

BOUNDARY
BEND
LIMITED



Growing olive
goodness

Boundary Bend Limited AGM

29 October 2020



PROFIT AND LOSS

	FY17 (\$'000)	FY18 (\$'000)	FY19 (\$'000)	FY20 (\$'000)
EBITDA				
Australian olive oil business	44,490	12,070	42,566	(2,947)
USA olive oil business	(6,759)	(6,435)	(4,430)	(8,100)
Wellgrove / Value-add	(2,540)	(3,936)	(4,887)	(8,619)
	35,191	1,699	33,249	(19,666)
Earning before Tax	20,968	(13,132)	16,648	(40,230)
Net Profit after Tax	12,834	(13,276)	8,759	(32,700)

A disappointing year, with loss driven by 4 key factors

- Low yield from our Australian harvest
- Extra-ordinary water costs
- Investment in growing our USA operations
- Investment in Wellgrove operation and R&D

OPERATING CASH FLOW

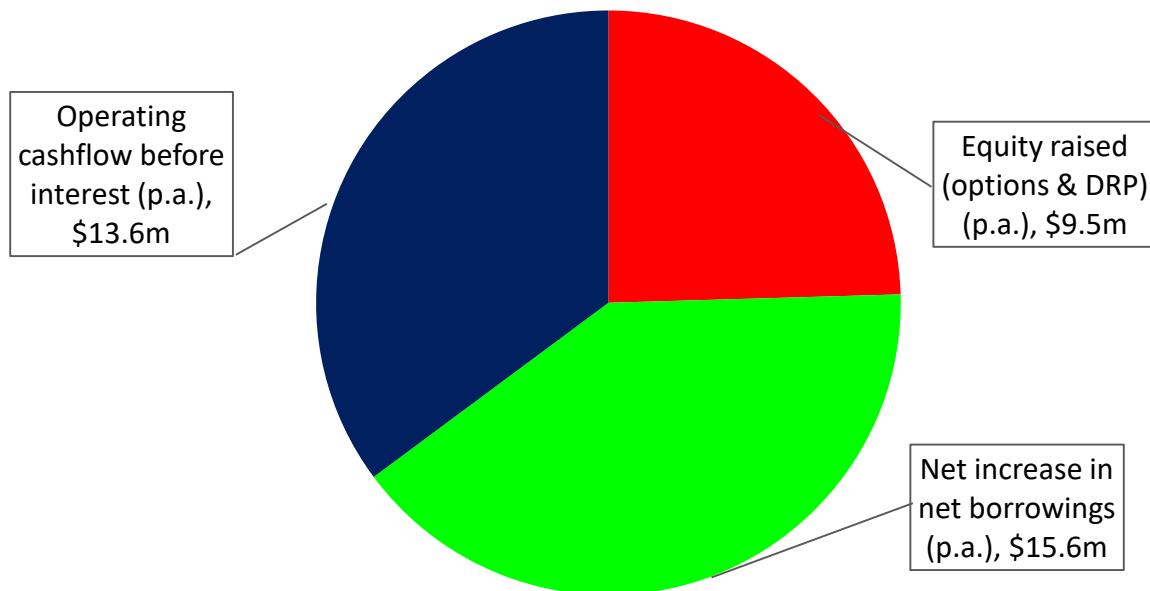
	FY16 (\$'000)	FY17 (\$'000)	FY18 (\$'000)	FY19 (\$'000)	FY20 (\$'000)
Operating Cash Flow (before interest and tax), by segment:					
Australian olive oil business	27,111	28,860	33,969	14,566	31,107
USA olive oil business	(6,103)	(7,091)	(7,347)	(4,160)	(8,427)
Wellgrove / Value-add	(699)	(2,250)	(3,835)	(5,405)	(9,647)
	20,309	19,519	22,787	5,001	13,033
Group interest	(3,836)	(3,695)	(3,913)	(4,875)	(6,037)
Group tax	(3)	(3)	(73)	(5)	(6)
Group Operating Cash Flow (reported)	16,470	15,821	18,801	121	6,990

- More consistent cashflow a reflection of when we sell our oil to meet customer demand (compared to P&L which driven by our harvest result)
- FY 2021 will see a substantial reduction in operation cashflow investment/outflow in both the USA and Wellgrove businesses

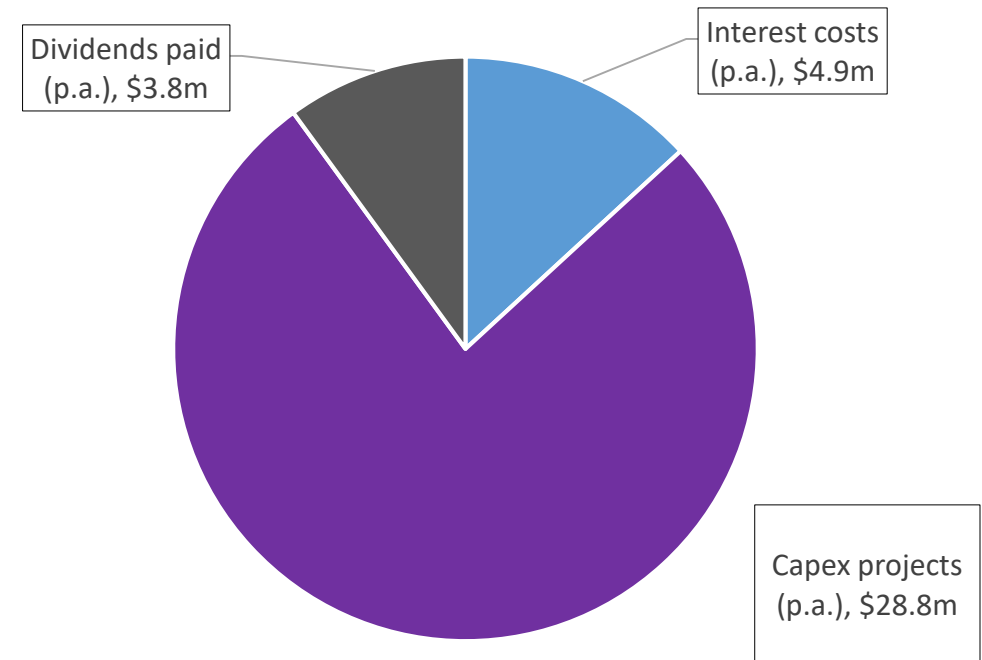
OPERATING CASH FLOW & USE OF FUNDS

We have invested significantly in capital projects to deliver future growth

**Cash from operating, borrowing
and new equity (3yr average)**



Use of cash (3yr average)



* Average annual numbers (FY18, FY19 and FY20)

SUMMARY OF INVESTMENT IN FUTURE GROWTH

	FY17 (\$'000)	FY18 (\$'000)	FY19 (\$'000)	FY20 (\$'000)	Total
USA Olive Oil - Operations	6,759	6,435	4,430	8,100	25,724
USA Olive Oil - Capex	2,955	10,748	16,024	10,798	40,525
					66,249
Wellness / Wellgrove - Operations	2,540	3,936	4,887	8,619	19,982
Australia Olive Oil - Capex	18,191	24,422	28,833	21,899	93,345
Total Opex & Capex to support medium and long term growth					179,576

Over the last four years, we have incurred significant expense from investing in our core growth strategies

BANK DEBT & INTEREST RATE HEDGING

At 30 June 2020	FACILITY	UNUSED
Core Debt Facility	AUD 58.0m	-
Working Capital Facilities	AUD 75.0m	AUD 8.0m
Foreign Currency Facility	USD 10.5m	-

