



**Australian
Agricultural
Projects Limited**

ABN: 19 104 555 455

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HALF-YEAR FINANCIAL RESULTS

ANNOUNCEMENT

26 FEBRUARY 2026

In accordance with Listing Rule 4.2A.3, the Interim Financial Report for the six months ended 31 December 2025 and ASX Appendix 4D – Half Year Report of Australian Agricultural Projects Limited (ASX: AAP) follow this announcement. This information is to be read in conjunction with the annual report for the year ended 30 June 2025.

This announcement was authorised for release by the Board of Directors of the Company

Enquiries may be directed to:

Paul Challis – Managing Director
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AUSTRALIAN AGRICULTURAL PROJECTS LIMITED

Appendix 4D

Half-Year Report

1. Company Details

Name of entity:	Australian Agricultural Projects Limited
ABN:	19 104 555 455
Current reporting period:	For the half-year ended 31 December 2025
Previous corresponding period:	For the half-year ended 31 December 2024

2. Results for Announcement to the Market

	Current Reporting Period \$'000	Percentage Change Up/(Down)	Previous Corresponding Period \$'000
Revenue from ordinary activities	-	(100)%	1,606
Profit / (loss) from ordinary activities after tax attributable to members	(797)	n/a	489
Comprehensive income for the period attributable to members	(797)	n/a	1,016

3. Net Tangible Assets

	Current Reporting Period	Previous Corresponding Period
Net tangible asset per ordinary security	3.95 cents	3.71 cents

4. Changes in Control Over Entities

Not applicable.

5. Dividends/Distributions

Current Reporting Period

There were no dividends paid, recommended or declared for the half-year ended 31 December 2025.

Previous Corresponding Period

There were no dividends paid, recommended or declared for the half-year ended 31 December 2024.



6. Dividend Reinvestment Plans

Not Applicable.

7. Associates and Joint Venture Entities

Not Applicable.

8. Foreign Entities (Accounting Standards)

Not Applicable.

9. Audit Qualification or Review

The financial statements for the half-year ended 31 December 2025 were subject to a review by the Company's external auditors and the review report is attached as part of the Interim Financial Report.



Australian Agricultural Projects Limited

ABN: 19 104 555 455

Interim Financial Report
for the half-year ended 31 December 2025



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DIRECTORS' REPORT

The Board of Directors present their report on the consolidated entity consisting of Australian Agricultural Projects Limited ("ASX:AAP") (Company) and its controlled entities (Group) for the six months ended 31 December 2025 and the independent auditor's review report thereon:

1. Directors

The Directors of the Company at any time during or since the end of the half-year and up to the date of this report are:

Name	Period of directorship
Mr Paul Challis <i>Managing Director</i>	Director since 12 September 2007
Mr Daniel Stefanetti <i>Non-Executive Director</i>	Director since 26 September 2019
Mr Anthony Ho <i>Non-Executive Director</i>	Director since 30 April 2003

2. Results and review of operations

The Company presents its financial report for the six-month period to 31 December 2025. The financial result for this period was a net loss after tax of \$797,061 (2024: profit of \$488,714). The principal drivers in the change to this result from that of the previous period include:

- The cessation of operations of the Victorian Olive Oil Project (one of the two MIS schemes the Company operates) which has resulted in no lease and management fees being recognised by the Company in the six month period to 31 December 2025 (discussed below). The Company now operates this portion of the orchard for its own benefit and the profit from these operations will be recorded after the harvest is completed in June; and
- There was no revaluation of the orchard land and bearer plants.

The Company has recorded strong positive operating cashflows for the six months to 31 December 2025 amounting to a surplus of \$1,803,825 (December 2024: \$1,727,503) as a result of the increased proceeds from the sale of the 2025 harvest which was an "on" year at the orchard. These proceeds have also benefited from the continued strong prices for extra virgin olive oil. The Company is taking advantage of these improved cashflows to continue building resilience in the Company's balance sheet by continuing to reduce core debt facilities as well as acquiring the remaining irrigation interests from the growers in the Victorian Olive Oil Project.

