

Angel Seafood Holdings Ltd



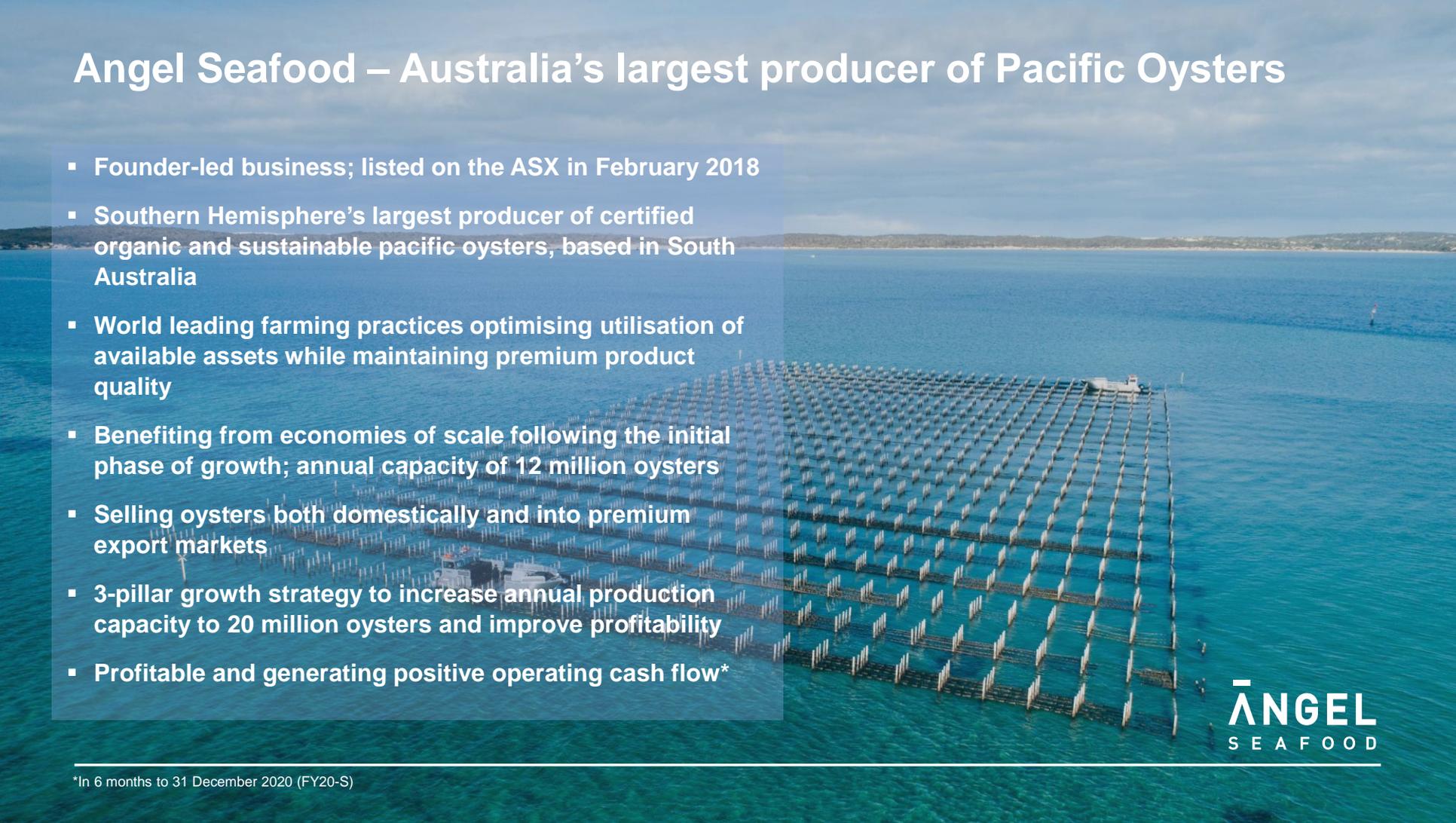
Investor Presentation

March 2021



Angel Seafood – Australia’s largest producer of Pacific Oysters

- Founder-led business; listed on the ASX in February 2018
- Southern Hemisphere’s largest producer of certified organic and sustainable pacific oysters, based in South Australia
- World leading farming practices optimising utilisation of available assets while maintaining premium product quality
- Benefiting from economies of scale following the initial phase of growth; annual capacity of 12 million oysters
- Selling oysters both domestically and into premium export markets
- 3-pillar growth strategy to increase annual production capacity to 20 million oysters and improve profitability
- Profitable and generating positive operating cash flow*



