

# ANGEL SEAFOOD HOLDINGS LTD

**ASX:AS1**

Investor Information  
April 2019









# Who is Angel Seafood?

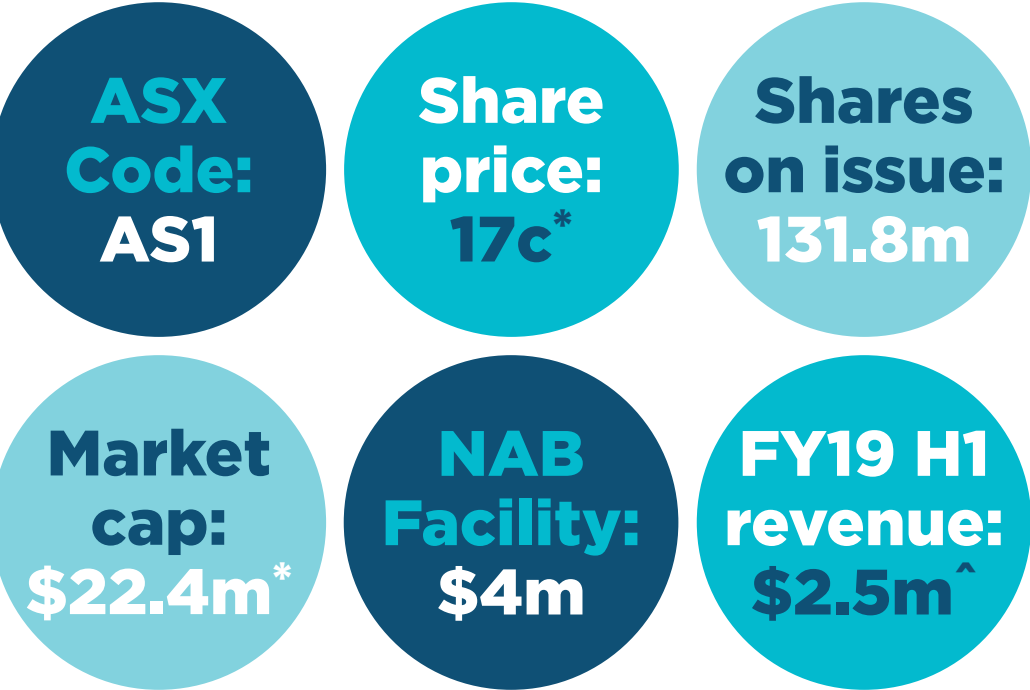
- Angel Seafood is Australia's and the Southern Hemisphere's largest sustainable and organic certified pacific oyster producer, based in South Australia
- World leading farming practices optimising utilisation of available assets while maintaining premium product quality
- Selling oysters domestically and with great potential for premium exports
- Listed on the ASX in February 2018
- Completed initial phase of growth with available funds and poised to benefit from economies of scale and achieve positive operating cash flow for FY2019





