

1 May 2024

ASX RELEASE

ASX: RFA

## MST ACCESS QUARTERLY UPDATE PRESENTATION

### DETAILS

**Rare Foods Australia Ltd (ASX Code: RFA, the Company)**, is pleased to share a copy of the presentation provided today, to participants of a MST Access hosted webcast.

CEO Rob Jorden and CFO Brent Stockden spoke to the Company's Quarterly results, as released to the market on the 30<sup>th</sup> of April 2024.

The webcast recording will be loaded to the ASX's website for viewing after the event.

**END**

This announcement was authorised to be given to the ASX by:

**The Company Secretary of Rare Foods Australia Limited.**

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#### **About the Company**

Rare Foods Australia Limited (ASX: RFA) has developed the world's first commercial greenlip abalone sea ranching business in the pristine waters of Flinders Bay, Western Australia. With the construction of proprietary, purpose-built artificial abalone reefs (called "ABITATS™") now complete, RFA is supplying commercial quantities of its premium, 'wild-harvested', greenlip abalone to local and overseas customers.

For more information visit [www.rarefoodsaustralia.com.au](http://www.rarefoodsaustralia.com.au)

# RARE FOODS

AUSTRALIA

## Q3 FY24 PRESENTATION

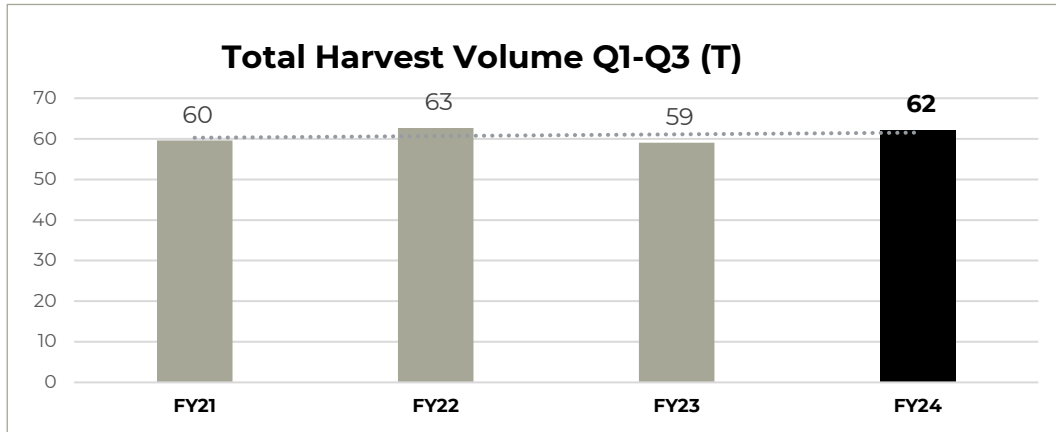
**Prepared by:** Rob Jorden

**Date:** 1 May 2024

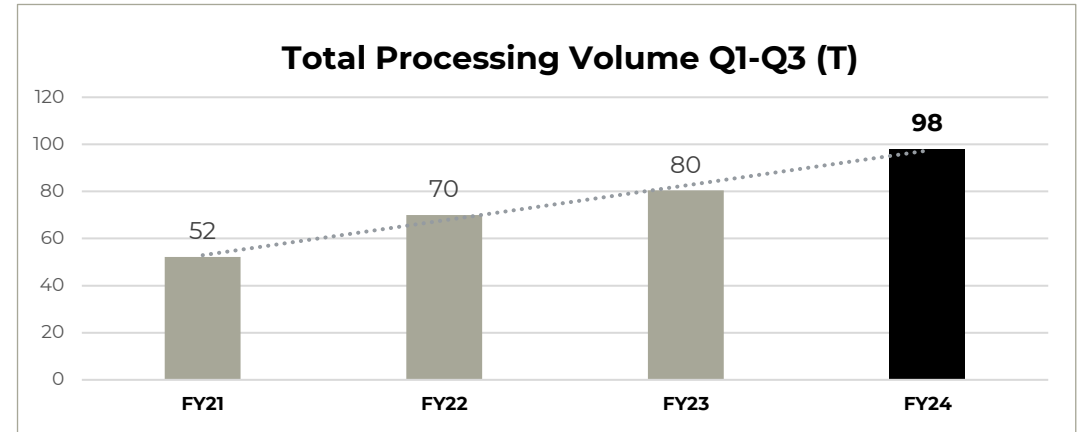


# CONTEXT

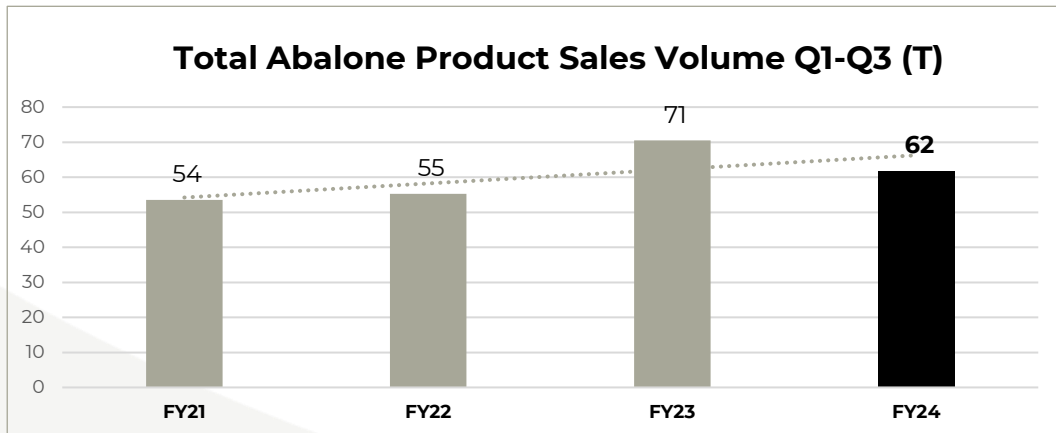
26% more juveniles, totalling 874k



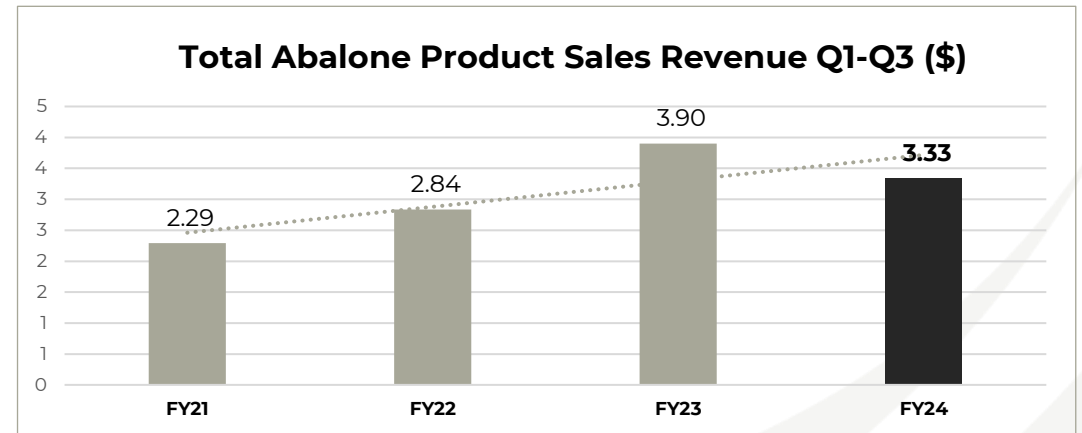
Development of the Tiered based abalone products



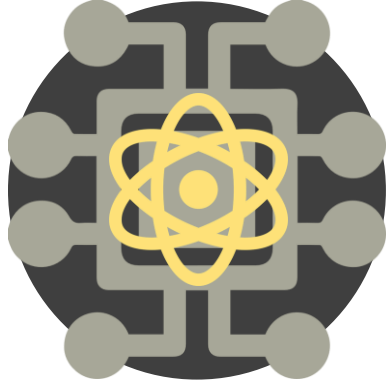
Creating the channels to do Live and Canned products



