



**Australian  
Agricultural  
Projects Ltd**

ABN: 19 104 555 455

**Head Office**

Suite 14 / 456 St Kilda Road  
Melbourne VIC 3004

P: 0417 001 446

E: admin@voopl.com.au

**MARKET UPDATE  
QUARTER ENDED 31 DECEMBER 2021**

**25 JANUARY 2022**

Australian Agricultural Projects Ltd (ASX: **AAP**) (**Company**) is pleased to present its report for the quarter ended 31 December 2021 and advises:

- Orchard management's assessment of the November 2021 flowering and subsequent fruit set is consistent with this being an "off" year at the orchard. As a general comment, the frantoio variety has set much better than initial expectations and the remaining varieties have all set inconsistently across the orchard. Pleasingly, the younger trees, both the 2018 and the 2019 plantings have all set well and are consistent with expectations. While recognising that climatic conditions between now and harvest will impact oil accumulation, the management team is confident the total oil produced this season will be greater than the last "off" year (2020) and that the two-year running average of oil produced at the orchard will continue to increase.
- The planning for the planting of the final tranche of the replanting programme is well underway and initial works have commenced. It is expected that this task will be completed by late March 2022.
- Management is noticing the impact of COVID-19 on orchard operations by way of increased cost of agricultural supplies, especially fertiliser, extended delivery times and the well-publicised shortage of labour in regional areas. Management continues to monitor the impact of COVID-19 on operations and has adjusted its planning by allowing longer lead times on all projects.
- In October 2021, the Company was issued with 36 high-reliability and 20 low-reliability water shares as part of the distribution of the irrigators' share of water recovered under the GMW Connections Project. The high-security shares were sold in December 2021 for \$144,000 and the low-security shares have been retained consistent with the current strategy of managing the orchard's ongoing access to irrigation water.

**Quarterly cash flow**

The cash receipts for the December 2021 quarter amounted to \$1,381,000 compared to \$509,000 for the same period in 2020 (note: the proceeds from the sale of water will most likely be received in the March 2022 quarter). The operating surplus for the past quarter of \$366,000 (YTD: surplus of \$854,000) is in line with management's budgets. The Company continues to forecast an operating surplus through the March 2022 quarter which will be offset by the expenditure on completing the replanting programme.

The payments to related parties of the Company set out in section 6 of the attached Appendix 4C relate to salary and superannuation entitlements paid to the Managing Director during the quarter along with contract secretarial fees to a firm associated with a member of the Board.

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

**Enquiries may be directed to:**  
Paul Challis – Managing Director  
E: paul.challis@voopl.com.au

## Appendix 4C

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

**Name of entity**

AUSTRALIAN AGRICULTURAL PROJECTS LIMITED

**ABN**

19 104 555 455

**Quarter ended ("current quarter")**

31 DECEMBER 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,381	2,745
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(618)	(1,069)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(177)	(353)
(f) administration and corporate costs	(66)	(164)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(154)	(305)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (Government grants)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>366</b>	<b>854</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date ( 6 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(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)		
<b>2.6 Net cash from / (used in) investing activities</b>	-	-

<b>3. 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	1	1
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings	-	50
3.6 Repayment of borrowings	(5)	(310)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(4)</b>	<b>(259)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	368	135
4.2 Net cash from / (used in) operating activities (item 1.9 above)	366	854
4.3 Net cash from / (used in) investing activities (item 2.6 above)		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date ( 6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4)	(259)
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>730</b>	<b>730</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	730	368
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>730</b>	<b>368</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**

44

-

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	38
Secretarial fees	6

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

**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	6,659	6,659
7.2 Credit standby arrangements	-	-
7.3 Other	-	-
7.4 <b>Total financing facilities</b>	6,659	6,659

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

-

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.

## Syndicated Loan facility

- Amount \$5,192,500
- Lender: Various syndicate members
- Interest Rate 9.0% pa
- Matures August 2022 (option to extend to August 2023)
- Secured

## Shareholder Loan Facility

- Amount \$1,466,000
- Lender Various shareholders
- Interest Rate 7.66% pa (weighted average)
- Matures October 2023
- Unsecured

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	366
8.2 Cash and cash equivalents at quarter end (Item 4.6)	730
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	730
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	n/a

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

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

Answer:

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

Answer:

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

Answer:

### Compliance statement

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

Date: 25 January 2022

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.