

Sea Forest Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Sea Forest Limited
ABN:	46 631 662 283
Reporting period:	For the half-year ended 31 December 2025
Previous period:	For the half-year ended 31 December 2024

2. Results for announcement to the market

	31 December 2025	31 December 2024	Change Up / (Down) %
2.1 Revenue from ordinary activities	769,200	413,436	93%
2.2 Loss from operations after tax attributable to members	(3,944,254)	(2,990,165)	(32%)
2.3 Net (loss) attributable to members	(3,944,254)	(2,990,165)	(32%)
2.4 Proposed dividends	Nil	Nil	
2.5 Record date for determining dividend	N/A	N/A	

2.6 An explanation of the above figures is contained in the "Review of Operations" included within the attached directors' report

	31 December 2025	31 December 2024	Change Up / (Down) %
3. Net tangible asset per security	73 cent	68 cent	7%

4. Details of entities over which control has been gained or lost during the period.
NIL

5. There were no payments of dividends during the reporting period.

6. There is no dividend reinvestment plan in operation.

7. There are no associates or joint venture entities.

8. The company is not a foreign entity.

9. The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

The company's half year report follows.

For more information, please contact:

Sea Forest Limited
Mr John McKillop, Chairman and Non-Executive Director
jm@seaforest.com.au

Mrs Teresa Garces, Company Secretary
tg@seaforest.com.au

Sea Forest Limited

ABN 46 631 662 283

Interim Report - 31 December 2025

Sea Forest Limited
Directors' report
31 December 2025

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

Directors

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

John McKillop (Chairman and Non-Executive Director)
Sam Elsom (Chief Executive Officer)
Stephen Turner (Executive Director)
Alex Berger (Non-Executive Director) - resigned as a Director on 24 October 2025
Roger Millichamp (Non-Executive Director)
Brent Wallace (Non-Executive Director)
Jules Scarlett (Non-Executive Director) - appointed as a Director on 15 September 2025

Principal activities

Sea Forest's mission is to combat climate change through the mitigation of livestock methane and enhanced livestock productivity.

During the financial half-year, the principal continuing activities of the company consisted of the production of its SeaFeed™ Amplify product, which is used by livestock owners to mitigate ruminant enteric methane emissions and increase productivity, producing more food utilising fewer resources. SeaFeed Amplify is a manufactured product, which incorporates both active components derived from Asparagopsis seaweed and man-made bioactives.

Sea Forest's transition to utilising nature-identical bioactives through a proprietary production process has enhanced scalability and product consistency, while offering a lower-cost, more uniform commercial solution that yields higher concentrations of the required bioactive compounds compared with marine cultivation. Final studies of the manufactured SeaFeed™ product have confirmed that its biological outcomes are identical to those of the seaweed-derived formulation.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Financial update

The consolidated entity recorded a loss after income tax of \$3.9 million (2024: \$3.0 million). Net cash outflows from operating activities totalled \$4.7 million for the six-month period (2024: \$5.2 million). Net cash flows from investing activities were \$17.1 million (2024: \$6.1 million), primarily reflecting proceeds from asset disposals of \$2.1 million and the placement of \$19 million into term deposits with maturities of six to nine months.

Cash flows from financing activities amounted to \$19 million (2024: (\$0.01) million), largely representing IPO proceeds of \$20.5 million, offset by \$1.5 million in listing and related transaction costs. Following these movements, the company reported a closing cash balance of \$9.8 million (2024: \$13.9 million).

