



Clean Seas Seafood Limited
Microcap Investment Conference

October 2018

David J Head – Managing Director & CEO



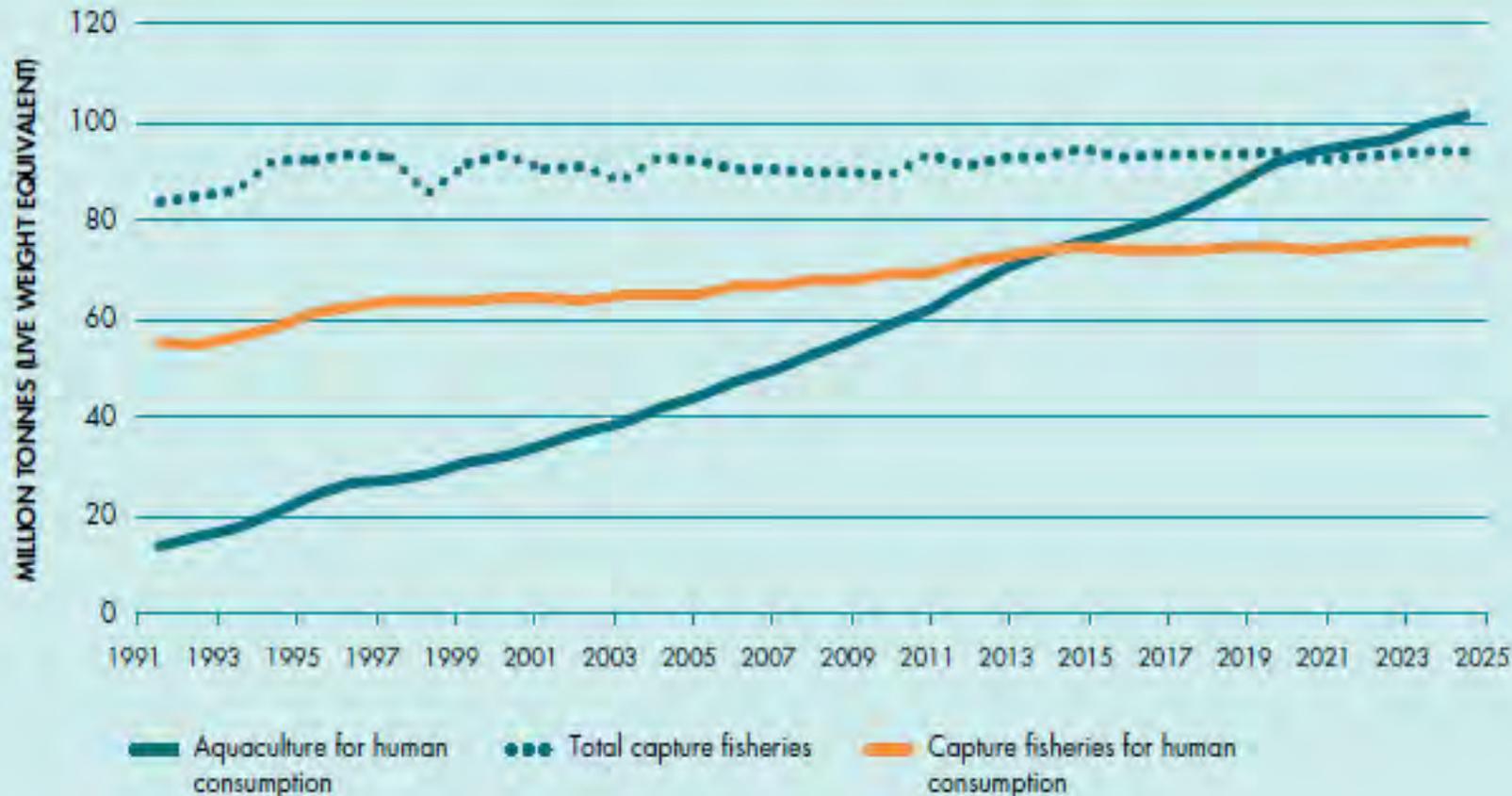
COMPANY VISION

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

Aquaculture – The sustainable and efficient growth opportunity

FIGURE 34

GLOBAL CAPTURE FISHERIES AND AQUACULTURE PRODUCTION TO 2025



- Fish is now **16% of all global animal protein** consumption
- The OECD and FAO forecast **fish consumption** to continue rising through 2025
- The **wild fish catch** is effectively capped, leaving sustainable aquaculture as the only way to meet rising global demand
- Farmed finfish convert feed into body mass **7x more efficiently** than cattle and sheep, while producing less than **1/10 the Co2** per kg of cattle and sheep

