

2 February 2024

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 30th of January 2024.

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

Q2 FY24 PRESENTATION

Prepared by: Rob Jorden

Date: 30 January 2024



OVERVIEW

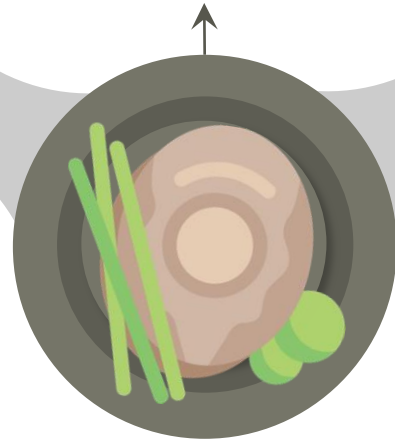
Continue to strengthen the core business

- Building our tier-based abalone product offering.
- Strengthening our Master Distributor strategy.
- Continually adding to a healthy Forward Order book.



Focus to scale and grow

- Continually strengthening our core business.
- Evaluating the “Chosen Few”.
- Seeking scale, cost savings and synergies.



Incentivised to innovate

- 7-Year detailed ranch strategy to lower costs and grow the productive capacity.
- Integrating Ocean Cellared innovations to diversify products and leverage our strengths.

Sustainability Credentials

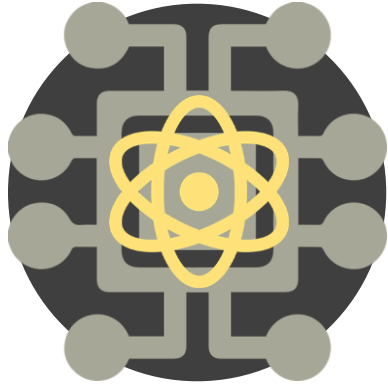
- Continually promoting our innovations.
- Developing and amplifying our ESG credentials.
- Applying this ethos to our “Chosen Few”.



Funding Growth

- Received our \$1.8 million R&D refund as planned.
- Utilising our working capital facility to fund our current growth.

Q2 HIGHLIGHTS



Core Business

- Record processed volumes of 39.6 tonnes of tiered based abalone product. (66.8 tonnes for H1).
- FY24 deployments completed in 32% fewer deployment events.
- 7-Year Ranch Strategy developed to predictably improve the ranch productive capacity.



Organic Growth

- Showcased wild caught Roei products at the Augusta facility to key buyer from Vietnam – MiGroup.
- Commenced selling our harvest of Ocean Signature wine under our new liquor licence.
- Operational tasks started in preparation for Winereef trial.



Value Accretive Growth

- Spent \$0.4 million this HY on due diligence and growth activities, total \$1.3 million to date.
- Achieved a cashflow positive quarter.

AGENDA

Strategy	5
Core Business	6
Organic Growth	9
Value Accretive Growth	11
Cashflow and Finance Update	13
Summary	14



