



CLEAN SEAS SEAFOOD LIMITED

ABN 61 094 380 435

APPENDIX 4D STATEMENT - HALF YEAR REPORT

**RESULTS FOR ANNOUNCEMENT TO THE MARKET
HALF-YEAR ENDED 31 DECEMBER 2024**

(Comparative figures being the half-year ended 31 December 2023)

	Half-Year ended December 2024	Half-Year ended December 2023	Period Movement up/(down)	Period Movement up/(down)
	\$ '000	\$ '000	\$ '000	%
Revenue from ordinary activities	30,510	34,083	(3,573)	(10)
EBITDA	(30,059)	(23,730)	(6,329)	(27)
EBIT	(32,162)	(25,595)	(6,567)	(26)
Profit / (Loss) from ordinary activities before tax	(32,645)	(25,946)	(6,699)	(26)
Income tax credit / (expense)	-	-	-	-
Profit / (Loss) from ordinary activities after tax attributable to members	(32,645)	(25,946)	(6,699)	(26)
Net tangible asset backing per ordinary share	\$0.14	\$0.34		

	Amount per security
Dividends (Ordinary Shares)	
Final dividend	cents/share Nil
Interim dividend	cents/share Nil

Record date for determining entitlements to dividends.

No dividend declared

Consistent with the decision taken in June 2012 not to carry future income tax benefits as an asset in the accounts the income tax benefit attributable to the December 2024 loss has not been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2024. The Group will continue to assess this treatment on an ongoing basis as Group profitability improves.

Details of the Group's performance for the first six months of FY 2025 are attached to this notice.

This report is all the half year information provided to the Australian Securities Exchange under listing rule 4.2A. The report also satisfies the half year reporting requirements of the Corporations Act 2001.

This Half Year Financial Report should be read in conjunction with the 2024 Annual Financial Report.



Clean Seas Seafood Limited
Interim Consolidated Financial Statements
For the half-year ended 31 December 2024
ABN 61 094 380 435

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Directors' Report

The Directors of Clean Seas Seafood Limited present their Report together with the financial statements of the Consolidated Entity, being Clean Seas Seafood Limited ('the Company') and its Controlled Entities ('the Group' or 'Clean Seas') for the half-year ended 31 December 2024.

Director details

The following persons were Directors of Clean Seas Seafood Limited during or since the end of the financial half-year:

- Mr. Travis Dillon – Chairman (resigned 7 November 2024);
- Mr Marcus Stehr;
- Ms Katelyn Adams; and
- Mr Gary Higgins.

Company Secretary

The following persons were Company Secretary of Clean Seas Seafood Limited during and since the end of the financial half-year:

- Ms Eryl Baron (Joint Company Secretary); and
- Mr Rob Gratton (Joint Company Secretary).

1HY Summary

- Revenue down 10.4% to \$30.5 million
- Realised price up 3% to \$23.24/kg
- FV loss on biological assets of \$14.1 million due to poor performance of the Year Class 24 cohort
- Impairment of \$14.0 million recognised
- Statutory net loss of \$32.6 million
- Operating cash flows of \$5.7 million, up \$8.4 million
- Free cash flows of \$4.3 million, up \$9.9 million

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 (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)

Financial performance

In 1HY25, the Group recorded a \$32.6 million statutory loss after tax. While the Group'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 Group 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 as disclosed in events arising since the end of the reporting period.

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 flows of \$7.8 million outflow 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.

Significant changes in the state of affairs

During the reporting period, the following changes occurred within the Group:

a) Director Changes

Mr Travis Dillon resigned as Chairman and director on 7 November 2024.

b) 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 Group issued an update a further announcement to the ASX advised that 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 Group 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.

Events arising since the end of the reporting period

On 19 February 2025, Clean Seas announced on the ASX that it had received a non-binding, indicative and incomplete proposal from Yumbah Aquaculture Ltd (Yumbah) to merge with Clean Seas through the acquisition of 100% of Clean Seas' shares by way of a scheme of arrangement offering \$0.14 cash per share with an alternative for eligible Clean Seas' shareholders to receive Yumbah scrip should they elect to do so (Proposal).

An Independent Board Committee of Clean Seas has determined that it is in the best interests of Clean Seas' shareholders to progress the Proposal and allow Yumbah to undertake further due diligence.

Clean Seas 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.

Auditor's Declaration

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on page 7 of this financial report and forms part of this Directors' Report.

