



# EAST 3<sup>o</sup>

2023 Annual Report



Cover image: Image by I-MEDIA PRODUCTIONS PTY LTD  
Image right: Oysters harvested, by Andrew Butler

**2023 Annual Report**  
East 33 Limited  
ACN 636 173 281  
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# OUR MISSION



We are dedicated to pioneering the world's best oyster culture, by empowering the people behind it, caring for the places that support it, and delivering moments to be savoured.



# OUR VALUES



East 33 represents quality, a dedication to the authentic and an inspired legacy, focused on delivering a moment of joy.





# ABOUT US

As one of Australia's largest vertically integrated Sydney Rock Oyster (SRO) producer, buyer and supplier, East 33 seeks to build the company into an iconic Australian elevated food brand. East 33 is focused on utilising its economic growth for the better of our customers, shareholders, employees, the communities in which we operate and our industry at large. We are proud to contribute to bringing sustainability and economic rejuvenation to regional Australia.

# CHAIR'S LETTER

Dear Shareholders

On behalf of the Board of Directors I am very pleased to present our 2023 annual report.

2023 has been a year of transition, consolidation and preparation for the future.

The financial year commenced with East 33 still recovering from the significant oyster mortality that occurred in FY2022. The unanticipated flooding and QX incursion placed significant pressure on the earning capability and cash reserves of the company, and in October 2022 East 33 completed an entitlement offer raising approximately \$8m.

Importantly, this capital raise also saw the introduction of Yumbah Aquaculture and associated entities (Yumbah) to our register as a cornerstone investor. Yumbah is Australia's leading shellfish aquaculture company, with operations in Tasmania, Victoria and South Australia, farming abalone, oysters and mussels for both the domestic and international consumer markets.

East 33 then underwent a process of governance and leadership renewal, with 2 Yumbah nominee directors joining our board (Gary Higgins and Ben Cameron) along with independent director Mike Ryan and myself as independent chair.

At an operational level the management team have worked hard throughout the year to drive improvements within each of the

business divisions, identify operational and infrastructure efficiencies and prepare for future growth.

The farming division has prioritised the rebuilding of oyster stocks following the mortality events in FY2022. Sydney Rock Oysters (SRO) have an average growth cycle of 3 years, and so the work undertaken this year will help underpin our future earnings capability.

Wages are the biggest expense for our company and so farming has developed more efficient methodologies and practices throughout the year, helping us reduce headcount and put downward pressure on expenses.

To achieve our objective of better quality and more consistent oyster supply we have invested resources and funding into our hatchery to support increased capability. We expect that these investments will start to benefit East 33 in the coming year with more consistent spat supply within strategic seasonal windows, to support growth.

The distribution division has continued to generate strong revenue, albeit in the uncertain post-covid and increasing interest rate environment. Differences in customers spend and preferences are being closely monitored and our sales team has been focused on shifting to expanding our higher value clients.

Across the entire company we have been working together to place ourselves in a strong position for future growth, and I take this opportunity to thank the entire East 33 team. The past 18 months have been filled with challenges and has demonstrated the resilience, determination and ambition we have in our workforce. It has also highlighted some exceptional young leaders across all areas of East 33.

At the conclusion of the year we also welcomed new independent director Veronica Papacosta and in the coming months Dr Justin Welsh will be joining us as CEO.

We start FY2024 knowing there is still a lot of hard work to do, but with optimism and excitement for our future.

Yours sincerely,

**Sarah Courtney**  
Chair

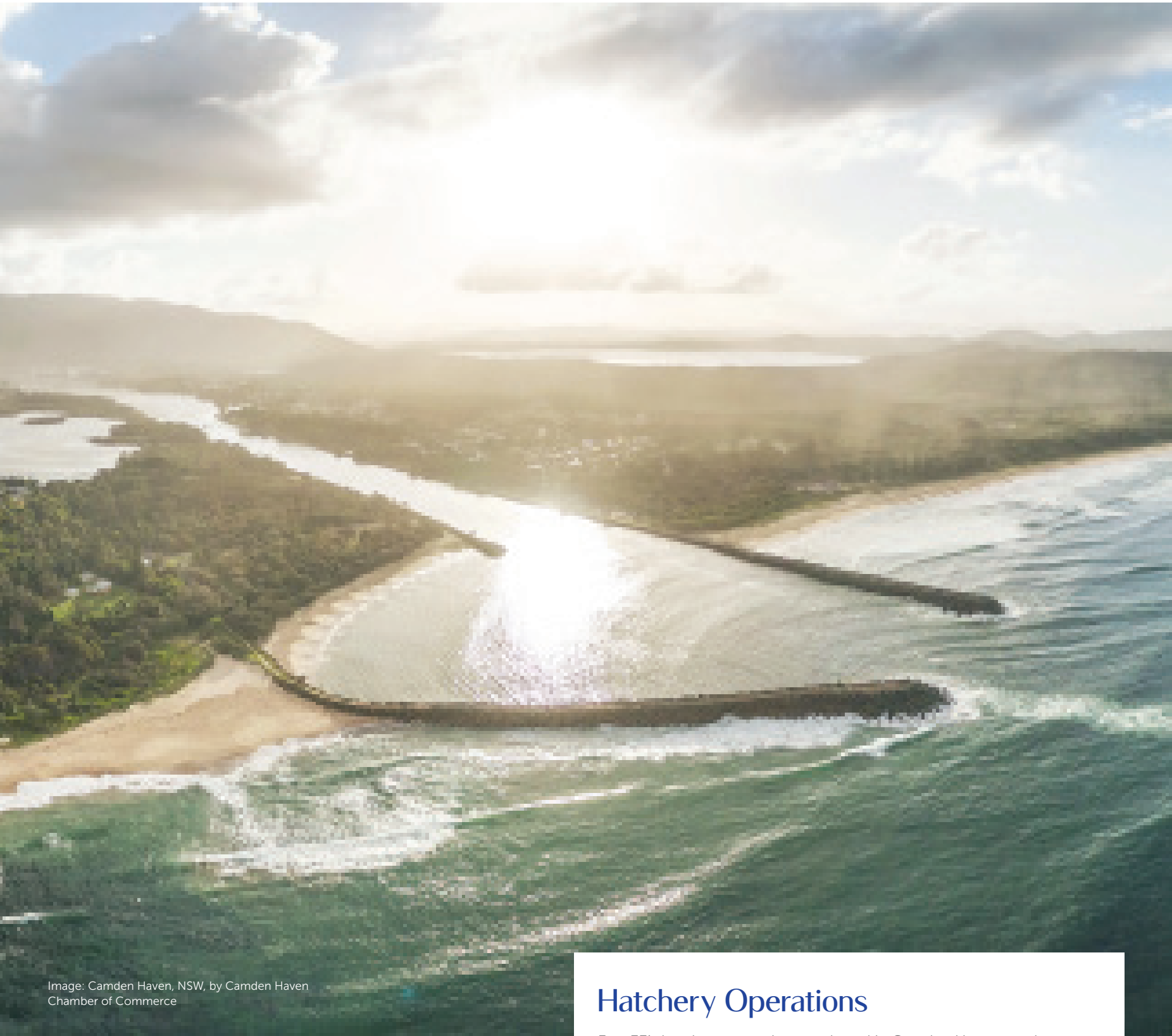


Image: Camden Haven, NSW, by Camden Haven Chamber of Commerce

## Hatchery Operations

East 33's hatchery operations are based in Camden Haven, on the North Coast of New South Wales - this unique waterway makes the region one of Australia's best oyster farming locations. Our facilities have a current production capability of approximately 39 million Sydney Rock Oysters per year. These operations significantly de-risk, our farming business with consistent supply of QX resistant spat and supports our stock rebuild and expansion.





## Farming Operations

East 33 is the largest holder of aquaculture Sydney Rock Oyster leases in northern NSW with 204 hectares of prime waterways. In some instances, the waterways have been continuously held for more than a century by generations of our founding farming families. Spread between the Manning River, Wallis Lake and Port Stephens, East 33's water assets and land bases are the backbone of our production capability.

In the previous financial year, East 33 produced 6 million Sydney Rock Oysters. However, our water based assets have the capacity to scale to 39 million SRO's per year. Our current inventory position of approximately 35 million SRO's and our continued investment in the water ways carrying capacity and advanced farming practices provides the foundations for East 33's production growth.



Image: Wallis Lake, NSW, by East 33

## Third Party Supply, Shucking & Distribution Operations

In addition to our direct production, East 33 is the largest buyer of Sydney Rock Oysters in Australia, servicing small-scale farmers with access to market. East 33's processing capability in Bankstown has 32 stations and is the largest in Australia. This processing power enables East 33 to supply at scale to all channels of the food service industry including wholesalers, corporate retail, hotels and restaurants.



Image: Oyster presentation, by East 33  
Oysters in platter designed by Australian artist  
Dion Horstmans, by East 33



Image: Tim Levy



## SUSTAINABILITY

East 33 recognises the important role of sustainable farming practices and methods in both fostering and maintaining healthy ecosystems and protecting biodiversity.

Environmental sustainability is at the forefront of East 33's business, employing sustainability practices developed over generations by farming families. We actively seek to collaborate with governments and our fellow producers in the industry, as well as the communities where our oysters are farmed and cultivated.

Sydney Rock Oysters are indigenous, growing naturally, and have thrived for thousands of years on the east coast of Australia. We foster this natural process and are committed to sustainable farming practices, safeguarding our pristine aquatic environments by engaging with industry-leading bodies that set and regulate quality standards.

# ANNUAL FINANCIAL STATEMENTS

30 JUNE 2023



East 33 Limited

ABN 70 636 173 281

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# CORPORATE DIRECTORY

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**Directors**

Hon. Sarah Courtney (Non-Executive Chair)  
Michael Ryan (Non-Executive Director)  
Gary Higgins (Non-Executive Director)  
Ben Cameron (Non-Executive Director)  
Veronica Papacosta (Non-Executive Director)

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**Company secretary**

Melanie Leydin

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**Notice of annual general meeting**

The Company will hold its Annual General Meeting of shareholders on 24 November 2023.

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**Auditor**

HLB Mann Judd (WA Partnership)  
Level 4  
130 Stirling Street  
Perth, WA 6000

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**Solicitors**

Thomson Geer Law  
Level 28  
Waterfront Place  
1 Eagle Street  
Brisbane, QLD 4000

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**Registered office**

12 Point Road  
Tuncurry, NSW 2428  
Ph: +61 2 8001 6310

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**Principal place of business**

12 Point Road  
Tuncurry NSW 2428

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**Bankers**

NAB  
Level 3, 2 Carrington Street  
Sydney NSW 2000

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**Share Registry**

Link Market Services Ltd  
Level 12, 680 George Street,  
Sydney NSW 2000  
Ph: 1300 554 474

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**Stock exchange listing**

East 33 Limited shares are listed on the Australian Securities Exchange  
(ASX code: E33)

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**Website**

<https://east33.sydney>

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**Corporate Governance Statement**

<https://east33.sydney/asx-info/>

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# DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the Group (referred to hereafter as the 'Group') consisting of East 33 Limited (referred to hereafter as 'the Company' or 'the parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

## Directors

Directors who held office during the financial year and up to the date of this report are as follows:

### Appointed during FY23

**Hon. Sarah Jane Courtney** (appointed 12 December 2022)

**Michael Joseph Ryan** (appointed 29 November 2022)

**Gary Raymond Higgins** (appointed 29 November 2022)

**Ben Alexander Cameron** (appointed 29 November 2022)

### Resigned during FY23

**James Donald Garton**

(resigned 16 January 2023)

**Mark Leslie Nagy**

(resigned 29 November 2022)

**Guy Ralph Burnett**

(resigned 16 March 2023)

**Xingqi Gao**

(resigned 6 September 2022)

**Raymond Yu**

(appointed 6 September 2022, stood down 29 November 2022)

### Directors appointed subsequent to 30 June 2023

**Veronica Papacosta**

(appointed 26 July 2023)

## Principal activities

During the financial year the principal continuing activities of the Group consisted of oyster farming operations in Port Stephens, Wallis Lakes, Manning River, Camden Haven, and the operation of an oyster processing and distribution facility in Sydney and a restaurant at Wallis Lakes.

## Dividends

No dividends were paid during the financial year.

## Review of operations

The farming division continued to be impacted by the significant loss of biological assets in FY 2022, primarily due to the effects of flooding and QX disease, which impacted the volume of oysters available for sale. There has been a strong focus on rebuilding the quantity and quality of oysters available for sale in future years, however given the 3-year growth cycle of a Sydney Rock Oyster it is anticipated that this recovery will continue into FY 2024.

Sales revenue amounted to \$24.6 million (2022: \$22.6 million) and other income for the Group amounted to \$0.1 million (2022: \$0.8 million). Net cash used in operating activities was \$4.2 million (2022: \$3.1 million). The net loss of the Group amounted to \$9.2 million (2022: \$9 million).

## Operational highlights

A strategic decision to use 100% hatchery spat was made in FY 2023 which, over time, will provide quality improvements, operational cost improvement and the ability in the long term to improve genetic performance. This has been underpinned by strategic investment in hatchery equipment and people to support growth in oyster production.

Farmgate oyster price increased 26% in FY 2023, reflecting tighter demand for Sydney Rock Oysters due to both industry supply constraints and higher grade oysters being sold from the farm. Headcount reduction occurred in the farming division due to better integration of technology (Oyster Cloud) and streamlined farm management practices.

