Australian Agricultural Projects Limited

ABN: 19 104 555 455

FINANCIAL REPORT

for the year ended 30 June 2026

Australian Agricultural Projects Limited
ABN: 19 104 555 455

CORPORATE DIRECTORY

Directors

Mr Paul Robert Challis – Managing Director
Mr Anthony Ho – Non-Executive Director
Mr Daniel Stefanetti – Non-Executive Director

Company Secretary

Mr Amos Tan

Principal Place of Business

Suite 19, 456 St Kilda Road
Melbourne VIC 3004

Registered Office

Suite 3, Level 1
4 Riseley Street
Applecross, Western Australia, 6153

Telephone: (61-8) 6389 2688

Auditor

BDO Audit Pty Ltd
Collins Place
Level 25, 35 Collins Street
Melbourne Victoria 3008

Bankers

National Australia Bank
Level 32 / 395 Bourke Street
Melbourne VIC 3000

Solicitor

Blackwall Legal LLP
Level 26,
140 St Georges Terrace
Perth Western Australia 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 17
221 St Georges Terrace
Perth Western Australia 6000

Telephone: (61-8) 9323 2000
Facsimile: (61-8) 9323 2033

Stock Exchange

ASX Limited
Level 40, Central Park
152-158 St George's Terrace
Perth, Western Australia, 6000

ASX Code: AAP

Corporate Governance Statement

www.voopl.com.au/aap-shareholders

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MANAGING DIRECTOR'S LETTER

24 September 2026

Dear Shareholders,

Your Company recorded a profit after tax of $886,870 (2025: $1,960,060) which was in line with management's expectations. This result was largely driven by the value of the 2026 harvest which was completed in the first week of July 2026 and should be considered in the following context:

- The 2026 harvest yielded a total of 639,900 litres (2025: 752,600 litres). This was a pleasing result which was at the top end of management's expectations in what was an "off" year in the biennial production cycle of the orchard;
- This was the first season your Company had farmed a portion of the orchard for its own benefit following the end of the lease which was the foundation of the Victorian Olive Oil Project; and
- Retail olive oil prices continuing to remain strong following the shortage of oil resulting from poor European growing conditions in the 2023 and 2024 seasons.

The Company continues to be a consistently low-cost producer of olive oils. The focus of the Company over the past year has been the improvement of the harvest and processing capability of the business. It was pleasing to see the new control systems in the company-built harvesters and the removal of processing bottlenecks significantly improved the ease of operations during harvest this year.

Resilience in the Company's balance sheet was further improved with the continued reduction in core debt. This year should see the completion of the balance sheet repair following the removal and replanting of forty percent of the Company's orchard in the period from 2018 to 2022. Harvest volumes are now expected to approach those prior to the removal of the barnea trees as the new trees all approach maturity.

The operating and financial reviews on pages 3 to 7 provide further details of the Company's operations for the year.

This year the Company completed a strategic review of the opportunities available to it and concluded that the next strategic priority remains the simplification of the business structure. The Company continues to review the options available to the two projects it manages and the best mechanism by which value can be added to both the investors in these projects and the shareholders of the Company.

The Company continues to rely on a small team which manages the orchard with cost effective results. The Directors recognise their dedication and ongoing efforts and take this opportunity to record their sincere appreciation. The Directors also acknowledge the continued support of our loyal shareholders.

Yours faithfully

PAUL CHALLIS
Managing Director

DIRECTORS' REPORT

The directors present their report together with the financial report of the consolidated entity, being Australian Agricultural Projects Limited (Company) and its subsidiaries, for the financial year ended 30 June 2026 and the auditor's report thereon.

DIRECTORS

The Directors of the Company at any time during the financial year and to the date of this report are:

Mr Paul Challis
Managing Director – Appointed 12 September 2007

Mr Challis is an accountant with more than 20 years' experience in the finance, health and agricultural industries. Mr Challis has been involved with the olive industry, including a term as a director of the Australian olive industry's peak body – the Australian Olive Association, since the planting of the Company's first orchard in 2002. As part of his role as Managing Director, Mr Challis will continue to oversee grove operations.

Mr Anthony Ho
Non-Executive Director – Appointed 30 April 2003

Mr Ho graduated in 1980 with a Bachelor of Commerce from the University of Western Australia and qualified as a Chartered Accountant in 1983. Mr Ho is presently the principal of a firm specialising in providing corporate and financial services to companies listed on the ASX. He is currently a director of two other companies listed on the ASX.

Mr Daniel Stefanetti
Non-Executive Director – Appointed 26 September 2019

Mr Stefanetti graduated in 1998 with a Bachelor of Business from RMIT. He qualified as a Certified Financial Planner in 2006 and is a principal of Grimsey Wealth with over 20 years' experience in providing financial services and supervises their investment team. Mr Stefanetti is a director of a number of unlisted public and proprietary companies.

Mr Amos Tan, B.Com
Company Secretary – Appointed 11 October 2024

Mr Amos Tan graduated with a Bachelor of Commerce majoring in Corporate and Investment Finance from the University of Western Australia. Mr. Tan is an Affiliate of the Governance Institute of Australia and currently an associate of a firm which is principally focused on providing corporate and financial services to companies listed on the ASX.

DIRECTORSHIPS IN OTHER LISTED ENTITIES

Directorships of other listed entities held by directors of the Company during the last 3 years immediately before the end of the year are as follows:

Director	Company	Period of Directorship From	To
Mr P Challis	Nil	-	-
Mr A Ho	Alchemy Resources Limited	2011	Present
	Mustera Property Group Limited	2014	Present
Mr D Stefanetti	Nil	-	-

DIRECTORS' INTERESTS

The relevant interest of each Director in the securities of the Company at the date of this report is as follows:

Director	Ordinary Shares	Options
Mr P Challis	57,951,113	-
Mr A Ho	5,000,002	-
Mr D Stefanetti	73,229,009	-

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of the Board of Directors) and the number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Board Meetings		Nomination and Remuneration Committee Meetings		Audit and Risk Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
Mr P Challis	8	8	N/A	N/A	N/A	N/A
Mr A Ho	8	7	-	-	2	2
Mr D Stefanetti	8	8	-	-	2	2

Committee membership

As at the date of the report, the Company had a Nomination and Remuneration Committee and an Audit and Risk Committee of the Board of Directors. Members acting on the committees of the Board during the financial year were:

Nomination and Remuneration Committee	Audit and Risk Committee
Mr A Ho (Chairman)	Mr A Ho (Chairman)
Mr D Stefanetti	Mr D Stefanetti

PRINCIPAL ACTIVITY

The Company's principal activities are:

- the management of managed investment schemes and other investors' olive groves; and
- the farming of olive groves for the Company's own benefit

All of the olive groves are located near Boort, Victoria.

OPERATING AND FINANCIAL REVIEW

Trading result

The Company recorded a profit after income tax of $886,870 for the year ended 30 June 2026 (2025: $1,960,060), a result which was ahead of management's expectations. The key components of this trading result include:

- The 2026 harvest, which was completed in the first week of July, yielded a total of 639,900 litres (2025: 752,600 litres). This was a pleasing result which was at the top end of management's expectations in what was an "off" year in the biennial production cycle of the orchard.
- This harvest resulted in total revenue from lease and management fees of $1,130,738, derived from the projects the Company manages. This is a reduction from the previous year as the Company now farms, for its own benefit, that portion of the orchard that was previously leased to the first Victorian Olive Oil Project. This is the first year that the Company has farmed any part of the orchard on its own account and it generated a net benefit of $2,362,254.
- Funding costs continued to decrease, being $402,750 compared to $446,271 last year. This is due to structured principal repayments during the year and is a pleasing result despite a period of increasing interest rates.
- Depreciation expense of $879,001 (2025: $784,858) includes depreciation of the olive trees amounting to $564,771 (2025: $557,009).

Cash flows

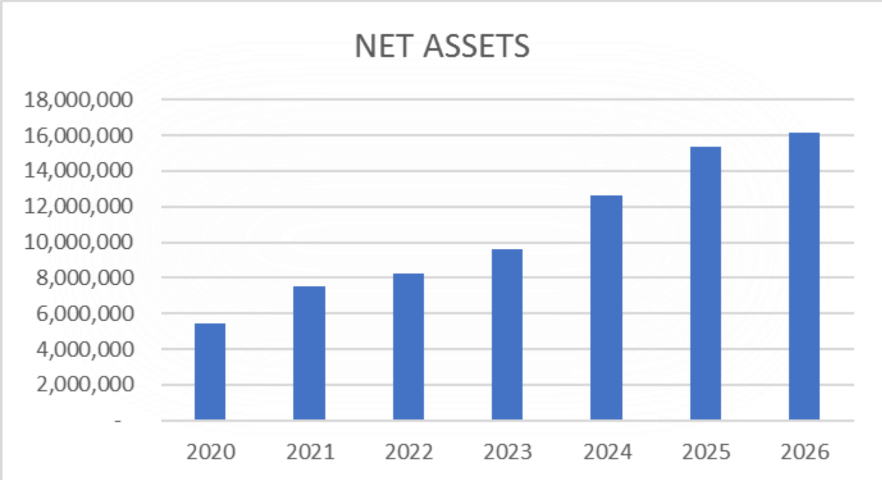
The Company's net cash flows from operations this year amounted to a surplus of $1,593,254 (2025: surplus of $929,850). This result was driven largely by the cash receipts arising from the 2025 harvest.

This surplus was directed towards the purchase of the irrigation interests from the Victorian Olive Oil Project, as well as the overhaul of the control systems on the two Company-owned harvesters. In addition, the Company reduced its loan debt by $539,000.

The Company intends to continue this trend of reducing core Company debt.

Balance sheet

The resilience of the Company's balance sheet continues to improve. This strategic corporate objective is nearing completion after several years involving the raising of fresh equity, the replanting of a large portion of the orchard and the cost of bringing those trees into commercial production, followed by a period of debt reduction. This improvement is reflected in the graph below.



The Directors recognise the practical achievement of the strategic milestone of rebuilding the resilience of the balance sheet following the replanting of approximately 200 hectares of trees after the removal of the Barnea variety. The Company is now reviewing a range of strategic options on how best to use this improved balance sheet for the benefit of shareholders.

The cessation of the lease to Victorian Olive Oil Project has also seen the balance sheet reconfigured. All orchard assets are now classified as property, plant and equipment in fixed assets and depreciated appropriately. One consequence of this is that the fair value of the orchard assets is no longer recorded on the balance sheet. To ensure this information is available to the Company and shareholders, the Directors have a policy of seeking an independent valuation every three years. The next valuation is due in 2027 and will be reported to shareholders.

The olive orchards

Operations

The orchard is in good health following what management considered to be the most efficient harvest in recent years.

