Annual Report 2024

noumi

Imagining a healthier tomorrow

Noumi has made considerable progress in implementing its Reset, Transform and Grow strategy to deliver significant improvements during FY24

HIGHLIGHTS

$50.8m
Adj Op EBITDA[1,2,3]
▲ $9.2m

$5.5m
Dairy & Nutritionals Adj Op EBITDA[1,2]
▲ $1.4m

$49.4m
Plant-based Milks Adj Op EBITDA[1,2]
▲ $5.4m

$589.8m
Net Revenue
▲ $38.2m

$412.2m
Dairy & Nutritionals Net Revenue
▲ $23.0m

$177.6m
Plant-based Milks Net Revenue
▲ $15.2m

($98.3m)
Statutory net loss after tax
▼ $51.4m

[1] Noumi is transitioning from adjusted operating EBITDA (pre AASB 16) to adjusted operating EBITDA (post AASB 16). Accordingly, EBITDA performance measures (and comparisons) referred to in this report reflect post AASB 16.

[2] Adjusted for non-trading and non-recurring items (including restructuring costs and other litigation costs, the US litigation settlement and unrealised foreign exchange).

[3] Group adjusted operating EBITDA includes Unallocated Shared Services costs of $4.1m.

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Acknowledgment of Country

Noumi acknowledges the traditional custodians of Country throughout Australia and recognises their continuing connection to lands, waters and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures, and to their ancestors and their descendants, who continue cultural and spiritual connections to Country. We extend that respect to First Nations peoples in all territories in which we operate.

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Message from the Chair

Dear Stakeholders,

It is my pleasure to present the 2024 Noumi Annual Report and to highlight the significant progress we have made in the past year in the transformation of Noumi and reinforcing its position as one of Australia's leading food and beverage companies.

Four years ago, we laid out our three-phase Reset, Transform and Grow strategy to rebuild Noumi and set it back on the path to long-term profitable and sustainable growth. The results of FY24 demonstrate another year of solid progress against this plan.

Pleasingly, in the opening weeks of FY25 we resolved one of the two legacy issues related to our history as Freedom Foods Group that we have been managing on behalf of all stakeholders. In early August, the Federal Court of Australia approved an agreed penalty of $5.0 million for historical breaches of continuous disclosure obligations prior to May 2020, bringing to an end the civil penalty proceedings brought by the Australian Securities and Investments Commission against the Company. The Court noted our significant cooperation with ASIC and the significant measures we have taken to reset and improve the business. Our remaining legacy issue, the shareholder class action, remains the subject of ongoing mediation.

In Plant-based Milks, we are fast fulfilling our mission to turn Milklab into an international brand, complemented by the strong performance of Australia's Own. Milklab has again delivered a strong sales increase across local and international markets, with Milklab Oat continuing its particularly strong performance in the Out-of-home market. In Australia, our biggest initiative was the launch of the Milklab brand into the Retail channel, while overseas we continue to cautiously explore opportunities to introduce Milklab to new consumers, with new markets opening up as café culture expands throughout Asia.

In Dairy & Nutritionals, we are performing well in Long-life Milks, but Australia's relatively high farmgate milk price continues to cause headwinds for the entire dairy industry both locally and in export markets. We have again focused on what we can control, and our relentless pursuit of revenue management, delivering consistent and efficient operating performance, improved service and product quality, has enabled us to keep the segment in profit through FY24.

While we are proud of our solid performance in FY24 in a continuously challenging local and global environment, the genuine transformation of our business is best reflected when looking back over the results of the past three years.

FY22-FY24 financial performance

	FY24	FY23	FY22	FY22 to FY24
Net revenue	$589.8m	$551.6m	$522.3m	12.9%
Adjusted operating EBITDA[1]	$50.8m	$41.6m	$19.4m	161.9%

[1] Adjusted operating EBITDA excludes non-trading and non-recurring items (including restructuring costs and other litigation costs, the US litigation settlement and unrealised foreign exchange).

This highlights the clear year-on-year progress from our Transformation period through to our Grow phase for key parts of the business. Revenues across the Company have improved from $522.3 million in FY22 to $589.8 million in FY24, and adjusted operating EBITDA showed strong growth, more than doubling from FY22 to FY23 and then up a further 22.2% in FY24 to $50.8 million. There is more to do, particularly in Dairy & Nutritionals, but we are making real progress.

The statutory losses for these periods, including the $98.3m loss in FY24, largely reflect non-operating items, such as impairments for the Dairy & Nutritionals segment in line with the current weakness in global conditions, and fair value adjustments on the Convertible Notes maturing in May 2027. In FY24 these two items totalled $106.9 million, and without them earnings would have been positive. The Convertible Notes, issued in FY21 and FY22, provided critical capital to allow the Company to implement its Reset, Transform and Grow strategy and, in accordance with the terms of issue, have not received any cash return until FY24. These notes mature in FY27 and will continue to attract significant fair value adjustments until maturity.

Environmental, Social and Governance

A key component of the reset of the Company was the strengthening of our ESG efforts through the launch of the Healthier Tomorrow Plan, which aims to deliver sustainable growth for the good of the planet, our customers and our people. The Plan has now been integrated into all aspects of our operations, and we are working with our supply partners and customers to deliver shared outcomes. Meaningful progress was made against our targets in FY24 in areas such as recyclable packaging, waste management, food safety and employee engagement.

Our Board and Management Team

One of the pleasing aspects of the past year has been the development of capability within the Company. Our highly experienced and engaged executive leadership team assembled under Michael Perich in the past four years is working collaboratively to better understand the business and drive performance for the Company and its stakeholders.

Similarly, the Board of Directors remains unchanged from this time last year and continues to work closely with management to deliver the transformation strategy.

Looking ahead

As we move into the Grow phase of our turnaround strategy, we are increasingly focused on profitable growth opportunities in the Plant-based Milks segment across channels, geographies and products.

Overall, we remain optimistic about the opportunities ahead, although cautious about the macro-economic environment and consumer spending in Australia in particular.

Noumi, together with other Australian dairy processors, is confronting challenging conditions, with the ongoing disparity between Australian farmgate milk price and global prices, particularly those in New Zealand, continuing to impact the competitiveness of the Australian dairy industry. Noumi expects dairy industry conditions to normalise in time, with recent reduction in farmgate price and the ongoing rationalisation of the dairy processing sector in Australia pointing to some easing of the current conditions.

In response, your Board and management will remain focused on continuous operational improvement and consolidating and embedding the substantial progress we have made along our transformation journey to date. This will help position the Company to face potentially uncertain and volatile macro-economic conditions and events.

In the longer term, we believe Noumi is well positioned for evolving consumer preference trends in our industry, particularly the continued growth in demand for high-quality, healthy Australian food and beverage products, both domestically and overseas. We believe our portfolio of brands – our flagship Milklab, Australia's Own, So Natural, PUREnFERRIN, Vital Strength, Crankt and UPROTEIN – can thrive in this environment.

Thank you

The progress we have made over the last few years reflects the dedication and talent of people across our facilities in Australia and overseas. On behalf of the Board, I would like to extend our sincere thanks to everyone who has supported us through FY24.

Thank you to all our customers and suppliers, including our community of farmers. Finally, thank you to all of our other stakeholders – our shareholders, lenders and Convertible Noteholders – for your ongoing support.

Together, we have made real progress in the past three years and can now look ahead to building on our increasingly consistent performance through FY24 to deliver long-term sustainable and profitable growth.

Genevieve Gregor

Genevieve Gregor | Chair

Message from the CEO

Dear stakeholders,

Noumi's FY24 results demonstrate that the hard work of the past four years in the transformation of the Company is beginning to pay off.

While there is more to be done, we now have a Plant-based Milks segment delivering consistently solid growth and a Dairy & Nutritionals segment which is more profitable and stronger, notwithstanding the challenges posed by current industry conditions.

As you can see in the FY24 Highlights, all key operating metrics are heading in the right direction, with improvements in revenue, adjusted operating EBITDA and margins over the past 12 months building a solid foundation for future performance.

> **Noumi's flagship brand, Milklab, has surpassed $135m and international sales up 25.9% in FY24.**

FY24 Highlights

- **Group revenue up** 6.9% to $589.8m, led by strong sales of both Dairy & Nutritionals and Plant-based Milks segments.
- **Group adjusted operating EBITDA up** 22.2% to $50.8m, reflecting an improved financial performance across the company.
- **Adjusted operating EBITDA margin** increased by 1.1 percentage points, with continuous operational improvements, focus on higher-margin sales and cost discipline, offsetting the challenges of input cost inflation and weak customer demand in the overseas market.
- Another strong year for the **Plant-based Milks** segment with record adjusted operating EBITDA of $49.4m up 12.3% at a healthy adjusted operating EBITDA margin of 27.8%.
- **Dairy & Nutritionals** continued its transformational journey with a $1.4m increase in adjusted operating EBITDA to $5.5m. Global market conditions put pressure on bulk commodity prices which impacted the profitability of the Dairy & Nutritionals segment.
- Another strong year for **Milklab** plant delivering 7.4% overall growth, +20% growth in international, relaunching Oat and launching into the Australian Retail channel.
- **Consumer Nutritionals** business again showed a 9.8% increase in revenue with key brands such as Vital Strength leading this growth.
- **Cash** at bank and undrawn facilities remained strong at $32.6m and provide sufficient liquidity for day-to-day operations based on current market conditions and expectations.
- Statutory **net loss** after tax of $98.3m which includes an adjustment of $59.0m related to the fair value of Convertible Notes and a $47.9m non-cash impairment charge.

Message from the CEO

Plant-based Milks

FY24 was another successful year for the Plant-based Milks segment, with the consistent growth in earnings reflecting the impact of investments over the past two years in product innovation, marketing and the Company's own direct sales teams.

Noumi's flagship Milklab is now above $110 million in plant-based sales, and with export sales up 20.3% in FY24, we are well on the way to fulfilling our ambition to make Milklab a truly international brand. In FY24 we have increased our focus on a number of key territories, signing new arrangements with strategic distribution partners in three more markets across Asia.

Overall, Plant-based Milks sales were up 9.4%, with Milklab Oat continuing its impressive performance, with sales up 42.5%. Milklab's Out-of-home sales team delivered another record sales performance for the year. We believe that our success in the Out-of-home channel will be supported by building even greater brand strength through success in the Retail channel.

Following the successful launch of the 250mL Milklab Minis into domestic Retail channels earlier in the year to meet growing demand for at-home barista coffee, a 1 Litre Milklab offering was launched into the channel in late FY24. Milklab Minis were recognised as the 'Best Australian Manufactured Product 2024' at the Naturally Good awards and we are pleased with the early consumer response to the 1 Litre products.

Australia's Own plant-based sales rose 3.7% in FY24. Growth was driven by the launch of Smooth As Oat and Smooth As Almond milk, designed to attract new consumers with a creamier product offering. In addition, the Australia's Own Barista range continued to deliver, with revenue growth of 3.6%.

Dairy & Nutritionals

After returning to adjusted operating EBITDA profitability in FY23, the Dairy & Nutritionals segment continues to deliver improved results in challenging industry conditions. Our results reflect a continued focus on revenue and margin management; growing specialty products such as Milklab Lactose-free; delivering consistent and efficient operating performance; and improving service and product quality.

Domestic sales of Long-life Milks rose 19.6% in FY24. Milklab dairy grew by 24%, and Milklab Lactose-free milk lifted 17.4%.

Australia's Own delivered double-digital sales growth in dairy, with its core range performing strongly through the major Retail chains and its specialty range of A2 Protein Milk, Lowers Cholesterol and flavoured Kids milk also growing in popularity. The brand's growing presence and innovation was recognised across numerous Australian food awards in the past year.

The solid performance of Long-life Milks was partly offset by the impact of global commodity prices on bulk cream and export sales volumes, which in turn impacted production of Lactoferrin with sales down 17.2% year-on-year. This combination of unfavourable global factors resulted in the Dairy & Nutritionals non-cash impairment charges in the FY24 accounts.

We expect these global factors to normalise over time, and with any recovery in export volumes we would be able to optimise our Lactoferrin volumes. In the meantime, we will remain keenly focused on ensuring our Dairy & Nutritionals operations are as efficient, productive and resilient as possible.

Consumer Nutritionals delivered improved results in FY24, including revenue growth of 9.8% over FY23 on the back of successful new product launches and investment in the Vital Strength brand. Vital Strength introduced a suite of successful new products in FY24, delivering record sales towards the end of the year, with a focus on the pharmacy channel delivering over 20% year-on-year growth.

Product innovation

Through FY24, we introduced a range of new products following rigorous analysis of consumer demands and trends.

As well as expanding our range, Noumi is also focused on the future. Over the past year, we have deepened our partnerships with leading Australian universities and the CSIRO to scientifically develop the next generation of plant and dairy milk products and health supplements.

We collaborated with industry and the University of Tasmania, Deakin University and the University of Queensland to receive the prestigious ARC Industry Transformation Research Training Centre Grant. One of these research projects involves exploring flavour compound chemistry for Long-life chocolate and iced coffee milk products.

We also continue to work with the University of Newcastle on a human clinical trial of PUREnFERRIN Lactoferrin to assess the effects on the immune system.

Our people

Our achievements have been made possible by the hard work and dedication of our team across our Shepparton and Ingleburn operations and our teams in Australia, Singapore and China.

In return, we are absolutely committed to helping our team members grow through tools and support that empower their own development. Building a Healthier Workplace – one that promotes safety and quality, embeds our culture and values, and invests in leadership development – is a core component of our Healthier Tomorrow ESG framework.

We are pleased that employee participation in our FY24 employee engagement survey rose 25% in the past year to 82% but acknowledge there is more to do in this space as we seek to listen to and understand our diverse team in Australia and overseas.

While our management team remained largely unchanged, we were delighted to welcome two new members. Tracy Hibbert joined as our new Chief People and Culture Officer. Tracy brings a wealth of experience, including previous roles at Patties Foods and Goodman Fielder. In June, Michael Howard joined in the newly created role of Chief Transformation Officer, a critically important role if we are to successfully execute our agenda of improvement and initiatives. Michael has a strong history of delivering successful turnarounds, including at Swisse Wellness.

Looking ahead

We are making clear progress on our Reset, Transform and Grow transformation program to make Noumi a more efficient, productive and resilient business. While challenges remain, the operating improvements we have been making as a business are now being reflected in more consistent performance and have put us on a path to long-term sustainable growth.

On behalf of the Noumi team, I would like to join with Genevieve in thanking all our stakeholders for their ongoing support.

Michael Perich

Michael Perich | CEO

Message from the Chair of People & Culture Committee

Dear Stakeholders,

As Chair of the People and Culture Committee, it is my privilege to report on the achievements of the Company in FY24, and our continued commitment to the transformational journey of building a high-performance culture.

Focus on Values and Leadership

Embedding Noumi's vision and values across all levels of our organisation has significantly contributed to our productive and engaged workforce. Noumi's values are integral in creating workplaces that are underpinned by respect and integrity. Our values provide the foundations that guide performance and behavioural standards for our Australian and international team members.

Showcasing global best practice, our FY24 Gallup Employee Engagement Survey resulted in a 25% lift in participation. Taking on the feedback of our employees, Noumi has undertaken extensive action planning with senior leaders and conducted over 50 workshops with over 500 employees to build stronger and more engaged teams.

This year, we advanced our Frontline Leadership Development Program in Shepparton, providing employees with opportunities for skill enhancement and internal promotions. Additionally, Gallup Leaders Engagement Training has equipped our leadership team with critical insights and skills to foster high-performing teams.

The safety, health, and wellbeing of our employees remains a central focus for our business. Proactive hazard reporting and efforts to reduce total recordable injuries have been prioritised at our Ingleburn and Shepparton locations to encourage safe work environments.

Diversity and Inclusion

The Company continues to support and nurture female leaders within the business, with 44% of leadership roles now held by women. We acknowledge that there is more work to do and remain committed to encouraging equal representation for diversity of opinion, professional expertise, and life experience to further strengthen the business.

Championing diversity within Noumi's work culture has also been a key focus for FY24. Recognising wellbeing events such as RUOK? Day, Australia's Biggest Morning Tea, Safe Work Month, NAIDOC, International Women's Day, Movember and many others, ensures our teams across all sites feel supported, recognised and valued.

As we continue to grow in FY25 we will be enhancing our Employee Value Proposition (EVP) to attract and retain top talent to build a reputation as an employer of choice.

Remuneration Framework

Our remuneration framework for key management personnel aligns business performance metrics with accountability. Through our Balanced Scorecard and Executive Incentive Framework, we focus on achieving measurable business results and delivering value to our investors.

On behalf of the Board, I extend my gratitude to our Australian and international teams for their ongoing dedication and contributions. With a commitment to high performance and continuous improvement, Noumi is well positioned for future success.

Jane McKellar | Independent Non-executive Director
Chair, People & Culture Committee

About Noumi

Noumi – born from 'nourish me' – is about a healthier approach to business, to the planet, and to our customers' lives.

Together – Imagining a Healthier Tomorrow.

7 Focus Brands

Milklab, Australia's Own, Vital Strength, Crankt, UPROTEIN, So Natural, Noumi Nutritionals (B2B)

5 Strategic focus markets

Australia, South Korea, Indonesia, Thailand, and Vietnam, with products sold in **24** countries.

500+

talented team members around the globe

2

Manufacturing sites in Australia

Leaders in

Long-life Dairy, Plant-based Milks, Sports Nutrition and Lactoferrin

Offices in 3 countries

(Australia, Singapore and China)

Our Purpose

We are an Australian company driven by our purpose of **Imagining a Healthier Tomorrow**.

From our beginnings in 1984 as a small business specialising in plant-based milks, Noumi has grown to become a global Australian-based company producing a diverse range of dairy and plant-based milks, as well as cutting-edge nutritional protein ingredients and sports supplements.

Noumi brings together world-class research & development, operations, and commercial teams to deliver Noumi-branded products as well as co-manufactured products to consumers in Australia and around the world.

State-of-the-art facilities across New South Wales and Victoria bring unique capabilities that add value to the highest quality ingredients that Australian primary producers have to offer. Our long-term partnerships with farmers and suppliers enable us to secure, supply and ensure quality Australian ingredients for quality products, bringing healthier choices from Australian farms to consumers' plates.

Around the world, consumers are demanding healthier food options. Noumi now has offices in Sydney, Singapore and Shanghai and exports its products to **24 countries**, spanning across Asia, the Middle East and South Africa.

Growth Strategy

Delivering a Healthier Tomorrow — **Healthier Planet, Healthier Lifestyles, Healthier Workplace**

Strategic Pillars	Complete the Dairy & Nutritionals turn-around	Accelerate Plant-based Milks growth	Deliver world-class supply chain	Embed high-performance culture	Develop future growth platforms
Strategic Priorities	Build Dairy into a profitable & growing business	Invest to strengthen and grow Milklab brand	Embed IWS (Integrated Work System) - OpX	Promote safety and quality in all we do	Clinical validation of Noumi's PUREnFERRIN Lactoferrin
	Expand Lactoferrin customer base and usage applications	Invest to accelerate global markets expansion	Deliver sustainability commitments	Embed Noumi Culture and Values	Leverage PUREnFERRIN Lactoferrin into new product applications and new markets
	Scale-up Consumer Nutritionals business	Deliver innovation pipeline to meet evolving consumer needs	Mitigate inflation through value creation	Invest in leadership development	Develop future growth platforms based on emerging consumer trends

Enablers

Technology roadmap + Governance + People processes + Financial Discipline

ESG Strategy

We are pleased to report progress in FY24 against Noumi's Environmental, Social and Governance (ESG) strategy, the **Healthier Tomorrow Plan**. The plan aims to deliver sustainable future growth across all aspects of our operations, for our planet, our people, and our products.

The ESG strategy has been successfully integrated into our business as our teams work closely with our supply partners and customers to achieve these shared outcomes. As we make progress in these focus areas our targets will continue to evolve.

Healthier planet

We aim to continuously improve our environmental footprint for future generations.

Focus areas

Waste and packaging
- Our aim is to minimise the waste we generate, maximise recyclable materials, and encourage recycling.

Energy and climate
- Our goal is to reduce our carbon footprint through investing in renewable energy and supporting our growers to tackle their emissions.

Sustainable water use
- We strive to conserve water across our business, supporting our suppliers to achieve water efficiency.

Sustainable agriculture
- We partner with our growers to protect the lands from which we source produce and the animals in our supply chain.

Healthier lifestyles

We aim to create products to improve consumers' and communities' nutritional and social outcomes.

Focus areas

Consumer health, nutrition and education
- We develop quality products that meet the nutritional, cultural, and taste needs of our customers across all life stages.

Community engagement and impact
- We support positive nutrition outcomes among targeted community groups.

Healthier workplace

Our people live our values and are supported through positive work experiences.

Focus areas

Diversity and inclusion
- We celebrate diversity, and our business objective is to reflect the diversity of the communities in which we operate.

Employee development and wellbeing
- We enable our people to thrive at work through engaging work experiences.

Healthier planet

We aim to continuously improve our environmental footprint for future generations.

Noumi has made steady progress on its "Healthier planet" aims and is on track to deliver our packaging goals in line with the 2025 target.

Our farmers are key stakeholders; we completed a pilot program with farmers and the Victorian Department of Energy, Environment and Climate Action to develop Greenhouse Gas (GHG) footprints and action plans for GHG emissions reductions.

Waste & Packaging

100% of Noumi packaging is Australian Packaging Covenant Organisation (APCO) compliant (reusable, recyclable or compostable) by 31 December 2025

Noumi is on track to meet the APCO requirements by phasing out carbon black and opaque PET use in packaging.

100% of Noumi artwork to contain clear consumer recycling instructions by 2025

On track for completion with 99% of products currently compliant.

99%

50% of Noumi packaging from sustainable sources and/or recycled content by 2025

This goal has been met with, >50% of our packaging now compliant.

Target met ✓

All aseptic cartons and corrugated shippers are Forest Stewardship Council (FSC) certified paper and cardboard.

Zero waste to landfill from Noumi operations by 2030

We are currently diverting 85% of our waste from landfill, with further opportunities to improve.

85%

Energy & Climate

90% of dairy farmers partnering on carbon reduction initiatives by 2030

We have completed the emissions footprint pilot program with the Victorian Department of Energy, Environment and Climate Action and our farmers. We will work with our farmers to utilise the Dairy Australia calculator in the next phase.

Emissions reduction target ~ 50% in Scope 1 & 2 emissions by 2030

Noumi is investigating the feasibility of additional solar for renewable electricity, as well as alternative technologies for process heating and cooling to reduce our carbon emissions footprint.

100% renewable electricity by 2030

100% uptake is being limited by the on-costs of renewable electricity. This will be monitored as further renewable energy sources become available. The solar installation at Shepparton can supply 25% of the site's power requirements.

Sustainable Agriculture

Compliance to the Australian Dairy Sustainability Framework

Noumi's farmers are implementing the Australian Dairy Sustainability Framework in the specific areas which apply to their operations.

Compliance to the Australian Agricultural Sustainability Framework

Noumi's farmers are implementing the Australian Agricultural Sustainability Framework in the specific areas which apply to their operations.

100% farmer compliance of the Noumi Food Safety Program

Noumi farmers are 100% compliant with the Noumi Food Safety Program; this will be maintained into the future.

Target met ✓

Animal welfare

In keeping with the Australian Dairy Sustainability Framework, Noumi's farmers ensure the best care, health, and wellbeing for their herds' whole lifecycle. This is supported by Noumi's Food Safety Program and farm practices such as heat stress management and other key protocols.

Sustainable Water Use

25% reduction in Noumi's water consumption per tonne of production within operations by 2030

The Operational Excellence program will see savings in water use as we focus on our high-tech processing facilities. This will be continually monitored until 2030.

50% of discharge water from operations recycled by 2040

Feasibility assessment of recycling technologies has been completed.

90% of farmers and growers implementing water efficiency measures on-site by 2030

We are continuing to work with our farmers on water efficiency measures, utilising systems such as the installation of pipes and risers in lieu of open channels, installation of pressurised precision irrigation systems, and improving tonnes of feed grown per megalitre of water applied.

Healthier workplace

Our people live our values and are supported through positive work experiences.

In FY24, Noumi has continued to nurture and transform the capability, skills, and leadership of its 500 plus people. Our current People and Culture strategy has a solid foundation built on investment in leadership and development. We are focused on building business performance with a permanent workforce that is globally focused, motivated to succeed, and rich in diversity, knowledge, and experience.

Noumi strives to embed our values of Integrity, Respect, Creativity, Excellence, Collaboration, and Accountability across the Ingleburn, Shepparton, and global workplaces.

Employee Development & Wellbeing

We are committed to meaningful engagement with our people to help achieve job satisfaction, empowerment and holistic wellbeing.

- We achieved global best practice participation in our Gallup Engagement Survey with 82% participation, an increase of 25% from FY23.
- To build expertise and skill in cultivating high-performing teams, we conducted tailored face-to-face and online Leaders Engagement Training for Noumi leaders across Australia and South East Asia.
- We continue to provide career development opportunities across the business resulting in a 30% internal movement and promotion rate.
- We continue to invest in wellbeing with 16 initiatives and events implemented during the year to support the physical, mental, and emotional health of our people.
- A continued investment in leadership development will see the review of Noumi's Achieve & Grow process to implement career development plans for senior leaders and employees in critical roles by the end of 2024 calendar year.
- A new leadership program is currently under development for Noumi's senior leaders. Introduction and implementation are planned for FY25.

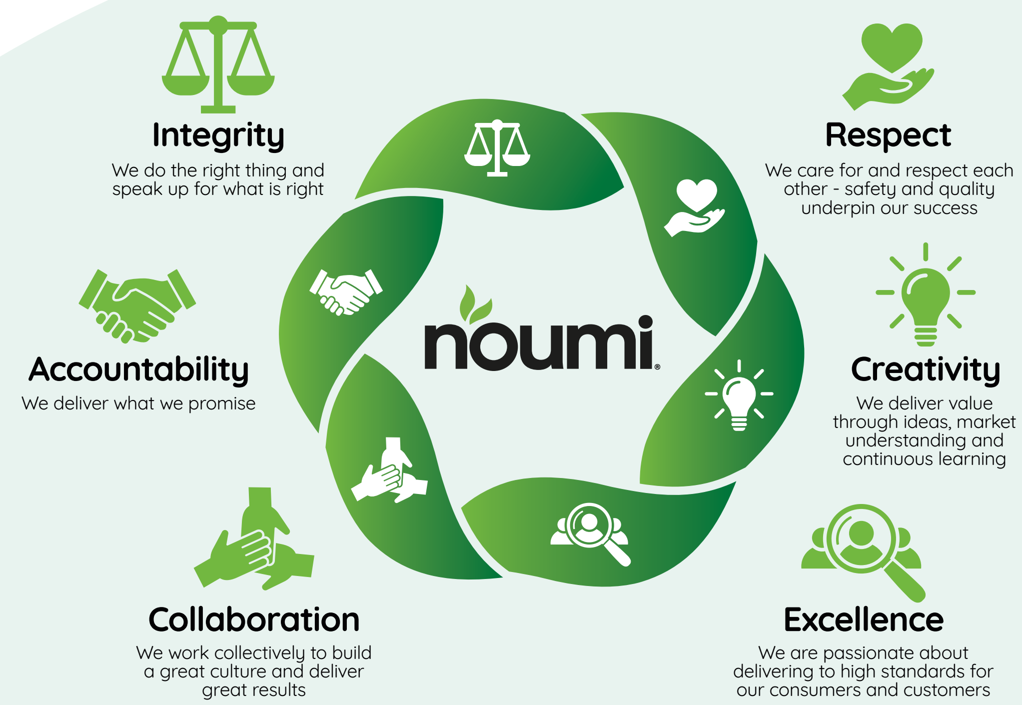
Diversity & Inclusion

At Noumi, the diversity of our people is a key strength. The globally-focused depth of talent and expertise enables us to grow and succeed.

- Our frontline leadership development program continued during FY24.
- Noumi remains committed to striving for a balanced representation in managerial and leadership positions.
- We recognised the diverse cultural heritage and traditions of our people through the celebration of activities such as Australia Day, NAIDOC, and Chinese New Year to mention a few.

Ongoing leadership training, employee engagement monitoring, professional development opportunities, in addition to on-the-ground nurturing of workplace values, support the development of a positive high-performance culture at Noumi.

As Noumi moves into its growth phase our priorities are to align current and future workforce needs with business goals. We are committed to reinforcing a Healthier Workplace through employee inclusion, satisfaction, and pride.



Healthier lifestyles

We aim to create products to improve consumers' and communities' nutritional and social outcomes.

Providing people with healthy nourishment is core to our business and in our DNA. Our commitment to healthier lifestyles extends not only to our end-consumers but also to the communities in which we operate. We want to deliver the best-tailored nutrition to our consumers and to employ our people, business, and brands to help our communities live better, healthier lifestyles.

Our nutrition science partnerships

Noumi has partnered with leading Australian universities and the CSIRO to develop the next generation of plant and dairy milk products.

Precision Fermentation of Lactoferrin

Noumi is continuing its work with Monash University to produce Lactoferrin using Precision Fermentation, which offers an alternative source of high-quality Lactoferrin that is independent of dairy herds. The research has identified yeast strains among candidates that produce Lactoferrin at higher production levels and assessed improved production conditions at laboratory scale.

Next-generation plant and dairy milk with Deakin University

Noumi collaborated with industry leaders and the University of Tasmania, Deakin University, and The University of Queensland to receive a prestigious ARC Industry Transformation Research Training Centre grant. This will support Noumi's future Research & Development program exploring flavour compound chemistry, nutrition and function in Long-life dairy and plant milk. This will help position Noumi as a leader in dairy and plant milk innovation.

Consumer Health & Nutrition

≥75% of Noumi-branded products carry a nutrition and/or health claim by 2025

This target has been met. Currently 98% of eligible Noumi-branded products carry a nutrition or health claim as of end FY24.

Target met ✓

Achieve a minimum 4-HSR on ≥75% of eligible, Noumi-branded products by 2025

This target has been met. Currently 90% of eligible Noumi-branded products are 4-HSR or above as of end FY24.

Target met ✓

Fortify all Noumi-branded plant-based dairy alternative products to match the calcium content of cow's milk by 2025

As of end of FY24, 15 of 17 of branded plant-based beverages are now fortified with calcium.

88%

Community Engagement & Impact

Establish Food Rescue Partnerships by 2023

During FY24 Noumi donated more than 100,000 litres of Noumi products to charity partners for local food security relief. In FY25 Noumi will partner with Shepparton Foodshare, Goulburn Valley Football Umpire Association, and the Greater Shepparton Business Network.

Our Brands

Noumi has a portfolio of strong brands that meets differing consumer needs and occasions across multiple markets.

Noumi's brands are sold across multiple channels including Retail, Food Service, e-commerce and B2B and are available in 24 countries, including Australia, New Zealand, South East Asia, and China.

MILKLAB®

Milklab is a remarkable Australian success story. Developed in co-LAB-oration with experienced baristas and coffee professionals, Milklab complements the flavour of espresso coffee by delivering a delicious, creamy taste that elevates the coffee experience. **Milklab is a leading plant-based milk used by Australian cafés** and is available in cafés in more than 21 countries with 5 strategic focus markets.

Australia's™ EST. Own 1995

Launched in 1995, Australia's Own brings the very best of Australia's natural goodness across a variety of quality dairy beverages, certified organic plant milks and premium barista plant milks. Australia's Own is one of the leading barista plant-based brands in Retail in Australia and sells in more than 10 countries.

VITAL STRENGTH®

For more than 25 years Vital Strength has been one of Australia's leading protein powders and sports nutrition brands, providing outstanding quality designed to deliver results. Vital Strength includes a range of sports protein powders and specialised amino blends specifically targeted to individual fitness and lifestyle goals.

