



**barramundi**  
group

# 2023 Half Yearly Business Update



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# 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 currently operate an ocean site in Brunei, and a broodstock and hatchery facility in Singapore. With the benefit of world-class research and aquaculture technology, our sustainable best practices enable us to produce responsibly grown barramundi while safeguarding our 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.

## Barramundi Group Key Attributes

- A full-spectrum barramundi producer across Singapore and Brunei
- Leading integrated and sustainable aquaculture in Asia
- Sales and distribution into restaurants, hotels, and retailers in selected markets worldwide

## 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 production sites in Singapore and Brunei, each currently focusing on different phases of production. We are now focused on producing superior barramundi fry and fingerling in Singapore from our genetics and breeding program, which we hope will eventually benefit the region. In Brunei, we currently produce harvest-size fish from our ocean site, with vision to expand to a RAS system. This gives us full control of biosecurity and will allow us to grow the fish responsibly.



### **Product Innovation**

Fassler Gourmet, our processing subsidiary 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 market trends and permits customisation and valorisation of by-products.



### **Reach**

We sell our barramundi under the premium Kühlbarra brand. 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 numerous 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. Key partners include established heavy weights like retailers FairPrice, and prominent hotel chains like Hyatt, Marina Bay Sands, Sofitel Hotels & Resorts, W Hotels, and Sheraton Hotels & Resorts, as well as Singapore Airlines.

# Message From the CEO

by James Kwan

Dear shareholder,

As we reflect on the journey of the first half of 2023, we wish to provide you with a candid assessment of our milestones, challenges, and most importantly, the resilient path forward for Barramundi Group.

We began the year in pursuit of securing a pivotal Australian partnership to bolster our operations in Western Australia. Despite best efforts from all parties involved, the prospective transaction failed to pass due to the potential buyer's inability to secure timely funding. Consequently, we made the necessary decision to place the companies under Voluntary Administration, leading to Tassal acquiring MPA on 31 July 2023.

Apart of these developments, our management team had swiftly shifted focus to reinforcing other core aspects of our business. By aggressively streamlining operations and prioritizing our key business pillars, we've achieved substantial cost savings. Specifically, we've saved over SGD 5.3 million semi-annually without the need to buoy Australian operations – equivalent to the financial support previously extended in 1H 2022 by our Singapore operations – and trimmed executive salaries by SGD 750K in the first half of this year.

On the Singapore and Brunei front, we have streamlined headcount and processes. These efforts have seen administrative expenses for the two countries reduce further during the period. Cash from operations has correspondingly seen a positive turnaround considering these operational changes. We are also continuously reviewing and improving our inventory turnover.

Of course, more needs to be done to ensure that a strategic plan and path is brought to bear that recognises all the value that is still embedded in Barramundi Group. Towards this goal, management has developed a strategic plan, BG2.0, which will realign the Group to its vision of being a leading producer of barramundi. This project will dovetail into our existing infrastructure and plans in Brunei. We are nearing the point where we can make an announcement of the project details. The corresponding capital raise may then commence.

Our investment into Allegro Aqua, where we acquired broodstock from Temasek LifeSciences Laboratory's multi-decade selection program, is significant. It has allowed us to continue work on breeding and selection of genetically improved generations of broodstock. Other joint research programs with leading institutes enjoy funding from national research agencies will continue to embed value into the Group. These activities will allow us to have a second spawning nucleus to support our BG2.0 plans.

UVAXX, our fish health and autogenous vaccine company, is at the forefront of autogenous vaccine development for barramundi and other tropical finfish. As arguably the only autogenous vaccine supplier and expert in South East Asia, UVAXX's strategic value in the burgeoning aquaculture industry cannot be overstated. We have received interest and invitations by large farms in the region to diagnose, sample and develop autogenous vaccines for bacterial pathogens affecting production.

A multinational pharmaceutical has partnered with UVAXX to conduct diagnostics using our laboratory for other fish farms in the region. All these point to untapped opportunities that we will, in due course, exploit and develop as a separate and independent business.

Lastly, our Kühlbarra and Fassler brand of products still command a premium and strong brand equity. We have supplemented and extended our product range with Kühlbarra Allied Farm products, sourced from selected farms that share Kühlbarra's commitment to safe, responsibly, and sustainably farmed fish.

