

ASX & Media Release

28 February 2022

Clean Seas H1 FY22 Results

Clean Seas Seafood Limited (ASX: CSS, OSE: CSS), the global leader in full cycle breeding, production and sale of Yellowtail Kingfish, is pleased to announce its H1 FY22 results.

Financial Performance	H1 FY21	H1 FY22	Change (Fav/Unfav)
Sales Revenue (A\$'000)	22,333	31,192	40% ▲
Sales Volume (tonnes)	1,444	1,946	35% ▲
Revenue A\$/kg	15.47	16.03	0.56 ▲
Farmgate A\$/kg	12.27	12.51	0.24 ▲
Production costs A\$/kg	(12.23)	(14.83)	(2.60) ▼
Indirect & R&D Costs A\$/kg	(3.57)	(2.76)	0.81 ▲
Underlying Operating EBITDA (A\$'000)	(5,102)	(9,892)	(4,790) ▼
Statutory EBITDA (A\$'000)	(19,286)	410	19,696 ▲
Statutory NPAT (A\$'000)	(21,873)	(2,160)	19,713 ▲
Operating Cash flow (A\$'000)	(1,827)	6,564	8,391 ▲
Net Cash (A\$'000)	8,763	12,522	3,759 ▲

1. Operating earnings 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.

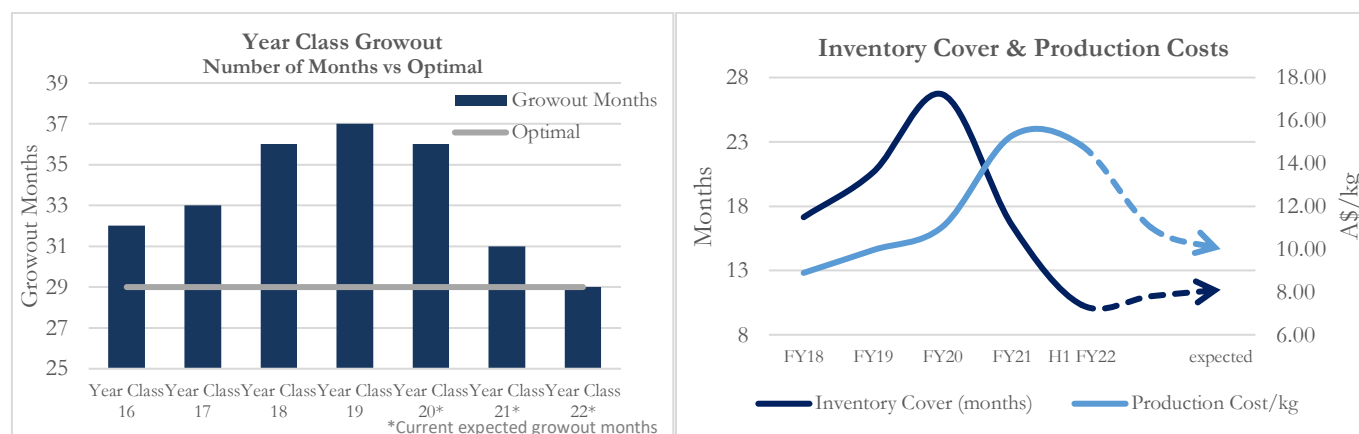
Highlights:

- **Strong sales rebound continues due to ongoing channel and market diversification delivering record H1 FY22 sales volume of 1,946t, up 35% on H1 FY21**
- **Record sales revenue of A\$31.2 million, up 40% on H1 FY21**
- **Prices increasing across key categories, with continued growth in revenue per kg to A\$16.03**
- **Production costs peaked in FY21 and have reduced by 3% in H1 FY22 versus Full Year FY21. Production costs are expected to be lower again by the end of FY22 with a further reduction in FY23 as the Company sells through its surplus live fish and frozen inventory**
- **H1 FY22 Statutory Loss of A\$2.2m, an A\$19.7m improvement on H1 FY21**
- **Positive operating cash flow in H1 FY22 of A\$6.6 million, an increase of A\$8.4 million on H1 FY21 driven by management's focus on optimising working capital and expense reduction**
- **Net cash of A\$12.5m at H1 FY22, an increase of A\$3.8m versus H1 FY21**

Clean Seas' financial results for H1 FY22 shows a significant rebound and growth in sales which are ahead of pre-pandemic levels, despite the ongoing impacts of lockdowns and supply chain disruptions in various markets. The sales result delivered increased sales volumes and revenue, and demonstrates the market and channel diversification Clean Seas has undertaken over the last year.

