

Directors' report

Directors

The following persons held office as Directors of Seafarms Group Limited during the financial period:

Ian Norman Trahar
 Harley Ronald Whitcombe
 Hisami Sakai (resigned 12 April 2023)
 Rodney John Dyer
 Terutaka Kuraishi (resigned 12 April 2023)

Principal activities

The Group is developing the world-class Project Sea Dragon project and operating a black tiger and banana prawn aquaculture business located in North Queensland.

Company financial performance

The overall financial performance over the 2023 financial year continues to reflect the investment being made by the Group in pursuing its expansion in aquaculture operations.

Review of operations

The year has seen a thorough assessment of Project Sea Dragon (PSD) with the results providing pleasing outcomes. However, the positive work on the assessment was overlaid by the unwanted distraction of a construction dispute leading to the PSD Board placing PSD into a voluntary administration process that was then followed by the construction contractor, Canstruct litigating in the Federal Court.

At the Queensland operations the Group experienced a good first half performance led by the Banana prawn crop. However the full year was negatively impacted by below average performance at Farm 3 due to extended wet weather in the area and the unusually high volumes of wild catch which depressed market prices. Global inflationary pressures increased our costs and further impacted the Company's financial result.

The Group has reported a loss for the year after taxation of \$15,355,902 (2022: loss \$86,272,763 (restated)).

A summary of consolidated revenues and results for the year by significant industry segments is set out below:

	Segment revenues		Segment results	
	2023	2022	2023	2022
	\$	\$	\$	\$
		(Restated)		(Restated)
Aquaculture	25,917,825	19,459,914	(9,043,427)	(71,928,960)
Group administration and corporate costs	385	17,659	(6,312,475)	(14,343,803)
Total segment revenue/result	25,918,210	19,477,573	(15,355,902)	(86,272,763)

Comments on the operations and the results of those operations are set out below:

Queensland Operations

The Queensland operations are undertaken at three sites: Flying Fish Point (commercial hatchery), Cardwell (Farms 1 & 2 and Processing Plant) and Ingham (Farm 3).

Production: In 2023, the Group produced a total of 1,260 metric tonnes (tonnes) of prawns (compared to 864 tonnes in 2022). This included 367 tonnes of Black Tiger prawns from Farm 3 and 893 tonnes of Banana prawns from Farms 1 and 2. The increase in production was mainly due to a focus on Banana prawns to manage risk and boost volumes, along with improvements to water systems in Farms 1 & 2.

Review of operations (continued)

Queensland Operations (continued)

Market conditions: The prawn market in Australia during the 2022/2023 financial year was challenging. The combination of higher aquaculture prawn production and a strong wild catch year in the northern prawn fishery led to decreased prices. This was happening alongside rising costs for inputs like feed, power, and labor.

Banana prawns: In the 2022 full year report we noted that “for the 2023 financial year at these farms the Group has switched to banana prawns which have historically not been affected by the PIR A/B bacterial issues”. Pleasingly there were no disease events at Farms 1 and 2 and farm performance resulted in a positive outcome for the first half of the year. With the water systems progressively improved to provide for a lower risk facility the company will re-introduce the generally higher margin Black Tiger Prawns to parts of these farms in FY2024.

Black Tiger prawns: Black Tiger prawn production was limited to Farm 3 that produced 367 tonnes from 33 Ha of ponds. Sizes were large, averaging over 50 grams to align with the requirement to send 70 tonnes to Europe to which is a key part of developing the export market for Project Sea Dragon.

New Grading Machine: The installation of a new grading machine at the Cardwell processing plant was successful and it significantly improved the throughput of the more tightly specified export product.

Farm 3 performance: Farm 3 had lower-than-usual performance due to extended wet weather reducing water salinity, which increased operating costs. Additionally, high volumes of wild-caught prawns depressed market prices while inflation raised input costs, impacting Farm 3 negatively.

It is important to note that Farm 3's yield and biomass performance aligned with the Project Sea Dragon project assumptions.

Breeding program: The Group stocked all Queensland ponds with healthy prawn larvae from domesticated broodstock, eliminating the need for wild-caught broodstock.

