



Ocean Grown  
Abalone

23 November 2018

ASX RELEASE

ASX: OGA

## AGM Presentation

**Ocean Grown Abalone Ltd** (ASX:OGA) (the “Company”) provides a copy of the presentation that will be delivered to shareholders in attendance at the Annual General Meeting of the Company to be held today.

**For investor and media enquiries, please contact:**

Brad Adams  
Managing Director  
Email: [brad@oceangrown.com.au](mailto:brad@oceangrown.com.au)  
Mobile: 0417 910 023

Kate Sutton  
Media  
Email: [kate@suttonsolutions.com.au](mailto:kate@suttonsolutions.com.au)  
Mobile: 0418 202 546

### About the Company

Ocean Grown Abalone Limited (**ASX: OGA**) has developed the world's first commercial greenlip abalone sea ranching business in the pristine waters of Flinders Bay, Western Australia. Through the construction of proprietary, purpose-built artificial abalone reefs (called “Abitats”), OGA is able to supply commercial quantities of its premium, 'wild-harvested', greenlip abalone at sizes not otherwise available in the Australian abalone market today.

For more information visit <https://www.oceangrown.com.au>



Ocean Grown  
Abalone

Annual General Meeting  
23 NOVEMBER 2018

# Important Notice and Disclaimer

## Summary of information

This presentation has been prepared by and is the sole responsibility of Ocean Grown Abalone Limited ("OGA" or the "Company"). This presentation contains general and background information about the Company's activities current as at the date of the presentation and should not be considered to be comprehensive or to comprise all the information that an investor should consider when making an investment decision and does not contain all information about OGA's assets and liabilities, financial position and performance, profits and losses, prospects, and the rights and liabilities attaching to OGA's securities. The information in this presentation should be read in conjunction with OGA's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, available at [www.asx.com.au](http://www.asx.com.au). The information in this presentation is based on OGA's own information and estimates and has not been independently verified. OGA is not responsible for providing updated information and assumes no responsibility to do so. Any investment in OGA should be considered speculative and there is no guarantee that OGA will make a return on capital invested, that dividends would be paid, or that there will be an increase in the value of the investment in the future.

## Not financial product advice

Statements and information in this presentation are current only as at 22 November 2018 (or as otherwise indicated) and the information in this presentation remains subject to change without notice and is expected to change, potentially in material respects. The information contained in this presentation is for information purposes only and is an overview and does not contain all information necessary to make an investment decision or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act 2001 (Cth) (Corporations Act). This presentation is for information purposes only and should not be considered as, an offer or an invitation to acquire securities in the Company or any other financial products and neither this presentation nor any of its contents will form the basis of any contract or commitment. This presentation must not be disclosed to any other party and does not carry any right of publication. Neither this presentation nor any of its contents may be reproduced or used for any other purpose without the prior written consent of the Company. The information contained in this presentation is of a general nature and does not purport to be complete or verified by the Company. The information contained in this presentation does not constitute investment or financial product advice (nor taxation or legal advice) or a recommendation to acquire shares in the Company and is not intended to be used as the basis for making any investment decision. In providing this presentation, the Company has not considered the objectives, financial position, taxation situation or other needs of any particular recipients. Investors should consult with their own professional advisers in connection with any acquisition of securities.

## No liability

The Company, its related bodies corporate, shareholders or affiliates, nor any of its respective officers, directors, employees, affiliates, agents, representatives or advisers (each a "Limited Party") guarantees or makes any representations or warranties, express or implied, as to or takes responsibility for, the accuracy, reliability, completeness, correctness or fairness of the information, opinions, forecasts, reports, estimates and conclusions contained in this presentation. The Company does not represent or warrant that this presentation is complete or that it contains all information about the Company that a prospective investor or purchaser may require in evaluating a possible investment in the Company or acquisition of shares in the Company. To the maximum extent permitted by law, each Limited Party expressly disclaims any and all liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of or reliance on information contained in this presentation including representations or warranties or in relation to the accuracy or completeness of the information, statements, opinions, forecasts, reports or other matters, express or implied, contained in, arising out of or derived from, or for omissions from, this presentation including, without limitation, any financial information, any estimates or projections and any other financial information derived therefrom.