Global Leader



- We are the Global Leader in the “Full Cycle” Breeding and Farming of Yellowtail Kingfish and grew around 3,300 tonnes in FY18
- The Japanese Industry is around 140,000 tonnes pa but is mostly a “Wild catch and Grow-Out” model with only a relatively small proportion using hatcheries for Full Cycle Breeding and farming



“We won’t say *absolutely* it’s the *best raw fish* in the world, but after talking to chefs around the world, we don’t believe there is a fish that matches Spencer Gulf Hiramasa Kingfish”

David J Head
Managing Director & CEO

Spencer Gulf Hiramasa - Best in Class



- Sensory Research in Australia in February 2017 by Colmar & Brunton showed **Spencer Gulf Hiramasa** as Best in Class
- Blind taste tests by leading chefs, food and wine writers and industry experts chose **Spencer Gulf Hiramasa** over five other products including:
 - Imported Japanese YTK
 - Wild Caught YTK from two different regions of Australia
 - Another Australian farmed YTK
 - Australian farmed Cobia
- **Spencer Gulf Hiramasa** was also recently voted “**Best Fish**” at the Australian Food Awards for the third year in a row – 2016, 2017 and 2018.

Featured on the menu by top chefs around the world



Australia

- Saké (Sydney/Melbourne)
- Pilu (Sydney)
- Aria (Melbourne)
- Lee Hofok (Melbourne)
- Momofuku Seiobo (Sydney)
- Anchovy (Melbourne)
- Automata (Sydney)
- Bellota (Melbourne)

United Kingdom

- Roka (London)
- Sexy Fish (London)
- Zuma (London)
- Gordon Ramsay (London)

Germany

- H&H (Hamburg)
- Funky Fish (Berlin)
- Lohninger (Frankfurt)
- Tim Raue (Berlin)

Italy

- Nobu (Milan)
- Cipriani (Venice)
- La Pergola (Rome)

Switzerland

- Eden au Lac (Zurich)
- Ecco (Zurich)

Austria

- Hangar 7 (Salzburg)
- Amador (Vienna)

France

- Hotel Costes (Paris)
- L' Atelier de Robuchon (Paris)
- Hotel Crillon (Paris)
- Kinugawa (Paris)

Spain

- Shunka (Barcelona)
- Pacha (Ibiza)

Portugal

- Vila Joya (Algarve)

Denmark

- Sticks N Sushi (Copenhagen)

