586)	(30,080)
Profit/(Loss) Before Income Tax		**1,275**	**(159,526)**
Income tax benefit	2.4	225	44,799
Profit/(Loss) Attributable To Members Of Select Harvests Limited		**1,500**	**(114,727)**
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Changes in fair value of cash flow hedges, net of tax		7,746	7,495
Other comprehensive income/(loss) for the year		**7,746**	**7,495**
Total Comprehensive Income/(Loss) Attributable to Members of Select Harvests Limited		**9,246**	**(107,232)**
Earnings/(Loss) per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share (cents per share)	2.5	1.24	(94.80)
Diluted earnings per share (cents per share)	2.5	1.23	(94.14)

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

Consolidated Statement of Financial Position

As at 30 September 2024

		Consolidated	
	Note	2024 $'000	2023 $'000
Current assets			
Cash and cash equivalents	4.2	2,870	1,134
Trade and other receivables	3.1	106,342	47,489
Inventories	3.2	124,992	85,317
Biological assets	3.3	73,815	70,557
Tax receivable		–	21
Derivative financial instruments	3.4	7,203	–
Total current assets		**315,222**	**204,518**
Non-current assets			
Other receivables		2,143	2,076
Deferred tax assets	3.11	3,789	6,424
Property, plant and equipment	3.5	439,276	449,631
Right-of-use assets	3.6	187,954	190,077
Intangible assets	3.7	61,684	60,524
Total non-current assets		**694,846**	**708,732**
Total assets		**1,010,068**	**913,250**
Current liabilities			
Trade and other payables	3.8	122,193	69,674
Borrowings	4.3	20,000	6,322
Lease liabilities	3.9	32,415	27,119
Derivative financial instruments	3.4	60	3,922
Deferred gain on sale	3.10	175	175
Provisions	3.12	3,898	3,515
Total current liabilities		**178,741**	**110,727**
Non-current liabilities			
Other payables	3.8	–	527
Borrowings	4.3	145,200	185,000
Lease liabilities	3.9	202,904	202,536
Deferred gain on sale	3.10	1,751	1,926
Provisions	3.12	713	1,009
Total non-current liabilities		**350,568**	**390,998**
Total liabilities		**529,309**	**501,725**
Net assets		**480,759**	**411,525**
Equity			
Contributed equity	4.1	461,331	401,615
Reserves	4.1	14,099	6,081
Retained profits		5,329	3,829
Total equity		**480,759**	**411,525**

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

Consolidated Statement of Changes in Equity

For the financial year ended 30 September 2024

		Consolidated			
	Note	Contributed Equity $'000	Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 October 2022		**401,164**	**2,029**	**117,091**	**520,284**
Loss for the year		–	–	(114,727)	(114,727)
Other comprehensive income		–	7,495	–	7,495
Total comprehensive income for the year		**–**	**7,495**	**(114,727)**	**(107,232)**
Transactions with equity holders in their capacity as equity holders:					
Transfers to retained earnings		–	(3,884)	3,884	–
Contributions of equity, net of transaction costs and deferred tax	4.1	451	–	–	451
Dividends paid or provided	2.6	–	–	(2,419)	(2,419)
Employee performance rights	6.3	–	441	–	441
Balance at 30 September 2023		**401,615**	**6,081**	**3,829**	**411,525**
Profit for the year		–	–	1,500	1,500
Other comprehensive income		–	7,746	–	7,746
Total comprehensive loss for the year		**–**	**7,746**	**1,500**	**9,246**
Transactions with equity holders in their capacity as equity holders:					
Contributions of equity, net of transaction costs and deferred tax	4.1	–	–	–	–
Share placement – net of transaction cost	4.1	59,716	–	–	59,716
Dividends paid or provided for	2.6	–	–	–	–
Employee performance rights	6.3	–	272	–	272
Balance at 30 September 2024		**461,331**	**14,099**	**5,329**	**480,759**

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

Consolidated Statement of Cash Flows

For the financial year ended 30 September 2024

		Consolidated	
	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		285,600	212,696
Payments to suppliers and employees		(249,658)	(200,609)
		35,942	**12,087**
Interest received		113	16
Interest paid		(15,095)	(10,228)
Income tax received		389	1,431
Net cash inflow from operating activities	4.2	**21,349**	**3,306**
Cash flows from investing activities			
Proceeds from Government grants		-	120
Proceeds from sale of property, plant and equipment		653	1,419
Proceeds from sale of water rights		8,863	–
Payment for water rights		(5,862)	–
Payment for property, plant and equipment		(20,006)	(22,986)
Payment for tree development costs		(2,033)	(4,704)
Net cash outflow from investing activities		**(18,385)**	**(26,151)**
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs		58,886	–
Proceeds from borrowings		140,300	137,000
Repayments of borrowings		(160,100)	(85,000)
Principal and interest elements of lease payments		(33,992)	(30,846)
Dividends on ordinary shares, net of Dividend Reinvestment Plan		–	(1,969)
Net cash inflow from financing activities		**5,094**	**19,185**
Net increase/(decrease) in cash and cash equivalents		**8,058**	**(3,660)**
Cash and cash equivalents at the beginning of the year		(5,188)	(1,528)
Cash and cash equivalents at the end of the year		**2,870**	**(5,188)**
Reconciliation to cash at the end of the year:			
Cash and cash equivalents	4.2	2,870	1,134
Bank overdrafts	4.2	-	(6,322)
		2,870	**(5,188)**

The above Consolidated Statement of Cash Flows includes both continuing and discontinued operations and should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. Basis of Preparation

1.1 Basis of Preparation

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for Select Harvests Limited and its subsidiaries ('the Group' or 'the Company').

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. Select Harvests Limited is a for profit entity which is incorporated and domiciled in Australia. Its registered office and principal place of business is:

Select Harvests Limited
L3, Building 7, Botanicca Corporate Park
570-588 Swan Street
Richmond VIC 3121

A description of the nature of the Company's operations and its principal activities is included in the review of operations in the directors' report, which is not part of this financial report.

The financial report was authorised for issue by the directors on 29 November 2024. The Company has the power to amend and reissue the financial report.

Compliance with IFRS

The consolidated financial statements of the Group comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through the Consolidated Statement of Comprehensive Income and biological assets.

Critical accounting estimates

The preparation of consolidated financial statements in conformity with Australian equivalents to IFRS ('AIFRS') requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher level of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 1.2.

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

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting year. These do not have a material effect on the Group's consolidated financial statements.

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

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 September 2024 reporting period and have not been early adopted by the Group. The Group's assessment of these new standards and interpretations concluded that they will not have a material impact on the consolidated financial statements of the Group in future periods. The new standards and interpretations are as follows:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current OR (effective years beginning after 1 January 2024)
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants (effective years beginning after 1 January 2024)
- AASB 2022-5 Amendments to Australian Accounting Standards – Lease liability in a Sale and Leaseback (effective years beginning after 1 January 2024)
- AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements (effective years beginning after 1 January 2024)
- AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability (effective years beginning after 1 January 2025)
- AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments (effective years beginning after 1 January 2026) (to be assessed)

1.1 Basis of preparation (continued)

New sustainability reporting standards

In June 2023 the International Sustainability Standards Board (ISSB) published two sustainability reporting standards in response to the demand for better information about sustainability related matters.

The standards issued were:

- IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information". IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity.
- IFRS S2 "Climate-related Disclosures". IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The Australian climate related financial disclosure requirements are still being finalised, however disclosures are expected to be closely aligned with the ISSB Standards, with Australian equivalents to be set by the AASB considering Australian-specific requirements. Based on the current proposals, the climate related disclosure requirements are expected to apply as a Group 2 for the financial year ending 30 September 2026.

Whilst there are currently no mandatory climate related reporting requirements, the Group recognises the importance of environmental and social matters to its shareholders, suppliers and customers and discloses a significant amount of information on these topics in its Annual Sustainability Report.

Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. A list of the Group's subsidiaries is included in note 5.1.

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

Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of each entity comprising the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of the Group.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income, except when deferred in equity as qualifying cash flow hedges.

Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

Rounding

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

Parent entity financial information

The financial information for the parent entity, Select Harvests Limited, disclosed in Note 5.2 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the consolidated financial statements of the Group.

1.2 Critical Accounting Estimates and Judgements

The Group makes estimates and assumptions concerning the future about uncertain external factors such as: discount rates, the effects of inflation, the outlook for global and local almond market supply and demand conditions, foreign exchange rates, asset useful lives and climate-related risks such as heat waves, droughts and floods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors. The actual outcomes of estimates and judgements used may differ because of changes in these estimates and judgements.

The estimates and judgements that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

1.2.1 Climate related risks

Consideration has been given to climate related risks throughout the consolidated financial statements, and in particular in respect of the short-term impacts of climate conditions impacting forecast future cash flows and the carrying value of biological assets and the longer-term climate impacts on the carrying value of non-current assets, including orchard valuations (owned and leased) and water entitlements.

Climate risks most likely to affect the Group financially include floods and droughts, given the dependency on the use of water on its orchards. The financial impact of increasing/decreasing water costs as a result of droughts/floods, will most likely be offset by changes in almond prices given drier conditions usually increase almond quality and quantities and vice versa.

The effect of these possible extreme weather events on the Group's Net Profit After Tax (NPAT) are summarised below:

	Floods		Drought	
Temporary water price	↓		↑	
Product quality	↓	% Inshell lower & higher manufacturing grade	↑	% Kernel & inshell higher & manufacturing grade lower
Harvesting cost	↑	Labour, weed spraying & chemicals	↓	Labour, chemicals
Processing cost	↑	Drying	↓	
Pricing	Better or worse growing conditions in Australia due to extreme weather conditions will have a significant impact on global almond prices. Extreme weather conditions in California will dictate global almond commodity prices.			

The financial impact of increasing temporary water costs because of drier conditions will be somewhat offset by lower harvest and processing costs as well as a likely higher % of inshell and kernel production and vice versa.

1.2.2 Going concern

As of 30 September 2024, the Group has non-current bank debt of $145.2 million and $20.0 million current debt. The Group's debt levels decreased substantially from the 31 March 2024 reported amounts (non-current bank debt of $236.5 million and current USD overdraft facility debt of $1.7 million) following a successful capital raise of $80 million as announced to the ASX on 20 September 2024. The institutional offer was successfully completed on 27 September 2024 and raised $58.9 million ($61.7 million less transaction costs of $2.8 million). The full amount received from the institutional offer were offset against the Group's outstanding debt facilities.

At 30 September 2024 the Group is in compliance with all of its banking covenants.

During the financial year the Group also:

a) extended $20 million of its debt facilities which was due to expire on 30 June 2024, for another twelve months to 30 June 2025, resulting in a $260 million working capital facility limit to 30 June 2025, which will reduce by $40 million on 1st July 2025 to $220 million; and

b) increased its external debt facility limit by entering into a $10 million overdraft facility for operational purposes and agreed to close its USD Overdraft facility of USD$5 million on 30 June 2024. This new $10 million overdraft facility will be next reviewed on 28 February 2025 and remain undrawn against at 30 September 2024.

The Group's debt facilities expire on 31 March 2026.

The Group has reviewed its cash flow forecast and its ability to operate within the net debt limit for the 12 month forecast period. In undertaking this review, the Group considered the critical assumptions in relation to the forecast and performed a sensitivity analysis on the forecast cash flows.

