

Angel Seafood Holdings Ltd

ASX: AS1



Market Eye – *Emerging Food and Beverage Conference*

8 June 2021



Angel Seafood – Australia’s largest producer of Pacific Oysters

- 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*



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What makes Angel unique

Premium oyster production without compromising the environment

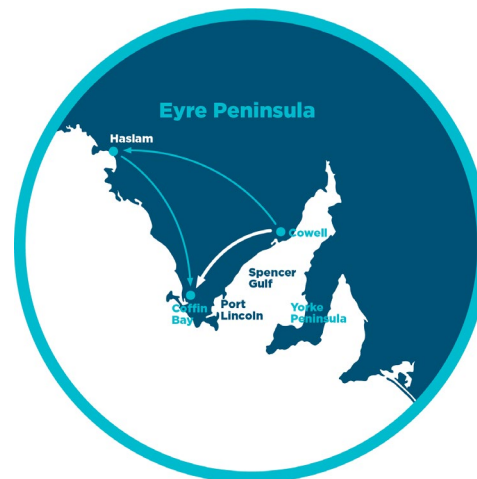
- **Angel is one of the few sustainable and organic oyster growers in the world**
 - › Growing customer preference for organic and sustainably sourced food
 - › Organic oysters are 100% traced from spat throughout their life cycle
 - › Angel oysters are produced with ecologically sound, innovative and 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



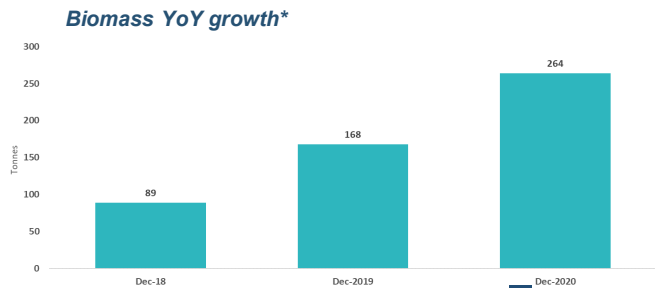
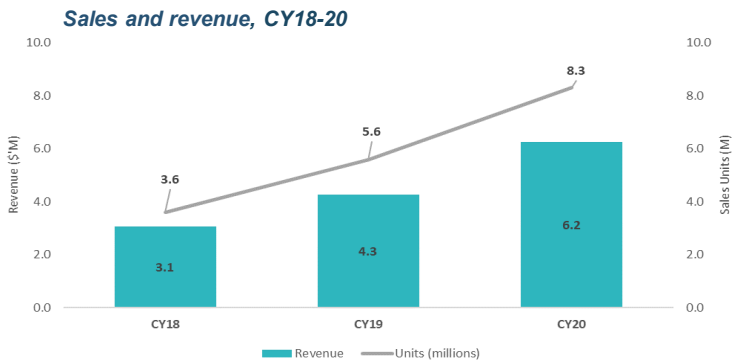
Location: Cowell	Location: Haslam	Location: Coffin Bay
Nursery & grow-out ground for spat and juvenile oysters	Grow-out extension and warehousing	Maturing ground for finishing oysters
Area ¹ : 15Ha	Area ¹ : 12Ha	Area ¹ : 16Ha
Holding Volume: 20 million spat and growing oysters	Holding volume: ~2-5 million oysters	Holding volume: 3 million mature oysters
12-18 month cycle	As required	10-12 week cycle

¹ Developed/deployed water leases only. Angel holds a total of 87Ha across the Eyre Peninsula.

Strong track record of continued growth YoY

Demand remains strong despite challenging pandemic conditions

- **Scale benefits showing through in terms of sales growth and growth in biomass on hand**
 - › Decreasing average cost per unit, increasing profitability
 - › Production capacity currently 12 million per annum
- **Continued growth in CY20 despite challenging trading environment**
 - › demonstrates the underlying quality and strength of the business
 - › Pivot to retail during the COVID-19 pandemic
- **Focused on investing in stock pipeline to cater for future growth**
- **3-pillar growth strategy to increase capacity to 20 million per annum**
 - › Growth to cater for growing demand and export opportunities



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*Biomass is the aggregate weight of all biological stock. It does not directly relate to valuation and may vary due to seasonal factors

