

Maggie Beer Holdings Ltd

ABN 69 092 817 171

Appendix 4D & Half-Year Report - 31 December 2024

1. Company details

Name of entity:	Maggie Beer Holdings Ltd
ABN:	69 092 817 171
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	5.8% to	54,484
Profit/(Loss) from continuing operations after tax attributed to the owners of Maggie Beer Holdings Ltd	down	82.0% to	237
Profit/(Loss) from discontinuing operations after tax attributed to the owners of Maggie Beer Holdings Ltd	N/a	- to	(4,675)
Profit/(Loss) from ordinary activities after tax attributable to the owners of Maggie Beer Holdings Ltd	N/a	- to	(4,438)
Loss for the half-year attributable to the owners of Maggie Beer Holdings Ltd	N/a	- to	(4,438)

Comments

The loss for the consolidated entity after providing for income tax amounted to \$4.4 million (31 December 2023: loss of \$5.7 million).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security*	<u>6.89</u>	<u>7.95</u>

* Tangible net assets per ordinary share is calculated using Group net assets less right of use and intangible assets, adding back lease liabilities, and dividing by the number of shares on issue.

4. Control gained over entities

Not applicable.

5. Loss of control over entities and other significant matters

HGA earnout settlement

On 1 August 2024 the Group announced that it had agreed to settle the HGA earnout legal dispute with the former owners of Hampers and Gifts Australia. Under the terms of the settlement, MBH has agreed to and made a cash payment of \$2m to the vendors.

Discontinued Operations/assets held for sale

On 1 August 2024 the group via the board of directors resolved that the Paris Creek Farm (PCF) business is an asset held for sale and ceased depreciation of assets. An advisor was appointed on 28 June 2024 to consider all options to optimise the value of the PCF business, including an active program to locate potential buyers. PCF financial results have been reclassified as a current asset held for sale and discontinued operations under AASB 5 in the current reporting period.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the previous financial period.

Previous period

There were no dividends paid, recommended or declared during the comparable previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Other Information

This Appendix 4D should be read in conjunction with the Maggie Beer Holdings 2024 Annual Report and the accompanying 2025 Half Year Financial Report.

11. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Appendix 4D & Half-Year Report.

12. Attachments

Details of attachments (if any):

The Half-Year Report of Maggie Beer Holdings Ltd for the half-year ended 31 December 2024 is attached.

13. Signed

Signed 

Date: 26 February 2025

Mark Lindh
Non-Executive Chair

Maggie Beer Holdings Ltd
Contents
As at 31 December 2024



Corporate directory	4
Directors' report	5
Auditor's independence declaration	8
Statement of profit or loss and other comprehensive income	9
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14
Directors' declaration	25
Independent auditor's review report to the members of Maggie Beer Holdings Ltd	26

Directors	Mark Lindh (Non-executive Director from 13 January 2025 and Non-executive Chairman from 07 February 2025) Susan Thomas (Non-executive Chair to 06 February 2025, continues as Non-executive Director) Maggie Beer AO (Non-executive Director) Tom Kiing (Non-executive Director) Hugh Robertson (Non-executive Director)
Executive Management	Penny Diamantakiou (Chief Operating Officer and Chief Financial Officer from 13 September 2024 to 05 February 2025) Kinda Grange (Chief Executive Officer to 13 August 2024) Craig Louttit (Chief Financial Officer to 27 August 2024)
Company secretary	Sophie Karzis
Registered office	2 Keith St Tanunda SA 5352 Tel: +61 8 7004 1307 Fax: +61 8 9077 9233
Principal place of business	2 Keith St Tanunda SA 5352 Tel: +61 8 7004 1307 Fax: +61 8 9077 9233
Share register	Boardroom Pty Limited Level 12, 225 George Street, Sydney NSW 2000 GPO Box 3993, Sydney NSW 2001 Tel: 1300 737 760 Fax: 1300 653 459
Auditor	Ernst & Young The EY Centre Level 34, 200 George Street Sydney, NSW 2000
Stock exchange listing	Maggie Beer Holdings Ltd shares are listed on the Australian Securities Exchange (ASX code: MBH)
Website	www.maggiebeerholdings.com.au
Corporate Governance Statement	The company's Corporate Governance charters are located on the Company's website at the following link: www.maggiebeerholdings.com.au/investors/corporate-governance/

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'group') consisting of Maggie Beer Holdings Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were directors of Maggie Beer Holdings Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mark Lindh (Non-executive Director from 13 January 2025, and Non-executive Chairman from 07 February 2025)
Susan Thomas (Non-executive Chairman to 06 February 2025, continues as Non-executive Director)
Maggie Beer AO (Non-executive Director)
Tom Kiing (Non-executive Director)
Hugh Robertson (Non-executive Director)

Principal activities

During the financial half-year, the principal continuing activities of the consolidated entity were the expansion of its activities in the food and beverage industry and e-commerce sector with a particular focus on premium products. This includes:

- Maggie Beer Products Pty Ltd ("MBP");
- Hampers and Gifts Australia Pty Ltd.

