



Cobram  
Estate Olives  
Limited<sup>™</sup>



## Investor Presentation

6 December 2021

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# Important notice and disclaimer (cont'd)

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# Agenda

1. Company Overview and Business Update
2. Equity Raising Overview
3. Growth Strategy
4. Financial Year 2021 Results and Commercial Summary
5. Business Operations Highlights – FY2021
6. Key Risks, Foreign Selling Restrictions, and Summary of Placement Agreement

# Company Overview

Cobram Estate Olives is Australia's largest vertically integrated olive grower, processor and marketer



- Established in 1998, with operations in both Australia and the USA and export customers in 17 countries.
- A market leader in the Australian extra virgin olive oil industry and a leader in sustainable olive farming through continued innovation and market education; the release of 27 peer reviewed research publications; developing the Oliv.iQ® integrated olive production system (<https://oliv-iq.com/>); our zero-waste initiative; and the creation of the Olive Wellness Institute® (<https://olivewellnessinstitute.org/>).
- Owner of Australia's top two home-grown olive oil brands, with a combined value share of 45% of extra virgin olive oil sales in Australian supermarkets (FY2021):
  - Cobram Estate® - 35% value share
  - Red Island® - 10% value share
- The company's large-scale olive groves and olive mills are some of the largest in the world, enabling the company to achieve efficiencies in olive growing, processing, and marketing:
  - 2.4 million trees planted on 6,584 hectares of land in Australia and 149,000 trees planted on 305 hectares in the USA (California)
  - Over 144 tonnes per hour olive milling capacity and 18.4 million litres of on-site oil storage capacity (Australia and USA)
  - Proprietary production systems (Oliv.iQ®) achieving olive oil yields nearly nine times the global average per hectare (2,800 litres vs. 283 litres per hectare) with a production cost per litre 30% lower than world's weighted average
  - One of the world's leading olive R&D and testing laboratories – Modern Olives® (Australia and USA)
  - In total, the company owns 18,500 hectares of freehold farmland, of which 16,700 hectares is freehold farmland in central and northwest Victoria and southwest New South Wales
- Committed to growing the value and volume of sales in the Australian market and driving growth in the USA market through the sale of both extra virgin olive oil and other olive products.



# Cobram Estate Olives - From Tree to Table

Growing and marketing olive goodness in Australia and the USA

							
NURSERY	GROVE OPERATIONS	HARVESTING TECHNOLOGY	PROCESSING & STORAGE	LABORATORY & R&D	BOTTLING & DISTRIBUTION	EXTRA VIRGIN OLIVE OILS	WELLNESS PRODUCTS
							
							
							



# Acceleration of our Growth Strategy

## Equity Raising Overview

- CBO is launching an equity raising via an Institutional Placement to raise approximately A\$50 million (the Company reserves the right to increase the size of the raise) at \$2.00 per share, and a Share Purchase Plan to raise up to an additional A\$1 million.
- Since listing in August, the Company has continued to perform well operationally with a strong California harvest, Australian groves flowering better than expected and sales across the group off to a strong start in FY2022.
- The funds raised will be used to accelerate the Company's growth initiatives in both Australia and the USA.
- These initiatives will materially expand the production capacity of the Australian operations and will add significant scale to our vertically integrated Californian business.
- As part of the transaction, four Directors of the company intend to sell a small portion of their shareholdings, primarily to repay loans to the company and fund tax and debt obligations.
- The Directors are fully committed to the Company and will remain some of its largest shareholders.

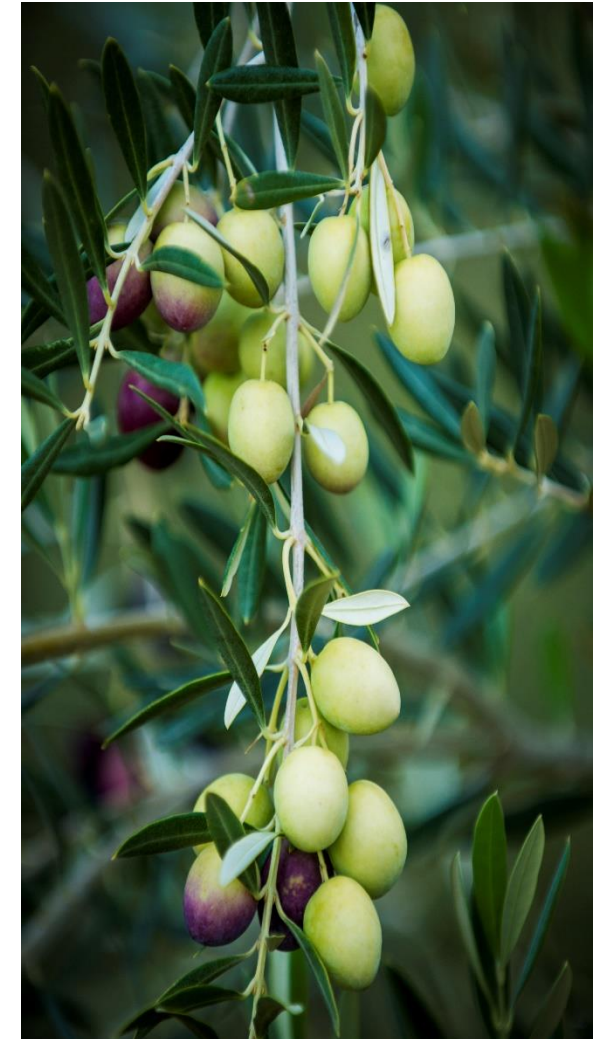
**The funds raised will almost triple our olive milling capacity at our Boort grove, allowing us to match the forecast medium term supply growth at the site, and rapidly accelerate our USA strategy by increasing Company-owned plantings.**



# Financial Outlook and Trading Update

## Sales off to a strong start in FY2022

- Sales across the group are off to a strong start in FY2022, especially in Australia. In the USA, as expected, oil supply has been extremely constrained, though this situation is anticipated to reverse now that 2021 season oils are available.
- We are forecasting an increase in year-on-year sales in FY2022, supported by growing consumer demand for high quality extra virgin olive oil.
- Costs are tracking in-line with budget expectations. Fortunately, some of our larger input costs have not been impacted by the globally evident pressures on general demand and supply chains. Some of our major cost inputs, such as water and electricity, are currently at short-term lows.
- We expect our Two-Year Rolling Average EBITDA for the Australian olive oil division to continue increasing over time as a result of the investment the Company has made in new plantings and the maturing grove profile. Statutory EBITDA, as previously announced, is expected to fall materially in FY2022 due to olives predictable biennial bearing cycle (this year being the lower yielding crop year).
- We have achieved strong operating cash generation to date and are expecting a year-on-year increase for the FY2022 year.
- The Company has increased the existing CBA debt facility by US\$7.0m (A\$9.7m<sup>1</sup>), which will be used to help fund the Company's USA expansion.
- The equity raising, combined with additional debt capacity and operating cashflows, is sufficient to fully-fund our current expansion plans.





# Positive Outlook for Australian Olive Harvest 2022

Flowering completed on our Australian groves



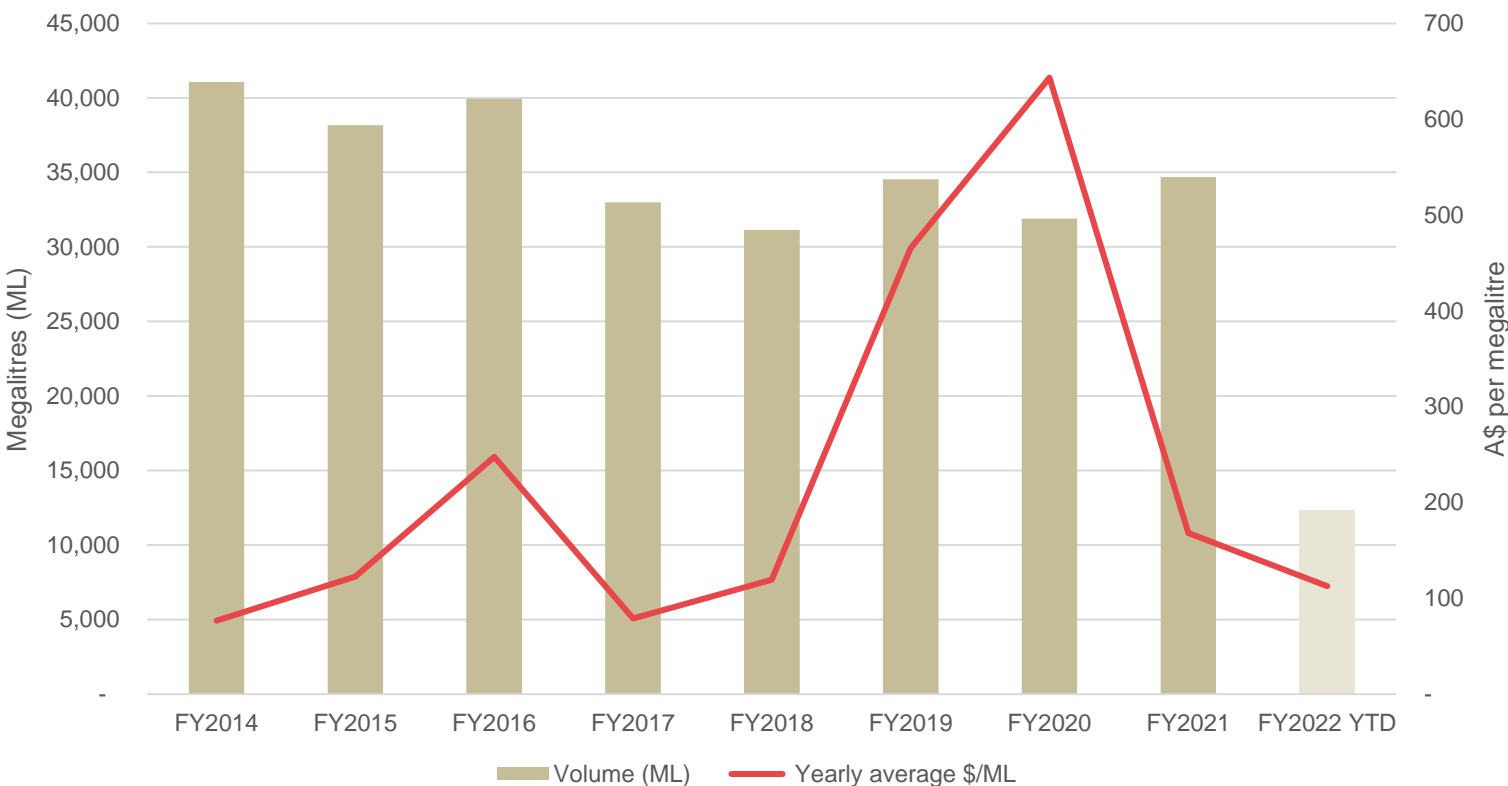
- Our maturing Australian olive orchards are enjoying a favourable season to date.
- Our Australian groves have passed their 'full bloom' flowering period. This is an important milestone and is the first time in the growing cycle that we can assess the potential of our 2022 olive crop.
- We are pleased to report that flowering is as good as, or slightly better than, our expectations, providing a positive outlook for our 2022 olive crop.
- We have recently commenced a new 380 hectare development at our Boort grove, with planting planned in 15 months (Autumn 2023).
- Of our existing Australian groves, 39% of our trees are yet to reach full maturity and 15% are yet to produce a harvestable crop.



# Water prices in the Southern Murray Darling Basin are below historical levels

In FY2022 YTD we have purchased 33% of our water needs at a weighted average price of \$112.52/megalitre

Cobram Estate Olives annual Temporary Water purchases and average annual price



## Water pricing

- In FY2022 to date, the Company has purchased 33% of its full year requirements and has paid an average price of \$112.52 per megalitre for water purchased, a 33% reduction versus the price paid in FY2021 (FY2021: \$168 per megalitre).
- Allocation water currently trading at \$85 - \$95 / ML (Murray water, for our Northern Victorian Groves) and at \$70 - \$80 / ML (Goulburn water, for our Boort Grove).
- Whilst seasonal prices fluctuated over this period as the chart above indicates, the Company has paid a weighted average price of \$233 per megalitre over the last eight years.

## Water in storage

- Storage levels in the Southern Basin @ 92% full - up 35% on the same time last year.
- High reliability allocations have reached 100% for all northern Victorian water systems.

# 2021 California Olive Harvest and USA Oil Supply

Positive outlook for Harvest 2021 and third-party supply, plus new land for grove development

## California Olive Harvest 2021

- Our olive harvest in the USA is 92% complete. Both oil yields and olive oil quality are in line with expectations.
- Although not material at this stage, we have been pleased to see yield results from our first Company-owned grove coming in above expectations.

## New Land Acquisitions

- We have completed due diligence on two freehold land properties in California (including water) adjoining our grove currently under preparation to be planted in 2022.
- The plantable area on these new properties is approximately 365 acres (~147 hectares), increasing Company plantings to approximately 1,568 acres<sup>2</sup> (635 hectares).
- These acquisitions will now move to completion, and will settle in December 2021 and January 2022. The acquisition price of the properties is US\$6.75m (A\$9.38m<sup>3</sup>).

## Expansion of Third-Party Supply Arrangements

- As recently announced, the Company has finalised exclusive five-year supply contracts with two of the USA's largest olive growers.
- Commencing in 2022, these contracts account for 3,917 acres (~1,585 hectares) of olive groves (2,389 additional acres vs. contracted area in 2021) and help underpin CBO's Californian olive oil supply.