The road to recovery will continue to be arduous and fraught with challenge. However, as more of the critical fronts surrounding the business have slowly been quelled and resolved in the past 6 months, management will see increasing bandwidth to work on both the strategic and tactical priorities that will stabilise revenues in the following months. As always, I thank you for your support and patience as we do our utmost to create and unlock value, and right the ship to an even keel

Sincerely,



Chief Executive Officer

# Financial Results

Barramundi Group's strategic initiatives have yielded encouraging financial outcomes for the first half of 2023. Noteworthy progress includes a substantial 55% reduction in net losses, from SGD 11.9 million in the first half of 2022 to SGD 5.3 million in the same period of 2023. This achievement is attributed to a combination of proactive cost management strategies and operational adjustments executed during the timeframe.

Despite experiencing a modest decline in revenue from SGD 16.9 million to SGD 16.6 million in the first half of 2023 compared to the previous year, the company maintained revenue stability by leveraging improved pricing dynamics and a stronger contribution from our value-added processing (VAP) enterprise, Fassler Gourmet. This shift has offset the impact of lower sales volume, which stood at 714 tonnes WFE as opposed to 930 tonnes WFE in the first half of 2022.

The Singapore market witnessed barramundi sales limitations due to the phased winding down of local sea farm activities. The decision was driven by a Scale Drop Disease Virus ("SDDV") vaccine field trial followed by inconclusive outcomes, leading to the cessation of operations in June 2023. This move aligns with our commitment to ethical and sustainable practices. Consequently, we've harvested remaining biomass to optimize operational efficiency and will repurpose infrastructure in Brunei.

While adapting to reduced barramundi supply from Singapore, we've established partnerships with verified Allied farming counterparts in the region to bridge the supply gap. These Allied farms, audited and vetted by our Kühlbarra team over the past two years, adhere to our stringent quality, safety, and sustainability standards. This transition has temporarily impacted revenues, which experienced a 40% decline in the first half of 2023.

In our VAP segment, Fassler Gourmet, we observed a modest revenue increase of SGD 0.5 million (~7%) for the first half of 2023 compared to the same period in 2022. This improvement was catalyzed by the full relaxation of pandemic-related restrictions. However, persistent challenges in energy and raw material costs have eroded our EBITDA margin, prompting ongoing efforts to manage costs and pricing dynamics.

Since our inaugural harvest in 2022, we have seen local sales grow in 1H 2023. This growth was driven by our Brunei team's concerted efforts and the signing of a distributorship with Ben Foods Brunei, effectively strengthening the Kühlbarra brand presence in this discerning market.

In Australia, sales tonnage dropped by about 20% to 580 tonnes in 1H 2023. This is due to reduced sales to a national supermarket retail chain beyond the base committed amount. Despite this, the introduction of higher retail prices in Q3 2022 helped maintain consistent revenue at SGD 6.54 million.

The Group's financial performance saw shifts in fair value adjustments on biological assets, with a SGD 7.3 million downward adjustment in 1H 2022 primarily due to capitalisation method changes, increased production costs, and biomass fluctuations. Conversely, a positive adjustment of SGD 1.7 million in the first half of 2023 was driven by enhanced selling prices and stabilized biomass balances.

Administrative expenses have increased due to forex losses of circa SGD 1 million following the depreciation of the Australian dollar in 1H 2023. Higher expenses were also incurred in Australia, with SGD 0.68 million spent on the application of new leases, and higher salaries from the increase in local management headcount. Notably, streamlined operations in Singapore and Brunei led to SGD 1 million reduction in administrative costs for these regions. Operational changes positively impacted cash from operations, aided by decreased working capital needs and improved inventory turnover.

The Group's primary cash outflows were attributed to loan repayments and finance costs, which experienced an increase in the first half of 2023 due to new loans and rising lending rates. Management remains engaged with financial institutions to explore alternative repayment approaches.

# Financial Results

## Outlook

Eliminating the financial drain from our Australian business allows us to realign our focus towards strengthening our aquaculture production through our operations in Brunei. With over 8,000 hectares of sea and land leases, a fully operational Recirculating Aquaculture System (RAS) nursery, and a UVAXX diagnostic lab in Serasa, Brunei is unequivocally central to our future growth strategy.

Beyond the leases and infrastructure, Brunei offers a highly favourable energy, land and labour cost base, and the Management has further developed a land-based RAS aquaculture project that will support growth, and path to financial viability, with an annual production capacity of 3,000MT at peak production. We have seen staunch support from the Bruneian Government and its Department of Fisheries with the award of preferential sea and land sites for the Group to develop. Mengsalut, where the planned RAS will be situated, has already seen land clearance and road building. Paku, an existing pond facility that we will use for additional production has also been awarded at highly favourable rates.

