Annual Report FY2021

Contents

Company Contact Details

Address: 79 Robinson Road, #07-01, Suite 719, Singapore 068897
Phone: +65 6261 0010
Email: investors@barramundi.com
Website: www.barramundi.com

About Barramundi Group

Founded in 2008, Barramundi Group brings great-tasting premium quality fish to the world, with sustainability at our core. Our mission is to help close the world's protein gap by tapping into the vast potential that barramundi has to offer.

We operate ocean sites in Australia, Singapore, and Brunei. With the benefit of world-class research and aquaculture technology, our sustainable best practices enable us to produce responsibly-grown barramundi while safeguarding the oceans and environmental resources.

Through an end-to end aquaculture model, we have control over the entire value chain – from egg to farm to fork – with established sales and distribution networks in many major cities. Our barramundi is available at over 1,600 restaurants, hotels, and retailers around the world.

Barramundi Group investment merits

- A top barramundi producer operating three farms across Australia, Singapore, and Brunei
- Leading integrated and sustainable aquaculture in Australasia
- Sales and distribution into over 1,600 restaurants, hotels, and retailers in selected markets worldwide
- Current production stands at around 2,000 tonnes across Australia, Singapore, and Brunei
- 2026 plan to achieve 7,000 tonnes in production annually

Full spectrum aquaculture model

Responsibly grown, from egg to harvest

Genetics

Barramundi Group is a leader in barramundi genetics. Our advanced capabilities are underpinned by our expertise in genetics and breeding. Through a rigorous process of natural genetic selection over the past 20 years, we have developed a superior strain of barramundi that is fast growing, more disease resistant, and higher in Omega-3 fatty acids.

Fish health

We believe in a holistic and preventative approach to animal health and welfare. We grow healthy barramundi through applying world-class fish husbandry, enforcing biosecurity controls, ensuring a low population density in our ocean-pens, and providing high-quality nutritional feeds developed in partnership with fish nutrition experts.

Farming

Barramundi Group operates three ocean sites in Australia, Singapore, and Brunei, each of which are the largest barramundi ocean farms in each geography. We choose to grow our fish in their natural habitat because it is the best way to ensure they are produced in an environmentally-friendly manner. The ocean's energetic currents at our sites ensure that there is a healthy water and oxygen exchange, keeping our fish active. Our farms are certified by BAP, assuring our many customers of our focus on sustainability and focus on growing responsibly.

Product Innovation

Our subsidiary, Fassler Gourmet, our in-house processing facility produces a diverse range of products for both home cooks and chefs and allows us to deepen innovation around a nose-to-tail usage strategy for product development. Having control of processing and distribution also allows us to stay current with consumer and market trends; allowing customisation and valorisation of by-products.

Reach

We sell our barramundi under the premium brands Kühlbarra and Cone Bay Ocean Barramundi and soon, St. John's Seabass. These are trusted by customers and chefs for our commitment to sustainability and great-tasting products. Through our consumer-facing brands, our products are available in over 1,600 restaurants, hotels, and retailers in selected markets.

Customers

Our key sales and distribution channels include our e-commerce platform as well as our key customers and distribution partners in various markets. Our key partners include established heavyweights in their respective industries, from retailers (Coles, FairPrice), to airlines (Singapore Airlines), and prominent hotel chains (Hyatt, Marina Bay Sands, Sofitel Hotels & Resorts, W Hotels, and Sheraton Hotels & Resorts).

Chairman's Statement

by Hans den Bieman

2021 has been a year of significant milestones for the business. Since we were founded back in 2008, our vision has always been to help close the world's protein gap by becoming a global leader of sustainably and responsibly farmed barramundi.

I am delighted that the listing on Euronext Growth Oslo last August was yet another step in the right direction to helping us achieve this.

A Legacy in Progress

Today, Barramundi Group is Australasia's leading barramundi producer, with our premium quality fish sold in restaurants and retailers around the world. Our success is driven by the strong prospect for ocean-raised barramundi with the species possessing all the attributes to become the "Salmon of the Tropics".

This is supported by insights demonstrating that global demand for barramundi in the next five years is expected to increase exponentially, and this presents a huge opportunity for us as we look to scale up our production.

What sets us apart from the rest of the industry? Our integrated aquaculture model from farm to fork and our strong focus on sustainability, which brings us to where we are today.

Entering A New Era

Our listing enables us to embark on our next phase of growth with an ambitious goal of growing production to 7,000 tonnes by 2026. As we look ahead we will continue to ensure that we lead the way in responsible production and sensitivity towards the environment; focusing our attention on growing at scale efficiently.

This means building our global reach and expanding into new and exciting markets, developing new technology and innovation to improve production and operational efficiencies, where we continue to identify ways in which we can further operate responsibly and sustainably into the future.

We are delighted with the strong confidence that our shareholders have demonstrated towards our mission to feed the world, as well as our growth strategy.

Our shared success today is only possible thanks to the strong support of the stock exchange, the remarkable dedication of our team and the board, and of course the continued interest from our investors and stakeholders.

There will be a lot more developments to look forward to in the year ahead across all of our key strategic business pillars. We look forward to you joining us in the next step of the journey of Barramundi Group.

> *"What sets us apart from the rest of the industry? Our integrated aquaculture model from farm to fork and our strong focus on sustainability, which brings us to where we are today. We are extremely confident in the opportunities that are in front of us and will forge ahead with our vision to produce the best barramundi in the world to help close the global protein gap."*

Hans den Bieman

CEO's Message

by Andreas von Scholten

2021 was another exciting year with several new milestones achieved for Barramundi Group. In addition to continued revenue growth and operating improvements, Barramundi Group was admitted to the Euronext Growth Oslo stock exchange in August 2021. I am very proud of our team which continued to build on the strong momentum that started in 2020. In 2021, Barramundi Group delivered 15% growth in revenues driven by increases both in prices, volumes as well as a stellar performance in our value-added processor Fassler Gourmet. We continue to be on track to more than triple our volumes to 7,000 tons by 2026, and we have initiated plans to grow volumes significantly more beyond 2026.

With the global demand for sustainable seafood continuing to increase and wild catch meeting limitations for further growth, we continue to believe in the large potential for a sustainably grown ocean barramundi to help meet the future demand. Around the world more and more people are becoming familiar with barramundi. In Australia, barramundi continues to be one of the most popular fish to eat, and other large markets like the US and China have also seen demand increasing rapidly. We believe that demand will continue to increase, and that ocean barramundi has the potential to become one of the major premium whitefish species globally.

Barramundi Group is committed to sustainability and to reduce our carbon footprint. And while aquaculture holds great potential as a sustainable way forward in producing food, as an industry we must all continue to do more to minimise environmental impact. We are continuously focused on going above and beyond our current BAP certification for our operations, ensuring that we are consistently holding ourselves to international standards in sustainability and transparency. This includes kicking off a landmark partnership in 2021 with World Wide Fund For Nature (WWF) Singapore, where we work closely with the organisation in our efforts to achieve the Aquaculture Stewardship Council (ASC) accreditation.

In 2021, Barramundi Group's revenue increased by 15% to S$33m. Our products were sold in more than 10 countries including Australia, US, China, Singapore and South Korea, and in more than 1,600 restaurants, hotels and retailers including Coles in Australia. We sold 1,951 tonnes from our operations in Australia and Singapore, and we produced 1,817 tonnes including a symbolic but important initial 38 tonnes in Brunei as we put fish to sea for the first time there in 2021. We continued to improve on our operating performance and achieved a 31% improvement in our Operating EBITDA to -S$6.4m bringing the company closer to profitability. On a net profit level, one-off events, including a write-off of property, plant and equipment, and goodwill impairment following a consolidation of the Singapore operations, led to a significantly higher loss than in 2020, despite the better operating performance.

Barramundi Group continues to be on track to produce 7,000 tonnes by 2026 across the operations in Australia, Brunei and Singapore, and in 2021 we started preparations for significantly expanding the production capacity beyond 7,000 tonnes. In 2021 the company completed a state-of-the-art RAS nursery in Brunei and transferred the first fish to our newly installed ocean cages. In Australia we secured a site for a new land RAS nursery, and we recently submitted an application for 13 new ocean leases in the Kimberley region in Western Australia with a potential to produce 30,000 tonnes. In Singapore we made significant progress with the construction of the new ocean lease site near St. John's Island, and we optimized our nursery operations by relocating the production to the Marine Aquaculture Centre on St. John's Island.

I would like to take this opportunity to thank our team for all of the efforts and contributions in 2021, and to our stakeholders for the continued interest and support. Looking ahead I am very excited about the future for Barramundi Group as we continue to scale up our production and improve our operations and to fulfil our mission to bring sustainably grown ocean barramundi to the world.

"As we recognise that the ecosystems we inhabit are profoundly fragile, it causes a lot more people to focus on doing the right thing, eating the right thing, and being more focused on a sustainable world. I believe that this is the way the world is going, and whoever leads this will be a winner in the future."

– Andreas von Scholten

Board of Directors

Hans den Bieman
Chairman

Hans is an industry veteran with distinguished credentials of operating and expanding companies in the aquaculture industry. Hans has an extensive network within the global aquaculture industry and has headed various seafood multinationals. He was the CEO of Heiploeg, CEO of Marine Harvest, COO of Nutreco and served as board member of multiple listed aquaculture companies in Chile, Netherlands and the USA. Hans is a graduate of Wageningen University.

Marit Solberg
Director

Marit has over three decades in key roles at Marine Harvest Group, including managing 4,000 employees as COO of Farming from 2011 – 2018. She is a board member of AquaCon AS, Nekkar ASA, NorCod AS, Patogen AS and GC Rieber Compact AS. Marit was also Former Chair of Norwegian Seafood Export Council (2013 – 2015). She obtained her M.Sc. in Microbiology with a specialisation in Marine Ecology in 1984.

Andrew Kwan
Director

Andrew is the Managing Director of the Commonwealth Capital group of companies, which has investments along the food vertical including aquaculture, cold chain logistics, food services, and food manufacturing. He is also a board member of the Singapore Food Agency and the Infocomm Media Development Authority, council member of the Future Economy Council, MAS Payments Council, Deputy Honorary Secretary of Singapore Business Federation, co-chair of FEC Lifestyle sub-committee, President of the Restaurant Association of Singapore and a member of Committee Against Profiteering (CAP). Andrew is Singapore's non-resident Ambassador to the Kingdom of Sweden. He has previously served on the boards of SPRING Singapore, Enterprise Singapore, as non-resident fellow of NUS Eusoff Hall, chairman of Aquaculture Innovation Centre and co-lead of AgriTech AfA, Emerging Stronger TaskForce. Andrew holds a BBA from Schulich School of Business, York University, Canada.

Board of Directors

Tristan Sjoeberg
Director

Tristan is the co-owner and Director of Knutsson Holdings AB, a diversified investment company based in Gothenburg, Sweden, as well as co-owner and Executive Chairman of TCSJOHNHUXLEY group of companies. Tristan received his B.Sc. (Hons) in Marine Biology/Oceanography from UCNW Bangor in 1994 and his PhD in Marine Biogeochemistry from the University of East Anglia in 1999. He also holds an MBA from University of Oxford (2001).

Edward Ng
Director

As an Executive Director of Far East Organization, Edward provides strategic leadership in the functions of Central Engineering and Development Projects. Edward's main focus at Far East Organisation is in product development and management of its in-house engineering support team. He oversees the conceptualisation, implementation and fulfilment delivery of ongoing and new development projects as well as the enhancement of existing operating assets. Edward holds a B.Sc. in Architectural Design from Stanford University.

Dato Dr Abdul Manaf Metussin
Director

Dato Seri Paduka Dr. Haji Abdul Manaf bin Haji Metussin is the Deputy Minister of Finance and Economy (Economy), at the Ministry of Finance and Economy. Dato Dr. Manaf started his career in Government service in 1990 and has served in various capacities in the Ministry of Primary Resources & Tourism, as well as the Prime Minister's Office, and the Ministry of Home Affairs. He has also held a number of important posts at Universiti Brunei Darussalam and Brunei Economic Development Board. Dato Dr. Manaf graduated with a B.Eng. (Hons) (1989) in Mechanical Engineering from University of Leeds, United Kingdom, and an M.Sc. in Manufacturing Systems Engineering from the University of Bradford, United Kingdom. He also holds a PhD in Management from Canterbury Business School, University of Kent, United Kingdom.

barramundi group

Management Team

Andreas von Scholten
Chief Executive Officer

Andreas has more than 15 years of experience working across multiple business sectors and geographies. Prior to joining Barramundi Group, Andreas was the GM (Asia Pacific) of PHARMAQ, a part of Zoetis, the world leader in animal health. Andreas joined PHARMAQ in 2015 with Private Equity firm Permira and continued with PHARMAQ for another 4 years after the company was acquired by Zoetis.

Before PHARMAQ, Andreas was the GM (Asia Emerging Markets) of Coloplast, a leading global medical device company. Andreas joined Coloplast in 2010, holding various leadership roles in Beijing, Shanghai and Hong Kong during his time there.

Earlier in his career, Andreas was an M&A consultant with Deloitte for more than 7 years, where he also led a company through a successful turnaround. A native of Denmark, Andreas received a graduate degree from the University of Copenhagen, Harvard University, and Universidad Complutense de Madrid.

Helen Chow
Chief Financial Officer

Helen has more than 25 years experience in managing the financial strategy and all aspects of financial, operational and business management, including projects that support funding and business growth strategies, M&A and investor activities.

She started her professional career in external audit with KPMG Singapore, subsequently assuming senior positions in regional internal audit. She served as CFO in both Australia and Singapore for listed and non-listed groups across different countries in the agriculture, retail and distribution industries.

Helen earned her Bachelor of Accounting from the University of Singapore and is a Fellow CA of the Institute of Singapore Chartered Accountants and a Fellow CPA of CPA Australia.

Vincent Erenstn
Chief Operating Officer

With close to four decades of experience in the aquaculture sector, Vincent is an industry veteran who has worked for several large global aquaculture operations, including a 12-year tenure as Regional Director at MOWI ASA.

