



20 November 2019

2019 AGM: Chairman's Address and CEO Presentation

Good morning ladies and gentlemen. On behalf of the Board and management, I would like to welcome you to Angel Seafood Holdings Limited's Annual General Meeting. My name is Tim Goldsmith, and I am the Independent Non-Executive Chairman of Angel Seafood and will Chair this meeting on behalf of the Company.

As it is now 10:30am and we have a quorum present, I have the pleasure in declaring the Annual General Meeting of Angel Seafood, open. Thank you all for your attendance this morning.

I would like to commence by introducing my fellow Directors:

- **Zac Halman** – who is the Founder of Angel Seafood and has been the Chief Executive Officer since September 2016
- **Michael Porter** – who is a Non-Executive Director and has been a director since December 2016
- **Ashley Roff** – who has been a Non-Executive Director since February 2018 and is also the chair of the Audit & Risk Committee.

Also present today are:

- **Christine Manuel** – who is the Company Secretary; and
- **Simba Matute** – our CFO, who commenced with Angel in February this year
- **Matt King**, Audit Partner from William Buck, who is present by telephone

Before handing over to Zac to run through his presentation about the business, I would like to make some brief comments as Chairman.

As you may know, this time last year created some challenges in the oyster industry, with the knock-on effect of POMS in Tasmania creating shortages in the supply of spat. During this time, Angel continued to invest in the business and pursue spat supply. I am pleased to say that the industry is now through this challenging period, and Angel has benefited over the financial year from its investment program and having high-quality oysters ready to sell.

Angel has grown across all metrics over the year. It has acquired additional high-quality water to increase the Company's water holdings and production capacity, and substantially grew revenue, earnings, and cash flows. Angel's brand and reputation as Australia's and the Southern Hemisphere's

largest sustainable and organically certified pacific oyster producer has meant that there has been continued strong demand for Angel's oysters.

Another key highlight, over the year Angel commissioned an AQIS accredited export facility which saw the first live oysters successfully exported to Hong Kong. This was a real milestone, as the export market represents a key part of Angel's long-term growth strategy the Company continues to grow its production.

Finally, I would like to take this opportunity to thank Zac, and his dedicated team, for their hard work over the year, and congratulate them for delivering on the Company's goals. Importantly, they have built a solid foundation for further sustainable growth into FY20 and beyond.

Thank you for your attention. I will now hand over to Zac, who will run through his presentation. I will return following Zac's presentation to run through the formal part of the meeting.

Angel Seafood Holdings Ltd



Annual General Meeting
20 November 2019



Chairman's Address

Tim Goldsmith

CEO Presentation

Zac Halman



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Who is Angel Seafood

- See corporate video at: <https://angelseafood.com.au/investors>
 - Within “Investor information” section

