



ASX Announcement | 16 March 2026  
Seafarms Group Limited (ASX: SFG)  
SFG ASX Announcement No: 808

Appendix 4D  
Half Year Report – 31 December 2025

Seafarms Group Limited (ASX: SFG) today announces its interim financial results for the six months ending 31 December 2025 (H1 FY26).

This announcement has been approved by the Board.

Ends.

For further information, please contact:

**Seafarms Group**

Mr. Harley Whitcombe  
Company Secretary  
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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 Limited**  
ABN 50 009 317 846

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Winnellie NT 0820 Australia

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Spring Hill QLD 4004

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## 1. Company details

Name of entity:	Seafarms Group Limited
ABN:	50 009 317 846
Reporting period:	For the half-year ended 31 December 2025
Previous period:	For the half-year ended 31 December 2024

## 2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	34.3% to	7,409,285
Loss from ordinary activities attributable to the members of Seafarms Group Limited	up	6.4% to	(7,096,543)
Loss for the half-year attributable to the members of Seafarms Group Limited	up	6.4% to	(7,096,543)

### Dividends

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

### Comments

The loss for the Group amounted to \$7,096,543 (31 December 2024: \$6,672,701).

## 3. Dividends

### Current period

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

### Previous period

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

## 4. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.08)</u>	<u>0.06</u>

# Seafarms Group Limited

ABN 50 009 317 846

For personal use only Half-year Report - 31 December 2025

Directors	<p>Ian Norman Trahar, B.Ec, MBA <i>Non-executive Chairman (Director since 13 November 2001)</i></p> <p>Harley Ronald Whitcombe, B.Bus, CPA <i>Executive Director (since 20 May 2022)</i></p> <p>Rodney John Dyer B.E, (Mech) <i>Non-executive Director (since 25 March 2024); Executive Director (20 May 2022 - 25 March 2024)</i></p>	
Company secretary	Harley Ronald Whitcombe, B.Bus, CPA	
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 (ASX code: SFG)	
Website	<a href="http://www.seafarms.com.au">www.seafarms.com.au</a>	

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Seafarms Group Limited (referred to hereafter as the 'Company' or 'Parent Entity' or 'SFG') and the entities it controlled at the end of, or during, the half-year ended 31 December 2025.

#### Directors

The following persons were directors of Seafarms Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Ian Trahar  
Rodney Dyer  
Harley Whitcombe

#### Review of operations

The loss for the Group amounted to \$7,096,543 (31 December 2024: \$6,672,701).

#### *Operating results*

Seafarms Group Limited (the Company) continues to pursue the development of Project Sea Dragon Shrimp and in securing project funding.

The Group's net loss after tax of \$7,096,543 (31 December 2024: \$6,672,701) for the first six months of the financial year 2026 reflects the ongoing investment in Project Sea Dragon Shrimp.

#### *Project Sea Dragon Shrimp*

The Company, through its wholly owned subsidiary Sea Dragon Shrimp Pty Limited (**SDS**) successfully completed the acquisition of all the non-cash assets and undertakings of Project Sea Dragon Pty Limited (in liquidation) for \$750,000 + GST. This purchase was completed on 15 December 2025.

This purchase includes all licenses, approval and agreements that can be assigned or transferred to SDS, and the Company is currently working with all the relevant stakeholders to effect those transfers and assignments. The Company is applying for new licenses and approvals where those licenses cannot legally be transferred to SDS and has the full support of relevant governments.

The one remaining outstanding matter that requires resolution to finalise the liquidation of Project Sea Dragon Pty Ltd (In Liquidation) (PSD) is the determination of the ownership of an amount of \$1.4m held by the Liquidator. These funds were provided to PSD by SFG to fund a Deed of Company Arrangement that was subsequently voided by the Court. Under the terms of the DOCA in the event the DOCA is not effected those funds are to be returned to the Company. The liquidators of PSD on behalf of PSD claim those funds remain the property of PSD. A Federal court hearing to resolve this matter took place in August 2025 and the parties await the judgment. While it is expected that the matter will be resolved in favour of the Company, if the liquidators are successful then those funds will form the cash assets of PSD to be distributed to creditors net of any final costs of the liquidation. As the Company is the largest creditor of PSD it will receive the majority of those funds in any event.

