



# FIJI KAVA 2022 PRELIMINARY FULL YEAR FINANCIAL RESULTS

**Fiji Kava (ASX: FIJ)** (“Fiji Kava”, the “Company”) an Australian-Fijian medicinal kava health & wellness company with operations in the USA that produces natural products for the health and wellness market, submits the following Appendix 4E Preliminary Report for the Financial Year ending 30 June 2022 (“FY22”).

## Financial Highlights

- Positive sales momentum continues with record annual revenues of \$2.09m, an increase of 79% from the prior corresponding period (FY21: \$1.17m)
- Cash receipts from customers rose to \$1.93m, an increase of 115% vs the prior corresponding period (FY21: \$895k)
- Significant revenue growth in the USA, highlighted by more than 250% growth in sales through Amazon vs FY21 and the addition of the Danodan business unit
- FY22 statutory net loss of \$5.4m reflecting significant investments made in brand marketing, entry into the USA and the Australian drinking kava markets, building inventory to underpin future growth, reduce manufacturing costs and streamline logistics
- Implementation of a wide range of cost saving initiatives are expected to significantly reduce FY23 costs in preparedness to expedite functional beverage growth in the US market
- Successful capital raisings throughout the year to support growth including the Danodan Hempworks and US Patent 10,716,819 acquisition, Fiji facility expansion and kava inventory build and establishment of The Calmer Co. USA

## Operational Highlights

- Strategic partnership formed with Network Nutrition, part of IMCD Group, for business-to-business sales of Kavaton® Extract in the USA, and expanded to include Canada, ASEAN, Australia and New Zealand
- Strategic partnership formed with leading pharmacy retailer Chemist Warehouse in Australia for distribution of Noble Kava®, Noble Sleep®, Noble Body® and Noble Calm® capsules
- National rollout of 50g drinking kava in Coles supermarkets nationally to complement existing distribution of the Noble Calm® and Noble Sleep® capsules

- **Establishment of The Calmer Co. USA corporate brand, USA Board of Directors and Advisory Board plus appointment of Brian Cassuto, as Managing Director**
- **Acquisition of Danodan Hempworks LLC and Danodan Hempworks and US Patent 10,716,819, for the production of liquid dispersible CBD extracts**
- **Upgrade of the Fiji Kava extraction and drinking kava processing facility to increase production capacity allowing for processing of up to 300MT of Green Kava per annum**
- **Production and sourcing partnership with KaiMing Agricultural Processing in Navua, Fiji, including the expansion of activities to include kava, ginger and turmeric juice production**
- **Formalisation of social impact activities and raw material sourcing through the iTaukei Trust Fund Board ('TTFB') in Fiji and tripartite agreement with Tutu Agricultural college in Taveuni**
- **Establishment of eight regional hubs for sourcing of Green Kava including two commercial supply agreements**
- **eCommerce launch of Noble Kava®, Noble Sleep®, Noble Body® and Noble Calm® capsules on Alibaba's Tmall and Fiji Kava Tea range; Noble Calm® Tea, Noble Sleep® Tea and Noble Wellness™ Tea on Amazon USA**

**Commenting on the full-year result Fiji Kava CEO, Dr Anthony Noble, said:** "Fiji Kava has achieved another year of record revenue, surpassing \$2m for the first time with cash receipts fast approaching this amount. We continue to invest heavily in building brands that are defining a new wellness market segment. Underpinning these results has been successfully growing the availability and the range of Fiji Kava products."

"The company has made significant one-off investments to support retail distribution in Australia, totalling \$1.3m. More than \$2m was invested in brand marketing and advertising initiatives that have built consumer trust and delivered measurable change in perceptions of kava as a medicinal product and a healthy non-alcoholic alternative. Flood losses, write-offs and write-downs, totalling \$420k, are reflected in significantly higher than normalised Cost of Sales, as did transport and logistics cost increases due to pandemic, fuel and inflation impacts. All of these extraordinary items have contributed to a higher than usual loss-making position."

"A range of cost savings measures have been implemented that will contribute to improved profitability, including a reduction in directors and consultant fees and personnel costs, in what investors should consider a transitional year for the Company."

"Online sales for Drinking Kava have been strong through Amazon in the USA and we have achieved pleasing results in Australia. Direct to consumer sales via our own website and online partners will be an increasing focus in FY23."

"The Company has also transformed our Business to Business (B2B) selling capabilities through the expansion of the partnership with Network Nutrition, a division of Dutch multinational IMCD, to encompass the USA as well as the Asia-Pacific region and Canada, and we continue to co-develop beverage ready formats of kava extract with them."