FY19 was a year of significant progress

5.3m

Oysters sold
179% increase

50%

reduction in
mortality

2.5x

stock on hand

**First
export
sales**

Positive

operating
cash flow¹

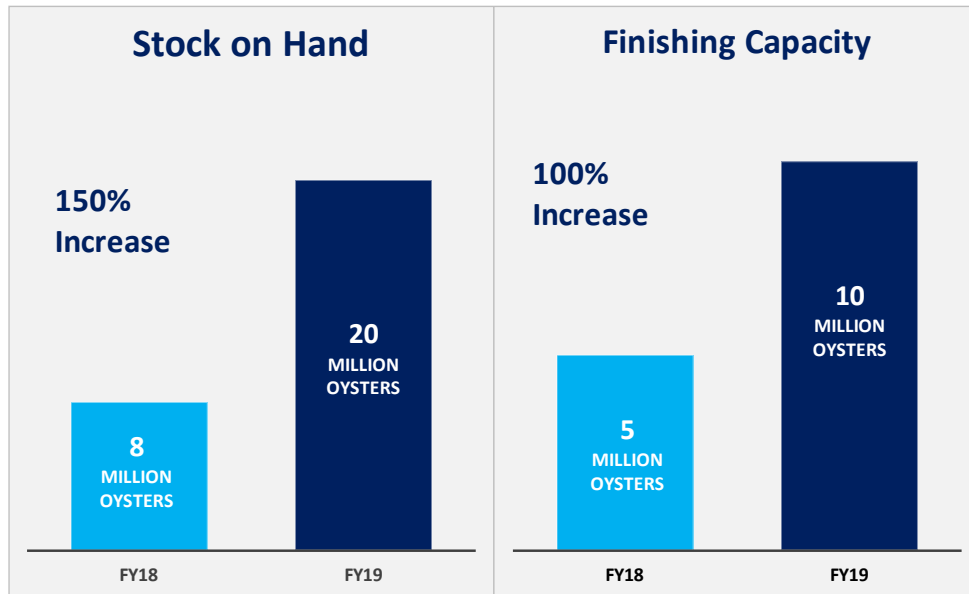
**Maiden
profit**

1. Adjusted operating cash flows

FY19 Operational Highlights

Building economies of scale

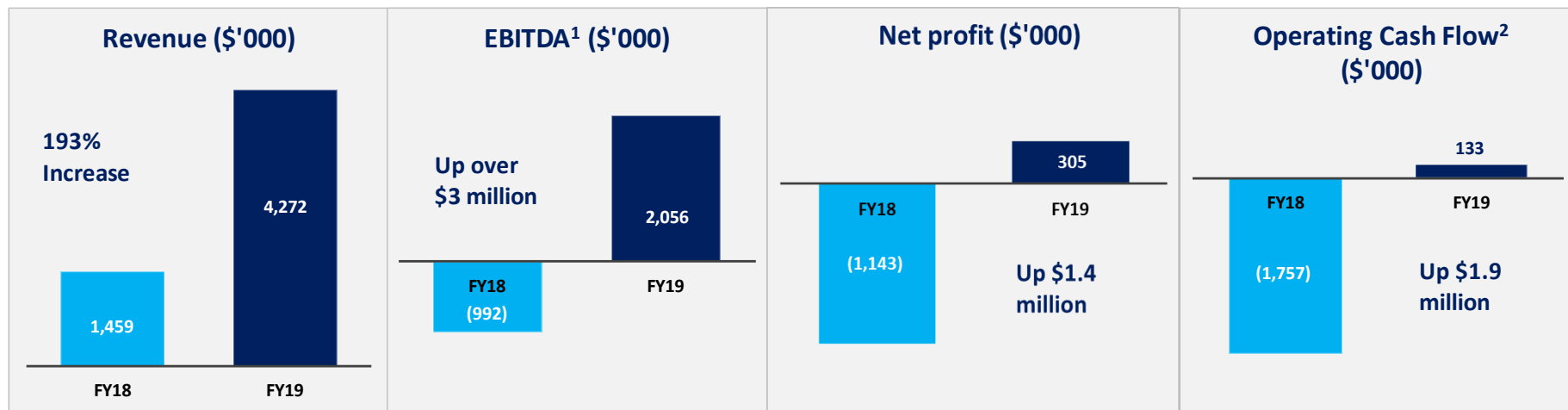
- **Significant capital expenditure program executed**
 - Purpose-built export facility commissioned
 - Additional 16.5Ha¹ acquired
 - Investment in supporting infrastructure
- **Finishing capacity and stock on hand has grown significantly**
 - Spat purchases brought forward to take advantage of good growing conditions
- **Export sales to Hong Kong commenced in Q4**
- **Strengthened management team**



1. Includes additional 1.5Ha purchase finalised after balance date in Coffin Bay

FY19 Financial Highlights

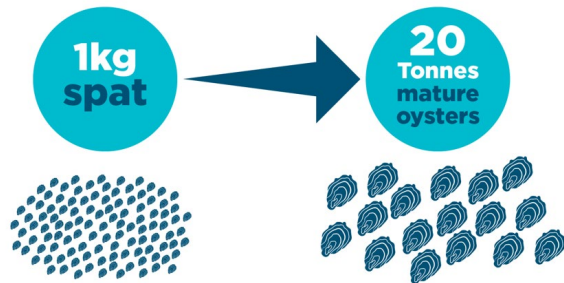
Substantial growth achieved across all metrics



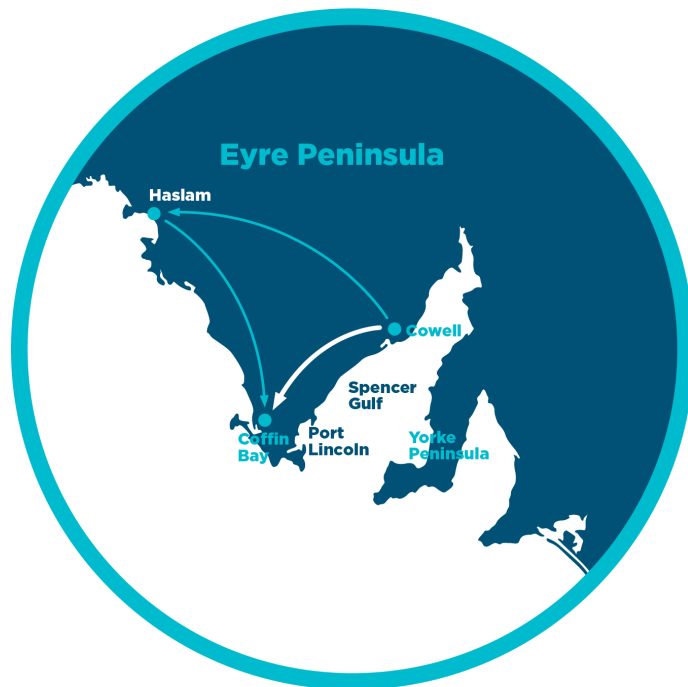
1. Underlying post-SGARA EBITDA
2. Adjusted operating cash flows

Multi-Bay Strategy

Location: Cowell	Location: Coffin Bay	Location: Haslam
Nursery & grow-out ground for spat and juvenile oysters	Maturing ground for finishing oysters	Warehousing for excess stock
Area: 15Ha	Area: 12Ha	Area: 7Ha
Holding Volume: 20 million spat and growing oysters	Holding volume: 2.5 million mature oysters	Holding volume: ~1-2 million oysters
12-18 month cycle	10-12 week cycle	As required



