ASX:AS1 Appendix 4E – Preliminary Final Report
Under ASX listing Rule 4.3A

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Reporting Period: **Financial year ended 30 June 2018**

Previous Corresponding Period: Financial year ended 30 June 2017

				$A
Revenues from ordinary activities	Up	6.70%	to	1,510,511
Loss from ordinary activities after tax attributable to members	Down	31.48%	to	(1,142,629)
Loss for the period attributable to members	Down	31.48%	to	(1,142,629)

Dividends:		**Amount per security**	**Franked amount per security**
Reporting Period	Final dividend	nil	nil
	Interim dividend	nil	nil
Previous Corresponding period	Final dividend	nil	nil
	Interim dividend	nil	nil
Record date for determining entitlements to the dividends		Not applicable	

Net Tangible Asset (NTA) Backing:	**30 June 2018**	**30 June 2017**[1]
NTA per security	$0.067	$0.048
Net Assets per security (including Oyster Leases – classed as intangible assets under the accounting standards)	$0.088	$0.081
Earnings per Share (EPS):	**30 June 2018**	**30 June 2017**
Basic EPS	($0.012)	($0.047)
Diluted EPS	($0.011)	(S0.046)

Notes:

Angel Seafood Holdings Ltd (ASH) commenced trading on the ASX on the 21 February 2018.

This report is based on the draft Annual Report which is in the process of being audited. The Auditor has indicated that their opinion is likely to be unmodified.

There are no entities over which control was gained or lost during the period.

ASH does not have any interests in associates or joint ventures.

All documents comprise the information required by Listing Rule 4.3A.

Refer separate ASX announcement regarding commentary on FY18 results and business outlook.

[1] NTA Figures for 30 Jun 2017 are based on pre-share split (3:2) shares on issue. Refer Note 6 for further detail.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

	Note	2018	2017
		$	$
Revenue	4	1,458,916	1,385,272
Other revenue		51,595	30,387
		1,510,511	1,415,659
Cost of sales		(689,320)	(1,409,968)
Gross Profit/(Loss)		**821,191**	**5,691**
Other income	4	1,632,213	404,648
Employee benefits expense		(1,662,328)	(704,291)
Depreciation and Amortisation expense		(360,959)	(226,995)
Other expenses		(1,289,553)	(823,645)
IPO Expenses		(391,642)	-
Finance Costs		(52,900)	(161,578)
Loss before income tax		**(1,303,978)**	**(1,506,170)**
Income tax benefit/(expense)		161,349	(161,349)
Loss for the year		**(1,142,629)**	**(1,667,519)**
Net Profit/(loss) for the period attributable to members		**(1,142,629)**	**(1,667,519)**

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the unaudited preliminary final report.

Statement of Financial Position

As at 30 June 2018

	Note	2018 $	2017 $
Assets			
Current Assets			
Cash and Cash Equivalents		3,957,345	1,355,649
Trade and other receivables		249,801	145,390
Current tax receivable		-	713
Biological Assets	5	1,360,612	929,461
Other Assets		435,899	58,882
Total Current Assets		**6,003,657**	**2,490,095**
Non-Current Assets			
Property, plant & equipment		3,411,268	2,163,596
Biological Assets	5	102,141	89,872
Deferred tax assets		-	26,876
Oyster Leases		2,734,149	1,752,300
Other intangible assets		15,073	11,146
Other Assets		7,979	4,175
Total Non-Current Assets		**6,270,610**	**4,047,965**
Total Assets		**12,274,267**	**6,538,060**
Liabilities			
Current Liabilities			
Trade and Other payables		169,030	355,238
Borrowings		724,127	625,058
Employee Benefits		68,314	47,441
Total Current Liabilities		**961,471**	**1,027,737**
Non-Current Liabilities			
Trade and Other payables		3,932	787,226
Borrowings		176,743	333,418
Deferred tax liabilities		-	188,225
Employee Benefits		13,482	-
Total Non-Current Liabilities		**194,157**	**1,308,869**
Total Liabilities		**1,155,628**	**2,336,606**
Net Assets		**11,118,639**	**4,201,454**
Equity			
Issued Capital	6, 7	14,007,061	6,300,973
Reserves		721,726	(432,000)
Retained Earnings		(3,610,148)	(1,667,519)
Total Equity		**11,118,639**	**4,201,454**

The Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the unaudited preliminary final report.