## Operational and financial risk management

East 33's approach to risk management is holistic, integrating broad measures to identify, classify, and manage risks effectively across farming, distribution, operational and corporate. Our risk register, managed by the Audit and Risk Committee, lays the foundation for proactive oversight of risk management in the Group.

Below we present the material business risks and the steps being taken to manage the key risks.

### 1. Health and Safety Risk

**1.1 Impact:** Injuries or fatalities to staff; potential legal implications; financial implications from fines, compensations, and disruptions.

**1.2 Mitigation Strategies:**

- Comprehensive induction for new staff.
- Regular safety training and monthly meetings.
- Licensing requirements for heavy machinery operators.
- Provision of protective clothing and gear.
- Machine and equipment maintenance routines.
- Zero tolerance policies against workplace misconduct.
- External audit engagement for an unbiased view.

### 2. Cyber Security Risk

**2.1 Impact:** Unauthorised data access leading to financial losses, data breaches, and reputational damage.

**2.2 Mitigation Strategies:**

- Collaborate with reputable third-party IT providers for improved cybersecurity measures.
- Rectify the identified shortcomings from the annual cyber risk review

### 3. Food Safety

**3.1 Impact:** Health risks to consumers, potential for product recalls, brand damage, and legal implications.

**3.2 Mitigation Strategies:**

- Adhere to strict estuary closure guidelines.
- Implement policies governing oyster transportation in extreme weather.
- Establish storage and handling guidelines for oysters, supported by periodic audits.
- Engage in external food safety audits.
- Deliver ongoing training to all staff in the areas of food handling and packaging.

### 4. QX Disease

**4.1 Impact:** Reduction in the quality and quantity of Port Stephens stock and subsequent long term financial implications.

**4.2 Mitigation Strategies:**

- Use QX disease-resilient broodstock.
- Continuous monitoring of water temperatures.
- Use high-value leases at Port Stephens during low-risk periods.
- Partnership with DPI for consistent oyster testing.

### 5. Flooding and Excessive Rainfall

**5.1 Impact:** Closure of waterways impacting sales, infrastructure damage.

**5.2 Mitigation Strategies:**

- Monitor long-term weather forecasts.
- Regular on-land and on-water infrastructure maintenance.
- Foster strong relationships with farmers across various estuaries for a steady oyster supply.

### 6. Credit Risk

**6.1 Impact:** Potential financial losses due to unpaid debts by customers.

**6.2 Mitigation Strategies:**

- Execute credit checks for new clients.
- Obtain guarantees where appropriate.
- Monitor outstanding debts and ensure timely follow-ups.
- Engage with third-party recovery agencies for long-standing debts.
- Consistent reconciliation practices for significant customers

### 7. Biomass Management:

**7.1 Impact:** Potential financial losses due to poor farming practices and/or inaccurate stock count.

**7.2 Mitigation Strategies:**

- Proactive farming practices and efficient grow out infrastructure.
- Regular and systematic oyster counting systems and procedures.
- Digitalised database and process with ongoing investment.
- External audit process confirming stock levels.



## Significant changes in the state of affairs

### Oyster Cloud acquisition

In July 2022 the Group acquired Oyster Cloud an industry leading aqua-tech cloud-based oyster farm management software business.

The business was acquired for a total consideration of \$475,000 payable in six tranches by 1 December 2024.

At balance date the first three tranches under the agreement totaling \$225,000 were paid.

### Capital raising

On 12 October 2022, the Group successfully completed an Entitlement Issue and raised \$7.97 million in equity before costs.

On 24 November 2022, the Group sold the bottle shop for \$75,000 and discontinued its online sales business.

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

## Matters subsequent to the end of the financial year

### Debt Refinancing

On 16 August 2023 the Group entered into a binding agreement with Yumbah Finance Pty Ltd ( "Yumbah finance") for a loan in the amount of \$15 million (Loan Facility) repayable over a 5-year period and secured over all present and after acquired assets of East 33 and its subsidiaries. Directors Gary Higgins and Ben Cameron are related parties of Yumbah finance.

The Loan Facility constitutes a whole of business facility and will be used for the full repayment of the balance outstanding of the \$9.0 million loan facility in place with the National Australia Bank (NAB Loan Facility), the payment of \$6.0 million payable under the Class A Redeemable Convertible Preference Shares (RCPS) due in January 2024 and other working capital requirements.

The key terms of the Loan Facility are as follows:

#### Facility Limit: \$15,000,000 to be drawn as follows:

- August 2023 - \$8,000,000;
- December 2023 - \$1,000,000;
- January 2024 - \$4,000,000;
- June 2024 - \$2,000,000.

#### Maturity Date: Five years after the date of financial close.

#### Repayment:

- \$Nil in the first year;
- \$250,000 per quarter in the second year;
- \$350,000 per quarter in in the third year, fourth and fifth year;
- The outstanding balance at the end of the term.

### Security Documents:

- General security agreements over the Borrower and the Guarantors;
- Guarantee from each of the Guarantors;
- Mortgages over all Crown leases of East 33 and its subsidiaries;
- Mortgages of real property, including all oyster leases under which East 33 or a Guarantor is the sole lessee.

### Interest: The aggregate of:

- 5% per annum; and
- Interest rate benchmark, BBSY (Bid).

### The Convertible Note

Further, East 33 has entered into binding documentation for the issue of a convertible note to Yumbah Finance under the terms of a convertible note subscription agreement (Convertible Note Subscription Agreement) whereby, subject to receipt of the approval of holders of ordinary shares (Shares) in E33 (Shareholder Approval):

- a. East 33 will issue a convertible note (Convertible Note) to Yumbah Finance detailing that if, at the end of the term of the Loan Facility, Yumbah Finance has not been fully repaid, or in the event the Loan Facility is repayable early as a result of a payment event of default under the Loan Facility or an insolvency event of East 33 or any of its subsidiaries (Relevant Event of Default), the Convertible Note will be convertible into Shares in East 33 at the election of Yumbah Finance;
- b. The floating face value of the Convertible Note will be the amount remaining to be repaid to Yumbah Finance (principal, interest and any other secured money) at the end of the term of the Loan Facility (or earlier in the event of an earlier Relevant Event of Default); and
- c. The conversion price of the Convertible Note will be the higher of \$0.021 or a 10% discount to the 20-day volume weighted average price calculated to the last trading day prior to the conversion date, which means there will be a floor price of \$0.021 per share.

### Cancellation of the Letter of Credit

On 25 August 2023, the letter of credit totalling \$1 million associated with the acquisition of the Troup hatchery business was cancelled, with a concurrent vendor payment of \$1 million being made on 23 August 2023.

### Appointment of CEO

On 17 July 2023, the Group announced the appointment of Dr Justin Welsh as the CEO of the Group effective 16 October 2023.

Justin worked as the Chief Operations Officer of Aquaculture at Harvest Road Group in Western Australia. In this role he was responsible for the production strategy for both Akoya and Rock Oysters and oversaw the growth and expansion of both species.

Justin has led the development of new seafood brands and has coordinated domestic and international market research, product development and product launch events. Justin has a strong commitment to ESG principles, in particular environmental sustainability with specific experience in carbon mitigation.

### **Appointment of Non-Executive Director**

On 26 July 2023, the Group announced the appointment of Ms Veronica Papacosta as non-executive director.

Ms Papacosta is an experienced director with over 20 years' experience in complex, fast-growing companies in seafood retail, commercial and residential property holdings, accounting, marketing and SME administration sectors.

Veronica is currently the Chief Executive Officer of Seafood Industry Australia, the national peak body representing the interests of Australian seafood, and a Managing Director of Sydney Fresh Seafood (Aust) Pty Ltd, a seafood retail business with 20 retail and food service sites across NSW and QLD

### **Likely developments and expected results of operations**

The farming division will continue to focus on rebuilding biological assets and improving farming practices. The improved farming practices will see better quality and bigger sized oysters being produced as well as reduced labour costs. Strategic investment in the hatchery is expected to allow year-round production of spat and improved success rates.

The distribution division will continue to diversify and expand its customer base to build volume and earnings resilience. Strategic investment in brand will help drive customer retention and provide the opportunity to explore new markets.

Wage control and cashflow management will be a key focus of management for the year ahead.

### **Environmental regulation**

NSW oyster farmers are required to adhere to the guidelines laid out in the NSW Oyster Industry Sustainable Aquaculture Strategy Fourth Edition (2021) which outlines the accepted standard practices in oyster farming and regulatory considerations.

Bio Security Risk Management Plan (incorporating Pest and Disease Control) and DPI Primefact No. 1290, (Biosecurity NSW, 2015) outline the restrictions and requirements for the transportation of oysters, vessels and equipment between estuaries. It also lists standard and emergency procedures, training syllabus and records.

During the financial year, there have been no breaches of environmental regulations within the Group.

## Information on directors

<b>Name:</b>	<b>Hon. Sarah Courtney</b> (appointed 12 December 2022)
<b>Title:</b>	Non-Executive Chair (Independent)
<b>Qualifications:</b>	Bachelor of Engineer (Chemical) with Honours Class 1, a Bachelor of Commerce (Finance), a Master's degree in Wine Technology and Viticulture and a Graduate of the Australian Institute of Company Directors (GAICD).
<b>Experience and expertise:</b>	<p>Sarah is an experienced leader who has worked across diverse roles in government and the private sector. After a decade working as a stockbroker and equities analyst Sarah established and continues to run a successful boutique vineyard in Tasmania.</p> <p>Sarah served as Member for the state seat of Bass (Tasmania) from March 2014 to February 2022 and was a State Government Minister from March 2018 to February 2022 across a wide range of portfolios, including Minister for Primary Industries and Water.</p> <p>Sarah is on the board on the Australian Wine Research Institute and serves on the audit and risk committee.</p>
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	None
<b>Interest in shares:</b>	None
<b>Interests in performance rights:</b>	None
<b>Contractual rights to shares:</b>	None

<b>Name:</b>	<b>Michael Ryan</b> (appointed 29 November 2022)
<b>Title:</b>	Non-Executive Director (Independent)
<b>Qualifications:</b>	Bachelor of Agriculture
<b>Experience and expertise:</b>	<p>Mr Ryan has an agricultural degree from Massey University, New Zealand and comes from an agricultural background. Mike has high profile executive and board experience. He was previously an executive director and Head of Distribution of Morgan Stanley Australia, an executive director of Citi.</p> <p>Mike also has previous executive experience at Goldman Sachs JBWere in Sydney and London where he was an executive director. He is also a former Managing Director and Head of Equities and Operations at CIMB and is the former Head of Equities at Shaw and Partners.</p>
<b>Other current directorships:</b>	Interim Chairman – Australian Pacific Coal Limited (ASX: AQC) (appointed 25 November 2022)
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Chair of Audit & Risk Committee, Member of Nomination & Remuneration Committee
<b>Interest in shares:</b>	None
<b>Interests in performance rights:</b>	None
<b>Contractual rights to shares:</b>	None

<b>Name:</b>	<b>Gary Higgins</b> (appointed 29 November 2022)
<b>Title:</b>	Non-Executive Director (Non-Independent)
<b>Qualifications:</b>	Chartered Accountant (CA ANZ), Registered Tax Agent
<b>Experience and expertise:</b>	<p>Mr Higgins is a senior finance professional with over 40 years' experience across a range of industries.</p> <p>Gary runs his own advisory practice and is the non-executive chairman of Yumbah Aquaculture Limited (Yumbah). Gary became a director of Yumbah in 2008 and the chairman of Yumbah in 2016. He has assisted with the acquisition of multiple abalone farms and oyster operations in addition to a mussel farm. Gary has also reviewed many aquaculture operations which did not result in any transactions.</p> <p>Gary also has experience in business valuations, mergers, acquisitions, divestments and financial analysis. Gary was a partner at Ernst &amp; Young for 18 years prior to starting his own practice. Gary is a Chartered Accountant, a Registered Tax Agent.</p>
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Member of Audit & Risk Committee
<b>Interest in shares:</b>	None
<b>Interests in performance rights:</b>	None
<b>Contractual rights to shares:</b>	None

<b>Name:</b>	<b>Ben Cameron</b> (appointed 29 November 2022)
<b>Title:</b>	Non-Executive Director (Non-Independent)
<b>Qualifications:</b>	Bachelor of Economics, Bachelor of Arts
<b>Experience and expertise:</b>	<p>Mr Cameron is a well-known farming figure in the Australian oyster industry. He has 15 years' experience in hatcheries, nurseries and on farms.</p> <p>The majority of Ben's experience has been as general manager and director of Cameron of Tasmania (CoT), Australian's first vertically integrated oyster business.</p> <p>Ben guided the business through the Tasmanian POMS disease outbreak and through that process, he helped found Yumbah Hatchery Pty Ltd, a successful pacific oyster hatchery in Port Lincoln.</p> <p>Ben became an executive director on the board of Yumbah Aquaculture Limited in 2021 after concluding an M&amp;A process that saw CoT merge with Yumbah. Ben has a degree in economics and arts and has input on multiple industry boards, including the Tasmanian oyster research council.</p>
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Member of Nomination & Remuneration Committee
<b>Interest in shares:</b>	None
<b>Interests in performance rights:</b>	None
<b>Contractual rights to shares:</b>	None

<b>Name:</b>	<b>Veronica Papacosta</b> (appointed 26 July 2023)
<b>Title:</b>	Non-Executive Director (Independent)
<b>Qualifications:</b>	Bachelor of Economics
<b>Experience and expertise:</b>	<p>Ms Papacosta is an experienced director with over 20 years' experience in complex, fast-growing companies in seafood retail, commercial and residential property holdings, accounting, marketing and SME administration sectors.</p> <p>Veronica is currently the Chief Executive Officer of Seafood Industry Australia, the national peak body representing the interests of Australian seafood, and a Managing Director of Sydney Fresh Seafood (Aust) Pty Ltd, a seafood retail business with 20 retail and food service sites across NSW and QLD.</p> <p>Prior to this, Ms Papacosta worked as a Director of VBK Marketing and served as a Chair of Seafood Industry Australia and a Council Member of such bodies as Ministerial Advisory Council, Agricultural Industry Advisory Council and National Fisheries Advisory Council.</p>
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Chair of Nomination & Remuneration Committee, Member of Audit & Risk Committee
<b>Interest in shares:</b>	None
<b>Interests in performance rights:</b>	None
<b>Contractual rights to shares:</b>	None

Other current directorships quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.  
'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated

## Company Secretary

Melanie Leydin has been appointed as Company Secretary on 16 March 2023 upon resignation of Guy Burnett who held the role previously.

