

H1 FY23 RESULTS PRESENTATION

ASX:CSS & OSE:CSS
21st February 2023

CEO: Robert Gratton
CFO: David Brown



CLEANSEAS
SUSTAINABLE SEAFOOD



PROFITABLE AND CASH FLOW POSITIVE

Significant turnaround in profitability and positive cash flow despite challenging economic conditions and greater competition in Europe and North America

- Growing awareness and acceptance of Yellowtail Kingfish globally
- Strong resonance of Clean Seas commercial messaging, highlighting quality, culinary flexibility and Spencer Gulf provenance
- Substantial revenue and farmgate revenue growth
- Maintained optimal live and frozen inventory sales mix, eliminated frozen clearance sales which drove pricing higher and reduced cost of production
- Delivered operating profitability and positive cash flows
- Progress on sustainability agenda with novel feed ingredients and Asparagopsis collaboration
- Considerable untapped opportunity for future global expansion with enabling balance sheet

H1 FY23 FINANCIALS

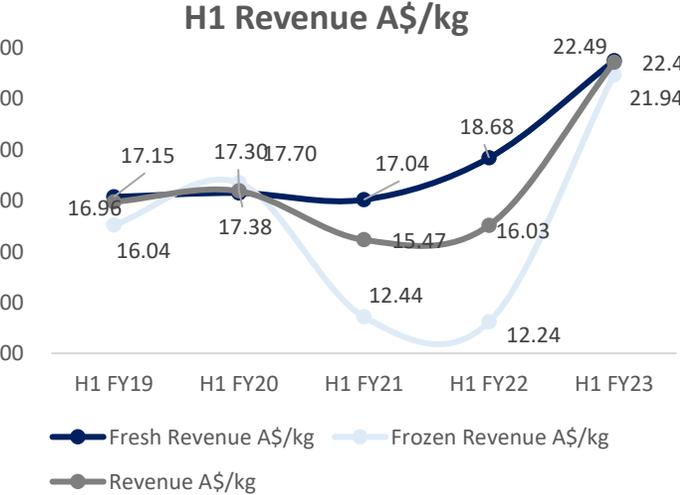
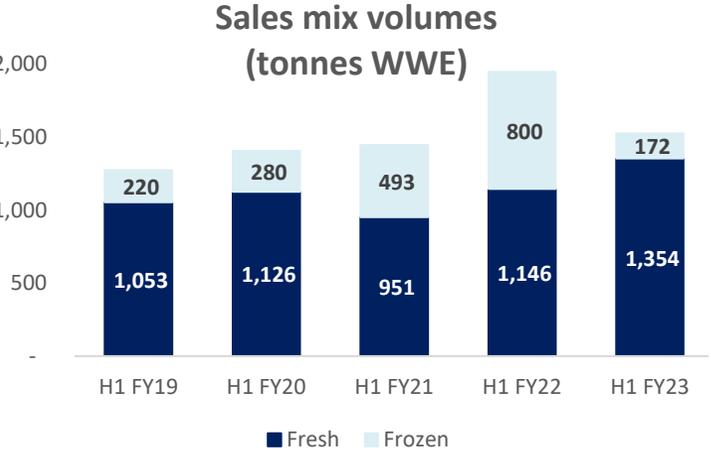
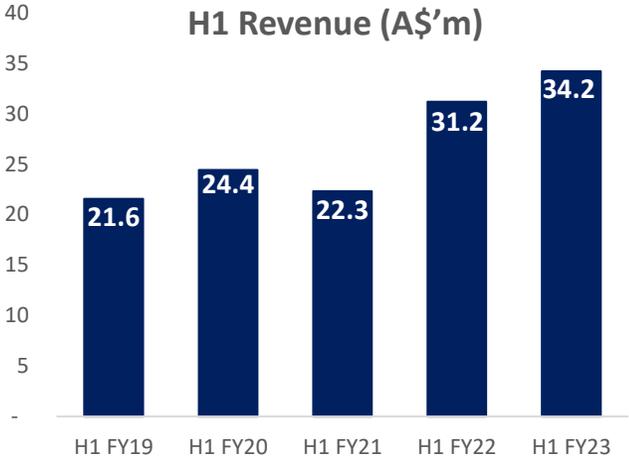
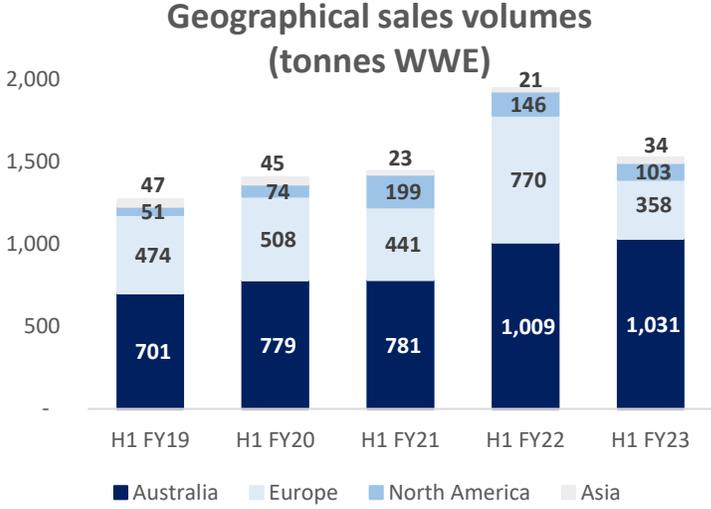


H1 FY23 FINANCIAL OVERVIEW

Financial Performance	H1 FY22	H1 FY23	Change (Fav/Unfav)
Production Metrics (WWE tonnes)			
Sales Volume	1,946	1,526	▼ -22%
Net Growth	828	886	▲ 7%
Harvest Volume	1,341	1,588	▲ 18%
Closing Live Fish Biomass	2,739	2,806	▲ 2%
Frozen Inventory	431	190	▼ -56%
Operating Results¹ (A\$/kg)			
Revenue	16.03	22.43	▲ 6.40
Post farmgate costs	(3.52)	(4.78)	▼ (1.26)
Farmgate	12.51	17.65	▲ 5.14
Production costs	(14.83)	(13.22)	▲ 1.61
Gross profit	(2.32)	4.43	▲ 6.75
Indirect & R&D Costs	(2.76)	(3.39)	▼ (0.63)
Operating EBITDA	(5.08)	1.04	▲ 6.12
Operating Results¹ (A\$'000)			
Revenue	31,192	34,231	▲ 3,039
Post farmgate costs	(6,856)	(7,295)	▼ (439)
Net farmgate revenue	24,336	26,936	▲ 2,600
Production costs	(28,852)	(20,168)	▲ 8,684
Gross profit	(4,516)	6,768	▲ 11,284
Indirect & R&D Costs	(5,376)	(5,178)	▲ 198
Operating EBITDA	(9,892)	1,590	▲ 11,482
Underlying Adjustments (A\$'000)			
Impairment	(211)	-	
AASB 141 SGARA and cost allocation	10,513	(2,951)	
Statutory NPAT	(2,160)	(3,467)	▼ (1,307)