Over the years, Vincent has developed his skills in strategic planning, farming, processing, sales, and finance, making him a true all-rounder in industrial aquaculture. His past achievements include operational successes such as starting greenfield operations, factory builds and rebuilds, implementing farming improvement programs, post-merger integration and consolidation projects, as well as commercial wins such as revenue growth and margin expansion.

In his most recent role, Vincent served as Group COO at Avramar, the largest producer of Mediterranean species, based in Greece and Spain.

Vincent earned his Bsc. in Biology from the University of Groningen, Netherlands in 1980 and a MSc. Biology with specialisation in aquaculture and fisheries from the Wageningen University, Netherlands in 1984.

Management Team

Charis Chua
Chief Commercial Officer

Charis is responsible for Barramundi Group's global commercial activities. At Barramundi Group, Charis oversees the company's global commercial activities, having spearheaded exponential growth in new markets like US, China, Korea etc. She also led the exponential growth of its B2C channel in Singapore and drove digital marketing activities in the region to increase Barramundi Group's brand awareness.

Charis has more than 12 years of business development and commercial experience and has led and executed many transformation initiatives in companies like Goodpack Limited (a KKR portfolio company) and Lazada (Alibaba Group). She has translated strategic priorities into actionable game plans that have increased the companies' overall value and profitability.

James Kwan
Chief Marketing Officer

James was appointed Chief Marketing Officer of Barramundi Group in 2019, having been involved in the inception of Kühlbarra's branding and marketing as a consultant since 2014.

Prior to joining Barramundi Group, James held senior management positions in the Commonwealth Capital Group, a Singaporean food conglomerate with retail, manufacturing, and logistics businesses. Concurrently, James was Managing and Creative Director of Spinnaker360, an award-winning, multi-disciplinary branding and design agency he founded in 2007.

James' early praxis as a marketer and brand engineer spanned the architectural, design and advertising industry. He is a regular guest lecturer at local tertiary design schools and holds a degree in Studio Arts from the Université du Concordia, Montréal.

Markus Schrittwieser
Chief Veterinary Officer

With over 10 years in the veterinary and aquaculture industry across Europe and South East Asia, Markus brings wide experience in finfish health management and aquatic veterinary science.

His holistic understanding of the aquatic environment and expertise in vaccine development add a strong dimension to Barramundi Group. Markus has a M.Sc from the University of Stirling, UK and has published with Marine Scotland Science.

Year In Review

2021 in Review

Paving the Path for Excellence

Since its inception, the path that Barramundi Group has taken is focused on becoming a global leader of sustainably and responsibly farmed barramundi. Throughout 2021 we tracked strong growth and strategic progress, and it has been a year of key milestones for the Group.

Public Listing on Euronext Growth Oslo

In August 2021, Barramundi Group marked a significant moment in its corporate history as it announced its admission to the Euronext Growth Oslo exchange. Trading under the stock ticker code BARRA, we debuted on the largest seafood exchange in the world as their first Australasia listing.

8.1 million new shares were issued at NOK 14.70 per share, attracting robust investor demand from investors in Norway, Singapore, Hong Kong, Switzerland, Sweden and Denmark, among others, and raising NOK 119.1 million (equivalent to SGD 18.0 million). All new funds raised will be directed towards the business to scale in capacity and offerings.

1 *View of our Cone Bay operating base, Turtle Island*

Being the best in class in barramundi production

Barramundi Group currently operates three ocean farm sites in Australia, Singapore, and Brunei. In 2021, the combined production totalled approximately 1,855 tonnes. Through capacity expansion and commercial development activities, the Group plans to grow production to 7,000 tonnes by 2026.

Significant improvements to protocols

With continuous improvement of husbandry protocols, refinements in our feeding strategies, the Group also saw significant improvement in animal health, with growth performing on model for its Australia operations, while Singapore exceeded expectations by tracking above model.

Vincent Erenst joins the team

As part of its strategy of improving and expanding production, Barramundi Group welcomed industry veteran Vincent Erenst to the role of Chief Operating Officer of Production in August 2021.

In his role, Vincent will focus on strategic planning across key areas such as farming, processing, and improving survival and feed conversion rates.

Completion of Brunei nursery facilities

Barramundi Group saw significant progress across a number of its infrastructure and expansion projects throughout 2021. A key milestone includes the completion of its Brunei hatchery and nursery, which employs state of the art recirculationg technology.

Our Brunei operations will play a key role in future business performance. Fully operational, Barramundi Group's operation will be the largest sea site for barramundi in the country:

- **10-hectare sea nursery** at Pelumpong can produce 920,000 of 250gram fish per year
- **100-hectare grow-out site** at Pelong can produce 3,000 tonnes of barramundi per year
- **6,613-hectare grow-out** site at Nankivell allows potential to scale Brunei production even further

2 *Net cages at our Cone Bay site in Western Australia*
3 *Harvest at the Singapore farm*
4 *Feeding at our Brunei sea nursery*

A total of 28 units of sea cages were deployed for the sea nursery. Identifying an opportunity to contribute to the local community, we worked with local contractors for the assembly and deployment of the facilities. There was significant upskilling for local contractors due to the nature and scale of this sea nursery, which is unique in Brunei.

Meanwhile in Singapore, site assessments have been completed for the Group's new lease at St. John's Island and is on track for its farm licensing approval by early 2022.

Scan here to watch 3 Michelin-stars Chef Raymond Blanc's experience at Barramundi Group's farm in Singapore.

Addition of new Aquaculture Support Vessel (ASV)

In preparation for the new lease and to further support our three sites for harvest and biomass growth, we have acquired a new Aquaculture Support Vessel that is future-proofed and showcases a bespoke design. The high displacement capacity allows us to cater to expected 2026 volumes and beyond, with the multi-purpose vessel equipped for towing, harvesting, and pen deployment. We are on target for sea trials and delivery slated for May 2022.

Strong government endorsement

Barramundi Group continues to see strong government endorsement across all our key sites and the work that we do through our ongoing government engagement and collaborations.

Notably, we met with key government stakeholders of the Bruneian government where they offered their support to help drive the country's industry. This was off the back of a recent favourable trade partnership signed between China and Brunei, which will accelerate the commercialisation of the Brunei farm.

Over the years, Brunei has been implementing key initiatives, programmes, and projects to ensure that output from its agriculture, fisheries and forestry industries will continue to increase from year to year and contribute significantly to the nation's GDP growth, and Barramundi Group is well placed to leverage this national move.

We also hosted a visit for Singapore's Minister for Sustainability and the Environment, Grace Fu, at our new nursery extension on St. John's Island, reaffirming our support of Singapore's 2030 food security goals. Recognising the vulnerability of its food security as it imports over 90% of its food supply, Singapore has set the target of producing 30% of its nutritional needs by 2030, which includes producing 10% of the country's protein needs – from sources like meat and fish – locally.

5 *Barramundi from our Brunei Farm*

Strong brand positioning in both emerging and established markets

The Group's barramundi products are currently available in over 1,600 restaurants, hotels, and retailers in selected markets. Efforts to strengthen its presence in key markets including China, US and Australia are currently underway. In addition, the Group has plans to establish partnerships for sales in new geographies and to introduce barramundi as a premium, high quality product in the EU.

Scan here to watch Chef Shannon Bennett and his visit to Barramundi Group's farm in Australia.

Strong B2B momentum

Despite international COVID-19 restrictions continuing to impact HORECA markets, Barramundi Group continued to invest and strengthen its positioning in both established and new markets.

The Group reported strong sales volume growth in both its key markets – Australia and Singapore – throughout the year. Recent adoption by top tier hotel chains and restaurants include prominent brandnames like Sofitel Hotels & Resorts, W Hotels, and Sheraton Hotels & Resorts.

Strategic partnership: Shopee and Fassler Gourmet

A key revenue driver is Barramundi Group's in-house processing and product development facilities Fassler Gourmet. Despite the COVID-19 restrictions in Singapore, Fassler Gourmet saw healthy activity throughout 2021, through new customer acquisitions and strategic marketing partnerships.

Its strategic partnership with leading e-commerce marketplace Shopee saw a 194% growth in online sales revenue from Q2, with Fassler Gourmet rising to the top three meat and seafood brands on the platform.

In September 2021, the Fassler team secured another food manufacturing contract with the Yum Group for the supply of a new product line to be launched in 2022.

New value-added products launched

Adding to our portfolio of innovative products that fully utilise the entire fish, Barramundi Group also launched two new premium value-added products – Collagen and Fish Maw soup packs – in Singapore under its consumer brand, Kühlbarra. The two new product offerings are part of the Group's continued efforts to provide a greater range of products catered to meet diverse consumer tastes. Product development for additional value products are underway.

Making in-roads in China

Barramundi Group continues to make inroads in China, with its products now stocked in all outlets of Shanghai's premium supermarket chain, City Shop, with tastings available at each store on weekends since August 2021 to capture an engaged target audience.

To ensure high visibility and engagement with key stakeholders of the HORECA sector, Barramundi Group supported key B2B initiatives such as Food & Hotel China – the leading Food & Beverage show in China – and Austrade events to leverage the spotlight on Australian produce.

In May 2021, we successfully pushed our products via China's largest B2C e-commerce platform Tmall, reaching out to a wider audience.

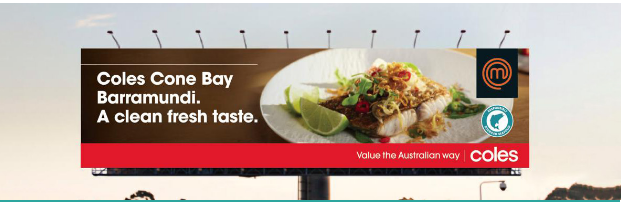
6

6 *Whole Barramundi from our Australia Farm*

Australia: Coles #TogetherToZero campaign

Our partnership with Coles continued to deepen in 2021, where we featured in their latest #TogetherToZero campaign. As part of its ambition to be Australia's most sustainable supermarket, Coles launched a national campaign in July 2021, that brings to life and celebrates its new Sustainability Strategy under the pillars of "Together to Zero" and "Better Together". The campaign highlights Coles' aspiration towards zero waste, zero emissions and zero hunger.

The campaign showcased our synergy with Coles in terms of our values of responsible sourcing, and we are proud to have our sustainably grown barramundi in more than 800 Coles stores nationwide.



Scan here to watch our partnership with Coles.

Partnership progressing with WWF

In 2021, Barramundi Group's commitment towards greater accountability saw the Group partner with World Wide Fund For Nature (WWF) Singapore; with the aim to attain the Aquaculture Stewardship Council (ASC) accreditation for it's Singapore operations.

Signed in September 2021, the strategic engagement will see WWF-Singapore providing advice and guidance to implement an Aquaculture Improvement Project, as well as addressing gaps between current practices and the ASC standard. Throughout the work plan, WWF-Singapore will partner the Group to ensure transparent tracking of the Group's performance against pre-established milestones. The execution and delivery of the project will take place at the new grow-out site between Lazarus and at St. John's Island in the south of Singapore.

ASC certification is one of the hallmarks of the highest environmental and social sustainability standards for farmed seafood. Barramundi Group was the first company to secure a 4-star BAP rating in both Australia (in 2016) and Singapore (in 2018). Both BAP and ASC certifications are widely trusted and recognised by discerning seafood consumers globally.

The working team has since commenced the initial farm visit and gap analysis audit.

7 *Cooked Barramundi Portion*

8 *Our Singapore Farm*

UVAXX expansion and partnerships

Barramundi Group's in-house vaccines and veterinary arm, UVAXX is expanding its footprint, and is establishing a diagnostic lab in Brunei; set to be operational by H2 2022. The new diagnostic lab will enable fish health experts to facilitate real-time, in-situ diagnostics and monitoring for its Brunei operations, as well as supporting the wider aquaculture industry with animal health services and autogenous vaccines.

In 2021, UVAXX embarked on a number of research and development projects, including working with Singapore's Agency for Science, Technology and Research (A*Star) to develop a vaccine against the scale drop disease virus in barramundi.

As one of the 12 research projects on sustainable urban food production funded by the Singapore Food Agency (SFA), the project aims to strengthen fish health and in turn boost local food production and improve food security.

9 *Kühlbarra Raffles Nursery vaccination*

Directors' Statement

For the Financial Year Ended 31 December 2021

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Barramundi Group Ltd. (formerly known as Barramundi Group Pte. Ltd.) and its subsidiary corporations (the "Group") for the financial year ended 31 December 2021 and the balance sheet of the Company as at 31 December 2021.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 28 to 93 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Johannes Cornelis Antonius den Bieman
Andrew Kwan Kok Tiong
Sjoeberg Tristan Nenne
Edward Averrill Ng Yong Sheng
Dr Abdul Manaf Metussin (alternate director Junaidi Masri)
Marit Solberg

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director or nominee		**Holdings in which a director is deemed to have an interest**	
The Company (No. of ordinary shares)	**At 31.12.2021**	**At 01.01.2021**	**At 31.12.2021**	**At 01.01.2021**
Johannes Cornelis Antonius den Bieman	549,597[1]	4,077,312	–	–
Andrew Kwan Kok Tiong	1,398,545[1]	–	7,540,871	106,446,420
Sjoeberg Tristan Nenne	605,315[1]	3,663,103	–	–

(1) Number of shares had been adjusted pursuant to the 15:1 share consolidation exercise on 5 April 2021.

Directors' Statement

For the Financial Year Ended 31 December 2021

Directors' interests in shares or debentures (Continued)

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows: (Continued)

	Holdings registered in the name of director or nominee		**Holdings in which a director is deemed to have an interest**	
The Company (No. of warrants)	**At 31.12.2021**	**At 01.01.2021**	**At 31.12.2021**	**At 01.01.2021**
Johannes Cornelis Antonius den Bieman[2]	–	1,636,634	–	–
Andrew Kwan Kok Tiong[2]	–	–	–	21,204,871
Sjoeberg Tristan Nenne[2]	–	727,273	–	–

(b) According to the register of director's shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Employee Share Option Scheme and Perpetual Call Option as set out below and under "Share Options" below.

	No. of unissued ordinary shares under option	
Employee Share Option Scheme	**At 31.12.2021**	**At 01.01.2021**
Johannes Cornelis Antonius den Bieman	67,000[3]	1,000,000

(2) The warrants expired during the financial year ended 31 December 2021.
(3) Number of shares had been adjusted pursuant to the 15:1 share consolidation exercise on 5 April 2021.

