CLEANSEAS
SUSTAINABLE SEAFOOD

CAPITAL RAISING PRESENTATION

ASX:CSS & OSE:CSS

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November 2023

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

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EXECUTIVE SUMMARY

Company Overview	▪ Clean Seas Seafood Limited (**Clean Seas**, **CSS**, **the Company**) is the global leader in full cycle breeding, farming, processing and marketing of its ocean-reared Spencer Gulf Kingfish (Seriola lalandi) and has become the largest producer of Kingfish outside Japan.
Operational Review	▪ Clean Seas has been undertaking an in-depth review of the operational structure of the business (**Operational Review**). ▪ **Rationale:** To offset input cost pressures, right size the Company, and create a more stable and resilient business with a faster pathway to financial sustainability. ▪ **Focus:** Biomass levels, operating costs, farming activities and optimizing the production process to deliver strong-margin, high-quality products to the market.
Capital Raising	▪ In conjunction with the Operational Review, the Company is raising ~A$9.5 million via a Placement. ▪ Placement will settle in 2 tranches: ~A$6.7 million on 1 December 2023, and ~A$2.8 million on 17 January 2024 following an EGM (if approved). ▪ CSS' largest shareholder, Bonafide Wealth Management AG and certain Company directors & management have agreed to participate in Tranche 2 of the Placement.
Use of Funds	▪ Funds raised will be used for working capital to facilitate the right sizing of the business operations to execute on the key focus areas of the Operational Review.

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COMPANY HIGHLIGHTS

LONG STANDING FARMING EXPERIENCE

- 20+ years of experience and know-how
- Industry leading 13th generation of brood stock, optimizing the biology over time
- Largest producer of Kingfish outside of Japan

NATURAL PROVENANCE

- Clean Seas gets its name from the Clean Seas of Southern Australia – a vast expanse of clean oceanic water
- One the most arid locations in the world limits agricultural run-off keeping the water clean and pure
- Fish grown in its natural provenance where its biology is best placed

UNIQUE PRODUCT, GLOBAL RECOGNITION

- Multiple global awards for product quality
- Included in more than 200 Michelin star restaurants across 17 countries
- Firmness of flesh is an essential quality component for a successful product and we believe this is ONLY achievable through a natural growout in colder water

SUSTAINABILITY AWARDS

- Sustainable and environmentally friendly farming practices
- Aquaculture Stewardship Council certified
- ‘Friends of the Sea’ Certified

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BUSINESS UPDATE

- Full year **profitability** and **positive cash flow** milestones achieved in FY23 through **record revenue** and **reduced non-feed production costs.**

- Resonance of Clean Seas' **commercial messaging** and the transition away from frozen clearance stock continues to drive **strong pricing and revenue growth.**

- Highly **competitive trading environment** due to the global economic downturn coupled with increased competition and excess supply across all markets from cheaper proteins.

- Ongoing **elevated feed prices** due to inflationary pressures and raw material supply shortages.

- Progress on **sustainability** agenda with novel feed ingredients and asparagopsis collaboration.

OPERATIONAL REVIEW

RATIONALE, PROCESS AND OUTCOMES

Rationale:

- Consider current sales volume growth strategy against the Company's stated goal of growing profitability and transitioning to free cash flows in the context of:
  - Constrained supply of fish meal and fish oil resulting in significant increases in feed prices, Clean Seas' largest variable cost of production,
  - An increase in competitive pressures across key domestic & international markets and from cheaper alternative proteins resulting in flattening demand, and
  - A shift in general market conditions.

Process:

- Review entire business focusing on driving efficiencies and improvements.
- Consider workstreams related to investment, biomass and growth ambitions.
- Develop updated strategy to achieve profitability and cash flow aims in short and medium term.

Outcome:

- Current strategy focused on **sales volume growth** requires **significant infrastructure and working capital investment** and carries increased risk - particularly as evidenced in the last six months due to competitive pressures, the increased price of fish feed, a shift in general market conditions and the volatile state of capital markets.
- Consolidation Strategy – alternate strategy that **consolidates sales and production at around the current 3,000 tonnes**[1] and focuses on the more premium markets to maintain premium prices, results in dramatically reduced operating costs, infrastructure requirements and working capital.
- **Resilient business** that is **more profitable** in the short-term, requires **less working capital** and **leverages the existing infrastructure** in place.

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(1) In the 12 months ended 30 June 2023, sales volume was 3,054 tonnes (WWE)

STRATEGIC INITIATIVES

Over the next 3 – 6 months, CSS will implement the following initiatives:

1. Reducing current biomass levels by ~800 tonnes.
2. Consolidation and maximisation of farming activities and reduced operational footprint.
3. Right sizing the business to maximise profitability and cash flow at ~3,000 tonnes per annum.

The focus of these initiatives is to:

1. Reduce funding required for infrastructure and working capital.
2. Reduce operating costs and improve margins.
3. Offset operational risk and reduce complexity.
4. Leverage existing infrastructure and derive the full benefit of automation.
5. Leverage Clean Seas strength in premium markets to maintain strong pricing.

