



Business update

2nd Half 2022 and preliminary full year 2022

BARRAMUNDI GROUP LTD
28 Feb 2023



Building an Asia Pacific aquaculture leader

Barramundi Group builds a fully integrated aquaculture leader with a premium product in a high growth market



Platform

A scalable platform established in '05

Raising Barramundi in tropical waters close to growing Asia Pacific markets, with fish from a 17 year selective breeding program, protecting fish health with extensive vaccination.



Operations

Optimising farming operations

Improving current operation through ensuring optimal fish health, welfare, feeding and growth, reducing operational risks and maximising efficiencies through mechanization and scale



Market

Building a mass market

Marketing Ocean Barramundi as a premium product in selected growth markets, through own brands, growing the market from a base of 1,600 restaurants, hotels, and retailers.



Growth

Securing capacity for growth

Barramundi group is securing capacity to grow from 2,000 tonnes capacity in 2021 to 7,000 tonnes in 2026 and further to a long term target of 75,000 tonnes.

Highlights

- Revenue for second half of 2022 was SGD 18.3 million (second half of 2021: SGD 15.6 million) from harvest volume of 946 tonnes WFE (versus 964 tonnes WFE).
- Net profit for the second half of 2022 was -SGD 7.8 million (second half of 2022: SGD 18.8 million)*
- In Australia, in the second half of 2022, the group has successfully negotiated with its key customers to increase the selling price, to compensate for cost inflation.
- In Singapore, in the second quarter, and in the third quarter of 2022 we stocked our new site at St. John's Island with vaccinated juveniles to carry out a vaccine field trial in cooperation with a multinational pharmaceutical company.
- In Brunei, the diagnostics laboratory has been completed and commissioned. Together with animal health technicians and vets, this allows for quick local diagnostics and PCR of bacterial and viral pathogens.



Profit and Loss for the Financial Year 2022 (Unaudited)

	Actual 2H 2022 Unaudited \$	Proforma 2H 2022 Unaudited \$	Actual 2H 2021 Audited \$	Actual FY 31 Dec 2022 Unaudited \$	Proforma FY 31 Dec 2022 Unaudited \$	Actual FY 31 Dec 2021 Audited \$
Revenue	18,308,142	18,308,142	15,597,070	35,227,681	35,227,681	32,701,453
Other income	693,496	693,496	3,475	1,017,360	1,017,360	1,352,991
Raw materials and consumables	(15,257,494)	(15,451,542)	(11,515,235)	(27,891,994)	(28,241,071)	(22,464,019)
Farm personnel expenses	(2,371,129)	(4,419,137)	(4,318,622)	(4,065,047)	(8,772,474)	(8,833,826)
Fair value loss on biological assets	1,818,049	1,381,328	(3,855,176)	(5,449,036)	(2,999,910)	(3,905,825)
Fish mortalities	(1,910,242)	(1,057,382)	(1,693,032)	(3,631,126)	(2,131,521)	(2,947,929)
Depreciation expenses	(1,344,454)	(2,324,523)	(2,117,998)	(2,194,384)	(3,892,598)	(3,981,041)
Amortisation expenses	(282,150)	(282,150)	(282,150)	(564,300)	(564,300)	(564,300)
Impairment loss on goodwill	-	-	(2,500,000)	-	-	(2,500,000)
Administrative expenses	(5,923,571)	(5,923,571)	(6,911,588)	(9,160,017)	(9,160,017)	(9,986,014)
Distribution expenses	(885,094)	(885,094)	(735,659)	(1,888,115)	(1,888,115)	(1,976,722)
Finance expenses	(638,922)	(638,922)	(533,975)	(1,118,279)	(1,118,279)	(1,775,871)
Loss before tax	(7,793,369)	(10,599,355)	(18,862,890)	(19,717,257)	(22,523,243)	(24,881,103)
Income tax credit	50,257	50,257	20,697	20,697	20,697	20,697
Net loss for the financial period	(7,743,112)	(10,549,098)	(18,842,193)	(19,696,560)	(22,502,546)	(24,860,406)
Other comprehensive income/(loss): Items that may be reclassified subsequently to profit or loss: - Currency translation gain/(loss) on translating foreign operations	1,906,807	1,906,807	809,858	1,806,695	1,806,695	307,458
Total comprehensive loss for the financial period	(5,836,305)	(8,642,291)	(18,032,335)	(17,889,865)	(20,695,851)	(24,552,948)
(Loss)/profit attributable to:						
Owners of the Company	(7,512,193)	(10,318,179)	(19,051,005)	(19,565,013)	(22,370,999)	(25,471,465)
Non-controlling interests	(230,919)	(230,919)	208,812	(131,547)	(131,547)	611,059
	(7,743,112)	(10,549,098)	(18,842,193)	(19,696,560)	(22,502,546)	(24,860,406)
Total comprehensive (loss)/income attributable to:						
Owners of the Company	(5,605,386)	(8,411,372)	(18,241,147)	(17,758,318)	(20,564,304)	(25,164,007)
Non-controlling interests	(230,919)	(230,919)	208,812	(131,547)	(131,547)	611,059
	(5,836,305)	(8,642,291)	(18,032,335)	(17,889,865)	(20,695,851)	(24,552,948)

