Australian Agricultural Company Limited
ABN 15 010 892 270

AACo 2024 Annual Report

24 June 2024

Manager
ASX Market Announcements
Australian Securities Exchange

Attached is the Company's Annual Report for the 12 month period ended 31 March 2024 in the form in which it will be distributed to shareholders of the Company.

This version will be mailed to those shareholders who have elected to receive a printed copy of the Annual Report as at 24 June 2024.

Shareholders who have elected to receive the Annual Report electronically will receive an email on 24 June 2024 providing a link to the report on the Company's website.

This announcement is authorised to be given to the ASX by the AACo Board.

Issued by:
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Company Secretary and General Counsel

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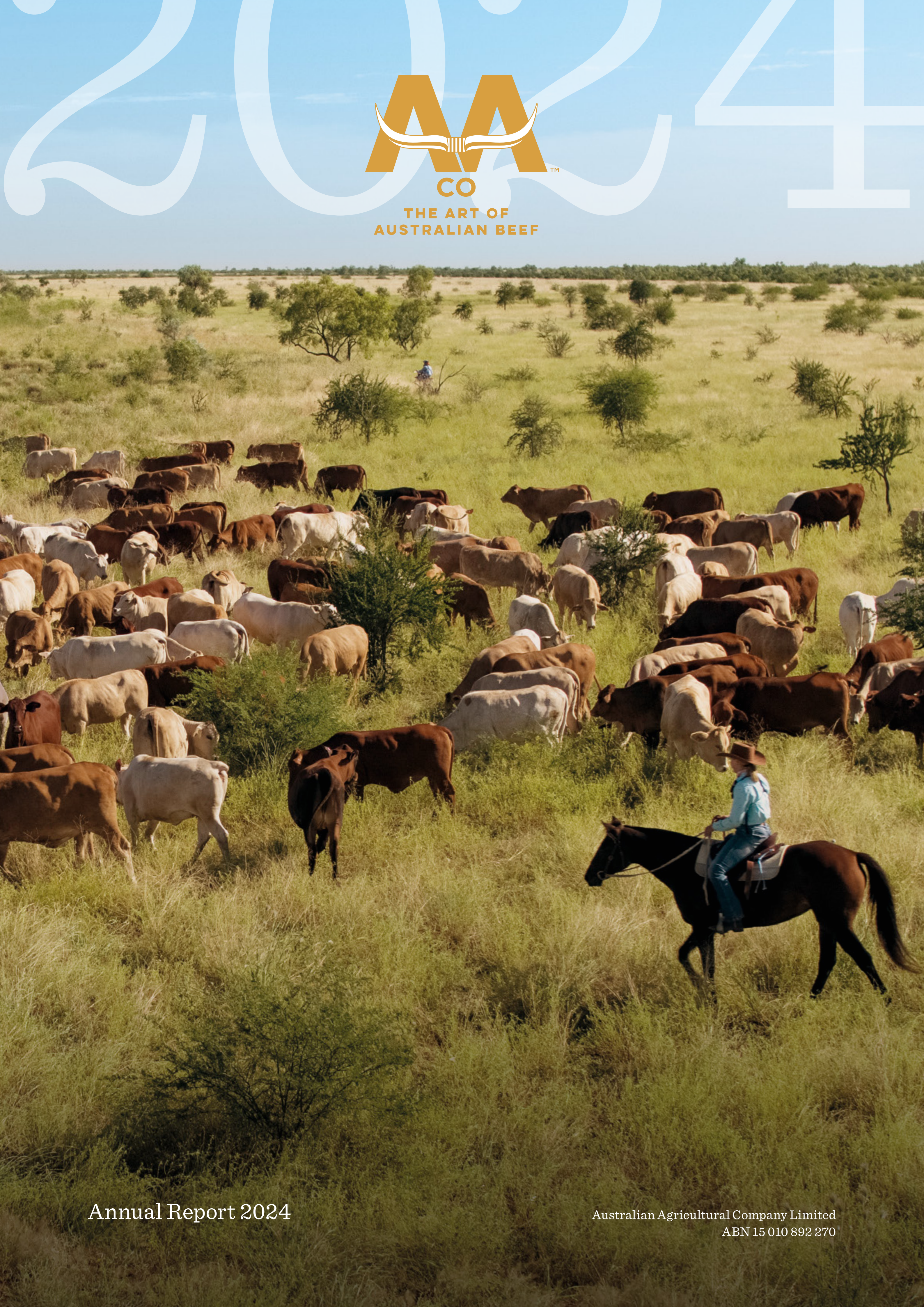

Annual Report 2024

Australian Agricultural Company Limited
ABN 15 010 892 270

AACo continues to leverage its high-quality assets and distribution network to produce strong results, with its Wagyu brands held in high esteem globally.

Acknowledgement of Country

AACo wishes to acknowledge the Traditional Custodians of land throughout Australia on which we work, live and play, and their connections to land, sea and community. We pay our respect to their Elders past, present and emerging, and extend that respect to all First Nations Peoples.

Our Purpose

To *evolve together* to benefit future generations.

Our Vision

To be trusted globally as the producers of the *finest quality* Australian beef.

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History

Established in 1824, AACo is one of Australia's largest integrated cattle and beef producers and is the oldest continuously operating company in Australia.

AACo owns and operates a strategic balance of stations, feedlots and farms spanning approximately 6.5 million hectares of land across Queensland and the Northern Territory.

We have dedicated the best part of 200 years to perfecting our art. Respect for the land and our cattle is our heritage; the desire to produce only the best has been passed down by generations before us.

We continuously adapt to dynamic conditions across our integrated supply chain. This is why we've been around for nearly 200 years and how we will continue to improve and meet the challenges of the future. We know this is one of our greatest strengths.

The extraordinary people, animals and land we care for and the exceptional product we create are the hallmarks of our success. But we are only today's custodians and it's our responsibility to leave our world in better shape for the generations to follow. This is our legacy.

Jackeroos at Corona Station, 1920s

Our Values

Our values influence our culture and our brand, and provide clear expectations in how we interact with each other, our customers, our communities and stakeholders.

Respect what makes it *possible*

- The future of AACo depends on our people, our animals and our land. We treat each other with respect. We raise our cattle with attention and care. We keep our land sustainably productive. For nearly 200 years these resources have made our work possible.
- This is our heritage and also our future.

Aim *higher*

- Excellence is an attitude, not an outcome.
- We take pride in everything we do – as individuals and as teams working toward shared goals.
- There's no such thing as good enough; we continue to evolve and improve.

Embrace *change*

- We embrace change and adapt.
- We exchange ideas and share knowledge to solve challenges and capture opportunities.
- We encourage new approaches to moving forward and respect the diverse experience of our people.

Take the *reins*

- We all own the success of our business. When opportunities arise and challenges emerge, it's up to every person at AACo to play their role.
- This means understanding and excelling in our own roles and working together to achieve success as a team.

Do it for the *diner*

- Whether in the paddock, feedlot or the office, everyone at AACo is here to produce the highest quality beef.
- Each of us has an essential role in creating an exceptional product.
- Our commitment to our customers is at the core of everything we do, but never at the expense of our people, our animals or the land.

Business Model

We are a fully integrated branded beef business with three principal activities

Sales and marketing of high-quality branded beef into global markets

Production of beef including breeding, backgrounding and feedlotting

Ownership, operation and development of pastoral properties

Our pastoral assets are recognised as being amongst the highest quality in the world.

We operate an integrated cattle production system located throughout Queensland and the Northern Territory.

We distribute branded beef to a range of customers across the world, tailoring our route-to-market model by country to capitalise on regional opportunities.

We are large enough to obtain scale efficiencies but agile enough to adapt to market conditions, whilst producing some of the finest quality beef in the world.

Our continuous investment in our people, systems and assets serves to support supply chain excellence and operational resilience.

19
OWNED CATTLE STATIONS

4
LEASED STATIONS

2
OWNED FEEDLOTS

2
OWNED FARMS

1
LEASED FARM

Supply Chain

Our supply chain ensures the highest standards of quality, with sustainability embedded throughout our operations.

Our vertically integrated approach combines scientific innovation, modern practices and a deep commitment to animal welfare and environmental stewardship, creating a seamless journey from farm to table.

1

Breeding & Genetics

By combining the science of genetics and the art of breeding, we produce high-quality animals which will perform well under tough conditions and maximise their value.

2

Grazing

With properties spanning the rangelands of northern Australia, cattle graze for two to three years, roaming and eating an incredibly diverse native diet.

5

Processing

AACo partners with state-of-the-art processing facilities in Australia, where we are onsite to ensure best-practice standards are maintained, including low stress stock handling, hygiene, efficiency and quality control.

6

Distribution

Our supply chain is predominantly focused on delivering premium beef to key select global markets. We also sell the Mitchell composite and Brahman cattle from our internal supply chain to reputable customers.

From breeding and grazing, to processing and distribution, each stage is designed to maximise value and deliver premium beef products to our global customers.

3

Farming

Our farming operations focus on what grows well locally and what our cattle flourish on. At Wylarah, Rewan, Glentana, Gordon Downs, Comanche and Goonoo we farm a variety of crops for harvesting and foraging. We also undertake dryland cropping on our Dalgonally and Canobie properties.

4

Feedlotting

Our cattle are finished on a blend of grains for up to 550 days at Goonoo and Aronui. Our feedlots focus on optimising animal comfort, welfare and nutrition, producing consistently high-quality beef.

7

Sales & Marketing

Our customer-facing team regularly meet with chefs and distributors, sharing the stories of our product while seeking feedback on what is important to our customers.

Customers

Our entire supply chain is focused on producing consistent high-quality product for our customers.

Progress on Key Initiatives


Brand delivery


Sustainability initiatives

AACo continues to make considerable progress on its strategic priorities.

Our focus on branded beef has provided price resilience during challenging market conditions, achieved from the strength of our partnerships and ability to leverage our global distribution network to maintain price tension.

We continue to build a simpler and more efficient AACo, by leveraging our data across the breadth of our integrated supply chain to provide decision-making insights.

We are proud of our progress against our sustainability initiatives and development of our people and assets.

+10%

Increase in Wagyu meat sales revenue

Overall meat sales revenue increased by 10%, with branded beef prices largely maintained or increased in most target regions in FY24.

Successful new product development

Product trials including Wagyu bacon, burgers and grassfed beef expanded our brand reach to new global customers, receiving positive feedback.

Expanded brand portfolio

Our relaunched 1824 brand complements Westholme and Darling Downs, increasing sales opportunities in key target regions.

Addressing climate impacts

Committed to a ten-year investment as a Tier-1 partner in the Zero Net Emissions from Agriculture Cooperative Research Centre (CRC) to address agricultural emissions challenges.

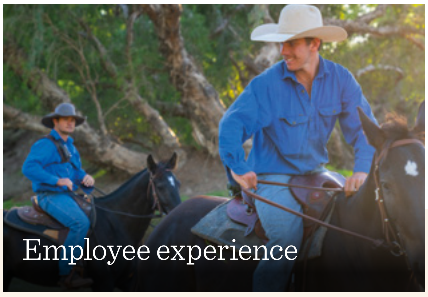
$4.3m

Australian Carbon Credit Units (ACCUs)

Recognised $4.3 million worth of ACCUs being generated under the fourth year of our Beef Cattle Herd Management Program registered with the Clean Energy Regulator.

Progressing ongoing sustainability projects

These include the Rangelands Carbon by Satellite project, advanced emissions accounting (including Scope 3), and feed additive methane abatement trials.



Executing our Employee Value Proposition (EVP)

The EVP highlights the extraordinary nature of working at AACo, with extraordinary people, animals, land and products.

Increased gender balance

There was a 6% lift in women in leadership across AACo, and the company reached equal gender representation amongst senior leaders.

+8%

Engagement improvement

There was an 8% increase in our Employee Engagement Score, demonstrating our efforts to foster a positive work environment for our people.

New processing partnership

Transition occurred to support overall scalability and flexibility, provide further resilience on branding capabilities, realise savings and support product innovation.

+5%

Increase in \$/kg LW[1] cost of production vs pcp

Strategic herd profile adjustment to produce more Wagyu increased costs. This will enable us to further leverage branded sales opportunities and maximise sales outcomes in target markets.

+12%

Increase in feedlotting capacity

Benefits of the Goonoo property expansion in Central Queensland have begun to be realised, supporting additional revenue uplift.

$36.5m

Business and asset investment

Improvements were made across the operational side of the business, including the Goonoo expansion, upgrading buildings and other property infrastructure, as well as investing in our fleet and movable assets.

93%

Bores converted to solar

Our program of converting diesel bores to solar is nearing completion, reducing costs and improving efficiency.

1. LW – Live animal weight.

Key Results for 2024

Continued momentum of commercial brands illustrates the strength and scalability of our operations.

$336.1m

TOTAL REVENUE (UP 7% V PCP[1])

$268.7m

MEAT SALES (UP 10% V PCP)

13.6m kg cw[1]

WAGYU BEEF SOLD (UP 24% V PCP)

68.7m kg lw[1]

KILOGRAMS PRODUCED (UP 8% V PCP)

1. PCP – Prior comparative period, CW – Carton weight containing saleable boxed meat, LW – Live animal.

Strong performance delivered in difficult market conditions, showing the resilience of our business and quality of our integrated supply chain and assets.

$50.5m

OPERATING PROFIT (DOWN 25% V PCP)

$9.3m

OPERATING CASHFLOW (DOWN 42% V PCP)

$2.4b

TOTAL ASSETS (DOWN 1% V PY)

$2.51

NET TANGIBLE ASSETS PER SHARE (DOWN 3% V PY)

Chair and CEO's Report

Dear Shareholders,

We are pleased to present the 2024 Annual Report for Australian Agricultural Company Limited (AACo).

Donald McGauchie AO
Chairman

David Harris
Managing Director and CEO

AACo performed well through difficult global conditions in FY24, delivering a strong result and demonstrating the resilience of our supply chain.

This is evident from the continued growth in overall revenue and sales volumes, despite increased global meat supply, reduced live cattle market prices and inflationary impacts on inputs.

Our Wagyu beef brands Westholme and Darling Downs continue to command price premiums in key markets, and we were able to leverage our established distribution network to ensure we were allocating the right cuts to the markets that will produce the best outcomes and position us well for the future. The relaunch of the 1824 brand during the period provides another avenue for us to achieve this.

Financial and operating highlights

This year, total revenue increased 7% from the prior period, to $336.1 million. This growth was driven by a 24% increase in meat sales volumes, underscoring our resilience and adaptability in a dynamic market environment.

Our focus on branded beef has been crucial in maintaining price resilience. The strategic allocation of product that has been a feature of our strategy, allowed us to shift volumes in some markets to create price tension. Branded sales growth in key markets, particularly in Asia and Australia, has reinforced brand awareness and engagement.

We generated an Operating Profit of $50.5 million. Though a softer result than last year, it is AACo's second largest operating profit and the second consecutive year that the company has posted a full year operating profit above $50 million. Our Operating Cashflow of $9.3 million was also down on last year, as we continued to align spending with our strategic priorities, in addition to supporting the production of more liveweight kilograms.

The herd grew by 5% to approximately 455,000 head of cattle, with growth in the Wagyu herd positioning the company for future market growth. This was behind the 5% increase in cost of production per kilogram, as Wagyu cattle remain in the supply chain for a longer period. Our strategic increase in Wagyu production will allow us to achieve higher sales prices through branded beef sales.

Cattle prices hit a four-year low in FY24, which led a to downward unrealised mark-to-market adjustment on the herd of $149.4 million. We are required to include this adjustment in statutory profit or loss, even though the company's supply chain and strategy focuses on selling finished branded beef products into global markets.

Reduced cattle prices on the other hand are primarily realised through live sales, which only make up a small portion of our business. This is why operating profit and cashflow are more appropriate measures of financial performance at AACo.

The negative mark-to-market adjustment on our herd resulted in a reported Net Loss After Tax of $94.6 million and a negative statutory EBITDA of $87.9 million, both down on the prior year.

Our land assets include stations, farms and feedlots spread over 6.5 million hectares of Queensland and the Northern Territory. The increasing value of our properties supported our results, with a material net uplift in pastoral property and improvements, of $78.1 million. This unrealised improvement was driven by investment in our assets and market value increases.

Investment in the quality and performance of our assets, including the Goonoo Expansion and ongoing asset optimisation programs, have been critical in ensuring we maximise the performance of our value chain.

The reduced herd value offset the impact of these improvements on the Balance Sheet, with Net Assets down 3% on the prior year to $1.52 billion, and Net Tangible Assets also down 3% to $2.51 per share.

Chair and CEO's Report

Regional performance

We responded to challenging conditions in North America by managing supply to the region so that we could maintain higher prices. Their local herd liquidation continued throughout the period, increasing local supply, however our approach has kept us well positioned to respond when market dynamics improve.

In Asia, we've experienced ongoing success by tailoring our approach to local tastes and preferences. This continued in FY24 through the launch of a premium tier with our brand Darling Downs in Korea. We are also growing food service presence, with increased sales of Westholme and expansion into Indonesia and Thailand.

The reintroduction of the 1824 brand in the second half of FY24 created new market opportunities in Australia. Increased broader supply impacted prices, but 1824 along with expanded offerings through Darling Downs will allow us to extract more value across the whole of the carcass. Australia remains our spiritual home and is an important market for managing broader market dynamics as part of our global strategy.

Europe is a high-paying, but highly competitive market. We are taking a strategic and selective approach, building the market through a small group of distributors deeply embedded in the local culinary scenes. This high-touch approach has successfully placed our products in top-tier restaurants and prestigious locations across Europe. We are being intentional about our growth here to maintain exclusivity and price.

The Middle East is a similarly high-paying region, and we invested in this market to ensure long-term sustainable growth, including establishing dedicated team members in Dubai. We took an innovative approach through the period, testing new products that are appropriate for local customers such as Wagyu bacon.

Sustainability

Sustainability remains at the core of our operations. This year, we committed to a 10-year investment as a Tier-1 partner in the Zero Net Emissions from Agriculture Cooperative Research Centre (CRC), which will seek to accelerate the transition to net-zero across agriculture. We have also made significant progress in our Rangelands Carbon by Satellite project, advanced our emissions accounting, and completed our world-first Asparagopsis trial in longfed cattle.

The maturing of our sustainability approach has led to many aspects being embedded in our daily business activities. Our commitment to innovation, environmental stewardship, and community remains unwavering. We will continue to invest in projects and practices that drive positive change and contribute to a sustainable future.

This year marks the fifth year of our Sustainability Report and highlights the continued progress across the company.

Our people are at the *heart* of our success.

Our people

Our people are at the heart of our success. This year, we executed our Employee Value Proposition (EVP), highlighting the extraordinary nature of working at AACo. We achieved a 6% lift in women in leadership roles and reached equal gender representation amongst senior leaders. Additionally, our Employee Engagement Score increased by 8%, reflecting the positive impact of our efforts to create a supportive and inclusive work environment.

A commitment to safety is an important part of our employee value proposition. We continue to make progress in various areas of employee wellbeing, health and safety through multiple initiatives, recognising the need for ongoing improvement as we learn and evolve. Due to safety performance indicators not trending towards our targets during the year, we have commenced a Health and Safety review. This review will drive future transformation of our programs and aim to further improve our safety culture.

We are continually inspired by our people who work across the world, have fully embraced our purpose and play a vital role in our continued success as a global provider of premium beef products. Their commitment and contributions are highly appreciated, as they continue to rise to challenges with energy and resolve.

Outlook

FY25 will be the first full year realising the benefits of our investment in the Goonoo feedlot and the ability to further increase supply of branded beef. AACo will maintain its focus on driving productivity and quality across the supply chain, in an environment of moderating inflation.

Consecutive favourable seasons across AACo properties are contributing to strong pasture growth and improved productivity and will enable us to leverage opportunities as our cattle move through the supply chain.

Our strategic focus on high-value international markets, combined with targeted product innovation, positions us well for continued growth. By leveraging strong distributor relationships and expanding our market presence, we look forward to building on the success of our people and the value of our extraordinary assets.

Conclusion

This year we commenced a review of the company's strategic direction. While we remain focused on improving earnings from the sale of premium branded beef via our extensive global distribution network, the strategy development will include various alternative areas for value generation, through unlocking the value of our vast asset base and skill sets while furthering sustainability initiatives. We look forward to sharing more about this in due course.

We would like to thank our Board colleagues, Executive Team and employees across the business for their contributions this year. Our combined focus remains firmly fixed on pursuing opportunities across the value chain.

The calendar year 2024 marks 200 years of operation for Australian Agricultural Company. We have been and continue to be a purpose-led company that puts its people, the land, its animals and its customers at the core of all we do.

We will stay true to our values, and continue working together to honour our past, respect our present and innovate for our future.

We look forward to a promising year ahead.

Yours sincerely,

Donald McGauchie AO
Chairman

David Harris
Managing Director and CEO

People and Culture

Our people have been at the core of AACo for 200 years and we continue to recognise them at the heart of all we do.

We are committed to continuously growing and developing our people, building thriving workplaces reflective of the diversity of our workplace. AACo provides opportunities for people of all backgrounds, skills, talents and aspirations to forge a career pathway within agriculture and throughout our vast local and global supply chain.

Our people tell us that AACo is an extraordinary place to work, and that is our People Promise (Employee Value Proposition).

At the heart of this is the promise of being part of a community, a lifestyle, a legacy and opportunities unlike any other. We are a community that is built upon generations of passionate individuals and families with diverse backgrounds and experiences, and we are united by a genuine care for what we do, for each other, the animals we work with and the land beneath our feet.

We also have strong ties to the local communities in which we live and work, and advocate for those who support our people with the care and lived experience understanding that comes from working and living remotely.

Our People Promise pillars help us hold true to what matters most to our people and enable us to build the capability of our people and to ensure our culture and people's experiences are aligned to our purpose, values and business aspirations.

1. Full Time Equivalent employees.

Key highlights

Community and Diversity

- **Community Engagement**: Our people are actively involved in local events, reflecting the strong community spirit in rural and regional areas. Whether in emergency situations, fundraising or lending a hand, our teams are always reaching out to support their neighbours. We continue to focus our efforts behind several charities that have a natural connection to our people and local communities, including Dolly's Dream, The Royal Flying Doctor Service and Sober in the Country.

- **Women of AACo**: At AACo, we recognise the critical role women have and continue to play in agriculture. In its second year, our Women of AACo employee resource group successfully piloted a mentoring program for 12 women from across the business, with men and women senior leaders investing their time to help educate, empower and support their mentees. In the FY24 pilot, 50% of mentors were male and 50% were female.

  We continue to strive towards equal representation in gender throughout our organisation, with the Senior Leadership Team (Executives and their direct reports) achieving this in FY24, through internal promotions and development of our people.

Growth and Development

- **Leadership Development**: The development and implementation of an AACo specific leadership charter and competency framework is pivotal as a key enabler of our ongoing success. This framework guides expectations for mindset, behaviour and performance. The framework is in the process of being integrated into all of our training programs, enabling consistent leadership role modelling and development experiences across the business.

- **Investment in Workplace Environments**: We have invested $1.6 million on upgrades to employee accommodation and workplace environments. This investment ensures the working and living environments provided are of a consistent quality, enabling our people to thrive. They have access to the spaces and tools they need, while staying connected to support networks wherever they choose to live and work.

Innovation and Opportunity

- **Inclusive, Safe and Respectful Workplaces**: We acknowledge that in order for our people to perform at their best, promoting and creating inclusive, safe and respectful workplaces is key. In FY24 we launched our Listen Up, Speak Up Program, promoting active employee listening and making it easy for our people to let us know so we can act, if their experience at work is not in line with our values and code of conduct.

- **Endless Opportunities**: FY24 represented a significant year of innovation and future thinking, providing exciting opportunities for our people. This included expansion of talent in emerging growth markets, new product development, participation in key industry and global forums, and involvement in leading edge sustainable practices. Our emerging leaders are committed to developing their industry knowledge and impact.

We could not be prouder of our AACo team.

Workplace Health and Safety

Total Recordable Injury Frequency Rate (TRIFR)

76.6

AN INCREASE OF 13% ON PRIOR YEAR

Near Miss Frequency Ratio

4.2:1

EXCEEDING OUR TARGET RATIO OF 3:1

We are continuing to invest in our team's wellbeing, health and safety. *Our team's wellbeing, both physically and mentally, is of the utmost importance* in everything we do.

We measure and review our safety performance through various data and metrics, and strive to continue making AACo a great place to work. While we have made progress in various areas, we recognise the need for ongoing and continuous improvement as we learn and evolve.

Our safety focus defines our culture of care and consistency for wellbeing, health and safety throughout our supply chain. While we have made significant strides in reducing incidents over recent years, we acknowledge that our recent 13% increase in incident rates falls short of our targets.

This has triggered a comprehensive health and safety review which aims to identify areas for improvement and drive future transformation of our wellbeing, health and safety initiatives.

Key highlights

Our annual Employee Engagement survey this year included questions to measure our employee's experiences across wellbeing, physical safety and psychological safety. The results for the company overall under each of these factors scored above 80%.

Near miss reporting has been a focus in building a strong positive reporting and learning culture, and remains a priority.

We have made continued investment into our frontline leaders, leading and developing safety culture on our properties.

Enhanced our site-specific hazard profile assessments across our operations to understand our critical risks.

A comprehensive Health and Safety Review was established, due to safety performance not trending towards our target. This review will highlight what we do well and identify opportunities for improvement.

Continued delivery of health and wellbeing programs within the business, through our Employee Support Services and onsite visits from Occupational Therapists. This covered topics such as ergonomic assessments, nutrition and health awareness campaigns.

Regional Beef Market Overview

AACo distributes quality beef products to key markets around the world.

While we achieved a strong revenue outcome in FY24, diverse market dynamics including inflation and supply and demand pressures in most markets impacted overall performance. Overall meat sales revenue increased 10%, and we were largely able to maintain or increase $/kg outcomes across our branded beef portfolio in most of our priority regions, an encouraging outcome in the context of the challenging market environment.

Key highlights include:

- **Optimisation of our market allocation and sales mix**: We continued to focus on strategic market allocation, adapting our channel strategies to shifting consumer and market trends across each region.
- **Reinforced our branded beef strategy**: Implemented targeted digital marketing campaigns for our Westholme and Darling Downs brands, improved branded placements of our products on menu and in-store including the relaunch of our 1824 brand, and increased the in-market presence of our commercial teams.
- **Additional brand potential**: Commoditised cuts represent approximately 50% of our total sales value, presenting an opportunity to extract further value by converting cuts to products under our innovation tiers. This is a focus as it allows us to both increase premium pricing and branded volumes without external raw material purchases.

The demand for Australian beef, particularly our high-quality Wagyu, remains robust in international markets. *Our export volumes have increased significantly,* reflecting the high esteem in which our products are held globally.

WESTHOLME

NATURE — LED AUSTRALIAN WAGYU

Westholme

We're led by the land. Led by a belief that better land makes better beef. Raised better. Better tasting. Better for the environment. Better for the way we eat today.

Full flavour, cross-cultural, open kitchens. For open-pasture grazers and Michelin star-gazers. The star chefs and rising stars. For the next 200 years.