The financial result also reflects the significant progress that has been made to clear excess inventory and bring biomass back into balance, and inventory months cover at H1 FY22 is now below FY18 levels. As a result, Clean Seas has been able to reduce cost of production by 3% versus Full Year FY21 and expects further reductions over the coming years. The reported production costs reflect a sunk historical cost of surplus inventory, and the positive cash flow for the period highlights the progress made to reduce production costs.

Production costs are materially driven by the time fish spend in the water, and Clean Seas has completed the harvest of expensive Year Class 18 and 19 fish. Harvest of the final high cost cohort, the Year Class 20 fish is expected to be completed in Q1 FY23, hence the now downward trend in production costs.



The Company has also reduced indirect expenses per kg, and the new business model has delivered an improved financial performance in H1 FY22, with significant increases in statutory profits and cash flows. Clean Seas expects that the reduction in per kg costs will continue, and anticipates further improvement in profitability and cash flows in the coming years.

Demand for Clean Seas' premium ocean reared Kingfish continues to expand as awareness for the species develops around the world. Clean Seas is committed to providing the market with the highest quality fish, a native species grown in its natural waters of the Spencer Gulf in South Australia, while also aiming to be the lowest cost and most sustainable producer of Yellowtail Kingfish globally.

Clean Seas' CEO Rob Gratton said *"Clean Seas has continued to benefit from the growing awareness and acceptance of Yellowtail Kingfish globally, reporting record sales volumes and revenues. I believe that consumer demand for high quality and sustainable seafood will continue to provide Clean Seas with opportunities to grow sales, and with our inventory optimised and production costs now decreasing we are within reach of our goal of becoming the lowest cost producer of Kingfish in the world, whilst retaining our quality, sustainability and provenance leadership positions."*

It is the Company's view that whilst the ongoing COVID-19 disruptions may continue, it has an exceptional product, balance sheet strength and the production capacity to take advantage of increasing market awareness and demand for premium quality, sustainably produced Yellowtail Kingfish.

The Board notes that the inherent operational risks in aquaculture may impact future results.

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

H1 FY22 Results Webcasts

Webcast 1 – Australian Business Hours

The first webcast will occur at **11am AEDT (Sydney time)** on **Monday 28 February 2022**.

Webcast 2 – European Business Hours

The second webcast will occur at **9am CET (Oslo time)** on **Monday 28 February 2022**.

You can participate in the webcasts by using the following link:

Zoom Link

<https://us02web.zoom.us/j/7163045271>

Meeting ID: **716 304 5271**

You are advised to log on at least 5 minutes before the scheduled start time. If you are unable to participate in the live presentation, a recorded version will be available after the briefing.

About Clean Seas Seafood

Clean Seas Seafood is a fully integrated Australian Aquaculture business listed on the Australian Securities Exchange (ASX) and with a secondary listing on Euronext Growth Oslo (OSE) – the leading exchange for high growth seafood companies.

Clean Seas is the global leader in full cycle breeding, farming, processing and marketing of its Hiramasa or Yellowtail Kingfish (*Seriola lalandi*) and is renowned amongst leading chefs and restaurants around the world for its exceptional quality.

Clean Seas is recognised for innovation in its sustainable Yellowtail Kingfish farming and has become the largest producer of aquaculture Yellowtail Kingfish outside Japan.

Clean Seas is headquartered at its processing facility in Royal Park in Adelaide, South Australia while its hatchery is at Arno Bay and its fish farms are at Port Lincoln, both on the Eyre Peninsula of South Australia.

For further information on Clean Seas Seafood, please contact:

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