Directors' Statement

For the Financial Year Ended 31 December 2021

Share options

(a) Employee Share Option Scheme ("Scheme")

The Employee Share Option Scheme was approved by the Board through a Directors' Resolution passed on 1 January 2017 (the "2017 Scheme") and this was replaced by a new share option scheme (the "2020 Scheme") approved by shareholders at a Extraordinary General Meeting held on 30 September 2020. The Scheme provides a means to give recognition to employees who have contributed to the success of the Company and let them have a direct interest in the Company.

Under the Scheme, options to subscribe for the ordinary shares of the Company are granted to selected employees and chief executive officer of the Group at the discretion of the Board of Directors or its Committee. The exercise price of the option is determined at the time of the grant with reference to its fair market value under the conditions of the Scheme and approved by the Board of Directors or its Committee. The vesting period of the option is 4 years with a 2 year cliff, i.e. 50% of the shares can be exercised after 24 months followed by 25% after another 12 months and the last 25% after the last 12 months (48 months), or such date as the Board of Directors may determine. Once the options are vested, they are exercisable for a period of three years. The option may be exercised in full or in part in respect thereof, on the Company's acceptance of the exercise notice, payment of the exercise price and in accordance with the vesting schedule under the conditions of the Scheme, but no later than the expiry date.

The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the Scheme, shall not exceed 10% of the issued shares of the Company (excluding treasury shares) from time to time.

The Company granted options under the Scheme to subscribe for 6,200,000 ordinary shares of the Company on 1 January 2017 ("2017 Options") and 3,800,000 ordinary shares of the Company on 24 May 2019 ("2019 Options") (equivalent to 413,333 shares and 253,333 shares after the 15:1 shares consolidation exercise on 5 April 2021 respectively).

In August 2021, the Company increased the vesting period for the employee share options granted in 2019 Options from four to six years and increased the exercise price to $2.25 to reflect Initial Public Offering in the Company's share price. The fair value of the options at the date of modification was determined to be $0.96.

On 18 August 2021, the Company granted options under the Scheme to subscribe for 133,333 ordinary shares at exercise price of $2.25 ("2020 Options") and 533,000 ordinary shares of the Company at exercise price of $2.25 per share ("2021 Options"). The 2020 Options are exercisable from 1 May 2022 and expire on 1 May 2027. The 2021 Options are exercisable from 1 May 2023 and expire on 1 May 2028. The total fair value of the 2020 Options and 2021 Options granted was estimated to be $139,625 and $597,589 respectively using the Black-Scholes formula.

Details of the share option are disclosed in Note 29 to the financial statements.

(b) Perpetual Call Option

On 1 January 2017, the Company has agreed to grant Kleine Staarman Gerhard Heinrich Joseph the option to purchase all or any of the 7,000,000 ordinary shares of the Company (equivalent to 466,667 shares after the 15:1 share consolidation on 5 April 2021). In August 2021, the Company increased the exercise price to $4.20 to reflect Initial Public Offering in the Company's share price. This option is a one-off issue outside the Employee Share Option Scheme and may be exercised at any time without an expiry date.

Directors' Statement

For the Financial Year Ended 31 December 2021

Share options (Continued)

(c) Share options outstanding

The number of unissued ordinary shares of the Company under option in relation to the Schemes outstanding at the end of the financial year was as follows:

	Employee Share Option Scheme				Perpetual Call Option
Year of option	2017	2019	2020	2021	2017
Year of expiry	2022	2026	2027	2028	–
Exercise price per share (S$)	0.39	2.25	2.25	2.25	4.20
Options outstanding as at 1 January 2021	700,000	2,800,000	3,500,000	–	7,000,000
Effect of share consolidation[4]	–	(2,613,000)	(3,266,667)	–	(6,533,333)
Options granted during the year	–	–	133,333	533,000	–
Options cancelled during the year	(700,000)	(66,667)	(5,000)	(25,000)	–
Options outstanding as at 31 December 2021	–	120,333	361,666	508,000	466,667

(4) The Company completed a 15:1 share consolidation exercise on 5 April 2021.

Directors' Statement

For the Financial Year Ended 31 December 2021

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept reappointment.

On behalf of the Board of Directors

Johannes Cornelis Antonius den Bieman
Director

Tristan Sjoberg

Sjoeberg Tristan Nenne
Director

18 April 2022

Independent Auditor's Report to the Members of
Barramundi Group Ltd.
(f.k.a Barramundi Group Pte. Ltd.)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Barramundi Group Ltd. (f.k.a Barramundi Group Pte. Ltd.) (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 28 to 93.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises all information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report to the Members of
Barramundi Group Ltd.
(f.k.a Barramundi Group Pte. Ltd.)
(continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report to the Members of
Barramundi Group Ltd.
(f.k.a Barramundi Group Pte. Ltd.)
(continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
18 April 2022

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 31 December 2021

	Note	Group 2021 $	Group 2020 $
Revenue	4	32,701,453	28,363,590
Other income	5	1,352,991	4,298,974
Raw materials and consumables		(22,464,019)	(21,548,576)
Farm personnel expenses	6	(8,833,826)	(7,990,463)
Fair value (loss)/gain on biological assets	13	(3,905,825)	4,256,197
Fish mortalities	13	(2,947,929)	(2,511,709)
Depreciation expenses		(3,981,041)	(3,216,843)
Amortisation expenses	17	(564,300)	(542,872)
Impairment loss on goodwill	17	(2,500,000)	-
Administrative expenses	6	(9,986,014)	(5,654,408)
Distribution expenses	6	(1,976,722)	(2,285,932)
Finance expenses	8	(1,775,871)	(2,045,922)
Loss before tax		**(24,881,103)**	**(8,877,964)**
Income tax credit	9	20,697	127,292
Net loss for the financial year		**(24,860,406)**	**(8,750,672)**
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
– Currency translation gain/(loss) on translating foreign operations		307,458	(795,770)
Total comprehensive loss for the financial year		**(24,552,948)**	**(9,546,442)**
(Loss)/profit attributable to:			
Owners of the Company		(25,471,465)	(8,809,244)
Non-controlling interests		611,059	58,572
		(24,860,406)	**(8,750,672)**
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(25,164,007)	(9,605,014)
Non-controlling interests		611,059	58,572
		(24,552,948)	**(9,546,442)**

The accompanying notes form an integral part of these financial statements.

barramundi group

Balance Sheets

For the Financial Year Ended 31 December 2021

	Note	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
ASSETS					
Current assets					
Cash and cash equivalents	10	28,482,011	29,327,259	12,988,307	9,594,144
Trade and other receivables	11	7,200,974	6,408,439	49,306,324	38,651,627
Inventories	12	3,511,581	1,966,222	690,125	160,740
Biological assets	13	19,384,330	21,883,238	4,815,512	7,065,846
		58,578,896	59,585,158	67,800,268	55,472,357
Non-current assets					
Investments in subsidiary corporations	14	-	-	37,903,544	36,923,544
Property, plant and equipment	15	25,932,732	24,916,033	5,937,838	7,857,173
Intangible assets	17	11,175,383	14,239,683	15,300	15,300
Biological assets	13	1,083,883	1,049,366	232,438	238,827
Trade and other receivables	11	-	-	8,671,967	8,719,950
Other assets		-	330,108	-	-
Deferred income tax assets	22	2,090,984	2,604,377	-	-
		40,282,982	43,139,567	52,761,087	53,754,794
Total assets		98,861,878	102,724,725	120,561,355	109,227,151
LIABILITIES					
Current liabilities					
Trade and other payables	18	9,362,551	20,496,590	6,365,983	16,266,869
Employee benefits		430,454	525,210	-	-
Borrowings	19	6,630,421	17,410,568	556,512	18,129,724
Deferred capital grants	20	127,924	127,999	75,290	75,290
		16,551,350	38,560,367	6,997,785	34,471,883
Non-current liabilities					
Employee benefits		-	112,854	-	-
Borrowings	19	22,447,596	24,945,798	16,645,561	9,780,263
Deferred capital grants	20	4,857,039	5,244,249	4,763,779	5,098,430
Provision for reinstatement	21	55,980	55,980	-	-
Deferred income tax liabilities	22	3,424,010	3,958,100	-	-
		30,784,625	34,316,981	21,409,340	14,878,693
Total liabilities		47,335,975	72,877,348	28,407,125	49,350,576
Net assets		**51,525,903**	**29,847,377**	**92,154,230**	**59,876,575**
EQUITY					
Share capital	23	153,913,373	105,154,252	153,913,373	105,154,252
Other reserves	24	(2,799,486)	79,024	1,531,626	4,730,554
Accumulated losses		(105,236,358)	(79,403,214)	(63,290,769)	(50,008,231)
Non-controlling interests		5,648,374	4,017,315	-	-
Total equity		**51,525,903**	**29,847,377**	**92,154,230**	**59,876,575**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 December 2021

	Attributable to equity holders of the Company					
	Share capital	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	$	$	$	$	$	$
2021						
Beginning of financial year	105,154,252	79,024	(79,403,214)	25,830,062	4,017,315	29,847,377
Total comprehensive loss for the year:						
(Loss)/profit for the year	-	-	(25,471,465)	(25,471,465)	611,059	(24,860,406)
Other comprehensive income	-	307,458	-	307,458	-	307,458
	-	307,458	(25,471,465)	(25,164,007)	611,059	(24,552,948)
Transactions with owners, recognised directly in equity:						
Issue of new shares	47,188,639	-	-	47,188,639	-	47,188,639
Employee share option scheme	-	409,993	88,321	498,314	-	498,314
Share issue expenses	-	(2,025,479)	-	(2,025,479)	-	(2,025,479)
Expiry of warrants	1,570,482	(1,570,482)	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	1,020,000	1,020,000
Redemption of RCPS	-	-	(450,000)	(450,000)	-	(450,000)
End of financial year	**153,913,373**	**(2,799,486)**	**(105,236,358)**	**45,877,529**	**5,648,374**	**51,525,903**
2020						
Beginning of financial year	105,259,252	4,735,231	(71,199,601)	38,794,882	-	38,794,882
Total comprehensive loss for the year:						
(Loss)/profit for the year	-	-	(8,809,244)	(8,809,244)	58,572	(8,750,672)
Other comprehensive loss	-	(795,770)	-	(795,770)	-	(795,770)
	-	(795,770)	(8,809,244)	(9,605,014)	58,572	(9,546,442)
Transactions with owners, recognised directly in equity:						
Cancellation of shares	(105,000)	-	-	(105,000)	-	(105,000)
Employee share option scheme	-	(267,874)	605,631	337,757	-	337,757
Dilution of interests in subsidiary without loss of control	-	(3,592,563)	-	(3,592,563)	3,958,743	366,180
End of financial year	105,154,252	79,024	(79,403,214)	25,830,062	4,017,315	29,847,377

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2021

	Group	
	2021	**2020**
	$	**$**
Cash flows from operating activities		
Loss before tax	(24,881,103)	(8,877,964)
Adjustments for:		
- Fair value adjustment on biological assets	3,905,825	(4,256,197)
- Amortisation of government grant	(387,285)	(127,923)
- Depreciation of property, plant and equipment and right-of-use assets	3,873,263	3,216,843
- Depreciation of biological assets	107,778	85,495
- Property, plant and equipment written off	3,340,602	34,219
- Amortisation of intangible assets	564,300	542,872
- Impairment loss on goodwill	2,500,000	-
- Employee share option expenses	498,314	337,757
- Interest expense	1,775,871	2,045,922
- Interest income	(21,691)	(255,586)
- Provision for employee benefits	(209,534)	70,321
- Gain on bargain purchase	-	(1,283,470)
	(8,933,660)	(8,467,711)
Changes in working capital:		
– Biological assets	(1,625,651)	(404,398)
– Inventories	(1,548,291)	(119,126)
– Trade and other receivables	(459,901)	(115,303)
– Trade and other payables	572,905	586,282
Cash used in operations, representing net cash used in operating activities	**(11,994,598)**	**(8,520,256)**
Cash flows from investing activities		
Acquisition of a subsidiary, net of cash acquired	-	(3,637,400)
Additions to property, plant and equipment	(8,033,243)	(3,625,462)
Interest received	21,691	255,586
Net cash used in investing activities	**(8,011,552)**	**(7,007,276)**

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2021

	Group	
	2021 $	2020 $
Cash flows from financing activities		
Proceeds from issuance of/(Payments from cancellation of) ordinary shares	17,107,799	(105,000)
Share issue expenses	(1,106,092)	-
Repayment of third party loans	(3,240,000)	-
Proceeds from borrowings	10,657,092	15,775,189
Repayment of lease liabilities	(1,332,493)	(1,445,313)
Decrease in fixed deposit pledged	-	5,132,530
Interest paid	(1,775,871)	(2,045,922)
Capital contribution from non-controlling interests	1,020,000	366,180
Proceeds from capital grants	-	5,063,134
Redemption of redeemable convertible preference shares	(2,363,725)	-
Net cash provided by financing activities	**18,966,710**	**22,740,798**
Net (decrease)/increase in cash and cash equivalents	(1,039,440)	7,213,266
Cash and cash equivalents		
Beginning of the financial year	29,327,259	22,043,889
Effects of currency translation on cash and cash equivalents	194,192	70,104
End of the financial year	**28,482,011**	**29,327,259**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2021

Reconciliation of liabilities arising from financing activities

	Loans and borrowings $	Lease liabilities $	Total $
Balance at 1 January 2020	20,381,924	3,475,063	23,856,987
Financing cash flows [1]	15,775,189	(1,445,313)	14,329,876
Non-cash changes			
– Addition during the year	2,051,821	1,047,738	3,099,559
– Foreign exchange movement	619,349	450,595	1,069,944
Balance at 31 December 2020	38,828,283	3,528,083	42,356,366
Financing cash flows [1]	10,657,092	(1,332,493)	9,324,599
Non-cash changes			
– Conversion of convertible loans	(22,645,178)	-	(22,645,178)
– Written-off during the year	-	(395,367)	(395,367)
– Addition during the year	-	230,278	230,278
– Foreign exchange movement	104,361	102,958	207,319
Balance at 31 December 2021	**26,944,558**	**2,133,459**	**29,078,017**

(1) The cash flows comprise the net amount of proceeds from borrowings and repayments of borrowings in the consolidated statement of cash flows.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Barramundi Group Ltd. (f.k.a Barramundi Group Pte. Ltd.) ("the Company") is incorporated and domiciled in Singapore. The address of its registered office is 35 Fishery Port Road, 116 New Fish Merchant Building, Singapore 619742.