Westholme is *Nature-Led Australian Wagyu.*

DARLING ESTD 2002 DOWNS

Darling Downs

Darling Downs isn't just a product, it's a way of life.

Our people love what they do and take enormous pride in caring for the land and animals.

Their dedication ensures that Darling Downs provides you with high-quality goodness you can count on. By honing our craft and building on our experience, we deliver the most flavoursome, tender and versatile Wagyu.

We put our hearts and souls into it, so you can be sure you've chosen the best for your loved ones.

From our Australian family *to yours.*

ESTABLISHED 1824 PROUDLY AUSTRALIAN

1824

After two centuries, we've learned a thing or two.

Our story begins in 1824. Through droughts, fires and flooding rains, our grit has paid off season after season. Back in the early days, our stations defined the frontier between coast and desert.

The 1824 herd are born wild, free to range on vast native pastures in Australia's great Northern cattle country. It's the kind place that'll render you speechless. 1824 is what you get from almost two centuries of know-how.

This is real, primal meat.

Regional Beef Market Overview

Australia

Our spiritual home and always a key focus.

High-quality consistent supply, enduring and evolving partnerships underpin our brand and market strategy. Our investment in our brand portfolio and strong local partnerships creates a global brand storytelling platform:

- **Continued investment in Westholme**: Increased product engagement through several exciting chef collaboration events has secured increased presence in leading restaurants in Sydney, Melbourne and Brisbane.
- **Agile inventory management**: Introduced new product lines in Australia and redirected supply internationally to mitigate the impact of softer domestic price performance.
- **Expanded foodservice and retail sales**: Established new distribution partnerships for Darling Downs and 1824 branded products, increasing reach.

Key metrics

REVENUE

$27.4m

% of global sales

10%

Branded Meat Sales[1]

Sales value: Up

24%

Price/mix: Down

(16)%

Volume: Up

40%

1. Branded meat sales represents total meat sales excluding unbranded meat sales (MBS 0-3, trim and secondary cuts).

Regional Beef Market Overview

Asia

Continued increases in sales and volumes, with additional opportunities for growth.

We increased supply and growth of our branded presence, strengthening both the food service and retail channels to help maintain overall global price tension:

- **Increased Westholme branded supply**: Expanded our foodservice presence across Asia, including at leading restaurants in Singapore, Indonesia, Thailand and Hong Kong, aligned with our strategy to be in the world's best venues.
- **Material improvements in Korea**: Gained market share with Korean retail partner E-mart, launched the premium Darling Downs product tier, and increased penetration in both foodservice and retail channels.
- **Invested in brand growth**: Through product activations, in-store promotions and roadshows, digital platform enhancements, influencer marketing, and seasonal gifting programs.
- **Further developed the branded retail business**: New partnerships and product launches in emerging markets including Indonesia and Thailand, to capitalise on the region's growing appetite for premium foods.

Key metrics

REVENUE

$143.6m

% of global sales

53%

Branded Meat Sales[1]

Sales value: Up	Price/mix: Up	Volume: Up
32%	4%	28%

1. Branded meat sales represents total meat sales excluding unbranded meat sales (MBS 0-3, trim and secondary cuts).

Regional Beef Market Overview

North America

A key strategic region where we continue to build a solid foundation for sales through our premium brands.

Our growing North America sales team has maintained strong demand by leveraging established relationships and cultivating new partners. We continue to build a robust food community across the US, with a strategy focused on winning in iconic cities:

- **Navigated challenging market dynamics**: We protected price across ultra-premium product offerings through strong partnerships and brand equity, against a backdrop of US herd liquidation, inflation and increased competition.
- **Increased Westholme awareness and distribution**: Targeted brand marketing and customer engagement activities drove distribution across major culinary hubs of Los Angeles, San Francisco, Las Vegas, New York and Miami.
- **Significant key milestones achieved**: We developed partnerships with premium distributors, secured coveted menu placements at leading restaurants, and expanded geographic reach to Atlanta and Chicago hubs.

Key metrics

REVENUE

$68.2m

% of global sales

25%

Branded Meat Sales[1]

Sales value: Down	Price/mix: Down	Volume: Down
(7)%	(1)%	(6)%

1. Branded meat sales represents total meat sales excluding unbranded meat sales (MBS 0-3, trim and secondary cuts).

Key metrics

REVENUE
$30.7m

% of global sales
12%

Branded Meat Sales[1]

Sales value: Down
(18)%

Price/mix: Up
1%

Volume: Down
(19)%

Regional Beef Market Overview

Europe and Middle East

Strategic market presence in growing, affluent markets.

We reinforced our strategic and selective market presence across the competitive European and Middle Eastern regions. Our regional sales team continues to cultivate strong relationships within premium high-end foodservice venues:

- **Europe is the highest paying global market**: This success is driven by selective city-based distribution connected to top chefs and the supply of highly-marbled Wagyu products, in a region with fewer Australian competitors due to the stringent market access requirements for the EU.
- **Expansion of our team**: We continue to expand regional teams and invest in long-term, sustainable growth to strengthen partnerships with key distributors and customers.
- **Middle East market poised for growth**: Our established presence in Dubai and growth in distribution of high value loin cuts which are aligned to regional chef and consumer preferences, positions us for future growth opportunities.

1. Branded meat sales represents total meat sales excluding unbranded meat sales (MBS 0-3, trim and secondary cuts).

Innovation and Value-Added Products

Investment in processing facilities enables R&D to unlock product innovation opportunities.

Innovation and new product development are essential for maximising carcass value while catering to evolving customer demands and staying ahead of market trends. We take an agile approach to innovation to expand our product portfolio and satisfy market demand:

- **Launched our first grass-fed Wagyu beef product**: After a successful trial last year, we have launched a branded grass-fed Wagyu beef product. This product caters to emerging consumer trends, particularly in the US, seeking a tender Wagyu marbled product with a stronger beef flavour profile.
- **Encouraging trial of Wagyu bacon product**: In response to the demand for an alternative bacon product, we tested our Halal-certified Wagyu Bacon in various key global markets.
- **Demand for scalable new products**: Existing distributors and key customers have responded very positively to our new products, such as burgers, indicating future demand as production volumes increase.

Financial and Operational Overview

Financial performance

Despite facing challenging external conditions over the past year, our company has achieved revenue growth, underscoring the resilience of our integrated supply chain and assets. This growth was realised organically, without the need for external purchases, demonstrating our ability to adapt in a dynamic market environment.

The company delivered total revenue of $336.1 million, up 7% from the previous year. This result was driven by higher volumes from our existing operations, with branded sales revenue growth across all key markets. We are committed to increasing the proportion of branded products we sell, supported in FY24 through the relaunch of 1824 and new products, and continued investment in activities expanding the reach of all brands. These initiatives are expected to drive growth across our foodservice and retail market segments. Our higher quality cuts maintained their pricing during challenging market conditions, reinforcing the strength of our branded products.

Our Wagyu herd has increased, driving a slight increase in cost of production per kilogram compared to the prior year. Whilst Wagyu production has a higher cost compared to other breeds, this is expected to achieve premium pricing and maximise the margin achieved from our assets.

Financial and Operational Overview

The company delivered *total revenue of $336.1 million, up 7%* from the previous year. This result was driven by 24% higher volumes from *17% more head processed* compared to the prior year.

This was achieved through our existing operations, *highlighting our capability to generate top line growth* from our current asset base.

Our Operations

Property

We operate a strategic balance of world class assets across 6.5 million hectares of Australia, underpinning the value of our business.

Our unique property portfolio is core to our production system and comprises a strategic mix of cattle stations, feedlots and farms across Queensland and the Northern Territory. The quality of these assets enables us to produce the highest quality beef at scale, and we are continuously improving the efficiency of our operations.

The carrying value of our pastoral property and improvements grew over the year by $78.1 million, driven by investment in our assets and market value increases. A particular highlight is the $12 million invested in the Goonoo Feedlot, which enhances the value of our assets and positions us well for future growth.

Our properties have consistently been given valuation uplifts by independent property valuers. This is a testament to the quality and potential of our assets. These assets are now worth $1.5 billion, supporting our total assets value of $2.4 billion.

Our Operations

Infrastructure and equipment

Across our property portfolio, we own and maintain a variety of infrastructure, equipment and fleet of assets. During the year, we continued our asset optimisation programs, with $36.5 million spent on investment in the quality, safety and performance of our assets. This investment was up $16.2 million versus the prior year, largely due to the $12 million Goonoo Feedlot expansion. Fleet and asset optimisation included programs around our moveable fleet, with aged equipment and vehicles sold and new assets leased to reach a rationalised number of modern vehicles. This was undertaken to ensure the suitability of our assets and realise savings in repairs and maintenance, as well as reduce our carbon footprint.

Asset investments also occurred on buildings, IT infrastructure, accommodation for staff and fencing, ensuring our assets are continually improved and maintained at the highest quality.

Livestock and genetics

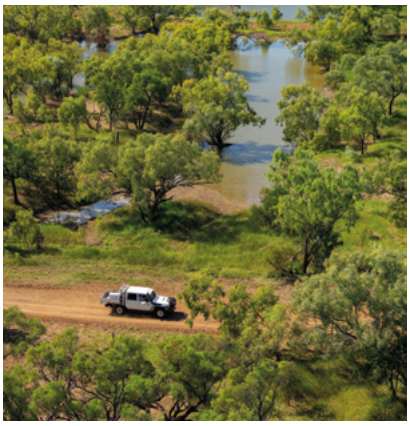
We run Australia's largest herd of Wagyu cattle, with world-class genetics producing consistently high-quality Wagyu beef that is exported around the world. We match our Wagyu sires with our own Mitchell cows, a breed we have developed to thrive on the vast northern Australian tablelands. Mitchell cows are crossed with our Wagyu bulls to produce our F1 Wagyu cattle, which become the Westholme cross-bred branded beef.

Our livestock headcount improved by 5% at EOFY24 to approximately 455,000, due to brandings from the company's internal breeding program. The company continues to benefit from its integrated supply chain, with a predominantly self-sustaining herd.

Carrying values reduced from the prior year driven by market price declines, partially offset by an increased herd headcount and heavier animals.

The value decline represents an unrealised mark-to-market adjustment on our herd. As our herd is primarily held for the production of beef, the majority are not disposed of through the market sales process.

We continue to invest in the quality and value of our herd, with a dedicated team overseeing our breeding and genetics program, which realises natural improvements in brandings, health and genetics, whilst safeguarding our genomics in Australia and offshore, managing the risk of infectious diseases. Our breeding and genetics program has continued to make progress on several key initiatives during FY24, including improved brandings from our existing herd, genetics progress across favourable traits for animals and quality of carcass performance, as well as progress on our polled (born naturally horn-free) bulls. Our disease management is continuously improved, with enhanced training, testing and impact modelling and monitoring processes.



Supply chain

Our strategy of continuous investment in our supply chain, from calving through to the sales process, is aimed at enhancing efficiency and optimising operations. This approach ensures that we remain competitive and well-positioned to capitalise on future opportunities.

The herd headcount has *improved by 5%* to approximately 455,000 due to brandings from the company's internal breeding program.

While the past year has presented challenges, our strategic focus on revenue growth, prudent investments, and market-leading quality has set us up well for the future. We are committed to leveraging our strong asset base and enhancing our operational capabilities to drive sustainable growth.

As we look ahead, our continued investment in people, infrastructure, and premium products ensure we remain resilient and well positioned for long-term success.

Our Sustainability Approach

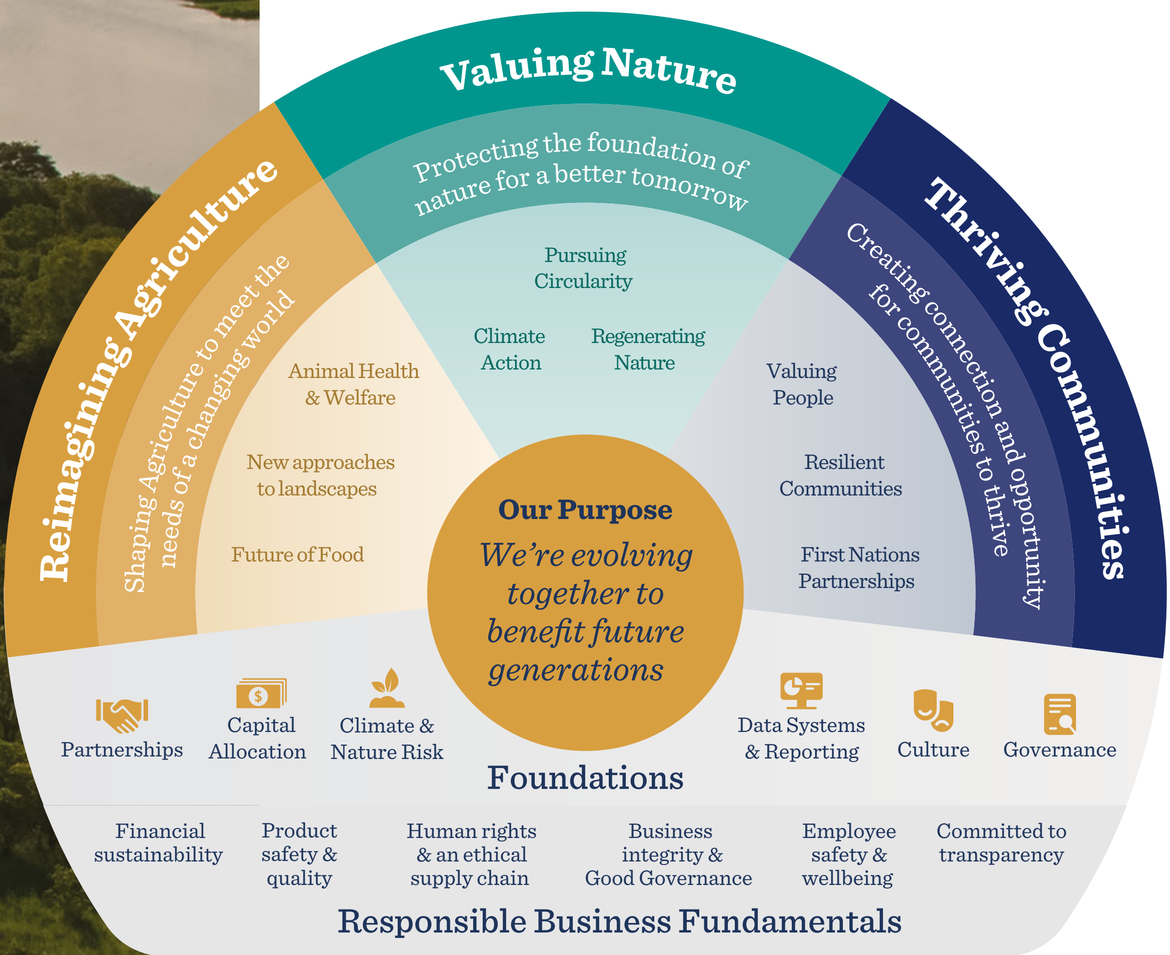
Reimagining agriculture and our relationship with nature.

This year marks the release of our fifth annual Sustainability Report.

As operators of one of Australia's largest cattle herds and landholdings, we recognise the extent of our environmental footprint and are committed to taking meaningful action aligned to our Sustainability Framework.

Our sustainability approach is focused on three key pillars: Reimagining Agriculture, Valuing Nature, and Thriving Communities, all designed to support our overall purpose.

The maturing of our sustainability approach has led to many aspects being embedded in our daily business activities. This Sustainability Framework also serves as our roadmap, helping us to track our progress and uphold the high standards we have set for ourselves and those our various stakeholders expect.



Key Sustainability Highlights

Over the past 12 months, *we have continued to make significant progress in our commitment to sustainability.* Key highlights aligned to our pillars include:

Investing in climate action

Addressing climate impacts is crucial for a beef producer. We are a Tier 1 investor in the Net Zero Emissions from Agriculture CRC, a 10-year commitment to transitioning the Australian agriculture industry to a net zero position by 2040. We continue to advance methane abatement technologies and our landscape carbon by satellite project.

Comprehensive carbon footprint analysis

This year, we conducted a full product lifecycle assessment of our beef products, from breeding and growing to feedlot, processing, and delivery to the customer. This analysis has provided significant insights and potential areas for improvement.

Enhanced emissions accounting

We have increased our understanding of Scope 3 emissions, a critical step in maturing our emissions accounting process in preparation for upcoming mandatory reporting requirements.

Rangelands Carbon by Satellite project

In its second year, this project involved collecting over 1,600 soil samples and developing a complex model informed by satellite data to understand carbon dynamics. This model helps identify where management practices can best enhance carbon sequestration, guiding future investments. The project has delivered its first view of a minimum viable product, with a plan for completion during FY25.

Continued development of our Accounting for Nature framework

As we focus more on biodiversity and natural capital markets, measures of environmental condition help us understand whether our actions are improving or degrading natural capital. We have begun on-ground work to baseline the ecological condition of our highest-value landscape assets across 1.25 million hectares.

Implementation of methane reduction technologies

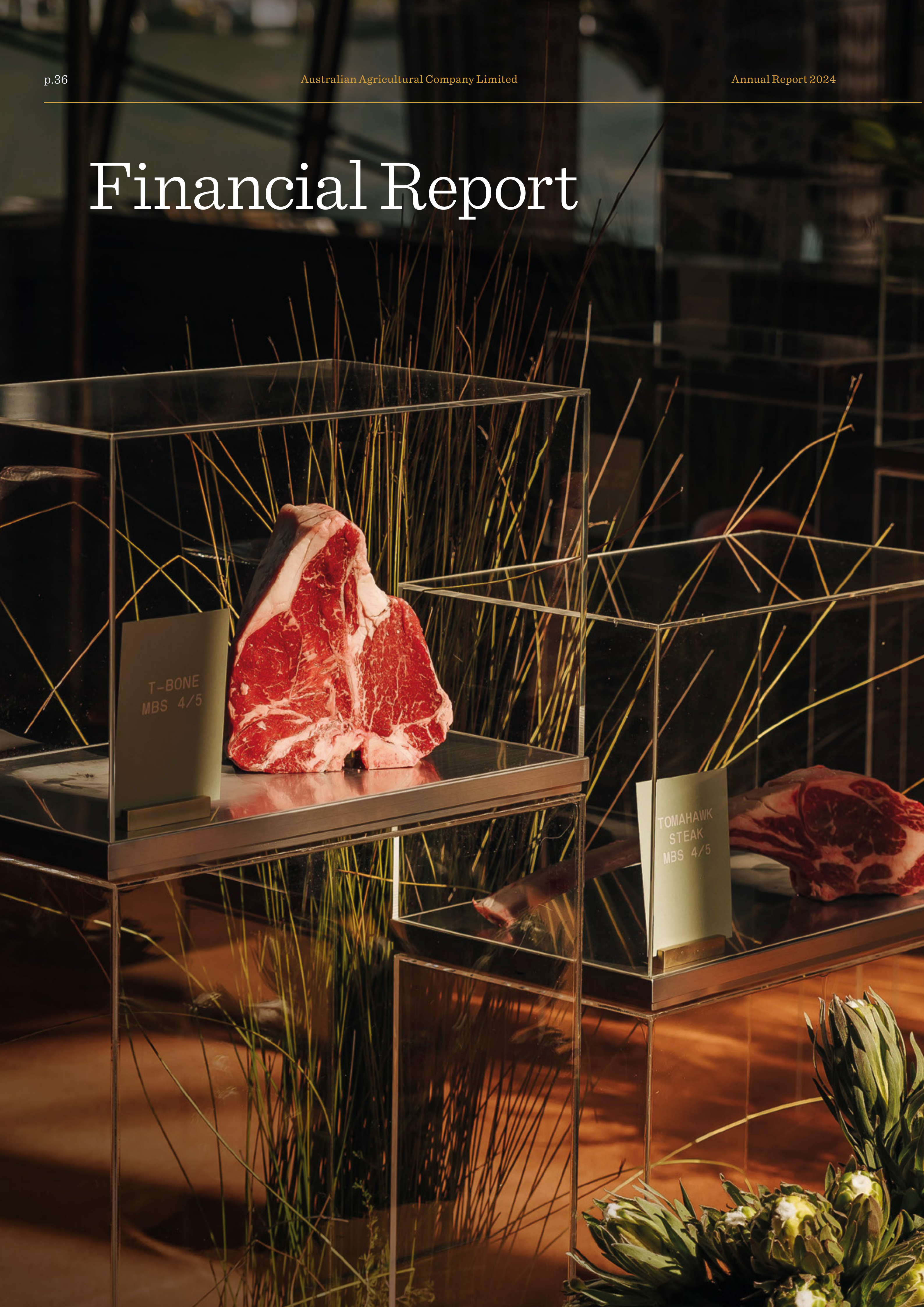
This year we completed the world's first long-fed asparagopsis trial and have further methane feed additive trials nearing completion. We are also working on reducing methane along the supply chain by sharing our frameworks with key industry partners.

Continued transition to solar water bores

Increasing the proportion of our water bores to 93% solar-powered has improved our understanding of water use for livestock, with new bores fitted to measure water consumption through telemetry to identify opportunities for efficiency improvements.

Our sustainability initiatives demonstrate our dedication to innovation, environmental stewardship, and community well-being. *We continue to invest in projects and practices that drive positive change* and contribute to a sustainable future.

Financial Report



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Directors' Report

Your Directors submit their report for the year ended 31 March 2024

Directors

The names and details of the Company's Directors in office during the financial period and until the date of this report are set out in the following section. Directors were in office for the entire period unless otherwise stated.

Donald McGauchie AO, FAICD

(Chairman)

Mr McGauchie was appointed a Director of Australian Agricultural Company Limited on 19 May 2010 and subsequently Chairman on 24 August 2010.

His previous roles with public companies include Chairman of Telstra Corporation Limited, Chairman of NuFarm, Deputy Chairman of James Hardie, Director of GrainCorp Limited, Deputy Chairman of Ridley Corporation Limited, Director of National Foods Limited, Chairman of Woolstock, Chairman of the Victorian Rural Finance Corporation, Chairman of the Australian Wool Testing Authority, President of the National Farmers Federation from 1994 to 1998 and Director of Reserve Bank of Australia from 2000 to 2011.

In 2001, Mr McGauchie was named Rabobank Agribusiness Leader of the year and awarded the Centenary Medal for services to Australian society through agriculture and business.

In 2004 Mr McGauchie was appointed an Officer of the Order of Australia for services to the wool and grain industries.

During the past three years, Mr McGauchie has served as a Director of the following listed company:

- GrainCorp Limited – resigned February 2022.

David Harris BRurSc

(Chief Executive Officer)

Mr Harris was appointed Managing Director and Chief Executive Officer on 27 September 2022. Prior to this appointment, Mr Harris held the position of Chief Operating Officer from March 2020, and had also worked with AACo from 2016 in a contracted capacity reporting to the CEO and Board of Directors to improve operational aspects of the business.

With extensive supply chain experience across various aspects of Australian agriculture, Mr Harris has developed a broad depth of knowledge in the operation of large-scale intensive animal production systems, having previously held executive positions with Stanbroke, Smithfield Cattle Co. and having run a private agricultural consultancy business and family farming operations in central west New South Wales.

Mr Harris holds a Bachelor of Rural Science from the University of New England specialising in ruminant nutrition and meat science.

Stuart Black AM, FCA, FAICD, BA (Accounting)

Mr Black was appointed a Director on 5 October 2011. Mr Black is Chairman of the Audit and Risk Management Committee and a member of the Nomination Committee.

Mr Black has extensive experience in agribusiness. He is a non-executive director of Noumi Limited, a former non-executive director of Palla Pharma Limited, NetComm Wireless Limited, Coffey International Limited, and Country Education Foundation of Australia Limited, former Chairman of the Chartered Accountants Benevolent Fund Limited, and a past President of the Institute of Chartered Accountants of Australia. He was the inaugural Chair and is a past Board Member of the Australian Accounting Professional and Ethical Standards Board.

In 2012 he was appointed a Member of the Order of Australia for services to the profession of accounting, to ethical standards, as a contributor to professional organisations and the community.

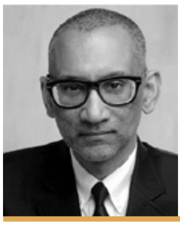
During the past three years, Mr Black has served as a Director of the following listed companies:

- Palla Pharma Limited – resigned April 2022.
- Noumi Limited* – appointed March 2021.

* Denotes current Directorship.

Directors' Report (continued)

Directors (continued)



Dr Shehan Dissanayake Ph.D.

Dr Shehan Dissanayake was appointed as a Director on 27 April 2012, and was an Executive Director from 11 April 2017 to 20 November 2019. Dr Dissanayake retired during the period, on 22 December 2023. During the period and up until his retirement, Dr Dissanayake was a senior Managing Director of the Tavistock Group.

Before joining Tavistock Group in 2002, Dr Dissanayake was a Managing Partner of Arthur Anderson.

Dr Dissanayake holds a Ph.D. in Pharmacological and Physiological Sciences from the University of Chicago.

During the past three years Dr Dissanayake had not served as a Director of any other listed company.

Anthony Abraham BEc LLB (Accountancy and Law)

Mr Abraham was appointed a Director on 7 September 2014. Mr Abraham is Chairman of the Staff and Remuneration Committee and a member of the Audit and Risk Management Committee and Nomination Committee.

Mr Abraham has over 30 years' experience in banking, finance and investment management, including 20 years specifically in food and agriculture. Mr Abraham established Macquarie Group's agricultural fund's management business and is currently a member of ROC Partners' food and agricultural investment team.

During the past three years Mr Abraham has not served as a Director of any other listed company.

Neil Reisman JD

Mr Reisman was appointed a Director on 10 May 2016. He is a member of the Audit and Risk Management Committee and the Nomination Committee.

Neil has more than 30 years of business experience with emphasis on operations, legal, tax, investments and finance. He has worked at various multinational companies, including Tavistock Group, Arthur Andersen and Amoco Corporation.

He received his Juris Doctor in 1986 from the University of Pennsylvania Law School and his Bachelor of Science in Accountancy in 1983 from the University of Illinois.

During the past three years Mr Reisman has not served as a Director of any other listed company.

Directors' Report (continued)

Directors (continued)

Jessica Rudd BCom LLB (Hons)

Ms Rudd was appointed a Director on 15 November 2017. Ms Rudd is a member of the Staff and Remuneration Committee, Nomination Committee and Brand, Marketing & Sales Committee.

Beginning her career as a media and intellectual property lawyer, Ms Rudd later worked in London as a crisis management consultant for a global communications firm before moving to Beijing, where she lived and worked for five years.

Ms Rudd served as a non-executive director on the board of Jessica's Suitcase, an e-commerce retail platform offering high-quality Australian products direct to Chinese consumers through online cross-border channels, until 2020.

Ms Rudd served as Australia and New Zealand Lifestyle Ambassador for the Alibaba Group from 2016 until 2020.

She has served on the Griffith University Council since January 2020 and has served as Pro-Chancellor (People, Nominations and Remuneration) from March 2023. Ms Rudd was appointed co-chair of the National Apology Foundation in 2021.

Ms Rudd was the interim CEO of The Parenthood during 2023/2024, and has served as the Chair since February 2024. She is also currently an Independent Director at Hostplus.