RARE FOODS
AUSTRALIA



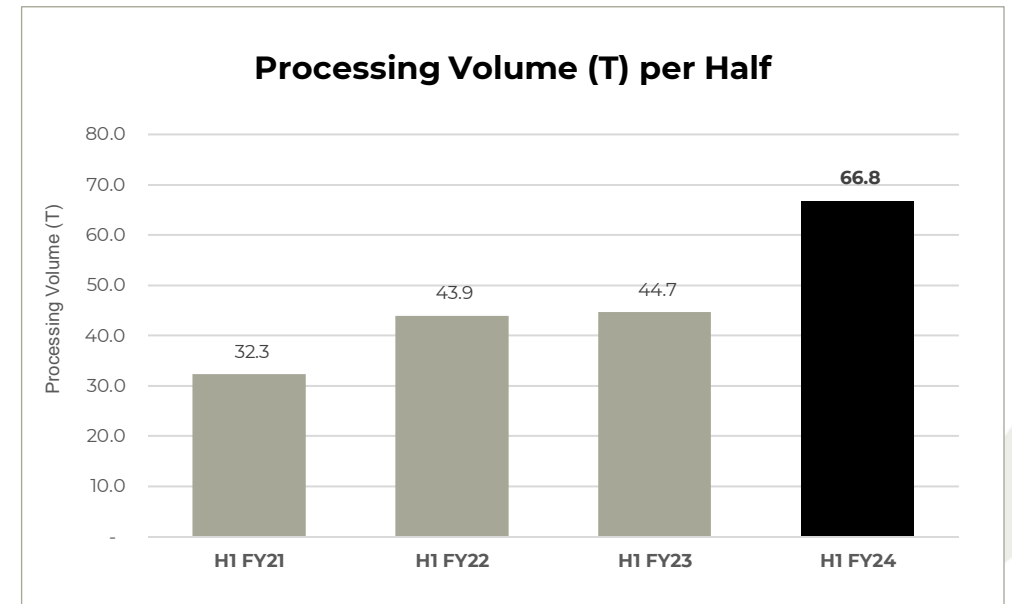
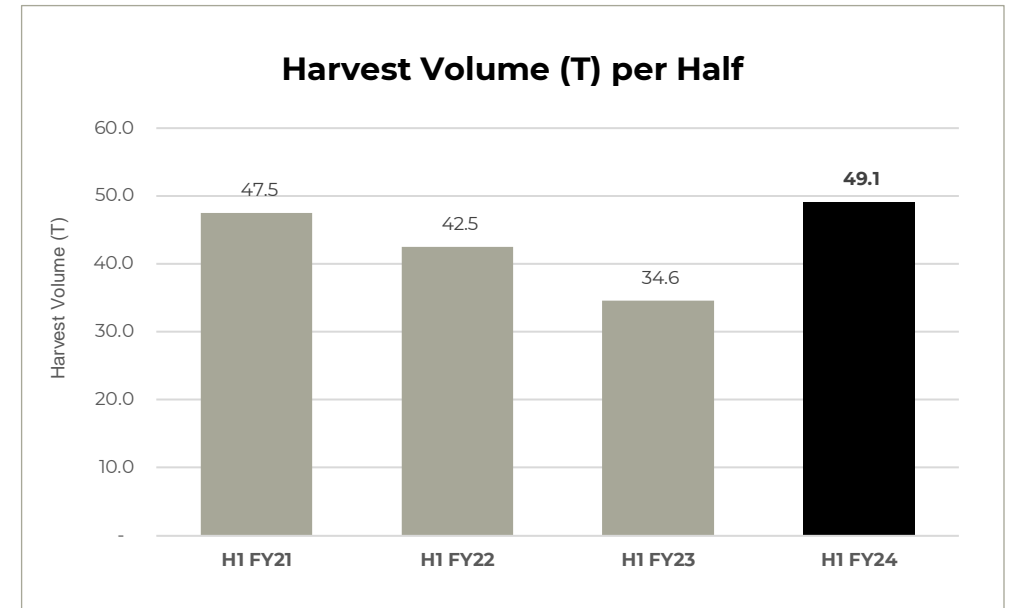
STRATEGY