With effect from 6 August 2021, the Company was converted into a public limited company and the name was changed from Barramundi Group Pte. Ltd. to Barramundi Group Ltd.. On 12 August 2021, the Company was listed on Euronext Growth Oslo.

The principal activities of the Company are those of commercial farming, distribution and sale of sea water barramundi. The principal activities of the subsidiary corporations are disclosed in Note 14.

The Company's immediate holding corporation is Barramundi Asia Holdings Pte. Ltd., incorporated in Singapore. The ultimate holding corporation is Commonwealth Harvests Pte. Ltd., incorporated in Singapore. Subsequent to the listing of the Company on 12 August 2021, Barramundi Asia Holdings Pte. Ltd. and Commonwealth Harvests Pte. Ltd. ceased to be the immediate and ultimate holding corporation of the Company and Group respectively.

Impact of COVID-19

The COVID-19 pandemic has continued to affect almost all countries of the world and there has been disruption to global trade due to restrictions for cross-border movement, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are Singapore and Australia, all of which have been affected by the spread of COVID-19 in 2021.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 31 December 2021.

- The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- In 2021, border closures, production stoppages and workplace closures have resulted in periods where the Group's operations were temporarily suspended to adhere to the respective governments' movement control measures. These have negatively impacted business production and volume in 2021, resulting in a negative impact on the Group's financial performance for 2021.
- The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets and provisions for onerous contracts as at 31 December 2021.

Continuous assessment is made for each reporting period on whether there is any indication that the Group's assets and liabilities may be impacted adversely. If any such indication of uncertainties exists, an estimate is made of the fair value of the account balances.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below. SFRS(I)s comprise Standards and Interpretations that are equivalent to International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB).

The preparation of these financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2021

On 1 January 2021, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Going concern

The financial statements have been prepared on a going concern basis which contemplates that the Group will be able to pay its debts as and when they fall due and payable and realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts included in the financial statements.

During the financial year ended 31 December 2021, the Group recorded a net loss before tax for the year of $24,881,103 (31 December 2020: $8,877,964) and net cash used in operating activities of $11,994,598 (31 December 2020: $8,520,256). There was a viral outbreak at the Singapore farm during the financial year resulted in elevated mortalities at sea at the end of the financial year. The Group will undertake a joint vaccine field trial together with a major multinational pharmaceutical; having researched this viral pathogen for numerous years. A viable vaccine to treat this virus is likely to have a positive impact to biological performance. These events and conditions may cast significant doubt on the Group's ability to continue as a going concern.

To ensure sufficient and adequacy of funds to meet its debt obligations and working capital, management had cleared out certain financial liabilities and in August 2021 successfully fundraised $18,027,186 (Note 23) by way of issuing ordinary shares and a listing on Euronext Growth Oslo. Management has prepared and presented a 12 months cash flow forecast to the Board of Directors which demonstrates that the Group will have sufficient funds available to continue as a going concern for at least the next 12 months.

Accordingly, the directors believe the use of the going concern assumption in preparing these financial statements is appropriate.

2. Significant accounting policies *(Continued)*

2.2 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring promised goods or services to the customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sales of goods and services

Revenue from sale of goods and services in the ordinary course of business is recognised at a point in time when the Group satisfies its performance obligation (PO) by transferring the control of the promised goods or services to the customer, which is when the goods are delivered to the destination specified by the customer, typically based on incoterms specified in the contract. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

(b) Interest income

Interest income, including income arising from financial instruments, is recognised using the effective interest method.

2.3 Government grant

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are presented in the balance sheet as deferred income and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2. Significant accounting policies *(Continued)*

2.4 Group accounting

Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured 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 over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

2. Significant accounting policies *(Continued)*

2.4 Group accounting *(Continued)*

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

2.5 Property, plant and equipment

(a) Measurement

(i) Leasehold property

Leasehold property is initially recognised at cost. It is subsequently carried at the revalued amount less accumulated depreciation and accumulated impairment losses.

Leasehold property is revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income and accumulated in equity, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increase is recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

(ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

2. Significant accounting policies *(Continued)*

2.5 Property, plant and equipment *(Continued)*

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold improvements	5 - 20 years
Plant, equipment and boats	3 - 20 years
Nets, cages and moorings	10 - 40 years
Office and computer equipment	3 - 10 years
Motor vehicles	5 years
Leasehold land, sea and buildings	2 - 30 years
Leasehold property	30 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "administrative expenses". Any amount in revaluation reserve relating to that item is transferred to accumulated losses directly.

2.6 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

2. Significant accounting policies *(Continued)*

2.6 Intangible assets *(Continued)*

(b) Acquired trademarks

Trademarks acquired from business acquisition are capitalised at fair value at the date of acquisition. After initial recognition, the acquired trademarks are carried at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 12.4 years, which is the shorter of their estimated useful lives and periods of contractual rights.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Club memberships

Club memberships relate to the entrance fees paid for the right to use the facilities of the clubs. Club membership is measured on initial recognition at cost. The cost of club memberships is the fair value as at the date of acquisition. Subsequent to recognition, club memberships are carried at cost less any accumulated impairment losses.

Club memberships with indefinite useful lives are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such club memberships are not amortised. The useful life of a club membership with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arises from de-recognition of club memberships are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.8 Investment in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. Significant accounting policies *(Continued)*

2.9 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Intangible assets
Property, plant and equipment
Investments in subsidiary corporations

Intangible assets, property, plant and equipment and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. Significant accounting policies *(Continued)*

2.10 Financial assets

(a) Classification and measurement

The Group classifies and measures its financial assets at amortised cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset.

At subsequent measurement

Debt instrument

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

The following is the prescribed subsequent measurement category, depending on the Group's business model in managing the assets and the cash flow characteristics of the assets.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and bank deposits and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

2. Significant accounting policies *(Continued)*

2.10 Financial assets *(Continued)*

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

(a) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(b) Convertible loans

The total proceeds from convertible loans issued are allocated to the liability component and the equity component, which are separately presented on the balance sheet.

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible loans. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of any deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount is transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

2. Significant accounting policies *(Continued)*

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Redeemable convertible preference shares

Preference shares capital which are mandatory redeemable on a specific date are classified as financial liabilities. The dividends on these preference shares are recognised as finance expenses.

2.14 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets are presented within "Property, plant and equipment".

- Lease liabilities

  The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include the following:

  – Fixed payment (including in-substance fixed payments), less any lease incentives receivables;

  – Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;

  – Amount expected to be payable under residual value guarantees

  – The exercise price of a purchase option if is reasonably certain to exercise the option; and

  – Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

2. Significant accounting policies *(Continued)*

2.14 Leases (continued)

When the Group is the lessee: (continued)

- Lease liabilities (continued)

  Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

  - There is a change in future lease payments arising from changes in an index or rate;

  - There is a change in the Group's assessment of whether it will exercise an extension option; or

  - There is modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liability is remeasured with a corresponding adjustment to the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short-term and low-value leases

  The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.15 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. The amount of any write-down of inventories to net realizable value shall be recognised as an expense in the period the write-down occurs. The amount of any reversal of write-down of inventories, arising from an increase in net realizable value, shall be recognised as a reduction in the amount of inventories recognised or an expense in the period in which the reversal occurs.

2.16 Biological assets

The Group's biological assets comprise of a) live fish that are divided into two main groups, depending on the stage of the life cycle and b) broodstock. At the earlier stage of the life cycle, the fish are classified in group (1) immature fish in land nursery at cost. During this stage, the fish are kept on shore. When the fish are large enough for release to sea, they are classified in group (2) fish at sea. Fish at sea can be further divided into mature fish at sea at fair value and immature fish at sea at cost. The Group considers live fish weighing more than 500grams to have an active and established market. These fish are classified as mature fish at sea at fair value, while fish that have not yet achieved this weight are classified as immature fish at sea at cost.

Mature live fish at sea at fair value are carried at fair value less estimated point-of-sale costs (harvesting costs and transport costs). The Group estimates the fair value of live fish based on the biomass at sea for each location and observed market prices for harvested fish at the balance sheet date in the respective markets in which the Group operates. The observed market prices are based on historical selling prices. The adjustment for point-of-sale costs is based on the Group's historical costs per location. The difference between the fair values of the biological assets and the carrying amounts at the end of the period is recognised as a fair value adjustment in profit or loss.

2. Significant accounting policies *(Continued)*

2.16 Biological assets (continued)

Immature live fish at sea at cost could have production cost per kilogram (kg) higher than market prices per kg for harvested fish. If this is the case the fish is carried at the higher of the two if it is reasonable that the production cost will be fully covered through further farming and later sale. If further growth and sale is not expected to cover the cost of production, the fish is carried at the estimated value based on market prices.

The income or loss which will be recognised on sale may differ materially from that implied by the fair value adjustment at the end of a period. The fair value adjustment on biological assets has no cash impact and does not affect the results of operations before unrealised fair value adjustments.

Write-downs of biological assets occur due to mortality, which are expensed to profit or loss.

Broodstock is stated at cost less accumulated depreciation and any impairment losses. Broodstock is depreciated on a straight-line basis over their estimated useful lives of 9 years.

2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

2. Significant accounting policies *(Continued)*

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Share-based payments

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognise the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to the share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2. Significant accounting policies *(Continued)*

2.20 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("$"), which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "administrative expenses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2. Significant accounting policies *(Continued)*

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.22 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

a) Estimated impairment of goodwill

In performing the impairment assessment of the carrying amount of goodwill, as disclosed in Note 17, the recoverable amounts of the cash-generating units ("CGUs"), in which goodwill has been attributable to, are determined using value-in-use ("VIU") calculations. These calculations require estimates and assumptions (Note 17).

The sensitivity analysis on the key assumptions applied in the calculations are disclosed in Note 17 to the financial statements.

b) Write down of incident-based mortalities

During the financial year, there was a viral outbreak at the Singapore farm which resulted in elevated mortalities at sea at the end of the financial year. Therefore, write down of incident-based mortalities is accounted for in the period when incidents occurred. The written down value was determined using interpolation method which requires estimates and assumptions made by management.

If the total mortality had been higher/lower by 10% from management's estimates, the Group's loss before tax would be higher/lower by $181,090.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

4. Revenue

Revenue represents sales of goods and services and is recognised at a point in time.

	Group	
	2021 **$**	**2020** **$**
Sales of goods	32,641,453	28,363,590
Services rendered	60,000	-
	32,701,453	**28,363,590**

5. Other income

	Group	
	2021 **$**	**2020** **$**
Interest income from bank deposits	21,691	255,586
Amortisation of capital grants	387,285	127,923
Grants received (1)	296,837	1,439,550
Insurance claim funds	102,751	-
Net foreign exchange gain	-	1,023,872
Gain on bargain purchase (Note 27)	-	1,283,470
Other income from third party loan	303,829	-
Disposal of lease	66,668	-
Others	173,930	168,573
	1,352,991	**4,298,974**

(1) Grant income of $187,517 (2020: $645,835) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

Grant income of nil (2020: $729,000) was recognised during the financial year under the Jobkeeper Grant. The Jobkeeper Grant is a program introduced in Australia, which broadly comprises a wage subsidy to help businesses keep staff employed. Under the Jobkeeper Grant, eligible employers will receive cash grants in relation to the wages of eligible employees.

*Grant income of $37,577 was recognised during the financial year under the A*STAR Grant. The A*STAR Grant is a grant given for research on multipronged approach toward vaccine development against Scale Drop Disease Virus (SDDV) in Asia Seabass.*

Grant income of $66,285 was recognised during the financial year under SGUnited Traineeships Programme. The aim of this programme is to provide traineeship opportunities to individuals who have recently graduated or will soon be graduating. Under the SGUnited Traineeships Programme, employers will receive training allowance in reimbursement basis after fulfilling the criteria as stipulated in the Letter of Offer.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

6. Expenses by nature

The Group's loss before income tax is arrived at after charging the following:

	Group	
	2021 **$**	**2020** **$**
Farm personnel expenses	8,833,826	7,990,463
Administrative expenses	9,986,014	5,654,408
Distribution expenses	1,976,722	2,285,932
	20,796,562	15,930,803

	Group	
	2021 **$**	**2020** **$**
Employee compensation (Note 7)	14,274,295	13,572,110
Advertisement and promotion	317,685	236,429
Net foreign exchange loss	552,042	-
Legal and professional fees	292,158	443,015
Property, plant and equipment written off (1)	3,340,602	34,219
Share issue expenses	645,630	-
Other expenses	1,374,150	1,645,030
Total farm personnel expenses, administrative expenses and distribution expenses	20,796,562	15,930,803

(1) Property, plant and equipment written off relates mainly to write off of Singapore's Semakau nursery following a consolidation of the Singapore operation.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

7. Employee compensation

	Group	
	2021 **$**	**2020** **$**
Wages and salaries	11,583,156	10,465,235
Employer's contribution to defined contribution plans	216,712	256,743
Share-based payments	498,314	337,757
Other short-term benefits	1,976,113	2,512,375
	14,274,295	**13,572,110**

8. Finance expense

	Group	
	2021 **$**	**2020** **$**
Interest expenses:		
– Bank borrowings	975,807	1,046,082
– Lease liabilities	152,675	306,207
– Convertible loans	647,389	693,633
	1,775,871	**2,045,922**

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

9. Income tax credit

	Group	
	2021 **$**	**2020** **$**
Tax credit attributable to loss is made up of:		
Deferred income tax (Note 22)	**20,697**	**127,292**

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2021 **$**	**2020** **$**
Loss before tax	(24,881,103)	(8,877,964)
Tax calculated at tax rate of 17% (2020: 17%)	(4,229,787)	(1,509,254)
– Different tax rates in other countries	(680,816)	(688,604)
– Expenses not deductible for tax purposes	1,343,588	1,885,892
– Tax incentives	(15,000)	(15,000)
– Income not subject to tax	-	(573,000)
– Change in unrecognised temporary differences	3,831,419	931,219
– Utilisation of unrecognised tax losses	(270,101)	(179,219)
– Others	-	20,674
	(20,697)	**(127,292)**

10. Cash and cash equivalents

	Group		Company	
	2021 **$**	**2020** **$**	**2021** **$**	**2020** **$**
Cash at bank and on hand	23,480,750	13,360,354	12,988,307	9,594,144
Short-term bank deposits	5,001,261	15,966,905	-	-
	28,482,011	**29,327,259**	**12,988,307**	**9,594,144**

11. Trade and other receivables

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Current				
Trade receivables:				
– Non-related parties	4,188,524	3,783,009	1,565,598	1,324,529
– Affiliated company of the Group	-	69,281	-	52,334
– Subsidiary corporations	-	-	1,785,433	1,143,944
	4,188,524	3,852,290	3,351,031	2,520,807
Less: Loss allowance	(28,910)	(91,683)	(28,910)	(28,361)
	4,159,614	3,852,290	3,322,121	2,492,446
Other receivables:				
– Non-related parties	926,550	467,784	178,028	163,932
– Subsidiary corporations	-	-	45,460,030	35,873,360
	926,550	467,784	45,638,058	36,037,292
Less: Loss allowance	(30,875)	-	(1,276,473)	(1,276,473)
	895,675	467,784	44,361,585	34,760,819
Advances to customers	47,833	11,932	-	-
Deposits	608,796	613,661	360,022	355,076
Prepayments	1,489,056	1,554,455	1,262,596	1,043,286
	7,200,974	**6,408,439**	**49,306,324**	**38,651,627**
Non-current				
Other receivables – subsidiary corporation	-	-	**8,671,967**	**8,719,950**

Trade and other receivables to subsidiary corporations and affiliated company of the Group are unsecured, interest-free and repayable on demand.

