



# Business update

## 1<sup>st</sup> Half 2023

BARRAMUNDI GROUP LTD  
30 Aug 2023



# Highlights

- Reduced net losses by 55% from SGD 11.9 million in 1H 2022 to SGD 5.3 million in 1H 2023. Achieved through a combination of aggressive cost cutting policies and decisive operational changes made during the period.
- Revenue in 1H 2023 of SGD 16.6 million (1H 2022: SGD 16.9 million) with sales volume of 714 tonnes WFE (1H 2022: 930 tonnes WFE). Drop in sales tonnage was compensated by increased retail prices, and greater contribution by our value-added processing (VAP) business, Fassler Gourmet.
- In Singapore, the SDDV vaccine field trial at St John's sea grow-out was inconclusive. Grow-out ops ceased in June 2023. Remaining biomass was harvest to tighten operational costs. On the sales front, tapped into our regional Kühlbarra Allied farm partners
- In Brunei, signed distributorship agreement with a premium retailer. Outreach of the Kühlbarra brand locally. On production front, achieved stellar FCRs in RAS system.
- Australian business entered into a voluntary administration in late May'23. Two subsidiaries were eventually acquired by Tassal on 31 July 2023. Results are consolidated for 1H 2023. Accounting impact of the disposal will be reflected in full year results.



# Consolidated Profit and Loss – 1H 2022

	1H 2023	1H 2022
	Unaudited	Unaudited
(In SGD thousands)	(\$'000)	(\$'000)
Revenue	16,643	16,920
Raw materials and consumables	(11,467)	(8,861)
Farm personnel expenses	(4,233)	(4,486)
Fish mortalities	(1,679)	(1,721)
<b>Gross margin</b>	<b>(736)</b>	<b>1,852</b>
Sales and marketing expenses	(856)	(1,003)
Administrative expenses (net of other income)	(2,302)	(2,886)
<b>Operating EBITDA</b>	<b>(3,894)</b>	<b>(2,037)</b>
Depreciation and amortisation cost	(2,470)	(2,139)
<b>Operating EBIT</b>	<b>(6,364)</b>	<b>(4,176)</b>
Net finance costs	(701)	(481)
<b>Operating EBT</b>	<b>(7,065)</b>	<b>(4,657)</b>
Taxes	10	(29)
<b>Operating net profit/(loss)</b>	<b>(7,055)</b>	<b>(4,686)</b>
Fair value adjustment on biological assets	1,782	(7,267)
<b>Net profit/(loss)</b>	<b>(5,273)</b>	<b>(11,953)</b>

# Consolidated Balance Sheet - 30 June 2023

	30 Jun 2023	31 Dec 2022
	Unaudited	Audited
(In SGD thousands)	(\$'000)	(\$'000)
Fixed assets	27,554	27,857
Intangible assets	1,284	1,566
Deferred tax assets	1,968	2,040
Fair value of biological assets	15,905	14,829
Inventories	5,792	7,929
Trade and other receivables	5,337	6,862
Cash and cash equivalents	6,506	11,170
<b>Total assets</b>	<b>64,346</b>	<b>72,253</b>
Shareholders' equity	18,631	22,826
Deferred capital grants	5,608	6,356
Deferred tax liabilities	2,210	2,293
Long term debt	17,911	15,878
Short term debt	10,872	16,463
Trade and other payables	9,114	8,437
<b>Total equity and liabilities</b>	<b>64,346</b>	<b>72,253</b>



# Consolidated Cashflow – 1H 2023

- Cash from operating activities have turned positive in tandem with operational and organisational changes
- Reduction of sea ops in Singapore has greatly reduced our working capital requirements for biomass production.
- Continue to review and improve our inventory turnover.
- Loan and interest repayments remain a big cash outflow. Management is in close discussion with our bankers to explore alternative repayment approaches.

(In SGD thousands)	1H 2023 Unaudited (\$'000)	1H 2022 Unaudited (\$'000)
<b>Operating cash flows before changes in working capital</b>	(3,381)	(3,005)
Changes in working capital -		
Inventories	2,121	(2,518)
Biological assets	96	(3,693)
Trade and other receivables	1,123	1,292
Trade and other payables	993	409
<b>Net cash from operating activities</b>	<b>952</b>	<b>(7,515)</b>
Acquisition of property, plant and equipment	(1,423)	(4,147)
Interest received	1	9
<b>Net cash used in investing activities</b>	<b>(1,422)</b>	<b>(4,138)</b>
Net (repayment of) / proceeds from borrowings	(3,702)	1,840
Principal repayment of lease liabilities	(605)	(455)
Interest paid	(702)	(488)
<b>Net cash (used in) / from financing activities</b>	<b>(5,009)</b>	<b>897</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(5,479)</b>	<b>(10,756)</b>
Effect of foreign exchange rate changes	815	(74)
Cash and cash equivalents at beginning of the period	11,170	28,482
<b>Cash and cash equivalents at end of the period</b>	<b>6,506</b>	<b>17,652</b>

# Key Financials & Highlights - Singapore

- Revenue reduced by ~40%, mostly due to limited product available.
- Limited by the glide down of local sea farm operations, which first ran a Scale Drop Disease Virus (“SDDV”) vaccine field trial, and subsequently ceased in June 2023 following inconclusive results of the trial.
- Established partnerships with verified Allied farming counterparts in the region to bridge the supply gap, though transition has affected our revenues
- Cessation of sea farm ops helped to relieve cashflow pressures
- Pivot to specialise in broodstock genetics, breeding
- Aggressive cost cutting measures, especially within executive management, reduced G&A expenses by close to SGD 1mil

	1H 2023	1H 2022
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	203
Operating EBITDA (SGD million)	(\$0.32)	(\$1.61)



# Key Financials & Highlights - Brunei

- Signed a distributorship with Ben Foods Brunei, which operates a premium retailer chain.
- Previous trial to grow fish up to 2kg in RAS facility yielded stellar FCRs. Data strongly supports case for investing in RAS grow-out facility
- RAS grow-out, broodstock and hatchery facilities development and planning are in final stages.

