

TRUFFLE PROPERTIES LIMITED

ACN 116228114

Interim Financial Report

For the half-year ended 31 December 2024

C O N T E N T S

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Consolidated Statement of Comprehensive Income

Consolidated Statement of Financial Position

Consolidated Statement of Changes in Equity

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TRUFFLE PROPERTIES LIMITED

ACN 116228114

Interim Financial Report

DIRECTORS' REPORT

The directors present their report, together with the financial statements of Truffle Properties Limited (referred to hereafter as the 'Company') and the entities it controlled (referred to hereafter as the 'Consolidated Entity') at the end of, or during, the half year ended 31 December 2024.

Directors

The names of Directors who held office during or since the end of the half-year are:

Geoffrey Thomas Barrett
Richard Ernest Hill
Greg Martin

Principal activity

The principal activity of the Consolidated Entity is to maintain and cultivate Truffle inoculated oak and hazelnut trees on the Trufferies, for the purpose of harvesting Truffles for sale at Appadene Road, Manjimup.

Review of operations

The Manjimup region experienced a poor growing season throughout 2023/24 with Summer temperatures remaining high for an extended period of time with no rainfall during this period. Winter temperatures were not as cold as 2023 with minimum temperatures failing to drop below typical winter conditions. This resulted in soil temperatures that were too warm for optimum ripening conditions. This resulted in significantly less truffle numbers and smaller truffles than average.

The 2024 dirty truffle harvest was down 37% from the 2023 harvest. The 2024 dirty truffle harvest was 6,213,206 grams compared to 9,908,500 grams in 2023. Demand for fresh truffle was very strong with Oak Valley selling 100% of saleable truffles resulting in an operating loss of \$525,195 before income tax for the 2024 financial year. The average price paid for fresh truffle in 2024 was slightly higher than the 2023 prices. We are expecting the 2025 truffle season to return to projected long term harvest yields.

Excluding non-cash items (depreciation and fair value changes in biological assets) the operating loss for half year ended 31 December 2024 was \$118,413 compared to an operating profit of \$428,578 for half year ended 31 December 2023.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

TRUFFLE PROPERTIES LIMITED

ACN 116228114

Interim Financial Report

DIRECTORS' REPORT

Auditor's declaration

Our auditor, RSM Australia Partners, has provided the Board of Directors with an independence declaration in accordance with section 307C of the *Corporations Act 2001*. The independence declaration is included within the financial statements.

This report is signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

A handwritten signature in blue ink, appearing to read 'Barrett', is written over a horizontal line. The signature is stylized and includes a large loop at the beginning.

Geoffrey Thomas Barrett
Director

Dated: 24 March 2025

RSM Australia Partners

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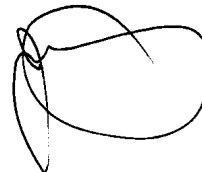
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Truffle Properties Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA



Perth, WA
Dated: 24 March 2025

J A KOMNINOS
Partner

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TRUFFLE PROPERTIES LIMITED

ACN 116228114

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Notes	31 Dec 2024 \$	31 Dec 2023 \$
Revenue	2	1,475,616	2,306,338
Depreciation and amortisation		(236,568)	(237,458)
Employee benefits expense		(682,245)	(668,745)
Fair value changes in biological assets (net)		(436,262)	(946,209)
Changes in inventories		(122,660)	(112,164)
Directors' fees		(37,500)	(37,500)
Directors' remuneration		(129,647)	(84,361)
Purchase of truffle for resale		(303,644)	(614,539)
Commission paid		(6,402)	(10,712)
Administration costs		-	(2,240)
Freight costs (net)		(37,911)	(65,445)
Repairs and maintenance		(35,765)	(33,877)
Agricultural supplies		(102,083)	(99,015)
Truffle hunting expenses		(335)	(245)
Other expenses		(113,528)	(142,606)
Finance costs		(22,309)	(6,311)
Loss before income tax		(791,243)	(755,089)
Income tax		-	-
Loss after income tax		(791,243)	(755,089)
Other comprehensive income		-	-
Total comprehensive loss attributable to members of the Company for the period		(791,243)	(755,089)

The accompanying notes form part of these financial statements

TRUFFLE PROPERTIES LIMITED**ACN 116228114****Interim Financial Report****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2024**