Rounding of amounts

Clean Seas Seafood is a type of Company referred to in ASIC Class Order 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable), or in certain cases, to the nearest dollar under the option permitted in the class order.

Signed in accordance with a resolution of the Directors.

A handwritten signature in cursive script, appearing to read 'Katelyn Adams', written in black ink.

Katelyn Adams
Director

28 February 2025

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Auditor's Independence Declaration

To the Directors of Clean Seas Seafood Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Clean Seas Seafood Limited for the half-year ended 31 December 2024. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 28 February 2025

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2024

	Notes	31-Dec-2024 \$'000	31-Dec-2023 \$'000
Revenue	2	30,510	34,083
Other income		169	326
Net loss arising from changes in fair value of Yellowtail Kingfish	4	(14,099)	(7,151)
Fish husbandry expense		(12,266)	(16,067)
Employee benefits expense		(7,720)	(8,051)
Fish processing and selling expense		(6,641)	(9,594)
Costs of goods sold – frozen inventory		(3,948)	(3,965)
Impairment - biological assets & frozen inventory		-	(12,170)
Impairment – right of use, intangibles and property, plant & equipment	6	(13,978)	-
Depreciation and amortisation		(2,103)	(1,865)
Other expenses		(2,086)	(1,141)
Loss before finance items and tax		(32,162)	(25,595)
Finance costs		(507)	(365)
Finance income		24	14
Loss before tax		(32,645)	(25,946)
Income tax benefit / (expense)		-	-
Loss for the period from continuing operations		(32,645)	(25,946)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(32,645)	(25,946)
(Loss)/profit for the period and total comprehensive loss for the period is attributable to owners of the parent.			
Earnings per share from continuing operations:			
Basic earnings per share (cents per share)	11	(16.22)	(13.63)
Diluted earnings per share (cents per share)	11	(16.22)	(13.63)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	31-Dec-2024 \$'000	30-Jun-2024 \$'000
Assets			
<i>Current</i>			
Cash and cash equivalents		842	4,301
Trade and other receivables		5,481	3,660
Inventories	3	6,367	11,103
Prepayments		1,029	2,056
Biological assets	4	20,566	40,151
Current assets		34,285	61,271
<i>Non-current</i>			
Property, plant and equipment	5,6	10,376	22,100
Right-of-use assets	6	20	669
Biological assets	4	4,670	117
Intangible assets	6	109	2,827
Non-current assets		15,175	25,713
TOTAL ASSETS		49,460	86,984
Liabilities			
<i>Current</i>			
Trade and other payables		5,700	8,455
Borrowings	10	12,444	6,575
Provisions		1,437	1,629
Current liabilities		19,581	16,659
<i>Non-current</i>			
Borrowings	10	233	8,055
Provisions		310	289
Non-current liabilities		543	8,344
TOTAL LIABILITIES		20,124	25,003
NET ASSETS		29,336	61,981
Equity			
Equity attributable to owners of the Parent:			
• share capital	11	237,105	237,105
• share rights reserve		-	-
• accumulated losses		(207,769)	(175,124)
TOTAL EQUITY		29,336	61,981

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2024

	Share Capital \$'000	Share Rights Reserve \$'000	Accumulated Losses \$'000	Total Equity \$'000
Balance at 1 July 2024	237,105	-	(175,124)	61,981
Total comprehensive loss for the period	-	-	(32,645)	(32,645)
Balance at 31 December 2024	237,105	-	(207,769)	29,336

For the half-year ended 31 December 2023

	Share Capital \$'000	Share Rights Reserve \$'000	Accumulated Losses \$'000	Total Equity \$'000
Balance at 1 July 2023	228,019	704	(141,670)	87,053
Total comprehensive loss for the period	-	-	(25,946)	(25,946)
Share placement	6,063	-	-	6,063
Share rights reserve movement	350	(704)	-	(354)
Balance at 31 December 2023	234,432	-	(167,616)	66,816

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2024

	31-Dec-2024 \$'000	31-Dec-2023 \$'000 Restated
Operating activities		
Receipts from customers	28,641	33,923
Payments to suppliers (excluding feed)	(11,749)	(17,053)
Payments for fish feed	(3,772)	(11,893)
Payments to employees	(7,635)	(7,750)
Other income	196	51
Net cash provided by / (used in) operating activities	5,681	(2,722)
Investing activities		
Purchase of property, plant and equipment	(1,410)	(2,899)
Interest received	24	12
Net cash used in investing activities	(1,386)	(2,887)
Financing activities		
Proceeds from issue of shares	-	6,696
Transaction costs related to issues of shares	-	(633)
Proceeds from borrowings	1,767	1,051
Repayments of borrowings	(8,969)	(1,084)
Finance costs	(552)	(191)
Net cash (used in) / provided by financing activities	(7,754)	5,839
Net change in cash and cash equivalents	(3,459)	230
Cash and cash equivalents, beginning of period	4,301	6,357
Cash and cash equivalents, end of period	842	6,587

