



Ocean Grown
Abalone

27 November 2020

ASX RELEASE

ASX: OGA

AGM Presentation

Ocean Grown Abalone Limited (**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.

END

This announcement was authorised to be given to the ASX by:

The Board of Ocean Grown Abalone Limited.

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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 can 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>

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This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, currency fluctuations, increased production costs and variances in recovery rates from those assumed, as well as political and operational risks in the Countries and States in which we operate or sell the product to, and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.



Ocean Grown
Abalone

Annual General Meeting

27 NOVEMBER 2020

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Business Overview

Operations

- Total capacity 10,000 installed Abitats.
- Approximately 20km reef installed.
- Installed capacity lays foundation for increases in future harvests/sales

Production

- Harvest FY19/20 – 54.7t (FY18/19 – 55.0t).
- FY19/20 - Deferred harvest Q3/Q4 due to COVID impacting markets, transport issues.
- October 2020 – record harvest 11.9t.

Processing Facility – Augusta Marina

- Flexibility and productivity improvements to the business.
- Product value adding. Brine freezer for Whole in Shell. Blast freezer for meat. Live tanks for live. Chiller for meat to cans.

Biomass Growth

- Total Biomass @ 30 June 2020 – 247t
@ 30 June 2019 – 235t



OGA COVID Response

Impact

The pandemic has negatively impacted the seafood industry. Abalone is a high value product that has a high proportion of sales into food service. Many of the world's restaurants were closed or operating at reduced capacity. Consumer confidence is shaken. Transport logistics have added to concerns with reduced air freight availability and increased cost. Like many exporting seafood producers OGA has also experienced reduced sale prices and softer demand for its produce.

The OGA Operational changes

- Operational expenditure reduction
 - Executive salaries reduced 10%
 - Staff reductions (5 FTE's)
 - Delayed harvest (keeping abalone on reefs to grow larger)
 - Reduced juvenile abalone purchases
 - Deferred spending on Esperance abalone farm feasibility study



OGA COVID Response

- Actively diversifying markets & adapting marketing strategy
 - ✓ signs food service sector in SE Asia is recovering.
- Increasing enquiries and firm orders for Chinese New Year
 - ✓ Cans to Singapore
 - ✓ IQF Meat to Hong Kong
 - ✓ Live to Hong Kong, Dubai, domestic. Still limited due to flight issues.
 - ✓ WIS to Taiwan
- Retail sector experiencing expansion during COVID.
 - ✓ OGA developing 1kg retail packaging.
 - ✓ New marketing materials being developed to support sales in this area.



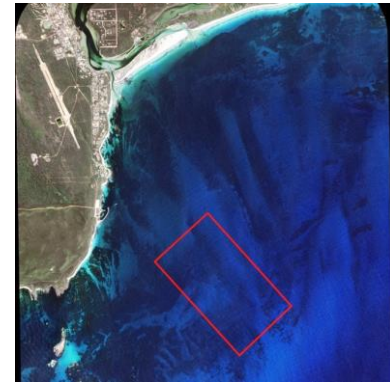
Can Label: Shangri-La can using TOA abalone



Brine Frozen WIS

OGA's development opportunities

- 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.
- Flinders III.
 - ✓ Trial sites have shown that area to south-west of the lease boundary is suitable for expansion.
 - ✓ Approval from DPIRD for 5,000 extra ABITATS within current Flinders Bay lease.
- Pearls from abalone
 - ✓ Early R&D very encouraging.
 - ✓ Potential low cost value-adding opportunity.
- Esperance – Land-based abalone hatchery and growout farm.
 - ✓ Vertical integration of juvenile supply.
 - ✓ Diversify product offering.
 - Delays in progress due to COVID issues.