Orchard operations

The orchard has recovered well after harvest and is in good health. The notable items impacting orchard operations since the 2025 harvest have been:

- Climatic conditions which have been generally dry and cooler than usual. These conditions have allowed orchard operations to be completed on schedule and with minimal disruption. Orchard management have reported a good flowering and fruit set for an "off" year at the orchard despite the cooler weather contributing to a later than usual flowering.
- The focus of the maintenance programme has returned to the harvesting equipment with an upgrade to the hydraulic control systems. The objectives of these upgrades are a reduction in the down time of the harvesters during harvest as well as an improvement in effective fruit removal.
- The Company has been able to access sufficient water to irrigate the orchard despite the continued dry conditions. The Company had budgeted for an increase in the spot price of water but the current price of \$400 per ML is somewhat above that budget. The comparative price at the same time last season was \$100 per ML. Management continues to monitor this market carefully and notes that the storage level of Lake Eildon, the principal source of water for the irrigation system the orchard uses, is currently in the region of 46.6% compared with 74.9% at the same time last year.



DIRECTORS' REPORT

2. Results and review of operations (continued)

Expected yield

Flowering at the orchard peaked in mid November, a little later than normal, in very good climatic conditions. Orchard management reports that the fruit set is within expectations noting that those areas that were affected in September 2024 have set extremely high amounts of fruit. As a consequence, the management team's expectations of the 2025 harvest is in the region of 570,000 to 640,000 litres, significantly greater than the harvest of the last "off" year (2024) which amounted to 551,500 litres. This is consistent with 2026 being an "off" year in the biennial cycle of the orchard. The delayed flowering and cooler than normal average temperatures increases the risk of reduced oil accumulation and the orchard team will continue to monitor this in determining the most effective time to commence harvest.

Oil sales

The Company is pleased to report that all of the extra virgin oil produced at the orchard has been sold to Cobram Estate in accordance with the Olive Oil Supply Agreement. The pricing mechanism in this agreement refers to a farm gate price of oil which is ultimately derived from the average price which Cobram Estate is able to sell packaged olive oil in the Australian market. Accordingly, the recent increases in the retail shelf price have been of significant benefit. This agreement expired after the end of the 2025 harvest and the Company is pleased to advise that on 23 February 2026, the agreement was extended for a minimum of a further five harvests. The Company holds the view that being able to sell bulk extra virgin olive oil for a price linked to the retail sale price of that oil in Australia continues to be in the best long term interests of the Company.

The small amount of virgin oil produced in the 2025 harvest has also been sold at market. The extended olive oil supply agreement will also include provision for the sale of virgin oil to Cobram Estate.

The Company notes that the recent harvests in the European growing region have returned to more normal levels after a series of poor seasons. This has led to a softening in the international bulk oil price from the recent highs, however, this reduction has yet to flow through to the Australian retail sector. Retail prices have remained stable although the management team continue to monitor the level of promotion and discounting in the supermarkets as a lead indicator of increased price competition.

Project Leases

The first term of the leases which are the foundation of the two managed investment schemes the Company operated concluded on 1 July 2025; effectively after the completion of the June 2025 harvest. The growers in each of these projects had an option to extend their lease for a further 25 years.

The growers advised their intentions prior to the conclusion of the lease term with the following results:

- No growers in the Victorian Olive Oil Project (VOOP – 285 hectares) exercised their option to extend the term of their lease; and
- All growers in the Victorian Olive Oil Project II (VOOP II – 118 hectares) did exercise their option to extend their lease for a further 25-year term.

As a consequence, the lease over the VOOP project has terminated and the Company is farming this portion of the orchard for its own benefit. This decision has required the Company to acquire the residual irrigation interests from growers in the project for an amount of \$783,750. This purchase was funded from operating cash flow. The MIS project will continue to operate for the period that it takes for the oil from the 2025 harvest to be sold and the proceeds collected. Following the distribution of those proceeds the operations of the project will cease and the responsible entity will apply to wind up the project.

The second project, Victorian Olive Oil Project II, will continue as it has for the previous lease term. The Company is conscious that the licencing regime and compliance costs associated with the operation of a single 118 ha MIS project are very large and as a consequence, are again reviewing alternative structures for the project that may be more efficient for both the growers and the Company.



