Cobram Estate Olives Limited™

Annual Report 2023

Cobram Estate Olives Limited
ABN: 32 115 131 667

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About Cobram Estate Olives

Cobram Estate Olives Limited ("Cobram Estate Olives" or "CBO" or "the Company") was founded by Paul Riordan and Rob McGavin in 1998. Over the past 25 years the Company has grown to become the clear market leader in the Australian olive industry and a global leader in sustainable olive farming with operations in Australia and the United States of America ("USA") and Australia's top-two homegrown olive oil brands, Cobram Estate® and Red Island®. Today, CBO's extra virgin olive oils are recognised for their world class quality, receiving 706 awards since 2003 including our Cobram Estate® California Robust being named one of the world's healthiest extra virgin olive oils in 2022.

CBO'S BUSINESS MODEL AND COMPETITIVE ADVANTAGES

1 Vertically integrated operations with strategically located, freehold-owned, olive groves and olive mills

CBO operates a fully integrated business model, with its large-scale olive groves and olive mills some of the largest in the world, enabling the Company to achieve efficiencies in olive growing, processing, and marketing. The Company owns 18,677 hectares of freehold farmland, of which 16,700 hectares are located in central and northwest Victoria and southwest New South Wales. In Australia, CBO is the largest olive farmer with over 2.6 million olive trees planted on 7,000 hectares of freehold farmland. In the USA, the Company owns 334,000 olive trees planted on 558 hectares of long-term leased and freehold properties in California.

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 it to control the milling of every olive it grows. To complete its vertically integrated operations, CBO owns 29 olive harvesters, two bottling and storage facilities, 20.5 million litres of olive oil storage capacity, Australia's largest olive tree nursery, and one of the world's leading olive research, development, and testing laboratories – Modern Olives® – with labs in Australia and the USA.

2 Proprietary Oliv.iQ® Integrated Olive Production System

CBO's exclusive and proprietary olive growing system, Oliv.iQ®, is the result of more than 25 years of practical experience, research and innovation carried out by the Company under the supervision of renowned expert and Joint-CEO, Leandro Ravetti. Oliv.iQ® allows CBO to grow more olives per tree, accumulate more oil in those olives, and extract more olive oil out of the olives at a higher quality and lower cost of production than the next best growers in the world, as highlighted in a 2019 study by U.C. Davis, California USA. All the while using less water, less fertiliser, and sequestering more carbon per litre of olive oil produced than global averages.

3 Premium market-leading brands Cobram Estate® and Red Island®

CBO focuses on the sale of premium quality extra virgin olive oil products, primarily in proprietary brands, to optimise the selling price per litre for its annual olive oil crops and to minimise commodity and currency risk. The Company owns two of Australia's leading olive oil brands, Cobram Estate® and Red Island®, which had a combined market share of 34.5% of olive oil supermarket sales by value in Australia and 1.1% of olive oil sales in USA supermarkets in FY2023[1]. 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 by the Company meets its high standards.

4 Industry-leading sustainability initiatives and products

Recent greenhouse gas assessments have shown that CBO's grove operations are better than carbon neutral. As part of its sustainability strategy, the Company continues to focus on upcycling the valuable by-products from extra virgin olive oil production and commercialising these through internal use and B2B sales.

Positioned for future *growth*

With an unwavering focus on superior quality, innovation, and customer satisfaction through all facets of its business, CBO has developed a reputation as a leading player in the global olive industry. The Company is well positioned for future growth, driven by its maturing Australian olive groves which will deliver additional extra virgin olive oil to support branded sales growth and deliver incremental profit and cashflow due to production costs being relatively fixed, and its rapidly growing, vertically integrated, Californian business.

1. Sources: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2023; SPINS/IRI, Single Serve Culinary Olive Oil, Total Dollar Sales, 52 weeks-ending 18 June 2023. (Note: Data excludes Club (e.g. Costco) and select retailers (HEB, Whole Foods)).

OUR VALUES

At Cobram Estate Olives, our core values are not intended to be feel-good catch phrases. All are of equal importance, and together they are embedded in the character of our organisation and anyone who represents us. They describe the collective behaviours of our company and what is important to us. They are a lot more than just words on a page. Our core values represent who we are – not who we want to be. Our values represent how we built this company, and they embody the day-to-day reality of how we do business.

HONESTY & INTEGRITY

Uphold honesty & integrity above all else

PASSION

Be passionate about what you do & genuinely care

HUMILITY

Lead by being humble & modest

HONESTY & INTEGRITY

Always do what you say you are going to do and do what is right, no matter the circumstances. Our olive oil brands brought a breath of fresh air and integrity to a market dominated by adulteration, deceptive claims, and misleading labelling practices. The trust and respect we have earnt from our customers by never compromising on honesty and integrity are some of our company's greatest assets. **We never compromise on quality.**

PASSION

We care and strive to be passionate about what we do, and we are committed in heart and mind. We are mad about the smell of freshly made extra virgin olive oil and the joy that it brings to our consumers. We absolutely love helping people eat healthier, tastier, and more sustainable diets. It is the passion from all areas of the business which makes this possible. **We pursue excellence accross our entire business and we are committed to it.**

HUMILITY

We know how good you are, and we encourage all employees to be modest with their achievements. Humility also allows people to be open to the possibility of making a mistake. It is an integral part of moral leadership. If you are lacking in humility, you are less likely to recognize the potential for errors or mistakes in your work or decisions.

FY2023 Operations Highlights

COBRAM ESTATE®
Australia's

#1
EXTRA VIRGIN OLIVE OIL
by value and volume[2]

↑15%
GROWTH
IN AUSTRALIAN OLIVE OIL SALES ($)
(vs FY2022)

↑46%
GROWTH
IN USA OLIVE OIL SALES ($)
(vs FY2022)

↑32%
INCREASE
IN AUSTRALIAN OLIVE OIL PRODUCTION
(vs FY2022)

2. Source: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2023.
Note: FY2022 – financial year ended 30 June 2022

17,884
USA SUPERMARKETS
STOCKING COBRAM ESTATE® PRODUCTS[3]

558
HECTARES
OF OLIVE GROVES
IN CALIFORNIA
↑ 58% (vs FY2022)

15.2m
LITRES
GLOBAL OLIVE OIL
PRODUCTION
(Australia + USA)

RED ISLAND®
AUSTRALIA'S
#2
EXTRA VIRGIN OLIVE OIL
by value and volume
(behind Cobram Estate®)[4]

35%
MARKET SHARE
OF OLIVE OIL SALES
IN AUSTRALIAN
SUPERMARKETS
(Cobram Estate® + Red Island®)[5]

COBRAM ESTATE® the
#9 HIGHEST SELLING
OLIVE OIL BRAND
IN THE USA[6]

3%
INCREASE IN AREA
OF MATURE AUSTRALIAN
OLIVE GROVES
(vs FY2022)

PACKAGED GOODS
SHARE OF TOTAL
OLIVE OIL SALES
85%

COBRAM ESTATE® USA
RETAIL SCAN SALES
INCREASED
23%
year on year by value
(vs FY2022)[7]

3. Source: SPINS/IRI, Single Serve Culinary Olive Oil, Total Dollar Sales, 52 weeks-ending 18 June 2023. (Note: Data excludes Club (e.g. Costco) and select retailers (HEB, Whole Foods)).
4. Source: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2023.
5. Source: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2023.
6. Source: SPINS/IRI, Single Serve Culinary Olive Oil, Total Dollar Sales, 52 weeks-ending 18 June 2023. (Note: Data excludes Club (e.g. Costco) and select retailers (HEB, Whole Foods)).
7. Source: SPINS/IRI, Single Serve Culinary Olive Oil, Total Dollar Sales, 52 weeks-ending 18 June 2023. (Note: Data excludes Club (e.g. Costco) and select retailers (HEB, Whole Foods)).

Note: m = millions.

FY2023 Financial Highlights

GROUP SALES

$169m

↑ 21% (vs FY2022)

GLOBAL BRANDED OLIVE OIL SALES

$117m

(COBRAM ESTATE® AND RED ISLAND®),
↑ 17% (vs FY2022)

TOTAL AUSTRALIAN OLIVE OIL OPERATIONS SALES

$122m

↑ 15% (vs FY2022)

TOTAL USA OLIVE OIL OPERATIONS SALES

$43m

↑ 46% (vs FY2022)

COBRAM ESTATE® BRAND USA SALES

↑69%

(vs FY2022)

TANGIBLE ASSETS

$719.7m

ON 30 JUNE 2023 ↑
(FY2022: $660.1 million)[8]

8. Includes $121.3 million valuation increase for the Company's olive trees not reflected on the balance sheet. Refer to figure 3 on page 13.
Note: m = millions.

RECORD CASH FLOW FROM OPERATIONS

$54.1m

↑ 60% (vs FY2022)

STATUTORY EBITDA[9]

$40.8m

↑ 63% (vs FY2022)

TWO-YEAR ROLLING AVERAGE EBITDA (NORMALISED)[10] FOR THE CBO GROUP

$30.1m

vs $47.9 million in FY2022

NET PROFIT AFTER TAX

$7.7m

CASH/UNDRAWN BANK FACILITIES

$56.4m

DEBT RATIO

30.1%

9. Earnings before interest, tax, depreciation, and amortisation (EBITDA). This is a non-IFRS measure used by the Company and is relevant because it is consistent with measures used internally by management and by some people in the investment community to assess the operating performance of the business. The non-IFRS measures have not been subject to audit or review.
10. Adjusted for water costs to long-term average and one-off ASX listing costs.

OUR GLOBAL BUSINESS[11]

EXPORT MARKETS

Cobram Estate®
New Zealand
United Kingdom
Japan
Singapore
Malaysia
Indonesia
The Philippines
Thailand
Cambodia
South Korea
China
Hong Kong
Taiwan
Fiji
United Arab Emirates

Red Island®
New Zealand
China
Malaysia
Fiji
Thailand

Boundary Bend Estate®
Thailand

Tree of Life®
China

AUSTRALIAN OLIVE OIL OPERATIONS

FY2023 Olive Oil Sales	A$122 million
FY2023 EBITDA	A$38.5 million
Freehold land	16,700 hectares
Company owned olive groves	7,000 hectares
Contracted olive groves	1,000 hectares
Milling capacity	112 tonnes per hour
Olive oil storage	17.7 million litres
Bottling capacity	14,400 bottles per hour
Olive Oil Awards	529
Export markets	15 (not including USA)
Employees	120

11. As at 23 August 2023.

USA OLIVE OIL OPERATIONS

FY2023 Olive Oil Sales	A$43 million
FY2023 EBITDA	A$2.9 million
Freehold land	535 hectares
Company owned olive groves	558 hectares (freehold and leasehold)
Contracted olive groves	2,100 hectares
Milling capacity	32 tonnes per hour
Olive oil storage	2.9 million litres
Bottling capacity	3,500 bottles per hour
Olive Oil Awards	177
Supermarket accounts	17,884[12]
Employees	40

Olive Oil Awards

529 AUS

177 USA

12. Source: SPINS/IRI, Single Serve Culinary Olive Oil, Total Dollar Sales, 52 weeks-ending 18 June 2023. (Note: Data excludes Club (e.g. Costco) and select retailers (HEB, Whole Foods)).

Chair and Joint-CEOs' report

DEAR CBO SHAREHOLDERS,

On behalf of the Board of Cobram Estate Olives Limited ("Board"), it is our pleasure to provide you with our Annual Report and Financial Results for the year ending 30 June 2023 ("FY2023").

FY2023 was a successful year for CBO, with strong packaged goods sales in Australia and the USA combined with stabilising input costs for key items including water and fertiliser resulting in the Company reporting a record operating cash flow. Overall, our business performed well in an inflationary environment that affected many sectors of the economy. Demand for olive oil remains strong, particularly for home cooking, whilst supply shortages of European olive oil have seen global prices reach their highest level in over 20 years.

Our groves showed their potential and resilience despite an unusually cold and shorter growing season that resulted in lower-than-average oil content in our olives combined with smaller-than-normal fruit size. Although final Australian olive oil yields in FY2023 were below our expectations, arguably, our olive groves weathered the storm better than most crops in the east coast of Australia and the final fruit numbers showed the true potential should have this been a normal year.

OVERVIEW OF FINANCIAL RESULTS

The Company reported a Net Profit After Tax (NPAT) of $7.7 million (FY2022: $0.7 million loss), and EBITDA[13] of $40.8 million (FY2022: $25.1 million), for the 12 months to 30 June 2023.

The key drivers of the results were as follows:

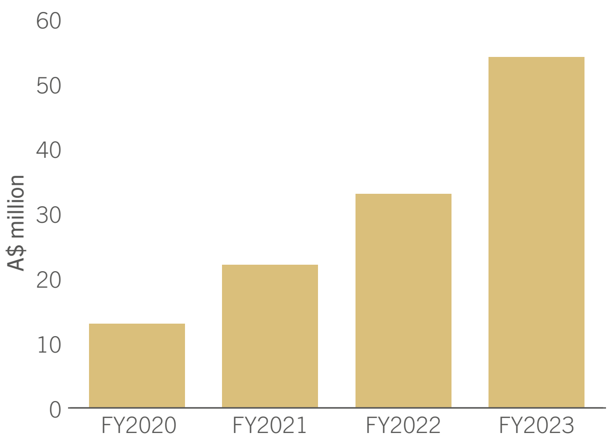
- The Company experienced substantial growth in sales revenue, increasing by 21% to $169 million, up from $140 million in FY2022. Sales revenue growth was achieved in both the Australian and USA markets.
- The Australian crop was 12.5 million litres (a higher yielding crop year), compared to 9.5 million litres in FY2022 (a lower yielding crop year).
- The Company's USA division reported a significant improvement in EBITDA, achieving a $2.9 million EBITDA profit in FY2023 compared to an EBITDA loss of $4.7 million in FY2022.

Group Cashflow

The Company reported a record cashflow from operations of $54.1 million, a substantial increase from FY2022 ($33.8 million). Importantly, this was achieved in the year following an off-year (lower yielding) harvest which demonstrates that the Company's olive oil sales are managed successfully over a two-year production cycle and reinforces the stability of customer orders who buy regularly not just in our higher and lower-yielding crop year cycle. The increase in operating cashflow from operations is attributed to the increased sales volume from the olive oil being produced from the Company's maturing olive groves, combined with stabilising costs across the business. In addition, the improvement in our USA Operations and Innovation and Value-Add division contributed to the improved operating cashflow.

Cashflow from operations after interest and tax was $39.0 million, up from $27.4 million in FY2022.

Figure 1: CBO cashflow from operations – FY2020-FY2023



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

Division Financial Results

FY2023	AUSTRALIAN OLIVE OIL $'000	USA OLIVE OIL $'000	INNOVATION & VALUE ADD $'000	CORPORATE $'000	TOTAL $'000
EBITDA[14]	38,535	2,905	(845)	205	40,800
Less depreciation	–	–	–	–	(18,085)
Less interest	–	–	–	–	(8,405)
EBT					14,310

FY2022	AUSTRALIAN OLIVE OIL $'000	USA OLIVE OIL $'000	INNOVATION & VALUE ADD $'000	CORPORATE $'000	TOTAL $'000
EBITDA[14]	32,432	(4,686)	(2,596)	(54)	25,096
Less depreciation	–	–	–	–	(17,678)
Less interest	–	–	–	–	(4,895)
EBT					2,523

Australian Olive Oil Operations

The Australian operations reported an EBITDA profit of $38.5 million (FY2022: $32.4 million). The FY2023 profit increase was driven by the net impact from the higher Australian crop, which was 12.5 million litres (a higher yielding crop year), compared to 9.5 million litres in FY2022.

Sales results

Growth in Australian packaged goods sales was pleasing, driven by growth in both branded and private label sales, and the increasing supply of olive oil from the Company's groves.

- Australian oil sales reached $121.6 million, a 14.9% increase from the previous year's sales of $105.8 million (FY2022).
- The Company reported growth in sales though all its sales channels – Cobram Estate®, Red Island®, private label, and bulk sales.
- Packaged goods (Cobram Estate®, Red Island®, and private label) sales increased by 14.6%, with an additional 1.0 million litres sold through these channels, at a higher net return than in FY2022.
- Cobram Estate® has solidified its position as the number one olive oil brand in Australian supermarkets, whilst Red Island® stands as the third-largest brand in the market. Together, they hold a combined market share of 34.5% of the total olive oil market segment[15].
- Our Cobram Estate® brand exhibited the highest growth in litres sold out of the top five brands, with a 6.4% year-on-year volume growth[16].

The Company reported an EBITDA[14] of $40.8 million (FY2022 $25.1 million), for the 12 months to 30 June 2023.

14. Earnings before interest, tax, depreciation, and amortisation (EBITDA). This is a non-IFRS measure used by the Company and is relevant because it is consistent with measures used internally by management and by some people in the investment community to assess the operating performance of the business. The non-IFRS measures have not been subject to audit or review.
15. Source: IRI scan data, Australian grocery weighted, total supermarket, dollar sales, Financial Year 2023.
16. Source: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2023.

Chair and Joint-CEOs' report continued

Biennial production from the Australian Crop and Two-Year Rolling Average EBITDA

Olive trees naturally bear fruit in two-year (biennial) cycles, with a higher yielding crop one year followed by a lower yielding crop the next. This is a known and expected two-year cycle that is easily managed operationally and logistically by our business, with olive oil from higher cropping years (e.g. FY2021, FY2023) sold over a 14-16-month period and olive oil produced in lower yielding crop years (e.g. FY2020, FY2022) sold over an 10-8-month period.

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

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

The Two-Year Rolling Average EBITDA normalised for water, declined to $30.1 million (FY2023 and FY2022), down from $47.9 million (FY2022 and FY2021). The decline was predominantly driven by the smaller Australian crop which was significantly lower than expected (for a higher cropping year), yielding 12.5 million litres compared to 16.1 million litres in FY2021 (the Company's last higher cropping year). The lower-than-expected crop was driven by the unusually cold and shorter growing season delivering lower-than-average oil content in the fruit combined with smaller-than-normal fruit size.

Figure 2: Two-Year Rolling Average EBITDA (normalised)[17]

	EBITDA (GROUP)			
A$ MILLION	FY2020	FY2021	FY2022	FY2023
Group Reported EBITDA	(19.7)	72.9	25.1	40.8
Adjusting for water costs to long term average[18]	14.8	(0.3)	(2.8)	(3.0)
Adjusting for ASX listing costs	–	0.8	–	–
Group EBITDA (normalised)	(4.9)	73.4	22.3	37.8
Two-Year Rolling Average Group EBITDA – normalised	19.1	34.3	47.9	30.1

USA Olive Oil Operations

The Company saw a significant turnaround in its USA operations, reporting an EBITDA profit of $2.9 million, up from a loss of $4.7 million in FY2022. The FY2023 profit includes a one-off gain from the settlement of an historical legal case in the Company's favour of $1.3 million. Driving the turn-around was the substantial increase in Cobram Estate® branded sales and an increase in margin from selling the Company's olive oil, particularly after a price increase was implemented in October 2022 across the Cobram Estate® range.

Sales results

The Company has seen a significant growth in Cobram Estate® sales in the USA, driven by a combination of increased distribution points, improved sales rates, and a price increase that was effective for the last nine months of the 2023 financial year.

- USA oil sales amounted to A$43 million, a 46% increase from the previous year's A$29 million (FY2022).
- The growth of Cobram Estate® branded sales was particularly notable, achieving a 69% increase versus FY2022 (55% growth in US dollar terms).
- Sales of private label products decreased, which was attributed to Californian olive oil supply constraints.
- Bulk oil sales experienced growth, primarily fuelled by the sale of Australian olive oil in the USA.

Innovation and Value-Add

The Company continues to improve the performance of its Innovation and Value-Add division, with EBITDA improving from a loss of $2.6 million in FY2022, to a small loss of $0.8 million in FY2023. The FY2023 loss includes a provision of $1.1 million for obsolete stock (FY2022: $0.9 million). We are moving into FY2024 with a lean cost structure for this division, mainly focusing on value-adding our waste products as either feedstock or biofuel and capitalising on the carbon position of the group.

Capital Expenditure

During FY2023, the Company invested $56.0 million in capital expenditure, most of which was related to large scale projects, which are expected to contribute to significant future growth for the Company. Across the Australian and USA business, the Company invested in the following major projects:

- A significant expansion of the Boort olive mill.
- A 407-hectare greenfield olive grove development adjacent to our existing Boort olive grove.
- Increase in Lara oil storage capacity to 11 million litres.
- An expansion of the USA olive mill, storage facility and warehouse, which will be completed in FY2024.
- A 205-hectare greenfield olive grove development in California, increasing the Company's plantings to 558 hectares.

Looking forward, the Company's capital expenditure in Australia is expected to slow significantly, and we look forward to the increased olive oil supply from the 39% of our Australian groves that are yet to reach maturity. The majority of the future capital projects are expected to be focused towards increasing Californian olive oil supply.

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

18. From FY2007 to FY2023.

Balance Sheet Strength

The Company's asset value increased to $719.7 million at 30 June 2023 (30 June 22: $660.1 million). The Company's borrowing increased to $191.5 million (30 June 22: $141.1 million), as the Company drew on existing facilities to invest in capital projects, as intended.

