



# FY 2024 FULL YEAR RESULTS

*(un-audited)*

August 2024

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# Executive Summary

## ➤ Operational highlights

- Gross profit increased by 8% vs FY23
- Farmgate oyster price increased 2% vs FY23
- Outcomes of strategic review embedded into the business, with foundational activities complete in FY24
- Forward looking production outcomes underpinned by restocking initiatives
- Cost of production on a steady decline as operational efficiencies activated
- In-market activity remains focused on delivering quality production to our customers

## ➤ Corporate activities

- Re-capitalisation transaction delivered to discharge RCPS liabilities and unlock working capital to enable strategic objectives being delivered
- Strategic review and ESG priorities defined, and foundational work delivered

## ➤ Management & board

- Appointment of CEO and CFO to lead the business
- Organisational restructure delivered to drive cost savings and a focus on strategic outcomes

## ➤ Outlook

- Strong recovery of premium, high quality oyster sales is expected beyond FY24
- Continue to deliver on East 33's unique in-market value proposition
- Continue to deliver on ESG priorities and objectives



# Results Summary

# Profit & Loss *(unaudited)*



\$ Million	12 months to June 24	12 months to June 23	Commentary
<b>Group Revenue</b>	23.1	24.6	Revenue down on FY23 as oyster volumes sold in the market decline as a result of macro-economic condition.
<b>Cost of Sales</b>	(15.3)	(17.3)	Farm gate prices increased following adverse effects on the industry caused by QX and floods. Reduced costs reflective of decreased volume through the distribution business
Gross Profit	7.8	7.3	Gross profit increase +8% driven by normalisation of oyster prices and more efficient packaging/delivery COGS Restaurant performance tracked in-line with expectations given challenging market conditions and pressure on costs
Gross profit margin	35%	30%	Lower COGs and pricing dynamics through FY24 allowed for a GP improvement from prior year.
Other income and change in fair value of biological assets	2.3	3.5	Oyster growth recovery remained strong in FY24 as biological assets continue to be rebuilt
Fair value adjustments	(0.3)	(0.3)	Represented by the revaluation of redeemable convertible preference shares in issue
Operating costs	(11.7)	(13.9)	Wages account for the decrease in operating costs while other overheads remained flat.
<b>EBITDA</b>	<b>(1.9)</b>	<b>(3.4)</b>	
Impairment, depreciation and amortization	(8.3)	(4.9)	Goodwill impairments were recorded in both Distribution (\$1.5M) and Farming (\$4.9M) units, driven by both timing of future cash flows and a review of impairment methodology application
<b>EBIT</b>	<b>(10.2)</b>	<b>(8.3)</b>	
Interest expense	(1.5)	(0.9)	
<b>Net loss before tax</b>	<b>(11.7)</b>	<b>(9.2)</b>	

# Balance Sheet *(unaudited)*



\$Million	June 24	June 23	Commentary
<b>Current Assets</b>	<b>7.6</b>	<b>5.8</b>	Includes cash of \$1.6m, Trade Receivables of \$1.5m and Biological Stock of \$4.4m at June 24
<b>Current liabilities</b>	<b>(3.6)</b>	<b>(13.8)</b>	Reflects trading liabilities and \$0.9m current portion of Yumbah debt facility in FY24. In FY23 Current liabilities included RCPS which was fully repaid in FY24.
<b>Net current assets / (liability)</b>	<b>4.0</b>	<b>(8.0)</b>	
<b>Non-Current Assets</b>	<b>37.1</b>	<b>42.8</b>	The decrease reflects the continued amortisation of assets and intangible/goodwill impairment in the farming and distribution segments
<b>Non-current Liabilities</b>	<b>(16.2)</b>	<b>(3.7)</b>	Includes \$11.8m represents Yumbah loan facility (including capitalised interest) In FY24
<b>Net Equity</b>	<b>24.9</b>	<b>31.1</b>	

# Cash Flow *(unaudited)*



\$Million	12 months to June 24	12 months to June 23	Commentary
Receipts from customers and grants	23.3	24.7	Receipts from customers trended lower than prior year, in line with revenue decrease
Net operating costs (including financing)	(27.5)	(28.9)	Decreased primarily as a result of more efficient use of labour costs
Cash used in operations	(4.2)	(4.2)	Operating cash used in operations in line with last year
Net cash invested in new assets	(0.4)	0.5	Continued investment primarily into the farm segment for capacity increases
Cash invested in business acquisitions	(1.1)	(0.7)	Consideration for vendor settlement of Troup acquisition
Net funding cash flows from equity and debt	6.4	1.9	Cash from Yumbah finance facility offset by repayment of NAB Loan facility and RCPS repayments.
Opening Cash	0.9	3.4	
Closing cash	1.6	0.9	

