

19 October 2023

ASX RELEASE

ASX: RFA

MST ACCESS QUARTERLY UPDATE PRESENTATION

DETAILS

Rare Foods Australia Ltd (ASX Code: RFA, the Company), is pleased to share a copy of the presentation provided today, to participants of a MST Access hosted webcast.

CEO Rob Jorden and CFO Brent Stockden spoke to the Company's Quarterly results, as released to the market on the 18th of October 2023.

The webcast recording will be loaded to the ASX's website for viewing after the event.

END

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

The Company Secretary of Rare Foods Australia Limited.

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About the Company

Rare Foods Australia Limited (ASX: RFA) has developed the world's first commercial greenlip abalone sea ranching business in the pristine waters of Flinders Bay, Western Australia. With the construction of proprietary, purpose-built artificial abalone reefs (called "ABITATS™") now complete, RFA is supplying commercial quantities of its premium, 'wild-harvested', greenlip abalone to local and overseas customers.

For more information visit www.rarefoodsaustralia.com.au

RARE FOODS

AUSTRALIA

Q1 FY24 PRESENTATION

Prepared by: Rob Jorden

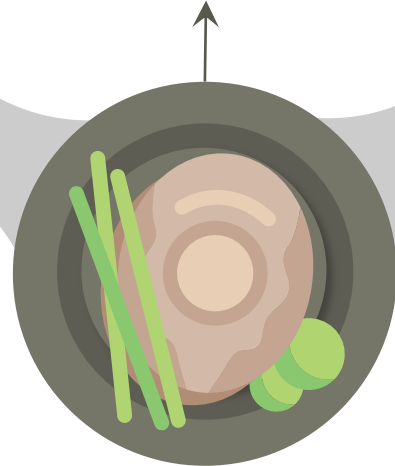
Date: 18 October 2023



OVERVIEW

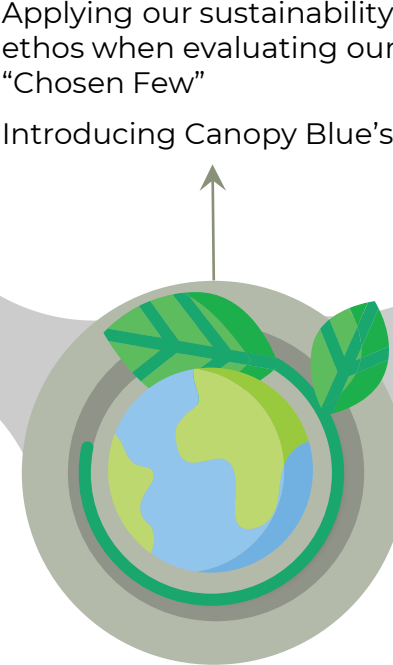
Continuing to strengthen the core business

- Another quarterly sales record, both volume and revenues
- A strong FY24 forward order book already established



Incentivised to innovate

- Core business: systematically using daily data to focus on juvenile survival and growth
- Ocean cellared: established plans to innovate methods to scale production



Sustainability Credentials

- Continually promoting our innovations
- Developing and amplifying our underlying ESG credentials
- Applying our sustainability ethos when evaluating our “Chosen Few”
- Introducing Canopy Blue’s trial



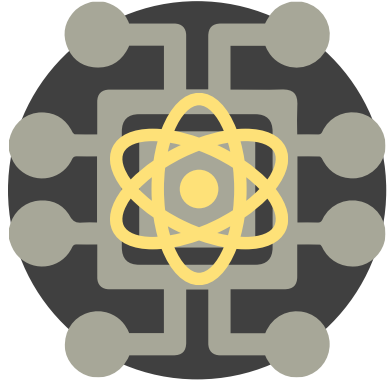
Funding Growth

- Utilising working capital facility to support growth opportunities
- \$1.8M R&D application submitted, receipt expected mid-November

Our focus is to scale and grow

- Strengthen the core business
- Evaluate the “Chosen Few”
- Seek scale, cost savings and synergies

Q1 HIGHLIGHTS



Core Business

- Increased biomass valuation underpinned by operation efficiencies
- Strong FY24 forward order book already established
- Continually achieving sales records



Organic Growth

- Expanding retail offerings
- Showcased Roei product development
- Scaling Ocean Cellared production



