Appendix 4E
Preliminary Final Report

Good Drinks Australia Limited
ABN 22 103 014 320

For the financial year ended 30 June 2021

Results for announcement to the market

				$
Revenue from continuing activities	Up	48%	to	54,400,929
Earnings before interest, tax, depreciation and amortisation	Up	1,683%	to	10,695,998
Profit from ordinary activities after tax attributable to members	Up	300%	to	4,275,039
Net profit attributable to members	UP	300%	to	4,275,039

Dividends (distributions)

There were no dividends declared for the period.
The company does not have a Dividend Re-investment Plan.

Net tangible assets per share	***30 June 2021***	30 June 2020
	$	$
	0.03	0.03

Statement of accumulated losses	***30 June 2021***	30 June 2020
	$	$
Balance 1 July	***(6,109,770)***	(3,972,998)
Net profit for the year	***4,275,039***	(2,136,772)
Balance 30 June	***(1,834,731)***	(6,109,770)

Details of controlled entities

There were no controlled entities acquired or disposed of during the period.

Details of associates and joint venture entities

There were no associates or joint venture entities associated with the company for the period.

Reporting Periods

The current reporting period is the financial year ended 30 June 2021. The previous corresponding period is the year ended 30 June 2020.

Financial statements

The Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and associated notes are contained in the attached Annual Report for the year ended 30 June 2021.

Further detailed commentary on the results for the year ended 30 June 2021 is provided in the Chairman's Letter, Review of Operations and Directors' Report sections of the attached Annual Report.

Compliance statement

1. This report, and the accounts upon which this report is based, have been prepared in accordance with AASB Standards.
2. This report, and the accounts upon which the report is based, use the same accounting policies.
3. This report gives a true and fair view of the matters disclosed.
4. This report is based upon accounts to which one of the following applies:

☑	The accounts have been audited.	☐	The accounts have been subject to review.
☐	The accounts are in the process of being audited or subject to review.	☐	The accounts have *not* yet been audited or reviewed.

5. The entity has a formally constituted audit committee.

Signed: Date: 25 August 2021
Company Secretary

Name: Marcel Brandenburg

GOOD DRINKS AUSTRALIA LIMITED
ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

ABN 22 103 014 320

Corporate Directory

Directors
Graeme Wood
Ian Olson (Chairman)
John Hoedemaker
Robert Gould

Managing Director
John Hoedemaker

Company Secretary
Marcel Brandenburg

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Legal Adviser
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Lawyers and Consultants
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PERTH WA 6000

Stock Exchange Listing
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152-158 St George's Terrace
PERTH WA 6000

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STRAWBERRY HILLS NSW 2012

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Contents

Dear Shareholder,

On behalf of your Board and the Group I am delighted to report on a milestone year for Good Drinks Australia that saw the Group deliver record results across all key business metrics.

You may recall that during FY20 the business prevailed in the face of unprecedented challenges to deliver a positive EBITDA result and we entered FY21 with a profitable COVID business model and a sense of confidence about the future of our great Company.

Importantly, this sense of confidence was based on the performance of every person in the business that stepped-up during the early days of COVID lockdowns and found a way to serve customers and grow the business despite the many challenges presented by COVID.

History now shows that FY21 (and the early part of FY22) was characterised by a series of rolling COVID related events impacting most Australian states and territories as our federal and state governments struggled to manage the unprecedented health risks to the community.

Our business (as well as our customers, suppliers and the wider community) was continually challenged by these events, most of which occurred with little or no warning. Again our people found a way to prevail, drawing on entrepreneurial skills and a seize-the-day mentality to deliver the outstanding set of results detailed in this Annual Report.

Delivering an EBITDA result of $10.7 million on sales of $54.4 million for FY21 in light of these challenges is a pleasing outcome, however we believe the business is extremely well positioned to continue growing earnings during FY22 and beyond, capitalising on the platform for growth established in recent years.

Once again the entire team at Good Drinks Australia is to be commended for their passion, professionalism and commitment to growing a world-class operation and on behalf of your Board, I would also like to thank all shareholders for your ongoing support of our great Company during what has again been a most challenging period in our journey together.

Ian Olson

Chairman

Commentary on the results for the year ended 30 June 2021

REVIEW OF OPERATIONS

FY21 Summary

- EBITDA $10.7m, up 1,683%
- Revenue: $54.4m, up 48%
- Gross Profit: 69%, up from 66%
- Good Drinks Volume: 11.5m Litres, up 46%
- Total Sales Volume: 17.2m Litres, up 41%
- Total Production Volume 19.8m Litres, up 53%

Results are in comparison to FY20

FY21 has been an outstanding year for the Group. During the year Good Drinks gathered fantastic momentum, delivering a strong $10.7m EBITDA result, up significantly over the previous year. This represents record annual earnings for the business, surpassing our original expectations for FY21 and surpassing our targeted 25-30% annual growth ambitions, a major turnaround from FY20 (FY20: $0.6m).

Sales volumes and revenues grew in the order of 40%, gross profit margins remained strong at 69%, efficiencies were achieved in our variable operating costs (down 28%) and the fixed cost structure was well controlled.

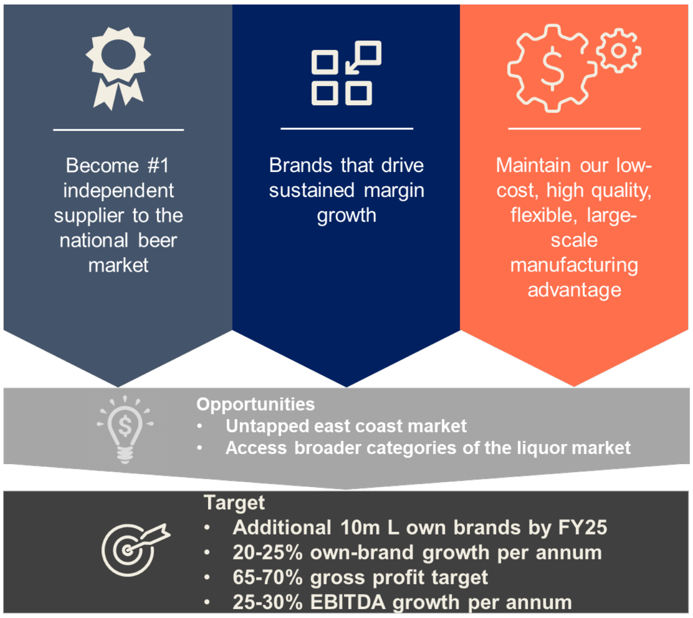
The results were certainly supported by a strong liquor market with all beer growing at 12.5% of which craft continues to grow strongly at 22%. It's fantastic to see the Good Drinks' brands growing at 45%, well and truly outperforming the category. Achieving strong volume growth without sacrificing margin is the key to delivering exponential growth in earnings this year.

The results for FY21 validate the core of our financial model. As we deliver growth in own brand volumes and revenues, combined with maintained margins, efficient manufacturing costs and a controlled fixed cost structure, we can accelerate earnings growth well beyond revenue growth.

The results for this year also validate the broader Good Drinks strategy and indicate we are moving from the investment stage to the reward stage of our longer term strategy. Significant investment undertaken in prior years, to build a professional and well-resourced sales and marketing capability with a national footprint and to broaden our portfolio of compelling brands is starting to reach critical mass and we are seeing earnings growth exceed revenue growth. We feel this is a sustainable trend, the Good Drinks team is providing our business the platform and momentum to drive distributions, grow brand awareness and ultimately deliver earnings growth in all key markets of Australia.

I am proud to see Good Drinks closing in on one of our key strategic pillars, to become the #1 independent supplier to the national beer market. In the craft beer category Good Drinks now adds more retail sales value to Australia's bottle shops than any other independent brewery. With 60% growth in our draught volumes, we now set our sights on achieving a similar position as #1 independent supplier to the on-premise market.

Good Drinks has a strong culture built on the values of trust, empowerment and commitment, our morale is high and we feel we are executing our plans well and delivering on our promises. We are confident that the momentum generated in FY21 will continue for FY22 and that the Good Drinks strategy is building a firm foundation for future growth of earnings and that the business is on track to achieve the strategy's longer-term targets.



Good Drinks Strategy

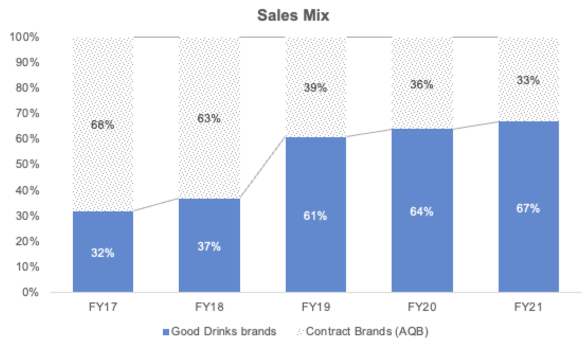
Our 5-year Good Drinks strategy is to develop and grow three core pillars that are delivering a sustainable competitive advantage for our business and our shareholders.

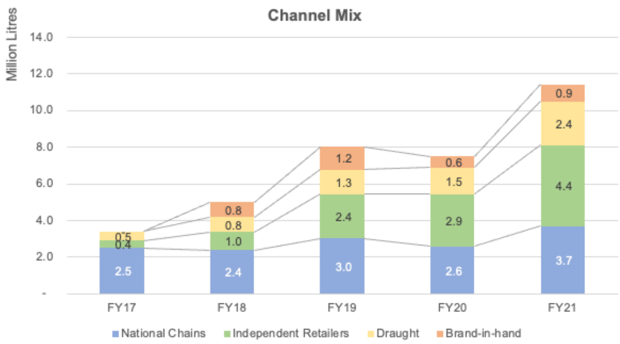
1. Australia's #1 Independent Sales Team provides Good Drinks the capability to maximise connections with our consumers via access and distributions to all channels of the market and to encourage and have meaningful strategic relationships with our key customers.
2. A best-in-class national marketing capability allows Good Drinks to create and grow a broader portfolio of high margin brands in a fast moving consumer environment and to develop our "Brand-in-Hand" and "Venues" marketing strategies.
3. Flexible manufacturing at scale allows Good Drinks to create high quality beers, ciders, alcoholic sodas and other innovative products and position them at appropriate retail prices to drive high sales volumes at reasonable margins.

The strategy's core target is to achieve 20m Litres per annum of Good Drinks brands by FY25 and we see a clear path to achieving that target. The continuing opportunity is to not only grow our brands in our strong home market of WA, but to develop significant growth in the untapped markets on the East Coast.

We continue to focus on developing our sales and marketing capabilities, driving distributions, building the relevance of our brands and positioning them correctly on a national basis. We are targeting a consistent growth in earnings each year without significant capital expenditure and have our eyes firmly focused on the incremental shareholder value that represents.

Sales by channel (million Litres)	FY21	FY20	Growth
National Chains	3.7	2.6	42%
Independent Retailers	4.4	2.9	52%
Draught	2.4	1.5	60%
Brand-in-hand	0.9	0.9	3%
Total Good Drinks volume	**11.4**	**7.9**	**45%**
Contract -Brewed Brands	5.7	4.4	30%
Total Volume	**17.1**	**12.3**	**39%**





Become #1 independent supplier to the national beer market

#1 Independent Supplier To The National Beer Market

With FY20 finishing strongly, the sales team focused on keeping that momentum going during FY21, looking for all opportunities, improving our standards of conversion and execution and expanding our key account capabilities.

The Good Drinks sales team again delivered an outstanding performance with own brand total sales volume growing at 45%. We are proud to report packaged sales exceeded our internal stretch target of 1 million cartons during the year.

Our Good Drinks strategy has been to invest ahead of the revenue curve over the last few years to quickly develop our national sales and marketing capabilities and broaden our channels to market. The strategy is now delivering results. Sales to national accounts grew by 42% with sales to the independent retail channel also growing by 52%. The independent retail channel now represents 54% of our packaged sales and national accounts 46%. All key states and markets have contributed significantly to the revenue line with east coast distributions growing at 26% and out-pacing distribution growth in WA for the first time.

Good Drinks has also delivered extraordinary momentum in the on-premise channel with the business selling just under 50,000 kegs in FY21, a 60% uplift in draught sales. The team is securing key partnerships with high quality venues with the right consumers in the right areas. Draught now represents 21% of our own brand sales, up from 19% in FY20.

During the last quarter we continued to grow our sales team capabilities in line with our broader strategy. After the strong first half result, with some very experienced industry talent available, we decided to double down on our expansion strategy with a targeted hiring drive and have since on-boarded 20 very experienced and professional sales people to the team. Again we have focused on bolstering our key account capabilities, data-led decision making, customer marketing, on-premise expertise and state-based field sales force.

1	GOOD DRINKS	$89m	2	STONE & WOOD	$72m
3	Coopers^	$65m	4	COLONIAL BREWING CO	$34m
5	BURLEIGH BREWING CO	$32m	6	YOUNG HENRYS	$25m

Top 6 independent manufacturers by Retail Sales Value, Source: AZTEC Information Services, Craft Beer only, MAT 04/04/21
^Coopers Craft beers only

The annual investment in our national sales platform in FY21 amounted to $5.1m. The Good Drinks sales force now represents 60 professional sales people and has developed into fully resourced, state-based field and key account teams in QLD, NSW, VIC and WA/SA/NT.

Our investment in our people, our capabilities and our process is helping us outperform the market and we are proud to have become the #1 independent supplier and #3 overall supplier to the craft retail market.

