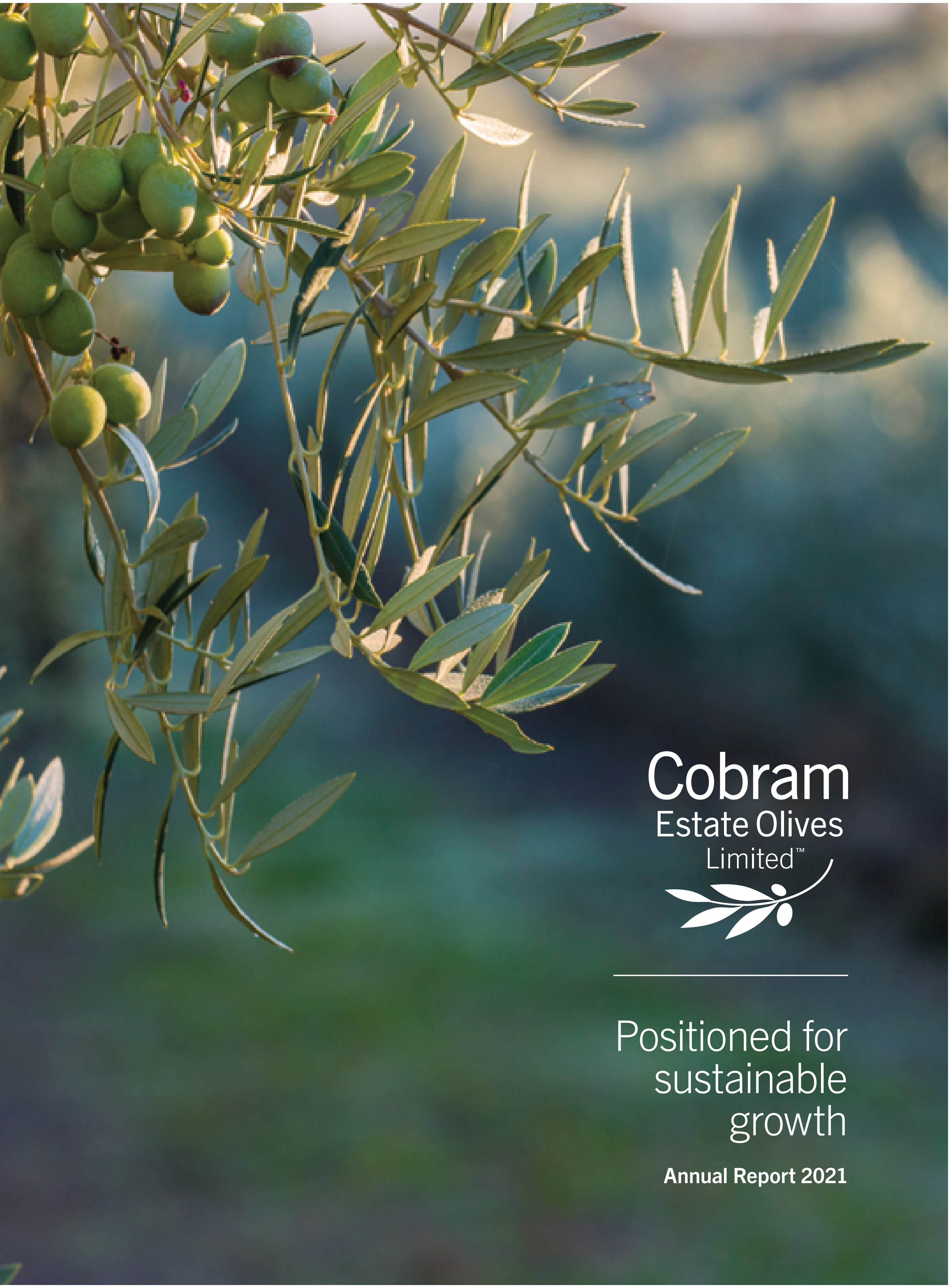


Cobram Estate Olives Limited™

Positioned for sustainable growth

Annual Report 2021


Cobram
FIRST HARVEST
EXTRA VIRGIN

Contents

EXTRA VIRGIN OLIVE OIL
CALIFORNIA
red island
Australian
EXTRA VIRGIN
olive oil
BBQ

About Cobram Estate Olives

Cobram Estate Olives Limited (Cobram Estate Olives, 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 olive industry in Australia 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 458 awards since 2003 including one of our Cobram Estate® products from California being named the world's healthiest extra virgin olive oil in 2017.

Vertically integrated business model

CBO operates a fully integrated business model which is unsurpassed in the Australian olive industry. The Company is the market leader in the Australian extra virgin olive oil category and is recognised as a leader in sustainable olive farming through continued innovation and market education; the release of 27 peer reviewed research publications; the development of the Oliv.iQ® integrated olive production system (oliv-iq.com); its zero-waste initiative; and the creation of the Olive Wellness Institute® (olivewellnessinstitute.org).

CBO's proprietary growing system Oliv.iQ® allows it to grow more fruit, accumulate more oil in that fruit, and extract more oil out of the fruit at a higher quality and lower cost of production than the next best growers in the world, as highlighted by a recent study by U.C. Davis, California USA (2019). All the while using less water, less fertilizer and sequestering more carbon per litre of olive oil produced than global averages.

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. 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.

Large scale olive operations

Today, CBO is Australia's largest olive farmer with planted grove area of 6,584 hectares (over 2.4 million olive trees) that produced an estimated 71% of Australia's total olive oil production in 2021. In the USA, the Company's groves total 149,000 trees planted on 305 hectares of owned and leased land in the California. In total, the Company owns 18,500 hectares of freehold farmland, of which 16,700 hectares is freehold farmland 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, and the testing and storage of every litre of olive oil it produces.

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 (Australia and USA), and one of the world's leading olive R&D and testing laboratories – Modern Olives® – with labs in Australia and the USA. Recently the Company extended its product range to include a variety of health and wellness products sold under the Wellgrove® brand, capturing value from its olive oil by-products and minimising waste on the Company's groves.

Premium brands

CBO's strategic sales focus in 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 45% of extra virgin olive oil supermarket sales by value in Australia in FY2021, yet only 23% of total cooking oil sales by value allowing room for growth.

The Company is also experiencing strong growth with its Cobram Estate® brand and private label offering in the USA.

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 emerging in the USA olive oil market, and established operations in the USA in 2014.

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 olive oil to support branded sales growth, and its rapidly growing vertically integrated Californian business, and remains committed to growing the value and volume of sales in the Australian market and driving growth in the USA market through the sale of both extra virgin olive oil and other olive products.

FY2021 Group Highlights

STRONG GROWTH

OF USA PACKAGED GOODS SALES

45%

MARKET SHARE

of the extra virgin olive oil category in Australia (Cobram Estate® + Red Island®)

(Source: IRI Scan data, Australia Grocery Weighted, Total Supermarket, FY2021, accessed August 2021)

331

HECTARES OF OLIVE GROVES

planted in Australia

110

HECTARES OF OLIVE GROVES

developed & planted in USA

2,239

SHAREHOLDERS AS OF 10 SEPTEMBER 2021

Up from 850 prior to ASX listing on 11 August 2021

16.05 MILLION

Litres 2021 Australian olive oil crop yield

8.5%

COBRAM ESTATE®

brand global sales growth

71%

ESTIMATED SHARE

of Australia's national olive oil crop in 2021

FY2021 Financial Highlights

$43.7 MILLION

Australian olive oil division FY2021 Two-Year Rolling Average EBITDA – Normalised*

FY2020: $32.2 million

$33.0 MILLION

Group FY2021 Two-Year Rolling Average EBITDA – Normalised*

FY2020: $19.1 million

$70.3 MILLION

Group statutory FY2021 EBITDA

FY2020: $19.7 million loss

$140.0 MILLION

Global sales FY2021

FY2020: $140.7 million

$22.1 MILLION

Cash generated from operations FY2021

FY2020: $13.0 million

$168 PER MEGALITRE

Average water price paid in FY2021

FY2020: $643 per megalitre
Long-term average: $177 per megalitre

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

Chair & Joint-CEOs' Report

On behalf of the board of Cobram Estate Olives, it is our pleasure to provide you with our results for Financial Year 2021.

Despite the many logistical challenges faced by our business as a result of the COVID-19 pandemic, FY2021 has been a successful year for our Company. Pleasingly, thanks to the dedicated efforts of our team, we have been able to execute our largest ever Australian olive harvest on time and without disruption. This was despite the ever-present threat of COVID-19 and the shortage of casual labour in regional Australia. In doing so, the Company broke its own Australian production record of 13.74 million litres in 2015 with a 2021 Australian crop yield of 16.05 million litres despite harvesting 20% less mature trees than in 2015.

In order to put this result in context, CBO's Australian production in 2021 would have ranked us between the 10th and 15th largest country in the world by production, depending on the season. The Company produced more olive oil this season than the entire country of Israel, France and the USA, and considerably more oil than traditional Italian growing regions such as Tuscany and Umbria.

Sales of the Company's packaged olive oil products continue to show strong growth in Australia and the USA, led by our flagship Cobram Estate® brand achieving sales growth of 8.5% in value terms in FY2021. This growth was achieved despite the smaller Australian olive oil harvest in 2020 and ensuing smaller quantities of oil available for sale in FY2021. The lower oil stock was well managed by our sales and operational teams, ensuring continuity of supply and growth in sales with key customers.

The Company remains well positioned for future growth that will be predominantly driven by our maturing Australian groves delivering additional olive oil to support branded sales growth, and our growing vertically integrated Californian business. The Company's four growth strategies, as outlined on page 32, are aimed at positioning the Company to capitalise on the growing demand for clean, natural, healthy, functional foods, and leverage our expertise in the growing and processing of olives and the marketing of premium extra virgin olive oil. At the same time, the strategies are anticipated to reduce our cost of production through increased scale and mitigate risk by expanding the Company's customer base and reducing geographic market and production risks beyond the Australian market.

FY2021 key highlights

- **Record Australian olive harvest:** 16.05 million litres of olive oil produced from our Australian groves during the 2021 harvest (April-June 2021).
- **Growth in global sales of Cobram Estate premium extra virgin olive oils:** 8.5%.
- **Two-Year Rolling Average EBITDA[1] (Normalised) for Australian olive oil division:** $43.7 million.
- **Two-Year Rolling Average EBITDA[1] (Normalised) for Group:** $33.0 million.
- **Group Statutory EBITDA:** $70.3 million.
- **USA operations Statutory EBITDA:** $0.53 million (the first positive EBITDA contribution since starting the USA business in 2014).
- **Cash flow from operations[2]:** $22.1 million
- **Boort grove redevelopment:** 331 hectares of olive groves redeveloped at Boort, Victoria, with 118,000 new trees planted in Autumn 2021.
- **Esparto South ranch development:** 110 hectares of new olive groves developed near Woodland, California, with 53,000 new trees planted in Spring 2021.

Group financial results

Before presenting our results, we would like to explain several key points relating to our financial results that are unique to our business as a vertically integrated olive oil company.

Biennial nature of olive oil production

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 operationally and logistically by our business.

1 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 in the investment community to assess the operating performance of the business. The non-IFRS measures have not been subject to audit or review.

2 Operating cashflow before deducting interest, tax and borrowing costs.

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. The application of the accounting standard leads to an increased result in a higher yielding crop year compared to a lower yielding crop year.

Given the biennial production nature of an olive tree, combined with the accounting standards (reporting the profit from the crop in the year of harvest), we believe that EBITDA should be viewed over a two-year rolling average period – considering both a "lower yielding crop year" such as FY2020 and "higher yielding crop year" such as FY2021. We report this as a "Two-Year Rolling Average EBITDA", normalised for non-recurring costs.

Consistency of the Company's premium extra virgin olive oil sales and cash flow

Whilst olive farming delivers ups and downs in annual olive oil production, importantly, the volatility in reported profit is not reflective of the consistency in the Company's sales of its premium olive oils to our customers. In fact, the Company's sales, the majority of which are premium, branded olive oils, are relatively stable and predictable over the course of the year. This is achieved by the Company apportioning its olive oil to customers based on a two-year production cycle, to ensure we maintain consistent and reliable supply. The larger volume of olive oil produced in a higher yielding year is typically used by the Company to supply customers over 14-16 months crossing over three separate financial years (e.g. April 2021 to July 2022), whereas the smaller quantity of olive oil produced in a lower yielding crop year is typically only used to supply customers across a 8-10 month period (e.g. July 2020 to April 2021 – less than a full financial year). The ability to maintain steady supply even with a lower yielding year helps to overcome some of the variability and risk of agricultural production.

The outcome of this is that operating cash flow is strong and consistent, and as a result, operating cash flow is a key performance metric used by management.

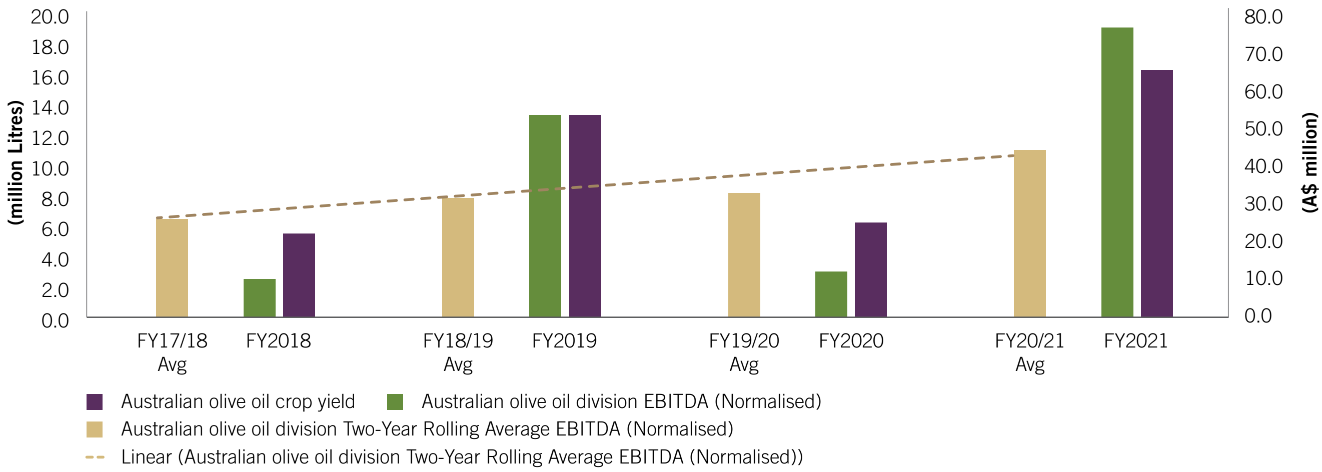
The Company expects that production quantities from both higher yielding crop years and lower yielding crop years to continue to increase materially over time, as 39% of our grove area is recently planted and therefore not fully mature. Over the medium term we expect to continue increasing all business performance metrics in line with increasing production from our maturing groves, combined with continued growth in our USA business and the growing strength of our consumer brands.

Australian olive oil division performance – should be assessed on two-year rolling average

The chart below highlights the business performance of the Company's core business, being the Australian olive oil division, and illustrates the following:

1. The **biennial nature of olive oil production** (in purple, showing annual olive oil production);
2. How the biennial nature of our olive oil **production cycle impacts our reported profit** (in green); and
3. Importantly, the Two-Year Rolling **Average EBITDA (Normalised) (in gold) is increasing and in the opinion of management is the most reliable way to assess business performance.**

Yield vs EBITDA vs Two-Year Average EBITDA (Normalised)[3] – Australian olive oil division



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

Chair & Joint-CEOs' Report

Continued

The method the Company uses for calculating the Two-Year Rolling Average EBITDA (Normalised) calculation from Statutory EBITDA is summarised in the table below.

Two-Year Rolling Average EBITDA (Normalised) calculation from Statutory EBITDA for the Australian olive oil division for the period FY2017-FY2021

A$ million	FY2017	FY2018	FY2019	FY2020	FY2021
Australian olive oil division Statutory EBITDA	44.2	12.0	42.6	(2.9)	75.1
Adjusting for water costs to long term average[4]	(3.4)	(1.9)	9.8	14.8	(0.3)
Adjusting for ASX listing costs	–	–	–	–	0.8
Australian olive oil division EBITDA (Normalised)[5]	40.8	10.1	52.4	11.9	75.6
Two-Year Rolling Average EBITDA (Normalised) for the Australian olive oil business	–	**25.5**	**31.3**	**32.2**	**43.7**
Change	–	–	+22.7%	+2.9%	+36.0%

Financial Results – FY2021

As highlighted above, in FY2021 the Company achieved a Two-Year Rolling Average EBITDA (Normalised)[6] of $43.7 million for the Company's Australian olive oil division (average of FY2020 and FY2021) (FY2020: $32.2 million). At a group level, the Company reported a Two-Year Rolling Average EBITDA (Normalised)[7] of $33.0 million (FY2020: $19.1 million).

From a statutory viewpoint, the Company reported a FY2021 Statutory EBITDA of $70.3 million (FY2020: $19.7 million loss), a Net Profit After Tax of $32.6 million (FY2020: $32.7 million loss), and cash generated from operations of $22.1 million (FY2020: $13.0 million).

Group EBITDA (Statutory)

The group's Statutory EBITDA result of $70.3 million was underpinned by the Australian olive oil division's strong performance, largely driven by the larger Australian crop of 16.05 million litres (FY2020: 6.2 million litres). It should be noted that 2021 is a high yielding crop year and the statutory results for 2021 reflects this. Investors should therefore understand that the 2022 crop yield will be significantly lower than 2021, and the resulting Statutory EBITDA will be materially lower than 2021.

Looking forward to FY2022 and beyond, we expect the Two-Year Rolling Average EBITDA (Normalised) and operating cashflow surplus to continue increasing over time for the Company's Australian olive oil division as a result of investment in new plantings and the maturing grove profile (subject to all the risks associated with business and farming). At the same time, due to FY2022 being a lower yielding crop year on our Australian olive groves, our statutory EBITDA is expected to decrease substantially in FY2022 before rebounding in FY2023, reflecting the smaller predicted Australian olive oil crop in 2022 and the compulsory treatment of that crop under the accounting standard.

Group Cash Flow

The group's reported cash generated from operations of $22.1 million (FY2020: $13.0 million), driven by improvement in USA and Wellness divisions and reduced water costs. The strong operating cash flow 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 $19.0 million during FY2021 (FY2020: $24.2 million), with investment largely funded from operating cash flow.

Group Balance Sheet

The group balance sheet reflects a significant increase in current assets from $86.0 million in FY2020 to $135.8 million in FY2021, predominantly due to the oil produced from the 2021 Australian harvest. Whilst group assets have increased, debt levels remain relatively flat and gearing levels decreased from 42% to 37%.

4 From 2007 through to June 2021, the weighted average price paid for temporary water traded by the industry on the Southern Murray Darling Basin was $177 per megalitre.
5 Adjusted for water costs to long-term average and one-off ASX listing costs.
6 Adjusted for water costs to long-term average and one-off ASX listing costs.
7 Adjusted for water costs to long-term average and one-off ASX listing costs.