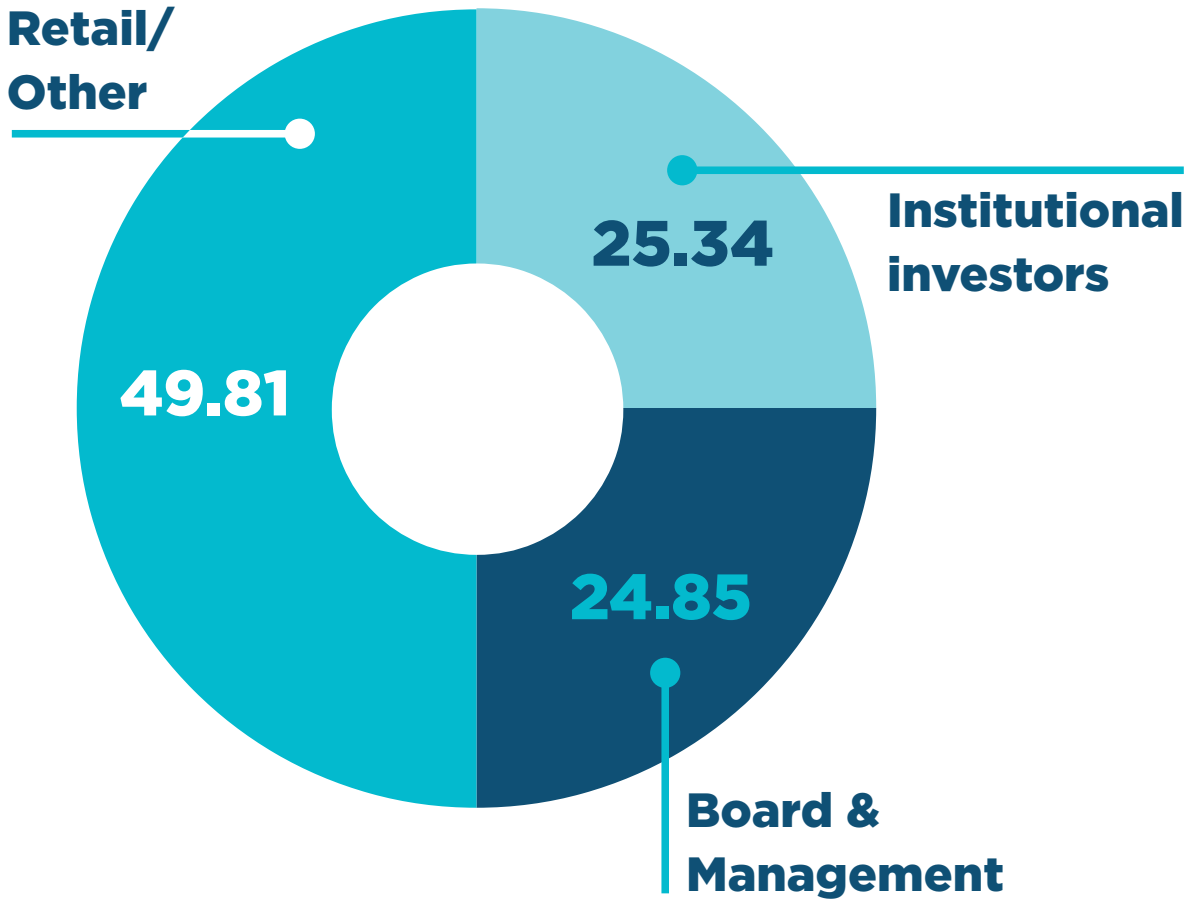
# Corporate Overview

## Key information



**Fully funded for current growth plans**

## Shareholding breakdown (%)



\*As at 11 April 2019  
^Sales are seasonal – generally no sales in January and February which weight more sales to H1 and H2

# Significant Progress since IPO

Corporate objectives	Status	Comments
Implement development and expansion of production assets in South Australia	✓	<ul style="list-style-type: none"> <li>• The company has increased its holding of premium water licences in Coffin Bay and Cowell, increasing capacity to hold more than 20 million oysters, and to finish 9-10million premium oysters per year</li> <li>• Invested in plant and equipment to increase efficiencies that will lower costs as production increases</li> <li>• Fully funded for immediate growth plans</li> </ul>
Focus on increasing domestic sales and supplying existing demand	✓	<ul style="list-style-type: none"> <li>• Achieved 120% growth in sales to Q3 YTD, and with sufficient stock for additional growth for the full year</li> <li>• Domestic demand remains strong and pricing competitive</li> </ul>
Ongoing development of corporate structure inline with business growth	✓	<ul style="list-style-type: none"> <li>• Strong board with relevant experience</li> <li>• Chief Financial Officer and Head of Operations appointed, further strengthening the management team</li> </ul>
Exports to international markets, particularly Asia	✓	<ul style="list-style-type: none"> <li>• Invested in state of the art export facility in Port Lincoln</li> <li>• Finalising export strategy</li> <li>• EcoOyster™ brand development</li> <li>• Engagement with potential agents into export markets</li> <li>• Trial shipments to markets complete H1 FY19</li> </ul>
Pursue growth through value adding acquisitions	✓	<ul style="list-style-type: none"> <li>• Continued focus on identifying opportunities for further growth outside South Australia and for vertical integration</li> </ul>