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What makes Angel unique

Premium oyster production without compromising the environment

- **Angel is one of only two sustainable and organic oyster growers in the world**
 - › Growing customer preference for organic and sustainably sourced food
 - › Organic oysters are 100% traced from spat throughout their life cycle
 - › Angel oysters are produced with ecologically sound, innovative and industry leading farming practices
- **Globally recognised ‘Coffin Bay’ and Eyre Peninsula provenance**
 - › Grown in the nutrient rich cold water from the Antarctica
 - › Clean and undisturbed Eyre Peninsula – Australia’s seafood frontier
 - › Australian seafood highly regarded in Asia and around the world
- **High barriers to entry with very limited high-quality water available in Coffin Bay**
 - › Angel currently operates 14Ha of the highly productive water in Coffin Bay
 - › No “new water” being made available

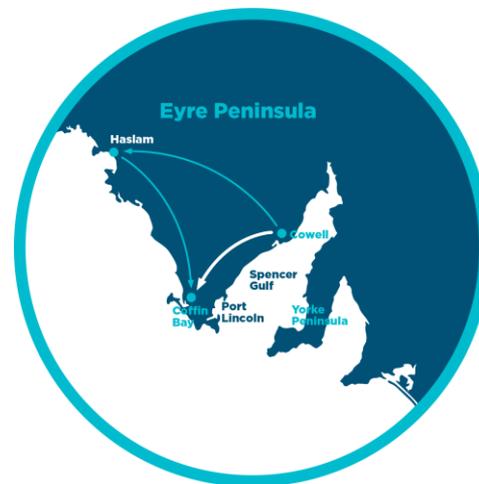


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What makes Angel unique

Industry leading multi-bay strategy and innovation

- **Multi-bay strategy underpinned by unique intellectual property provides significant competitive advantages**
 - › Each bay location has unique growth characteristics (water flow rates, nutrition, rainfall history, water temperature)
 - › IP in harnessing the attributes of each bay to produce a premium product with a unique taste without compromising the environment
- **Economies of scale derived from a substantial investment program**
 - › Holding capacity of over 20 million oysters, finishing capacity increased to 12 million per year
 - › Angel's scale presents unique opportunities to extend into new markets (retail, export, health and nutrition)
 - › Angel continues to improve productivity and reduce cost of production through continuous improvement and innovation, paired with governance and discipline
- **Multi-bay strategy achieves geographic diversification**
 - › Capacity to move stock within bays as need arises (disease risk mitigation)
 - › Enables greater flexibility in sales and distribution, as witnessed during the COVID-19 pandemic



Location: Cowell	Location: Haslam	Location: Coffin Bay
Nursery & grow-out ground for spat and juvenile oysters	Grow-out extension and warehousing	Maturing ground for finishing oysters
Area ¹ : 15Ha	Area ¹ : 9Ha	Area ¹ : 14Ha
Holding Volume: 20 million spat and growing oysters	Holding volume: ~2-5 million oysters	Holding volume: 3 million mature oysters
12-18 month cycle	As required	10-12 week cycle

¹ Developed/deployed water leases only. Angel holds a total of 61Ha across the bays.

**Success of the multi-bay strategy
underpins record sales**

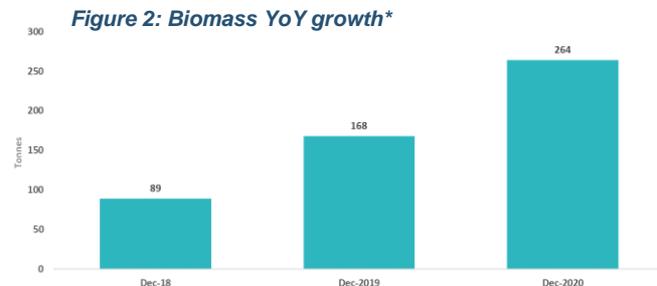
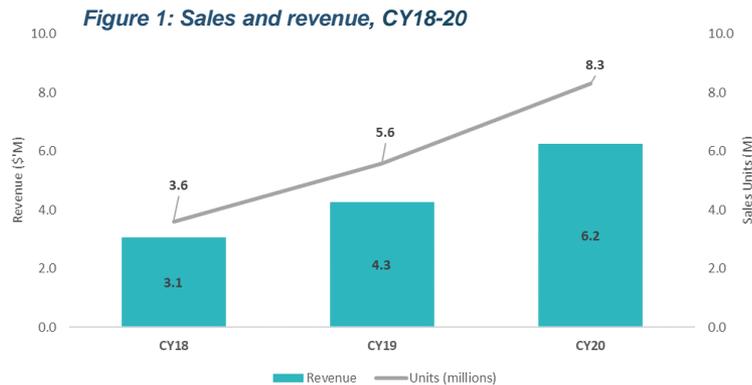
'Retail sales program gaining traction'