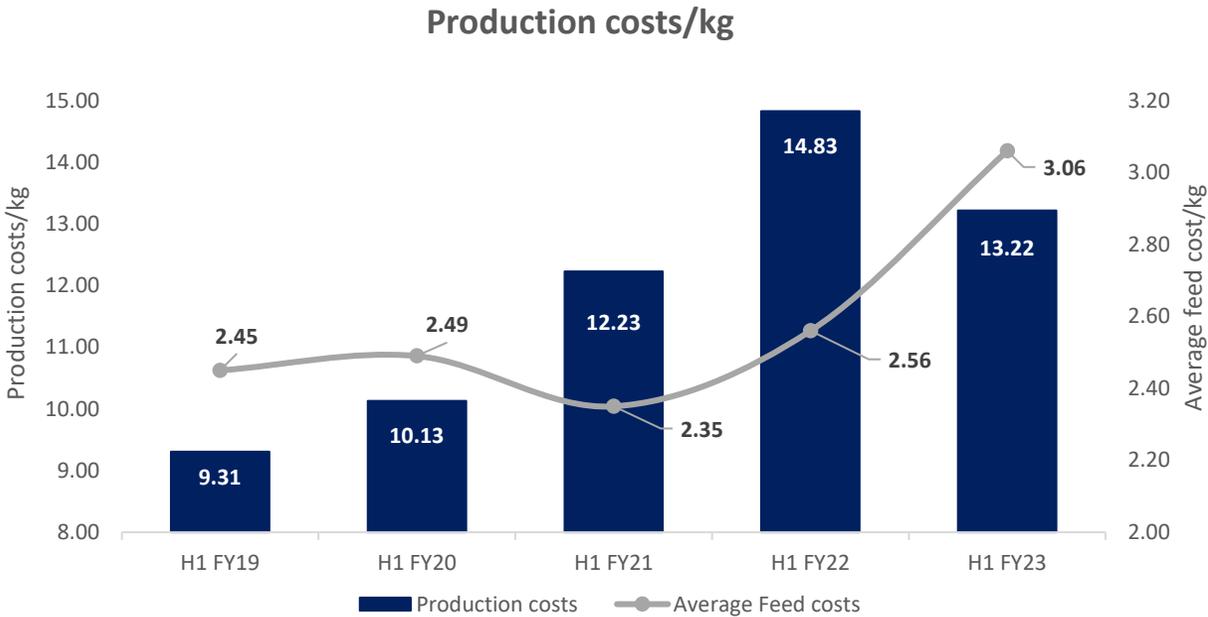
- **Positive Operating EBITDA of A\$1.6 million** for H1 FY23 compares to a loss of A\$9.9 million in H1 FY22, driven by **price increases and operational cost reductions**
- **Positive Gross Profit and Operating EBITDA of A\$4.43/kg and A\$1.04/kg in H1 FY23**
- **Increased revenue/kg and farmgate/kg by 40% and 41%**, respectively resulting from demand exceeding supply and the elimination of surplus frozen inventory sales
- **Production costs reduced by 11% year-on-year to A\$13.22/kg** despite increased feed, labour and fuel costs
- Lower sales volumes reflects the sell-through of all post-COVID surplus frozen inventory
- **18% increase in harvest volumes** in line with expectations
- Statutory NPAT loss reflects H1 being predominantly winter non-growing season and expected to be positive for FY23 once the summer growing season is completed in H2

FRESH AND FROZEN PRICING UP



- Record revenue generation, **delivering a H1 result of A\$34.2m**
- Increased and converging** Fresh and Frozen prices, **up 20% and 79%** respectively, driven by demand outstripping supply and the transition away from an overstocked live fish biomass and frozen inventory position
- Australian sales volumes for H1 FY23 were up 2% on H1 FY22, however, by excluding the 150 tonnes of frozen clearance sales to retail, **premium sales volumes increased by 20%**
- European sales volumes down by 54%, reflecting the sell through of surplus frozen inventory in the prior year and increasingly challenging economic conditions and greater competition

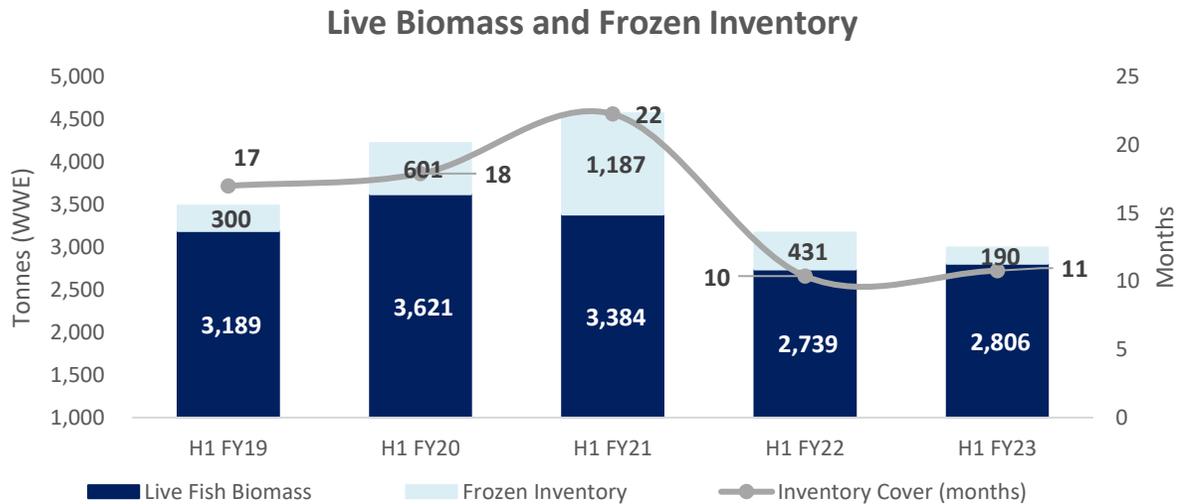
PRODUCTION COSTS DOWN 11%



- **Production costs down 11% to A\$13.22/kg** from A\$14.83/kg in H1 FY22 due to optimisation of live fish biomass
- Reduced production costs achieved despite increased feed, labour and fuel costs, and lower than expected growth in the early part of the current growing season
- **Average feed costs continued their upward trajectory and reached A\$3.06/kg, up 20% on H1 FY22**
- Inflationary pressure continues to impact key cost drivers in 2023, however cost of production is expected to reduce further in FY23 once the summer growing season is completed in H2