UPROTEIN .com.au

UPROTEIN offers customers premium bulk protein powder and sports supplements exclusively developed for the Australian direct-to-consumer market via e-commerce.

crankt

Crankt offers protein-rich alternatives to sugary drinks and snacks. Nutritious, convenient and ready-to-go, these protein products are perfect for anyone leading a busy active lifestyle. They are high protein, low carb, packed with vitamins, minerals, and natural energy.

noumi nutritionals

Using Noumi's state-of-the-art protein filtration system, Noumi's range of Native Proteins are ultra-filtered and gently extracted to maximise their biological value and functional properties. Noumi Nutritionals range of high quality, premium proteins includes PURЕnFERRIN Lactoferrin, PURЕnWPI Native Whey Protein Isolate, PURЕnWPC Native Whey Protein Concentrate and PURЕnMCC Native Micellar Casein.

Our Operations

During FY24 our Operational Excellence (OpX) approach has improved processes, built the capability of our teams, and driven sales growth of our dairy and plant-based products. Our operations teams strive to achieve best-in-class performance in productivity, quality, and delivery of products.

Valuing teamwork and safety

The OpX approach helps build knowledge, expertise, and the capability of our people to achieve consistent excellence across our operations. At the manufacturing sites, cross-functional teams developed a Compelling Business Need structure to set a clear vision for team collaboration, growth, and success. Daily and weekly direction-setting meetings also reinforce focus areas across our manufacturing sites.

Building a team culture of valuing safety on site is demonstrated in this year's 21% improvement in lead safety measures. Sites are also undergoing leader development for Safety Management Systems, Improved Incident Management and Risk Assessment tools.

Improving operations

Based in Southwest Sydney, our Ingleburn site specialises in manufacturing Long-life plant-based milks, including almond, oat, soy, macadamia, and coconut, in a variety of pack formats from 250mL to 1L.

Streamlining operations at Ingleburn led to a 12% improvement in line efficiencies and a 33% improvement in the frequency between line stops.

Our Shepparton site is ideally located close to some of Australia's most productive and sustainable dairy regions and retains long-term partnerships with local dairy farmers. The site uses state-of-the-art technology to produce quality Long-life dairy products in 200mL to 1L pack formats for domestic and international markets. The site also produces high quality PURΕnFERRIN Lactoferrin and Noumi's range of pure native proteins.

Innovation and quality

In collaboration with key partners, a $3m investment in our Ingleburn production line capability helped deliver new and innovative pack formats, such as the production of Milklab 1L square packs and the capped 250mL portion pack which were launched into Retail during FY24.

Further site enhancements included upgrades to homogenisers at Shepparton to increase overall product quality and shelf life.

We continue to invest in production to achieve the best quality Lactoferrin to meet the high standard requirements of our customers. Working in collaboration with scientists and research partners, validation methods for high-quality Lactoferrin production have been a key focus in FY24.

Improving logistics

Improved performance indicators were introduced to measure and improve customer satisfaction. We re-designed and relaunched our Integrated Business Planning Process. These initiatives strengthened our planning and execution capabilities, ensuring alignment with business objectives.

Risk mitigation strategies addressing challenges such as port-related issues and disruptions caused by flooding and rail issues in WA ensured freight-spend remained balanced and operations were uninterrupted. In addition, previously outsourced processes including quarterly export tender process and pallet management have been brought in-house for improved control and cost efficiency.

Future growth to meet consumer needs

In FY24, we successfully doubled the rate of Oat Milk production to meet growing consumer demand.

With consumer demand predicted to rise, additional oat production capacity at Ingleburn will enable Noumi to satisfy future demand.

The consumer protein powder business has now been fully integrated into the Ingleburn site. The added capability at Ingleburn helped to support greater than 15% volume growth of sales compared to the prior year.

Our Farmers

Our Dairy Farmers

Noumi's Shepparton dairy milk processing facility processes about 250 million litres of milk a year and boasts a fully integrated supply chain with around 40 dairy farms. Our state-of-the-art facility offers unique capabilities, making Noumi one of the most advanced dairy processors in Australia.

Our farmers are passionate about supplying milk of the highest quality, and animal welfare is a key focus. To achieve this, some of our farmers have embarked on a range of innovative programs aimed at improving cow comfort, cow health and welfare, and feeding efficiency.

> **"Our dairy business is underpinned by our strong and trusted relationships with our community of well-supported Australian dairy farmers."**

Our Plant-based Producers

Noumi partners with leading Australian primary producers to ensure our products are made with the highest quality Australian ingredients. Our vision for a healthier tomorrow starts today by selecting the very best ingredients from farms which work sustainably and with long-term consideration for the environment.

Oats

100% sourced from Australian farmers

100%

Macadamias

100% sourced from Australian farmers

100%

Almonds

95% sourced from Australian farmers

95%

Our Farmers

Farmer Spotlight

Damian and Hilary Smith, Millewa Farms
Sustainable oat farming for future growth

Nestled in the rich agricultural lands of northern Victoria lies Damian and Hilary Smith's Millewa Farms, a 4050-hectare property that produces some of the finest oats to be sown, grown, and then processed by Noumi into great-tasting Australian oat milk.

Damian and Hilary's farm and irrigation property produces around 5000 tonnes of Australian oats each year and through partners Unigrain are a valuable oat producer in Noumi's supply chain.

Over the past two years, the farming duo has revitalised their farm's cropping capabilities through careful soil management and sustainable farming methods.

Embracing the climatic conditions of the region, Damian and Hilary have increased the oat rotation during the sowing cycle.

Nutrients from chicken manure spread during autumn stimulate seed growth and fast-growing oat crops serve as natural weed suppressors, reducing the need for chemicals. Following the summer harvest, oat crop residue returns essential biomass and carbon to the land, improving soil health for better crop productivity in the future.

For Damian and Hilary, witnessing thousands of seedlings first breaking ground after weeks of sowing, and the indisputable joy of harvest time, are among the most satisfying moments of oat farming.

But most of all, they are excited about being part of something bigger. As part of Noumi's supply chain, Damian and Hilary take pride in knowing that growing consumer demand for quality Australian oats will only create new farming opportunities and quality produce for everyone to enjoy.

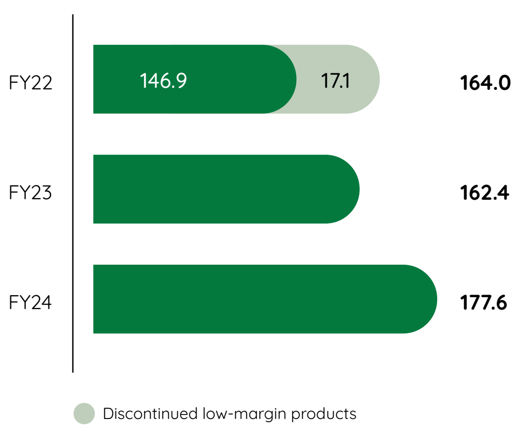
Plant-based Milks

Financial Performance

($m)	FY24	FY23	FY22	FY24 Vs FY23 ($)	FY24 Vs FY23 (%)
Net Revenue	177.6	162.4	164.0	15.2	9.4
Adjusted Operating EBITDA[4, 5, 6]	49.4	44.0	40.4	5.4	12.3
Adjusted Operating EBITDA Margin (%)[4, 5, 6]	27.8	27.1	24.6	-	0.7ppt

Plant-based Milks ($m)

Net Revenue

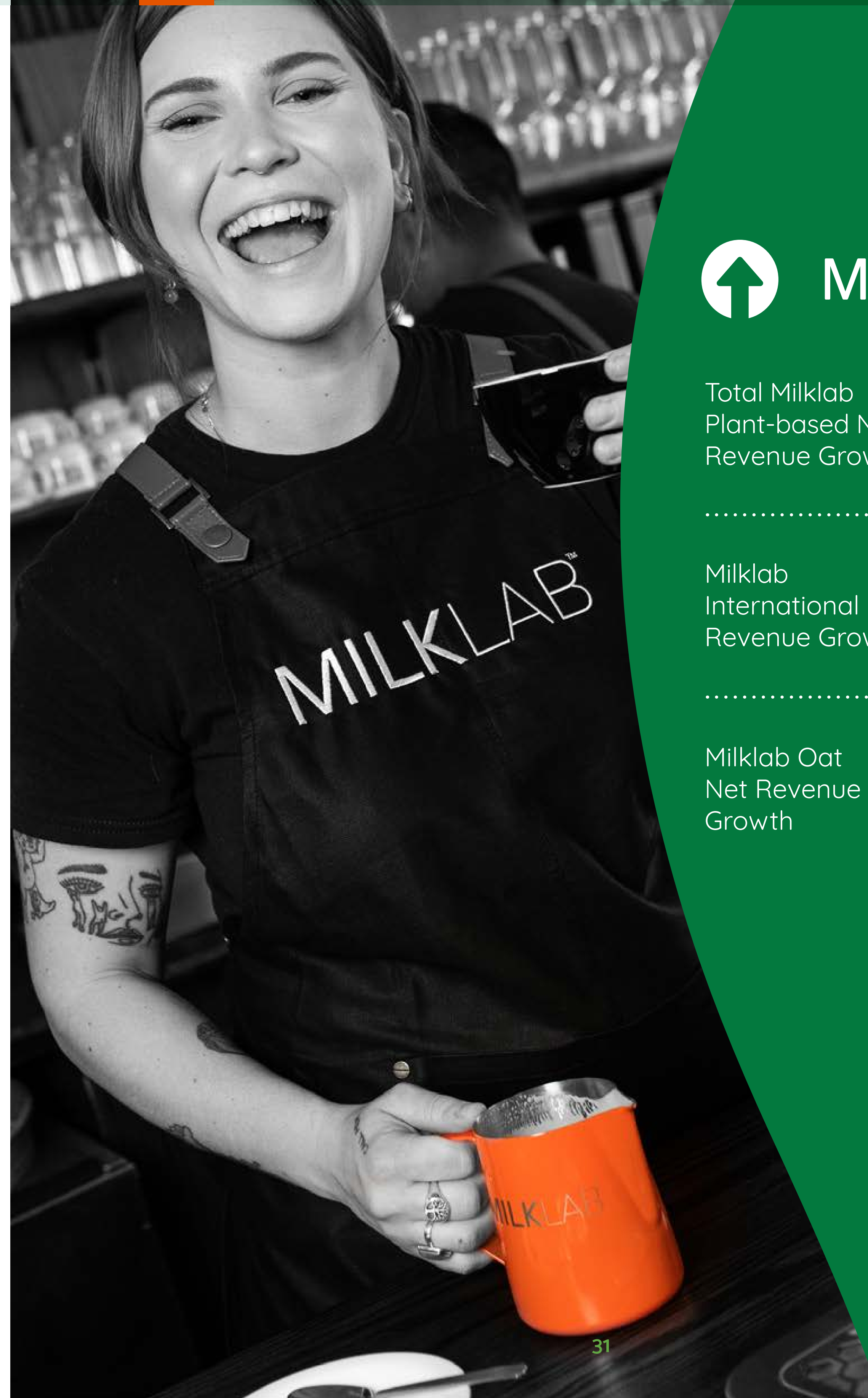


Adjusted Operating EBITDA

The Plant-based Milks segment continued to grow with net revenue for the year increasing by 9.4% to $177.6m. Noumi's Milklab brand lifted overall plant-based sales by 7.4%. Milklab Oat continued its strong performance, with sales up 42.5% following the launch of an improved formula and supported by an integrated marketing program.

Adjusted operating EBITDA rose 12.3% to $49.4m, with adjusted operating EBITDA margin remaining strong at 27.8%.

[4] Noumi is transitioning from adjusted operating EBITDA (pre AASB 16) to adjusted operating EBITDA (post AASB 16). Accordingly, EBITDA performance measures (and comparisons) referred to in this report reflect post AASB 16.
[5] Adjusted for non-trading and non-recurring items (including restructuring costs and other litigation costs, the US litigation settlement and unrealised foreign exchange).
[6] Segment results are post allocation of group shared services overhead except for realised FX and Board/ASX related cost.



MILKLAB

Total Milklab Plant-based Net Revenue Growth **7.4%**

Milklab International Net Revenue Growth **20.3%**

Milklab Oat Net Revenue Growth **42.5%**

Plant-based Milks

Across FY24, revenue from Noumi's Plant-based Milks grew 9.4%, driven by strong brand growth, new product launches, and continued expansion in key international markets. Noumi has confirmed its position as an Australian leader in plant-based milks with a range of premium-quality and consumer-preferred plant milks across almond, oat, soy, macadamia, and coconut.

Noumi's flagship plant-based brand, Milklab, has now grown to more than $110m in revenue, with international markets delivering 20.3% year-on-year growth. Milklab is well positioned within the growing premium café culture market across Asia. Noumi's R&D and Marketing teams tailor the Milklab formulations and café beverage recipes to meet the different consumer preferences in these markets.

In Australia, Milklab Oat delivered outstanding growth as more cafés and consumers enjoyed the delicious taste of Milklab Oat, made from 100% Australian grown oats.

To meet growing in-home barista coffee demand, in FY24 Noumi launched Milklab Minis and Milklab 1L Barista at Home range. This new range enables consumers to enjoy Milklab both in their local café and also for their home barista occasion.

Milklab's strong performance was complemented by Australia's Own Plant, which delivered a 3.7% revenue growth. This growth was driven by the launch of 'Smooth As' Oat and Almond milk, designed to win over new consumers in the plant market. Furthermore, Australia's Own Barista continues to deliver, with 3.6% revenue growth in FY24.

> **We're excited Milklab posted strong international growth +20% and continues to expand into the Australian Retail channel.**

As a market-leading format, Milklab Minis won Best Australian Manufactured Product at the 2024 Naturally Good Awards.

Under the effective Milklab brand campaign 'Made with. Made for. Baristas.', Noumi has continued to invest in marketing to ensure that the Milklab brand is known and respected by both the café industry and coffee-loving consumers. Noumi continues to sponsor high profile café industry events in Australia as well as key markets in China and South East Asia.

Dairy & Nutritionals

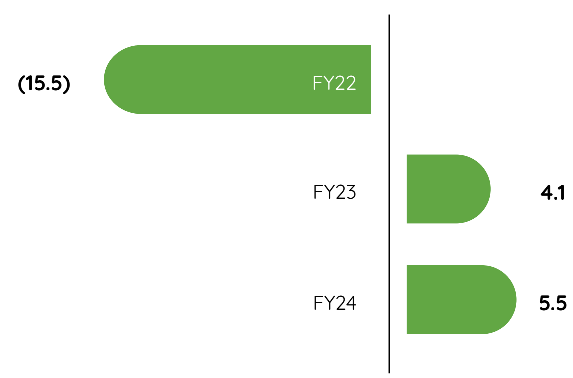
Financial Performance

($m)	FY24	FY23	FY22	FY24 Vs FY23 ($)	FY24 Vs FY23 (%)
Net Revenue	412.2	389.2	358.3	23.0	5.9
Adjusted Operating EBITDA[7, 8, 9]	5.5	4.1	(15.5)	1.4	34.6
Adjusted Operating EBITDA Margin (%)[7, 8, 9]	1.3	1.1	(4.3)	-	0.2ppt

Dairy & Nutritionals ($m)

Net Revenue

Adjusted Operating EBITDA



The Dairy & Nutritionals segment improved financial performance with net revenue up 5.9% to $412.2m. Almost all domestic channels delivered sales growth in FY24, with Retail sales up 19.5% and Out-of-home sales up 21.0%. Milklab Dairy sales rose 24.0%.

Adjusted operating EBITDA improved from $4.1m to $5.5m. This performance was achieved in challenging market conditions, with the impact of global conditions on commodity prices and export volumes continuing to impact the competitiveness of the Australian dairy industry. This combination of largely global factors, including the consequential impact on Lactoferrin volumes, was reflected in the Dairy & Nutritionals non-cash impairment charge of $47.9m in the FY24 accounts.

[7] Noumi is transitioning from adjusted operating EBITDA (pre AASB 16) to adjusted operating EBITDA (post AASB 16). Accordingly, EBITDA performance measures (and comparisons) referred to in this report reflect post AASB 16.
[8] Adjusted for non-trading and non-recurring items (including restructuring costs and other litigation costs, the US litigation settlement and unrealised foreign exchange).
[9] Segment results are post allocation of group shared services overhead except for realised FX and Board/ASX related cost.

Total Net Revenue Growth **5.9%**

Milklab Dairy Net Revenue Growth **24.0%**

Vital Strength Net Revenue Growth **20.9%**

Australia's Own Dairy Total Net Revenue Growth **16.9%**

Dairy & Nutritionals

Long-life Dairy Milk

Noumi is Australia's largest Long-life dairy milk processor, processing over 250 million litres of milk last year. The Company is also Australia's largest exporter of Long-life milk.

Domestic volume sales of Long-life milk grew 7.4% in FY24. Export volumes were, as expected, lower in FY24, as Noumi reduced its exposure to markets where the higher Australian farmgate milk price relative to other international markets impacted margins. Overall, sales volume was broadly in line with FY23 (down 1%).

Noumi's branded Long-life milk revenue grew in FY24 by 16.2%, driven by new products and growing distribution of Australia's Own dairy range in Retail channels and Milklab Lactose-free and Full Cream dairy in the Out-of-home channel.

Australia's Own dairy range secured several industry accolades this year, including Gold in the Milk Long-life category at the 2024 Sydney Royal Cheese & Dairy Produce Show, a Healthy Food Guide Special Diet Award 2024 in the Heart Healthy category for Australia and New Zealand, and a Healthy Food Guide Lunchbox Award 2024.

Nutritional Ingredients

Our state-of-the-art protein filtration and drying plant in Shepparton places Noumi in a unique position to develop premium protein ingredients targeted to the B2B market, including PUREnFERRIN Lactoferrin, and Noumi's range of pure native proteins.

Our quality control processes have helped to solidify relationships with our premium customers. In addition, our leadership in Lactoferrin research with CSIRO and universities partnerships, combined with evolving work in Precision Fermentation, places Noumi at the forefront of new food nutrition and innovation in Australia.

Consumer Nutritionals

With growing consumer understanding of the benefits of protein, Noumi's Consumer Nutritionals portfolio continued a trajectory of strong growth this year, with revenue up 9.8%, and Noumi's flagship Sports Nutrition brand, Vital Strength, up 20.9% with the launch of new products, new pack formats, and a national advertising campaign.

Company Leadership

Board of Directors

Ms Genevieve Gregor

Chair of the Board and Independent, Non-Executive Director (from March 2020)
Qualifications: BEcon (UQ), Graduate Diploma Applied Finance & Investment (SIA), Honorary Doctorate of Letters (WSU), GAICD

Genevieve is an experienced Non-Executive Director across public and private companies. She currently serves as a Non-Executive Director of three public unlisted companies: Eternal Holdco Pty Ltd (Invocare), Moneytech Group Limited and Monoova Limited. She is also a Senior Advisor to TPG Capital Australia, a leading global alternative asset manager. Prior to this, Genevieve was the Co-head and Managing Director of the Asia Special Situations Group in Australia for Goldman Sachs. Genevieve was previously the Deputy Chancellor, Chair of the Finance and Investment Committee and Trustee at Western Sydney University for over 10 years.

Special responsibilities: Member of the Risk and Compliance Committee, Member of the Finance and Audit Committee and Member of the People and Culture Committee.

Mr Tony M. Perich AM

Deputy Chair and Non-Executive Director (from July 2006)

Tony is a Member of the Order of Australia. He is joint Managing Director of Arrovest Pty Limited, Leppington Pastoral Co Pty Ltd, one of Australia's largest dairy producers, and various other entities in the Perich Group. He is also a property developer, farmer and business entrepreneur. Memberships include Greater Narellan Chamber of Commerce, Narellan Rotary Club, Urban Development Institute of Australia, Urban Taskforce, Property Council of Australia, past President of Narellan Rotary Club and past President of Dairy Research at The University of Sydney.

Special responsibilities: Member of the Risk and Compliance Committee.

Mr Tim Bryan

Non-Executive Director (from January 2021)
Qualifications: BCom; CA, GAICD

Tim is the Chief Executive Officer of the Perich Group of companies, where he also holds numerous directorships across a diverse portfolio covering private equity, direct property, agriculture, and manufacturing. Other relevant experience includes senior business advisory and board roles in the private sector. Tim also contributes his time as a director for charitable organisations in the health sector including the Ingham Institute for Applied Medical Research, where he also chairs the Finance and Audit Committee.

Special responsibilities: Member of the Finance and Audit Committee, Chair of the Risk and Compliance Committee, and Member of the People and Culture Committee.

Company Leadership

Board of Directors

Ms Jane McKellar

Independent, Non-Executive Director (from May 2020)
Qualifications: MA (Hons), GAICD, CISL

Jane is an experienced non-executive director in both public and private companies in Australia and the US, bringing deep experience in international consumer, digital, brand and marketing. Jane's executive experience as both a CEO and Chief Marketing Officer spans the consumer-focused FMCG, luxury and retail industries, and she is one of the original 'digital natives' in Australia. She has held senior roles in Unilever, Microsoft, Elizabeth Arden, and Stila Corporation. Jane has extensive global experience, particularly in Asia, Europe and North America, and she has built a strong reputation for leading teams and transforming businesses in difficulty back to profitability and growth. Her key contributions are in customer and consumer-focused business transformation, digital, brand and marketing performance, and sustainability.

Special responsibilities: Chair of the People and Culture Committee, Member of the Finance and Audit Committee, and Member of the Risk & Compliance Committee.

Mr Stuart Black AM

Independent, Non-Executive Director (from March 2021)
Qualifications: FCA, FAICD, BA (Accounting)

Stuart is a Chartered Accountant with extensive experience in business. He retired in 2013 as managing partner of an accounting practice specialising in agribusiness to concentrate his time on non-executive director roles and has over 25 years' experience as an ASX non-executive director. He is a past President of the Institute of Chartered Accountants of Australia, the inaugural Chair and a past board member of the Accounting Professional and Ethical Standards Board, and served as the Australian representative on the International Federation of Accountants SMP Committee. Stuart is former Chair of the Chartered Accountants Benevolent Fund Limited and a former director of the Country Education Foundation of Australia Limited. In 2012, Stuart was appointed a Member of the Order of Australia for services to the profession of accounting, to ethical standards, as a contributor to professional organisations, and to the community.

Special responsibilities: Chair of the Finance and Audit Committee and a Member of the Risk and Compliance Committee.

Company Leadership

Executive Team

Mr Michael R. Perich

Chief Executive Officer
Qualifications: B AppSci (SysAg)

Michael has over 25 years' experience working within the dairy industry. Michael currently holds directorships in Arrovest Pty Ltd and various other entities associated with Perich Group. He also had a previous role as joint Managing Director of Australian Fresh Milk Holdings, Australia's largest dairy producer. Michael is a graduate Member of the Australian Institute of Company Directors. He is also a recognised leader in the dairy industry; his past roles include Chairman of Dairy NSW and President of the University of Sydney's Dairy Research Foundation. He was appointed as an Alternative Director for Noumi in March 2009 and in August 2020 was appointed Interim Chief Executive Officer. Michael assumed the permanent position of Chief Executive Officer in March 2021.

Mr Peter Myers

Chief Financial Officer
Qualifications: B. Business, CPA

Peter is an experienced chief financial officer of ASX-listed companies and private enterprises. He brings extensive experience leading business turnarounds, financial restructuring, and corporate transformation across a variety of industries, including retailing, media, manufacturing, and satellite and communication. Mr Myers' experience includes senior executive roles at Speedcast International Limited, Amart Furniture, Billabong International Limited, APN News & Media Limited, Network Ten Limited, Schroeders Australia and Century Yuasa Batteries.

Mr Justin Coss

Group General Counsel & Company Secretary
Qualifications: BA LLB, FGIA, FCIS, Adv Dip (Management)

Justin has over 25 years' experience as a legal practitioner including over 15 years' experience as a company secretary. Justin holds Bachelor's degrees in Arts and Law from The University of Queensland and a postgraduate Diploma in Insurance from the Chartered Insurance Institute in the United Kingdom. He is a Fellow of the Institute of Chartered Secretaries and Administrators, and of the Governance Institute of Australia. Justin possesses a postgraduate Diploma in Applied Corporate Governance from the Governance Institute of Australia and an Advanced Diploma in Management from the Australian Institute of Management. Justin is an active participant in the legal industry and serves as a Director of the Association of Corporate Counsel Australia.

Company Leadership

Executive Team

Mr Stuart Muir

Chief Operating Officer
Qualifications: BE (Hons) Engineering. Master Engineering Management

Stuart leads Noumi's Operations team which covers the end-to-end supply chain, including procurement, planning, manufacturing, and logistics. He is a senior operations executive with extensive dairy, FMCG and food manufacturing experience. His background spans end-to-end supply chain management and he is a proven leader of large multi-functional teams covering manufacturing, safety, planning, logistics, environment, quality, research, and development. Stuart has had an extensive career in Unilever and most recently as Director of Supply Chain, Quality, and Research & Development at Lion Dairy and Drinks.

Ms Tracy Hibbert

Chief People and Culture Officer
Qualifications: B. Laws (LLB)

Tracy is an experienced Chief People Officer with significant prior experience in FMCG including Patties Foods and Goodman Fielder. Starting her career in the union sector, Tracy has subsequently worked in senior leadership roles in People and Culture in transport and logistics, private equity, sales and marketing, and the aviation industry both in Australia and in the United Kingdom. Tracy is also a qualified International Executive Coach with credentials in training and development and industrial relations. Tracy's experience, coupled with Noumi's core company values, will be fundamental to the future success and growth of our culture and team members.

Mr Gerard Smith

Chief Marketing Officer
Qualifications: B. Business, MBA

Gerard leads Noumi's marketing, innovation, and sustainability strategies across the Company, bringing marketing for Australia, China, Middle East, New Zealand, and South East Asia under one team. Gerard brings extensive experience across several consumer goods organisations including Lion, PepsiCo, and Goodman Fielder. His prior experience includes strategic brand marketing, innovation, sales, and general management roles across multiple geographies, including Australia and New Zealand, and leading PepsiCo's snack brands across Global Markets. Gerard also brings significant digital strategy experience for the enhancement of our digital strategy.

Company Leadership

Executive Team

Mr Denis Phelps

Chief Customer Officer
Qualifications: B. Business

Denis leads the customer and category strategies for Noumi, responsible for all sales across Australia, China, Middle East, New Zealand, and South East Asia. His prior experience includes extensive strategic sales, marketing, and general management leadership roles in the developed and emerging markets of Australia, Malaysia, Cambodia, Japan, and New Zealand.

Mr Michael Howard

Chief Transformation Officer
Qualifications: B. Business

Michael has more than 25 years of experience in transforming business and a track record of delivering successful outcomes within FMCG and luxury goods. Prior transformational project experience includes organisations such as LVMH, Swatch Group and Swisse Wellness. As global Director of Sales and Marketing at Swisse Wellness, Michael was instrumental in the turnaround and sale of Swisse to Biostime.

Mr Ash Peck

Acting Chief Information Officer
Qualifications: B. Business

Ash has global experience in large, blue-chip corporate organisations, holding senior roles across General Management, Strategy, Business Services, and Technology over 20 years.

Ash has held many senior executive roles in the wine industry, including being the Managing Director of Europe, SEA, Nordics and Middle East at Treasury Wine Estates, as well as being Global CIO for many Australian and International organisations. Ash has also consulted to multiple consumer goods companies in both Australia, US and UK on potential acquisitions, demergers, and operational improvements.

Financial Report 2024

Directors' Report

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Group') consisting of Noumi Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

The financial statements are presented in Australian Dollars.

1. Principal activities

Noumi Limited is a leading consumer branded beverage and nutritional group with over 500 employees with facilities in two locations across Australia and two locations in Asia (Singapore and China).

The principal activities of the Group during the financial year were developing, sourcing, manufacturing, marketing, selling and distributing plant-based and dairy beverages, dairy and nutritional products, to wholesale and consumer markets.

The Group also operates marketing, sales and distribution activities in Australia, China and South East Asia and sells products to retailers and distributors in Australia, China, South East Asia, New Zealand, South Africa and the Middle East.

2. Going concern

The Group has prepared the consolidated financial statements for the year ended 30 June 2024 on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Financial results

The Group made a loss after tax of $98.3m, which includes a non-cash impairment charge of $47.9m and a fair value expense in relation to the convertible notes of $59.0m. Net cash inflows from operating activities in FY24 were $15.8m after payments for the US litigation settlement of $6.9m. As set out in the operating segment note (refer to note 3 of the consolidated financial statements), adjusted EBITDA has improved from $40.6m in FY23 to $44.4m in FY24.

Plant-based Milks delivered record adjusted operating EBITDA, up 12.3%, with adjusted operating EBITDA margins remaining strong at 27.8%. (Refer section 3 for definition of adjusted operating EBITDA).

Improvement in Dairy & Nutritionals despite challenging industry conditions, with positive adjusted operating EBITDA of $5.5m compared to FY23 adjusted operating EBITDA of $4.1m. The Consumer Nutritionals business delivered 9.8% revenue growth through investment in brands such as Vital Strength and new product development.

Financial position

At 30 June 2024, the Group had net current assets of $5.2m and net liabilities of $304.9m. The net liability position at 30 June 2024 includes $345.0m in respect of convertible notes that are carried at fair value.

Future financial performance

At 30 June 2024, the Group's available cash position was $14.6m, plus an undrawn revolving credit facility of $18.0m (refer to note 24 of the consolidated financial statements). This undrawn revolving credit facility along with the available cash balance, forecast operating cash flows and debtor financing facilities, are considered by management and the Directors to provide the Group with sufficient liquidity for the day-to-day operations of the business for a period of at least 12 months from the date of this financial report, based on current market conditions and expectations.

Included in the forecast cashflows are further operating and margin improvements in the Plant-based Milks business including the full year effect of Milklab 1L in Retail launched late in FY24, as well as modest improvement in global commodity prices impacting the Dairy & Nutritionals business.

Litigation – Class Actions

Two Class Actions were filed against the Company in respect of alleged breaches of the Corporations Act 2001 (Cth), Australian Securities and Investments Commission Act and Australian Consumer Law. These proceedings were consolidated by order of the Court, with a consolidated statement of claim filed on 16 December 2021. The Group is defending the consolidated Class Action. No evidence has been filed nor have the plaintiffs quantified their claims. Orders were made on 28 August 2023 referring the proceeding to mediation, and the mediation is ongoing as at the date of signing of these consolidated financial statements. Based on the information available, the Group cannot determine the likely outcomes and potential financial impact.

No liability has been recognised in the consolidated financial statements for any settlement and/or costs for which the Group may be liable in the consolidated Class Action. Due to the uncertainty surrounding the litigation, the quantum of compensation and/or costs for which the Group may be liable, and whether the Group will have access to sufficient funds to pay these amounts and its obligations, a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern and therefore whether it may be able to realise its assets and discharge its liabilities in the normal course of business.

Directors' Report

Notwithstanding the above, based on the current information and actions being taken, the Directors consider that it is appropriate for the financial report to be prepared on a going concern basis.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

3. Operating and financial review

The Group recorded a loss after income tax for the year ended 30 June 2024 attributable to the owners of Noumi Limited of $98.3m (FY23 loss of $46.9m). The loss in FY24 includes a fair value expense of $59.0m for the convertible notes and non-cash impairment of $47.9m.

The Group recorded an adjusted operating EBITDA of $50.8m (FY23: $41.6m).

Adjusted operating EBITDA (Earnings before interest, tax, depreciation and amortisation) is a non-IFRS measure as contemplated in ASIC Regulatory Guide 230 Disclosing non-IFRS financial information (RG230). Adjusted operating EBITDA excludes abnormal items, restructuring costs and other non-trading expenses. Adjusted operating EBITDA is used by management and the Directors as the primary measure of assessing the financial performance of the Group and individual segments. The Group has transitioned this primary measure from adjusted operating EBITDA (pre AASB 16) to adjusted operating EBITDA (post AASB 16). Accordingly, EBITDA performance measures (and comparisons) referred to in this report reflect post AASB 16 unless otherwise stated. This means that in FY24 rent payments of $10.9m (FY23: $11.2m) are re-characterised as right of use asset depreciation and AASB 16 lease liability interest expense.

