Cobram Estate Olives Limited™

ANNUAL REPORT 2022

Cobram Estate Olives Limited and controlled entities

ABN 32 115 131 667

Annual Report
For the year ended 30 June 2022

Acknowledgement of Country

Cobram Estate Olives Limited acknowledges the Traditional Owners of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We pay our respects to their Elders – past, present and emerging.

We could talk about our olives for hours. The variety, the flavour, the health benefits, how they're grown, the right time to pick, and how we turn them into olive oil.

At Cobram Estate Olives Limited, our passion for every single olive inspires everything we do. From tree to table, we nurture our fruit to create fresh, healthy, antioxidant rich, award-winning extra virgin olive oils. We look after every stage of production — from planting and picking to ensure freshness, to pressing and bottling to guarantee enjoyment.

About Cobram Estate Olives

Cobram Estate Olives Limited ('Cobram Estate Olives' or 'CBO' or 'the Company'), formerly known as Boundary Bend Limited, was founded by Paul Riordan and Rob McGavin in 1998. Over more than 20 years the Company has grown to become the market leader in the Australian olive industry and a global leader in sustainable olive farming with operations in Australia and the USA and a portfolio of premium brands. Today, CBO's extra virgin olive oils are recognised for their world class quality, receiving 475 awards since 2003 including one of our Cobram Estate® products from California being named one of the world's healthiest extra virgin olive oils in 2017 and 2022.

Large scale olive farming and milling operations

CBO operates a fully integrated business model which is unsurpassed in the Australian olive industry. Today, CBO is Australia's largest olive farmer with over 2.4 million olive trees planted on 6,584 hectares of freehold farmland and produced an estimated 72% of Australia's total olive crop in 2022. In the USA, the Company's owns 207,500 olive trees planted on 358 hectares of owned and leased land in California. In total, the Company owns 18,677 hectares of freehold farmland, of which 16,700 hectares is located in central and northwest Victoria and southwest New South Wales.

The Company also owns three olive mills (two in Australia and one in the USA) with over 144 tonnes per hour of combined olive milling capacity, enabling the Company to control the milling of every olive it grows.

The Company's large-scale olive groves and olive mills are some of the largest in the world, enabling the Company to achieve efficiencies in olive growing, processing, and marketing. CBO's proprietary growing system, Oliv.iQ®, allows it to grow more olives per tree, accumulate more oil in those olives, and extract more olive oil out of the olives at a higher quality and lower cost of production than the next best growers in the world, as highlighted in a recent report by U.C. Davis, California USA (2019).

All the while using less water, less fertiliser, and sequestering more carbon per litre of olive oil produced than global averages.

To complete its integrated operations, CBO also owns Australia's largest olive tree nursery, two bottling and storage facilities, 18.4 million litres of olive oil storage capacity, and one of the world's leading olive research, development, and testing laboratories – Modern Olives® – with labs in Australia and the USA.

18,677
hectares
of freehold farmland in Australia, USA, and Argentina

MORE THAN
2.6m
olive trees
planted in Australia and USA

Cobram Estate®
Australia's
#1
extra virgin olive oil[1]

Premium brands

CBO's focuses on the sale of premium quality extra virgin olive oil products, primarily in proprietary brands, to optimise the selling price per litre for its olive oil crop and minimise agricultural commodity risk. The Company owns two of Australia's leading olive oil brands, Cobram Estate® and Red Island®, which had a combined market share of 49% of extra virgin olive oil supermarket sales by value in Australia in FY2022, yet only 23% of total cooking oil sales by value[1] allowing room for growth. In taking a 'tree-to-table' approach to olive growing and marketing, CBO manages all aspects of the olive life cycle and ensures that every bottle or tin of extra virgin olive oil produced meets its high standards.

Since its founding and to this day, CBO has benefited from changes to Australian consumer trends including a growing interest in sourcing Australian grown and owned products and an increasing understanding of the health benefits of extra virgin olive oil (extra virgin olive oil is the only mainstream cooking oil that is purely the juice of fresh fruit and is cold pressed without the use of high heat, chemicals, or solvents). The Company recognised the same consumer trends that have propelled it to success in Australia are continuing to develop in the USA, and since establishing operations in the USA in 2014 has experienced strong demand for Californian extra virgin olive oil marketed under its Cobram Estate® brand and private label offerings.

Positioned for future growth

With an unwavering focus on superior quality, innovation, and customer satisfaction through all facets of its business, CBO has developed a reputation as a leading player in the modern olive industry. The Company is well positioned for future growth that will be predominantly driven by its maturing Australian groves delivering additional extra virgin olive oil to support branded sales growth, and its rapidly growing vertically integrated Californian business.

1. Source: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2022.

Operations Highlights FY2022

49% MARKET SHARE

Extra virgin olive oil sales in Australian supermarkets

(Cobram Estate® + Red Island®)[2]

72% ESTIMATED SHARE

of Australia's annual olive crop[3]

COBRAM ESTATE® USA #10

olive oil nationally[4]

5% INCREASE

in area of mature Australian olive groves

132,000 TONNES

of CO_2 sequestered

by CBO's Australian olive oil operations (FY2022 + FY2021)

48% DECREASE

in cost of Australian water

12.9% INCREASE

Cobram Estate® USA supermarket scan sales year on year[4]

COBRAM ESTATE® AUSTRALIA'S #1

extra virgin olive oil

by value and volume[2]

358 HECTARES

of olive groves in California

up 15% versus FY2021

GROWTH 52%

in Australian olive oil harvest

vs prior low yielding crop year (2020)

11.7m LITRES

global olive oil production

(Australia + USA)

2. Source: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2022.
3. Source: https://www.abc.net.au/news/rural/2022-07-20/olive-harvest-production-down-in-2022/101248908
4. Source: SPINS/IRI scan data, Total US Olive Oil, Total Dollar Sales, 52 weeks-ending 12 June 2022. (Note: Data does not include big box retailers Costco and Sam's Club).

Financial Highlights FY2022

Two-Year Rolling Average EBITDA (Normalised)[5] for the Australian olive oil operations

$53.9m

up 19.7% versus FY2021

TANGIBLE ASSETS[6]

$665.2m

on 30 June 2022

GLOBAL OLIVE OIL BRAND SALES

$100.6m

(Cobram Estate® and Red Island®)

Two-Year Rolling Average EBITDA (Normalised)[5] for the CBO Group

$47.9m

versus $34.3m in FY2021

NET LOSS AFTER TAX

$0.7m

CASH FLOW FROM OPERATIONS

$33.8m

versus $22.1m in FY2021

Total USA olive oil sales

$28.7m

$43.4m

Balance sheet strength with cash/ undrawn bank facilities

GEARING LEVEL

25%

down from 37% in FY2021

$140m

GROUP SALES

COBRAM ESTATE® USA SALES

$10.4m

STATUTORY EBITDA

$25.1m

Note: m=millions; k=thousands

5. Adjusted for water costs to long-term average and one-off ASX listing costs.

6. Includes $121.3 million valuation increase for the Company's olive trees not reflected on the balance sheet.

Chair and CEOs' Report

Dear CBO Shareholders,

On behalf of the Board of Cobram Estate Olives Limited ("Board"), it is our pleasure to provide you with our Annual Report and Financial Results for the year ending 30 June 2022 ("FY2022").

FY2022 was our first year as an ASX-listed company and a strong financial result has been achieved, particularly by our core Australian olive oil operations. This result reflects the benefits of our vertically integrated business where we grow, produce, and sell a large volume of very high-quality extra virgin olive oil, together with the outstanding expertise and commitment of our people.

When looking at our financial results, it is important to understand that olive trees naturally bear fruit in biennial cycles, with a higher yielding crop one year followed by a lower yielding crop the next. This is a known and expected natural cycle and is easily managed logistically by our business. **As a result, the true cost of production and performance of the business should be judged on two-year average results.** However, under Australian accounting standards the profit for each year of harvest is adjusted by the difference between the cost of production and the net realisable value of the oil produced in that year. Hence the profit is recorded in the year of production, rather than the year of sale. **This causes material but expected statutory profit variability in two-year cycles** depending on if we are in a higher or lower yielding crop year. **FY2022 is a lower yielding crop year.**

The Company reported a FY2022 Statutory EBITDA of $25.1 million (FY2021: $72.9 million) and a Net Loss After Tax of $0.7 million (FY2021: $35.2 million profit). Importantly, the Company reported 39.7% growth in our Two-Year Rolling Average EBITDA (Normalised)[7] to $47.9 million (FY2021: $34.3 million).

The Company recorded cash generated from operations[8] of $33.8 million (FY2021: $22.1 million). Group sales were in line with FY2021, with strong growth in Australian olive oil sales (up 7.8% versus FY2021) offset by a decline in USA sales (down 21.8% versus FY2021) mainly due to the lack of availability of Californian olive oil.

Australian olive oil operations lead CBO's results

CBO's performance in FY2022 was led by the strong results achieved in our core Australian olive oil operations. Our 2022 Australian harvest produced 9.5 million litres of olive oil, a significant improvement (+52%) on the previous lower yielding crop year in 2020 (2020: 6.2 million litres). At the same time, retail sales of our branded olive oil products continued to grow, and our market share of extra virgin olive oil sales and total olive oil sales in Australian supermarkets grew in value and volume terms.[9] This was reflected in our packaged goods sales which increased by 7.4% in FY2022. The maturing age profile of CBO's Australian olive groves will continue to provide the Company with increasing olive oil supply over the next ten years.

Our Australian olive oil operations are currently experiencing input cost pressure particularly in the areas of fertiliser, electricity, wages, fuel, and freight, offset partially by low water prices. As the leading producer of Australian extra virgin olive oil, together with our strong consumer brands (Cobram Estate® and Red Island®), the Company could look to increase prices should these cost pressures persist.

It is important to note that olive trees are pollinated by wind. As a result, we do not rely on the movement of bees to assist with our pollination and will not be impacted by the much-publicised Varroa Mite incursion in north-eastern NSW.

USA olive oil operations focused on increasing olive oil supply

Our USA olive oil operations completed another successful harvest, delivering 2.2 million litres, in line with expectations. However, limited supply of third-party Californian extra virgin olive oil restricted our sales in FY2022 and, when combined with escalating supply chain costs (primarily freight and packaging), impacted the financial performance of our USA business, delivering an EBITDA loss. Future supply of Californian olive oil was strengthened by our purchase of additional land in California, with 202 hectares to be planted to olives in FY2023, and the acquisition of a 50% share of a mature 94-hectare Californian olive grove.

The USA remains an important strategic growth pillar for the business but is currently being restrained by the lack of Californian olive oil. We expect to see a significant increase in Californian olive oil supply from our 2023 harvest (FY2024) coming from both the maturing of our own groves and third-party growers under contract.

7. Earnings before interest, tax, depreciation, and amortisation. This is a non-IFRS measure used by the Company and is relevant because it is consistent with measures used internally by management and by some people in the investment community to assess the operating performance of the business. The non-IFRS measures have not been subject to audit or review.
8. Operating cashflow before deducting interest, tax, and borrowing costs.
9. Source: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2022.


Cobram Estate
AUSTRALIAN EXTRA VIRGIN OLIVE OIL
Cobram Estate
FRESH NEW SEASON Harvest 2021
AUSTRALIAN EXTRA VIRGIN OLIVE OIL
First Cold Pressed
Classic Flavour
IDEALLY USED FOR: Frying, Baking, Dressings & BBQs
375mL
Cobram Estate
GARLIC INFUSED
AUSTRALIAN EXTRA VIRGIN OLIVE OIL
250mL

Chair and Joint CEOs' Report continued

72%

CBO's estimated share of Australia's 2022 olive crop[10]

CBO's unique value proposition

CBO is a unique food manufacturer and agribusiness company operating with strong market share in an important food category. The Company possesses several areas of sustainable competitive advantage which we would like to encourage investors to consider when assessing CBO and its future value.

1.

Premium extra virgin olive oil is in short supply whilst demand is strong and growing

Globally, demand for extra virgin olive oil remains strong, driven by increasing consumer awareness of its unique health attributes and the desire to consume more natural, unrefined oils. This situation is most acute in the Australian and USA markets where demand for premium quality, locally grown extra virgin olive oil remains very strong. As a result, we are continuing to invest in new olive groves with plans to develop a further 202 hectares in the USA and 415 hectares in Australia in FY2023.

2.

Vertical integration shields CBO from supply chain disruption whilst controlling quality

Unlike most food companies, CBO operates a vertically integrated model that extends from olive farming through to sale of branded, locally grown extra virgin olive oil. Currently over 85% of the olive oil the Company sells in Australia and the USA is grown or milled by CBO. Further, over 90% of this volume is sold in the country in which it was grown. Our vertical integration and local focus have enabled CBO to largely avoid the challenges currently associated with international shipping and positions the Company strongly to ensure supply continuity and control quality, whilst minimising the carbon footprint of our products.

3.

Freehold olives groves and industrial properties valued at $379 million underpin CBO's Australian olive oil operations

CBO's Australian olive oil operations are underpinned by freehold assets independently valued at $379 million. These assets include 16,700 hectares of freehold farmland in central and northwest Victoria and southwest New South Wales, of which 6,584 hectares in Victoria have been planted to olives. In addition, the Company owns commercial properties including a 20,000 square-metre warehouse with offices at Lara (near Geelong) and two regional olive oil mills on the Company's groves.

Whilst developing these unique assets takes time, this is an advantage to the Company as it acts as a natural barrier to entry.

10. Source: https://www.abc.net.au/news/rural/2022-07-20/olive-harvest-production-down-in-2022/101248908

$379m

value of CBO's freehold olives groves and industrial properties in Australia

7.5% CAGR

CBO's growth in mature grove area for the period 2022-2031

Overall, we believe CBO is very well positioned with a strong balance sheet, unique supply chain control, and significant land and property assets, enabling us to continue our growth trajectory and deliver improved financial results in FY2023 and beyond.

4.

Embedded growth profile with olive trees in the ground

CBO has been investing in securing an increasing future supply of Australian and Californian extra virgin olive oil. The immature age profile of CBO's groves (36% in Australia and 87% in California by area planted) provides organic growth in supply as these trees mature. Driving this growth will be the maturing of our Australian groves, with the area of CBO's mature groves expected to grow at a compound annual growth rate of 7.5% for the period 2022-2031, increasing from 4,009 hectares of mature groves to 6,999 hectares over this period.

5.

CBO maximises value through its consumer brands

CBO's market-leading olive oil brands, including our flagship brand Cobram Estate®, have been built on quality and trust. Today our brands (Cobram Estate® and Red Island®) enable us to enjoy a market leading position in the Australian olive oil category with 49% value share of extra virgin olive oil sales and 36% value share of total olive oil sales in Australian supermarkets in FY2022[11]. The value of these brands to CBO is captured in the price differential we achieve between CBO's products and the imported olive oil category. It should be noted that these highly valuable retail brands are carried at cost on our balance sheet.

6.

CBO's extra virgin olive oils are pantry essentials that are healthy and good for the planet

Whilst the health benefits associated with CBO's extra virgin olive oils are well known and make our products essential pantry items in Australia, the benefits to the planet are equally remarkable. Carbon sinks identified on CBO's Australian olive groves in below – and above-ground biomass entirely offset the emissions associated with growing and marketing the Company's Australian olive oil leading to a net removal of approximately 4kg of CO_2 per litre of olive oil produced and sold. The Company has a strong focus on land system management and seeks to maximise carbon sequestration whilst minimising biodiversity loss and minimising waste (only 0.1% of our operations' output ends up in landfill – everything else is used, recycled, or upcycled).

11. Source: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2022.

Chair and Joint CEOs' Report continued

FY2022 Group Financial Results

Prior to presenting our FY2022 results, we would like to explain several key points relating to the biennial nature of olive oil production and its impact on Statutory profit that are unique to our business.

Biennial nature of olive oil production

Olive trees naturally bear fruit in two-year (biennial) cycles, with a higher yielding crop one year followed by a lower yielding crop the next. This is a known and expected two-year cycle that is easily managed operationally and logistically by our business, with olive oil from higher cropping years (e.g. FY2019, FY2021) sold over a 14–16-month period and olive oil produced in lower yielding crop years (e.g. FY2020, FY2022) sold over an 8–10-month period.

'Fair value' of the annual crop

CBO's annual Australian olive harvest takes place in April-June, with the harvest 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 and the actual cost of production is then taken to the profit and loss in the year of harvest as a fair value gain/(loss). Once valued, the olive oil is reported on CBO's balance sheet 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, by the same dollar amount as the fair value gain.

Impact of biennial production and the fair value adjustment on CBO's Statutory profit

Due to the two-year (biennial) production cycle, the fair value calculated for CBO's annual olive oil crop significantly varies year-on-year, with the result dependent on whether we are in a higher or lower yielding crop year. This fluctuation in fair value causes large variances in CBO's Statutory profit results for CBO's Australian olive oil operations with most of the reported profit from the annual crop recognised in the year of harvest, not in the year the olive oil is sold.

Importantly, the volatility in CBO's Statutory profit is not reflective of the consistency of the Company's sales of its premium olive oils. In fact, the Company's sales, the majority of which are premium, branded extra virgin olive oils, are relatively consistent and predictable over the course of the year. Our ability to maintain consistent sales even in lower yielding crop years helps us overcome some of the variability and risk related to agricultural production and delivers consistent cash-flow to the business.

Two-Year Rolling Average EBITDA

Given the biennial production nature of an olive tree, combined with the impact of the Australian accounting standards on CBO's unique operating model, we recommend assessing the Company's Australian profit results over a two-year rolling average period. This method considers both a "lower yielding crop year" such as FY2022 and "higher yielding crop year" such as FY2021 and provides an accurate reflection of the performance of the business. We report this as a "Two-Year Rolling Average EBITDA," normalised for water costs and adjusted for non-recurring costs.

In FY2022, CBO's Australian olive oil operations achieved a Two-Year Rolling Average EBITDA (normalised) of $53.9 million, an increase of 19.7% as highlighted in table 1 (below) and figure 1.

Table 1: Australian olive oil operations – Two-Year Rolling Average EBITDA (normalised)[12]

	EBITDA (AUSTRALIAN OLIVE OIL DIVISION)			
A$ million	FY2019	FY2020	FY2021	FY2022
Australian olive oil division Reported EBITDA	42.6	(2.9)	77.7	32.4
Adjusting for water costs to long term average[13]	9.8	14.8	(0.3)	(2.8)
Adjusting for ASX listing costs	–	–	0.8	–
EBITDA (normalised)	52.4	11.9	78.2	29.6
Two-Year Rolling Average EBITDA – normalised		32.2	45.1	53.9
Change (%)			40.1%	19.7%

12. Earnings before interest, tax, depreciation, and amortisation. This is a non-IFRS measure used by the Company and is relevant because it is consistent with measures used internally by management and by some people in the investment community to assess the operating performance of the business. The non-IFRS measures have not been subject to audit or review.
13. From FY2007 to FY2022.

Figure 1: Australian olive oil operations – Two-Year Rolling Average EBITDA (normalised) and two-year rolling average olive oil yield (FY2018-FY2022)

FY2022

$53.9m

Australian olive oil operations – Two-Year Rolling Average EBITDA (normalised)

Group EBITDA (Statutory)

FY2022 was, as anticipated, a lower yielding crop year in Australia and this is reflected in the Company's Statutory results. The Group's Statutory EBITDA result of $25.1 million (FY2021: $72.9 million) recognises the valuation of the 2022 Australian olive oil crop of 9.5 million litres (FY2021: 16.05 million litres) as required under Australian Accounting Standards.

Shareholders should note that FY2023 is a higher yielding crop year on CBO's Australian groves and we expect the olive oil crop will be significantly higher than in FY2022. As a result, CBO's FY2023 Statutory EBITDA is expected to be materially higher than FY2022 (subject to the risks associated with farming).

Group Cash Flow

The Group reported cash generated from operations of $33.8 million (FY2021: $22.1 million), driven by the strong performance of the Australian olive oil operations and the improvement in the Group's working capital position. Offsetting some of this was the performance of the USA olive oil operations. The strong operating cash flow result is reflective of the Company managing its oil supply over two (2) financial years (24-months), to meet its relatively consistent monthly customer demand.

The Company continued to invest in capital projects, investing $36.7 million during FY2022 (FY2021: $19.0 million).

Table 2: Reconciliation of Group EBITDA

A$ million	FY2021	FY2022
Profit before income tax	52.0	2.5
add back depreciation	16.2	17.7
add back interest costs	4.7	4.9
Group EBITDA	**72.9**	**25.1**

The investment in capital projects was funded through equity raised during FY2022 and surplus operating cashflow.

During the year the Company raised $50 million in equity through a private placement in December 2021 and $2 million from a share purchase plan in January 2022.

As of 30 June 2022, the Company has cash and undrawn debt facilities $43.4 million.

Group Balance Sheet

The Group balance sheet reflects a significant increase in net assets, up from $190.7 million on 30 June 2021 to $287.1 million on 30 June 2022. This is reflective of both the equity raised during the year and the increase in asset valuation as discussed on the following page.

The increase in CBO's asset valuations and the reduction in debt by $24.5 million has resulted in gearing levels decreasing from 37% to 25%.

Chair and Joint CEOs' Report continued

FY2022 Group Financial Results

Asset Valuations and Impact on Financial Results

In June 2022, the Company completed a valuation of its grove and industrial property assets in Australia, the USA, and Argentina. The valuation was undertaken by LAWD and CBRE independent valuers.

Pleasingly, the valuation of these assets at $444.6 million was $189.3 million (74%) higher than the carrying value of grove and industrial property assets. The valuation increase is reflective of a maturing grove profile, a general increase in the value of rural land, and the increase in value of industrial properties.

It should be noted that tree and irrigation assets continue to be carried at cost less depreciation in line with our accounting policy, therefore only $67.9 million of the $189.3 million has been recognised on our balance sheet. The movement is taken through our asset revaluation reserve (not our profit and loss), and a deferred tax liability is also recognised as a future liability.

A summary of CBO's independent asset valuations and the impact on carrying value on 30 June 2022 is included in the following table. Please note that deferred tax liabilities are not included in these figures.

$444.6m

Independent Asset Valuation

June 2022 independent valuation of CBO's freehold grove and industrial property assets

Table 3: CBO asset valuations and impact on carrying value [14]

COUNTRY	ITEM	CARRYING VALUE AT 30 JUNE 2022 BEFORE ANY VALUATION ADJUSTMENT ($ MILLION)	INDEPENDENT VALUATION 30 JUNE 2022 ($ MILLION)	INCREASE IN VALUE 30 JUNE 2022 ($ MILLION)	CARRYING VALUE AT 30 JUNE 2022 AFTER ANY VALUATION ADJUSTMENT ($ MILLION)	INCREASE IN CARRYING VALUE ON 30 JUNE 2022 ($ MILLION)
Australia	Land and buildings	73.7	128.2	54.5	128.2	54.5
	Olive trees and irrigation	135.8	251.0	115.2	135.8	–
	Total	209.5	379.2	169.7	264.0	54.5
USA	Land and buildings	36.6	46.8	10.2	46.8	10.2
	Olive trees and irrigation	9.1	15.2	6.1	9.1	–
	Total	45.7	62.1	16.3	56.0	10.2
Argentina	Land and buildings	0.1	3.3	3.2	3.3	3.2
	Olive trees and irrigation	–	–	–	–	–
	Total	0.1	3.3	3.2	3.3	3.2
Total	Land and buildings	110.4	178.3	67.9	178.3	67.9
	Olive trees and irrigation	145.0	266.3	121.3	145.0	–
	Total	255.3	444.6	189.3	323.3	67.9

14. All figures pre deferred tax liabilities.

Outlook

As previously mentioned, 2023 is a higher yielding crop year on CBO's Australian groves and we expect the olive oil crop will be significantly higher than in 2022. **As a result, CBO's FY2023 Statutory EBITDA is expected to be materially higher than FY2022 (subject to the risks associated with farming).**

The Two-Year Rolling Average EBITDA (Normalised) and operating cashflow surplus are expected to continue increasing over time for the Company's Australian olive oil operations as a result of our investment in new plantings and the maturing grove profile. This is, of course, subject to the risks associated with business and farming, including the impact of rising input costs.

Dividend

The Board's current intention is to pay a final dividend of 3.3 cents per share in December 2022. The dividend has not been formally declared. The dividend payment and level of franking are expected to be declared at the Company's annual general meeting in October 2022 and paid in December 2022.

Image: Ruth Sutherland, GM Horticulture

Chair and Joint CEOs' Report continued

Australian Olive Oil Operations

Boundary Bend olive grove

Over 1 million olive trees

On-site olive mill and oil storage

Boort olive grove

1.1 million olive trees

On-site olive mill and oil storage

Wemen olive grove

300,000 olive trees

Woorlong Station (Gol Gol)

Potential for development of an olive grove up to 3,000 hectares

Lara head office, Technical Laboratory & R&D

20,000 square metre warehouse

9 million litres of olive oil storage

Bottling, quality assurance, laboratory, R&D & technical

Olive tree nursery

Melbourne commerical office

National & export sales teams

Marketing, new product development & innovation teams

$105.8m

Total olive oil sales for Australian olive oil operations

Australian Olive Oil Sales

Australian olive oil operations reported total olive oil sales of $105.8 million in FY2022, an increase of 7.8% on the prior year (FY2021: $98.1 million). This result was driven by growth in all facets of CBO's Australian sales mix — branded products, private label products, and bulk olive oil. The Company's flagship Cobram Estate® brand accounted for 60% of sales in FY2022, followed by sales of Red Island® (25%), premium bulk olive oil (8%), and private label products (7%).