Figure 3

$'MILLION	FY2023	FY2022	FY2021
Assets			
Total Assets per CBO balance sheet	610.5	550.6	451.1
less:			
intangible assets	(6.7)	(6.7)	(6.7)
right of use assets	(5.4)	(5.1)	(4.9)
add:			
external valuation, not on CBO Balance sheet*	121.3	121.3	
Adjusted asset value**	**719.7**	**660.1**	**439.5**
Borrowings	191.5	141.1	165.6
Borrowings/Adjusted asset value	26.6%	21.4%	37.7%

* Externally valued at 30 June 2022. Trees and irrigation infrastructure are carried at cost, not fair value. The $121.3 million represents the value above written down cost, as assessed at 30 June 2022.

** Cobram Estate® and Red Island® brands are not included in this Adjusted asset value, despite having global sales of $117.4 million (FY2022 $100.6 million).

In late June 2023, the Company signed an agreement to extend its core debt facilities with CBA until 30 November 2027, with an additional $35 million increase in core debt facilities.

As of 30 June 2023, the Company has available cash and unused debt facilities totalling $56.4 million, positioning it well to fund growth capex through a combination of operating cashflow and available debt facilities.

Looking Forward

The outlook for sales remains positive heading into FY2024 both in Australia and the USA benefiting from a global shortage of olive oil and record high global prices.

Despite the lower crop, the Company will have sufficient oil to meet its Australian packaged goods sales plan. The USA crop is expected to be significantly higher in FY2024 (harvested in October/November 2023), resulting in increased olive oil availability for the Company's USA operations, which is expected to continue to drive sales growth.

The Company is expecting key grove input costs such as water, fertiliser, and electricity to remain contained into FY2024.

Dividend

The Board intends to pay a dividend of 3.3 cents per share in December 2023 (FY2022: 3.3 cents per share). Full details, including the level of franking and payment dates will be disclosed during the upcoming Annual General Meeting, as per our usual practice.

For further information on the group's financial results, see pages 59 to 120 of this report.

In June 2023 we completed a 205-hectare greenfield olive grove development in California, increasing the company's plantings to 558 hectares.

Chair and Joint-CEOs' report continued

GROWTH STRATEGY UPDATE

CBO has a strategic focus on growing both its olive oil supply and the sales of its premium brands in Australia and the USA. The Company's growth strategies are well developed and focus on our four growth pillars. A summary of our progress in FY2023 in relation to each of these growth pillars follows.

1 Increasing supply from our Australian olive groves

In FY2023 we increased our Australian grove area by 6.2% with a greenfield planting of 407-hectares on our Boort grove. This new planting, together with the maturing of our Australian groves (only 61% mature as at 30 June 2023), will provide us with an organically increasing supply of Australian extra virgin olive oil as these trees mature in coming years, and deliver incremental profit and cashflow due to production costs being relatively fixed.

During the year we successfully expanded our olive mill at our Boort grove in time for the commencement of the 2023 harvest. This was despite the tight timelines resulting from not being able to start work on the upgrade until the 2022 harvest was complete, together with disruptions caused by the wetter than average season. This upgraded mill will allow us to process the growing fruit supply from our maturing Boort groves (currently only 28% or 987 hectares of the trees on our Boort grove are mature – this will increase to 3,508 hectares by 2030), together with contracted third-party fruit supply. Our expectations are that third-party supply will continue to grow in coming years, securing not only an additional source of olive oil to support our packaged goods sales growth, but also in the form of revenue through technical fees, processing fees and marketing commissions.

2 Growing our USA business

FY2023 was a significant year for our rapidly expanding USA business. We successfully completed the first stage of our Dunnigan Hills Ranch development, with 205-hectares of olive trees planted resulting in a 58% increase in our total USA olive grove area. We achieved strong revenue growth led by sales of Cobram Estate® (up 69% year-on-year) which is now the number nine olive oil brand in USA supermarkets and the number three olive oil brand in the natural retail channel[19]. And we achieved an EBITDA profit in our USA olive oil operations division for only the second time, a significant milestone for this business. Pleasingly, our growth in USA sales and profit has been achieved through an increase in sales value and gross margin.

During the year climatic conditions in California returned to a more normal pattern with significant rainfall during winter, full district water allocations, and ideal climatic conditions during flowering that led to good fruit set levels across our groves and third-party groves, providing us with confidence of a larger 2023 harvest (compared to 2021 and 2022, subject to the normal risks associated with agriculture). This is expected to allow for further growth in USA packaged goods sales in FY2024.

3 Increasing our return per litre

Whilst achieving sales growth is a key objective of the business, we are also focused on increasing the return per litre (and hence our margin) on each litre of olive oil we sell. To this end, the business is focused on growing our higher margin packaged goods sales, particularly branded product sales, and on delivering incremental growth through the launch of higher value items across grocery and online sales channels. Examples of our new product strategy in action in FY2023 include the launch of our ultra-premium (black label) products in Coles and Woolworths, and the launch of our refill pouch kits online.

4 Our sustainability and value-add pillar

As part of our zero-waste strategy, we continue to explore and implement opportunities to add-value to our olive by-products, both through internal use and external sale. A key focus is on the internal use and external sale of olive biomass to a range of manufacturers, hospitals, and nurseries as a renewable energy source for heat and electricity production, with 7.4 million kilograms of olive biomass (mainly olive pit) sold to external parties in FY2023.

19. SPINS/IRI, Single Serve Culinary Olive Oil, Total Dollar Sales, 52 weeks-ending 18 June 2023. (Note: Data excludes Club (e.g. Costco) and select retailers (HEB, Whole Foods)).

SUSTAINABILITY

Fundamentally, olive growing is advantageous to the planet and society due to the resilient and tolerant nature of the olive tree and the health benefits we as humans derive from consuming its fruit and oils.

In FY2023 we made significant progress on our sustainability objectives, as detailed on pages 36-43 of this report. Highlights this past year include an increased level of staff engagement on sustainability, the formation of strategic community partnerships, the launch of Cobram Estate® refill packs, continued environmental stewardship, and external recognition for the Company's sustainability achievements. For the second year in a row the Company was recognised as an innovator in the 2023 Australian Financial Review Sustainability Leaders awards. We are also proud to have received the Woolworths 2022 Better Tomorrow Award for Sustainability and the Coles 2023 Sustainability Award at their annual supplier awards events.

FINANCIAL REVIEW
SUSTAINABILITY
LEADERS 2023
IN ASSOCIATION WITH BCG

We commissioned our olive pomace waste management project at our Boundary Bend grove, undertaken in partnership with Sustainability Victoria, that will give us access to increasing amounts of biomass with strong demand as an organic soil amendment and stock feed. We have also submitted our Australian carbon sequestration project with Verra as a first step to potential certification of our olive grove driven carbon credits. With olive oil being the only globally recognised oil crop that has a carbon sink affect, we anticipate significant opportunities to arise as the interest in carbon continues to intensify.

Chair and Joint-CEOs' report continued

Professor Jonathan West

OUR PEOPLE

On behalf of the Board, we would like to extend our sincere thanks to the amazing team of people, both in Australia and the USA, that lead and operate our business every day. The past twelve-months was a dynamic period for our business, with strong sales growth and unpredictable climatic conditions challenging our team. We thank and congratulate our entire team for their amazing work ethic, their commitment to safety, and the excellent culture they have shown throughout FY2023.

VALE PROFESSOR JONATHAN WEST

With deep sadness, the Company announced the passing of Non-Executive Director Professor Jonathan West in late July this year after losing his battle with Motor Neuron Disease. Jonathan served as a Non-Executive Director for the Company for an exceptional period of 15 years, during which time his dedication, strategic expertise, and guidance played a significant role in shaping the Company's success. Jonathan also played a key role in mentoring and developing many of the Company's senior executives. His presence and friendship will be sorely missed. On behalf of the Board and all CBO employees, we extend our deepest sympathies to Jonathan's family and those affected by his loss.

LOOKING FORWARD

We are very excited about the years ahead, with the maturing of our groves, combined with our investment in new olive groves in California, set to deliver significant increases in olive oil supply, enabling us to maintain our strong growth in packaged good sales. Coupled with our industry-leading sustainability program and increasing consumer demand for extra virgin olive oil, the Company is well placed to meet its objectives and deliver significant future growth.

We would like to take this opportunity to thank our shareholders and our loyal customers for their trust in the Company and our products. We look forward to a successful FY2024.

Yours sincerely,

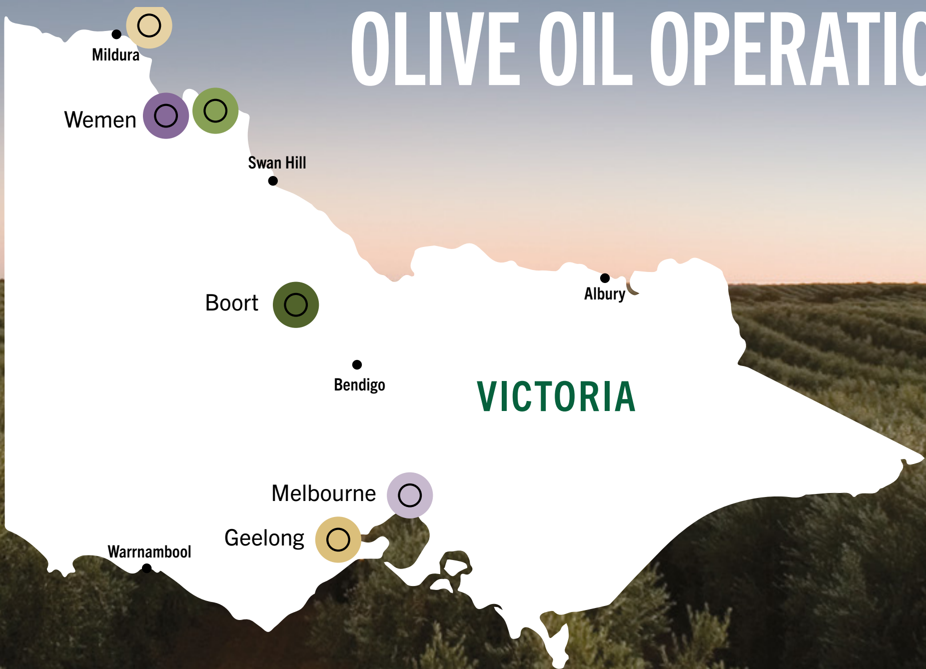
Rob McGavin
Non-Executive Chair

Sam Beaton
Joint-CEO (Finance & Commercial)

Leandro Ravetti
Joint-CEO (Technical & Production)

Divisional Overview – FY2023

AUSTRALIAN OLIVE OIL OPERATIONS



Boundary Bend olive grove

Over 1 million olive trees

On-site olive mill and oil storage

Boort olive grove

1.2 million olive trees

On-site olive mill and oil storage

Wemen olive grove

300,000 olive trees

Woorlong Station (Gol Gol)

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

Lara head office, Technical Laboratory & R&D

20,000 square metre warehouse

11 million litres of olive oil storage

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

Olive tree nursery

Melbourne commerical office

National & export sales teams

Marketing, new product development & innovation teams

Divisional Overview – FY2023 continued

AUSTRALIAN SALES RESULTS

Strengthening demand for Australian olive oil, supported by an increase in home cooking, higher prices for imported olive oil, and the impact of the Company's quality and sustainability-focused marketing activities, resulted in the Australian olive oil operations achieving strong sales growth in FY2023.

For the 12-month period to 30 June 2023, Australian olive oil sales totalled $121.6 million, an increase of 14.9% on the prior year (FY2022: $105.8 million). This result was driven by growth in all sales channels – branded products, private label products, and bulk olive oil. The Company's flagship Cobram Estate® brand accounted for 57% of CBO's sales in FY2023, followed by sales of Red Island® (25%), premium private label products (10%), and bulk olive oil (8%).

The Company continues to focus on the sale of packaged goods, generating sales of $111.5 million in FY2023 across branded and private label products. This 14.6% growth in sales delivered the Company a 1.0 million litre increase in the volume of olive oil sold through packaged goods channels at a higher net return than in FY2022. The evolution of CBO's Australian packaged goods sales is portrayed in figure 4 below.

Retail sales performance

The Company's Cobram Estate® and Red Island® brands recorded strong retail sales growth in FY2023, finishing the year with a combined share of 34.8% of total olive oil retail sales by value (FY2022: 34.2%). Sales of CBO's brands were particularly strong in the second half with high European olive oil prices impacting the shelf pricing and promotional activities of imported brands. CBO's brand share of olive oil sales in Australian supermarkets is highlighted in figure 5 below.

The Company's flagship brand, Cobram Estate®, remains the number one olive oil brand in Australian supermarkets, achieving year-on-year retail sales growth of 6.8% in value terms and 6.4% in litres sold. Our Red Island® brand also performed strongly, ranking number three olive oil overall and number two in the extra virgin sub-category (behind Cobram Estate®). Thanks to the impact of price increases across the range, Red Island® delivered significant growth in value (20.5%) and litres sold (8.1%) versus FY2022[20].

Figure 5: Olive oil market share by brand FY2023, value terms[21]

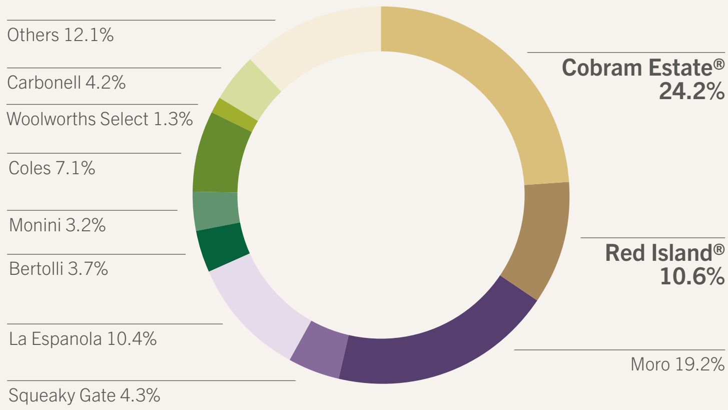
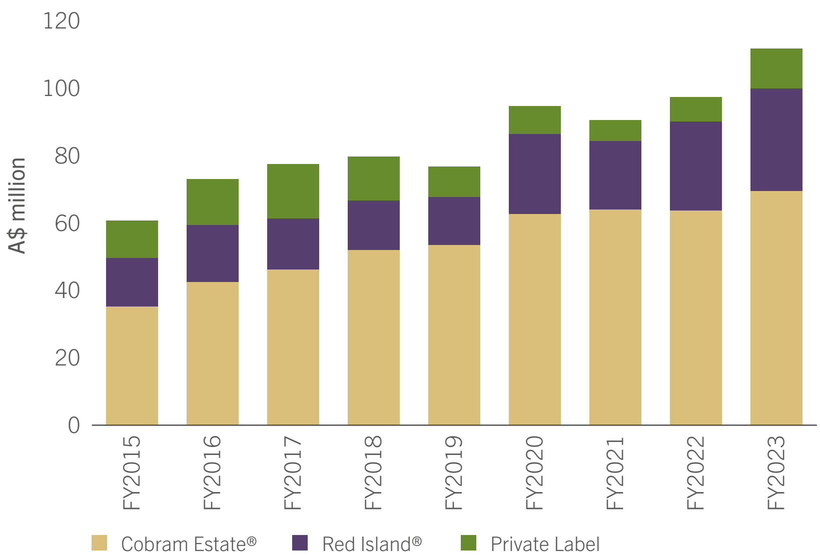


Figure 4: Australian olive oil operations – packaged goods sales



The Company continues to focus on the sale of packaged goods, generating sales of $111.5 million in FY2023 across branded and private label products.

20. Source: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2023.
21. Source: IRI scan data, Australian grocery weighted, total supermarket, dollar sales, Financial Year 2023.

AUSTRALIAN MARKETING ACTIVITY HIGHLIGHTS

CBO takes an innovative approach to marketing its branded olive oil products and the Australian olive oil category, utilising a diverse range of marketing tools and activities to promote and educate about the health benefits, usage, and high quality of the Company's extra virgin olive oils. Highlights from the Company's FY2023 marketing activities are outlined below.

CBO's brand campaign ambassador Chef Neil Perry

Brand Campaign

CBO continued its Cobram Estate® brand campaign, first launched in FY2022, throughout FY2023. The campaign centres on the four significant pillars of the brand – superior quality, health benefits, Australian origin, and sustainability, and was created using four major brand ambassadors. In FY2023 campaign ads were aired on free to air television as well as various social media platforms.

New sustainability campaign

To promote the Company's sustainability credentials, in June 2023 CBO launched a new digital sustainability campaign for its Cobram Estate® brand using a stop motion video made using waste from our groves. The creative outlined the Company's key sustainability initiatives including that CBO recycles, upcycles, and reuses 99.5% of the outputs from its Australian groves. The video is available to view at https://www.youtube.com/watch?v=5L3bYniMPUc.

Virtual masterclasses

In FY2023 the Company held a number of virtual masterclasses to promote the great taste and health benefits of the Company's new season olive oils. This year the masterclass options included a new 'advanced' format featuring CBO's Joint-CEO and Chief Oil Maker, Leandro Ravetti, and Chef Neil Perry AM, and involved tasting the Company's Ultra-Premium and Limited Release oils followed by Chef Perry sharing his favourite food pairings for each olive oil. This allowed those who had previously attended a tasting to take their knowledge of extra virgin olive oil to the next level and at the same time promote the Company's most premium olive oils. To date, over 25,000 people have taken part in the Company's virtual masterclasses.

CBO's 'advanced' extra virgin olive oil kit

Divisional Overview – FY2023 continued

The Cobram Estate® stand at Melbourne Food and Wine Show 2023.

Melbourne Good Food and Wine Show

CBO sponsored the recent Melbourne Good Food & Wine Show, which saw over 26,000 visitors across three days. Cobram Estate® held both a trade stand and an in-person tasting masterclass, presenting 12 tasting masterclasses over three days. The show was a great evolution of CBO's Cobram Academy virtual tastings.

New infusion products

With a focus on satisfying the evolving needs of extra virgin olive oil users, the Company continues to invest in new product development and expanding its olive oil range, including its 'infused' olive oil products which now total 11 individual items. In FY2023 new infusion products launched include a garlic infused extra virgin olive oil spray (available in Woolworths nationwide) and a garlic and chilli infused product (available online at cobramestate.com.au and in Woolworths nationwide).

Online-exclusive refill pouch and reusable bottle

In June 2023 the Company released its online-only extra virgin olive oil refill pouch bundles. Aligning with the Company's efforts to minimise waste, the bundles include a reusable ceramic olive oil bottle, three 600ml refill pouches, and a prepaid postage envelope for the empty refill packs to be returned to CBO for recycling by Replas (www.replas.com.au). Shoppers can choose refill bundles containing Cobram Estate® oils from the everyday essentials range or the ultra-premium range. The refill bundles are exclusively available at www.cobramestate.com.au.

CBO's new garlic infused extra virgin olive oil spray

CBO's refill pouches and refillable ceramic olive oil bottle

AUSTRALIAN GROVE OPERATIONS UPDATE

2023 crop result

The 2023 season has proven to be a challenging period for horticultural crops in southern Australia, as highlighted in the Company's and the broader horticultural industry's ASX-announcements. Higher than average rainfall, together with unseasonably cool temperatures resulted in a shorter growing season and lower yields across most crop types.

On the Company's Australian olive groves, the higher-than-average spring rainfall (over 200% above average as highlighted in figure 6 below) and significantly cooler temperatures over spring and early autumn (see figure 7 below) resulted in a 10-day delay in flowering and shortened the overall fruit growing season, resulting in smaller olives, lower oil accumulation in the olives, and ultimately lower olive oil yields in what would otherwise have been a higher yielding crop year.

Despite the challenging weather conditions, the Company delivered one of its best team efforts and finalised its Australian harvest within the expected timeframe. Final production from its own groves totalled 12.5 million litres, down 24.5% on the Company's original projections but up 32% compared to FY2022. The Company's Boundary Bend groves (including Wemen) harvested 51,295 tonnes of olives and produced 7.9 million litres of oil. The Company's Boort grove harvested 28,222 tonnes of olives and produced 4.6 million litres of oil. In addition, the Company produced 1.0 million litres of olive oil from third-party groves that will also be marketed by CBO.

Olive harvest at Boundary Bend, Victoria

Whilst yields were down, the quality of the olive oil produced was excellent, with an historically high percentage of the oils produced being classified as premium or ultra-premium extra virgin olive oil. As previously announced to the ASX, the Company will have sufficient supply to meet the requirements of its packaged goods sales plan over the next 12-months.

2024 crop outlook

Despite 2024 being a lower yielding crop year on CBO's Australian groves, good growing conditions during summer and above average annual rainfall have resulted in pleasing levels of vegetative growth and productive potential for the season ahead. The Company will provide further updates on the 2024 crop outlook as the season progresses.