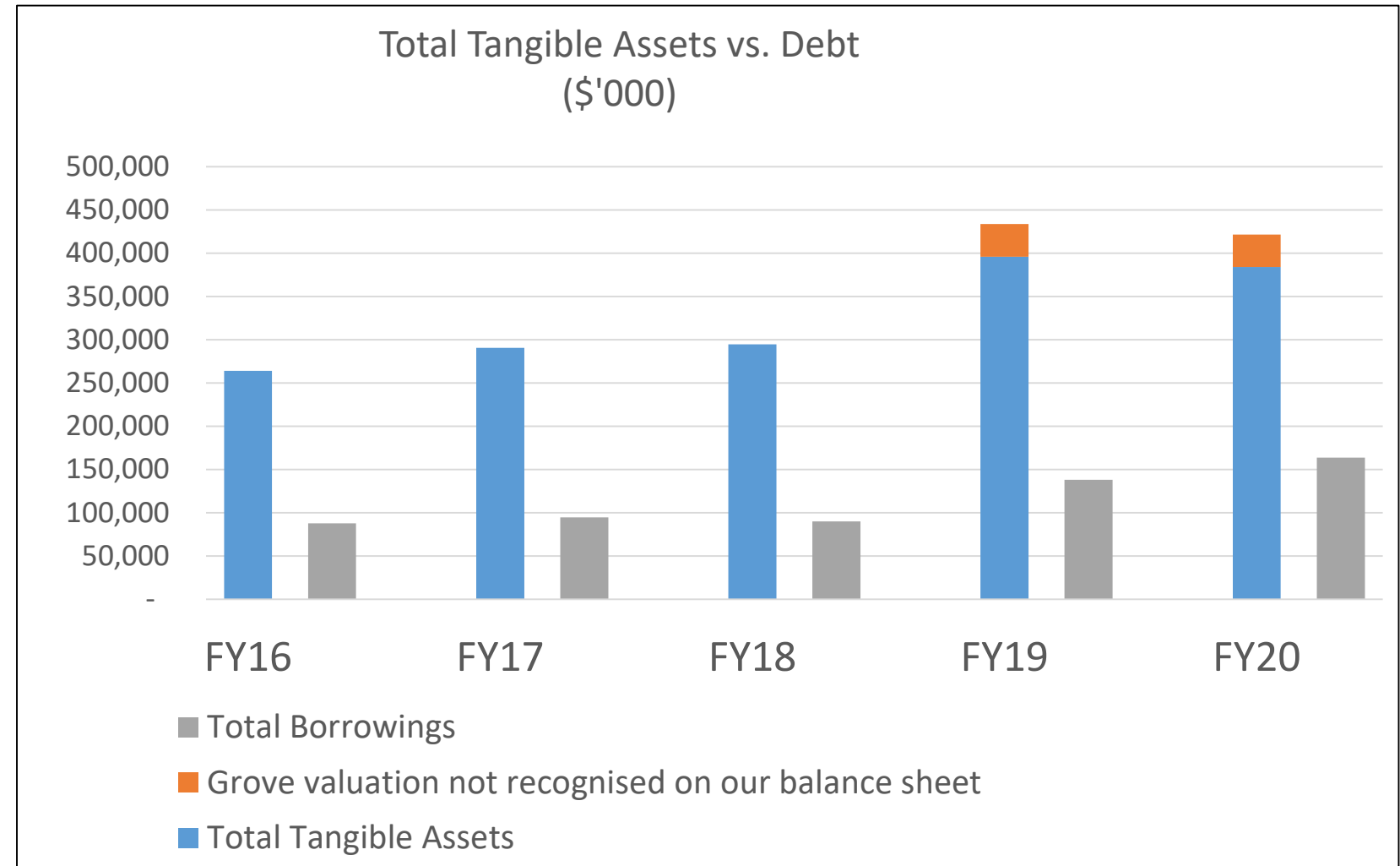
- Facilities provided by Commonwealth Bank of Australia.
- Secured against Australian assets only, and all Facilities have been extended out to October 2024.

Interest rate hedging (\$60m of the above debt is hedged, the balance is variable)

Amount	Term and Hedge Expiry	Interest rate (before bank margin)
\$7.5m	10 years, August 2024	4.07%
\$7.5m	15 years, August 2029	4.38%
\$15m	15 years, June 2031	2.49%
\$30m	7 years, February 2027	1.04 %

TOTAL TANGIBLE ASSETS AND DEBT

- Gearing has increased, but in our view still at acceptable levels
- At 30 June 2020, \$164m of borrowings, against \$421m of assets
- The asset value excludes any brand value, which generated net sales of \$93.7m in FY20
- Borrowings forecast to remain stable in FY2021, despite forecast capex spend of over \$15m



BALANCE SHEET SUMMARY

Shares: 61.46m shares on issue

Assets of \$390.5m

Cash, inventory, oil and receivables of \$81.2m

Land & buildings, trees and irrigation \$240.5m

Plant and equipment \$51.7m

Intangibles \$6.7m (mostly Cobram Estate and Red island trademarks)

Other \$10.4m

Note: management estimate the cost to replace these tangible assets, including investing in the trees until they reach cashflow breakeven would be in excess of \$556m (\$9.05 share). This estimate does not attribute any value for the Cobram Estate and Red Island brands (net sales of \$93.7m in FY20) nor does it deduct Boundary Bend's liabilities, as at 30 June 2020.

Liabilities (excluding deferred tax) of \$211.2m*

Bank loans of \$140.3m (CBA)

Asset finance / leasing of \$23.4m

Creditors and other liabilities (current) of \$25.0m

Other \$22.5m

* Reported liabilities per FY20 Financial Report are \$244.5m. Above Liabilities excludes Deferred Tax Liability of \$33.3m which is predominately a tax liability (capital gain) due if Boundary Bend was to dispose of land and grove assets.

Looking ahead and trading update

- We are optimistic about the year ahead
- This year is an “on-year”. The last on-year, we produced 13.2m litres, compared to this year’s harvest of 6.2m litres
- Water costs have now returned closer to long term average, and we expect a material reduction in costs
- The business is operating with a leaner cost structure
- Australian sales remain strong, with our packaged goods still selling well above pre-Covid levels

Looking ahead and trading update

- Continued investment in growing our packaged goods business has allowed us to significantly decrease the operating investment in the business
- We have reported our first profitable month since start-up 6 years ago, and are EBITDA positive for the first 3 months of FY2021
- The business is now operating with a significantly leaner cost structure
- We continue to invest in growth of a packaged good, and are forecasting significant sales growth

FOUR CORE OPPORTUNITIES TO DRIVE FUTURE GROWTH



Increasing yields from maturing existing orchards, together with incremental production from new plantings

Our trees are still maturing, and in addition we are still planting.

\$/L

Increasing the farm-gate return for our Extra Virgin olive oils

Educating media, health professionals and consumers of the superior value of Cobram Estate.

Price increase to counter rising costs.



Building our vertically integrated business in the USA



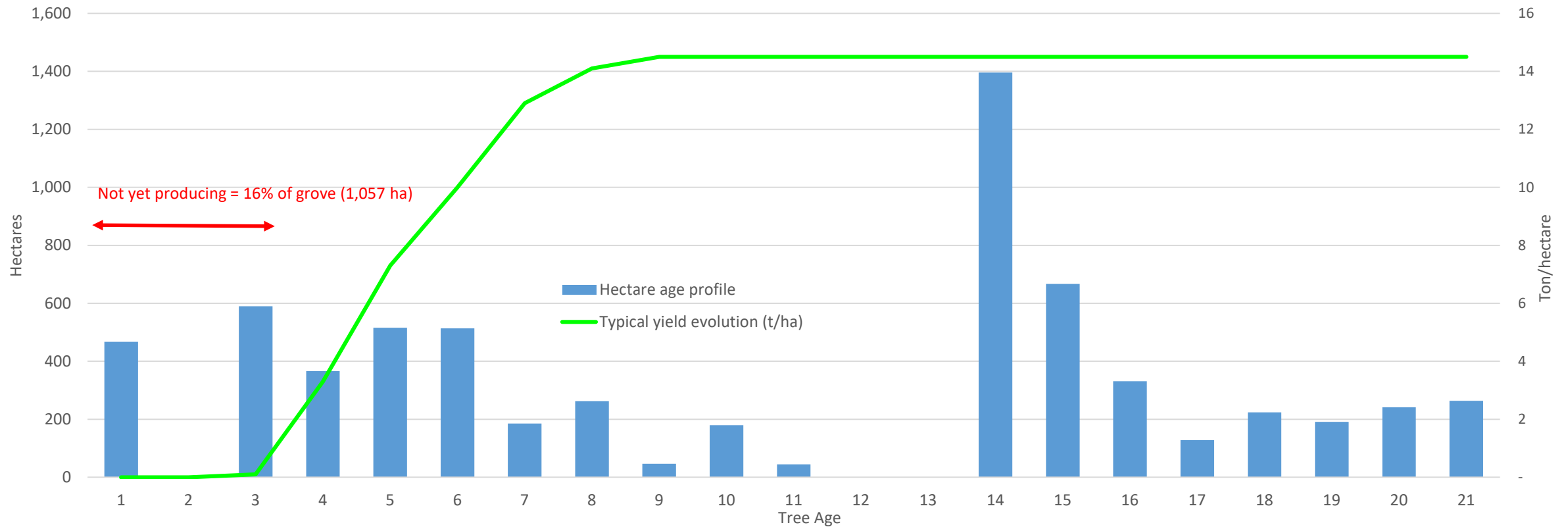
Value-adding by-products and waste streams

Undertaking research ,market development and sales

What you need to know

- Unfortunately, no dividend will be paid this year and the board will review again after our full year results
- Oil production from our Australian groves will double in the medium term. Much of this revenue increase will fall to the bottom line.
- Branded sales are strong, profitable, predictable and growing.
- USA business turns corner.
- Value-Add will be a significantly smaller loss this year.
- Annual water costs on track to reduce by circa \$13m this year. Strategy being pursued to supply our major water using grove (Boundary Bend Estate) using underground water.
- We conducted an operational review and have restructured some functions within the business - allowing us to reduce total annual salaries in the last 12 months by circa \$3m.
- 152 frost fans have been installed giving material future frost protection.

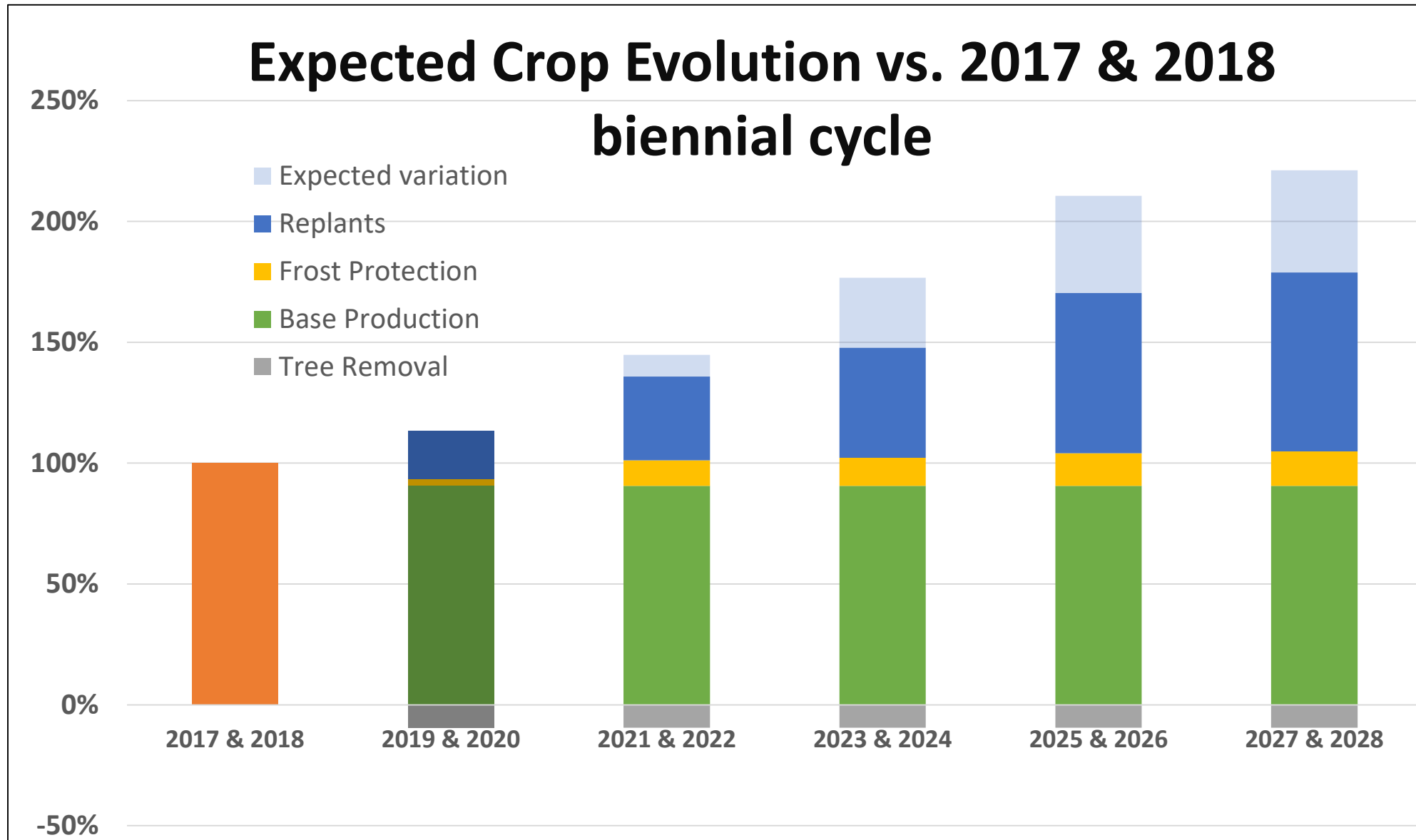
Total planted hectares & yield profile



Source: Company data - year 1 includes FY20/21 plantings

Trees not fully mature = 40% of grove area (2,638 hectares)

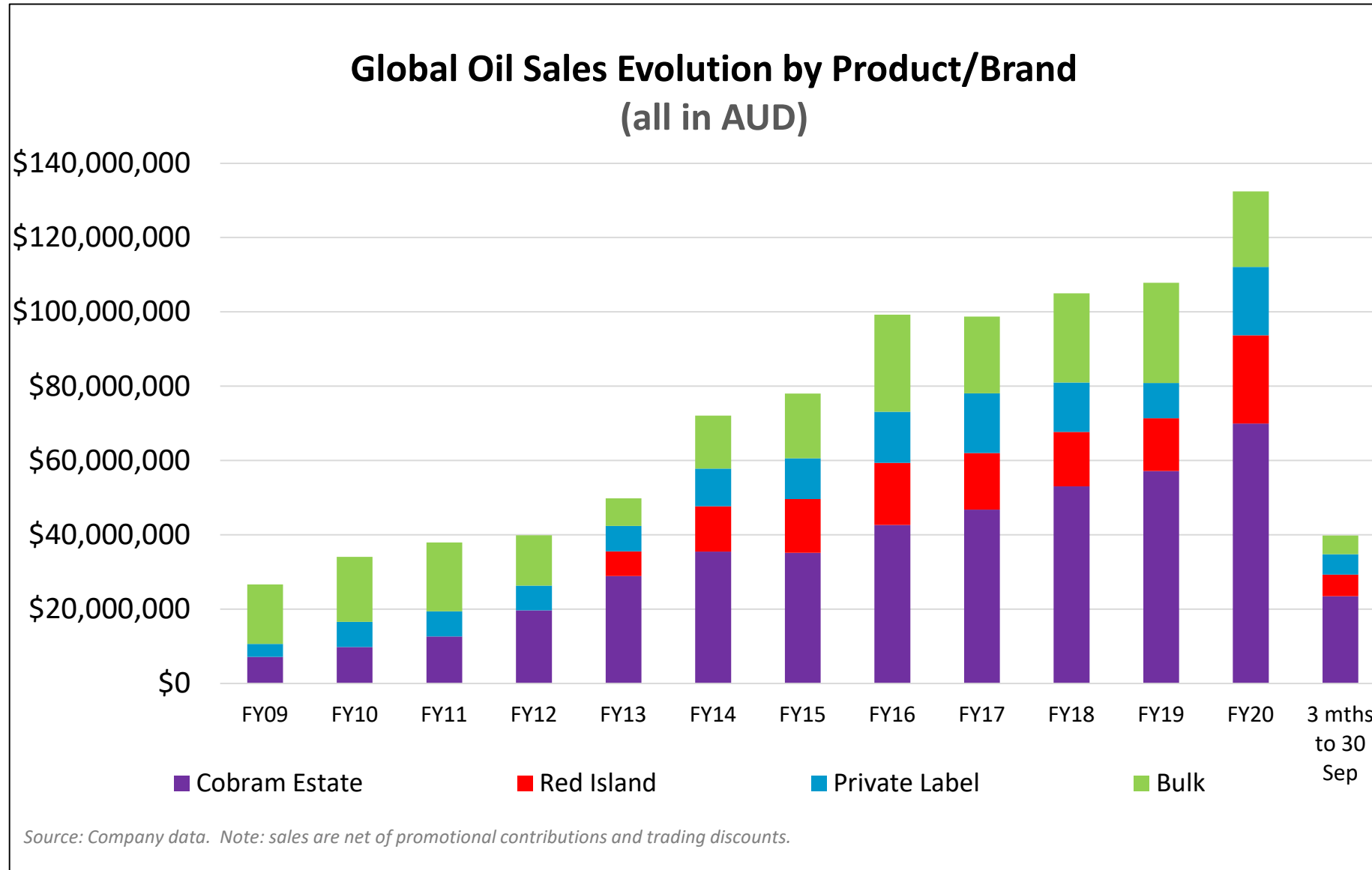
AUSTRALIAN OLIVE OIL BUSINESS



Our 2020 Harvest and our people

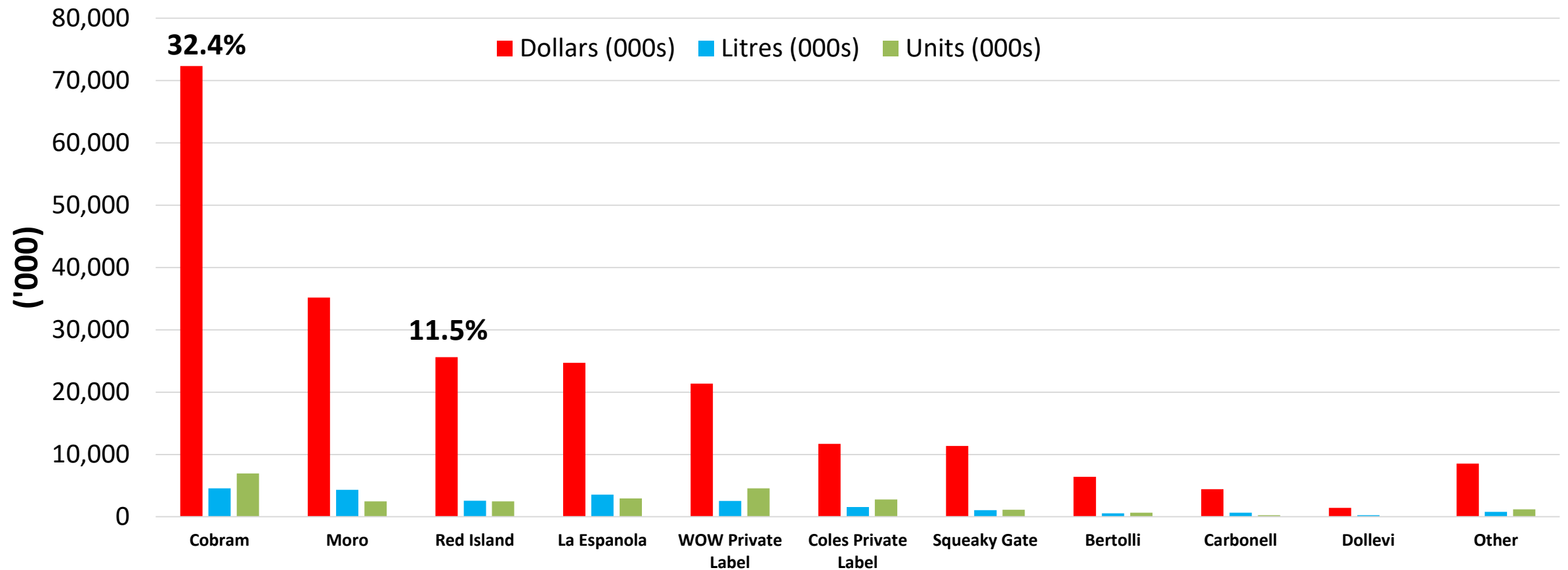


HIGHLIGHTS – STRONG BRANDED SALES GROWTH



RETAIL SALES AUSTRALIA

Australian Retail - Extra Virgin Olive Oil Dollar Sales
Woolworths and Coles Brand Share of EVOO - 12 months to 4 October 2020



Time to take your oil tasting kits out



1. Serve

Pour 1-2 tablespoons into a glass or plastic cup (whatever you have handy).