These underpin our next step change in performance



# Q2 HIGHLIGHTS



## Core Business

- Processed 98 tonnes FY24 YTD, 22% above last years record
- Deployment improvement practices have led to +26% more juveniles (874k) on the reef with FY24 deployments on schedule.
- A strong forward order book of 92 tonnes, 96% of FY23 sales



## Organic Growth

- Developed a live capability through Perth
- Record quarter for retail outlet (\$58k) showcasing the tiered based abalone and ocean cellared products innovations.
- Operational activities complete to deploy Winereef's underwater wine making process



## Value Accretive Growth

- Rights Issue launched with strong support of major shareholders
- Work progressed to scale and grow the core business
- Finalised proposal for funding to support the Esperance aquaculture precinct

# AGENDA

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# RARE FOODS

AUSTRALIA



# STRATEGY

- Supplying abalone and other rare products globally to become a strategic partner of choice.
- Growing our annual production of Greenlip abalone and increasing margins.
- Strengthening our business and adding earnings from other rare products.
- Integrating other rare product supply chains from within our premium local region to grow value.



# CORE BUSINESS OPERATIONS

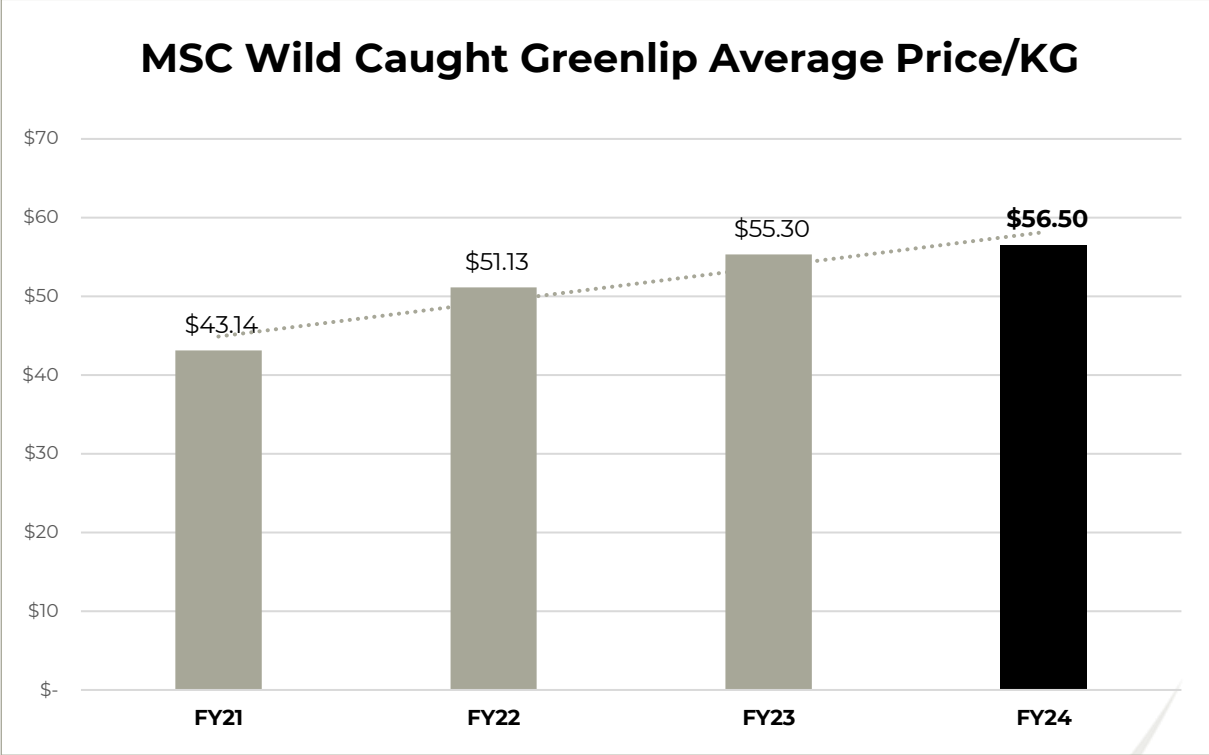
- The Marine Stewardship Council (MSC) wild caught Greenlip Q3 harvest of 20 tonnes with total FY24 YTD at 62 tonnes, 15% above this time last year
- Record processing of 98 tonnes of the tiered based abalone products for FY24 YTD, including wild origin Greenlip, Brownlip and Roei, MSC certified wild caught Greenlip and farmed Greenlip abalone, representing 22% above the same FY23 period.
- Deployment improvement practices have led to +26% more juveniles (874k) on the reef with FY24 deployments on schedule.