Figure 6: Comparison of actual spring 2023 rainfall vs long-term average[22]

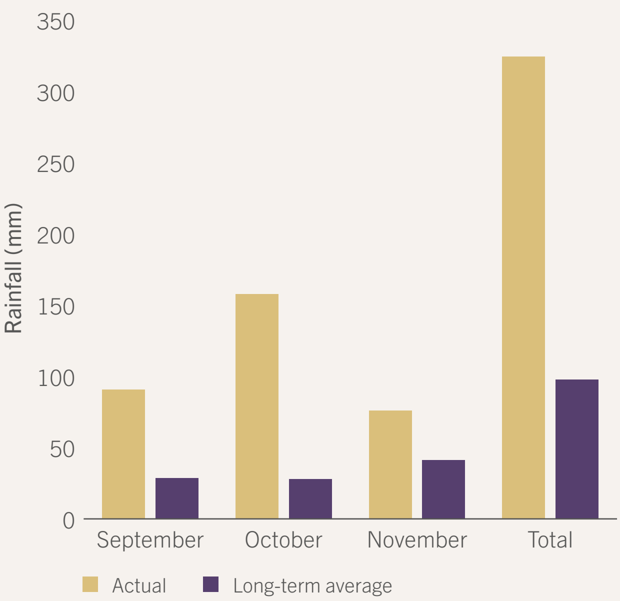
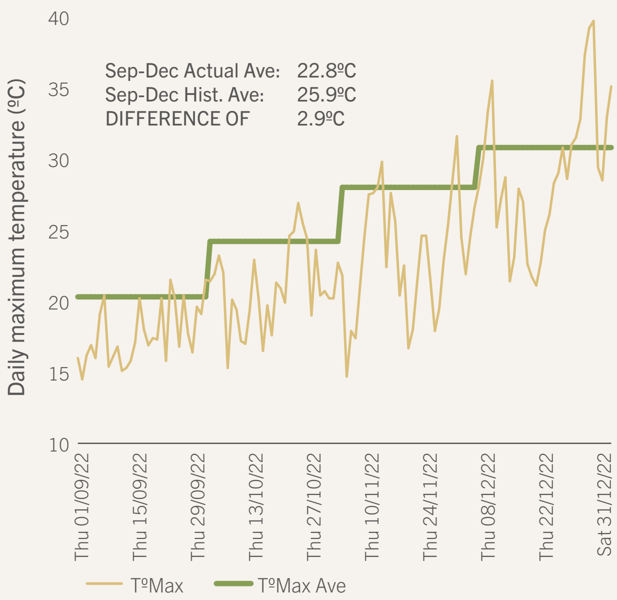


Figure 7: Comparison of September-December 2023 actual daily maximum temperature vs long-term average[23]



22. Source: CBO 2023.
23. Source: CBO 2023.

Divisional Overview – FY2023 continued

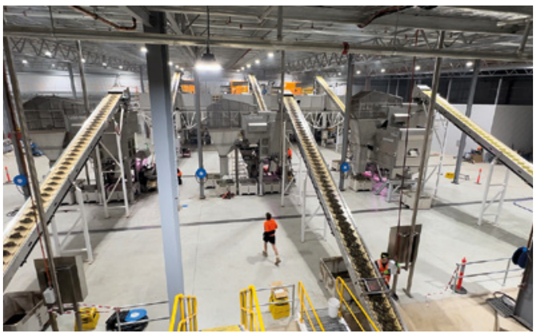
AUSTRALIAN CAPITAL PROJECTS UPDATE

The Company is pleased to confirm that it has successfully completed its two major capital projects planned for Australia in FY2023.

Boort olive mill expansion

To meet future olive milling forecasts, the Company commenced an expansion of its Boort olive mill in July 2022. Pleasingly, the upgraded olive mill was commissioned on time for the commencement of harvest in late April 2023. The mill expansion has delivered a capacity upgrade from 30 to 50 tonnes of olives per hour, with equipment to deliver a further 50 tonnes per hour capacity to be installed in coming years to match future needs. Once the upgrade is complete, the Boort olive mill will be one of the world's largest individual olive mills and will enable the Company to process the growing fruit supply from its maturing Boort groves (currently 987 hectares mature, increasing to 3,508 hectares by 2030), and contracted third party fruit supply that will grow proportionately over the same period.

CBO's expanded Boort Olive Mill, April 2023



Boort grove development

In April 2023 the Company completed a greenfield 407-hectare olive planting at its Boort grove. This new development, containing seven leading olive varieties including picual, coratina, and hojiblanca, was planted on land owned by the Company adjacent to its existing groves. This development increases CBO's total olive planting at Boort from 3,101 hectares to 3,508 hectares.

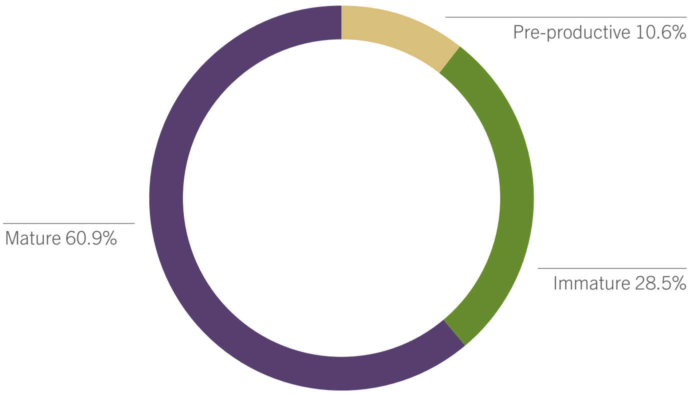
CBO's 407-hectare greenfield olive grove development at Boort, planted in Autumn 2023

Grove maturity and projected mature hectares

CBO has been investing in its future supply of Australian extra virgin olive oil through the expansion and redevelopment of its Australian olive groves. As olive trees typically produce their first 'harvestable' crop at three years of age, and reach 'mature' yields at eight years of age, CBO's maturing Australian groves are expected to produce increasing yields over the coming years as the trees approach maturity. This growth in yields is expected to deliver incremental profit and cashflow due to production costs being relatively fixed.

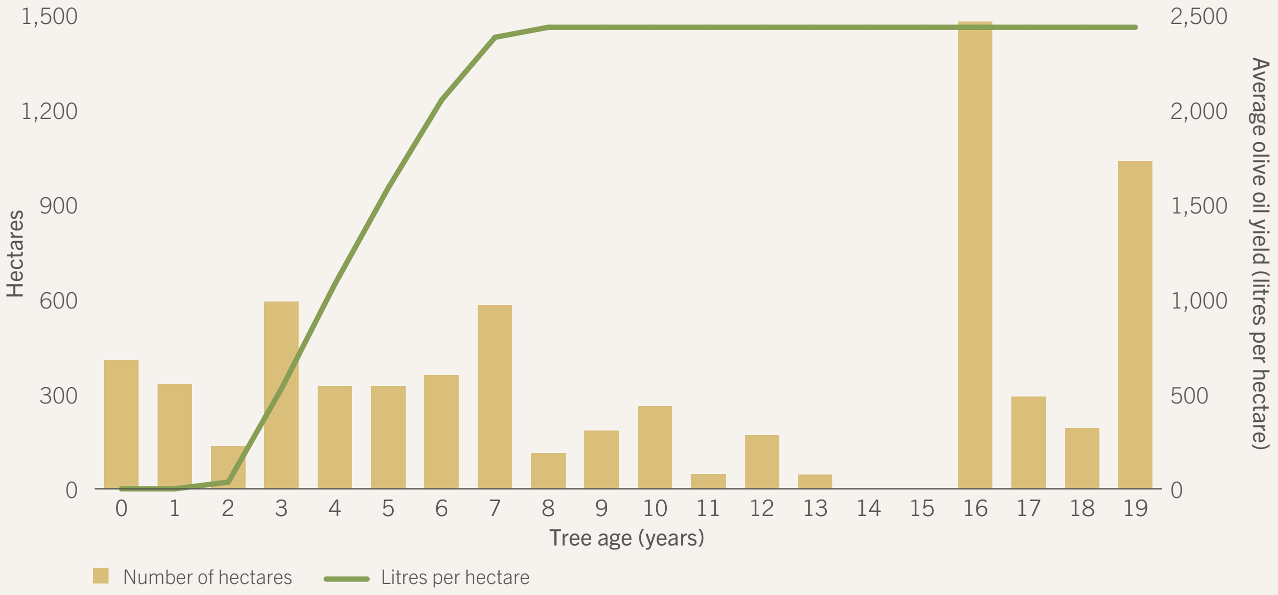
The tree age profile on CBO's Australian groves can be categorised into pre-productive, immature, and matures phases as highlighted by figure 8 below. As at 30 June 2023, only 61% of CBO's Australian groves are mature, with 28% of CBO's Australian groves yet to achieve mature yields and 11% yet to produce a harvestable crop. Over the next nine years, CBO's mature groves in Australia will increase by 64% from 4,259 hectares to 7,000 hectares.

Figure 8: Maturity phase of CBO's Australian olive groves



The current age of CBO's olive trees, alongside the average olive oil yield by year of age, are highlighted in figure 9 below. As the trees reach mature yields, CBO's Australian groves are expected to deliver increasing supply to support future sales growth in Australia and export markets (including the USA).

Figure 9: Age profile of CBO's Australian groves by planted hectares and average olive oil yield per year of age



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

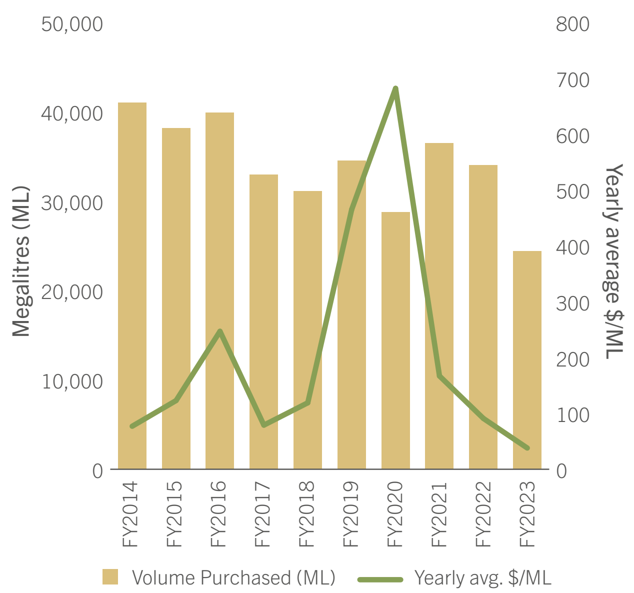
AUSTRALIAN WATER PRICE AND OUTLOOK

CBO sourced almost all the water required for its Australian groves in FY2023 by procuring temporary water.

The Company's full year FY2023 water purchases cost a weighted average of $38 per megalitre, a 58% reduction versus the price paid in FY2022 (FY2022: $91 per megalitre), as highlighted by figure 10 right. The Company has paid a weighted average price of $205 per megalitre for temporary water purchased over the last ten years.

With elevated levels of water in storage, we currently anticipate water prices to remain below long-term averages in FY2024. As at 16 August 2023, storage levels in the Southern Murray Darling Basin were at 94% full, the same as last year (17 August 2022 – 94%)[24]. High reliability water allocations are 100% for the Victorian Murray Valley system and 100% for Goulburn Valley water systems as at 15 August 2023[25].

Figure 10: CBO's temporary water volume and purchase price per megalitre – FY2014-FY2023



24. Source: https://www.mdba.gov.au/publications-and-data/data-and-dashboards/current-basin-water-storage-report
25. https://nvrm.net.au/seasonal-determinations/current

Divisional Overview – FY2023 continued

USA OLIVE OIL OPERATIONS

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

DeBo Ranch, 52 hectares

Hungry Hollow Ranch, 138 hectares

Dunnigan Hills Ranch
205 hectares planted; 158 hectares not yet planted

Esparto South Ranch, 116 hectares

Orestimba Ranch, 47 hectares

CBO's strategy to replicate its vertically integrated Australian business in the USA is well advanced and provides a strong platform for future growth.

As this update on USA operations highlights, the Company has been successful in establishing its olive growing and milling operations in California, and in establishing a high-value market for its Californian olive oils. Significantly, a large part of its success comes from leveraging its learnings and expertise from its world-class Australian operations and applying these to the USA olive oil industry.

USA SALES RESULTS

After a decline in sales in FY2022 due to the limited availability of Californian olive oil, sales in FY2023 returned to strong growth driven by Cobram Estate® branded sales which grew by 69.3% over the period.

For the 12-month period, USA olive oil ex-factory sales totalled A$42.6 million in FY2023, an increase of 46% on the prior year (FY2022: A$29.2 million). As highlighted in figure 11 alongside, the Company's USA olive oil sales results reflect a return to the strong growth trajectory realised prior to the Californian olive oil shortages experienced in FY2022. The Company's flagship Cobram Estate® brand accounted for 41% of sales in FY2023, followed by sales of bulk olive oil (34%), and private label products (25%). Bulk oil sales grew strongly, driven mostly by sales of Australian olive oil in the USA, whilst private label sales fell on the back of ongoing limitations on the availability of Californian olive oil and the Company's preferential allocation of available oil to branded sales.

The Company's primary sales focus in the USA is on building long-term sales of packaged goods in supermarket and natural food stores, both via our Cobram Estate® brand and through private label partnerships. With CBO's long-term growth in mind, the Company continues to focus allocations of available Californian olive oil towards sales of Cobram Estate® products to core supermarket and natural food store customers, and to maintaining key private label contracts. As highlighted in figure 12 alongside, USA sales of Cobram Estate® products totalled A$17.7 million in FY2023, up from A$10.4 million in FY2022. Pleasingly strong sales momentum continued across the year despite a price increase which was implemented across the Cobram Estate® range in the first half of FY2023.

The Company remains excited by the opportunity to achieve future growth in USA sales in line with growing oil supply from maturing olive groves and new plantings (both those owned by the Company and contracted third parties).

Figure 11: Total USA olive oil sales – FY2016-FY2023

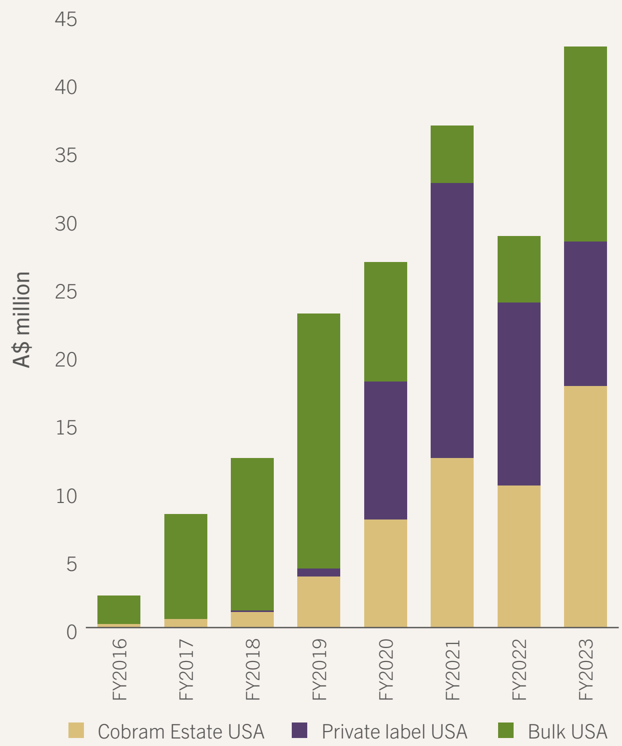
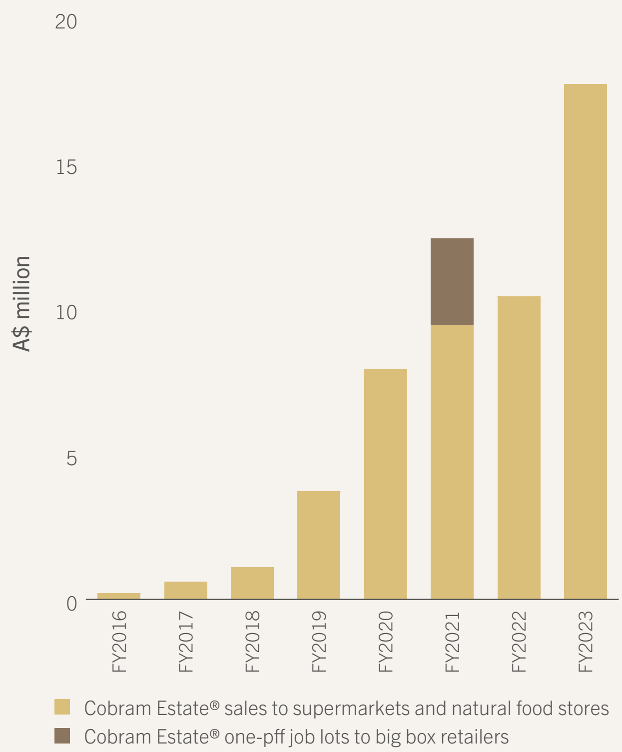


Figure 12: USA sales of Cobram Estate® branded products – FY2016-FY2023



Divisional Overview – FY2023 continued

Retail sales performance

For the 52-weeks to 18 June 2023, Cobram Estate® retail scan sales totalled US$22.5 million, up 22.8% versus the prior period (see figure 13 alongside). Over the period, the Cobram Estate® brand rose from number ten to number nine ranked olive oil in USA supermarkets by sales value (excluding private label) with 1.1% market share of total olive oil sales and was one of only four brands in the top ten to grow both dollar and unit sales year-on-year[26].

Cobram Estate® remains the #2 brand of 100% California extra virgin olive oil (excluding private label) in USA supermarkets and is well positioned for future growth with current ranging in 17,884 stores, an increase of 19% versus the prior period (see figure 14 alongside)[27]. Key new ranging increases in FY2023 included Publix (1,297 stores) and Kroger (additional 503 stores).

Cobram Estate® remains the #2 brand of 100% California extra virgin olive oil in USA supermarkets[28].

Figure 13: Cobram Estate® USA scan sales[28]

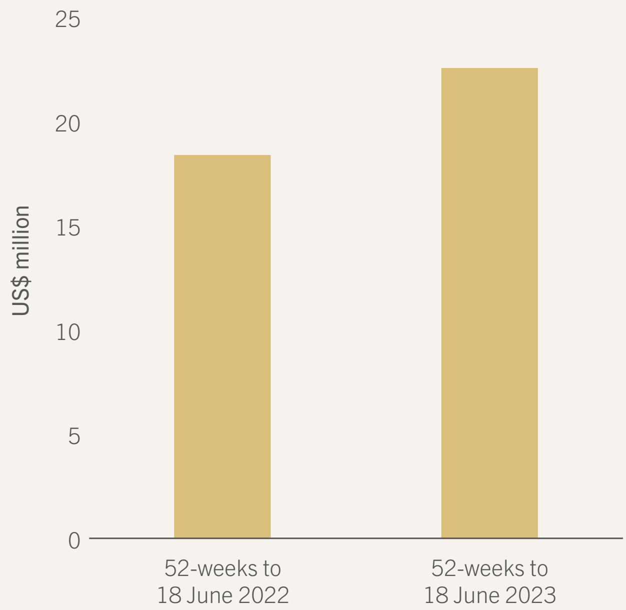
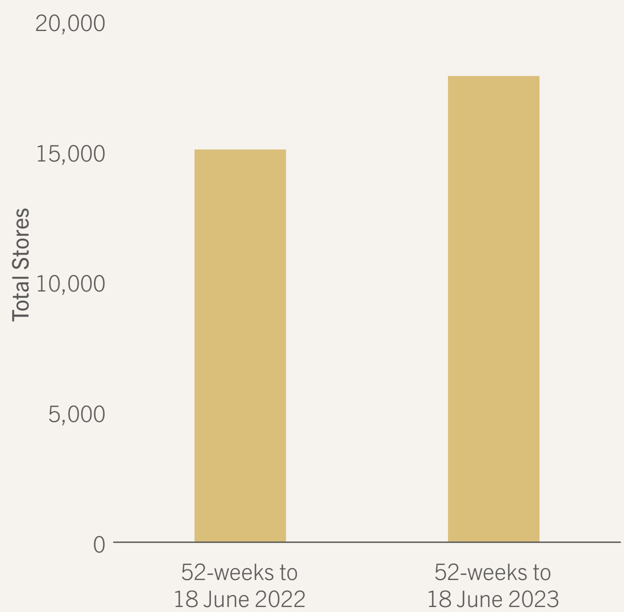


Figure 14: Cobram Estate® USA total stores[29]



26. SPINS/IRI, Single Serve Culinary Olive Oil, Total Dollar Sales, 52 weeks-ending 18 June 2023. (Note: Data excludes Club (e.g. Costco) and select retailers (HEB, Whole Foods)).
27. Source: SPINS/IRI, Single Serve Culinary Olive Oil, Total Dollar Sales, 52 weeks-ending 18 June 2023. (Note: Data excludes Club (e.g. Costco) and select retailers (HEB, Whole Foods)).
28. SPINS/IRI, Single Serve Culinary Olive Oil, Total Dollar Sales, 52 weeks-ending 18 June 2023. (Note: Data excludes Club (e.g. Costco) and select retailers (HEB, Whole Foods)).
29. SPINS/IRI, Single Serve Culinary Olive Oil, Total Dollar Sales, 52 weeks-ending 18 June 2023. (Note: Data excludes Club (e.g. Costco) and select retailers (HEB, Whole Foods)).

USA OLIVE OIL MARKETING ACTIVITY HIGHLIGHTS

CBO's USA marketing activities continue to focus on digital marketing and retailer activities to drive sales, brand awareness, and education.

The Company's marketing team has prioritised aligning with likeminded brands and building strategic partnerships to elevate the Cobram Estate® brand. There was a heavy focus on rebuilding and resetting foundational marketing tools including creating a new website to drive centralised education and effectively tell the brand story. Product development also remains a key component of the Cobram Estate® brand strategy, with new labels and a number of exciting new range extensions planned for FY2024.

CBO USA brand partner Kerry Kelly

Product development remains a key component of the Cobram Estate® brand strategy.

New labels

for USA Essentials range in FY2024

Divisional Overview – FY2023 continued

USA GROVE OPERATIONS UPDATE

CBO first produced olive oil in California in 2014 and planted its first Californian grove in 2015. The Company continues to expand it USA grove operations, driven by the opportunity to satisfy the shortfall in supply of Californian olive oil relative to consumer demand. Today the Company's USA grove operations include five olive groves and an integrated olive milling, oil storage, and bottling facility at Woodland.

