



AgFood



# AgFood Opportunities Fund

Backing Sustainable & Scalable Cash Flow

Investor Update | May 2024

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# AgFood Opportunities Fund – May 2024 Update

	<b>Portfolio Projects</b>	<ul style="list-style-type: none"> <li>• Digital Agricultural Services – DAS confirmed strong 24% sale growth to 30 June 24, and 50+ customers</li> <li>• Yumbah Aquaculture – EBITDA in FY'24F down 35% to \$6.5m with 4Q US demand. FY'25F remains at \$14m.</li> <li>• TasFoods – 1: Scale up “Isle &amp; Sky” pet treats, “Pyengana” cheese. 2: Nichols merger&amp;acquisition opportunities</li> </ul>
	<b>Benefits of the AgFood Fund</b>	<ul style="list-style-type: none"> <li>• Target 8–10%per annum* return over a 3–year period from Australian ag–growth of 4%per annum (Ref: ABARES)</li> <li>• Drive commercial activation of Aquaculture, Technology &amp; Plant Based Protein with tangible &amp; measurable steps</li> <li>• Participate in unlisted and listed financial returns of Australasian companies in local and off–shore markets</li> </ul>
	<b>AgFood Partners</b>	<ul style="list-style-type: none"> <li>• PAC Partners is majority owner and supporter of the AgFood Fund. Shared offices and access to resources</li> <li>• PAC Partners is a leading emerging company corporate broker with 25 employees across Melb. Syd. and Per.</li> <li>• Independent service providers: Trustee; Custodian; Fund Accounting and Investment Manager Accounting</li> </ul>
	<b>Fund Performance Aim</b>	<ul style="list-style-type: none"> <li>• We see a path forward to \$1.00/unit** (up 85%) over the next 18 months. <i>**This performance is not guaranteed.</i></li> <li>• Most growth comes from growth plans under their control. This could be accelerated with corporate activity</li> </ul>
	<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Leverage successful 22<sup>nd</sup> AgFood Conference: 20 Agribusiness/tech leaders present, 220 attendees, 100 on–line and 2,500+ unique LinkedIn impressions. All major holdings and potential investments with peers attended.</li> <li>• Investor Road Show: Horsham (12 &amp; 13 June), Adelaide, Sydney (4 &amp; 5 July) and Brisbane (16 &amp; 17 July)</li> <li>• Add to AgTech pipeline, and focus on areas where gate keeper companies can be strategic investors</li> <li>• Raise \$10m of equity for existing company and platform growth,, AgTech and develop a new pillar</li> </ul>

*\*target returns are not guaranteed*

# Differentiators

Major Portfolio Companies			
Leaders	<b>Aquaculture</b> 	<b>Technology</b>  	<b>Plant Protein</b>
			 
Enablers. Transition.			
Key Driver	<b>Genetics / Re-use</b>	<b>Linking Customer &amp; Inputs</b>	<b>Taste, Nutrition, Shelf life</b>
Scalable	Young industry, Product, Geog.	Gatekeepers + AgTech	Calibration is key
Proactive	Vertical integration, head 2 tail	Core focus, Flexible links	Customer and Channel
Capital	Premium and basic products	Enterprise & farmer models	Price premium is small

# #1 Focus is re-rating back to \$1.00/unit

Our financial target is an 8-10% pa return\* over a three-year period.

In our first 46 months to 31 May 2024, our Unit Price is \$0.54/unit.

The AgFood Fund has a plan to deliver Three Phases of 23% pa improvement\* – see below.