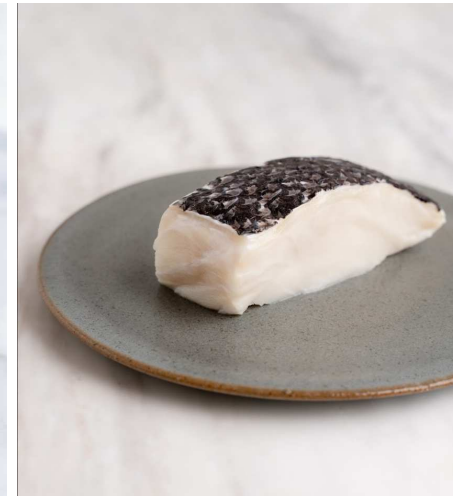
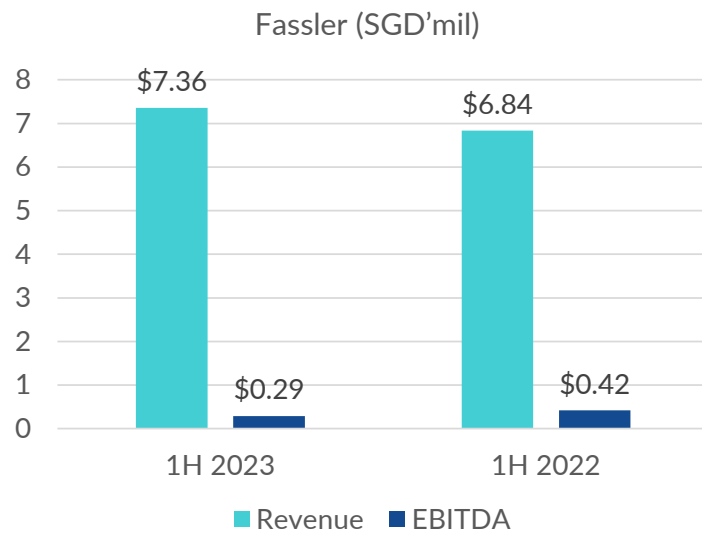
	1H 2023	1H 2022
Net sales (SGD thousands)	\$44	\$9
Net selling price (SGD)	\$13.29	\$12.45
Sales tonnage (tonnes)	3	0.7
Operating EBITDA (SGD million)	(\$0.12)	(\$0.13)





# Key Financials & Highlights- Fassler

Fassler's revenue for 1H 2023 increased by SGD 0.5 million (~7%) compared with the same period in 2022 following the complete lift of pandemic restrictions. Energy and raw materials costs continue to remain high. While costs have been gradually passed on to our end customers, we see some erosion in our EBITDA-margin





# Key Financials & Highlights - Australia

- Sales tonnage dropped by about 20% to 580 tonnes in 1H 2023. This is mainly due to reduced sales to a national supermarket retail chain beyond the base committed amount, an after-effect of the increased retail price effective Q3 2022. The absolute revenue amount has however, remained relatively constant at SGD 6.54 million due to the increased retail prices.
- Elevated administrative expenses incurred, with SGD 0.68 million spent on the application of new leases, and higher salaries from the increase in local management headcount

	1H 2023	1H 2022
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)



# Outlook

- **Strategic Pivot to Brunei:** Eliminated financial burden of Australian operations to focus on strengthening aquaculture in Brunei.
- **Existing Plans and Assets:** Over 8,000 hectares of sea and land leases, fully operational Recirculating Aquaculture System (RAS) nursery, and UVAXX diagnostic lab in Serasa.
- **Cost Benefits:** Favourable energy, land, and labor costs enabling a more sustainable growth path.
- **BG2.0 & Government Support:** Management has developed BG2.0, a land-based RAS aquaculture project with an annual peak production capacity of 3,000MT; Strong backing from Bruneian Government and Department of Fisheries. BG2.0 dovetails with existing infrastructure and plans.
- **Capital Raise Plans:** Details of the plan will be announced soon, and information on capital raise specifically earmarked for BG2.0 land-based RAS grow-out.
- **Singapore as IP and Sales Hub:** Focused on high-value activities like vaccine development, and broodstock genetics research. Singapore operations to focus on Sales and Marketing; Leveraging high-end markets for Kühlbarra and Kühlbarra Allied Farm produce.
- **UVAXX Potential:** Actively engaging with regional animal health authorities and farms interested in autogenous vaccines and diagnostics; pending regulatory approvals.
- **Fassler:** Navigating high inflation and volatile raw material costs, while capitalizing on the recovering HORECA market for quality seafood and value-added products.



# Appendix

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## **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.







Thank You