After several years of legal uncertainty, the acquisition of all the assets and undertakings of PSD by SDS will enable the Company to attract funding to Project Sea Dragon Shrimp (**the Project**) unhindered by uncertainty over its legal status and the time to resolve that.

The Company is now actively engaged with several potential funders with the aim of securing project financing and a Final Investment Decision within this financial year.

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### *Queensland Operations*

The main activity for the December half-year was the successful harvest of the Banana crop with 177t of fresh cooked banana prawns produced in late November and December, the majority of which were supplied into the Christmas market.

The total production for the December half year was 206t including 22t of black tiger prawns from the finalisation of the Farm 3 black tiger crop the majority of which was harvested in the 6 months to June 2025.

Sales revenue for the December half year of \$7.4m comprised fresh Banana prawns sold domestically, the export of frozen raw black tiger prawns in the European market and the sale of post larvae (PLs) from the hatchery to other domestic producers. A total of 21.2 million PLs were sold in the half year to December 2025. These PL sales validate the success of the program for the domestication and breeding of black tiger prawns that is conducted both in Queensland and in Exmouth in Western Australia.

### *Financing*

During the half-year the company secured an increase in the finance facility from Avatar Finance to \$16,500,000. This facility was substantially drawn down over the half-year with interest being capitalised monthly to the loan balance. Subsequent to year the limit of the facility was increased to the amount equal to \$16,500,000 plus capitalised interest such that ongoing capitalisation of interest will not result in a breach of the facility limit. Currently the loan balance is fully drawn with interest being capitalised.

The Company continues to be supported by Avatar Finance Pty Ltd as it seeks to secure funding for the Project. The Company is also exploring a number of other options to fund the operations of the business until such time as Sea Dragon Shrimp is successfully funded including the sale of certain assets and further borrowing. The Company also expects to receive a distribution from the finalisation of the liquidation of Project Sea Dragon Pty Limited (In Liquidation).

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### Material Business Risk

The Group has in place a risk register and management processes to identify risks and mitigation actions for those risks. There is management oversight to ensure risk mitigation actions are in place and being undertaken. With mitigation in place those risks are reduced to an acceptable level. The material business risks of the Group are as follows:

**Health & safety:** The Group faces specific risks from operating on construction sites and in an agricultural environment in Northern Australia. The Group has comprehensive processes and procedures for identifying and managing risks and processes for ensuring procedures are complied with.

**Recovery of DOCA funds from Project Sea Dragon Pty Limited (in liquidation) (PSDCo):** The recovery of the DOCA funds from PSDCo and the timing of that recovery add uncertainty to the forecast cash flow of the Group. As noted in the Review of Operations above the Company is waiting on a judgment to be handed down to determine whether \$1.37m (June 2025: \$1.68m) of DOCA funds can be recovered by the Company.

**Project financing:** The Group has stated that it will not commence the development of Project Sea Dragon unless full funding for the project has been secured. Securing this financing is uncertain.

**Liquidity Risk:** The Group relies on the ongoing support of Avatar Finance to continue to fund its ongoing operations. There is a risk that the support for ongoing operations will not continue.

**Animal health:** The Group has faced a number of animal health issues over many years particularly in relation to Black Tiger prawns on specific farms. Risk mitigation includes continuous health screening and bacterial monitoring through the production process, stocking of banana prawns on certain sites and stocking in lower risk periods of the year.

**Market risk:** The supply of prawns is competitive with a number of competing species, formats and origins. Higher than average supply can depress prices across the industry. To mitigate this risk the Group focuses on high value niche areas of fresh product and large tiger prawns which are largely sold through retail channels.

