

Clean Seas Seafood Limited

(ASX:CSS & OSE:CSS)

Investor Presentation and Outlook

CEO: Robert Gratton

9th June 2022



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



Investment Highlights



LONG STANDING FARMING EXPERIENCE

20+ years of experience and know-how provides superior ocean-farmed Yellowtail Kingfish and an industry leading 13th generation of brood stock



STRONG INTERNATIONAL DEMAND

Global Kingfish production (excluding Japan) is approximately 7,250t per annum, growing at CAGR of 28% per year since 2013¹



SIGNIFICANT GROWTH

Clean Seas has exited the COVID-19 pandemic and is forecasting record sales volume (3,600-3,700t) and revenue (A\$64-66m) in FY22



PATHWAY TO PROFITABILITY

Strong demand and premium pricing to be maintained, with reduced production costs through disciplined management and automation – positive operating cash flows expected in FY22



INTERNATIONAL RECOGNITION

Highly awarded and on the menu of more than 200 Michelin star restaurants across 17 countries



AWARD WINNING SUSTAINABILITY

Sustainable and environmentally friendly farming practices with 'Aquaculture Stewardship Council' and 'Friend of the Sea' certification

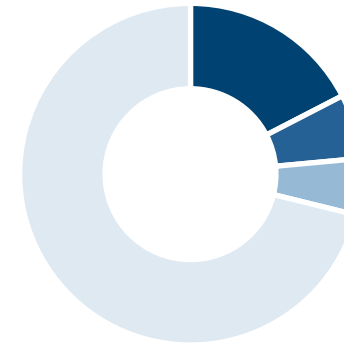
¹Source: Clean Seas internal analytics

Corporate Overview

Capital Structure

Share Price (31-May-22)	\$0.56/share
Shares on Issue	165.4 million
Market Capitalisation	\$91.8 million
Cash (31-Mar-22)	\$13.7 million
Debt (31-Mar-22)	\$3.2 million
Enterprise Value	\$81.3 million

Shareholder Register



Bonafide Wealth Management AG	17.4%
Hofseth Group & Nevera AG	6.1%
Regal Funds Management Pty Ltd	5.0%
Other Shareholders	71.5%