The Company continues to focus on the sale of its premium branded products (Cobram Estate® and Red Island®), delivering combined growth of 4.0% versus the prior year. As a result of category mix management strategies adopted by the business to capitalise on increasing imported product prices, our Red Island® brand was the growth driver in FY2022 as reflected in the chart alongside.

Figure 2: Share of CBO's Australian Olive Oil Sales FY2022 by brand and channel

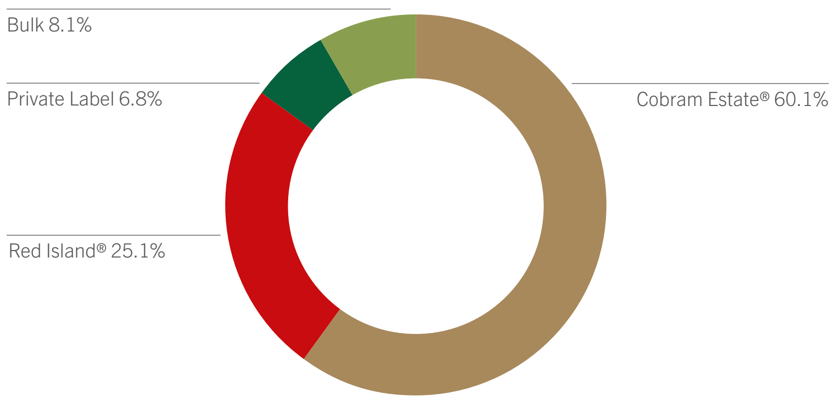
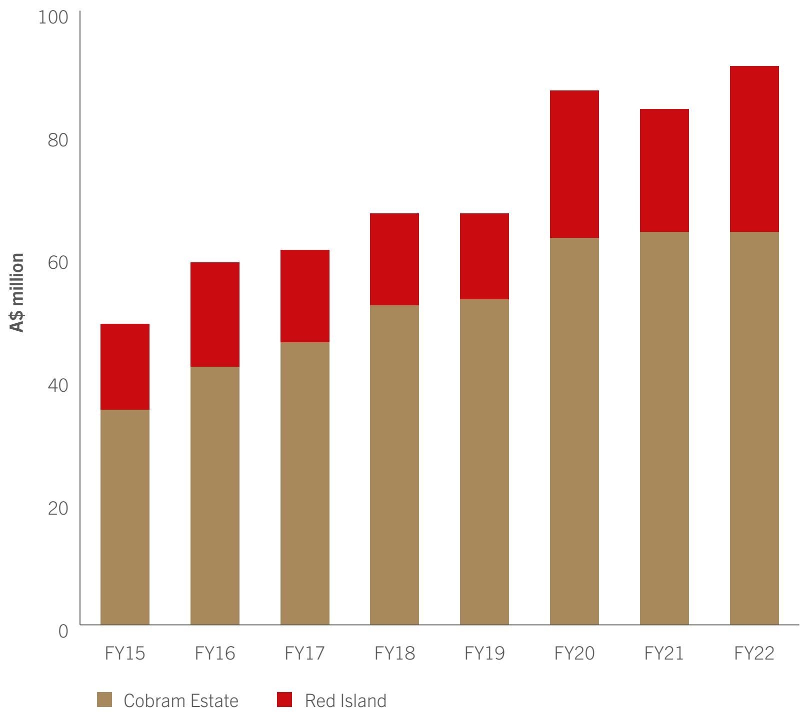


Figure 3: Australian Olive Oil Sales FY2015-FY2022 (Cobram Estate® + Red Island®)



Chair and Joint CEOs' Report continued

Australian Olive Oil Operations

CBO's value share of olive oil sales in Australian supermarkets up 9% in FY2022

At a retail level, CBO strengthened its position as the olive oil category leader in Australian supermarkets in value terms with our Cobram Estate® and Red Island® brands accounting for 36% of total olive oil sales (up from 33% in FY2021) and 49% of total extra virgin olive oil sales (up from 45% in FY2021). The growth in market share for CBO's extra virgin olive oils in FY2022 was achieved alongside an increase in average selling price.

CBO's share of both olive oil and extra virgin olive oil sales in Australian supermarkets, represented by our Cobram Estate® and Red Island® brands, are highlighted in the charts below.

Figure 4: Share of Australian supermarket sales of total olive oil by brand (dollar value) – FY2022 [15,16]

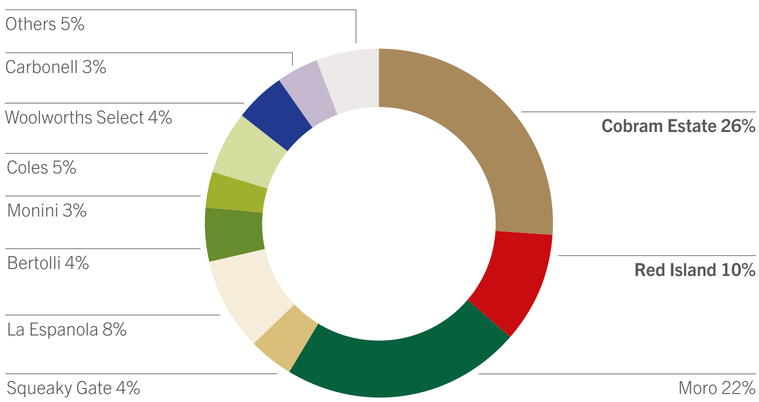
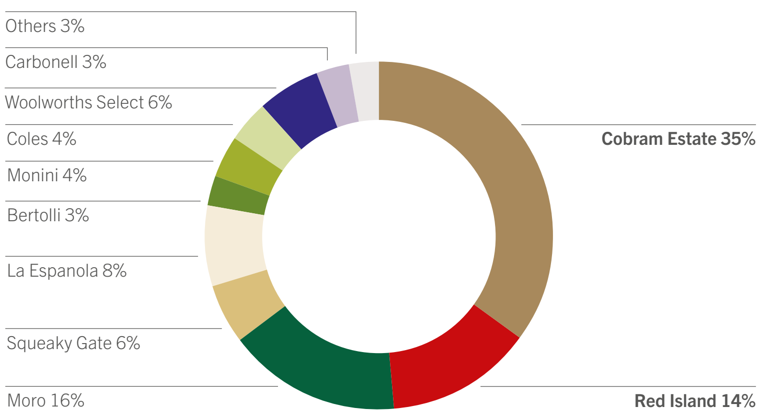


Figure 5: Share of Australian supermarket sales of total extra virgin olive oil by brand (dollar value) – FY2022



15. Source: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2022.
16. Source: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2022.

Australian Olive Oil Marketing

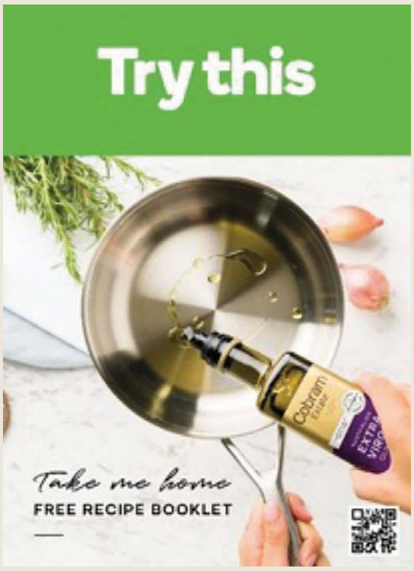
During FY2022 we launched a series of new Cobram Estate® advertisements in Australia to support our exclusive extra virgin olive oil partnership with the 2022 season of Masterchef Australia. Under the banner of "Cobram Estate® – Australia's most loved extra virgin olive oil," the commercials focus on the brand's four key pillars – quality and taste; health; Australian and family; and sustainability, and feature celebrity chef Neil Perry AM, former AFL star Nick Riewoldt, dietitian and CBO Board member Dr Joanna McMillan, and our chief horticulturist Ruth Sutherland.

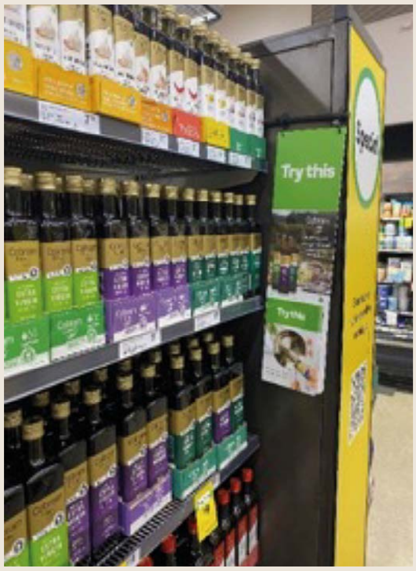
Cobram Estate® – Australia's most loved extra virgin olive oil

The advertising campaign includes television, digital, social and print running on mainstream media channels through to September 2022. In addition, the campaign extends through to the supermarket shelf with in-store signage and recipe books (see examples below).



Images: 'Cobram Estate® – Australia's most loved extra virgin olive oil' campaign





Images: 'Cobram Estate® – Australia's most loved extra virgin olive oil' campaign – in-store activity

In FY2022 we launched several new premium products in our Cobram Estate® portfolio. Key releases include our 'Limited Release Manzanillo' and 'Limited Release Koroneiki' extra virgin olive oils, a part of our ultra-premium collection and available online and in Coles supermarkets, and a truffle infused extra virgin olive oil, a part of our infused range available online and at supermarkets nationally.


Chair and Joint CEOs' Report continued

Australian Olive Oil Operations

15% growth in FY2022 of CBO's two-year rolling average Australian olive oil yield

Grove Operations

FY2022 Australian olive season

FY2022 was a favourable year for olive farming in Australia with climatic conditions providing ideal growing and fruiting conditions for CBO's olive trees. At the same time, low water prices paid by CBO offset increases in the costs of other key inputs including fertiliser, fuel, and electricity. After a favourable season, our Australian olive trees are in good condition heading towards spring.

2022 Australian olive harvest delivers an estimated 72% of Australia's total olive crop

Our 2022 Australian olive harvest was completed in late June and achieved a final olive oil yield of 9.5 million litres. This result was a strong improvement on the previous lower yielding crop year in 2020 (2020: 6.2 million litres) and exceeded the Company's budget. The Company experienced more rainfall than normal during the harvest which resulted in operational challenges but, thanks to the effort from our management teams, employees, and our contractors, this did not materially impact our ability to complete the harvest on time or the quality of the oil produced.

A summary of our Australian olive harvest results follows:

- The Company's Boundary Bend groves (including Wemen) produced 40,084 tonnes of olives and produced 5.9 million litres of oil. Currently 90% of the trees on the Boundary Bend and Wemen groves are mature and producing mature fruit yields.
- The Company's Boort grove produced 22,943 tonnes of olives and produced 3.6 million litres of oil. Currently only 32% of trees on the Boort grove are mature and producing mature fruit yields.
- In total, we harvested 63,027 tonnes of fruit and produced 9.5 million litres of olive oil from CBO's groves.
- Additionally, we processed approximately 1,900 tonnes of fruit from external growers.

According to the Australian Olive Association, the estimated yield of the total Australian olive crop in 2022 was 85,000 to 90,000 tonnes.[17] Accordingly, CBO's estimated share of the 2022 Australian olive crop is 72%.

Two-year rolling average olive oil yields

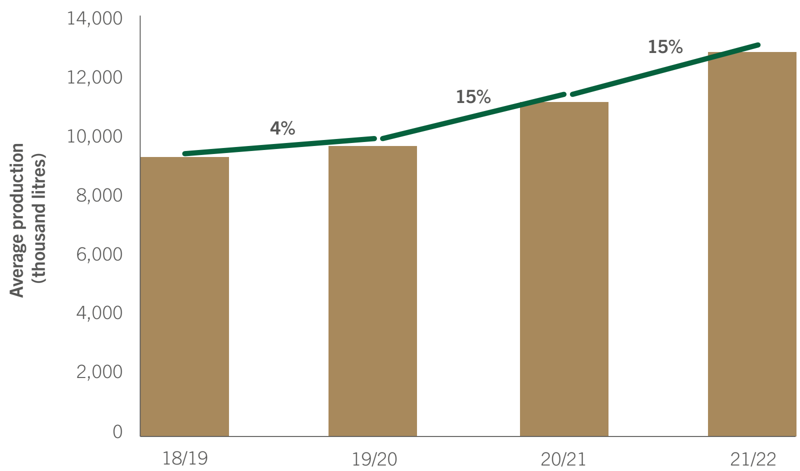
Due to the biennial nature of olive production, a higher yielding crop year is typically followed by a lower yielding crop year, which in turn is typically followed by a higher yielding crop year.

Our 2022 harvest delivered, as expected, a significantly lower yielding olive crop when compared with 2021. Similarly, 2023 will be a higher yielding crop year on our Australian groves and the Company anticipates a substantial increase in Australian olive oil production in 2023 versus 2022.

As a result of this natural year-on-year variation, it is best to consider the Company's harvest results over a rolling two-year period. As the following chart highlights, CBO has achieved 15% growth of our two-year rolling average olive oil yields for the past two years. This increase is a result of several factors including:

- The maturing age profile of the Company's Australian olive groves, with the groves increasing yield as they progress towards maturity;
- The Company's program of continual improvement in both olive growing and milling driving higher average yields of its mature orchards across all three farms;
- The favourable growing conditions experienced during the season; and
- The positive impact of the Company's investment in risk mitigants, including the significant investment in frost fans in recent years.

Figure 6: Two-year rolling average olive oil yields for CBO's Australian olive groves (2018/19-2021/22)



17. Source: https://www.abc.net.au/news/rural/2022-07-20/olive-harvest-production-down-in-2022/101248908.

64% of CBO's Australian olive groves are mature

Grove maturity profile and projected mature hectares

CBO has been investing in its future supply of Australian extra virgin olive oil through the expansion and redevelopment of its Australian olive groves. As olive trees typically produce their first 'harvestable' crop at three years of age, and reach 'mature' yields at eight years of age, our maturing Australian groves are expected to produce growing yields as the trees approach maturity. The current Australian tree age profile on CBO's groves can be categorised into pre-productive, developing, and matures phases as the following chart highlights. Currently only 64% of CBO's Australian groves are mature.

Based on current plantings and planned future planting of 650 hectares at the Company's Boort and Wemen groves, our area of mature groves in Australia is expected to grow at a 7.5% CAGR for the period 2022-2031, increasing from 4,009 hectares to 6,999 hectares over this period as outlined in the following chart. This growth in area of mature trees is expected to deliver increasing supply to support future sales growth in Australia and export markets.

The Company also has a location for potential future plantings, having purchased the Woorlong Station property near Gol Gol in New South Wales in 2017. Woorlong Station is a 5,423-hectare property with an estimated 3,000 hectares plantable to olives. The Company has no immediate plans to develop Woorlong Station but will continue to review this opportunity.

CBO's mature Australian groves to increase from 4,009 hectares to 6,999 hectares

Figure 7: Maturity profile of CBO's Australian olive groves (2022)

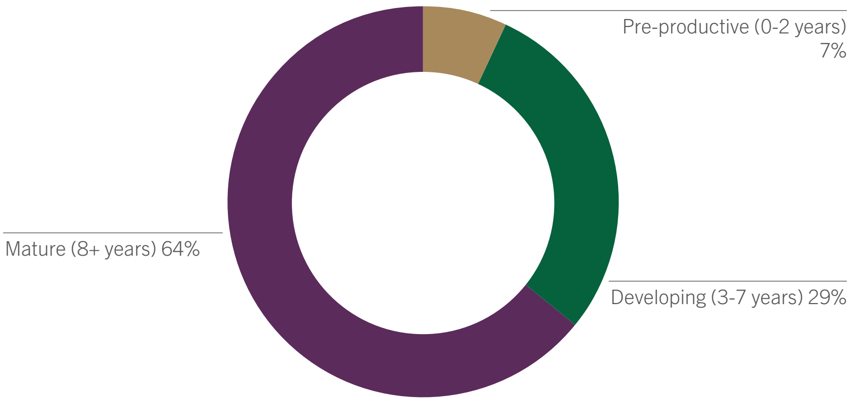
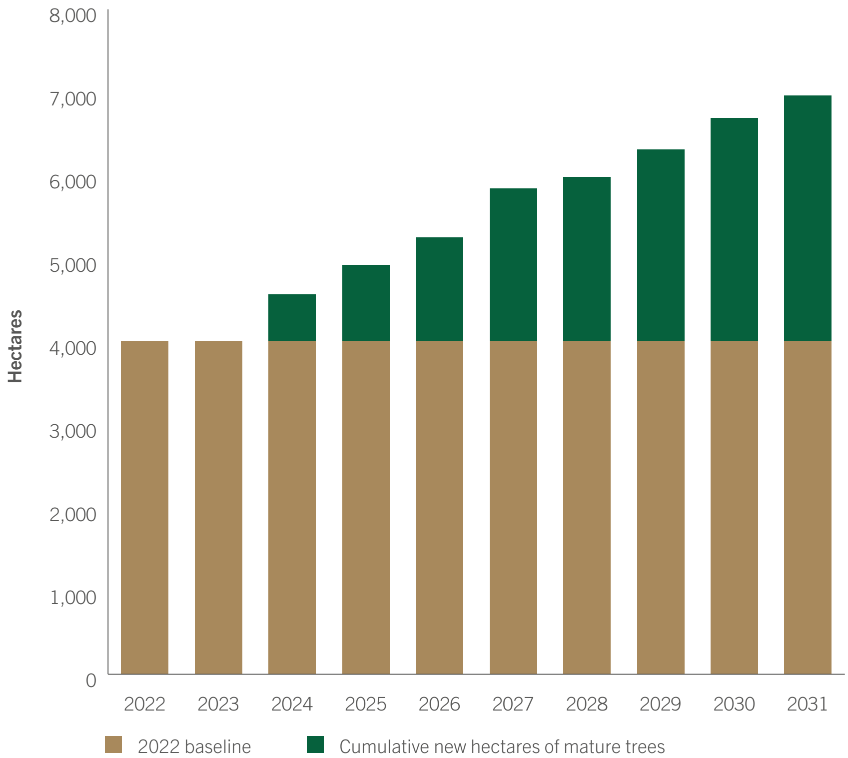


Figure 8: CBO's projected hectares of mature olive trees in Australia 2022-2031



Chair and Joint CEOs' Report continued

Australian Olive Oil Operations

$88

CBO's weighted average price paid per megalitre for its Australian water in FY2022

Capital projects

The Company has two major capital projects planned for FY2023, both at its Boort olive grove.

1. Boort olive mill upgrade

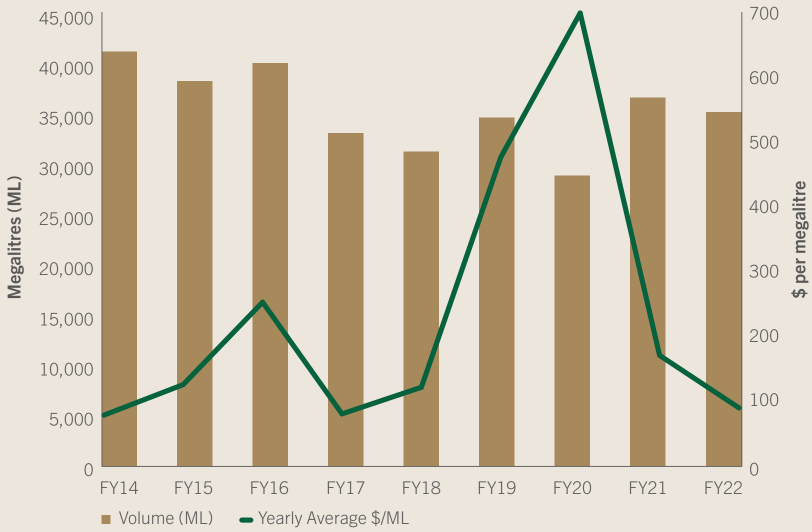
Currently, CBO's olive mill at our Boort grove in Victoria has been operating at close to full capacity in higher yielding crop years. Over the next eight years the mature groves at Boort will grow from 987 hectares to 3,516 hectares, an increase of 256%. Additionally, the Company has contracted third-party supply that will grow proportionately over the same period. The additional olive fruit to be processed in coming years exceeds the current capacity of the olive mill.

To match the olive mill's processing capacity with the expected peak fruit supply, the Company has commenced an upgrade of the Boort olive mill. The upgrade will increase the olive milling capacity at Boort from thirty tonnes of fruit per hour to eighty tonnes per hour, with the expanded milling capacity delivering increased volumes of olive oil for branded sales locally and in key export markets over time.

2. Boort grove development

Preparation for a greenfield 415-hectare olive planting at our Boort grove in Victoria is underway with planting taking place during FY2023 and will increase our total olive plantings at Boort by 12%.

Figure 9: CBO temporary water volume and purchase price per megalitre – FY2014-FY2022



Water Price and Outlook

During FY2022 CBO sourced almost all the water required for its Australian groves by procuring temporary water. CBO's full year FY2022 water requirements for its Australian groves cost an average of $88 per megalitre, a 48% reduction versus the price paid in FY2021 (FY2021: $168 per megalitre), as highlighted by the following chart. Whilst seasonal temporary water prices fluctuate, the Company paid a weighted average price of $217 per megalitre over the last nine years.

With elevated levels of water in storage, and the Bureau of Meteorology forecasting above-average rainfall from July to October 2022, we currently anticipate water prices to remain below long-term averages in FY2023. As at 3 August 2022, storage levels in the Southern Murray Darling Basin were at 91% full, up 17% on the same time last year (4 August 2021 – 78%). Whilst it is still early in the season, high reliability water allocations are already at 100% for the Victorian Murray Valley system and 93% for Goulburn Valley water systems as at 15 August 2022.

Image: The Murray River wetland at CBO's Boundary Bend olive grove.

USA Olive Oil Operations

Harter Ave Facility
Woodland head office & olive mill,
olive oil storage, bottling & warehouse

DeBo Ranch, 53 hectares

Hungry Hollow Ranch, 142 hectares

Esparto South Ranch, 116 hectares

Dunnigan Hills Ranch
Not yet planted – estimated 385 hectares

Riddle Ranch, 47 hectares

Chair and Joint CEOs' Report continued

USA Olive Oil Division

207.5k olive trees on CBO's Californian groves

USA Olive Operations

CBO's long-term goal is to grow our supply of Californian olive oil and, as a result, sales of Californian olive oil through our Cobram Estate® brand and private label products. In line with this objective, the Company has been actively seeking to acquire parcels of California farmland suitable for growing olives together with existing olive groves. In December 2021 we settled on two parcels of land, of which approximately 222 hectares is suitable for planting olives. Further, in May 2022 we completed the acquisition of a 50% share of a mature Californian olive grove, Riddle Ranch.

The Riddle Ranch acquisition, combined with the Company's planned development of 202 hectares in FY2023 and 182 hectares in FY2024, will take our total planted area in the USA to an estimated 742 hectares with a total of approximately 395,500 olive trees. The Company continues to look at other land and development opportunities and is actively pursuing additional third-party grower contracts in California. A summary of CBO's Californian olive grove portfolio follows.

Image: Olive harvest in California.

Table 4: CBO's Californian olive grove portfolio as of August 2022

GROVE DETAILS					
Farm Name	Land Ownership Type	Planted/ Not Planted	Planting Year	Planted Hectares	Trees planted/ to be planted
DeBo Ranch	Long-term lease	Planted	2015	53 leased	26,000
Hungry Hollow Ranch	Mix of owned freehold and long-term lease	Planted	2019	40 owned/102 leased	69,000
Esparto South Ranch	Owned freehold	Planted	2021	116 owned	28,000
Riddle Ranch	Owned freehold	Planted	2010/2012	47 owned	84,500
Dunnigan Hills Ranch (Phase 1)	Mix of owned freehold and long-term lease	Not yet planted	2022	40 owned/162 leased*	99,000
Dunnigan Hills Ranch (Phase 2)	Owned freehold	Not yet planted	2023	182* owned	89,000
			TOTAL	**742 (425 owned/317 leased)**	**395,500**

* Estimated.

2,100 hectares of olives under contract in California

Third-party grower contracts

In contrast to Australia where CBO grows over 70% of the country's olive crop, USA olive production is quite fragmented with a sizeable number of medium-large olive growers. Typically, these USA growers focus only on growing and picking activities and sell their olives to olive mills under contract.

CBO commenced milling in the USA in 2014 to support these growers and today is one of the top-three largest millers of olives in California. During FY2022 we signed several new grower supply contracts, and now have over 2,100 hectares of olives under contract in California, forming a critical component of our Californian olive oil supply. These contracts range from three to five years plus extension options. We are continually seeking olive fruit supply agreements with new third-party growers and are collaborating with existing suppliers to increase our share of their olive crop and support planting more olive trees where the opportunities exist.

2021 Californian olive harvest

The Company's 2021 Californian olive harvest which was completed between October and early December produced 2.2 million litres of olive oil, in line with expectations, sourcing olive from both Company-owned groves and contracted third-party growers. As anticipated, the share of olive oil supply produced from CBO's own olive groves increased versus the prior year, with CBO's groves accounting for 13.4% of fruit supply (2020: 1.3%) and third-party growers accounting for 86.6% (2020: 98.7%).[18] The increase in supply from CBO groves reflects the increasing yields obtained as the Company's olive trees mature.

