

ASX & Media Release

27 October 2020

New Domestic Retail Launches and Business Update

- **Retail trials in October and November will see Clean Seas Kingfish products sold in circa 100 stores across major Australian supermarket chains**
- **FY21 Q1 sales volumes are 88% of the prior year in Clean Seas' existing business channels, reflecting the continued recovery in sales volumes.**
- **An additional 157 tonnes (WWE) sold to Hofseth North America in September 2020 resulted in total FY21 Q1 sales volumes at 112% of prior year**
- **Quarterly cash flows from operating activities of negative \$2.4 million for Q1 FY21 versus negative \$0.5 million in Q1 FY20 due to COVID-19 disruptions impacting receipts by \$3.1m, offset by cost savings \$1.2m**
- **Total available funding of \$21.6 million, with a further \$17.1 million of undrawn facilities available for capital infrastructure investment**

Clean Seas Seafood Limited (ASX: CSS), the global leader in full cycle breeding, production and sale of Yellowtail Kingfish, is pleased to update the market on quarterly sales and cash flow, and progress made towards its strategic objectives.

Australian Retail Launches

Clean Seas' focus is to develop new products and supply chains for our strategic pivot to new channels while utilising the sale of excess inventory to support working capital requirements.

Clean Seas Australian wholesale partners have launched Clean Seas Kingfish products into their own retail channels, which has driven diversification and underpinned Clean Seas' sales throughout the COVID-19 disruptions.

Clean Seas is pleased to announce further retail trials with major Australian supermarket chains. Through its partners, Clean Seas is launching newly developed retail Kingfish products into circa 100 selected supermarkets throughout October and November. This will initially equate to 10 tonnes Whole Weight Equivalent (WWE) sales volume to Clean Seas in support of these launches, and while this volume is not material in itself, it is an important first step in a broader rollout to develop the Australian retail channel.

The new retail products are packed "ready to cook" in order to appeal to a broad retail market looking for a high quality, sustainable and healthy alternative to existing predominantly salmon based retail products.

Clean Seas will also continue to work with wholesale partners nationally to diversify into new outlets, including retail and home delivery.

FY21 Q1 Sales Volumes

The ongoing resilience of Clean Seas' existing food service channels in Australia and Europe is demonstrated by Q1 FY21 sales volumes at 88% of the prior year pre-COVID-19 levels. Australia was at 87% of the prior year and Europe was in line with last year's result.

In addition to these numbers, Clean Seas also sold 157 tonnes (WWE) to Hofseth North America in support of retail launches in the North American market. Total sales for Q1 FY21 were up 12% on last year including these new channels.

Clean Seas has achieved sales revenue for Q1 FY21 at 95% of the prior year, despite the impact of COVID related market disruptions.

FY21 Q1 Cash Flows

Cash receipts fell by \$3.1 million in Q1 FY21 (compared to Q1 FY20) due to the impacts of COVID-19 on foodservice closures, however, as a result of cost reductions totalling \$1.2 million in the quarter, net cash outflow from operating activities was limited to \$2.4 million.

Clean Seas has total available funding for future operating activities of \$21.6 million, with a further \$17.1 million of undrawn facilities available for capital investment projects including those that will deliver increased production capacity and automation.

It is the Company's view that whilst the ongoing COVID-19 disruptions will continue, the entry into retail product distribution is expected to deliver long-term growth from channel diversification that will complement Clean Seas' existing global restaurant and premium food service business.

The Board notes that the inherent operational risks in aquaculture may impact future results.

Authorised for release by the Board of Clean Seas Seafood Limited (ASX: CSS).

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