Share Price History



Board and Key Management



Travis Dillon
Chairman,
Independent,
Non-Executive
Director



Marcus Stehr
Independent,
Non-Executive
Director



Gilbert Vergères
Non-Executive
Director



Katelyn Adams
Independent,
Non-Executive
Director

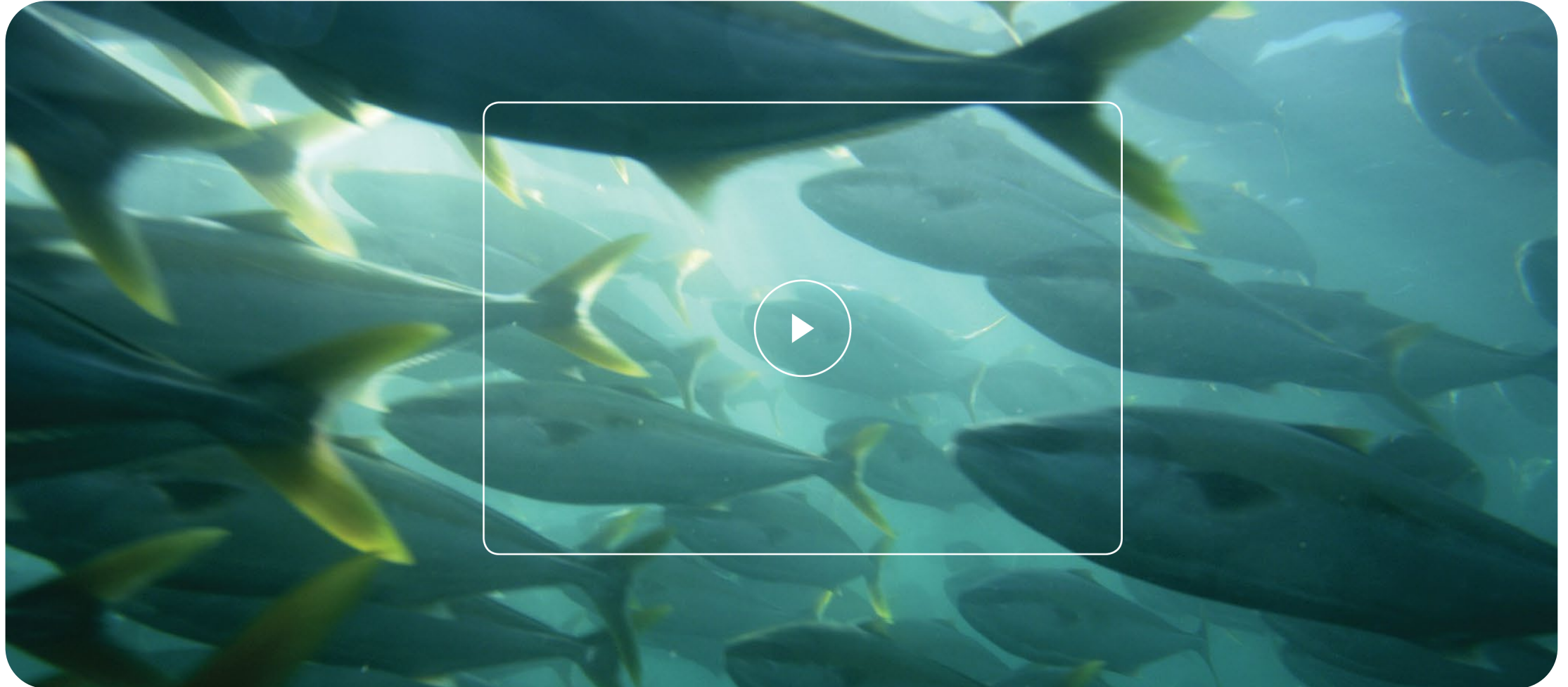


Robert Gratton
Chief Executive
Officer



David Brown
Chief Financial
Officer

The video below illustrates the “Ocean to Plate” story of the Spencer Gulf Yellowtail Kingfish.



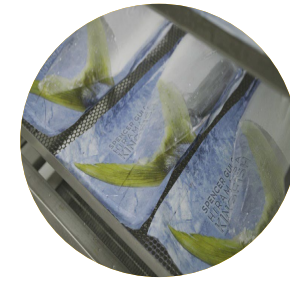
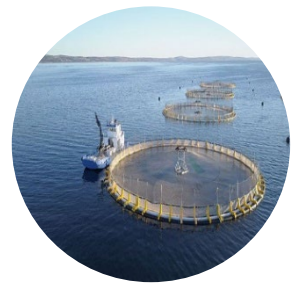
Yellowtail Kingfish – *Seriola lalandi*

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



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

Sustainable Production

Leveraging R&D and unique provenance to drive sustainability credentials

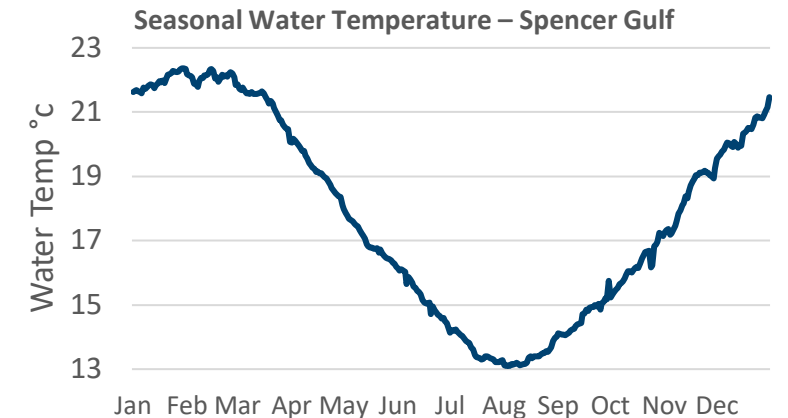
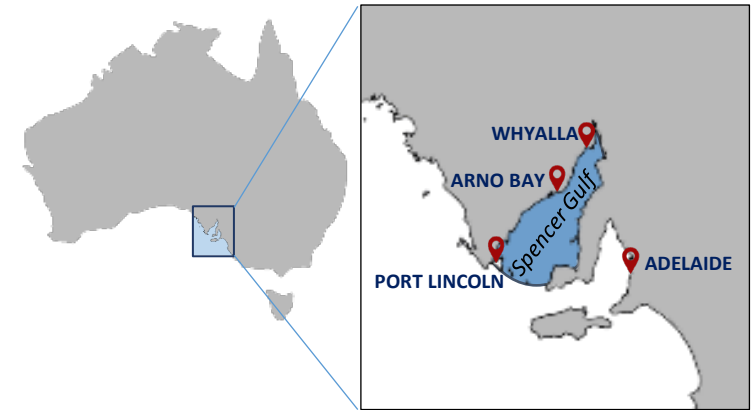
- Full lifecycle breeding and sustainable farming practices
- Unique growout proposition, ocean reared in the perfect environment for Yellowtail Kingfish
- Best practice liquid nitrogen **SensoryFresh™** freezing technology leverages low-cost and low-carbon frozen supply chain:
 - Minus 90 degree freezing facility – capable of freezing 10x faster than traditional methods
 - Ability to change economics of supply to new market segments
- 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



