



1H 2022 Report Presentation

BARRAMUNDI GROUP LTD
30 AUG 2022



Building an Asia Pacific aquaculture leader

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



Platform

A scalable platform established in '05

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



Operations

Optimising farming operations

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



Market

Building a mass market

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



Growth

Securing capacity for growth

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

Highlights 1H 2022

- There was a **reduction in sales tonnage** from 1,012 tonnes in 1H 2021 to **930 tonnes in 1H 2022**. **1H 2022 sales reached SGD 16.9 million**, relatively similar to SGD 17.1 million in 1H 2021.
- **Net profit** for 1H 2022 was **-\$12m**
- Application for **13 new sites** submitted in Australia
- **\$2m grant** request for first stage nursery in Australia approved by the Commonwealth of Australia
- **First trial harvest of fish in Brunei**, expanded license of first site and acquired land-based site for nursery ponds



1H 2022 Profit and Loss (Unaudited)

- Revenue 1H 2022 of SGD 16.9 million (1H 2021 : SGD 17.1 million). Harvest volumes were up from 973 to 986 tonnes (WFE).
- Change in accounting estimates from 1 January 2022 to the full capitalisation method for biological assets in order to be aligned with the reporting by other listed seafood companies.
 - All direct and indirect costs of producing the biomass are being capitalised as opposed to just juvenile and feed costs as was done prior to 2022.
 - “Pro forma” income statement for the first half of 2022, based on the accounting estimates used in 2021.
 - Cost of raw materials and consumables utilized in the period increased by SGD 1.8 million from SGD 10.9 million following biomass adjustments in Australia, increase in production costs and higher costs of raw materials in Fassler.
- Change in fair value adjustment in the profit and loss statement represents the reduction in the positive fair value difference between fair value of the biomass and value of the biomass at cost.
 - Change in fair value adjustment of SGD 4.4 million in the pro forma P&L results from the change in capitalisation method and an increase in production costs caused by increases in feed and feed freight, higher energy costs, lower than expected production results and stock adjustments from fish losses.
- Additional administrative charges were incurred from continuing listing costs. Additionally, new sites costs are incurred in the application of leases for new sites in Australia.
- Distribution costs fell due to a write back of accruals for distribution costs following Covid restrictions in China which limited the sales and distribution of the products.
- Finance costs were reduced by SGD 0.8 million compared to the first half of 2021, following the repayment or conversion to equity in respect of the Company’s convertible loans in August 2021.

	Actual 1H 2022 Unaudited \$	Proforma 1H 2022 Unaudited \$	Actual 1H 2021 Unaudited \$
Revenue	16,919,539	16,919,539	17,104,383
Other income	323,864	323,864	1,349,516
Raw materials and consumables	(12,634,500)	(12,789,528)	(10,948,784)
Farm personnel expense	(1,693,918)	(4,353,337)	(4,515,204)
Fair value (loss)/gain on biological assets	(7,267,085)	(4,381,238)	(50,649)
Fish mortalities	(1,720,884)	(1,074,139)	(1,254,897)
Depreciation	(849,930)	(1,568,075)	(1,863,043)
Amortisation	(282,151)	(282,151)	(282,150)
Administrative expense	(3,236,445)	(3,236,445)	(3,074,426)
Distribution expense	(1,003,021)	(1,003,021)	(1,241,063)
Finance expense	(479,357)	(479,357)	(1,241,896)
Loss before tax	(11,923,888)	(11,923,888)	(6,018,213)
Income tax credit	(29,560)	(29,560)	-
Net loss for the financial period	(11,953,448)	(11,953,448)	(6,018,213)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation gain/(loss) on translating foreign operations	(100,112)	(100,112)	(502,400)
Total comprehensive loss for the financial period	(12,053,560)	(12,053,560)	(6,520,613)
(Loss)/profit attributable to:			
Owners of the Company	(12,052,820)	(12,052,820)	(6,420,460)
Non-controlling interests	99,372	99,372	402,247
	(11,953,448)	(11,953,448)	(6,018,213)
Total comprehensive (loss)/income attributable to:			
Owners of the Company	(12,152,932)	(12,152,932)	(6,922,860)
Non-controlling interests	99,372	99,372	402,247
	(12,053,560)	(12,053,560)	(6,520,613)

1H 2022 Balance Sheet (Unaudited)

- Total assets as at 30 June 2022 was SGD 89.0 million and shareholders' equity was SGD 39.6 million.
- In this half year, capex spending was made towards the Brunei site and a new vessel in Singapore.
- There was a reduction in biological assets carried at fair value following a decrease in biomass and on the back of a slight reduction in average net selling price.
- Cash continued to be invested in the operations to build biomass, capex spending and repayment of bank borrowings.
- An additional banking facility of SGD 5 million was secured for business funding in Singapore.