"Over the past year, Fiji Kava has continued to make meaningful investments in its facilities with major upgrades resulting in future proofing of supply chain across the Fiji Islands. We have also made significant investments in building inventory of kava extract, drinking kava powders, and finished products. The recent announcement of the passage of the Fiji Industrial Hemp Bill, which will allow for CBD products to be grown and manufactured in Fiji was welcome news. We are well placed to be pioneers in this space with both a brand and production technology advantage."

"Importantly, through the acquisition of Danodan Hempworks LLC and their patents, as The Calmer Co., USA, the Company has diversified its product offering and opened new sales channels with an order of magnitude

higher potential for the future. As a multiple ingredient, functional beverage focussed company, we anticipate significant growth in the USA in the 2023 Financial Year and beyond and improvements in bottom line across the group.”

## FINANCIAL OVERVIEW

Revenues for the year were \$2,089,757 (FY21: \$1,168,566) a 79% increase on FY21, driven by sales expansion into the USA and the acquisition of Danodan Hempworks LLC. Cash receipts of \$1.93m, an increase of 115% vs the prior corresponding period (FY21: \$895k)

Reflecting one-off costs in FY22 and investments to execute the company's strategy for rapid expansion into the USA and new product launches in Australia retail, Fiji Kava recorded a statutory net loss from continuing operations for the year ended 30th June 2022 is \$5,460,992 which is 61% increase from last financial year (FY21: \$3,390,522).

Total assets of the company as of 30<sup>th</sup> June 2022 are \$4,800,717 and total liabilities are \$1,848,542. As of 30 June 2022, the company had \$799,215 in cash and FJD1,000,000 (\$657,895) in undrawn convertible notes.

## STRATEGIC PROGRESS

### 1. Growing Availability of Fijian Noble Kava

**Fiji Kava is the first and only foreign company with approval from the Fijian Government to operate in the kava industry:**

- Appointment of regional retail broker, Grass Roots Marketing for Danodan products and onboarding of a national retail broker network for Fiji Kava products to cover key US markets including Florida, Georgia, New York City, New Jersey, Pennsylvania, Southern California, Arizona, New Mexico, Nevada, Colorado, North Carolina, Utah and Texas.
- Coles commenced ranging Fiji Kava's Drinking Kava nationally in more than 700 locations across Australia, excluding the Northern Territory, with Fiji Kava being the only nationally distributed Drinking Kava product.
- Continued growth in Amazon channel for Taki Mai and Fiji Kava instant Drinking Kava and Fiji Kava Tea products, highlighted by a more than 250% growth in sales via Amazon.com in FY22 vs FY21.
- Sales in the Fiji market tracking at pre-covid levels due to strong performance across the tourist retail sector through partners Jacks, Tappoos and Prouds.

### 2. Noble Kava Supply Chain Excellence

**Establish a globally leading sustainable, unadulterated and 100% traceable supply chain of noble kava:**

- Multi-year operational partnerships designed to streamline, vertically integrate, mitigate risk and expand the Company's supply chain in Fiji with kava procured from our network of more than 250 farmers across the Fiji Islands.

- Major investment in state-of-the-art heat pump dryer which complements existing drying ovens and solar drying units, doubling the output of FijiKava's wholly owned subsidiary and medicinal kava extract producer.
- Upgrade of the Fiji Kava water extraction and drinking kava processing facility to increase production capacity by approximately 3 times allowing for processing of up to 300MT of Green Kava per annum moving forward.
- Execution of the first commercial farming and collection hub on Taveuni Island in Cakaudrove Province with Fiji's most successful agricultural program, the Tutu Rural Training Centre, in partnership with iTaukei Trust Fund Board.
- Memorandum of Understanding (MOU) with KaiMing Agricultural Processing (KAP), defining a long-term partnership intention to collaborate on the manufacture and production of drinking kava products as well as ginger, turmeric, and kava juices.

### 3. Innovation & Product Development

Innovation and product development to bring health & wellbeing to consumers through the natural benefits of Fijian noble kava:

- Launch of three functional teas on Amazon USA - Noble Calm® Tea, Noble Sleep® Tea and Noble Wellness™ Tea, with The FijiKava® tea range being the first product to market with a full therapeutic dose of kava in each serving.
- Several new product formats developed for the USA market in FY23, with Dietary Shots, in various potencies and flavours now in pilot scale production, with potential manufacturing, brand and technology partners engaged for the development.
- Extension of R&D partnership with IMCD group to include the development of active beverage premixes for a range of RTD drinks, targeting a launch within the USA market.

