



**Cobram Estate Olives Limited and Controlled  
Entities  
ABN 32 115 131 667**

Half-year report  
For the six months ended 31 December 2023

# Cobram Estate Olives Limited

## Appendix 4D (Rule 4.2A)

ABN 32 115 131 667



Current Reporting Period:  
Prior Corresponding Period:

1 July 2023 to 31 December 2023  
1 July 2022 to 31 December 2022

Results for announcement to the market	Change	31 December 2023 A\$'000	31 December 2022 A\$'000
Revenue from ordinary activities	Up 59.14%	113,767	71,487
Loss from continuing ordinary activities after tax attributable to members	Down 27.02%	7,221	9,895
Net loss for the period attributable to members	Down 27.02%	7,221	9,895

Dividends	Amount per security	Franked amount per security at 30% tax	A\$'000	Franked %
Final dividend – paid during the year ending 30 June 2024 <sup>1</sup>	3.3 cents	2.31 cents	13,721	70%
Final dividend – paid during the year ended 30 June 2023	3.3 cents	2.31 cents	13,679	70%

<sup>1</sup> Dividend payment date was 13 December 2023.

### Dividend Reinvestment Plan

At the Annual General Meeting on 3 November 2023, Cobram Estate Olives Ltd announced its offer to provide its shareholders the opportunity to participate in its Dividend Reinvestment Plan (DRP). The allocation price for shares to be issued through the DRP for the final dividend to be paid in respect of the period ended 30 June 2023 was \$1.357. On 13 December 2023, 1,647,113 new shares were issued to participants in the DRP.

Net tangible assets per security	31 December 2023 A\$	31 December 2022 A\$
Net tangible asset backing per ordinary security <sup>2</sup>	0.62	0.63

<sup>2</sup> Includes Right-of-Use Assets and lease liabilities in accordance with AASB 16 Leases.

### Additional information

Additional Appendix 4D disclosure requirements and further details including commentary on the results and operations are included in the attached Financial Report for the half-year ended 31 December 2023 and accompanying Investor Results Presentation.

This report is based on the consolidated financial statements and notes which have been reviewed by Deloitte Touche Tohmatsu for the half-year.

Further information regarding the company and its business activities can be obtained by visiting the company's website at [www.cobramestateolives.com.au](http://www.cobramestateolives.com.au)

**COBRAM ESTATE OLIVES LIMITED AND CONTROLLED ENTITIES  
CORPORATE DIRECTORY**

**31 December 2023**

<b>Directors</b>	Rob McGavin (Chair) Leandro Ravetti Craig Ball Sam Beaton Dr. Joanna McMillan Toni Brendish David Wills
<b>Company secretary</b>	Russell Dmytrenko
<b>Registered office</b>	151 Broderick Road Lara VIC 3212
<b>Principal place of business</b>	151 Broderick Road Lara VIC 3212
<b>Auditor</b>	Deloitte Touche Tohmatsu 477 Collins Street, Melbourne VIC, 3000, Australia
<b>Stock exchange listing</b>	Cobram Estate Olives Ltd shares are listed on the Australian Securities Exchange (ASX code: CBO)

**COBRAM ESTATE OLIVES LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

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**COBRAM ESTATE OLIVES LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

**Directors' Report**

The directors present their report together with the financial report of Cobram Estate Olives Limited and Controlled Entities (the Group) for the half-year ended 31 December 2023.

**Directors**

The names of the directors in office at any time during the half-year or until the date of this report are:

Executive Directors

Leandro Ravetti

Sam Beaton

Non-Executive Directors

Rob McGavin (Chair)

Tim Jonas\*

Craig Ball

Dr Joanna McMillan

Professor Jonathan West\*\*

Toni Brendish

David Wills\*\*\*

\*Tim Jonas resigned from the board effective at the conclusion of the AGM on 3 November 2023.

\*\*Professor Jonathan West passed away on 29 July 2023.

\*\*\*David Wills was appointed at the close of the AGM on 3 November 2023.

**Review of operating results**

The company is pleased to announce that for 1HFY24 it achieved an overall sales growth of 59%, with sales increasing to \$113.77 million (1HFY23: \$71.49 million). This growth was achieved in both the Australian and USA businesses with a substantial uplift occurring in packaged goods, which grew by \$20.65 million (41%) in Australia and \$10.10 million (100%) in the USA. The company's leading brand, 'Cobram Estate' achieved a 27% growth in sales (\$10.51 million).

