



COVID-19 Trading Update

25 March 2020 – Angel Seafood Holdings Ltd (ASX: AS1) (the “Company” or “Angel”) is providing the following trading update to the market in response to the fast evolving COVID-19 coronavirus pandemic.

Health and safety of staff the priority; no impact to farming operations

Angel’s primary focus during these challenging times is the health and safety of its employees, and the Company will endeavour to support its staff throughout this situation. Where possible, Angel has made arrangements for its staff to work from home and all non-essential travel has been suspended.

To date, there has been no impact on Angel’s farming operations, with all operations on the Eyre Peninsula continuing. As a primary producer, Angel would be considered as an ‘essential service’ and does not expect its farming operations to be impacted from any current Government directives.

Oyster sales being impacted; Angel withdraws FY20 guidance

Despite Angel’s farming operations being unaffected by the COVID-19 pandemic, Government directives have had an adverse impact on sales as a result of reduced foot traffic in food markets and limited patronage in restaurants.

As previously advised the Company intends to recommence export sales in the fourth quarter. Exploration into the early commencement of this export sales program has revealed that it is not currently possible due to disruptions of the airfreight industry, with airlines effectively grounding their fleets. The Company will monitor this with the aim of commencing exports as soon as logistical supply lines can be guaranteed.

Oyster sales are continuing into retail markets, and sales for the quarter are currently at 80% of internal forecasts.

However, given the inherent uncertainties associated with the COVID-19 pandemic and the ongoing Government reactions Angel considers it prudent to withdraw its sales guidance for FY20.

Decisive actions being implemented

The Board and management of Angel are responding to the COVID-19 impacts with decisive actions to offset the adverse sales impact. All non-essential operating expenses have been stopped to preserve cash; in addition, the Company expects to be eligible for several initiatives already announced by the Government, the Reserve Bank of Australia and commercial banks.

Outlook: focus remains on Improving stock profile

Farming operations are continuing, and the Company currently holds stock in excess of 25 million oysters. In line with its long-term objectives, Angel is taking the slow down in sales as an opportunity to further improve the stock profile with larger oyster sizes that should attract higher sales prices once consumer demand returns to normal levels and access to export markets re-opens.

With Haslam now commissioned as an overflow facility, the Company has increased capacity to warehouse excess stock with minimal husbandry, allowing stock to continue to grow in size.

Angel will continue sales into the retail channels for as long as they remain open, subject to further Government directives in relation to COVID-19.

Zac Halman, CEO and founder of Angel said: *"We continue to closely monitor the COVID-19 situation and will respond as required to ensure the health and safety of our team".*

"We remain completely focused on best positioning Angel for the long term. We are seeing larger oyster sizes becoming available for sale, which we expect to continue selling. We remain confident that once consumer demand returns to normal levels and access to export markets re-opens, Angel will be well positioned for a return to growth" said Mr Halman.

This announcement was approved for release by the Board.

Further Information

Any questions or requests for further information should be directed via email to:

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Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results.

Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, variations in spat supply, production estimates and growth and mortality rates from those assumed, as well as the impact of governmental regulation.

The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities law