



**ASX Announcement | 16 September 2021  
Seafarms Group Limited (ASX:SFG)  
SFG Announcement No. 707**

**Seafarms Group Bell Potter Home Grown Agriculture Conference Presentation**

Sustainable aquaculture company Seafarms Group Limited (**Seafarms** or the **Company**) has been invited to present to the Bell Potter Home Grown Agriculture Conference 2021.

The conference will be live-streamed exclusively and feature presentations from a number of agricultural companies in Australia.

Seafarms' presentation to the conference is attached.

Approved and authorised for release by Seafarms' Disclosure Committee.

Ends.

For further information, please contact:

**Seafarms Group**

Mr Harley Whitcombe  
Company Secretary  
P: (08) 9216 5200

**Media / Investor Enquiries**

True North Strategic Communication  
Penny Baxter  
P: +61 437 522 532  
E: penny@truenorthcomm.com.au

**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](http://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](http://www.seafarms.com.au)





# Seafarms Bell Potter Home Grown

September 2021

The transformation of Seafarms from Australia's largest prawn producer into a significant global low cost producer has commenced

Seafarms Group Limited (ASX:SFG)



# Disclaimer

- ❖ This presentation is provided for information purposes only. The information in this presentation is in a summary form, does not propose to be complete and is not intended to be relied upon as advice to investors or other persons. The information contained in this presentation was prepared as of its date, and remains subject to change without notice. This presentation has been provided solely for the purposes for giving background information about SFG, its operations and Project Sea Dragon (PSD).
- ❖ This presentation has been prepared without taking into account the investment objectives, financial situation or particular need of any particular person.
- ❖ To the extent permitted by law, no representation or warranty, express or implied, is made as to the accuracy, reliability, completeness or fairness of the information, opinions and conclusions contained in this presentation. To the extent permitted by law, none of SFG, its related bodies corporate, shareholders or affiliates, nor any of their respective directors, officers, employees, related bodies corporate, associates, affiliates, agents or advisers makes any representations or warranties that this presentation is complete or that it contains all material information about PSD or SFG. To the extent permitted by law, none of those persons accepts any liability for any loss, claim, damages, costs or expenses of whatever nature (whether or not foreseeable), including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of information contained in this presentation or in relation to the accuracy or completeness of the information, statements, opinions or matters, expressed or implied, contained in, arising out of or derived from, or for omissions from, this presentation.
- ❖ No person is under any obligation to update this presentation.
- ❖ This presentation may contain forward looking statements that are based on management's current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward looking statements. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", forecast, "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. The forward looking statements contained in this presentation include statements about future financial and operating results, possible or assumed future growth opportunities and risks and uncertainties that could affect SFG's business. These statements are not guarantees of future performance, involve certain risks, uncertainties and assumptions that are difficult to predict, and are based upon assumptions as to future events that may not prove accurate. Actual outcomes and results may differ materially from what is expressed in this presentation. In any forward looking statement in which SFG expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurances that the statement or expectation or belief will result or be achieved or accomplished. SFG is not under any duty to update forward looking statements unless required by law.
- ❖ This presentation is not and does not constitute or form part of an offer, invitation or recommendation in respect of securities, or an invitation to buy or apply for securities, nor may it, or any part of it, form the basis of, or be relied on in connection with any contract or commitment whatsoever. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.



## Overview of Seafarms Group

- One of Australia's largest prawn aquaculture companies
- Has significant operational aquaculture expertise and a demonstrated track record of growth and innovation.
- Development Project Sea Dragon (PSD) development has commenced following recent c\$100m equity raising
- New management appointed to lead PSD to be one of the largest Black Tiger operations globally.

# Overview of Project Sea Dragon

## One of the world's largest aquaculture operations

- 🍊 Located across Northern Territory and Western Australia
  - 🍊 Exmouth, Bynoe Harbour, Gunn Point, Legune and Kununurra
- 🍊 Once fully developed it will be one of world's largest Black Tiger operations with the capacity to produce up to **130,000-180,000 tonnes per annum**
- 🍊 Fully integrated project that includes all steps from breeding, hatching and rearing, to growing, harvesting and processing prawns for the consumer
- 🍊 Multiple staged development plan

## Construction on Stage 1a has commenced

- 🍊 Funded by recent c\$100m equity raising
- 🍊 Supported by ~A\$168M expended by governments to develop supporting road and bridge infrastructure to ensure year round access
- 🍊 Comprising approximately 1,080ha of ponds and facilities

