



Company Announcement – dated 28 Feb 2018

Angel Seafood Holdings Ltd (ASX:AS1) Company Update and H1 FY18 Results Commentary

Company Update

Stock in the water.

The Company has over 8-million Oysters in the water that are now being moved on a weekly basis between our leases in Cowell and Coffin Bay. Once in Coffin Bay the oysters will take approximately 8-weeks to fatten and be ready for sale. The Company is pleased to report that the annual spawn in Coffin Bay (generally Jan-Feb), where Oysters cannot be sold, appears to have completed allowing the stock to again put on condition in readiness for sale.

The Company, at this stage, expects sales to recommence from April 2018.

SA Government waives oyster lease and licence payments.

As widely reported the SA Oyster Industry is in the process of recovering from a spat shortage; spat supply is anticipated to improve throughout CY18. In response to this situation the Company is pleased to report that the SA Government has provided industry relief over the next two years in the form of waiving the annual oyster lease and licence payments. The Company supports this decision and appreciates the South Australian Oyster Growers' Association's (SAOGA's) efforts in lobbying the State Government for this support.

This decision by the South Australian Government will save the Company approximately \$140,000 over the coming two years.

Sustainability and Organic Certifications.

The Company recently underwent extensive audits for both sustainable and organic re-certification. The Company is pleased to report that both the key certifications have been renewed. A considerable amount of work is required by the management team to pass these audits and it is a credit to their efforts and the standards they set to gain the re-certification.

Re-certification sets the Company apart from other oyster growers. These quality systems also act as a mechanism to ensure our products are tracked from spat to plate and are of the highest quality.

H1 FY18 Results Commentary

The Company is pleased to report its results for the half year to 31 Dec 2018, which were in line with Board expectations. The period marked a significant time of advancement as it prepared for a listing on the ASX. It was pleasing to note that sales of oysters continued despite the obvious pressure on management due to the demands associated with bringing the Company to the point of an IPO.

The Board maintains its outlook, as mentioned in its 30 June 17 full year results, of an improved final result in FY18 when compared to that of FY17.

For full detail please review the Appendix 4D and Half Yearly Results. However, notable achievements throughout the period included:

- The negotiation, entering into a contract, and payment of deposit to purchase water and associated assets at Cowell in Franklin Harbour on the Eyre Peninsula. This was a significant acquisition and one that allowed the Company to establish operations in an extremely reliable area to grow oysters. In a separate agreement with the vendor the Company gained access to this water in November 2017 allowing our spat to benefit from this quality water throughout the summer.
- The negotiation and entering into a contract to purchase water and associated assets at Haslam. Haslam will offer the Company an ideal environment to store and stockpile oysters ready for future sale.
- The Company achieved sales revenues of over \$870,000 and fair value adjustment of over \$200,000 through the conduct of its principal activity, whilst in other concurrent operations the Company issued a prospectus and opened its IPO in preparedness for a listing on the ASX.
- Despite being in an environment of limited access to spat the Company still managed to source over \$150,000 worth of juvenile oysters over the period.
- The Company continued to build its team of expert Bay Managers, adding two staff at Cowell. Over the period the Company also commissioned new equipment, including a new oyster tender, aimed at increasing our efficiency and ability to handle increased volumes anticipated in the future.
- The Company continued to improve its lease infrastructure at both Coffin Bay and Cowell.
- The successful IPO and subsequent listing on the ASX means that the Directors are of a view that there is no longer an issue regarding the going concern of the Company. In turn, the Auditor has provided an unmodified opinion.

Further Information:

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

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