## INFLUENCE ACROSS PARTNERSHIPS

- **Digital Agriculture Services** – We doubled investment when strategic partners delivered. Leverage our network.
- **TasFoods (TFL)** – Assist introduction to new PetTreat customers, and new boutique products for TFL support
- **Wingara (WNR)** – Propose attractive Reverse Takeover opportunities (RTO)

PHASE ONE  
x 1.23 = 23%

## RE-RATING OF KEY HOLDINGS

- **Yumbah** – Abalone + Cameron's oysters + Eyre Peninsula Seafoods' mussels = \$14m EBITDA in FY'25 from #1 branded Australian shellfish producer/distributor
- **Elders (ELD)** – 2H FY'24F cash flow growth from strong 2QFY'24 sales momentum and improved team/systems/bolt-ons
- **TasFoods** – Quarterly cash flow improvement from operational simplicity, vertical integration and consolidation.
- **Wingara (WNR)** – Growth from initial RTO cash generation and scale-up plan






PHASE TWO  
x 1.23 x 1.23 = 51%

## BACK TO BASICS

- **DAS** – Move from 20% market share in Australia to 40%, establish sustainability and others services with partners
- **OTHER UNLISTED (Yumbah/Distribution, AgTech/Gate Keepers)** – Use strong market share and differentiation to grow cash generation above 10%pa with distribution and technology leverage
- **SHV/CSS/SGLLV and OTHER LISTED** – Take advantage of commodity cycles to examine ability to become resilient like ELD and Ridley (RIC)
- **Elders (ELD)** – Show ability to grow from 20% to 30% market share with high ROI

PHASE THREE  
x 1.23 x 1.23 x 1.23 = 85%

# Impact Culture – Why Exist? How Action? What Beliefs?

				
Why do we exist?	How do we act?	What are our beliefs?	People	Fees
<ul style="list-style-type: none"> <li>• Build sustainable cash flow generators from: scalable niche; proactive management; and, capital preservation</li> <li>• 25 years of experience and encouragement from Australian Agribusiness and Life Science communities</li> </ul>	<ul style="list-style-type: none"> <li>• Aim to deliver 8-10%pa* returns over three years with 15 to 25 AgFood investments across unlisted and listed areas</li> <li>• Leverage meaningful positions in emerging cash generating companies: Yumbah (3%), TasFoods (19.9% ), Wingara (9%)</li> <li>• Take high local market share AgTech platforms to larger markets with gatekeepers: DAS (10%), Crush Dynamics (2%)</li> <li>• Trade listed company for mispriced opportunity and liquidity: Elders, GrainCorp, Ridley, Clean Seas, Select Harvests, SunRice and Bega Cheese</li> </ul>	<ul style="list-style-type: none"> <li>• A sustainable culture which values environment, social and governance that deliver positive impact internally and externally</li> <li>• Australasian agfood sales will grow at least 4%pa through the cycle (ref: Australian Bureau of Agricultural Resource Economics &amp; Sciences)</li> <li>• Aquaculture, plant protein, and brands can grow cash flow above 10%pa through differentiation and technology</li> </ul>	<ul style="list-style-type: none"> <li>• Anthony Hall (Non-Exec Director/Founder Investor) – Founder/Investor/NED of Promedicus &amp; Yumbah</li> <li>• Craig Stranger (Non-Exec Director) – Founder /Exec Chair of PAC Partners</li> <li>• David Slack (Non-Exec Advisory Board Member) – Founder and leader of three significant Australian funds</li> <li>• Paul Jensz (Exec Chairman) – Founder of PAC Partners, 25 Years agfood &amp; life science</li> <li>• Patrick Gibson (Business Developer) – More than five years in equity broking</li> </ul>	<ul style="list-style-type: none"> <li>• AgFood Fund charges 1.5% Management Fee and a 20% Performance Fee above an inflation adjusted benchmark**</li> <li>• Our management fee is 0.50% to 0.75% higher than passive index funds. In-line with active listed funds***</li> <li>• Our performance fee also has a two-year high-water mark which assists alignment with absolute returns.</li> </ul> <p><i>**full list of fees in the Information Memorandum, ***Eureka Report, Betashares, Morningstar</i></p>

*\*target returns are not guaranteed*

# Fund Portfolio

(30 May 2024)