Statement of Changes in Equity

For the year ended 30 June 2018

2018	**Ordinary Shares**	**Retained Earnings**	**Common Control Reserve**	**Share Option Reserve**	**Total**
	$	**$**	**$**	**$**	**$**
Balance as at 1 July 2017	6,300,973	(1,667,519)	(800,000)	368,000	4,201,454
Loss attributable to members of the parent entity	-	(1,142,629)	-	-	(1,142,629)
Common control reserve transferred to retained earnings	-	(800,000)	800,000	-	-
Shares issued during the year	8,870,000	-	-	-	8,870,000
Transaction costs	(1,163,912)	-	-	-	(1,163,912)
Share option reserve recognised	-	-	-	353,326	353,326
Receipt of option issue proceeds	-	-	-	400	400
Balance at 30 June 2018	**14,007,061**	**(3,610,148)**	**-**	**721,726**	**11,118,639**

2017	**Ordinary Shares**	**Retained Earnings**	**Common Control Reserve**	**Share Option Reserve**	**Total**
	$	**$**	**$**	**$**	**$**
Loss attributable to members of the parent entity	-	(1,667,519)	-	-	(1,667,519)
Shares issued during the year	7,023,853	-	-	-	7,023,853
Transaction costs	(722,880)	-	-	-	(722,880)
Common control reserve recognised	-	-	(800,000)	-	(800,000)
Share option reserve recognised	-	-	-	368,000	368,000
Balance at 30 June 2017	**6,300,973**	**(1,667,519)**	**(800,000)**	**368,000**	**4,201,454**

The Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the unaudited preliminary final report.

Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018 $	2017 $
Cash flows from Operating Activities			
Receipts from customers		1,499,798	1,399,336
Payments to suppliers and employees		(3,504,842)	(1,911,351)
Interest received		14,122	2,967
Finance costs		(56,703)	(165,753)
Net cash (used in) operating activities		**(2,047,625)**	**(674,801)**
Cash flows from Investing Activities			
Payments for oyster leases		(486,535)	(1,025,175)
Payment of deposit for Cowell Oyster Lease		(300,000)	-
Payment for other intangible assets		(14,542)	(13,932)
Proceeds from disposal of property, plant and equipment		105,688	-
Purchase of property, plant & equipment		(1,861,798)	(1,285,819)
Net cash (used in) investing activities		**(2,557,187)**	**(2,324,926)**
Cash Flows from Financing Activities			
Proceeds from issue of shares	6	8,000,400	5,823,855
Proceeds from convertible notes		500,000	-
Proceeds from related party loans		-	197,038
Repayment of related party loans		(8,773)	(190,000)
Repayment of borrowings		(481,753)	(1,097,813)
Proceeds from finance leases		23,100	(22,824)
Repayment of finance leases		(98,953)	-
Payments for capital raising costs		(727,513)	(354,880)
Net Cash provided by financing activities		**7,206,508**	**4,355,376**
Net increase in cash and cash equivalents		**2,601,696**	**1,355,649**
Cash and Cash equivalents at beginning of period		1,355,649	-
Cash and Cash equivalents at end of period		**3,957,345**	**1,355,649**

The Statement of Cash Flows should be read in conjunction with the accompanying notes, which form an integral part of the unaudited preliminary final report.

1. Basis of Preparation

These unaudited preliminary financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

These unaudited preliminary financial statements are in the process of being audited by the Group's auditor.

2. Summary of Significant Accounting Policies

a. Principles for consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Angel Seafood Holdings Ltd) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

b. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

c. Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

d. Oyster Leases

Oyster leases are measured on the cost basis and therefore carried at cost less any accumulated impairment. In the event the carrying amount of an oyster lease is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The Group's oyster leases are classified as 'production leases' by the Department of Primary Industries and Regions SA (PIRSA) and are granted for a maximum term of 20 years. Upon the expiry of any given term, they are renewable for successive terms and the Group considers that the risk of any of its oyster leases not being renewed at the end of their current terms to be immaterial. As such, the useful life of the leases is considered to be indefinite and no amortisation is applied.

The carrying amount of oyster leases are reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

e. Biological assets

Biological assets consist of oysters. These assets have been measured at fair value less costs to sell in accordance with *AASB141 Agriculture*. Estimated fair values are based on a stock lifecycle model developed by the Group which incorporates various key assumptions. These assumptions include anticipated:

- Oyster prices less cost to sell.
- Mortality rates.
- Spawning cycles
- Seasonal growth rates

These assumptions are updated regularly, and the fair value increments or decrements are recorded in the statement of profit or loss and other comprehensive income. Refer to Note 5 for further details regarding the key estimates relating to the fair value of biological assets.

3. Comparative period

The comparative period presented is from the date of incorporation, 27 September 2016 to 30 June 2017.

