

# Appendix 4E

## Preliminary Final Report to the Australian Securities Exchange

### Part 1 – Details of entity, reporting period

<b>Name of Entity</b>	Australian Agricultural Projects Limited
<b>ABN</b>	19 104 555 455
<b>Financial Period</b>	Year ended 30 June 2023
<b>Previous Corresponding Reporting Period</b>	Year ended 30 June 2022

### Part 2 – Results for Announcement to the Market

	<b>\$'000</b>	<b>Percentage increase / (decrease) over previous corresponding period</b>
<b>Revenue from ordinary activities</b>	3,352	27%
<b>Profit from ordinary activities after tax attributable to members</b>	535	n/a
<b>Net profit attributable to members</b>	1,360	90%

<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<b>Final Dividend</b>	Nil	Nil
<b>Interim Dividend</b>	Nil	Nil
<b>Record date for determining entitlements to the dividends (if any)</b>	Not Applicable	

**Brief explanation of any of the figures reported above necessary to enable the figures to be understood:**

Refer to the Operations Review for commentary on the results for the year.

### Part 3 – Contents of ASX Appendix 4E

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## Part 4 – Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Part	2023 \$	2022 \$
Revenue	8(a)	3,351,899	2,632,591
Cost of sales		(1,913,839)	(2,036,872)
Gross profit		<u>1,438,060</u>	<u>595,719</u>
Other revenue	8(b)	4,821	150,852
Corporate and administrative expenses		(393,204)	(391,263)
Depreciation and amortisation		(639,862)	(577,677)
Borrowing costs		(452,124)	(596,636)
Revaluation of investment property		301,710	251,425
<b>Profit / (loss) before income tax</b>		<u><b>259,401</b></u>	<u><b>(567,580)</b></u>
Income tax benefit		275,252	320,988
<b>Net profit / (loss) after income tax</b>		<u><b>534,653</b></u>	<u><b>(246,592)</b></u>
Other Comprehensive Income			
Revaluation of bearer plants – net of tax		825,755	962,966
<b>Total Comprehensive Income</b>		<u><b>1,360,408</b></u>	<u><b>716,374</b></u>
Basic earnings / (loss) per share (cents)	15	0.18	(0.08)
Diluted earnings / (loss) per share (cents)	15	<u>0.14</u>	<u>(0.08)</u>

## Part 5 – Consolidated Statement of Financial Position

	Part	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		229,340	68,040
Trade and other receivables		3,110,205	2,380,655
Inventories		421,527	374,453
Other		29,250	38,043
<b>Total Current Assets</b>		<b>3,790,322</b>	<b>2,861,191</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment		732,324	925,115
Right of use asset		48,924	61,152
Bearer plants	10	13,017,952	12,351,787
Investment property	11	2,313,860	2,012,150
<b>Total Non-Current Assets</b>		<b>16,113,060</b>	<b>15,350,204</b>
<b>TOTAL ASSETS</b>		<b>19,903,382</b>	<b>18,211,395</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,116,203	2,925,593
Lease liability		14,568	13,365
Provisions		333,962	311,770
Loans and borrowings	12	1,489,000	17,859
<b>Total Current Liabilities</b>		<b>4,953,733</b>	<b>3,268,587</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liability		33,188	47,755
Loans and borrowings	12	5,319,500	6,658,500
<b>Total Non-Current Liabilities</b>		<b>5,352,688</b>	<b>6,706,255</b>
<b>TOTAL LIABILITIES</b>		<b>10,306,421</b>	<b>9,974,842</b>
<b>NET ASSETS</b>		<b>9,596,961</b>	<b>8,236,553</b>
<b>EQUITY</b>			
Contributed equity	13	24,338,804	24,338,804
Reserves		4,176,091	3,350,336
Accumulated losses		(18,917,934)	(19,452,587)
<b>TOTAL EQUITY</b>		<b>9,596,961</b>	<b>8,236,553</b>

## Part 6 – Consolidated Statement of Cash Flows

	Part	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		3,343,202	4,498,723
Cash payments in the course of operations		(2,905,634)	(3,076,627)
Interest received		4,821	155
Interest paid		(399,866)	(529,361)
<b>Net cash provided by operating activities</b>		<b>42,523</b>	<b>892,890</b>
<b>Cash flows from investing activities</b>			
Proceeds from the sale of assets		-	150,697
Payments for bearer plants		-	(720,284)
Payments for property, plant and equipment		-	(106,852)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(676,439)</b>
<b>Cash flows from financing activities</b>			
Net (cost) / proceeds from issue of securities	13	-	(382)
Proceeds from loan facilities		325,000	5,242,500
Repayment of loan facilities		(175,000)	(5,492,500)
Repayment of hire purchase liabilities		(17,859)	(20,708)
Repayment of lease liability		(13,364)	(12,262)
<b>Net cash provided by / (used in) financing activities</b>		<b>118,777</b>	<b>(283,352)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>161,300</b>	<b>(66,901)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>68,040</b>	<b>134,941</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>229,340</b>	<b>68,040</b>
<b>Cash and cash equivalents represented by:</b>			
Cash at bank and in deposits		229,340	68,040
Cash and cash equivalents in the statement of cash flows		<b>229,340</b>	<b>68,040</b>

## Part 7 – Consolidated Statement of Changes in Equity

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
<b>Balance as at 1 July 2021</b>	<b>24,339,186</b>	<b>2,387,370</b>	<b>(19,205,995)</b>	<b>7,520,561</b>
Loss for the year after income tax	-	-	(246,592)	(246,592)
Other comprehensive income for the year	-	962,966	-	962,966
Total comprehensive income for the year	-	962,966	(246,592)	716,374
Contributions of equity (net of costs)	(382)	-	-	(382)
<b>Balance as at 30 June 2022</b>	<b>24,338,804</b>	<b>3,350,336</b>	<b>(19,452,587)</b>	<b>8,236,553</b>
<b>Balance as at 1 July 2022</b>	<b>24,338,804</b>	<b>3,350,336</b>	<b>(19,452,587)</b>	<b>8,236,553</b>
Profit for the year after income tax	-	-	534,653	534,653
Other comprehensive income for the year	-	825,755	-	825,755
Total comprehensive income for the year	-	825,755	534,653	1,360,408
Contributions of equity (net of costs)	-	-	-	-
<b>Balance as at 30 June 2023</b>	<b>24,338,804</b>	<b>4,176,091</b>	<b>(18,917,934)</b>	<b>9,596,961</b>

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Part 8 – Revenue and income</b>		
<b>(a) Revenue from continuing operations</b>		
Management fees	1,131,026	981,782
Lease fees from the investment property	771,716	727,343
Production sharing	1,449,157	923,466
	3,351,899	2,632,591
<b>(b) Other revenue</b>		
Interest received	4,821	155
Gain on sale of assets	-	150,697
	4,821	150,852

## Part 9 – Expenses

<b>(a) Personnel expenses</b>		
Wages and salaries cost	617,488	617,543
Superannuation costs	74,090	79,116
Change in liability for annual and long service leave	22,192	38,341
Non-executive directors' fees	12,000	12,000
	725,770	747,000

In 2023, \$626,920 (2022: \$635,655) of personnel expenses were included in cost of sales and the balance, \$98,850 (2022: \$111,345), was included in corporate and administrative expenses.