Segment Results – FY2021

CBO operates in three key segments – Australia olive oil division, USA olive oil division, and Boundary Bend Wellness. The FY2021 results by segment are detailed in the table below.

	Australian olive oil division		USA olive oil division		Boundary Bend Wellness		Eliminations & Corporate		Total Operations	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Revenue and other Income										
Total revenue from external customers	99,192	108,560	38,886	29,941	1,872	2,151	–	–	139,950	140,652
Intersegment revenue	1,948	6,542	–	–	277	395	(2,225)	(6,937)	–	–
Total segment revenue	**101,140**	**115,102**	**38,886**	**29,941**	**2,149**	**2,546**	**(2,225)**	**(6,937)**	**139,950**	**140,652**
Other income	1,672	1,661	398	391	121	111	–	–	2,191	2,163
Net change in fair value of agricultural produce	65,011	(11,050)	–	–	–	–	–	–	65,011	(11,050)
Total revenue and other income	**167,823**	**105,713**	**39,284**	**30,332**	**2,270**	**2,657**	**(2,225)**	**(6,937)**	**207,152**	**131,765**
EBITDA	**75,116**	**(2,947)**	**526**	**(8,100)**	**(5,305)**	**(8,619)**	–	–	**70,337**	**(19,666)**
Depreciation/ amortisation of segment assets	(14,102)	(12,856)	(1,967)	(2,188)	(135)	(160)	–	–	(16,204)	(15,204)
Finance costs	–	–	–	–	–	–	(4,743)	(5,360)	(4,743)	(5,360)
Profit /(loss) before income tax	**61,014**	**(15,803)**	**(1,441)**	**(10,288)**	**(5,440)**	**(8,779)**	**(4,743)**	**(5,360)**	**49,390**	**(40,229)**

Key points on the segment results are summarised below:

- The Australian olive oil division reported an EBITDA of $75.1 million (FY2020 $2.9 million loss), driven by an increase in the Australian olive oil crop yield (noting FY2021 is a higher yielding crop year), an increase in the farm gate value per litre of olive oil produced, and a decrease in the cost of water.
- The USA olive oil business reports its first positive EBITDA contribution of $0.5 million (FY2020: $8.1 million loss), driven by an increase in sales of packaged goods, with total sales (including bulk) increasing from $29.9 million to $38.9 million, an increase in gross margin, and a reduction in costs.
- The Wellness division reported an improved result, from an EBITDA loss of $8.6 million in FY2020 to an EBITDA loss of $5.3 million in FY2021. COVID-19 made for a difficult market for our core immunity products, resulting in a restructure of sales channels to focus online in the USA and Australia, supported by continued investment in new product development and R&D.

Dividend

The Board intends to pay a dividend of 3.3 cents per share in 2021. The dividend has not been formally declared. The dividend payment is expected to be declared at the Company's annual general meeting in October 2021 and paid in November/December 2021. It is expected that the Company will offer a dividend reinvestment plan.

Chair & Joint-CEOs' Report

Continued

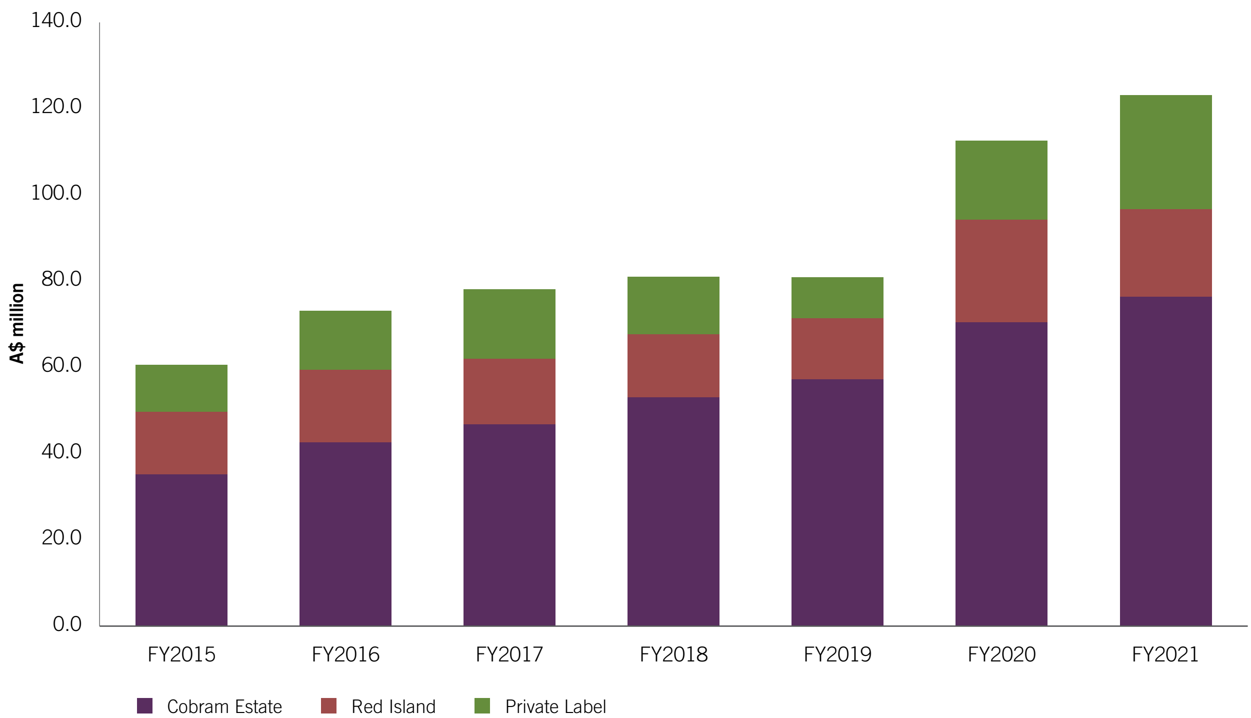
Group sales performance

Overall sales by the Company were restricted by the smaller Australian olive oil crop in 2020 (the oil from which was sold in FY2021), with total sales revenue of $140.0 million in FY2021 remaining on par with FY2020 ($140.7 million).

Bulk olive oil sales (>20L unit size) were particularly impacted by the lower availability of oil, and despite delivering a higher price per litre, group bulk sales declined by $8.4 million versus the prior year.

Over the same period, sales of packaged consumer goods including Cobram Estate® and Red Island® branded products plus private label products grew by 9% from $112.5 million in FY2020 to $123.2 million in FY2021. The growth in packaged goods sales is highlighted in the chart below.

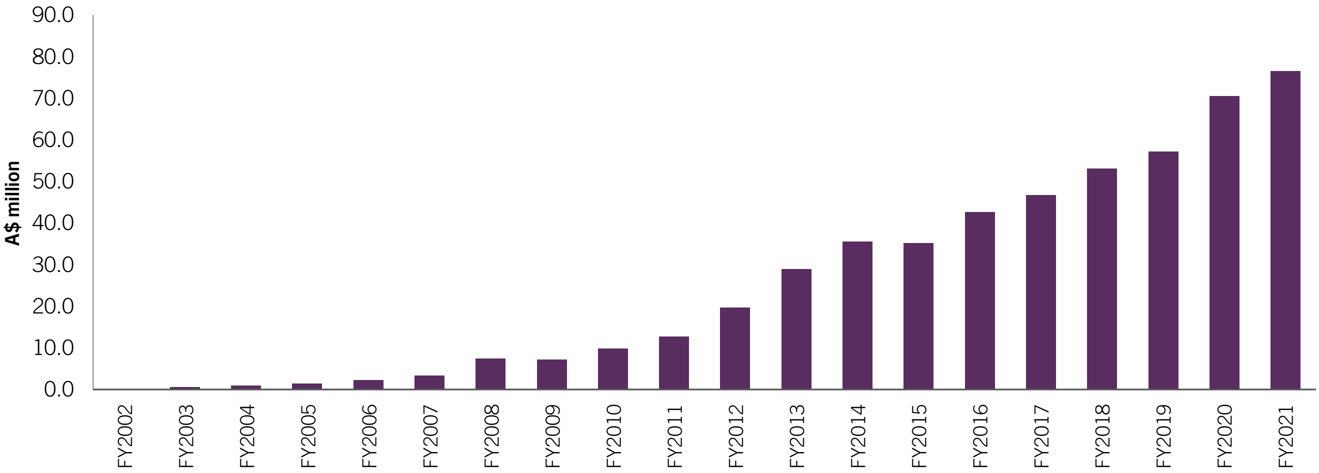
Cobram Estate Olives' global olive oil sales for Cobram Estate® and Red Island® branded products plus Private Label products – FY2009-FY2021



Cobram Estate®, our flagship retail brand acquired for $2.1 million in December 2006, accounted for 66% of the Company's sales in FY2021. The growth in sales of the Cobram Estate® brand has been driven by many factors including the Company's strict quality focus, its local vertical integration model and story, its commitment to honesty and integrity, and its marketing activities. In FY2021, the Cobram Estate® brand of premium extra virgin olive oil was sold in 17 countries and achieved global sales of $76.4 million, up from $70.4 million in FY2020.

The growth in global sales of Cobram Estate® branded products since 2002 is reflected in the chart on the following page.

Cobram Estate® branded sales (global) – FY2002-FY2021

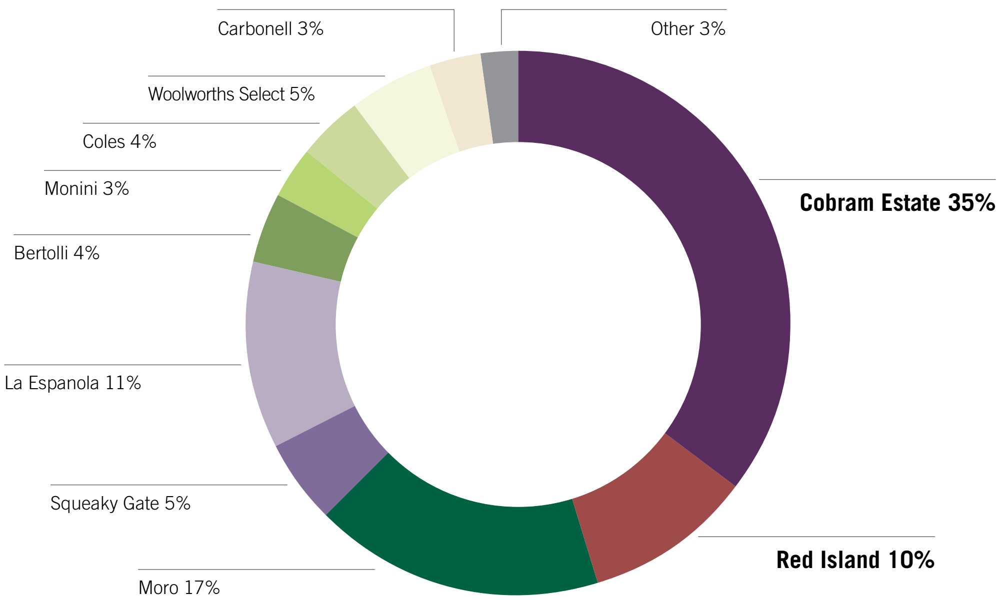


Olive oil sales – Australian division

As a result of the smaller olive oil crop in 2020 and the resulting smaller quantity of Australian olive oil available for sale in FY2021, the Company achieved olive oil sales of $98.1 million for the Australian olive oil division in FY2021, a 7.3% decline in total olive oil sales compared to FY2020. The decline in olive oil availability particularly affected private label, bulk, and Red Island® tins sales in FY2021. Despite the overall decline in sales by the Australian division, the Company prioritised sales of Cobram Estate® branded products and achieved growth in sales of 2.3% for the Cobram Estate® brand in FY2021, with sales of $64.0 million.

In Australian supermarkets, the Company is a leading player in the olive oil category and the clear market leader in the sale of Australian extra virgin olive oil. In FY2021 our brands Cobram Estate® and Red Island® accounted for 45% of total supermarket sales of extra virgin olive oil in value terms as highlighted by the chart below (or 35% share of supermarket sales of all grades of olive oil in value terms, including extra virgin olive oil and refined olive oil blends).[8]

Value share of Australian grocery sales of extra virgin olive oil by brand – FY2021 (source: IRI Scan data, Australia Grocery Weighted, Total Supermarket, FY2021)



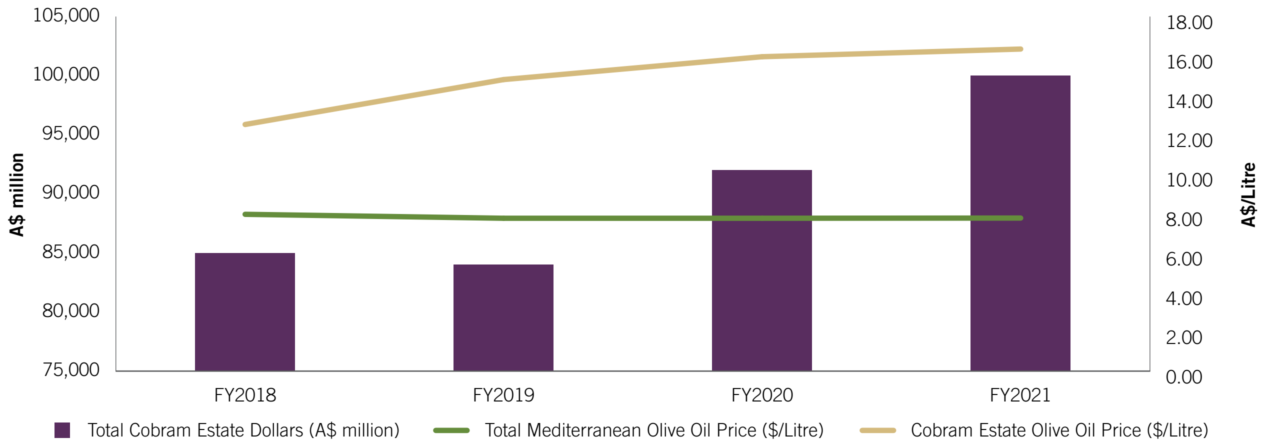
8 IRI Scan data, Australia Grocery Weighted, Total Supermarket, FY2021, accessed August 2021.

Chair & Joint-CEOs' Report

Continued

Pleasingly, sales of Cobram Estate® products have achieved in-store sales growth whilst selling at a substantial and growing price premium per litre to Mediterranean-sourced olive oils. Supermarket sales of Cobram Estate® in Australia, and the price paid per litre for Cobram Estate® versus price paid per litre for Mediterranean olive oil (all grades), are highlighted by the chart below.

Supermarket sales of Cobram Estate® in Australia and price paid per litre for Cobram Estate® versus price paid per litre for Mediterranean olive oil (all grades) – 12-months FY2018-FY2021 (source: IRI Scan data, Australia Grocery Weighted, Total Supermarket, FY2018-FY2021)



As highlighted in the graphic below, our Cobram Estate® portfolio includes a range of products to satisfy diverse consumer needs. The Company's Australian portfolio includes 'Premium Essentials' and 'Infused' oils which are widely distributed, together with a growing selection of 'Ultra-Premium' and luxury 'Limited Release' products including First Harvest® available largely for online purchase.

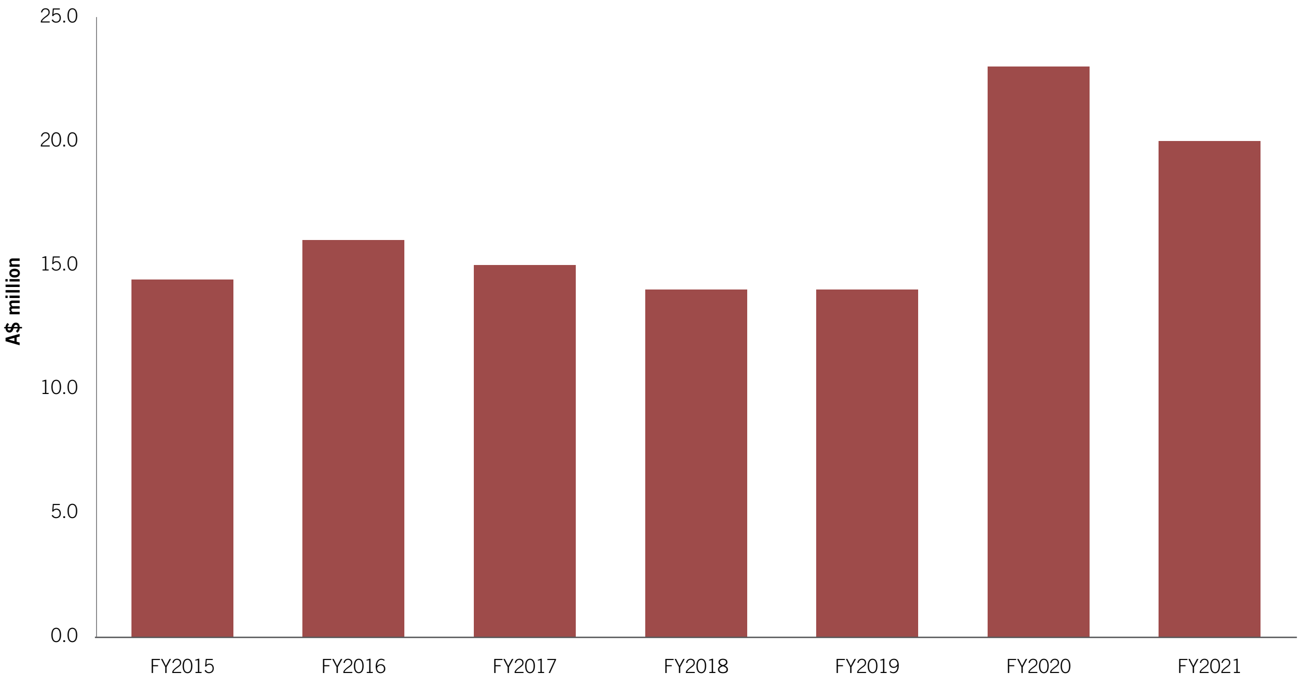
Cobram Estate® product portfolio – Australia

The Red Island® brand was acquired by CBO in 2012 and is an integral component of our product portfolio. 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® branded offering. Red Island products® are made with extra virgin olive oil sourced from the Company's own groves supplemented by extra virgin olive oils sourced from growers across Australia including the previous owner of the brand, Australian Agricultural Projects Limited. The current Red Island® product portfolio is detailed below.

Red Island® product portfolio – Australia

Sales of Red Island® were significantly impacted by the lower quantity of Australian extra virgin olive oil in FY2021, resulting in reduction in trade activity and tin sales. Total sales of Red Island® in FY2021 reached $20.2 million, a decline of 15% from the prior year. With greater availability of olive oil from the 2021 Australian olive harvest, the Company is anticipating a return to growth for the Red Island brand in FY2022.

