



Clean Seas Seafood Bell Potter Home Grown

CEO: Robert Gratton
ASX:CSS & OSE:CSS



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

¹Source: Clean Seas internal analytics



VERTICALLY INTEGRATED SUPPLY CHAIN, FROM EGG TO PLATE



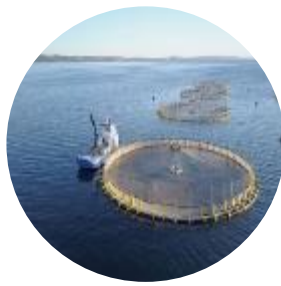
Broodstock



Breeding



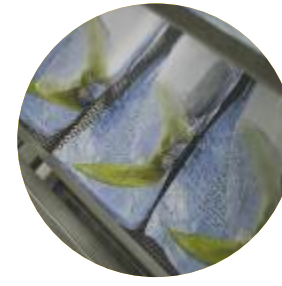
Fingerlings



Farming



Harvest



Processing



Branding



Distribution

- 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 in 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

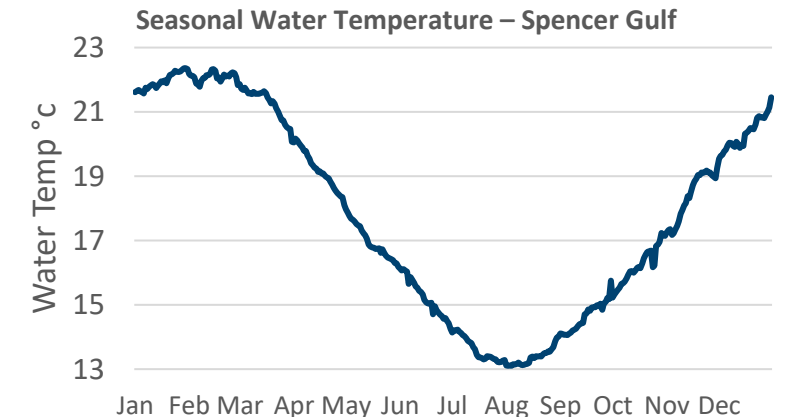
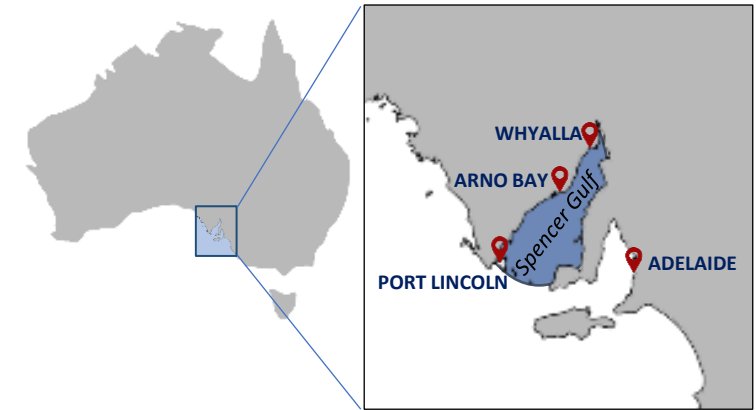


Crispy Skin Kingfish

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
- Opportunity to significantly expand production – Clean Seas holds licenses to nearly triple current production to 10,000 tonnes, with a further 20,000 tonnes of unallocated licenses in the Spencer Gulf
- Economies of scale and operational leverage through consolidation in a single geography
- Positive community engagement
- Existence of native seaweed and algae species to further sequestration research and feasibility





PROFITABLE AND CASH FLOW POSITIVE

H1 FY23 showed significant turnaround in profitability and positive cash flow

- Substantial revenue and farmgate revenue growth
- Increased and converged Fresh and Frozen prices, up 20% and 79% respectively
- Production costs reduced by 11% year-on-year
- Positive Operating EBITDA of A\$1.6 million
- Positive operating cash flows of A\$3.5 million in H1 FY23
- Increased net cash to A\$6.8 million driven by positive operating cash flows and short and medium term debt repayments
- 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

MARKET DEVELOPMENT

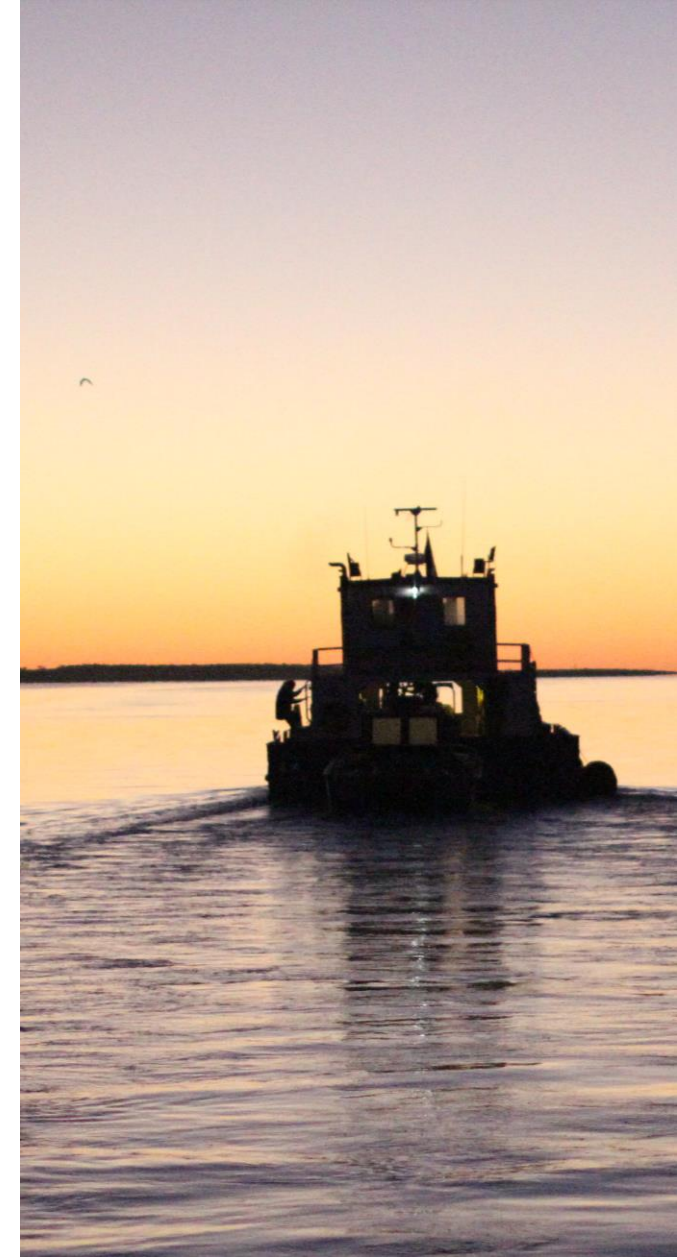
Strong demand for our Kingfish worldwide drives ongoing push for higher returns

- 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
- Full year harvest 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
- Acquisition of new barge to automate feeding at the Arno Bay site from early 2024, delivering increased capacity and driving lower production costs





GROWTH POTENTIAL

Growing awareness and acceptance of Yellowtail Kingfish globally

- Strong resonance of Clean Seas commercial messaging, highlighting quality, culinary flexibility and Spencer Gulf provenance
- 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

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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All volumes are in Whole Weight Equivalents (WWE).

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