3.1 Overview of material matters during the year and material matters subsequent to 30 June 2024

This section describes:

- the significant events that have occurred in FY24; and
- the material matters, events, and decisions taken by the Group after 30 June 2024 and up to the publication of this report.

Operations

The Group has achieved significant progress during FY24 despite challenging macro-economic and dairy industry conditions.

During the year, the Group;

- grew consolidated adjusted operating EBITDA by 22.2% to $50.8m;
- achieved a record adjusted operating EBITDA for the Plant-based Milks segment of $49.4m, up 12.3% on FY23;
- grew the adjusted operating EBITDA profit in Dairy & Nutritionals by 34.6% to $5.5m.

In the Plant-based Milks segment revenue was $177.6m, up $15.2m on FY23. Sales of the Group's key Milklab brand grew 7.4% during the year compared to FY23 including strong performance by Milklab Oat. Adjusted operating EBITDA margin remained strong at 27.8%.

Dairy & Nutritionals segment continued its recovery, recording a $5.5m adjusted operating EBITDA despite various market and operational challenges. Profit margins need to continue to improve, particularly in export markets, to achieve reasonable returns on the capital invested in the Group's facilities. Commodity prices for products such as bulk cream have been weak in FY24. While Noumi's volume of bulk cream sales in FY24 was 4.2% higher than the prior year, revenue was down 14.0% impacting the profitability of Dairy & Nutritionals segment. Although demand for Lactoferrin remained healthy, Lactoferrin sales declined by 17.2% due to lower export volumes.

Macro-economic conditions

Noumi continues to focus on margins in Dairy & Nutritionals and the opportunities to grow its Plant-based Milks segment. Noumi remains cautious about the macro-economic environment and consumer spending in Australia in particular. In addition, global dairy prices continue to create challenging conditions for Noumi's Long-life dairy milk export sales and bulk commodities, with all Australian dairy exporters at a disadvantage due to price competition from countries with lower cost of raw milk.

Directors' Report

Litigation - Class Actions

Two separate class action proceedings were commenced against the Company and its auditor at the time, Deloitte Touche Tohmatsu, alleging breaches of the Corporations Act 2001 (Cth), Australian Securities and Investments Commission Act and Australian Consumer Law. These proceedings were consolidated by order of the Court, with a consolidated statement of claim filed on 16 December 2021. The Group is defending the consolidated Class Action.

In November 2022, a group costs order was made by the Court permitting the legal costs payable to the class action law firms acting for the plaintiffs and group members to be paid as a percentage of any award or settlement that may be recovered, with that percentage fixed at 22% (inclusive). No evidence has been filed nor have the plaintiffs quantified their claims as yet.

On 28 August 2023, orders were made referring the proceeding to mediation. Orders were also made in September 2023 fixing a process for class action group members to opt out of participation in the proceeding, and to register for the purpose of participation in any settlement that may be reached (if any) as a result of the ongoing mediation. The opt out and claim registration process closed in November 2023. The mediation is ongoing at the date of signing of the consolidated financial statements. Based on the information available, the Group cannot determine the likelihood and quantum of any liability arising and no liability has been recognised in relation to this matter.

Litigation - ASIC Proceedings

On 24 February 2023, ASIC commenced civil penalty proceedings against Noumi and two of the Company's former officers in the Federal Court of Australia in relation to alleged historic breaches of continuous disclosure obligations. The Company admitted liability to two contraventions on a qualified basis. The proceedings against the Company in relation to the penalties were the subject of a hearing held on 18 July 2024. Following the hearing, the Federal Court issued a judgement determining that the appropriate penalty amount was $5.0m payable in instalments over the course of the next 2 years. Accordingly, the Group has recognised a provision of $5.05m (including contribution to ASIC costs) in the consolidated financial statements.

ASIC's proceedings against the two former officers of the Company are ongoing. For further details, refer to note 20 of the consolidated financial statements.

Except as disclosed above, no matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

3.2 Business Strategy

As previously outlined, Noumi is pursuing a three-stage transformation strategy: Reset, Transform and Grow, which is designed to set the Company on a path to long-term profitable and sustainable growth.

The Group largely completed the operational Reset phase and is now into the Grow phase for the Plant-based Milks segment and is embedding the improvements being made in the Dairy & Nutritionals segment during the Transform phase.

The Dairy & Nutritionals segment remains a significant focus of the Board and executive team. In addition to the transformation work, margins need to improve further. The Australian dairy industry's lack of international competitiveness, arising from the ongoing dislocation of the Australian farmgate milk price from global prices creates the potential for rationalisation of the dairy processing industry.

The Plant-based Milks segment strategy includes opportunities to grow sales both domestically and internationally. Following the development of an improved Milklab Oat formula, driving penetration of Milklab Oat continues to be a major focus. The successful launch of the 250mL Milklab Minis into Retail in early FY24 to meet growing demand for at-home barista coffee was followed by the launch of a 1 Litre Milklab offering into the Retail channel in later FY24. The Group currently generates 6.3% of its plant-based milks sales from export and is focusing on priority markets across South East Asia by entering into agreements with local distribution partners in key markets.

3.3. Operating and financial review

Adjusted operating EBITDA

Adjusted operating EBITDA is a non-IFRS measure as contemplated in ASIC Regulatory Guide 230 Disclosing non-IFRS financial information (RG230). Adjusted operating EBITDA excludes abnormal items, restructuring costs and other non-trading expenses. Adjusted operating EBITDA is used by management and the Directors as the primary measure of assessing the financial performance of the Group and individual segments absent any legacy issues. The Group is transitioning this primary measure from adjusted operating EBITDA (pre AASB 16) to adjusted operating EBITDA (post AASB 16). Accordingly, EBITDA performance measures (and comparisons) referred to in this report reflect post AASB 16 unless otherwise stated. This means that in FY24 rent payments of $10.9m (FY23: $11.2m) are re-characterised as right of use asset depreciation and AASB 16 lease liability interest expense.

Directors' Report

Set out below is a summary statement of profit or loss for the year ended 30 June 2024.

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Net revenue	589,789	551,561
Adjusted operating EBITDA	**50,771**	**41,561**
Onerous contracts provision	-	4,440
Restructuring expenses	(73)	(4,227)
Other litigation expenses	(6,232)	(1,384)
Unrealised foreign exchange gain/(loss)	67	(156)
Other non-trading (expenses)/income	(165)	365
Adjusted EBITDA	44,368	40,599
Depreciation and amortisation	(16,430)	(19,894)
Net finance costs (excluding convertible notes)	(19,683)	(19,893)
Net profit before fair value changes, impairment and tax	8,255	812
Fair value changes of convertible notes	(58,975)	(39,486)
Impairment of non-financial assets	(47,903)	(8,235)
Net loss before tax	(98,623)	(46,909)
Income tax benefit	293	4
Net loss after tax	(98,330)	(46,905)

3.3.1 Commentary on specific items in the profit and loss account

Net revenue increased by 6.9% year-on-year to $589.8m. Domestic net revenue increased 9.9% year-on-year to $466.8m and export net revenue decreased 3.0% year-on-year to $123.0m. Dairy & Nutritionals net revenue increased 5.9% year-on-year to $412.2m largely due to price and volume increases in domestic Long-life dairy milks. Plant-based Milks net revenue was $177.6m in FY24 compared to $162.4m in FY23.

Net losses after tax increased from $46.9m in FY23 to $98.3m in FY24. Current year net losses after tax include the impact of the fair value expense of $59.0m (FY23: $39.5m) relating to the convertible notes and non-cash impairment amounting to $47.9m (FY23: $8.2m).

Adjusted operating EBITDA of $50.8m was higher than FY23 of $41.6m for reasons set out in section 3.4 of this Directors Report.

Depreciation and amortisation decreased by 17.4% from $19.9m to $16.4m. This variance is arising from reduced depreciation post impairment of non-financial assets and remeasurement of right of use assets in FY23. The components of the depreciation charge are as follows:

Depreciation – buildings, plant and equipment: $12.4m (FY23: $15.3m)
Depreciation – AASB 16 related: $3.8m (FY23: $4.4m)
Amortisation – software: $0.2m (FY23: $0.2m)

Impairment of non-financial assets due to the change in circumstances in relation to the challenging operating environment for Dairy & Nutritionals, the Group recognised further non-cash asset impairments of $47.9m. The impact of global commodity prices on bulk cream and export sales volume, which in turn impacted production of Lactoferrin resulted in the Dairy & Nutritionals non-cash impairment charges in the FY24 consolidated financial statements. The components of impairment charge are as follows:

Plant and equipment - $43.1m
Right of use assets – $4.8m

Net finance costs of $19.7m is in line with FY23. The breakdown of finance costs is as follows:

Interest – based on debt facilities: $10.7m (FY23: $10.6m)
Interest – AASB 16 related: $10.2m (FY23: $10.0m)
Interest income - $1.3m (FY23: $0.8m)

Directors' Report

Fair value changes of convertible notes amounting to a net $63.0m increase in the value of convertible notes from $295.5m (Tranche A: $267.4m and Tranche B: $28.1m) to $345.0m (Tranche A: $311.8m and Tranche B: $33.2m). This net change in fair value is recorded in profit or loss ($59.0m expense, an increase in fair value) and other comprehensive income ($4.0m expense, an increase in fair value), in accordance with the accounting standards but does not impact the redemption and conversion rights available to the investors under the terms of the convertible notes (refer to note 25 of the consolidated financial statements).

Based on the current terms of the convertible notes, the fair value of the convertible notes is expected to increase over their remaining term from the value at 30 June 2024 of $345.0m to reach a minimum value of $603.1m by maturity date, being the redemption value at maturity assuming the Company continues to pay the cash interest at the rate of 5% per annum each payment date. This means that the fair value adjustments will amount to at least $258.1m over the remaining 35 months to maturity. This amount will be recognised in the consolidated statement of profit and loss over the period, in addition to the cash interest paid. In effect, the fair value of the convertible notes of $345.0m as at 30 June 2024 approximates the present value of the redemption amount at maturity when discounted by the 19.58% cost of capital determined by the professional valuers engaged by Noumi.

As at 30 June 2024, the redemption value of the convertible notes was $526.8m.

During the year, the Group paid cash interest of $13.4m (2023: $nil) on the convertible notes, however the convertible notes are carried in the Group's consolidated statement of financial position at fair value and accordingly the payments, whilst variously referred to as interest payments in the convertible notes terms, the payments are treated as debt repayments in the consolidated financial statements (note 25).

3.3.2 Segment performance

The Group measures its financial and operating performance by reference to the following segments:

Dairy & Nutritionals A range of Long-life dairy milk beverages, nutritional products and performance and nutritional powders. These products are manufactured in Australia and New Zealand and sold in Australia and overseas.

Plant-based Milks A range of Long-life beverage products including almond, oat, soy, rice, coconut, macadamia and other plant-based milks and liquid stocks. These products are manufactured in Australia and sold in Australia and overseas.

Set out below is the segment performance of the Group for the year ended 30 June 2024, together with a segment performance table for the year ended 30 June 2023.

Consolidated - 30 June 2024	Dairy & Nutritionals $'000	Plant-based Milks $'000	Unallocated Shared Services $'000	Total $'000
Net revenue	412,237	177,552	-	589,789
Adjusted operating EBITDA	**5,539**	**49,435**	**(4,203)**	**50,771**
Unrealised foreign exchange loss	-	-	67	67
Restructuring and other litigation expenses	(52)	-	(6,253)	(6,305)
Other non-trading (expenses)/income	118	41	(324)	(165)
Adjusted EBITDA	5,605	49,476	(10,713)	44,368

Consolidated - 30 June 2023				
Net revenue	389,204	162,357	-	551,561
Adjusted operating EBITDA	**4,114**	**44,039**	**(6,592)**	**41,561**
Onerous contracts provision	4,440	-	-	4,440
Restructuring and other litigation expenses	(674)	(1,363)	(3,574)	(5,611)
Unrealised foreign exchange loss	-	-	(156)	(156)
Other non-trading income	3	92	270	365
Adjusted EBITDA	7,883	42,768	(10,052)	40,599

Directors' Report

3.4 Segment performance

Dairy & Nutritionals

12 Months to ('000)	June 2024	June 2023	Change $	Change %
Net revenue	**412,237**	**389,204**	**23,033**	**5.9%**
Adjusted operating EBITDA Pre AASB16[1]	1,324	(471)	1,795	381.5%
Adjusted operating EBITDA Pre AASB16 Margin %	0.3%	(0.1%)		
Adjusted operating EBITDA	**5,539**	**4,114**	**1,425**	**34.6%**
Adjusted operating EBITDA Margin %	1.3%	1.1%		
Adjusted EBITDA	**5,605**	**7,883**	**(2,278)**	**(28.9%)**

[1] Adjusted operating EBITDA (pre AASB 16) references are included to explain the transition in primary measure of financial performance to adjusted operating EBITDA (post AASB 16).

The Dairy & Nutritionals segment delivered an improved financial performance in FY24, with net revenue up 5.9% to $412.2m and the adjusted operating EBITDA profit improved from $4.1m to $5.5m.

The year-on-year improvement in Dairy & Nutritionals has been driven by a focus on revenue management by exiting low-margin sales, growing Milklab Lactose-free and domestic sales, delivering consistent and efficient operating performance, improved service and product quality.

The Dairy & Nutritionals segment delivered sales growth in almost all domestic channels, with Retail sales up 19.5% and Out-of-home sales up 21.0%. Milklab Dairy sales rose 24.0%.

This performance was achieved in challenging market conditions, with the ongoing disparity between Australian farmgate milk price and global prices, particularly those in New Zealand, continuing to impact the competitiveness of the Australian dairy industry. This was reflected in Noumi's international performance, with sales of Long-life milk to Asia down 4.4%.

Noumi's volume of bulk cream sales was 4.2% higher than FY23, revenue was down 14.0% impacted by global commodity prices.

Nutritional Ingredients sales were down 16.3%. Sales of PUREnFERRIN Lactoferrin were down 17.2% impacted by lower export volumes.

The Consumer Nutritionals business delivered improved results in FY24, including revenue growth of 9.8% over FY23 on the back of successful new product launches and investment in the Vital Strength and Crankt brands.

Plant-based Milks

12 Months to ('000)	June 2024	June 2023	Change $	Change %
Net revenue	**177,552**	**162,357**	**15,195**	**9.4%**
Adjusted operating EBITDA Pre AASB16[1]	42,726	37,441	5,285	14.1%
Adjusted operating EBITDA Pre AASB16 Margin %	24.1%	23.1%		
Adjusted operating EBITDA	**49,435**	**44,039**	**5,396**	**12.3%**
Adjusted operating EBITDA Margin %	27.8%	27.1%		
Adjusted EBITDA	**49,476**	**42,768**	**6,708**	**15.7%**

[1] Adjusted operating EBITDA (pre AASB 16) references are included to explain the transition in primary measure of financial performance to adjusted operating EBITDA (post AASB 16).

The Plant-based Milks segment continued to grow with net revenue for the year increased by $15.2m to $177.6m.

Adjusted operating EBITDA rose 12.3% to $49.4m, with adjusted operating EBITDA margin remaining strong at 27.8%.

Milklab lifted overall Plant-based sales 7.4%, with growth in Out-of-home and Retail outlets, and Milklab Oat up 42.5% on FY23, following the launch of an improved formula and supported by an integrated marketing program. The successful launch of the 250mL Milklab Minis into Retail in early FY24 was followed by the launch of a 1 Litre Milklab offering into the Retail channel in later FY24.

The Australia's Own plant-based portfolio and private label sales, particularly through the major Australian retailers, increased in FY24. Australia's Own plant-based sales rose 3.7% in FY24. Growth was driven by the launch of Smooth As Oat and Smooth As Almond milk. In addition, the Australia's Own Barista range delivered revenue growth of 3.6%.

Noumi is pursuing expansion opportunities in South East Asia and other targeted export markets, tapping into growing demand for quality alternative milks throughout the region.

Directors' Report

3.5 Statement of financial position

Set out below is a summary balance sheet as at 30 June 2024 together with summary balance sheet as at 30 June 2023.

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Current assets	136,251	134,299
Non-current assets	179,951	243,647
Total assets	**316,202**	**377,946**
Current liabilities	(131,060)	(105,193)
Non-current liabilities	(490,082)	(476,296)
Total liabilities	**(621,142)**	**(581,489)**
Net liabilities	**(304,940)**	**(203,543)**
Share capital	598,712	598,712
Reserves	(60,834)	(57,767)
Accumulated losses	(842,818)	(744,488)
Total equity	**(304,940)**	**(203,543)**

3.5.1 Commentary on specific items in the statement of financial position

Cash and cash equivalents decreased by $4.0m from $18.6m at 30 June 2023 to $14.6m at 30 June 2024. In accordance with the terms of the convertible note agreement, FY24 represented the first year when cash payments on the convertible notes were required and an amount of $13.4m was paid during the year.

Trade and other receivables increased by 13.8% from $50.6m at 30 June 2023 to $57.6m at 30 June 2024 due to timing of the drawdown of full recourse debtor financing and settlement of a customer claim provision.

Inventories of $53.4m at 30 June 2024 remained in line with inventories of $54.0m at 30 June 2023.

Trade and other payables decreased by 5.2% from $59.5m at 30 June 2023 to $56.4m at 30 June 2024 due to timing of supplier payments.

Property, plant and equipment decreased by 30.7% from $162.2m at 30 June 2023 to $112.3m at 30 June 2024, mainly representing impairment ($43.1m) and depreciation ($12.4m) partially offset by additions ($3.0m), revaluation of land ($1.1m) and transfer from right of use assets ($1.6m).

Right of use assets decreased by 15.1% from $55.3m at 30 June 2023 to $47.0m at 30 June 2024, representing impairment ($4.8m) and depreciation ($3.8m).

Borrowings increased by 10.9% from $397.9m at 30 June 2023 to $441.3m at 30 June 2024. Borrowings include fair value of convertible notes which increased from $295.5m at 30 June 2023 to $345.0m at 30 June 2024 (refer section 3.3.1 for further details).

Net liabilities of $304.9m include unpaid portion of US litigation settlement liability of $13.0m, convertible note liability of $345.0m and recognition of ASIC penalty of $5.05m.

Shareholders' equity deficiency increased from $203.5m negative to $304.9m negative, reflecting primarily the loss of $98.3m incurred by the Group in FY24. The loss during the year includes the impact of fair value changes of convertible notes amounting to $59.0m and non-cash impairment of property, plant and equipment amounting to $47.9m.

Directors' Report

3.5.2 Commentary on cashflow and funding

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Cash flow from operating activities	15,830	4,308
Cash flow from investing activities	1,841	2,220
Cash flow used in financing activities	(21,640)	(4,178)
Change in cash and cash equivalents	(3,969)	2,350
Cash and cash equivalents at the beginning of the financial year	18,560	16,210
Cash and cash equivalents at the end of the financial year	**14,591**	**18,560**

Cash flow from operating activities increased significantly to $15.8m in FY24 as a result of improved trading results and tightly managed working capital.

Cash flow from investing activities were $0.4m lower than prior year. The prior year included proceeds from disposal of the investment in AFMH and the investment of a significant portion of those proceeds in a term deposit.

Cash flow from financing activities represent repayment of borrowings ($6.4m), payment of convertible notes ($13.4m) and AASB 16 leases ($1.8m). The prior period included a drawdown of $11.0m from the revolver finance facility.

4. Dividends

There were no dividends declared for FY24 and FY23.

5. Environmental, Social and Governance

The Group has an established an Environmental, Social & Governance (ESG) framework, focused on positive outcomes for the community (Healthier Lifestyles), our People (Healthier Workplace) and the environment (Healthier Planet). The ESG framework has been developed to meet the Group's aspirational goals and core values. Noumi has made good progress on these goals in FY24, with Forest Stewardship Council (FSC) certified paper and cardboard packaging, recycled content in secondary packaging, health and nutrition claims on primary packaging and compliance with Australasian Recycling Label (ARL) labelling on primary packaging.

These strategic aspirations will continue to drive the ESG strategy and reporting going forward and enable the measurement and management of key ESG indicators such as carbon emissions, workforce diversity, and supply chain sustainability.

5.1 Environmental regulation

The Group's operations are subject to environmental regulation under the laws and regulations of the Commonwealth of Australia, and various Australian State and local regulatory bodies. The Group has complied with environmental laws, regulations, standards and other requirements such as site permits to operate or waste management with no material breaches in FY24.

5.2 Environment and Sustainability Statement

The Group is committed to making a distinctive and positive contribution to its communities and its operating environments. Sustainability is a business method that ensures safety, efficiency and responsibility in a manner that protects the Group's employees, communities, shareholders, and the environment, now and in the future. Daily operations focus on performance which align our business performance with a commitment to environmental, social and community stewardship.

Some of the key targets for the business are set out below:

- 50% reduction in Scope 1 and Scope 2 emissions by 2030.
- An aspiration of 100% renewable electricity by 2030.
- 90% of farmers partnering on carbon reduction initiatives by 2030.
- 100% of all Noumi packaging APCO compliant (reusable, recyclable or compostable) by 2025.
- Zero Waste to landfill from operations by 2030.

Noumi is developing a roadmap for mandatory reporting in FY26 in relation to climate based financial disclosures as required by Australian Accounting Standards Board that is currently waiting on Parliamentary approval.

Directors' Report

5.3 Quality and food safety

Quality and food safety is a critical foundation for the ongoing success of the Group. The Group strives to achieve high quality across the business through its products, services and people. Quality and food safety is intrinsic to the business philosophy and culture. The quality and safety of the products, as well as meeting the requirements of customers, are high priorities of the Group.

The Group has a range of certification and regulatory bodies independently auditing its sites based on standards including:

- State-based Food Authority audits and Export Registered Facilities audit via the Department of Agriculture, Fisheries and Forestry;
- Global Food Safety Initiative (GFSI) Standards such as Safe Quality Food (SQF) and British Retail Consortium (BRC);
- Hazard Analysis Critical Control Points (HACCP) Certification;
- Retailer and customer standards; and
- Product-specific standards, such as Australian Certified Organics

Certification requirements are continually reviewed for export markets. Noumi has a continuous improvement focus on quality processes and practices and continues to be in compliance with all food safety standards. The group has continued to improve in consumer complaints and first-time quality increasing to 97.7% across the 12 months of the reporting period.

5.4 Safety

The Group is committed to providing a workplace that enables all work activities to be carried out safely. We aim to eliminate all injuries at our sites. The Group has invested in safety throughout the year to ensure that all employees and visitors to our sites, including contractors are kept safe. Training and education play a significant role in improving the safety culture within the Group.

With the emending of the safety culture, it is important to measure the performance. Across the Group hazard and near miss reporting per recordable incident improved by 21%; there were 10 total recordable injuries for FY24.

6. Risks

Approach

The Group considers risk management integral to the successful achievement of its mission, vision, and values. It is committed to protecting itself, its people, its customers, its suppliers, and the public while conducting its business activities. It recognises that effective risk management is critical for anticipating and managing situations or events that could prevent it from achieving its objectives.

Key to this is to ensure that the processes of risk identification, assessment and management are embedded in every aspect of the Group's businesses. The Risk and Compliance Committee has built on the comprehensive review in FY22 and continues to improve the operationalisation of risk following the reset of risk management practices in FY21 and FY22.

As an international beverage business with an integrated supply chain, Noumi faces various risks which could have a material impact on its future strategy and financial performance. The nature, likelihood, timing and potential impact of risks are not static and are impacted by the Group's ability to manage and mitigate these risks. We concentrate our risk planning on those risks relating to factors that management can measure and reasonably control with mitigation strategies if available. Noumi faces some material risks that cannot be mitigated by preventative strategies. In such instances the Group's approach is to recognise the risk and have action plans in place to respond effectively if or when the risk crystallises. Some risks may crystallise in ways which present opportunities to Noumi.

Directors' Report

Measuring and Managing Risk

The Group's Risk Management Framework (RMF) aims to ensure that risk management is undertaken throughout the business and managed in a structured and systematic manner. The RMF describes the key elements that govern the Group's approach to managing risk and the strategy for identifying and managing its material risks. The RMF, together with the approved risk appetite, supporting policies and culture provide a consistent approach to managing risk to reasonably practicable levels which enables the achievement of the Group's strategy and business plans.

Risk appetite refers to the amount and type of risk that the Group considers reasonable to accept to achieve its objectives. It balances the benefits of change or innovation with the threats that the change may bring. It sets the boundaries for the risks that can be tolerated in the Group's activities and helps find the balance between risk taking and risk avoidance. Overall, the Group has a balanced approach to risk. Risk appetite is based on core values and aligned with strategic objectives.

Effective risk management is not purely about the avoidance of risk. Noumi's vision and strategic objectives require that risk is managed based on value. Noumi accepts that risk is commensurate with potential reward such as growth, transformation and innovation.

There are several material business risks that have the potential to impact the Group's ability to achieve its objectives. These risks are summarised below and are each accompanied by the details of how the Group responds to and manages the risk in each category.

Risk Type	Description of the risks	How risks are managed
Access to financial resources	The Group's business activities require access to equity and debt markets to finance its day to day working capital and invest in long term income producing assets. Access to these markets can change from time to time based on economic and financial markets conditions, geopolitical issues in the markets in which the Group operates in, the risk appetite of banks and other credit providers, the investment appetite of equity investors, and the view of the Group as a suitable party to extend credit to or invest in.	The Board and management are focused on delivering on Noumi's turnaround strategy in terms of earnings, financial management and resolution of legacy issues. This will improve the Group's ability to access equity and debt markets to assist financing the Group's activities and to meet future needs.
Changing consumer preferences in competitive markets	Consumer tastes and buying preferences in relation to the Group's products are constantly changing. These preference changes can be in response to a range of factors, including new products entering the market, environmental concerns, health and nutritional advice, regulation, sales and marketing initiatives by the Group's competitors, and product price changes by the Group and its competitors. The capacity of the Group's competitors to introduce products competing with those of the Group is high. The Group can be at risk of its products being replaced in key channels by products sold by its competitors. Any reduction in the Group's product sales and market shares in each segment may impact its financial performance from the short to long term.	The Group focuses on being a innovator in its chosen product and channel segments. This focus has, in recent years, seen the launch of numerous products in existing and new market segments. The Group seeks to maintain and grow market share by having consistently high-quality and consumer-relevant products. The Group strives to be at the forefront of changes in market trends at the consumer level and understanding the response from competitors to these changes. It uses consumer insights, research and data in its development of new products and in optimising its existing portfolio.
Commodity pricing	The Group has exposure to commodity price risk relating to the input costs for raw materials, packaging and utilities and the sale of products such as bulk cream and surplus protein. In the Dairy & Nutritionals segment, the Group has risk regarding the Australian farmgate milk price and its dislocation from the global dairy commodity price which is reducing its competitiveness in the export channel.	The Group has historically managed the risk of input price volatility though longer-term agreements, including for the procurement of milk and has worked with customers to build and maintain relationships to manage the effect of volatile farm gate milk prices. The Group continues to monitor market developments in this regard and will adopt alternative strategies as required.

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Risk Type	Description of the risks	How risks are managed
Climate change and environmental risks	The Group is exposed to short, medium, and long-term climate change and environmental risks. These risks include: • physical climate-related event risks, extreme weather events, increased volatility and change in weather patterns resulting in drought, floods and bushfires • restricted availability, use and pricing of water in manufacturing activities • the impact of climate change events on the supply and cost of milk and other agricultural products, • the treatment and disposal of waste from manufacturing processes; and • increased energy costs, increased taxation and other environmental and climate related costs as operating economics change and adapt to environmental and climate change impacts. These risks could adversely affect the Group's operations, business practices, financial performance and reputation if not adequately managed. Transitional risks such as carbon economies and regulatory changes in Australia and key markets may have a significant impact on Noumi's operating environment and strategy. The Group recognises the potential of these changes to occur and have a high impact, however this is an emerging risk where we do not yet clearly perceive its full dimensions. The impact of The Australian Governments Global Methane Pledge to Noumi is also not yet clear. There is uncertainty over the future carbon pricing mechanisms in important markets, and the extent to which this could be applied to agricultural products and supported by tariff barriers.	The Group has been proactive in its operational activities to reduce the impact on the environment through production efficiency improvements to reduce all forms of waste. The Group is developing a sustainability dashboard for the tracking and reporting of environmental KPIs. Further projects are planned to increase the sustainability of the production sites. The Group launched its Healthier Tomorrow Plan in 2023. It intends to include corporate disclosures on climate and environment related risks and related financial impacts, in line with market practices. The climate change and environment strategy address a range of issues including emission reduction targets, benchmarks for business partnership agreements, and other initiatives.
Corporate culture	Among other things, poor corporate culture can lead to unethical practices, lack of trust, poor decision-making, increased employee turnover and reduced engagement.	The Group's Board and management are continuing to focus on building a positive and inclusive culture. The remuneration structure is designed to align with business strategy and desired behaviours.
Biological	During the past few years there have been several issues regarding the heightened risk of Foot and Mouth Disease (FMD) and Lumpy Skin Disease. Restrictions from Indonesia and Malaysia on importing cattle from Australia due to potential Lumpy Skin Disease infections are still in place. These risks can impact supply of raw materials and may impact the Group's ability to sell in export markets.	The Group continues to work with suppliers on the safety and quality of raw materials and encourage relevant government agencies to establish the highest standards of prevention and mitigation in respect of biological threats.

Directors' Report

Risk Type	Description of the risks	How risks are managed
Sustained disruption to operations resulting from external factors	External factors outside of the Group 's control, such as pandemics, systemic utility failures or extreme weather events could materially impact the Group's business.	The Group mitigates these risks by contingency planning as far as practicable, and its demonstrated ability to react in response to disruption to maintain reasonable continuity of supply means that management will be able to quickly take appropriate actions to mitigate, as far as reasonable, impacts from changes in factors outside the Group's control. The Group monitors the markets and geographic regions in which it distributes its products to assess the impacts of any actual or anticipated disruptions.
Doing business in export markets	The Group is exposed to a range of risks doing business in international markets, particularly in China and Southeast Asia. Business practices and local laws and regulations differ greatly from country to country. There is also the risk that changes in international circumstances or policies could impact Australian exporters, or the Group's ability to operate in its key markets adversely affecting the Group's operations and financial performance. There are personal risks to the Group's employees operating in or travelling to these countries that can include arbitrary detention, criminal or civil charges, or fines for alleged illegal business practices.	The Group seeks to manage these risks in several ways: • Employing experienced local personnel and working with long-established business partners and customers to assist, understand and navigate the local business environment in each market; • Ongoing monitoring for any adverse geopolitical, business and regulatory developments in each market; • Ensuring business decisions, business partnerships and other contractual arrangements do not place employees or the Group at risk; • Managing over reliance on any one single export customer or country by monitoring customer and country limits; and • Contracting with offshore buyers to take delivery of products within Australia as opposed to at the country of destination where agreed.
Quality and food safety	The Group supplies a range of food products for human consumption. As a result, the Group is inherently exposed to risks in the entire production chain from receipt of ingredients through to dispatch to the end consumer. Risks can include food safety, product or packaging quality and/or food integrity issues (including interference by third parties) that may result in injury or harm to consumers. In addition, any food quality or safety incidents may cause disruption to business activities, result in increased costs, lead to potential penalties and/or litigation, and damage the Group's reputation.	The Group has measures in place to manage and minimise food safety, quality and packaging risks using the latest technologies, including: • rigorous food safety and quality management systems which are the subject to continuous review; • employee training and communication protocols; • use of reputable third-party suppliers and partners; • compliance with food safety and standard laws and accreditation processes; and • established food safety incident and product recall policies and procedures (including trial runs).
Legal action	Legal action arises from time to time in the normal business activities of the Group. Litigation can arise from commercial disputes between the Group and its business partners, suppliers, employees, other third parties and government bodies (for alleged or actual failures to adhere to government regulations). Litigation can, at times take time to emerge, such that reputational and other negative impacts can be experienced in the present in respect of non-contemporary issues. Litigation is costly and consumes board and management time and resources. It creates reputational risk, brand damage and potential liabilities for the Group, its Directors and Officers, and its employees.	The Group is conscious of the reputational and financial impacts that can arise from disputes and litigation. The Group takes all practical measures to avoid potential disputes and manage, defend or resolve actual disputes. This includes endeavouring to prevent disputes from occurring by obtaining appropriate contractual protections, and if a dispute does occur, avoiding escalation if possible, by ensuring advice is taken and, where appropriate, having insurance in place to limit financial impacts. The Group actively manages disputes with the objective of minimising reputational impact.