Management will announce shortly the details to project BG2.0, at which point it will also commence a capital raise for this land-based RAS grow-out. With the Group's existing broodstock, and capabilities in barramundi genetics and fish health, we endeavour to continue our aspirations to be a leading full-spectrum barramundi producer within the region.

We will continue to streamline and rationalise our business and deploy a leaner team in Singapore to manage Sales and Marketing. While biomass in Brunei is growing out, we will be leveraging on our sales and marketing strengths to bring Kühlbarra and Kühlbarra Allied Farm produce to existing high-end markets and customers.

Singapore operations will also now be focused on other strategic and high-value and IP activities like broodstock genetics research, breeding, and fish health. Regional fish farms of other species have reached out and indicated interest in our autogenous vaccines, diagnostics, and animal health training. UVAXX will actively engage with animal health authorities and regulators on sale and import permits of autogenous vaccine sales in the coming months.

For Fassler, a high inflationary environment where volatile key raw materials like Atlantic salmon is continuing to keep our procurement and production teams vigilant. However, the recovery of the HORECA market will continue with strong demand for quality seafood and value-added products in our markets.

# Consolidated Statement of Comprehensive Income

For the Financial Period Ended 30 June 2023

	1H 2023 Unaudited \$	1H 2022 Unaudited \$
Revenue	16,643,060	16,919,539
Other income	1,511,828	350,776
Raw materials and consumables	(11,467,666)	(8,860,527)
Farm personnel expenses	(4,232,778)	(4,485,943)
Fair value loss on biological assets	1,782,273	(7,267,085)
Fish mortalities	(1,678,976)	(1,720,884)
Depreciation expenses	(2,187,900)	(1,856,929)
Amortisation expenses	(282,150)	(282,150)
Administrative expenses	(3,813,525)	(3,237,048)
Distribution expenses	(856,314)	(1,003,021)
Finance expenses	(700,775)	(480,616)
<b>Loss before tax</b>	<b>(5,282,923)</b>	<b>(11,923,888)</b>
Income tax credit	10,348	(29,560)
<b>Net loss for the financial period</b>	<b>(5,272,575)</b>	<b>(11,953,448)</b>
<b>Other comprehensive income/(loss):</b>		
Items that may be reclassified subsequently to profit or loss:		
- Currency translation gain/(loss) on translating foreign operations	1,019,480	(100,112)
<b>Total comprehensive loss for the financial period</b>	<b>(4,253,095)</b>	<b>(12,053,560)</b>
<b>(Loss)/profit attributable to:</b>		
Owners of the Company	(5,231,682)	(12,052,820)
Non-controlling interests	(40,893)	99,372
	<b>(5,272,575)</b>	<b>(11,953,448)</b>
<b>Total comprehensive (loss)/income attributable to:</b>		
Owners of the Company	(4,212,202)	(12,152,932)
Non-controlling interests	(40,893)	99,372
	<b>(4,253,095)</b>	<b>(12,053,560)</b>

# Consolidated Balance Sheets

As at 30 June 2023

	30 Jun 2023 Unaudited \$	31 Dec 2022 Audited \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	6,506,248	11,169,662
Trade and other receivables	5,337,086	6,861,645
Inventories	5,792,063	7,928,592
Biological assets	14,527,810	13,708,037
	<u>32,163,207</u>	<u>39,667,936</u>
<b>Non-current assets</b>		
Biological assets	1,376,829	1,121,239
Property, plant and equipment	27,553,624	27,857,521
Intangible assets	1,283,647	1,565,797
Deferred income tax assets	1,968,234	2,040,548
	<u>32,182,334</u>	<u>32,585,105</u>
Total assets	<u>64,345,541</u>	<u>72,253,041</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	8,570,261	7,933,580
Employee benefits	423,421	387,989
Borrowings	10,871,506	16,462,562
Deferred capital grants	121,780	127,924
	<u>19,986,968</u>	<u>24,912,055</u>
<b>Non-current liabilities</b>		
Employee benefits	64,682	59,841
Borrowings	17,911,047	15,878,315
Deferred capital grants	5,485,962	6,227,990
Provision for reinstatement	55,980	55,980
Deferred income tax liabilities	2,210,179	2,292,840
	<u>25,727,850</u>	<u>24,514,966</u>
Total liabilities	<u>45,714,818</u>	<u>49,427,021</u>
<b>Net assets</b>	<b><u>18,630,723</u></b>	<b><u>22,826,020</u></b>
<b>EQUITY</b>		
Share capital	153,913,373	153,913,373
Other reserves	(239,134)	(1,293,684)
Accumulated losses	(140,491,430)	(135,282,476)
Non-controlling interests	5,447,914	5,488,807
<b>Total equity</b>	<b><u>18,630,723</u></b>	<b><u>22,826,020</u></b>

