Seafarms Group Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Seafarms Group Limited
ABN:	50 009 317 846
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

	2025 $	2024 $	Change $	Change %
Revenues from ordinary activities	14,565,734	25,508,062	(10,942,328)	(43%)
Loss from ordinary activities after tax attributable to the members of Seafarms Group Limited	(11,732,479)	(19,312,062)	7,579,583	(39%)
Loss for the year attributable to the members of Seafarms Group Limited	(11,732,479)	(19,312,062)	7,579,583	(39%)

	2025 Cents	2024 Cents
Basic loss per share	(0.24)	(0.40)
Diluted loss per share	(0.24)	(0.40)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.06	0.31

4. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have not been audited.

Seafarms Group Limited

ABN 50 009 317 846

Preliminary final report - 30 June 2025

General information

The financial statements cover Seafarms Group Limited as a Group consisting of Seafarms Group Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled (referred to hereafter as the 'Group') the end of, or during, the year. The financial statements are presented in Australian dollars, which is Seafarms Group Limited's functional and presentation currency.

Seafarms Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Unit 5	54394 Bruce Highway
3 Swan Crescent	Cardwell
Winnellie	Queensland 4849
NT 0820	

Directors	Ian Norman Trahar, B.Ec, MBA *Non-executive Chairman (Director since 13 November 2001)* Harley Ronald Whitcombe, B.Bus, CPA *Executive Director (since 20 May 2022)* Rodney John Dyer B.E, (Mech) *Non-executive Director (since 25 March 2024); Executive Director (20 May 2022 - 25 March 2024)*
Company secretary	Harley Ronald Whitcombe, B.Bus, CPA
Principal registered office	Unit 5, 3 Swan Crescent Winnellie Darwin, NT 0820 Telephone No: (08) 9216 5280
Share register	Computershare Investor Services Pty Limited GPO Box D182 Perth, WA 6000 Telephone No: (08) 9323 2000 Facsimile No: (08 9323 2033
Auditor	Pitcher Partners Level 38, 345 Queen Street Brisbane QLD 4000
Bankers	Commonwealth Bank of Australia Level 21, 180 Ann Street Brisbane QLD 4000 Australia and New Zealand Banking Group Limited 77 St Georges Terrace Perth WA 6000
Stock exchange listing	Seafarms Group Limited shares are listed on the Australian Securities Exchange. Home Exchange - Perth. (ASX code: SFG)
Website	www.seafarms.com.au

Commentary on results

The overall financial performance over the 2025 financial year continues to reflect the investment being made by the Group in pursuing its expansion in aquaculture operations. Despite meaningful continuous engagement with potential funders the ongoing questions regarding the legal status of the Project and lengthy court processes continue to hinder progress.

Queensland Operations
The Group's Queensland operations are conducted at three sites:

- **Flying Fish Point:** Commercial hatchery
- **Cardwell:** Farms 1 & 2 and Processing Plant
- **Ingham:** Farm 3

During the first half of the year, the Banana prawn crop performed well servicing the "Fresh" market in Australia during spring, summer, and peak Christmas markets. However, the full-year performance was impacted by major flooding of the Herbert River affecting Black Tiger prawn production at Farm 3 in February. While the ponds were not inundated there was no access to the farm for several days with the farm relying on on-site feed supplies and fuel to maintain operations. An extraordinary effort by staff supported by our Cardwell operations managed to save the crop. However rapid changes in pond conditions and long periods of low salinity did affect overall crop performance. Continuing cost of living pressures continues to impact the demand for higher value protein products in Australia like prawns, compared to lower priced options.

Production: In 2025, the Group produced a total of 605 metric tonnes (tonnes) of prawns, compared to 1,186 metric tonnes in 2024. This included 294 tonnes of Black Tiger prawns from Farms 1 and 3, and 311 tonnes of Banana prawns from Farms 1 and 2. The lower production was in response to anticipated weaker market conditions.

Banana prawns: Banana prawn stocking was further reduced in FY2025 due to subdued retail conditions and high industry frozen stock levels of wild shrimp.

Black Tiger prawns: As in the prior year Black Tiger prawn production primarily occurred at Farm 3, with a small stocking on Farm 1. Black Tiger production was focussed on fresh production in the domestic market, mainly for Easter and for the continued development of export markets for the future PSD project volumes.

Our continued substantial investment in developing the international market is fundamental to the success of Project Sea Dragon.

Domestic Market conditions: The Australian prawn market faced challenges during the 2024/2025 financial year. Solid aquaculture production volumes from Australian producers combined with subdued retail demand for premium cooked prawns put pressure on margins.

Breeding Program
The investment in the domestication and breeding program continues and similar to the prior year, all black tigers stocked were PLs from domesticated broodstock. PLs sold to other Australian farms during the year performed well generating repeat business for the upcoming financial year.

Project Sea Dragon
On 1 November the Court ordered that Project Sea Dragon Pty Limited (**PSD**) be placed into liquidation. The Company sought and received the repayment of $1.4m advanced to PSD during its administration. The Company has also applied to the Court for the return of funds advanced under the Deed of Company Arrangement (DOCA) to the extent there are funds remaining. Currently the balance of those funds is $1.75m and is held by the Court pending determination of the Company's application. The Federal Court originally ruled in favour of the liquidator that those funds were the property of PSD. The Company was granted leave to appeal that decision and the appeal was heard on 21 August 2025. No judgment was handed down on that day and a judgment is not expected for several months. If the Company is successful, as envisaged, the $1.75m will be returned to the Company. If the Company is unsuccessful then the Company will receive around 82% of the proceeds on liquidation of PSD net of liquidator fees.

The loss for the Group after providing for income tax amounted to $11,732,479 (30 June 2024: $19,312,062)