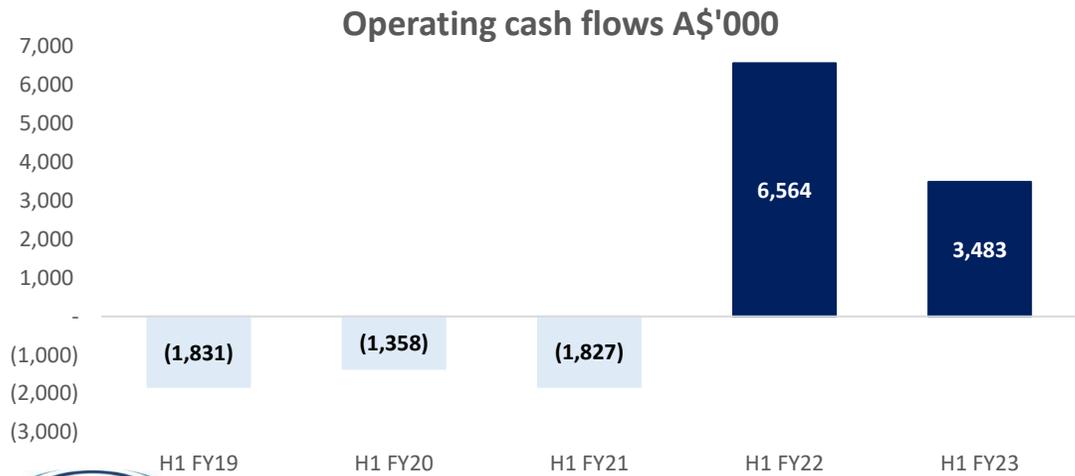
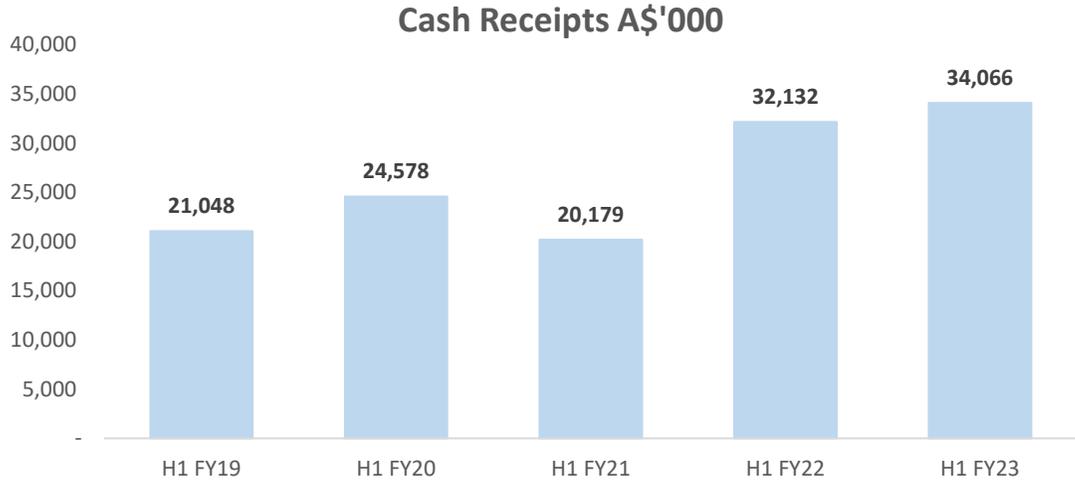
INVENTORY COVER OPTIMISED

Operational Metrics	H1 FY19	H1 FY20	H1 FY21	H1 FY22	H1 FY23
Net Growth (tonnes WWE)	966	1,069	696	828	886
Harvest Volumes (tonnes WWE)	1,408	1,600	1,748	1,341	1,588
eFCR	3.20	3.10	4.61	3.21	3.42



- **Inventory months cover remained consistent with H1 FY22 at 11 months**
- **Net growth is up 7%** on H1 FY22, however, growth is lower than expected due to unfavourable weather conditions at Arno Bay and close out losses on Year Class 21 have resulted in an increase in eFCR to 3.42
- **Record fingerling intake** for Year Class 23 of 1.22 million juveniles, up 17% on Year Class 22 will drive a step change in net growth and harvest volume
- During H1 FY22, Clean Seas sold down frozen inventory, which allowed the Company to re-balance inventory. In H1 FY23, **harvest volumes have increased by 18%**, reflecting the growth in fresh sales

OPERATING CASH FLOWS OF A\$3.5 MILLION



- **Positive operating cash flows of A\$3.5 million in H1 FY23**
- **H1 FY23 cash receipts grew by 6%** in H1 FY23 to A\$34.1m benefitting from increased revenue, optimised working capital and without the benefit of selling down frozen inventory
- Feed payments increased by 76% compared to H1 FY22, driven by a 20% increase in the average feed price and timing of feed purchases to take advantage of lower prices
- Payments to employees increased by 22%, reflecting implementation of capacity building structure and increased wage rates

NET CASH POSITION INCREASED TO A\$6.8 MILLION

Net Cash / (Debt) A\$'000	Jun-22	Dec-22	Change (Fav/Unfav)	
Cash at bank	12,982	10,698	(2,284)	▼
Working capital facility	(1,837)	-	1,837	▲
Senior debt facility	(1,991)	(1,991)	-	-
Asset finance facility	(1,582)	(1,054)	528	▲
Insurance premium funding	(1,460)	(166)	1,294	▲
Lease liability	(755)	(666)	89	▲
Total net cash	5,357	6,821	1,464	▲