DIRECTORS' REPORT

2. Results and review of operations (continued)

Revenue

The Company has recorded no revenue for the six month reporting period as a consequence of the leases and management agreements relating to the Victorian Olive Oil Project not being renewed. Accordingly, the Company no longer records lease and management fees from this project as income.

For the financial year ended 30 June 2026, the Company will generate revenue from two sources:

- Contract income from the lease of land to and management of Victorian Olive Oil Project II (108 ha) as well as the management of the Peppercorn Estate orchard (118 ha). The lease and management fees associated with these projects are a percentage of the annual harvest. As these fees cannot be reliably determined prior to harvest, the revenue from these fees is recognised after harvest when they can be reliably calculated. Prior to the recognition of these fees, all costs associated with earning these fees is recorded as an other current asset on the balance sheet; and
- Net increase in fair value of agricultural produce which is the amount by which the fair value of the harvest from the portion of the orchard (285 ha) that the Company farms exceeds the costs associated with that production. Again, this income can only be determined after harvest and will therefore be recognised in June. Prior to the recognition of this revenue, any costs associated with farming this portion of the orchard are included in current assets as a biological asset.

In future years, 2027 onwards, the Company will also record revenue from the sale of olive oil that it has produced on the portion of the orchard it farms. This revenue will be matched with the cost of goods sold which was the oil that was recognised as inventory after the prior year harvest.

In addition, as a consequence of the change to from earning lease and management fees from the Victorian Olive Oil Project to now farming that portion of the orchard for the Company's own benefit, the orchard assets of the land and bearer plants are now recognised as part of property, plant and equipment and are recorded at cost less any depreciation charge. Previously, these assets were disclosed separately on the balance sheet and regularly revalued to fair value.

Recognition

The Directors of the Company take this opportunity to acknowledge the effort put in by the entire orchard team over the recent years for the replanting of a significant portion of the orchard. The Company, along with the team are looking forward to the benefits of this effort as those replanted areas enter commercial production.

3. Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 6.

Dated at Melbourne, Victoria, this 26 th day of February 2026.

Signed pursuant to section 306(3)(a) of the Corporations Act 2001:

A handwritten signature in black ink, appearing to read 'P. Challis', written over a horizontal line.

Paul Challis
Managing Director

DECLARATION OF INDEPENDENCE BY BENJAMIN LEE TO THE DIRECTORS OF AUSTRALIAN AGRICULTURAL PROJECTS LIMITED

As lead auditor for the review of Australian Agricultural Projects Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Australian Agricultural Projects Limited and the entities it controlled during the period.



Benjamin Lee
Director

BDO Audit Pty Ltd

Melbourne, 26 February 2026



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
for the half-year ended 31 December 2025

	Note	31 December 2025 \$	31 December 2024 \$
Revenue	3	-	1,605,607
Cost of sales		-	(593,519)
		<u>-</u>	<u>1,012,088</u>
Other income	4	60,984	8,872
Corporate and administrative expenses		(236,759)	(283,667)
Depreciation and amortisation		(415,245)	(384,775)
Borrowing costs		(206,041)	(240,568)
Revaluation of investment property	8	-	201,140
Net (loss) / profit before income tax		<u>(797,061)</u>	<u>313,090</u>
Income tax benefit	12	-	175,624
Net (loss) / profit for the period		<u>(797,061)</u>	<u>488,714</u>
Other comprehensive Income, net of tax			
Revaluation of bearer plants		-	526,873
Total comprehensive (loss) / income for the period		<u>(797,061)</u>	<u>1,015,587</u>
(Loss) / Earnings per share		Cents	Cents
Basic (loss) / earnings per share (cents)		(0.22)	0.13
Diluted (loss) / earnings per share (cents)		(0.22)	0.13
Weighted average number of ordinary shares		Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share		368,603,712	368,603,712
Adjustment for calculating of diluted earnings per share:			
Options over ordinary shares		<u>-</u>	<u>-</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share		<u>368,603,712</u>	<u>368,603,712</u>