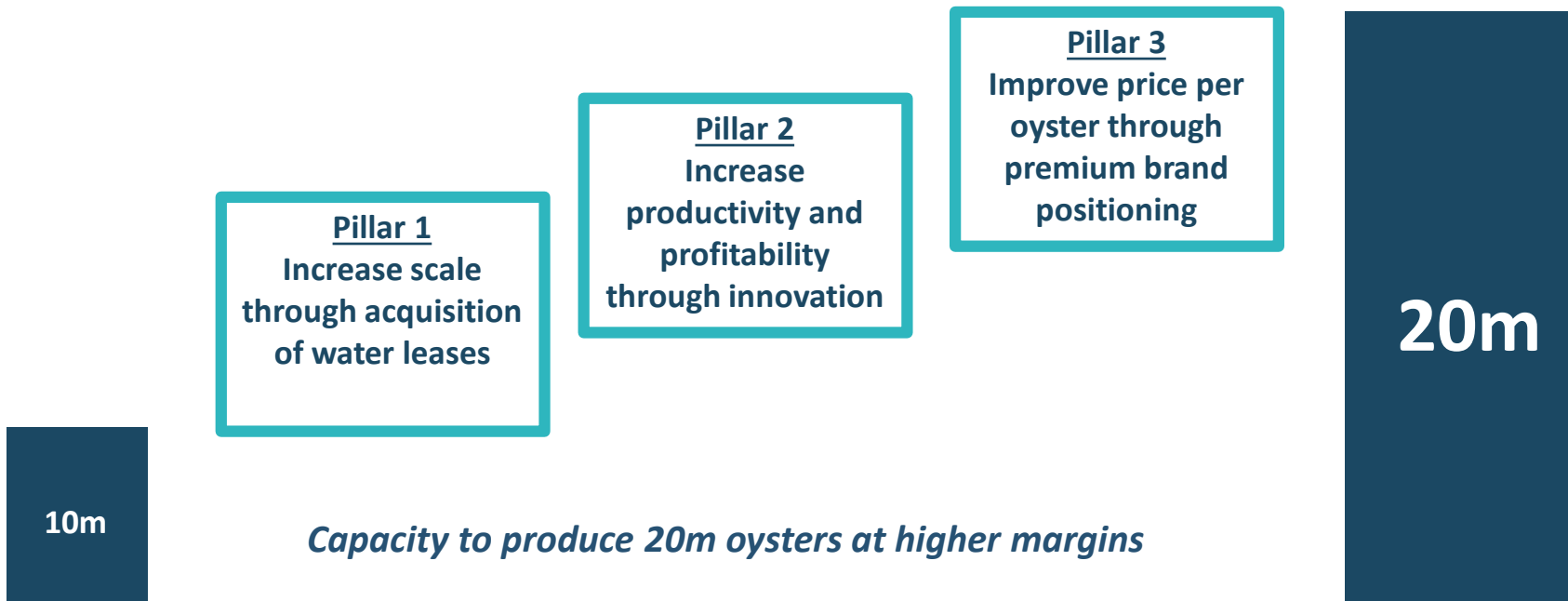
Next phase of growth for Angel Seafood

*Initiatives towards doubling capacity &
improving profitability progressing*



3-pillar strategy to double production capacity & improve profitability

Low-capital plan to support next phase of growth



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
- **Flip-farming 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; preliminary results proving expected efficiency gains with at least 50% reduction in labour per Ha.
- **'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



Angel team members working on the new flip-farm in Coffin Bay

Pillar 3: Building the Angel brand to improve pricing

Angel well positioned to leverage its credentials

- **Underlying prices have remained relatively steady, demand remains strong**
 - › Improving the sales mix towards larger sizes with increasing restaurant demand
- **Retail remains a key domestic market opportunity for Angel**
 - › Growing recognition for continuous supply of high-quality oysters positions Angel uniquely in building retail relationships
 - › Currently less than 20% of major retail stores sell oysters, presenting huge opportunity for further penetration
 - › Opportunities for supply chain innovation and simplification to increase returns
- **Marketing activities and branding**
 - › Leveraging Angel's provenance and organic and sustainable credentials
 - › **Hālo Club** - direct-to-consumer sales channel
- **Premium export remains a significant opportunity as global supply chains recover**



Pillar 3: Building the Angel brand to improve pricing

The 'Hālo Club' – a direct-to-consumer offering

- **Hālo Club members to get direct access to Angel's fresh organic oysters with condiments/gifts on a monthly basis**
 - › Membership and subscription-based model
 - › Authentic farm-to-table experience delivered to the members' door-steps
 - › 'Fine-dining at home' and meal-kits a growing consumer trend
 - › Complements existing sales channels; potential to be a high-value and recurring income stream
- **Hālo Club launching in June 2021**
- **The initial phase of roll-out will be across metropolitan Melbourne, Sydney and Adelaide**
 - › Progressive roll-out to most major urban areas to follow



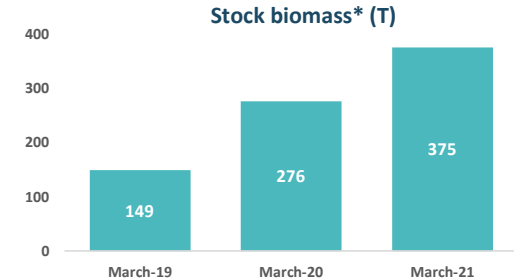
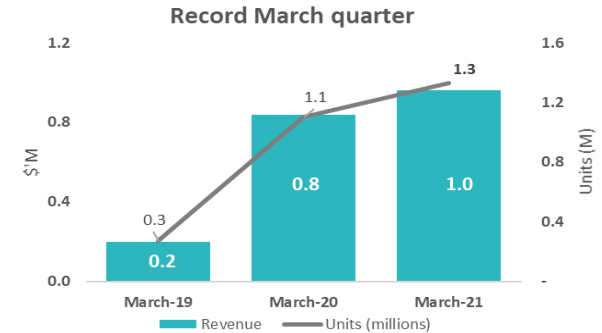
HĀLO CLUB

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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 pcq
- **Record stock numbers on hand**
 - › Biomass increased 42% following good growth rates across all bays during the summer
 - › A record biomass of 375T on hand as at 31 March 2021 to cater for growing demand
- **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 profitability**
- **Angel continues to actively monitor Covid-19 developments and potential impact on operations**
 - › Victoria went into lock down end of May, path to recovery remains uncertain





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