Delivering on all of our growth targets, to reach our ambitions in a way that is sustainable

# Substantial growth achieved - March 2018 vs March 2019



\*Includes ungraded spat

^Numbers have not been audited

# Multi-Bay Strategy

## Location: Cowell

Nursery ground for spat growing oysters

Area: 15 Ha

Holding Volume:  
20 million spat and growing oysters

12-18 month cycle

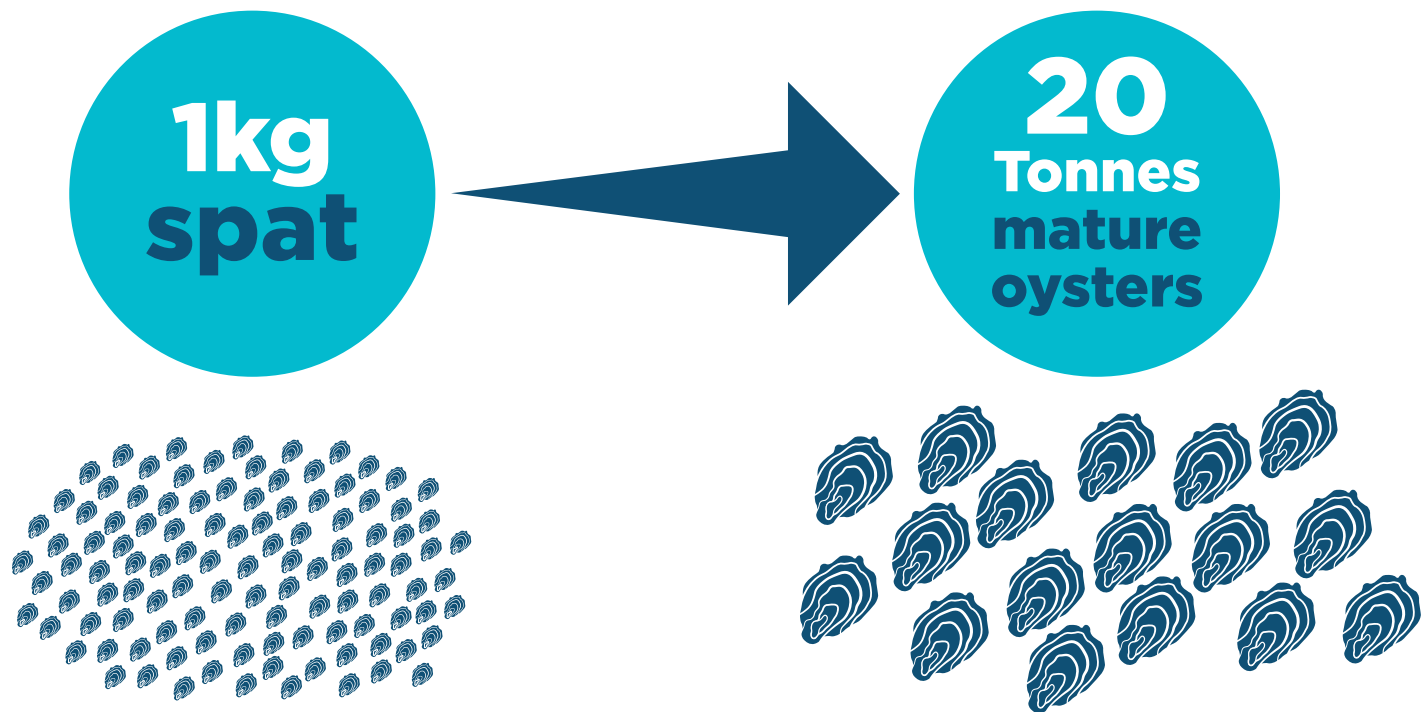
## Location: Coffin Bay

Maturing ground for finishing oysters

Area: 11 Ha

Holding Volume:  
2.5 million mature oysters

10-12 week cycle



# Strategically acquiring water holdings

Angel Seafood's multi-bay solution provides significant competitive advantages in optimising growth and conditioning, fast-tracking production to maximise utilisation and revenue.



# Strong Market Potential

## Key factors

- Domestic market for oysters are at record prices
- Traditional domestic markets are transitioning towards clean green demand
- Key customers experiencing strong growth and are soaking up additional supply
- Broader market demand for oysters means supply is the only constraint
- Alliances with export channels are still in their infancy, with upside only limited by production expansion

### There are significant drivers for growth in Australia's production:

- Increased demand for organic and sustainable produce
- Strong Asian demand for Australian products
- Peak global demand coincides with peak condition of SA oysters
- Global oyster production is showing year on year on growth since 2008^

Country	% of market
China	78.3
Korea	6.2
Japan	4.3
USA	3.4
France	2.1
Indonesia	1.3
Mexico	1.1
Taiwan	0.8
Thailand	0.6
Philippines	0.5
<b>Australia</b>	<b>0.3</b>
Ireland	0.2
Other	0.9

**Estimated value of world's oyster production is approximately US\$3.7 billion per year**

^Source: Global data from the Food and Agriculture Organization of the United Nations  
<http://www.fao.org/fishery/statistics/global-aquaculture-production/en>



# Outlook

Significant capacity in the business; Key focus on optimising oyster production to maximise sales with a relatively fixed cost base

## Key priorities

- Continue optimising oyster production to maximise sales and leverage scale benefits
  - Including development of an export market