The accompanying notes form part of these financial statements. The Consolidated Statement of Cash Flows for the period ended 31 December 2023 has been restated. Refer to Note 1.6.

Notes to the Interim Consolidated Financial Statements

1 Nature of operations

Clean Seas Seafood Limited and its subsidiaries' ('the Group') principal activities include finfish, which comprises the propagation, growout and sale of Yellowtail Kingfish. The Group continues to enhance its operations through new research and world's best practice techniques to deliver Hiramasa Yellowtail Kingfish of premium quality.

1.1 General information and basis of preparation

The interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 31 December 2024 and are presented in Australian Dollars (\$AUD), which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2024 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 28 February 2025.

1.2 Significant accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2024.

1.3 Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2024. Refer to note 6 in relation to estimates applied in order to determine the impairment expense recognised in the period.

1.4 Seasonal fluctuations

The Group's underlying reported profit is subject to material seasonal fluctuation due to fish growth being the major contributor to profitability and Yellowtail Kingfish in South Australia having a seasonal strong growth period from October to May when the seawater temperatures are warmer. Historically 15% to 35% of biomass growth in a financial year has occurred in the first half of the financial year.

Consequently, it is expected that the Group's future underlying reported profits will be materially higher in the second half of the financial year than the first half.

1.5 Going concern

The financial report has been prepared on the basis of a going concern. During the half year ended 31 December 2024, the Group recorded an operating loss of \$32,645,000 and had a cash balance of \$842,000. The operating loss was largely driven by elevated mortalities in the Year Class 24 cohort and the impairment of assets. These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The ability of the Group to continue to pay its debts as and when they fall due is dependent upon:

- The successful completion of the Proposal from Yumbah Aquaculture Ltd (as disclosed on the ASX);
- Raising additional funding through a capital raise to meet short-medium term liquidity needs should the abovementioned merger proposal not complete or not occur;
- Receiving ongoing support from the group's financiers, including the renewal of facilities; and
- Maintaining and improving the ongoing performance of the business operations.

The Directors believe they will be successful in achieving the above and have prepared the financial statements on a going concern basis. This belief is due to progress made on the Proposal and the Company's past success in raising additional capital.

If the above matters are not resolved in the Group's favour, the going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the interim financial report. No allowance for such circumstances has been made in the interim financial report.

1.6 Prior period adjustment

In the adoption of the Amendments to *AASB 107 Statement of Cash Flows*, the Group have assessed the supplier financing arrangements that are currently in place. As part of adopting the standard, it was identified that there was an error in the cash flow statement where non-cash items have been recognised on a gross basis in relation to these arrangements. This resulted in a prior period adjustment to cash flows from operating activities and cash flows from financing activities of \$6,207,000. There was no impact of this error on the statement of financial position, statement of profit and loss and other comprehensive income or on the statement of changes in equity.

	31 December 2023 \$'000	Prior Period Adjustment \$'000	Restated 31 December 2023 \$'000
Payments for fish feed (cash flow from operating activities)	(18,100)	6,207	(11,893)
Proceeds from borrowings (cash flow from financing activities)	7,258	(6,207)	1,051

2 Revenue

	6 months to 31-Dec-2024 \$'000	6 months to 31-Dec-2023 \$'000
Sale of fresh finfish	26,341	30,022
Sale of frozen fish products	4,169	4,061
Total revenue	30,510	34,083

3 Inventories

	31-Dec-2024 \$'000	30-Jun-2024 \$'000
Frozen fish products at cost	230	1,283
Frozen fish products at net realisable value	1,549	3,488
Total frozen fish products	1,779	4,771
Fish feed (at cost)	3,733	5,519
Other (at cost)	855	813
Total inventories	6,367	11,103