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

1.2 Critical Accounting Estimates and Judgement (continued)

Sensitivity of cash flows

The Group has considered the downside scenarios of changes to almond pricing and volumes. Based on downside scenarios, the Group is satisfied that reasonable changes to key assumptions would not create a liquidity issue.

Compliance with forecast covenants

Across the next 12 months, the Group's banking covenants will be tested for the period ended 31 March 2025 and 30 September 2025. The compliance with the Group's covenants will be based on the estimated profit for the 2025 crop and related cashflow. There is adequate headroom in the forecast banking covenants for the FY25 testing dates based on the Group's 12-month forecast. The Group has considered the downside scenarios of changes to almond pricing and volumes. Based on a 10% reduction on 2024 volumes and pricing from 29,527MT to 26,574MT and $7.69/kg to $6.92/kg respectively, there would be no covenant breach.

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

Other Critical accounting estimates and assumptions include:

Inventory – Valuation of the 2024 Almond Crop: refer note 3.2 Inventories

Carrying value of biological assets: refer note 3.3 Biological Assets

Carrying value of non-current assets: refer note 3.5 Property, Plant and Equipment, note 3.6 Right-Of-Use Assets and 3.7 Intangibles

Recoverability of booked tax losses: refer to note 3.11

2. Results for the Year

2.1 Segment Information

Segment Reporting

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

Segment products and locations

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

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

2.2 Revenue from continuing operations

		Consolidated	
	Note	2024 $'000	2023 $'000
Revenue recognised at point in time			
Sale of goods and services	(a)	334,664	203,386
Management services		2,174	2,054
Government grant and other revenue	(b)	447	547
Total revenue		**337,285**	**205,987**

a. Revenue from the sale of goods includes sales of value-added almond products of $45.8m (2023: $44.2m) and non value-added products of $288.9m (2023: $159.2m).
b. No government grant was received during the year for hull digestion plant purposes (2023: $0.1 million).

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, and amounts collected on behalf of third parties. Revenue is recognised when performance obligations are satisfied and control of the goods or services have passed or been provided to the buyer. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods and services

Revenue is recognised in respect of the sale of goods at the point in time when control over the corresponding goods is transferred to the customer (i.e. when the goods are shipped to the customer or when the services have been provided). Revenue from sale of goods includes revenue where the Group sells almonds purchased from external growers. The Group is considered to be a principal in the sale of almonds purchased from external growers, given the Group has control over the external grower inventory from the time of delivery to the Group through to ultimate sale to customers.

Revenue is collected on behalf of shipping and insurance third parties in instances where there are freight and insurance services incorporated into the sales contract. The promise to arrange shipping and insurance on behalf of the customer is identified as a separate performance obligation from the promise to sell the associated almonds. The nature of this performance obligation is to provide agency services, arranging the shipping and insurance on behalf of the customer, and accordingly revenue is recognised on a net basis.

Management services

Management services revenue relates to services provided for the management and development of farms as well as sub leasing of our non-almond orchard. The services are recognised as revenue when services are provided.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Government grants

Government grants are assistance by the government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the Group.

Government grants relating to income are recognised as income over the periods necessary to match them with the related costs. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised as income of the period in which they become receivable.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are deducted from the carrying amount of the asset on the Consolidated Statement of Financial Position. The grant is recognised in profit or loss over the life of the depreciable asset as a reduced depreciation expense.

2.2 Revenue from continuing operations (continued)

Sale of Permanent Water Rights

The profit or loss on the disposal of water rights (which are a non-current intangible asset) is recognised in the Statement of Profit or Loss on the date in which control of the asset passes to the purchaser, usually when an unconditional contract of sale is achieved. This gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

2.3 Other Income and Expenses

		Consolidated	
	Note	2024 $'000	2023 $'000
Profit before tax from continuing operations includes the following specific expenses:			
Depreciation of Property, Plant and Equipment:			
• Buildings		228	219
• Plant and equipment		11,897	11,573
Total depreciation of Property, Plant and Equipment	**(a)**	**12,125**	**11,792**
Depreciation charge of right-of-use (ROU) assets:			
• Property		359	226
• Plant and equipment		368	309
• Orchard-citrus		1,272	1,199
Total depreciation of right-of-use assets	**(b)**	**1,999**	**1,734**
Interest on leases	(c)	785	760
Amortisation of software		164	503
Amortisation of license		5	5
Employee benefits		42,099	46,375
Short term and low-value lease rental payments	(d)	318	1,315
Impairment losses on:			
• Bearer plant	(e)	–	4,085
• Right-of-use assets	3.6	6,586	–
• Goodwill	3.7	–	25,995
		6,586	30,080
Insurance recovery	(f)	–	(2,148)
Net (gain)/loss on disposal of permanent water rights	(g)	(6,730)	–

a. In addition, the following depreciation amounting to $21.2 million (2023: $22.6 million) was capitalised as part of the biological asset which will then unwind as part of cost of sales when the almonds are sold.

b. In addition, the following right-of-use asset depreciation amounting to $21.7 million (2023: $17.7 million) and $0.7 million (2023: $2.2 million) was capitalised as part of the biological asset and leasehold improvement respectively. The portion capitalised into the biological asset will then unwind as part of cost of sales when the almonds are sold.

c. Lease interest amounting to $10.5 million (2023: $9.2 million) and $0.5 million (2023: $1.6 million) was capitalised as part of the biological asset and leasehold improvement respectively. The portion capitalised into the growing crop will then unwind as part of cost of sales when the almonds are sold.

d. The expense represents lease rentals that are short-term leases (terms of 12 months or less) and leases of low-value assets charged directly to the Consolidated Statement of Comprehensive Income.

e. During the previous financial year, the Company experienced floods on selected orchards. Although efforts were made by management to clear the flood waters, some trees in low lying areas were heavily impacted. This led to management performing an assessment of the trees impacted and recognising an impairment loss.

f. On 26 December 2021, the Group experienced a fire event in its co-waste handling area at its Carina West processing facility. The damage impacted some site buildings, materials handling equipment and work in progress inventory. As the inventory and equipment were destroyed beyond repair, their fair value less cost of disposal was nil and written off to profit and loss.
The impairment loss is included in other expenses in the Consolidated Statement of Comprehensive Income. An insurance recovery of nil (2023: $2.15 million) has been recognised as other income.

g. During the second half of the 2024 financial year, the Group commenced with a water rights rebalancing program, whereby water rights have been sold and bought to improve the balance of the Group's permanent water resources across the regions where its water needs are in growing its almonds. To date, 2,100ML of water rights with a book value of $4.5m have been sold, and 909ML of water rights worth $5.9m have been purchased. A profit of $6.7m has been recognised on sale of water rights.

2.4 Income Tax Expense

	Note	Consolidated 2024 $'000	2023 $'000
(a) Income tax (expense)/benefit			
Current tax		–	–
Deferred tax		(476)	39,899
Over provided in prior years		701	4,900
Total current tax (expense)/benefit		**225**	**44,799**
Deferred income tax (benefit)/expense included in income tax expense comprises:			
Increase/(Decrease) in deferred tax assets	3.11	12,031	22,194
(Increase)/Decrease in deferred tax liabilities	3.11	(14,666)	17,705
		(2,635)	**39,899**
Income tax expense is attributable to:			
(Profit)/Loss from continuing operations		225	44,799
Aggregate income tax (expense)/benefit		**225**	**44,799**
(b) Numerical reconciliation of income tax expense to prima facie tax payable			
Profit/(Loss) from continuing operations before income tax expense		1,275	(159,526)
Tax (expense)/benefit at the Australian tax rate of 30% (2023: 30%)		(383)	47,858
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:			
Other non-assessable income		–	–
Other non-deductible items		(93)	(7,959)
Over provided in prior years		701	4,900
Income tax benefit		**225**	**44,799**

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

(i) Investment allowances and similar tax incentives

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. the Research and Development Tax Incentive regime in Australia or other investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward.

(ii) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to the taxation authority are classified as Cash Flows from Operating Activities.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

2.5 Earnings/(Loss) per share

	2024 Cents	2023 Cents
(a) Basic earnings/(loss) per share		
From continuing operations attributable to the ordinary equity holders of the Company	1.24	(94.80)
Total basic earnings/(loss) per share attributable to the ordinary equity holders of the Company	1.24	(94.80)
(b) Diluted earnings/(loss) per share		
From continuing operations attributable to the ordinary equity holders of the Company	1.23	(94.14)
Total basic earnings/(loss) per share attributable to the ordinary equity holders of the Company	1.23	(94.14)

	2024 $'000	2023 $'000
(c) Reconciliation of earnings used in calculating earnings per share		
Profit/(Loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
From continuing operations	1,500	(114,727)
	1,500	(114,727)

The following reflects the share data used in the calculations of basic and diluted earnings per share:

	2023 Number	2023 Number
(d) Weighted average number of shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	121,192,160	121,021,435
Weighted average number of performance rights outstanding	1,149,981	852,743
Adjusted weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	122,342,141	121,874,178

Basic Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive ordinary shares, and after income tax effect of interest and other financing costs associated with potential dilutive ordinary shares. Diluted earnings per share include performance rights issued to executives under the Company's LTI plans.

2.6 Dividends

	Consolidated	
	2024 $'000	2023 $'000
(a) Dividends paid during the year		
(i) FY2024 interim dividend		
No interim dividend declared (FY2023: Nil)	–	–
(ii) FY2023 final dividend		
Nil (FY2022 final dividend: 2c paid on 2 February 2023)	–	2,419
	–	**2,419**
(b) Dividends proposed and not recognised as a liability.		
No dividend (2023: Nil) has been declared by the directors $– (2023: Nil).		
(c) Franking credit balance		
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2023: 30%)	**18,075**	**18,464**

The above amounts represent the balance of the franking account (presented as the gross dividend value) as at the end of the period, adjusted for:

i. Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
ii. Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.

3. Assets and Liabilities

3.1 Trade and Other Receivables

		Consolidated	
		2024 $'000	2023 $'000
Trade receivables		80,643	32,287
Loss allowance		–	–
		80,643	32,287
Other receivables	(i)	11,064	3,105
Prepayments		14,635	12,097
		106,342	**47,489**

i. Includes $2.5m of water rights sale proceeds to be used for water right purchases, which is held within a separate Water Trustee account, controlled by the Group's Security Trustee. Refer to note 3.7

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are recognised initially at the amount of consideration that is unconditional and subsequently measured at amortised cost using the effective interest method. Details about the Company's impairment policies and the calculation of the loss allowance are explained below.

(a) Impairment of trade receivables

The Group applies the AASB 9 Financial Instruments simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before 30 September 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The ageing analysis for the financial year ended 2024 was determined as follows:

	Current $'000	Up to 3 months past due $'000	More than 3 months past due $'000	Total $'000
30 September 2024				
Gross carrying amount	78,745	1,898	–	80,643
30 September 2023				
Gross carrying amount	32,302	(15)	–	32,287

Note: Expected credit loss on aged receivables is immaterial and not disclosed above.

(b) Effective interest rates and credit risk

All receivables are non-interest bearing.

The Company minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers from across the range of business segments in which the Company operates. Refer to Note 4.4 for more information on the risk management policy of the Company as well as the effective interest rate and credit risk of current receivables.

(c) Fair value

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

3.2 Inventories

	Consolidated	
	2024 $'000	2023 $'000
Raw materials and consumables	12,645	10,399
Finished goods and work in progress	102,417	65,511
Other inventories	9,930	9,407
	124,992	**85,317**

A write-down of $2.4m was made for the 2023 crop due to deterioration in stock quality during the financial year (2023: $24.5m).