She holds a Bachelor of Laws (Hons)/ Bachelor of Commerce from Griffith University and was admitted to the Supreme Court of Queensland as a solicitor in 2007. She was awarded the Griffith University Arts, Education and Law Alumnus of the Year in 2013.

During the past three years Ms Rudd has not served as a Director of any other listed company.

Marc Blazer MSc (LSE), BA (UMD)

Mr Blazer was appointed a Director on 31 July 2019. Mr Blazer is Chairman of the Brand, Marketing & Sales Committee and a member of the Nomination Committee.

Mr Blazer is currently the Chairman and CEO of Overture Holdings, a consumer, food & beverage, and hospitality investment group. He was the co-owner and Chairman of the Board of Noma Holdings, the parent company of world-renowned restaurant noma based in Copenhagen; co-founder and Executive Chairman of New York based PRIOR, a global hospitality and travel company; and co-founder and CEO of Boutique Life Inc, the parent company for Boutique, a vacation rental booking platform.

In addition to his consumer and hospitality business activities, Mr Blazer has also had an extensive career in capital markets. He was a partner and the global head of investment banking at Cantor Fitzgerald, on the advisory board of Enertech, and also worked at ChaseMellon Financial Corp. Earlier in his career, Mr Blazer was an advisor to members of Congress in both the US House of Representatives and Senate on tax matters, banking and securities legislation, international trade policy, and foreign relations.

Mr Blazer earned a graduate degree from the London School of Economics in 1992, and a BA from the University of Maryland in 1990.

During the past three years Mr Blazer has not served as a Director of any other listed company.

Sarah Gentry BEc, BCom

Ms Gentry was appointed a Director on 24 October 2022. Ms Gentry is a member of the Audit, Risk and Management Committee and Nomination Committee.

Ms Gentry is a Vice President at the Tavistock Group where she manages investments in the food, agriculture, health and technology sectors. She has experience in finance, operations, investments and marketing. Ms Gentry holds a Bachelor of Economics and a Bachelor of Commerce from the University of Queensland. She is a member of Chartered Accountants Australia and New Zealand.

During the past three years Ms Gentry has not served as a Director of any other listed company.

Directors' Report (continued)

Directors (continued)

Joshua Levy BA (Hons), MSc

Mr Levy was appointed a Director on 22 December 2023. Mr Levy is a member of the Nomination Committee.

Mr Levy is Co-Chief Executive Officer of Tavistock Group, member of the Board of Directors and Executive Committee, where his responsibilities include investment strategy and portfolio management. He also serves as Chief Executive Officer of UK-headquartered specialist business lender, Ultimate Finance. Mr Levy has deep experience in food and hospitality serving as a non-executive Director of Mitchells & Butlers plc, a FTSE 250 group, and the UK's largest owner of managed pubs and restaurants, since 2015.

Mr Levy began his career in UK mergers and acquisitions and has worked at Tavistock Group since 2016. Prior to joining Tavistock, Mr Levy worked in investment banking at Investec Bank plc specialising in UK mergers and acquisitions and equity capital markets.

During the past three years, Mr Levy has served as a Director of the following listed company:

- Mitchells & Butlers plc* – appointed November 2015.

* Denotes current Directorship.

Company Secretary

Bruce Bennett BCom, LLB, AGIA ACG (CS, CGP)

Mr Bennett was appointed Company Secretary and General Counsel in November 2006 and retired on 15 February 2024. Before joining the Company, Mr Bennett held positions including partner and special counsel in leading law firms, where he specialised in company and property law, mergers and acquisitions, and other commercial contracts. Mr Bennett has over 30 years' experience in legal practice, having practised in both Queensland and New South Wales. Mr Bennett has been a Chartered Secretary since 2005 and is a member of the Chartered Governance Institute and an Associate of the Governance Institute of Australia.

Emily Bird LLB (Hons), BA (Psych), GDLP, GD AppCorpGov, GAICD

Mrs Bird was appointed Company Secretary and General Counsel on 15 February 2024. Before joining the Company, Mrs Bird held the position of the General Counsel and Company Secretary of Michael Hill International Ltd. Mrs Bird has broad legal experience with in-house roles at Lactalis Australia (formerly Parmalat Australia), Virgin Blue (now Virgin Australia) and a secondment at Tarong Energy (now Stanwell Corporation), having started her legal career at Clayton Utz. Mrs Bird holds a Bachelor of Laws, Bachelor of Arts (Psychology), Graduate Diploma in Legal Practice, Graduate Diploma in Applied Corporate Governance and Risk, and has completed the Company Directors Course at the Australian Institute of Company Directors.

Directors' Report (continued)

Interests in the Shares and Options of the Company and Related Bodies Corporate

As at the date of this report, the interests of the Directors in the shares, options and performance rights of the Company were:

	Ordinary Shares	Options Over Ordinary Shares	Performance Rights
Current Non-executive Directors			
D. McGauchie	1,120,774	–	–
S. Black	40,000	–	–
A. Abraham	30,000	–	–
N. Reisman	45,000	–	–
J. Rudd	32,258	–	–
M. Blazer	20,000	–	–
S. Gentry	9,261	–	–
J. Levy	–	–	–
Current Executive Directors			
D. Harris	34,865	–	865,650

Dividends and Earnings Per Share

Earnings Per Share	31 Mar 2024 Cents	31 Mar 2023 Cents
Basic earnings per share	(15.84)	0.77
Diluted earnings per share	(15.84)	0.77

No final or interim dividends were declared or paid during the current and prior financial period.

Operating and Financial Review

About AACo

The Australian Agricultural Company (AACo) is an Australian beef company with a heritage dating back to 1824. AACo is one of Australia's largest integrated cattle and beef producers, and is the oldest continuously operating company in Australia.

AACo's Business Activities

AACo controls a strategic balance of properties, feedlots, farms and a processing facility comprising around 6.5 million hectares of land and specialises in high-quality beef production.

AACo's Business Model

AACo is a fully integrated branded beef business with three principal activities:

- Sales and marketing of high-quality branded beef into global markets;
- Production of beef including breeding, backgrounding and feedlotting; and
- Ownership, operation and development of pastoral properties.

AACo operates an integrated cattle production system across 19 owned cattle stations, four leased stations, two owned feedlots, two owned farms and one leased farm, located throughout Queensland and the Northern Territory.

AACo distributes branded beef to a range of customers across the world, tailoring its route-to-market model by country to capitalise on regional opportunities. The Company is large enough to obtain scale efficiencies but small enough to ensure the highest of production standards and produce some of the finest quality beef in the world.

Directors' Report (continued)

Operating and Financial Review (continued)

Key Financial Indicators Used by Management

The following table summarises financial indicators used by Management to monitor and manage the Company. Operating Profit is one of the key performance metrics of the Company. It assumes all livestock inventory is valued on a $/kg live-weight (LW) basis and is derived by adjusting statutory EBITDA to substitute the movement in livestock at market value with the movement at cost of production. Management therefore believe that external stakeholders benefit from this metric being reported, as it is a better reflection of actual financial performance under their control.

Operating Profit, Statutory EBIT and Statutory EBITDA are unaudited, non-IFRS financial information. Discussion on drivers of movements in key financial indicators are included in the Sales & Marketing, Production and Statutory Financial Results sections below.

	31 Mar 2024 $000	31 Mar 2023 $000	Movements $000
Meat sales revenue	268,719	245,043	23,676
Cattle sales revenue	67,413	68,381	(968)
Operating Profit	50,458	67,385	(16,927)
Statutory EBITDA	(87,856)	49,051	(136,907)
Statutory EBIT	(112,676)	25,273	(137,949)
Net (loss)/profit after tax	(94,618)	4,611	(99,229)
Net cash inflow from operating activities	9,317	16,033	(6,716)

Operating Profit does not include unrealised livestock gains or losses, while Statutory EBITDA does include these. A reconciliation of Operating Profit to Statutory EBITDA is included in Note A5 to the financial statements.

Statutory EBITDA is earnings before interest, tax, depreciation and amortisation.

Sales and Marketing

Wagyu beef revenues have increased on prior year, driven by 24% higher volumes from 17% more head processed versus prior year. This was achieved through the production of animals already within our integrated supply chain and partially as a result of greater feeding capacity following completion of the Goonoo Feedlot Expansion.

Increased volumes have been partially offset by lower average sales $/kg, which were impacted during FY24 by continued challenging global market dynamics. Investment and engagement with our brands and global distribution network softened the impact of these market conditions on overall price performance.

	31 Mar 2024	31 Mar 2023
Wagyu beef revenue – $ mil	268.7	241.0
Wagyu beef kgs sold – mil kg CW(1)	13.6	11.0
Wagyu beef sold – $/kg CW	$19.85	$21.98
Cattle revenue – $ mil	67.4	68.4
Cattle sales – mil kg LW(1)	24.1	16.2

(1) CW – carton weight containing saleable boxed meat, LW – Live animal weight.

Directors' Report (continued)

Operating and Financial Review (continued)

Production

Kilograms produced is a measure of the number of kilograms of live weight of cattle grown throughout the breeding, backgrounding and feedlot operations of the Company during the period, excluding the offsetting impact of attrition kilograms. Kilograms produced has increased 8% on the previous corresponding period, resulting from continued favourable seasonal conditions, higher average branding weights and herd growth on the prior year.

Cost of production is a measure of the operating costs to produce a kilogram of live weight of cattle throughout the breeding, backgrounding and feedlot operations of the Company during the period. This calculation is the sum of all annual production costs incurred at each of the Company's productive properties, divided by the number of total live weight kilograms produced. Cost of production has increased 5% on the previous corresponding period, primarily due to the impact of higher cattle expenses driven by commodity pricing and inflationary impacts on inputs, as well as a slightly higher proportion of Wagyu production which has a higher cost versus other breeds, the impact of which has been partially offset by higher kilograms produced.

	31 Mar 2024	31 Mar 2023
Kilograms produced – mil kg LW	68.7	63.4
Cost of production – $/kg LW	$2.91	$2.77

Operating Review

During FY24, the Company made considerable progress on its strategic priorities. We have continued to realise the benefit of our branded beef focus, with price resilience despite challenging market conditions, achieved from the strength of our partnerships and ability to leverage our global distribution network to maintain price tension. Our natural assets have been developed through the successful completion of the Goonoo Feedlot Expansion on time and on budget. We continue to build a simpler and more efficient AACo by leveraging our data across the breadth of our integrated supply chain, to provide decision making insights.

Whilst our results have been impacted by market price challenges for meat and cattle sales, the increase in volumes through the supply chain have supported a favourable sales revenue performance. The overall result has also been impacted by elevated costs in a higher inflationary environment, with strategic management of costs and considered investment in areas to support business priorities. The business continues to invest in its global team to support an expanded global commercial presence, execution of its sustainability strategy and development of our people and assets.

Livestock Movements

Livestock carrying values have reduced on prior year, driven by market price declines on both Non-Wagyu and Wagyu livestock, partially offset by an increased herd size and heavier animals.

Market values of all animals have declined significantly over the past year, leading to a $149.4 million market value decline on cattle values at the FY24 year-end. This change in market price is driven by market dynamics, and is an unrealised mark-to-market adjustment on our herd. Our herd is primarily held for the production of beef and therefore the majority are not disposed of through the market sales process.

The herd headcount has improved 5% due to brandings from the Company's internal breeding program. The Company continues to benefit from its integrated supply chain, with a predominantly self-sustaining herd, and has the ability to adapt its holdings within a sustainable carrying capacity to meet its strategic requirements.

Property

During FY24, the Company recorded a net $78.1 million increase in the fair value of the Company's Pastoral Property and Improvements. This increase reflects investment in our assets and the uplift to our portfolio from the Goonoo Feedlot Expansion, as well as market increases seen in comparable property sales in regions such as Central and Southern Queensland, and near our Northern Territory property.

Consistent with prior years, the Company reflects potential risks and impacts of climate change as part of the valuation methodology, by ensuring the pastoral property values are based on a long-term view of sustainable carrying capacity and rates applied that reflect sustainable management practices.

Directors' Report (continued)

Operating and Financial Review (continued)

Statutory Financial Results

The FY24 results include a Statutory EBITDA loss of $87.9 million, driven by the $149.4 million unrealised market valuation decrease on the herd. The impact of this has been partially offset by herd growth and favourable sales revenue performance, with continued disciplined management of costs in a higher inflationary environment.

Key Financial Results are summarised as follows:

- Total sales revenue of $336.1 million achieved, compared with $313.4 million in FY23, driven by higher sales volumes of both meat and cattle;
- Operating Profit of $50.5 million, compared with an Operating Profit of $67.4 million in FY23. The strength and quality of our integrated supply chain and continued momentum of commercial brands softened the impact of a challenging global beef market;
- Statutory EBITDA loss of $87.9 million, compared with a Statutory EBITDA profit of $49.1 million for FY23, primarily driven by the lower unrealised cattle market valuations;
- Positive net operating cash flows of $9.3 million, compared with $16.0 million in FY23, with higher cost of debt and inflationary pressures impacting current year results;
- Cost of production increased 5% on the previous corresponding period, primarily due to higher cost of cattle expenses and herd mix dynamics, partially offset by higher kilograms produced and continued favourable seasonal conditions;
- Average Wagyu meat sales price per kilogram decreased by 10% in FY24, impacted by global price dynamics in the unbranded meat market; and
- The Company maintained a robust balance sheet, with comfortable headroom under its bank covenants.

Net Tangible Assets

The Company's net tangible assets per share was $2.51 as at 31 March 2024, compared to $2.59 as at 31 March 2023, primarily driven by the unrealised mark-to-market valuation decline of our herd, partially offset by the improvement in our Pastoral Property portfolio values.

Risk Management

As an international branded beef business with an integrated supply chain, AACo faces various risks which could have a material impact on its future strategy and financial performance.

The nature, likelihood, timing and potential impact of risks are not static and are impacted by the Company's ability to manage and mitigate these risks. It is possible for several relatively minor risks to converge into a new risk that was unforeseen and is material to the business. We concentrate our risk planning on those risks relating to factors that management can measure and reasonably control, and consider mitigation strategies if available.

AACo faces some material risks that cannot be mitigated by preventative strategies. In such instances, the Company's approach is to recognise the risk and have action plans in place to respond effectively if or when the risk crystallises. Some risks may crystallise in ways which present opportunities for AACo. The strength of AACo's balance sheet enables it to adapt to strategic risks and capture strategic opportunities as emerging climate and transition risks become apparent and possible impacts become clearer.

As noted in the Board Charter, overall accountability for risk management lies with AACo's Board. The AACo Risk Management Framework and risk appetite are reviewed and approved annually by the Board. The Audit and Risk Management Committee assists the Board in its oversight of risk management. Responsibility for establishing and implementing the risk management framework and for implementing the internal controls and processes to manage risk is delegated to the Managing Director/Chief Executive Officer with the Executive Leadership Team. Management monitor our strategic and tactical environment for new and emerging risks on a continual basis.

Further information on risk management can be found in the Risk Management Policy and Audit & Risk Management Committee Charter on the Company website.

Below is an outline of risks which could have an adverse effect on AACo's financial performance; this outline is not exhaustive and risks are not presented in order of materiality.

Directors' Report (continued)

Operating and Financial Review (continued)

Risk Management (continued)

Business Risk	Description	Mitigation/Management
Business Disruption From Extreme Weather Events	Adverse weather conditions have historically caused variability in the agricultural sector, including floods and wildfires. AACo's infrastructure and assets can be impacted by these events, including potential damage to domestic buildings and pastoral infrastructure, damage to farm crops, and potential loss of livestock. These events can also impact the procurement of key inputs such as feed grain, resulting in delivery delays or impacting the quality of feed inputs.	The Company is conscious of these climatic factors and invests in mitigation strategies where possible. Consideration of seasonal risk is incorporated into ongoing operations as well as budgeting and operational planning. AACo has property flood operational plans which identify higher risk areas and flood response plans. The Company also invests in flood preparedness such as the construction of flood refuge banks which provide temporary holding areas for cattle during flooding events. AACo monitor fire risk and implement management practices such as early burning in the dry system to suppress the risk of grass fuel.
Climate Change and Climate Transition	AACo is exposed to physical and transition risks associated with climate change. Long term shifts in climate patterns, such as precipitation and heat, may affect AACo's pasture productivity, land condition, and livestock production. Disruption from extreme weather events may be exacerbated by climate change and the resulting increased frequency and severity of these events. There are also transition risks and opportunities associated with a lower-carbon economy, including policy, legal, technology, market and reputation changes, which may influence AACo's strategy and business operations.	AACo continued to develop its approach to identifying and managing climate related risks and opportunities. AACo closely monitors emerging trends and policy developments on climate and greenhouse gas (GHG) emissions, and regularly engages with a range of partners, such as universities, research organisations, government and industry on these matters. The company has invested in strengthening GHG emissions measurement and disclosure. AACo is currently preparing for Australia's adoption of mandatory climate disclosures and plans to complete an in-depth climate risk analysis to support this. Further detail on climate related risks and opportunities in available in AACo's 2023 Sustainability Report which was reported with reference to the Taskforce for Climate-related Financial Disclosures (TCFD). The impact of climate change and transition may present both risks and opportunities for AACo.

Directors' Report (continued)

Operating and Financial Review (continued)

Risk Management (continued)

Business Risk	Description	Mitigation/Management
Biosecurity	An outbreak of animal disease in Australia could significantly impact the Australian cattle industry. Australia's international trade status for cattle and beef products depends on its disease-free status. Trade controls imposed by international markets because of an animal disease outbreak in Australia may adversely impact revenue.	AACo works closely with industry associations, external advisors, as well as the federal, state and territory governments to ensure the Company is obtaining the latest information and advice regarding biosecurity risks. AACo's biosecurity plans are continuously reviewed and updated, to monitor and mitigate risks to our supply chain from the potential spread of diseases across the industry. The Company undertakes biosecurity training for operational staff. We have also established offshore storage locations for genetic materials to safeguard lineages.
Health and Safety	The health and welfare of our people is of foremost importance to the Company, however AACo's employees and contractors work in a kinetic environment where there is an inherent safety risk. The Company recognises the risk of a serious injury or fatality occurring, the impact it would have on the employee and their family and the likelihood it would have adverse reputational, operational, and financial impacts.	AACo's 1AA Safety strategy is the foundation of the Company's strategic plan and ensures physical and mental health an operational imperative. Risk and hazard identification, mitigation and management strategies are employed at all times and across the Company's properties and operations.
Animal Health and Welfare	AACo manages a significant number of animals as part of its ongoing operations, and the health and welfare of these animals is of the utmost importance to the Company. The risk of animal stress or mishandling is managed as a strategic and operational imperative. An event related to actual or claimed animal health and welfare issues could cause substantial harm to the Company's reputation, brands, and financial performance.	AACo employs a strong operational team with experience in ensuring animal wellbeing, with training provided to staff supported by our Standard Operating Procedures. AACo's Animal Health and Welfare (AHW) Committee oversees operations to ensure animal care and handling follows best practice methods. AACo aligns with and seeks to exceed the high standards and practices of the industry in Northern Australia.
Customer and Market Concentration Risk	A significant portion of AACo's meat sales are concentrated with a small number of customers and markets, as detailed in Note A5 of the Financial Statements. Sudden variations in demand, such as the sudden loss of a key customer, loss of market access, or changes in foreign market dynamics impacting in-market beef supply/demand, may have an adverse impact on financial performance of the Company as alternative routes to market may generate lower margins.	AACo has strong relationships with its distributors, many of which have significant scale and presence in their respective markets. This distributor network is also geographically dispersed, giving AACo the ability to rebalance market allocations in the event that specific customers or markets are disrupted. Coupled with a sustained global demand for beef, this network gives us flexibility to adapt to market dynamics, even when they occur suddenly as happened with COVID-19.

Directors' Report (continued)

Operating and Financial Review (continued)

Risk Management (continued)

Business Risk	Description	Mitigation/Management
Consumer Perception, Taste and Preferences	The majority of AACo's revenue is derived from the sale of branded Wagyu beef. A change in consumer preferences which moves demand towards grass-fed beef, organic beef or meat substitutes could adversely impact financial performance.	Global beef consumption by volume and on a per capita basis, has been steadily increasing for decades and is forecast by the OECD to continue to grow due to population growth and rising standards of living. AACo's commercial in-market presence and relationships facilitate the monitoring of consumer preferences, including emerging technology and product development. At this stage and for the foreseeable future, meat alternatives are not considered to be a material threat to AACo's business model and strategy.
Commodity Pricing	Transactional commodity price risks exist in the sale of cattle and unbranded beef. Other commodity price exposures include feed inputs for our feedlot operations. Commodity pricing is influenced by a number of factors including climatic conditions and geopolitics.	The strength of the Company's balance sheet provides the ability for it to adapt to fluctuating commodity pricing. For feedlot commodities, price risk is mitigated where possible through internal production, on-site storage & entering into forward purchase contracts. Purchases of commodities may be for a period of up to 12 months. Cattle price risk is managed through the monitoring of market performance. Where possible during sudden changes within market conditions, cattle are held until prices normalise. Beef price risk is managed through our ability to move product into different markets to maximise value.
Cyber Risk	AACo relies on internal resources and third-party technology providers to support its IT operations. A cyber-attack could disrupt operations and/or result in unauthorised exposure of personal and commercial data, potentially causing reputational damage.	A robust IT monitoring and security program is in place to proactively manage and mitigate threats from malicious and unintended breaches of the Company's information, infrastructure, and systems. This includes a Cyber Crisis response plan and undertaking regular threat testing.
Debt Obligations	AACo's debt facilities are subject to financial covenants over a Loan to Value Ratio (LVR). If the Company fails to maintain these covenants its debt may become callable.	The Company sets gearing ratios and safety thresholds to ensure no breach occurs. LVR is monitored regularly to ensure sufficient headroom is maintained under its current Club Debt Facility. The Company's strategic asset base of Pastoral Property and Improvements and livestock provides significant headroom under current and foreseeable drawn debt levels. Strategic decisions regarding Company assets are considered with regards to implications on the Company's LVR, to mitigate the risk of financial covenants being breached.

Directors' Report (continued)

Operating and Financial Review (continued)

Risk Management (continued)

Business Risk	Description	Mitigation/Management
Macro-Economic Conditions Risk	A significant global economic slowdown, recessions or other shocks such as a new pandemic may impact demand for AACo's product if consumers draw back on discretionary spending. This may put pressure on market pricing for AACo's product and adversely impact margins.	AACo's scale and strong relationships make it adaptable to changes in its key target markets for beef sales. The Company derives its revenue from premium food service and retail, and can access and supply other product tiers and channels in the event of a global economic slowdown. The company's relationships and different channels for sale of beef enable product to be strategically sold across the globe during challenging market conditions.
Food Industry Risk	A significant majority of AACo's revenue is derived from the sale of branded Wagyu beef for human consumption. The risk of spoilage or contamination in this product exists. While AACo uses the services of third-party meat processors and typically exits the value chain before product reaches the end consumer, such an incident has the potential to harm the Company's premium branding which could lead to a loss of revenue.	The Company applies strict animal health controls on its pastoral operations and in its feedlots, and this risk is managed in meat processing plants through the HACCP (Hazard Analysis and Critical Control Point) accreditation and audits. AACo monitors its product for the majority of supply chain, allowing the Company to maintain its own exacting standards for the handling of product.
Insurance Risk	AACo maintains insurance coverage in respect of its businesses, properties and assets. Some risks are not able to be insured at acceptable prices. Insurance coverage may not be sufficient and if there is an event causing loss, it may be that not all financial losses will be recoverable.	AACo structures its insurance program such that material risks closest to our customers and revenue are insured, minimising the risk of unrecoverable financial loss arising from disruptions in the terminal end of the Company's supply chain, where significant investment in cost of production is concentrated.
Renewal of Pastoral Leases	Land held under pastoral leases and similar forms of Crown leasehold in Queensland and the Northern Territory comprise a substantial portion of the assets of the Company. Leasehold properties in Queensland are mainly pastoral holdings which are rolling term leases with right of renewal. The Northern Territory pastoral leases held by AACo have been granted in perpetuity. In the unlikely event that these leases are not resumed; or future legislation in either Queensland or the Northern Territory changes the status or conditions of these leases, AACo's financial performance may be adversely affected.	There is no history in Australia of pastoral leases not being renewed in the normal course of events.

Directors' Report (continued)

Operating and Financial Review (continued)

Risk Management (continued)

Business Risk	Description	Mitigation/Management
Regulatory Risk	AACo is regulated by the laws and regulations of the countries in which it operates. The introduction of new laws and regulations may impact AACo's financial performance by altering production processes, increasing expenditure on compliance or restricting access to certain markets.	AACo monitors proposed regulatory changes which have the potential to impact our integrated supply chain domestically and internationally. AACo seeks opportunities to consult, make submissions and have ongoing dialogue with key Australian Federal, State and Territory Government ministries and departments, and Australian industry groups who advocate for our industry both domestically and globally. Where international regulatory developments impact on our global distribution network, the business ensures this is adequately considered, scenarios modelled and communicated at the appropriate levels of leadership and Board. The business is able to remain agile to changes and leverage its global distribution network for opportunities.

Business Strategies, Likely Developments and Expected Results

The Board is committed to increasing shareholder value, and during the period has commenced a review of the Company's strategic direction. Whilst we will remain focused on maximising earnings and value creation from our premium branded beef operations including our extensive global distribution network, the strategy development will include various alternative areas for value generation, through unlocking the value of our vast asset base and skill sets while furthering sustainability initiatives.

Directors' Report (continued)

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company during the financial year.

Significant Events After Balance Sheet Date

There have been no significant events after the balance sheet date which require disclosure in the financial report.

Environmental Regulation and Performance

Some regulated areas of operation are:

- The operations of Goonoo and Aronui Feedlots are regulated by licences issued under the *Environmental Protection Act 1994 (Qld)* and administered by the Queensland Department of Agriculture and Fisheries (DAFF). Each feedlot is required to report to the National Pollution Inventory each year with respect to water, air and soil quality.

  The Company recorded no breaches of licence requirements in the year to 31 March 2024.