- 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

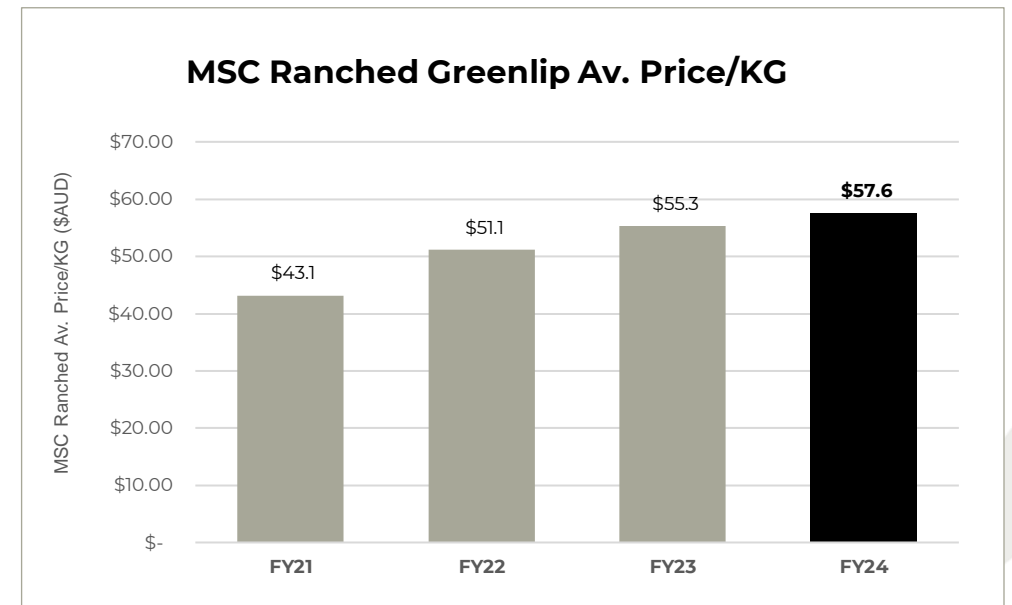
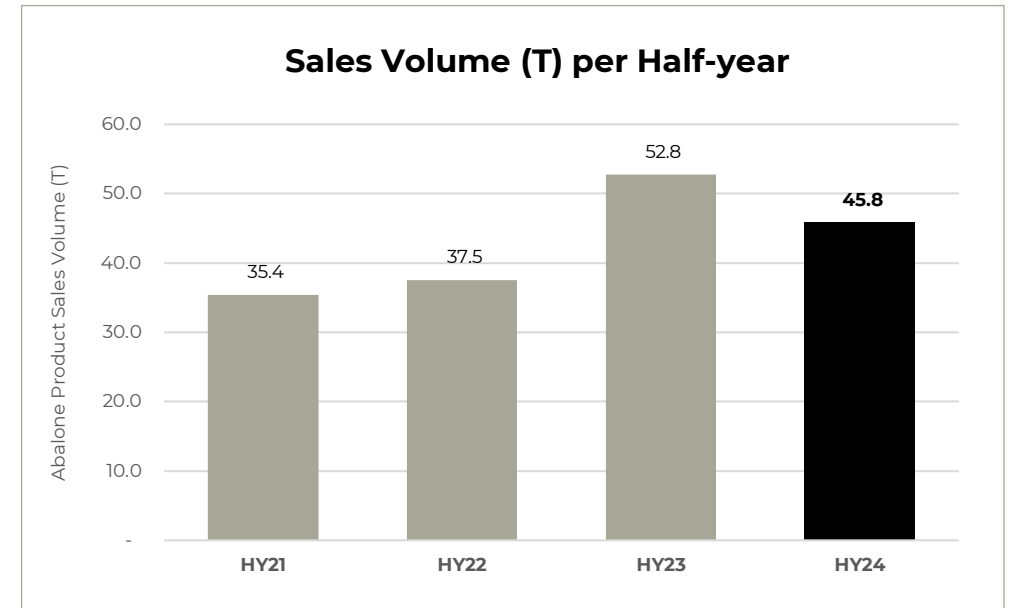
- Ranched Greenlip Q2 harvest of 26.3 tonnes with total H1 FY24 at 49.1 tonnes.
- Record processed volumes in Q2 of 39.6 tonnes of tiered based abalone product (66.8 tonnes for H1).
- Recorded a 16% decline in the commercial biomass grades, down from 199 tonnes (EOY23) to 166 tonnes (HY24) due to:
 - Reconditioning 20% of the artificial reef (2,000 ABITATs) in FY22 to improve productivity.
 - Reduced juvenile deployments in FY21 (response to Covid).
- FY22 deployment levels lifted back to 1.2 million juveniles.
- FY23 deployments completed in 11 events, 32% fewer than averaged in the past, reducing overall logistics costs.
- The number of juveniles to come into commercial grade +26% at 847k, due to restocking of newly refurbished ABITATs in FY22 and FY23.



