



East 33 Limited

ASX ANNOUNCEMENT

For immediate release

Preliminary Final – Appendix 4E

Sydney, New South Wales, Tuesday 31 August 2021 – Australian Sydney Rock Oyster producer and supplier, East 33 Limited (East 33, ASX:E33) today presents its Preliminary Final Report, Appendix 4E.

Authorised for release by the Board of East 33 Limited

- Announcement Ends -

About East 33 Limited

East 33 is dedicated to pioneering the world's best oyster culture, by empowering the people behind it, caring for the places that support it, and delivering moments to be savoured. East 33 represents quality, a dedication to the authentic and an inspired future, focused on delivering a moment of joy.

East 33 is the largest vertically integrated Sydney Rock Oyster producer, processor, and supplier. Operations span all elements of the Sydney Rock Oyster industry from hatchery, nursery, and production farmers to processing facilities, eCommerce, ShellarDoor™ restaurant program, and international trade.

East 33's current operations are based in the Wallis Lake, Port Stephens and Manning River regions of NSW, and over 130 years of collective of farming knowledge. Learnings are being harnessed to deliver the next stage of improved breeding, technology, and sustainable farming techniques to propel the industry for generations to come.

Sydney Rock Oysters are extremely rare natively thriving in just 41 locations on the east coast of Australia centred on latitude 33 degrees – providing the namesake for East 33 Limited.

East 33 listed on the ASX on 29 July 2021 and is found under the ticker code E33.

Media and investor inquiries:

Nick Owens

Sefiani Communications Group

Mob: +61 (0) 421 977 062

Email: nowens@sefiani.com.au



East 33 Ltd

ABN 70636173281

Registered office: Level 30, Tower 2, 200 Barangaroo Avenue, 2000

31th August 2021

Results for announcement to the market

Preliminary Final Report of East 33 Limited for the year ended 30 June 2021

ABN 70 636 173 281

This Preliminary Final report is provided to the Australian Securities Exchange (ASX) under Listing Rule 4.3A.

Current Reporting Period: Year ended 30 June 2021

Previous Corresponding Period: Year ended 30 June 2020

This report should be read in conjunction with the most recent annual report.



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East 33 Limited

For the Year Ended 30 June 2021

Revenue and Net Profit/(Loss)

		Percentage Change %		Amount \$
Revenue from ordinary activities	Up	314%	to	8,395,295
Profit/(loss) from ordinary activities after tax attributable to members	Up	178%	to	(5,476,443)
Net profit/(loss) attributable to members	Up	178%	to	(5,476,443)

	2021 \$ per share	2020 \$ per share
Net Tangible Assets Per Security		
Net tangible asset per security	(0.22)	(46.56)

Dividends (Distributions)

	Amount per security	Franked amount per Security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil
Record date for determining entitlements to the dividend:	N/A	N/A



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Brief explanation of Revenue, Net Profit/(Loss) and Dividends (Distributions) Summary of results

The results for the period ended 30 June 2021 reflect the staged acquisition process of the various components which were ultimately concluded in July 2021 via the successful listing of the East 33 Limited (E33) on the Australian Securities Exchange (see commentary below).

During the period the Group consisted of two small oyster farms and a Restaurant acquired in December 2019, four oyster farms acquired in late December 2020, and a further two oyster farms acquired in May 2021. The Groups Corporate segment was focused on completing the remaining acquisitions, developing the East 33 brand and working towards an IPO of the Group.

Sales revenue amounted to \$8,395,295 (2020: \$2,029,620) and other income for the Group amounted to \$4,575,298 (2020: \$391,520). Net cash used in operating activities was (\$2,695,345) (2020: \$1,470,673 used). The net loss of the Group amounted to \$5,476,443 (2020: \$1,967,064 loss).

These results are materially in line with the statutory forecast included in the prospectus and replacement prospectuses published in the second quarter of CY2021.

Review of Operations

Corporate Consolidation and Funding

During the financial period, the Group raised interim funding via convertible notes in December 2020 and a bridge loan facility in May 2021 which enabled the Group to successfully complete the acquisition of the target farming businesses and assets.