Limited availability of Californian extra virgin olive oil in FY2022

In addition to olive oil produced by CBO's annual harvest, CBO currently purchases a limited quantity of Californian olive oil on the spot market from other local olive oil producers (when available). Whilst the Company's olive oil supply from its 2021 harvest was in line with expectations, both from third-party growers and its own groves, we were unable to secure any material volumes of bulk oil on the spot market from third-party millers due mostly to increasing demand for Californian olive oil from the foodservice industry. Bulk olive oil sourced on the spot market from third-party producers accounted for circa 29% of our total supply in FY2021, and the absence of this oil created a deficit in our supply, limiting CBO's sales in FY2022 (see 'USA olive oil sales and marketing' section).

The constraints experienced for Californian olive oil availability are likely to continue for the short-term whilst supply from maturing olive groves comes on-line (both third-party contracted and CBO's own groves). It is important to note that whilst short-term sales have been impacted, this supply constraint in no way impacts the Company's long-term business potential in the USA. Instead, it further reinforces our belief in the strong demand opportunities presented by the USA market, and the need to accelerate plantings of the Company's own Californian olive groves.

Water

In the USA, conditions remain dry, although there was close to average rainfall levels recorded in our growing locations during the second half of 2021. The Company currently has sufficient water available at its California grove locations during this growing season to support the needs of Company-owned and leased olive groves.

18. Olive fruit supply. This does not include Californian olive oil purchased from third-party producers on the spot market.

Image: CBO's Hungry Hollow Ranch, 2021.

Chair and Joint CEOs’ Report continued

USA Olive Oil Division

$28.7m total USA olive oil sales in FY2022

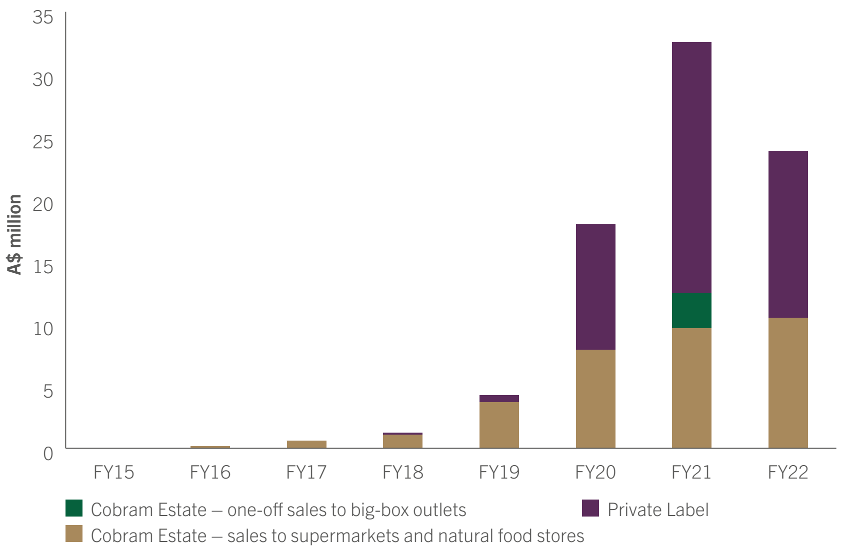
USA Olive Oil Sales and Marketing

As previously mentioned, the Company suffered from a lack of available Californian olive oil in FY2022 which impacted wholesale sales results for our USA olive oil operations. As a result of this supply shortfall, our USA olive oil sales (including bulk, branded and private label olive oil) totalled $28.7 million, a decline of 21.8% (FY2021: $36.7 million).

It is important to note that our primary sales focus in the USA is on building long-term sales of packaged goods in supermarket and natural food stores, both via our Cobram Estate® brand and through private label partnerships. With our long-term growth in mind, in FY2022 we focused our allocations of available olive oil towards sales of Cobram Estate® products to core supermarket and natural food store customers, and to maintaining key private label contracts.

As reflected in the following chart of USA packaged goods sales, the impact of the limited oil availability resulted in an overall decline in packaged goods sales from $32.6 million to $23.9 million. This decline was attributed to private label (down $6.7 million) and Cobram Estate® job-lot sales to big-box retailers (down $3.0 million). At the same time, our wholesale sales of Cobram Estate® products to supermarkets and natural food stores grew by 11.0% to $10.4 million (FY2021: $9.4 million) which is encouraging and confirms the brand is gaining traction in the USA marketplace. For transparency of our year-on-year sales of Cobram Estate® products to supermarkets and natural food stores, our FY2021 job-lot sales (which could not be repeated due to tight olive oil supplies) have been separated out in the chart to the right.

Figure 10: CBO’s USA Packaged Olive Oil Sales FY2022 – Cobram Estate® brand and private label



12.9%

growth in Cobram Estate® year-on-year scan sales in USA supermarkets

Supermarket and natural food store sales growth

Our Cobram Estate® brand continues to perform strongly in USA supermarkets and natural food stores, delivering retail scan sales growth in supermarkets and natural food stores of 12.9% during the 52 weeks-ending 12 June 2022 versus the prior period.[19] The growth of Cobram Estate® scan sales versus the prior year, together with the brand's monthly sales growth trajectory, are highlighted in figure 11 and figure 12. Please note that as with Australia, our USA scan data does not include Aldi or big-box retailers including Costco and Sam's Club as this is not publicly available.

Reflecting these strong sales results, for the 52-weeks to 12 June 2022, Cobram Estate® maintained the position of #10 olive oil brand in USA supermarkets (excluding private label) with 1.0% market share of total olive oil sales and 1.9% of extra virgin olive oil sales by value. In doing so, the brand surpassed US$17.8 million in retail sales and was one of only four brands in the top ten that achieved retail sales growth during this period. Significantly, Cobram Estate® was the #2 brand of 100% California extra virgin olive oil (excluding private label) in USA supermarkets[21] and is well positioned for future growth with new ranging in Kroger Stores (700+ stores) and range expansion in Walmart to take effect in FY2023.

USA Olive Oil Marketing

Our Cobram Estate® marketing activity in the USA concentrates on in-store and digital channels, leveraging our experience, expertise, and resources from the Australian market whilst applying a local Californian look and feel for the brand. During the period we restructured our marketing team, bringing all resources to California, and hired new Sacramento-based brand and digital agencies to help build and promote our California story in anticipation of launching new initiatives in FY2023.

In addition to supporting our Cobram Estate® brand, the Company is a committed supporter of initiatives undertaken by the California Olive Oil Council and the Olive Oil Commission of California. Through these organisations, we are continuing to support the growth and differentiation of the Californian extra virgin olive oil category in USA supermarkets.

Figure 11: Cobram Estate® brand year on year scan sales in USA supermarkets and natural food stores[20]

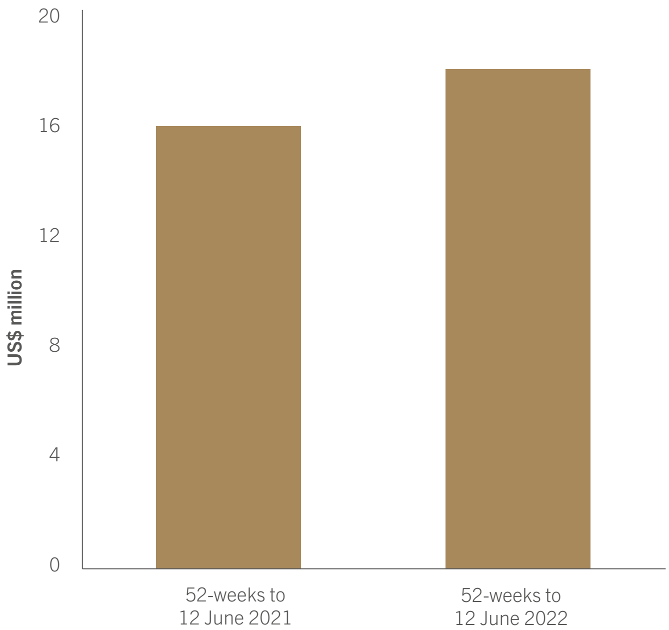
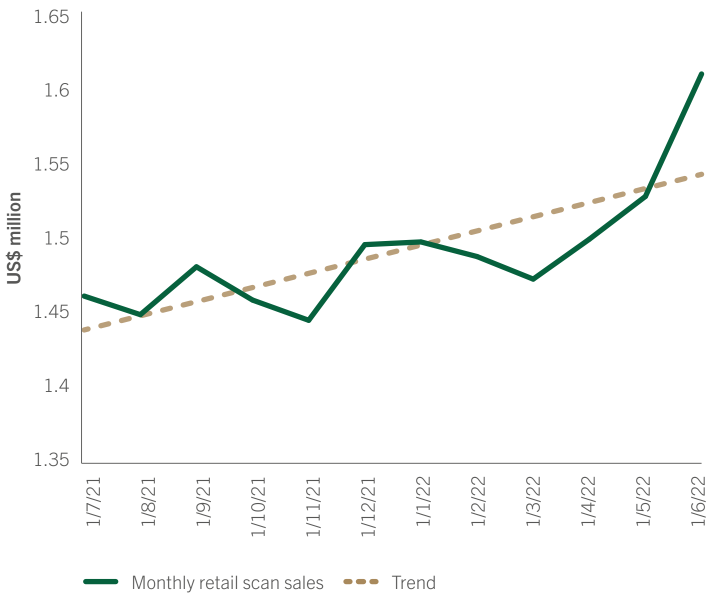


Figure 12: Cobram Estate® brand monthly scan sales in USA supermarkets and natural food stores (52-weeks ending 12 June 2022)[20]



19. Source: SPINS/IRI scan data, Total US Olive Oil, Total Dollar Sales, 52 weeks-ending 12 June 2022. (Note: Data does not include big box retailers Costco and Sam's Club).
20. Source: SPINS/IRI scan data, Total US Olive Oil, Total Dollar Sales, 52 weeks-ending 12 June 2022. (Note: Data does not include big box retailers Costco and Sam's Club).
21. Source: SPINS/IRI scan data, Total US Olive Oil, Total Dollar Sales, 52 weeks-ending 12 June 2022. (Note: Data does not include big box retailers Costco and Sam's Club).

Chair and Joint CEOs’ Report continued

Growth Strategy

CBO has a strategic focus on growing olive oil supply and sales of its premium brands in Australia and the USA and remains committed to growth. The Company’s growth strategies are well developed with a strong pipeline focused around our four growth pillars as outlined on pages 36-37.

Whilst the Company remains committed to all four strategies, our current focus is on driving growth in olive oil supply volume and sales value in Australia and the USA. The Company remains committed to its innovation and value-adding initiative (Boundary Bend Wellness), however due to market conditions and the impact of COVID-19 on the sales of natural health products, activities in this division are currently focused on sustainability-related initiatives and sales of biomass and ingredient products.

Image: CBO Chair and co-founder, Rob McGavin.


Cobram Estate
EXTRA VIRGIN
OLIVE OIL

Chair and Joint CEOs' Report continued

Sustainability

We produce olive oil with a consumption of water 37% lower per tonne of olive oil produced than industry best practice average.

Our planet

In FY2022 we continued our practise of responsible environmental stewardship. Globally there have been significant studies demonstrating the carbon sequestration benefits of olive oil farming. We were keen to quantify this within our own operations and two independent technical consultants conducted greenhouse gas lifecycle analysis (from production to consumption) that concluded we are a net sink of carbon, with 4kg of CO_2e (equivalents) captured for every litre of olive oil CBO produces.

Building on past activities to fence and protect native vegetation, we signed a partnership with the Carbon Farming Foundation (CFF) who have assisted us in scoping and registering a 500-hectare Mallee Reforestation Project at our Boundary Bend grove. With seeding to commence in August 2022, this project supports the Federal Government's Emissions Reduction Fund and will capture an estimated 2,000 tonnes of CO_2e (equivalents) per annum, whilst delivering biodiversity and land use co-benefits.

Efficient use of resources will always be a mantra for CBO. We produce olive oil with a consumption of water 37% lower per tonne of olive oil produced than industry averages. In addition to advocating for a fair water market for society and the environment, we used high-resolution satellite imaging in FY2022 to detect tree stress levels and irrigation system issues. Results from the analysis identified areas where trees were being underwatered or overwatered, and steps were undertaken to remedy the drip lines to improve optimal water efficiency.

We continue to optimise our 'Zero Waste' approach across our grove operations to ensure that any by-products from harvesting and processing our olives are reused wherever possible. Currently only 0.1% of our grove operations output ends up in landfill with olive by-products used for mulching, composting, and thermal energy production. Our innovation project with Recycling Victoria is an exciting development that will explore how drying of olive pomace can develop additional reuse and greenhouse gas reduction opportunities.

Field trials using inter-row cover crops to reduce waterlogging at our Boort Grove provided promising results in a single management area. Plans to extend cover crop mixes over a larger area of the Boort grove are underway in 2022. Cover crops will also contribute to biodiversity, insect habitat and carbon-sequestration at rates yet to be evaluated.

Our business

Our recognition as innovators and educators continues, and we were recognised as an innovator in the 2022 Australian Financial Review/Boston Consulting Group Sustainability Leader awards. Our promotion of sustainability and health benefits to society was also celebrated on television in 'Planet Shapers' – a program championing companies transitioning society to a sustainable future.

To encourage and provide nutritious and healthy alternative products for our customers we produced new functional food products and partnered with the Monash University Low FODMAP Certification for our Infusions products. We also continued the education and promotion of sustainability through the Olive Wellness Institute, with CBO Non-Executive Director Dr. Joanna McMillan speaking at Dietitian Connection and educating over 1,200 individuals on the sustainability of extra virgin olive oil production and the Mediterranean diet. As always, our agriculture and horticulture experts were happy to share their knowledge with the wider community at industry events, trade shows and education providers.

As our business continues to grow and evolve, so does the need for responsive and adaptive workplace, health, and safety initiatives. As an example, slip and trip incidents, identified as one of the most common causes of injuries sustained during previous harvest periods, were reduced during our 2022 harvest through the installation of anti-slip strips on harvesters along with 'trips and falls awareness training'. This was despite our 2022 harvest being one of the wettest we have experienced. Fire-fighting service upgrade works have also commenced at our Lara and Boundary Bend sites that will improve our fire preparedness and help protect our staff, buildings, and assets.

The foundations of our business are strong, and we will continue to innovate and adopt best practices on our sustainability journey. Further details on our sustainability mission and our goals for FY2023 can be found on pages 38 to 40.

Our People

The past twelve-months was a dynamic period for our wonderful staff who helped transition our business to a publicly listed entity, delivered a harvest in very wet conditions and maintained an excellent culture and safe working environment. We thank and congratulate our team for their amazing work ethic and the incredible commitment they have shown throughout FY2022.

The fruits of our labour did not just go to customers, with over 4,000 litres of extra virgin olive oil allocated to our staff as a thank-you for their amazing efforts. We also supported through free on-site flu vaccinations, bowel cancer testing kits, and additional paid leave on birthdays. Advocacy and awareness are important to our people and last year we celebrated International Women's Day, RU OK Day, plus partnering with the Jodi Lee Foundation to educate on bowel cancer risks and screening. We also continue to support our communities and donated funds to several charities.

We were also extremely pleased with the development of our company values (honesty, passion, and humility) in FY2022, a result of extensive staff surveys. These values reflect our farming background and help ensure our business provides exceptional products and is an excellent place to work.

Chair and Joint CEOs' Report continued

Co-founder Paul Riordan stepping down from the CBO Board

Paul Riordan recently notified the Board of his desire to retire as a Director of CBO at our upcoming Annual General Meeting.

Paul is one of the co-founders of CBO, undertaking the international research that validated the immense opportunity for growing olives in Australia, and together with Rob McGavin, developed and executed the Company's first business plan. For the next decade Paul led our olive grove development and operations, finding the ideal site for growing olives and planting our first olive trees at Boundary Bend in 1999. Paul had a very hands-on role in developing the initial groves and the construction of the associated infrastructure to manage, harvest, and mill the resultant fruit. He was instrumental in the Company winning the inaugural "Australian Olive Grower of the Year" award in 2004.

Paul transitioned to a Non-Executive Director role in July 2021. Paul currently resides on the east cost of the USA for much of the year with his wife Fiona and two boys and has developed extensive interests outside CBO including managing his own business and livestock farming interests in Australia.

We sincerely thank Paul for his incredible vision, his willingness to take risks, his determination to succeed through the many highs and lows of start-up olive farming, and his and Fiona's willingness and flexibility to uproot their life and continually move from place to place to support our growing business. Most of all, we admire his friendly approach to work and his deep and ongoing friendship with Rob McGavin, the CBO Board, and many of our staff. We wish Paul, Fiona, Will, and Angus all the best and we are sure they will stay close friends and supporters of CBO.

Vale Alan Naylor

During the year CBO lost one of its founding supporters, Alan Naylor, who passed away in April 2022. Alan was an original shareholder of CBO and a long-term supporter of the Company. He was a valuable mentor to Rob McGavin (then CEO) and supported the business with strategic advice. In his role at Bell Potter, Alan supported the Company's capital raisings and introduced his friends and clients who became early shareholders of the Company. We are extremely grateful for the support and close friendship provided by Alan to the CBO Board and team. On behalf of everyone at CBO, we send our best wishes to Andrea and Alan's family.

Looking forward

We are excited about the years ahead, with the maturing of our Australian groves, combined with our investment in long-term supply of Californian olive oil, set to deliver significant growth for CBO. Demand for extra virgin olive oil remains strong, particularly for locally grown Californian and Australian products. Hot and dry conditions in Europe have the potential to create shortfalls in global olive oil supply in the year ahead which may further stimulate demand.

Importantly, our Australian olive groves are in very good condition as we head into our 2023 Australia crop year. As previously mentioned, 2023 is a higher yielding crop year on CBO's Australian groves and we expect the olive oil crop will be significantly higher than in 2022. As a result, CBO's FY2023 Statutory EBITDA is expected to be materially higher than FY2022 (subject to the risks associated with farming).

We would like to take this opportunity to thank our shareholders and our loyal customers for their faith in the Company and our products. We look forward to connecting with shareholders and customers during FY2023.

Yours sincerely,

Rob McGavin
Non-Executive Chair

Sam Beaton
Joint-CEO (Finance & Commercial)

Leandro Ravetti
Joint-CEO (Technical & Production)


red island
Australian
EXTRA
VIRGIN
olive oil
Pure goodness of
fresh olives grown by
our Aussie farmers
100% NATURAL
FIRST COLD PRESSED
500mL

Olive Farming and Commercial Property Assets

Australian olive groves

Australian olive groves located at Boundary Bend (between Mildura and Swan Hill), Boort (near Bendigo), and Wemen (between Mildura and Swan Hill) with a combined total of over 2.4 million olive trees planted on 6,584 hectares of Victorian farmland. CBO's Australian groves have been progressively planted, with the oldest trees planted in 2004 and the most recent planting occurring in Autumn 2021.

USA olive groves

USA olive groves totalling over 207,500 trees planted on 358 hectares of long-term leased and freehold properties. Cobram Estate Olives planted its first olive grove in the USA in 2015 with subsequent plantings in 2019 and 2021. The Company owns a further 202 hectares of land scheduled for planting in FY2023 and 182 hectares it is planning to develop in FY2024.

Australian olive mills

Two olive mills for processing olives and extracting olive oil, located on-site at the Company's Boundary Bend and Boort groves, with combined processing capacity of 104 tonnes of olive fruit per hour and on-site olive oil storage totalling 6.5 million litres.

USA olive mill

An olive mill in Woodland, California, with milling capacity of 40 tonnes of olive fruit per hour. The Company's Woodland olive mill Is also located on the same site as the Company's bottling and warehouse operations and head office.

Australian olive oil storage, bottling, and warehousing facility

A nine-hectare industrial facility at Lara near Geelong which serves as the Company's head office and includes nursery operations, bottling operations, laboratory services, 9.0 million litres of olive oil storage and warehouses covering approximately 20,000m^2. This includes Australia's largest olive oil filling and packaging operation, capable of producing up to 14,400 bottles per hour.

USA olive oil storage, bottling, warehousing, and nursery facility

A 3.6-hectare industrial property in Woodland, California, which serves as the Company's USA head office and includes nursery grow-out operations, bottling operations, 2.9 million litres of olive oil storage and warehouses covering approximately 5,000m^2. The site's bottling line is capable of filling approximately 3,500 per hour, both branded and Private Label.

Olive oil laboratories (Australia and USA)

The Modern Olives® laboratory, one of the world's leading olive R&D and testing laboratories with operations in Lara (Australia) and Woodland (USA). Modern Olives® supplies technical laboratory and advisory services across all aspects of the olive industry relating to olive oil testing and taste panel, technical advice, R&D, and applied research. Modern Olives® laboratory has twice been recognised by AOCS as the world's most accurate and is accredited by AOCS NATA/ISO and TGA.

Olive tree nursery

The Modern Olives® olive tree nursery is a large scale, specialist olive nursery supplying olive trees to commercial growers, wholesalers, retail nurseries and national chain stores. The nursery is the largest of its kind in Australia and maintains a collection of over 20 olive varieties.

Olive harvesters

26 olive harvesters in Australia, including 23 purpose-built Colossus® mechanical over-the-row harvesters and two Optimus® II mechanical over-the-row harvesters developed in conjunction with Maqtec Argentina.

Undeveloped freehold land suitable for olives

5,423 hectares of freehold land near Gol Gol (near Mildura) in New South Wales with the potential to plant approximately 3,000 hectares of olive trees. The Company has completed due diligence and views this property as an ideal location to expand its Australian grove operations at the appropriate time.

1,500 hectares of freehold land in the province of San Juan, Argentina. The land is ideally suited to olive growing with significant reserves of water. The Company currently has no plans to develop this property.

Brand Portfolio

Cobram Estate®

CBO's flagship retail brand, Cobram Estate®, was purchased by the Company in 2006. In FY2022, Cobram Estate® global sales totalled $74.0 million. The brand is well positioned as Australia's **#1 selling olive oil in Australian supermarkets by value** in FY2022, and the **#10 selling olive oil brand in USA supermarkets** (excluding private label) by value.[22] Cobram Estate® is also exported to a further 14 countries including New Zealand, Japan, Singapore, Taiwan, and Malaysia, and is amongst the world's most awarded olive oil brands, winning over 420 awards including Best in Class trophies and Gold Medals at the New York International Extra Virgin Olive Oil Competition.

Red Island®

Red Island® was purchased by CBO in 2012 and is the **second-highest selling brand of Australian extra virgin olive oil** (behind Cobram Estate®)[23] with sales of $26.5 million in FY2022. Red Island® has received multiple awards for excellence in quality and taste and is distributed nationally throughout Australian supermarkets and exported to New Zealand, Malaysia, Fiji, China, Canada, and Vietnam. Red Island® is positioned to attract a more price-conscious shopper to the Australian extra virgin olive oil category, complimenting the Company's premium Cobram Estate® brand.

Boundary Bend Estate®

Boundary Bend Estate® was the first brand of extra virgin olive oil produced by CBO. Produced initially on an exclusive basis for the Company's early shareholders, Boundary Bend Estate® products are sold in the Australian foodservice channel and exported to a long-term customer in Thailand.

Tree of Life®

Tree of Life® extra virgin olive oil is sold in the foodservice channel in Australia and in retail and gifting in China.

22. Sources: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2022; SPINS Scan data, Total US Olive Oil, Total Dollar Sales, 52 Weeks Ending 12 June 2022.

23. Source: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2022.

Wellgrove®

Wellgrove® is CBO's health and wellness brand launched in 2019. Wellgrove® focuses on the innovation and development of olive-based health and wellness products using olive ingredients sourced from CBO's own groves. Wellgrove® products are currently sold online in Australia and the USA.

Stone & Grove®

Stone & Grove® premium olive leaf teas are the result of several years of trialling and experimenting to produce the perfect olive leaf cuppa. Launched in 2019, Stone and Grove® olive leaf teas are currently sold online and in specialty channels in Australia, USA, Vietnam, and Malaysia, and is available online in Singapore.

Modern Olives®

Modern Olives® is a leading provider of technical services to the olive industry. With accredited laboratories in Australia and the USA, Modern Olives® offers a wide range of chemical tests, sensory analysis, and blending advice, and undertakes research projects relating to olive oil and olive products. Modern Olives® holds IOC, AOCS, NATA, ISO, and TGA accreditation (Therapeutic Goods Association). Modern Olives® also operates a specialist olive tree nursery in Australia, supplying commercial growers as well as wholesaling olive trees to retail chain stores and other nurseries.

Oliv.iQ®

Oliv.iQ® is the Company's exclusive and proprietary integrated olive oil production system and is the result of more than 20 years of practical experience, research and innovation carried out under the supervision of renowned expert and CBO's Joint-CEO, Leandro Ravetti. Oliv.iQ® is a proven integrated production system that combines the most modern technology with sound horticultural and scientific knowledge to customise the best solution for each unique olive growing environment.

Olive Wellness Institute®

The Olive Wellness Institute® is a science repository on the nutrition, health, and wellness benefits of olives and olive products, which is all subject to extensive peer review. The institute is guided by scientific experts that specialise in the nutrition, health, and wellness benefits related to olive products.

Growth Strategy

Four core opportunities to drive future growth

1

Increasing olive oil supply from CBO's Australian olive groves through maturing trees and new plantings to deliver ongoing sales growth

Olive groves naturally increase in olive oil yield as the trees mature. Currently 29% of the Company's Australian olive trees are immature and are not yet producing mature olive oil yields, and a further 7% are yet to produce an olive oil crop, providing the Company with inbuilt supply growth as these trees approach maturity. The maturing grove profile is complemented by additional plantings on the Company's existing grove sites, delivering additional olive oil to drive future sales growth.