Value Accretive Growth

- \$1.1M spent to date (\$200k this quarter) on due diligence and the growth activities to scale and strengthen the core business and the Ocean Cellared product

AGENDA

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RARE FOODS
AUSTRALIA



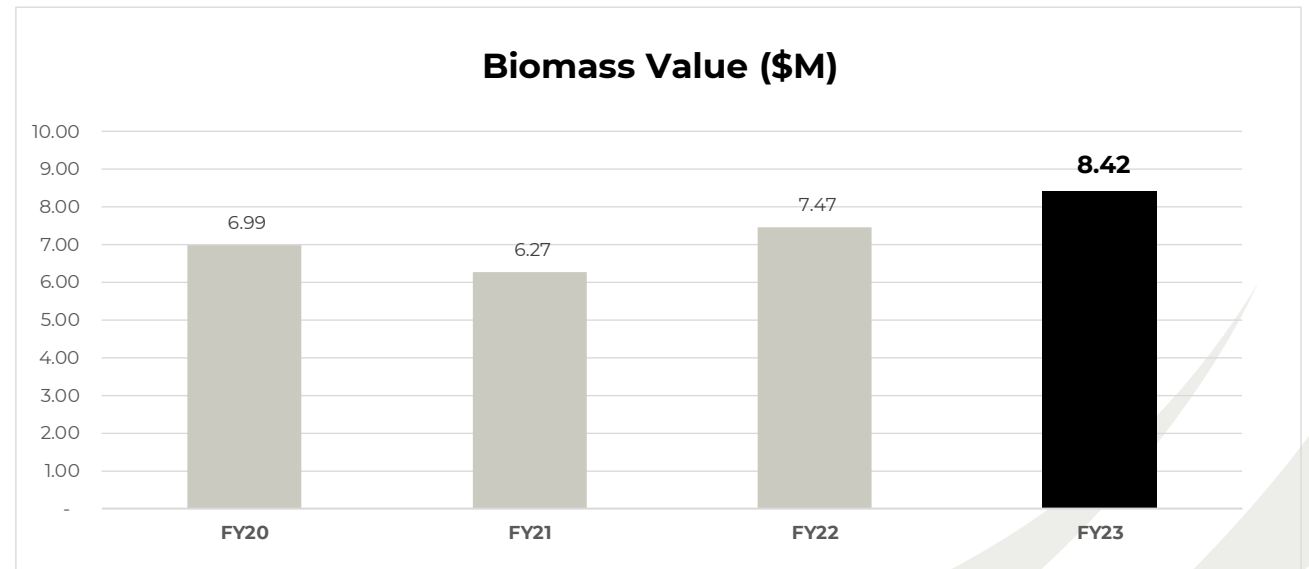
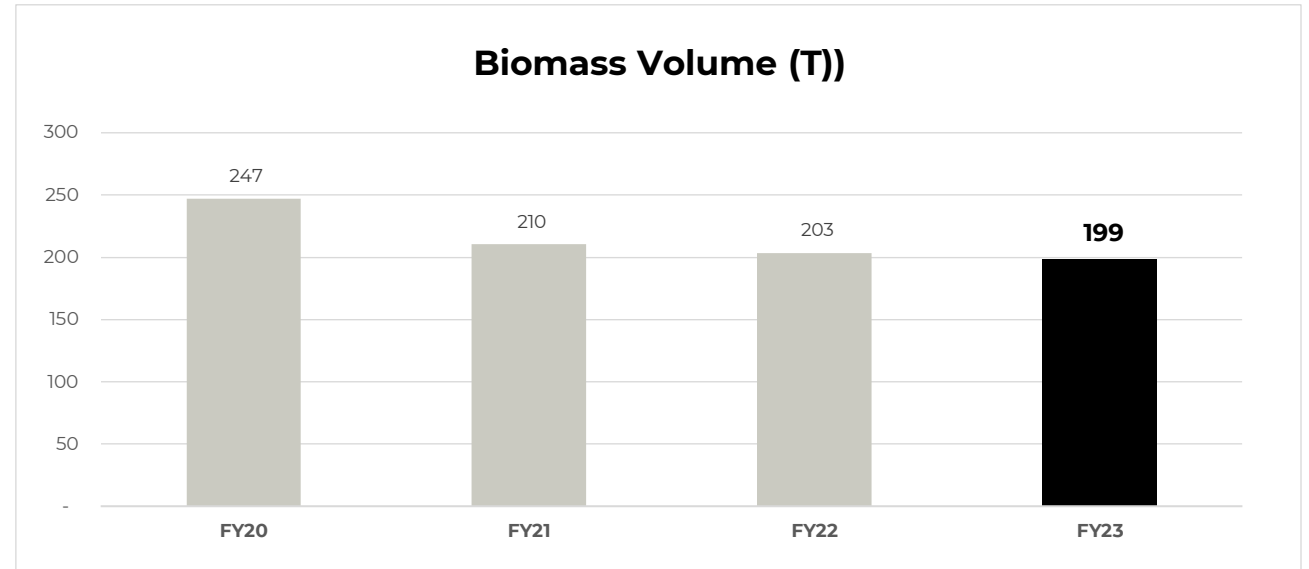
STRATEGY