<b>Name:</b>	<b>Melanie Leydin</b> (appointed 16 March 2023)
<b>Title:</b>	Company Secretary
<b>Qualifications:</b>	Bachelor of Business majoring in Accounting and Corporate Law
<b>Experience and expertise:</b>	<p>Ms Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. Ms Leydin is a member of the Institute of Chartered Accountants Australia and New Zealand, Fellow of the Governance Institute of Australia and is a Registered Company Auditor. She is also the Managing Director of Vistra Australia. Vistra is a prominent provider of specialised consulting and administrative services to clients in the Fund, Corporate, Capital Markets, and Private Wealth sectors.</p> <p>Ms Leydin has over 25 years' experience in the accounting profession and has extensive experience holding Board positions including Company Secretary of ASX listed entities. She has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of companies, initial public offerings, secondary raisings and shareholder relations.</p>
<b>Special responsibilities:</b>	Member of the Institute of Chartered Accountants Australia and New Zealand, Fellow of the Governance Institute of Australia, Managing Director of Vistra Australia,

## Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full board		Nomination and Remuneration Committee		Audit and Risk Committee		Independent Board Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
<b>Sarah Courtney</b>	15	15	N/A	N/A	3	3	9	9
<b>Michael Ryan</b>	16	16	1	1	3	3	9	9
<b>Gary Higgins</b>	16	16	1	1	3	3	N/A	N/A
<b>Ben Cameron</b>	16	16	1	1	3	3	N/A	N/A
<b>James Garton</b>	6	6	N/A	N/A	N/A	N/A	N/A	N/A
<b>Mark Nagy</b>	3	3	N/A	N/A	N/A	N/A	N/A	N/A
<b>Guy Burnett</b>	11	11	N/A	N/A	N/A	N/A	N/A	N/A
<b>Xingqi Gao</b>	-	3	N/A	N/A	N/A	N/A	N/A	N/A
<b>Raymond Yu</b>	-	-	N/A	N/A	N/A	N/A	N/A	N/A

**Held:** represents the number of meetings held during the time the director held office or was a member of the relevant committee.

## Remuneration Report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

### Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward.

The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, growth in share price, and delivering constant or increasing return on assets, and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- Providing a clear structure for earning rewards.

### Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments will be reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting.

### Executive remuneration

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

The executive remuneration and reward framework has three components:

- base pay, a car allowance and non-monetary benefits
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, were approved by shareholders and will be reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Group and provides additional value to the executive.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market.

## Details of remuneration

### Amounts of remunerations

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of East 33 Limited:

- Sarah Courtney - Non Executive Chair (appointed 12 December 2022)
- Michael Ryan - Non Executive Director (appointed 29 November 2022)
- Gary Higgins - Non Executive Director (appointed 29 November 2022)
- Ben Cameron - Non Executive Director (appointed 29 November 2022)
- Anthony Rupnik – Head of Distribution business unit
- James Garton - Executive Chairman (resigned 16 January 2023)
- Guy Burnett - Executive Director (resigned 16 March 2023)
- Xingqi Gao – Non Executive Director (resigned 6 September 2022)
- Raymond Yu - Non Executive Director (appointed 6 September 2022, stood down 29 November 2022)
- Mark Nagy – Non Executive Director (resigned 29 November 2022)

2023	Short-term benefits		Non-monetary	Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees	Cash bonus		Super-annuation	Long service leave	Equity-settled shares	Equity-settled options	
	\$	\$	\$	\$	\$	\$	\$	
<b>Non-Executive Directors:</b>								
Sarah Courtney	69,220	-	-	7,268	-	-	-	76,488
Michael Ryan	74,416*	-	-	7,814	-	-	-	82,230
Gary Higgins	29,167	-	-	3,062	-	-	-	32,229
Ben Cameron	29,167	-	-	3,062	-	-	-	32,229
Raymond Yu	-	-	-	-	-	-	-	-
Xingqi Gao	-	-	-	-	-	-	-	-
Mark Nagy	62,756	-	-	1,313	-	-	-	64,069
<b>Executive Directors/KMP:</b>								
James Garton	357,211**	-	-	25,765	-	-	-	382,976
Anthony Rupnik	309,124	-	-	32,458	-	-	-	341,582
Guy Burnett	354,943**	-	-	25,593	-	-	-	380,536
	<b>1,286,004</b>	-	-	<b>106,335</b>	-	-	-	<b>1,392,339</b>

\* Includes \$50,000 remuneration (inclusive of superannuation) paid as part of an arms-length consultancy agreement

\*\* Includes termination payments under the executive service agreements

2022	Short-term benefits		Non-monetary	Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees	Cash bonus		Super-annuation	Long service leave	Equity-settled shares	Equity-settled options	
	\$	\$	\$	\$	\$	\$	\$	
<b>Non-Executive Directors:</b>								
Kara Hurry Walker	25,000	-	-	2,500	-	50,000	-	77,500
Georgina Williams	29,167	-	-	2,916	-	50,000	-	82,083
Philip Corne	29,167	-	-	2,916	-	50,000	-	82,083
Geoffrey Erby	37,500	-	-	3,750	-	50,000	-	91,250
Xingqi Gao	37,500	-	-	-	-	50,000	-	87,500



2022	Short-term benefits		Non-monetary \$	Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees \$	Cash bonus \$		Super-annuation \$	Long service leave \$	Equity-settled shares \$	Equity-settled options \$	
Greg Daniel	2,996	-	-	-	-	-	-	2,996
John Maher	-	-	-	-	-	-	-	-
<b>Executive Directors</b>								
James Garton	263,333	-	18,308	23,000	-	-	-	304,641
Mark Nagy***	263,333	-	18,308	23,000	-	-	-	304,641
Guy Burnett	263,333	-	14,000	23,000	-	-	-	300,333
	<b>951,329</b>	<b>-</b>	<b>50,616</b>	<b>81,082</b>	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>1,333,027</b>

\*\*\* Mr Nagy migrated from being an executive director to a non-executive director on 29 April 2022.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
	2023	2022	2023	2022	2023	2022
<b>Non-Executive Directors:</b>						
Sarah Courtney	100%	N/A	-	-	-	-
Michael Ryan	100%	N/A	-	-	-	-
Gary Higgins	100%	N/A	-	-	-	-
Ben Cameron	100%	N/A	-	-	-	-
Xingqi Gao	N/A	N/A	-	-	-	-
Raymond Yu	N/A	N/A	-	-	-	-
Mark Nagy	100%	100%	-	-	-	-
<b>Executive Directors/KMP:</b>						
James Garton	100%	100%	-	-	-	-
Guy Burnett	100%	100%	-	-	-	-
Anthony Rupnik	100%	N/A	-	-	-	-

The Directors were not eligible for cash bonuses during the reporting periods and no cash bonuses were paid.

## Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

<b>Name:</b>	<b>Michael Ryan</b>
<b>Title:</b>	Non-Executive Director
<b>Agreement commenced:</b>	16 March 2023
<b>Term of agreement:</b>	10 weeks (fixed term)
<b>Details:</b>	\$5000 plus GST per week. Termination by either party at any time, for any reason, by giving one (1) weeks' notice or a lesser period as agreed by the parties.

<b>Name:</b>	<b>Anthony Rupnik</b>
<b>Title:</b>	Head of Distribution
<b>Agreement commenced:</b>	21 July 2021
<b>Term of agreement:</b>	3 Years
<b>Details:</b>	All-inclusive salary of \$300,000 in year 1, \$350,000 in year 2 and \$400,000 in year 3. Termination by either party at any time, for any reason, by giving six months (6) written notice.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

## Share-based compensation

### Issue of shares and performance rights

No shares were issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

A total of 5,778,038 performance rights were forfeited during the period because the conditions have not been, or have become incapable of being, satisfied. These performance rights were previously issued to members of the advisory committee established during 2021 which was subsequently disbanded during the period.

### Additional Information

The earnings of the Group for the four years to 30 June 2023 are summarised below:

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Sales revenue	24,621	22,636	8,395	2,030
EBITDA/(loss)*	(3,389)	(6,118)	(2,781)	(1,326)
EBIT/(loss)*	(8,312)	(8,127)	(3,483)	(1,598)
Loss after income tax	(9,198)	(8,962)	(5,476)	(1,861)
Net cash outflow from operations	(4,228)	(3,149)	(2,695)	(1,471)
Earnings/(loss) per share(\$)	(0.02)	(0.034)	(0.36)	(19.67)
Share price at 30 June (\$)	0.019	N/A	N/A	N/A

\*Non IFRS measure.

## Additional disclosures relating to key management personnel

### Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

2023	Balance at the start of the year	Balance on appointment	Notes Converted to equity	Received as part of remuneration	Acquired for cash	Balance on resignation	Balance at the end of the year
<b>Ordinary shares</b>							
Sarah Courtney	-	-	-	-	-	-	-
Michael Ryan	-	-	-	-	-	-	-
Gary Higgins	-	-	-	-	-	-	-
Ben Cameron	-	-	-	-	-	-	-
James Garton	5,710,067	-	-	-	-	5,710,067	-
Mark Nagy	5,710,067	-	-	-	-	5,710,067	-
Guy Burnett	5,710,067	-	-	-	-	5,710,067	-
Anthony Rupnik	-	22,834,368	-	-	-	-	22,834,368
Raymond Yu	-	422,882	-	-	-	422,882	-
Xingqi Gao	6,593,232	-	-	-	-	6,593,232	-
	<b>23,723,433</b>	<b>23,257,250</b>	-	-	-	<b>24,146,315</b>	<b>22,884,368</b>

2022	Balance at the start of the year	Balance on appointment	Notes Converted to equity	Received as part of remuneration	Acquired for cash	Balance on resignation	Balance at the end of the year
<b>Ordinary shares</b>							
James Garton	1,924,312	-	3,785,755	-	-	-	5,710,067
Mark Nagy	1,924,312	-	3,785,755	-	-	-	5,710,067
Guy Burnett	1,924,312	-	3,785,755	-	-	-	5,710,067
Georgina Williams	-	-	-	250,000	250,000	500,000	-
Kara Hurry Walker	-	-	-	250,000	25,000	275,000	-
Philip Corne	-	-	-	250,000	-	250,000	-
Geoffrey Erby	-	-	-	250,000	-	250,000	-
Xingqi Gao	-	6,343,232	-	250,000	-	-	6,593,232
Greg Daniel	-	-	-	-	-	-	-
John Maher	-	-	-	-	-	-	-
	<b>5,772,936</b>	<b>6,343,232</b>	<b>11,357,265</b>	<b>1,250,000</b>	<b>275,000</b>	<b>1,275,000</b>	<b>23,723,433</b>

During the year an amount of \$829,042 (FY22: \$660,781) was invoiced by Artisan Oysters Pty Ltd, an entity controlled by Mr Anthony Rupnik in respect of oyster shucking services rendered to CMB Seafoods, a subsidiary of the Group. At 30 June 2023 the amount outstanding was \$1,263.

There were no other transactions with key management personnel and their related parties.

## Right Holdings at Year end

The relevant interest of each Director in the performance rights of the Company:

2023	Balance at the start of the year	Received as part of remuneration	Additions	Balance on resignation	Balance at the end of the year
<b>Performance Rights</b>					
James Garton	25,000,000	-	-	25,000,000	-
Mark Nagy	25,000,000	-	-	25,000,000	-
Guy Burnett	25,000,000	-	-	25,000,000	-

2022	Balance at the start of the year	Granted as part of common control	Additions	Balance on resignation	Balance at the end of the year
<b>Performance Rights</b>					
James Garton	-	25,000,000	-	-	25,000,000
Mark Nagy	-	25,000,000	-	-	25,000,000
Guy Burnett	-	25,000,000	-	-	25,000,000

## First strike at Company's 2022 Annual General Meeting (AGM)

At the 2022 AGM of shareholders held on 29 November 2022, a total of 0.13% of votes were in favour of the adoption of the remuneration report for the year ended 30 June 2022. Given the votes against the adoption of the remuneration report represented greater than 25% against, the Company recorded its first strike to the Remuneration Report. The Company did not receive any specific feedback at the AGM regarding its remuneration practices, however the Company notes the following:

In response to the first strike at the 2022 AGM, the Remuneration and Nomination Committee in conjunction with the Board of Directors have reviewed and continue to review the Company's remuneration practices. It is noted that the Company has undertaken a significant Board and management restructure over the last 12 months. The Key Management Personnel within the 30 June 2022 remuneration report are no longer Key Management Personnel as at 30 June 2023.