Several ponds in Farm 3 were stocked with animals produced from a cross of the Project Sea Dragon SPF generation 4, and the Queensland generation 6 broodstock. While the sample size is too small to be statistically significant it was encouraging to observe that production from these ponds outperformed the remainder of the ponds across most metrics. The Group draws comfort from these results that the Exmouth facility will improve performance of grow out over time, as well as obviating the need to source broodstock from the wild after we generate sufficient genetic diversity.

Wild caught broodstock has been the source of significant disease outbreaks at several competitors farms over the year.

Occupational, Health, Safety & Environment:

Seafarms programs of Occupational Health and Safety management at its operations resulted in two Lost Time Injuries for the year and a Total Reportable Injury Frequency Rate (TRIFR) of 14.7 injuries per million man hours. The Group continues to implement its program of reducing risk to improve OH&S performance noting that one lost time incident will result in a 5.2 to 7.0 increase to the LTIFR dependent upon the work hours performed. We continue to work to improve our performance.

Environmental performance proceeded at the Queensland operations without issue during the year.

Market development

The Group continues to build a high quality, premium branded offer both domestically and for export.

The Domestic market growth has been driven by the development of the fresh prawn category, demonstrated by Banana production which grew from 144 tonnes in FY 2022 to 893 tonnes in FY 2023 and with over 60% of the crop sold fresh.

Over the year production capacity was leveraged at key times to match events such as Australia Day which delivered strong fresh prawn sales and increased Christmas volumes driven by the availability of larger sized prawns.

Overall, the month of December delivered a fresh volume increase of 60% vs last financial year.

Review of operations (continued)

Market development (continued)

The company built further on the Crystal Bay Prawns® brand best-in-class credentials, with the introduction of the new “Go-to Freshness” communication message, strengthening the brand’s quality sentiments at point-of-purchase.

Raw Crystal Bay Prawns® were introduced and allowed for a balance of production and profitability.

The development of export markets for Project Sea Dragon was supported with the production of 70 tonnes of Black Tiger Prawns to European export specifications.

Project Sea Dragon

Project Sea Dragon completed its review and continues to fund and maintain all its licences and obligations to ensure approvals, real estate and key personnel are in place to develop the project. The construction and development of the Exmouth facility continued and FSC 2/3 were successfully put into operation providing a high quality broodstock maturation facility. FSC 1 and the old facilities continue to operate well and produce high quality broodstock that show good results.

The Company previously announced that it successfully produced the fourth generation (G4) of Black Tiger Prawns that continue to test negative to specific pathogens. In the absence of facilities at the Project Sea Dragon Bynoe site, some generation 4 stock was transferred to the Company’s Queensland hatchery to improve the diversity of genetics of the domesticated broodstock for existing operations with the encouraging results shown in internal analysis and the in pond performance described in the Queensland Operations section above.

More generally, on 14 June 2023 Seafarms provided the CEO Project Sea Dragon Shareholder update that described the outcomes of the Company’s re-assessment of Project Sea Dragon at that time. In it we advised that we have carefully considered the key risks of the March 2022 Project Review, particularly regarding the use of 10ha ponds and that we have re-evaluated all aspects of the Project.

We also advised that our CEO travelled extensively through Central America (Colombia, Ecuador, Honduras, and Mexico) accompanied by an international expert. The visits included inspections of very successful 10ha and larger pond operations; as well as discussions with producers, processors, and equipment suppliers to gather valuable information on operations and yields. The conclusion of this research clearly supported the feasibility of 10ha ponds in Australia as part of Project Sea Dragon. It was also pleasing to verify that there is over 15,000 Ha of large ponds mostly larger than 10 Ha operating at similar or higher intensities than we have incorporated in our plans.

Throughout the process, we engaged both international and local professionals, ensuring a thorough examination of each step. We also confirmed customer commitment and negotiated improved pricing.

The updated business case incorporates the findings from the re-assessment including updated production and marketing assumptions, the knowledge and insights gained from our research, consultations, and on-site visits.

In the 14 June 2023 update we advised that we intended to re-engage with potential funders and we are pleased to advise that the first of those meetings occurred on 21 June 2023. Arrangements for meetings with other funders are well advanced.