# Price & Production Metrics *(unaudited)*



Key Trading Metric	12 months to June 24	12 months to June 23	% Change	Commentary
Distribution sales revenue	\$20.5M	\$21.2M	(3.3%)	Reduced activity from hotels and restaurants and distributor channels arising from macro-economic conditions restricted demand
Distribution sales volume (mature pieces)	14.2M	16.2M	(12.3%)	
Group Operating Revenue (\$)	23.1M	24.6M	(6.1%)	Group operating revenue down on the back of lower distribution sales
Farm Harvest Volume (mature pieces)	3.29M	5.97M	(44.9%)	Persistent estuary closures resulted in the farming business missing its 3.8m piece target. Harvest mix however reflects a transition away from stick oysters towards premium grade oysters
Average Distribution Sales Price Per Dozen	\$17.14	\$15.70	9.2%	Average sell price per piece continues to trend upwards
Average Farm Gate Price per dozen	\$10.26	\$10.09	1.7%	



# Operations Update Farming

# Farming highlights

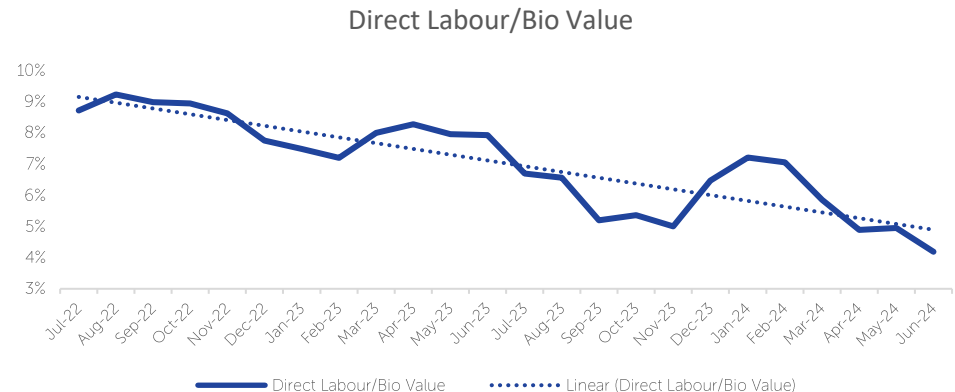
## ➤ Strategic review identifying opportunities

- Infrastructure improvements to optimise production
  - Remove derelict or inefficient infrastructure from production systems
  - Trial new infrastructure types
- Synergise operations between farming sites for greater outcomes
  - Improve seasonal harvest outcomes
  - Optimise oyster performance at strategic sites
- Re-stock farms
  - Stabilise and expand biological assets
  - Increase hatchery and nursery throughput
  - De-risk future harvest volumes



## ➤ A focus on the teams behind operations

- Operational cadence and team structures reviewed against future business requirements
  - Cost optimisation has continued to drive down labour costs
- Continuous improvement around safety culture across operational teams



# Operations Update Distribution

# Distribution highlights

## ➤ Activating strategic opportunities

- Strategic partnerships with suppliers to grow quality oyster supply from across the country
- Distribution practices have evolved to deliver on customer expectations through:
  - Continuous improvement to our value proposition to customers
  - Implementing technology and process solutions to streamline operations
  - Uphold excellent food safety and quality control standards
- Leverage the East 33 brand to continue to develop East 33's markets
- Revenue streams diversified through processing business to improve profitability

## ➤ Tightened credit control procedures & use of credit terms

- Average debtor days reduced from 23.7 days in FY22 to 20.5 days FY23 and 19.0 days in FY24





# Corporate Activities Update

# Corporate Activities highlights



## ➤ Build-out of the senior leadership team

- Appointment of CEO, Dr Justin Welsh to lead the business through the next phase of the company's growth.
- Ms. Amy Knoll joined the business as CFO, completing the business' executive team
- Align management structures within East 33 to drive the vertically integrated business
- Leverage internal functions to deliver commercial upside for the business.