Esperance – abalone hatchery & land-based grow-out

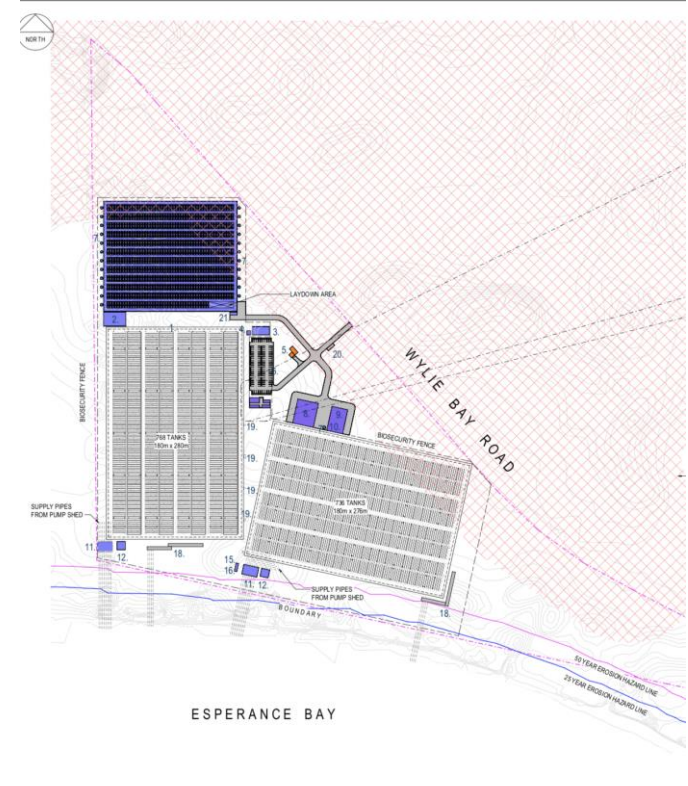
- OGA has secured – 34 Ha coastal land suitable for the development of a large-scale abalone farming business.
 - Land is located 10 minute drive from Esperance town.
 - Access to labor, infrastructure and 3rd party support services
 - Access to pristine oceanic water with water temperature profile (14-21°C) ideal for greenlip abalone culture.
- The property is a unique proposition for large scale land-based abalone farm.
 - The property has the capacity to enable development a 500T per annum facility for the production of greenlip abalone, targeted for export markets.
 - Vertical integration and diversification.
 - Potential nursery capacity to supply OGA ranches
- Preliminary concept design study completed, with promising results.

Project location to Esperance town



Indicative next steps – Esperance abalone farm

- Secure licenses, obtain approvals
- Complete feasibility study
- Assess funding strategies
- 6 to 9 months – decision on whether to proceed with development.
- 9 to 12 months – source capital.
- 12 to 18 months Commence development.
- 2 to 3 years – First Spawning of brood stock for farm.
- 5 to 6 years - First harvest and sales of 100g farmed greenlip abalone.



