**New Zealand Coastal Seafoods Limited (formerly XTV Networks Limited)**
**Appendix 4E**
**Preliminary final report**

## Company details

| | |
|---|---|
| Name of entity: | New Zealand Coastal Seafoods Limited (formerly XTV Networks Limited) |
| ABN: | 16 124 251 396 |
| Reporting period: | For the year ended 30 June 2019 |
| Previous period: | For the year ended 30 June 2018 |

## Results for announcement to the market

| | | | $'000 |
|---|---|---|---|
| Revenues from ordinary activities | unchanged | | Nil |
| Profit from ordinary activities after tax attributable to the members of New Zealand Coastal Seafoods Limited | up | n/a to | 961 |
| Profit for the year attributable to the members of New Zealand Coastal Seafoods Limited | up | n/a to | 961 |

*Dividends*
There were no dividends paid, recommended or declared during the current financial period.

*Comments*
The profit for the Company after providing for income tax amounted to $960,676 (30 June 2018: loss of $723,535).

## Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|---|---|
| Net tangible assets per ordinary security (cents) | 0.05 | (0.36) |

## Attachments

Additional Appendix 4E disclosure requirements can be found in the director's report and the 30 June 2019 financial statements and accompanying notes.

This report is based on the financial statements which have been audited by Crowe Horwath.

**Signed**

**Winton Willesee**
**Director**
**30 August 2019**

# New Zealand Coastal Seafoods Limited
# (formerly XTV Networks Limited)
# ABN 16 124 251 396

# Annual Financial Report

# 30 June 2019

## Contents

# Directors' Report

The Directors present their report on the results of New Zealand Coastal Seafoods Limited (formerly XTV Networks Limited) ("the Company") for the year ended 30 June 2019.

## ACQUISITION OF NEW ZEALAND COASTAL SEAFOODS LIMITED

As announced on 23 April 2019, the Company entered into a share purchase deed pursuant to which it agreed to acquire 100% of the issued capital in New Zealand Coastal Seafoods Limited (NZCS). Pursuant to the share purchase deed, which completed on 25 July 2019, the Company issued 166,694,937 new Shares (on a post 1 to 3 Subdivision basis) and procured the transfer of 42,840,001 2023 Options (on a post-Subdivision basis) from existing holders to the shareholders of NZCS as consideration for the acquisition of 100% of the issued capital of NZCS.

NZCS is a growing processor, distributor and exporter of premium seafood products for supply, directly and through distributors, to customers, restaurants, seafood traders, supermarkets and other retailers in New Zealand, Australia and Asia. To date, NZCS has focused on selling premium processed seafood for Asian consumers, including dried ling fish (maw), sea cucumber, soft and hard elephant fish (backbone) and dog fish (backbone). NZCS operates a seafood processing and drying facility in Christchurch, New Zealand, with a current annual production capacity of 60 tonnes of raw seafood products input. One of NZCS' principal competitive advantages is that its products are sourced exclusively from New Zealand suppliers of high-quality, premium fresh seafood.

In support of its growth strategy, NZCS will utilise the additional capital to move to a larger processing facility and acquire new equipment to significantly expand production capacity. The funds raised will also provide the working capital necessary to increase purchases of raw seafood, thereby increasing its processing scale at its existing processing facility and, later, at its new processing facility.

New processing capabilities will also enable NZCS to produce new products which are expected to improve its profit margins. These new products may potentially include long shelf-life pre-packaged products, such as ready-to-eat ling maw soup and mussel soup, as well as powdered hard bones for the nutraceutical market.

NZCS also intends to expand its sales staff, including by the appointment of a head of business development and the appointment of branding and marketing consultants, and increase capital available for marketing purposes. These funds are designed to facilitate NZCS increasing its sales capacity (whilst also continuing to maintain distributor channels) to support growth in existing and new markets, such as China, Hong Kong, Malaysia, Singapore, Indonesia and Vietnam.

## COMPLETION OF CAPITAL RAISING AND RE-LISTING ON ASX

On 13 June 2019 following approval by shareholders at a General Meeting, the Company completed a reorganisation of capital to sub-divide all existing ordinary shares and options on a 1 for 3 basis and approved the change of its name from XTV Networks Limited to New Zealand Coastal Seafoods Limited.

On 25 July 2019 (pursuant to a Prospectus dated 24 May 2019) the Company completed the raising of $5,000,000 through the issue of 200,000,000 post sub-division shares at a price of $0.025 per share.

On 25 July 2019 the acquisition of NZCS was completed.

The suspension of trading on the Company's shares was lifted on 5 August 2019 and the trading on the Australian Stock Exchange (ASX) recommenced under the code NZS on that day.

## DEED OF COMPANY ARRANGEMENT

Prior to the transaction to acquire NZCS and following the Company's wholly owned US subsidiary xTV Networks Inc. entering bankruptcy pursuant to Chapter 7 of the United States Bankruptcy Code on 27 October 2016, Messrs Wayne Rushton and Martin Jones were appointed Administrators of the Company on 10 July 2018 pursuant to Section 436A of the Corporations Act 2001.

Accordingly, the financial statements for the financial years ended 30 June 2019 and 30 June 2018 reflected full provisions for the non-recovery of the investment in and loans advanced to xTV Networks Inc.

On 31 August 2018 a Deed of Company Arrangement ("DOCA") was entered into with a subsequent Deed of Variation dated 17 December 2018. The key terms of the DOCA were as follows:

(i) The issued capital of the Company was to be consolidated on the basis that every 200 Shares will be consolidated into 1 Share;

(ii) A post-consolidation issue of 25,000,000 shares was to be made at an issue price of $0.02 per share to raise $500,000 to meet the costs of the Administration and provide working capital, together with 8,333,334 free attaching options on the basis of 1 option for every 3 shares;

(iii) A debt to equity swap to convert the debt owed to White Oak Ridge Capital LLC (the secured creditor) in consideration of the issue of 20,000,000 shares and 25,000,000 options (on a post consolidation basis) was to be made; and

(iv) All amounts owing to unsecured creditors were to be eliminated.

Full details of the DOCA were set out in the Notice of General Meeting dated 7 December 2018. The General Meeting of shareholders was held on 9 January 2019 and all resolutions were approved by the Company's Shareholders.

On 11 January 2019 the issued capital of the Company was consolidated, resulting in:

(i) a reduction in the number of fully paid ordinary shares on issue from 1,212,532,147 to 6,063,106; and

(ii) the 28,000,000 unlisted options with an exercise price of $0.013 expiring 31 May 2019 were reorganised as 140,000 unlisted options with an exercise price of $2.60 expiring 31 May 2019.

On 5 February 2019, 25,000,000 ordinary shares were issued at a price of $0.02 per share together with 8,333,334 free attaching options on the basis of 1 option for every 3 shares to raise $500,000 pursuant to the terms of the DOCA.

On 5 February 2019, 20,000,000 ordinary shares and 25,000,000 options were issued to the secured creditor for debt to equity conversion pursuant to the DOCA.

The Deed of Company Arrangement (DOCA) was effectuated on 6 February 2019. As at this date the appointment of the Administrators ceased, and the Company returned to the control of the Directors, after which the share purchase deed to acquire NZCS was negotiated and entered into.

