



East 33 Limited

ASX ANNOUNCEMENT

For immediate release

6 July 2022

Market update: Material Completion of Fiscal Management Plan, Inventory Review & Senior Debt Re-Structure

East 33 Limited (ASX:E33) ("**East 33**" or "**Company**") announces the material completion of the fiscal management plan as detailed in the company update announced to the ASX on 26 April 2022 (**Fiscal Management Plan**).

The Fiscal Management Plan was implemented following severe external environmental shocks in Q1 of calendar year 2022, to ensure the ongoing viability of the Company and has resulted in the reduction in cash outflow and partially completed the sale of non-core operations.

Senior Debt-Restructure

East 33 is pleased to have the continued support from National Australia Bank ("NAB"). In their continued support for the business, NAB have agreed to waive the capital amortisation payments for twelve months, resulting in providing a cashflow relief of \$2.5m over the balance of CY22 and CY23. This is subject to final documentation.

The loan from NAB, secured over the assets of East 33 and its subsidiaries (**Group**) requires an interest cover ratio at 30 June 2022 of 3:1 of EBIT. For the 6 months to 30 June 2022, the Group has not met this covenant. NAB has, however, confirmed that despite the Group not meeting the interest covenant test at 30 June 2022, it has issued a waiver and confirmed it will not take any action at this time. Further NAB has agreed to release funds to East 33 from the sale of secured assets as per the Fiscal Management Plan.

Following a July 2022 capital and interest payment, East 33 is fully up to date on principal and interest payments resulting in a principal senior debt position of \$9m.

Fiscal Management Plan Material Completion

The Fiscal Management Plan was implemented following severe external environmental shocks in Q1 of calendar year 2022 to ensure the ongoing viability of the Company.

The Fiscal Management Plan included a planned reduction of operating and capital costs and the sale of redundant assets acquired during the aggregation of the seven oyster farms and processing facility.

East 33 is pleased to report that it has completed the operational cost and capital expenditure restructure and has materially completed the sale of redundant assets with the remaining asset sales planned to be completed by September 2022. Such redundant assets included sale of a land base in a non-operating area of the Manning River and the sale of redundant equipment (e.g. forklifts, punts) which, as a consolidated entity, are no longer required.

Third Party Stock Review

As indicated in the ASX announcement on 26th April 2022 a third-party independent inventory review has been completed.

The conclusion of such review are:

"It is understood that East 33 have been implementing processes to improve stock on hand visibility and accuracy. Based on audits where stock had been worked, accuracy was very high indicating that these methods are working" said the third-party reviewer, further stating "oyster cloud is a very effective tool to track and update stock levels".

Following the independent stock review, given the impacts of:

- the prolonged freshwater exposures in Q1FY22; and
- QX in Port Stephens,

East 33 has reduced inventory by 17 million oysters.

As such the East 33 overall current stock position is stated as ~35 million oysters post attrition with ~7m oysters available for harvest in FY23.

This announcement has been approved 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, Camden Haven 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.

For further information, please contact:

Guy Burnett (Company Secretary), gb@east33.sydney, +61 2 8001 6310