Non-IFRS measures

The directors' report includes references to Non-IFRS financial measures such as Trading EBITDA and pro-forma results. Trading EBITDA has been used by the group for a number of years to present financial information that is helpful to readers of this financial report and the directors believe that it best reflects the underlying operating performance of the group. Trading EBITDA is used as a measure of financial performance by excluding non-recurring transactions and long term non-cash share based incentive payments. Trading EBITDA is also utilised by senior management to manage and measure the performance of the business and for discussions with and disclosures to the market. Non-IFRS measures are not subject to audit or review.

	Consolidated	
	31 December 2024	31 December 2023
	\$'000	\$'000
		Restated*
Profit/(loss) after income tax from continuing operations	237	1,314
Finance costs	196	142
Interest income	(52)	(28)
Depreciation expense	1,204	1,343
Amortisation expense	1,401	1,401
Tax Expense/(Benefit)	-	(582)
EBITDA from continuing operations	2,986	3,590
Non-Trading Items:		
Redundancy	3	46
Non-Trading Professional fees	253	114
Non-Trading Expenses	353	-
Trading EBITDA from continuing operations	3,595	3,750

* - Prior year comparatives have been restated due to Paris Creek Farms being reclassified to discontinuing operations, refer to note 4 for details.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$4,438,000 (31 December 2023: \$5,701,000).

Review of continuing Operations

Group net sales for the six months ended 31 December 2024 (H1) were \$54.2 million; up 5.8% on the prior corresponding period (pcp). Second quarter (Q2) revenue growth of 6.9% on pcp reflected a strong improvement from the first quarter (Q1) revenue growth of 2.8%.

Maggie Beer Product (MBP) revenue growth for H1 was 5.7% against pcp. Both quarters recorded growth reflecting the less seasonal nature of the business. Strong sales growth was driven by category expansion in Cheese & Deli (launches within Coles) and cycling of FY24 launches within Cooking & Desserts in supermarkets.

Hampers and Gifts Australia (HGA) delivered revenue growth in H1 of 6.3% against pcp, including Q2 up 7.6% reflecting the strength of "The Hamper Emporium" brand. Growth has been delivered through successful execution of strategic priorities including:

- Increased volume of Hamper production to avoid stock outs of key lines at the close of the Christmas period
- Continued execution of the personalised approach to corporate sales deploying extra staff to drive conversion in the Christmas period
- Increased online advertising spend to drive traffic to HGA websites; and
- a continued focus on great customer service (Award for Customer Satisfaction for the category "online gift delivery" in 2024) to ensure seamless delivery to recipients and overall customer satisfaction as measured by NPS scoring.

Gross margin of 50.9% (flat compared with pcp) in H1 was driven by the sales growth in HGA higher gross margin products. Generally, conditions from previous years continued and gross margins were impacted by:

- Delayed price recovery of higher input costs in Christmas Hampers and MBP
- Shifting product and channel mix in MBP
- Increased market competition around key sales events such as Black Friday and the Christmas period where a higher proportion of sales were sold on promotion.

Trading EBITDA of \$3.6m (H1 FY24: \$3.8m) reflects:

- Gross margin impact referred to above;
- Increased investment in growth initiatives including brand building campaign in MBP & HGA to drive future growth, and investment in Group labour to build capability and deliver key business initiatives. These investments have supported the delivery of revenue of H1 revenues and create a platform for future scale and growth; and
- Advertising spend in H1 for HGA was up 8% compared to pcp.

Net Profit from continuing operations was a Profit of \$0.2m (vs. pcp of \$0.7m).

Total Net Profit from continuing and discontinuing operations was a loss of \$4.4m compared to pcp of a loss of \$5.7m

Paris Creek Farms (PCF) reclassified as discontinued operations and Assets held for Sale

On 1 August 2024 the group resolved that the Paris Creek Farm business is an asset held for sale. An advisor was appointed on 28 June 2024 to consider all options to optimise the value of the PCF business, including an active program to locate potential buyers. PCF financial results have been reclassified as non-current assets held for sale and discontinued operations (AASB 5) in the current reporting period.

HGA earn-out settlement

On 1 August 2024 the Group announced that it had agreed to settle the HGA earnout legal dispute with the former owners of Hampers and Gifts Australia. Under the terms of the settlement, MBH has agreed to and made a cash payment of \$2m to the vendors.

Strong financial position enables further investment for growth

MBH retains a strong balance sheet with total net assets of \$53.3 million and a net cash position of \$10.3 million as at 31 December 2024 with no debt. Meanwhile, the Company continued to generate positive operating cashflow of \$8.3 million for H1 FY25 after agreeing credit terms with advertising partners. The Group's strong financial position enables the business to respond to the current market challenges while maintaining investments in growth initiatives to build further scale and capability and optimise the Group's asset base.