## First harvest anticipated Q4 2023

- 🍊 Annual Production projected to be 6,000 tonnes per annum Q2 2024 building towards production of 18,000 tonnes annually when Stage 1 is complete
- 🍊 Offtake agreements (Nissui, Primstar) covering ~25% of production at market based prices are in place
- 🍊 World leading Breeding/Domestication and Genetics Programs (Pathogen Free)

# SFG is already an operator

## Seafarms Operations

- The Queensland Operations are primarily intended to demonstrate and trial operating concepts for PSD.
  - core operational workforce
  - provide aquaculture facilities for part of our world class breeding/domestication/genetics program and R&D activities.
- Aquaculture revenues for the FY21 reporting period were ~A\$21M

## Operational PSD Trials

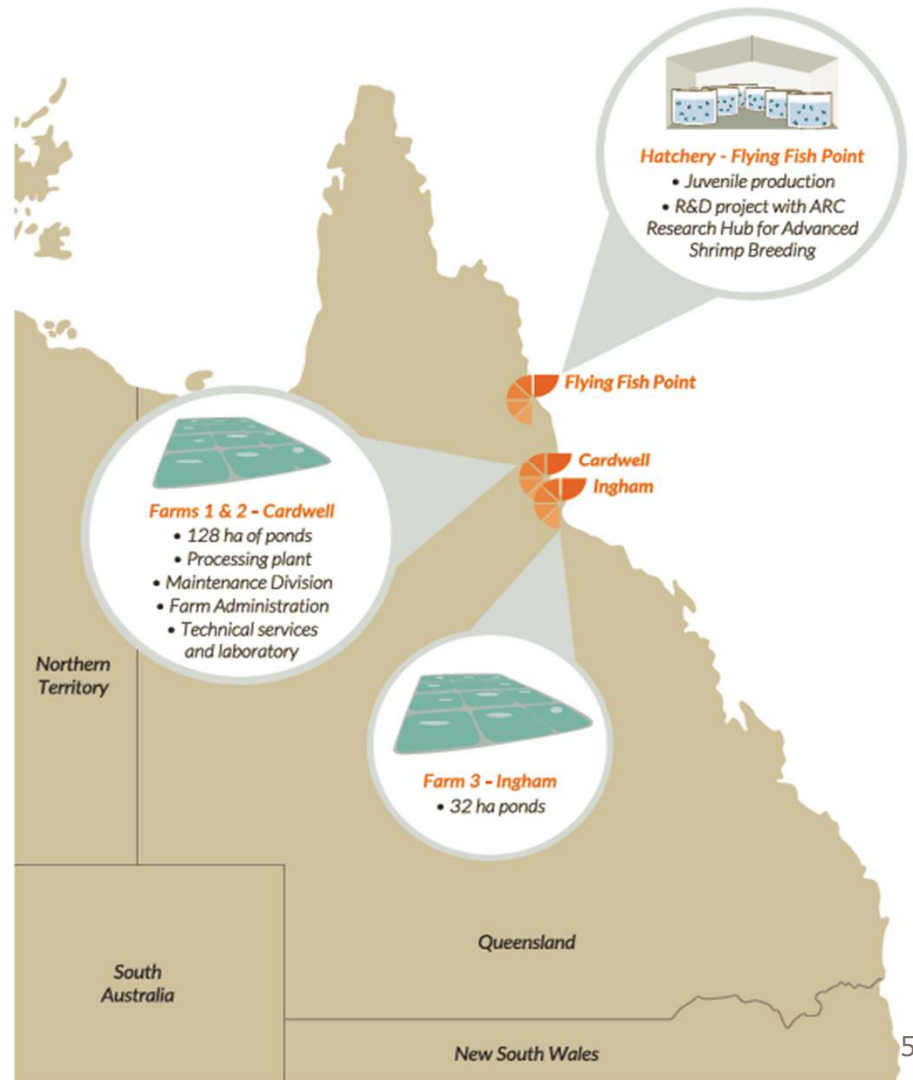
- Continued trialling and assessment of automated feed systems,
- Test and develop the integration of in-pond monitoring technologies

## Market Development

- Domestic and international markets (Japan and Europe)
- First shipment to our European offtake partner, Primstar (one of Europe's largest seafood companies).
- Manage our core new product development and portfolio mix to maximise margin.
- Expansion of product lines underway to deliver higher margins and offset cost base volatility
- Significant interest from other potential offtake partners received, with new enquiries originating from Asian countries and the USA.
- **Seafarms Crystal Bay branded prawns are sold in supermarkets throughout Australia**