The Remuneration and Nomination Committee in conjunction with the Board of Directors has undertaken the following initiatives with

the aim of managing the short and medium-term remuneration of the non-executive directors and key management personnel:

- Full restructure of the Board and Senior Management within the Company since 30 June 2022;
- Appointment of new CEO who will commence with the Company during October 2023;
- Commencing the process of undertaking a review of Non-Executive Remuneration and Executive Remuneration through independent remuneration consultants during the first half of FY24; and
- Commence setting measurable objectives for KPI's for management which will align with the Company's strategy and therefore align with the best interests of shareholders as a whole post commencement of the CEO.

The Company will continue to monitor the remuneration practices of the Board and management in line with market practices and benchmarks. The Company will also continue to review and scrutinise its outflows of cash remuneration in conjunction with reviewing the Company's budget in order to best manage its financial resources.

**This concludes the remuneration report, which has been audited.**

## Shares under performance rights

Unissued ordinary shares of East 33 Limited under option at the date of this report are as follows:

<b>Grant date</b>	<b>Expiry date</b>	<b>Exercise price</b>	<b>Number under option</b>
26 July 2021	31 December 2024	NIL	75,000,000
			<b>75,000,000</b>

No person entitled to exercise the performance rights had or has any right by virtue of the option to participate in any share issue of the Company.

## Shares under option

There were no unissued ordinary shares of East 33 Limited under option outstanding at the date of this report.

## Shares issued on the exercise of performance rights

There were no ordinary shares of East 33 Limited issued on the exercise of performance rights during the year ended 30 June 2023 and up to the date of this report.

## Shares issued on the exercise of options

There were no ordinary shares of East 33 Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

## Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 27 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 27 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

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

## Officers of the Company who are former partners of HLB Mann Judd

There are no officers of the Company who are former partners of HLB Mann Judd.

## 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.

## Auditor

HLB Mann Judd continues in office in accordance with Section 327 of the Corporations Act 2001.

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

On behalf of the directors

**Sarah Courtney**  
**Chair**

18<sup>th</sup> September 2023

## **Appendix 2: Draft Auditor's Independence Declaration**

### **AUDITOR'S INDEPENDENCE DECLARATION**

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As lead auditor for the audit of the consolidated financial report of East 33 Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia  
\_\_ August 2023

D B Healy  
Partner

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

# Statement of profit or loss and other comprehensive income

		Consolidated	
	Note	2023 \$'000	2022 \$'000
<b>Revenue</b>	4	24,621	22,636
Cost of sales	6	(17,344)	(16,515)
Gross profit		7,277	6,121
Biological assets change in fair value	12	3,403	(4,247)
Other income	5	173	783
<b>Expenses</b>			
Employee benefits expense		(11,588)	(10,102)
Marketing expense		(169)	(549)
Occupancy expenses		(511)	(386)
Legal costs		(125)	(56)
Share-based payments	36	-	(31)
Administration expenses	6	(1,578)	(1,591)
<b>Total operation expenses</b>		<b>(13,971)</b>	<b>(12,715)</b>
Fair value gain of financial assets and liabilities	20	(270)	3,940
Earnings before interest, tax, depreciation, amortisation and impairment		(3,388)	(6,118)
Depreciation, amortisation and impairment expense	6	(4,924)	(2,009)
Finance costs	6	(885)	(835)
<b>Loss before income tax expense</b>		<b>(9,197)</b>	<b>(8,962)</b>
Income tax expense	7	(1)	-
<b>Loss after income tax expense for the year</b>		<b>(9,198)</b>	<b>(8,962)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss		-	-
<b>Total comprehensive loss for the year</b>		<b>(9,198)</b>	<b>(8,962)</b>
		<b>\$</b>	<b>\$</b>
Basic loss per share	35	(0.021)	(0.034)
Diluted loss per share	35	(0.021)	(0.034)

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



# Statement of financial position

	Note	2023 \$'000	Consolidated 2022 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	893	3,408
Trade and other receivables	9	1,557	1,670
Biological assets	12	3,099	2,017
Inventories	10	265	235
Assets held for sale	11	-	650
<b>Total current assets</b>		<b>5,814</b>	<b>7,980</b>
<b>Non-current assets</b>			
Biological assets	12	2,198	3,192
Property, plant and equipment	13	10,288	11,464
Right-of-use assets	14	1,591	1,811
Intangible assets	15	27,003	30,152
Deferred tax assets	7	1,671	609
<b>Total non-current assets</b>		<b>42,751</b>	<b>47,228</b>
<b>Total assets</b>		<b>48,565</b>	<b>55,208</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	1,760	1,624
Other liabilities	21	400	400
Deferred acquisition consideration	17	1,179	680
Borrowings	18	4,309	502
Financial liabilities at fair value	20	5,930	-
Lease liabilities	19	186	314
<b>Total current liabilities</b>		<b>13,764</b>	<b>3,520</b>
<b>Non-current liabilities</b>			
Lease liabilities	19	1,532	1,726
Deferred tax liability	7	1,603	541
Deferred acquisition consideration	17	100	1,129
Borrowings	18	100	8,802
Financial liabilities at fair value	20	-	5,660
Other liabilities	21	400	800
Provisions		-	126
<b>Total non-current liabilities</b>		<b>3,735</b>	<b>18,784</b>
<b>Total liabilities</b>		<b>17,499</b>	<b>22,304</b>
<b>Net assets</b>		<b>31,066</b>	<b>32,904</b>
<b>Equity</b>			
Issued capital	22	56,643	49,283
Reserves	36	-	31
Accumulated losses		(25,577)	(16,410)
<b>Total equity</b>		<b>31,066</b>	<b>32,904</b>

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

# Statement of changes in equity

	Issued capital \$'000	Accumulated losses \$'000	Share-based payment reserves	Total equity \$'000
<b>Consolidated</b>				
Balance at 1 July 2021	12,728	(7,448)	-	5,280
Loss after income tax expense for the year	-	(8,962)	-	(8,962)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	(8,962)	-	(8,962)
Transactions with owners in the capacity as owners:				
Equity issued during the year net of share issue costs	31,370	-	-	31,370
Notes converted to Equity	5,185	-	-	5,185
Share based payments	-	-	31	31
<b>Balance at 30 June 2022</b>	<b>49,283</b>	<b>(16,410)</b>	<b>31</b>	<b>32,904</b>

	Issued capital \$'000	Accumulated losses \$'000	Share-based payment reserves	Total equity \$'000
<b>Consolidated</b>				
Balance at 1 July 2022	49,283	(16,410)	31	32,904
Loss after income tax expense for the year	-	(9,198)	-	(9,198)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	(9,198)	-	(9,198)
Transactions with owners in the capacity as owners:				
Equity issued during the year net of share issue costs	7,360	-	-	7,360
Performance rights forfeited	-	31	(31)	-
<b>Balance at 30 June 2023</b>	<b>56,643</b>	<b>(25,577)</b>	<b>-</b>	<b>31,066</b>

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

# Statement of cash flows

	Note	Consolidated 2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers	-	24,759	22,954
Government grants received	-	-	639
Payment of legal settlement	21	(400)	(420)
Payments to suppliers and employees	-	(27,882)	(25,672)
Income taxes paid	-	(32)	(268)
Interest paid on borrowings	-	(673)	(382)
<b>Net cash used in operating activities</b>	<b>34</b>	<b>(4,228)</b>	<b>(3,149)</b>
<b>Cash flows from investing activities</b>			
Payment for purchase of businesses, net of cash acquired	32	-	(11,499)
Payment for vendor finance	32	(666)	(9,725)
Sale of property plant and equipment	-	880	-
Payments for property, plant and equipment	13	(243)	(2,522)
Payments for intangible assets	-	(225)	-
Proceeds from sale of business	-	75	-
<b>Net cash used in investing activities</b>		<b>(179)</b>	<b>(23,746)</b>
<b>Cash flows from financing activities</b>			
Proceeds from share capital raised	22	7,967	32,000
Net proceeds from borrowings	18	224	10,061
Repayment of borrowings	18	(5,305)	(9,657)
Capital raising transaction costs	22	(607)	(2,534)
Repayment of lease liabilities	19	(387)	(416)
<b>Net cash provided by financing activities</b>		<b>1,892</b>	<b>29,454</b>
Net (decrease)/increase in cash and cash equivalents		(2,515)	2,559
Cash and cash equivalents at the beginning of the financial year		3,408	849
<b>Cash and cash equivalents at the end of the financial year</b>	<b>8</b>	<b>893</b>	<b>3,408</b>

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

# Notes to the Financial Statements

## Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

### Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 31.

### Going concern

The Group incurred an operating loss of \$9.2 million (2022: \$9.0 million) for the year ended 30 June 2023, has a net cash outflow from operating activities amounting to \$4.2 million (2022: \$3.1 million), and has a working capital deficit of \$7.9 million (2022: \$4.5 million surplus). Notwithstanding the above, the Directors are of the opinion that the Group is a going concern because:

- On 16 August 2023 the Group entered into a binding agreement with Yumbah Finance Pty Ltd for a loan in the amount of \$15 million. The Loan Facility constitutes a whole of business facility and will be used for the full repayment of the balance outstanding of the \$9.0 million loan facility in place with the National Australia Bank (NAB Loan Facility), the payment of \$6.0 million payable under the Class A Redeemable Convertible Preference Shares (RCPS) due in January 2024 and other working capital requirements. Further details of the Yumbah finance facility are set out in note 38.
- The Group has reduced payroll costs and other operating costs, and increased its sale prices of oysters to enable it to improve operational cash flows.

The Board considers that based on its assessment of operating cash flows it is appropriate in the Group's current circumstances to prepare its financial report on a going concern basis, which assumes continuity of normal business activities and the settlement of liabilities in the ordinary course of business.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of East 33 Limited ('the Company' or 'the parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. East 33 Limited and its subsidiaries together are referred to in these financial statements as 'the Group'

Subsidiaries are all those 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 de-consolidated from the date that control ceases.

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### Functional and presentation currency

The financial statements are presented in Australian dollars, which is East 33 Limited's functional and presentation currency

### Revenue recognition

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The revenue recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised at a “point in time” being the delivery of oysters and seafood to customer or alternatively when the goods are collected by customer.

Revenue arises mainly from the sale of oysters and seafood. The Group generates revenue largely in Australia.

Revenue from restaurant sales is generated through dine-in or alternatively collection by customer, being ‘point in time’ when the performance obligation is satisfied, control is transferred to the customer and revenue is recognised at the transaction price.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax.

### **Government grants**

Government grants relating to costs are recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

### **Income tax**

The income tax expense or benefit for the period is the tax payable on that period’s taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

East 33 Limited (the ‘head entity’) and its wholly-owned Australian subsidiaries have formed an income tax consolidated Group under the tax consolidation regime. The head entity will account for the Group’s current and deferred tax amounts. In addition to its own current and deferred tax amounts, the head entity will recognise the future in the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and the unused tax credits assumed from each subsidiary in the tax consolidated Group.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group’s normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group’s normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

### **Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## Biological assets

Biological assets consist of oysters. These assets have been measured at fair value less costs to sell in accordance with AASB 141 Agriculture. The estimated fair values are based on a typical growth cycle of the oyster and takes into account catch method, location of oyster, mortality rates, infrastructure used, an estimate of the number of oysters at period end and oyster prices reflecting the age and condition of the oysters.

These assumptions are reviewed at each reporting date and amended if required. Changes in the fair value of the oysters are reflected in the statement of profit or loss and other comprehensive income.

## Inventories

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## Financial Instruments

Financial Instruments are initially measured at their fair value. Transaction costs are included as part of the initial measurement except for financial assets at fair value through profit and loss.

### Classification and subsequent measurement

Financial instruments are subsequently measure at fair value through profit and loss, amortised cost using the effective interest method, or fair value through other comprehensive income. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation technique are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

### Impairment

At the end of each reporting period, the Group assesses whether there are any expected credit losses in relation to its financial assets, and if so, allowance is made for these.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter

bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

## Derecognition

Financial assets are derecognised when the contract rights to receipt of cash flows expire, or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

## Property, Plant and Equipment

Property, plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

## Depreciation

The depreciation rates and methods used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate	Depreciation Method
Plant and equipment	10% - 40%	Straight line
Computer equipment	20%	Straight line
Buildings	5%	Diminishing value
Motor Vehicles	18.75% - 25%	Diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised.

### Right-of-use assets

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

Right-of-use 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 the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

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

### Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment.

Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### Oyster Leases Acquisition Costs

Oyster leases acquisition costs are measured on the cost basis and therefore carried at cost less any accumulated impairment except for leases acquired through business combinations which are recorded at fair value on acquisition in line with AASB3 Business Combinations. In the event the carrying amount of an oyster lease is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss.