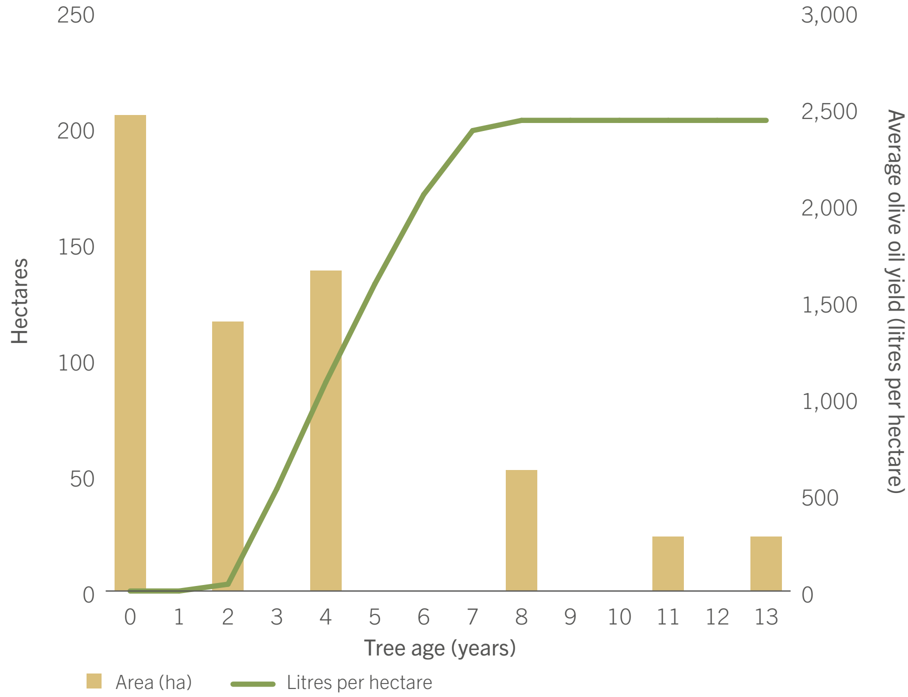
As of August 2023, the Company's planted Californian olive grove portfolio totals 558 hectares, with the oldest trees planted in 2010 and the youngest in 2023. A summary of CBO's current grove portfolio, plus the 158-hectare Dunnigan Hills phase two development scheduled for later in 2023, is detailed in figure 15 below.

As the Company's Californian olive trees reach mature yields, CBO's Californian groves are expected to deliver increasing supply of extra virgin olive oil to support future sales growth in the USA. Currently only 18% of the Company's groves are mature (eight-plus years of age), 26% are immature (three to seven years) and 56% are pre-productive (0-2 years).

Figure 15: CBO's Californian olive grove portfolio[30]

			Planted Hectares			
Farm Name	**Planted/ Not Planted**	**Planting Year**	**Freehold Land**	**Leased Land**	**Total Hectares**	**Trees Planted/to be Planted**
DeBo Ranch	Planted	2015	0	52	52	25,542
Hungry Hollow Ranch	Planted	2019	40	98	138	67,284
Esparto South Ranch	Planted	2021	116	0	116	56,652
Orestimba Ranch	Planted	2010/2012	47	0	47	84,579
Dunnigan Hills Ranch (Phase 1)	Planted	2023	49	156	205	100,208
Dunnigan Hills Ranch (Phase 2)	Not yet planted	2023	158	0	158	77,082
Total			**410**	**306**	**716**	**411,347**

Figure 16: Age profile of CBO's Californian groves by planted hectares and average olive oil yield per year of age[31]



30. Includes the 158-hectare Dunnigan Hills phase 2 development scheduled for the second half of 2023.
31. Excludes the 158-hectare Dunnigan Hills phase 2 development scheduled for the second half of 2023.

2022 harvest results

The Company's 2022 Californian harvest yielded 1.69 million litres of olive oil (2021: 2.16 million litres) in line with expectations. Comparing this to the previous lower yielding crop year (2020) the result was a 59% increase and compared to the previous higher yielding crop year (2021), the result was a decline of 22%. The 59% growth in yield versus 2020 reflects two main factors:

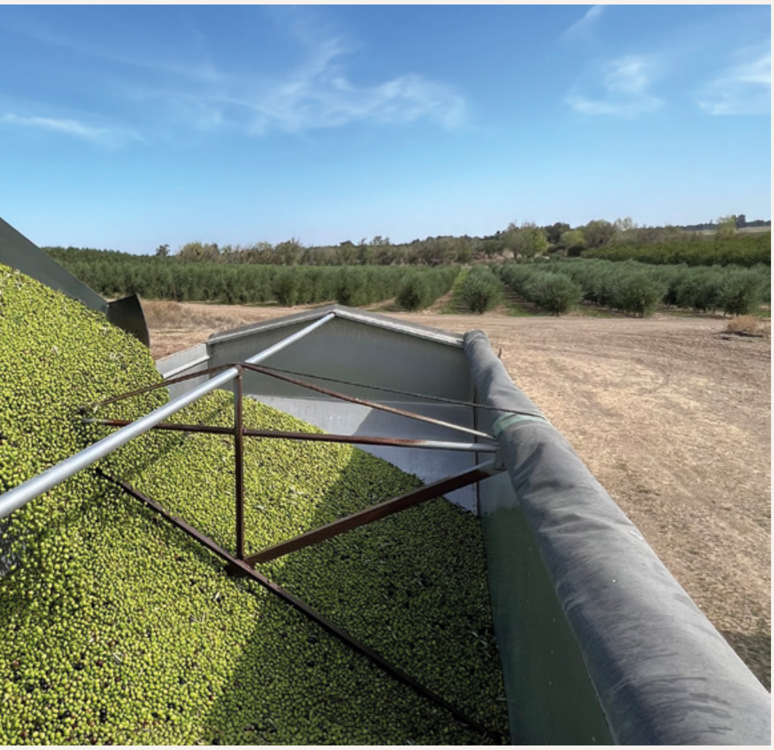
1. an increase in the average age of the Company's Californian olive groves, with the groves increasing in yield as they progress towards maturity; and
2. the positive impact of the Company's additional third party contracted groves signed over the past two years.

The Company's own groves contributed 16% of CBO's 2022 total olive crop, a significant increase compared to previous years (2021: 8% and 2020: 1%).

2023 crop outlook

Californian groves are typically harvested between October and November each year. CBO's Californian olive groves are in very good condition after significant rains in winter and spring, with the groves having progressed through the peak flowering period and have commenced the oil accumulation phase. Flowering was favourable, and the Company is therefore hopeful of a good harvest in 2023 (note: 2023 is a higher yielding crop year in California) subject to the normal risks associated with agricultural production.

Californian olive harvest



Third-party olive growers

In contrast to Australia where CBO grows over 60% of the country's olive crop, USA olive production is quite fragmented with a sizeable number of medium-large olive growers. Typically, these USA growers focus only on growing and picking activities and sell their olives to olive mills under contract. CBO commenced milling in the USA in 2014 to support these growers and today is one of the top-three largest millers of olives in California.

The Company currently has over 2,100 hectares of third-party olive groves under contract in California, forming a critical component of CBO's Californian olive oil supply chain. The Company's USA team are continually seeking olive fruit supply agreements with new third-party growers and are collaborating with existing suppliers to increase CBO's share of their olive crop and/or support planting more olive trees where the opportunities exist.

Divisional Overview – FY2023 continued

CBO's 205-hectare greenfield olive grove development at Dunnigan Hills, California, planted in May/June 2023.

USA CAPITAL PROJECTS UPDATE

Dunnigan Hills grove development (phase 1)

Stage one of the Dunnigan Hills Ranch development is now complete, with 205 hectares of olive groves planted on a combination of freehold and long-term leased land. As a result of this development, the Company's planted area in California has increased by 58% to 558 hectares. A further 158 hectares are planned for development at Dunnigan Hills in the second half of 2023.

The commencement of CBO's Woodland site development

Woodland site expansion

The Company is currently undertaking an expansion of its milling, oil storage, bottling, and warehousing operations at its Woodland site. The expansion will result in a doubling of the Company's USA olive milling capacity (from 32 to 64 tonnes per hour) and an increase in olive oil storage from 2.9 million to 4.5 million litres to meet the requirements of an expected larger 2023 olive crop, together with future crops from maturing CBO-owned and third-party groves. The mill and storage expansion will be completed in time for the 2023 Californian olive harvest which commences in October 2023.

As part of this expansion, the Company will also be installing a new bottling line and expanding its finished goods warehouse in response to growing demand for the Company's packaged olive oil products. This will increase the Company's bottling capacity from 3,500 to ~14,000 bottles per hour, similar to its Australian operations. The new bottling line is expected to be operational in the second half of 2024.

USA water outlook

Significant rain and snowfall during the northern hemisphere winter and spring provided welcome relief for Californian water users in general, including the irrigation district where CBO's groves are located. This has resulted in material water allocations for the growing season, with the Company receiving its full allocation of water for all its groves with access to district water.

INNOVATION AND VALUE-ADDING

As part of its sustainability/zero waste strategy, the Company continues to explore and implement opportunities to add-value to the by-products of olive farming and olive oil production. A key focus is on the internal use and external sale of olive biomass to food manufacturers, hospitals, and nurseries as a renewable energy source for heat and electricity production. A total of 7.4 million kilograms of olive biomass (mainly olive pit) was sold to external parties in FY2023.

After a strategic review, the Company has decided to focus future sales initiatives on business-to-business sales. The Company continues to sell its Wellgrove® products online in Australia and the USA, and Stone and Grove® olive leaf teas in Australia through online and specialty channels, and to export consolidators.

Olive pit at the Company's Boort grove

Olive biomass hot water system at the Company's Boundary Bend grove

Stone and Grove® olive leaf teas

A key focus is on the internal use and external sale of olive biomass to food manufacturers, hospitals, and nurseries as a renewable energy source for heat and electricity production.

Brand Summary

COBRAM ESTATE®

CBO's flagship retail brand, Cobram Estate®, was purchased by the Company in 2006. In FY2023, Cobram Estate® global sales totalled $87.0 million. The brand is well positioned as Australia's **#1 selling olive oil in Australian supermarkets** by value in FY2023, and the **#9 selling olive oil brand in USA supermarkets** by value (excluding private label)[32]. Cobram Estate® is also exported to a further 15 countries including New Zealand, United Kingdom, Japan, Singapore, Taiwan, and Malaysia, and is amongst the world's most awarded olive oil brands, winning over 668 awards including Best in Class trophies and Gold Medals at the New York International Extra Virgin Olive Oil Competition.

RED ISLAND®

Red Island® was purchased by CBO in 2012 and is the **second-highest selling brand of Australian extra virgin olive oil** (behind Cobram Estate®)[33] with sales of $30.3 million in FY2023. Red Island® has received multiple awards for excellence in quality and taste and is distributed nationally throughout Australian supermarkets and exported to New Zealand, Malaysia, Fiji, China, and Thailand. Red Island® is positioned to attract a more price-conscious shopper to the Australian extra virgin olive oil category, complimenting the Company's premium Cobram Estate® brand.

BOUNDARY BEND ESTATE®

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

TREE OF LIFE®

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

32. Sources: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2023; SPINS/IRI, Single Serve Culinary Olive Oil, Total Dollar Sales, 52 weeks-ending 18 June 2023. (Note: Data excludes Club (e.g. Costco) and select retailers (HEB, Whole Foods)).

33. Source: IRI scan data, Australian grocery weighted, total supermarket, Financial Year 2023.

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, and holds IOC, AOCS, NATA, ISO, and TGA (Therapeutic Goods Association) accreditations. Modern Olives® also operates a specialist olive tree nursery in Australia, supplying commercial growers as well as wholesaling olive trees to retail chain stores and other nurseries.

OLIV.IQ®

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

OLIVE WELLNESS INSTITUTE®

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

STONE & GROVE®

Stone & Grove® premium olive leaf teas are the result of several years of trialling and experimenting to produce the perfect olive leaf cuppa. Launched in 2019, Stone and Grove® olive leaf teas are currently sold in Australia through online and specialty channels, and to export consolidators.

WELLGROVE®

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

Olive Farming and Commercial Property Asset Summary

AUSTRALIAN OLIVE GROVES

Australian olive groves located at Boundary Bend (between Mildura and Swan Hill), Boort (near Bendigo), and Wemen (between Mildura and Swan Hill) with a combined total of over 2.6 million olive trees planted on 7,000 hectares of Victorian farmland. CBO's Australian groves have been progressively planted, with the oldest trees planted in 2004 and the most recent planting occurring in Autumn 2023.

USA OLIVE GROVES

USA olive groves totalling over 334,000 trees planted on 558 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, 2021, and 2023. The Company owns a further 158 hectares it is planning to develop in FY2024.

AUSTRALIAN OLIVE MILLS

Two olive mills for processing olives and extracting olive oil, located on-site at the Company's Boundary Bend and Boort groves, with combined processing capacity of 112 tonnes of olive fruit per hour and on-site olive oil storage totalling 6.8 million litres.

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, eleven 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 MILL, OLIVE OIL STORAGE, BOTTLING, WAREHOUSING, AND NURSERY FACILITY

A 3.6-hectare industrial property in Woodland, California, which serves as the Company's USA head office together with milling capacity of 32 tonnes of olive fruit per hour, 2.9 million litres of olive oil storage, bottling operations (3,500 per hour bottling capacity), warehouses covering approximately 5,000m^2, and nursery grow-out operations.

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 olive oil lab, and is accredited by AOCS, NATA/ISO, and TGA.

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.

OLIVE HARVESTERS

29 olive harvesters, including 23 purpose-built Colossus® mechanical over-the-row harvesters and three Optimus® mechanical over-the-row harvesters developed in conjunction with Maqtec Argentina.

UNDEVELOPED FREEHOLD LAND SUITABLE FOR OLIVES

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

1,500 hectares of freehold land in the province of San Juan, Argentina. The land is ideally suited to olive growing with significant reserves of water.

Sustainability

For the past 25 years, CBO has made sustainability a core component of its operations. The Company believes in a future where people and nature thrive in harmony and has taken measures on its olive groves to maximise quality and yields whilst achieving the highest level of sustainability. CBO is proud of its sustainability achievements to date, including those relating to environmental management on its groves. Some of these include:

1 Less than 0.5% of outputs from our Australian groves end up in landfill

The Company uses, recycles, or upcycles almost all of the output from its farms. The Company's olive pits are used as a renewable energy source to heat its hot water boilers and surplus stock is sold to other businesses for similar purposes. Olive leaves are used to make our Stone & Grove™ branded olive leaf tea, and any pruned branches are mulched and returned to the soil as organic fertiliser. Olive pomace waste is now to be used to reduce inorganic fertiliser requirements.

2 Better than Carbon Neutral

CBO's groves remove more carbon from the atmosphere than what is released to grow and market the Company's extra virgin olive oil. Olive oil is the only globally recognised oil crop that has a carbon sink affect. For every one litre of extra virgin olive oil produced, CBO sequesters an average of 4kg CO_2e.[34]

3 CBO's groves protect biodiversity and provide shelter for native Australian wildlife

The perennial nature of olive trees enables the Company to have a unique focus on flora and fauna, including protecting biodiversity and providing shelter for native wildlife that call the groves home. Further, the Company has mapped and fenced over 1,300 hectares of native vegetation, is replanting native trees at its Boundary Bend grove and has established a wetland which is an incredible habitat for wildlife.

4 Water stewardship

CBO's has implemented industry-leading irrigation practices on its groves including the use of drip irrigation; satellite mapping to identify leaks and blockages; and computerised tree and soil monitoring to minimise wastage. The Company's high performing groves are estimated to use 37% less water per tonne of olive oil produced than industry best practice.

34. Source: CBO independent GHG Life Cycle Assessment's, 2022

SUSTAINABILITY FRAMEWORK

The Company's sustainability framework developed in 2022 guides actions to ensure projects, investments, and resources are aligned to priority topics. The Company continues to evolve its sustainability strategies and disclosures with the aim of having more detailed reporting by the end of FY2024.

In FY2023 CBO proactively engaged with a wide range of stakeholders on the sustainability of the Company, its products, and its horticultural practices. With consumers demanding more sustainable and healthy products, retailers wanting to green their supply chains, and industries seeking to demonstrate their pathways to net-zero carbon emissions, the Company continues to show leadership in this area.

Sustainability continued

CBO'S SUSTAINABILITY FRAMEWORK

OUR SUSTAINABILITY MISSION

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

HOW WE EXTEND THE OLIVE BRANCH

Key pillars and priority topics

PLANET

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

BUSINESS

- Innovation
- Education & Engagement
- Governance
- Safety

PEOPLE

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

PLANET

CBO continues to champion the benefits of sustainable olive farming in an era of heightened concern around climate change, nature, and waste. Although CBO's operations have already been assessed as being better than carbon neutral, the Company continues to identify opportunities to improve its climate footprint.

To improve diversity and carbon sequestration on its Boundary Bend farm, the Company is progressing its reforestation project with over 166 hectares of native trees planted, and a further 123 hectares anticipated to be planted in FY2024. All new plantings undertaken by CBO, whether olive or native trees, are planted on cleared paddocks and do not involve clearing native vegetation. Every tree planted by CBO is an additional CO_2 sink for the planet.

As part of its diversity initiatives, CBO has partnered with the Victorian Malleefowl Recovery Group is providing exciting opportunities to increase awareness of Malleefowl conservation and identify long term conservation habitat improvements in proximity to CBO's groves including a live camera monitoring project and an onsite workshop with Malleefowl experts.

In July 2023, with support from Sustainability Victoria, the Company commissioned its olive pomace waste recycling project at its Boundary Bend grove. This project will not only improve the handling of olive pomace waste, but it will also reduce greenhouse gas emissions, and provides the Company with increasing amounts of high-quality biomass to sell with strong demand for animal feed, renewable energy, and as an organic soil amendment.

CBO is currently exploring opportunities for renewable energy projects across its assets and will provide further updates in due course. The Company has also submitted its carbon sequestration project with Verra as a first step to seeking certification of the Company's olive grove carbon credits.

CBO's Californian operations continue to champion the sustainability mantra and was awarded a grant by the California Department of Food and Agriculture (CDFA) from their Healthy Soils Program. This grant is being used for a hedgerow and cover crop project that will provide year-round habitat for native fauna, create windbreaks, and help control erosion.

BUSINESS

In 2023, for the second year in a row the Company was recognised as an innovator in the 2023 Australian Financial Review Sustainability Leaders awards. Utilising a comprehensive methodology developed by Boston Consulting Group, this process seeks to identify how innovation is embedded into a company to ensure long term economic, social, and environmental sustainability.

CBO is proud to have received the Woolworths 2022 Better Tomorrow Award for Sustainability and the Coles 2023 Sustainability Award at their annual supplier awards events. With CBO's retail customers prioritising sustainability, the Company proactively seek to collaborate and demonstrate how its products and business help them and their customers achieve their goals.

CBO National Sales Manager Nicolas Urbin and Sustainability Manager Justin Pilgrim with Woolworths executives at Woolworths supplier awards.

CBO Joint-CEO Sam Beaton and National Business Manager Tom Cotter at Coles supplier awards.

In the USA, CBO has partnered with the UC Davis Olive Centre as well as the California Olive Oil Council to promote the benefits of olive oil. The Company encourages interest in its sustainable farming operations and facilitates community tours with positive feedback received from local high schools and young farmers groups.

CBO's USA business is also in the final stages of working towards certification under the Leading Harvest Farmland Management Standard. This standard is increasingly being recognised by retailers in the USA as a strong indicator of the sustainability of its suppliers and will assist in elevating the Company's position as a supplier of olive oil in the local market.

Two important developments occurred in June with the issuance of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards; IFRS S1 and S2. These new standards have established a global baseline for instructing companies how to include material sustainability risks and opportunities in their financial reporting; with a particular focus on climate-related disclosures. According to the proposed implementation roadmap currently under consultation with the Australian Treasury, CBO will be required to report from 2026-2027 onwards.

People, Culture, and Diversity

CBO's Board and employees firmly believe that the Company's success is driven by its people, culture, and an unwavering commitment to safety. With a dedicated workforce and a strong emphasis on fostering a positive work environment, the Company continues to prioritise the wellbeing and development of its team members while always ensuring their safety. Guided by core values of honesty, passion, and humility, CBO seeks to create a workplace that thrives on trust, dedication, and continuous improvement.

CBO staff on community garbage collection days

EMPLOYEE WELLBEING, ENGAGEMENT, AND SATISFACTION

CBO continues to support the health and wellbeing of its staff and their families. Key initiatives in FY2023 included on-site flu vaccinations', regular health awareness communications, access for team members and their families to free financial, legal, and wellbeing professional support, and periodic allocation of olive oil for employees and their families to enjoy.

Strategic community partnerships were implemented in the past year that strongly align with CBO and provide opportunities for staff volunteering and engagement. The Company's sponsorship of Clean Up Australia saw many volunteers cleaning up their local community.

The Company also partnered with the Geelong Food Relief Centre to support members of the community dealing with food insecurity; not only did CBO provide free product for this enterprise, but its supply chain staff also provided solutions on how the centre could improve the safety and logistics of their distribution centre.

CBO's staff in regional Victoria continue to support local initiatives with ongoing financial and product contributions to community groups and sporting clubs. The Company's Lara head office team hosted a workshop over three days with Active Geelong and Barwon Health to understand the barriers that staff across the facilities face in trying to be more active. Brainstorming sessions identified opportunities for staff to be more active and improve their wellbeing and insights from this collaboration will be used to inform future initiatives aimed at increasing staff health outcomes.