The company continues to report strong operating cash flows, with cash generated from operations increasing to \$32.05 million for the half year (1HFY23: \$10.75 million), and operating cash flows after interest and tax to \$22.66 million (1HFY23: \$6.99 million). This cash flow improvement is attributed to increased volumes and profitability, combined with a stabilisation of costs. The positive increase in cash flows was accomplished despite higher interest costs (\$1.19 million higher than 1HFY23) and tax payments (\$4.70 million higher than 1HFY23).

The company reported a net loss before tax of \$7.63 million (1HFY23: \$11.88 million loss) and an EBITDA profit of \$8.24 million (1HFY23: \$0.73 million). As discussed below, the company's half year result does not include any profit relating to the 2024 Australian crop hanging on the trees. This will be recorded at 30 June 2024 in the full year results.

## **Review of operating results (...continued)**

This improved result was largely driven by both a significant increase in sales and an improved sales product mix.

At 31 December 2023 the company's net debt ratio was 33.5%, compared to 30.1% at 30 June 2023, as the company drew on its existing debt facilities to fund capital projects.

## **Capital expenditure and USA debt facility**

In 1HFY24, the company spent \$32.0 million on capital projects. This included the expansion of the USA olive mill and storage capacity which served to double its milling capacity. The company's capital expenditure program is now more focused on California grove expansion. In Australia, the company commenced the replant of 271 hectares at its Wemen grove. This is the last of the replants related to the underperforming Barnea variety, which commenced in 2010.

In January 2024, two of the company's USA subsidiaries entered into a US\$15 million (AUD\$22 million) long term loan agreement with Prudential Insurance Company of America. The 15-year term debt facility is secured against USA assets and operations only, with no recourse to Australian assets or companies. These funds will be used to purchase land and develop new olive groves in California. To date, US\$7.3 million (AUD\$10.7 million) has been utilised to purchase two properties for the development of approximately 156 hectares of olive groves. When planted, the company will have 863 hectares of olive groves in California, 306 on long term leased land and 557 on freehold land.

## **Outlook**

The 2024 Australian harvest is expected to commence in April and be completed by 30 June 2024. Subject to the uncertainties associated with farming, our latest assessment of the 2024 Australian olive hanging crop is that it is within the company's original expectations. The 2024 crop yield is projected to decrease compared to 2023 as 2024 is an "off" year.

Olive oil returns remain strong, suggesting that the sales value per litre is expected to be materially higher for the 2024 crop.

The growth in sales will likely be constrained in 2HFY24 due to the availability of olive oil. New season Australian olive oil will be available for sale in late May 2024.

The company's Californian olive harvest was completed in November 2023, yielding a record high of 3.2 million litres of olive oil which was in line with internal forecasts (89% higher than 2022 and 48% higher than 2021 - the previous 'on' year).

CBO's annual Australian olive harvest takes place in April-June, with the harvest normally completed prior to 30 June each year. At 30 June, as required under Australian Accounting Standards, the estimated market value of the olive oil produced is calculated. This is referred to as the 'fair value'. The difference between this fair value less cost to sell and the actual cost of production is then taken to profit and loss in the year of harvest as a fair value gain/(loss).

Once valued, the olive oil is reported on CBO's Statement of Financial Position at that fair value until it is sold, when it is then expensed as a cost of sale. This means that when sold, CBO's cost of sale is generally higher than the actual cost of production.

As at 31 December 2023, the Australian Olive crop has not been revalued to forecast fair value at the time of the 2024 harvest and no fair value gain/(loss) has been recognised due to little biological transformation at reporting date. The Group expects a fair value gain to be recognised for the 2024 Australian Olive crop in the 2024 full year financial report.

### **Director loans**

The company's Joint CEO's, Sam Beaton and Leandro Ravetti, currently have loans outstanding to the company relating to the exercise of Cobram Estate options in March 2021 totalling \$7.57 million (original principal was \$10.40 million).