The litigation arising from the construction dispute was heard in the Federal Court at Brisbane on 14 and 15 of August 2023 with judgement reserved. We continue to progress with potential funding options and pending the receipt of judgement, a final investment decision.

Material Business Risks

The Company has in place a risk register and management processes to identify risks and mitigation actions for those risks. There is management oversight to ensure risk mitigations actions are in place and being undertaken. With mitigation in place those risks are reduced to an acceptable level. The material business risk of the Company are as follows:

Review of operations (continued)

Material Business Risks (continued)

The Company has in place a risk register and management processes to identify risks and mitigation actions for those risks. There is management oversight to ensure risk mitigations actions are in place and being undertaken. With mitigation in place those risks are reduced to an acceptable level. The material business risk of the Company are as follows:

Health & safety: The Group faces specific risks from operating on construction sites and in an agricultural environment in Northern Australia. The Group has comprehensive processes and procedures for identifying and managing risks and processes for ensuring procedures are complied with.

Project financing: Seafarms has stated that it will not commence the development of Project Sea Dragon unless full funding for the project has been secured. Securing this financing is uncertain. To mitigate the risk the Company has addressed previous concerns with the project and reworked the initial scope of the Project. Seafarms has commenced re-engaging with potential funders are reported above.

Animal health: Seafarms has faced a number of animal health issues over many years particularly in relation to Black Tiger prawns on specific farms. Risk mitigation includes continuous health screening and bacterial monitoring through the production process, stocking of banana prawns on certain sites and stocking in lower risk periods of the year.

Market risk: The supply of prawns is competitive with a number of competing species, formats and origins. Higher than average supply can depress prices across the industry. To mitigate this risk the Company focuses on high value niche areas of fresh product (never frozen) and large tiger prawns which are largely sold through retail channels.

Significant changes in the state of affairs

The significant changes to the state of affairs of the Company are set out in the Review of Operations above.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

There has been no change in the strategic direction of the company, which is to develop Project Sea Dragon as a scalable integrated prawn aquaculture project.

Information on directors

Ian Norman Trahar, B.Ec, MBA. *Non-executive Chairman*

Experience and expertise

Mr Trahar has a resource and finance background. He is a director and significant shareholder of Avatar Finance Pty Ltd, an unlisted private company. Ian is a member of the Australian Institute of Company Directors.

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

Chair of the board.

Chair of the audit committee.

Chair of remuneration committee.

Interests in shares and options as at date of this report

1,411,603,263 shares in Seafarms Group Limited.

411,599,998 options in Seafarms Group Limited.

Information on directors (continued)

Harley Ronald Whitcombe, B.Bus, CPA *Executive Director. (since 13 November 2001)*

Experience and expertise

Mr Whitcombe has had many years' commercial and finance experience, providing company secretarial services to publicly listed companies.

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

Company Secretary of Seafarms Group Limited.

Interests in shares and options as at date of this report

19,680,984 ordinary shares in Seafarms Group Limited.

403,635 options in Seafarms Group Limited.

Rodney John Dyer B.E. (Mech) *Executive Director. (since 20 May 2022)*

Experience and expertise

Mr Dyer has extensive experience with Project Sea Dragon both in design and in the financial aspects of the project.

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

Managing director

Interests in shares and options

None

Hisami Sakai *Non-executive Director (since 7 August 2018, Resigned 12 April 2023)*

Experience and expertise

Mr Sakai has had nearly 40 years' commercial experience with Nippon Suisan Kaisha Limited (Nissui), one of the biggest global seafood companies in Japan. He is currently Managing Executive Officer of Nissui. His responsibilities include being in charge of European business, Business Supervisor in Oceania and Asia and in charge of International Sales and Business Development Department.

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

None

Interests in shares and options

None

Information on directors (continued)

Terutaka Kuraishi MBA *Alternate Director for Hisami Sakai (since 20 May 2022), Resigned 12 April 2023)*

Experience and expertise

Mr Kuraishi has extensive commercial experience and is currently the Commissioned Deputy International Business Operating Officer and Commissioned General Manager of Business Supervisor in Oceania at Nissui.

Other current directorships

None.

Former directorships in last 3 years

None.