**Inflationary cost pressures:** The Group faces increasing unit costs in each of its key inputs of feed, electricity and labour costs. To mitigate these increases the Group continues to pursue efficiency gain and where possible pass on cost increases to its customers. Its ability to pass on input cost rises is a function of market conditions.

### Matters subsequent to the end of the financial half-year

Subsequent to year the limit of the revolving credit agreement (RCA) with Avatar Finance Pty Ltd was increased such that the limit is now \$16,500,000 plus capitalised interest. Accordingly the limit is not breached by the capitalisation of interest. This facility is currently fully drawn and continues to accrue interest which is capitalised to the loan balance each month.

The Company has received operating funding from Avatar Finance Pty Limited of \$1,400,000.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

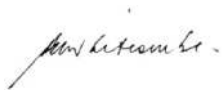
### Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

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This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Harley Ronald Whitcombe  
Secretary

16 March 2026

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The Directors  
Seafarms Group Limited  
Level 10, 490 Upper Edward St  
SPRING HILL QLD 4004

### Auditor's Independence Declaration

In relation to the independent auditor's review for the half-year ended 31 December 2025, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Seafarms Group Limited and the entities it controlled during the period.

*Pitcher Partners*

PITCHER PARTNERS



DAN COLWELL  
Partner

Brisbane

Date: 16 March 2026

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### **General information**

The condensed financial statements cover Seafarms Group Limited as a Group consisting of Seafarms Group Limited (referred to hereafter as the 'Company' or 'Parent Entity' or 'SFG') and the entities it controlled (referred to hereafter as the 'Group') at the end of, or during, the half-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 is:

Unit 5, 3 Swan Crescent  
Winnellie  
Darwin NT 0820

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 March 2026.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial reports and other information are available at our Shareholder Centre on our website: [www.seafarms.com.au](http://www.seafarms.com.au).

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Seafarms Group Limited  
Condensed consolidated statement of profit or loss and other comprehensive income  
For the half-year ended 31 December 2025



	Note	Consolidated	
		31 December 2025	31 December 2024
		\$	\$
<b>Revenue</b>	3	7,409,285	11,269,858
Other income		1,158	217,836
<b>Expenses</b>			
Finance costs		(601,528)	(417,570)
Change in biological assets		1,886,554	539,330
Change in finished good inventory		(1,376,571)	(3,177,170)
Feed and consumables		(2,958,878)	(3,104,093)
Energy costs		(1,451,811)	(1,397,631)
Employee benefits expense		(5,147,835)	(5,459,235)
Depreciation and amortisation expense		(629,106)	(713,599)
Construction costs		-	(140,362)
Impairment of receivable	4	(308,116)	(400,000)
Gain on deconsolidation of subsidiary		-	774,105
Other expenses		(3,919,695)	(4,664,170)
<b>Loss for the half-year attributable to the members of Seafarms Group Limited</b>		(7,096,543)	(6,672,701)
Other comprehensive income for the half-year		-	-
<b>Total comprehensive loss for the half-year attributable to the members of Seafarms Group Limited</b>		<u>(7,096,543)</u>	<u>(6,672,701)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share		(0.15)	(0.14)
Diluted loss per share		(0.15)	(0.14)