**DIRECTORS**

The names and details of the Company's Directors in office during the whole of the financial year and up to the date of this report are as follows:

Mr Winton Willesee
Miss Erlyn Dale
Mr Cataldo Miccio (appointed 25 July 2019)
Mr Jourdan Thompson (appointed 25 July 2019)
Mr Harry Hill (resigned 25 July 2019)

## QUALIFICATIONS AND EXPERIENCE OF DIRECTORS

**Mr Winton Willesee (Non-Executive Chairman)**

Qualifications: BBus, DipEd, PGDipBus, MCom, FFin, CPA, GAICD, FGIS/FCIS

Mr Willesee is an experienced company director. He brings a broad range of skills and experience in strategy, company development, corporate governance, company public listings, merger and acquisition transactions and corporate finance. Mr Willesee has considerable experience with ASX listed and other companies over a broad range of industries, having been involved with many successful ventures from early stage through to large capital development projects.

Mr Willesee holds a Master of Commerce, a Post-Graduate Diploma in Business (Economics and Finance), a Graduate Diploma in Applied Finance and Investment, a Graduate Diploma in Applied Corporate Governance, a Graduate Diploma in Education and a Bachelor of Business. He is a Fellow of the Financial Services Institute of Australasia, a Graduate of the Australian Institute of Company Directors, a Member of CPA Australia and a Fellow of the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators/Chartered Secretary.

Other current listed company directorships:

Non-Executive Director of MMJ Holdings Limited (ASX: MMJ)
Non-Executive Director of Nanollose Limited (ASX: NC6)
Non-Executive Director of Neurotech International Limited (ASX: NTI)

Former listed company directorships (last 3 years):

Non-Executive Chairman of Ding Sheng Xin Finance Co Limited (ASX:DXF) (delisted 15 May 2018)
Chairman of Metallum Ltd (now Kopore Metals Limited) (ASX: KMT) (resigned 8 November 2017)
Non-Executive Chairman of Birimian Ltd (now Mali Lithium Limited) (ASX: MLL) (resigned 22 March 2017)
Non-Executive Director of DroneShield Limited (ASX: DRO) (resigned 24 Jan 2017)

Interest in Shares/Options – 907,500 Ordinary Shares

**Miss Erlyn Dale (Non-Executive Director)**

Qualifications: BCom., GradDipACG, AGIA, ACIS

Miss Dale is an experienced corporate professional with a broad range of corporate governance and capital markets experience, having been involved with several public company listings, merger and acquisition transactions and capital raisings for ASX-listed companies across a diverse range of industries.

Miss Dale holds a Bachelor of Commerce (Accounting and Finance) and a Graduate Diploma in Applied Corporate Governance. She is a member of the Governance Institute of Australia/Chartered Secretary.

Other current listed company directorships: Nil

**Miss Erlyn Dale (Non-Executive Director) continued**

Former listed company directorships (last 3 years):

Non-Executive Director of Metallum Ltd (now Kopore Metals Limited) (ASX: KMT) (resigned 8 November 2017)

Interest in Shares/Options - 8,000,000 Unlisted Options

**Mr Cataldo Miccio (Executive Director)**

Qualifications: BCom

Prior to co-founding NZCS, Mr Miccio was the mayor of Nelson, New Zealand, and prior to that served as a Councillor of Nelson, beginning in 2007. In 2010, Mr Miccio successfully sold Bissi Ltd, an apparel company he had started in 1998 and which, at its peak, grew to over A$15 million in annual sales.

Concurrently with his role at NZCS Mr Miccio currently serves as the Managing Director of KELA Charms and is the Vice President of the Italian Chamber of Commerce in New Zealand.

Other current listed company directorships: Nil

Former listed company directorships (last 3 years): Nil

Interest in Shares/Options - 52,786,730 Ordinary Shares and 13,566,000 Unlisted Options

**Mr Jourdan Thompson (Non-Executive Director)**

Qualifications: BCom, ACA

Mr Thompson is currently the Chief Financial Executive of Keytone Dairy Corporation Limited (ASX: KTD) and is an experienced FMCG executive. Mr Thompson has over 15 years' industry experience in investment banking, finance and restructuring both in Australia and Europe. Mr Thompson has spent the last 10 years in investment banking, working most recently for Greenhill & Co. as a Director, based in the Sydney office and prior to this for ING Investment Bank based in London.

During his time at Greenhill & Co., Mr Thompson principally focussed on strategic and advisory mandates for ASX200 clients. Mr Thompson began his career at KPMG in the Corporate Recovery and Restructuring team (now McGrath Nicol), prior to moving to the Corporate Finance team at Ernst & Young.

Other current listed company directorships: Nil

Former listed company directorships (last 3 years): Nil

Interest in Shares/Options - 8,000,000 Unlisted Options

**Mr Harry Hill (Non-Executive Director resigned 25 July 2019)**

Mr Hill is a qualified accountant and company secretary and has been involved with private, public and ASX listed companies for over 30 years acting in the capacity of Chairman, Managing Director, Non-Executive Director and Company Secretary. Mr Hill has been involved in the fields of mining, oil and gas, education, wholesale and retail clothing, technology and communications.

Former directorships (last 3 years): None

Interest in Shares/Options – Nil

## COMPANY SECRETARY

Miss Erlyn Dale is the Company Secretary.

## OPERATING AND FINANCIAL RESULTS

The profit of the Company for the financial year after providing for income tax amounted to $960,676 (2018: loss of $723,535).

## DIVIDENDS

No dividends have been paid or declared during the financial year, nor do the Directors recommend the declaration of a dividend.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Post the year end the Company completed the acquisition of New Zealand Coastal Seafoods (NZCS) on 25 July 2019. NZCS is a growing processor, distributor and exporter of premium seafood products for supply, directly and through distributors, to customers, restaurants, seafood traders, supermarkets and other retailers in New Zealand, Australia and Asia. In support of its growth strategy, the Company will apply a substantial portion of the additional capital funds raised to the growth and development of NZCS.

## POST BALANCE DATE EVENTS

On 25 July 2019 (pursuant to a Prospectus dated 24 May 2019) the Company completed the raising of $5,000,000 through the issue of 200,000,000 post sub-division shares at a price of $0.025 per share.

On 25 July 2019 the acquisition of NZCS was completed.

The suspension of trading on the Company's shares was lifted on 5 August 2019 and the trading on the Australian Stock Exchange (ASX) recommenced under the code NZS on that day.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

**REMUNERATION REPORT (Audited)**

The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report includes the following:

- Principles used to determine the nature and amount of remuneration;
- Details of remuneration;
- Service agreements;
- Share-based compensation; and
- Additional disclosures relating to key management personnel.

***Principles used to determine the nature and amount of remuneration***
Once the Company successfully restructures, the objective of the Company's executive reward framework will be to ensure reward for performance is competitive and appropriate for the results delivered. The framework will be designed to align executive reward with the achievement of strategic objectives and the creation of value for shareholders and will be designed to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The full Board fulfilling the role of the Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

Once the Company successfully restructures its operations, the Board intends to structure an executive remuneration framework that is market competitive and complementary to the reward strategy of the Company.

The reward framework will be designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having value creation and capital growth in advance of economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of growth in share price and eventually dividends, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

***Non-executive director's remuneration***

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed from time to time by the Board fulfilling its role as the Nomination and Remuneration Committee. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not entitled to vote on the determination of his own remuneration. Given the nature of the Company and the more hands-on role the non-executive directors' play in the operations of the Company non-executive directors may receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was via a resolution of all shareholders on 29 January 2015, where the shareholders approved a maximum annual aggregate remuneration of $250,000.