The prescribed interest rate on these loans is the Australian Taxation Office benchmark interest rate, which is currently 8.27% pa (4.52% pa in 2021). As a result of the current high interest rate, Sam Beaton and Leandro Ravetti have decided, subject to market conditions, to each sell approximately 2 million shares in the near future and intend to repay to the company some of the proceeds to reduce their loan balances. Both Sam and Leandro will remain CBO shareholders with approximately 10 million shares in total after the proposed sales. They do not intend to sell more CBO shares in the foreseeable future.

In accordance with the loan agreements, the term of these loans expires on 1 April 2024, but can be extended by two years. The CBO Board has agreed to extend any outstanding loans as at 1 April 2024 to April 2026.

### **Non-IFRS financial information**

Earnings before interest, tax, depreciation, and amortisation (EBITDA) and Earnings before interest and tax (EBIT) are non-IFRS financial measures. Non-IFRS measures are used internally by management to assess operating performance of the Group. The non-IFRS measures have not been subject to audit or review.

### **Dividends paid, recommended and declared**

The Group paid a dividend to Shareholders of A\$0.033 per share on 13 December 2023, the dividend was 70% franked and the company offered a Dividend Reinvestment Plan (DRP) resulting in 1,647,113 new shares issued at \$1.357 per share.

### **Auditor's independence declaration**

The auditor's independence declaration is included on page 7 of the half-year report.

### **Rounding**

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

### Subsequent Events

On 26 January 2024, two of the Cobram Estate Olives Limited USA subsidiaries, Boundary Bend Olives, Inc. and Boundary Bend Assets, Inc., entered into a US\$15 million (AUD\$22 million) long term loan agreement with Prudential Insurance Company of America. These funds will be used to purchase and develop additional olive groves in California. Since 26 January 2024, US\$7.3 million (AUD\$10.7 million) has been used to purchase two properties that will be developed into olive groves. Once developed, these properties will add approximately 156 hectares to the company's USA olive groves portfolio.

There have been no other matters or circumstances occurring subsequent to the end of the half-year ended 31 December 2023, that have significantly affected, or may significantly affect the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial periods.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.



Rob McGavin (Chair)

Director



David Wills

Director

Dated 21 February 2024



21 February 2024

The Board of Directors  
Cobram Estate Olives Limited  
151 Broderick Road  
LARA VIC 3212

Dear Board Members

### **Auditor's Independence Declaration to Cobram Estate Olives Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Cobram Estate Olives Limited.

As lead audit partner for the review of the half year financial report of Cobram Estate Olives Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully

  
DELOITTE TOUCHE TOHMATSU



Peter Glynn  
Partner  
Chartered Accountants

**COBRAM ESTATE OLIVES LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

**Condensed consolidated statement of profit or loss**  
**for the half-year ended 31 December 2023**

		<b>Consolidated</b>	
		<b>Half-year ended</b>	
		<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Total revenue and other income</b>			
Sales revenue	4	113,767	71,487
Other income	4	1,416	4,063
Net increase in fair value of agricultural produce	4	1,103	398
		<b>116,286</b>	<b>75,948</b>
<b>Expenses</b>			
Cost of sales		(96,919)	(64,349)
Administrative expenses		(9,522)	(7,791)
Distribution expenses		(5,130)	(3,839)
Marketing expenses		(4,031)	(6,063)
Occupancy expenses		(2,189)	(1,729)
Finance costs		(5,581)	(3,785)
Other expenses		(547)	(274)
		<b>(123,919)</b>	<b>(87,830)</b>
Loss for the period before income tax (expense)/benefit		(7,633)	(11,882)
Income tax (expense)/benefit	5	412	1,987
<b>Loss for the period</b>		<b>(7,221)</b>	<b>(9,895)</b>

Notes to the condensed consolidated financial statements are included on pages 14 to 22.

**COBRAM ESTATE OLIVES LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

Condensed consolidated statement of other comprehensive income  
for the half-year ended 31 December 2023

	Consolidated Half-year ended	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
<b>Loss for the period</b>	<b>(7,221)</b>	<b>(9,895)</b>
<b>Other comprehensive income, net of income tax</b>		
<i><b>Items that may be reclassified subsequently to profit or loss</b></i>		
Exchange differences on translation of foreign operations	(2,899)	1,302
(Loss)/Profit on hedging instruments through cash flow hedge reserve	(1,312)	557
Income tax relating to items that may be reclassified subsequently to profit or loss	394	(167)
<b>Other comprehensive (loss)/income for the period</b>	<b>(3,817)</b>	<b>1,692</b>
<b>Total comprehensive loss for the period</b>	<b>(11,038)</b>	<b>(8,203)</b>
	\$	\$
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:</b>		
Basic earnings per share	(0.02)	(0.02)
Diluted earnings per share	(0.02)	(0.02)

Notes to the condensed consolidated financial statements are included on pages 14 to 22.