	Note	2025 $	2024 $
Revenue and other income	5	14,565,734	25,508,062
Expenses			
Finance costs	6	(674,263)	(329,080)
Change in finished goods inventory		(1,819,684)	(2,271,191)
Changes in biological assets		(1,104,908)	(2,542,319)
Feed and consumables		(5,454,789)	(8,641,746)
Energy costs		(2,765,223)	(3,178,536)
Employee benefits expense		(10,785,418)	(12,932,895)
Depreciation and amortisation expense	7	(1,340,774)	(2,310,190)
Gain/(Loss) on disposal of asset	8	8,380,261	(46,489)
Impairment of receivables	12	(400,000)	-
Impairment of right-of-use assets	17	-	(2,099,359)
Initial recognition of financial guarantee contracts	25	(2,337,063)	-
Gain on deconsolidation of subsidiary	30	772,945	-
Legal Fees		(1,796,566)	(1,344,301)
Insurance		(1,116,153)	(1,789,702)
Other Expenses	9	(5,856,578)	(7,334,316)
Loss before income tax expense		(11,732,479)	(19,312,062)
Income tax expense	10	-	-
Loss after income tax expense for the year attributable to the members of Seafarms Group Limited		(11,732,479)	(19,312,062)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the members of Seafarms Group Limited		(11,732,479)	(19,312,062)
		Cents	**Cents**
Basic loss per share	36	(0.24)	(0.40)
Diluted loss per share	36	(0.24)	(0.40)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	11	3,297,134	1,225,696
Trade and other receivables	12	1,878,488	5,845,577
Inventories	13	1,900,383	4,874,357
Biological assets	14	424,798	1,529,706
Other current assets	15	1,480,305	1,470,248
		8,981,108	14,945,584
Assets of disposal groups classified as held for sale		-	5,118,002
Total current assets		8,981,108	20,063,586
Non-current assets			
Property, plant and equipment	16	9,222,423	11,053,873
Right-of-use assets	17	446,060	615,574
Other financial assets	18	133,920	331,999
Total non-current assets		9,802,403	12,001,446
Total assets		18,783,511	32,065,032
Liabilities			
Current liabilities			
Trade and other payables	20	2,973,305	5,136,789
Borrowings	21	7,039,059	5,709,279
Lease liabilities	22	227,760	3,024,949
Employee benefits	23	1,395,160	1,337,398
Provisions	24	-	600,000
Other financial liabilities	25	2,803,216	-
Total current liabilities		14,438,500	15,808,415
Non-current liabilities			
Lease liabilities	22	378,742	1,174,052
Employee benefits	23	194,594	216,310
Provisions	24	70,509	63,072
Other financial liabilities	25	630,462	-
Total non-current liabilities		1,274,307	1,453,434
Total liabilities		15,712,807	17,261,849
Net assets		3,070,704	14,803,183
Equity			
Issued capital	26	300,316,736	300,316,736
Reserves	27	14,832,725	14,832,725
Accumulated losses		(312,078,757)	(300,346,278)
Total equity		3,070,704	14,803,183

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from customers		19,175,116	24,897,014
Payments to suppliers		(28,226,648)	(34,408,130)
		(9,051,532)	(9,511,116)
Interest received		5,994	32,120
Interest and other finance costs paid		(674,263)	(329,080)
Net cash used in operating activities	35	(9,719,801)	(9,808,076)
Cash flows from investing activities			
Payments for property, plant and equipment		(67,672)	(574,941)
Proceeds from sale of Farm 1 and 2 and other assets		13,500,000	4,545
Transaction costs		(1,717)	-
Proceeds from release of security deposits		198,079	-
Net cash from/(used in) investing activities		13,628,690	(570,396)
Cash flows from financing activities			
Increase in borrowings		2,289,059	4,750,000
Repayment of lease liabilities		(1,403,450)	(2,558,638)
Repayment of insurance premium funding		(959,279)	959,279
Payments made under financial guarantee contracts		(1,762,625)	-
Net cash from/(used in) financing activities	35	(1,836,295)	3,150,641
Net increase/(decrease) in cash and cash equivalents		2,072,594	(7,227,831)
Cash and cash equivalents at the beginning of the financial year		1,225,696	8,453,527
Reduction of cash from deconsolidation of PSD	30	(1,156)	-
Cash and cash equivalents at the end of the financial year	11	3,297,134	1,225,696

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2023	300,316,736	14,832,725	(281,034,216)	34,115,245
Loss after income tax expense for the year	-	-	(19,312,062)	(19,312,062)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(19,312,062)	(19,312,062)
Balance at 30 June 2024	300,316,736	14,832,725	(300,346,278)	14,803,183

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2024	300,316,736	14,832,725	(300,346,278)	14,803,183
Loss after income tax expense for the year	-	-	(11,732,479)	(11,732,479)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(11,732,479)	(11,732,479)
Balance at 30 June 2025	300,316,736	14,832,725	(312,078,757)	3,070,704

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Note 1. Basis of preparation

These general purpose consolidated financial statements of Seafarms Group Limited ('Company' or 'Parent Entity') and its controlled entities ('Group') have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards, and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB).

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with IFRS as issued by the IASB.

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of biological assets. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, being the Group's functional and presentation currency, unless otherwise noted.

Seafarms Group Limited is a company, incorporated and domiciled in Australia. The Group is a for profit entity for the purpose of preparation of these financial statements.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the company and its subsidiaries as at 30 June 2025 and the results of the company and its subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

These levels are classified as follows:
(a) Quote prices (unadjusted) in active markets for identical assets or liabilities (level 1);
(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices (level 2); and
(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The only assets or liabilities measured at fair value on a recurring basis by the Group are biological asset (note 14). These fair value measurements fall within level 3 of the fair value hierarchy outlined above.

Note 1. Basis of preparation (continued)

The carrying value of all of the Group's financial assets and financial liabilities approximate their fair value.

Going concern
These financial statements have been prepared on a going concern basis of accounting, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

New or amended Accounting Standards and Interpretations

There are a number of new accounting standards, interpretations and amendments that have been issued but are not yet effective. The new accounting standards, interpretations and amendments that are relevant to the activities of the Group are not expected to have a material impact on the financial statements of the Group in the period of initial application. The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

The Group has applied all new accounting standards and interpretations with effect from 1 July 2024, however none of the new standards or interpretations had a material impact on the financial statements of the Group.

Material accounting policy information

Material accounting policy information is disclosed in the notes to the financial statements to which that information relates.

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 33.

Rounding of amounts

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

Note 2. Critical accounting judgements, estimates and assumptions

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are disclosed in the notes to the financial statement are set out below.

Allowance for expected credit losses on trade & other receivables
Estimates relating to allowance for expected credit losses on trade & other receivables are disclosed at note 12.

Biological assets
Estimates relating to biological assets are disclosed at note 14.

Estimation of useful lives of property, plant & equipment
Estimates relating to estimation of useful lived of property plan & equipment are disclosed at note 16.

Impairment of non-financial assets
Estimates relating to impairment assessment over non-financial are disclosed at note 16.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Measurement of financial guarantee liabilities
Estimates relating to the measurement of financial guarantee liabilities are disclosed in note 25.

Rehabilitation provision
Estimates relating to rehabilitation provision are disclosed in note 24.

Note 3. Financial risk management

The Group's activities may expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures, as management considers this unnecessary given the nature and size of the Group's operations.

Financial assets	**Note**	**2025 $**	**2024 $**
Financial assets at amortised cost			
Cash and cash equivalents	11	3,297,134	1,225,696
Trade and other receivables	12	1,878,488	5,845,577
Other current assets	15	81,693	270,734
Other financial assets	18	133,920	331,999
		5,391,235	7,674,006

Financial liabilities	**Note**	**2025 $**	**2024 $**
Financial liabilities at amortised cost			
Trade and other payables	20	2,973,305	5,136,789
Borrowings	21	7,039,059	5,709,279
Lease liabilities	22	606,502	4,199,001
Other financial liabilities	25	3,433,678	-
		14,052,544	15,045,069

Market risk
(i) Price risk
Exposure
Management has assessed the sensitivity of the profit or loss to price changes as being immaterial.

