



**26 April 2018**

**ASX:AS1 Quarterly Update and Appendix 4C  
for the period ending 31 March 2018**

Angel Seafood Holdings Ltd (the Company/Angel) is pleased to provide the following quarterly update and Appendix 4C for the period ending 31 March 2018.

**Operations Commentary**

The Company successfully listed on the Australian Securities Exchange in February 2018 after raising \$8-million in an oversubscribed IPO. Since this time the Company has been actively progressing its business plan objectives, including:

- The expansion of Angel's operations into Cowell and subsequent restocking of the water leases in Coffin Bay allowing sales to recommence in the final weeks of March 2018.
- The husbandry of stock in the water throughout the summer period ensuring that the Company retains over 8-million viable oysters that should be brought to market throughout FY19.
- The expansion of the Angel team, including the appointment of an Oyster Manager who brings exceptional industry experience in the handling and growing of spat (juvenile oysters), with a focus on minimising mortality.
- The identification, purchase and commissioning of a purpose-built oyster packing and export facility in Port Lincoln.
- The continued purchase of spat; this crucial supply continues to improve, and the Company believes it will normalise throughout FY19.
- The identification and purchase of a further 0.5Ha of water leases in Coffin Bay, increasing the finishing capacity of the Company by 15-20%
- Statutory approvals for the expansion of the Coffin Bay processing factory. Contractors are expected to commence in May 2018; included in this expansion is capital equipment that will double the processing capability of the site.
- Commissioning of key equipment, such as an automated basket washer, to allow more efficient farming techniques.

**The Company's key focus areas for the coming quarter include:**

- Continuing to grow the oysters in the water, focusing on the continued minimisation of mortality rates.
- Procuring more spat as they become available.
- Continuing to build sales, as the oysters mature, including export sales.
- Expanding the processing facility in Coffin Bay.
- Continuing the AQIS export approval process for the Port Lincoln facility.

### **Quarterly Commentary**

The Company's quarterly result is in line with Board expectations.

Key areas for comment in the quarterly include:

- The \$225,000 received from customers represent sales that occurred in the latter part of March. It is worthy to note that sales in the quarter ending 31 March of each year will generally be low as this is when the oysters spawn making them unsuitable for sale; this assumption is built into the Company's internal forecasts.
- Payments made totalling \$230,000 for the quarter, and \$384,000 for the YTD, of one off costs associated with the IPO process.
- Estimated cash outflows for the next quarter include \$588,000 of business operational costs and \$1,412,000 of Capital Expenditure (Capex).
- This Capex includes:
  - o Settlement of Coffin Bay Water Lease (announced on 10 April 18)
  - o Settlement of Port Lincoln packing facility (announced on 27 Feb 18)
  - o Commencement of the Coffin Bay processing facility expansion and deposits for associated equipment.

### **Further Information**

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

chairman@angelseafood.com.au

### **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 laws.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Angel Seafood Holdings Ltd

**ABN**

38 615 035 366

**Quarter ended ("current quarter")**

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	225	995
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(610)	(1,184)
(c) advertising and marketing	(6)	(48)
(d) leased assets	(27)	(97)
(e) staff costs	(299)	(843)
(f) administration and corporate costs	(275)	(583)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	5
1.5 Interest and other costs of finance paid	(14)	(36)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	6
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,002)</b>	<b>(1,785)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(591)	(1,894)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	(8)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	56
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(591)</b>	<b>(1,846)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	8,000	8,000
3.2	Proceeds from issue of convertible notes	-	500
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(711)	(728)
3.5	Proceeds from borrowings	-	545
3.6	Repayment of borrowings	(548)	(677)
3.7	Transaction costs related to loans and borrowings	-	(5)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>6,741</b>	<b>7,635</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	212	1,356
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,002)	(1,785)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(591)	(1,846)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,741	7,635
4.5	Effect of movement in exchange rates on cash held	N/A	N/A
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>5,360</b>	<b>5,360</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5,360	5,360
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,360</b>	<b>5,360</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
(137)

**Note:**

Directors Fees of \$20,000, Commercial Salaries (including superannuation) of \$60,225 and consulting fees of \$57,000.

7. <b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	(35)
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

**Note:**

Payments to Interacct Business Consulting for accounting services, advisory and taxation consulting, bookkeeping and director's fees. James Rogalski was a director of Angel Seafood Holdings Ltd during the quarter until his resignation on 21 February 2018 and is a director of Interacct Business Consulting.

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	800	Nil
8.2 Credit standby arrangements	-	-
8.3 Other (Credit Card)	5	1
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

**Notes:**

8.1 Loan Facility is provided by National Australia Bank Limited with a facility limit of \$800,000. Drawn down amounts are subject to an interest rate of 5.80% PA. The loan is secured by Company assets.

8.3 Credit card limit at quarter end totalled \$5,000 with a balance drawn of \$1,000

9. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(126)
9.3 Advertising and marketing	(14)
9.4 Leased assets	(20)
9.5 Staff costs	(313)
9.6 Administration and corporate costs	(115)
9.7 Other (provide details if material) – Cap Ex	(1,412)
<b>9.8 Total estimated cash outflows</b>	<b>(2,000)</b>

**Note:**

9.7 Planned capital expenditure is in accordance with that listed in the Company's Replacement Prospectus dated 13 Dec 17.

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	N/A	N/A
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

#### Other – Performance Shares & Performance Rights

1,500,000 Performance Shares and 4,000,000 Performance Rights were on issue at the time of listing of the Company on the ASX on 21/2/18.

These Performance Shares and Performance Rights are subject to escrow for a period of 24 months from the date of official listing on 21/2/18. Each Performance Share converts into one ordinary share subject to the completion of performance milestones as set out in section 16.3 of the Replacement Prospectus dated 13/12/17 (Replacement Prospectus).

The performance milestones and conversion rate for Performance Rights are set out in section 16.4 of the Replacement Prospectus. No relevant performance milestones arose during the quarter and no Performance Shares or Performance Rights were converted or redeemed during the period.

#### 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.

Sign here:



Company secretary

Date: 26 April 2018

Print name: Christine Manuel

#### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.