2. Swirl

Cup the glass in your hands and swirl the oil gently to coat the sides and help release the aroma.

3. Smell

Stick your nose in the glass, and inhale deeply.

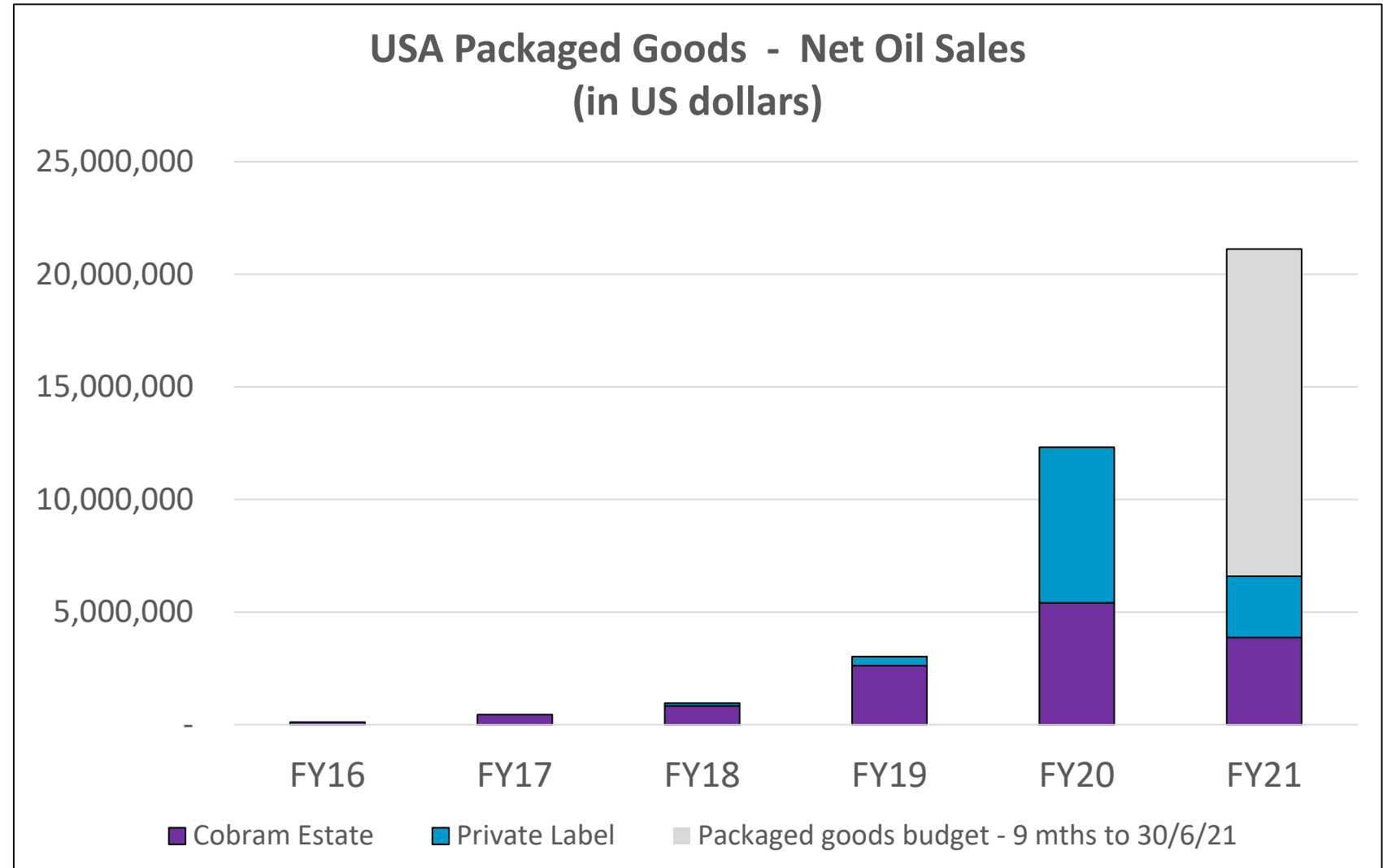
4. Slurp

Slurp a mouthful of oil while inhaling noisily, just as your mother taught you not to eat soup. Drawing air in heightens the flavour.

5. Swallow

Swallow while concentrating on the flavour.

- EBITDA loss for FY20 \$8.1m. First 3 months of FY21 all reported EBITDA profit.
- The USA business continues to show strong sales growth, with packaged goods net sales expected to grow from US\$12.3m to over US\$20m
- Californian private label a key part of our strategy