4 Biological Assets – Live Fish

	6 months to 31-Dec-2024 \$'000	12 months to 30-Jun-2024 \$'000
Live Yellowtail Kingfish	\$'000	\$'000
Carrying amount at beginning of period / year - current	40,151	62,250
Adjusted for:		
Gain arising from physical changes at fair value less costs to sell	6,543	44,814
Decrease due to harvest for sale as fresh	(20,800)	(47,819)
Net (loss) / gain recognised in profit and loss	(14,257)	(3,005)
Decrease due to impairment	-	(10,093)
Decrease due to harvest for processing to frozen inventory	(933)	(9,001)
Classification of growout stock as non-current	(4,395)	-
Carrying amount at end of period / year - current	20,566	40,151
Carrying amount at beginning of period / year – non-current	117	117
Adjusted for:		
Fair value gain from revaluation of broodstock	158	-
Classification of growout stock as non-current	4,395	-
Carrying amount at end of period / year – non-current	4,670	117

Non-current biological assets comprise Broodstock and Year Class 25 growout stock.

There is inherent uncertainty in the biomass estimate and resultant live fish valuation. This is common to all such valuations and best practice methodology is used to facilitate reliable estimates. Biomass is estimated using a model that simulates fish growth. Actual growth will invariably differ to some extent, which is monitored and stock records adjusted via harvest counts and weights, periodic sample weight checks, physical counts on transfer to sea cages and subsequent splitting of cages, mortality counts and reconciliation of the perpetual records after physical counts and on cage closeout.

Live Yellowtail Kingfish Biomass (tonnes)	Year Class 22	Year Class 23	Year Class 24	Year Class 25	Total
Balance at 30 June 2023	2,466	1,525	-	-	3,991
Net gain from physical changes	(12)	1,415	871	-	2,274
Decrease due to harvest	(2,454)	(700)	-	-	(3,154)
Decrease due to biomass reduction	-	(560)	-	-	(560)
Balance at 30 June 2024	-	1,680	871	-	2,551
Net gain/(loss) from physical changes	-	48	(171)	310	187
Decrease due to harvest	-	(1,162)	-	-	(1,162)
Balance at 31 December 2024	-	566	700	310	1,576

Live Fish average weight (kg)	Year Class 23	Year Class 24	Year Class 25	Total
Average weight at 30 June 2024	3.56	1.29	-	2.22
Average weight at 31 December 2024	4.10	2.10	0.34	1.14

5 Property, plant and equipment

The following table shows the movements in property, plant and equipment:

	Land & Buildings \$'000	Plant & Equipment \$'000	Total \$'000
Gross carrying amount			
Balance at 1 July 2024	4,756	53,877	58,633
Additions	89	1,142	1,231
Disposals	(292)	(5,050)	(5,342)
Balance at 31 December 2024	4,553	49,969	54,522
Depreciation and impairment			
Balance at 1 July 2024	(2,168)	(34,365)	(36,533)
Disposals	164	4,937	5,101
Depreciation	(97)	(1,864)	(1,961)
Impairment (refer note 6)	-	(10,753)	(10,753)
Balance at 31 December 2024	(2,101)	(42,045)	(44,146)
Carrying amount at 31 December 2024	2,452	7,924	10,376
Gross carrying amount			
Balance 1 July 2023	4,567	47,644	52,211
Additions	189	6,466	6,655
Disposals	-	(233)	(233)
Balance 30 June 2024	4,756	53,877	58,633
Depreciation and impairment			
Balance 1 July 2023	(2,038)	(31,244)	(33,282)
Disposals	-	192	192
Depreciation	(130)	(3,313)	(3,443)
Balance 30 June 2024	(2,168)	(34,365)	(36,533)
Carrying amount 30 June 2024	2,588	19,512	22,100

6 Impairment of assets

The carrying amounts of the Group's property, plant and equipment, right of use assets and intangible assets are reviewed at each reporting to date to determine whether there is any indication of impairment. Where an indicator of impairment exists, a formal estimate of recoverable amount is made. The Group's assets are tested as one cash-generating unit (CGU).

Indicators of impairment

The following indicators of impairment existed at the reporting date:

- Market capitalisation of the Company was materially lower than net assets;
- The adverse impact of the compromised Year Class 24 kingfish reduces operating cash flows in the near-term, requiring additional liquidity; and
- The above factors are likely to affect the discount rate used in calculating a CGU's value in use and decrease the CGU's recoverable amount materially.

Subsequent to the end of the reporting period, the Proposal from Yumbah Aquaculture Ltd of \$0.14 per share, equates to a total value for all Clean Seas shares of \$29.3 million (refer note 14).