The proposed initiatives are expected to create a more stable and resilient business with a faster pathway to financial sustainability and free cash flows.

STRATEGIC OUTCOMES

1. **Reducing biomass levels by ~800 tonnes**
   - Supports sales volumes of ~3,000 tonnes in the most efficient manner.
   - Allows for the consolidation of farming activities.
   - Estimated to save approximately A$10.0 million of feed costs/working capital per annum.
   - Gives rise to a non-cash SGARA impairment of between A$13.5 and A$14.5 million in FY24.

2. **The consolidation of farming activities and a reduction in the business' operational footprint**
   - Estimated reduction in capital spend of approximately A$8.0 million per annum versus what would be required to support the growout of these fish over the next 2 years.
   - Consolidation of farming activities allows for a lower cost of production than is possible with the currently underutilised larger footprint in operation.

3. **The rightsizing of the business to maximise profitability and cash flow at ~3,000 tonnes per annum**
   - Targeting a reduction in fixed and variable operating costs of up to A$5.0 million per annum across contractors, labour and other input costs.

4. **The soon to be commissioned feed barge** will be deployed on the consolidated footprint and will play an important part in increasing **automation** under the consolidated structure and reduce production costs. Along with the vessels acquired by the Company in the last two years, the Company has the infrastructure in place, **without any additional capital spend on growth assets**, to effectively farm ~3,000 tonnes.

5. **Existing bank facilities and Placement to raise ~A$9.5 million** to provide funding headroom to support working capital and costs related to the Operational Review.

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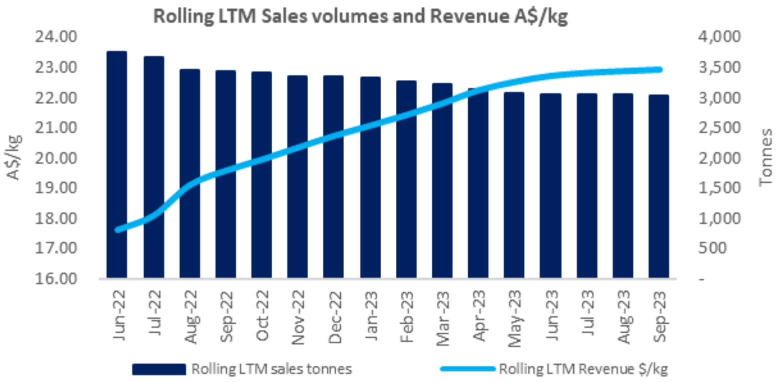
TRADING & PRODUCTION UPDATE

Q1 Financial & Production metrics	Q1 FY23	Q1 FY24	Movement
Production metrics (tonnes)			
Sales volumes	738	714	(24)
Harvest volumes	732	904	172
Live fish biomass @ Sept	2,836	3,110	274
Frozen inventory @ Sept	134	540	406
Total inventory	**2,970**	**3,650**	**680**
Financial metrics (A$'000)			
Revenue	16,071	16,151	80
Cash receipts	15,727	16,345	619
Payments to employees	(3,224)	(3,447)	(222)
Payments for feed	(5,313)	(11,394)	(6,081)
Payments to suppliers	(6,525)	(9,224)	(2,699)
Operating cash flows	**664**	**(7,719)**	**(8,384)**



LTM – Last Twelve Months

- **Challenging market conditions** have persisted and are expected to continue in light of broader consumer sentiment and cost of living pressures, albeit sales prices remain strong. Flat sales volumes year-on-year. Pricing remains strong with minimal volatility in our core markets. Outside of these core markets, the impacts of competition and lower protein prices more generally are more strongly felt.
- **Revenue is up versus Q1 last year** due to ongoing reinforcement by our sales team and strong resonance of Clean Seas commercial positioning, with **pricing up 4%** on Q1 FY23.
- **Harvest volumes are up** 23% on Q1 FY23.
- **Total inventory up 23% on Q1 FY23, reflecting market conditions.**
- **Q1 FY24 operating cash flow of negative A$(7.7) million, reflecting the high carrying cost of a growing biomass (both feed and employee costs) and lower than expected sales demand.**
- Q1 FY24 payment for feed up A$6.1 million on Q1 FY23 driven by increased feed volumes and a steadily increasing feed price (see slide 12).

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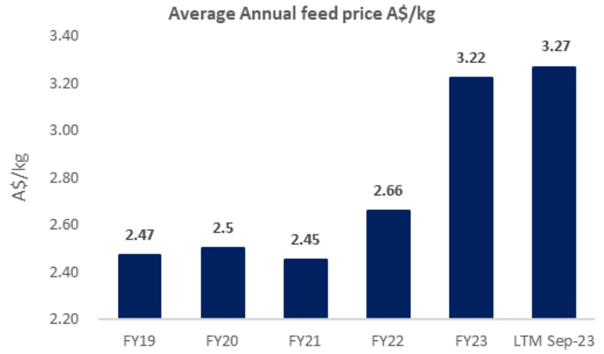
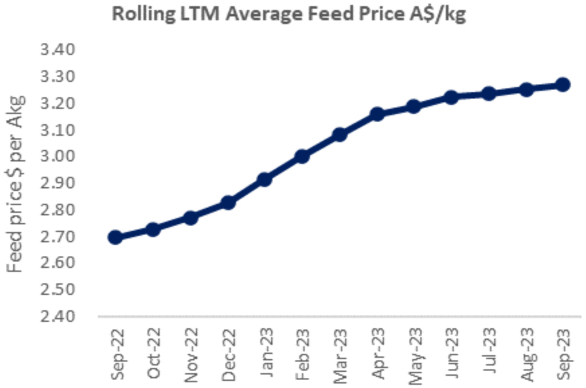
FEED PRICES