Balance Sheet as at 31 December 2022 (Unaudited)

	31 Dec 2022 Unaudited \$	31 Dec 2021 Audited \$
ASSETS		
Current assets		
Cash and cash equivalents	11,169,662	28,482,011
Trade and other receivables	6,861,526	7,200,974
Inventories	7,928,583	3,511,581
Biological assets	16,322,468	19,384,330
	<u>42,282,239</u>	<u>58,578,896</u>
Non-current assets		
Biological assets	1,474,359	1,083,883
Property, plant and equipment	27,863,259	25,932,732
Intangible assets	10,611,083	11,175,383
Deferred income tax assets	1,943,408	2,090,984
	<u>41,892,109</u>	<u>40,282,982</u>
Total assets	<u>84,174,348</u>	<u>98,861,878</u>
LIABILITIES		
Current liabilities		
Trade and other payables	7,878,638	9,362,551
Employee benefits	387,989	430,454
Borrowings	14,462,562	6,630,421
Deferred capital grants	127,924	127,924
	<u>22,857,113</u>	<u>16,551,350</u>
Non-current liabilities		
Employee benefits	59,841	-
Borrowings	17,884,489	22,447,596
Deferred capital grants	6,227,990	4,857,039
Provision for reinstatement	55,980	55,980
Deferred income tax liabilities	3,255,740	3,424,010
	<u>27,484,040</u>	<u>30,784,625</u>
Total liabilities	<u>50,341,153</u>	<u>47,335,975</u>
Net assets	<u>33,833,195</u>	<u>51,525,903</u>
EQUITY		
Share capital	153,913,373	153,913,373
Other reserves	(1,430,830)	(2,799,486)
Accumulated losses	(124,166,175)	(105,236,358)
Non-controlling interests	5,516,827	5,648,374
Total equity	<u>33,833,195</u>	<u>51,525,903</u>

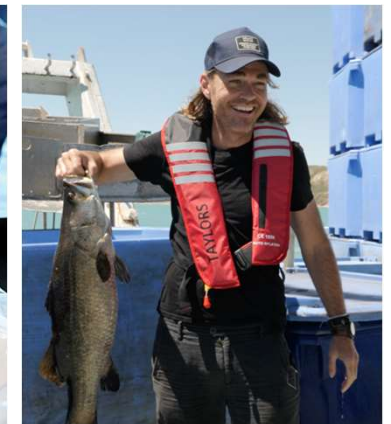
Cash Flow for the Financial Year 2022 (Unaudited)