On the horizon in FY22, we anticipate continued sales momentum of over 20% in FY22 and that the Good Drinks sales team is right-sized to deliver that result. We will to continue to invest in our sales capability, however the heavy lifting has been done and future expansion will be more aligned with growth in sales and revenue and is expected to be in the order of $1m per annum for the remainder of our 5-year strategy.

One of the takeaways of developing a strong key account team is that our sales team is less impacted by the constraints of COVID lockdowns. Our team in NSW is highly effective working remotely and the off-premise channel, our strongest channel, is continuing to perform strongly in a COVID environment. In the on-premise channel, our weighting towards WA and strength in QLD helped mitigate the recent restrictions in NSW and VIC.

The Good Drinks strategy is well on track to deliver our ambition of 20m Litre per annum for our own brands by 2025.

Brands that drive sustained margin growth

Brands That Drive Sustained Margin Growth

We are positioning Good Drinks as a valid top tier brewer, able to bring multi brand solutions to our business partners. Our portfolio is starting to deliver on this promise with a complimentary spread of brands speaking to different consumers at different price points and at different occasions "Great Drinks for Every Occasion".

The Good Drinks marketing team is tasked to build these compelling brands, segmented to take advantage of different categories of the liquor market that are in strong growth. Each of our brand families has a specific role to play and they don't compete with each other.

The *Gage Roads* master brand re-fresh, rolled out during the year, has been successful and has delivered a more nationally recognisable brand essence, "a *taste of coastal freedom".* New products *Side Track XPA* and *Pipe Dreams Coastal Lager*, both available at Optus Stadium, are in solid growth. Single Fin, the largest driver of the Gage Roads range is well positioned in the second largest segment of the craft beer market and continues to grow strongly at over 40%.

Atomic moving to Sydney provides an east coast anchor point and the Atomic Beer Project venue in Redfern is starting the journey of telling *Atomic's* gritty, inner city and beer innovation story. New products *Atomic IPA* and *Atomic XPA* (awarded a Gold and Silver medal respectively medal at the 2021 AIBA), and various limited releases contributed to the 47% growth in distributions, enjoyed by Atomic in its home state of NSW.

San Miguel products were introduced to the portfolio in October 2020. International lager complements our portfolio and represents a 14% of the total beer market. With over 12 months of sales completed, we have exceeded initial volume expectations and are building a strong working relationship with San Miguel. Brands like Red Horse, the largest high alcohol beer brand in the world, has also helped Good Drinks start conversations and open doors to new customers and markets.

The marketing team successfully executed the *Matso's* master brand refresh which has been extremely well received by customers and consumers. The new livery draws closer connections to the tropical north of Australia and has done a great job of strengthening *Matso's* "*Escape the Ordinary*" brand essence. The *Matso's* "*Hard Flavour*" range, *Matso's Hard Lemon, Matso's Hard Orange, Matso's Hard Berry and Matso's Hard Melon* are contributing to the growth of the emerging seltzer market segment and are currently gaining key national distributions and developing a strong consumer following. Newly developed and launched *Matso's Low Sugar Ginger Beer* is aligned directly with the growing wellbeing market trend and is receiving strong initial interest. The *Matso's* master brand is in tremendous growth at over 46% per annum.

Annual Marketing expenditure for FY21 was just under $5m and with a more experienced marketing team we are being more tactical about the way we deploy our marketing funds. We expect marketing expenditure to grow by approximately $1m per annum for the remainder of the Good Drinks 5-year strategy.

On the horizon, in FY22, we expect to see growing distributions of new product *Pipe Dreams Coastal Lager* and *Side Track All Day XPA,* supported by a refreshed summer advertising campaign and contributing to the emerging and fast growing craft lager and wellbeing market segments. Matso's is also expected to continue to grow strongly as consumers seek alternatives to beer.

Good Drinks will continue to innovate and take advantage of different categories of the liquor market that are in strong growth.

Brands that drive sustained margin growth

Venue and Brand-in-Hand Strategy

Our venue strategy contemplates the creation of a number of venues over the next few years, to help develop the local and regional relevance of our brands in strategic markets, including Queensland, Western Australia, New South Wales and Victoria. Our brand in hand strategy also promotes consumer trial and develops regional and local relevance at strategic events in key markets. These low-cost strategies connect consumers with our brands, increase awareness and drive retail sales.

In September last year we opened the doors at *Atomic Beer Project* in Redfern NSW and we have had a fantastic consumer response, being voted the 2nd best brew pub in NSW by *Beer and Brewer*. Although opened during non-ideal COVID restrictions, we took a strategic direction to operate through the volatility of COVID restrictions in order to support the Atomic brand's growth and exposure in NSW, the core benefit of the strategy. We have seen a strong result with *Atomic* retail sales up by 111% and distributions up 47% in NSW since opening its doors. Although the venue has lost $0.5m in EBITDA, we are pleased to note that during the periods that the venue was able to operate normally the venue returned to profit very quickly. Once COVID restrictions are removed, we are confident the venue will be successful as both a strong marketing device and an earnings driver.

Construction is well underway at the *Gage Roads Brew Co* venue at Victoria Quay Fremantle. We are excited to create a significant 1,500 person capacity hospitality and brewery venue at such an iconic location which will also become the spiritual home for *Gage Roads*. With its large footprint, location and exposure to domestic tourism, we feel the *Gage Roads Brew Co* venue will become an iconic West Australian landmark helping promote the *Gage Roads* brands *Single Fin, Pipe Dreams*, *Rock Dance*, *Little Dove* and *Side Track*, on a national basis and will deliver a significant incremental earnings result for Good Drinks.

We are currently evaluating a potential venue in Queensland and searching for an additional site in New South Wales. With the Atomic Beer Project venue in Redfern already fully funded our $12.5m (undrawn) credit facility from the Commonwealth Bank along with operating cash flows is expected to fully fund the *Gage Roads Brew Co* venue in Fremantle and the potential QLD acquisition.

The Good Drinks executive team welcomed a new Head of Hospitality, Lee Behan in March 2021. Lee has an enormous amount of experience from across the globe with senior roles in hospitality and venue management in Ireland, Canary Islands, Brisbane, Sydney and most recently as GM for a large venue group in Perth. Lee will head the national operations of the multiple venues and is currently instrumental in developing the *Gage Roads Brew Co* venue to its full potential.

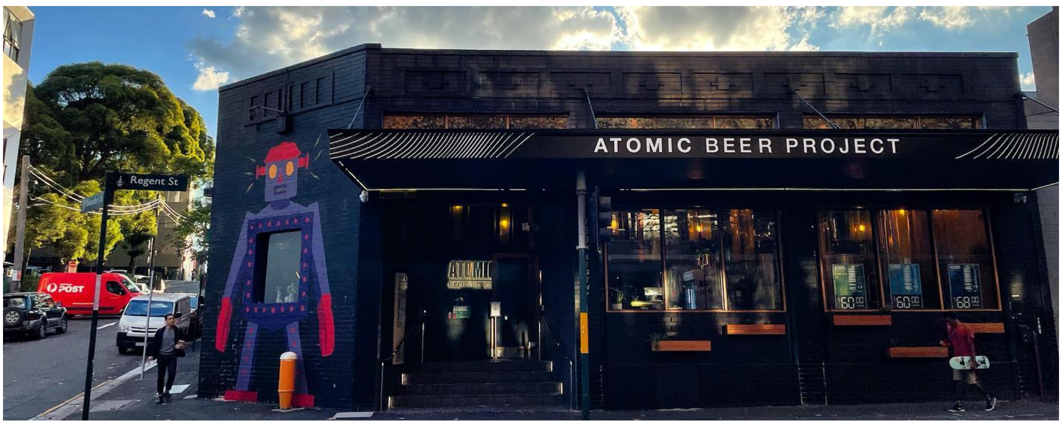


Figure 1 Atomic Beer Project Redfern

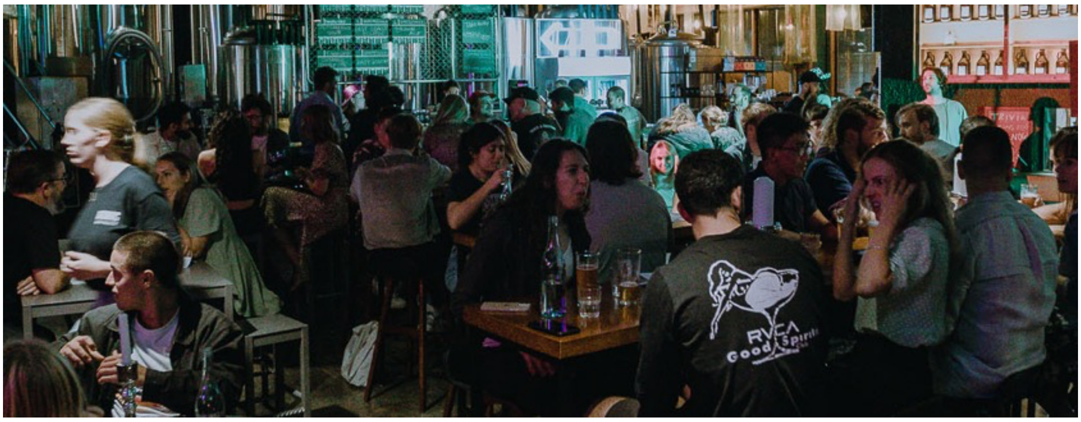


Figure 2 Atomic Beer Project Redfern

Figure 3 Gage Roads Brew Co Fremantle

A big part of our growth strategy is sampling our products through "Brand-in-Hand" occasions. Although COVID impacted on the ability to hold events we remained highly supportive of our event partners and have managed to extend our agreements with many of our existing partners. National events are starting to come back online and we've had great consumer engagement at the recently held Fringe festivals in Perth and Adelaide, Summersault and Wine Machine.

During the year we were pleased to announce that Good Drinks has secured a significant extension for its exclusive beer supply contract to Optus Stadium, the 60,000-seat, world-class sport and entertainment venue and precinct in Perth Western Australia. Optus Stadium is the first stadium in Australia to offer real consumer choice in beer styles as part of its "Fans-First" commitment. Good Drinks is delighted to support the stadium with its *Gage Roads, Atomic, Matso's, Alby, Hello Sunshine* and *San Miguel* product ranges. The stadium partnership will continue to present an exciting and rare opportunity to achieve significant exposure for the Group's brands and reinforces the "Brand-in-Hand" experience.

Under the new deal, the Group will remain the exclusive provider of draught and packaged products in the Stadium and Stadium Park to 31 December 2027.

Maintain our low-cost, high quality, flexible, large-scale manufacturing advantage

Flexible Manufacturing At Scale

Previous capital investments across the brewery over the last two years, namely the new canning line ($8m), new cool room and warehouse facilities ($1m) have been successfully integrated into our operations and have supported a production output of 19.8m Litres for the year, nearing full utilisation.

The operations team has done a brilliant job, not only in producing these record volumes, but also doing so efficiently with an eye on costs and maintaining the highest quality possible.

Keeping this part of the business operating at near full utilisation has delivered a variable cost structure of 41 cents per Litre down 28% from previous year.

In keeping with our strategy to maintain utilisation near capacity, over the next few years, as our brands continue to grow, we will free up to 7m Litres of capacity by reducing contract brewing.

FINANCIAL RESULT

Management P&L	Good Drinks Core	Good Drinks Hospitality	Consolidated FY21	FY20	Var ($)	Var (%)
Volume (million Litres)	17.1	0.1	17.2	12.2	5.0	41%
Revenue	51.6	2.8	54.4	36.8	17.6	48%
Cogs	(16.1)	(1.0)	(17.1)	(12.4)	(4.7)	38%
Gross Profit	**35.5**	**1.8**	**37.3**	**24.4**	**12.9**	**53%**
GP%	69%	64%	69%	66%		2%
Variable Costs	(8.1)	(1.4)	(9.5)	(6.9)	(2.6)	38%
Gross Contribution	**27.4**	**0.4**	**27.8**	**17.5**	**10.3**	**59%**
Sales & Marketing	(9.9)	-	(9.9)	(10.3)	0.4	-4%
Operating Costs	(8.7)	(0.9)	(9.6)	(8.4)	(1.2)	14%
Operating EBITDA	**8.8**	**(0.5)**	**8.3**	**(1.2)**	**9.5**	**792%**
AASB 16 Lease Adjustment	*1.0*	*0.4*	*1.4*	*1.0*	*0.4*	*40%*
JobKeeper	*1.0*	-	*1.0*	*0.8*	*0.2*	*100%*
Statutory EBITDA	**10.8**	**(0.1)**	**10.7**	**0.6**	**10.1**	**1683%**

The own-brand portion of the total sales mix has grown from 64% in FY20 to 67% in FY21 and along with the introduction of higher-margin new product development helped grow our gross profit margin from 66% to 69%*.

The 38% increase in variable costs is less than the 41% increase in volume, indicating that the cost efficiencies improved with the increased volume, a great result and a validation of our previous capital investments.

Sales & Marketing has also grown in real terms but the accounting treatment of our renewed Optus stadium contract means that a fee that used to be captured under “Sales & Marketing” in FY20 is now captured as a discount against revenue. In real terms, our marketing expenditure has actually increased by $1.1m. Sales expenditure primarily relates to headcount whereas Marketing includes both traditional marketing expenditure as well as headcount.

Operating costs have increased by 14% to properly support the sales & marketing teams as we continue to grow volume, revenues and earnings.

The resulting operating EBITDA of $8.3m and Statutory EBITDA of $10.7m validate our business model and show that if we can grow volumes and revenues and maintain margins, we can accelerate EBITDA growth beyond revenue growth.