Listed : 14%

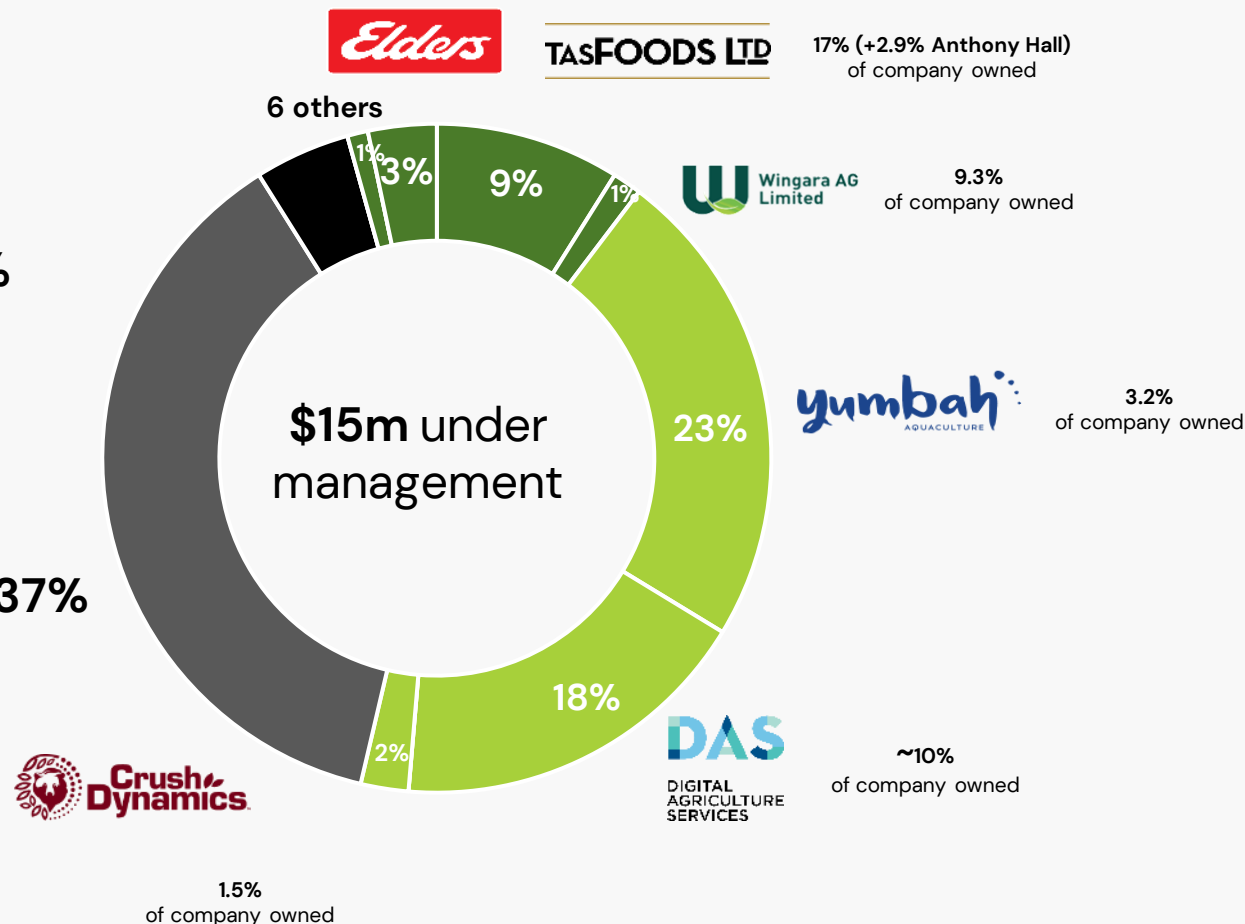
Unlisted : 44%

Fund is a highly concentrated across six of our 14 companies

We follow a high conviction approach

Cash at hand 5%

Cash committed 37%



Plus minor unlisted holdings in

LYRO withwine

# Our Current Pillars in our Platform

## Technology



- DAS builds a “book-shelf” for 30+ levels of satellite and other digital data for land area. This adds value for farmers, financiers, insurers & commodity traders
- Key clients include IAG, Rabobank, Viterra, ABS and Cargill with \$4+m/annum sales

