Angel Seafood Holdings Ltd ASX: AS1

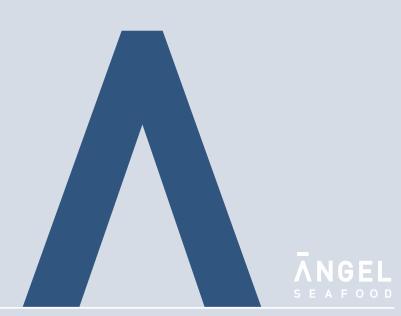


Annual General Meeting 28 May 2021



Chairman's Address

Tim Goldsmith



CEO Presentation

Zac Halman



Angel Seafood – Australia's largest producer of Pacific Oysters

- Founder-led business; listed on the ASX in February 2018
- Southern Hemisphere's largest producer of certified organic and sustainable pacific oysters, based in South Australia
- World leading farming practices optimising utilisation of available assets while maintaining premium product quality
- Benefiting from economies of scale following the initial phase of growth; annual capacity of 12 million oysters
- Selling oysters both domestically and into premium export markets
- 3-pillar growth strategy to increase annual production capacity to 20 million oysters and improve profitability
- Profitable and generating positive operating cash flow*



What makes Angel unique

Premium oyster production without compromising the environment

- Angel is one of the few sustainable and organic oyster growers in the world
 - > Growing customer preference for organic and sustainably sourced food
 - Organic oysters are 100% traced from spat throughout their life cycle
 - Angel oysters are produced with ecologically sound, innovative and industry leading farming practices
- Globally recognised 'Coffin Bay' and Eyre Peninsula provenance
 - > Grown in the nutrient rich cold water from the Antarctica
 - Clean and undisturbed Eyre Peninsula Australia's seafood frontier
 - > Australian seafood highly regarded in Asia and around the world
- High barriers to entry with very limited high-quality water available in Coffin Bay
 - > Angel currently operates 16Ha of the highly productive water in Coffin Bay









What makes Angel unique

Industry leading multi-bay strategy and innovation

- Multi-bay strategy underpinned by unique intellectual property provides significant competitive advantages
 - Each bay location has unique growth characteristics (water flow rates, nutrition, rainfall history, water temperature)
 - IP in harnessing the attributes of each bay to produce a premium product with a unique taste without compromising the environment

Economies of scale derived from a substantial investment program

- Holding capacity of over 20 million oysters, finishing capacity increased to 12 million per year
- Angel's scale presents unique opportunities to extend into new markets (retail, export, health and nutrition)
- Angel continues to improve productivity and reduce cost of production through continuous improvement and innovation, paired with governance and discipline
- Multi-bay strategy achieves geographic diversification
 - > Capacity to move stock within bays as need arises (disease risk mitigation)
 - Enables greater flexibility in sales and distribution, as witnessed during the COVID-19 pandemic



Location: Cowell	Location: Haslam	Location: Coffin Bay
Nursery & grow-out ground for spat and juvenile oysters	Grow-out extension and warehousing	Maturing ground for finishing oysters
Area¹: 15Ha	Area¹: 12Ha	Area¹: 16Ha
Holding Volume: 20 million spat and growing oysters	Holding volume: ~2-5 million oysters	Holding volume: 3 million mature oysters
12-18 month cycle	As required	10-12 week cycle



'Retail sales program gaining traction'



ANGEL SEAFOOD

Angel delivered a record six-month result

Strong demand and continued success of the multi-bay strategy

- Record half year sales with 5.1 million oysters sold, up 55% on pcp (H1 FY20)
 - > Multi-bay strategy increasingly successful
 - > Continued momentum in the retail channel
 - > Restaurant demand recovering
- Strong sales driving revenue up 52% on pcp
 - > Underlying oyster prices steady
- 20% reduction in average operating costs#
 - > Benefits of scale and productivity gains being realised
- Growing conditions in line with expectations; stock in good health
 - Focused on investing in pipeline to cater for future growth
 - Biomass* up 57% on pcp; Haslam facility accommodating the increased biomass

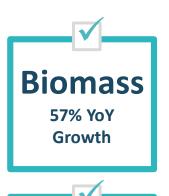






29m

Stock on

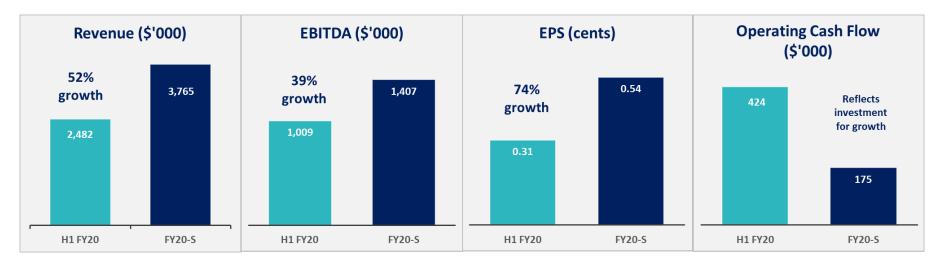






FY20-S Financial Highlights

Record results achieved despite unprecedented trading environment



- A record result despite challenging trading conditions demonstrates the underlying quality and strength of the business
- Growth across revenue and earnings reflects growth in scale of operations
- Positive operating cash flow achieved; net figure includes ongoing investment in stock for future sales growth



