



ANNUAL GENERAL MEETING

ASX:CSS & OSE:CSS

7th November 2024



OVERVIEW

- Year of **significant operational change with positive signs of the restructure emerging in costs and cash flows in 2H24**
- **Biomass reduction and consolidation of farming footprint** has given rise to **efficiencies and a lower risk profile**
- Resonance of Clean Seas commercial messaging and **strong demand continues to drive pricing in fresh** albeit offset by **lower pricing on discounted frozen sales (focus on clearing excess frozen stock)**
- **Continuation of elevated feed prices** due to inflationary pressures and raw material supply shortages although **signs of a reduction were seen in Q4 FY24**
- Ongoing **focus on farming model and automation of feeding with new feed barge** to drive cost savings, improved feed conversion and reduce waste



FY24 FINANCIAL RESULT

- FY24 was a **“year of transition”** where the financial results in the 2H FY24 reflect and justify the Operational Review - biomass reduction, organisational restructure, consolidation of farming activities and clearance of excess frozen inventory completed in FY24 led to a statutory loss after tax
- Full Year **FY24 Sales Volume of 3,141t and Sales Revenue of A\$68.8M** a result of strong demand and pricing for fresh product, offset by the requirement to discount frozen sales
- **Maintained fresh pricing** at A\$22.93/kg for FY24 versus A\$22.82/kg for FY23. The overall price of A\$21.90/kg reflects the clearance of excess frozen inventory
- Operating profit of negative A\$1.61/kg in FY24 against A\$1.21/kg in FY23 impacted by **feed prices** and the **clearance of excess inventory**:
 - Feed prices normalizing with current price ~A\$3.30/kg versus peak of A\$3.80/kg in March 2024. Frozen inventory at 30 June was 261t versus 376t in FY23 and a peak of 547t in October 2023
- Implementation of Operational Review started delivering results with FY24 fish husbandry expense reducing by ~13% from FY23 and Operating Cash Flow positive in the last three quarters on a like-for-like basis



MARKETS



Demand for Kingfish continues to grow with the focus on pricing critical given increased levels of competition across all markets from cheaper proteins

- **Strong farmgate returns for fresh** offset the reduced farmgate returns on clearance frozen inventory and despite increased worldwide competition
- Great potential for domestic **market growth across the sushi chain and specialty retail channels**
- Ongoing **restructure of the international sales teams** to align with the sales forecast and continued focus on returns
- The **domestic end user representative proving very valuable** in spreading our provenance message and **locking in new business**
- **Strong performance of our high-end foodservice** business on the domestic market however under pressure on international markets from increased competition
- Strong resonance of commercial messaging with both brands targeting specific channels, highlighting quality and versatility of our Kingfish





Q1 FY25 revenue, harvest and biomass to be considered in the context of the changes made in FY24, including the biomass reduction, organisational restructure, consolidation of farming activities, clearance of excess frozen inventory and the ongoing impact of operational challenges

- Pricing for Q1 FY25 of A\$22.21/kg is slightly down on Q1 FY24 reflecting the aged frozen stock carried over from FY24 which has been progressively cleared in Q1. With this sell through completed, demand remaining strong in local markets and a focus on premium higher margin channels, average sales pricing increased by ~6% compared to Q4 FY24 (A\$21.00/kg)
- Sales Volume of 605t and Sales Revenue of A\$13.4M compared to 714t and A\$16.2M in Q1 FY24 reflects the restructured business post Operational Review
- Harvest volumes are 44% lower and live fish biomass is down 40% over Q1 FY24 reflecting the biomass reduction and operational challenges experienced throughout the restructure

Revenue (AUD \$) & Production Metrics (tonnes)	Q1 FY25	Q1 FY24	Change (Fav/Unfav)
Revenue ('000's)	13,431	16,151	(17%)
Revenue (\$/kg)	22.21	22.62	(2%)
Sales Volume	605	714	(15%)
Harvest Volume	505	904	(44%)
Live Fish Biomass	1,876	3,110	(40%)