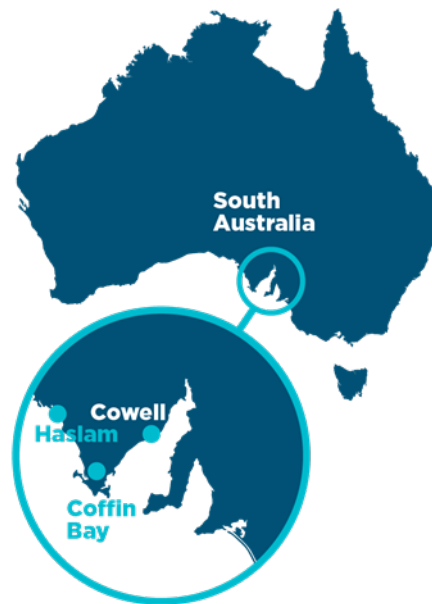
Angel Seafood's multi-bay strategy provides significant competitive advantages in optimising growth and conditioning, fast tracking production to maximise asset utilisation and revenue.



Substantial growth in our footprint

Water holding grew by 16.5Ha over FY19

- **A number of high-quality water lease purchases over FY19**
 - › 6.5Ha acquired in Coffin Bay, increasing finishing capacity to 10 million oysters per annum¹
 - › 10Ha acquired in Cowell, increasing holding capacity to over 20 million oysters
 - › Leases have been negotiated with attractive payback periods and minimise initial cash commitment
- **Cowell and Coffin Bay leases fully stocked with healthy oysters**
 - › Haslam leases will be used to warehouse excess stock
- **Continuing to assess opportunities for additional high-quality finishing water**
- **Post balance-date sale of Smoky Bay assets to-optimise capital allocation**

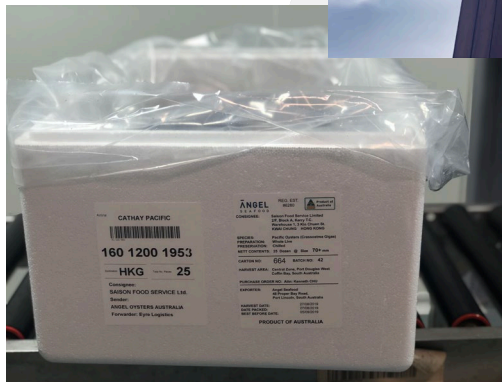


1. Includes 1.5Ha purchase finalised post-balance date

Growing exports in FY20

Angel oysters well received by export customers

- **Export sales continuing to grow in FY20**
 - › Very positive feedback received from Hong Kong customers
 - › Expectation is that exports will continue into the Hong Kong market and expand into other markets in FY20
- **Farm gate prices for early exports have been at a modest premium to domestic prices**
 - › Reflects focus on building sustainable long-term relationships with export customers
- **Asia continues to represent a large opportunity given demand for premium and certified organic oyster**



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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
Australia	0.3
Ireland	0.2
Other	0.9

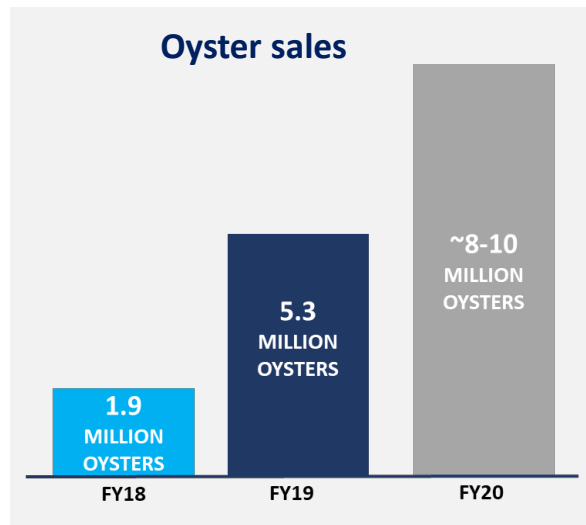
**Estimated value
of world's oyster
production is
approximately
US\$3.7 billion
per year**

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

Outlook

On track to meet full year guidance of 8-10 million oysters

- **Operations in Q2 progressing well**
 - › Water temperatures and food/nutrient levels trending back to normal levels in the bays after slower growth conditions experienced in Q1
 - › Stock levels remain healthy across our farms
 - › Prices are robust, underpinned by strong demand
- **On track to increase oyster production and sales in FY20**
 - › Guidance of 8-10 million oysters sold
 - › Increased revenue, EBITDA and operating cash flow
- **Increase finishing capacity in Coffin Bay**
 - › Productivity/utilisation improvements on existing leases
 - › Technology, research and development
- **Exports continuing to grow; accounting for 16% of Q1 sales**
- **Restructured bank facilities, adding further balance sheet flexibility and liquidity**



For further information
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