Outlook and Strategic Priorities FY25

For H2 FY25, MBH is focused on accelerating strategic initiatives and delivering operational efficiencies to create further value.

For FY25 the Group expects to achieve positive sales growth driven by MBP and HGA, whilst maintaining a strong balance sheet which supports investments in growth initiatives.

Matters subsequent to the end of the financial half-year

On 13 January 2025 Mark Lindh was appointed as a non-executive director of the Board effective from the date of appointment. Based in South Australia, Mr Lindh is a founder and principal of AE Advisors, an investment house established in 2006. AE Advisors is currently engaged by the Company to assist with the sale of Paris Creek Farms.

On 5 February, the board of directors announced operational changes to the Group operations resulting from the board led strategic review. Each of the E-Commerce (Hampers & Gifts) and Maggie Beer Products businesses will be operated as a profit centre with a divisional head to help and drive strategic objective of each business unit. As part of the finalisation of this new divisional structure, Penny Diamantakiou has exited the business (05 February 2025).

Following the restructure of operations announcement on 05 February 2025, the board of directors announced that Mark Lindh (Appointed to the board of directors on 13 January 2025) had been appointed chair on 07 February 2025. Sue Thomas will remain as a non-executive director of the board.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Rounding of amounts

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

Auditor's independence declaration

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

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Mark Lindh
Non-Executive Chair

26 February 2025



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Sydney NSW 2000 Australia
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Auditor's independence declaration to the directors of Maggie Beer Holdings Limited

As lead auditor for the review of the half-year financial report of Maggie Beer Holdings Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Maggie Beer Holdings Limited and the entities it controlled during the financial period.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Graham Leonard'.

Graham Leonard
Partner
26 February 2025

Maggie Beer Holdings Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024



		Consolidated	
	Note	31 December 2024	31 December 2023
		\$'000	\$'000
			(Restated)*
Revenue from continuing operations			
Revenue	6	54,433	51,445
Interest income		52	28
Other income		-	16
Total revenue		<u>54,485</u>	<u>51,489</u>
Expenses from continuing operations			
Raw materials and consumables used		(26,707)	(25,244)
Overheads		(267)	(264)
Occupancy and utilities costs		(510)	(345)
Employee benefits expense		(7,787)	(7,471)
Transportation expense		(5,194)	(4,882)
Professional fees		(1,346)	(568)
Marketing and advertising		(7,252)	(7,113)
Other expenses		(2,384)	(1,984)
Depreciation expense		(1,204)	(1,343)
Amortisation expense		(1,401)	(1,401)
Finance costs		(196)	(142)
Profit before income tax benefit from continuing operations		237	732
Income tax benefit		-	582
Profit after income tax benefit from continuing operations		237	1,314
Loss after income tax benefit from discontinued operations	7	<u>(4,675)</u>	<u>(7,015)</u>
Loss after income tax benefit for the half-year attributable to the owners of Maggie Beer Holdings Ltd		(4,438)	(5,701)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Maggie Beer Holdings Ltd		<u>(4,438)</u>	<u>(5,701)</u>
Total comprehensive income for the half-year is attributable to:			
Continuing operations		237	1,314
Discontinued operations		<u>(4,675)</u>	<u>(7,015)</u>
		<u>(4,438)</u>	<u>(5,701)</u>

* - Prior year comparatives have been restated due to Paris Creek Farms being reclassified to discontinuing operations, refer to note 4 for details.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Maggie Beer Holdings Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024



		Cents	Cents Restated*
Earnings per share for profit from continuing operations attributable to the owners of Maggie Beer Holdings Ltd			
Basic earnings per share	17	0.07	0.37
Diluted earnings per share	17	0.07	0.37
Earnings per share for loss from discontinued operations attributable to the owners of Maggie Beer Holdings Ltd			
Basic earnings per share	17	(1.32)	(1.97)
Diluted earnings per share	17	(1.32)	(1.97)
Earnings per share for profit attributable to the owners of Maggie Beer Holdings Ltd			
Basic earnings per share	17	(1.25)	(1.60)
Diluted earnings per share	17	(1.25)	(1.60)

* - Prior year comparatives have been restated due to Paris Creek Farms being reclassified to discontinuing operations, refer to note 4 for details.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