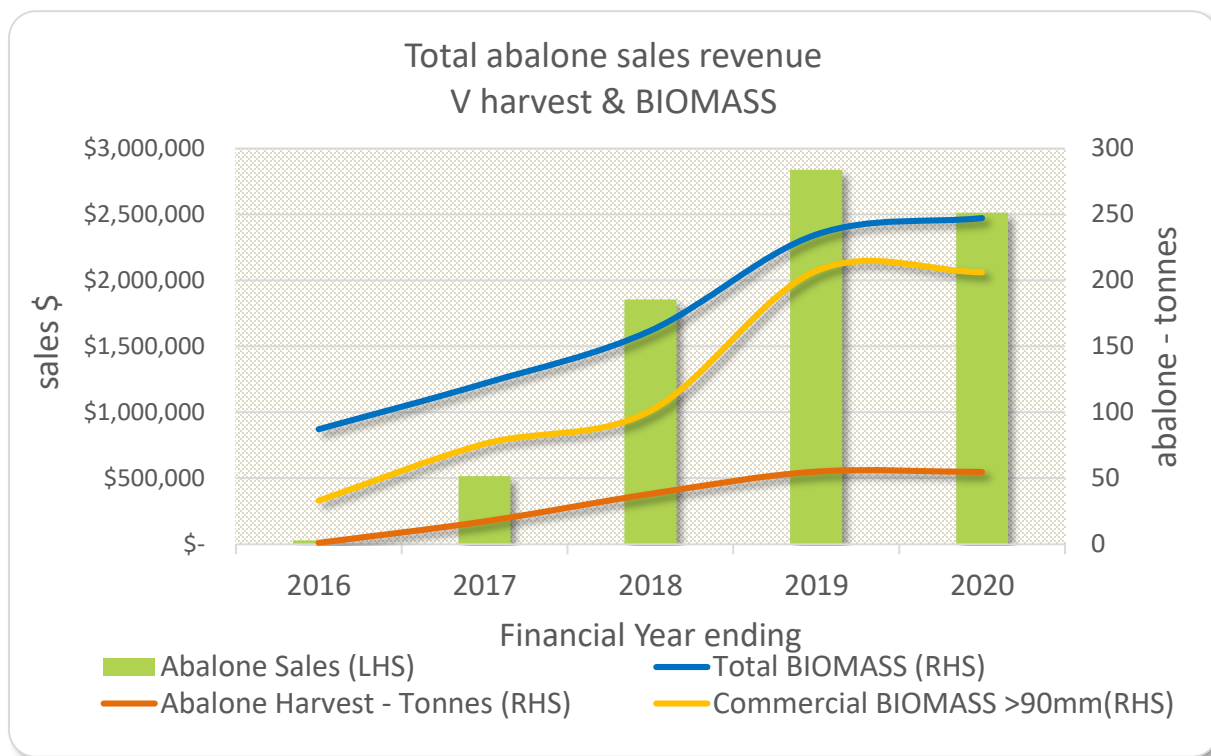
Financials



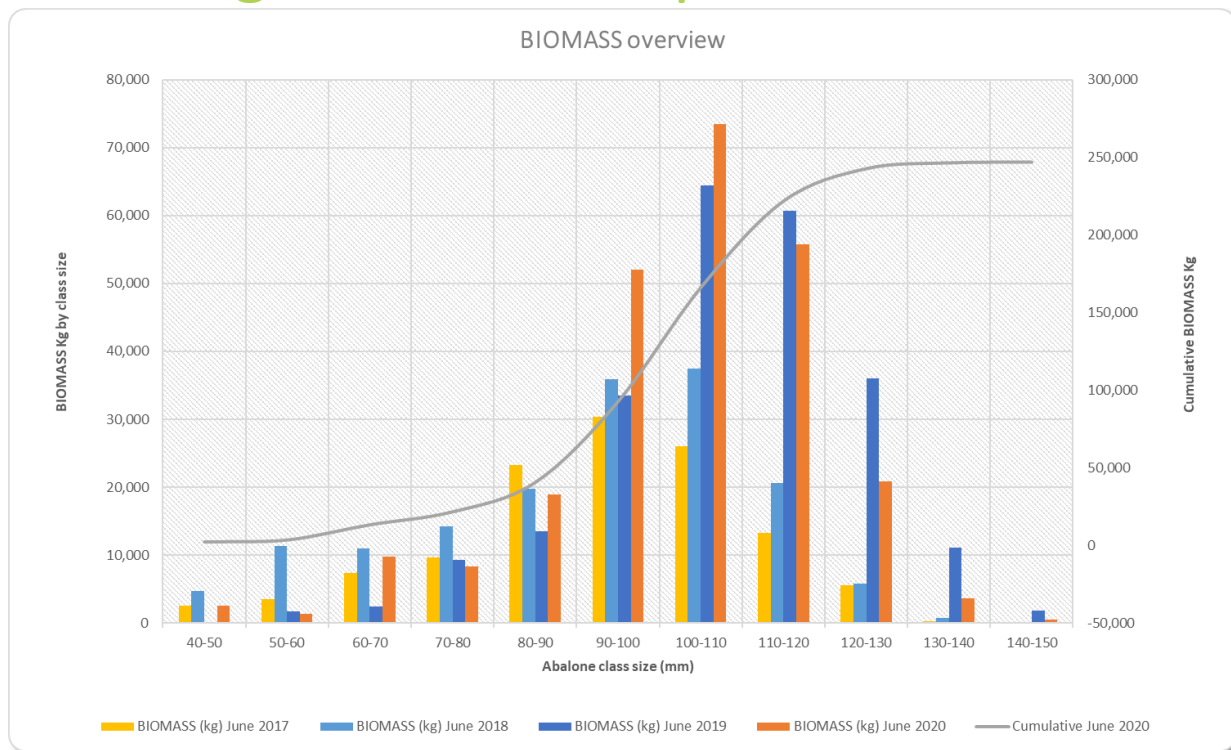
Financial Results @ 30 June 2020

- 2020 abalone sales revenue 11% lower than 2019.
- 2020 sales 48.4t 8% lower than 2019.
- 2020 abalone harvest 54.7t compared to 55.0t in 2019.

	2020	2019	2018	2017	2016
Abalone sales	\$2,512,708	\$2,837,250	\$1,853,225	\$514,576	\$28,232
Abalone harvest – tonnes	54.7	55.0	38.10	17.20	0.92
Total BIOMASS – tonnes	247.1	234.6	161.8	121.9	87.2
Commercial BIOMASS	206	207	101	76	33
Profit/(Loss) before tax	(\$5,805,552)	\$2,370,024	(\$3,046,512)	(\$1,549,568)	(\$1,325,923)



BIOMASS and growth rates update



BIOMASS overview

- ✓ OGA's ocean BIOMASS and harvest continues to increase year on year, while wild greenlip abalone stocks and production continue to decline.
- ✓ 54.7t harvested in FY2020, @ 30/06/20 – OGA has 206t of commercial grade abalone on its oceanic ranches
- ✓ OGA ranched product is well positioned to fill the gap in reduction of wild quota caught greenlip abalone.