The aim of the orchard management team continues to be a low-cost producer of quality extra virgin olive oil. This objective is achieved by performing as much of the orchard maintenance, harvesting and processing in-house, with minimum reliance on external contractors unless specialist skills or equipment are required. Contract labour is used as necessary for the few labour-intensive tasks at the orchard.

The specific objectives for the orchard management team over the last year were:

- The improvement and reliability of the harvesting and processing equipment to ensure that the capacity exists to efficiently deal with the increased crop loads expected over the next few years; and
- Refining the management systems of the replanted portions of the orchard in order to reduce operating costs and risks.

The first of these two objectives was clearly satisfied this year. The overhaul of the control systems on the Company-owned harvesters has significantly improved their reliability and efficiency to such a level that the annual harvest was completed within a reasonable timeframe. Furthermore, the new olive washing machine and conveyors installed in the processing shed removed the principal bottlenecks in the fruit handling system. These two improvements have given the orchard management team the confidence that the business now has the capacity to harvest and process in a timely manner the increased fruit yields expected in the next few years.

Work continues on refining the management systems of the replanted portions of the orchard. These areas are planted at a density of 1,000 trees per hectare compared to the original plantings, which previously were at 333 trees per hectare. Management is confident that managing these higher-density areas will be simpler and less costly than the balance of the orchard, although the training regime for the trees subsequent to reaching maximum canopy has yet to be proven. Interestingly, these high-density trees cropped especially well this season in what was an "off year" at the orchard, following their poor performance in 2025 due to the September 2024 frost event.

Orchard operations were impacted in early March by minor flooding across the orchard resulting in the orchard being largely untrafficable for a short period of time and some trees being under water for several weeks. The flooding did result in water savings as minimal irrigation was required after the flooding and before the preparation for harvest in the middle of April. Climatic conditions for the season were otherwise good, albeit drier than average prior to the March flood and in general, a cooler than average summer and autumn.

This coming year, the focus of the orchard management team will be to:

- Continue refining the management systems of the replanted portions of the orchard in order to reduce operating costs and risks;
- Review and plan the rebuild of the control systems of the irrigation system with a view to simplifying its operation and providing long-term water and energy savings; and
- Expand the inventory of spares carried on site in order to further mitigate the consequences of mechanical failure during the season, and especially during the critical harvest season.

Harvest

The annual harvest was completed in the first week of July and yielded 639,900 litres (2025: 752,600 litres). This harvest result was at the top of management's expectations and should be considered in the following context:

- 2026 was an "off year" in the natural biennial production cycle of olive oil yield;
- A better comparative production year is 2024, in which 551,500 litres were produced, as it was the previous "off year"; and
- There are still 54 hectares of the replanted portion of the orchard that have yet to reach mature production.

The total harvest is summarised as follows:

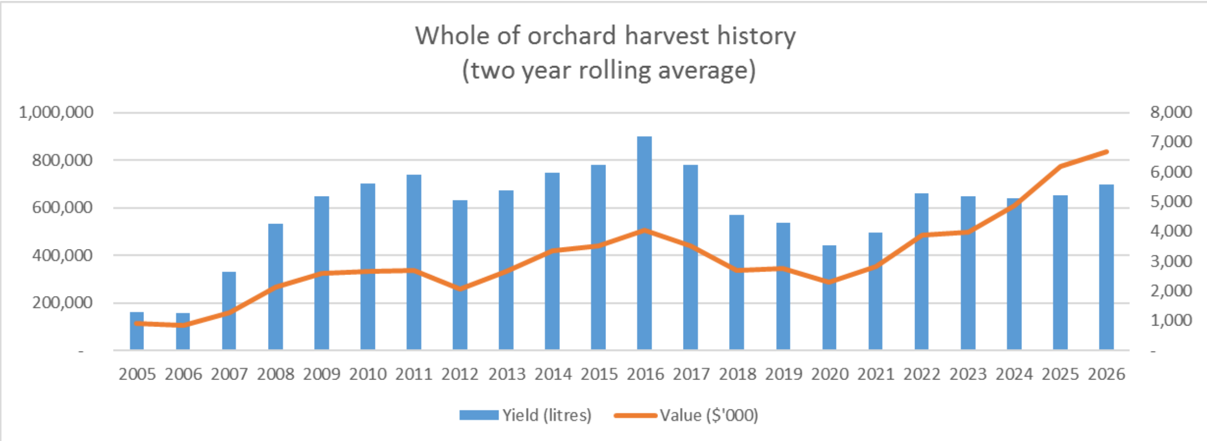
Project	Planted	Size	2026 Harvest (Litres)
Company farmed (Previously VOOP I)	2002	285 hectares	428,100
VOOP II	2003	118 hectares	137,400
Peppercorn	2006	108 hectares	74,400
		Total	**639,900**

Testing of the oil to date has confirmed that the majority of this season's oil produced is of a high quality and will be supplied to Cobram Estate Limited (Cobram) in support of the Cobram Estate and Red Island retail brands of extra virgin olive oil. A small portion of final production, which was limited to several areas that ripened more quickly than other areas of the orchard as a consequence of very light fruit yields, has been classified as virgin olive oil. This grade of oil is now also included under the extended Olive Oil Supply Agreement. In addition, management reports that it has been approached by several other purchasers willing to purchase virgin oil. The team is confident this lower grade oil will be sold.

Of particular interest this year was the yield from that part of the orchard that was impacted by the frost event in September 2024. These trees had a disappointing 2025 harvest but recovered well to become the highest-yielding trees in the orchard.

The cooler-than-average climatic conditions across the season, especially in the period after flowering and fruit set, resulted in lower-than-average oil accumulation in the fruit. Had oil accumulation been closer to the historical average, the orchard management team has estimated that the fruit may have yielded an additional 10–15% more oil.

The Company considers the better way to view the orchard's history is on a two-year rolling average basis, as this averages out the biennial nature of the annual harvests. The graph below summarises the whole orchard's harvests by volume and value of oil produced since the establishment of the orchard.



Orchard management's outlook for the forthcoming harvest, which is expected to be an "on year', is that it should be greater than this year's harvest as well as that of 2025 (the most recent "on year"). The Company is proceeding with an initial harvest budget in the region of 800,000 to 870,000 litres, which will be refined by the orchard team later this year after flowering and fruit set in November. As always, the harvest will depend on general climatic and growing conditions during the season. The Company will continue to report each significant event, such as flowering and fruit set, as well as indicators of oil accumulation through its quarterly reports.

Price

The Company sells its oil through an Olive Oil Supply Agreement with Cobram Estate Limited. 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. The term of this agreement, which was due to expire after the 2025 harvest, has been extended for a minimum of a further five harvests.

The retail shelf price for extra virgin olive oil increased significantly in late 2023 as a consequence of poor harvests in the principal European growing regions – particularly Spain. This resulted in a severe shortage of quality olive oils and bulk prices reached historical highs. Over the past two seasons, the European harvests have normalised and the international bulk price has returned to more normal levels. Management have not yet noticed this change flow through to a significant reduction in the retail shelf price for oil although there has been an increase in promotional activity and onshelf discounting. The management team will continue to monitor these trends.

Operating costs

The operating costs at the orchard for the past year were greater than in previous years, largely due to:

- increased volatility in fertiliser and diesel prices due to continued geopolitical unrest in the major producing regions, specifically Russia and the Middle East;
- increased water prices due to the dry conditions leading to lower-than-normal water allocations; and
- continued upward pressure on the cost of contract labour.

As noted above, the Company strives to be a low-cost producer of extra virgin olive oil, and the management team continues to be highly cost-conscious in the execution of its activities.

MIS Project Leases

The first term of the leases, which are the foundation of the two managed investment schemes operated by the Company, concluded on 1 July 2025, effectively following 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) exercised their option to extend their lease for a further 25-year term.

As a consequence, the lease over the VOOP project has been terminated and the Company has commenced farming this portion of the orchard for its own benefit. This decision required the Company to acquire the residual irrigation interests from growers in the project for an amount of $783,750. This purchase was settled in November 2025 and was funded from operating cash flows. The MIS project will continue to operate until all funds from the 2025 harvest and the sale of the growers' irrigation interests have been distributed. This process includes the annual reconciliation of the volume and price of the oil sold to Cobram Estate which has only recently been completed. 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 licensing regime and compliance costs associated with the operation of a single 118-hectare MIS project are significant and, as a consequence, is again reviewing alternative structures for the project that may be more efficient for both the growers and the Company.

The Biennial production cycle of Olive Trees

An understanding of the biennial nature of production from Olive trees is important to the understanding of our business. Olive trees follow a biennial production cycle alternating between years of high and low fruit yields. We refer to these as "on" and "off" years and the orchard management team plan and design our orchard activities with this variation in mind. The oil produced in any one year is generally sold over the next ten months.

With regard to the portion of the orchard that the Company farms for its own benefit, Australian Accounting Standards require the value of the olive fruit to be recorded at fair value (less the costs to sell) up until the point the fruit is harvested. The difference between this fair value and the production costs incurred is recorded in profit and loss. Prior to harvest, these costs are recorded as a biological asset as the Director's consider that until the point of harvest, there are too many variables to reliably assess the fair value.

These operational circumstances can create volatility in the reported profit and cost of sales not always reflecting the underlying agricultural production costs. Further, as the cash benefit of any one harvest are received in the year after the harvest, the reported operating cash flows in any one year will be influenced by the previous year's harvest and not necessarily the current year's profit.

This summary outlines the various operational and financial implications of the biennial production cycle of Olive oil to augment an understanding of these financial statements.

Material business risks

The Group has set out below potential risks that may have a material impact on the Group's future financial performance and operations.

The Group makes every effort to identify materials risks and where possible, take the appropriate action to manage and mitigate these effectively. This section does not attempt to provide an exhaustive list of risks faced by the Group or by investors in the Group, nor are they in order of significance. Actual events may be different to those described.

The Group's management of material risks and the systems it has in place to manage these risks include the following:

Agricultural risks

This category includes those risks that are inherent to most agricultural businesses and cannot be avoided regardless of management's action and includes adverse growing conditions, damaging events such as fire and flood and market conditions which influence demand, supply and price of the oil we produce.

The Company continues to implement appropriate policies and procedures that have the objective of mitigating the impact of these events where possible. These include insurance where appropriate, orchard design and maintenance as well as long term secure marketing arrangements.

Financial risks

This risk is categorised as an economic risk and is managed through detailed budgeting and forecasting supported by monthly reporting systems.

Financial risk including cashflow management, inventory management and the maturity of core debt facilities are monitored with a view of identifying financial issues as soon as practical so that appropriate mitigating action can be taken in a timely manner.

Cyber risk

This risk is categorised as a business risk and is managed by undertaking regular risk assessments of the exposure to disruption events and the impact of an event on the ability of the Company to operate.