Directors' Report

Risk Type	Description of the risks	How risks are managed
Manufacturing disruption	Production and sale of the Group's products rely on the continued operation of the Group's manufacturing facilities and consistent delivery of product volumes to meet the Group's contractual requirements and demand growth. Any material disruption to key parts of the manufacturing or supply chain process may result in a failure to meet contractual sales volumes, loss of sales and revenue, termination of contracts and business partnership agreements, litigation and reputation damage.	The Group seeks to manage these risks in several ways: • Employing experienced personnel with knowledge and experience of manufacturing processes; • Well-designed manufacturing plant and equipment; • Well-designed operating systems; and • Industry best practice in relation to maintenance and planning processes. Property and business interruption insurance is in place for operations.
Regulatory investigations and other action	The Group may be the subject of regulatory investigations that may result in an adverse impact on the Group and its stakeholders. The outcomes of any such investigations can be litigation, civil or criminal prosecution, fines, compensation, remediation expense and/or restrictions on the Group's ability to operate its businesses.	The Group seeks to manage all of its risks to mitigate against or avoid adverse events that may lead to regulatory investigations and regulatory actions. The Group's organisational structure includes specific operational teams focused on maintaining quality, workplace health and safety, people and culture and financial regulatory compliance. The Group has in place a corporate governance framework (policies, procedures and an internal auditor) to ensure compliance with legal and regulatory obligations, and also to ensure that risks are promptly identified and managed.
Technology and security	This concerns the risk of a material cyber intrusion which could severely disrupt the operational networks or otherwise compromise critical information. Noumi relies on internal resources and third party technology providers to support its IT operations. A cyber attack could disrupt operations and/or result in unauthorised exposure of personal and commercial data, potentially causing reputational damage and financial loss.	The Group uses reputable providers of security services and regularly performs penetration testing. The Group is increasing its cyber education and compliance testing to meet the changing cyber environment. The Group has a crisis management plan which includes a cyber response plan. The crisis management plan is tested regularly to ensure it is effective. More broadly, Noumi is currently implementing a new Enterprise Resource Planning (ERP) system which will enhance data security and general controls compliance.
Insurance	Noumi maintains insurance coverage in respect of its business assets and operations. Some risks are not able to be insured at acceptable prices. Insurance coverage may not be sufficient and if there is an event causing loss, it may be that not all financial losses will be recovered.	Noumi structures its insurance program such that material risks closest to our customers and revenue are insured. This minimises the risk of unrecoverable financial loss arising from disruptions in the terminal end of the Group's supply chain, where significant investment is concentrated from a cost of production perspective.

Directors' Report

7. Information on Directors

The Directors of Noumi in office at any time during the financial year and up to the date of this report together with information on their qualifications and experience are set out on pages 38 to 39. Directors interest in Noumi's shares and details of other directorship are set out below:

Name:	**Ms Genevieve Gregor**
Other current listed directorships:	None
Former listed directorships (last 3 years):	None
Interests in shares:	Indirect interest in 23,500 ordinary shares, 150,000 convertible notes and 7,291 listed options and 1,049,082 unlisted options.
Name:	**Mr Tony M. Perich AM**
Other current listed directorships:	None
Former listed directorships (last 3 years):	None
Interests in shares:	Indirect interest in 145,556,000 ordinary shares, 126,142,300 convertible notes and a direct interest in 734,358 unlisted options.
Name:	**Mr Tim Bryan**
Other current listed directorships:	None
Former listed directorships (last 3 years):	None
Interests in shares:	Indirect interest in 54,126 ordinary shares, 25,000 convertible notes and 629,642 unlisted options.
Name:	**Ms Jane McKellar**
Other current listed directorships:	McPhersons Limited and NRMA
Former listed directorships (last 3 years):	GWA Group Limited (ceased 2023)
Interests in shares:	Direct interest in 1,605 ordinary shares, 74,910 convertible notes and 629,642 unlisted options.
Name:	**Mr Stuart Black AM**
Other current listed directorships:	Australian Agricultural Company Limited
Former listed directorships (last 3 years):	Palla Pharma Limited (ceased 2021)
Interests in shares:	Indirect interest in 25,000 convertible notes and 629,642 unlisted options

Notes:
'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 three years)' quoted above are directorships held in the last three years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

8. Company secretary

Mr Justin Coss was appointed Group General Counsel and Company Secretary on 23 November 2020 and continues to perform that role.

Directors' Report

9. Meetings of Directors

The number of meetings of the Company's Board of Directors ('Board') and of each Board committee held during the year ended 30 June 2024 (not including informal meetings, briefings and meetings of ad hoc sub-committees) and the number of meetings attended by each Director were:

	Board		Finance and Audit Committee		Risk and Compliance Committee		People & Culture Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
Genevieve Gregor	12	12	5	5	4	4	3	3
Tony Perich[1]	11	12	N/A	5	4	4	N/A	3
Jane McKellar	12	12	3	5	4	4	3	3
Tim Bryan	12	12	5	5	4	4	3	3
Stuart Black[2]	8	12	5	5	3	4	N/A	3

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

Notes:
[1] Tony Perich attended one Finance and Audit Committee meeting as an observer.
[2] Stuart Black attended two People and Culture Committee meetings as an observer.

10. Remuneration Report (Audited)

Overview

This remuneration report for the year ended 30 June 2024 details the remuneration arrangements of the Key Management Personnel (KMP) of the Company in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company. In the interests of investors and stakeholders, this Remuneration Report sets out the design for the Company's Executive KMP remuneration framework and governance in alignment with the Convertible Note arrangement and in support of stakeholder value creation.

This remuneration report is presented under the following sections:

- 10.1 Key Management Personnel (KMP) in this Report
- 10.2 KMP Remuneration Framework and Governance
- 10.3 KPIs and Balanced Scorecard – the Link Between Company Performance and Executive KMP Remuneration
- 10.4 Executive KMP Remuneration and STIP and LTIP outcomes
- 10.5 Executive KMP Remuneration Tables
- 10.6 Contractual Arrangements with Executive KMP at 30 June 2024
- 10.7 Non-executive Director Remuneration
- 10.8 Other Matters

Directors' Report

10.1 Key Management Personnel (KMP) in this Report

The following persons acted as Directors and KMP of the Company during or since the beginning of FY24:

Name	Position	Period as KMP
Executive KMP		
Michael Perich	Chief Executive Officer	Full Year
Peter Myers	Chief Financial Officer	Full Year
Stuart Muir	Chief Operations Officer	Full Year
Non-executive Directors		
Genevieve Gregor	Chair and Independent Non-executive Director	Full Year
Tony Perich AM	Deputy Chair and Non-executive Director	Full Year
Jane McKellar	Independent Non-executive Director	Full Year
Timothy Bryan	Non-executive Director	Full Year
Stuart Black AM	Independent Non-executive Director	Full Year

10.2 KMP Remuneration Framework and Governance

The People and Culture Committee Charter states that:

The People and Culture Committee makes recommendations to the Board, in line with the Board Charter, to ensure that the Company has effective remuneration policies and practices in order to attract and retain high calibre Directors, the CEO and KMPs for the Company.

Remuneration Principles

The Company remuneration strategy is designed to attract, engage, and retain talented people by aligning market competitive remuneration with sustainable business performance.

The People & Culture Committee reviews the performance measures, remuneration framework and associated guiding principles once per annum, or more frequently if required for a specific purpose.

The objectives are to have a remuneration framework that:

- Aligns with shareholder/stakeholder value creation;
- Aligns with Reset, Transform and Grow strategy and goal achievement;
- Is clear and fit for purpose;
- Attracts, retains, and motivates talented executives;
- Is always subject to Board discretion and approval in the interests of strong governance.

Engagement of Independent Remuneration Advisors to the Board

During FY24, no independent remuneration advisors were engaged. The Company continues to operate under the remuneration framework outlined in its FY22 Annual Report. The remuneration framework was endorsed by shareholders at the Annual General Meeting (AGM) on 18 November 2021 and the framework has not been changed since this endorsement as it is still believed to be fit for purpose.

Directors' Report

KMP Remuneration Framework and Executive Incentive Structure

The following table illustrates the structure of the Company's executive remuneration arrangements for the year ended 30 June 2024:

	OBJECTIVE			
	Attract and retain high calibre employees	**Motivate and reward outstanding performance**		**Align to Shareholder returns**
REMUNERATION COMPONENT	**Total Fixed Remuneration**	**At risk remuneration**		
			Short-term incentive plan (STIP)	**Long-term incentive plan (LTIP)**
Mechanism	Base salary, superannuation and any 'packaged' benefits including FBT grossed up on a Total Employment Cost (TEC) basis	Cash or equity	Assessed against operational and financial metrics	Assessed against financial metrics
Purpose	Reward for role size and complexity and external and internal relativities	Reward for contribution to achievement of business outcomes and individual KPIs	Reward for contribution to achievement of business outcomes and functional KPIs	Aligns remuneration of the Company's senior executives with the long term strategic goals of the company, as well as retention
Link to Performance	No link to Company performance although reviewed annually with consideration given to the performance of the Company and business unit in the remuneration review	Incentive is calculated with a balance across financial, non financial and individual performance metrics	Linked to achievement of the Company's short-term goals	Linked to achievement of the Company's long-term goals

The executive incentive framework was reviewed in FY24 and remains largely unchanged.

The executive incentive framework establishes the link between executive KMP incentives with the Company's business plans and objectives. It provides discrete performance measures for the STIP and LTIP in line with market practice. This framework ensures short-term performance is assessed against operational and financial metrics and long-term performance is assessed against financial metrics.

The structure of the STIP and LTIP is targeted as follows:

Features	Description
Performance metrics	The performance metrics align with the strategic priorities at both a Company and business unit level. Performance hurdles for STIP and LTIP are set at the commencement of Year 1 of each performance period. The STIP and LTIP are subject to discrete sets of performance metrics. Any award which does not vest lapses immediately and is not retested. Performance would be measured once over a one-year performance period for STIP and once over a three-year period for LTIP. The general performance metrics for the KMP is that the performance would ordinarily be weighted across safety, quality, financial, operational, cultural and leadership metrics to create a balanced scorecard approach to assess remuneration.
Delivery of STIP and LTIP	STIP is paid in cash generally in the next financial year except CFO whose 50% STIP is deferred by 12 months. LTIP can be awarded in cash and/or an equity instrument. A vesting period of a maximum of three years ("service period") applies to the LTIP and is subject to standard terms.
Board discretion	The Board has discretion to adjust remuneration outcomes up or down to appropriately align outcomes.

Directors' Report

KMP Remuneration Mix

Position	Fixed Remuneration (FR) - at target	Short Term Incentive Plan (STIP) – at target	Long Term Incentive Plan (LTIP) – at target	Retention Incentive
Chief Executive Officer	54%	25% of Potential (46% of Fixed Remuneration)	21% of Potential (39% of Fixed Remuneration)	
Chief Financial Officer	47%	28% of Potential (60% of Fixed Remuneration)	7% of Potential (15% of Fixed Remuneration)	18% of Potential (38% of Fixed Remuneration)
Chief Operating Officer	62%	19% of Potential (30% of Fixed Remuneration)	19% of Potential (30% of Fixed Remuneration)	

Position	Fixed Remuneration (FR) - at maximum	Short Term Incentive Plan (STIP) – at maximum	Long Term Incentive Plan (LTIP) – at maximum	Retention Incentive
Chief Executive Officer	49%	28% of Potential (58% of Fixed Remuneration)	23% of Potential (48% of Fixed Remuneration)	
Chief Financial Officer	43%	32% of Potential (75% of Fixed Remuneration)	8% of Potential (19% of Fixed Remuneration)	17% of Potential (38% of Fixed Remuneration)
Chief Operating Officer	57%	22% of Potential (38% of Fixed Remuneration)	21% of Potential (38% of Fixed Remuneration)	

This framework remains in place for FY24 without change. The Board issued an equity instrument to complement the cash based Long Term Incentive Plan payments and this was implemented in FY24 in support of stakeholder value creation.

The CFO, Peter Myers is entitled to a Retention Incentive as part of his overall remuneration arrangements which aligns a minimum service requirement to the importance of stability and continuity of the CFO role during the critical transformation phase of the Company's strategy.

Governance

Board discretion is exercised for performance-based awards, and the objectives are for:

- Any STIP, LTIP or Retention incentive payment to be approved by the Board and subject to audited accounts.
- Any STIP, LTIP or Retention incentive may be subject to malus and/or clawback in cases of employee misconduct including but not limited to fraud; gross misconduct; and solicitation of employee and/or customer for 12 months following termination. In addition, the incentives may only be paid if the executive remains employed by the business and is not under notice, usually three years after the LTIP is initially granted.
- Payment occurs in the case of the STIP, once the audited accounts for the relevant year are completed, in the case of the LTIP, once the audited accounts for the relevant performance year are completed, usually three years after the LTIP is initially granted and in the case of the Retention Incentive once the audited accounts for the FY25 year are completed.

10.3 KPIs and Balanced Scorecard – the Link Between Company Performance and Executive KMP Remuneration

STIP and LTIP performance measures are designed to support stakeholder value creation and to drive the Company's financial, operational and cultural transformation in the short, medium and long term.

The objective is for each metric to be assessed individually, with threshold, target, and stretch outcomes paid on each line item in the scorecard and subject to the achievement of minimum gateways. The Company has adopted the balanced scorecard framework to set performance targets and measure performance, with KPIs adopted across the following metrics:

- Financial (50% of target): Includes cash conversion, EBITDA, leverage ratio.
- Non-Financial (50% of target): Includes safety, culture & leadership and in some instances functional specific KPIs.
- The CEO and CFO do not have individual functional STIP KPI's and the weighting of common KPI's is adjusted proportionately.

Independence

The Board is satisfied that any recommendations on the remuneration framework as adopted by the People and Culture Committee and the Board in FY24 and as carried through to FY25 were made free from undue influence from any member of the KMP to whom the recommendations related.

Directors' Report

Performance

For the period up to 30 June 2024, KMPs received fixed annual remuneration and variable performance-based remuneration in the form of cash linked to key thresholds achieved by the business. These key thresholds included variable remuneration awards to KMP who have contributed significant effort and expertise to the performance of the organisation during challenging conditions for the Company.

The earnings of the Company for the five years to 30 June 2024 are summarised below:

	2024 $'000	2023 $'000	2022[1] $'000	2021[1] $'000	2020 restated $'000
Net revenue	589,789	551,561	522,340	547,294	516,651
Adjusted operating EBITDA[2]	50,771	41,561	19,393	34,350	(41,561)
Adjusted operating EBITDA % growth YoY	22.2%	114.3%	(43.5%)	182.6%	

Notes:
[1] Earnings from continuing operations.
[2] Adjusted operating EBITDA is a non-IFRS measure as contemplated in ASIC Regulatory Guide 230 Disclosing non-IFRS financial information (RG230). Adjusted operating EBITDA excludes abnormal items, restructuring costs and other non-trading expenses. Adjusted operating EBITDA is used by management and the Directors as the primary measure of assessing the financial performance of the Group and individual segments absent any legacy issues. The Group is transitioning this primary measure from Adjusted operating EBITDA (pre AASB 16) to Adjusted operating EBITDA (post AASB 16). Accordingly, EBITDA performance measures (and comparisons) referred to in this table reflect post AASB 16.

10.4 Executive KMP Remuneration and STIP and LTIP outcomes

In assessing the KMP, a review of the roles performed by KMP is undertaken by the People and Culture Committee and Board. This review takes into consideration KMP ability to plan, direct and control the principal activities of the Company.

STIP outcome for FY24:

For FY24, Noumi achieved improved results, with financial metrics being largely achieved, safety metrics above target and cultural and leadership performance in line with expectation, and the following details the outcomes of the balanced scorecard results.

FY24 STI	Michael Perich - CEO		Peter Myers - CFO		Stuart Muir - COO	
	$'000	Target	$'000	Target	$'000	Target
Target	356,804		363,054		143,101	
Maximum	446,005		453,818		178,876	
Payout	Achieved		Achieved		Achieved	
Financial	253,424	99.4%	257,863	99.4%	71,148	99.4%
Safety	52,756	103.5%	53,680	103.5%	14,811	103.5%
Culture & Leadership	50,972	100.0%	51,865	100.0%	14,310	100.0%
Functional (excludes CEO and CFO)	-	-	-	-	29,731	69.3%
Total payout	357,152	100.1%	363,408	100.1%	130,000	90.8%
% of maximum	80%		80%		73%	

LTIP outcome for FY24 (FY22-24):

As noted in prior year Remuneration Reports, the FY22-24 LTIP applied to only one KMP, being Stuart Muir, who was awarded $137,230, representing a 100% payout. The LTIP was subject to the three-year service period being met and hence an amount of $45,743 being the component attributable to FY24 service is recorded (refer section 10.5 for further details). This LTIP outcome was the result of the Board exercising its' discretion, as disclosed in the FY22 & FY23 Remuneration Reports.

The statutory disclosures required by the Corporations Act 2001 (Cth), as amended, and its regulations are set out below.

The tables below set out the total remuneration for the KMP and provide shareholders with details of remuneration recorded in the consolidated statement of profit or loss during the year. This includes cash salary, and where applicable, other benefits, Directors' fees, incentives, superannuation and charges in respect of share options issued to KMP.

Directors' Report

10.5 Executive KMP Remuneration Tables

Statutory disclosures are as follows:

	Short Term Benefits			Post-employment benefits	Long Term Incentives				
Executive KMP FY2024	Salary $	Leave benefits $	Short Term Incentives $	Super-annuation $	Retention $	Cash (paid in 3 yrs) $	Share options$	Total $	Performance related proportion (variable) %
Key Management Personnel:									
Michael Perich[1, 5] - CEO	743,342	28,477	357,152	27,398	-	99,112	25,983	1,281,464	38
Peter Myers[2, 3, 4, 5, 6] - CFO	576,276	29,255	347,530	27,398	115,255	100,925	39,974	1,236,613	40
Stuart Muir[1, 5, 6, 7, 8] - COO	447,191	(17,613)	130,000	27,398	-	151,105	26,326	764,407	40
	1,766,809	40,119	834,682	82,194	115,255	351,142	92,283	3,282,484	

Notes:
[1] In FY24, the STIP amounts awarded to Michael Perich and Stuart Muir for FY24 are representing a 100.1% and 90.8% payout respectively post confirmation of FY24 audited accounts.
[2] The STIP amount awarded to Peter Myers for FY24 was $363,408 representing a 100.1% entitlement. The STIP is subject to a two-year service period being met and hence an amount of $181,704 being the component attributable to FY24 service is recorded.
[3] The STIP amount awarded to Peter Myers for FY23 was $331,652, representing a 100.0% entitlement. The STIP is subject to a two-year service period being met and hence an amount of $165,826 being the component attributable to FY24 service is recorded.
[4] A retention amount awarded to Peter Myers for FY24 was $230,510, representing a 100.0% payout post confirmation of FY25 audited accounts. The retention amount is subject to a two-year service period being met and hence an amount of $115,255 being the component attributable to FY24 service is recorded.
[5] In FY24, the LTIP amounts allocated to Michael Perich, Peter Myers and Stuart Muir are: $297,337, $92,204 and $143,101 respectively, representing a 100.0% payout at target post confirmation of FY26 audited accounts. The LTIP is subject to the three-year service period being met.
[6] In FY23, the LTIP amounts allocated to Peter Myers and Stuart Muir are: $168,458 and $110,942 respectively, representing a 80.0% payout post confirmation of FY25 audited accounts. The LTIP was subject to the three-year service period being met.
[7] In FY22, the LTIP amount allocated to Stuart Muir was: $137,230, representing a 100.0% payout post confirmation of FY24 audited accounts. The LTIP was subject to the three-year service period being met.
[8] In FY24, Stuart Muir utilised his leave balance from prior years which resulted in a negative leave benefit expense.

	Short Term Benefits			Post-employment benefits	Long Term Benefits	Long Term incentives		
Executive KMP FY2023	Salary $	Leave benefits $	Short Term Incentives $	Super-annuation $	Long Service Leave $	Cash (paid in 3 yrs) $	Total $	Performance related proportion (variable) %
Key Management Personnel:								
Michael Perich[1] - CEO	743,343	8,024	-	25,292	-	-	776,659	-
Peter Myers[2, 3, 4] - CFO	550,054	34,717	165,826	25,292	-	42,115	818,004	25
Stuart Muir[2, 4, 5] - COO	433,369	5,110	138,678	25,292	-	62,043	664,492	30
	1,726,766	47,851	304,504	75,876	-	104,158	2,259,155	

Notes:
[1] While CEO performance and accountability remains aligned with the business performance metrics of the Company, the Chief Executive Officer, Michael Perich, elected not to participate in the STIP and LTIP in FY22 and FY23.
[2] STIP and LTIP amounts for FY23 were awarded at Board discretion having regard to improved financial and operational performance.
[3] The STIP amount awarded to Peter Myers was $331,652, representing a 100.0% entitlement. The STIP is subject to a two-year service period being met and hence an amount of $165,826 being the component attributable to FY23 service is recorded.
[4] In FY23, the LTIP amounts allocated to Peter Myers and Stuart Muir are: $168,458 and $110,942 respectively, representing an agreed 80.0% payout post confirmation of the FY25 audited accounts subject only to the three-year service period being met.
[5] In FY22, the LTIP amount allocated to Stuart Muir was: $137,230, representing a 100.0% payout post confirmation of FY24 audited accounts. The LTIP was subject to the three-year service period being met.

Directors' Report

FY24 Share Options Plan

Directors decided that it was appropriate to continue to satisfy LTIP entitlements in cash because of the uncertainties that may impact the value of the Company's Ordinary Shares that are beyond management's control, including any consequences of the Class Action proceedings, and the repayment or conversion options available to Convertible Noteholders which may impact the value of Ordinary Shares.

Since a cash only based LTIP means there is no direct link between performance and equity and Convertible Noteholder returns, Directors addressed this by a grant of share options. This provided the KMP with a direct alignment between improving Company performance and share price. The grant of share options was over and above the LTI cash award target and maximum amounts detailed in Section 10.2.

The vesting conditions are linked to continued service of the participant for three years. The options were issued with an exercise price 45% higher than the share price at the time of grant, so the options will only provide a benefit to the recipients if the Company's share price increases significantly above the share price at the time of the grant. Accordingly, there options were subject to no other performance hurdles.

Directors have made no decision as to whether further grants will be made.

The issuance of options to the CEO, Mr Michael Perich, was approved by Shareholders at the Company's 2023 Annual General Meeting and granted on 30th November 2023. Apart from the Shareholder approval, the grant to Mr Michael Perich was on the same terms as the options granted to other KMP.

The options (other than those subject to Shareholder approval) were granted on 11th September 2023. Subject to the service criteria, all options become exercisable on 11 September 2026 and expire on 11 September 2027.

In addition to the grant of options to KMP, the Board granted a further 5.2m options to four other senior executives on identical terms to those options granted to KMP.

The non-cash expense recorded in the Company's accounts was based on the Company's share price on the day of the grants as well as the other assumptions in the fair value of the options on the day of the grant. The fair value of the options for this purpose was independently valued based on a grant to KMP of 7.0m share options of which 3.2m was granted to Mr Michael Perich. The fair value of share options issued to KMP (to be recognised over a 3-year period) is $332,220 or $110,740 per annum.

Details of the share options granted to each KMP during the year are as follows:

	Grant date	Expiry date	Options granted Number	Exercise price $	Fair value at grant date $
Key Management Personnel:					
Michael Perich - CEO	30 November 2023	11 September 2027	3,225,446	$0.2255	$0.029
Peter Myers - CFO	11 September 2023	11 September 2027	2,284,249	$0.2255	$0.063
Stuart Muir - COO	11 September 2023	11 September 2027	1,504,348	$0.2255	$0.063
			7,014,043		

Executive KMP shareholdings

The number of shares in the Company held during the financial year by each Executive KMP of the Company, including their related parties, is set out below:

	Balance at the start of the year	Received on exercise of options	Dividend reinvestment plan	Other changes	Balance at the end of the year
Number of ordinary shares					
Michael Perich[1] - CEO	145,556,000	-	-	-	145,556,000
Stuart Muir - COO	194,117	-	-	-	194,117
	145,750,117	-	-	-	145,750,117

Notes:
[1] Michael Perich is a Director of Arrovest Pty Limited, an entity holding relevant direct interest in the Company.

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Directors' Report

	Balance at the start of the year	Notes acquired	Notes converted	Other changes	Balance at the end of the year
Number of convertible notes[1]					
Michael Perich[2] - CEO	126,142,300	-	-	-	126,142,300
	126,142,300	-	-	-	126,142,300

Notes:
[1] Refer to note 25 of the consolidated financial statements.
[2] Michael Perich is a Director of Arrovest Pty Limited, an entity holding relevant direct interest in the Company.

	Balance at the start of the year	Options granted	Options exercised	Other changes during the year	Balance at the end of the year
Number of options					
Michael Perich - CEO	-	3,225,446	-	-	3,225,446
Peter Myers - CFO	-	2,284,249	-	-	2,284,249
Stuart Muir - COO	-	1,504,348	-	-	1,504,348
	-	7,014,043	-	-	7,014,043

10.6 Contractual Arrangements with Executive KMP at 30 June 2024

Component	CEO Description	CFO Description	COO Description
Fixed remuneration	$770,740	$603,674	$474,589
Contract type	Executive Service Agreement	Ongoing Executive Service Agreement	Ongoing Executive Service Agreement
Notice by individual/ company	12 weeks	12 weeks	12 weeks
Termination of employment (without cause)	In order to be entitled to incentives, the KMP must be employed, and not serving a period of notice, when the payment is due and paid. The incentives will not be paid on a pro rata basis. The Board has the sole discretion to vary the terms of the incentive plans. CEO has elected not to participate in the Executive KMP Incentive scheme for FY21, FY22 and FY23. The CEO is participating in the Executive KMP Incentive Schemes from FY24.	In order to be entitled to incentives, the KMP must be employed, and not serving a period of notice, when the payment is due and paid. The incentives will not be paid on a pro rata basis. The Board has the sole discretion to vary the terms of the incentive plans.	In order to be entitled to incentives, the KMP must be employed, and not serving a period of notice, when the payment is due and paid. The incentives will not be paid on a pro rata basis. The Board has the sole discretion to vary the terms of the incentive plans.

Directors' Report

Component	CEO Description	CFO Description	COO Description
Termination of employment (with cause or by the individual)	No incentive payment will be paid if, on the due date for payment, the Executive's employment has ended or the Executive has given or has been given notice of termination of employment. The Executive is not entitled to any pro rata payment under an incentive scheme if the Executive's employment terminates for any reason. All payments under the Incentive Plans are subject to malus and/or clawback, as determined by the Company in its sole discretion, in cases of employee misconduct. CEO has elected not to participate in the Executive KMP Incentive scheme for FY21, FY22 and FY23. The CEO is participating in the Executive KMP Incentive Schemes from FY24.	No incentive payment will be paid if, on the due date for payment, the Executive's employment has ended or the Executive has given or has been given notice of termination of employment. The Executive is not entitled to any pro rata payment under an incentive scheme if the Executive's employment terminates for any reason. All payments under the Incentive Plans are subject to malus and/or clawback, as determined by the Company in its sole discretion, in cases of employee misconduct.	No incentive payment will be paid if, on the due date for payment, the Executive's employment has ended or the Executive has given or has been given notice of termination of employment. The Executive is not entitled to any pro rata payment under an incentive scheme if the Executive's employment terminates for any reason. All payments under the Incentive Plans are subject to malus and/or clawback, as determined by the Company in its sole discretion, in cases of employee misconduct.

10.7 Non-executive Director Remuneration

The maximum aggregate amount of fees that can be paid to Non-executive Directors is subject to approval by shareholders at an Annual or Extraordinary General Meeting. Total fees for all Non-executive Directors, last voted upon by shareholders at the 2019 AGM was not to exceed $1,050,000 in total. To align Director interests with shareholder/stakeholder interests, the Directors are encouraged to hold shares in the Company.

Directors' fees cover all typical Board activities including Committee Fees. Other than contributions towards superannuation funds, there are no termination or retirement benefits available to Non-executive Directors. From time to time, the Board may deem it appropriate for Non-executive Directors to receive Company securities or exertion payments as consideration for work performed over-and-above the typical duties of a Director. From time to time, the Board may deem it be acceptable for past Directors to be engaged and paid as consultants to assist the Company.

	Short Term Benefits		Post-employment benefits	Long Term benefits	
Non-Executive Directors FY24	Director's Fees $	Committee Chair Fee $	Superannuation $	Share options $	Total $
Genevieve Gregor	226,245	-	24,887	8,451	259,583
Tony Perich AM	158,372	-	17,421	5,916	181,709
Jane McKellar	126,697	9,091	14,937	5,072	155,797
Tim Bryan[1]	140,633	9,091	-	5,072	154,796
Stuart Black AM	126,697	9,091	14,937	5,072	155,797
	778,644	27,273	72,182	29,583	907,682

Notes:
[1] Difference in fees is arising from superannuation calculations.

Directors' Report

	Short Term Benefits			Post-employment benefits	
Non-Executive Directors FY23	Director's Fees $	Committee Chair Fee $	Short Term Incentives $	Superannuation $	Total $
Genevieve Gregor	226,245	-	-	23,755	250,000
Tony Perich AM	158,372	-	-	16,628	175,000
Jane McKellar	126,697	9,091	-	14,258	150,046
Tim Bryan	126,697	9,091	-	14,258	150,046
Stuart Black AM	126,697	9,091	-	14,258	150,046
	764,708	27,273	-	83,157	875,138

FY24 Share Options Plan

Having regard to the additional contributions required by Non-Executive Directors in respect of the turnaround of the Company, which required Directors to contribute disproportionately compared to typical circumstances, including in relation to certain historical issues (including the Class Action proceedings), and in the interest of preserving cash, the Board considered it appropriate to recognise this contribution with a exertion payment in the form of a grant of share options.

In accordance with the ASX Listing Rules, the issue of options to the Non-Executive Directors was approved at the Company's 2023 Annual General Meeting and was otherwise issued on the same terms as the options granted to KMP. The options were issued with an exercise price 45% higher than the share price at the time of the grant of the KMP options and will only provide a benefit to the recipients if the Company's share price increases significantly over the share price at the time of the KMP grant.

The Directors believed that structuring the benefit as share options also assisted with the alignment of the Directors remuneration with Company performance and share price.

Consistent with recommendation 8.2 of the ASX Corporate Governance Principles (4th Edition), the options were not subject to any performance hurdles, with vesting condition linked to continued service of the Directors for three years.

The non-cash expense recorded in the Company's accounts for the share options granted to Non-Executive Directors was based on the Company's share price at the time of the grant on 30th November 2023. The fair value of the options was independently valued based on a grant to Non-Executive Directors of 3.7m share options resulted in a fair value (to be recognised over a 3-year period) of $106,500 or $35,500 per annum.

