

Heritage Brands Ltd and Controlled Entities

ACN: 081 149 635

Financial Report

For the Half-Year Ended 31 January 2025

Heritage Brands Ltd and Controlled Entities

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For the Half-Year Ended 31 January 2025

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Heritage Brands Ltd and Controlled Entities

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Chairman's Report For the Half Year Ended 31 January 2025

Dear Shareholders,

Heritage Brands (HB) continues to make progress in a time of transformation. Revenue of \$20.9m is lower for the first half of 2025 at -5.4%. Core brand revenue* continues to gain momentum, despite material supply impact for the Oil Brands.

The softer consumer sentiment due to cost-of-living pressures has impacted the In Essence (IE) brand. Notwithstanding In Essence's softness, The Aromatherapy Oil portfolio has grown by +16.8% driven by Oil Gardens strong NPD and brand building program. Oil Garden has achieved growth of 42.7%. The iconic and Australian Oil Garden brand continues to tap into the healing power of Essential Oils and has accelerated in the first half of 2025. Oil Garden will continue to increase awareness and build value as a brand with the strategic horizon full of exciting opportunities.

Skin Republic, +6.1% continues to demonstrate strong demand with its consumers accelerating purchases in both masks and serums.

Growth of +3.6% in the Pharmacy Channel came from brand success in Oil Garden and Skin Republic. Decline in Grocery channel headwinds came mostly from Skin Republic after exiting unprofitable promotions however ranging wins for Le Tan – Suncare will see a stronger second half performance and momentum for 2026. Export performed strongly both in New Zealand, +40% with Oil Garden NPD, and Rest of world +15.5%. The slowdown of the Tanning category has also impacted the first half however the iconic Le Tan brand remains well placed to achieve success moving forward.

Gross Margin pressure was due to the weaker AUD, volume loss in non – core brand Cedel and Innoxia, and the exit of unprofitable business in the Grocery Channel.

EBITDA of -\$742k for H1 2025 is due to the strategic decision to exit volume in non – core brands for Cedel (-\$65k) and Innoxia(-\$118k), the weaker AUD in purchasing higher priced finished goods and the strategic focus to marketing spend on brand awareness in Le Tan which has already improved in the first half of 2025.

Management anticipate that continued strong cost management and investment efficiency for growth will support second half EBTIDA to be stronger. The balance of year for fiscal 2025, will see the Pharmacy channel momentum continue with a focus on incremental distribution for our core range in Le Tan, Oil Garden and Skin Republic, with the Grocery channel also expected to support profitable volume improvement. The differentiated innovation in Oil Garden and Le Tan – Suncare is a key strategy part of focussing on attractive and high growth categories.

*Core Brands : Oil Garden, In Essence, Le Tan Skin Republic and Australis



M. Krok
Chairman

14 April 2025

Heritage Brands Ltd and Controlled Entities

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Directors' Report For the Half Year Ended 31 January 2025

The directors submit the financial report of Heritage Brands Ltd (the "Company") and its controlled entities (the "Group") for the half year ended 31 January 2025.

1. General information

Information on directors

The names of each person who has been a director during the half year and to the date of this report are:

KROK Maxim	Non-Executive Director
McCARTNEY William	Non-Executive Director
MASON Stephen	Non-Executive Director
KAPLAN Elliott	Non-Executive Director (Resigned 2 October 2024)
FILIS Dimitrios	Managing Director

Significant changes in state of affairs

No significant changes in Group's state of affairs occurred during the half year.

Principal activities and significant changes in nature of activities

The principal activities of the Group during the financial year were the selling and distribution of branded cosmetics, face masks and serums, skincare, nail care products, oils and toiletries.

There were no significant changes in the nature of the Group's principal activities during the half year.

2. Operating results and review of operations for the half year

Review of operations

With the challenging economic environment continuing, Net revenue has reduced by 5.4% compared to the same period last year. Revenue from our core brands - Oil Garden, In Essence, Le Tan Skin Republic and Australis has started to gain momentum, despite material supply shortages for the Oil Brands. Continued investment in the core brands of Australis, Le Tan and Oil Garden is seeing the Group successfully execute the next phase of its turnaround strategy. As a result of these actions, the Group is well placed to accelerate demand for its core products in the second half of 2025 and beyond and return to profitability.