The Company has a focus on prevention and also continues to operate recovery measures as well as raising employee awareness to ensure the integrity of its digital environment.

Regulatory risk

The Company maintains an Australian Financial Services Licence (ASFL) as part of the operation of the two managed investment schemes it operates. There is a business risk that any change to the conditions of the ASFL or the regulatory environment surrounding managed investment schemes may impact the fundamental structure of the projects the business manages.

This risk is mitigated by the Company maintaining a high compliance culture and continually monitoring the regulatory environment it operates in.

People risk

Future financial and operational performance of the Company is dependent on the performance and retention of key personnel. The unplanned or unexpected loss of key personnel, or the inability to attract and retain experienced individuals to the business may adversely affect the Company's future financial performance. This risk is mitigated by continually monitoring market rates and conditions for compensating its personnel and adopting appropriate human resource management and compensation policies to support its people resource.

Impact of legislation and other external requirements

The Board believes that the consolidated entity has adequate systems in place for the management of its environmental regulations and is not aware of any breach of those environmental requirements as they apply to the consolidated entity. There were no changes in environmental or other legislative requirements during the year that have significantly affected the results or operations of the consolidated entity.

Appreciation

As always, the Company continues to rely on a small team which manages the orchard and produces cost effective results. The Directors take this opportunity to record their appreciation for their ongoing efforts as well as the continuing support of our shareholders.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There has not been any significant change in the state of affairs of the consolidated entity during the year.

RESULTS

The consolidated entity reported a profit of $886,870 (2025: $1,960,060) after income tax for the year.

DIVIDENDS

No dividend has been declared or paid by the Company during the year or to the date of this Report.

MATTERS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the year 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The consolidated entity will continue to operate the olive grove at Boort, Victoria as outlined in the Operating and Financial Review.

OPTIONS

The Company has no options on issue as at 30 June 2026 (2025: nil).

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

The Company has agreed to indemnify the current Directors and the company secretary of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors and company secretary of the Company, except where the liability arises out of conduct involving a lack of good faith.

The agreement stipulates that the Company will meet, to the maximum extent permitted by law, the full amount of any such liabilities, including costs and expenses.

Insurance Premiums

The Company paid a premium, during the year in respect of a director and officer liability insurance policy, insuring the Directors of the Company, the company secretary, and all executive officers of the Company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts as such disclosure is prohibited under the terms of the contract.

INDEMNIFICATION AND INSURANCE OF AUDITORS

The Company has not, during or since the financial year indemnified or agreed to indemnify an auditor of the Company or any related body corporate against a liability incurred as an auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

NON-AUDIT SERVICES

No non-audit services were provided by the consolidated entity's auditor, BDO Audit Pty Ltd.

OFFICERS OF THE COMPANY WHO ARE FORMER DIRECTORS OF BDO AUDIT PTY LTD

There are no officers of the Company who are former audit directors of BDO Audit Pty Ltd.

REMUNERATION REPORT

The remuneration report is set out on pages 12 to 18 and forms part of the Directors' Report.

ROUNDING OF AMOUNTS

In accordance with ASIC Legislative Instrument 2026/183, amounts shown in the Directors' report and the financial report have been rounded off to the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 11 and forms part of the Directors' Report.

Dated at Melbourne, Victoria this 24th day of September 2026.

Signed in accordance with a resolution of the Directors, made pursuant to s298(2)(a) of the Corporations Act 2001.

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Paul Challis
Managing Director

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Fax: +61 3 9602 3870
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Level 25, 35 Collins Street
Melbourne VIC 3000
GPO Box 5099 Melbourne VIC 3001
Australia

DECLARATION OF INDEPENDENCE BY STEPHEN ROCHE TO THE DIRECTORS OF AUSTRALIAN AGRICULTURAL PROJECTS LIMITED

As lead auditor of Australian Agricultural Projects Limited for the year ended 30 June 2026, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Stephen Roche
Director

BDO Audit Pty Ltd

Melbourne, 24 September 2026

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the consolidated entity in accordance with the requirements of the *Corporations Act 2001* (**Act**) and its regulations. This information has been audited as required by section 308(3C) of the Act.

For the purposes of this report, key management personnel of the consolidated entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

KEY MANAGEMENT PERSONNEL

The following were key management personnel of the consolidated entity at any time during the financial year and unless otherwise indicated were key management personnel for the entire financial year:

Directors

Name	Position held
Mr P Challis	Managing Director
Mr A Ho	Non-Executive Director
Mr D Stefanetti	Non-Executive Director

Other Key Management Personnel

Name	Position held
Mr Amos Tan	Company Secretary

REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing remuneration policies for the Directors and executives. If necessary, the Nomination and Remuneration Committee obtains independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the consolidated entity. No advice was sought in the past year.

PRINCIPLES OF REMUNERATION

The remuneration structures explained below are competitively set to attract and retain suitably qualified and experienced candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the key management personnel;
- the key management personnel's ability to control the relevant segments performance;
- the consolidated entity's performance including:
    - the consolidated entity's earnings; and
    - the growth in share price and delivering constant returns on shareholder wealth.

REMUNERATION STRUCTURE

In accordance with best practice corporate governance, the structure of non-executive directors' remuneration is clearly distinguished from that of executives.

Non-executive director remuneration

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. Total remuneration for all non-executive directors, last voted upon by shareholders at the 2003 General Meeting, does not to exceed $100,000 per annum. Directors' fees cover all main board activities and membership of committees.

Non-executive directors do not receive any retirement benefits, nor do they receive any performance related compensation. Non-executive directors' fees as at the reporting date are as follows:

Name	Non-executive directors' fees (per annum)
Mr A Ho	$24,000
Mr D Stefanetti	-

Mr Stefanetti, as the representative of the Company's largest shareholder, provided his services as a non-executive director without remuneration.

Executive remuneration

Remuneration for executives is set out in employment agreements. These agreements include the standard terms of employment consistent with the Company's statutory obligations. The Company has the ability to terminate executive employment agreements immediately and without notice where there has been serious misconduct.

Executive directors may receive performance-related compensation but do not receive any retirement benefits, other than statutory superannuation.

Fixed remuneration

Fixed remuneration consists of base compensation as well as employer contributions to superannuation funds.

Fixed remuneration is reviewed by the Nomination and Remuneration Committee through a process that considers individual and overall performance of the consolidated entity. As noted above, the Nomination and Remuneration Committee has access to external advice independent of management.

Other benefits

Key management personnel may receive benefits such as car allowances, and the Company pays fringe benefits tax on these benefits.

Long-term incentives

Long-term incentives (**LTI**) may be provided to key management personnel via the Australian Agricultural Projects Limited Employee Option Scheme (**EOS**). The LTI are provided as options over ordinary shares of the Company to key management personnel based on their position within the consolidated entity. Vesting conditions may be imposed on any LTI grants if considered appropriate, in accordance with the EOS's terms and conditions.

LTI are considered to promote continuity of employment and provide additional incentive to recipients to increase shareholder wealth. Options may only be issued to Directors subject to approval by shareholders in general meeting.

The Company has introduced a policy that prohibits employees and Directors of the consolidated entity from entering into transactions that operate or are intended to operate to limit the economic risk or are designed or intended to hedge exposure to unvested Company securities. This includes entering into arrangements to hedge their exposure to LTI granted as part of their remuneration package. This policy may be enforced by requesting employees and Directors to confirm compliance.

REMUNERATION STRUCTURE (cont'd)

Consequences of performance on shareholder wealth

In considering the consolidated entity's performance and benefits for shareholder wealth, the Directors have regard to the following indices in respect of the current financial year and the previous four financial years:

	2026	2025	2024	2023	2022
Profit/(loss) for the year	$886,870	$1,960,060	$1,254,830	$534,653	$(246,592)
Dividends paid	Nil	Nil	Nil	Nil	Nil
Change in share price	2.9 cents	1.8 cents	1.5 cents	(1.2) cents	0.2 cents
Share price at beginning of the year	4.5 cents	2.7 cents	1.2 cents	2.4 cents	2.2 cents
Share price at end of the year	7.4 cents	4.5 cents	2.7 cents	1.2 cents	2.4 cents
Earnings/(Loss) per share	0.24 cents	0.53 cents	0.37 cents	0.18 cents	(0.08) cents

The overall level of key management personnel's compensation takes account of the performance of the consolidated entity over the past 5 years. As a result, the level of compensation has remained relatively unchanged, other than the increase or decrease in compensation levels due to the appointment or resignation of key management personnel.

There were no performance related remuneration transactions during the financial year (2025: Nil).

USE OF REMUNERATION CONSULTANTS

The Nomination and Remuneration Committee did not engage the services of a remuneration consultant during the year.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2025 ANNUAL GENERAL MEETING

The Remuneration Report for the 2025 financial year received unanimous shareholder support at the 2025 AGM. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

EMPLOYMENT AGREEMENTS

All Directors of the Company are appointed under a letter of appointment. The letters of appointment:

- outlines the components of compensation paid to each executive but does not prescribe how compensation levels are to be modified year to year. Compensation levels are reviewed each year to take into account cost of living changes, any change in the scope of the role performed by the executive and any changes to meet the principles of remuneration.
- are rolling with no fixed term although the consolidated entity retains the right to terminate a position immediately by making payment equal to the termination period in lieu of notice.

The consolidated entity has a service agreement with the Company Secretary who is not a director. The terms of the agreement are open-ended although the consolidated entity retains the right to terminate a contract immediately by making payment equal to the termination period in lieu of notice. The key executives are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

All appointments and agreements are capable of termination between one and three months' notice,

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Details of the nature and amount of each major element of the remuneration of each key management person of the consolidated entity are:

		SHORT TERM		LONG TERM	POST-EMPLOYMENT	SHARE-BASED PAYMENTS			
		Salary & fees $	Other benefits $	Long term benefits[1] $	Superannuation benefits $	Options $	Total $	Proportion of remuneration performance related %	Value of options as proportion of remuneration that is performance related %
Directors									
Non-executive									
Mr A Ho	2026	24,000	-	-	-	-	24,000	-	-
	2025	24,000	-	-	-	-	24,000	-	-
Mr D Stefanetti	2026	-	-	-	-	-	-	-	-
	2025	-	-	-	-	-	-	-	-
Executive									
Mr P Challis	2026	139,994	-	(10,590)	27,568	-	156,972	-	-
	2025	161,532	-	(1,273)	18,576	-	178,835	-	-
Total, all Directors	**2026**	**163,994**	**-**	**(10,590)**	**27,568**	**-**	**180,972**	**-**	**-**
	2025	**185,532**	**-**	**(1,273)**	**18,576**	**-**	**202,835**	**-**	**-**

REMUNERATION REPORT (cont'd)

		SHORT TERM		LONG TERM	POST-EMPLOYMENT	SHARE-BASED PAYMENTS			
		Salary & fees $	Other benefits $	Long term benefits[1] $	Superannuation benefits $	Options $	Total $	Proportion of remuneration performance related %	Value of options as proportion of remuneration that is performance related %
Other key management personnel									
Mr Amos Tan (from October 2024)	2026	30,000	-	-	-	-	30,000	-	-
	2025	22,500	-		-	-	22,500	-	-
Mr Adrian Teo (to October 2024)	2026	-	-	-	-	-	-	-	-
	2025	7,500	-	-	-	-	7,500	-	-
Total, all other key management personnel	**2026**	**30,000**	**-**	**-**	**-**	**-**	**30,000**	**-**	**-**
	2025	**30,000**	**-**	**-**	**-**	**-**	**30,000**	**-**	**-**
Total, all Directors and other key management personnel	**2026**	**193,994**	**-**	**(10,590)**	**27,568**	**-**	**210,972**	**-**	**-**
	2025	**215,532**	**-**	**(1,273)**	**18,576**	**-**	**232,835**	**-**	**-**

Notes:
1 - Long term benefits relate to the change in annual leave and long service leave entitlements from the previous year.