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

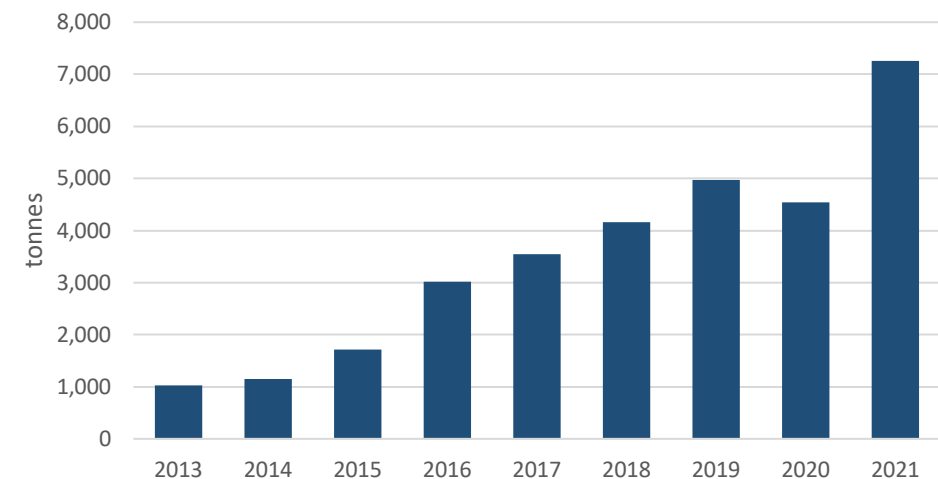


Growth Potential

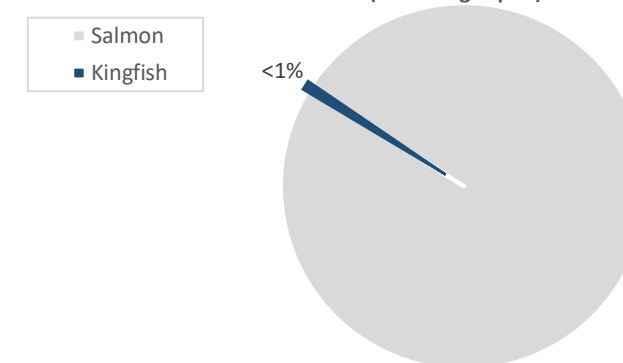
Outside of Japan, Yellowtail Kingfish production has increased significantly in recent years

- 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 the scale, market reach, balance sheet and available licence capacity to deliver on its goal of a three-fold increase in production in the near term

Global Kingfish Production¹
(excluding Japan)



Global Farmed Kingfish Production vs Salmon¹
(excluding Japan)