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Directors' Report For the Half Year Ended 31 January 2025

2. Operating results and review of operations for the half year (continued)

Operating results

The consolidated loss of the Group amounted to \$1,309,268 (2024: \$868,489). The operating results are detailed below:

	31 January 2025	31 January 2024
	\$	\$
Net Revenue	20,870,213	22,055,167
Earnings after Taxation	(1,309,268)	(868,489)
-Taxation	(561,115)	(366,065)
Earnings before taxation	(1,870,383)	(1,234,554)
Interest on bank loans	372,967	254,574
Interest on shareholder loans	151,233	247,014
Depreciation	583,469	358,961
Abnormal items	27,470	-
EBITDA (a non-IFRS measure)	(735,244)	(374,005)

Financial position

The net assets of the Group have increased by \$587,682 from 31 July 2024 to \$15,306,232 at 31 January 2025.

3 Other items

Matters or circumstances arising after the end of the reporting period

None

Future developments and results

The Group's strategy is to grow the business organically and by acquisition as and when opportunities arise. Integral to this strategy is to focus on retail partners and pursue ongoing opportunities within the current brands owned and licensed by the Group. The current brands owned or licenced include Australis, Le Tan, Helios, In Essence, Oil Garden, Skin Republic and Cedel.

Environmental matters

Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial half year (2024: \$Nil). No recommendation for payment of dividends has been made.

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Directors' Report For the Half Year Ended 31 January 2025

3 Other items (continued)

Options

Unissued shares under option

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the half-year and there were no options outstanding at the date of this report.

Indemnification and insurance of officers and auditors

The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising out of their conduct while acting in the capacity of director or company secretary of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

No indemnities have been given or insurance premiums paid in respect of auditors of the Company.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 January 2025 has been received and can be found on page 5 of the financial report.

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



Director:

Dated 14 April 2025

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION
307C OF THE CORPORATIONS ACT 2001**

To the Directors of Heritage Brands Ltd

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 January 2025, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Heritage Brands Ltd and the entities it controlled during the half-year.

In.Corp Audit & Assurance Pty Ltd



Director

Sydney, 14 April 2025

In.Corp Audit & Assurance Pty Ltd
ABN 14 129 769 151

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Heritage Brands Ltd and Controlled Entities

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Statement of Profit or Loss and Other Comprehensive Income For the Half Year Ended 31 January 2025

		31 January 2025	31 January 2024
	Note	\$	\$
Revenue	2	20,870,213	22,055,167
Other income	2	611	200
Cost of goods sold		(13,465,745)	(14,085,156)
Advertising and promotion		(1,678,834)	(1,477,310)
Depreciation and amortisation expense		(583,469)	(358,961)
Employee benefits expense		(3,141,723)	(3,916,914)
Finance costs	3	(524,812)	(501,588)
Other expenses	3	(3,346,624)	(2,949,992)
Loss before income tax		(1,870,383)	(1,234,554)
Income tax benefit	4	561,115	366,065
Loss for the half-year		(1,309,268)	(868,489)
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the half year		(1,309,268)	(868,489)
Earnings per share			
Basic earnings per share (cents)		(2.57)	(2.41)
Diluted earnings per share (cents)		(2.57)	(2.41)

The accompanying notes form part of these financial statements.

