



Cobram Estate Olives Limited - 2021 Annual General Meeting - Chair's Address

29 October 2021

Good morning and welcome, I am Rob McGavin, Chair of Cobram Estate Olives Limited. I am advised by our Company Secretary, Russell Dmytrenko, that a quorum is present and officially declare open our 16th Annual General Meeting as a public company, but significantly our first Annual General Meeting (Meeting) as an ASX-listed company.

Thank-you to all shareholders for attending what is now our 2nd successive virtual Annual General Meeting and hopefully our last. We have done our best to try and give you the same opportunity to participate as if we were all together.

I would like to introduce our Non-Executive Directors who are connected via phone or video, including Craig Ball from Adelaide (an independent director who also chairs our Remuneration and Nomination committee), Dr Joanna MacMillan (an independent director from Sydney), Professor Jonathan West (an independent director from Tasmania), Tim Jonas from Melbourne (an independent director and chair of the Audit and Risk committee), and Paul Riordan who is my fellow co-founder of this company from Woodland in California USA. Although you cannot see all of our Non-Executive Directors, they will be available to answer questions should the need arise.

At this point I would like to thank past directors, Tim Smith, and Matthew Bailey, who both retired from the board prior to our company listing on the ASX, for their material contribution to the success of this company over a long period of time.

Also joining this meeting virtually are our joint-CEOs, Leandro Ravetti and Sam Beaton, who you will hear from soon.

I welcome our Company Secretary, Russell Dmytrenko, who will adjudicate the voting and questions. We also welcome Rachel Smith, our External Audit partner from Deloitte, who is available to answer any questions regarding our audited accounts or related matters. Rachel will also be our independent voting scrutineer for today's formal vote.

Also joining us today are our senior executives and many of our staff, I welcome them on your behalf and thank them for their efforts, and the efforts of their teams, throughout the year. I would like to make particular mention of the material contribution and efforts of Brent Crosbie who heads Sales and Marketing globally, and Ruth Sutherland who is the general manager of our entire farming and milling operation in Australia. Both are outstanding individuals and attend all Board meetings.

Importantly, a special welcome to all our newest shareholders. Since listing on the ASX we have moved from 850 shareholders to over 2,400 in the last 10 weeks. We are so very honoured that you have chosen to become shareholders in Cobram Estate Olives.

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Now some procedural matters

Many shareholders have already taken the opportunity to vote on the online voting platform and we thank them. For those that have not, I will explain how to use the online voting platform, and you should be able to follow the instructions on your screen.

Using the online platform

- Voting on the resolutions will be conducted by way of a poll using the electronic voting card you should receive after clicking the 'Get a Voting Card' button. The poll is now open, and you can vote at any time prior to the poll closing which will be five (5) minutes after the conclusion of this meeting. I will remind you again to vote during the formal part of the meeting.
- To allow plenty of time to vote, shareholders may vote at any time during the meeting.
- Shareholders can submit written questions during the meeting by clicking on the 'Ask a Question' button.
- If you have any trouble using the platform, please check the online portal guide on our website, or contact the help lines shown on screen.

Items of business

Today we have 5 items of business. The order of events for today's Meeting will be as follows:

1. I'll first say a few words and then hand over to our joint-CEOs, Sam Beaton, and Leandro Ravetti, who will provide commentary to our presentation.
2. Then we'll turn to formal business and the resolutions of the Meeting.
3. After that, there will be an opportunity for any general shareholder questions before I will close the Meeting.

The past year

Since Paul Riordan and I founded Cobram Estate Olives (formally Boundary Bend Limited) in 1998, we have experienced many highs and lows as most start-up businesses do. It has been a wonderful journey, and we have been supported financially and emotionally by so many wonderful people. In fact, our journey, and this Australian business, would not exist without the incredible support and commitment of many great people.

From the founding shareholders who invested \$15 million in the early days to get our first 500 hectares of olive trees planted, to our amazing staff and their partners, and our loyal customers who turn up every day and purchase our high-quality extra virgin olive oil. I hope each and every one of you appreciate how important your support is to the success of this Australian company.

