



Blue Star Foods Corporation

Blue Star Foods Corp.

An Integrated Environmental, Social and Governance (ESG) Sustainable Seafood Company

Investor Presentation | October 2022

Nasdaq: **BSFC**

bluestarfoods.com



Forward looking statements

This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are characterized by future or conditional verbs such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate” and “continue” or similar words.

You should read statements that contain these words carefully because they discuss future expectations and plans, which contain projections of future results of operations or financial condition or state other forward-looking information. Such statements are only predictions, and our actual results may differ materially from those anticipated in these forward-looking statements.

We believe that it is important to communicate future expectations to investors. However, there may be events in the future that we are not able to accurately predict or control. Factors that may cause such differences include, but are not limited to, the uncertainties associated with the Company's ability to raise additional capital to finance the Company's activities; the Company's and its subsidiaries' ability to fully perform all of their obligations under the contractual obligations applicable to them; the effectiveness, profitability, and the marketability of its ongoing mix shift to more advanced products; legal and regulatory risks; the Company's ability to execute its growth strategy and the effectiveness of its increased research and developments pending; the future trading of the ordinary shares of the Company; the Company's ability to operate as a public company; the period of time for which its current liquidity will enable the Company to fund its operations; general economic and business conditions; the volatility of the Company's operating results and financial condition; the Company's ability to attract or retain qualified senior management personnel and research and development staff. We do not assume any obligation to update forward-looking statements as circumstances change.



Company Strategy & Mission Statement

Long-Term strategy to create a vertically integrated seafood company that offers customers high quality products while maintaining a focus on our core values of delivering food safety, traceability and certified resource sustainability.

We are growing the Company organically by continuing to grow our customer base and introducing new high-value seafood categories, as well as strategically acquiring companies that focus on additional species and proprietary technologies that we believe we can integrate into a larger, diversified company.



Company Overview

An integrated Environmental, Social, and Governance (ESG) sustainable seafood company with a focus on Recirculatory Aquaculture System (RAS)

Corporate Profile ⁽¹⁾		
Market Cap	\$26M	
Share Price	\$1.00	
Shares Outstanding	25.70M	
52-Week Hi/Lo	\$8.00 – 0.62	
Average Daily Volume	100K Shares	
Insider Ownership	15.49M	61%
Retail Ownership	6.78M	25%
Institutional Ownership	2.3M	9%
Corp. (Private) Ownership	1.13M	5%

Company Financials

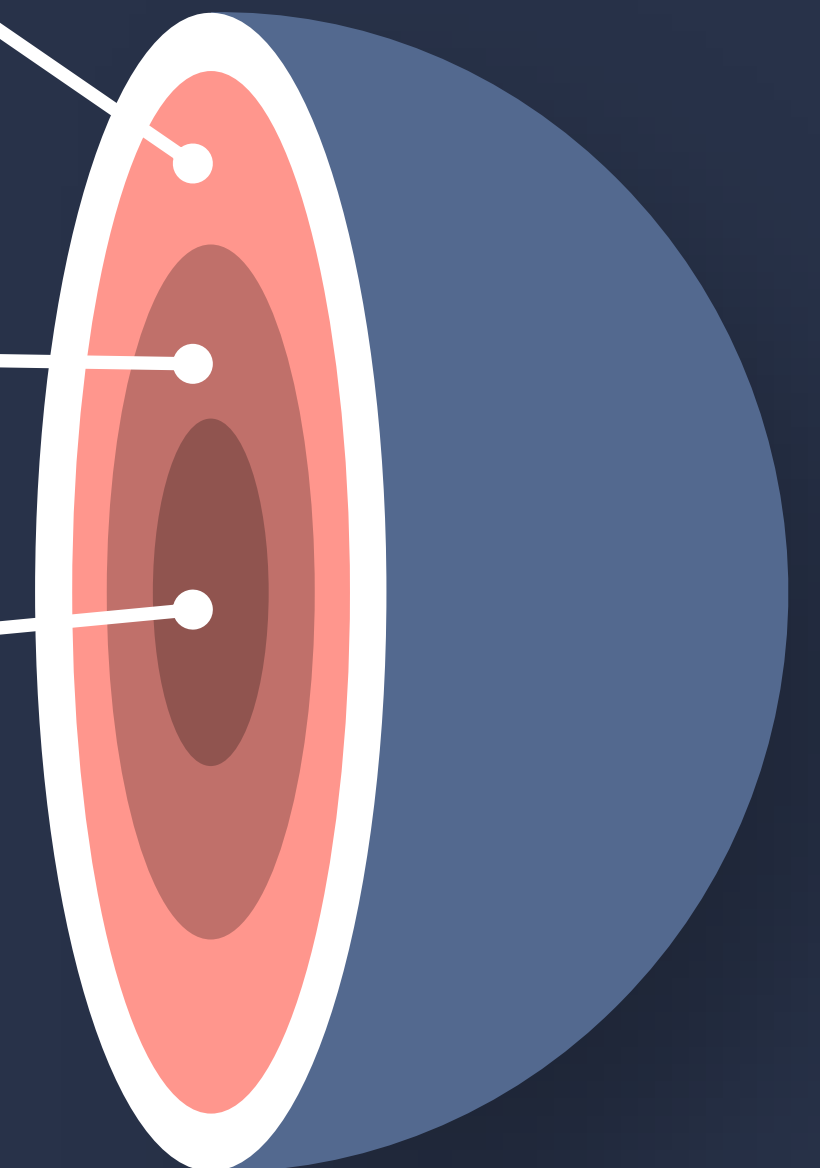
- 2021 Revenue of \$10M
- 1st Half 2022 Revenue of \$8M

Headquarters

Miami, FL | 23 Employees

Operations

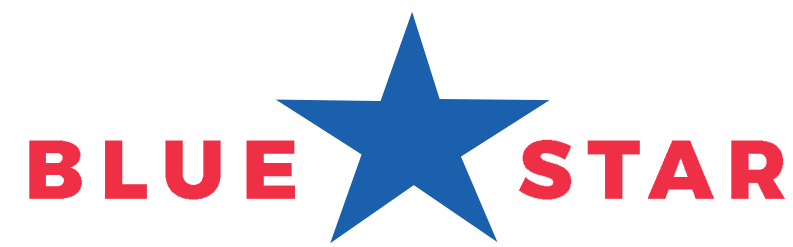
- Coastal Pride
 - South Carolina, United States |
 - Soft Shell Crab RAS
- Taste of BC Aquafarms
 - Vancouver Island, Canada |
 - Salmon RAS



(1) Corporate profile statistics are as of May 25, 2022.

(2) Financials are FY-2020 which will be reported on March 30th, 2021.

