



East 33 Limited

ASX ANNOUNCEMENT

For immediate release

19 July 2024

Appendix 4C – Quarterly Cash Flow and Activities Report

East 33 Limited (ASX: E33) ("East 33" or "Company") is pleased to provide the following the Appendix 4C, Quarterly Cash flow and Activities Report.

Summary

- The Amended Facility Agreement and an Amended Convertible Note Subscription Agreement with Yumbah Finance Pty Ltd was approved by shareholders at a general meeting
- Amy Knoll was appointed as CFO of the Company
- The company achieved solid operational outcomes despite widespread estuary closures
- The business looks forward to continued improvement of its biological assets in FY25 and unlocking value through its strategic plan

Corporate

During the quarter, East 33 held a general meeting of shareholders (**General Meeting**), seeking shareholder approval of the Amended Facility Agreement and an Amended Convertible Note Subscription Agreement with Yumbah Finance Pty Ltd (**Yumbah Finance**) (refer to the Notice of Meeting lodged with the ASX on 22 March 2024 for further detail).

Following the successful passing of the resolutions at the General Meeting, East 33 converted \$5.0 million of the Face Value of the Convertible Note held by Yumbah Finance into ordinary shares in East 33. The conversion of the Convertible Note along with the terms of the Amended Facility Agreement provided East 33 with access to \$10.0 million under the Yumbah Finance debt facility, which provided capital for East 33 to both repay the short-term debt of \$5.0 million plus capitalised interest owed to the RCPS holders and delivery of the CEO's strategic plan, as outlined in the last quarter.

Further, the business was proud to announce the appointment of Amy Knoll as the CFO of the business. Amy was promoted from her existing roll as the COO into the CFO role, bringing a wealth of multinational finance experience to the business. Amy's appointment has allowed key elements of East 33's strategy to be implemented and continues to refine the Company's structure and financial processes.

Operational - Distribution (CMB)

The June quarter generally represents a period of reduced activity in the distribution business. Despite this, the business has performed well against challenging prevailing market conditions. Supply dynamics through the quarter were the primary drivers of the challenges, with wide-spread estuary closures restricting volumes of rock oysters available for the market. The distribution business was in part able to leverage internal East 33 supply chains to ensure that core customers were serviced before material closures prevented harvests from East 33 farms. As is seasonally anticipated, Pacific Oysters formed a large part of East 33's winter trading volume providing a consistent product for customers and supporting the distribution business' activity.

Leveraging the quieter period, the distribution business continued to focus on a continuous improvement program across its operations. Core to this is the ongoing maintenance of the business' food safety program which obtained an excellent rating in the previous quarter.

Farming

The quarter saw headwinds for the farming business, which was impacted by the widespread harvest area closures across northern NSW, preventing the business from harvesting anticipated stock volumes from Wallis Lake and Port

Stephens through Q4 FY24. As previously announced to the market, on the 27th of June, this resulted in a diminished ability for the farming business to harvest mature oysters, delaying those sales until FY25.

During the period of estuary closure, focus was shifted to the development of on-water infrastructure and grading of stock. As a result of this activity, farm capacity increases were achieved across Wallis Lake and Port Stephens and novel infrastructure trials commenced to rapidly scale farming operations for future growth.

To continue to build confidence in the farming business' future position, stock forecasting and biological modelling improvements have been a priority of the East 33 leadership team. Improved biological modelling and detailed stock reports were generated through the quarter which will underpin management forecasts going forward.

Forward Looking

The final quarter of FY24 saw the continued delivery of the strategic plan implemented in the previous quarter. The healthy biological asset base and infrastructure investments made through the final quarter have set the business up to take advantage of the strong recovery in harvest profiles for FY25. Further, the oyster profile delivered from the farming business in the final quarter of FY24 is indicative of the higher value, premium oysters management anticipated to be delivered by the business in the coming financial year.

FY24 saw the continued diversification of the revenue base for the distribution business through new market activities and contract processing opportunities, which will be further enhanced in FY25. This activity will be supported by increasing synergies being unlocked through the business' vertical integration and the activation of management's strategic initiatives.

Major cashflow movements

East 33's major cashflow movements for the quarter included:

- Receipts from customers - \$5.7m;
- Product manufacturing and operating costs - \$4m;
- Staff costs - \$2.2m;
- Proceeds from borrowings - \$7.5m; and
- Repayment of borrowings - \$5.7m.

Payments to related parties

As detailed in item 6.1 of the Appendix 4C, payments to related parties of East 33 and their associates during the quarter were \$90,188 comprising Director fees.

As detailed in item 6.2 of the Appendix 4C, payments to related parties of East 33 and their associates during the quarter were \$89,603 comprising payments to Cameron's of Tasmania for oyster purchases in the usual course of business. Cameron's of Tasmania is an entity owned by Yumbah Aquaculture Ltd.