- The pumping of water from the Comet River for irrigation and feedlot use at Goonoo Station is subject to licensing under the *Sustainable Planning Act 1997 (Qld)* and the *Water Act 2000 (Qld)*. Regulations specify minimum water flows and heights in the river to allow sufficient environmental flows. Goonoo Station and Wylarah Station have licences to harvest water for irrigation purposes. The pumping of underground water for the prescribed purpose of 'Livestock Intensive' requires licensing, and regular reporting and monitoring. The Company has several licences allowing this pumping subject to these regulations and conditions being met.
- The Company holds other water access rights in the Gulf region of Queensland that currently remain unused; however, should the Company begin to access water under these licenses, the pumping of water under these licenses would be subject to regulations under the *Sustainable Planning Act 2009 (Qld)* and the *Water Act 2000 (Qld)*.
- The pumping of water from the Adelaide River is subject to licensing under the *Water Act 1992 (NT)*. Tortilla Station holds a licence to harvest water, subject to regular reporting and monitoring.
- Stock watering facilities which utilise bores require licensing in Queensland and registration in the Northern Territory.
- Stock water facilities shared with Queensland Stock Routes are administered by local governments, guided by legislation and framework developed by the Queensland Government. Shared water facilities need to comply with registered Stock Route water agreement requirements. A Permit to Occupy is also required if this facility is unfenced within a station grazing area.
- Vegetation Clearing Permits are sought under the *Vegetation Management Act 1999 (Qld)* for any clearing required for ongoing operations including but not limited to the development of areas for land use change and the installation of infrastructure such as fence lines and water development.
- The Company continues to be involved in consultation processes; for example, in the areas of Water Resource Planning, Wild Rivers legislation and the conversion of land titles in relevant areas.
- The Company must abide by environmental and other obligations contained in Queensland's State Rural Leasehold Land Strategy in respect of the Company's pastoral leasehold interests in Queensland. The State Rural Leasehold Land Strategy is a framework of legislation, policies and guidelines supporting the environmentally sustainable, productive use of rural leasehold land for agribusiness.
- Northern Australian Beef Limited (NABL), a wholly-owned subsidiary of the Company, owns the Livingstone Beef Processing Facility and land at Livingstone Farm, Noonamah, Stuart Highway, Northern Territory. NABL holds, and must comply with an Environmental Protection Licence (EPL) under the *Waste Management and Pollution Control Act 1998 (NT)* for the storage, treatment, recycling and disposal of waste in connection with the facility.

  The EPL contains stringent and detailed environmental requirements overseen by the Northern Territory Environment Protection Authority (NT EPA). NABL and the NT EPA continue to work together constructively to monitor compliance with the EPL.

There have been no known breaches of compliance with environmental regulations during the year ended 31 March 2024.

Directors' Report (continued)

Share Options

Unissued Shares

As at the date of this report, there were 5,610,982 unissued ordinary shares under performance rights. There are no unissued ordinary shares under options.

Performance rights holders do not have any right, by virtue of the performance right, to participate in any share issue of the Company or any related body corporate or in the interest issue of any other registered scheme.

Shares Issued as a Result of the Exercise of Options

During and since the end of the financial period, there were no options exercised to acquire shares in the Company.

The Company's Performance Rights Plan has been in place since 2011 for incentive awards comprising performance rights. The performance rights will remain until such time as they are either exercised or the rights lapse.

There were 145,070 shares issued on exercise of performance rights under the AACo Performance Rights Plan during the year, relating to the 2021 performance year Deferred Equity Award.

Indemnification and Insurance of Directors and Officers

Under the Company's Constitution, each of the Company's Directors, the Company Secretary and every other person who is an officer is indemnified for any liability to the full extent permitted by law.

The Company's Constitution also provides for the Company to indemnify each of the Company's Directors, the Company Secretary and every other person who is an officer to the maximum extent permitted by law, for legal costs and expenses incurred in defending civil or criminal proceedings.

Each Director has entered into a Deed of Access, Insurance and Indemnity, which provides for indemnity against liability as a Director, except to the extent of indemnity under an insurance policy or where prohibited by statute. The Deed also entitles the Director to access Company documents and records, subject to confidentiality undertakings.

The Company maintains Director's and Officer's insurance policies, to insure the Company's Directors, Company Secretary and those Directors and officers of its subsidiaries. The Company has paid or has agreed to pay the premium for these policies.

The terms of the insurance contracts prohibit the Company from disclosing the level of premium paid and the nature of the liabilities insured.

Directors' Report (continued)

Corporate Governance Statement

The Company's Corporate Governance Statement sets out the corporate governance framework adopted by the Board of Australian Agricultural Company Limited. This statement is publicly available on the Company's external website: www.aaco.com.au/investors-media/corporate-governance.

Board Skills Matrix

The aim of the Board Skills Matrix is to set out the mix of skills that the Board currently has and is looking to achieve. It is a summary of the Company's internal assessments of the Board. Information is obtained from a Director review of skills and competencies completed for each Director. This information is summarised into the Board Skills Matrix.

The Board recognises that each Director will not necessarily possess experience in all areas relevant to the Company's operations and therefore seeks to ensure that its membership includes an appropriate mix of Directors with skills, knowledge and experience in agriculture, other relevant industry sectors, general management and finance. A summary of the Board's skills, knowledge and experience is set out in the table below.

Skill/Knowledge/Experience	Out of 9 Directors[1]
Leadership and Governance	
Organisational Governance	9
Strategy	9
Government Relations	7
Previous ASX NED Experience	4
Operations	
Environment, Health and Safety	7
Sustainability	4
Agribusiness	6
Farmer or Producer	2
Innovation	9
Information Technology	5
Sectoral Experience	
Livestock	5
Beef Manufacturing	3
Sales	7
Branding and Marketing	7
Finance, Capital Management and Risk	
Formal Accounting and Finance Qualifications (CPA or CA)	4
Capital Restructuring	7
Audit Committee Experience	5
Legal	5
People	
People and Culture	9
Remuneration Committee Experience	5
Work Health and Safety Committee Experience	4
Geographic Experience	
International Markets	8
Asian Markets	6
USA Markets	8

(1) Includes the MD/CEO.

Directors' Report (continued)

Remuneration Report (Audited)

This remuneration report for the year ended 31 March 2024 outlines the remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for Key Management Personnel (KMP) of the Company, who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

For the purposes of this report, the term 'executive' encompasses the Managing Director/Chief Executive Officer (MD/CEO), senior executives and Company Secretary of the Company and the Group.

The remuneration report is presented under the following sections:

1. Individual Key Management Personnel (KMP) disclosures
2. Executive remuneration framework (overview)
3. Executive contractual arrangements
4. Link between remuneration and performance
5. Remuneration of Key Management Personnel – Executives
6. Board oversight of remuneration
7. Non-Executive Director (NED) remuneration arrangements
8. Equity instruments disclosures
9. Shareholdings and other mandatory disclosures

1. Individual Key Management Personnel

Details of KMP of the Company are set out in the following sections.

(i) Directors

D. McGauchie	Chairman, Non-executive Director	Independent	Appointed 19 May 2010
S. Gentry	Non-executive Director	Non-Independent(1)	Appointed 24 October 2022
J. Levy	Non-executive Director	Non-Independent(1)	Appointed 22 December 2023
S. Black	Non-executive Director	Independent	Appointed 5 October 2011
A. Abraham	Non-executive Director	Independent	Appointed 7 September 2014
N. Reisman	Non-executive Director	Independent	Appointed 10 May 2016
J. Rudd	Non-executive Director	Independent	Appointed 15 November 2017
M. Blazer	Non-executive Director	Independent	Appointed 31 July 2019

(1) These Directors of the Company were determined to be non-independent. See (ii) below for further details.

(ii) Non-independent Directors

S. Gentry	Ms S. Gentry is not considered independent as she is an officer of Tavistock Group which controls the AA Trust which is a major 52.09% shareholder of the Company
J. Levy	Mr J. Levy is not considered independent as he is an officer of Tavistock Group which controls the AA Trust which is a major 52.09% shareholder of the Company

Directors' Report (continued)

Remuneration Report (Audited) (continued)

1. Individual Key Management Personnel (continued)

(iii) Directors who resigned, retired or otherwise ceased employment during the period

Dr S. Dissanayake	Non-executive Director	Non-Independent[1]	Retired 22 December 2023

(iv) Executives

D. Harris	Managing Director and Chief Executive Officer[2]	Appointed 27 September 2022
A. O'Brien	Chief Commercial Officer	Appointed 17 December 2018
J. Huntington	Executive General Manager – Corporate Services	Appointed 13 December 2022
G. Steedman	Chief Financial Officer	Appointed 13 February 2023
E. Bird	Company Secretary/General Counsel	Appointed 15 February 2024

(v) Executives who resigned, retired or otherwise ceased employment during the period

B. Bennett	Company Secretary/General Counsel	Resigned 15 February 2024

(1) These Directors of the Company were determined to be non-independent. See (ii) above for further details.

(2) Mr D. Harris is not an independent Director by virtue of his appointment to executive office as MD/CEO.

2. Executive Remuneration Framework (Overview)

Remuneration Strategy and Policy

CEO and Key Management Personnel (KMP)

Consistent with contemporary corporate governance standards, the Company's remuneration strategy and policies aim to set employee and executive remuneration that is fair, competitive and appropriate for the markets in which it operates whilst being mindful of internal relativities. The Company aims to ensure that the mix and balance of remuneration is appropriate to reward fairly, attract, motivate and retain senior executives and other key employees.

Appropriate remuneration policy settings will be achieved by consistently applying a clear remuneration strategy directed at supporting the Board approved business strategy, with appropriate and flexible processes, policies and procedures established by the Board from time to time.

Specific objectives of the Company's remuneration policies include the following:

- Provide competitive total rewards to attract and retain high calibre employees and executives;
- Provide fair and competitive fixed remuneration for all positions, under transparent policies and review procedures;
- Have a meaningful portion of remuneration "at risk", dependent upon meeting pre-determined performance benchmarks;
- Link MD/CEO and senior executive rewards to achieving short, medium and long term key performance criteria;
- Establish appropriate and demanding performance hurdles for any executive incentive remuneration;
- Payment of cash bonus short-term incentives (STI), which is at the discretion of the Board after assessing the performance of the Company and the MD/CEO and other senior executives against agreed performance hurdles;
- Offer participation in the long-term incentives (LTI) plan to the MD/CEO and other senior executives; and
- Provide Deferred Equity Awards (DEA), in the form of grants of performance rights to the MD/CEO and other senior executives with deferred vesting of two years (50%) and three years (50%). The actual DEA awarded to an executive is generally set at 50% of the amount of any STI actually paid to the executive.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

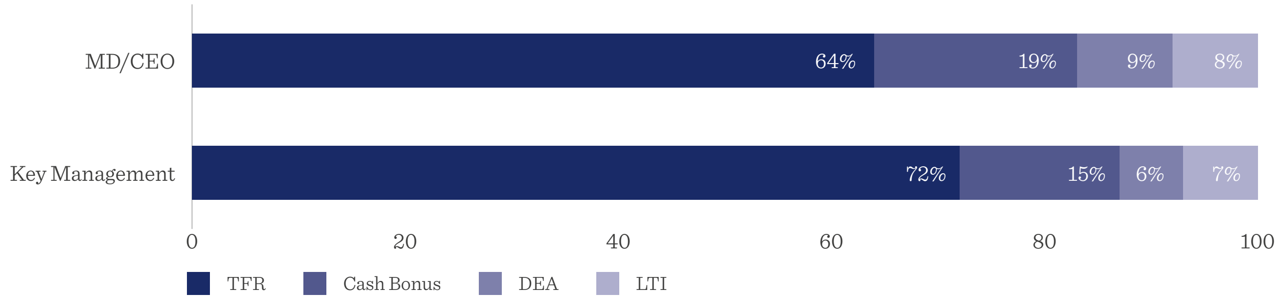
2. Executive Remuneration Framework (Overview) (continued)

Remuneration Strategy and Policy (continued)

The following table illustrates the structure of the Company's executive remuneration arrangements for the year ended 31 March 2024:

	Objective			
	Attract and retain high calibre employees	Motivate and reward outstanding performance	Align to shareholder returns	
Remuneration component	Total fixed remuneration	At risk remuneration		
		Short-term incentive (STI)		Long-term incentive (LTI)
Mechanism	Base salary, superannuation and any 'packaged' benefits including FBT grossed-up on a Total Employment Cost (TEC) basis	Cash bonus	Deferred Equity Award (DEA) (Performance Rights)	Deferred Equity (Performance Rights)
Purpose	Reward for role size and complexity and external and internal relativities	Reward for contribution to achievement of business outcomes and individual KPIs	Reward for contribution to achievement of business outcomes and individual KPIs, as well as retention	Aligns remuneration of the Company's senior executives with the long-term strategic goals of the Company and shareholders, as well as retention
Link to Performance	No link to Company performance although reviewed annually with consideration given to the performance of the Company and business unit in the remuneration review	STI for executives is calculated with a balance across financial, non-financial and individual performance against goals	Generally, equal to 50% of the STI cash bonus earned and subject to two-year (50%) and three-year (50%) service vesting conditions	Linked to the Company's stock price as well as meeting individual service conditions
Performance Measures	Key performance criteria that align with the strategic and financial priorities of the business	Financial, Strategy, People and Safety objectives	Financial, Strategy, People and Safety objectives	Volume weighted average price (VWAP) of Company shares sold on the ASX

The FY24 remuneration for current executives can be represented broadly, as follows:



Directors’ Report (continued)

Remuneration Report (Audited) (continued)

2. Executive Remuneration Framework (Overview) (continued)

Structure

Remuneration is determined as part of an annual performance review process, having regard to market factors, relevant comparative data, a performance evaluation process and independent remuneration advice, where necessary.

Total Fixed Remuneration (TFR)

Total fixed remuneration comprises cash and other benefits and entitlements to provide a base level of remuneration which is both appropriate to the role and responsibilities, reflects current market conditions, the individual’s seniority and overall performance of the Company and the relevant business units.

For all Australian based executives, superannuation is included in TFR, and benefits provided for Fringe Benefits Tax purposes, grossed up.

Executive contracts of employment do not include any guaranteed base pay increases.

The fixed component of the executives’ and MD/CEO’s base remuneration is detailed in the tables on page 63.

Short-Term Incentives (STI)

The Company operates an annual STI program that is available to executives and salaried employees, which awards a cash bonus subject to the attainment of business objectives which are set at the commencement of the performance period, as well as individual performance ratings.

The aim of the STI is to measure and drive success against business objectives, which are established annually by the MD/CEO and the Board. Targets are set at a level to provide sufficient incentive to executives to achieve its strategic and operational objectives, at a potential STI cost to the Company that is reasonable in the circumstances.

Actual STI payments awarded to each executive depend on the extent to which specific targets for a financial year are met. The targets consist of a number of key performance indicators covering financial, strategic, tactical and people and safety performance targets, as well as individual performance against role specific goals. These measures were chosen as they represent the key drivers for the short-term success of the business and provide a framework for delivering long-term value.

Under the arrangements approved by the Board, the general principles that will apply are that the executive will receive an STI in the form of a cash bonus that is generally set at a maximum of 50% of the executive’s total fixed remuneration. The STI will be paid within three months of the financial year end in which the executive’s performance is being measured.

In addition, executives who are paid an STI cash bonus will receive a Deferred Equity Award (DEA) which is generally equal to 50% of the amount of the STI cash bonus earned. The DEA is in the form of a grant of performance rights under the Performance Rights Plan and is subject to two-year (50%) and three-year (50%) service vesting conditions i.e. vesting of the DEA is subject to the executive still being employed by the Company at the relevant vesting date.

The Company has a Good Leaver and a Bad Leaver Policy. If an executive ceases employment with the Company, then any unvested DEA will be automatically forfeited. If the executive was a Good Leaver, then the Board will consider the circumstances of the cessation of employment and may exercise its discretion to allow some or all of the unvested DEA to vest (and be exercised).

The Board assesses the performance of the Company against targets to determine the overall performance multiplier which applies to all Corporate employees. The Board also assesses the individual performance of the MD/CEO, to determine the actual STI payment based upon the recommendation of the Staff and Remuneration Committee.

The MD/CEO assesses the performance of other senior executives against their targets and determines the actual STI with oversight by the Board through the Chairman and the Staff and Remuneration Committee.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

2. Executive Remuneration Framework (Overview) (continued)

Short-Term Incentives (STI) (continued)

The structure of the short-term incentive plan is as follows:

Feature	Cash Bonus	Deferred Equity Award (DEA)
Maximum opportunity	MD/CEO and other executives: 50% of fixed remuneration	MD/CEO and other executives: generally 50% of short-term incentive cash bonus
Minimum opportunity	MD/CEO and other executives: 0% of fixed remuneration	MD/CEO and other executives: 0% of short-term incentive cash bonus
Performance metrics	The STI targets align with the business objectives at both a Company and functional business unit level. The primary performance target categories for KMP are as follows: Financial, Strategic, People and Safety.	
Delivery of STI	The STI cash bonus is generally paid in the next financial year.	The DEA is subject to two-year (50%) and three-year (50%) service vesting conditions. This encourages retention and shareholder alignment.
Board discretion	The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any deferred STI award.	

DEAs are provided to the MD/CEO and senior executives based on the level of STI cash bonus earned each year. The last offer under this plan was made on 28 September 2023 and subject to two (50%) and three (50%) year service vesting conditions.

There is also a tax exempt share plan that may be utilised at the discretion of the Board for general employee equity participation.

Long-Term Incentives

The Company operates a Long-Term Incentive (LTI) Plan in order to align remuneration of the Company's senior executives with the long-term strategic goals of the Company.

The LTI Plan is consistent with the Company's objectives for remuneration, which include providing competitive total rewards to attract and retain high calibre senior executives, having a meaningful portion of remuneration "at risk" and, above all, creating value for shareholders.

Under the LTI Plan, eligible persons are granted performance rights, being a right to acquire shares in the Company subject to applicable performance conditions being satisfied and exercise of the vested performance right. Performance rights under the LTI Plan will be granted in three offers, each covering a three year period with an optional fourth year if performance targets to year three are not met.

During FY24, the Company granted 2,348,776 performance rights (FY23: 2,908,614 performance rights) on the terms summarised below. Each performance right had a grant date fair value of approximately $0.70, determined using Monte Carlo simulations valuation methodology that incorporated an expected volatility of 29%, a risk-free rate of 3.8%, and no expected dividends (FY23: grant date fair value of approximately $0.68, determined using a binomial model that incorporated an expected volatility of 32%, a risk-free rate of 3.1%, and no expected dividends).

Directors' Report (continued)

Remuneration Report (Audited) (continued)

2. Executive Remuneration Framework (Overview) (continued)

Long-Term Incentives (continued)

The following summary reflects the key features of the LTI Plan and the first two offers.

<table>
<tr><th>Feature</th><th>2023 Offer</th><th>2024 Offer</th></tr>
<tr><td rowspan="8">Performance condition and performance period</td><td colspan="2">Vesting of the performance rights is subject to a condition that the volume weighted average price (VWAP) of Company shares sold on the ASX over the period of 20 trading days up to and including:</td></tr>
<tr><td>• 30 September 2025 is at least $2.78, based upon a 15% annual growth rate over three years.</td><td>• 30 September 2026 is at least $2.02, based upon a 15% annual growth rate over three years.</td></tr>
<tr><td colspan="2">If the above performance condition is not satisfied, the performance rights will remain on foot and will be subject to an alternative performance condition relating to the VWAP of Company shares sold on the ASX over the period of 20 trading days up to and including:</td></tr>
<tr><td>• 30 September 2026.</td><td>• 30 September 2027.</td></tr>
<tr><td colspan="2">Under this alternative condition, if the relevant VWAP is:</td></tr>
<tr><td>• at least $2.88 (representing a compound annual growth rate of 12%), but less than $3.20 – 50% of performance rights will vest; and</td><td>• at least $2.09 (representing a compound annual growth rate of 12%), but less than $2.33 – 50% of performance rights will vest; and</td></tr>
<tr><td>• at least $3.20 (representing a compound annual growth rate of 15%) – 100% of performance rights will vest.</td><td>• at least $2.33 (representing a compound annual growth rate of 15%) – 100% of performance rights will vest.</td></tr>
<tr><td>The vesting period is from the grant date of 30 November 2022 to 30 September 2025.</td><td>The vesting period is from the grant date of 15 December 2023 to 30 September 2026.</td></tr>
<tr><td>Exercise period</td><td colspan="2">Performance rights that have vested may generally be exercised at any time until six years after the date of vesting. Where a holder of performance rights ceases employment with the Company group, the exercise period is abridged to 30 days after cessation of employment.</td></tr>
<tr><td rowspan="2">Number of available performance rights</td><td colspan="2">Eligible persons were granted a number of performance rights equal to the value of their long-term incentive opportunity, divided by the VWAP of Company shares sold on the ASX over the period of 20 trading days up to and including:</td></tr>
<tr><td>• 30 September 2022 being $1.83.</td><td>• 30 September 2023 being $1.33.</td></tr>
<tr><td>Lapsing conditions</td><td colspan="2">Unvested performance rights generally lapse upon the holder ceasing employment with the Company.

If the holder of performance rights ceases to be an employee as a result of an "Uncontrollable Event" (e.g. death, permanent disablement, retirement, retrenchment, or such other circumstances which the Board determines is an Uncontrollable Event), any unvested performance rights held by that person are expected to continue to be subject to the requirements for vesting and exercise applying to those performance rights, unless the Board determines that the vesting conditions applying to some or all of those performance rights will be waived or that some or all of those performance rights will lapse.

There are certain other circumstances in which a participant's performance rights may lapse, including where the participant has committed any act of fraud, defalcation or gross misconduct, hedged the value of performance rights or purported to dispose or grant a security interest in respect of their performance rights.</td></tr>
<tr><td>Change of control event</td><td colspan="2">If a change of control event for the Company occurs, the treatment of any unvested performance rights will be within the discretion of the Board to determine.</td></tr>
<tr><td>On market acquisition of shares</td><td colspan="2">The requirement to deliver shares in the Company upon the vesting and exercise of performance rights under the LTI Plan must be satisfied by way of a past or future on market acquisition of shares in the Company.</td></tr>
</table>

Directors' Report (continued)

Remuneration Report (Audited) (continued)

3. Executive Contractual Arrangements

Remuneration arrangements for KMP are formalised in employment agreements. Details of these contracts are provided below. Company employees are employed by the subsidiary company A.A. Company Pty Ltd, AACo Singapore Holdings Pty Ltd Singapore Branch and AACo (US) LLC.

	MD/CEO Description	Senior Executive Description
Total fixed remuneration	$750,000 including superannuation (subject to annual review by Board)	Range between $390,000 and $600,000
Short-Term Incentive (STI) Cash Bonus	Maximum opportunity of $375,000 (50% of TFR)	Maximum opportunity 50% of TFR
Deferred Equity Award	50% of the actual amount of the STI cash bonus earned	Generally 50% of the actual amount of the STI cash bonus earned
Long-Term Incentive	Subject to Company performance conditions being satisfied and the service conditions being met	Subject to Company performance conditions being satisfied and the service conditions being met
Contract duration	Ongoing	Ongoing

The MD/CEO's termination provisions are as follows:

	Notice Period	Payment in Lieu of Notice	Treatment of STI on Termination	Treatment of Performance Rights on Termination
Employer-initiated termination	6 months	Part or all of 6 months	Not eligible	Unvested performance rights lapse unless Good Leaver and Board exercises discretion to allow
Termination for serious misconduct	Nil	Nil	Not eligible	Unvested performance rights lapse
Employee-initiated termination	6 months	Part or all of 6 months	Not eligible	Unvested performance rights lapse unless Good Leaver and Board exercises discretion to allow

Upon termination, the MD/CEO is subject to up to 12 months' restriction for competition, employee inducement and customer solicitation.

Other Key Management Personnel

The executive service agreements for other senior executives generally reflect that of the MD/CEO.

Standard Key Management Personnel termination provisions are as follows:

	Notice Period	Payment in Lieu of Notice	Treatment of STI on Termination	Treatment of Performance Rights on Termination
Employer-initiated termination	3 to 6 months	Part or all of 3 to 6 months	Not eligible	Unvested performance rights lapse unless Good Leaver and Board exercises discretion to allow
Termination for serious misconduct	Nil	Nil	Not eligible	Unvested performance rights lapse
Employee-initiated termination	3 to 6 months	Part or all of 3 to 6 months	Not eligible	Unvested performance rights lapse unless Good Leaver and Board exercises discretion to allow

Directors' Report (continued)

Remuneration Report (Audited) (continued)

4. Link between Remuneration and Performance

Company Financial Performance Indicators

The table below shows measures of the Company's financial performance over the last five years. There may not always be a direct correlation between other statutory performance measures and the variable remuneration awarded.

Measure	2024	2023	2022	2021	2020
Operating profit ($000)	50,458	67,385	49,886	24,360	15,194
Operating cash flow ($000)	9,317	16,033	24,248	18,423	20,120
(Loss)/profit for the year attributable to owners ($000)	(94,618)	4,611	136,930	45,474	31,317
Basic earnings/(loss) per share (cents)	(15.84)	0.77	22.94	7.62	5.25
Dividend payments ($000)	–	–	–	–	–
Increase/(decrease) in share price (%)	(12%)	(6%)	36%	5%	10%

Additional Statutory Information

The table below shows the relative proportions of remuneration that were linked to performance and those that were fixed, based on the amounts disclosed as statutory remuneration expense (refer to tables on page 64 and 67).

	Fixed Remuneration		At Risk – STI – Cash		At Risk – STI – DEA[1]		At Risk – LTI	
	2024	2023	2024	2023	2024	2023	2024	2023
Executives								
D. Harris	64%	64%	19%	25%	9%	8%	8%	3%
A. O'Brien	66%	65%	17%	24%	10%	9%	7%	2%
J. Huntington	61%	66%	19%	25%	12%	7%	8%	2%
G. Steedman	64%	97%	23%	–%	3%	–%	10%	3%
E. Bird	96%	–%	–%	–%	–%	–%	4%	–%
Former Executives								
B. Bennett	100%	61%	–%	27%	–%	10%	–%	2%

(1) Includes all share-based payment expense incurred by the Company in relation to DEA in the current year, of which a portion relates to prior year awards.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

4. Link between Remuneration and Performance (continued)

Assessment of Company Scorecard Relative to FY24 Goals

The Board's assessment of the Company's overall performance against business objectives for the year ended 31 March 2024 is detailed below, which sets a baseline for the STI opportunity which can be awarded to individuals. Performance against role-based objectives is also assessed by the Board to determine the appropriate STI amount awarded to the MD/CEO, with the MD/CEO assessing other executives against their goals for the performance year.

Category	Targets	Weighting	Performance			
			Not Achieved	Partially Achieved	Achieved	Exceeded
Financial	Sustainable profitable growth	30%				
Strategic	Strategy and roadmap development	10%				
	Deliver FY24 priority commitments	30%				
Tactical	Agile response to changing conditions	10%				
People and Safety	Make AACo a great place to work	10%				
	Deliver our 1AA Safety Strategy	10%				

Performance Based Remuneration Granted During the Year

The Board have exercised their discretion to award 67% of the target STI cash bonus and DEA entitlement in relation to FY24 Company performance. Actual amounts awarded also reflect individual performance ratings. As a result, amounts accrued for Executive KMP, including the MD/CEO, in respect of performance year 31 March 2024 include the STI cash bonus for $832,207 and DEA for $416,103. The DEA has not yet been formally offered to the MD/CEO or any other executives in respect of performance during the year to 31 March 2024 and will be granted upon acceptance of letters of offer. Letters of offer will be transmitted to participants once the Board approves the opening of the first trading window under the AACo trading policy, which is typically immediately following the AACo full-year announcement. The DEA is awarded based on FY24 performance and will be expensed over the 4-year period commencing at the start of the service period for which it was awarded.

The STI cash bonus for the MD/CEO and any other executives in respect of performance during the year to 31 March 2023 was $825,245. The DEA was awarded based on FY23 performance and is expensed over the four-year vesting period commencing from at the start of the service period, being 1 April 2022.

