



**Australian
Agricultural
Projects Limited**

ABN: 19 104 555 455

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HALF-YEAR FINANCIAL RESULTS

ANNOUNCEMENT

26 FEBRUARY 2025

In accordance with Listing Rule 4.2A.3, the Interim Financial Report for the six months ended 31 December 2024 and ASX Appendix 4D – Half Year Report of Australian Agricultural Projects Limited (ASX: AAP) follow this announcement. This information is to be read in conjunction with the annual report for the year ended 30 June 2024.

This announcement was authorised for release by the Board of Directors of the Company

Enquiries may be directed to:

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AUSTRALIAN AGRICULTURAL PROJECTS LIMITED
Appendix 4D
Half-Year Report

1. Company Details

Name of entity:	Australian Agricultural Projects Limited
ABN:	19 104 555 455
Current reporting period:	For the half-year ended 31 December 2024
Previous corresponding period:	For the half-year ended 31 December 2023

2. Results for Announcement to the Market

	Current Reporting Period \$'000	Percentage Change Up/(Down)	Previous Corresponding Period \$'000
Revenue from ordinary activities	1,606	62.9%	986
Profit / (loss) from ordinary activities after tax attributable to members	489	n/a	(172)
Comprehensive income for the period attributable to members	1,016	184.6%	357

3. Net Tangible Assets

	Current Reporting Period	Previous Corresponding Period
Net tangible asset per ordinary security	3.71 cents	2.96 cents

4. Changes in Control Over Entities

Not applicable.

5. Dividends/Distributions

Current Reporting Period

There were no dividends paid, recommended or declared for the half-year ended 31 December 2024.

Previous Corresponding Period

There were no dividends paid, recommended or declared for the half-year ended 31 December 2023.



6. Dividend Reinvestment Plans

Not Applicable.

7. Associates and Joint Venture Entities

Not Applicable.

8. Foreign Entities (Accounting Standards)

Not Applicable.

9. Audit Qualification or Review

The financial statements for the half-year ended 31 December 2024 were subject to a review by the Company's external auditors and the review report is attached as part of the Interim Financial Report.

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Australian Agricultural Projects Limited

ABN: 19 104 555 455

Interim Financial Report
for the half-year ended 31 December 2024



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DIRECTORS' REPORT

The Board of Directors present their report on the consolidated entity consisting of Australian Agricultural Projects Limited ("ASX:AAP") (Company) and its controlled entities (Group) for the six months ended 31 December 2024 and the independent auditor's review report thereon:

1. Directors

The Directors of the Company at any time during or since the end of the half-year and up to the date of this report are:

Name	Period of directorship
Mr Paul Challis <i>Managing Director</i>	Director since 12 September 2007
Mr Daniel Stefanetti <i>Non-Executive Director</i>	Director since 26 September 2019
Mr Anthony Ho <i>Non-Executive Director</i>	Director since 30 April 2003

2. Results and review of operations

The Company presents its financial report for the six-month period to 31 December 2024. The financial result for this period was a net profit after tax of \$488,714 (2023: loss of \$172,040). The principal drivers in the change to this result are:

- The estimated 2025 harvest being greater than the prior year harvest largely as a consequence of this being an "on" year in the biennial cycle of the orchard. This has the impact of increasing the level of management fees that are expected to be received; and
- A revaluation of the land (investment property) the orchard operates from.

The Company has recorded strong positive operating cashflows for the six months to 31 December 2024 amounting to a surplus of \$1,727,503 (December 2023: \$536,403) largely as a result of a large positive reconciliation of the proceeds from the sale of the 2023 harvest (flowing from the steep increase in retail prices during the 2024 financial year) and the improved value of the 2024 harvest as a result of those price increases. The Company is taking advantage of these improved cashflows to build some additional resilience in the Company's balance sheet following the funding of the replanting programme.