2

Growing our vertically integrated business in the USA

CBO is encouraged by its progress in establishing its vertically integrated business in the USA and the opportunity to replicate key aspects of its Australian business. The Company's current focus is on growing its supply of Californian grown extra virgin olive oil through the development and acquisition of new groves and using the increased supply to grow branded and private label olive oil sales in the USA.

3

Growing branded sales and improving the net price per litre for CBO's extra virgin olive oil

CBO's continued focus is on premiumisation and differentiation of its extra virgin olive oil brands. This enables the Company to deliver sales growth alongside increasing net return for each litre of olive oil sold, leveraging the high quality of its products and the strength of its brands, whilst never compromising consumer trust and/or value proposition.

4

Capitalising on our sustainable position and upcycling our olive oil by-products

Olive by products can be used for a multitude of purposes including organic fertiliser, animal feed, bioenergy, and innovative food and health and wellness products. As part of its sustainability strategy, CBO is committed to its zero waste and carbon farming initiatives and upcycling its by-products to extract the highest possible return for both the company and the planet.

Sustainability

A word on our sustainability journey

Fundamentally, olive growing is advantageous to the planet and society due to the resilient and tolerant nature of the tree and the health benefits to humans.

Humility is one of our company values and we have always taken practical steps to improve the environment and support our people and communities without seeking recognition. It is in our DNA to care for the land and invest in our people. Coming from humble farming origins we have done this from day one and let our actions speak louder than words. However, with growth, expansion, and listing as a public company, we are aware of the expectations to better communicate the evolution of our sustainability journey.

Fundamentally, olive growing is advantageous to the planet and society due to the resilient and tolerant nature of the tree and the health benefits we as humans derive from consuming its fruit and oils. From this natural advantage we have delivered in many ways over the years to improve how we do things; we do not allow any by-products from growing and harvesting go to waste. Extracts not used in olive oil are used to make alternative nutrition and health products, branch prunings are used as mulch, the olive pits are used to heat our boilers instead of fossil fuel, and pomace is used as a compost.

But we know there is plenty more we can do to improve our impact. Water and climate change are inextricably linked and although our groves capture more carbon than they emit, we must strive to reduce those emission sources where there is opportunity to improve (e.g. electricity and packaging). We use cutting edge technology to optimise water efficiency, but we know it is a very sensitive balance to manage our waterways to ensure we can grow our crops and maintain healthy ecosystems.

This year we appointed an inaugural Sustainability Manager with experience in corporate sustainability to guide our business forward. Following this appointment, we established an internal sustainability steering committee that consists of senior managers from all functions of the organisation. This committee will help embed sustainability as a focus of our business, helping us identify and mitigate risks, and bring value creation opportunities to life. An exciting development from these appointments has been the creation of our sustainability framework (alongside) that will underpin how we approach our Environmental, Social, Governance (ESG) activities. Reporting to the joint-CEOs and the Board, we believe these new functions will enable us to develop a more robust sustainability strategy over the coming twelve-months that is in line with good governance and meets the expectations of our key stakeholders.

Olive farming truly can deliver win/win/win outcomes for people, the planet and our business and I am very excited for what the future holds.

Leandro Ravetti
Joint-CEO

Our Sustainability Framework

How we extend the olive branch

Cobram Estate Olives Limited™

Our Sustainability Mission

We aspire to lead extra virgin olive oil farming into a sustainable future for planetary health by giving more people access to nutritional health that only authentic, sustainable, and high-quality extra virgin olive oil can provide, so they can eat delicious, healthier and more sustainable diets.

Key pillars and priority topics

PLANET

- A Positive Climate
- Responsible Resources Management
- Towards Zero Waste
- Biodiversity & Sustainable Land Use

PEOPLE

- Employee Health & Wellbeing
- Community & Partnerships
- Responsible Dietary Patterns

BUSINESS

- Innovation
- Education & Engagement
- Governance
- Safety

FINANCIAL REVIEW SUSTAINABILITY LEADERS 2022

Our Sustainability Goals — FY2023

The foundations of our business are strong, and we have plenty to be proud of, but in the spirit of continuous improvement we will continue to innovate and adopt best practices. Over the next 12-months we will prioritise the following initiatives:

— Work towards establishing a robust sustainability strategy that builds on our new sustainability framework with commitments and appropriate disclosure using recognised reporting frameworks;
— Design and conduct a materiality assessment to determine priority areas that require continued or new investment;
— Identify ‘quick win’ projects; and
— Consult broadly with external partners and subject matter experts to guide our evolving sustainability journey.

Without being an exhaustive list, some practical initiatives we plan to focus on over the next 12-months include:

— Exploring sustainable packaging alternatives and substitutes;
— Continuing to identify and develop carbon abatement projects that reduce our carbon footprint and deliver biodiversity and land use benefits;
— Investigating renewable energy opportunities across our operations;
— Engaging new partners in the social and environment not-for-profit space;
— Engaging our staff to identify and implement new health and wellbeing initiatives; and
— Continue to explore, develop, and implement new systems to reduce risks and incident occurrences, enhance knowledge performance and monitoring, and drive environmental health and safety (EHS) excellence across all sites.

In recognition of the role that Cobram Estate Olives plays in delivering broader societal and environmental impacts, we support and plan to align our sustainability activities with the Sustainable Development Goals. We look forward to establishing integrated reporting that aligns with the SDGs and in line with our current Sustainability Framework we can demonstrate how our priority areas are linked to the global goals.

SUSTAINABLE DEVELOPMENT GOALS

Key Pillar	Priority Topics	Aligns with SDGs
People	Employee Health and Wellbeing	3 Good Health and Well-Being; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
	Community and Partnerships	11 Sustainable Cities and Communities; 17 Partnerships for the Goals
	Responsible Dietary Patterns	2 Zero Hunger; 3 Good Health and Well-Being; 12 Responsible Consumption and Production
Planet	A Positive Climate	7 Affordable and Clean Energy; 13 Climate Action
	Responsible Resources Management	2 Zero Hunger; 3 Good Health and Well-Being; 6 Clean Water and Sanitation; 12 Responsible Consumption and Production; 15 Life on Land
	Towards Zero Waste	12 Responsible Consumption and Production

Directors' Report

Directors' Report

For the year ended 30 June 2022

The Directors present their report together with the financial report of Cobram Estate Olives Limited and controlled entities for the year ended 30 June 2022 and auditors report thereon. To comply with the provisions of the *Corporations Act 2001*, the Directors' Report is as follows:

Directors' names

The names of the Directors of Cobram Estate Olives Limited in office at any time during or since the end of the year are:

Rob McGavin (Non-Executive Chair)

Paul Riordan

Tim Jonas

Craig Ball

Dr Joanna McMillan

Professor Jonathan West

Sam Beaton

Leandro Ravetti

The Directors have been in office since the start of the financial year to the date of this report.

Company Secretary

Russell Dmytrenko

Results

The consolidated entity reported a loss for the year amounting to $0.7 million (FY2021: $35.2 million profit) after providing for income tax. For detailed comments in relation to the result of the consolidated entity during the financial year, please refer to the Chair and Joint CEOs' Report.

Review of operations

For detailed comments in relation to a review of operations of the consolidated entity during the financial year and the results of those operations, please refer to the Chair and Joint CEOs' Report.

Significant changes in state of affairs

There are no significant changes in the state of affairs of the consolidated entity during the financial year.

Principal activities

The principal activities of the consolidated entity during the year were olive farming and the production and marketing of extra virgin olive oil in Australia and the USA.

After balance sheet events

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Likely developments

There are no significant likely developments. For more information, please refer to the Chair and Joint CEOs' report.

Directors' Report continued

Environmental regulation

The consolidated entity's operations are subject to environmental regulations under the laws of the Commonwealth and of a State or Territory.

The Australian entities are subject to regulations stipulated by the Environmental Protection Authority (EPA), Department of Sustainability and Environment concerning native vegetation and the Lower Murray Water Council for irrigation and drainage. The US entities are subject to regulations stipulated by the US Environmental Protection Agency and the Department of Toxic Substances Control for discharge of waste of chemicals.

The Directors are not aware of any material breaches of environmental laws and regulations.

Dividends paid, recommended, and declared

During the financial year to 30 June 2022, the Company paid a final dividend of 3.3 cent per share in December 2021.

The Company intends to pay a 3.3 cent per share dividend in December 2022. Further details of this dividend will be announced at the Company's Annual General Meeting on 28 October 2022.

Information on Directors

Rob McGavin

Non-Executive Chair, Co-Founder (appointed 6 July 2005)

Rob is a co-founder of Cobram Estate Olives and has extensive experience in the agribusiness sector. He is directly involved in a grazing operation in western Queensland, and a cropping and grazing operation in southwest Victoria. Rob is a board member and Chair of Marcus Oldham Agricultural College and is also a member of the Marcus Oldham College Foundation.

Rob is the Non-Executive Chair of Cobram Estate Olives and a member of the Audit and Risk Committee. Rob was the Executive Chair and Chief Executive Officer of the Company until 20 April 2021.

Paul Riordan

Non-Executive Director, Co-Founder (appointed 6 July 2005)

Paul Riordan has extensive experience in the olive industry having worked in the industry since 1996 and is a co-founder of Cobram Estate Olives. Paul was a Non-Executive Director of Select Harvests Limited from October 2012 until June 2018 when he moved to the USA.

Paul is a Non-Executive Director of Cobram Estate Olives and is currently based in the USA.

Tim Jonas

Non-Executive Director (appointed 24 September 2005)

Tim is a former Managing Partner and National Chairman of Pitcher Partners, a national association of independent accounting firms across Australia. His qualifications include a Master of Business Administration (University of Melbourne), a Bachelor of Commerce (University of Melbourne), and a Fellow of the Institute of Chartered Accountants in Australia.

Tim holds several directorships and provides business advice to a wide range of businesses particularly in the agribusiness sector. Tim is currently a director and treasurer of the Australian Stockman's Hall of Fame and Heritage Centre (Longreach Queensland), chairman of Daniel Robertson Pty Ltd (property holdings). Tim was formerly a director and chairman of Yarra Valley Caviar Pty Ltd (fish farms and caviar production), a director of Silvan Australia Pty Ltd (farm machinery), and a director and treasurer of the Essendon Football Club Limited.

Tim has been involved with Cobram Estate Olives since its inception and was appointed as a Non-Executive Director in 2005. He currently chairs the Audit and Risk Committee and is a member of the Remuneration and Nomination Committee.

Directors' Report continued

Craig Ball

Non-Executive Director (appointed 24 September 2005)

Craig is the Chair of financial services firm Taylor Collison and is responsible for corporate finance in equity capital markets. He became a director of Taylor Collison in 1992 and has extensive experience in the Australian equity capital markets. Craig holds a Bachelor of Economics degree from the University of Adelaide. He worked for a decade with Chartered Accounting firms before joining the stockbroking industry in 1987.

Craig has been involved with Cobram Estate Olives since 1998, assisting with its formation and development, and was appointed as a Non-Executive Director in 2005. Craig is a member of the Audit and Risk Committee and chairs the Remuneration and Nomination Committee.

Dr Joanna McMillan

Non-Executive Director (appointed 21 May 2021)

Scottish born and raised, Dr Joanna McMillan has spent the last 23 years living in Australia where she is one of the country's favourite and most trusted health and wellbeing experts. She is a PhD qualified nutrition scientist, an Accredited Practising Dietitian, an Adjunct Senior Research Fellow with La Trobe University, a guest lecturer at The University of Sydney, and Fellow of the Australasian Society of Lifestyle Medicine. Joanna is a regular on television, including presenting on the Today Show for over 16 years, as a host on ABC's science show Catalyst, and as a regular on radio and in print media. Joanna is a TEDx and international keynote speaker and has authored eight books including her latest *The Feel-Good Family Food Plan* and several Audible Originals, including Mindfull, What to Eat for a Better Brain.

Joanna has provided consultancy services to Cobram Estate Olives since 2015 and the Australian olive industry since 2013. Joanna has been a member of the Company's scientific committee since 2018 and was appointed Non-Executive Director in May 2021.

Professor Jonathan West

Non-Executive Director (appointed 24 October 2008)

Professor Jonathan West founded the Australian Innovation Research Centre. Prior to that role, Professor West spent 18 years at Harvard University where he was Associate Professor in the Graduate School of Business Administration. He gained his Doctoral and master's degrees in economics at Harvard University, following a Bachelor of Arts majoring in economics and the history and philosophy of science at the University of Sydney, and more recently a PhD in Ancient Greek Philology.

Jonathan has served as consultant to, and a Board member of, major corporations around the world, and as an adviser to several governments, particularly in the fields of agribusiness, innovation policy, and economic development. He currently serves as Chairman of the ASX-listed Gowing Bros Limited (GOW), Chairman of the ASX-listed Hexima Limited (HXL), and Chairman of the Tasmanian Artisan Collective Company.

Jonathan was appointed as a Non-Executive Director of Cobram Estate Olives in 2008 and is a member of the Remuneration and Nomination Committee and the Audit and Risk Committee.

Sam Beaton

Joint-Chief Executive Officer (Finance and Commercial) and Executive Director (appointed 15 January 2015)

Sam joined the Company in August 2009 and has over 23 years' experience in commercial, corporate, and finance roles. He began his career with KPMG, where he qualified as a Chartered Accountant and since then has held senior management roles. Sam has wide experience in financial modelling and analysis, capital management, business and strategy planning and the execution of business plans. Sam holds a Bachelor of Commerce (Accounting and Finance) and a Bachelor of Science (Industrial Organic Chemistry) from the University of Melbourne.

Sam was appointed Joint-CEO (Finance and Commercial) of Cobram Estate Olives on 20 April 2021 and formerly held the role of Chief Financial Officer, Company Secretary, and Chief Operating Officer.

Directors’ Report continued

Leandro Ravetti

Joint-Chief Executive Officer (Technical and Production) and Executive Director (appointed 6 July 2005)

Leandro Ravetti graduated as an Agricultural Engineer in Argentina and worked for the National Institute of Agricultural Technology in olive production research from 1995 until he moved to Australia in 2001 to join Cobram Estate Olives. Leandro has studied and worked as an invited researcher at the Olive Growing Research Institute of Perugia, Italy and at different Governmental Olive Institutes in Andalusia, Spain where he completed a postgraduate degree on olive growing and olive oil processing.

Leandro was appointed Executive Director of Cobram Estate Olives in 2005. As part of his role, Leandro has overseen all technical aspects of olive growing and olive oil production, developing the Oliv.iQ® growing system. Leandro was an alternate director of the Australian Olive Association between 2009 and 2012 and was the drafting leader for the new Australian Standard for Olive Oil (AS 5264-2011). Leandro has also received a meritorious lifetime award from the Australian Olive Association for his outstanding contribution to the Australian olive industry and he was also the recipient of an award in the Master Milling/Chemical Engineering Category in the inaugural “Health & Food, Extra Virgin Olive Oil Awards” announced in Spain in 2017.

Leandro was appointed Joint-CEO (Technical and Production) of Cobram Estate Olives on 20 April 2021 and formerly held the role of Technical Director.

Company Secretary details

Russell Dmytrenko

Chief Financial Officer and Company Secretary (appointed 28 May 2021)

Russell joined Cobram Estate Olives in January 2021. Russell has over 19 years’ experience in finance, controllership and accounting. Prior to joining Cobram Estate Olives, Russell spent 15 years with General Motors and GM Holden in a variety of Senior Finance roles including Holden CFO, Controller – ANZ & ASEAN, Regional Internal Control Manager GMAP and MENA, and Holden Corporate Controller.

Russell is the Chief Financial Officer and Company Secretary of Cobram Estate Olives.

Meetings of Directors

DIRECTORS	DIRECTORS’ MEETINGS		AUDIT & RISK COMMITTEE MEETINGS		REMUNERATION & NOMINATION COMMITTEE MEETINGS	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Rob McGavin	11	11	4	4	–	–
Paul Riordan	11	9	–	–	–	–
Tim Jonas	11	11	4	4	3	3
Craig Ball	11	11	4	4	3	3
Dr Joanna McMillan	11	11	–	–	–	–
Professor Jonathan West	11	11	4	4	3	3
Sam Beaton	11	11	–	–	–	–
Leandro Ravetti	11	11	–	–	–	–

Directors' Report continued

The Board's view on independence

The Board comprises six Non-Executive Directors and two Executive Directors.

The Board considers a Director to be independent where he or she is not a member of Management and is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted materiality guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board.

The Board considers that each of Tim Jonas, Craig Ball, Dr Joanna McMillan, and Professor Jonathan West are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the exercise of the Director's unfettered and independent judgement and is able to fulfil the role of independent Director for the purposes of ASX Recommendations.

Rob McGavin, Paul Riordan, Sam Beaton, and Leandro Ravetti are currently considered by the Board not to be independent. Sam Beaton and Leandro Ravetti are currently the Joint-CEOs of the Company. Rob McGavin is not considered by the Board to be independent having regard to Mr. McGavin being a co-founder and former CEO of the Company, and that he is and will continue to be a significant shareholder. Paul Riordan is not considered by the Board to be independent having regard to Mr. Riordan being a co-founder of the Company and recently holding the position of Executive Director of the Company. CBO is satisfied that non-compliance with ASX Recommendation 2.1 will not be detrimental to the Company.

Options

During the year, 461,532 options were exercised and 1,500,000 options lapsed. No options were issued during the year, and since year end no options have been granted.

The consolidated entity has 18,490,002 options on issue as at 30 June 2022.

Remuneration report (Audited)

This remuneration report, which forms part of the Directors' Report, sets out information about the remuneration of Cobram Estate Olives' Directors and its senior management for the financial year ended 30 June 2022.

Director and senior management details

The following persons acted as Executive Directors of the consolidated entity during or since the end of the financial year. The named persons held their current position for the whole or part of the financial year and since the end of the financial year unless otherwise specified:

EXECUTIVE DIRECTORS	POSITION
Sam Beaton	Joint-Chief Executive Officer (Finance and Commercial).
Leandro Ravetti	Joint-Chief Executive Officer (Technical and Production).

In addition, the following persons acted as Non-Executive Directors of the consolidated entity during the financial year and since the end of the financial year, except as noted:

NON-EXECUTIVE DIRECTORS	POSITION
Rob McGavin	Non-Executive Chair and a member of the Audit and Risk Committee.
Paul Riordan	Non-Executive Director.
Craig Ball	Member of the Audit and Risk Committee and Chair of the Remuneration and Nomination Committee.
Tim Jonas	Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.
Dr Joanna McMillan	Member of the Scientific Committee.
Professor Jonathan West	Member of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.

Directors' Report continued

Remuneration policy

To meet our objectives the consolidated entity must attract, motivate, and retain highly skilled directors and executives. To achieve this, the consolidated entity considers the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre directors and senior managers; and
- Align executive rewards to shareholder value and provide incentives to key management personnel to remain in the consolidated entity for the longer term.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee assists the Board with fulfilling its responsibilities to shareholders and other stakeholders to ensure that the Company:

- has coherent and appropriate remuneration policies and practices which enable Cobram Estate Olives to attract and retain directors and executives who will create value for shareholders;
- fairly and responsibly remunerates directors and executives having regard to the Company's performance, the performance of the executives and the general market environment;
- has policies to evaluate the performance and composition of the Board, individual directors, and executives on (at least) an annual basis with a view to ensuring that the Company Board has an effective composition, size and diversity, expertise, and commitment to adequately discharge its responsibilities and duties;
- has adequate succession plans in place (including for the recruitment or appointment of directors and management); and
- has policies and procedures that are effective to attract, motivate and retain appropriately skilled and diverse people that meet the Company's needs and that are consistent with the Company's strategic goals and human resource objectives.

From the date of listing (11 August 2021), the Company has complied with the recommendations set by the ASX Corporate Governance Council in relation to the composition and operation of the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee is chaired by Craig Ball and comprises of Craig Ball, Jonathan West, and Tim Jonas.

Executive Directors and key management personnel

The Remuneration and Nomination Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and senior management.

The senior executive remuneration policy is intended to be consistent with 'best practice' corporate governance guidelines. Broadly, the policy is intended to ensure that total compensation (that is the sum of fixed and variable remuneration) for each executive is fair, reasonable, and market competitive.

Generally, senior executives are offered market competitive base salaries (including benefits). Any adjustments are based on promotion or significant role responsibility changes, pay relative to market and relative performance in the role. Executive remuneration is, where possible, aligned with the interests of shareholders.

Typically, for each financial year, performance incentive payments include:

- consideration of the consolidated entity's performance;
- consideration of specific divisional financial targets and goals; and
- a discretionary component for each senior executive based on their performance.

Annual performance reviews are completed for all employees including executives.

Non-Executive Directors

Under the Constitution, in a general meeting the Company may determine the maximum aggregate remuneration to be provided to or for the benefit of the Non-Executive Directors as remuneration for their services as a Director. Further, under the ASX Listing Rules, the total amount of fees paid to the Non-Executive Directors (subject to certain exceptions) must not exceed in aggregate in any financial year the amount fixed by the Company's members in that general meeting.

Currently, the maximum aggregate amount or value of Non-Executive Directors' remuneration for the purposes of the ASX Listing Rules and the Constitution is $800,000 per annum. This amount excludes, among other things, amounts payable to any Executive Director under any executive services agreement with the group or any special remuneration which the Board may grant to the Directors for special exertions or additional services performed by a Director for or at the request of the Company.

Directors' Report continued

Each Non-Executive Director of the Company (except for Rob McGavin) currently receives a base fee of $100,000 per annum. Rob McGavin, in his role of Non-Executive Chair, currently receives a base fee of $200,000 per annum. In addition, three Non-Executive Directors received supplementary payments during FY2022 as detailed below which the Board had approved for services provided.

- Rob McGavin received his historical Executive Chair and CEO salary and superannuation for the first 10-weeks of FY2022, amounting to a total of $65,000, as special remuneration for services performed by Rob for the Company leading up to and immediately following the Company's ASX-listing. For the remainder of the year, Rob received a pro-rata amount of his $200,000 Non-Executive Chair fee.
- Paul Riordan, who is based in the USA, received a fee of US$260,358 per annum through to 31 December 2021 which the Board had approved as special remuneration for additional services performed for the Company. From 1 January 2022, Paul received a pro-rata amount of his A$100,000 Non-Executive Director fee plus additional benefits to support his location as a USA-based Director.
- Dr Joanna McMillan receives fees under a consulting agreement relating to health and nutrition services that the Company entered into before Dr Joanna became a Director. This agreement continues and the amount paid to Dr Joanna is detailed in note 29 of the financial statements.

Directors do not currently receive any additional fees for chairing or being a member of a Board committee.

All Directors' fees include superannuation payments required by law to be made.

Key terms of employment contracts

Directors and senior managers are employed under the Company's standard employee contract and adhere to the Company's standard terms and conditions. There are no Directors or senior managers with any special terms or conditions.

Relationship between the remuneration policy and consolidated entity performance

The overall level of executive reward considers the performance of the consolidated entity over a number of years, with a greater emphasis given to the current year. Meeting strategic objectives is also considered.

	30 JUNE 2022 $'000	30 JUNE 2021 $'000	30 JUNE 2020 $'000	30 JUNE 2019 $'000	30 JUNE 2018 $'000
Revenue and other income	165,534	209,729	131,765	151,740	113,128
Net (loss)/profit before tax	2,523	51,967	(40,230)	16,648	(13,132)
Net (loss)/profit after tax	(696)	35,224	(32,700)	8,759	(13,276)
Net Assets	287,029	190,685	146,090	179,765	161,049

	30 JUNE 2022	30 JUNE 2021	30 JUNE 2020	30 JUNE 2019	30 JUNE 2018
Shares on issue (at end of year)	414,500,504	387,372,594*	61,462,099	61,062,099	60,583,729
Closing share price on 30 June 2022 ($)	1.46				
Market capitalisation ($)*	605,170,736				
Net assets per share ($)	0.69	0.49	2.38	2.94	2.66
Dividends per share	3.3 cents (20% Franked)	Nil	Nil	12 cents (Unfranked)	12 cents (Unfranked)

* On 24 June 2021 the Shareholders passed a resolution to split each share on issue at that date into six (6) shares. At this time there were 64,562,099 shares on issue that were split in 387,372,594 shares.

Prior to 11 August 2021, the Company was an unlisted public Company with limited share liquidity. As such, prior to 11 August 2021, it was not meaningful to consider share price or market capitalisation data. The Company listed on the ASX on 11 August 2021, and accordingly, market capitalisation is reported at 30 June 2022. From the Company's ASX-listing on 11 August 2021 through to 30 June 2022, the Company's share price ranged from a high of $2.21 per share to a low of $1.385 per share.