Details of the share options granted to each Director during the year are as follows:

	Grant date	Expiry date	Options granted Number	Exercise price $	Fair value at grant date $
Key Management Personnel:					
Genevieve Gregor	30 November 2023	11 September 2027	1,049,082	$0.2255	$0.029
Tony M. Perich AM	30 November 2023	11 September 2027	734,358	$0.2255	$0.029
Jane McKellar	30 November 2023	11 September 2027	629,642	$0.2255	$0.029
Tim Bryan	30 November 2023	11 September 2027	629,642	$0.2255	$0.029
Stuart Black AM	30 November 2023	11 September 2027	629,642	$0.2255	$0.029
			3,672,366		

Directors' Report

Non-Executive Director shareholdings

The number of shares in the Company held during the financial year by each Non-executive Director of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Received on exercise of options	Dividend reinvestment plan	Other changes during the year	Balance at the end of the year
Number of ordinary shares					
Genevieve Gregor	23,500	-	-	-	23,500
Tony M. Perich AM[1]	145,556,000	-	-	-	145,556,000
Jane McKellar	1,605	-	-	-	1,605
Tim Bryan	54,126	-	-	-	54,126
	145,635,231	-	-	-	145,635,231

Notes:
[1] Tony M. Perich is Director of Arrovest Pty Limited, an entity holding relevant direct interest in the Company.

	Balance at the start of the year	Notes acquired	Notes converted	Other changes	Balance at the end of the year
Number of convertible notes[1]					
Genevieve Gregor	150,000	-	-	-	150,000
Tony M. Perich AM[2]	126,142,300	-	-	-	126,142,300
Jane McKellar	74,910	-	-	-	74,910
Tim Bryan	25,000	-	-	-	25,000
Stuart Black AM	25,000	-	-	-	25,000
	126,417,210	-	-	-	126,417,210

Notes:
[1] Refer to note 25 of the consolidated financial statements.
[2] Tony M. Perich is Director of Arrovest Pty Limited, an entity holding relevant direct interest in the Company.

	Balance at the start of the year	Options granted	Options exercised	Other changes	Balance at the end of the year
Number of options					
Genevieve Gregor	7,291	1,049,082	-	-	1,056,373
Tony M. Perich AM	-	734,358	-	-	734,358
Jane McKellar	-	629,642	-	-	629,642
Tim Bryan	-	629,642	-	-	629,642
Stuart Black AM	-	629,642	-	-	629,642
	7,291	3,672,366	-	-	3,679,657

Directors' Report

10.8 Other Matters

Transactions with related parties

	Consolidated 2024 $	Consolidated 2023 $
Purchase of goods and services during the year:		
Milk purchases from Fresh Dairy Four Pty Limited (wholly owned subsidiary of AFMH which is related through common Directors)	(14,347,912)	(13,821,796)
Payment for rent and insurance during the year:		
Payment of rent and outgoings under a lease commitment with Perich Property Holdings at Shepparton and former Head Office (related entity through common Directors)	(3,771,909)	(3,860,779)
Payment of rent and outgoings under a lease commitment with Perich Property Unit Trust at Ingleburn (related entity through common Directors)	(8,987,243)	(8,374,919)
Payment for Director and Officer insurance and reimbursement of other legal costs to Leppington Pastoral Company	(270,248)	(648,595)
Proceeds from sale of investment:		
Proceeds from sale of investment in AFMH to Leppington Pastoral Investments Pty Ltd (related entity through common Directors)	-	16,692,400
Repayment of convertible notes:		
Arrovest Pty Ltd	(5,818,008)	-
Karooli Pty Ltd ATF the TB Bryan family Trust	(1,153)	-
Woolwich Family Pty Ltd ATF the Woolwich Family Trust	(6,919)	-
Independent Director - Jane McKellar	(3,455)	-
CE4 Super Pty Ltd ATF the Chapman and Eastway No.4 Superannuation Fund	(1,153)	-
Amount payable at the end of the year:		
AASB 16 Lease liability with Perich Property Holdings at Shepparton and former Head Office (related entity through common Directors)	(23,936,977)	(22,946,796)
AASB 16 Lease liability with Perich Property Unit Trust at Ingleburn (related entity through common Directors)	(66,419,303)	(65,267,935)
Payable for Director and Officer insurance to Leppington Pastoral Company	-	(54,050)
Payable for milk purchases from Fresh Dairy Four Pty Limited (wholly owned subsidiary of AFMH)	(1,196,933)	(941,738)

Related parties have 43.3% interest in the convertible notes (refer to section 10.7) which are carried at fair value in the consolidated financial statements (refer to note 25). The repayment of convertible notes to the related parties, as disclosed above, is in proportion to their interest in the convertible notes.

This completes the audited remuneration report.

Directors' Report

11. Indemnity and insurance of Officers

Under the Company's Constitution, to the maximum extent permitted by law, the Company indemnifies the Officers and former Officers of the Company against all losses, liabilities, costs, charges and expenses incurred by the Officer in the execution of the officer's duties as an Officer of the Company.

The Company has entered a Deed of Access and Indemnity with each of its Directors and Officers (each an Officer). This Deed:

- indemnifies the Officer to the maximum extent permitted by law against liabilities incurred by the Officer arising from the person's position as an Officer of the Company;
- requires the Company to maintain, and pay the premium for, a D&O insurance policy in respect of the Officer; and
- provides the Officer access to books of the Company for a purpose permitted by the Deed.

During the financial year, the Group paid premiums to insure each of the Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of an Officer of the Group. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not, during the financial year, in respect of any person who is or has been an Officer of the Company, indemnified or agreed to indemnify that person in respect of any liability described in section 199A(2) or (3) of the Corporations Act 2001 (Cth).

12. 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.

13. 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.

14. Non-audit services

No amounts were paid or are payable to the auditor for non-audit services provided during the financial year (refer note 41 to the consolidated financial statements).

15. Rounding of amounts

The Group is of a kind referred to in Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016 and in accordance with that Corporations Instrument amounts in the Directors' Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

16. 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 on page 71. This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Genevieve Gregor

Genevieve Gregor | Chair
27 August 2024, Sydney

Auditor's Independence Declaration

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Noumi Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Noumi Limited for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Julie Cleary

Partner

Sydney

27 August 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Notes	Consolidated	
		2024 $'000	2023 $'000
Revenue from sale of goods	4	589,789	551,561
Cost of sales		(444,035)	(416,793)
Gross profit		145,754	134,768
Other income	5	465	1,166
Other expense	5	(1,198)	(2,295)
Selling and marketing expenses		(29,196)	(26,145)
Distribution expenses		(47,289)	(49,033)
Product development expenses		(1,926)	(2,073)
Administrative expenses		(32,016)	(30,100)
Net finance costs	6	(19,683)	(19,893)
Impairment of non-financial assets	6	(47,903)	(8,235)
Litigation and transformation expenses[1]		(6,305)	(5,611)
Fair value changes of convertible notes[1]	25	(58,975)	(39,486)
Expected credit losses	10	(351)	28
Loss before income tax benefit		(98,623)	(46,909)
Income tax benefit	7	293	4
Loss after income tax benefit for the year attributable to the owners of Noumi Limited		(98,330)	(46,905)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Fair value changes of convertible notes	25, 31	(3,967)	(2,932)
Fair value changes of a financial asset at fair value through other comprehensive income	12, 31	-	(4,702)
Gain on revaluation of land, net of tax	31	743	-
Items that may be reclassified to profit or loss			
Foreign currency translation	31	(37)	7
Other comprehensive income for the year, net of tax		(3,261)	(7,627)
Total comprehensive income for the year attributable to the owners of Noumi Limited		(101,591)	(54,532)

	Notes	2024 Cents	2023 Cents
Earnings per share for loss attributable to the owners of Noumi Limited			
Basic earnings per share	8	(35.48)	(16.93)
Diluted earnings per share	8	(35.48)	(16.93)

[1] Fair value changes of convertible notes and litigation and transformation expenses are presented as a separate line in the consolidated statement of profit or loss and comparative numbers are reclassified to conform with the current year presentation.

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

Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	Consolidated	
		2024 $'000	2023 $'000
Assets			
Current assets			
Cash and cash equivalents	9	14,591	18,560
Trade and other receivables	10	57,584	50,595
Inventories	11	53,371	54,036
Prepayments		3,729	3,983
Other financial assets	16	6,976	7,125
Total current assets		136,251	134,299
Non-current assets			
Financial asset at fair value through other comprehensive income	12	743	743
Property, plant and equipment	13	112,333	162,183
Right of use assets	14	46,961	55,341
Intangibles	15	6,307	6,477
Prepayments		1,718	238
Other financial assets	16	11,889	18,665
Total non-current assets		179,951	243,647
Total assets		316,202	377,946
Liabilities			
Current liabilities			
Trade and other payables	17	56,442	59,534
Payable to related parties	17	1,216	996
Lease liabilities	18	1,620	3,737
Bank borrowings	19	34,143	24,524
Convertible notes	25	18,369	-
Income tax payable		3,248	3,248
Provisions	20	3,104	526
Employee benefit obligations	21	6,125	5,841
Other financial liabilities	22	6,793	6,787
Total current liabilities		131,060	105,193
Non-current liabilities			
Lease liabilities	23	90,834	89,359
Bank borrowings	24	62,122	77,901
Convertible notes	25	326,677	295,478
Provisions	20	3,000	-
Employee benefit obligations	26	1,274	1,362
Other financial liabilities	27	6,175	12,196
Total non-current liabilities		490,082	476,296
Total liabilities		621,142	581,489
Net liabilities		(304,940)	(203,543)
Equity			
Issued Capital	29	598,712	598,712
Reserves	31	(60,834)	(57,767)
Accumulated losses		(842,818)	(744,488)
Total equity		(304,940)	(203,543)

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Notes	Consolidated 2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		582,401	562,796
Payments to suppliers and employees (inclusive of GST)		(540,828)	(527,584)
		41,573	35,212
Payments for US litigation settlement expenses		(6,863)	(10,241)
Payments for litigation related expenses		(1,300)	(1,885)
Interest on AASB 16 lease liabilities paid		(9,082)	(10,002)
Other interest and finance costs paid		(9,897)	(9,198)
Interest received		1,425	418
Income taxes (paid)/refund received	7	(26)	4
Net cash from operating activities	39	15,830	4,308
Cash flows from investing activities			
Payments for property, plant and equipment	40	(4,806)	(3,719)
Payments for intangibles	40	(212)	(638)
Proceeds from/(payments for) other financial assets - term deposit	16	6,843	(23,131)
Proceeds from disposal of assets classified as held for sale		-	29,343
Proceeds from disposal of property, plant and equipment	40	16	365
Net cash from investing activities	40	1,841	2,220
Cash flows from financing activities			
Payments for transaction costs related to issue of convertible notes		-	(20)
Proceeds from revolver financing facilities	24	-	11,000
Repayments of convertible notes	25	(13,374)	-
Repayments of bank borrowings	40	(6,425)	(12,645)
Repayment of leases	40	(1,841)	(2,513)
Net cash used in financing activities	40	(21,640)	(4,178)
Net (decrease)/increase in cash and cash equivalents		(3,969)	2,350
Cash and cash equivalents at the beginning of the financial year		18,560	16,210
Cash and cash equivalents at the end of the financial year	9	14,591	18,560

Refer to note 40 for non-cash investing and financing activities.

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Consolidated				
Balance at 1 July 2022	598,712	(50,140)	(697,583)	(149,011)
Loss after income tax benefit for the year	-	-	(46,905)	(46,905)
Other comprehensive income for the year, net of tax	-	(7,627)	-	(7,627)
Total comprehensive income for the year	-	(7,627)	(46,905)	(54,532)
Balance at 30 June 2023	598,712	(57,767)	(744,488)	(203,543)

	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Consolidated				
Balance at 1 July 2023	598,712	(57,767)	(744,488)	(203,543)
Loss after income tax benefit for the year	-	-	(98,330)	(98,330)
Other comprehensive income for the year, net of tax	-	(3,261)	-	(3,261)
Total comprehensive income for the year	-	(3,261)	(98,330)	(101,591)
Transactions with owners in their capacity as owners:				
Share-based payments expense (note 32)	-	194	-	194
Balance at 30 June 2024	598,712	(60,834)	(842,818)	(304,940)

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

Notes to the Consolidated Financial Statements I 30 June 2024

Note 1. General information

The consolidated financial statements of Noumi Limited ("Group" or "Company") for the year ended 30 June 2024 were authorised for issue in accordance with resolution of Directors on 27 August 2024. The Directors have the power to amend, restate and reissue the consolidated financial statements.

Noumi Limited is a Company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The Company is trading under the symbol 'NOU'. The Company's share options are also trading on ASX under the symbol 'NOUO'.

The nature of the operations and principal activities of the Group is described in note 3.

Note 2. Material accounting policies

The accounting policies that are material to the Group are set out either in the respective notes or below. These policies have been consistently applied to all the years presented in the consolidated financial statements, unless otherwise stated.

The following accounting policies have been adopted in the preparation and presentation of the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Accounting Standards refers to Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

(b) Basis of preparation

The consolidated financial statements of the Group has been prepared as a going concern on the historical cost basis, except for certain non-current assets and financial instruments measured at fair value or revalued amount. Cost is based on the fair values of the consideration given in exchange for assets.

The Company is of the kind referred to in the Australian Securities and Investments Commission Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, relating to the "rounding off" of amounts and in accordance with that Instrument, the amounts in the consolidated financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

The consolidated financial statements are presented in Australian dollars.

Going concern

The Group has prepared the consolidated financial statements for the year ended 30 June 2024 on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Financial results

The Group made a loss after tax of $98.3m, which includes a non-cash impairment charge of $47.9m and a fair value expense in relation to the convertible notes of $59.0m. Net cash inflows from operating activities in FY24 were $15.8m after payments for the US litigation settlement of $6.9m. As set out in the operating segment note (refer to note 3), adjusted EBITDA has improved from $40.6m in FY23 to $44.4m in FY24.

Financial Position

At 30 June 2024, the Group had net current assets of $5.2m and net liabilities of $304.9m. The net liability position at 30 June 2024 includes $345.0m in respect of convertible notes carried at fair value.

Future financial performance

At 30 June 2024, the Group's available cash position was $14.6m, plus an undrawn revolving credit facility of $18.0m (refer to note 24). This undrawn revolving credit facility along with the available cash balance, forecast operating cash flows and debtor financing facilities, are considered by management and the Directors to provide the Group with sufficient liquidity for the day-to-day operations of the business for a period of at least 12 months from the date of this financial report, based on current market conditions and expectations.

Included in the forecast cashflows are further operating and margin improvements in the Plant-based Milks business including the full year effect of Milklab 1L in Retail launched late in FY24, as well as modest improvement in global commodity prices impacting the Dairy & Nutritionals business.

Notes to the Consolidated Financial Statements I 30 June 2024

Litigation - Class Actions

Two Class Actions were filed against the Company in respect of alleged breaches of the Corporations Act 2001 (Cth), Australian Securities and Investments Commission Act and Australian Consumer Law. These proceedings were consolidated by order of the Court, with a consolidated statement of claim filed on 16 December 2021. The Group is defending the consolidated Class Action. No evidence has been filed nor have the plaintiffs quantified their claims. Orders were made on 28 August 2023 referring the proceeding to mediation, and the mediation is ongoing as at the date of signing of these consolidated financial statements. Based on the information available, the Group cannot determine the likely outcomes and potential financial impact.

No liability has been recognised in the consolidated financial statements for any settlement and/or costs for which the Group may be liable in the consolidated Class Action. Due to the uncertainty surrounding the litigation, the quantum of compensation and/or costs for which the Group may be liable, and whether the Group will have access to sufficient funds to pay these amounts and its obligations, a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern and therefore whether it may be able to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above, based on the current information and actions being taken, the Directors consider that it is appropriate for the financial report to be prepared on a going concern basis.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

New and amended Accounting Standards and Interpretations adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 July 2023:

- AASB 2023-2 Amendments to Australian Accounting Standards - International tax reform - Pillar two model rules
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of accounting policies and definition of accounting estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred tax related to assets and liabilities arising from a single transaction
- AASB 2022-7 Editorial corrections to Australian Accounting Standards and repeal of superseded and redundant standards
- AASB 2020-5 Amendments to Australian Accounting Standards – Insurance contracts
- AASB 2022-1 Amendments to Australian Accounting Standards – Initial application of AASB 17 and AASB 9 – Comparative Information

The amendments listed above did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of Noumi Limited and entities controlled by the Group and its subsidiaries ('the Group'). The Group controls an entity when:

- it has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and comprehensive income from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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 consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Notes to the Consolidated Financial Statements I 30 June 2024

Note 2. Material accounting policies (cont.)

(d) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(e) Foreign currency

Transactions, assets and liabilities denominated in foreign currencies are translated into Australian dollars at reporting date using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Transactions	Date of the transaction
Monetary assets and liabilities	Reporting date
Non-monetary assets and liabilities carried at fair value	Date fair value is determined

Foreign exchange gains and losses resulting from translation are recognised in the statement of profit or loss and other comprehensive income, except for qualifying cash flow hedges which are deferred to equity.

On consolidation the assets, liabilities, income and expenses of foreign operations are translated into Australian dollars using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Income and expenses	Average exchange rate
Assets and liabilities	Reporting date
Equity	Historical date except the foreign currency translation reserve (FCTR) which is calculated at the reporting date rate

Foreign exchange differences resulting from translation are initially recognised in the foreign currency translation reserve and subsequently transferred to the profit or loss on disposal of the foreign operation.

Notes to the Consolidated Financial Statements I 30 June 2024

(f) Investments and other financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income "OCI" or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

The measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI or those elected to be held at FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group measures all investments in equity instruments at fair value. Where the Group's management has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the instrument. Dividends from such instruments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 10 for further details.

Notes to the Consolidated Financial Statements | 30 June 2024

Note 2. Material accounting policies (cont.)

(g) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Critical accounting estimates and judgements

In applying the Group's accounting policies, the Directors are required to make estimates, judgements and assumptions that affect the amounts reported in the financial report.

The estimates, judgements and assumptions are based on historical experience, adjusted for current conditions and other factors that are believed to be reasonable under the circumstances and reviewed on a regular basis. The actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The estimate and judgements which involve a higher degree of complexity or that have a higher likelihood of causing adjustment to the carrying amounts of assets and liabilities are included in the following notes:

- Note 2(b): Going Concern
  Management has considered the consequences of various events and conditions, and exercised judgement in determining whether they create a material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern. Refer to note 2(b) for further information on such events and conditions and management's assessment of their impact on going concern.
- Note 10: Estimation of expected credit losses
  The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 10, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.
- Note 11: Estimation of net realisable value of inventories
  The Group reviews net realisable value (NRV) of inventories regularly to determine that it is stated at the lower of cost and NRV. Factors that could affect NRV and hence future realisation of inventories include competitor actions and market trends. Changes in the NRV of inventory could affect profit in the future period.
- Note 12: Financial asset at fair value through other comprehensive income
  The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The fair value of the Group's investment in Shenzhen JiaLiLe Co. Limited (JLL) is determined by taking into consideration the income approach using discounted cash flow analysis.
- Note 13: Estimates of useful lives of tangible 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 events. 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.
- Note 13: Determining the recoverable amount of tangible assets
  If there is any indication that an asset may be impaired, the Group estimates the recoverable amount for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the CGU to which the asset belongs. It is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Identification of an asset's CGU involves judgement. In identifying whether cash inflows from an asset (or group of assets) are largely independent of the cash inflows from other assets (or groups of assets), the Group considers various factors including product lines, businesses, individual locations, regional areas or how the decisions are made about continuing or disposing of the Group's assets and operations.

Notes to the Consolidated Financial Statements | 30 June 2024

- Note 14: Determining the 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 economic 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. These factors are difficult to assess and require judgement. 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.
- Note 15: Determining the recoverable amounts of intangible assets
  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 15. The recoverable amounts of cash-generating units ('CGUs') 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.
- Note 20: Onerous contract provisions
  Valuation of provision reflects management's best estimate of future cash outflow at the reporting date being the unavoidable costs of meeting the obligations under the contract. Determination of unavoidable costs is dependent on various factors and require judgement in establishing an appropriate amount.
- Note 20: Litigation settlement provision
  A provision is recognised for legal matters when an outflow of economic resources is considered to be probable. The Group applies judgement in determining the quantum of the future outflow of economic resources based on available facts and circumstances related to the legal matter.
- Note 23: Determining the incremental borrowing rate (IBR) to measure lease liabilities
  When measuring its lease liability, the Group discounts its remaining lease payments using IBR if the interest rate implicit in the lease cannot be readily determined. Determination of an appropriate IBR requires consideration of various factors including lease asset type, currency, term, funding amount and the economic environment in which the lease asset is obtained.
- Note 25: Valuation of convertible notes
  Convertible notes are not traded in an active market so the fair value is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used see note 25.
- Note 28: Recognition of deferred tax asset
  The Group estimates future taxable profits based on approved budgets and forecasts. Future taxable profits are influenced by a variety of general economic and business conditions, which are outside the control of the Group. A change in any of these assumptions could have an impact on the future profitability of the Group and may affect the recognition and/or recovery of deferred tax assets. The potential business impacts of various external factors have been reflected in the current forecasts. The recognition of deferred tax assets including those arising from tax losses has been determined with reference to these forecasts.
- Note 32: Share-based payment transactions
  The Group's long-term incentive plan awards premium priced options to Directors, Key Management Personnel and members of the Executive Leadership team. The Group measures the cost of these options by reference to their fair value at the date at which they are granted. The fair value is determined by using the Black-Scholes model which considers the terms and conditions upon which the options were granted. The accounting estimates and assumptions relating to these equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 32 for further information.
- Note 34: Contingent liabilities
  A possible obligation exists in relation to pending Class Action proceedings in which the Group is a defendant. The amount of liability, if any, cannot be estimated with reliability and hence no provision is recognised in the financial statements.

Note 2. Material accounting policies (cont.)

Key economic developments and external factors

Judgement has been exercised in considering the impacts of a series of events outside of the Group's control which has, or may have, impacted the historical, and may impact the future, performance of the Group. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and productivity, noting that the impacts may be different in the geographic regions in which the Group operates. Key factors are summarised below:

- Increased customer concentration in domestic Retail market;
- Global and domestic supply chain conditions impacting timing and cost of inbound and outbound logistics movements;
- Geopolitical conditions within Europe and the Middle East or changes in circumstances or policies impacting ability to trade in our key export markets or changes to key input costs such as transport and energy;
- Changes in inflation, interest rates, household consumption and discretionary spend; and
- Natural disasters and widespread adverse climate changes that directly impact our plants, other facilities or suppliers.

New and amended Accounting Standards and Interpretations issued but not yet effective

Certain new standards are effective for annual periods beginning after 1 July 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

Classification of Liabilities as Current or Non-Current (Amendments to AASB 101)

The amendments aim to clarify the requirements on determining whether a liability is current or non-current to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The amendments also clarify how a company classifies a liability that will be settled in its own shares. While the amendment addresses classification of liabilities, it does not require any changes in the financial statements disclosures. These amendments apply for annual reporting periods beginning on or after 1 January 2024. The amendments will first apply to the Group for the financial year ending 30 June 2025 and management is in the process of assessing the potential impact on the classification of these liabilities and the related disclosures.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*. The new standard introduces new requirements for the Statement of Profit or Loss, including:

- new categories for the classification of income and expenses into operating, investing and financing categories, and
- presentation of subtotals for "operating profit" and "profit before financing and income taxes".

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements and the presentation of interest and dividends in the statement of cash flows. The new standard is effective for annual periods beginning on or after 1 January 2027 and will first apply to the Group for the financial year ending 30 June 2028.

This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses, however there will likely be changes in how the Statement of Profit or Loss and Statement of Financial Position line items are presented as well as some additional disclosures in the notes to the financial statements. The Group is in the process of assessing the impact of the new standard.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to AASB 9 and AASB 7)

The amendments clarify how the contractual cash flows from financial assets should be assessed when determining their classification. The amendments also clarify the derecognition requirements of financial liabilities that are settled through electronic payment systems. The Group is in the process of assessing the impact of the amendments.

Notes to the Consolidated Financial Statements | 30 June 2024

Note 3. Operating segments

The Group is organised into two core business segments which is the basis on which the Group reports. The principal products and services of each of these operating segments are as follows:

Dairy & Nutritionals
A range of Long-life dairy milk beverage, nutritional products and performance and nutritional powders. These products are manufactured in Australia and New Zealand and sold in Australia and overseas.
Plant-based Milks
A range of Long-life dairy milk beverage, nutritional products and performance and nutritional powders. These products are manufactured in Australia and New Zealand and sold in Australia and overseas.

The 'Unallocated Shared Services' group consists of the Group's shared service functions that are not separately reportable and provide support services to other reportable operating segments. The Group's borrowings such as recourse debtor financing facilities, revolver financing facilities and equipment financing facilities (together with associated finance costs) are not considered to be segment liabilities but are managed by the central treasury function. Although the equipment financing facilities are not considered to be segment liabilities, the underlying equipment has been appropriately allocated to the related segment.

Operating segments are identified on the basis of internal reports that are regularly reviewed by the CEO in his capacity as the chief operating decision maker of the Group in order to allocate resources to the segments and assess their performance.

Set out below is an analysis of the Group's revenue and results by reportable operating segment for the period under review, together with prior year comparatives:

	Dairy & Nutritionals $'000	Plant-based Milks $'000	Unallocated Shared Services $'000	Total $'000
Consolidated - 2024				
Revenue				
Sales to external customers	412,237	177,552	-	589,789
Total revenue	412,237	177,552	-	589,789
Adjusted EBITDA[1]	5,605	49,476	(10,713)	44,368
Depreciation and amortisation	(9,803)	(6,076)	(551)	(16,430)
Impairment of non-financial assets	(47,903)	-	-	(47,903)
Net finance costs	(2,531)	(8,452)	(8,700)	(19,683)
Fair value changes of convertible notes	-	-	(58,975)	(58,975)
Profit/(loss) before income tax benefit	(54,632)	34,948	(78,939)	(98,623)
Income tax benefit	-	-	293	293
Profit/(loss) after income tax benefit	(54,632)	34,948	(78,646)	(98,330)
Assets				
Segment assets	143,916	131,688	39,855	315,459
Financial asset at FVOCI	-	-	743	743
Total assets	143,916	131,688	40,598	316,202
Liabilities				
Segment liabilities[2]	79,594	90,614	450,934	621,142
Total liabilities	79,594	90,614	450,934	621,142

[1] Refer to section 3.3 of the Directors Report for a reconciliation between Adjusted EBITDA and Adjusted operating EBITDA, a non-IFRS measure.
[2] Unallocated shared services liabilities include convertible notes, equipment finance, debtor financing facilities and revolver financing facilities which are not allocated to relevant operating segments.

Notes to the Consolidated Financial Statements | 30 June 2024

Note 3. Operating segments (cont.)

	Dairy & Nutritionals $'000	Plant-based Milks $'000	Unallocated Shared Services $'000	Total $'000
Consolidated - 2023				
Revenue				
Sales to external customers	389,204	162,357	-	551,561
Total revenue	389,204	162,357	-	551,561
Adjusted EBITDA[1]	7,883	42,768	(10,052)	40,599
Depreciation and amortisation	(11,191)	(7,809)	(894)	(19,894)
Impairment of non-financial assets	(8,235)	-	-	(8,235)
Net finance costs	(2,427)	(8,592)	(8,874)	(19,893)
Fair value changes of convertible notes	-	-	(39,486)	(39,486)
Profit/(loss) before income tax benefit	(13,970)	26,367	(59,306)	(46,909)
Income tax benefit	-	-	4	4
Profit/(loss) after income tax benefit	(13,970)	26,367	(59,302)	(46,905)
Assets				
Segment assets	191,805	134,392	51,006	377,203
Financial asset at FVOCI	-	-	743	743
Total assets	191,805	134,392	51,749	377,946
Liabilities				
Segment liabilities[2]	81,063	97,747	402,679	581,489
Total liabilities	81,063	97,747	402,679	581,489

[1] Refer to section 3.3 of the Directors Report for a reconciliation between Adjusted EBITDA and Adjusted operating EBITDA, a non-IFRS measure.
[2] Unallocated shared services liabilities include convertible notes, equipment finance, debtor financing facilities and revolver financing facilities which are not allocated to relevant operating segments.

All operations are conducted in Australia, except for sales offices in China and Singapore.

Non-current assets of the Group are based in Australia except for investment in JLL which is based in China. See note 12 for details on investment in JLL.

79% of total external sales of the Group are generated in Australia (2023: 77%) with 8% generated from China (2023: 12%) and 13% generated from other overseas countries (2023: 11%).

Information about major customers

Revenue from external sales of $589.8m (2023: $551.6m) includes revenue of approximately $212.1m (2023: $176.6m) generated from the top three retail customers representing 36% (2023: 32%) of total revenue. This revenue relates to both Plant-based Milks and Dairy & Nutritionals segments.

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Notes to the Consolidated Financial Statements | 30 June 2024

Note 4. Revenue

	Consolidated 2024 $'000	2023 $'000
Revenue		
Revenue from sale of goods	589,789	551,561

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for trading terms, rebates and other similar allowances.

The Group recognises its revenue from contracts with customers for the transfer of goods at a point in time i.e. when the goods are delivered, and the customer takes ownership.

Material accounting policies

The Group applies AASB 15 - Revenue from Contracts with Customers for revenue recognition. Revenue is recognised when control of the product has transferred and there is no unfulfilled obligation that could affect the customer's acceptance of the product. For domestic sales, the control is transferred when the product is delivered to the customer. Delivery occurs when the product has been shipped to the location specified by the customer and the customer accepts the product. For international sales, the transfer of control varies from order to order depending on the nature of the sales contract and the revenue is recognised when the goods are delivered and the customer takes ownership either when they are picked up from the Group's warehouse, delivered to the departure port or shipped to the destination port.

For segment information, refer to note 3.

Note 5. Other income/(expense)

	Consolidated 2024 $'000	2023 $'000
Other income:		
Net foreign exchange gain	285	-
Gain on revaluation of land (note 13)	63	-
Net gain on disposal of property, plant and equipment	25	208
Other	92	958
	465	1,166
Other expense:		
Onerous contracts provision (note 20)	(1,054)	(789)
Net foreign exchange loss	-	(603)
Other	(144)	(903)
	(1,198)	(2,295)
	(733)	(1,129)

Notes to the Consolidated Financial Statements I 30 June 2024

Note 6. Expenses

Loss before income tax includes the following specific expenses:

	Consolidated 2024 $'000	Consolidated 2023 $'000
Employee benefits		
Employee benefits expense excluding superannuation	65,185	62,311
Superannuation expenses	5,876	5,525
Share-based payments expense (note 32)	194	-
Total employee benefits	71,255	67,836
Depreciation and amortisation		
Depreciation expense of property, plant and equipment (note 13)	12,441	15,342
Depreciation expense of right of use assets (note 14)	3,819	4,382
Amortisation expense (note 15)	170	170
Total depreciation and amortisation expense	16,430	19,894
Depreciation and amortisation allocated to:		
Cost of sales	15,879	19,000
Administrative expenses	551	894
	16,430	19,894
Impairment of non-financial assets		
Property, plant and equipment (note 13)	43,130	8,235
Right of use assets (note 14)	4,773	-
	47,903	8,235

During the year, the Group has recognised impairment on certain non-financial assets which is described in more detail in notes 13, 14 and 15.

	Consolidated 2024 $'000	Consolidated 2023 $'000
Net finance costs		
Interest expense on bank borrowings	6,839	7,024
Interest on AASB 16 lease liabilities	10,234	10,002
Other financing costs	3,880	3,618
	20,953	20,644
Interest income	(1,270)	(751)
Net finance costs	19,683	19,893

Change in presentation in the consolidated statement of profit or loss

During the year, the Group modified the classification of the profit or loss impact of litigation and transformation expenses to present it as a separate line item in the consolidated statement of profit or loss. Comparative amounts in the consolidated statement of profit or loss were reclassified for consistency. As a result, $5.6m was reclassified from "administrative expenses" to "litigation and transformation expenses".