**Additional olive fruit from supply contracts with key third party growers, and from our Company-owned groves, is expected to more than double our California olive oil supply over the next 4-5 years.**







# Equity Raising Overview



# Equity Raising overview

## CBO to conduct an Institutional Placement and Share Purchase Plan

Offer structure and size	<p><b>PLACEMENT</b></p> <ul style="list-style-type: none"> <li>Fully underwritten Institutional Placement to raise approximately \$50 million (the Company reserves the right to increase the size of the raise)</li> <li>25 million New Shares to be issued, representing 6.5% of CBO's issued share capital (assuming an Institutional Placement size of \$50 million)</li> <li>Shares to be issued under CBO's unconditional Placement capacity (ASX LR 7.1)</li> </ul> <p><b>SHARE PURCHASE PLAN</b></p> <ul style="list-style-type: none"> <li>Non-underwritten Share Purchase Plan (SPP) of up to A\$30,000 worth of New Shares per Shareholder, to raise up to \$1 million</li> <li>CBO may decide to accept applications (in whole or in part) that result in the SPP raising more or less than \$1 million in its absolute discretion. CBO reserves the right to scale back applications under the SPP if demand exceeds \$1 million, or to raise a higher or lower amount</li> </ul> <p><b>DIRECTOR SELL-DOWN</b></p> <ul style="list-style-type: none"> <li>Concurrent with the Placement, the Company's Joint CEOs, Sam Beaton and Leandro Ravetti, and the Company's Non-Executive Directors, Paul Riordan and Tim Jonas, have agreed to sell a total of 7.75 million CBO shares valued at \$15.5 million</li> <li>See slides 17 and 18 for further details relating to the Director Sell-Down</li> </ul>
Use of funds	<ul style="list-style-type: none"> <li><b>\$35 million:</b> Purchase of land and development of new olive groves in California USA, expanding the Company's existing vertically integrated operations</li> <li><b>\$15 million:</b> Upgrade and expansion of the Company's olive milling facilities at Boort, Victoria</li> </ul>
Issue price	<ul style="list-style-type: none"> <li>Placement Issue Price of \$2.00 per share, representing a 1.5% discount to CBO's last traded price of \$2.03 on Friday, 3 December 2021</li> </ul>
Ranking	<ul style="list-style-type: none"> <li>New Shares issued under the Placement and SPP will rank equally with existing fully paid CBO shares on issue</li> </ul>
Share Purchase Plan	<ul style="list-style-type: none"> <li>CBO intends to offer a SPP to each eligible shareholder in Australia and New Zealand to purchase up to \$30,000 worth of CBO shares</li> <li>The SPP aims to raise up to \$1 million and is not underwritten</li> <li>The record date for the SPP is 5:00pm (Melbourne time) on Friday, 3 December 2021</li> <li>CBO shares to be offered under the SPP at the Placement Issue Price representing a 1.5% discount to CBO's last traded price of \$2.03 on Friday, 3 December 2021</li> <li>Further information regarding the SPP will be provided to Eligible Shareholders in the SPP booklet which will be provided following the completion of the Placement</li> </ul>
Underwriter	<ul style="list-style-type: none"> <li>The Placement will be managed and fully underwritten by Barrenjoey Markets Pty Limited and Aitken Murray Capital Partners Pty Ltd.</li> </ul>

# Equity Raising – Use of Funds

The equity raising, combined with additional debt capacity and operating cashflows, is sufficient to fully-fund our current expansion plans



## USA Grove Development

- **Funds to be invested – \$35 million**
- CBO is excited by the immense opportunity in the USA to replicate its successful Australian business over time.
- The funds will be used for the purchase of land, trees, and the development of new olive groves in California, expanding the Company's existing vertically integrated operations.
- The Company is ready to immediately deploy ~US\$6.75m (~A\$9.4m), with due diligence on two freehold properties suitable for olive groves completed.
- These properties will add approximately 365 acres (~147 hectares) to our USA plantings, with this grove site expected to be planted in FY2022 / 2023.
- The Company is actively looking at other land and development opportunities and has a strong pipeline of properties under review.
- Increasing the supply of Californian produced olive oil will allow the Company to drive packaged goods sales at retail and replicate its Australian success in the world's largest olive oil import market which is continuing to rapidly grow.

## Boort Olive Mill Upgrade

- **Funds to be invested – \$15 million**
- CBO's olive milling facility at its Boort grove in Victoria has current capacity of approximately 5.0 million litres per annum and is operating at close to full capacity.
- Over the next nine years the mature groves at Boort will grow from 987 hectares to 3,481 hectares, an increase of 253%. Additionally, the Company has contracted third party supply that will grow proportionately over the same period.
- The additional fruit to be processed in the coming years exceeds the current capacity of the mill.
- Funds raised will be used to increase milling capacity at Boort from 30 tonnes of fruit per hour to 80 tonnes per hour, matching processing capacity to expected peak fruit supply driven by the maturing olive trees at the site and contracted third-party plantings.
- The expanded milling capacity will deliver increased volumes of olive oil for branded sales locally and in key export markets over time.

# Equity Raising – Director Sell-Down

## Explanation of change in holdings of four CBO Directors

- As a result of strong demand, concurrent with the Placement the Company's Joint CEOs, Sam Beaton and Leandro Ravetti, and the Company's Non Executive Directors, Paul Riordan and Tim Jonas, have agreed to sell, in aggregate, 7.75 million CBO shares valued at \$15.5 million (Director Sell Down).
- The Director Sell Down is fully underwritten with an offer price the same as the Placement Price. Sam Beaton, Leandro Ravetti, Paul Riordan and Tim Jonas are excluded from any decisions relating to pricing and allocations.
- Of the sell-down, \$2.83 million will be repaid to the Company as a portion of loans provided to entities controlled by Sam Beaton and Leandro Ravetti to enable the exercise of 10-year performance options. The majority of the remaining proceeds from the sales by Sam Beaton and Leandro Ravetti will be used for the payment of capital gains tax and options-related tax liabilities to the ATO.
- None of the selling directors participating in the Director Sell-Down currently have any intentions of selling any further shares, and importantly, each of them remains fully committed to CBO and will remain significantly invested in CBO shares once the Director Sell-Down is completed.



# Equity Raising – Director Sell-Down (cont'd)

## Full details of Director Share Sales

**Sam Beaton (joint-CEO)** has agreed to sell 2.0 million shares totalling \$4.0 million, representing 23.5% of his shareholding in CBO. Proceeds from the sale will be used as follows:

- \$1.33 million will be paid to the Company as repayment of a portion of the loan provided by CBO to Sam Beaton (prior to CBO's admission to the ASX) to fund the exercise of long-term performance options;
- \$0.30 million will be paid to the Company to satisfy interest accrued on the aforementioned loan;
- approximately \$1.39 million will be used to pay tax liabilities (to the ATO) incurred in connection with CBO performance options;
- approximately \$0.76 million will be used to pay capital gains tax liabilities (to the ATO) incurred in connection with the Director Sell-Down; and
- approximately \$0.22 million will be used for the repayment of personal debt which was incurred to fund the exercise CBO performance options in 2015.

**Leandro Ravetti (joint-CEO)** has agreed to sell 3.0 million shares totalling \$6.0 million, representing 29.0% of his shareholding in CBO. Proceeds from the sale will be used as follows:

- \$1.50 million will be paid to the Company as repayment of a portion of the loan provided by CBO to Leandro Ravetti (prior to CBO's admission to the ASX) to fund the exercise of long-term performance options;
- \$0.53 million will be paid to the Company to satisfy interest accrued on the aforementioned loan;
- approximately \$2.28 million will be used to pay tax liabilities (to the ATO) incurred in connection with CBO performance options;
- approximately \$1.19 million will be used to pay capital gains tax liabilities (to the ATO) incurred in connection with the Director Sell-Down; and
- approximately \$0.50 million will be used to repay personal loans.

Paul Riordan (Non-Executive Director and Co-founder) has agreed to sell 1.0 million CBO shares totalling \$2.0 million, representing 5.4% of his pre-listing shareholding. Proceeds from the sale will be used to repay personal debt.

Tim Jonas (Non-Executive Director) has agreed to sell 1.75 million CBO shares totalling \$3.5 million, representing 31.1% of his pre-listing shareholding, plus transfer 600,000 CBO shares within his family. The proceeds of sale, and transfer of shares, are to settle family law property settlement matters.

# Equity Raising timetable

Event	Date
Record Date for SPP	5:00pm Friday, 3 December 2021
Trading halt and announcement of the Placement and SPP	Monday, 6 December 2021
Announcement of the outcome of the Placement	Tuesday, 7 December 2021
Trading halt lifted – trading resumes on ASX	Tuesday, 7 December 2021
Settlement of New Shares issued under the Placement	Thursday, 9 December 2021
Allotment and normal trading of New Shares issued under the Placement	Friday, 10 December 2021
SPP offer open, and offer booklet is dispatched to eligible shareholders	Monday, 13 December 2021
SPP offer closes	Wednesday, 5 January 2022
SPP issue and allotment date	Wednesday, 12 January 2022
Normal trading of New Shares issued under the SPP	Thursday, 13 January 2022
Despatch of holding statements in relation to New Shares issued under the SPP	Thursday, 13 January 2022

The above timetable is indicative only and subject to change. The commencement and quotation of New Shares is subject to confirmation from the ASX and also relies on ASIC issuing a modification to the Corporations Act 2001 (Cth) (Corporations Act) to permit the Company to issue a notice under section 708A(5) of the Corporations Act, which was granted on 14 May 2020. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, CBO reserves the right to amend this timetable at any time, including extending the period for the SPP or accepting late applications, either generally or in particular cases, without notice.



# Growth Strategy



# Growth Strategy – Four Core Pillars of Future Growth

Clearly articulated and well-understood growth plan

1.

## **Increasing supply from our Australian olive groves through new plantings and efficiency gains**

39% of the company's total Australian plantings are not fully mature and are not yet producing mature yields including 16% of total Australian plantings yet to produce a harvested crop.

2.

## **Growing our vertically integrated business in the USA**

CBO is encouraged by the immense opportunity in the USA to replicate its Australian business in the medium to long term. The key focus is increasing the supply pipeline of Californian produced olive oil to drive packaged goods sales at retail.

3.

## **Growing branded product sales and improving the Net Price per litre for our extra virgin olive oil**

Continued premiumisation and differentiation of the company's brands globally whilst never compromising consumer trust and/or value proposition.

4.

## **Value-adding our olive oil by-products**

Monetising the substantial investment that has already occurred in Cobram Estate Olives' Wellness division and its Wellgrove® brand.

# 1. Increasing Supply From Our Australian Olive Groves Through New Plantings and Efficiency Gains



## New planting and grove redevelopments

- Since 2010, CBO has planted over 1,000 hectares of olive groves at Boundary Bend and over 2,100 hectares of olive groves at Boort. This includes the replanting of selected areas and the planting of greenfield sites.

## Why are we replanting?

- Through our Oliv.iQ® performance benchmarking we have determined that some varieties of olive trees originally planted were underperforming and could be replaced by more suitable and more productive varieties.
- The majority of the grove costs relating to growing olives and the production of olive oil are fixed, with some costs variable based on the size of the crop.
- By replacing lower performing varieties, we will, over time, improve our yields and as a result substantially reduce our cost of olive oil production per litre.

## Boort grove redevelopment

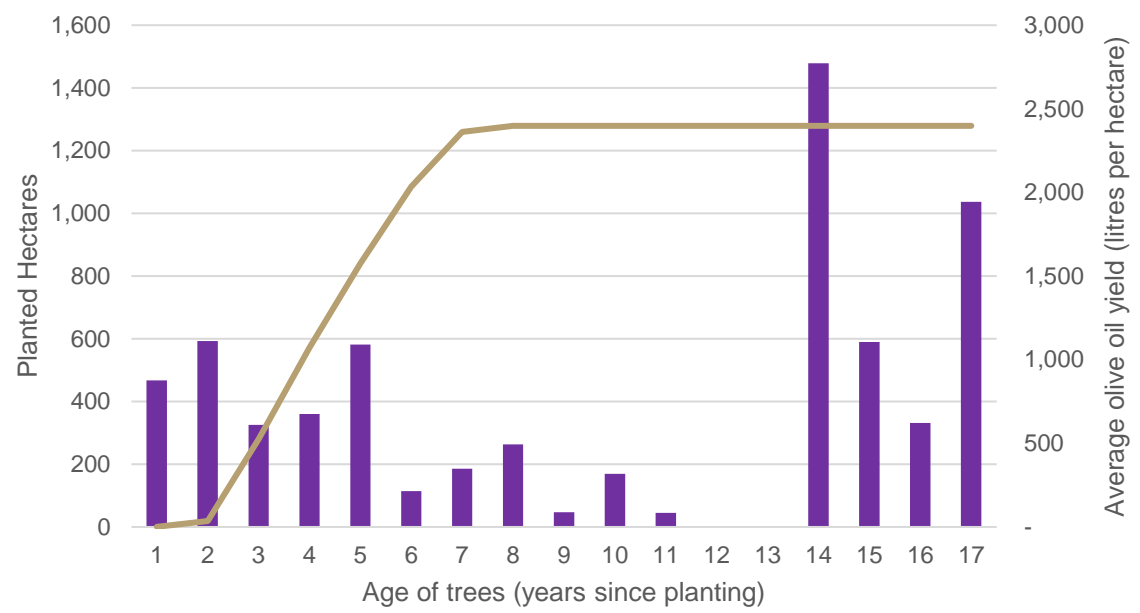
- In 2021 we completed the redevelopment of the Boort olive grove, with 331 hectares planted with 118,000 new trees in Autumn 2021.
- Over the past six years the company has replanted 2,114 hectares of the Boort grove with a total of 754,995 new trees, replacing under-performing olive varieties originally planted.
- As a result of these replanting's, the Boort grove will reach fully-mature yields in 2028 at which time it is primed to become our highest producing grove and one of the largest single olive estates in the world.