	FY 31 Dec 2022 Unaudited \$	FY 31 Dec 2021 Audited \$
Cash flows from operating activities		
Loss before tax	(19,717,257)	(24,881,103)
Adjustments for:		
- Fair value adjustment on biological assets	5,449,036	3,905,825
- Amortisation of government grant	(429,409)	(387,285)
- Depreciation of property, plant and equipment and right-of-use assets	2,086,606	3,873,263
- Depreciation of biological assets	107,778	107,778
- Property, plant and equipment written-off	913,305	3,340,602
- Amortisation of intangible assets	564,300	564,300
- Impairment loss on goodwill	-	2,500,000
- Employee share option expenses	197,157	498,314
- Interest expense	1,131,536	1,775,871
- Interest income	(13,257)	(21,691)
- Provision for employee benefits	50,753	(209,534)
	(9,659,452)	(8,933,660)
Changes in working capital:		
- Biological assets	(2,024,039)	(1,625,651)
- Inventories	(4,446,310)	(1,548,291)
- Trade and other receivables	158,297	(459,901)
- Trade and other payables	(758,389)	572,905
Cash used in operations, representing net cash used in operating activities	(16,729,893)	(11,994,598)
Cash flows from investing activities		
Additions to property, plant and equipment	(6,205,940)	(8,033,243)
Interest received	13,257	21,691
Net cash used in investing activities	(6,192,683)	(8,011,552)
Cash flows from financing activities		
Proceeds from issuance of/(Payments from cancellation of) ordinary shares	-	17,107,799
Share issue expenses	-	(1,106,092)
Repayment of third party loans	-	(3,240,000)
Proceeds from borrowings	3,702,995	10,657,092
Repayment of lease liabilities	(1,096,065)	(1,332,493)
Interest paid	(1,131,536)	(1,775,871)
Capital contribution from non-controlling interests	-	1,020,000
Redemption of redeemable convertible preference shares	-	(2,363,725)
Grant received	1,800,360	-
Net cash provided by financing activities	3,275,754	18,966,710
Net (decrease)/increase in cash and cash equivalents	(19,646,822)	(1,039,440)
Cash and cash equivalents		
Beginning of the financial year	28,482,011	29,327,259
Effects of currency translation on cash and cash equivalents	2,334,473	194,192
End of the financial year	11,169,662	28,482,011

Key Financials & Highlights - Australia

- Net sales for second half of 2022 were increased by SGD 1.2 million. In the second half of 2022, the group had successfully negotiated with its key customers to increase the selling price, to compensate for cost inflation. The net effect on margins however was still negative as increases in prices were achieved later in the year, lagging increases in costs.
- The average net selling price for Australia was SGD 10.77 for the second half of 2022, compared to SGD 9.41 with the same period of 2021.

	Actual	Actual	Actual	Actual
	2H 2022	2H 2021	FY 31 Dec 2022	FY 31 Dec 2021
Net sales (S\$) (in million)	\$8.33	\$7.10	\$15.05	\$15.40
Net selling price (S\$)	\$10.77	\$9.41	\$10.94	\$9.64
Harvest tonnage (T)	769	771	1,497	1,582
Biomass end of quarter (T)	1,477	1,683	1,477	1,683



Key Financials & Highlights - Singapore

- Net sales in the second half of 2022 were SGD 0.2 million lower than in the same period of 2021. Following the relaxation of pandemic restrictions, there was an uplift in sales to hotels and restaurants in the second half of 2022 compared with the same period in 2021. This recovery led to a change in sales mix which resulted in lower average selling price of five percent per kg in the Singapore market.
- As previously communicated, a viral outbreak at our Semakau grow-out site in Singapore in December 2021, caused elevated mortalities which lasted throughout the first quarter of 2022. The site was harvested out in the second and third quarters. Limited stocking commenced at our new grow-out site at St. John's Island with vaccinated juveniles to carry out the planned SDDV (Scale Drop Disease Virus) vaccine field trial.