Subsequent events

Subsequent to period end the Group successfully listed on the Australian Securities Exchange and raised \$32 million in equity. In addition, the group secured a \$10 million facility from NAB. The funding was used to settle outstanding vendor commitments and the interim bridge loan facility. The Group also concluded two final acquisitions, being an oyster hatchery and a large oyster processing and distribution facility based in Sydney, further bolstering the Groups oyster supply chain. These final acquisitions bring the groups total hectareage available for oyster farming to 204 hectares.



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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Sales Revenue		8,395,295	2,029,620
Cost of Sales		(6,636,968)	(726,369)
Gross Profit		1,758,327	1,303,251
Biological Assets change in Fair Value		158,152	71,701
Other income	2	4,575,298	391,520
Employee Benefit Expenses		(4,865,910)	(1,706,682)
Marketing Expenses		(919,539)	(424,173)
Occupancy Expenses		(191,382)	(20,008)
Legal Costs		(1,631,319)	-
Acquisition related Costs		(600,975)	-
Administration Expenses		(1,063,265)	(941,547)
Total Operating Expenses		(9,272,390)	(3,092,410)
EBITDA		(2,780,613)	(1,325,938)
Depreciation and amortisation expenses		(702,374)	(272,431)
Finance Costs		(2,061,401)	(262,510)
(Loss) before income tax		(5,544,388)	(1,860,879)
Income tax (expense)/benefit		67,945	-
Net (Loss) before non-controlling interest		(5,476,443)	(1,860,879)
Other Comprehensive Income on common control combinations		-	(111,605)
(Loss) for the year		(5,476,443)	(1,972,484)
(Loss) is attributable to:			
Owners of East 33 Ltd		(5,476,443)	(1,972,484)
Non-controlling interests		-	-
		(5,476,443)	(1,972,484)



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		2021	2020
		\$	\$
Earnings per share from continuing operations attributable to the ordinary equity holders of the parent:			
Basic (loss) per share (dollars)	7	(0.36)	(19.67)
Diluted (loss) per share (dollars)	7	(0.36)	(19.67)
Earnings per share from profits attributable to the ordinary equity holders of the parent:			
Basic (loss) per share (dollars)	7	(0.36)	(19.67)
Diluted (loss) per share (dollars)	7	(0.36)	(19.67)



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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	5	849,007	2,959,211
Trade and other receivables		2,346,339	457,568
Biological assets		7,292,818	1,167,988
Other assets		209,379	66,751
Total current assets		10,697,543	4,651,518
Non-Current Assets			
Property, plant and equipment		9,337,056	2,654,300
Intangible assets (Oyster and land based leases and other intangible assets)		12,369,544	2,683,984
Biological assets		5,398,836	519,265
Right of use assets		1,725,203	335,742
Deferred tax assets		621,731	-
Other assets		274,351	-
Total non-current assets		29,726,721	6,193,291
Total Assets		40,424,264	10,844,809
Current Liabilities			
Trade and other payables	4	2,494,494	676,032
Deferred acquisition consideration		15,182,248	324,074
Lease liabilities		188,049	46,850
Borrowings		13,692,583	11,435,780
Total current liabilities		31,557,374	12,482,736



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	Note	2021	2020
		\$	\$
Non- Current Liabilities			
Lease liabilities		1,833,274	334,557
Deferred tax liability		553,786	-
Other liabilities		1,200,000	-
Total Non-current liabilities		3,587,060	334,557
Total Liabilities		35,144,434	12,817,293
Net Assets/(Liabilities)		5,279,830	(1,972,484)
Equity			
Issued capital		12,728,757	-
(Accumulated losses)		(7,448,927)	(1,972,484)
Total Equity/(Deficiency)		5,279,830	(1,972,484)



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Note	Issued capital \$	(Accumulated Losses) \$	Total \$
Balance at 1 July 2020		-	(1,972,484)	(1,972,484)
Loss for the period		-	(5,476,443)	(5,476,443)
Other comprehensive income for the period		-	-	-
Total comprehensive loss for the period		-	(7,448,927)	(7,448,927)
Shares issued on conversion of convertible note		12,728,757	-	12,728,757
Balance at 30 June 2021		12,728,757	(7,448,927)	5,279,830

