



Ocean Grown
Abalone

13 April 2021

ASX RELEASE

ASX: OGA

Investor Update Presentation

Ocean Grown Abalone Limited (**ASX: OGA**) is pleased to provide a copy of the investor update presentation for its investor roadshow commencing 13 April 2021. OGA will be meeting with Australian investors to discuss its performance and outline its growth strategy.

END

This announcement was authorised for release by the Board.

For further information please contact:

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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>



Ocean Grown
Abalone

Becoming a major player in Abalone

April 2021



Agenda

1. Context
2. Abalone Market Place
3. Business Overview
4. Strategy
5. Strategy into Action
 - Developing Our **WILD** Brand
 - Increasing Productivity
 - Owning our Integrated Supply Chain
 - Value Adding Growth Opportunities
6. What we have done and what we aim to do

Context

Reacting to the COVID pandemic, whilst developing a practical strategy to secure our competitive advantage and grow our business.



Abalone Market Place

The world's abalone market place has 3 distinct tiers based on product and price;

- **In-Sea Farmed Aquaculture**

(species cultured - *Haliotis discus hannii* and *H. diversicolor*)

- Annual production 130,000T. Majority is produced in China (80%) and Korea (20%)
- Prices are sub US 20 per kg, down to US 10 per kg during COVID



- **Wild Catch**

(species harvested – *H. laevis*, *H. rubra*, *H. iris*)

- Annual quota approximately 4,500T
- Prices are + US 55 per kg, reduced during COVID down to US 45 per kg



- **On-Land Farmed Aquaculture (Australia & South Africa)**

(species cultured – South Africa: *H. midae*. Australia: *H. laevis* and a hybrid *H. laevis* x *H. rubra*)

- Annual Production 2500T Prices sub US 30 per kg, down to US 28 per kg during COVID*



*Source – Australian Abalone Growers Association Strategic Plan 2020-2025 p.10

Abalone Market Place

Our competitive advantage, **the production of Wild Catch Abalone with:**

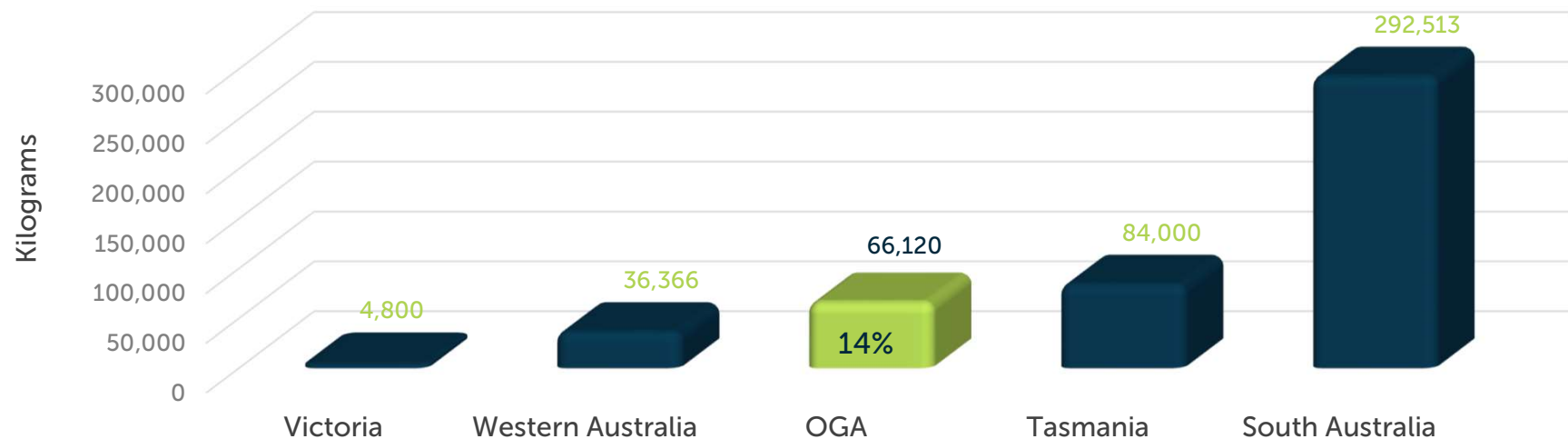
- A species advantage: Greenlip Abalone are unique in the abalone market place and highly prized;
 - Bright, white flesh
 - Frill small and tender – no waste
 - Superior texture/flavour
 - Smooth, clean shell
 - Only wild harvested or cultured in Australia
- No harvest quotas
- No regulation of harvest size limits
- Continued growth in production volumes
- Continuity of customer supply
- Consistent quality



Abalone Market Place

2020 World Supply of Wild Greenlip Abalone

Total of World's Wild Greenlip Abalone Harvest 2020*



In 2020 OGA supplied 14% of the world's total harvest of Wild Greenlip Abalone. OGA's proportion of the total wild Greenlip abalone supply to markets is expected to increase in future years as the OGA reefs mature.