Almond inventory held at 30 September 2024 that has been purchased from external growers amounting to $24.7m (2023: $7.7m) is included in the Group's Inventory balance given the Group has control over the external grower inventory from the time of delivery to ultimate sale to customers.

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

Critical Accounting Estimates & Assumptions

Valuation of the 2024 Almond Crop

The 2024 almond crop is classified as inventory once the crop is harvested in accordance with AASB 102 Inventories. At balance date, the Company had completed hulling and shelling of all almonds (Select Harvests share 29,527MT) and 78% had been sold or committed to be sold.

The critical accounting estimates and assumptions used in determining the net realisable value of the 2024 uncommitted inventory on hand includes the quality of the inventory on hand, and its associated market pricing. It also considers any subsequent contracts entered into after year end.

3.3 Biological Assets

	Consolidated	
	2024 $'000	2023 $'000
Growing almond crop	**73,815**	**70,557**
Reconciliation of changes in carrying amount of biological assets		
Opening balance	70,557	61,198
Increases due to purchases/growing costs (including capitalised depreciation and interest)	195,692	206,831
Decreases due to harvest (i)	(219,502)	(122,960)
Gain/(Loss) arising from changes in fair value (ii)	27,068	(74,512)
Closing balance	**73,815**	**70,557**

i. Includes biological assets reclassified as inventory at the point of harvest
ii. Net increments/(decrements) in the fair value of the growing assets are recognised as an income/(expense) in the Consolidated Statement of Comprehensive Income.

Recognition and measurement

Almond trees are bearer plants and are therefore presented and accounted for as property, plant and equipment ('PPE') (see note 3.5). However, almonds growing on the trees are accounted for as biological assets until the point of harvest. Almonds are transferred to inventory at fair value less costs to sell when harvested (see note 3.2). Biological assets relate to the almond crop and are measured at fair value less costs to sell in accordance with AASB141. Where fair value cannot be reliably measured or little or no biological transformation has taken place, biological assets are measured at cost.

At 30 September 2024, the biological asset balance relates to the 2025 almond crop, which is recorded at cost and has little or no biological transformation. The 2024 almond crop has been transferred to inventory after it was fully harvested during the financial year.

The change in estimated fair value of the biological assets are recognised at the point of harvest in the Consolidated Statement of Comprehensive Income. Fair value measurements have been categorised as Level 3 fair values based on the inputs to the valuation techniques used, which are not based on observable market data. It is measured taking into account the following:

- estimated selling price at harvest and estimated cash inflows based on forecasted sales;
- estimated yields; and
- estimated remaining growing, harvests, processing and selling costs.

All the non-observable data used for measurement of the biological assets fair value, are inherently considering the impact of climate change risks at the time of measurement including for example the impact of severe weather conditions on water requirements to grow and harvests the almond crops.

Critical accounting estimates and assumptions

Carrying value of biological assets

The recoverability of the biological assets carrying value is dependent on the estimated 2025 crop volume and price. The Group's forecasts include the assumption of the 2025 crop tonnage being somewhat higher than the 2024 crop and with a similar quality profile than the 2024 crop. The increased 2025 crop price assumed a range of between 5-10% higher than the 2024 almond price. These estimates incorporate the consideration of short-term climate related risks and assumptions as set out in Note 1.2.1.

The increase in the almond price is mainly based on an upward movement in market pricing due to significantly lower carry-over volumes from the 2023/24 Californian crop and a lower 2024/25 Californian crop estimate of 2.8B lbs.

3.4 Derivative Financial Instruments

	Consolidated	
	2024 $'000	2023 $'000
Current Assets		
Fair value of forward exchange and option contracts – cash flow hedges	7,203	–
Current Liabilities		
Fair value of forward exchange and option contracts – cash flow hedges	60	3,922

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Consolidated Statement of Comprehensive Income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in Other Expenses in the Consolidated Statement of Comprehensive Income.

(iii) Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

For hedges of foreign currency purchases and sales, the Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Company therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness. Ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated or if there are changes in the credit risk.

In hedges of foreign currency purchases and sales, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of Australia or the derivative counterparty.

(iv) Cash flow hedge accounting

When option contracts are used to hedge forecast transactions, the Company designates intrinsic value options as the hedging instrument. Gains and losses relating to the effective portion of the change in value of the options are recognised in the cash flow hedge reserve within equity.

When forward exchange contracts ('FEC's) are used to hedge forecast transactions, the Company designates the full change in fair value of the forward exchange contract('FEC') as the hedging instrument. The gains or losses relating to the effective portion of the change in fair value of the entire FEC are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in Cost of Sales in the Consolidated Statement of Comprehensive Income in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated Statement of Comprehensive Income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to Other Expenses in the Consolidated Statement of Comprehensive Income.

(v) Outstanding hedge instruments

The Company entered into hedge instruments to buy and sell specified amounts of foreign currency in the future at stipulated exchange rates. The objective of entering the FEC's is to protect the Company against unfavourable exchange rate movements for highly probable contracted and forecasted sales and purchases undertaken in foreign currencies.

3.4 Derivative Financial Instruments (continued)

At balance date, the details of outstanding hedge instruments are:

	Buy/Sell Australian Dollars		Average Exchange Rate	
Less than 6 months	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**
FEC Buy USD Settlement	USD1,027	–	0.67	–
FEC Sell USD Settlement	USD61,361	USD66,693	0.67	0.67

	Buy/Sell Australian Dollars		Average Exchange Rate	
More than 6 months	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**
FEC Sell USD Settlement	USD53,000	USD30,000	0.66	0.65
Option Sell USD Settlement	–	USD10,000	–	0.67

(vi) Credit risk exposures

Credit risk for derivative financial instruments arises from the potential failure by counterparties to the contract to meet their obligations at maturity. The credit risk exposure to FEC's is the net fair value of these instruments.

The net amount of the foreign currency the Group will be required to pay when settling the brought forward foreign currency contracts should the counterparty not pay the currency it is committed to deliver to the Group at balance date was USD $113,333,467 (2023: USD $106,693,000).

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

(vii) Hedging reserves

The Group's hedging reserves as presented in Consolidated Statement of Changes in Equity relate to the following hedging instruments:

	Consolidated		
	Intrinsic value of options $'000	Spot component of currency forwards $'000	Total hedge reserves $'000
Closing balance 30 September 2022	**–**	**(10,241)**	**(10,241)**
Add: Change in fair value of hedging instrument recognised in Other Comprehensive Income (OCI)	(702)	(3,222)	(3,924)
Less: Reclassified from OCI to profit or loss	–	14,629	14,629
Less: Deferred tax	210	(3,421)	(3,211)
Closing balance 30 September 2023	**(492)**	**(2,255)**	**(2,747)**
Add: Change in fair value of hedging instrument recognised in OCI	–	7,142	7,142
Less: Reclassified from OCI to profit or loss	702	3,222	3,924
Less: Deferred tax	(210)	(3,110)	(3,320)
Closing balance 30 September 2024	**–**	**4,999**	**4,999**

3.4 Derivative Financial Instruments (continued)

(viii) Market risk

The effects of the foreign currency related hedging instruments on the Company's financial position and performance are as follows:

	Consolidated	
	2024 $'000 Sell USD	**2023 $'000 Sell USD**
FEC's		
Carrying amount asset/(liability)	7,203	(3,220)
Notional amount	114,361	96,693
Maturity date	October 2024 – September 2025	October 2023 – August 2025
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since 1 October	7,203	(3,220)
Change in value of hedged item used to determine hedge effectiveness	(7,203)	3,220
Weighted average hedged rate for the year (including forward points)	USD$0.6633: AUD$1	USD$0.6652: AUD$1
Foreign currency options		
Carrying amount (liability)	–	(702)
Notional amount	–	10,000
Maturity date	–	May-June 2024
Hedge ratio	–	1:1
Change in intrinsic value of outstanding hedging instruments since 1 October	–	(702)
Change in value of hedged item used to determine hedge effectiveness	–	702
Weighted average strike rate for the year	–	USD$0.6732: AUD$1

	Consolidated	
	2024 $'000 Buy USD	**2023 $'000 Buy USD**
FEC's		
Carrying amount (liability)	(60)	–
Notional amount	1,028	–
Maturity date	October–November 2024	–
Hedge ratio	1:1	–
Change in discounted spot value of outstanding hedging instruments since 1 October	60	–
Change in value of hedged item used to determine hedge effectiveness	(60)	–
Weighted average hedged rate for the year (including forward points)	USD$0.6670: AUD$1	–

3.5 Property, Plant and Equipment

(a) Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment (PPE) for the current financial year.

	Buildings $'000	Leasehold Improvement $'000	Plantation land and irrigation systems $'000	Plant and equipment $'000	Bearer Plants $'000	Capital work in progress $'000	Total $'000
At 30 September 2022							
Cost	26,041	48,467	156,120	172,471	249,660	6,609	659,368
Accumulated depreciation	(5,296)	(596)	(47,368)	(94,565)	(56,249)	-	(204,074)
Net book amount	**20,745**	**47,871**	**108,752**	**77,906**	**193,411**	**6,609**	**455,294**
Year ended 30 September 2023							
Opening net book amount	20,745	47,871	108,752	77,906	193,411	6,609	455,294
Reclassification from ROU*	–	–	–	3,317	–	–	3,317
Additions	–	3,743	–	98	4,704	21,385	29,930
Disposals	–	–	–	(388)	–	(11)	(399)
Depreciation expense	(753)	(2,686)	(4,196)	(14,369)	(12,422)	–	(34,426)
Impairment loss[i]	–	–	–	–	(4,085)	–	(4,085)
Transfers	445	–	4,911	15,092	–	(20,448)	–
Closing net book amount	**20,437**	**48,928**	**109,467**	**81,656**	**181,608**	**7,535**	**449,631**
At 30 September 2023							
Cost	26,477	52,210	161,031	187,491	248,097	7,535	682,841
Accumulated depreciation	(6,040)	(3,282)	(51,564)	(105,835)	(66,489)	–	(233,210)
Net book amount	**20,437**	**48,928**	**109,467**	**81,656**	**181,608**	**7,535**	**449,631**
Year ended 30 September 2024							
Opening net book amount	20,437	48,928	109,467	81,656	181,608	7,535	449,631
Reclassification from ROU*	–	–	–	–	–	–	–
Additions	–	1,158	–	–	2,033	20,006	23,197
Disposals	–	–	–	(210)	–	(23)	(233)
Depreciation expense	(748)	(3,700)	(4,189)	(14,142)	(10,540)	–	(33,319)
Impairment loss	–	–	–	–	–	–	–
Transfers	273	–	916	12,892	–	(14,081)	–
Closing net book amount	**19,962**	**46,386**	**106,194**	**80,196**	**173,101**	**13,437**	**439,276**
At 30 September 2024							
Cost	26,749	53,368	161,947	196,287	250,130	13,437	701,918
Accumulated depreciation	(6,787)	(6,982)	(55,753)	(116,091)	(77,029)	–	(262,642)
Net book amount	**19,962**	**46,386**	**106,194**	**80,196**	**173,101**	**13,437**	**439,276**

* This relates to ROU assets when the lease has expired and ownership remains with the Company.

i. The impairment loss relates to bearer plants that were damaged by flood during the previous financial year at the Group's orchards. In total 523 acres of bearer plants were written off as a result of the floods.