(ii) Interest rate risk

The Group's only material exposure to interest rate risk is on the variable rate borrowings. At 30 June 2025, the Group had total variable rate borrowings of $7,039,059 (2024: $4,750,000) as set out in note 21.

At 30 June 2025, if interest rates changed by +/- 1% from the year-end rates, with all other variables remaining constant, the after-tax profit/loss for the year would be $70,391 (2024: $47,500) lower/higher.

Note 3. Financial risk management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, a means of mitigating the risk of financial loss from defaults. The Group 's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded are spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the audit committee annually. The Group measures credit risk on a fair value basis.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses or credit enhancement, represents the Group 's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Risk management

Trade receivables

Wholesale customers of prawns and related products are subject to trade credit insurance. Credit limits are set by the insurer and are not exceeded. There have been no bad debts or claims on the insurance policy during the year.

The Group has Trade Credit Insurance in place until 31 May 2026, which has insured indemnity of 90% with a maximum insured amount of $1.5 million.

	2025 $	2024 $
Counterparties without external credit rating *		
Group 1	-	-
Group 2	45,247	1,939,651
Group 3	-	12,967
	45,247	1,952,618

* Group 1 - new customers (less than 6 months)
Group 2 - existing customers (more than 6 months) with no defaults in the past
Group 3 - existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Other receivables

Other receivables comprise non-trade related receivables including expected DOCA funds and minor others. Refer note 12 for detail.

Liquidity risk

The Group manages liquidity risk by maintaining reserves, banking facilities and reserve borrowing facilities by monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Note 3. Financial risk management (continued)

Financing arrangements
The Group does not have access to undrawn borrowing facilities at the end of the reporting period (2024: $Nil).

Maturities of financial and lease liabilities
The tables below analyse the Group’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 Months $	6 - 12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Total contractual cash flows $	Carrying amount liabilities $
At 30 June 2025						
Trade and other payables	2,973,305	-	-	-	2,973,305	2,973,305
Lease Liabilities	133,366	123,132	282,813	114,649	653,960	606,502
Borrowings	7,174,830	-	-	-	7,174,830	7,039,059
Other financial liabilities	1,235,106	1,226,106	623,553	21,000	3,105,765	2,833,678
	11,516,607	1,349,238	906,366	135,649	13,907,860	13,452,544
At 30 June 2024						
Trade and other payables	5,136,789	-	-	-	5,136,789	5,136,789
Lease Liabilities	2,011,653	1,400,789	1,097,678	131,292	4,641,412	4,199,001
Borrowings	5,746,463	-	-	-	5,746,463	5,709,279
	12,894,905	1,400,789	1,097,678	131,292	15,524,664	15,045,069

Note 4. Operating segments

The Group is organised into a single operating segment "Aquaculture" which is represented by the consolidated financial statements and related notes of the Group.

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Board of Directors. The Board of Directors is responsible for the allocation of resources to operating segments and assessing their performance.

During the year ended 30 June 2025 approximately $10,188,811 (2024: $18,622,740) of the Group's external revenue was derived from sales to a national retailer.

Revenues from external customers split between domestic $12,349,561 (2024: $23,656,198) and export $1,529,338 (2024: $1,738,679) sales. Export sales were made to New Zealand and The Netherlands.

The Group has no non-financial non-current assets located outside of Australia.

Note 5. Revenue and other income

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

	2025 $	2024 $
Revenue from contracts with customers		
Sales Fresh	8,133,924	14,613,425
Sales Frozen	4,724,261	10,518,752
Other sales revenue	1,486,590	262,700
	14,344,775	25,394,877
Other income		
Interest income	5,994	32,120
Other income	214,965	81,065
	220,959	113,185
Revenue and other income	14,565,734	25,508,062

Note 6. Finance Costs

	2025 $	2024 $
Interest and finance charges	360,050	968
Interest on lease liabilities	209,123	328,112
Interest on other financial liabilities	105,090	-
Finance costs expensed	674,263	329,080

Note 7. Depreciation and amortisation

	2025 $	2024 $
Depreciation expense		
Buildings	302,349	461,955
Ponds	172,163	395,976
Plant and equipment	631,049	1,198,839
Buildings right-of-use assets	136,893	154,073
Plant and equipment right-of-use assets	98,320	99,347
Total depreciation	1,340,774	2,310,190

Note 8. Gain/(Loss) on disposal of asset

The Group announced on 20 June 2024 that it had entered in agreement for the sale of Farm 1 and Farm 2 at Cardwell for $13,500,000 plus GST subject to a number of conditions. These conditions were satisfied on 16 August 2024 and the sale settled on 30 April 2025. The purchase price included the land on which Farms 1 and 2 are located and all the assets associated with those farms including plant & equipment and leases but excluding the processing building and plant & equipment. Farm 3 and the hatchery were not part of the transaction.

The property plant & equipment that was sold had a written down book value at 30 June 2024 of $5,118,002 and was reflected in current assets as at 30 June 2024 as 'Assets of disposal groups classified as held for sale'.

	2025 $	2024 $
Gain/(Loss) on disposal of assets	8,380,261	(46,489)

The gain on sale is represented by the following:

	Land	Assets	2025 Total
Contract price	5,656,282	7,843,718	13,500,000
Assets held for sale (at WDV)	(900,000)	(4,218,022)	(5,118,022)
Transaction costs	(1,106)	(611)	(1,717)
	4,755,176	3,625,085	8,380,261

Farms 1 and 2 were leased back from Mainstream for a period of 8 month to 8 January 2026 and the Company has stocked a number of ponds for harvesting at Christmas time. The Company has used the exemption within AASB for short terms leases and not recognised a right of use asset or corresponding lease liabilities.

Note 9. Other Expenses

	2025 $	2024 $
Consultants and professional fees	727,021	859,031
Freight	692,481	1,126,190
Research expense	40,326	95,343
Travel expense	482,638	539,632
Logistics	51,600	128,978
Repairs and maintenance	977,966	944,941
Hire equipment	312,211	429,852
Rent	206,900	160,141
Sales and marketing	107,326	511,927
Construction Costs	140,362	189,925
Other Expenses	2,117,747	2,348,356
	5,856,578	7,334,316

Note 10. Income tax expense

	2025 $	2024 $
Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	(11,732,479)	(19,312,062)
Tax at the statutory tax rate of 25%	(2,933,120)	(4,828,016)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	606	1,247
Gain on deconsolidation of subsidiary	(193,235)	-
	(3,125,749)	(4,826,769)
Movement of deferred tax assets not recognised	(13,878,732)	(980,849)
Tax losses not recognised	17,004,481	5,807,618
Income tax expense	-	-

Note 11. Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	2025 $	2024 $
Current assets		
Cash at bank	3,297,134	1,225,696

Note 12. Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables represent receivables in respect of which the Group’s right to consideration is unconditional subject only to the passage of time. Trade receivables are non-derivative financial assets measured at amortised cost. A gain or loss on trade and other financial assets that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

The credit period for the majority of trade receivables ranges from current to 90 days with the average being 30 days. In determining the recoverability of a trade receivable, the Group used the expected credit loss model as per AASB 9.