Operational update

During the period, the company continued to streamline operations, reduce production costs, and exit non-core activities, while advancing key commercial and R&D initiatives. Key developments included:

Sea Forest Limited
Directors' report
31 December 2025

- Strengthening the revenue pipeline, with arrangements in place covering approximately 118,000 head of livestock to be supplemented with SeaFeed™.
- Progressing the exit from non-core operations, including transitioning oyster hatchery activities to an agency model, eliminating direct operating costs, and completing associated asset disposals. The sale of hatchery equipment and marine assets generated total proceeds of \$2.1 million.
- Completing the decommissioning of marine farming operations, with NRE confirming the full removal of equipment from the marine lease.
- Advancing multiple R&D programs across product development, validation trials, manufacturing optimisation, regulatory submissions, and by-product utilisation
- Achieving a major milestone with the confirmation that the fully manufactured SeaFeed™ formulation delivers methane-reduction efficacy statistically equivalent to the natural oil-based version. This supports the company's transition to scalable, biomass-independent production. The man-made formulation is branded SeaFeed™ Amplify NX -reduction efficacy statistically equivalent to the natural/oil-based version
- Progressing diversified revenue opportunities from the company's seaweed production, including early aquaculture studies indicating potential benefits from SeaFeed™ supplementation. Preliminary results from a 3% dietary inclusion rate showed improved growth rates, increased feed intake, improved immune response, and improved feed conversion ratio. These early findings require independent verification and may not be sustained under more rigorous testing. The seaweed based formulation is branded SeaFeed™ Aqua
- Commencing development of Sea Actives, a high value cosmetic ingredient line derived from *Asparagopsis* by-products, targeted at advanced skin, hair and gut health applications

Significant changes in the state of affairs

On the 26th of November 2025, the company listed on the Australian Stock Exchange (ASX: SEA) raising \$20.5 million at \$2.00 per share, with costs relating to the offer totalling \$2.1 million. Proceeds from the IPO will be used to accelerate Sea Forest's commercialisation, including the establishment of new facilities on mainland Australia to provide increased production capacity and distribution efficiencies.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

Subsequent to the 31 December 2025 reporting date, a number of commercially significant developments occurred relating to the company's R&D, commercialisation activities and strategic partnerships.

The company entered into a multi-year agreement with Woolworths Group, DIT AgTech and Teys Australia to conduct a commercial-scale trial of SeaFeed™ in Australian grass-fed cattle systems. The trial, to be undertaken at a commercial operation in New South Wales, will assess both water-delivered and dry-lick formulations of SeaFeed™, with water dosing facilitated through DIT AgTech's uDOSE™ technology. Teys Australia, which already incorporates SeaFeed™ in its supply chain, will provide operational and processing expertise.

The program aims to evaluate SeaFeed™'s potential productivity benefits for grass-fed producers, including improved weight gain and feed efficiency, alongside its well-established methane-reduction effects. Successful outcomes would significantly expand SeaFeed's™ addressable market, with more than 30 million grazing cattle in Australia. Results will be independently verified against globally recognised standards to support broader sector adoption.

The company also committed to establishing its first regional mixing and distribution centre in Newcastle, New South Wales. Construction is expected to be completed in the fourth quarter of 2026. The facility will enhance supply-chain efficiency by enabling more timely, frequent and cost-effective delivery of SeaFeed™ products, while providing improved access to key suppliers and customers.

Subsequent to period end, the company received VCS approval and notification with the project status updated on the Verra registry.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

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

Sea Forest Limited
Directors' report
31 December 2025

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

On behalf of the directors



John McKillop
Director

25 February 2026
Sydney



Sam Elsom
Director

DECLARATION OF INDEPENDENCE BY BENJAMIN LEE TO THE DIRECTORS OF SEA FOREST LIMITED

As lead auditor for the review of Sea Forest Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Sea Forest Limited and the entities it controlled during the period.



Benjamin Lee
Director

BDO Audit Pty Ltd

Melbourne, 25 February 2026

Sea Forest Limited
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General information

The financial statements cover Sea Forest Limited as a consolidated entity consisting of Sea Forest Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Sea Forest Limited's functional and presentation currency.

Sea Forest Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

488 Freestone Point Road
Triabunna, TAS 7190

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2026.