For each STI cash bonus and grant of rights to deferred shares (refer to tables on pages 64 to 68), the percentage of the available bonus or grant that was paid or vested during the financial year, and the percentage that was forfeited as a result of the Board's discretion is set out below.

	Current Year STI Entitlement (Cash Bonus and DEA)		
	Total Opportunity ($)	Awarded %[1]	Forfeited %
Executives			
D. Harris	414,000	74%	26%
A. O'Brien	318,827	71%	29%
J. Huntington	207,383	71%	29%
G. Steedman	308,102	74%	26%
E. Bird[2]	N/A[2]	N/A	N/A

(1) The DEA is awarded based on FY24 performance, and will be granted in FY25.

(2) E. Bird commenced her employment with AACo on 15 February 2024 and as such was not eligible for the FY24 STI entitlement.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

5. Remuneration of Key Management Personnel – Executives

	Short-Term			Post-Employment	Long-Term Benefit	Termination	Share-Based Payment		
Executives	Salary & Fees(1) $	Other Payments(2) $	Non-Monetary Benefits $	Superannuation $	Long Service Leave(3) $	Benefits $	Short-Term Incentive (DEA)(4) $	Performance Rights (LTI) $	Total $
Current									
D. Harris(5)									
31/03/2024	834,287	276,000	47,904	26,872	–	–	130,518	112,294	1,427,875
31/03/2023	767,250	311,166	–	24,861	–	–	98,121	31,539	1,232,937
A. O'Brien(6)									
31/03/2024	800,885	212,551	25,065	–	–	–	130,277	86,685	1,255,463
31/03/2023	724,868	270,586	9,518	–	–	–	105,077	24,084	1,134,133
J. Huntington(7)									
31/03/2024	367,821	138,255	41,814	26,872	–	–	86,505	59,829	721,096
31/03/2023	138,232	55,993	–	8,431	–	–	14,831	15,095	232,582
G. Steedman(7)									
31/03/2024	536,192	205,401	–	26,872	–	–	26,769	84,735	879,969
31/03/2023	80,050	100,000	–	4,215	–	–	–	5,845	190,110
E. Bird(8)									
31/03/2024	54,518	–	–	6,791	–	–	–	2,492	63,801
31/03/2023	–	–	–	–	–	–	–	–	–
Former									
B. Bennett(8)									
31/03/2024	258,807	100,000	–	23,993	45	–	(72,811)	(16,896)	293,138
31/03/2023	379,507	187,500	–	24,861	15,084	–	72,811	16,896	696,659
Total Remuneration: Executives									
31/03/2024	2,852,510	932,207	114,783	111,400	45	–	301,258	329,139	4,641,342
31/03/2023	2,089,907	925,245	9,518	62,368	15,084	–	290,840	93,459	3,486,421

(1) Salary and fees include allowances in addition to TFR.

(2) Other payments include the STI cash bonus for the applicable performance year and any other contracted bonus amounts.

(3) Long service leave balances are only accrued from five years' service onwards.

(4) The STI (DEA) expense includes the DEA granted based on performance in the applicable performance year, and adjustments for amounts forfeited or not expected to vest.

(5) The FY23 remuneration for D. Harris included remuneration for his role as Chief Operating Officer – Supply Chain until his appointment as MD/CEO.

(6) A. O'Brien's remuneration has been translated to AUD from SGD, and as such is subject to movements in the FX rate.

(7) FY24 represents a full year of earnings for J. Huntington and G. Steedman, who joined in the comparative period.

(8) E. Bird commenced in the role of Company Secretary/General Counsel on 15 February 2024, which B. Bennett retired from on the same date.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

6. Board Oversight of Remuneration

Staff and Remuneration Committee

The Staff and Remuneration Committee currently comprises three independent non-executive Directors (Ms J. Rudd, Mr D. McGauchie and Mr A. Abraham (Committee Chairman)).

The Staff and Remuneration Committee is responsible for making recommendations to the Board on the remuneration arrangements of non-executive Directors (NEDs) and executives. The Staff and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of NEDs and executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors and an executive team. In determining the level and composition of executive remuneration, the Staff and Remuneration Committee may also seek external advice as set out below.

Mr D. Harris (MD/CEO) attends certain Staff and Remuneration Committee meetings by invitation but is not present during any discussions relating to his own remuneration arrangements.

Remuneration Approval Process

The Board is responsible for and approves the remuneration arrangements for the MD/CEO and executives, and all awards made under any deferred equity award (DEA) and long-term incentive (LTI) plan. The Staff and Remuneration Committee provide recommendations for these remuneration arrangements and obtain independent remuneration advice as necessary. In the case of the MD/CEO, these arrangements are then subject to shareholder approval when applicable.

The Board also sets the aggregate remuneration of NEDs, which is then subject to shareholder approval.

The Board oversees the MD/CEO's recommendations for remuneration of senior executives with the assistance of the Staff and Remuneration Committee and independent remuneration advice, where necessary.

The Board approves, having regard to the recommendations made by the Staff and Remuneration Committee, the level of any Company short-term incentive (STI) cash payments to employees, including KMPs and therefore the amount of any DEA entitlement. The level of STI cash payments to the MD/CEO are determined separately by the Board. Any DEA entitlement resulting in an issue of securities for the MD/CEO must be approved by shareholders.

Use of Remuneration Consultants

During the year ended 31 March 2024 the following external parties provided assistance to the Company covering remuneration matters:

(a) Korn Ferry, external benchmarking of limited executive roles and remuneration

Assistance from external parties covering remuneration was limited to the above matters.

In the year ended 31 March 2024, remuneration consultants were engaged for remuneration matters for the value of $9,881 (31 March 2023: $45,999). There was no remuneration recommendation provided in the current year.

Voting and comments made at the Company's 27 July 2023 Annual General Meeting ('AGM')

The Company received 89.41% of 'for' votes in relation to its remuneration report for the year ended 31 March 2023.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

7. Non-Executive Director (NED) Remuneration Arrangements

Remuneration Policy

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to NEDs of comparable companies. The Board may consider advice from external consultants when undertaking the annual review process.

The Company's Constitution and the ASX Listing Rules specify that the aggregate remuneration of NEDs shall be determined, from time to time, by general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at the AGM held on 23 August 2017, when shareholders approved an aggregate remuneration of $1,250,000 per year.

Structure

The remuneration of NEDs consists of Directors' fees and committee fees. NEDs do not receive retirement benefits other than superannuation, nor do they participate in any incentive programs.

Each NED receives a base fee for being a Director of the Company. An additional fee is also paid for each Board committee on which a Director sits, with a higher fee paid if the Director is a Chairman of a Board committee. The payment of additional fees for serving on a committee recognises the additional time commitment required by NEDs who serve on one or more committees.

The Board may also establish specialist working groups from time to time, comprised of Directors, to oversee and report back to the Board on any Board identified large or otherwise important projects. Generally, Directors are not separately remunerated for membership in such subcommittees.

NEDs are encouraged to hold shares in the Company. Any shares purchased by the Directors are purchased on market, which is in line with the Company's overall remuneration philosophy and aligns NEDs with shareholder interests. Director share purchases are confined to trading windows under our Share Trading Policy.

The remuneration of NEDs for the years ended 31 March 2024 and 31 March 2023 is detailed in the table on page 66.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

7. Non-Executive Director (NED) Remuneration Arrangements (continued)

Structure (continued)

	Short-Term			Post-Employment	Long-Term Benefit	Termination	Share-Based Payment		
	Salary & Fees $	Other Payments[1] $	Non-Monetary Benefits $	Superannuation $	Long Service Leave $	Benefits $	Short-Term Incentive (DEA) $	Performance Rights (LTI) $	Total $
Non-executive Directors									
D. McGauchie									
31/03/2024	250,000	–	–	26,872	N/A	–	N/A	N/A	276,872
31/03/2023	250,000	–	–	24,861	N/A	–	N/A	N/A	274,861
S. Black									
31/03/2024	125,000	–	–	13,594	N/A	–	N/A	N/A	138,594
31/03/2023	125,000	–	–	12,969	N/A	–	N/A	N/A	137,969
A. Abraham									
31/03/2024	140,000	–	–	15,225	N/A	–	N/A	N/A	155,225
31/03/2023	124,247	–	–	12,903	N/A	–	N/A	N/A	137,150
N. Reisman									
31/03/2024	115,000	12,506	–	–	N/A	–	N/A	N/A	127,506
31/03/2023	115,015	11,933	–	–	N/A	–	N/A	N/A	126,948
J. Rudd									
31/03/2024	130,000	–	–	14,138	N/A	–	N/A	N/A	144,138
31/03/2023	130,000	–	–	13,488	N/A	–	N/A	N/A	143,488
M. Blazer									
31/03/2024	125,000	13,594	–	–	N/A	–	N/A	N/A	138,594
31/03/2023	125,000	12,969	–	–	N/A	–	N/A	N/A	137,969
S. Gentry									
31/03/2024	117,622	10,697	–	–	N/A	–	N/A	N/A	128,319
31/03/2023	48,875	4,792	–	–	N/A	–	N/A	N/A	53,667
J. Levy									
31/03/2024	27,740	3,051	–	–	N/A	–	N/A	N/A	30,791
31/03/2023	–	–	–	–	N/A	–	N/A	N/A	–
Former Non-executive Directors									
Dr S. Dissanayake									
31/03/2024	74,760	–	–	–	N/A	–	N/A	N/A	74,760
31/03/2023	100,000	–	–	–	N/A	–	N/A	N/A	100,000
Total Remuneration: Directors									
31/03/2024	1,105,122	39,848	–	69,829	–	–	–	–	1,214,799
31/03/2023	1,018,137	29,694	–	64,221	–	–	–	–	1,112,052

(1) Other payments relate to payments in lieu of post-employment benefits for overseas based Directors.

Directors’ Report (continued)

Remuneration Report (Audited) (continued)

8. Equity Instruments Disclosures

2,348,776 performance rights under the LTI plan and 294,189 DEA performance rights were granted during the 12 months to 31 March 2024 (31 March 2023: 2,908,614 performance rights under the LTI plan and 239,508 DEA performance rights).

145,070 shares were distributed to Key Management Personnel during the year ended 31 March 2024, as a result of exercising vested performance rights (31 March 2023: no exercised performance rights).

Rights to Shares

The fair value of rights is determined based on the market price of the Company’s shares at the grant date, with an adjustment made to take into account the two and three year vesting period (where applicable, i.e. on the issue of DEA) and expected dividends during that period that will not be received by the employees. Although the approved STI calculation relates to the year ended 31 March 2024, the DEA is not granted to participants until the Board approves the opening of the first trading window under the AACo Trading Policy, which is typically immediately following the AACo full-year announcement.

A summary of the outstanding performance rights relating to Key Management Personnel is provided below, with a full listing provided in Note F8 Share-based Payments. Details on rights over ordinary shares in the Company that were granted as compensation or vested during the reporting period to each key management person during the reporting period are as follows:

	Fiscal Year Granted	Award	Balance at Beginning of Period	Granted as Remuneration	Exercised During the Year	Net Change Other	Balance at End of Period	Not Vested and Not Exercisable	Vested and Exercisable	Value Yet to Vest
			Number	Number	Number	Number	Number	Number	Number	$
Executives										
D. Harris	2025(1)	DEA	–	–	–	–	–	–	–	138,000
	2024	LTIP	–	281,743	–	–	281,743	281,743	–	197,220
	2024	DEA	–	100,376	–	–	100,376	100,376	–	147,051
	2023	DEA	66,152	–	–	–	66,152	66,152	–	117,751
	2023	LTIP	382,513	–	–	–	382,513	382,513	–	258,501
	2022	DEA	69,731	–	(34,865)	–	34,866	34,866	–	50,556
A. O’Brien	2025(1)	DEA	–	–	–	–	–	–	–	106,275
	2024	LTIP	–	227,757	–	–	227,757	227,757	–	159,430
	2024	DEA	–	92,259	–	–	92,259	92,259	–	135,159
	2023	DEA	70,668	2,926	–	–	73,594	73,594	–	130,997
	2023	LTIP	292,096	–	–	–	292,096	292,096	–	197,397
	2022	DEA	96,723	–	(48,361)	–	48,362	48,362	–	70,125
J. Huntington	2025(1)	DEA	–	–	–	–	–	–	–	69,128
	2024	LTIP	–	146,506	–	–	146,506	146,506	–	102,554
	2024	DEA	–	60,484	–	–	60,484	60,484	–	88,609
G. Steedman	2025(1)	DEA	–	–	–	–	–	–	–	102,701
	2024	LTIP	–	212,246	–	–	212,246	212,246	–	148,572
	2023	LTIP	189,385	–	–	–	189,385	189,385	–	177,977
E. Bird	2024	LTIP	–	128,578	–	–	128,578	128,578	–	90,005
Former Executives										
B. Bennett(2)	2023	DEA	50,019	–	–	(50,019)	–	–	–	–
	2023	LTIP	204,918	–	–	(204,918)	–	–	–	–
	2022	DEA	65,659	–	(32,829)	(32,830)	–	–	–	–

(1) The 2025 DEA is awarded based on the FY24 performance and expensed over the four-year period commencing at the start of the service period for which it was awarded.

The maximum value for the 2025 DEA is 50% of the short-term incentive cash bonus earned for the same performance period, with the number of rights to be granted subject to the share price on grant date. The minimum value of performance rights yet to vest is nil, as the rights will be forfeited if the vesting conditions are not met.

(2) B. Bennett resigned his employment with AACo during the period, forfeiting all unvested and unexercisable performance rights on the date of his resignation.

No other Directors or Executives held options or performance rights during the period.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

9. Shareholdings and Other Mandatory Disclosures

Shareholdings

The table below summarises the movements during the period in the shareholdings of Key Management Personnel, in the Company for the period.

2024	Balance at Beginning of Period Number	Granted as Remuneration Number	Exercise of Options/Rights Number	Net Change Other Number	Balance at End of Period Number
Non-executive Directors					
D. McGauchie	1,120,774	–	–	–	1,120,774
S. Black	40,000	–	–	–	40,000
A. Abraham	30,000	–	–	–	30,000
N. Reisman	45,000	–	–	–	45,000
J. Rudd	32,258	–	–	–	32,258
M. Blazer	–	–	–	20,000	20,000
S. Gentry	9,261	–	–	–	9,261
J. Levy	–	–	–	–	–
Former Non-executive Directors					
Dr S. Dissanayake	2,025,000	–	–	(2,025,000)	–
Executives					
D. Harris	–	–	34,865	–	34,865
A. O'Brien	50,000	–	48,361	–	98,361
J. Huntington	–	–	29,015	–	29,015
G. Steedman	–	–	–	–	–
E. Bird	–	–	–	–	–
Former Executives					
B. Bennett	454,807	–	32,829	(487,636)	–
Total	**3,807,100**	**–**	**145,070**	**(2,492,636)**	**1,459,534**

All equity transactions with Directors and executives other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

Loans to Key Management Personnel and their Related Parties

There are no loans outstanding with Key Management Personnel at 31 March 2024 (31 March 2023: nil), nor have there been any transactions that would be considered a loan throughout the period.

Other Transactions and Balances with Key Management Personnel and their Related Parties

There have been no other transactions with Key Management Personnel or their related parties during the financial year to 31 March 2024 (31 March 2023: nil).

Directors' Report (continued)

Committee Membership

As at the date of this report, the Company had an Audit and Risk Management Committee, Staff and Remuneration Committee, Nomination Committee and a Brand, Marketing & Sales Committee.

Directors' Meetings

The number of Meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director is as follows:

	Directors' Meetings		Audit & Risk Management Committee		Staff & Remuneration Committee		Nomination Committee		Brand, Marketing & Sales Committee	
	A	B	A	B	A	B	A	B	A	B
Current Non-executive Directors										
D. McGauchie	12	12	8	8*	4	4	2	2	4	4
S. Black	12	12	8	8	4	4*	2	2	4	4*
A. Abraham	12	12	8	8	4	4	2	2	4	4*
N. Reisman	12	11	8	7	4	4*	2	2	4	4*
J. Rudd	12	11	8	7*	4	4	2	2	4	3
M. Blazer	12	12	8	7*	4	4*	2	2	4	4
S. Gentry	12	12	8	8	4	4*	2	2	4	4*
J. Levy(1)	2	2	1	–*	1	–*	–	–	1	–*
Former Non-executive Directors										
Dr S. Dissanayake(2)	12	8	8	3*	4	2*	2	–	4	–*
Current Executive Director										
D. Harris(3)	12	12	8	8*	4	4*	2	2	4	4*

A = Number of meetings held during FY24.

B = Number of meetings attended during the time the Director held office.

* Not a member of the relevant committee.

(1) Mr. Levy was appointed as a Director on 22 December 2023.

(2) Dr S. Dissanayake retired as Director on 22 December 2023.

(3) Mr. Harris is invited to all Committee meetings in his role as MD/CEO, but as an Executive is not a member of those Committees.

Rounding

Amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars for presentation where noted ($000). This has been completed under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which this legislative instrument applies.

Directors' Report (continued)

Lead Auditor's Independence Declaration

We have obtained the following independence declaration from our auditors KPMG.

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Australian Agricultural Company Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Australian Agricultural Company Limited for the financial year ended 31 March 2024, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Scott Guse

Scott Guse
Partner

Brisbane
15 May 2024

Directors' Report (continued)

Non-Audit Services

The following non-audit services were provided by the entity's lead auditor, KPMG. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. The lead auditor received or are due to receive the following amounts for the provision of non-audit services:

Metrics	31 Mar 2024 $	31 Mar 2023 $
Limited scope assurance of the sustainability report	37,000	–
	37,000	**–**

Signed in accordance with a resolution of the Directors

Donald McGauchie
Chairman

Brisbane
15 May 2024

David Harris
Managing Director

Brisbane
15 May 2024

Consolidated Financial Statements

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Consolidated Income Statement

For the year ended 31 March 2024

	Note	31 Mar 2024 $000	31 Mar 2023 $000
Meat sales revenue		268,719	245,043
Cattle sales revenue		67,413	68,381
		336,132	313,424
Cattle fair value adjustments	A3	102,363	238,483
		438,495	**551,907**
Cost of meat sold		(197,332)	(208,082)
Cost of live cattle sold		(63,793)	(66,674)
Cattle and feedlot expenses		(108,344)	(90,297)
Gross margin	A2	**69,026**	**186,854**
Other income	F5	7,729	12,162
Employee expenses	F5	(66,927)	(60,285)
Administration and selling costs		(56,790)	(52,238)
Other operating costs		(35,592)	(32,286)
Property costs		(5,302)	(5,156)
Depreciation and amortisation		(24,820)	(23,778)
(Loss)/profit before finance costs and income tax		**(112,676)**	**25,273**
Finance costs	F5	(25,336)	(17,085)
(Loss)/profit before income tax		**(138,012)**	**8,188**
Income tax benefit/(expense)	F4	43,394	(3,577)
(Loss)/profit after tax		**(94,618)**	**4,611**

(Loss)/Profit Share Attributable to the Ordinary Equity Holders of the Parent		Cents	Cents
Basic earnings per share	C5	(15.84)	0.77
Diluted earnings per share	C5	(15.84)	0.77

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	31 Mar 2024 $000	31 Mar 2023 $000
(Loss)/profit for the year	**(94,618)**	**4,611**
Other Comprehensive Income		
Items not to be reclassified subsequently to profit or loss:		
Movement in property revaluations, net of tax	45,643	199,234
Items to be reclassified subsequently to profit or loss:		
Revaluation of foreign currency operations, net of tax	(348)	(1,462)
Changes in the fair value of cash flow hedges, net of tax	2,849	(3,283)
Other comprehensive income for the year, net of tax	**48,144**	**194,489**
Total comprehensive (loss)/profit for the year, net of tax	**(46,474)**	**199,100**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 March 2024

	Note	As at 31 Mar 2024 $000	As at 31 Mar 2023 $000
Current Assets			
Cash	B1	8,963	4,019
Trade and other receivables	B4	19,079	10,302
Inventories and consumables	B3	32,338	35,919
Livestock	A3	285,154	346,076
Other assets		8,325	6,275
Total Current Assets		**353,859**	**402,591**
Non-Current Assets			
Livestock	A3	326,142	389,127
Property, plant and equipment	A4	1,629,674	1,535,914
Intangible assets	F2	17,227	12,935
Right-of-use assets	F3	36,132	37,309
Investments		238	238
Other receivables		1,182	1,101
Total Non-Current Assets		**2,010,595**	**1,976,624**
Total Assets		**2,364,454**	**2,379,215**
Current Liabilities			
Trade and other payables	B5	40,251	33,247
Provisions		4,889	4,225
Interest-bearing liabilities	C1	6,345	4,529
Lease liabilities	F3	8,180	7,867
Derivatives	C2	2,655	4,425
Total Current Liabilities		**62,320**	**54,293**
Non-Current Liabilities			
Provisions		876	991
Interest-bearing liabilities	C1	431,303	386,227
Lease liabilities	F3	32,651	31,393
Derivatives	C2	229	537
Deferred tax liabilities	F4	320,193	343,688
Total Non-Current Liabilities		**785,252**	**762,836**
Total Liabilities		**847,572**	**817,129**
Net Assets		**1,516,882**	**1,562,086**
Equity			
Contributed equity	C3	528,822	528,822
Reserves	F6	984,181	934,767
Retained earnings		3,879	98,497
Total Equity		**1,516,882**	**1,562,086**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Contributed Equity (Note C3) $000	Reserves (Note F6) $000	Retained Earnings/ (Losses) $000	Total Equity $000
At 1 April 2022	**528,822**	**739,862**	**93,886**	**1,362,570**
Profit for the year	–	–	4,611	4,611
Other comprehensive income	–	194,489	–	194,489
Total comprehensive income for the year	**–**	**194,489**	**4,611**	**199,100**
Transactions with owners in their capacity as owners:				
Cost of share-based payments	–	416	–	416
At 31 March 2023	**528,822**	**934,767**	**98,497**	**1,562,086**
At 1 April 2023	**528,822**	**934,767**	**98,497**	**1,562,086**
Loss for the year	–	–	(94,618)	(94,618)
Other comprehensive income	–	48,144	–	48,144
Total comprehensive income/(loss) for the year	**–**	**48,144**	**(94,618)**	**(46,474)**
Transactions with owners in their capacity as owners:				
Cost of share-based payments	–	1,270	–	1,270
At 31 March 2024	**528,822**	**984,181**	**3,879**	**1,516,882**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Note	31 Mar 2024 $000	31 Mar 2023 $000
Cash Flows from Operating Activities			
Receipts from customers		360,775	335,847
Payments to suppliers, employees and others		(326,438)	(303,494)
Interest received		275	125
Net operating cash inflow before interest and finance cost payments		34,612	32,478
Payment of interest and finance costs		(25,295)	(16,445)
Net cash inflow/(outflow) from operating activities	B2	**9,317**	**16,033**
Cash Flows from Investing Activities			
Payments for property, plant and equipment and other assets		(31,832)	(18,485)
Proceeds from sale of property, plant, and equipment		1,904	2,467
Net cash inflow/(outflow) from investing activities		**(29,928)**	**(16,018)**
Cash Flows from Financing Activities			
Proceeds from interest-bearing liabilities		70,000	40,000
Repayment of interest-bearing liabilities		(30,000)	(35,000)
Principal repayments of leases		(14,445)	(10,265)
Net cash inflow/(outflow) from financing activities		**25,555**	**(5,265)**
Net increase/(decrease) in cash		**4,944**	**(5,250)**
Cash at the beginning of the year		4,019	9,269
Cash at the end of the year	B1	**8,963**	**4,019**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

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Notes to the Consolidated Financial Statements

For the 12 months to 31 March 2024

A Financial Performance

A1 Significant Matters

Property Revaluation

The Company recorded a net $78.1 million increase in the value of the Company's pastoral property and improvements, following a Directors' assessment of fair value at 31 March 2024, as well as factoring in movements during the period for additions, disposals and depreciation.

The fair value assessment utilised information provided by an independent valuation performed by LAWD Pty Ltd. The increase in fair value is a reflection of investment in our Intensive Supply Chain via the Goonoo Expansion and capital works maintaining the quality of our assets, as well as comparable market value increases as evidenced by nearby property sales.

See Note A4 for further details.

Herd Numbers

The closing herd headcount is 5% higher than the prior year, with 453,968 head on hand at 31 March 2024. This increase is a result of the Company's internal breeding program, with favourable seasonal conditions experienced across our properties in Northern Australia. Our herd size adapts for current business requirements and seasonal conditions.

Herd Valuation

Declines in Wagyu and Non-Wagyu liveweight market prices since 31 March 2023 have resulted in an unrealised loss in the fair value of the herd of $149.4 million. Over their lifecycle, market prices of cattle are expected to fluctuate and the value at the time of sale or harvest may be higher or lower than the market valuation disclosed in the financial statements, which represents the fair value at a point in time.

A2 Gross Margin

Gross margin represents value added through the production chain. Margin is achieved through sales of meat products and cattle, as well as cattle production (pastoral and feedlot).

	Note	31 Mar 2024 $000	31 Mar 2023 $000
Meat Sales			
Sales revenue		268,719	245,043
Cost of meat sold(1)		(197,332)	(208,082)
Meat sales gross margin		71,387	36,961
Cattle Sales			
Sales revenue		67,413	68,381
Cost of cattle sold(2)		(63,793)	(66,674)
Cattle sales gross margin		3,620	1,707
Cattle Production			
Fair value adjustments	A3	102,363	238,483
Cattle expenses		(43,489)	(40,147)
Feedlot expenses		(64,855)	(50,150)
Cattle production gross margin		(5,981)	148,186
Total Gross Margin		**69,026**	**186,854**

(1) Includes the transfer of cattle at the applicable fair value at the time they leave the property gate en route to a processing plant.

(2) Represents the fair value of the cattle at the time of live sale, which equates to the recorded fair value less costs to sell.

Notes to the Consolidated Financial Statements (continued)

A Financial Performance (continued)

A3 Livestock

Cattle at Fair Value	31 Mar 2024 $000	31 Mar 2024 Head	31 Mar 2023 $000	31 Mar 2023 Head
Current	285,154	143,674	346,076	144,419
Non-Current	326,142	310,294	389,127	288,507
Total livestock	**611,296**	**453,968**	**735,203**	**432,926**

Livestock Movement	31 Mar 2024 $000	31 Mar 2023 $000
Opening carrying amount	735,203	736,190
Changes in fair value	102,363	238,483
Purchases of livestock	1,003	12,472
External sale of livestock less selling expenses	(63,793)	(66,674)
Transfers for meat sales	(163,480)	(185,268)
Closing carrying amount	**611,296**	**735,203**

Cattle Fair Value Adjustments	31 Mar 2024 $000	31 Mar 2023 $000
Market value movements(1)	(149,368)	(111,950)
Biological transformation(2)	176,075	210,079
Brandings/births	95,761	161,411
Attrition, net of recoveries	(17,401)	(20,775)
Other	(2,704)	(282)
Total cattle fair value adjustments	**102,363**	**238,483**

(1) As a biological asset, AASB 141 *Agriculture* requires the livestock to be valued at fair value less costs to sell at all times prior to sale or harvest. As such, market value movements occur through changes in fair value rather than sales margin.