In the USA, CBO continues to support local community organisations and events that are aligned with the Company's purpose and are important to staff who reside in the area. Donations and/or sponsorships were allocated to a number of groups and organisations in local communities, including Yolo County Spring Show, Yolo County Young Farmers and Ranchers and Zamora Fire Department.

CBO staff Nick Stahl and Tania Ciuffetelli with the CEO of Geelong Food Relief Centre, Andrew Schauble.

People, Culture, and Diversity continued

Helping people eat healthier, tastier, and more sustainable diets drives CBO's teams every day.

FOSTERING A POSITIVE CULTURE

CBO believes that a vibrant culture is the cornerstone of the Company's high-performing teams. The Company's commitment to 'passion' means creating an environment where team members are encouraged to pursue their passions and contribute their unique talents to achieve collective goals. The team are passionate about freshly crushed extra virgin olive oil and the joy that it brings to CBO's customers and consumers. Helping people eat healthier, tastier, and more sustainable diets drives CBO's teams every day. It is the passion from all areas of the business which makes this possible.

The Company fosters a culture of inclusivity, valuing diversity and promoting equality in all aspects of its operations. Through regular engagement with its teams, CBO creates opportunities for sharing ideas, concerns, and aspirations, fostering a collaborative environment where everyone feels valued and heard. The Company believes in the power of humility, recognising that no individual or department holds all the answers. By embracing different perspectives and experiences, CBO creates a culture of continuous learning, growth, and mutual respect.

SAFETY FIRST, ALWAYS

The Company is committed to ensuring a safe and healthy work environment for everyone on its sites. CBO believes in the value of honesty when it comes to safety, encouraging open reporting and communication of any potential hazards or concerns. Robust safety protocols and procedures are continuously updated and implemented in line with industry best practices and regulations, and the Company continues to invest in up-to-date safety training programs to educate its teams on potential hazards, safe work practices, and emergency response procedures. CBO continuously monitors and assesses its safety performance, taking proactive measures to prevent accidents and maintain a safe workplace. Through its commitment to humility, the Company actively seeks feedback and input from its team members, recognising that their insights are invaluable in identifying and addressing safety risks.

INCLUSION AND DIVERSITY

The Company acknowledges the positive outcomes and better overall performance that can flow from embracing diversity and recruiting directors, officers, and employees with diverse backgrounds, skills, and worldviews. CBO recognises that fostering a diverse workforce is likely to assist in attracting and retaining first-class personnel, promote innovation, and maintain a positive reputation. The Company recognises that diversity extends beyond gender and includes, but is not limited to, differences that relate to ethnicity, age, physical and mental disability, marital or family status, socio-economic, religious, or cultural background, sexual orientation, and gender identity.

The CBO Board has developed a diversity policy which is available to review at https://investors.cobramestateolives.com.au/investor-centre/?page=corporate-governance.

As at 2023, details relating to ASX Recommendation 1.5 are as follows:

The proportion of females in the Company as at 23 August 2023:

- 48% of the Company's employees were female.

The proportion of females in senior executive positions within the Company as at 23 August 2023:

- 43% of the senior executive positions within the Company were held by females. For the purposes of this recommendation, the Company defines "senior executive" as a head of department.

The proportion of females on the CBO Board as at 23 August 2023:

- 29% of the Company's Board of Directors (including Executive Directors) were female.
- 40% of the Company's Non-Executive Directors were female.

The Board remains committed to ensuring that it is comprised of individuals with the appropriate skills, experience, and diversity to develop and support the Company. Further details relating to the Board are detailed in the Director's Report.

Modern Slavery

CBO is firmly committed to combating modern slavery and human trafficking in all its forms. The Company recognises that these horrible practices have no place in its business operations or supply chains. The Company's efforts to address modern slavery and its commitment to promoting ethical and responsible business practices are outlined below.

Modern slavery encompasses various forms of exploitation, including forced labour, human trafficking, debt bondage, child labour, and other violations of human rights. It affects millions of people worldwide, often hidden within complex global supply chains. The Company acknowledges the importance of identifying and addressing these risks within its own operations and working collaboratively with suppliers to better understand their processes.

CBO'S APPROACH *can be summarised as follows:*

POLICIES AND PROCEDURES

The Company has established robust policies and procedures to support prevention, detection, and its response to modern slavery risks. CBO are currently implementing a responsible sourcing policy that explicitly prohibits the use of forced labour, child labour, and any form of human trafficking. The Company emphasises the importance of supply chain transparency and encourage its suppliers to implement similar policies and practices.

SUPPLIER DUE DILIGENCE

The Company conducts stringent supplier due diligence including through questionnaires and audits to evaluate their labour practices and implementing risk assessments to identify any potential modern slavery risks. CBO prioritises working with suppliers who share its commitment to ethical conduct and human rights.

TRAINING AND AWARENESS

The Company provides training and awareness programs to its teams, ensuring they understand the signs of modern slavery and know how to report any concerns. By fostering a culture of caution and awareness, The Company empowers its teams to be active participants in preventing and addressing modern slavery.

CONTINUOUS IMPROVEMENT

CBO recognises that eradicating modern slavery requires ongoing effort and continuous improvement. The Company has a working group regularly reviewing its policies, procedures, and due diligence processes to stay aligned with the evolving best practices and legal requirements and encourages feedback from its stakeholders to identify areas for improvement.

Directors' Report

The Directors of the Company ("Directors") present their report together with the financial report of Cobram Estate Olives Limited and controlled entities for the year ended 30 June 2023 and auditors report thereon. To comply with the provisions of the *Corporations Act 2001*, the Directors' Report is as follows:

DIRECTORS' NAMES

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

Rob McGavin (Non-Executive Chair)

Paul Riordan (resigned 28 October 2022)

Craig Ball

Toni Brendish (appointed 23 January 2023)

Tim Jonas

Dr Joanna McMillan

Professor Jonathan West (passed away 29 July 2023)

Sam Beaton

Leandro Ravetti

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

COMPANY SECRETARY

Russell Dmytrenko

RESULTS

The profit of the consolidated entity for the year after providing for income tax and interest amounted to $7.7 million (FY2022: $0.7 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 olive farming and the production and marketing of extra virgin olive oil in Australia and the USA.

AFTER BALANCE SHEET EVENTS

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

LIKELY DEVELOPMENTS

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

Directors' Report continued

ENVIRONMENTAL REGULATION

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

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

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

DIVIDENDS PAID, RECOMMENDED, AND DECLARED

During the financial year to 30 June 2023, the Company paid a final dividend of 3.3 cent per share, franked at 70%, in December 2022.

The Board's current intention is to pay a dividend of 3.3 cent per share in December 2023. Further details relating to this dividend will be announced at the Company's Annual General Meeting on 3 November 2023.

INFORMATION ON DIRECTORS

Rob McGavin (Appointed 6 July 2005) Non-Executive Chair Co-Founder	Rob co-founded Cobram Estate Olives and was the Executive Chair and Chief Executive Officer of the Company until 20 April 2021 and has extensive experience in the agribusiness sector. He is directly involved in a grazing operation in western Queensland, and a cropping and grazing operation in southwest Victoria. Rob is a board member and chair of Marcus Oldham Agricultural College and is also a member of the Marcus Oldham College Foundation. Rob is the Non-Executive Chair of Cobram Estate Olives and a member of the Audit and Risk Committee.
Paul Riordan (Resigned 28 October 2022) Non-Executive Director Co-Founder	Paul co-founded Cobram Estate Olives and worked in the industry since 2006 leading the Company's olive grove development and operations. Paul moved to the USA in 2018 to help drive business growth. He transitioned to a Non-Executive Director role in July 2021, and currently resides on the east cost of the USA for much of the year. Paul resigned from the board on 28 October 2022.
Craig Ball (Appointed 24 September 2005) Non-Executive Director	Craig is the chair of financial services firm Taylor Collison and is responsible for corporate finance in equity capital markets. He became a director of Taylor Collison in 1992 and has extensive experience in the Australian equity capital markets. Craig holds a Bachelor of Economics degree from the University of Adelaide. He worked for a decade with chartered accounting firms before joining the stockbroking industry in 1987. Craig has been involved with Cobram Estate Olives since 1998, assisting with its formation and development, and was appointed as a Non-Executive Director in 2005. Craig is a member of the Audit and Risk Committee and chairs the Remuneration and Nomination Committee.
Toni Brendish (Appointed 23 January 2023) Non-Executive Director	Toni has more than 30 years' experience working in blue chip FMCG, healthcare, manufacturing, agriculture, and telecommunication companies in Asia, Australia, and New Zealand, including over 20 years in Chief Executive Officer/Managing Director roles. Toni most recently held the position of Chief Executive Officer of Westland Milk Products in the South Island of New Zealand. Prior to this, Toni spent 11 years working for the Danone Group as Managing Director of their infant formula and dairy businesses in Australia, New Zealand, Malaysia, and Indonesia. She has also worked for Kimberly-Clark and Colgate Palmolive, together with a number of other blue chip FMCG organisations. Toni is currently a non-executive director of ASX-listed natural fish oils manufacturer and nutrient ingredient business, Clover Corporation (ASX: CLV). She was recently appointed as a shareholder representative director on the board of Prolife Foods, a private New Zealand consumer foods business with brands including Mother Earth and Scoop and Weigh. Toni is also on the board advisory committee for dairy farming and milk producers, Aurora Dairies. Toni commenced as a Non-Executive Director of CBO on 23 January 2023 and is a member of the Remuneration and Nomination Committee and the Audit and Risk Committee.

Directors' Report continued

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 Australia. 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 a director and treasurer of the Australian Stockman's Hall of Fame and Heritage Centre (Longreach Queensland), chair of Daniel Robertson Pty Ltd (property holdings), and was formerly director and chair of Yarra Valley Caviar Pty Ltd (fish farms and caviar production), director of Silvan Australia Pty Ltd (farm machinery), and director and treasurer of the Essendon Football Club Limited. Tim has been involved with Cobram Estate Olives since its inception and was appointed as a Non-Executive Director in 2005. He currently chairs the Audit and Risk Committee and is a member of the Remuneration and Nomination Committee.
Dr Joanna McMillan (Appointed 21 May 2021) Non-Executive Director	Scottish born and raised, Joanna McMillan has spent the last 23 years living in Australia where she is one of the country's favourite and most trusted health and wellbeing experts. She is a PhD qualified nutrition scientist, 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, including presenting on the Today Show for over 16 years, as a host on ABC's science show Catalyst, and as a regular on radio and in print media. Joanna is a TEDx and international keynote speaker and has authored eight books including her latest *The Feel-Good Family Food Plan* and several Audible Originals, including *Mindful, What to Eat for a Better Brain*. Joanna has provided consultancy services to Cobram Estate Olives since 2015 and the Australian olive industry since 2013. Joanna was appointed Non-Executive Director in May 2021.
Professor Jonathan West (Passed away 29 July 2023) 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 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 also served as Chair of the ASX-listed Gowing Brothers Limited (ASX: GOW), Chair of ASX-listed Hexima Limited (ASX: HXL) and Chair of the Tasmanian Artisan Collective Company. Jonathan was appointed as a Non-Executive Director of Cobram Estate Olives in 2008 and was a member of the Remuneration and Nomination Committee and the Audit and Risk Committee. Jonathan sadly passed away on 29 July 2023.
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 24 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, capital management, business and strategy planning and the execution of business plans. 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 Cobram Estate Olives on 20 April 2021 and formerly held the role of Chief Financial Officer, Company Secretary and Chief Operating Officer.

Directors' Report continued

Leandro Ravetti (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 olive growing and olive oil production, developing the Oliv.iQ® growing system. Leandro was an alternate director of the Australian Olive Association between 2009 and 2012 and was the drafting leader for the new Australian Standard for Olive Oil (AS 5264-2011). Leandro has also received a meritorious lifetime award from the Australian Olive Association for his outstanding contribution to the Australian olive industry and he was also the recipient of an award in the Master Milling/Chemical Engineering Category in the inaugural "Health & Food, Extra Virgin Olive Oil Awards" announced in Spain in 2017. Leandro was appointed Joint-CEO (Technical and Production) of Cobram Estate Olives on 20 April 2021 and formerly held the role of Technical Director.

COMPANY SECRETARY DETAILS

Russell Dmytrenko Chief Financial Officer and Company Secretary (Appointed Company Secretary on 28 May 2021)	Russell joined Cobram Estate Olives in January 2021. Russell has over 20 years' experience in finance, controllership, and accounting. Prior to joining Cobram Estate Olives, Russell spent 15 years with General Motors and GM Holden in a variety of Senior Finance roles including Holden CFO, Controller – ANZ & ASEAN, Regional Internal Control Manager GMAP and MENA, and Holden Corporate Controller. Russell is the Chief Financial Officer and Company Secretary of Cobram Estate Olives.

MEETINGS OF DIRECTORS

DIRECTORS	DIRECTORS' MEETINGS		AUDIT AND RISK COMMITTEE MEETINGS		REMUNERATION AND NOMINATION COMMITTEE MEETINGS	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Rob McGavin	10	9	5	5	3	3
Paul Riordan*	3	3	n/a	n/a	n/a	n/a
Craig Ball	10	9	5	5	3	3
Toni Brendish	5	5	n/a	n/a	n/a	n/a
Tim Jonas	10	9	5	5	3	3
Dr Joanna McMillan	10	8	n/a	n/a	n/a	n/a
Professor Jonathan West**	10	10	5	5	3	3
Sam Beaton	10	10	n/a	n/a	n/a	n/a
Leandro Ravetti	10	10	n/a	n/a	n/a	n/a

* Paul Riordan resigned from the board on 28 October 2022.

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

THE BOARD'S VIEW ON INDEPENDENCE

On 23 August 2023, the Board comprised of five 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 considering interests disclosed to the Board.

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

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

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 2023.

Director and senior management details

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

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

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

NON-EXECUTIVE DIRECTORS	POSITION
Rob McGavin	Non-Executive Chair and a member of the Audit and Risk Committee
Paul Riordan	Non-Executive Director; resigned from the Board on 28 October 2022
Craig Ball	Non-Executive Director; member of the Audit and Risk Committee and Chair of the Remuneration and Nomination Committee
Toni Brendish	Non-Executive Director; member of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee; appointed 23 January 2023
Tim Jonas	Non-Executive Director; Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee
Dr Joanna McMillan	Non-Executive Director
Professor Jonathan West	Non-Executive Director; member of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee; passed away 29 July 2023

Directors' Report continued

Remuneration policy

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

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

Remuneration and Nomination Committee

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

– has coherent and appropriate remuneration policies and practices which enable the Company 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 as at 23 August 2023 comprises of Craig Ball, Toni Brendish, and Tim Jonas. Jonathan West was a member of the Remuneration and Nominations Committee up until 29 July 2023. Toni Brendish became a member of the Remuneration and Nominations Committee on 18 August 2023.

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 of the Company. 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.

Directors' Report continued

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

Each Non-Executive Director of the Company (except for Rob McGavin) currently receives a base fee of $100,000 per annum. Rob McGavin, in his role of Non-Executive Chair, currently receives a base fee of $200,000 per annum.

In addition, two Non-Executive Directors received supplementary payments during FY2023 as detailed below which the Board had approved for services provided.

- Paul Riordan, who was based in the USA, received a fee of pro-rata amount of his A$100,000 Non-Executive Director fees through to 28 October 2022 plus additional benefits of A$97,000 to support his location as an USA-based Director.
- Dr Joanna McMillan receives fees under a consulting agreement relating to health and nutrition services that the Company entered into before Dr Joanna McMillan became a Director. This agreement continues and is detailed in note 28 of the financial statements.

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

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

Key terms of employment contracts

Directors and senior executives are employed under the Company's standard employee contract and adhere to the Company's standard terms and conditions. There are no Directors or senior executives 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 several years, with a greater emphasis given to the current year. Meeting strategic objectives is also considered. The performance of the consolidated entity is summarised below.

	30-JUN-23 $'000	30-JUN-22 $'000	30-JUN-21 $'000	30-JUN-20 $'000	30-JUN-19 $'000	30-JUN-18 $'000
Sales revenue and other income	173,899	142,663	142,141	142,815	116,064	109,046
Net change in fair value of agricultural produce	42,416	22,871	67,588	(11,050)	35,676	4,082
Total revenue	216,315	165,534	209,729	131,765	151,740	113,128
Net (loss)/profit before tax	14,310	2,523	51,967	(40,230)	16,648	(13,132)
Net (loss)/profit after tax	7,719	(696)	35,224	(32,700)	8,759	(13,276)
Net Assets	287,789	287,029	190,685	146,090	179,765	161,049

	30-JUN-23	30-JUN-22	30-JUN-21	30-JUN-20	30-JUN-19	30-JUN-18
Shares on issue (at end of year)	415,773,189	414,500,504	387,372,594*	61,462,099	61,062,099	60,583,729
Closing share price ($)	1.24	1.46				
Market capitalisation ($)*	515,558,754	605,170,736				
Net assets per share ($)*	0.69	0.69	0.49	2.38	2.94	2.66
Dividends per Share	3.3 cents (70% Franked)	3.3 cents (20% Franked)	Nil	Nil	12 cents (Unfranked)	12 cents (Unfranked)

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

Prior to 11 August 2021, the Company was an unlisted public Company with limited share liquidity. As such, prior to 11 August 2021, it was not meaningful to consider share price or market capitalisation data. The Company listed on the ASX on 11 August 2021, and accordingly, market capitalisation is first reported at 30 June 2022.

Directors' Report continued

Remuneration of Directors and senior management

	SHORT-TERM EMPLOYEE BENEFITS			POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	
2023	Salary & Fees $	Bonus $	Non-monetary $	Super – annuation & Leave accruals $	Options & rights $	Total $
Tim Jonas	100,000	–	–	–	–	100,000
Craig Ball	100,000	–	–	–	–	100,000
Jonathan West	100,000	–	–	–	–	100,000
Rob McGavin	200,000	–	–	–	–	200,000
Paul Riordan**	110,178	–	21,092	–	–	131,270
Leandro Ravetti	547,692	*100,000	–	20,730	45,803	714,226
Sam Beaton	547,692	*100,000	2,677	30,209	45,803	726,382
Joanna McMillan	100,000	–	–	–	–	100,000
Toni Brendish	38,287	–	–	4,020	–	42,308
	1,843,850	**200,000**	**23,769**	**54,960**	**91,607**	**2,214,186**

* Bonuses paid to Sam Beaton and Leandro Ravetti relate to FY2022.

** Resigned 28/10/22.

	SHORT-TERM EMPLOYEE BENEFITS			POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	
2022	Salary & Fees $	Bonus $	Non-monetary $	Super – annuation & Leave accruals $	Options & rights $	Total $
Tim Jonas	100,000	–	–	–	–	100,000
Craig Ball	100,000	–	–	–	–	100,000
Jonathan West	100,000	–	–	–	–	100,000
Rob McGavin	221,141	–	–	5,892	–	227,033
Paul Riordan	352,378	–	–	–	–	352,378
Leandro Ravetti	490,000	–	–	49,364	38,169	577,533
Sam Beaton	490,000	–	–	29,177	38,169	557,346
Joanna McMillan	100,000	–	–	–	–	100,000
	1,953,519	–	–	**84,433**	**76,338**	**2,114,290**

Directors' Report continued

Shareholdings of Directors and executives

Fully paid ordinary shares of Cobram Estate Olives Limited held by CBO Directors and executives are as follows:

2023	BALANCE AT BEGINNING OF YEAR NO.	RECEIVED UPON EXERCISE OF OPTIONS NO.	ACQUIRED DURING THE YEAR NO.	DISPOSED DURING THE YEAR NO.	BALANCE AT END OF YEAR NO.
Tim Jonas	3,275,376	–	100,000	–	3,375,376
Craig Ball	4,145,727	–	141,847	–	4,287,574
Jonathan West	5,727,166	–	411,413	(2,001)	6,136,578
Joanna McMillan	32,397	–	603	–	33,000
Rob McGavin	72,073,601	–	–	–	72,073,601
Paul Riordan	17,654,708	–	–	–	17,654,708
Leandro Ravetti	7,348,584	–	–	–	7,348,584
Sam Beaton	6,524,050	–	7,877	–	6,531,927
Toni Brendish	–	–	31,000	–	31,000

2022	BALANCE AT BEGINNING OF YEAR NO.	RECEIVED UPON EXERCISE OF OPTIONS NO.	ACQUIRED DURING THE YEAR NO.	DISPOSED DURING THE YEAR NO.	BALANCE AT END OF YEAR NO.
Tim Jonas	5,624,988	–	–	(2,349,612)	3,275,376
Craig Ball	3,851,226	230,766	63,735		4,145,727
Jonathan West	5,472,000	230,766	24,400		5,727,166
Joanna McMillan	31,860	–	537		32,397
Rob McGavin	72,044,376	–	49,225	(20,000)	72,073,601
Paul Riordan	18,654,708	–	–	(1,000,000)	17,654,708
Leandro Ravetti	10,348,584	–	–	(3,000,000)	7,348,584
Sam Beaton	8,524,050	–	–	(2,000,000)	6,524,050

Directors' Report continued

Loans to Directors and executives

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

Under each Related Party Loan:

1. Outstanding principal and interest is repayable in full at the end of the term.
2. The loan funds were required to be drawn down in one single drawdown on a specified date and were only permitted to be used for the exercise of ESOP options held by the borrower.
3. The interest rate utilised is as per the published Division 7A Benchmark interest rate for each year to 30 June each year.
4. The borrower must repay, as a debt immediately due and payable, the balance on the principal loan and any accrued interest in full on the maturity date, or earlier if:
   a. the borrower gives notice of the termination of his employment, or the Company terminates the borrower's employment due to misconduct, fraud, or dishonesty or on otherwise on grounds that allow for termination without notice – such payments must be made in full within 30 days after the relevant termination or resignation takes effect; or
   b. the borrower's employment by the Company is terminated due to redundancy – such payments must be made in full within 12 months after such redundancy taking effect.
5. If the borrower disposes of any shares acquired using the loan funds, in seeking payment of any amount payable under the agreement, the Company will only have recourse to the proceeds paid or payable to the borrower from the disposal of those shares. Each borrower undertakes to not dispose of any such shares unless such disposal is made on arm's length terms and at fair market value.
6. The borrower agrees to apply 75% of the after-tax amount it receives from any capital return, share buy-back, other capital reduction, bonus issue, or special distribution made in cash or kind in respect of a share acquired using the loan funds (which, for the avoidance of doubt, excludes dividends or distributions paid by the Company out of ordinary operating profits) towards repayment of any amount payable under the Related Party Loan.