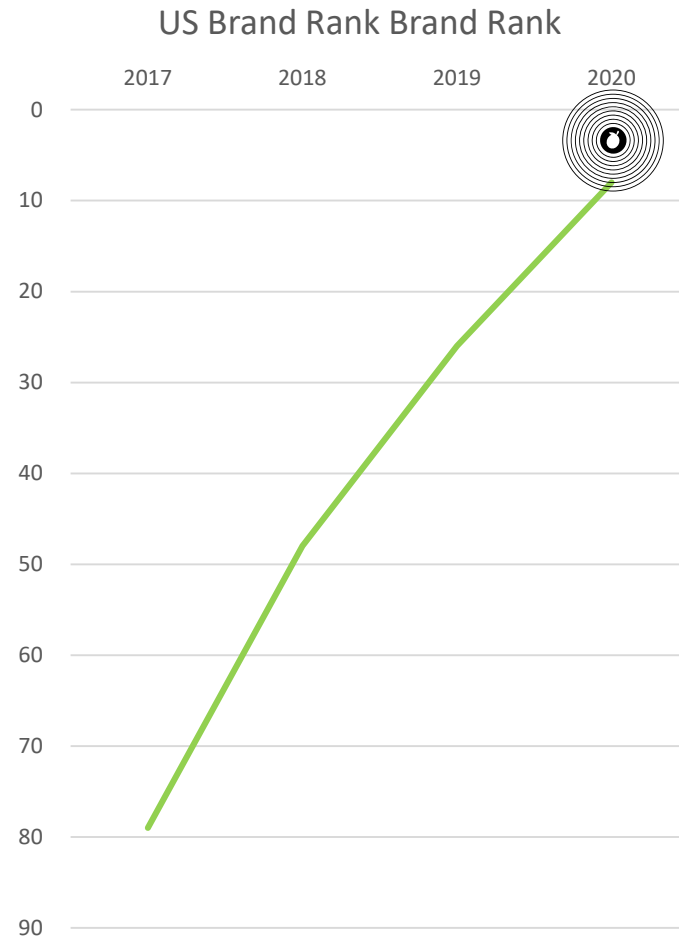
USA – COBRAM AVAILABILITY

Cobram Estate is now in 12,528 stores Nationwide



USA – COBRAM NOW TOP 10 NATIONAL BRAND

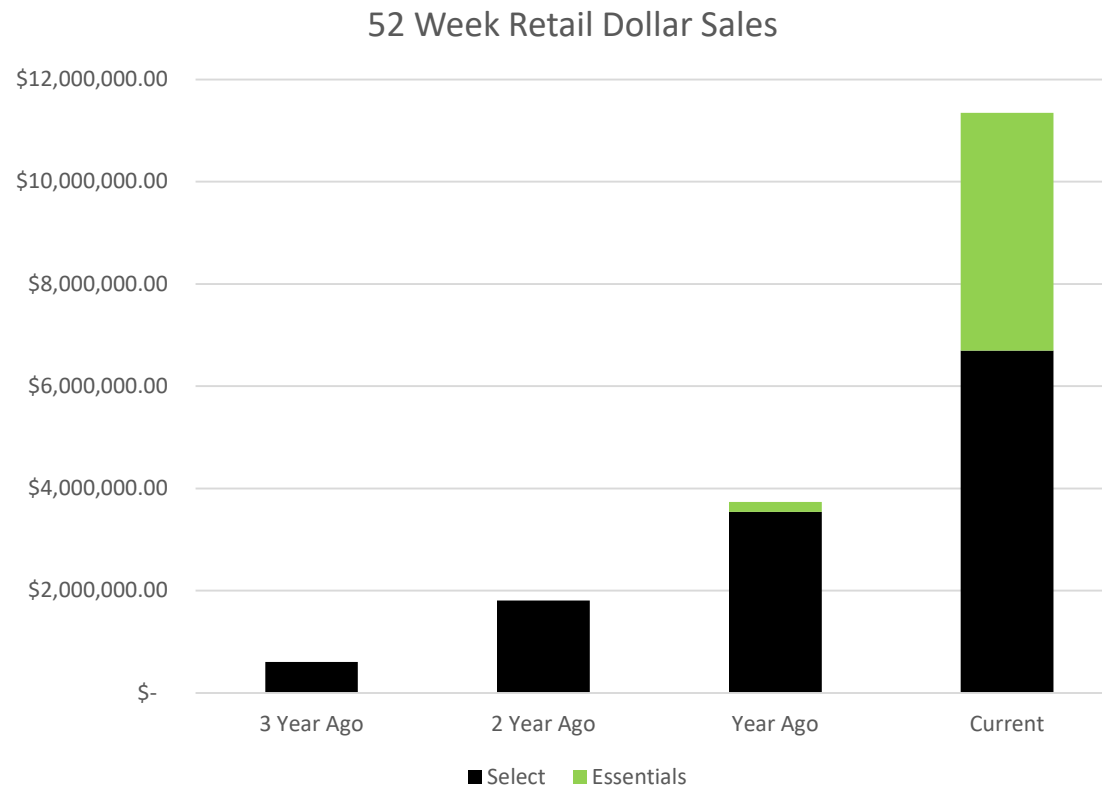
#8 Brand in the US Market over the past 52 Weeks
Grown from the #79 brand in 2017



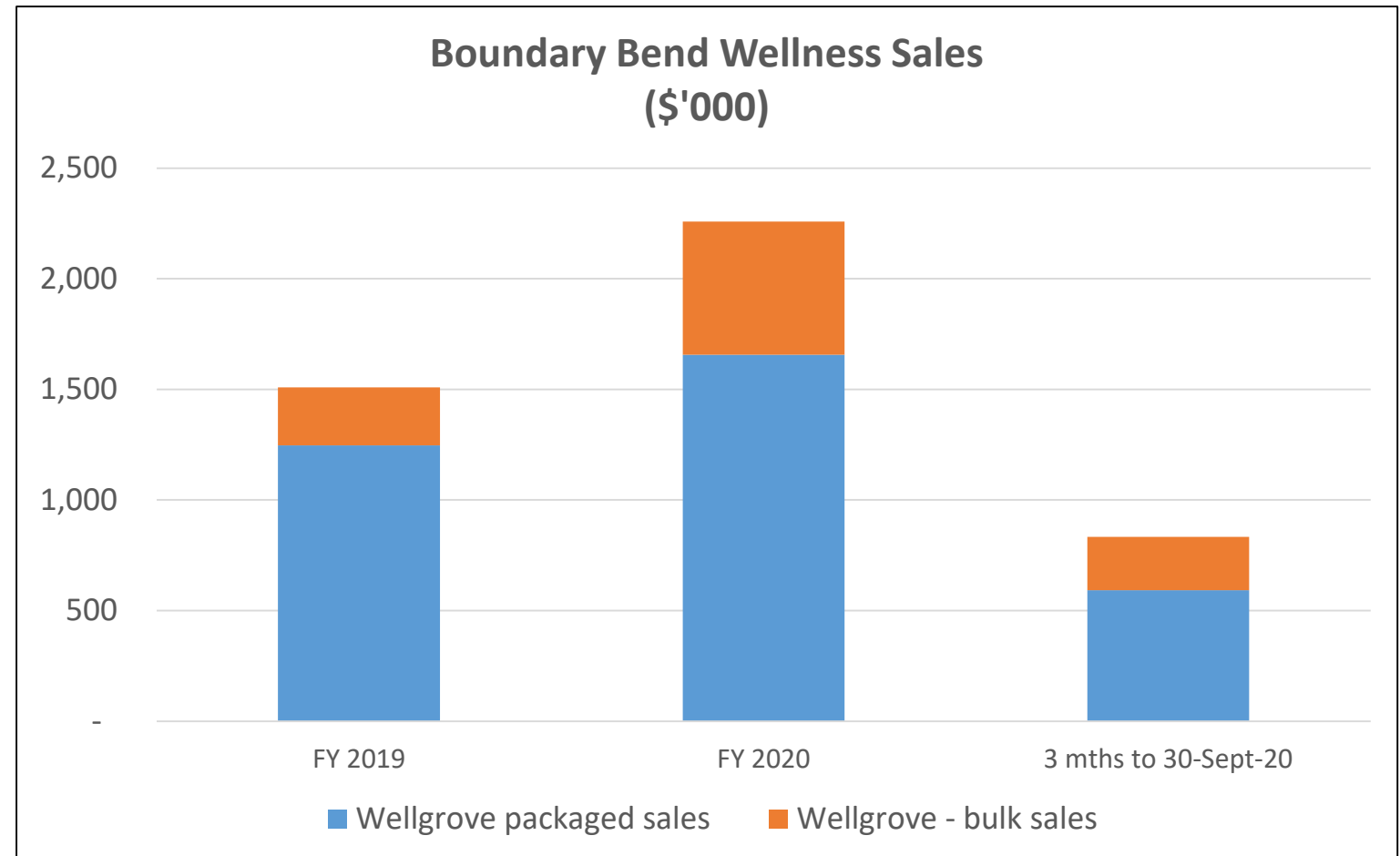
1.  POMPEIAN
THE OLIVE OIL PEOPLE
2.  BERTOLLI
DAL 1865
3.  FILIPPO
BERIO
4.  CALIFORNIA
OLIVE RANCH
5. COLAVITA
6.  STAR
7.  LUCINI
ITALIA
8.  COBRAM ESTATE

USA – COBRAM LINE EXTENSION WORKING

Our new Cobram Estate California line extension is a success
41% of Retail Sales over the past 52 weeks.



- Wellness reported an EBITDA loss of \$8.6m in FY20
- Largely driven by the continued investment in growing branded sales in both Australia and the USA market
- We have re-adjusted our cost base, to minimise the downside risk
- We are seeing good growth in the USA, but Australian pharmacy remains challenging

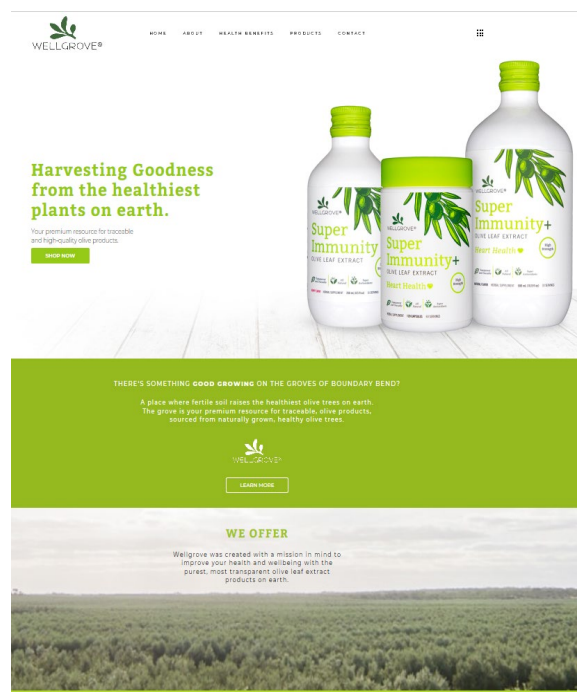




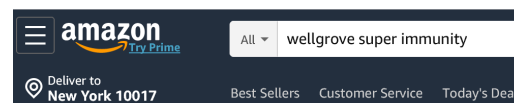
WELLGROVE USA

- In the USA we continue to focus on digital sales channels, with a key focus being on Amazon and Direct to Consumer sales using affiliate introductions.
- After a tough first year our USA Wellgrove business has started FY2021 well with gross sales of A\$520k year to date. Our new launch Keto Super Powder has been a key driver of sales.

Direct to consumer website Wellgrovehealth.com

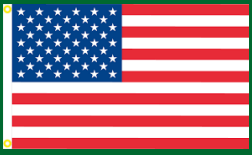


amazon.com



Affiliate Sales





WELLGROVE USA – NEW PRODUCT SNAPSHOT

KETO SUPER POWDER

Combining the unique health benefits and popularity of Extra Virgin Olive Oil with Prebiotic Fibre in an easy-to-use creamy powder



ZERO CARB, KETO
EXTRA VIRGIN OLIVE OIL
POWDER

A POWERFUL ANTIOXIDANT
WITH VITAMIN E, PREBIOTICS
FIBER

A HEALTHIER OPTION THAN
MCT/COCONUT OIL AND
POWDERS

- **Launched in the USA in August**
- Direct to consumer sales channel, introduced by third parties
- Launch to date sales of US\$300,000

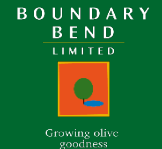
WELLGROVE AUSTRALIA

- FY2020 was a challenging period with first half sales dampened by slow moving pipe-fill stock, and the last quarter impacted by a lack of pharmacy foot traffic.
- In March we saw a dramatic spike in sales driven by COVID-19 panic buying. This has since subsided.
- Our marketing focus has been on the Immune Support* benefits of olive leaf extract. Key in-store initiatives which we planned in 2019 such as those in the images alongside were unfortunately significantly impacted by the lack of pharmacy foot traffic.
- Currently Wellgrove is tracking at around 15% share of Olive Leaf Extract sales including pharmacy and grocery, making it the #3 brand in the category.



