



ASX Announcement | 30 April 2025

Seafarms Group Limited (ASX: SFG)

SFG ASX Announcement No: 791

SEAFARMS COMPLETES TRANSACTION WITH MAINSTREAM AQUACULTURE

Seafarms Group Limited (ASX: SFG) (SFG or the Company) refers to its previous announcements regarding the sale of Farms 1 and 2 at Cardwell and is pleased to announce that the transaction with Mainstream Aquaculture Property Pty Ltd (Mainstream) — involving the sale and leaseback of certain assets and real property owned by Seafarm Queensland Pty Ltd (SQPL) — was completed on 30 April 2025.

The gross proceeds of the sale paid at Completion, which is approximately \$6,832,956.97, with some adjustments for completion costs and the advance payment of rent to Mainstream as noted below.

Post-completion arrangements

SFG separately advises that it and Mainstream have entered into leaseback agreements with SQPL in respect of all of the required assets (including fixed assets, plant and equipment and freehold properties that SQPL disposed of in this transaction) to allow its operations at Farm 1 and Farm 2 to continue up to and including 8 January 2026. This leaseback commences today and will allow SQPL to continue operating the aquaculture facility post-completion until 8 January 2026.

From 9 January 2026, following the expiry of this post-completion leaseback arrangement, SQPL will continue to own and operate Farm 3 in Ingham, the hatchery near Flying Fish Point and the processing plant on the land of Farm 1 in Cardwell (which has been leased back from Mainstream for 30 years following completion of this transaction, at a nominal rent).

The obligations of SQPL under the Leases are secured, with such security to extend to certain clauses intended survive the original sale agreements.

The leaseback arrangement enables SQPL to maintain business as usual, continuing its vertically integrated prawn breeding, farming, and marketing operations to service domestic and international customers.

The commercial terms of the leaseback are set out in the schedule to this announcement.

Seafarms Group CEO, Peter Fraser, said:

“Our sale and leaseback strategy is yielding strong results, with sustained domestic demand for our Banana prawns and increasing international interest in our Black Tiger prawns.

“We are well positioned to capitalise on further growth opportunities across our key markets.”

Trading Update

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The Company notes that demand for its Crystal Bay products, harvested at its Cardwell operations, remains strong across both domestic and international markets. All SQPL assets at Cardwell, including those leased from Mainstream continue to operate normally.

In relation to the announcement made under ASX: SFG 789, the Company notes that first-half FY2025 sales revenue included \$1.2 million from the sale of post-larvae to other producers, demonstrating the success of its breeding and domestication program.

“Our post-larvae sales have continued to generate increased revenue, reinforcing their value as an important additional contributor to our overall revenue base and the international interest in our black tiger prawns (and proposed dominant feature in Project Sea Dragon, remains strong).” Mr Fraser said.

Project Sea Dragon

The Company further refers to its previous announcements regarding the proceedings related to Project Sea Dragon Pty Ltd (**in Liquidation**).

We continue to address the proceedings relating to PSD and its liquidators and continue our engagements with the liquidator in respect of a prospective acquisition of the assets and undertakings of PSD..

The Company will update the market with any further information in relation to this transaction and the post-completion arrangements in due course.

This announcement has been approved by the Board.

Ends.

For further information, please contact:

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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.

Schedule – Commercial terms of the Specific Security Deed

Term	Summary
Security Interest	To secure the performance of the obligations of SQPL (as the tenant) under the leaseback and the payment of all moneys owing by SQPL to Mainstream under the leaseback, SQPL grants to Mainstream a security interest over the processing plant (Secured Property).
Limit on amount recoverable	The maximum amount recoverable by Mainstream from the Secured Property is capped at \$1,500,000 plus any amounts payable on account of a default under the leaseback or appointment of a receiver.
Dealings with Secured Property	SQPL undertakes to Mainstream that so long as any of SQPL's obligations under the leaseback (amongst other obligations) remain outstanding, SQPL must not: <ul style="list-style-type: none"> (a) dispose of or deal with the Secured Property without Mainstream's prior consent; or (b) create or permit to subsist any security interest over the Secured Property.
Discharge	Mainstream must discharge the security interest over the Secured Property on expiry of the leaseback.

Schedule 2 – Commercial terms of the Leaseback

Term	Summary
Term	Eight (8) months and 8 days – commencing on 1 May 2025 and expiring on 8 January 2026.
Rent	\$400,000.00 plus GST for the Term.
Outgoings	SQPL must pay 100% of the outgoings.
Licence	Mainstream grants SQPL a non-exclusive licence to use the crown lease areas for the Term.
Environmental Authority	SQPL will retain the environmental authority until the expiry of the lease, after which it will be transferred to Mainstream.