The Group's Government awarded oyster leases are classified as 'production leases' by the New South Wales Department of Primary Industries (NSW DPI) and are granted for a maximum term of 15 years on water leases and 25 years on crown leases with options to extend for a further 15 years (water leases). Upon the expiry of any given term, they are renewable for successive terms. As such, the useful life of the leases is based on maximum terms inclusive of extension options.

The carrying amount of oyster leases are reviewed by directors for any indicators of impairment to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

The expected net cash flows have been discounted to their present values in determining recoverable amounts.

### Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

In accordance with AASB 136 Impairment of Assets, goodwill associated with current and prior year acquisitions has been allocated to CGU's and tested for impairment at year end.

### Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

### Impairment of non-financial assets

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

### Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

### Lease liabilities

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 right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

### Employee benefits

#### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date 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 reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

#### Share-based payments

Equity-settled and cash-settled share-based compensation benefits are not currently provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, 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 option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the



cancelled award, the cancelled and new award is treated as if they were a modification.

### **Fair value measurement**

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

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### **Issued Capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **Dividends**

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

### **Business combinations**

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

### **Earnings per share**

#### **Basic earnings/loss per share**

Basic earnings/loss per share is calculated by dividing the profit/loss attributable to the owners of East 33 Limited, 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**

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.

#### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

### **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.

### **Standards and interpretations applicable to 30 June 2023**

In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

### **New Accounting Standards and Interpretations not yet mandatory or early adopted**

The Directors have also reviewed all Standards and Interpretations issued but not yet adopted for the year ended 30 June 2023. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

### **General information**

The financial statements cover East 33 Limited as a Group consisting of East 33 Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is East 33 Limited's functional and presentation currency.

East 33 Limited is a listed public Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

<b>Registered office</b>	<b>Principal place of business</b>
12 Point Road Tuncurry NSW 2428	12 Point Road Tuncurry NSW 2428

A description of the nature of the Group's operations and its principal activities are included in 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 14 September 2023. The directors have the power to amend and reissue the financial statements.

## **Note 2. 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.

### **Valuation of Biological Stock**

Management value oysters held for sale at their fair value less costs to sell in accordance with AASB 141 Agriculture. Estimated fair values are based on estimated selling prices observed in the industry and other relevant factors that ultimately impact fair value. Where there are no observable prices, management may determine a fair price based on certain deductions made on the closest comparable prices. These estimates may vary from net proceeds ultimately achieved.

There is inherent uncertainty in the biomass estimate and resultant fair valuation of the Biological assets. This is common to all such valuations and best practice methodology is used to facilitate reliable estimates. The estimated fair value of oyster inventory is based on a stock lifecycle model developed internally by the Group which incorporates various key assumptions to simulate stock growth which are regularly reviewed and updated. These assumptions include anticipated:

- Oyster prices less cost to sell
- Mortality rates
- Spawning cycles
- Seasonal growth rates

Actual growth will invariably differ to some extent, which is monitored along with mortality rates during periodic physical grading and harvest counts. Perpetual stock records are then adjusted and reconciled following the completion of each periodic physical count.

### **Fair value hierarchy**

AASB 13 Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level than an input that is significant to the measurements can be categorised into as follows:

**Level 1:** Unadjusted quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise to the extent possible, the

use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included at level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

### Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- i. Market approach uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- ii. Income approach converts estimated future cash flows or income and expenses into a single discounted present value.
- iii. Cost approach reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risk. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The Group's valuation of biological assets, intangible asset leases and redeemable convertible preference shares are considered to be Level 2 in the fair value hierarchy. There were no transfers between levels of the fair value hierarchy during the period.

### Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### Goodwill

The Group 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, in accordance with the accounting policy stated in note 1.

The recoverable amounts of cash-generating units have been determined based on value-in-use 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. Refer to note 15 for further information.

### Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

### Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

### Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

### Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

### Note 3. Operating segments

The Group is organised into three operating segments based on differences in products and services provided: oyster farming, distribution and sundry business units including corporate, online sales, restaurant and bottle shop. These operating segments are based on the internal reports that are reviewed and used 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 is no aggregation of operating segments.

#### Types of products and services

The principal products and services of each of these operating segments are as follows:

<b>Oyster farming</b>	Growing and wholesaling of live oysters in Australia
<b>Distribution</b>	Wholesale and retail distribution of oysters in Australia
<b>Sundry units</b>	Selling liquor to retail customers, provision of restaurant services, online sales of oysters and complimentary products in Australia.

### Segment Report 2023

	<b>Farming 2023 \$'000</b>	<b>Distribution 2023 \$'000</b>	<b>Corporate and sundry business units 2023 \$'000</b>	<b>Total 2023 \$'000</b>
<b>Revenue</b>				
Revenue from external customers	2,303	20,664	1,654	24,621
Intersegment sales	3,310	411	-	3,721
<b>Total segment revenue</b>	<b>5,613</b>	<b>21,075</b>	<b>1,654</b>	<b>28,342</b>
Other income	69	14	90	173
Biological assets change in fair value	3,403	-	-	3,403
Cost of sales	(3,589)	(13,215)	(540)	(17,344)
Intersegment purchases	(371)	(3,238)	(112)	(3,721)
<b>Total cost of sales</b>	<b>(3,960)</b>	<b>(16,453)</b>	<b>(652)</b>	<b>(21,065)</b>
Employee benefits expense	(5,498)	(2,923)	(3,167)	(11,588)
<b>Total employee benefit expenses</b>	<b>(5,498)</b>	<b>(2,923)</b>	<b>(3,167)</b>	<b>(11,588)</b>
Fair value gain on financial liabilities	-	-	(270)	(270)
Goodwill impairment	(1,443)	(1,500)	-	(2,943)
Depreciation and amortisation	(1,398)	(105)	(478)	(1,981)
Finance costs	-	-	(885)	(885)
Other expenses	(776)	(344)	(1,263)	(2,383)
Segment result before tax	(3,990)	(236)	(4,971)	(9,197)
Income tax expense	-	-	(1)	(1)
Net loss for the year	(3,990)	(236)	(4,972)	(9,198)
Non-current segment assets*	23,620	15,570	3,561	42,751
<b>Total segment assets</b>	<b>27,139</b>	<b>17,707</b>	<b>3,719</b>	<b>48,565</b>
Segment liabilities	(2,155)	(852)	(14,492)	(17,499)

\*Additions to non-current assets include Oyster Cloud software acquisition of \$450,000 allocated to the Farming CGU. There were additions of \$243,000 to PPE also allocated to the Farming CGU.

## Segment Report 2022

	Farming 2022 \$'000	Distribution 2022 \$'000	Corporate and sundry business units 2022 \$'000	Total 2022 \$'000
<b>Revenue</b>				
Revenue from external customers	2,599	17,906	2,131	22,636
Intersegment sales	3,070	436	-	3,506
<b>Total segment revenue</b>	<b>5,669</b>	<b>18,342</b>	<b>2,131</b>	<b>26,142</b>
Other income	205	216	362	783
Biological assets change in fair value	(4,247)	-	-	(4,247)
Cost of sales	(4,206)	(10,737)	(1,572)	(16,515)
Intersegment purchases	(313)	(3,070)	-	(3,383)
<b>Total cost of sales</b>	<b>(4,519)</b>	<b>(13,807)</b>	<b>(1,572)</b>	<b>(19,898)</b>
Employee benefits expense	(4,428)	(2,032)	(3,642)	(10,102)
Intersegment purchases	(124)	-	-	(124)
<b>Total employee benefit expenses</b>	<b>(4,552)</b>	<b>(2,032)</b>	<b>(3,642)</b>	<b>(10,226)</b>
Fair value gain on financial liabilities	-	-	3,940	3,940
Depreciation, impairment and amortisation	(1,538)	(156)	(315)	(2,009)
Finance costs	(86)	(7)	(742)	(835)
Other expenses	(594)	(288)	(1,730)	(2,612)
Segment result before tax	(9,662)	2,268	(1,568)	(8,962)
Income tax expense	-	-	-	-
Net (loss) for the year	(9,662)	2,268	(1,568)	(8,962)
Non-current segment assets	26,656	17,174	3,398	47,228
<b>Total segment assets</b>	<b>30,008</b>	<b>20,897</b>	<b>4,303</b>	<b>55,208</b>
Segment liabilities	(3,593)	(747)	(17,964)	(22,304)

## Note 4. Revenue

### Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Farming	Distribution	Corporate and sundry business units	Total
Consolidated – 2023	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000
Oyster sales	2,303	20,664**	-	22,967
Restaurant sales	-	-	1,542	1,542
Bottle shop sales*	-	-	86	86
Sundry sales	-	-	24	24
	2,303	20,664	1,654	24,621
<b>Geographical regions</b>				
Australia	2,303	20,664	1,654	24,621
	2,303	20,664	1,654	24,621
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	2,303	20,664	1,654	24,621

\*Bottle shop was sold during the year.

\*\* Customers accounting for over 10% of Distribution revenue include Costco (10.6%) and Foodlink (22.6%)

	Farming	Distribution	Sundry	Total
Consolidated – 2022	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000
Oyster sales	2,599	17,906	11	20,516
Restaurant sales	-	-	1,300	1,300
Bottle shop sales	-	-	349	349
Online sales	-	-	447	447
Sundry sales	-	-	24	24
	2,599	17,906	2,131	22,636
<b>Geographical regions</b>				
Australia	2,599	17,906	2,123	22,628
Other	-	-	8	8
	2,599	17,906	2,131	22,636
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	2,599	17,906	2,131	22,636

## Note 5. Other Income

	2023 \$'000	Consolidated 2022 \$'000
Adjustments on prior year acquisitions	65	16
Government grants	-	639
Other sundry income	108	128
Other income	173	783

## Note 6. Expenses

	2023 \$'000	Consolidated 2022 \$'000
Loss before income tax includes the following specific expenses:		
<b>Cost of sales</b>		
Total cost of sales	17,344	16,515
<b>Depreciation</b>		
Property plant and equipment	1,139	1,012
Right-of-use-assets	186	187
<b>Total depreciation</b>	<b>1,325</b>	<b>1,199</b>
<b>Impairment</b>		
Goodwill	2,943	-
Property plant and equipment	-	250
<b>Amortisation</b>		
Oyster/Crown leases	548	545
Software	108	15
Total amortisation	656	560
Total depreciation, amortisation and impairment	4,924	2,009
<b>Finance Costs</b>		
Interest and finance charges paid/payable on borrowings	569	539
Unwinding of the discount on provisions	316	296
Finance costs expensed	885	835
<b>Administration expenses</b>		
Insurance costs	283	410
Professional fees	224	214
Licences	13	20
Consultants	209	159
Bank fees	61	53
IT related costs	126	194
Repairs and maintenance	196	79
Other costs	466	462
Administration expenses	1,578	1,591

## Note 7. Income tax expense and deferred tax

	2023 \$'000	Consolidated 2022 \$'000
Income tax expenses		
Current tax	-	-
Deferred tax – origination and reversal of temporary differences	-	-
Adjustment recognised for prior periods	1	-
Aggregate income tax expense	1	-
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	-	13
Increase/(decrease) in deferred tax liabilities	-	(13)
Deferred tax – origination and reversal of temporary differences	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(9,197)	(8,962)
Tax at the base rate entity rate of 25% (26% FY22)	(2,299)	(2,241)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-deductible amounts	9	6
Other non-assessable amounts	51	(989)
Current year deferred tax loss not recognised	3,644	3,295
Movements in other deferred tax assets and liabilities not recognised	(1,405)	(71)
Adjustment recognised for prior periods	1	-
Income tax expense	1	-
<b>Deferred tax asset comprises temporary differences attributable to:</b>		
Amounts recognised in profit or loss		
Employee benefits	138	162
Tax assets (carried forward losses)	1,103	(63)
Leases	430	510
Deferred tax asset	1,671	609
<b>Movements</b>		
Opening balance	609	622
(Debited)/Credited to profit or loss	1,062	(13)
Closing balance	1,671	609
<b>Deferred tax liability comprises temporary differences attributable to:</b>		
Amounts recognised in profit or loss		
Right use of assets	398	453
Fair value gain on biological assets	1,205	88
<b>Deferred tax liability</b>	1,603	541
<b>Movements</b>		
Opening balance	541	554
(Credited)/Debited to profit or loss	1,062	(13)
Closing balance	1,603	541



## Note 8. Cash and cash equivalents

	Consolidated	
	2023 \$'000	2022 \$'000
Cash on hand	2	220
Cash at bank	891	3,188
	<b>893</b>	<b>3,408</b>

## Note 9. Trade and other receivables

	Consolidated	
	2023 \$'000	2022 \$'000
Trade receivables	1,313	1,335
Prepaid expenses and deposits	244	335
	<b>1,557</b>	<b>1,670</b>

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

Consolidated	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2023 %	2022 %	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Not overdue	0%	0%	1,266	1,182	-	-
3 to 6 months overdue	0%	0%	10	43	-	-
Over 6 months overdue	0%	0%	37	110	-	-
			<b>1,313</b>	<b>1,335</b>	<b>-</b>	<b>-</b>

## Note 10. Inventories

	Consolidated	
	2023 \$'000	2022 \$'000
Finished goods at cost	34	139
Oyster stock at cost	231	96
	<b>265</b>	<b>235</b>

## Note 11. Assets held for sale

	Consolidated	
	2023 \$'000	2022 \$'000
Buildings and improvements	-	650
	<b>-</b>	<b>650</b>

During the financial year, the sale of the property settled for \$750,000.