(2) Biological transformation in accordance with Australian Accounting Standard AASB 141 *Agriculture*, includes reclassification of an animal as it moves from being a branded calf, grows, ages, and progresses through the various stages to become a trading or production animal.

Accounting Policies – Livestock

Livestock is measured at fair value less costs to sell, with any change recognised in the profit or loss. Costs to sell include all costs that would be necessary to sell the assets, including freight and direct selling costs.

The fair value of livestock is based on its present location and condition. If an active or other effective market exists for livestock in its present location and condition, the quoted price in that market is the appropriate basis for determining the fair value of that asset. Where the Company has access to different markets, then the most relevant market is used to determine fair value. The relevant market is defined as the market for which “access is available to the entity”, to be used at the time the fair value is established.

Notes to the Consolidated Financial Statements (continued)

A Financial Performance (continued)

A3 Livestock (continued)

Accounting Policies – Livestock (continued)

If an active market does not exist, then one of the following is used in determining fair value, in the below order:

- the most recent market transaction price, provided that there has not been a significant change in economic circumstances between the date of that transaction and the end of the reporting period;
- market prices, in markets accessible to us, for similar assets with adjustments to reflect differences; or
- sector benchmarks.

In the event that market determined prices or values are not available for livestock in its present condition, the present value of the expected net cash flows from the asset discounted at a current market determined rate may be used in determining fair value.

Livestock are classified as Current and Non-Current. Current livestock are trading cattle and feedlot cattle with less than a year remaining in the feedlot at the end of the financial year, as these animals are due to be sold or processed within the next 12 months. Non-Current livestock are the commercial and stud breeding herd, calves and feedlot cattle with over a year remaining in the feedlot at end of financial year.

Livestock fair value

At the end of each reporting period, livestock is measured at fair value less costs to sell. The fair value is determined through market price movements and changes in the weight of the herd due to growth, attrition, natural increase, beef transfers or sale.

The net increments or decrements in the market value of livestock are recognised as either gains or losses in the profit or loss, determined as:

- The difference between the total fair value of livestock recognised at the beginning of the financial year and the total fair value of livestock recognised as at the reporting date; less
- Costs expected to be incurred in realising the market value (including freight and selling costs).

Fair Value Inputs are summarised as follows:

- **Level 1 Price Inputs** – are quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- **Level 2 Price Inputs** – are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3 Price Inputs** – are inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value Input	Cattle Type	31 Mar 2024 $000	31 Mar 2024 Head	31 Mar 2023 $000	31 Mar 2023 Head
Level 1	None	–	–	–	–
Level 2	Commercial & stud breeding herd	291,411	227,706	332,602	209,814
Level 2	Trading cattle	146,474	103,817	203,233	111,810
Level 2	Unbranded calves	31,445	81,678	50,697	77,493
Level 3	Feedlot cattle	141,966	40,767	148,671	33,809
		611,296	**453,968**	**735,203**	**432,926**
Average value per head			**$1,347**		**$1,698**

Notes to the Consolidated Financial Statements (continued)

A Financial Performance (continued)

A3 Livestock (continued)

Livestock fair value (continued)

Type	Level	Valuation Method
Commercial & Stud Breeding Herd	2	The value of these cattle (comprising principally females and breeding bulls) is determined by independent valuations with reference to prices received from representative sales of breeding cattle similar to the Company's herd. Prices for these cattle generally reflect a longer-term view of the cattle market. Independent appraisals were undertaken by Elders Limited. In performing the valuation, consideration is given to the class, age, quality and location of the herd. Direct comparisons are made to recent sales evidence in relevant cattle markets.
Trading Cattle	2	Relevant market indicators used include Roma store cattle prices, MLA over-the-hook market indicators, and cattle prices received/quoted for the Company's cattle at the reporting date. Prices for these cattle generally reflect the shorter-term spot prices available in the market place and vary based on the weight and condition of the animal. Live export cattle (Victoria River Group, Anthony Lagoon & Darwin Group) are valued based on market quotes available at each reporting date. Wagyu trading cattle are valued on the basis of an independent appraisal by Elders Limited. In performing the valuation, consideration is given to class, age, quality, breed, sex, recent comparable sales evidence and current market conditions for Crossbred Wagyu cattle.
Unbranded Calves	2	The value of unbranded calves is determined with reference to Roma store calf prices at the Company's reporting date. The number of calves is determined by applying the percentage of branding assessed each year to the number of productive cows and the results of pregnancy testing.
Feedlot Cattle	3	Feedlot cattle are valued internally by the Company using the market approach as there is no observable market for them. The value is based on the estimated entry price per kilogram based on an independent appraisal performed by Elders Limited, which takes into account recent comparable sales evidence and current market conditions for animals of a similar class, age, quality, breed and sex. This value is then adjusted to account for value changes due to weight and other physiological changes of each animal as it progresses through the feedlot program. The key factors affecting the value of each animal are price/kg and average daily gain of weight. The average daily gain of weight is in the range of 0.7kgs to 1.9kgs. The value is determined by applying the average weight gain per day by the number of days on feed from induction to exit at which point the cattle are delivered to market. The value per animal is based on the breed and specifications of the animal and the market it is destined for. Significant increases/(decreases) in any of the significant unobservable valuation inputs for feedlot cattle in isolation would result in a significantly higher/(lower) fair value measurement. A review is performed over the valuation of feedlot animals, to ensure the fair value, factoring in current values and expected costs to complete for animals remaining on feed, does not exceed the expected realisable value from a market participant perspective.

Unbranded Calves	31 Mar 2024 $000	31 Mar 2024 Head	31 Mar 2023 $000	31 Mar 2023 Head
Calf accrual opening	50,697	77,493	48,566	68,537
Movement[1]	(19,252)	4,185	2,131	8,956
Calf accrual closing	**31,445**	**81,678**	**50,697**	**77,493**
Average value per head		**$385**		**$654**

(1) Unbranded calves are assessed at each reporting date based on information available at the time. The Company does not track individual calves until such time as they have been branded and recorded in the livestock management system.

Notes to the Consolidated Financial Statements (continued)

A Financial Performance (continued)

A3 Livestock (continued)

Livestock fair value (continued)

Feedlot Cattle	31 Mar 2024 $000	31 Mar 2024 Head	31 Mar 2023 $000	31 Mar 2023 Head
Opening values	148,671	33,809	142,504	31,092
Inductions	192,313	51,472	196,020	41,672
Transfers for meat sales	(168,891)	(44,263)	(176,553)	(38,040)
Attrition and rations	(1,016)	(251)	(2,032)	(915)
Fair value adjustments recognised	(29,111)	–	(11,268)	–
Closing values	**141,966**	**40,767**	**148,671**	**33,809**
Average value per head		**$3,482**		**$4,397**

A4 Property

Property Plant and Equipment	Note	31 Mar 2024 $000	31 Mar 2023 $000
Pastoral property and improvements at fair value		1,542,600	1,464,500
Industrial property and improvements at cost	F1	37,213	34,384
Plant and equipment at cost	F1	47,747	32,055
Capital work in progress	F1	2,114	4,975
Total property, plant and equipment		**1,629,674**	**1,535,914**

Pastoral property and improvements at fair value

Pastoral Property and Improvements at Fair Value	31 Mar 2024 $000	31 Mar 2023 $000
Opening balance	1,464,500	1,170,300
Additions	20,409	15,608
Disposals	(1,202)	(32)
Net revaluation increment recognised in asset revaluation reserve (Note F6)	65,205	284,621
Depreciation	(6,312)	(5,997)
Closing balance	**1,542,600**	**1,464,500**

Accounting policies – Pastoral property and improvements at fair value

Pastoral property and improvements, including freehold and those held under statutory leases with government bodies, are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by the Directors with reference to work performed by external independent valuers on an annual basis with reference to market-based evidence, which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the Statement of Financial Position, unless it reverses a revaluation decrement of the same asset previously recognised in the profit or loss. Any revaluation decrement is recognised in the profit or loss unless it directly offsets a previous increment of the same asset in the asset revaluation reserve.

Notes to the Consolidated Financial Statements (continued)

A Financial Performance (continued)

A4 Property (continued)

Accounting policies – Pastoral property and improvements at fair value (continued)

In addition, any accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to the capital profits reserve.

Pastoral landholdings are generally held under a leasehold agreement with the Crown. Leasehold properties in Queensland are mainly pastoral holdings which are rolling term leases. In the Northern Territory, the pastoral leases held have been granted on a perpetual basis by the Northern Territory Government. We treat statutory leases held with government bodies as perpetual leases. Perpetual leases are outside the scope of AASB 16 *Leases*.

This accounting policy excludes Right-of-use Assets disclosed in Note F3. Refer to Note F1 and Note G3 for the financial information and accounting policies as they relate to property, plant and equipment at cost respectively.

Fair value

In determining the fair value of pastoral property and improvements, the Directors initiate periodic independent valuations through registered property valuers. Once these valuations have been considered and reviewed by the Directors they are then adopted as Directors' valuations.

The following valuation techniques and key inputs are used for the Level 3 (there are no Level 1 and Level 2) property and improvement valuations:

31 Mar 2024 $000	31 Mar 2023 $000	Valuation Technique	Significant Unobservable Inputs	31 Mar 2024 Range/(Average)	31 Mar 2023 Range/(Average)
1,301,600	1,280,800	Direct Comparison (Productive Unit Approach)	Number of adult equivalents	5,350 – 89,200 25,676	5,350 – 89,200 25,676
			Dollar per adult equivalents	$1,589 – $12,262 $3,666	$1,578 – $10,935 $3,399
			Number of properties	20	20
90,500	77,200	Direct Comparison (Hectare Rate Approach)	Dollar per hectare	$2,659 $2,659	$2,269 $2,269
			Number of properties	1	1
150,500	106,500	Direct Comparison (Hectare Rate and Standard Cattle Unit Approach)	Dollar per hectare	$8,072 – $8,561 $8,316	$7,019 – $7,529 $7,274
			Standard cattle units	16,000 – 45,000 30,500	16,000 – 45,000 30,500
			Number of properties	2	2

An independent valuation of pastoral property and improvements was performed by valuers LAWD Pty Ltd to determine the fair value using the market based direct comparison method. One of three direct comparison method techniques were utilised, being either a Productive Unit Approach, Hectare Rate Approach or a Summation Approach using Standard Cattle Units and Hectare Rate. Valuation of the assets was determined by analysing comparable sales and allowing for size, location, rainfall, water supply, seasonal conditions, structural capital works and other relevant factors specific to the property and improvements being valued. From the sales analysed, an appropriate rate per adult equivalent or hectare has been applied to the subject property and improvements. The effective date of the valuation is 31 March 2024.

Notes to the Consolidated Financial Statements (continued)

A Financial Performance (continued)

A4 Property (continued)

Fair value (continued)

Under the Productive Unit Approach, a dollar per Adult Equivalent is adopted inclusive of all structures. This method takes into consideration the type and mix of land types, rainfall, extent of water, fencing and structural improvements, current and potential carrying capacity, and location relative to markets and services. An external expert, Dr Steve Petty of Spektrum, is engaged as part of the valuation process where changes to property or seasonal conditions occur that may result in an updated carrying capacity. When engaged, Dr Steve Petty performs an independent assessment of adult equivalent carrying capacity using a consistent methodology based on scientific analysis of grazing distribution, land system analysis, station and paddock stocking history and published data for the relevant regions.

Under the Hectare Rate Approach, a range of dollar per hectare rates are applied to land components exclusive of all structures. This method takes into consideration the land type composition of the property and therefore the proportion of land that lies outside the watered area and its potential or lack thereof. The basis of assessment is direct comparison with sales evidence on an analysed hectare rate, excluding structures. The improved market value is determined from the summation of land with the added value of structures, such as residences, sheds and yards.

The Hectare Rate and Standard Cattle Unit Approach applies the same principles as the Hectare Rate Approach but includes a dollar per Standard Cattle Unit rate which is applied to feedlot infrastructure. The basis of assessment is direct comparison with sales evidence on an analysed Standard Cattle Unit rate. The improved market value is determined from the summation of land and feedlot infrastructure with the added value of structures, such as residences, sheds and yards. The derived valuation amount for the buildings and yards is obtained from an analysis of comparable sales evidence.

Significant increases (decreases) in any of the significant unobservable valuation inputs under the Productive Unit Approach, Hectare Rate Approach or Hectare Rate and Standard Cattle Units Approach in isolation would result in a significantly higher/(lower) fair value measurement. Permanent shifts in long-term climate and weather conditions could result in a lower or higher carrying capacity, dollar per adult equivalent and dollar per hectare.

Consistent with prior years, the Company reflects potential risks and impacts of climate change as part of the valuation methodology, by ensuring the pastoral property values are based on a long-term view of sustainable carrying capacity and rates applied that reflect sustainable management practices.

Deemed Cost

If pastoral property and improvements were measured using the deemed cost model (the fair value of the assets in 2005 plus subsequent acquisitions at cost) the carrying amounts would be as follows:

	31 Mar 2024 $000	31 Mar 2023 $000
Deemed cost	396,315	375,905
Accumulated depreciation	(81,097)	(74,785)
Net carrying amount	**315,218**	**301,120**

A5 Segment Information

Identification of reportable segments

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Company, that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director/Chief Executive Officer (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Company is viewed as one operating segment for internal reporting to the Board and Executive Leadership team, including the Managing Director/Chief Executive Officer (MD/CEO), with financial information for the Company provided on at least a monthly basis.

Notes to the Consolidated Financial Statements (continued)

A Financial Performance (continued)

A5 Segment Information (continued)

Accounting policies – reportable segments

The accounting policies used in reporting segments are the same as those contained in Note G3 to the financial statements and in the prior year.

The measure of Operating Profit is a key indicator which is used to monitor and manage the Company and represents an adjusted Statutory EBITDA. Operating Profit is a key measure of profitability for AACo. It assumes all livestock inventory is valued on a $/kg live-weight (LW) basis and is derived by adjusting statutory EBITDA to substitute the movement in livestock at market value with the movement at cost of production. Management therefore believe that external stakeholders benefit from this metric being reported, as it is a better reflection of financial performance within the control of management.

The following table presents the revenue and profit information regarding operating segments (incorporating a reconciliation of Operating Profit/(Loss) to Statutory NPAT) for the 12 months to 31 March 2024 and 31 March 2023. Segment assets and liabilities are not reported to the MD/CEO and therefore segment assets and liabilities are not separately disclosed.

	31 Mar 2024 $000	31 Mar 2023 $000
Segment revenue	336,132	313,424
Inter-segment revenue	–	–
Revenue from external customers	336,132	313,424
Operating Profit	**50,458**	**67,385**
Unrealised mark-to-market of herd	(149,368)	(111,950)
Cost versus Fair Value: kg sold or produced	10,032	93,743
Other income/(expenses)	1,022	(127)
Statutory EBITDA (loss)/profit	**(87,856)**	**49,051**
Depreciation and amortisation	(24,820)	(23,778)
Statutory EBIT (loss)/profit	**(112,676)**	**25,273**
Net finance costs	(25,336)	(17,085)
Income tax expense	43,394	(3,577)
Net (loss)/profit after tax	**(94,618)**	**4,611**

Revenues from external customers

Meat Sales Revenue	31 Mar 2024 $000	31 Mar 2023 $000
South Korea	82,865	68,701
USA	57,364	51,222
China	31,043	19,745
Australia	27,382	24,314
Netherlands	12,518	18,789
Other	57,547	62,272
Total meat sales revenue per Income Statement	**268,719**	**245,043**

Meat sales revenues of $122.8 million were derived from two of the Company's major external customers (31 March 2023: $105.3 million from two of the Company's major external customers). No other individual customers contributed to more than 10% of the Company's revenue.

Cattle Sales Revenue	31 Mar 2024 $000	31 Mar 2023 $000
Australia	67,413	68,381
Total cattle sales revenue per Income Statement	**67,413**	**68,381**

Notes to the Consolidated Financial Statements (continued)

B Working Capital

B1 Net Working Capital

	Note	31 Mar 2024 $000	31 Mar 2023 $000
Cash		8,963	4,019
Inventory and consumables	B3	32,338	35,919
Trade and other receivables	B4	19,079	10,302
Trade and other payables	B5	(40,251)	(33,247)
Net working capital		**20,129**	**16,993**

B2 Cash

Reconciliation of Net Profit/(Loss) After Tax to Net Cash Flows from Operations	31 Mar 2024 $000	31 Mar 2023 $000
Net (loss)/profit after income tax	(94,618)	4,611
Adjustments for:		
Depreciation and amortisation	24,820	23,778
(Increment)/decrement in fair value of livestock	123,907	987
Income tax expense reported in equity	(19,555)	(89,079)
Derivative movement reported in equity	(3,186)	2,936
Other income for carbon credit generation	(4,336)	(7,355)
Other non-cash adjustments	6,971	(5,484)
Changes in assets and liabilities:		
(Increase)/decrease in inventories	3,581	(13,715)
(Increase)/decrease in trade and other receivables	(8,777)	(2,754)
(Increase)/decrease in prepayments and other assets	(599)	4,935
(Decrease)/increase in deferred tax liabilities	(23,495)	89,279
(Decrease)/increase in trade and other payables	7,004	5,637
(Decrease)/increase in derivatives	(2,949)	2,661
(Decrease)/increase in provisions	549	(404)
Net cash inflow from operating activities	**9,317**	**16,033**

Notes to the Consolidated Financial Statements (continued)

B Working Capital (continued)

B3 Inventory and Consumables

	31 Mar 2024 $000	31 Mar 2023 $000
Meat inventory	11,754	16,167
Feedlot commodities	11,727	10,156
Bulk stores	7,236	8,267
Other inventory	1,621	1,329
	32,338	**35,919**

In the 12 months to 31 March 2024, inventories of $76.9 million (31 March 2023: $62.8 million) were recognised as an expense and included in 'cost of sales'.

During the year to 31 March 2024, inventories have been reduced by $0.7 million (31 March 2023: reduction of $1.0 million) as a result of the write-down to net realisable value. This write-down was recognised as an expense during FY24. The write-down is included in 'cost of sales'.

B4 Trade and Other Receivables

	31 Mar 2024 $000	31 Mar 2023 $000
Trade receivables	13,856	7,585
Provision for impairment of receivables	(386)	(175)
	13,470	7,410
Other receivables	5,609	2,892
	19,079	**10,302**

Trade receivables are non-interest bearing. Provision for impairment of receivables is the loss allowance for trade receivables and is measured at an amount equal to lifetime expected credit losses. This has increased in line with our increased volumes of meat and cattle sales.

The ageing of trade receivables and the provision for impairment of receivables is outlined below:

Trade Receivables Aging	31 Mar 2024 $000	31 Mar 2023 $000
Current or past due under 30 days	12,110	7,465
Past due 31-60 days	990	42
Past due 61+ days	756	78
Total trade receivables	**13,856**	**7,585**

Provision for Impairment of Receivables Aging	31 Mar 2024 $000	31 Mar 2023 $000
Current or past due under 30 days	(167)	(113)
Past due 31-60 days	(31)	(7)
Past due 61+ days	(188)	(55)
Total provision for impairment of receivables	**(386)**	**(175)**

Our maximum exposure to credit risk is the net carrying value of receivables. We do not hold collateral as security, nor is it our policy to transfer (on-sell) receivables to special purpose entities. Refer to section D for more information on the risk management policy of the Company.

Notes to the Consolidated Financial Statements (continued)

B Working Capital (continued)

B5 Trade and Other Payables

	31 Mar 2024 $000	31 Mar 2023 $000
Trade payables	29,574	23,082
Other payables	6,366	7,432
Deferred revenue	4,311	2,733
	40,251	**33,247**

Trade payables are non-interest bearing and are normally settled on agreed terms which are generally up to 30 days. Other payables are non-interest bearing. Deferred revenue relates to payments received in advance on sales.

C Funding and Capital Management

C1 Interest-bearing Liabilities

	31 Mar 2024 $000	31 Mar 2023 $000
Current		
Asset financing	6,345	4,529
Non-Current		
Secured bank loan facility	412,748	372,859
Asset financing	18,555	13,368
	431,303	**386,227**

Asset financing has been obtained over some of the Company's vehicles, plant and equipment. These liabilities are discounted using the interest rate implicit in the financing arrangement. The weighted average rate is 5.29%.

Secured bank loan facility

The Company's Club Debt Facilities committed facility capacity is $600 million, with an expiry of 8 October 2026. Interest drawn on borrowings under the Club Debt Facilities is charged at the applicable BBSY rate + Margin. The facility is currently drawn down by $413.7 million (31 March 2023: $374.1 million).

The Facility A limit is $410 million, repayable on 8 October 2026. The Facility B limit is $190 million, subject to extension on 8 October 2025 with a rolling 18 month tenor.

Financing facilities are provided on a secured basis, with security given over all assets under fixed and floating charges. Financial covenants are in place over the Company's Loan to Value Ratio (LVR). The following financing facilities are available:

	31 Mar 2024 $000	31 Mar 2023 $000
Borrowing Capacity under Facility A and Facility B	600,000	600,000
Guarantee Facility Capacity	3,000	3,000
Facility A and B Drawn-down	(413,656)	(374,127)
Bank guarantee utilised	(1,052)	(1,454)
Unused	**188,292**	**227,419**

Notes to the Consolidated Financial Statements (continued)

C Funding and Capital Management (continued)

C2 Derivatives

	31 Mar 2024 $000		31 Mar 2023 $000	
	Current	Non-Current	Current	Non-Current
Financial Assets				
Foreign currency contracts[1]	1,790	–	339	580
Financial Liabilities				
Foreign currency contracts	2,648	216	3,819	–
Interest rate swap contracts	7	13	606	537
	2,655	**229**	**4,425**	**537**

(1) Current foreign currency contract assets are included in Other assets in the Consolidated Statement of Financial Position. Non-Current foreign currency contract assets are included in Other receivables in the Consolidated Statement of Financial Position.

Foreign currency contract

Sell FX/Buy AUD	Notional Amounts (AUD) 31 Mar 2024	Notional Amounts (AUD) 31 Mar 2023	Average Exchange Rate 31 Mar 2024	Average Exchange Rate 31 Mar 2023
	$000	$000		
Sell USD Maturity 0-12 months	134,408	112,209	0.6547	0.6729
Sell USD Maturity 13-48 months	130,797	37,927	0.6590	0.6723
	265,205	150,136		

Foreign currency contracts are attributed to forecast meat sales. As these contracts are hedge accounted, effectiveness was assessed under the requirements of AASB 9 *Financial Instruments*. The effective portion of the movement has been accounted for in Other Comprehensive Income and the ineffective portion posted to profit or loss. Forward currency contracts can have maturities of up to 48 months. These contracts are in US dollars. The total notional value of these contracts at 31 March 2024 was AUD $265.2 million (31 March 2023: AUD $150.1 million).

The net fair value gain on foreign currency derivatives during the 12 months to 31 March 2024 was $1.1 million, with $0.8 million effective and $0.3 million ineffective (12 months to 31 March 2023: $2.9 million, with $2.8 million effective and $0.1 million ineffective).

Notes to the Consolidated Financial Statements (continued)

C Funding and Capital Management (continued)

C2 Derivatives (continued)

Interest rate swap contracts

The Company has entered into interest rate swaps which are economic hedges. Interest rate swaps are utilised by the Company to manage the mix of borrowings between fixed and floating rates as per our Treasury Policy. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the forward interest rate curves at reporting date. The Company had $212 million interest rate swaps with differing tenors, which have been designated as effective hedges and therefore satisfy the accounting standard requirements for hedge accounting.

The notional principal amounts and period of expiry of the interest rate swap contracts at balance date were as follows:

	31 Mar 2024 $000	31 Mar 2023 $000
0-1 years	170,000	127,000
1-7 years	42,000	67,000
	212,000	**194,000**

The gain or loss from remeasuring the interest rate swaps at fair value is recognised in Other Comprehensive Income and deferred in the hedging reserve component of equity, to the extent that the hedge is effective. It is reclassified into profit or loss when the hedged interest expense is recognised. In the 12 months to 31 March 2024 the related gain recognised in profit or loss was $0.4 million (12 months to 31 March 2023: loss $1.8 million). There was no hedge ineffectiveness in the current or prior year.

C3 Equity

	31 Mar 2024 Shares	31 Mar 2023 Shares	31 Mar 2024 $000	31 Mar 2023 $000
Opening balance	597,132,600	597,132,600	528,822	528,822
Treasury shares issued on exercise of performance rights	145,070	–	–	–
Total contributed equity	**597,277,670**	**597,132,600**	**528,822**	**528,822**
Treasury shares[1]	5,489,077	5,634,147	–	–
Total shares on issue	**602,766,747**	**602,766,747**	**528,822**	**528,822**

(1) The treasury shares are expected to be reissued on exercise of rights under DEA and LTIP share-based payment plans.

Notes to the Consolidated Financial Statements (continued)

C Funding and Capital Management (continued)

C4 Capital Management

When managing capital, our objective is to maintain optimal shareholder returns and safeguard our ability to continue as a going concern. We also aim to maintain a capital structure that ensures the lowest cost of capital.

We monitor capital using the gearing ratio (net debt divided by total capital plus net debt), and our target gearing ratio remains between 20.0% to 35.0%, excluding any impacts of the adoption of AASB 16 *Leases*. We include within net debt, interest-bearing loans and borrowings. For the Company's financial risk management objectives and policies refer to section D.

Assets and Capital Structure	31 Mar 2024 $000	31 Mar 2023 $000
Current debt		
Interest-bearing liabilities	6,345	4,529
Lease liabilities	8,180	7,867
Non-current debt		
Interest-bearing liabilities	18,555	13,368
Lease liabilities	32,651	31,393
Bank loan facility[1]	413,656	374,127
Bank guarantees	1,052	1,454
Cash	(8,963)	(4,019)
Net debt	**471,476**	**428,719**
Net equity	**1,516,882**	**1,562,086**
Total capital employed	**1,988,358**	**1,990,805**
Gearing (net debt/net debt + equity)	**23.7%**	**21.5%**
Gearing (net debt/net debt + equity) pre-AASB 16 adoption	**21.7%**	**19.6%**

(1) The gearing ratio is calculated utilising the drawn-down balance of the bank loan facility. This is not offset for $0.9 million of prepaid borrowing costs.

C5 Earnings Per Share

The following reflects the income used in the basic and diluted earnings per share computations:

	31 Mar 2024 $000	31 Mar 2023 $000
Net profit/(loss) attributable to ordinary equity holders of the parent (basic)	(94,618)	4,611
Net profit/(loss) attributable to ordinary equity holders of the parent (diluted)	(94,618)	4,611

The following reflects the weighted average number of ordinary shares used in the basic and diluted earnings per share computations:

	31 Mar 2024 Shares	31 Mar 2023 Shares
Weighted average number of ordinary shares (basic)	597,209,891	597,132,600
Adjustments for calculation of diluted earnings per share:		
Weighted average performance rights	–	1,390,958
Weighted average number of ordinary shares (diluted) as at 31 March	**597,209,891**	**598,523,558**

At 31 2024 March 5,610,982 performance rights (31 March 2023: nil) were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

Notes to the Consolidated Financial Statements (continued)

C Funding and Capital Management (continued)

C6 Dividends

No final or interim dividends were declared or paid during the 12 months to 31 March 2024 (12 months to 31 March 2023: nil). There are no franking credits available for the subsequent financial years (31 March 2023: nil).