**COBRAM ESTATE OLIVES LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**  
**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

**Condensed consolidated statement of financial position as at 31 December 2023**

	Note	Consolidated	
		31 Dec 2023 \$'000	30 Jun 2023 \$'000
<b>Current assets</b>			
Cash and cash equivalents		8,667	13,674
Trade and other receivables		14,031	14,731
Inventory	6	65,816	101,759
Biological assets	9	25,717	5,421
Current tax assets		2,498	1,606
Other financial assets		1,168	1,273
Other assets		4,574	2,129
Other receivables		4,770	-
<b>Total current assets</b>		<b>127,241</b>	<b>140,593</b>
<b>Non-current assets</b>			
Other receivables		3,011	7,697
Other financial assets		2,416	3,624
Intangible assets		6,678	6,678
Property, plant and equipment	8	472,052	446,491
Right-of-use assets		5,041	5,378
<b>Total non-current assets</b>		<b>489,198</b>	<b>469,868</b>
<b>Total assets</b>		<b>616,439</b>	<b>610,461</b>
<b>Current liabilities</b>			
Trade and other payables		46,502	32,324
Lease liabilities		609	806
Borrowings	7	19,399	20,016
Provisions		2,080	1,916
Other liabilities		4,759	4,809
<b>Total current liabilities</b>		<b>73,349</b>	<b>59,871</b>
<b>Non-current liabilities</b>			
Borrowings	7	190,913	171,489
Provisions		45	132
Deferred tax liabilities		75,413	79,994
Other liabilities		6,277	6,023
Lease liabilities		4,992	5,163
<b>Total non-current liabilities</b>		<b>277,640</b>	<b>262,801</b>
<b>Total liabilities</b>		<b>350,989</b>	<b>322,672</b>
<b>Net assets</b>		<b>265,450</b>	<b>287,789</b>
<b>Equity</b>			
Share capital	10	183,933	181,698
Reserves		66,473	70,343
Retained earnings		15,044	35,748
<b>Total equity</b>		<b>265,450</b>	<b>287,789</b>

Notes to the condensed consolidated financial statements are included on pages 14 to 22.

**COBRAM ESTATE OLIVES LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**  
**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

**Condensed consolidated statement of changes in equity for the half-year ended 31 December 2023**

<b>Consolidated</b>	<b>Contributed equity \$'000</b>	<b>Asset revaluation reserve \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Share based payments reserve \$'000</b>	<b>Cash flow hedge reserve \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total Equity \$'000</b>
Balance at 1 July 2023	181,698	66,428	(492)	928	3,479	35,748	287,789
Loss for the period	-	-	-	-	-	(7,221)	(7,221)
Exchange differences arising on translation of foreign operations	-	-	(2,899)	-	-	-	(2,899)
Other comprehensive income for the year	-	-	-	-	(918)	-	(918)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>(2,899)</b>	<b>-</b>	<b>(918)</b>	<b>(7,221)</b>	<b>(11,038)</b>
<b>Transactions with owners in their capacity as owners:</b>							
Dividends paid or reinvested	2,235	-	-	-	-	(13,721)	(11,486)
Expired/cancelled options (transfer from reserve)	-	-	-	(238)	-	238	-
Share based payments expense	-	-	-	185	-	-	185
<b>Total transactions with owners in their capacity as owners</b>	<b>2,235</b>	<b>-</b>	<b>-</b>	<b>(53)</b>	<b>-</b>	<b>(13,483)</b>	<b>(11,301)</b>
<b>Balance at 31 December 2023</b>	<b>183,933</b>	<b>66,428</b>	<b>(3,391)</b>	<b>875</b>	<b>2,561</b>	<b>15,044</b>	<b>265,450</b>

Notes to the condensed consolidated financial statements are included on pages 14 to 22.