## Note 12. Biological assets

	2023 \$'000	Consolidated 2022 \$'000
Fair Value of Oyster stock	5,297	5,209
Current – at fair value	3,099	2,017
Non-Current – at fair value	2,198	3,192
Total Biological Assets	5,297	5,209
Ageing of Biological Assets		
Less than 1 year old	637	785
Between 1-2 years old	1,561	2,407
Two years and older	3,099	2,017
Total Biological Assets	5,297	5,209
Reconciliation of Biological Assets		
Stock value at the beginning of the period	5,209	12,692
Biological assets acquired through business combinations	-	501
Biological assets acquired post business acquisitions	564	538
Mortality and low yield*	(1,106)	(4,194)
Fair value movement in biological assets	4,509	(53)
Cost of sales	(3,879)	(4,275)
Biological stock at the end of the period	5,297	5,209

Refer to Note 2 for valuation technique for biological assets and significant estimates and judgements applied.

Biological assets consist of live oysters in the water with an average lifecycle of 3 years.

The oysters are grown and farmed in Northern NSW namely Wallis Lakes, Manning Point and Port Stephens.

\* Mortality and low yield associated with QX disease in Port Stephens and flood losses has been included in the biological assets change in fair value in the statement of profit or loss and other comprehensive income.

## Note 13. Property, plant and equipment

	Consolidated	
	2023 \$'000	2022 \$'000
Plant and equipment – at cost	6,693	7,064
Less: Accumulated depreciation	(1,471)	(1,027)
	5,222	6,037
Buildings and improvements -at cost	5,062	5,078
Less: Accumulated depreciation	(373)	(201)
	4,689	4,877
Motor Vehicles – at cost	544	607
Less: Accumulated depreciation	(230)	(124)
	314	483
Office Equipment – at cost	43	51
Less: Accumulated depreciation	(23)	(21)
	20	30
Computer Equipment – at cost	85	65
Less: Accumulated depreciation	(42)	(28)
	43	37
Total	<b>10,288</b>	<b>11,464</b>

### Reconciliations

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

Consolidated	Plant and equipment \$'000	Buildings and improvements \$'000	Motor vehicles \$'000	Office equipment \$'000	Computer equipment \$'000	Total \$'000
Balance at 1 July 2021	4,709	4,384	170	43	31	<b>9,337</b>
Additions	1,329	684	606	-	22	<b>2,641</b>
Additions through business combinations (note 32)	994	900	75	-	3	<b>1,972</b>
Transfer to intangibles (note 15)	-	(300)	-	-	-	<b>(300)</b>
Disposals	(115)	-	(156)	(1)	(2)	<b>(274)</b>
Assets classified as held for sale (note11)	-	(650)	-	-	-	<b>(650)</b>
Provisions for impairment	(150)	-	(100)	-	-	<b>(250)</b>
Depreciation expense	(730)	(141)	(112)	(12))	(17)	<b>(1,012)</b>
Balance at 30 June 2022	<b>6,037</b>	<b>4,877</b>	<b>483</b>	<b>30</b>	<b>37</b>	<b>11,464</b>
Additions	163	42	-	2	36	<b>243</b>
Disposals	(534)	(58)	(63)	(10)	(16)	<b>(681)</b>
Depreciation on disposals	301	76	5	7	12	<b>401</b>
Depreciation expense	(745)	(248)	(111)	(9)	(26)	<b>(1,139)</b>
Balance at 30 June 2023	<b>5,222</b>	<b>4,689</b>	<b>314</b>	<b>20</b>	<b>43</b>	<b>10,288</b>

During the year management made either a full or partial provision against the carried cost of low value plant and equipment items as well as motor vehicles to reflect the consumption of economic benefits.

## Note 14. Right-of-use assets

	Consolidated	
	2023	2022
	\$'000	\$'000
Oyster and Crown leases - right-of-use	1,697	1,697
Property Leases	347	424
Less: Accumulated amortisation	(453)	(310)
	<b>1,591</b>	<b>1,811</b>

### Reconciliation of Right-of-use assets

Opening Balance	1,811	1,725
Additions	-	273
Disposals	(34)	-
Amortisation	(186)	(187)
	<b>1,591</b>	<b>1,811</b>

The Group leases land on crown land and oyster leases from the NSW Department of Primary Industry. As per AASB 16 Leases, the present value of oyster and crown leases acquired by the Group are discounted over the initial lease period as well as the renewal option period as set out in the lease agreements.

## Note 15. Intangibles assets

	Consolidated	
	2023	2022
	\$'000	\$'000
Goodwill	17,758	17,758
Less: impairment	(2,943)	-
	<b>14,815</b>	<b>17,758</b>
Oyster/Crown Leases	13,059	13,059
Less: Accumulated amortisation	(1,303)	(755)
	<b>11,756</b>	<b>12,304</b>
Software – at cost	562	112
Less: Accumulated amortisation	(130)	(22)
	<b>432</b>	<b>90</b>
	<b>27,003</b>	<b>30,152</b>

## Reconciliations

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

<b>Consolidated</b>	<b>Goodwill \$'000</b>	<b>Oyster and Crown Leases \$'000</b>	<b>Software \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2021	358	11,987	25	<b>12,370</b>
Transfer from buildings and improvements (note 13)	-	300	-	<b>300</b>
Additions	-	-	84	<b>84</b>
Additions through business combinations (note 32)	17,400	562	-	<b>17,962</b>
Disposals	-	-	(4)	<b>(4)</b>
Amortisation expense	-	(545)	(15)	<b>(560)</b>
Balance at 30 June 2022	17,758	12,304	90	<b>30,152</b>
Additions	-	-	450	<b>450</b>
Impairment provision	(2,943)	-	-	<b>(2,943)</b>
Amortisation expense	-	(548)	(108)	<b>(656)</b>
Balance at 30 June 2023	14,815	11,756	432	<b>27,003</b>

## Goodwill Impairment testing

AASB 136 requires entities to perform an annual assessment of goodwill and other intangibles to ensure the carrying value of such assets does not exceed their recoverable amount.

Goodwill from current and past business combinations has been allocated to cash generating units (CGU) as follows:

- Farming CGU \$1,443k
- Distribution CGU \$16,315k

As the fair value of assets and liabilities allocated to the CGUs could not be determined based on market observable inputs, the Value in Use (VIU) approach based on a discounted cash flow projections, were adopted for the purposes of estimating the recoverable amount of such assets and liabilities.

Capital asset pricing model (CAPM) was used for the purposes of deriving an appropriate discount rate.

Key inputs in estimating VIU for each cash generating unit are as follows

	<b>Farming CGU</b>	<b>Distribution CGU</b>
Discount rate	14.5%	13.5%
Goodwill allocated to CGU (\$Millions)	1.44	16.31
Intangible assets allocated to CGU (\$Millions)	12.19	-
Tangible assets allocated to CGU (\$Millions)	7.61	0.65
Average oyster price (\$)	1.01	1.34
Average volume increase p.a. in the next two years (%)	15% *	5%

\*Farming volume increase estimate is based on timing of biological stock maturity and seasonal trade patterns.

For impairment testing purposes, biological assets have been excluded as such assets are recorded at fair value under AASB 141.

Based on the above inputs, the directors concluded that:

- A full impairment of \$1,443k should be recorded within the Farming CGU.
- A partial impairment of \$1,500k should be recorded within the Distribution CGU.

## Note 16. Trade and other payables

	Consolidated	
	2023	2022
	\$'000	\$'000
Trade payables	735	991
Employee benefits	500	426
Accrued expenses	243	153
Provisions	200	-
Other payables	82	54
	<b>1,760</b>	<b>1,624</b>

## Note 17. Deferred Acquisition Consideration

	Consolidated	
	2023	2022
	\$'000	\$'000
Cash deferred consideration	1,279	1,809
Amounts payable for Business Acquisitions	<b>1,279</b>	<b>1,809</b>
Current deferred consideration	1,179	680
Non-current deferred consideration	100	1,129
Amounts payable for Business Acquisitions	<b>1,279</b>	<b>1,809</b>

## Note 18. Borrowings

### Short- term borrowings

	Consolidated	
	2023	2022
	\$'000	\$'000
NAB Facility	4,267	379
Equipment finance leases	42	123
	<b>4,309</b>	<b>502</b>

### Long- term borrowings

NAB Facility	-	8,563
Other equipment finance loans	100	239
	100	8,802
	<b>4,409</b>	<b>9,304</b>

### Reconciliation of Loans

Opening balance	9,304	8,675
Loan drawdown	224	10,061
Asset finance loan drawdown	-	345
Borrowing costs	-	(629)
Amortisation of borrowing costs	210	192
Loan interest accrued	(24)	317
Loan repayments*	(5,305)	(9,657)
Closing balance	<b>4,409</b>	<b>9,304</b>

The NAB loan is secured by first mortgages over the Group's assets and it carries an interest rate of 5.50% + BBSY (currently 1.84%). The loan agreement also contains interest cover ratio covenants which the Group did not meet at balance date. The Group received a letter of no action from NAB in respect of the covenant breach before the year end.

The original repayment term is three years, with interest and principal to be repaid at regular quarterly intervals. \$250,000 in principal is paid quarterly from October 2021 to July 2022, with principal repayments increasing to \$625,000 quarterly from October 2022 and a balloon repayment of \$4,625,000 July 2024.

During the last financial year the lender has agreed to defer the October 2022 to July 2023 principal repayments totalling \$2.5 million until the repayments of \$625,000 per quarter start again in October 2023.

At balance date the available draw balance is \$4,515k.

At balance date the NAB financial covenants have been breached. A letter of no action was received from the lender prior to year end whereby it reserves the right to take action subsequent to the year end but will not do so for the time being.

Subsequent to year end, the Group refinanced the NAB loan and replaced it with a loan from a related party on similar terms to better align its cashflows to debt repayment terms entered into. Please refer to Note 38 for further details.

\*During the year, the NAB working capital loan used a revolving facility whereby excess cash was offset against the facility to minimise interest payable. Any payments into the facility increase the draw facility limit by the same amount with the exception of the principal repayments as amended by the lender above.

## Note 19. Lease liabilities

	Consolidated	
	2023	2023
	\$'000	\$'000
Right of use lease liability	1,716	1,882
Finance lease liabilities	2	158
	<b>1,718</b>	<b>2,040</b>
Current lease liabilities	186	314
Non-current lease liabilities	1,532	1,726
	<b>1,718</b>	<b>2,040</b>
<b>Reconciliation of right of use lease liabilities</b>		
Opening balance	1,882	1,780
Additions through business combinations	-	273
Disposals	(16)	-
Lease payments	(256)	(274)
Interest unwind	106	103
Closing balance	<b>1,716</b>	<b>1,882</b>
<b>Reconciliation of finance lease liabilities</b>		
Opening balance	158	241
Additions through business combinations	-	59
Leases terminated*	(25)	-
Lease payments	(131)	(142)
Closing balance	<b>2</b>	<b>158</b>

\*An equipment finance leases originally taken out by Ms Verdich Pty Ltd converted during the period into a monthly rental under better commercial terms.



## Note 20. Financial liabilities at fair value

	Consolidated	
	2023 \$'000	2022 \$'000
Redeemable convertible preference shares class A at fair value	5,695	5,451
Redeemable convertible preference shares class B at fair value	235	209
	<b>5,930</b>	<b>5,660</b>
Current liability	5,930	-
Non-current liability	-	5,660
	<b>5,930</b>	<b>5,660</b>

The key terms of RCPS are:

Whose option to convert	Amount of RCPS	Conversion terms	Premium on conversion	Maturity date
<b>Vendor</b>	\$6 million (Class A)	Higher of \$0.2/share or 25% discount to 30 days VWAP	25%	2.5 years after issue date
<b>East 33</b>	\$3.6 million (Class B)	Higher of \$0.2/share or 25% discount to 30 days VWAP	25%	2.5 years after issue date

Both classes of redeemable convertible preference shares have been designated at fair value through profit and loss.

The redeemable preference shares were valued using Monte Carlo simulation.

Security Class	Class A	Class B
Number of Securities	6,000	3,600
Face Value	\$1,000 each	\$1,000 each
Issue Date	21 July 2021	21 July 2021
Maturity Date	21 January 2024	21 January 2024
Conversion Right	Convertible at election of holder	Convertible at election of issuer
Conversion Price	Conversion price is the higher of: \$0.20 or 25% discount to the 30-day VWAP immediately prior to date of request from the holder to convert	Conversion price is the higher of: \$0.20 or 25% discount to the 30-day VWAP immediately prior to date of request from the issuer to convert
Redemption Price	\$6,000,000 (Face Value)	\$4,140,000 (Face Value plus 15%)

The key inputs to the valuation are as follows:

	Inception	Balance date
Volatility (%)	54%	122%
Risk free rate (%)	0.07%	4.43%
Share price at this date (\$)	0.245	0.019

A reconciliation of the fair value movement is outlined below:

	Class A \$'000	Class B \$'000	Consolidated total \$'000
Face value on issue date	6,000	3,600	9,600
Fair value (gain) for the year	(549)	(3,391)	(3,940)
Fair value of instruments at 30 June 2022	5,451	209	5,660
Fair value loss for the year	244	26	270
Fair value of instruments at 30 June 2023	<b>5,695</b>	<b>235</b>	<b>5,930</b>

## Note 21. Other liabilities

### Current liabilities

	Consolidated	
	2023	2022
	\$'000	\$'000
Settlement of legal claim	400	400
	<b>400</b>	<b>400</b>

### Non-current liabilities

Settlement of legal claim	400	800
	<b>400</b>	<b>800</b>

During the previous financial year an out of court settlement with a former shareholder was reached by the Group totaling \$1.62 million. An initial payment of \$0.42 million was made in July 2021 with a further \$0.4 million made in July 2022. The current and non-current portions of the settlement are outlined in the previous page. .