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

Related Party Loans Summary

BORROWER	TITLE	LOAN AMOUNT $	DRAW-DOWN DATE	MATURITY DATE	INTEREST PAID IN FY2023 $	INTEREST CHARGED IN FY2023 $	LOAN PRINCIPAL REMAIN-ING $	CURRENT AMOUNT OUT-STANDING $
Leandro Ravetti	Joint-CEO (Technical & Production)	6,400,000	1 April 2021	1 April 2024	175,458	233,730	4,900,000	4,958,272
Samuel Beaton	Joint-CEO (Finance & Commercial)	4,000,000	1 April 2021	1 April 2024	125,538	127,200	2,666,667	2,698,380

The interest rate utilised is as per the published Division 7A Benchmark interest rate for each year to 30 June. From 1 July 2022 through to 30 June 2023, the interest rate was 4.77% for each party. From 1 July 2023, the interest rate increases to 8.27%. Interest is payable six-monthly in arrears as per the loan agreements. Both Leandro and Sam have paid the required interest payments in FY2023.

Directors' Report continued

Share Options Plans

As detailed below, the Company has one historical option plan and two current incentive plans in place. Through these plans, eligible employees have been and will be granted options 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.

As at 30 June 2023, the consolidated entity has a combined total of 18,010,000 options on issue, down from 18,492,002 options on issue in FY2022, as set out in the tables below.

FY2023 Options 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	FORFEITED / LAPSED DURING THE YEAR	BALANCE AT THE END OF THE YEAR
					30-Jun-22				30-Jun-23
FY2023									
27-Apr-17	1-Jul-24	1-Aug-24	$1.50	$1.33	600,000	–	–	–	600,000
19-Sep-18	19-Aug-23	19-Sep-23	$1.50	$1.42	780,000	–	–	–	780,000
22-Mar-19	16-Feb-26	22-Mar-26	$1.50	$1.42	180,000	–	–	–	180,000
6-Dec-19	6-Dec-22	6-Jan-23	$1.50	$1.42	90,000	–	–	(90,000)	–
6-Dec-19	6-Dec-24	16-Jan-25	$1.50	$1.42	90,000	–	–	(90,000)	–
15-Dec-19	16-Dec-19	15-Dec-22	$1.42	$1.42	250,002	–	–	(250,002)	–
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	–	–	(1,050,000)	14,250,000
8-May-23	1-Mar-28	15-Mar-28	$1.80	$1.36	–	500,000	–	–	500,000
8-May-23	1-Mar-30	15-Mar-30	$1.80	$1.36	–	500,000	–	–	500,000
Total					18,490,002	1,000,000	–	(1,480,002)	18,010,000
Weighted average exercise price:					1.50	1.80	–	1.49	1.52

Directors' Report continued

FY2022 Options 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	FORFEITED / LAPSED DURING THE YEAR	BALANCE AT THE END OF THE YEAR
					30-Jun-21				30-Jun-22
FY2022									
27-Apr-17	1-Jul-24	1-Aug-24	$1.50	$1.33	600,000	–	–	–	600,000
1-May-17	Note 1	1-Aug-24	$1.50	$1.33	1,500,000	–	–	(1,500,000)	–
19-Sep-18	19-Aug-23	19-Sep-23	$1.50	$1.42	780,000	–	–	–	780,000
15-Dec-18	16-Dec-18	15-Dec-21	$1.42	$1.42	461,532	–	(461,532)	–	–
22-Mar-19	16-Feb-26	22-Mar-26	$1.50	$1.42	180,000	–	–	–	180,000
6-Dec-19	6-Dec-22	6-Jan-23	$1.50	$1.42	90,000	–	–	–	90,000
6-Dec-19	6-Dec-24	16-Jan-25	$1.50	$1.42	90,000	–	–	–	90,000
15-Dec-19	16-Dec-19	15-Dec-22	$1.42	$1.42	250,002	–	–	–	250,002
17-Apr-21	18-Mar-26	17-Apr-26	$1.50	$1.42	1,200,000	–	–	–	1,200,000
17-Apr-21	18-Mar-28	17-Apr-28	$1.50	$1.42	15,300,000	–	–	–	15,300,000
Total					20,451,534	–	(461,532)	(1,500,000)	18,490,002
Weighted average exercise price:					1.50	–	1.42	1.50	1.50

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 considered to have been fit for purpose while the Company was an unlisted public Company. Eligibility for the plan and exercise price for options issued under the plan were determined at the discretion of the Board.

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

No ESOP options were exercised in the financial year ended 30 June 2023 (FY2022: 461,532).

1,230,000 ESOP options were forfeited during the year ended 30 June 2023 (FY2022: 1,500,000).

250,002 ESOP options lapsed during the year ended 30 June 2023 (FY2022: 0).

The consolidated entity has 17,010,000 ESOP options on issue as at 30 June 2023.

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

Long-Term Incentive Plan (“LTIP”)

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

No options were issued under the LTIP for the year to 30 June 2023.

No options have been issued under the LTIP since 30 June 2023.

USA Equity Incentive Plan (“USEIP”)

Cobram Estate Olives Limited has an established and expanding business in the USA. On 8 May 2023 the Company established a USEIP to advance the interests of the Company and its shareholders by providing an incentive to attract, retain, and reward persons in the USA performing Services for the Company. The USEIP does not replace, and is intended to operate in parallel with, any existing equity incentive plan established by the Company.

The USEIP 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.

1,000,000 options were issued under the USEIP for the year to 30 June 2023. No options have been issued under the USEIP since 30 June 2023. For further information, please refer to note 32 of the financial statements.

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 58.

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 and Risk 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.

Directors' Report continued

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

Director: Tim Jonas

Dated this: 25 August 2023

Auditor's Independence Declaration

Deloitte Touche Tohmatsu
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25 August 2023

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

Dear Board Members

Auditor's Independence Declaration to Cobram Estate Olives Limited

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

As lead audit partner for the audit of the financial report of Cobram Estate Olives Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Peter Glynn
Partner
Chartered Accountants

Financial Statements

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Consolidated Statement of Profit or Loss

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Total Revenue and Other Income			
Sales revenue	5	168,954	139,617
Other income	5	4,945	3,046
Net change in fair value of agricultural produce	5	42,416	22,871
		216,315	165,534
Expenses			
Cost of sales	6	(151,129)	(122,530)
Administrative expenses		(17,626)	(14,055)
Distribution expenses		(8,515)	(7,722)
Marketing expenses		(12,664)	(10,099)
Occupancy expenses		(3,106)	(3,224)
Finance costs	6	(8,405)	(4,894)
Other expenses		(560)	(487)
		(202,005)	(163,011)
Profit before income tax		14,310	2,523
Income tax expense	7	(6,591)	(3,219)
Profit/(loss) from continuing operations		7,719	(696)
Profit/(loss) for the year		7,719	(696)
Profit/(loss) is attributable to:			
Owners of Cobram Estate Olives Limited and Controlled Entities		7,719	(696)
		7,719	(696)

The accompanying notes form part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Profit/(loss) for the year		7,719	(696)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	23(b)	3,456	2,947
Changes in fair value of cash flow hedges	23(d)	320	8,665
Changes in deferred tax recognised in equity	23(d)	(96)	(2,542)
Items that will not be reclassified to profit or loss			
Revaluation of land and buildings, net of tax	23(a)	761	48,530
Other comprehensive income for the year		4,441	57,600
Total comprehensive income for the year		12,160	56,904
Total comprehensive income for the period is attributable to:			
Owners of Cobram Estate Olives Limited and Controlled Entities		12,160	56,904
Earnings/ (Loss) $ per share			
From continuing operations			
Basic earnings per share	39	0.0186	(0.0017)
Diluted earnings per share	39	0.0178	(0.0017)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents	8	13,674	5,944
Trade and other receivables	9	14,731	9,203
Inventory	10	101,759	112,757
Biological assets	13	5,421	3,265
Current tax assets	7(c)	1,606	-
Other financial assets	11	1,273	41
Other assets	12	2,129	1,502
Total current assets		140,593	132,712
Non-current assets			
Other receivables	9	7,697	7,611
Other financial assets	11	3,624	4,535
Intangible assets	14	6,678	6,678
Property, plant and equipment	15	446,491	393,989
Right-of-use assets	16	5,378	5,084
Total non-current assets		469,868	417,897
Total assets		610,461	550,609
Current liabilities			
Trade and other payables	17	32,324	26,350
Lease liabilities	18	806	240
Borrowings	19	20,016	3,780
Provisions	20	1,916	1,803
Current tax liabilities	7(c)	-	2,849
Other liabilities	21	4,809	3,630
Total current liabilities		59,871	38,652
Non-current liabilities			
Lease liabilities	18	5,163	5,219
Borrowings	19	171,489	137,325
Provisions	20	132	59
Deferred tax liabilities	7(d)	79,994	74,730
Other liabilities	21	6,023	7,595
Total non-current liabilities		262,801	224,928
Total liabilities		322,672	263,580
Net assets		287,789	287,029
Equity			
Share capital	22	181,698	179,756
Reserves	23	70,343	65,757
Retained earnings	24	35,748	41,516
Total equity		287,789	287,029

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

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

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity continued

Consolidated FY23	Contributed equity $'000	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Share based payments reserve $'000	Cash flow hedge reserve $'000	Retained earnings $'000	Total Equity $'000
Balance at 1 July 2022	179,756	65,667	(3,948)	783	3,255	41,516	287,029
Profit / (loss) for the year	-	-	-	-	-	7,719	7,719
Exchange differences arising on translation of foreign operations	-	-	3,456	-	-	-	3,456
Other comprehensive income for the year	-	761	-	-	224	-	985
Total comprehensive income/(loss) for the period	**-**	**761**	**3,456**	**-**	**224**	**7,719**	**12,160**
Transactions with owners in their capacity as owners:							
Dividends paid or reinvested	1,942	-	-	-	-	(13,679)	(11,737)
Expired/cancelled options (transfer from reserve)	-	-	-	(192)	-	192	-
Share based payments expense	-	-	-	337	-	-	337
Total transactions with owners in their capacity as owners	1,942	-	-	145	-	(13,487)	(11,400)
Balance at 30 June 2023	**181,698**	**66,428**	**(492)**	**928**	**3,479**	**35,748**	**287,789**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers		170,546	155,509
Payments to suppliers and employees		(116,422)	(121,701)
Cash generated from operations		54,124	33,808
Interest received		301	-
Finance costs		(9,987)	(5,350)
Interest paid for leases		(253)	(206)
Income tax payments		(5,176)	(866)
Net cash provided by operating activities	26(b)	39,009	27,386
Cash flows from investing activities			
Payments for property, plant and equipment		(56,024)	(36,712)
Proceeds from sale of property, plant and equipment		50	17
Net cash (outflow) from investing activities		(55,974)	(36,695)
Cash flows from financing activities			
Proceeds from share issue		-	50,712
Repayments of loans from key management personnel		-	4,833
Proceeds from borrowings		52,307	20,941
Repayment of borrowings		(15,355)	(50,594)
Payment for leases		(519)	(208)
Dividends paid to shareholders		(11,738)	(11,606)
Net cash inflow from financing activities		24,695	14,078
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		5,944	1,175
Net increase in cash and cash equivalents		7,730	4,769
Cash and cash equivalents at end of the year	26(a)	13,674	5,944

The accompanying notes form part of these financial statements.

Notes to Financial Statements

For the year ended 30 June 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report was authorised for issue by the directors on 25 August 2023.

The financial report is for Cobram Estate Olives Limited and its controlled entities (the Group). Cobram Estate Olives Limited is an entity limited by shares, incorporated and domiciled in Australia.

(a) Basis of preparation of the financial report

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

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

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 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.

Control is achieved when the Company:
- Has the power over the investee.
- Is exposed, or has rights, to variable returns from its involvement with the investee.
- Has the ability to use its power to affect its returns.

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)

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

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

(c) Income tax

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

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

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

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

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

Notes to Financial Statements continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income tax (continued)

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

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

(d) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset affects profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(e) Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets with finite useful lives are reviewed for impairment at least annually or 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) 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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leases (continued)

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.

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.

(g) Revenue and Other Income

Revenue
Revenue is measured at the value of 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 or 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue and Other Income (continued)

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

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

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

(h) 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.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

(i) 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.

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

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

Plant and equipment
The carrying amount of plant and equipment is reviewed annually by the directors to ensure the carrying values are not in excess of the recoverable amount. 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.

All other assets (excluding freehold land and buildings) are stated at cost less accumulated depreciation and accumulated impairment losses.

Bearer plants
Bearer plants comprising of mature and immature olive trees in the olive groves are measured on the cost basis. Costs associated with immature trees will be capitalised in the year of planting and the following four years. Bearer plants are considered mature after 5 years from planting.

Notes to Financial Statements continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment (continued)

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

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

Depreciation

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

Class of fixed asset	Depreciation	Depreciation
Buildings	*2.5% - 10%*	Straight-line
Irrigation assets	*2.5% - 6.25%*	Straight-line
Plant & equipment	*2.5% - 20%*	Straight-line
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.

(j) Intangible assets

Water rights

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

Distribution rights and Trademarks

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

(k) 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, Boundary Bend Olives NZ Ltd which has a functional currency of New Zealand Dollars, and the US based entities Boundary Bend Olives, Inc; Boundary Bend Assets, Inc; Boundary Bend Wellness, Inc; and Boundary Bend, Inc., which have a functional currency of US dollars. These financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

Transactions and Balances

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Foreign currency translations and balances (continued)

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 30(a) Financial Risk Management.

(l) 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 non-current 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 to an employee superannuation fund are recognised as an expense as they become payable.

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

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

(m) Research and development expenditure

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

Expenditure on development activities is capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of its estimated useful life commencing when the intangible asset is available for use. In FY2023 no amounts have been capitalised.

Other development expenditure is recognised as an expense when incurred.

Notes to Financial Statements continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Agriculture produce

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(i).

(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; 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.

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).

Notes to Financial Statements continued

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial instruments (continued)

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

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

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

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

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

Derecognition of financial 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial instruments (continued)

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

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

(ii) Cash flow hedge
To qualify as a cash flow hedge the underlying transactions generating the cash flows must be highly probable. Changes in the fair value of a derivative that is designated and qualifies as cash flow hedges is 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) 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.

(q) 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 have been rounded off to the nearest $1,000.

NOTE 2: CRITICAL ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, may differ to 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) Oil valuation

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. To determine the fair value less cost to sell at the point of harvest, the Group is required to make a number of assumptions which are subject to some uncertainty.

- Forecast allocation of oil between sales channels,
- Forecast selling price of oil by sales channel; and
- Forecast costs to sell.

(b) Land and buildings at fair value

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. The directors have based their fair value assessment on external valuations performed by LAWD and CBRE, independent valuers, for the year ended 30 June 2022 and during the year. As part of their fair value assessment, the directors have considered the following:

- 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

- 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.

The directors have concluded that fair value does not differ materially from the asset's carrying value at reporting date.

Notes to Financial Statements continued

NOTE 3: APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

(a) Standards and Interpretations on issue not yet adopted

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

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections, AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2025
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	1 January 2024
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	1 January 2023
AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	1 January 2025

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 2021.

There has been no material impact to the business in the current year.

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

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2023

AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments was early adopted by the Group with an effective date of 1 July 2020 as disclosed in the 2022 financial statements.

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
- Boundary Bend Wellness - innovation and value-add products

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

Notes to Financial Statements continued

NOTE 4: SEGMENT REPORTING (CONTINUED)

(a) Segment results

	Olive oil				Boundary Bend Wellness		Eliminations & Corporate		Total operations	
	Australian Operations		USA Operations							
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Revenue and other income										
Total oil revenue from external customers	121,596	105,827	42,568	29,197	-	-	-	-	164,164	135,024
Total other revenue from external customers	1,276	744	2,364	2,321	1,150	1,528	-	-	4,790	4,593
Intersegment revenue	10,072	4,267	-	-	523	368	(10,595)	(4,635)	-	-
Total segment revenue	132,944	110,838	44,932	31,518	1,673	1,896	(10,595)	(4,635)	168,954	139,617
Other income	2,581	1,611	2,877	1,347	392	88	(905)	-	4,945	3,046
Net change in fair value of agricultural produce	42,416	22,871	-	-	-	-	-	-	42,416	22,871
Total revenue and other income	177,941	135,320	47,809	32,865	2,065	1,984	(11,500)	(4,635)	216,315	165,534
EBITDA	38,535	32,432	2,905	(4,686)	(845)	(2,596)	205	(54)	40,800	25,096
Depreciation/ amortisation of segment assets									(18,085)	(17,678)
EBIT									22,715	7,418
Finance costs									(8,405)	(4,895)
Profit before income tax									14,310	2,523
Segment assets (excl intercompany)	476,675	445,861	132,328	101,294	1,016	2,416	442	1,038	610,461	550,609
Segment liabilities (excl intercompany)	56,378	52,570	19,440	18,251	95	423	246,759	192,328	322,672	263,572

Notes to Financial Statements continued

NOTE 4: SEGMENT REPORTING (CONTINUED)

(a) Segment results (continued)

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

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

Included in revenue from customers arising from Australian operations of $122.87 million (2022: $106.57 million) are revenues from two major customers of $89.58 million or 73% (2022: $74.54 million or 70%). No other single customer contributed 10% or more to the consolidated entity's revenue for 2023 or 2022.

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).

	2023 $'000	2022 $'000
External revenue by product line recognised at a point in time		
Olive oil - Australian operations	121,596	105,827
Olive oil - USA operations	42,568	29,197
Innovation & Value-add product sales	1,150	1,528
Other revenue	3,640	3,065
Total	168,954	139,617
Other income:		
Management/service fees	457	386
Rental income	129	342
Interest income	392	388
Freight income	584	314
Other income	1,059	432
Proceeds from legal settlement	1,292	-
Government reimbursements	765	-
Unrealised foreign currency losses	47	(104)
Subsidies and grants*	220	1,288
	4,945	3,046
Fair value adjustments - refer Note 1(n)		
Net increase in fair value of agricultural produce	42,416	22,871

Notes to Financial Statements continued

NOTE 5: REVENUE AND OTHER INCOME (CONTINUED)

	2023 $'000	2022 $'000
	216,315	165,534

* FY2022 includes US$636K loan forgiveness granted under US paycheck protection program loan to cover COVID-19 payroll expenses under the 2020 CARES Act. FY2023 includes a $120k research agreement with Horticulture Innovation Australia Limited regarding educating health professionals about Australian olive products.