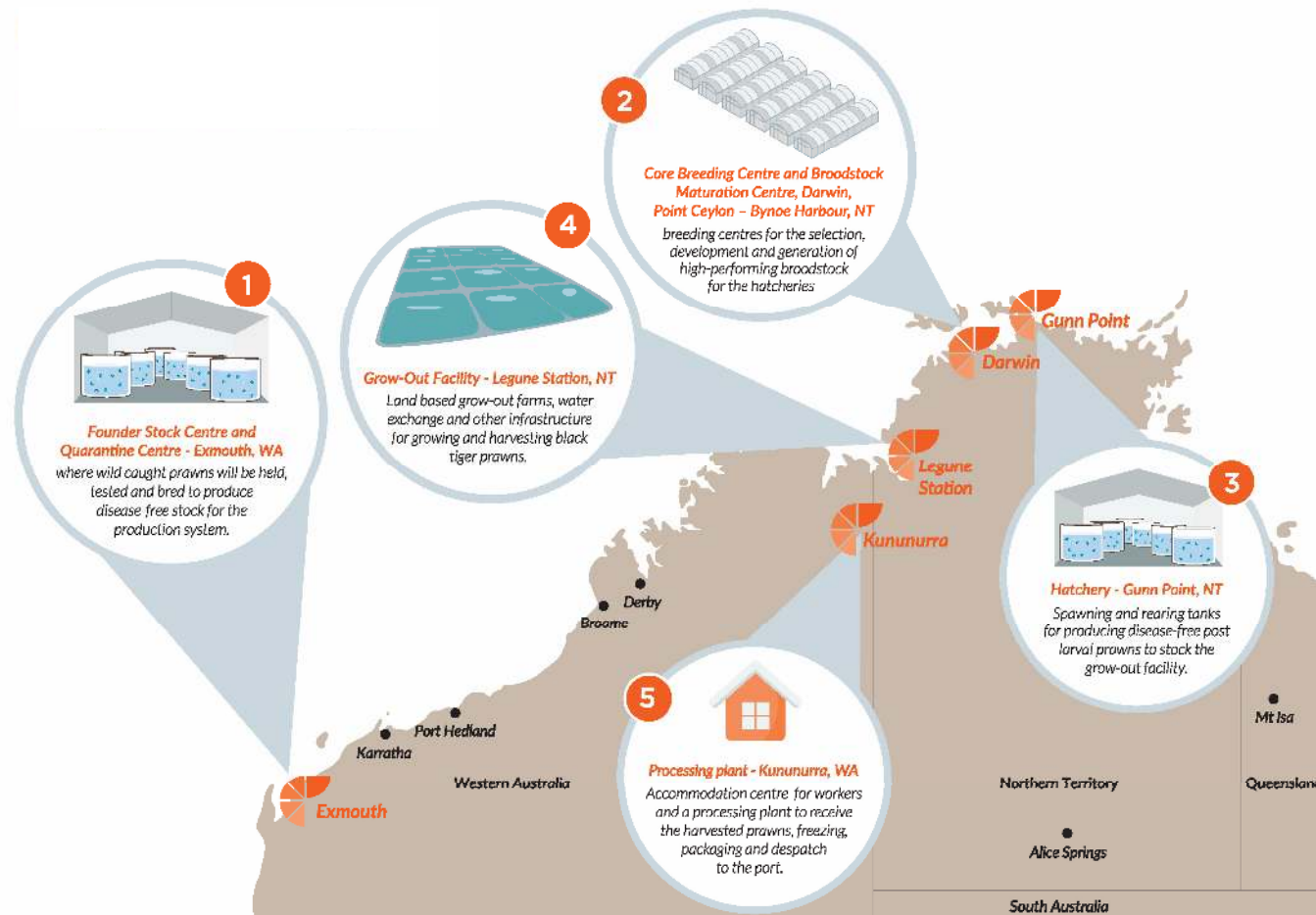


## Seafarms Operations



# Project Sea Dragon – Location Overview

Legune Station in the Northern Territory, has been carefully selected for the grow out facility. SFG holds sub-lease on Legune Station providing secure tenure for the full development



Please note this is a stylised map of Project Sea Dragon and does not represent the accurate scale and location of the project facilities.