Balance at 1 July 2019		-	-	-
Loss for the period		-	(1,860,879)	(1,860,879)
Other comprehensive income for the period		-	(111,605)	(111,605)
Total comprehensive loss for the period		-	(1,972,484)	(1,972,484)
Shares issued on conversion of convertible note		-	-	-
Balance at 30 June 2020		-	(1,972,484)	(1,972,484)



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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Cash Flows From Operating Activities			
Receipts from customers		8,736,194	2,414,451
Payments to suppliers and employees		(11,431,539)	(3,885,124)
Net cash generated / (used in) operating activities		(2,695,345)	(1,470,673)
Cash Flows From Investing Activities			
Purchase of Property Plant & Equipment		(288,323)	(316,509)
Payments for Business Acquisitions		(9,916,479)	(6,261,003)
Purchase of Intangible Assets		(6,000)	(180,000)
Payments for Acquisition Related Costs		(500,974)	-
Net cash used in investing activities		(10,711,776)	(6,757,512)
Cash Flows From Financing Activities			
Net Proceeds from Convertible Notes raised		4,944,625	11,187,396
Proceeds from Borrowings		8,100,000	-
Capital Raising Costs paid		(1,693,267)	-
Lease payments		(103,929)	-
Net cash provided by financing activities		11,247,429	11,187,396
Net (Decrease)/Increase In Cash And Cash Equivalents		(2,159,692)	2,959,211
Cash and cash equivalents at beginning of the financial year		2,959,211	-
Cash from Business Combinations		49,488	-
Cash And Cash Equivalents At End Of Financial Year	5	849,007	2,959,211



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Notes to the Preliminary Final Report For the Year Ended 30 June 2021

1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies adopted in the preparation of the preliminary final report are materially the same as those disclosed in the 2020 Annual Financial Report.

2. Profit from Ordinary Activities

ASX
Append
4E.3

Loss from ordinary activities before income tax includes the following items of revenue:

Revenue from Operating Activities

	2021 \$	2020 \$
Gain from bargain purchases	4,158,203	-
Government Grants – jobkeeper and cashflow boost	349,500	179,000-
Other government grants and sundry revenue	67,595	212,520
	4,575,298	391,520

3. Commentary on Results

ASX
Append
4E.14

See above from page 1.



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Notes to the Preliminary Final Report For the Year Ended 30 June 2021

4. Trade and other payables

CURRENT	2021	2020
	\$	\$
Trade and other payables	1,700,907	505,945
Accrued Expenses	623,500	-
Sales in Advance	170,087	170,087
	<hr/> 2,494,494	<hr/> 676,032

5. Notes to the Statement of Cash Flows

ASX Append
4E.5

Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the balance sheet as follows:

	2021	2020
	\$	\$
	<hr/>	<hr/>
Cash	<hr/> 849,007	<hr/> 2,959,211



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Reconciliation of Profit from Ordinary Activities after Related Income Tax to Net Cash Used in Operating Activities

	2021	2020
	\$	\$
(Loss) after income tax before non-controlling interests	(5,476,443)	(1,860,879)
Non cash flows in profit / (loss)		
Depreciation of plant and equipment	705,856	272,431
Interest Expenses	2,061,401	248,384
Fair Value Gain on Business Combination	(4,158,203)	-
Acquisition related Costs	600,974	-
Net cash (used in) operating activities before change in assets and liabilities	(6,266,415)	(1,340,064)
Change in assets and liabilities		
- Decrease in receivables	104,267	(457,567)
- (Increase) in inventories	(142,628)	(66,751)
- Decrease in Biological Assets	1,614,722	(157,339)
- Increase in creditors and accruals	2,062,654	551,048
-(Decrease) in taxes payable	(67,945)	-
	3,571,070	(130,699)
Cash (used in) operations	(2,695,345)	(1,470,673)

6. Details Relating to Dividends (Distributions)

ASX
Append
4E.14.2

The company did not declare a dividend during the financial period and has not declared a dividend since the end of the financial period.