The loan to a subsidiary corporation is unsecured. Loan amounting to $8,671,967 (2020: $8,719,950) is repayable in full by 14 September 2023. Interest is fixed at 10% (2020: 10%) per annum.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

12. Inventories

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Finished goods	2,736,309	1,474,996	420,050	31,395
Feed and medication	775,272	272,776	270,075	129,345
	3,511,581	**1,966,222**	**690,125**	**160,740**

The cost of inventories recognised as an expense and included in "raw materials and consumables" amounted to $17,118,180 (2020: $12,052,277).

There is no write down of inventories during the financial years ended 31 December 2021 and 2020.

13. Biological assets

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Mature fish at sea at fair value	19,186,202	21,873,722	4,815,512	7,065,846
Immature fish at sea at cost	620,793	222,887	190,942	139,848
Immature fish in nursery at cost	41,496	108,495	41,496	98,979
Broodstock	619,722	727,500	-	-
	20,468,213	**22,932,604**	**5,047,950**	**7,304,673**

Biological assets are presented in the Balance Sheet as follows:

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Current	19,384,330	21,883,238	4,815,512	7,065,846
Non-current	1,083,883	1,049,366	232,438	238,827
Total	**20,468,213**	**22,932,604**	**5,047,950**	**7,304,673**

13. Biological assets *(Continued)*

Reconciliation of carrying amounts of biological assets

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
At the beginning of the year	22,932,604	16,661,855	7,304,673	4,988,846
Acquisition through business combination (Note 27)	-	812,995	-	-
Fish mortalities	(2,947,929)	(2,511,709)	(1,716,101)	(812,334)
Cost of fingerlings, feed and medication	13,075,255	11,345,571	2,837,568	2,961,672
Cost of fish harvested	(8,609,453)	(8,514,959)	(1,445,547)	(1,754,456)
Fair value adjustment on biological assets	(3,905,825)	4,256,197	(1,932,643)	1,920,945
Exchange rate movement	(76,439)	882,654	-	-
At the end of the year	**20,468,213**	**22,932,604**	**5,047,950**	**7,304,673**

At 31 December 2021, the Group and the Company held 2,106,080kg and 380,851kg (2020: 2,278,757kg and 561,757kg) of fish in cages at sea respectively. The amount disclosed is net of write down of incidental based mortalities as disclosed in Note 3.1(b) to the financial statements.

Broodstock

	Group	
	2021 $	2020 $
Cost		
Beginning of financial year	970,000	-
Acquisition through business combinations (Note 27)	-	970,000
End of financial year	970,000	970,000
Accumulated depreciation		
Beginning of financial year	242,500	-
Acquisition through business combinations (Note 27)	-	157,005
Depreciation charge	107,778	85,495
End of financial year	350,278	242,500
Net book value		
End of financial year	**619,722**	**727,500**

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

14. Investments in subsidiary corporations

	Company	
	2021 **$**	**2020** **$**
Equity investments at cost		
Beginning of financial year	36,923,544	19,820,723
Addition	980,000	17,102,821
End of financial year	**37,903,544**	**36,923,544**

2021

On 5 July 2021, the Group's subsidiary corporation, Fassler Gourmet Pte Ltd allotted and issued 20,408,163 ordinary shares of which the Company subscribed to 10,000,000 ordinary shares for a cash consideration of $980,000 and an affiliated company subscribed to the remaining 10,408,163 of ordinary shares for a cash consideration of $1,020,000. There is no change in Group's percentage of ownership in Fassler.

2020

On 2 January 2020, the Company completed the acquisition of 100% equity interest in Fassler Gourmet Pte. Ltd. ("Fassler") for a total deemed consideration of $6,219,000. $4,200,000 of the purchase consideration was paid in cash on settlement whilst the remaining balance of $1,800,000 was payable no later than 30 June 2021 with an interest rate of 10% per annum, representing a fair value of $2,019,000.

On 22 July 2020, Fassler allotted and issued 6,326,531 ordinary shares, of which the Company and an affiliated company subscribed to 2,590,000 and 3,736,531 of the said ordinary shares for a cash consideration of S$253,820 and S$366,180 respectively. Consequently, the equity interest of the Company decreased from 100% to 49%.

On 12 March 2020, the Company completed the acquisition of 100% equity interest in Allegro Aqua Pte. Ltd. ("Allegro") for a consideration of $2,200,000 in cash and via allotment of 27,000,000 redeemable convertible preference shares ("RCPS") at $0.60 per RCPS of the Company, representing a total deemed consideration of $10,630,000.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

14. Investments in subsidiary corporations *(Continued)*

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2021 %	2020 %	2021 %	2020 %	2021 %	2020 %
Held by the Company								
UVAXX Pte. Ltd.[1]	Development and sale of vaccines for fish	Singapore	100	100	100	100	-	-
Marine Produce Australia Pty Ltd [2]	Ocean farming of finfish	Australia	100	100	100	100	-	-
Barramundi Asia (Shanghai) Co Ltd. [4]	Import and trading of fish	China	100	100	100	100	-	-
Barramundi Group (Brunei) Sdn. Bhd. [3]	Ocean farming of finfish	Brunei	99	99	99	99	-	-
Fassler Gourmet Pte Ltd ("Fassler") [1] [5]	Processing and supply of fresh and frozen food	Singapore	49	49	49	49	51	51
Allegro Aqua Pte. Ltd. [4]	Farming of seabass and general trade	Singapore	100	100	100	100	-	-
Held by UVAXX Pte. Ltd.								
UVAXX Australia Pty Ltd [6]	Development and sale of vaccines for fish	Australia	100	-	100	-	-	-
Held by Marine Produce Australia Pty Ltd								
MPA Fish Farms Pty Ltd [2]	Ocean farming of finfish	Australia	100	100	100	100	-	-
MPA Marketing Pty Ltd [2]	Sale and distribution of ocean farmed finfish	Australia	100	100	100	100	-	-

Carrying amount of non-controlling interests	2021 $	2020 $
Fassler Gourmet Pte Ltd	5,648,374	4,017,315

(1) Audited by Nexia TS Public Accounting Corporation, Singapore.
(2) Audited by KPMG LLP Australia.
(3) Audited by Deloitte & Touche, Brunei.
(4) Reviewed by Nexia TS Public Accounting Corporation, Singapore for purposes of consolidation.
(5) Considered as subsidiary corporation of the Company as the directors of the Company assessed that the Group has the practical ability to direct the relevant activities of Fassler.
(6) Incorporated and dormant during the financial year ended 31 December 2021

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

14. Investments in subsidiary corporations *(Continued)*

Summarised financial information of subsidiary with material non-controlling interests

Set out below are the summarised financial information for Fassler that has non-controlling interests ("NCI") that are material to the Group. These are presented before inter-company eliminations.

Summarised balance sheet	2021 $	2020 $
Current		
Assets	13,765,809	11,056,249
Liabilities	(5,181,442)	(4,449,799)
Total current net assets	8,584,367	6,606,450
Non-current		
Assets	5,904,688	5,919,846
Liabilities	(4,226,390)	(5,461,785)
Total non-current net assets	1,678,298	458,061
Net assets	10,262,665	7,064,511
Accumulated NCI	5,648,374[(1)]	4,017,315

Summarised income statement	2021 $	2020 $
Revenue	11,642,869	9,145,849
Profit before tax	1,198,154	547,042
Income tax expense	-	-
Total comprehensive income for the year	1,198,154	547,042
Total comprehensive income allocated to NCI	611,059	58,572

Summarised cash flows	2021 $	2020 $
Net cash generated from/(used in) operating activities	580,117	(5,292,218)
Net cash generated from investing activities	65,862	131,339
Net cash generated from financing activities	820,262	6,621,971

(1) Included in the movement of the accumulated NCI for the financial year ended 31 December 2021 is the capital contribution by NCI of $1,020,000 for the increase in paid-up share capital in Fassler

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

14. Investments in subsidiary corporations *(Continued)*

Dilution of interest in a subsidiary corporation without loss of control

2020

On 22 July 2020, the Group's subsidiary corporation, Fassler allotted and issued 6,326,531 ordinary shares of which the Company subscribed to 2,590,000, for a cash consideration of $253,820 and an affiliated company subscribed to the remaining 3,736,531 of shares for a cash consideration of $366,180. Following the completion of subscription, the Group's equity interest in Fassler decreased from 100% to 49%, while remained controls of Fassler. This resulted in an increase in non-controlling interests of S$3,958,743 and an increase in equity attributable to owner of the parent of $366,180. The effect of changes in the ownership interest of Fassler on the equity attributable to owners of the Company during the year is summarised as follows:

	$
Carrying amount of interests in a subsidiary corporation disposed of	(3,958,743)
Deemed consideration received from non-controlling interests	366,180
Decrease in equity attributable to owners of the Company	(3,592,563)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

15. Property, plant and equipment

	Leasehold improvements	Plant equipment and boats	Nets, cages and moorings	Office and computer equipment	Motor vehicles	Leasehold land, sea and buildings	Leasehold property	Capital work in progress	Total
	$	$	$	$	$	$	$	$	$
Group									
2021									
Cost									
Beginning of financial year	2,764,532	34,178,172	2,811,885	382,963	409,046	3,166,776	5,800,000	2,025,431	51,538,805
Additions	1,175,417	3,814,830	81,536	40,649	109,631	202,516	-	2,838,942	8,263,521
Transfer from capital work in progress	420,982	1,482,556	2,513	-	-	-	-	(1,906,051)	-
Written off	(2,568,756)	(4,644,504)	-	-	(33,000)	(386,755)	-	-	(7,633,015)
Exchange differences	-	(160,838)	-	-	-	(11,956)	-	-	(172,794)
End of financial year	1,792,175	34,670,216	2,895,934	423,612	485,677	2,970,581	5,800,000	2,958,322	51,996,517
Accumulated depreciation and impairment									
Beginning of financial year	774,341	22,359,048	1,656,875	357,509	385,411	923,874	165,714	-	26,622,772
Depreciation charge	312,878	2,445,633	180,220	24,723	37,635	706,464	165,710	-	3,873,263
Written off	(954,967)	(3,262,580)	-	-	(28,600)	(46,266)	-	-	(4,292,413)
Exchange differences	-	(112,230)	-	-	-	(27,607)	-	-	(139,837)
End of financial year	132,252	21,429,871	1,837,095	382,232	394,446	1,556,465	331,424	-	26,063,785
Net book value									
End of financial year	**1,659,923**	**13,240,345**	**1,058,839**	**41,380**	**91,231**	**1,414,116**	**5,468,576**	**2,958,322**	**25,932,732**

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

15. Property, plant and equipment *(Continued)*

	Leasehold improvements	Plant equipment and boats	Nets, cages and moorings	Office and computer equipment	Motor vehicles	Leasehold land, sea and buildings	Leasehold property	Capital work in progress	Total
	$	$	$	$	$	$	$	$	$
Group									
2020									
Cost									
Beginning of financial year	2,735,160	26,184,099	2,865,429	195,139	58,000	1,934,495	-	1,695,306	35,667,628
Additions	29,372	2,636,841	27,090	8,879	15,328	1,171,710	-	907,951	4,797,171
Acquisitions through business combinations (Note 27)	-	3,637,350	-	296,898	335,718	376,857	5,800,000	-	10,446,823
Transfer from capital work in progress	-	596,914	-	-	-	-	-	(596,914)	-
Written off	-	(202,728)	(80,634)	(117,953)	-	(426,884)	-	-	(828,199)
Exchange differences	-	1,325,696	-	-	-	110,598	-	19,088	1,455,382
End of financial year	2,764,532	34,178,172	2,811,885	382,963	409,046	3,166,776	5,800,000	2,025,431	51,538,805
Accumulated depreciation and impairment									
Beginning of financial year	520,195	16,441,888	1,557,945	145,019	37,838	610,735	-	-	19,313,620
Depreciation charge	254,146	1,867,680	179,089	65,275	23,060	661,879	165,714	-	3,216,843
Acquisitions through business combinations (Note 27)	-	3,356,421	-	257,975	324,513	42,316	-	-	3,981,225
Written off	-	(176,177)	(80,159)	(110,760)	-	(426,884)	-	-	(793,980)
Exchange differences	-	869,236	-	-	-	35,828	-	-	905,064
End of financial year	774,341	22,359,048	1,656,875	357,509	385,411	923,874	165,714	-	26,622,772
Net book value									
End of financial year	**1,990,191**	**11,819,124**	**1,155,010**	**25,454**	**23,635**	**2,242,902**	**5,634,286**	**2,025,431**	**24,916,033**

