



**Australian
Agricultural
Projects Ltd**

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**MARKET UPDATE
QUARTER ENDED 31 MARCH 2025**

23 APRIL 2025

Australian Agricultural Projects Ltd (ASX: **AAP**) (**Company**) is pleased to present its report for the quarter ended 31 March 2025 and advises:

- Preparations are nearing completion for the 2025 olive harvest which is expected to commence early next week. The orchard team are currently conducting a short pre-harvest trial with a view of calibrating the harvesting and processing equipment prior to the induction of the seasonal harvest team. Management's expectations remain unchanged in that the 2025 yield will be in the region of 750,000 to 825,000 litres.
- Weather conditions have generally been very good at the orchard although there has been no meaningful rain event since early November 2024. The orchard has remained fully irrigated and the supply of water from the irrigation system remains plentiful. Management notes that the water storage level at Lake Eildon (the principal source of irrigation water for the orchard) has fallen to 62% during this dry spell. The expectation is that this will be partially recouped with winter and spring rains and there is no concern regarding the supply of water for the next season.
- The Company notes that international bulk olive oil prices have softened since the completion of the 2024/5 European harvest as a consequence of their harvest being at a more normal level after a period of lower than typical production. To date there is little evidence that this reduction in bulk prices has impacted the shelf price of retail extra virgin olive oil in Australian supermarkets which is the benchmark for the farm gate pricing formula the Company enjoys through the olive oil supply agreement with Cobram Estate Limited. Management will continue to monitor this situation.
- The lease interests the Growers have in the projects the Company administers expire on 30 June 2025 and the Growers have an option to extend their leases for a further 25 years. The Grower responses received to date are in line with the expectations of management and every effort is being made to ensure that all Growers provide a response. The Company's expectation is that Growers in the first project will not extend their option and the Company will acquire their residual interests in their irrigation equipment which will be funded from operating cashflows. It is expected that Growers in the second project will extend their leases for a further term. The outcome of this restructure will have minimal impact on the short term earnings of the Company.

Quarterly cash flow

The cash receipts for the March 2025 quarter amounted to \$1,168,000 with year-to-date receipts totaling \$5,741,000 (March 2024: \$4,213,000). The quarterly operating surplus of \$342,000 (year-to-date: surplus of \$2,070,000) is in line with management's budgets. The Company continues to forecast an operating deficit for the June 2025 quarter as this is when the annual harvest expenses are incurred at the same time as proceeds from the sale of the previous year's harvest are at their lowest.

The year-to-date net \$1,714,000 repayment of borrowings represents the paydown of the core borrowing facility to \$3,427,500 at 31 March 2025. As noted in item 7.6 on the Appendix 4C, \$1,515,000 of this paydown of the core banking facility is available for redraw to assist with operating costs as required.

AUTHORISED BY:

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Managing Director

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

AUSTRALIAN AGRICULTURAL PROJECTS LIMITED

ABN

19 104 555 455

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,168	5,741
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(409)	(2,408)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(179)	(569)
(f) administration and corporate costs	(112)	(282)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	6
1.5 Interest and other costs of finance paid	(128)	(418)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other – proceeds from insurance claim		
1.9 Net cash from / (used in) operating activities	342	2,070
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(202)	(202)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(f) other non-current assets		
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	-	5
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(202)	(197)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings	1,087	2,087
3.6 Repayment of borrowings	(1,041)	(3,801)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	(4)	(13)
3.10 Net cash from / (used in) financing activities	42	(1,727)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	422	458
4.2 Net cash from / (used in) operating activities (item 1.9 above)	342	2,070
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(202)	(197)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	42	(1,727)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	604	604

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	604	422
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	604	422

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
73
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The amount in item 6.1 includes payment for:

Salary and superannuation	30
Secretarial fees	8
Director fees	12
Interest (Patrac Investments Pty Ltd)	23

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	5,943	4,428
7.2 Credit standby arrangements	-	-
7.3 Other	1,000	627
7.4 Total financing facilities	6,943	5,055

7.5 **Unused financing facilities available at quarter end** 1,888

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Bank Loan Facility	
• Amount	\$4,942,500– drawn to 3,427,500 as at 31 March 2025
• Lender:	NAB
• Interest Rate	Variable –7.46% pa as at 31 March 2025
• Matures	28 April 2028
• Secured	
Shareholder Loan Facility	
• Amount	\$1,000,000 limit – fully drawn
• Lender	Patrac Investments Pty Ltd - a company related to a director and shareholder
• Interest Rate	9.10% pa
• Matures	\$1,000,000: June 2030
• Unsecured	
Asset Finance Facility	
• Amount	\$1,000,000 – drawn to \$627,351 as at 31 March 2025
• Lender	NAB
• Interest Rate	6.98% (weighted average)
• Matures	30 April 2029
• Secured	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	342
8.2 Cash and cash equivalents at quarter end (Item 4.6)	604
8.3 Unused finance facilities available at quarter end (Item 7.5)	1,888
8.4 Total available funding (Item 8.2 + Item 8.3)	2,492
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A
8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 23 April 2025

Authorised by: The Board of Directors.

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.