



MEDIA RELEASE

East 33 Limited, leading producer and supplier of Sydney Rock Oysters, announces IPO and plans to list on the ASX

KEY POINTS

- **East 33 set to become one of Australia's largest producers and suppliers of Australian Sydney Rock Oysters (SROs)**
- **SROs commercially farmed in only 41 locations on NSW coast**
- **Multi-generation oyster farmers unite under single premium banner as East 33 consolidates a rare portfolio of assets**
- **Company is set to handle 25% of SRO market through vertically integrated model: nursery, grow-out leases, processing, distribution, retail and export**
- **Provenance, heritage and rarity of the SRO is matched with deep brand expertise on East 33 Board and leadership team, in quest to create an iconic Australian export**
- **Grow FY20 EBITDA of \$5.2m to \$8.0m in FY22 on the back of production and sales increase from 4m to 15m oysters annually**

SYDNEY, 16 October 2020 – Set to be one of Australia's largest producers and suppliers of Sydney Rock Oysters (SROs), East 33 Limited today announced details of an Initial Public Offering (IPO) and its plan to list on the Australian Securities Exchange (ASX).

Through a partnership-style acquisition approach East 33 has emerged rapidly as a dominant producer and supplier of SROs, which are found in a limited number of estuaries on the NSW coast and increasingly prized as a rare premium oyster.

Following completion of a number of additional acquisitions (Target Acquisitions), which are to settle prior to its admission to the ASX, East 33 will control approximately 9% of global SRO production, with a footprint in major SRO-growing areas on the NSW coastline.

Longstanding family owners of operations have been integrated into the ongoing East 33 business as it has acquired assets.

As well as hatchery and farming assets, East 33 will, following completion of the Target Acquisitions, establish footholds in processing, distribution and retail as part of a vertically-integrated model that captures margin at all stages of the SRO value chain.



A key pillar of East 33's growth strategy is showcasing the SRO's provenance, heritage, rarity and unique flavour profile to international markets, where premium live oysters are able to command prices of as much as \$15 per oyster.

On completion of the IPO, East 33's Board will include two directors with international brand experience gained through global luxury group LVMH, Philip Come and Kara Hurry, as well as highly-regarded marketer Georgina Williams, and the Chairman and founder of China's largest privately-owned integrated aquatic port in China, Mr Xingqi Gao. Former CEO of Destination NSW and executive Director of Sydney's Vivid Festival, Sandra Chipchase, is on East 33's Advisory Board. East 33 has also established marketing collaborations with Moët Hennessy, part of the LVMH Group.

East 33's co-founder and Executive Chairman, James Garton, said: "We are proud to be part of the transformation of the Sydney Rock Oyster industry. This unique oyster has been enjoyed in Australia for more than 150 years and we look forward to deploying the skills of our farmers to showcase it to the world. The Sydney Rock Oyster should be our native version of French Champagne or Beluga Caviar."

Clear growth strategy

With approximately 85% of Sydney Rock Oysters historically consumed in NSW, a lack of scale and vertical integration has led to under-investment in the industry, despite 23% growth in SRO prices in the last five years.

"East 33's growth strategy is clear and compelling - leverage investment in infrastructure and technology to drive volume growth and economies of scale in production, and through a vertically-integrated supply chain capture margin at every stage of the oyster's journey thereafter," Mr Garton said.

"Our team combines deep farming expertise, high-level commercial, brand and marketing skills, and reach into strategic new markets," he said.

Sydney Rock Oysters take on the characteristics of the water and environment in which they grow and mature, making them highly adaptable to local conditions and seasonal variations, and resilient to diseases such as POMS. Well-managed and regulated waterways in NSW have reduced environmental risk and as a mollusc, the SRO has no feedstock requirements during cultivation.

With production at scale limited to only a handful of locations in NSW, competitive barriers to new SRO producers and suppliers are high.



Funds raised in the IPO will be used toward completing planned acquisitions of additional nursery and farm assets and a processing and distribution facility in Sydney, investing in infrastructure to boost production capacity, and strengthening sales and distribution channels in key Asian markets.

Financial forecasts included in the Prospectus for the IPO forecast an increase in oyster production from 4 million in FY20 to 15 million in FY22, with revenue increasing from \$26.8m¹ to \$40.2m and EBITDA increasing from \$5.2m to \$8.0m over the same period.

“In a short time, East 33 has carved a prominent position in what has traditionally been a highly fragmented industry. The IPO is the next step in unlocking the potential of the SRO on the global stage,” Mr Garton said.

