Appendix 4E

Preliminary Final Report to the Australian Securities Exchange

Part 1 - Details of entity, reporting period

Name of Entity	Australian Agricultural Projects Limited
ABN	19 104 555 455
Financial Period	Year ended 30 June 2022
Previous Corresponding Reporting Period	Year ended 30 June 2021

Part 2 - Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	2,633	(20.7%)
Loss from ordinary activities after tax attributable to members	(247)	n/a
Net profit attributable to members	716	(65.4%)

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining e dividends (if any)	ntitlements to the	Not Applicable

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to the Operations Review for commentary on the results for the year.

Part 3 – Contents of ASX Appendix 4E

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Part 4 – Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Part	2022 \$	2021 \$
Revenue	8(a)	2,632,591	3,319,410
Cost of sales		(2,036,872)	(1,664,713)
Gross profit	_	595,719	1,654,697
Other revenue	8(b)	150,852	119,951
Corporate and administrative expenses		(391,263)	(384,302)
Depreciation and amortisation		(577,677)	(462,450)
Borrowing costs		(596,636)	(540,102)
Revaluation of investment property		251,425	207,175
(Loss) / profit before income tax		(567,580)	594,969
Income tax benefit		320,988	383,261
Net (loss) / profit after income tax	_	(246,592)	978,230
Other Comprehensive Income Revaluation of bearer plants – net of tax	_	962,966	1,090,819
Total Comprehensive Income	_	716,374	2,069,049
Basic earnings per share (cents) Diluted earnings per share (cents)	15 15	(0.08) (0.08)	0.32 0.26

Part 5 – Consolidated Statement of Financial Position

	Part	2022 \$	2021 \$
CURRENT ASSETS		·	•
Cash and cash equivalents Trade and other receivables Inventories Other		68,040 2,380,655 374,453 38,043	134,941 3,050,607 391,216 118,764
Total Current Assets		2,861,191	3,695,528
NON-CURRENT ASSETS			
Property, plant & equipment Right of use asset Bearer plants Investment property	10 11	925,115 61,152 12,351,787 2,012,150	1,009,981 - 10,721,278 1,760,725
Total Non-Current Assets		15,350,204	13,491,984
TOTAL ASSETS		18,211,395	17,187,512
CURRENT LIABILITIES			
Trade and other payables Lease liability Provisions Loans and borrowings	12	2,925,593 13,365 311,770 17,859	2,444,803 - 275,081 270,708
Total Current Liabilities		3,268,587	2,990,592
NON-CURRENT LIABILITIES			
Lease liability Loans and borrowings	12	47,755 6,658,500	- 6,676,359
Total Non-Current Liabilities		6,706,255	6,676,359
TOTAL LIABILITIES		9,974,842	9,666,951
NET ASSETS	,	8,236,553	7,520,561
EQUITY			
Contributed equity Reserves Accumulated losses	13	24,338,804 3,350,336 (19,452,587)	24,339,186 2,387,370 (19,205,995)
TOTAL EQUITY		8,236,553	7,520,561

Part 6 – Consolidated Statement of Cash Flows

	Part	2022 \$	2021 \$
Cash flows from operating activities			
Cash receipts in the course of operations Cash payments in the course of operations Interest received		4,498,723 (3,076,627) 155	1,451,556 (2,059,355)
Interest paid Other receipts		(529,361)	(560,510) 113,600
Net cash provided by / (used in) operating activities		892,890	(1,054,709)
Cash flows from investing activities			
Proceeds from the sale of assets		150,697	16,000
Payments for bearer plants Payments for property, plant and equipment		(720,284) (106,852)	(72,241) (194,271)
Net cash used in investing activities	-	(676,439)	(250,512)
Cash flows from financing activities			
Net (cost) / proceeds from issue of securities Proceeds from loan facilities Repayment of loan facilities Repayment of hire purchase liabilities Repayment of lease liability	13	(382) 5,242,500 (5,492,500) (20,708) (12,262)	2,332 5,463,453 (3,665,587) (439,716)
Net cash (used in) / provided by financing activities	•	(283,352)	1,360,482
	•		
Net (decrease) / increase in cash and cash equivalents		(66,901)	55,261
Cash and cash equivalents at the beginning of the year		134,941	79,680
Cash and cash equivalents at the end of the year	=	68,040	134,941
Cash and cash equivalents represented by:			
Cash at bank and in deposits		68,040	134,941
Cash and cash equivalents in the statement of cash flows		68,040	134,941

Part 7 – Consolidated Statement of Changes in Equity

	Contributed equity Reserves \$		Accumulated losses \$	Total \$
Balance as at 1 July 2020	24,336,854	1,296,551	(20,184,225)	5,449,180
Profit for the year after income tax	-	-	978,230	978,230
Other comprehensive income for the year	<u>-</u>	1,090,819		1,090,819
Total comprehensive income for the year	-	1,090,819	978,230	2,069,049
Contributions of equity (net of costs)	2,332	-	-	2,332
Balance as at 30 June 2021	24,339,186	2,387,370	(19,205,995)	7,520,561
Balance as at 1 July 2021	24,339,186	2,387,370	(19,205,995)	7,520,561
Loss for the year after income tax	-	-	(246,592)	(246,594)
Other comprehensive income for the year	<u>-</u>	962,966		962,966
Total comprehensive income for the year	-	962,966	(246,592)	716,374
Contributions of equity (net of costs)	(382)	-	-	(382)
Balance as at 30 June 2022	24,338,804	3,350,336	(19,452,587)	8,236,553