*As of May 25, 2022



Investment Highlights

1

Macro Factors Accelerating Push Toward Innovation and Sustainability - Seafood Consumption Outpacing Supply and Environmental Safety

2

Stablised Supply chain & Strong Relationships with Distributors Partners

3

Lowest CAPEX per Ton in Land-Based Recirculatory Aquaculture System (RAS)

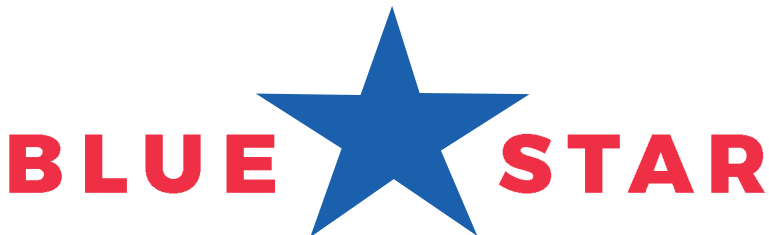
4

Highly-Scalable Modular Technology & Expanding Seafood Categories – Salmon, Soft Shell Crab, Other Fin-Fish Species

5

Significantly Discounted Valuation as Compared to Peers





Executive Team

Blue Star Foods Corporation



John Keeler
Chairman & CEO

Named Best CEO in Sustainable Seafood Industry by European CEO Magazine.

2017 Speaker at "The Economist World Ocean Summit".



JC Dalto
Member



Nubar Herian
Member



Jeffry Guzy
Member



Sylvia Alana
CFO



Tim McLellan
Member

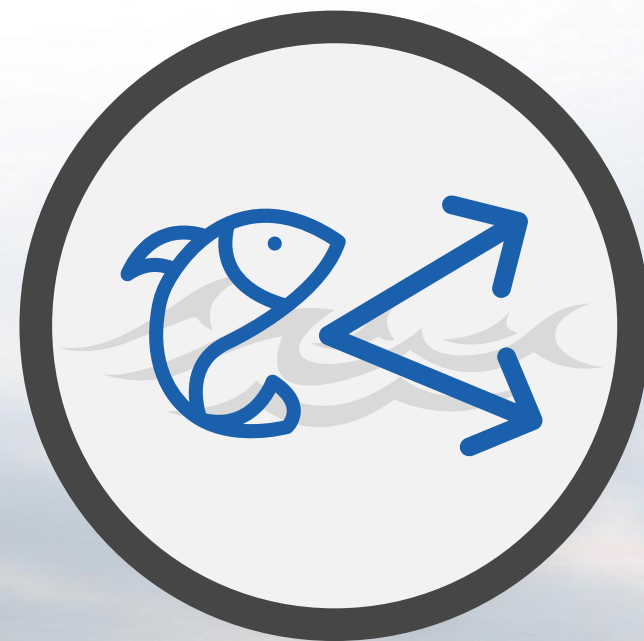


Trond Ringstad
Member





The Problem-Evolution to RAS Land-Based Aquaculture



**Double Seafood
Consumption by 2050**



Overfishing



**Conventional
aquaculture will NOT
meet demand GAP**

**Environmental Pollution
of the Food Supply**



**Ocean
Pollution**

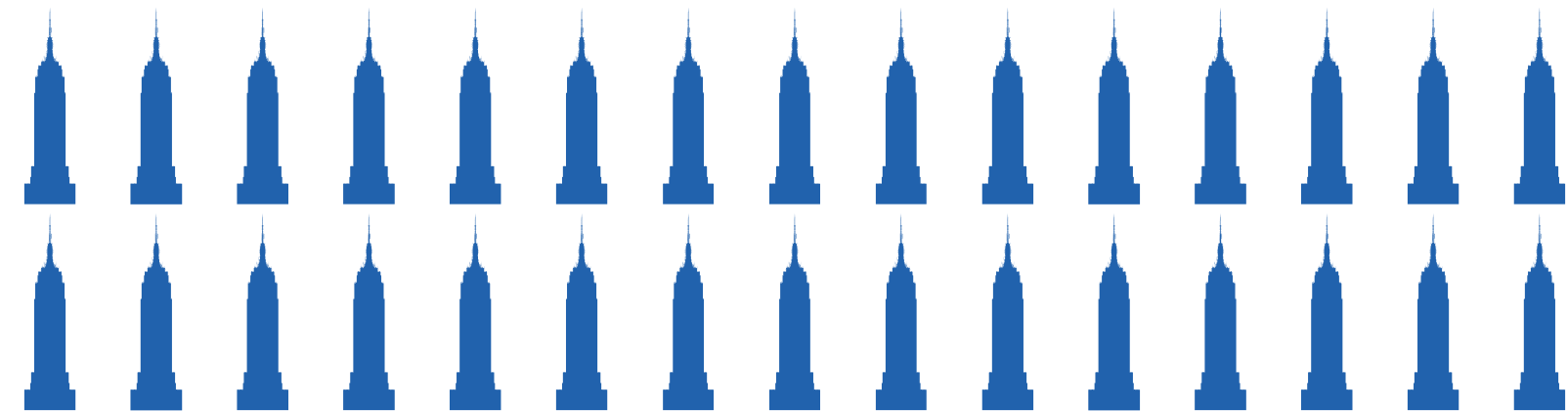


Microplastic



Every year, there are **11 million** tons of plastic waste that pollute the world's oceans.

That is about **30** Empire State buildings weight in plastics each year.



This threatens wildlife and fragile ecosystems around the globe.

And it is not getting any better. In fact, it is getting worse.





Unfavorable Ocean Plastic Pollution Trend

Our review of four decades of research indicates that fish consumption of plastic is increasing. Just since an international assessment conducted for the United Nations in 2016, the number of marine fish species found with plastic has quadrupled.

Similarly, in the last decade alone, the proportion of fish consuming plastic has doubled across all species. Studies published from 2010-2013 found that an average of 15% of the fish sampled contained plastic; in studies published from 2017-2019, that share rose to 33%.