For more information please contact [info@seafarms.com.au](mailto:info@seafarms.com.au)



PSD project location within Australia

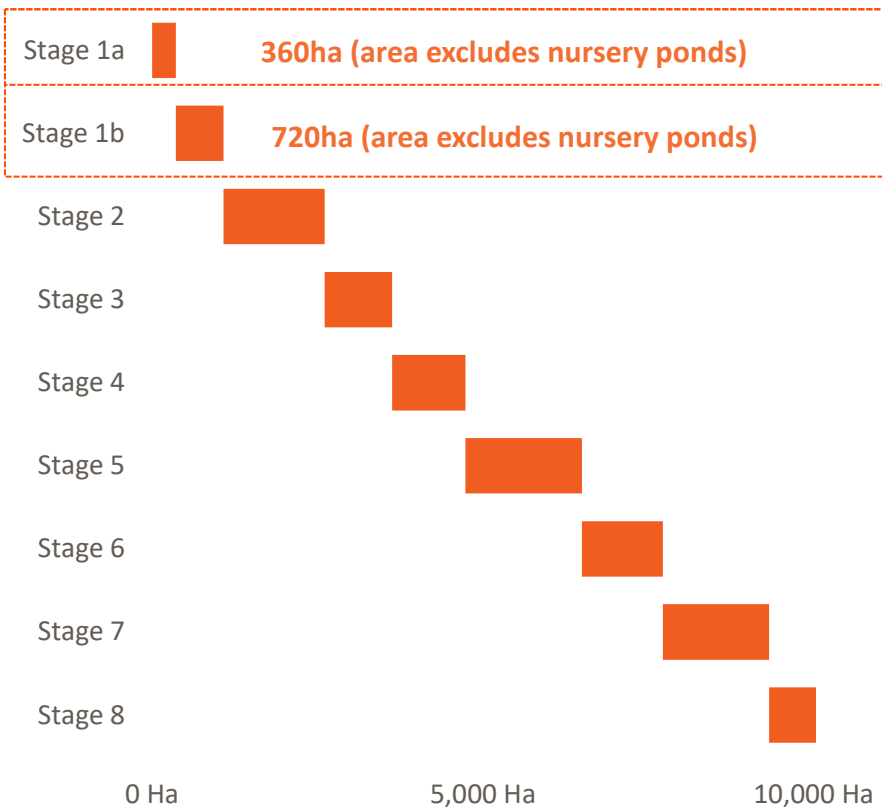
# PSD delivery strategy

The project delivery strategy of PSD as a modular project underpins its scalability for future stages

## Project sequencing

- Stage 1a comprises 36 x ~10ha of grow out ponds, 36 x ~1ha nursery ponds and access, water, hatchery, production and processing infrastructure which is designed to support production of up to approximately 6,000 tonnes per annum of BTP in the first 12 months of production.
- The next planned step is to develop Stage 1b, which will comprise approximately 72 x ~10ha of grow out ponds.
- Stage 1b will be able to utilise much of the infrastructure developed for Stage 1a, including roads, water intake and outlet and communications infrastructure, thereby reducing capital cost per hectare of ponds.
- Much of the infrastructure can be shared for further stages of PSD (with necessary expansion and upgrades).
- Ultimately, PSD has the potential to be expanded to approximately 10,000ha of grow out ponds generating 130,000 to 180,000 tonnes per annum of BTPs.
- Stage 1a production of 6000 tonnes (6 million kgs) pa will deliver robust financial outcomes**
  - Current BTP pricing \$17-\$24 per kg
  - Base case PSD cash cost per kg of \$10.00

## Indicative of completed stages if developed





# Construction at Legune

- ❖ SFG has obtained all the material regulatory approvals, including an Indigenous Land Use Agreement, required for Stage 1 development of PSD
- ❖ SFG have appointed Canstruct to manage a significant portion of the construction
- ❖ 2021 Dry Season construction has commenced
- ❖ 74 person construction camp has been transported to site
- ❖ Construction camp site cleared and camp fit-out underway using local contractors
- ❖ Road-works within the station boundary have commenced
- ❖ Quarrying contract has been awarded and mobilising to site
- ❖ Procurement of long-lead items such as Seawater Intake Pumps is underway
- ❖ Ground broken at Farm 1 site