	Actual	Actual	Actual	Actual
	2H 2022	2H 2021	FY 31 Dec 2022	FY 31 Dec 2021
Net sales (S\$) (in million)	\$2.28	\$2.49	\$4.94	\$4.76
Net selling price (S\$)	\$12.56	\$12.98	\$12.91	\$13.47
Harvest tonnage (T)	133	192	390	354
Biomass end of quarter (T)	2	378	2	378

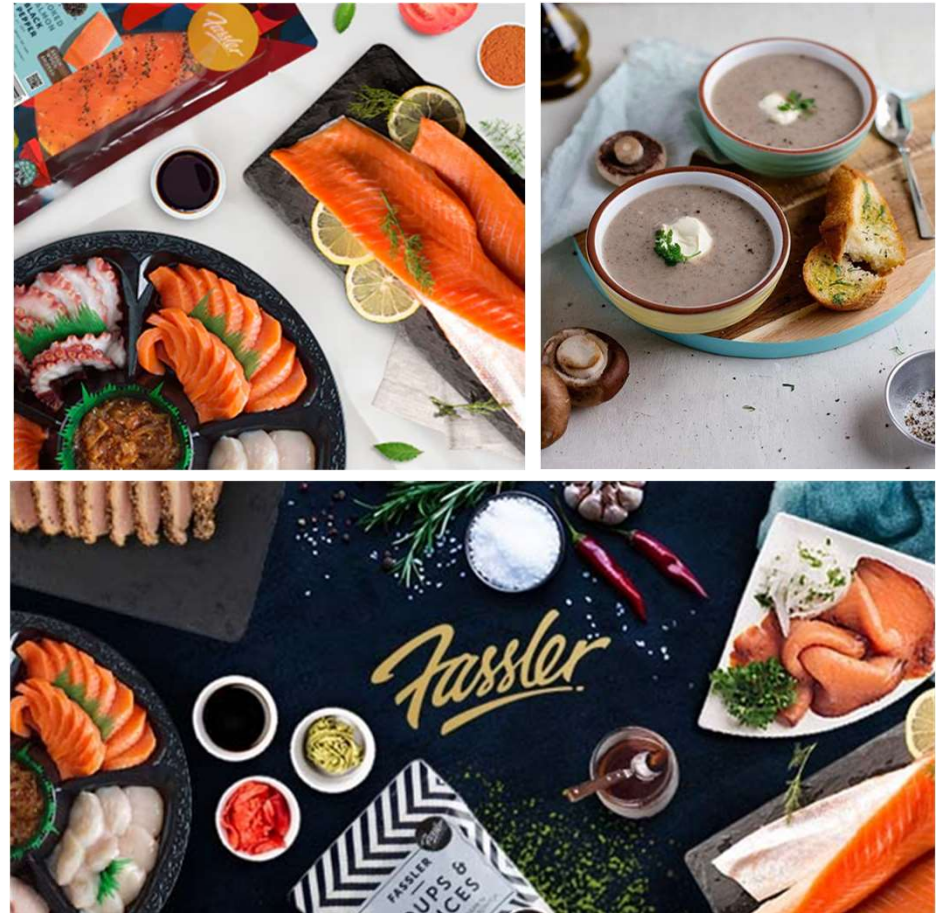
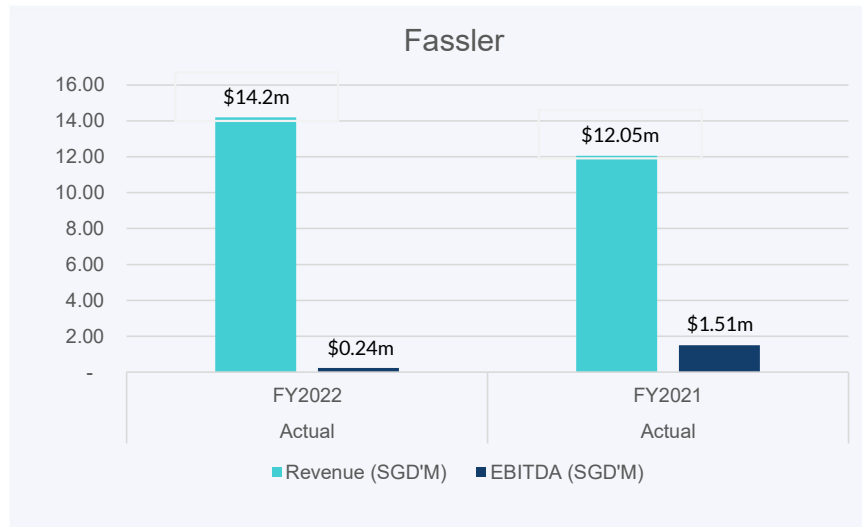
Operating Highlights – Brunei