VISION & STRATEGY

Our Vision:

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

Our Strategy:

Based on two core principles which are key to achieving our Vision:

- 1) Product differentiation – based on the unique qualities of our products and provenance
- 2) Low cost of production – to ensure we can compete in markets over the cycle and provide attractive returns to investors



OUR EXECUTIVE TEAM



Robert Gratton
Chief Executive Officer

Rob has been with Clean Seas since March 2019 and has over 25 years' experience in Banking, Corporate Finance and Accounting in Australia, the USA and UK. Rob held CFO & Co Sec roles at Jurlique and kikki.K, and senior finance positions at JP Morgan Investment Bank in London and New York.



David Di Blasio
Chief Financial Officer

David was appointed as CFO in June 2024. He has over 20 years' experience in Corporate Finance and Accounting roles in Oil & Gas and Aquaculture. David is a Chartered Accountant and holds an MBA in addition to Bachelor degrees in Commerce and Science.



Craig Hughes
GM Operations

Craig commenced with Clean Seas in July 2024 and has 25 years' experience in commercial fishing and fish farming having held senior positions at southern bluefin tuna and abalone farming companies. Craig has a Bachelor degree in Science with Aquaculture major and marine qualifications such as Vessel Master and Engineer.



Antoine Huon
Chief Commercial Officer

Antoine has held various senior roles across Sales and Marketing, Supply chain and customer service, quality control in FMCG and Aquaculture over the last 25 years. Antoine has been with Clean Seas for the last 5 years and was previously at Huon Aquaculture and Tassal Group.



Matt Grantham
GM P&C, Safety, Quality

Matt was appointed People and Culture Manager in February 2023 and has over 20 years' experience in HR, Executive, Management and Leadership Coaching & Development within not-for-profits, private and large ASX listed organisations. Matt holds qualifications in HR Management, Safety, Coaching and Psychometric assessment.

OUR OPERATING MODEL & INITIATIVES



- **Genetics program** allows for all Year Class 25 juveniles to be bred from **DNA profiled and selected** broodstock
- **Automated feeding** across 90% of Clean Seas biomass, bringing **operating efficiencies**, **reducing farming risk** and aiding future **diet development**
- **Biomass estimator camera** technology deployed to more accurately estimate fish weights and allow for greater feed optimisation
- **Processing** project to identify **productivity** improvements in fresh production, and lock in **lower cost of production** into frozen products through larger batch sizes and targeted harvests
- New **product and channel development** through investment in sales agents, marketing and social media

OPERATING OUTLOOK

- **New Executive appointed as General Manager of Operations brings over 25 years of senior aquaculture experience** to oversee breeding, farming and harvest activities on the Eyre Peninsula with a focus on implementing best practices and delivering efficiencies across Clean Seas' aquaculture operations
- Clean Seas expects to announce in the coming weeks that **Catherine Cooper** will be joining as Chair to replace Travis Dillon who steps down today. Catherine brings extensive Board, ASX, agribusiness and seafood industry experience
- **Feed prices continue to decline** from the March 2024 peak, with **current orders being placed at FY23 prices**. Clean Seas will continue to explore the **development of alternate diets** to drive fish performance and options to offset exposure to volatility in feed prices
- Ongoing impact of operational challenges reported in July 2024 has resulted in a FY25 outlook for sales volumes of 2,550t – 2,650t with resulting Operating EBITDA for FY25 at breakeven to a modest loss
- **Automation benefits of new feed barge** - ~90% of Kingfish will be fed remotely from the Company's office in Port Lincoln, driving cost savings, improving feed conversion ratios, efficiency and reducing waste
- Continue to highlight the **quality, usage, provenance and sustainability** credentials of Clean Seas' ocean farmed Yellowtail Kingfish to maintain premium pricing

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.



CLEANSEAS

SUSTAINABLE SEAFOOD