CORE BUSINESS

SALES & MARKETING

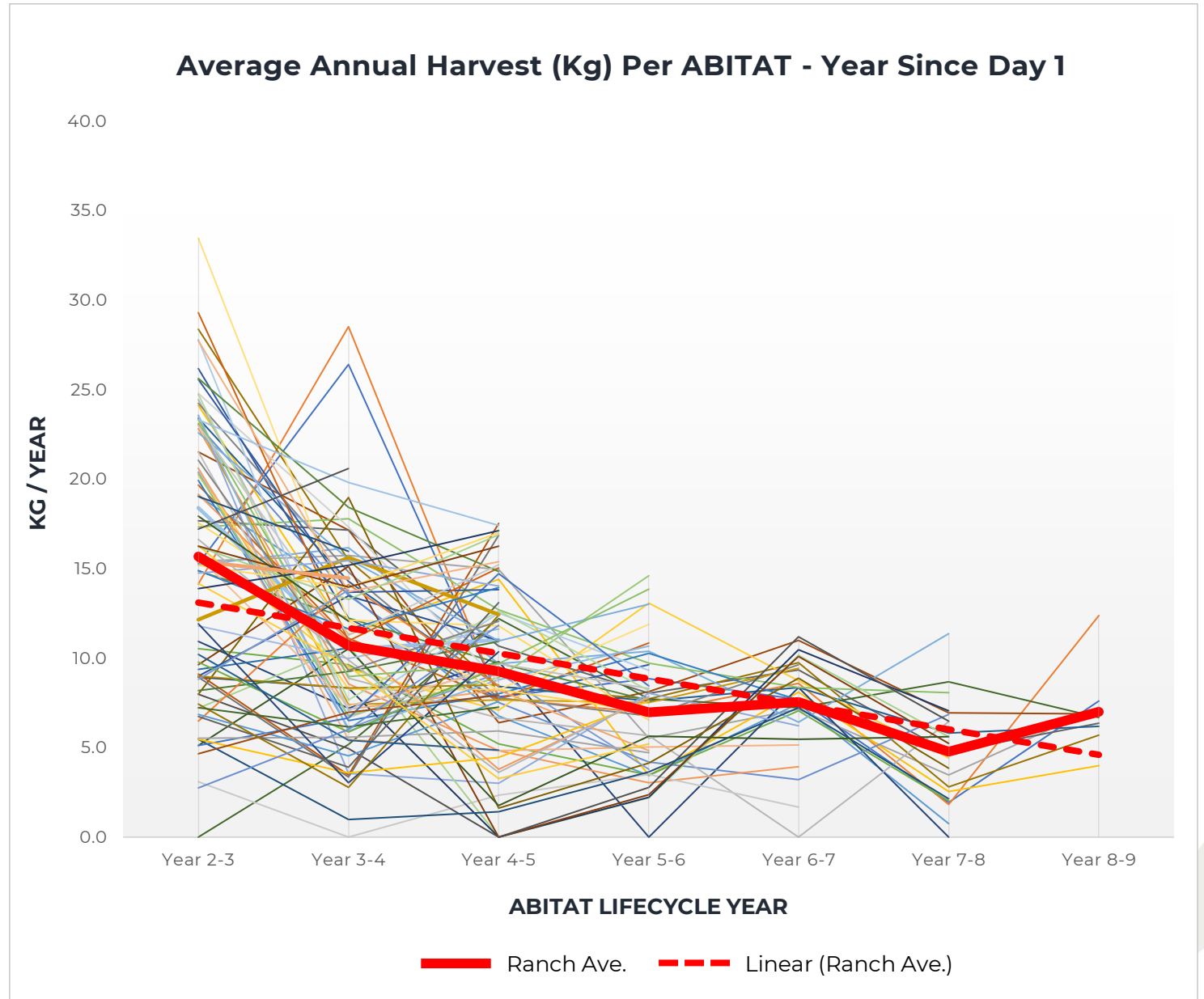
- Q2 sales of 22 tonnes of abalone product achieving \$1.2 million of revenue.
- Average price for abalone products remains firm at \$54.3 per kg for the quarter. The Marine Stewardship Council (MSC) accredited ranched Greenlip achieved \$57.6 per kg.
- The tiered based abalone product offering provides ample stocks to fulfill a strong forward order book, currently at 82 tonnes, which represents 87% of tonnage sold in FY23.