## ➤ Deliver Strategic Review

- Wholistic review of the organisation complete, outlining opportunities for the business in the form of:
  - Harvest re-profiling
  - Supply chain improvement planning
  - Investment in infrastructure
  - Focused ESG activities

## ➤ Improved cyber security

- Review of internal cyber security controls identified a four-stage cyber security upgrade plan. 100% of stage 1 and 92% of stage 2 are complete. Stage 3 and 4 will be completed in FY25.

## ➤ Debt refinancing activated

- Recapitalisation transaction with Yumbah Finance saw additional working capital being made available to the business and a conversion of a part of Yumbah Finance's convertible note.
- As a result, the business gained access to the working capital needed to fund its go-forward strategy

# Looking Forward

# Looking forward



- Continue to build on operational efficiencies through the roll-out of efficient farming technologies
- Deliver on operational strategies within our farming business to mitigate risk and improve production quality
- Build on our reputation amongst the oyster industry to enhance the supply of the very best oysters to our customers
- Activate partnership opportunities to maximise in-market activities
- Deliver on ESG objectives

*“At East 33 We Are Pioneering A Truly Integrated Model Of Oyster Production. Our Focus Is On Our People, Our Practices And Our Partnerships.”*



# About East 33



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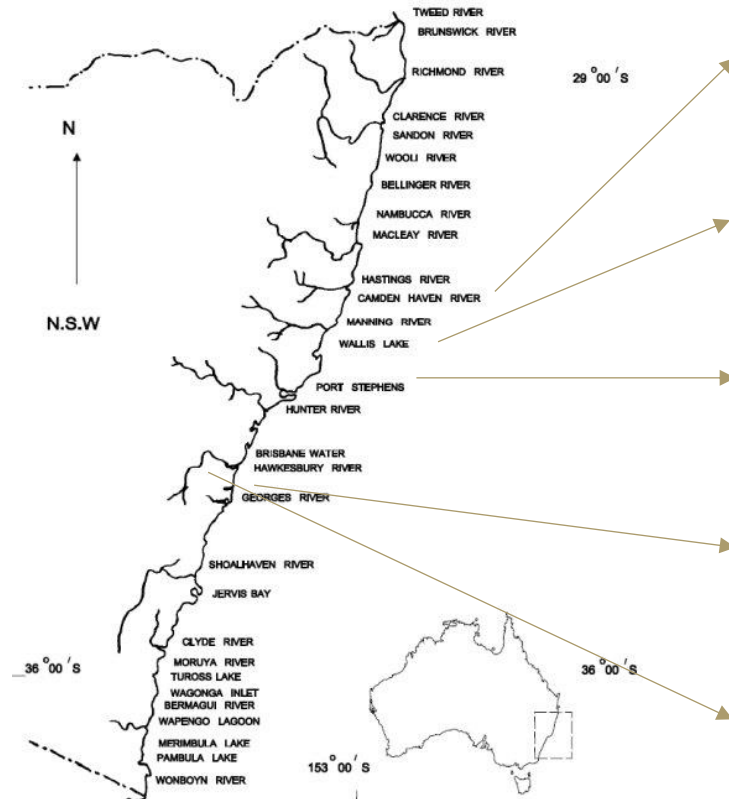
East 33 is dedicated to pioneering the world's best oyster culture, by empowering the people behind it, caring for the places that support it, and delivering moments to be savoured. East 33 represents quality, a dedication to the authentic and an inspired future, focused on delivering a moment of joy.

East 33 is a vertically integrated Sydney Rock Oyster producer, processor, and supplier. Operations span all elements of the Sydney Rock Oyster industry from hatchery, nursery, and production farmers to processing facilities.

East 33's current operations are based in the Wallis Lake, Port Stephens and the Camden Haven River regions of NSW, and over 130 years of collective of farming knowledge. Learnings are being harnessed to deliver the next stage of improved breeding, technology, and sustainable farming techniques to propel the industry for generations to come.

Sydney Rock Oysters are extremely rare natively thriving in just 41 locations on the east coast of Australia centred on latitude 33 degrees – providing the namesake for East 33 Limited.

# Operational locations



## Camden Haven

- Hatchery and nursery (land and on-water)

## Wallis Lake

- Nursery (land and on-water) and grow-out

## Port Stephens

- Nursery (on-water) and grow-out

## North Sydney

- Corporate functions

## Bankstown

- Shucking, packing and distribution