# Consolidated Statement of Changes in Equity

For the Financial Period Ended 30 June 2023

	← Attributable to equity holders of the Company →					
	Share capital	Other reserves	Accumulated losses	Total	Non- controlling interests	Total equity
	\$	\$	\$	\$	\$	\$
<b>2023 (unaudited)</b>						
Balance at 1 January 2023	153,913,373	(1,293,684)	(135,282,476)	17,337,213	5,488,807	22,826,020
Total comprehensive loss for the period:						
(Loss)/profit for the period	-	-	(5,231,682)	(5,231,682)	(40,893)	(5,272,575)
Other comprehensive income	-	1,019,480	-	1,019,480	-	1,019,480
	-	1,019,480	(5,231,682)	(4,212,202)	(40,893)	(4,253,095)
Transactions with owners, recognised directly in equity:						
Employee share option scheme	-	35,069	22,728	57,797	-	57,797
<b>Balance at 30 June 2023</b>	<b>153,913,373</b>	<b>(239,135)</b>	<b>(140,491,430)</b>	<b>13,182,808</b>	<b>5,447,914</b>	<b>18,630,722</b>
<b>2022 (audited)</b>						
Beginning of financial year	153,913,373	(2,799,486)	(105,236,358)	45,877,529	5,648,374	51,525,903
Total comprehensive loss for the year:						
(Loss)/profit for the year	-	-	(30,688,767)	(30,688,767)	(159,567)	(30,848,334)
Other comprehensive income	-	1,966,479	-	1,966,479	-	1,966,479
	-	1,966,479	(30,688,767)	(28,722,288)	(159,567)	(28,881,855)
Transactions with owners, recognised directly in equity:						
Employee share option scheme	-	(460,602)	642,649	182,047	-	182,047
Other reserve	-	(75)	-	(75)	-	(75)
<b>Balance at 31 December 2022</b>	<b>153,913,373</b>	<b>(1,293,684)</b>	<b>(135,282,476)</b>	<b>17,337,213</b>	<b>5,488,807</b>	<b>22,826,020</b>

# Consolidated Statement of Cash Flows

For the Financial Period Ended 30 June 2023

	1H 2023 Unaudited \$	1H 2022 Unaudited \$
<b>Operating cash flows before changes in working capital</b>	<b>(3,380,723)</b>	<b>(3,004,500)</b>
Changes in working capital -		
Inventories	2,121,040	(2,517,576)
Biological assets	96,119	(3,692,583)
Trade and other receivables	1,122,686	1,292,056
Trade and other payables	993,462	408,554
<b>Net cash from operating activities</b>	<b>952,584</b>	<b>(7,514,049)</b>
Acquisition of property, plant and equipment	(1,423,300)	(4,146,976)
Interest received	1,456	8,896
<b>Net cash used in investing activities</b>	<b>(1,421,844)</b>	<b>(4,138,080)</b>
Net (repayment of) / proceeds from borrowings	(3,702,130)	1,839,621
Principal repayment of lease liabilities	(605,256)	(454,749)
Interest paid	(702,231)	(488,253)
<b>Net cash (used in) / from financing activities</b>	<b>(5,009,617)</b>	<b>896,619</b>
Net decrease in cash and cash equivalents	(5,478,877)	(10,755,510)
Effect of foreign exchange rate changes	815,463	(74,452)
Cash and cash equivalents at beginning of the period	11,169,662	28,482,011
<b>Cash and cash equivalents at end of the period</b>	<b>6,506,248</b>	<b>17,652,049</b>

# Notes to the Financial Statements

## Note 1 General information and basis of preparation

Barramundi Group 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.

The principal activities of the Company are those of commercial farming, distribution and sale of barramundi.

