



**Australian  
Agricultural  
Projects Ltd**

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**MARKET UPDATE  
QUARTER ENDED 30 JUNE 2025**

**29 JULY 2025**

Australian Agricultural Projects Ltd (ASX: **AAP**) (**Company**) is pleased to present its report for the quarter ended 30 June 2025 and advises:

- The annual harvest was completed in the first week of July 2025 with total oil production of 752,600 litres (2024: 551,500 litres). This harvest result was within the range of management's expectations in what was an "on year" in the biennial cycle of the orchard noting that the frost event in September last year had adversely impacted overall production. The final result is comparable to the previous "on-year" in 2023.
- Testing of the oil has confirmed that over 95% of this season's oil produced is of a high extra virgin quality, a pleasing result when compared to the levels of virgin oil produced in the past two seasons.
- The continued strong retail prices for Australian extra virgin olive oil have underwritten the budgeted price for the sale of the olive oil from the 2025 harvest. Importantly, with these improved prices along with the increased volume of oil produced, it is likely this is the most valuable harvest in the history of the business which will generate improved cashflows over the next twelve months.
- Post harvest budgeting has still to be finalised but the strategic focus is on ensuring that resilience is returned to the business following the expansion of debt facilities to fund the replanting of a large portion of the orchard between 2018 and 2022. With the replanted trees now in commercial production, the Company expects to generate surplus working capital which will be prioritized for future debt reduction, ongoing upgrade of orchard equipment and the continued restructuring and simplification of the managed investment schemes. Overall, the Company is well positioned to improve its balance sheet in the coming years and create opportunities for enhanced returns for shareholders.
- The first term of the grower leases, which form the foundation of the Projects the Company manages, expired on 30 June 2025. These leases included an option for a 25-year renewal term. No growers in the first of the two projects have elected to extend their lease whereas all of the growers in the second project have taken up the lease extension. The Company will look to manage the sale of the remaining assets of the first project as well as review the ongoing operating structure of the second project now that the grower's intentions have been confirmed.

**Quarterly cash flow**

The June quarter operating cash deficit of \$1,138,000 was as expected as it included only \$359,000 in receipts (being the last of the previous season's harvest proceeds) and the majority of the costs associated with the recent harvest. Future operating cash flows are expected to return to positive as the proceeds from the sale of the current harvest are received. This cash flow pattern is consistent with the business cycle that generally sees the proceeds from the sale of the previous year's harvest received in the first three quarters of the financial year and then negative cash flows in the last quarter of the financial year due to the costs associated with the annual harvest.

The proceeds of borrowings of \$1,335,000 in the financial quarter represents the redrawing of funds previously applied in reduction of the Company's term debt.

**AUTHORISED BY:**

**Paul Challis**

***Managing Director***

**Enquiries may be directed to:**

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## Appendix 4C

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

Name of entity

AUSTRALIAN AGRICULTURAL PROJECTS LIMITED

ABN

19 104 555 455

Quarter ended ("current quarter")

30 June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	359	6,100
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(983)	(3,392)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(334)	(902)
(f) administration and corporate costs	(57)	(338)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	7
1.5 Interest and other costs of finance paid	(124)	(543)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other – proceeds from insurance claim		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,138)</b>	<b>932</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	-	(202)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	-	5
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	<b>Net cash from / (used in) investing activities</b>	-	(197)

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	1,335	3,422
3.6	Repayment of borrowings	(346)	(4,147)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(4)	(17)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>985</b>	<b>(742)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	604	458
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,138)	932
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(197)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	985	(742)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>451</b>	<b>451</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	451	604
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>451</b>	<b>604</b>

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

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

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

Current quarter \$A'000
76
-

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

The amount in item 6.1 includes payment for:

Salary and superannuation	30
Secretarial fees	8
Interest (Patrac Investments Pty Ltd)	38

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	5,818	5,438
7.2 Credit standby arrangements	-	-
7.3 Other	1,000	606
7.4 <b>Total financing facilities</b>	6,818	6,044

**7.5 Unused financing facilities available at quarter end**

774

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

**Bank Loan Facility**

- Amount \$4,817,500– drawn to 4,437,500 as at 30 June 2025
- Lender: NAB
- Interest Rate Variable –7.075% pa as at 30 June 2025
- Matures 28 April 2028
- Secured

**Shareholder Loan Facility**

- Amount \$1,000,000 limit – fully drawn
- Lender Patrac Investments Pty Ltd - a company related to a director and shareholder
- Interest Rate 8.85% pa
- Matures June 2030
- Unsecured

**Asset Finance Facility**

- Amount \$1,000,000 – drawn to \$606,339 as at 30 June 2025
- Lender NAB
- Interest Rate 6.98% (weighted average)
- Matures 30 April 2029
- Secured

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,138)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	451
8.3 Unused finance facilities available at quarter end (Item 7.5)	774
8.4 Total available funding (Item 8.2 + Item 8.3)	1,225
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	1.08

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Operating cash flows have been consistent with the normal cash cycle of the business with expectations that the negative June quarter will be followed by positive operating cashflows in the September quarter. This situation arises every year as the June quarter includes the costs of the annual harvest with minimal cash receipts from the sale of the prior year's harvest whereas the September quarter includes the cash receipts from the initial sales of the current harvest.

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

Answer: The Company does not consider it necessary to raise further cash in order to fund its future operations.

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

Answer: Yes, the Company expects to be able to continue its operations and to meet its business objectives on the basis that the Company expects to return to positive operating cash flows in the next quarter following the annual harvest which was completed in June 2025.

## Compliance statement

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

Date: 29 July 2025

Authorised by: The Board of Directors.

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

## Notes

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