

ASX & Media Release

28 February 2025

Clean Seas Seafood 1H FY25 Results

Clean Seas Seafood Limited (ASX: CSS, OSE: CSS, the Company), the global leader in full cycle breeding, production and sale of Yellowtail Kingfish, announces its 1H FY25 results.

Financial Performance		Change	
Production Metrics	1H FY25	1H FY24	(Fav/Unfav)
Tonnes sold (WWE)	1,313	1,513	▼ -13%
Net Growth (tonnes)	187	826	▼ -77%
Harvest volumes (tonnes)	1,162	2,107	▼ -45%
Closing Live Fish Biomass (tonnes)	1,576	2,710	▼ -42%
Frozen inventory	95	531	▼ -82%
Operating Results ¹ (A\$'000)			
Revenue	30,510	34,083	▼ (3,573)
Net AASB 141 losses	(14,099)	(7,151)	▼ (6,948)
Impairment	(13,978)	(12,170)	▼ (1,808)
Statutory loss after tax	(32,645)	(25,946)	▼ (6,699)
Operating cash flows	5,681	(2,722)	▲ 8,403
Free cash flows	4,295	(5,609)	▲ 9,904
Net debt (compared to 30 June 2024)	11,835	10,329	▼ (1,506)

Highlights:

- Revenue down 10.4% to \$30.5 million due to lower harvest volumes
- Realised price up 3% to \$23.24/kg reflecting constrained supply and strong demand for premium Kingfish
- Loss on biological assets of \$14.1 million due to poor performance of the Year Class 24 cohort
- Post balance date announcement of non-binding, indicative and incomplete proposal offer from Yumbah Aquaculture Ltd (Yumbah) to merge with CSS by way of a scheme of arrangement
- Impairment of \$14.0 million recognised
- Statutory net loss of \$32.6 million as a result of impairment and loss on biological assets
- Operating cash flows of \$5.7 million, up \$8.4 million, and free cash flows of \$4.3 million, up \$9.9 million reflect strong price and efficiency improvements

Financial Performance

In 1HY25, the Company recorded a \$32.6 million statutory loss after tax. While the Company's results are typically impacted by seasonal growth of Kingfish, the 1HY25 loss was specifically impacted by the higher-than-expected mortalities in the Year Class 24 cohort of fish which resulted in a AASB 141 net loss from changes in fair value of live fish of \$14.1 million as compared to a loss of \$7.2 million in the prior comparative period. Additionally, the Company recognised a \$14.0 million impairment of assets following a formal impairment assessment driven by the presence of several indicators of impairment. The resulting net asset written down value in use of \$29.3 million is consistent with the valuation of the Group under the Yumbah Proposal.

Total assets reduced significantly from \$87.0 million at 30 June 2024 to \$49.5 million at 31 December 2024, mainly as a result of lower biological assets due to the Year Class 24 mortalities, impairment of assets and sell-down of frozen inventory over 1HY25.

Total liabilities reduced from \$25.0 million at 30 June 2024 to \$20.1 million at 31 December 2024, mainly due to timing of working capital, repayment of insurance premium funding and movements in the trade finance facility resulting in maturities and utilisations.

Operating cash flows in 1HY25 of \$5.7 million were a considerable improvement over the \$2.7 million 1HY24 outflow. This was due to improvements resulting from the operational review and smaller footprint along with reduced feed purchases in 1HY25 due to the level of opening stock on hand.

Investing cash flows in 1HY25 of \$1.4 million compares to \$2.9 million in 1HY24, with the variance largely due to progress payments on the new feed barge (Eyre Spirit) made in the prior comparative period.

Financing cash outflows of \$7.8 million in 1HY25, compares unfavourably to the \$5.8 million inflow in 1HY24, largely due to \$6.1 million of the first tranche of a two-tranche placement being received in 1HY24 (net of fees) and significantly higher repayments of borrowings in 1HY25 of \$9.0 million as compared to only \$1.1 million in 1HY24.

Year Class 2024 mortalities

On 27 November 2024, Clean Seas announced to the ASX that it was experiencing higher than expected mortalities within the Year Class 2024 cohort of fish.

On 20 December 2024, the Company issued an update following a comprehensive investigation into the elevated mortalities among the remaining Year Class 24 cohort. This review included an analysis of historical health sampling from September to November 2024, an assessment of mortality conditions within Year Class 24, and examinations of samples from the surviving fish. The investigation identified a Condition Factor threshold of 1.30, above which fish are reasonably expected to survive through to harvest. This threshold now serves as a key reference for the Company in forecasting the harvest potential of Year Class 24 and projecting sales volumes.

Based on this data, Clean Seas determined that approximately 25% of the remaining Year Class 24 fish are unlikely to survive through to harvest, leading to an estimated harvest potential range of 250,000 to 300,000 Year Class 24 fish.

Merger Proposal from Yumbah Aquaculture

On 19 February 2025, Clean Seas announced that it had received a non-binding, indicative and incomplete proposal from Yumbah to merge with CSS through the acquisition of 100% of CSS shares by way of a scheme of arrangement offering \$0.14 cash per share with a scrip alternative in Yumbah (Proposal).

An Independent Board Committee (IBC) of CSS has determined that it is in the best interests of CSS shareholders to progress the Proposal and allow Yumbah to undertake further due diligence.

CSS and Yumbah have entered into a Process Deed under which Yumbah has been granted until 24 March 2025 to undertake exclusive due diligence and negotiations on a binding Scheme Implementation Deed. The Process Deed contains customary deal protection mechanisms, fiduciary exclusions and a matching right for Yumbah in the event of a competing proposal.

CSS shareholders do not need to take any action in relation to the Proposal. The IBC will continue to keep shareholders and the market informed of developments.

The IBC notes that there is no certainty that the engagement between CSS and Yumbah will result in a change of control transaction or an offer capable of acceptance by CSS shareholders.

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.

For further information on Clean Seas Seafood, please contact:

Rob Gratton
CEO
rob.gratton@cleanseas.com.au
+61 434 148 979

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).

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.

For more information, visit www.cleanseas.com.au

All volumes quoted are in Whole Weight Equivalents (WWE) unless otherwise specified.