

ATLAS

PEARLS

AGM Presentation

24 October 2022

ASX : ATP



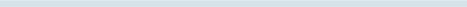


IMPORTANT INFORMATION

PRESENTATION BY ATLAS PEARLS

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The information in this presentation has been sourced from the Company’s Annual Report released to ASX on 31 August 2022 and internal pearl farming, sales and customer data.





ABOUT THE COMPANY

Over the past 29 years, Atlas Pearls has become one of the world’s largest producers and distributors of the highly sought-after, white & silver South Sea pearls. Operating across 7 farming locations throughout Indonesia the Company employs more than 1,000 people & in 2022 harvested more than 629,000 pearls.

OUR MISSION

To produce the world’s best South Sea Pearls in a way that is sustainable, respectful, and caring of our environment, our people, our communities, and our shareholders.

7

FARMING OPERATIONS

1,000+

EMPLOYEES

629,000+

PEARLS HARVESTED

3,009,778

JUVENILE, MATURE
& NUCLEATED OYSTERS

ATLAS PEARLS - BOARD



Mr. Geoff Newman

CHAIRMAN

B. Ec. (Hons), M.B.A, F.C.P.A ,F.A.I.C.D.

Commencing as Director for Atlas Pearls in 2010 Geoff became Chairman in 2015 and occupied the position of Executive Chairman in September 2019 – July 2022. Geoff has more than 11 years experience in the pearling industry.



Mr. Cadell Buss

INDEPENDENT NON-EXECUTIVE

DIRECTOR

M.B.A, M.P.M, G.A.I.C.D.

Appointed as a Director of Atlas Pearls in 2018, Cadell has more than 4 years pearl industry experience.



Mr. Tim Martin

NON-EXECUTIVE DIRECTOR

B.A., M.B.A, G.A.I.C.D.

Appointed as Director of Atlas Pearls in 2013, Tim has more than 9 years experience in the pearling industry.

KEY OPERATIONAL LOCATIONS



OPERATIONAL ACHIEVEMENTS

UNSEEDED OYSTERS

▲ 3.4%

THE NUMBER OF JUVENILE & MATURE OYSTERS INCREASED FROM 1,645,465 IN FY 2021 TO 1,699,344 IN FY 2022

SEEDED

1,310,434

THE NUMBER OF NUCLEATED OYSTERS REMAINED RELATIVELY STABLE WITH 1,333,045 IN FY 2021 TO 1,310,434 IN FY 2022

HARVESTED

▲ 11.9%

THE NUMBER OF PEARLS HARVESTED INCREASED FROM 562,872 IN FY 2021 TO 629,726 IN FY 2022

OPERATIONAL ACHIEVEMENTS

SEEDING

800-850k

THE COMPANY MAINTAINS
A SEEDING TARGET OF
800,000 – 850,000 PER ANNUM

DIVERSIFIED LOCATIONS

2 + 5

ATLAS PEARLS OPERATES 2 HATCHERIES
AND 5 GROW OUT FARMS LOCATED
ACROSS SOME OF THE MOST REMOTE &
PRISTINE SOUTH SEAS.

HATCHERY REFORMS

HATCHERIES ARE FOCUSED ON
FOOD AVAILABILITY FOR SPAT
(BABY OYSTERS),
ANTIBIOTICS IN THE EARLY STAGES
OF LIFE AND GENETICS.

SALES & MARKETING

Loose pearl sales continued to focus on :

- Maintaining customer retention
- New customer acquisition
- Geographical diversification
- Generating competitive tension
- Leveraging non-traditional distribution channels

CUSTOMER GROWTH

▲ 26%

THE NUMBER OF ACTIVE CUSTOMERS
HAS INCREASED FROM 140 IN FY 2021
TO 176 IN FY 2022.

CUSTOMER DIVERSIFICATION

Customer diversification included :

- Expanding sales beyond traditional geographical markets.
In FY 2022 sales increased to 23 different countries, an increase of 53% from 15 countries in FY 2021.
- Distribution of sales across more companies.
Today only 53% of the majority of our revenue is derived from 10 customers compared to up to 80% in the past.

GEOGRAPHICAL GROWTH

▲ 53%

SALES IN FY 2022 WERE TO 23 DIFFERENT COUNTRIES, A 53% INCREASE FROM 15 COUNTRIES IN FY 2021.

MARKET

- Reaching beyond our traditional markets and customer base has allowed us to showcase our pearls to new buyers and increase competition which has led to increased prices over the year.
- Consistent grading and brand reputation has given customers trust in purchasing online
- Re-opening borders are allowing sales channels to become more integrated.