4. Revenue and Other Income

Revenue from continuing operations

	Consolidated Group	
	2018	**2017**
	$	**$**
Sales revenue		
- sale of biological assets	1,458,916	1,385,272
Total Revenue	**1,458,916**	**1,385,272**

Other revenue		
- rental income	3,800	1,000
- interest income	14,122	2,967
- sundry income	33,673	26,420
	51,595	**30,387**
Other income		
- Related party loan forgiven	780,188	-
- net gain on disposal of property, plant and equipment	-	4,822
- fair value adjustment of biological assets	852,025	399,826
	1,632,213	**404,648**

5. Biological Assets

	Consolidated Group 2018 $	Consolidated Group 2017 $
Oyster Inventory		
Oyster stock - On-grown	30,610	612,542
Oyster Stock - Spat	1,432,144	406,791
Total Biological Assets	**1,462,753**	**1,019,333**
Reconciliation of Oyster Inventory		
Stock value at the beginning of the year	1,019,333	-
Additions/purchases	287,595	2,039,715
Deductions/sales	(696,199)	(1,420,208)
Fair value movements	852,024	399,826
Balance at end of year	**1,462,753**	**1,019,333**

The closing oyster inventory consisted of approximately 7.3 million units. During the financial year ended 30 June 2018, in excess of 1.88 million units were sold at an average price of 77.5-cents per unit.

There is inherent uncertainty in the biomass estimate and resultant fair valuation of the Biological assets. This is common to all such valuations and best practice methodology is used to facilitate reliable estimates. The estimated fair value of oyster inventory is based on a stock lifecycle model developed by the Group which incorporates various key assumptions to simulate fish growth which are regularly reviewed and updated. These assumptions include anticipated: oyster prices less cost to sell, mortality rates, spawning cycles and seasonal growth rates.

Actual growth will invariably differ to some extent, which is monitored along with mortality rates during periodic physical grading and harvest counts. Perpetual stock records are then adjusted and reconciled following the completion of each periodic physical count.

Current and non-current biological assets

	Consolidated Group 2018 $	Consolidated Group 2017 $
Total current	1,360,612	929,461
Total non-current	102,141	89,872
Total current and non-current biological assets	**1,462,753**	**1,019,333**

6. Issued Capital

	2018 $	2017 $
125,577,900 (June 2017: 53,701,933) Ordinary shares	15,893,853	7,023,852
Share issue costs	(1,886,792)	(722,880)
Total	**14,007,061**	**6,300,972**

Reconciliation of Ordinary shares as at 30 June 2018:

	No. of shares	$
Ordinary shares on issue at the beginning of the period	53,701,933	7,023,853
Ordinary share issued during the period prior to the reorganisation	100,000	20,000
Shares issued on reorganisation (3 for 2)	26,900,967	-
Balance following reorganisation	80,702,900	7,043,853
Ordinary shares issued at IPO	40,000,000	8,000,000
Ordinary shares issued to founder under Employee Incentive Scheme	500,000	100,000
Ordinary shares issued to lead manager upon IPO	1,250,000	250,000
Ordinary shares issued on conversion of convertible note	3,125,000	500,000
Balance at end of period	**125,577,900**	**15,893,853**

7. A summary of all options, performance shares and rights issued is as follows:

2018

	Options No.	Performance Shares No.	Performance Rights No.	Share Option Reserve $
Balance as at 1 July 2017	4,000,000	-	-	368,000
Share split (3 for 2)	2,000,000	-	-	-
Balance after capital reorganisation	**6,000,000**	**-**	**-**	**368,000**
'Debt to Equity Swap' performance rights	-	-	4,000,000	80,000
Performance shares – I Halman	-	500,000	-	57,142
Performance shares – I Halman	-	1,000,000	-	15,384
Options – OP1 Class	4,000,000	-	-	186,400
Options – OP2 Class	2,000,000	-	-	14,400
Balance at the end of the year	**12,000,000**	**1,500,000**	**4,000,000**	**721,326**

2017

	Options No.	Performance Shares No.	Performance Rights No.	Share Option Reserve $
Options – OPE Class	4,000,000	-	-	368,000
Balance at the end of the year	**4,000,000**	**-**	**-**	**368,000**

8. Events Occurring After the Reporting Date

On 11 July 2018 approval was granted by the National Australia Bank Limited for an additional $2,000,000 loan facility. Refer to ASX announcement dated 12 July 2018 for additional details.

On 2 August 2018 settlement was completed for the Cowell Assets. Refer to ASX announcement dated 10 July 2018 for additional details.

On the 30 August 2018 the Company announced the purchase of a further 1Ha of water leases in Coffin Bay. Refer ASX announcement dated 30 August 2018 for additional details.