D Financial Risk Management

Exposure to key financial risks are managed in accordance with our financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets while protecting future financial security. The Audit and Risk Management Committee under the authority of the Board hold primary responsibility for the identification and control of financial risks. The Board reviews and agrees policies for managing each of the risks identified. Different methods are used to measure and manage the different types of risks to which the Company is exposed. The main risks arising from financial instruments are interest rate, foreign currency, commodity, credit and liquidity risk.

As at 31 March 2024 and 31 March 2023, the only financial instruments recognised at fair value were interest rate swaps and forward foreign currency contracts. These are valued using a Level 2 method (refer to Note C2) which estimates fair value using inputs that are observable either directly (as prices) or indirectly (derived from prices). The carrying amount of all other financial assets and liabilities approximates the fair value.

D1 Interest Rate Risk

Our policy is to manage our finance costs using a mix of fixed and variable rate debt. In accordance with our Treasury Policy, we maintain at least 50% of our borrowings at fixed rates which are carried at amortised cost. It is acknowledged that fair value exposure is a by-product of our attempt to manage our cash flow volatility arising from interest rate changes. To manage this mix in a cost-efficient manner, we enter into interest rate swaps, in which we agree to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. We regularly analyse our interest rate exposure taking into consideration potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

At 31 March 2024 the Company holds $212.0 million interest rate swaps with differing tenors (31 March 2023: $194.0 million), which have been designated as effective interest rate swaps and therefore satisfy the accounting standard requirements for hedge accounting. The net unrealised fair value gain on interest rate swaps during the 12 months to 31 March 2024 was $0.4 million (31 March 2023: loss $1.8 million). At 31 March 2024, after taking into account the effect of interest rate swaps, approximately 51.3% (31 March 2023: 52.1%) of our borrowings are at a fixed rate of interest.

At the reporting date, we had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk:

	31 Mar 2024 $000	31 Mar 2023 $000
Financial assets		
Cash assets	8,963	4,019
Financial liabilities		
Bank loan	(413,656)	(374,127)
Interest rate swaps	212,000	194,000
	(201,656)	**(180,127)**
Net exposure	**(192,693)**	**(176,108)**

Notes to the Consolidated Financial Statements (continued)

D Financial Risk Management (continued)

D1 Interest Rate Risk (continued)

The following sensitivity analysis is based on reasonably possible changes in interest rates applied to the interest rate risk exposures in existence at the reporting date.

Judgements of Reasonably Possible Movements:	Effects on Profit Before Tax $000	Effects on Other Components of Equity(1) $000
31 Mar 2024		
+1% (100 basis points)	(2,017)	3,205
–1% (100 basis points)	2,017	(3,205)
31 Mar 2023		
+1% (100 basis points)	(1,801)	2,986
–1% (100 basis points)	1,801	(2,986)

(1) Figures represent an increase/(decrease) in other components of equity.

D2 Foreign Currency Risk

A significant portion of our revenue is received in US dollars and the prices received are influenced by movements in exchange rates, particularly that of the US dollar relative to the Australian dollar.

We therefore have transactional currency exposures (refer Note C2) arising from sales of meat in currencies other than in Australian dollars. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The risk is measured through a forecast of highly probable US dollar sales. The risk is hedged with the objective of minimising the volatility of the Australian currency revenue of highly probable forecast US dollar denominated sales.

In compliance with our Treasury Policy we have hedged our foreign exchange exposure arising from forecasted cash flows from sales less the forecast cash outflows from expenditure, through forward foreign exchange contracts. The Treasury Policy allows foreign exchange contracts to be entered into for up to 48 months into the future. These foreign exchange contracts have been designated as effective hedges and therefore satisfy the accounting standard requirements for hedge accounting. This resulted in a $1.1 million movement in other comprehensive income and a $0.3 million movement in profit or loss in the 12 months to 31 March 2024 (31 March 2023: $2.9 million movement in other comprehensive income and a $0.1 million movement in profit or loss).

At reporting date, the following mix of financial assets and liabilities were exposed to foreign exchange risk.

	31 Mar 2024 $000	31 Mar 2023 $000
Financial assets		
Cash	3,819	1,889
Derivatives	1,790	339
Trade receivables	8,153	2,511
	13,762	**4,739**
Financial liabilities		
Derivatives	(2,864)	(3,819)
Net exposure	**10,898**	**920**

Notes to the Consolidated Financial Statements (continued)

D Financial Risk Management (continued)

D2 Foreign Currency Risk (continued)

At 31 March 2024, had the Australian Dollar moved and all other variables held constant, profit before tax and equity would have been affected as illustrated in the table below.

Judgements of Reasonably Possible Movements:	Effects on Profit Before Tax $000	Effects on Equity $000
31 Mar 2024		
AUD/USD +10%	7,236	18,835
AUD/USD –10%	(8,844)	(23,020)
31 Mar 2023		
AUD/USD +10%	285	13,364
AUD/USD –10%	(348)	(16,334)

D3 Commodity Price Risk

Transactional commodity price risk exists in the sale of cattle and beef. Other commodity price exposures include feed inputs for our feedlot operations and operational costs such as fuel.

Price risks are managed, where possible, through forward sales of boxed beef for a period of up to six months. Forward sales contracts for boxed beef are classified as non-derivative and are not required to be fair valued. Revenues derived from these forward sales are recognised in accordance with the Company's revenue recognition policy for meat sales disclosed at Note G3 (q).

For feedlot commodities, price risk is mitigated where possible through internal production, on-site storage & entering into forward purchase contracts. Purchases of commodities may be for a period of up to 12 months. As at 31 March 2024, stock on hand was approximately 19% (31 March 2023: 20%) of our expected grain & roughage usage for the coming 12 months and forward purchases for approximately 32% (31 March 2023: 37%) of our expected grain & roughage purchases for the coming 12 months. These forward purchases include expected internal supply. Without internal supply, forward purchases accounted for approximately 10% (31 March 2023: 12%) of our expected grain & roughage purchases for the coming 12 months. These contracts are entered into and continue to be held for the purpose of grain purchase requirements; they are classified as non-derivative and are not required to be fair valued.

D4 Credit Risk

Credit risk arises from our financial assets, which comprise cash, trade and other receivables and derivative instruments. Our exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets, as outlined in each applicable note. We do not hold any credit derivatives to offset our credit exposure.

We manage our credit risk by maintaining strong relationships with our customers. The risk is also mitigated by paying an annual insurance premium in relation to certain sales. In addition, receivable balances are monitored on an ongoing basis with the result that our experience of bad debts has not been significant. We have no significant concentrations of credit risk. Credit risk and expected credit loss relating to trade receivables is disclosed in Note B4.

Notes to the Consolidated Financial Statements (continued)

D Financial Risk Management (continued)

D5 Liquidity Risk

Liquidity risk arises from our financial liabilities and our subsequent ability to repay the financial liabilities as and when they fall due. Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and leases.

We manage our liquidity risk by monitoring the total cash inflows and outflows expected on a monthly basis. We have established comprehensive risk reporting covering our business units that reflect expectations of management for the settlement of financial assets and liabilities.

The following liquidity risk disclosures reflect all contractually fixed repayments and interest resulting from recognised financial liabilities and derivatives as of 31 March 2024. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract. However, where the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which we can be required to pay. Where amounts available are committed to be paid in instalments, each instalment is allocated to the earliest period in which payment is required.

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows of financial instruments. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant and equipment and investments in working capital (e.g. inventories and trade receivables). These assets are considered in the Company's overall liquidity risk.

31 Mar 2024	Less than 6 Months $000	6-12 Months $000	1-2 Years $000	2-5 Years $000	More than 5 Years $000	Total $000	Carrying Amount $000
Financial assets							
Cash	8,963	–	–	–	–	8,963	8,963
Trade and other receivables	16,772	2,307	–	–	–	19,079	19,079
Derivatives	193	151	186	143	16	689	(20)
Financial liabilities							
Trade and other payables	(40,251)	–	–	–	–	(40,251)	(40,251)
Lease liabilities	(4,887)	(4,623)	(8,505)	(19,037)	(8,619)	(45,671)	(40,831)
Interest-bearing liabilities	(14,275)	(14,289)	(213,327)	(244,676)	–	(486,567)	(437,648)
Net maturity	**(33,485)**	**(16,454)**	**(221,646)**	**(263,570)**	**(8,603)**	**(543,758)**	**(490,708)**

31 Mar 2023	Less than 6 Months $000	6-12 Months $000	1-2 Years $000	2-5 Years $000	More than 5 Years $000	Total $000	Carrying Amount $000
Financial assets							
Cash	4,019	–	–	–	–	4,019	4,019
Trade and other receivables	10,302	–	–	–	–	10,302	10,302
Financial liabilities							
Trade and other payables	(33,247)	–	–	–	–	(33,247)	(33,247)
Lease liabilities	(4,608)	(4,111)	(7,289)	(16,007)	(11,119)	(43,134)	(39,260)
Interest-bearing liabilities	(12,047)	(11,767)	(206,228)	(212,035)	–	(442,077)	(390,756)
Derivatives	(262)	(178)	(116)	(135)	(39)	(730)	(4,962)
Net maturity	**(35,843)**	**(16,056)**	**(213,633)**	**(228,177)**	**(11,158)**	**(504,867)**	**(453,904)**

Notes to the Consolidated Financial Statements (continued)

E Unrecognised Items

E1 Commitments

We have entered into forward purchase contracts for $8.9 million worth of grain commodities as at 31 March 2024 (31 March 2023: $7.7 million). There are no forward purchase contracts for cattle as at 31 March 2024 (31 March 2023: no forward purchase contracts). All forward contracts are expected to be settled within 12 months from the balance date.

Capital expenditure of $4.7 million has been contracted in respect of property, plant and equipment as at 31 March 2024 (31 March 2023: $14.7 million).

E2 Contingencies

At 31 March 2024, there are a number of long-standing native title claims over our pastoral holdings. Settlement negotiations between the Government, claimants and pastoral interests are ongoing, and we do not expect any material impact on our operations to result from this.

F Other

F1 Property, Plant and Equipment at Cost

31 Mar 2024	Industrial Property and Improvement $000	Plant and Equipment $000	Capital Work in Progress $000	Total $000
Opening balance	**34,384**	**32,055**	**4,975**	**71,414**
Additions	–	–	26,049	26,049
Transfers	3,177	25,733	(28,910)	–
Disposals	(116)	(577)	–	(693)
Depreciation	(232)	(9,464)	–	(9,696)
Closing balance	**37,213**	**47,747**	**2,114**	**87,074**
Cost	85,999	213,526	2,114	301,639
Accumulated depreciation and impairment	(48,786)	(165,779)	–	(214,565)

31 Mar 2023	Industrial Property and Improvement $000	Plant and Equipment $000	Capital Work in Progress $000	Total $000
Opening balance	**33,401**	**31,758**	**3,602**	**68,761**
Additions	–	–	13,362	13,362
Transfers	1,704	10,285	(11,989)	–
Disposals	-	(672)	–	(672)
Depreciation	(721)	(9,316)	–	(10,037)
Closing balance	**34,384**	**32,055**	**4,975**	**71,414**
Cost	82,938	188,370	4,975	276,283
Accumulated depreciation and impairment	(48,554)	(156,315)	–	(204,869)

Impairment of property, plant and equipment at cost

The Livingstone Beef Cash-Generating Unit (CGU) is the only location with property and improvements measured under the cost model by the Company per AASB 116 *Property, Plant and Equipment*. Under the requirements of AASB 136 *Impairment of Assets*, at each reporting period an assessment of internal and external factors must be made to determine whether there are indicators of impairment. Where indicators exist, a formal estimate of the recoverable amount of these assets is undertaken.

During FY24 operations continue to be suspended at Livingstone Beef. Management have not noted any indicators of impairment as at 31 March 2024.

Notes to the Consolidated Financial Statements (continued)

F Other (continued)

F2 Intangible Assets

	31 Mar 2024 $000	31 Mar 2023 $000
Opening balance	12,935	6,290
Additions	4,336	7,356
Other changes	–	(400)
Amortisation	(44)	(311)
Closing balance	**17,227**	**12,935**

F3 Right-of-use Assets and Lease Liabilities

	31 Mar 2024 $000	31 Mar 2023 $000
Right-of-use assets		
Non-current	36,132	37,309
Lease liabilities		
Current	(8,180)	(7,867)
Non-current	(32,651)	(31,393)
	(40,831)	**(39,260)**

When measuring lease liabilities for property, the Company discounts payments using the incremental borrowing rate as at the commencement date of the lease. The weighted average rate applied is 3.79%.

Movements in Right-of-use assets and amounts recognised in the Income Statement relating to leases is shown below.

Right-of-use assets	31 Mar 2024 $000	31 Mar 2023 $000
Opening balance	37,309	21,873
Depreciation charge for the year	(8,768)	(8,443)
Recognition of right-of-use asset additions	7,720	23,879
Derecognition of terminated lease	(129)	–
Closing balance	**36,132**	**37,309**

Right-of-use assets relate to buildings, property and vehicles leased by the Company excluding pastoral property held under perpetual leases. During the period, the Company recognised the lease of the Brisbane Office as well as an extension on Gordon Downs, resulting in the recognition of additional right-of-use assets.

Amounts Recognised in the Income Statement Relating to Leases	31 Mar 2024 $000	31 Mar 2023 $000
Interest on lease liabilities	1,484	1,290
Expenses relating to short-term and low-value leases	584	412

The Company has elected to expense short-term and low value leases on a straight-line basis over the lease term, as permitted under the recognition exemptions of AASB 16. The amount expensed during the period relating to short-term and low value lease assets was $0.6 million (31 March 2023: $0.4 million).

Amounts Recognised in the Statement of Cash Flows Relating to Leases	31 Mar 2024 $000	31 Mar 2023 $000
Payment of interest and finance costs	(1,158)	(1,152)
Principal repayments of leases	(6,437)	(8,416)
Total cash outflow relating to leases	**(7,595)**	**(9,568)**

Refer to Note D5 for contractual cashflows and maturity analysis.

Notes to the Consolidated Financial Statements (continued)

F Other (continued)

F4 Tax

The Major Components of Tax are:	31 Mar 2024 $000	31 Mar 2023 $000
Income statement		
Current income tax		
Current income tax charge/(benefit)	–	–
Deferred income tax		
Relating to origination and reversal of temporary differences	(41,642)	3,529
Under/(over) provision in prior years	(1,752)	48
Research and development claims from prior years	–	–
Income tax (benefit)/expense in the income statement	**(43,394)**	**3,577**
Statement of changes in equity		
Deferred income tax		
Net (loss)/gain on cash flow hedges	(6)	1,560
Net gain on revaluation of land and buildings	19,561	87,519
Income tax expense reported in equity	**19,555**	**89,079**
Tax reconciliation		
Accounting (loss)/profit before tax	(138,012)	8,188
At the statutory income tax rate of 30%	(41,404)	2,456
Other items (net)	(1,990)	1,121
Income tax (benefit)/expense in the income statement	**(43,394)**	**3,577**
Deferred income tax in the balance sheet relates to:		
Deferred tax liabilities		
Adjustments to land, buildings and improvements	(312,112)	(284,621)
Revaluations of trading stock for tax purposes	(74,902)	(97,077)
Other	(4,896)	(6,041)
Offsetting deferred tax asset	71,717	44,051
Total net deferred tax liability	**(320,193)**	**(343,688)**
Deferred tax assets		
Accruals and other	227	306
Depreciable Assets (PPE)	6,220	–
Interest rate swaps	6	181
Leave entitlements and other provisions	2,945	2,987
Franking deficit tax	–	1,012
Research and development offsets	–	4,610
Carried forward losses	59,526	32,187
Deferred income	1,293	820
Individually insignificant balances	1,500	1,948
Total deferred tax asset (offset against deferred tax liability)	**71,717**	**44,051**
Deferred income tax in the income statement relates to:		
Revaluations of trading stock for tax purposes	(22,176)	4,399
Accruals and other	79	(218)
Carried forward losses	(21,000)	(2,507)
Other	(297)	1,903
Total deferred tax (benefit)/expense	**(43,394)**	**3,577**

Notes to the Consolidated Financial Statements (continued)

F Other (continued)

F5 Other Earnings Disclosures

	31 Mar 2024 $000	31 Mar 2023 $000
Recognition of carbon credits(1)	4,336	7,355
Gain on disposal of fixed assets	9	1,764
Other income	3,384	3,043
Total other income	**7,729**	**12,162**
Interest expense	24,869	16,637
Other finance costs	467	448
Total finance costs	**25,336**	**17,085**
Remuneration and on-costs	55,592	50,504
Superannuation and post-employment benefits	4,543	3,891
Other employment benefits	5,522	5,475
Share-based payments expense	1,270	415
Total employee expenses	**66,927**	**60,285**

(1) Recognition of carbon credits in the current year relates to 127,900 Australian Carbon Credit Units (ACCUs). The Company holds a total 471,492 ACCUs with a carrying value of $16.3 million at 31 March 2024.

Notes to the Consolidated Financial Statements (continued)

F Other (continued)

F6 Reserves

	Asset Revaluation Reserve $000	Capital Profits Reserve $000	Cash Flow Hedge Reserve $000	Foreign Currency Translation Reserve $000	Employee Equity Benefits Reserve $000	Total $000
At 1 April 2022	**648,557**	**84,762**	**(356)**	**(240)**	**7,139**	**739,862**
Revaluation of pastoral properties and improvements	284,621	–	–	–	–	284,621
Tax effect on revaluation of pastoral properties and improvements	(85,387)	–	–	–	–	(85,387)
Net movement in cash flow hedges, net of tax	–	–	(3,283)	–	–	(3,283)
Revaluation of foreign currency operations	–	–	–	(1,462)	–	(1,462)
Share-based payment	–	–	–	–	416	416
At 31 March 2023	**847,791**	**84,762**	**(3,639)**	**(1,702)**	**7,555**	**934,767**

	Asset Revaluation Reserve $000	Capital Profits Reserve $000	Cash Flow Hedge Reserve $000	Foreign Currency Translation Reserve $000	Employee Equity Benefits Reserve $000	Total $000
At 1 April 2023	**847,791**	**84,762**	**(3,639)**	**(1,702)**	**7,555**	**934,767**
Revaluation of pastoral properties and improvements	65,205	–	–	–	–	65,205
Tax effect on revaluation of pastoral properties and improvements	(19,562)	–	–	–	–	(19,562)
Net movement in cash flow hedges, net of tax	–	–	2,849	–	–	2,849
Revaluation of foreign currency operations	–	–	–	(348)	–	(348)
Share-based payment	–	–	–	–	1,270	1,270
At 31 March 2024	**893,434**	**84,762**	**(790)**	**(2,050)**	**8,825**	**984,181**

The asset revaluation reserve is used to record increments and decrements in the fair value of property and improvements and any fair value adjustments on intangible assets, to the extent that they offset one another. The reserve can only be used to pay dividends in limited circumstances.

The capital profits reserve is used to accumulate realised capital profits, and can be used to pay dividends.

The cash flow hedge reserve is used to record the portion of movements in fair value of a hedging instrument in a cash flow hedge that is recognised in other comprehensive income.

The foreign currency translation reserve is used to accumulate the net impact of translating our US and Singapore denominated foreign currency balances and transactions into our presentational currency, Australian dollars.

The employee equity benefits reserve is used to record the value of equity benefits provided to employees as part of their remuneration. Refer to Note F8 for further details of these plans.

Notes to the Consolidated Financial Statements (continued)

F Other (continued)

F7 Related Parties

Compensation for Key Management Personnel	31 Mar 2024 $000	31 Mar 2023 $000
Short-term employee benefits	5,044	4,713
Post-employment benefits	181	160
Share-based payment	630	372
Termination benefits	–	853
Long-term benefits	–	15
Total compensation	**5,855**	**6,113**

Transactions with other related parties

From time to time Directors may buy goods from the Group. These purchases are on the same terms and conditions as those entered into by other employees.

There were no other transactions between the Company and associates or other related parties during the year ended 31 March 2024 (31 March 2023: nil). Associates are entities considered to be related parties, due to the Company having significant but not controlling influence over the entity.

F8 Share-based Payments

The Company's share-based payment plans are described below. During 2024, expenses arising from equity settled share-based payment transactions were $1,270,110 (31 March 2023: $416,000).

Performance Rights Plan (PRP)

The Company's Performance Rights Plan has been in place since 2011 for incentive awards comprising performance rights. Performance rights remain until such time as they are either exercised or the rights lapse, and have a nil exercise price. Vesting of the performance rights is dependent on the satisfaction of a service vesting condition and/or a performance condition. Any performance rights which fail to meet the service condition on the vesting date will lapse immediately. Once the performance rights have vested, they are automatically exercised and shares in AACo issued to either the AACo Employee Share Scheme Trust (ESST) or acquired on-market by the ESST Trustee on behalf of the participant.

Deferred Equity Award

Executives who are paid an STI cash bonus will receive a Deferred Equity Award (DEA) which is generally equal to 50% of the amount of the STI cash bonus actually earned. The DEA is in the form of a grant of performance rights under the Performance Rights Plan and is subject to two-year (50%) and three-year (50%) service vesting conditions i.e. vesting of the DEA is subject to the executive still being employed by the Company at the relevant vesting date.

The Company has a Good Leaver and a Bad Leaver Policy. If an executive ceases employment with the Company, then any unvested DEA will be automatically forfeited. If the executive was a Good Leaver, then the Board will consider the circumstances of the cessation of employment and may exercise its discretion to allow some or all of the unvested DEA to vest (and be exercised).

Notes to the Consolidated Financial Statements (continued)

F Other (continued)

F8 Share-based Payments (continued)

Performance Rights Plan (PRP) (continued)

Long-term incentives

The Company operates a Long-Term Incentive (LTI) Plan in order to align remuneration of the Company's senior executives with the long-term strategic goals of the Company.

The LTI Plan is consistent with the Company's objectives for remuneration, which include providing competitive total rewards to attract and retain high calibre senior executives, having a meaningful portion of remuneration "at risk" and, above all, creating value for shareholders.

Under the LTI Plan, eligible persons are granted performance rights, being a right to acquire shares in the Company subject to applicable performance conditions being satisfied and exercise of the vested performance right. Performance rights under the LTI Plan will be granted in three offers, each covering a three year period with an optional fourth year if performance targets to year three are not met.

During FY24, the Company granted 2,348,776 performance rights (FY23: 2,908,614 performance rights) on the terms summarised below. Each performance right had a grant date fair value of approximately $0.70, determined using Monte Carlo simulations valuation methodology that incorporated an expected volatility of 29%, a risk-free rate of 3.8%, and no expected dividends (FY23: grant date fair value of approximately $0.68, determined using a binomial model that incorporated an expected volatility of 32%, a risk-free rate of 3.1%, and no expected dividends).

Notes to the Consolidated Financial Statements (continued)

F Other (continued)

F8 Share-based Payments (continued)

Performance Rights Plan (PRP) (continued)

Long-term incentives (continued)

<table>
<tr><th>Feature</th><th>2023 Offer</th><th>2024 Offer</th></tr>
<tr><td rowspan="7">Performance condition and performance period</td><td colspan="2">Vesting of the performance rights is subject to a condition that the volume weighted average price (VWAP) of Company shares sold on the ASX over the period of 20 trading days up to and including:</td></tr>
<tr><td>• 30 September 2025 is at least $2.78, based upon a 15% annual growth rate over three years.</td><td>• 30 September 2026 is at least $2.02, based upon a 15% annual growth rate over three years.</td></tr>
<tr><td colspan="2">If the above performance condition is not satisfied, the performance rights will remain on foot and will be subject to an alternative performance condition relating to the VWAP of Company shares sold on the ASX over the period of 20 trading days up to and including:</td></tr>
<tr><td>• 30 September 2026.</td><td>• 30 September 2027.</td></tr>
<tr><td colspan="2">Under this alternative condition, if the relevant VWAP is:</td></tr>
<tr><td>• at least $2.88 (representing a compound annual growth rate of 12%), but less than $3.20 – 50% of performance rights will vest; and
• at least $3.20 (representing a compound annual growth rate of 15%) – 100% of performance rights will vest.</td><td>• at least $2.09 (representing a compound annual growth rate of 12%), but less than $2.33 – 50% of performance rights will vest; and
• at least $2.33 (representing a compound annual growth rate of 15%) – 100% of performance rights will vest.</td></tr>
<tr><td>The vesting period is from the grant date of 30 November 2022 to 30 September 2025.</td><td>The vesting period is from the grant date of 15 December 2023 to 30 September 2026.</td></tr>
<tr><td>Exercise period</td><td colspan="2">Performance rights that have vested may generally be exercised at any time until six years after the date of vesting. Where a holder of performance rights ceases employment with the Company group, the exercise period is abridged to 30 days after cessation of employment.</td></tr>
<tr><td rowspan="2">Number of available performance rights</td><td colspan="2">Eligible persons were granted a number of performance rights equal to the value of their long-term incentive opportunity, divided by the VWAP of Company shares sold on the ASX over the period of 20 trading days up to and including:</td></tr>
<tr><td>• 30 September 2022 being $1.83.</td><td>• 30 September 2023 being $1.33.</td></tr>
<tr><td>Lapsing conditions</td><td colspan="2">Unvested performance rights generally lapse upon the holder ceasing employment with the Company.

If the holder of performance rights ceases to be an employee as a result of an “Uncontrollable Event” (e.g. death, permanent disablement, retirement, retrenchment, or such other circumstances which the Board determines is an Uncontrollable Event), any unvested performance rights held by that person are expected to continue to be subject to the requirements for vesting and exercise applying to those performance rights, unless the Board determines that the vesting conditions applying to some or all of those performance rights will be waived or that some or all of those performance rights will lapse.

There are certain other circumstances in which a participant’s performance rights may lapse, including where the participant has committed any act of fraud, defalcation or gross misconduct, hedged the value of performance rights or purported to dispose or grant a security interest in respect of their performance rights.</td></tr>
<tr><td>Change of control event</td><td colspan="2">If a change of control event for the Company occurs, the treatment of any unvested performance rights will be within the discretion of the Board to determine.</td></tr>
<tr><td>On market acquisition of shares</td><td colspan="2">The requirement to deliver shares in the Company upon the vesting and exercise of performance rights under the LTI Plan must be satisfied by way of a past or future on market acquisition of shares in the Company.</td></tr>
</table>

Notes to the Consolidated Financial Statements (continued)

F Other (continued)

F8 Share-based Payments (continued)

Equity settled awards outstanding

The table below shows the number (No.) and weighted average exercise prices (WAEP) of performance rights outstanding under the Performance Right Plan (PRP). There have been no cancellations or modifications to the PRP during the 12 months to 31 March 2024.