Directors' Report continued

Remuneration of Directors and senior management

2022	SHORT-TERM EMPLOYEE BENEFITS Salary & Fees $	Bonus $	Leave Accrual $	Non-monetary $	POST-EMPLOYMENT BENEFITS Super-annuation $	SHARE-BASED PAYMENTS Options & rights $	Total $
Tim Jonas	100,000	–	–	–	–	–	100,000
Craig Ball	100,000	–	–	–	–	–	100,000
Jonathan West	100,000	–	–	–	–	–	100,000
Rob McGavin	221,141	–	–	–	5,892	–	227,033
Paul Riordan	352,378	–	–	–	–	–	352,378
Leandro Ravetti	490,000	–	25,796	–	23,568	38,169	577,533
Sam Beaton	490,000	–	5,609	–	23,568	38,169	557,347
Joanna McMillan	100,000	–	–	–	–	–	100,000
	1,953,519	–	**31,405**	–	**53,028**	**76,339**	**2,114,291**

2021	SHORT-TERM EMPLOYEE BENEFITS Salary & Fees $	Bonus $	Leave Accrual $	Non-monetary $	POST-EMPLOYMENT BENEFITS Super-annuation $	SHARE-BASED PAYMENTS Options & rights* $	Total $
Tim Jonas	60,000	–	–	–	–	–	60,000
Craig Ball	60,000	–	–	–	–	–	60,000
Jonathan West	60,000	–	–	–	–	–	60,000
Rob McGavin	309,935	–	–	–	21,694	–	331,629
Paul Riordan	340,694	200,000	–	–	5,424	–	546,118
Leandro Ravetti	449,423	–	17,340	–	21,694	263,207	751,664
Sam Beaton	449,423	–	15,916	–	21,694	167,445	654,478
Joanna McMillan	6,740	–	–	–	–	–	6,740
Matthew Bailey	60,000	–	–	–	–	–	60,000
Alan Hilburg	15,017	–	–	–	–	–	15,017
Timothy Smith	348,000	–	1,693	–	21,694	79,801	451,188
	2,159,232	**200,000**	**34,949**	–	**92,200**	**510,453**	**2,996,834**

* $381,428 relates to cost of early exercised options in May 2021.

Directors' Report continued

Shareholdings of Directors and executives

Fully paid ordinary shares of Cobram Estate Olives Limited:

	BALANCE AT BEGINNING OF YEAR NO.	GRANTED AS COMPEN-SATION NO.	RECEIVED UPON EXERCISE OF OPTIONS NO.	NET OTHER CHANGE NO.	BALANCE AT END OF YEAR NO.
FY2022					
Tim Jonas	5,624,988	–	–	(2,349,612)	3,275,376
Craig Ball	3,851,226	–	230,766	63,735	4,145,727
Jonathan West	5,472,000	–	230,766	24,400	5,727,166
Joanna McMillan	31,860	–	–	537	32,397
Rob McGavin	72,044,376	–	–	29,225	72,073,601
Paul Riordan	18,654,708	–	–	(1,000,000)	17,654,708
Leandro Ravetti	10,348,584	–	–	(3,000,000)	7,348,584
Sam Beaton	8,524,050	–	–	(2,000,000)	6,524,050

	BALANCE AT BEGINNING OF YEAR NO.	GRANTED AS COMPEN-SATION NO.	RECEIVED UPON EXERCISE OF OPTIONS NO.	NET OTHER CHANGE NO.	BALANCE AT END OF YEAR NO.
FY2021					
Tim Jonas	5,624,988	–	–	–	5,624,988
Craig Ball	3,765,198	–	–	86,028	3,851,226
Jonathan West	5,472,000	–	–	–	5,472,000
Joanna McMillan	–	–	–	31,860	31,860
Rob McGavin	72,044,376	–	–	–	72,044,376
Paul Riordan	18,654,708	–	–	–	18,654,708
Leandro Ravetti	748,584	–	9,600,000	–	10,348,584
Sam Beaton	2,524,050	–	6,000,000	–	8,524,050

Directors' Report continued

Loans to Directors and executives

The Company provided unsecured loans to each of Sam Beaton and Leandro Ravetti (the Joint-Chief Executive Officers of the Company) on 1 April 2021 (Related Party Loans). Each Related Party Loan was provided to enable the borrower under the relevant Related Party Loan to exercise Employee Share Option Plan (ESOP) Options held by them.

Under each Related Party Loan:

1. The loan funds were required to be drawn down in one single drawdown on a specified date and were only permitted to be used for the exercise of ESOP Options held by the borrower.
2. The borrower must repay, as a debt immediately due and payable, the balance on the principle loan and any accrued interest in full on the maturity date, or earlier if:
    a. the borrower gives notice of the termination of his employment, or the Company terminates the borrower's employment due to misconduct, fraud, or dishonesty or on otherwise on grounds that allow for termination without notice – such payments must be made in full within 30 days after the relevant termination or resignation takes effect; or
    b. the borrower's employment by the Company is terminated due to redundancy – such payments must be made in full within 12 months after such redundancy taking effect.
3. If the borrower disposes of any CBO shares acquired using the loan funds, in seeking payment of any amount payable under the agreement, the Company will only have recourse to the proceeds paid or payable to the borrower from the disposal of those shares. Each borrower undertakes to not dispose of any such shares unless such disposal is made on arm's length terms and at fair market value.
4. The borrower agrees to apply 75% of the after-tax amount it receives from any capital return, share buy-back, other capital reduction, bonus issue or special distribution made in cash or kind in respect of a CBO share acquired using the loan funds (which, for the avoidance of doubt, excludes dividends or distributions paid by the Company out of ordinary operating profits) towards repayment of any amount payable under the Related Party Loan.

The particulars of each related party loan are set out in the table below.

KEY TERMS

Borrower	Loan amount	Drawdown date	Maturity date	Amount repaid in FY2022	Interest paid in FY2022	Amount outstanding
Sam Beaton	$4.0 million	1 April 2021	1 April 2024	$1,495,805	$192,523	$2,696,718
Leandro Ravetti	$6.4 million	1 April 2021	1 April 2024	$1,823,644	$323,644	$4,900,000

The interest rate utilised is as per the published Division 7A Benchmark interest rate for each year to 30 June. From 1 July 2021 through to 30 June 2022, the interest rate was 4.52% for each party. Interest is payable six-monthly in arrears as per the loan agreements. Both Leandro and Sam have paid the required interest payments in FY2022.

Employee Share Option Plan (ESOP)

Historically, equity incentives for management and employees have been granted in the form of options under the Company's ESOP which the Company management considered to have been fit for purpose while the Company was an unlisted public Company. Eligibility for the plan and exercise price for options issued under the plan were determined at the discretion of the Board.

Each employee option converts into one ordinary share of Cobram Estate Olives Limited on exercise. No amounts were paid or are payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

461,532 options were exercised in the financial year ended 30 June 2022 (FY2021: 18,600,000).

1,500,000 options lapsed during the year ended 30 June 2022 (FY2021: 1,153,200).

The consolidated entity has 18,490,002 options on issue as at 30 June 2022.

The Company does not intend to issue any further securities under the historical ESOP.

Directors' Report continued

ESOP summary

GRANT DATE	VESTING DATE	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE AT GRANT DATE	BALANCE AT BEGINNING OF THE YEAR	GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	LAPSED DURING THE YEAR	BALANCE AT THE END OF THE YEAR	EXERCIS-ABLE AT END OF THE YEAR
					30-Jun-21				30-Jun-22	30-Jun-23
FY2022										
27-Apr-17	1-Jul-24	1-Aug-24	$1.50	$1.33	600,000	–	–	–	600,000	–
1-May-17	Note 1	1-Aug-24	$1.50	$1.33	1,500,000	–	–	(1,500,000)	–	–
19-Sep-18	19-Aug-23	19-Sep-23	$1.50	$1.42	780,000	–	–	–	780,000	–
15-Dec-18	16-Dec-18	15-Dec-21	$1.42	$1.42	461,532	–	(461,532)	–	–	–
22-Mar-19	16-Feb-26	22-Mar-26	$1.50	$1.42	180,000	–	–	–	180,000	–
6-Dec-19	6-Dec-22	6-Jan-23	$1.50	$1.42	90,000	–	–	–	90,000	90,000
6-Dec-19	6-Dec-24	16-Jan-25	$1.50	$1.42	90,000	–	–	–	90,000	–
15-Dec-19	16-Dec-19	15-Dec-22	$1.42	$1.42	250,002	–	–	–	250,002	250,002
17-Apr-21	18-Mar-26	17-Apr-26	$1.50	$1.42	1,200,000	–	–	–	1,200,000	–
17-Apr-21	18-Mar-28	17-Apr-28	$1.50	$1.42	15,300,000	–	–	–	15,300,000	–
Total					20,451,534	–	(461,532)	(1,500,000)	18,490,002	340,002
Weighted average exercise price:					1.50	–	1.42	1.50	1.50	1.44

Note 1: The option vests over the life of the option and has several vesting dates.

GRANT DATE	VESTING DATE	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE AT GRANT DATE	BALANCE AT BEGINNING OF THE YEAR	GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	LAPSED DURING THE YEAR	BALANCE AT THE END OF THE YEAR	EXERCIS-ABLE AT END OF THE YEAR
					30-Jun-20				30-Jun-21	30-Jun-22
FY2021										
10-Nov-14	Note 1	10-Nov-24	$0.67	$0.55	18,600,000	–	(18,600,000)	–	–	–
27-Apr-17	1-Jul-24	1-Aug-24	$1.50	$1.33	600,000	–	–	–	600,000	–
1-May-17	Note 2	1-Aug-24	$1.50	$1.33	1,500,000	–	–	–	1,500,000	558,000
15-Dec-17	16-Dec-17	15-Dec-20	$1.33	$1.33	493,200	–	–	(493,200)	–	–
19-Sep-18	19-Aug-23	19-Sep-23	$1.50	$1.42	960,000	–	–	(180,000)	780,000	–
15-Dec-18	16-Dec-18	15-Dec-21	$1.42	$1.42	461,532	–	–	–	461,532	461,532
22-Mar-19	16-Feb-26	22-Mar-26	$1.50	$1.42	660,000	–	–	(480,000)	180,000	–
6-Dec-19	6-Dec-22	6-Jan-23	$1.50	$1.42	90,000	–	–	–	90,000	–
6-Dec-19	6-Dec-24	16-Jan-25	$1.50	$1.42	90,000	–	–	–	90,000	–
15-Dec-19	16-Dec-19	15-Dec-22	$1.42	$1.42	250,002	–	–	–	250,002	250,002
17-Apr-21	18-Mar-26	17-Apr-26	$1.50	$1.42	–	1,200,000	–	–	1,200,000	–
17-Apr-21	18-Mar-28	17-Apr-28	$1.50	$1.42	–	15,300,000	–	–	15,300,000	–
Total					23,704,734	16,500,000	(18,600,000)	(1,153,200)	20,451,534	1,269,534
Weighted average exercise price:					0.84	1.50	0.67	1.43	1.50	1.45

Note 1: The agreement relating to these options was not formally signed until 1 May 2014. However, the price and terms of the options were agreed between the parties on 29 March 2014.

Note 2: The option vests over the life of the option and has several vesting dates.

Directors' Report continued

Long-Term Incentive Plan (LTIP)

Since listing, any incentive securities in the Company will be issued under the Company's ASX-compliant LTIP. The LTIP was established to support the Company's policy of issuing incentive securities to assist in the motivation, retention, and reward of eligible employees. The LTIP is designed to align the interests of employees with the interests of shareholders by providing an opportunity for employees to receive an equity interest in the Company. The LTIP also provides flexibility for the Company to grant options to acquire shares and/or rights to acquire shares as incentives, subject to the terms of individual offers. The LTIP was approved by the Board on 7 June 2021.

No options were issued under the LTIP for the year to 30 June 2022 and no options have been issued under the LTIP since 30 June 2022.

Indemnification of officers

During or since the end of the financial year, the consolidated entity has given indemnity or entered into an agreement to indemnify, or paid insurance premiums for Directors' and officers' liability cover.

Further disclosure of the premium required under section 300(9) of the *Corporations Act 2001* is prohibited under the terms of the insurance contract.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any auditors of the consolidated entity.

Auditor's independence declaration

A copy of the auditor's declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report on page 55.

Provision of non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 6 to the financial statements.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The Directors are of the opinion that the services as disclosed in note 6 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Proceedings on behalf of the consolidated entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity or intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or any part of those proceedings.

Directors' Report continued

Rounding of amounts

The consolidated entity 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 Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors, made pursuant to Section 298 (2) of the *Corporations Act 2001*.

On behalf of the Directors

Director: Rob McGavin

Director: Tim Jonas

Dated this: 25 August 2022

Auditor's Independence Declaration

Deloitte Touche Tohmatsu
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25 August 2022

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 audit of the financial report of Cobram Estate Olives Limited for the year ended 30 June 2022, 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 audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Peter M Glynn

Peter Glynn
Partner
Chartered Accountants

Financial Statements

Consolidated Statement of Profit or Loss

For the year ended 30 June 2022

	Note	2022 $'000	2021 Restated $'000
Total Revenue and Other Income			
Sales revenue	5	139,617	139,950
Other income	5	3,046	2,191
Net change in fair value of agricultural produce	5	22,871	67,588
		165,534	209,729
Expenses			
Cost of sales	6	(122,530)	(121,176)
Administrative expenses		(14,055)	(13,920)
Distribution expenses		(7,722)	(5,927)
Marketing expenses		(10,099)	(8,843)
Occupancy expenses		(3,224)	(2,369)
Finance costs	6	(4,894)	(4,743)
Other expenses		(487)	(784)
		(163,011)	(157,762)
Profit before income tax		2,523	51,967
Income tax expense	7	(3,219)	(16,743)
(Loss)/profit from continuing operations		(696)	35,224
(Loss)/profit for the year		(696)	35,224
Profit/(loss) is attributable to:			
Owners of Cobram Estate Olives Limited and Controlled Entities		(696)	35,224
		(696)	35,224

* FY2021 restatement for change in accounting policy (early adoption of AASB 2020-3 which amends AASB 116 - Property, Plant and Equipment - Immature Bearer Plants Proceeds before Intended Use - refer note 3(b))

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2022

	Note	2022 $'000	2021 Restated $'000
(Loss)/profit for the year		(696)	35,224
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	24	2,947	(3,352)
Changes in fair value of cash flow hedges	24(d)	8,665	3,017
Changes in deferred tax recognised in equity	24	(2,542)	(905)
Items that will not be reclassified to profit or loss			
Revaluation of land and buildings, net of tax	24	48,530	-
Other comprehensive income/(loss) for the year		57,600	(1,240)
Total comprehensive income/(loss) for the year		56,904	33,984
Total comprehensive income/(loss) for the period is attributable to:			
Owners of Cobram Estate Olives Limited and Controlled Entities		56,904	33,984

Changes in deferred tax recognised in equity and revaluation of land and buildings have been adjusted by $19.4M to reflect deferred tax on revaluation of land and building

	Note	2022	2021
Earnings/ (Loss) $ per share			
From continuing operations			
Basic earnings per share	40	(0.0017)	0.0875
Diluted earnings per share	40	(0.0017)	0.0826

* FY2021 restatement for change in accounting policy (early adoption of AASB 2020-3 which amends AASB 116 - Property, Plant and Equipment - Immature Bearer Plants Proceeds before Intended Use - refer note 3(b))

Consolidated Statement of Financial Position

For the year ended 30 June 2022

	Note	2022 $'000	2021 Restated $'000
Current assets			
Cash and cash equivalents	8	5,944	1,175
Trade and other receivables	9	9,203	24,758
Inventory	10	112,757	104,691
Biological assets	13	3,265	2,966
Current tax assets	7(c)	-	154
Other financial assets	11	41	-
Other assets	12	1,502	2,019
Total current assets		132,712	135,763
Non-current assets			
Other receivables	9	7,611	10,400
Other financial assets	11	4,535	9
Intangible assets	14	6,678	6,678
Property, plant and equipment	15	393,989	293,454
Right-of-use assets	16	5,084	4,867
Total non-current assets		417,897	315,408
Total assets		550,609	451,171
Current liabilities			
Trade and other payables	17	26,350	24,878
Lease liabilities	18	240	189
Borrowings	19	3,780	3,795
Provisions	20	1,803	1,833
Current tax liabilities	7(c)	2,849	-
Other financial liabilities	21	-	974
Other liabilities	22	3,630	2,177
Total current liabilities		38,652	33,846
Non-current liabilities			
Lease liabilities	18	5,219	4,880
Borrowings	19	137,325	161,832
Provisions	20	59	141
Deferred tax liabilities	7(d)	74,730	53,427
Other financial liabilities	21	-	3,123
Other liabilities	22	7,595	3,237
Total non-current liabilities		224,928	226,640
Total liabilities		263,580	260,486
Net assets		287,029	190,685
Equity			
Share capital	23	179,756	127,745
Reserves	24	65,757	8,403
Retained earnings	25	41,516	54,537
Total equity		287,029	190,685

FY2021 restatement for change in accounting policy (early adoption of AASB 2020-3 which amends AASB 116 - Property, Plant and Equipment - Immature Bearer Plants Proceeds before Intended Use - refer note 3(b)) and previous recognition of DTA (refer note 1(r))

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Contributed equity $'000	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Share based payments reserve $'000	Cash flow hedge reserve $'000	Retained earnings $'000	Total Equity $'000
Balance at 1 July 2020 (previously stated)	114,211	17,137	(3,548)	1,643	(4,980)	21,627	146,090
Adjustment to opening retained earnings - refer note 1(r)	-	-	-	-	-	(2,504)	(2,504)
Restated total equity at the beginning of the financial year	**114,211**	**17,137**	**(3,548)**	**1,643**	**(4,980)**	**19,123**	**143,586**
Profit for the year (as previously reported)	-	-	-	-	-	32,647	32,647
Change in accounting policy due to the early adoption of AASB 2020-3 - refer to note 3(b)	-	-	-	-	-	2,577	2,577
Profit for the year (restated)	-	-	-	-	-	35,224	35,224
Other comprehensive profit/(loss) for the year	-	-	-	-	2,112	-	2,112
Exchange differences arising on translation of foreign operations	-	-	(3,348)	(4)	-	-	(3,352)
Other comprehensive income	-	-	(3,348)	(4)	2,112	-	(1,240)
Total comprehensive income/(loss) for the period	**-**	**-**	**(3,348)**	**(4)**	**2,112**	**35,224**	**33,984**
Transactions with owners in their capacity as owners:							
Proceeds from share issue / options exercised	12,400	-	-	-	-	-	12,400
Options exercised (transfer from reserve)	1,134	-	-	(1,134)	-	-	-
Expired/cancelled options (transfer from reserve)	-	-	-	(190)	-	190	-
Share based payments expense	-	-	-	715	-	-	715
Total transactions with owners in their capacity as owners	13,534	-	-	(609)	-	190	13,115
Balance at 30 June 2021	**127,745**	**17,137**	**(6,896)**	**1,030**	**(2,868)**	**54,537**	**190,685**

Consolidated Statement of Changes in Equity continued

Consolidated FY22	Contributed equity $'000	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Share based payments reserve $'000	Cash flow hedge reserve $'000	Retained earnings $'000	Total Equity $'000
Balance at 1 July 2021	127,745	17,137	(6,896)	1,030	(2,868)	54,537	190,685
Profit / (loss) for the year	-	-	-	-	-	(696)	(696)
Exchange differences arising on translation of foreign operations	-	-	2,948	(1)	-	-	2,947
Other comprehensive profit/(loss) for the year	-	48,530	-	-	6,123	-	54,653
Total comprehensive income/(loss) for the period	**-**	**48,530**	**2,948**	**(1)**	**6,123**	**(696)**	**56,904**
Transactions with owners in their capacity as owners:							
Proceeds from share issue / options exercised	50,712	-	-	-	-	-	50,712
Dividends paid or reinvested	-	-	-	-	-	(12,785)	(12,785)
Options exercised (transfer from reserve)	120	-	-	(120)	-	-	-
Expired/cancelled options (transfer from reserve)	-	-	-	(460)	-	460	-
Share based payments expense	-	-	-	334	-	-	334
Issue of shares under dividend	1,179	-	-	-	-	-	1,179
Total transactions with owners in their capacity as owners	52,011	-	-	(246)	-	(12,325)	39,440
Balance at 30 June 2022	**179,756**	**65,667**	**(3,948)**	**783**	**3,255**	**41,516**	**287,029**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers		155,509	135,807
Payments to suppliers and employees		(121,701)	(113,703)
Cash generated from operations		33,808	22,104
Finance costs		(5,350)	(5,440)
Interest paid for leases		(206)	(178)
Income tax payments		(866)	(167)
Net cash provided by operating activities	27(b)	27,386	16,319
Cash flows from investing activities			
Payments for property, plant and equipment		(36,712)	(19,091)
Proceeds from sale of property, plant and equipment		17	125
Net cash (outflow) from investing activities		(36,695)	(18,966)
Cash flows from financing activities			
Proceeds from share issue	23(a)	50,712	-
Proceeds from loans to key management personnel		4,833	-
Proceeds from borrowings		20,941	15,500
Repayment of borrowings		(50,594)	(15,231)
Payment for leases		(208)	(214)
Dividends paid to shareholders		(11,606)	-
Net cash inflow from financing activities		14,078	55
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		1,175	3,767
Net increase (decrease) in cash and cash equivalents		4,769	(2,592)
Cash and cash equivalents at end of the year	27(a)	5,944	1,175

The accompanying notes form part of these financial statements.

Notes to Financial Statements

For the year ended 30 June 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporation Act 2001.

The financial report was authorised for issue by the directors on 25 August 2022.

The financial report is for the entity Cobram Estate Olives Limited and controlled entities (the Group) as an individual entity. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Cobram Estate Olives Limited is an entity limited by shares, incorporated and domiciled in Australia.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the consolidated entity comply with International Financial Reporting Standards (IFRS).

The consolidated group has adopted all new and revised Standards and Interpretations that are effective for the reporting period. Refer note 3(b) for the application and impact of these standards including the early adoption of AASB 2020-3 which impacts AASB 116.

(a) Basis of preparation of the financial report

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Cobram Estate Olives Limited and Controlled Entities is a for-profit entity for the purpose of preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In the current environment, Cobram Estate Olives Limited has considered the probability of future restrictions across Australia and the US when measuring assets and liabilities and undertaking going concern assessments given the impact COVID-19 has had on the global community. The Group notes COVID-19 has had no material impact to the business.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Notes to Financial Statements continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation of the financial report (continued)

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated group has adopted all new and revised Standards and Interpretations that are effective for the reporting period. Refer note 3(b) for the application and impact of these standards, including the early adoption of AASB 2020-3 which impacts AASB 116 Property, Plant and Equipment and application of the transitional requirements outlined in *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments.*

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and all entities which Cobram Estate Olives Limited has the power to control the financial and operating policies so as to obtain benefits from its activities.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

All inter company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are separated from the date that control ceases.

When the consolidated entity loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

(c) Income tax

Taxation
The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Notes to Financial Statements continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income tax (continued)

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(d) Finance costs

Finance costs can include interest, amortisation of discounts or premiums relating to borrowings, ancillary costs incurred in connection with arrangement of borrowings and foreign exchange losses net of hedged amounts on borrowings.

Finance costs are expensed as incurred, except for finance costs incurred as part of the cost of the construction of a qualifying asset which are capitalised until the asset is ready for its intended use or sale.

Notes to Financial Statements continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is firstly treated as a revaluation decrease.

(f) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures. Comparative figures have been restated, refer to note 1(r) and note 3(b) for further details.

(g) Leases

The Consolidated Entity as lessee
The consolidated entity assesses whether a contract is or contains a lease, at inception of the contract. The consolidated entity recognises a right-of-use asset and a corresponding lease liability is recognised, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the consolidated entity recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the consolidated entity uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
• Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases (continued)

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The consolidated entity remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The consolidated entity did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the consolidated entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The consolidated entity applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss.

The Consolidated Entity as lessor

The consolidated entity enters into lease agreements as a lessor with respect to some of its properties. Leases for which the consolidated entity is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Notes to Financial Statements continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases (continued)

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the consolidated entity's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the consolidated entity's net investment outstanding in respect of the leases.

(h) Revenue and Other Income

Revenue
Revenue is measured on the consideration to which the consolidated entity expects to be entitled in a contract with a customer. The consolidated entity recognises revenue when it transfers control of a product of service to a customer.

Revenue from the sales of goods is recognised when control of the goods has transferred, being at the point in time when the goods are delivered to the customer. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the consolidated entity when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional. Revenue is measured at gross price less any rebates or in-store promotional spend.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Other Income
Interest income is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

Rent income is recognised on a straight line basis over the rental term.

Government grants are not recognised until there is reasonable assurance the consolidated entity will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred are recognised in profit or loss in the period in which they become receivable. Government grants relating to the acquisition of property, plant and equipment are treated as deferred income and released to profit or loss over the expected useful lives of the assets concerned.

Other income is recognised when the right to receive the income has been established.

All revenue and other income is stated net of the amount of goods and services tax (GST).

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

Olive oil inventories include agricultural produce that the consolidated entity has harvested from its biological assets. The olive fruit produced at the point of harvest is valued at fair value less costs to sell, forming part of the measurement of inventory cost.

Notes to Financial Statements continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Property
Freehold land and buildings are measured at fair value. At each balance date the carrying value of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and credited to the asset revaluation reserve in equity. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to profit or loss.

Plant and equipment
The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Bearer plants
Bearer plants comprising of mature and immature olive trees in the olive groves are measured on the cost basis. Costs associated with young trees will be capitalised in the year of planting and the following four years.

Processing and harvesting costs are not capitalised when any of these immature trees are harvested.