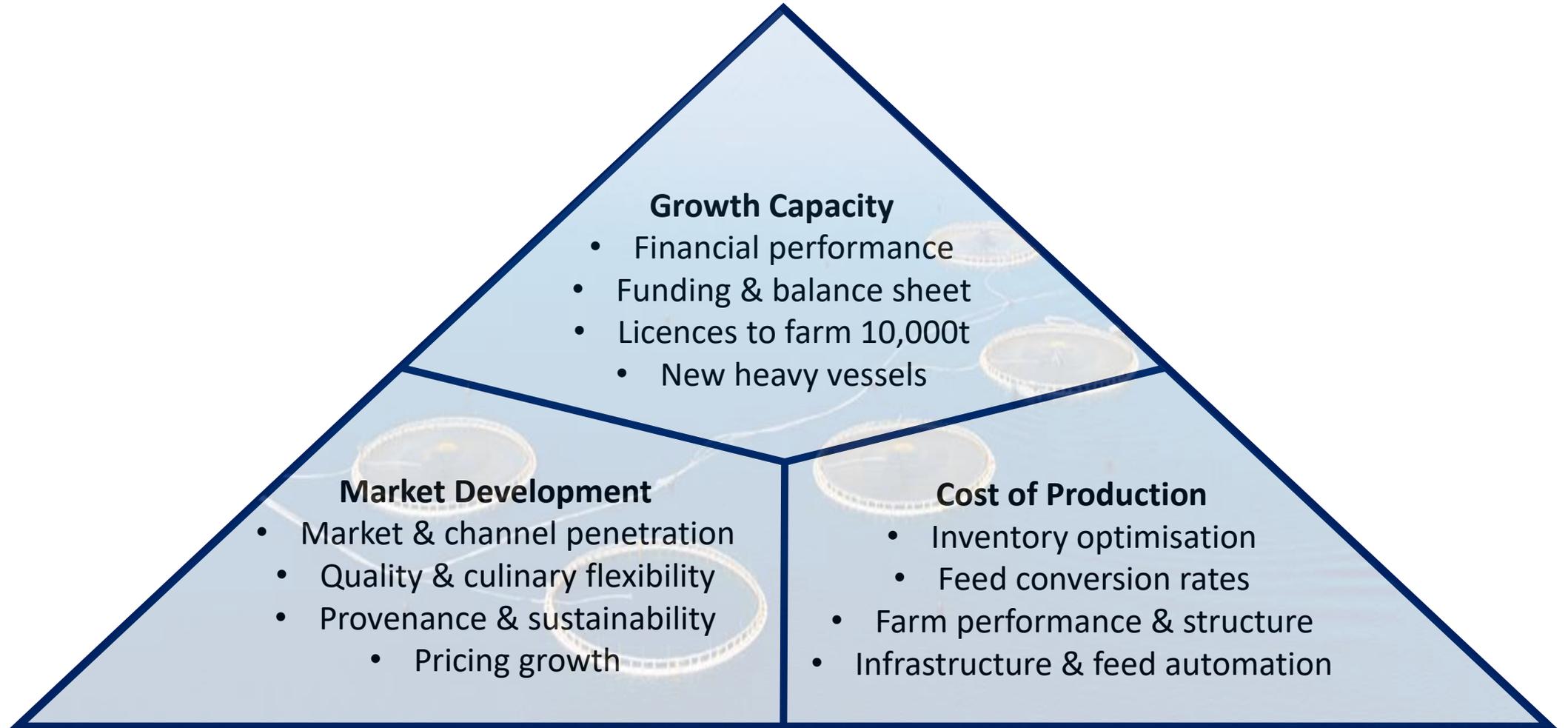
Undrawn facilities A\$'000	Jun-22	Dec-22	Change (Fav/Unfav)	
Undrawn working capital facility	10,163	12,000	1,837	▲
Undrawn senior debt facility	12,009	12,009	-	-
Undrawn asset finance facility	4,418	4,946	528	▲
Total undrawn facilities	26,590	28,955	2,365	▲

- The net cash position **increased to A\$6.8 million as of 31 December 2022**, driven by positive operating cash flows and short and medium term debt repayments
- The Group renewed its Finance Facility with the Commonwealth Bank of Australia, with a **facility limit of A\$32.2 million**. This ongoing facility is subject to annual review and is secured against all Group assets
- The Company had cash and unused working capital funding of A\$22.7 million, plus an additional **A\$17.0 million of undrawn facilities to fund major capital works**

BUSINESS & MARKET UPDATE



STRATEGIC PROGRESS



MARKET DEVELOPMENT

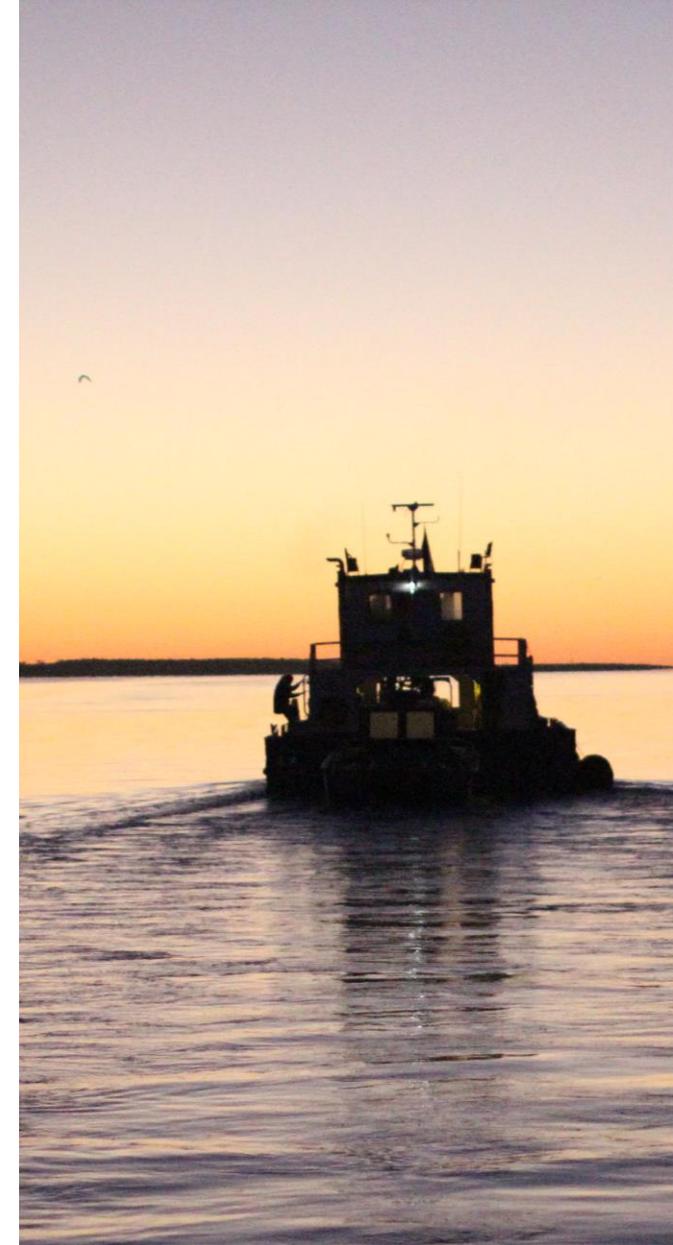
Strong demand for our Kingfish worldwide drives ongoing push for higher returns

