

‘Unrealised Potential’ SFF Futures Programme Quarterly Report

Q1: Oct – Dec 2024

1. Quarterly Progress Summary

Supply Chain Development

- Work continued with 4 manufacturers to identify materials with necessary tensile strength to meet the required specifications for mass production of the FloMo systems, particularly the larger units with the higher breaking strength requirements. A pilot study has been commissioned to evaluate the technical feasibility of producing a material to meet the required specifications which is expected to be provided in Q2. Samples from one supplier met the tensile strength requirements for production of the smaller FloMo units but the join adhesion did not meet the standards.
- Test production with a NZ manufacturer of a laminate material suitable for fabrication of the larger FloMo units commenced in mid Dec due to a shipping delay by the airline resulting in the required adhesive that was due to arrive in early Nov not being delivered until early Dec. Production of the first FloMo unit is expected to be completed end of Q2.

NZ Sales Development

- The first trial of the scampi FloMo unit ran from 27 Oct to 2 Nov 2024. A range of configurations were trialled to provide an assessment on how these influenced the catch and particularly reduction of by-catch. Initial results were promising with the catch being cleaner and certain configurations resulting in a significant reduction in by-catch. A second trial was planned to commence in late Jan 2025 but in mid-Dec PSH was advised that operational requirements meant the vessel would not be available for trials. PSH are now currently in discussions with another scampi vessel operator to be able to continue trials.
- With the completion of the new hoki FloMo design for improved selectivity PSH has been in discussion to look at undertaking trials to compare the selectivity of the new design to conventional mesh gear. Once the test production of the laminate material is completed that will allow construction of the larger FloMo units, production will then commence on the new hoki selectivity design with the aim for trials to commence in Q3.
- A proposal is being developed to undertake a comparison between FloMo and conventional mesh gear using a purpose built ‘trouser’ trawl to look at the quality of snapper and also terakihi from long tows.
- PSH is in discussion with technology providers on the development of the release-at-depth mechanism and catch-sensing technologies.

International Sales Development

- PSH continued to progress development with Seafish UK of a trial programme to test FloMo in the UK Nephrops fisheries in Northern Ireland and Scotland with the aim for trials to commence in Q3 (Apr-Jun 2025).
- Discussions also continued with the Pacific States Marine Fisheries Commission (PSMFC) to conduct trials of FloMo in the West Coast Groundfish Fishery with development of a trial proposal and research collaboration agreement.

- In early Nov 2024 PSH was also approached by the University of Massachusetts Dartmouth (UMassD) to collaborate with a research proposal to trial FloMo in the New England Groundfish fishery. PSH collaborated with UMassD to develop a project proposal for funding that was submitted in late Nov. A decision is expected on the proposal in late Jul 2025 with timing for the trials to commence in early 2026.
- PSH continues to engage with industry and government towards looking to undertake trials in the Alaskan cod fishery in early 2026.
- Funding for the project proposal to undertake further trials of FloMo in the beam trawl fishery as well as twin-rig otter trawl fishery in the Netherlands was approved with the project set to commence as from Jan 2025.
- In Denmark the fish size sampling was completed which allowed the proposed FloMo design for the trials to be finalised. Once the research collaboration agreement is finalised and signed then production of the FloMo unit can commence with the aim for trials to start in May 2025.

Business Development

- A commercial operating trial commenced in Oct with one of PSH shareholders that will provide data to validate the value proposition to support preparations for being able to rollout the technology commercially in NZ which is planned for late 2025.
- PSH was successful in pitching to the Blue Food Innovation Summit qualifying as one of ten businesses to be able to participate in the session for pitching to investors. The summit is to be held in London in Apr 2025.
- Two provisional patent applications were lodged with the Intellectual Property Office of New Zealand (IPONZ) to protect new production innovations.
- Trademark protection of the new FloMo brand is also progressing that will cover both the logo design and the wordmark. The FloMo design is now registered with the World Intellectual Property Organization (WIPO) under the Madrid Agreement and has been accepted by the European Union.

Programme Management

- The Programme Governance Group (PGG) held its scheduled quarterly meeting on 8 Nov 2024. Quarterly meetings of the Advisory Groups providing support to the Programme Management were as follows:
 - Operations Advisory Group (OAG) – 11 Dec 2024
 - Technical Advisory Group (TAG) – 13 Oct & 10 Nov 2024
 - Regulatory Advisory Group (RAG) – 9 Dec 2024
- Membership of the PGG and key programme management personnel remain unchanged.

2. Key highlights and achievements

- First sea trial of the new Scampi FloMo design was successfully completed.
- Test production of the composite laminate material commenced in Dec 2024.

3. Upcoming

- Complete test production of composite laminate material to fabricate FloMo unit for trial.
- Design and fabricate alpha-prototype FloMo units for trials in UK & Denmark.

4. Investment

<i>Investment period</i>	<i>Co-investor contribution</i>	<i>MPI contribution</i>	<i>Total investment</i>
<i>Quarter One FY25</i>	\$0.292 m	\$0.292 m	\$0.584 m
<i>Year to Date FY25</i>	\$0.292 m	\$0.292 m	\$1.496 m
<i>Programme To Date TOTAL</i>	\$1.791 m	\$1.791 m	\$3.582 m