Sea Forest Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

	Note	Consolidated 2025 \$	2024 \$
Total Revenue	3	2,764,589	3,033,118
Expenses			
Operating expenses	4	(2,803,003)	(1,744,804)
Impairment of assets		(296,879)	(236,242)
Depreciation and amortisation		(623,842)	(441,312)
Employee benefits expense		(2,831,068)	(3,370,545)
Finance costs		<u>(154,051)</u>	<u>(230,380)</u>
Loss before income tax expense		(3,944,254)	(2,990,165)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of Sea Forest Limited		(3,944,254)	(2,990,165)
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year attributable to the owners of Sea Forest Limited		<u><u>(3,944,254)</u></u>	<u><u>(2,990,165)</u></u>
		Cents	Cents
Basic loss per share	11	(8.25)	(6.53)
Diluted loss per share	11	(8.25)	(6.53)

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

Sea Forest Limited
Consolidated statement of financial position
As at 31 December 2025

		Consolidated	
	Note	31 December 2025 \$	30 June 2025 \$
Assets			
Current assets			
Cash and cash equivalents		9,837,062	12,615,332
Cash on deposit		19,108,754	-
Trade and other receivables	5	3,128,375	2,225,248
Prepayments		403,614	197,659
Inventories		592,752	770,367
Restricted cash		260,566	260,566
Total current assets		<u>33,331,123</u>	<u>16,069,172</u>
Non-current assets			
Property, plant and equipment	6	12,060,713	14,712,814
Right-of-use assets		1,161,447	1,274,722
Total non-current assets		<u>13,222,160</u>	<u>15,987,536</u>
Total assets		<u>46,553,283</u>	<u>32,056,708</u>
Liabilities			
Current liabilities			
Trade and other payables		1,231,211	824,455
Lease liabilities		375,197	342,947
Employee benefits		642,071	632,123
Deferred government grants		309,039	825,606
Total current liabilities		<u>2,557,518</u>	<u>2,625,131</u>
Non-current liabilities			
Lease liabilities		914,980	898,823
Employee benefits		134,850	139,559
Deferred government grants		2,012,335	2,948,449
Total non-current liabilities		<u>3,062,165</u>	<u>3,986,831</u>
Total liabilities		<u>5,619,683</u>	<u>6,611,962</u>
Net assets		<u><u>40,933,600</u></u>	<u><u>25,444,746</u></u>
Equity			
Issued capital	7	74,839,553	55,853,528
Share-based payments reserve		2,518,274	2,071,191
Accumulated losses		<u>(36,424,227)</u>	<u>(32,479,973)</u>
Total equity		<u><u>40,933,600</u></u>	<u><u>25,444,746</u></u>

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

Sea Forest Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2025

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2024	55,853,528	1,273,196	(23,389,732)	33,736,992
Loss after income tax expense for the half-year	-	-	(2,990,165)	(2,990,165)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,990,165)	(2,990,165)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 12)	-	596,204	-	596,204
Balance at 31 December 2024	<u>55,853,528</u>	<u>1,869,400</u>	<u>(26,379,897)</u>	<u>31,343,031</u>
Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2025	55,853,528	2,071,191	(32,479,973)	25,444,746
Loss after income tax expense for the half-year	-	-	(3,944,254)	(3,944,254)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(3,944,254)	(3,944,254)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 12)	-	447,083	-	447,083
Issued capital net of capital raising fees	18,986,025	-	-	18,986,025
Balance at 31 December 2025	<u>74,839,553</u>	<u>2,518,274</u>	<u>(36,424,227)</u>	<u>40,933,600</u>

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

Sea Forest Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2025

	Note	Consolidated 2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		699,783	185,452
Payments to suppliers and employees (inclusive of GST)		(5,449,452)	(5,925,096)
Government grants and subsidies received		-	138,795
Interest paid		(95,008)	(27,757)
		<u>(4,844,677)</u>	<u>(5,628,606)</u>
Interest received		193,134	475,540
Net cash used in operating activities		<u>(4,651,543)</u>	<u>(5,153,066)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	6	(107,299)	(1,385,368)
Loan (to) / repayment from other related parties		(50,147)	63,607
Proceeds from disposal of property, plant and equipment		2,075,148	-
Investment in term deposits		(19,000,000)	-
Proceeds from term deposits		-	7,442,891
Net cash used in investing activities		<u>(17,082,298)</u>	<u>6,121,130</u>
Cash flows from financing activities			
Payments for the costs of issuing capital		(1,513,975)	-
Repayment of lease liabilities		(30,454)	(12,243)
Proceeds from issue of capital		20,500,000	-
Net cash from/(used in) financing activities		<u>18,955,571</u>	<u>(12,243)</u>
Net decrease in cash and cash equivalents		(2,778,270)	955,821
Cash and cash equivalents at the beginning of the financial half-year		<u>12,615,332</u>	<u>12,958,399</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>9,837,062</u></u>	<u><u>13,914,220</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Sea Forest Limited
Notes to the consolidated financial statements
31 December 2025