Board & Corporate Structure



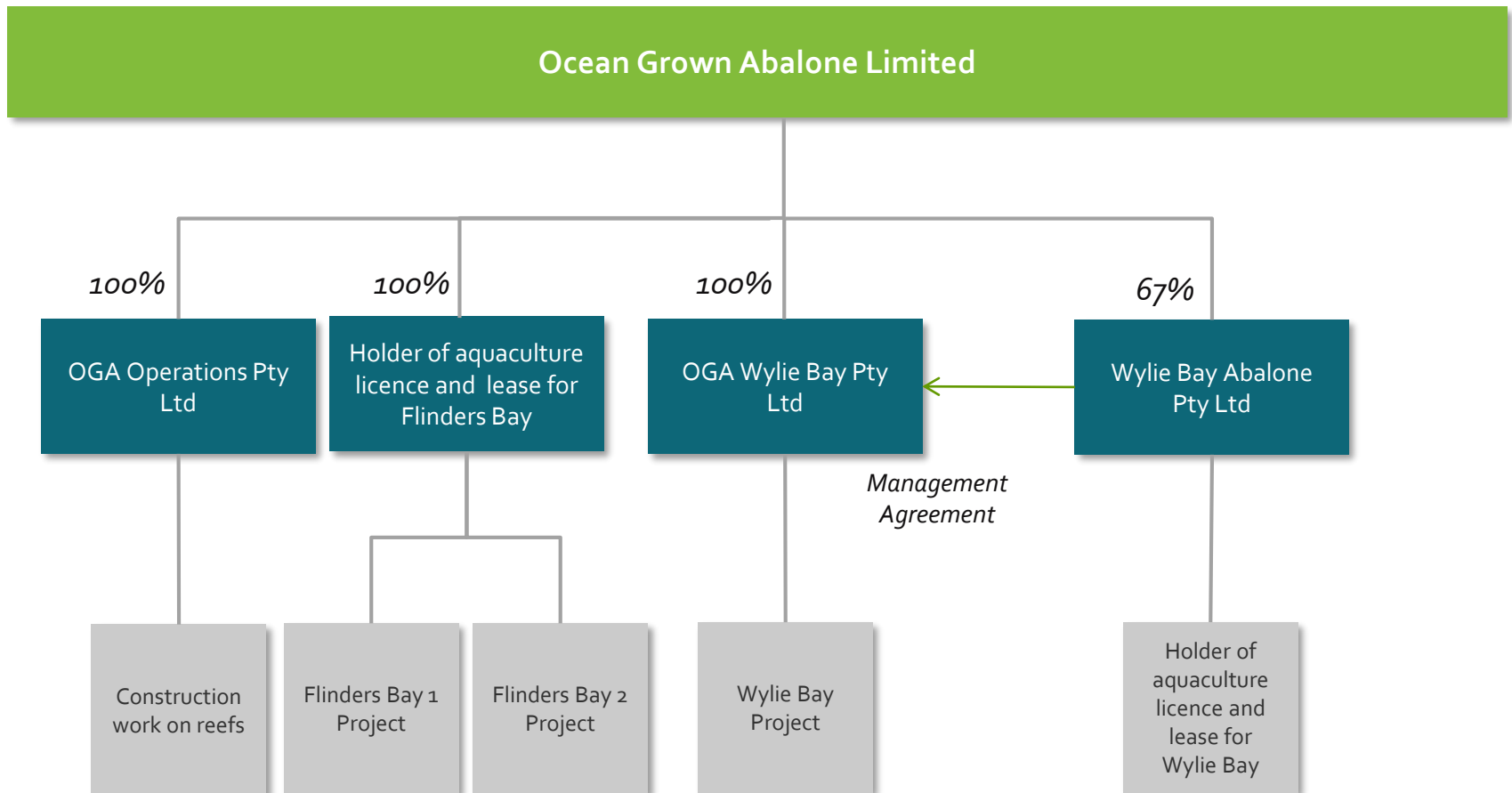
Capital Structure

Issued capital

Capital Structure (as of 30 June 2020)

Shares on Issue at 23 November 2020	200,742,780
Options on Issue	21,346,902
Performance Rights on Issue	4,000,000
Share Price (23 November 2020)	\$0.094
Market Capitalisation	\$18,869,821
Cash Balance at 30 June 2020	\$2,778,877
Cash Balance at 23 November 2020	\$3,995,911

Corporate Structure



Board Structure



Mr Peter Harold (Non-Executive Chairman), B. App. Sc (Chemistry) FAICD Peter is the Managing Director of Poseidon Nickel Limited (ASX:POS) 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. Peter was the Managing Director of Panoramic Resources Limited (ASX:PAN) for 18.5 years. 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 resigned as Non-Executive Chairman of Horizon Gold Limited (ASX:HRN) in November 2019 and resigned as Non-Executive Director of Pacifico Minerals Limited (ASX:PMY) in April 2020. Peter is the immediate past Chairman of Youth Focus, having served on the board for 9.5 years. Youth Focus is a not-for-profit charity working to prevent youth suicide and depression.



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 (Non-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 – Rottnest 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 has significant experience in WA Commercial Fishery related processes and was a founding investor and director of both Great Southern Marine Hatcheries (GSMH) and Two Oceans Abalone (TOA). Ian has been an active member of WAFIC Resource Access Advisory Committee (RAAC) since 2019.



Ms Danielle Lee (Non-Executive Director) B.Ec, LLB, GDipFinInv Danielle is an experienced corporate lawyer with more than 25 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.

Contact Details

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