31 Mar 2024	PRP No.
Outstanding at the beginning of the period	3,388,776
Granted during the period	3,000,618
Forfeited during the period	(633,342)
Exercised during the period	(145,070)
Outstanding at the end of the period	**5,610,982**
Exercisable at the end of the period	–
Weighted average remaining contractual life (days)	705
Weighted average fair value at grant date	0.85
Range of exercise prices ($)	–

31 Mar 2023	PRP No.
Outstanding at the beginning of the period	541,753
Granted during the period	3,148,122
Forfeited during the period	(301,099)
Exercised during the period	–
Outstanding at the end of the period	**3,388,776**
Exercisable at the end of the period	–
Weighted average remaining contractual life (days)	856
Weighted average fair value at grant date	0.84
Range of exercise prices ($)	–

Notes to the Consolidated Financial Statements (continued)

F Other (continued)

F9 Controlled Entities

The consolidated financial statements include the following controlled entities:

Name of Entity	Notes	Country of Incorporation	31 Mar 2024 % of Shares Held	31 Mar 2023 % of Shares Held
Parent Entity				
Australian Agricultural Company Limited	(a)	Australia		
Controlled Entities				
A. A. Company Pty Ltd	(a)	Australia	100	100
Austcattle Holdings Pty Ltd	(a)	Australia	100	100
A. A. & P. Joint Holdings Pty Ltd	(a)	Australia	100	100
Shillong Pty Ltd	(a)	Australia	100	100
James McLeish Estates Pty Limited	(a)	Australia	100	100
Wondoola Pty Ltd	(a)	Australia	100	100
Waxahachie Pty Ltd	(a)	Australia	100	100
Naroo Pastoral Company Pty Limited	(a)	Australia	100	100
AACo Nominees Pty Limited	(a)	Australia	100	100
Chefs Partner Pty Ltd	(a)	Australia	100	100
Polkinghornes Stores Pty Limited		Australia	100	100
Northern Australian Beef Limited	(a)	Australia	100	100
AACo Innovation Pty Ltd		Australia	100	100
AACo Innovation (US) Pty Ltd		Australia	100	100
AACo US Holdings Pty Ltd		Australia	100	100
AACo Innovation (US) LLC		United States of America	100	100
AACo Operations (US) LLC		United States of America	100	100
AACo (US) LLC		United States of America	100	100
AACo (US) Distribution LLC		United States of America	100	–
AACo Singapore Holdings Pty Ltd		Australia	100	100

(a) These companies have entered into a deed of cross guarantee dated 22 November 2006 (amended 1 April 2015) with Australian Agricultural Company Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company. As a result of a Class Order issued by the Australian Securities and Investments Commission, these companies are relieved from the requirement to prepare financial statements. The Consolidated Income Statement and Consolidated Statement of Financial Position of all entities included in the Class Order "Closed Group" are set out in (b).

Notes to the Consolidated Financial Statements (continued)

F Other (continued)

F9 Controlled Entities (continued)

(b) Financial information for the Class Order Closed Group:

	31 Mar 2024 $000	31 Mar 2023 $000
Current Assets		
Cash	7,535	2,656
Trade and other receivables	19,079	10,302
Inventories and consumables	32,338	35,919
Livestock	285,154	346,076
Other assets	7,183	5,943
Total Current Assets	**351,289**	**400,896**
Non-Current Assets		
Livestock	326,142	389,127
Property, plant and equipment	1,629,606	1,535,857
Intangible assets	17,227	12,935
Right-of-use assets	36,132	37,309
Investments	238	238
Intercompany receivable	31,096	20,115
Total Non-Current Assets	**2,040,441**	**1,995,581**
Total Assets	**2,391,730**	**2,396,477**
Current Liabilities		
Trade and other payables	38,899	31,941
Provisions	4,615	4,024
Interest-bearing liabilities	6,345	4,529
Lease liabilities	8,180	7,867
Derivatives	2,655	4,425
Total Current Liabilities	**60,694**	**52,786**
Non-Current Liabilities		
Provisions	876	991
Interest-bearing liabilities	431,303	386,227
Lease liabilities	32,651	31,393
Derivatives	229	537
Deferred tax liabilities	320,193	343,688
Total Non-Current Liabilities	**785,252**	**762,836**
Total Liabilities	**845,946**	**815,622**
Net Assets	**1,545,784**	**1,580,855**
Equity:		
Contributed equity	528,822	528,822
Reserves	986,199	936,469
Retained earnings/(losses)	30,763	115,564
Total Equity	**1,545,784**	**1,580,855**

Notes to the Consolidated Financial Statements (continued)

F Other (continued)

F9 Controlled Entities (continued)

Income Statement of the Closed Group	31 Mar 2024 $000	31 Mar 2023 $000
Meat sales revenue	268,719	245,043
Cattle sales revenue	67,413	68,381
	336,132	313,424
Cattle fair value adjustments	102,362	238,483
	438,494	551,907
Cost of meat sold	(197,332)	(208,082)
Deemed cost of cattle sold	(63,793)	(66,674)
Cattle and feedlot expenses	(108,344)	(90,297)
Gross margin	**69,025**	**186,854**
Other income	7,720	12,158
Employee expenses	(62,230)	(56,811)
Administration and selling costs	(51,074)	(48,251)
Other operating costs	(35,354)	(32,096)
Property costs	(4,656)	(4,776)
Depreciation and amortisation	(24,819)	(23,778)
(Loss)/profit before finance costs and income tax expense	**(101,388)**	**33,300**
Net finance costs	(25,336)	(17,079)
(Loss)/profit before income tax	**(126,724)**	**16,221**
Income tax benefit/(expense)	43,393	(3,545)
Net (loss)/profit after tax	**(83,331)**	**12,676**

Notes to the Consolidated Financial Statements (continued)

F Other (continued)

F10 Parent Entity

	31 Mar 2024 $000	31 Mar 2023 $000
Current assets	8,212	2,044
Non-Current assets	517,466	516,334
Total Assets	**525,678**	**518,378**
Current liabilities	60	606
Non-Current liabilities	412,761	373,396
Total Liabilities	**412,821**	**374,002**
Net Assets	**112,857**	**144,376**
Contributed equity	538,822	538,822
Asset revaluation reserve	71,841	69,456
Cash flow hedge reserve	(790)	(3,639)
Accumulated losses	(497,016)	(460,263)
Total Equity	**112,857**	**144,376**
(Loss) of the parent entity	**(36,753)**	**(25,355)**
Total comprehensive (loss) of the parent entity	**(109,311)**	**(49,242)**

Australian Agricultural Company Limited and the wholly-owned entities listed in Note F9 are parties to a deed of cross guarantee as described in F9. In accordance with the deed of cross guarantee, each Company which is party to the deed guarantee, to each creditor, payment in full of any debt. No deficiency of net assets existed for the Company as at 31 March 2024. No liability was recognised by Australian Agricultural Company Limited in relation to these guarantees, as the fair value of the guarantees is immaterial.

The accounting policies of the parent entity, which have been applied in determining the financial information shown above, are the same as those applied in the consolidated financial statements except for investments in subsidiaries which are accounted for at cost in the financial statements of Australian Agricultural Company Limited.

F11 Auditor's Remuneration

	31 Mar 2024 $	31 Mar 2023 $
Remuneration received, or due and receivable, by KPMG for:		
An audit or review of the financial report of the entity and any other entity in the consolidated Group	401,700	390,000
Limited scope assurance of the sustainability report	37,000	–
Total	**438,700**	**390,000**

F12 Significant Events after the Balance Sheet Date

There have been no other significant events after the balance sheet date which require disclosure in the financial report.

Notes to the Consolidated Financial Statements (continued)

G Policy Disclosures

G1 Corporate Information

Australian Agricultural Company Limited is a company limited by shares, incorporated and domiciled in Australia. The Company's shares are publicly traded on the Australian Securities Exchange (ASX).

The consolidated financial statements of Australian Agricultural Company Limited (AACo, the Company or parent Company) for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Directors on 15 May 2024.

We recommend the financial statements be considered together with any public announcements made by the Company during the year ended 31 March 2024 in accordance with the Company's continuous disclosure obligations arising under the *Corporations Act 2001* and ASX listing rules.

The nature of the operations and principal activities of Australian Agricultural Company Limited are described in the Directors' Report.

G2 Basis of Preparation

The financial statements are general purpose financial statements, prepared by a for-profit entity, in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

(a) Terminology used in the financial statements

In these financial statements, any references to we, us, our, AACo, the Company and consolidated, all refer to Australian Agricultural Company Limited and the entities it controlled at the financial year end or from time to time during the financial year. Any references to subsidiaries or controlled entities in these financial statements refer to those entities that are controlled and consolidated by Australian Agricultural Company Limited.

(b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for Pastoral Property and Improvements, livestock and derivative financial instruments, which have been measured at fair value. Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances, at the amounts of cash expected to be paid to satisfy the liability in the normal course of business.

(c) Compliance with IFRS

The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(d) Rounding amounts in the financial statements have been rounded to the nearest thousand dollars for presentation where noted ($000)

This has been completed under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which this legislative instrument applies.

Notes to the Consolidated Financial Statements (continued)

G Policy Disclosures (continued)

G3 Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New accounting standards and interpretations

The Company adopted no new and amended Australian Accounting Standards and AASB Interpretations during the year ended 31 March 2024.

Accounting Standards and Interpretations issued but not yet effective

There are a number of Standards and/or Interpretations that will be mandatory in future reporting periods. We have not elected to early adopt these Standards and Interpretations. There are no Standards and Interpretations that would have a material impact on the Company.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of Australian Agricultural Company Limited, and its subsidiaries (as outlined in Note F9) as at 31 March each year or from time to time during the year. All intra-group balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are all those entities which we control as a result of us being exposed, or have rights, to variable returns from our involvement with the subsidiary and we have the ability to affect those returns through our power over the subsidiary. Such control generally accompanies a shareholding of more than one-half of the subsidiaries voting rights. We currently hold 100% of the voting rights of all our subsidiaries. We consolidate subsidiaries from the date on which control commences and up until the date on which there is a loss of control.

We account for the acquisition of our subsidiaries using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values. Any excess of the fair value of consideration over our interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognised as goodwill.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires us to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. We continually evaluate our judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. We base our judgements and estimates on historical experience and on other various factors we believe are reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

We have identified the following accounting policies for which significant judgements, estimates and assumptions have been made:

- Fair value determination of livestock, refer to Note A3;
- Fair value determination of pastoral property and improvements, refer to Note A4; and
- Valuation of share-based payment transactions, refer to Note F8.

Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Notes to the Consolidated Financial Statements (continued)

G Policy Disclosures (continued)

G3 Accounting Policies (continued)

(d) Foreign currency translation

Items included in each of the group entities' financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at balance date;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

(e) Cash

Cash in the Statement of Financial Position comprise cash at bank and in hand which are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash is as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the Statement of Financial Position.

(f) Trade and other receivables

Trade and other receivables are considered financial assets. They are recognised initially at the fair value of the amounts to be received and are subsequently measured at amortised cost using the effective interest method, less a provision for expected credit loss. These financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and we have transferred substantially all the risks and rewards of ownership.

We review the collectability of trade receivables on an ongoing basis at the Company level.

Provision for expected credit loss of receivables is recognised as the loss allowance for trade receivables and is measured at an amount equal to lifetime expected credit losses. Trade receivables that do not contain a significant financing component are measured for the loss allowance at an amount equal to the lifetime expected credit losses.

AACo's maximum exposure to credit risk is the net carrying value of receivables. We do not hold collateral as security, nor is it our policy to transfer (on-sell) receivables to special purpose entities.

(g) Inventories and consumables

Inventories and consumables held for sale or for use in our operations are valued at the lower of cost and net realisable value. Cost is determined on the average cost basis and comprises the cost to purchase or produce, including transport cost. In the case of meat inventories, cost comprises the fair market value at the time of beef transfers, any over-the-hook purchases, cold storage and processing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The quality of inventories is taken into account in the assessment of net realisable value.

Notes to the Consolidated Financial Statements (continued)

G Policy Disclosures (continued)

G3 Accounting Policies (continued)

(h) Derivative financial instruments and hedge accounting

We use derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge our foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the income statement, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

For the purpose of hedge accounting, hedges are classified as:

(a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; and

(b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, we formally designate and document the hedge relationship to which we wish to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how we will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Hedges that meet the strict criteria for hedge accounting are accounted for as described below:

Cash flow hedges

AASB 9 *Financial Instruments* addresses classification, measurement, and derecognition of financial assets and financial liabilities, sets out rules for hedge accounting, and requires impairment models based on expected credit losses.

All derivatives are recognised in the balance sheet at fair value and are classified as FVTPL except where they are designated as part of an effective hedge relationship and classified as hedging derivatives. The carrying value of a derivative is remeasured at fair value throughout the life of the contract. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The method of recognising the resulting fair value gain or loss on a derivative depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The Company designates its derivatives as hedges of highly probable future cash flows attributable to a recognised foreign currency asset or liability or a highly probably foreign currency forecast transaction (cash flow hedges).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, the risk being hedged and the Company's risk management objective and strategy for undertaking these hedge transactions. The effectiveness of the cash flow hedge is measured throughout the life of the hedging relationship. Ineffectiveness arises in the event of over hedging, whereby the notional amount of the designated hedge instrument exceeds the notional amount of the hedged item attributable to the hedged risk, or timing mismatches. Where ineffectiveness is identified, any revaluation gains or loss on the ineffective portion of the hedging instrument are immediately recognised in the statement of profit or loss in foreign exchange gains or foreign exchange losses.

The effective portion of changes in the fair value of derivatives that are designated as cash flow hedges are recognised in the cash flow hedge reserve within equity. Upon recognition of the forecast transaction ("hedged item") the carrying value is not adjusted. Amounts accumulated in equity are transferred to the statement of profit or loss in the period(s) in which the hedged item affects the statement of profit or loss.

Notes to the Consolidated Financial Statements (continued)

G Policy Disclosures (continued)

G3 Accounting Policies (continued)

(i) Plant and equipment

(i) Recognition and measurement

Refer to Note A4 for the accounting policy note for Pastoral Property and Improvements held at fair value. Plant and equipment and industrial property and improvements are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. Directly attributable costs for the acquisition and construction of an asset are capitalised if the relevant recognition criteria are met. All other repairs and maintenance are recognised in the income statement as incurred.

We review and adjust, if appropriate, the residual values, useful lives and amortisation methods of all property, plant and equipment at the end of each financial year.

(ii) Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Property, Plant and Equipment	Average Useful Life
Land (freehold lease, pastoral/perpetual lease, industrial)	Not depreciated
Buildings	30 years
Fixed improvements	30 years
Owned plant and equipment	3-10 years

(j) Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation and accumulated impairment losses, unless acquired free of charge or for nominal consideration.

Australian Carbon Credit Units ("ACCUs") have been acquired by the Company without consideration through the Clean Energy Regulator for carbon abatement. ACCUs meet the definition of an intangible asset under AASB 138 *Intangible Assets*, and are recognised in accordance with AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* at fair value.

ACCUs are initially recognised at fair value upon receipt, and are subsequently measured under the AASB 138 *Cost Model*.

(k) Leases

(i) AACo as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group's incremental borrowing rate is used as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Judgement has been used to determine the lease term for some lease contracts in which it is a lessee, that include renewal options. The assessment of whether it is reasonably certain the Company will exercise such options impacts the lease term, which can significantly affect the amount of lease liabilities and right-of-use assets recognised.

Notes to the Consolidated Financial Statements (continued)

G Policy Disclosures (continued)

G3 Accounting Policies (continued)

(k) Leases (continued)

(ii) Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Right-of-use Assets	Average Useful Life
Plant and equipment under lease	2-5 years

(iii) Pastoral and perpetual property leases

Freehold pastoral property and improvements and pastoral property and improvements held under statutory leases with government bodies have been included in Property, Plant and Equipment (refer Note A4).

(l) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to us prior to the end of the financial year that are unpaid and arise when we become obliged to make future payments in respect of the purchase of these goods and services. Trade payables are unsecured and are usually paid within 30 days of recognition. Other payables are unsecured and are usually paid within 90 days of recognition.

(m) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions recognised by the Company include those for employee benefits (annual leave and long service leave), onerous contracts and make good provisions. The discount rate used to determine the present value of each type of provision is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(n) Borrowings

Borrowings are included as non-current liabilities except for those with maturities less than 12 months from the reporting date, which are classified as current liabilities.

We recognise borrowings initially on the trade date, which is the date we become a party to the contractual provisions of the instrument. We derecognise borrowings when our contractual obligations are discharged or cancelled or expire.

All borrowings are initially recognised at fair value plus any transaction costs that are directly attributable to the issue of the instruments and are subsequently measured at amortised cost. Any difference between the final amount paid to discharge the borrowing and the initial borrowing proceeds (including transaction costs) is recognised in profit or loss over the borrowing period using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that we incur in connection with the borrowing of funds.

Notes to the Consolidated Financial Statements (continued)

G Policy Disclosures (continued)

G3 Accounting Policies (continued)

(o) Share-based payment transactions

We provide benefits to our employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

We recognise an expense for all share-based remuneration determined with reference to the fair value at the grant date of the equity instruments. We calculate the fair value using the Black Scholes model, Monte Carlo model, or other applicable models. The fair value is charged to the income statement over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Australian Agricultural Company Limited (market conditions).

(p) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(i) Livestock and meat sales

Revenue is recognised to the extent that the Company has satisfied a performance obligation and the transaction price can be readily identified. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue from the sale of livestock and meat is recognised when the performance obligation of passing control of meat or livestock, at an agreed-upon delivery point to the customer, has been satisfied.

(ii) Interest revenue

We record interest revenue on an accruals basis. For financial assets, interest revenue is determined by the effective yield on the instrument.

(r) Income tax and other taxes

The Company and its wholly-owned Australian resident entities are part of a tax consolidated group. As a consequence, all members of the tax consolidated group are taxed as a single entity. The Company is the head entity within the tax consolidated group. Foreign entities are taxed individually within their respective tax jurisdictions. Income tax expense represents the sum of current tax and deferred tax.

Current tax

Current tax is calculated on accounting profit, after allowing for non-taxable and non-deductible items based on the amount expected to be paid to taxation authorities on taxable profit for the period. The current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Notes to the Consolidated Financial Statements (continued)

G Policy Disclosures (continued)

G3 Accounting Policies (continued)

(r) Income tax and other taxes (continued)

Deferred tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- When the taxable temporary difference is associated with investments in subsidiaries and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated as net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding during the period.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after tax effect of interest and other financing costs associated with dilutive potential ordinary shares that have been recognised as expenses; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Directors' Declaration

In accordance with a resolution of the Directors of the Australian Agricultural Company Limited, we state that:

1. In the opinion of the Directors:
    a. The financial statements, notes and remuneration report of Australian Agricultural Company Limited for the year ended 31 March 2024 are in accordance with the *Corporations Act 2001*, including:
        i. Giving a true and fair view of its financial position as at 31 March 2024 and of its performance for the year ended on that date.
        ii. Complying with Australian Accounting Standards and Corporations Regulations 2001.
    b. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note G2.
    c. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the year to 31 March 2024.
3. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note F9 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board

Donald McGauchie AO
Chairman

Brisbane
15 May 2024

Independent Auditor's Report

KPMG

Independent Auditor's Report

To the shareholders of Australian Agricultural Company Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Australian Agricultural Company Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 31 March 2024 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 31 March 2024;
- Consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Independent Auditor's Report (continued)

KPMG

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Quantity and valuation of livestock; and
- Valuation of pastoral property and improvements.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Quantity and valuation of livestock $611,296,000

Refer to Note A3 Livestock to the Financial Report

The key audit matter	How the matter was addressed in our audit

The quantity and valuation of livestock is considered a key audit matter due to:
• the size of the balance (being 25.9% of total assets);
• the significant audit effort involved in quantifying livestock (number and weight) at year end given the level of judgement and estimates used by the Group. The Group uses estimates, such as pregnancy rates, branding percentages, average weight gain per day, and rates of attrition, in conjunction with the annual muster results in determining the final livestock quantities at year end; and
• the significant audit effort required by us in evaluating the market prices for livestock used by the Group, including where there is no readily observable market price.
The judgements made by the Group in assessing the quantity and value of livestock have a significant impact on the Group's financial performance and financial position.
In assessing this key audit matter, we involved senior audit team members who understand the industry and the complexities involved in quantifying and valuing livestock.
	Our procedures included:
	• assessing the appropriateness of the Group's accounting policies against the requirements of the accounting standards and our understanding of the business and industry practice;
	• visiting three of the Group's cattle properties to understand and observe the livestock accounting process;
	• testing the Group's roll forward movement schedule of the number of livestock at the beginning of the year to the number recorded at the end of the year by:
	  ◦ testing a sample of livestock purchases, sales transactions and transfers for meat sales to various sources of evidence such as purchase invoices, transport documentation and cash receipts; and
	  ◦ comparing estimates of pregnancy rates, branding percentages, average weight gain per day and rates of attrition to historical data and our understanding of environmental and market trends in the industry;
	• comparing livestock market prices adopted by the Group, including those determined by the external valuer, to a range of recent observable market prices, such as from the publicly available Meat and Livestock Australia Market Information reports,
	• for feedlot cattle, where there is no readily observable market price, assessing the Group's valuation process including entry price, cost of

Independent Auditor's Report (continued)

KPMG

	production and average daily weight gain to observable inputs and our understanding of the industry; • evaluating the scope, competence, and objectivity of the external valuer used by the Group for valuing livestock with no readily observable market price; • evaluating the report of the external valuer for consistency with our understanding of the business, industry and environmental conditions, trends in historical livestock prices and other information available to us; and • assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

Valuation of pastoral property and improvements $1,542,600,000	
Refer to Note A4 Property in the Financial Report.	
The key audit matter	**How the matter was addressed in our audit**
The valuation of pastoral property and improvements is considered a key audit matter due to: • the size of the balance (being 65.2% of total assets); and • the level of judgement required by us in evaluating the Group's assessment of the fair value of pastoral property and improvements. The most significant areas of judgement we focused on were: • the valuation technique applied to each property; • the Adult Equivalent carrying capacity of each property; and • the corresponding dollar per Adult Equivalent, Standard Cattle Unit or hectare. The Group has appointed external valuers and other external experts to assist in the	Working with our valuation specialist, our procedures included: • evaluating the scope, competence, and objectivity of external valuers and other external experts used by the Group; • reading the reports of the external valuer and other external expert and evaluating their work regarding Adult Equivalent carrying capacity of each property and the dollar per Adult Equivalent, Standard Cattle Unit or hectare for consistency with our understanding of the properties, environmental conditions, recent comparable market transactions and other information available to us; • checking the completeness and accuracy of properties included in the Group's external valuer's report to publicly available property searches; • assessing the external valuer's valuation report and comparing the valuation technique for each property to accepted market practices, industry

Independent Auditor's Report (continued)

KPMG

determination of these key valuation inputs. The judgements made by the Group in assessing the fair value of property and improvements have a significant impact on the Group's financial position. In assessing this key audit matter and, in particular, given the level of judgement involved, we involved senior audit team members, including a valuation specialist, who understand the nature of the Group's properties and recent comparable market transactions.	norms, and criteria in the accounting standards; and • assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

Other Information

Other Information is financial and non-financial information in Australian Agricultural Company Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report, including the Remuneration Report, ASX Additional Information and Company Information. The Chairman's and Managing Director's messages and financial and operating highlights information are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not, express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (continued)

KPMG

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Australian Agricultural Company Limited for the year ended 31 March 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 54 to 68 of the Directors' report for the year ended 31 March 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Scott Guse

Scott Guse
Partner

Brisbane
15 May 2024

ASX Additional Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in the Financial Report is as follows. The information is current as at 24 May 2024.

(a) Distribution of Equity Securities

Ordinary share capital

602,766,747 fully paid ordinary shares are held by 7,556 individual Shareholders. All ordinary shares carry one vote per share and carry the rights to dividends. The number of shareholders, by size of holding is:

Number of Shares	Number of Shareholders
1 to 1,000	2,422
1,001 to 5,000	2,755
5,001 to 10,000	977
10,001 to 100,000	1,281
100,001 and Over	121
Total	**7,556**

Unquoted equity securities

As at 24 May 2024, there were 5,610,982 unlisted performance rights granted over unissued ordinary shares in the Company.

(b) Twenty Largest Holders of Quoted Equity Securities

The names of the twenty largest holders of quoted shares as shown in the Company's Share Register are as at 24 May 2024:

	Number	Percentage
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	467,087,252	77.49%
CITICORP NOMINEES PTY LIMITED	22,191,444	3.68%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	12,611,776	2.09%
CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	7,117,894	1.18%
PACIFIC CUSTODIANS PTY LIMITED <EMPLOYEE SHARE TST A/C>	5,489,077	0.91%
BNP PARIBAS NOMINEES PTY LTD	4,132,796	0.69%
QUALITY LIFE PTY LTD <THE NEILL FAMILY A/C>	3,175,000	0.53%
BBFIT INVESTMENTS PTE LTD	1,679,499	0.28%
MR BARRY MARTIN LAMBERT	1,177,660	0.20%
TIGER INVESTMENT CORPORATION PTY LTD <KENNEDY SUPER FUND A/C>	965,000	0.16%
MRS JOY WILMA LILLIAN LAMBERT	921,702	0.15%
RATHVALE PTY LIMITED	784,082	0.13%
MCGAUCHIE SUPER PTY LTD	771,416	0.13%
MR LENARD JAMES NORRIS	714,197	0.12%
WYKALA PTY LIMITED	700,000	0.12%
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	700,000	0.12%
GLADIATOR SECURITIES PTY LTD <HAYBERRY GLOBAL FUND A/C>	685,200	0.11%
IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	538,019	0.09%
CROFTON PARK DEVELOPMENTS PTY LTD <SAM BROUGHAM FAMILY A/C>	473,105	0.08%
MR BRUCE MACAULAY BENNETT	454,807	0.08%

ASX Additional Information (continued)

(c) Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* as at 24 May 2024 are:

Ordinary Shareholders	Number
Bryan Glinton as trustee of The AA Trust	313,968,517
Tattarang Pty Ltd as the trustee of The Peepingee Trust and John Andrew Henry Forrest	117,500,104

(d) Marketable Shares

The number of security investors holding less than a marketable parcel of 358 securities ($1.400 on 24 May 2024) is 783 and they hold 98,238 securities.

Company Information

Name of Entity

Australian Agricultural Company Limited

ABN

15 010 892 270

Registered Office

Principal Place of Business

Level 1, Tower A
Gasworks Plaza
76 Skyring Terrace
Newstead QLD 4006

Ph: (07) 3368 4400
Fax: (07) 3368 4401

www.aaco.com.au

Share Registry

Link Market Services Limited

Level 21, 10 Eagle Street
Brisbane QLD 4000

Ph: 1300 554 474

www.linkmarketservices.com.au

AACo shares are quoted on the Australian Securities Exchange under listing Code AAC.

Solicitors

Allens Linklaters

Level 26, 480 Queen Street
Brisbane QLD 4000

Auditors

KPMG

Level 11, Heritage Lanes
80 Ann Street Brisbane

Annual General Meeting

The Annual General Meeting of Shareholders of the Australian Agricultural Company Limited will be held on Thursday 25th July 2024.

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