OPTION HOLDINGS BY KEY MANAGEMENT PERSONNEL

There are no options held by Directors or key management personnel (2025: nil).

SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

There have been no changes in Director's shareholdings during the year. The number of shares held by key management personnel are summarised as follows:

	Mr P Challis	Mr D Stefanetti	Mr A Ho
Held at 1 July 2025	57,951,113	73,229,009	5,000,002
Purchases	-	-	-
Other changes	-	-	-
Held at 30 June 2026	57,951,113	73,229,009	5,000,002
Held at 1 July 2024	57,951,113	72,606,576	5,000,002
Purchases	-	622,433	-
Other changes	-	-	-
Held at 30 June 2025	57,951,113	73,229,009	5,000,002

Other key management personnel transactions with the Company or its controlled entities

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of those entities transacted with the Company or its subsidiaries during the financial year. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

			Transactions value year ended 30 June		Balance outstanding as at 30 June	
	Transaction	Note	2026 $	2025 $	2026 $	2025 $
Directors						
Mr A Ho	Secretarial and accounting fees	(i)	20,000	30,000	-	(2,750)
Mr P Challis, Mr D Stefanetti	Management fees	(ii)	(347,745)	(685,204)	349,330	663,628
	Net proceeds on sale of oil	(iii)	664,990	670,937	(723,969)	(793,121)
Mr P Challis	Loan funds paid to / (received from) shareholder	(iv)	200,000	127,000	(800,000)	(1,000,000)
	Interest paid on loans	(v)	79,199	97,332	-	7,735
Mr D Stefanetti	Administration services	(vi)	(12,000)	(12,000)	4,400	2,200

Notes in relation to the table of related party transactions

(i) A company associated with Mr Ho, provides company secretarial services in connection with the operations of the consolidated entity. Mr Ho's association with the company ceased on 16 March 2026.
(ii) The consolidated entity manages an olive orchard for a company in which Mr P Challis is entitled to minority shareholdings (approx. 1.3%). Mr D Stefanetti is a director of the company. The management fees for this project had been calculated in accordance with a production sharing agreement. The fees charged for this project are of a similar amount and nature as the fees charged for management of other projects managed by the consolidated entity.
(iii) The company referred to in (ii) is owed an amount by the consolidated entity being balance of net proceeds of the sale of oil from prior year harvests.
(iv) The consolidated entity entered into a shareholder loan agreement with an entity associated with Mr P Challis (total facility limit amounts to $800,000 (2025: $1,000,000) of which $800,000 was drawn at 30 June 2026 (2025: $1,000,000).
(v) The consolidated entity pays interest in relation to the unsecured shareholder loan agreement referred to in note (iv). Average annual interest rate at 30 June 2026 was 8.76% (2025: 9.25%).
(vi) The Company provides administration services to Grimsey Pty Ltd in support of their accounting for Peppercorn Estate Limited.

SHARE-BASED COMPENSATION

Equity based payments

There were no equity based payments during the year ended 30 June 2026 (2025: Nil).

Employee incentive plan

The Company operates a Company's Employee Incentive Plan ("Plan") which was adopted at the 2021 Annual General Meeting on 29 November 2021 which may be suspended, terminated or amended at any time by the Board. This plan has not been amended since inception. There were no shares issued under this plan during the year (2025: nil).

Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period or the prior period.

End of remuneration report (audited).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2026

	Note	2026 $	2025 $
Total revenue and other income			
Revenue	3	1,130,738	5,595,578
Other revenue	3	50,508	14,130
Net change in fair value of agricultural produce	3	2,362,254	-
		3,543,500	5,609,708
Expenses			
Cost of sales		(947,196)	(2,636,716)
Corporate and administrative expenses		(531,634)	(475,772)
Depreciation and amortisation		(879,001)	(784,858)
Borrowing costs		(402,750)	(446,271)
Revaluation of investment property	12	-	452,675
		(2,760,581)	(3,890,942)
Profit before income tax		**782,919**	**1,718,766**
Income tax benefit	6(a)	103,951	241,294
Profit after income tax		**886,870**	**1,960,060**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
- Revaluation of bearer plants net of tax	11	-	723,883
Total Comprehensive Income attributable to the members of Australian Agricultural Projects Limited		**886,870**	**2,683,943**
Basic earnings per share (cents)	21	0.24	0.53
Diluted earnings per share (cents)	21	0.24	0.53

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

Australian Agricultural Projects Limited
ABN: 19 104 555 455

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2026

	Note	2026 $	2025 $
CURRENT ASSETS			
Cash and cash equivalents	7	210,823	450,567
Trade and other receivables	8	1,291,215	4,899,910
Inventories	9	4,020,116	607,148
Other current assets		149,471	81,307
Total Current Assets		5,671,625	6,038,932
NON-CURRENT ASSETS			
Property, plant & equipment	10	18,414,290	947,070
Right of use asset		-	18,248
Bearer plants	11	-	14,119,273
Investment property	12	-	2,766,535
Deferred tax asset	6(c)	103,951	-
Total Non-Current Assets		18,518,241	17,851,126
TOTAL ASSETS		24,189,866	23,890,058
CURRENT LIABILITIES			
Trade and other payables	13	1,924,288	2,124,847
Lease liability		-	19,342
Employee benefits	14	361,236	356,906
Loans and borrowings	15	852,643	787,806
Total Current Liabilities		3,138,167	3,288,901
NON-CURRENT LIABILITIES			
Loans and borrowings	15	4,819,705	5,256,033
Total Non-Current Liabilities		4,819,705	5,256,033
TOTAL LIABILITIES		7,957,872	8,544,934
NET ASSETS		**16,231,994**	**15,345,124**
EQUITY			
Issued capital	16	25,285,850	25,285,850
Reserves	17	-	5,762,318
Accumulated losses		(9,053,856)	(15,703,044)
TOTAL EQUITY		**16,231,994**	**15,345,124**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Cash receipts in the course of operations including GST		7,284,290	6,104,676
Cash payments in the course of operations including GST		(5,285,677)	(4,639,279)
Interest received		6,154	7,312
Interest paid		(411,513)	(542,858)
Net cash provided by operating activities	25	1,593,254	929,851
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment		-	6,818
Payments for property, plant and equipment		(1,442,165)	(201,454)
Net cash (used in) investing activities		(1,442,165)	(194,636)
Cash flows from financing activities			
Repayment of loan facilities		(539,000)	(882,000)
Proceeds from equipment finance facilities		260,000	221,599
Repayment of equipment finance liabilities		(92,491)	(64,968)
Repayment of lease liability		(19,342)	(17,394)
Net cash (used in) financing activities		(390,833)	(742,763)
Net (decrease) in cash and cash equivalents		(239,744)	(7,548)
Cash and cash equivalents at the beginning of the year		450,567	458,115
Cash and cash equivalents at the end of the year	7	**210,823**	**450,567**

Cash and cash equivalents represented by:		
Cash at bank	210,823	450,567
Cash and cash equivalents in the statement of cash flows	**210,823**	**450,567**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2026

	Issued capital $	Reserves $ (Note 17)	Accumulated losses $	Total $
Balance as at 1 July 2024	**25,285,850**	**5,038,435**	**(17,663,104)**	**12,661,181**
Profit for the year after income tax	-	-	1,960,060	1,960,060
Other comprehensive income for the year	-	723,883	-	723,883
Total comprehensive income for the year	-	723,883	1,960,060	2,683,943
Balance as at 30 June 2025	**25,285,850**	**5,762,318**	**(15,703,044)**	**15,345,124**
Balance as at 1 July 2025	**25,285,850**	**5,762,318**	**(15,703,044)**	**15,345,124**
Profit for the year after income tax	-	-	886,870	886,870
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	886,870	886,870
Transfer to accumulated losses	-	(5,762,318)	5,762,318	-
Balance as at 30 June 2026	**25,285,850**	**-**	**(9,053,856)**	**16,231,994**

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

1. MATERIAL ACCOUNTING POLICY INFORMATION

Reporting entity

The consolidated financial report of Australian Agricultural Projects Limited for the year ended 30 June 2026 was authorised for issue in accordance with a resolution of the Directors on 24th September 2026.

Australian Agricultural Projects Limited (the Company) is a company limited by shares incorporated in Australia whose shares are quoted on the Australian Securities Exchange. The Company combined with its subsidiaries is referred to as the consolidated entity. The registered office for the Company is Suite 3, Level 1, 4 Riseley Street, Applecross, WA 6953 and the principal place of business is Suite 19, 456 St Kilda Road, Melbourne VIC 3004.

Separate financial statements for Australian Agricultural Projects Limited as an individual entity have not been presented within this financial report as permitted by the Corporations Act 2001, however limited financial information for Australian Agricultural Projects Limited as an individual entity is included in Note 26.

The nature of the operations and principal activities of the consolidated entity are described in the Directors' Report.

Basis of preparation

Statement of compliance

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards (AASBs) and interpretations of the Australian Accounting Standards Board as appropriate for profit oriented entities. The consolidated financial report of the consolidated entity also complies with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis of measurement

Except for the cash flow information, the financial report is prepared on the accruals basis and the historical cost basis. There are no financial assets or liabilities which are recorded at fair value. Agricultural produce is measured at fair value. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

Going concern

The financial report has been prepared on the basis of a going concern as the Directors expect the consolidated entity to be in a position to pay its debts as and when they become due for a period of twelve months from the date of this financial report.

Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

(a) Note 3 – Revenue including net change in fair value of agricultural produce;
(b) Note 6 – Recognition of Deferred Tax Assets;
(c) Note 10 - Property, plant and equipment, specifically the estimate of the useful life of bearer plants;
(d) Note 11 – Bearer Plants; and
(e) Note 12 – Investment Property.