  - Sustainable sales growth underpinned by investment in infrastructure and stock levels.
  - Realisation of benefits of economies of scale in a growing business – increased sales capacity (9-10 million oysters per annum) with relatively fixed cost base.
- Continuous improvement in strategies to lower spat mortality
  - Every survivor is a future seller
- Brand strategy - an opportunity exists for Angel to create a new brand that leverages on its status as largest Australian producer and its sustainable and organic certifications.
- Export strategy – premium sustainable and organic Aussie oysters
- Continue to assess opportunities that will provide future growth
- Company anticipates acquiring more finishing capacity with the aim of finishing 12m oysters per year over the medium term

# Investment Highlights

Company Delivering on growth ambitions,  
substantial embedded growth in the business

- Strong board and management team that is delivering on expectations
- Differentiated product – Certified Sustainable and Organic premium EcoOysters™
- Capex program largely complete – significant growth now embedded in the business with economies of increased scale starting to flow through
- On track to be operationally cash flow positive for FY19^
- Fully funded for immediate capital and operational requirements
- Potential for premium exports into international markets
- Plans in place to realise growth potential
- Strong backing from reputable committed long term investors

^Subject to certain normalisation adjustments

# The Board & Management



**Zac Halman**  
Founder & CEO

Zac founded Angel Oysters in 2010 and has been a driving force of innovation in the oyster industry in South Australia. Zac is also a Board Member of the South Australian Oyster Growers Association (SAOGA) and plays a key role assisting in the growth of the industry.



**Tim Goldsmith**  
Non-Executive Chairman

Tim was a Partner at global professional services firm PricewaterhouseCoopers (PwC) for over 20 years and comes with decades of leadership experience in many corporate sectors. Tim has been a Non-Executive Chairman at ASX listed company Hazer Group Limited since 24 July 2017 and a Non-Executive Director at Costa Group Holdings Limited since 1 September 2018.