FINANCIAL HIGHLIGHTS

FY 2021
<div>\$6.7m*</div> <div>PROFIT AFTER INCOME TAX</div>
<div>\$18.3m</div> <div>REVENUE</div>
<div>\$3.8m</div> <div>NET CASHFLOW FROM OPERATIONS</div>
<div>\$5.6m</div> <div>NORMALISED EBITDA</div>

FY 2022
<div>\$4.6m*</div> <div>PROFIT AFTER INCOME TAX</div>
<div>\$21.5m</div> <div>REVENUE</div>
<div>\$5.0m</div> <div>NET CASHFLOW FROM OPERATIONS</div>
<div>\$4.3m</div> <div>NORMALISED EBITDA</div>

*Includes an accounting adjustment in relation to the oysters of \$4.0m that relates to the valuation of oysters in the water.

*Includes an accounting adjustment in relation to the oysters of \$2.3m that relates to the valuation of oysters in the water.

FINANCIAL ACHIEVEMENTS

FY 2022 REVENUE

\$21.5m

SALES REACHED MORE THAN
\$20M FOR THE FIRST TIME.

DEBT REPAYMENT

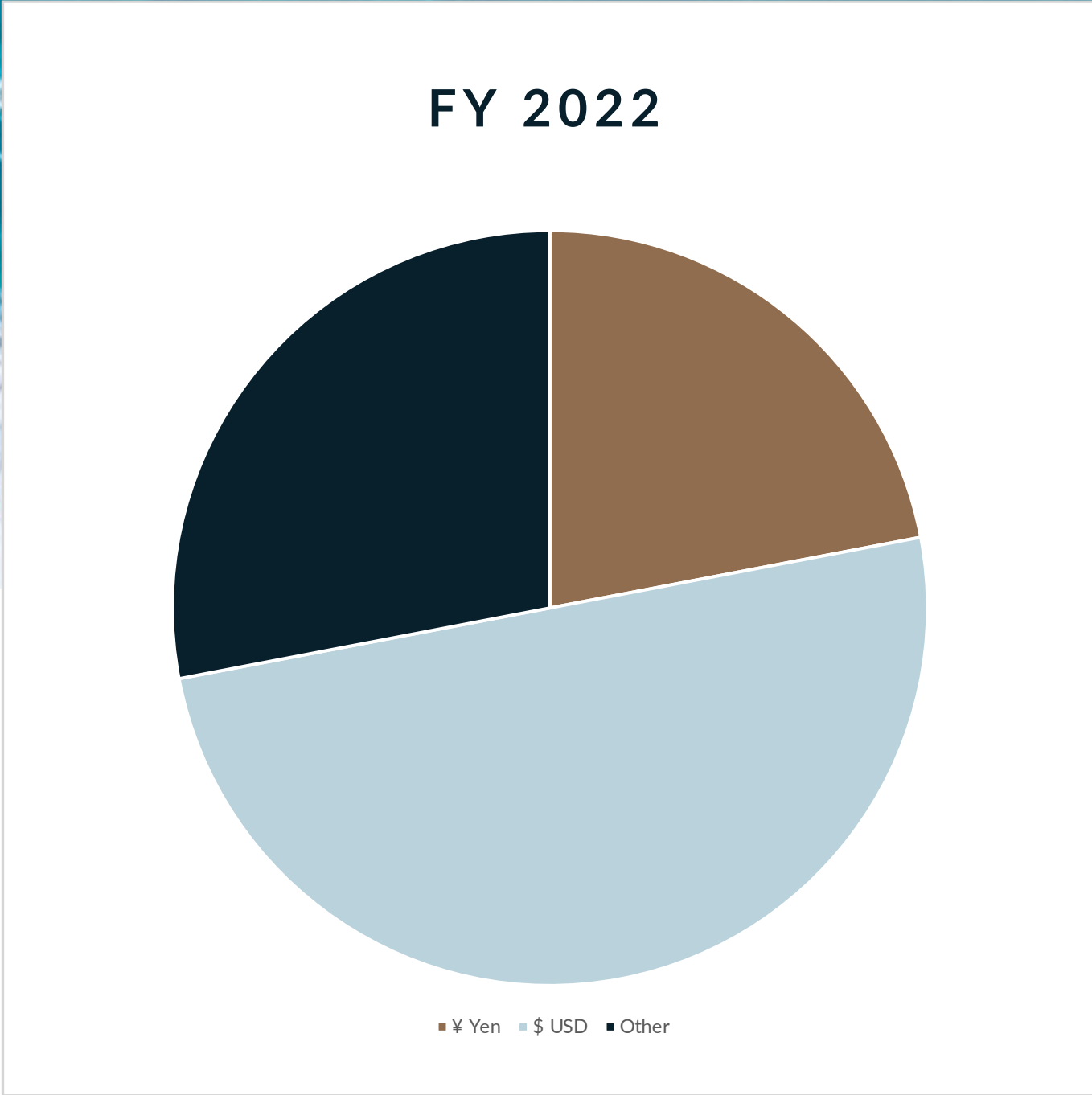
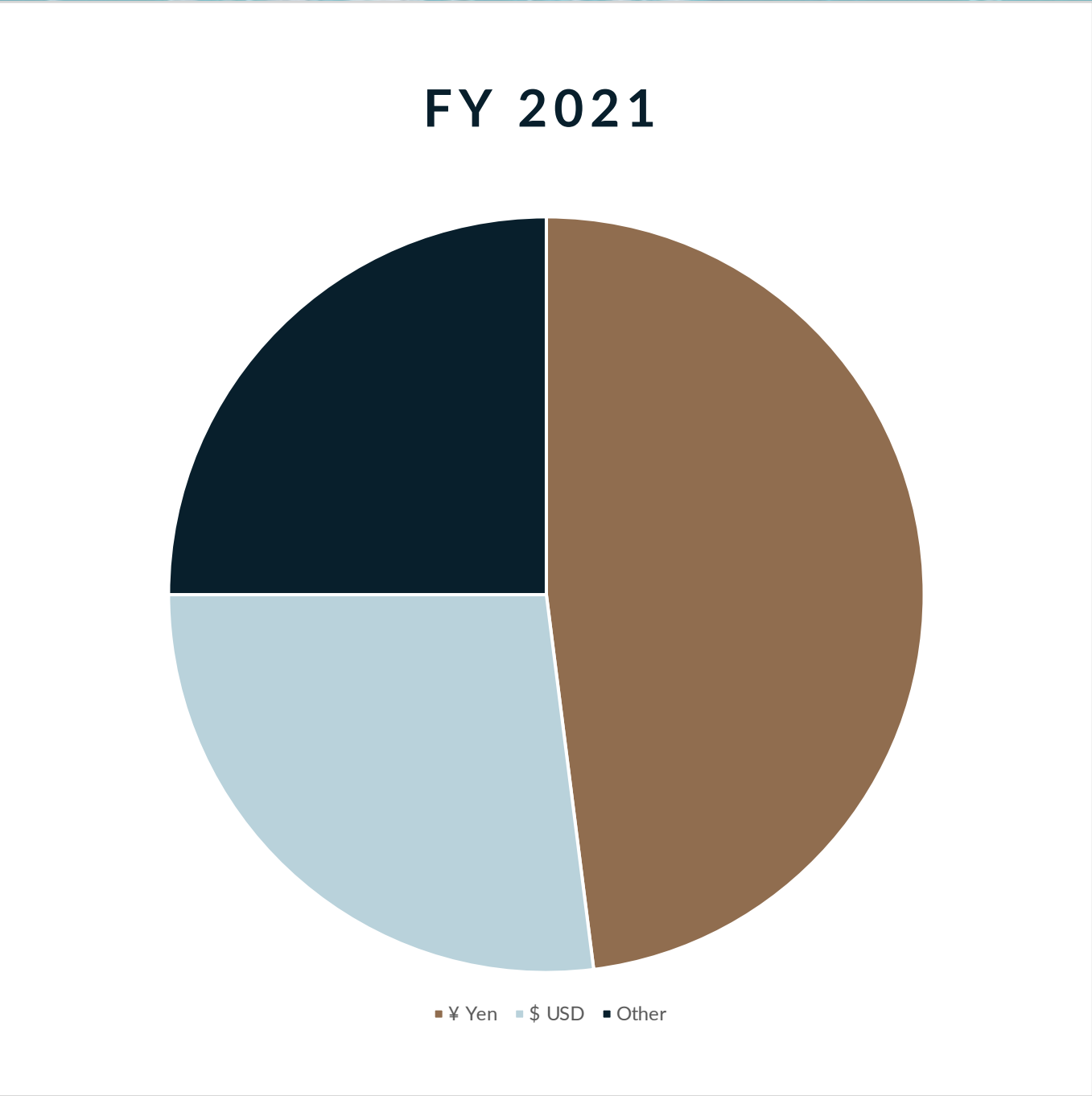
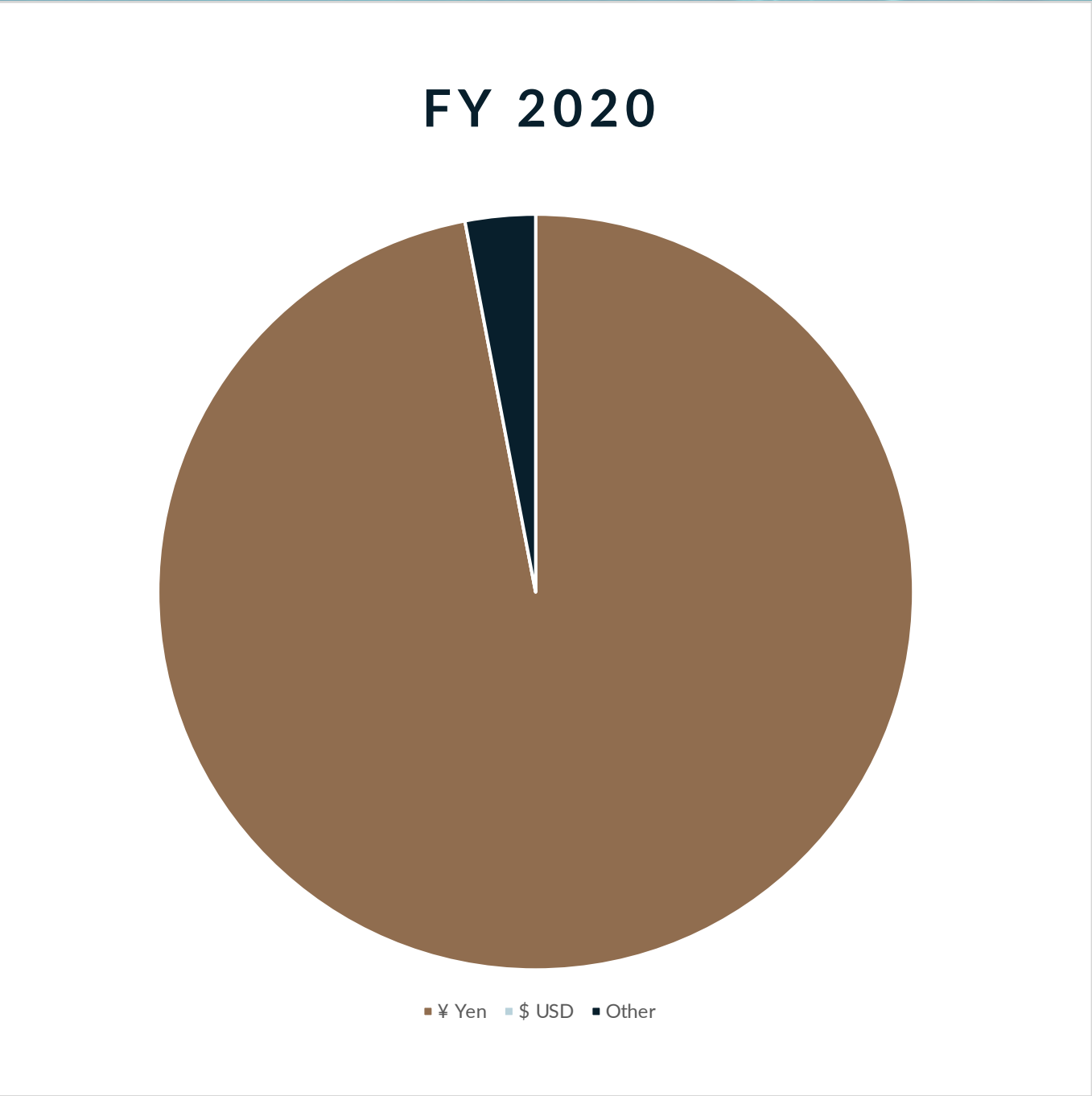
\$2.875 M WAS REPAID DURING FY 2022,
WITH THE FINAL LOAN REPAYMENT
MADE ON 30TH SEPTEMBER 2022.
THIS FINAL PAYMENT CLOSED OUT
THE \$4.5M BONEYARD FACILITY.

SHARE PRICE

▲ 240%

SHAREPRICE UP 240% FROM
1.5 CENTS JUNE 2021 TO 3.6
CENTS JUNE 2022

CURRENCY DIVERSIFICATION



During the financial year the revenue make-up continued to change:





THANK YOU

Atlas peals would like to thank the company's loyal and dedicated shareholders, employees, customers and stakeholders for their continued support and commitment during the year. We remain focused on the production and distribution of the highest quality, safely and sustainably produced, luxurious pearls in the world.