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

Adoption of new and revised accounting standards

The consolidated entity has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The adoption of these standards has not had any financial impact.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and interpretations, most relevant to the consolidated entity, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements
The standard replaces IAS 1 'Presentation of Financial Statements' and will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Rounding of amounts

In accordance with ASIC Legislative Instrument 2026/183, amounts shown in the Directors' report and the financial report have been rounded off to the nearest dollar.

Trade and other receivables

Trade receivables are amounts due from customers for goods or services provided or lease fees earned in the ordinary course of business. They are generally due for settlement from the proceeds of sale of the olive oil produced during the period to which the services and lease fees relate and this date is generally within twelve months of reporting date. They are therefore classified as current assets.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue

Biological assets

Olive fruit prior to harvest meets the definition of a biological asset and is valued at cost. The consolidated entity has adopted the point of harvest as being when the value of the olive fruit can be reliably measured at fair value less cost to sell. Subsequent to the point of harvest, the olive fruit is considered to be agricultural produce and is transferred to inventory.

Inventories

Olive oil is produced by the consolidated entity from olive fruit. Olive oil is measured at the lower of cost or net realisable value. This cost is initially the fair value less cost to sell at the point of harvest of the agricultural produce plus any further costs incurred to bring the inventory to its current condition.

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments

Fair values of financial assets and liabilities are determined in accordance with generally accepted pricing models based on estimated future cash flows.

A financial instrument is recognised if the consolidated entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the consolidated entity's contractual rights to the cash flows from the financial assets expire or if the consolidated entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e., the date that the consolidated entity commits itself to purchase or sell the asset. Financial liabilities are derecognised if the consolidated entity's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment, which includes land and bearer plants, are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the consolidated entity and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives are as follows:

Plant and equipment	2.5 to 14 years
Motor vehicles	5 to 10 years
Office furniture and equipment	2.5 to 14 years
Buildings	10 to 25 years
Bearer plants	25 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Bearer Plants

Bearer plants that are not classified as property, plant and equipment are measured annually at fair value.

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1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

Investment Property

Investment properties are measured annually at fair value.

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised at a point in time basis when the control of the goods passes to the customer and the price can be reliably determined so that there will not be a significant reduction in the future.

Rendering of management services

Revenue from the management and ongoing maintenance of the orchard schemes not subject to production sharing is recognised by reference to separate contracts at a point in time. The rates are set at the beginning of the financial year and billed when proceeds from the sale of the produce is available.

Rental Revenue

Revenue from the leasing of investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the period in which it is earned.

Production sharing revenue

Revenue from the production sharing arrangement is earned under lease and management agreements whereby the Company is entitled to an agreed percentage of the crops proceeds. Revenue is recognised once the Consolidated Entity has sufficient information to enable determination with reasonable certainty the value of the Consolidated Entity's share of the oil. This information includes a calculation of the volume of oil available for sale after the harvest and an estimate of the weighted average per litre farm-gate price expected over the next twelve months as advised by customer. Payment is received over the following ten months.

Net change in fair value of agricultural produce

Olives are the primary agricultural produce of the Company. At the time of harvest, the olive fruit has been valued at fair value less the costs to sell. The net gain in fair value of agricultural produce is the difference between the fair value less the costs to sell of the olive fruit harvested and the costs of production.

Interest Revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

Income tax

Tax consolidation

The Company and its wholly-owned Australian resident entities formed a tax-consolidated group on 1 July 2007. As a consequence, all members of the tax-consolidated group are taxed as a single entity from that date. The head entity within the tax-consolidated group is Australian Agricultural Projects Limited.

Deferred tax asset

The consolidated entity recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Tax funding agreement

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding agreement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/asset assumed by the head entity. Amounts are recognised as payable to or receivable by the head entity and each member of the group in relation to any tax liability/asset assumed by the head entity. The intercompany receivable or payable is at call.

The head entity, in conjunction with members of the tax consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between entities of the consolidated group should the head entity default on its tax payment obligations.

Loans and borrowings

Loans are initially recognised at their fair value, subject to set-off arrangements. Borrowing costs are recognised as an expense when incurred.

Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the consolidated entity. Trade accounts payable are normally settled within 60 days.

Determination of fair values

A number of the consolidated entity's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Bearer plants
The fair value of the bearer plants, which are not classified as property, plant and equipment, is based on the discounted cash flows expected to be derived from the plants.

Investment Property
The fair value of the investment property is based on the Directors' assessment of the value of the property having reference to tri annual independent valuations of the investment property.

Agricultural produce
The olive fruit produced at the point of harvest is valued at fair value less costs to sell and forms part of the measurement of inventory cost. To determine the fair value less cost to sell at the point of harvest, the Directors consider the quality of the oil produced from the fruit, the sales channel through which the oil is to be sold, the forecast selling price of oil in that channel and forecast costs to sell.

2. FINANCIAL RISK MANAGEMENT

Overview

The consolidated entity has exposure to the following risks from the use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the consolidated entity's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included in Note 19.

The Consolidated Entity's risk management framework is supported by the Board, management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the consolidated entity's risk management strategy and policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk. The Audit and Risk Committee is responsible for identifying, monitoring and managing significant business risks faced by the consolidated entity and considering the effectiveness of its internal control system. Management and the Audit and Risk Committee report to the Board.

The Board has established an overall Risk Management Policy which sets out the consolidated entity's system of risk oversight, management of material business risks and internal control.

Financial risk management objectives

The overall financial risk management strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on financial performance and protect future financial security.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and commodity prices will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

Price risk

The consolidated entity's exposure to price risk primarily relates to the market price of olive oil. The consolidated entity manages price risk by monitoring its supply agreements and assessing those price arrangements against current and market prices.

Foreign currency risk

The consolidated entity is not exposed to currency risk on transactions that are denominated in a currency other than the Australian dollar (AUD) as part of its ordinary operations.

Interest rate risk

The consolidated entity's exposure to interest rates primarily relates to the consolidated entity's long-term debt obligations. The consolidated entity manages market risk by monitoring levels of exposure to interest rate risk and assessing market forecasts for interest rates.

2. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the consolidated entity's cash and cash equivalents.

The consolidated entity does not hold any credit derivatives to offset its credit exposure.

Interest rate risk

The consolidated entity's exposure to interest rates primarily relates to the consolidated entity's long-term debt obligations. The consolidated entity manages market risk by monitoring levels of exposure to interest rate risk and assessing market forecasts for interest rates.

Trade and other receivables

The consolidated entity's exposure to credit risk is influenced principally by the ability to collect fees from the participants in the projects it manages.

The consolidated entity's current policy is to only invoice fees once an equivalent amount of oil has been harvested. In this way the collectability of fees is linked to the sale of the bulk oil and this has been secured under the olive oil supply agreement with Cobram Estate Limited (ASX:CBO). Due to the critical nature of this agreement to the consolidated entity, management monitors the financial reporting and various announcements by Cobram Estate Limited to ASX.

The consolidated entity's policy in respect to receivables not covered by oil supplies is to only recognise those balances that it expects to recover from the proceeds of the sale of future harvests. The consolidated entity has not sourced new customers or projects to manage and therefore there is no new credit risk to the consolidated entity.

Liquidity risk

Liquidity risk arises from the financial liabilities of the consolidated entity and the consolidated entity's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has determined 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 and continuously monitoring budgeted and actual cash flows. This is done in the context of an annual forecast and projected inventory levels.

Capital management

When managing capital, the Board's objective is to ensure the consolidated entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the consolidated entity.

The Board is constantly adjusting the capital structure to take advantage of favorable costs of capital or high return on assets. As the market is constantly changing, Directors' may issue new shares, sell assets to reduce debt or consider deferment of payment of dividends to shareholders.

The Board has no current plans to issue further shares on the market.

The capital structure of the consolidated entity consists of net debt (borrowings as detailed in Note 19, offset by cash and cash equivalents) and equity of the consolidated entity (comprising issued capital, reserves and retained earnings).

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels. This position has not changed from the previous year.

There were no changes in the consolidated entity's approach to capital management during the year.

The consolidated entity is not subject to any externally imposed capital requirements.

3. REVENUE

	2026 $	2025 $
Revenue from continuing operations		
Management fees	12,000	2,136,228
Lease fees from the investment property	-	844,334
Production sharing	1,118,738	2,615,016
	1,130,738	5,595,578
Other revenue		
Interest received	6,119	7,312
Gain on sale of assets	-	6,818
Other income	44,389	-
	50,508	14,130
Net change in fair value of agricultural produce		
Net increase in fair value of agricultural produce	2,362,254	-
	2,362,254	-
	3,543,500	**5,609,708**

Production sharing revenue includes lease and management fees that are determined as a percentage of the total value of the annual harvest.

The value of the current year's harvest includes estimates of the volume of oil lost due to settlings in storage and of the farm gate price which will be achieved over the twelve months following the completion of harvest as set out in the supply agreement. Revenue also includes a reconciliation of the actual volume of oil sold and the actual farm gate price achieved for the previous year's harvest with the previous year's estimates. In 2026 this reconciliation amounted to $117,496 (2025: $123,861).

Olives are the primary agricultural produce of the Company. At the time of harvest, the olive crop has been valued at fair value and a fair value gain has been recognised as the difference between the fair value and the costs of production. The Directors consider the quality of the oil produced from the fruit, the sales channel through which the oil is to be sold, the forecast selling price of oil in that channel and forecast costs to sell when determining the fair value of agricultural produce.

4. PERSONNEL EXPENSES

	2026 $	2025 $
Wages and salaries costs	838,432	841,274
Superannuation costs	101,549	93,689
Change in liability for annual and long service leave	4,331	9,850
Non-executive directors' fees	24,000	24,000
	968,312	968,813

In 2026, $273,417 (2025: $794,938) of personnel expenses were allocated to cost of sales, $552,643 (2025: $0) to the net gain in fair value of agricultural produce, with the remaining balance of $142,252 (2025: $173,875) included in corporate and administrative expenses.

5. AUDITOR'S REMUNERATION
Audit services

	2026 $	2025 $
Auditors of the Company (BDO Audit Pty Ltd)		
- audit and review of financial reports	114,500	110,000
- audit and review of other financial statements	68,000	63,800
	182,500	173,800

The auditors provided no other services.