## Note 22. Issued capital

	Consolidated			
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid l stock at the end of the period	519,088,699	277,651,940	56,643,530	49,283,895

### Movements in ordinary share capital

Details	Date	Shares	Issue Price	Total
			\$	\$
<b>Ordinary shares</b>				
Balance	1 July 2022	277,651,940	-	49,283,895
Rights Issue	13 Oct 2022	241,436,759	0.033	7,967,413
Less Capital raising costs				(607,778)
Balance	30 Jun 2023	<b>519,088,699</b>		<b>56,643,530</b>

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Share buy-back

There is no current on-market share buy-back.

### Capital risk management

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

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

## **Note 23. Dividends**

### **Dividends**

No dividends were paid during the financial year.

## **Note 24. Financial instruments**

### **Financial risk management objectives**

The Group's activities expose it to a variety of financial risks: market risk (price risk and interest rate 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 and other price risks as well as ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units where appropriate. Finance reports to the Board on a monthly basis.

### **Market risk**

#### **Price risk**

The Group is not exposed to any significant price risk.

The financial liabilities at fair value through profit and loss (FVTPL) in respect of the convertible notes class A and B are subject to the group's share price risk as the fair value is derived with reference to the share price.

A share price fluctuation of +/- 10% will have a nil effect on the profit and loss in respect of class A convertible notes as the embedded option is deep out of the money.

An increase in the share price of 10% will have a negative effect on the profit and loss of \$34k in respect of class B convertible notes whereas a decrease of 10% in share price fluctuation will have a positive effect of \$34k.

#### **Interest rate risk**

Borrowings at amortised cost in respect of the NAB loan have a variable interest rate as there is a margin charged on the risk-free rate. A fluctuation of +/- 100 basis points will have a negative/positive effect on the profit and loss of \$45k.

#### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

#### **Liquidity risk**

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

#### **Financing arrangements**

The available draw balance as part of the NAB borrowing facilities at the reporting date is \$4,514,785.

#### **Remaining contractual maturities**

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

<b>Consolidated - 2023</b>	<b>Weighted average interest rate</b>	<b>1 year or less</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>	<b>Remaining contractual maturities</b>
	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-derivatives</b>						
<b>Non-interest bearing</b>						
Trade payables	-	1,760	-	-	-	1,760
Vendor Liabilities	-	1,179	100	-	-	1,279
Redeemable convertible preference shares	-	5,930	-	-	-	5,930
Other payables	-	400	400	-	-	800
<b>Interest-bearing</b>						
Borrowings	8.58%	4,309	41	59	-	4,409
Lease liability	5.67%	186	275	421	836	1,718
<b>Total non-derivatives</b>		<b>13,764</b>	<b>816</b>	<b>480</b>	<b>836</b>	<b>15,896</b>

<b>Consolidated - 2022</b>	<b>Weighted average interest rate</b>	<b>1 year or less</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>	<b>Remaining contractual maturities</b>
	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-derivatives</b>						
<b>Non-interest bearing</b>						
Trade payables	-	1,624	-	-	-	1,624
Vendor Liabilities	-	680	1,129	-	-	1,809
Redeemable convertible preference shares	-	-	-	5,660	-	5,660
Other payables	-	400	400	400	-	1,200
<b>Interest-bearing - fixed rate</b>						
Borrowings	6.58%	502	3,400	5,402	-	9,304
Lease liability	4.85%	314	392	421	913	2,040
<b>Total non-derivatives</b>		<b>3,520</b>	<b>5,321</b>	<b>11,883</b>	<b>913</b>	<b>21,637</b>

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

#### **Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## Note 25. Fair value measurement

### Fair value hierarchy

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

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
Consolidated - 2023	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>				
Land and buildings	-	4,689	-	4,689
Intangible leases	-	11,756	-	11,756
Biological assets	-	5,297	-	5,297
Total assets	-	<b>21,742</b>	-	<b>21,742</b>
<b>Liabilities</b>				
Redeemable convertible preference shares	-	5,930	-	5,930
Total liabilities	-	<b>5,930</b>	-	<b>5,930</b>
<b>Consolidated - 2022</b>				
	Level 1	Level 2	Level 3	Total
Consolidated - 2022	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>				
Land and buildings	-	4,877	-	4,877
Intangible leases	-	12,304	-	12,304
Biological assets	-	5,209	-	5,209
Total assets	-	<b>22,390</b>	-	<b>22,390</b>
<b>Liabilities</b>				
Redeemable convertible preference shares	-	5,660	-	5,660
Total liabilities	-	<b>5,660</b>	-	<b>5,660</b>

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

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

The basis of the valuation of land and buildings is cost less accumulated depreciation except for land and buildings acquired under business combinations which are valued at fair value on acquisition in line with AASB3. The land and buildings acquired during the year were valued based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued.

## Note 26. Key management personnel disclosures

### Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2023	2022
	\$	\$
Short-term employee benefits	1,286,004	1,001,945
Post-employment benefits	106,335	81,082
Share-based payments	-	250,000
	<b>1,392,339</b>	<b>1,333,027</b>

Please refer to note 37 for share-based payment information

## Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd, the auditor of the Company, its network firms and related firms:

	Consolidated	
	2023	2022
	\$	\$
<b>Audit services – HLB Mann Judd</b>		
Audit or review of the financial statements	124,771	132,000
<b>Other services – HLB Mann Judd</b>		
Taxation services	20,850	31,670
Independent Accountant's Report services	-	11,000
	<b>20,850</b>	<b>42,670</b>
	<b>145,621</b>	<b>174,670</b>

## Note 28. Contingent liabilities

There were no contingent liabilities at 30 June 2023 and at 30 June 2022.

## Note 29. Commitments

The Group has no commitments (capital or otherwise) at year end.

### **Note 30. Related party transactions**

During the year an amount of \$829,042 (FY22: \$660,781) was invoiced by Artisan Oysters Pty Ltd, an entity controlled by Mr Anthony Rupnik in respect of oyster shucking services rendered to CMB Seafoods, a subsidiary of the Group. At 30 June 2023 the amount outstanding was \$1,263.

There were no other transactions with key management personnel and their related parties

#### **Parent entity**

East 33 Limited is the parent entity.

#### **Subsidiaries**

Interests in the subsidiaries are set out in Note 33.

#### **Key management personnel**

Disclosures relating to key management personnel are set out in Note 26 and the remuneration report included in the Directors' Report.

#### **Transactions with related parties.**

Payments totaling \$55,000 were made to Mr. Michael Ryan in respect of consulting services rendered to the parent entity during the financial year.

#### **Significant accounting policies**

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment

### Note 31. Parent entity information

Set out below is the supplementary information about the parent entity.

#### Statement of profit or loss and other comprehensive income

	2023 \$'000	Parent 2022 \$'000
Loss after income tax	(9,198)	(8,369)
Total comprehensive loss	<b>(9,198)</b>	<b>(8,369)</b>

#### Statement of financial position

Total current assets	60	552
Total assets	44,633	51,149
Total current liabilities	(12,391)	(1,814)
Total liabilities	(13,567)	(18,245)
Net assets	<b>31,066</b>	<b>32,904</b>
Equity		
Issued capital	56,643	49,283
Reserves	-	31
Accumulated losses	(25,577)	(16,410)
Total equity	<b>31,066</b>	<b>32,904</b>

#### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 or 30 June 2022.

#### Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 or 30 June 2022.



## Note 32. Business combinations and other acquisitions

No business acquisitions nor combinations were made by the Group during the year.

In relation to past business acquisitions, the Group has completed the assessment of the fair value of the assets and liabilities as at the date of the acquisition. There were no adjustments to acquisition accounting post finalisation of the acquisitions

<b>2023</b>	<b>Vendor Finance \$'000</b>
Payment to settle HR Browne acquisition	30
Payment to settle CMB acquisition	284
Payment regarding Troup acquisition	352
Total	<b>666</b>

Details of the prior year acquisitions are as follows:

<b>2022</b>	<b>CMB Fair value \$'000</b>	<b>Troup Fair value \$'000</b>	<b>Total Fair value \$'000</b>
Trade and other receivables	1,228	-	1,228
Land and buildings	200	700	900
Plant and equipment	569	503	1,072
Inventory and deposits	267	-	267
Biological assets	-	501	501
Oyster and crown leases	-	562	562
Trade and other payables	(628)	-	(628)
Net assets acquired	1,636	2,266	3,902
Goodwill	16,315	1,085	17,400
Acquisition-date fair value of the total consideration transferred	<b>17,951</b>	<b>3,351</b>	<b>21,302</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Representing			
Issue of ordinary shares at 0.2c each	1,400	1,000	2,400
Issue of redeemable convertible shares class A	3,500	-	3,500
Issue of redeemable convertible shares class B	2,100	-	2,100
Cash paid to vendor	10,499	1,000	11,499
Working capital adjustment	51	-	51
Vendor balance payable	401	1,351	1,752
Total	<b>17,951</b>	<b>3,351</b>	<b>21,302</b>

<b>2022</b>	<b>Vendor Finance</b>	<b>Business Acquisitions</b>
	<b>\$'000</b>	<b>\$'000</b>
Payment to settle Sciacca acquisition	2,345	-
Payment to settle Dent acquisition	11	-
Payment to settle MS Verdich and Sons acquisition	4,167	-
Payment to settle J Wilson acquisition	402	-
Payment to settle HR Browne acquisition	2,525	-
Payment to settle Diemar acquisition	275	-
Payment re CMB acquisition	-	10,499
Payment re Troup acquisition	-	1,000
Total	<b>9,725</b>	<b>11,499</b>

#### Summary of shares issued to vendors

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>Total</b>
			<b>\$</b>	<b>\$'000</b>
<b>Ordinary shares</b>				
MS Verdich	21 July 2021	5,000,000	0.2	1,000
CMB	21 July 2021	7,000,000	0.2	1,400
Troup	21 July 2021	5,000,000	0.2	1,000
J Wilson	21 July 2021	2,000,000	0.2	400
Total		<b>19,000,000</b>		<b>3,800</b>

#### Summary of redeemable convertible preference shares issued to vendors

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price/share</b>	<b>Total</b>
			<b>\$</b>	<b>\$'000</b>
<b>Class A convertible preference shares</b>				
MS Verdich	21 July 2021	2,500	1,000	2,500
CMB	21 July 2021	3,500	1,000	3,500
<b>Class B convertible preference shares</b>				
MS Verdich	21 July 2021	1,500	1,000	1,500
CMB	21 July 2021	2,100	1,000	2,100
Total		<b>9,600</b>		<b>9,600</b>

### Note 33. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1.

Name	Principle place of business / Country of Incorporation	Ownership interest	
		2023 %	2022 %
Hamilton Supervisory	Australia	100%	100%
MS Verdich & Sons Pty Ltd	Australia	100%	100%
HR Browne & Sons Pty Ltd	Australia	100%	100%
East 33 Farming Pty Ltd	Australia	100%	100%
East 33 Deliveries Pty Ltd	Australia	100%	100%
Mid Coast Exco Pty Ltd	Australia	100%	100%
CMB Seafoods Pty Ltd	Australia	100%	100%

### Note 34. Reconciliation of loss after income tax to net cash from operating activities

	Consolidated	
	2023 \$'000	2022 \$'000
Loss after income tax expense for the year	(9,198)	(8,962)
Adjustments for:		
(Profit)/Loss on disposal of assets	(27)	37
Depreciation, amortisation and impairment expenses	4,924	2,009
Fair value adjustments – financial liabilities	270	(3,940)
Fair value adjustments – biological assets	(3,403)	4,247
Finance costs accrued	211	453
Other income	(14)	-
Share based payments	-	31
Gain from bargain purchases	(65)	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	53	112
Decrease in biological assets	3,315	3,738
(Increase)/Decrease in inventories	(30)	142
(Increase)/Decrease in deferred tax assets	(1,062)	13
(Increase)/Decrease in trade and other payables	(256)	(399)
(Increase)/Decrease in other liabilities	(8)	(617)
(Increase)/Decrease in deferred tax liabilities	1,062	(13)
Net cash used in operating activities	<b>(4,228)</b>	<b>(3,149)</b>

## Note 35. Loss per share

	Consolidated	
	2023	2022
	\$'000	\$'000
Loss after income tax	(9,198)	(8,962)

	Number	Number
Weighted average of ordinary shares used in calculating basic earnings per share		
Adjustments for calculation of diluted loss per share:		
Options over ordinary shares	449,634,289	263,516,924
Weighted average number of ordinary shares used in calculating diluted loss per share	<b>449,634,289</b>	<b>263,516,924</b>

	Consolidated	
	2023	2022
	\$'000	\$'000
Basic loss per share	(0.021)	(0.034)
Diluted loss per share	(0.021)	(0.034)

## Note 36. Reserves

	Consolidated	
	2023	2022
	\$'000	\$'000
Share based payment reserve	-	31
	-	31

The share-based payment reserve was transferred to equity as the underlying performance rights lapsed following resignation of directors and dissolution of the advisory committee.