- Since FY21, the Company has **largely absorbed feed price increases** due to strong pricing and bringing forward year class cutovers to reduce the time fish spend in the water. In FY23, the Company achieved an **FCR of 2.45**, the best result in the last 5 years.
- However, feed prices have **risen from A$2.45/kg to A$3.22/kg** over the last 2 years, with the **outlook** for prices in FY24 trending higher.
- These increases are predominantly due to raw material shortages particularly the **marine sourced ingredients,** with uncertainty on prices thereafter.
- To offset the risk of further increases in feed prices the Company continues to work on **alternative formulations**, novel and substitute ingredients, and feed supply arrangements.
- Furthermore, as part of the **Operational Review**, Clean Seas is actively working to **reduce input cost pressures** as well as resetting its variable and fixed cost base by **consolidating its farming activities**. The pending implementation of the **automated feed barge** will assist with reducing direct production costs, offsetting the risks of further feed price increases.

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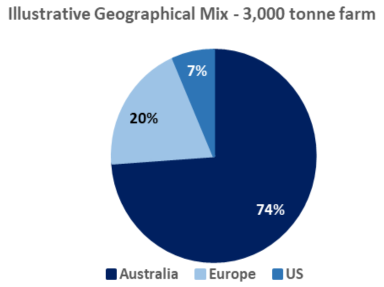
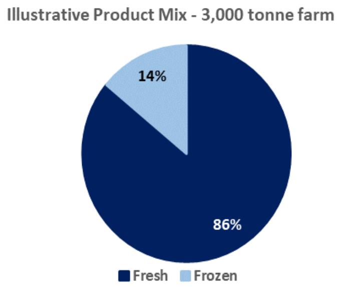
FINANCIAL METRICS – SCENARIO ANALYSIS

Illustrative Operating and Financial Metrics - 3,000 tonne single site farm			
Feed price A$/kg	**$3.60**	**$3.20**	**$2.80**
Sales volume (Tonnes)	3,000	3,000	3,000
Net growth (Tonnes)	3,096	3,096	3,096
GP A$/kg	**$4.65**	**$5.57**	**$6.47**
EBITDA A$/kg	**$1.24**	**$2.16**	**$3.06**
Operating cash flow (A$'000)	3,441	5,864	8,287
Maintenance capex (A$'000)	(3,109)	(3,109)	(3,109)
Free cash flow (A$'000)	**332**	**2,755**	**5,178**





- The adjacent scenarios present an illustrative view of the financial and operating metrics on a 3,000-tonne farming footprint at varying feed prices (and assuming an average sale price of A$22.88/kg).
- The initiatives adopted as part of the review will result in repositioning CSS as a stable, more resilient business for the current market environment that is expected to drive stronger free cash flows by dramatically reducing operating costs, infrastructure requirements & working capital and, therefore the requirement for funding.
- Our revised focus towards the premium business, heavily weighted towards the Australian Fresh business, will generate superior returns, driven by premium pricing and higher farmgate revenue.
- Focus on export markets will also be based on Clean Seas' core strengths and will predominantly be a premium business.
- This revised strategy will allow Clean Seas to maintain its high price and allow the Company maximum profitability and cash flows.
- **By eliminating the need for funding future growth, EBITDA to operating cash flow conversion is expected to improve to approximately 90% compared to 41% in FY23.**

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INFRASTRUCTURE & AUTOMATION

Infrastructure and automation will support target production levels without the need for additional growth capex.

- **Larger vessels and investment in marine infrastructure**, plus the commitment to acquire a **new automated feed barge** (which is currently in production) **promote operational stability and unlock productive efficiencies.**
- When operationalised in mid-2024, the **new automated feed barge** will allow feed to be dispensed remotely regardless of the weather, promoting operational stability, improving feed efficiency and on farm performance.
- Capacity to store **650 tonnes of feed**, received directly on board via ocean transshipment from the feed mill, rather than by road, **reducing the cost of freight** and eliminating double handling and further reducing cost of production.
- New automated feed barge to be deployed on the consolidated footprint and will allow for 90% of Clean Seas' biomass to be fed remotely.

OPERATING OUTLOOK

Leveraging premium market position, investment in infrastructure and automation, and reviewing operational footprint to help offset competitive market forces and input cost pressures.