3.5 Property, Plant And Equipment (continued)

Cost basis

The carrying value of the Company's non-current assets (including Property, Plant and Equipment) are assessed on a fair value less costs to sell basis. If the fair value less costs to sell basis is less than the carrying value of an asset (or CGU), the Company proceeds to use the value-in-use method to test an assets recoverability against its carrying amount.

The Group assesses for indicators of impairment at the asset CGU level, which is considered the smallest identifiable group of assets generating cash inflows that are largely independent of cash inflows from other assets. The Group determined this to be the orchard level.

An independent valuation was performed by Herron Todd White (HTW) in September 2022 for all of the Company's owned assets which includes ten owned orchards and the Carina West Processing Facility. The orchards were valued using a direct comparison summation and a discounted cashflow to determine their market value. This was performed on the basis of 'highest and best use' being the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and results in the highest value of the property being valued. The valuation approach used for the processing facility was capitalisation of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and a productive unit basis to determine its market value.

Since the September 2022 valuations, seven owned farms (four in September 2023 and three in September 2024) and the CWPF processing facility (in September 2024) have been valued by HTW to confirm the valuations against current market conditions. The most recent valuation of three owned farms in September 2024 indicated an average decrease in the 2022 valuation values of approximately 13%, which is mainly due to the prolonged lower than average global almond prices over the past two to three years. All of the Company's owned orchard valuation values remain above its carrying values except for the Piangil orchard.

The Piangil farm valuation conducted during September 2024, was below its assets carrying amount as at 30 September 2024. To support the recoverability of Piangil's assets carrying value at 30 September 2024, a value-in-use calculation was completed, which indicated that the present value of the future cashflows were in excess of the farm's assets carrying values.

Key assumptions used in the Piangil value-in-use calculations for impairment included a real post-tax weighted average cost of capital (of 7.9%), long term growth rate (of 3.06%), an average almond price of $8.69/kg, a MT/acre of 1.43 which represent the average yield the farm obtained in normal growing conditions (FY2015 to FY2023) adjusted for a strategy uplift per acre of 0.15 and a terminal growth rate of 2.5%.

The directors and management have considered and assessed reasonably possible changes in key assumptions within the impairment model of Piangil.

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

- tonnage assumption change by 0.03mt/acre or 2.1%; or
- price assumption change by $0.19c/kg or 2.3%.

The book value of the Piangil assets at 30 September 2024 was $110.4 million against the most recent valuation values performed by Herron Todd White amounting to $97.5 million. As the inputs to determine the fair value are unobservable, the valuation is considered Level 3 in the fair value hierarchy.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. The useful economic life and residual value of PPE is reviewed on an annual basis considering key assumptions including forecast usage, changes in technology, physical condition, and potential climate change implications. Following the annual review of useful lives, it has been concluded that the useful lives of the Group's bearer plants and Co-Gen plant can be extended. This decision is based on the anticipated continued usage of these assets beyond their current estimated lifespans, as well as the observed wear and tear to date.

The annualised savings in depreciation resulting from the extended useful lives of the Company's bearer plants and Co-gen plant are $1.0 million and $0.9 million respectively.

Bearer plants are assumed ready for use when a commercial crop is produced from the seventh-year post planting. The depreciation on the almond trees amounting to $10.54 million (2023: $12.42 million) was capitalised into the growing crop cost base. Leasehold improvements commence depreciation when a commercial crop is produced from the seventh-year post planting and depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives for each class of assets have been adjusted from the previous financial year as follows:

Asset class	Previous	Revised
Buildings	25 to 40 years	No change
Plant and equipment	5 to 20 years	5 to 40 years
Bearer plants	10 to 30 years	10 to 32 years
Irrigation systems	10 to 40 years	No change
Leasehold improvements	13 to 14 years	No change

3.5 Property, Plant And Equipment (continued)

Capital works in progress

Capital works in progress are valued at cost and relate to costs incurred for owned orchards and other assets under development.

Critical Accounting Estimates and Assumptions

Carrying value of non-current assets

The recoverable value assessment includes assumptions related to fair value including relevant transactional prices, market conditions and asset useful lives. The carrying value assessment of bearer plants includes judgement on tree age, yields and estimates for tree damage. Refer to Note 1.2.1 for assumptions made in relation to climate related risks.

3.6. Right-Of-Use Assets

	Note	Property $'000	Plant and equipment $'000	Orchard[(a)] $'000	Total $'000
At 1 October 2022		**19**	**4,676**	**203,505**	**208,200**
Reclassification to PPE*		–	(3,317)	–	(3,317)
Additions		1,726	1,293	3,815	6,834
Disposal		(5)	–	–	(5)
Depreciation charge for the year	(b)	(227)	(1,087)	(20,321)	(21,639)
At 30 September 2023		**1,513**	**1,565**	**186,999**	**190,077**
Reclassification to PPE*		–	–	–	–
Additions		20	733	28,076	28,829
Disposal		–	–	(6)	(6)
Depreciation charge for the year	(b)	(359)	(669)	(23,332)	(24,360)
Impairment loss		–	–	(6,586)	(6,586)
At 30 September 2024		**1,174**	**1,629**	**185,151**	**187,954**

* This relates to ROU assets when the lease has expired and ownership remains with the Company.

a) Orchard

The orchards comprise leases with Arrow Funds Management, Rural Funds Management, Lachlan Valley Farms and Aware Super. A total of 11,729 (2023: 11,729) acres of land are leased over an initial 20 year term (with extension options) in which the Company has the right to harvest almonds and citrus from the trees for the term of the agreement. The Company also has first right of refusal to purchase the properties in the event that the lessor wishes to sell.

b) Orchard depreciation

Depreciation relating to the orchards have either been capitalised as part of growing crop and leasehold improvements or expensed directly to the Consolidated Statement of Comprehensive Income. Depreciation relating to a small portion of land (sub-leased out by the Group) used for citrus farming has been expensed.

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

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

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

3.6 Right-Of-Use Assets (continued)

Assessment of recoverable value

The Group assesses for indicators of impairment at the asset CGU level which is determined to be the orchard level. During the year, indicators of impairment were identified at two of the leased farms (Yilgah and Mooral) due to a significant reduction in 2024 crop tonnage produced vs forecast at each farm, and as such impairment testing was completed for these two CGU's.

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

Impairment testing concluded that the recoverable amount of the Yilgah CGU's assets did not exceed the carrying value resulting in a $6.6m impairment. Key assumptions used in the value-in-use calculations for impairment included a real post-tax weighted average cost of capital (of 7.9%), long term growth rate (of 3.06%), an average almond price over the lease period of $8.61/kg and a tonnage/acre in FY2025 of 1.04mt/acre. The yield per acre for FY2026 onwards increased to 1.2mt/acre given the Company's strategic initiative for increased yield across its orchard portfolio.

The impairment assessment also shows that there is limited headroom for the Mooral CGU. Key assumptions used in the Mooral value-in-use calculations for impairment are the same as used for the Yilgah CGU. The average almond price for Mooral over the lease period is $8.84/kg and a tonnage/acre over the life of the lease is 1.35mt/acre which represent the average yield the farm obtained in normal growing conditions (FY2019 to FY2022).

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

Any movement in any of Yilgah assumptions could result in a further impairment of its assets carrying value.

The following changes in assumptions could lead to an additional $1m impairment for Yilgah:
- tonnage assumption in FY2026 to FY2030 reduces by 1.7% to 1.18mt/acre from 1.20mt/acre; or
- price assumption change by $0.12c/kg or 1.5% across the remaining life of the lease – ending 2030.

Any movement in any of Mooral assumptions could result in an impairment of its assets carrying value.

The following changes in assumptions could lead to a $1m impairment for Mooral:
- tonnage assumption in each of the FY2026 to FY2030 years reduce by 5.2% to 1.28mt/acre from 1.35mt/acre; or
- price assumption change by $0.40c/kg or 4.9% across the remaining life of the lease – ending 2030.

Any movement in any of Mooral assumptions could result in an impairment of its assets carrying value.

The Yilgah CGU value after the impairment totals $41.3 million including a ROU asset of $29.8 million, and the Mooral CGU value totals $10.3 million including a ROU asset of $8.3 million.

Critical accounting estimates and assumptions

Recoverable value of right-of-use assets

Where indicators of impairment are identified and a value in use model is prepared to support the carrying value of the right-of-use asset, there are estimates in future cash flows assumptions for yield by orchard, quality of almonds and almond price.

3.7 Intangibles

	Note	Consolidated				
	Note	Goodwill $'000	Permanent Water Rights $'000	Software $'000	License $'000	Total $'000
At 30 September 2022						
Cost		25,995	58,841	5,692	49	90,577
Accumulated amortisation		–	–	(3,544)	(3)	(3,547)
Net book amount		**25,995**	**58,841**	**2,148**	**46**	**87,030**
Year ended 30 September 2023						
Opening net book amount		25,995	58,841	2,148	46	87,030
Acquisition		–	–	-	–	–
Disposal		–	–	(3)	–	(3)
Impairment charge	(a)	(25,995)	–	–	–	(25,995)
Amortisation		–	–	(503)	(5)	(508)
Closing net book amount		**–**	**58,841**	**1,642**	**41**	**60,524**
At 30 September 2023						
Cost		–	58,841	5,689	49	64,579
Accumulated amortisation		–	–	(4,047)	(8)	(4,055)
Net book amount		**–**	**58,841**	**1,642**	**41**	**60,524**
Year ended 30 September 2024						
Opening net book amount		–	58,841	1,642	41	60,524
Acquisition	(b)	–	5,862	–	–	5,862
Disposal	(b)	–	(4,533)	–	–	(4,533)
Amortisation		–	-	(164)	(5)	(169)
Closing net book amount			**60,170**	**1,478**	**36**	**61,684**
At 30 September 2024						
Cost		–	60,170	5,689	49	65,908
Accumulated amortisation		–	-	(4,211)	(13)	(4,224)
Net book amount		**–**	**60,170**	**1,478**	**36**	**61,684**

a) Impairment tests for goodwill

Critical Accounting Estimates and Assumptions

During the previous financial year, following the reduction in the Group's 2023 operating profit due to the write-off of the 2022 crop inventory and estimated decrease in yield of the 2023 crop, the Group considered the event as an indicator of impairment, resulting in the completion of impairment testing as at 31 March 2023 on a Value In Use (VIU) basis. Impairment testing concluded that the recoverable amounts of the CGU's assets did not exceed the carrying value resulting in the write off on the Group's goodwill balance of $26 million. Key assumptions used in the value-in-use calculations for impairment include a real post-tax weighted average cost of capital (of 8.5%), long term growth rate (of 2.75%), harvest volumes, almond price, growing crop costs and water prices. Additionally, assumptions around capital expenditure and working capital changes were incorporated. The real pre-tax weighted average cost of capital takes into account industry related gearing levels, risk premiums and benchmarking peer group rates used. This rate differs to what the Group uses internally to assess strategic opportunities and asset performance.

At that time, the forecasted cashflows for the remainder of FY2023 were based on the latest assumptions of forecast weather patterns, a lower Californian 2023 crop related to drought impacting volume, quality and production cost and increasing almond prices globally. The post FY2023 cashflows were based on the Group's medium to long term averages relating to production yields, global almond pricing, production costs including water, given the difficulty in predicting weather patterns impacting SHV profitability.