2016-2021

4X

**INCREASE OF
PLASTICS
IN FISH SPECIES**

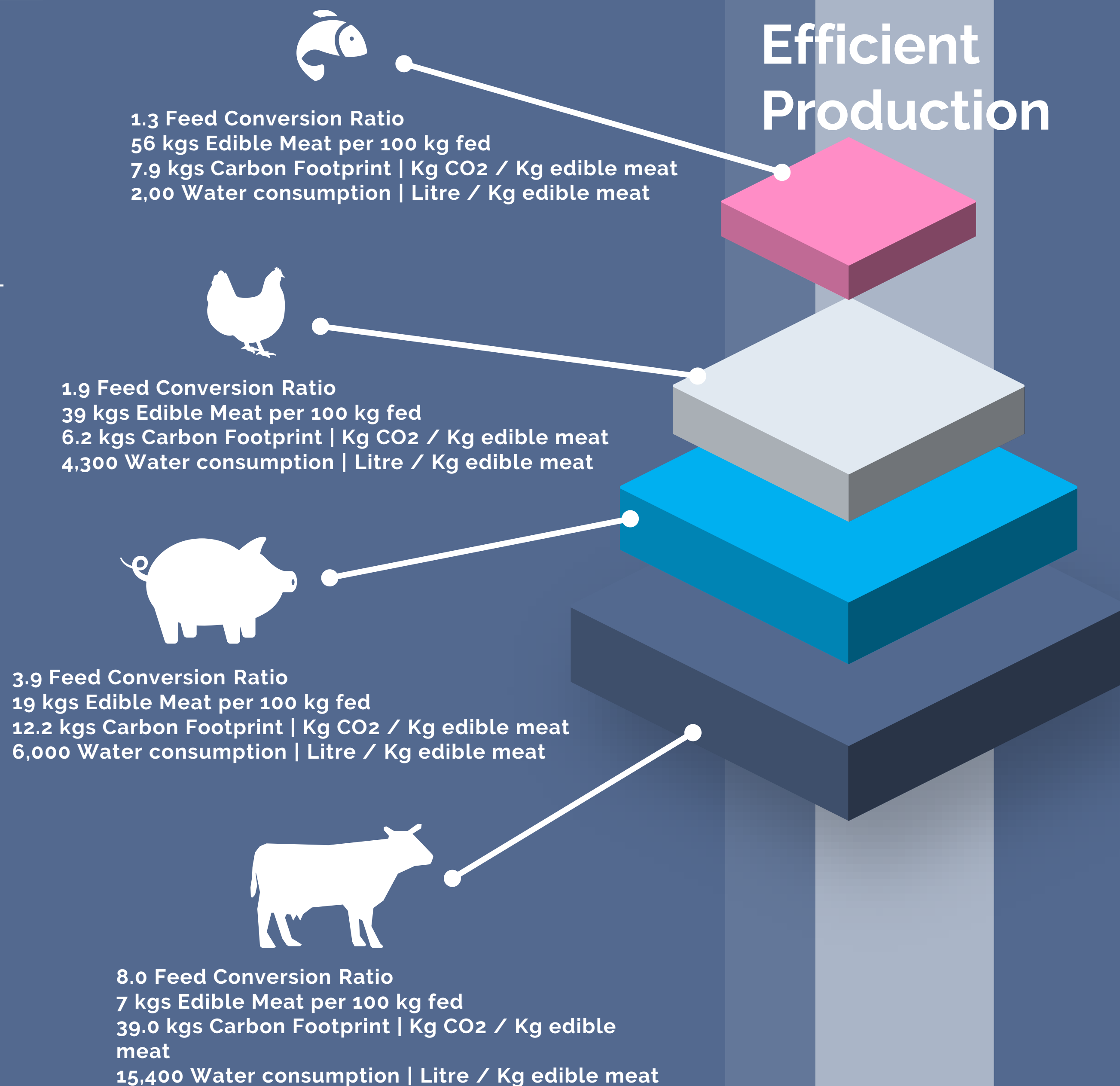
2017-2019

33%

**OF FISH THAT
CONTAIN PLASTICS**



Resource Efficient Production



Increased Global Marine Protein Consumption & Supply Gap

The global population is projected to be 9.8 billion people⁽¹⁾ by 2050;

Protein consumption is predicted to double by 2050⁽²⁾, marine-based proteins gaining a growing market share.

- Seafood proven to be most efficient creator of animal protein.
- Conventional Aquaculture provides a significant volume of seafood supply.

⁽¹⁾ The World Population Prospects: The 2017 Revision, published by the UN Department of Economic and Social Affairs

⁽²⁾ Salmon Farming Industry Handbook 2020 (Mowi)

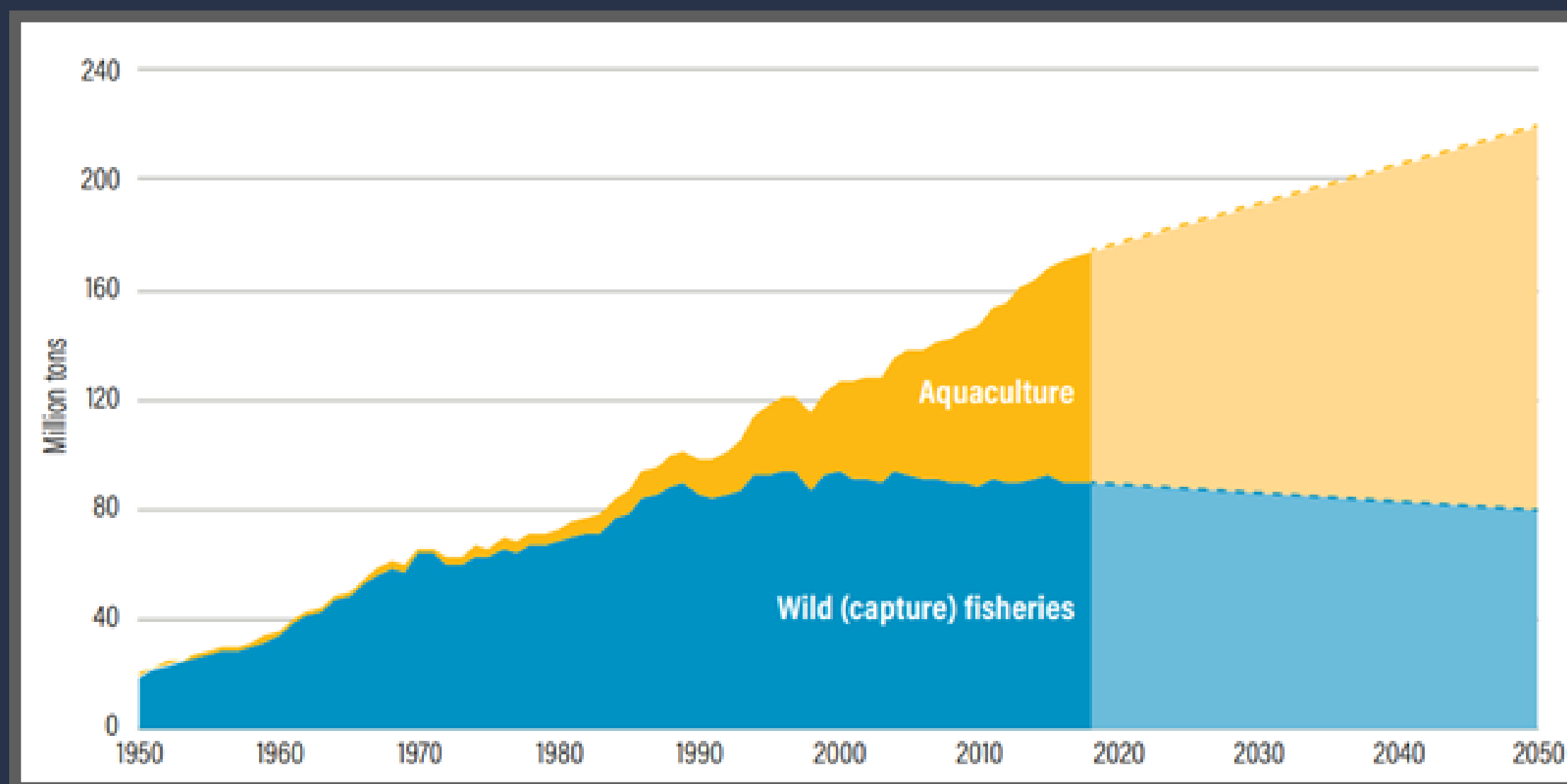


Aquaculture Needs To Fill the Gap

The wild fish catch peaked at 94 Mt⁽¹⁾ in the mid-1990s and has since stagnated/declined. All future increase in world fish consumption will need to come from aquaculture.

- In 2016, aquaculture provided more than half (80 Mt)(1) of all fish consumed - making it one of the world's fastest-growing animal food-producing sectors.
- Aquaculture production >2X between 2010 – 2050; from 60 Mt in 2010 to roughly 140 Mt in 2050 (1).

Estimates of Aquaculture Production vs. Wild Caught



(1) The State of World Fisheries and Aquaculture (2018) by the United Nations Fisheries and Aquaculture Department.

