

ASX Announcement | 22 July 2021

Seafarms Group Limited (ASX:SFG)

SFG Announcement No. 691

Queensland Operational Update

Investment Highlights

- 🌿 Cropping continues to outperform
 - 🍷 Farm 2 significantly outperforms budget
 - 🍷 Domestication program leading to improved commercial outcomes
- 🌿 Strong international interest in Project Sea Dragon premium product (Crystal Bay®)
 - 🍷 Four containers of export product have been processed
 - 🍷 Strong rebound in international shrimp prices since February 2021
- 🌿 Major bio-security and operational milestones achieved
 - 🍷 For the first time nursery ponds for the upcoming crop, have been stocked with 100% fifth generation (G5) domesticated Black Tiger animals
 - 🍷 On track to breed the sixth generation of domesticated animals this year
- 🌿 Further significant safety outcomes achieved

Sustainable aquaculture company Seafarms Group Limited (ASX:SFG) (“Seafarms” or “the Company”) is pleased to announce the ongoing improvements to the performance of its Queensland operations.

Queensland Operational Highlights

Further to SFG’s announcement on 18 May 2021 describing Farm 3 production outcomes, the Company provides the following commentary on Farm 2 which continues to show encouraging production outcomes from domesticated broodstock:

- 🌿 Farm 2 production is to be completed in July
 - 🍷 50% of production is from fully domesticated Black Tiger G5 animals
 - 🍷 Preliminary harvesting results indicates significant out performance has been achieved
- 🌿 Overall production exceeded budget
 - 🍷 Financial Year production was 1,068 tonnes (12% above budget)
 - 🍷 Black Tiger Prawn yield was 8.0 tonnes per hectare across all farms, a 21% increase on FY20
 - 🍷 Banana Prawn yield was 8.3 tonnes per hectare, a 9% increase on FY20
 - 🍷 Ongoing focus on domestication in Black Tiger Prawns has contributed to improved commercial outcomes

Seafarms is also pleased to advise that Mr Alistair Dick, one of Australia's most experienced prawn farm operators will be joining the company in a senior management role, based at Cardwell. This represents another tangible step in identifying and attracting talent to deepen the organisation in readiness for Project Sea Dragon.

As previously outlined, the aged east coast farms continue to be used as commercial pilots to refine and develop operating concepts for PSD. At a crop level Farm 3 has achieved more than the biological benchmarks assumed for PSD.

Development of export markets continues

Four containers of export product (to Japan and Europe) have been processed, continuing to develop our export markets for Project Sea Dragon. These containers will be delivered to our sales partners over the next few months.

Since Seafarms' announced its successful equity raising in June 2021 the Company has received strong feedback from our industry offtake partners showing renewed and growing interest from potential end user customers.

Seafarms will continue to work with its offtake partners towards the production of PSD's first crop, expected in the third quarter of 2023, with Queensland current operations being now stretched to meet our domestic and international demand.

Significant interest from other potential offtake partners across the globe has also been received. Enquiries are originating from Asian countries as well as the USA – with some also requesting sample containers to be supplied.

Globally, the second quarter of 2021 has seen the food service shrimp sector reviving particularly well in some European countries and USA. This improved situation has led to a continuous price improvement on an almost weekly basis since the end of February 2021 as reflected in the USA's shrimp selling Index. These significant increases have been seen across all origins and shrimp species.

New stocking - 100% fully domesticated animals

Seafarms' strategies and processes to domesticate Black Tiger Prawns announced in June 2014 continues to deliver significant results. This work program has eliminated the dependence on wild caught broodstock that in turn carries significant operational and biosecurity risks at material annual costs. The sixth generation of domesticated animals is expected in the second half of 2021.

The Flying Fish Point hatchery breeding performance (fecundity) of the domesticated G5 animals is in line with international benchmarks for these metrics. The ability to produce large numbers of post-larvae from these spawners has enabled the nursery ponds to be completely stocked with domesticated animals for the Christmas crop for the first time.

Major commercial outcome – after six years of domesticated breeding development.

October and November stockings (including Farm 3) are also planned to be stocked with 100% domesticated G6 animals.

Independent analysis undertaken for the Company has confirmed statistically significant differences at Farm 3 in days of culture and feed conversion ratios between animals bred from wild broodstock and those from domesticated broodstock.



CURRENT TYPICAL PRODUCTION SIZE (RHS) COMPARED TO LARGER ANIMALS GROWN AT FARM 3 (LHS)



LARGE FARM 3 BLACK TIGER PRAWN

Significant safety outcomes

- Further significant improvement in safety outcomes reflecting ongoing importance and focus of safety in the organisation.
 - Nil Lost Time Injuries for the year
 - 88% reduction in TRIFR for the 12 months to June 2021

Australian Research Council Research Hub

Seafarms welcomes the announcement by Minister Alan Tudge of funding for the Australian Research Council Research Hub for Supercharging Tropical Aquaculture Through Genetic Solutions, led by Professor Dean Jerry at James Cook University. Seafarms participation in this Hub will build on previous Research and Development investment and the Company looks forward to working with algal, finfish and pearl sectors to create value to the tropical aquaculture sector as a whole.

Approved and authorised for release by Seafarms' Disclosure Committee.

Ends.

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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.

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

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 130,000 – 180,000 tonnes of prawns and the high-quality, year-round volumes will target export markets. To learn more please visit: www.seafarms.com.au