## Boort grove redevelopment

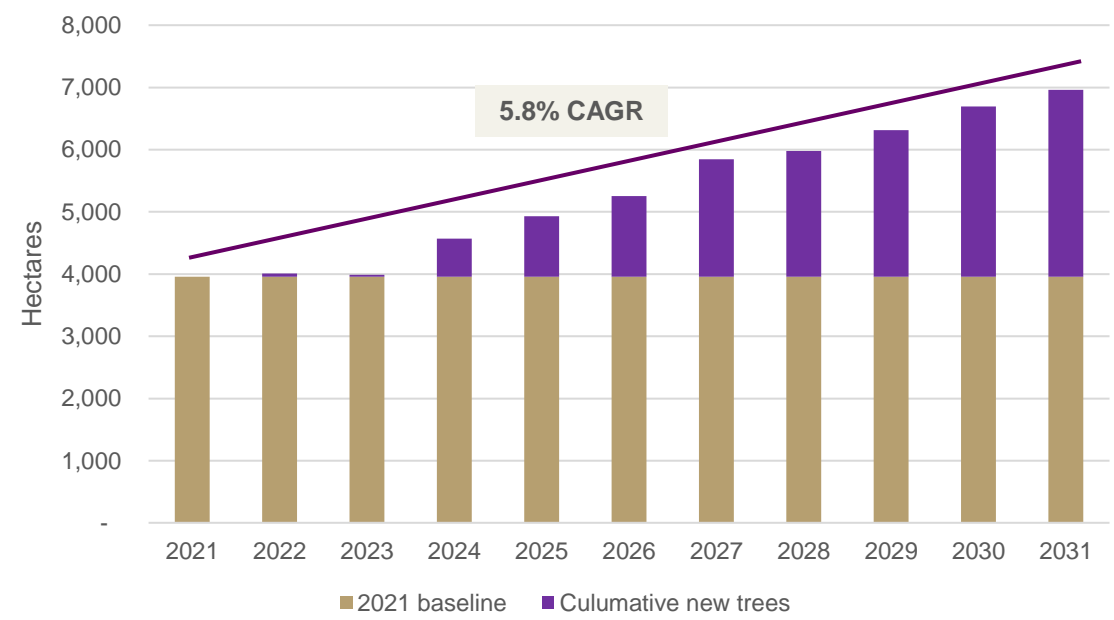


# 1. Increasing Supply From Our Australian Olive Groves Through New Plantings and Efficiency Gains (cont'd)

Current age profile of the company's olive trees alongside average oil yield per year of age



Embedded growth in olive oil production (Australian olive oil busineses)



## Growth in production

Olive trees typically produce their first 'harvestable' crop at three years of age, and reach 'mature' yields at eight years of age. Our current age profile is as follows:

Mature: 1.48 million trees (61%) are mature.

Developing: 580,000 trees (24%) are productive but not yet producing mature yields.

Pre-productive: 378,000 trees (15%) are yet to produce a harvestable crop.

- Our investment in olive groves will provide embedded long-term production growth.
- Based on olive trees planted in Australian groves, mature trees (hectares) are expected to grow at a 5.8% CAGR for the next 10 years.



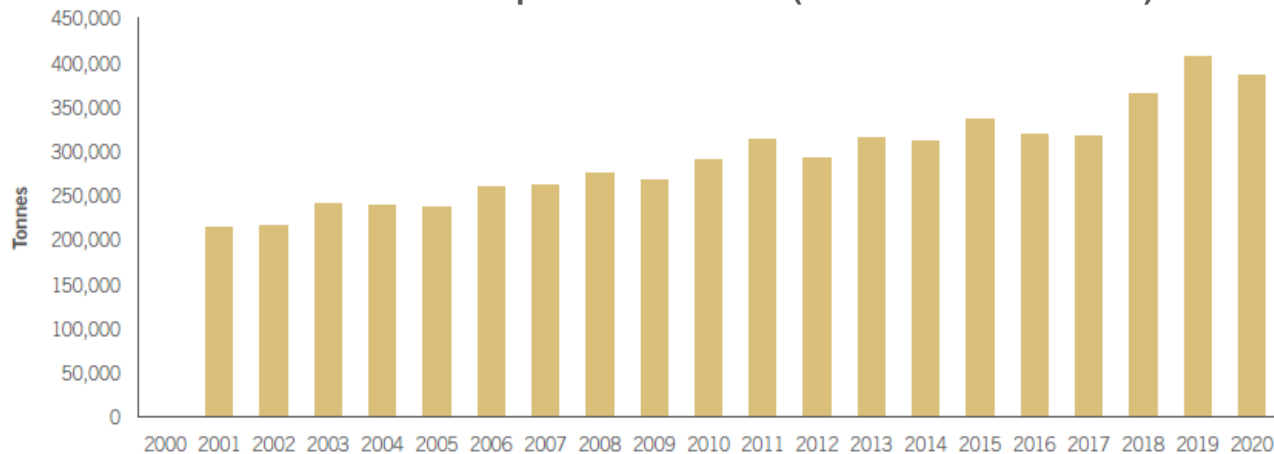
## 2. Growing Our Vertically Integrated Business in the USA

Replicating our Australian business in the world's biggest olive oil import market

### Why the USA?

- **USA consumer demand for olive oil is growing however access to local product has been limited due to a small and emerging product base**
- Consumption of olive oil in the USA has almost doubled in size since 2000, with total consumption estimated at 386,000 tonnes in 2020.
- Retail sales of olive oil grew 30% in value and 27% in volume during 2020 versus the prior year, reaching total sales of US\$1.6 billion.
- USA consumer preferences have shifted from lower quality refined olive oil blends to extra virgin olive oil. For the twelve-month period to 3 October 2021, extra virgin olive oil sales totalled US\$798 million.
- California grown extra virgin olive oil has carved out a niche in with retail sales totalling US\$44.8 million in the twelve-month period to 3 October 2021.

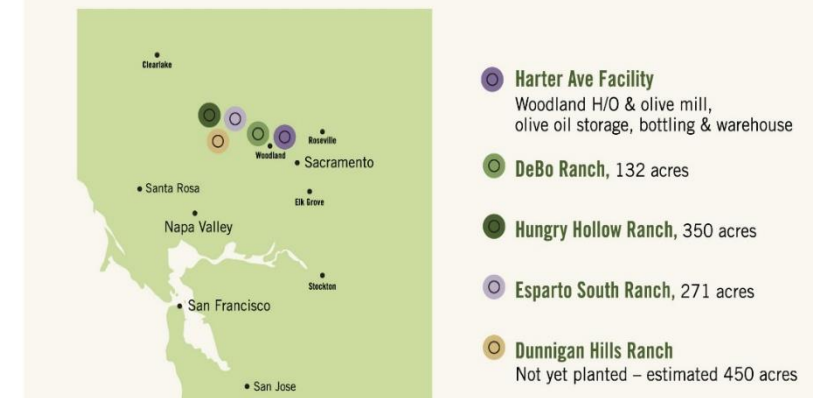
USA olive oil consumption – 2000-2020 (source: Statistika.com)



### Where are we at with our USA expansion?

- Our strategy to replicate our Australian business in the USA is well advanced.
- We first produced olive oil in California in a third-party mill in 2014.
- Since then, we have worked to establish a world-class, vertically integrated operation, based in Woodland, California.
- In FY2021, CBO USA achieved net sales of \$38.9m, up 29.9% on the prior year and delivered the Company its first first positive EBITDA result.

### Cobram Estate Olives USA operations



## 2. Growing Our Vertically Integrated Business in the USA (cont'd)

### Development of USA milling, bottling and laboratory operations

#### Woodland California Operations

- In July 2014 we purchased a 3.6-hectare industrial property in Woodland, California, which now serves as the Company's USA head office and includes:
  - 2.9 million litres of olive oil storage and warehouses covering approximately 5,000m².
  - Bottling line capable of filling approximately 3,500 units per hour, both branded and Private Label.
  - An olive mill in Woodland, California, with milling capacity of 32 tonnes of olive fruit per hour.

Harter Avenue USA head office



USA bottling



Bottling USA Select – 100% California



Harter Avenue USA olive mill





## 2. Growing Our Vertically Integrated Business in the USA (cont'd)

### Development of new olive groves in the USA

#### USA grove development

- In Spring 2021 we developed 110 hectares of new olive groves on the Esparto South ranch near Woodland, California, with 53,000 new trees planted.
- Our USA groves now total over 149,000 trees planted on 305 hectares of long-term leased and freehold properties with 100% of trees not yet mature.
- Our USA groves have been developed using the same Oliv.iQ® principles adopted by the Company in Australia, and contain a number of our key olive varieties including picual, coratina and arbequina.
- The Company has secured an additional 182 hectares of land in the USA suitable for planting currently under development.

#### Esparto South Ranch - grove development



#### Debo Ranch, California

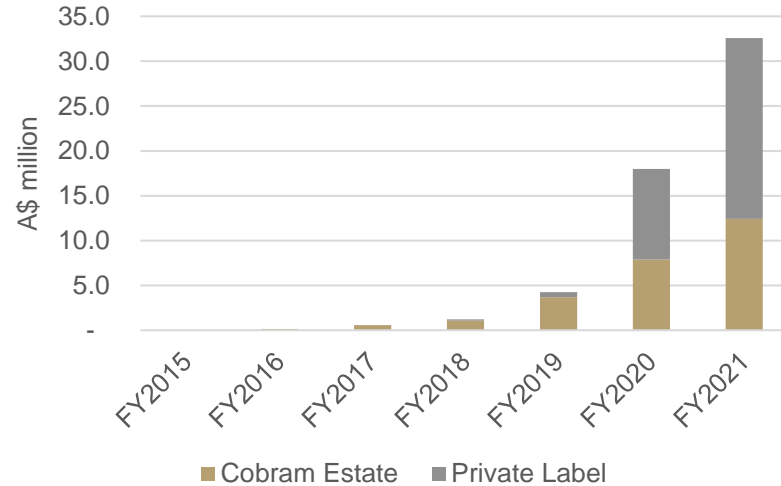




## 2. Growing Our Vertically Integrated Business in the USA (cont'd)

Cobram Estate® and private label sales showing strong growth

Evolution of packaged olive oil sales by Cobram Estate Olives' USA business



Cobram Estate® brand - expanding USA store footprint



In line with the Company's strategy to focus on the sale of Cobram Estate® branded and Private Label packaged goods, combined sales of these products reached \$32.6 million in FY2021, up \$14.6 million vs FY2020.

- Sales of Private Label olive oil accounted for 55% of group sales by value in FY2021, Cobram Estate® branded extra virgin olive oils (34%) and bulk sales (11%).
- Private label is an important part of our strategy and helps support relationships with key customers together with driving bottling and packaging efficiencies.
- Short-term growth in the USA is likely to be constrained due to oil availability. Long-term growth will be supported by our own maturing groves and future plantings.

**Cobram Estate® branded sales totalled \$12.4 million in FY2021, an increase of 57% on the prior year**

- Cobram Estate® was the #10 ranked olive oil brand in USA supermarkets (excluding Private Label) with an estimated 1.3% market share of total olive oil sales by value for the 12-month period to October 3<sup>rd</sup>, 2021. In line with growth in sales, distribution of Cobram Estate® grew substantially between 2017 and July 2021. For the 12-months to October 2021, Cobram Estate® products were sold in over 13,151 USA stores.\*

### 3. Growing Branded Product Sales and Increasing the Net Price Per Litre For Our Extra Virgin Olive Oil

CBO is continuing to focus on premiumisation whilst growing sales of its brands and supporting key customers with Private Label olive oil products in both Australia and the USA.