*Always read the label. Follow the directions for use. If symptoms persist, talk to your health professional. Traditionally used in Western Herbal Medicine to help relieve symptoms of common colds and flu and help support immune system health.

WELLGROVE HEART HEALTH CAMPAIGN



- Our seasonal marketing focus has shifted to our Heart Health olive leaf extract and the opportunity for these products to be used to complement consumption of extra virgin olive oil as part of a Mediterranean Diet.
- Visit our blog on “Using Olive Products to Help Keep Your Heart Healthy and Cholesterol in Check” for further information.



wellgrove REVIEWED
Leenus Arul Mariathas
12 Oct 2020
AdCheck # AC10367-1020

Heart Health
EXTRA STRENGTH

Keep your Heart Healthy and your Cholesterol in check

DISCOVER THE HEART HEALTHY BENEFITS OF OLIVE LEAF EXTRACT

wellgrove Heart Health EXTRA STRENGTH OLIVE LEAF EXTRACT

FROM THE Cobram Estate

AUSTRALIAN GROWN & OWNED

Learn more at:
wellgrovehealth.com.au
@wellgrovehealthau

Always read the label. Follow the directions for use.
*Wellgrove Heart Health Extra Strength contains 47% more total oleuropein per dose than Wellgrove Immune Support.

wellgrove **EXTRA STRENGTH**
Heart Health

Did you know good heart health comes from the olive supertree?

DAILY USE OF EXTRA VIRGIN OLIVE OIL + OLIVE LEAF EXTRACT EXTRA STRENGTH* KEEPS YOUR HEART HEALTHY AND CHOLESTEROL IN CHECK

FROM THE Cobram Estate

AUSTRALIAN GROWN & OWNED

Learn more at:
wellgrovehealth.com.au
@wellgrovehealthau

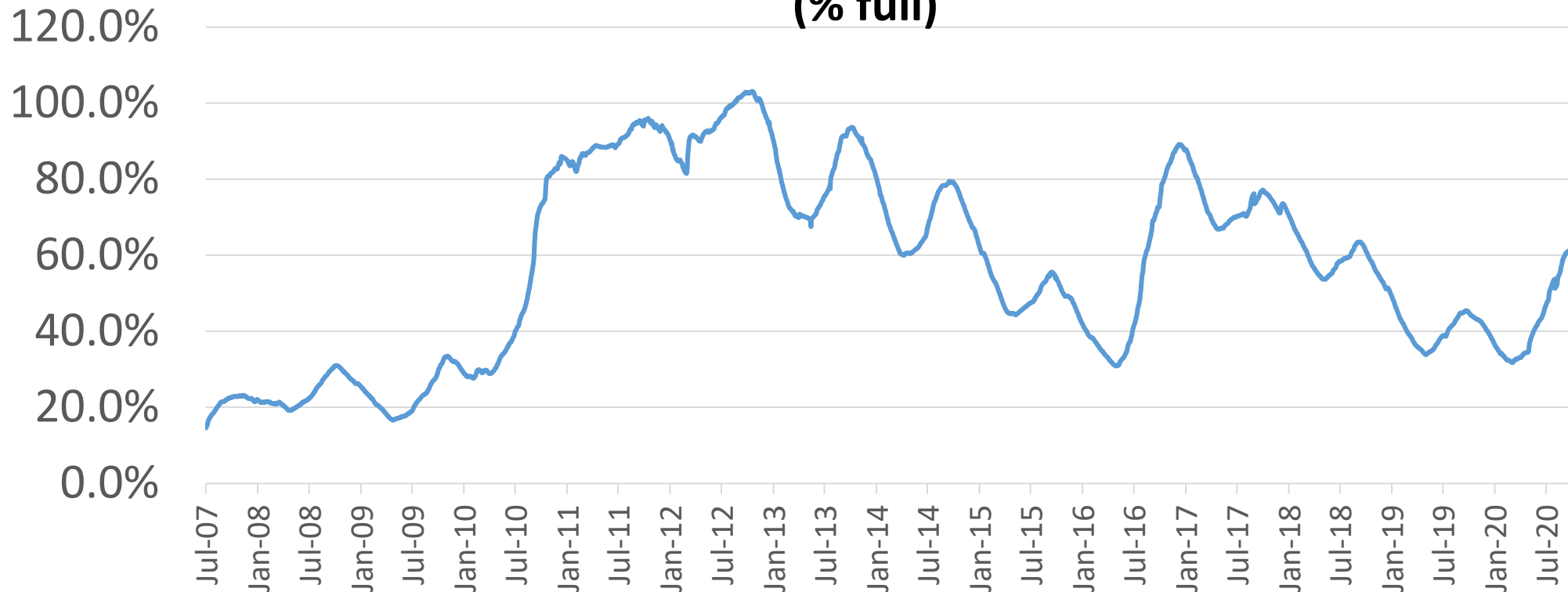
Always read the label. Follow the directions for use.
*Wellgrove Heart Health Extra Strength contains 47% more total oleuropein per dose than Wellgrove Immune Support.

LOVE YOUR HEART

10 Heart-Healthy Recipes Inspired by the Mediterranean diet

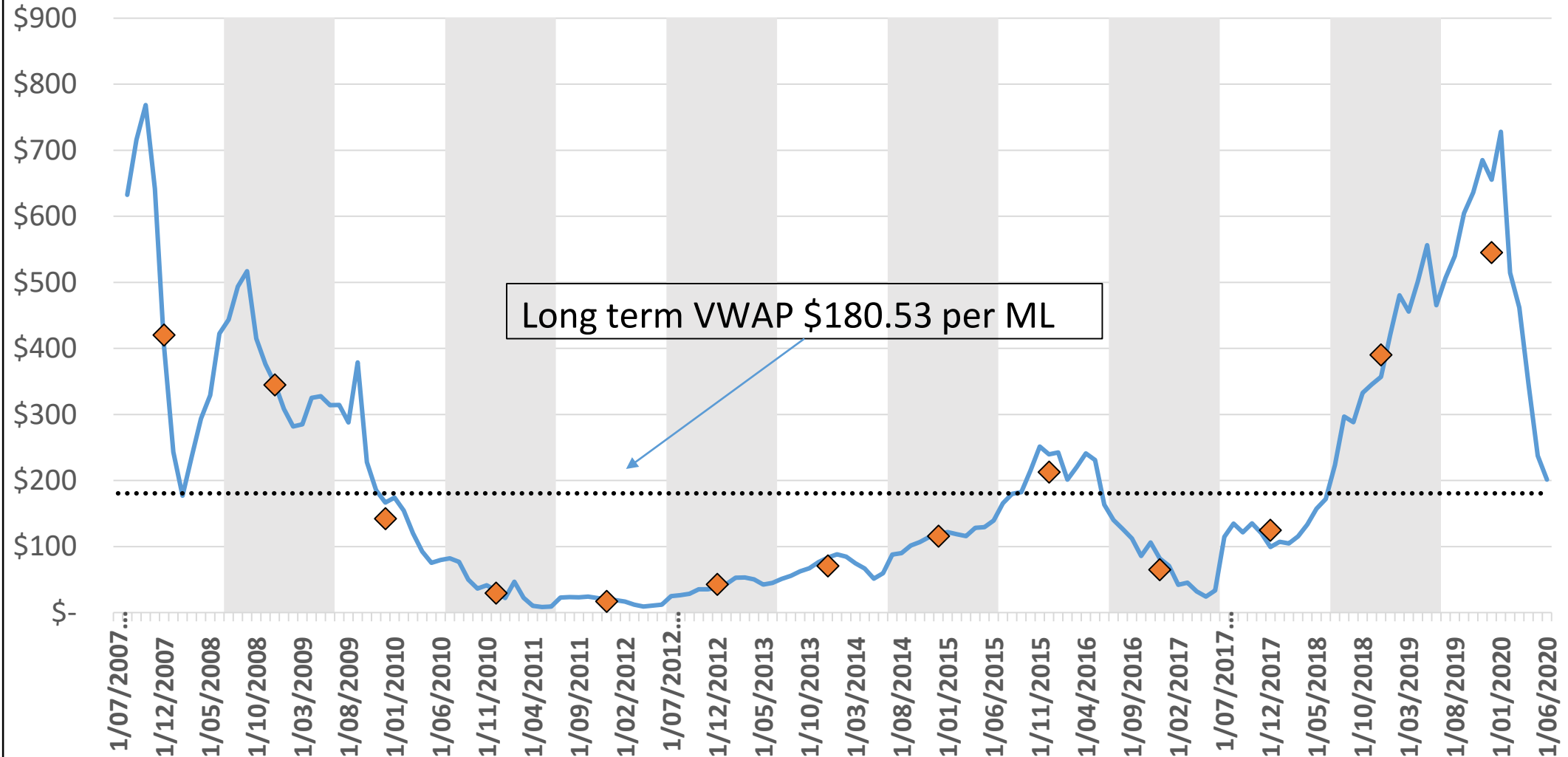
Cobram Estate | **wellgrove** | **STONE GROVE**

**Southern Murray Darling Basin - storage levels
(% full)**



Source: H2OX water exchange

Southern Murray Darling Basin - historical water price per ML



- Expected usage of around 38,000ML in FY20
- FY2020 average price of \$643 / ML
- Current spot price (28 October 2020)
 - ~\$190 on Vic Murray z7.
(Boundary Bend and Wemen)
 - ~\$110 on Goulburn z1A (Boort)

	Volume (ML)	Cost (\$'000)	\$/ML
FY14	41,059	3,146	77
FY15	38,172	4,677	123
FY16	39,927	9,881	247
FY17	32,995	2,603	79
FY18	31,155	3,720	119
FY19	34,547	16,072	465
FY20	31,898	20,523	643
FY21 YTD	7,832	1,891	241

Desal

Objective

- To pump salty abundant unutilised ground water in Aquifers beneath our groves and Desal it on-site and use to irrigate our olive trees in periods of drought and/or high water prices. Desktop review suggests total cost of between \$300 and \$500 per ML. This is much less than the \$900 / ML paid during late 2019.