¹Source: Clean Seas internal analytics

Global Opportunities

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

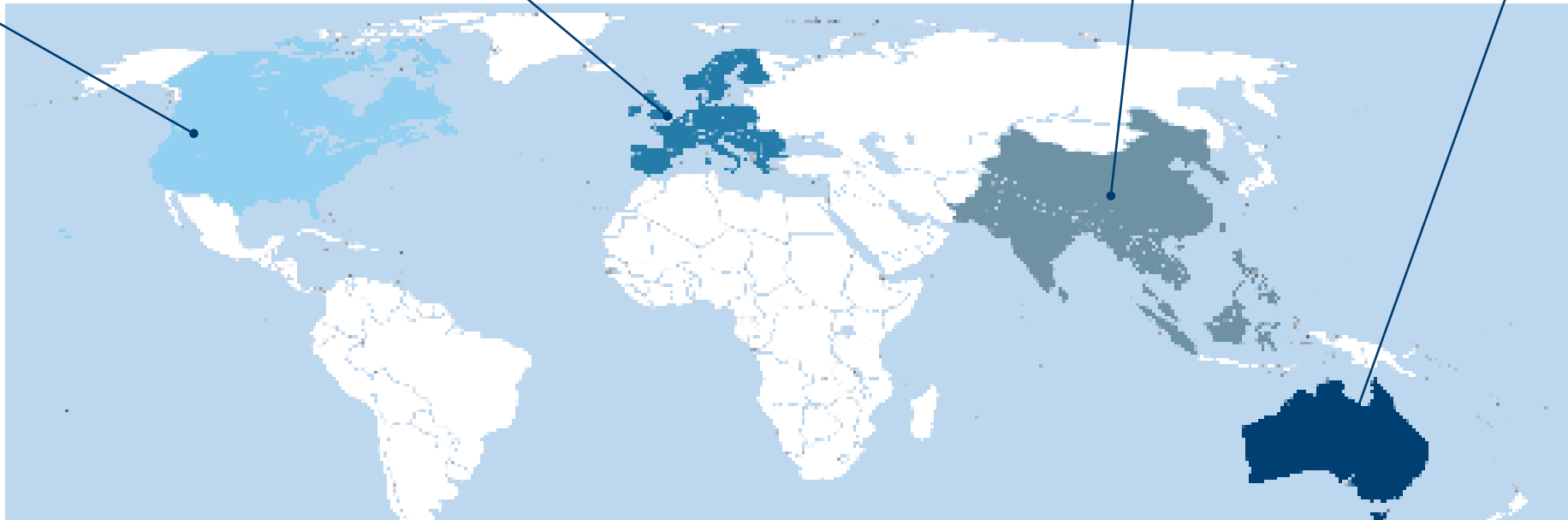
Global Kingfish markets excluding Japan¹

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)