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2025

	Note	31 December 2025 \$	30 June 2025 \$
CURRENT ASSETS			
Cash and cash equivalents		220,609	450,567
Trade and other receivables		2,184,825	4,899,910
Inventories		-	607,148
Biological asset	5	607,193	-
Other		646,825	81,307
Total Current Assets		<u>3,659,452</u>	<u>6,038,932</u>
NON CURRENT ASSETS			
Property, plant and equipment	6	18,427,922	947,070
Right of use asset		9,128	18,248
Bearer plants	7	-	14,119,273
Investment property	8	-	2,766,535
Total Non Current Assets		<u>18,437,050</u>	<u>17,851,126</u>
TOTAL ASSETS		<u>22,096,502</u>	<u>23,890,058</u>
CURRENT LIABILITIES			
Trade and other payables		2,156,875	2,124,847
Lease liability	9	9,875	19,342
Provisions		360,987	356,906
Loans and borrowings	10	790,919	787,806
Total Current Liabilities		<u>3,318,656</u>	<u>3,288,901</u>
NON CURRENT LIABILITIES			
Loans and borrowings	10	4,229,783	5,256,033
Total Non Current Liabilities		<u>4,229,783</u>	<u>5,256,033</u>
TOTAL LIABILITIES		<u>7,548,439</u>	<u>8,544,934</u>
NET ASSETS		<u>14,548,063</u>	<u>15,345,124</u>
EQUITY			
Issued Capital / Contributed equity	13	25,285,850	25,285,850
Reserves	14	259,784	5,762,318
Accumulated losses		(10,997,571)	(15,703,044)
TOTAL EQUITY		<u>14,548,063</u>	<u>15,345,124</u>

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2025

	31 December 2025 \$	31 December 2024 \$
Cash flows from operating activities		
Cash receipts in the course of operations	4,487,069	4,573,209
Cash payments in the course of operations	(2,470,399)	(2,559,814)
Interest received	2,602	4,372
Interest paid	(215,447)	(290,264)
Net cash provided by operating activities	1,803,825	1,727,503
Cash flows from investing activities		
Proceeds from the sale of assets	-	4,500
Payments for property, plant and equipment	(1,001,168)	
Net cash (used in)/provided by investing activities	(1,001,168)	4,500
Cash flows from financing activities		
Net repayment of borrowings	(1,023,138)	(1,759,611)
Repayment of lease liability	(9,477)	(8,504)
Net cash (used in) by financing activities	(1,032,615)	(1,768,115)
Net decrease in cash and cash equivalents held	(229,958)	(36,112)
Cash and cash equivalents at the beginning of the period	450,567	458,115
Cash and cash equivalents at the end of the period	220,609	422,003

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2025

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 July 2024	<u>25,285,850</u>	<u>5,038,435</u>	<u>(17,663,104)</u>	<u>12,661,181</u>
Profit net of tax for the half year	-	-	488,714	488,714
Other comprehensive income, net of tax	-	<u>526,873</u>	-	<u>526,873</u>
Total comprehensive income for the period	-	526,873	488,714	1,015,587
Balance as at 31 December 2024	<u>25,285,850</u>	<u>5,565,308</u>	<u>(17,174,390)</u>	<u>13,676,768</u>
	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 July 2025	<u>25,285,850</u>	<u>5,762,318</u>	<u>(15,703,044)</u>	<u>15,345,124</u>
Loss net of tax for the half year	-	-	(797,061)	(797,061)
Reclassification of Biological Asset Reserve		(5,502,534)	5,502,534	-
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	-	(5,502,534)	4,705,473	(797,061)
Balance as at 31 December 2025	<u>25,285,850</u>	<u>259,784</u>	<u>(10,997,571)</u>	<u>14,548,063</u>

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2025

1. Corporate information

Australian Agricultural Projects Limited (“Company”) is a public company limited by shares, incorporated in Australia whose shares are quoted on the Australian Securities Exchange.

The consolidated interim financial report as at and for the six months ended 31 December 2025 comprises the Company and its subsidiaries (together referred to as the “consolidated entity” or “Group”).