- Supplying abalone and other rare products globally to become a strategic partner of choice.
- Growing our annual production of greenlip abalone and increasing margins.
- Strengthening our business and adding earnings from other rare products.
- Integrating other rare product supply chains from within our premium local region to grow value.



CORE BUSINESS OPERATIONS

- Achieved a biomass valuation of \$8.4M, an 11% increase on previous year, underpinned by an increase in sales price and improved operational efficiencies.
- Recorded an EOFY23 biomass volume of 199 tonnes, comparable with EOFY22 biomass of 203 tonnes.
- 797k juveniles deployed by the end of the quarter. Seeding began on the new reef (1175 ABITATs), established because of the move of the 2000 underperforming ABITATs.
- Harvested 22.8 tonnes of the MSC certified ranched greenlip abalone for the quarter.
- To fulfill third-party demand, a record September quarter of 27.4 tonnes was processed.

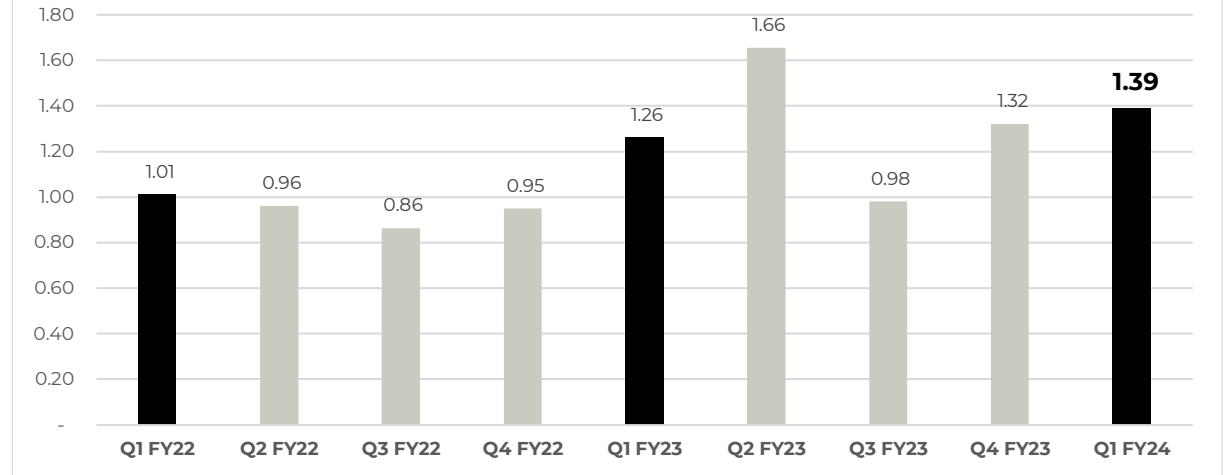


CORE BUSINESS

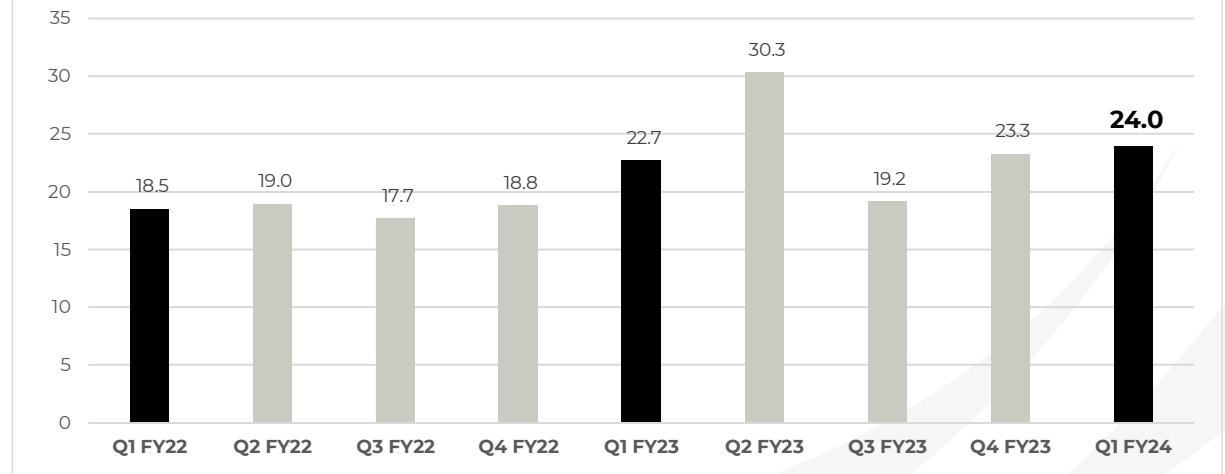
SALES & MARKETING

- Record Q1 sales of 24 tonnes of abalone product and \$1.4M of revenue.
- Average price for abalone products was \$58.1 per kg for the quarter. The Marine Stewardship (MSC) accredited ranched Greenlip achieved \$58.7 per kg, 6% higher than FY23.
- Showcased our quality tiered products with new Roei products in Singapore and, with the support of Austrade, to select customers in Vietnam, generating further enquires for both MSC accredited Greenlip and wild caught product
- A strong sales and forward order book established of 80 tonnes, representing 84% of last year's sales.

Sales Revenue for the Quarter (\$M)



Sales Volume (T) per Quarter



CORE BUSINESS

RESEARCH & DEVELOPMENT

- Our research and development activities are focused on the growth of our MSC accredited ranched Greenlip's productive capacity. During the quarter we:
 - Continued to build our new, bespoke database called the "Knowledge," capturing data from daily dive routines;
 - Utilised this information to prioritise ranch maintenance that best improves juvenile survival and growth;
 - Began the design of a rolling 4 Year Master Schedule to better predict biomass growth and productivity.
- We rescheduled the relocation of the remaining parts of poor performing reef (2000 ABITATs) to support other growth initiatives.
- The remaining 997 ABITATs are now scheduled to be moved through the summer period to align with the FY25 deployment.