The carrying amount of bearer plants is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Class of fixed asset	**Depreciation**	**Depreciation**
Buildings	*2.5% - 3.25%*	Straight-line
Irrigation assets	*2.5% - 6.25%*	Straight-line
Plant & equipment	*4.5% - 22.5%*	Diminishing value
Bearer plants	*5% - 10%*	Straight-line
Motor vehicles	*18.75%*	Diminishing value
Office equipment	*10% - 60%*	Diminishing value
Furniture, fixtures & fittings	*4.5% - 22.5%*	Diminishing value

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Notes to Financial Statements continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Intangible assets

Water rights
Water rights are recorded at cost. Water rights have an indefinite life and are not amortised. Water rights are tested annually for impairment.

Distribution rights and Trademarks
Distribution rights and Trademarks are initially recorded at the purchase price and are subsequently carried at cost. Distribution rights and Trademarks have an indefinite life. They are not amortised but are tested annually for impairment.

(l) Foreign currency translations and balances

Functional and presentation currency
The functional currency of each of the individual entities comprising the consolidated entity is measured using the currency of the primary economic environment in which that entity operates. The functional currency of all entities is Australian dollars except for Boundary Bend Estate Pty Ltd which has a functional currency of Argentinean Pesos, and the US based entities Boundary Bend Olives, Inc; Boundary Bend Assets, Inc; Boundary Bend Wellness, Inc; and Boundary Bend, Inc., which have a functional currency of US dollars. These financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

Transactions and Balances
Transactions in foreign currencies of the consolidated entity are translated from the functional currency into Australian dollars at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the reporting period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of non-Australian entities are expressed in Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for each month in the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated directly into equity in the Foreign Currency Translation Reserve.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or restatement are recognised as revenues and expenses for the financial year.

The foreign currency hedging risk policy is described under Note 31(a) Financial Risk Management.

Notes to Financial Statements continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits

Liabilities arising in respect of wages and salaries, employee leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Contributions made by the consolidated entity to an employee superannuation fund are recognised as an expense as they become payable.

Share based payments
Equity settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Share options are priced using the Black Scholes option pricing model.

Options that vest on issue are expensed in full on issue date. Options that do not vest on issue are expensed on a straight line basis over the vesting period based on the consolidated entity's estimate of equity instruments that will eventually vest.

(n) Research and development expenditure

Expenditure on research activities is recognised as an expense when incurred.

Refundable research and development costs are accounted for as tax offsets. As per note 7(b), the tax effect of research and development deductions are $0.299 million (2021: $0.224 million).

Expenditure on development activities is capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of its estimated useful life commencing when the intangible asset is available for use. In FY2022 no amounts have been capitalised.

Other development expenditure is recognised as an expense when incurred

(o) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated entity's statement of financial position when the consolidated entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification
Debt instruments that meet the following conditions are measured subsequently at amortised cost:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to Financial Statements continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial instruments (continued)

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Loans and receivables
Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Impairment of financial assets
The consolidated entity makes use of a simplified approach for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. The consolidated entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. Transaction costs directly attributable to the acquisition of financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial liabilities measured at amortised cost
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade payables
Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

Derecognition of financial liabilities
The consolidated entity derecognises financial liabilities when, and only when, the consolidated entity's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial instruments (continued)

Derecognition of financial assets
The consolidated entity derecognises financial assets only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the consolidated entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the consolidated entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Hedge accounting
Certain derivatives are designated as hedging instruments and are further classified as either fair value hedges or cash flow hedges. The other non-designated derivatives are carried at FVTPL.

At the inception of each hedging transaction, the consolidated entity documents the relationship between the hedging instruments and hedged items, its risk management objective and its strategy for undertaking the hedge transaction. The consolidated entity also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair value or cash flows of hedged items.

(i) Fair value hedge
The fair value change on qualifying hedging instruments is recognised in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognised in other comprehensive income.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(ii) Cash flow hedge
To qualify as a cash flow hedge the underlying transactions generating the cash flows must be highly probable. Changes in the fair value of derivative that are designated and qualify as cash flow hedges are recognised in equity in the cash flow hedging reserve. This gain or loss is released to profit or loss in the same period when the forecast transactions occur, thereby mitigating any exchange rate or interest rate fluctuations that would have transpired in the absence of the hedge. The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of changes in fair value of cash flow hedges, limited to the cumulative change in fair value of the hedged item from inception of the hedge.

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gain/loss' line item. The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs.

Notes to Financial Statements continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Agriculture

The consolidated entity applies Accounting Standard AASB 141 "Agriculture", which requires the measurement of biological assets and agricultural produce at the point of harvest to be valued at fair value less estimated point of sale costs. If fair value cannot be measured reliably for biological assets, such biological assets are measured at cost.

Biological assets include olive trees owned by the consolidated entity held in the nursery. Olive trees in the nursery are initially measured at cost of production, inclusive of selling costs less allowance for loss until the tree has reached maturity and there is a market in which to sell the trees, which is historically at 18 months from date of propagation. Where no active market exists for the sale of the olives trees, or the trees are to be used for planting on the consolidated entities owned groves, they are recognised at cost.

The olive fruit produced at the point of harvest is valued at fair value less costs to sell forming part of the measurement of inventory cost. Where there is fruit that has not yet been harvested at reporting date, this fruit is treated as biological produce and reported in the statement of financial position under biological assets.

Olive trees in the olive groves are measured at cost in accordance with AASB 116 "Property, plant and equipment", refer to Note 1(j).

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Restatement of deferred tax asset and retained earnings

The Group previously recognised a deferred tax asset of $2,504,000 in respect of a temporary difference which were not available. As the temporary difference pre-dated the earliest comparative period in these financial statements (i.e. prior to 1 July 2020), the comparative figures have been restated as follows:

Notes to Financial Statements continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Restatement of deferred tax asset and retained earnings (continued)

	Previously reported as at 30 June 2021 $'000	**Adjustment $'000**	**As restated as at 30 June 2021 $'000**
Deferred tax liabilities	(50,923)	(2,504)	(53,427)
Total non-current liabilities	**(224,136)**	**(2,504)**	**(226,640)**
Total Liabilities	**(257,982)**	**(2,504)**	**(260,486)**
Net Assets	**190,612**	**(2,504)**	**188,108**
Retained earnings	21,627	(2,504)	19,123
Total equity	**190,612**	**(2,504)**	**188,108**

The adjustment is a non-cash adjustment and does not impact previously reported remuneration, covenants or other reporting metrics.

(s) Rounding of amounts

The consolidated entity has applied the relief available to it under ASIC Class Order 2016/191 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest $1,000.

Notes to Financial Statements continued

NOTE 2: CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(a) Impairment of assets

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist. No impairment loss has been recognised in current year (2021: $nil).

Separately acquired trademarks are shown at historical cost. Trademarks and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Following the assessment of the recoverable amount of trademarks, the directors consider the recoverable amount of trademarks to be most sensitive to the achievement of the FY2023 budget. The budget comprises forecasts of revenue by product line, staff costs and overheads based on current and anticipated market conditions that have been considered and approved by the Board.

The recoverable amount of the two trademarks were determined based on relief from royalty calculations, consistent with the methods used as at 30 June 2021. The following key assumptions and sensitivities were used in the impairment assessments at 30 June 2022:

- Weighted average cost of capital applied at a rate of 8.02%
- Royalty rate applied at a rate of 1.5%
- Revenue growth rate applied to five years of cash flows at a rate of 3%

No impairment was determined from the assessment and sensitivity performed.

(b) Income tax

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

(c) Fair value measurements and valuation processes

Some of the consolidated entity's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the consolidated entity uses market-observable data to the extent it is available. Causes of fluctuations in the fair value of the assets and liabilities are considered by the board of directors.

Notes to Financial Statements continued

NOTE 3: APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

(a) Standards and Interpretations on issue not yet adopted

At the date of authorisation of the financial statements, the following applicable Standards and Interpretations listed below were on issue but not yet adopted by the consolidated entity.

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections, AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2023 and1 January 2025
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2023
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	1 January 2023

These Standards and Interpretations will be first applied in the financial report of the consolidated entity that relates to the annual reporting period beginning after the effective date of each pronouncement. The entity is still in the process of estimating the impact of the new standards/interpretations not yet adopted.

(b) Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The consolidated entity 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 an accounting period that begins on or after 1 July 2021.

The impact of adopting these new standards has had no material impact to the business.

New and revised Standards and amendments thereof and Interpretations effective for the current year are as follows:

Notes to Financial Statements continued

NOTE 3: APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

(b) Amendments to Accounting Standards that are mandatorily effective for the current reporting period (continued)

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2	1 January 2021
AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities	1 July 2021

Change in accounting policy: Amendments to AASB 116 - Property, Plant and Equipment - Immature Bearer Plants Proceeds before Intended Use due to the early adoption of AASB 2020-3

The amendments are applied retrospectively. The group has early adopted AASB 2020-3 which impacts AASB 116 with an initial application date of 1 July 2020.

The accounting policy governing the recording of the value of olive oil from immature trees, has been amended and now requires that this value be taken as income in the year produced, rather than deducted from the costs of developing the immature trees which was the previous policy.

Prior to this amendment, the proceeds from fruit harvested from immature trees have historically been deducted from the costs capitalised for those trees. The impact of this change was to increase income for the year ended 30 June 2022 by $4,409,000 and restating FY2021 income upwards by $2,577,000.

The effect of this change in policy is as follows:

	Year ended 30 June 2022 ($'000)	Year ended 30 June 2021 ($'000)
Net change in fair value of agricultural produce (revenue and other income)	4,409 increase	2,577 increase
Bearer plants (property, plant and equipment)	4,409 increase	2,577 increase
1 July 2020 retained earnings	N/A	30 increase

Notes to Financial Statements continued

NOTE 4: 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
• Innovation and value-add products, including the sale of the Wellgrove branded product through Boundary Bend Wellness

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

Notes to Financial Statements continued

NOTE 4: SEGMENT REPORTING (CONTINUED)

(a) Segment results

	Olive oil				Boundary Bend Wellness		Eliminations & Corporate		Total operations	
	Australian Operations		USA Operations							
	2022 $'000	2021 Restated $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 Restated $'000	2022 $'000	2021 Restated $'000
Revenue and other income										
Total revenue from external customers	106,571	99,192	31,518	38,886	1,528	1,872	-	-	139,617	139,950
Intersegment revenue	4,267	1,948	-	-	368	277	(4,635)	(2,225)	-	-
Total segment revenue	110,838	101,140	31,518	38,886	1,896	2,149	(4,635)	(2,225)	139,617	139,950
Other income	1,611	1,672	1,347	398	88	121	-	-	3,046	2,191
Net change in fair value of agricultural produce	22,871	67,588	-	-	-	-	-	-	22,871	67,588
Total revenue and other income	135,320	170,400	32,865	39,284	1,984	2,270	(4,635)	(2,225)	165,534	209,729
EBITDA	32,432	77,693	(4,686)	526	(2,596)	(5,305)	(54)	-	25,096	72,914
Depreciation/ amortisation of segment assets	(15,410)	(14,102)	(2,208)	(1,967)	(60)	(135)	-	-	(17,678)	(16,204)
EBIT	17,022	63,591	(6,894)	(1,441)	(2,656)	(5,440)	(54)	-	7,418	56,710
Finance costs	-	-	-	-	-	-	(4,895)	(4,743)	(4,895)	(4,743)
Profit/ (loss) before income tax	17,022	63,591	(6,894)	(1,441)	(2,656)	(5,440)	(4,949)	(4,743)	2,523	51,967
Segment assets (excl intercompany)	445,861	384,911	101,294	63,299	2,416	2,961	1,038	-	550,609	451,171
Segment liabilities (excl intercompany)	52,570	26,982	18,251	12,545	423	240	192,328	220,719	263,572	260,486
Capital expenditure	23,831	14,550	22,251	4,360	2	1	-	-	46,084	18,911

Notes to Financial Statements continued

NOTE 4: SEGMENT REPORTING (CONTINUED)

(a) Segment results (continued)

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. Finance costs are shown in the 'Eliminations and Corporate' column.

All assets are allocated to reportable segments other than other financial assets and 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, other financial liabilities, current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Included in revenue from external customers arising from Australian operations of $106.571 million (2021: $99.193 million) are revenues from two major customers of $74.540 million or 70% (2021: $72.481 million or 73.07%). No other single customer contributed 10% or more to the consolidated entity's revenue for 2022 and 2021.

NOTE 5: REVENUE AND OTHER INCOME

The consolidated entity derives its revenue from contracts with customers for the transfer of goods and services at a point in time in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under AASB 8 (refer to Note 4).

	2022 $'000	2021 Restated $'000
External revenue by product line recognised at a point in time		
Olive oil - Australian operations	106,571	99,192
Olive oil - USA operations	31,518	38,886
Innovation & Value-add product sales	1,528	1,872
Total	139,617	139,950
Other income:		
Management/service fees	386	345
Rental income	342	348
Interest income	388	127
Freight income	314	174
Other income	432	339
Unrealised foreign currency gains	(104)	31
Subsidies and grants *	1,288	827
	3,046	2,191
Fair value adjustments - refer Note 1(i) and note 1(p):		
Net increase in fair value of agricultural produce	22,871	67,588
	165,534	209,729

Notes to Financial Statements continued

NOTE 5: REVENUE AND OTHER INCOME (CONTINUED)

* FY2021 Includes $690k relating to COVID-19 subsidies and grants, predominately relating to the partial reimbursement of abnormal costs incurred during the Australian 2020 harvest to help minimise the risk of a COVID-19 outbreak during this critical period. FY2022 includes US$636K loan forgiveness granted under US paycheck protection program loan to cover COVID-19 payroll expenses under the 2020 CARES Act.

NOTE 6: (LOSS)/PROFIT BEFORE INCOME TAX

	2022 $'000	2021 $'000
(Loss)/profit before income tax has been determined after:		
Cost of sales	122,530	121,176
Finance costs:		
Interest expense	2,548	2,717
Borrowing costs	1,892	1,732
Chattel mortgage charges	236	133
Lease charges	218	161
	4,894	4,743
Depreciation & Amortisation:		
Buildings	1,145	1,030
Plant and equipment	7,005	6,718
Irrigation Assets	1,031	974
Bearer Plants	6,838	6,077
Motor vehicles	1,090	831
Office furniture and equipment	148	178
Furniture and fittings	58	57
Leases	363	339
	17,678	16,204
Expected credit losses on trade debtors	249	103
Employee benefits:		
Share based payments	346	715
Defined contribution superannuation expense	1,497	1,512
Salaries and Wages	20,396	20,315
	22,239	22,542
Loss on sale of property plant and equipment	80	68
IPO related costs	-	705

Notes to Financial Statements continued

NOTE 6: (LOSS)/PROFIT BEFORE INCOME TAX (CONTINUED)

	2022 $	2021 $
Deloitte and related network firms		
Audit and review of financial reports:		
- Deloitte Touche Tohmatsu, Australia	256,777	145,750
- Deloitte Touche Tohmatsu, United States	123,919	101,833
	380,696	247,583
Other services:		
- IPO related services	-	220,000
	380,696	467,583

The auditor of Cobram Estate Olives Limited is Deloitte Touche Tohmatsu.

NOTE 7: INCOME TAX

(a) Components of tax expense

	2022 $'000	2021 $'000
Current tax	3,876	7
Deferred tax	(686)	16,665
(Over) / Under provision in prior years	29	71
	3,219	16,743

(b) Prima facie tax payable

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

Prima facie income tax (benefit) / expense at 30.0% (2021 - 30.0%)	757	15,590
Add tax effect of:		
- Other non-allowable items	(1,057)	(1,008)
- Offshore tax losses not brought to account	3,251	1,862
- Share based payments	93	214
- Under provision in prior years	29	71
- Difference in overseas tax rates	445	238
	2,761	1,377
Less tax effect of:		
- Research and development deductions	(299)	(224)
	(299)	(224)

Notes to Financial Statements continued

NOTE 7: INCOME TAX (CONTINUED)

(b) Prima facie tax payable (continued)

Income tax expense attributable to (loss) / profit	3,219	16,743

(c) Current tax

Current tax liabilities		
Opening balance	(154)	6
Income tax	3,876	7
Tax payments	(873)	(167)
Current tax liabilities / (assets)	2,849	(154)

Notes to Financial Statements continued

NOTE 7: INCOME TAX (CONTINUED)

(d) Deferred tax balances

	Opening balance $'000	Recognised in profit or loss $'000	Recognised directly in equity $'000	Closing balance $'000
2021 Restated (refer note 1(r))				
Deferred tax asset				
Employee benefits	565	(12)	-	553
Capital raising costs	66	161	-	227
Expected credit losses	29	(13)	-	16
Inventory	3,463	(3,463)	-	-
Cash flow hedge	2,134	-	(905)	1,229
Other	1,725	953	-	2,678
Tax losses brought to account	52	2,221	-	2,273
	8,034	(153)	(905)	6,976
Deferred tax liability				
The balance comprises:				
Leases	999	(977)	-	22
Inventory	-	14,493	-	14,493
Property, plant & equipment	42,146	2,417	-	44,563
Unrealised FX gain	675	650	-	1,325
	43,820	16,583	-	60,403
Net deferred tax assets / (liabilities)	(35,786)	(16,736)	(905)	(53,427)
2022				
Deferred tax asset				
Employee benefits	553	(53)	-	500
Capital raising costs	227	(100)	57	184
Expected credit losses	16	39	-	55
Cash flow hedge	1,229	-	(2,599)	(1,370)
Other	2,678	(1,921)	-	757
Tax losses brought to account	2,273	(2,273)	-	-
	6,976	(4,308)	(2,542)	126
Deferred tax liability				
The balance comprises:				
Leases	22	(56)	-	(34)
Inventory	14,493	(4,344)	-	10,149
Property, plant & equipment	44,563	(483)	19,418	63,498
Unrealised FX gain	1,325	(82)	-	1,243
	60,403	(4,965)	19,418	74,856
Net deferred tax assets / (liabilities)	(53,427)	657	(21,960)	(74,730)

Notes to Financial Statements continued

NOTE 7: INCOME TAX (CONTINUED)

(e) Deferred tax revenue included in income tax expense

	2022 $'000	2021 $'000
Increase in deferred tax assets	4,308	153
(Decrease) / increase in deferred tax liabilities	(4,965)	16,583
	(657)	16,736

(f) Deferred income tax related to items credited directly to equity

	2022 $'000	2021 $'000
(Increase) / decrease in deferred tax assets arising on the fair value gain/(loss) on hedging instruments during the period	21,960	905

(g) Deferred tax assets not brought to account

Deferred tax asset not brought to account relating to:

USA Operations:

	2022 $'000	2021 $'000
Other deferred tax assets	2,097	1,612
Tax losses - Federal and State	14,518	12,583
Net deferred tax asset not brought to account	16,615	14,195

The benefits of the deferred tax assets not brought to account will only be realised if the conditions for deductibility occur. In 2022, tax liabilities and recoverable tax assets have been recognised ($1m) due to the ability to offset these losses in the USA (Boundary Bend Assets Inc.) with the recorded property revaluations in the same legal entity.

As of 30 June 2022, the USA segment companies had USA Federal and State net operating losses available to offset future taxable income. The federal net operating loss carryforwards begins to expire in 2035 and the state net operating loss carryforwards will begin to expire in 2035, if not utilised. In addition, the use of net operating loss and tax credit carryforwards may be limited under Section 382 of the Internal Revenue Code in certain situations where changes occur in the stock ownership of a company. In the event that the Company has had a change in ownership, utilisation of the carryforwards could be restricted.

Notes to Financial Statements continued

NOTE 8: CASH AND CASH EQUIVALENTS

	2022 $'000	2021 $'000
Cash at bank	5,944	1,175

NOTE 9: RECEIVABLES

	2022 $'000	2021 $'000
CURRENT		
Trade debtors	8,784	21,470
Expected credit losses	(431)	(182)
	8,353	21,288
Other receivables	850	1,470
Loan to key management personnel	-	2,000
	9,203	24,758
NON CURRENT		
Other receivables	44	-
Loan to key management personnel	7,567	10,400
	7,611	10,400

Unsecured loans were provided by Cobram Estate Olives Limited to entities controlled by each of Sam Beaton and Leandro Ravetti (who are both Executive Directors of the Company) in April 2021, for amounts of $4.0 million and $6.4 million, respectively. During FY2022, Sam Beaton repaid $1.33 million and Leandro Ravetti repaid $1.50 million.

In May 2021 a $2.0 million loan was also provided by Cobram Estate Olives Limited to Timothy Smith (a current contractor and former employee and Executive Director of the Company). During FY2022 the amount was repaid in full. Refer note 29(c) for further discussion.

The standard credit period on sales of goods and rendering of services is 30-60 days. No interest is charged on the trade receivables for the first 30-60 days from when the receivable was incurred. Thereafter, the consolidated entity has the right to charge interest at a commercial rate on a case by case basis depending on management's discretion and whether the receivable is past due. A provision has been made for estimated irrecoverable trade receivable amounts arising from the sale of goods and rendering services.

New and existing customers are subject to defined credit limits, which are reviewed on a regular basis. The consolidated entity operates credit insurance, where appropriate, for customers to minimise the risk associated with default. Receivables balances are net of any financial liabilities to the same customers.

Notes to Financial Statements continued

NOTE 9: RECEIVABLES (CONTINUED)

The consolidated entity measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The consolidated entity writes off a trade receivable when there is information that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

	2022 $'000	2021 $'000
Reconciliation of expected credit losses		
Opening balance at 1 July	(182)	(103)
Net remeasurement of loss allowance	(498)	(182)
Amounts written off during the year	249	103
Closing balance at 30 June	(431)	(182)

NOTE 10: INVENTORY

	Note	2022 $'000	2021 $'000
CURRENT			
Value-add products as at net realisable value		1,764	2,235
Raw materials/packaging as at net realisable value		8,298	4,949
Olive oil	1(i)	102,695	97,507
		112,757	104,691

NOTE 11: OTHER FINANCIAL ASSETS

	2022 $'000	2021 $'000
CURRENT		
Other financial assets		
Hedging instruments - interest rate swaps	41	-
	41	-
NON CURRENT		
Other financial assets		
Shares in other corporations	10	9
Hedging instruments - interest rate swaps	4,525	-
	4,535	9

Notes to Financial Statements continued

NOTE 11: OTHER FINANCIAL ASSETS (CONTINUED)

The interest rate swaps settle on a monthly basis. The floating rate on the interest rate swaps is 1-month AUD-BBR-BBSY (BID). The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

NOTE 12: OTHER ASSETS

	2022 $'000	**2021 $'000**
CURRENT		
Prepayments	1,308	1,650
Other current assets	194	369
	1,502	2,019

NOTE 13: BIOLOGICAL ASSETS

	Note	**2022 $'000**	**2021 $'000**
CURRENT			
At fair value less costs to sell			
Biological assets - nursery trees	1(p)	700	725
Biological produce	1(p)	2,565	2,241
		3,265	2,966

NOTE 14: INTANGIBLE ASSETS

	2022 $'000	**2021 $'000**
Water rights at cost	326	326
Trademarks at cost	6,352	6,352
Total intangible assets	6,678	6,678

Notes to Financial Statements continued

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

	2022 $'000	2021 Restated $'000
Land & buildings		
Land & buildings at fair value	179,105	100,338
Less accumulated depreciation	-	(3,284)
	179,105	97,054
Plant & equipment		
Plant & equipment at cost	103,663	89,813
Less accumulated depreciation	(50,898)	(43,478)
	52,765	46,335
Irrigation assets at cost	35,796	34,135
Less accumulated depreciation	(6,190)	(5,128)
	29,606	29,007
Bearer plants at cost	166,382	148,161
Less accumulated depreciation	(38,422)	(31,583)
	127,960	116,578
Motor vehicles at cost	7,023	5,933
Less accumulated depreciation	(3,304)	(2,175)
	3,719	3,758
Office equipment at cost	1,681	1,359
Less accumulated depreciation	(1,109)	(947)
	572	412
Furniture, fixtures & fittings at cost	545	529
Less accumulated depreciation	(283)	(219)
	262	310
Total plant and equipment	214,884	196,400
Total property, plant and equipment	393,989	293,454

Notes to Financial Statements continued

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment:

	2022 $'000	2021 $'000
Land & buildings		
Opening carrying amount	97,054	99,411
Additions	13,425	921
Disposals	(83)	-
Depreciation expense	(1,145)	(1,030)
Net foreign currency movements	1,983	(2,193)
Revaluations	67,947	-
Reclassification/transfers between groups	(76)	(55)
Closing carrying amount	179,105	97,054
Plant & equipment		
Opening carrying amount	46,335	51,665
Additions	12,523	2,548
Disposals	(8)	(100)
Depreciation expense	(7,005)	(6,718)
Net foreign currency movements	844	(1,045)
Reclassification/transfers between groups	76	(15)
Closing carrying amount	52,765	46,335
Irrigation assets		
Opening carrying amount	29,007	28,771
Additions	1,356	1,202
Depreciation expense	(1,031)	(974)
Net foreign currency movements	274	(212)
Reclassification/transfers between groups	-	220
Closing carrying amount	29,606	29,007
Bearer plants		
Opening carrying amount	116,578	108,160
Additions	17,451	15,269
Disposals	(110)	-
Depreciation expense	(6,838)	(6,077)
Net foreign currency movements	879	(624)
Reclassification/transfers between groups	-	(150)
Closing carrying amount	127,960	116,578

Notes to Financial Statements continued

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations (continued)

	2022 $'000	2021 $'000
Motor vehicles		
Opening carrying amount	3,758	3,357
Additions	1,020	1,390
Disposals	-	(100)
Depreciation expense	(1,090)	(831)
Net foreign currency movements	31	(58)
Closing carrying amount	3,719	3,758
Office equipment		
Opening carrying amount	412	444
Additions	303	159
Disposals	-	(5)
Depreciation expense	(148)	(178)
Net foreign currency movements	5	(8)
Closing carrying amount	572	412
Furniture, fixtures & fittings		
Opening carrying amount	310	380
Additions	6	-
Disposals	-	(6)
Depreciation expense	(58)	(57)
Net foreign currency movements	4	(7)
Closing carrying amount	262	310
Total property, plant and equipment		
Carrying amount at 1 July	293,454	292,188
Additions	46,084	21,489
Disposals	(201)	(211)
Depreciation expense	(17,315)	(15,865)
Net foreign currency movements	4,020	(4,147)
Revaluations	67,947	-
Carrying amount at 30 June	393,989	293,454

The Group’s land & buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group’s land & buildings are described in Note 30.

