



28 June 2024

Quarterly Activities Report for the period ended 31 December 2023

Highlights:

- **Completion of restructuring of its NZ based subsidiary.**
- **New premises at 56A Comport Street, Portsmith QLD 4870.**
- **Receipts from customers of A\$**

Processor, distributor and exporter of premium seafood products and secondary producer of nutraceutical and premium marine ingredients, New Zealand Coastal Seafoods Limited (ASX: NZS) ("**NZS**" or the "**Company**") is pleased to provide its quarterly activity report for the period ending 31 December 2023 (the "Quarter" or the "Reporting Period").

Operational overview:

Completion of restructure of NZ based subsidiary:

As announced on 18 October 2023, the Company have diligently completed a restructure of its NZ based subsidiary. This strategic move is expected to generate cost savings of approximately NZD \$600,000 per annum. Due to continuing and persistence losses incurred, the Company is considering divesting or disposing of this subsidiary.

New premises at 56A Comport Street, Portsmith QLD 4870:

The prolonged importation ban of Australian lobster by the Chinese government, is causing many problems to the Australian lobster industry. Nine Ocean Fishery Pty Ltd ("**NOF**") have refocused its activities to the Coral Sea.

To conserve cash and cut costs, NOF have wisely surrendered the premises of 13 Redden Street, Portsmith on completion of lease.

In collaboration with Australian Northern Seafood (ANS), NOF is now operating from the state-of-the-art facility at 56A Comport Street, Portsmith.

Authority

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

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Further information:

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About New Zealand Coastal Seafoods

New Zealand Coastal Seafoods Limited (ASX: NZS) is a producer of premium seafood products and nutraceutical marine ingredients.

The Australian-based operations of NZS, Nine Ocean Fishery Pty Ltd (“NOF”), 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. Through 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. NOF is also a direct supplier of premium and frozen seafood products to a wide customer base in Australia and across the Asia-Pacific region.

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Appendix 4C

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

Name of entity

New Zealand Coastal Seafoods Limited

ABN

16 124 251 396

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	328	468
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(242)	(424)
(c) advertising and marketing	-	(5)
(d) leased assets	-	(24)
(e) staff costs	(180)	(482)
(f) administration and corporate costs	(168)	(280)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	(35)	(41)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(296)	(786)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	26
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	1,000
3.6	Repayment of borrowings	-	(74)
3.7	Transaction costs related to loans and borrowings	(7)	(19)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(7)	933

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	548	97
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(296)	(786)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7)	933

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	-
4.6	Cash and cash equivalents at end of period	244	244

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	244	548
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	244	548

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	11
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Payments at section 6.1 relate to director fees (\$31,000).		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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	2,000	1,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	2,000	1,000
7.5	Unused financing facilities available at quarter end		1,000
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(296)
8.2 Cash and cash equivalents at quarter end (item 4.6)	244
8.3 Unused finance facilities available at quarter end (item 7.5)	1,000
8.4 Total available funding (item 8.2 + item 8.3)	1,244
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.2
<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?	
No, the New Zealand subsidiary of the company, NZCS Operations Limited which incurred majority of the expenses has entered into liquidation on 18 April 2024.	
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?	
Yes, the entity has received a credit approved term sheets from a major Australian Bank. facilities are expected to be down next month, after the bank has finished its due diligence.	
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?	
Yes, given the finalisation of the new banking facility.	
<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: 28 June 2024

Authorised by: The Board of Directors
(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.