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

Note	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
	2,456,070	3,297,134
Cash and cash equivalents		
Trade and other receivables	4	2,845,566
1,878,488		
Inventories	5	806,321
1,900,383		
Biological assets	6	2,311,353
424,798		
Other assets	7	800,285
1,480,305		
<b>Total current assets</b>		<b>9,219,595</b>
		<b>8,981,108</b>
<b>Non-current assets</b>		
Property, plant and equipment	8	9,551,046
9,222,423		
Right-of-use assets	9	318,617
446,060		
Other non-current assets	7	189,427
133,920		
<b>Total non-current assets</b>		<b>10,059,090</b>
		<b>9,802,403</b>
<b>Total assets</b>		<b>19,278,685</b>
		<b>18,783,511</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables		1,696,631
2,973,305		
Borrowings	10	16,554,410
7,039,059		
Lease liabilities	11	2,562,288
227,760		
Employee benefits obligations		1,341,574
1,395,160		
Other current financial liabilities	13	-
2,803,216		
<b>Total current liabilities</b>		<b>22,154,903</b>
		<b>14,438,500</b>
<b>Non-current liabilities</b>		
Lease liabilities	11	299,959
378,742		
Employee benefits obligations		171,806
194,594		
Provisions	12	677,856
70,509		
Other non-current financial liabilities	13	-
630,462		
<b>Total non-current liabilities</b>		<b>1,149,621</b>
		<b>1,274,307</b>
<b>Total liabilities</b>		<b>23,304,524</b>
		<b>15,712,807</b>
<b>Net assets/(liabilities)</b>		<b>(4,025,839)</b>
		<b>3,070,704</b>
<b>Equity</b>		
Issued capital		300,316,736
300,316,736		
Reserves		14,832,725
14,832,725		
Accumulated losses		(319,175,300)
(312,078,757)		
<b>Total equity/(deficiency)</b>		<b>(4,025,839)</b>
		<b>3,070,704</b>

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

Seafarms Group Limited  
Condensed consolidated statement of changes in equity  
For the half-year ended 31 December 2025



Consolidated	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 for the half-year	-	-	(6,672,701)	(6,672,701)
Other comprehensive income for the half-year	-	-	-	-
Total comprehensive loss for the half-year	-	-	(6,672,701)	(6,672,701)
Balance at 31 December 2024	<u>300,316,736</u>	<u>14,832,725</u>	<u>(307,018,979)</u>	<u>8,130,482</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2025	300,316,736	14,832,725	(312,078,757)	3,070,704
Loss for the half-year	-	-	(7,096,543)	(7,096,543)
Other comprehensive income for the half-year	-	-	-	-
Total comprehensive loss for the half-year	-	-	(7,096,543)	(7,096,543)
Balance at 31 December 2025	<u>300,316,736</u>	<u>14,832,725</u>	<u>(319,175,300)</u>	<u>(4,025,839)</u>

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

	Consolidated	
	For 6 months to 31 December 2025 \$	For 6 months to 31 December 2024 \$
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	6,203,584	11,807,236
Payments to suppliers and employees (inclusive of GST)	(14,222,138)	(14,622,487)
Insurance claims received	-	153,029
Interest received	1,158	2,871
Interest and other finance costs paid	(213,475)	(417,570)
Net cash used in operating activities	<u>(8,230,871)</u>	<u>(3,076,921)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(830,286)	(14,027)
Payment of deposits	(55,507)	-
Net cash used in investing activities	<u>(885,793)</u>	<u>(14,027)</u>
<b>Cash flows from financing activities</b>		
Loan from purchaser of Farm 1 & 2	-	7,560,000
Repayment of borrowings	-	(3,852,704)
Repayment of lease liabilities	(117,314)	(1,307,328)
Drawdown of finance facility	8,900,000	2,648,083
Payments made under financial guarantee contracts	(507,086)	-
Net cash from financing activities	<u>8,275,600</u>	<u>5,048,051</u>
Net increase/(decrease) in cash and cash equivalents	(841,064)	1,957,103
Cash and cash equivalents at the beginning of the financial half-year	<u>3,297,134</u>	<u>1,225,696</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>2,456,070</u></u>	<u><u>3,182,799</u></u>

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**Note 1. Basis of preparation of half-year report**

**(a) Statement of compliance**

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**(b) Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of the Company and its subsidiaries as at 31 December 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.

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## Note 1. Basis of preparation of half-year report (continued)

### (c) 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. These fair value measurements fall within level 3 of the fair value hierarchy outlined above.