- **Expanded market and channel penetration**, growing awareness and acceptance of Yellowtail Kingfish globally with our range of products and brands
- Achieved **record farmgate returns worldwide** despite ongoing high logistics costs
- Rationalised supply chain to better service our end customers and maximise returns
- Diversification of brands and offerings with the **South Australian Yellowtail** push into independent and specialty retailers in Australia
- Reinforced our collaboration with the large Japanese importers in North America across frozen formats and brands
- Strong performance of our high-end foodservice business across all markets, which will remain a priority in order to maintain higher returns
- Strong resonance of commercial messaging, highlighting quality, culinary flexibility and the **Spencer Gulf provenance**



COST OF PRODUCTION & CAPACITY GROWTH

- **Stocking of record 1.22 million Year Class 23 juveniles**, up 17% on Year Class 22 now complete in Port Lincoln. Stocking of larger juveniles, up 39% on Year class 22, expected to drive improved eFCR
- **Harvest of Year Class 21 to be completed in March 2023** and culminates the work done to reduce excess live fish biomass. Previous Year Classes were July, August, September and August respectively
- Lower than expected growth in Arno Bay due to unfavourable weather conditions limiting feed delivery days at this manual feeding at this site, however growth is in line with expectations at the automated Port Lincoln site. **Full year harvest now expected to be in the range of 15-20% ahead of last year** reflecting growth expectations and performance of Year Class 21
- Operationalised two new heavy vessels, “Marella” workboat and “Swissco” tow vessel to bring critical functions in-house and increase capacity
- Investment in farm team increased fixed costs (in-house vet, team leaders and managers) but will drive future performance and be leveraged at increased scale
- Expected acquisition of new barge to automate feeding at the Arno Bay site will deliver increased capacity and drive lower production costs



OUTLOOK

Investment in technology and automation to provide scalability to expand production whilst managing operational and financial risks

- Building awareness and channel diversification, highlighting the quality, usage, provenance and sustainability credentials of Clean Seas' ocean farmed Yellowtail Kingfish
- Maintain harvest volumes in the range of 15-20% above last year for the remainder of FY23
- Pricing and demand expected to remain ahead of previous years, cost of production to reduce further in H2 FY23
- Deliver positive underlying EBITDA and operating cash flows
- Reinvest profits into automation and capacity expansion, with future dividends considered when at greater scale from surplus retained profits and cash flows
- Progress development of sustainability enhancing projects around feed ingredients, carbon and nitrogen capture



SUMMARY

- Leadership position in an outstanding premium seafood species to the world, driven by the Spencer Gulf's unique provenance story
- Profitability and positive operating cash flows
- Attractive supply and demand drivers
- Strong pricing in a market with relatively high barriers to entry
- Huge global growth potential for Yellowtail Kingfish, with demonstrated growth and material scope for increased consumption in Australia, Europe, North America and Asia
- Significant scope to reduce cost of production and increase yields through automation and selective breeding
- Untapped capacity to nearly triple current farm production volumes – licenses in place to support up to 10,000t
- Positive social license with engaged and supportive local stakeholders
- A sustainable and environmentally friendly growth opportunity accredited by the world's leading aquaculture certifiers



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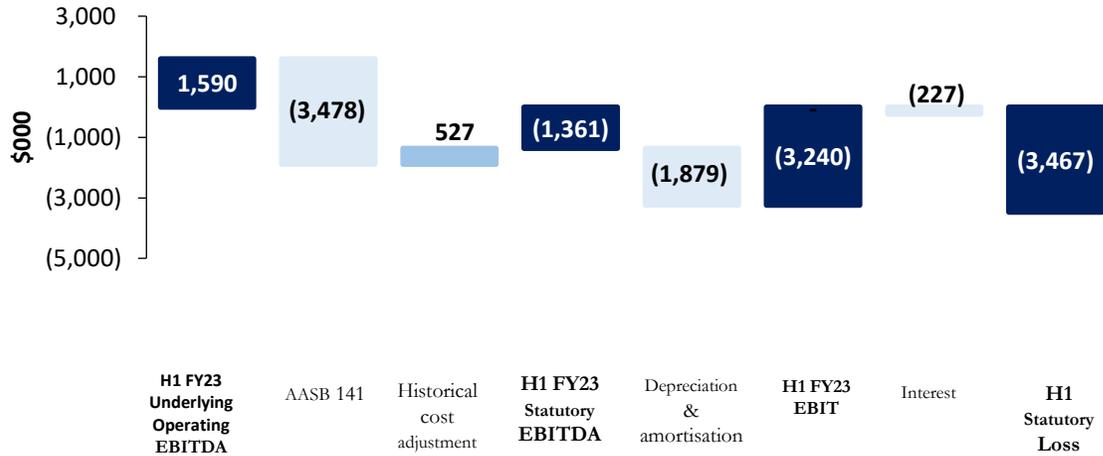
APPENDICES



GLOSSARY OF TERMS

H1 FY19	Financial results for 6 months from 1 July 2018 to 31 December 2018
H1 FY20	Financial results for 6 months from 1 July 2019 to 31 December 2019
H1 FY21	Financial results for 6 months from 1 July 2020 to 31 December 2020
H1 FY22	Financial results for 6 months from 1 July 2021 to 31 December 2021
H1 FY23	Financial results for 6 months from 1 July 2022 to 31 December 2022
FY18	Financial results for 12 months from 1 July 2017 to 30 June 2018
FY19	Financial results for 12 months from 1 July 2018 to 30 June 2019
FY20	Financial results for 12 months from 1 July 2019 to 30 June 2020
FY21	Financial results for 12 months from 1 July 2020 to 30 June 2021
FY22	Financial results for 12 months from 1 July 2021 to 30 June 2022
A\$'000	Australian Dollars presented in thousands
A\$/kg	Australian Dollar per sales kg
AASB	Australian Accounting Standards Board
AASB 141	Accounting Standard AASB 141 Agriculture
CAGR	Compound annual growth rate
Direct production costs	Comprises the cost of feed, hatchery, marine operations and direct employee costs
eFCR	Economic feed conversion ratio
Farmgate Revenue	Revenue from customers less processing costs, freight, customs/duties and commissions
Live Fish Biomass	Represents the total number of Yellowtail Kingfish measured in tonnes
LTM	Last twelve months
Net Growth	Net growth refer to live fish biomass growth for a 12 month period allowing for mortalities
Underlying Operating EBITDA	Underlying Operating EBITDA refers to earnings before interest, tax, depreciation, and amortisation allowing for adjustments described on page 24
WWE	All sales volumes quoted are in Whole Weight Equivalent tonnes

OPERATING AND STATUTORY EBITDA RECONCILIATION



Underlying operating EBITDA and Gross Profit in this report are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. They have not been subject to audit or review by the Company’s external auditors.