The unaudited interim consolidated financial statements been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the financial year ended 31 December 2022. 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 accounting policies and basis of preparation adopted in the preparation of this unaudited interim financial information is consistent with those adopted in the annual consolidated financial statements for the financial year ended 31 December 2022. The financial information of the subsidiary corporations is prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiary corporations are consolidated from the date on which the Group obtains control.

The notes include explanations of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual consolidated financial statements. The unaudited interim consolidated financial statements and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with SFRS(I)s. The financial information relating to the financial year ended 31 December 2022 that is included in this unaudited interim financial information as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements.

The condensed interim consolidated financial statements are presented in Singapore Dollars (“\$”). The financial information herein contains condensed interim consolidated financial information and selected explanatory notes.

Two of the Group’s Australian subsidiaries, MPA Fish Farms Pty Ltd and MPA Marketing Pty Ltd, were acquired by Tassal Group Limited (“Tassal”) on 31 July 2023 following the voluntary administration. The results from these two subsidiaries have been consolidated within our 1H 2023 results and not separately disclosed within the statements as “Held for Sale”. The accounting implications from the disposal will be reflected in our full-year 2023 financial results. For results from the Australian operations, please refer to Note 2 on Segment Financials.

# Notes to the Financial Statements

## Note 2 Segment Financials

### ***Barramundi Group Singapore***

	<b>1H 2023</b>	<b>1H 2022</b>
Total revenue (SGD million)	\$2.10	\$3.61
<u>Barramundi revenue stream</u>		
Net selling price (SGD)	\$12.08	\$13.24
Sales tonnage (tonnes)	131	200
Operating EBITDA (SGD million)	(\$0.32)	(\$1.61)

### ***Fassler Gourmet***

	<b>1H 2023</b>	<b>1H 2022</b>
Revenue (SGD million)	\$7.36	\$6.84
EBITDA (SGD million)	\$0.29	\$0.42

### ***Barramundi Group Brunei***

	<b>1H 2023</b>	<b>1H 2022</b>
Net sales (SGD thousands)	\$44	\$9
Net selling price (SGD)	\$13.29	\$12.45
Sales tonnage (tonnes)	3	0.7
Operating EBITDA (SGD million)	(\$0.12)	(\$0.13)

### ***Barramundi Group Australia***

	<b>1H 2023</b>	<b>1H 2022</b>
Net sales (SGD million)	\$6.54	\$6.72
Net selling price (SGD)	\$11.28	\$9.26
Sales tonnage (tonnes)	580	726
Operating EBITDA (SGD million)	(\$2.28)	(\$0.57)

# Shareholder information

## Shareholders list as at 23 August 2023

Name	Holding	Stake
The Bank of New York Mellon SA/NV	5,416,643	13.42%
Warif Holdings Limited	4,369,668	10.82%
Saxo Bank A/S	3,386,915	8.39%
The Bank of New York Mellon	2,576,252	6.38%
Citibank, N.A.	2,464,643	6.11%
Brown Brothers Harriman & Co.	2,338,729	5.79%
Corby, Mitka	1,965,164	4.87%
Southern Capital Management Limited	1,927,776	4.78%
Skandinaviska Enskilda Banken AB	1,809,687	4.48%
Swedbank AB	1,675,948	4.15%
Louis Dreyfus Company Asia Pte Ltd	1,480,000	3.67%
Brown Brothers Harriman & Co.	1,111,111	2.75%
Johannes Cornelis Antonius Den Bieman	955,110	2.37%
Deutsche Bank Aktiengesellschaft	888,889	2.20%
Ling, Tok Hong	805,967	2.00%
UBS Switzerland AG	765,210	1.90%
Nordnet Bank AB	625,176	1.55%
Brown Brothers Harriman & Co.	581,261	1.44%
Barramundi Group Holdings Pte. Ltd.	504,161	1.25%
Chlorophil SA	461,538	1.14%
<b>Top 20 shareholders</b>	<b>36,109,848</b>	<b>89.46%</b>
Others	4,260,135	10.54%
<b>Total shares outstanding</b>	<b>40,369,983</b>	<b>100.00%</b>

# 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 fair value adjustments on biological assets.

**Operating EBIT and/or Operational EBIT** is net profit/(loss) before finance costs, provision for income taxes, excluding fair value adjustments on biological assets.

**Operating EBT and/or Operational EBT** is net profit/(loss) before provision for income taxes, excluding fair value adjustments on biological assets.

**Operating net profit/(loss) and/or Operational net profit/(loss)** is net profit/(loss) excluding fair value adjustments on biological assets.