	Note	31 Dec 2024	30 Jun 2024
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		4,868	123,208
Trade and other receivables		349,097	1,172,660
Stock on hand		-	122,660
Biological assets	3	-	436,262
TOTAL CURRENT ASSETS		<u>353,965</u>	<u>1,854,790</u>
NON-CURRENT ASSETS			
Investment property – Land		2,005,000	2,005,000
Property, plant, and equipment		6,124,337	6,347,201
TOTAL NON-CURRENT ASSETS		<u>8,129,337</u>	<u>8,352,201</u>
TOTAL ASSETS		<u>8,483,302</u>	<u>10,206,991</u>
CURRENT LIABILITIES			
Trade and other payables		658,948	773,466
Income tax provision		(8,875)	95,903
Provision		60,768	55,253
TOTAL CURRENT LIABILITIES		<u>710,841</u>	<u>924,622</u>
NON-CURRENT LIABILITIES			
Interest bearing liabilities		278,156	996,821
Deferred tax liabilities		1,649,136	1,649,136
TOTAL NON-CURRENT LIABILITIES		<u>1,927,292</u>	<u>2,645,957</u>
TOTAL LIABILITIES		<u>2,638,133</u>	<u>3,570,579</u>
NET ASSETS		<u>5,845,169</u>	<u>6,636,412</u>
EQUITY			
Issued capital		10,250,092	10,250,092
Accumulated losses		(9,474,302)	(8,683,059)
Revaluation reserve		5,069,379	5,069,379
TOTAL EQUITY		<u>5,845,169</u>	<u>6,636,412</u>

The accompanying notes form part of these financial statements

TRUFFLE PROPERTIES LIMITED**ACN 116228114****Interim Financial Report****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

	Issued Capital Ordinary \$	Revaluation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2024	10,250,092	5,069,379	(8,683,059)	6,636,412
Loss for the half year	-	-	(791,243)	(791,243)
Total comprehensive loss attributable to members of the Company	-	-	(791,243)	(791,243)
Transactions with owners in their capacity as owners				
Dividends paid	4	-	-	-
Balance at 31 December 2024	10,250,092	5,069,379	(9,474,302)	5,845,169
	Issued Capital Ordinary \$	Revaluation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2023	10,250,092	3,381,993	(5,565,200)	8,066,885
Loss for the half year	-	-	(755,089)	(755,089)
Total comprehensive loss attributable to members of the Company	-	-	(755,089)	(755,089)
Transactions with owners in their capacity as owners				
Dividends paid	4	-	(697,384)	(697,384)
Balance at 31 December 2023	10,250,092	3,381,993	(7,017,673)	6,614,412

The accompanying notes form part of these financial statements

TRUFFLE PROPERTIES LIMITED

ACN 116228114

Interim Financial Report

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	31 Dec 2024	31 Dec 2023
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,299,179	3,448,515
Payments to suppliers	(1,531,654)	(1,911,690)
Interest paid	(11,218)	(4,857)
Payment of income tax	(104,778)	-
Payment of directors fees	(37,500)	-
	<hr/>	<hr/>
Net cash provided by operating activities	614,029	1,531,968
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for non-current assets	(13,704)	(34,347)
	<hr/>	<hr/>
Net cash used in investing activities	(13,704)	(34,347)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(718,665)	(525,273)
Payment unfranked dividend to shareholders	-	(500,611)
	<hr/>	<hr/>
Net cash used in financing activities	(718,665)	(1,025,884)
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents held	(118,340)	471,737
Cash and cash equivalents at beginning of period	123,208	185,883
	<hr/>	<hr/>
Cash and cash equivalents at end of period	4,868	657,620
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The accompanying notes form part of these financial statements

TRUFFLE PROPERTIES LIMITED

ACN 116228114

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 1: MATERIAL ACCOUNTING POLICIES

Truffle Properties Limited (the Company) is an unlisted public company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2024 comprises the Company and its subsidiary (together referred to as the Consolidated Entity).

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

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024.

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

New and Revised Accounting Standards

In the current half-year, the Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

Any new and revised Accounting Standards or interpretations that are not yet mandatory have not been early adopted by the Consolidated Entity.

Basis of preparation

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Consolidated Entity incurred a net loss of \$791,243 for the period ended 31 December 2024. As at that date the consolidated entity had net current liabilities of \$356,876.