# CORE BUSINESS

## SALES & MARKETING

- Q3 sales of 14.6 tonnes of the tiered based abalone products, achieving \$0.7 million of revenue.
- Average price for abalone products remains firm at \$54.7 per kg for the year. The MSC wild caught Greenlip achieved \$56.5 per kg.
- We have a strong FY24 forward order book, currently at 92 tonnes, which represents 96% of tonnage sold in FY23.

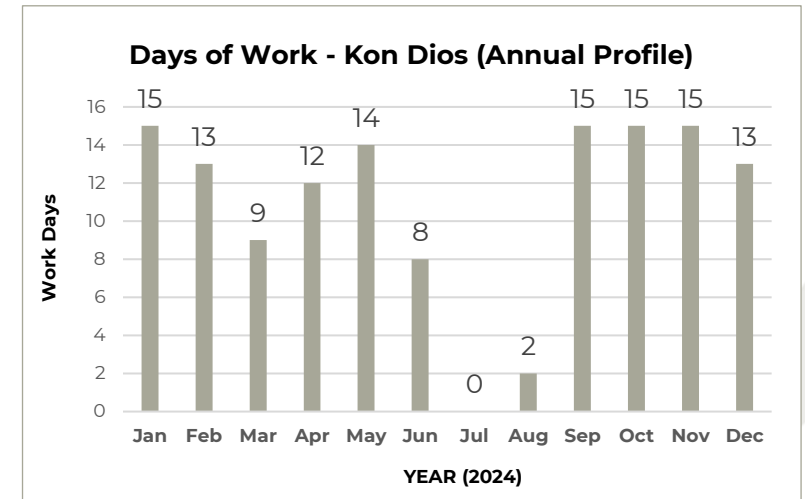
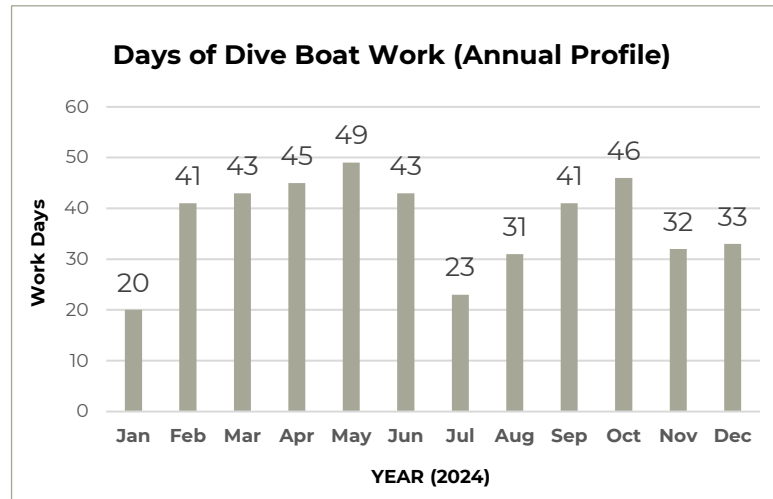




# CORE BUSINESS R&D

- Develop and socialised our 7-Year strategy to improve the productive capacity of the MSC wild caught Greenlip
- The approach targets the systematic reduction of the buildup of marine plants and animals (referred to as biofouling), providing improved surface area necessary for abalone survival and growth
- During Q3 the implementation of the strategy began through the 1 Year Master Schedule