Recoverable amount

The recoverable amount of the Group CGU is first assessed under a value-in-use ("VIU") method, using the CGU's estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the Group. If the recoverable amount under a VIU method is less than the sum total of the carrying amounts of assets within the CGU, then where other factors are considered relevant, individual asset categories are assessed against their respective fair values less costs of disposal ("FVLCD") (based on level 3 fair value hierarchy). If an asset's FVLCD is above carrying value, then no impairment is recognised. For all other assets, an impairment of the CGU is recognised on a pro rata basis of the carrying amount of the remaining assets in accordance with *AASB 136 Impairment of Assets*.

The recoverable amount of the CGU has been assessed as \$29.3 million.

Significant judgement – impairment of assets

The estimated future cash flows for the VIU calculation, have been based on the Company's forecast cash flows over the period 1 January 2025 to 30 June 2029 incorporating the following assumptions:

- Price assumptions in line with current pricing, inflated annually at 2.5%
- Costs in line with current costs, inflated annually at 2.5%
- Feed price assumptions reverting back to a 2018 inflation adjusted price level
- Pre-tax discount rate of 16.63%
- Fish number, harvest quantities and weight, and feed requirements per the Company's production model
- Terminal value based on FY2029 cash flows and a growth rate of 2.5%

	Impairment \$'000	Carrying amount \$'000
The impairment has been allocated against the following assets:		
Property, plant and equipment	10,753	10,376
Right of use assets	507	20
Intangible assets	2,718	109
Total	13,978	10,505

Fair value hierarchy

The fair value estimates for the assets of the CGU are considered to be Level 3 estimates.

Significant Observable Inputs

1. Recent sales and offers for land, buildings where the Group's assets are held, adjusted for comparability considerations; and
2. Recent sales and offers for similar vessels to those held by Group, adjusted for comparability considerations.

Significant Unobservable Inputs

1. Estimated price in assessing land and buildings:
 - a. location including surrounding land use, amenities and local services, including access to transport (sea and road);
 - b. improvement including structures and access to water;
 - c. potential occupancy including dwellings and structures.
2. Economic overview including local, State and aquaculture industry economic overview.
3. Condition, age and location of underlying fixed assets and ability for alternate use.

Sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in significant unobservable inputs, with all other variables held constant (change in profit and equity):

	2024
CGU's assets	\$'000
Increase by 10%	2,934
Decrease by 10% ¹	-

¹ In the event of a decrease, the fair value less cost to sell of the remaining property, plant and equipment exceeds carrying value of these assets

7 Earnings per share

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	6 months to 31-Dec-2024	6 months to 31-Dec-2023
Weighted average number of shares used in basic earnings per share	201,313,281	190,850,321
Shares deemed to be issued for no consideration in respect of share-based payments	-	-
Weighted average number of shares used in diluted earnings per share	201,313,281	190,850,321

The potential exercise of share rights has been excluded from the diluted earnings per share calculation for six months to 31 December 2024 and 31 December 2023 due to being antidilutive, in accordance with *AASB 133 Earnings Per Share*, paragraph 43.

8 Segment reporting

The Board has considered the requirements of *AASB 8 Operating Segments* and the internal reports that are reviewed by the chief operating decision maker (the Board of Directors) in allocating resources and have concluded there are no separately identifiable segments.

9 Contingent assets and liabilities

The Group also has unrecognised carry forward tax losses. This contingent asset is discussed in Note 10 to the financial statements in the 2023/24 Annual Report. There are no other material contingent assets or liabilities.

10 Borrowings

Borrowings consist of the following:

	Opening 1 Jul 2024	Proceeds from borrowings	Repayment of borrowings	Interest paid	Movements per statement of cash flows	Non-cash advances	Other non- cash	Closing 31 Dec 2024
Trade finance facility	4,334	-	(5,738)	(144)	(5,882)	5,127	250	3,829
Overdraft facility	-	1,412	(1,412)	(2)	(2)	-	-	-
Lease liabilities – bank	254	-	(66)	(5)	(71)	-	6	189
Lease liabilities – other	687	-	(145)	(18)	(163)	-	14	538
Insurance premium funding	1,813	-	(1,608)	(47)	(1,655)	19	47	224
Cash advance facility	7,542	355	-	(336)	19	-	336	7,897
Total borrowings	14,630	1,767	(8,969)	(552)	(7,754)	5,146	653	12,677

In December 2023, the Group renewed its Finance Facility with Commonwealth Bank of Australia (CBA), with a facility limit of \$32.15 million until 31 July 2025. The Finance Facility comprises a \$12 million Trade Finance Facility, \$14 million Market Rate Loan Facility, \$6 million Equipment Finance Facility and \$150,000 Corporate Card Facility. This is an ongoing facility subject to annual review and is secured against all Group assets. All debt under the facility has been classified as current due to a facility renewal not being finalised before 31 December 2024.