## Note 37. Share based payments

No share-based payments were made by the Group during the period.

In the prior year, the Group issued the following shares and performance rights as share-based payments:

- 19,000,000 shares to Vendors of MS Verdich Pty, J Wilson, CMB Seafoods Pty Ltd and AJ and JS Troup
- 1,250,000 shares to directors;
- 6,910,048 performance rights to director and advisors; and
- 75,000,000 performance rights to directors under common control transactions.

## Note 38. Subsequent events

### Debt Refinancing

On 16 August 2023 the Group entered into a binding agreement with Yumbah Finance Pty Ltd (‘‘Yumbah finance’’) for a loan in the amount of \$15 million (Loan Facility) repayable over a 5-year period and secured over all present and after acquired assets of East 33 and its subsidiaries. Directors Gary Higgins and Ben Cameron are related parties of Yumbah finance.

The Loan Facility constitutes a whole of business facility and will be used for the full repayment of the balance outstanding of the \$9.0 million loan facility in place with the National Australia Bank (NAB Loan Facility), the payment of \$6.0 million payable under the Class A Redeemable Convertible Preference Shares (RCPS) due in January 2024 and other working capital requirements.

**The key terms of the Loan Facility are as follows:**

**Facility Limit: \$15,000,000 to be drawn as follows:**

- August 2023 - \$8,000,000;
- December 2023 - \$1,000,000;
- January 2024 - \$4,000,000;
- June 2024 - \$2,000,000.

**Maturity Date: Five years after the date of financial close**

**Repayment:**

- \$Nil in the first year;
- \$250,000 per quarter in the second year;
- \$350,000 per quarter in in the third year, fourth and fifth year;
- The outstanding balance at the end of the term.

**Security Documents:**

- General security agreements over the Borrower and the Guarantors;
- Guarantee from each of the Guarantors;
- Mortgages over all Crown leases of East 33 and its subsidiaries;
- Mortgages of real property, including all oyster leases under which East 33 or a Guarantor is
- the sole lessee.

**Interest: The aggregate of:**

- 5% per annum; and
- Interest rate benchmark, BBSY (Bid).

### The Convertible Note

Further, East 33 has entered into binding documentation for the issue of a convertible note to Yumbah Finance under the terms of a convertible note subscription agreement (Convertible Note Subscription Agreement) whereby, subject to receipt of the approval of holders of ordinary shares (Shares) in E33 (Shareholder Approval):

- a. East 33 will issue a convertible note (Convertible Note) to Yumbah Finance detailing that if, at the end of the term of the Loan Facility, Yumbah Finance has not been fully repaid, or in the event the Loan Facility is repayable early as a result of a payment event of default under the Loan Facility or an insolvency event of East 33 or any of its subsidiaries (Relevant Event of Default), the Convertible Note will be convertible into Shares in East 33 at the election of Yumbah Finance;

- b. The floating face value of the Convertible Note will be the amount remaining to be repaid to Yumbah Finance (principal, interest and any other secured money) at the end of the term of the Loan Facility (or earlier in the event of an earlier Relevant Event of Default); and
- c. The conversion price of the Convertible Note will be the higher of \$0.021 or a 10% discount to the 20-day volume weighted average price calculated to the last trading day prior to the conversion date, which means there will be a floor price of \$0.021 per Share.

### Cancellation of the Letter of Credit

On 25 August 2023, the letter of credit totalling \$1 million associated with the acquisition of the Troup hatchery business was cancelled, with a concurrent vendor payment of \$1 million being made on 23 August 2023

### Appointment of CEO

On 17 July 2023, the Group announced the appointment of Dr Justin Welsh as the CEO of the Group effective 16 October 2023.

Justin worked as the Chief Operations Officer of Aquaculture at Harvest Road Group in Western Australia. In this role he was responsible for the production strategy for both Akoya and Rock Oysters and oversaw the growth and expansion of both species.

Justin has led the development of new seafood brands and has coordinated domestic and international market research, product development and product launch events. Justin has a strong commitment to ESG principles, in particular environmental sustainability with specific experience in carbon mitigation.

### Appointment of Non-Executive Director

On 26 July 2023, the Group announced the appointment of Ms Veronica Papacosta as non-executive director.

Ms Papacosta is an experienced director with over 20 years’ experience in complex, fast-growing companies in seafood retail, commercial and residential property holdings, accounting, marketing and SME administration sectors.

Veronica is currently the Chief Executive Officer of Seafood Industry Australia, the national peak body representing the interests of Australian seafood, and a Managing Director of Sydney Fresh Seafood (Aust) Pty Ltd, a seafood retail business with 20 retail and food service sites across NSW and QLD.

# Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

**Hon. Sarah Courtney**  
**Director**

18<sup>th</sup> September 2023

## **Appendix 1: Draft Independent Auditor's Report - Close Call KAM for Going Concern**

### **INDEPENDENT AUDITOR'S REPORT**

To the Members of East 33 Limited

Report on the Audit of the Financial Report

#### **Opinion**

We have audited the financial report of East 33 Limited ('The Company') and its controlled entities ('The Group'), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of 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 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **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 of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
<p><b>Biological assets</b> Refer to Note 12</p> <p>The Group's biological assets consist of oysters, which are measured at fair value less costs to sell.</p> <p>The process of estimating the fair value is complex, involving a number of judgements and estimates regarding various inputs. Due to the nature of the asset, the valuation technique includes a model that used a number of inputs from internal and external sources.</p> <p>This is a key audit matter due to the complex nature of accounting for these assets which involved a number of judgements and estimates.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- We reviewed the inputs used in the valuation model by comparing to external data where external data is available;</li> <li>- We attended a physical count of oysters; and,</li> <li>- We assessed the adequacy of the Group's disclosures in the financial report.</li> </ul>
<p><b>Intangible assets including goodwill</b> Refer to Note 15</p> <p>The goodwill, together with the intangible assets relating to oyster/crown leases in the relevant cash generating units, were tested for impairment under AASB 136 <i>Impairment of Assets</i>, and an impairment expense of \$2.043 million was recorded at 30 June 2023.</p> <p>The evaluation of recoverable amount is considered a key audit matter as it was based upon a value-in-use calculation which required significant judgement and estimation. In addition, the balance is material to the users of the financial statements and involved the most communication with management.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- We critically evaluated management's methodology in the value-in-use model and the basis for key assumptions;</li> <li>- We reviewed the mathematical accuracy of the value-in-use model;</li> <li>- We performed sensitivity analyses around the key inputs used in the model;</li> <li>- We considered the appropriateness of the discount rate used;</li> <li>- We compared value-in-use to the carrying amount of the cash-generating unit; and</li> <li>- We assessed the appropriateness of the disclosures included in the relevant notes to the financial report.</li> </ul>
<p><b>Going concern</b> Refer to Note 1</p> <p>At 30 June 2023 the Group had a working capital deficiency of \$7.95 million and incurred operating cash outflows of \$4.228 million and total cash outflows of \$2.515 million for the year then ended. Subsequent to year end the Group entered into a new \$15 million loan facility and refinanced its existing loan facility that was due to mature in July 2024.</p> <p>Based on the above factors, we considered the appropriateness of the going concern basis of preparation for the financial statements.</p> <p>The going concern basis of accounting was a key audit matter as it is fundamental to the financial report overall.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- We critically evaluated management's cashflow forecast;</li> <li>- We performed sensitivity analyses around the key inputs used in the cash flow forecasts;</li> <li>- We reviewed the key inputs management used to determine the ability to continue as a going concern; and</li> <li>- We verified the existence of facilities entered into to manage cashflow.</li> </ul>



*Information Other than the Financial Report and Auditor's Report Thereon*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information 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, 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 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

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

## REPORT ON THE REMUNERATION REPORT

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of East 33 Limited for the year ended 30 June 2023 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.

HLB Mann Judd  
Chartered Accountants

Perth, Western Australia  
\_\_ August 2023

DE Healy  
Partner

## **Appendix 2: Draft Auditor's Independence Declaration**

### **AUDITOR'S INDEPENDENCE DECLARATION**

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As lead auditor for the audit of the consolidated financial report of East 33 Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia  
\_\_ August 2023

D B Healy  
Partner

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# ADDITIONAL SHAREHOLDER INFORMATION

## ASX Shareholder Disclosures

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. The information is current as at 7 September 2023

### 1. Distribution of equity securities

Analysis of number of equitable security holders by size of holding.

Holdings ranges	Number of holders of ordinary shares	Total Units Held	% of holders
1-1,000	11	3,487	1.93%
1,001-5,000	42	120,969	7.38%
5,001 - 10,000	66	548,475	11.60%
10,001 - 100,000	232	10,677,699	40.77%
100,001 and over	218	507,738,069	38.32%
<b>Total</b>	<b>569</b>	<b>519,088,699</b>	<b>100</b>

	Holders	Units	% of holders
Unmarketable Parcels	179	1,660,827	31.46

Holdings ranges	Number of holders of Performance Rights	Total Units Held	% of holders
1-1,000	-	-	-
1,001-5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 and over	3	75,000,000	100.00%

Holdings ranges	Number of holders of Redeemable Convertible Preference Shares	Total Units Held	% of holders
1-1,000	-	-	-
1,001-5,000	4	9,600	100.00%
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 and over	-	-	-

### 2. Voting Rights

Shareholders in East 33 Limited have a right to attend and vote at general meetings. At a general meeting, individual shareholder may vote in person or by proxy. All quoted and unquoted share options, and convertible notes, have no voting rights.

### 3. Substantial shareholders

Substantial shareholders as disclosed in substantial holder notices given to the Company under the Corporations Act, are set out below:

	Ordinary Shares	
	Number held	% of total shares issued
Yumbah and associated entities	194,651,193	37.50

## 4. Equity security holder

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

Rank	Name	Shares held	%
1	INVIA CUSTODIAN PTY LIMITED <HALL FAMILY A/C>	142,024,795	27.36
2	YUMBAH AQUACULTURE LTD	52,000,000	10.02
3	SEISUN CAPITAL PTY LTD	23,424,624	4.51
4	RICHMOND BRIDGE SUPERANNUATION PTY LTD	21,212,121	4.09
5	MR ALEXANDER DAMIEN HARRY BEARD	20,000,000	3.85
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,971,911	3.46
7	RUPNIK ENTERPRISES (NSW) P/L RUPNIK ENTERPRISES	13,086,957	2.52
8	CITICORP NOMINEES PTY LIMITED	11,585,384	2.23
9	BUFFALO INVESTMENTS SUPERANNUATION NOMINEES PTY LTD	10,835,678	2.09
10	MR PETER KARAS & MRS CHRISTINA KARAS	10,705,320	2.06
11	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	9,823,809	1.89
12	TROUPS DEAUVILLE PTY LTD <TROUP SUPER A/C>	9,347,827	1.80
13	SCIFP PTY LTD <SCIFP A/C>	6,343,232	1.22
14	NATIONAL NOMINEES LIMITED	5,747,494	1.11
15	MARK LESLIE NAGY <CHALLENGER A/C>	5,710,067	1.10
16	BALMORAL ISLAND PTY LTD <YACHT BAY A/C>	5,710,067	1.10
17	MKHAMBATHI PTY LTD <MKHAMBATHI A/C>	5,710,066	1.10
18	MADORA VIEW PTY LTD <THE THOMAS FAMILY A/C>	5,400,000	1.04
19	SJ VERDICH PTY LTD <S J VERDICH FAMILY TRUST>	3,750,000	0.72
20	JOBRO PTY LTD <J AND B WILSON FAMILY TRUST>	3,000,000	0.58
	<b>Total</b>	<b>383,389,352</b>	<b>73.86</b>
	<b>Balance of register</b>	<b>135,699,347</b>	<b>26.14</b>
	<b>Grand total</b>	<b>519,088,699</b>	<b>100.00</b>

## Unquoted equity securities

Security	Number on issue	Number of holders
Redeemable Convertible Preference Shares over ordinary shares issued	9,600	4
Performance rights over ordinary shares issued	75,000,000	3

The following person holds 20% or more of unquoted equity securities:.

Name	Class	Number of performance rights
Balmoral Island Pty Ltd	Unlisted performance rights over ordinary shares issued	25,000,000
Mkhambathi Pty Ltd	Unlisted performance rights over ordinary shares issued	25,000,000
Mark Leslie Nagy	Unlisted performance rights over ordinary shares issued	25,000,000
Tom Rupnik	Unlisted redeemable convertible preference A shares over ordinary shares issued	3,500
Anthony Rupnik	Unlisted redeemable convertible preference B shares over ordinary shares issued	2,100
SJ Verdich Pty Ltd	Unlisted redeemable convertible preference A shares over ordinary shares issued	2,500

## Annual General Meeting

The Annual General Meeting will be held in Tuncurry on the 24<sup>th</sup> November 2023. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to the ASX immediately upon dispatch.

The Closing date for receipt of nomination for the position of Director is 6 October 2023. Any nominations must be received in writing no later than 5.00pm (Sydney time) on 6 October 2023, at the Company's Registered Office.

The Company notes that the deadline for the nominations for the position of Director is separate to voting on Director elections. Details of the Director's to be elected will be provided in the Company's Notice of Annual General Meeting in due course