### 4. Promoting the Medical Benefits of Kava

Investments in brand marketing and education around the health benefits of kava have exceeded A\$2m, with results demonstrating measurable changes in consumer perceptions

- Total Brand Development and Marketing Investment by Fiji Kava of more than \$2m in FY22
- Trade-spend in Australian retailers of \$1.3m to support distribution and product launches in Coles and Chemist Warehouse nationally
- Targeted digital out of home advertising across delivered to 911 screens in retail locations, all with Coles and Chemist Warehouse proximity, has delivered a Unique Reach of 3m viewers since October 2021
- More than 50,000 visitors to fijikava.com, with a majority of new visitors finding the site via Social Media linkages

- 27% improvement in Net Promoter Score of the "Fiji Kava" brand, which reflect the increased likelihood of consumers to promote or recommend the brand.

This release has been approved by the Board of Directors

## ENDS

### For Further Information

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### About Fiji Kava

**Fiji Kava Ltd** (ASX: FIJ), an Australian-Fijian medicinal kava health & wellness company, producing natural 'noble kava' products for the natural medicine market, estimated to exceed USD \$210 billion by 2026 globally. The Danodan range of CBD products contain USFDA certified hemp and non-palm derived USFDA certified glycerine. As the first foreign company with approval from the Fijian Government to operate in the kava industry. Fiji Kava has established a global leading sustainable and 100% traceable, supply chain of 'noble kava', ginger and turmeric and USDA Certified Organic Hemp Flower.

Fiji Kava is focussed on developing a range of natural products based on effective natural medicine ingredients that promote sleep, soothe and calm the nerves, support muscle relaxation and relax the mind. Backed by years of independent research, Fiji Kava medical kava products are produced by high-quality GMP and are TGA and FDA compliant.

### Forward-Looking Statements

This ASX release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Fiji Kava. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.



**Fiji Kava Limited  
and its controlled entities  
ACN 169 441 874**

# **Appendix 4E Preliminary Final Report For the year ended 30 June 2022.**

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## RESULTS FOR ANNOUNCEMENT TO THE MARKET for the year ended 30 June 2022

<b>1 REPORTING PERIOD (item 1)</b>			
■ Report for the period ended:	30 June 2022		
■ Previous corresponding period:	30 June 2021		
<b>2 RESULTS FOR ANNOUNCEMENT TO THE MARKET</b>			
	<b>Movement</b>	<b>Percentage %</b>	<b>Amount \$</b>
■ Revenues from ordinary activities (item 2.1)	921,191	79%	2,089,757
■ Loss from ordinary activities after tax attributable to members (item 2.2)	(2,070,470)	(61%)	(5,460,992)
■ Loss for the period attributable to members (item 2.3)	(2,070,470)	(61%)	(5,460,992)
a. Dividends (items 2.4 and 5)			
		<b>Amount per Security</b>	<b>Franked amount per security</b>
		₹	%
■ Interim dividend		nil	n/a
■ Final dividend		nil	n/a
■ Record date for determining entitlements to the dividend (item 2.5)	n/a		
b. Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6):			
Refer to the Consolidated Profit and Loss and Comprehensive Income for details of expenditure items.			
<b>3 DIVIDENDS (item 6) AND RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS</b>			
Nil.			
a. Details of dividend or distribution reinvestment plans in operation are described below (item 6):	Not applicable		



## RESULTS FOR ANNOUNCEMENT TO THE MARKET for the year ended 30 June 2022

4 RATIOS	Current period	Previous corresponding period
	\$	\$
a. Financial Information relating to 4b:		
Loss for the period attributable to owners of the parent	(5,460,992)	(3,390,522)
Net assets	2,952,175	2,909,522
Less: Intangible assets	(879,493)	(215,714)
Net tangible (liabilities)/assets	2,072,682	2,693,808
Fully paid ordinary shares	190,940,264	129,956,232
b. Net tangible (liability)/assets backing per share (cents) (item 3):	1.09c	2.1c

5 DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD: (item 4)	
a. Control gained over entities	
■ Name of entities (item 4.1)	n/a
■ Date(s) of gain of control (item 4.2)	n/a
b. Loss of control of entities	
■ Name of entities (item 4.1)	Nil
■ Date(s) of gain of control (item 4.2)	n/a
c. Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 4.3).	n/a
d. Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	n/a

6 DETAILS OF ASSOCIATES AND JOINT VENTURES: (item 7)		Current period	Previous corresponding period
■ Name of entities (item 7)	Nil		
■ Percentage holding in each of these entities (item 7)	N/A		
■ Aggregate share of profits (losses) of these entities (item 7)		N/A	N/A

7 The financial information provided in the Appendix 4E is based on the unaudited preliminary final report (attached), which has been prepared in accordance with Australian Accounting Standards.