*Note that "Raw Materials, Consumables and Delivery" on the face of the Income Statement in the Financial Statements includes distribution costs, which is captured under "Variable Costs" in the above table.

CASHFLOW AND BALANCE SHEET

Cash Reconciliation FY21	$m
Opening balance 1 July	5.2
Operating EBITDA	10.2
Increase in receivables	(3.2)
Increase in inventory	(4.6)
Increase in payables	1.0
Proceeds from working capital facility	4.8
Repayment of senior debt facility	(5.6)
Proceeds from issue of equities	4.9
Payments for Plant & Equipment	(7.4)
Closing cash balance 30 June	5.5

During the year the Group invested in working capital to support significant growth in sales. Accordingly, debtors increased by $3.2m and inventory increased by $4.6m. The increased inventory was a one-off and was required to right-size stock levels across the portfolio. A fully stocked warehouse also allows for optimum production runs that leverages our efficient manufacturing capabilities.

The business also re-balanced its payables which had grown towards the end of the previous year as a response to preserve cash during the initial COVID impact. Accordingly, payables only increased by $1m.

To manage the working capital changes the business has in place a $12m borrowing base facility which was drawn to $9m at balance date.

In July 2020, we successfully completed a $4.9m capital raising via placement to strengthen the balance sheet and improve financial flexibility in light of COVID uncertainty at that time. We applied those funds to repay our re-drawable senior debt facility. This facility will be used to support the funding of our venue strategy. At balance date, the $12.5m facility remains undrawn.

Capital expenditure for the period amounted to $7.5m and included $2.1m in on-going maintenance capital expenditure, $3.2m in trailing payments for equipment installed as part of our packaging upgrade in FY20 and a further $1.7m on the *Gage Roads Brew Co* venue (further described below).

A major item of capital expenditure in FY22 will be the redevelopment of the *Gage Roads Brew Co* venue at Victoria Quay. The redevelopment is expected to cost $10m and be complete in late 2021 in time for summer trading. Expenditure and progress to date indicates the project will be materially in line with cost expectations. The project can be fully funded through the existing $12.5m senior debt facility.

With a strong cash balance of $5.2m and headroom and flexibility in our credit facilities, the Group is well capitalised to execute its strategic goals.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

At Good Drinks we have always valued and recognised our commitment to the environment, to our community and to governance and these have been reflected in our mission and value statements and in the way we act.

This year, we have more formally recognised this commitment by establishing a dedicated sustainability department in our business to champion ESG-based initiatives and provide visibility over our commitments and the achievements we have already made. This diagram provides a framework that we will use to illustrate our ESG approach.

During the year, we have undertaken a number of initiatives in these areas, among others:

-Teaming up with the Australian Marine Debris Initiative (AMDI), a key program coordinated by marine not for profit

Tangaroa Blue Foundation, to help clean our oceans and track their health. The partnership includes a series of national beach clean-ups and financial support through new beer releases, while helping Tangaroa Blue uncover more data about the health of our oceans.

- Celebrating women in beer this International Women's Day, an all-female crew at Gage Roads have come together to create TEA BREAK – an Earl Grey Pale Ale with Lemon Aspen. With a national release, beer sales are funding scholarships helping to support the education and development of women in the industry.

We look forward to providing further information on the progress of journey as part of our periodic reporting with shareholders.

OUTLOOK

The Good Drinks Strategy is well and truly on track. FY21 is the first year of our 5-year plan and delivered us an additional 3.5m Litres of Good Drinks brands, we're out in front and our sales team is right-sized for this upcoming year's success.

Our core brands being Single Fin and Matso's Ginger Beer are in full flight and we expect those brands to continue to grow strongly. The marketing team are working on a number of innovative brands to meet emerging trends and we look forward to seeing them launch over the next 6 months.

We have had a great year, overdelivered on our earnings expectations and we expect to back it up with another year of consistently strong growth.

John Hoedemaker

Managing Director

Directors' Report
Your Directors present their report on Good Drinks Australia Limited (the Group) for the year ended 30 June 2021.

Directors
The following persons were Directors of the Group during the whole of the financial year and up to the date of this report, unless otherwise stated.

Graeme Wood	
Ian Olson	(Chairman)
John Hoedemaker	(Managing Director)
Robert Gould	

Company Secretary
Marcel Brandenburg

Principal activities
During the year the principal continuing activities of the Group were the brewing, packaging, marketing and selling of beer, cider and other beverages.
No significant change in the nature of these activities occurred during the year.

Dividends
No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Review and results of operations
The profit/(loss) of the Group for the financial year after providing for income tax amounted to $4,275,039 (2020: ($2,136,772). A review of the Group's operations and its financial position, business strategies and prospects is located at page 5 of this report.

Significant changes in the state of affairs
Significant changes in the state of affairs of the Group during the financial year were as follows:

(a) **Revenue and Volume** – This year saw an improvement in Revenue for FY21 of $54.4m, an increase of 48% in comparison with the corresponding full year period (2020: $36.8m). The combined proprietary brand sales and contract brewing volumes resulted in a total throughput of 19.8m Litres and generated an EBITDA of $10.7m for FY21.

Matters subsequent to the end of the financial year

a) **COVID-19** - The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had a minor impact on the Group during the financial year ended 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is continuously developing and is dependent on measures imposed by the Australian Government and other countries such as maintaining social distance requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No further matter or circumstance has arisen since 30 June 2021, which has significantly affected, or may significantly affect, the operations of the Group, the result of those operations or the state of affairs of the Group in subsequent financial years.

Likely developments and expected results of operations
The Group will continue to brew, sell and market beer, cider and other beverages and continue to expand its distribution.

Information on Directors

Graeme Wood
(Non-Executive, appointed 5 April 2017)

Experience and expertise - Graeme Wood has significant experience as a senior executive with both Foster's Australia and Treasury Wine Estates. Graeme spent 18 years at Foster's Australia – including as General Manager of Sales at Matilda Bay Brewing Company – where he developed a deep knowledge of the beer landscape in Australia. More recently, he spent four years at Treasury Wine Estates as Regional Manager responsible for WA, SA and NT, further enhancing his liquor retail experience.

Other current public directorships – None.

Former directorships in listed companies within last 3 years - None.

Special responsibilities - Member of the Remuneration Committee, Chairman of the Risk Committee.

Interests (direct and indirect) in shares and options – 3,000,000 shares and nil options in the Group.

Ian Olson CA, BCom, MAICD
(Non-Executive Chairman, appointed 12 November 2007)

Experience and expertise - An experienced Chartered Accountant, Ian Olson brings extensive knowledge in corporate advisory, audit and assurance to the Board. Ian is a professional public company director with a 25-year career in finance and the capital markets. Ian is also the Managing Director of Pointerra Limited and former executive chairman of WKC Spatial. Prior to his involvement in WKC Spatial, Ian was Managing Partner of PKF Chartered Accountants in Western Australia.

Other current public directorships – Pointerra Ltd.

Former directorships in listed companies within last 3 years – None.

Special responsibilities - Chairman of the Board, Chairman of the Remuneration Committee, Member of the Audit Committee.

Interests (direct and indirect) in shares and options – 13,258,225 shares and nil options in the Group.

John Hoedemaker BCom
(Director, appointed 3 December 2002, Managing Director, appointed 17 August 2011)

Experience and expertise - John Hoedemaker is a founding Shareholder and Director of Gage Roads since 2002. He has played a key role in achieving profitability by developing and implementing the growth and cost reduction strategies for the business. John has an acute understanding of both the Group's operational needs and financial requirements. John is responsible for the strategic planning, leadership and management of the operations of the Group. Prior to his involvement with Good Drinks, John was a Shareholder, General Manager and Chief Financial Officer of a successful building products manufacturing business, Architectural & Structural Adhesives (WA), which he managed from a start-up operation through to a trade sale to a multi-national conglomerate.

Other current public directorships - None.

Former public directorships within last 3 years - None.

Special responsibilities - None.

Interest (direct and indirect) in shares and options – 57,053,994 shares and nil options in the Group.

Robert Gould FAICD
(Non-Executive, appointed 12 November 2007)

Experience and expertise - Robert Gould has held a number of roles in finance and the management and guidance of start-up, early stage and fast growing companies. His experience includes international mergers and acquisition activity and previous management of a venture capital fund with $113m under management. Robert was a seed capital investor in Good Drinks in 2003.

Other current public directorships - None.

Former directorships in listed companies within last 3 years - None.

Special responsibilities - Chairman of the Audit Committee, Member of the Remuneration Committee, Member of the Risk Committee.

Interests (direct and indirect) in shares and options – 20,336,771 shares and nil options in the Group.

Information on Company Secretary

Marcel Brandenburg CA, FGIA, FCIS, MAcc**,** BCom
(Company Secretary and Chief Financial Officer)

Experience and expertise - Marcel Brandenburg has been with the Group since October 2011 in the capacity of Financial Controller and is responsible for the areas of financial accounting, governance and administration aspects of the business. He was appointed Chief Financial Officer on 30 June 2014.

Marcel has extensive experience in dealing with ASX-listed companies, having spent a significant part of his career auditing publicly listed entities. As a Chartered Accountant and Fellow of the Governance Institute of Australia, he has an excellent understanding of financial markets, market compliance and governance. Marcel has also holds company secretarial roles in a number of unlisted companies.

Other current public directorships - None.

Former public directorships within last 3 years - None.

Special responsibilities – Chief Financial Officer.

Interest (direct and indirect) in shares and options – 10,956,845 shares and nil options in the Group.

Meetings of Directors

The number of meetings of the Group's Board of Directors and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each Director, were as follows:

	Full Meeting of Directors		Meetings of Audit Committee		Meetings of Remuneration Committee	
Directors	**A**	**B**	**A**	**B**	**A**	**B**
Graeme Wood (Non-Executive)	11	11	n/a	n/a	1	1
Ian Olson (Non-Executive)	11	11	2	2	1	1
Robert Gould (Non-Executive)	11	11	2	2	1	1
John Hoedemaker (Executive)	11	11	n/a	n/a	n/a	n/a

A = number of meetings held during the time the Director held office or was a member of the committee during the year.
B = number of meetings attended.
n/a = not a member of the relevant committee.

Total shares under options

There were no unissued ordinary shares under option at the date of this report (2020: Nil).

Shares issued on the exercise of options

There were no shares issued on the exercise of options during the year ended 30 June 2021 (2020: Nil).

Options granted to Directors

No options over unissued ordinary shares were granted to Directors during the year ended 30 June 2021 (2020: Nil).

Options granted to Key Management Executives and other employees

No options over unissued ordinary shares were granted to Key Management Executives or other employees during the year ended 30 June 2021 (2020: Nil).

Options cancelled, forfeited or lapsed

No options were voluntarily forfeited or cancelled during the year ended 30 June 2021 (2020: Nil).

Shares issued to Directors

3,000,000 shares were issued to directors during the year ended 30 June 2021 (2020: Nil).

Shares issued to Employees

64,811,470 employee shares were issued and 30,160,654 employee shares were cancelled during the year.

Audited Remuneration Report

The information provided in this report has been audited as required by section 308(3C) of the *Corporations Act 2001.*

Principles used to determine the nature and amount of remuneration

The Remuneration Committee is responsible for determining and reviewing remuneration packages of all Directors and Key Management Personnel ("KMP") on an annual basis. The Remuneration Committee currently consists of Non-Executive Directors Ian Olson, Robert Gould and Graeme Wood.

The committee's reward policy reflects its obligation to align Director and Executive remuneration with Shareholders' interests and to retain appropriately qualified talent for the benefit of the Group. The main principles of the policy are:

(a) the reward considers comparative industry benchmarks and reflects the competitive market in which the Group operates;

(b) individual reward should be linked to performance criteria if appropriate;

(c) Executives should be rewarded for both financial and non-financial performance; and

(d) the committee shall have access to external professional advice if required to assist in determining appropriate remuneration.

Statutory Indicators

We aim, where practicable, to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth.

Non-Executive Directors - The Remuneration Committee is responsible for recommending individual Non-Executive Directors' fees within the limit approved by Shareholders. The current aggregate Directors' fee limit is $400,000. Directors are entitled to have premiums paid for Directors' & Officers' insurance.

Executives and Executive Directors - The total remuneration of the Key Management Personnel and Executive Directors consists of the following:

(a) *salary* - the Key Management Personnel and Executive Directors receive a fixed sum payable monthly in cash;

(b) *cash at risk component* - Key Management Personnel and Executive Directors are eligible to participate in a Short-Term Incentive (STI) cash bonus plan if deemed appropriate;

(c) *share and option at risk component* - Key Management Personnel and Executive Directors may participate in share and option schemes generally being made in accordance with thresholds set in plans approved by Shareholders if deemed appropriate. The Board, however, considers it appropriate to retain the flexibility to issue shares and options to Key Management Executives and Executive Directors outside of an approved option scheme in exceptional circumstances; and

(d) *other benefits* - Key Management Personnel and Executive Directors are eligible to participate in superannuation schemes, may be entitled to have loss of income insurance paid by the Group, be provided a fully expensed company car or company car allowance and be provided a fully expensed mobile phone and other forms of remuneration if deemed appropriate.

There is no Group policy in place at this point in time in relation to prohibiting margin lending against financial instruments granted to Directors or Key Management Personnel.

The objective of the Group's remuneration policy for Directors and other Key Management Personnel is to ensure reward for performance is adequate and appropriate for the results delivered, taking into account competitiveness, reasonableness, acceptability to Shareholders and transparency. Equity instruments issued may be for services rendered by eligible employees and Directors to date and, going forward, for services rendered by existing and any new eligible employees and Directors who are appointed in the future. The Group feels that incentive shares are effective consideration to eligible employees and Directors for their ongoing commitment and contribution to the Group.