NOTE 6: PROFIT/(LOSS) BEFORE INCOME TAX

	2023 $'000	2022 $'000
Profit/(Loss) before income tax has been determined after:		
Cost of sales	151,129	122,530
Finance costs:		
Interest expense	6,221	2,548
Borrowing costs	1,959	1,892
Chattel mortgage charges	147	236
Lease charges	78	218
	8,405	4,894
Depreciation & Amortisation:		
Buildings	1,298	1,145
Plant and equipment	5,657	7,005
Irrigation Assets	1,092	1,031
Bearer Plants	7,705	6,838
Motor vehicles	1,046	1,090
Office furniture and equipment	141	148
Furniture and fittings	59	58
Leases	1,087	363
	18,085	17,678
Expected credit losses on trade debtors	(7)	498
Employee benefits:		
Share based payments	337	346
Defined contribution superannuation expense	1,758	1,497
Salaries and Wages	22,108	20,396
	24,203	22,239
Profit/(Loss) on sale of property plant and equipment	155	(80)
Impairment of inventory	664	856

Notes to Financial Statements continued

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

	2023 $	2022 $
Deloitte and related network firms		
Audit and review of financial reports:		
- Deloitte Touche Tohmatsu, Australia	261,442	256,777
- Deloitte Touche Tohmatsu, United States	200,498	123,919
Other services:		
- Grant acquittal	4,200	-
	466,140	380,696

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

NOTE 7: INCOME TAX

(a) Components of tax expense

	2023 $'000	2022 $'000
Current tax	14	3,876
Deferred tax	6,175	(686)
Other adjustment	(64)	-
(Over) / Under provision in prior years	466	29
	6,591	3,219

Notes to Financial Statements continued

NOTE 7: INCOME TAX (CONTINUED)

(b) Prima facie tax payable

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

Tax at the Australian tax rate of 30.0% (2022 - 30.0%)	4,292	757
Add tax effect of:		
- Other non-allowable items	110	(1,057)
- Offshore tax losses not brought to account	1,447	3,251
- Share based payments	101	93
- Under provision in prior years	466	29
- Difference in overseas tax rates	742	445
	2,866	2,761
Less tax effect of:		
- Research and development deductions	(567)	(299)
	(567)	(299)
Income tax expense attributable to (loss) / profit	6,591	3,219

(c) Current tax

Current tax liabilities		
Opening balance	2,849	(154)
Income tax	14	3,876
Tax payments	(5,176)	(873)
Other adjustment	(5)	-
Under / (over) provision of prior year liability	712	-
Current tax (assets) / liabilities	(1,606)	2,849

Notes to Financial Statements continued

NOTE 7: INCOME TAX (CONTINUED)

(d) Deferred tax balances

	Opening balance $'000	Recognised in profit or loss $'000	Recognised directly in equity $'000	Closing balance $'000
2022				
Deferred tax asset				
Employee benefits	553	(53)	-	500
Capital raising costs	227	(100)	57	184
Expected credit losses	16	39	-	55
Leases	-	34	-	34
Cash flow hedge	1,229	-	(1,229)	-
Other	2,678	(1,921)	-	757
Tax losses brought to account	2,273	(2,273)	-	-
	6,976	(4,274)	(1,172)	1,530
Deferred tax liability				
The balance comprises:				
Leases	22	(22)	-	-
Inventory	14,493	(4,344)	-	10,149
Property, plant & equipment	44,563	(483)	19,418	63,498
Unrealised FX gain	1,325	(82)	-	1,243
Cash flow hedge	-	-	1,370	1,370
	60,403	(4,931)	20,788	76,260
Net deferred tax (liabilities) / assets	(53,427)	657	(21,960)	(74,730)
2023				
Deferred tax asset				
Employee benefits	500	37	-	537
Capital raising costs	184	(58)	-	126
Expected credit losses	55	5	-	60
Leases	34	36	-	70
Other	757	3,511	-	4,268
Tax losses brought to account	-	819	-	819
	1,530	4,350	-	5,880
Deferred tax liability				
The balance comprises:				
Inventory	10,149	571	-	10,720
Property, plant & equipment	63,498	9,627	(761)	72,364
Unrealised FX gain	1,243	81	-	1,324
Cash flow hedge	1,370	-	96	1,466
	76,260	10,279	(665)	85,874
Net deferred tax (liabilities) / assets	(74,730)	(5,929)	665	(79,994)

Notes to Financial Statements continued

NOTE 7: INCOME TAX (CONTINUED)

(e) Deferred tax revenue included in income tax expense

	2023 $'000	2022 $'000
(Decrease) / increase in deferred tax assets	(4,351)	4,274
Increase / (decrease) in deferred tax liabilities	10,528	(4,931)
Under provision in prior years	(248)	-
	5,929	(657)

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

Increase / (decrease) in deferred tax liabilities arising on the fair value gain/(loss) on hedging instruments and revaluation of land and buildings during the period	(665)	21,960

(g) Deferred tax assets not brought to account

Deferred tax asset not brought to account relating to:

USA Operations:

Other deferred tax assets	3,627	2,097
Tax losses - Federal and State	16,932	14,518
Net deferred tax asset not brought to account	20,559	16,615

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

As of 30 June 2023, the USA segment companies had USA Federal and State net operating losses available to offset future taxable income. The federal net operating loss carryforwards begins to expire in 2035 and the state net operating loss carryforwards will begin to expire in 2035, if not utilised. In addition, the use of net operating loss and tax credit carryforwards may be limited under Section 382 of the Internal Revenue Code in certain situations where changes occur in the stock ownership of a company. In the event that the Company has had a change in ownership, utilisation of the carryforwards could be restricted.

Notes to Financial Statements continued

NOTE 8: CASH AND CASH EQUIVALENTS

	2023 $'000	2022 $'000
Cash at bank	13,674	5,944

NOTE 9: RECEIVABLES

	2023 $'000	2022 $'000
CURRENT		
Trade debtors	13,113	8,784
Expected credit losses	(289)	(431)
	12,824	8,353
Other receivables	1,907	850
	14,731	9,203
NON CURRENT		
Other receivables	40	44
Loan to key management personnel	7,657	7,567
	7,697	7,611

Unsecured loans were provided by Cobram Estate Olives Limited to entities controlled by each of Sam Beaton and Leandro Ravetti (who are both Executive Directors of the Company) in April 2021, for amounts of $4.0 million and $6.4 million, respectively. No principal repayments were made in FY2023. Interest of 4.77% was charged against both loans (2022: 4.52%).

The standard credit period on sales of goods and rendering of services is 30-60 days. 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.

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.

Notes to Financial Statements continued

NOTE 9: RECEIVABLES (CONTINUED)

	2023 $'000	2022 $'000
Reconciliation of expected credit losses		
Opening balance at 1 July	(431)	(182)
Net remeasurement of loss allowance	7	(498)
Amounts written off during the year	135	249
Closing balance at 30 June	(289)	(431)

NOTE 10: INVENTORY

	Note	2023 $'000	2022 $'000
CURRENT			
Value-add products		1,114	1,764
Raw materials/packaging		7,895	8,676
Olive oil	1(h)	93,771	103,495
Provision for redundant stock		(1,021)	(1,178)
		101,759	112,757

NOTE 11: OTHER FINANCIAL ASSETS

	2023 $'000	2022 $'000
CURRENT		
Other financial assets		
Hedging instruments - interest rate swaps	1,273	41
	1,273	41
NON CURRENT		
Other financial assets		
Shares in other corporations	10	10
Hedging instruments - interest rate swaps	3,614	4,525
	3,624	4,535

Notes to Financial Statements continued

NOTE 11: OTHER FINANCIAL ASSETS (CONTINUED)

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

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

NOTE 12: OTHER ASSETS

	2023 $'000	2022 $'000
CURRENT		
Prepayments	1,815	1,308
Other current assets	314	194
	2,129	1,502

NOTE 13: BIOLOGICAL ASSETS

	Note	2023 $'000	2022 $'000
CURRENT			
At fair value less costs to sell			
Biological assets - nursery trees	1(n)	430	700
Biological produce	1(n)	4,991	2,565
		5,421	3,265

NOTE 14: INTANGIBLE ASSETS

	2023 $'000	2022 $'000
Water rights at cost	326	326
Trademarks at cost	6,352	6,352
Total intangible assets	6,678	6,678

Notes to Financial Statements continued

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

	2023 $'000	2022 $'000
Land & buildings		
Land & buildings at fair value	205,337	179,105
Less accumulated depreciation	(5,844)	-
	199,493	179,105
Plant & equipment		
Plant & equipment at cost	122,343	103,663
Less accumulated depreciation	(56,789)	(50,898)
	65,554	52,765
Irrigation assets at cost	43,360	35,796
Less accumulated depreciation	(7,301)	(6,190)
	36,059	29,606
Bearer plants at cost	186,449	166,382
Less accumulated depreciation	(46,130)	(38,422)
	140,319	127,960
Motor vehicles at cost	8,427	7,023
Less accumulated depreciation	(3,952)	(3,304)
	4,475	3,719
Office equipment at cost	1,609	1,681
Less accumulated depreciation	(1,255)	(1,109)
	354	572
Furniture, fixtures & fittings at cost	582	545
Less accumulated depreciation	(345)	(283)
	237	262
Total plant and equipment	246,998	214,884
Total property, plant and equipment	446,491	393,989

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations

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

	2023 $'000	2022 $'000
Land & buildings		
Opening carrying amount	179,105	97,054
Additions	19,980	13,425
Disposals	-	(83)
Depreciation expense	(1,298)	(1,145)
Net foreign currency movements	1,838	1,983
Revaluations	-	67,947
Reclassification/transfers between groups	(132)	(76)
Closing carrying amount	199,493	179,105
Plant & equipment		
Opening carrying amount	52,765	46,335
Additions	17,857	12,523
Disposals	(3)	(8)
Transfers	207	-
Depreciation expense	(5,657)	(7,005)
Net foreign currency movements	385	844
Reclassification/transfers between groups	-	76
Closing carrying amount	65,554	52,765
Irrigation assets		
Opening carrying amount	29,606	29,007
Additions	7,377	1,356
Depreciation expense	(1,092)	(1,031)
Net foreign currency movements	168	274
Closing carrying amount	36,059	29,606
Bearer plants		
Opening carrying amount	127,960	116,578
Additions	19,311	17,451
Disposals	-	(110)
Depreciation expense	(7,705)	(6,838)
Net foreign currency movements	621	879
Reclassification/transfers between groups	132	-
Closing carrying amount	140,319	127,960

Notes to Financial Statements continued

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations (continued)

	2023 $'000	2022 $'000
Motor vehicles		
Opening carrying amount	3,719	3,758
Additions	1,645	1,020
Disposals	(46)	-
Depreciation expense	(1,046)	(1,090)
Net foreign currency movements	203	31
Closing carrying amount	4,475	3,719
Office equipment		
Opening carrying amount	572	412
Additions	132	303
Disposals	(4)	-
Transfers	(207)	-
Depreciation expense	(141)	(148)
Net foreign currency movements	2	5
Closing carrying amount	354	572
Furniture, fixtures & fittings		
Opening carrying amount	262	310
Additions	31	6
Depreciation expense	(59)	(58)
Net foreign currency movements	3	4
Closing carrying amount	237	262
Total property, plant and equipment		
Carrying amount at 1 July	393,989	293,454
Additions	66,333	46,084
Disposals	(53)	(201)
Depreciation expense	(16,998)	(17,315)
Net foreign currency movements	3,220	4,020
Revaluations	-	67,947
Carrying amount at 30 June	446,491	393,989

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 29.

Notes to Financial Statements continued

NOTE 16: RIGHT-OF-USE ASSETS

	Land & Buildings $'000	Plant $'000	Equipment $'000	Total $'000
Cost				
At 1 July 2021	5,347	89	99	5,535
Additions	374	99	155	628
Disposals	-	(89)	(99)	(188)
At 30 June 2022	5,721	99	155	5,975
Accumulated depreciation				
At 1 July 2021	(540)	(88)	(40)	(668)
Disposals	-	85	55	140
Depreciation	(285)	(45)	(33)	(363)
At 30 June 2022	(825)	(48)	(18)	(891)

	Land & Buildings $'000	Plant $'000	Equipment $'000	Total $'000
Cost				
At 1 July 2022	5,721	99	155	5,975
Additions	1,381	-	-	1,381
At 30 June 2023	7,102	99	155	7,356
Accumulated depreciation				
At 1 July 2022	(825)	(48)	(18)	(891)
Disposals	-	-	-	-
Depreciation	(978)	(74)	(35)	(1,087)
At 30 June 2023	(1,803)	(122)	(53)	(1,978)
Total				
Carrying Amount 30 June 2022	4,896	51	137	5,084
Carrying amount 30 June 2023	5,299	(23)	102	5,378

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 $519,000 (2022: $208,000).

Notes to Financial Statements continued

NOTE 17: PAYABLES

	2023 $'000	2022 $'000
CURRENT		
Unsecured liabilities		
Trade creditors	22,159	17,197
Other creditors and accruals	10,165	9,153
	32,324	26,350

NOTE 18: LEASE LIABILITIES

	2023 $'000	2022 $'000
Payable		
- not later than one year	874	423
- later than one year and not later than five years	2,061	1,972
- later than five years	6,229	6,328
Minimum lease payments	9,164	8,723
Less future finance charges	(3,195)	(3,264)
Total lease liability	5,969	5,459
Represented by:		
Current liability	806	240
Non-current liability	5,163	5,219
	5,969	5,459

Notes to Financial Statements continued

NOTE 19: BORROWINGS

	Note	2023 $'000	2022 $'000
CURRENT			
Secured liabilities			
Bank loans		3,811	-
Asset financing		12,362	-
Chattel mortgage liability	25	3,843	3,780
		20,016	3,780
NON-CURRENT			
Secured liabilities			
Bank loans		156,879	120,884
Chattel mortgage liability	25	14,610	16,441
		171,489	137,325
Total Borrowings		191,505	141,105

NOTE 20: PROVISIONS

	2023 $'000	2022 $'000
CURRENT		
Employee benefits	1,916	1,803
NON CURRENT		
Employee benefits	132	59

Notes to Financial Statements continued

NOTE 21: OTHER LIABILITIES

	2023 $'000	2022 $'000
CURRENT		
Deferred income	2,725	1,544
Loan - other parties	-	145
Overseas equipment contracts	2,084	1,941
	4,809	3,630
NON-CURRENT		
Other entities liabilities	2,721	2,619
Overseas equipment contracts	3,302	4,976
	6,023	7,595

NOTE 22: SHARE CAPITAL

	2023 $'000	2022 $'000
Issued and paid-up capital		
2023: 415,773,189 (2022: 414,500,504) ordinary shares	181,698	179,756

(a) Ordinary shares

	2023		2022	
	Shares 000's	$'000	Shares 000's	$'000
Consolidated				
Opening balance	414,500	179,756	387,372	127,745
Employee gift shares	-	-	64	-
Dividend Reinvestment Plan	1,273	1,942	602	1,179
Placement, less fees	-	-	25,000	48,111
Exercised options	-	-	462	774
Share Purchase Plan, less fees	-	-	1,000	1,947
	1,273	1,942	27,128	52,011
At reporting date	415,773	181,698	414,500	179,756

(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.

NOTE 22: SHARE CAPITAL (CONTINUED)

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

At 30 June 2023, directors, senior employees and consultants held options over 18,010,000 ordinary shares of the consolidated entity (30 June 2022: 18,490,002 options held).

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 32.

NOTE 23: RESERVES

	Note	2023 $'000	2022 $'000
Asset revaluation reserve	23(a)	66,428	65,667
Foreign currency translation reserve	23(b)	(492)	(3,948)
Share-based payments reserve	23(c)	928	783
Cash flow hedge reserve	23(d)	3,479	3,255
		70,343	65,757

(a) Asset revaluation reserve

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

Movements in reserve		
Opening balance	65,667	17,137
Fair value adjustment to non-current assets	-	67,948
Deferred tax charged directly in equity	761	(19,418)
Closing balance	66,428	65,667

(b) Foreign currency translation reserve

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

Movements in reserve		
Opening balance	(3,948)	(6,896)
Exchange difference arising on translation of foreign operations	(1,771)	(3,012)
Exchange on related party loans that form part of the investment	5,227	5,960
Closing balance	(492)	(3,948)

Notes to Financial Statements continued

NOTE 23: RESERVES (CONTINUED)

(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 32.

Movements in reserve		
Opening balance	783	1,030
Options exercised, transferred to share capital	-	(120)
Share based payments expense	337	334
Transfers to retained earnings	(192)	(461)
Closing balance	928	783

(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.

Movements in reserve		
Opening balance	3,255	(2,868)
Gain / (loss) arising on changes in fair value of hedging instruments entered into for cash flow hedges		
- Interest rate swap	320	8,665
- Deferred tax charged directly to equity	(96)	(2,542)
Closing balance	3,479	3,255

Notes to Financial Statements continued

NOTE 24: RETAINED EARNINGS

	2023 $'000	2022 $'000
Retained earnings at beginning of year	41,516	54,537
Net (loss)/profit	7,719	(696)
Transfers from reserves	192	460
Dividends declared	(13,679)	(12,785)
	35,748	41,516

NOTE 25: CAPITAL COMMITMENTS

Chattel mortgage commitments

Payable			
- not later than one year		4,534	4,470
- later than one year and not later than five years		15,164	16,562
- later than five years		610	1,365
Minimum chattel mortgage payments		20,308	22,397
Less future finance charges		(1,855)	(2,176)
Total chattel mortgage liability		18,453	20,221
Represented by:			
Current liability	19	3,843	3,780
Non-current liability	19	14,610	16,441
		18,453	20,221

Notes to Financial Statements continued

NOTE 26: CASH FLOW INFORMATION

(a) Reconciliation of cash

	Note	2023 $'000	2022 $'000
Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:			
Cash at bank	8	13,674	5,944

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

	2023 $'000	2022 $'000
Profit/(loss) from ordinary activities after income tax	7,719	(696)
Adjustments for non-cash items		
Depreciation & amortisation	18,085	17,678
Expected credit losses	135	249
Stock obsolescence	425	(953)
Loss on sale of assets	(90)	171
Share based payment expense	337	346
Unrealised foreign currency gains	(47)	104
	18,845	17,595
Change in assets and liabilities		
(Increase) / decrease in receivables	(4,891)	11,400
(Increase) / decrease in prepayments and other assets	(626)	517
(Increase) / decrease in inventories	8,418	(7,414)
Increase/ (decrease) in payables	7,683	2,763
(Decrease) / increase in current and deferred taxes	1,665	3,341
Increase / (decrease) in provisions	196	(120)
	12,445	10,487
Cash flows provided by operating activities	39,009	27,386

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

Where property, plant and equipment has been purchased on a lease, chattel mortgage or asset financing 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.

NOTE 26: CASH FLOW INFORMATION (CONTINUED)

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

Facility	Currency	Limit $'000 (AUD)	Drawn at 30 June 2023 $'000 (AUD)	Term
Core Debt	AUD	168,000	130,500	November 2027
Core Debt	AUD	5,000	-	October 2024
Working Capital Debt	AUD	4,000	3,811	October 2024
Domestic Foreign Currency Account Facility	USD	15,828	15,828	November 2027
Domestic Foreign Currency Account Facility	USD	10,552	10,551	November 2027

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

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

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

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

1 July 2022 $'000	Foreign Exchange $'000	Debt Drawdown $'000	Principal Repayment $'000	New Asset Financing $'000	Adjustments $'000	30 June 2023 $'000
141,105	965	52,307	(15,355)	12,266	217	191,505

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

Notes to Financial Statements continued

NOTE 27: CONTROLLED ENTITIES

	Country of incorporation	Ownership 2023 %	Ownership 2022 %
Parent Entity:			
Cobram Estate Olives Limited	Australia	100	100
Subsidiaries of Cobram Estate Olives Limited:			
Boundary Bend Estate Management Pty Ltd	Australia	100	100
Boundary Bend Estate Pty Ltd	Australia	100	100
Boundary Bend Olives Pty Ltd	Australia	100	100
Boundary Bend Wellness	Australia	100	100
Boundary Bend IP Pty Ltd	Australia	100	100
Olive Management Pty Ltd	Australia	100	100
Cobram Estate Pty Ltd	Australia	100	100
Maqtec Australia Pty Ltd	Australia	100	100
Boundary Bend Assets Pty Ltd	Australia	100	100
Boundary Bend Olives, Inc.	USA	100	100
Boundary Bend Assets, Inc.	USA	100	100
Boundary Bend, Inc.	USA	100	100
Boundary Bend Wellness, Inc.	USA	100	100
Boundary Bend Olives NZ Ltd	New Zealand	100	-

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

Notes to Financial Statements continued

NOTE 28: 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	
	2023 $	2022 $	2023 $	2022 $
R. McGavin	7,989	10,324	-	-
P & F Riordan	1,725	2,106	-	-
United Retail Group Pty Ltd	1,799	-	-	-
Riordan Grain Services	1,799	-	-	2,648
Riordan Enterprises	-	-	-	6,798
McGavin Investments Pty Ltd	-	-	-	-
Poligolet Holdings Pty Ltd	10,582	7,289	-	-
Jubilee Park Vineyards Pty Ltd	-	1,107	-	-
Leandro Ravetti	-	72	-	-
Joanna McMillan	351	212	-	-
The Lifestyle Suite Talent Pty Ltd	-	-	82,858	109,469
Tim Jonas	480	-	-	-
Tim McGavin	2,400	-	-	-
Fiona Riordan	1,090	-	-	-
Laura Jerez	-	-	19,589	-
	28,215	21,110	102,447	118,915

NOTE 28: RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Trading transactions (continued)

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

	Amounts owed by related parties		Amounts owed to related parties	
	2023 $	2022 $	2023 $	2022 $
R. McGavin	941	3,840	-	-
P & F Riordan	1,371	-	-	-
Poligolet Holdings Pty Ltd	2,306	1,102	-	-
Jubilee Park Vineyards Pty Ltd	-	75	-	-
The Lifestyle Suite Talent Pty Ltd	-	-	6,325	6,325
	4,618	5,017	6,325	6,325

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) Loans to key management personnel

Unsecured loans were provided by Cobram Estate Olives Limited to entities controlled by each of Sam Beaton and Leandro Ravetti (who are both Executive Directors of the Company) in April 2021, for amounts of $4.0 million and $6.4 million, respectively. No principal repayments were made in FY2023. Contractual agreements with both Executives require a defined amount from the sale of their shareholdings to be directly used to repay the debt.

Borrower	Loan Amount $	Drawdown Date	Maturity Date	Interest Charged $	Interest Paid $	Loan Principal Remaining $	Current Amount Outstanding $
Leandro Ravetti	6,400,000	1 April 2021	1 April 2024	233,730	(175,458)	4,900,000	4,958,272
Sam Beaton	4,000,000	1 April 2021	1 April 2024	127,200	(125,538)	2,666,667	2,698,380

(c) Transactions with key management personnel compensation

(i) Key management personnel equity holdings

Details of key management personnel compensation are disclosed in Note 36 to the financial statements.