Current Status

- Have drilled 9 test bores (circa 380m deep) across all our sites in the last 12 months.
- Boort and Wemen sites do NOT have adequate volumes of underground water
- Boundary Bend Estate groundwater looks plentiful and a production bore has been installed that will be pumped for 72 hours in coming weeks under guidance from Government hydrologists.
- Subject to these results, extraction approvals will be sort.
- Pending approval, final feasibility study will be competed including design and approximate capital and operating cost.

ACCC AND SENATE SELECT COMMITTEE ENQUERY

ACCC

- Final report been delayed to 26 February 2021 due to COVID-19.
- It seems material positive changes will be recommended to the water markets and trade however we are concerned that the ACCC has not grasp the scale of damage to our Nation's food and fibre producers by allowing non-water users to purchase Temporary Allocation water during periods of drought.
- We have submitted our formal response to the ACCC interim report.

Senate Select committee inquiry in Murray Darling Basin

- The committee was originally due to present its final report on or before 1 November 2020 however the reporting date has been extended to 30 June 2021.
- To view submissions including ours please click on the link below -
https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Management_and_Execution_of_the_Murray_Darling_Basin_Plan/MurrayDarlingBasinPlan/Submissions



Overview

Boundary Bend Proprietary Olive Production System



What is Oliv.iQ®?



- Oliv.iQ® is Boundary Bend Ltd exclusive and proprietary integrated olive oil production system.
- Oliv.iQ® achieves 60% higher oil yields than the average of the world's top 6% most productive groves and nearly 9 times more oil than the global average with a production cost per litre 30% lower than world's weighted average.
- Oliv.iQ® is a global reference in terms of olive oil quality producing some of the most decorated extra virgin olive oils in the world.
- Oliv.iQ® is not a magic recipe that fits all conditions, it 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.
- Like science, Oliv.iQ® is ever evolving and our technical team works relentlessly to continue improving our results around the four pillars of the system: productivity, quality, sustainability and low production costs.

Why did we start the work with Oliv.iQ?



- To protect and promote the diverse areas of IP that we apply from site selection and olive growing to processing.
- To add value to BBL and make our hard-earned knowledge more marketable and attractive for growers or investors capitalising on the value that we truly add to those projects.
- We invested a considerable amount of time and money to generate all the knowledge behind Oliv.iQ.

What are the key advantages of Oliv.iQ®?



- World leading fruit and oil yields per hectare.
- World leading olive oil processing efficiencies.
- World leading extra virgin olive oil quality.
- Amongst the lowest production costs per litre of olive oil in the world.
- Genetically diversified with proven and world class performing varieties.
- Full traceability quality control of the production from tree to bottle.
- Most sustainable of modern olive growing systems:
 - Longest life expectancy of modern groves.
 - Lower disease pressure and required number of chemical applications.
 - More flexibility against unforeseen management and/or climatic issues.
- We developed it as growers and for growers.
- Full utilisation of our by-products.
- Unique harvesting capabilities.

UC Davis Report



UC DAVIS
Olive Center

at the Robert Mondavi Institute

After reviewing the Oliv.iQ® system, I am convinced that Boundary Bend's high performance is the result of expert personnel, integrated management practices, embrace of scientific trials and experimentation, advanced data collection, rigorous analysis and a company culture seeking continual improvement. It would not be unusual for other producers to accomplish one of the four pillars laid out by Boundary Bend in the Oliv.iQ® system, but it is exceptional to accomplish all four simultaneously at a world-class level.

DAN FLYNN, EXECUTIVE DIRECTOR
UC DAVIS OLIVE CENTER
DECEMBER 2019

BOUNDARY
BEND
LIMITED

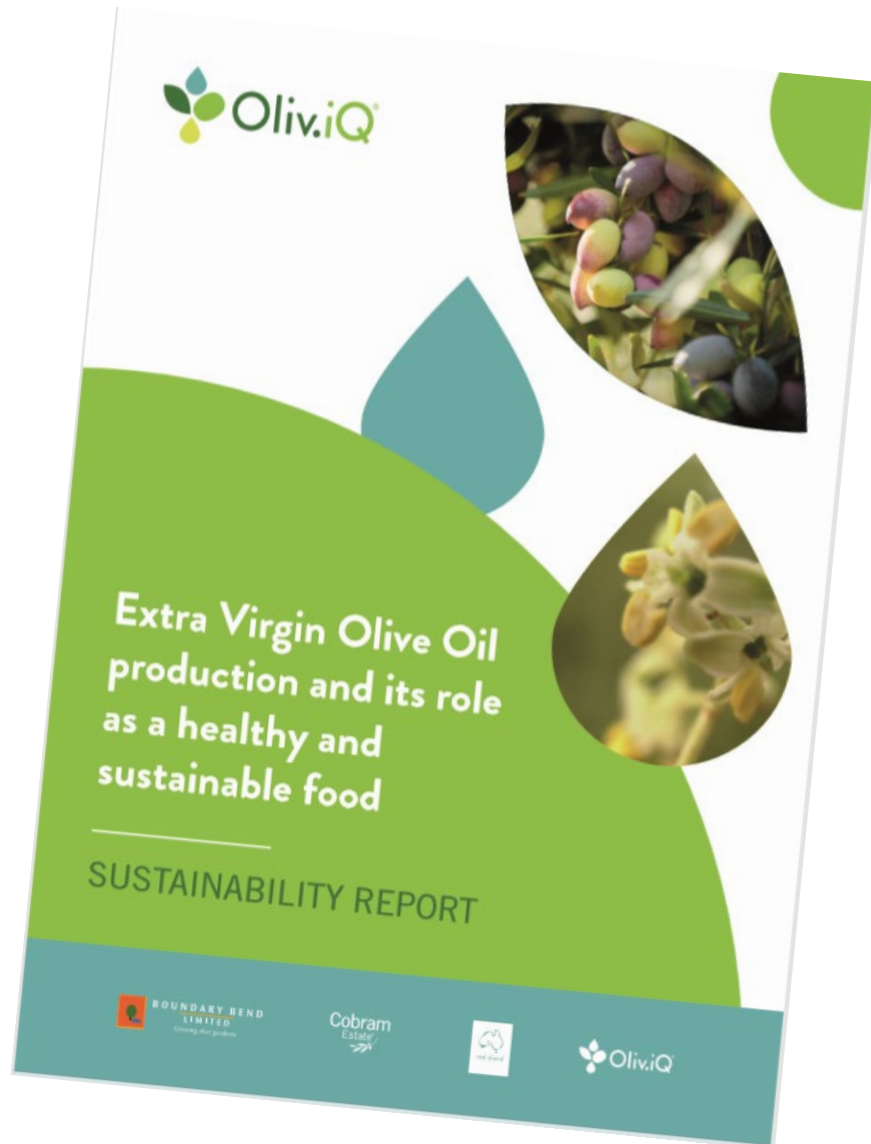


Growing olive
goodness

Boundary Bend Limited Sustainability Report

STRICTLY CONFIDENTIAL

Sustainability Report – what is it?