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Source
Reference

7. Earnings Per Share

ASX
Append
4E.14.1

	2021 \$ per share	2020 \$ per share
Basic earnings/(loss) per share (EPS)	(0.36)	(19.67)
Diluted earnings/(loss) per share (EPS)	(0.36)	(19.67)

Basic Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2021 \$	2020 \$
Earnings (a)	(5,476,443)	(1,967,064)

	2021 Number	2020 Number
Weighted average number of ordinary shares	15,214,662	100,000
Weighted average number of dilutive ordinary shares	41,139,507	24,180,000

- (a) Earnings used in the calculation of basic earnings per share reconciles to net profit in the income statement as follows:

	2021 \$	2020 \$
Operating net profit attributable to the members of East 33 Limited	(5,476,443)	(1,967,064)
Earnings used in the calculation of basic EPS	(5,476,443)	(1,967,064)



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Notes to the Preliminary Final Report For the Year Ended 30 June 2021

Source
Reference

ASX Append
4E.9

8. Net Tangible Assets Per Security

	2021	2020
	\$ per share	\$ per share
Net tangible asset surplus/(deficit) per security	(0.22)	(46.56)

*Refer to note 7 for details on the weighted average ordinary shares on issue for the period.

9. Details of Entities Over which Control Has Been Gained or Lost

ASX Append
4E.10

As part of East 33 strategy to become Australia's largest vertically integrated Sydney Rock Oyster producer and supplier, the group acquired the following businesses during the financial year:

ASX Append
4E.10.1

Entity or previous business owner	Date Acquired	Percentage
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ASX Append
4E.10.2

Sciacca (business acquisition)	22/12/2020	100%
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C. Wren (business acquisition)	22/12/2020	100%
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ASX Append
4E.10.3

J Wilson (business acquisition)	22/12/2020	100%
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HR Browne Pty Ltd	22/12/2020	100%
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Ms Verdich Pty Ltd	21/05/2021	100%
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10. Contingent Liabilities and Contingent Assets

The Group is not aware of any contingent liabilities or contingent assets as at 30 June 2021.



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11. Segment Information

ASX Append
4E.14.4

Refer to Attachment 1

12. Discontinuing Operations

NA

13. Other Significant Information

ASX Append
4E.12

NA

14. Information on Audit or Review

ASX Append
4E.15

This preliminary final report is based on accounts to which one of the following applies.

	The accounts have been audited	The accounts have been subject to review
X	The accounts are in the process of being audited or subject to review	The accounts have not yet been audited or reviewed

ASX Append
4E.16

Description of likely dispute or qualification if the accounts have not yet been audited or subjected to review or are in the process of being audited or subjected to review.

Not applicable

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4E.17

Description of dispute or qualification if the accounts have been audited or subjected to review.

Not applicable



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Attachment 1

Segment Report – 2021

	Farming	Corporate and sundry business units	Total
	2021	2021	2021
	\$	\$	\$
Revenue			
Revenue from external customers	4,322,277	4,073,018	8,395,295
Interest received	-	-	-
Other revenue	-	-	-
Total segment revenue	4,322,277	4,073,018	8,395,295
Other Income	771,619	3,803,679	4,575,298
Biological Assets change in Fair Value	158,152	-	158,152
Cost of Sales	(4,367,891)	(2,269,077)	(6,636,968)
Employee benefits expense	(1,542,487)	(3,323,423)	(4,865,910)
Depreciation and amortisation	(453,944)	(248,430)	(702,374)
Finance costs	(150,000)	(1,911,401)	(2,061,401)
Other expenses	(360,977)	(4,045,503)	(4,406,480)
Share of net profit of associate accounted for using the equity method	-	-	-
Segment result before tax	(1,623,251)	(3,921,137)	(5,544,388)
Income tax expense	-	67,945	67,945
Net (loss) for the year			(5,476,443)
Non-current Segment assets	10,105,963	19,620,758	29,726,721
Total Segment assets	18,245,212	22,179,052	40,424,264
Segment liabilities	(1,143,868)	(34,000,566)	(35,144,434)