Conventional Aquaculture



Future of Aquaculture = RAS

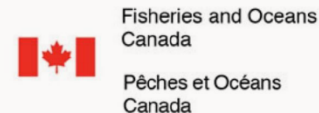




BLUE STAR

Macro Regulatory Demand Driver

Blue Star Foods Corporation



Government of Canada moves to phase out salmon farming licences in Discovery Islands following consultations with First Nations



Federal court hearing on B.C.'s Discovery Island fish farm phase-out underway



Shutting down salmon farms in BC begins in 2022

The Government of Canada has made it a policy decision to phase out Ocean Based Salmon Farming by 2025. This will start with the closure of farms located within the Discovery Islands, which shall be complete by June 30, 2022. The Discovery Islands region now produce approx. 20,000 Tonnes of British Columbia's total production of approximately 100,000 Tonnes.



Solution & Competitive Advantage



RAS Land-Based Aquaculture

Highly disruptive technology

Fully controlled environment for the fish.

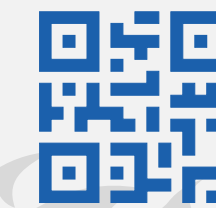
No Antibiotics

Virtually NO environmental impact

Efficient land and energy use
low to neutral CO2 emissions

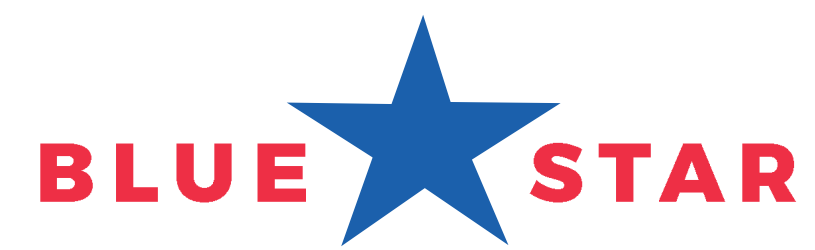
Optimal feeding strategy

Easy grading and harvesting of fish



Traceable Harvest Mobile App



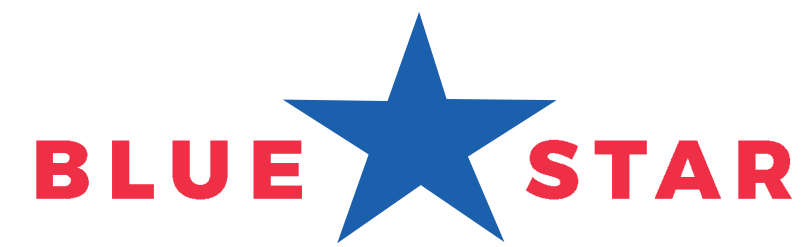


NEW

NEW 227K Dozen Soft Shell Crab Farm Site



The property is strategically located with easy access to Port of Charleston, Port of Savannah and 5 minutes drive from I-95 freeway, making an ideal scenario for logistics.



NEW

NEW 227K Dozen Soft Shell Crab Farm Site

Crab Room #4

Crab Room #3

Crab Room #2

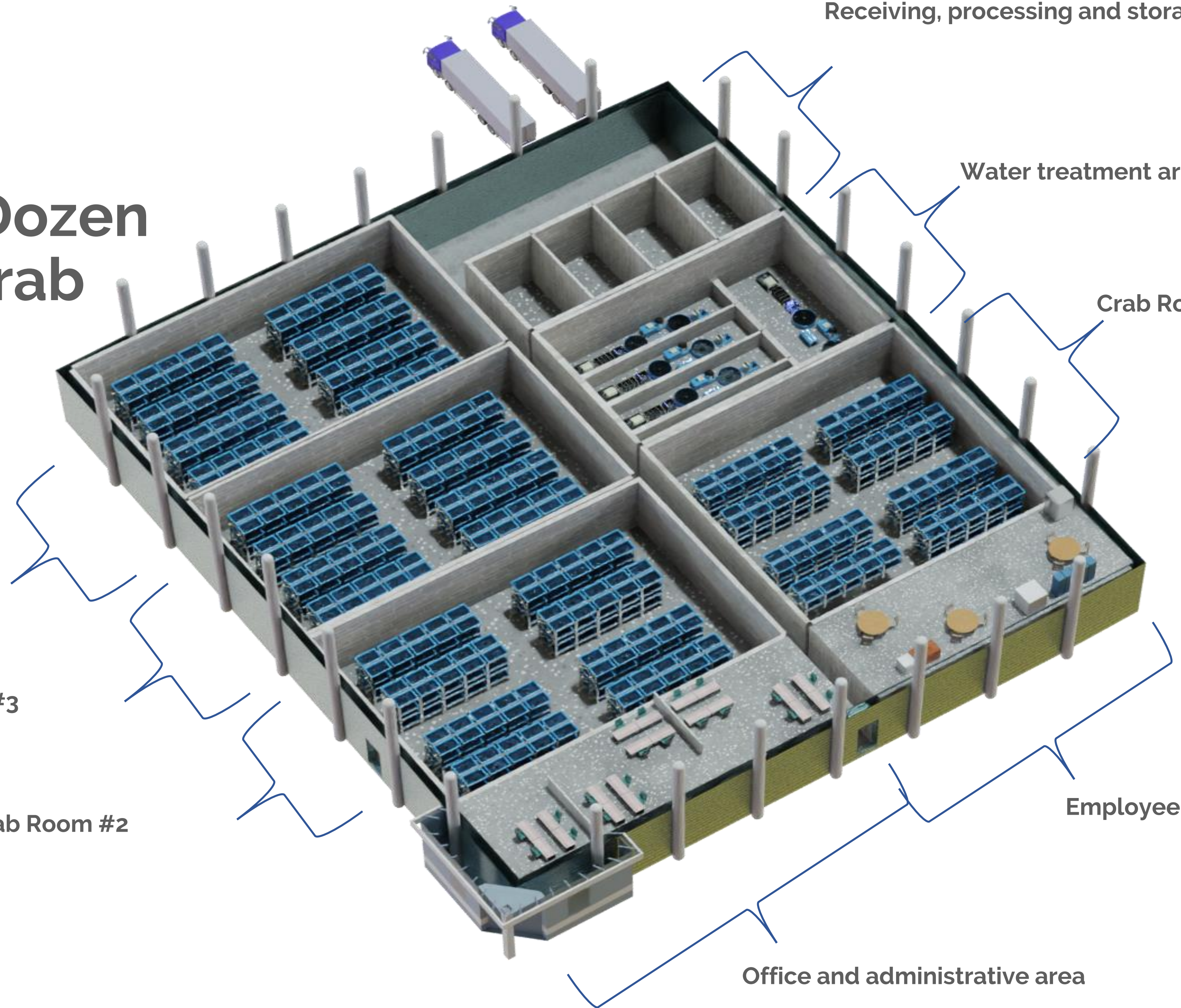
Office and administrative area

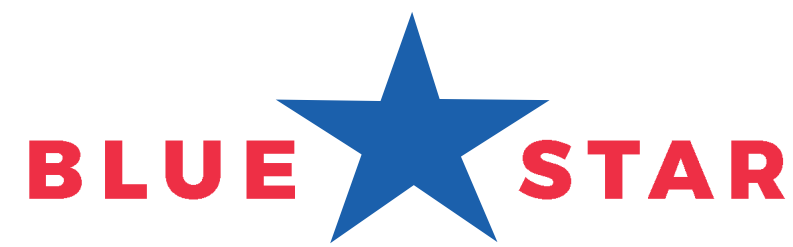
Employee area

Crab Room #1

Water treatment area

Receiving, processing and storage rooms





Facts

Atlantic Blue Crab

WHAT are soft shell crabs (SSC)?