6. INCOME TAX

(a) Income tax

The major components of income tax are:

Income statement

		2026 $	2025 $
Current income tax charge/(benefit)	Note 6(b)	197,327	(241,294)
Initial recognition of deferred tax asset	Note 6(d)	(301,278)	-
Income tax benefit reported in the statement of comprehensive income		(103,951)	(241,294)

(b) Numerical reconciliation between tax credit and pre-tax net loss

	2026 $	2025 $
Profit before income tax	782,919	1,718,766
Income tax expense calculated at 25.0%.	195,730	429,692
Tax effect on the following amounts:		
Non-deductible expenditure	2,047	657
Depreciation entitlement attached to fixed assets	-	(1,849)
Capital raising costs	(450)	(1,382)
Unrecognised tax losses and temporary differences recouped	-	(668,412)
Income tax charge/(benefit)	197,327	(241,294)
Reconciliation of unrecognised tax losses and temporary differences recouped		
Unrecognised tax loses and temporary differences recouped from net profit	-	427,118
Unrecognised tax loses and temporary differences recouped from revaluation of bearer plants	-	241,294
Total unrecognised tax losses and temporary differences recouped	-	668,412

(c) Deferred tax asset

	2026 $	2025 $
Deferred tax assets comprise the following items:		
Tax losses - Revenue	2,526,382	-
Temporary differences	109,491	-
Tax liability on sale of assets	(2,531,922)	-
Unrecognised deferred tax asset	103,951	-
Movement consists of:		
Opening balance	-	-
Initial recognition of deferred tax asset	301,278	-
Current year income tax charge	(197,327)	-
Closing balance	103,951	-

6. INCOME TAX (CONTINUED)

(d) Unrecognised deferred tax assets and liabilities

	2026 $	2025 $
Deferred tax assets and liabilities have not been recognised in respect of the following items:		
Tax losses - Revenue	-	2,252,255
Temporary differences	-	692,477
Tax liability on sale of assets	-	(2,590,527)
Unrecognised deferred tax asset	-	354,205
Movement consists of:		
Opening balance	354,205	1,007,406
Current year tax losses and temporary differences recouped	-	(668,412)
Correction to prior year balance	(52,927)	15,211
Deferred tax asset recognised	(301,278)	-
Closing balance	-	354,205

The Directors have determined that, as a consequence of the improved sale price for olive oil and the recovery of orchard production following the replanting of a large portion of the orchard, the conditions for recognition of deferred tax assets set out in the accounting policies have been met.

7. CASH AND CASH EQUIVALENTS

	2026 $	2025 $
Cash at bank	210,823	450,567
	210,823	450,567

The consolidated entity's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 21.

8. TRADE AND OTHER RECEIVABLES

	2026 $	2025 $
Trade receivables	1,291,215	4,945,366
Estimated credit loss	-	(45,456)
	1,291,215	4,899,910

The consolidated entity's exposure to credit and currency risks and impairment losses related to trade and receivables are disclosed in Note 21.

Management have estimated a credit loss at 30 June 2026 of nil (2025: $45,456). The full amount of the estimated credit loss identified at 30 June 2025, which related to balances owed by growers in Victorian Olive Oil Project, was written off during the year.

90.3% (2025: 97.4%) of trade receivables relate to management and lease fees the consolidated entity has earned over the past twelve months from the growers in the projects which the consolidated entity manages. These fees are paid from the proceeds of the sale of the produce from the annual harvest. As the produce is sold progressively over the ten months following the harvest, the amount receivable is received over the period.

9. INVENTORIES

	2026 $	2025 $
Olive oil	4,020,116	607,148
	4,020,116	607,148

The principal input to the olive oil produced by the Consolidated Entity is the olive fruit. Olive fruit, which has been harvested from the Consolidated Entity's orchard, meets the definition of a biological asset at the time of harvest and is valued at fair value less cost to sell. The other inputs into the cost of olive oil include the cost of harvesting and processing the fruit into olive oil.

The increase in the level of inventories at 30 June 2026 is because 2026 is the first year the consolidated entity has farmed a portion of the land and bearer plants for its own benefit.

10. PROPERTY, PLANT & EQUIPMENT

Year ended 30 June 2026	Plant & equipment	Motor vehicles	Land & Bearer Plants	Irrigation Equipment	Buildings	Total
At 1 July 2025, net of accumulated depreciation	260,641	534,314	-	-	152,115	947,070
Additions	572,710	85,705	-	783,750	-	1,442,165
Initial recognition	-	-	16,885,808	-	-	16,885,808
Depreciation charge for the year	(60,215)	(158,759)	(564,771)	(46,154)	(30,854)	(860,753)
At 30 June 2026, net of accumulated depreciation	773,136	461,260	16,321,037	737,596	121,261	18,414,290
At 30 June 2026						
Cost	4,861,522	1,363,838	16,885,808	783,750	1,061,417	24,956,335
Accumulated depreciation	(4,088,386)	(902,578)	(564,771)	(46,154)	(940,156)	(6,542,045)
Net carrying amount	773,136	461,260	16,321,037	737,596	121,261	18,414,290

Year ended 30 June 2025	Plant & equipment	Motor vehicles	Land & Bearer Plants	Irrigation Equipment	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.

Restrictions on property plant and equipment

Where motor vehicles were purchased using equipment finance, then the financier has a charge over that vehicle until such time as the finance is repaid. This charge amounts to $773,848 at 30 June 2026 (2025: $606,339).

All buildings are included in the security provided to the Company's bank in support of the term loan which has been provided to the consolidated entity.

11. BEARER PLANTS

		2026 $	2025 $
Olive trees		-	14,119,273
Movement consists of:			
Bearer plants opening balance		14,119,273	13,711,106
Depreciation		-	(557,010)
Derecognition		(14,119,273)	-
Change in fair value of bearer plants		-	965,177
		-	14,119,273
Reconciliation of Change in fair value of bearer plants			
Other comprehensive income net of tax		-	723,883
Tax losses and temporary differences recouped	(Note 6(b))	-	241,294
		-	965,177

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 10).

12. INVESTMENT PROPERTY

	2026 $	2025 $
Land	-	2,766,535
Movement consists of:		
Investment property opening balance	2,766,535	2,313,860
Derecognition	(2,766,535)	-
Net fair value gain investment property	-	452,675
	-	2,766,535

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 10).

13. TRADE AND OTHER PAYABLES

Current

	2026 $	2025 $
Trade payables	1,854,005	2,040,215
Other payables and accruals	70,283	84,632
	1,924,288	2,124,847

14. EMPLOYEE BENEFITS

	2026 $	2025 $
Provision for employee benefits	361,236	356,906
	361,236	356,906

The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The amount of the provision of $361,236 (2025: $356,906) is presented as current since the consolidated entity does not have an unconditional right to defer settlement for any of these obligations. However, based upon past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The current leave obligations expected to be settled within the next 12 months is $41,266 (2025: $41,731).

The entitlements are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

15. LOANS AND BORROWINGS

This note provides information about the contractual terms of the consolidated entity's interest-bearing loans and borrowings. For more information about the consolidated entity's exposure to interest rate risk, see Note 21.

	2026 $	2025 $
Current		
Equipment finance liabilities	152,643	87,806
Secured bank loan	500,000	500,000
Unsecured loan facilities with related parties (Note 22(e))	200,000	200,000
	852,643	787,806
Non-current		
Equipment finance liabilities	621,205	518,533
Secured bank loan	3,598,500	3,937,500
Unsecured loan facilities with related parties (Note 22(e))	600,000	800,000
	4,819,705	5,256,033

Terms of loans and borrowings

Equipment finance facilities

The equipment finance facility amounts to $1,000,000 of which $773,848 was drawn at 30 June 2026. Each amount advanced is secured by the financed asset, as such in the event of default, the assets revert to the financier. These assets are included in the category Motor Vehicles and Plant and Equipment.

Equipment finance liabilities of the consolidated entity are payable as follows:

	2026 Minimum payments	2026 Interest	2026 Principal	2025 Minimum payments	2025 Interest	2025 Principal
Less than one year	202,427	49,784	152,643	127,381	39,575	87,806
Between one and five years	690,995	69,790	621,205	599,493	80,960	518,533
Later than 5 years	-	-	-	-	-	-
	893,422	119,574	773,848	726,874	120,535	606,339

Terms of loans and borrowings (continued)

Secured bank loan

The secured bank facility was drawn in May 2022. This loan is summarised as follows:

- Amount: Facility amount of $4,317,500 drawn to $4,098,500 at 30 June 2026;
- Interest rate: Variable interest rate being BBSY plus 2.35% (plus facility fee of 0.95%) per annum;
- Term: 30 April 2028;
- Amortisation: Quarterly reductions of $125,000 in the facility limit; and
- Covenants: No financial covenants other than quarterly compliance and management reporting.

Unsecured loan facilities

The unsecured loan facilities have the following interest rates and repayment dates:

- Amount: $800,000 with principal reductions of $50,000 per quarter;
- Interest rate Variable interest rate being the greater of the RBA cash rate plus 5% or a set rate being 8.0%;
- Term: 30 June 2030
- Drawn: Fully drawn as at 30 June 2026

The unsecured loan facility is from a party associated with shareholders.

Assets pledged as security

The secured bank loan is secured by a first registered mortgage over rural property situated at Wytchitella Road, Boort, Victoria.

	2026 $	2025 $
16. ISSUED CAPITAL		
Issued capital		
368,603,712 (2025: 368,603,712) fully paid ordinary shares	25,285,850	25,285,850

Movements in ordinary share capital
There were no movements in the number of issued shares during the year or the previous year

Options
The Company had no options on issue as at 30 June 2026 (2025: nil).

17. RESERVES	2026 $	2025 $
Foreign currency translation reserve	-	259,784
Revaluation surplus reserve	-	5,502,534
	-	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. On 30 June 2026, the balance of this reserve was transferred to accumulated losses as the consolidated entity no longer has any foreign operations.

Revaluation surplus reserve

This reserve is used to recognise increments and decrements in the fair value of bearer plants net of tax. On 1 July 2025, the balance of this reserve was transferred to accumulated losses as the category of bearer plants was derecognised due to the consolidated entity deciding to manage the majority of the orchard for its own benefit upon termination of the Victorian Olive Oil Project lease.

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	11	-	723,883	723,883
Balance as at 30 June 2025		259,784	5,502,534	5,762,318
Transfer of accumulated losses		(259,784)	(5,502,534)	(5,762,318)
Balance as at 30 June 2026		-	-	-

18. FINANCIAL INSTRUMENTS DISCLOSURE

Market risk

Exposure to foreign currency risk
The consolidated entity has no material exposure to foreign currency risk (2025: nil).

Price risk
The consolidated entity is not exposed to any significant price risk (2025: nil).

