



ANNUAL GENERAL MEETING

25 May 2022 – Angel Seafood Holdings Ltd (ASX: AS1) (the “Company” or “Angel”) is pleased to provide a copy of the Chairman’s Address and CEO’s Presentation to the 2022 Annual General Meeting of the Company held on 25 May 2022.

This announcement was approved for release by the Board.

Further Information

Any questions or requests for further information should be directed via email to:

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About Angel Seafood Holdings Ltd

Angel Seafood is a producer of fresh, clean and consistently high-quality oysters that don't compromise the environment. Angel has grown from a family-operated South Australian business and has rapidly developed from a traditional oyster-growing business into a premium, innovative and organically certified producer of Coffin Bay Oysters. The Company primarily sells oysters to the domestic market; however, exports represent a substantial long-term growth opportunity.

Angel Seafood is the Southern Hemisphere’s largest sustainable and organic certified pacific oyster producer.

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, variations in spat supply, production estimates and growth and mortality rates from those assumed, as well as the impact of governmental regulation.

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.



25 May 2022

2022 AGM: Chairman's Address & CEO's Presentation

TIM GOLDSMITH, Chairman

On behalf of the Board, I am pleased to welcome you to the 2022 Annual General Meeting of Angel Seafood.

The 2021 year was another successful year for Angel, one in which we delivered record revenue of \$8.4 million and record annual oyster sales of 10 million. This achievement is even more impressive given challenging operating conditions towards the end of the year, with an industry-wide *Vibrio parahaemolyticus* virus outbreak leading to four-week bay closures, a halt on sales during the peak sales period, and subsequent recall costs.

Increased demand for our sustainably sourced oysters during the summer and easter peak sales periods from wholesale, commercial, retail, and restaurant channels saw high sales volumes continue into the 2022 year. April was a record month on all accounts with 1.6 million oysters sold, and revenue of \$1.3 million.

Our ability to achieve these results is directly attributable to our growth initiatives, which have increased production capacity and enabled us to retain a strong stock position throughout the year.

We continue to execute on our three-pillar growth strategy, and I am proud to update you on the substantial progress we have delivered towards our aim of doubling annual production to 20 million oysters and growing profitability.

To date, we have achieved:

- The rollout of 6Ha flip farms, which has increased production capacity to 15 million and is producing superior quality oysters
- First sales of Summer Oysters throughout 2022, extending Angel's selling season to a full 12 months
- Acquisition of 10Ha of undeveloped water in Haslam, giving Angel the optionality to propel our expansion beyond the 20 million oyster per annum production target.

Despite the significant achievements during FY21, the business has also faced some challenges which are important to recognise, and to acknowledge the resilience of the Company through the efforts of all our people; employees, management and the board.

The *Vibrio* outbreak in Coffin Bay came at a time when the company was well positioned for sales and unfortunately a reminder of the risks we face in aquaculture. The consequent suspension of sales and product recall resulted in lost sales and additional costs of \$540k; which combined had a cash flow impact in excess of \$1.5m. Decisions had to be made to delay certain growth initiatives

and to maintain the financial health of the Company. Angel has also had to extend facilities with the NAB in early 2022 by an additional \$1m.

The pandemic continued to impact the Company, with lockdowns and restrictions of various levels in key markets. Though restrictions were eased towards the end of the year, there remains a level of uncertainty as the economy emerges from the pandemic.

The company has not been immune to challenges in sourcing and securing labour being faced by the broader agricultural sector and the entire economy at large. The labour challenge has had a significant impact on operations, with reduced efficiencies and in some cases additional costs. I would like to acknowledge our people for their hard work to achieve the good results that positioned the company well.

I would also like to provide an update on the status of the Scheme Implementation Agreement with Laguna Bay. The scheme booklet, including an Independent Expert's report, is now registered with the Australian Securities and Investments Commission.

While the outcome is not what we were expecting when we first listed, it has been concluded by both the Independent Board Committee and The Independent Expert that the Scheme is in the best interests of Angel shareholders. We again encourage all shareholders to support the Scheme of Arrangement, subject to a superior offer arising. Details for the scheme meeting are available on our website or the ASX, and all shareholders were sent notification of the Scheme Meeting on 11 May 2022, with the scheme meeting to be held on 10 June 2022 at 3pm.

On behalf of the Board, I would like to thank Zac Halman and his team for their continued commitment and dedication to Angel, navigating the company through a difficult period for the industry. I would also like to thank our valuable shareholders for your ongoing support and loyalty. I would also like to thank Laguna Bay for its ongoing support. We look forward to their contribution to Angel's continued growth.

Thank you. I will now hand over to Zac for the CEO presentation.

ZAC HALMAN, CEO

[SLIDE 3 – CEO presentation]

Thank you Tim. Good afternoon everyone,

Thank you for taking the time to be with us today at Angel's 2022 Annual General Meeting.

[SLIDE 4 – Angel Seafood Background]

I would like to welcome all new Angel shareholders.

If you're not familiar, Slide 4 outlines a background on Angel Seafood.