This Announcement is authorised for release by the Board

Announcement Ends

For further information, please contact:

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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 one of 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.

East 33's current operations are based in the Wallis Lake, Port Stephens and the Camden Haven 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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity
East 33 Limited
ABN
70 636 173 281
Quarter ended ("current quarter")
June 2024

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|------------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 5,721 | 23,237 |
| 1.2 Payments for | | |
| (a) research and development | Nil | Nil |
| (b) product manufacturing and operating costs | (4,040) | (16,403) |
| (c) advertising and marketing | (12) | (62) |
| (d) leased assets | Nil | Nil |
| (e) staff costs | (2,220) | (8,983) |
| (f) administration and corporate costs | (380) | (1,367) |
| 1.3 Dividends received (see note 3) | Nil | Nil |
| 1.4 Interest received | Nil | Nil |
| 1.5 Interest and other costs of finance paid | (9) | (318) |
| 1.6 Income taxes paid | Nil | Nil |
| 1.7 Government grants and tax incentives | Nil | Nil |
| 1.8 Other (dispute instalment) | 14 | (400) |
| 1.9 Net cash from / (used in) operating activities | (926) | (4,296) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | Nil | (30) |
| (b) businesses | (59) | (1,119) |
| (c) property, plant and equipment | (247) | (449) |
| (d) investments | Nil | Nil |
| (e) intellectual property | Nil | Nil |
| (f) other non-current assets | Nil | Nil |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|-------------------------------------|
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | Nil | Nil |
| | (b) businesses | Nil | Nil |
| | (c) property, plant and equipment | Nil | 20 |
| | (d) investments | Nil | Nil |
| | (e) intellectual property | Nil | Nil |
| | (f) other non-current assets | Nil | Nil |
| 2.3 | Cash flows from loans to other entities | Nil | Nil |
| 2.4 | Dividends received (see note 3) | Nil | Nil |
| 2.5 | Other (provide details if material) | Nil | Nil |
| 2.6 | Net cash from / (used in) investing activities | (306) | (1,578) |

| | | | |
|-------------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | Nil | Nil |
| 3.2 | Proceeds from issue of convertible debt securities | Nil | Nil |
| 3.3 | Proceeds from exercise of options | Nil | Nil |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | Nil | Nil |
| 3.5 | Proceeds from borrowings | 7,500 | 23,250 |
| 3.6 | Repayment of borrowings | (5,687) | (16,368) |
| 3.7 | Transaction costs related to loans and borrowings | 0 | (196) |
| 3.8 | Dividends paid | Nil | Nil |
| 3.9 | Other (provide details if material) | 26 | (113) |
| 3.10 | Net cash from / (used in) financing activities | 1,839 | 6,573 |

| | | | |
|-----------|--|-------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 985 | 893 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (926) | (4,296) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (306) | (1,578) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|--|----------------------------|-------------------------------------|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,839 | 6,573 |
| 4.5 | Effect of movement in exchange rates on cash held | Nil | Nil |
| 4.6 | Cash and cash equivalents at end of period | 1,592 | 1,592 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances | 1,560 | 938 |
| 5.2 | Call deposits | Nil | Nil |
| 5.3 | Bank overdrafts | Nil | Nil |
| 5.4 | Other (cash on hand) | 32 | 47 |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1,592 | 985 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|---|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1* | 90 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2** | 90 |
| <p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p><i>* Payment of director fees</i></p> <p><i>** Payments to Camerons of Tasmania</i></p> | | |

| | | | |
|-----------|---|---|--|
| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
| 7.1 | Loan facilities | 15,000 | 12,500 |
| 7.2 | Credit standby arrangements | Nil | Nil |
| 7.3 | Other (RCPS) | Nil | Nil |
| 7.4 | Total financing facilities | 15,000 | 12,500 |
| 7.5 | Unused financing facilities available at quarter end | | 2,500 |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | <p>7.1 Loan facilities total of \$15 million, made up of the Yumbah Finance Pty Ltd ("Yumbah Finance") loan facility.</p> <p>The Yumbah Loan Facility expiring September 2028 is fully secured against all assets in the East 33 Group. The annual interest of 5% + BBSY (bid) is capitalised for the first year, thereafter becoming payable quarterly in arrears.</p> | | |

| | | |
|-----------|--|----------------|
| 8. | Estimated cash available for future operating activities | \$A'000 |
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (926) |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 1,592 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | 2,500 |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 4,092 |
| 8.5 | Estimated quarters of funding available (item 8.4 divided by item 8.1) | 4.4 |
| | <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i> | |
| 8.6 | If item 8.5 is less than 2 quarters, please provide answers to the following questions: | |
| 8.6.1 | Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| | Answer: N/A | |
| 8.6.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| | Answer: N/A | |
| 8.6.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| | Answer: N/A | |
| | <i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i> | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:19 July 2024.....

Authorised by: On behalf of the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.