An Employee and Executive Share Plan provides some senior executives with incentive over and above their base salary. The allocation of shares under the Employee and Executive Share Plan may not be subject to performance conditions of the Group. The reasons for establishing the Employee and Executive Share Plan were:

(a) To align the interests of senior management with Shareholders. The Employee and Executive Share Plan provides employees with incentive to strive for long term profitability which is in line with Shareholder objectives; and

(b) To provide an incentive for employees to extend their employment terms with the Group. The experience of senior employees is an important factor in the long term success of the Group.

Details of remuneration

Details of the remuneration of the Directors and Key Management Personnel (as defined in AASB 124 Related Party Disclosures) of the Group for the financial year are set out in the following tables. The Key Management Personnel of the Group are the following Non-Executive and Executive Directors and officers of the Group:

Executive Directors

John Hoedemaker	Managing Director

Non-Executive Directors

Graeme Wood	
Ian Olson	Chairman
Robert Gould	

Executive Officers

Aaron Heary	Chief Operating Officer and Chief Strategy Officer
Marcel Brandenburg	Chief Financial Officer and Company Secretary

No other employee had authority or responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly, during the financial year.

2021 Remuneration - Key Management Personnel

	Short term benefits			Long term benefits	Post employment benefits	Share based benefits	
Name	Cash salary & fees	*Cash bonus	Non-monetary Benefits	Long Service Leave	Super-annuation	Shares	Total
	$	$	$	$	$	$	$
Non-Executive Directors							
Graeme Wood	75,000	-	3,531	-	7,125	13,031	98,687
Ian Olson	120,000	-	3,531	-	-	12,223	135,753
Robert C Gould	68,493	-	3,531	-	6,507	12,223	90,753
Sub-total Non-Exec Directors	*263,493*	-	*10,592*	-	*13,632*	*37,477*	*325,193*
Executive Key Management							
Aaron Heary	290,000	52,500	2,937	-	27,550	30,556	403,543
John Hoedemaker (MD)	390,000	52,500	25,517	-	37,050	30,556	535,624
Marcel Brandenburg	270,000	52,500	2,496	-	25,650	6,111	356,757
Sub-total Executive	*950,000*	*157,500*	*30,950*	-	*90,250*	*67,224*	*1,295,924*
Totals	***1,213,493***	***157,500***	***41,542***	**-**	***103,882***	***104,701***	***1,621,117***

*refer to Short-Term Incentive Plan in paragraph below

2020 Remuneration - Key Management Personnel

	Short term benefits			Long term benefits	Post employment benefits	Share based benefits	
Name	Cash salary & fees	Cash bonus	Non-monetary Benefits	*Long Service Leave	Super-annuation	Shares	Total
	$	$	$	$	$	$	$
Non-Executive Directors							
Graeme Wood	71,250	-	2,289	-	6,769	-	80,308
Ian Olson	114,000	-	2,289	-	-	12,223	128,512
Robert C Gould	65,069	-	2,289	-	6,182	12,223	85,763
Sub-total Non-Exec Directors	*250,319*	-	*6,867*	-	*12,951*	*24,446*	*294,583*
Executive Key Management							
Aaron Heary	275,501	-	1,613	-	26,173	30,556	333,843
John Hoedemaker (MD)	370,502	-	19,621	20,000	37,098	30,556	477,777
Marcel Brandenburg	270,000	-	2,763	-	25,650	6,111	304,524
Sub-total Executive	*916,003*	-	*23,997*	*20,000*	*88,920*	*67,224*	*1,116,144*
Totals	***1,166,322***	**-**	***30,864***	***20,000***	***101,871***	***91,670***	***1,410,726***

*Long Service leave payout during the year.

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2021	2020	2021	2020	2021	2020
Non-Executive Directors						
Graeme Wood	86%	100%	-	-	13%	0%
Ian Olson	91%	90%	-	-	9%	10%
Robert C Gould	87%	85%	-	-	13%	14%
Executive Key Management						
Aaron Heary	79%	91%	13%	-	8%	9%
John Hoedemaker (MD)	85%	94%	10%	-	6%	6%
Marcel Brandenburg	83%	98%	15%	-	2%	2%

Short-Term Incentive (STI) Cash Bonus Plan
During the year the Remuneration Committee ratified a Short-Term Incentive (STI) Plan for executives and key management personnel. 25% of any earnings in excess of the board approved EBITDA target is available to be distributed to eligible participants.

For the year ended 30 June 2021, the Group exceeded the EBITDA target by $3,078,807. Accordingly, eligible KMP's received $52,500 each in accordance with the STI Plan.

For the purpose of this plan, JobKeeper is excluded from EBITDA.

Service agreements
Remuneration and other terms of employment for the following Key Management Personnel are formalised in employment agreements. The significant terms of employment at the date of this report are set out below:

Aaron Heary – Chief Operating Officer & Chief Strategy Officer
- Term of agreement: No fixed term
- Base salary: $290,000 pa, plus 9.5% statutory superannuation contribution, reviewed annually by the Remuneration Committee
- Termination notice period: 8 month notice (without cause)
- Termination notice period: 4 month notice (with cause)

John Hoedemaker – Managing Director
- Term of agreement: No fixed term
- Base salary: $390,000 pa, plus 9.5% statutory superannuation contribution, reviewed annually by the Remuneration Committee
- Termination notice period: 8 month notice (without cause)
- Termination notice period: 4 month notice (with cause)

Marcel Brandenburg – Chief Financial Officer and Company Secretary
- Term of agreement: No fixed term
- Base salary: $270,000 pa, plus 9.5% statutory superannuation contribution, reviewed annually by the Remuneration Committee
- Termination notice period: 8 month notice (without cause)
- Termination notice period: 4 month notice (with cause)

No Director or Executive is entitled to any termination payments apart from payment in lieu of the notice periods outlined above, remuneration payable up to and including the date of termination and payments due by way of accrued leave entitlements. There are no service agreements in respect of non-executive directors.

Equity instruments held by Key Management Personnel
Shares issued to key management personnel
The following tables show the number of ordinary shares in the Group that were held during the financial year by key management personnel of the Group, including their close family members and entities related to them.

There were no options over unissued ordinary shares granted to Key Management Personnel in existence at the date of this report (2020: Nil).

(i) Ordinary shares in the Group

	Nominally Held	Balance at start of the year	Net Purchase (Disposal) of shares	Employee Share Plan Shares Received	Balance at end of the year
2021					
Directors					
Ian Olson	5%	12,858,225	400,000	-	13,258,225
John Hoedemaker	0%	57,053,994	-	-	57,053,994
Robert Gould	75%	16,336,771	4,000,000	-	20,336,771
Graeme Wood	0%	-	-	3,000,000	3,000,000
Executive Key Management					
Marcel Brandenburg	100%	10,168,383	788,462	-	10,956,845
Aaron Heary	0%	38,377,601	8,100,000	-	46,477,601
		134,794,974	13,288,462	3,000,000	151,083,436

There was 3,000,000 shares issued to Key management personnel during the year 30 June 2021 (2020: Nil).

Shares issued to Key Management Personnel on the exercise of options
No ordinary shares were issued during the financial year on the exercise of options granted to Key Management Personnel (2020: Nil).

Loan instruments to Key Management Personnel
The following tables show the non-recourse loan balances provided to Key Management Personnel that are linked to shares issued as part of its Employee and Executive Share Plan.

2021	Balance at the start of the year $	Loans provided during the year $	Loans paid back by the Employee $	Interest paid and payable for the year $	Interest not charged $	Balance at the end of the year $
Directors						
Ian Olson	612,986	-	-	-	-	612,986
Robert Gould	612,986	-	-	-	-	612,986
John Hoedemaker	1,904,466	-	-	-	-	1,904,466
Graeme Wood	-	189,000	-	-	-	189,000
Executive Key Management						
Aaron Heary	1,780,466	-	-	-	-	1,780,466
Marcel Brandenburg	558,493	-	-	-	-	558,493
Total	**5,469,397**	**189,000**	**-**	**-**	**-**	**5,658,397**

Use of remuneration consultants
The Group did not engage in remuneration consultants during the financial year ended 30 June 2021.

Voting and comments made at the Group's 2020 Annual General Meeting
Good Drinks Australia Ltd received more than 97.3% of "Yes" votes on its remuneration report for the 2020 financial year. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the audited remuneration report.

Loans to Directors and Executives
The Group has made a non-recourse loan totalling $189,000 to Non-Executive Director Graeme Wood during the financial year to 30 June 2021 in relation to the issue of his long-term incentive shares. It also has carried forward non-recourse loans from prior years as disclosed in Note 19 (b).

Environmental regulation
The Directors have not been notified and are not aware of any breach of any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 July 2020 to 30 June 2021 the Directors have assessed that there are no current reporting requirements, but the Group may be required to do so in the future.

Insurance of officers
During the financial year the Group paid a premium of $14,122 (2020: $9,155) to insure the Directors and Officers of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

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

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

Auditor
BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

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 24.

Non-Audit services
The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

During the year no fees were paid or payable for non-assurance services provided by the auditor of the Group, its related practices and non-related audit firms.

The Board of Directors, in conjunction with the Audit Committee, has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001, and did not compromise these auditor's independence requirements because they did not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

This report is made in accordance with a resolution of Directors, and signed for on behalf of the Board by:

Ian Olson - **Chairman**
Palmyra, dated this 25st August 2021

Corporate Governance Statement

The Board is committed to achieving and demonstrating high standards of corporate governance. As such Good Drinks Australia Ltd has adopted the third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council and became effective for financial years beginning on or after 1 July 2014.

The Group's Corporate Governance Statement for the financial year ending 30 June 2021 was approved by the Board on 24th August 2021. The Corporate Governance Statement can be located on the Group's website: https://gooddrinks.com.au/investor/governance/

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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF GOOD DRINKS AUSTRALIA LIMITED

As lead auditor of Good Drinks Australia Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Good Drinks Australia Limited and the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 25 August 2021

Good Drinks Australia Limited
Directors' Declaration
30 June 2021

The Directors of the Group declare that:

(a) the financial statements comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes, are in accordance with the *Corporations Act 2001* and other mandatory professional reporting requirements, and;
   (i) comply with Accounting Standards and the *Corporations Regulations 2001* ; and
   (ii) give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date.

(b) in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

(c) the Group has included in the notes to the financial statements an explicit and unreserved Statement of Compliance with International Financial Reporting Standards.

(d) the Directors have been given the declarations by the Managing Director and the Chief Financial Officer required by section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Ian Olson
Chairman

Palmyra
Dated this 25th day of August 2021

Good Drinks Australia Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

	Notes	**2021 $**	2020 $
Revenue from continuing operations			
Sales revenue		**54,400,929**	36,810,978
Interest revenue		**8,279**	15,799
	3	**54,409,207**	36,826,777
Other income	3	**1,579,411**	1,491,042
Foreign Exchange Profit/(Loss)		**(272,850)**	3,974
Raw materials, consumables & delivery		**(18,467,071)**	(13,828,482)
Operating expenses		**(4,445,947)**	(4,835,111)
Employee benefit expenses		**(16,598,123)**	(11,641,870)
Depreciation, amortisation & impairment expenses	4	**(3,990,614)**	(3,777,871)
Sales and marketing expenses		**(3,531,636)**	(6,168,381)
Administration expenses		**(1,717,412)**	(925,331)
Occupancy expenses	4	**(259,581)**	(281,152)
Finance costs	4	**(650,222)**	(528,284)
Profit/(Loss) before income tax		**6,055,162**	(3,664,688)
Income tax benefit/(expense)	5	**(1,780,123)**	1,527,916
Net Profit/(Loss) attributable to the members of Good Drinks Australia Ltd		**4,275,039**	(2,136,772)
Other Comprehensive Income/(Loss)			
Items that may be reclassified to profit or loss:			
Change in the fair value of Cashflow Hedges		**(327,316)**	(155,823)
Total Other Comprehensive Income/(Loss) for the year		**3,947,723**	(2,292,595)

	Notes	**2021**	2020
Profit/(Loss) per share attributable to the members of Good Drinks Australia Ltd			
Basic Profit/(Loss) per share (cents)	17	**0.34**	(0.19)
Diluted Profit/(Loss) per share (cents)	17	**0.34**	(0.19)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Good Drinks Australia Limited

Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	**2021 $**	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	6	**5,498,115**	5,215,605
Trade and other receivables	7	**17,933,016**	15,251,357
Inventories	8	**8,583,668**	3,937,107
Total current assets		**32,014,799**	24,404,069
Non-current assets			
Property, plant and equipment	9	**40,000,981**	38,250,996
Right-of-use assets	10	**13,955,592**	13,278,204
Intangible assets	11	**15,787,559**	15,414,861
Deferred tax assets	5	**496,324**	1,876,049
Total non-current assets		**70,240,457**	68,820,111
Total assets		**102,255,255**	93,224,180
LIABILITIES			
Current liabilities			
Trade and other payables	12	**16,372,225**	13,810,664
Deferred consideration		**400,000**	1,200,000
Lease liabilities		**1,123,110**	615,309
Current tax liability	12	**433,966**	686,078
Provisions	13	**844,043**	601,321
Borrowings	13	**8,972,000**	5,172,000
Total current liabilities		**28,145,344**	22,085,371
Non-current liabilities			
Trade and other payables	12	**-**	1,940,770
Lease liabilities	10	**13,159,005**	12,830,409
Provisions	13	**563,542**	407,000
Borrowings	13	**-**	4,611,963
Total non-current liabilities		**13,722,547**	19,790,142
Total liabilities		**41,867,890**	41,875,513
Net assets		**60,387,365**	51,348,668
EQUITY			
Contributed equity	14	**60,112,726**	55,210,502
Hedge reserve	15	**(400,698)**	(73,382)
Share options reserve	15	**2,510,039**	2,321,318
Accumulated losses	15	**(1,834,702)**	(6,109,770)
Total equity		**60,387,365**	51,348,668