Soft shell crabs are actually “hard shell crabs” that are going through the molting process. This is not a separate species, they are simply getting rid of their old shell as part of the natural growing process.

HOW does the process happen?

To trigger the molting process, the crab releases enzymes which separate its old shell from the underlying skin. Over the course of several weeks, the crab then grows a new, soft, paper-like shell under the old shell. The crab then ingests enough water to bloat itself, loosening the old shell.

WHICH are the best species of SSC?

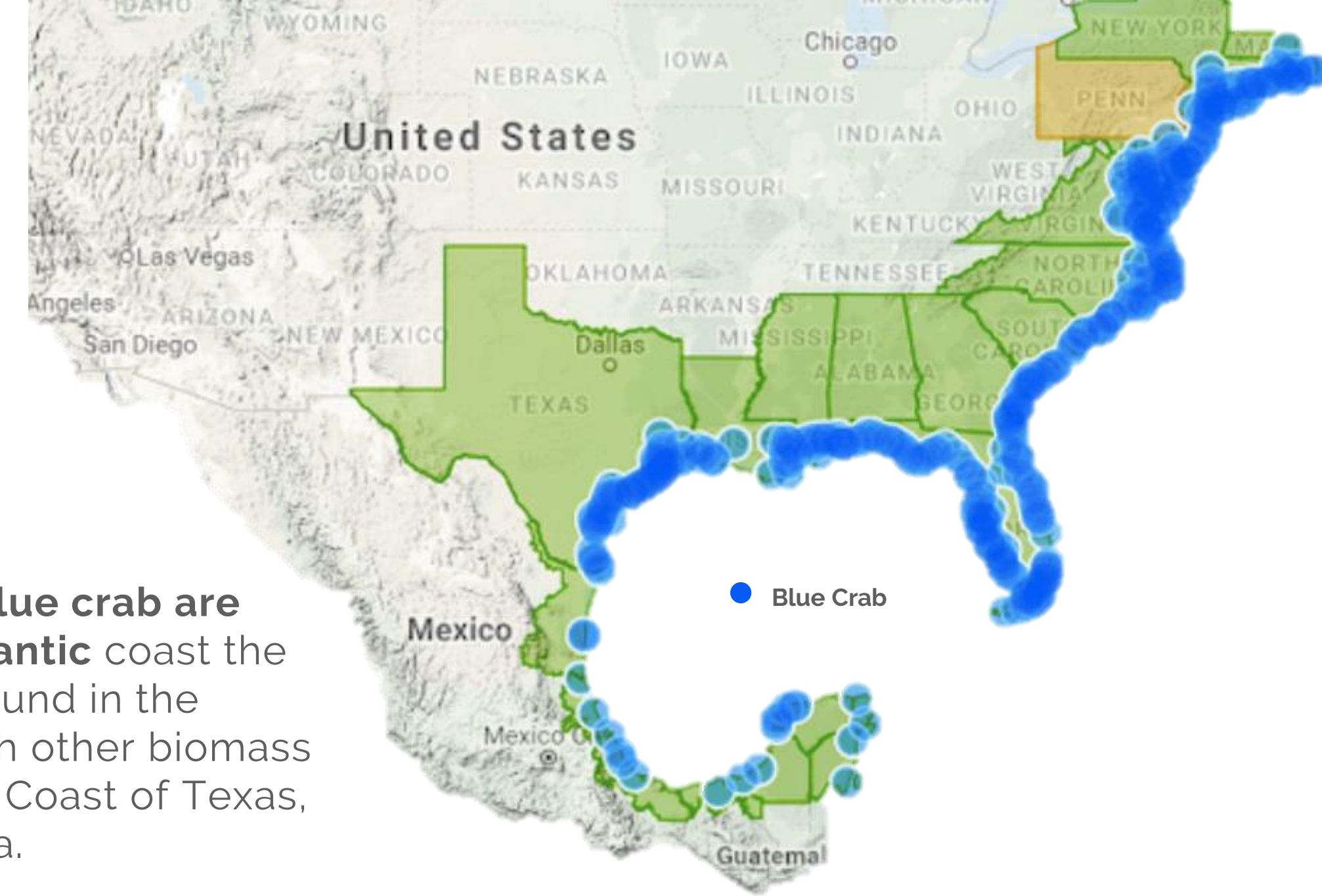
Among the top rated harvested as soft-shell crab are mud crabs, widely used in Southeast Asia, the Japanese blue crab, velvet crabs of the coast of Malaga in Spain, but the most prominent and best rated species due to its taste is the Atlantic Blue Crab or *Callinectes sapidus*.

Although Atlantic Blue crab are found along the Atlantic coast the largest biomass is found in the Chesapeake Bay with other biomass areas along the Gulf Coast of Texas, Louisiana and Florida.

WHEN is SSC season?

Soft shell crab season starts in spring through fall along the Gulf Coast, it usually starts in early April and runs through October or early November with slightly shorter seasons along the Chesapeake and East Coast. Soft shell crabs are not in season during the winter months, when we see very few crabs after the water temperature drops below 50°F.

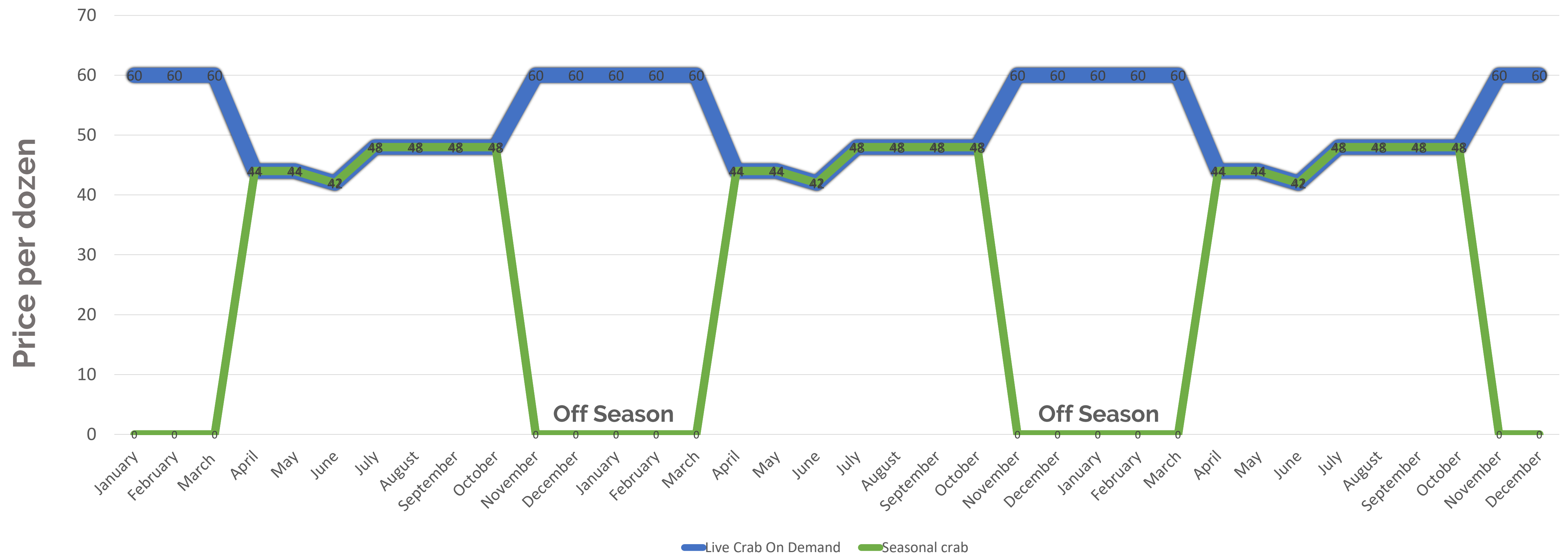
The answer is: the molting process, when crab molts out of its old, hard shell and before its new shell has hardened, they are one of the tastiest treats due to the amount of enzymes enriching the meat. At that exact moment they hold all the crab flavor without any of the hassle of prying meat from its sharp, thick shell, it's basically seafood in its most perfect state.