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

### (d) Going concern

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

For the six-month period ended 31 December 2025, the Group incurred an operating cash outflow of \$8,230,871 (in addition to cash outflows for lease repayments of \$117,314) and a net loss for the period of \$7,096,543.

As at 31 December 2025, the Group had net current liabilities of \$12,935,308, net liabilities of \$4,025,839 and \$2,456,070 cash and cash equivalents.

On 3 October 2025 the revolving credit agreement (**RCA**) facility limit with Avatar Finance Pty Ltd was increased from \$8,500,000 to \$16,500,000 and the expiry date of the facility was extended from 30 September 2025 to 15 October 2026. On 27 February 2026 the RCA facility limit was increased to \$16,500,000 plus capitalised interest. The facility is fully drawn with interest capitalising monthly. The Company continues to obtain operating funding from Avatar Finance Pty Limited through short term advances

Given the ongoing use of cash resources to secure financing to develop Project Sea Dragon, the Group will continue to have an operating cash out flow until project financing is obtained. The Company and the Group will therefore require additional capital and its ability to continue operating will depend on the Group's ability to undertake one or more of the following:

- secure project funding to develop Project Sea Dragon Shrimp;
- receive DOCA funds owed from Project Sea Dragon Pty Ltd (in Liquidation);
- raising equity;
- selling assets; and/or
- obtaining further operating funding;

There is uncertainty in achieving the financing initiatives outlined above and in achieving planned operating performance over the next 12 months. However, the Directors are of the opinion that the Company and the Group continues to operate as a going concern and therefore the financial statements have been prepared on a going concern basis.

**Note 1. Basis of preparation of half-year report (continued)**

Whilst the Directors believe that the above initiatives will generate sufficient funding to enable the Company and Group to continue as a going concern for a period of at least 12 months from the date of signing the financial report, should these initiatives be unsuccessful, there exists a material uncertainty that may cast significant doubt on the ability of the Company and Group to continue as a going concern and whether it will be able to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

No adjustments have been made to these financial statements relating to the valuation and classification of asset carrying amounts or the classification of liabilities that might be necessary should the Company and the Group not continue as a going concern.

**(e) Rounding of amounts**

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

**Note 2. Operating segments information**

The Group is organised into a single operating segment "Aquaculture" which is represented by the consolidated condensed 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 Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

**Note 3. Revenue**

	<b>Consolidated</b>	
	<b>31 December 2025</b>	<b>31 December 2024</b>
	<b>\$</b>	<b>\$</b>
<i>Revenue from contracts with customers</i>		
Sales of fresh products	4,237,463	6,285,671
Sales of frozen products	1,826,724	3,830,347
Other sales revenue	1,302,400	1,153,840
	<u>7,366,587</u>	<u>11,269,858</u>
<i>Other revenue</i>		
Services Income	42,698	-
	<u>7,409,285</u>	<u>11,269,858</u>
Revenue	<u><u>7,409,285</u></u>	<u><u>11,269,858</u></u>

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**Note 4. Current assets - Trade and other receivables**

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
Trade receivables	1,208,250	45,247
Other receivables	1,370,000	1,678,116
Loans to employees	-	7,171
	1,370,000	1,685,287
GST receivable	267,316	147,954
	2,845,566	1,878,488

Other receivables of \$1,370,000 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. The Company 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 the Group in returning \$1.4 million of the Deed funds to the Group. The balance the DOCA funds now stands at \$1.37m (June 2025: \$1.68m) and is subject to an appeal that was heard on 21 August 2025. The parties are awaiting the judgment.

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

**Note 5. Current assets - inventories**

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
Finished goods - at cost	30,750	1,411,517
Feed and consumables	775,571	488,866
	806,321	1,900,383

**Note 5. Current assets - inventories (continued)**

The inventory of finished goods is relatively low at 31 December 2025 compared to 30 June 2025 reflecting the export and sale of frozen black tiger prawns over the 6 months to 31 December 2025. The inventory is at its highest level at 30 June after the harvest and production of frozen tiger prawns in the 6-month period to 30 June 2025.