The annual financial report of the consolidated entity as at and for the year ended 30 June 2025 is available upon request from the Company’s registered office or may be viewed on the Company’s website, www.voopl.com.au.

This consolidated interim financial report was approved by the Board of Directors on 26th of February 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(b) Accounting policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated annual financial report as at and for the year ended 30 June 2025.

	31 December 2025	31 December 2024
3. REVENUE		
Management fees	-	422,148
Lease fees from the investment property	-	1,183,459
	<u>-</u>	<u>1,605,607</u>
4. OTHER INCOME		
Interest received	2,568	4,372
Other	58,416	4,500
	<u>60,984</u>	<u>8,872</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2025

5. BIOLOGICAL ASSET

	31 December 2025	30 June 2025
Biological produce	607,193	-
<i>Reconciliation of changes in carrying amount of biological assets</i>		
Opening balance	-	-
Increases due to growing costs	607,193	-
Decreases due to harvest	-	-
Gain recognised from changes in fair value	-	-
Closing balance	607,193	-

As at 31 December 2025, no fair value gain/(loss) has been recognised for the olive crop due to little biological transformation at reporting date. The consolidated entity expects a fair value gain to be recognised for the olive crop in the FY2026 Financial Report.

6. PROPERTY, PLANT & EQUIPMENT

6 months ended 31 December 2025	Land & Bearer Plants	Plant & Equipment	Motor Vehicles	Buildings	Total
At 1 July 2025, net of accumulated depreciation	-	260,641	534,314	152,115	947,070
Additions	-	915,464	85,705	-	1,001,169
Initial recognition	16,885,808	-	-	-	16,885,808
Profit on disposals	-	-	-	-	-
Depreciation charge for the 6 months	(282,385)	(30,742)	(77,571)	(15,427)	(406,125)
At 31 December 2025, net of accumulated depreciation	16,603,423	1,145,363	542,448	136,688	18,427,922
At 31 December 2025					
Cost	16,885,808	5,204,277	1,363,839	1,061,417	24,515,341
Accumulated depreciation	(282,385)	(4,058,914)	(821,391)	(924,729)	(6,087,419)
Net carrying amount	16,603,423	1,145,363	542,448	136,688	18,427,922
Year ended 30 June 2025					
	Land & Bearer Plant	Plant & Equipment	Motor Vehicles	Buildings	Total
At 1 July 2024, net of accumulated depreciation	-	318,045	453,219	184,356	955,620
Additions	-	-	201,454	-	201,454
Disposals	-	-	(6,818)	-	(6,818)
Profit on disposals	-	-	6,818	-	6,818
Depreciation charge for the year	-	(57,404)	(120,359)	(32,241)	(210,004)
At 30 June 2025, net of accumulated depreciation	-	260,641	534,314	152,115	947,070
At 30 June 2025					
Cost	-	4,288,812	1,278,133	1,061,417	6,628,362
Accumulated depreciation	-	(4,028,171)	(743,819)	(909,302)	(5,681,292)
Net carrying amount	-	260,641	534,314	152,115	947,070

As disclosed in the FY2025 annual financial statements, the consolidated entity has decided to manage the majority of the orchard for its own benefit upon termination of the Victorian Olive Oil Project lease.

The category of Land and Bearer Plants was initially recognised on 1 July 2025 on the termination of the growers' lease (refer notes 7 and 8).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2025

	31 December 2025	30 June 2025
7. BEARER PLANTS		
Bearer plants	-	14,119,273
Movement consists of:		
Bearer plants opening balance	14,119,273	13,711,106
Depreciation of bearer plants		(557,010)
Derecognition	(14,119,273)	-
Fair value gain on bearer plants	-	965,177
	-	14,119,273

Note: The comparative numbers headed 30 June 2025 are as at 30 June 2025. The detail for the comparative six month period ended 31 December 2024 are opening balance \$13,711,106 depreciation of bearer plants (\$274,222) and net fair value gain on bearer plants \$702,497 resulting in a total value of bearer plants at 31 December 2024 of \$14,139,381.