	2022 \$	2021 \$
Part 8 – Revenue and income		
(a) Revenue from continuing operations		
Management fees Lease fees from the investment property Production sharing	981,782 727,343 923,466	1,498,327 700,716 1,120,367
_	2,632,591	3,319,410
(b) Other revenue		
Interest received Gain on sale of assets COVID related government grants	155 150,697 -	- 6,351 113,600
<u>-</u>	150,852	119,951
In 2021, COVID related government grants comprised \$63,600 jobkeeper payments and \$50,000 cash flow boost. Part 9 – Expenses		
(a) Personnel expenses		
Wages and salaries cost Superannuation costs Change in liability for annual and long service leave Non-executive directors' fees	617,543 79,116 38,341 12,000	623,819 57,311 18,664 12,000
_	747,000	711,794
In 2022, \$635,655 (2021: \$599,395) of personnel expenses were included in cost of sales and the balance, \$111,345 (2021: \$112,399), was included in corporate and administrative expenses.		
Part 10 – Bearer plants		
Olive trees	12,351,787	10,721,278
Movement consists of: Opening balance Depreciation Capital improvements Revaluation of olive trees	10,721,278 (373,729) 720,284 1,283,954 12,351,787	9,423,565 (248,608) 72,241 1,474,080 10,721,278

	2022 \$	2021 \$
Part 11 – Investment property		
Investment property	2,012,150	1,760,725
Movement consists of: Opening balance Revaluation	1,760,725 251,425 2,012,150	1,553,550 207,175 1,760,725
Part 12 – Loans and Borrowings		
Current borrowings		
Hire purchase liabilities Unsecured loan facilities	17,859	20,708 250,000
Total current loans and borrowings Non current loans and borrowings	17,859	270,708
Hire purchase liabilities Unsecured loan facilities Secured bank facility Secured syndicated loan facility Total non current loans and borrowings	1,466,000 5,192,500 - 6,658,500	17,859 1,466,000 - 5,192,500 6,676,359
Total loans and borrowings	6,676,359	6,947,067

In May 2022, the Company refinanced its syndicated loan facility with new banking facilities with the National Australia Bank. The new banking facilities include:

- Secured term loan of \$5,192,500;
- Equipment financing facility of \$500,000 undrawn as at 30 June 2022; and
- Corporate credit card facilities.

- The details of the term loan include:
 Facility expiry 30 April 2025 with principal reductions to commence 31 March 2024;
- An interest rate of 2.35% above BBSY;
- A facility fee of 0.75% per annum; and
- No covenants other than quarterly financial and compliance reporting.

2022 2021

Part 13 - Contributed equity and reserves

(a) Issued capital

305,099,476 (2021: 305,041,626) fully paid ordinary shares 24,338,804 24,339,186

Movements in ordinary share capital

	Date	No of shares	Issue price	\$
Balance	30 June 2020	304,716,768		24,336,854
Issue of shares on exercise of options	26 May 2021	324,858	0.015	4,873
Share issue transaction costs	26 May 2021	-	0.00	(2,541)
Balance	30 June 2021	305,041,626		24,339,186
Issue of shares on exercise of options	22 December 2021	57,850	0.015	868
Share issue transaction costs	22 December 2021	-	0.00	(1,250)
	- -	305,099,476		24,338,804

(b) Options

The Company has 75,796,477 (2021: 75,854,327) options on issue. These options have the following terms:

• Exercise price 1.5 cents

• Expiry date 22 December 2023

These options are not quoted on the ASX.

On 22 December 2021, 57,850 of these options were exercised.

Part 14 - Details Relating to Dividends

No dividends have been paid or declared by the Company since the beginning of the current reporting period. No dividends were paid for the previous reporting period.

Part 15 - Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share at 30 June 2022 was based on the loss attributable to ordinary shareholders of \$246,592 (2021: profit of \$978,230) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2022 of 305,071,740 (2021: 304,747,919).

(b) Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2022 was based on the loss attributable to ordinary shareholders of \$246,592 and the number of fully diluted ordinary shares calculated as follows:

 Ordinary shares issued at 30 June 2022
 305,099,476

 Options on issue
 75,796,477

 Total diluted shares on issue
 380,895,953

In 2022, diluted loss per share does not show an inferior view of the earnings performance of the Group than is shown by the basic loss per share and is disclosed the as the same as the undiluted amount for this reason.

Part 17 - Net Tangible Assets per Security

	2022	2021
Net tangible asset backing per ordinary security 305,099,476 (2021: 305,041,626) shares used for NTAS calculation	2.70 cents	2.47 cents

Part 18 - Segment Information

The Company operates in one segment, being the operation of an olive orchard located in Boort, Victoria.

Part 19 - Audit Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	✓	The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

Not Applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Not Applicable