Interests in shares and options

None

Company secretary

The Company secretary is Mr Harley Ronald Whitcombe B.Bus, CPA. Mr Whitcombe was re-appointed to the position of Company secretary on 20 May 2022, having previously held the position from 13 November 2001 to 29 October 2021.

Meetings of directors

The numbers of meetings of the Company's board of Directors and of each board committee held during the 12 months ended 30 June 2023, and the numbers of meetings attended by each Director were:

	Full meetings of directors		Meetings of committees			
			Audit		Nomination & Remuneration	
	A	B	A	B	A	B
Ian Norman Trahar	15	15	3	3	1	1
Rodney John Dyer	15	15	3	3	1	1
Harley Ronald Whitcombe	15	15	3	3	1	1
Hisami Sakai	10	11	-	-	-	-
Terutaka Kuraishi	11	11	-	-	-	-

A = Number of meetings attended.

B = Number of meetings held during the time the Director held office, was invited to attend or was a member of the committee during the 12 months

Remuneration report

The Directors are pleased to present your Company's 2023 remuneration report which sets out remuneration information for Seafarms Group Limited's non-executive Directors, executive Directors and other key management personnel.

Non-executive director remuneration policy

The shareholders of Seafarms Group Limited on 24 February 2012 approved, for the purposes of the ASX Listing Rules and the Group's Constitution, the maximum aggregate directors' fees to \$400,000, with such fees to be allocated to the directors as the board of directors may determine.

The Remuneration Committee determines the remuneration of all non-executive directors, none of whom have service contracts with the company.

Remuneration report (continued)

Executive remuneration policy and framework

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitive and reasonable, enabling the company to attract and retain key talent;
- performance linkage / alignment of executive compensation;
- acceptable to shareholders.
- transparent; and
- aligned to the company's strategic and business objectives and the creation of shareholder value;

The executive remuneration and reward framework has several components:

- base pay and benefits, including superannuation;
- short-term performance incentives; and
- long-term incentives through participation in the "Seafarms Group's Employee Incentive Plan" as approved by the shareholders at the AGMs held on 1 February 2016 and 25 November 2016.

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

The board has established a remuneration committee which makes recommendations to the board on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non executive directors. The Corporate Governance Statement provides further information on the role of this committee.

The Group's remuneration strategy considers the following in setting executive remuneration to align with shareholders interests:

- rewards capability and experience;
- provides recognition for contribution;
- attracts and retains high calibre executives.

(a) Elements of remuneration

Base pay and benefits

Executives receive their base pay and benefits structured as a total employment cost (TEC) package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

There are guaranteed base pay increases included in all of the executives' contracts.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

Short-term incentives

If the Group achieves a pre-determined KPI set by the remuneration committee, a short-term incentive (STI) pool is available to executives and other eligible participants. Using a KPI ensures variable reward is only available when value has been created for shareholders and when profit is consistent with the business plan. The distribution of the STI pool is at the discretion of the Executive Chairman.

For FY23 the remuneration committee elected not to incorporate STIs into the remuneration arrangements for any executives.

Remuneration report (continued)

(a) Elements of remuneration (continued)

Long-term incentives

Long-term incentives may be provided to directors and staff via the Seafarms Group Employee Incentive Plan as approved by shareholders at the AGMs held on 1 February 2016, 25 November 2016 and 15 December 2020.

The Seafarms Group Employee Incentive Plan is designed to provide long-term incentives ("LTI") for directors and staff to deliver long-term shareholder returns. Under the plan, participants may be granted unlisted Share Options and/or Performance Rights which only vest if certain performance conditions are met and the directors and staff are still employed by the Group at the end of the vesting period. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

For FY23 the remuneration committee elected not to incorporate LTIs into the remuneration arrangements for any executives.

(b) Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors, the key management personnel of the Group (as defined in AASB 124 *Related Party Disclosures*) of Seafarms Group Limited and the Group are set out in the following tables.