3.7 Intangibles (continued)

(b) Sale and purchase of Water Rights

During the second half of the 2024 financial year, the Group commenced with a water rights rebalancing program, whereby water rights have been sold and bought to improve the balance of the Group's permanent water resources across the regions where its water needs are in growing its almonds.

Both the Group's borrowing facility providers have agreed to the water rebalancing program. To ensure the proceeds from the water rights sales only get used for the purchase of water rights under the rebalancing program, the proceeds from sale are kept in a separate Water Trust account, controlled by the Group's Security Trustee, from which withdrawals are made to fund water right purchases. At the end of the financial year $2.47m of funds are within the Water Trust account and is as such recognised within Other Receivables – refer note 3.1.

To date, 2,100ML of water rights with a book value of $4.5m have been sold, and 909ML of water rights worth $5.9m have been purchased. A profit of $6.7m has been recognised on sale of water rights – refer note 2.3.

Permanent water rights

Permanent water rights are recorded at historical cost. Such rights have an indefinite life and are not amortised. As an integral component of the land and irrigation infrastructure required to grow almonds, the carrying value is tested annually for impairment. If events or changes in circumstances indicate impairment, the carrying value is adjusted to take account of any impairment losses.

The value of permanent water rights relates to the Group's CGU and is an integral part of land and irrigation infrastructure required to grow almond orchards. The fair value of permanent water rights is supported by the tradeable market value, which at current market prices is in excess of book value.

The Group's portfolio of water rights is currently recorded at a historical cost value of $60.2 million (2023: $58.8 million). A market value assessment was performed at the end of the financial year. This was completed by accessing the State Water Registers and determining the median price for the applicable class of water rights. This value is then applied on a like for like basis to the Group's water portfolio. As water prices fluctuate due to seasonal factors, current market rates have been valued internally at $113.4million (2023: $119.5 million). As the inputs to determine the fair value are observable, the valuation is considered Level 2 in the fair value hierarchy.

Software

Costs associated with maintaining software programmes are recognised as an expense when incurred. Development costs that are directly attributable to the design and testing of identifiable software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software to use it
- there is an ability to use the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development of the software
- the expenditure attributable to the software during its development can be reliably measured

Directly attributable costs that are capitalised as part of the software include employee costs, consultant costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Software costs are amortised on a straight line basis over the period of their expected benefit, being 7 years.

License

These are costs incurred for the application of an EPA license as part of the manufacturing of the compost program which involves converting hull and waste into compost material that can be used as fertilisers. These costs are amortised on a straight line basis over a period of 10 years.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/business at the date of acquisition. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less any accumulated impairment losses.

3.7 Intangibles (continued)

Impairment of assets

Goodwill, brand names and permanent water rights that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

The Group has determined it appropriate to operate as a single segment and operates one CGU, that is expected to benefit from the synergies of the combination. The goodwill is allocated to the CGU at the level that is monitored for internal management purposes.

3.8 Trade and other payables

		Consolidated	
		2024 $'000	2023 $'000
Current			
Trade creditors		33,892	32,272
Other creditors and accruals		21,108	15,074
Amount owing to external growers	(a)	67,193	22,328
		122,193	**69,674**
Non-current			
Other creditors and accruals		**–**	**527**

(a) This relates to external growers portion of sale proceeds $42.5m (2023: $14.6m) and unsold inventory $24.7m (2023: $7.7m).

These amounts represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

3.9 Lease Liabilities

	Consolidated	
	2024 $'000	2023 $'000
Current	32,415	27,119
Non-current	202,904	202,536
	235,319	**229,655**
The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments after the reporting date.		
Within one year	34,177	28,552
Later than one year but not later than five years	141,420	124,888
Later than 5 years	115,741	137,219
	291,338	**290,659**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding ROU asset, or to profit or loss if the carrying amount of the ROU asset is fully written down.

3.10 Deferred Gain on Sale

	Consolidated	
	2024 $'000	2023 $'000
Current		
Sale and leaseback	175	175
Non-current		
Sale and leaseback	**1,751**	**1,926**

The deferred gain on sale relates to the sale and leaseback of bearer plants for three orchards that were sold to First State Super on 22 September 2015 and 1 January 2016. The lease is for a 20 year term and the gain is amortised over the lease term.

3.11 Deferred Tax (Non Current)

		Consolidated	
	Note	2024 $'000	2023 $'000
The balance comprises temporary differences attributable to:			
Amounts recognised in profit and loss			
Receivables		3,469	–
Inventory		(2,113)	11,135
Biological assets		(21,415)	(20,198)
Property, plant and equipment (includes bearer plants)		(40,988)	(39,679)
Right-of-use assets		(51,909)	(51,955)
Accruals and provisions		2,069	1,741
Lease liabilities		70,596	68,896
Tax losses	(a)	44,578	34,724
Unrealised FX		685	(1)
		4,972	**4,663**
Amounts recognised directly in other comprehensive income			
Cash flow hedges		(2,143)	1,177
Amounts recognised directly in equity			
Equity raising costs		960	584
Net deferred tax assets		**3,789**	**6,424**
Movements:			
Opening balance 1 October		6,424	(35,164)
Prior period (over) provision		331	4,900
Charged/(Credited) to Consolidated Statement of Comprehensive Income		(476)	39,899
Charged/(Credited) to other comprehensive income		(2,490)	(3,211)
Debited/(Credited) to equity		-	–
Closing balance at 30 September		**3,789**	**6,424**

3.11 Deferred Tax (Non Current) (continued)

(a) Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Critical Accounting Estimates and Assumptions

Recoverability of deferred tax assets

Judgement is required to determine whether deferred tax assets are recognised in the Consolidated Statement of Financial Position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods in order to utilise recognised deferred tax assets. Assumptions about the generation of future taxable income is based on forecast cash flows from operations, which are impacted by various factors including almond sales prices, crop volumes, climate change risks, etc. To the extent that the future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved FY2025 budget, and future business plans. The Group is expected to generate taxable income from 2025 onwards. The losses can be carried forward indefinitely and have no expiry date.

3.12 Provisions

	Consolidated	
	2024 $'000	2023 $'000
Current		
Employee benefits	3,731	2,957
Others	167	558
	3,898	**3,515**
Non-Current		
Employee benefits	**713**	**1,009**

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Employee benefits

This covers the leave obligations for long service leave and annual leave which are classified as either short-term benefits or other long-term benefits explained below. The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees who are entitled to pro-rata payments in certain circumstances. The entire amount of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

Contributions are made by the Company to employees' superannuation funds and are charged as expenses when incurred.

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term benefit obligations

The liability for long service leave and annual leave which is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

4. Capital, Financing and Risk Management

4.1 Equity

		Consolidated	
	Note	2024 $'000	2023 $'000
(a) Contributed equity			
Ordinary shares issued and fully paid	(b)	461,331	401,615

Contributed equity

Ordinary shares are classified as equity. The value of new shares or options issued is shown in equity.

	2024		2023	
	Number of Shares	$'000	Number of Shares	$'000
(b) Movements in shares on issue				
Beginning of the year	**121,058,664**	**401,615**	**120,950,818**	**401,164**
Issued during the year:				
• Dividend reinvestment plan	–	–	107,846	451
• Long term incentive plan – tranche vested	–	–	–	–
• Share Placement – net of transaction cost	16,242,022	58,886	–	–
• Deferred tax credit on transaction costs	–	830	–	–
End of the year	**137,300,686**	**461,331**	**121,058,664**	**401,615**

On 20 September 2024 the Company announced to the ASX an equity raising of $80 million less estimated transaction costs of $3.4 million at an offer price of $3.80 per share including institutional and retail investors.

The proceeds from the Equity Raising have been applied towards the repayment of debt of $71.3m, capital investment to increase processing capacity $5.0m and associated transaction costs $3.7m.

The institutional offer was successfully completed on 20 September 2024. The proceeds from the completed institutional offer of $61.7m less associated transaction costs $2.8m, was used towards the repayment of the Group's debt to provide facility headroom.

The retail entitlement offer was completed on 15 October 2024 and will be reflected in the 2025 results.

Performance Rights

Long Term Incentive Plan

Select Harvests Limited (the Company) offers employee participation in long term incentive schemes as part of the remuneration packages for the employees. In determining the quantum of rights offered the board considers a number of factors including: the corporate strategy; the appropriate mix of fixed and at risk remuneration; the fair value and face value of the rights; and the market relativity of employees with equivalent responsibilities.

The long term scheme involves the issue of performance rights to the employee, under the Long Term Incentive Plan. The market value of ordinary Select Harvests Limited shares closed at $3.68 on 30 September 2024 ($4.01 on 30 September 2023).

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Capital risk management

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

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

4.1 Equity (continued)

	Notes	Consolidated 2024 $'000	2023 $'000
(c) Reserves			
Asset revaluation reserves	(i)	7,644	7,644
Share-based payments reserve	(ii)	1,456	1,184
Cash flow reserve	(iii)	4,999	(2,747)
		14,099	**6,081**

(i) Asset revaluation reserve

The asset revaluation reserve was previously used to record increments and decrements in the value of non-current assets. This revaluation reserve is no longer in use given assets are now recorded at cost.

(ii) Share-based payments reserve

The Share-based payments reserve is used to recognise the fair value of performance rights granted and expensed but not exercised.

(iii) Cash flow hedge reserve

The cash flow hedge reserve is used to record gains or losses on the fair value movements of financial instruments designated as cash flow hedges (net of tax). Refer to note 3.4(a)(iii) for more detail on how the reserve moves to the Consolidated Statement of Comprehensive Income.

4.2 Cash and Cash Equivalents

	Consolidated 2024 $'000	2023 $'000
Reconciliation of the net profit/(loss) after income tax to the net cash flows from operating activities		
Net profit/(loss) after tax	1,500	(114,727)
Adjustments for non-cash items:		
Depreciation and amortisation	33,488	34,933
Depreciation right-of-use asset (net of capitalised amount)	23,659	19,398
Capitalised lease interest payments	10,375	11,432
Impairment loss	6,586	25,995
Net (gain) on sale of assets	(7,150)	(1,020)
Share-based payments expense	272	441
Deferred gain on sale	(175)	(175)
Asset written off	–	4,085
Water rights sale proceeds to be used for water right purchases	2,402	–
Deferred tax on financial instruments	(2,490)	(3,211)
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	(58,919)	9,354
(Increase)/Decrease in inventory	(39,674)	55,739
(Increase)/Decrease in biological assets	(3,258)	(9,359)
Increase in trade payables	51,992	10,624
Decrease in income tax receivable	21	1,431
Increase/(Decrease) in deferred tax	2,635	(41,587)
Increase/(Decrease) in provisions	85	(47)
Net cash flow from operating activities	**21,349**	**3,306**

Non-cash financing activities

During the current financial year ended 30 September 2024, no new shares were issued as part of the Dividend Reinvestment Plan (September 2023: 107,846).