“We look forward to drawing on the knowledge and passion of our farmers while applying capital and commercial skills to realising the East 33 vision,” he said.

A key feature of East 33’s acquisition model is the continued participation in East 33 of oyster-farm operators, many of which are families whose involvement in the industry spans several generations. Oyster farms already acquired or subject to binding acquisition agreements as Target Acquisitions include those owned by the Browne, Verdich and Sciacca families.

Second-generation oyster farmer Stephen Verdich, based in Wallis Lake, will become East 33’s Head of Farming Operations on completion of the IPO.

Mr Verdich said: “This is an exciting opportunity for the SRO industry. The biggest thing holding the industry back over many years has been a lack of capital and marketing expertise. East 33’s business model delivers both – capital to accelerate investment into modern, efficient farming methods, and the skills necessary to introduce our product to lucrative new markets. At the farming level, the company structure offers our employees new career paths, allowing the industry to retain talent.”

IPO details

Under the terms of the IPO, East33 will offer 160,000,000 shares to raise \$32 million at an offer price of \$0.20 per share, representing 39.02% of issued share capital in East 33 on completion of the IPO. In support of the equity offer under the IPO, East 33 has also secured \$10 million in senior debt funding from National Australia Bank (NAB), which is a condition of the IPO.

¹ Historical financial information represents the aggregated financial statements of the aggregated East 33 Group; they indicate the financial position had all Stage 1 and Stage 2 (post-IPO) Acquisitions been aggregated within the one group during the applicable financial periods.



Prospective investors will be able to apply for East 33 shares from 23 October 2020. The IPO share offer is expected to close on 16 November 2020.

East 33 has applied for admission to the Official List of the ASX. Quotation of its shares is scheduled to commence on 3 December 2020 under the ticker code E33. At the offer price East 33's market capitalisation upon listing will be \$82 million.

Blue Ocean Equities is the Lead Manager for the IPO. Other advisers to the IPO are Thomson Geer (legal), HLB Mann Judd (auditor), Grant Thornton (independent expert). NAB are bankers to East 33.

The offer of Shares in East 33 is made in the Prospectus lodged with the Australian Securities and Investments Commission on 15 October 2020. Applications for East 33 shares can only be made by completing the application form attached to or accompanying the Prospectus via a physical or online lodgement. Potential investors should read the Prospectus in its entirety before making any decisions on whether to acquire any Shares in East 33.

Investors can obtain a copy of the Prospectus by calling the Offer Information Line on 1800 176 125 between 9.00am and 5.00pm (AEST) on business days during the offer period.

The Prospectus is also available in electronic form here <https://events.miraqle.com/east33-ipo>.

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NOTE TO EDITORS: BIOS - BOARD AND KEY LEADERSHIP TEAM

James Garton - Co-founder and Executive Chairman

Mr Garton is an experienced company director, with ASX, NASDAQ and private company experience across a range of sectors including agriculture, alternative energy, finance, financial technology and property. Prior to co-founding East 33, Mr Garton held senior roles encompassing corporate strategy, M&A and corporate finance. Mr Garton's expertise spans managing start-ups to direct responsibility for major billion-dollar cross-border commercial agreements in Australia, US, China and South East Asia.

Mark Nagy - Co-founder and Executive Director

Mr Nagy is a highly experienced company director, having held positions on ASX/NZX-listed company boards for more than 20 years. Mr Nagy has a 50-year association with the Wallis Lake region. He co-founded East 33 after working closely with some of the region's oyster farmers to develop growth opportunities for the industry. Mr Nagy previously founded and led several privately held and listed companies across a range of industries and sectors including financial, digital identity, security, transport and health.

Guy Burnett - Co-founder, CFO and Executive Director

Mr Burnett has over 25 years' experience in senior financial, CFO and company secretary roles in ASX and NASDAQ-listed companies. He has also held senior roles at several start-up and private companies, and large corporatised utilities and was an audit manager at KPMG. Mr Burnett's experience covers a diverse range of sectors including professional audit and advisory, water, energy, renewable energy and technology. Prior to co-founding East 33, Mr Burnett managed the finance and company secretarial functions (across Australia and various international jurisdictions) of an ASX-listed entity.

Philip Come - Proposed Director

Mr Come is a qualified Chartered Accountant and holds a Bachelor of Economics from the University of Sydney. He has a deep understanding of the luxury goods industry and extensive international experience leading and growing sophisticated and complex retail businesses.