2023		2024 DEPLOYMENT & HARVEST													2025
Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Pre-deployment 1				DEPLOY 1 (new bay 1-5) #440	Post deployment 1										
	Pre deployment 2			DEPLOY 2 (re-seed) #880	Post deployment 2										
	Pre deployment 3		DEPLOY 3 (re-seed) #880		Post deployment 3										
	HARVEST (5 days)	HARVEST (5 days)	HARVEST (5 days)												
	Pre-deployment 4					DEPLOY 4 (new bay 6-10) #440	Post deployment 4								
				Pre deployment 5		HARVEST (8 days)	HARVEST (7 days)	HARVEST (9 days)							
					Pre deployment 6	DEPLOY 6 (re-seed) #880	Post deployment 6								
								HARVEST (8 days)	HARVEST (8 days)						
								Pre deployment 7		DEPLOY 7 (re-seed) #880	Post deployment 7				
								Pre deployment 8		DEPLOY 8 (re-seed) #792	Post deployment 8				
								Pre-deployment 9				DEPLOY 9 (new) #440	Post deployment 9		
								Kon Dios Annual L3 Mnt							
									HARVEST (8 days)	HARVEST (12 days)	HARVEST (9 days)	HARVEST (7 days)			
									Pre-deployment 10			DEPLOY 10 (new) #88 (Reseed #176)	Post deployment 10		
											Pre-deployment & Harvest (2025)				
								Jun/Jul C&M (3 days)	Jun/Jul C&M (7 days)				Dec/Jan C&M (4 days)	Dec/Jan C&M (6 days)	



# ORGANIC GROWTH

To achieve organic growth, we are building upon our strengths to add more value for our customers and our shareholders. Opportunities to scale and grow exist within our ocean leases, processing facility, and sales and marketing channels.

## Ocean Pantry

- The Ocean Pantry achieved a record \$58k in revenue during the quarter.
- The facility is designed to promote the Company's tiered based abalone and ocean cellaring innovations through tours and tastings.

## Wild Caught

- To fulfil overseas demand for the wild caught products a binding agreement was executed with Live Seafood Company enabling live product to be processed in Perth.
- An initial trial conducted in March demonstrated good results and was used to begin servicing the Perth marketplace.