Invested \$0.5m in Oct’22.  
Added \$0.75m in Aug’23, and  
\$1.25m in Apr’24

## Brand



- “Nichols” poultry based in Tas. plus artisanal platform with “Pyengana cheese” and “Isle & Sky” pet treats
- \$50m/annum revenue with positive cashflow
- Can expand within/outside of Tasmania with leverage

Invested \$3m through Nov’20 placement, and \$2m through Mar’22 placement and on-market buying

## People



- 180 years of Australian ownership for this iconic brand and “pink shirt” team of 2,700
- High Return on Investment from 20% market share across a diverse rural services.
- A clear path to 30% market share from 25%

On-market trading of shares

## Aquaculture



- A leading shellfish company in Australia across abalone, oysters and mussels
- Bought Cameron Oysters in 2021, Eyre Peninsula Seafoods in 2022, part East 33 in 2023
- Yumbah has growth at all eight sites plus greenfield and M&A

Invested \$3.0m with Sep’21 equity placement , \$0.5m Dec’22 rights issue, and see more opportunities

# Digital Agriculture Services (Unlisted)

In our view, DAS is a leading Australian broadacre geo-spatial mapping and services company. It’s “bookshelf” storage of data has flexibility with locating farms and modifying ownership, financial metrics, crop yield, livestock, building & sustainability parameters

## Strong record of working with large enterprises






Uses DAS data and workflow to virtually appraise farmland and property in Australia and New Zealand. DAS does this by measuring the geographical size and condition of the land and flora coverage in real time, and details of buildings to estimate value for the property



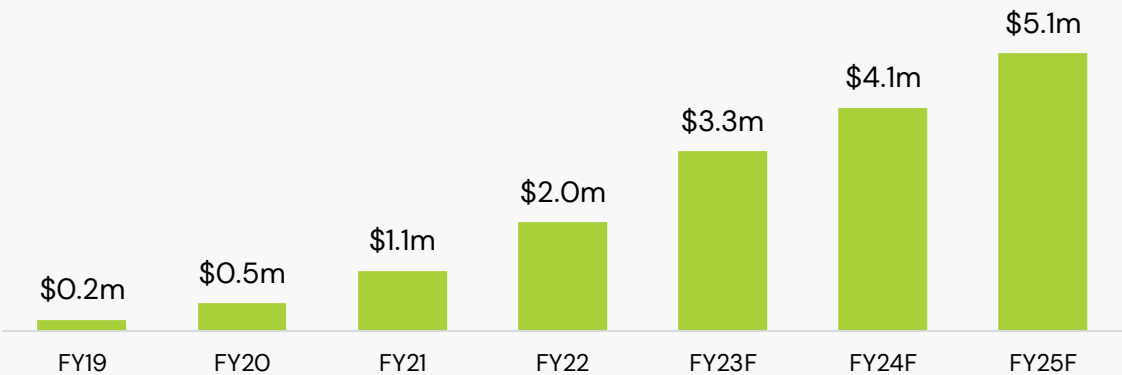
DAS provide Cargill with cropping information with regards to hectares planted and crop identification after around eight weeks. DAS can analyse and predict crop yields through its by daily updates from satellite imaging and in-house software



IAG is Australia’s largest general insurer. DAS provide IAG with data around land-valuation, particularly around land area, topography and buildings to tailor insurance services and premiums. Weather events can be assessed by region and daily updates of payout provisions calculated.

	<b>Scalable sustainable niche</b>	Software as a Service’ revenue model, sticky large customers, addition of new services
	<b>Capital preservation</b>	Proven expansion to NZ. Lifting market share in Australia and NZ from 20% to 40%
	<b>Proactive managers</b>	Learned that farmers deserve free services in 2016, and focused on enterprises

DAS Annual Revenue Forecasts\*



Source: AgFood Fund. \* Forecasts not guaranteed



# Yumbah Aquaculture (Unlisted)

In our view, Yumbah is the leading shellfish company in Australia and can drive growth in their in-house projects across abalone, mussels and oysters. In Jul'23 Yumbah did a rights issue for \$17.0m to add #1 Aussie mussel player, "EPS".