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2025 or 30 June 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group measures expected credit losses on other receivables using the general approach prescribed in AASB 9. Under this approach, where credit risk on each individual other receivable has not increased significantly since initial recognition, the loss allowance for that receivable is measured at an amount equal to 12-month expected credit losses. Where credit risk has increased significantly since initial recognition, the loss allowance represents the lifetime expected credit loss.

Critical accounting estimates - Expected credit losses on trade and other receivables

The determination of the expected credit loss on trade and other receivable relies on the Group to exercise judgment. In respect of trade receivables the Group takes out debtors insurance and has assessed the residual risk of credit loss not covered by insurance to be negligible. In respect of other receivables, where the amount to be received is subject to certain conditions the Group assesses the likelihood of those conditions being met. Where those conditions are unlikely to be met the Group will create a provision for expected loss.

No expected credit loss allowance is recognised in respect of the DOCA funding receivable. The group has assessed that there has been no significant increase in credit risk in respect of the DOCA funding receivable from the date of its initial recognition. As discussed below, the funds are presently held by the liquidator and subject to a court order preventing their distribution until such time as the court makes a final decision and order as to the group's entitlement to the funds.

Note 12. Trade and other receivables (continued)

	2025 $	2024 $
Current assets		
Trade receivables	45,247	1,952,618
Less: Allowance for expected credit losses	-	-
	45,247	1,952,618
Other receivables	-	190,371
DOCA funding owed by Project Sea Dragon Pty Ltd (In Liquidation)	1,678,116	3,500,000
Loans to employees	7,171	33,664
	1,685,287	3,724,035
GST receivable	147,954	168,924
	1,878,488	5,845,577

Other receivables of $1,678,115 relates to DOCA funding owed by Project Sea Dragon Pty Ltd (In Liquidation).

The Group's wholly owned subsidiary, Project Sea Dragon Pty Limited (PSD), entered into a Deed of Company Agreement (DOCA) with Shaun McKinnon, Andrew Fielding (as the deed Administrators) and Seafarms Group Limited as the Proponent.

The DOCA was executed on 23 March 2023 and a Deed of Rectification was executed shortly after on the 24 March 2023. Under the terms of the DOCA, SFG paid an amount to the Administrator (DOCA Funds) to settle payments to creditors of PSD and reimburse the Company for certain post administration payments made on behalf of PSD.

Before the Administrator was able to disburse the DOCA Funds Canstruct Pty Ltd (who is a creditor to PSD) sought to have the DOCA terminated and was granted an injunction by the court preventing the Administrator disbursing those funds until the case was determined. This case was heard in the Federal Court in August 2023 with a decision made in February 2024 finding in favour of Canstruct to set aside the DOCA and place PSD into liquidation. Seafarms appealed that decision and the execution of the court order to place PSD into liquidation was stayed until the appeal could be heard and determined.

The appeal was unsuccessful and ultimately PSD was placed in liquidation on 1 November 2024 and remains in liquidation as at the date of this report.

Separately the Court found in favour of Seafarms Group in returning $1.4 million of the Deed funds to Seafarms Group and the balance of $1.678 million is subject to an appeal to be heard on 21 August 2025.

In the unlikely event the appeal is lost, SFG would be entitled to a return of 82% of the assets of PSD, after the liquidators' costs.

In respect of that amount owing Seafarms has recorded a balance of $1.678m reconciled as follows:

	2025 $	2024 $
Opening balance at 1 July	3,500,000	-
Advanced during the year	-	3,500,000
Impairment charge	(400,000)	-
Funds received	(1,421,884)	-
Balance at 30 June	1,678,116	3,500,000

Note 12. Trade and other receivables (continued)

Trade receivables past due, not impaired

As of 30 June 2025, trade receivables of $nil (2024: $294,743) were past due but not impaired.

	2025 $	2024 $
0 to 3 months overdue	-	249,792
3 to 6 months overdue	-	44,951
	-	294,743

Note 13. Inventories

Agricultural produce harvested from the Group's biological assets is measured at its fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying AASB 102 *Inventories.*

Inventory is stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

	2025 $	2024 $
Current assets		
Finished goods - at cost	1,411,517	3,231,201
Feed and consumables - at cost	488,866	1,643,156
	1,900,383	4,874,357

Finished goods are harvested prawns from the Group's aquaculture operations in North Queensland.

Feed and consumables relate wholly to the Group's aquaculture operations.

Note 14. Biological assets

Prawn livestock is carried at fair value. Fair value is the amount which could be expected to be received from the sale of the livestock in an orderly transaction between market participants.

In the absence of an active and liquid market fair value is determined in accordance with a Directors' valuation using the present value of expected net cash flows from the prawn livestock discounted at a current market-determined rate. The expected net cash flows take into account a number of assumptions including the survival rate, harvest average body weight, average market price, discount rate and average production cost per kilogram. The net cash flows include harvesting costs and freight costs to market.

Note 14. Biological assets (continued)

The change in estimated fair value of prawn livestock is recognised in the profit or loss in the reporting period and is classified separately.

The prawn livestock with a weight of less than 1 gram (including all hatchery stock), is carried at historic cost as an estimate of fair value given that little or no biological transformation has taken place. Cost includes all of the costs associated with the production of the livestock.

Domesticated broodstock is carried at replacement cost. Replacement cost is the expected cost to replace the number of broodstock required to produce sufficient post larvae to meet stocking requirements.

Critical accounting estimates - Biological assets

As referred to in the accounting policy above the fair value of biological assets is estimated using a cash flow model which incorporates a number of assumptions. Management is required to exercise significant judgement in estimating the underlying cash flows where those assumptions are not based on observable market data (‘Level 3’ inputs). The most significant assumptions requiring management judgement are in respect of the survival rate, harvest average body weight, average market price, discount rate and average production cost per kilogram until harvest-ready.

Livestock	**2025** **$**	**2024** **$**
Opening Balance	1,529,706	4,072,025
Gain arising from changes in fair value less estimated costs to sell	10,731,901	19,455,207
Transferred to inventories	(11,836,809)	(21,997,526)
Closing Balance	424,798	1,529,706

The closing balance of $424,798 (2024: $1,529,706) includes the hatchery live crop of $nil (2024: $200,000).