***Executive remuneration***

The Company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed regularly by the full Board fulfilling the role of Nomination and Remuneration Committee based on the overall performance of the Company and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other benefits where it does not create any additional costs to the Company and provides additional value to the executive.

The STI program and the LTI program were adopted on 13 June 2019 and the terms of the incentive scheme announced on the ASX.

The purpose of the Plan is to:

(i) assist in the reward, retention and motivation of Eligible Participants;

(ii) link the reward of Eligible Participants to performance and the creation of Shareholder value;

(iii) align the interests of Eligible Participants more closely with the interests of Shareholders by providing an opportunity for Eligible Participants to receive Shares;

(iv) provide Eligible Participants with the opportunity to share in any future growth in value of the Company; and

(v) provide greater incentive for Eligible Participants to focus on the Company's longer term goals.

The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an Offer) to apply for Options, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (Offer).

In exercising that discretion, the Board may have regard to the following (without limitation):

(i) the Eligible Participant's length of service with the Group;

(ii) the contribution made by the Eligible Participant to the Group;

(iii) the potential contribution of the Eligible Participant to the Group; or

(iv) any other matter the Board considers relevant.

The Company is not obliged to make an Offer under the Plan to any eligible participant. As at the date of this report, no offer has been made to any eligible participant.

***Use of remuneration consultants***
During the financial year ended 30 June 2019 the Company did not engage external remuneration consultants.

***Details of remuneration***
Details of the remuneration of key management personnel of the Company during the year ended 30 June 2019 are set out in the following tables.

There were no share-based payments or options issued to Directors during the financial years ended 30 June 2019 and 30 June 2018. The shareholdings and option holdings of Directors are detailed in Note 3.

Remuneration for the Directors was as follows:

**Financial Year ended 30 June 2019 ($)**

| | Cash Salary & Fees | Non-Cash Benefits | Superannuation | Total |
|---|---|---|---|---|
| W Willesee** | 16,000 | - | - | 16,000 |
| E Dale** | 34,108* | - | - | 34,108* |
| H Hill (resigned 25 July 2019) | 6,053 | - | - | 6,053 |
| **Total** | **56,161** | **-** | **-** | **56,161** |

**Financial Year ended 30 June 2018 ($)**

| | Cash Salary & Fees | Non-Cash Benefits | Superannuation | Total |
|---|---|---|---|---|
| W Willesee | - | - | - | - |
| E Dale | - | - | - | - |
| H Hill (resigned 25 July 2019) | 30,000 | - | - | 30,000 |
| **Total** | **30,000** | **-** | **-** | **30,000** |

Note: There were no proportions of any elements of Key Management Personnel remuneration that related to the Company's performance.

*Includes fees for Company Secretary position pursuant to the agreement between the Company and Azalea Consulting Pty Ltd noted below.
** Mr Willesee and Miss Dale have nominated Azalea Consulting Pty Ltd as their nominee to receive all payments to which they are entitled.

***Key Management Personnel Agreements***

The key management personnel of the Company now consists of the following directors and executives of New Zealand Coastal Seafoods Limited:

Mr Winton Willesee
Miss Erlyn Dale
Mr Cataldo Miccio (appointed 25 July 2019)
Mr Jourdan Thompson (appointed 25 July 2019)
Mr Peter Win (Chief Executive Officer) (appointed 25 July 2019)

The Company has an agreement with Azalea Consulting Pty Ltd (an entity associated with Mr Willesee and Miss Dale) for the provision of company secretarial services at a rate of $5,850 (plus GST) per month which provides for up to 30 hours of work per month. The Company will also pay Azalea a fee of:

(i) $185 per hour for any additional engagement or any out of scope work undertaken; and

(ii) $285 per hour (unless otherwise agreed by the parties) for any executive services provided beyond the scope of the Azalea Agreement.

The Azalea fee will automatically increase by 3% upon each anniversary of Azalea's engagement. The Company and Azalea are also parties to a letter agreement dated 19 February 2019 pursuant to which the Company is currently paying a monthly fee of $1,000 (plus GST) to Azalea in consideration for the Company using Azalea's office as its registered office and principal place of business as well as Azalea providing back-office support.

The Company has an agreement with Valle Corporate Pty Ltd (an entity associated with Mr Willesee) for the provision of management accounting, financial reporting and bookkeeping services. The Company will pay Valle an hourly rate fee of $60 per hour (plus GST) and the fee will automatically increase by 3% upon each anniversary of Valle's engagement.

NZCS has entered into an employment agreement with Mr Peter Win dated 4 April 2019, pursuant to which Mr Win has been appointed as the Chief Executive Officer (CEO) of NZCS. The material terms and conditions of the CEO Agreement are summarised below:

**Term:**
Mr Win's employment with NZCS pursuant to the CEO Agreement will commence on the date on which the Company re-complies with the admission and quotation requirements as contemplated by the Acquisition Agreement.

**Remuneration:**
For services rendered under the CEO Agreement, Mr Win receives a base salary of NZ$140,000 (AU$133,070) per annum.

**Termination:**
The CEO Agreement may be terminated by either party with one month's written notice to the other party. In the event of Mr Win's serious misconduct, serious non-observance or serious neglect of the CEO Agreement, NZCS may dismiss Mr Win without notice.

The CEO Agreement otherwise contains terms and conditions considered standard for agreements of this nature.

NZCS has entered into a contract for services with Mr Cataldo Miccio dated 20 May 2019, pursuant to which Mr Miccio has been engaged as an advisor to NZCS. The material terms and conditions of the Advisor Agreement are summarised below:

**Term:**
Mr Miccio's appointment as advisor commences on the date on which the Company re-complies with the admission and quotation requirements as contemplated by the Acquisition Agreement.

**Contracting Fee:**
For services provided pursuant to the Advisor Agreement, NZCS will pay Mr Miccio a fee of NZ$8,333 (AU$7,920) (plus GST if applicable) per month on the assumption that Mr Miccio works a minimum of 32 hours per week. The fee is fixed and will not increase in the event Mr Miccio works in excess of 32 hours per week.

**Reimbursement of expenses:**
NZCS will reimburse Mr Miccio for all actual and reasonable expenses incurred by Mr Miccio while performing the services.

**Termination:**
The Advisor Agreement may be terminated by either party with one month's written notice to the other party. In the event that Mr Cataldo fails to perform the services to the standard required or meet required timeframes, breaches the Advisor Agreement, is negligent or neglects or refuses to carry out duties assigned, is convicted of any criminal offence which may adversely affect NZCS' business or reputation or is adjudicated bankrupt or reaches a compromise with creditors, NZCS may terminate the Advisor Agreement with immediate effect. If NZCS unreasonably withholds any payment which is due and owing to Mr Cataldo or the NZCS enters receivership or liquidation, Mr Cataldo may terminate the Advisor Agreement with immediate effect.

The Advisor Agreement otherwise contains terms and conditions considered standard for agreements of this nature.

**END OF REMUNERATION REPORT**

## MEETING OF DIRECTORS

The number of meetings (including meetings of committees of directors) held during the financial year and meetings attended by directors (while they were directors or committee members) were as follows:

| | Number eligible to attend | Number attended |
|---|---|---|
| W Willesee | 6 | 6 |
| E Dale | 6 | 6 |
| H Hill (resigned 25 July 2019) | 6 | 6 |
| C Miccio | - | - |
| J Thompson | - | - |

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has indemnified the directors and executives of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## INDEMNITY AND INSURANCE OF AUDITORS

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## CAPITAL STRUCTURE

At the date of this report, there are 529,794,002 Ordinary Shares, 130,000,002 Unlisted Options on issue. Refer to Note 8 for details of option exercise prices and expiration dates.