Adjustments to statutory EBITDA include:

- AASB 141 adjustment:** Live fish biomass and frozen inventory is accounted for in accordance with *AASB 141 ‘Agriculture’*. Under AASB 141, the Company is required to recognise a gain or loss in the Profit and Loss when changes occur to live fish biomass (i.e. net growth) or expected future profits (i.e. movements in Farmgate \$/kg)
- Historical costs adjustment:** For the purposes of calculating Underlying EBITDA, the Company eliminates these entries. Furthermore, to calculate Underlying EBITDA, the Company has included the required entries to reflect a historical cost of Profit and Loss

BALANCE SHEET

Balance Sheet (AUD \$'000)	Jun-22	Dec-22	Movement
Cash and cash equivalents	12,982	10,698	(2,284)
Trade and other receivables	5,299	5,306	7
Inventories	7,693	9,019	1,326
Prepayments	1,943	1,017	(926)
Biological assets	49,591	44,515	(5,076)
Total current assets	77,508	70,555	(6,953)
Property, plant and equipment	17,543	17,554	11
Right to use asset	736	635	(101)
Biological assets	117	224	107
Intangible assets	3,554	3,528	(26)
Total non-current assets	21,950	21,941	(9)
Total assets	99,458	92,496	(6,962)
Trade and other payables	9,456	9,309	(147)
Borrowings	4,532	1,019	(3,513)
Provisions	1,335	1,368	33
Total current liabilities	15,323	11,696	(3,627)
Borrowings	3,093	2,858	(235)
Provisions	300	367	67
Total non-current liabilities	3,393	3,225	(168)
Total liabilities	18,716	14,921	(3,795)
Net assets	80,742	77,575	(3,167)

- Cash reduction largely reflects the repayment of short-term borrowings and interest (A\$4.0m) and capex (A\$1.8m), partially offset by positive operating cash flows of A\$3.5m
- Decrease in biological assets reflects seasonality and impacts of the winter, non-growing months.
- Increased net cash position to A\$6.8m

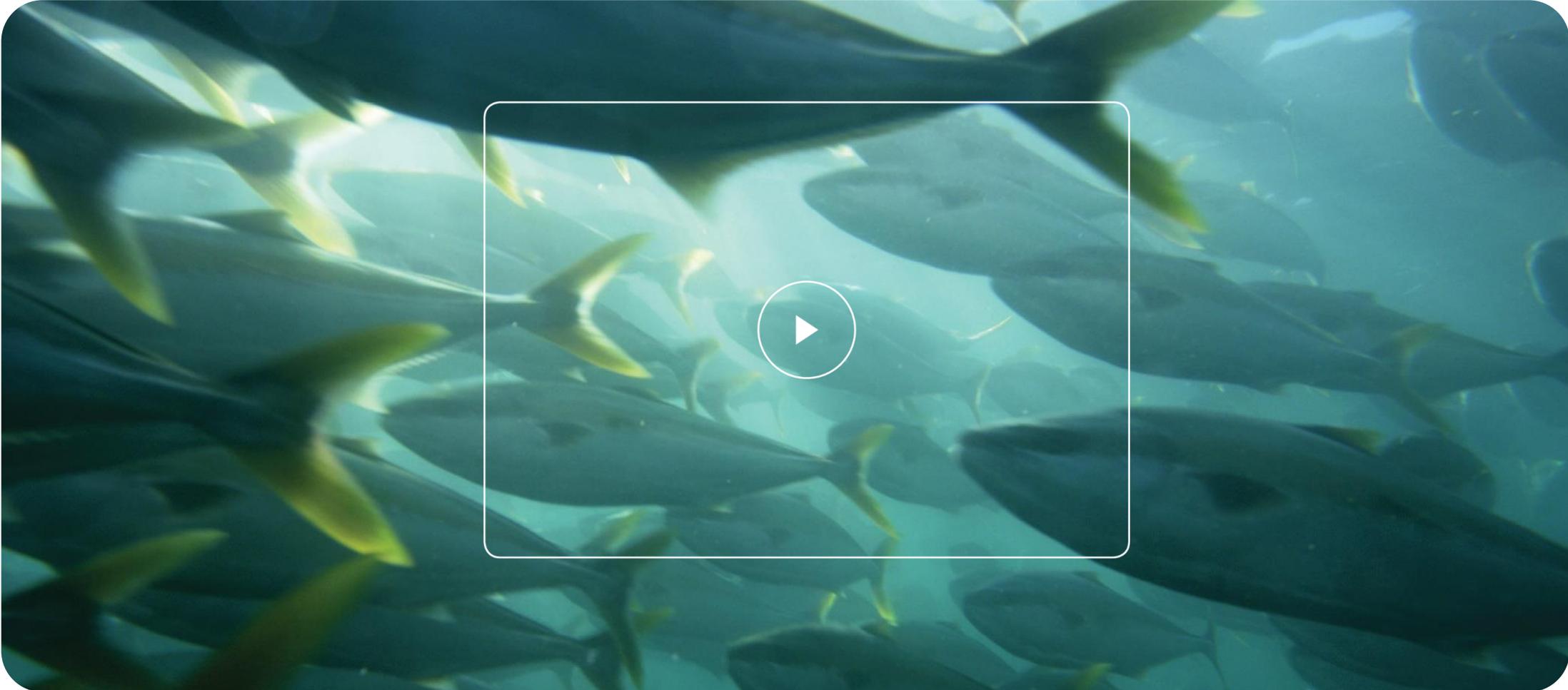
CLEAN SEAS SEAFOOD LIMITED

To be a global leader in aquaculture, inspiring culinary experiences around the world through our sustainable, premium seafood