		Consolidated	
	Note	31 December 2024 \$'000	30 June 2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	4	10,345	3,922
Trade and other receivables		6,041	7,902
Inventories		10,009	12,295
Other assets	4	1,907	2,953
		<u>28,302</u>	<u>27,072</u>
Assets classified as held for sale	7	6,781	-
Total current assets		<u>35,083</u>	<u>27,072</u>
Non-current assets			
Receivables		1,369	1,469
Property, plant and equipment	8	3,330	8,466
Right-of-use assets		2,832	3,836
Intangibles	9	30,495	31,474
Deferred tax		1,426	3,625
Total non-current assets		<u>39,452</u>	<u>48,870</u>
Total assets		<u>74,535</u>	<u>75,942</u>
Liabilities			
Current liabilities			
Trade and other payables		12,726	8,334
Contract liabilities		496	536
Lease liabilities		1,558	1,874
Employee benefits		851	1,123
Provisions	10	96	2,000
		<u>15,727</u>	<u>13,867</u>
Liabilities directly associated with assets classified as held for sale	7	2,490	-
Total current liabilities		<u>18,217</u>	<u>13,867</u>
Non-current liabilities			
Lease liabilities		2,842	3,700
Employee benefits		143	94
Provisions		-	511
Total non-current liabilities		<u>2,985</u>	<u>4,305</u>
Total liabilities		<u>21,202</u>	<u>18,172</u>
Net assets		<u>53,333</u>	<u>57,770</u>
Equity			
Issued capital	11	166,646	166,285
Reserves	12	2,853	3,213
Accumulated losses		<u>(116,166)</u>	<u>(111,728)</u>
Total equity		<u>53,333</u>	<u>57,770</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Maggie Beer Holdings Ltd
Statement of changes in equity
For the half-year ended 31 December 2024



Consolidated	Contributed capital \$'000	Share based payment reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	166,285	2,946	(83,490)	85,741
Loss after income tax benefit for the half-year	-	-	(5,701)	(5,701)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(5,701)	(5,701)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	154	-	154
Balance at 31 December 2023	<u>166,285</u>	<u>3,100</u>	<u>(89,191)</u>	<u>80,194</u>
Consolidated	Contributed capital \$'000	Share based payment reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2024	166,285	3,213	(111,728)	57,770
Loss after income tax expense for the half-year	-	-	(4,438)	(4,438)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(4,438)	(4,438)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	1	-	1
Shares issued in settlement of performance criteria achieved	361	(361)	-	-
Balance at 31 December 2024	<u>166,646</u>	<u>2,853</u>	<u>(116,166)</u>	<u>53,333</u>

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

		Consolidated	
	Note	31 December 2024 \$'000	31 December 2023 \$'000 (Restated)*
Cash flows from operating activities			
Receipts from customers and others	4	64,591	60,661
Payments to suppliers and employees	4	<u>(56,280)</u>	<u>(55,360)</u>
Net cash from operating activities		<u>8,311</u>	<u>5,301</u>
Cash flows from investing activities			
Payments for property, plant and equipment	8	(545)	(607)
Payments for intangibles	9	<u>(554)</u>	<u>(233)</u>
Net cash used in investing activities		<u>(1,099)</u>	<u>(840)</u>
Cash flows from financing activities			
Principal elements of lease		(636)	(1,171)
Proceeds from borrowings	4&14	9,060	4,982
Repayment of borrowings	4&14	(9,060)	(4,982)
Finance costs paid		(205)	(148)
Interest received		<u>52</u>	<u>28</u>
Net cash used in financing activities		<u>(789)</u>	<u>(1,291)</u>
Net increase in cash and cash equivalents		6,423	3,170
Cash and cash equivalents at the beginning of the financial half-year	4	<u>3,922</u>	<u>8,428</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>10,345</u></u>	<u><u>11,598</u></u>

* - Prior year comparatives have been restated, refer to note 4 for details

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Maggie Beer Holdings Ltd as a consolidated entity consisting of Maggie Beer Holdings Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Maggie Beer Holdings Ltd's functional and presentation currency.

Maggie Beer Holdings Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

2 Keith St
Tanunda SA 5352
Tel: +61 8 7004 1307
Fax: +61 8 9077 9233

A description of the nature of the consolidated entity's operations and its principal activities are included in appendix 4D and the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on fair value less costs of disposal calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Income tax expense

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

Recovery of deferred tax assets

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

Note 4. Restatement of comparatives

Prior year restatement of comparatives for receipts from customers and others, and payments to suppliers and employees

The Group has restated the prior year comparatives in the Statement of cashflows for the half year period to 31 December 2023. The receipts from customers and others and payment to suppliers and employees were incorrectly grossed up and has been corrected. The impact of the restatement is that the receipts from customers and others increased \$0.5m from \$60.2m to \$60.7m, whilst payments to suppliers and employees increased by the same amount from \$54.9m to \$55.4m.

Prior year restatement of proceeds from and repayment of borrowings

The Group has restated the prior year comparatives in the Statement of cashflows for the half year to 31 December 2023 for the proceeds from and repayment of borrowings, previously netted in Financing Activities. The impact of the restatement of proceeds from and repayment of borrowings for each category is an increase of \$5.0m. Please see note 14 for further details of debt facilities utilised by the Group.