TRUFFLE PROPERTIES LIMITED

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Interim Financial Report

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT)

The Directors believe that it is reasonably foreseeable that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- As at 31 December 2024, the Consolidated Entity has unutilised bank overdraft facility of \$100,283 and unutilised bank loan facility of \$817,289 available for drawdown if required; and
- The Consolidated entity has the ability to manage its cash flows and cash reserves within budget, including scaling down operations and capital expenditure .

Estimates

The preparation of the financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated financial report, the significant judgments made by management in applying the Consolidated Entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2024. During the six months ended 31 December 2024 management made no major reassessments of its estimates.

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Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 2: REVENUE

	31 Dec 2024	31 Dec 2023
	\$	\$
Truffle income	1,169,457	1,982,125
Management fee from a related party	278,468	275,856
Rental income	3,550	2,450
Fuel tax grants	3,237	907
Other income	1,060	-
Gain on fx conversion	19,844	45,000
	<u>1,475,616</u>	<u>2,306,338</u>

All truffle income revenue, which is largely derived in Australia, is generated from the sale of goods. Revenue is recognised at a point in time.

NOTE 3: BIOLOGICAL ASSETS

The biological assets consist of un-harvested truffles at the end of the financial year and are measured at fair value, less costs to sell at the point of harvest.

NOTE 4: DIVIDENDS

No dividend was paid during the half-year:

	31 Dec 2024	31 Dec 2023
	\$	\$
No Final Dividend was declared or paid year ended 30 June 2024 (year ended 30 June 2023 of 10 cents per ordinary share)	<u>-</u>	<u>697,384</u>

TRUFFLE PROPERTIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 5: FAIR VALUE MEASUREMENTS

The consolidated entity measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Freehold land
- Bearer plants
- Biological assets

(i). Fair Value Hierarchy

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

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

Consolidated	Level 1	Level 2	Level 3	Total
31 December 2024	\$	\$	\$	\$
<i>Assets</i>				
Freehold land	-	2,005,000	-	2,005,000
Bearer plants (need to update)	-	5,195,682	-	5,195,682
Total assets		7,200,682	-	7,200,682

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Consolidated	Level 1	Level 2	Level 3	Total
30 June 2024	\$	\$	\$	\$
<i>Assets</i>				
Freehold land	-	2,005,000	-	2,005,000
Bearer plants	-	5,343,143	-	5,343,143
Biological assets	-	436,262	-	436,262
Total assets		<u>7,784,405</u>	-	<u>7,784,405</u>

Valuation Techniques and Inputs Used to Measure Level 2 Fair Values:

Descriptions	Fair value at 31 December 2024	Valuation Technique	Inputs Used
Freehold land	\$2,005,000	EBITDA multiples approach	Comparable companies
Bearer plants	\$5,195,682	EBITDA multiples approach	Comparable companies

The fair values of the freehold land and bearer plants are based on valuation by corporate finance experts who has recognised and appropriate professional qualifications.

There were no changes during the year in the valuation technique used by the consolidated entity to determine level 2 fair values.

TRUFFLE PROPERTIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 6: CONTINGENT LIABILITIES

There were no known material contingent liabilities at the half year reporting date.

NOTE 7: COMMITMENTS

There has been no significant change in commitments since the issue of the 30 June 2024 annual report.

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

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

TRUFFLE PROPERTIES LIMITED

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DIRECTORS' DECLARATION

The Directors of the Company declare that, in the opinion of the Directors:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
- 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.

On behalf of the directors

A handwritten signature in blue ink, appearing to read 'Barrett', with a large, stylized initial 'B' that loops back to underline the name.

Geoffrey Thomas Barrett
Director

Dated: 24 March 2025

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
TRUFFLE PROPERTIES LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Truffle Properties Limited, which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of 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 comprising material accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *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 are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Truffle Properties Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Directors' Responsibility of the Half-Year Financial Report

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

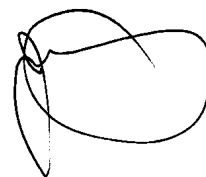
Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 consolidated entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

RSM

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A handwritten signature in black ink, appearing to be 'J A Komninos', written over a faint circular stamp or watermark.

Perth, WA
Dated: 24 March 2025

J A KOMNINOS
Partner