Closing balance of $424,798 comprised livestock valued at cost (as an approximation of fair value) of $321,588 and livestock valued at fair value of $103,210. The livestock valued at cost were animals that were stocked just prior to year end and were less than 1 gram in body weight. These animals had little biological transformation, and cost was considered to approximate fair value.

Valuation processes

The Group's finance team performs the valuations of the Group ’s biological assets for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit and risk committee (ARC). Discussions of valuation processes and results are held between the CFO and the ARC at least once every six months, in line with the Group ’s half-yearly reporting requirements.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Survival rate, harvest average body weight and average production cost per kilogram is determined based on actual rates achieved over the last 6-12 months.
- Prawn market prices are based on active liquid market prices achieved over the last 3-6 months.
- Discount rate is determined using a capital asset pricing model to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Changes in level 3 inputs and fair values are analysed at the end of each reporting period during the half-yearly valuation discussion between the CFO and ARC. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Note 14. Biological assets (continued)

Sensitivity Analysis - Biological Assets

Based on the market prices and weights used at 30 June 2025, with all other variables held constant, the Group's profit for the period would change as follows:

- A pricing increase/decrease of 1% would have been a change of $2,804 higher/lower;
- A feed price increase/decrease of 1% would have been a change of $184 lower/higher.

Risk management strategies for biological assets

The Group is exposed to risks arising from environmental and climatic changes and market prices. These risks are not specifically quantified but form part of the overall assessment of the appropriate discount rate adopting for valuing the live crop.

The Group has strong operating procedures to prevent and mitigate the impact of disease and environmental risks.

The Group is exposed to some risks arising from fluctuations in the price and demand of prawn. To mitigate those risks the Group continues to focus on producing a high quality product that is well sought after in the market. Where appropriate the Group will also enter into supply contracts.

Note 15. Other current assets

	2025 $	2024 $
Current assets		
Prepayments	1,398,612	1,199,514
Security deposits	81,693	270,734
	1,480,305	1,470,248

Note 16. Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Freehold Buildings	10 - 50 years
Ponds	10 - 50 years
Plant and equipment	2 - 15 years
Leasehold improvements	Length of lease
Vehicles	3 - 5 years
Furniture, fittings and equipment	5 years

Note 16. Property, plant and equipment (continued)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to income statement.

Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Critical accounting estimates - Useful lives

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

	Freehold Land $	Freehold buildings $	Ponds $	Plant and equipment $	Leasehold Improvements $	Assets under construction $	Total $
As at 1 July 2023							
Cost	2,010,000	6,237,295	7,919,543	19,855,061	32,997	13,500,829	49,555,725
Impairment	-	-	-	(1,448,480)	(12,984)	(13,500,829)	(14,962,293)
Subtotal	2,010,000	6,237,295	7,919,543	18,406,581	20,013	-	34,593,432
Accumulated depreciation	-	(1,336,261)	(3,306,015)	(12,248,662)	(20,013)	-	(16,910,951)
Net book value	2,010,000	4,901,034	4,613,528	6,157,919	-	-	17,682,481
Year ended 30 June 2024							
Opening WDV	2,010,000	4,901,034	4,613,528	6,157,919	-	-	17,682,481
Additions	-	171,583	-	403,359	-	-	574,942
Transfer to assets held for sale - cost	(900,000)	(579,637)	(4,476,256)	(5,730,205)	-	-	(11,686,098)
Transfer to assets held for sale - accumulated depreciation	-	292,544	1,994,002	4,303,807	-	-	6,590,353
Disposal at WDV	-	-	-	(51,035)	-	-	(51,035)
Transfers	-	-	-	-	-	-	-
Depreciation charge	-	(461,955)	(395,976)	(1,198,839)	-	-	(2,056,770)
Closing WDV	1,110,000	4,323,569	1,735,298	3,885,006	-	-	11,053,873

Note 16. Property, plant and equipment (continued)

	Freehold Land $	Freehold buildings $	Ponds $	Plant and equipment $	Leasehold Improvements $	Assets under construction $	Total $
As at 30 June 2024							
Cost	1,110,000	5,829,240	3,443,288	14,205,630	32,997	13,500,829	38,121,984
Impairment	-	-	-	(1,448,480)	(12,984)	(13,500,829)	(14,962,293)
Subtotal	1,110,000	5,829,240	3,443,288	12,757,150	20,013	-	23,159,691
Accumulated depreciation	-	(1,505,673)	(1,707,989)	(8,872,143)	(20,013)	-	(12,105,818)
Net book value	1,110,000	4,323,567	1,735,299	3,885,007	-	-	11,053,873
As at 1 July 2024							
Cost	1,110,000	5,829,240	3,443,288	14,205,630	32,997	13,500,829	38,121,984
Impairment	-	-	-	(1,448,480)	(12,984)	(13,500,829)	(14,962,293)
Subtotal	1,110,000	5,829,240	3,443,288	12,757,150	20,013	-	23,159,691
Accumulated depreciation	-	(1,505,673)	(1,707,989)	(8,872,143)	(20,013)	-	(12,105,818)
	1,110,000	4,323,567	1,735,299	3,885,007	-	-	11,053,873
Year ended 30 June 2025							
Opening WDV	1,110,000	4,323,567	1,735,299	3,885,007	-	-	11,053,873
Additions	-	-	-	67,672	-	-	67,672
Depreciation charge	-	(302,349)	(172,163)	(631,049)	-	-	(1,105,561)
Deconsolidation of PSD refer note 30:							
Assets at cost	-	(1,237,097)	-	(3,710,326)	-	-	(4,947,423)
Accumulated depreciation	-	453,601	-	2,282,808	-	-	2,736,409
Impairment	-	-	-	1,417,453	-	-	1,417,453
Closing WDV	1,110,000	3,237,722	1,563,136	3,311,565	-	-	9,222,423
At 30 June 2025							
Cost	1,110,000	4,592,143	3,443,288	10,562,976	32,997	13,500,829	33,242,233
Impairment	-	-	-	(31,027)	(12,984)	(13,500,829)	(13,544,840)
Subtotal	1,110,000	4,592,143	3,443,288	10,531,949	20,013	-	19,697,393
Accumulated depreciation	-	(1,354,421)	(1,880,152)	(7,220,384)	(20,013)	-	(10,474,970)
	1,110,000	3,237,722	1,563,136	3,311,565	-	-	9,222,423

Note 16. Property, plant and equipment (continued)

Impairment testing

Critical accounting estimates - Impairment of non-financial assets

Determining whether the other non-current assets are impaired requires an estimation of fair value less cost of disposal on a cash generating unit basis. The fair value less cost of disposal calculation requires the directors to estimate the fair value less costs of disposal of the assets in an arms length transaction between willing and knowledgeable parties. If the estimated fair value less cost of disposal is lower than the carrying value of the asset an impairment loss may arise.