*Farm 1 pond under construction Photo: MNG*



*Access Road*



*74 person camp at Bundoberg*

## Funding Status of PSD Stage 1a

- The recent equity capital raising of \$107.5m has allowed construction to commence
- Proposed construction debt of \$130m is required to fully fund the development of Project Sea Dragon Stage 1a
  - Discussions with multiple debt providers are well advanced
- Additional Stage 1a funding well progressed to meet first production in Q3 2023



# Prawns (shrimp) offer a massive market opportunity with macro tailwinds

- Strong demand especially from Asia and a significant product premium represent key opportunities



**Strong demand**

- Significant demand for BTP from Asia, with both Japan and China showing growing interest in high quality seafood products
- Seafood products are a focus in high-end supermarkets, restaurants and 5-star hotels, with seafood culturally preferred to red meat
- Nutritional benefits of Japanese cuisine such as sushi and sashimi drives seafood demand

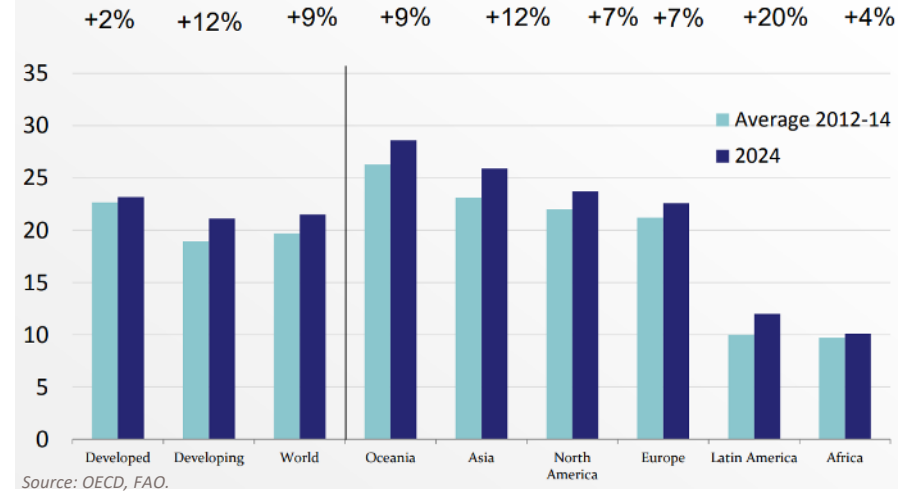


**Premium pricing**

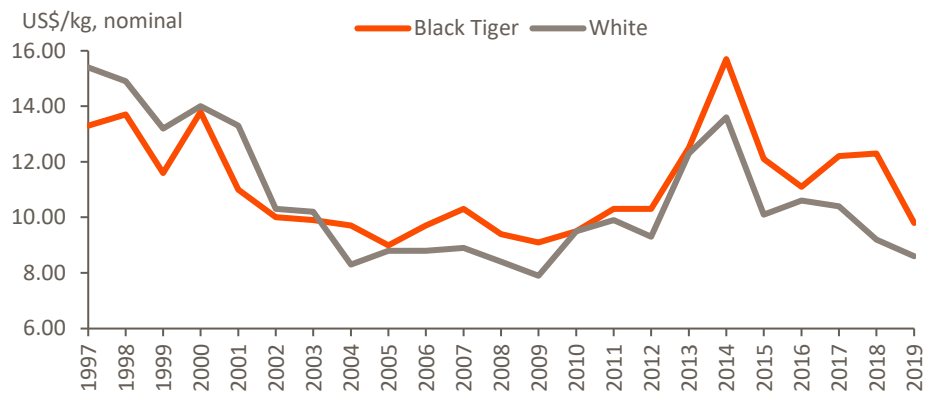
- BTP has achieved a pricing premium to White Prawns ('WP') since 2004
- The majority of prawns are traded on a bilateral basis with premiums for the security of supply, quality and size
- SFG currently captures a significant premium on the price achieved for BTP at its QLD operations compared to the Urner Barry index<sup>1</sup>



**Growth in per capita seafood consumption (kg/capita live weight)**



**BTP price premium – Urner Barry index**



Note: Headless, Shell-On (HLSO) basis; 26-30 count tails ex warehouse US. Source: Urner Barry price data reported in Infofish Trade News. Source: UN, OECD Observer.