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

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

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Going concern

During the half-year the consolidated entity incurred a loss after tax of \$3,944,254 (31 December 2024: \$2,990,165), and net operating cash outflows of \$4,542,789 (31 December 2024: \$2,852,625).

As at 31 December 2025 the consolidated entity's cash and cash equivalents amounted to \$9,837,062 (30 June 2025: \$12,615,332), in addition to cash on deposit of \$19,108,754 (30 June 2025: nil).

During the half-year, the consolidated entity secured significant additional funding, therefore the Board and management are confident that the Group has sufficient cash to remain operational for the next 12 months while also meeting its commitments as and when they fall due.

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity operates in one segment, being manufacture, research and development of SeaFeed™ products. The operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Note 3. Revenue

	Consolidated	
	2025	2024
	\$	\$
<i>Revenue from contracts with customers</i>		
Sales	796,200	413,436
<i>Other revenue</i>		
Government grants	-	1,061,266
Research and development incentive	1,505,724	1,175,262
Interest income	214,593	362,550
Other income	248,072	20,604
	<u>1,968,389</u>	<u>2,619,682</u>
Total Revenue	<u>2,764,589</u>	<u>3,033,118</u>

Sea Forest Limited
Notes to the consolidated financial statements
31 December 2025

Note 3. Revenue (continued)

Other income refers primarily to gain on disposal of assets from the Marine Farm.

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2025	2024
	\$	\$
<i>Major product lines:</i>		
Sale of SeaFeed	796,200	237,082
Sale of Oyster Spat	-	176,354
	<u>796,200</u>	<u>413,436</u>

	Consolidated	
	2025	2024
	\$	\$
<i>Geographical regions</i>		
Australia	796,200	413,436

	Consolidated	
	2025	2024
	\$	\$
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	796,200	413,436

Note 4. Operating expenses

	Consolidated	
	2025	2024
	\$	\$
Cost of sales	639,988	119,153
Research and development	595,716	721,937
Listing expenses	634,666	-
General and Administration	932,633	903,714
	<u>2,803,003</u>	<u>1,744,804</u>

Note 5. Current assets - trade and other receivables

		Consolidated	
		31 December	30 June
		2025	2025
		\$	\$
Trade receivables		461,668	195,406
Loans to related parties	9	148,833	98,686
Other receivables		153,176	68,856
R&D Rebate Receivable		2,364,698	1,862,300
		<u>3,128,375</u>	<u>2,225,248</u>

Sea Forest Limited
Notes to the consolidated financial statements
31 December 2025

Note 6. Non-current assets - property, plant and equipment

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
Land and buildings - at cost	3,402,174	3,576,690
Less: Accumulated depreciation	(49,255)	(216,310)
	<u>3,352,919</u>	<u>3,360,380</u>
Work in progress	100,095	705,093
Leasehold improvements - at cost	326,653	326,653
Less: Accumulated depreciation	(122,208)	(105,741)
	<u>204,445</u>	<u>220,912</u>
Plant and equipment - at cost	6,076,034	6,512,352
Less: Accumulated depreciation	(2,175,386)	(2,094,077)
Less: Impairment	(153,878)	(153,878)
	<u>3,746,770</u>	<u>4,264,397</u>
Marine infrastructure and equipment - at cost	2,703,063	6,051,988
Less: Accumulated depreciation	(75,905)	(801,381)
Less: Impairment	(1,839,622)	(2,441,477)
	<u>787,536</u>	<u>2,809,130</u>
Tanks and Raceways - at cost	4,887,680	4,221,186
Less: Accumulated depreciation	(1,018,732)	(868,284)
	<u>3,868,948</u>	<u>3,352,902</u>
	<u><u>12,060,713</u></u>	<u><u>14,712,814</u></u>