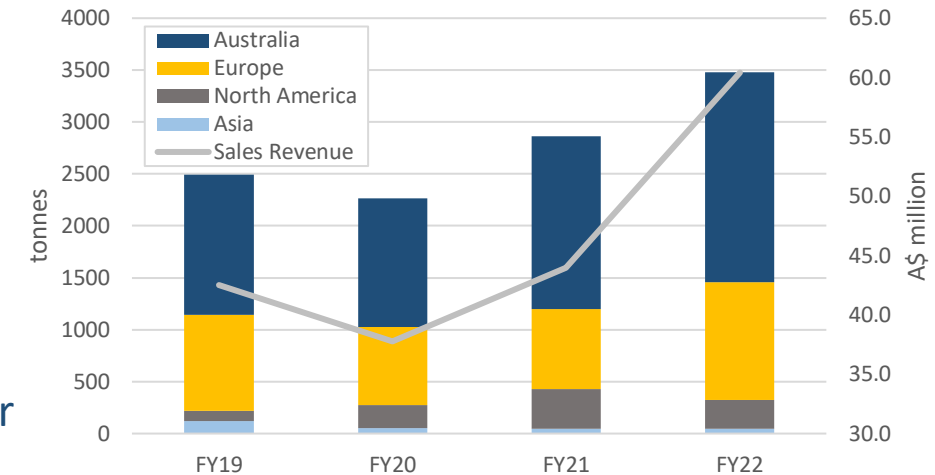
¹Source: Clean Seas internal analytics

Financial Overview

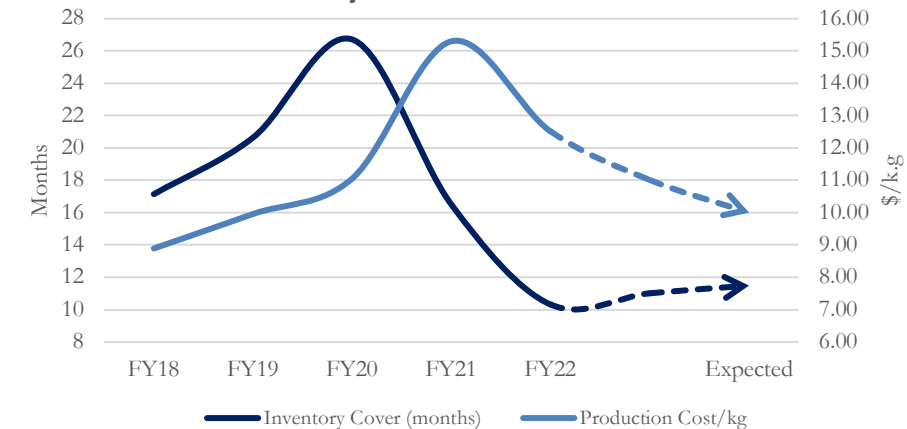
Clean Seas continued to increase sales volume and reduce costs

- May YTD FY22 delivers record sales volumes (+21%) and revenue (+37%)
- New channels and markets diversification, including highlighting the provenance, quality and flexibility of Yellowtail Kingfish
- Growing awareness and demand for Kingfish globally, as consumers look to make sustainable choices
- Strong demand and price elasticity delivering expected H2 FY22 revenue per kg of A\$19.03/kg, versus A\$17.19/kg pre-pandemic
- Direct production costs peaked in June 2021 at A\$15.29/kg due to the carrying cost of excess inventory caused by COVID-19 disruptions, expected to be in the guided range of A\$12.00-\$12.75/kg for FY22
- Cash and undrawn facilities of A\$40m gives balance sheet strength to deliver on growth and efficiency goals

May YTD Sales Volume & Revenue



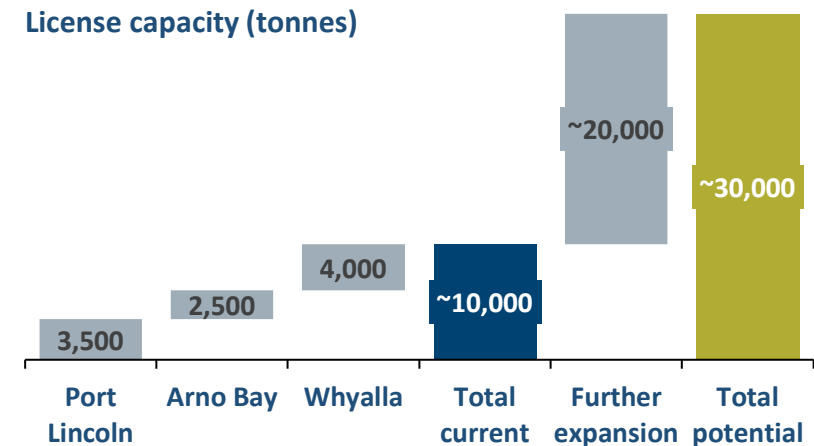
Inventory Cover & Production Costs



Outlook

Recent investment in technology and automation provides scalability to continue expanding production whilst maintaining a focus on production costs

- Full year FY22 sales volume expected to be 3,600-3,700t with revenue of \$A64-\$66m
- Positive operating cash flow to be delivered in FY22, one year ahead of schedule, and positive operating EBITDA in H2 FY22
- Clear path to increase production to 10,000t in near term with total potential of 30,000t
- Strong demand and premium pricing expected to be maintained
- Building awareness and channel diversification, highlighting the quality, usage, provenance and sustainability credentials of Clean Seas’ ocean farmed Yellowtail Kingfish
- Optimised working capital to deliver further reduction in production costs and positive operating cash flows
- Further benefits of increased scale and improved operational leverage



Summary

- Strong sales momentum taking an outstanding premium seafood species to the world, driven by the Spencer Gulf's unique provenance story
- Clear pathway to sustainable profitability and cash flows, decreasing production costs
- 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 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.