1. The Urner Barry shrimp indices are based on the previous week's prices achieved across a select group of US based commodity traders. As such, it represents only a guide to global prices for open market traded products on a spot basis



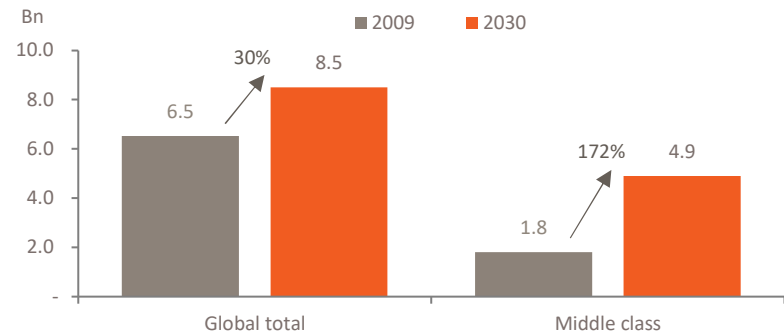
# Scale production to address the market opportunity

- SFG seeks to tap into the increasing demand for protein from a growing middle class.
- A significant proportion of this new demand can only be met by seafood aquaculture

## Key macro-economic trends

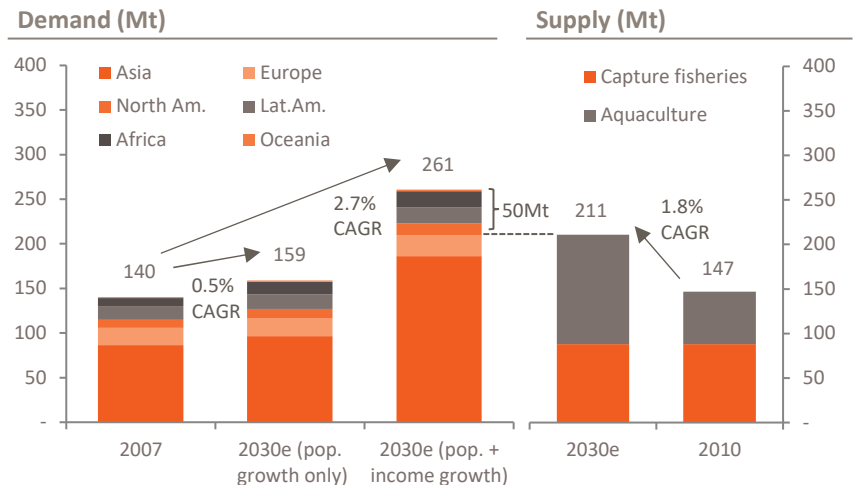
- 1 Global population expected to grow to 8.5bn by 2030
- 2 Levels of urbanisation forecast to increase from 54% in 2015 to 60% by 2030
- 3 Global 'middle class' forecast to increase from 3.7bn in 2019 to 4.9bn by 2030
- 4 Key source of growth is Asia, where seafood is culturally preferred over red meat

## Growing global population and middle class



Source: UN, OECD Observer.

## The role of seafood in meeting protein demand



Source: 2030 FAO projections.

## Impact

- Based upon expected population and income growth, seafood demand expected to reach 261Mt in 2030, up from 140Mt in 2007
- In addition to income growth, increased health awareness amongst the middle class is an important factor for growing seafood demand
  - Major part of daily Asian diet
- Forecast aquaculture supply growth is not sufficient to meet forecast demand growth
  - Current baseline supply growth projections to 2030 leave a shortfall of 50Mt

Source: UN, FAO, OECD Observer. Global Economy and Development at Brookings 2017



## SFG – PSD

# Building one of Australia's largest prawn aquaculture companies

- ▀ PSD construction commenced with first harvest targeted Q4 2023
- ▀ Mick McMahon and Ian Brannan (CEO, CFO, ex Inghams) appointed to industrialise PSD
- ▀ World leading Breeding/Domestication and Genetics Programs (Pathogen Free)
- ▀ Stage 1a production of 6000 tonnes (6 million kgs) pa will deliver robust financial outcomes
  - ▀ Current BTP pricing \$17-\$24 per kg
  - ▀ Base case PSD cash cost per kg of \$10.0
- ▀ Offtake agreements (Nissui, Primstar) covering ~25% of production





## Contact Us

### **Seafarms Group Limited**

Level 11, 225 St Georges Terrace  
Perth WA 6000

PO Box 7312  
Cloisters Square WA 6850

T. +61 8 9216 5200  
E. [info@seafarms.com.au](mailto:info@seafarms.com.au)