Notes to the Consolidated Financial Statements I 30 June 2024

Note 7. Income tax benefit

	Consolidated 2024 $'000	Consolidated 2023 $'000
Income tax benefit		
Income tax expense/(refund)	26	(4)
Deferred tax income relating to the origination and reversal of temporary differences and unused tax losses	(319)	-
Aggregate income tax benefit	(293)	(4)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(98,623)	(46,909)
Tax at the statutory tax rate of 30%	(29,587)	(14,072)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Fair value changes in convertible notes through profit or loss	17,692	11,846
Effect of other expenses that are not deductible in determining taxable profit	1,596	235
Over-provision in respect of prior years	(8)	935
	(10,307)	(1,056)
Current year tax losses not recognised	7,365	7,757
Current year temporary differences not recognised (note 28)	2,649	(6,705)
Income tax benefit	(293)	(4)
Amounts recognised in OCI and statement of changes in equity		
Gain on revaluation of land	319	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

The Group assesses unused tax losses at each reporting period and records a deferred tax asset only to the extent that it is probable that future taxable profits or taxable temporary differences will be available against which tax losses can be utilised. During FY24, the Group recorded a deferred tax liability of $0.3m in other comprehensive (OCI) related to gain on revaluation of land arising from increase in market value (refer to note 31). Since the Group has sufficient unused tax losses, an equal amount of deferred tax asset was recorded in profit or loss to offset the deferred tax liability recorded in OCI. The total comprehensive income for FY24 remain unchanged, as income tax benefit arising from recognition of deferred tax asset in profit or loss is offset by income tax expense in OCI arising from gain on revaluation of land.

Note 7. Income tax benefit (cont.)

Material accounting policies

Current tax

Current tax is calculated as the expected amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes. No deferred tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income except where it relates to items accounted for directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

The amount of the benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

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

Current and deferred tax for the period

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

Uncertain tax position

If the Group concludes that it is not probable the tax authorities will accept a tax position, it uses the “most likely amount” or “expected value” in determining its tax balances. Any subsequent variation between the “most likely amount/expected value” and the amount recorded in the consolidated financial statements are adjusted in the period in which such variation occurs.

Note 8. Earnings per share

	2024 Number	2023 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	277,109,319	277,109,319
Weighted average number of ordinary shares used in calculating diluted earnings per share	277,109,319	277,109,319

	Consolidated	
	2024 $'000	2023 $'000
Loss after income tax attributable to the owners of Noumi Limited	(98,330)	(46,905)

	Cents	Cents
Basic earnings per share	(35.48)	(16.93)
Diluted earnings per share	(35.48)	(16.93)

Notes to the Consolidated Financial Statements I 30 June 2024

At 30 June 2024, there were 277,109,319 ordinary shares (2023: 277,109,319) on issue and 101,130 convertible redeemable preference shares (2023: 101,130).

The following potential ordinary shares are anti-dilutive (meaning they have the effect of decreasing the loss per share upon conversion) and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share. These anti-dilutive potential ordinary shares are calculated after taking into consideration principal and capitalised interest on convertible notes at 30 June 2024.

	Consolidated	
	2024 Number	2023 Number
Convertible notes (note 25)		
Tranche A	473,365,658	451,470,571
Tranche B	97,593,440	93,079,347
	570,959,098	544,549,918

On 30 July 2021, the Group issued 27,698,189 options which were quoted on the ASX from 2 August 2021. The options are exercisable at $0.98 per option any time during the period commencing on the business day immediately following the release of FY23 annual report and 30 July 2027. At 30 June 2024, all options remain outstanding and are anti-dilutive potential ordinary shares therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.

During the year ended 30 June 2024, a share option plan has been established by the Group whereby 15,897,812 options have been granted to Directors, Key Management Personnel and Executives. These options are exercisable at the price of $0.2255 per option at any time during the period from 11 September 2026 to 11 September 2027. At 30 June 2024, 14,822,255 options remain outstanding. These options have not yet vested and are anti-dilutive potential ordinary shares and hence have not been considered for determination of diluted earnings per share for year ended 30 June 2024.

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Noumi 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 issues.

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.

Note 9. Cash and cash equivalents

	Consolidated	
	2024 $'000	2023 $'000
Cash at bank	14,591	18,560

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Note 10. Trade and other receivables

	Consolidated 2024 $'000	2023 $'000
Trade receivables	54,548	48,641
Less: Allowance for expected credit losses	(1,279)	(1,301)
	53,269	47,340
Other receivables	4,315	3,255
	57,584	50,595

The credit period on sales of goods ranges from 30 to 70 days for domestic sales and up to 120 days for international sales. An allowance has been made for estimated unrecoverable trade receivable amounts arising from past sale of goods, determined by expected credit losses. The expected loss rates are based on the payment profiles of sales over a period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables as well as customers identified to have known issues which might affect recoverability. The Group does not hold any collateral over these balances. The loss allowance for trade receivables as at 30 June 2024 and 30 June 2023 was determined as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Consolidated	2024	2023	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Not overdue	-	0.08%	47,312	37,095	-	29
0 to 3 months overdue	-	-	5,582	10,015	-	-
3 to 6 months overdue	30.22%	-	364	228	110	-
Over 6 months overdue	90.63%	97.60%	1,290	1,303	1,169	1,272
			54,548	48,641	1,279	1,301

Top five customers represent 34% of year end receivables (2023: 35%).

The Group holds letters of credit over export receivables of $0.9m (2023: $3.1m). The letters of credit are issued by reputable financial institutions and equal the carrying amount of the relevant receivables. Refer to note 33 for further details on the Group's exposure to, and management of, credit risk.

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

	Consolidated 2024 $'000	2023 $'000
Opening balance	1,301	1,329
Additional provisions recognised	427	132
Unused amounts reversed	(76)	(160)
Receivables written off during the year as uncollectable	(373)	-
Closing balance	1,279	1,301

Material accounting policies

Trade receivables are recognised initially at the amount of consideration that is unconditional.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. This approach also considers the qualitative factors surrounding the debtors and the risks that they may have or will be facing as a result of the impact of unusual situations on their business operations and financial position. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due.

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Note 11. Inventories

	Consolidated 2024 $'000	2023 $'000
Raw materials and packaging - at cost	16,459	16,285
Work in progress - at cost	1,501	2,965
Finished goods - at cost	20,894	19,307
Finished goods - at net realisable value	1,308	2,758
	22,202	22,065
Inventory spares and consumables - at cost	13,209	12,721
	53,371	54,036

Total cost of sales recognised as an expense during the year was $444.0m (2023: $416.8m).

During the year, write-downs of inventories amounting to $1.6m (2023: $0.5m), were recognised as an expense and included in cost of sales in the statement of profit or loss. This write-down mainly arose as a result of slow moving, obsolete and discontinued products.

Material accounting policies

Inventories are measured at the lower of cost and net realisable value ('NRV').

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, packaging and inventory spares: purchase cost on a first in, first out basis.
- Manufactured finished goods: cost of direct materials, direct labour and an appropriate proportion of manufacturing variable and fixed overheads based on normal operating capacity but excluding borrowing costs.
- Purchased finished goods: purchase cost on a weighted average cost basis.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Note 12. Financial asset at fair value through other comprehensive income

Financial asset at FVOCI comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. This is a strategic investment and the Group considers this classification to be more relevant.

Equity investment at FVOCI comprise the following individual investment:

	Consolidated 2024 $'000	2023 $'000
Investment - Shenzhen JiaLile Co. Limited (JLL)	743	743
Movement of the fair values at the beginning and end of the current and previous financial year is set out below:		
Opening balance	743	5,857
Adjustment for shareholder loan capitalised	-	(412)
Change in fair value recorded in other comprehensive income	-	(4,702)
Closing balance	743	743

The determination of the fair value of the investment in JLL requires judgement and the Group determined the fair value by applying the income approach. The fair value was estimated based on cashflow forecast discounted using an appropriate discount rate.

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Note 13. Property, plant and equipment

	Consolidated 2024 $'000	2023 $'000
Freehold land - at independent valuation	5,325	4,200
Buildings - at cost	5,563	5,480
Less: accumulated depreciation	(4,181)	(3,745)
	1,382	1,735
Plant and equipment - at cost	328,575	324,477
Less: accumulated depreciation	(118,529)	(106,348)
Less: accumulated impairment	(109,437)	(66,307)
	100,609	151,822
Capital work in progress	15,941	15,350
Less: accumulated impairment	(10,924)	(10,924)
	5,017	4,426
	112,333	162,183

Movements in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current and previous financial year are set out below:

Consolidated	Freehold land $'000	Buildings $'000	Plant and equipment $'000	Capital work in progress $'000	Total $'000
Balance at 1 July 2022	4,200	2,368	171,197	5,521	183,286
Additions	-	-	34	3,687	3,721
Transfers at completion of projects	-	-	4,272	(4,272)	-
Disposal of assets	-	-	(160)	-	(160)
Write off of assets	-	-	(577)	(510)	(1,087)
Impairment	-	-	(8,235)	-	(8,235)
Depreciation expense	-	(633)	(14,709)	-	(15,342)
Balance at 30 June 2023	4,200	1,735	151,822	4,426	162,183
Additions	-	-	51	2,957	3,008
Revaluation (note 31)	1,125	-	-	-	1,125
Transfers at completion of projects	-	83	2,283	(2,366)	-
Disposal of assets	-	-	(8)	-	(8)
Transfer from right of use assets[1] (note 14)	-	-	1,596	-	1,596
Impairment	-	-	(43,130)	-	(43,130)
Depreciation expense	-	(436)	(12,005)	-	(12,441)
Balance at 30 June 2024	5,325	1,382	100,609	5,017	112,333

[1] This represents the net book value of a plant and equipment that was initially recognised as a right of use asset. At the end of the lease term, the Group exercised the purchase option under the lease agreement and the asset has been transferred to property, plant and equipment in the current year. The associated obligation recorded within lease liabilities was transferred to trade and other payables and settled during the year.

No internal labour cost was capitalised on plant and equipment commissioned during years ended 30 June 2024 and 30 June 2023.

Included in plant and equipment is an amount of $37.2m (2023: $50.6m) related to equipment obtained under equipment finance facilities as disclosed in note 24.

The Group carried out a review of the recoverable amount of the CGUs as detailed in note 15. The review led to the recognition of impairment of plant and equipment in Dairy & Nutritionals CGU amounting to $43.1m.

Notes to the Consolidated Financial Statements I 30 June 2024

Material accounting policies

Freehold Land is recognised at fair value. A revaluation surplus is credited to reserves in shareholders' equity.

Plant and equipment, motor vehicles and equipment obtained under equipment finance facilities are stated at cost less accumulated depreciation and impairment.

Capital work in progress ("CWIP") represents asset under construction and not yet commissioned and includes all expenditure directly attributable to bringing the asset to its working condition for its intended use which are incremental and unavoidable as a result of the construction of the asset. CWIP is assessed for impairment at each reporting period.

Costs include installation costs, delivery costs, consultancy costs incurred to install the asset, fit out costs, interest on associated borrowings, project labour costs and commissioning costs. Start-up costs and similar pre-production costs do not form part of the cost of an asset unless they are necessary to bring the asset to its working condition. Initial operating losses incurred prior to an asset achieving planned performance are recognised as an expense. Estimated expenditure of dismantling and site restoration (where applicable) is included in the cost of the asset.

The costs will be initially recognised as CWIP from the time that it satisfies the general recognition criteria for assets under the accounting standards.

The Group formally assesses whether project costs are to be reclassified from CWIP to Plant and Equipment. An asset is considered to be capable of operating in the manner intended by management when it is consistently capable of producing saleable product. This assessment is done periodically taking into consideration when the commissioning phase of each asset has been completed i.e. when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. At this point, it is classified as property, plant and equipment, to be depreciated from the date of reclassification over the useful life of the asset.

Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Accounting estimates

The following depreciation rates are used in the calculation of depreciation:

- Buildings 20-40 years
- Plant and equipment 5-20 years
- Leased plant and equipment 5-20 years

Freehold land is not depreciated.

Note 14. Right of use assets

	Consolidated 2024 $'000	2023 $'000
Right of use asset - Land and buildings	82,227	81,012
Less: accumulated depreciation	(22,707)	(20,607)
Less: accumulated impairment	(14,140)	(9,367)
	45,380	51,038
Right of use asset - Plant and equipment	4,734	7,063
Less: accumulated depreciation	(2,795)	(2,402)
Less: accumulated impairment	(358)	(358)
	1,581	4,303
	46,961	55,341

Note 14. Right of use assets (cont.)

Movement of the written down values of the right of use assets at the beginning and end of the current and previous financial year is set out below:

Consolidated	Land and buildings $'000	Plant and equipment $'000	Total $'000
Balance at 1 July 2022	62,762	456	63,218
Additions	1,530	3,864	5,394
Reclassification	(1,168)	1,168	-
Remeasurements (note 23)	(8,848)	-	(8,848)
Adjustment/write off	(12)	(29)	(41)
Depreciation expense	(3,226)	(1,156)	(4,382)
Balance at 30 June 2023	51,038	4,303	55,341
Additions	216	-	216
Remeasurements (note 23)	1,616	49	1,665
Transfer to property, plant and equipment (note 13)	-	(1,596)	(1,596)
Adjustment/write off	(120)	47	(73)
Impairment	(4,773)	-	(4,773)
Depreciation expense	(2,597)	(1,222)	(3,819)
Balance at 30 June 2024	45,380	1,581	46,961

The Group leases land and buildings for its offices, warehouses and manufacturing plant under agreements of between 2 to 20 years with, in some cases, options to extend to 30 years. The leases have various rental escalation clauses. On renewal or option extension, the rent can be renegotiated. Other right of use assets mainly consists of operating plant and equipment obtained under lease agreements (previously described as operating leases) of between 2 to 5 years.

During the year, the Group also recognised as expense, rental of short term leases amounting to $2.1m (2023: $1.8m) and variable lease payments not included in right of use assets and lease liabilities amounting to $1.2m (2023: $1.2m).

The Group carried out a review of the recoverable amount of the CGUs as detailed in note 15. The review led to the recognition of impairment of right of use assets in Dairy & Nutritionals CGU amounting to $4.8m.

Material accounting policies

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is initially measured at cost, which comprises:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives and any initial direct costs incurred by the lessee
- An estimate of the costs to dismantle and remove underlying asset or to restore the underlying asset

Subsequently the right-of-use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is depreciated over the shorter period of the lease term and the economic useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group will exercise a purchase option, the asset will be depreciated from the commencement date to the end of the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

If the recoverable amount of a right-of-use asset is less than its carrying value, an impairment charge is recognised in the profit or loss account, and the carrying value of asset written-down to its recoverable amount. Should the recoverable amount increase in future periods the carrying value may be adjusted to the lower of the recoverable value or the amortised cost of the asset had it not been impaired.

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 the statement of profit or loss as incurred.

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Note 15. Intangibles

	Consolidated 2024 $'000	Consolidated 2023 $'000
Brand names and trademarks	21,445	21,445
Less: accumulated impairment	(15,563)	(15,563)
	5,882	5,882
Software - at cost	850	850
Less: accumulated amortisation	(425)	(255)
	425	595
	6,307	6,477

Consolidated	Brand names and trademarks $'000	Software $'000	Total $'000
Balance at 1 July 2022	5,882	765	6,647
Amortisation expense	-	(170)	(170)
Balance at 30 June 2023	5,882	595	6,477
Amortisation expense	-	(170)	(170)
Balance at 30 June 2024	5,882	425	6,307

The carrying amount of brand names and trademark is allocated to Consumer Nutritionals cash generating unit.

Brand names and trademarks

The Group carries $5.9m (2023: $5.9m) of brand names with indefinite useful lives.

Assessment of the carrying value of cash generating units

During the year ended 30 June 2024, the Group assessed if there are any indications of impairment. Considering the financial performance of Dairy & Nutritionals and Consumer Nutritional CGUs, the Group carried out an impairment assessment which is detailed below:

Dairy & Nutritionals

The Dairy & Nutritionals CGU, which forms part of Dairy & Nutritionals operating segment along with Consumer Nutritionals CGU, produces branded dairy Long-life (shelf stable) products under Group owned and third party owned brands. It also produces nutritional products such as Lactoferrin for sale to domestic and international customers.

The recoverable amount of the Dairy & Nutritionals CGU has been determined using the discounted cash flow forecast to determine the value-in-use of the CGU as a whole utilising forecast cash flows for the period FY25 to FY29 and a terminal cashflow.

Due to the challenging operating environment for Dairy & Nutritionals, the Group recognised a non-cash asset impairment of $47.9m. Global dairy prices continue to create challenging conditions for Noumi's Long-life dairy milk export sales and bulk commodities, with a disadvantage due to price competition from countries with lower cost of raw milk. Accordingly, based on the revised assessment of expected future cashflows, the Group recorded an impairment expense of $43.1m on plant and equipment and $4.8m on right of use assets.

Consumer Nutritionals

The Consumer Nutritionals CGU produces branded protein powders for sale mainly to domestic customers, predominantly through the pharmacy and grocery channels and includes Vital Strength, UPROTEIN and Crankt brands. This CGU forms part of the Dairy & Nutritionals operating segment.

The recoverable amount of the Consumer Nutritionals CGU has been determined using discounted cash flow forecast to determine the value-in-use of the CGU, utilising forecast cash flows for the period FY25 to FY29 and a terminal cash flow.

In calculating the value-in-use, the recoverable amount was materially consistent with the carrying value and as a result no impairment was recognised.

Notes to the Consolidated Financial Statements | 30 June 2024

Note 15. Intangibles (cont.)

Key assumptions

In calculating the recoverable amount of the CGUs a discounted cash flow model was utilised forecasting cash flows for the period FY25 to FY29. The following key assumptions were made:

	Dairy & Nutritionals		Consumer Nutritionals	
Key assumptions	2024	2023	2024	2023
Long term growth rate (terminal value)	2.50%	2.50%	2.50%	2.50%
Post tax discount rate	9.50%	9.50%	10.00%	10.00%
Revenue growth rate (CAGR[1])	0.92%	3.89%	4.19%	3.69%
Year 5/terminal year USD exchange rate (cents)	66.00	66.00	-	-
Year 5/terminal year operational efficiencies ($'m)	0.90	0.90	-	-

[1] CAGR - Compounded Annual Growth Rate

The Group has determined the values assigned to each of the above key assumptions as follows:

Long term growth rate

This is the weighted average growth rate used to extrapolate cash flows beyond the forecast period. The rates are consistent with forecasts included in industry reports.

Post tax discount rate

Reflects specific risks relating to the relevant segments and the countries in which they operate.

Revenue growth rate

Revenue growth rate includes considerations of sales volume and sales price assumptions:

- Sales volume: The Group has not considered any growth in sales volume over the five-year forecast period.
- Sales price: Based on recent price negotiations with customers which are incorporated in FY25 cash flows and average annual growth rate over the remaining 5 years forecast period based on long term inflation forecasts and expected input costs inflation.

USD exchange rate

Reflects the market expectation of USD exchange rate in year 5.

Operational efficiencies

Based on management's expectation of the realisation of future cost savings from the ongoing operational excellence program.

Judgement has been exercised in determining the best estimate of cash flow forecasts used for impairment testing which reflects reasonable and supportable assumptions at the reporting date. Future profitability and cash flow forecasts may be impacted by risks and uncertainties associated with geopolitical events.

Sensitivities

The impact of the change in any single assumption on the recoverable amount of the Dairy & Nutritionals and Consumer Nutritionals CGUs as at 30 June 2024 is summarised below:

	Dairy & Nutritionals		Consumer Nutritionals	
Key assumptions	Change	Impact $000	Change	Impact $000
Long term growth rate (terminal value)	0.25%	2,060	0.25%	355
	(0.25%)	(1,918)	(0.25%)	(332)
Post tax discount rate	0.25%	(2,821)	0.25%	(473)
	(0.25%)	3,018	(0.25%)	505
Revenue growth rate (CAGR)	5.00%	5,279	5.00%	616
	(5.00%)	(5,279)	(5.00%)	(616)
Year 5/terminal year USD exchange rate (cents)	0.01	(1,851)	-	-
	(0.01)	1,908	-	-
Year 5/terminal year operational efficiencies ($'m)	0.50	3,302	-	-
	(0.50)	(3,345)	-	-

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Plant-based Milks

No impairment indicators were noted in relation to Plant-based Milks CGU.

Material Accounting Policies

Brand names and trademarks

The brand names relate to established major brands purchased as part of business combinations. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Carrying value does not include internally generated brand names or trademarks such as Milklab.

Impairment of goodwill and other intangible assets

Determining whether goodwill or other intangible assets are impaired requires an estimation of the recoverable amount of the cash generating units (CGU) to which the goodwill or other intangible assets have been allocated. The recoverable amount is determined using a value in use or fair value less cost to sell method. The cash generating units are subject to annual impairment testing as they hold indefinite life intangible assets amongst their assets. If impairment testing leads to recognition of an impairment loss, then the loss is initially allocated to goodwill (if any), and then subsequently on a pro-rata basis across other assets in the CGU. No individual asset is impaired below fair value less costs of disposal.

Impairment testing requires a high degree of judgement in assessing whether the carrying value of assets is supported by their recoverable amount. The Group uses the relief from royalty method to determine the fair value of the brand names and trademarks and considers this to be a Level 3 treatment of the fair value hierarchy.

Software

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the asset's estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Employee benefit expenses and interest costs are not capitalised into the cost of intangible assets.

Software-as-a-service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received unless such costs are incurred for the development of software code that is under the Groups control.

The costs incurred for the development of software code that enhances or modifies or creates additional capability to existing on-premise systems and is under the Group's control meet the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

In a contract where the cloud provider provides both the SaaS configuration and customisation, and the SaaS access over the contract term, judgement is applied to determine whether these services are distinct from each other or not, and therefore, whether the configuration and customisation costs incurred are expensed as the software is configured or customised (i.e. upfront), or over the SaaS contract term. Specifically, where the configuration and customisation activities significantly modify or customise the cloud software, these activities will not be distinct from the access to the cloud software over the contract term. Judgement has been applied in determining whether the degree of customisation and modification of the cloud-based software that would be deemed significant.

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Note 16. Other financial assets

Other financial assets represent a term deposit placed with one of the Group's senior lenders as a security for the bank guarantee facility of initially US$18.0m and subsequently reduced to US$12.4m at 30 June 2024 (2023: US$16.9m) (refer to note 34). The bank guarantee facility was used for the issuance of US$18.0m bank guarantee which secured the future instalment obligations related to US litigation settlement made in FY22 and is progressively stepping down from March 2023 until January 2027 as instalments are paid. Accordingly, the term deposit is also progressively released to the Group over the same period.

	Consolidated	
	2024 $'000	2023 $'000
Term Deposit		
Current	6,976	7,125
Non-Current	11,889	18,665
	18,865	25,790

Movement in the carrying amount at the beginning and end of the current and previous year is set out below:

	2024 $'000	2023 $'000
Opening balance	25,790	-
Additions	-	24,807
Accrued Interest	1,047	744
Proceeds from step down in term deposit (including interest)[1]	(8,046)	(2,086)
Unrealised exchange gain	74	2,325
Closing balance	18,865	25,790

[1] Proceeds during the year include principal amounting to $6.8m (2023: $1.7m) and interest received on term deposit amounting to $1.2m (2023: $0.4m).

Proceeds from the term deposit is utilised to settle amount payable under the US litigation settlement agreement classified as other financial liabilities. Within the consolidated statement of cash flows, the proceeds from term deposits are disclosed within investing activities whereas the payments of the US litigation settlement are classified within operating activities.

Material accounting policies

Term deposit is classified as 'financial assets measured at amortised cost' under AASB 9 and recorded at face value, which is equivalent to its amortised cost using the effective interest method. Interest is accrued over the term of deposits and is received periodically or at maturity. Interest accrued but not received is included in accrued interest.

For the purposes of cash flow statement, term deposit is classified as cash and cash equivalents if it is held for the purpose of meeting short term cash commitments rather than for investment or other purposes. In other words, it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, a term deposit normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

Notes to the Consolidated Financial Statements I 30 June 2024

Note 17. Trade and other payables

	Consolidated	
	2024 $'000	2023 $'000
Trade payables	39,689	43,890
Accrued expenses	11,752	10,920
Other payables	5,001	4,724
	56,442	59,534

	Consolidated	
	2024 $'000	2023 $'000
Payable to related parties (note 37)	1,216	996

Trade payables, including amounts payable for capital expenditure, are paid on average within 60 days of invoice date (2023: 60 days).

Material accounting policies

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Note 18. Lease liabilities - Current

	Consolidated	
	2024 $'000	2023 $'000
AASB 16 lease liabilities	1,620	3,737

Refer to note 23 for further information on leasing arrangements.

Note 19. Bank borrowings - Current

	Consolidated	
	2024 $'000	2023 $'000
Recourse debtor financing facilities	18,050	12,022
Equipment financing facilities	16,093	12,502
	34,143	24,524

Refer to note 24 for further information on financing arrangements.

Notes to the Consolidated Financial Statements | 30 June 2024

Note 20. Provisions

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current		
Litigation settlement provision	2,050	-
Onerous contracts provision	1,054	243
Lease make good provision	-	53
Other restructuring provisions	-	230
	3,104	526
Non-current		
Litigation settlement provision	3,000	-
	6,104	526

Movements in provisions

Movements in each class of provision at the beginning and end of the current and previous financial year are set out below:

Consolidated	Litigation settlement provision $'000	Onerous contracts provision $'000	US litigation settlement related provision $'000	Lease make good provision $'000	Other restructuring provision $'000	Total $'000
Balance at 1 July 2022	-	4,683	3,948	200	520	9,351
Additional provisions recognised	-	789	-	-	93	882
Amounts used	-	(5,229)	(3,435)	-	(328)	(8,992)
Unused amounts reversed	-	-	(513)	(147)	(55)	(715)
Balance at 30 June 2023	-	243	-	53	230	526
Additional provisions recognised	5,050	1,054	-	-	-	6,104
Amounts used	-	(243)	-	-	(78)	(321)
Unused amount reversed	-	-	-	(53)	(152)	(205)
Balance at 30 June 2024	5,050	1,054	-	-	-	6,104

Notes to the Consolidated Financial Statements | 30 June 2024

Litigation settlement provision for ASIC civil penalty proceedings

On 24 February 2023, ASIC commenced civil penalty proceedings against Noumi and two of the Company's former officers in the Federal Court of Australia in relation to alleged historic breaches of continuous disclosure obligations. The Company admitted liability to two contraventions on a qualified basis. The proceedings against the Company in relation to penalty were the subject of a hearing held on 18 July 2024. Following the hearing, the Federal Court issued a judgement determining that the appropriate penalty amount was $5.0m payable in instalments over the course of the next 2 years. Accordingly, the Group has recognised a provision of $5.05m (including contribution to ASIC costs) in the consolidated financial statements.

Material accounting policies

Onerous contracts provision

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs of meeting the obligations under the contract are the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil it. Onerous contract provision represents the present value of net unavoidable costs that will be incurred until the end of the contract where the obligation is expected to exceed the economic benefit to be received.

Provision for legal claims, make good obligations and restructuring expenses

Provisions for legal claims, make good obligations and restructuring expenses are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any individual item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Note 21. Employee benefit obligations - Current

	Consolidated 2024 $'000	Consolidated 2023 $'000
Annual leave	5,316	5,187
Long service leave	809	654
	6,125	5,841

Material accounting policies

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Note 22. Other financial liabilities - Current

	Consolidated 2024 $'000	Consolidated 2023 $'000
US litigation settlement liability	6,793	6,787

The litigation settlement amount represents the current portion of the amount payable under the US litigation settlement agreement being the future payments due within the next 12 months.

Notes to the Consolidated Financial Statements | 30 June 2024

Note 23. Lease liabilities - Non current

	Consolidated 2024 $'000	2023 $'000
AASB 16 lease liabilities	90,834	89,359
Current (note 18)	1,620	3,737
Non-current	90,834	89,359
	92,454	93,096
Movement of total lease liabilities (current and non-current) during the current and previous financial year is as follows:		
Opening balance	93,096	97,744
Additions	216	5,394
Repayment	(10,923)	(11,196)
Reclassified to trade and other payables (note 13)	(1,798)	-
Remeasurements[1]	1,665	(8,848)
Write-off	(36)	-
Interest	10,234	10,002
Closing balance	92,454	93,096
The following table presents the contractual undiscounted cash flows for lease obligations as at 30 June 2024:		
Within one year[2]	10,950	12,757
One to five years[2]	44,421	42,813
More than five years[3]	82,124	91,514
More than five years - extension options assumed to be exercised[4]	132,592	132,508
	270,087	279,592

[1] The Group remeasured its land and building lease with a related party at Shepparton (VIC) site due to increase in rentals arising from certain enhancements performed by the related party at the site.
[2] Non-cancellable lease payments.
[3] Non-cancellable lease payments, subject to market review.
[4] Cancellable lease but extension options are considered reasonably certain to be exercised, subject to market review.

Refer to note 33 for further information on financial instruments.

Material accounting policies

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.

Variable lease payments not included in the initial measurement of the lease liability are recognised directly in the statement of profit or loss.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index of rate or a change in the amount expected to be payable under a residual value guarantee; or
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Notes to the Consolidated Financial Statements | 30 June 2024

Note 24. Bank borrowings - Non current

	Consolidated 2024 $'000	2023 $'000
Revolver financing facilities	28,000	28,000
Equipment financing facilities	34,493	50,555
Less: transaction costs	(371)	(654)
	62,122	77,901

Refer to note 33 for further information on financial instruments.

Total drawn secured bank borrowings

The total drawn secured bank borrowings (current and non-current) are as follows:

	Consolidated 2024 $'000	2023 $'000
Revolver financing facilities	28,000	28,000
Recourse debtor financing facilities	18,050	12,022
Equipment financing facilities	50,586	63,057
	96,636	103,079

Banking Facilities

The Group's primary bank facilities are with HSBC Bank Australia Limited (HSBC) and National Australia Bank (NAB). They include a syndicated revolving credit facility (from HSBC and NAB), equipment financing facilities (from NAB) and debtor financing facilities (from HSBC).

The Group has other bi-lateral facilities from a range of financiers including equipment finance and other general transactional banking facilities as required for the operations of the Group's business.

Syndicated Revolving Credit Facility

The Group has a $46.0m (2023: $46.0m) syndicated revolving credit facility with HSBC and NAB with a maturity date of 4 July 2025. The facility was further extended to 4 October 2025 subsequent to the year end. No other significant changes were made as part of the extension agreement. The Group had utilised $28.0m (2023: $28.0m) at 30 June 2024 with the balance undrawn.

The syndicated facility is secured over all the assets and undertaking of the Group (other than low value subsidiaries), as well as mortgages over real property owned by the Group and key property leases.

Equipment Financing Facilities

The equipment financing facilities relate to specific equipment operating at the Group's Shepparton and Ingleburn operating sites. It also includes vehicle financing facilities. The equipment finance facilities are secured over the assets financed under the relevant facility. These facilities are over a period of 1 to 6 years and the final residuals on the current arrangements are due between 2024 and 2027.

Debtor Finance Facilities

HSBC has provided the Group with a limited recourse debtor finance facility of $55.0m (2023: $55.0m), which forms part of the Group's working capital management. Under this facility, the Group sells receivables of its major customers to HSBC in exchange for cash. These receivables are de-recognised as an asset, as the significant risk associated with the collection of the receivables is transferred to HSBC at the time of sale. Accordingly, the amount funded under this facility is not recognised as a liability by the Group. The funded amount under this facility as at 30 June 2024 was $48.6m (2023: $41.5m).