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

15. Property, plant and equipment *(Continued)*

	Leasehold improvements	Plant equipment and boats	Nets, cages and moorings	Office and computer equipment	Motor Vehicles	Leasehold land, sea and buildings	Capital work in progress	Total
		$	$	$	$	$	$	$
Company								
2021								
Cost								
Beginning of financial year	2,764,532	7,684,664	2,811,884	188,572	58,000	148,215	1,318,290	14,974,157
Additions	51,685	176,091	5,120	38,407	-	119,782	1,963,167	2,354,252
Written off	(2,568,756)	(4,644,504)	-	-	(33,000)	(16,476)	-	(7,262,736)
Transfer from capital work in progress	20,475	931,385	2,513	-	-	-	(954,373)	-
End of financial year	267,936	4,147,636	2,819,517	226,979	25,000	251,521	2,327,084	10,065,673
Accumulated depreciation								
Beginning of financial year	774,342	4,426,709	1,656,875	170,485	49,438	39,135	-	7,116,984
Depreciation charge	258,985	742,078	170,179	18,491	4,162	79,579	-	1,273,474
Written off	(954,967)	(3,262,580)	-	-	(28,600)	(16,476)	-	(4,262,624)
End of financial year	78,360	1,906,207	1,827,054	188,976	25,000	102,238	-	4,127,835
Net book value								
End of financial year	**189,576**	**2,241,429**	**992,463**	**38,003**	**-**	**149,283**	**2,327,084**	**5,937,838**

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

15. Property, plant and equipment *(Continued)*

	Leasehold improvements	Plant equipment and boats	Nets, cages and moorings	Office and computer equipment	Motor Vehicles	Leasehold land, sea and buildings	Capital work in progress	Total
		$	$	$	$	$	$	$
Company								
2020								
Cost								
Beginning of financial year	2,735,160	7,079,726	2,865,429	181,123	58,000	364,574	1,410,590	14,694,602
Additions	29,372	414,223	27,090	7,449	-	131,739	200,809	810,682
Written off	-	(102,394)	(80,635)	-	-	(348,098)	-	(531,127)
Transfer from capital work in progress	-	293,109	-	-	-			
End of financial year	2,764,532	7,684,664	2,811,884	188,572	58,000	148,215	1,318,290	14,974,157
Accumulated depreciation								
Beginning of financial year	520,196	3,882,278	1,557,945	133,822	37,838	265,805	-	6,397,884
Depreciation charge	254,146	620,275	179,089	36,663	11,600	121,428	-	1,223,201
Written off	-	(75,844)	(80,159)	-	-	(348,098)	-	(504,101)
End of financial year	774,342	4,426,709	1,656,875	170,485	49,438	39,135	-	7,116,984
Net book value								
End of financial year	**1,990,190**	**3,257,955**	**1,155,009**	**18,087**	**8,562**	**109,080**	**1,318,290**	**7,857,173**

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 16(a).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

16. Leases – The Group and Company as a lessee

Nature of the Group's leasing activities

Leasehold land, sea and buildings

The Group and the Company lease several assets including leasehold land, sea and buildings for the purpose of commercial farming and back office operations. The leases have varying terms and are renegotiated upon renewal.

Plant and equipment

The Group and the Company lease plant and equipment for the purpose of daily operation. The leases have varying terms and are renegotiated upon renewal.

(a) Carrying amounts

Right-of-use assets classified within property, plant and equipment

	Group		Company	
	2021 $	**2020 $**	**2021 $**	**2020 $**
Leasehold land, sea and buildings	1,378,418	2,242,911	149,284	109,080
Plant equipment and boats	764,144	1,292,469	76,364	120,001
Motor vehicle	27,115	-	-	-
	2,169,677	3,535,380	225,648	229,081

(b) Depreciation charge during the year

	Group		Company	
	2021 $	**2020 $**	**2021 $**	**2020 $**
Leasehold land, sea and buildings	706,464	661,867	79,579	121,428
Plant equipment and boats	414,860	358,005	43,637	43,637
Motor vehicle	24,849	-	-	-
	1,146,173	1,019,872	123,216	165,065

(c) Interest expense

	Group		Company	
	2021 $	**2020 $**	**2021 $**	**2020 $**
Interest expense on lease liabilities	152,675	306,207	6,356	5,777

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

16. Leases – The Group and Company as a lessee *(Continued)*

(d) Lease expense not capitalised in lease liabilities

	Group		Company	
	2021 **$**	**2020** **$**	**2021** **$**	**2020** **$**
Lease expenses-short-term leases	90,842	86,167	78,615	53,720

(e) Total cash outflow for all the leases in 2021 was $1,423,335 (2020: $1,837,687)

(f) Addition of ROU assets during the financial year 2021 was $230,278 (2020: $1,171,709)

(g) Future cash outflow which are not capitalised in lease liabilities

Extension options

The leases for certain leasehold land, sea and buildings contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

17. Intangible assets

	Protocol asset **$**	**Club membership** **$**	**Goodwill** **$**	**Trademark** **$**	**Total** **$**
Group					
2021					
Cost					
Beginning and end of financial year	600,000	15,300	8,726,194	6,104,904	15,446,398
Accumulated amortisation and impairment					
Beginning of financial year	192,860	-	-	1,013,855	1,206,715
Amortisation charge	85,714	-	-	478,586	564,300
Impairment	-	-	2,500,000	-	2,500,000
End of financial year	278,574	-	2,500,000	1,492,441	4,271,015
Carrying amounts					
End of financial year	**321,426**	**15,300**	**6,226,194**	**4,612,463**	**11,175,383**

17. Intangible assets *(Continued)*

	Protocol asset	Club membership	Goodwill	Trademark	Total
	$	$	$	$	$
Group					
2021					
Cost					
Beginning and end of financial year	-	15,300	2,240,496	4,424,904	6,680,700
Acquisition through business combinations (Note 27)	600,000	-	6,485,698	1,680,000	8,765,698
End of financial year	600,000	15,300	8,726,194	6,104,904	15,446,398
Accumulated amortisation and impairment					
Beginning of financial year	-	-	-	535,269	535,269
Acquisition through business combinations (Note 27)	128,574	-	-	-	128,574
Amortisation charge	64,286	-	-	478,586	542,872
End of financial year	192,860	-	-	1,013,855	1,206,715
Carrying amounts					
End of financial year	**407,140**	**15,300**	**8,726,194**	**5,091,049**	**14,239,683**

	Club membership
	$
Company	
2021 and 2020	
Cost	
Beginning and end of financial year	15,300

The useful life of the club membership is indefinite.

Goodwill arising from consolidation

(a) Allocation of goodwill

Goodwill of $2,240,496 and $6,485,698 belongs to cash generating units ("CGUs") of Marine Produce Australia Pty Ltd and its subsidiary corporations and Barramundi Group Ltd. and Allegro Aqua Pte. Ltd. respectively.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

17. Intangible assets *(Continued)*

Goodwill arising from consolidation (continued)

(b) Impairment test for goodwill

In assessing whether an impairment is required for goodwill, the carrying amount of the CGU is compared with its recoverable amount. The recoverable amount of the CGU was determined based on value-in-use calculations.

(i) Goodwill attributable from Marine Produce Australia Pty Ltd and its subsidiary corporations

The management has adopted discounted cash flow approach to determine the value-in-use. The cash flow projection is based on budgets approved by management. Cash flows beyond the approved period were extrapolated using terminal growth rate of 0%. These cash flows were discounted using a pre-tax discount rate that reflected current market assessment of the time value of money and the risks specific to the CGU. The growth rate is based on past performance and expectations on market development.

Key assumptions used in value-in-used calculations:

	Group	
	2021 **%**	**2020** **%**
Growth rate[1]	0% to 25%	0% to 9%
Discount rate[2]	10.0%	12.8%

If the estimated growth rate used in the value-in-used calculation for this CGU had declined by 23% (2020: 1.9%), estimated pre-tax discount rate applied to the discounted cash flows for this CGU had raised by 9.5% (2020: 7.1%), the recoverable amount of the CGU would equal the carrying amount.

(ii) Goodwill attributable from Barramundi Group Ltd. and Allegro Aqua Pte. Ltd.

As disclosed in Note 3.1 (b) in these financial statements, the Company has encountered an incident-based mortality at the Singapore farm (viral outbreak) in the current financial year. As a result, the management has adopted expected cash flow approach (probability-weighted average cash flows projections) to determine the value-in-use due to the significantly higher degree of estimation uncertainty and wider range of possible cash flow projections arising from the impact of the viral outbreak. Management believes that the probability-weighted scenarios present a reasonable assessment of the future outcomes, taking into account for a more comprehensive outlook for the recovery of the Company's production from this incident.

In determining the cashflow projection, the management has applied differing factors to accommodate the possible expectation on the Company's recovery from this incident. The factors include, but are not limited to, the extent of the incident on the CGU, rate of recovery from the incident, as well as probability of success in vaccine trials.

(1) Revenue growth rate used for extrapolation of future revenue
(2) Pre-tax discount rate applied to the pre-tax cash flows projections

17. Intangible assets *(Continued)*

Goodwill arising from consolidation (continued)

(b) Impairment test for goodwill (continued)

(ii) Goodwill attributable from Barramundi Group Ltd. and Allegro Aqua Pte. Ltd. (continued)

The cash flow projection is based on budgets approved by management. Cash flows beyond the approved period were extrapolated using terminal growth rate of 0%. These cash flows were discounted using a pre-tax discount rate that reflected current market assessment of the time value of money and the risks specific to the CGU. The growth rate is based on past performance and expectations on market development after adjusting for the effect of the above-mentioned incident on the Company.

Key assumptions used in value-in-used calculations:

	Group	
	2021 **%**	**2020** **%**
Growth rate(1)	-100% to 100%	0% to 9%
Discount rate(2)	10.0%	12.8%

Under the fair value hierarchy, level 3 inputs were used.

(c) Impairment loss on goodwill

During the current financial year, the Group recognised an impairment loss on goodwill attributable from Barramundi Group Ltd. and Allegro Aqua Pte. Ltd. amounting to $2,500,000. As the CGUs have been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of the recoverable amount would result in further impairment losses.

(1) Revenue growth rate used for extrapolation of future revenue. The Company's operation, in particular the harvest tonnage, were severely affected by the incident. Due to the scale of the incident and the measures taken by management to cope with the incident, the sales in initial years are expected to be severely affected and recover gradually in subsequent years. Consequently, the revenue growth rate is expected to decline in the initial financial year and increase gradually.

(2) Pre-tax discount rate applied to the pre-tax cash flows projections

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

18. Trade and other payables

	Group		Company	
	2021 $	**2020 $**	**2021 $**	**2020 $**
Trade payables				
– Non-related parties	5,625,869	5,833,558	1,751,446	2,132,598
– Subsidiary corporations	-	-	1,722,585	939,629
– Affiliated companies	-	187,319	-	187,319
	5,625,869	6,020,877	3,474,031	3,259,546
Other payables				
– Non-related parties	887,337	12,243,545	10,298	11,941,335
– Subsidiary corporations	-	-	1,737,525	-
Advances	44,904	18,633	-	-
Accruals	2,804,441	2,213,535	1,144,129	1,065,988
	9,362,551	**20,496,590**	**6,365,983**	**16,266,869**

Trade payables are normally settled on 30 to 90 days terms. Trade and other payables due to subsidiary corporations and affiliate companies are unsecured and interest-free.

The carrying amounts of trade and other payables approximate their fair values.

For the financial year ended 31 December 2020, included in other payables are redeemable convertible preference shares of $8,430,000. Refer to Note 27 to the financial statements for detailed disclosure.

During the financial year ended 31 December 2021, preference shares amounting to $2,243,942 were redeemed and preference shares amounting to $6,186,058 were converted to convertible loans.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

19. Borrowings

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Non-current liabilities:				
Secured bank loans	21,526,615	22,863,487	16,564,161	9,663,988
Lease liabilities	920,981	2,082,311	81,400	116,275
	22,447,596	24,945,798	16,645,561	9,780,263
Current liabilities:				
Secured bank loans	5,417,943	6,581,144	420,000	8,645,834
Lease liabilities	1,212,478	1,445,772	136,512	100,238
Convertible loans	-	9,383,652	-	9,383,652
	6,630,421	17,410,568	556,512	18,129,724
	29,078,017	**42,356,366**	**17,202,073**	**27,909,987**

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

				2021		2020	
Group	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Secured bank loans	SGD	ABS SIBOR + 2%	2025	5,000,000	5,000,000	5,000,000	5,000,000
Secured bank loans	SGD	ABS SIBOR + 3%	2022	5,000,000	4,540,768	5,000,000	5,245,000
Secured bank loans	SGD	ABS SIBOR + 1.75%	2023	4,000,000	3,405,000	4,000,000	4,000,000
Money Market Line	SGD	Floating rate	2021	1,000,000	1,000,000	2,000,000	2,000,000
Money Market Line	SGD	ABS SIBOR + 2%	2021	-	-	1,000,000	1,000,000
Third party loan	SGD	4%	2023	2,000,000	2,000,000	2,000,000	2,000,000
Convertible loans	SGD	10%, 15%	2020, 2021	-	-	9,383,652	9,383,652
Factoring facility	SGD	ABS SIBOR + 3%	-	3,000,000	443,393	-	-
Secured bank loans	SGD	3.00%	2026	2,000,000	2,000,000	-	-
Secured bank loans	AUD	BBSY + 3.55%	2027	4,033,489	3,958,345	5,150,000	5,014,489
Factoring facility	AUD	5.38%	2021	3,000,000	378,369	3,000,000	1,219,708
Equipment financing	AUD	4.41–5.51%	2024	4,777,928	4,218,683	4,870,339	4,274,024

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

19. Borrowings *(Continued)*

	Currency	Nominal interest rate	Year of maturity	2021 Face value	2021 Carrying amount	2020 Face value	2020 Carrying amount
Company							
Secured bank loans	SGD	ABS SIBOR + 2%	2025	5,000,000	5,000,000	5,000,000	5,000,000
Secured bank loans	SGD	ABS SIBOR + 3%	2023	5,000,000	4,540,768	5,000,000	5,245,000
Secured bank loans	SGD	ABS SIBOR + 1.75%	2023	4,000,000	4,000,000	4,000,000	4,064,822
Money Market Line	SGD	Floating rate	2021	1,000,000	1,000,000	2,000,000	2,000,000
Third party loan	SGD	4%	2023	2,000,000	2,000,000	2,000,000	2,000,000
Convertible loans	SGD	10%, 15%	2020, 2021	-	-	9,383,652	9,383,652
Factoring facility	SGD	ABS SIBOR + 3%	-	3,000,000	443,393	-	-

The secured bank loans of the Group are secured over the following:

- the fixed deposit (Note 10), new debentures over the Company's fixed and floating assets and new assignment of all the Company's rights, title, benefits and interest in connection with any insurance policies (including but not limited to the Company's commercial aquaculture stock) with respect to the Company's assets; and
- a subsidiary corporation's all present and after-acquired property and a mortgage over the aquaculture license.