Queensland aquaculture CGU ('QLDAQ')

As at 30 June 2025 the carrying value of property, plant and equipment for the Queensland Aquaculture cash-generating-unit ("CGU") was $9,299,880 (2024: $10,307,267). No impairment was necessary for QLDAQ in either 2025 or 2024.

Management's approach and the key assumptions used to determine the CGU's FVLCOD in FY2025 were as follows:

CGU	Unobservable inputs	2025	2024	Approach in determining key assumptions
QLDAQ	Cost of disposal	5%	5%	Estimated based on the company's experience with disposal of assets and on industry benchmarks
	Sales price per hectare	$65,000 to $105,000	$62,000 to $91,000	Based on an independent valuation of the properties.

Note 17. Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 17. Right-of-use assets (continued)

	Leasehold land $	Leased buildings $	Leased plant and equipment $	Total $
As at 1 July 2023				
Cost	23,725,356	2,475,058	1,352,447	27,552,861
Impairment and remeasurement	(21,149,349)	(681,694)	(28,134)	(21,859,177)
Subtotal	2,576,007	1,793,364	1,324,313	5,693,684
Accumulated depreciation	(2,576,007)	(1,520,247)	(1,215,740)	(5,311,994)
Net book value	-	273,117	108,573	381,690
Year ended 30 June 2024				
Opening WDV	-	273,117	108,573	381,690
Additions	2,099,359	124,219	385,343	2,608,921
Transfer to assets held for sale - cost	-	-	(872,886)	(872,886)
Transfer to assets held for sale - accumulated depreciation	-	-	850,628	850,628
Depreciation charge	-	(154,073)	(99,347)	(253,420)
Impairment	(2,099,359)	-	-	(2,099,359)
Closing WDV	-	243,263	372,311	615,574
As at 30 June 2024				
Cost	25,824,715	2,599,277	864,904	29,288,896
Impairment and remeasurement	(23,248,708)	(681,694)	(28,134)	(23,958,536)
Subtotal	2,576,007	1,917,583	836,770	5,330,360
Accumulated depreciation	(2,576,007)	(1,674,320)	(464,459)	(4,714,786)
Net book value	-	243,263	372,311	615,574

	Leasehold Land $	Leased buildings $	Leased plant and equipment $	Total $
As at 1 July 2024				
Cost	25,824,715	2,599,277	864,904	29,288,896
Impairment and remeasurement	(23,248,708)	(681,694)	(28,134)	(23,958,536)
Subtotal	2,576,007	1,917,583	836,770	5,330,360
Accumulated depreciation	(2,576,007)	(1,674,320)	(464,459)	(4,714,786)
Net book value	-	243,263	372,311	615,574

Note 17. Right-of-use assets (continued)

Year ended 30 June 2025				
Opening WDV	-	243,263	372,311	615,574
Additions	-	51,716	18,477	70,193
Depreciation charge	-	(136,893)	(98,320)	(235,213)
Deconsolidation of PSD refer note 30				
Assets at cost	(25,739,903)	(503,574)	-	(26,243,477)
Accumulated depreciation	2,550,563	395,417	-	2,945,980
Impairment and remeasurement	23,189,340	103,663	-	23,293,003
Closing WDV	-	153,592	292,468	446,060
As at 30 June 2025				
Cost	84,812	2,147,418	883,380	3,115,610
Impairment and remeasurement	(59,368)	(578,031)	(28,134)	(665,533)
Subtotal	25,444	1,569,387	855,246	2,450,077
Accumulated depreciation	(25,444)	(1,415,795)	(562,778)	(2,004,017)
Net book value	-	153,592	292,468	446,060

Note 18. Other financial assets

	2025 $	2024 $
Non-current assets		
Secured assets pledged as security	133,920	331,999

Cash not available for use

$133,920 (2024: $331,999) is held as security for bank facilities and office lease guarantees.

Note 19. Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 19. Deferred tax (continued)

	2025 $	2024 $
Non-current assets		
Deferred tax asset comprises temporary differences attributable to:		
Fair value	575,349	190,156
Work in progress	-	11,457,572
Provisions	415,066	1,820,818
Other deductible expenses	849,384	1,557,298
Depreciable assets	298,637	994,662
Lease assets and liabilities	40,110	911,625
Unpaid super	19,388	2,953
Other financial liabilities	858,420	-
Net deferred tax assets	3,056,354	16,935,084
Deferred tax balances not recognised	(3,056,354)	(16,935,084)
Deferred tax asset	-	-
Movements:		
Opening balance	-	-
Total for the year	(13,878,732)	(980,849)
Amount of deferred tax assets not recognised	13,878,732	980,849
Closing balance	-	-

Unrecognised tax losses

As at balance date, the Group has not recognised the following deferred tax assets in respect of unused tax losses:

	2025 $	2024 $
Tax losses (revenue in nature)	48,869,121	45,614,624
Tax Losses (capital in nature)	12,501,282	1,043,060

Note 20. Trade and other payables

	2025 $	2024 $
Current liabilities		
Trade payables	2,397,039	3,758,888
PAYG Payable	105,556	114,426
Accruals	201,608	961,565
Other payables	269,102	301,910
	2,973,305	5,136,789

Note 21. Borrowings

	2025 $	2024 $
Current liabilities		
Unsecured liability		
Loan - Avatar Finance Pty Ltd	7,039,059	4,750,000
Secured liability		
Insurance Premium Funding	-	959,279
	7,039,059	5,709,279

On 18 April 2024, the Group entered into a Revolving Credit Agreement with Avatar Finance Pty Ltd. The total amount available under this facility was $3,000,000 with an interest rate equal to the Reserve Bank rate, The facility was repayable on 1 September 2024.

On 20 August 2024 the facility was amended increasing the facility limit to $7,000,000 and the interest was set at BBSY +4% paid monthly.

On 5 December 2024, the repayment of the facility was extended to 30 September 2025, and on 26 February 2025 the facility limit was increased to $8,500,000.

The facility arrangements were provided on commercial terms and conditions.

Note 22. Lease liabilities

Liabilities arising from a lease are initially measured on a present value basis.

The lease payments are discounted using the interest implicit in the lease. If the rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in similar economic environment with similar terms and conditions.

Lease are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group leases various offices, equipment and vehicles. Rental contracts are typically made for fixed periods of 12 months to 5 years.

Extension and termination options, and residual value guarantees are included in a number of property and equipment leases of the Group . The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Some property and equipment lease payments contain variable lease payments that are linked to consumer price index and are included in the calculations of right-of-use assets and lease liabilities in relation to these leases.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Note 22. Lease liabilities (continued)

	2025 $	2024 $
Current liabilities		
Lease liability	227,760	3,024,949
Non-current liabilities		
Lease liability	378,742	1,174,052
	606,502	4,199,001

Note 23. Employee benefits

	2025 $	2024 $
Current liabilities		
Annual leave	922,332	948,769
Long service leave	472,828	388,629
	1,395,160	1,337,398
Non-current liabilities		
Long service leave	194,594	216,310
	1,589,754	1,553,708

Note 24. Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

	2025 $	2024 $
Current liabilities		
Provision for rehabilitation *	-	600,000
Non-current liabilities		
Lease make good	70,509	63,072
	70,509	663,072

Refer note 30 for details of PSD Deconsolidation.