CORE BUSINESS

R&D

- A 10-year analysis of ABITAT productivity completed, which concluded that productivity declines over time are due to biofouling.
- To arrest this a 7-Year strategy has been developed, aimed at creating more space for higher rates of abalone survival and growth:
 - 1,400 ABITATS each year scheduled to be lifted, cleaned and redeployed.
 - The ABITAT deployment vessel is now being scheduled full time to implement this strategy.
 - A revised 1-Year Schedule for immediate implementation requires 25% less planned Boat and Dive team resources.



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

- The Ocean Pantry achieved a record \$50k in revenue during the quarter, up 50% on the turnover achieved in previous quarters.
- The facility is designed to promote the Company's abalone and Ocean Cellaring innovations through tours and tastings.

Wild Caught

- Following the success of the Seafood Sales shows conducted in September, Vietnamese buyer MiGroup, conducted a site tour at the Augusta facility, where we showcased wild caught Roei and ocean cellared products.
- Revenues of \$112k were achieved from wild caught product during the quarter.



ORGANIC GROWTH

Ocean Cellaring

Ocean Signature

- Our liquor licence was acquired in December, which allowed us to begin sales of the FY24 Ocean Signature range. Harvests of those 2,300 bottles will be completed in the current quarter.
- Glenarty Road began the deployment of their FY25 Ocean Signature wines with a total of 2,000 bottles and 50% of those available for sale by the Company.
- Deployment amounts for FY25 are currently being finalised with Edwards Winery.

Winereef trial

- We began operational activities to undertake the Winereef trial (announced 10 October) to target the harvest of 13,000 bottles of Ocean Cellared product in FY24.