ORGANIC GROWTH

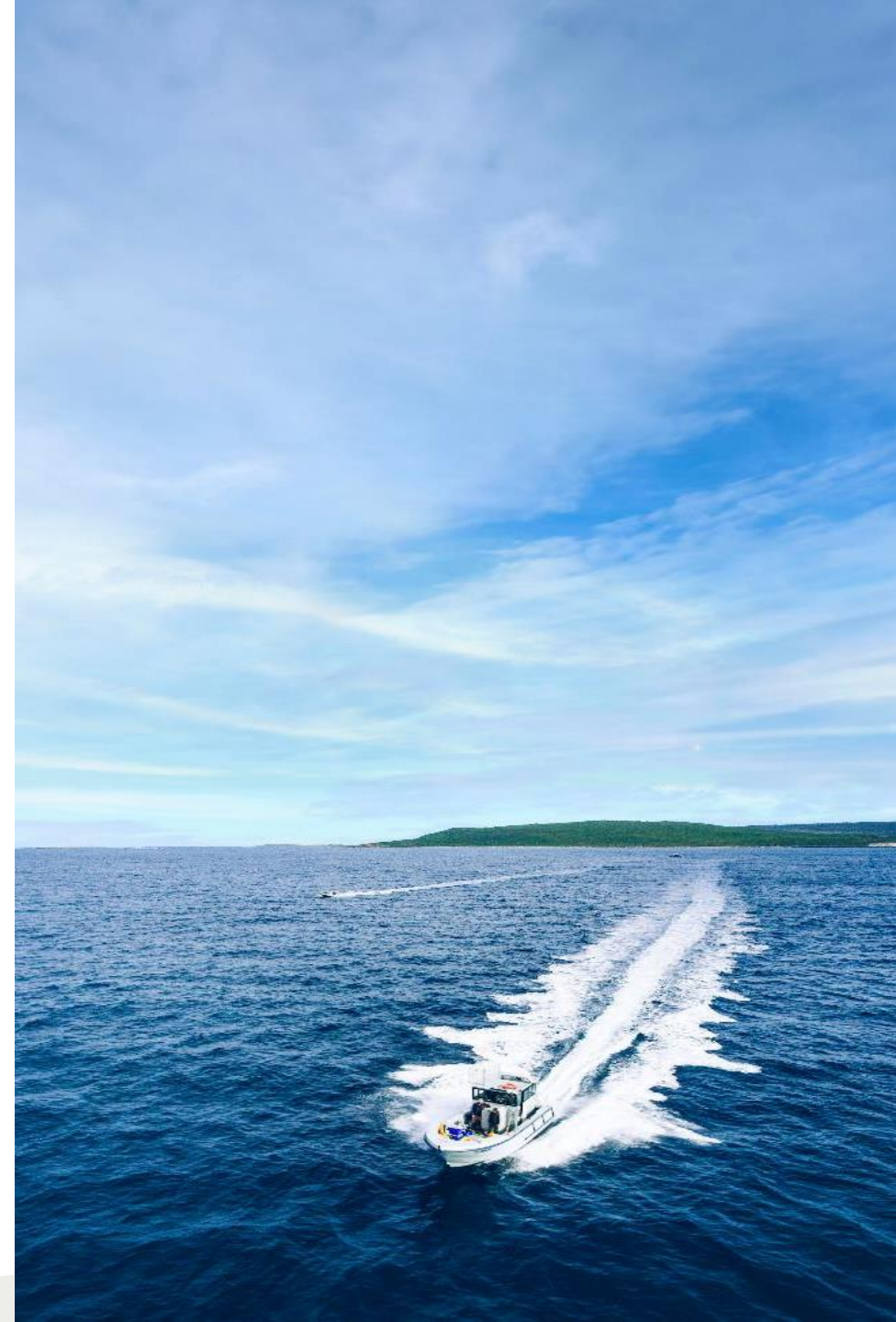
To achieve organic growth, we are building upon our strengths to add more value for our customers and our shareholders. Opportunities to scale and grow exist within our ocean leases, processing facility and sales and marketing channels.

- **Ocean Pantry, Augusta**

- Ramped up tours and tastings to promote the core business's innovation, double the previous quarter.
- Generated \$36k in revenue for the quarter, steady for the quiet winter period.

- **Integrating Wild Origin Product**

- New Roei products promoted in Singapore and Vietnam.
- Strong support of quota holders to continue to develop customer led products and valuable markets.