Mr Come worked at KPMG from 1978 to 1988, and joined Louis Vuitton Australia in 1988 as Head of Finance. From 1998 – 2002 he was Senior Vice President and CFO of Louis Vuitton and the LVMH Fashion Group Americas. In 2003 Philip returned to Australia to take up the role of Chief Executive Officer of Louis Vuitton Australia and New Zealand. In 2016 Philip was appointed Executive Chairman of L Catterton Australia (LVMH's private equity investment arm) a position he held until 2018. During his career with the LVMH Group, Philip held senior

leadership roles including strategic planning, property, marketing and client engagement, supply chain, information technology and people.

Kara Hurry - Proposed Director

Ms Kara Hurry is the founder of Entente Marketing Agency focused on areas of luxury and premium fashion design and lifestyle. Kara is a current board member of Cure Cancer Australia. Kara was the marketing director for R.M. Williams responsible for global marketing team and rebranding of the business and introduction of the brand to the USA and repositioning within the UK, Australia and New Zealand.

Ms Hurry's other key roles have been communications manager for Louis Vuitton Australia, regional marketing manager for The Woolmark Company and Chief marketing Officer for ASX listed Australian Agriculture Company. Ms Kara Hurry Walker is a Graduate of the Australian Institute of Company Directors.

Georgina Williams - Proposed Director

Ms Georgina Williams is a professional director and serves on a number of boards. She has over 25 years' experience in Banking and Superannuation including roles as Chief Executive Officer, Food and Wine Victoria; Group Executive Engagement, Advocacy and Brand at Australian Super; and Head of Brand and Marketing at the Bank of Melbourne. She has also held a number of executive positions at NAB over many years in both Australia and the United Kingdom, which included roles in the commercial banking, wealth, strategy and marketing departments.

Ms Williams is currently a non-executive director of each of Reece Ltd (ASX: REH), Lifestyle Communities Limited (ASX: LIC), Sunsuper and UN Women. At both Reece Ltd and Lifestyle Communities Limited. She also serves as a member of the Audit committees. She was recognised as one of Australia's Top 50 CMO's in 2016 by CMO Magazine. She currently serves as a judge on the Top 50 CMO panel 2019 determining Australia's top marketers. Georgina has a BA and BComm from the University of Melbourne and is a member of the graduate of the Australian Institute of Company Directors and a graduate of the Australian Institute of Company Directors course.

Xingqi Gao - Proposed Director

Mr Xingqi Gao is Chairman and Founder of Shanghai Changxing Island Fishing Port in Shanghai, the largest privately-owned aquatic port in China, with the focus of importing seafood into China. Mr Gao is a member of the Royal Institute of Surveyors and a Senior Member of the Chinese institute of Certified Public Accountants.

Stephen Verdich – Proposed Head of Farming Operations

Mr Verdich is a second-generation NSW oyster grower. The Verdich family has farmed Sydney Rock Oysters in various estuaries along the NSW coast since the late 1800s. The family established themselves in the Wallis Lake area more than 50 years ago, while continuing to farm in multiple estuaries to take advantage of the differing growing conditions. Mr Verdich has represented the oyster industry via a number of high-profile positions. He was a founding member of the NSW Shellfish Committee and is still the Mid North Coast Oyster Farmer representative. He is also the Wallis Lake Oyster Farmers State Representative. He was the inaugural Chair of the local shellfish committee during the establishment of current Wallis Lake Shellfish Quality Assurance Program.

Anthony Sciacca - Proposed Co-head, Farming

Mr Sciacca is a third-generation NSW oyster farmer. The Sciacca family is one of the oldest oyster farming families in the Wallis Lake district, first taking up leases in the early 1900s. Mr Sciacca has been farming Sydney Rock Oysters for 40 years. In that time, he has held a number of high-profile positions in the NSW shellfish industry. He is a current board member of Select Oyster Co (SOCo), which guides Australia's Sydney Rock Oyster select breeding program. He is a past Chairman and Vice Chairman of the NSW Farmers Oyster Section. He is a former Coordinator of the Wallis Lake Shellfish Quality Assurance Program and was previously part of the NSW Oyster Industry Strategic Implementation Group.

Glenn Browne – Proposed Co-head, Hatchery

Mr Browne is a fourth-generation oyster farmer from the Port Stephens area of NSW. He has 45 years' experience in the industry, with 30 of those years spent managing oyster farms. In that time, he has held senior roles on peak oyster industry boards and committees; notably, he is a past Chairman of the NSW Farmers Oyster Section. He was an inaugural member of the NSW Oyster Research Committee, and the NSW delegate on the National Aquaculture Council. Locally, he is a past chairman of the Port Stephens branch of the NSW Farmers Oyster Committee, and member of the Port Stephens Oyster Quality Assurance Committee.