**Source: Australasian Abalone Association – Australia and New Zealand 2020 Quotas*

Business Overview

Business

Shares on issue	200,742,780
Share price	\$ 0.089*
Market Cap	\$ 17.9 million

Metrics# (HY 2021)

Revenue Abalone Products	\$ 1.55 million
EBIT	\$ 0.29 million
Cash on hand	\$ 3.6 million

Executive

Non-Executive Chairman	Peter Harold
Non-Executive Director	Ian Ricciardi
Non-Executive Director	Danielle Lee
Executive Director	Brad Adams

Management

Chief Executive Officer	Rob Jorden
ED Corporate Development	Brad Adams
CFO / Co. Sec. / Commercial Mgr.	Brent Stockden

*as of 12/04/2021

as per the half yearly report for the 6 months ended 31 December 2020

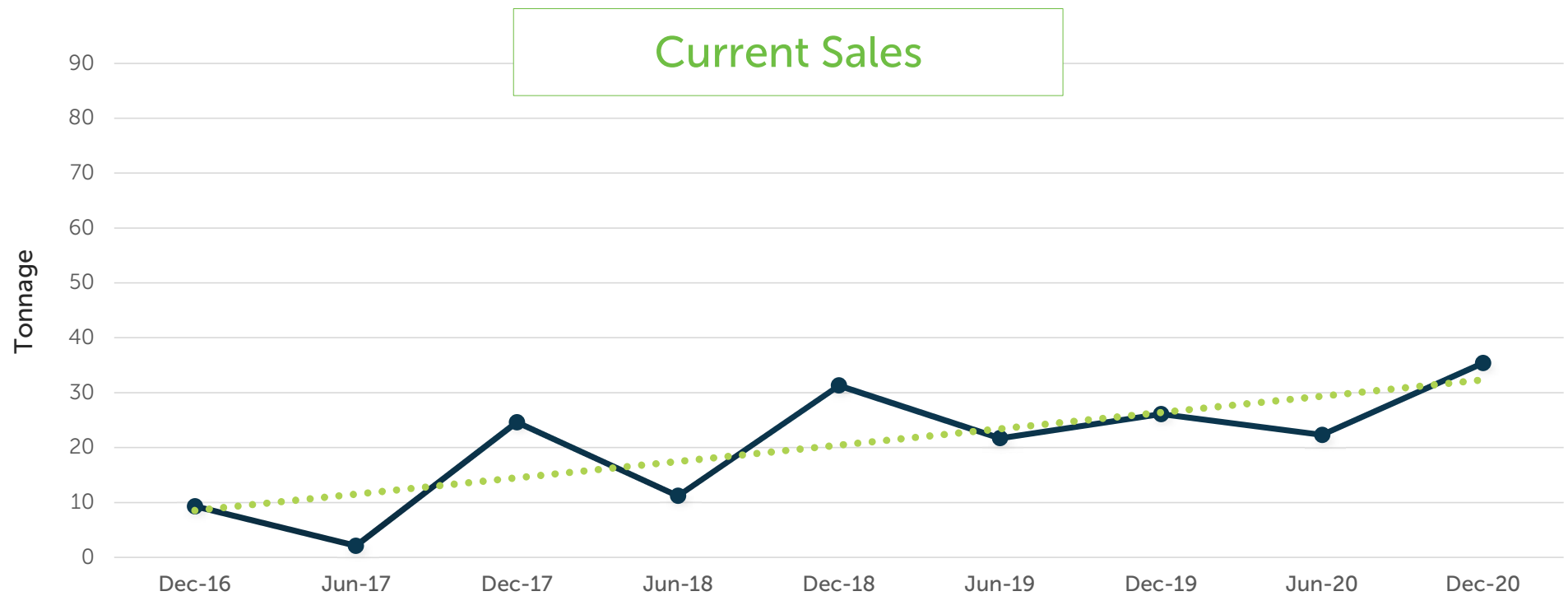
Strategy

- Leverage our competitive advantage to deliver our pristine, wild caught product continuously (without quota restriction) to our high-end customer base by;
 - The development of our **WILD** brand
 - Increasing the productivity of current Ranching Operations
 - Securing our integrated supply chain
 - And pursuing our value-added growth opportunities