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Good Drinks Australia Limited

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	Notes	Contributed equity $	Accumulated losses $	Share based payment reserve $	Hedge Reserve $	Total equity $
At 1 July 2019		52,711,850	(3,972,969)	2,048,490	82,440	50,869,806
Comprehensive Income						
Loss for the year		-	(2,136,772)	-	-	(2,136,772)
Other Comprehensive income/(loss)		-	-	-	(155,822)	(155,822)
Total comprehensive income/(loss) for the year		**-**	**(2,136,772)**	**-**	**(155,822)**	**(2,292,594)**
Transactions with equity holders in their capacity as equity holders:						
Issue of share capital, net of transaction costs		2,498,652	-	-	-	2,498,652
Employee and other share options expensed	18	-	-	272,828	-	272,828
At 30 June 2020		**55,210,502**	**(6,109,740)**	**2,321,318**	**(73,382)**	**51,348,694**
Comprehensive Income						
Profit for the year		-	4,275,039	-	-	4,275,039
Other Comprehensive income/(loss)		-	-	-	(327,316)	(327,316)
Total comprehensive income/(loss) for the year		**-**	**4,275,039**	**-**	**(327,316)**	**3,947,723**
Transactions with equity holders in their capacity as equity holders:						
Issue of share capital, net of transaction costs		4,902,225	-	-	-	4,902,225
Employee and other share options expensed	18	-	-	188,721	-	188,721
Balance at 30 June 2021		**60,112,726**	**(1,834,702)**	**2,510,039**	**(400,698)**	**60,387,365**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Good Drinks Australia Limited

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Notes	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**92,951,519**	60,529,625
Payments to suppliers and employees (inclusive of GST)		**(85,989,975)**	(62,106,475)
		6,961,544	(1,576,851)
Interest received		**8,279**	15,799
Interest paid		**(650,279)**	(528,283)
Income tax paid		**(686,078)**	-
Net cash inflow/(outflow) from operating activities	16	**5,633,466**	(2,089,335)
Cash flows from investing activities			
Payments for property, plant and equipment		**(7,631,714)**	(11,071,786)
Payments for intangible assets		**(96,731)**	(91,585)
Proceeds from Sale of Equipment		**-**	150
Net cash (outflow) from investing activities		**(7,728,446)**	(11,163,221)
Cash flows from financing activities			
Proceeds from issue of share capital		**5,231,500**	1,050,000
Share issue transaction costs		**(295,707)**	(44,970)
Proceeds from borrowings		**4,800,000**	10,315,196
Repayment of borrowings		**(5,800,000)**	(384,204)
Borrowing transaction costs		**(64,612)**	(188,037)
Repayment of lease liabilities		**(1,386,321)**	(1,438,057)
Net cash inflow from financing activities		**2,484,860**	9,309,928
Net increase/(decrease) in cash and cash equivalents		**389,880**	(3,942,628)
Effect of movement in exchange rates on cash held		**(107,370)**	(112,398)
Cash and cash equivalents at the beginning of the financial year		**5,215,605**	9,270,631
Cash and cash equivalents at the end of the financial year	6	**5,498,115**	5,215,605

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1 Summary of Significant Accounting Policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001. This Group is a for-profit Group for the purpose of preparing the Financial Statements.

Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Good Drinks Australia Limited at the end of the reporting period. A controlled entity is any entity over which Good Drinks Australia Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the period, the financial performance of those entities are included only for the period that they were controlled. A list of controlled entities is listed below:
- Matso's Broome Brewing Pty Ltd
- Regent Street Hospitality Pty Ltd
- Cliff Street Hospitality Pty Ltd

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at amortised cost in the Group’s financial statements.

Transactions eliminated on consolidation

Intra-Group balances, and any unrealized gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Identifiable intangible assets

Intangible assets acquired separately or in a business combination are initially measured at the lower of cost or fair value cost at the time of acquisition when it is probable that the future economic benefits arising as a result of the costs incurred will flow to the Group. The Group assesses identifiable intangible assets as having either finite or indefinite useful lives.

Intangible assets with finite lives are amortised over the useful life and assessed for impairment at least twice a year or whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at least each financial year end.

Asset acquisition

Where an acquisition does not meet the definition of a business combination the transactions is accounted for as an asset acquisition. The consideration transferred for the acquisition of an asset comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs with regards to the acquisition are capitalised. Identifiable assets acquired and liabilities assumed in the acquisition are measured initially at cost and if not available their fair values at the acquisition date.

Note 1 Summary of Significant Accounting Policies

Compliance with IFRS
The financial statements of Good Drinks Australis Limited also complies with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Historical cost convention
These Financial Statements have been prepared under the historical cost convention.

Critical Accounting Estimates and Significant Judgements
The preparation of Financial Statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

i) Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to 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. For details of share-based payments made during the year, see Note 18.

ii) Going concern
The financial report has been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

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

iv) Indefinite life intangible assets
As part of the asset acquisition the Group acquired an intangible asset being the Matso's Brand. Consideration and significant judgement has been applied by the Group in determining that the Matso's brand has an indefinite useful life in accordance with AASB 138 Intangible Assets. The Group will assess the useful life of this asset at least every reporting date or more frequently if events or changes in circumstances indicate a finite useful life.

v) Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

vi) Impairment of non-financial assets and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether indefinite life intangible assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on the higher of value-in-use and fair value less cost of disposal. These calculations require the use of assumptions and judgements (refer to impairment note).

During the year, there were no impairment triggers that would suggest that the carrying value of these assets exceeded its recoverable amount.

Note 1 Summary of Significant Accounting Policies

vii) Contingent consideration
Management have applied significant judgements in determining the recognition and/or probabilities of the contingent consideration payable on the asset acquisition of Matso's Broome Brewing Pty Ltd.

viii) *Trade receivables*
The Group has a credit risk concentration in trade receivables with respect to national wholesalers and Endeavour Group, through their purchasing of large quantities of goods. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

The Group has applied the simplified approach to measuring expected credit losses, which uses an expected lifetime expected loss allowance, the Group's expected credit loss assessment as at 30 June 2021 was considered to be immaterial to the balance of Trade and Other Receivables as disclosed in Note 7.

ix) *Lease identification*
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the date of inception.

The arrangement is assessed to determine whether the fulfilment is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset (or those assets are) not explicitly specific in an arrangement.

x) Revenue from contracts with customers involving sale of goods
When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

xi) Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(b) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and members of the Board of Management.

(c) Revenue recognition
Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable component, the Group estimates the expected consideration for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

Note 1 Summary of Significant Accounting Policies

The Group primarily generates revenue from the sale of alcoholic beverages.

Revenue from the sale of these goods is recognised when control over the inventory has transferred to the customer. Control is generally considered to have passed when:

- physical possession and inventory risk is transferred (including via a third-party transport provider);
- payment terms for the sale of goods can be clearly identified through invoices issued to customers; and
- the customer has no practical ability to reject the product where it is within contractually specified limits.

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Leases

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 consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 1 Summary of Significant Accounting Policies

(f) Impairment of assets

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 reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell 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 flows 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 each reporting date.

(g) Cash and cash equivalents

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

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group considers a financial asset in default when contractual payment are > 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(i) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials for work-in-progress and finished goods. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 1 Summary of Significant Accounting Policies

(j) Financial assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade receivables in the Consolidated Statement of Financial Position (Note 7).

Regular purchases and sales of financial assets are recognised on trade-date, i.e. when committed. Financial assets are de-recognised when the rights to receive the 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.

Loans and receivables are carried at amortised cost using the effective interest method.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(k) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(l) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred. Depreciation is calculated using both the straight line and reducing balance methods to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Brewery, plant & equipment	3.33% - 30%
Office equipment	7.50% - 50%
Motor vehicles	13.64% - 18.75%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Financial Performance.

(m) Intangible assets

Trademarks

Trademarks are treated as having an indefinite useful life because they are expected to contribute to the net cash flows indefinitely. Therefore, the trademarks would not be amortised until their useful life is determined to be finite. They would be individually tested for impairment in accordance with AASB 136 annually and whenever there is an indication that any of the trademarks may be impaired. They are carried at cost.

Note 1 Summary of Significant Accounting Policies

Brand
Brand costs are treated as having an indefinite useful life because they are expected to contribute to the net cashflows indefinitely. Therefore brand costs will not be amortised until their useful life is determined to be finite. They would be individually tested for impairment in accordance with AASB 136 annually and whenever there is an indication that any of the brands may be impaired. They are carried at cost.

Product Development
Product Development costs are carried at cost less amortisation. Amortisation is calculated on a straight-line basis over the assets estimated useful life of 2 years.
Costs incurred in developing products will contribute to future period revenue generation. Costs capitalised include external direct costs of materials and services.

(n) Trade and other payables
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 usually paid within 60 days of recognition. They are recognised initially at fair value and subsequently at amortised cost.

(o) Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(p) Borrowing costs
Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(q) Employee benefits
(i) Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experiences of employee departures and periods of service.

(iii) Share-based payments
The fair value of options at grant date is determined using a Black-Scholes or Binomial option pricing model that takes into account the exercise price, 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.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Note 1 Summary of Significant Accounting Policies

Upon the exercise of the options, the balance of the share-based payments reserve relating to those options is transferred to share capital and the proceeds received are credited to share capital.

(r) Contributed equity

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 from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of acquisition as part of the purchase consideration.

(s) Goods and services tax

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

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

(t) Foreign currency

The functional and presentational currency of the Group is the Australian dollar. Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(u) Earnings per share

Basic earnings per share

This is calculated by dividing the profit or loss attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(v) Excise Tax

As of the 1 July 2008 the Group has adopted an accounting treatment which accounts for Excise Tax as monies received on behalf of a third party and not as revenue. Excise tax collected is accounted for as a current liability until it is paid on a weekly basis.

(w) Provisions

Provisions for legal claims and other obligations 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 amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

Note 1 Summary of Significant Accounting Policies

(x) Share based payment transactions

Employees and Directors

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted with the recognition of the expense accounted for over the vesting period. The fair value is determined by an internal valuation using Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted.

Key inputs to the Black Scholes options pricing model include the expected price volatility and risk free interest rate. The expected price volatility is based on the historical volatility adjusted for any expected changes to future volatility due to publicly available information. The risk interest is the risk free rate of securities with comparable terms to maturity.

(y) Government Grants

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

(z) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Cash flow hedges

Cash flow hedges are used to cover the consolidated entity's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

New and amended standards and interpretations adopted by the Group

The Group has not adopted any new or amended standards during the year ended 30 June 2021.

New standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2 : Financial Risk Management

The Company's activities expose it to a variety of financial risks, market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the management team under policies approved by the Board of Directors. Details of policies for each risk are detailed below.

Fair Value Measurement
The Carrying Value and Fair Value of financial assets and financial liabilities, both recognised and unrecognised at reporting date, are as follows:

	2021	**2021**	2020	2020
	$	**$**	$	$
	Fair Value	**Carrying Value**	Fair Value	Carrying Value
Financial assets				
Cash and cash equivalents	**5,498,115**	**5,498,115**	5,215,605	5,215,605
Trade and other receivables	**17,933,016**	**17,933,016**	15,251,357	15,251,357
	23,431,131	**23,431,131**	20,466,962	20,466,962
Financial liabilities at amortised cost				
Trade and other payables	**16,806,191**	**16,806,191**	14,496,742	14,496,742
Lease Liability	**14,282,115**	**14,282,115**	13,445,718	13,445,718
Borrowings	**8,972,000**	**8,972,000**	9,783,963	9,783,963
	40,060,306	**40,060,306**	37,726,422	37,726,422

(a) Market risk

(i) *Foreign exchange risk*

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

In order to protect against exchange rate movements, the Group has entered into forward foreign exchange contracts. Management has a risk management policy to hedge approx. 80% of anticipated foreign currency transactions for the subsequent 18 months.

Buy US Dollars	**AUD**	**USD**	**Average Rate**	**Through to**
Hedge 1	6,442,953	4,608,000	0.715	21 Jun 2022
Hedge 2	439,379	343,097	0.781	30 Mar 2023
	AUD	**EUR**	**Average Rate**	**Through to**
Hedge 3	1,859,010	1,105,415	0.594	19 Nov 2021

(ii) *Price risk*

The Group does not have any investments classified as available-for-sale or at fair value through profit or loss and therefore does not have any exposure to price risk.

(iii) *Cash flow interest rate risk*

Refer to (d) over page.

Note 2 : Financial Risk Management (continued)

(b) Credit risk

Credit risk arises in relation to cash and cash equivalents and deposits with financial institutions (Credit Rating: AA-). Cash transactions are limited to high credit quality financial institutions.

Credit risk also arises in relation to trade receivables. The Group only has a credit risk concentration in trade receivables with respect to national wholesalers and Endeavour Group, through their purchasing of large quantities of goods. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Refer to Note 8 for the Group's assessment of past due trade receivables. The maximum exposure to credit risk is the carrying amount of the financial assets as disclosed above.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities or Shareholder support. The Group has a committed cash advance facility of $12.5 million with the Commonwealth Bank of Australia which is undrawn at year-end. Furthermore, the Group has a $12m revolving credit facility with Commonwealth Bank of Australia which is drawn to $8.972m at 30 June 2021. The Group has relied on equity raising and prudent management to manage this risk.