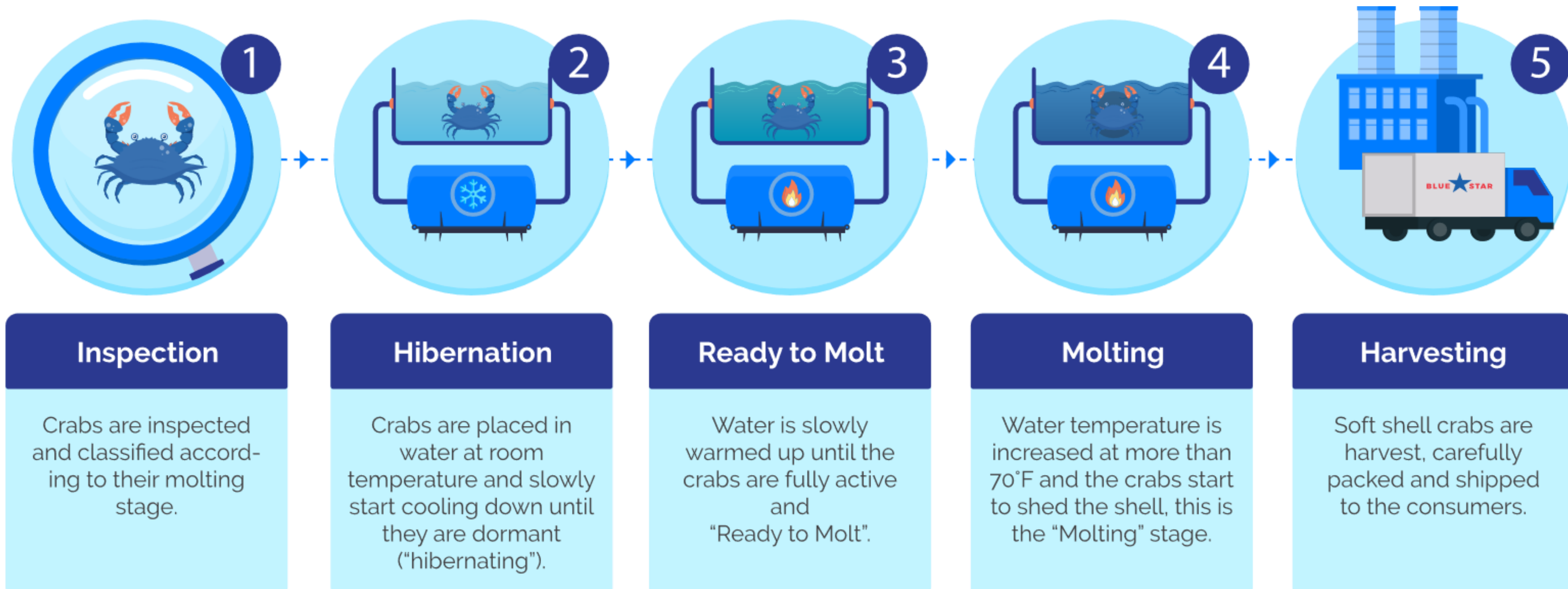


Pricing Comparison Analysis

We will be selling at HIGHER prices during the off-season

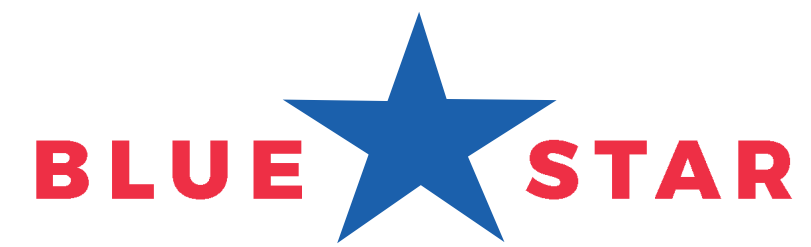


Soft Shell Crab Farm Flow Diagram



Project Timeline





NEW

1500 TON Salmon Farm Site

Why British Columbia, Canada region?

- Abundant freshwater resources
- Mild climate reduces chilling demand
- Close to Markets - West Coast , Asia
- Established fish distribution networks
- Human Capital – Established Aquaculture industry
- Local Feed Mills - Skretting/EWOS/Taplow
- Low-Carbon, Low-Cost Hydro electricity (10-30 tonnes perGWh) (6.06 cents CAD /KWh)

Why Steelhead Salmon?

- Superior Taste/Texture
- 0% Early maturation in our production environment
- No wild fishery
- Strong market demand at premium prices
- 13-month production cycle to 2.4kg HOG





NEW

1500 TON Salmon Farm Site (Continued...)

Biological Risk Mitigation

Modularity

- Parallel production systems superior to larger tanks
- 1500MT HOG in 8 separate growout RAS
- Equipment from adjacent RAS can load-share in case of equipment breakdown

Scale

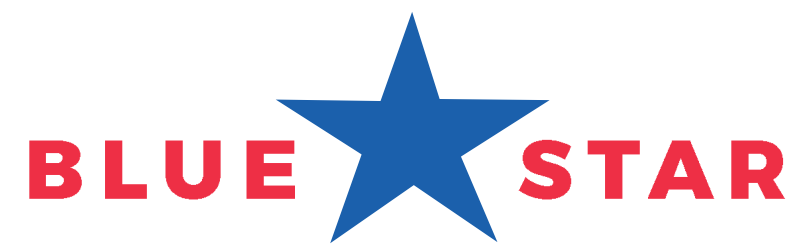
- 1500MT facility utilizes scale already in widespread use throughout salmon smolt operations
- Smaller capital requirement compared to unproven >10K Tons mega facilities.
- Economy of Scale:
- CapEx budget \$23CAD/KG HOG.
- Optimal size to minimize human capital requirements. 15 Full Time Employees.
- Sufficient scale to utilize state-of-the-art fish handling and processing systems.