The Group also has a full recourse debtor finance facility with total limit of $20.0m (2023: $20.0m). Under this facility, the Group sells receivables from its Out-of-home channel. The receivables are recognised as an asset since the risk has not fully transferred to HSBC at the time of sale. The Group is responsible for the collection of the receivables. HSBC has recourse to the Group if the debt is unrecoverable. As at the balance sheet date, the Group utilised an amount of $18.1m (2023: $12.0m) from the full recourse debtor finance facility. An equal amount of trade receivables is held as collateral against utilised facility.

Note 24. Bank borrowings - Non current (cont.)

The total banking facilities as at 30 June 2024 are shown below:

	Consolidated 2024 $'000	2023 $'000
Total facilities		
Revolver financing facilities	46,000	46,000
Recourse debtor financing facilities	20,000	20,000
Equipment financing facilities	50,586	63,057
	116,586	129,057
Used at the reporting date		
Revolver financing facilities	28,000	28,000
Recourse debtor financing facilities	18,050	12,022
Equipment financing facilities	50,586	63,057
	96,636	103,079
Unused at the reporting date		
Revolver financing facilities	18,000	18,000
Recourse debtor financing facilities	1,950	7,978
Equipment financing facilities	-	-
	19,950	25,978

The table above does not contain the limited recourse debtor financing facility.

Unutilised financing facilities

The Group had unutilised banking facilities relating to revolving financing facilities amounting to $18.0m (2023: $18.0m) as at 30 June 2024. The Group has unutilised banking facilities relating to recourse debtor financing facilities which are available to the Group only in certain circumstances, amounting to $2.0m (2023: $8.0m) at 30 June 2024.

In the statement of cash flows, the funds received from the bank under the limited recourse debtor facility are included in cash flows from operations as receipts from customers. Funding received from the full recourse debtor facility is included in the consolidated statement of cash flows under financing activities as proceeds from borrowings.

Note 25. Convertible notes

	Consolidated 2024 $'000	2023 $'000
Financial liabilities carried at fair value - Convertible notes		
Tranche A	311,849	267,354
Tranche B	33,197	28,124
	345,046	295,478
Current	18,369	-
Non-Current	326,677	295,478
	345,046	295,478

Current portion represents quarterly payments due in the next 12 months. These payments are due on the last day of each quarter or the following business day where the last day is a public holiday.

Tranche A

The Group issued 265,000,000 unlisted, subordinated, secured, redeemable convertible loan notes on 27 May 2021. A summary of the key terms of convertible notes is summarised below:

- fully paid – the issue price of $1.00 per note is paid to the Group before the notes are issued;
- maturity - the notes have a maturity date of 6 years from issuance;
- redeemable – the notes may be redeemed, which means the Group may be required to buy back the notes on or prior to the maturity date at the Makewhole Amount ranging between $463.8m in Year 1 to $609.5m in Year 6 ($1.75 in Year 1 to $2.30 in Year 6 per note) subject to certain conditions. Make whole amount is reduced by cash interest paid prior to maturity. Assuming minimum cash obligations ($62.6m) are met, the amount payable on maturity would be $546.9m;
- subordinated secured – the notes are secured by security granted by the Group and the Guarantors over all of their assets and undertakings, to the Trustee under the terms of the Transaction Documents;
- ranked, for security purposes, after all Priority Permitted Debt – the notes have priority over the Group's ordinary shares, all Shortfall Debt and the claims of unsecured creditors, however the notes rank behind the Group's Priority Permitted Debt and the claims of other creditors with priority at law in a winding up;
- convertible into shares – the notes are converted into shares calculated by dividing the Equity Conversion Amount by a Conversion Price of $0.70;
- equity conversion amount – the aggregate face value of the total number of Notes subject to the conversion plus the amount of interest accrued/capitalised but unpaid;
- interest - for the first 27 months the Notes bear a cash interest of 7.0% p.a. or of 8.5% p.a. if the interest payment is capitalised. After the first 27 months, the Group can elect to pay 7.0% cash interest p.a. or to pay a total interest rate of 8.5% p.a. with a minimum of 5.0% p.a. paid in cash and the remaining 3.5% p.a capitalised.

The references to the above mentioned terms can be found in the transaction documents released on 27 May 2021.

Tranche B

The Group issued 27,200,000 unlisted, subordinated, secured, redeemable convertible loan notes on 4 May 2022. A summary of the key terms of convertible notes is summarised below:

- fully paid – the issue price of $1.00 per note is paid to the Group before the notes are issued;
- maturity – the notes have a maturity date of 5 years from issuance;
- redeemable – the notes may be redeemed, which means the Group may be required to buy back the notes on or prior to the maturity date at the Makewhole Amount ranging between $47.3m in Year 1 to $62.6m in Year 5 ($1.74 in Year 1 to $2.30 in Year 5 per note) subject to certain conditions. Make whole amount is reduced by cash interest paid prior to maturity. Assuming minimum cash obligations ($5.9m) are met, the amount payable on maturity would be $56.2m;
- subordinated secured – the notes are secured by security granted by the Group and the Guarantors over all of their assets and undertakings, to the Trustee under the terms of the Transaction Documents;
- ranked, for security purposes, after all Priority Permitted Debt – the notes have priority over the Group's ordinary shares, all Shortfall Debt and the claims of unsecured creditors, however the notes rank behind the Group's Priority Permitted Debt and the claims of other creditors with priority at law in a winding up;
- convertible into shares – the notes are converted into shares calculated by dividing the Equity Conversion Amount by a Conversion Price of $0.32;
- equity conversion amount - the aggregate face value of the total number of Notes subject to the conversion plus the amount of interest accrued/capitalised but unpaid;
- interest – for the first 27 months the Notes bear a cash interest of 7.0% p.a. or of 8.5% p.a. if the interest payment is capitalised. After the first 27 months, the Group can elect to pay 7.0% cash interest p.a. or to pay a total interest rate of 8.5% p.a. with a minimum of 5.0% p.a. paid in cash and the remaining 3.5% p.a capitalised.

The references to the above mentioned terms can be found in the transaction documents released on 4 May 2022.

Notes to the Consolidated Financial Statements | 30 June 2024

Note 25. Convertible notes (cont.)

Movement of the fair values at the beginning and end of the current and prior financial year is set out below:

	Consolidated 2024 $'000	2023 $'000
Opening balance	295,478	253,060
Fair value changes through profit or loss	58,975	39,486
Fair value changes through other comprehensive income	3,967	2,932
Repayment[1]	(13,374)	-
	345,046	295,478

[1] During the year, the Group paid cash interest of $13.4m (2023: $nil) on the notes, however the notes are carried in the Group's consolidated statement of financial position at fair value and accordingly the payments, whilst variously referred to as interest payments in the convertible notes terms, are treated as debt repayments in the consolidated financial statements.

The convertible notes are classified entirely as liabilities and as the embedded conversion features of the notes meet the definition of a derivative, the Group has designated the whole convertible note as at fair value through profit or loss.

Given the complex structure of the convertible notes, the Group obtains assistance from professional valuers to estimate the fair value at the reporting date. For the purposes of estimating fair value at 30 June 2024, Monte Carlo Simulation Option Pricing Model was applied which used option pricing mathematics to simulate future equity values. This methodology allows incorporation of the probability of exercising the conversion option and the investor's right to redeem in the valuation.

The overall value of the convertible notes increased by $63.0m at 30 June 2024 (2023: increased by $42.4m). The increase in fair value amounting to $59.0m arose mainly due to the capitalisation of payment in kind interest during the year as well as increase in value of the plain vanilla bond and make whole amounts. A further increase of $4.0m is recorded in OCI due to the change in credit spread in accordance with AASB 9. These fair value changes do not impact the redemption and conversion rights available to the investors under the terms of the convertible notes.

The Group has classified the convertible notes as fair value through profit or loss, accordingly, interest expense is not separately recorded in profit and loss as it is implied in the fair value approach.

Based on the current terms of the notes, the fair value of the notes is expected to increase over their remaining term from the value at 30 June 2024 of $345.0m to reach a minimum value of $603.1m by maturity date, being the redemption value at maturity assuming the Company continues to pay the cash interest at the rate of 5% per annum each payment date. This means that the fair value adjustments will amount to $258.1m over the remaining 35 months to maturity. This amount will be recognised in the consolidated statement of profit and loss over the period, in addition to the cash interest paid. In effect, the fair value of the notes of $345m as at 30 June 2024 approximates the present value of the redemption amount at maturity when discounted by the 19.58% cost of capital determined by the professional valuers engaged by Noumi.

As at 30 June 2024, the redemption value of the notes was $526.8m.

Change in presentation in the consolidated statement of profit or loss

During the year, the Group modified the classification of the profit or loss impact of the fair value changes of convertible notes to present it as a separate line item in the consolidated statement of profit or loss. Comparative amounts in the consolidated statement of profit or loss were reclassified for consistency. As a result, $39.5m was reclassified from "other expenses" to "fair value changes of convertible notes".

Material accounting policies

The convertible notes are classified entirely as liabilities because they were issued with the conversion features that are not closely related to the debt host contract. As the instrument contains an embedded derivative, it has been designated as at fair value through profit or loss on initial recognition and as such the embedded conversion feature is not separated. All transaction costs related to financial instruments designated as at fair value through profit or loss are expensed as incurred.

The component of fair value changes relating to the Group's own credit risk is recognised in OCI. Amounts recorded in OCI related to credit risk are not subject to recycling in profit or loss but are transferred to retained earnings upon redemption or conversion. Fair value changes relating to market risk are recognised in the statement of profit or loss.

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Note 26. Employee benefit obligations - Non current

	Consolidated 2024 $'000	2023 $'000
Long service leave	544	416
Long term incentive	730	946
	1,274	1,362

Material accounting policies

Long term employee benefits

The Group also has liabilities for long service leave and long-term incentive plan that are not expected to be settled wholly within 12 months after the end of the period. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Note 27. Other financial liabilities - Non current

	Consolidated 2024 $'000	2023 $'000
US litigation settlement liability	6,175	12,196

The litigation settlement amount represents the non-current portion of the amount payable under the US litigation settlement agreement being the present value of future payments not due within the next 12 months.

Note 28. Deferred tax

Deferred tax comprises temporary differences attributable to the following:

	Consolidated 2024 $'000	2023 $'000
Deferred tax asset/(liabilities)		
Lease liabilities	28,184	27,814
Finance facilities	15,060	18,754
Provision	6,845	4,703
Property, plant and equipment	17,298	5,046
Right of use assets	(14,534)	(16,489)
Convertible notes	(29,064)	(19,892)
Intangibles	(1,768)	(1,768)
Other	7,167	8,371
	29,188	26,539
Unrecognised temporary differences	(29,188)	(26,539)
Deferred tax recognised	-	-

Carry forward tax losses of $636.0m (2023: $612.3m) and capital allowances of $16.2m (2023: $16.1m), have not been recognised in deferred tax.

Note 28. Deferred tax (cont.)

Deferred tax movements are as follows:

	Consolidated	
	2024 $'000	2023 $'000
Opening balance	-	-
Property, plant and equipment	12,252	3,060
Intangibles	-	-
Right of use asset	1,955	2,529
Provisions	2,143	(2,028)
Lease liabilities	370	(1,501)
Finance facilities	(3,695)	(3,425)
Convertible notes	(9,172)	(7,473)
Other	(1,204)	2,133
Movement for the year	2,649	(6,705)
Deferred tax asset recognised/(not recognised)	(2,649)	6,705
Closing balance	-	-

Note 29. Issued Capital

	Consolidated			
	2024 Shares	2023 Shares	2024 $'000	2023 $'000
Ordinary shares - fully paid	277,109,319	277,109,319	598,698	598,698
Convertible redeemable preference shares - fully paid	101,130	101,130	14	14
	277,210,449	277,210,449	598,712	598,712

Ordinary shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends. The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

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.

Convertible redeemable preference shares (CRPS)

The CRPS are perpetual with no maturity, but redeemable after 3 years from the issuance date (16 December 2013) at the option of the Company. The CRPS are transferable and are convertible at the option of the CRPS holder. The dividend rate is 9.0% p.a. on the issue price of $0.30. It is a preferred, discretionary and non-cumulative dividend and CRPS holders have no claim or entitlement in respect of a non-payment.

If the dividend is declared by the Directors, it will be payable half-yearly in arrears i.e., in April and November each year. CRPS holders who convert their CRPS prior to a dividend payment date will not be entitled to any dividend for that part period in respect of that CRPS. However, upon conversion to ordinary shares a holder who is on the register on the record date for a dividend payable in respect of ordinary shares will be entitled to the full ordinary dividend for that period. CRPS holders are entitled to receive dividends in priority to holders of ordinary shares and equally with the holders of other CRPS that may be issued by Company on these terms.

CRPS are convertible into fully paid ordinary shares in the Company on the basis that each CRPS is convertible at the election of the CRPS holder into one ordinary share, subject to any restrictions imposed by the Corporations Act 2001 and ASX Listing Rules. There is no time limit within which CRPS must be converted. No additional consideration is payable on conversion.

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Notwithstanding the right of holders of CRPS to convert at any time, all CRPS will convert into ordinary shares automatically on the occurrence of certain trigger events including certain transactions involving a change in control of Company, such as a takeover of Company or a scheme or merger between Company and another body.

The Company may redeem the CRPS, 3 years from the date of issue of the CRPS at its option for the payment per CRPS of the higher of:

- the issue price of $0.30; and
- an amount determined by the Board of the Company with reference to the value of a CRPS as determined by an independent expert appointed by the Board.

The Company at this time has no plans to redeem the remaining CRPS still on issue.

Share options

The Group issued 27,698,189 options which were issued on 30 July 2021 which were quoted on the ASX from 2 August 2021.

The options are exercisable at $0.98 per option any time during the period commencing on the business day immediately following the release of FY23 annual report and 30 July 2027. None of the options were exercised during the year. If all 27,698,189 options are exercised before 30 July 2027, the Group will raise approximately $27,144,225 which will be used for general corporate purposes.

During the year ended 30 June 2024, the Group also issued share options under the Long-Term Incentive Plan to Directors, Key Management Personnel and members of the Executive Leadership Team. For information relating to the Long-Term Incentive Plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year end, refer to note 32.

Note 30. Dividends

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

Franking credits

No franking credits balance is available at the reporting date for the current and previous financial year.

Note 31. Reserves

	Consolidated	
	2024 $'000	2023 $'000
Common control reserve	(60,878)	(60,878)
Foreign currency translation reserve	(148)	(111)
Convertible notes reserve (note 25)	3,957	7,924
Fair value reserve (note 12)	(4,702)	(4,702)
Asset revaluation reserve (note 13)	743	-
Equity-settled share options reserve (note 32)	194	-
	(60,834)	(57,767)

Common control reserve

The common control reserve is used to account for the acquisition of Pactum Australia and Pactum Dairy Group by the Group. Upon disposal of all interests in Pactum Australia or Pactum Dairy Group by the Group, the applicable reserve would be transferred to retained earnings.

Foreign currency translation reserve

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Note 31. Reserves (cont.)

Convertible notes reserve

The convertible notes reserve represents fair value changes arising from Group's own credit risk which are recognised in OCI. Amounts recorded in OCI related to credit risk are not subject to recycling in profit or loss but are transferred to retained earnings when realised.

Fair value reserve

The Group has elected to recognise changes in the fair value of certain investments in equity securities in OCI (refer to note 12). These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Equity-settled share options reserve

The equity-settled share options reserve arises on the grant of share options to Directors, Key Management Personnel and members of the Executive Leadership team under the Long-Term Incentive Plan. Amounts are transferred to issued capital when the options are exercised. Further information about share-based payments to directors and employees is made in note 32 to the consolidated financial statements.

Asset revaluation reserve

The revaluation reserve arises on the revaluation of land. Where a revalued land is sold that portion of the asset revaluation reserve which relates to the asset sold is effectively realised and is transferred directly to retained earnings.

Movements in reserves

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

Consolidated	Common control reserve $'000	Foreign currency translation reserve $'000	Convertible notes reserve $'000	Fair value reserve $'000	Equity-settled share options reserve $'000	Asset revaluation reserve $'000	Total $'000
Balance at 1 July 2022	(60,878)	(118)	10,856	-	-	-	(50,140)
Fair value changes (notes 12 and 25)	-	-	(2,932)	(4,702)	-	-	(7,634)
Foreign currency translation	-	7	-	-	-	-	7
Balance at 30 June 2023	(60,878)	(111)	7,924	(4,702)	-	-	(57,767)
Gain on revaluation of land (note 13)	-	-	-	-	-	1,062	1,062
Fair value changes (note 25)	-	-	(3,967)	-	-	-	(3,967)
Deferred tax (notes 7 and 28)	-	-	-	-	-	(319)	(319)
Foreign currency translation	-	(37)	-	-	-	-	(37)
Share-based payments expense (note 32)	-	-	-	-	194	-	194
Balance at 30 June 2024	(60,878)	(148)	3,957	(4,702)	194	743	(60,834)

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Note 32. Share-based payments

During the year ended 30 June 2024, 15,897,812 options (2023: Nil) have been granted under the Group's Long -Term Incentive plan to the Directors, Key Management Personnel and members of the Executive Leadership team with a weighted average exercise price of $0.2255 per option. Subject to the service criteria, all outstanding share-based payment options will become exercisable on 11 September 2026 and expire on 11 September 2027.

Grant date	Expiry date	Exercise price $	Balance at 1 July 2023 Number	Granted Number	Exercised Number	Forfeited[1] Number	Balance at 30 June 2024 Number
11 September 2023	11 September 2027	0.2255	-	9,000,000	-	(1,075,557)	7,924,443
30 November 2023	11 September 2027	0.2255	-	6,897,812	-	-	6,897,812
			-	15,897,812	-	(1,075,557)	14,822,255

[1] Forfeiture of share options during the year arose from resignation of a member of the Executive Leadership team.

For the options granted during the year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Options granted Number	Share price at grant date $	Exercise price $	Expected volatility %	Dividend yield %	Risk-free interest rate %	Fair value at grant date $
11 September 2023	11 September 2027	9,000,000	$0.1500	$0.2255	70.00%	-	3.91%	$0.063
30 November 2023	11 September 2027	6,897,812	$0.0980	$0.2255	70.00%	-	4.12%	$0.029
		15,897,812						

An amount of $0.2m is recognised as share-based payments expense for the year (2023: $nil) as disclosed in note 6.

Material accounting policies

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date.

The fair value of options and service rights granted is recognised as an employee benefits expense with a corresponding increase in equity over the vesting period. The total amount to be expensed is determined by reference to the fair value of the options and service conditions granted:

- including any market performance conditions,
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed effective from the date of the forfeiture.

Fair value is independently determined using the 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 consolidated entity receives the services that entitle the employees to receive payment.

Note 33. Financial instruments

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity balances including share options.

The capital structure of the Group consists of debt, which includes borrowings, convertible loan notes, cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and retained earnings as disclosed in their respective notes.

Operating cash flows are used for day to day operations, investing and financing purposes. The Group's policy is to borrow centrally, using a variety of capital market issues and borrowing facilities, to meet anticipated funding requirements.

Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. The Group adopts a natural hedge approach and at times enters into forward exchange and option contracts to manage net foreign currency risk on its imports and exports.

Material accounting polices

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.

Forward foreign exchange contracts

At times, the Group enters into forward foreign exchange contracts to hedge specified amounts of foreign currencies in the future at stipulated exchange rates. The objective of entering into the forward exchange contracts is to protect the Group against unfavourable exchange rate movements for the contracted purchases and sales undertaken in foreign currencies.

There were no forward foreign exchange contracts outstanding at the end of the current and previous financial year.

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

	Assets		Liabilities	
Consolidated	2024 $'000	2023 $'000	2024 $'000	2023 $'000
US Dollar	20,904	42,367	17,654	28,177
Euro	-	-	1	515
Chinese Yuan	1,480	4,010	856	659
Singapore Dollar	136	65	539	711

Foreign currency sensitivity analysis

The following table details the sensitivity to an increase/decrease in the Australian dollar against the relevant currencies in relation to foreign exchange exposures. Sensitivity rates of 5% (USD), 3% (EUR), 4% (CNY) and 3% (SGD) have been used as these represent management's assessment of a reasonable change in foreign exchange rates.

A positive number indicates an increase in profit where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and the balances below would be negative.

The foreign currency sensitivity analysis sets out the sensitivity to variations in exchange rate on foreign currency receivables, payables and cash and cash equivalents at year end in the Group.

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	AUD strengthened			AUD weakened		
Consolidated - 2024	change	Effect on loss before tax $'000	Effect on equity $'000	change	Effect on loss before tax $'000	Effect on equity $'000
US dollar	5%	(155)	(155)	5%	171	171
Chinese Yuan	4%	(24)	(24)	4%	26	26
Singapore dollars	3%	12	12	3%	(12)	(12)
		(167)	(167)		185	185

	AUD strengthened			AUD weakened		
Consolidated - 2023	change	Effect on loss before tax $'000	Effect on equity $'000	change	Effect on loss before tax $'000	Effect on equity $'000
US dollar	5%	(675)	(675)	5%	747	747
Euro	3%	15	15	3%	(16)	(16)
Chinese Yuan	4%	(129)	(129)	4%	140	140
Singapore dollars	3%	19	19	3%	(20)	(20)
		(770)	(770)		851	851

Interest rate risk management

At 30 June 2024, the Group's borrowings are largely at fixed rates (convertible loan notes and equipment finance facilities):

	2024		2023	
	Weighted average effective interest rate	Balance $'000	Weighted average effective interest rate	Balance $'000
Cash and cash equivalents	-	14,591	-	18,560
Term deposit (variable interest rate)	4.53%	18,865	3.30%	25,790
Recourse debtor financing facilities (variable interest rate)	7.85%	(18,050)	7.69%	(12,022)
Revolver financing facilities (variable interest rate)	8.77%	(28,000)	7.82%	(28,000)
Equipment financing facilities (fixed interest rate)	4.72%	(50,586)	4.73%	(63,057)
Convertible notes (fixed interest rate)[1]	8.50%	(345,046)	8.50%	(295,478)
		(408,226)		(354,207)

[1] Since the Group designated convertible notes at fair value through profit or loss, interest expense is not separately recognised in the consolidated statement of profit or loss and is implied in the fair value approach (refer to note 25).

Note 33. Financial instruments (cont.)

Interest rate sensitivity analysis

Since the Group's borrowings are largely at fixed rates (30 June 2024: $395.6m and 30 June 2023: $358.6m), it does not have a material exposure to interest rate changes and hence sensitivity analysis is not included in these consolidated financial statements.

Credit risk management

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 adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate values of transactions concluded are spread amongst approved counterparties.

For trade receivables, the Group has applied the simplified approach in AASB 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Note 10 includes further details on the loss allowance for these assets.

The credit risk on term deposit and liquid funds is limited because the Group only deposits monies with Australian banking counterparties with high credit ratings assigned by international credit rating agencies.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at statement of financial position date, to recognised financial assets of the Group which have been recognised on the statement of financial position is the carrying amount, net of any allowance for doubtful debts.

Liquidity risk management

Liquidity risk arises from the possibility that the Group may be unable to settle a transaction on the due date. The ultimate responsibility for liquidity risk management rests with the Board of Directors and executive management. The Group's Treasury manages risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Included in note 24 are details of the current status of funding facilities.

			Contractual cash flow			
Consolidated 2024	Carrying amount $'000	Weighted average effective interest rate	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000	Total $'000
Non-interest bearing						
Trade and other payables	56,442	-	56,442	-	-	56,442
Payable to related parties	1,216	-	1,216	-	-	1,216
Other financial liabilities	12,968	-	6,793	6,793	-	13,586
Interest bearing - variable						
Recourse debtor financing facilities	18,050	7.85%	18,050	-	-	18,050
Revolver financing facilities	28,000	8.77%	2,456	28,027	-	30,483
Interest bearing - fixed						
Equipment financing facilities	50,586	4.72%	18,187	35,912	-	54,099
Convertible notes[1]	345,046	8.50%	18,369	639,912	-	658,281
	512,308		121,513	710,644	-	832,157

[1] The convertible notes provide redemption and equity conversion options. Given the number of potential alternatives and the timing of the potential cash repayment, the amount shown in the above table is indicative and the actual cash flows may be different (refer to note 25).

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			Contractual cash flow			
Consolidated 2023	Carrying amount $'000	Weighted average effective interest rate	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000	Total $'000
Non-interest bearing						
Trade and other payables	59,534	-	59,534	-	-	59,534
Payable to related parties	996	-	996	-	-	996
Other financial liabilities	18,983	-	6,787	13,575	-	20,362
Interest bearing - variable						
Recourse debtor financing facilities	12,022	7.69%	12,022	-	-	12,022
Revolver financing facilities	28,000	7.82%	2,190	30,220	-	32,410
Interest bearing - fixed						
Equipment financing facilities	63,057	4.73%	15,418	54,099	-	69,517
Convertible notes[1]	295,478	8.50%	8,853	662,802	-	671,655
	478,070		105,800	760,696	-	866,496

[1] Since the Group designated convertible notes at fair value through profit or loss, interest expense is not separately recognised in the consolidated statement of profit or loss and is implied in the fair value approach. The convertible notes provide redemption and equity conversion options. Given the number of potential alternatives and the timing of the potential cash repayment, the amount shown in the above table is indicative and the actual cash flows may be different (refer to note 25).

Fair value of financial instruments

The carrying amount of financial assets and financial liabilities recorded in the consolidated financial statements approximates their fair values.

For financial instruments measured and carried at fair value, the Group uses the following to categorise the methods used:

- Level 1: fair value is calculated using quoted prices in active markets for identical assets or liabilities.
- Level 2: fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: fair value is estimated using inputs for the asset or liability that are not based on observable market data.

From time to time, the Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk, including forward foreign exchange contracts and options. Derivative financial instruments are classified as Level 2, as the fair values are calculated based on observable market interest rates and foreign exchange rates. The fair values of interest rate derivatives are calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of the foreign currency forwards is calculated as the difference between the forward rate and the spot exchange rate at the balance sheet date. The Group has no forward foreign exchange contracts on issue as at 30 June 2024.

The fair value of the Group's investments in JLL is determined after taking into consideration various valuation approaches including income approach (discounted cash flow analysis) and market approach using prices and other relevant information generated by market transactions involving identical or comparable businesses and interest shown by shareholders. Investment in JLL is classified as Level 3, as the fair value at 30 June 2024 is based on cash flow forecast discounted using an appropriate discount rate.

The fair value of convertible loan notes is independently determined using a Monte Carlo Simulation Option Pricing Model (MCSOPM) that takes into account the equity conversion options, redemption options, make whole payment scenario, expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the convertible loan notes and interest payment options. Since convertible loan notes are not traded in an active market and the valuation exercise involves a combination of observable market data and unobservable inputs, the convertible loan notes are classified as Level 2.

The Group has not adopted hedge accounting during the financial year or previous corresponding year.

Notes to the Consolidated Financial Statements I 30 June 2024

Note 33. Financial instruments (cont.)

The following table details the Group's assets and liabilities measured at fair value at 30 June 2024 and 30 June 2023.

Consolidated - 30 June 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Financial asset at fair value through OCI - JLL (note 12)	-	-	743	743
Liabilities				
Convertible notes (note 25)	-	345,046	-	345,046

Consolidated - 30 June 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Financial asset at fair value through OCI - JLL (note 12)	-	-	743	743
Liabilities				
Convertible notes (note 25)	-	295,478	-	295,478

There were no transfers between Level 1, Level 2 and Level 3 fair value hierarchies.

Financial risk management objectives

The Group's Treasury provides services to each of the group businesses, and co-ordinates access to domestic and international financial markets, for the purpose of monitoring and managing the financial risks relating to the operations of the Group.

From time to time, the Group enters into a variety of derivative financial instruments to manage these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk and interest rate hedging risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The key elements of the Group's capital structure are detailed below:

	Consolidated 2024 $'000	Consolidated 2023 $'000
Debt[1]	96,265	102,425
Convertible notes	345,046	295,478
Lease liabilities - AASB 16	92,454	93,096
Cash and cash equivalents	(14,591)	(18,560)
Net debt	519,174	472,439
Equity[2]	(304,940)	(203,543)

[1] Debt is defined as long and short-term borrowings, as detailed in the notes to the financial statements.
[2] Equity includes all capital and reserves.

Notes to the Consolidated Financial Statements I 30 June 2024

Note 34. Capital commitments and contingent liabilities

	Consolidated 2024 $'000	Consolidated 2023 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities:		
Property, plant and equipment	2,144	2,324

	Consolidated 2024 $'000	Consolidated 2023 $'000
Contingent liabilities		
Contingencies at the reporting date but not recognised as liabilities:		
Bank guarantees related to US litigation settlement	18,682	25,452

Bank guarantees related to US Litigation Settlement

The Company entered into a bank guarantee facility of US$18.0m with one of its senior lenders to secure the future instalment obligations related to US litigation settlement made in FY22. This is progressively stepping down until January 2027 as instalments are paid. A contingent liability exists only in the event that the term deposit of $18.9m provided as collateral is not available to satisfy the obligation under the US litigation settlement and guarantee arrangement.

Litigation - Class Actions

Two separate class action proceedings were commenced against the Company and its auditor at the time, Deloitte Touche Tohmatsu, alleging breaches of the Corporations Act 2001 (Cth), Australian Securities and Investments Commission Act and Australian Consumer Law. These proceedings were consolidated by order of the Court, with a consolidated statement of claim filed on 16 December 2021. The Group is defending the consolidated Class Action.

In November 2022, a group costs order was made by the Court permitting the legal costs payable to the class action law firms acting for the plaintiffs and group members to be paid as a percentage of any award or settlement that may be recovered, with that percentage fixed at 22% (inclusive). No evidence has been filed nor have the plaintiffs quantified their claims as yet.

On 28 August 2023, orders were made referring the proceeding to mediation. Orders were also made in September 2023 fixing a process for class action group members to opt out of participation in the proceeding, and to register for the purpose of participation in any settlement that may be reached (if any) as a result of the ongoing mediation. The opt out and claim registration process closed in November 2023. The mediation is ongoing at the date of signing of the consolidated financial statements. Based on the information available, the Group cannot determine the likelihood and quantum of any liability arising and no liability has been recognised in relation to this matter.

Note 35. Deed of cross guarantee

The following companies in the Group have entered into a deed of cross guarantee as a condition to obtaining relief under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 from the Corporations Act 2001 requirements to prepare and lodge audited financial statements and a directors' report.

Noumi Limited
Paramount Seafoods Pty Ltd
Noumi Operations Pty Ltd
Noumi Financing Pty Ltd
Noumi IP Pty Ltd
Pactum Australia Pty Ltd
Thorpedo Foods Group Pty Ltd
Noumi Nutritionals Pty Ltd
Pactum Dairy Group Pty Ltd
Noumi Trading Pty Ltd

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Noumi Limited, they also represent the 'Extended Closed Group'.

Notes to the Consolidated Financial Statements I 30 June 2024

Note 35. Deed of cross guarantee (cont.)

Set out below is a consolidated statement of profit or loss and a consolidated statement of financial position for the year ended 30 June 2024 of the closed group.