Strategy Into Action

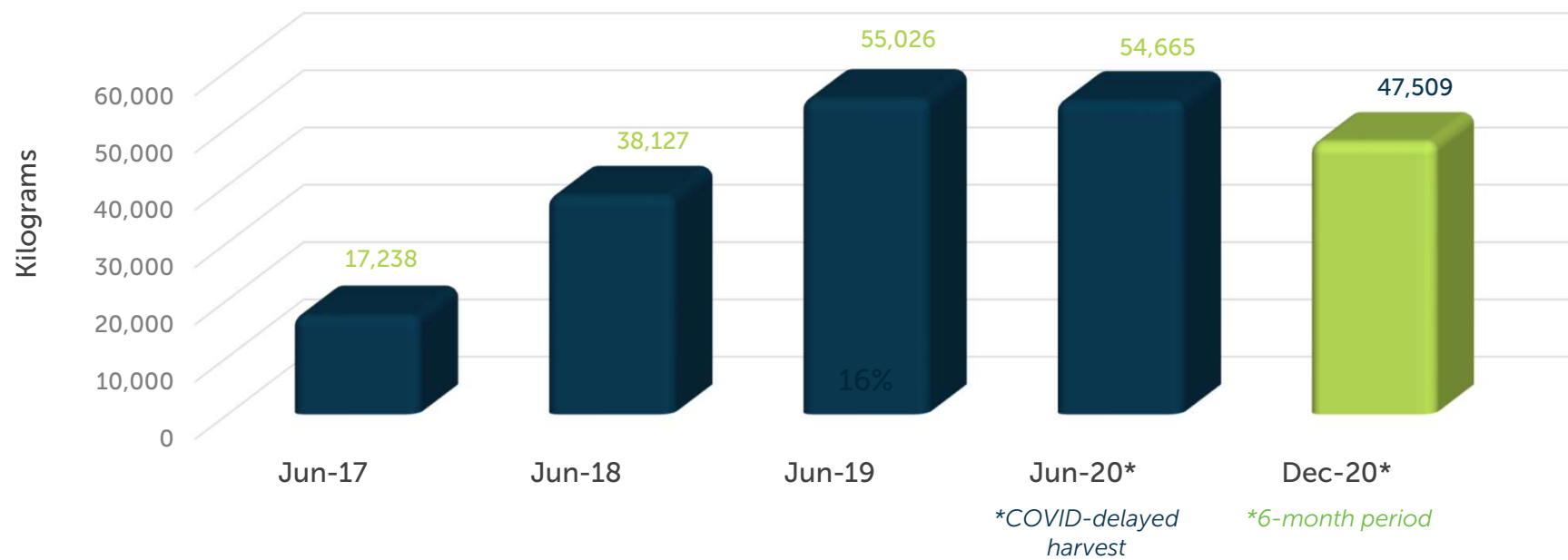
Establishing our WILD Brand



Strategy Into Action

Establishing our WILD Brand

Harvest Summary

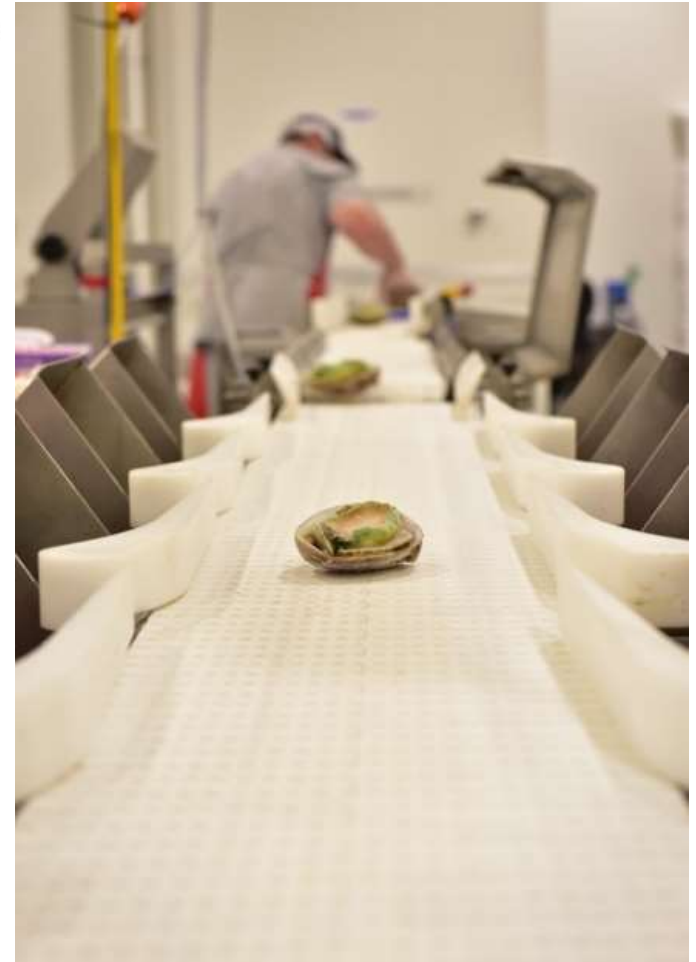


Strategy Into Action

Establishing our WILD Brand

TW@CEANS
ABALONE

- The building of a world class processing facility
- A systematic approach to work processes, QC / QA
- Accreditation
 - AQIS export
 - Entering MSC third party wild fishery sustainability accreditation process.
 - Cementing our wild / sustainable status



Strategy Into Action

Establishing our WILD Brand

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- Bulk

- Bulk orders negotiated through a Trader network to underpin our Integrated Supply Chain. Aiming to increase sales over the next 2 years in line with the production capacity of the ranch.