Orchard operations

The orchard is in good health and is displaying large amounts of new growth in what has been good growing conditions over spring and summer with the exception of a severe frost event in September. The previously reported frost event impacted about 10% of the total planted area resulting in damage to the fruit buds in those areas.

The notable items impacting orchard operations since the 2024 harvest have been:

- Climatic conditions have been favourable, not just for tree growth, but also allowing the orchard management team to ensure the programmed activities are completed on schedule. Last season, this schedule was deferred by unusually heavy rainfall in late December and January which caused the orchard to be largely untrafficable.
- The maintenance programme, the focus of which is on improved reliability, is well advanced with a strategic focus this year of expanding the range of spare parts maintained at the orchard with a particular focus on the processing equipment.
- There has continued to be a good supply of water available for purchase on the market since last harvest which has led to market prices continuing to be below the long-term average. Management continues to monitor this market carefully and notes that the storage level of Lake Eildon, the principal source of water for the irrigation system the orchard uses, is currently in the region of 74.9% compared with 96.6% at the same time last year.
- Access to casual labour continues to improve and the outlook for labour at the time of harvest is positive.



DIRECTORS' REPORT

2. Results and review of operations (continued)

Expected yield

Flowering at the orchard peaked in early November in very good climatic conditions. Orchard management reports that the fruit set is at the high end of expectations except in those areas that were frost affected. As a consequence, the management team's expectations of the 2025 harvest is in the region of 750,000 to 825,000 litres, significantly greater than last year's result of 551,500 litres. This is consistent with 2025 being an "on" year in the biennial cycle of the orchard and reflects the first time since the commencement of the replanting programme in 2018 that all of the orchard will be in commercial production.

Expectations are that as the younger trees mature, yields will continue to increase.

Oil sales

The international price for olive oil has been extremely strong over the past year and, at the time the 2024 harvest was being marketed, was at the highest price the Company has seen since the establishment of the orchard in 2002.

The principal cause of this increase was a series of poor harvests in the European region largely as a consequence of disease and poor growing conditions, specifically extremely low rainfall across the growing regions. These poor harvests have led to reduced oil stocks that have not been able to meet the demand required by major olive oil brands to supply their customers. This has resulted in a unique situation where olive oil wholesalers and owners of brands have been prepared to pay high prices for oil to secure supply to protect their customer base. These high bulk prices were finally reflected in significantly increased shelf prices in the Australian market led largely by the brands of imported oil.

The Company sells the majority of the oil it produces through an Olive Oil Supply Agreement with Cobram Estate Limited. The pricing mechanism in this agreement refers to a farm gate price of oil which is ultimately derived from the average price which Cobram Estate is able to sell packaged olive oil in the Australian market. Accordingly, the recent increases in the retail shelf price have been of significant benefit.

Management will continue to monitor this situation. The 2024 European harvest, which has just been completed, was at more normal levels which has already taken some of the heat out of the current bulk market. However, it is management's view that it will take several seasons before the supply will return to more normal levels with manageable levels of carry over stock at the end of each season.

The Company retains the view that in the longer term, having the price linked to the retail shelf price of Australian extra virgin olive oil will result in greater longer-term value for the Company and the Growers in the projects we manage.

Project Leases

The two lease agreements of the land, trees and water which support the two Managed Investment Schemes (Projects) the Company operates terminate on 30 June 2025. The investors (Growers) in those Projects have an option to extend their lease entitlements for a further 25 years to 30 June 2050. The intention of Growers will not be known until the end of March 2025. To the extent that Growers elect to extend their leases, the business of the Company will continue unchanged.

To the extent that Growers in Victorian Olive Oil Project (the first Project of 285 hectares) do not extend their leases:

- The lease over that portion of the land, trees and water will terminate and the Company will continue to farm this area in its own right; and
- Those Growers who do not extend their leases will retain residual rights to a portion of the irrigation equipment and the Company has the first right to purchase this from the Growers at fair value.