Reclassification of bank deposit amounts from cash and cash equivalents to other current assets

The Group has reclassified a number of bank deposits \$0.8m (30 June 2024 \$0.8m) which support bank guarantees issued for various property leases that the Group conduct business operations from. The bank deposits are for terms of between six - twelve months and then generally renew for a further term of deposit, making the deposits revolving in nature. The deposits are unavailable for disbursement across normal operating activities. The impact of this reclassification is reflected in the current value of cash and cash equivalents as at 31 December 2024. The 30 June 2024 cash and cash equivalent comparative balance previously reported, decreases \$0.8m from \$4.7m to \$3.9m. The reclassification of these deposit amounts \$0.8m to security deposits / other current assets better reflects the underlying nature of how these bank deposits are used to support the execution of the Group 's business activities.

The Group has applied the same reclassification to the statement of cashflows for the 31 December 2023 comparative opening cash and cash equivalent comparative figure adjusting the comparative from \$9.2m to \$8.4m and removing payment for financial assets of \$0.8m with these funds held in existing security deposits as at 31 December 2023.

Reclassification of Paris Creek Farms to discontinued Operations and as an Asset held for sale

On 1 August the Board of Directors resolved to reclassify Paris Creek Farms (PCF) as discontinued operations and as an asset held for sale. The Directors having previously appointed AE advisors to consider all options for the PCF business and to maximise the sale opportunity for the Group.

Accordingly, in the Financial Statements, PCF has been presented as discontinued operation in the statement of profit or loss and other comprehensive income and in note 7 discontinued operations in the current year. In the statement of profit or loss and comprehensive income, prior year comparatives and supporting notes to the statement of profit or loss and comprehensive income have been restated to show PCF as a discontinued operation. In the statement of financial position, prior year comparisons have not been restated to show PCF as an asset held for sale.

Note 5. Operating segments

Identification of reportable operating segments

AASB 8 operating segments, requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the board of directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

There are currently two operating segments under the criteria set out in AASB 8 operating segments, being Hampers & Gifts Australia Pty Ltd ("Hampers & Gifts Australia"), Maggie Beer Products Pty Ltd ("Maggie Beer Products") and other corporate costs. Paris Creek Farms are classified as discontinued operations and no longer disclosed as an operating segment. Refer to note 7 Discontinued Operations for further information.

Information regarding these segments is set out below.

Operating segment information

Consolidated - 31 December 2024	Maggie Beer Products \$'000	Hampers & Gifts Australia \$'000	Unallocated Corporate costs \$'000	Total \$'000
Revenue				
Sales to customers	20,136	35,772	-	55,908
Intersegment Sales	(1,423)	(52)	-	(1,475)
Total external sales revenue	18,713	35,720	-	54,433
Other Revenue	(44)	96	-	52
Total revenue	18,669	35,816	-	54,485
EBITDA *	1,080	4,888	(2,982)	2,986
Finance costs (net of Interest Income)	(6)	12	(150)	(144)
Depreciation and amortisation	(663)	(1,905)	(37)	(2,605)
Profit/(loss) before income tax expense	411	2,995	(3,169)	237
Income tax expense				-
Profit after income tax expense				237
Loss from discontinued Operations				(4,675)
Net Profit/(Loss) after Income tax benefit				(4,438)
Assets				
Segment assets	19,594	41,545	13,396	74,535
Total assets				74,535
Liabilities				
Segment liabilities	4,052	13,593	3,557	21,202
Total liabilities				21,202

* - EBITDA is a non-GAAP measure of earnings before earnings interest, tax, depreciation, impairments and gains and losses on sale of assets.

	Maggie Beer Products \$'000	Hampers & Gifts Australia \$'000	Paris Creek Farm*	Unallocated Corporate costs \$'000	Total \$'000
Consolidated - 31 December 2023					
Revenue					
Sales to customers	19,005	33,670	-	-	52,675
Intersegment sales	(1,230)	-	-	-	(1,230)
Total external sales revenue	17,775	33,670	-	-	51,445
Other revenue	3	41	-	-	44
Total revenue	17,778	33,711	-	-	51,489
EBITDA **	742	5,299	-	(2,451)	3,590
Finance costs	(16)	(63)	-	(35)	(114)
Depreciation and amortisation	(662)	(2,047)	-	(35)	(2,744)
Profit/(loss) before income tax benefit	64	3,189	-	(2,521)	732
Income tax benefit					582
Profit after income tax benefit					1,314
Loss from discontinued Operations					(7,015)
Net Profit/(Loss) after Income tax benefit					(5,701)

Consolidated - 30 June 2024

Assets					
Segment assets	24,506	35,339	10,617	5,480	75,942
Total assets					75,942
Liabilities					
Segment liabilities	4,838	7,309	2,573	3,452	18,172
Total liabilities					18,172

Seasonality of Segment

The Hampers & Gifts Australia (HGA) segment is a supplier of premium hamper and gifting products to consumers and B2B customers across Australia. HGA specialises in offering high quality luxurious gift hampers and personalised gifts suitable for various occasions. Due to the seasonal nature of this segment, higher revenues and operating profits are expected to occur in the first half of the financial year in July to December. These higher sales are mainly attributable to the increase demand for gifting products that occur for high profile sales events e.g., Black Friday and Cyber Monday and throughout the Christmas period. This information is provided to allow a better understanding of results. Management has concluded that this is "highly seasonal" in accordance with AASB 134 Interim Financial Reporting. The calendar year net Sales to 31 December 2024 were \$44.3m (net sales to 31 December 2023 \$42.6m).

