



29 October 2024

## **Annual General Meeting – Chairman’s Address**

Good morning ladies and gentlemen. I am Geoff Newman, Chairman of Atlas Pearls Ltd (ASX:ATP) (“Atlas Pearls” or “the Company”). The time for the commencement of the meeting has passed and a quorum is now present. I therefore call the meeting to order and declare the 2024 Annual General Meeting for Atlas Pearls open for business.

In accordance with the Constitution of the Company, as Chairman of the Board of Directors, I will chair this meeting. I welcome you all and thank you for attending.

2023-24 was another strong year for the Company with sales up by 53% to \$41.7 million, normalised EBITDA up 131% to \$22.6 million and a closing cash balance of \$17.6 million.

That financial result enabled us to pay interim and final special dividends of 1.5 and 1.0 cents/share respectively from 2023/24 earnings.

I am pleased to announce that in view of the sustained improvement in performance, the Board has adopted the following policy for guiding the payment of dividends in future years:

**The Board of Atlas Pearls targets a dividend pay-out ratio of 50% of normalised net profit after tax. Dividends will be paid in arrears for the six months periods ended 31 December (interim Dividend) and 30 June (final Dividend).**

**The pay-out ratio will be regularly reviewed by the Board to recognise:**

- 1. Future growth, sustaining and diversification capital requirements.**
- 2. Market trends which impact on demand for products.**
- 3. Seasonal fluctuations in working capital requirements linked to timing of harvests and planned sales events.**

**Atlas Pearls will seek to maximise the extent to which dividends are franked but the actual level will be determined by arrangements agreed from time to time between the Company and the Australian and Indonesian governments relating to tax sharing.**

**Where there is financial capacity in excess of the target pay-out ratio, special dividends will be paid.**

As well as achieving an outstanding financial result in 2023/24, real progress was made on a number of fronts essential to achieving our long-term growth strategy including:

- Renewing customer interfaces post COVID and re-launching our retail showrooms at three of our farm locations.
- Strengthening HR support services and upgrading safety systems and processes.
- Completing the breeding matrix to maximise diversity in breeding stock.
- Rolling out the data capture project allowing live monitoring of each remote location's key production metrics.
- Documenting the Company's ESG / Sustainability and Community Engagement programmes and developing a roadmap for the future.
- Progressing the construction of a new operations vessel.
- Installing the first grow-out lines at the new Sumba farm site.
- Making an appointment to a new position of Chief Innovation Officer to explore options for revenue diversification aligned to the Company's expertise.

We have this morning lodged an announcement with the ASX signalling my intention to retire from the Board effective 31<sup>st</sup> December 2024. In this, my last AGM with Atlas Pearls, I want to thank my fellow directors for their commitment to the Company, the quality of their contribution to the strategic direction of Atlas Pearls and their unwavering support for me during my term as Chair and especially as Executive Chair through the COVID years. There were some courageous decisions taken at that time around our distribution strategy and the changes made then have contributed in no small part to our success today.

I want to acknowledge the contribution of Michael Ricci, CEO, and the executive team in turning the business around and of all our loyal employees and the key shareholders who stuck with us through some of the most difficult years the Company ever faced. I also want to recognise specifically those Atlas Pearls employees who work in remote locations, often in places with little in the way of support services, who work tirelessly for the benefit of the Company and also contribute selflessly to uplift the conditions of the members of the communities in which we operate.

In all of my 13 years with Atlas Pearls, the last few have undoubtedly been the most satisfying with the strength of our financial performance enabling us to properly reward all of our stakeholders.

We look forward to continuing to do this through FY2025 and well into the future.

We will now move to the formal proceedings of the meeting.

-END-

This ASX announcement was approved for release by the Chairman of Atlas Pearls Ltd.

**Investor & Media Queries:**

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