To the extent that Growers in Victorian Olive Oil Project II (the second Project of 118 hectares) do not extend their leases:

- The lease over that portion of the land, trees and water will terminate and the Company will continue to farm this area in its own right; and
- Those Growers that do not extend their leases will retain an interest in the Projects until such time as the oil from the 2025 harvest is sold and all proceeds have been received and distributed by either the payment of grower lease and management fees or directly to the Growers;



DIRECTORS' REPORT

2. Results and review of operations (continued)

Project Leases (continued)

In the event that there are no remaining Growers in a Project, the Project will be wound up after the distribution of all proceeds from oil sales and the Company will benefit from a saving in the compliance costs associated with operating these Projects.

If either or both Projects are wound up, the Group's structure, along with the role of the responsible entity, will be reassessed.

Asset revaluation

During the reporting period, the value of the principal assets owned by the Company was considered by the directors resulting in an upward revaluation in the bearer plants and the underlying land. Specifically:

Asset	Six months to 31 December 2024 Revaluation	31 December 2024 Valuation
Investment property (land)	201,140	2,515,000
Bearer plants (trees)	702,497	14,139,381
Total	<u>903,637</u>	<u>16,654,381</u>

Recognition

The Directors of the Company take this opportunity to acknowledge the effort put in by the entire orchard team over the recent years for the replanting of a significant portion of the orchard. The Company, along with the team are looking forward to the benefits of this effort as those replanted areas enter commercial production.

3. 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 6.

Dated at Melbourne, Victoria, this 26th day of February 2025.

Signed pursuant to section 306(3)(a) of the Corporations Act 2001:

Paul Challis
Managing Director

DECLARATION OF INDEPENDENCE BY BENJAMIN LEE TO THE DIRECTORS OF AUSTRALIAN AGRICULTURAL PROJECTS LIMITED

As lead auditor for the review of Australian Agricultural Projects Limited for the half-year ended 31 December 2024, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Australian Agricultural Projects Limited and the entities it controlled during the period.



Benjamin Lee
Director

BDO Audit Pty Ltd

Melbourne, 26 February 2025

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
for the half-year ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Revenue	3	1,605,607	986,207
Cost of sales		(593,519)	(519,340)
		<u>1,012,088</u>	<u>466,867</u>
Other income		8,872	3,188
Corporate and administrative expenses		(283,667)	(232,522)
Depreciation and amortisation		(384,775)	(326,263)
Borrowing costs		(240,568)	(259,518)
Revaluation of investment property	5	201,140	-
Net profit / (loss) before income tax		<u>313,090</u>	<u>(348,248)</u>
Income tax benefit	9	175,624	176,208
Net profit / (loss) for the period		<u>488,714</u>	<u>(172,040)</u>
Other comprehensive Income, net of tax			
Revaluation of bearer plants	4	526,873	528,626
Total comprehensive income for the period		<u>1,015,587</u>	<u>356,586</u>
Earnings / (Loss) per share		Cents	Cents
Basic earnings / (loss) per share (cents)		0.13	(0.06)
Diluted earnings / (loss) per share (cents)		0.13	(0.06)
Weighted average number of ordinary shares		Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share		368,603,712	308,205,661
Adjustment for calculating of diluted earnings per share:			
Options over ordinary shares		<u>-</u>	<u>-</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share		<u>368,603,712</u>	<u>308,205,661</u>