One of the secured bank loans expires on 31 December 2022. Subsequent to the financial year end on 16 February 2022, the bank agreed and extended the repayment plan for another 36 months from 31 December 2022. Following this approved extension, the secured bank loan will expire on 31 December 2025 and will thereon be classified as non-current liabilities in the next financial year (Note 31).

Convertible loans

2021

During the financial year, loans of $12,455,726 and $9,117,075 were issued in February 2021 and May 2021 and will mature in August 2021.

The loans are unsecured and the principal and accrued interest are convertible, at the option of the lenders, into ordinary shares of the Company 7 days before any loan redemption period or at the maturity of the loans at a 20% discount of the latest fundraise. Convertible loans with interest of 10% per annum are payable quarterly in arrears and certain convertible loans are interest-free.

The convertible loans are regarded as derivative financial liabilities as they do not meet the "fixed-for-fixed" criterion.

On 28 May 2021 and 6 August 2021, a total of $1,795,000 convertible loans were redeemed. The remaining amounts of $29,161,453 were converted to ordinary shares as disclosed in Note 23 to the financial statements.

19. Borrowings *(Continued)*

Convertible loans (Continued)

2020

The loans were issued in May and October 2020 and mature in May and October 2021 respectively.

The loans are unsecured and the principal and accrued interest are convertible, at the option of the lenders, into Class A ordinary shares of the Company 7 days before any loan redemption period or at the maturity of the loans at a 20% discount of the latest fundraise. Interest of 10% and 15% per annum is payable quarterly in arrears.

The convertible loans are regarded as derivative financial liabilities as they do not meet the "fixed-for-fixed" criterion.

20. Deferred capital grants

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Beginning of financial year	5,372,248	437,037	5,173,720	185,876
Grants received	-	5,063,134	-	5,063,134
Amortisation of deferred capital grants	(387,285)	(127,923)	(334,651)	(75,290)
End of financial year	**4,984,963**	**5,372,248**	**4,839,069**	**5,173,720**

Deferred capital grants relate to government grants received for the acquisition of plant and equipment to promote productivity and innovation. There are no unfulfilled conditions or contingencies attached to these grants.

Deferred capital grants are presented in the Balance Sheet as follows:

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Current	127,924	127,999	75,290	75,290
Non-current	4,857,039	5,244,249	4,763,779	5,098,430
Total	**4,984,963**	**5,372,248**	**4,839,069**	**5,173,720**

21. Provisions

Provision for reinstatement costs relates to the estimated costs of reinstating leased premises to its original condition upon vacating the premises at the end of the lease term.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

22. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group	
	2021 $	**2020 $**
Deferred tax assets	(2,090,984)	(2,604,377)
Deferred tax liabilities	3,424,010	3,958,100
Net deferred tax liabilities	1,333,026	1,353,723

Movement in deferred tax balances

	Property, plant and equipment	Intangible assets	Inventory	Employee benefits	Unutilised tax losses	Other items	Net deferred tax (assets)/ liabilities
	$	$	$	$	$	$	$
Group							
At 1 January 2021	(113,545)	1,362,216	2,351,825	(179,394)	(1,073,466)	(993,913)	1,353,723
Recognised in profit or loss	335,710	(20,696)	(452,806)	77,031	109,517	(69,453)	(20,697)
Exchange differences	(27,557)	-	37,169	(6,323)	(8,990)	5,701	-
At 31 December 2021	194,608	1,341,520	1,936,188	(108,686)	(972,939)	(1,057,665)	1,333,026
At 1 January 2020	(709,244)	1,160,508	2,014,645	(158,775)	-	(1,155,118)	1,152,016
Acquired through business combination (Note 27)	-	329,000	-	-	-	-	329,000
Recognised in profit or loss	609,515	(127,292)	345,000	(21,097)	(1,098,362)	164,944	(127,292)
Exchange differences	(13,816)	-	(7,820)	478	24,896	(3,739)	(1)
At 31 December 2020	(113,545)	1,362,216	2,351,825	(179,394)	(1,073,466)	(993,913)	1,353,723

22. Deferred income taxes *(Continued)*

Unrecognised temporary differences

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Unabsorbed allowances carried forward	1,870,466	1,870,466	1,870,466	1,870,466
Unutilised tax losses	79,256,492	55,910,517	57,981,029	45,060,170
Total unrecognised temporary differences	81,126,958	57,780,983	59,851,495	46,930,636

No deferred tax assets have been recognised in respect of these items because it is uncertain that future taxable profits will be available to utilise the benefits.

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

The unrecognised tax losses and capital allowances at the balance sheet date can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses have no expiry date. The capital allowances will expire between 2021 and 2022.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

23. Share capital

	2021 Number of shares	2020 Number of shares	2021 $	2020 $
Group and Company				
Issued and paid up capital				
Ordinary shares	40,369,983	241,038,420	153,913,373	105,154,252

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

The following table shows a reconciliation from the beginning balances to the ending balances for share capital:

	2021 Number of shares	2020 Number of shares	2021 $	2020 $
Group and Company				
Fully paid ordinary shares				
At the beginning of the year	241,038,420	241,238,420	105,154,252	105,259,252
Shares consolidation[a]	(224,969,207)	-	-	-
Cancellation of shares	-	(200,000)	-	(105,000)
Expiry of warrants[b]	-	-	1,570,482	-
Issued of new shares pursuant to the placement[c]	8,100,000	-	18,027,186	-
Issuance of new shares pursuant to the conversion of convertible loan[d]	16,200,770	-	29,161,453	-
At the end of the year	**40,369,983**	**241,038,420**	**153,913,373**	**105,154,252**

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The newly issued shares rank pari passu in all aspects with the previously issued shares.

Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure in order to finance its operations, support business growth and maximise shareholder value.

Management reviews the capital structure on a regular basis. As part of this review, management considers the cost of capital and the risk associated with each class of capital. To maintain or adjust the capital structure, Group companies may issue new shares, return capital to shareholders, make dividend payments, increase/decrease shareholders' loans or increase/reduce bank borrowings.

The Group's overall strategy remains unchanged from the previous financial year.

(a) On 5 April 2021, the Company completed a shares consolidation of every fifteen existing ordinary shares in the capital of the Company into one ordinary share.
(b) The warrants expired during the financial year ended 31 December 2021.
(c) On 6 August 2021, 8,100,000 ordinary shares were newly issued at NOK14,70 (equivalent to $2.25), resulting in the Company raising gross proceeds of NOK119,070,000 (equivalent to $18,027,186).
(d) As described in Note 19 to the financial statements, on 6 August 2021, the remaining amounts of unredeemed convertible loans were converted to 16,200,770 number of ordinary shares at a conversion price of 20% discount of NOK14.70 (equivalent to $2.25).

24. Other reserves

Composition:	Group		Company	
	2021 **$**	**2020** **$**	**2021** **$**	**2020** **$**
Equity reserve (Note (a))	(741,461)	2,854,500	(754,421)	2,854,500
Employee share option reserve (Note (b))	2,286,047	1,876,054	2,286,047	1,876,054
Currency translation reserve	(751,509)	(1,058,967)	-	-
Capital reserve (Note(c))	(3,592,563)	(3,592,563)	-	-
	(2,799,486)	**79,024**	**1,531,626**	**4,730,554**

(a) Equity reserve

The amount relates to:

- the equity component of convertible loans received in previous years that have been converted to paid-up ordinary shares; and
- warrants issued in 2018 and which expired in 2021.

Reconciliation of outstanding warrants

The number and weighted-average exercise prices of warrants are as follows:

	Weighted average exercise price	**Number of options**	**Weighted average exercise price**	**Number of options**
	2021	**2021**	**2020**	**2020**
Outstanding at the beginning of the financial year	$0.55	31,409,633	$0.55	31,409,633
Expired	$0.55	(31,409,633)	-	-
Outstanding at the end of the financial year	-	-	$0.55	31,409,633
Exercisable at the end of the year	-	-	$0.55	31,409,633

Under the terms of the issuance of warrants in 2018, holders of the warrants are entitled to purchase shares at $0.55 per share, at any time within a period of 3 years from the issue of the warrants. The fair value of the warrants has been measured using the residual method. All warrants are held by shareholders of the Company.

During the financial year, a total number of 31,409,633 warrants expired. The fair value of the share warrants of $1,570,482 were reversed and this was presented as a component within shareholder's equity.

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

Employee share option reserve represents the equity-settled share options granted to employees. The reserve made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

24. Other reserves *(Continued)*

(b) Employee share option reserve

	Group and Company	
	2021 **$**	**2020** **$**
Beginning of financial year	1,876,054	2,143,928
Vested during the year	498,314	337,757
Cancelled during the year	(88,321)	(605,631)
End of financial year	2,286,047	1,876,054

(c) Capital reserve

Capital reserve represents excess of deemed consideration received by equity owners of the Company resulting from deemed disposal of interests in a subsidiary corporation (Note 14).

25. Commitments

Capital commitments

	Group and Company	
	2021 **$**	**2020** **$**
Acquisition of property, plant and equipment	873,514	109,279

26. Related party transactions

(a) Sales and purchases of goods and services

	Company	
	2021 **$**	**2020** **$**
Management fee to ultimate holding corporation	-	125,000

As disclosed in Note 1, subsequent to the listing of the Company on 12 August 2021, Commonwealth Harvests Pte. Ltd. ceased to be the ultimate holding corporation.

Outstanding balances as at 31 December 2021 and 2020 are unsecured and receivable/payable within 12 months from the end of the reporting period are disclosed in Notes 11 and 18 to financial statements respectively.

26. Related party transactions *(Continued)*

(b) Key management personnel compensation

	Group	
	2021 **$**	**2020** **$**
Salaries and bonuses	1,214,972	1,009,190
Employer's contribution to Central Provident Fund	9,250	3,735
Share-based payments	37,389	154,179
	1,261,611	1,167,104

27. Business combination

Acquisition of Fassler Gourmet Pte Ltd

On 16 December 2019, the Company entered into a Sale and Purchase Agreement (SPA) for purchase of 1,000,000 shares, representing 100% equity interest of Fassler Gourmet Pte Ltd ("Fassler"), for a cash consideration of $4,200,000 and $1,800,000, with an interest rate of 10% per annum, payable no later than 30 June 2021. The acquisition was completed on 2 January 2020. The principal activities of Fassler are those of processing and supply of fresh and frozen food.

Acquisition of Allegro Aqua Pte. Ltd.

On 7 January 2020, the Company entered into a Sale and Purchase Agreement (SPA) for the purchase of 5,540,003 ordinary shares, representing 100% equity interest of Allegro Aqua Pte. Ltd. ("Allegro") for a consideration of $2,200,000 in cash and via allotment of 27,000,000 redeemable convertible preference shares ("RCPS") at $0.60 per RCPS of the Company.

The principal activities of Allegro are those of farming of seabass and general trade.

Details of the considerations transferred, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

Purchase consideration

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	Fassler	**Allegro**	**Total**
	$	**$**	**$**
Cash consideration paid	4,200,000	2,200,000	6,400,000
Second tranche payment	2,019,000	-	2,019,000
Fair value of RCPS consideration (1)	-	8,430,000	8,430,000
Total consideration transferred	6,219,000	10,630,000	16,849,000

(1) The Company issued 27,000,000 RCPS at S$0.60 per share as part of the consideration for acquisition of Allegro. RCPS have the same rights and privileges attaching to and ranking pari passu with all ordinary shares. They are entitled the same dividend that may be declared to ordinary shares.

Holders of the 27,000,000 RCPS are conferred a right to receive distribution, which are declared at the Company's discretion and shall be non-cumulative. Subject to the satisfaction of the redemption or conversion conditions stated in the SPA, each RCPS is redeemable or convertible at any time on or after the trigger event stated in the SPA at S$0.3289 per RCPS. The fair value of RCPS were determined by an independent valuer using Binomial Tree Model. These are classified within trade and other payables.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

27. Business combinations *(Continued)*

Effect on cash flows of the Group

	$
Cash paid	6,400,000
Less: cash and cash equivalents acquired	(2,762,600)
Net cash outflow on acquisition	3,637,400

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	Fassler At fair value $	Allegro At fair value $	Total $
Property, plant and equipment (Note 15)	6,226,193	239,405	6,465,598
Biological assets (Note 13)	-	812,995	812,995
Intangible assets (Note 17)	1,680,000	471,426	2,151,426
Inventories	1,128,078	100,460	1,228,538
Trade and other receivables	1,480,271	785,667	2,265,938
Cash and cash equivalents	685,077	2,077,523	2,762,600
Deferred tax liabilities (Note 22)	(329,000)	-	(329,000)
Loans and borrowings	(667,014)	(213,098)	(880,112)
Trade and other payables	(2,701,135)	(130,076)	(2,831,211)
	7,502,470	4,144,302	11,646,772
Total identifiable net assets	7,502,470	4,144,302	11,646,772
Less: Gain on bargain purchase	(1,283,470)	-	(1,283,470)
Add: Goodwill	-	6,485,698	6,485,698
Consideration transferred for the business	6,219,000	10,630,000	16,849,000

Acquisition-related costs

The Group incurred acquisition-related costs of $107,195 on legal fees and due diligence costs. These costs have been included in "administrative expenses" for the financial year ended 31 December 2020.

