



**31 August 2018**

**ASX:AS1 – Builds Strong Foundations for Growth  
Preliminary Final Report: Review & FY19 Outlook**

**Highlights:**

- Oversubscribed \$8-million raise and subsequent IPO on the ASX
- Deployment of IPO funds, in line with the Company Prospectus, towards expanding the operations of the Company to cater for future growth in oyster numbers
- Acquisition, refurbishment, commissioning and AQIS accreditation of a purpose-built processing export facility
- Increase of operational water holdings including an additional 1.5Ha at Coffin Bay and 15.4Ha in Cowell
- Approval to re-locate 2.25Ha in Coffin Bay to the high growth performing Beacon Zone and the approval through a successful 'public call' application of an additional 9Ha of growing water that has been set aside for future development
- Growth of Angel's domestic sales program including opening markets in key states of Victoria and South Australia to complement the strong NSW market
- Evaluating and developing export channels
- Employment of key staff that specialise in handling of Spat with the aim of minimising mortality in our juvenile stock

**FY18 Results Commentary**

The Company is pleased to report its preliminary results for the full year to 30 June 2018 (FY18). Significant changes and expansion of the Angel business have occurred in FY18 as the Company moved from an unlisted to a listed entity (as outlined in the Appendix 4E), with notable achievements including:

- Revenue for the full year increased by 6.7% to \$1.51 million, despite a very challenging market environment where spat was difficult to obtain. In response, a South Australian based spat production industry has been established and expanded, and with each passing month the spat supply has been improving. It is anticipated that spat supply whilst improving through FY19 will remain tight.
- The overall loss for FY18 was \$1.14 million, an improvement of 31.5% over the previous result. Angel Seafood has worked hard to ensure each dollar expended represents best value. This ethos will continue as the Company grows in size and scope into the future.
- Net assets for the period increased by 164% to \$11.11 million, with these assets valued at cost. The Company closed FY18 with \$3.95 million in cash. However, soon after the end of FY18, Angel Seafood settled on the 10Ha Cowell purchase that totalled \$2.70M.

## **FY19 Outlook**

Industry prices have stabilised in recent months, underpinned by strong domestic demand. Angel Seafood expects this trading environment to remain for the near term. The key focus for the Company from now through to Christmas 2018 is optimising Angel Seafood's oyster production to maximise sales.

Angel is also implementing strategies to lower mortality in any spat received. To date these new strategies have shown success with mortality rates in spat over winter being lower than 10%. It is expected that spat supply will continue to be tight over the coming 6-12 months, but Angel Seafood is confident in receiving enough spat to reach its business plan outcomes.

The Board, given its water holdings and stock on hand is confident of delivering growth in operations and financial results through FY19 including achieving an operationally cash flow positive position. While still early in FY19, Angel Seafood has performed above plan for FY19 over July and August to date, with oyster sales expected to increase towards Christmas 2018. However, in making these statements it is always important to note the inherent operational risks in aquaculture that may impact on future results.

As noted earlier, one of the key drivers for the Company is access to spat. FY19 will continue to present challenges for South Australian oyster growers. The Company wish to acknowledge the work of the South Australian Government, SAOGA and the hatcheries in bringing as much spat to market as possible. The Board anticipates that access to spat will improve throughout FY19.

The Company will continue to invest in capital items to ensure future anticipated scale can be handled. However, the Board wishes to advise that this planned capital expenditure will be completed by the end of calendar year 2018. Once the investment has been completed, Angel Seafood will have the facilities and infrastructure in place to deliver the larger volumes anticipated as spat supply increases and the oysters in the water grow to an optimal size for sale.

## **Further Information**

Any questions or requests for further information should be directed via email to:  
[chairman@angelseafood.com.au](mailto: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.