## Part 10 – Bearer plants

Olive trees	13,017,952	12,351,787
Movement consists of:		
Opening balance	12,351,787	10,721,278
Depreciation	(434,842)	(373,729)
Capital improvements	-	720,284
Revaluation of olive trees	1,101,007	1,283,954
	13,017,952	12,351,787

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Part 11 – Investment property</b>		
Investment property	2,313,860	2,012,150
Movement consists of:		
Opening balance	2,012,150	1,760,725
Revaluation	301,710	251,425
	2,313,860	2,012,150

## Part 12 – Loans and Borrowings

### Current borrowings

Hire purchase liabilities	-	17,859
Unsecured loan facilities from shareholders	489,000	-
Secured loan facility	1,000,000	-
Total current loans and borrowings	1,489,000	17,859

### Non current loans and borrowings

Unsecured loan facilities from shareholders	1,127,000	1,466,000
Secured bank facility	4,192,500	5,192,500
Total non current loans and borrowings	5,319,500	6,658,500

### Total loans and borrowings

	6,808,500	6,676,359
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Loans and borrowings facilities comprise:

- National Australia Bank facilities
  - Secured term loan of \$5,192,500;
  - Equipment financing facility of \$500,000 undrawn as at 30 June 2023; and
  - Corporate credit card facilities.

The details of the term loan include:

- Facility expiry 30 April 2025 with principal reductions to commence 31 March 2024;
  - An interest rate of 2.35% above BBSY;
  - A facility fee of 0.75% per annum; and
  - No covenants other than quarterly financial and compliance reporting.
  - Loans from shareholders
    - Unsecured loan facilities of \$1,839,000 of which \$1,616,000 was drawn at 30 June 2023
- The details of the shareholder loans include:
- Facility expires 31 October 2025 with principal reductions and limit reductions commencing 31 October 2023,
  - Variable interest rate being the greater of the RBA cash rate plus 5% or a set rate being either 7.5% or 8.0%.
  - No lending covenants.



2023  
\$

2022  
\$

## Part 13 – Contributed equity and reserves

### (a) Issued capital

305,099,476 (2022: 305,099,476) fully paid ordinary shares 24,338,804 24,338,804

#### *Movements in ordinary share capital*

There was no change in issued capital during the year ended 30 June 2023.

	Date	No of shares	Issue price	\$
Balance	30 June 2021	305,041,626		24,339,186
Issue of shares on exercise of options	22 December 2021	57,850	0.015	868
Share issue transaction costs	22 December 2021	-	0.00	(1,250)
Balance	30 June 2022	<u>305,099,476</u>		<u>24,338,804</u>
Issue of new shares		-		-
Balance	30 June 2023	<u>305,099,476</u>		<u>24,338,804</u>

### (b) Options

The Company has 75,796,477 (2022: 75,796,477) options on issue. These options have the following terms:

- Exercise price 1.5 cents
- Expiry date 22 December 2023

These options are not quoted on the ASX.

No options were exercised during the year ended 30 June 2023.

## Part 14 – Details Relating to Dividends

No dividends have been paid or declared by the Company since the beginning of the current reporting period. No dividends were paid for the previous reporting period.

## Part 15 – Earnings per Share

### (a) Basic earnings per share

The calculation of basic earnings per share at 30 June 2023 was based on the net profit after tax of \$534,653 (2022: loss of \$246,592) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2023 of 305,099,476 (2022: 305,071,740).

### (b) Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2023 was based on the profit attributable to ordinary shareholders of \$534,653 and the number of fully diluted ordinary shares calculated as follows:

Ordinary shares issued at 30 June 2023	305,099,476
Options on issue	<u>75,796,477</u>
Total diluted shares on issue	<u>380,895,953</u>

In 2022, diluted loss per share does not show an inferior view of the earnings performance of the Group than is shown by the basic loss per share and is disclosed the as the same as the undiluted amount for this reason.

## Part 16 – Net Tangible Assets per Security

	2023	2022
Net tangible asset backing per ordinary security 305,099,476 (2022: 305,099,046) shares used for NTAS calculation	<u>3.15 cents</u>	<u>2.70 cents</u>

## Part 17 – Segment Information

The Company operates in one segment, being the operation of an olive orchard located in Boort, Victoria.

**Part 18 – Audit Status**

<b>This report is based on accounts to which one of the following applies:</b> (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input checked="" type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

**If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:**

Not Applicable

**If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:**

Not Applicable