4.2 Cash and Cash Equivalents (continued)

(a) Net debt reconciliation

Net debt at the end of the year is as follows:

	Consolidated	
	2024 $'000	2023 $'000
Cash and cash equivalents	2,870	1,134
Bank overdrafts	–	(6,322)
Borrowings – repayable within one year	(20,000)	–
Borrowings – repayable after one year	(145,200)	(185,000)
Lease liabilities – repayable within one year	(32,415)	(27,119)
Lease liabilities – repayable after one year	(202,904)	(202,536)
Net debt	**(397,649)**	**(419,843)**

Cash and cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, money market investments readily convertible to cash within two working days, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

		Liabilities from financing activities				
	Cash/bank overdraft $'000	Leases due within 1 year $'000	Leases due after 1 year $'000	Borrowings due within 1 year $'000	Borrowings due after 1 year* $'000	Total $'000
Net debt at 30 September 2022	**(1,528)**	**(30,465)**	**(211,655)**	**–**	**(133,000)**	**(376,648)**
Cash flows – Principal	3,845	30,847	–	–	(52,000)	(17,308)
Cash flows – Interest	–	(11,552)	–	–	–	(11,552)
Additions to leases	–	(6,830)	–	–	–	(6,830)
Foreign exchange adjustments	(7,505)	–	–	–	–	(7,505)
Other non-cash movements	–	(9,119)	9,119	–	–	–
Net debt at 30 September 2023	**(5,188)**	**(27,119)**	**(202,536)**	**–**	**(185,000)**	**(419,843)**
Cash flows – Principal	17,419	34,827	–	(20,000)	39,800	72,046
Cash flows – Interest	–	(11,800)	–	–	–	(11,800)
Additions to leases	–	(28,691)	–	–	–	(28,691)
Foreign exchange adjustments	(9,361)	–	–	–	–	(9,361)
Other non-cash movements	–	368	(368)	–	–	–
Net debt at 30 September 2024	**2,870**	**(32,415)**	**(202,904)**	**(20,000)**	**(145,200)**	**(397,649)**

* Debt facilities with our financial providers have an expiry date of 31 March 2026

4.3 Borrowings

	Consolidated	
	2024 $'000	2023 $'000
Current – Secured		
Bank overdraft	20,000	6,322
Non-current – Secured		
Debt facilities	145,200	185,000

4.3 Borrowings (continued)

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Comprehensive Income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs, inclusive of all facility fees, bank charges, and interest, are expensed as incurred.

(a) Interest rate risk exposures

Details of the Company's exposure to interest rate changes on borrowings are set out in Note 4.4.

(b) Assets pledged as security

The bank overdraft and debt facilities of the parent entity and subsidiaries are secured by the following:

i. A registered mortgage debenture is held as security over all the assets (excluding ROU assets) and undertakings of Select Harvests Limited and the entities of the wholly owned group.
ii. A deed of cross guarantee exists between the entities of the wholly owned group.

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Consolidated	
	2024 $'000	2023 $'000
Current		
Floating charge		
Cash and cash equivalents	2,870	1,134
Receivables	106,342	47,489
Inventories	124,992	85,317
Biological assets	73,815	70,557
Tax receivables	-	21
Derivative financial instruments	7,203	–
Total current assets pledged as security	**315,222**	**204,518**
Non-current		
Floating charge		
Other receivables	2,143	2,076
Deferred tax assets	3,789	6,424
Property, plant and equipment	439,276	449,631
Permanent water rights	60,170	58,841
Intangible assets	1,514	1,683
Total non-current assets pledged as security	506,892	518,655
Total assets pledged as security	**822,114**	**723,173**

Financing arrangements

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

On 30th April 2024, the Group increased its external debt facility limit by entering into a $10 million overdraft facility for operational purposes. On 30 June 2024 the Group's USD Overdraft facility of USD$5 million expired. This new $10 million overdraft facility will be reviewed next on 28 February 2025.

The current interest rates at balance date are 6.15% (2023: 5.81%) on the debt facility, and 9.72% on the Australian dollar bank overdraft facility.

The Company is in compliance with all required covenants at 30 September 2024.

4.4 Financial Risk Management

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

Risk management is carried out by management pursuant to policies approved by the Board of Directors.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency.

The Group sells both almonds harvested from owned orchards through the almond pool and processed products internationally in United States dollars, and purchases raw materials and other inputs to the manufacturing and almond growing process from overseas suppliers predominantly in United States dollars. The Group also acquires capital related items internationally in both United States dollars and European Euros.

Management and the Board review the foreign exchange position of the Group and, where appropriate, enter into a variety of derivative financial instruments, transacted with the Group's bankers to manage its foreign exchange risk. These include formulating various strategies, FEC's, and options.

The exposure to foreign currency risk at the reporting date was as follows:

Group	2024 USD $'000	2023 USD $'000
Trade receivables net of payables	44,419	15,187
Overdraft	–	(4,083)
USD bank balance	70	–
Foreign Exchange Contracts (FEC's)		
• buy foreign currency (cash flow hedges)	(1,028)	–
• sell foreign currency (cash flow hedges)	114,361	96,693
Sell foreign currency option contracts*	–	10,000

* Foreign currency option contracts relating to 30 September 2023 have a number of possible outcomes depending on the spot rate at maturity. These contracts are shown at face value. Depending on the spot rate at maturity, the value of the contract can be USD10 million or USD20 million.

Group sensitivity analysis

Based on financial instruments held at 30 September 2024, had the Australian dollar strengthened/ weakened by 5% against the US dollar, with all other variables held constant, the Group's results for the period would have been $5.45 million lower/ $6.02 million higher (2023: $5.51 million lower/ $6.09 million higher), mainly as a result of the US dollar denominated financial instruments as detailed in the above table. Equity would have been $7.59 million lower/ $8.39 million higher (2023: $6.09 million lower/ $6.73 million higher), arising mainly from FEC's designated as cash flow hedges.

(ii) Cash flow interest rate risk

The Group's interest rate risk arises from borrowings issued at variable rates, which exposes the Group to cash flow interest rate risk. The Group's borrowings at variable interest rate are denominated in AUD.

At the reporting date the Group had the following variable rate borrowings:

	2024 Interest Rate %	2024 Balance $'000	2023 Interest rate %	2023 Balance $'000
Debt facilities (AUD)	5.61%	165,200	5.28%	185,000
Overdraft (AUD)	9.72%	–	–	–
Overdraft (USD)	–	–	1.68%	6,322

An analysis of debt maturities is provided in (c) below.

The Group analyses interest rate exposure on an ongoing basis in conjunction with the debt facility, cash flow and capital management. With the current high interest rate environment and the future expectation that interest rates will decrease to lower levels, management has not entered into any interest rate swap agreements during the year.

Group sensitivity

At 30 September 2024, if interest rates had changed by +/- 25 basis points from the weighted average interest rate with all other variables held constant, the result for the period would have been $0.3m lower/higher (2023: $0.3m lower/higher).

4.4 Financial Risk Management (continued)

Interest rate risk

The Company's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate		Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 %
(i) Financial assets								
Cash	–	–	2,769	1,134	2,769	1,134	–	–
Cash – USD @ AUD	–	–	101	–	101	–	–	–
Trade and other receivables	–	–	106,342	47,489	106,342	47,489	–	–
FEC's	–	–	7,203	–	7,203	–	–	–
Total financial assets	**-**	**-**	**116,415**	**48,623**	**116,415**	**48,623**	**–**	**–**
(ii) Financial liabilities								
Bank overdraft – USD @ AUD	–	6,322	–	–	–	6,322	–	1.68
Bank loans	165,200	185,000	-	-	165,200	185,000	5.56	5.50
Lease liabilities	235,319	229,655	-	-	235,319	229,655	5.00	5.00
Trade creditors	–	–	33,892	32,272	33,892	32,272	–	–
Other creditors	–	–	21,108	15,074	21,108	15,074	–	–
External growers	–	–	67,193	22,328	67,193	22,328	–	–
FEC's	–	–	60	3,924	60	3,924	–	–
Total financial liabilities	**400,519**	**420,977**	**122,193**	**73,598**	**522,772**	**494,575**	**–**	**–**

Financial Assets

Collectability of trade receivables is reviewed on an ongoing basis. Trade receivables are carried at full amounts due less expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Amounts receivable from other debtors are carried at full amounts due. Other debtors are normally settled on 30 days from month end unless there is a specific contract which specifies an alternative date. Amounts receivable from related parties are carried at full amounts due.

Financial Liabilities

The bank overdraft disclosed within interest bearing liabilities is carried at the principal amount and is part of the Net Cash balance in the Consolidated Statement of Cash Flows. Interest is charged as an expense as it accrues. Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

(b) Credit risk

Credit risk arises from cash and cash equivalents, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale, retail and farm investor customers, including outstanding receivables and committed transactions.

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) and to historical information. The majority of the Group's sales are derived from large, established customers with no history of default.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts of those assets, as disclosed in the Consolidated Statement of Financial Position and Notes to the financial statements.

The Group applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 month and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group's banking partners have long-term credit ratings of AA- and A+ (Standard and Poor's).

4.4 Financial Risk Management (continued)

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

The following debt facilities are held with National Australia Bank (NAB) and Rabobank (RABO).

Debt facilities	Held with	Expiry date	Facility Limit[1]	Amount drawn 30 September 2024
1. Working Capital	NAB	31/03/2026	$120,000,000	99,979,177*
	NAB	30/06/2025	$20,000,000	–
	RABO	31/03/2026	$100,000,000	45,500,000
	RABO	30/06/2025	$20,000,000	20,000,000
			AUD $260,000,000	**AUD165,479,177**
2. Overdraft[+]	NAB	28/02/2025	AUD 10,000,000	–

+ Held with NAB only and reviewed annually.
* Included in the amount drawn is a Bank Guarantee amounting to $0.3m which is recorded as a contingent liability. Please refer to note 6.2.
1 During 2023 the Company successfully renewed and increased its current debt facility agreements with NAB and Rabobank. The new facility limit amounted to $260 million (2022: $210 million) until 30th June 2024, when it will reduce to $220 million from 1st July 2025.

The interest rate paid on these facilities is determined by an incremental margin on the BBSY rate.

The Group had access to the following undrawn borrowing facilities at the reporting date:

Floating rate	2024 $'000	2023 $'000
Term	AUD 94,521	AUD $75,000
Bank overdraft facility AUD	AUD $10,000,000	–
Bank overdraft facility USD	–	USD $917

The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice. The debt facilities may be drawn at any time over the term.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities, net and gross settled derivative instruments into relevant maturity groupings based on the remaining period at the reporting date of the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group at 30 September 2024	Less than 6 months $'000	6–12 months $'000	Between 1–5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-derivatives						
Variable Rate						
Debt facilities*	–	21,230	154,129	–	175,359	165,200
Trade and other payables	122,193	–	–	–	122,193	122,193
Lease liabilities	16,706	17,471	141,420	115,741	291,338	235,319
Bank overdraft	–	–	–	–	–	–
Derivatives						
FEC USD buy – (outflow)	1,027	–	–	–	1,027	(60)
FEC USD sell – (inflow)	(61,361)	(53,000)	–	–	(114,361)	7,203
Net USD	(30,334)	(53,000)	–	–	(113,334)	7,143

* Debt facilities with our financial providers have an expiry date of 31 March 2026

4.4 Financial Risk Management (continued)

Group at 30 September 2023	Less than 6 months $'000	6–12 months $'000	Between 1–5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-derivatives						
Variable Rate						
Debt facilities	–	–	193,450	–	193,450	185,000
Trade and other payables	69,674	–	–	–	69,674	69,674
Lease liabilities	14,208	14,344	124,888	137,219	290,659	229,655
Bank Overdraft	6,366	–	–	–	6,366	6,322
Derivatives						
FEC USD sell – (inflow)	(66,693)	(15,000)	(15,000)	–	(96,693)	(3,222)
USD sell option	–	(10,000)	–	–	(10,000)	(702)
Net USD	**(66,693)**	**(25,000)**	**(15,000)**	**–**	**(106,693)**	**(3,924)**

(d) Fair Value Measurement

The fair value of certain financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments, such as FEC's and foreign currency options, are valued using specific valuation techniques as follows:

- for FEC's – the present value of future cash flows based on the forward exchange rates at the balance sheet date
- for foreign currency options – option pricing models

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar instruments.