- Systematically soliciting customer feedback;
 - Rationalising our products to Whole In Shell, IQF Meat and Live.
 - Rationalising our packaging to 20kg, 10kg & 1kg boxes
 - And removing the harvest of smaller product that competes with the On Land Farms
- Period March 21 through to March 22; pursuing a strategy to significantly increase bulk orders, which totalled 58T for the 12 months to March 2021.



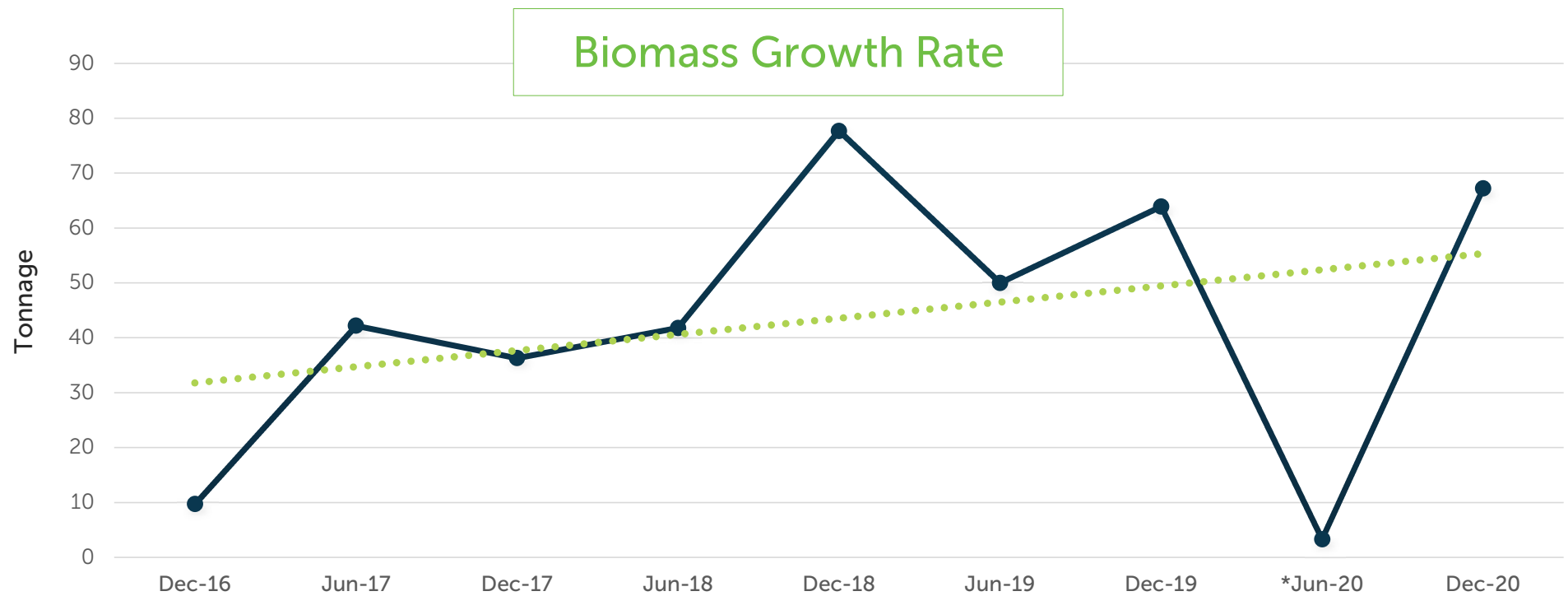
Strategy Into Action

Establishing our WILD Brand

- Food Services
 - Creating a digital approach to pursue Australian high-end customers i.e restaurants, markets and wholesalers
 - Researching our own lists estimates 1500 to 2500
 - Realistic price lift without third party intermediary
- Retail
 - Aligning our effort and replicating a retail approach at our world class Processing facility