	30 Jun 2022 Unaudited \$	30 Jun 2021 Unaudited \$
ASSETS		
Current assets		
Cash and cash equivalents	17,652,049	27,354,041
Trade and other receivables	5,921,297	6,861,056
Inventories	6,029,902	3,096,347
Biological assets	16,903,863	22,886,826
	<u>46,507,111</u>	<u>60,198,270</u>
Non-current assets		
Property, plant and equipment	28,514,321	27,523,071
Intangible assets	10,893,232	13,957,533
Biological assets	977,858	1,162,866
Deferred income tax assets	2,096,262	2,697,033
	<u>42,481,673</u>	<u>45,340,503</u>
Total assets	<u>88,988,784</u>	<u>105,538,773</u>
LIABILITIES		
Current liabilities		
Trade and other payables	9,783,424	9,549,495
Employee benefits	445,985	564,931
Borrowings	9,159,238	35,858,182
Deferred capital grants	127,924	75,290
Income tax payables	39,908	-
	<u>19,556,479</u>	<u>46,047,898</u>
Non-current liabilities		
Employee benefits	-	112,415
Borrowings	21,541,858	26,630,009
Deferred capital grants	4,767,594	5,129,724
Provision for reinstatement	55,980	55,980
Deferred income tax liabilities	3,418,940	4,050,756
	<u>29,784,372</u>	<u>35,978,884</u>
Total liabilities	<u>49,340,851</u>	<u>82,026,782</u>
Net assets	<u>39,647,933</u>	<u>23,511,991</u>
EQUITY		
Share capital	153,913,373	105,154,252
Other reserves	(2,724,008)	(326,470)
Accumulated losses	(117,289,178)	(85,735,353)
Non-controlling interests	5,747,746	4,419,562
Total equity	<u>39,647,933</u>	<u>23,511,991</u>

1H 2022 Cash Flow Statement (Unaudited)

- There was a net decrease of SGD 10.7 million in the cash position for this half year to SGD 17.7 million. A negative cashflow was caused by a combination of lower revenue, reduced harvest tonnage, increase in raw materials and production cost, growth capex spending for Brunei and the new vessel for Singapore. Additional funding was secured through a bank loan for the Singapore operations.

	YTD 30 June 2022 Unaudited \$	YTD 30 June 2021 Unaudited \$
Cash flows from operating activities		
Loss before tax	(11,923,888)	(6,018,213)
Adjustments for:		
- Fair value adjustment on biological assets	7,267,085	50,649
- Amortisation of government grant	(89,445)	(167,234)
- Depreciation of property, plant and equipment and right-of-use assets	796,041	1,809,154
- Depreciation of biological assets	53,889	53,889
- Property, plant and equipment written-off	20,624	-
- Amortisation of intangible assets	282,151	282,150
- Employee share option expenses	95,291	185,226
- Interest expense	488,253	1,241,896
- Interest income	(8,896)	(53,090)
- Provision for employee benefits	14,395	16,340
	(3,004,500)	(2,599,233)
Changes in working capital:		
- Biological assets	(3,692,583)	(686,228)
- Inventories	(2,517,576)	(1,119,604)
- Trade and other receivables	1,292,056	(49,271)
- Trade and other payables	408,554	114,141
Cash used in operations, representing net cash used in operating activities	(7,514,049)	(4,340,195)
Cash flows from investing activities		
Additions to property, plant and equipment	(4,146,976)	(3,828,203)
Interest received	8,896	53,090
Net cash used in investing activities	(4,138,080)	(3,775,113)
Cash flows from financing activities		
Proceeds from borrowings	1,839,621	9,381,634
Repayment of lease liabilities	(454,749)	(643,842)
Interest paid	(488,253)	(1,241,896)
Redemption of redeemable convertible preference shares	-	(1,234,223)
Net cash provided by financing activities	896,619	6,261,673
Net (decrease)/increase in cash and cash equivalents	(10,755,510)	(1,853,635)
Cash and cash equivalents		
Beginning of the financial year	28,482,011	29,327,259
Effects of currency translation on cash and cash equivalents	(74,452)	(119,583)
End of the financial year	17,652,049	27,354,041

1H 2022 Key Financials & Highlights- Australia

- Net sales for Australia were reduced by SGD 1.5 million following reduced harvest tonnage of 82 tonnes.
- Contractual volume commitments to Coles, in combination with lower harvest volume, changed the sales mix.
- With a higher share of retail sales and a lower share of sales to food service, average selling price for Australia 1H 2022 was SGD 9.26 compared to SGD 9.85 in 1H 2021.