Disclosures are required of fair value measurements by level of the following fair value measurement hierarchy:

a. Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level one);
b. Inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level two); and
c. Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level three).

At 30 September 2024 the Group's assets and liabilities measured and recognised at fair value comprised the FEC's and foreign currency options. These are level 2 measurements under the hierarchy.

5. Group Structure

5.1 Controlled Entities

The consolidated financial statements of the Group include the consolidation of Select Harvests Limited and its controlled entities. Controlled entities are the following entities controlled by the parent entity (Select Harvests Limited).

	Country of Incorporation	Percentage Owned (%)	
		2024	2023
Parent Entity: Select Harvests Limited (i)	Australia		
Controlled entities of Select Harvests Limited:			
Kyndalyn Park Pty Ltd (i)	Australia	100	100
Select Harvests Food Products Pty Ltd (i)	Australia	100	100
Meriram Pty Ltd (i)	Australia	100	100
Kibley Pty Ltd (i)	Australia	100	100
Select Harvests Nominee Pty Ltd (i)	Australia	100	100
Select Harvests Orchards Nominee Pty Ltd (i)	Australia	100	100
Select Harvests Water Rights Unit Trust (i)	Australia	100	100
Select Harvests Water Rights Trust (i)	Australia	100	100
Select Harvests Land Unit Trust (i)	Australia	100	100
Select Harvests South Australian Orchards Trust (i)	Australia	100	100
Select Harvests Victorian Orchards Trust (i)	Australia	100	100
Select Harvests NSW Orchards Trust (i)	Australia	100	100
Jubilee Almonds Irrigation Trust Inc	Australia	100	100

(i) Members of extended closed group. Refer 5.2(c) for further details.

5.2 Parent Entity Financial Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

Balance Sheet	2024 $'000	2023 $'000
Current Assets	26,907	2,747
Total Assets	**561,105**	**588,154**
Current Liabilities	12,889	21,891
Total Liabilities	**105,303**	**176,819**
Shareholders' Equity		
Issued capital	461,331	401,615
Reserves		
• Cash flow hedge reserve	4,999	(7,134)
• Share-based payments reserve	1,456	1,343
Retained profits	(11,984)	15,512
Total Shareholders' Equity	**455,803**	**411,336**
Profit/(Loss) for the year	(27,654)	(9,814)
Total comprehensive income/(loss)	**(19,909)**	**(2,320)**

5.2 Parent Entity Financial Information (continued)

(b) Tax consolidation legislation

Select Harvests Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2003. The head entity, Select Harvests Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right. In addition to its own current and deferred tax amounts, Select Harvests Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Select Harvests Limited for any current tax payable assumed and are compensated by Select Harvests Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Select Harvests Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement is due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year.

The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(c) Guarantees entered into by parent entity

Each entity within the Group has entered into a cross deed of financial 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 a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

Loans are made by Select Harvests Limited to controlled entities under normal terms and conditions.

5.3 Related Party Disclosures

(a) Key management personnel compensation

	Consolidated	
	2024 $'000	2023 $'000
Short term employment benefits	2,118,725	3,141,476
Post-employment benefits	107,953	573,352
Leave entitlement	(21,976)	125,782
Share based payments	209,023	249,170
	2,413,725	**4,089,780**

Other disclosures relating to key management personnel are set out in the Remuneration Report.

(b) Director related entity transactions

There were no director related entity transactions during the year.

(c) Directors' interests in contracts

There were no directors' interests in contracts during the year.

6. Other Information

6.1 Contingent Liabilities

(i) Guarantees

Cross guarantees are given by the entities comprising the Group. Group entities are set out in Note 5.1.

(ii) Bank Guarantees

As at 30 September 2024, the company had provided $6.46 million (2023: $6.16 million) of bank guarantees mainly as security for the almond orchard leases.

6.2 Expenditure Commitments

Upon adoption of AASB 16 Leases "AASB 16" on 1st October 2019, the operating and finance lease commitments have been disclosed as lease liabilities except for leases on water rights which are classified as intangibles and therefore excluded from the AASB 16 scope.

(a) Commitments

Commitments payable in relation to leases contracted for at the reporting date but not recognised as liabilities:

	Consolidated	
	2024 $'000	2023 $'000
Minimum lease payments		
• Within one year	11,506	9,544
• Later than one year and not later than five years	13,471	17,364
• Later than five years	–	–
Aggregate lease expenditure contracted for at reporting date	**24,977**	**26,908**

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis over the term of the lease.

(b) Capital commitments

	Consolidated	
	2024 $'000	2023 $'000
Significant capital expenditure contracted for at the end of the reporting year but not recognised as liabilities is as follows:		
Property, plant and equipment	6,429	6,070

6.3 Share Based Payments

Long-term Incentive Plan

The Group offers executive directors and senior executives the opportunity to participate in the long-term incentive plan (LTI Plan) involving the issue of performance rights to the employee under the LTI Plan. The LTI Plan provides for the offer of a parcel of performance rights with a three year performance period to participating employees on an annual basis.

Performance rights issued in the current financial year with vesting date of 31 October 2026 have rights vesting based on absolute TSR (50% weighting) and absolute ROCE (50% weighting) over the three years prior to vesting.

The performance targets and vesting proportions are as follows:

Absolute TSR (50% weighting)

Performance Level	Absolute TSR (CAGR) Over Performance Period	Vesting % of Tranche
Stretch	≥ 20%	100%
Between Target & Stretch	> 10% & < 20%	Pro-rata
Target	**10%**	**50%**
Between Threshold and Target	> 5% & < 10%	Pro-rata
Threshold	5%	25%
Below Threshold	<5%	0%

Average ROCE (50% weighting)

Performance level	SHV's Average ROCE for Performance Period	Vesting %
Stretch	> 14% of ROCE Achieved	100%
Between Target & Stretch	> ROCE achieved of 9.8% & < ROCE achieved of 14%	Pro-rata
Target	**ROCE achieved of 9.8%**	**50%**
Between Threshold and Target	> ROCE achieved of 7.0% & < ROCE achieved of 9.8%	Pro-rata
Threshold	ROCE achieved of 7.0%	25%
Below Threshold	ROCE achieved less than 7.0%	0%

Summary of performance rights over unissued ordinary shares

Details of performance rights over unissued ordinary shares at the beginning and ending of the reporting date and movements during the year are set out below:

30 September 2024												
							Balance at end of the year					
Grant date	Vesting date	Exercise price	Balance at start of the year (number)	Granted during the year (number)	Forfeited during the year (number)	Vested during the year (number)	On issue	Vested	Proceeds received ($)	Shares issued (number)	Fair value per share# ($)	Fair value aggregate ($)
28/07/2021	31/10/2023	–	159,800	–	(159,800)	–	–	–	–	–	6.29	–
31/05/2022	31/10/2024	–	351,089	–	(48,131)	–	302,958	–	–	–	3.91	1,184,566
09/03/2023	31/10/2025	–	220,671	–	(56,511)	–	164,160	–	–	–	2.47	405,475
07/04/2023	31/10/2025	–	261,191	–	–	–	261,191	–	–	–	2.96	773,125
03/05/2024	31/10/2026	–	–	702,486	–	–	702,486	–	–	–	2.34	1,643,817

Based on an external valuation at grant date.

30 September 2023												
							Balance at end of the year					
Grant date	Vesting date	Exercise price	Balance at start of the year (number)	Granted during the year (number)	Forfeited during the year (number)	Vested during the year (number)	On issue	Vested	Proceeds received ($)	Shares issued (number)	Fair value per share# ($)	Fair value aggregate ($)
27/03/2020	31/10/2022	–	105,480	–	(105,480)	–	-	–	–	–	4.22	–
28/07/2021	31/10/2023	–	175,542	–	(15,742)	–	159,800	–	–	–	6.29	1,005,142
31/05/2022	31/10/2024	–	382,381	–	(31,292)	–	351,089	–	–	–	3.91	1,372,758
09/03/2023	31/10/2025	–	–	266,642	(45,971)	–	220,671	–	–	–	2.47	545,057
07/04/2023	31/10/2025	–	–	261,191	–	–	261,191	–	–	–	2.96	773,125

Based on an external valuation at grant date.

6.3 Share Based Payments (continued)

Fair value of performance rights granted

The assessed fair value at grant date is determined using the Black-Scholes-Merton model (ROCE valuation) and the Monte Carlo option pricing model (ATSR valuation) that takes into account the term of the rights, the impact of dilution, the share price at offer date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the right. This assessment was made by an external expert.

The model inputs for rights granted in the tables above included:

	Share price at grant date	Expected volatility*	Expected dividends	Risk free interest rate
03 May 2024 Performance Rights Issue	$3.41	39%	2.00%	4.05%
07 April 2023 Performance Rights Issue	$4.28	36%	1.00%	2.88%
09 March 2023 Performance Rights Issue	$4.02	36%	1.00%	3.43%
31 May 2022 Performance Rights Issue	$5.88	39%	2.51%	2.65%
28 July 2021 Performance Rights Issue	$7.66	40%	0.52%	0.02%
27 March 2020 Performance Rights Issue	$7.05	40%	4.95%	0.35%
29 April 2019 Performance Rights Issue	$6.49	40%	1.83%	1.33%

* Expected share price volatility was calculated with reference to the annualised standard deviation of daily share price returns on the underlying security over a specified period.

Expenses arising from share-based payment transactions

Total expenses/ (credits) arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Consolidated	
	2024 $'000	2023 $'000
Performance rights granted under employee long term incentive plan	**271,846**	**441,301**

Share-based payments

Share-based compensation benefits are provided to employees via the Select Harvests Limited Long Term Incentive Plan (LTIP).

The fair value of performance rights granted under the Select Harvests Limited LTIP is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the performance rights. The fair value at grant date is independently determined using a Monte Carlo option pricing model that takes into account the term of the right, the vesting and performance criteria, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the right. The fair value of the performance rights granted is adjusted to reflect market vesting conditions,but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. At each balance sheet date, the entity revises its estimate of the number of rights that are expected to vest. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Consolidated Statement of Comprehensive Income with a corresponding adjustment to equity.

6.4 Auditors' Remuneration

		Consolidated	
		2024 $	2023 $
Audit and other assurance services			
Audit and review of financial statements		450,695	443,200
Other services	(a)	60,000	–
Total remuneration of PricewaterhouseCoopers		**510,695**	**443,200**

(a) There were no fees paid to PricewaterhouseCoopers for other services performed during the period.

6.5 Events Occurring After Balance Date

Equity Raising

On 20 September 2024 the Company announced to the ASX an equity raising of $80 million less estimated transaction costs of $3.4m at an offer price of $3.80 per share including institutional and retail investors.

The proceeds from the equity raising have been applied towards the repayment of debt of $71.3m, capital investment to increase processing capacity $5.0m and associated transaction costs $3.7m.

The institutional offer was successfully completed on 27 September and raised $61.7m less transaction costs of $2.8m. Refer to note 4.1.