## Forward looking statement

This presentation may contain certain forward looking statements and comments about future events, including the Company's expectations about the performance of its businesses. Forward looking statements can generally be identified by the use of forward looking words such as, 'aim', 'assume', 'due', 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'purpose', 'will', 'believe', 'forecast', 'estimate', 'target' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecast, projections and other forward looking statements will not be achieved. A number of important factors could cause the Company's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, and many of these factors are beyond the Company's control. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of the Company. As such, undue reliance should not be placed on any forward looking statement. Past performance is not necessarily a guide to future likelihood of achievement or reasonableness of any forward looking statements, forecast financial information or other forecast. Nothing contained in this presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company. No Limited Party or any other person makes any representation, or gives any assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this presentation will occur.

The information in this presentation remains subject to change without notice. No responsibility or liability is assumed by the Company for updating any information in this presentation or to inform any recipient of any new or more accurate information or any errors or mis-descriptions of which the Company or its advisers may become aware.

Forward looking statements speak only as of the date of this document. There can be no assurance that actual outcomes will not differ materially from these statements. To the maximum extent permitted by law, OGA and any of its affiliates and their directors, officers, employees, agents, associates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in and forward-looking statement; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

# Overview



# Ocean Grown Abalone - Overview

OGA has developed proprietary ABITAT 'sea ranching technology' enabling it to establish "wild abalone" populations on the artificial reefs created by the company.

## Current locations:

- Augusta Western Australia
  - Area 413 Ha Lease.
  - 10,000 Abitats installed - potential production capacity of 200 T p.a.
- Wylie Bay – Esperance Western Australia
  - Area 922 Ha Lease.
  - Trials commenced October 2017.
  - October 2018 - Positive results, similar to existing Augusta commercial ranching operations.
  - Ongoing monitoring for future expansion opportunities.
- Other sites currently under consideration.

## Ideal areas where we apply our ranching technology:

- Areas of suitable habitat on which to locate reefs - (sand/seagrass).
- Close proximity to a Marina, hatchery and export supply chains.
- Protection from large swells.



# Business Overview

## Operations.

- Flinders 2 project completed October 2018
  - 1.7M juvenile abalone seeded on reefs in FY 2018.
  - If laid end to end the Abitats would be 20 Km's long.
- Installed capacity lays the foundation for increases in future harvests / sales.

## Production and Sales.

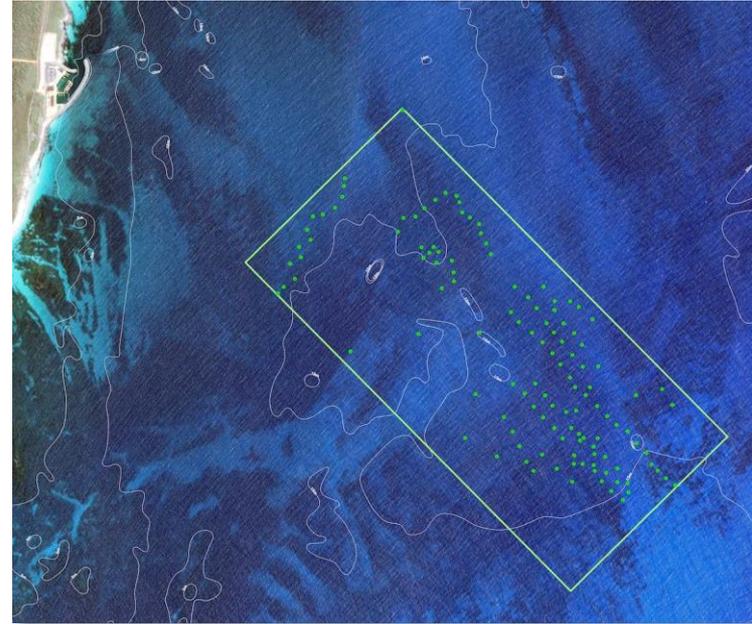
- Harvest FY 2018 - 38.1 tonnes (FY 2017 – 17.2 tonnes).
- Sales FY 2018 - 35.8 tonnes ( FY 2017 – 11.4 tonnes).

## Processing.

- New processing building contract awarded to local firm Big Ben Builders and construction commenced.
- Target completion June 2019.
- Brings additional flexibility and productivity improvements to the business.
- Resolves processing “bottleneck” limiting production.