## Strong record of working across many products and locations






Yumbah have four diverse locations for its abalone production with access to natural capital. Narrawong, Port Lincoln, Kangaroo Island and Bicheno (Tasmania). Yumbah produce greenlip and tiger abalone.



Since August 2023 Yumbah have produced and packed branded mussels out Port Lincoln through Eyre Peninsula Seafoods. Yumbah started its mussel operation in Port Phillip Bay with the 2021 acquisition of Bay Sea Farms.



Yumbah produce pacific oysters and spat in South-East Tasmania, through the acquisition of Cameron of Tasmania. It is vertically integrated with a hatchery, grow-out facility and processing.

	<b>Scalable sustainable niche</b>	Shellfish production & supply across three species; scale in many ocean coastal regions
	<b>Capital preservation</b>	Aiming to lift EBITDA from \$10m in FY'23 to \$14 in FY'25F (not guaranteed)
	<b>Proactive managers</b>	Improving internal systems to improve pricing and weight of biomass

Projects	Capital from FY'23 Rights Issue	Impact
EPS – Part One	\$19.720m	Increase mussels 350t to 2,700t from with purchase of EPS, and expand EPS from 2,350t to 3,500t over 3 years
Oyster expansion	\$3.280m	Oyster production growth on existing leases and processing equipment
EPS – Earn out	\$3.74m Cash \$10.39 Equity	If EPS can deliver \$5.3m EBITDA in FY'25F vs base \$3.1m (including \$0.5m synergies). Keeps EV/EBITDA around 6x



# Appendices

A yellow combine harvester is shown from a high angle, unloading a large quantity of golden-brown grain into a large metal trailer. The grain is piled high in the trailer, and a stream of grain is visible falling from the harvester's chute. A person in a blue and white plaid shirt stands on the harvester's platform, looking towards the trailer. The scene is set in a vast, flat field under a bright, hazy sky at sunset or sunrise, with the sun low on the horizon creating a warm, golden glow. The word "Appendices" is overlaid in white text on the left side of the image.



# Fund Executive Team



**Paul Jensz**

Executive Chairman

Paul has over 30 years' experience in developing and financing Primary Industries in Australia and Asia. He initially spent 10 years with Rio Tinto in business and project development. Paul moved to corporate broking with Citibank, Austock, PhillipCapital and was a founding director of PAC Partners.

Paul built the leading Australian Agribusiness and Life Science sell-side broking franchise over 25 years and co-founded the AgFood Fund in 2020.



**Patrick Gibson**

Business Developer, Dealing & Investment Support

Patrick was raised in rural Victoria. He holds a Bachelor of Finance and a Masters in Management majoring in Entrepreneurship & Innovation from La Trobe University and is RG 146 compliant. Patrick has over 7 years' experience working in the financial services industry. Prior to PAC, Patrick worked at Bell Potter Securities where he gained experienced both in backoffice administration and as a designated trading representative (DTR) for both cash equities and options.

## Service Providers

### Trustee/Custodian/Finance

Trustee / Custodian  
Melbourne Securities Corporation Ltd  
ACN 160 326 545

Fund accounting / Registry services  
MSC Abacus Pty Ltd  
ACN 630 730 684

### Investment Manager Accountant

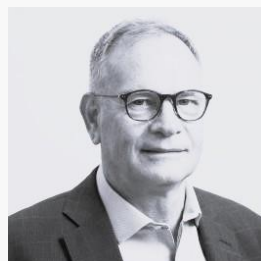
2account & William Buck

# Fund Boards



**Paul Jenz**

Executive Chairman



**David Slack**

Advisory Board Member



**Anthony Hall**

Non-Executive Director



**Craig Stranger**

Non-Executive Director

David founded County Natwest/Invesco in 1984. David then founded Portfolio Partners and built to \$5.3 billion in funds under management when it was sold to Norwich Union in 1998. David started a new funds manager, Karara Capital, in 2007 whose funds grew to over \$3 billion. David co-managed The Ironbark Karara Small Companies Fund up until 2017. This fund exceeded its benchmark by 2.8%pa over its 12 year life to mid 2022. David is a “part-time” broadacre farmer in NSW and has a passion for productivity improvements with his JV owners and managers.