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- 09 Climate change
- 12 Freshwater use
- 15 Nitrogen and phosphorus flows
- 19 Biodiversity loss
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Transformation to sustainable food production by 2050 will require global redistribution of nitrogen and phosphorus fertiliser use, radical improvements in efficiency of fertiliser and water use, rapid implementation of agricultural mitigation options to reduce greenhouse-gas emissions, adoption of land management practices that shift agriculture from a carbon source to sink, and a fundamental shift in production priorities.¹

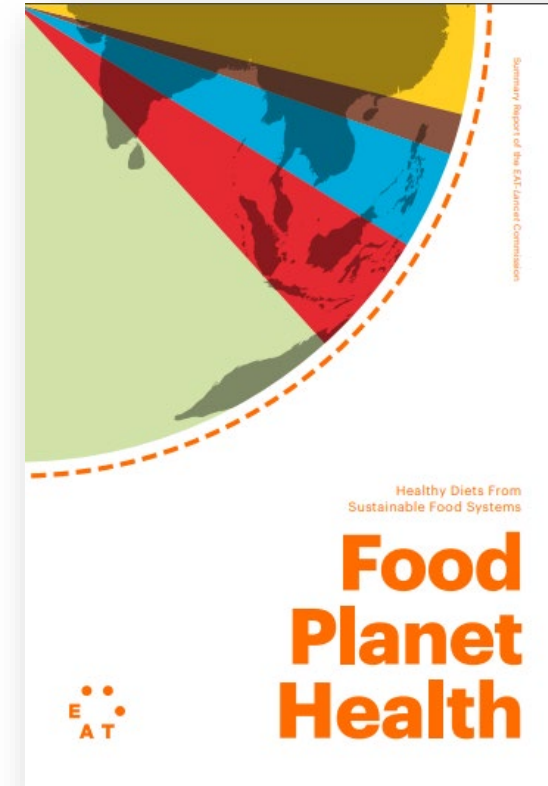
Sustainability Report – why we did it

- Baseline guidance document that's heavily referenced and researched to enable us to create other materials from, e.g.
 - Public health policy (Australian Dietary Guidelines)
 - Marketing materials (HCPP and consumer)
 - Other BBL strategic objectives
- Needed to be evidence based and well referenced vs loosely referring to sustainability without a solid definition of sustainability or adequate referencing and data

Sustainability Report – how we did it

- Eat Lancet Report – key document
- Sets targets on healthy diets from sustainable food systems to achieve climate change goals such as The Paris Agreement
- Report goes through EVOO vs other main stream cooking oils at a category level, and then BBL EVOO vs olive oil as a category
- Includes what healthy diet looks like from a sustainability perspective
- Includes 6 key enviro. parameters in the report

Earth system process	Control variable
Climate change	 GHG emissions
Land-system change	 Cropland use
Freshwater use	 Water use
Nitrogen cycling	 N application
Phosphorus cycling	 P application
Biodiversity loss	 Extinction rate

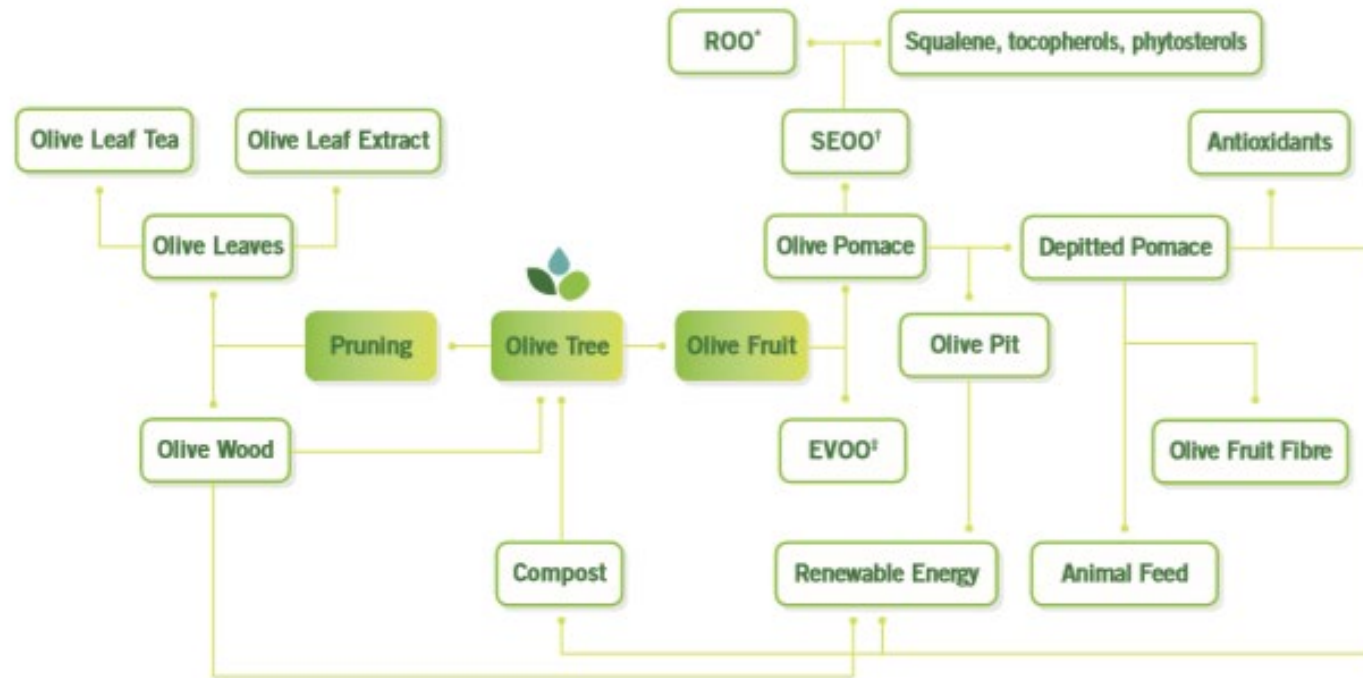


Oils and biodiversity loss/land system change

- The diversity and richness of all living organisms on land and in water is necessary for the stability of ecosystems, and productivity and resilience of food production systems.
- Of more than 14 000 edible plant species, only 150–200 are used by humans with only three (rice, maize, and wheat) contributing 60% of the calories consumed by humans.
- In the case of edible oils, the situation is quite similar with just three oils (palm, soybean and rapeseed) contributing to 68% of the calories consumed by humans from this food group.
- Food production is the largest driver of land use and land-use change, mainly through clearing of forests and burning of biomass.
- Between 2000 and 2014, Brazil lost on average 2.7 million ha/year of forest and Indonesia lost 1.3 million ha/year, with 40% occurring in primary forest.

Zero Waste

Boundary Bend Ltd Zero Waste Production Model



*Refined olive oil †Second extraction olive oil ‡Extra virgin olive oil

Healthy eating / diet





	Macronutrient intake grams per day (possible range)	Caloric intake kcal per day
 Whole grains Rice, wheat, corn and other	232	811
 Tubers or starchy vegetables Potatoes and cassava	50 (0–100)	39
 Vegetables All vegetables	300 (200–600)	78
 Fruits All fruits	200 (100–300)	126
 Dairy foods Whole milk or equivalents	250 (0–500)	153
 Protein sources		
Beef, lamb and pork	14 (0–28)	30
Chicken and other poultry	29 (0–58)	62
Eggs	13 (0–25)	19
Fish	28 (0–100)	40
 Legumes	75 (0–100)	284
Nuts	50 (0–75)	291
 Added fats		
Unsaturated oils	40 (20–80)	354
Saturated oils	11.8 (0–11.8)	96
 Added sugars		
All sugars	31 (0–31)	120

Table 1

Scientific targets for a planetary health diet, with possible ranges, for an intake of 2500 kcal/day.



Summary of key findings

- Extra Virgin Olive Oil is the only mainstream cooking oil that acts as a carbon sink.
- Extra Virgin Olive Oil is a more desirable source of unsaturated and saturated oil than refined oils from a sustainable food production perspective.
- Our Oliv.iQ[®] Boundary Bend groves are estimated to:
 - sequester nearly 10 times more **CO2/ha** of olive orchard than the average olive orchard in the world.
 - produce olive oil with a consumption of **water** 37% lower per ton of oil than industry best practice average.
 - produce olive oil with a consumption of **nitrogen** fertiliser 61% lower per ton of oil than estimated industry average.
 - and with a consumption of **phosphorus** fertiliser 83% lower per ton of oil than estimated industry average.
 - adopt best industry practices leading to increments of **biodiversity** in our growing systems since the positive land system change from annual cropping lands to permanent crops.

GENERAL QUESTIONS PRIOR TO FORMAL PROCEEDINGS



Resolution 1

Approve the financial statements and the reports

	<i>Direct / Proxy Votes</i>	<i>Percentage of votes cast</i>
For	18,117,253	97.84%
Against	400,000	2.16%
Abstain	-	-

Resolution approved

Resolution 2(a)

Re-election of Mr Paul Riordan

	<i>Direct / Proxy Votes *</i>	<i>Percentage of votes cast</i>
For	15,008,135	97.40%
Against	400,000	2.60%
Abstain	-	-

* Excluding votes cast by Mr Paul Riordan

Resolution approved

Resolution 2(b)

Re-election of Mr Craig Ball

	<i>Direct / Proxy Votes *</i>	<i>Percentage of votes cast</i>
For	17,489,720	97.76%
Against	400,000	2.24%
Abstain	-	-

* Excluding votes cast by Mr Craig Ball
Resolution approved

Resolution 2(c)

Re-election of Mr Alan Hilburg

	<i>Direct / Proxy Votes</i>	<i>Percentage of votes cast</i>
For	18,117,253	97.84%
Against	400,000	2.16%
Abstain	-	-

Resolution approved

Resolution 3

Adopt the Remuneration Report

	<i>Direct / Proxy Votes *</i>	<i>Percentage of votes cast</i>
For	1,618,146	79.96%
Against	405,446	20.04%
Abstain	-	-

* This excludes any proxy votes from the Directors or senior management referred to in the Remuneration Report

Resolution approved

Resolution 4

Renewal of the Proportional Takeover Provisions

	<i>Direct / Proxy Votes</i>	<i>Percentage of votes cast</i>
For	18,117,253	97.84%
Against	400,000	2.16%
Abstain	-	-

Resolution approved

QUESTIONS AND THANKS