- Significant **reduction in funding required** for infrastructure and working capital.
- Costs of implementing Operational Review to be met from **existing facilities and Placement funds**.
- **Reduced operational and financial risk, faster pathway to profitability and free cash flows.**
- Right-sized business that leverages the premium positioning and **quality, culinary flexibility and unique provenance** of Clean Seas' ocean farmed Yellowtail Kingfish to maintain **premium pricing**.
- **Implement automated feed barge** in mid-2024 to provide capability and help offset cost pressures.
- Explore the **development of alternate diets** to drive fish performance and options to offset exposure to volatility in feed prices.
- Focus on driving **efficiencies and improvement** across the business.

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PLACEMENT OVERVIEW

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OFFER STRUCTURE OVERVIEW

Offer structure	▪ A two-tranche placement ("**Placement Offer**") of ~A$9.5 million (before costs): • Tranche 1 - initial Placement to raise ~A$6.7 million under the Company's ASX Listing Rule 7.1 share placement capacity. • Tranche 2 - conditional Placement to raise ~A$2.8 million, subject to shareholder approval under ASX Listing Rules 7.1 and 10.11. • Approximately 35.3 million new fully paid ASX listed ordinary shares in CSS ("**Shares**") will be issued under the Placement Offer. • EGM to be held in January 2024 to approve the Shares to be issued under Tranche 2.
Use of funds	▪ Funding will be used for working capital to facilitate the execution of the strategic initiatives to right size the business operations as part of the Operational Review. ▪ Costs of the Placement Offer.
Offer Price	▪ All Shares issued under the Placement Offer will be issued at a fixed price of A$0.27 per Share ("**Offer Price**"). ▪ The Offer Price represents a 23.9% discount to the last closing price of A$0.355 on 21 November 2023 and a 28.0% discount to the 5-day VWAP of A$0.375 on 21 November 2023.
Ranking	▪ Shares issued under the Placement will rank equally in all respects with existing Shares.
Lead Manager and Bookrunner	▪ Bell Potter Securities Limited.
Underwriting	▪ The Placement is not underwritten.
Commitments	▪ Commitments from existing investors totalling ~A$4.4 million have been secured including: • Bonafide of A$1.0 million, as part of Tranche 2 • Directors & management of ~A$0.1 million, as part of Tranche 2

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AVAILABLE FUNDING (EXCLUDING PLACEMEMENT FUNDS)

Net Debt A$'000	Jun-23	Sep-23	Change	Completion of offer[1]	Sep-23 Pro-forma
Cash at bank	6,357	3,513	(2,844)	9,500	13,013
Working capital facility (Trade Finance Facility)	-	(6,207)	(6,207)	-	(6,207)
Senior debt facility (Cash Advance Facility)	(4,091)	(5,142)	(1,051)	-	(5,142)
Asset finance facility	(527)	(457)	70	-	(457)
Insurance premium funding	(1,173)	(846)	327	-	(846)
Lease liability (AASB 16)	(807)	(749)	58	-	(749)
Total net debt	**(241)**	**(9,888)**	**(9,647)**	**9,500**	**(388)**

Debt Arrangements at 30 Sept 2023 A$'000	Total Facility	Drawn	Undrawn
Senior debt facility (Cash Advance Facility)	14,000	(5,142)	8,858
Working capital facility (Trade Finance Facility)	12,000	(6,207)	5,793
Asset finance facility	6,000	(457)	5,543
Total	**32,000**	**(11,806)**	**20,194**

- Net debt position of (A$9.9 million) at 30 September 2023 includes AASB 16 Lease Liabilities. The debt position increased during Q1 FY24 to accommodate the unseasonably high feed costs and lower than expected demand.
- The effect of the Placement (assuming fully subscribed) will reduce Net debt on a pro-forma basis to ~(A$0.4 million) at 30 September 2023.
- Finance facility with Commonwealth Bank of Australia renewed in December 2022 to a facility limit of A$32.2 million.
- The Company had undrawn debt funding of A$20.4 million, which will provide headroom for working capital and the funding of planned capital investment projects.
- The Company’s target long-term debt-to-equity ratio is between 15-20%.

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(1) Before transaction costs of between A$0.6 to A$0.7 million.

INDICATIVE TIMETABLE

Item	Date
Trading halt, Announcement of two-tranche Placement	Wednesday, 22 November 2023
Announce completion of Placement Offer and trading halt lifted	Friday, 24 November 2023
Settlement of Shares issued under Tranche 1	Friday, 1 December 2023
Allotment of Shares issued under Tranche 1	Monday, 4 December 2023
Quotation and trading of Shares issued under Tranche 1	Tuesday, 5 December 2023
Dispatch Notice of EGM to shareholders	Tuesday, 12 December 2023
EGM to approve issue of Shares under Tranche 2	Monday, 15 January 2024
Settlement of Shares issued under Tranche 2	Wednesday, 17 January 2024
Allotment of Shares issued under Tranche 2	Thursday, 18 January 2024
Quotation and trading of Shares issued under Tranche 2	Friday, 19 January 2024

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APPENDICES: RISK FACTORS

RISK FACTORS

Investing in the Shares involves inherent risks. Before making an investment decision, investors should carefully consider the risk factors and all information contained in this Presentation. The risks and uncertainties described in this Presentation are the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of a negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.