* - The Operating segment note comparative as at 31 December 2023 excludes Paris Creek Farms (PCF) on the basis that it has been reclassified a discontinued operation in the Statement of profit or loss and other comprehensive income. The comparatives of the Statement of financial position as at 30 June 2024 have not been restated.

** - EBITDA is a non-GAAP measure of earnings before earnings interest, tax, depreciation, impairments and gains and losses on sale of assets.

Note 6. Revenue

The group derives the following types of revenue from contracts with customers:

	Consolidated	
	31 December 2024	31 December 2023
	\$'000	\$'000
Continuing operations - Types of goods		
Sale of goods - retail	13,448	14,882
Sale of goods - online	40,985	36,563
Total sales from continuing operations	<u>54,433</u>	<u>51,445</u>
	Consolidated	
	31 December 2024	31 December 2023
Discontinued operations - Type of goods		
Sale of goods - retail *	<u>7,105</u>	<u>7,475</u>

All revenue is recognised at a point in time.

* - Paris Creek Farms (PCF) has been reclassified as discontinued operations and as an asset held for sale. As such prior year PCF retail sales have been reclassified from continuing to discontinued operations sale of goods - retail.

Note 7. Discontinued operations

On 1 August 2024 the group resolved that Paris Creek Farm (PCF) business is an asset held for sale. An advisor was appointed on 28 June 2024 to consider all options to optimise the value of the PCF business, including an active program to locate potential buyers. PCF is expected to be sold within the next 12 months and is reported in the current period as a discontinued operation. The financial performance and cashflow information presented reflects the operations of PCF for the half year ended 31 December 2024.

An independent valuation of PCF land and buildings has been performed which indicates based on comparable market data, that the market value exceeds the current net book value of assets and liabilities held for sale.

Financial performance information of discontinued operation

	Consolidated	
	31 December 2024	31 December 2023
	\$'000	\$'000
Revenue	7,105	7,475
Expenses	(8,064)	(9,862)
Impairment	-	(4,628)
Write-off on reclassification as an Asset held for sale	(1,516)	-
Total expenses	<u>(9,580)</u>	<u>(14,490)</u>
Loss before income tax expense	(2,475)	(7,015)
Income tax Expense	<u>(2,200)</u>	-
Loss after income tax benefit from discontinued operations	<u>(4,675)</u>	<u>(7,015)</u>

Note 7. Discontinued operations (continued)

Cash flow information

	Consolidated	Consolidated
	31 December	31 December
	2024	2023
	\$'000	\$'000
Net cash used in operating activities	(811)	(1,566)
		Consolidated
		31 December
		2024
		\$'000
Trade and other receivables		1,679
Inventories		1,079
Right of use assets		145
Property plant and equipment		371
Buildings and Leasehold Improvements		3,047
Land		460
Total assets		6,781
Trade and other payables		1,272
Accrued expenses		259
Provisions - Employees		202
Employee benefits		286
Lease liabilities		155
Other liabilities		316
Total liabilities		2,490
Net assets held for sale		4,291

Note 8. Property, plant and equipment

	Consolidated	
	31 December	30 June 2024
	2024	2024
	\$'000	\$'000
Land	-	460
Motor vehicles	16	125
Less: Accumulated depreciation	(16)	(72)
	-	53
Plant & Equipment - at cost	7,910	11,971
Less: Accumulated depreciation	(4,666)	(4,972)
Less: Impairment	-	(3,305)
	3,244	3,694
Building & Leasehold improvements - at cost	354	5,958
Less: Accumulated depreciation	(268)	(300)
Less: Impairment	-	(1,399)
	86	4,259
	3,330	8,466

Note 8. Property, plant and equipment (continued)

Paris Creek Farm classified as discontinued operations and assets held for sale

With Paris Creek Farms reclassified as discontinued operations and as an asset held for sale, Land at cost of \$0.5m and Building and Leasehold improvements at Net book value of \$4.1m (Cost \$5.6m, accumulated depreciation \$1.5m) have been reclassified as assets held for sale from Property Plant and equipment in the current period to 31 December 2024 see note 7. As per paragraph 40 of AASB 5 Non-current Assets Held for Sale and Discontinued Operations the prior period comparatives as at 30 June 2024 have not been adjusted and the 30 June 2024 comparatives include land, and building and leasehold improvements for PCF as part of property plant and equipment.