Heritage Brands Ltd and Controlled Entities

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Statement of Financial Position

As at 31 January 2025

		31 January 2025	31 July 2024
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	97,022	94,226
Trade and other receivables	7	6,603,556	5,444,262
Inventories	8	10,743,078	9,433,885
TOTAL CURRENT ASSETS		<u>17,443,656</u>	<u>14,972,373</u>
NON-CURRENT ASSETS			
Plant and equipment	9	1,084,048	1,196,709
Deferred tax assets		5,748,668	5,187,553
Intangible assets	10	15,217,087	14,800,548
Right-of-use assets	9	1,302,037	-
TOTAL NON-CURRENT ASSETS		<u>23,351,840</u>	<u>21,184,810</u>
TOTAL ASSETS		<u>40,795,496</u>	<u>36,157,183</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	10,745,745	8,111,957
Borrowings	13	8,854,651	9,949,724
Lease liabilities	11	500,360	-
Employee entitlements	14	283,835	376,737
TOTAL CURRENT LIABILITIES		<u>20,384,591</u>	<u>18,438,418</u>
NON-CURRENT LIABILITIES			
Borrowings	13	4,216,000	2,947,747
Lease liabilities	11	838,953	-
Employee entitlements	14	49,720	52,468
TOTAL NON-CURRENT LIABILITIES		<u>5,104,673</u>	<u>3,000,215</u>
TOTAL LIABILITIES		<u>25,489,264</u>	<u>21,438,633</u>
NET ASSETS		<u>15,306,232</u>	<u>14,718,550</u>
EQUITY			
Issued capital	15	29,882,536	27,985,586
Retained earnings		(14,576,304)	(13,267,036)
TOTAL EQUITY		<u>15,306,232</u>	<u>14,718,550</u>

The accompanying notes form part of these financial statements.

Heritage Brands Ltd and Controlled Entities

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Statement of Changes in Equity For the Half Year Ended 31 January 2025

	Issued Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 August 2024	27,985,586	(13,267,036)	14,718,550
Loss for the half-year	-	(1,309,268)	(1,309,268)
Transactions with owners in their capacity as owners			
Issue of shares	1,896,950	-	1,896,950
Balance at 31 January 2025	29,882,536	(14,576,304)	15,306,232

	Issued Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 August 2023	25,915,489	(6,176,139)	19,739,350
Loss for the half-year	-	(868,489)	(868,489)
Transactions with owners in their capacity as owners	-	-	-
Balance at 31 January 2024	25,915,489	(7,044,628)	18,870,861

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Half Year Ended 31 January 2025

	31 January 2025	31 January 2024
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	19,459,592	22,988,877
Payments to suppliers and employees	(19,979,474)	(22,859,198)
Interest received	611	200
Finance costs – bank interest	(373,579)	(254,574)
Net cash used in operating activities	<u>(892,850)</u>	<u>(124,695)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for New product and website development	(503,626)	-
Purchase of plant and equipment	(519,624)	(235,368)
Net cash used in investing activities	<u>(1,023,250)</u>	<u>(235,368)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	21,946	118,957
Repayment of insurance premium funding	-	(321,691)
Net proceeds from rights issue	1,896,950	-
Repayment of lease liabilities	-	(228,358)
Net cash provided by/(used in) financing activities	<u>1,918,896</u>	<u>(431,092)</u>
Net increase/(decrease) in cash and cash equivalents held	2,796	(791,155)
Cash and cash equivalents at beginning of year	94,226	1,174,795
Cash and cash equivalents at end of the half year	6 <u>97,022</u>	<u>383,640</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Half Year Ended 31 January 2025

The financial report covers Heritage Brands Ltd (the "Company") and its controlled entities (the "Group"). Heritage Brands Ltd and Controlled Entities is a for-profit Company limited by shares, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 14 April 2025.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

This consolidated interim financial report for the reporting period ended 31 January 2025 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial report of Heritage Brands Ltd and Controlled Entities and controlled entities (Group). As such it does not contain information that represents relatively insignificant changes occurring during the half year within Group. This condensed consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial report of Group for the year ended 31 July 2024, together with any public announcements made during the half year.

New or amended Australian Accounting Standards and Interpretations adopted.

The Group has adopted all the new and amended Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Australian Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

Going concern basis of accounting

The directors have prepared the half-year financial report on a going concern basis of accounting having regard to the following:

- As disclosed in the financial statements, the Group incurred a loss for the half year of \$1,309,268 (2024: \$868,489) had net cash outflows from operating activities of (\$892,850) (2024: outflows of \$124,695) and has a deficit in net current assets of \$2,940,935 as at 31 January 2025 (31 July 2024: deficiency of \$3,466,045).