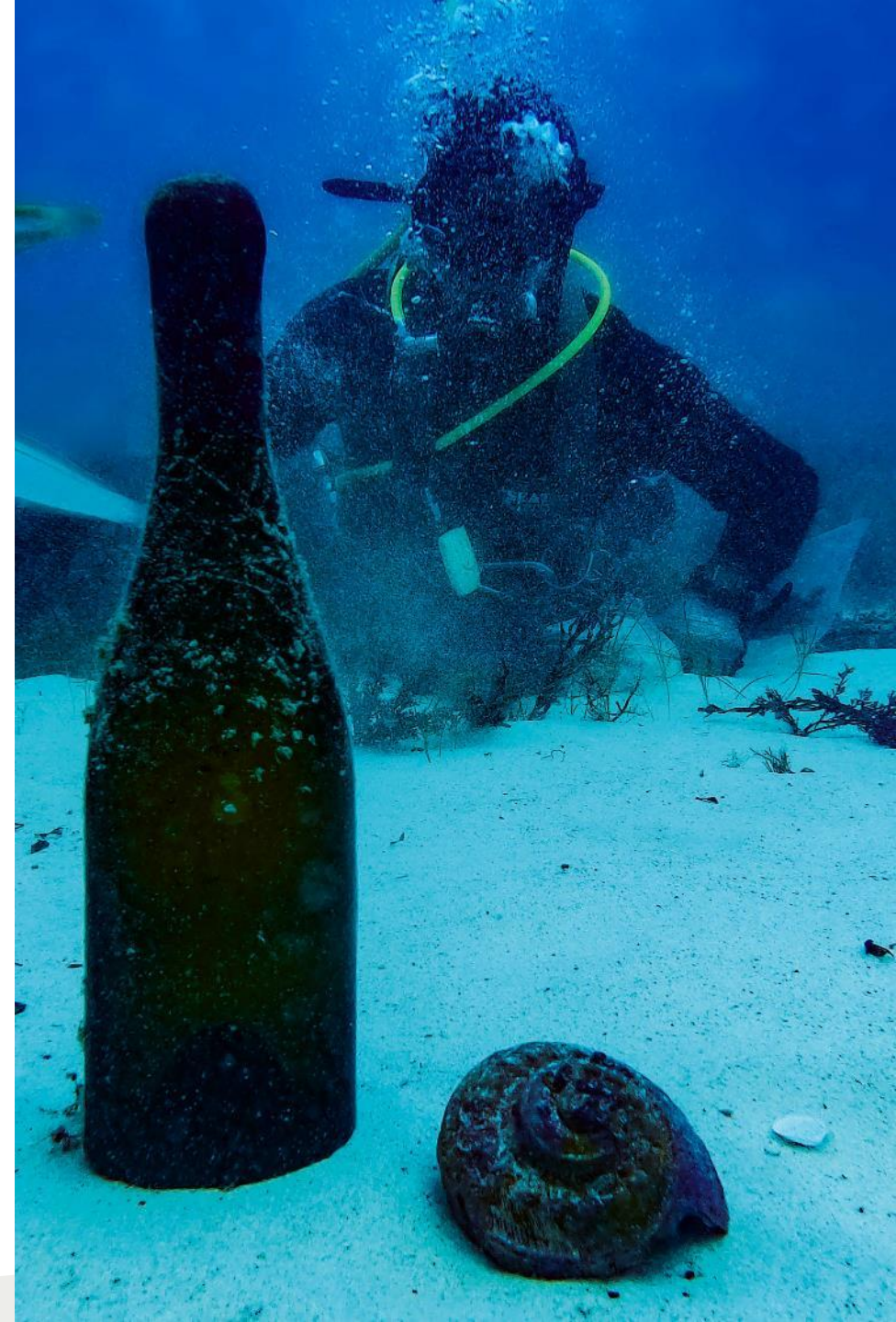


ORGANIC GROWTH

- **Ocean Cellared Product**

Ocean Cellaring is our licensed process to cellar and mature wine on the ocean floor. During the quarter we:

- Completed our Ocean Cellared Business Plan, outlining strategies to scale production;
- Ensured harvests of current Ocean Signature stock are on schedule, with 2,300 bottles available from December 2023;
- Finalised FY24 deployment plans of Ocean Signature with strategic partners Glenarty Road and Edwards wineries.
- Signed a Heads of Agreement with Winereef International to undertake a trial of its patented process. The trial starting in early 2024 is expected to produce 13,000 bottles.
- Engaged Simon Hanley as Sales and Marketing Manager, Ocean Cellared Products. Simon brings over 20 years' industry experience, including the launch of more than 30 beverages.



VALUE ACCRETIVE GROWTH

We are investigating other aligned rare product supply chains or assets from the premium South-West region that will expedite our growth.