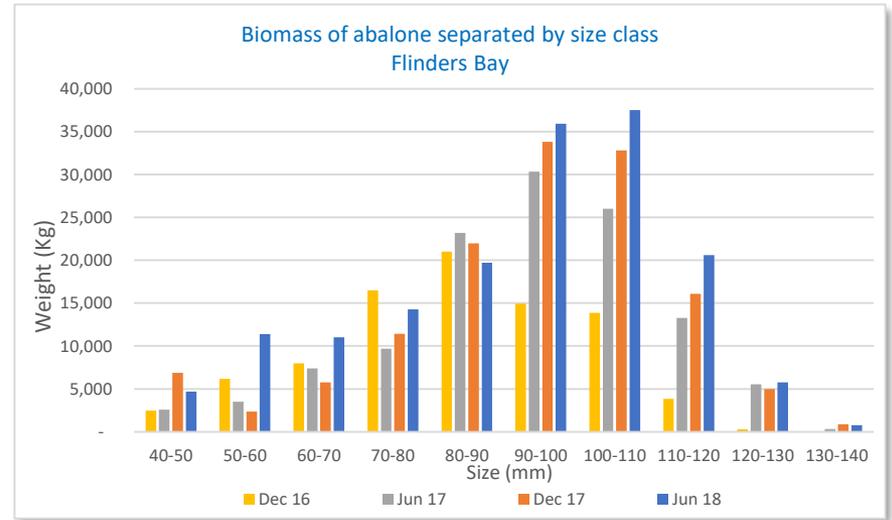
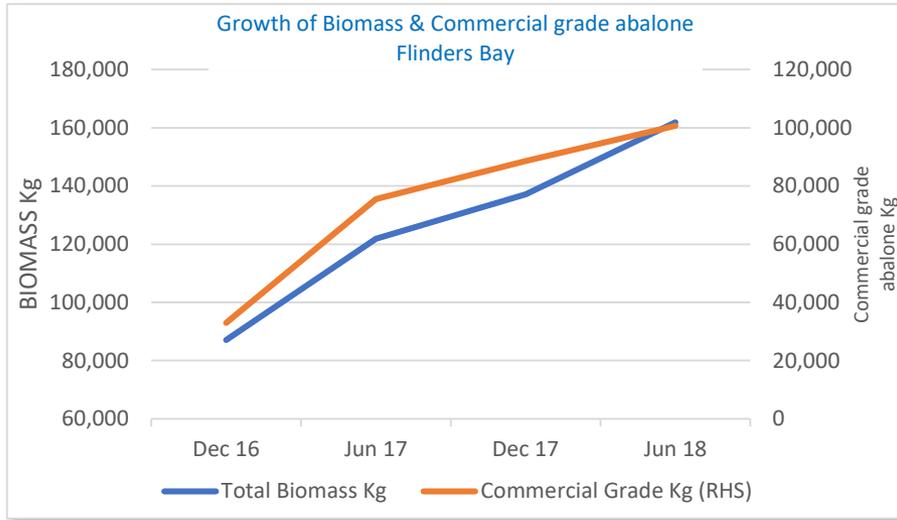
## Future Developments.

- Wylie Bay – 12 month assessment completed. Encouraging and comparable to existing commercial ranches.



AbitAT locations Flinders Bay

# BIOMASS and growth rates update



## BIOMASS overview.

- ✓ OGA's ocean BIOMASS and harvest continues to increase year on year.
- ✓ OGA FY 2018 harvest 38.1 tonnes.
- ✓ BIOMASS continues to grow.





## New Processing facility – Augusta Western Australia

The new processing facility provides OGA the opportunity to unlock value.

- Building construction commenced November 2018.
- Increased production capacity.
  - Individual Quick Frozen (IQF).
  - Whole in Shell (WIS).
  - Live: premium high value product.
  - Other value adding opportunities.
- Increased production flexibility.
- Improved operational productivity – secure service centre at marina.
- Lower unit costs of production.
- Addresses current processing bottleneck.
- Opportunity for sales, marketing & distribution of other local premium seafood products.

# Harvest

- FY2018 abalone harvest of **38.1 tonnes** increased by 221% compared to FY2017 **17.2 tonnes**.
- Largest harvest in one day achieved in September 2018 of 1,161 kgs. Maximum daily harvest is currently limited by processing capacity, expected to be resolved with the new processing facility by June 2019.
- October achieved highest monthly harvest of 8,374kg.
- Q1 FY2019 – 10.4 tonnes. Lower than expectation due to harsher winter than experienced for many seasons. Deferred harvest.



# Sales

**FY 2018 Sales 35.8 tonnes increases by 215% compared to FY 2017 11.4 tonnes.**

- Sales to Asian markets strong and continuing to increase → target security & reliability of supply.
- Sales to Australian markets continue to increase.

**Regular live abalone shipments into Sydney/Melbourne/Hong Kong.**

- Small capacity (up to 300kg/week) developed at existing facility to refine live transport technology prior to scaling capacity at new processing facility.