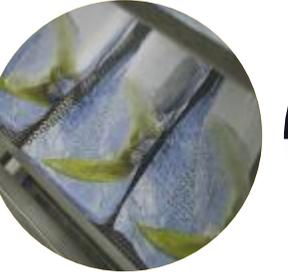
- Founded in 2000 as a research and development company to close the lifecycle of Southern Bluefin Tuna, Kingfish, Mulloway and Snapper
- Focused on the production of Yellowtail Kingfish – *Seriola lalandi* – a native fish farmed in its natural waters of Spencer Gulf, South Australia
- Largest Kingfish producer outside of Japan, supplying 98% of Australian consumption and circa 35%¹ of European consumption
- Listed in Australia (ASX:CSS) with a secondary listing in Norway (OSE:CSS)
- Core sustainability values reflected in founding principles, farming practices, supply chain, commercial positioning and R&D focus



CLEAN SEAS COMPANY VIDEO



VERTICALLY INTEGRATED SUPPLY CHAIN, FROM EGG TO PLATE



- R&D, breeding and early lifecycle growout at dedicated land-based (RAS) facility
- Growout to harvest in Yellowtail Kingfish’s native waters of Spencer Gulf, South Australia
- In-house processing, packaging and best practice freezing technology
- Unique branding and product positioning – unrivalled quality with international recognition and Michelin Star presence
- Global sales team driving activation, awareness, and in-depth communication with our customers on quality and provenance

YELLOWTAIL KINGFISH – SERIOLA LALANDI

Clean Seas focuses its efforts on the sustainable, full life-cycle production and sale of Yellowtail Kingfish

- A high-quality firm white-fleshed pelagic species
- Gained prominence at global high-end restaurants as a raw starter/entrée (sashimi, ceviche)
- Growing appreciation as a cooked offering, excellent performance as a frozen product
- Highly flexible applications as it holds firmness, texture and taste – can be grilled or baked
- Quality, culinary flexibility and sustainable provenance drives price premium versus commoditised aquaculture species



UNMATCHED QUALITY AND CULINARY FLEXIBILITY



Indonesian Kingfish Curry



Smokey Kingfish Tacos



Kingfish Carpaccio



Kingfish Tartar



Kingfish Sashimi



Kingfish Ceviche



Grilled Kingfish Collars

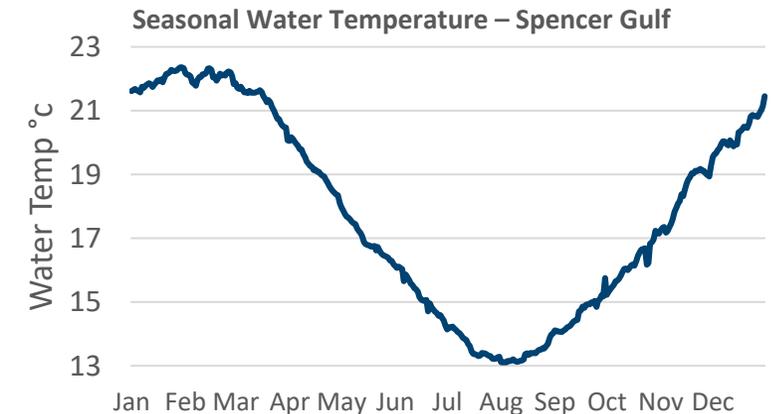
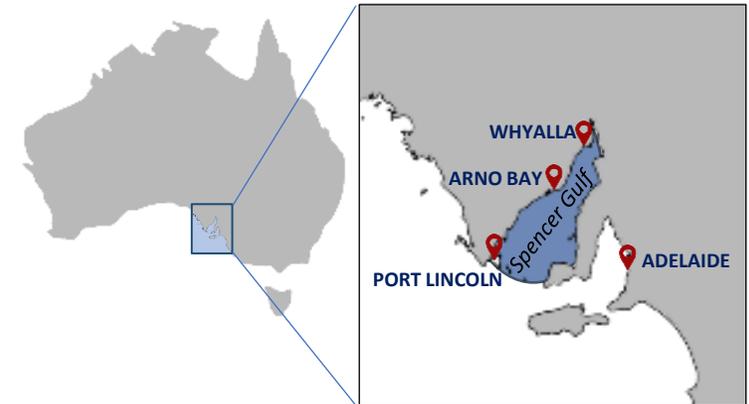


Crispy Skin Kingfish

WHY WE FARM IN THE SPENCER GULF

The Spencer Gulf provides the perfect breeding ground over 22,000km²

- Clean Seas ensures greater quality and improved sustainability by growing Yellowtail Kingfish in its natural waters with relatively low stocking densities
- Seasonal water temperatures ranging between 22°C in the summer and 13°C in the winter provides the desired combination of growth and quality
- Existence of native seaweed and algae species to further sequestration research and feasibility
- Positive community engagement, opportunity to significantly increase production volume as required
- Economies of scale and operational leverage through consolidation in a single geography
- Adelaide, South Australia head office along with processing and cold storage facilities





SUSTAINABLE PRODUCTION

Leveraging R&D and unique provenance to drive sustainability credentials

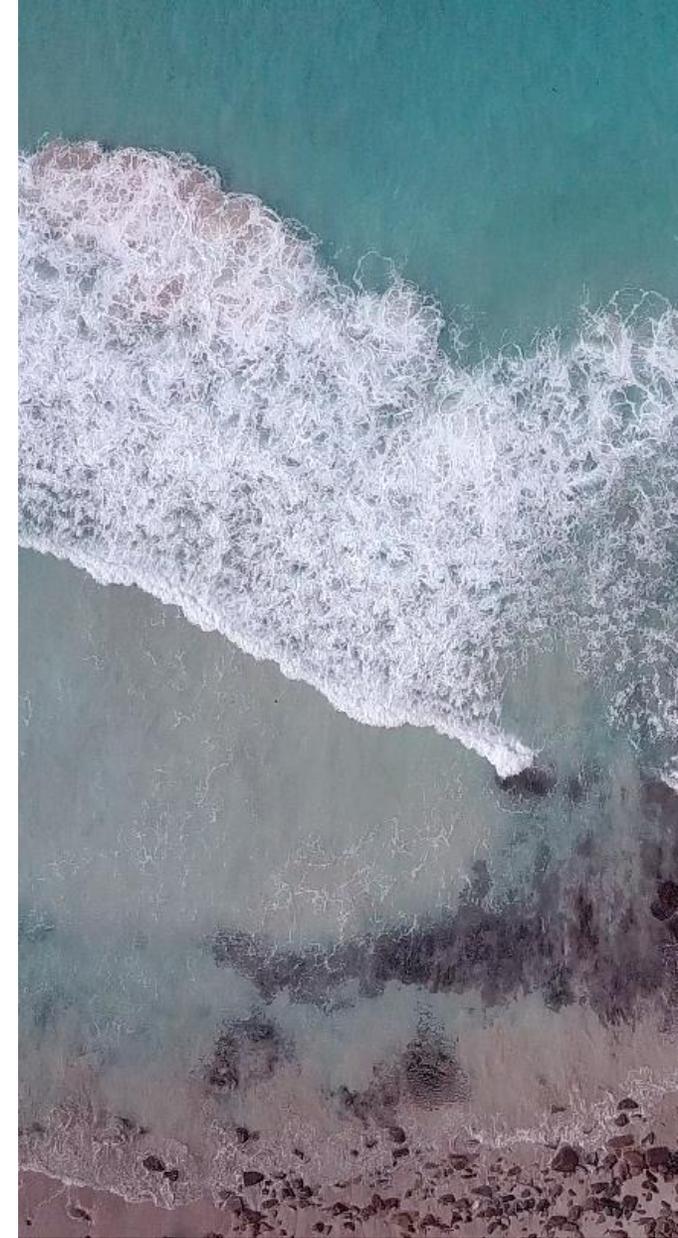
- Full lifecycle breeding and sustainable farming practices
- Unique grow out proposition, ocean reared in the perfect environment for Yellowtail Kingfish
- Best practice liquid nitrogen SensoryFresh™ freezing technology leverages low-cost and low-carbon frozen supply chain
- Ongoing investment in Blue Economy research, including Kingfish diet development and use of carbon and nitrogen capture technology such as seaweed
- Aquaculture Stewardship Council and Friends of the Sea certified