Reconciliations

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

	Land and buildings	Work in progress	Leasehold improvements	Plant and equipment	Marine infrastructure and equipment	Tanks and Raceways	Total
Consolidated	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2025	3,360,380	705,093	220,912	4,264,397	2,809,130	3,352,902	14,712,814
Additions	1,201	45,055	-	29,299	-	31,744	107,299
Disposals	-	-	-	(228,332)	(2,576,171)	-	(2,804,503)
Movement in impairment of assets	-	-	-	-	601,855	-	601,855
Transfers in/(out)	-	(650,053)	-	15,303	-	634,750	-
Depreciation expense	(8,662)	-	(16,467)	(333,897)	(47,278)	(150,448)	(556,752)
Balance at 31 December 2025	<u><u>3,352,919</u></u>	<u><u>100,095</u></u>	<u><u>204,445</u></u>	<u><u>3,746,770</u></u>	<u><u>787,536</u></u>	<u><u>3,868,948</u></u>	<u><u>12,060,713</u></u>

During FY2025, the Board approved a strategic restructuring plan (26 March 2025) to transition the marine operations at Triabunna and the land-based operations at Swansea to focus exclusively on research and development (R&D) activities.

With the marine farm repositioned for research-only purposes, the company commenced a program to streamline operations and reduce surplus marine infrastructure. As part of this optimisation, the carrying values of the relevant marine infrastructure assets were reviewed and written down to their recoverable amounts in accordance with applicable accounting standards.

Sea Forest Limited
Notes to the consolidated financial statements
31 December 2025

Note 6. Non-current assets - property, plant and equipment (continued)

In line with its strategic objectives, on 1 August 2025 the company sold the assets of its oyster business for \$223,500 and entered into a management agreement with Southern Cross Marine Culture Pty Ltd ("Marine Culture") for the operation of the oyster hatchery through to 30 June 2030. The company also completed the sale of the vessel Sea Captain to Huon Aquaculture for \$1,800,000 (excl. GST) on 6 November 2025 and disposed of marine infrastructure assets totalling \$60,146 (excl. GST) during the period.

Note 7. Equity - issued capital

	Consolidated			
	31 December		31 December	
	2025	30 June 2025	2025	30 June 2025
	Shares	Shares	\$	\$
Ordinary shares - fully paid	56,059,770	45,809,770	74,839,553	55,853,528

On the 26th of November 2025, the company listed on the Australian Stock Exchange (ASX: SEA) raising \$20.5 million at \$2.00 per share, with costs relating to the offer totalling \$2.1 million. Of these costs, \$1.5 million was offset against issued capital and \$0.6 million expensed in accordance with AASB 132.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Share buy-back

There is no current on-market share buy-back.

Dividend Reinvestment

The company does not currently operate a dividend reinvestment plan; however, the Constitution permits the Directors to establish such a plan if determined appropriate.

Options

Information relating to the company's Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 10.

Capital Risk Management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The consolidated entity does not have any borrowings at 31 December 2025

Sea Forest Limited
Notes to the consolidated financial statements
31 December 2025

Note 7. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2025	45,809,770		55,853,528
Share capital issued	24 November 2025	10,250,000	\$2.00	20,500,000
Costs of capital raising		-	\$0.00	(1,513,975)
Balance	31 December 2025	<u>56,059,770</u>		<u>74,839,553</u>

Note 8. Contingent liability

A Bank Guarantee was issued on 3 June 2025, with an expiry date of 30 June 2028 in respect of research guarantees supporting product trials. The bank guarantee has been assigned to the trial partner in support of trial outcomes.