As disclosed in the FY2025 annual financial statements, the consolidated entity has decided to manage the majority of the orchard for its own benefit upon termination of the Victorian Olive Oil Project lease. Consequently, the category of Bearer Plants was derecognised on 1 July 2025 (refer note 6).

8. INVESTMENT PROPERTY

Investment property	-	2,766,535
Movement consists of:		
Investment property opening balance	2,766,535	2,313,860
Net fair value gain investment property	-	452,675
Derecognition	(2,766,535)	-
	-	2,766,535

Note: The comparative numbers headed 30 June 2025 are as at 30 June 2025. The detail for the comparative six-month period ended 31 December 2024 are opening balance of \$2,313,860, net fair gain investment property of 201,140 resulting in a total value of investment property at 31 December 2024 of \$2,515,000.

As disclosed in the FY2025 annual financial statements, the consolidated entity has decided to manage the majority of the orchard for its own benefit upon termination of the Victorian Olive Oil Project lease. Consequently, the category of Investment property was derecognised on 1 July 2025 (refer note 6).

9. LEASE LIABILITY

Current lease liability	9,875	19,342
Non-current lease liability	-	-
Total lease liability	9,875	19,342

The lease liability relates to a lease of office premises with a term to 30 June 2026. Management is in the process of negotiating an extension to the lease on a month-by-month basis but with either party providing 6 months' notice of termination.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2025

10. LOANS AND BORROWINGS	31 December 2025	30 June 2025
<i>Current loans and borrowings</i>		
Secured loan ⁽¹⁾	500,000	500,000
Shareholder loan ⁽²⁾	200,000	200,000
Equipment finance liabilities	90,919	87,806
	790,919	787,806
<i>Non current loans and borrowings</i>		
Secured loan ⁽¹⁾	3,057,500	3,937,500
Shareholder loan ⁽²⁾	700,000	800,000
Equipment finance liabilities	472,283	518,533
	4,229,783	5,256,033
Total loans and borrowings	5,020,702	6,043,839

(1) The secured loan comprises a National Australia Bank Corporate Markets Loan. As at 31 December 2025, this facility has a limit of \$4,567,500 which reduces by \$125,000 every three months. As at 31 December 2025, this facility was drawn to \$3,557,500 and the difference between this amount and the facility limit is available for redraw. The facility expires in April 2028 and at 31 December 2025 the interest rate was 7.01% pa.

(2) The shareholder loan is an advance from a private company associated with Paul Challis, a director of the Company. As at 31 December, this advance was fully drawn to \$900,000. The facility limit reduces by \$50,000 per quarter commencing 1 July 2025. The facility expires on June 2030 and the current interest rate is the greater of 8% or the RBA cash rate plus 5%.

11. RELATED PARTY DISCLOSURES

A member of the consolidated entity, Victorian Olive Oil Project Limited, acts as the responsible entity for two managed investment schemes. The consolidated entity transacts with these schemes in accordance with contracts which are fundamental to the operation of the schemes. Paul Challis is a director of Victorian Olive Oil Project Limited.

Transaction	Note	Transactions value six months ended 31 December		Balance outstanding as at	
		2025 \$	2024 \$	31 Dec 2025 \$	30 June 2025 \$
Scheme					
Victorian Olive Oil Project					
Lease fees	(i)	-	422,148	-	844,334
Management fees	(ii)	-	1,177,459	786,422	2,019,472
Other fees	(iii)	53,381	-	-	-
Victorian Olive Oil Project II					
Costs of operating the project that have been capitalised until harvest	(iv)	233,480	475,279	-	-
Lease and management fees receivable	(ii)	-	-	588,958	1,278,416
Oil purchased	(v)	-	-	(1,067,751)	(893,237)