ASPARAGOPSIS COLLABORATION

Clean Seas and CH₄ R&D collaboration to assess the methane mitigation potential of Asparagopsis

- Innovative R&D collaboration on a sustainable solution to offset the carbon and nitrogen typically generated through aquaculture operations
- Asparagopsis has been shown to substantially reduce the methane emissions of cattle
- Clean Seas will make available existing infrastructure at its Arno Bay hatchery, whilst CH₄ will contribute the funding and resources required to operate the facility
- A successful outcome would provide significant sustainability benefits to both aquaculture and agriculture and reduce Clean Seas' cost of production





GROWTH POTENTIAL

Outside of Japan, Yellowtail Kingfish production has increased significantly in recent years

- Yellowtail Kingfish is an exceptional product, raw or cooked, and offers high performance in numerous culinary applications
- Global production growth rate (excluding Japan) of approximately 28% per annum from 2013 to 2021
- The species is experiencing increasing global awareness but is still “niche”, with production less than 1% versus farmed salmon
- Clean Seas’ farming practices deliver the highest quality product, leveraging the natural provenance of the Spencer Gulf
- Well positioned to leverage megatrends around health, sustainable protein and rising environmental awareness
- Clean Seas has scale, market reach and balance sheet strength, with available licence capacity to more than double current production

GLOBAL OPPORTUNITIES

Strong market leadership in Australia and Europe, opportunity to accelerate North America and Asia

Global Kingfish markets excluding Japan¹

North America

69% of global market
CSS Market Share 3%

Europe

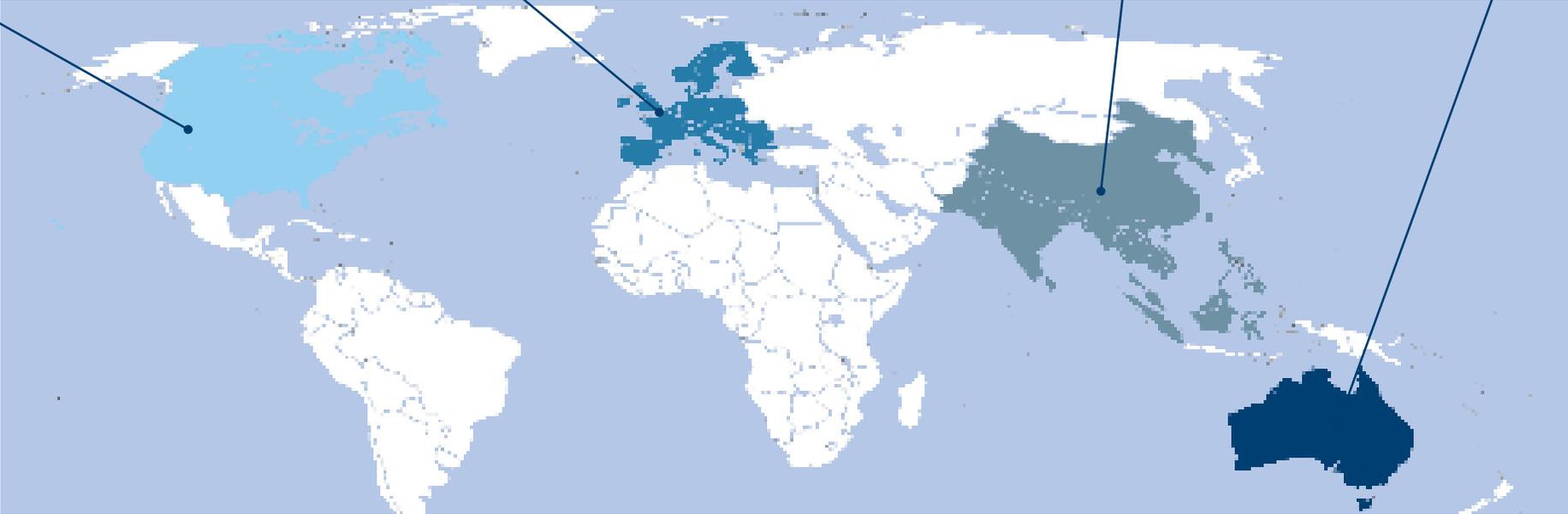
9% of global market
CSS Market Share 35%

Asia

12% of global market
CSS Market Share 4%

Australia

10% of global market
CSS Market Share 98%



- **Market Leader** - Clear leader in **Australia** and **Europe**
- **Market Opportunity** - **North America** and **Asia** represent over 80% of the global Kingfish market (ex Japan)

¹Source: Clean Seas internal analytics

DISCLAIMER:

Certain statements contained in this presentation, including information as to the future financial or operating performance of Clean Seas Seafood Limited ("CSS"), are forward looking statements.

Such forward looking statements may include, among other things, statements regarding targets, estimates and assumptions in respect of CSS' operations, production and prices, operating costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions; are necessarily based upon a number of estimates and assumptions that, while considered reasonable by CSS, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward looking statements.

CSS disclaims any intent or obligation to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise. The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements.

All forward looking statements made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein.

All volumes are in Whole Weight Equivalents (WWE).

Authorised for release by the Board of Clean Seas Seafood Limited.