Included within Current Liabilities are debtor and trade finance facilities of \$6.7m which are continuously drawn down to fund operating activities.

- The Group has financing facilities of \$11,300,000 with its bank financier.
- On the 29th October 2024 the group completed a 1 for 2 non-renounceable rights issue, raising \$1,559,357 before costs.
- On the 6th December 2024 the group issued 1,200,000 shares raising \$240,000, and on the 20th December 2024 the group issued 500,000 shares raising \$100,000

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Notes to the Financial Statements For the Half Year Ended 31 January 2025

- The Group is able to sell brands to fund cash flows as demonstrated by the sale of Innoxia Marks Pty Ltd for \$800,000 during the 2024 financial year.
- The Group has forecast to trade profitably in the second half of the financial year.
- At the date of this report the Directors are satisfied that there are reasonable grounds to believe that the Group will continue as a going concern.

2 Revenue and Other Income

	31 January 2025 \$	31 January 2024 \$
Sales Revenue		
- Gross Sales	25,447,723	30,574,044
- Trading Terms and promotional rebates	(4,577,510)	(8,518,877)
Net Sales	20,870,213	22,055,167
Other Revenue		
- Bank Deposit Interest	611	200
	611	200
	20,870,824	22,055,367

3 Finance and Other Expenses

Finance Expenses

Interest Expense - External	373,579	254,574
Interest Expense - Shareholder Loans	151,233	247,014
	524,812	501,588

Other Expenses

Sales Commission	1,037,750	993,736
Digital Media Costs	801,049	612,324
Restructuring Costs	27,470	72,815
Other Expenses	1,480,355	1,271,117
	3,346,624	2,949,992

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Notes to the Financial Statements For the Half Year Ended 31 January 2025

4 Income Tax Benefit

The major components of tax income comprise:

	31 January 2025	31 January 2024
	\$	\$
Current tax expense/(benefit)	(561,115)	(366,065)
Deferred tax expense	-	-
Income tax benefit	(561,115)	(366,065)

Reconciliation of income tax to accounting loss:

Loss before income tax	(1,870,383)	(1,234,554)
Tax rate	30.00%	30.00%
	(561,115)	(370,366)

Add:

Tax effect of:

- current tax of prior period

	-	4,301
	(561,115)	(366,065)

5 Operating Segments

Identification of reportable segments

The Group operates in Australia in only one operational segment; therefore, for the half-year ended 31 January 2025, there has been no change from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

6 Cash and Cash Equivalents

	31 January 2025	31 July 2024
	\$	\$
Cash at bank and in hand	97,022	94,226
	97,022	94,226

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Notes to the Financial Statements For the Half Year Ended 31 January 2025

7 Trade and Other Receivables

	31 January 2025	31 July 2024
	\$	\$
CURRENT		
Trade receivables	7,605,819	4,825,548
Provision for Doubtful Debts	(25,485)	(14,000)
Allowance for rebates, incentives and discounts	(2,215,188)	(845,538)
	<u>5,365,146</u>	<u>3,966,010</u>
Prepayments and other debtors	1,238,410	1,478,252
	<u>6,603,556</u>	<u>5,444,262</u>

8 Inventories

CURRENT		
Finished goods at cost	10,257,244	8,797,342
Provision for slow moving and obsolete stock	(244,839)	(181,619)
Subtotal	<u>10,012,405</u>	<u>8,615,723</u>
Inventory in transit	730,673	818,162
	<u>10,743,078</u>	<u>9,433,885</u>

9 Plant and Equipment

Plant and equipment		
At cost	5,976,979	5,853,665
Accumulated depreciation	(4,892,931)	(4,659,122)
	<u>1,084,048</u>	<u>1,194,543</u>
Leasehold Improvements		
At cost	92,474	92,474
Accumulated depreciation	(92,474)	(90,308)
	<u>-</u>	<u>2,166</u>
	<u>1,084,048</u>	<u>1,196,709</u>
Right-of-Use Asset		
At cost	4,405,853	-
Accumulated depreciation	(3,103,816)	-
	<u>1,302,037</u>	<u>-</u>