**Hong Kong - contracted sales agreement to December 2019.**

- Estimated value USD 1.95 million.
- Equivalent to more than 50 tonnes live Greenlip Abalone.

**In Asian Markets sold under Two Oceans Abalone brand.**

- Focus on developing brand loyalty with end user.



OGA Live Abalone - Sydney Fish Markets

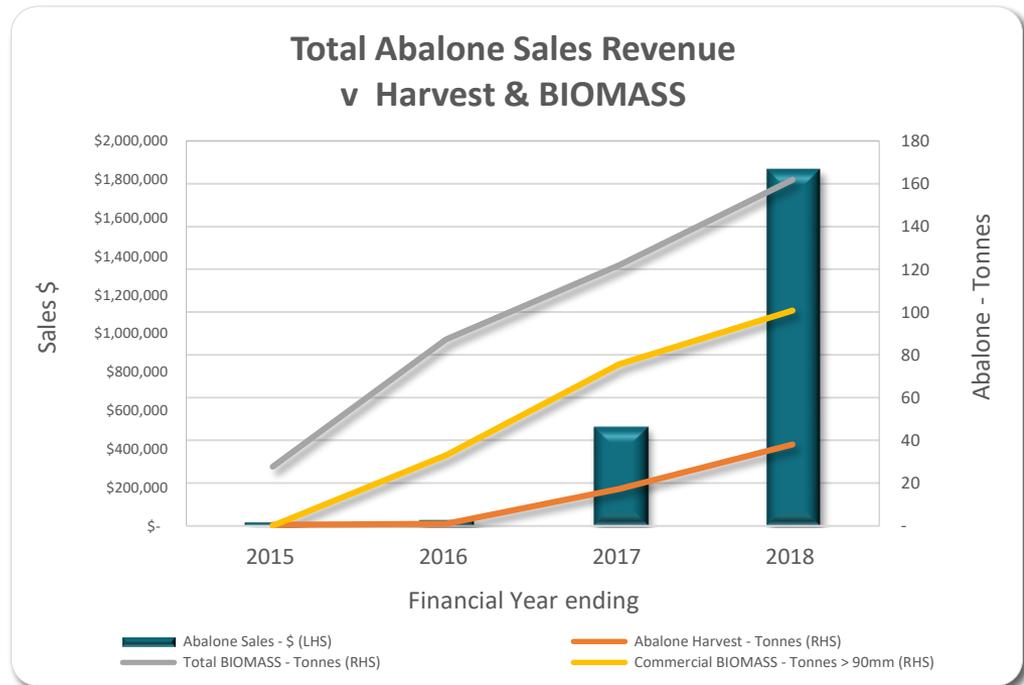


# Financials



# Financial Results @ 30 June 2018

	2018	2017	2016	2015
Abalone Sales	\$ 1,853,225	\$ 514,576	\$ 28,232	\$ 15,436
Abalone Harvest – Tonnes	38.10	17.20	0.92	0.47
Total BIOMASS – Tonnes	161.84	121.87	87.22	27.66
Commercial BIOMASS	101	76	33	-



- 2018 abalone sales revenue 360% greater than 2017.
- 2018 sales 35.8 tonnes 215% greater than 2017.
- 2018 abalone harvest 38.1 tonnes 221% greater than 2017.
- Sales revenue growth driven by Flinders 1 and still growing.
- Flinders 2 completed in October 2018, lays foundation for increase in total BIOMASS and future sales.
- 2018 costs include construction & seeding costs for Flinders 2 ranch, materially drops off in 2019.

# Consolidated Balance Sheet @ 30 June 2018

- Net assets \$15.96 million, after construction costs for Flinders 1 and 2 expensed.
- Cash \$7.42 million after completing the majority of Flinders 2.
- \$1.99 million in trade debtors for R&D Tax incentive received in October'18.