In the event that a right is exercised under this guarantee, the company is obligated to reimburse an amount equal to the invoiced value of the “SeaFeed™” product used in the trials. Any surplus funds will be refunded to the company. Conversely, if the guaranteed amount is insufficient to cover the reimbursement, the company will pay the shortfall to the trial partner. Any potential liability is not expected to exceed the total value of the Bank Guarantee of \$260,566.

Note 9. Related party transactions

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	31 December	30 June 2025
	2025	
	\$	\$
Current receivables:		
Loan to Forever Foundation Limited (refer to note 5)	148,833	98,686

Forever Foundation Limited is a registered and regulated charity with the Australian Charities and Not-for-Profits Commission (ACNC). The Foundation received its charitable tax concession in December 2022. The loan is unsecured and interest free and repayable at call. Loan movements for the period relate to expenses paid on behalf of the Foundation, relating to its Farming for Tomorrow programme, totalling \$50,147.

The Foundation is focused on environmental sustainability and reducing greenhouse gas emissions (GHGs).

The Foundation operates independently of Sea Forest Limited and its directors are actively seeking to raise funds in FY2026 to achieve financial self-sufficiency and facilitate the repayment of the related party loan.

Terms and conditions

The loan is unsecured and interest free and repayable at call.

Note 10. Events after the reporting period

Subsequent to the 31 December 2025 reporting date, a number of commercially significant developments occurred relating to the company's R&D, commercialisation activities and strategic partnerships.

The company entered into a multi-year agreement with Woolworths Group, DIT AgTech and Teys Australia to conduct a commercial-scale trial of SeaFeed™ in Australian grass-fed cattle systems. The trial, to be undertaken at a commercial operation in New South Wales, will assess both water-delivered and dry-lick formulations of SeaFeed™, with water dosing facilitated through DIT AgTech's uDOSE™ technology. Teys Australia, which already incorporates SeaFeed™ in its supply chain, will provide operational and processing expertise.

The program aims to evaluate SeaFeed™'s potential productivity benefits for grass-fed producers, including improved weight gain and feed efficiency, alongside its well-established methane-reduction effects. Successful outcomes would significantly expand SeaFeed's™ addressable market, with more than 30 million grazing cattle in Australia. Results will be independently verified against globally recognised standards to support broader sector adoption.

The company also committed to establishing its first regional mixing and distribution centre in Newcastle, New South Wales. Construction is expected to be completed in the fourth quarter of 2026. The facility will enhance supply-chain efficiency by enabling more timely, frequent and cost-effective delivery of SeaFeed™ products, while providing improved access to key suppliers and customers.

Subsequent to period end, the company received VCS approval and notification with the project status updated on the Verra registry.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 11. Loss per share

	Consolidated	
	2025	2024
	\$	\$
Loss after income tax attributable to the owners of Sea Forest Limited	<u>(3,944,254)</u>	<u>(2,990,165)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	<u>47,815,205</u>	<u>45,809,770</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>47,815,205</u>	<u>45,809,770</u>
	Cents	Cents
Basic loss per share	(8.25)	(6.53)
Diluted loss per share	(8.25)	(6.53)

Note 12. Share-based payments

Legacy Employee Option Plan

The company previously established a legacy employee option plan (Legacy Employee Option Plan). Under this plan, 3,225,000 options remain on issue. These options have various expiry dates ranging from February 2026 to August 2028. No options are exercisable until they have vested.

Options vest in three equal tranches, with one-third vesting after one, two and three years of continuous service following the grant date. Options were granted for nil consideration and convert into ordinary shares on a one-for-one basis. Upon exercise, the employee is required to pay the exercise price multiplied by the number of options exercised.

On 25 June 2025, as part of the company's workforce reduction, the Board approved the immediate accelerated vesting of 133,333 third-tranche options, each with an exercise price of \$2.50.

Equity Incentive Plan

On 29 September 2025, the company adopted a new employee securities incentive plan (the Plan) to encourage employee ownership and support the long-term success of the company. Under the Plan, the Board may, at its discretion, grant Options, Performance Rights and Restricted Shares to eligible employees, Directors and service providers.