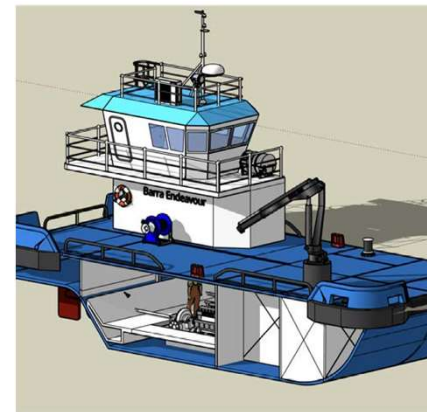
	Actual 1H 2022	Actual 1H 2021
Net sales (S\$) (in million)	\$6.72	\$8.30
Net selling price (S\$)	\$9.26	\$9.85
Harvest tonnage (T)	729	811
Biomass end of quarter (T)	1,562	1,696



1H 2022 Key Financials & Highlights - Singapore

- Net sales for 1H 2022 increased by SGD 0.3 million on the back of higher harvest volume. With the relaxation of Covid restrictions, there was an uplift in B2B sales to hotels and restaurants, resulting in net selling price being lowered from SGD 14.05 in 1H 2021 to SGD 13.24.

	Actual 1H 2022	Actual 1H 2021
Net sales (S\$) (in million)	\$2.66	\$2.27
Net selling price (S\$)	\$13.24	\$14.05
Harvest tonnage (T)	257	162
Biomass end of quarter (T)	236	541



1H 2022 Operating Highlights – Brunei

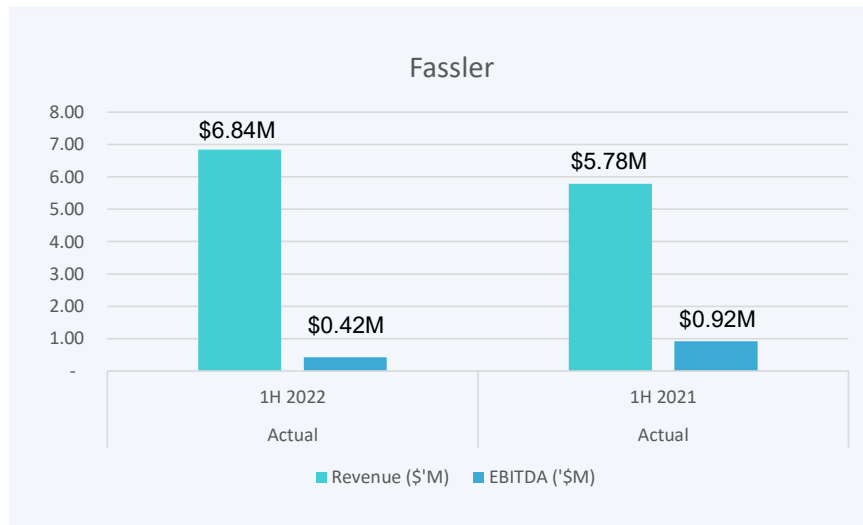
- Water quality improvements in the RAS system have yielded excellent performance in Batch 5, with higher than expected survival rates.
- Additional 876 hectares of sea leases signed to allow for another set of pens (additional 16) to be set up. Installation and setup of the Pelong sea site is, on track, with cages in water and being deployed. Awaiting final approvals from the Fisheries Department for gazetting of sea space as an aquaculture site. Lease anticipated to be released before end of year.
- Initial shipments from trial harvest are now being sent to Singapore for pilot sales program under Külbarra branding.
- UVAXX lab equipment are being commissioned and in the final phases before operational status within the month.
- Discussions with Brunei’s largest supermarket chain for supply of barramundi, in advanced stages.
- Net sales was from trial harvest.



	Actual 1H 2022	Actual 1H 2021
Net sales (S\$) (in million)	\$0.01	\$0.00
Net selling price (S\$)	\$12.45	\$0.00
Harvest tonnage (kg)	25	-
Biomass end of quarter (T)	80	3

1H 2022 Key Financials & Highlights- Fassler

- Fassler's revenue increased by 18% to SGD 6.8 million in 1H 2022 with a more aggressive digital marketing strategy, joint promotions with an online shopping platform and increase in selling price for customers. Cost of raw materials (salmon and other raw materials) have increased significantly and is being fed through to end customers gradually from Q2 2022.



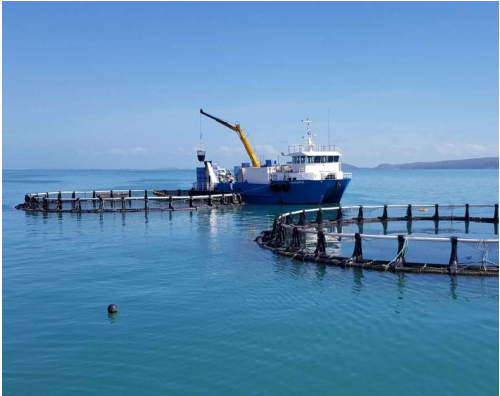
Outlook

- **Barramundi prices are expected to be stable**, gradual price increase for other processed fish
- Harvest volume in 2022 expected to be similar to 2021
- **Expected** cost inflation, particularly feed
- **Process for funding** of Australian expansion to commence in Q3 2022



Financial Calendar

Q3 2022 Business update	29 November 2022
2H 2022 Results	28 February 2023
2022 Full year results	28 April 2023



Appendix

Alternative performance measures

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

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

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

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

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



Thank You