Note 24. Provisions (continued)

Critical accounting estimates - Rehabilitation provision

The rehabilitation provision relies on an estimate of the cost of rehabilitating the Project Sea Dragon sites. The Group uses judgment in
(i) assessing the extent of work required to be agreed with relevant stakeholders;
(ii) developing a detailed scope of work to be undertaken to achieve the agreed work; and
(iii) estimating the costs of performing that work. In estimating the cost of undertaking the work the Group will take into consideration quoted costs for undertaking similar work.

The rehabilitation provision is an estimate of the cost of rehabilitating Project Sea Dragon project sites. This is a liability of Project Sea Dragon Pty Ltd (In Liquidation) which is guaranteed by Seafarms Group Limited. Accordingly, this remains a liability of the of the Group but has been reclassified as Other financial liabilities on deconsolidation of Project Sea Dragon Pty Ltd during the year (refer note 25). This liability would only become payable in the event that the Group no longer proceeded to develop the project on those sites.

Critical accounting estimates - Make good provision for leased premises

The Group is required to restore the leased premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease and the useful life of the assets.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

2025	Rehabilitation provision $	Make good provision $	Provision for construction liabilities $	Total $
Carrying amount at start of year	600,000	63,072	-	663,072
- additional provisions recognised	-	7,437	-	7,437
- reclassification to other financial liabilities	(600,000)	-	-	(600,000)
Carrying amount at end of period	-	70,509	-	70,509

2024	Rehabilitation provision $	Make good provision $	Provision for construction liabilities $	Total $
Carrying amount at start of year	1,000,000	83,631	-	1,083,631
- provisions no longer required	(400,000)	(20,559)	-	(420,559)
Carrying amount at end of period	600,000	63,072	-	663,072

Note 25. Other financial liabilities

Other financial liabilities are liabilities of Project Sea Dragon Pty Ltd (In Liquidation) and its subsidiaries that have been guaranteed by SFG. These liabilities specifically include lease liabilities and associated rehabilitation obligations.

SFG guarantees for lease liabilities are measured on a present value basis. The guaranteed lease payments are discounted using the incremental borrowing rate of the Group. Financial guarantee contracts are initially recognised at their fair value determined at net present value of estimated future cash outflows.

The measurement of the expected loss allowance is consistent with the basis on which the fair value of the financial guarantee contract was measured at initial recognition.

	2025 $	2024 $
Current liabilities		
SFG Guarantees		
PSD Legune Rehabilitation provision	600,000	600,000
Kununurra office lease liability	8,950	34,347
Exmouth land lease liability	12,463	8,589
Legune land sub-lease liability	2,181,803	2,433,984
	2,803,216	3,076,920
Non-current liabilities		
SFG Guarantees		
Kununurra office lease liability	-	8,950
Exmouth land lease liability	40,181	37,602
Legune land lease liability	590,281	1,075,984
	630,462	1,122,536
	3,433,678	4,199,456

	2025 $	2024 $
Opening balance at 1 July	-	-
Initial recognition on deconsolidation of PSD (note 30)	2,859,242	-
Payments made	(1,762,627)	-
Additional guarantees recognised in the period	2,337,063	-
Closing balance at 30 June	3,433,678	-

Note 25. Other financial liabilities (continued)

Critical Accounting estimates – Guarantee liabilities

The liability for guarantees relies on an estimate of the likelihood of those guarantees being called on. Project Sea Dragon Pty Limited (in liquidation) is not in a position to fund the lease payments nor the make-good obligation and therefore the probability of the guarantees being called is considered to be 100%.

Critical Accounting estimates – Guarantee of lease liability Legune Station

The SFG guarantee for rehabilitation at Legune is measured at management's best estimate of the expenditure required to settle the obligation at the end of the report period.

The guarantee liability relies on an estimate of the length of the lease.

Under the terms of the lease agreement, The Group may terminate the lease with 6 months written notice prior to the lease anniversary date of 12 December. The Group has not been advised that that the lease has been terminated within the notice period, and therefore considers the minimum guarantee period to be the period extending to 12 December 2026

Note 26. Issued capital

	2025 Shares	2024 Shares	2025 $	2024 $
Ordinary shares - fully paid	4,836,599,179	4,836,599,179	300,316,435	300,316,435
Convertible preference shares - fully paid	30,150,190	30,150,190	301	301
	4,866,749,369	4,866,749,369	300,316,736	300,316,736

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Convertible preference shares
The convertible preference shares were issued at $0.00001. To convert to fully paid ordinary shares each holder is required to pay $0.06499. Conversion can occur at any time at the election of the holders. Conversion of convertible preference shares may only be made in multiples of 1,000 convertible preference shares at a conversion ratio of 1 convertible preference share to 1 fully paid ordinary share. There is no debt component linked to the convertible preference shares and no maturity date.

The convertible preference shares have limited voting rights as described in ASX Listing Rule 6.3 and are entitled to the payment of a dividend equal to one hundred thousandth of any dividends declared in respect of ordinary shares and such dividend will rank in priority over ordinary shares for payment. Dividends on convertible preference shares will not be cumulative.

Note 27. Reserves

	2025 $	2024 $
Financial assets at fair value through other comprehensive income reserve	(24,740)	(24,740)
Share-based payments reserve	13,186,761	13,186,761
Options reserve	1,670,704	1,670,704
	14,832,725	14,832,725

Nature and purpose of other reserves

Share-based payments
The share-based payments reserve is used to recognise:
- the grant date fair value of options issued to employees but not exercised
- the grant date fair value of shares issued to employees
- the issue of shares held by the Seafarms Employee Share Trust to employees
- the grant date fair value of options issued to third parties but not exercised.

Option premium
The option premium represents the fair value of 47,734,412 Seafarms Group Limited options issued historically.

Financial assets at fair value through other comprehensive income reserve
Changes in the fair value of financial assets are taken to the financial assets revaluation reserve.

Note 28. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2025 $	2024 $
Short-term employee benefits	1,918,444	1,821,536
Post-employment benefits	106,378	97,547
Long-term benefits	5,899	(2,419)
	2,030,721	1,916,664

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Pitcher Partners, the auditor of the Group :

	2025 $	2024 $
Audit services - Pitcher Partners		
Audit or review of the financial statements	169,000	168,000

Note 30. Project Sea Dragon Pty Ltd - Deconsolidation impact

The table below reflects the impact of the deconsolidation of Project Sea Dragon Pty Ltd (In Liquidation) on the group accounts as at 1 November 2024, the date the court ruled Project Sea Dragon Pty Ltd to be in liquidation.