The Group is subject to financial covenants, including EBITDA interest coverage ratio, tangible net worth divided by total tangible assets and quarterly operating cash flows. The Group submitted a compliance certificate for the 31 December 2024 quarter, the basis of which were unaudited, pre-impairment management reports in accordance with the timing and reporting requirements of the Finance Facility. CBA has confirmed that the impairment of assets recognised subsequently does not result in a breach of the tangible net worth covenant for the quarter.

11 Share capital

The share capital of Clean Seas Seafood Limited consists only of fully paid ordinary shares: the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at a shareholders' meeting.

	31-Dec-2024 Shares	30-Jun-2024 Shares	31-Dec-2024 \$'000	30-Jun-2024 \$'000
Shares issued and fully paid:				
• at beginning of the year	201,313,281	165,489,512	237,105	228,019
• share placements ¹	-	35,263,400	-	8,736
• share rights ²	-	560,369	-	350
Total contributed equity	201,313,281	201,313,281	237,105	237,105

- On 24 November 2023, Clean Seas disclosed a two-tranche placement to the ASX, raising A\$9.5 million. As of 31 December 2023, the Company had received payment for the first tranche (24,800,440 shares), amounting to A\$6.7 million, incurring associated costs of \$0.6 million.

The approval of the second tranche occurred at the Extraordinary General Meeting on January 15, 2024, and the \$2.8 million was received in January 2024.

- The FY25 LTI grant of 5,706,039 rights has been approved by the Board subject to finalisation of relevant performance targets in accordance with executive employment contracts. Per clause 10.1(a) of the Equity incentive plan rules, these rights would vest on a change of control, along with FY23 and FY24 LTI rights. In FY24 560,369 share rights were exercised by executives.

12 Fair value measurement of non-financial assets – Fair Value Hierarchy

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** Inputs for the asset or liability that is not based on observable market data (unobservable inputs)

The Group's biological assets (live fish) held for sale are valued at their fair value in accordance with Note 4.20 of the 2023/24 Annual Report. This valuation method satisfies the criteria for Level 3. At 31 December 2024 the Group has 1,576 tonnes of live fish held for sale valued at \$24.2 million (June 2024: 2,551 tonnes valued at \$40.2 million).

13 Capital Commitments

As at 31 December 2024 the Group has contracted for the purchase of various items of plant and equipment totalling \$0.7 million (June 2024: \$0.8 million).

14 Post-reporting date events

On 19 February 2025, Clean Seas announced on the ASX that it had received a non-binding, indicative and incomplete proposal from Yumbah Aquaculture Ltd (Yumbah) to merge with Clean Seas through the acquisition of 100% of Clean Seas' shares by way of a scheme of arrangement offering \$0.14 cash per share with an alternative for eligible Clean Seas' shareholders to receive Yumbah scrip should they elect to do so (Proposal).

An Independent Board Committee of Clean Seas has determined that it is in the best interests of Clean Seas' shareholders to progress the Proposal and allow Yumbah to undertake further due diligence.

Clean Seas 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.

There are no other matters or circumstances that have arisen between the reporting date and the date of authorisation that have significantly affected or may significantly affect either:

- the entity's operations in future financial years;
- the results of those operations in future financial years; or
- the entity's state of affairs in future financial years.

Directors' Declaration

- 1 In the opinion of the Directors of Clean Seas Seafood Limited:
 - a. The consolidated financial statements and notes of Clean Seas Seafood Limited are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of its financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
 - ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Katelyn Adams
Director

Dated the 28th day of February 2025

Independent Auditor's Review Report

To the Members of Clean Seas Seafood Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Clean Seas Seafood Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Clean Seas Seafood Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's review report.

Material uncertainty related to going concern

We draw attention to Note 1.5 in the financial report, which indicates that the Group recorded a net loss of \$32,645,000 during the half-year ended 31 December 2024 and, as of that date, had a cash balance of \$842,000. As stated in Note 1.5, these events or conditions, along with other matters as set forth in Note 1.5, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 28 February 2025