If any of the risks were to materialize, individually or together with other circumstances, it could have a material and adverse effect on the Company and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described below are not the only risks the Company may face. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on its business, financial condition, results of operations and cash flow. Continuing effects of the COVID-19 pandemic may adversely affect the likeliness and/or materiality of the risk factors presented herein, and could also impose additional risks that have not yet been identified by the Company or considered as material risks at the date of this Presentation.

The order in which risks are presented below does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Company's business, financial condition, results of operations, cash flows and/or prospects. The information in this risk factor section is as of the date of this Presentation.

RISKS RELATING TO THE GROUP AND THE INDUSTRY IN WHICH IT OPERATES

The Group is dependent on feed supply; Feed quality is instrumental in the productivity, growth, quality and welfare of the livestock and ultimately the cost of production. If the Group is unable to source high performance, high quality, and cost-efficient feed suitable for Yellowtail Kingfish production this would have a material adverse effect on the Group's activities, as demonstrated by the Operational Review in response to, amongst other things, increased feed prices. Also, the feed industry is characterized by large, global suppliers operating under cost plus contracts, and feed prices are directly linked to the global markets for fishmeal, vegetable meal, animal proteins and fish/vegetable/animal oils. The Group may not be able to pass on increased feed costs to its customers. Due to the long production cycle for farmed fish, there may be a significant time lag between changes in feed prices and corresponding changes in the prices of farmed fish and finished products to customers. As the main feed suppliers normally enter fixed contracts and adapt their production volumes to prevailing supply commitments, there is limited excess of fish feed available in the market. If one or more of the Group's feed contracts were to be terminated on short notice prior to their respective expiration dates, the Group may not be able to find alternative suppliers in the market.

Product prices; Yellowtail Kingfish prices have varied significantly in export markets over recent years mainly in response to supply-side factors. The global economic downturn is also now having an impact on demand. Potential decreases in the market price of Yellowtail Kingfish could cause occasions where the Group may not be able to sell its product at an economic profit. No assurance can be given that the demand for farmed Yellowtail Kingfish will not decrease in the future. A decrease in the demand for Yellowtail Kingfish could have a material adverse effect on the Group's financial position.

Operating risks; The current and future operations of the Group, including development, sales and production activities may be affected by a range of factors, including:

- risk of disease and infection in particular in open water environments;
- risk of food safety and quality issues arising from processing, packaging, freight or handling processes;
- reliance on service providers and prospective customers to follow the complex operating systems and properly handle the fish;
- risks associated with transporting fingerlings and products long distances within Australia and overseas;
- ensuring product consistency;
- difficulties in commissioning and operating plant and equipment;
- mechanical failure of operating plant and equipment;
- industrial and environmental accidents, industrial disputes and other force majeure events;
- unexpected shortages or increases in the costs of labour, fingerlings consumables, spare parts, plant and equipment; and
- inability to obtain or maintain any necessary consents or approvals.

Insurance; The Group seeks to insure its operations in accordance with industry practice. However, in certain circumstances, the Group's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered, or is only partially covered, by insurance could have a material adverse effect on the business, financial condition and results of the Group. Currently insurance cover is not available at commercially acceptable rates for the broodstock fish and at-sea Yellowtail Kingfish inventory. The Directors have chosen to proactively manage the risks as a preferred alternative.

Appendix A – Risk factors(cont'd)

Challenges of retaining existing customers and attracting new customers; The Group is required to meet technical specifications relating to the quality of its products and variations from specifications may result in loss of sales or customers sourcing products from other providers or suppliers. Customer demands may change over time and no assurance can be given that product will always meet specifications, or that future customer demand will continue to grow or be able to be met by the Group. Furthermore, the Group's products are generally subject to degradation if not packed, handled or transported properly, something which may lead to loss of customers for the Group regardless of whether responsibility lies with a customer, a third party or the Group.

Country/region specific risks in new and/or unfamiliar markets; The Company has operations in and is proposing to expand its operations in overseas jurisdictions, and is exposed to a range of different legal and regulatory regimes. As we expand into new international jurisdictions, we will be subject to the risks associated with doing business in the relevant regions. These regions may have political, legal and economic instability or less sophisticated legal and regulatory systems and frameworks, including (a) unexpected changes in, or inconsistent application of, applicable foreign laws and regulatory requirements; (b) less sophisticated technology standards; (c) difficulties engaging local resources; and (d) potential for political upheaval or civil unrest.

As we enter newer and less familiar regions, there is a risk that we may fail to understand the laws, regulations and business customs of these regions. There is a risk that we could face legal, tax or regulatory sanctions or reputational damage as a result of any failure to comply with (or comply with developing interpretations of) applicable laws, regulations, codes of conduct and standards of good practice. This gives rise to risks including, but not limited to, labour practices, foreign ownership restrictions, tax regulation, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regimes and other issues in overseas jurisdictions in which we may operate.

A breach in any of these areas could result in fines or penalties, the payment of compensation or the cancellation or suspension of our ability to carry on certain activities or product offerings, could interrupt or adversely affect parts of our business and may have an adverse effect on our operating and financial performance.