Paris Creek Farm Impairment Changes per 30 June 2024 Comparatives

At 31 December 2023, Paris Creek Farm (PCF) CGU had indications of impairment of its assets, plant and equipment, and land and buildings. PCF's trading EBITDA declined to a loss below budget.

At 31 December 2023, an independent valuation was performed of the PCF land and buildings which indicated, based on comparable market data that the carrying value of the land and buildings was impaired. An impairment charge of \$1.4m has been booked which reduces the carrying value of the land and buildings to \$4.7m.

The above impairment totalling charges \$4.7m, resulted in a taxable temporary difference, which has not been recognised as a deferred tax asset of \$1.41m.

Note 9. Intangibles

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Goodwill - at cost	71,769	71,769
Less: Impairment	(53,507)	(53,507)
	18,262	18,262
Brand	14,115	14,115
Less: Accumulated amortisation	(4,717)	(4,127)
	9,398	9,988
Customer contracts	6,420	6,420
Less: Accumulated amortisation	(5,042)	(4,257)
	1,378	2,163
Other intangible assets	2,291	1,806
Less: Accumulated amortisation	(834)	(745)
	1,457	1,061
	30,495	31,474

Note 9. Intangibles (continued)

Reconciliations

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

Consolidated	Goodwill - Maggie Beer Products \$'000	Goodwill - Hampers & Gifts Australia \$'000	Brand \$'000	Customer Contracts \$'000	Other Intangible \$'000	Total \$'000
Balance at 01 July 2023	3,585	28,427	11,165	3,738	665	47,580
Additions	-	-	-	-	767	767
Impairment of assets *	-	(13,750)	-	-	-	(13,750)
Amortisation expense	-	-	(1,177)	(1,575)	(371)	(3,123)
Balance at 30 June 2024	<u>3,585</u>	<u>14,677</u>	<u>9,988</u>	<u>2,163</u>	<u>1,061</u>	<u>31,474</u>
Consolidated	Goodwill - Maggie Beer Products \$'000	Goodwill - Hampers & Gifts Australia \$'000	Brand \$'000	Customer Contracts \$'000	Other Intangible \$'000	Total \$'000
Balance at 1 July 2024	3,585	14,677	9,988	2,163	1,061	31,474
Additions	-	-	-	-	554	554
Amortisation expense	-	-	(590)	(785)	(158)	(1,533)
Balance at 31 December 2024	<u>3,585</u>	<u>14,677</u>	<u>9,398</u>	<u>1,378</u>	<u>1,457</u>	<u>30,495</u>

* In completing the annual impairment test for the period to 30 June 2024, the carrying value of goodwill for Hampers and Gifts Australia was impaired by \$13.75 million. The key assumptions that change to cause the impairment of goodwill related to: reduced revenue growth; increase in marketing spend; lower gross margins; and an increase in the discount rate used. These assumption changes resulted from an increased level of competition in the second half of FY24 in the online gifting and hamper market.

Recoverable amount of goodwill

The consolidated entity performs its annual impairment test in June annually and when circumstances indicate that the carrying values may be impaired in accordance with AASB 136 Impairment of Assets. The Board of Directors has assessed whether there is any indication that intangible assets may be impaired. They have formed the view after an analysis of the indicators of impairment that an impairment assessment is not required as at 31 December 2024.

The board of directors' assessment includes the board led strategic review of Group operations and trading results for the half year. In the second half of the year the Group will simplify its operations and administration through a profit centre structure for E-Commerce (HGA) operation and Maggie Beer Products. These changes are designed to improve the overall profitability of the Group and achieving sustainable profitability moving forward in line with the board's target expectations.

Brand

Brands acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life range of 10-20 years.

Customer contracts

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Note 10. Provisions

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Make Good Provision	96	-
HGA Settlement	-	2,000
	96	2,000
	96	2,000

HGA Settlement

The Group has settled the earnout dispute with the former owners of Hampers and Gifts Australia for \$2.0 million plus legal fees (included in other payables in 30 June 2024). The funds were paid in September 2024.

Note 11. Issued capital

	Consolidated			
	31 December 2024 Shares	30 June 2024 Shares	31 December 2024 \$'000	30 June 2024 \$'000
Ordinary shares - fully paid	354,056,040	352,439,920	166,646	166,285
	354,056,040	352,439,920	166,646	166,285
	354,056,040	352,439,920	166,646	166,285

Movements in ordinary share capital

Note 12. Reserves

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Share based payment reserve	2,853	3,213
	2,853	3,213
	2,853	3,213

On 15 July 2024 the Group issued 1,750,000 (\$0.4m) shares to Kinda Grange in settlement of the sign-on bonus previously granted. No expense was incurred in the current half year period, with all expensing of the sign-on bonus under AASB 2 Share-based payments having occurred in prior periods.