30,000,000 Unlisted Options (2.75c, July 2022) were issued to the Lead Manager for services in relation to the capital raising completed in July 2019.

## ADDITIONAL FINANCIAL INFORMATION

The loss of the Company for the three years to 30 June 2019 are summarised below:

| | 2019<br>$ | 2018<br>$ | 2017<br>$ |
|---|---|---|---|
| Sales revenue | - | - | 3 |
| Profit/(Loss) after income tax | 960,676 | (723,525) | (704,225) |

Prior to 2017, the Company operated as Intercept Minerals Limited. Given the substantial events that have occurred during this period, namely the reverse takeover of xTV Networks Inc., its subsequent bankruptcy and loss of control, the suspension of the Company's shares from the ASX and the effectuation of the DOCA, the Director's do not consider it possible to provide meaningful and relevant total shareholder return ("TSR") information.

## CORPORATE GOVERNANCE STATEMENT

The Board recognises the importance of establishing a comprehensive system of control and accountability as the basis for the administration of corporate governance.

To the extent relevant and practical, the Company has adopted a corporate governance framework that is consistent with *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council ("**Recommendations**").

The Board has adopted the following suite of corporate governance policies and procedures which are contained with the Company's **Corporate Governance Plan**, a full copy of which is available on the Company's website at www.nzcoastalseafoods.com.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The Company is pleased to report that its practices are largely consistent with the Recommendations of the ASX Corporate Governance Council and sets out its compliance and departures from the Recommendations as at 29 July 2019 for the most recent completed financial year being the financial year ended 30 June 2019. This statement has been approved by the Board.

In the context of the Company's nature, scale and operations, the Board considers that the current corporate governance regime is an efficient, practical and cost-effective method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the implementation of additional corporate governance policies and structures will be reviewed.

## NON-AUDIT SERVICES

There were no non-audit services provided by the auditor's during the financial year. Refer to Note 4.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 16 of the Financial Statements.

Signed in accordance with a resolution of the Directors of New Zealand Coastal Seafoods Limited pursuant to Section 298 (2) (a) of the Corporations Act 2001.

**Mr Winton Willesee**
**Chairman**
**30 August 2019**

**Crowe Perth**
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## AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of New Zealand Coastal Seafoods Ltd (formerly XTV Networks Ltd) for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Perth

**Crowe Perth**

**Cyrus Patell**
Partner

Signed at Perth, 30 August 2019

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

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**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF NEW ZEALAND COASTAL SEAFOODS LIMITED**
**(FORMERLY XTV NETWORKS LIMITED)**

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of New Zealand Coastal Seafoods Limited (formerly XTV Networks Limited) (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Crowe



| Key Audit Matter | How we addressed the Key Audit Matter |
| --- | --- |
| ***Acquisition of New Zealand Coastal Seafoods Limited – Refer to Note 10*** | |
| During the year, the Company entered into an agreement to acquire 100% of the issued capital of New Zealand Coastal Seafoods Ltd (NZCS). A number of conditions precedent which were required to be met in order to finalise the acquisition, were completed after the year-end. These conditions precedent included:<br><br>• Completion of a successful capital raising;<br>• Reinstatement to the ASX;<br>• Obtaining all necessary shareholder and regulatory approvals in relation to the acquisition of NZCS and the re-listing of the company's shares on the ASX; and<br>• Execution of various service agreements in respect of key management and governance roles within the Company.<br><br>Given that this is a significant event and required management judgement in the determination of whether the transaction met the definition of an adjusting subsequent event under the requirements of AASB 110 *Events after the Reporting Period*, we consider this to be a key audit matter. | The following audit procedures were performed, amongst others:<br><br>• Obtained and reviewed the terms of the Acquisition Agreement to identify the conditions precedent;<br>• Verified the fulfilment and timing of completion of each condition precedent by reference to relevant and reliable supporting documentation;<br>• Assessed the transaction under the requirements of AASB 110 to determine whether it represented an adjusting or a non-adjusting subsequent event; and<br>• Reviewed the financial statements disclosures for compliance with the requirements of AASB 110. |
| ***Company Reorganisation – Refer to Note 1(b) and Note 7*** | |
| On 10 July 2018, the Company was placed into Voluntary Administration. On 31 August 2018, a Deed of Company Arrangement (DOCA) was executed between the Company and its creditors with a further amendment in December 2018. On 6 February 2019, the DOCA was effectuated which resulted in the conversion of the secured debt into equity and the forgiveness of all other debt in accordance with the terms of the DOCA.<br><br>We consider this to be a key audit matter as the effectuation of the DOCA was critical to the continuation of the Company. | The following audit procedures were performed, amongst others:<br>• Obtained and reviewed the terms of the DOCA;<br>• Verified the effectuation of the DOCA;<br>• Held discussions with management and reviewed the Board meeting minutes and ASX announcements to confirm management's plans for the entity;<br>• Traced completed capital raisings to relevant and reliable supporting documentation; |

| Key Audit Matter | How we addressed the Key Audit Matter |
| --- | --- |
| | • Traced the conversion of debt to relevant and reliable supporting documentation;<br>• Checked that the respective liabilities met the criteria for de-recognition under the AASB 9 *Financial Instruments* requirements;<br>• Determined the reasonableness of amounts disclosed in the Statement of Profit or Loss upon the forgiveness of the Company's debt; and<br>• Reviewed the financial statements disclosures. |

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Company's Shareholder Information as at 23 August 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Crowe

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*
We have audited the remuneration report included in pages 8 to 12 of the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of New Zealand Coastal Seafoods Limited (formerly XTV Networks Limited), for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*
The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Crowe Perth

**Crowe Perth**

**Cyrus Patell**
Partner

30 August 2019
Perth

## Statement of Profit or Loss and Other Comprehensive Income
## For the year ended 30 June 2019

| | Note | 2019<br>$ | 2018<br>$ |
|---|---|---|---|
| Revenue | | - | - |
| Interest income | | 621 | - |
| Debt forgiveness on DOCA effectuation | 7 | 1,560,118 | - |
| Employee benefits expense | | (32,053) | (25,892) |
| Compliance and regulatory expenses | | (81,679) | (35,560) |
| Consultancy and legal expenses | | (143,131) | (164,379) |
| Administrative expenses | | (40,066) | (17,662) |
| Promotion and communication costs | | (99,229) | - |
| Administrator fees | | (51,189) | - |
| Interest expense | | (16,740) | (438,076) |
| Foreign exchange losses | | (135,976) | (41,966) |
| **Profit/(Loss) before income tax** | | **960,676** | **(723,535)** |
| Income tax | 2 | - | - |
| **Profit/(Loss) for the year** | | **960,676** | **(723,535)** |
| **Other comprehensive income** | | | |
| Other comprehensive income for the year | | - | - |
| **Total comprehensive profit/(loss) for the year** | | **960,676** | **(723,535)** |
| | | | |
| Basic profit/(loss) per share (cents) | 5 | 1.33 | (3.98) |
| Diluted profit/(loss) per share (cents) | 5 | 1.33 | (3.98) |