	2018 \$'000	2017 \$'000
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	7,416	2,990
Trade and other receivables	2,228	1,652
Biological assets	2,916	1,480
Inventory	298	184
Other	155	25
<b>TOTAL CURRENT ASSETS</b>	<b>13,011</b>	<b>6,331</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,616	1,719
Biological assets	2,972	2,249
Intangible assets	89	72
Other assets	409	126
<b>TOTAL NON-CURRENT ASSETS</b>	<b>5,085</b>	<b>4,167</b>
<b>TOTAL ASSETS</b>	<b>18,096</b>	<b>10,498</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,026	632
Unearned revenue	-	206
Interest bearing liabilities	102	105
Provisions	133	54
Current tax liability	114	114
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,375</b>	<b>1,111</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest bearing liabilities	133	256
Deferred tax liabilities	627	214
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>760</b>	<b>470</b>
<b>TOTAL LIABILITIES</b>	<b>2,135</b>	<b>1,580</b>
<b>NET ASSETS</b>	<b>15,961</b>	<b>8,918</b>

# Board & Corporate Structure

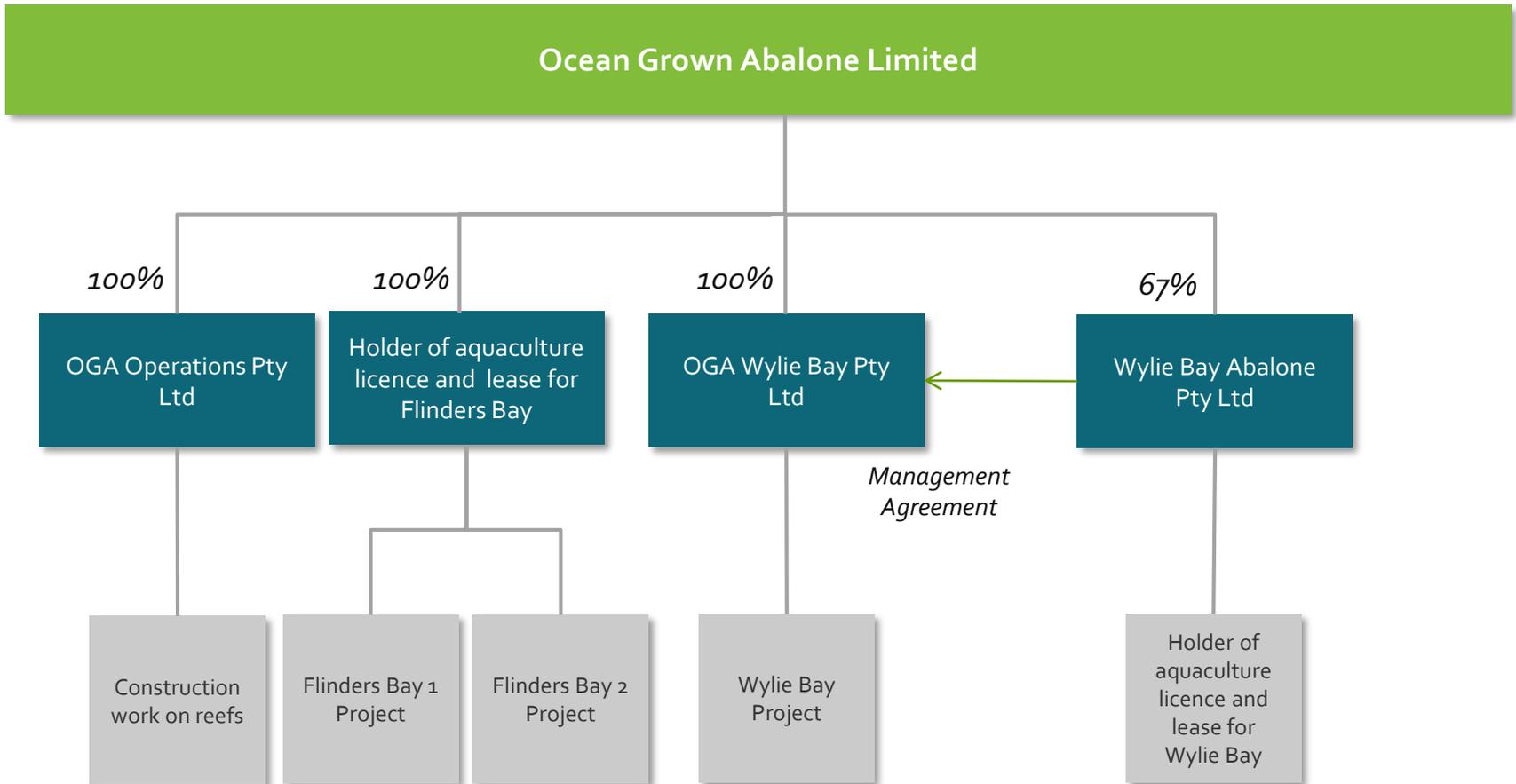


# Capital Structure

## Issued capital

Capital Structure (as of 30 June 2018)	
Shares on Issue	174,110,260
Options on Issue: (100% escrowed)	21,346,902
Performance Rights on Issue: (100% escrowed)	12,000,000
Share Price (21/11/2018)	\$0.17
Market Capitalisation	\$29,598,744
Cash Balance at 30 June 2018	\$ 7,415,975
Cash Balance at 21 November 2018	\$7,374,660