Red Island® branded sales – FY2015-FY2021



Chair & Joint-CEOs' Report

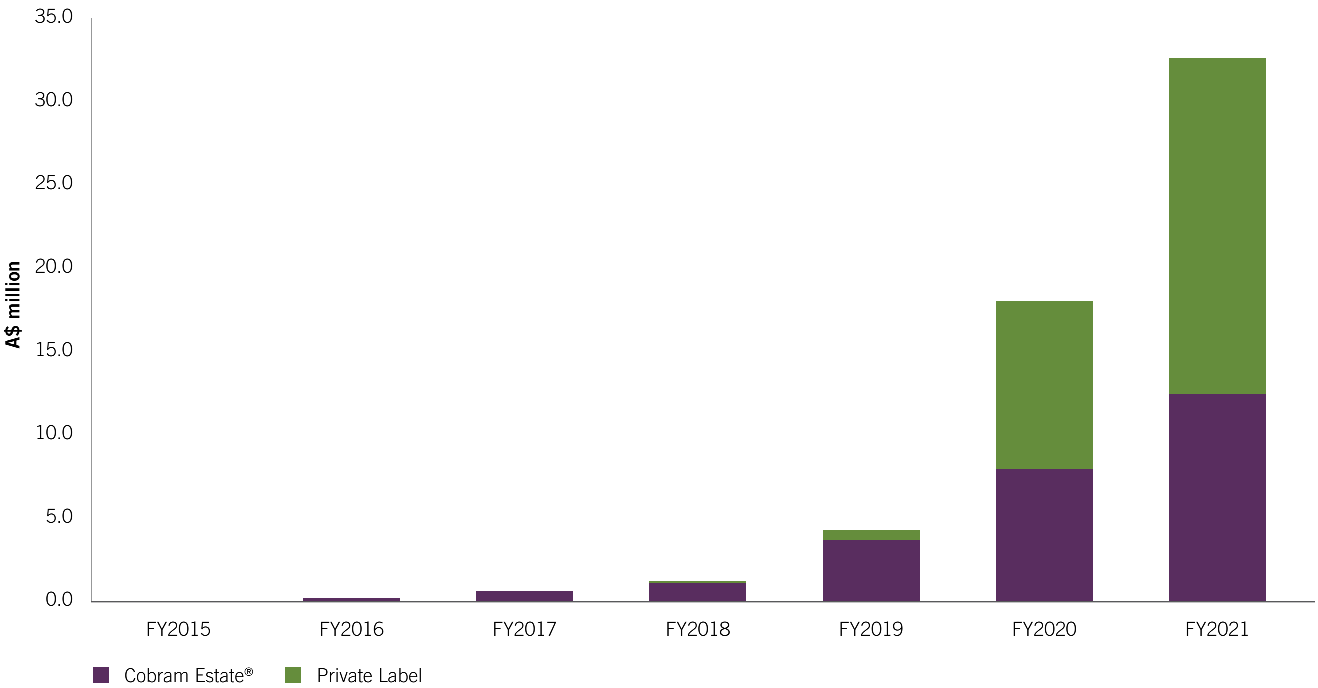
Continued

Olive oil sales – USA division

In FY2021, the Company achieved total USA sales of $38.9 million, representing growth of 30% over FY2020.[9] Sales of private label olive oil accounted for 55% of USA olive oil sales by value in FY2021, followed by Cobram Estate® branded extra virgin olive oils (34%) and bulk sales (11%).

In line with the Company's strategy to focus on the sale of Cobram Estate® branded and private label packaged goods, combined sales of these products grew by 81% in FY2021 to $32.6 million (FY2020: $18.0 million) as highlighted in the chart below.

Evolution of packaged olive oil sales by Cobram Estate Olives' USA business – FY2016-FY2021



The Company's flagship Cobram Estate® brand has seen strong USA sales growth, particularly since the launch of the 'Premium Essentials' range in 2019. In FY2021, Cobram Estate® sales totalled $12.4 million, compared to $7.9 million in FY2020.

Cobram Estate® was the #10 ranked olive oil brand in USA supermarkets (excluding private label) with an estimated 1.3% market share of total olive oil sales by value for the 12-month period to July 11 2021. Significantly, Cobram Estate® was the #2 brand of 100% California extra virgin olive oil (excluding private label) in USA supermarkets, and the fastest growing mainstream brand in the olive oil category, with sales growth of 62.7% for the 12-months to July 11 2021.[10]

In line with growth in sales, distribution of Cobram Estate® grew substantially between 2017 and July 2021. For the 12-months to July 2021, Cobram Estate® products were sold in over 13,100 USA stores.[11]

Whilst the Company remains committed to continued growth in USA sales, the Company's short-term growth in the USA is likely to be constrained due to oil availability. Longer-term, the Company's growth ambitions will be supported by our own maturing groves and future developments of new olive groves in the USA.

9 All Cobram Estate Olives USA sales have been converted from United States Dollars (**USD**) to Australian Dollars (**AUD**) using the average spot rate in the month of sale.

10 SPINS Scan data, Total US Olive Oil, Total Dollar Sales, 52 Weeks Ending 11 July 2021.

11 SPINS Scan data, Total US Olive Oil, Total Dollar Sales, 52 Weeks Ending 11 July 2021.

The Company's Cobram Estate® USA range was launched with an 'Ultra-Premium Select' offering, and the portfolio has since expanded to include a 'Limited Release' First Harvest® and a more affordable 'Premium Essentials' range. Current products are included in the chart below.

Cobram Estate® product portfolio – USA

Limited Release		**Availability** Online direct to consumer.
Ultra Premium		**Availability** Supermarkets in high end demographic areas, delis, restaurants, online direct to consumer.
Premium Essentials		**Availability** Widespread supermarket distribution, mainstream grocers, restaurants, online direct to consumer.


Olive harvest in California

Chair & Joint-CEOs' Report

Continued

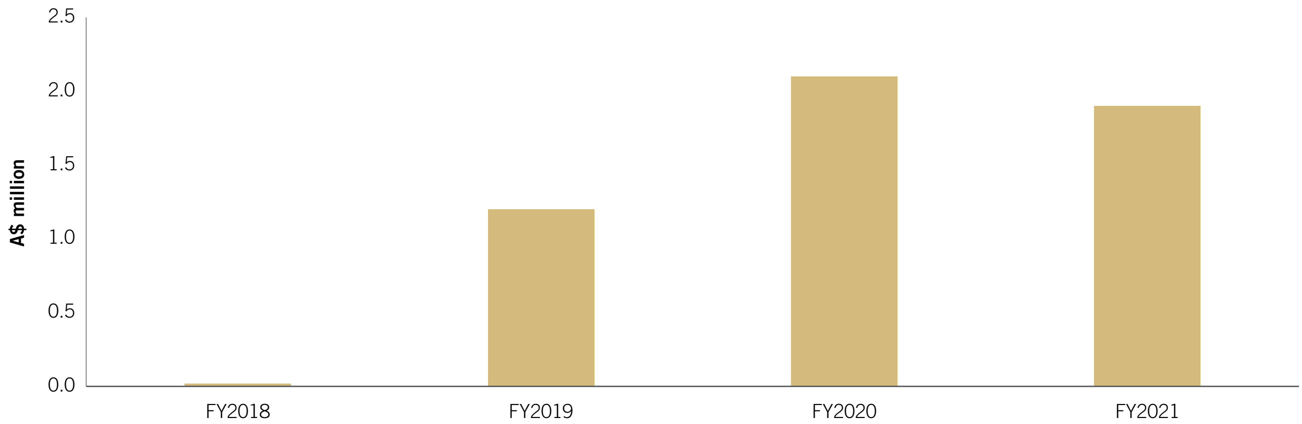
Wellness sales

Over the past four years, our Wellness division has focused on the development of a range of nutraceutical, functional food, and cosmetic ingredients and consumer products for sale as ingredients and consumer goods. The primary focus of this division has been on the extraction of antioxidants from the Company's olive by-products and the creation of products which originate from three different raw materials: olive leaf extracts and related products; functional oils and oil related products; and olive fruit derivatives and related products.

First launched in April 2019, sales of the Company's Wellgrove® olive leaf extract range initially spiked during the panic buying relating to the COVID-19 pandemic, however since May 2020 there has been a slowdown in sales, particularly in Australia. This has resulted in the refinement of the Wellgrove® product range and a realignment of the sales model to focus on digital sales in the USA, and digital, practitioner, and independent pharmacy sales in Australia.

In FY2021 the Wellness division, encompassing sales of Wellgrove® together with sales of olive biomass and specialty ingredients, generated global sales of $1.9 million as reflected in the chart below.

Wellness division global sales – FY2018-FY2021



The current Wellgrove® USA product range includes:

- Super Immunity + Heart Health: high strength olive leaf extract capsules;
- Super Immunity + Heart Health: high strength olive leaf extract liquid;
- Keto Super Powder: extra virgin olive oil powder plus prebiotics; and
- Keto Super Antioxidant: extra virgin olive oil soft gel capsules.

Wellgrove® USA product range

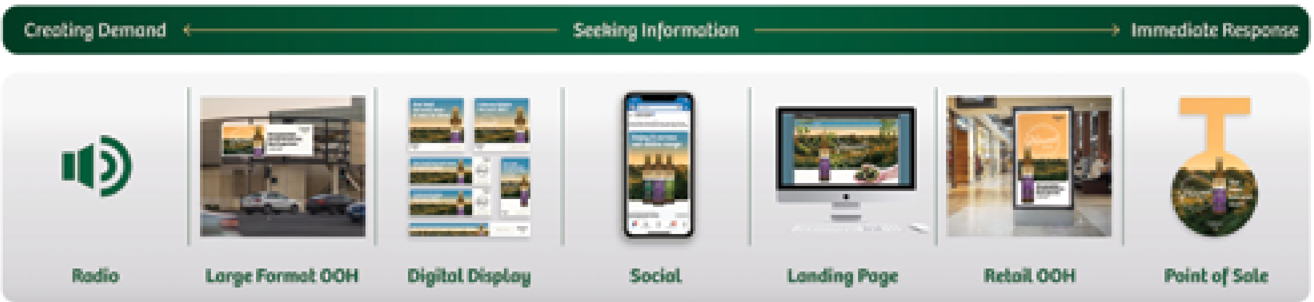
Marketing

The Company utilises a diverse range of marketing tools and activities to promote our brands and products to olive oil consumers, particularly in Australia and the USA. Promoting the health benefits, usage, and versatility of extra virgin olive oil are key objectives of our marketing initiatives.

Over time our communication strategy has evolved from a focus on consumer events and traditional media to an increasing emphasis on digital communications, virtual masterclasses, and education programs for healthcare professionals.

In Australia, the Company's most recent marketing activities focused on the release of the Cobram Estate® Harvest 2021 extra virgin olive oils. The Harvest 2021 campaign extended from social media and digital activity and virtual olive oil masterclasses, together with radio and outdoor advertisements as summarised by the image below.

Integrated marketing activities – Harvest 2021



Chair & Joint-CEOs' Report

Continued

Virtual masterclasses

With COVID-19 pandemic-related restrictions in place in 2020 and 2021, the Company has hosted a series of one-hour virtual olive oil masterclass sessions. The initiative was started by our health care professional team to run simulated tasting sessions with groups of health care professionals in Australia and the USA and was later extended to consumers. This has now become a key consumer marketing initiative and will be continued over the next 12 months.

Cobram Estate® virtual masterclass tasting kit

Health Care Professional education program

Despite the impact of COVID-19 impacting attendance at health care professional events, our successful Cobram Estate® health care professionals' program continues to focus on fulfilling the awareness and education needs of health care professionals in Australia and the USA relating to the different grades of olive oil and the associated health benefits.

Group Operations

Australian olive oil operations

The Company has amassed a number of strategic olive assets in Australia which it is continuing to develop. A summary of our Australian operations and assets is included in the infographic below.

Woorlong Station (Gol Gol)

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

Boundary Bend olive grove

Over 1 million olive trees

On-site olive mill and oil storage

Wemen olive grove

300,000 olive trees

Boort olive grove

1.1 million olive trees

On-site olive mill and oil storage

Melbourne commerical office

National & export sales teams

Marketing, new product development & innovation teams

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

2021 Australian olive harvest

Our 2021 Australian olive harvest was completed in late June and achieved a final olive oil yield of 16.05 million litres.

A summary of our Australian olive harvest results follows:

- The Company's Boundary Bend groves (including Wemen) produced 63,638 tonnes of olives and produced 11,655,522 litres of oil. Currently only 85% of trees on the Boundary Bend and Wemen groves are mature and producing mature fruit yields.
- The Company's Boort grove produced 24,707 tonnes of olives and produced 4,397,960 litres of oil. Currently only 31.8% of trees on the Boort grove are mature and producing mature fruit yields.
- In total, we harvested 88,345 tonnes of fruit and produced 16,053,481 litres of olive oil.
- Additionally, we processed 4,080 tonnes of fruit from external growers.

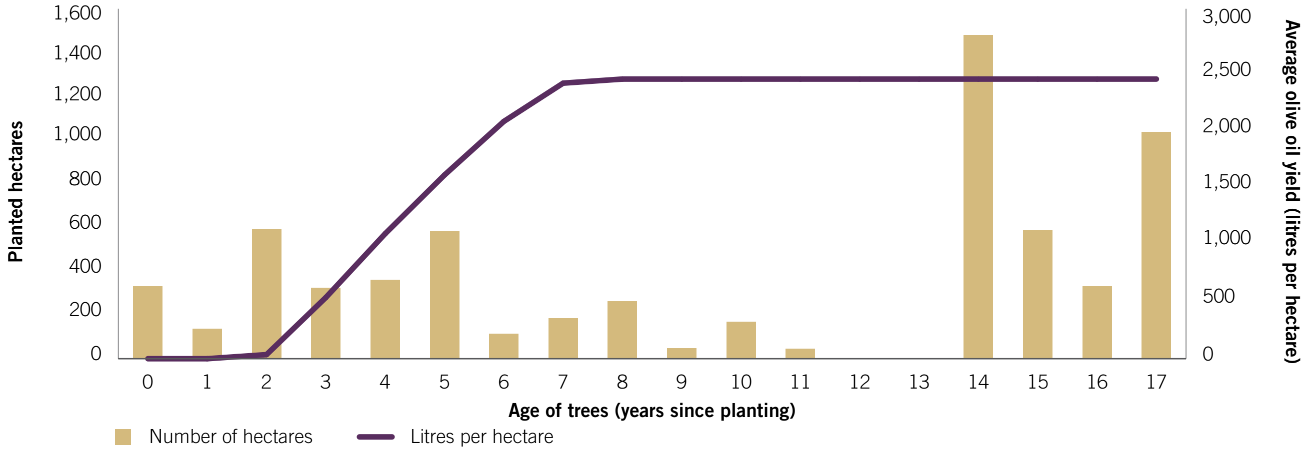
Whilst undertaking the harvest, the technical and maintenance teams have also successfully trialled a number of new initiatives including a new GPS tracking system for the harvesters and a head sensor for the machines that keeps records on all relevant picking parameters. Whilst there remains work to be done, we continue to invest in improvements in olive harvesting speed and efficiency to reduce the cost of harvest and improve yields.

Olive harvest at the Company's Boundary Bend grove

Boort grove redevelopment

The Company has been investing in growing its future supply of oil through the expansion and redevelopment of its Australian olive groves. As a result of this investment, the Company has inbuilt supply growth with our maturing olive orchards in Australia expected to produce growing yields as the trees approach maturity (eight years and older) as highlighted by the chart below.

Current age profile of the Company's olive trees alongside average oil yield per year of age

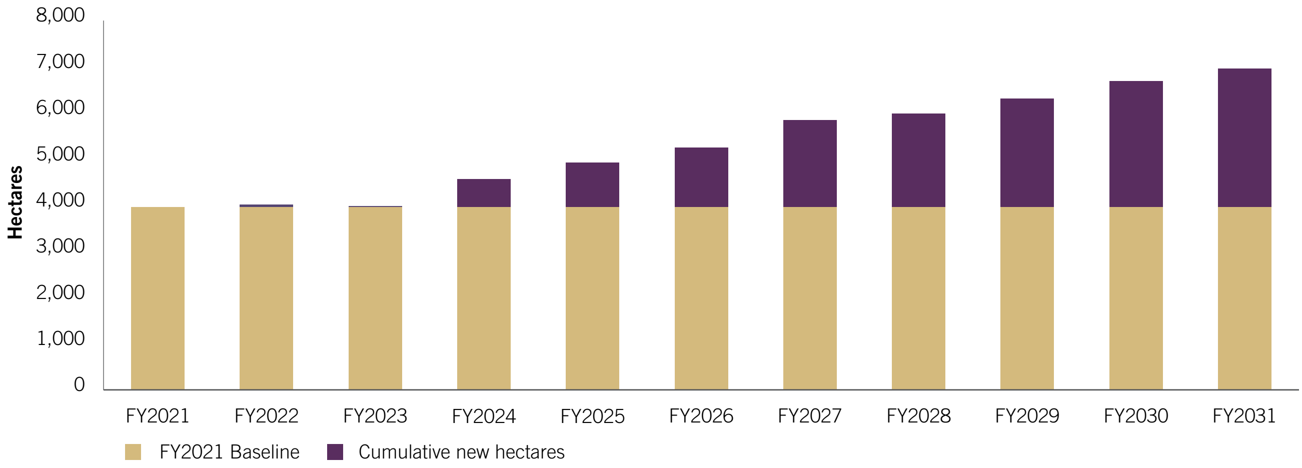


In 2021, the Company completed the redevelopment of the Boort olive grove, with 331 hectares planted with 118,000 new trees in Autumn 2021. Over the past six years the Company has replanted 2,114 hectares of the Boort grove with a total of 718,000 new trees, replacing non-performing olive varieties originally planted by the previous owner. As with many permanent crops, there is a significant lead time between planting and the achievement of mature fruit yields. In the case of olive trees, the growing cycle from planting to maturity involves three phases and takes approximately eight years. As a result of these replanting's, the Boort grove will reach mature yields in 2028 at which time it is primed to become our highest producing grove.

Future grove development and mature yields

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 are expected to increase from 3,960 hectares to 6,964 hectares over the next 10 years 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. We have also secured a location for 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 at this time and will review this as demand requires.

Projected hectares of the Company's mature olive trees in Australia



Farming practices and precision horticulture

CBO is a proponent of intensive olive growing techniques involving large-scale olive farming operations, moderate density tree plantings, mechanical harvesting, on-site milling, and the adoption of precision horticultural techniques including drip irrigation. As Australia's largest grower of olives and producer of premium quality extra virgin olive oil, we place great importance on continuously improving our farming operations.

Key farm management initiatives adopted by CBO include the following:

- Adoption of medium planting densities that lead to a higher degree and more consistent levels of production.
- Ongoing evaluation of more than 20 different olive tree varieties to determine their levels of productivity, resistance and/or susceptibility to several environmental factors and their ability to adapt to climatic changes.
- Adoption of a sophisticated and highly efficient pressurised low volume irrigation system to minimise inefficiencies in the application of water.
- Designed irrigation systems based on comprehensive soil mapping to determine suitable areas for development and most appropriate valve design and shift arrangements.
- Adopted state of the art irrigation scheduling and soil and tree monitoring systems to better evaluate the response of the system to the amount of water applied through irrigation.
- Worked with environmental groups to monitor and improve the environmental performance of its properties. This includes the installation and regular monitoring of several piezometers to prevent any type of deep leaching.
- Adhere to the principles of the Company's water stewardship program which details best management practice relating to water use, including minimising environmental impacts.
- Conducted detailed frost risk assessment and mitigation studies utilising highly sophisticated climatic sensors to better understand the potential risks of cold temperatures at the Company's groves.
- Operate 152 frost fans at the Company's groves as part of the frost risk mitigation plan to better manage the potential impact of extreme temperature conditions.
- Implemented detailed integrated pest and disease management practises to monitor and prevent any serious outbreak of pests and diseases under ever changing climatic conditions.