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## New Zealand Coastal Seafoods Limited (formerly XTV Networks Limited)
## ABN 16 124 251 396

## Statement of Financial Position
## As at 30 June 2019

| | Note | 2019<br>$ | 2018<br>$ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | | 16,307 | 12,364 |
| Trade and other receivables | | 15,605 | 2,613 |
| Other current assets | 6 | 530,306 | 8,018 |
| **Total Current Assets** | | **562,218** | **22,995** |
| **TOTAL ASSETS** | | **562,218** | **22,995** |
| | | | |
| **LIABILITIES** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | | (435,972) | (292,125) |
| Financial Liabilities | 7 | (55,440) | (4,044,167) |
| **Total Current Liabilities** | | **(491,412)** | **(4,336,292)** |
| **TOTAL LIABILITIES** | | **(491,412)** | **(4,336,292)** |
| | | | |
| **NET ASSETS/(LIABILITIES)** | | **70,806** | **(4,313,297)** |
| | | | |
| **EQUITY** | | | |
| Issued capital | 8 | 22,709,942 | 19,286,515 |
| Reserves | | 994,710 | 994,710 |
| Accumulated losses | | (23,633,846) | (24,594,522) |
| **TOTAL EQUITY** | | **70,806** | **(4,313,297)** |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## New Zealand Coastal Seafoods Limited (formerly XTV Networks Limited)
## ABN 16 124 251 396

## Statement of Changes in Equity
## For the year ended 30 June 2019

| | Issued Capital $ | Option Reserve $ | Accumulated Losses $ | Total Equity $ |
|---|---|---|---|---|
| **Balance at 1 July 2017** | 19,286,515 | 994,710 | (23,870,987) | **(3,589,762)** |
| Comprehensive loss for the year | - | - | (723,535) | **(723,535)** |
| **Balance at 30 June 2018** | 19,286,515 | 994,710 | (24,594,522) | **(4,313,297)** |
| **Balance at 1 July 2018** | 19,286,515 | 994,710 | (24,594,522) | **(4,313,297)** |
| Issue of Shares | 3,423,427 | - | - | **3,423,427** |
| Comprehensive profit for the year | - | - | 960,676 | **960,676** |
| **Balance at 30 June 2019** | **22,709,942** | **994,710** | **(23,633,846)** | **70,806** |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows
## For the year ended 30 June 2019

| | Note | 2019 $ | 2018 $ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts | | - | 3,715 |
| Payments to suppliers and employees | | (552,118) | (103,814) |
| Interest received | | 621 | - |
| **Net cash used in operating activities** | 9 | **(551,497)** | **(100,099)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Purchase of property, plant and equipment | | - | - |
| **Net cash used in investing activities** | | **-** | **-** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of shares | | 500,000 | - |
| Proceeds from borrowings | | 55,440 | 58,569 |
| **Net cash provided by financing activities** | | **555,440** | **58,569** |
| **Net increase / (decrease) in cash held** | | **3,943** | **(41,530)** |
| Cash at the beginning of the year | | 12,364 | 53,894 |
| **Cash at the end of the year** | | **16,307** | **12,364** |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial report for the year ended 30 June 2019 has been prepared on a going concern basis in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial report is presented in Australian Dollars and is rounded to the nearest whole dollar unless otherwise stated.

For the financial years ended 30 June 2018 and 30 June 2017, the financial statements were not prepared on a going concern basis. Financial statements are normally prepared on a going concern basis where there is neither the intention nor the need to materially curtail the scale of the entity's operation. If such intention or need exists, the financial statements cannot be prepared on a going concern basis.

The Company's previously wholly owned US subsidiary xTV Networks Inc. entered bankruptcy pursuant to Chapter 7 of the United States Bankruptcy Code on 27 October 2016. Due to the bankruptcy and the resignation of the Company's previous directors and senior management, no sufficiently complete and verifiable financial information for xTV Networks Inc. (accounting parent/legal subsidiary) was available to management, and accordingly the Directors were unable to apply the requirements of AASB 10 - *Consolidated Financial Statements* for the years ended 30 June 2018 and 30 June 2017.

For the years ended 30 June 2019 and 30 June 2018, the financial statements reflect the activities and position of the Company (accounting subsidiary/legal parent) only and included full provision for the non-recovery of the Company's investment in and loans advanced to xTV Networks Inc.

### (b) Going concern

On 10 July 2018 the Company appointed Martin Jones and Wayne Rushton as Joint and Several Voluntary Administrators pursuant to section 436A of the Corporations Act 2001. Following a meeting of creditors held subsequent to the aforementioned appointment, creditors resolved that xTV Networks Limited execute a Deed of Company Arrangement (DOCA) to facilitate a proposal from White Oak Ridge Capital LLC for the recapitalisation and restructure of the Company.

Pursuant to the DOCA, on 5 February 2019, 25,000,000 ordinary shares were issued at a price of $0.02 per share together with 8,333,334 free attaching options on the basis of 1 option for every 3 shares to raise $500,000. In addition, 20,000,000 ordinary shares and 25,000,000 options were issued to the secured creditor for debt to equity conversion pursuant to the DOCA.

The Deed of Company Arrangement (DOCA) was effectuated on 6 February 2019. As at this date the appointment of the Voluntary Administrators ceased, and the Company returned to the control of the Directors.

As a result of the above, the financial report for the year ended 30 June 2019 has been prepared on a going concern basis.

As noted above in (a), the comparative information was prepared on a non-going concern basis.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

**(c) Impact of adopting the non-going concern basis of preparation on measurement, classification of assets and liabilities, and disclosure of comparative information for the year ended 30 June 2018**

Under the non-going concern basis of preparation adopted for the year ended 30 June 2018, assets have been measured at the subsequent realisable value. The subsequent realisable value is their value based on the proceeds subsequently received on sale, disposal or realisation. Liabilities have been measured at their contractual amounts payable including in default circumstances where relevant.

The recognition and de-recognition requirements of Australian Accounting Standards have continued to be applied on the preparation of the financial report.

Any gains or losses resulting from measuring assets and liabilities under the non-going concern basis are recognised in profit or loss.

The material impacts of adopting the non-going concern basis of preparation and measuring liabilities on that basis are summarised below.

- The carrying value of trade payables and provisions of the Company as at 30 June 2018 have been recognised at their contractual amounts payable.

- The financial statements record an amount of A$3,683,690 in relation to a secured convertible note loan and capitalised interest owing to Bergen Global Opportunities Fund that was due and payable under the terms of the secured convertible note loan.

**(d) Adoption of new accounting standards**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The Company has applied for the first time, AASB 15 – Revenue from Contracts with Customers and AASB 9 – Financial Instruments. In the opinion of the Directors, the introduction of AASB 9 and AASB 15 does not have a material impact on the financial report or on comparative information in terms of recognition, measurement or disclosure.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

**(e) Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements for the reporting year requires the Directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Directors continually evaluate their judgement and estimates in relation to assets, liabilities, contingent liabilities, revenue and expense. The Directors base their judgement and estimates on historical experience and on other various factors they believe to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

As at 30 June 2019, the Directors do not consider that there are any critical accounting policies for which significant judgements, estimates and assumptions are made.

**(f) Income tax**

The income tax expense (revenue) for the current and prior periods comprises current income tax expense or income and deferred tax expense or income.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities and assets are therefore measured at the amounts expected to be paid to or recovered from the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense or income is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

Current tax assets and liabilities are offset where a legally enforceable right of offset exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**(g) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(h) Impairment of assets**

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value.

Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(i) Foreign currency translation**

(i) *Functional and presentation currency*

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(ii) *Transaction and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the statement of comprehensive income.

### (j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

### (k) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### (l) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

### (m) Other income

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. All revenue is stated net of the amount of goods and services tax (GST).

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

**(n) Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

**(o) Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition. Due to their short-term nature, they are measured at amortised cost and are not discounted.

**(p) Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(q) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. The Company has applied the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**(r) Issued capital**

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

**(s) Earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. If the Company has an after tax loss, dilutive potential ordinary shares are not considered in the weighted average number of shares.

**(t) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**(u) New accounting standards and interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2019.

Management has performed an assessment of the impact of AASB 16 – Leases and has determined that the adoption of the requirements under this standard at 1 July 2019, will not be material to the financial statements.

**NOTE 2: INCOME TAX EXPENSE**

| | | 2019 | 2018 |
|---|---|---|---|
| | | **$** | **$** |
| (a) | A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the periods ended 30 June 2019 and 30 June 2018 is as follows: | | |
| | Accounting profit/(loss) before income tax | 960,676 | (723,535) |
| | At the statutory income tax rate of 30% (2017: 30%) | 288,203 | (217,058) |
| | Deferred assets not brought to account | (288,203) | 217,058 |
| | **Income tax expense** | **-** | **-** |

(b) Tax balances not brought to account

Due to the significant change in ownership of the Company pursuant to the Deed of Company Arrangement (DOCA), and the acquisition of New Zealand Coastal Seafoods Limited (NZCS) subsequent to year end, the Directors consider that there is significant uncertainty around the ability of the Company to access any tax losses that exist as at 30 June 2019. Accordingly, no deferred tax asset has been recognised.

**NOTE 3: DIRECTORS AND KEY MANAGEMENT PERSONNEL COMPENSATION**

a) Name and position held of key management personnel in office at any time during or since the end of the financial year are:

Directors and Key Management Personnel
Mr Winton Willesee
Miss Erlyn Dale
Mr Harry Hill (resigned 25 July 2019)
Mr Cataldo Miccio (appointed 25 July 2019)
Mr Jourdan Thompson (appointed 25 July 2019)
Mr Peter Win (appointed 25 July 2019)

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

| | 2019 | 2018 |
|---|---|---|
| | **$** | **$** |
| Short-term employee benefits (Cash & Deferred) | 56,161 | 30,000 |
| Post-employment benefits | - | - |
| Share based payments | - | - |
| **Total** | **56,161** | **30,000** |

## NOTE 3: DIRECTORS AND KEY MANAGEMENT PERSONNEL COMPENSATION (cont…)

b) The number of shares in the Company held during the financial year by the directors and key management personnel of the Company, including their related parties are set out below.

| | Balance 30 June 2018 | Granted as Remuneration | Net Change Other | Balance 30 June 2019 |
|---|---|---|---|---|
| W Willesee | - | - | 907,500 | 907,500 |
| E Dale | - | - | - | - |
| H Hill | - | - | - | - |
| **Total** | **-** | **-** | **907,500** | **907,500** |

c) The number of options in the Company held during the financial year by the directors and key management personnel of the Company, including their related parties are set out below.

| | Balance 30 June 2018 | Granted as Remuneration | Net Change Other | Balance 30 June 2019 |
|---|---|---|---|---|
| W Willesee | - | - | - | - |
| E Dale | - | - | - | - |
| H Hill | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** |

## NOTE 4: AUDITOR'S REMUNERATION

| | 2019 $ | 2018 $ |
|---|---|---|
| Remuneration of the auditor of the parent entity for: | | |
| - auditing or reviewing the financial statements | 33,000 | 15,000 |
| - other services | 9,096 | - |
| | **42,096** | **15,000** |

| NOTE 5: EARNINGS PER SHARE | 2019 $ | 2018 $ |
|---|---|---|
| Earnings used to calculate basic and diluted EPS | 960,676 | (723,535) |
| Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS | 72,189,318 | 18,189,318 |
| **Basic profit/(loss) per share (cents per share)** | **1.33** | **(3.98)** |
| Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS | 72,189,318 | 18,189,318 |
| **Diluted profit/(loss) per share (cents per share)** | **1.33** | **(3.98)** |

The options are anti-dilutive given that the exercise price exceeds the market value of the shares. The potential ordinary shares and options issued subsequent to the reporting date in respect of the NZCS acquisition have been excluded from the diluted earnings per share calculations, as the conditions precedent for issue of the shares were not met at the reporting date.

| NOTE 6: OTHER CURRENT ASSETS | 2019 $ | 2018 $ |
|---|---|---|
| Prepayments – corporate restructuring | 440,370 | - |
| Prepayments - other | - | 8,018 |
| Loan to NZCS at amortised cost* | 89,936 | - |
| | **530,306** | **8,018** |

A portion of the loan (being NZ$40,000) attracts interest at 8% and is repayable 14 days from completion of the acquisition of NZCS, whilst the balance is interest free and on call.

| NOTE 7: FINANCIAL LIABILITIES | 2019 $ | 2018 $ |
|---|---|---|
| Convertible Note | - | 2,826,031 |
| Accrued interest | - | 857,659 |
| Amount payable – xTV Networks Inc | - | 94,727 |
| Other liabilities | - | 265,750 |
| Insurance premium funding | 55,540 | - |
| | **55,540** | **4,044,167** |

The Convertible Note was issued on 31 May 2016 for an amount of US$2,180,000. In conjunction with the Convertible Note, there were 28,800,000 ordinary shares issued for no consideration and 28,000,000 free options exercisable at A$0.013 by 30 May 2019. As at 30 June 2018 the Company was in breach of the terms of the Convertible Note.

The Company has determined that the liability for the Convertible Note and accrued interest payable were satisfied by the issue of 20,000,000 ordinary shares and 25,000,000 options to the secured creditor for debt to equity conversion pursuant to the DOCA.

The Company recognised A$1,560,118 as other income pursuant to the compromising of creditors under the DOCA.

| NOTE 8: ISSUED CAPITAL | 2019<br>$ | 2018<br>$ |
|---|---|---|
| 153,189,318 (2018: 1,212,532,147) fully paid ordinary shares | **22,709,942** | **19,286,515** |

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

There was a reorganisation of the Company's share capital during the year ended 30 June 2019 pursuant to the DOCA. No shares were issued during the financial years ended 30 June 2018.

**Capital Risk Management**

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that is can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The Company is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2018 Annual Report.

