



24 August 2023

A\$1.9m debt facility secured with National Australia Bank to underpin equipment upgrade and working capital requirements

Highlights:

- **Total debt facility encompasses two agreements – a \$0.9m equipment loan and a \$1.0m working capital facility**
- **\$0.9m equipment loan to be used to acquire new fishing equipment for the Nine Ocean Group fleet – unlocking ability to increase catch sizes under existing fishing licences**
- **\$1.0m working capital facility to be deployed to streamline trade finance with broad customer suite of domestic and international market participants**
- **New funding validates the Company's acquisition of Nine Ocean and highlights the Group's near term sales growth potential**

Leading secondary producer of seafood products and premium marine ingredients **New Zealand Coastal Seafoods Limited (ASX:NZS)** is pleased to advise 100%-owned subsidiary Nine Ocean Fisheries Pty Ltd ("Nine Ocean") has secured a debt facility with the National Australia Bank ("NAB") for the aggregate sum of A\$1.9m.

The facility follows NZS' acquisition of Nine Ocean, which is a fishing and high-end seafood product wholesaler/exporter based in Cairns, Queensland.

The total \$1.9m facility is made up of two separate facilities, being a \$0.9m equipment loan and a \$1.0m working capital facility. The equipment loan will be used to fund key equipment upgrades.

Funds from the \$1.0m working capital facility will be deployed to capitalise on several near-term revenue opportunities and further optimise Nine Ocean's combined operations post-acquisition.

The Company is confident that the new funding will provide the necessary financial flexibility to materially scale Nine Ocean's earnings capacity. NZS expects to take delivery of its new range of equipment in the next three months, which will operate under the Company's existing fishing

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licenses. The equipment upgrade will expand Nine Ocean's targeted catch capacity where NZS has identified a broad addressable market that can be served through the Company's established domestic and international supply chain.

Management commentary:

New Zealand Coastal Seafoods Managing Director Mr Peter Chai said: *"We are very pleased to have secured the support of NAB in the form of this debt facility. The new funding will provide the necessary working capital to continue to scale our local and international trade, as well as non-dilutive funding to increase Nine Ocean's fleet."*

"The Company expects to draw down on the funding immediately to capitalise on a number of near term opportunities that have the potential to lead to larger purchase orders of our high-end seafood products and solidify NZS' position as a leading trans-Tasman seafood business."

Authority

This announcement has been authorised for release by the Board of New Zealand Coastal Seafoods Limited.

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About New Zealand Coastal Seafoods

New Zealand Coastal Seafoods (NZCS) (ASX: NZS) is a producer of premium seafood products and nutraceutical marine ingredients. Through its New Zealand-based operations, NZCS is unlocking significant opportunities in the rapidly growing global nutraceutical market, which was estimated to be valued at US\$396.29Bn in 2021 and is anticipated to grow at a compound average growth rate of 5.2% between 2022 and 2030¹. The New Zealand based operations also

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ASX Announcement

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harness the country's reputation for pure, pristine waters and fisheries provenance to utilise raw ingredients sourced from New Zealand's sustainably managed fisheries, employing a nose-to-tail philosophy to create a range of high-value products.

The Australian-based operations of NZCS, being Nine Ocean, is a premium seafood provider focused on responsible sourcing of seafood products from the Torres Strait and the Coral Sea. The group also operates a purpose-built export standard processing facility in Cairns. Via sustainable management practices, the group processes, sells and distributes high-end seafood products, including tropical rock lobster and sea cucumber. The products are wild caught, traceable and caught under a series of unique fishing licenses. Its fishery has been assessed and verified for sustainability, ensuring minimal impact on the wild fish population and the broader coastal ecosystem in which it operates. Nine Ocean is also a direct supplier of premium and frozen seafood products to a wide customer base across the Asia Pacific region.

ⁱ<https://www.gminsights.com/industry-analysis/nutraceuticals-market>

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