We embrace precision horticulture techniques and uses a wide range of technology to support its grove operations. The Company's goal is to use technology to help optimise field-level management in areas including the following:

- Increasing yields by identifying and addressing under-performing areas both short and long-term;
- Matching farming practices more closely to crop needs (e.g. fertilizer inputs, irrigation schedules, etc.);
- Optimising use of irrigation water and minimising losses; and
- Reducing environmental risks and footprint of farming (e.g. limiting leaching of nitrogen).

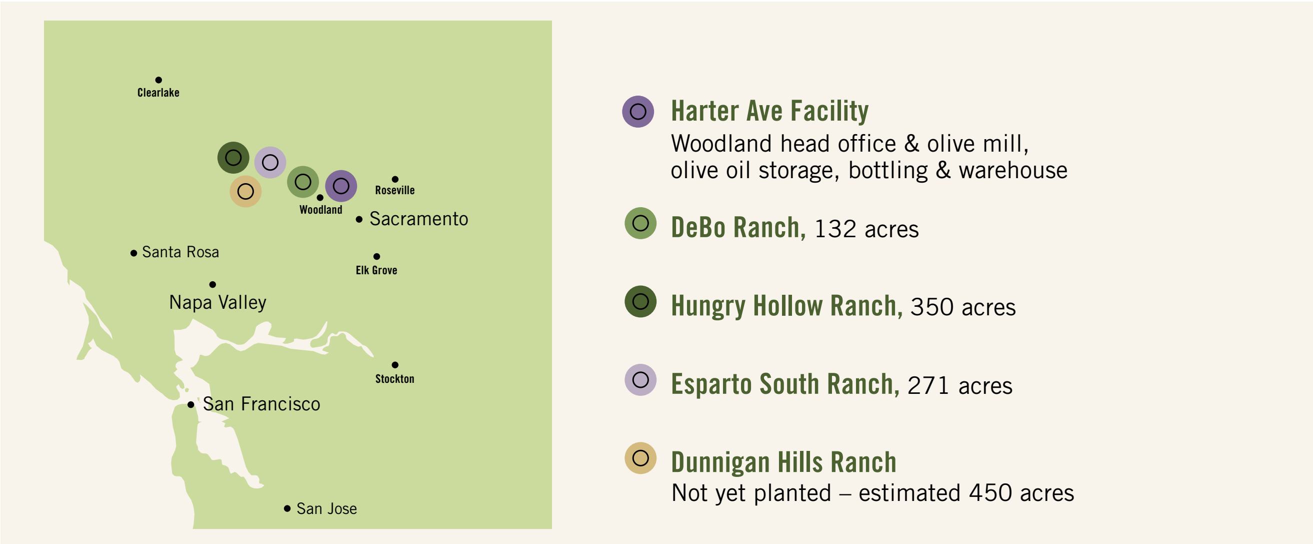
The use of technology also provides management with a wealth of information to build up records, improve decision-making, evaluate trials and management alternatives more cost effectively and foster greater traceability.

Chair & Joint-CEOs' Report

Continued

USA olive oil operations

Our strategy to replicate our vertically integrated Australian olive oil business in the USA is well advanced and provides a strong platform for future growth. We first produced olive oil in California in a third-party mill in 2014, and since then have established an olive mill in Woodland and produced 1.1 million litres of olive oil in 2020, confirming our position as the third largest producer in California with an estimated 14% of production. A summary of our USA operations is included below.



A major highlight for 2021 saw the Company develop 110 hectares (271 acres) of new olive groves on the Esparto South ranch near Woodland, California, with 53,000 new trees planted in Spring 2021. Developed using the same Oliv.iQ® principles adopted by the Company in Australia, the grove contains a number of our key olive varieties including picual, coratina and arbequina.

New grove development in California

Sustainability and environment

For the past 20 years, we have made environmental sustainability a core component of our farming operations, and have taken measures to maximise quality and yields, whilst achieving the highest possible level of sustainability across our grove operations. The Company intends to continue to innovate across its olive production systems, to drive continual improvement in operational performance alongside the sustainability of our olive groves.

The Company is committed to operating its business in an environmentally sustainable way and has been working to achieve zero-waste on our groves. By implementing the Company's proprietary Oliv.iQ® integrated olive growing system, our olive groves sequestrate more CO_2 per hectare than the global average, produce olive oil with a consumption of water 37% lower per litre of olive oil produced than industry average, and produce olive oil with consumption of nitrogen and phosphorous fertilizers considerably lower per litre of oil than the global averages.[12] Our groves are estimated to offset the carbon emissions equivalent to a small to medium size city (e.g. Bendigo, Victoria) each year.[12]

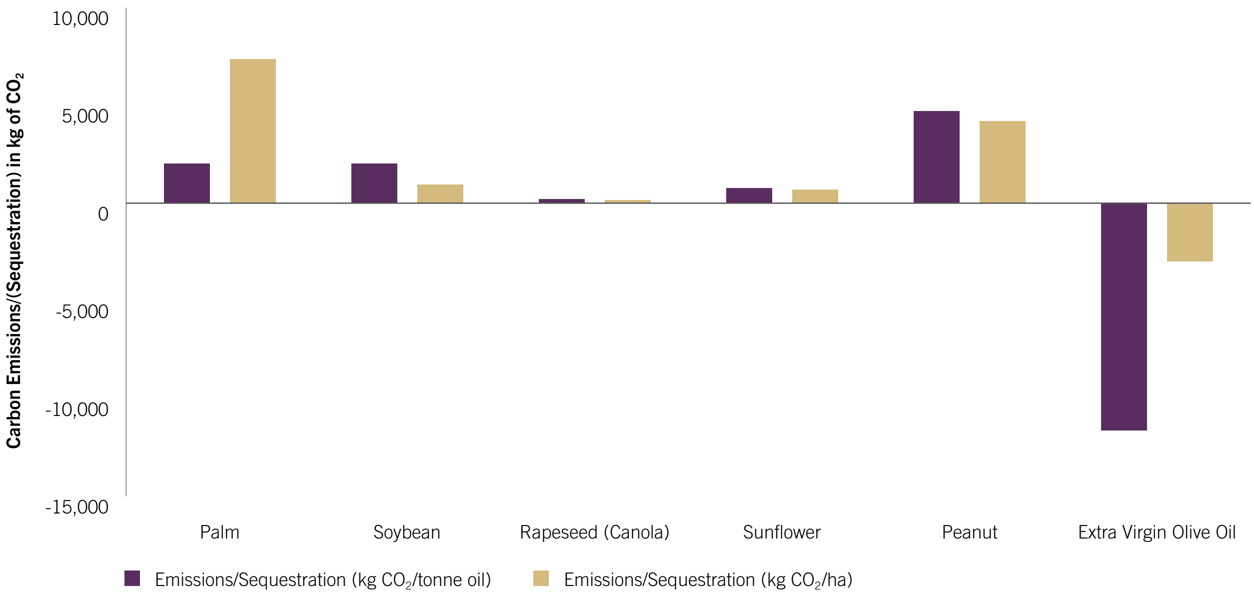
Impact of olive groves on atmospheric CO_2

Fruit production and soil preservation can contribute to mitigating the increase of atmospheric CO_2 by acting as a carbon sink. In the case of olives, whilst the ability to fix carbon varies from grove to grove, the International Olive Council estimates that producing one litre of extra virgin olive oil captures an average of 10.65kg of CO_2 from the atmosphere, with one hectare of the average olive grove neutralising the carbon footprint of one person.[12] This is in stark contrast to what occurs with the main edible oil industries (palm, soyabean, rapeseed (canola), sunflower, peanut or blends of these oil commonly labelled as vegetable oil), where the production of those refined edible oils, at a global level, has a negative net effect on atmospheric CO_2.[12]

From a crop sustainability point of view, olive crops outperform other mainstream edible oil crops. Olive crops are:

- The only mainstream edible oil crop which acts as a carbon sink.
- The most efficient crop in terms of use of water, nitrogen, and phosphorus fertilisers.
- An evergreen perennial crop, providing a great level of biodiversity and very limited negative impact from land-systems change.

Comparison of carbon emissions and carbon sequestration for key edible oils



CBO has taken several measures to enhance the carbon sequestration ability of our olive production systems. Our Oliv.iQ® integrated olive oil production system allows us to achieve consistently high yields, optimal quality and low production costs through sustainable practices and principles. Because of the adoption of these sustainable practices, it is estimated that our groves sequestrate nearly 10 times more CO_2 per hectare than the global average for olive groves.[12]

12 International Olive Council, 2020; https://www.olioofficina.it/en/knowledge/agricolture/the-carbon-footprint-of-olive-oil.htm accessed June 2021; Schmidt, J. H. Life cycle assessment of five vegetable oils, Journal of Cleaner Production 87, 2015; Munoz, I. et al. Comparative life cycle assessment of five different vegetable oils, 2.0 LCA Consultants for high quality, decision support, 2016; Oliv.iQ® Sustainability Report, 2020.

Chair & Joint-CEOs' Report

Continued

Key sustainability focus areas

Biodiversity

CBO is focused on minimising any biodiversity loss at the Company's sites. Some examples of key actions and practices include:

- Mapping and fencing over 1,300 hectares of remnant native vegetation within our properties (11% of the total area owned) to protect its biodiversity values.
- Undertaking detailed flora and fauna surveys of the properties to identify constraints and opportunities for improvement.
- The establishment of 40-metre buffer zones between the edge of native vegetation and irrigation areas, 25 metres of which has been revegetated though direct seeding of native flora.
- Prevented regional saline water from re-entering the Murray River system by developing a wetland area in partnership with the National Heritage Trust. This has now become a beneficial habitat for wildlife

Management of remnant native vegetation on the Company's Australian olive groves is consistent with the principles of Victoria's Native Vegetation Management Framework, promoting the recovery of native flora and fauna habitats.

Wetland at the Boundary Bend grove

Freshwater use

Agronomists typically compare the water needs of any crop to the water needs of actively growing closely cut grass. Olive crops have one of the lowest requirements, using 30% to 40% less water than grass.[13] Other permanent crops such as most nut and fruit trees will use between 10% and 30% more water than grass. Because of the adoption of more sustainable and efficient agricultural and irrigation practices, and due to the significantly higher yields than the industry average, it is estimated that our groves produce olive oil with a consumption of water 37% lower per tonne of oil than industry best practice.[13]

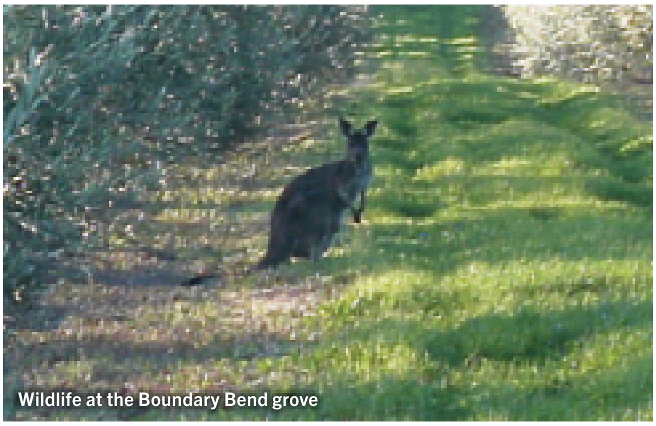
Fertiliser use

Production of olive oil uses approximately 50% less nitrogen fertiliser per hectare than other edible oil crops such as palm or rapeseed (not including soyabean or other legumes).[14] The situation is even more evident with phosphorus, where olives only require between 20% and 30% of the phosphorus used by other edible oil crops (not including soyabean or other legumes).[14] Because of the adoption of more sustainable and efficient agricultural practices, and due to the significantly higher yields achieved, it is estimated that our groves produce olive oil using 61% less nitrogen and 83% less phosphorous per tonne of oil than olive industry averages.

13 Oliv.iQ® Sustainability Report, 2020.
14 International Olive Council, 2020; Russo, C. et al. Comparison of European Olive Production Systems. Sustainability 2016; Oliv.iQ® Sustainability Report, 2020.

Land management

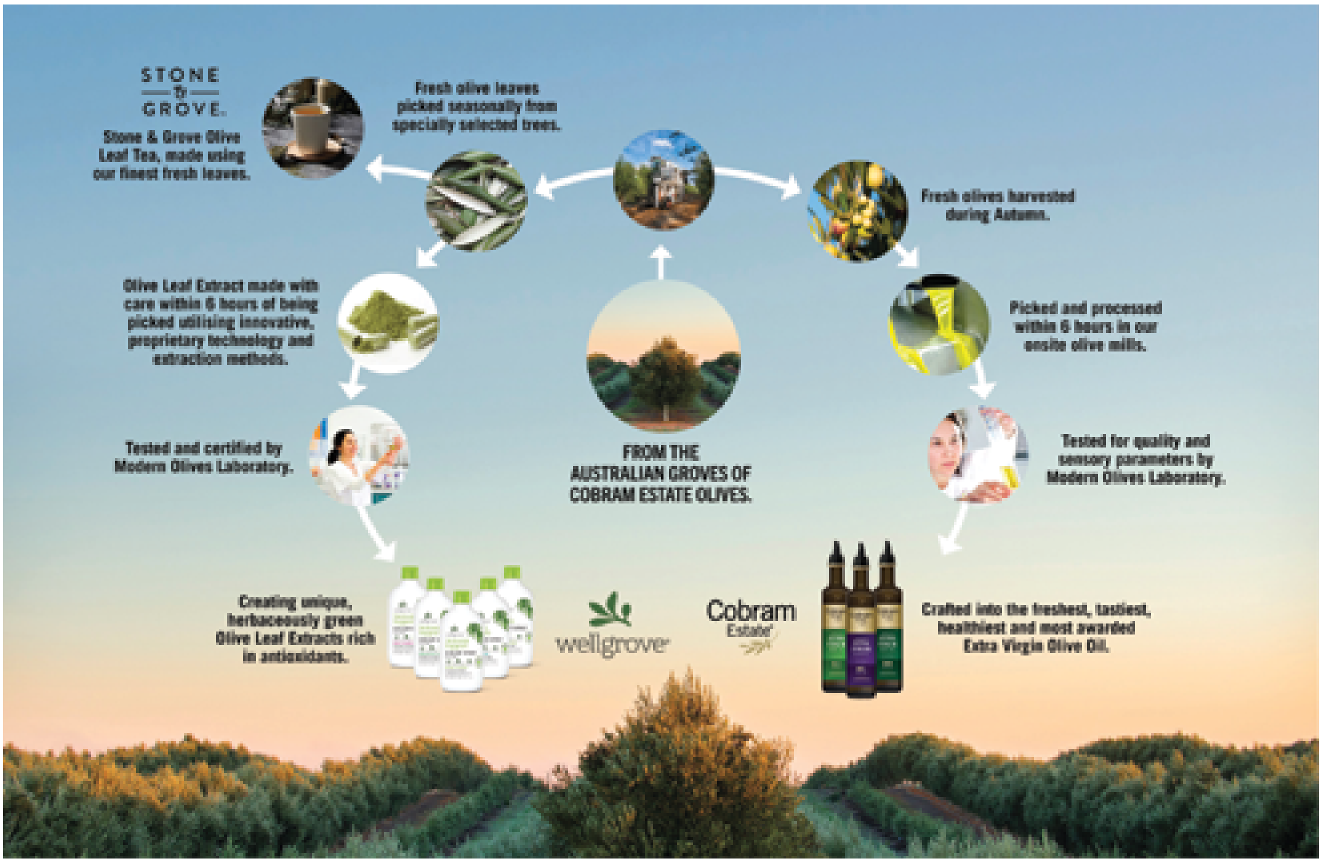
CBO has a strong record of achievement in managing environmentally sensitive farming areas. The approach to planning and managing agricultural operations is prescribed by our environmental policy. This policy requires and guides the achievement of ecologically sustainable agricultural production.



Wildlife at the Boundary Bend grove

Waste management

In recent years, due to the global intensification of food production, there has been great social and environmental pressure for the efficient re-utilisation of agricultural industry by-products which have traditionally been discarded as waste. Utilisation of by-products in farm animal nutrition, as organic fertilisers and/or as sources of valuable phytochemicals help to reduce the environmental impact of the food industry. As highlighted in the infographic below, we have made the achievement of a waste zero operation and the maximisation of the value of all operations one of its fundamental pillars, and the example of using previously wasted leaves to produce our Wellgrove® olive leaf extracts and Stone and Grove® olive leaf teas reflect this initiative.



Chair & Joint-CEOs' Report
Continued

Water

Olive trees have one of the lowest water requirements amongst other permanent crops such as most nut and fruit trees. In addition, olive trees are sufficiently hardy so that, should the ideal volume of water in any given season not be available for any reason, an olive tree is unlikely to die but will likely produce an olive crop with a lower yield during that season. During the following season, provided sufficient water is available, that same olive tree may again produce olive fruit at an optimum level.

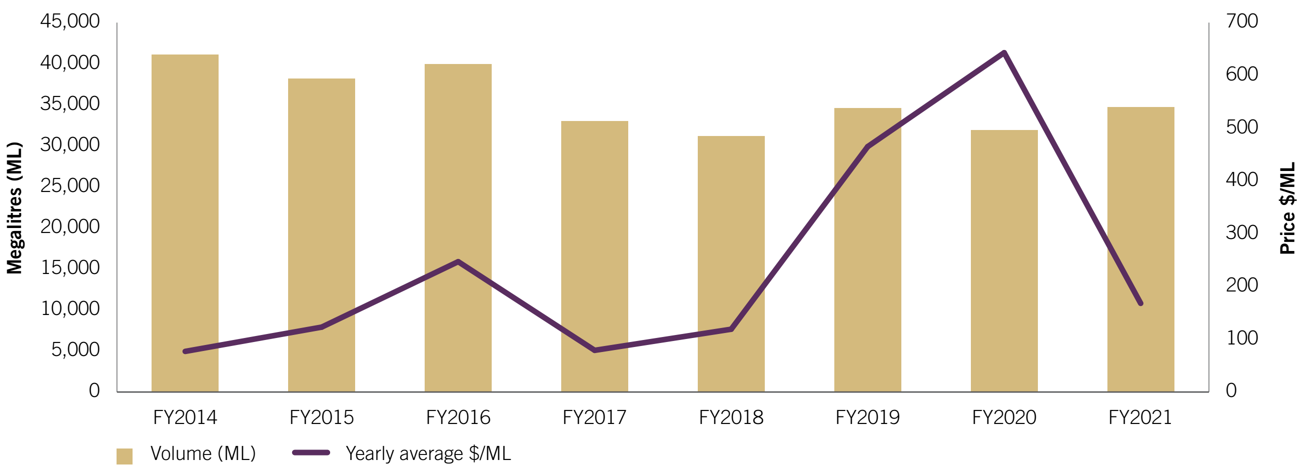
Irrigation of the Company's Australian olive groves

The Company sources its water in Australia from multiple points of the Southern Murray Darling Basin – including the Goulburn River, Murray River and Murrumbidgee river systems. Due to commercial factors and operational practicalities, the Company currently does not own material volumes of entitlement water (permanent water) and since 2013 has sourced its water from the allocation market (temporary water). Contrary to popular belief, entitlement water cannot be used to irrigate crops, only allocation water that is derived from entitlement water can be used to irrigate. Procuring water in this way has allowed us to maintain full flexibility, with our purchases occurring throughout the year from multiple counterparties and has provided access to sufficient water in every irrigation season. As more investors and fund managers purchase entitlement water, profitable water users (farmer irrigators) become an important part of the annual cash return on their investment.