Strong track record of continued growth YoY

Growing stock profile to cater for growing demand

- **Scale benefits showing through in terms of sales growth and growth in biomass on hand**
 - › Decreasing average cost per unit, increasing profitability
 - › Production capacity currently 12 million per annum
- **Continued growth in CY20 despite challenging trading environment**
 - › demonstrates the underlying quality and strength of the business
 - › Pivot to retail during the COVID-19 pandemic
- **Focused on investing in stock pipeline to cater for future growth**
- **3-pillar growth strategy to increase capacity to 20 million per annum**
 - › Growth to cater for growing demand and export opportunities



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*Biomass is the aggregate weight of all biological stock. It does not directly relate to valuation and may vary due to seasonal factors

Strong retail momentum continues

Retail market now a key feature of Angel's growth strategy

- **Strengthening relationships with large retailers**
 - Angel's oysters featured in the Costco's Christmas catalogue and Drakes weekly catalogue
- **Growing recognition that Angel can guarantee continuous supply of good quality stock to retailers**
- **Mainly bistro size oysters sold through retailers which complements demand for larger size oysters by restaurant channel and export markets**
- **Significant opportunity to further increase penetration within retailers**
 - Currently less than 20% of major retail stores sell oysters
 - Opportunities exist to provide 'Angel' branded oysters into major supermarket chains



Costco Christmas catalogue

Drakes weekly catalogue

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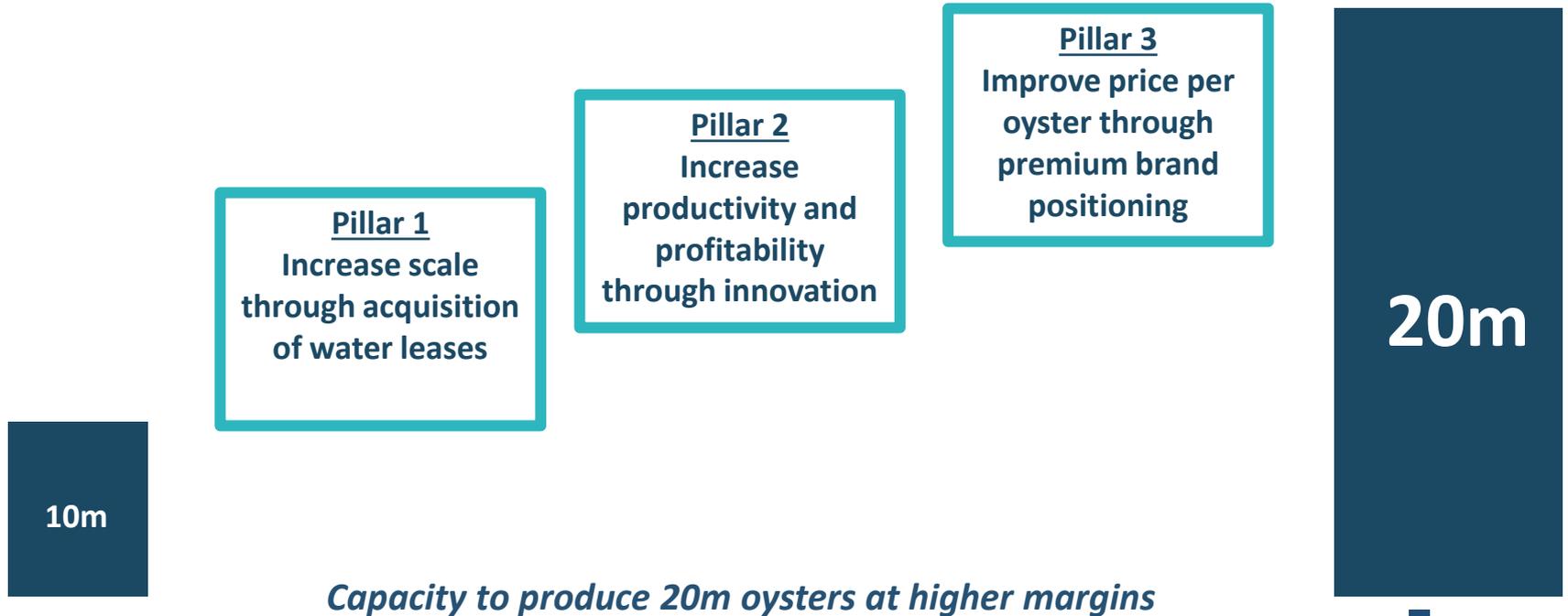
**Next phase of growth for
Angel Seafood**

'Demand for oysters outstrips supply'