The key management personnel of Seafarms Group Limited includes the directors as listed below:

- Ian Trahar (Non-executive Chairman)
- Harley Ronald Whitcombe (Executive Director and Company Secretary)
- Rodney Dyer (Executive Director and Chief Executive Officer)
- Hisami Sakai (Non-executive Director) (Director resigned on 12 April 2023)
- Terutaka Kuraishi (Alternative Director) (Director resigned on 12 April 2023)

In addition to the directors the following executives that report directly to the Board are key management personnel:

- Ian Leijer (Chief Financial Officer, Seafarms Group Limited, commenced 22 May 2022)

The following table shows details of the remuneration expense recognised for the Group's directors and executive key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

Remuneration report (continued)

(b) Details of remuneration (continued)

Year ended 30 June 2023

Name	Short-term employee benefits			Post-em ployment benefits	Long- term benefits	Termi- nation benefits	Share-based payments Performance rights / Share options	Total
	Cash salary and fees	Cash bonus	Non- monetary benefits	Super- annuation	Long service leave			
	\$	\$	\$	\$	\$	\$	\$	\$
<u>Directors</u>								
Non-executive								
H Sakai	-	-	-	-	-	-	-	-
I Trahar	24,816	-	-	5,775	1,008	-	-	31,599
Sub-total non-executive directors	24,816	-	-	5,775	1,008	-	-	31,599
Executive								
H Whitcombe	276,656	-	-	25,292	995	-	-	302,943
R Dyer	783,772	-	-	25,292	2,500	-	-	811,564
Sub-total executive directors	1,060,428	-	-	50,584	3,495	-	-	1,114,507
Alternative Directors								
N Sato	-	-	-	-	-	-	-	-
T Kuraishi	-	-	-	-	-	-	-	-
Sub-total alternative directors	-	-	-	-	-	-	-	-
Other key management personnel								
I Leijer	494,485	-	-	25,292	1,667	-	-	521,444
Total key management personnel compensation (Group)	1,579,729	-	-	81,651	6,170	-	-	1,667,550

Remuneration report (continued)

(b) Details of remuneration (continued)

Year ended 30 June 2022

Name	Short-term employee benefits			Post-em employment benefits	Long- term benefits	Share-based payments Performance rights / Share options		Total \$ (restated^)
	Cash salary and fees	Cash bonus	Non- monetary benefits*	Super- annuation	Long service leave	Termi- nation benefits \$ (restated^)	\$	
Non-executive Directors								
P Favretto	32,083	-	-	3,208	-	-	-	35,291
H Sakai	-	-	-	-	-	-	-	-
I Trahar	135,680	-	-	13,568	4,408	-	-	153,656
Sub-total non-executive directors	167,763	-	-	16,776	4,408	-	-	188,947
Executive Directors								
H Whitcombe	305,389	-	-	20,554	500	45,135	-	371,578
R Dyer	281,716	-	-	20,581	1,250	-	-	303,547
I Brannan	457,243	-	-	27,437	-	1,109,891	844,586	2,439,157
C Mitchell	291,437	-	7,936	19,854	-	73,600	-	392,827
M McMahon	649,673	-	-	40,199	-	1,891,682	1,970,702	4,552,256
Sub-total executive directors	1,985,458	-	7,936	128,625	1,750	3,120,308	2,815,288	8,059,365
Alternative Directors								
N Sato	-	-	-	-	-	-	-	-
T Kuraishi	-	-	-	-	-	-	-	-
Sub-total alternative directors	-	-	-	-	-	-	-	-
Other key management personnel (Group)								
D Donovan	352,100	-	-	27,499	5,464	-	-	385,063
I Leijer	46,620	-	-	4,662	833	-	-	52,115
Total key management personnel compensation (Group)	2,551,941	-	7,936	177,562	12,455	3,120,308	2,815,288	8,685,490

*This relates to a benefit for motor vehicles.

^Refer section (f) below for details of the restatement of comparative termination benefits and the total remuneration as a result of the correction of a prior period error.

Remuneration report (continued)

Details in relation to the KMP long term incentives are set out in note 35 to the financial statements.

(c) Service agreements

Remuneration has been determined after the Remuneration Committee, for executive directors, and the Board, for group executives, has investigated current market terms and conditions.

The Remuneration Committee will continue to revise the remuneration practices and develop policy for future appointments and determine performance-based salary increases and bonuses, bearing in mind the size of the Group and the need to ensure quality staff are employed and retained.