Water; The Group's activities require it to have sufficient access to water sources. The Group currently has secure access to adequate sources of water for its hatchery at Arno Bay. No assurance can be given that sufficient water will be available for future projects, or that such access will be uninterrupted in all circumstances.

Electricity; The Group's activities require it to have access to an uninterrupted electrical supply with sufficient capacity. The supply of electricity to the Group's Arno Bay hatchery has adequate transformer capacity and three backup generators that provide electricity in the event of an outage. The remote location of this site increases the need for this. The processing plant at Royal Park in Adelaide, which is also the location of liquid nitrogen deep-freeze processing and a minus 40-degree Celsius storage freezer, also requires a reliable supply of electricity including the ability to deploy generator backup supply and this capability is currently being arranged. The failure of electricity supply during the hatchery's seasons could result in a significant loss of fingerlings and even the Group's onshore broodstock. The failure of electricity supply at the processing plant could result in inability to process and a loss of inventory.

Research and development; The Group's business activities and operations include research and development for Yellowtail Kingfish. There is a risk that the anticipated progress and business improvement arising from these activities may not eventuate, which would impact the financial performance and activities of the Group.

Fish health and mortalities; The Group's operations are subject to several biological risks which could have a negative impact on future profitability and cash flows. Biological risks include for instance diseases, predators (i.e. seals, sharks and cormorants), viruses, bacteria, parasites, algae blooms and other contaminants, which may have adverse effects on fish survival, health, growth and welfare and result in reduced harvest weight and volume, downgrading of products and claims from customers. An outbreak of a significant or severe disease represents a cost for the Group through e.g. direct loss of fish, loss of biomass growth, accelerated harvesting and poorer quality on the harvested fish and may also be followed by a subsequent period of reduced production capacity and loss of income. The most severe diseases may require culling and disposal of the entire stock and a long subsequent fallow period as preventative measures to stop the disease from spreading. Market access could be impeded by strict border controls or by national food safety authorities, not only for Yellowtail Kingfish from the infected farm, but also for products originating from a wider geographical area surrounding the site of an outbreak. Disease and other adverse biological risks may also attract negative media attention and public concerns. Increased mortality and or reduced fish health may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.

Competition; The Group's current and future potential competitors include companies with substantially greater resources to develop similar and competing products. There is no assurance that competitors will not succeed in developing products that have higher customer appeal. There can be no guarantee that the increased commercialisation of the Group's products will occur, revenue growth will be stimulated or that the Group will operate profitably in the short term or at all. A number of competitors have entered the market for kingfish over the last few years in response to a growing demand and appreciation of the species by consumers. Some of these competitors have focused on land-based Recirculating Aquaculture Systems (RAS) systems in an effort to produce closer to their target markets. If any of these risks arise, we may compete less effectively against competitors. This could reduce our market share and our ability to develop or secure new business, creating an adverse impact on our operating and financial performance.

Appendix A – Risk factors(cont'd)

The Group is dependent on key personnel*;* The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its senior management and key personnel. There is a risk we may not be able to retain key personnel or be able to find effective replacements for those key personnel in a timely manner. The loss of such personnel, or any delay in their replacement, could have a significant negative impact on our ability to operate the business and achieve financial performance targets and strategic growth objectives.

Industrial relations risk; There is a risk that the industrial relations management at the Company operations will be unsatisfactory leading to strikes or the re-opening of award negotiations that result in higher labour costs, higher employee numbers and higher redundancy costs. The implementation of the Operational Review may give rise to industrial disputes or claims that result in higher than anticipated costs to achieve the rightsizing of the Company's business.

Litigation risk; The Group may in the future be subject to legal claims, including those arising out of normal course of business. The operating hazards inherent in the Group's business increase the Group's exposure to litigation, which may involve, among other things, contract disputes, personal injury, environmental, employment, intellectual property litigation, tax and securities litigation. Any litigation may have a material adverse effect on the Group because of potential negative outcomes, the costs associated with defending the lawsuits, the diversion of the Group's management's resources and other factors.

LEGAL AND REGULATORY RISK

Legislative changes and government policy risk; The Group's activities are subject to extensive international and national regulations, in particular relating to environmental protection, food safety, hygiene and animal welfare. The Group's sale of its products is also subject to restrictions on international trade. Furthermore, Yellowtail Kingfish farming is strictly regulated by licenses and permits granted by the authorities. Future changes in the domestic and international laws and regulations applicable to the Group can be unpredictable and are beyond the control of the Group. The Group's failure to keep and obtain the necessary licenses and permits and to comply with such laws and regulations could have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.

Environmental risks and licensing; The high intensity farming products and activities of the Group and the water licenses required to be held by the Group are subject to state, federal and international laws and regulations concerning the environment. Significant liabilities could be imposed on the Group for damages, clean-up costs or penalties in the event of or non-compliance with environmental laws or regulations or the conditions of its water licenses. Failure to meet the conditions of its water licenses could lead to forfeiture of these licenses. There is a risk that environmental laws and regulations become more onerous making the Group's operations more expensive. There are also significant environmental risks affecting aquaculture that could impact fish growth and mortality levels, for example, unusually lower water temperatures during summer could slow fish growth.