8 The report is based on accounts which are in the process of being audited by the Company's independent auditor.

### DIRECTORS

Andrew Kelly (Non-Executive Chairman) –  
appointed 20 December 2018  
Zane Yoshida (Executive Director) –  
appointed 20 December 2018  
Nicholas Simms (Non-Executive Director) –  
Appointed on 10 September 2019  
Jack Lowenstein (Non-Executive Director) –  
Appointed on 11 August 2020 – resigned 27 May 2022  
Anthony Noble (Managing Director) –  
appointed on 20 December 2021

### COMPANY SECRETARY

Jay Stephenson

### REGISTERED OFFICE

Suite 9, 330 Churchill Avenue  
Subiaco WA 6008

### CONTACT INFORMATION

Tel: +61 7 3844 1010

### AUDITORS

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Level 4, 240 Queen Street  
Brisbane QLD 4000  
GPO Box 389  
Brisbane Qld 4001

### SHARE REGISTRY

Automatic Share Registry  
Level 2, 267 St Georges Terrace  
Perth WA 6000

1300 288 664 (Local)  
+61 2 9698 5414 (International)

### BANKER

National Australia Bank  
Level 1 / 1238 Hay Street  
West Perth WA 6005

### PRINCIPAL PLACE OF BUSINESS

96 Victoria Street  
West End QLD 4104

### POSTAL ADDRESS

PO Box 866  
Subiaco WA 6904

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Sales Revenue	2	2,089,757	1,168,566
Cost of Sales		(1,416,087)	(755,732)
Gross Profit		673,670	412,834
Other Income		21,792	308,171
Consulting and Professional fees		(213,505)	(545,861)
Audit and Accounting fees		(215,606)	(164,792)
Director Fees		(136,064)	(190,882)
Depreciation		(147,068)	(156,980)
Marketing		(2,068,717)	(779,305)
Insurance		(68,096)	(100,888)
Research and Development		(44,287)	(137,852)
Legal expenses		(130,694)	(70,518)
Occupancy costs		(110,773)	(895)
Employment costs		(1,839,859)	(1,088,131)
ASX Fees		(140,984)	(113,472)
Other expenses*		(967,349)	(580,791)
Finance expenses		(37,427)	(89,574)
Loss on disposal of assets		(36,025)	
Impairment provision of receivables		-	(14,544)
Total Expenses		6,156,454	4,111,527
Loss before income tax expense		<b>(5,460,992)</b>	<b>(3,390,522)</b>
Income tax (benefit)/expense		-	-
<b>Loss after tax from continuing operations</b>		<b>(5,460,992)</b>	<b>(3,390,522)</b>
Other comprehensive income/(expense)			
Foreign exchange translation differences		261,393	(82,855)
<b>Total comprehensive loss for the year</b>		<b>(5,199,599)</b>	<b>(3,473,377)</b>
<b>Earnings per share</b>			
Basic and diluted loss per share (cents per share)		(3.21)	(2.76)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the consolidated financial statements.  
The financial statements are in the process of being audited.

\*Other Expenses include Investor relations, Travel, IT Expenses and Contractors, Storage and Third Party Logistics and Pest Control.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### as at 30 June 2022

	Note	2022 \$	2021 \$
<b>Current assets</b>			
Cash and cash equivalents	5	799,215	1,184,132
Trade and other receivables	6	206,470	566,429
Other assets		515,330	24,082
Inventories	7	1,485,832	868,273
Total current assets		<b>3,006,847</b>	<b>2,642,916</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	794,978	640,884
Intangible assets		879,493	215,714
Right of use asset		119,399	104,785
Total Non-current assets		1,793,870	961,383
Total assets		<b>4,800,717</b>	<b>3,604,299</b>
<b>Current liabilities</b>			
Trade and other payables	9	626,028	360,923
Deferred revenue		20,883	32,765
Provisions		124,203	33,971
Borrowings	10	-	125,000
Lease liability		138,142	91,985
Total current liabilities		909,256	644,644
<b>Non-current liabilities</b>			
Borrowings	10	939,286	-
Lease liability		-	50,133
Total non-current liabilities		939,286	50,133
Total liabilities		1,848,542	694,777
Net assets		<b>2,952,175</b>	<b>2,909,522</b>
<b>Equity</b>			
Contributed equity	3	22,302,523	17,066,355
Reserves		508,171	240,694
Accumulated losses		(19,858,519)	(14,397,527)
Total equity		<b>2,952,175</b>	<b>2,909,522</b>

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements.