I Trahar, Chairman:

- Term of agreement - no fixed term;
- Base salary which includes superannuation is reviewed annually (minimum increase of CPI);
- Group may terminate employment on giving twelve months notice and in the event of early termination at the option of the employer, by payment of a termination benefit equal to 100% of base salary for the unexpired period of notice. The employee may terminate on giving three months notice.
- Eligible to participate in the "Seafarms Group Employee Incentive Plan" as approved by the shareholders at the AGMs held on 1 February 2016 and 25 November 2016.

H Whitcombe, Director and Company Secretary:

- Term of agreement - no fixed term;
- Base salary which includes superannuation is reviewed annually (minimum increase of CPI);
- Group may terminate employment on giving three months notice and in the event of early termination at the option of the employer, by payment of a termination benefit equal to 100% of base salary for the unexpired period of notice. The employee may terminate on giving three months notice.
- Eligible to participate in the "Seafarms Group Employee Incentive Plan" as approved by the shareholders at the AGMs held on 1 February 2016 and 25 November 2016.

R Dyer, Chief Executive Officer, Seafarms Group Limited

- Term of agreement - no fixed term;
- Base salary which includes superannuation is reviewed annually (any adjustment will be at the Company's discretion);
- Employer or employee may terminate employment on giving three months notice;
- Eligible to participate in the "Seafarms Group Employee Incentive Plan" as approved by the shareholders at the AGMs held on 1 February 2016 and 25 November 2016.

I Leijer, Chief Financial Officer, Seafarms Group Limited

- Term of agreement - no fixed term;
- Base salary which includes superannuation is reviewed annually (any adjustment will be at the Company's discretion);
- Employer or employee may terminate employment on giving three months notice;
- Eligible to participate in the "Seafarms Group Employee Incentive Plan" as approved by the shareholders at the AGMs held on 1 February 2016 and 25 November 2016.

Remuneration report (continued)

(d) Additional statutory information

(i) Remuneration breakdown

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense on page above:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Directors of Seafarms Group Limited						
I Trahar	100%	100%	-%	-%	-%	-%
H Whitcombe	100%	100%	-%	-%	-%	-%
R Dyer	100%	100%	-%	-%	-%	-%
Other key management						
I Leijer	100%	100%	-%	-%	-%	-%

(ii) Share-based compensation

There were no shares provided on the exercise of options during the year ended 30 June 2023.

The table below sets out summary information about the Group's earnings and movements in shareholder wealth for the last five financial periods:

	Year ended 30 June 2023	Year ended 30 June 2022 (restated)	Year ended 30 June 2021	Year ended 30 June 2020	Year ended 30 June 2019
	\$	\$	\$	\$	\$
Revenue	25,918,210	19,477,573	20,826,823	28,382,012	23,394,803
Net (loss) before tax	(15,355,902)	(86,272,763)	(25,755,545)	(25,542,665)	(30,944,301)
Net (loss) after tax	(15,355,902)	(86,272,763)	(25,755,545)	(25,542,665)	(30,944,301)
Share price at start of year	1c	6c	5c	9c	8c
Share price at end of year	0.4c	1c	6c	5c	9c
Dividend	-	-	-	-	-
Basic (loss) per share	(0.32)c	(1.88)c	(1.06)c	(1.24)c	(1.82)c
Diluted (loss) per share	(0.32)c	(1.88)c	(1.06)c	(1.24)c	(1.82)c

At the 2020 Annual General Meeting, held on 15 December 2020 shareholders approved the "Seafarms Group Employee Incentive Plan" under which the Board may grant equity securities (including performance rights and options) to eligible participants under the plan, which may, subject to the discretion of the Board, include executive directors or key management personnel.

(iii) Voting and comments made at the company's Annual General Meeting

Seafarms Group Limited received more than 97.96% of "yes" votes on its remuneration report for the 2023 financial period. The company did not receive any specific feedback at the AGM or throughout the period on its remuneration practices.