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
CURRENT ASSETS			
Cash and cash equivalents		422,003	458,115
Trade and other receivables		2,704,906	4,283,255
Inventories		-	559,246
Other		602,016	66,030
Total Current Assets		<u>3,728,925</u>	<u>5,366,646</u>
NON CURRENT ASSETS			
Property, plant and equipment		853,990	955,620
Right of use asset		26,772	35,694
Bearer plants	4	14,139,381	13,711,106
Investment property	5	2,515,000	2,313,860
Total Non Current Assets		<u>17,535,143</u>	<u>17,016,280</u>
TOTAL ASSETS		<u>21,264,068</u>	<u>22,382,926</u>
CURRENT LIABILITIES			
Trade and other payables		2,216,796	2,569,143
Lease liability	6	18,152	17,387
Provisions		333,075	347,056
Loans and borrowings	7	658,210	558,209
Total Current Liabilities		<u>3,226,233</u>	<u>3,491,795</u>
NON CURRENT LIABILITIES			
Lease liability	6	9,680	18,951
Loans and borrowings	7	4,351,387	6,210,999
Total Non Current Liabilities		<u>4,361,067</u>	<u>6,229,950</u>
TOTAL LIABILITIES		<u>7,587,300</u>	<u>9,721,745</u>
NET ASSETS		<u>13,676,768</u>	<u>12,661,181</u>
EQUITY			
Issued Capital / Contributed equity	10	25,285,850	25,285,850
Reserves		5,565,308	5,038,435
Accumulated losses		(17,174,390)	(17,663,104)
TOTAL EQUITY		<u>13,676,768</u>	<u>12,661,181</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2024

	31 December 2024 \$	31 December 2023 \$
Cash flows from operating activities		
Cash receipts in the course of operations	4,573,209	3,088,200
Cash payments in the course of operations	(2,559,814)	(2,268,939)
Interest received	4,372	3,062
Interest paid	(290,264)	(285,920)
Net cash provided by operating activities	1,727,503	536,403
Cash flows from investing activities		
Proceeds from the sale of assets	4,500	-
Net cash provided by operating activities	4,500	-
Cash flows from financing activities		
Issue of capital (net of costs)	-	952,564
Net repayment of borrowings	(1,759,611)	(150,000)
Repayment of lease liability	(8,504)	(7,528)
Net cash (used in)/provided by financing activities	(1,768,115)	795,036
Net increase in cash and cash equivalents held	(36,112)	1,331,439
Cash and cash equivalents at the beginning of the period	458,115	229,340
Cash and cash equivalents at the end of the period	422,003	1,560,779

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2024

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 July 2023	<u>24,338,804</u>	<u>4,176,092</u>	<u>(18,917,934)</u>	<u>9,596,962</u>
Profit net of tax for the half year	-	-	(172,040)	(172,040)
Other comprehensive income, net of tax	-	528,626	-	528,626
Total comprehensive income for the period	-	528,626	(172,040)	356,586
Contributions to equity (net of costs)	947,046	-	-	947,046
Balance as at 31 December 2023	<u>25,285,850</u>	<u>4,704,718</u>	<u>(19,089,974)</u>	<u>10,900,594</u>
	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 July 2024	<u>25,285,850</u>	<u>5,038,435</u>	<u>(17,663,104)</u>	<u>12,661,181</u>
Profit net of tax for the half year	-	-	488,714	488,714
Other comprehensive income, net of tax	-	526,873	-	526,873
Total comprehensive income for the period	-	526,873	488,714	1,015,587
Balance as at 31 December 2024	<u>25,285,850</u>	<u>5,565,308</u>	<u>(17,174,390)</u>	<u>13,676,768</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2024**1. CORPORATE INFORMATION**

Australian Agricultural Projects Limited ("Company") is a public company limited by shares, incorporated in Australia whose shares are quoted on the Australian Securities Exchange.

The consolidated interim financial report as at and for the six months ended 31 December 2024 comprises the Company and its subsidiaries (together referred to as the "consolidated entity" or "Group").

The annual financial report of the consolidated entity as at and for the year ended 30 June 2024 is available upon request from the Company's registered office or may be viewed on the Company's website, www.voopl.com.au.

This consolidated interim financial report was approved by the Board of Directors on 26th of February 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION**(a) Basis of preparation**

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

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

(b) Accounting policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated annual financial report as at and for the year ended 30 June 2024.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 30 June 2024.