The retail entitlement offer was competed on 15 October and raised $18.3m less transaction costs of $0.9m with a total of 4,806,953 million shares issued.

For further details, please refer to the relevant announcements made to the ASX.

Sale of water rights

In the second half of the year the Company commenced the rebalancing of its water portfolio by selling and purchasing permanent water rights so to align the water rights more closely to its farm locations. At the end of the year there were signed contracts for water sales of $11.7 million (representing 4,566ML of water) that were settled after year-end, which will deliver a one-off gain of $5.8 million gain in the 2025 financial statements.

Consolidated Entity Disclosure Statement

	Type of entity	Place of Incorporation	% of share capital	Australian resident or foreign resident
Parent Entity:				
Select Harvests Limited	Body Corporate	Australia	100	Australia
Controlled entities of Select Harvests Limited:				
Kyndalyn Park Pty Ltd	Body Corporate	Australia	100	Australia
Select Harvests Food Products Pty Ltd	Body Corporate	Australia	100	Australia
Meriram Pty Ltd	Body Corporate	Australia	100	Australia
Kibley Pty Ltd	Body Corporate	Australia	100	Australia
Select Harvests Nominee Pty Ltd	Body Corporate	Australia	100	Australia
Select Harvests Orchards Nominee Pty Ltd	Body Corporate	Australia	100	Australia
Select Harvests Water Rights Unit Trust	Trust	Australia	100	Australia
Select Harvests Water Rights Trust	Trust	Australia	100	Australia
Select Harvests Land Unit Trust	Trust	Australia	100	Australia
Select Harvests South Australian Orchards Trust	Trust	Australia	100	Australia
Select Harvests Victorian Orchards Trust	Trust	Australia	100	Australia
Select Harvests NSW Orchards Trust	Trust	Australia	100	Australia
Jubilee Almonds Irrigation Trust Inc	Trust	Australia	100	Australia

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5

- Foreign tax residency

The Company has no controlled entities registered overseas.

Partnerships and trusts

Australian tax law generally does not contain corresponding residency tests for partnerships and trusts and these entities are typically taxed on a flow-through basis.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Directors' Declaration

In the directors' opinion:

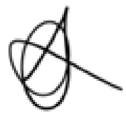
a. the consolidated financial statements and Notes set out on pages xx to xx are in accordance with the Corporations Act 2001, including:
   i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   ii. giving a true and fair view of the consolidated entity's financial position as at 30 September 2024 and of its performance for the financial year ended on that date; and
b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
c. the consolidated entity disclosure statement set out on page xx required by Section 295(3A) of the Corporations Act 2001 is true and correct as at 30 September 2024; and
d. at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 5.1 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 5.2.

Note 1.1 confirms that the consolidated financial statements also comply with International Financial Reporting

Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Managing Director and Chief Financial Officer required under section 295A of the Corporations Act 2001.

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



T Dillon
Chairman

Melbourne, 29 November 2024

Independent auditor's report

To the members of Select Harvests Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Select Harvests Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 September 2024 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 September 2024
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 September 2024
- the directors' declaration.

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

Independence

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.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

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. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
Basis of preparation *(Refer to note 1.2.2)* As described in note 1.2.2, the Consolidated Financial Statements have been prepared by the Group on a going concern basis. The Group's total borrowings at 30 September 2024 is \$165.2 million, of which \$145.2 million is non-current. The Group prepared a cash flow forecast for the next 12 months from 29 November 2024, which assessed its liquidity and compliance with forecast covenant positions. Assessing the appropriateness of the Group's basis of preparation for the financial report was considered a key audit matter due to its importance to the overall Consolidated Financial Statements and the level of judgement involved in forecasting future cash flows for a period of at least 12 months from the audit report date and covenant calculations of the Group.	Our procedures included the following, amongst others: • Evaluating the appropriateness of the Group's assessment of their ability to continue as a going concern, including whether the level of analysis is appropriate given the nature of the Group and the period covered is at least 12 months from the date of our auditor's report. • Reading the relevant banking facility agreements and developing an understanding of the key terms, including available drawdown amounts, maturity dates and covenants. • Obtaining the Group's cash flow forecast and comparing the future cash flows used in the forecast with the forecasts formally approved by the Board. • Assessing whether the significant assumptions for harvest volumes, almond price and operating costs used in the cash flow forecast and covenant calculation were appropriate, with reference to the historical performance and external market data where possible.

Key audit matter	How our audit addressed the key audit matter
	• Checking the mathematical accuracy of key data inputs for the cash flow forecast. • Checking the mathematical accuracy of the covenant calculations and compared the calculations to the relevant covenant requirements in the banking facility agreements. • Evaluating the reasonableness of the disclosures made in note 1.2.2, including significant assumptions, against the requirements of Australian Accounting Standards.
Inventory valuation *(Refer to note 3.2)* The Group held inventory of $125.0 million at 30 September 2024. The inventory balance includes almonds that have been fully harvested at the year end. Australian Accounting Standards require agricultural produce (such as almonds) from an entity's biological assets to be included in inventory and measured at fair value less costs to sell, at the point of harvest. The inputs used by the Group in the valuation of current year inventory at the point of harvest include committed sales contracts, market values for the uncommitted inventory and its quality. We considered inventory valuation to be a key audit matter because of the financial significance of the inventory balance and the judgement required by the Group involved in the key assumptions.	Our procedures included the following, amongst others: • Assessing the Group's accounting policies against the requirements of Australian Accounting Standards. • Assessed whether assumptions used to determine fair value at the point of harvest were reasonable with reference to committed sales contracts. • Evaluating net realisable value of the current year almond crop inventory by comparing the value held at 30 September 2024, to actual selling prices achieved after year-end for a sample of items sold or to a sample of committed sales contracts. • Tested the mathematical accuracy of key data included in the calculation of the fair value of the almond crop. • Evaluating the reasonableness of the disclosures made in note 3.2 in light of the requirements of Australian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Carrying value of right-of-use assets *(Refer to note 3.6)* During the year, the Group held right-of-use assets of $188.0 million. The Group assesses for indicators of impairment at the asset Cash Generating Unit (CGU) level which is determined to be the orchard level. At 30 September 2024 the Group identified two leased farms (Yilgah and Mooral) that had indicators of impairment present. The Group performed an impairment assessment for the CGU's, by preparing a financial model to determine if the carrying value of the assets is supported by forecast future cash flows, discounted to present value (the "model"). Significant assumptions to the future cash flows included harvest yields and almond pricing. The impairment assessment resulted in a $6.6 million impairment to the Yilgah CGU, with no impairment to the carrying value of the Mooral CGU. We considered the carrying value of right-of-use assets to be a key audit matter because of the financial significance of the carrying value and the significant judgements and assumptions applied by the Group in estimating forecast future cash flow**s.**	Our procedures included the following, amongst others: • Assessing whether the Group's determination of the Cash Generating Unit (CGU) was consistent with our knowledge of the Group's operations. • Testing the mathematical accuracy of key data in the model. • Considering the historical accuracy of the Group's forecast to actual performance. • Comparing the forecast cash flows used in the model with the forecasts formally approved by the Board. • Assessing whether the significant assumptions used in the model, including forecast harvest volumes and almond pricing, were appropriate with reference to external market data, where available. • Assessing whether the discount rate applied in the model was appropriate, based on market information. Evaluating the reasonableness of the disclosures made in note 3.6, including key assumptions, in light of the requirements of the Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 September 2024, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' Report, the Message from the Chair of the Remuneration and Nomination Committee, Corporate information and ASX Additional Information. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed 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.

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 Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 September 2024.

In our opinion, the remuneration report of Select Harvests Limited for the year ended 30 September 2024 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

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

PricewaterhouseCoopers

Alison Tait Milner
Partner

Melbourne
29 November 2024

ASX additional information

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows.

(a) Distribution of equity securities

The following information is current as at 31 October 2024.

The number of shareholders, by size of holding, in each class of share is:

Number of ordinary shares	Number of shareholders
1 to 1,000	3,985
1,001 to 5,000	3,185
5,001 to 10,000	902
10,001 to 100,000	743
100,001 and over	47
The number of shareholders holding less than a marketable parcel of shares is:	
58,472	1,059

(b) Twenty largest shareholders

The following information is current as at 31 October 2024.

The names of the twenty largest registered holders of quoted shares are:

		Number of shares	Percentage of shares
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	27,020,784	19.01
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	21,780,827	15.33
3	CITICORP NOMINEES PTY LIMITED	19,979,849	14.06
4	UBS NOMINEES PTY LTD	16,702,802	11.75
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT- COMNWLTH SUPER CORP A/C>	4,716,710	3.32
6	BUTTONWOOD NOMINEES PTY LTD	3,629,480	2.55
7	NATIONAL NOMINEES LIMITED	2,807,274	1.98
8	BNP PARIBAS NOMS PTY LTD	1,355,351	0.95
9	INVIA CUSTODIAN PTY LIMITED <A/M UNIT A/C>	1,061,302	0.75
10	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	889,533	0.63
11	RATHVALE PTY LIMITED	766,271	0.54
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	571,602	0.40
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	537,648	0.38
14	MR PAUL THOMPSON	537,454	0.38
15	TASMAN SUPER PTY LIMITED <ROBINSON FAMILY S/F A/C>	528,307	0.37
16	COSTA ASSET MANAGEMENT PTY LTD <COSTA ASSET MGMT UNIT A/C>	456,853	0.32
17	MELVILLE CO PTY LTD	430,000	0.30
18	TOAL INTERNATIONAL PTY LTD <TOAL FAMILY A/C>	410,217	0.29
19	MR JOHN PATERSON	385,000	0.27
20	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	382,977	0.27
	Total securities of Top 20 holdings	**104,950,241**	**73.85**
	Remaining holders balance	37,157,398	26.15
	Total	**142,107,639**	**100**

ASX additional information (continued)

(c) Substantial shareholders

The substantial shareholders as disclosed by notices received by the Company as at 31 October 2024 are:

	Number of shares	Percentage of shares
Perpetual Limited	18,744,879	15.484%
Paradice Investment Management Pty Ltd	9,437,407	6.641%
Australian Retirement Trust Pty Ltd	7,873,665	5.541%
Macquarie Group Limited	7,107,318	5.00%

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

The Company is listed on the Australian Stock Exchange. The home exchange is Melbourne.

Corporate Information

Select Harvests Limited
ABN 87 000 721 380

Directors
T Dillon (Chair)
D Surveyor (Managing Director)
G Kingwill (Non-Executive Director)
M Zabel (Non-Executive Director)
M Somerville (Non-Executive Director)
P van Heerwaarden (Non-Executive Director)

Company Secretary
T Bradfield (Appointed 24 July 2024)
B Crump (resigned 24 July 2024)

Registered Office - Select Harvests Limited
L3, Building 7, Botanicca Corporate Park
570-588 Swan Street
Richmond VIC 3121

Postal address
L3, Building 7, Botanicca Corporate Park
570-588 Swan Street
Richmond VIC 3121
Telephone (03) 9474 3544
Email info@selectharvests.com.au

Solicitors
Minter Ellison Lawyers

Bankers
National Australia Bank Limited
Rabobank Australia

Auditor
PricewaterhouseCoopers

Share Register
Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
Telephone (03) 9415 4000

Website
www.selectharvests.com.au

SELECT HARVESTS

Select Harvests Limited

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570-588 Swan Street
Richmond VIC 3121

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