Remuneration report (continued)

(e) *Equity instrument disclosures relating to key management personnel*

(i) *Share holdings*

The numbers of shares in the Company held during the financial period by each Director of Seafarms Group Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2023	Balance at the start of the period	Purchase of shares during the year	Balance at end of the period
Name			
Directors of Seafarms Group Limited			
Ordinary shares			
I N Trahar	1,366,148,718	45,454,545	1,411,603,263
H R Whitcombe	19,680,984	-	19,680,984
R Dyer	-	-	-
Hisami Sakai (<i>resigned 12 April 2023</i>)	-	-	-
Terutaka Kuraishi (<i>resigned 12 April 2023</i>)	-	-	-
Other key management personnel of the Group			
Ordinary shares			
I Leijer	14,561,503	-	14,561,503

2022	Balance at the start of the period	Purchase of shares during the year*	Balance at end of the period ^
Name			
Directors of Seafarms Group Limited			
Ordinary shares			
I N Trahar	675,871,221	690,277,497	1,366,148,718
H R Whitcombe (<i>appointed 20 May 2022</i>)	18,298,258	1,382,726	19,680,984
R Dyer (<i>appointed 20 May 2022</i>)	-	-	-
C D Mitchell (<i>Resigned 30 November 2021</i>)	11,327,268	-	11,327,268 ^
P J Favretto (<i>Resigned 28 January 2022</i>)	37,916,666	2,545,454	40,462,120 ^
I Brannan (<i>Resigned 20 May 2022</i>)	-	9,090,909	9,090,909 ^
M McMahon (<i>Resigned 6 May 2022</i>)	-	36,363,636	36,363,636 ^
Hisami Sakai	-	-	-
Terutaka Kuraishi	-	-	-
Other key management personnel of the Group			
Ordinary shares			
D Donovan (<i>Resigned 1 July 2022</i>)	-	-	- ^
I Leijer (<i>commenced 22 May 2022</i>)	-	14,561,503	14,561,503

*Shares purchased during the year to June 2022 was incorrectly stated in last year's annual report based on the submission 731 made to the ASX under Appendix 3Y Change in Directors Interests.

^Balance at date of resignation for those KMP who resigned during the year.

Remuneration report (continued)

(e) *Equity instrument disclosures relating to key management personnel (continued)*

(ii) *Option holdings*

2023	Balance at	Purchase of	Balance at
Name	start of the	options during the	end of the
	period	year	period
Directors of Seafarms Group Limited			
I N Trahar	384,327,272	27,272,726	411,599,998
H R Whitcombe	403,635	-	403,635
2022			
Name	Balance at	Balance upon	Balance at
	start of the	appointment	end of the
	period		period
Directors of Seafarms Group Limited			
N Trahar	384,327,272	-	384,327,272
H R Whitcombe (<i>appointed 20 May 2022</i>)	-	403,635	403,635

Loans to key management personnel

There are no loans made to directors of Seafarms Group Limited and other key management personnel.

(f) *Correction of prior period error*

During the year, the Group identified that termination benefits as reported in the Remuneration Report for the comparative year ended 30 June 2022 were understated by \$848,164. Refer to Note 2 of the financial report for further details. The remuneration tables in section (b) have been restated for the correction of this error.

End of Remuneration Report

Shares under option

(a) *Unissued ordinary shares*

Unissued ordinary shares of Seafarms Group Limited under option at the date of this report are as follows:

Number under option	Class of shares	Exercise price of option	Expiry date
30,000,000 (*)	Ordinary	0.0970	12 December 2023
1,447,581,216 (*)	Ordinary	0.0975	13 August 2024

(*) Refer to note 25(d) for further details.

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the company or of any other body corporate or registered scheme. There were no options issued during the current year or up until the date of this report.

(b) *Shares issued on the exercise options*

There were no shares of Seafarms Group Limited issued during the year ended 30 June 2023 or up until the date of this report on the exercise of options granted.

Insurance of officers

During the financial year, the Group paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, Mr H R Whitcombe, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer 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.

The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of amounts paid or payable to the auditor for non-audit services provided during the year are outlined at note 28 to the financial statements.

Dividends - Seafarms Group Limited

The Directors of Seafarms Group Limited do not recommend the payment of a dividend for the year ending 30 June 2023 (2022: Nil).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 21.

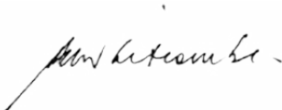
Auditor

Pitcher Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2) of the *Corporations Act 2001*.



Harley Ronald Whitcombe
Company Secretary
Perth
30 August 2023