3. REVENUE

	31 December 2024	31 December 2023
Management fees	422,148	579,508
Lease fees from the investment property	1,183,459	406,699
	<u>1,605,607</u>	<u>986,207</u>

4. BEARER PLANTS

	31 December 2024	30 June 2024
Bearer plants	<u>14,139,381</u>	<u>13,711,106</u>
Movement consists of:		
Bearer plants opening balance	13,711,106	13,017,952
Depreciation of bearer plants	(274,222)	(456,638)
Fair value gain on bearer plants	702,497	1,149,792
	<u>14,139,381</u>	<u>13,711,106</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2024**4. BEARER PLANTS (continued)**

Note: The comparative numbers headed 30 June 2024 are as at 30 June 2024. The detail for the comparative six month period ended 31 December 2023 are opening balance \$13,498,605, depreciation of bearer plants (\$224,181) and net fair value gain on bearer plants \$704,834 resulting in a total value of bearer plants at 31 December 2023 of \$13,498,605.

The bearer plants are a level 3 asset for the purposes of determining fair value. The bearer plants comprise the trees on a 403 hectare olive orchard. They are leased in conjunction with the investment property to two managed investment schemes for an initial period to June 2025 plus an option of another 25 years.

The value of the bearer plants was determined by the directors at 31 December 2024 by discounting the cash flows of expected future net income streams over the remaining useful life of the bearer plants based on the following key assumptions:

- Future cash inflows were estimated as the budgeted rental to be received from the investment property increased annually by CPI indexation commencing at a rate of 2.75% increasing to a long-term average of 3.0% from 2026. Where the rental forms a percentage of the proceeds from the sale of the produce from the property, the long-term average value of the production was assumed to increase by 3% per annum.
- Where a lease is required to be renewed at a market rental at the end of the first term in 2025, the market rental at that time is assumed to be \$4,000 per hectare.
- Pre-tax discount rate of 11.0% was applied to future cash flows, which is based on Group cost of funding plus risk premium.
- The orchard has a short-term yield averaging 8.3 tonnes of fruit per hectare per annum increasing to a long-term average of 9.375 tonnes per hectare per annum from 2029 which is when the orchard is expected to achieve maturity yields following the recent replanting programme.
- The average annual price of water available to the orchard increases from \$100 per ML in the current year to a long-term average of \$170 per ML from 2028.

The sensitivity of these long-term assumptions are as follows:

Assumption	Assumed Value	Sensitivity	Change in Valuation \$
CPI	3.0%	if increased to 3.5%	1,137,890
		if reduced to 2.5 %	(1,007,867)
2025 market rental	\$4,000 per ha	If increased to \$4,250	798,763
		If reduced to \$3,750	(798,763)
Discount rate	11.0%	if increased to 11.5%	(908,944)
		if reduced to 10.5 %	991,378
Harvest yield	9.375 t per ha	if increased to 9.875 tonne per ha	193,234
		if reduced to 8.875 tonne per ha	(193,234)
Average price of water	\$170 per ML	if increased to \$190 per ML	(220,257)
		if reduced to \$150 per ML	220,257

The investment property including the bearer plant assets have been pledged as security in support of the consolidated entity's finance facilities provided by the National Australia Bank.

The lease agreements require the consolidated entity to provide sufficient water to the property to allow for the commercial growing of olives and meet all outgoings associated with the property.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2024

	31 December 2024 \$	30 June 2024 \$
5. INVESTMENT PROPERTY		
Investment property	2,515,000	2,313,860
Movement consists of:		
Investment property opening balance	2,313,860	2,313,860
Net fair value gain investment property	201,140	-
	<u>2,515,000</u>	<u>2,313,860</u>

Note: The comparative numbers headed 30 June 2024 are as at 30 June 2024. The detail for the comparative six-month period ended 31 December 2023 are opening balance of \$2,313,860, net fair gain investment property of nil resulting in a total value of investment property at 31 December 2023 of \$2,313,860.