The financial statements are in the process of being audited.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2022

2022	Contributed Equity	Accumulated Loss	Foreign Exchange Reserve	Option Reserve	Business Combination Reserve	Total Equity
Balance at 1 July 2021	17,066,355	(14,397,527)	10,568	165,947	64,179	2,909,522
Shares issued during the year (net of costs)	5,236,168	-	-	-	-	5,236,168
Option Issued	-	-	-	6,084	-	6,084
Foreign exchange translation differences	-	-	261,393	-	-	261,393
Total profit items recognised directly in other Comprehensive income for the year						
Loss for the year	-	(5,460,992)	-	-	-	(5,460,992)
Total comprehensive income for the year	-	-	-	-	-	-
Balance as at 30 June 2022	22,302,523	(19,858,519)	271,961	172,031	64,179	2,952,175

2021	Contributed Equity	Accumulated Loss	Foreign Exchange Reserve	Option Reserve	Business Combination Reserve	Total Equity
Balance at 1 July 2020	12,196,188	(11,007,006)	93,423	35,689	64,179	1,382,473
Shares issued during the period	4,870,167	-	-	-	-	4,870,167
Option Issued	-	-	-	130,258	-	130,258
Foreign exchange translation differences	-	-	(82,855)	-	-	(82,855)
Total profit items recognised directly in other Comprehensive income for the period						
Loss for the period	-	(3,390,522)	-	-	-	(3,390,522)
Total comprehensive income for the period	-	-	-	-	-	-
Balance as at 30 June 2021	17,066,355	(14,397,527)	10,568	165,947	64,179	2,909,522

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements.

The financial statements are in the process of being audited.

## CONSOLIDATED STATEMENT OF CASH FLOWS

### for the year ended 30 June 2022

	Note	2022	2021
		\$	\$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		2,591,755	894,845
Interest received/paid (net)		(37,427)	(41,302)
Payments to suppliers and employees		(8,002,512)	(4,993,875)
<b>Net cash used by operating activities</b>		<b>(5,448,183)</b>	<b>(4,140,332)</b>
<b>Cash flows from investing activities</b>			
Intangible asset purchases		(301,162)	(217,892)
Plant and equipment purchases		(663,779)	(41,475)
<b>Net cash generated by investing activities</b>		<b>(964,941)</b>	<b>(259,367)</b>
<b>Cash flows from financing activities</b>			
Share Issue (net costs)		5,236,168	4,244,792
Receipt of Loan		814,286	-
Repayment of leases		(18,589)	(89,225)
<b>Net cash generated by financing activities</b>		<b>6,031,865</b>	<b>4,155,567</b>
<b>Net increase in cash and cash equivalents</b>		<b>(381,259)</b>	<b>(244,132)</b>
Movement in foreign exchange		(3,658)	(1,960)
Cash and cash equivalents at the beginning of the period		1,184,132	1,430,224
<b>Cash and cash equivalents at the end of the year</b>	5	<b>799,215</b>	<b>1,184,132</b>

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements.

The financial statements are in the process of being audited.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 30 June 2022

#### 1. BASIS OF PREPARATION

The unaudited preliminary final report of Fiji Kava Limited as at and for the year ended 30 June 2022 comprises the Company and its controlled entities (together referred to as the 'Group'). The unaudited preliminary final report does not include all the information presented within the annual financial report and therefore cannot be expected to provide a full understanding of the financial performance and financial position of the Group. The unaudited preliminary final report has been prepared in accordance with the measurement and recognition requirements of Australian Accounting Standards ('AASB's) adopted by the Australian Accounting Standards Board. This unaudited preliminary final report is presented in Australian dollars.