Notes in relation to the table of key transactions with associated entities

- (i) The consolidated entity receives lease fees in respect to the land, trees and orchard assets which are leased to the schemes. These lease fees are as set out in the scheme constitution and original product disclosure statement.
- (ii) The consolidated entity receives management fees for the management of the orchard and the processing of the annual harvest from the investors in the managed investment schemes as well as for acting as responsible entity. These fees are as set out in the scheme constitution and the original disclosure statement.
- (iii) The consolidated entity received an amount of additional fees from Victorian Olive Oil Project resulting from a reconciliation completed subsequent to the 2025 harvest.
- (iv) Where the management fees set out in (ii) above are subject to a production sharing arrangement, the direct costs incurred in farming this portion of the orchard are capitalised until harvest.
- (v) The consolidated entity sells the oil produced by the investors in the managed investment schemes on their behalf. At the reporting date, the balance outstanding is the amount of proceeds received by the consolidated entity that has still to be paid to investors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2025

	31 December 2025	31 December 2024
12. INCOME TAX		
Income tax benefit	-	175,624

The Directors have not recognised a deferred tax asset to the extent of losses available to the Company. In preparing this interim financial report, the Directors have considered the current circumstances of the Company and are satisfied that, given there is still insufficient certainty about the period over which the tax losses will be recovered, it is appropriate to continue to not recognise the deferred tax asset.

An income tax benefit is recognised to the extent that the increase in the valuation of bearer plants will recoup a portion of the deferred tax losses not previously recognised.

	31 December 2025	30 June 2025
13. ISSUED CAPITAL		
Issued capital		
368,603,712 (June 2025: 368,603,712) fully paid ordinary shares	25,285,850	25,285,850

Movements in ordinary share capital

There was no movement in issued capital for the six-month period ending as at either 31 December 2025 or 30 June 2025.

Options

The Company had no options on issue as at either 31 December 2025 or 30 June 2025.

	31 December 2025	30 June 2025
14. RESERVES		
Foreign currency translation reserve	259,784	259,784
Revaluation surplus reserve	-	5,502,534
	259,784	5,762,318

Foreign currency translation reserve

This reserve is used to record the value of exchange differences arising on translation of the foreign controlled entities. There were no movements in the reserve during the 6 months period (2025: nil).

Revaluation surplus reserve

This reserve is used to recognise increments and decrements in the fair value of bearer plants net of tax. As a consequence of the derecognition of the bearer plant asset, this reserve was transferred to Retained Surplus on 1 July 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2025**14. RESERVES (CONTINUED)***Movement in reserves*

Movements in each class of reserve during the current and previous year are set out below:

Note	Foreign currency translation \$	Revaluation surplus \$	Total \$
Balance as at 30 June 2024	259,784	4,778,651	5,038,435
Revaluation of bearer plants, net of tax	-	723,883	723,883
Balance as at 30 June 2025	259,784	5,502,534	5,762,318
Revaluation of bearer plants, net of tax	-	-	-
Reclassification of Biological Asset Reserve	-	(5,502,534)	(5,502,534)
Balance as at 31 December 2025	259,784	-	259,784

15. SEGMENT INFORMATION*Business segments*

The Company operates in just two segments, that being the management and lease of olive orchard assets as well as the operation of olive orchards for the Company's own benefit. This second segment commenced on 1 July 2025.

Seasonality

As at the end of the financial period, the Company had not recognised any income or expenses related to either of these segments as these will be recognised at the time the annual harvest is completed in June 2026.

16 COMMITMENTS AND CONTINGENT LIABILITIES

The Company does not have any capital commitments or contingent liabilities at balance and reporting dates.

17 EVENTS SUBSEQUENT TO REPORTING DATE

On 23 February 2026, the consolidated entity entered into a Deed of Variation of the 2012 Olive Oil Supply Agreement with Cobram Estate which has the effect of extending the term of the agreement for a period no less than the next five harvests (effective until after the 2030 harvest).

There have been no other matters or circumstances which have arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.



DIRECTORS' DECLARATION

The Board of Directors of Australian Agricultural Projects Limited ("Company") declare that:

1. the financial statements and notes, as set out on pages 7 to 16, of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2025 and of its performance for the six month period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne, Victoria, 26th day of February 2026.

Signed pursuant to 303(5)(a) of the Corporations Act 2001:

Paul Challis
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Australian Agricultural Projects Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Australian Agricultural Projects Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Benjamin Lee', written over a stylized 'BDO' logo.

Benjamin Lee
Director

Melbourne, 26 February 2026