Details of the movement in share capital pursuant to the DOCA are as follows:

| **Ordinary Shares** | | **No. of Shares** | **Issued Capital**<br>**$** |
|---|---|---|---|
| 30 June 2017 | Opening Balance | 1,212,532,147 | 19,286,515 |
| 30 June 2018 | Opening Balance | 1,212,532,147 | 19,286,515 |
| 11 January 2019 | Share consolidation 1:200 | (1,206,469,041) | - |
| | | 6,063,106 | 19,286,515 |
| 5 February 2019 | Placement pursuant to DOCA at $0.02 per share | 25,000,000 | 500,000 |
| 5 February 2019 | Debt to equity conversion pursuant to DOCA | 20,000,000 | 2,923,427 |
| | | 51,063,106 | 22,709,942 |
| 14 May 2019 | Share subdivision 3:1 | 102,126,212 | - |
| **30 June 2019** | **Closing Balance** | **153,189,318** | **22,709,942** |

| Unlisted Options | | No. of Options |
|---|---|---|
| 30 June 2018 | Opening Balance | 28,000,000 |
| 11 January 2019 | Share consolidation 1:200 | (27,860,000) |
| | | 140,000 |
| 5 February 2019 | Issue pursuant to DOCA | 33,333,334 |
| | | 33,473,334 |
| 14 May 2019 | Share subdivision 3:1 | 66,946,668 |
| 31 May 2019 | Options expired | (420,000) |
| **30 June 2019** | **Closing Balance** | **100,000,002** |

**Unlisted Options**

| | |
|---|---|
| No. on Issue: | 100,000,002 |
| Exercise price: | $0.06 |
| Expiry date: | 5 February 2023 |
| Conversion: | 1 Ordinary Share for each option |

**Movements in share capital for the year ended 30 June 2018**

| | No. of Options |
|---|---|
| **Balance as at 30 June 2017** | **625,791,073** |
| Options expired | (597,791,073) |
| **Balance as at 30 June 2018** | **28,000,000** |

No shares were issued during the financial year ended 30 June 2018.

**Options on issue as at 30 June 2018:**

| No. of Options | Exercise Price | Expiry |
|---|---|---|
| 28,000,000 | $0.013 | 31 May 2019 |

**Options expired during the financial year ended 30 June 2018:**

| No. of Options | Exercise Price | Expiry |
|---|---|---|
| 587,791,073 | $0.02 | 1 June 2018 |
| 10,000,000 | $0.03 | 29 April 2018 |

| NOTE 9: RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT/(LOSS) AFTER INCOME TAX | 2019 $ | 2018 $ |
|---|---|---|
| **Reconciliation of cash flow from operations with profit/(loss) after income tax** | | |
| Profit/(Loss) after income tax | 960,676 | (723,535) |
| **Non-cash flows in profit** | | |
| Foreign exchange differences | - | 41,976 |
| DOCA effectuation | (1,120,740) | - |
| Accrued interest expense | - | 438,076 |
| **Changes in assets and liabilities** | | |
| (Increase)/decrease in trade and other receivables | (12,992) | 3,715 |
| (Increase)/decrease in other assets | (522,288) | - |
| Increase/(decrease) in liabilities | 143,847 | 139,669 |
| **Net cash flow used in operating activities** | **(551,497)** | **(100,099)** |

## NOTE 10: SUBSEQUENT EVENTS

On 25 July 2019 (pursuant to a Prospectus dated 24 May 2019) the Company completed the raising of $5,000,000 through the issue of 200,000,000 post sub-division shares at a price of $0.025 per share.

On 25 July 2019 the acquisition of NZCS was completed. Refer to Note 14 for further information.

The suspension of trading on the Company's shares was lifted on 5 August 2019 and the trading on the Australian Stock Exchange (ASX) recommenced under the code NZS on that day.

Other than the events above, no matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

## NOTE 11: FINANCIAL RISK MANAGEMENT

**Financial risk management policies**

The Company's financial instruments consist mainly of deposits with banks, foreign currency cash at bank, accounts receivable and accounts payable.

The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst managing potential adverse effects on financial performance. The Company has developed a framework for a risk management policy and internal compliance and control system that covers the organisational, financial and operational aspects of the Company's affairs.

**Financial risk exposures and management**

The main risk the Company may be exposed to through its financial instruments is liquidity risk.

**NOTE 11: FINANCIAL RISK MANAGEMENT (continued)**

(a) Interest rate risk

A decline in interest rates could reduce the amount of interest income earned on the Company's cash balance.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting is obligations related to financial liabilities. The Company manages liquidity risk by maintaining sufficient cash to meet the operating requirements of the business and investing excess funds in highly liquid, high security short term investments. The Company's liquidity needs can be met through a variety of sources including the issue of equity instruments.

The Company's financial assets are all expected to mature and settle within 12 months of the end of the financial year.

(c) Credit risk

Credit risk arises in the event that a counterparty will not meet its obligations under a financial instrument leading to financial losses. The Company is exposed to credit risk from its deposits with banks. The Company controls this credit risk by assessing the credit quality of the institution with which the funds are deposited or invested. Due to its stage of development the Company has no exposure to customer credit risk. The maximum exposure to credit risk at balance date of recognised financial assets is the carrying amount as disclosed in the Statement of Financial Position and notes to the financial statements.

(d) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value of foreign currency cash assets fluctuating due to movement in foreign exchange rates of currencies in which the Company holds the foreign currency cash.

**Financial instruments**

(a) Net fair value

For assets and liabilities, the net fair value approximates their carrying value, as disclosed in the Statement of Financial Position.

(b) Interest rate sensitivity analysis

The Company does not consider there to be any material exposure to interest rate risk in the years ended 30 June 2019 and 30 June 2018.

(c) Exchange rate sensitivity analysis

The Company does not consider there to be any material exposure to foreign exchange rate risk in the year ended 30 June 2019. At 30 June 2018, the Company had financial liabilities denominated in United States Dollars. Due to the Company's deficiency in net assets of A$4,313,297 and the fact that the financial statements were prepared on a non-going concern basis, no sensitivity analysis was undertaken.

**NOTE 12: SHARE BASED PAYMENTS**

No equity-settled share-based expenditure has been included in the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position.

**NOTE 13: CONTINGENT LIABILITIES**

Effectuation of the Deed of Company Arrangement resulted in any contingent liabilities as at 6 February 2019 being extinguished.

The Company does not have any contingent liabilities as at 30 June 2019.

**NOTE 14: BUSINESS COMBINATION**

On 25 July 2019, 100% of the share capital of New Zealand Coastal Seafoods Ltd (NZCS), a Company incorporated in New Zealand, was acquired by XTV Networks Ltd (the Company). Pursuant to the acquisition agreement, the Company agreed to issue 166,694,937 shares (on a post-sub-division basis) to the vendors as consideration shares and cause to be transferred, 42,840,001 2023 options (on a post sub-division basis) to the vendors as consideration options at settlement in consideration for the acquisition.

NZCS is a New Zealand based processor, distributor and exporter of seafood products and its current primary product is dried ling maw. The effect of the acquisition is that the nature and scale of the activities of the Company will change as the Company will now operate in the consumer goods industry focusing on the processing, distributing and exporting of premium seafood products.

The acquisition of NZCS has been determined to be a reverse acquisition transaction in that the legal parent/accounting acquiree has a business which has been acquired by the legal subsidiary/accounting acquirer.

This determination was made on the basis that NZCS was acquired by the Company which is a non-trading public entity. The transaction will therefore be accounted for as a continuation of the financial statements of NZCS (the legal subsidiary/accounting acquirer) together with a deemed issue of shares equivalent to the shares held by the former shareholders of the Company (legal parent/accounting acquiree). This deemed issue of shares will be treated as an equity settled share-based payment transaction whereby the accounting acquirer/legal subsidiary has received the net assets of the legal parent together with the listing status of the legal parent.

The details of the acquisition date fair value of the purchase consideration, the acquisition date fair value of assets acquired and liabilities assumed and the acquisition related costs have not been disclosed in these financial statements as management is currently in the process of performing the initial accounting for the acquisition given that the transaction was completed subsequent to the reporting date.