# Corporate Structure



# Board Structure



**Mr Peter Harold (Non-Executive Chairman), B. App. Sc (Chemistry) FAICD** Peter is the Managing Director of Panoramic Resources Limited (ASX: PAN) and is a process engineer with over 30 years of corporate experience in the minerals industry, specialising in financing, marketing, project development and operating, business development and general corporate activities. Prior to founding Panoramic Resources in March 2001, Peter held various senior management positions with Shell Australia, Australian Consolidated Minerals Limited, Normandy Mining Limited, MPI Mines Limited and the Gutnick network of companies. Peter is also Non-Executive Chairman of Horizon Gold Limited (ASX: HRN) and a Non-Executive Director of Pacifico Minerals Limited (ASX: PMY).



**Mr Brad Adams (Managing Director) BSc (Biology), G.Dip (Aqua) MBA** Brad is a third-generation fisherman and has worked as a commercial abalone diver along Western Australia's south coast for 12 years. In the 1990's, Brad was involved in setting up one of Tasmania's first abalone farms – Tasmanian Tiger Abalone, which later became Cold Gold Abalone. Brad has been actively involved in Abalone Aquaculture research and development in Western Australia since 2000. Brad was a director of the Western Australian Fishing Industry Council from 2009 to 2011 and Chairman from 2011 to 2013. He holds a MBA and Bachelor of Applied Science, Biology from Curtin University of Technology and a Graduate Diploma, Aquaculture from the University of Tasmania. Brad has been a Director of and served in an executive capacity for Ocean Grown Abalone Limited since July 2013.



**Mr Ian Ricciardi (Executive Director)** Ian has been involved in the Western Australian Fishing Industry since 1975. Ian has worked on and operated prawn trawlers in Shark Bay, Gulf of Carpentaria and Kimberly Prawn Fisheries. Ian also has interests in the South West Trawl Fishery, through One Sea Pty Ltd – Rottneest Island Scallop. The Ricciardi Family built and operated an Export Food Processing Facility in North Coogee and holds 50% interest in Fremantle City Coldstores. Ian held the position of President of Shark Bay Prawn Association for 10 years and has significant experience in WA Fisheries-related processes.



**Ms Danielle Lee (Non-Executive Director) B.Ec, LLB** Danielle is an experienced corporate lawyer with more than 23 years of experience shared between private law firms and the Australian Securities Exchange. She has a broad range of skills and legal experience in the areas of corporate advisory, governance and equity capital markets. She has advised a range of Australian public and private companies in a range of industries on corporate transactions including capital raisings, ASX listings, business and share acquisitions, shareholder agreements and joint venture agreements.

# Next Steps

- Optimisation of existing Assets.
  - Moving ABITATS identified as low productivity to higher productivity areas within lease.
  - Continued R&D to enhance understanding of productivity drivers.
  - Genetic selection of fast growers for future seed stock.
  - Refinement of husbandry systems.
- Continue to develop the Two Oceans Brand in SE Asian Markets to penetrate market as a premium brand.
- Flinders III.
  - Developing more production at the existing site is seen by the OGA Board as the next value opportunity for growth.
  - R&D on 3 trial sites outside of existing Flinders Bay lease is underway.
  - Application for 5,000 extra ABITATS submitted with DPIRD within current Flinders Bay lease.
- Wylie Bay.
  - Continue working with Ocean King Fishing to develop knowledge of Wylie Bay location.
- Build value, scale & diversity through identifying strategic opportunities.
  - Examination of vertical integration opportunities.
  - Examination other seafood value opportunities.
  - Work with local wild catch abalone industry to improve returns.
  - Identify and develop value opportunities from new live holding and processing facility.

# Contact Details

**Ocean Grown Abalone Ltd**

**A.B.N: 52 148 155 042**

**Registered Office:**

**Level 3, 3 Cantonment Street**

**Fremantle WA 6959**

**Phone: +61 8 6181 8888**

**Email: [info@oceangrown.com.au](mailto:info@oceangrown.com.au)**

**Web: [www.oceangrown.com.au](http://www.oceangrown.com.au)**

**Facebook: <https://www.facebook.com/oceangrownabalone/>**