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2021 was an exciting year in the evolution of your company as we prepared to list on the ASX, finally doing so on the 11th of August 2021.

We have an incredible vertically integrated business, built from scratch to produce high quality extra virgin olive oil. Extra virgin olive oil is simply the juice of fresh olives and is the only mainstream edible oil that is produced without heat, chemicals, and solvents. It is the antioxidants in the olive oil derived from fresh olive fruit that give olive oil its flavour, smell, and most importantly, its well-known health benefits.

Our business model is pretty simple.... not easy, but simple. We are the farmers and own the vast majority of our olive farms. We grow, pick, and crush all the olives in our own mills, all within 6 hours of picking to lock in the quality. We store the fresh olive oil in temperature controlled, stainless steel tanks away from light and oxygen to keep the oil fresh. We then bottle and package it in our own facilities just in time for delivery to our customers.

Our entire focus is, and has always been, on product quality, authenticity, and integrity - something very unusual in a global olive oil industry that has been plagued with mislabeling and cheating and has the unenviable title of one of the most adulterated foods on earth. Fortunately, many consumers are now aware that if you don't know and trust your source of extra virgin olive oil you will likely get cheated. This has given us an immense opportunity, and the trust in our brands grows stronger by the day, as does consumer demand for more natural, less refined/processed products.

As you can see by the visuals, we are truly vertically integrated, and in reality, our business grew this way, starting with the nursery, the groves, harvesting, milling, laboratory (QA and research) bottling and logistics to consumer brands and more recently our all-important value adding business where we are converting what has traditionally been waste that costs money into valuable products driving our sustainability and zero waste initiative.

Over the last 23 years our little start-up has grown massively, with some impressive stats, all driven by a desire for continuous improvement and excellence. In fact, we have published 27 peer reviewed research papers which is very rare for a private company, and likely unheard of for any other olive company and agricultural producer in general.

We now own over 2.4 million olive trees spread across 18,000 hectares of freehold land, of which approximately 15,000 hectares are in Australia. In fact, we are one of the world's largest olive farmers, and produce more olive oil than many countries. This year we produced more olive oil than France, Israel, the USA, and key Italian regions of Tuscany and Umbria. Our flagship brand, Cobram Estate®, is one of, if not the most decorated olive oil brands in the world with over 458 trophies and medals including being awarded the healthiest olive oil in the world in 2017.

But what makes me most proud is the value we offer consumers, and the consistently high quality of our extra virgin olive oils. To support this statement, I refer to the last Choice Magazine review of the category here in Australia. Of the 23 olive oil brands tested by Choice, they only recommended six

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worthy of consumers purchasing. Cobram Estate® was awarded 1st place with the only gold medal, whilst our second brand, Red Island®, was awarded a silver medal and 2nd place.

Cobram Estate Olives is a really unique business in many ways and hopefully after this presentation you will better understand a few really key points about our business.

Firstly, we produce an estimated 70% of Australia's olive oil from our own groves, own the truly iconic Australian brand Cobram Estate®, and thanks to most of our olive oil being sold in premium consumer brands, we don't have the normal commodity price risk of most Agricultural Businesses.

Secondly, we are one of, if not the best olive growers in the world. As you will see in Leandro's presentation, our proprietary system – Oliv.iQ® - allows us to grow more fruit, accumulate more oil in that fruit, and extract much more oil out of the fruit than our competitors. All the while using less water, less fertilizer and sequestering more carbon per litre of olive oil produced than global averages.

Thirdly, we are globally one of the lowest cost producers, but our olive oil is in the top echelon globally for quality... a position that is truly unique (and almost unheard of). The reason this is so important is that it is the quality of the olive oil that drives consumer value and benefits (health, taste, and smell).

Fourthly, strong earnings growth should continue as our Australian groves mature and we have a wonderful opportunity with our USA business.