**COBRAM ESTATE OLIVES LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**  
**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

**Condensed consolidated statement of changes in equity for the half-year ended 31 December 2022**

<b>Consolidated</b>	<b>Contributed equity \$'000</b>	<b>Asset revaluation reserve \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Share based payments reserve \$'000</b>	<b>Cash flow hedge reserve \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total Equity \$'000</b>
Balance at 1 July 2022	179,756	65,667	(3,948)	783	3,255	41,516	287,029
Loss for the period	-	-	-	-	-	(9,895)	(9,895)
Exchange differences arising on translation of foreign operations	-	-	1,302	-	-	-	1,302
Other comprehensive income for the year	-	-	-	-	390	-	390
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>1,302</b>	<b>-</b>	<b>390</b>	<b>(9,895)</b>	<b>(8,203)</b>
<b>Transactions with owners in their capacity as owners:</b>							
Dividends paid or reinvested	1,942	-	-	-	-	(13,678)	(11,736)
Expired/cancelled options (transfer from reserve)	-	-	-	(185)	-	185	-
Share based payments expense	-	-	-	162	-	-	162
<b>Total transactions with owners in their capacity as owners</b>	<b>1,942</b>	<b>-</b>	<b>-</b>	<b>(23)</b>	<b>-</b>	<b>(13,493)</b>	<b>(11,574)</b>
<b>Balance at 31 December 2022</b>	<b>181,698</b>	<b>65,667</b>	<b>(2,646)</b>	<b>760</b>	<b>3,645</b>	<b>18,128</b>	<b>267,252</b>

Notes to the condensed consolidated financial statements are included on pages 14 to 22.

**COBRAM ESTATE OLIVES LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

**Condensed consolidated statement of cash flows**  
**for the half-year ended 31 December 2023**

	<b>Consolidated</b>	
	<b>Half-year ended</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	113,015	71,434
Payments to suppliers and employees	(80,965)	(60,682)
Cash generated from operations	32,050	10,752
Interest paid	(5,009)	(3,818)
Income tax paid	(4,641)	57
Interest received	258	-
<b>Net cash provided by operating activities</b>	<b>22,658</b>	<b>6,991</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	495	-
Payments for property, plant and equipment	(32,046)	(26,125)
<b>Net cash used in investing activities</b>	<b>(31,551)</b>	<b>(26,125)</b>
<b>Cash flows from financing activities</b>		
Net increase / (repayment) of borrowings	15,372	31,014
Dividends paid to company's shareholders	(11,486)	(11,738)
<b>Net cash provided in financing activities</b>	<b>3,886</b>	<b>19,276</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the half-year	13,674	5,944
Net (decrease)/increase in cash and cash equivalents	(5,007)	142
<b>Cash and cash equivalents at end of the period</b>	<b>8,667</b>	<b>6,086</b>

Notes to the condensed consolidated financial statements are included on pages 14 to 22.

**COBRAM ESTATE OLIVES LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

**Notes to the condensed consolidated financial statements**

**1. Significant accounting policies**

**Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

**Basis of preparation**

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Corporations (*Rounding in Financial/Directors' Reports*) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2023, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

**Amendments to Accounting Standards that are mandatorily effective for the current reporting period**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. The impact of the below pronouncements did not have a material impact on the amounts reported in the financial statements or disclosures made. New and revised Standards and amendments thereof and Interpretations effective for the current half-year are as follows:

<b>Standard/Interpretation</b>	<b>Effective for annual reporting periods beginning on or after</b>
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 July 2023
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 July 2023
AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules	1 July 2023



**COBRAM ESTATE OLIVES LIMITED AND CONTROLLED ENTITIES  
ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

**Notes to the condensed consolidated financial statements (continued)**

**2. Segment reporting**

**Segment products and locations**

The segment reporting reflects the way information is reported internally to the joint Chief Executive Officers (CEO's) for the purpose of resource allocation and assessment of segment performance.

The consolidated entity has the following business segments:

- Australia - production and marketing of olive oil
- United States of America (USA) - production and marketing of olive oil
- Boundary Bend Wellness - innovation and value-add products

The accounting policies of the reportable segments are the same as the accounting policies described in Note 1. Segment profit/(loss) represents the profit before tax earned by each segment without allocation investment income and finance costs.