Strong retail momentum continues

Retail market now a key feature of Angel's growth strategy

- Strengthening relationships with large retailers
 - Angel's oysters featured in the Costco's Christmas catalogue and Drakes weekly catalogue
- **Growing recognition that Angel can guarantee** continuous supply of good quality stock to retailers
- Mainly bistro size oysters sold through retailers which complements demand for larger size oysters by restaurant channel and export markets
- Significant opportunity to further increase penetration within retailers
 - Currently less than 20% of major retail stores sell oysters
 - Opportunities exist to provide 'Angel' branded oysters into major supermarket chains



Next phase of growth for Angel Seafood

Initiatives towards doubling capacity & improving profitability progressing



ANGEL SEAFOOD

3-pillar strategy to double production capacity & improve profitability

Low-capital plan to support next phase of growth

Pillar 1
Increase scale
through acquisition
of water leases

Pillar 2
Increase
productivity and
profitability
through innovation

Pillar 3
Improve price per oyster through premium brand positioning

20m

10m

Capacity to produce 20m oysters at higher margins

Decreasing unit costs as production increases \$



Pillar 1: Increasing scale through acquisitions

Acquiring more water to farm more oysters

Additional water to increase the multi-bay footprint; maximising economies of scale

- Every additional Ha of water is more profitable than the last, leveraging on existing assets in the multi-bay strategy
- > 6.25Ha of additional water leases secured in November 2020:
 - 2.0Ha of developed water in Coffin Bay, immediately increased annual production capacity from 10m to 12m oysters
 - > 4.25Ha of undeveloped leases earmarked for the flip-farming trials

Vision to increase production capacity to 20m per year

A brand-new large oyster boat commissioned in Cowell to increase capacity, provide significant efficiencies and cater for the growing biomass.

Highly productive water available

- Angel's 44Ha of undeveloped leases provides optionality for further growth within the Eyre Peninsula
- > Angel will continue to lease with option to buy, where the option is available



Aerial view of pristine Coffin Bay water, Beacon Zone



Pillar 2: Increasing productivity through innovation

Initiatives progressing as planned

Additional growth to be delivered through productivity increases

- > Angel has achieved 47% increase in productivity since listing in 2018
- Average investment per Ha has decreased during the same time, increasing ROA
- > Focus on innovation and R&D to increase productivity and lower operating costs

FlipFarm¹ trials commenced in Coffin Bay

- > Innovative biodynamic farming method aligns with Angel's values of organic & sustainable farming
- > Total of 4Ha to be developed for trials; project on budget and on schedule, all equipment and materials now procured
- > 2Ha now in operation in Coffin Bay; so far demonstrating expected productivity/efficiency gains

'Summer oysters' trial progressing well

- Successful trial will extend Angel's sales period to the entire calendar year, up from the current 10 months, increasing annual sales by 10-15% with no further investment in assets
- > Summer oysters growing well and showing good survival rates
- > On track to be available for sale for the next summer season in January 2022



Newly built 100m long FlipFarm lines in Coffin Bay



Sample of triploid juvenile oysters



Pillar 3: Building the Angel brand to improve pricing

Angel well positioned to leverage its credentials

- Underlying prices have remained relatively steady, strong demand in post-COVID-19 recovery
 - Improving the sales mix towards larger sizes with increasing restaurant demand
- Growing recognition around quality and supply positions Angel to leverage its credentials in building retail relationships
 - > Additional scale to position Angel as price setter in the market
 - Opportunities for supply chain innovation and simplification to increase returns
- Marketing activities and branding
 - > Direct-to-consumer offering in advanced stages of development
 - Leveraging Angel's provenance and organic and sustainable credentials
- Premium export remains a significant opportunity as global supply chains recover
 - Southeast Asia represents a lucrative export market where a significant price premium for imported oysters exists





Angel commenced 2021 sales season in a strong position

Well placed for further growth in FY21 and beyond

- Record March quarter driven by continued strong demand across retail and a noticeable pick-up in restaurant demand
 - > Strong sales momentum experienced in the lead up to Easter
 - > A record March quarter sales of 1.3m oysters, up 21% on the pcp
 - Underlying oyster prices steady during the majority of Q1 before increasing following the impact of NSW floods on the Sydney Rock oyster supply
- Record stock numbers on hand
 - > Biomass increased 42% following good growth rates across all bays during the summer
 - > A record 33 million oysters on hand as at 31 March 2021 to cater for growing demand
 - > Stock remains healthy; POMS risk significantly reduced with sea temperatures cooling
- The Angel team is completely focused on its sales program and on further progressing its 3-pillar growth strategy which aims to increase capacity and sales
- Angel continues to actively monitor Covid-19 developments and potential impact on operations





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