Anthony co-founded Pro Medicus Limited in 1983 and has been its Principal Architect and Developer of the core software systems. He serves as an Executive Director at Pro Medicus Ltd. He also serves as a Non-executive Director at Yumbah Aquaculture Ltd.

Anthony and business partner Jonathan Lillie rescued the Narrawong abalone farm, predecessor of Yumbah, and led the diversification to four farms and other shellfish operations.

Craig has +20 years-experience across equities research and equity capital markets. He was co-founder of PAC Partners and Managing Director since formation.

Craig was Head of Research and Head of ECM at the feeder business to PAC Partners. Actively involved or led a larger number of IPO's and capital raisings at PAC Partners, from RTO's (Bubs, Andromeda), IPO's (Bega Cheese, Select Harvests) and Placements.



# A Key Differentiation | PAC Partners

**PAC Partners is a research led wholesale capital markets provider focused on leading emerging & mid cap ASX companies**

- Founded in 2013 by key members of the wholesale business of Austock and Phillip Capital.
- Provides long-term, integrated and highly-personalised services
- Many have worked closely together for over a decade
- Team has actively managed several billion dollars of capital markets transactions.
- Offices in Melbourne, Sydney and Perth
- A team of 25 are all highly experienced operators in financial markets.
- The “go to” broker and corporate finance advisory team for emerging growth companies – we call these our Campaign Stock clients.

## DIVISIONS



**CORPORATE  
FINANCE**



**EQUITY CAPITAL  
MARKETS**



**EQUITY RESEARCH**



**INSTITUTIONAL &  
HNW BROKING**

**The AgFood Fund has access to PAC Partners deals and uses an Advisory Board with majority of independent directors for approval.**



**\$65.0m**  
Co- Manager to  
Institutional Placement  
**\$47.0m**  
Joint Lead Manager to  
Institutional Placement



**\$40.0m**  
Co-Manager to IPO  
**\$250.0m**  
Co- Manager to  
Institutional Placement



**\$5.2m**  
Lead Manager to IPO  
**\$16m, \$20m & \$30m**  
Joint Lead Manager  
to Institutional Placements

## Alternative & Defensive



**Scalable  
sustainable niche**



**Supply chain  
position:**  
Understand  
overlooked and  
misunderstood issues



**Scope to grow:**  
Sustainable,  
listed/unlisted,  
Australia/global



**Proactive  
managers**



**Experienced  
people:**  
Across business,  
funds, customer and  
development



**Respect external  
advisers:**  
Fund & PAC Partners  
have proven ability to  
identify and foster  
scalable growth



**Capital  
preservation**



**Major change  
with funding:**  
Growth capital at an  
interface or inflection.  
Unlisted to listed  
transition



**External investment  
welcome:**  
Fund and co-  
investment  
opportunities

# Identifying AgFood Opportunities

01



**AgFood  
growth**

- Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) forecasted in 2020 that the long-term outlook for the value of production in the agriculture sector would reach A\$100bn by 2030, which is a 4%pa growth rate.
- High growth aquaculture and plant protein can grow above 10%pa through differentiation and technology
- Significant capital investment and technology are essential to productivity improvements

02



**Cyclical,  
Complexity,  
Sustainability**

- Investors are attracted to agfood companies for sustainable growth and technology improvements possible
- However, agfood companies are cyclical and complex with seasonal changes, environmental challenges, license to operate, commodity price swings, government interference, and changing preference for “healthy”
- Agfood companies are cautious with equity partners and new technologies. Private agfood companies are also wary about listing on public markets