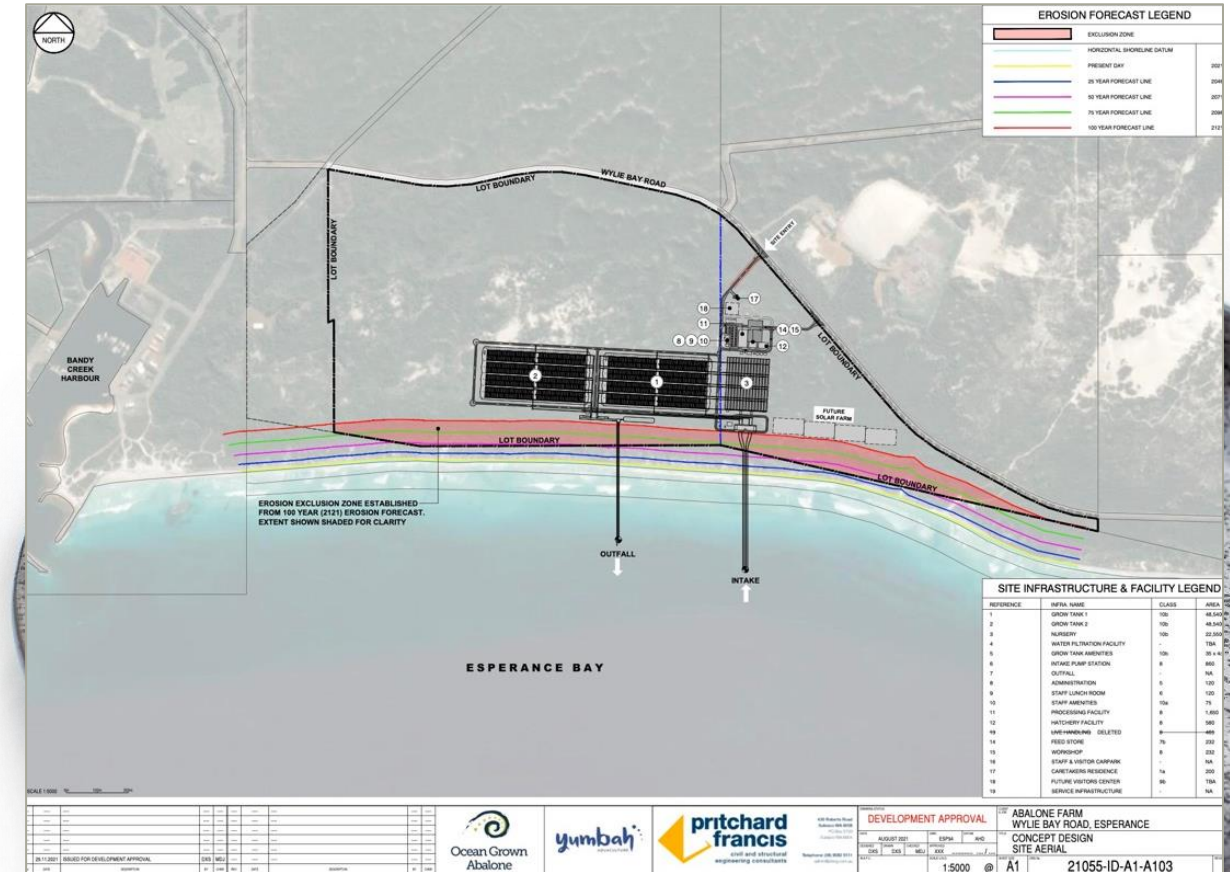
Due Diligence

- Due diligence began in FY23 on opportunities that could strengthen and scale the core business. Evaluations are continuing on a confidential basis with expenditure to date totalling \$1.1M

Progress with Esperance

- Work with Yumbah Aquaculture and the local indigenous group ETNTAC continued to progress an investment ready aquaculture precinct at Wylie Bay in Esperance, on the land that we and Yumbah have an option to acquire.
- Simultaneously we're developing the commercial structure between the parties to seek government funding for the infrastructure and promotion required to support the precinct.