Interest rate risk

(a) Profile

At the reporting date the interest rate profile of the consolidated entity's interest bearing financial instruments was:

	Carrying Amount			
	2026		**2025**	
	Interest rate p.a.	**$**	**Interest rate p.a.**	**$**
Fixed rate instruments				
Equipment finance liabilities	(i) 7.07%	773,848	(i) 6.99%	606,339
		773,848		606,339
Variable rate instruments				
Secured bank loans	7.81%	4,098,500	7.08%	4,817,500
Unsecured loans	9.35%	800,000	8.85%	1,000,000
		4,898,500		5,817,500
Interest free instruments				
Trade and other payables		1,924,288		2,124,847
		7,596,636		8,548,686

(i) Weighted Average

(b) Cash flow sensitivity for variable rate instruments

The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the consolidated entity to interest rate risk. Borrowings issued at fixed rates expose the consolidated entity to fair value risk.

The consolidated entity's variable rate borrowings at reporting date amounted to $4,898,500 (2025: $5,817,500) are principal and interest loans. Monthly cash outlays of approximately $91,228 (2025: $94,132) are required to service the principal and interest payments on these variable rate borrowings. An increase / decrease in interest rates of 100 (2025: 100) basis points would have an adverse / favourable effect on profit after tax of $50,985 (2025: $58,175) per annum and an adverse / favourable impact on total equity of $50,985, (2025: $58,175). The percentage change is based on the expected change in interest rates over the next twelve months using market data and analysts forecasts.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

	Carrying Amount	
	2026	**2025**
	$	**$**
The financial assets are:		
Cash and cash equivalents	210,823	450,567
Trade receivables	1,291,215	4,899,910
	1,502,038	5,350,477

Management estimates the credit loss at 30 June 2026 to be $nil (Note 8) (2025: $45,456).

18. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

Credit risk (continued)

The consolidated entity has a credit risk exposure to the investors in the projects it manages who collectively, as at 30 June 2026, owed the consolidated entity $1,166,318 (90.3% of trade receivables) (2025: $4,798,239 (97.9% of trade receivables)). These receivables arise from the management of the investor's projects and lease fees for the orchard assets and primarily relate to the year ended 30 June 2026. The consolidated entity expects to collect $1,123,492 (2025: $4,770,898) of this amount by way of a deduction from the proceeds of the sale of the investors' oil over the next twelve months. The balance of $42,826 (2025: $27,340) will be collected by way of deduction from future harvest proceeds or by way of equity in the projects should they be restructured.

Management considers the following factors indicators of significant increase in credit risk:

- With regard to grower lease and management fees to be deducted from the proceeds of sale of the oil produced, when the proceeds due are more than 30 days past due from the terms set out in the olive oil supply agreement;
- For grower receivables that the Consolidated Entity holds security over through either future harvest proceeds or the growers lease, a shortfall in this security; and
- For all other amounts receivable, when the amount is more than 60 days past due.

Liquidity risk

Liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements
Unused borrowing facilities at the reporting date:

	2026		2025	
	Facility amount	**Unused portion**	**Facility amount**	**Unused portion**
Secured bank loans	4,317,500	219,000	4,817,500	-
Unsecured loans	800,000	-	1,000,000	-
Equipment finance	1,000,000	226,152	1,000,000	393,661
Trade finance facility	315,000	315,000	-	-
	6,432,500	760,152	6,817,500	393,661

18. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

Liquidity risk (continued)

Contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position. Where the financial liability has a variable interest rate, the contractual payments are calculated using the interest rate applicable at 30 June 2026.

30 June 2026	**1 year or less**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total contractual maturities**
Non-interest bearing				
Trade and other payables	1,924,288	-	-	1,924,288
Interest bearing – fixed rate				
Equipment finance liabilities	202,429	202,429	488,173	893,031
Lease liability	-	-	-	-
Interest bearing – variable rate				
Secured loans	819,299	4,053,752	-	4,873,051
Unsecured loans	266,229	247,529	438,958	952,716
	3,212,245	4,503,710	927,131	8,643,086

30 June 2025				
Non-interest bearing				
Trade and other payables	2,124,847	-	-	2,124,847
Interest bearing – fixed rate				
Equipment finance liabilities	127,381	127,381	475,160	729,922
Lease liability	20,123	-	-	20,123
Interest bearing – variable rate				
Secured loans	797,950	762,550	3,629,250	5,189,750
Unsecured loans	278,533	256,667	674,000	1,209,200
	3,348,834	1,146,598	4,778,410	9,273,842

Fair value of financial instruments

Fair values of financial assets and liabilities are determined in accordance with generally accepted pricing models based on estimated future cash flows.

The fair values of financial assets and liabilities are determined in accordance with generally accepted pricing models based on estimated future cash flows. The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

19. FAIR VALUE MEASUREMENT

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

2026	**Level 1**	**Level 2**	**Level 3**	**Total**
Bearer plants	-	-	-	-
Investment property	-	-	-	-
	-	-	-	-

2025	**Level 1**	**Level 2**	**Level 3**	**Total**
Bearer plants	-	-	14,119,273	14,119,273
Investment property	-	-	2,766,535	2,766,535
	-	-	16,885,808	16,885,808

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair value.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	Bearer plants	**Investment property**	**Total**
Balance at 1 July 2024	13,711,106	2,313,860	16,024,966
Gains recognised in profit or loss	-	452,675	452,675
Gains recognised in other comprehensive income before tax (note 11)	965,177	-	965,177
Depreciation	(557,010)	-	(557,010)
Balance at 30 June 2025	14,119,273	2,766,535	16,885,808
Reclassified to property, plant and equipment (notes 10, 11 and 12)	(14,119,273)	(2,766,535)	(16,885,808)
Balance at 30 June 2026	-	-	-

20. CONTINGENT ASSETS

The consolidated entity leases out a portion of the land and bearer trees. The lease payments from this property are directly linked to the value of the agricultural production each year and as a consequence, the Directors cannot measure the future receivables with reliable certainty.

21. EARNINGS PER SHARE

	2026	2025
Basic earnings per share	0.24 cents	0.53 cents
Diluted earnings per share	0.24 cents	0.53 cents

Basic earnings per share

The calculation of basic earnings per share at 30 June 2026 was based on the net profit after income tax of $886,870 (2025: $1,960,060) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2026 of 368,603,712 (2025: 368,603,712).

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2026 was based on the profit to shareholders of $886,870 (2025: $1,960,060) and the weighted average number of fully diluted ordinary shares of 368,603,712 (2025: 368,603,712).

22. RELATED PARTY DISCLOSURES

(a) Controlled entities

The consolidated financial statements include the financial statements of Australian Agricultural Projects Limited and the subsidiaries listed in the following table:

	Country of Incorporation	Equity interest 2026	Equity interest 2025
AOX Pty Ltd	Australia	100%	100%
Australian Agricultural Investments Ltd	Australia	100%	100%
Victorian Olive Oil Project Limited	Australia	100%	100%
Popeye Holdings Pty Ltd	Australia	100%	100%
Lanyons Paddock Pty Ltd	Australia	100%	100%
Terrapee Contractors Pty Ltd	Australia	100%	100%
Victorian Olive Processors Pty Ltd	Australia	100%	100%
EVOO Marketing Pty Ltd	Australia	100%	100%
Finest Food Import Corporation	USA	100%	100%
AAP Export Pty Ltd	Australia	100%	100%
Oilpack Australia Pty Ltd	Australia	100%	100%
Red Island Australian Food Corporation	USA	100%	100%

Investments in controlled entities are measured at cost.

(b) Ultimate parent

Australian Agricultural Projects Limited is the ultimate parent of the consolidated entity.

22. RELATED PARTY DISCLOSURES (CONTINUED)

(c) Key management personnel

The Company has entered into a loan agreement with an entity related to Mr P Challis. Details of these loans are set out in Note 22(e). Detailed remuneration disclosures are provided in the Remuneration Report on pages 12 to 18.

(d) Key transactions with related parties

	Transaction	Note	Transactions value year ended 30 June 2026 $	2025 $	Balance outstanding as at 30 June 2026 $	2025 $
Schemes		(a)				
Victorian Olive Oil Project	Lease fees	(i)	-	844,334	-	844,334
	Management fees	(ii)	-	2,700,516	-	2,019,472
	Purchase of irrigation interests	(iii)	783,750	-	-	-
Victorian Olive Oil Project II	Lease fees as part of production sharing	(i)	321,247	563,969	322,537	510,735
	Management fees as part of production sharing	(ii)	449,746	789,556	504,278	767,681
	Oil sold	(iv)	-	-	814,060	893,237

(a) 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. The lease for the land, trees and water that was the foundation asset of the first Victorian Olive Oil Project expired on 1 July 2025. Paul Challis is a director of Victorian Olive Oil Project Limited.

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 acquired the irrigation system interests retained by the growers in the Victorian Olive Oil Project after the growers' lease agreements expired.

(iv) The consolidated entity sells the oil produced by the investors in the managed investment schemes on their behalf. At reporting date, the balance outstanding is the amount of proceeds received by the consolidated entity that is payable to the investors.

(e) Loans from director related parties

The Company has obtained a financing facility from an entity associated with Mr P Challis. The total facility amount is $800,000 (2025: $1,000,000) which was fully drawn at 30 June 2026 (2025: $1,000,000). The facility expires 30 June 2030 with principal reductions of $50,000 per quarter. The annual interest rate payable on the facility is the greater of 8% or the 30 day RBA cash rate plus 5%. The finance facility is unsecured.

The maturity profile of drawn loans at 30 June 2026 is as summarised as follows:

	Carrying amount	At call	1 year or less	1-2 years	2-5 years
Mr P Challis	800,000	-	200,000	200,000	400,000
	800,000	-	200,000	200,000	400,000

23. KEY MANAGEMENT PERSONNEL

Details of key management personnel

The following were key management personnel of the consolidated entity at any time during the year and unless otherwise indicated were key management personnel for the entire year:
- Mr P Challis (Managing Director)
- Mr A Ho (Non-Executive Director)
- Mr D Stefanetti (Non-Executive Director)
- Mr Amos Tan (Company Secretary)

Key management personnel compensation	Consolidated	
	2026	2025
	$	$
Short-term employee benefits	193,994	215,532
Post-employment benefits	27,568	18,576
Long term benefits	(10,590)	(1,273)
	210,972	232,835

The Consolidated Entity has entered into loan agreements with entities related to Mr P Challis. Details of these loans are set out in Note 26(e).

Detailed remuneration disclosures are provided in the Remuneration Report on pages 12 to 18.

24. SEGMENT INFORMATION

Business segments

Identification of reportable operating segments
The Consolidated Entity only operates in one segment, being the farming and management of olive groves located in Boort, Victoria.

Major Customers
The Consolidated Entity currently generates its management and lease fee revenue from a managed investment scheme, Victorian Olive Oil Project II (ASRN 106 286 560) and management fees from one corporate project operated by Peppercorn Estate Limited. In earning these management fees, the Consolidated Entity is responsible for the sale of the olive oil produced.