Movements in reserves

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

Consolidated	Share based payment reserve \$'000
Balance at 1 July 2024	3,213
Share based payments	1
Shares issued in settlement of performance criteria achieved	(361)
	2,853
Balance at 31 December 2024	2,853

Note 13. Dividends

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

Note 14. Debt Facilities

In the half year to 31 December 2024, the Group has used two debt facilities to fund the purchase of raw materials to create sellable hamper products for peak trading periods during the first half of the year. The purchase of raw materials and time required to build hamper products results in higher inventory balances being held between August to November in any one particular year. The Group continues to review working capital requirement to look at better ways to limit the large inventory buildup leading into peak periods e.g., Christmas.

As at 31 December 2024 after the conclusion of peak trading activity for the half year, all debt facilities have been repaid and no outstanding balance exist.

The Group has no debt as at 31 December 2024, (31 December 2023 Nil debt).

The Corporate Market loan has a maximum drawdown amount of \$5.0m was renewed during the year and originally expired on 3 March 2025 before being extended to 11 June 2025. No funds under this facility were outstanding as at 31 December 2024

The Trade finance Facility loan has a maximum drawdown of \$5.0m, was granted during the year, the facility expired on 01 January 2025 with no fund outstanding and all drawdowns repaid prior to 31 December 2024.

The Directors intend to renew both debt facilities in the early part of the next financial year in line with Group's normal practice in working with the facility provider, given the cost effectiveness of the funding arrangements over the period the facilities are used in any one financial year.

Note 15. Contingent assets and liabilities

The group has given bank guarantees as at 31 December 2024 of \$0.8 million (31 December 2023: \$0.5 million) to various landlords.

The directors are not aware of any other contingent assets or contingent liabilities as at 31 December 2024 (2023: Nil).

Note 16. Events after the reporting period

On 13 January 2025 Mark Lindh was appointed as a non-executive director of the Board effective from the date of appointment. Based in South Australia, Mr Lindh is a founder and principal of AE Advisors, an investment house established in 2006. AE Advisors is currently engaged by the Company to assist with the sale of Paris Creek Farms.

On 5 February, the board of directors announced operational changes to the Group operations resulting from the board led strategic review. Each of the E-Commerce (Hampers & Gifts) and Maggie Beer Products businesses will be operated as a profit centre with a divisional head to help and drive strategic objective of each business unit. As part of the finalisation of this new divisional structure, Penny Diamantakiou has exited the business (05 February 2025).

Following the restructure of operations announcement on 05 February 2025, the board of directors announced that Mark Lindh (Appointed to the board of directors on 13 January 2025) had been appointed chair on 07 February 2025. Sue Thomas will remain as a non-executive director of the board.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 17. Earnings per share

	Consolidated	Consolidated
	31 December	31 December
	2024	2023
	\$'000	\$'000
<i>Earnings per share for loss</i>		
Loss after income tax attributable to the owners of Maggie Beer Holdings Ltd	<u>(4,438)</u>	<u>(5,701)</u>

	Consolidated	Consolidated
	31 December	31 December
	2024	2023
	Cents	Cents
Basic earnings per share	(1.25)	(1.60)
Diluted earnings per share	(1.25)	(1.60)

Accounting Policy for earning per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Maggie Beer Holdings Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Where the strike price of potential dilutive ordinary shares is above the share market price, these potential dilutive ordinary shares are not included in the calculation of diluted earnings per share.

With the Group in a loss-making position over the reporting period and the prior comparative period, options over ordinary shares have been anti-dilutive to the earnings per share calculation.

As at 31 December 2024 all options over ordinary shares have been converted to ordinary shares or the option have expired. The number of weight average options over ordinary shares for these options is derived from the number of days from commencement of the period up to the date of expiration of the options over ordinary shares. All options except for Kinda Grange's sign-on options over ordinary shares (converted to shares on 15 July 2024) had a strike price above the market price of shares and as a result have been excluded from diluted earnings per share.

	Number	Number
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	354,056,040	355,892,205
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	<u>3,398,155</u>	<u>7,459,238</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>357,454,195</u>	<u>363,351,443</u>

In accordance with a resolution of the directors of Maggie Beer Holdings Limited, I state that:

In the opinion of the directors:

a. The interim financial statements and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the Corporations Act 2001 including:

i. Giving a true and fair value of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and

ii. complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001; 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.

On behalf of the directors



Mark Lindh
Non-Executive Chair

26 February 2025



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Independent Auditor's Review Report to the Members of Maggie Beer Holdings Limited

Conclusion

We have reviewed the accompanying half-year financial report of Maggie Beer Holdings Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

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

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

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



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

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Graham Leonard' in a cursive style.

Graham Leonard
Partner
Sydney
26 February 2025