Expiring licenses*;* The Company holds 23 aquaculture licenses and corresponding leases, none of which will reach their time-limit in 2023, 2024 or 2025. There can be no guarantee that the Company will be able to renew its expiring licenses. Any inability to renew expiring licenses will impact the Company's business and could have a material adverse effect on the Company's activities and financial performance.

RISKS RELATED TO THE GROUP'S FINANCIAL SITUATION

Risks related to financing; The Group is dependent on its current financing arrangements. No assurance can be given that the Group will not require additional funds in order to develop its aquaculture business, to meet the working capital costs in the medium to long term, or for other purposes. Additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictive covenants, which may limit the Group's operations and business strategy. The Company is currently subject to restrictive covenants and undertakings through the facility agreement with Commonwealth Bank of Australia (as lender). The restrictive covenants and undertakings may restrict the Company from taking actions, which are consider beneficial for the Company and its shareholder base. Any violation of the undertakings or breach of covenants under the facility agreement or breach of any other financing arrangement may lead to a termination of the facility agreement. Pursuant to the Company's facility agreement with Commonwealth Bank of Australia, no dividends shall be permitted to be paid without the lender's prior written consent, which is not to be unreasonably withheld

Further, there can be no assurance that additional equity or debt funding will be available for the Group on favourable terms, or at all.

Accordingly, a failure by the Group to raise capital if and when needed could delay or suspend the implementation of the Group's business strategy and could have a material adverse effect on the Group's activities and on the value of the Shares.

Foreign exchange risk; The Company's financial information is presented in Australian Dollars ("**AUD**"). The Group's revenue is denominated in a range of currencies including AUD, EUR and USD. While the Group's operating expenses will be incurred principally in AUD some feed purchases are now denominated in EUR. The Group's products are sold throughout the world. Therefore, the price of the Group's product is impacted by movements in the USD, EUR and other currencies and the exchange rate between AUD and these currencies. Movements in the exchange rate and/or these currencies may adversely or beneficially affect the Group's results or operations and cash flows. Additionally, a strong Australian dollar could place pressure on exports and the Group's product may become too expensive for export markets. In turn, this could place pressure on the domestic market if it is forced to take the volume of product normally exported.

General economic and financial market conditions*;* Economic conditions, both domestic and global, may affect the performance of the Group. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Group's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company and its Directors.

RISKS RELATING TO THE SHARES

Future issuances of Shares or other securities in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares; The Company may decide to offer new Shares or other securities in order to finance new capital-intensive investments in the future, in connection with unanticipated liabilities or expenses, or for any other purposes. Any such offering could reduce the proportionate ownership and voting interests of holders of Shares as well as the earnings per Share and the net asset value per Share of the Company, and any offering by the Company could have a material adverse effect on the market price of the Shares. In addition, securities laws in certain jurisdictions may prevent holders of Shares in such jurisdictions from participating in such securities offerings.

There are currently 6,032,996 share rights issued under the Company's long-term incentive plan to members of the Company's management that have not effectively lapsed. Subject to vesting, each of the 6,032,996 share rights gives the holder a right to receive one Share plus an additional number of Shares calculated on the basis of the dividends that would have been paid had the right been a Share during the performance period and such dividends were reinvested.

Pursuant to the Constitution and the ASX Listing Rules, the issuance of securities is under the control of the Directors. Subject to the ASX Listing Rules, the Directors may issue securities to persons at times and on terms and conditions and having attached to them preferred, deferred or other special rights or restrictions as the directors see fit, and grant to any person options or other securities with provisions for conversion to Shares or pre-emptive rights to any Shares. Thus, there is a risk of dilution which is not subject to the approval of the general meeting.

Risks related to future sales of Shares; Future sales, or the possibility for future sales of substantial numbers of the Shares may affect the market price of the Shares in an adverse manner.

No guarantee of future dividends and the franking credits / conduit foreign income attaching to those dividends; There is no guarantee that dividends will be paid in the future as this is a matter to be determined by the board in its discretion. The board's decision will have regard to, among other things, our financial performance and position, relative to our capital expenditure and other liabilities.

Moreover, to the extent we pay any dividends, we may not have sufficient franking credits in the future to frank dividends or sufficient conduit foreign income in the future to declare an unfranked dividend (or the unfranked portion of a partially franked dividend) to be conduit foreign income. For completeness, the franking system and/or the conduit foreign income system may be subject to review or reform, which may impact the tax profile of future dividends.

The extent to which a dividend can be franked will depend on our franking account balance and level of distributable profits.

Our franking account balance is contingent upon it making Australian taxable profits and will depend on the amount of Australian income tax paid by us on those Australian taxable profits. The value and availability of franking credits to a Shareholder will be dependent on the Shareholder's particular tax circumstances.