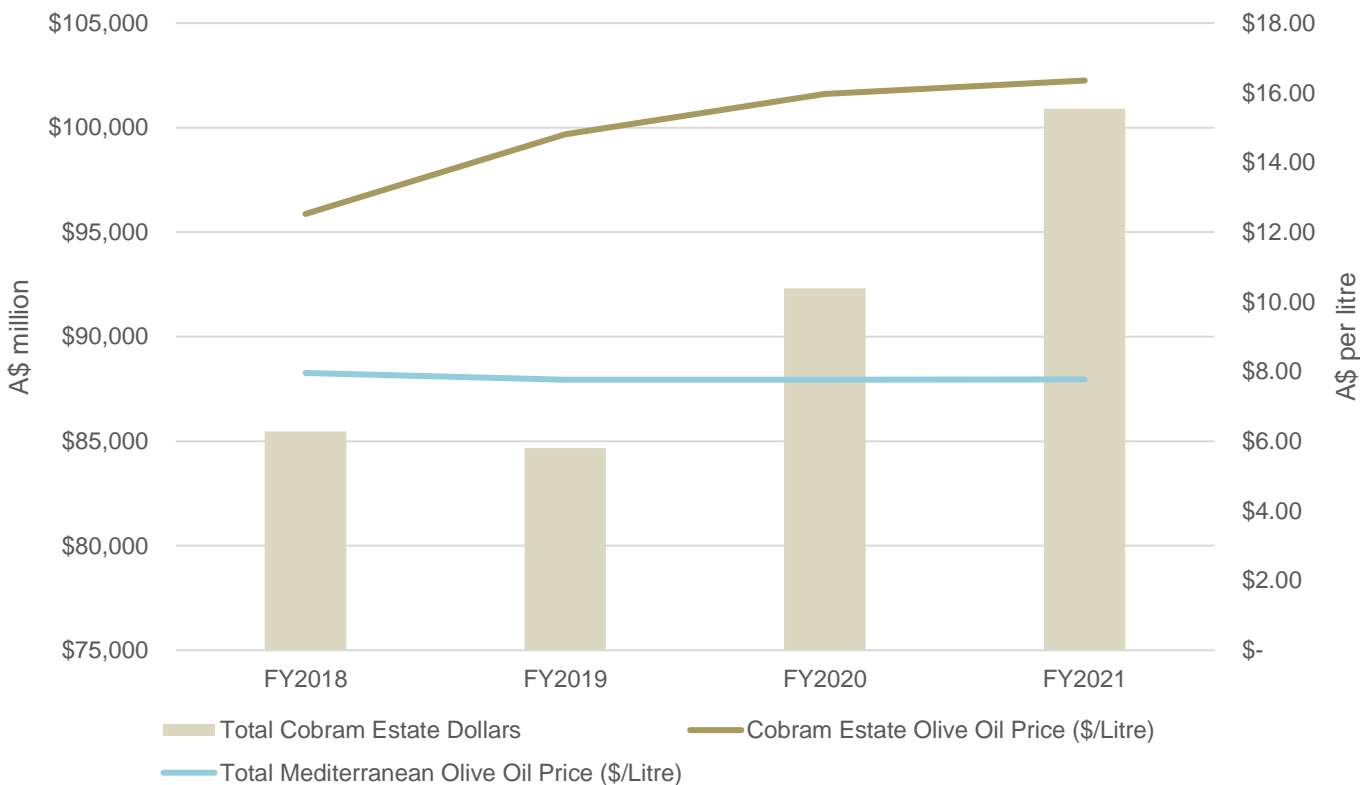
#### AUSTRALIA

- Australian consumers increasingly prefer locally grown products, are becoming more informed on the health benefits, versatility, and usage of extra virgin olive oils, and possess a better understanding of the differences between extra virgin and other grades of olive oil.
- Growing demand for Australian extra virgin olive oils, together with the high quality of the Company's products, has delivered the Company growth in net price per litre of 84% since FY2014.
- Our Cobram Estate® branded products continue to achieve in-store sales growth whilst selling at a substantial and growing price premium per litre to Mediterranean-sourced olive oils.

#### USA

- In the USA, the Company is seeking to grow sales of Cobram Estate® branded and private label products and in turn net price per litre through transitioning from bulk sales to packaged goods, and through increasing its supply of Californian extra virgin olive oil.
- Sales of Cobram Estate® branded plus private label products grew to account for 88.7% of the Company's USA olive oil sales in FY2021, up from 67.3% in FY2020 and 18.6% in FY2019.

Supermarket sales of Cobram Estate® in Australia and price paid per litre for Cobram Estate® versus price paid per litre for Mediterranean olive oil (all grades) – FY2018-FY2021



### 3. Growing Branded Product Sales and Increasing the Net Price Per Litre For Our Extra Virgin Olive Oil (cont'd)

Cobram Estate® price per litre and market share supported by third-party recognition of superior quality



18 gold medals for  
Cobram Estate's 2021  
Australian extra virgin  
olive oils, including:

- Gold medals at the New York International Olive Oil Competition and Olive Japan
- 6 gold medals at the Australian International Olive Awards



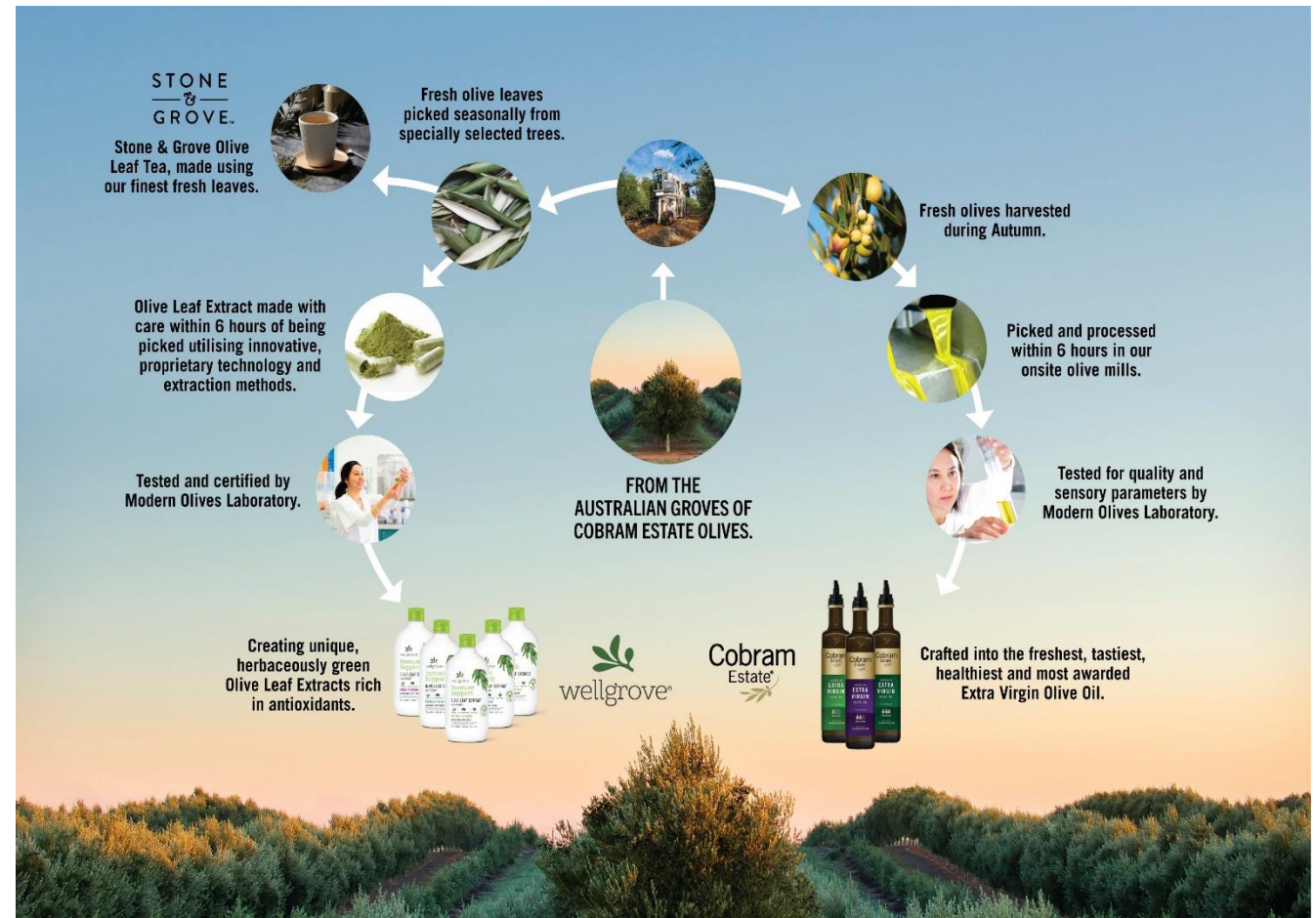


## 4. Value-Adding Our Olive By-Products

### Towards zero waste - capturing value from the by-products of olive oil production

- The production of olive oil generates a substantial quantity of by-products. These products include olive pit, olive pomace, olive leaves and olive prunings.
- To minimise waste on our groves and to capture more value from the Company's olive farming operations, a new Wellness division was established in 2017 to explore, develop, and commercialise innovative new products and activities that utilise other outputs from the groves. The Company also realises health and wellness, product safety, and social impact have always been present in consumers' minds, but such factors are evolving in meaning and are becoming increasingly important value and growth drivers.
- In 2019 the Company launched the Wellgrove® health and wellness brand in the USA and Australia. Sales of the Company's Wellgrove® olive leaf extract range initially spiked during the panic buying relating to the COVID-19 pandemic, however since May 2020 there has been a slowdown in sales, particularly in Australia. This has resulted in the refinement of the Wellgrove® product range and a realignment of the sales model to focus on digital sales in the USA, and digital, practitioner, and independent Pharmacy sales in Australia.
- In FY2021 the Wellness division, encompassing sales of Wellgrove® together with biomass and specialty ingredients, generated global sales of \$1.9 million.

#### Waste zero example – fresh olive leaves



# 4. Value-Adding Our Olive By-Products (cont'd)

Growing the portfolio of Wellgrove® health and wellness products in Australia and USA

**Wellgrove® product distribution**

Wellgrove® products are currently available in the following channels:

- **USA**
  - Online via Amazon, Jet.com etc; Direct to consumer; Practitioner
- **Australia**
  - Practitioner; Direct to consumer

**Wellgrove® USA product range includes:**

- Super Immunity + Heart Health: high strength olive leaf extract capsules
- Super Immunity + Heart Health: high strength olive leaf extract liquid
- Keto Super Powder: extra virgin olive oil powder plus prebiotics
- Keto Super Antioxidant: extra virgin olive oil soft gel capsules
- Keto Super Antioxidant: extra virgin olive oil







# Financial Year 2021 Results and Commercial Update



# Financial Highlights – FY2021

Australian olive oil division FY2021 Two-Year  
Rolling Average EBITDA - Normalised\*:

**\$43.7** MILLION

FY2020: \$32.2 million

Group FY2021 Two-Year Rolling  
Average EBITDA - Normalised\*:

**\$33.0** MILLION

FY2020: \$19.1 million

Group statutory FY2021 EBITDA:

**\$70.3** MILLION

FY2020: (\$19.7 million)

Global olive oil sales FY2021:

**\$140.0** MILLION

FY2020: \$140.7 million

Cash generated from operations FY2021:

**\$22.1** MILLION

FY2020: \$13.0 million

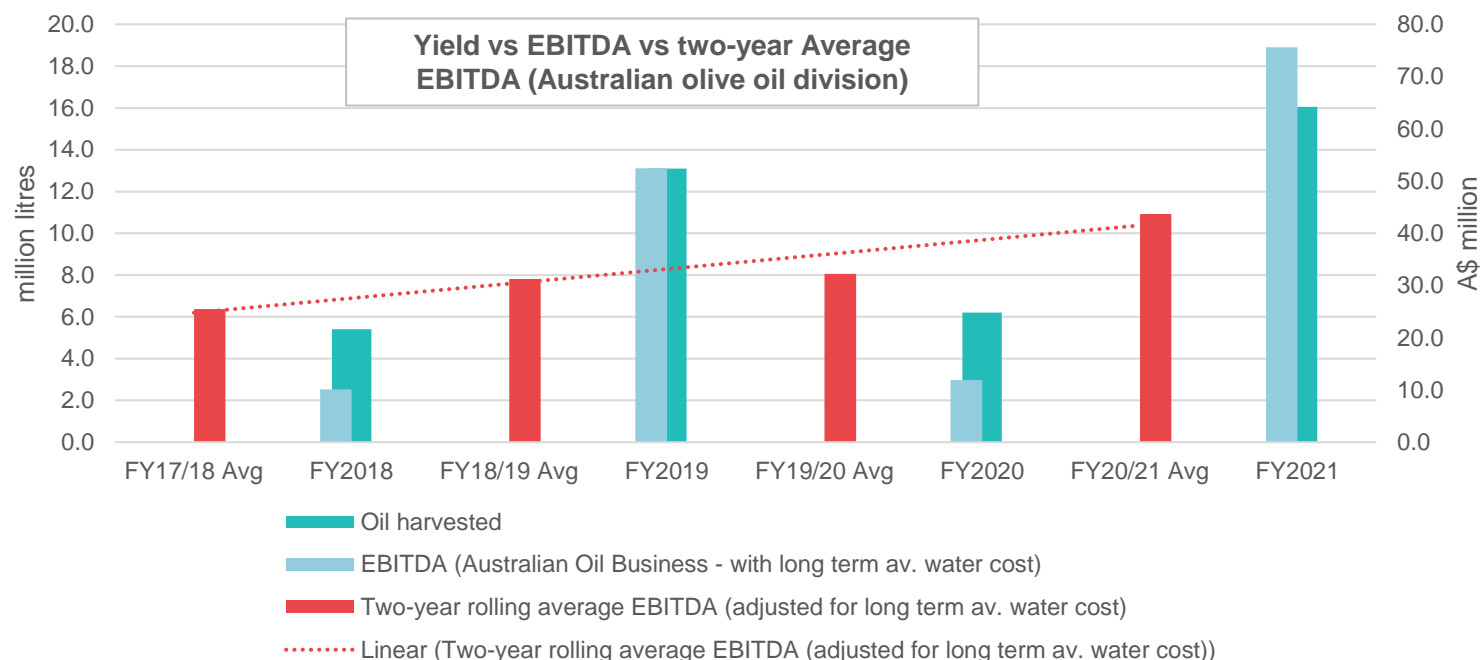
Average water price paid in FY2021:

**\$168** PER  
MEGALITRE

FY2020: \$643 per megalitre  
Long-term average: \$177 per megalitre

# Australian Olive Oil Division Performance – should be assessed on two-year rolling average

## Two-Year Rolling Average EBITDA of \$43.7 million driven by past investment and strong brand returns



### Underlying Australian EBITDA adjusted for long-term average temporary water costs and listing costs

A\$ million	Statutory Historical EBITDA				
	FY2017	FY2018	FY2019	FY2020	FY2021
Australian olive oil business EBITDA	44.2	12.0	42.6	(2.9)	75.1
Adjusting for water costs to long term average*	(3.4)	(1.9)	9.8	14.8	(0.3)
Adjusting for ASX listing costs	-	-	-	-	0.8
Australian EBITDA (normalised)	40.8	10.1	52.4	11.9	75.6
<b>Two-year rolling Average EBITDA - normalised (Australian olive oil business)</b>	-	<b>25.5</b>	<b>31.3</b>	<b>32.2</b>	<b>43.7</b>
Change	-	-	+22.7	+2.9%	+36.0%

### Australian olive oil division performance

- Two-Year Rolling Average EBITDA: \$43.7 million (up 36% vs FY2020)

### Biennial production system and impact on EBITDA performance

- Given the biennial production nature of an olive tree, combined with the accounting standards (reporting the profit from the crop in the year of harvest), EBITDA should be viewed over a two-year rolling average period – considering both a “lower yielding crop year” such as FY2020 and “higher yielding crop year” such as FY2021.
- Due to FY2022 being an expected lower yielding crop year for the company’s Australian olive groves, the FY2022 Australian olive oil division EBITDA is expected to decrease substantially reflecting the smaller predicted production and the non-cash adjustment compulsory under the accounting standards.
- We expect our two-year rolling Average EBITDA for the Australian olive oil division to continue increasing over time as a result of investment in new plantings and the maturing grove profile.**

# Group Income Statement (Statutory)

Increased statutory EBITDA largely driven by the larger Australian crop of 16.05 million litres  
(FY2020: 6.2 million litres)

## Income Statement

\$'million	2021	2020	Variance
<b>Revenue &amp; Other Income</b>			
Sales revenue	140.0	140.7	(0.7)
Other Income	2.2	2.2	0.0
Net change in fair value of agricultural produce	65.0	(11.0)	76.1
<b>Total Revenue &amp; Other Income</b>	<b>207.2</b>	<b>131.8</b>	<b>75.4</b>
<b>EBITDA</b>			
Australian Olive Oil	75.1	(2.9)	78.1
USA Olive Oil	0.5	(8.1)	8.6
Innovation & Value-add (Wellness)	(5.3)	(8.6)	3.3
	<b>70.3</b>	<b>(19.7)</b>	<b>90.0</b>
Depreciation	(16.2)	(15.2)	(1.0)
Interest	(4.7)	(5.4)	0.6
<b>Total EBT</b>	<b>49.4</b>	<b>(40.2)</b>	<b>89.6</b>
Tax	(16.7)	7.5	(24.3)
<b>Total NPAT</b>	<b>32.6</b>	<b>(32.7)</b>	<b>65.3</b>

## Divisional results



**The Australian Olive Oil division** reported an EBITDA of \$75.1m (FY2020 \$2.9m loss), driven by:

- Increase in the Australian olive oil crop yield (noting FY2021 is a higher yielding crop year)
- Increase in the farm gate value per litre of EVOO produced
- Decrease in the cost of water



**The USA Olive Oil business** reports its first positive EBITDA contributions of \$0.5m (FY2020: \$8.1m loss)

- Increase in sales of packaged goods, with total sales (including bulk) increasing from \$29.9m to \$38.9m
- Increase in gross margin and rationalisation of costs structure



**The Innovation & Value-Add business** reported an improved result, from an EBITDA loss of \$8.6m in FY2020 to an EBITDA loss of \$5.3m in FY2021.

- The company continue to develop new products and its R&D programs, with a more focused sales strategy



# Group Cash Flow Statement

Operating cash flow highlights the management of oil between a higher and lower yielding crop years

Cashflow statement			
\$'million	2021	2020	Variance
<b>Earnings before tax</b>	<b>49.4</b>	<b>(40.2)</b>	
(Increase) / decrease in working capital	(49.3)	33.2	
Depreciation / Interest	16.2	15.2	
Interest expense	4.7	5.4	
Other non-cash items	1.1	(0.6)	
<b>Cash generated from operations</b>	<b>22.1</b>	<b>13.0</b>	<b>9.1</b>
Interest paid	(5.6)	(6.0)	
Tax paid	(0.2)	(0.0)	
<b>Cash generated from operations (after tax and interest)</b>	<b>16.3</b>	<b>7.0</b>	<b>9.3</b>
Net cash used in investing activities	(19.0)	(24.2)	
Proceeds from share issue	0.0	1.5	
Net proceeds / (repayment) of borrowings	0.1	16.8	
<b>Net increase in cash and cash equivalents</b>	<b>(2.6)</b>	<b>1.1</b>	

## Key points

Strong operating cashflow reflective of the company managing its oil supply over two (2) financial years (24-months), to meet the consistent monthly customer demand.

- **Cash generated from operations** of \$22.1m (FY2020 \$13.0m), driven by improvement in USA and Wellness divisions and reduced water costs.
- **The company continued to invest in growth capital**, investing \$19.0m during FY21 (FY2020: \$24.2m)
- **Investment largely funded from operating cashflow**

# Group Balance Sheet

Strong balance sheet, and significant increase in current assets

Balance Sheet			
\$'million	2021	2020	Variance
Cash	1.2	3.8	
Current Assets (excluding cash)	134.6	82.2	
Property, plant and equipment	290.9	292.2	
Intangible assets	6.7	6.7	
Other Non-current Assets	15.2	5.7	
<b>Total Assets</b>	<b>448.6</b>	<b>390.6</b>	<b>58.0</b>
Current Liabilities (excluding Borrowings)	30.0	33.9	
Current Borrowings	3.8	4.9	
Non-current Borrowings	161.8	158.8	
Tax Liability	50.9	33.3	
Other non-current liabilities	11.5	13.6	
<b>Total Liabilities</b>	<b>258.0</b>	<b>244.5</b>	<b>13.5</b>
<b>Total Equity</b>	<b>190.6</b>	<b>146.1</b>	<b>44.5</b>
Borrowing, less cash	164.4	159.9	
Tangible Assets	441.9	383.9	
Gearing ratio	37%	42%	

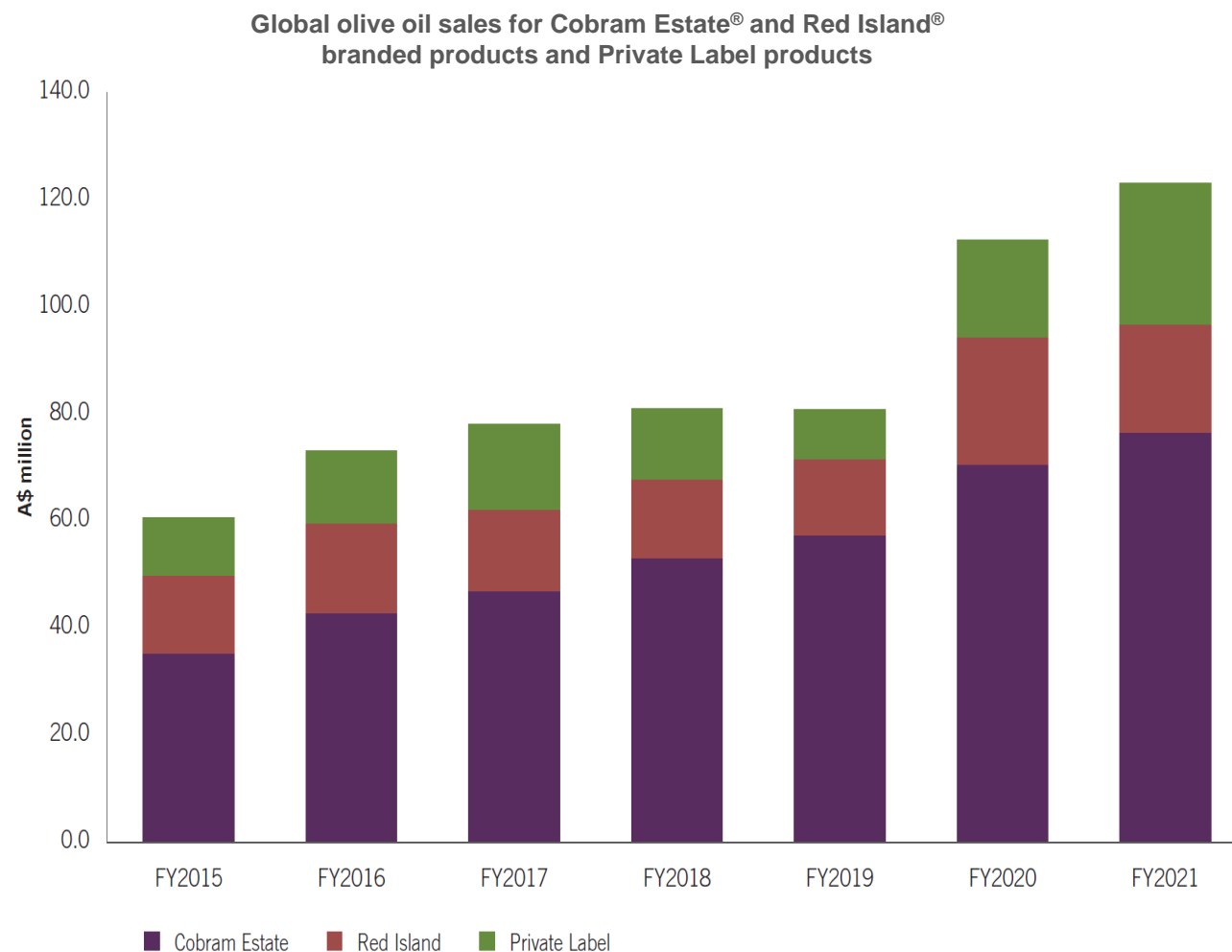
## Key points

Significant increase in Current Assets, predominantly due to the oil produced from the 2021 Australian harvest

- The company's olive trees are carried at cost (within property, plant and equipment).
- The majority of the Intangible Assets relate to the original purchase price of the Cobram Estate® and Red Island® brands.
- \$44.5 million of the Tax Liability (at 30/06/2021) relates to a deferred tax liability on property, plant and equipment that would only crystallise if these assets were sold.
- Debt levels relatively flat and gearing levels decreasing from 42% to 37%.

# Strong growth in packaged olive oil sales despite lower oil supply

Packaged good sales growth of 9.5% in FY2021



## Packaged goods showing continued strong growth

- Sales of packaged consumer goods including Cobram Estate® and Red Island® branded products plus private label products grew by 9.5% from \$112.5 million in FY2020 to \$123.2 million in FY2021.

## Group revenue flat vs FY2020 due to lower oil supply

- Overall sales by the company were restricted by the smaller Australian olive oil crop in 2020 (the oil from which was sold in FY2021), with total sales revenue of \$140.0 million in FY2021 (FY2020: \$140.7 million).
- Bulk olive oil sales (>20L unit size) were particularly impacted by the lower availability of oil, and despite delivering a higher price per litre, group bulk sales declined by \$8.4 million versus the prior year.

## Australian olive oil sales limited to smaller 2020 olive crop

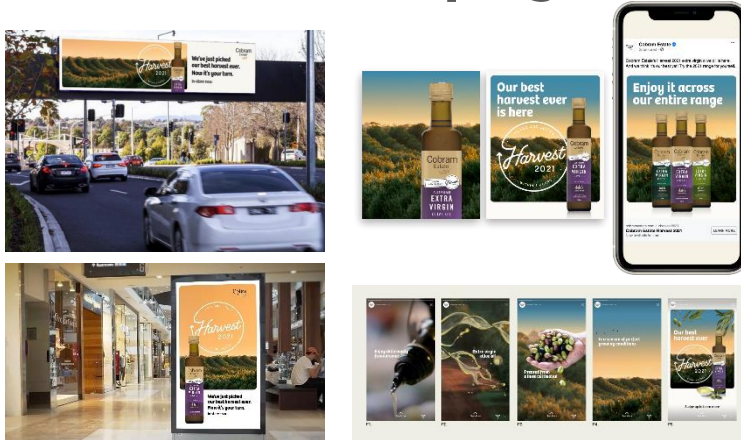
- Due to the smaller olive oil crop in 2020, the company achieved sales of \$98.1 million for the Australian business in FY2021, a 7.3% decline in total olive oil sales compared to FY2020.
- The decline in olive oil availability particularly affected private label, bulk, and Red Island® tins sales.
- Despite the overall decline in sales by the Australian business, the company prioritised sales of Cobram Estate® branded products and achieved growth in sales of 2.3% for the Cobram Estate® brand in Australia in FY2021, with sales of \$64.0 million.



# Continued Strong Marketing Support For Our Brands

Focus on Harvest 2021 and 'fresh' education

## Harvest 2021 Media Campaign



The objective is to educate the Australian community about the fact that extra virgin olive oil is harvested once per year, and ultimately to inspire shoppers to purchase our fresh extra virgin olive oil. The media mix included outdoor, radio, digital and social to drive efficient reach and frequency.

