



East 33 Limited

ASX ANNOUNCEMENT

For immediate release

24 November 2023

East 33 Limited (ASX: E33)

AGM Chair Address

East 33 Limited (ASX: **E33**) ("**East 33**" or "**Company**") is pleased to release the Chair address to be made at the Annual General Meeting (**AGM**) to be held at 10:00am (AEDT) today.

Chair Address:

It is with great pleasure that I deliver my first report as Chair of E33.

The 2023 financial year has been an incredible journey for our company, and a year of transition, consolidation and preparation for the future.

The financial year commenced with East 33 still recovering from the significant oyster mortality that occurred in FY2022. The unanticipated flooding and QX incursion placed significant pressure on the earning capability and cash reserves of the company, and so it was very pleasing to see in October 2022 East 33 completing an entitlement offer raising approximately \$8m.

Importantly, this capital raise saw the introduction of Yumbah Aquaculture and associated entities (**Yumbah**) to our Register as a cornerstone investor. Yumbah is Australia's leading shellfish aquaculture company, with operations in Tasmania, Victoria and South Australia, farming abalone, oysters and mussels for both the domestic and international consumer markets.

East 33 then underwent a process of governance and leadership renewal, welcoming two Yumbah nominee non-executive directors to our board (Gary Higgins and Ben Cameron) along with independent director Mike Ryan and myself as independent chair. The appointment of Veronica Papacosta more recently has rounded the board renewal, bringing with her knowledge across consumer trends, innovation, management and seafood retailing. We also now have a majority independent board.

At an operational level, the second half of the financial year was characterised by the executive team working to streamline operations, identify efficiencies, improve our safety culture and, importantly, rebuild biological assets.

It is this rebuilding of biological assets that remains a key focus for East 33, which Justin will talk further to during his presentation. Sydney Rock Oysters (SRO) have an average growth cycle of 3 years, and so the work undertaken last financial year will help underpin our future earnings capability.

To achieve our objective of better quality and more consistent oyster supply we have invested resources and funding into our hatchery to support increased capability. We expect that these investments will start to benefit East 33 in the coming year with more consistent spat supply within strategic seasonal windows, to support growth. With the 3-year average growth cycle for a Sydney Rock Oyster it is these investments that will underpin our earnings in the medium term.

The distribution division has continued to generate strong revenue, albeit in the uncertain post-covid and increasing interest rate environment for many of our customers. Differences in customers spend and preferences are being closely monitored and our sales team has been focused expanding our higher value clients. As we look to the future there will be a greater focus regarding margin expansion, and Justin will speak to these opportunities in his presentation.

Aquaculture is a challenging industry, highlighted by the recent unexpected closure of Wallis Lake. While the team has responded very well to deploy operational solutions it has clearly had impacts on our cash reserves. The learnings from this

experience are being integrated across the organisation, from better working capital management to more nimble farming management practices and better utilisation of knowledge transfer across our vertically integrated supply chains.

It has been this challenge, and the preceding experiences with QX and flooding, that have demonstrated the resilience, tenacity and determination of our workforce. I'm very proud of some of the exceptional young and young-at-heart leaders we have here at East 33.

It is with great pleasure that I now introduce our new CEO Dr Justin Welsh. Justin joins us with exceptional credentials, bringing the intellectual rigour of a scientific research background coupled with senior leadership experience in several areas of aquaculture, including oyster farming. It has been less than six weeks since Justin joined us, however the changes he is already implementing have demonstrated to the board the exciting opportunities ahead for East 33.

Thank you.

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This Announcement is authorised for release by the Directors of East 33 Limited.

[Announcement Ends](#)

[For further information, please contact:](#)

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