# ORGANIC GROWTH

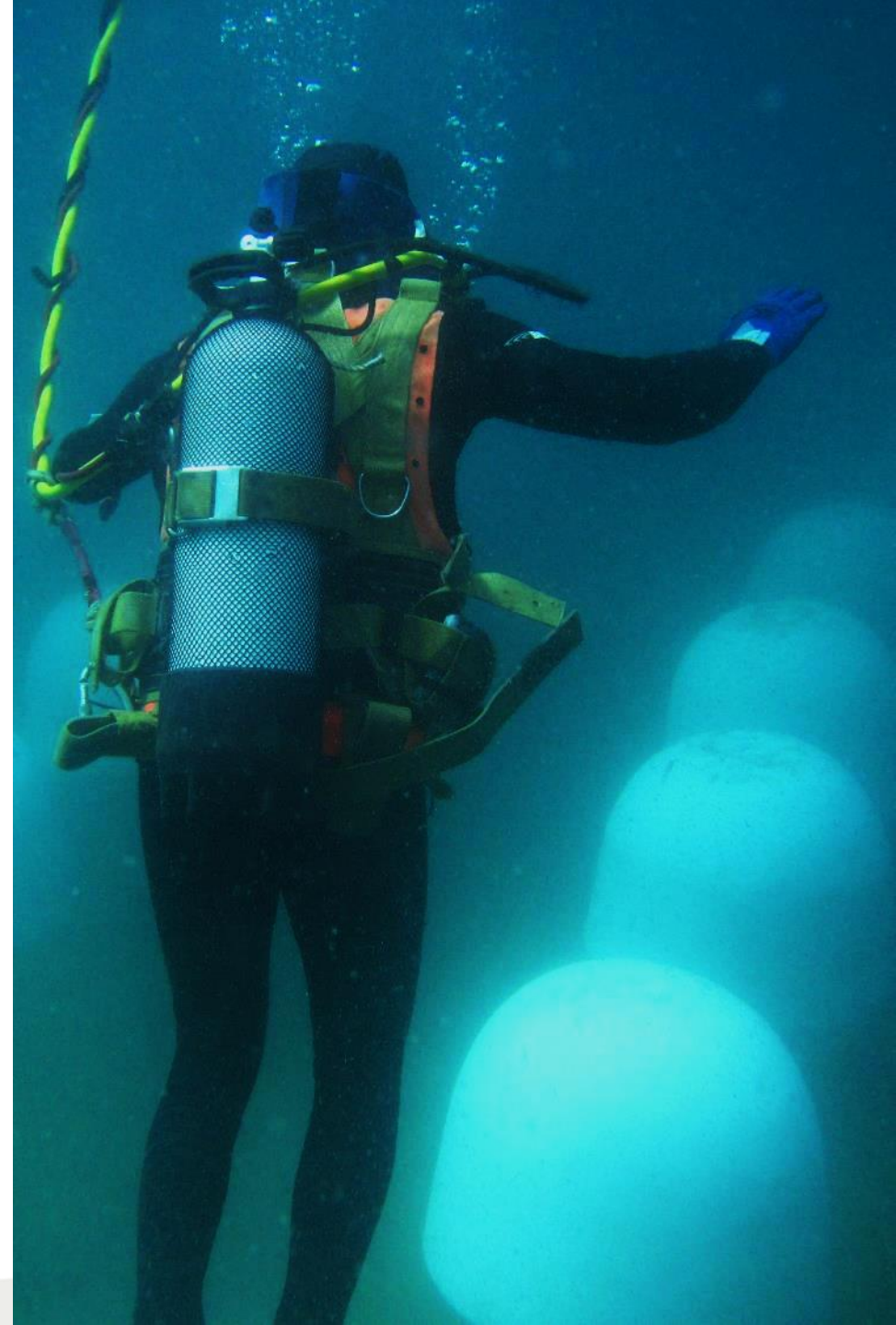
## Ocean Cellaring

### Ocean Signature

- Harvests of the FY24 Glenarty Road and Edwards Winery's Ocean Signature range were completed during the Quarter, with 1,900 FY24 bottles available for sales
- Deployment of the FY25 Ocean Signature range continued during the Q3 with Glenarty Road and Edwards Winery. Current stocks in the Ocean Cellar total 5,400 bottles, with 50% available for the Company to sell