## Harvest 2021 Launch Event



Harvest was also celebrated with an immersive 'grove to city' PR event spanning over 2 nights at *Matilda Restaurant* with a mix of high-profile media and influencer personalities. Guests were treated to an extra virgin olive oil tasting followed by a 4-course meal developed by Chef Scott Pickett showcasing the quality and taste of our new season oils.

# Continued Strong Marketing Support For Our Brands

## Guinness world record event and virtual tastings



### Virtual Tastings

Date
July 6 Health Professional Event
July 15 Consumer Event
July 21 Consumer Event
July 22 Consumer Event
August 19 Consumer Event
August 26 Health Professional Event
Sept 9 Health Professional Event
Sept 16 Consumer Event
Oct 14 Health Professional Event

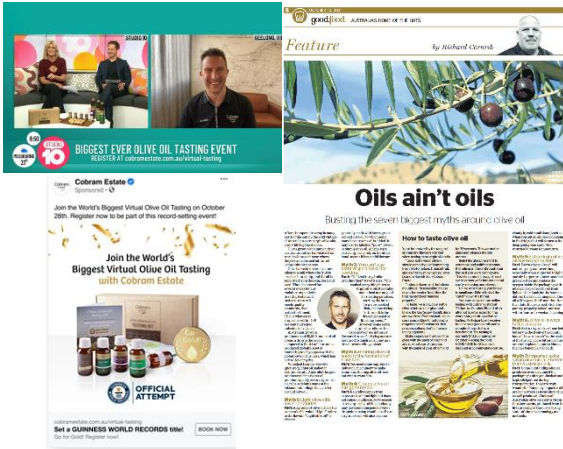
Following the success of our Virtual Tasting Masterclass events in 2020, this year we have so far held 5 consumer virtual tastings & 4 health professional virtual tastings with a over 4,000 registrants. Feedback continues to be overwhelmingly positive.

### Guinness - The Plan



We have encouraged the Australian community to come together and put our country on the map as we attempted to set a new Guinness World Records title for the world's biggest virtual olive oil tasting. Since 2009 Spain has held the in-person title with 12,909 participants.

### Guinness - The Activation



As part of our promotion of the event we engaged with key partners including; CBA, NAB, Little Athletics Victoria, QCWA, Diana Chan, Nick Riewoldt, key health professional partners and universities, plus key media partners including Good Food.

### Guinness - The Partnerships



**14,229 people participated in our Guinness World Records event on October 28, breaking the previous record of 12,909**





# Business Operations Highlights FY2021



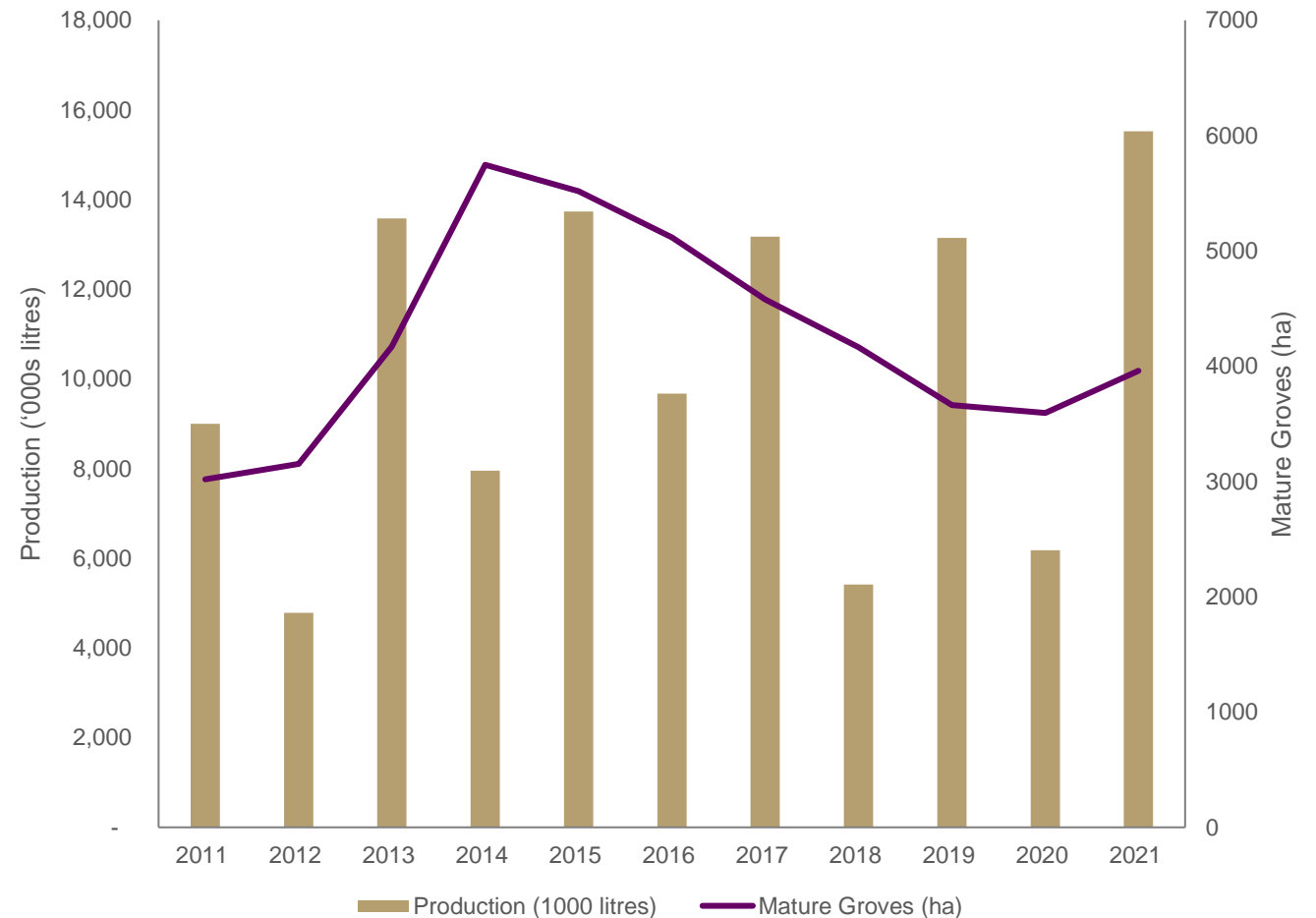
# Australian Olive Harvest – Results Summary

## Record 2021 Australian olive harvest and olive oil yield

### 2021 Australian olive harvest results - summary

- Recently completed the 2021 Australian olive harvest, producing 16.05 million litres, a record harvest (7% above projections).
- **The crop record was achieved despite harvesting over 1,500 hectares less of mature groves than the prior record crop year (2015).** Improvement is due to the Company's replanting program and management.
- Boundary Bend groves (including Wemen) produced:
  - 63,638 tonnes of olives
  - 11,655,522 litres of oil
  - Currently 85% of trees are mature and producing mature fruit yields.
- Boort grove produced:
  - 24,707 tonnes of olives
  - 4,397,960 litres of oil
  - Currently only 31.8% of trees are mature and producing mature fruit yields.
- In total, we harvested 88,345 tonnes of fruit and produced 16,053,481 litres of olive oil.
- **The Company's 2021 harvest accounted for an estimated 71% of Australia's total olive oil production.**
- Additionally, we processed 4,080 tonnes of fruit from external growers.

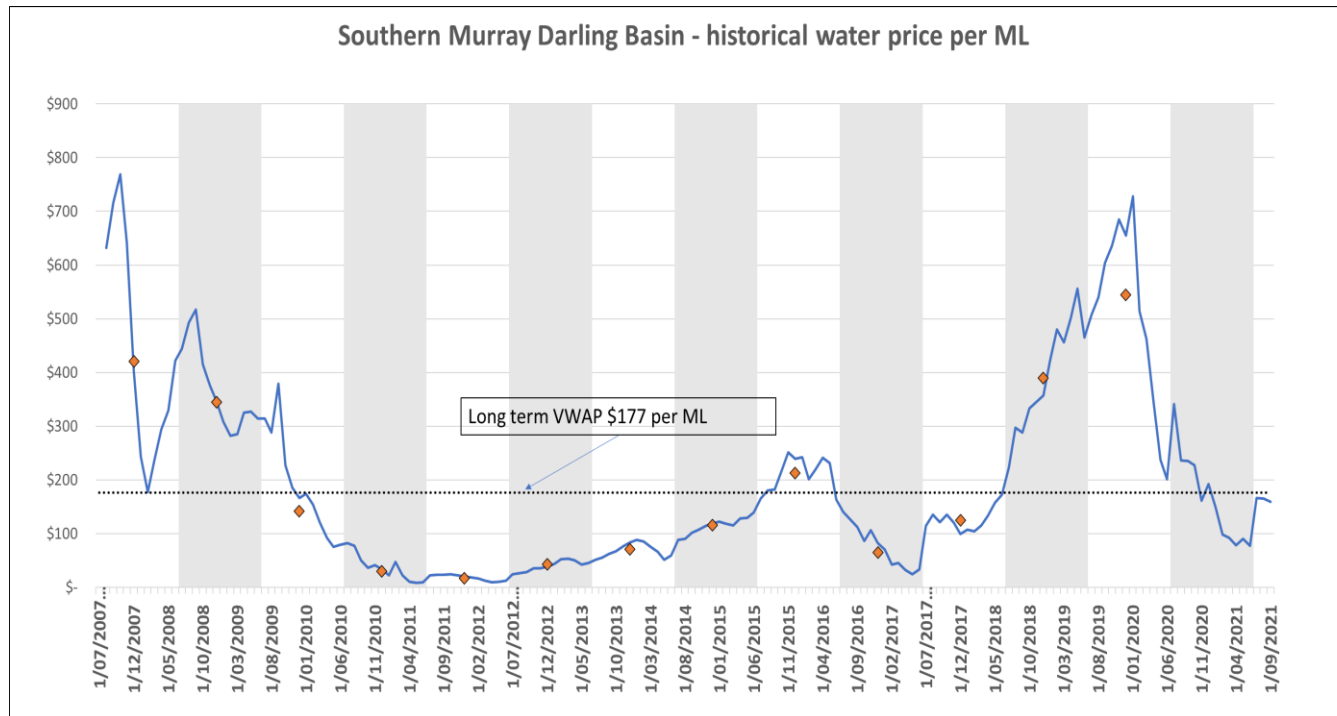
Total Yields vs Mature Groves (Hectares)



# Water Outlook in Australia

2021/22 seasonal outlook is positive with high storage levels and allocations

Southern Murray Darling Basin - historical water price per ML (2007-2021ytd)



Southern Murray Darling Basin – current storage levels  
Total and key storages

Storage	Full % 24/11/2021	Full % 25/11/2020
Lake Eildon	87%	69%
Lake Hume	98%	77%
Lake Dartmouth	85%	61%
Murrumbidgee catchment	95%	90%
<b>Southern Basin total</b>	<b>92%</b>	<b>68%</b>

Source: <https://www.mdba.gov.au/water-management/murray-darling-reports-data/water-in-storages>

Seasonal determinations for northern Victorian  
water systems as of 15 November 2021

Water System	High Reliability Water Share	Low Reliability Water Share
Murray	100%	0%
Broken	100%	100%
Goulburn	100%	0%
Campaspe	100%	0%
Loddon	100%	0%
Bullarook Creek	100%	100%

Source: <https://nvrn.net.au/>

# Environmental Sustainability

Environmental sustainability is central to everything we do

- For over 20 years we've been working to improve our carbon capture rates. Through the implementation of key agricultural practices, our groves sequester nearly 10 times the global olive industry average of CO<sub>2</sub> per hectare.
- Our waste zero ambitions form another critical pillar in our sustainability strategy.
  - Our crushed olive pits are used as renewable thermal energy.
  - Our Wellgrove® health and wellness brand and our Stone & Grove® range of olive leaf teas allows us to use our fresh olive leaves to produce health and wellness products.

## Sustainable waste handling project

- For the past seven years, we've been working on improving the way we manage and capture value from our fresh olive pomace (the fruit pulp leftover after the oil is removed).
- **We are excited to announce we have received a grant from Sustainability Victoria to support the development of a new waste handling system at our Boundary Bend olive mill that will use a combination of recycling technologies to de-water the olive pomace and extract valuable components from the waste.** This project will deliver an estimated 65% reduction in the volume of the waste material it processes, together with lower greenhouse gas emissions and the creation of new commercial products.
- The project will commence implementation during FY2022.

## Embracing Sustainability

- We've created a new video to tell some of our environmental sustainability story – see details alongside.