Strategy Into Action

Increasing Productivity



**Reflects mortality event in March 2020. Reported to ASX.*

Strategy Into Action

Increasing Productivity

- Developing a systematic approach to increase productivity and lift growth rates;
 - 20% of abitats with sub optimum growth rates
 - Reducing the time spent cleaning, investigating other approaches
 - Reducing the time spent lifting and moving, investigating modified designs
- Targeting additional annual growth at the same cost base



Strategy Into Action

Owning Our Integrated Supply Chain

Our Current Integrated Supply Chain



Hatchery

Supplier 888



Ranch & Processing Facility

Own, grow and continually improve



High-End Customer

Own, develop and grow



Strategy Into Action

Owning Our Integrated Supply Chain

Our Esperance Joint Venture with Yumbah Aquaculture Ltd will;

- Improve our product
 - Provide us the opportunity to use our extensive knowledge to improve the genetics of our ranched abalone
 - Create an animal that can be raised with less effort in more places in South West Western Australian oceans
- Reduce our costs of production
 - Lowering current juvenile costs and operating costs

Strategy Into Action

Owning Our Integrated Supply Chain

- Significantly reduce our risk
 - Utilise 30 years of On Land Farming technology improvements to underpin our continued research into our product and assurance of supply
- Another source of revenue and Company growth
 - Provide our high-end clients a substitute product at a lower cost of production

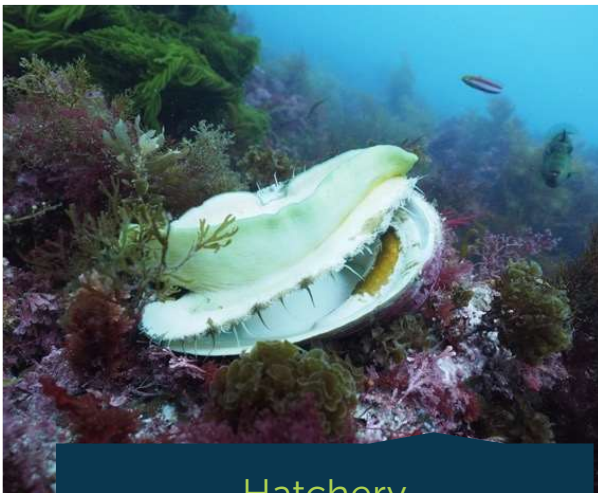


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Strategy Into Action

Owning Our Integrated Supply Chain

Our Future Integrated Supply Chain



Hatchery

JV Own and improve brood stock



Ranch & Processing Facility

Own, significantly grow through R&D



Sales & Marketing

Own, leverage price through increased demand



Strategy Into Action

Value Adding Growth Opportunities

- Creating an organisation with the capacity to evaluate and deliver our numerous value adding growth opportunities;
 - Expand of our current Flinders Bay Lease
 - Reducing current effort and improving our growth could lead to economic additional leases
 - Developing markets for the continual supply of raw and polished shells
 - Developing markets and products to utilise gut which is currently a waste product
 - And expanding the additional product range



What we have done and what we aim to do

Have done

Over the past 12 months we have;

- ✓ Matured our working artificial reef and developed an approach of continuous improvement
- ✓ Developed demand through a high end Trader network moving product to Hong Kong, Singapore, Taiwan, UK and investigating opportunities in Japan and Thailand
- ✓ Designing an approach to sell direct to high end Australian based Food Services groups to remove third party intermediaries (improve margins)
- ✓ Commenced a Bankable Feasibility Study with a well credentialed JV partner to secure our Integrated Supply Chain
- ✓ Created an organisation with the capacity to evaluate and action our value adding growth options



What we have done and what we aim to do

Aim to do

In the next 12 months we aim to:

- ☐ Increase sales and production from the Augusta ranch
- ☐ Implement a new marketing strategy to complement existing markets, develop new markets and increase margins
- ☐ Complete and implement a strategic plan to identify and action growth opportunities
- ☐ Complete the Bankable Feasibility Study on the proposed 600T abalone farm and hatchery in Esperance
- ☐ Finalise the JV arrangement with Yumbah Aquaculture Ltd
- ☐ Commence capital raising to fund the Esperance JV



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End of Presentation

Thank you!