- Total sales of approximately B\$109K with sales tonnage of 12 tonnes since commencing limited local and International sales to Singapore during the trial harvest in May 2022.
- Operational and facilities improvements at RAS resulted in approx. 90% survival rate for batch 5 up to A - 60g and B - 600g. This is equivalent to operating the facility at twice its designed capacity – 6tons to 12 tons.
- The RAS facility is currently trialing to grow fish up to 2Kg as part of Barramundi Group Brunei R&D Trials plans for year 2023.
- The diagnostics laboratory has been completed and commissioned. Together with animal health technicians and vets, this allows for quick local diagnostics and PCR of bacterial and viral pathogens.
- Signed lease to Sg Paku 13ha pond site as an alternative to Pelumpong sea nursery site. This is part of Barramundi Group Brunei's 2023 trial R&D plans and future development.
- Preliminary broodstock and hatchery facility development and planning has commenced, to provide ability to self-supply fry and fingerlings.



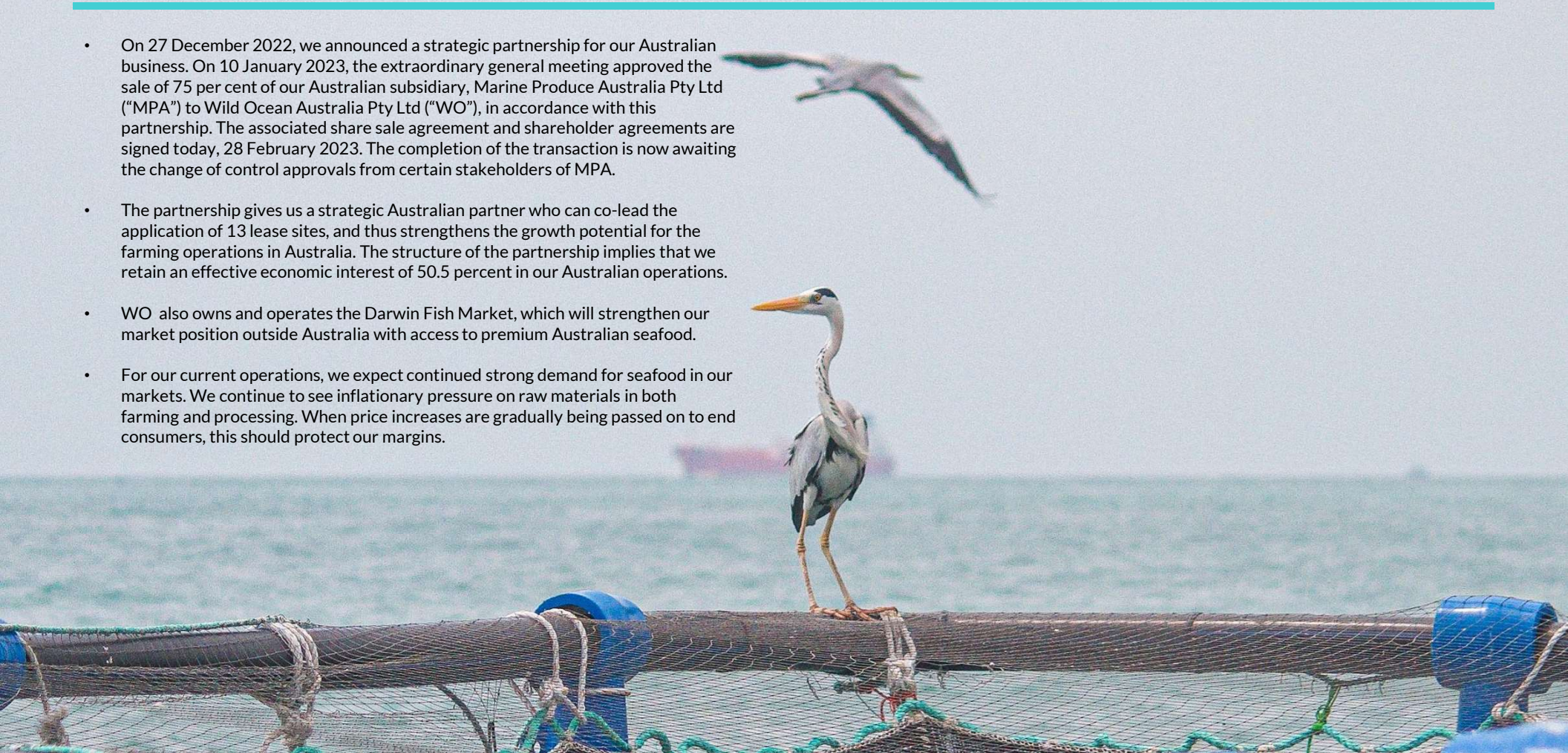
Key Financials & Highlights- Fassler

- Fassler's revenue for the second half of 2022 increased by SGD 1 million (17 per cent) compared with the same period of 2021 following a more aggressive digital marketing strategy, joint promotions with an online shopping platform and an increase in selling price to customers. However, early gains were eroded with the sudden and significant increases in key raw materials, cold storage and energy costs. While these increases were gradually fed through to end customers from the second quarter of 2022, there was a significant impact on our EBITDA-margin.



Outlook

- On 27 December 2022, we announced a strategic partnership for our Australian business. On 10 January 2023, the extraordinary general meeting approved the sale of 75 per cent of our Australian subsidiary, Marine Produce Australia Pty Ltd (“MPA”) to Wild Ocean Australia Pty Ltd (“WO”), in accordance with this partnership. The associated share sale agreement and shareholder agreements are signed today, 28 February 2023. The completion of the transaction is now awaiting the change of control approvals from certain stakeholders of MPA.