Our video “Embracing Sustainability” can be found at the link below:

<https://www.cobramestateolives.com.au/#vimeo616e006b87af1>



# People and Health and Safety Leadership

Providing our people with a supportive and safe work environment and culture

## Health and Safety Leadership

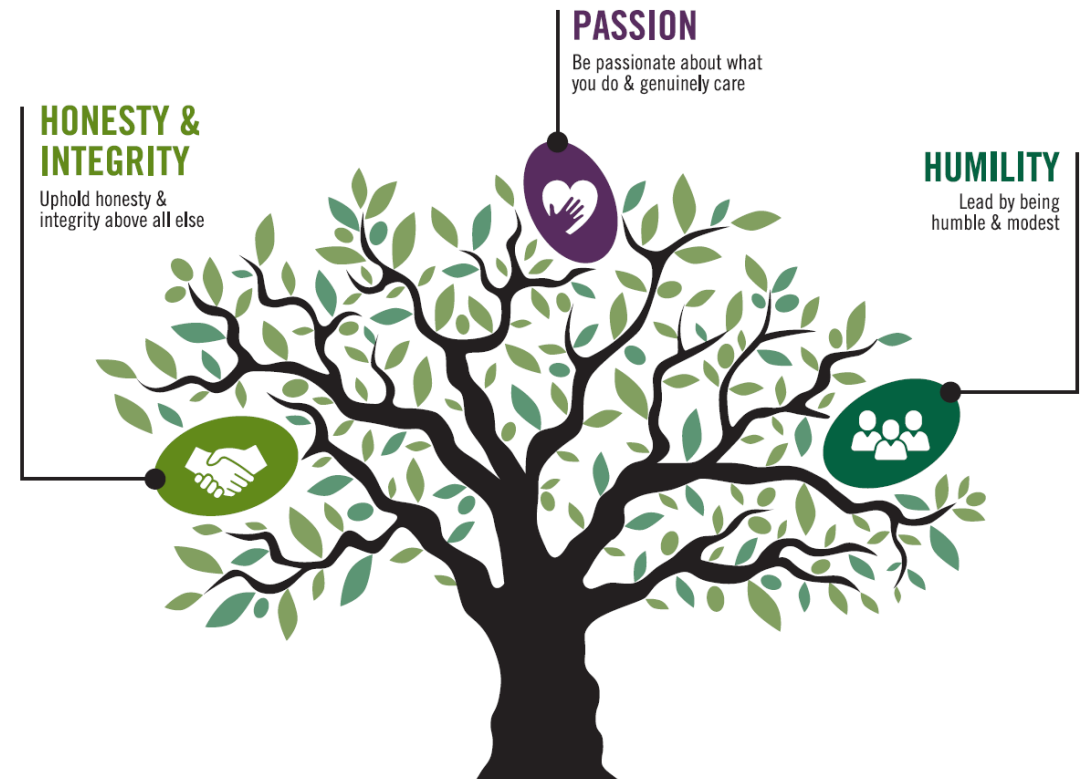
- Protecting the health and wellbeing of staff and the wider community is front of mind as we continue to follow directions from state and federal government regarding the COVID-19 pandemic and implementing strict controls to help prevent the spread.
- Our overriding goal is to deliver quality products to our customers with zero harm to our people. We are committed to providing a safe, injury free workplace and to ensuring all our people, including visitors, go home in the same state of health that they arrived.
- We are continually assessing and improving our processes, systems and pride ourselves on regular communication with our workforce. Our Safety Hub training program will assist in delivering training programs to all teams across all sites to educate, develop and strengthen safe work practices.

## Our People and Our Values

- We pride ourselves on our people and culture, staying true to our core values of Honesty and Integrity, Passion and Humility.
- CBO is committed to supporting employees in achieving their individual goals through ongoing education and knowledge development. This is achieved with plain language “no surprises” performance development reviews and opportunities for internal advancement and career progression.
- Health, wellness, and work-life balance are promoted through onsite fitness classes, birthday leave, and team events to guarantee employees are performing and feeling their best.

## OUR VALUES

At Cobram Estate Olives, our core values are not intended to be feel-good catch phrases. All are of equal importance, and together they are embedded in the character of our organisation and anyone who represents us. They describe the collective behaviours of our company and what is important to us. They are a lot more than just words on a page. Our core values represent who we are – not who we want to be. Our values represent how we built this company, and they embody the day-to-day reality of how we do business.





# Key Risks, Foreign Selling Restrictions, and Summary of Placement Agreement



# Key Risks

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There are a number of factors, specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company and the industry in which it operates.

This section discusses some of the key risks associated with an investment in shares in the Company. These risks may affect the future operation and financial performance of the Company and the value of the Company shares.

The risks set out on the following pages are not listed in order of importance and do not necessarily constitute an exhaustive list of all risks involved with an investment in the Company.

Before investing in the Company, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on the Company (such as that available on the websites of the Company and ASX, carefully consider their personal circumstances and consult their professional advisers before making an investment decision. Additional risk and uncertainties that the Company is aware of, or that it currently considers to be immaterial, may also become important factors that adversely affect the Company's operating and financial performance.

You should note that the occurrence or consequences of many of the risks described in this section are partially or completely outside the control of the Company, its directors and senior management. Further, you should also note that this section focuses on the potential key risks and does not purport to list every risk that the Company may have now or in the future. It is also important to note that there can be no guarantee that the Company will achieve its stated objectives or that any forward looking statement or forecasts contained in this presentation will be realised or otherwise evaluated. All potential investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.

Cooling off rights do not apply to the acquisition of shares.



# Key Risks (cont'd)

<p><b>Weather variability impacting crop yield</b></p>	<p>As a horticultural business, Cobram Estate Olives is affected by weather and climate issues. Variable weather conditions and severe weather events may cause fluctuations in market supply or lead to severe crop damage and crop yield volatility, which may negatively impact the Company's financial results. The production of a commercial olive crop can be heavily dependent on the prevailing weather conditions during certain periods of the crop's life cycle. The crop is particularly vulnerable to weather impacts during flowering, fruit development, and harvest, when adverse weather conditions can have a detrimental effect on fruit set, fruit growth, oil accumulation, and fruit quality, reducing the fruit yield, oil yield, and/or oil quality.</p> <p>In Cobram Estate Olives' groves, drought, frost, hail, flood, wind, extreme heat, bushfire, or a combination of these events can impact the health of the olive tree and the crop yield. The geographical dispersion of the Company's asset base, being groves in three locations in Australia, and three locations in USA, provides some mitigation against severe weather conditions or events.</p> <p>The Company's groves are located in agricultural areas which can be subject to high risk of damage by fire. It is not uncommon for total fire bans to be declared in these regions during periods of extreme hot weather. Fire could cause damage to the groves, impacting the health of impacted trees and or the yield of impacted trees. Fire may also cause damage to olive oil in storage. To mitigate the risk of fire damage on any particular site, the Company maintains suitable firefighting equipment on site, provides regular firefighting training, and implements various bushfire preparedness measures. In the future, weather and climate issues that could adversely impact Cobram Estate Olives may arise with greater frequency or may be less predictable due to the effects of climate change.</p>
<p><b>Fluctuations in reported profit or loss due to the biennial bearing nature of olive crops</b></p>	<p>Olive crops exhibit biennial bearing, whereby a low-yield crop one year is typically followed by a high-yield crop in the next year. Due to the accounting standards applicable to horticultural producers such as Cobram Estate Olives, the Company is required to value its olive crop in the year the crop is harvested, not when the produced olive oil is sold, and as such the reported annual accounting profit or loss results may exhibit material movements from year to year. Operationally, to mitigate the impact of potentially large variations in oil volumes between high and low yielding seasons, the Company manages the fluctuating olive crop yield by working on delivering to market average oil supply quantities over a 24-month period. Through a coordinated supply chain effort, the Company extends the supply period of high yield seasons across 14-16 months whilst reducing the supply period for the low yield seasons to 8-10 months. There is a risk that, if the Company is unable to manage its supply chain or the groves experience successive low-yield crops, the Company's financial performance will be adversely affected.</p>
<p><b>Pests and diseases</b></p>	<p>Pests and diseases can have a detrimental effect on the quality and/or yield of the olive tree and crop. As a primary producer, Cobram Estate Olives is susceptible to disease risk, Pests and diseases can have a detrimental effect on the quality and/or yield of the olive tree and crop. As a primary producer, Cobram Estate Olives is susceptible to disease risk, including pest infestation. Whilst the Company's groves are geographically spread out over three locations in Australia, and three locations in the USA, if one of the Company's groves are affected by pests or diseases then the Company may be unable to realise any or all potential yield from those groves. Such a loss could have a material impact on the operations and financial performance and prospects of Cobram Estate Olives.</p>

# Key Risks (cont'd)

<p><b>Water Availability</b></p>	<p>Water is a key input to the production of olives. Cobram Estate Olives currently uses approximately 35.8 gigalitres of water per annum in Australia and approximately 1 gigalitre of water per annum in California. While the Company has always been able to source sufficient water to meet its irrigation requirements, there is a risk that factors such as rainfall, storage levels, weather outlooks and water market volatility may result in the Company either not being able to source enough water to continue its operations at current operating levels, or incurring water related costs which materially affect the Company's financial performance.</p> <p>During periods of prolonged drought where the price of water may be high relative to other years, the impact on Cobram Estate Olives when compared to the majority of other irrigators which need to purchase water, may be less due to the efficiency of the Company's production, the supply position, and the strength of the Company's consumer brands.</p>
<p><b>Brand and reputation</b></p>	<p>Cobram Estate Olives' product is sold under a number of brands which are owned by Cobram Estate Olives, as well as through Private Label and bulk sales channels. Those brands and their image, as well as Cobram Estate Olives' reputation as a grower and supplier, are key assets of the Company.</p> <p>The reputation and value associated with Cobram Estate Olives' brands could be impacted by a number of factors, including quality issues associated with Cobram Estate Olives' product (or the market categories of product in which Cobram Estate Olives' brands are prominent), product recall, product contamination or other public health issues, disputes or litigation with third parties such as partnership or joint venture partners, distributors, employees or third party growers, or adverse media coverage, whether as a result of Cobram Estate Olives' conduct or by the conduct of third parties. Should Cobram Estate Olives' brands or their image be damaged in any way or lose their market appeal, this may have a material adverse impact on the financial performance, reputation, or prospects of Cobram Estate Olives.</p>
<p><b>Ability to retain and attract key personnel</b></p>	<p>Cobram Estate Olives' performance is dependent to a large extent on the efforts and abilities of the Joint-Chief Executive Officers and other members of the senior management team. While each of these executives is party to an employment contract, under the terms of the employment contract each individual is permitted to terminate the contract by giving a specified period of written notice. The loss of one or more of the Joint-Chief Executive Officers or other members of the senior management team may have a material adverse impact on the operating and financial performance of Cobram Estate Olives.</p> <p>Cobram Estate Olives' operations and financial performance is also dependent upon its ability to hire additional key personnel as necessary to meet its management, administration, and other needs, including additional suitably qualified workers during the harvest period. While every effort is made to retain key employees and to recruit new personnel as the need arises, the loss of a number of key personnel or inability to attract additional personnel, especially during the harvest period, may have an adverse impact on the operating and financial performance of Cobram Estate Olives.</p>

## Key Risks (cont'd)

<b>Customer concentration – reliance on two large customers</b>	<p>While the Company sells its products to a range of customers globally, sales to the Company's two largest customers, being supermarket operators Woolworths Limited and Coles Group Limited, accounted for 55% of the Company's sales in FY2021 and are forecast to account for 48% of the Company's sales in FY2022. The Company trades with these customers on customary trade terms and there are no forward-looking contracts with either customer which guarantees any volume of sales in the future. While these arrangements are customary for the industry in which the Company operates, they present a risk that the Company's major customers may elect to reduce or cease their purchases of the Company's products. Any material reduction of sales to the Company's two major customers will have a material adverse effect on the Company's revenue and profitability.</p>
<b>Loss of product in storage</b>	<p>From time to time the Company will have material volumes of olive oil stored at various locations awaiting further processing or onward distribution. During this stage there is a risk of loss of such product caused by fire, engineering failure, or sabotage to or involving the storage vessel(s) or facilities, which could have a material adverse effect on the Company's operational and financial performance. The Company has procedures in place in the case of a storage tank failure and seeks to maintain appropriately secure facilities to reduce the risk of loss in this circumstance.</p>
<b>Reliance on third-party suppliers of olive fruit in the USA</b>	<p>In respect of its USA operations, the Company currently relies on the supply of olive fruit from around 20 contracted growers, with contract terms ranging from one-four years. These growers provided approximately 99% of the olives used to produce the Company's Californian extra virgin olive oil supply in FY2020 and are projected to account for around 86% of fruit supply in FY2021.</p> <p>While the Company expands and develops its olive groves in the USA the Company will continue to rely on third parties for a significant portion of its olive fruit supply for its USA operations. There is therefore a risk that the Company's fruit supply will vary with the fruit growing being out of the Company's control, and that in years of smaller fruit supply its financial performance may be adversely affected.</p> <p>In Australia, due to the volume of olive oil produced from the Company's own olive groves, there is no material exposure to the performance of third-party suppliers of olive fruit.</p>
<b>General regulatory factors</b>	<p>Cobram Estate Olives is required to comply with a range of laws and regulations in the jurisdictions in which it operates, including laws and regulations which relate to food standards, labelling and packaging, fair trading and consumer protection, employment, property, and the environment (including water), quarantine, customs and tariffs, foreign investment, taxation, and climate change.</p> <p>A failure to comply with any such laws and regulations may result in the Company's operational and financial performance being materially and adversely affected. In addition, the introduction of any new applicable laws or regulations or changes to applicable existing laws or regulations, such as to food standards, food labelling regulations or climate change regulations, could result in increased costs being incurred by Cobram Estate Olives and therefore have a material adverse impact on the financial performance and prospects of Cobram Estate Olives.</p>