3-pillar strategy to double production capacity & improve profitability

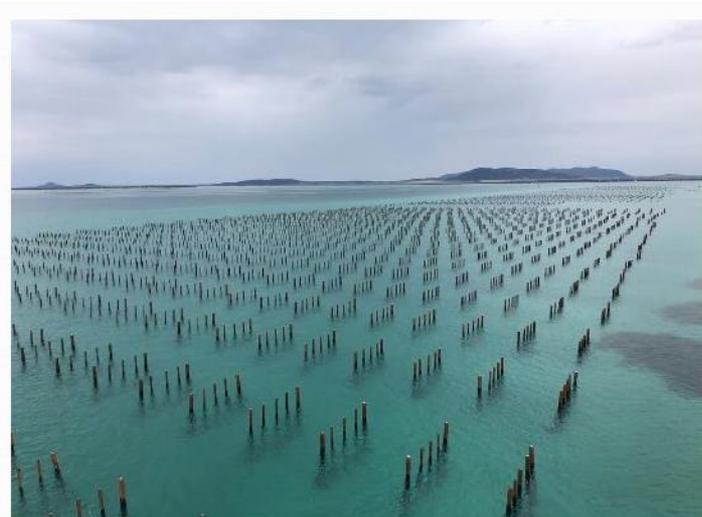
Low-capital plan to support next phase of growth



Pillar 1: Increasing scale through acquisitions

Acquiring more water to farm more oysters

- **Additional water to increase the multi-bay footprint; maximising economies of scale**
 - › Every additional Ha of water is more profitable than the last, leveraging on existing assets in the multi-bay strategy
 - › 6.25Ha of additional water leases secured in November 2020
 - › New leases include 2.0Ha of developed water in Coffin Bay; immediately increasing annual production capacity from 10m to 12m oysters
 - › 4.25Ha of undeveloped leases earmarked for the flip-farming trials
- **Vision to increase production capacity to 20m per year**
 - › A brand-new large oyster boat commissioned in Cowell to increase capacity, provide significant efficiencies and cater for the growing biomass.
- **Highly productive water available**
 - › Angel's 23Ha of undeveloped leases provides optionality for further growth
 - › Angel will continue to lease with option to buy, where the option is available



Pillar 2: Increasing productivity through innovation

Continuing to lower the cost of production

- **Additional growth to be delivered through productivity increases**
 - › Angel has achieved 47% increase in productivity since listing in 2018
 - › Average investment per Ha has decreased during the same time, increasing ROA
- **FlipFarm¹ trials on 3.0Ha of deep-water leases in Coffin Bay to commence**
 - › Innovative biodynamic farming method aligns with Angel's values of organic & sustainable farming
 - › Expected to generate an attractive IRR and short capital payback period; ongoing benefits of lower operating costs and increased productivity
 - › Project on budget and schedule with construction to commence by end of March
- **'Summer oysters' trial progressing well**
 - › Successful trial will extend Angel's sales period to the entire calendar year, up from the current 10 months, increasing annual sales by 10-15% with no further investment in assets
 - › Summer oysters performed well through the summer period with grading showing good survival rates
 - › Expected to be ready for sale for the summer season in January 2022
- **Focus on innovation and R&D to increase productivity and lower operating costs**
 - › Data collection and analysis – continue building Multi-Bay IP



FlipFarm equipment (boat and floating workstation) ready in Coffin Bay



Sample of triploid juvenile oysters

Pillar 3: Building the Angel brand to improve pricing

Angel well positioned to leverage its credentials

- **Underlying prices have remained relatively steady, however Angel's average price over the last few years has declined, driven by product mix**
 - › Improving the sales mix towards larger sizes with increasing restaurant demand
- **Growing recognition around quality and supply positions Angel to leverage its credentials in building retail relationships**
 - › Additional scale to position Angel as price setter in the market
 - › Opportunities for supply chain innovation and simplification to increase returns
- **Marketing activities and branding**
 - › Leveraging Angel's provenance and organic and sustainable credentials
 - › Launch of online sales to attract younger market
- **Increasing export volumes into premium export markets**
 - › Premium exports remains a long-term opportunity
 - › South East Asia represents a lucrative export market where a significant price premium for imported oysters exists



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Angel commences 2021 sales season with record stock numbers

Well positioned for the upcoming Easter period and long-term growth

- **Continued strong demand from retail and restaurant channels**
 - › Sales have now resumed following the spawning season
 - › Angel has entered the 2021 sales season with a strong supply of oyster sizes
 - › Continued strong demand and steady pricing experienced early in the sales season
- **Record stock numbers on hand**
 - › Biomass increased significantly following good growth rates across all bays during the summer
 - › Stock remains healthy and oysters continue the process of reaching prime condition following the summer spawning; positioning Angel well for busy Easter trade period
 - › POMS risk significantly reduced with sea temperatures cooling
- **The Angel team is now completely focused on its sales program and on further progressing its 3-pillar growth strategy with aims to increase capacity and sales**



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