NOTE 28: RELATED PARTY TRANSACTIONS (CONTINUED)

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

(i) Key management personnel equity holdings (continued)

Fully paid ordinary shares of Cobram Estate Olives Limited:

	Balance at beginning of year No.	Received upon exercise of options No.	Acquired during the year No.	Disposed during the year No.	Balance at end of year No.
2023					
Tim Jonas	3,275,376	-	100,000	-	3,375,376
Craig Ball	4,145,727	-	141,847	-	4,287,574
Jonathan West (a)	5,727,166	-	411,413	(2,001)	6,136,578
Joanna McMillan	32,397	-	603	-	33,000
Rob McGavin	72,073,601	-	-	-	72,073,601
Paul Riordan (b)	17,654,708	-	-	-	17,654,708
Leandro Ravetti	7,348,584	-	-	-	7,348,584
Sam Beaton	6,524,050	-	7,877	-	6,531,927
Toni Brendish (c)	-	-	31,000	-	31,000
2022					
Tim Jonas	5,624,988	-	-	(2,349,612)	3,275,376
Craig Ball	3,851,226	230,766	63,735	-	4,145,727
Jonathan West (a)	5,472,000	230,766	24,400	-	5,727,166
Joanna McMillan	31,860	-	537	-	32,397
Rob McGavin	72,044,376	-	49,225	(20,000)	72,073,601
Paul Riordan (b)	18,654,708	-	-	(1,000,000)	17,654,708
Leandro Ravetti	10,348,584	-	-	(3,000,000)	7,348,584
Sam Beaton	8,524,050	-	-	(2,000,000)	6,524,050

(a) Professor Jonathan West passed away at the end of July 2023.

(b) Paul Riordan resigned on 28 October 2022.

(c) Toni Brendish was appointed as a Non-Executive Director on 23 January 2023.

Notes to Financial Statements continued

NOTE 28: RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Transactions with key management personnel compensation

Share options of Cobram Estate Olives Limited:

	Balance at beginning of year No.	Granted as compensation No.	Exercised No.	Lapsed No.	Balance at end of year No.
2023					
Tim Jonas	-	-	-	-	-
Craig Ball	-	-	-	-	-
Jonathan West	250,002	-	-	(250,002)	-
Joanna McMillan	-	-	-	-	-
Rob McGavin	-	-	-	-	-
Paul Riordan	-	-	-	-	-
Leandro Ravetti	3,000,000	-	-	-	3,000,000
Sam Beaton	3,000,000	-	-	-	3,000,000
Toni Brendish	-	-	-	-	-
2022					
Tim Jonas	-	-	-	-	-
Craig Ball	230,766	-	(230,766)	-	-
Jonathan West	480,768	-	(230,766)	-	250,002
Joanna McMillan	-	-	-	-	-
Rob McGavin	-	-	-	-	-
Paul Riordan	-	-	-	-	-
Leandro Ravetti	3,000,000	-	-	-	3,000,000
Sam Beaton	3,000,000	-	-	-	3,000,000
Toni Brendish	-	-	-	-	-

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 no options (2022: 461,532) were exercised by key management personnel.

Further details of the employee share option plan and of share options issued during the 2023 and 2022 financial year are contained in Note 32 to the financial statements.

Notes to Financial Statements continued

NOTE 29: FAIR VALUE MEASUREMENTS

(a) Fair value hierarchy

Assets 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 2023 **Recurring fair value measurements**	**Level 1** **$'000**	**Level 2** **$'000**	**Level 3** **$'000**	**Total** **$'000**
Non-financial assets				
Land and buildings at fair value	-	-	199,493	199,493
Financial assets				
Hedging instruments	-	4,887	-	4,887

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

(b) Transfers between levels

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

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

	Fair value $'000	**Valuation technique**	**Description of valuation technique and inputs used**
Interest rate swaps	4,887	Income approach	The fair value of interest rate swaps is calculated using the present value of the estimated future cash flows based on observable interest rate yield curves.

Notes to Financial Statements continued

NOTE 29: FAIR VALUE MEASUREMENTS (CONTINUED)

(d) Reconciliation of recurring level 2 fair value movements

	2023 $'000	2022 $'000
Hedging instruments		
Opening balance asset / (liability)	4,567	(4,097)
Total gains and losses recognised in other comprehensive income	320	8,664
Closing balance asset	4,887	4,567

(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	199,493	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 external valuations performed by LAWD and CBRE, independent valuers, as at 30 June 2022 and during the year. Management applied judgement and considered information from a variety of sources, including the following: (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. The directors have concluded that fair value does not differ materially from the asset's fair value at reporting date.

Notes to Financial Statements continued

NOTE 29: FAIR VALUE MEASUREMENTS (CONTINUED)

(f) Financial assets and liabilities not at fair value

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

	2023 $'000	2022 $'000
Financial assets at amortised cost		
Cash and cash equivalents	13,674	5,944
Trade and other receivables	22,428	16,813
Other assets	2,129	1,502
	38,231	24,259
Financial liabilities at amortised cost		
Trade and other payables	32,324	26,350
Borrowings	191,505	141,105
Lease liabilities	5,969	5,459
	229,798	172,914

NOTE 30: 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 22, 23 and 24 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.

Debt Ratio

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

Notes to Financial Statements continued

NOTE 30: FINANCIAL RISK MANAGEMENT (CONTINUED)

Debt Ratio (continued)

	2023 $'000	2022 $'000
Total External Debt	191,505	141,105
Less: Cash and cash equivalents	(13,674)	(5,944)
Net External Debt	177,831	135,161
Total Assets	610,461	550,609
Less: Intangible assets	(6,678)	(6,678)
Less: Cash and cash equivalents	(13,674)	(5,944)
Tangible Assets	590,109	537,987
Debt Ratio	30.14%	25.12%

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 risk

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

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

(a) Currency risk

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

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

Notes to Financial Statements continued

NOTE 30: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Currency risk (continued)

	Assets		Liabilities	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
European Euros	-	-	5,852	6,969
US dollars	13,869	3,014	33,835	33,337

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

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

Notes to Financial Statements continued

NOTE 30: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Currency risk (continued)

Sensitivity (continued)

	+10% 2023 $'000	*-10%* 2023 $'000	*+10%* 2022 $'000	*-10%* 2022 $'000
United States Dollars				
Impact on profit before tax	(1,996)	1,996	(3,032)	3,032
Impact on equity	(2,692)	2,692	(2,182)	2,182
Argentinean Pesos				
Impact on profit before tax	-	-	-	-
Impact on equity	(249)	249	(673)	673
European Euros				
Impact on profit before tax	(585)	585	(697)	697
Impact on equity	-	-	-	-

(b) Interest rate risk

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

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

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

Sensitivity

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

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

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

NOTE 30: FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Interest rate risk (continued)

Sensitivity (continued)

	-1% 2023 $'000	*+1%* 2023 $'000	*-1%* 2022 $'000	*+1%* 2022 $'000
Interest rate movement				
Impact on profit before tax	(989)	989	(629)	629

(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 the consolidated statement of financial position and notes to financial statements.

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

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

(d) Liquidity risk

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

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

Notes to Financial Statements continued

NOTE 30: FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

Year ended 30 June 2023	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%	15,061	-	-	-	15,061
Variable interest rate instruments						
- Cash	0%	13,674	-	-	-	13,674
- Amounts received from directors and key management personnel	4.77%	-	-	7,657	-	7,657
Financial liabilities:						
Non interest bearing liabilities	0%	32,323	-	-	-	32,323
Variable interest rate instruments						
- Bank loans	5.26%	-	-	115,052	-	115,052
Fixed interest rate instruments						
- Bank loans	3.58%	-	-	58,000	-	58,000
- Lease liability	3.48%	-	660	1,173	4,136	5,969
- Chattel Mortgage liability	4.17%	1,711	2,823	13,309	610	18,453

30 June 2022						
Financial assets:						
Non interest bearing assets	0%	9,203	-	-	-	9,203
Variable interest rate instruments						
- Cash	0%	5,943	-	-	-	5,943
- Amounts received from directors and key management personnel	4.52%	-	-	7,567	-	7,567
Financial liabilities:						
Non interest bearing liabilities	0%	26,342	-	-	-	26,342
Variable interest rate instruments						
- Bank loans	2.16%	-	-	62,884	-	62,884
Fixed interest rate instruments						
- Bank loans	4.05%	-	-	58,000	-	58,000
- Lease liability	3.48%	89	151	2,155	3,064	5,459
- Chattel Mortgage liability	3.93%	2,089	1,691	16,441	-	20,221

NOTE 31: CONSOLIDATED ENTITY DETAILS

The registered office of the consolidated entity is:

151 Broderick Road
LARA VICTORIA 3212

NOTE 32: SHARE-BASED PAYMENTS

(a) Employee Option Plan

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

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

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

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

A new Equity Incentive Plan ("the Plan") was adopted in the USA in May 2023, to enable the Company to issue performance securities to its employees in the USA for the purpose of attracting, incentivising and retaining personnel involved in the Company’s USA operations. The Plan does not replace, and is intended to operate in parallel with, any existing equity incentive plan established by the Company.

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

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

Notes to Financial Statements continued

NOTE 32: SHARE-BASED PAYMENTS (CONTINUED)

(a) Employee Option Plan (continued)

Grant date	Vesting Date	Expiry date	Exercise price	Fair value at grant date	Balance at start of the period	Granted during the period	Exercised during the period	Forfeited/ Lapsed during the period	Balance at the end of the year
2023									
27-Apr-17	1-Jul-24	1-Aug-24	$1.50	$1.33	600,000	-	-	-	600,000
19-Sep-18	19-Aug-23	19-Sep-23	$1.50	$1.42	780,000	-	-	-	780,000
22-Mar-19	16-Feb-26	22-Mar-26	$1.50	$1.42	180,000	-	-	-	180,000
6-Dec-19	6-Dec-22	6-Jan-23	$1.50	$1.42	90,000	-	-	(90,000)	-
6-Dec-19	6-Dec-24	16-Jan-25	$1.50	$1.42	90,000	-	-	(90,000)	-
15-Dec-19	16-Dec-19	15-Dec-22	$1.42	$1.42	250,002	-	-	(250,002)	-
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	-	-	(1,050,000)	14,250,000
8-May-23	1-Mar-28	15-Mar-28	$1.80	$1.36	-	500,000	-	-	500,000
8-May-23	1-Mar-30	15-Mar-30	$1.80	$1.36	-	500,000	-	-	500,000
					18,490,002	1,000,000	-	(1,480,002)	18,010,000

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

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

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

There were 1,000,000 options granted during the year (2022: nil).

(c) Share options exercised during the year

In FY2023, no options were exercised (FY2022: 461,532 options granted on 15 December 2018 were exercised on 14 December 2021).

(d) Options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of $1.52 (2022: $1.50), and a weighted average remaining contractual life of 1,598 days (2022: 1,907 days).

Notes to Financial Statements continued

NOTE 33: DIVIDENDS

	2023 $'000	2022 $'000
The Board paid a dividend of 3.3 cents per share on 7 December 2022, franked at 70% (FY2022: 3.3 cents per share, franked at 20%) *	13,679	12,785
Balance of franking account on a tax paid basis at financial year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and any credits that may be prevented from distribution in subsequent years:	1,269	(59)

* The FY2023 dividend includes an amount of $1.9m that was reinvested under the Dividend Reinvestment Plan (FY2022: $1.2m).

NOTE 34: 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

	2023 $'000	2022 $'000
Assets		
Current assets	6,724	5,338
Non-current assets	412,015	241,807
Total assets	418,739	247,145
Liabilities		
Current liabilities	1,581	-
Non-current liabilities	278,335	120,884
Total liabilities	279,916	120,884
Net assets	138,823	126,261
Equity		
Share capital	181,698	179,756
Retained earnings	(52,855)	(58,238)
Reserves	-	-
Investment revaluation reserve	5,573	763
Share based payments reserve	928	784
Cash flow hedge reserve	3,479	3,196
Total equity	138,823	126,261

Notes to Financial Statements continued

NOTE 34: PARENT ENTITY DETAILS (CONTINUED)

(b) Summarised parent statement of comprehensive income

Profit for the year	18,542	15,072
Other comprehensive income for the year	283	6,065
Total comprehensive income for the year	18,825	21,137

(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 2023.

(e) Parent entity contractual commitments

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

NOTE 35: CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2023 (30 June 2022: none).

NOTE 36: KEY MANAGEMENT PERSONNEL COMPENSATION

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

Key management personnel	Position
Rob McGavin	Non-Executive Chair.
Paul Riordan	Non-Executive Director. Resigned 28 October 2022.
Leandro Ravetti	Joint-Chief Executive Officer (Technical and Production).
Tim Jonas	Non-Executive Director.
Craig Ball	Non-Executive Director.
Jonathan West	Non-Executive Director. Passed away end of July 2023.
Sam Beaton	Joint-Chief Executive Officer (Finance and Commercial).
Joanna McMillan	Non-Executive Director.
Toni Brendish	Non-Executive Director. Appointed 23 January 2023.

Notes to Financial Statements continued

NOTE 36: KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

Key management personnel compensation

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

	2023 $	2022 $
Compensation received by key management personnel of the consolidated entity:		
- Short-term employee benefits	2,067,619	1,953,519
- Post-employment benefits	54,960	84,433
- Share-based payments	91,607	76,338
	2,214,186	2,114,290

NOTE 37: SUBSEQUENT EVENTS

Non-Executive Director Professor Jonathan West sadly passed away at the end of July 2023.

There are no other 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 38: COMMITMENTS FOR EXPENDITURE

At 30 June 2023 there were the following commitments for capital expenditure:

- Land & Buildings	$15.8 million
- Plant & Equipment	$5.7 million
- Irrigation	$2.5 million
- Motor Vehicles	$0.2 million
	$24.2 million

At 30 June 2022, there were $11.6 million commitments for capital expenditure.

NOTE 39: EARNINGS/ (LOSS) PER SHARE

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

	2023 $'000	2022 $'000
Earnings		
Profit / (loss) for the purposes of basic and diluted earnings per share	7,719	(696)

	2023	2022
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	415,215,300	402,313,548
Weighted average number of ordinary shares for the purposes of diluted earnings per share	432,905,575	422,026,850

Directors' Declaration

The Directors of the consolidated entity declare that:

(1) the consolidated financial statements and notes set out on pages 60 to 120 are in accordance with the *Corporations Act 2001*, including:

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

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

(c) give a true and fair view of the financial position as at 30 June 2023 and performance for the year ended on that date of the consolidated entity.

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

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

Director: Rob McGavin (Chair)

Director: Tim Jonas

Dated this 25 August 2023

Independent Auditor's Report

For the year ended 30 June 2023

Deloitte.

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cobram Estate Olives Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Key Audit Matters

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

Independent Auditor's Report continued

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

Inventory valuation – current year Australian grown oil crop harvested
 	
As disclosed in Note 2(a) and Note 10, the Group held olive oil inventory of $93.8million as at 30 June 2023. The olive oil inventory comprises olive fruit that has been fully harvested and crushed at year end which was sourced from the 2023 harvest.
 	
The inputs used by the Group in the valuation of Australian inventory sourced from the 2023 harvest include harvest volumes, growing costs and key assumptions for the fair value of olive fruit.
 	
The inputs used by the Group in the valuation of Australian inventory sourced from the 2023 harvest include harvest volumes, growing costs and key assumptions for the fair value of olive fruit.
 	
We consider the valuation of the current year Australian olive oil to be a key audit matter because of the judgements involved in the determination of the fair value of the olive fruit at the point of harvest which is a component of the costing of the olive oil.
	We performed the following procedures, amongst others:
	
	• We obtained an understanding of the valuation processes and controls implemented to measure the harvest volumes
	• In conjunction with our valuation specialists, we evaluated the fair value less cost to sell of the Australian fruit at the point of harvest by:
	    • Assessing the methodology applied in the determination of fair value less costs to sell
	    • Challenging the assumptions in the valuation in respect to selling prices and costs to sell
	• Testing the mathematical accuracy of the valuation
	• Evaluating the adequacy of the disclosures made in Note 2(a) and Note 10 of the financial statements.

Land and buildings at fair value – Australia and US olive growing and oil processing properties
 	
Land and buildings are measured at fair value with each asset reviewed annually to ensure carrying value does not differ significantly from its fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value as disclosed in Note 2(b), Note 15 and Note 29.
 	
The Group has property in different locations with a total fair value of all properties being $199.5million at reporting date. Included in land and buildings are property assets used for growing olives and producing olive oil in Australia and the USA.
 	
We consider the valuation of Australian and USA olive growing and oil processing properties to be a key audit matter because of the judgements involved in the key assumptions.
	Our audit procedures included, but were not limited to:
	
	• challenging the assessment of fair value with reference to the Director valuations obtained during the year and assessing market conditions
	• in conjunction with our valuation specialists, we evaluated the fair value of properties at balance date by:
	    • assessing the valuation methodology applied by the Directors
	    • performing research to consider the property transactions included in the Director valuations and consideration of the completeness of comparable property transactions which may impact the fair value recognised
	• Holding discussions to understand their view of current market conditions
	• Evaluating the adequacy of the disclosures made in Note 2(b), Note 15 and Note 29 of the financial statements.

Independent Auditor's Report continued

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

Independent Auditor's Report continued

Deloitte.

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 48 to 56 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Cobram Estate Olives Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Peter Glynn
Partner
Chartered Accountants
Melbourne, 25 August 2023

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 23 August 2023 ("Reporting Date").

2023 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 with the ASX together with an Appendix 4G 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 at the Reporting Date, the number of holders of each class of Cobram Estate Olives Limited equity securities on issue is as follows:

CLASS OF EQUITY SECURITIES	NUMBER OF HOLDERS
Ordinary Shares	3,441
Options exercisable at $1.50 and expiring 1 August 2024	2
Options exercisable at $1.50 and expiring 19 September 2023	4
Options exercisable at $1.50 and expiring 22 March 2026	1
Options exercisable at $1.50 and expiring 17 April 2026	1
Options exercisable at $1.50 and expiring 17 April 2028	8
Options exercisable at $1.80 and expiring 15 March 2028	1
Options exercisable at $1.80 and expiring 15 March 2030	1

Voting Rights of Equity Securities

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

As at the Reporting Date, there were 3,441 holders of a total of 415,773,189 ordinary shares in the Company. The voting rights attached to ordinary shares (as set out in the Company's constitution) are that every member who is present at a general meeting and entitled to vote:

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

Additional Securities Exchange Information continued

DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

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

Twenty Largest Holders of Quoted Equity Securities

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

RANK	NAME	ORDINARY SHARES	% OF SHARES ON ISSUE
1	ROBERT MCGAVIN	29,027,068	6.98
2	MCGAVIN INVESTMENTS PTY LTD	17,673,984	4.25
3	BELL POTTER NOMINEES LTD	13,655,100	3.28
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	12,586,188	3.03
5	RD & KA MCGAVIN PTY LTD AS TRUSTEE FOR THE RD & KA MCGAVIN SUPERANNUATION FUND	12,461,538	3.00
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,183,909	2.93
7	CITICORP NOMINEES PTY LIMITED	10,662,335	2.56
8	TROPICO PTY LTD	10,100,000	2.43
9	PAUL RIORDAN	9,820,800	2.36
10	GOWING BROS LIMITED	9,470,774	2.28
11	H & M ASSOCIATES	9,139,423	2.20
12	UBS NOMINEES PTY LTD	8,162,008	1.96
13	BOOL INVESTMENTS PTY LTD	7,837,170	1.88
14	P & F RIORDAN INVESTMENTS P/L ATF P&F RIORDAN FAMILY TRUST	7,494,500	1.80
15	RAVETTI INVESTMENTS PTY LTD	7,348,584	1.77
16	WOOBINDA NOMINEES PTY LTD	6,650,000	1.60
17	MR ANDREW MATTHEW CRICHTON CAMERON & MRS DEBORAH MADGE CAMERON	6,053,298	1.46
18	S BEATON INVESTMENTS PTY LTD	6,000,000	1.44
19	NEVILLE J BERTALLI	5,658,301	1.36
20	MR NEIL JAMES RICHMOND & MRS ELIZABETH AMELIA RICHMOND	5,030,856	1.21

Additional Securities Exchange Information continued

Substantial Shareholders

As at the 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 IN % SINCE 1 JULY 2023	DATE OF INTEREST NOTICE
Rob McGavin	72,073,601	17.3%	No change	23 August 2023

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).

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 $1.235 per unit on 23 August 2023	405	328	85,107

Voluntary Escrowed Shares

The Company has no voluntary escrowed shares.

Unquoted Equity Securities

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

CLASS OF SECURITIES	NUMBER OF UNQUOTED EQUITY SECURITIES	NUMBER OF HOLDERS
Options	18,010,000	11

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

On Market Buyback

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

Issues of Securities

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

Securities Purchased On-Market

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

STOCK EXCHANGE LISTING

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

OTHER INFORMATION

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

Corporate Directory

DIRECTORS

Rob McGavin – Non-Executive Chair and Co-Founder
Craig Ball – Non-Executive Director
Toni Brendish – Non-Executive Director
Tim Jonas – Non-Executive Director
Dr Joanna McMillan – Non-Executive Director
Sam Beaton – Joint-CEO and Executive Director
Leandro Ravetti – Joint-CEO and Executive Director

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Russell Dmytrenko

REGISTERED OFFICE

151 Broderick Road
Lara, Victoria 3212
Australia

SHARE REGISTRY

Link Market Services Limited
Locked Bag A14
Sydney South, NSW 1235

LEGAL ADVISORS

DLA Piper
Level 12, 80 Collins Street
Melbourne, Victoria 3000

TRADEMARK ATTORNEY

Burns IP & Commercial
PO Box 177
Hampton, VICTORIA 3188

AUDITOR

Deloitte Touche Tohmatsu
477 Collins Street
Melbourne, Victoria 3000

WEBSITE

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