2021	< 1 year	1 - 2 years	2 - 5 years	Total Cash flows	Carrying Value
Trade payables	6,947,079	-	-	6,947,079	6,947,079
Other payables	9,859,112	-	-	9,859,112	9,859,112
Lease Liability	1,123,110	1,201,338	11,957,667	14,282,115	14,282,115
Borrowings	9,068,787	-	-	9,068,787	8,972,000
Total Payable	26,998,088	1,201,338	11,957,667	40,157,093	40,060,306

2020	< 1 year	1 - 2 years	2 - 5 years	Total Cash flows	Carrying Value
Trade payables	8,328,221	-	-	8,328,221	8,328,221
Other payables	4,227,751	1,940,770	-	6,168,520	6,168,520
Lease Liability	615,309	738,884	12,091,525	13,445,718	13,445,718
Borrowings	5,304,533	-	4,621,691	9,926,224	9,783,963
Total Payable	18,475,814	2,679,654	16,713,216	37,868,683	37,726,422

(d) Cash flow interest rate risk

The Group's interest-bearing assets are at floating interest rates, thereby exposing the Group to cash flow interest-rate risk through changes in market interest rates. The Group policy is to accept this risk by linking in deposit terms with funding requirements and market interest rates available for different terms.

As at 30 June 2021, if interest rates had changed by 100 basis points (based on indicative forward cash rates) from the year-end rates and all other variables held constant, the profit for the year would have been $40,517 higher/lower (2020: $50,341 higher/lower) from interest income on cash and cash equivalents, based upon the average cash on hand balance of $4,151,655 (2020: $5,034,110).

All of the Group's long term borrowings are at a fixed interest rate and as such there is no risk to the Group's interest payments and operational cash flows arising from those liabilities.

As at 30 June 2021, if interest rates had changed by 100 basis points (based on indicative forward cash rates) from the year-end rates and all other variables held constant, the profit for the year would have been $105,092 higher/lower (2020: $37,437) from interest expense on borrowings, based upon the average loan balance of $10,509,246 (2020: $3,743,728).

Note 3 : Revenue

	2021 $	2020 $
Revenue		
Sale of goods*	**84,271,446**	57,048,736
Less: Excise tax collected	**(29,277,007)**	(19,474,874)
Less: Wine Equalisation Tax Collected	**(593,510)**	(762,883)
Interest	**8,279**	15,799
	54,409,207	36,826,777
Other income		
ATO Micro-Brewery Excise Refund	**100,000**	100,000
Warehousing Services	**228,059**	76,881
Insurance Income	-	307
Jobkeeper Subsidy	**946,500**	801,000
Other	**304,852**	512,855
	1,579,411	1,491,042

**Sale of goods*

Revenue from the sale of goods is recognised at the point in time when control over the inventory has transferred to the customer.

Note 4 : Expenses

	2021 $	2020 $
Profit (loss) before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	**2,335,115**	1,665,355
Office equipment	**227,306**	138,406
Motor vehicles	**7,638**	3,571
Amortisation of intangible assets	**124,034**	87,888
Amortisation of lease assets	**1,267,331**	1,115,674
Impairment of plant & equipment	**29,190**	766,977
Total Depreciation	**3,990,614**	3,777,871
Bad Debt Expense		
Bad debts written off	**142,463**	37,675
Bad Debts Expensed	**142,463**	37,675
Finance costs		
Interest and finance charges paid/payable	**650,222**	528,283
Finance costs expensed	**650,222**	528,283
Occupancy expense relating to operating leases		
Minimum lease payments	**128,466**	62,431
Variable outgoings	**131,116**	218,721
Total occupancy expense relating to operating leases	**259,581**	281,152
Defined contribution superannuation expense		
Defined contribution superannuation expense	**1,061,055**	879,288
Total defined contribution superannuation expense	**1,061,055**	879,288
Share-based payments expense (Note 18)		
Non-recourse loan-funded shares	**188,721**	272,828
Total share-based payments expense	**188,721**	272,828

Note 5 : Income tax expense

	2021 $	2020 $
(a) Income tax expense/(benefit)		
Current tax	**1,780,123**	(1,527,916)
Deferred tax - origination of temporary differences	**-**	-
Income Tax Expense	**1,780,123**	(1,527,916)
Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but direclty debited or (credited) to equity.		
Current Tax	**140,023**	-
Net Deferred Tax	**174,542**	-
	314,564	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) before income tax expense	**6,055,162**	(3,664,688)
Tax at the Australian tax rate of 30% (2020 - 30%)	**1,816,549**	(1,099,407)
Tax effect of amounts which are not deductible (taxable) in		
Share-based payments	**56,616**	81,848
Fines and entertaining	**32,361**	72,292
Cash Flow Boost Payments	**(15,000)**	-
Sundry	**(110,403)**	-
Temporary differences	**-**	(81,207)
Prev. unrecognised deferred tax asset now brought to account	**-**	(501,443)
	1,780,123	(1,527,916)
Income tax expense	**1,780,123**	(1,527,916)
Movement in Deferred tax asset		
Carried forward balance of DTL/(DTA) at 30 June 2020	**1,876,049**	-
Deferred Tax Asset @ 30%	**5,211,369**	1,650,197
Deferred Tax Asset in Equity @ 30%	**174,542**	225,852
Deferred Tax Liability @ 30%	**(4,889,587)**	-
Closing DTA/(DTL) at 30 June 2021	**496,324**	1,876,049
Recognition of deferred tax asset - prior year losses		
- current year profit/(loss)	**1,379,725**	(1,876,049)
	1,379,725	(1,876,049)

Deferred tax assets and liabilities have previously been brought to account after considering the level of tax losses carried forward and available to the Group against future taxable profits and the probability within the future that taxable profits will be available against which the benefit of the deductible temporary differences can be claimed. During the year the Group utilised the remaining deferred tax assets on carried forward tax losses.

Note 6 : Current assets - Cash and cash equivalents

	2021 $	2020 $
Cash at bank and in hand	**5,498,115**	5,215,605
	5,498,115	5,215,605

(a) Reconciliation to cash at the end of the year

The above figure agrees to cash at the end of the financial year as shown in the statement of cash flows.

(b) Cash at bank and on hand

The cash at bank and in hand balances above bear interest rates of between 0% and 1%.

Refer Note 2 for assessment of Group risk management policy.

Note 7 : Current assets - Trade and other receivables

	2021 $	2020 $
Trade receivables	**13,527,607**	12,473,973
Prepayments	**4,405,409**	2,777,384
	17,933,016	15,251,357

(a) Impaired trade receivables

Due to their short-term nature, the fair value of receivables approximates their carrying value. The maximum exposure to credit risk is their carrying value above. The Group only has a credit risk concentration with respect to its major customers. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. See Note 2 for more information on the risk management policy of the Group.

The Group has applied the simplified approach to measuring expected credit losses, which uses an expected lifetime expected loss allowance.

(b) Interest rate risk

There are no interest-bearing balances in receivables, therefore the Group has no interest rate risk.

(c) Past due but not impaired

As of 30 June 2021, trade receivables of $1,555,718 (2020: $453,679) were past due but not impaired. These relate to a number of unrelated customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2021 $	2020 $
Up to 3 months	**1,035,109**	43,484
3 to 6 months	**520,609**	410,195
	1,555,718	453,679

(d) Fair value and credit risk

Due to their short-term nature, the fair value of receivables approximates their carrying value. The maximum exposure to credit risk is their carrying value above. The Group only has a credit risk concentration with respect to its major customers. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. See Note 2 for more information on the risk management policy of the Group.

Note 8 : Current assets - Inventories

	2021 $	2020 $
Raw material and stores - at cost	**3,672,437**	2,254,264
Work-in-progress - at cost	**195,398**	241,014
Finished goods - at cost	**4,087,973**	974,284
Other	**627,859**	467,545
	8,583,668	3,937,107

Inventory expense

Inventories recognised as an expense (cost of goods sold) during the year ended 30 June 2021 amounted to $17,078,025 (2020: $12,519,436). Inventories written off during the year as new product development costs, obsolete stock and operational waste amounted to $227,584 (2020: $511,714).

Note 9 : Non-current assets - Property, plant and equipment

	Plant and equipment	Office equipment	Motor vehicles	Total
Year ended 30 June 2020				
Opening net book amount	25,526,170	162,451	19,965	25,708,586
Additions	14,809,654	307,064	-	15,116,718
Depreciation charge	(1,665,355)	(138,406)	(3,571)	(1,807,332)
Impairment Charge on obsolete equipment	(766,977)	-	-	(766,977)
Disposals	-	-	-	-
Closing net book amount	37,903,492	331,109	16,394	38,250,995
At 30 June 2020				
Cost or fair value	49,596,948	974,694	239,787	50,811,429
Accumulated depreciation	(11,693,456)	(643,584)	(223,393)	(12,560,433)
Net book amount	37,903,492	331,109	16,394	38,250,996
Year ended 30 June 2021				
Opening net book amount	37,903,492	331,109	16,394	38,250,996
Additions	3,935,309	333,466	51,269	4,320,045
Depreciation charge	(2,335,115)	(227,306)	(7,638)	(2,570,059)
Impairment charge on obsolete equipment	-	-	-	-
Disposals	-	-	-	-
Closing net book amount	39,503,687	437,270	60,025	40,000,981
At 30 June 2021				
Cost or fair value	53,532,257	1,308,160	291,056	55,131,474
Accumulated depreciation	(14,028,571)	(870,890)	(231,031)	(15,130,492)
Net book amount	39,503,687	437,270	60,025	40,000,981

(a) Assets in the course of construction

The carrying value of assets disclosed above include the following expenditure recognised in relation to plant and equipment which is in the course of construction. The balance can be primarily attributed to the construction and development of the A Shed Hospitality Venue. As it is not yet available for use, this plant and equipment has not commenced depreciating.

Note 9 : Non-current assets - Property, plant and equipment (continued)

	2021 $	2020 $
Plant and equipment	**1,558,181**	654,155

(b) Non-current assets pledged as security.
Refer to note 13 for information on non-current assets pledged as security by the Group.

Note 10 : Leases

Amounts recognised in the balance sheet:	2021 $	2020 $
Right of use assets		
Property	**15,187,829**	13,935,514
Motor Vehicles	**966,953**	423,278
Equipment	**183,815**	35,086
Accumulated amortisation	**(2,383,005)**	(1,115,674)
Total	**13,955,592**	13,278,204
Lease liabilities		
Current	**1,123,110**	615,309
Non-current	**13,159,005**	12,830,409
Total	**14,282,115**	13,445,718

The Group leases land and buildings for its operations under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity also leases plant and equipment under agreements of between three to seven years.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

For impairment testing, the right-of-use assets have been allocated to the identified cash-generating unit. Refer to note 11 for further information on the impairment testing key assumptions and sensitivity analysis.

Note 11 : Non-current assets - Intangible assets

	2021	2020
Intellectual Property Assets	**$**	$
Intellectual property	**627,319**	530,587
Accumulated amortisation of intellectual property	**(514,406)**	(390,372)
Total intellectual property	**112,913**	140,215
Intangible Brand Asset	**$**	$
Matso's intangible brand asset	**15,674,646**	15,274,646
Total Intangible Brand Assets	**15,674,646**	15,274,646

As part of the Matso's asset acquisition occurring in Septemer 2018, the Group acquired an intangible brand asset, which as at 30 June 2021 is carried at $15,674,646. The Group has recognised the intangible asset as having an indefinite useful life and accordingly tests the Group's Cash Generating Unit ("CGU") for impairment annually, or more frequently if events or changes in circumstances indicate impairment, as disclosed within the critical accounting judgements, estimates and assumptions note 1.

Note 11 : Non-current assets - Intangible assets (continued)

The recoverable amount of the CGU which was tested for impairment has been assessed using the higher of the fair value less cost to sell and the value in use method.

Value in use has been derived by calculating the discounted value of net cash flows expected to be delivered from the CGU. The fair value less cost to sell has been assessed using a market approach based upon the market capitalisation of the Group as at 30 June 2021 on the Australian Securities Exchange (ASX).

Value in use has been based on a 1 year budget approved by the Board and extrapolated for a further 4 years using a steady growth rate, together with a terminal value.
The value in use model used the following key assumptions:

	2021	**2020**
Short term growth rate	7%	5.8%
Capital expenditure invested to sustain operational growth	20%	20%
Discount rate	10.00%	10.00%

Management have considered and assessed the sensitivities associated with the assumptions and rates used above and note all key assumptions would have to be adversely affected by 25.01% (2020: 10.28%) for the carrying value to exceed the recoverable value or for an impairment to arise.

Note 12 : Liabilities - Trade, other payables, and current tax liability

Trade and other payables	**2021**	2020
Current	**$**	$
Trade payables	**6,947,079**	8,328,221
Payables for capital purchases	**183,316**	185,071
GST payable	**902,093**	550,295
Current tax liability	**433,966**	686,078
Other payables (a)	**8,339,737**	4,747,077
	16,806,191	14,496,742
Non-Current		
Other payables (b)	**-**	1,940,770

(a) Amounts expected to be settled within one year
Movement in other payables relate primarily to timing of excise tax accruals ($1.2m), timing of operational accruals ($2.0m) and the change in the treatment of the renewed supply agreement with Optus Stadium ($0.4m).