Expertise

- Engineering firm PRAqua has proven track record of functional facilities supplying Growout RAS, Smolt production, Government Enhancement Hatcheries
- TOBC has 9 years expertise/experience operating RAS Growout Systems
- Pilot Facility in operation since 2013 Supply fish to market since 2014

Biosecurity

- Fully bio-secure facility
- Pristine well water free from pathogens, pharmaceuticals, pollution
- Fully disinfected prior to use
- Complete temperature control
- Optimal 14degC-16degC water temperatures 12 months / year
- Eggs to Harvest production within one facility
- RAS facility overcomes challenge to traditional aquaculture: No Sea Lice, no algae blooms, no pathogens from other wildlife



NEW

1500 TON Salmon Farm Site (Continued...)

Real world experience: *Data Driven Design*

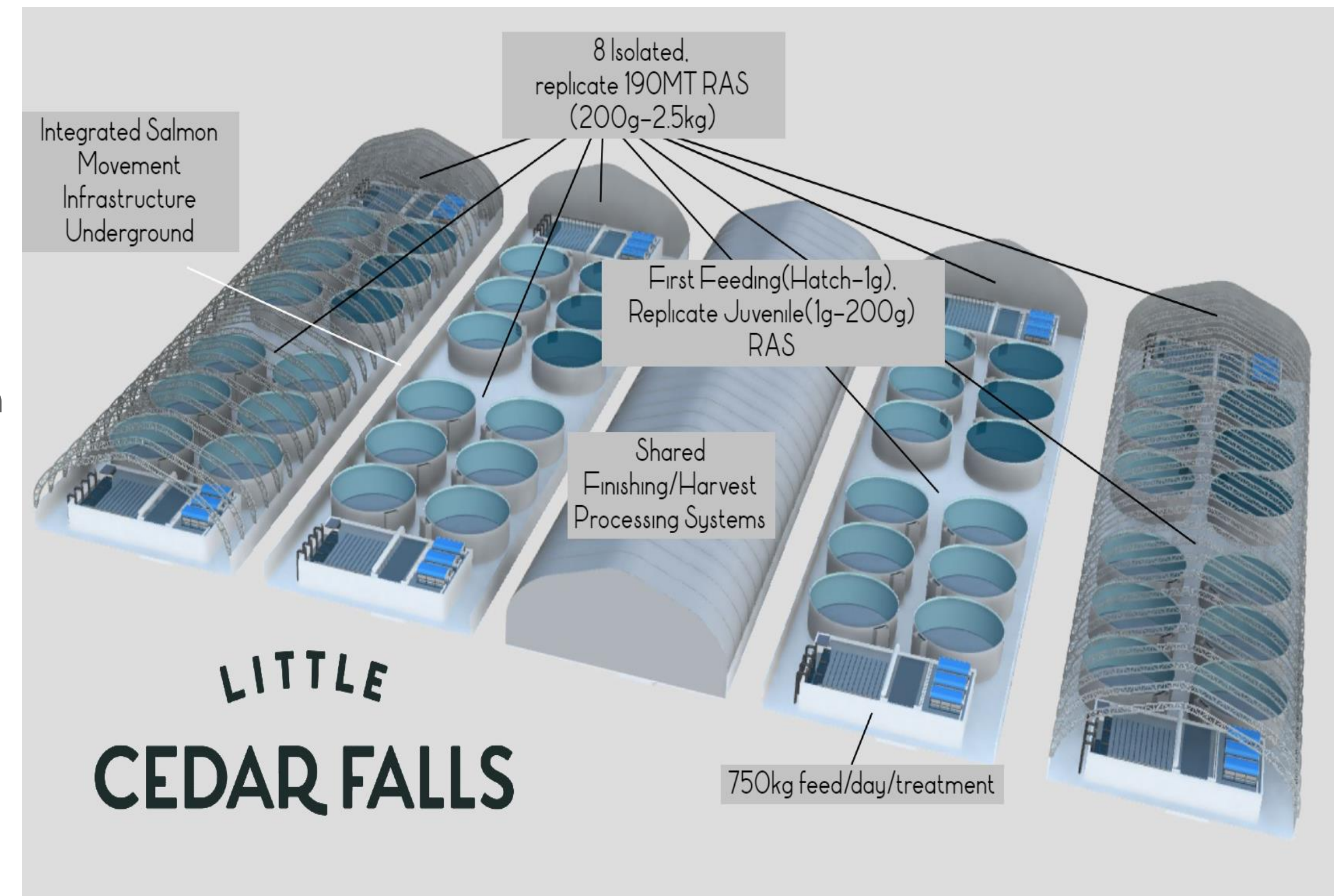
Operation of pilot facility since 2013 provides operational knowledge which informs facility design

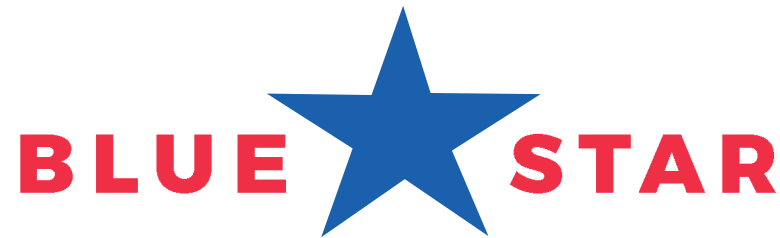
Real world production metrics provide known outcomes

- Growth curves and feed conversion models built with real production data NOT projections
- No technological or biological advancements required for expansion success

Trim the Fat: CapEx optimized to ensure most effective investment

- RAS facilities can easily become complicated and costly
- Small changes can have big consequences in outcome (ballooning costs/ability to achieve required production metrics)
- Substantial operational experience informs facility design for cost-effective production
- System design to balance CapEx with:
 - optimal redundancy
 - reduction of labor – lower OpEx
 - minimal technological uncertainties





Lowest Capex Per Ton & Highest Pilot Farm Capacity Utilization

	Atlantic Sapphire - Miami		AquaBounty - IN & OH		BlueStar Food Company - VCI		KingFish Company - Norway	
	AAS - Phase I	AAS - Phase II	AQB - Albany	AQB - Pioneer	BSFC Existing	BSFC New	KING Existing	KING - Phase II
Capex in U.S. Dollars	NA	\$287,500,000	NA	\$360,000,000	<u>\$1,769,231</u>	<u>\$35,000,000</u>	\$34,498,309	\$85,294,118
Capacity in MT HOG	8,618	8,618	1,008	8,400	<u>70</u>	<u>1,500</u>	1,500	2,000
Capex/MT	NA	\$33,359	NA	\$42,857	<u>\$25,275</u>	<u>\$23,333</u>	\$22,999	\$42,647
					-	-		
Current annualized production MT	1,451	NA	540	NA	<u>66</u>	<u>NA</u>	1,484	NA
Current capacity utilization - June 2022	17%	NA	54%	NA	<u>94%</u>	<u>NA</u>	99%	NA

	Capacity Utilization	Next Gen Facility Capex/MT
Atlantic Sapphire	17%	\$33,359
AquaBounty	54%	\$42,857
BlueStar	<u>94%</u>	<u>\$23,333</u>
KingFish	99%	\$42,647

