



ASX Announcement | 20 June 2024

Seafarms Group Limited (ASX: SFG)

SFG ASX Announcement No: 777

## SALE OF FARM 1 AND FARM 2 ASSETS OF SEAFARM QUEENSLAND PTY LTD

Seafarms Group Limited (ASX: SFG) (**SFG or Company**) is pleased to announce that it (**SFG**) and its wholly owned subsidiary, Seafarm Queensland Pty Ltd (**SQPL**) has entered into binding transaction documents with Mainstream Aquaculture Property Pty Ltd (**Mainstream**) for the sale and leaseback of certain assets and real property owned by SQPL and located in Cardwell, Queensland. The transaction is still in a conditional phase subject to a number of conditions precedent as noted below

Post transaction, SQPL will continue to own and operate Farm 3 in Ingham, the hatchery near Flying Fish Point and the processing plant on the site of Farm 1 in Cardwell.

Peter Fraser, CEO of Seafarms Group Ltd said:

"Farm 3, the Processing Plant, and the hatchery will continue to be fully utilised, with a particular focus on export.

"Farms 1 and 2 have been important in our journey towards Project Sea Dragon (PSD) but have been focused on the production of Banana prawns for the domestic market which is not a part of our strategy going forward.

"Now is an opportune time to sell Farms 1 and 2, streamline our operations and focus on the key contributing elements of PSD—breeding, farming, processing, and exporting world-class Black Tiger prawns."

### Transaction Overview

1. Mainstream Aquaculture is an Australian owned private company and one of the world's largest vertically integrated producers and suppliers of Barramundi under the Infinity Blue brands, with exports into 32 countries and operations in the USA and Australia.
2. Proposed Transaction: Involves the sale of certain assets and property at SQPL's two farms in Cardwell, Queensland. SQPL and its related entity will retain necessary assets for its Ingham farm operations, including its processing plant situated on land that will be leased back from Mainstream for 30 years at a nominal rent.
3. Post-Completion: The Company will focus on prawn aquaculture in Ingham and developing Project Sea Dragon. Proceeds from the transaction will assist in the funding of Project Sea Dragon.

### Key Terms of the Transaction

1. Parties: SQPL (seller), Mainstream (buyer), and SFG (warrantor).

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2. Purchase Price: \$13,500,000 plus GST. Mainstream will advance \$7.56 million as an interest-free secured loan, offset against the purchase price at completion.

3. Conditions Precedent:

- New Term Lease 0/242277: 20-year extension and removal of renewal restriction.
- New Term Lease 0/201142: 20-year extension.
- Occupational Crossing Licences: Renewal from Queensland Rail.
- Buyer Finance: Mainstream raising at least A\$15M.

4. Completion: Set for 30 April 2025.

The Company will update the market with further information in relation to the condition precedent 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.