From 2007 through to June 2021, the weighted average price paid for temporary water traded on the Southern Murray Darling Basin was $177 per megalitre. The price paid for water in any given season fluctuates based on normal supply and demand drivers such as storage levels, rainfall outlook, and temporary water allocation percentages against permanent water entitlements. Due to the robust perennial nature of olive groves, together with the value-added returns the Company achieves through the sale of premium consumer goods, we are better able to absorb price movements relative to many other irrigators in the region.

Over the period FY2014 to FY2021, CBO secured 100% of its water needs by procuring temporary water. Whilst seasonal prices fluctuated over this period as the following chart indicates, our weighted average price paid was $233 per megalitre, heavily influenced by extra-ordinary high prices in FY2020. During FY2021 the Company has paid an average price of $168 per megalitre for water purchased.

Cobram Estate Olives annual temporary water purchases and average annual price



The Company has an executive dedicated to the management of water, and maintains a regularly reviewed, strategic focus on the most appropriate mechanism to procure its water requirements.

Irrigation of the Company's Californian olive groves

Consecutive years of drought in California have led to state-wide water restrictions that impacted the availability of surface water for farmers. Due to the choice of their locations, our groves have access to alternative sources of water, through bores that allowed us to supply all the required irrigation throughout this current growing period. We are already investing in additional infrastructure to increase our capacity and flexibility in the coming seasons.

Safety and wellbeing

The health and safety of the people associated with our activities are integral to a successful business environment and for the ongoing growth and development of the Company. Our workplace health and safety policy is based on a belief that the wellbeing of staff and people affected by the Company's work and must be considered during all work performed.

In the face of rapid change in circumstances due to the COVID-19 pandemic, we have been quick to act and implement responses and plans to safeguard our people and ensure that we can safely continue our business operations. Our olive harvest again coincided with an increase in COVID-19 infections in Victoria. Fortunately, having learnt from our 2020 experiences, in 2021 we did not have to go to the extremes that we went to last year during our 2020 olive harvest, such as providing isolated accommodation and meals for all staff, but we maintained many of our other protocols, such as quarantine and testing of staff prior to the start of harvest, daily temperature checking, social distancing, full disinfection, and sanitation between shifts. As a result of all these measures, we completed the harvest safely and without any cases of COVID-19.

We are incredibly grateful for the commitment and flexibility exhibited by our staff, suppliers, and customers during these difficult circumstances.

Looking forward

Global demand for high quality extra virgin olive oil, supported by provenance, health benefits and traceability, remain highly desirable in our major markets and position the Company well for future success. Our sales outlook is positive, with increasing consumer demand for high quality extra virgin olive oil together with higher stock availability from the 2021 Australian harvest expected to deliver an increase in sales in FY2022.

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

Operationally, following a year of rapid adaptation, our team remains focused on progressing our operational objectives and focusing on our four pillars of future growth.

We would like to take this opportunity to recognise the commitments and the efforts of the Cobram Estate Olives team. We thank and congratulate our team for their amazing work ethic and their incredible commitment shown throughout FY2021. In addition, we thank both our shareholders and our loyal customers for their faith in the Company and our products. We look forward to working with our team and connecting with shareholders and customers in the coming year.

Yours sincerely,

Rob McGavin
Non-Executive Chair

Sam Beaton
Joint-CEO (Finance & Commercial)

Leandro Ravetti
Joint-CEO (Technical & Production)

Brand Portfolio

Cobram Estate®

CBO's flagship retail brand, Cobram Estate®, was purchased by the Company in 2006. In FY2021, Cobram Estate® global sales reached $76.4 million. The brand is well positioned as Australia's #1 selling olive oil in Australian supermarkets by value in FY2021, and the #10 selling olive oil in the USA supermarkets (excluding Private Label) by value (12-months to 11 July 2021).[15] Cobram Estate® is also exported to a further 16 countries including New Zealand, Japan, Singapore, Taiwan, and Malaysia, and is amongst the world's most awarded olive oil brands, winning over 400 awards including Best in Class trophies and Gold Medals at the New York International Extra Virgin Olive Oil Competition.

Red Island®

Red Island® is the second-highest selling brand of Australian extra virgin olive oil (behind Cobram Estate®)[16] with sales of $20.2 million in FY2021. Purchased by CBO in 2012, the Red Island® brand has received multiple awards for excellence in quality and taste and is distributed throughout Australian supermarkets and exported to New Zealand, Malaysia, Fiji, China, and Canada. 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® branded offering.

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 a small offering sold in the foodservice channel in Australia and in retail and gifting in China.

15 IRI Scan data, Australia Grocery Weighted, Total Supermarket, FY2021, accessed August 2021; SPINS Scan data, Total US Olive Oil, Total Dollar Sales, 52 Weeks Ending 11 July 2021.

16 IRI Scan data, Australia Grocery Weighted, Total Supermarket, FY2021, accessed August 2021.

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. The Wellgrove® range of products is aimed to improve people's health and wellbeing delivering effective, natural, and sustainable health and wellness solutions. Wellgrove® products are currently sold in Australia and the USA.

Stone & Grove®

What began as an initiative to reduce leaf waste on CBO's groves, the Stone & Grove® range of 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, and Malaysia.

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 CBO's exclusive and proprietary integrated olive oil production system. Oliv.iQ® is the result of more than 20 years of practical experience, research and innovation carried out under the supervision of renowned expert and CBO Joint-CEO, Leandro Ravetti.

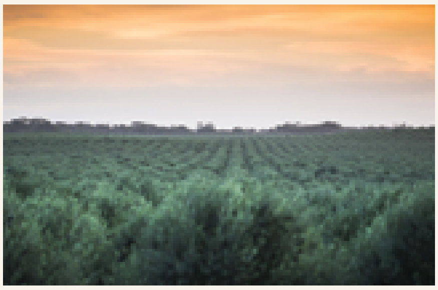
Olive Wellness Institute®

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.

Key Tangible Assets

Australian olive groves

- Australian olive growing operations are 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. Cobram Estate Olives' groves have been progressively planted, with the oldest trees planted in 2004 and the most recent planting occurring in 2021.



USA olive groves

- USA olive growing operations totalling over 149,000 trees planted on 305 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 has secured an additional 182 hectares of land in the USA suitable for planting which it is planning to develop in 2022.

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.

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.

Australian olive tree nursery

- The Modern Olives® olive tree nursery. 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.

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, nine 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 USA, 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.

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 has no immediate intentions of developing this property.

Growth Strategy

The Company's four core growth opportunities, outlined below, are well developed, and provide a strong pipeline for future growth in both the medium and long-term.

Increasing supply from our Australian olive groves through new plantings and efficiency gains

39% of the Company's total Australian plantings are not fully mature and are not yet producing mature yields including 16% of total Australian plantings yet to produce a harvested crop.

Growing our vertically integrated business in the USA

CBO is encouraged by the immense opportunity in the USA to replicate its Australian business in the medium to long term. The Company's key focus is increasing the supply pipeline of Californian produced olive oil to drive packaged goods sales at retail.

Growing branded sales and improving the Net Price per litre for our extra virgin olive oil

Continued premiumisation and differentiation of the Company's brands globally whilst never compromising consumer trust and/or value proposition.

Value-adding our olive oil by-products

Monetising the substantial investment that has already occurred in the Company's Wellness division and its Wellgrove® brand.

Directors' Report

The Directors present their report together with the financial report of Cobram Estate Olives and controlled entities for the year ended 30 June 2021 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 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
- Joanna McMillan (appointed 21 May 2021)
- Jonathan West
- Sam Beaton
- Leandro Ravetti
- Timothy Smith (resigned 18 March 2021)
- Matthew Bailey (resigned 4 May 2021)
- Alan Hilburg (resigned 7 December 2020)

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

Company Secretary

Sam Beaton (resigned 27 May 2021)

Russell Dmytrenko (appointed 28 May 2021)

Results

The profit of the consolidated entity for the year after providing for income tax amounted to $32.6 million (2020: $32.7 million loss). 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 the production and marketing of olive oil and olive related products in Australia and the USA.

After balance sheet events

Cobram Estate Olives listed on the Australian Securities Exchange on 11 August 2021. Otherwise, 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.

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 30 June 2021 financial year, no dividends were declared or paid.

The Company intends to pay a 3.3 cent per share dividend in November/December 2021. The Company is likely to offer shareholders a Dividend Reinvestment Plan (DRP). Further details of this dividend and the DRP will be announced at the Company's Annual General Meeting on 29 October 2021.

No dividends were declared or paid during the year ended 30 June 2020.

Directors' Report

Continued

Information on Directors

Rob McGavin (appointed 6 July 2005) *Chair, Non-Executive Director* *Co-Founder*	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 Chairman-elect 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 (appointed 6 July 2005) *Non-Executive Director* *Co-Founder*	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 (appointed 24 September 2005) *Non-Executive Director*	Tim is a former Managing Partner and National Chairman of Pitcher Partners, a national association of independent accounting firms across Adelaide, Brisbane, Melbourne, Newcastle, Perth, and Sydney. His qualifications include a Master of Business Administration (University of Melbourne), Bachelor of Commerce (University of Melbourne) and 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 the Chairman of Yarra Valley Caviar Pty Ltd (fish farms and caviar production); Chairman of Daniel Roberson Pty Ltd (property holdings); and Director and Treasurer of Australian Stockman's Hall of Fame and Heritage Centre Ltd (Longreach, Queensland). Tim was formerly a Director of Silvan Australia Pty Ltd, and a Director and Treasurer of Essendon AFL Football Club Ltd. 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.
Craig Ball (appointed 24 September 2005) *Non-Executive Director*	Craig is an Executive Director 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.
Joanna McMillan (appointed May 2021) *Non-Executive Director*	Scottish born and raised, Joanna McMillan has spent the last 22 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, Accredited Practising Dietitian, Adjunct Senior Research Fellow with La Trobe University, guest lecturer at The University of Sydney and Fellow of the Australasian Society of Lifestyle Medicine. A regular on television, Joanna has presented on the Today Show for over 15 years, is a host on ABC's science show Catalyst, and is 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 her first Audible Original, Gutfull, What to Eat for a Happy Gut. Joanna has provided consultancy services from time to time 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.

Jonathan West (appointed 24 October 2008) *Non-Executive Director*	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 ASX-listed Hexima Limited, a medical biotechnology company; Chairman of the ASX-listed Gowing Brothers Investment Fund; Board member of Hydralyte, a dehydration-therapy provider; and Board member of the Three Valleys Food Company Pty Ltd in Tasmania. 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 (appointed 15 January 2015) *Joint-Chief Executive Officer (Finance and Commercial) and Executive Director*	Sam joined the Company in August 2009. Sam has over 21 years' experience in commercial, corporate and finance roles. Sam 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, management of corporate debt, capital raisings, business planning and execution and strategy. Sam has 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 the Cobram Estate Olives on 20 April 2021 and formerly held the role of Chief Financial Officer, Company Secretary and Chief Operating Officer.
Leandro Ravetti (appointed 6 July 2005) *Joint-Chief Executive Officer (Technical and Production) and Executive Director*	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 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.
Timothy Smith (resigned 18 March 2021) *Innovation and Value Add Director*	Timothy joined Cobram Estate Olives early in 2004 to head up the Company's sales and marketing activities and was appointed Executive Director in 2009. Tim resigned from the board on 18 March 2021 , however, remains working for Cobram Estate Olives (as a contractor from 1 September) to support investor relations and communications.
Matthew Bailey (resigned 4 May 2021) *Non-Executive Director*	Matthew joined Cobram Estate Olives as a Non-Executive Director in 2014. He was the founding partner and Managing Director of Junior, an advertising agency located in Brisbane and Sydney. He is also a director of DHD Surfboards and Harajuku Gyoza. Matthew resigned from the board on 4 May 2021.
Alan Hilburg (resigned 7 December 2020) *Non-Executive Director*	Alan is President/CEO of Hilburg Associates, a global consulting firm established 34 years ago. Alan regularly serves as a senior advisor to Fortune 500 brands and leadership teams. Alan resigned from the board on 7 December 2020.

Directors' Report

Continued

Company Secretary details

Russell Dmytrenko (appointed 18 January 2021) *Chief Financial Officer (Australian operations) and Company Secretary (appointed 28 May 2021)*	Russell joined Cobram Estate Olives in January 2021. Russell has over 18 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 of the Company's Australian operations and Company Secretary of Cobram Estate Olives.

Meetings of Directors

Directors	Directors' meetings		Audit & risk committee meetings		Remuneration committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Rob McGavin	14	14	4	4	–	–
Paul Riordan	14	13	–	–	–	–
Leandro Ravetti	14	14	–	–	–	–
Tim Jonas	14	14	4	4	4	4
Craig Ball	14	14	4	4	4	4
Jonathan West	14	14	1	1	4	4
Timothy Smith	9	9	–	–	–	–
Matthew Bailey	12	9	–	–	–	–
Alan Hilburg	5	4	–	–	–	–
Sam Beaton	14	14	–	–	–	–
Joanna McMillan	2	2	–	–	–	–

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, Joanna McMillan, and 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 the 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 of the Company, his position as CEO of the Company until 20 April 2021, 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 his recent position as an Executive Director of the Company. CBO is satisfied that non-compliance with ASX Recommendations 2.4 and 2.5 will not be detrimental to the Company.

Options

16,500,000 options over unissued ordinary shares in the consolidated entity were granted during the financial year ended 30 June 2021 (2020: 430,002 post share-split equivalent).

During the year 18,600,000 options were exercised. Since year end no options have been granted. The consolidated entity has 20,451,534 options on issue as at 30 June 2021.

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 2021.

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
Rob McGavin	Executive Chair; appointed Non-Executive Chair on 20 April 2021, and a member of the Audit and Risk Committee.
Paul Riordan	Executive Director; appointed Non-Executive Director on 1 July 2021.
Leandro Ravetti	Technical Director; appointed Joint-Chief Executive Officer (Technical and Production) on 20 April 2021.
Sam Beaton	Chief Financial Officer and Chief Operating Officer; appointed Joint-Chief Executive Officer (Finance and Commercial) on 20 April 2021.
Timothy Smith	Executive Director (Innovation and Value-Adding); resigned from the board on 18 March 2021.

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
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 (appointed 21 May 2021)	Member of the Scientific Committee.
Professor Jonathan West	Member of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.
Matthew Bailey (resigned 4 May 2021)	
Alan Hilburg (resigned 7 December 2020)	

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.
- 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 will assist 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 and 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 $300,000 per annum, all of which is currently utilised. 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.

Each Non-Executive Director of the Company (except for Paul Riordan) currently receives a base fee of $60,000 per annum. Rob McGavin currently receives an additional fee of $140,000 per annum which the Board has approved as special remuneration for additional services performed by Rob for the Company (including in his role as Chair). Similarly, Paul Riordan, who is based in the USA, currently receives a fee of US$260,358 per annum through to 31 December 2021 which the Board has approved as special remuneration for additional services performed for the Company.

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 our standard employee contract and adhere to our 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 2021 $'000	30 June 2020 $'000	30 June 2019 $'000	30 June 2018 $'000	30 June 2017 $'000
Revenue and other income	207,152	131,765	151,740	113,128	139,549
Net (loss)/profit before tax	49,390	(40,230)	16,648	(13,132)	20,968
Net (loss)/profit after tax	32,647	(32,700)	8,759	(13,276)	12,834
Net Assets	190,612	146,090	179,765	161,049	154,227

	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Shares on issue (at end of year)	387,372,594*	61,462,099	61,062,099	60,583,729	57,142,125
Net assets per Share ($)	0.49	2.38	2.94	2.66	2.70
Dividends per Share	Nil	Nil	12 cents (Unfranked)	12 cents (Unfranked)	10 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. Accordingly, market capitalisation will be reported in future periods.

Remuneration of Directors and senior management

FY2021	Short-term employee benefits			Post-employment benefits	Share-based payments	
	Salary & Fees $	Bonus $	Non-monetary $	Super-annuation $	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	–	–	21,694	66,341	**537,458**
Timothy Smith	348,000	–	–	21,694	18,280	**387,974**
Matthew Bailey	60,000	–	–	–	–	**60,000**
Sam Beaton	449,423	–	–	21,694	44,404	**515,521**
Alan Hilburg	15,017	–	–	–	–	**15,017**
Joanna McMillan	6,740	–	–	–	–	**6,740**
	2,159,232	**200,000**	–	**92,200**	**129,025**	**2,580,457**

Remuneration of Directors and senior management continued

FY2020	Short-term employee benefits			Post-employment benefits	Share-based payments	
	Salary & Fees $	Bonus $	Non-monetary $	Super-annuation $	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	–	–	21,003	–	**330,938**
Paul Riordan	391,472	–	–	1,352	–	**392,824**
Leandro Ravetti	425,000	–	–	19,411	58,658	**503,069**
Timothy Smith	330,000	–	–	21,003	18,331	**369,334**
Matthew Bailey	60,000	–	–	–	–	**60,000**
Sam Beaton	425,000	–	–	19,411	36,661	**481,072**
Alan Hilburg	35,974	–	–	–	–	**35,974**
	2,097,381	–	–	**82,180**	**173,650**	**2,353,211**

No Director or senior management person appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Shareholdings of Directors and executives

FY2021	Balance at beginning of year No.	Granted as compen-sation No.	Received upon exercise of option No.	Net other change No.	Balance at end of year No.
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	1,225,050	–	3,000,000	**–**	**4,225,050**
Matthew Bailey	2,025,498	–	–	**–**	**2,025,498**
Sam Beaton	2,524,050	–	6,000,000	**–**	**8,524,050**

Shareholdings of Directors and executives continued

FY2020	Balance at beginning of year No.	Granted as compen-sation No.	Received upon exercise of option No.	Net other change No.	Balance at end of year No.
Tim Jonas	5,624,988	–	–	–	5,624,988
Craig Ball	3,765,198	–	–	–	3,765,198
Jonathan West	5,472,000	–	–	–	5,472,000
Rob McGavin	72,044,376	–	–	–	72,044,376
Paul Riordan	18,654,708	–	–	–	18,654,708
Leandro Ravetti	748,584	–	–	–	748,584
Timothy Smith	1,225,050	–	–	–	1,225,050
Matthew Bailey	2,025,498	–	–	–	2,025,498
Alan Hilburg	–	–	–	–	–
Sam Beaton	2,524,050	–	–	–	2,524,050

The above table has been updated to reflect the share split of 6:1 as if it had been effective from 1 July 2019.