## Director's Declaration

In the directors' opinion:

(i) the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(ii) the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board;

(iii) the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

(iv) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

**Mr Winton Willesee**

**Chairman**
**30 August 2019**

## New Zealand Coastal Seafoods Limited (formerly XTV Networks Limited)
## ABN 16 124 251 396

## Shareholder Information as at 23 August 2019



### 1. Quotation

Listed securities in New Zealand Coastal Seafoods Limited are quoted on the Australian Securities Exchange under ASX code NZS (Fully Paid Ordinary Shares).

### 2. Voting Rights

The voting rights attached to the Fully Paid Ordinary shares of the Company are:

(a) at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and

(b) on a show of hands, every person present, who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

There are no voting rights attached to any Options or Performance Rights on issue.

### 3. Distribution of Shareholders

#### i) Fully Paid Ordinary Shares

| Shares Range | Holders | Units | % |
|---|---|---|---|
| **1 – 1,000** | 947 | 219,665 | 0.04 |
| **1,001 – 5,000** | 570 | 1,394,198 | 0.26 |
| **5,001 – 10,000** | 159 | 1,128,414 | 0.21 |
| **10,001 – 100,000** | 341 | 15,827,586 | 2.99 |
| **100,001 and above** | 257 | 511,224,139 | 96.49 |
| **Total** | **2,274** | **529,794,002** | **100.00%** |

On 23 August 2019, there were 1,828 holders of unmarketable parcels of less than 5,207,490 ordinary shares (based on the closing share price of $0.0180).

#### ii) Unlisted Options exercisable at $0.0275 on or before 25 July 2022

| Shares Range | Holders | Units | % |
|---|---|---|---|
| **1 – 1,000** | - | - | - |
| **1,001 – 5,000** | - | - | - |
| **5,001 – 10,000** | - | - | - |
| **10,001 – 100,000** | - | - | - |
| **100,001 and above** | 1 | 30,000,000[1] | 100.00 |
| **Total** | **1** | **30,000,000** | **100.00%** |

[1]Holders who hold more than 20% of securities are Melshare Nominees Pty Ltd – 30,000,000 options

**iii) Unlisted Options exercisable at $0.06 on or before 5 February 2023**

| Shares Range | Holders | Units | % |
|---|---|---|---|
| **1 – 1,000** | - | - | - |
| **1,001 – 5,000** | - | - | - |
| **5,001 – 10,000** | - | - | - |
| **10,001 – 100,000** | - | - | - |
| **100,001 and above** | 9 | 100,000,002[1] | 100.00 |
| **Total** | **9** | **100,000,002** | **100.00%** |

[1]Holders who hold more than 20% of securities are White Oak Ridge Capital, LLC – 30,870,000 options

## 4. Substantial Shareholders

The names of the substantial shareholders listed on the Company's register as at 23 August 2019:

Name: Suzanne Alexander Trading Corporation Limited
Holder of: 52,786,730 fully paid ordinary shares, representing 9.96% as at 25 July 2019
Notice Received: 31 July 2019

Name: Bergen Global Opportunity Fund, LP, together with White Oak Ridge Capital, LLC, Bergen Asset Management, LLC and Eugene Tablis
Holder of: 143,500,000 fully paid ordinary shares, representing 27.09% as at 25 July 2019
Notice Received: 31 July 2019

Name: Cataldo Miccio
Holder of: 52,786,730 fully paid ordinary shares, representing 9.96% as at 25 July 2019
Notice Received: 31 July 2019

Name: Peter James Win
Holder of: 52,786,730 fully paid ordinary shares, representing 9.96% as at 25 July 2019
Notice Received: 31 July 2019

## 5. Restricted Securities

The following restricted securities listed on the Company's register as at 23 August 2019. All securities are restricted until 5 August 2021 pursuant to section 12.2 of the Company's Prospectus dated 24 May 2019.

231,604,684 fully paid ordinary shares

100,000,002 unlisted options

30,000,000 unlisted lead manager options

## 6. On market buy-back

There is currently no on market buy back in place.

### 7. Application of funds

The Company has applied its cash and assets readily convertible to cash in a way that is consistent with its business objectives detailed in its IPO prospectus.

### 8. Twenty Largest Shareholders

The twenty largest shareholders of the Company's quoted securities as at 23 August 2019 are as follows:

| | Name | No. of Shares | % |
|---|---|---|---|
| 1 | WHITE OAK RIDGE CAP LLC | 60,000,000 | 11.33 |
| 2 | ALEXANDER TRADING CORP LT | 52,786,730 | 9.96 |
| 3 | WIN PETER JAMES | 52,786,730 | 9.96 |
| 4 | MICCIO CATALDO | 52,786,730 | 9.96 |
| 5 | BERGEN GLOBAL OPPORTUNITY | 49,500,000 | 9.34 |
| 6 | BERGEN GLOBAL OPPORTUNITY | 34,000,000 | 6.42 |
| 7 | SARGON CT PL <CYAN C3G FUND> | 24,000,000 | 4.53 |
| 8 | J P MORGAN NOM AUST PL | 11,099,809 | 2.10 |
| 9 | CLISDELL ROBERT ANTHONY | 9,934,800 | 1.88 |
| 10 | FRYERS RICHARD | 8,409,747 | 1.59 |
| 11 | CHEN CHANG YUAN | 8,334,747 | 1.57 |
| 12 | HSBC CUSTODY NOM AUST LTD | 6,008,307 | 1.13 |
| 13 | SURF COAST CAP PL <MINNIE P/F A/C> | 5,500,000 | 1.04 |
| 14 | SKOLNICK MICHAEL E | 5,200,000 | 0.98 |
| 15 | LINDFIELD NOM SVCS PL | 4,639,578 | 0.88 |
| 16 | HAMMER KEVIN | 4,003,200 | 0.76 |
| 17 | SMITH MERLE + KATHRYN <MINI PENSION FUND> | 4,000,000 | 0.76 |
| 18 | T T NICHOLLS PL <SUPER ACCOUNT> | 4,000,000 | 0.76 |
| 19 | LEARY KEVIN DANIEL + H P KEVIN & HELEN LEAR | 3,400,000 | 0.64 |
| 20 | BISHOP MARY LOU <BISHOP SUPER A/C> | 3,000,000 | 0.57 |
| | **Total** | **403,390,378** | **76.16%** |

## Corporate Directory

| | |
|---|---|
| Directors | Mr Winton Willesee<br>Miss Erlyn Dale<br>Mr Cataldo Miccio<br>Mr Jourdan Thompson |
| Company Secretary: | Miss Erlyn Dale |
| Registered Office and Principal Place of Business: | Suite 5 CPC, 145 Stirling Highway<br>Nedlands WA 6009<br>Tel +61 8 9389 3170<br>Fax +61 8 9389 3199<br>Email: info@nzcoastalseafoods.com |
| Auditors: | Crowe Horwath<br>Level 5, 45 St Georges Terrace<br>Perth WA 6000<br>Tel +61 8 9481 1448<br>Fax +61 8 9481 0152 |
| Share Registry: | Link Market Services Limited<br>Level 12, 680 George Street<br>Sydney, NSW 2000<br>Tel +61 2 8280 7100<br>Fax +61 8 9485 1977 |
| Website: | www.nzcoastalseafoods.com |
| Stock Exchange: | Australian Stock Exchange<br>ASX code: NZS |