

QUARTERLY UPDATE AND APPENDIX 4C

Period Ending 31 March 2025

KEY POINTS

CORE BUSINESS

- Voluntary delisting from ASX confirmed at General Meeting held on 29 April 2025
- Continued cost reductions implemented including staff redundancies and review of supplier requirements.
- Harvest of 15T for the quarter in line with forecasts.
- Successful recruitment of new CFO/CoSec.

GROWTH

- Subsea Estate brand development and subsea wine sales performing strongly.
- Record sales for the Subsea Estate Cellar Door of \$163K for Q3 (+280% on Q3 FY24).
- Application submitted to Department of Transport for a dedicated 5ha Subsea Estate Ocean lease in Augusta Port waters.
- Esperance Aquaculture Precinct project management progressing to plan

CASHFLOW

- Continued cost reductions implementations delivering results in face of soft international abalone market.

DETAILS



CORE BUSINESS

Operations

During the quarter the business obtained approval from the ASX to voluntarily delist from the ASX subject to shareholder approval at a general meeting. As announced to the market on 30 April 2025 the vote to delist the company was passed, with 99.30% of registered shareholders voting in favour of the resolution. A vote of confidence in the boards strategy to reduce costs and be cashflow positive.

The Board estimates that costs attributable to the Company's ASX listing are approximately \$735,000 per annum. In addition, there are indirect costs associated with the need to devote management time attending to matters relating to the listing which could be directed elsewhere if the Company was unlisted.

The Board is committed to maintaining strong governance and continuous disclosure obligations as an unlisted public company. Importantly, we look forward to communicating directly with our shareholders, developing and executing on our strategy without continually revealing our plans to competitors in a listed company environment

As announced to the market 27 February 2025 a pause in juvenile deployments to the ranch for 2025 was announced. Following extensive negotiations with our juvenile abalone provider, a sustainably affordable

supply arrangement has not been able to be reached. As a result, the Board has resolved to pause the deployment of any new juvenile abalone on the Flinders Bay reef, representing a significant cost saving to the business in 2025.

Due to the announced delisting and changes in business strategy, a review of staff requirements and contract support roles to support future harvesting and maintenance on the ranch and other areas of the business was undertaken resulting in several redundancies and supplier cancellations, resulting in future annual savings of an estimated \$3.2M to the company.

The company harvested 15T of ranched abalone for quarter, which was the targeted forecast amount. The company is on track to record a harvest of 60T for FY25.

The company also welcomed new CFO/CoSec Toni Angelevski and Commercial Services Manager Matt Lewis to RFA in Q3.

Sales & Marketing

The Company sold 23.3 tonnes of premium abalone products in the Quarter, including 12.7 tonnes of MSC certified wild caught Greenlip. Sales revenue for the premium abalone products achieved for the period was \$845k, with MSC certified wild caught Greenlip contributing \$616k.

Sales strategies for FY25 are focused on broadening the Company's markets into China, Japan and Vietnam, and pursue a consistent live abalone demand now supported by direct flights into these regions.



GROWTH

Organic Growth

Retail

The Company continued to progress and refine its retail customer experience during the Quarter. The rebranding of our harbourside outlet to the "Subsea Estate Cellar Door" to support the Company's Ocean Cellaring growth initiative has been a resounding success over the summer with revenue of \$163K for the quarter - an increase of 280% on the same period last year.

The Subsea Estate Cellar door provides visitors and tour guests with a unique subsea wine and abalone tasting experience, designed to showcase the Company's Unique Value Proposition of MSC certified wild caught Greenlip and Ocean Cellared wines through tours and tastings. The refined offerings have resonated strongly with the local tourism trade and we plan to continue to developing and refining growth strategies for this business.

Ocean Cellaring

1,231 Bottles of Subsea Estate have been sold during the quarter via cellar door sales, wholesale customers and online sales. The Subsea Estate Margaret River collaboration between Winereef International and Rare Foods is performing to expectations. The development of a new wine brand in a crowded wine market takes time to get noticed and accepted. The story of the Subsea wine making is unique, and the wines produced in this initial trial have been well received by customers. Media interest has been high with articles to be published on Subsea in Halliday, Decanter and The Yum List.

During Q4 the company will seek to increase sales from domestic wholesale customers and seek export opportunities to further grow the business.

The company also applied to the Department of Transport for a dedicated Subsea Estate winemaking lease in Augusta Port waters. This will be a 5Ha lease dedicated to the activities of Subsea Winemaking. This will support future expansion of the Subsea wine business as the lease is closer to the harbour, which allows for greater security and reduced operational costs. Final approval is slated for Q4.

Quarterly Update and Appendix 4C

RARE FOODS AUSTRALIA LIMITED

ABN: 52 148 155 042 | ASX: RFA

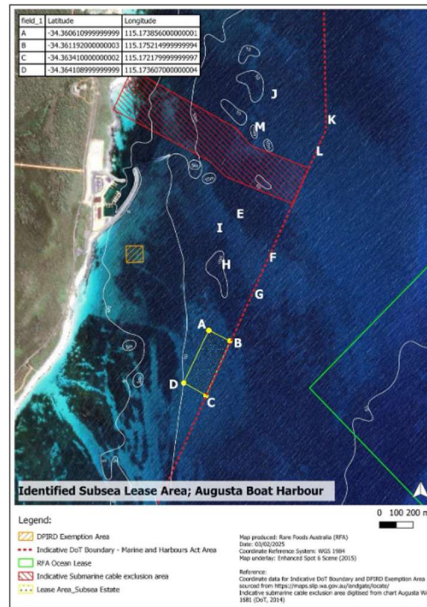


FIGURE 1: Applied for Subsea Lease in Augusta Port Area.