Angel is South Australia's largest sustainable and organic certified pacific oyster producer.

We operate a multi-bay strategy out of Coffin Bay and the Eyre Peninsula in South Australia.

This allows us to harness our leading farming practices that maximise productivity and oyster quality while also respecting the environment we operate in.

As Tim alluded earlier, our results are driven by developments across our 3-pillar growth strategy that aims to improve our annual capacity to 20 million oysters which I will take you through later in the presentation.

[SLIDE 5 – What makes angel unique]

Turning to slide 5, a key differentiator is our ability to farm premium quality oysters sustainably through our innovative systems in some of world's most pristine oyster farming conditions.

Our two key areas of production – Coffin Bay and the Eyre Peninsula are internationally renowned for their nutrient rich waters.

From spat to plate we can trace every single oyster throughout their lifecycle ensuring the best possible quality for our consumers.

[SLIDE 6– What makes angel unique – multi-bay strategy]

Slide 6 takes it down a level, showing our multi-bay strategy that gives Angel the ability to optimise growth and conditioning of the oysters while fast-tracking production. This strategy allows us to utilise the unique features of each bay giving us flexibility in sales and distribution when needed.

Angel now holds 43ha of developed water across Coffin Bay, Haslam, and Cowell. We also have a further 31ha of water than can be developed as we work towards doubling production. This includes 12 Ha in Streaky Bay, near Haslam, which we recently acquired to provide us with further development options.

[SLIDE 7– Results]

Moving to slide 7.

Our multi-bay strategy and increased sales in the retail channel enabled Angel to record revenue of \$8.4m ending 31 December 2021. This was a 34% increase over the previous corresponding period, a good outcome while navigating difficult trading conditions.

We showed the versatility of our business selling 10.6m oysters during FY21, a record result up 26% on the previous year. The strong sales momentum has continued into this year with 43% of Q1 sales coming in March, a record month of sales for Angel.

Underlying EBITDA saw growth of 32% and with \$0.4m profit before tax.

As demand for Angel's oysters in the wholesale, commercial, retail, and restaurant channels continues, our growth initiatives will allow greater production to cater for the additional demand. We are seeing significant progress towards our goal of annual production to 20 million oysters with an increase in biomass to 405 tonnes, up 53% for last year.

[SLIDE 8 – FY21 Operational Achievements]

Slide 8 outlines our operation achievements for FY21.

During the year we developed 6Ha of flip farms enabling us to further scale operations to 15 million oysters annually. Alongside increased production, we improved oyster quality and farming efficiencies. Over the coming year, as we resolve some teething issues, we aim to integrate more FlipFarms into our operations, enabling Angel to produce higher quality oysters per unit.

To cater for increased consumer demand, we launched a direct-to-consumer subscription model, Halo Club. Our subscription service provides direct access to our organic oysters and has been well received despite freight and logistical challenges. We aim to continue to improve the program and thank all members for their ongoing support and feedback.

Biomass throughout FY21 showed healthy levels of growth, with 405 tonnes now on hand. The Company expects significant biomass growth to continue through 2022, providing a good supply of oysters to cater for increasing demand from restaurants, wholesale, commercial and retail channels

[SLIDE 9 – Progressing 3-Pillar Growth Strategy]

Turning to slide 9, as previously mentioned, we are executing on our 3-Pillar growth strategy, targeting 20 million oysters annually to increase profitability.

The first is focused on increasing scale through acquisition of water leases. We also hold 31Ha of undeveloped leases across the bays.

The second pillar about increasing productivity and profitability through innovative farming techniques has seen some fantastic results. Our summer oysters have allowed us to extend our sales period from 10 to 12 months while increasing sales. We also remain focused on expanding FlipFarms across our bays to enhance productivity.

Finally, our third pillar is focused on developing the Angel brand and aligning ourselves as a price setter in the market. As I alluded to earlier, the Halo Club leverages our credentials as a premium producer which we will continue to develop.

[SLIDE 10 – Outlook]

To the outlook on slide 10.

Angel has started the year in a terrific position. We have extended our selling season to a full calendar year which has in turn allowed us to stay in market longer by capturing additional demand. The first sales of summer oysters yielded some great results – responsible for 20% of sales in March. We saw increased sales during peak sales periods such as Christmas and Easter. We sold an all-time record of 1.6m oysters in the month of April with strong stock levels projected for the rest of the year.

I am excited about the year ahead and confident we will continue to deliver growth in FY22. We have exciting initiatives in place that will see Angel move towards its target of doubling production and improving profitability.

[SLIDE 11 – Scheme Implementation Agreement]

Finally on slide 11.

As Tim mentioned earlier, we have entered into a scheme implementation agreement with Laguna Bay.

It has been determined by both the Independent Board Committee and the Independent Expert that the Scheme is in the best interests of Angel Shareholders. The meeting will be held on Friday, 10 June at 3:00pm. Details for the scheme meeting are available on the website.

Thank you for all your support, our shareholders, and I look forward to updating you on our progress.

I will now hand back to Tim who will take you through the formal part of the meeting.

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