03



**Vast playing  
field**

- Over 80% of Australian AgFood companies and 95% of arable land are held privately (Ref: AgFood Fund) , including many top performers. There are only 14 mid-cap (\$200m+) agribusinesses listed on the ASX.
- Most agfood R&D is done by: Governments; private companies; or a small division within a large listed company. Large scale industrial application with \$10m+ price tag is a bridge too far for many R&D projects
- The top 100 listed agfood companies in our ranking come from across 10 country stock exchanges

04



**Relationship  
based**

- AgFood supply chains are relationship based, because most food and many bioproducts are a “need”, and not a “want”
- Leading companies within agfood supply chains want that same dependable relationship from investors
- New technology needs full support from end customer as well as upstream (e.g.: Monsanto’s first genetically modified corn was delayed 10 years due to customer concerns)

# Disclaimers

This document is given to only wholesale clients (as defined in the Corporations Act 2001 (Cth)) by representatives of AgFoodFund Pty Ltd (A corporate authorised representative of PAC Asset Management Pty Ltd – AFSL No. 335 374) as Investment Manager of the AgFood Opportunities Fund (Fund). The Investment manager has prepared this presentation. By receiving this presentation, you are representing that you are a wholesale client and that you will keep this presentation and the information herein strictly confidential and not provide such to other persons without the Investment Manager's prior permission. This presentation is directed at persons who are sophisticated investors with sufficient professional or other experience to properly assess the nature of the Fund including the risks of investing in such. This presentation is strictly confidential.

The offers of interests in the Fund will only be made in, or accompanied by, a copy of the information memorandum (IM) for the Fund which will be available from the Manager. The trustee of the Fund is Melbourne Securities Corporation Ltd ACN 160 326 545 AFSL 428289 "Trustee". This presentation is intended to provide a general outline only and is not intended to be a definitive statement on the subject matter.

The 8-10% return target over a three-year period is not guaranteed.

This document has been prepared without taking account of any investor's objectives, financial situation or needs. An investment in the Fund carries potential risks and fees which are described in the IM. An investor should, before deciding whether to invest in the Fund, consider the appropriateness of the Fund, having regard to both the IM in its entirety and the investor's objectives, financial situation and needs. Neither the Manager nor any other person guarantees the investment performance, earnings or return of capital invested in the Fund.

The Fund is a new fund and only has two and half years of historical performance information. Historical information is provided as a general guide only, and should not be relied upon as an indication of the future performance of the Fund. No representation is made as to future performance or volatility of the Fund. In particular, there is no guarantee that the investment objectives and program for the Fund set out in this presentation will be successful.

Forward looking statements in this document (including statements of intention and projections) are made only at the date of this document based on current expectations and beliefs but involve risks, uncertainties and other factors beyond the control of the Manager which may cause actual outcomes to be materially different. Assumptions underlying such statements involve judgements which may be difficult to accurately predict. Therefore, such forward looking statements included in presentation may prove to be inaccurate and should not be relied upon as indicative of future matters.

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The views expressed in this document accurately reflect the personal views of about the subject issuer and its securities. No part of the analyst's compensation was, is or will be directly or indirectly related to any recommendation or view expressed in this report.

The following person(s) is Executive Chairman of AgFood Fund with ownership of the Fund and units in AgFood Opportunities Fund which may influence this report: an author (Paul Jenz) of this report.

PAC Partners has carried out work on behalf of TasFoods (TFL) described in this report or received fees on commercial terms previous over the last 12 months for its Research and Corporate services. PAC Partners indirectly benefits from securities of Companies in the Fund via its founding shareholding in AgFood Fund, and directly benefits via its ownership of Units in the Fund. PAC Partners does seek to do corporate work for companies in the agfood sector.

As a result, investors should be aware that AgFood Fund and PAC Partners may have a conflict of interest that could affect the objectivity of this report. The AgFood Fund maintains a Conflict of Interest register, and manages these conflicts with an independent investment decision maker.





AgFood

# Thank you

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