(b) Amounts not expected to be settled within one year
Non-current trade and other payables relate to the purchase of canning line equipment on credit terms until 21 November 2021 (final payment date). The corresponding asset is not formally pledged as security.

(b) Risk exposure
Information about associated liquidity and fair value risk is set out in Note 2.

Note 13 : Provisions & borrowings

	2021	2020
Current	**$**	$
Unsecured		
Provision for annual leave	**844,043**	601,321
Secured		
Bank loans	**8,972,000**	5,172,000
Total current borrowings	**8,972,000**	5,172,000

Note 13 : Provisions & borrowings (continued)

	2021 $	2020 $
Non Current		
Unsecured		
Provision for long service leave	**563,542**	407,000
Secured		
Bank loans	**-**	4,611,963
Total non-current borrowings	**-**	4,611,963

(a) Amounts not expected to be settled within one year

The entire obligation for annual leave is expressed as a current liability as the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave within the next 12 months. The estimated leave that is not expected to be taken in the next twelve months is $250,000 (2020: $150,000). This is considered to be immaterial.

(b) Facilities

Facility	Limit	Drawn	Term	Base rate	Margin	Line Fee
Borrowing Base Facility	up to $12,000,000 based on 80% Eligible Debtors + 65% Eligible Finished Inventory + 40% Eligible Unfinished Inventory	$ 8,972,000	Revolving subject to annual review	BBSY	1%	1.25%
Cash Advance facility	$12,500,000	$ -	4 years	BBSY	1.55%	1.25%

(c) Covenants

Covenant	Ratio/Condition	Start Date	End Date	Period
Interest Cover Ratio	ICR>4.0	1/07/2021	1/07/2021	6 months
		1/10/2021	Termination date	Quarterly for preceeding 12 months rolling
Gross Leverage Ratio	Gross Leverage <2.00	1/07/2021	Termination date	Quarterly for preceeding 12 months rolling
Net Tangible Assets	NTA>$30m	1/07/2021	1/07/2021	Quarterly
	NTA>$35m	1/10/2021	Termination date	Quarterly

(d) Risk exposure

Details of the Companies exposure to risks arising from current and non-current borrowings are set out in note 2.

(e) Fair value disclosures

The fair value of borrowings for the Group are consistent with their carrying values above due to their short term nature.

(f) Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	2021 $	2020 $
Fixed & Floating charges		
Plant and equipment	**39,940,956**	38,234,601
Motor vehicles	**60,025**	16,394
Trade Receivables	**13,527,607**	12,473,973
Inventory	**7,955,809**	3,469,562
Total Fixed & Floating charges	**61,484,398**	54,194,531
Total assets pledged as security	**61,484,398**	54,194,531

Note 14 : Contributed equity

	2021 Shares	2020 Shares	**2021 $**	2020 $
(a) Share Capital				
Fully paid ordinary shares	**1,278,167,579**	1,140,516,763	**1,140,516,763**	55,210,502
	1,278,167,579	1,140,516,763	**1,140,516,763**	55,210,502
(b) Movement in contributed equity:				
1 July (opening balance)	**1,140,516,763**	1,106,257,848	**55,210,502**	52,711,849
Issues of shares during the year				
Ordinary shares issued (Employee shares)	**-**	12,000,000	-	-
Ordinary shares issued	**167,811,470**	29,318,615	**5,231,500**	2,195,489
Shares cancelled	**(30,160,654)**	(7,059,700)	**-**	-
Capital Raising Costs	**-**	-	**(295,707)**	(44,970)
Current Tax Benefit	**-**	-	**(33,568)**	348,133
30 June (closing balance)	**1,278,167,579**	1,140,516,763	**60,112,726**	55,210,502

At 30 June 2021 there were 1,278,167,579 ordinary shares on issue.

Ordinary shares
Ordinary shares have no par value. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each share is entitled to one vote.

Capital risk management
The Group's objectives when managing capital is to maintain an ability to trade profitably, so that they can provide returns for shareholders and benefits for other stakeholders and to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Group may seek to issue new shares and/or debt. Capital is monitored on its ability to fund the Group's objectives. Capital ratios monitored by management are those reported to the Group's financiers as part of its facility agreements (interest coverage, net tangible assets).

Note 15 : Reserves and accumulated losses

	2021 $	2020 $
(a) Share based payment reserve		
Movements in share based payment reserve were as follows:		
Balance 1 July	**2,321,318**	2,048,490
Share based payment expense	**188,721**	272,828
Balance 30 June	**2,510,039**	2,321,318

The share based payment reserve is used to recognise the fair value of shares issued.

	2021 $	2020 $
(b) Hedge Reserve	**(400,698)**	(73,382)
Recognised in accordance with AASB9 - refer note 1		
(c) Accumulated losses		
Movements in accumulated losses were as follows:		
Balance 1 July	**(6,109,741)**	(3,972,999)
Net profit/(loss) for the year	**4,275,039**	(2,136,772)
Balance 30 June	**(1,834,702)**	(6,109,771)

Note 16 : Cash Flow Information

a) Reconciliation of profit after income tax to net cash outflow from operating activities	**2021 $**	2020 $
Profit/(loss) for the year	**4,275,039**	(2,136,772)
Depreciation, amortisation and impairment	**3,990,614**	3,777,871
Employee share issue expense	**188,721**	272,828
Changes in operating assets and liabilities		
(Increase) decrease in trade debtors	**(1,053,634)**	(3,723,850)
(Increase) decrease in other debtors	**(2,133,411)**	(382,823)
(Increase) decrease in inventories	**(4,486,247)**	(1,077,758)
(Increase) decrease in deferred tax asset	**1,379,725**	(1,876,049)
Increase (decrease) in trade creditors	**(1,381,142)**	2,013,289
Increase (decrease) in current tax liability	**433,966**	-
Increase (decrease) in current tax benefit (equity)	**(33,568)**	348,133
Increase (decrease) in other operating liabilities	**4,018,862**	163,500
Increase (decrease) in other provisions	**156,542**	42,400
Increase (decrease) from effect of AASB 16 adjustments	**277,999**	489,896
Net cash inflow from operating activities	**5,633,466**	(2,089,335)

b) Non-Cash Financing and Investing Activities	Note	**2021 $**	2020 $
Deferred Consideration - Matso's Acquisition	3	**400,000**	1,200,000
		400,000	1,200,000

c) Changes in Liabilities arising from Financing Activities

	Bank loans $	**Lease liability $**	**Total $**
Balance at 1 July 2019	**-**	**-**	**-**
Net cash from/(used in) financing activities	**9,742,955**	**(1,438,057)**	**8,304,898**
Acquisition of leases	**-**	**14,883,775**	**14,883,775**
Balance at 1 July 2020	**9,742,955**	**13,445,718**	**23,188,673**
Net cash from/(used in) financing activities	**(1,064,612)**	**(1,386,321)**	**(2,450,933)**
Acquisition of leases	**-**	**1,944,719**	**1,944,719**
Balance at 30 June 2021	**8,678,343**	**14,004,116**	**22,682,458**

Lease liabilities were first recognised during FY20 as part of the adoption of *AASB 16*. As allowed under the standard the Group elected not to restate prior year comparitives.

Note 17 : Earnings Per Share

	2021	2020
Basic earnings per share ("EPS") (cents)	**0.34**	(0.19)
Diluted earnings per share (cents)	**0.34**	(0.19)
(a) Basic earnings (loss) per share	**$**	$
Profit/(loss) used in calculating basic EPS	**4,275,039**	(2,136,772)
Weighted average number of ordinary shares used in calculating basic EPS	**1,254,454,548**	1,133,236,851

The profit/(loss) used in the calculation of basic earnings per share equates to the net profit in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The weighted average number of ordinary shares used in calculating basic earnings per share does not include potential ordinary shares such as shares under option.

	2021	2020
	$	$
(b) Diluted earnings profit/(loss) per share		
Profit/(loss) used in calculating diluted EPS	**4,275,039**	(2,136,772)
Weighted average number of ordinary shares used in calculating diluted EPS	**1,254,454,548**	1,133,236,851

The profit/(loss) used in the calculation of basic earnings per share equates to the net profit/(loss) in the Statement of Profit or Loss and Other Comprehensive Income.

The weighted average number of ordinary shares used in calculating diluted earnings per share does include potential ordinary shares such as shares under option.

Note 18 : Share-based payments

(a) Executive and Employee Share Plan

Shares issued pursuant to this Plan (Incentive Shares) are for services rendered by eligible employees and Directors to date and going forward, for services rendered by existing and any new eligible employees and Directors who are appointed in the future. The Group feels that incentive shares are effective consideration to eligible employees and Directors for their ongoing commitment and contribution to the Group. Where the Group offers to issue Incentive Shares to a Director, the Group may offer to provide the Director a limited recourse, interest free loan to be used for the purposes of subscribing for the Incentive Shares in the Group (refer Note 1: Significant Estimates and Judgements).

	Date Shares Granted	Loan Expiry Date	Issue Price	Balance at the start of the year	Granted during the year	Forfeited during the year	Balance at the end of the year	Vested at the end of the year
Employees and Management	2-Oct-15	2-Oct-22	0.063	28,400,000	-	-	28,400,000	28,400,000
Employees and Management	30-Jun-16	29-Sep-23	0.050	119,203,207	-	(1,098,094)	118,105,113	94,901,976
Employees and Management	30-Aug-17	29-Aug-24	0.050	2,985,740	-	(1,812,560)	1,173,180	703,908
Employees and Management	23-Apr-18	22-Apr-25	0.072	2,990,433	-	-	2,990,433	-
Employees and Management	1-Mar-19	28-Feb-26	0.011	17,950,000	-	(13,250,000)	4,700,000	-
Employees and Management	18-Jun-19	17-Jun-26	0.105	2,000,000	-	(2,000,000)	-	-
Employees and Management	29-Nov-19	28-Nov-26	0.093	12,000,000	-	(12,000,000)	-	-
Employees and Management	14-Jul-20	13-Jul-27	0.052	-	29,250,000	-	29,250,000	-
Non-Executive Director	19-Nov-20	29-Nov-27	0.063	-	3,000,000	-	3,000,000	-
Employees and Management	30-Nov-20	29-Nov-27	0.063	-	18,661,470	-	18,661,470	-
Employees and Management	3-May-21	5-May-28	0.090	-	16,900,000	-	16,900,000	-
Total				**185,529,380**	**67,811,470**	**(30,160,654)**	**223,180,196**	**124,005,884**

Note 18 : Share-based payments (continued)

(i) Employee and Executive Share Plan shares issued to key management personnel

During the year 67,811,470 shares were issued to employees of the Group and corresponding non-recourse loans totalling $4,373,673 were entered into in accordance with the Group's Employee and Executive Share Plan as part of their remuneration and having regard for their past and potential contribution to the Group.

Summary of terms and model inputs:

Grant Date	14 July 2020	19 November 2020	30 November 2020	3 May 2021	Total
Key Terms					
Amount of shares issued	29,250,000	3,000,000	18,661,470	16,900,000	**$67,811,470**
Issue Price	$0.052	$0.052	$0.063	$0.090	
Loan Amount per share	$0.052	$0.052	$0.063	$0.090	
Total Loan Amount	$1,521,000	$156,000	$1,175,673	$1,521,000	**$4,373,673**
Loan Interest Rate	0%	0%	0%	0%	
Term of Loan	7 years	7 years	7 years	7 years	
Loan Expiry	13/07/2027	29/11/2027	29/11/2027	5/05/2028	
Black Scholes Model Inputs					
Exercise Price	$0.052	$0.052	$0.063	$0.090	
Market Price of Shares	$0.052	$0.063	$0.063	$0.090	
Expected Voliatility	30%	30%	30%	30%	
Risk-Free rate	0.042%	0.042%	0.042%	0.042%	
Time to Maturity	5 years	5 years	5 years	5 years	
Dividend yield	0%	0%	0%	0%	
Fair Value per share	$0.0141	$0.0217	$0.0170	$0.0243	
Total Fair Value	$411,382	$65,157	$317,982	$410,670	**$1,205,190**

The following conditions apply to all of the shares issued during the year:

- Tenure condition for 60%: remains eligible employee for 36 months after date of issue
- Tenure condition for further 20%: remains eligible employee for 48 months
- Tenure condition for the remaining 20% : remains eligible employee for 60 months
- The Earnings Condition will be satisfied for each year tranche if at least 95% of the current internal board approved expected earnings before interest tax depreciation and amortisation (EBITDA) for that year is achieved.
- Share Value Condition: Provided the Tenure Condition has been satisfied but the Earnings Condition has not been satisfied with regards to a particular tranche, if at any time after that year and during the term of the loan the 30-day ordinary share volume weighted average price (VWAP) provides an internal rate of return of at least 32% when compared to the issue price and date at which the shares were issued in accordance with the most recent entitlements issue offer to Shareholders, all restriction conditions with regards to that particular tranche will be immediately waived, or
- Take Over Provision: Where a takeover bid for the Group’s issued shares is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Group’s issued shares, all restriction conditions applying to any Shares will be immediately waived, or
- Compromise or Arrangement: Where a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Group or its amalgamation with any other Group, all restriction conditions applying to any Shares will be immediately waived, or

Note 18 : Share-based payments (continued)

- Death and Permanent Disability: Where an Eligible Employee dies or as a result of a total and permanent disability fails to meet any Tenure Condition with regards to a particular tranche, the loan will remain in place and at any time during the term of the loan the 30-day ordinary share volume weighted average price (VWAP) provides an internal rate of return of at least 32% when compared to the issue price and date at which the shares were issued in accordance with the most recent entitlements issue offer to Shareholders, all restriction conditions with regards to that particular tranche will be immediately waived, or
- Good Leaver Exceptions: The approved Executive & Employee Share Plan provides the Board discretion to waive restriction conditions in certain circumstances.
- Subject to the terms and conditions of the Employee and Executive Share Plan as approved by shareholders on 19 November 2020.