- The partnership gives us a strategic Australian partner who can co-lead the application of 13 lease sites, and thus strengthens the growth potential for the farming operations in Australia. The structure of the partnership implies that we retain an effective economic interest of 50.5 percent in our Australian operations.
- WO also owns and operates the Darwin Fish Market, which will strengthen our market position outside Australia with access to premium Australian seafood.
- For our current operations, we expect continued strong demand for seafood in our markets. We continue to see inflationary pressure on raw materials in both farming and processing. When price increases are gradually being passed on to end consumers, this should protect our margins.



Financial Calendar

2022 Annual Report	28 April 2023
Q1 2023 Quarterly Report	31 May 2023
Q2 2023 Quarterly Report	30 Aug 2023
Q3 2023 Quarterly Report	29 Nov 2023
Q4 2023 Quarterly Report	28 Feb 2024



Appendix

Alternative performance measures

Barramundi Group Ltd discloses alternative performance measures as a supplement to the financial statements prepared in accordance with IFRS. Such performance measures are commonly used by analysts, investors and other stakeholders to evaluate the performance of the company and its businesses. The measures are provided to give an enhanced insight into the operations of the company and its businesses.

Operating EBITDA and/or Operational EBITDA is net profit/(loss) before amortization and depreciation expenses, finance costs, provision for income taxes, excluding new sites, one-off non-operational costs and fair value adjustments on biological assets.

Operating EBIT and/or Operational EBIT is net profit/(loss) before finance costs, provision for income taxes, excluding new sites, one-off non-operational costs and fair value adjustments on biological assets.

Operating EBT and/or Operational EBT is net profit/(loss) before provision for income taxes, excluding new sites, one-off non-operational costs and fair value adjustments on biological assets.

Operating net profit/(loss) and/or Operational net profit/(loss) is net profit/(loss) excluding new sites, one-off non-operational costs and fair value adjustments on biological assets.



Thank You