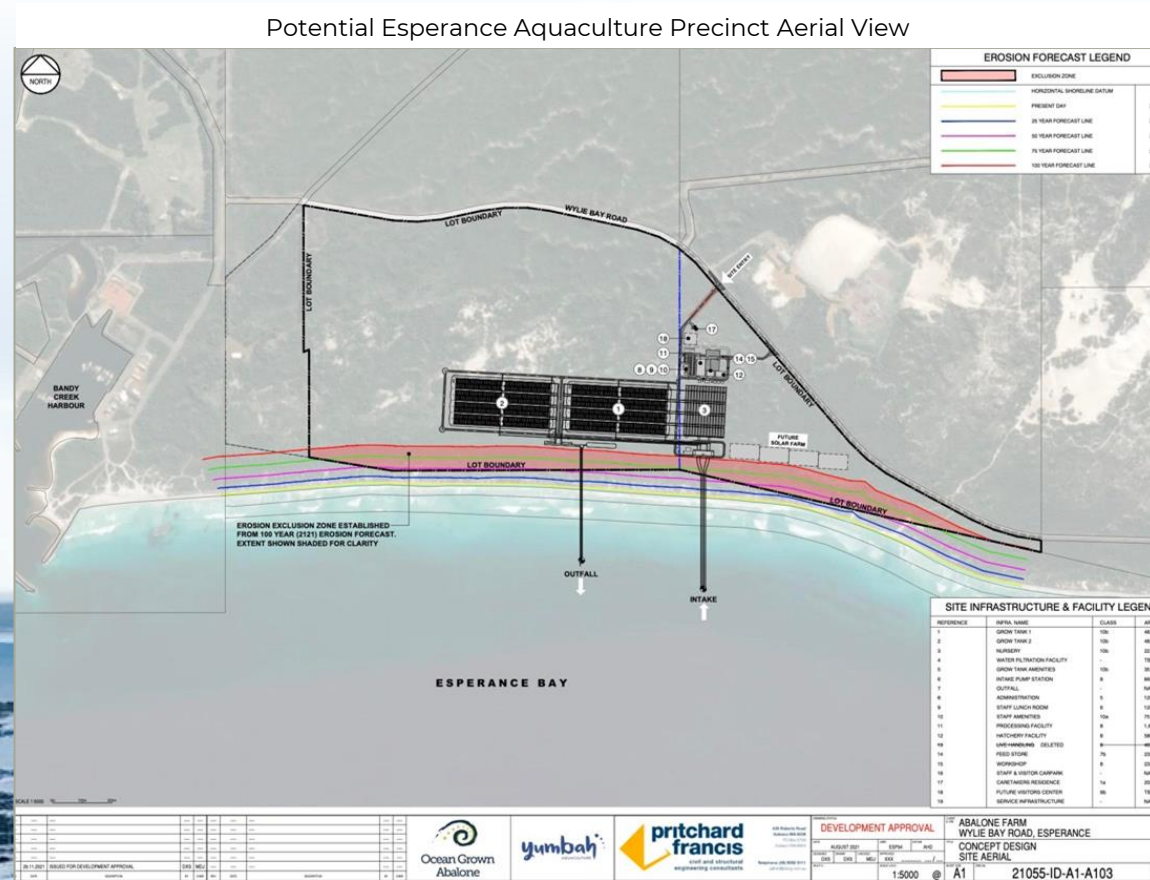
### Winereef trial

- Operational activities to undertake the Winereef trial (announced 10 October) were completed during Q3, with deployment planned in Q4. This will target the production of 13,000 bottles of Ocean Cellared product in FY24.



# VALUE ACCRETIVE GROWTH

We are investigating other aligned rare product supply chains or assets from the premium South-West region of WA to expedite our growth.



## Esperance Aquaculture Precinct

- During the quarter, the Esperance Tjaltjraak Native Title Aboriginal Corporation (ETNTAC) secured land in Esperance suitable for an aquaculture precinct.
- The Company, Yumbah Aquaculture Pty Ltd and ETNTAC have worked together to develop the plans to seek external funding to develop the precinct infrastructure.
- The parties have also been co-operating to attract other aquaculture and marine related businesses to participate in the opportunity.

# CASHFLOW & FINANCE UPDATE

Q3 FY24



## Cashflow

- Cashflow deficit for FY24 YTD of **(\$1.36M)**
- **\$0.45M** invested into value accretive growth to scale and strengthen the core business: due diligence costs
- **\$0.55M** invested into organic growth: integration of live & farmed abalone, Ocean Cellared and retail growth initiatives.
- **\$0.34M** utilised in financing activities, repaying investments our Ocean Pantry & other assets.
- Non-renounceable entitlement offer raised **\$2M** to support the above strategy.



## Core Business Improvements

- Harvested MSC Wild Caught Greenlip Abalone **+5%** for FY24 (62T).
- MSC Wild Caught Greenlip average price/KG \$56.50 **+2%** on FY23.
- Record 98T of abalone product processed **+22%** on FY23 YTD.
- YTD Sales + Forward order demand for **96%** of FY23 tonnage sold.



## Growth Initiatives Underway

- Record Ocean Pantry quarterly turnover achieved (\$58k) **+75%** on FY23 Q3)
- Perth Processing & Distribution agreement executed, increasing intake capacity and the pursuit of the live abalone opportunity
- Ongoing evaluation of opportunities to strengthen and scale

# SUMMARY

- ✓ Improved systems and disciplines are providing us with better knowledge, ensuring we focus on priorities and continue to improve the core business.
- ✓ We are leveraging our rebranding initiative, promoting our tiered based abalone and ocean cellared products to continually strengthen our earnings.
- ✓ We have been investing in growth, to scale our core business and integrate other potential rare products in our premium region with several initiatives well advanced.



# END OF PRESENTATION

**Thank you for listening!**

The floor is now open for questions.



# RARE FOODS

AUSTRALIA

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