The loans are non-recourse except against the Shares held by the participant to which the Loan relates.

The fair value at grant date was calculated using the Black Scholes pricing model that took into account the term, the underlying value of the shares, the exercise price, the expected dividend yield, the impact of dilution and the risk-free interest rate.

The value of the instruments has been expensed to remuneration on a proportionate basis for each financial year from grant date to vesting date. The proportion of the value of the instrument which was expensed to remuneration and accounted for in the share option reserve was $188,721 for the year ended 30 June 2021.

(ii) Modification of previously issued employee shares

A total of 23,250,000 Employee Shares (termed ‘Series 1’) were granted to employees in March, June and November 2019 .

Subsequent to the respective grant dates, these employee shares were voluntarily cancelled on 14 July 2020 and replaced with alternative employee shares (termed ‘Series 2’).

As a result of this arrangement, in accordance with the requirements of AASB 2 Share-Based Payments, modification accounting to the share based payment arrangement was applied. This required the fair value of the original series 1 to be determined on modification date in addition to determining the fair value of the new series 2. The fair value assessments formed the share-based payment expense recognised for the year ended 30 June

Grant Date	No of shares		Fair Value of Series 1 (Modification Date)		Fair Value of Series 2 shares (Modification Date)
Mar 2019	9,250,000	$	55,033	$	157,615
Jun 2019	2,000,000	$	18,836	$	34,079
November 2019	12,000,000	$	151,002	$	204,474
	23,250,000	**$**	**224,871**	**$**	**396,168**

A total share-based payment expense of $118,465 was recognised for the year ended 30 June 2021 in relation to these modified shares.

	2021	2020
	$	$
(b) Expenses arising from Share-based payments		
Employee and Executive Share Plan shares	**175,759**	180,000
Modified shares as per (ii)	**118,465**	-
Forfeited shares*	**(105,503)**	-
	188,721	180,000

* Shares forfeited by employees on cessation of employment

Note 19 : Related party transactions

(a) Key Management Personnel

Key Management Personnel as defined by AASB 124 Related Party Transactions are listed as follows:

(i) Executive Officers

Aaron Heary	Chief Operating Officer and Chief Strategy Officer
Marcel Brandenburg	Chief Financial Officer and Company Secretary

(ii) Executive Directors

John Hoedemaker	Managing Director

(iii) Non-Executive Directors

Ian Olson	Chairman
Robert Gould	
Graeme Wood	

Directors have been in office from the start of the financial year to the date of this report unless otherwise stated.
No other employee had authority or responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly, during the financial year.

Key Management Personnel compensation	**2021**	2020
	$	$
Short-term employment benefits		
- Executives & Executive Directors	**1,138,450**	940,000
- Non-Executive Directors	**274,085**	257,185
Long-term employment benefits		
- Executives & Executive Directors	**-**	20,000
Post-employment benefits	**103,882**	101,871
Share-based payments	**104,701**	91,670
	1,621,117	1,410,726

(b) Loans to key management personnel

Details of loans made to directors of the Group and other Key Management Personnel, including their personally related parties are set out below.
Key Management Personnel with loans during the financial year:

2021	**Balance at the start of the year**	**Loans provided during the year**	**Loans paid back by the Employee**	**Interest paid and payable for the year**	**Interest not charged**	**Balance at the end of the year**
	$	**$**	**$**	**$**	**$**	**$**
Directors						
Ian Olson	612,986	-	-	-	-	612,986
Robert Gould	612,986	-	-	-	-	612,986
John Hoedemaker	1,904,466	-	-	-	-	1,904,466
Graeme Wood	-	189,000	-	-	-	189,000
Executive Key Management						
Aaron Heary	1,780,466	-	-	-	-	1,780,466
Marcel Brandenburg	558,493	-	-	-	-	558,493
Total	**5,469,397**	**189,000**	**-**	**-**	**-**	**5,658,397**

All loans to key management personnel are under the terms and conditions as set out in remuneration report relating to the incentive share plan.

Note 20 : Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Group, its related practices and non-related audit firms:

	2021	2020
Audit Services	**$**	$
Audit and review of financial report		
BDO Audit (WA) Pty Ltd	**88,019**	92,326
Non-audit services		
BDO Corporate Finance (WA) Pty Ltd	**-**	5,000
	88,019	97,326

Note 21 : Commitments

	2021	2020
(a) Capital Commitments	**$**	$

The Group also has Capital commitments over the next year pertaining to previously acquired plant and equipment but primarily relating to the construction and development of the A Shed Hospitality Venue.

	2021	2020
	$	$
Within one year	**10,661,755**	2,029,292
Later than one year but not later than five years	**-**	1,940,770
Later than five years	**-**	**-**
	10,661,755	3,970,062

Note 22 : Events occurring after the reporting date

COVID-19: The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had some impact on the Group during the financial year ended 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is continuously developing and is dependent on measures imposed by the Australian Government and other countries such as maintaining social distance requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No further matter or circumstance has arise since 30 June 2021, which has significantly affected, or may significantly affect, the operations of the Group, the result of those operations or the state of affairs of the Group in subsequent financial years.

Note 23 : Segment reporting

The consolidated entity is monitored and managed as one overall operating segment. The processes from brewing production to retailing are consistent for all products and as they exhibit similar economic characteristics, they meet the AASB 8 criteria for aggregation.

The Good Drinks Board and management monitors the group as one overall brewing segment based on overall net profit level and production volumes. This Group's internal reporting framework is considered the most relevant to assist the chief operating decision maker in assessing the allocation of group resources and overall operating activities. There are no discrete corporate activities to the segments that would require reconciliation between segment expenses and total expenses.

	2021	2020
	$	$
Revenue from external sources	**54,400,929**	36,810,978
Net profit/ (loss) before tax	**6,055,162**	(3,664,688)
Reportable segment assets	**102,255,255**	93,224,180
Reportable segment liabilities	**41,867,890**	41,875,513

Note 23 : Segment reporting (continued)

Endeavour Group, Liquid Mix (WA) Pty Ltd and Australian Liquor Marketers Pty Ltd are major customers of the group as defined by AASB 8, as revenue from each customer exceeds 10% of total revenue from external sources.

Note 24 : Contingencies and Guarantees

(a) Contingent assets or liabilities

The Group had no other contingent assets or liabilities as at 30 June 2021 or 2020.

(b) Guarantees

The Group has the following bank guarantees as at 30 June 2021 in respect to its leased commercial properties:

	2021	2020
	$	$
Brewery - 14 Absolon Street, Palmyra 6057	**193,430**	193,430
Warehousing facility	**148,000**	148,000
Redfern Brewery Property	**100,000**	100,000
A Shed Brewery Property	**500,000**	-
	941,430	441,430

Note 25 : Parent Entity Financial Information

The financial information for Good Drinks Australia Limited has been extracted from the books and records of the parent and has been prepared on the same basis as the consolidated financial statements except as described below:

Investments in subsidiaries

Investments in sibsidiaries are accounted for at cost in the financial statements of the parent entity.

Tax consolidation legislation

Good Drinks Australia Ltd and its wholly owned Australian subsidiary, Matsos Broome Brewing Pty Ltd, have formed an income tax consolidated Group.
For additional information, please refer to the Income Tax Expense details set out in note 5.

Guarantees entered into by the parent entity

Good Drinks Australia Limited has provided bank guarantees of $941,430 (2020: $441,430). Please refer to note 24 for additional information on Group guarantees.

Contingent liabilities of the parent entity

Good Drinks Australia Limited did not have any contingent liabilities as at 30 June 2021. Please refer to note 24 (a) for details of Group contingencies.
The individual statements for the parent entity show the following aggregate amounts:

Note 25 : Parent Entity Financial Information (continued)

	2021	2020
Balance Sheet	**$**	$
Current assets	**31,662,391**	24,342,117
Non-current assets	**63,919,493**	63,326,532
Total assets	**95,581,884**	87,668,649
Current Liabilities	**27,885,315**	22,077,954
Non-current liabilities	**7,337,026**	14,242,027
Total liabilities	**35,222,341**	36,319,981
Net assets	**60,359,544**	51,348,668
Contributed equity	**60,112,726**	55,210,502
Hedge reserve	**(400,698)**	(73,382)
Share options reserve	**2,510,039**	2,321,318
Accumulated profit/losses	**(1,862,525)**	(6,109,770)
Total Shareholders Equity	**60,359,543**	51,348,668
Profit/(Loss) for the year	**4,275,039**	(2,136,772)
Total comprehensive income for the year	**3,947,723**	(2,292,595)

Note 26 : Interest in subsidiaries

(a) Parent and ultimate controlling entity
The parent and ultimate controlling entity is Good Drinks Australia Limited, incorporated in Australia.

(b) Controlled entities
The investments in subsidiaries are accounted for at cost in the financial statements of the parent entity.

Subsidiary	Country of Incorporation	Holding % 2021	Holding % 2020
Matso's Broome Brewing Pty Ltd	Australia	100	100
Regent Street Hospitality Pty Ltd	Australia	100	100
Cliff Street Hospitality Pty Ltd	Australia	100	-

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INDEPENDENT AUDITOR'S REPORT

To the members of Good Drinks Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Good Drinks Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying Value of Intangible Assets

Key audit matter	*How the matter was addressed in our audit*

Note 11 to the financial report discloses the individual intangible assets and the assumptions used by the Group in testing these assets for impairment.
 	
As required by Australian Accounting Standards, the Group performs an annual impairment test for its cash generating unit ("CGU") to which indefinite life intangible assets have been allocated to determine whether the recoverable amount is below the carrying amount at reporting date.
 	
This was determined to be a key audit matter as management's assessment of the recoverable value of intangible assets requires the use of estimates and judgements.
 	
These include estimates and judgements regarding CGU determination, expectation of possible future revenues, growth rates and the associated discount rate applied as disclosed in Note 1 and Note 11 to the financial report
	Our procedures included, but were not limited to the following:
	
	• Assessing the appropriateness of the CGU identified and the allocable assets and liabilities;
	• Evaluating forecast cash flows by assessing the accuracy of historic forecasts against actual results;
	• Challenging key inputs used in management's impairment assessment including the following:
	    o Assessing the discount rate used by management for reasonableness;
	    o Comparing the future growth rate with economic and industry forecasts;
	    o Assessing the Group's forecast cash flows is consistent with our knowledge of the business and board approved budgets including the possible impacts of COVID-19; and
	    o Performing sensitivity analysis on the revenue, growth rates, gross profit margins, discount rates.
	• Assessing the adequacy of the related disclosures in Note 1 and Note 11 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) 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 on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 21 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Good Drinks Australia Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 25 August 2021

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in the annual report is as follows. This information is as at 24 August 2021.

Substantial Shareholders (holding more than 5%)

Shareholder	Fully Paid Ordinary Shares Ordinary Shares	Percentage
Citicorp Nominees Pty Limited	163,142,653	12.76%
National Nominees Limited	135,544,123	10.60%
J P Morgan Nominees Australia Pty Limited	100,833,684	7.89%

Top 20 Shareholders
(a) Fully Paid Ordinary Shares

Shareholder	Fully Paid Ordinary Shares Ordinary Shares	Percentage
Citicorp Nominees Pty Limited	163,142,653	12.76%
National Nominees Limited	135,544,123	10.60%
J P Morgan Nominees Australia Pty Limited	100,833,684	7.89%
Bnp Paribas Noms Pty Ltd	62,232,284	4.87%
Mr Shimin Song	51,881,412	4.06%
Smooth Seas Pty Ltd	48,253,994	3.78%
Heytesbury Pty Ltd	43,209,437	3.38%
Nice Day For A Walk Pty Ltd	30,687,833	2.40%
Broadgate Investments Pty Ltd	27,623,361	2.16%
Nice Day For A Walk Pty Ltd	14,151,245	1.11%
Robert Gould	12,298,248	0.96%
Jennifer Madeline Olson	12,259,725	0.96%
Giromol Pty Ltd	10,838,523	0.85%
Mr Marcel Brandenburg	10,129,860	0.79%
Mr Matthew Lloyd Morisey	10,129,860	0.79%
Marcacey Pty Ltd	10,000,000	0.78%
Mr Marcus Jeen Creighton	10,000,000	0.78%
Mintox Investments Pty Ltd	8,800,000	0.69%
Surplus Pty Ltd	8,038,523	0.63%
Mr Lee Behan	8,000,000	0.63%
	778,054,765	60.87%

Additional ASX Information (continued)

Distribution of Holders of Ordinary Fully Paid Shares

Range	Total Holders	Units	Percentage
1-1,000	127	15,050	0.00%
1,001-5,000	210	833,274	0.07%
5,001-10,000	803	6,306,327	0.49%
10,001-100,000	2,294	84,818,614	6.64%
100,001 and above	804	1,186,194,314	92.80%
Total	**4,238**	**1,278,167,579**	**100.00%**

Number of holders with an unmarketable holding: 260, with total 463,324, amounting to 0.04% of Issued Capital

Voting rights

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each share is entitled to one vote. Options have no voting rights.

Shares and Options subject to escrow
As at 24 August 2021 there are nil ordinary shares and options held in escrow.