Consolidated statement of profit or loss

	Consolidated	
	2024 $'000	2023 $'000
Revenue from sale of goods	585,442	547,331
Cost of sales	(437,195)	(404,140)
Gross margin	148,247	143,191
Other income	181	958
Other expense	(2,325)	(1,719)
Selling and marketing expenses	(26,968)	(23,368)
Distribution expenses	(47,289)	(49,033)
Product development expenses	(1,926)	(2,073)
Administrative expenses	(21,509)	(21,041)
Net finance costs	(11,219)	(11,290)
Fair value changes of convertible notes	(58,975)	(39,486)
Impairment of non-financial assets	(70,210)	(37,461)
Litigation and transformation expenses	(6,305)	(5,611)
Expected credit losses	(351)	28
Loss before income tax	(98,649)	(46,905)
Income tax benefit	319	-
	(98,330)	(46,905)

Consolidated statement of financial position

	Consolidated	
	2024 $'000	2023 $'000
Assets		
Current assets		
Cash and cash equivalents	13,799	17,041
Trade and other receivables	58,703	51,649
Receivable from related parties	53,411	42,471
Inventories	38,588	37,459
Prepayments	3,679	3,886
Other financial assets	6,976	7,125
Total current assets	175,156	159,631

Notes to the Consolidated Financial Statements I 30 June 2024

	Consolidated	
	2024 $'000	2023 $'000
Non-current assets		
Financial asset at fair value through other comprehensive income	743	743
Property, plant and equipment	34,509	80,998
Right-of-use assets	6,506	11,246
Intangibles	6,307	6,477
Prepayments	1,718	238
Other financial assets	11,889	18,665
Total non-current assets	61,672	118,367
Total assets	236,828	277,998
Liabilities		
Current liabilities		
Trade and other payables	45,868	28,867
Lease liabilities	1,294	1,639
Bank borrowings	34,143	24,524
Convertible notes	18,369	-
Income tax payable	3,248	3,248
Provisions	2,980	516
Employee benefit obligations	4,318	4,232
Other financial liabilities	6,793	6,787
Total current liabilities	117,013	69,813
Non-current liabilities		
Lease liabilities	25,507	24,911
Bank borrowings	62,122	77,901
Convertible notes	326,677	295,478
Provisions	3,000	-
Employee benefit obligations	1,274	1,242
Other financial liabilities	6,175	12,196
Total non-current liabilities	424,755	411,728
Total liabilities	541,768	481,541
Net liabilities	(304,940)	(203,543)

	Consolidated	
	2024 $'000	2023 $'000
Equity		
Issued Capital	598,712	598,712
Reserves	(60,834)	(57,767)
Accumulated losses	(842,818)	(744,488)
Total equity	(304,940)	(203,543)

Notes to the Consolidated Financial Statements I 30 June 2024

Note 36. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2024 $'000	Parent 2023 $'000
Loss after income tax	(98,330)	(46,905)
Other comprehensive income for the year, net of tax	(3,261)	(7,627)
Total comprehensive income	(101,591)	(54,532)

Statement of financial position

	Parent 2024 $'000	Parent 2023 $'000
Total current assets	-	-
Total non-current (liabilities)/assets	(304,940)	(203,543)
Total assets	(304,940)	(203,543)
Total current liabilities	-	-
Net assets	(304,940)	(203,543)
Equity		
Issued capital	598,712	598,712
Accumulated losses	(903,652)	(802,255)
	(304,940)	(203,543)

Noumi Limited provides a letter of support stating it will provide financial support to certain controlled entities, at their request, to ensure that those subsidiaries are at all times able to pay all debts and liabilities owed by them, as they become due and payable in the normal course of business.

Note 37. Related party transactions

Majority Shareholder

Arrovest Pty Limited is the majority shareholder of the Group with controlling interest.

Subsidiaries

Interests in subsidiaries are set out in the consolidated entity disclosure statement.

Key management personnel

Disclosures relating to key management personnel are set out in note 38.

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Transactions with related parties

	Consolidated 2024 $	Consolidated 2023 $
Purchase of goods and services during the year:		
Milk purchases from Fresh Dairy Four Pty Limited (wholly owned subsidiary of AFMH which is related through common Directors)	(14,347,912)	(13,821,796)
Payment for rent and insurance during the year:		
Payment of rent and outgoings under a lease commitment with Perich Property Holdings at Shepparton and former Head Office (related entity through common Directors)	(3,771,909)	(3,860,779)
Payment of rent and outgoings under a lease commitment with Perich Property Unit Trust at Ingleburn (related entity through common Directors)	(8,987,243)	(8,374,919)
Payment for Director and Officer insurance and reimbursement of other legal costs to Leppington Pastoral Company	(270,248)	(648,595)
Proceeds from sale of investment:		
Proceeds from sale of investment in AFMH to Leppington Pastoral Investments Pty Ltd (related entity through common Directors)	-	16,692,400
Repayment of convertible notes:		
Arrovest Pty Ltd	(5,818,008)	-
Karooli Pty Ltd ATF the TB Bryan family Trust	(1,153)	-
Woolwich Family Pty Ltd ATF the Woolwich Family Trust	(6,919)	-
Independent Director - Jane McKellar	(3,455)	-
CE4 Super Pty Ltd ATF the Chapman and Eastway No.4 Superannuation Fund	(1,153)	-
Amount payable at the end of the year:		
AASB 16 Lease liability with Perich Property Holdings at Shepparton and former Head Office (related entity through common Directors)	(23,936,977)	(22,946,796)
AASB 16 Lease liability with Perich Property Unit Trust at Ingleburn (related entity through common Directors)	(66,419,303)	(65,267,935)
Payable for Director and Officer insurance to Leppington Pastoral Company	-	(54,050)
Payable for milk purchases from Fresh Dairy Four Pty Limited (wholly owned subsidiary of AFMH)	(1,196,933)	(941,738)

Related parties have 43.3% interest in the convertible notes which are carried at fair value in the consolidated financial statements (refer to note 25). The repayment of convertible notes to the related parties, as disclosed above, is in proportion to their interest in the convertible notes.

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Note 38. 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 2024 $	Consolidated 2023 $
Short-term employee benefits	3,447,527	2,871,102
Post-employment benefits (superannuation contribution)	154,376	159,033
Long term incentives	466,397	104,158
Share-based payments expense	121,866	-
	4,190,166	3,134,293

Note 39. Reconciliation of loss after income tax to net cash from operating activities

	Consolidated 2024 $'000	Consolidated 2023 $'000
Loss after income tax benefit for the year	(98,330)	(46,905)
Adjustments for:		
Depreciation and amortisation	16,430	19,894
Impairment of non-financial assets	47,903	8,235
Provision for customer claims	(1,360)	2,066
Provision for Onerous contracts (note 20)	1,054	789
Provision for litigation settlement (note 27)	5,050	-
Share-based payments expense (note 32)	194	-
Fair value changes of convertible notes (note 25)	58,975	39,486
Write-off of property, plant and equipment and right of use assets (notes 13 and 14)	37	1,128
Gain on disposal of assets	(25)	(208)
Expected credit losses (note 10)	351	(28)
Deferred tax movement (note 7 and 28)	(319)	-
Transaction costs related to financing/recapitalisation	282	20
Gain on valuation of land	(63)	-
Transaction costs related to sale of AFMH	-	308
Unrealised exchange (gain)/loss	(111)	156
Movements in working capital:		
Change in trade and other receivables	(5,980)	5,064
Change in inventories	665	(1,010)
Change in derivative assets	-	1,342
Change in prepayments	(1,226)	(749)
Change in amount due to related parties	220	(1,558)
Change in trade and other payables	(1,572)	(9,311)
Change in provision	(330)	(9,590)
Change in other financial liabilities	(6,015)	(4,821)
Net cash from operating activities	15,830	4,308

Notes to the Consolidated Financial Statements | 30 June 2024

Note 40. Reconciliation of assets and liabilities arising from investing and financing activities

The table below details changes in the Group's assets and liabilities arising from investing and financing activities, including both cash and non-cash changes. Liabilities arising from investing and financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows as cash flows from financing activities.

Movements in financing activities:

Consolidated 2024	Balance 1 July 2023 $'000	Financing cash flows $'000	Lease remeasurement $'000	Fair value changes $'000	Other changes $'000	Balance 30 June 2024 $'000
AASB 16 lease liabilities (note 23)	(93,096)	1,841	(1,665)	-	466	(92,454)
Recourse debtor financing facilities (note 24)	(12,022)	(6,028)	-	-	-	(18,050)
Revolver financing facilities (note 24)	(28,000)	-	-	-	-	(28,000)
Equipment financing facilities (note 24)	(63,057)	12,453	-	-	18	(50,586)
Convertible notes (note 25)	(295,478)	13,374	-	(62,942)	-	(345,046)
Share capital (note 29)	(598,712)	-	-	-	-	(598,712)
	(1,090,365)	21,640	(1,665)	(62,942)	484	(1,132,848)

Consolidated 2023	Balance 1 July 2022 $'000	Financing cash flows $'000	Lease remeasurement $'000	Fair value changes $'000	Other changes $'000	Balance 30 June 2023 $'000
AASB 16 lease liabilities (note 23)	(97,744)	2,513	8,848	-	(6,713)	(93,096)
Recourse debtor financing facilities (note 24)	(13,114)	1,093	-	-	(1)	(12,022)
Revolver financing facilities (note 24)	(17,000)	(11,000)	-	-	-	(28,000)
Equipment financing facilities (note 24)	(74,609)	11,552	-	-	-	(63,057)
Convertible notes (note 25)	(253,060)	-	-	(42,418)	-	(295,478)
Transaction costs	-	20	-	-	(20)	-
Share capital (note 29)	(598,712)	-	-	-	-	(598,712)
	(1,054,239)	4,178	8,848	(42,418)	(6,734)	(1,090,365)

Movements in investing activities:

Consolidated 2024	Balance 1 July 2023 $'000	Investing cash flows $'000	Depreciation, amortisation and impairment $'000	Lease remeasure-ment $'000	Revaluation $'000	Other changes $'000	Balance 30 June 2024 $'000
Financial asset at FVOCI (note 12)	743	-	-	-	-	-	743
Property, plant and equipment (note 13)	162,183	4,790	(55,571)	-	1,125	(194)	112,333
Right of use asset (note 14)	55,341	-	(8,592)	1,665	-	(1,453)	46,961
Intangibles (note 15)	6,477	212	(170)	-	-	(212)	6,307
Other financial assets (note 16)	25,790	(6,843)	-	-	-	(82)	18,865
	250,534	(1,841)	(64,333)	1,665	1,125	(1,941)	185,209

Notes to the Consolidated Financial Statements | 30 June 2024

Note 40. Reconciliation of assets and liabilities arising from investing and financing activities (cont.)

Consolidated 2023	Balance 1 July 2022 $'000	Investing cash flows $'000	Depreciation, amortisation and impairment $'000	Lease remeasurement $'000	Other changes $'000	Balance 30 June 2023 $'000
Assets classified as held for sale	29,651	(29,343)	-	-	(308)	-
Financial asset at FVOCI (note 12)	5,857	-	-	-	(5,114)	743
Property, plant and equipment (note 13)	183,286	3,354	(23,577)	-	(880)	162,183
Right of use asset (note 14)	63,218	-	(4,382)	(8,848)	5,353	55,341
Intangibles (note 15)	6,647	638	(170)	-	(638)	6,477
Other financial assets (note 16)	-	23,131	-	-	2,659	25,790
	288,659	(2,220)	(28,129)	(8,848)	1,072	250,534

Note 41. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditors of the Group:

	Consolidated 2024 $	Consolidated 2023 $
KPMG		
Audit or review of financial reports:		
- Group FY24 audit	875,000	-
- Group FY23 audit	(10,920)	876,500
- Group FY22 audit	-	5,791
- Subsidiaries and joint operations	63,383	32,043
	927,463	914,334
Deloitte Touche Tohmatsu		
Audit or review of financial reports:		
- Subsidiaries and joint operations	-	10,864
Tan Chan & Partners		
Audit of financial reports		
- Subsidiaries	26,323	16,595
	953,786	941,793

Note 42. Events after the reporting period

Litigation – ASIC civil penalty proceedings

As detailed in note 20, the proceedings against the Company in relation to the penalties were held on 18 July 2024. Following the hearing, the Federal Court issued a judgement on 5 August 2024 determining that the appropriate penalty amount is $5.0m payable in instalments over the course of the next 2 years.

Syndicated Revolving Credit Facility

Since 30 June 2024, the Group has reached an agreement with HSBC and NAB to extend the maturity date of its syndicated revolving credit facility to 4 October 2025. No other significant changes were made as part of this extension agreement.

Other than as disclosed in the consolidated financial statements, no other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Consolidated Entity Disclosure Statement

As at 30 June 2024

Name	Body corporate, partnership or trust	Country of Incorporation	Share capital held directly or indirectly by the Company in the body corporate 2024	2023	Tax residency
Noumi Limited	Body corporate	Australia	-	-	Australia
Noumi Trading Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Operations Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Financing Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Manufacturing Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi IP Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Ingleburn Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Plant Holdings Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Plant Trading Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Plant Operations Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Plant IP Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Dairy Holdings Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Dairy Trading Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Nutritionals Holdings Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Nutritionals Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Nutritionals Trading Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Nutritionals IP Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Shepparton Nutritionals Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Crankt Protein International Pty Limited[1]	Body corporate	Australia	100.00%	100.00%	Australia
Noumi China Holdings Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi China Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Noumi Shanghai Co. Ltd[1]	Body corporate	China	100.00%	100.00%	China
Noumi Singapore Pte. Ltd[1]	Body corporate	Singapore	100.00%	100.00%	Singapore
Paramount Seafoods Pty Limited	Body corporate	Australia	100.00%	100.00%	Australia
Pactum Australia Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Pactum Dairy Group Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Pactum Dairy Holdings Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Pactum Australia Warehousing Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Pactum Australia Operations Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Pactum Australia Engineering Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Thorpedo Foods Group Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Thorpedo Foods Pty Ltd[1]	Body corporate	Australia	100.00%	100.00%	Australia
Thorpedo Seafoods Pty Limited[1]	Body corporate	Australia	75.00%	75.00%	Australia
Freedom Foods Group Dandenong Pty Ltd	Body corporate	Australia	100.00%	100.00%	Australia
Freedom Foods Group Agriculture Investments Pty Ltd[1]	Body corporate	Australia	100.00%	100.00%	Australia

[1] These companies are not members of the tax consolidated group.

The Group's subsidiaries at 30 June 2024 are set out above. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Consolidated Entity Disclosure Statement (cont.)

As at 30 June 2024

Determination of tax residency

Section 295 (3A) of the *Corporation Acts 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

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

Australian tax residency:

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

Foreign tax residency:

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

Directors' declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the 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 2 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 2024 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;
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 35 to the financial statements.
- the attached consolidated entity disclosure statement as at 30 June 2024 is true and correct.

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.

Genevieve Gregor

Genevieve Gregor | Chair

27 August 2024, Sydney

Independent Auditor's Report

Independent Auditor's Report

To the shareholders of Noumi Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Noumi Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2024;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *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 fulfilled our other ethical responsibilities in accordance with these requirements.

Independent Auditor's Report

Material uncertainty related to going concern

We draw attention to Note 2(b), "Going Concern" in the financial report. The conditions disclosed in Note 2(b) indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. This included:

- Assessing significant non-routine forecast cashflows including the outcome of the ASIC proceedings and underlying assessment of a range of possible outcomes from the class action litigation for feasibility, quantum and timing. We used our knowledge of the client, its industry and current status of those matters, inquiries with the Group's internal and external legal counsel and inspection of third party correspondence to inform our understanding of the status of the class action litigation, in order to assess the level of associated uncertainty, which we consider to be fundamental to a reader's understanding of the Group's financial report;
- Analysing the cash flow projections by:
  - Evaluating the underlying data used to generate the projections for consistency with other information tested as part of the audit, our understanding of the Group's intentions, and past results and practices; and
  - Assessing the Group's planned levels of operating and capital expenditures for feasibility, timing and consistency of relationships and trends with the Group's historical results. We used our understanding of the business, industry and economic conditions impacting the Group and considered the impact of current economic and dairy industry conditions in making this assessment.
- Reading correspondence with existing financiers to understand the financing options available to the Group, and assess the level of associated uncertainty resulting from the extension of the existing debt facilities subsequent to the end of the financial year;
- Reading Directors minutes and relevant correspondence with the Group's advisors to understand the events or conditions and the Group's plans to address them as they relate to going concern and assess the level of associated uncertainty;
- Evaluating the Group's going concern disclosures in the financial report by comparing them to our understanding of the matters, events or conditions including those incorporated into the cash flow projection assessment, the Group's plans to address those matters, events or conditions, and the requirements of the Australian Accounting Standards. We specifically focused on the principle matters giving rise to the material uncertainty.

Independent Auditor's Report

Key Audit Matters

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the ***Key Audit Matters***:

- Provisions and contingent liabilities – estimation uncertainty; and
- Impairment assessment of non-financial assets.

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.

Provisions and contingent liabilities – estimation uncertainty (Legal matters)

Refer to Notes 2, 20, 34 and 42 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Provisions and contingent liabilities as they relate to legal matters are a key audit matter. Applying AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (AASB 137) requires significant judgement for each of the fundamental principles. The principles we considered were: 1. Does a present obligation exist; 2. If so, can it be reliably measured, leading to recording a provision; and 3. If not, a contingent liability is reported with sufficient information disclosed to provide the users of the financial statements with an understanding of the matter and where practical the uncertainties and potential timing. Applying the principles when assessing these ongoing legal matters, as compared to known contractual liabilities, are complex and prone to greater uncertainty. At 30 June 2024, the Group had significant ongoing legal matters: • Class action litigation is ongoing and the status remains open with no known or certain quantifications. • ASIC proceeding: Subsequent to the end of the financial year, this matter has received Court judgement on the quantum of the penalty. Given the nature and status of the matters and the associated uncertainty at the time of conducting our audit procedures, we focused our effort on how the Group complied with the requirements of the accounting standards and the information used to form its judgements. Due to the subjective nature of interpreting the accounting standard and any resultant measurement of these types of provisions, assumptions tend to be prone to greater risk of potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us. We involved our senior audit team members in assessing this key audit matter.	Our procedures included: • Evaluating the Group's assessment of whether a present obligation arising from past events exists, against the criteria in AASB 137, based on the facts and circumstances available; • Where the Group determined that a present obligation exists, we assessed the Group's basis for reliable measurement of the provision against the accounting standards, including matters such as probability of the outflow, amounts and timing, Court judgment detailing quantum and timing of penalties and our understanding of the matter until the date of signing; • Inquiring with the Group's senior management and internal legal counsel to understand the legal matters, their current status, and challenging the Group regarding their strategy, approach, timing and assumptions in responding to the matter; • Reading board minutes and attending audit committee meetings to identify matters relevant to the Group's accounting and disclosure considerations arising from their strategy and approach to responding to the matter; • Independently obtaining and inspecting legal letters from the Group's external legal counsel, and considering the information against knowledge obtained from our other procedures; • Inquiring with the Group's external legal counsel for consistency of our understanding of the legal matters; • Obtaining specific written management representations from management in relation to compliance with laws and regulations and the status of the legal matters; • Assessing the appropriateness of disclosures against the requirements of the accounting standards, with a particular focus on both the qualitative and quantitative information included in Notes 2, 20, 34 and 42.

Impairment assessment of non-financial assets

Refer to Notes 13, 14 and 15 of the Financial Report (Property, plant and equipment, Right of use assets and Intangible assets of $166m)

The key audit matter	How the matter was addressed in our audit
Impairment testing of non-financial assets is a key audit matter, given the size of the balance (being 52% of total assets) and due to the higher estimation uncertainty continuing from disruptions to the Group by current economic and challenging industry conditions. Certain conditions, described below, impacting the Group increased the judgement applied by us when evaluating the evidence available. The Group assesses impairment using a value in use model for each cash generating unit ("CGU"), which uses forward looking assumptions to estimate future cash flows. The Group's value in use models are internally developed and use a range of internal and external data as inputs. We focused on the significant forward-looking assumptions the Group applied in their value in use model, including: • forecast cash flows including revenue growth rate and operational efficiencies. The Group has experienced challenging industry conditions, particularly impacting customer sales volumes and purchasing behaviours. In addition, further non-standard factors are	Our procedures included: • Considering the appropriateness of the value in use method applied by the Group to perform impairment testing of property, plant and equipment, right of use assets and intangible assets against the requirements of the accounting standards; • Inquiring with the Group regarding the impacts of the current economic conditions to the Group; • Assessing the accuracy of the Group's previous forecasts to inform our evaluation of forecasts incorporated in the model. We applied increased scepticism to assumptions in areas where previous forecasts were not achieved; • Comparing the forecast cashflows contained in the value in use model to Board approved forecasts; • Challenging the Group's significant forecast

Independent Auditor's Report

forecast by the Group in their cash flows, including for manufacturing operational efficiencies. These factors increase the estimation uncertainty and give rise to a risk of inaccurate forecasts, increasing the possibility of intangible and tangible assets being impaired.
• forecast growth rates, including terminal growth rate – In addition to the uncertainties described above, the Group's models are highly sensitive to small changes in these assumptions. This drives additional audit effort specific to their feasibility and consistency of application to the Group's strategy.
• discount rate - these are complex in nature and vary according to the conditions and environment the CGU operates in. The Group's modelling is highly sensitive to small changes in the discount rate.
• forecast US dollar exchange rates – whilst observable in nature, the Group's model is highly sensitive to small changes in the US dollar exchange rate. As a result, this drives additional audit effort due to the impact of forecast fluctuations and their risk of inaccurate forecasting for operations in USD.
In addition to the above, the Group recorded an impairment charge of $47.9 million in relation to the Dairy and Nutritionals CGU against Property, plant and equipment and Right of use assets due to the factors described in Note 15, increasing the sensitivity of the model to small changes in assumptions. This further increased our audit effort in this key audit area.
We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.
	cash flows and revenue growth assumptions in light of challenging industry conditions, particularly impacting customer sales volumes and pricing. We used our knowledge of the Group, their past performance, business, customer purchasing behaviour, and our industry experience when assessing these assumptions. We also compare the forecast milk commodity prices to published views of market commentators on future trends;
	• Challenging the forecast operational efficiencies by comparing to those achieved to date as part of the Group's overall transformation program. We also checked the consistency of realisation of these forecast operational efficiencies with senior management leading the transformation program;
	• Working with our valuation specialists, we
	  • independently developed a discount rate range taking into consideration publicly available market data for comparable entities and adjusting for risk factors specific to the Group and the industry it operates in;
	  • compared the forecast US dollar exchange rates to published views of market commentators on future trends;
	  • compared terminal growth rates to published studies of industry trends and expectations, and considered differences for the Group's operations;
	  • assessed the integrity of the value in use model used, including the accuracy of the underlying calculation formulas.
	• Considering the sensitivity of the models by varying key assumptions, such as forecast revenue growth rates, terminal growth rates, discount rates and US dollar exchange rates, within a reasonably possible range. We considered the interdependencies of key assumptions when performing the sensitivity

Independent Auditor's Report

	analysis and what the Group considers to be reasonably possible. We did this to identify those assumptions at higher risk of bias which may give rise to impairment and to focus our further procedures; • Recalculating the impairment charge against the recorded amount disclosed; • Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Noumi Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

KPMG

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

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

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Noumi Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 58 to 69 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Julie Cleary

Partner

Sydney

27 August 2024

Shareholder Information

The shareholder information set out below was applicable as at 24 July 2024.

Number of holders / Classes of equity securities

There were:

- 6,121 shareholders, holding 277,109,319 fully paid ordinary shares (ASX: NOU);
- 20 holders of 101,130 convertible redeemable preference shares (ASX: CRPS); and
- 2,274 holders of 27,698,189 options (ASX:NOUO)

Distribution schedule

Ordinary fully paid shares (ASX: NOU)

Range	Securities	%	Number of holders	%
100,001 and over	234,217,346	84.52%	183	2.98%
10,001 to 100,000	31,970,953	11.54%	1,031	16.84%
5,001 to 10,000	4,872,293	1.76%	643	10.50%
1,001 to 5,000	5,168,695	1.87%	2,053	33.65%
1 to 1,000	880,032	0.32%	2,211	36.12%
	277,109,319		6,121	

There are 4,002 shareholders holding an unmarketable parcel of the Company's ordinary shares.

Convertible redeemable preference shares (ASX: NOUCRPS)

Range	Securities	%	Number of holders	%
100,001 and over	0	-	-	0
10,001 to 100,000	70,102	69.32%	3	15.00%
5,001 to 10,000	8,000	7.91%	1	5.00%
1,001 to 5,000	19,090	18.88%	7	35.00%
1 to 1,000	3,938	3.89%	9	45.00%
	101,130		20	

Listed options (ASX: NOUO)

Range	Securities	%	Number of holders	%
100,001 and over	17,718,991	63.97%	46	1.94%
10,001 to 100,000	6,701,587	24.20%	192	8.13%
5,001 to 10,000	1,136,997	4.11%	161	6.82%
1,001 to 5,000	1,666,981	6.02%	744	31.53%
1 to 1,000	473,633	1.71%	1,131	47.94%
	27,698,189		2,274	

There are 1,824 option holders holding an unmarketable parcel of the Company's listed options.

Shareholder Information

Unquoted securities

The Company has the following unquoted securities:

Class of unquoted securities	Number
Convertible redeemable preference shares	101,130
Long Term Incentive Plan Premium Priced Options	14,822,255

20 largest holders of quoted equity securities

The 20 largest holders of ordinary fully paid shares were as follows:

Name	Number held	% Issued Capital
1. Arrovest Pty Ltd	145,556,000	52.53
2. HSBC Custody Nominees (Australia) Limited - A/C 2	14,153,388	5.11
3. 3rd Wave Investors Pty Ltd	8,000,000	2.89
4. Medich Capital Pty Ltd	5,102,803	1.84
5. HSBC Custody Nominees (Australia) Limited	3,857,910	1.39
6. Best Safety Glass International (Australia) Pty Ltd	2,670,000	0.96
7. Citicorp Nominees Pty Limited	2,476,717	0.89
8. Mr William Mark Olsen & Mrs Janet Therese Olsen	2,100,000	0.76
9. Dover Downs Pty Ltd	1,561,075	0.56
10. BNP Paribas Nominees Pty Ltd	1,525,542	0.55
11. Mutual Trust Pty Ltd	1,414,315	0.51
12. Moorebank Property Management Pty Ltd	1,315,000	0.47
13. Brunetta Family Investments Pty Ltd	1,004,162	0.36
14. Mrs Elizabeth Anne Fogarty & Mrs Caitlyn Elizabeth Embley	1,000,000	0.36
15. Mrs Susan Michelle Hooton	750,000	0.27
16. Goldacre Investments Pty Limited	702,569	0.25
17. Mr Kamyar Saeedi	700,000	0.25
18. Guwarra Pty Ltd	702,569	0.24
19. Mr Haijun Jiang	658,000	0.24
20. Mr Mark McInnes	642,652	0.23
	195,892,702	70.66

Shareholder Information

The 20 largest holders of the convertible redeemable preference shares are as follows:

Name	Number held	% Issued Capital
1. R & M Gugliotta Pty Limited	30,000	29.66
2. Lewis Little River Pty Limited	23,438	23.18
3. Mr Hugh Middendorp & Mr Peter Charles Nicholas Middendorp	16,664	16.48
4. Alan Ong Enterprises Pty Limited	8,000	7.91
5. Mrs Enid May Hartigan	5,000	4.94
6. Mr Craig Sargent	3,394	3.36
7. GWG Investments Pty Limited	3,125	3.09
8. Lokit Investments Pty Limited	2,214	2.19
9. Mr Robert William Russell	1,924	1.9
10. Mr Robert David Napier Nicholls	1,736	1.72
11. Palatine Holdings Pty Limited	1,697	1.68
12. Mr Gerald Millman	1,000	0.99
13. Mr Tjeerd Veenstra & Mrs Susan Lesley Veenstra	963	0.95
14. Mrs Michelle Louise Farrell	640	0.63
15. Mr Andrew Jonathon Achilles	500	0.49
16. Mr Neville Thiele	273	0.27
17. Mrs Dianne Joan Thiele	219	0.22
18. Mr Andrew Macfarlane	200	0.2
19. Mr Kim Wigram Jones	133	0.13
20. Mrs Bronwyn Itchins	10	0.01
	101,130	

Shareholder Information

The 20 largest holders of listed options are as follows:

Name	Number held	% Issued Capital
1. HSBC Custody Nominees (Australia) Limited - A/C 2	4,305,630	15.54
2. Medich Capital Pty Ltd	2,115,055	7.64
3. HSBC Custody Nominees (Australia) Limited	1,127,678	4.07
4. 3rd Wave Investors Pty Ltd	1,102,484	3.98
5. Citicorp Nominees Pty Limited	518,292	1.87
6. Mr Rory James Fenton Macleod & Ms Maria Teresa Macleod	486,452	1.76
7. Moorebank Property Management Pty Ltd	456,353	1.65
8. Mr Josh Ian Cuizon	408,790	1.48
9. Gunwarra Pty Ltd	395,472	1.43
10. Mr Peter Theodore Van De Burgt & Mrs Jacoba Johanna Van De Burgt	367,401	1.33
11. Aya International Pty Ltd	344,766	1.24
12. Mr Wayne Stephen Glynne & Mrs Carol-Anne Glynne	300,000	1.08
12. Madi Management Pty Ltd	300,000	1.08
13. Layuti Pty Ltd	288,888	1.04
14. First Samuel Ltd	261,118	0.94
15. Best Safety Glass International (Australia) Pty Ltd	248,447	0.90
16. Mr Gregory Paul Carney	224,653	0.81
17. Cathy and Simon Super Pty Ltd	220,657	0.80
18. Goldacre Investments Pty Ltd	218,189	0.79
19. Mr Graham Charles Reid & Mrs Deborah Mary Reid	210,436	0.76
20. Mr Sushil Kumar Mainali	201,838	0.73
Total	**14,102,599**	**50.92**

As at 24 July 2024, there was one substantial holder of the Company's ordinary fully paid shares that the company is aware of as follows:

Name	Number of ordinary shares	%
Arrovest Pty Limited	145,556,000	52.53%

Voting Rights

The voting rights relating to each class of equity securities is as follows:

Ordinary Shares
On a show of hands at a general meeting of the Company, every member present in person or by proxy shall have one vote and upon poll each person present in person or by proxy shall have one vote for each ordinary share held.

Convertible Redeemable Preference Shares
On a show of hands at a general meeting of the Company, every member present in person or by proxy shall have one vote and upon poll each person present in person or by proxy shall have one vote for each convertible redeemable preference share held.

Options
Options holders do not have any voting rights.

On-market Buy-Back

There is currently no on-market buy back.

Corporate Directory

Name of Entity:
Noumi Limited

Directors
Genevieve Gregor – Chair
(Independent, Non-Executive)

Tony M. Perich AM - Deputy Chair
(Non-Executive)

Jane McKellar – Director
(Independent, Non-Executive)

Tim Bryan – Director
(Non-Executive)

Stuart Black AM – Director
(Independent, Non-Executive)

Officers
Chief Executive Officer
- Michael Perich

Chief Financial Officer
- Peter Myers

Chief Operations Officer
- Stuart Muir

Group General Counsel and Company Secretary
- Justin Coss

Notice of Annual General Meeting
The details of the Annual General Meeting of Noumi Limited is scheduled to be held on 12 November 2024

Registered office
8a Williamson Road
Ingleburn, NSW 2565
Tel: +61 2 9526 2555

Principal place of business
8a Williamson Road
Ingleburn, NSW 2565
Tel: +61 2 9526 2555

Share register
Automic Pty Ltd
Level 5, 126 Phillip Street,
Sydney NSW 2000
Tel: 1300 288 664 (within Australia)
or +612 9698 5414 (outside Australia)
W: www.investor.automic.com.au
E: Hello@automicgroup.com.au

Auditors
KPMG
Level 38 Tower Three
300 Barangaroo Avenue
Sydney NSW 2000
Tel: +61 2 9335 7000

Solicitors
Ashurst
Level 11, 5 Martin Place
Sydney NSW 2000

Arnold Bloch Leibler
Chifley Tower, Level 24
2 Chifley Square
Sydney NSW 2000

Bankers
HSBC Australia Limited
Level 27, 100 Barangaroo Ave
Sydney NSW 2000

National Australia Bank Limited
Level 6, 2 Carrington Street
Sydney NSW 2000

Stock exchange listing
Noumi Limited ordinary fully paid shares and options are listed on the Australian Securities Exchange (ASX code: NOU and NOUO)

Website
www.noumi.com.au

ABN
41 002 814 235

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