All assets are allocated to reportable segments other than current and deferred tax assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and all liabilities are allocated to reportable segments other than borrowings and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

*Segment results*

The segment information provided to the joint CEO's is referenced in the table below.

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**Notes to the condensed consolidated financial statements (continued)**

**2. Segment reporting (...continued)**

*Segment results (...continued)*

	Olive oil				Boundary Bend Wellness		Eliminations & Corporate		Total Operations	
	Australian Operations		US Operations		31-Dec-23 \$'000	31-Dec-22 \$'000	31-Dec-23 \$'000	31-Dec-22 \$'000	31-Dec-23 \$'000	31-Dec-22 \$'000
	31-Dec-23 \$'000	31-Dec-22 \$'000	31-Dec-23 \$'000	31-Dec-22 \$'000						
<b>Revenue and other income</b>										
Total oil revenue from external customers	79,211	55,180	29,645	13,282	-	-	-	-	108,856	68,462
Total other revenue from external customers	375	214	4,106	2,347	430	464	-	-	4,911	3,025
Intersegment revenue	8,024	1,826	6	-	-	164	(8,030)	(1,990)	-	-
<b>Total segment revenue</b>	<b>87,610</b>	<b>57,220</b>	<b>33,757</b>	<b>15,629</b>	<b>430</b>	<b>628</b>	<b>(8,030)</b>	<b>(1,990)</b>	<b>113,767</b>	<b>71,487</b>
Other income	1,024	2,084	685	1,798	156	181	(449)	-	1,416	4,063
Net change in fair value of agricultural produce	-	-	1,103	398	-	-	-	-	1,103	398
<b>Total revenue and other income</b>	<b>88,634</b>	<b>59,304</b>	<b>35,545</b>	<b>17,825</b>	<b>586</b>	<b>809</b>	<b>(8,479)</b>	<b>(1,990)</b>	<b>116,286</b>	<b>75,948</b>
<b>EBITDA</b>	<b>6,054</b>	<b>2,229</b>	<b>1,495</b>	<b>(364)</b>	<b>692</b>	<b>(1,377)</b>	<b>-</b>	<b>238</b>	<b>8,241</b>	<b>726</b>
Depreciation/ amortisation of segment assets									(10,293)	(8,823)
<b>EBIT</b>									(2,052)	(8,097)
Finance costs									(5,581)	(3,785)
<b>Loss before income tax</b>									<b>(7,633)</b>	<b>(11,882)</b>
	<b>31-Dec-23 \$'000</b>	<b>30-Jun-23 \$'000</b>	<b>31-Dec-23 \$'000</b>	<b>30-Jun-23 \$'000</b>	<b>31-Dec-23 \$'000</b>	<b>30-Jun-23 \$'000</b>	<b>31-Dec-23 \$'000</b>	<b>30-Jun-23 \$'000</b>	<b>31-Dec-23 \$'000</b>	<b>30-Jun-23 \$'000</b>
<b>Segment assets (excl intercompany)</b>	447,323	476,675	168,430	132,328	676	1,016	10	442	616,439	610,461
<b>Segment liabilities (excl intercompany)</b>	54,418	56,378	42,468	19,440	8	95	254,095	246,759	350,989	322,672

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**Notes to the condensed consolidated financial statements (continued)**

**3. Dividends paid and proposed**

During the period, the Group paid a dividend to Shareholders of A\$0.033 per share on 13 December 2023, amounting to \$13,720,516. The dividend was 70% franked and the company offered a Dividend Reinvestment Plan (DRP). Shareholders representing 16.50% of shares on issue elected to participate in the DRP, with 1,647,113 new shares issued at \$1.357 per share.

**4. Revenue and other income**

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>External revenue by product line recognised at a point in time</b>		
Olive oil - Australian operations	79,211	55,180
Olive oil - USA operations	29,645	13,282
Innovation & Value-add product sales	430	464
Other revenue	4,481	2,561
Total	<b>113,767</b>	<b>71,487</b>
<b>Other income</b>		
Freight income	201	412
Interest income	325	371
Management/service fees	315	277
Other income*	165	2,860
Rental income	122	65
Subsidies and grants	278	108
Unrealised foreign currency losses	10	(30)
Total	<b>1,416</b>	<b>4,063</b>
<b>Fair value adjustments</b>		
Net increase in fair value of agricultural produce	<b>1,103</b>	<b>398</b>
<b>Total</b>	<b>116,286</b>	<b>75,948</b>