Bargain on purchase arising from acquisition

The bargain purchase of $1,283,470 from acquisition of Fassler has been recognised in "other income" in the Group's profit or loss for the financial year ended 31 December 2020.

27. Business combinations *(Continued)*

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	$
Total consideration transferred	10,630,000
Fair value of identifiable net assets	(4,144,302)
Goodwill	6,485,698

The goodwill is attributable mainly to the skill and technical expertise of Allegro and synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquired receivables

The carrying values of Fassler's and Allegro's trade and other receivables approximate their fair value at the acquisition date. Management believes that the receivables are collectible, based on historic payment behaviour, credit–worthiness of the customers and forward looking information.

Revenue and profit contribution

Fassler

The acquired business contributed revenue of S$9,145,849 and net profit of S$547,042 to the Group from 2 January 2020 to 31 December 2020. Had Fassler been consolidated from 1 January 2020, consolidated revenue and consolidated net profit for the financial year ended 31 December 2020 would not have a material effect on the Group's results and equity.

Allegro

The acquired business contributed revenue of S$426,283 and net loss of S$426,300 to the Group from 31 March 2020 to 31 December 2020. Had Allegro been consolidated from 1 January 2020, consolidated revenue and consolidated net profit for the financial year ended 31 December 2020 would not have a material effect on the Group's results and equity.

28. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes the establishing policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

Financial risk management is carried out by the Group's finance department in accordance with the policies set. The financial personnel identifies and evaluates financial risks in close co-operation with the Group's operating units. The financial personnel measures actual exposures against the limits set and prepares daily reports for review by the Chief Financial Officer. Regular reports are also submitted to the Board of Directors.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

28. Financial risk management *(Continued)*

Financial risk factors (Continued)

(a) Market risk

(i) Currency risk

The Group operates in Asia and Oceania with dominant operations in Singapore, China, Brunei and Australia. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises when transactions are denominated in foreign currencies other than functional currency.

As at each reporting date, the carrying amounts of significant monetary assets and liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	USD	AUD	Total
Group	**$**	**$**	**$**
2021			
Financial assets			
Cash and bank balances	1,670,955	44,112	1,715,067
Trade and other receivables	784,002	-	784,002
	2,454,957	44,112	2,499,069
Financial liabilities			
Trade and other payables	(1,382,113)	-	(1,382,113)
Currency exposure of net financial assets	**1,072,844**	**44,112**	**1,116,956**

	USD	AUD	Total
Group	**$**	**$**	**$**
2020			
Financial assets			
Cash and bank balances	9,814	567,711	577,525
Trade and other receivables	747,796	-	747,796
	757,610	567,711	1,325,321
Financial liabilities			
Trade and other payables	(953,493)	-	(953,493)
Currency exposure of net financial assets	**(195,883)**	**567,711**	**371,828**

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

28. Financial risk management

Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

	USD	AUD	Total
Company	**$**	**$**	**$**
2021			
Financial assets			
Cash and bank balances	37,415	10,300	47,715
Trade and other receivables	784,002	-	784,002
	821,417	10,300	831,717
Financial liabilities			
Trade and other payables	(1,781,637)	-	(1,781,637)
Currency exposure of net financial (liabilities) / assets	**(960,220)**	**10,300**	**(949,920)**

Company	**USD**	**AUD**	**Total**
2020	**$**	**$**	**$**
Financial assets			
Cash and bank balances	7,359	32,346	39,705
Trade and other receivables	747,796	24,202,143	24,949,939
	755,155	24,234,489	24,989,644
Financial liabilities			
Trade and other payables	(953,493)	-	(953,493)
Currency exposure of net financial (liabilities) / assets	**(198,338)**	**24,234,489**	**24,036,151**

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

28. Financial risk management *(Continued)*

Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

A 5% (2020: 5%) strengthening of SGD against the following currencies at balance sheet date would decrease/(increase) the (loss)/profit after income tax by the amounts shown below. This analysis assumes that all other variables being held constant.

	Group	
	2021 **$**	**2020** **$**
USD	(44,523)	8,129
AUD	(1,831)	(23,560)

	Company	
	2021 **$**	**2020** **$**
USD	39,849	8,231
AUD	(427)	(1,005,731)

(ii) Equity price risk

The Group does not have exposure to equity price risk as it does not hold equity financial assets.

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group's policy is to maintain 80 – 90% of its borrowings in fixed rate instruments. The Group's exposure to cash flow interest rate risks arises mainly from non-current variable-rate borrowings. The Company's exposure to cash flow interest rate risks arises mainly from bank borrowings and deposits at fixed rates.

A 1 % increase or decrease in interest rate at the reporting date of each interest bearing financial asset and liability, assuming that all other variables remain constant, would not have a material effect on the Group's results and equity.

28. Financial risk management *(Continued)*

Financial risk factors (Continued)

(b) 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 adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk; and

- High credit quality counterparties of at least an 'A' rating by external credit rating companies.

The exposure to credit risks is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the management.

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

Cash and cash equivalents is measured at the 12-month expected credit losses and is subject to immaterial credit loss.

(i) Trade receivables

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit loss (ECL) which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At each balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

At each balance sheet date, an evaluation is made whether there is a significant change on credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the balance sheet date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group and the Company. The Management considers a financial asset as default if the counterparty fails to make contractual payments within 90 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments greater than 120 days past due. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

28. Financial risk management *(Continued)*

Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Trade receivables (Continued)

During the financial year ended 31 December 2021, the Group and the Company had respectively recognised a loss allowance of $549 and $549 (2020: $91,683 and $28,361) against trade receivables. The Group has utilised $63,322 of the loss allowance the current financial year.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

(ii) Other financial assets, at amortised cost

The Group's and the Company's other financial assets recognised at amortised cost are mainly comprised of other receivables, i.e. non-trade amount due from non related parties, subsidiary corporations and deposits.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to these receivables in estimating the probability of default of each of these other financial assets. For the purpose of impairment assessment, impairment loss is generally measured at an amount equal to 12-month ECL as there is low risk of default and strong capability to meet contractual cash flows. When the credit quality deteriorates and the resulting credit risk of other financial assets increase significantly since its initial recognition, the 12-month ECL would be replaced by lifetime ECL. Other financial assets are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of other receivables to engage in a repayment plan with the group, and a failure to make contractual payments.

The Company held non-trade receivables from its subsidiary corporations amounted to $54,131,997 (2020: $44,593,310). These balances are amounts funded to subsidiaries as working capital. The Company used general approach for assessment of ECLs for these receivables. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, impairment on these balances has been measured on the lifetime ECL basis. As at 31 December 2021, the Company had recognised a loss allowance of $1,276,473 against non-trade receivables from its subsidiary corporations

During the financial year ended 31 December 2021, the Group has recognised a loss allowance of $30,875 against non-trade receivables from non-related parties.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

28. Financial risk management *(Continued)*

Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and the ability to close out market positions at a short notice. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuation in cash flows. The Group also ensures the availability of funding through committed bank facilities.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	More than 5 years
	$	$	$
Group			
31 December 2021			
Trade and other payables	9,317,647	-	-
Lease liabilities	1,212,478	868,284	97,920
Borrowings	5,417,943	22,181,020	-
31 December 2020			
Trade and other payables	20,477,957	-	-
Lease liabilities	1,445,772	2,637,445	-
Borrowings	15,964,796	23,790,783	-
Company			
31 December 2021			
Trade and other payables	6,365,983	-	-
Lease liabilities	136,512	82,320	-
Borrowings	420,000	16,926,661	-
31 December 2020			
Trade and other payables	16,266,869	-	-
Lease liabilities	100,238	119,140	-
Borrowings	18,029,486	9,663,988	-

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

28. Financial risk management *(Continued)*

Financial risk factors (Continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure in order to finance its operations, support business growth and maximise shareholder value.

Management reviews the capital structure on a regular basis. As part of this review, management considers the cost of capital and the risk associated with each class of capital. To maintain or adjust the capital structure, the Group may issue new shares, return capital to shareholders, make dividend payments, increase/decrease shareholders' loans or increase/reduce bank borrowings.

The Group's overall strategy remains unchanged from the previous financial year.

(e) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Financial assets, at amortised cost	34,146,096	34,169,311	69,704,002	55,033,435
Financial liabilities, at amortised cost	38,395,664	62,815,690	23,568,056	44,176,856

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

28. Financial risk management *(Continued)*

Fair value hierarchy

The table below analyses recurring non-financial assets and financial instruments carried at fair value, by the levels in the fair value hierarchy based on the inputs to valuations techniques. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Group				
2021				
Non-financial assets				
Consumable biological assets	–	20,468,213	–	20,468,213
2020				
Derivative financial instruments				
Convertible loans	–	9,383,652	–	9,383,652
Non-financial assets				
Consumable biological assets	–	22,932,604	–	22,932,604
Company				
2021				
Non-financial assets				
Consumable biological assets	–	5,047,950	–	5,047,950
2020				
Derivative financial instruments				
Convertible loans	–	9,383,652	–	9,383,652
Non-financial assets				
Consumable biological assets	–	7,304,673	–	7,304,673

The following table summarises the quantitative information about the significant inputs used in Level 2 fair value measurements:

Type	Input
Consumable biological assets	Based on closing biomass at observable market prices less costs to sell. Observable market prices are based on historical selling prices. Consumable biological assets at the end of the financial period are valued based on historical selling price less costs to sell

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

29. Share-based payments

The Company has the following share-based payment arrangements:

Employee Share Option Scheme (Equity settled)

The Company has adopted a share option scheme for qualifying employees of the Group and the Company (the "2020 Scheme") on 30 September 2020. The scheme is administered by the Board of Directors or its Committee. Options may be exercised during the exercise period applicable to those options and in accordance with a vesting schedule to be determined by the Board of Directors or its Committee on the date of the grant. If the options remain unexercised after exercised period, the options will lapse. Share options are forfeited/cancelled if the employee leaves the Group before the share options vest. Share options previously vested would be lapsed immediately if the employee leaves the Group, unless the Board of Directors or its Committee otherwise approved.

The details of the share options granted under the 2020 Scheme are as follows:

Grant date	Vesting period	Exercise period	Exercise price
24 May 2019	18/8/2021 to 1/5/2023	2/5/2023 to 1/5/2026	$2.25 (1)
18 June 2020	18/8/2021 to 1/5/2024	2/5/2024 to 1/5/2027	$2.25 (1)
18 August 2021	18/8/2021 to 1/5/2025	2/5/2025 to 1/5/2028	$2.25

Perpetual Call Option

The perpetual call option was approved and commenced on 1 January 2017. The option is administered by the Board. The options granted were vested on 1 January 2017 and may be exercised at any time without an expiry date.

Measurement of fair values

The fair value of the 2019, 2020 and 2021 Options and Perpetual Call Option have been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measure of the fair values at grant date of the Perpetual Call Option were as follows:

	Perpetual Call Option granted on 1 January 2017 $
Fair value at grant date	$0.19
Share price at grant date	$0.43
Exercise price	$0.28
Expected volatility (weighted-average)	27.7%
Expected life (weighted-average)	4 years
Expected dividend yield	0.0%
Risk-free interest rate (based on government bonds)	1.67%

(1) The vesting period, exercise period and exercise price were adjusted pursuant to the share consolidation exercise and initial public offering exercise.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

29. Share-based payments *(Continued)*

Measurement of fair values (continued)

The inputs used in the measure of the fair values at grant date of the 2019, 2020 and 2021 Options were as follows:

Grant date	18 August 2021	18 June 2020	24 May 2019
Fair value at grant date	$1.12	$0.25/$0.19	$0.14
Share price at grant date	$2.25	$0.60	$0.60
Exercise price	$2.25	$0.39/$0.50	$0.50
Expected volatility (weighted-average)	49.11%	33.7%	23.4%
Expected life (weighted-average)	6-7 years	3 years	2 years
Expected dividend yield	0.0%	0.0%	0.0%
Risk-free interest rate (based on government bonds)	0.79%	0.50%	1.75%

Expected volatility has been based on an evaluation of historical volatility in the daily share price of comparable companies over the historical period commensurate with the expected term.

Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the Employee Share Option Scheme are as follows:

	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	2021	2021	2020	2020
Outstanding at the beginning of the year	$0.43	7,000,000	$0.43	8,300,000
Forfeited during the year	$0.39/$2.25	(796,667)	$0.39	(4,800,000)
Effect of share consolidation[1]	NA	(5,879,667)	NA	-
Granted during the year	$2.25	666,333	$0.42	3,500,000
Outstanding at the end of the year	$2.25	989,999	$0.43	7,000,000
Exercisable at the end of the year	N/A	-	N/A	-

(1) The Company completed a 15:1 share consolidation exercise on 5 April 2021.

29. Share-based payments *(Continued)*

Reconciliation of outstanding call options

Details of the call options outstanding during the year are as follows:

	Weighted average exercise price 2021	Number of options 2021	Weighted average exercise price 2020	Number of options 2020
Outstanding at the beginning of the year	$0.28	7,000,000	$0.28	7,000,000
Effect of share consolidation[1]	NA	(6,533,333)	NA	-
Outstanding at the end of the year	$4.20	466,667	$0.28	7,000,000
Exercisable at the end of the year	$4.20	466,667	$0.28	7,000,000

30. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2021 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the balance sheet date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

(1) The Company completed a 15:1 share consolidation exercise on 5 April 2021.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2021

30. New or revised accounting standards and interpretations

Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

31. Events occurring after balance sheet date

One of the secured bank loans expires on 31 December 2022. Subsequent to the financial year end on 16 February 2022, the bank agreed and extended the repayment plan for another 36 months from 31 December 2022. Following this approved extension, the secured bank loan will expire on 31 December 2025 and will thereon be classified as non-current liabilities in the next financial year.

32. Authorisation of financial statements

These financial statements for the financial year ended 31 December 2021 were authorised for issued in accordance with a resolution of Board of Directors of Barramundi Group. Ltd. on 18 April 2022.

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 and one-off non-operational costs.

THIS PAGE IS INTENTIONALLY LEFT BLANK