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 and to Timothy Smith (a former Executive Director of the Company) on 17 May 2021. Each Related Party Loan was provided to enable the borrower under the relevant Related Party Loan to exercise options held by them through the employee share option plan. Subsequent to year-end the loan amount has been repaid in full for Timothy Smith.

The particulars of each Related Party Loan are set out in the table below.

	Key terms		
Borrower	**Loan amount**	**Drawdown date**	**Maturity date**
Sam Beaton	$4 million	1 April 2021	1 April 2024
Leandro Ravetti	$6.4 million	1 April 2021	1 April 2024
Timothy Smith	$2 million	17 May 2021	17 May 2022

The interest rate utilised is as per the published Division 7A Benchmark interest rate for each year to 30 June. At the date of drawdown through to 30 June 2021 was 4.52% for each party.

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 considers to have been fit for purpose while the Company has been an unlisted public company. Eligibility for the plan and exercise price for options issued under the plan are determined at the discretion of the Board.

Each employee option converts into one ordinary share of Cobram Estate Olives 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.

During the financial year, the consolidated entity granted 2,750,000 options (FY2020: 71,667) to Directors and senior management of the consolidated entity, as part of their remuneration. Post the 24th of June 2021 share split, this is now 16,500,000 for FY2021 and 430,002 for FY2020.

3,100,000 options were exercised in the financial year ended 30 June 2021 (FY2020: 400,000). Post the 24th of June 2021 share split, this is now 18,600,000 for FY2021 and 2,400,000 for FY2020.

192,200 options lapsed during the year ended 30 June 2021 (FY2020: 805,000). Post the 24th of June 2021 share split, this is now 1,153,200 for FY2021 and 4,830,000 for FY2020.

Directors’ Report

Continued

Employee share option 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	Exercisable 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	01-Aug-24	$1.50	$1.33	600,000	–	–	–	600,000	–
01-May-17	***	01-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	–
06-Dec-19	06-Dec-22	06-Jan-23	$1.50	$1.42	90,000	–	–	–	90,000	–
06-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
Weighted average exercise price:					**$0.84**	**$1.50**	**$0.67**	**$1.43**	**$1.50**	**$1.45**

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	Exercisable at end of the year
2020										
01-May-14****	***	01-May-20	$0.42	$0.40	1,800,000	–	–	(1,800,000)	–	–
10-Nov-14	10-Nov-21	10-Nov-24	$0.67	$0.55	18,600,000	–	–	–	18,600,000	–
01-Feb-15**	***	31-Mar-20	$0.63	$0.54	2,400,000	–	(2,400,000)	–	–	–
31-Jan-16	31-Jan-21	31-Mar-21	$0.63	$0.54	1,200,000	–	–	(1,200,000)	–	–
11-Jul-16	11-Jul-23	11-Jul-23	$0.71	$0.62	1,200,000	–	–	(1,200,000)	–	–
01-Dec-16	02-Dec-16	01-Dec-19	$1.25	$1.17	450,000	–	–	(450,000)	–	–
27-Apr-17	01-Jul-24	01-Aug-24	$1.50	$1.33	600,000	–	–	–	600,000	–
01-May-17	***	01-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	493,200
19-Sep-18	19-Aug-23	19-Sep-23	$1.50	$1.42	1,140,000	–	–	(180,000)	960,000	–
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	–	–	–	660,000	–
06-Dec-19	06-Dec-22	06-Jan-23	$1.50	$1.42	–	90,000	–	–	90,000	–
06-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
					30,504,732	430,002	(2,400,000)	(4,830,000)	23,704,734	1,762,734
Weighted average exercise price:					**$0.79**	**$1.45**	**$0.63**	**$0.66**	**$0.84**	**$1.42**

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

** The agreement relating to these options was not formally signed until 23 October 2015. However, the price and terms of the options were agreed between parties on 1 February 2015.

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

**** 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.

The Company does not intend to issue any further securities under the historical ESOP. The Company intends to issue any incentive securities in the Company in future under the Company's recently established ASX-compliant long-term incentive plan (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.

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 44.

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.

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

Tim Jonas

Director:
Tim Jonas

Dated this: 19 September 2021

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

477 Collins Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 9671 7001
www.deloitte.com.au

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

19 September 2021

Dear Board Members

Cobram Estate Olives Limited (formerly Boundary Bend 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 (formerly Boundary Bend Limited)

As lead audit partner for the audit of the financial statements of Cobram Estate Olives Limited for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Rachel Smith

Rachel Smith
Partner
Chartered Accountants

Financial Report

Contents

Consolidated Statement of Profit or Loss

For the year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Total Revenue and Other Income			
Sales revenue	5	139,950	140,652
Other income	5	2,191	2,163
Net change in fair value of agricultural produce	5	65,011	(11,050)
		207,152	131,765
Expenses			
Cost of sales	6	(121,176)	(125,718)
Administration expenses		(13,920)	(17,059)
Distribution expenses		(5,927)	(6,528)
Marketing expenses		(8,843)	(14,385)
Occupancy expenses		(2,369)	(2,370)
Finance costs	6	(4,743)	(5,360)
Other expenses		(784)	(575)
		(157,762)	(171,995)
Profit/(loss) before income tax		49,390	(40,230)
Income tax (expense)/benefit	7	(16,743)	7,530
Profit/(loss) from continuing operations		32,647	(32,700)
Profit/(loss) for the year		**32,647**	**(32,700)**
Profit/(loss) is attributable to:			
Owners of Cobram Estate Olives Limited and controlled entities		32,647	(32,700)
		32,647	(32,700)

The accompanying notes form part of these financial statements.

Consolidated Statement of Other Comprehensive Income

For the year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Profit/(loss) for the year		32,647	(32,700)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(3,352)	(447)
Changes in fair value of cash flow hedges	24(d)	3,017	(2,512)
Changes in deferred tax recognised in equity		(905)	754
Other comprehensive income/(loss) for the year		(1,240)	(2,205)
Total comprehensive income/(loss) for the year		**31,407**	**(34,905)**
Total comprehensive income/(loss) for the year is attributable to:			
Owners of Cobram Estate Olives Limited and controlled entities		31,407	(34,905)
		31,407	(34,905)
Earnings/ (Loss) $ per share			
From continuing operations			
Basic		0.09	(0.09)
Diluted		0.08	(0.09)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

For the year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Current assets			
Cash and cash equivalents	8	1,175	3,767
Trade and other receivables	9	24,758	14,565
Inventory	10	104,691	62,823
Biological assets	13	2,966	1,621
Current tax assets	7(c)	154	-
Other assets	12	2,019	3,226
Total current assets		135,763	86,002
Non-current assets			
Other receivables	9	10,400	218
Other financial assets		9	9
Intangible assets	14	6,678	6,678
Property, plant and equipment	15	290,877	292,188
Right-of-use assets	16	4,867	5,489
Total non-current assets		312,831	304,582
Total assets		448,594	390,584
Current liabilities			
Trade and other payables	17	24,878	25,017
Lease liabilities	18	189	208
Borrowings	19	3,795	4,907
Provisions	20	1,833	1,784
Current tax liabilities	7(c)	-	6
Other financial liabilities	21	974	973
Other liabilities	22	2,177	5,913
Total current liabilities		33,846	38,808
Non-current liabilities			
Lease liabilities	18	4,880	5,358
Borrowings	19	161,832	158,760
Provisions	20	141	117
Deferred tax liabilities	7(d)	50,923	33,282
Other financial liabilities	21	3,123	6,143
Other liabilities	22	3,237	2,026
Total non-current liabilities		224,136	205,686
Total liabilities		257,982	244,494
Net assets		**190,612**	**146,090**
Equity			
Share capital	23	127,745	114,211
Reserves	24	8,403	10,252
Retained earnings	25	54,464	21,627
Total equity		**190,612**	**146,090**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	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 30 June 2019	112,504	17,137	(3,103)	1,922	(3,222)	54,527	179,765
Loss for the year	-	-	-	-	-	(32,700)	(32,700)
Other comprehensive profit/(loss) for the year	-	-	-	-	(1,758)	-	(1,758)
Exchange differences arising on translation of foreign operations	-	-	(445)	(2)	-	-	(447)
Total comprehensive loss for the year	**-**	**-**	**(445)**	**(2)**	**(1,758)**	**(32,700)**	**(34,905)**
Transactions with owners in their capacity as owners:							
Proceeds from share issue / options exercised	1,520	-	-	-	-	-	1,520
Dividends provided for or paid							-
Options exercised (transfer from reserve)	187	-	-	(187)	-		-
Expired/cancelled options (transfer from reserve)				(488)		(200)	(688)
Share based payments expense	-	-	-	398	-	-	398
Total transactions with owners in their capacity as owners	1,707	-	-	(277)	-	(200)	1,230
Balance at 30 June 2020	**114,211**	**17,137**	**(3,548)**	**1,643**	**(4,980)**	**21,627**	**146,090**
Profit for the year	-	-	-	-	-	32,647	32,647
Other comprehensive profit/(loss) for the year	-	-	-	-	2,112	-	2,112
Exchange differences arising on translation of foreign operations	-	-	(3,348)	(4)	-	-	(3,352)
Total comprehensive loss for the year	**-**	**-**	**(3,348)**	**(4)**	**2,112**	**32,647**	**31,407**
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)**	**54,464**	**190,612**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Receipts from customers		135,807	133,579
Payments to suppliers and employees		(113,703)	(120,546)
Cash generated from operations		22,104	13,033
Finance costs		(5,440)	(5,988)
Interest paid for leases		(178)	(49)
Income tax payments		(167)	(6)
Net cash provided by operating activities	27 (b)	16,319	6,990
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		125	738
Payments for property, plant and equipment		(19,091)	(24,982)
Net cash used in investing activities		(18,966)	(24,244)
Cash flows from financing activities			
Proceeds from share issue	23(a)	-	1,520
Proceeds from borrowings		15,500	29,250
(Repayment) of borrowings		(15,231)	(12,136)
Payment for leases		(214)	(271)
Net cash provided by financing activities		55	18,363
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		3,767	2,658
Net increase/(decrease) in cash and cash equivalents		(2,592)	1,109
Cash and cash equivalents at the end of the year	27 (a)	1,175	3,767

The accompanying notes form part of these financial statements.

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 19 September 2021.

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.

(a) Basis of preparation of the financial report

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:

• 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.

(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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation (continued)

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 seperated 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

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax Consolidation

The parent entity and its subsidiaries have implemented the tax consolidation legislation and have formed a tax consolidated group from 1 July 2005. This means that:
• each entity recognises their own current and deferred tax amounts in respect of the transactions, events and balances of the entity.
• the parent entity assumes the current tax liability and any deferred tax assets relating to tax losses, arising in the subsidiary, and recognises a contribution to (or distribution from) the subsidiaries.

(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.

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.

(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 Consolidated Entity as lessee (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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases (continued)

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.

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. Government grants received that relate to COVID-19 support measures, have been recognised as other income.

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).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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 other reserves in shareholders' 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
Plant and equipment is measured on the cost basis.

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. However, if the fair value of the any olive fruit harvested and processed is greater than the harvest and processing costs, then this is deducted from the captalised costs in that year.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Property, plant and equipment (continued)

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.

(k) Intangibles

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Foreign currency translations and balances (continued)

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.

(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. Details regarding the determination of the fair value of equity settled share based transactions are set out in Note 33.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 $0.224 million (2020: $0.295 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.

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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial instruments (continued)

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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial instruments (continued)

(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.

(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).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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) 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.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 (2020: $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 2022 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 2020. The following key assumptions and sensitivities were used in the impairment assessments at 30 June 2021:

- Weighted average cost of capital applied in a range from 7% to 10.5%
- Royalty rate applied in a range from 1.5% to 5%
- Revenue growth rate applied to five years of cashflows in a range from 1% to 3%

No impairment was determined from the assessment and sensitivity performed.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(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.

The consolidated entity's current tax provision of $154,000 relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with the Australian Tax Office.

(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 17 'Insurance Contracts' and AASB 2020-5 'Amendments to Australian Accounting Standards – Insurance Contracts'	1 January 2023
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' and AASB 2017-5 'Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections'	1 January 2022
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 2022
AASB 2020-3 'Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments'	1 January 2022
AASB 2020-8 'Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2'	1 June 2021
AASB 2021-2 'Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates'	1 January 2023
AASB 2021-3 'Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions beyond 30 June 2021'	1 April 2021

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.

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

(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 2020.

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:

Standard/Interpretation	Effective in the financial year ending
AASB 2018-6 'Amendments to Australian Accounting Standards - Definition of a Business'	30 June 2021
AASB 2018-7 'Amendments to Australian Accounting Standards – Definition of Material'	30 June 2021
AASB 2019-1 'Amendments to Australian Accounting Standards – References to the Conceptual Framework'	30 June 2021
AASB 2019-3 'Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform'	30 June 2021
AASB 2019-5 'Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia'	30 June 2021

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 olive leaf extract branded product.

The segment information provided to the joint CEO's is referenced in the following table:

	Olive oil				Boundary Bend Wellness		Eliminations & Corporate		Total Operations	
	Australian Operations		USA Operations							
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Revenue and other Income										
Total revenue from external customers	99,192	108,560	38,886	29,941	1,872	2,151	-	-	139,950	140,652
Intersegment revenue	1,948	6,542	-	-	277	395	(2,225)	(6,937)	-	-
Total segment revenue	**101,140**	**115,102**	**38,886**	**29,941**	**2,149**	**2,546**	**(2,225)**	**(6,937)**	**139,950**	**140,652**
Other income	1,672	1,661	398	391	121	111	-	-	2,191	2,163
Net change in fair value of agricultural produce	65,011	(11,050)	-	-	-	-	-	-	65,011	(11,050)
Total revenue and other income	**167,823**	**105,713**	**39,284**	**30,332**	**2,270**	**2,657**	**(2,225)**	**(6,937)**	**207,152**	**131,765**
EBITDA	**75,116**	**(2,947)**	**526**	**(8,100)**	**(5,305)**	**(8,619)**	**-**	**-**	**70,337**	**(19,666)**
Depreciation/amortisation of segment assets	(14,102)	(12,856)	(1,967)	(2,188)	(135)	(160)	-	-	(16,204)	(15,204)
EBIT	**61,014**	**(15,803)**	**(1,441)**	**(10,288)**	**(5,440)**	**(8,779)**	**-**	**-**	**54,133**	**(34,870)**
Finance costs	-	-	-	-	-	-	(4,743)	(5,360)	(4,743)	(5,360)
Profit / (loss) before income tax	**61,014**	**(15,803)**	**(1,441)**	**(10,288)**	**(5,440)**	**(8,779)**	**(4,743)**	**(5,360)**	**49,390**	**(40,229)**
Segment assets (excl intercompany)	382,335	315,997	63,299	70,367	2,961	4,234	-	(13)	448,594	390,585
Segment liabilities (excl intercompany)	26,982	22,958	12,545	20,018	240	1,444	218,215	200,074	257,982	244,494
Capital expenditure	14,550	21,899	4,360	10,798	1	192	-	-	18,912	32,889

NOTE 4: SEGMENT REPORTING (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 individiual 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 $99.193 million (2020: $108.560 million) are revenues from two major customers of $72.481 million or 73.07% (2020: $71.846 million or 66.18%). No other single customer contributed 10% or more to the consolidated entity's revenue for 2021 and 2020.

Notes to Financial Statements

Continued

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).

	2021 $'000	2020 $'000
External revenue by product line		
Olive oil - Australian operations	99,192	108,560
Olive oil - USA operations	38,886	29,941
Innovation & Value-add	1,872	2,151
Total	139,950	140,652
Other income:		
Management/service fees	345	329
Rental income	348	368
Interest income	127	-
Freight income	174	266
Other income	339	346
Unrealised foreign currency gains	31	779
Subsidies and grants *	827	75
	2,191	2,163
Fair value adjustments:		
Net increase / (decrease) in fair value of agricultural produce	65,011	(11,050)
	207,152	131,765

* 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.

NOTE 6: PROFIT/(LOSS) BEFORE INCOME TAX

	2021 $'000	2020 $'000
Profit/(loss) before income tax has been determined after:		
Cost of sales	121,176	125,718
Finance costs:		
Interest expense	2,717	3,397
Borrowing costs	1,732	1,706
Chattel mortgage charges	133	208
Lease charges	161	49
	4,743	5,360
Depreciation & Amortisation:		
Buildings	1,030	1,032
Plant and equipment	6,718	6,424
Irrigation Assets	974	982
Bearer Plants	6,077	5,500
Motor vehicles	831	684
Office furniture and equipment	178	199
Furniture and fittings	57	49
Leases	339	334
	16,204	15,204

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

	2021 $'000	2020 $'000
Expected credit losses on trade debtors	103	175
Employee benefits:		
Share based payments	715	396
Defined contribution superannuation expense	1,512	1,634
Salaries and Wages	20,315	21,439
	22,542	23,469
Loss on sale of property plant and equipment	68	69
IPO related costs	705	-

	2021 $	2020 $
Deloitte and related network firms		
Audit or review of financial reports:		
- Group	145,750	87,951
- Subsidiaries and joint operations	101,833	43,449
	247,583	131,400
Other services:		
- IPO related services	220,000	-
	467,583	131,400

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

NOTE 7: INCOME TAX

	2021 $'000	2020 $'000
(a) Components of tax expense		
Current tax	7	6
Deferred tax	16,665	(7,530)
(Over) / Under provision in prior years	71	(6)
	16,743	(7,530)

(b) Prima facie tax payable

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

	2021 $'000	2020 $'000
Prima facie income tax (benefit) / expense at 30% (2020: 30%)	14,817	(12,069)
Add tax effect of:		
- Other non-allowable items	(235)	149
- Offshore tax losses not brought to account	1,862	4,074
- Share based payments	214	119
- Under provision in prior years	71	-
- Difference in overseas tax rates	238	498
	2,150	4,840
Less tax effect of:		
- Research and development deductions	(224)	(295)
- Over provision in prior years	-	(6)
	(224)	(301)
Income tax (benefit)/expense attributable to profit / (loss)	16,743	(7,530)

(c) Current tax

	2021 $'000	2020 $'000
Current tax liabilities		
Opening balance	6	5
Income tax	7	6
Tax payments	(167)	(5)
Current tax liabilities / (assets)	(154)	6

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
2020				
Deferred tax asset				
Employee benefits	464	101	-	565
Property, plant & equipment	2,504	-	-	2,504
Capital raising costs	99	(33)	-	66
Expected credit losses	8	21	-	29
Inventory	-	3,463	-	3,463
Cash flow hedge	1,380	-	754	2,134
Other	1,562	163	-	1,725
Tax losses brought to account	3,333	(3,281)	-	52
	9,350	434	754	10,538
Deferred tax liability				
The balance comprises:				
Leases	107	892	-	999
Inventory	8,325	(8,325)	-	-
Property, plant & equipment	41,104	1,042	-	42,146
Unrealised FX gain	941	(266)	-	675
Biological assets	446	(446)	-	-
	50,923	(7,103)	-	43,820
Net deferred tax assets / (liabilities)	(41,573)	7,537	754	(33,282)
2021				
Deferred tax asset				
Employee benefits	565	(12)	-	553
Impairment of goodwill	2,504	-	-	2,504
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
	10,538	(153)	(905)	9,480
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)	(33,282)	(16,736)	(905)	(50,923)

	2021 $'000	2020 $'000

NOTE 7: INCOME TAX (CONTINUED)

(e) Deferred tax revenue included in income tax expense

	2021 $'000	2020 $'000
Increase in deferred tax assets	153	(434)
(Decrease) / increase in deferred tax liabilities	16,583	(7,103)
	16,736	(7,537)

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

	2021 $'000	2020 $'000
(Increase) / decrease in deferred tax assets arising on the fair value gain/(loss) on hedging instruments during the period	905	(754)

(g) Deferred tax assets not brought to account

Deferred tax asset not brought to account relating to:

USA Operations:

	2021 $'000	2020 $'000
Other deferred tax assets	1,612	1,481
Tax losses - Federal and State	12,583	12,372
Net deferred tax asset not brought to account	14,195	13,853

The benefits of the deferred tax assets not brought to account will only be realised if the conditions for deductibility set out in the accounting policies note occur. In 2021, tax liabilities have been recognised and excess tax assets above what is deemed able to be realised have not been brought to account.