\*Half-year ended 31 December 2022 includes funds received as a result of easement compensation over vacant land at one of the company's Australian properties and a legal settlement in our favour, relating to a historical claim in the USA operations

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**Notes to the condensed consolidated financial statements (continued)**

**5. Income tax expense**

**Prima facie tax payable**

The prima facie tax payable on profit / (loss) is reconciled to the income tax expense as follows:

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Tax benefit at the Australian tax rate of 30.0% (2022 - 30.0%)	<b>(2,290)</b>	(3,565)
Add tax effect of:		
- Other non-allowable items	14	296
- Offshore tax losses not brought to account	<b>2,125</b>	1,783
- Share based payments	<b>55</b>	51
- Under provision in prior years	-	58
	<b>2,194</b>	2,188
Less tax effect of:		
- Research and development deductions	<b>(274)</b>	(610)
- Over provision in prior years	<b>(42)</b>	-
	<b>(316)</b>	(610)
Income tax expense/(benefit) attributable to loss	<b>(412)</b>	(1,987)

**6. Inventory**

	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CURRENT</b>		
Value-add products	<b>1,042</b>	1,114
Provision for redundant stock	<b>(59)</b>	-
	<b>983</b>	1,114
Raw materials/packaging	<b>6,516</b>	7,895
Provision for redundant stock	<b>(330)</b>	(339)
	<b>6,186</b>	7,556
Olive oil	<b>59,402</b>	93,771
Provision for redundant stock	<b>(755)</b>	(682)
	<b>58,647</b>	93,089
	<b>65,816</b>	101,759

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**Notes to the condensed consolidated financial statements (continued)**

**7. Borrowings**

The bank facilities of the Group are summarised as follows:

<b>Facility</b>	<b>Currency</b>	<b>Limit \$'000 (AUD)</b>	<b>Drawn at 31 Dec 2023 \$'000 (AUD)</b>	<b>Term</b>
Core Debt	AUD	168,000	149,000	November 2027
Core Debt	AUD	5,000	-	October 2024
Working Capital Debt	AUD	4,000	4,000	October 2024
Domestic FCA Facility	USD	15,409	15,409	November 2027
Domestic FCA Facility	USD	10,273	10,273	November 2027

The limit and term of each facility are outlined above. The bank loans are secured by a general security interest over the assets and undertakings of Cobram Estate Olives and its Australian subsidiaries. The bank also has mortgages over the Australian real properties owned by the Group's Australian subsidiaries.

	<b>31 Dec 2023 \$'000</b>	<b>30 Jun 2023 \$'000</b>
<b>CURRENT</b>		
<i>Secured liabilities</i>		
Asset financing	<b>11,007</b>	12,362
Bank loans	<b>4,000</b>	3,811
Chattel mortgage liability	<b>4,392</b>	3,843
	<b>19,399</b>	20,016
<b>NON CURRENT</b>		
<i>Secured liabilities</i>		
Bank loans	<b>174,682</b>	156,879
Chattel mortgage liability	<b>16,231</b>	14,610
	<b>190,913</b>	171,489
<b>Total Borrowings</b>	<b>210,312</b>	191,505

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**Notes to the condensed consolidated financial statements (continued)**

**8. Property, plant and equipment**

	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land &amp; buildings</b>		
Land & buildings at fair value	220,367	205,337
Less accumulated depreciation	(7,228)	(5,844)
	<b>213,139</b>	<b>199,493</b>
 <b>Plant &amp; equipment</b>		
Plant & equipment at cost*	134,627	122,343
Less accumulated depreciation	(59,896)	(56,789)
	<b>74,731</b>	<b>65,554</b>
 Irrigation assets at cost	<b>44,930</b>	43,360
Less: accumulated depreciation	(7,955)	(7,301)
	<b>36,975</b>	<b>36,059</b>
 Bearer plants at cost	<b>193,035</b>	186,449
Less accumulated depreciation	(50,558)	(46,130)
	<b>142,477</b>	<b>140,319</b>
 Motor vehicles at cost	<b>8,524</b>	8,427
Less accumulated depreciation	(4,329)	(3,952)
	<b>4,195</b>	<b>4,475</b>
 Office equipment at cost	<b>1,515</b>	1,609
Less accumulated depreciation	(1,187)	(1,255)
	<b>328</b>	<b>354</b>
 Furniture, fixtures & fittings at cost	<b>561</b>	582
Less accumulated depreciation	(354)	(345)
	<b>207</b>	<b>237</b>
 Total plant and equipment	<b>258,913</b>	<b>246,998</b>
 Total property, plant and equipment	<b>472,052</b>	<b>446,491</b>

\* Half-year ended 31 December 2023 includes capital works in progress of \$17.3m compared to \$9.0m at 30 June 2023.