Finally, most agricultural products have a one-year production cycle, but olives have a two-year production cycle. This is easily managed operationally but is often misunderstood. Monthly trading cashflow and sales are reasonably consistent and predictable, but we manage our entire olive oil production in two-year cycles as we have a larger crop followed by a smaller crop and vice versa. A true gauge of our actual business performance is to average the profit across two years (considering both a higher yielding crop year and a lower yielding crop year).

Importantly, every waking moment our team's focus is on olives and olive oil. No one comes close globally to our level of expertise and understanding of the product and the market.

Important updates

Californian harvest

I can confirm that our olive harvest has started in the USA, and although it is early days with less than 15% of the harvest completed, both yields and quality are approximately in line with expectations. After a prolonged drought in California, rain came last week with between 75mm and 150mm falling in our region, which is the first material rain for six months. This rain halted harvest for a few days, but due to the extremely dry subsoils is nothing to worry about at this stage.

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Californian fruit supply

It is pleasing to advise we have very recently extended both the term and acreage of olive fruit supply contracts with key third party growers. This will help ensure that our Californian olive oil supply continues to grow, increasing our external growers under contract by over 2,000 acres to 4,819 acres.

We have also signed contracts to purchase another 430 acres of freehold land (including water) adjoining one of our existing groves. Once planted, this will bring our company owned groves in California to 1,568 planted acres.

Both third party supply and our own groves have various maturity profiles, so although they won't have an immediate impact, it does lock in much needed supply to support medium term sales growth.

Flowering (Australian groves only)

Our Australian groves will reach full bloom over the next eight days. This is an important event and is the first time in the growing cycle that we can assess the potential of the following year's crop. We are pleased to report that flowering is as good as or slightly better than expected.

Sales

Sales across the group are off to a strong start, especially in Australia, and we are still expecting full-year sales growth. The USA as expected has been extremely supply constrained, but now that harvest has started, we will see this situation reverse, particularly in the second half of the financial year.

Costs

In general terms costs are in line with budget expectations. We are fortunate that some of our larger input costs have not been impacted by general demand and supply chain pressures you may read about. In fact, some of our major cost inputs such as water and electricity are currently at short-term lows. In any event, we do not expect cost pressures to have a material impact on this year's results. Of course, we remain focused on driving cost efficiency savings throughout our business. It is also worth noting that we do have the ability to recover prolonged cost increases through the pricing of our products, although this is our last resort.

Full-year outlook

Importantly, we expect our Two-Year Rolling Average EBITDA (Normalised) for the Australian olive oil division to continue increasing as a result of strong sales, our past investment in new plantings and our maturing grove profile, whilst Statutory EBITDA is expected to fall materially due to FY2022 being a lower yielding crop year. Our strong cash flow from operations is set to continue and is expected to materially increase in FY2022, and our investment in growth is expected to continue in both Australia and the USA.

Funding growth

The company is comfortable with its capital position and has strong operating cashflows. Our current plans are fully funded.

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Dividend

The Board has declared a dividend of 3.3 cents per share to be paid in December. Sam will announce the full details.

Carbon Position

Cobram Estate Olives is in the fortunate position to own 18,000 hectares of land, much of which is planted to highly productive olive trees that continually sink carbon. It has been calculated that our Australian groves' net carbon offset per annum is equivalent to the total emissions of a medium sized city like Bendigo. Although we are extremely well placed as the world moves to net zero carbon and we expect net benefits, further analysis is being undertaken to calculate our "whole of Company" position, and further updates will be made available to shareholders once independently verified.

Again, sincere thanks to the dedication of our all our team members led by our joint-CEOs, Sam Beaton, and Leandro Ravetti. Two more committed, honest, and capable people would be hard to find.

Finally, if you would like to receive really special offers of our best extra virgin olive oils, including our limited annual release of First Harvest® at an exclusive shareholder discount, can you please ensure you complete the Electronic Communication Form available on our website, tick the consent box, and return this to Link Market Services.

That brings me to the end of my address, so I will hand over to joint-CEO Sam Beaton.

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