



ASX Announcement | 28 February 2020
Seafarms Group Limited (ASX:SFG)
(ASX Announcement 642)

Seafarms Group achieves A\$21.9m revenue and progresses Project Sea Dragon in H1 FY20

Investment Highlights

- Achieved revenue of A\$21.9m (up 24.4% on H1 FY19) while supporting continued investment in Project Sea Dragon (PSD)
- Black Tiger Prawn production in H1 FY20 was 453 tonnes, up 74.4% on H1 FY19
- Key PSD infrastructure commissioned and operational including intake settlement ponds and major improvements to biosecurity
- Mandated GFI Australia Pty Ltd to assist in the financing of PSD
- Seafarms is now ready to progress to commencing the first steps of PSD once funding is secured
- Post H1 FY20, Seafarms entered a further offtake agreement with Primstar, a major European seafood distributor
- Subject to the securing of funding, Seafarms expects to commence construction of PSD's facility in late 2020, with a view to stocking ponds in late 2021 and having first product to market in 2022

Sustainable aquaculture company Seafarms Group Limited (ASX:SFG) ('Seafarms' or 'the Company') is pleased to release its 'Overview & Market Update' investor presentation for the six months ended 31 December 2019 (H1 FY20).

Transforming from Australia's largest prawn producer into a low-cost global producer

Seafarms produces the premium Crystal Bay® Prawns and is developing the Project Sea Dragon (PSD) prawn aquaculture project in northern Australia.

The Company is currently Australia's largest producer of farmed prawns and has significant operational aquaculture expertise and a demonstrated track record of growth and innovation.

Once completed, PSD will target high-quality year-round volumes for export markets and have a production capacity of up to 150,000 tonnes of prawns.

Revenue and prawn production rise in H1 FY20

Seafarms operating revenue for H1 FY20 was A\$21.9m, up 24.4% on H1 FY19. The increase represented improved sales of both fresh and frozen product.

Black Tiger Prawn production for H1 FY20 was 453 tonnes, up 74.4% on H1 FY19. The was achieved despite the 2019 Christmas crop being impacted by lower growing temperatures.

Seafarms completed its first delivery of Black Tiger Prawns to Japanese seafood giant Nissui in October 2019. The delivery was made under an offtake agreement announced in May 2018.

Seafarms will supply 15% of its Queensland production to Nissui, which is a strategic investor in Seafarms. Once PSD is operational it will supply 10-20% of its production to Nissui.

Nissui invested A\$24.99 million in Seafarms in 2018 and invested a further A\$2.998 million in 2019.

Progress at shovel ready PSD continues

PSD is a world-class industrial-scale Tier 1 project with an operating life of 90 years which will be developed and constructed in stages with production ponds located at Legune Station in the Northern Territory.

The Company has already commenced the development of PSD. Following eight years of development and A\$100m of investment, Seafarms has obtained all the material regulatory approvals and Project and Indigenous Land Use Agreements required for Stage 1 development of PSD.

During H1 FY20, Seafarms appointed GFI Australia Pty Ltd to assist the financing of PSD. GFI has offices in all major financial centres throughout the world and is a wholly-owned subsidiary of BGC Partners Inc.

Post H1 FY20, Seafarms secured further offtake agreements with Primstar, one of the largest European seafood companies. Together, the Primstar agreement coupled with the previously announced Nissui offtake agreement, provide market-based offtake arrangements for approximately 30% (up to 35%) of production from the initial stage development of PSD.

Subject to the securing of funding, Seafarms expects to commence construction of PSD's facility in 2020, with a view to stocking ponds in late 2021 and having first product to market in 2022.

For more detail regarding the Company's existing operations in Queensland and the progress of PSD, see the attached presentation.

Seafarms Executive Director in charge of the PSD development Dr Chris Mitchell said: "We are very pleased with our achievements this quarter. We continue to see strong revenue and production growth in our Queensland operations and make good progress with regards to PSD. Once we have secured funding, we will be able to commence construction of PSD's facility. Meanwhile, our long-term investment in PSD's world-class breeding programme and associated new infrastructure needed to support the programme is ongoing. We have also established key partnerships with seafood giants Nissui and Primstar which ensures that we have global distribution channels for our products."

Ends.

Authorised by the Board of Seafarms Group Limited.

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About Seafarms Group

Seafarms Group Limited (ASX:SFG) is a sustainable aquaculture company, producing the premium Crystal Bay® Prawns and developing the Project Sea Dragon prawn aquaculture project in northern Australia.

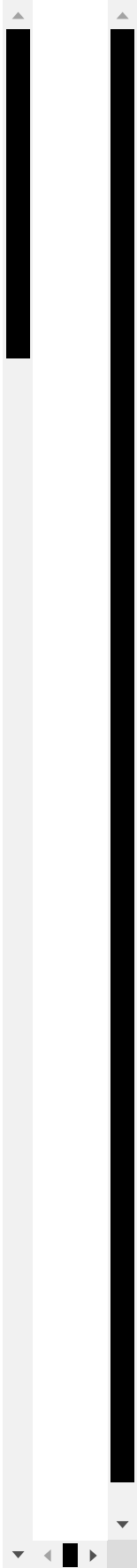
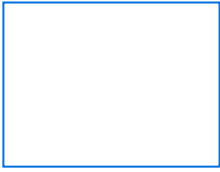
Seafarms Group uses environmentally sustainable processes and is currently Australia's largest producer of farmed prawns, its Crystal Bay® Prawns and Crystal Bay® Tigers are available year round in fresh and frozen formats. To learn more please visit: www.crystalbayprawns.com.au

Seafarms Group is investing in sustainable aquaculture for export through Project Sea Dragon, a large-scale, vertically integrated, land-based, prawn aquaculture project being developed in northern Australia. The standalone marine prawn production system will be capable of annually producing over 150,000 tonnes of prawns and the high-quality, year-round volumes will target export markets. To learn more please visit: www.seafarms.com.au



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