**Michael Porter**  
Non-Executive Director

Michael has extensive experience in the Agriculture Sector having been CEO of a farmer owned unlisted public company that specialised in the marketing of grain and the importation of fertiliser and seed for cropping farms. Michael is also a Non-Executive Director of ASX listed Murray River Organics.



**Ashley Roff**  
Non-Executive Director

Ashley has had extensive experience in the listed space including coordinating the public listing (IPO) of Aboriginal Holdings Ltd and serving as its company secretary. He was also responsible as General Counsel for the public compliance listing of ABB Grain Ltd and served as their company secretary from 2005 to 2009.



**Christine Manuel**  
Company Secretary

Christine is an experienced Company Secretary and corporate governance professional. A Chartered Secretary, with Fellow status, with practical experience of the public listed company environment and requirements (in an ASX20 company), financial services and mutual organisations.



**Simba Matute**  
Chief Financial Officer

Simba is an experienced Finance Executive with broad financial and commercial experience across a number of industries. With a Big 4 firm background (PwC), Simba has previously held a number of senior finance roles where he has developed teams and corporate structures.



# Disclaimer

## Not an Offer

This Company Update does not constitute or form part of any invitation, offer for sale or subscription or any solicitation for any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied upon in connection therewith or act as any inducement to enter into any contract or commitment with respect to securities.

## This Document

The information contained in this Company update is disclosed to you by Angel Seafood Holdings Ltd (the Company).

## No Disclosure Required

This Company Update is intended to provide potential buyers/investors/shareholders with background information only and does not purport to contain all the information that a potential buyer/investor/shareholder may require. This Company Update does not constitute a prospectus, short form prospectus or other disclosure document as defined in the Corporations Act 2001 (Cth) (“the Act”). This Company Update has not been lodged with the Australian Securities and Investments Commission (“ASIC”), the ASX, or any other government body.

## Foreign Jurisdictions

The distribution of this Company Update (including electronic copies) outside Australia may be restricted by law and persons who come into possession of this Company Update

outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No recipient of this Company Update outside the Commonwealth of Australia may treat this Company Update as constituting an invitation to them to purchase shares.

## No Responsibility for Contents of Document

To the maximum extent permitted by law, neither the Company nor any of its associates, directors, officers, employees, advisors or representatives make any representations or provide any warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this Company Update or any subsequent information provided to the recipient including but not limited to any financial projections, estimates or any other historical information. The information in this Company Update relates to the business of the Company at the date of this document only.

## Financial projections, and forward looking statements

This Company Update may contain future financial projections and forward looking statements. Such projections and statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from forecast results, performance or achievements expressed or implied by such forward looking

statements. Such forward looking statements are also necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. Accordingly, there can be no assurance that such statements, estimates or projections will be realised.

The Company disclaims any intent or obligation to publicly update any forward looking statements, whether as a result of new information, future events or results or otherwise. All forward looking statements contained in the Company Update are qualified by the foregoing cautionary statements. Recipients are cautioned that forward looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein.

## Confidentiality

This Company Update is based on information provided to the ASX by way of Company announcements. However, it is a condition

of the issue of this Company Update that it is to be kept confidential and will not be reproduced, copied or circulated, in whole or in part, to any third party without the express written consent of the Company.

## No Advice or Reliance

This Company Update is provided for general information purposes only.

Nothing in this document constitutes investment, legal, tax, accounting or other advice. The recipient should consider its own financial situation, objectives and needs and conduct its own independent investigation and assessment of the contents of this financial model, including obtaining investment, legal, tax, accounting and other such other advice as it considers necessary or appropriate.



For further information  
please contact:  
Angel Seafood Holdings Ltd  
[eric.kuret@Marketeye.com.au](mailto:eric.kuret@Marketeye.com.au)



ANGEL  
SEAFOOD

ACN 615 035 366