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Notes to the Financial Statements For the Half Year Ended 31 January 2025

10 Intangible Assets

	31 January 2025 \$	31 July 2024 \$
Capitalised development costs		
At cost	1,750,057	1,246,431
Accumulated amortisation	(142,700)	(55,613)
	<u>1,607,357</u>	<u>1,190,818</u>
Goodwill at cost	6,953,422	6,953,422
Trademarks at cost	6,656,308	6,656,308
	<u>15,217,087</u>	<u>14,800,548</u>

11 Leases

Lease liabilities recognised in the statement of financial position are shown below:

Lease Liability	<u>1,339,313</u>	-
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Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where Group is a lessee are shown below:

	31 January 2025 \$	31 January 2024 \$
Interest expense on lease liabilities	(33,068)	(9,031)
Depreciation of right-of-use assets	(260,407)	(219,083)
	<u>(293,475)</u>	<u>(228,114)</u>

Statement of Cash Flows

Total cash outflow for leases	<u>(256,200)</u>	<u>(235,500)</u>
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12 Trade and Other Payables

CURRENT		
Trade payables	9,031,643	6,743,474
Sundry payables and accrued expenses	1,714,102	1,368,483
	<u>10,745,745</u>	<u>8,111,957</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days to 90 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Heritage Brands Ltd and Controlled Entities

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Notes to the Financial Statements For the Half Year Ended 31 January 2025

13 Borrowings

	31 January 2025 \$	31 July 2024 \$
CURRENT		
Unsecured liabilities:		
Insurance premium finance	-	329,380
Shareholder loans	1,115,890	1,065,753
	<u>1,115,890</u>	<u>1,395,133</u>
Secured liabilities:		
Bank loans	7,328,925	8,193,599
Shareholder loans	409,836	360,992
	<u>7,738,761</u>	<u>8,554,591</u>
	<u>8,854,651</u>	<u>9,949,724</u>
NON-CURRENT		
Bank loans	1,216,000	-
Shareholder loans	3,000,000	2,947,747
	<u>4,216,000</u>	<u>2,947,747</u>

(a) Bank Loan Facility

The bank facility has been secured over:

- First registered general security agreement over the assets and undertakings of each company in the Group;
- Unlimited guarantee and indemnity given by each Company in the Group;
- Right of entry deed with respect to property at 30 Bando Road, Springvale, Victoria; and
- Flawed asset arrangement over any cash deposits held with the National Australia Bank.

As at 31 January 2025, the Group has a credit facility of \$11,300,000 (31 July 2024: \$12,000,000) of which \$2,755,075 (31 July 2024: \$3,806,401) is unused.

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Notes to the Financial Statements For the Half Year Ended 31 January 2025

13 Borrowings (continued)

(a) Bank Loan Facility (continued)

Under the terms of the Bank Facility, the Group is required to comply with the following financial covenants on a quarterly basis:

- An interest cover ratio no less than 3.0 times
- EBITDA for the 12 months ending 31 July 2025 greater than or equal to \$1.768m with quarterly instalments of 25.3%, 28.3%, 59.3% in quarter 1 through 3 respectively;
- A stock turn ratio of no less than 2.50 times.

(b) Shareholder Loans

Loan facilities of \$4,000,000 have been made available to the Group from shareholders. \$3,000,000 is secured and \$1,000,000 unsecured.

Material conditions of the shareholder loans are as follows:

- Interest on secured loans is charged at 13% (2024:13%) per annum on \$1,250,000 and 5% per annum on \$1,750,000 (2024: 5%) payable yearly in arrears. Interest rate on the unsecured loan is charged at 5% (2024: 5%) per annum on \$1,000,000 payable yearly in arrears. The payment of interest is subject to bank approval.
- The shareholder loan for \$1.25m which expired on 31 January 2025 was rolled over to 30 April 2025.; and
- The secured loans are secured by a second registered general security agreement over the assets and undertakings of each Company in the Group consented to by the Group's banker.