As of 30 June 2021, the Company had 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.

	Note	2021 $'000	2020 $'000
NOTE 8: CASH AND CASH EQUIVALENTS			
Cash at bank	27(a)	1,175	3,767

NOTE 9: RECEIVABLES

CURRENT			
Trade debtors		21,470	14,158
Expected credit losses		(182)	(103)
		21,288	14,055
Other receivables		1,470	510
Loan to key management personnel		2,000	-
		24,758	14,565
NON CURRENT			
Other Receivables		-	218
Loan to key management personnel		10,400	-
		10,400	218

Unsecured loans have been 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), for amounts of $4.0 million and $6.4 million, respectively, and $2 million to Timothy Smith (a current contractor and former employee and Executive Director of the Company). Refer notes 23(a) and 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.

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.

	Note	2021 $'000	2020 $'000
Reconciliation of expected credit losses			
Opening balance at 1 July		(103)	(178)
Net remeasurement of loss allowance		(182)	(100)
Amounts written off during the year		103	175
Closing balance at 30 June		(182)	(103)

	Note	2021 $'000	2020 $'000
NOTE 10: INVENTORY			
CURRENT			
Value-add products as at net realisable value		2,235	1,872
Raw materials as at net realisable value		4,949	4,434
Olive oil	1(i)	97,507	56,517
		104,691	62,823

NOTE 11: OTHER FINANCIAL ASSETS

NON CURRENT			
Other financial assets			
Shares in other corporations		9	9
		9	9

NOTE 12: OTHER ASSETS

CURRENT			
Prepayments		1,650	2,977
Other current assets		369	249
		2,019	3,226

NOTE 13: BIOLOGICAL ASSETS

CURRENT			
At fair value less costs to sell			
Biological assets - nursery trees	1(p)	725	1,188
Biological produce	1(p)	2,241	433
		2,966	1,621

NOTE 14: INTANGIBLE ASSETS

Goodwill at cost		6,896	6,896
Less accumulated impairment loss		(6,896)	(6,896)
		(0)	(0)
Water rights at cost		326	326
Distribution rights at cost		-	-
Less accumulated impairment losses		-	-
		-	-
Trademarks at cost		6,352	6,352
Total intangible assets		6,678	6,678

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

	Note	2021 $'000	2020 $'000
Land & buildings			
Land & buildings at fair value		100,338	101,731
Less accumulated depreciation		(3,284)	(2,320)
		97,054	99,411
Plant & equipment			
Plant & equipment at cost		89,813	88,819
Less accumulated depreciation		(43,478)	(37,154)
		46,335	51,665
Irrigation assets at cost		34,135	32,945
Less accumulated depreciation		(5,128)	(4,174)
		29,007	28,771
Bearer plants at cost		145,584	133,666
Less accumulated depreciation		(31,583)	(25,506)
		114,001	108,160
Motor vehicles at cost		5,933	4,905
Less accumulated depreciation		(2,175)	(1,548)
		3,758	3,357
Office equipment at cost		1,359	1,257
Less accumulated depreciation		(947)	(813)
		412	444
Furniture, fixtures & fittings at cost		529	552
Less accumulated depreciation		(219)	(172)
		310	380
Total plant and equipment		193,823	192,777
Total property, plant and equipment		290,877	292,188

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations

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

	2021 $'000	2020 $'000
Land & buildings		
Opening carrying amount	99,411	101,372
Additions	921	2,252
Depreciation expense	(1,030)	(1,032)
Net foreign currency movements	(2,193)	347
Revaluations	-	-
Reclassification/transfers between groups	(55)	(3,528)
Closing carrying amount	97,054	99,411
Plant & equipment		
Opening carrying amount	51,665	46,568
Additions	2,548	8,443
Disposals	(100)	(766)
Depreciation expense	(6,718)	(6,424)
Net foreign currency movements	(1,045)	316
Reclassification/transfers between groups	(15)	3,528
Closing carrying amount	46,335	51,665
Irrigation assets		
Opening carrying amount	28,771	28,845
Additions	1,202	730
Depreciation expense	(974)	(982)
Net foreign currency movements	(212)	57
Reclassification/transfers between groups	220	121
Closing carrying amount	29,007	28,771
Bearer plants		
Opening carrying amount	108,160	99,759
Additions	12,692	13,929
Depreciation expense	(6,077)	(5,500)
Net foreign currency movements	(624)	93
Reclassification/transfers between groups	(150)	(121)
Closing carrying amount	114,001	108,160
Motor vehicles		
Opening carrying amount	3,357	2,771
Additions	1,390	1,278
Disposals	(100)	(25)
Depreciation expense	(831)	(684)
Net foreign currency movements	(58)	17
Closing carrying amount	3,758	3,357

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations (continued)

	Note	2021 $'000	2020 $'000
Office equipment			
Opening carrying amount		444	509
Additions		159	131
Disposals		(5)	-
Depreciation expense		(178)	(199)
Net foreign currency movements		(8)	3
Closing carrying amount		412	444
Furniture, fixtures & fittings			
Opening carrying amount		380	125
Additions		-	302
Disposals		(6)	-
Depreciation expense		(57)	(49)
Net foreign currency movements		(7)	2
Closing carrying amount		310	380
Total property, plant and equipment			
Carrying amount at 1 July		292,188	279,949
Additions		18,912	27,066
Disposals		(211)	(791)
Depreciation expense		(15,865)	(14,870)
Net foreign currency movements		(4,147)	834
Carrying amount at 30 June		290,877	292,188

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.

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
Adjustments	(289)	-	-	(289)
At 30 June 2021	5,347	89	99	5,535
Accumulated depreciation				
At 1 July 2020	(270)	(44)	(20)	(334)
Amortisation	(270)	(44)	(20)	(334)
At 30 June 2021	(540)	(88)	(40)	(668)
Carrying amount				
At 30 June 2020				5,489
At 30 June 2021				4,867

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 $406,052 (2020: $306,506).

	Note	2021 $'000	2020 $'000
NOTE 17: PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		14,765	18,592
Other creditors and accruals		10,113	6,425
		24,878	25,017
NOTE 18: LEASE LIABILITIES			
Payable			
- not later than one year		348	401
- later than one year and not later than five years		1,739	1,810
- later than five years		6,346	6,986
Minimum lease payments		8,433	9,197
Less future finance charges		(3,364)	(3,631)
Total lease liability		5,069	5,566
Represented by:			
Current liability		189	208
Non-current liability		4,880	5,358
		5,069	5,566
NOTE 19: BORROWINGS			
CURRENT			
Secured Liabilities			
Chattel mortgage liability	26	3,795	4,907
		3,795	4,907
NON CURRENT			
Secured liabilities			
Bank loans		144,748	140,293
Chattel mortgage liability	26	17,084	18,467
		161,832	158,760
Total Borrowings		165,627	163,667
NOTE 20: PROVISIONS			
CURRENT			
Dividends payable		1	1
Employee benefits		1,832	1,783
		1,833	1,784
NON CURRENT			
Employee benefits		141	117
		141	117

NOTE 21: OTHER FINANCIAL LIABILITIES

	2021 $'000	2020 $'000
CURRENT		
Hedging instruments		
Interest rate swap	974	973
NON-CURRENT		
Hedging instruments		
Interest rate swap	3,123	6,143

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

	2021 $'000	2020 $'000
CURRENT		
Deferred income	1,035	1,867
Loan - other parties	201	2,938
Other current liabilities	941	1,108
	2,177	5,913
NON-CURRENT		
Loan - other parties	3,237	910
Other non-current liabilities	-	1,116
	3,237	2,026

		2021 $'000	2020 $'000

NOTE 23: SHARE CAPITAL

Issued and paid-up capital			
387,372,594 (2020: 61,462,099) ordinary shares	(a)	127,745	114,211

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.

	2021		2020	
	Shares '000	$'000	Shares '000	$'000
(a) Ordinary shares				
Consolidated				
Opening balance	61,462	114,211	61,062	112,504
23 March 2020	-	-	400	1,707
10 April 2021 (i)	3,100	13,534	-	-
24 June 2021 (Share Split)	322,810	-	-	-
	325,910	13,534	400	1,707
At reporting date	387,372	127,745	61,462	114,211

(i) Shares issued during the period were funded by way of loans to key management personnel $12.4 million (Note 9), and also arose from exercised options $1.134 million (30 June 2020: $0.187 million).

(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 2021, directors, senior employees and consultants held options over 20,451,534 ordinary shares of the consolidated entity (2020: 23,704,734 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	2021 $'000	2020 $'000
Asset revaluation reserve	24(a)	17,137	17,137
Foreign currency translation reserve	24(b)	(6,896)	(3,548)
Share based payments reserve	24(c)	1,030	1,643
Cash flow hedge reserve	24(d)	(2,868)	(4,980)
		8,403	10,252

(a) Asset revaluation reserve
The asset revaluation reserve is used to record revaluations of non current assets.

	2021 $'000	2020 $'000
Movements in reserve		
Opening balance	17,137	17,137
Fair value adjustments to non-current assets	-	-
Deferred tax charged directly to equity	-	-
Closing balance	17,137	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.

	2021 $'000	2020 $'000
Movements in reserve		
Opening balance	(3,548)	(3,103)
Exchange difference arising on translation of foreign operations	1,850	(445)
Exchange on related party loans that form part of the investment	(5,198)	-
Closing balance	(6,896)	(3,548)

(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.

	2021 $'000	2020 $'000
Movements in reserve		
Opening balance	1,643	1,922
Options exercised, transferred to share capital	(1,134)	(187)
Share based payments expense	715	398
Transfers to retained earnings	(190)	200
Payment on cancellation of options	-	(688)
Net foreign currency translation adjustment	(4)	(2)
Closing balance	1,030	1,643

(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.

	2021 $'000	2020 $'000
Movements in reserve		
Opening balance	(4,980)	(3,222)
Gain / (loss) arising on changes in fair value of hedging instruments entered into for cash flow hedges		
- Interest rate swap	3,017	(2,512)
- Deferred tax charged directly to equity	(905)	754
Closing balance	(2,868)	(4,980)

	Note	2021 $'000	2020 $'000

NOTE 25: RETAINED EARNINGS

	Note	2021 $'000	2020 $'000
Retained earnings at beginning of year		21,627	54,527
Net (loss)/profit		32,647	(32,700)
Transfers from reserves		190	(200)
Dividends provided for or paid		-	-
		54,464	21,627

NOTE 26: CAPITAL COMMITMENTS

Chattel mortgage commitments

	Note	2021 $'000	2020 $'000
Payable			
- not later than one year		3,795	4,907
- later than one year and not later than five years		18,554	14,071
- later than five years		1,203	7,680
Minimum chattel mortgage payments		23,552	26,658
Less future finance charges		(2,673)	(3,284)
Total chattel mortgage liability		20,879	23,374
Represented by:			
Current liability	19	3,795	4,907
Non-current liability	19	17,084	18,467
		20,879	23,374

Notes to Financial Statements

Continued

	Note	2021 $'000	2020 $'000
NOTE 27: CASH FLOW INFORMATION			
(a) Reconciliation of cash			
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	1,175	3,767
(b) Reconciliation of cash flow from operations with profit / (loss) after income tax			
(Loss)/profit from ordinary activities after income tax		32,647	(32,700)
Adjustments for non-cash items			
Depreciation & amortisation		16,204	15,204
Expected credit losses		103	175
Stock obsolescence		(617)	(6)
Loss on sale of assets		68	69
Loss on sale of investments		-	25
Share based payment expense		715	396
Unrealised foreign currency gains		(31)	(1,872)
		16,442	13,991
Changes in assets and liabilities			
(Increase) / decrease in receivables		(7,865)	3,354
(Increase) / decrease in prepayments and other assets		1,207	(744)
(Increase) / decrease in inventories		(42,598)	28,675
Increase / (decrease) in payables		(174)	1,812
(Decrease) / increase in income tax payable		-	-
(Decrease) / increase in current and deferred taxes		16,575	(7,537)
Increase in provisions		85	139
		(32,770)	25,699
Cash flows provided by operating activities		16,319	6,990

(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.

Lease asset purchases for FY21 amounted to $289k (FY20: $0).

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 Jun 21 $'000	Term
Core Debt	AUD	58,000	58,000	October 2024
Working Capital Debt	AUD	55,000	55,000	October 2024
Working Capital Debt	AUD	20,000	17,750	October 2024
Domestic Foreign Currency Account Facility	USD	10,500	10,500	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 London Interbank Offer Rate (LIBOR). 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 2020 $'000	Foreign Exchange $'000	Debt Drawdown $'000	Principle 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

1 July 2019 $'000	Foreign Exchange $'000	Debt Drawdown $'000	Principle Repayment $'000	New Chattel Mortgage Funding $'000	Adjustments $'000	30 June 2020 $'000
138,052	318	29,250	(12,136)	7,938	245	163,667

Notes to Financial Statements

Continued

NOTE 28: CONTROLLED ENTITIES

	Country of incorporation	Ownership 2021 %	Ownership 2020 %
Parent Entity:			
Cobram Estate Olives Limited	Australia		
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.

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	
	2021	2020	2021	2020
	$	$	$	$
R. McGavin	3,052	5,063	-	-
P & F Riordan	72	48	-	-
P & F Riordan Pty Ltd	2,812	2,651	-	19,338
United Retail Group Pty Ltd	4,800	-	-	-
Riordan Grain Services	-	532	100,684	-
Riordan Enterprises	-	-	-	17,941
McGavin Investments Pty Ltd	-	-	16,500	22,000
Poligolet Holdings Pty Ltd	13,266	11,805	-	-
Jubilee Park Vineyards Pty Ltd	1,689	7,487	-	-
	25,691	27,586	117,184	59,279

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

	Amounts owed by related parties		Amounts owed to related parties	
	2021	2020	2021	2020
	$	$	$	$
R. McGavin	330	4,064	-	-
P & F Riordan	72	-	-	-
Poligolet Holdings Pty Ltd	6,943	-	-	-
	7,345	4,064	-	-

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.

(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		
	2021	2020	
	$	$	
P & F Riordan	-	165,000	*

* The above FY20 transaction was a purchase of property at Boundary Bend, supported by an external valuation.

Notes to Financial Statements

Continued

NOTE 29: RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Loans to key management personnel

Unsecured loans have been 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), for amounts of $4.0 million and $6.4 million, respectively.

A $2.0 million loan was provided by Cobram Estate Olives Limited to Timothy Smith (a current contractor and former employee and Executive Director of the Company). Subsequent to year-end the amount has been repaid in full.

(d) Transactions with key management personnel compensation

(i) Key management personnel compensation
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:

	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.
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
2020					
Tim Jonas	5,624,988	-	-	-	5,624,988
Craig Ball	3,765,198	-	-	-	3,765,198
Jonathan West	5,472,000	-	-	-	5,472,000
Rob McGavin	72,044,376	-	-	-	72,044,376
Paul Riordan	18,654,708	-	-	-	18,654,708
Leandro Ravetti	748,584	-	-	-	748,584
Timothy Smith	1,225,050	-	-	-	1,225,050
Matthew Bailey	2,025,498	-	-	-	2,025,498
Alan Hilburg	-	-	-	-	-
Sam Beaton	2,524,050	-	-	-	2,524,050

All share quantities have been updated to reflect the post 6:1 share split quantities for both FY2021 and FY2020.

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

NOTE 29: RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Transactions with key management personnel compensation

Share options of Cobram Estate Olives Limited:

	Balance at beginning of year No.	Granted as compen-sation No.	Exercised No.	Lapsed No.	Balance at end of year No.
2021					
Tim Jonas	-	-	-	-	-
Craig Ball	246,600	-	-	(246,600)	-
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)	-	-
Matthew Bailey	230,766	-	-	-	230,766
Sam Beaton	6,000,000	3,000,000	(6,000,000)	-	3,000,000
2020					
Tim Jonas	-	-	-	-	-
Craig Ball	246,600	-	-	-	246,600
Jonathan West	927,366	250,002	-	(450,000)	727,368
Rob McGavin	-	-	-	-	-
Paul Riordan	-	-	-	-	-
Leandro Ravetti	9,600,000	-	-	-	9,600,000
Timothy Smith	3,000,000	-	-	-	3,000,000
Matthew Bailey	230,766	-	-	-	230,766
Alan Hilburg	-	-	-	-	-
Sam Beaton	6,000,000	-	-	-	6,000,000

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 18,600,000 options (2020: nil) were exercised by key management personnel.

Further details of the employee share option plan and of share options issued during the 2021 and 2020 financial year are contained in Note 33 to the financial statements.

All quantities have been updated to reflect the post 6:1 share split quantities and values for both FY2021 and FY2020.

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

Year ended 30 June 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$'000**	**$'000**	**$'000**	**$'000**
Non-financial assets				
Land and buildings at fair value	-	13,771	85,640	99,411
Financial liabilities				
Hedging instruments	-	7,114	-	7,114

(b) Transfers between levels

There were no transfers between level 1 and level 2 of the fair value hierarchy during the year. There were transfers between level 2 and level 3 of the fair value hierarchy during the year for land and buildings as the assets do not have any easily accessible, observable market data.

NOTE 30: FAIR VALUE MEASUREMENTS (CONTINUED)

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

	Fair value $'000	Valuation technique	Description of valuation technique and inputs used
Land & Buildings	-	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 CBRE, independent valuers, for the year ended 30 June 2019. The valuation was performed using a Net Present Value of the expected income streams, sum of the parts valuation and direct market comparison approach. The key assumptions that underpinned the entity's external valuation include changes to the yield, farm gate price of oil, fixed and variable costs of operations per hectare, processing costs, and the price of temporary water. Based on current market conditions the directors consider that the basis of the independent valuation is appropriate for 30 June 2021, being the fair value at the date of revaluation, plus any subsequent capital improvements. The best evidence of fair value is current prices in an active market for similar investment properties. Where such information is not available, the Directors determine the property's value within a range of reasonable fair value estimates. In making their judgement, the Directors considered information from a variety of sources including: (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.
Interest rate swap	4,097	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.