The investment property is a level 3 asset for the purposes of determining fair value. The investment property comprises land located at 1453 Wychitella Quambatook Road, Terrapee in Victoria totalling 517.85 hectares. The land has been planted with the olive trees (bearer plants) included in Note 4 Bearer Plants. The investment property, in conjunction with the olive trees, are leased to two managed investment schemes for an initial period to June 2025 plus an option of another 25 years. The majority of the expenses of the Group are incurred to maintain the investment property and the bearer plants as a combined asset, and as such a reasonable split of the expenses between the investment property and the bearer plants cannot be made.

The value of the investment property was determined by the Directors at 31 December 2024 with reference to a valuation dated 30 October 2024 prepared by a recognised and relevantly qualified, independent professional who has relevant experience in the region and the industry and percentage movements in property valuations based upon local shire site valuations. The key assumptions in management's valuation were:

- A fair value for the land was \$5,000 per hectare of usable land; and
- A fair value for the land of \$50 per hectare of unusable land with remnant vegetation.

The sensitivity of these assumptions are as follows:

Assumption	Assumed Value	Sensitivity	Change in Valuation \$
Fair value per hectare of usable land	\$5,000	if increased 5% to \$5,250 per hectare if reduced 5% to \$4,750 per hectare	125,713 (125,713)
Fair value per hectare of land with remnant vegetation	\$50	if increased 10% to \$55 per hectare if reduced 10% to \$45 per hectare	75 (75)

The investment property including the bearer plant assets have been pledged as security in support of the consolidated entity's finance facilities provided by the National Australia Bank.

	31 December 2024 \$	30 June 2024 \$
6. LEASE LIABILITY		
Current lease liability	18,152	17,387
Non-current lease liability	9,680	18,951
Total lease liability	<u>27,832</u>	<u>36,338</u>

The lease liability relates to a lease of office premises with a term to 30 June 2025. There is one option to extend the term of the lease, for a further 12-month period until June 2026, which has not been taken up as at the date of this report.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2024

	31 December 2024 \$	30 June 2024 \$
7. LOANS AND BORROWINGS		
<i>Current loans and borrowings</i>		
Secured loan ⁽¹⁾	500,000	375,000
Shareholder loan ⁽²⁾	100,000	127,000
Equipment finance liabilities	58,210	56,209
	<u>658,210</u>	<u>558,209</u>
<i>Non current loans and borrowings</i>		
Secured loan ⁽¹⁾	3,087,500	4,817,500
Shareholder loan ⁽²⁾	900,000	1,000,000
Equipment finance liabilities	363,887	393,499
	<u>4,351,387</u>	<u>6,210,999</u>
Total loans and borrowings	<u>5,009,597</u>	<u>6,769,208</u>

- (1) The secured loan comprises a National Australia Bank Corporate Markets Loan. As at 31 December 2024, this facility has a limit of \$5,067,500 which reduces by \$125,000 every three months. As at 31 December 2024, this facility was drawn to \$3,587,500 and the difference between this amount and the facility limit is available for redraw. The facility expires in April 2028 and at 31 December 2024 the interest rate was 7.78% pa.
- (2) The shareholder loan is an advance from a private company associated with Paul Challis, a director of the Company. As at 31 December, this advance was fully drawn to \$1,000,000. The facility limit reduces by \$50,000 per quarter commencing 1 July 2025. The facility expires on June 2030 and the current interest rate is the greater of 8% or the RBA cash rate plus 5%.

8 RELATED PARTY DISCLOSURES

A member of the consolidated entity, Victorian Olive Oil Project Limited, acts as the responsible entity for two managed investment schemes. The consolidated entity transacts with these schemes in accordance with contracts which are fundamental to the operation of the schemes. Paul Challis is a director of Victorian Olive Oil Project Limited.