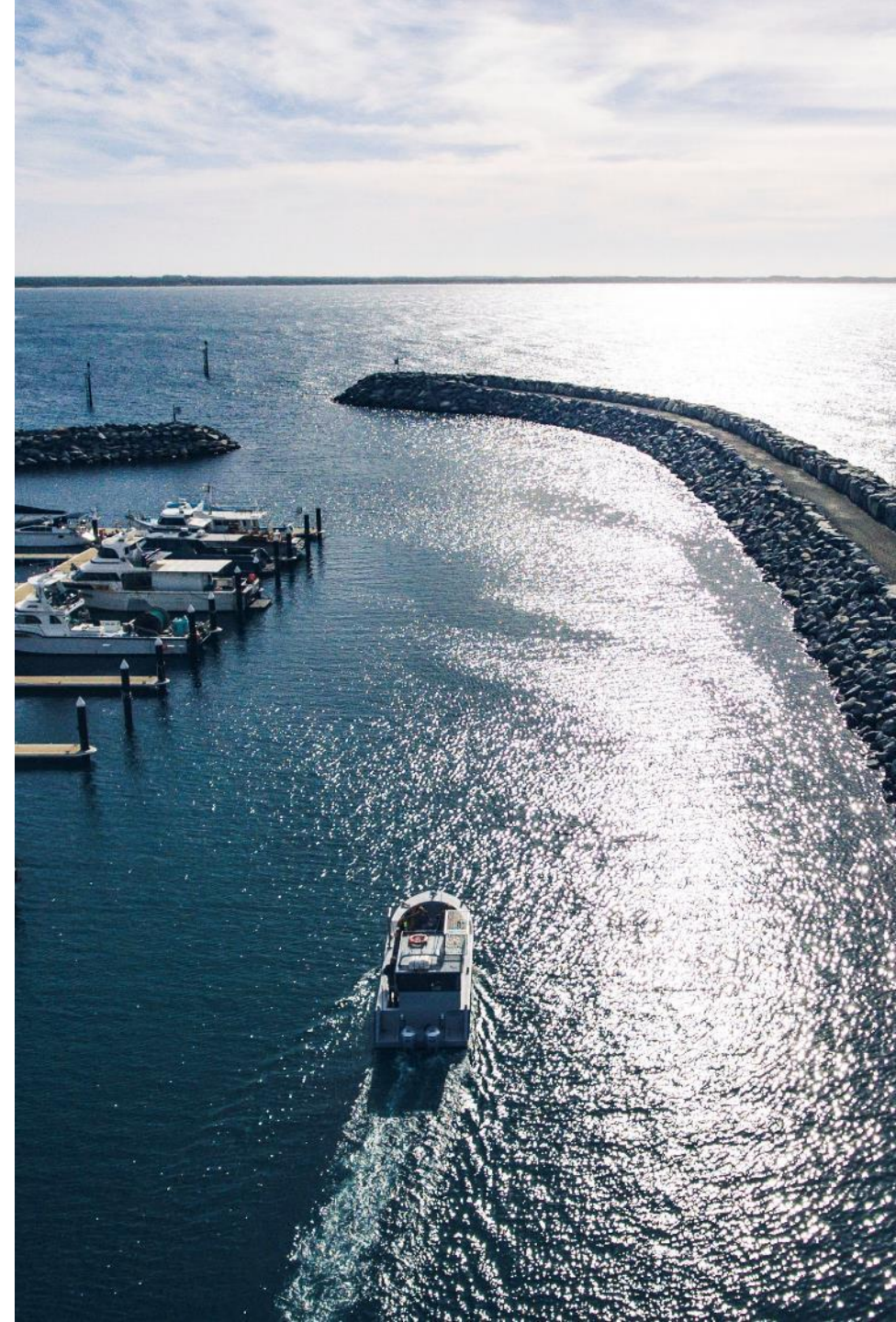
Potential Esperance Aquaculture Precinct Aerial View



VALUE ACCRETIVE GROWTH

Canopy Blue

- Canopy Blue is a business pioneering hyperscale offshore seaweed cultivation to sequester CO₂, restore the oceans and deliver a carbon neutral replacement for fossil fuels.
- During the quarter Wylie Bay Abalone Pty Ltd granted a non-exclusive sub-licence to Canopy Blue to use part of our licensed area at Wylie Bay, Esperance, for a seaweed pilot project.



CASHFLOW & FINANCE UPDATE

Q1 FY24



Cashflow

- Generated **\$1.6M** in cash receipts, strongest Q1 on record
- **\$1.1M** invested on due diligence & growth in FY23 & FY24.
- Q1 cash deficit from Operating activities of (**\$936k**)
- Ausindustry R&D application submitted, **\$1.8M** refund receipt expected in Q2



Core Business Improvements

- Biomass value of **\$8.4M +11%** on FY22 (and **+34%** on FY21)
- **Q1** MSC Ratched Greenlip average price/KG **+6%** on FY23
- **24T** abalone product sales in Q1 **2nd** highest all-time sales quarter
- Forward order demand received for **84%** of FY23 volumes sold



Growth Initiatives Underway

- Ocean cellaring trial = revenue diversification + low CAPEX investment
- Master Distributor strategy execution, supported by secured FY24 Export Market Development Grant.
- Ongoing evaluation of opportunities to strengthen and scale

SUMMARY

- ✓ Improved systems and disciplines are providing us better knowledge, ensuring we focus on priorities that will continue to build the core business.
- ✓ We are leveraging our rebranding initiative, introducing other aligned rare products and continually strengthening our earnings.
- ✓ We have been investing in growth, evaluating other potential rare products in our premium region and have several initiatives underway.



END OF PRESENTATION

Thank you for listening!

The floor is now open for questions.



RARE FOODS

AUSTRALIA

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