Notes:
Historic capex converted on annual currency exchange rate average
SALME noted Phase II cost estimates likely higher than initially planned which was less than Phase I, we are keeping capex assumption flat with Phase I though likely higher to given recent cost pressures
Nordic Aqua Partner cost projections for phase II are flat with phase I and while benefit from Chinese equipment costs and costs in China, given lack of experience, these estimates are highly risky, in our view
All capacity estimates are converted to HOG MT assuming 84% yield for those providing live weight estimates (AQB)
We assume AQB Capex for Pioneer, OH at 12.5% above prior high-end of \$320m range as company has indicated something above the \$320m level



Steelhead Salmon

1,500 MT

Facility Economics

Site Selection Update

- Completed
- There are multiple sites as possibilities

Grants and No-Interest Loans

- With the Government of British Columbia on various incentive financing structures

Economics of 1,500 MT Facility ⁽¹⁾	
Facility Capacity	1,500 MT
CapEx	\$35.3M
Time To Production	28 Months
Full Harvest	37 Months
Annual Revenue	\$12.3M
Annual EBITA Income	\$5.5M
EBITA Income Margins	44.7%
Payback Period (ROI)	8 Years

⁽¹⁾ Company's internal estimates.

Soft Shell Crab

227,000 Dozens

Facility Economics

Site Selection Update

- Under contract
- Located in Jasper County, South Carolina.

Grants, State tax Incentives & Revenue Credit

- US\$ 438K One Time Grants
- US\$ 5,265 Million Jobs & Revenue Credits (10 yrs)
- US\$ 4,035 Million Sales & Property Tax

Economics of 227K Dozen Facility ⁽¹⁾	
Facility Capacity	224,000 Dozens
CapEx	\$14.7 M
Time To Production	14 Months
Full Harvest	26 Months
Annual Revenue	\$10.7 M
Annual EBITA Income	\$4.9 M
EBITA Income Margins	46%
Payback Period (ROI)	4 Years

⁽¹⁾ Company's internal estimates.



Crab Meat Product Sourcing. Processing. Sustainable Catch.

BSFC sources its main product, the Blue Swimming Crab from Southeast Asia.

- In 2020, 90%(1) of product sourcing was from the Philippines (46%) and Indonesia (44%).

Product is processed on site at local facilities, and packaged, and sent to their market destinations (U.S. and Europe).

- Plants receive British Retail Consortium (BRC) audits every year.

Sustainable Sourcing

- BSFC pays local fishermen that use their proprietary (GPS-based) technology system that allows them to trace product source.
- Encourages the capture of male crabs.
- Mapping waters where more mature crabs can be harvested.
- Catching crabs using Collapsible Traps instead of Gill Nets. Preventing Bi-Catch

(1) Source: Internal numbers as of Q4-2020





Environmentally Friendly Packaging/Premium Labels



Sustainable and ethical packaging.

- BSFC has several global patents on the Eco-Fresh crab meat pouches Worldwide. ONLY company to package Crab meat in pouches.

Benefits of Eco-Fresh pouches vs. traditional metal cans include:

- Cost Efficient | longer Shelf life | **60% Less CO2 emissions** | decreases waste.
- **Can attach RFID tracking codes for monitoring.**

Blue Star has premium proprietary brands within the crab-meat industry.

- All brands are recognized amongst its end-customers, for reliable, uniform, quality product.
- Commands higher margins in the seafood industry.





ESG - Framework

Blue Star is committed to improving shareholder value. We will only do so through the highest standards of governance in a way that is beneficial to the natural habitats that supply our products and the people who work hard to obtain these products for us. We define sustainability as the ability to meet our needs today without compromising the ability of future generations to meet theirs. This is better comprised through the ESG which implies 3 main pillars:



CLIMATE CHANGE	Carbon emmissions
	Carbon Footprint
	Vulnerability
NATURAL RESOURCES	Water Stress
	Biodiversity and Land Use
	Raw Material Sourcing
POLLUTION AND WASTE	Toxic Emissions and waste
	Packaging Material
	Electronic Waste
ENVIRONMENTAL OPORTUNITY	Clean Tech
	Green Building
	Renewable Energy



HUMAN CAPITAL	Labor Management
	Health and Safety
	Supply Chain Labor Standards
STAKEHOLDER OPPOSITION	Controversial Sourcing
SOCIAL OPORTUNITY	Access to Communication
	Access to Health Care
	Access to Finance
	Nutrition and Health



CORPORATE GOVERNANCE	Board Diversity
	Executive pay
	Ownership
	Accounting
CORPORATE BEHAVIOR	Business Ethics
	Anti Competitive
	Corruption
	Tax Transparency

ESG & Environmental Stewardship

BSFC released its First GRI Standard Sustainability Report in January 2021 & Update coming December 2022.



89-page report shows the company's performance during past 2 years against globally recognized, quantifiable and standardized ESG Key Performance Indicators.

- Only report focused on Blue Crabmeat category of seafood⁽¹⁾.
- Report examines how BSFC looks after the ocean waters from where crabs are harvested, waste management, its relentless focus on its workers' social and economic wellbeing and efforts to empower local artisanal fishing communities.

⁽¹⁾ GRI Sustainability Report can be found here - <https://www.bluestarfoods.com/wp-content/uploads/PDF/BSF-Sustainability-Report-2020.pdf>



Established Supply Chain with Blue Chip Customers

BSFC has built relationships with some of the largest, most prestigious companies in the United States.

- Quality product
- Reliable delivery
- Delivers auditable ESG check points for customer





Significant Discount in Valuation as Compared to Peers:

NASDAQ: AQB
\$44M Market Cap
\$1.2M Revenue TTM

AquaBounty (in production)

OTC: AASZF
\$57M Market Cap
\$14.6M Revenue TTM

 **ATLANTIC
SAPPHIRE.** (in production)

 **NORDIC
AQUAFARMS** (project phase)
SUSTAINABLE AQUACULTURE

 **West Coast** (project)
SALMON

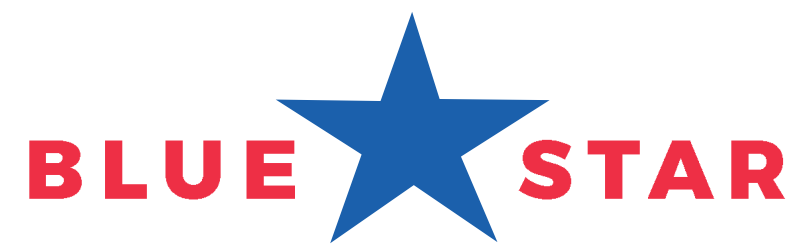
 **AquaCon™** (project)

 **PURE
salmon** (project)

OTC: SHMP
\$95M Market Cap
\$0M Revenue TTM

 **NATURAL SHRIMP®**
Always Fresh • Always Natural





Investment Highlights

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Macro Factors Accelerating Push Toward Innovation and Sustainability - Seafood Consumption Outpacing Supply and Environmental Safety

2

Stablshed Supply chain & Strong Relationships with Distributors Partners

3

Well-Positioned for Expansion in Land-Based Recirculatory Aquaculture System (RAS)

4

Highly-Scalable Modular Technology & Expanding Seafood Categories – Salmon, Soft Shell Crab, Other Fin-Fish Species

5

Significantly Discounted Valuation as Compared to Peers



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