Notes to Financial Statements continued

NOTE 16: RIGHT-OF-USE ASSETS

	Land & Buildings $'000	Plant $'000	Equipment $'000	Total $'000
Cost				
At 1 July 2020	5,636	89	99	5,824
Additions & Disposals	(289)	-	-	(289)
At 30 June 2021	5,347	89	99	5,535
Accumulated depreciation				
At 1 July 2020	(270)	(44)	(20)	(334)
Depreciation	(270)	(44)	(20)	(334)
At 30 June 2021	(540)	(88)	(40)	(668)

	Land & Buildings $'000	Plant $'000	Equipment $'000	Total $'000
Cost				
At 1 July 2021	5,347	89	99	5,535
Additions & Disposals	374	10	56	440
At 30 June 2022	5,721	99	155	5,975
Accumulated depreciation				
At 1 July 2021	(540)	(88)	(40)	(668)
Disposals	-	85	55	140
Depreciation	(285)	(45)	(33)	(363)
At 30 June 2022	(825)	(48)	(18)	(891)

	Total $'000
Carrying amount	
At 30 June 2021	4,867
At 30 June 2022	5,084

Notes to Financial Statements continued

NOTE 16: RIGHT-OF-USE ASSETS (CONTINUED)

The consolidated entity leases several assets including olive groves, land and buildings, plant and IT equipment. The average lease term, including options to extend, on land and buildings is 33 years for US leases and 8 years for Australian leases. Plant & Equipment lease terms range from 2-3 years.

The analysis of lease liabilities is presented in Note 18.

The total cash outflow for leases amount to $414,128 (2021: $406,052).

NOTE 17: PAYABLES

	2022 $'000	2021 $'000
CURRENT		
Unsecured liabilities		
Trade creditors	17,197	14,765
Other creditors and accruals	9,153	10,113
	26,350	24,878

NOTE 18: LEASE LIABILITIES

	2022 $'000	2021 $'000
Payable		
- not later than one year	423	348
- later than one year and not later than five years	1,972	1,739
- later than five years	6,328	6,346
Minimum lease payments	8,723	8,433
Less future finance charges	(3,264)	(3,364)
Total lease liability	5,459	5,069
Represented by:		
Current liability	240	189
Non-current liability	5,219	4,880
	5,459	5,069

Notes to Financial Statements continued

NOTE 19: BORROWINGS

	Note	2022 $'000	2021 $'000
CURRENT			
Secured liabilities			
Chattel mortgage liability	26	3,780	3,795
NON-CURRENT			
Secured liabilities			
Bank loans		120,884	144,748
Chattel mortgage liability	26	16,441	17,084
		137,325	161,832
Total Borrowings		141,105	165,627

NOTE 20: PROVISIONS

	2022 $'000	2021 $'000
CURRENT		
Employee benefits	1,803	1,833
NON CURRENT		
Employee benefits	59	141

NOTE 21: OTHER FINANCIAL LIABILITIES

	2022 $'000	2021 $'000
CURRENT		
Hedging instruments		
Interest rate swap	-	974
NON-CURRENT		
Hedging instruments		
Interest rate swap	-	3,123

Notes to Financial Statements continued

NOTE 21: OTHER FINANCIAL LIABILITIES (CONTINUED)

The interest rate swaps settle on a monthly basis. The floating rate on the interest rate swaps is 1-month AUD-BBR-BBSY (BID). The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

NOTE 22: OTHER LIABILITIES

	2022 $'000	2021 $'000
CURRENT		
Deferred income	1,544	1,036
Loan - other parties	145	201
Other current liabilities	1,941	940
	3,630	2,177
NON-CURRENT		
Other entities liabilities	2,619	833
Other non-current liabilities	4,976	2,404
	7,595	3,237

NOTE 23: SHARE CAPITAL

	2022 $'000	2021 $'000
Issued and paid-up capital		
414,500,504 (2021: 387,372,594) ordinary shares	179,756	127,745

On 24 June 2021, the shareholders approved the share split of 6:1 ratio. This resulted in the shares and options on hand multiplying by 6.

Notes to Financial Statements continued

NOTE 23: SHARE CAPITAL (CONTINUED)

(a) Ordinary shares

	2022		2021	
	Shares 000's	$'000	Shares 000's	$'000
Consolidated				
Opening balance	387,372	127,745	61,462	114,211
10 April 2021	-	-	3,100	13,534
24 June 2021 (Share Split)	-	-	322,810	-
Employee gift shares	64	-	-	-
DRP	602	1,179	-	-
Placement, less fees	25,000	48,111	-	-
Exercised options	462	774	-	-
SPP, less fees	1,000	1,947	-	-
	27,128	52,011	325,910	13,534
At reporting date	414,500	179,756	387,372	127,745

(b) Rights of each type of share

Ordinary shares participate in dividends and the proceeds on the winding up of the parent entity in the number proportionate to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Ordinary shares have no par value.

(c) Share options granted under the Employees and Officers Share Option plan

At 30 June 2022, directors, senior employees and consultants held options over 18,490,002 ordinary shares of the consolidated entity (30 June 2021: 20,451,534 ordinary shares held post 6:1 share split).

Share options granted under the Employees and Officers Share Option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in Note 33.

NOTE 24: RESERVES

	Note	2022 $'000	2021 $'000
Asset revaluation reserve	24(a)	65,667	17,137
Foreign currency translation reserve	24(b)	(3,948)	(6,896)
Share-based payments reserve	24(c)	783	1,030
Cash flow hedge reserve	24(d)	3,255	(2,868)
		65,757	8,403

Notes to Financial Statements continued

NOTE 24: RESERVES (CONTINUED)

(a) Asset revaluation reserve

The asset revaluation reserve is used to record revaluations of non current assets.

Movements in reserve		
Opening balance	17,137	17,137
Fair value adjustment to non-current assets	67,948	-
Deferred tax charged directly in equity	(19,418)	-
Closing balance	65,667	17,137

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to record the exchange differences arising on translation of a foreign entity.

Movements in reserve		
Opening balance	(6,896)	(3,548)
Exchange difference arising on translation of foreign operations	(3,012)	1,850
Exchange on related party loans that form part of the investment	5,960	(5,198)
Closing balance	(3,948)	(6,896)

(c) Share based payments reserve

The share based payments reserve relates to share options granted to employees, officers and consultants under the Employee and Officers Share Option plan. Further information about share based payments to employees and officers is set out in Note 33.

Movements in reserve		
Opening balance	1,030	1,643
Options exercised, transferred to share capital	(120)	(1,134)
Share based payments expense	334	715
Transfers to retained earnings	(461)	(190)
Net foreign currency translation adjustment	-	(4)
Closing balance	783	1,030

(d) Cash flow hedge reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges.

Notes to Financial Statements continued

NOTE 24: RESERVES (CONTINUED)

(d) Cash flow hedge reserve (continued)

Movements in reserve		
Opening balance	(2,868)	(4,980)
Gain / (loss) arising on changes in fair value of hedging instruments entered into for cash flow hedges		
- Interest rate swap	8,665	3,017
- Deferred tax charged directly to equity	(2,542)	(905)
Closing balance	3,255	(2,868)

NOTE 25: RETAINED EARNINGS

	2022 $'000	2021 Restated $'000
Retained earnings at beginning of year	54,537	19,123
Net (loss)/profit	(696)	35,224
Transfers from reserves	460	190
Dividends provided for or paid	(12,785)	-
	41,516	54,537

NOTE 26: CAPITAL COMMITMENTS

Chattel mortgage commitments

Payable			
- not later than one year		4,470	3,795
- later than one year and not later than five years		16,562	18,554
- later than five years		1,365	1,203
Minimum chattel mortgage payments		22,397	23,552
Less future finance charges		(2,176)	(2,673)
Total chattel mortgage liability		20,221	20,879
Represented by:			
Current liability	19	3,780	3,795
Non-current liability	19	16,441	17,084
		20,221	20,879

Notes to Financial Statements continued

NOTE 27: CASH FLOW INFORMATION

(a) Reconciliation of cash

	Note	2022 $'000	2021 $'000
Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:			
Cash at bank	8	5,944	1,175

(b) Reconciliation of profit after income tax to net cash inflow from operating activities

	2022 $'000	2021 $'000
(Loss)/profit from ordinary activities after income tax	(696)	35,224
Adjustments for non-cash items		
Depreciation & amortisation	17,678	16,204
Expected credit losses	249	103
Stock obsolescence	(953)	(617)
Loss on sale of assets	171	68
Share based payment expense	346	715
Unrealised foreign currency gains	104	(31)
	17,595	16,442
Change in assets and liabilities		
(Increase) / decrease in receivables	11,400	(7,865)
(Increase) / decrease in prepayments and other assets	517	1,207
(Increase) / decrease in inventories	(7,414)	(42,598)
Increase/ (decrease) in payables	2,763	(174)
(Decrease) / increase in current and deferred taxes	3,341	13,998
Increase in provisions	(120)	85
	10,487	(35,347)
Cash flows provided by operating activities	27,386	16,319

(c) Purchase of property, plant and equipment under borrowings

Where property, plant and equipment has been purchased on a lease or chattel mortgage arrangement and no cash has flowed to or from the group, neither payments for property, plant and equipment nor proceeds of borrowings have been recognised in the consolidated statement of cash flows.

Notes to Financial Statements continued

NOTE 27: CASH FLOW INFORMATION (CONTINUED)

(d) The major facilities of the consolidated entity are summarised as follows:

Facility	Currency	Limit $'000	Drawn at 30 June 2022 $'000	Term
Core Debt	AUD	58,000	58,000	October 2024
Working Capital Debt	AUD	55,000	17,500	October 2024
Working Capital Debt	AUD	20,000	20,000	October 2024
Domestic Foreign Currency Account Facility	USD	10,500	10,500	October 2024
Domestic Foreign Currency Account Facility	USD	7,000	7,000	October 2024

The limits and terms of the facilities are outlined above. The bank loans are secured by a general security interest over the assets and undertakings of Cobram Estate Olives Limited and its Australian Subsidiaries. CBA also has mortgages over the Australian real properties owned by the consolidated entity's Australian subsidiaries.

The interest cost under the AUD facilities are referenced to the bank bill swap bid rate (BBSY). The interest cost under the USD facility is referenced to the Secured Overnight Financing Rate (SOFR). A margin and line fee is also paid in addition to this reference rate.

Finance will continue to be provided under the above facilities provided the consolidated entity has not breached any borrowing requirements and the consolidated financial entity meets the required financial ratios. The consolidated entity confirms that it has complied with all borrowing requirements and met the required financial ratios during the year.

The consolidated group had the following movements in borrowings for the year.

1 July 2021 $'000	Foreign Exchange $'000	Debt Drawdown $'000	Principal Repayment $'000	New Chattel Mortgage Funding $'000	Adjustments $'000	30 June 2022 $'000
165,627	1,445	20,941	(50,594)	3,686		141,105

1 July 2020 $'000	Foreign Exchange $'000	Debt Drawdown $'000	Principal Repayment $'000	New Chattel Mortgage Funding $'000	Adjustments $'000	30 June 2021 $'000
163,667	(1,295)	15,500	(15,231)	3,003	(17)	165,627

Notes to Financial Statements continued

NOTE 28: CONTROLLED ENTIITES

	Country of incorporation	Ownership 2022 %	2021 %
Parent Entity:			
Cobram Estate Olives Limited	Australia	100	100
Subsidiaries of Cobram Estate Olives Limited:			
Boundary Bend Estate Management Pty Ltd	Australia	100	100
Boundary Bend Estate Pty Ltd	Australia	100	100
Boundary Bend Olives Pty Ltd	Australia	100	100
Boundary Bend Wellness	Australia	100	100
Boundary Bend IP Pty Ltd	Australia	100	100
Olive Management Pty Ltd	Australia	100	100
Cobram Estate Pty Ltd	Australia	100	100
Maqtec Australia Pty Ltd	Australia	100	100
Boundary Bend Assets Pty Ltd	Australia	100	100
Boundary Bend Olives, Inc.	USA	100	100
Boundary Bend Assets, Inc.	USA	100	100
Boundary Bend, Inc.	USA	100	100
Boundary Bend Wellness, Inc.	USA	100	100

There were no subsidiaries of Cobram Estate Olives Limited that were wound up during the year.

Notes to Financial Statements continued

NOTE 29: RELATED PARTY TRANSACTIONS

(a) Trading transactions

During the year, consolidated entities entered into the following trading transactions with related parties that are not members of the consolidated entity. Please note amounts in this note are in $, not rounded to $'000 like the rest of the report.

	Sales of goods/services		Purchase of goods/services	
	2022 $	2021 $	2022 $	2021 $
R. McGavin	10,324	3,052	-	-
P & F Riordan	2,106	72	-	-
P & F Riordan Pty Ltd	-	2,812	-	-
United Retail Group Pty Ltd	-	4,800	-	-
Riordan Grain Services	-	-	2,648	100,684
Riordan Enterprises	-	-	6,798	-
McGavin Investments Pty Ltd	-	-	-	16,500
Poligolet Holdings Pty Ltd	7,289	13,266	-	-
Jubilee Park Vineyards Pty Ltd	1,107	1,689	-	-
Leandro Ravetti	72	-	-	-
Joanna McMillan	212	-	-	-
The Lifestyle Suite Talent Pty Ltd	-	-	109,469	16,129
	21,110	25,691	118,915	133,313

The following balances were outstanding at the end of the reporting period:

	Amounts owed by related parties		Amounts owed to related parties	
	2022 $	2021 $	2022 $	2021 $
R. McGavin	3,840	330	-	-
P & F Riordan	-	72	-	-
Poligolet Holdings Pty Ltd	1,102	6,943	-	-
Jubilee Park Vineyards Pty Ltd	75	-	-	-
The Lifestyle Suite Talent Pty Ltd	-	-	6,325	9,804
	5,017	7,345	6,325	9,804

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior periods for expected credit losses in respect of the amounts owed by related parties.

Sale of goods and services were made at the consolidated entity's usual list prices. Purchases were made at market price.

Notes to Financial Statements continued

NOTE 29: RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Other transactions

During the year, consolidated entities entered into the following transactions with related parties that are not members of the consolidated entity. Please note amounts in this note are in $, not rounded to $'000 like the rest of the report.

	Other Transactions	
	2022 $	**2021 $**
Nil	-	-

(c) Loans to key management personnel

Unsecured loans were provided by Cobram Estate Olives Limited to entities controlled by each of Sam Beaton and Leandro Ravetti (who are both Executive Directors of the Company) in April 2021, for amounts of $4.0 million and $6.4 million, respectively. During FY2022 Sam Beaton repaid $1.33 million and Leandro Ravetti repaid $1.50 million. Contractual agreements with both Executives require a defined amount from the sale of their shareholdings to be directly used to repay the debt.

In FY2021 a $2.0 million loan was also provided by Cobram Estate Olives Limited to Timothy Smith (a current contractor and former employee and Executive Director of the Company). During FY2022 the amount was repaid in full.

(d) Transactions with key management personnel compensation

(i) Key management personnel equity holdings

Details of key management personnel compensation are disclosed in Note 37 to the financial statements.

(ii) Key management personnel equity holdings

Fully paid ordinary shares of Cobram Estate Olives Limited:

Notes to Financial Statements continued

NOTE 29: RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Transactions with key management personnel compensation (continued)

(i) Key management personnel equity holdings (continued)

	Balance at beginning of year No.	Granted as compensation No.	Received upon exercise of options No.	Net other change No.	Balance at end of year No.
2022					
Tim Jonas	5,624,988	-	-	(2,349,612)	3,275,376
Craig Ball	3,851,226	-	230,766	63,735	4,145,727
Jonathan West	5,472,000	-	230,766	24,400	5,727,166
Joanna McMillan	31,860	-	-	537	32,397
Rob McGavin	72,044,376	-	-	29,225	72,073,601
Paul Riordan	18,654,708	-	-	(1,000,000)	17,654,708
Leandro Ravetti	10,348,584	-	-	(3,000,000)	7,348,584
Sam Beaton	8,524,050	-	-	(2,000,000)	6,524,050
2021					
Tim Jonas	5,624,988	-	-	-	5,624,988
Craig Ball	3,765,198	-	-	86,028	3,851,226
Jonathan West	5,472,000	-	-	-	5,472,000
Joanna McMillan	-	-	-	31,860	31,860
Rob McGavin	72,044,376	-	-	-	72,044,376
Paul Riordan	18,654,708	-	-	-	18,654,708
Leandro Ravetti	748,584	-	9,600,000	-	10,348,584
Timothy Smith (a)	1,225,050	-	3,000,000	-	4,225,050
Matthew Bailey (a)	2,025,498	-	-	-	2,025,498
Sam Beaton	2,524,050	-	6,000,000	-	8,524,050

All share quantities have been updated to reflect the post 6:1 share split quantities for FY2022 and FY2021.

(a) Timothy Smith and Matthew Bailey resigned on 18 March 2021 and 4 May 2021 respectively.

(e) Transactions with key management personnel compensation

Share options of Cobram Estate Olives Limited:

Notes to Financial Statements continued

NOTE 29: RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Transactions with key management personnel compensation (continued)

	Balance at beginning of year No.	Granted as compensation No.	Exercised No.	Lapsed No.	Balance at end of year No.
2022					
Tim Jonas	-	-	-	-	-
Craig Ball	230,766	-	(230,766)	-	-
Jonathan West	480,768	-	(230,766)	-	250,002
Joanna McMillan	-	-	-	-	-
Rob McGavin	-	-	-	-	-
Paul Riordan	-	-	-	-	-
Leandro Ravetti	3,000,000	-	-	-	3,000,000
Timothy Smith	-	-	-	-	-
Sam Beaton	3,000,000	-	-	-	3,000,000
2021					
Tim Jonas	-	-	-	-	-
Craig Ball	477,366	-	-	(246,600)	230,766
Jonathan West	727,368	-	-	(246,600)	480,768
Joanna McMillan	-	-	-	-	-
Rob McGavin	-	-	-	-	-
Paul Riordan	-	-	-	-	-
Leandro Ravetti	9,600,000	3,000,000	(9,600,000)	-	3,000,000
Timothy Smith	3,000,000	-	(3,000,000)	-	-
Sam Beaton	6,000,000	3,000,000	(6,000,000)	-	3,000,000

All share options issued to key management personnel are made in accordance with the provision of the employee share option plan.

During the financial year 461,532 options (2021: 18,600,000) were exercised by key management personnel.

Timothy Smith resigned as a Director in 2021, Timothy continues to provide support to the company in a consultant role but is no longer considered key management personnel.

Further details of the employee share option plan and of share options issued during the 2022 and 2021 financial year are contained in Note 33 to the financial statements.

Notes to Financial Statements continued

NOTE 30: FAIR VALUE MEASUREMENTS

(a) Fair value hierarchy

Asset and liabilities measured and recognised at fair value have been categorised into the following fair value measurement hierarchy:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Inputs for the asset or liability that are not based on observable market data

Year ended 30 June 2022 **Recurring fair value measurements**	**Level 1** **$'000**	**Level 2** **$'000**	**Level 3** **$'000**	**Total** **$'000**
Non-financial assets				
Land and buildings at fair value	-	-	179,105	179,105
Financial assets				
Hedging instruments	-	4,567	-	4,567

Year ended 30 June 2021 **Recurring fair value measurements**	**Level 1** **$'000**	**Level 2** **$'000**	**Level 3** **$'000**	**Total** **$'000**
Non-financial assets				
Land and buildings at fair value	-	-	97,054	97,054
Financial liabilities				
Hedging instruments	-	4,097	-	4,097

(b) Transfers between levels

There were no transfers between level 1, level 2 or level 3 of the fair value hierarchy during the year.

(c) Valuation techniques and inputs used in level 2 fair value measurements

	Fair value $'000	**Valuation technique**	**Description of valuation technique and inputs used**
Interest rate swaps	4,567	Income approach	The fair value of interest rate swaps is calculated using the present value of the estimated future cash flows based on observable interest rate yield curves.

Notes to Financial Statements continued

NOTE 30: FAIR VALUE MEASUREMENTS (CONTINUED)

(d) Reconciliation of recurring level 2 fair value movements

	2022 $'000	2021 $'000
Hedging instruments		
Opening balance	4,097	7,114
Total gains and losses recognised in other comprehensive income	(8,664)	(3,017)
Closing balance (asset) / liability	(4,567)	4,097

(e) Valuation techniques and significant unobservable inputs used in level 3 fair value measurements

	Fair value $'000	Valuation technique	Description of valuation technique and inputs used
Land & Buildings	179,105	Market approach	The consolidated entity's land and buildings are stated at their revalued amounts, being the fair value plus any subsequent capital improvements. The directors have based their fair value assessment on the consolidated entity's land & buildings external valuation performed by LAWD and CBRE, independent valuers, for the year ended 30 June 2022. (i) Any relevant current prices in an active market for properties of different nature, condition or location (or subject to different leases or other contracts), if adjustment can be made to reflect those differences; and (ii) Any recent prices of similar properties in less active markets if available, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

(f) Financial assets and liabilities not at fair value

The following assets and liabilities are at amortised cost which approximates their fair value.

Notes to Financial Statements continued

NOTE 30: FAIR VALUE MEASUREMENTS (CONTINUED)

(f) Financial assets and liabilities not at fair value (continued)

	2022 $'000	2021 $'000
Financial assets at amortised cost		
Cash and cash equivalents	5,944	1,175
Trade and other receivables	9,203	24,758
Other assets	1,502	2,019
Other financial assets	4,535	9
	21,184	27,961
Financial liabilities at amortised cost		
Trade and other payables	26,350	24,878
Borrowings	141,105	165,627
	167,455	190,505

NOTE 31: FINANCIAL RISK MANAGEMENT

Capital risk management

The consolidated entity manages its capital to ensure that entities within the consolidated entity will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the consolidated entity consists of debt, which includes the borrowings disclosed in Note 19, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 23, 24 and 25 respectively.

Operating cash flows are used to maintain and expand the consolidated entity’s net asset position, as well as to make the normal outflows of tax, dividend and interest obligations. The consolidated entity’s policy is to borrow centrally, using a variety of borrowing facilities, to meet anticipated funding requirements.

Gearing Ratio

The Board of Directors regularly review the capital structure of the business, based on information provided from monthly management reporting. The consolidated entity regularly monitors it's gearing ratio, calculated as the ratio of total external debt to tangible assets.

Notes to Financial Statements continued

NOTE 31: FINANCIAL RISK MANAGEMENT (CONTINUED)

Gearing Ratio (continued)

	2022 $'000	2021 $'000
Total External Debt	141,105	165,627
Less: Cash and cash equivalents	(5,944)	(1,175)
Net External Debt	135,161	164,452
Total Assets	550,609	451,171
Less: Intangible assets	(6,678)	(6,678)
Tangible Assets	543,931	444,493
Gearing Ratio	24.85%	37.00%

The consolidated entity monitors and manages the financial risks relating to the operations of the consolidated entity throughout the year at meetings of the Board of Directors and key management personnel.

An annual risk review involving all areas of the business is conducted with a report and recommendations presented to the board at the conclusion of the review. The consolidated entity has, to date, identified the following financial risks:

(a) Currency risk
(b) Interest rate risk
(c) Credit risk
(d) Liquidity

The Board of Directors have overall responsibility for identifying and managing operational and financial risks.

The consolidated entity undertakes certain transactions denominated in foreign currencies, hence exposing the consolidated entity to the risk of exchange rate fluctuations. The consolidated entity's policy is to trade in stable currencies which are actively traded in local and world markets to reduce the risk of strongly adverse movements in exchange rates.

(a) Currency risk

It is the policy of the consolidated entity to continually monitor its currency risk, which may include entering into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates to reduce this risk. The objective in entering the forward exchange contracts is to protect the consolidated entity against unfavourable exchange rate movements for both the contracted and anticipated future sales and purchases undertaken in foreign currencies.

At reporting date the carrying amount in AUD of the consolidated entity's external monetary assets denominated in foreign currencies were as follows:

Notes to Financial Statements continued

NOTE 31: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Currency risk (continued)

	Assets		Liabilities	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
European Euros	-	2	6,969	952
US dollars	3,014	2,835	33,337	17,583

Sensitivity

The consolidated entity is mainly exposed to US dollars (USD), European Euros (EUR), and Argentinean pesos (ARS). Contracts for sale of olive oil to the international market are generally denominated in EUR. Contracts for the sale of olive oil are also entered into in USD when selling to the US market. The exposure to ARS is as a result of the consolidated entity's investment in land suitable for the establishment of an olive grove in Argentina. A subsidiary of the consolidated entity, Boundary Bend Estate Pty Ltd, that owns this land, has been determined to have a functional currency of ARS at balance date. The US based entities (Boundary Bend Olives, Inc; Boundary Bend Assets, Inc.; Boundary Bend Wellness, Inc.; and Boundary Bend, Inc.) have a functional currency of USD. Exposure to all other foreign currencies is incidental to the trading of the consolidated entity and the effect of movements in the exchange rates with these foreign currencies is considered immaterial.