Under the Plan, the Board sets any issue price (if applicable) in the offer; if none is specified, awards are issued for no consideration. Options entitle the holder to shares on payment of the exercise price once vested, with exercise effected by notice and payment; Performance Rights have no exercise price and are generally taken to be exercised automatically on vesting. The company may issue new or transfer existing shares to satisfy exercises; allotted shares are fully paid and rank equally with existing shares, subject to any disposal restrictions.

On 1 October 2025, the company granted 492,000 Options with an exercise price of \$2.20 and an expiry date of 30 September 2028 (three years after the grant date). The Options vest and become exercisable in three equal tranches: one-third vested on the grant date; one-third will vest 12 months after the grant date; and the remaining one-third will vest 24 months after the grant date.

The exercise price was determined in accordance with the Plan formula $E = P \times 110\%$, where P represents the price of Shares issued under the company's initial public offering. Based on the IPO price of \$2.00, the exercise price was calculated as \$2.20.

Issue Capital Applying to the New Plan

The Plan includes an issue limitation designed to protect shareholders from excessive dilution.

Under this limitation, the company may only make an offer of Awards if the total number of Shares that could be issued under that offer, together with all Shares that have been or could be issued under Awards offered during the preceding three year period, does not exceed 5% of the total Shares on issue at the time of the offer (or such other percentage as may be specified in the company's Constitution).

For the purposes of applying the issue cap, Awards that relate solely to the transfer of existing Shares are excluded, as they do not involve the issue or potential issue of new Shares.

Summary of Options Granted

Set out below is a summary of options granted under both the legacy plan and the new employee securities incentive plan:

Sea Forest Limited
Notes to the consolidated financial statements
31 December 2025

Note 12. Share-based payments (continued)

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
04/02/2021	03/02/2028	\$1.00	800,000	-	-	-	800,000
21/10/2021	19/10/2028	\$1.50	1,300,000	-	-	-	1,300,000
01/03/2023	29/02/2028	\$2.50	775,000	-	-	-	775,000
01/06/2024	31/05/2029	\$2.50	250,000	-	-	-	250,000
01/09/2024	31/08/2029	\$2.50	100,000	-	-	-	100,000
01/10/2025	30/09/2028	\$2.20	-	492,000	-	-	492,000
			<u>3,225,000</u>	<u>492,000</u>	<u>-</u>	<u>-</u>	<u>3,717,000</u>

On 26 October 2025, the Board approved amendments to the expiry dates of the Legacy Employee Option Plan, extending the expiry date of the tranche 1 Options from 3 February 2026 to 3 February 2028, and extending the expiry date of the tranche 2 Options from 20 October 2026 to 19 October 2028.

Fair Value

The assessed fair value at grant date of options granted on 1 October 2025 was \$1.58 per option. The fair value at grant date has been determined using the Black-Scholes Option Pricing Methodology that takes into account the exercise price, risk-free rate, volatility and dividend yield for the term of the right. For this grant, the model was based on a current share price of \$2.63, an exercise price of \$2.20, a risk-free rate of 3.5%, expected volatility of 85%, and resulted in an estimated fair value of \$1.58 per option.

Expected volatility was estimated by reference to the historical share price volatility of comparable ASX-listed companies in early-stage agri-technology, biotechnology and sustainability sectors, as the company does not yet have sufficient trading history to derive its own volatility measure.

The weighted average exercise price of the options as at 31 December 2025 was \$1.79 (30 June 2025: \$1.65).

The weighted average remaining contractual life of options outstanding as at 31 December 2025 was 1.45 years (30 June 2025: 1.75 years).

Sea Forest Limited
Directors' declaration
31 December 2025

In the directors' opinion:

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

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

On behalf of the directors



John McKillop
Director

25 February 2026
Sydney



Sam Elsom
Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Sea Forest Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Sea Forest Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

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

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



Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

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

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

BDO Audit Pty Ltd

The BDO logo consists of the letters 'BDO' in a stylized, handwritten font.

A handwritten signature in black ink, appearing to read 'Benjamin Lee'.

Benjamin Lee

Director

Melbourne, 25 February 2026