#### 2. REVENUE

	2022 \$	2021 \$
Product sales	2,076,221	1,156,858
Freight income	5,836	3,308
Rental of office	7,700	8,400
	<b>2,089,757</b>	<b>1,168,566</b>

#### 3. ISSUED CAPITAL

	2022 No.	2021 No.
Fully paid ordinary shares	190,940,264	129,956,232

	30 June 2022		30 June 2021	
	No.	\$	No.	\$
Balance at beginning of the reporting period	129,956,232	17,066,355	95,600,234	12,196,188
Shares issued during the year				
Placement	59,313,195	6,433,109	25,678,360	4,228,447
Conversion of Convertible Note	1,670,837	85,518	8,677,638	641,720
Capital Raising Cost	-	(1,282,459)	-	-
Balance at end of the reporting period	<b>190,940,264</b>	<b>22,302,523</b>	<b>129,956,232</b>	<b>17,066,355</b>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022

### 4. EARNINGS PER SHARE

	2022 \$	2021 \$
<b>Reconciliation of earnings to profit or loss</b>		
Loss for the year	(5,460,992)	(3,390,522)
Loss used in the calculation of basic and diluted EPS	(5,460,992)	(3,390,522)
<b>Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS</b>	170,146,170	122,860,471
<b>Loss per share</b>		
Basic and diluted loss per share (cents per share)	(3.21)	(2.76)

### 5. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2022 \$	2021 \$
Cash at bank	752,387	1,382,732
Term deposits	46,476	46,370
Cash on hand	352	-
Cash and cash equivalent	799,215	1,184,132

### 6. TRADE AND OTHER RECEIVABLES

	2021 \$	2021 \$
<b>Current</b>		
Trade receivables	115,788	445,426
Provision for doubtful debt	-	-
Other receivables	20,592	53,041
GST receivables	70,090	67,962
	206,470	566,429

### 7. INVENTORIES

	2022 \$	2021 \$
Raw material	357,299	511,975
Finished goods	1,128,533	356,298
Crop on Ground	-	-
	1,485,832	868,273



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended 30 June 2022

**8. PROPERTY, PLANT AND EQUIPMENT**

	2022 \$	2021 \$
<b>Ovalau Processing Site 1</b>		
Cost	171,804	163,127
Additions	-	8,677
Disposal	(58,553)	
Accumulated depreciation	(7,108)	(9,960)
Depreciation during the year	(1,539)	(7,543)
<b>Carrying amounts</b>	<b>104,604</b>	<b>154,301</b>
<b>Green Houses - Ovalau</b>		
Cost	162,058	239,481
Disposal	-	(77,423)
Additions	4,443	
Accumulated depreciation	(12,964)	(11,098)
Depreciation during the year	(2,511)	(1,866)
<b>Carrying amounts</b>	<b>151,026</b>	<b>149,094</b>
<b>Plant and Equipment</b>		
Cost	257,369	231,722
Additions	254,916	25,647
Accumulated depreciation	(61,267)	(38,601)
Depreciation during the year	(58,372)	(22,666)
<b>Carrying amounts</b>	<b>392,646</b>	<b>196,102</b>
<b>Motor vehicle</b>		
Cost	200,046	200,046
Additions	5,484	-
Accumulated depreciation	(88,096)	(64,045)
Depreciation during the year	(23,561)	(24,051)
<b>Carrying amounts</b>	<b>93,873</b>	<b>111,950</b>
<b>Ovalau Processing Site 2</b>		
Cost	26,734	26,734
Additions	36,529	-
Accumulated depreciation	(5,262)	(2,438)
Depreciation during the year	(12,038)	(2,824)
<b>Carrying amounts</b>	<b>45,963</b>	<b>21,472</b>
<b>Furniture and Fittings</b>		
Cost	13,199	13,199
Additions	-	-
Disposal	-	-
Accumulated Depreciation	(5,234)	(3,650)
Depreciation during the year	(1,099)	(1,584)
<b>Carrying amounts</b>	<b>6,866</b>	<b>7,965</b>
<b>Totals</b>		
Cost	1,074,029	831,211
Accumulated depreciation	(279,051)	(190,327)
<b>Carrying amounts</b>	<b>794,978</b>	<b>640,884</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**9. TRADE AND OTHER PAYABLES**

	2022 \$	2021 \$
Current		
Trade payables	329,880	216,871
Other payables	296,148	89,826
Accrued expenses	-	54,226
	<b>626,028</b>	<b>360,923</b>

**10. BORROWINGS**

	2022 \$	2021 \$
Current	-	-
Non-Current		
Convertible notes	720,000	125,000
Other Loan	7,914	
US SBA Loan (Danodan LLC)	211,372	-
	<b>939,286</b>	