Assets and Liabilities Deconsolidated

	2025 $	2024 $
Cash at bank	1,156	-
Trade and other receivables	189,800	-
Property, plant and equipment	793,559	-
Right of use assets	4,493	-
Trade and other payables	(1,761,953)	-
Lease liabilities - current	(2,212,774)	-
Lease liabilities - non-current	(46,468)	-
Provision for rehabilitation	(600,000)	-
Net liabilities deconsolidated	(3,632,187)	-

Impact of deconsolidation on the Net Assets of the Group

	2025	2024
Net Liabilities deconsolidated	3,632,187	-
Less Liabilities guaranteed by SFG - current*	(2,812,774)	-
Less Liabilities guaranteed by SFG - non-current*	(46,468)	-
Increase in Net Assets	772,945	-

* As at date of deconsolidation.

Note 31. Contingent liabilities

Secured liabilities and assets pledged as security

The Group has been required to provide guarantee facilities of $nil (2024: $198,079) in respect of office leases and a guarantee of $133,920 (2024:$133,920) in favour of Great Barrier Reef Marine Parks. The Group maintains term deposits with the bank to secure these facilities which are classified as other financial assets on the consolidated statement of financial position.

Canstruct legal costs

Canstruct has been awarded its costs of the Federal Court proceedings relating to Project Sea Dragon Pty Ltd. The quantum of those costs will be the subject of a courts assessment. They are presently unknown and cannot be reliably estimated.

Note 32. Related party transactions

Parent entity
Seafarms Group Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 34.

Key management personnel
Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the directors' report.

Note 32. Related party transactions (continued)

Loans to/from related parties
The following transactions occurred with related parties:

Loan from Avatar Finance Pty Ltd	2025 $	2024 $
Loan balance owing at year end	7,039,059	4,750,000

The terms and conditions of repayment of the loan are disclosed in note 21.

Note 33. Parent entity information

The financial information for the Parent entity, Seafarms Group Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries
Investments in subsidiaries are accounted for at cost less impairment in the consolidated financial statements of Seafarms Group Limited. Dividends received from subsidiaries are recognised in the Parent entity's profit or loss when its right to receive the dividend is established.

(ii) Financial guarantees
Where the Parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

Statement of comprehensive income	2025 $	2024 $
Loss for the period	(11,732,479)	(19,312,062)

Statement of financial position	2025 $	2024 $
Current assets	3,680,771	5,871,016
Non-current assets	12,598,726	16,923,215
	16,279,497	22,794,231
Current liabilities	(12,152,897)	(7,456,550)
Non-current liabilities	(1,055,896)	(534,498)
	(13,208,793)	(7,991,048)
Net Assets	3,070,704	14,803,183
Shareholders' equity		
Issued Capital	300,306,107	300,306,107
Reserves	14,857,465	14,857,465
Accumulated losses	(312,092,868)	(300,360,389)
Total equity	3,070,704	14,803,183

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The Parent entity has guaranteed certain obligations of Project Sea Dragon Pty Limited (In Liquidation), the value of which are included in current and non-current liabilities.

Note 33. Parent entity information (continued)

Contractual commitments for the acquisition of property, plant or equipment
As at 30 June 2025 and 30 June 2024, the Parent entity had no contractual commitments for the acquisition of property, plant or equipment.

Note 34. Interests in subsidiaries

Name	Principal place of business / Country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %
Seafarms Operations Pty Ltd	Australia	100.00%	100.00%
Seafarm Hinchinbrook Pty Ltd	Australia	100.00%	100.00%
Marine Harvest Australia Pty Ltd	Australia	100.00%	100.00%
Marine Farms Pty Ltd	Australia	100.00%	100.00%
Seafarm Queensland Pty Ltd	Australia	100.00%	100.00%
Sea Dragon Shrimp Pty Ltd	Australia	100.00%	100.00%
CO2 T'EE Employee Share Plan Pty Ltd	Australia	100.00%	100.00%
Project Sea Dragon Pty Ltd *	Australia	-	100.00%
PSD Construction Employment Pty Ltd *	Australia	-	100.00%
PSD Operations Employment Pty Ltd *	Australia	-	100.00%
PSD Infrastructure Co Pty Ltd *	Australia	-	100.00%
Project Sea Dragon Finance Pty Ltd *	Australia	-	100.00%

* Project Sea Dragon Pty Limited and its subsidiaries were placed into liquidation on 1 November 2024 and have been removed from the Group from that day. Refer note 30.

Note 35. Reconciliation of loss after income tax to net cash used in operating activities

	2025 $	2024 $
Loss after income tax expense for the year	(11,732,479)	(19,312,062)
Adjustments for:		
Depreciation and amortisation	1,340,774	2,310,190
Initial recognition of financial guarantee contracts	2,337,063	-
Impairment of assets	-	2,099,359
Net (gain)/loss on disposal of non-current assets	(8,380,261)	46,489
Net gain on deconsolidation	(772,945)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	3,777,290	(377,370)
Increase in other current assets	(10,058)	(10,128)
Decrease in biological assets	1,104,908	2,542,319
Decrease in inventories	2,973,974	2,806,497
Increase/(decrease) in trade and other payables	(401,550)	440,968
Increase in current employee benefits	57,762	216,175
Decrease in non-current employee benefits	(21,716)	(149,954)
Decrease in other provisions	-	(400,000)
Increase/(decrease) in non-current provisions	7,437	(20,559)
Net cash used in operating activities	(9,719,801)	(9,808,076)

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from Financing activities.

	Opening Balance 1 July 2024 $	Cash movement $	Non-cash movement $	Closing Balance 30 June 2025
Borrowings (note 21)	5,709,279	1,329,780	-	7,039,059
Lease liabilities (note 22)	4,199,001	(1,403,450)	(2,189,049)	606,502
Other financial liabilities (note 25)	-	(1,762,627)	5,196,305	3,433,678
	9,908,280	(1,836,297)	3,007,256	11,079,239

	Opening Balance 1 July 2023 $	Cash movement $	Non-cash movement $	Closing Balance 30 June 2024
Borrowings (note 21)	-	5,709,279	-	5,709,279
Lease liabilities (note 22)	4,148,718	(2,558,638)	2,608,921	4,199,001
	4,148,718	3,150,641	2,608,921	9,908,280

Note 36. Earnings per share

	2025 $	2024 $
Loss per share from continuing operations attributable to the ordinary equity holders of the Company	(11,732,479)	(19,312,062)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	4,836,599,179	4,836,599,179
	Cents	**Cents**
Basic loss per share	(0.24)	(0.40)
Diluted loss per share	(0.24)	(0.40)