**Note 6. Current assets - Biological assets**

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
Biological assets	2,311,353	424,798

The value of biological assets/inventory is subject to change based on the timing of the Group's crop cycles (which varies from season to season), production planning decisions, and crop performance. Further explanatory commentary on the operating performance of the Group's aquaculture operations is included in the Directors Report which accompanies these condensed financial statements.

The Group measures biological assets at fair value.

Biological assets of \$2,311,353 (30 June 2025: \$424,798) are valued utilising unobservable inputs including survival rates, average growth rates, feed costs, feed conversion ratio, power costs, the harvest weight of prawns, mortality rates, processing costs and the sale price of harvested prawns to customers. These are considered Level 3 inputs in the fair value measurement hierarchy set out in AASB13, *Fair Value Measurement*.

*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 months.
- Discount rate is determined using a capital asset pricing model to calculate a rate that reflects current market assessments of the time value of money and the risk specific to the asset.

**Note 7. Other assets**

	31 December 2025	30 June 2025
	\$	\$
<i>Other current assets</i>		
Prepayments	720,992	1,398,612
Deposits	79,293	81,693
Total other current assets	800,285	1,480,305

The large reduction in prepayments relate to the amortisation of the Group's annual insurance premiums over the applicable period.

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**Note 7. Other assets (continued)**

	31 December 2025	30 June 2025
	\$	\$
<i>Other non-current assets</i>		
Term deposits	189,427	133,920

*Cash not available for use*

\$189,427 (2025: \$133,920) is held as security for bank facilities and office lease guarantees. The increase relates to the inflationary cost of extending the security for a period of 10 years.

**Note 8. Non-current assets - property, plant and equipment**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Consolidated</b>	Freehold Land \$	Freehold Buildings \$	Ponds \$	Plant and Equipment \$	Leasehold improvements \$	Total \$
Opening WDV at 1 July 2025	1,110,000	3,237,722	1,563,136	3,311,565	-	9,222,423
Additions	-	-	-	830,286	-	830,286
Depreciation expense	-	(109,937)	(86,081)	(305,645)	-	(501,663)
Balance at 31 December 2025	<u>1,110,000</u>	<u>3,127,785</u>	<u>1,477,055</u>	<u>3,836,206</u>	<u>-</u>	<u>9,551,046</u>

**Note 9. Non-current assets - right-of-use assets**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Consolidated</b>	Leasehold Land \$	Leased Buildings \$	Leased Plant and Equipment \$	Total \$
Opening WDV at 1 July 2025	-	153,593	292,467	446,060
Depreciation expense	-	(62,814)	(64,629)	(127,443)
Balance at 31 December 2025	<u>-</u>	<u>90,779</u>	<u>227,838</u>	<u>318,617</u>

**Note 10. Current liabilities - borrowings**

	Consolidated 31 December 2025	30 June 2025
	\$	\$
Loan - Avatar Finance Pty Ltd	16,327,112	7,039,059
Insurance Premium Funding	227,298	-
	<u>16,554,410</u>	<u>7,039,059</u>

**Note 10. Current liabilities - borrowings (continued)**

The loan from Avatar Finance Pty Ltd (AvrFin) is pursuant to a Revolving Credit Agreement entered into on 18 April 2024 and as subsequently amended.

The current facility limit of the RCA is \$16,500,000 with an expiry of October 2026. Interest on the loan is set at BBSY +4% calculated monthly.

The facility arrangements were provided on commercial terms and conditions.