Esperance

During the Quarter, the Company progressed the Esperance aquaculture precinct pitch documentation, designed to pursue federal funding for infrastructure (including roads, power and piping) whilst promoting the aquaculture precinct nationally and internationally to attract additional precinct partners.

In Q4 documentation from consultants engaged to assess the projects viability and economic opportunities will be completed and the project will then be promoted nationally to potential precinct partners and funding applications will be prepared.



CASHFLOW

Cash receipts from operating activities for the Quarter were \$887k, down 21% on the comparative FY24 Quarter and cash payments from Operating Activities were \$2.1 million, including staff costs of \$820k.

This resulted in a net negative cashflow from Operations of \$1.2 million for the Quarter.

The implementation of the Company's multiple cost reduction strategies are providing a pathway for the business toward a cashflow positive result from operations. The Q3 result was strongly impacted by one off redundancy costs, and as these cost reductions flow through, combined with reduced costs associated with being a public unlisted company and the pause in juvenile abalone deployments we expect the business to be strongly cashflow positive in FY26.

No payments were made to related parties for the Quarter.

END

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

The Board of Rare Foods Australia Limited.

Quarterly Update and Appendix 4C

RARE FOODS AUSTRALIA LIMITED
ABN: 52 148 155 042 | ASX: RFA

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About the Company

Rare Foods Australia Limited (ASX: RFA) has developed the world's first commercial Greenlip Abalone ocean ranching business in the pristine waters off 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 MSC certified ranched Greenlip Abalone to local and overseas customers.

For more information visit www.rarefoodsaustralia.com.au

Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, currency fluctuations, increased production costs and variances in recovery rates from those assumed, as well as political and operational risks in the Countries and States in which we operate or sell the product to, and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Rare Foods Australia Limited

ABN

52 148 155 042

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	887	2,859
1.2 Payments for		
(a) research and development ¹	-	-
(b) product manufacturing and operating costs ¹	(951)	(2,888)
(c) advertising and marketing	(69)	(173)
(d) leased assets	-	-
(e) staff costs ¹	(820)	(2,897)
(f) administration and corporate costs	(188)	(586)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(70)	(190)
1.6 Income taxes paid	-	(249)
1.7 Government grants and tax incentives	-	2,383
1.8 Other (provide details if material)	-	29
1.9 Net cash from / (used in) operating activities	(1,211)	(1,713)

1. A portion of cash outflows included in 1.2 (b) and (e) are also eligible for FY2025 R&D tax incentive.

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(77)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets	-	(32)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	14
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(95)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	982	1,044
3.6	Repayment of borrowings	(80)	(367)
3.7	Transaction costs related to loans and borrowings	-	(21)
3.8	Dividends paid	-	-
3.9	Other (leased assets)	-	-
3.10	Net cash from / (used in) financing activities	902	(657)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	(2,603)	(1,221)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,211)	(1,713)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(95)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	902	657
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	(2,371)	(2,371)

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	-	-
5.2	Call deposits	-	-
5.3	Bank overdrafts	(2,371)	(2,603)
5.4	Term deposits	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	(2,371)	(2,603)

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

-

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities ⁴	4,250	3,787
7.2 Credit standby arrangements	-	-
7.3 Other (Credit Card) ⁵	25	3
7.4 Total financing facilities	4,275	3,790

7.5 **Unused financing facilities available at quarter end** **485**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

4. The equipment loan has been provided by National Australia Bank Limited, pursuant to a master asset finance agreement with a facility limit of \$1,500,000. The loan is secured over the financed asset via an equitable mortgage. Additional loan security is provided in the form of a charge over the assets of RFA. The Company has also provided a guarantee and indemnity to the loan provider for the full facility limit.

The equipment loans balance at quarter end totalled \$1,187,148, with applicable annual interest rates of (i) 4.97% for \$68,645; (ii) 4.80% for \$720; (iii) 5.66% for \$1,593; (iv) 6.59% for \$72,126; (v) 7.89% for \$4,414; (vi) 8.31% for \$5,676; (vii) 8.5% for \$3,092; (viii) 7.36% for \$6,014; (ix) 9.05% for \$31,178; (x) 7.64% for \$25,441 and (xi) 6.90% for 968,248

National Australia Bank Limited has also provided a business overdraft facility of \$250,000 with an annual rate of 7.62%. The facility expires on 15 March 2027. The facility balance at quarter-end totalled \$100,060.

National Australia Bank Limited has also provided a business markets loan of \$2,500,000 with an annual rate of 7.87%. The overdraft facility is fully drawn down at quarter-end.

5. Credit card facility limit at quarter-end totalled \$25,000 with an applicable annual interest rate of 15.5% The balance drawn at quarter-end was \$2,723.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,211)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	(2,371)
8.3 Unused finance facilities available at quarter end (Item 7.5)	485
8.4 Total available funding (Item 8.2 + Item 8.3)	(1,886)
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	(1.56)

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No. Q3 contained non-recurring payments for staff redundancies. The passing of the resolution for the removal of the company from the official list of the ASX, along with reduction in staff numbers are anticipated to reduce operating cash flow in Q4.

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company is in the process of refinancing a portion of its expected 2025 Ausindustry R&D refund to release additional working capital capacity during Q4.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, for the reasons outlined in 8.6.2. above.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.