The Company is incorporated in Australia and governed by Australian law; The Company is incorporated in Australia. As a result, the rights of any person holding Shares will be governed by the laws of Australia and the Constitution of the Company. The laws of Australia differ from those established under statutes or judicial precedents in existence in other jurisdictions.

Volatility of the Share price; As the Company is a publicly listed company on ASX, we are subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in our share price that are not explained by our fundamental operations and activities. The market price of the Shares may be highly volatile and investors in the Shares could suffer losses. The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, significant contracts, acquisitions or strategic relationships, publicity about the Group, its products and services or its competitors, lawsuits against the Group, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions.

In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Group, and these fluctuations may materially affect the price of the Shares.

Foreign ownership restrictions apply under Australian law; According to statutory Australian law, approval by the Australian Foreign Investment Review Board ("FIRB") will be required if the transaction is a 'notifiable action' or a 'notifiable national security action'. A 'notifiable action' includes acquiring a direct interest (10% or more) in an Australian entity that is an agribusiness such as that conducted by the Company.

Generally, the acquisition is only a notifiable action if the entity meets the threshold test. The relevant monetary threshold for investments in an agribusiness is currently AUD 67 million (cumulative). This is calculated as the higher of the total asset value or the total issued securities value for the Company. A higher threshold of AUD 1,339 million applies for private investors from certain free trade agreement partners.

A foreign person is not required to obtain FIRB approval when they acquire the Shares if, at the time of the acquisition, the applicable monetary threshold described above is not met.

In addition, where a foreign person is a foreign government investor, they will require foreign investment approval where they acquire a direct interest in an Australian entity or Australian business, regardless of value. If prior approval is required, the transaction must be made subject to FIRB approval and cannot be completed until approval is received. FIRB has 30 days, upon receiving the proper notice and application, to decide on the application but has the option to extend for another 90 days to consider and make a decision. The timeframe may be further extended by agreement between FIRB and the applicant.

Even if notification is not mandatory, foreign persons are encouraged to seek foreign investment approval and make voluntary notifications in relation to 'reviewable national security actions', which include acquiring a direct interest (10% or more) in an entity where that acquisition is not notifiable nor a significant action. The head of the ministry of the treasury in Australia which is responsible for government expenditure and revenue collection ("**Treasurer**"), can 'call-in' for review a reviewable national security action if the Treasurer considers that the action may pose a national security concern. The review can occur when the action is still proposed or up to ten years after the action has been taken.

Once called in, an investment will be reviewed under the national security test to determine if it raises national security concerns. For investments ‘called in’, the Treasurer may issue a no objection notification, including with conditions, or prohibit the action, or require divestment by making a disposal order directing the person who acquired the interest to dispose of that interest within a specified period to one or more persons who are not associates of the person. The Treasurer cannot call-in an action that has been notified to the Treasurer or for which FIRB approval has been obtained.

This Presentation has not been filed, lodged, registered, reviewed or approved by any regulatory authority in any jurisdiction and recipients of this Presentation should keep themselves informed of, and comply with and observe, all applicable legal and regulatory requirements. This Presentation does not constitute an offer (or the solicitation thereof) in any jurisdiction in which such an offer (or the solicitation thereof) is not permitted under applicable law.

Any failure to comply with this restriction may constitute a violation of the applicable securities laws. The recipient in any jurisdiction where distribution of this Presentation is prohibited or restricted must inform itself of, and comply with, any such prohibitions or restrictions. If the recipient is in any doubt about any of the contents of this Presentation, it should obtain independent professional advice. The recipient represents that it is able to receive this Presentation without contravention of any unfulfilled registration requirements or other legal restrictions in the jurisdiction in which it resides or conducts its business.

No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Presentation in any country or jurisdiction where specific action for that purpose is required.

Appendix B – Offer jurisdictions

European Union (excluding Austria)

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the Shares issued under the Placement Offer be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the “Prospectus Regulation”).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Shares issued under the Placement Offer in the European Union is limited to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation).

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “FMC Act”).

The Shares issued under the Placement Offer are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Switzerland

The Shares issued under the Placement Offer may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares issued under the Placement Offer constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the Shares issued under the Placement Offer has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of Shares issued under the Placement Offer will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the Shares issued under the Placement Offer may be publicly distributed or otherwise made publicly available in Switzerland. The Shares issued under the Placement Offer will only be offered to investors who qualify as “professional clients” (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

Liechtenstein

This document has not been, and will not be, registered with or approved by the Financial Market Authority of Liechtenstein. Accordingly, this document may not be made available, nor may the Shares issued under the Placement Offer be offered for sale, in Liechtenstein except in circumstances that do not require a prospectus under the Prospectus Regulation Implementation Act of Liechtenstein.

Accordingly, an offer of Shares issued under the Placement Offer in Liechtenstein is limited to persons who are “qualified investors” (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). Accordingly, this document may not be distributed, and the Shares issued under the Placement Offer may not be offered or sold, in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares issued under the Placement Offer has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares issued under the Placement Offer that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares under the Placement Offer may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The Shares issued under the Placement Offer may not be offered or sold, directly or indirectly, in Norway except to “professional clients” (as defined in the Norwegian Securities Trading Act).