**Note 11. Lease Liabilities**

<i>Current liabilities</i>	\$
Opening balance as at 1 July 2025	227,760
Reallocation from non-current lease liabilities	112,562
Repayment of leases	(117,314)
Recognition of lease acquired from PSDCo (In Liquidation)	<u>2,339,280</u>
Closing balance as at 31 December 2025	<u><u>2,562,288</u></u>

<i>Non-current liabilities</i>	\$
Opening balance as at 1 July 2025	378,742
Reallocation to current lease liabilities	(112,562)
Recognition of lease acquired from PSDCo (In Liquidation)	<u>33,779</u>
Closing balance as at 31 December 2025	<u><u>299,959</u></u>

**Note 12. Provisions**

**Non-current liabilities**

	<b>Consolidated</b>	
	<b>31 December 2025</b>	<b>30 June 2025</b>
Lease make good - premises	77,856	70,509
Legume Rehabilitation provision	<u>600,000</u>	<u>-</u>
	<u><u>677,856</u></u>	<u><u>70,509</u></u>

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**Note 13. Current liabilities - other financial liabilities**

	Consolidated	
	2025	2025
	\$	\$
<i>Current liabilities</i>		
<u>SFG Guarantees</u>		
PSD Legune Rehabilitation provision	600,000	600,000
Kununurra office lease liability	-	8,950
Exmouth land lease liability	12,688	12,463
Legune land sub-lease liability	2,326,592	2,181,803
PSD Legune rehabilitation guarantee transferred to Provisions	(600,000)	-
Lease guarantees transferred to Lease liabilities	(2,339,280)	-
	-	2,803,216
<i>Non-current liabilities</i>		
<u>SFG Guarantees</u>		
Exmouth land lease liability	33,779	40,181
Legune land sub-lease liability	-	590,281
Lease guarantees transferred to Lease liabilities	(33,779)	-
	-	630,462
	-	3,433,678

As a result of the transfer of property lease agreements from PSDCo (In Liquidation) to Sea Dragon Shrimp Pty Ltd on 15 December 2025, the Group reclassified the previously disclosed financial guarantee liabilities as lease liabilities.

**Note 14. Events after the reporting period**

Subsequent to year the limit of the revolving credit agreement (RCA) with Avatar Finance Pty Ltd was increased such that the limit is now \$16,500,000 plus capitalised interest. Accordingly the limit is not breached by the capitalisation of interest. This facility is currently fully drawn and continues to accrue interest which is capitalised to the loan balance each month.

The Company has received operating funding from Avatar Finance Pty Limited of \$1,400,000.

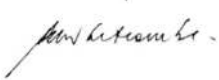
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In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Board



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Harley Ronald Whitcombe  
Secretary

16 March 2026

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**Independent Auditor's Review Report to the Members  
of Seafarms Group Limited**

*Disclaimer of Conclusion*

We were engaged to review the half-year financial report of Seafarms Group Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, and notes comprising material accounting policy information and other explanatory information, and the directors' declaration.

Due to the significance of the matters described in the *Basis of Disclaimer of Conclusion* paragraph, we were unable to obtain sufficient evidence to form a conclusion on the accompanying financial statements. Accordingly, we do not express a conclusion on the half-year financial report.

*Basis for Disclaimer of Conclusion*

As per Note 1(d) the Group's revolving credit agreement of \$16,500,000 plus capitalised interest with Avatar Finance Pty Limited is due to expire on 15 October 2026. Additionally, the directors have identified that additional funding will be required to develop Project Sea Dragon Shrimp. The Group has currently been unable to conclude re-negotiations to extend or obtain replacement financing or secure the additional funding to develop Project Sea Dragon Shrimp. We have been unable to obtain alternative evidence which would provide sufficient evidence as to whether the Group may be able to obtain such financing and hence remove significant doubt of its ability to continue as a going concern within twelve months of the date of this auditor's review report.

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our review of the half-year financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

*Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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*Auditor's Responsibilities for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. Because of the matters described in the *Basis for Disclaimer of Conclusion* paragraph, however, we were not able to obtain sufficient appropriate evidence as a basis for expressing a conclusion on the half-year financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Pitcher Partners*

PITCHER PARTNERS



DAN COLWELL

Partner

Brisbane

Date: 16 March 2026

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