Transaction	Note	Transactions value six months ended 31 December		Balance outstanding as at	
		2024 \$	2023 \$	31 Dec 2024 \$	30 June 2024 \$
Scheme					
Victorian Olive Oil Project					
Lease fees	(i)	422,148	406,699	747,508	813,399
Management fees	(ii)	1,177,459	538,502	1,473,217	1,806,179
Victorian Olive Oil Project II					
Costs of operating the project that have been capitalised until harvest	(iii)	475,279	365,817	-	-
Lease and management fees receivable	(ii)	-	-	189,081	637,988
Oil purchased	(iv)	-	-	(915,254)	(1,073,029)

Notes in relation to the table of key transactions with associated entities

- (i) The consolidated entity receives lease fees in respect to the land, trees and orchard assets which are leased to the schemes. These lease fees are as set out in the scheme constitution and original product disclosure statement.
- (ii) The consolidated entity receives management fees for the management of the orchard and the processing of the annual harvest from the investors in the managed investment schemes as well as for acting as responsible entity. These fees are as set out in the scheme constitution and the original disclosure statement.
- (iii) Where the management fees set out in (ii) above are subject to a production sharing arrangement, the direct costs incurred in farming this portion of the orchard are capitalised until harvest.
- (iv) The consolidated entity sells the oil produced by the investors in the managed investment schemes on their behalf. At the reporting date, the balance outstanding is the amount of proceeds received by the consolidated entity that has still to be paid to investors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2024

	31 December 2024	31 December 2023
9 INCOME TAX		
Income tax benefit	175,624	176,208

The Directors have not recognised a deferred tax asset to the extent of losses available to the Company. In preparing this interim financial report, the Directors have considered the current circumstances of the Company and are satisfied that, given there is still insufficient certainty about the period over which the tax losses will be recovered, it is appropriate to continue to not recognise the deferred tax asset.

An income tax benefit is recognised to the extent that the increase in the valuation of bearer plants will recoup a portion of the deferred tax losses not previously recognised.

	31 December 2024	30 June 2024
10 ISSUED CAPITAL		
Issued capital		
368,603,712 (June 2024: 368,603,712) fully paid ordinary shares	25,285,850	25,285,850

Movements in ordinary share capital

There was no movement in issued capital for the six-month period ending 31 December 2024. The movements in the six-month period ending 31 December 2023 are summarised as follows:

	Date	No of shares	Issue price	\$
Balance	30 June 2023	305,041,626		24,338,804
Issue of shares on exercise of options	28 December 2023	63,504,236	0.015	952,564
Share issue transaction costs	28 December 2023	-	0.00	(5,518)
Balance	31 December 2023	368,603,712		25,285,850

Options

The Company had no options on issue as at either 31 December 2024 or 30 June 2024.

11 SEGMENT INFORMATION*Business segments*

The Company operates in just one segment, that being the management and lease of olive orchard assets. This includes the cultivation of olive trees, the harvesting and processing of fruit to oil, the marketing of oil produced as well as related services.

Seasonality

A portion of the orchard fees the Company earns is subject to seasonal influences and those fees are not recognised until the orchard is harvested and the resulting oil produced during April to June 2025. The recognition of the orchard expenses related to this portion of fee income are also deferred until the time of harvest.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2024

12 COMMITMENTS AND CONTINGENT LIABILITIES

The Company does not have any capital commitments or contingent liabilities at balance and reporting dates.

13 EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

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DIRECTORS' DECLARATION

The Board of Directors of Australian Agricultural Projects Limited ("Company") declare that:

1. the financial statements and notes, as set out on pages 7 to 16, of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2024 and of its performance for the six month period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne, Victoria, this 26th day of February 2025.

Signed pursuant to 303(5)(a) of the Corporations Act 2001:

A handwritten signature in black ink, appearing to read 'Paul Challis', written over a horizontal line.

Paul Challis
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Australian Agricultural Projects Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Australian Agricultural Projects Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

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

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit Pty Ltd

The image shows a handwritten signature in black ink. The signature appears to be 'Benjamin Lee' written in a cursive style. Above the signature, the letters 'BDO' are written in a simple, blocky font.

Benjamin Lee
Director

Melbourne, 26 February 2025

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