The table set out below shows the impact that a 10% increase or decrease in the Australian dollar against the relevant foreign currency would have on the financial statements at reporting date. A positive number indicates an increase in profit or other equity where the Australian dollar strengthens against the foreign currency. A weakening of the Australian dollar against the respective foreign currencies would result in an equal and opposite impact on the financial statements. The stipulated movement for the sensitivity analysis of 10% has been chosen as it represents what may occur in any financial year.

Notes to Financial Statements continued

NOTE 31: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Currency risk (continued)

Sensitivity (continued)

	+10% 2022 $'000	*-10%* 2022 $'000	*+10%* 2021 $'000	*-10%* 2021 $'000
United States dollars				
Impact on profit before tax	(3,032)	3,032	(1,475)	1,475
Impact on equity	(2,182)	2,182	(1,703)	1,703
Argentinean pesos				
Impact on profit before tax	-	-	-	-
Impact on equity	(673)	673	(284)	284
European euros				
Impact on profit before tax	(697)	697	(95)	95
Impact on equity	-	-	-	-

(b) Interest rate risk

The consolidated entity is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, because the consolidated entity borrows funds at both fixed and floating interest rates.

The consolidated entity manages its interest costs using a mix of fixed and floating rate debt. The consolidated entity has fixed a certain amount of debt with the remaining balance subject to a variable interest rate. The consolidated entity has fixed a portion of the floating rate debt by entering into interest rate swaps.

The consolidated entity's exposures to interest rates on financial assets and liabilities are detailed in the liquidity risk management section of this note.

Sensitivity

The following sensitivity analysis has been determined based on the consolidated entity's exposure to long term debt obligations. Changes in interest rates would also have an effect on the interest received by the consolidated entity, however, this effect is considered immaterial for the purpose of the sensitivity analysis.

The analysis has been conducted based on a 100 basis point change (1.00%), either up or down, in the prevailing interest rate at the end of the financial year applied to outstanding debt obligations at reporting date. A 100 basis point sensitivity has been used for the analysis as this is deemed a reflective basis point variance given recent market conditions.

Taking into consideration the variable interest rate instruments at reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the consolidated entity's net profit would decrease/increase:

Notes to Financial Statements continued

NOTE 31: FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Interest rate risk (continued)

Sensitivity (continued)

	-1% **2022 $'000**	***+1%*** **2022 $'000**	***-1%*** **2021 $'000**	***+1%*** **2021 $'000**
Interest rate movement				
Impact on profit before tax	(629)	629	(867)	867

(c) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any expected credit losses, as disclosed in consolidated statement of financial position and notes to financial statements.

Credit risk for derivative financial instruments arises from the potential failure by counterparts to the contract to meet their obligations. The credit risk exposure of forward exchange contracts is the net fair value of these contracts.

The consolidated entity minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers, and where appropriate, has trade credit insurance. Transactions only occur with reputable banks to minimise credit risk.

(d) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the consolidated entity's short, medium and long-term funding and liquidity management requirements. The Consolidated entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the consolidated entity can be required to pay. The tables below include the weighted average effective interest rate.

Notes to Financial Statements continued

NOTE 31: FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

Year ended 30 June 2022	Weighted average effective interest rate	< 6 months	6 - 12 months	> 12 months, < 5 years	5+ years	Total
	%	$'000	$'000	$'000	$'000	$'000
Financial assets:						
Non interest bearing assets	0%	9,203	-	-	-	9,203
Variable interest rate instruments						
- Cash	0%	5,943	-	-	-	5,943
- Amounts received from directors and key management personnel	4.52%	-	-	7,567	-	7,567
Financial liabilities:						
Non interest bearing liabilities	0%	26,342	-	-	-	26,342
Variable interest rate instruments						
- Bank loans	2.16%	-	-	62,884	-	62,884
Fixed interest rate instruments						
- Bank loans	4.05%	-	-	58,000	-	58,000
- Lease liability	3.48%	89	151	2,155	3,064	5,459
- Chattel Mortgage liability	3.93%	2,089	1,691	16,441	-	20,221
30 June 2021						
Financial assets:						
Non interest bearing assets	0%	22,758	-	-	-	22,758
Variable interest rate instruments						
- Cash	0%	1,175	-	-	-	1,175
- Amounts received from directors and key management personnel	4.52%	-	2,000	10,400	-	12,400
Financial liabilities:						
Non interest bearing liabilities	0%	24,878	-	-	-	24,878
Variable interest rate instruments						
- Bank loans	2.34%	-	-	84,748	-	84,748
Fixed interest rate instruments						
- Bank loans	4.05%	-	-	60,000	-	60,000
- Lease liability	3.48%	91	98	1,898	2,982	5,069
- Chattel Mortgage liability	3.93%	1,558	2,237	17,084	-	20,879

Notes to Financial Statements continued

NOTE 32: CONSOLIDATED ENTITY DETAILS

The registered office of the consolidated entity is:

151 Broderick Road
LARA VICTORIA 3212

NOTE 33: SHARE-BASED PAYMENTS

(a) Employee Option Plan

The consolidated entity has an ownership-based compensation scheme for employees, officers and consultants.

Equity-based compensation benefits have been granted by Cobram Estate Olives Limited under an employee share option plan adopted by the Board (Historical ESOP). The Historical ESOP was established to enable Cobram Estate Olives Limited to grant options over Shares to Directors, key management personnel and other employees of the Company.

Each option converts into one ordinary share of Cobram Estate Olives Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Cobram Estate Olives Limited has resolved to replace the Historical ESOP with the LTIP, which was established to support the Cobram Estate Olive Limited's policy of issuing incentive securities to assist in the motivation, retention, and reward of eligible employees. The LTIP is designed to align the interests of employees with the interests of Shareholders by providing an opportunity for employees to receive an equity interest in Cobram Estate Olives Limited.

Cobram Estate Olives Limited does not propose to issue any further Options under the Historical ESOP following Completion of the Employee Gift Offer.

Details of the total share options outstanding at the end of the year are provided below:

Grant date	Vesting Date	Expiry date	Exercise price	Fair value at grand date	Balance at start of the period	Granted during the period	Exercised during the period	Forfeited during the period	Balance at the end of the year	Exercis-able at end of the year
2022										
27-Apr-17	01-Jul-24	1-Aug-24	$1.50	$1.33	600,000	-	-	-	600,000	-
1-May-17	**	1-Aug-24	$1.50	$1.33	1,500,000	-	-	(1,500,000)	-	-
19-Sep-18	19/08/23	19-Sep-23	$1.50	$1.42	780,000	-	-	-	780,000	-
15-Dec-18	16/12/18	15-Dec-21	$1.42	$1.42	461,532	-	(461,532)	-	-	-
22-Mar-19	16/2/26	22-Mar-26	$1.50	$1.42	180,000	-	-	-	180,000	-
6-Dec-19	6/12/22	6-Jan-23	$1.50	$1.42	90,000	-	-	-	90,000	90,000
6-Dec-19	6/12/24	16-Jan-25	$1.50	$1.42	90,000	-	-	-	90,000	-
15-Dec-19	16/12/19	15-Dec-22	$1.42	$1.42	250,002	-	-	-	250,002	250,002
17-Apr-21	18/3/26	17-Apr-26	$1.50	$1.42	1,200,000	-	-	-	1,200,000	-
17-Apr-21	18/3/28	17-Apr-28	$1.50	$1.42	15,300,000	-	-	-	15,300,000	-
					20,451,534	-	(461,532)	(1,500,000)	18,490,002	340,002

Notes to Financial Statements continued

NOTE 33: SHARE-BASED PAYMENTS (CONTINUED)

(a) Employee Option Plan (continued)

Grant date	Vesting Date	Expiry date	Exercise price	Fair value at grand date	Balance at start of the period	Granted during the period	Exercised during the period	Forfeited during the period	Balance at the end of the year	Exercis-able at end of the year
2021										
10-Nov-14	*	10-Nov-24	$0.67	$0.55	18,600,000	-	(18,600,000)	-	-	-
27-Apr-17	01-Jul-24	1-Aug-24	$1.50	$1.33	600,000	-	-	-	600,000	-
1-May-17	**	1-Aug-24	$1.50	$1.33	1,500,000	-	-	-	1,500,000	558,000
15-Dec-17	16-Dec-17	15-Dec-20	$1.33	$1.33	493,200	-	-	(493,200)	-	-
19-Sep-18	19-Aug-23	19-Sep-23	$1.50	$1.42	960,000	-	-	(180,000)	780,000	-
15-Dec-18	16-Dec-18	15-Dec-21	$1.42	$1.42	461,532	-	-	-	461,532	461,532
22-Mar-19	16-Feb-26	22-Mar-26	$1.50	$1.42	660,000	-	-	(480,000)	180,000	-
6-Dec-19	06-Dec-22	6-Jan-23	$1.50	$1.42	90,000	-	-	-	90,000	-
6-Dec-19	06-Dec-24	16-Jan-25	$1.50	$1.42	90,000	-	-	-	90,000	-
15-Dec-19	16-Dec-19	15-Dec-22	$1.42	$1.42	250,002	-	-	-	250,002	250,002
17-Apr-21	18-Mar-26	17-Apr-26	$1.50	$1.42	-	1,200,000	-	-	1,200,000	-
17-Apr-21	18-Mar-28	17-Apr-28	$1.50	$1.42	-	15,300,000	-	-	15,300,000	-
					23,704,734	16,500,000	(18,600,000)	(1,153,200)	20,451,534	1,269,534

* The vesting date was 10/11/21, brought forward to 10/04/21

** The option vests over the life of the option and has several vesting dates.

On 24 June 2021, the shareholders approved the share split of 6:1 ratio. This resulted in the shares and options then on issue multiplying by 6. The above tables have been updated to reflect the post-share split share quantities.

(b) Fair value of share options granted in the year

There were zero options granted during the year (2021: 16,500,000).

(c) Share options exercised during the year

In FY2022, 461,532 options granted on 15 December 2018 were exercised on 14 December 2021.

(d) Options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of $1.50 (2021: $1.50), and a weighted average remaining contractual life of 1,907 days (2021: 2,505 days).

Notes to Financial Statements continued

NOTE 34: DIVIDENDS

	2022 $'000	2021 $'000
The Board paid a dividend of 3.3 cents per share on 8 December 2021, franked at 20% (2021: none) *	12,785	-
Balance of franking account on a tax paid basis at financial year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and any credits that may be prevented from distribution in subsequent years:	(59)	9

* The FY2022 dividend includes an amount of $1.2m for shares issued under the Dividend Reinvestment Plan.

NOTE 35: PARENT ENTITY DETAILS

Summarised presentation of the parent entity, Cobram Estate Olives Limited and controlled entities, financial statements:

(a) Summarised parent statement of financial position

	2022 $'000	2021 $'000
Assets		
Current assets	5,338	315
Non-current assets	241,807	211,046
Total assets	247,145	211,361
Liabilities		
Current liabilities	-	4,384
Non-current liabilities	120,884	144,748
Total liabilities	120,884	149,132
Net assets	126,261	62,229

Notes to Financial Statements continued

NOTE 35: PARENT ENTITY DETAILS (CONTINUED)

(a) Summarised parent statement of financial position (continued)

Equity		
Share capital	179,756	127,745
Retained earnings	(58,238)	(58,481)
Reserves	-	-
Investment revaluation reserve	763	(5,198)
Share based payments reserve	784	1,030
Cash flow hedge reserve	3,196	(2,867)
Total equity	126,261	62,229

(b) Summarised parent statement of comprehensive income

Profit/(loss) for the year	15,072	1,580
Other comprehensive income for the year	6,065	2,112
Total comprehensive income for the year	21,137	3,692

(c) Parent entity guarantees

The bank loans are secured by a general security interest over the assets and undertakings of Cobram Estate Olives Limited and its Australian subsidiaries. The bank also has mortgages over the Australian real properties owned by the consolidated entity's Australian subsidiaries. All Australian subsidiaries guarantee the bank loans.

(d) Parent entity contingent liabilities

There are no contingent liabilities as at 30 June 2022.

(e) Parent entity contractual commitments

The parent entity has no contractual commitments for the acquisition of property, plant or equipment.

NOTE 36: CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2022 (30 June 2021: none).

Notes to Financial Statements continued

NOTE 37: KEY MANAGEMENT PERSONNEL COMPENSATION

Details of key management personnel
The directors and other members of key management personnel of the consolidated entity during the year were:

Key management personnel	Position
Rob McGavin	Non-Executive Chair.
Paul Riordan	Non-Executive Director.
Leandro Ravetti	Joint-Chief Executive Officer (Technical and Production).
Tim Jonas	Non-Executive Director.
Craig Ball	Non-Executive Director.
Jonathan West	Non-Executive Director.
Sam Beaton	Joint-Chief Executive Officer (Finance and Commercial).
Joanna McMillan	Non-Executive Director.

Key management personnel compensation

The aggregate compensation made to key management personnel of the consolidated entity is set out below:

	2022 $	2021 $
Compensation received by key management personnel of the consolidated entity:		
- Short-term employee benefits	1,984,924	2,394,181
- Post-employment benefits	53,028	92,200
- Share-based payments	76,339	510,453
	2,114,291	2,996,834

NOTE 38: SUBSEQUENT EVENTS

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Notes to Financial Statements continued

NOTE 39: COMMITMENTS FOR EXPENDITURE

At 30 June 2022 there were the following commitments for capital expenditure:

- Land & Buildings	$1.3 million
- Plant & Equipment	$5.1 million
- Irrigation	$4.7 million
- Motor Vehicles	$0.1 million
- Grove costs	$0.4 million
	$11.6 million

At 30 June 2021, there were $5.5 million commitments for capital expenditure.

NOTE 40: EARNINGS/ (LOSS) PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2022 $'000	2021 $'000
Earnings		
(Loss) / profit for the purposes of basic and diluted earnings per share	(696)	35,224

	2022	2021
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	402,313,548	372,980,813
Weighted average number of ordinary shares for the purposes of diluted earnings per share	422,026,850	395,282,642

Directors' Declaration

The Directors of the consolidated entity declare that:

(1) the consolidated financial statements and notes set out on pages 2 to 65 are in accordance with the *Corporations Act 2001*, including:

(a) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) as stated in Note 1, the financial statements also comply with International Financial Reporting Standards; and

(c) give a true and fair view of the financial position as at 30 June 2022 and performance for the year ended on that date of the consolidated entity.

(2) In the Directors' opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s295(5) of the Corporations Act 2001, refer to rounding of amounts note 1(s)

Director: Rob McGavin (Non-Executive Chair)

Director: Tim Jonas (Non-Executive Director)

Dated this 25 August 2022

Independent Auditor's Report

For the year ended 30 June 2022

Deloitte.

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Independent Auditor's Report to the members of Cobram Estate Olives Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cobram Estate Olives Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Key Audit Matters

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

Independent Auditor's Report continued

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Inventory valuation – current year Australian grown oil crop
 	
As disclosed in Note 10 the Group held olive oil inventory of $102.7 million as at 30 June 2022. The olive oil inventory comprises olive fruit that has been fully harvested and crushed at year end which was sourced from the 2022 harvest.
 	
Australian Accounting Standards require agriculture produce, including olives, which are grown on the Group's bearer plants to be included in inventory and measured at fair value less cost to sell, at the point of harvest.
 	
The inputs used by the Group in the valuation of Australian inventory sourced from the 2022 harvest include harvest volumes, growing costs and key assumptions for the fair value of olive fruit.
 	
We consider the valuation of the current year Australian olive oil to be a key audit matter because of the judgements involved in the determination of the fair value of the olive fruit at the point of harvest which is a component of the costing of the olive oil.
	We performed the following procedures, amongst others:
	
	• We obtained an understanding of the valuation processes and controls implemented to measure the harvest volumes
	• In conjunction with our valuation specialists we evaluated the fair value less cost to sell of the Australian fruit at the point of harvest by:
	    • Assessing the methodology applied in the determination of fair value less costs to sell
	    • Challenging the assumptions in the valuation in respect to selling prices and costs to sell
	• Agreeing a sample of costs of harvesting and processing costs during the year to supporting documentation and agreed the allocation of these costs to inventory as at 30 June 2022
	• Testing the mathematical accuracy of the valuation
	• Evaluating the adequacy of the disclosures made in Note 10 of the financial statements.

Land and buildings at fair value – Australia and US olive growing and oil processing properties
 	
Land and buildings are measured at fair value with each asset reviewed annually to ensure carrying value does not differ significantly from its fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value as disclosed in Note 15.
 	
The Group has property in different locations with a total fair value of all properties being $179.1 million at reporting date. Included in land and buildings are property assets used for growing olives and producing olive oil in Australia USA.
 	
We consider the valuation of Australian and USA olive growing and oil processing properties to be a key audit matter because of the judgements involved in the key assumptions.
	Our audit procedures included, but were not limited to:
	
	• challenging the assessment of fair value with reference to the independent valuations obtained during the year and assessing market conditions
	• in conjunction with our valuation specialists, we evaluated the fair value of properties at balance date by:
	    • assessing the valuation methodology applied by the independent valuers
	    • performing research to test the independent property transactions included in the valuations and testing the completeness of comparable property transactions which may impact the fair value recognised
	• Holding discussions with the independent valuers and assessing their competence and capabilities
	• Evaluating the adequacy of the disclosures made in Note 15 and Note 30 of the financial statements.

Independent Auditor’s Report continued

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2022, but does not include the financial report and our auditor’s report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor’s Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report continued

Deloitte.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 46 to 53 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Cobram Estate Olives Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Peter h Glynn

Peter Glynn
Partner
Chartered Accountants

Melbourne, 25 August 2022

Additional Securities Exchange Information

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report. The information provided is current as at 11 August 2022 (Reporting Date).

2022 Corporate Governance Statement

Cobram Estate Olives Limited is committed to conducting its business activities and governing the Company in accordance with best practice corporate governance standards to the extent appropriate to the size and nature of the Company's operations.

The Company has prepared a statement which sets out the corporate governance practices that are in operation at the Reporting Date (Corporate Governance Statement). This Corporate Governance Statement details the extent to which the Company follows, as at the Reporting Date, the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Recommendations) and provides reasons for not following those Recommendations as well as alternate governance practices (if any) that the Company intends to adopt instead of those Recommendations.

In accordance with ASX Listing Rules, the Corporate Governance Statement is available for review in the corporate governance section of the Company's website (https://investors.cobramestateolives.com.au/investor-centre/) and will be lodged together with an Appendix 4G with the ASX at the same time that this Annual Report is lodged with the ASX. The Appendix 4G will detail each Recommendation that needs to be reported against by the Company and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on its website (https://investors.cobramestateolives.com.au/investor-centre/).

Number of Holdings of Equity Securities

As of 11 August 2022 ("Reporting Date"), the number of holders of each class of Cobram Estate Olives Limited equity securities on issue is as follows:

CLASS OF EQUITY SECURITIES	NUMBER OF HOLDERS
Ordinary Shares	3,210
Options exercisable at $1.50 and expiring 1 August 2024	2
Options exercisable at $1.50 and expiring 19 September 2023	4
Options exercisable at $1.50 and expiring 22 March 2026	1
Options exercisable at $1.50 and expiring 6 January 2023	1
Options exercisable at $1.50 and expiring 16 January 2025	1
Options exercisable at $1.42 and expiring 15 December 2022	1
Options exercisable at $1.50 and expiring 17 April 2026	1
Options exercisable at $1.50 and expiring 17 April 2028	10

Voting Rights of Equity Securities

The only class of equity securities on issue in the Company which carry voting rights is ordinary shares.

As at the Reporting Date, there were 3,210 holders of a total of 414,500,504 ordinary shares in the Company. The voting rights attached to ordinary shares (as set out in the Company's constitution) are that every member who is present at a general meeting and entitled to vote:

- on a show of hands, has one vote; and
- on a poll, has one vote for each fully paid share the member holds.

Additional Securities Exchange Information continued

Distribution of Holders of Equity Securities

The distribution of holders of the Company's equity securities on issue as of the Reporting Date is as follows.

Twenty Largest Holders of Quoted Equity Securities

The Company only has one class of quoted securities, being ordinary shares. The names of the 20 largest holders of ordinary shares, and the number of ordinary shares and percentage of capital held by each holder, is as follows:

RANK	NAME	A/C DESIGNATION	11 AUG 2022	% IC
1	ROBERT MCGAVIN		29,027,068	7.00
2	MCGAVIN INVESTMENTS PTY LTD	MCGAVIN VINEYARD	17,673,984	4.26
3	CITICORP NOMINEES PTY LIMITED		16,508,539	3.98
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED		15,538,369	3.75
5	BELL POTTER NOMINEES LTD	<BB NOMINEES A/C>	13,655,100	3.29
6	RD & KA MCGAVIN PTY LTD AS TRUSTEE FOR THE RD & KA MCGAVIN SUPERANNUATION FUND		12,461,538	3.01
7	TROPICO PTY LTD	<PHILIP MYER FAMILY A/C>	10,300,000	2.48
8	PAUL RIORDAN		9,820,800	2.37
9	GOWING BROS LIMITED		9,470,774	2.28
10	H & M ASSOCIATES		8,807,506	2.12
11	WOOBINDA NOMINEES PTY LTD	<THE WOOBINDA FAMILY A/C>	8,726,580	2.11
12	BOOL INVESTMENTS PTY LTD		7,837,170	1.89
13	P & F RIORDAN INVESTMENTS P/L ATF P&F RIORDAN FAMILY TRUST		7,494,500	1.81
14	RAVETTI INVESTMENTS PTY LTD	THE RAVETTI FAMILY	7,348,584	1.77
15	WOOBINDA NOMINEES PTY LTD	<THE WOOBINDA FAMILY A/C>	6,650,000	1.60
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2		6,505,303	1.57
17	MR ANDREW MATTHEW CRICHTON CAMERON & MRS DEBORAH MADGE CAMERON	<CAMERON SUPER FUND A/C>	6,053,298	1.46
18	S BEATON INVESTMENTS PTY LTD	THE BEATON FAMILY	6,000,000	1.45
19	NEVILLE J BERTALLI		5,658,301	1.36
20	ZERO NOMINEES PTY LTD		5,100,000	1.23
	Total		**210,637,414**	**50.81**

Empty cells indicate that the holder was outside of the top 1000 at some point during the specified reporting period. Data from OSCAR.

Substantial Shareholders

As of Reporting Date, the names of the substantial holders of Cobram Estate Olives Limited's equity securities are as follows:

HOLDER[1]	SECURITIES	% OF SECURITIES ON ISSUE	MOVEMENT SINCE 1 JULY 2022
Rob McGavin	72,073,601	17.4%	No change

Notes:

1. Holders of securities in the Company may hold their interests in those securities directly, or through entities associated with them (e.g. through holdings by companies or trusts).

Additional Securities Exchange Information continued

Unmarketable Parcels

The number of holders of less than a marketable parcel of ordinary shares based on the closing market price as at the Reporting Date is as follows:

UNMARKETABLE PARCELS	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum $500 parcel at $1.38 per unit on 11/08/2022	363	304	*75,538*

Voluntary Escrowed Shares

The Company has no voluntary escrowed shares.

Unquoted Equity Securities

The number of each class of unquoted equity securities on issue, and the number of their holders, are as follows:

CLASS OF SECURITIES	NUMBER OF UNQUOTED EQUITY SECURITIES	NUMBER OF HOLDERS
Options	18,490,002	13

There are no persons who hold 20% or more of equity securities in each unquoted class other than under an employee incentive scheme.

On Market Buyback

There is no current on-market buy-back program in place.

Issues of Securities

There are no issues of securities approved for the purposes of item 7 of section 611 of the Corporations Act that have not yet been completed.

Securities purchased on-market

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme, or to satisfy the entitlements of the holders of options or other rights to acquire securities granted, under an employee incentive scheme.

Stock Exchange Listing

Cobram Estate Olives Limited's ordinary shares are quoted on the Australian Securities Exchange (ASX issuer code: CBO).

Other information

Registers of Cobram Estate Olives Limited's securities are held by Link Market Services, Level 13, Tower 4, 727 Collins Street, Melbourne, Victoria, 3000.

Corporate Directory

Directors

Rob McGavin – Non-Executive Chair and Co-Founder
Paul Riordan – Non-Executive Director and Co-Founder
Tim Jonas – Non-Executive Director
Craig Ball – Non-Executive Director
Dr Joanna McMillan – Non-Executive Director
Professor Jonathan West – Non-Executive Director
Sam Beaton – Joint-CEO and Executive Director
Leandro Ravetti – Joint-CEO and Executive Director

Chief Financial Officer and Company Secretary

Russell Dmytrenko

Registered Office

151 Broderick Road
Lara VICTORIA 3212

Share Registry

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Legal Advisors

DLA Piper
Level 12, 80 Collins Street
Melbourne VICTORIA 3000

Trademark Attorney

Burns IP & Commercial
PO Box 177
Hampton VICTORIA 3188

Auditor

Deloitte Touche Tohmatsu
477 Collins Street
Melbourne VICTORIA 3000

Website

cobramestateolives.com.au

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