(d) Reconciliation of recurring level 2 fair value movements

	2021 $'000	2020 $'000
Land and building at fair value		
Opening balance	13,771	14,001
Purchases / additions	-	62
Depreciation	-	(292)
Reclassification/transfers between groups (a)	(13,771)	-
Closing balance	-	13,771
Hedging instruments		
Opening balance	7,114	4,602
Total gains and losses recognised in other comprehensive income	(3,017)	2,512
Closing balance	4,097	7,114

NOTE 30: FAIR VALUE MEASUREMENTS (CONTINUED)

(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	97,054	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 CBRE, independent valuers, for the year ended 30 June 2019. The valuation was performed using a Net Present Value of the expected income streams, sum of the parts valuation and direct market comparison approach. The key assumptions that underpinned the entity's external valuation include changes to the yield, farm gate price of oil, fixed and variable costs of operations per hectare, processing costs, and the price of temporary water. Based on current market conditions the directors consider that the basis of the independent valuation is appropriate for 30 June 2021, being the fair value at the date of revaluation, plus any subsequent capital improvements. The best evidence of fair value is current prices in an active market for similar investment properties. Where such information is not available, the Directors determine the property's value within a range of reasonable fair value estimates. In making their judgement, the Directors considered information from a variety of sources including: (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) Reconciliation of recurring level 3 fair value movements

	2021 $'000	2020 $'000
Land and building at fair value		
Opening balance	85,640	87,371
Purchases / additions	921	2,190
Depreciation	(1,030)	(740)
Net foreign currency movements	(2,193)	347
Reclassification/transfers between groups *(a)*	13,716	(3,528)
Closing balance	97,054	85,640

(a) Transfers in the current year relate to reclassifications of property, plant and equipment -$55,000, and transfers between valuation levels $13,771,000.

NOTE 30: FAIR VALUE MEASUREMENTS (CONTINUED)

(g) Financial assets and liabilities not at fair value

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

	2021 $'000	2020 $'000
Financial assets at amortised cost		
Cash and bank balances	1,175	3,767
Trade and other receivables	24,758	14,565
Other assets	2,019	3,226
Other financial assets	9	9
	27,961	21,567
Financial liabilities at amortised cost		
Trade and other payables	24,878	25,017
Borrowings	165,627	163,667
	190,505	188,684

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 has a benchmark gearing ratio calculated as the ratio of total external debt to tangible assets. As at year end, the consolidated entity was below the said benchmark.

	2021 $'000	2020 $'000
Total External Debt	165,627	163,667
Less: Cash and Cash Equivalents	(1,175)	(3,767)
Net External Debt	164,452	159,900
Total Assets	448,594	390,584
Less: Intangible Assets	(6,678)	(6,678)
Tangible Assets	441,916	383,906
Gearing Ratio	37.21%	41.65%

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.

NOTE 31: FINANCIAL RISK MANAGEMENT (CONTINUED)

(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:

	Assets		Liabilities	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
European Euros	2	1	952	2,370
US dollars	2,835	4,253	17,583	24,356

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.

	+10%	***-10%***	***+10%***	***-10%***
	2021	**2021**	**2020**	**2020**
United States dollars	**$'000**	**$'000**	**$'000**	**$'000**
Impact on profit before tax	(1,475)	1,475	(2,010)	2,010
Impact on equity	(1,703)	1,703	(1,438)	1,438
Argentinean pesos				
Impact on profit before tax	-	-	-	-
Impact on equity	(284)	284	(47)	47
European euros				
Impact on profit before tax	(95)	95	(237)	237
Impact on equity	-	-	-	-

NOTE 31: FINANCIAL RISK MANAGEMENT (CONTINUED)

(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:

	-1%	***+1%***	***-1%***	***+1%***
	2021	**2021**	**2020**	**2020**
Interest rate movement	**$'000**	**$'000**	**$'000**	**$'000**
Impact on profit before tax	(867)	867	(803)	803

(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 reuptable banks to minimise credit risk.

NOTE 31: FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

Year ended 30 June 2021	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%	22,758	-	-	-	22,758
Variable interest rate instruments						
- Cash	0%	1,175	-	-	-	1,175
- Amounts receivable from directors and key management personnel	0%	-	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
Year ended 30 June 2020						
Financial assets:						
Non interest bearing assets	0%	14,565	-	-	-	14,565
Variable interest rate instruments						
- Cash	0%	3,767	-	-	-	3,767
- Amounts receivable from directors and key management personnel	0%	-	-	218	-	218
Financial liabilities:						
Non interest bearing liabilities	0%	25,017	-	-	-	25,017
Variable interest rate instruments						
- Bank loans	2.58%	-	-	80,293	-	80,293
Fixed interest rate instruments						
- Bank loans	3.97%	-	-	60,000	-	60,000
- Lease liability	3.48%	111	290	1,810	6,986	9,197
- Chattel Mortgage liability	4.58%	1,683	3,224	18,467	-	23,374

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 the 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.

NOTE 33: SHARE BASED PAYMENTS (CONTINUED)

(a) Employee option plan (continued)

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

Grant date	Vesting Date	Expiry date	Exerc-ise 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
2021										
10-Nov-14	*	10-Nov-24	$0.67	$0.55	18,600,000	-	(18,600,000)	-	-	-
27-Apr-17	01-Jul-24	01-Aug-24	$1.50	$1.33	600,000	-	-	-	600,000	-
01-May-17	***	01-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	-
06-Dec-19	06-Dec-22	06-Jan-23	$1.50	$1.42	90,000	-	-	-	90,000	-
06-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
Weighted average exercise price:					$0.84	$1.50	$0.67	$1.43	$1.50	$1.45
2020										
01-May-14****	***	01-May-20	$0.42	$0.40	1,800,000	-	-	(1,800,000)	-	-
10-Nov-14	10-Nov-21	10-Nov-24	$0.67	$0.55	18,600,000	-	-	-	18,600,000	-
01-Feb-15**	***	31-Mar-20	$0.63	$0.54	2,400,000	-	(2,400,000)	-	-	-
31-Jan-16	31-Jan-21	31-Mar-21	$0.63	$0.54	1,200,000	-	-	(1,200,000)	-	-
11-Jul-16	11-Jul-23	11-Jul-23	$0.71	$0.62	1,200,000	-	-	(1,200,000)	-	-
01-Dec-16	02-Dec-16	01-Dec-19	$1.25	$1.17	450,000	-	-	(450,000)	-	-
27-Apr-17	01-Jul-24	01-Aug-24	$1.50	$1.33	600,000	-	-	-	600,000	-
01-May-17	***	01-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	493,200
19-Sep-18	19-Aug-23	19-Sep-23	$1.50	$1.42	1,140,000	-	-	(180,000)	960,000	-
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	-	-	-	660,000	-
06-Dec-19	06-Dec-22	06-Jan-23	$1.50	$1.42	-	90,000	-	-	90,000	-
06-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
					30,504,732	430,002	(2,400,000)	(4,830,000)	23,704,734	1,762,734
Weighted average exercise price:					$0.79	$1.45	$0.63	$0.66	$0.84	$1.42

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

** The agreement relating to these options was not formally signed until 23 October 2015. However, the price and terms of the options were agreed between parties on 1 February 2015.

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

**** 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.

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.

NOTE 33: SHARE BASED PAYMENTS (CONTINUED)

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

There were 16,500,000 options granted during the year (2020: 430,002). Options were priced using the Black-Scholes option pricing model. Expected volatility is based on relevant industry benchmark, as the consolidated entity does not have an reasonable measure of its own volatility.

	Options series before share split		Options series after share split	
Inputs into the model	**17-Apr-21**	**17-Apr-21**	**17-Apr-21**	**17-Apr-21**
Number of options issued	2,550,000	200,000	15,300,000	1,200,000
Exercise price	$9.00	$9.00	$1.50	$1.50
Fair value per option	$1.07	$0.89	$0.18	$0.15
Grant date share price	$7.41	$7.41	$1.24	$1.24
Expected volatility	27%	27%	27%	27%
Option life	7	5	7	5
Dividend yield	2.66%	2.66%	2.66%	2.66%
Risk-free interest rate	0.88%	0.63%	0.88%	0.63%

(c) Share options exercised during the year

3,100,000 options granted on 10 November 2014 were exercised during April and May 2021, following the share split this now represents 18,600,000 as per the table in Note 33(a).

(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 $1.43 (2020: $0.84), and a weighted average remaining contractual life of 2,505 days (2020: 1,522 days). These prices have been updated to reflect the post-share split share quantities.

NOTE 34: DIVIDENDS

	2021 $'000	2020 $'000
No dividends were declared or paid during the year (2020: none)	-	-
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:	9	9

The Board intends to pay a dividend of 3.3 cents per share in 2021. The dividend has not been formally declared. The dividend payment is expected to be declared at the company's annual general meeting in October 2021 and paid in November/December 2021. It is expected that the company will offer a 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

	2021 $'000	2020 $'000
Assets		
Current assets	315	118
Non-current assets	211,046	198,356
Total assets	211,361	198,474
Liabilities		
Current liabilities	4,384	7,560
Non-current liabilities	144,748	140,293
Total liabilities	149,132	147,853
Net assets	62,229	50,621
Equity		
Share capital	127,745	114,211
Retained earnings	(58,481)	(60,251)
Reserves	-	-
Investment revaluation reserve	(5,198)	-
Share based payments reserve	1,030	1,642
Cash flow hedge reserve	(2,867)	(4,981)
Total equity	62,229	50,621

(b) Summarised parent statement of comprehensive income

	2021 $'000	2020 $'000
Profit/(loss) for the year	1,580	4,616
Other comprehensive income for the year	2,112	(1,759)
Total comprehensive income for the year	3,692	2,857

(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 2021.

(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 2021 (30 June 2020: none).

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	Executive Chair; appointed Non-Executive Chair on 20 April 2021.
Paul Riordan	Executive Director; appointed Non-Executive Director on 1 July 2021.
Leandro Ravetti	Technical Director; appointed Joint-Chief Executive Officer (Technical and Production) on 20 April 2021.
Tim Jonas	Non-Executive Director.
Craig Ball	Non-Executive Director.
Jonathan West	Non-Executive Director.
Timothy Smith	Executive Director (Innovation and Value-Adding); resigned from the board 18 March 2021.
Matthew Bailey	Non-Executive Director, resigned 4 May 2021.
Alan Hilburg	Non-Executive Director, resigned 7 December 2020.
Sam Beaton	Chief Financial Officer and Chief Operating Officer; appointed Joint-Chief Executive Officer (Finance and Commercial) on 20 April 2021.
Joanna McMillan	Non-Executive Director, appointed 21 May 2021.

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

	2021 $	2020 $
Compensation received by key management personnel of the consolidated entity:		
- short-term employee benefits	2,352,492	2,097,381
- post-employment benefits	92,200	82,180
- share based payments	129,025	173,650
	2,573,717	2,353,211

NOTE 38: SUBSEQUENT EVENTS

Cobram Estate Olives Limited listed on the Australian Securities Exchange on 11 August 2021. Otherwise 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.

NOTE 39: COMMITMENTS FOR EXPENDITURE

At 30 June 2021 there were the following commitments for capital expenditure:

- Land & Buildings	$2.1 million
- Plant & Equipment	$1.2 million
- Irrigation	$1.9 million
- Motor Vehicles	$0.1 million
- Grove costs	$0.2 million
	$5.5 million

At 30 June 2020, there were $4.9 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:

Earnings	2021 $'000	2020 $'000
Earnings for the purposes of basic and diluted earnings per share	32,647	(32,700)

Number of shares	2021	2020
Weighted average number of ordinary shares for the purposes of basic earnings per share	372,980,813	368,047,039
Weighted average number of ordinary shares for the purposes of diluted earnings per share	395,282,642	368,047,039

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.

	2021	2020
Number of shares	-	28,784,021

Directors' Declaration

The Directors of the consolidated entity declare that:

1. The financial statements and notes, as set out on pages 46 - 103, are in accordance with the *Corporations Act 2001* :

    (a) comply 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 2021 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.

Director: ______________________

Robert McGavin

Director: ______________________

Tim Jonas

Dated this 19 September 2021

Independent Auditor's Report

Deloitte Touche Tohmatsu
ABN 74 490 121 060

477 Collins Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 9671 7001
www.deloitte.com.au

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 (formerly Boundary Bend Limited) (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2021, 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 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 2021 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.

Deloitte.

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.

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

Valuation of olive oil inventory
 	
The Group has inventory of olive oil at 30 June 2021 totaling $97,507,000. The olive oil is measured at fair value less estimated cost to sell in accordance with AASB 141 and consistent with the prior year. The fair value of the olive oil is recognized as the deemed cost of olive oil in inventory as disclosed in Note 10.
 	
In order to determine the cost of the olive oil, management prepares a valuation of olive fruit (biological produce) at the point of harvest which requires them to exercise judgement in respect of:
• Estimated future sales volume for each product line,
• Estimate sales price for each product line; and
• Estimate processing and selling costs.
	With the support of our valuation specialists, our procedures included but were not limited to:
	• obtaining an understanding of the valuation process including key inputs used by management to determine fair value,
	• assessing the appropriateness of the valuation methodology and testing the integrity of the valuation model,
	• assessing and challenging the key assumptions in the model including:
	  • expected sales volumes and prices by product by comparison to recent sales prices, current contracts with customers, historical sales volumes by product lines, and to the board approved budget for the year ended 30 June 2022,
	  • forecast costs (including processing, labor, overheads and transport) by comparing historical trends to the board approved budget for the financial year ended 30 June 2022, and
	  • assessing managements historical budgeting accuracy.
	• performing sensitivity analysis in relation to key assumptions and assessing the appropriateness of disclosures included in the Notes to the financial statements.

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Recoverability of trademarks The Group has trademarks for Cobram Estate and Red Island, carried at $6,352,000 as disclosed in Note 14. The recoverable amount of these intangible assets has been determined using a value-in-use model ("VIU"), which incorporates judgment related to the estimation of future cash flows, short term growth rates, long term growth rates and an appropriate discount rate. The estimation uncertainty increased as a result of the impact of COVID-19 on the macroeconomic factors underlying the assumptions used in the VIU model.	Our procedures included, but were not limited to: • understanding the Group's processes and relevant controls related to the preparation of the VIU model, • evaluating the cash flow forecasts that have been approved by the Board, including key assumptions in developing the forecast, • assessing the historical budgeting accuracy of the Group and, where appropriate, challenging forecast cash flows with reference to historical performance, • in conjunction with our valuation specialists, assessing the valuation methodology and mathematical accuracy of the VIU model and comparing the discount rate and long-term discount rate to external benchmarks, • accessing managements sensitivity analysis and performing independent sensitivity analysis to challenge key assumptions used, and • evaluating the appropriateness of the disclosures included in the Notes to the financial statements.
Land and buildings at fair value Freehold land and buildings are measured at fair value with each asset reviewed annually to ensure its 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 a number properties in different locations with a total fair value of $97,054,000.	Our audit procedures included, but were not limited to: • challenging management's assessment of fair value in reference to the last independent valuation and assessing market conditions and changes since the last independent valuation was obtained, • performed research for independent property transactions that could indicate a movement in the fair value of the properties, • in conjunction with our valuation specialists, assessed the valuation methodology and mathematical accuracy of any underlying assumptions, and • evaluating the appropriateness of the disclosures included in the Notes to the financial statements.

Deloitte.

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 2021**,** 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.

- 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 37 to 43 of the Directors' Report for the year ended 30 June 2021**.**

In our opinion, the Remuneration Report of Cobram Estate Olives Limited, for the year ended 30 June 2021, 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

Rachel Smith
Partner
Chartered Accountants

Melbourne, 19 September 2021

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 10 September 2021 (Reporting Date).

2021 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 10 September 2021 (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	2,239
Options exercisable at $1.50 and expiring 1 August 2024	3
Options exercisable at $1.50 and expiring 19 September 2023	4
Options exercisable at $1.42 and expiring 15 December 2021	2
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 6 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 2,239 holders of a total of 387,436,594 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.

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, the number of ordinary shares held, and the percentage of ordinary shares held by each holder, is as follows:

Rank	Name	Ordinary shares	% of shares on issue
1	ROBERT MCGAVIN	29,047,068	7.50
2	MCGAVIN INVESTMENTS PTY LTD	17,673,984	4.56
3	BELL POTTER NOMINEES LTD	13,655,100	3.53
4	RD & KA MCGAVIN PTY LTD AS TRUSTEE FOR THE RD & KA MCGAVIN SUPERANNUATION FUND	12,461,538	3.22
5	GOWING BROS LIMITED	10,470,774	2.70
6	TROPICO PTY LTD	10,100,000	2.61
7	PAUL RIORDAN	9,820,800	2.54
8	RAVETTI INVESTMENTS PTY LTD	9,600,000	2.48
9	WOOBINDA NOMINEES PTY LTD	8,726,580	2.25
10	H & M ASSOCIATES	8,678,760	2.24
11	P & F RIORDAN INVESTMENTS P/L ATF P&F RIORDAN FAMILY TRUST	8,494,500	2.19
12	WOOBINDA NOMINEES PTY LTD	8,000,000	2.07
13	BOOL INVESTMENTS PTY LTD	7,837,170	2.02
14	ANDREW M C CAMERON & DEBBIE M CAMERON	6,053,298	1.56
15	S BEATON INVESTMENTS PTY LTD	6,000,000	1.55
16	NEVILLE J BERTALLI	5,649,210	1.46
17	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,518,737	1.42
18	ZERO NOMINEES PTY LTD	5,100,000	1.32
19	MR NEIL JAMES RICHMOND & MRS ELIZABETH AMELIA RICHMOND	5,030,856	1.30
20	AMENDUNI NICOLA SPA	4,565,406	1.18
Total		**192,483,781**	**49.69**

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 2021	Date of interest notice
Rob McGavin	72,044,376	18.6%	No change	11 August 2021

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 $1.995 per unit on 10/09/2021	251	77	18,014

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	20,451,534	15

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 VIC 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
Joanna McMillan – Non-Executive Director
Jonathan West – Non-Executive Director
Sam Beaton – Joint-CEO and Executive Director
Leandro Ravetti – Joint-CEO and Executive Director

Chief Financial Officer (Australian operations) and Company Secretary

Russell Dmytrenko

Registered Office

151 Broderick Road
Lara VIC 3212

Share Registry

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Legal Advisors

DLA Piper
Level 12, 80 Collins Street
Melbourne VIC 3000

Trademark Attorney

Burns IP & Commercial
PO Box 177
Hampton VIC 3188

Auditor

Deloitte Touche Tohmatsu
477 Collins Street
Melbourne VIC 3000

Website

cobramestateolives.com.au

www.colliercreative.com.au #BNO0003

Cobram Estate Olives Limited™

cobramestateolives.com.au