The Consolidated Entity sells all of the olive oil produced from its own farming operations as well as all of the olive oil produced by Victorian Olive Oil Project II and Peppercorn Estate Limited exclusively with Cobram Estate Limited through an Olive Oil Supply Agreement.

25. RECONCILIATION OF CASH FLOWS PROVIDED BY OPERATING ACTIVITIES

	2026 $	2025 $
Cash flows from operating activities		
Profit for the year	886,870	1,960,060
Adjustments for:		
Depreciation	879,001	784,858
Gain on sale of assets	-	(6,818)
Revaluation of investment property	-	(452,675)
Income tax benefit	-	(241,294)
Change in trade and other receivables	3,608,695	(616,655)
Change in inventories	(3,412,968)	(47,902)
Change in other assets	(68,164)	(15,277)
Change in deferred tax asset	(103,951)	-
Change in employee entitlements	4,330	9,850
Change in trade and other payables	(200,559)	(444,296)
Net cash provided by operating activities	1,593,254	929,851

26. PARENT ENTITY INFORMATION

The following details information related to the parent entity, Australian Agricultural Projects Limited as at 30 June 2026. The information presented has been prepared using accounting policies as disclosed in Note 1 with the additional policy that investments in subsidiaries are recorded at the lower of cost or net realisable value.

(a) Summarised parent statement of financial position

	Company	
	2026	**2025**
	$	**$**
Current assets	2,001,109	1,646,877
Non current assets	10,717,557	10,717,065
TOTAL ASSETS	12,718,666	12,363,942
Current liabilities	3,450,375	3,123,264
Non current liabilities	600,000	800,000
TOTAL LIABILITIES	4,050,375	3,923,264
NET ASSETS	**8,668,291**	**8,440,678**
EQUITY		
Contributed equity	25,285,850	25,285,850
Accumulated losses	(16,617,559)	(16,845,172)
TOTAL EQUITY	**8,668,291**	**8,440,678**

(b) Summarised parent statement of comprehensive income

Comprehensive income / (loss) of parent entity	227,613	170,098

(c) Parent entity contingent liabilities

There are no contingent liabilities as at 20 June 2026.

(d) Parent entity contingent liabilities

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

(e) Tax consolidation

The company and its wholly-owned Australian resident entities are members of a tax-consolidated group under Australian law. The company is the head entity within the tax-consolidated group.

27. COMMITMENTS AND CONTINGENT LIABILITIES

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

28. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no matters or circumstances which have arisen since 30 June 2026 that have significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT
for the year ended 30 June 2026

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. The CEDS includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Name of entity	Type of entity	Trustee, partner or participant in joint venture	% of share capital held	Country of Incorporation	Australian resident	Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)
Australian Agricultural Projects Limited	Body Corporate	-	N/A	Australia	Yes	N/A
AOX Pty Ltd	Body Corporate	-	100	Australia	Yes	N/A
Australian Agricultural Investments Pty Ltd	Body Corporate	-	100	Australia	Yes	N/A
Victorian Olive Oil Project Limited	Body Corporate	-	100	Australia	Yes	N/A
Popeye Holdings Pty Ltd	Body Corporate	-	100	Australia	Yes	N/A
Lanyons Paddock Pty Ltd	Body Corporate	-	100	Australia	Yes	N/A
Terrapee Contractors Pty Ltd	Body Corporate	-	100	Australia	Yes	N/A
Victorian Olive Processors Pty Ltd	Body Corporate	-	100	Australia	Yes	N/A
EVOO Marketing Pty Ltd	Body Corporate	-	100	Australia	Yes	N/A
Finest Food Import Corporation	Body Corporate	-	100	USA	No	USA
AAP Export Pty Ltd	Body Corporate	-	100	Australia	Yes	N/A
Oilpack Australia Pty Ltd	Body Corporate	-	100	Australia	Yes	N/A
Red Island Australian Food Corporation	Body Corporate	-	100	USA	No	USA

Determination of Tax Residency

Section 295(3B)(a) of the Corporation Acts 2001 defines Australian resident as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295 (3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

In determining tax residency, each of the Australian Agricultural Projects Limited consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency
Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

- the attached financial statements and notes as set out on pages 20 to 44 comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- the information disclosed in the attached consolidated entity disclosure statement on page 45 is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Dated at Melbourne, Victoria this 24th day of September 2026.

Paul Challis
Managing Director

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INDEPENDENT AUDITOR'S REPORT

To the members of Australian Agricultural Projects Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Agricultural Projects Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and

(ii) 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities 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 of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit

Valuation of agricultural produce and inventory
 	
As disclosed in Notes 3 and 9, the Group recognised a net gain in the fair value of agricultural produce of $2,362,254 and held olive oil inventory of $4,020,116 at 30 June 2026.
 	
The olive oil inventory includes oil produced from olives harvested from the portion of the orchard farmed by the Group for its own benefit. The olive fruit is measured at fair value less costs to sell when its fair value can be measured reliably. On processing, this amount forms part of the initial cost of the resulting olive oil inventory. The valuation of the agricultural produce requires significant judgement and estimation, including in relation to the volume and quality of oil produced, the sales channel through which the oil will be sold, forecast selling prices and forecast costs to sell.
 	
We considered the valuation of agricultural produce and inventory to be a key audit matter because of the significance of the balances and the level of judgement involved in determining the fair value less costs to sell of the olive fruit and the resulting cost of olive oil inventory.
	We performed the following procedures, amongst others:
	• We obtained an understanding of the Group's processes and controls over the measurement of harvested olive volumes, oil production and inventory quantities.
	• We assessed the Group's accounting policies for agricultural produce and inventory against the requirements of Australian Accounting Standards.
	• We attended the inventory count and performed a count of olive oil held at year end and assessed the completeness and accuracy of the production and inventory records by agreeing quantities to supporting harvest, processing and storage records.
	• We evaluated the fair value less costs to sell of the olive fruit by:
	    • assessing the methodology applied in determining fair value less costs to sell;
	    • challenging the forecast selling prices by reference to the terms of the Olive Oil Supply Agreement, available sales information and subsequent sales;
	    • assessing the assumptions relating to oil quality, sales channels, expected volume losses and costs to sell; and
	    • performing sensitivity analysis over key valuation assumptions.
	• We performed retrospective procedures over relevant estimates from the prior harvest, including comparing estimated selling prices and volumes with actual outcomes, to inform our assessment of management's estimation process.
	• We tested the mathematical accuracy of the valuation and assessed whether the fair value attributed to harvested olive fruit had been appropriately included in the initial cost of olive oil inventory.
	
	We also evaluated the adequacy of the related disclosures in Notes 3 and 9 to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and the 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:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in in pages 12 to 19 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Australian Agricultural Projects Limited, for the year ended 30 June 2026, 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.

BDO Audit Pty Ltd

BDO

Stephen Roche
Director

Melbourne, 24 September 2026

SHAREHOLDER INFORMATION

Details of shares as at 11 September 2026:

Top holders

The 20 largest holders of each class of quoted security as at 11 September 2026 were:

Fully paid ordinary shares

	Name	No. of Shares	%
1	CFS INTERIORS PTY LTD <THE STEFANETTI FAMILY A/C>	61,038,847	16.56
2	PATRAC HOLDINGS PTY LTD <THE CHALLIS FAMILY A/C>	56,925,114	15.44
3	PETTO HOLDINGS PTY LTD <THE P PETTO PREZZA FAM A/C>	40,603,702	11.02
4	BOND STREET CUSTODIANS LIMITED <GFSOFF - D42134 A/C>	36,003,431	9.77
5	GRIMFAM INVESTMENTS PTY LTD <THE GRIMSEY SUPER FUND A/C>	32,956,684	8.94
6	CAROLINE HOUSE SUPERANNUATION FUND PTY LTD <THE CAROLINE HOUSE S/F A/C>	31,190,583	8.46
7	WAI HENG HO	22,680,545	6.15
8	STEFANETTI WEALTH PTY LTD <D & P SUPER FUND>	12,190,162	3.31
9	MR ROBERT BRYDON RUDD	11,000,000	2.98
10	CITICORP NOMINEES PTY LIMITED	6,235,713	1.69
11	MR PAUL PETTOFREZZA + MRS CARMELA PETTOFREZZA <PETTOFREZZA RET FUND A/C>	6,082,354	1.65
12	MR ANTHONY HO	5,000,002	1.36
13	WINPAR HOLDINGS LIMITED	4,000,000	1.09
14	MRS SERNG YEE LIEW	2,902,500	0.79
15	MR CHRISTOPHER MANNING BEATTIE	2,719,736	0.74
16	MR ALEX ANDRIANOPOULOS + MS VIRGINIA ORFANOS	2,500,000	0.68
17	MORCKSTOW PTY LTD	2,115,000	0.57
18	BURRABAROO PTY LTD <MR&AM ELLIS RETIREMENT A/C>	2,110,000	0.57
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,735,819	0.47
20	LONGBOURNE PTY LTD	1,515,000	0.41
		341,505,192	**92.65**

Distribution schedule

A distribution schedule of each class of equity security as at 11 September 2026:

Fully paid ordinary shares

Range			Holders	Units	%
1	-	1,000	23	6,814	0.00
1,001	-	5,000	6	16,557	0.00
5,001	-	10,000	13	115,582	0.03
10,001	-	100,000	131	5,642,020	1.53
100,001	-	Over	81	362,822,739	98.43
Rounding					0.01
Total			254	368,603,712	100.00

SHAREHOLDER INFORMATION

Number of unquoted securities

Nil

Substantial shareholders

The names of substantial shareholders and the number of shares to which each substantial shareholder and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Company, are set out below:

Substantial shareholder	Number of Shares
CFS Interiors Pty Ltd <The Stefanetti Family A/C>, Stefanetti Wealth Pty Ltd <D&P Super Fund A/C>,	73,229,009
Patrac Holdings Pty Ltd <The Challis Family A/C>, <The Challis Super Fund A/C>	57,951,113
Petto Holding Pty Ltd <The Pettofrezza Family A/C>, Mr Paul Pettofrezza & Mrs Carmela Pettofrezza <Pettofrezza Ret Fund A/C> & <Pettofrezza Ret S/F A/C>	46,996,521
Bond Street Custodians Limited <GFSOFF – D42134 A/C>	36,003,431
Grimfam Investments Pty Ltd <The Grimsey Super Fund A/C>	32,956,684
Caroline House Superannuation Fund Pty Ltd <The Caroline House S/F A/C>	31,190,583
Wai Heng Ho	22,680,545

Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares (being 8,929 units as at 11 September 2026):

Holders	Units
33	50,404

Voting Rights

The voting rights attaching to ordinary shares are:
- on a show of hands, every member present in person or by proxy shall have one vote; and
- upon a poll, each share shall have one vote.

Options do not carry any voting rights.

On-Market Buy Back

There is no current on-market buy-back.