## Key Risks (cont'd)

<b>General market and share price risks</b>	There are general risks associated with any investment in the share market. The price of a Cobram Estate Olives share may increase or decrease due to a number of factors. Those factors include fluctuations in domestic or global financial markets and general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the removal or inclusion of the Company from market indices and the nature of markets in which the Company operates. These factors may cause the price of Cobram Estate Olives shares to trade below the price at which they are offered under the Offer, notwithstanding the Company's financial or operating performance. Neither the Company nor its directors warrant the future performance of the Company or any return on an investment in the Company.
<b>Underwriting risk</b>	The Company entered into a placement agreement with the Joint Lead Managers in connection with the Placement ( <b>Placement Agreement</b> ) under which the Joint Lead Managers have agreed to underwrite the Placement and provide settlement support under the Placement. The Joint Lead Managers' obligations under the Placement Agreement are subject to satisfaction of standard conditions and certain customary termination events and rights, including material declines in the S&P/ASX200 index. A summary of the Placement Agreement can be found on slides 57 to 59 of this presentation. If the Placement Agreement is terminated, the Joint Lead Managers would no longer have any underwriting obligations and the investors in the Placement would be released from their commitments to acquire shares under the Placement and therefore such termination would affect the amount raised by the Company.
<b>Litigation</b>	Legal proceedings and claims may arise from time to time in the ordinary course of the Company's business and may result in high legal costs, adverse monetary judgements and damage to the Company's reputation which could have an adverse impact on the Company's financial position and financial performance and the price of its shares.
<b>Insurance</b>	The Company enters into insurance policies on its properties with policy specifications and insured limits that it believes to be customary in the industry. However, potential losses of a catastrophic nature, such as those arising from war, terrorism, insects or severe flooding, may be uninsurable, or not insurable on reasonable financial terms, may not be insured at full replacement costs, or may be subject to large excesses.
<b>Impact of COVID-19</b>	The events connected to COVID-19 have resulted in significant market falls and volatility including in the prices of securities trading on ASX. There is continued uncertainty as to the further impacts of COVID-19 including in relation to government action, work stoppages, lockdowns, quarantines, travel restrictions and the ongoing impact on the Australian and global economy. In light of recent global macroeconomic events, including the impact of COVID-19, there is uncertainty with respect to the severity and duration of economies globally. If operations of the Company, its customers or suppliers are interrupted or suspended for a prolonged period as a result of any such events, there may be a material adverse impact on the operating and financial performance and prospects of the Company.
<b>Climate change</b>	Climate change and the corresponding increase in the likelihood of events such as floods, droughts, fires, heatwaves, and cyclones could impact Cobram Estate Olives by causing increased costs, closures, disruption to operations, lack of access, damage to facilities or stock, impacts on supply and transportation of product, among other things. Whilst the high resilience of the olive tree when subjected to sub-optimal weather conditions relative to that of other crops may reduce the impact, such events may lead to an increase in operational costs or business interruption and may have a detrimental impact on Cobram Estate Olives' financial and/or operational performance.

# Key Risks (cont'd)

<b>Olive oil price movements</b>	The world price of olive oil may be impacted by global economic conditions and actions taken by individual governments, particularly Mediterranean based countries that supply the majority of global olive oil production. Changes in the world price of olive oil, or changes in the relative price of olive oil due to changes in foreign exchange rates, particularly the AUD/EUR and AUD/USD exchange rates, may have an impact on the competitiveness of the Cobram Estate Olives product offerings relative to products produced in the Mediterranean region and exported to the markets in which Cobram Estate Olives operates. Reduced competitiveness of the Cobram Estate Olives product range will have a detrimental effect on the financial performance of the Company.
<b>Changes in market trends</b>	Cobram Estate Olives' success depends, in part, on its ability to meet consumer demands, and adjust its product range and positioning to fit with current or anticipated market trends, which can be impacted by a variety of factors, including changing tastes and dietary habits of consumers, entry of new market participants and changes in the purchasing patterns of customers. Responding appropriately to new or changing market trends can require significant investment. If Cobram Estate Olives fails to anticipate, identify, or react to changes in market trends on a timely basis, Cobram Estate Olives could experience reduced demand and/or profit margins for Cobram Estate Olives' products, which in turn could cause Cobram Estate Olives' operating results to be negatively impacted.
<b>Work health and safety</b>	Several functions within the operation of the Company's business involve extensive use of specialist heavy vehicles and machinery, both in the olive groves and within the numerous processing facilities operated by the Company. While the Company ensures that its safety protocols comply with applicable laws and regulations in relation to the health and safety of its employees and contractors, there is a risk that accidental injury may occur. If such a risk were realised, the Company may incur reputational damage, compensation claims and/or other legal damages claims. There is also a risk of significant costs associated with civil penalties and criminal fines (if relevant), and the risk of temporary site closure which would delay the Company's ability to meet production requirements, which in turn, could impact the Company's revenue and financial performance.
<b>Adverse movement in input costs</b>	Any rise in the price of inputs related to Cobram Estate Olives' production and distribution of its products, such as personnel, packaging materials (e.g. glass and tin), production costs of the Company's olive oil, or transport costs, could lead to increases in costs of goods. If such costs cannot be passed on to Cobram Estate Olives' customers through increased prices, they could have a material adverse impact on the financial performance of Cobram Estate Olives.

# Foreign Selling Restrictions

This presentation does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this presentation may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## Hong Kong

WARNING: This presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong (the "**C(WUMP)O**"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register this presentation or to permit the distribution of this presentation or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under the SFO) or in other circumstances which do not result in this document being a "prospectus" as defined in the C(WUMP)O or which do not constitute an offer to the public within the meaning of the C(WUMP)O or the Companies Ordinance (Cap. 622) of the Laws of Hong Kong.

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules under the SFO). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this presentation, you should obtain independent professional advice.

## New Zealand

This presentation has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the FMC Act). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.



# Foreign Selling Restrictions (cont'd)

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Class of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the New Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Shares pursuant to an offer made under Section 275 of the SFA except:
  - (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
  - (ii) where no consideration is or will be given for the transfer;
  - (iii) where the transfer is by the operation of law;
  - (iv) as specified in Section 276(7) of the SFA; or
  - (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire the New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

# Foreign Selling Restrictions (cont'd)

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## Singapore (cont'd)

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the CMP Regulations 2018), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the New Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

# Summary of Placement Agreement

The Joint Lead Managers are acting as the managers, bookrunners and underwriters of the Placement. The Company has entered into a placement agreement with the Joint Lead Managers (**Placement Agreement**). The obligations of the Joint Lead Managers are subject to the satisfaction of certain conditions precedent documented in the Placement Agreement. The Placement Agreement contains representations and warranties and indemnities in favour of the Joint Lead Managers.

Each Joint Lead Manager may, on the occurrence of certain events, terminate the Placement Agreement by giving notice to the Company and to the other Joint Lead Manager. Some of those events are described below in summary form only:

- the Australian Securities Exchange (**ASX**) announces that the Company will be removed from the official list or that any the Company shares will be removed from official quotation or suspended from quotation by ASX for any reason (for the avoidance of doubt, excluding a trading halt arising from the Placement);
- the agreement governing the Block Trade is terminated or rescinded by one of the sellers under the Block Trade, is materially breached by one of those sellers or is otherwise terminated, becomes void, voidable, illegal, invalid or unenforceable;
- the S&P/ASX 200 Index is, at the close of trading on the ASX on any day from the entry into the Placement Agreement up to and including 4.00pm on the settlement date for the Placement, 10% or more below its level at the close of trading on the last trading day prior to the date of the Placement Agreement;
- any document issued or published by or on behalf of the Company in respect of the Placement (**Placement Document**) or any announcement, advertisement, publicity or roadshow materials relating to the Company or the Placement published by or on its behalf after execution of the Placement Agreement (**Publication**) includes content that is misleading or deceptive, or which is likely to mislead or deceive, in a material respect or any statement of opinion or belief in any Placement Document or Publication, is not truly and honestly held or there are no reasonable grounds for making any such statement;
- there is an application to a governmental authority for an order or other remedy, or a governmental authority commences any investigation or hearing or announces it intends to do so, in each case in connection with the Placement or any agreement entered into in respect of the Placement which, in the reasonable opinion of the Joint Lead Managers, has reasonable prospects of success;
- proceedings are commenced or there is an announcement of intention to commence proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Placement, which in the reasonable opinion of the Joint Lead Managers, has reasonable prospects of success;
- ASIC (i) makes an application for an order under Part 9.5 of the Corporations Act in relation to the Placement or the Block Trade, and any such application becomes public or is not withdrawn within 2 business days after it is made or where it is made less than 2 business days before the settlement date it has not been withdrawn before the settlement date; (ii) commences, or gives notice of its intention to commence, any investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) in relation to the Placement or Block Trade and any such investigation or hearing (or intention) becomes public or is not withdrawn within 2 business days after it is commenced or where it is commenced less than 2 business days before the settlement date it has not been withdrawn before the settlement date; or (iii) otherwise issues proceedings in relation to the Placement or Block Trade or commences any formal investigation or inquiry into the Placement or Block Trade and such issue or commencement becomes public or is not withdrawn within 2 business days after it is made or where it is made less than 2 business days before the settlement date it has not been withdrawn before the settlement date;



## Summary of Placement Agreement (cont'd)

- ASX does not, or states that it will not, grant official quotation of all the New Shares on an unconditional basis (or on a conditional basis provided such condition would not, in the opinion of the Joint Lead Managers, have a material adverse effect on the Placement by the settlement date;
- a director or senior manager of the Company is charged with an indictable offence or a director is subject to a public action in his or her capacity as a director or is disqualified from managing a corporation under the Corporations Act;
- any event specified in the timetable is delayed by the Company for more than one business day without the prior written consent of the Joint Lead Managers;
- the Placement Documents or any Placement related published materials, include any forecast, expression of opinion, belief, intention or expectation which is not based on reasonable grounds or any other announced forecast or expectation comes incapable of being met;
- the Company breaches, or defaults under, any provision, undertaking, covenant or ratio of a debt or financing arrangement to which it is a party, which has an adverse effect on the Company or an event of default or event which gives a lender or financier the right to accelerate or require repayment of the debt or financing occurs which has an adverse effect on the Company;
- the Company alters its capital structure (other than as contemplated by the Placement) without the prior written consent of the Joint Lead Managers, other than in permitted circumstances;
- the Company or any of its officers engages in any fraudulent conduct;
- there is an event, occurrence or non-occurrence, or development of an existing event, occurrence or non-occurrence, which makes it illegal or, in the case of an event, occurrence or non-occurrence that makes it commercially impracticable for the Joint Lead Managers to satisfy a material obligation under the Placement Agreement, or to market, promote or settle the offer of shares under the Placement, or that causes the Joint Lead Managers to delay satisfying a material obligation under this agreement, including:
  - any acts, statute, order, rule, regulation, directive or requirement of any government agency, orders of any courts, lockdowns, lock-outs, forced closures, restrictions on mobility, or interruptions or restrictions in transportation which has this impact;
  - any acts of God or other natural forces, civil unrest or other civil disturbance, currency restriction, embargo, action or inaction by a government agency; or
  - any other similar event;
- the Company withdraws the Placement or any part of it;
- the Company's board of directors, chief executive officer, or chief financial officer changes; or
- the Company or any of its affiliates becomes insolvent.

## Summary of Placement Agreement (cont'd)

Each Joint Lead Manager may also terminate the Placement Agreement and be released from its obligations under it on the occurrence of certain events where their occurrence has, or the Joint Lead Manager has reasonable grounds to believe that they will likely have, a material adverse effect on the financial position or prospects of the Company and its affiliates or the success of the Placement or could lead to the Joint Lead Manager contravening the law. Some (but not all) of those events are described below in summary form only;

- the Company is in breach of the Placement Agreement or any representation or warranty by the Company is or becomes incorrect, untrue or misleading;
- there is a change in relevant law or policy in Australia;
- there is a contravention by the Company of its constitution or any applicable law or regulation;
- any aspect of the Placement does not comply with the Corporations Act or the ASX Listing Rules;
- there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the financial position, results, condition, operations or prospects of the Company and its affiliates other than as disclosed by the Company to the ASX before the date of the Placement Agreement;
- a general moratorium on commercial banking activities in Australia, New Zealand, Hong Kong, the United States or the United Kingdom is declared by the relevant central banking authority in any of those countries, or a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for 1 day (or a substantial all of 1 day) on which that exchange is open for trading, including the occurrence of a Level 3 cross-market trading halt;
- any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, New Zealand, Hong Kong, the United States or the United Kingdom or the international financial markets or any change in national or international political, financial or economic conditions;
- a general moratorium on commercial banking activities in Australia, New Zealand, Hong Kong, the United States or the United Kingdom is declared by the relevant central banking authority in any of those countries, or a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- hostilities not existing on the date of the Placement Agreement commence or a major escalation in existing hostilities occurs or a major terrorist act is perpetrated involving any one or more of Australia, New Zealand, the United States of America, Hong Kong or the United Kingdom or a national emergency is declared by any of those countries, or a significant terrorist act is perpetrated anywhere in the world;
- information provided by the Company to ASX or otherwise made publicly available in its not most recent annual report, half-year report or subsequent public information releases includes a statement which is or becomes misleading or deceptive or likely to mislead or deceive; or
- a scheme of arrangement or reconstruction is announced by the Company, or another offer to security holders is announced by another person, which, if implemented, may result in a person and their associates acquiring a beneficial interest in, or voting power of, 50% or more of the interests in the Company.

If a Joint Lead Manager terminates the Placement Agreement, then the remaining Joint Lead Manager may elect to take up the rights and obligations of the terminating Joint Lead Manager under the Placement Agreement.

For details of the fees payable to the Joint Lead Managers, see the Appendix 3B released to the ASX on 6 December 2021.



Thank-you!