VALUE ACCRETIVE GROWTH

DUE DILIGENCE

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

Due Diligence

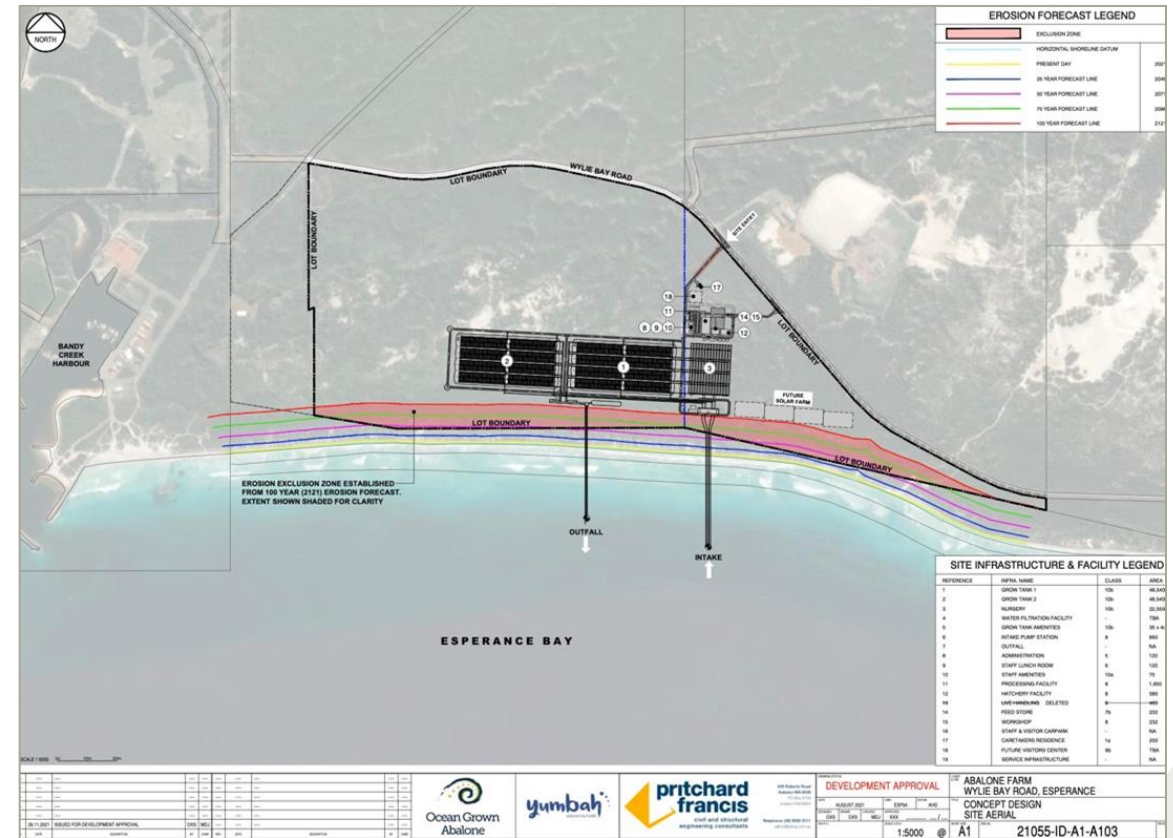
- Due diligence started in FY23 on opportunities that could strengthen and scale the core business continued into Q2 FY24. These are being evaluated on a confidential basis, with expenditure to date of \$1.3 million. A market update will be made if and when binding arrangements are reached.



VALUE ACCRETIVE GROWTH ESPERANCE

- The proposed Esperance 600 tonne land-based Abalone Farm and Hatchery with partner Yumbah was deferred in April 2022 due to the impact of the Covid pandemic and cost increases associated with the project's infrastructure.
- With Yumbah, and in consultation with local indigenous group ETNTAC, strategic options were sought throughout FY23.
- The parties finalised arrangements to secure the land with the opportunity to pursue the aquaculture precinct concept at Wylie Bay.
- The parties are now developing commercial agreements to plan and seek external funding to develop the precinct infrastructure, and attract other aquaculture and marine related businesses to participate.

Potential Esperance Aquaculture Precinct Aerial View



CASHFLOW & FINANCE UPDATE

Q2 FY24



Cashflow

- Cashflow positive result from Op. Activities for Q2 **+\$0.6M**.
- AusIndustry **\$1.8M** R&D refund receipted as planned in Nov 2023.
- **\$0.4M** invested on due diligence and growth in H1 FY24.
- Net cash deficit for H1 FY24 (**\$0.3M**).



Core Business Improvements

- Harvested MSC Ranched Greenlip Abalone **+41%** for H1 FY24 (49.1T).
- MSC Ranched Greenlip average price/kg \$57.60 **+4%** on FY23.
- Record 66.6T of abalone product processed **+50%** on H1 FY23.
- Forward order demand received for **87%** of FY23 tonnage sold.



Growth Initiatives Underway

- Liquor licence secured in Q2 to support Ocean Cellaring revenues.
- Record Ocean Pantry quarterly turnover achieved (\$50k) **+50%** on Q1.
- Wild Origin abalone revenue contribution of **\$112k** for Q2.
- Ongoing evaluation of opportunities to strengthen and scale.

SUMMARY

- ✓ Improved systems and disciplines are providing us with 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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