(c) Defaults and Breaches

Borrowing Covenants

As at 31 January 2025 the Group has breached its interest cover and EBITDA covenants. This is the Group's first breach of the EBITDA covenant under the current facilities. The facility agreement requires that if 2 consecutive quarterly breaches are to occur the Group will be required to source additional equity equal to the minimum EBITDA covenant amount less actual EBITDA for the preceding 6 months. The Group breached its interest cover covenant in the first quarter however the bank agreed not to take any further action at the time.

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Notes to the Financial Statements For the Half Year Ended 31 January 2025

14 Employee Entitlements

	31 January 2025 \$	31 July 2024 \$
CURRENT		
Long service leave	116,701	129,996
Annual Leave	167,134	246,741
	<u>283,835</u>	<u>376,737</u>
NON-CURRENT		
Long service leave	<u>49,720</u>	<u>52,468</u>

15 Issued Capital

	Shares	Amount \$
Opening balance (1 August 2024)	2,326,423,723	27,985,586
Shares issued (29 October 2024)	389,643,757	1,556,950
Balance (29 October 2024)	2,716,067,480	29,542,536
Share consolidation on 50 to 1 basis (6 December 2024)*	(2,661,746,183)	-
Share post share consolidation	<u>54,321,297</u>	<u>29,542,536</u>
Shares issued (December 2024)	<u>1,700,000</u>	<u>340,000</u>
Closing balance (31 January 2025)	<u>56,021,297</u>	<u>29,882,536</u>

Share consolidation

At the AGM held on the 7th November 2024, shareholders approved a share consolidation on a 50 to 1 basis. 2,716,067,480 shares were converted into 54,321,297 shares at the 6 December 2024.

16 Dividends

No dividends were declared or paid during the half-year (2024: \$Nil).

Heritage Brands Ltd and Controlled Entities

ACN: 081 149 635

Notes to the Financial Statements For the Half Year Ended 31 January 2025

17 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) [*] 2025	Percentage Owned (%) [*] 2024
Subsidiaries:		-	-
Heritage Brands (Australia) Pty Ltd	Australia	100	100
Innoxia Group Pty Ltd	Australia	100	100
Innoxia Holdings Pty Ltd	Australia	100	100
Incolabs Pty Ltd	Australia	100	100
Heritage Le Tan Pty Ltd	Australia	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 January 2025 (31 July 2024: None).

19 Related Parties

Transactions with related parties

Director fees of \$158,617 (2024: \$84,504) were paid or payable to the directors during the half-year. Secretarial fees of \$18,000 (2024: \$18,000) were paid or payable to the company secretary during the half-year.

20 Events Occurring After the Reporting Date

The financial report was authorised for issue on 14 April 2025 by the board of directors.

No matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of Group, the results of those operations, or the state of affairs of Group in future financial years.

21 Statutory Information

The registered office and principal place of business of the company is:

Heritage Brands Ltd
30 Bando Road
Springvale VIC 3171

Heritage Brands Ltd and Controlled Entities

ACN: 081 149 635

Directors' declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 18 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - (b) give a true and fair view of the consolidated group's financial position as at 31 January 2025 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Directo


Dated 14 April 2025

**HERITAGE BRANDS LTD AND CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Heritage Brands Ltd

Conclusion

We have reviewed the accompanying half-year financial report of Heritage Brands Ltd (“the Company”) and its controlled entities (“the Group”), which comprises the consolidated statement of financial position as at 31 January 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements, including material accounting policy information, other explanatory information and the directors’ declaration.

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

- a) giving a true and fair view of the Group’s financial position as at 31 January 2025 and of its financial performance for the half-year ended; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report performed by the Independent Auditor of the Entity*. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (“the Code”) that are relevant to our review of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

In.Corp Audit & Assurance Pty Ltd
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**HERITAGE BRANDS LTD AND CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REVIEW REPORT (continued)**

Responsibilities of the Directors for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 January 2025 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

In.Corp Audit & Assurance Pty Ltd



Graham Webb

Director

Sydney, 14 April 2025