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**9. Biological assets**

	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
CURRENT		
<i>At fair value less costs to sell</i>		
Biological assets - nursery trees	412	430
Biological produce	25,305	4,991
	25,717	5,421

**10. Share capital**

Issued capital as at 31 December 2023 amounted to \$183,932,699 (June 2023: \$181,698,417) represented by 417,420,302 ordinary shares (June 2023: 415,773,189).

At the Annual General Meeting on 3 November 2023 Cobram Estate Olives announced its offer to provide its shareholders the opportunity to participate in its Dividend Reinvestment Plan (DRP). The allocation price for shares to be issued through the DRP for the final dividend to be paid in respect of the period ended 30 June 2023 was \$1.357. On 13 December 2023, 1,647,113 new shares were issued to participants in the DRP.

The company issued no share options (6 months to 31 Dec 2022: 0) over ordinary shares under its share based payments plan during the half-year.

During the half-year, 780,000 options expired (6 months to 31 Dec 2022: 250,002 unlisted options over shares expired.)

During the half-year, there were no unlisted options over shares under the company's share based payments plan that lapsed as the conditions had not been satisfied (6 months to 31 Dec 2022: 1,230,000 lapsed.)

The company issued no share options to senior employees during the half-year (6 months to 31 Dec 2022: 0).

The movement in share capital for the period has been summarised below.

<b>Share Capital Movement</b>	<b>\$'000</b>
Share Capital Balance at 1 July 2023	181,698
Dividend Reinvestment Plan - new shares issued	2,235
Share Capital Balance at 31 December 2023	183,933

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**Notes to the condensed consolidated financial statements (continued)**

**11. Key management personnel**

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

Professor Jonathan West passed away on 29 July 2023.

Tim Jonas retired in his role as a Non-Executive Director at the conclusion of the Annual General Meeting on 3 November 2023.

At the conclusion of the AGM on 3 November 2023, David Wills was appointed as a Non-Executive Director with a base fee of \$100,000 per annum (pro-rata \$66,111 for the period ending 30 June 2024) in line with the remuneration for other Non-Executive Directors as disclosed in the annual financial report.

**12. Subsequent events**

On 26 January 2024, two of the Cobram Estate Olives Limited USA subsidiaries, Boundary Bend Olives, Inc. and Boundary Bend Assets, Inc., entered into a US\$15 million (AUD\$22 million) long term loan agreement with Prudential Insurance Company of America. These funds will be used to purchase and develop additional olive groves in California. Since 26 January 2024, US\$7.3 million (AUD\$10.7 million) has been used to purchase two properties that will be developed into olive groves. Once developed, these properties will add approximately 156 hectares to the company's USA olive groves portfolio.

There have been no other matters or circumstances occurring subsequent to the end of the half-year ended 31 December 2023, that have significantly affected, or may significantly affect the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial periods.



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**Directors' Declaration**

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company and Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001* .

On behalf of the directors



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Rob McGavin (Chair)



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David Wills

Dated 21 February 2024

## Independent Auditor's Review Report to the Members of Cobram Estate Olives Limited

### *Conclusion*

We have reviewed the half-year financial report of Cobram Estate Olives Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit and loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration as set out on pages 8 to 23.

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:

- Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

### *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 Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 review report.

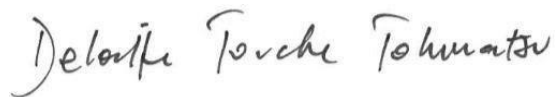
## *Directors' Responsibilities for the Half-year Financial Report*

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 Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



DELOITTE TOUCHE TOHMATSU



Peter Glynn  
Partner  
Chartered Accountants  
Melbourne, 21 February 2024