Norway

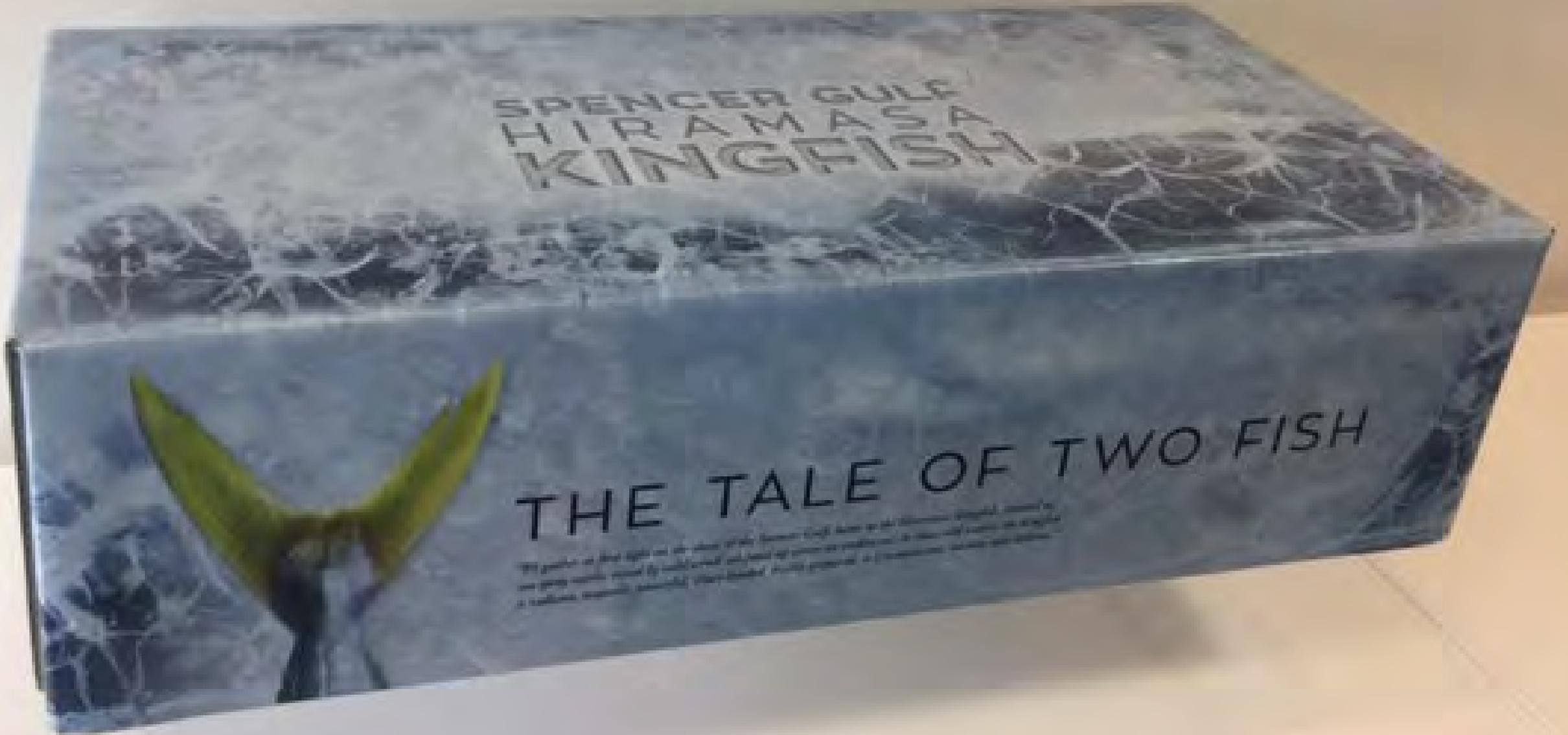
- Alex Sushi (Oslo)

Branding leverages unique Provenance



Benefits of cold water farming | Distinct differentiation from competitors

New Outer Packaging – 100% Recyclable

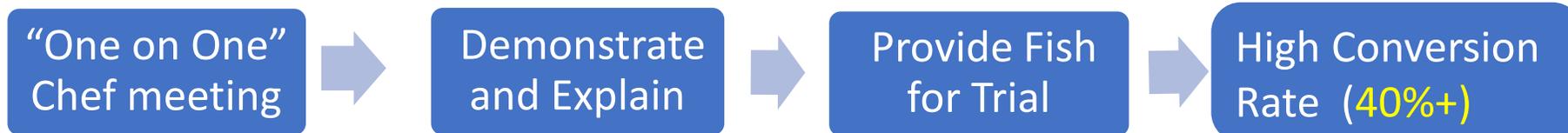


THE TALE OF TWO FISH

The golden fish sits on the shore while Spencer Gula Kiramasa Kingfish swims in the distance. The golden fish is the only one of its kind in the world. It is the only one of its kind in the world. It is the only one of its kind in the world.

Global Chef Activation Program

- To support our global distribution network we met “one on one “ 1,985 leading chefs across Europe (726) USA (191) and Australia (1,068)
- Results are very encouraging with **41%** of Chefs visited who are not currently using our Kingfish have indicated they would definitely start buying



20 years in the making – Blend of Nature and Nurture

“This incredible fish has been 20 years in the making.

Every fish, every day, requires meticulous care from our team of dedicated experts.

It really is a superb blend of nature and nurture”.

Dan Fisk
General Manager Aquaculture



Farmed in a Unique Area of South Australia

- Our Hatchery and Sea Farms are located in the Spencer Gulf, in a *remote corner of Southern Australia* near the famous fishing town of Port Lincoln.
- By any measure, the Spencer Gulf in *one of the cleanest bodies of water in Australia*. There is nothing between the water where the kingfish are raised and the Antarctic but the icy, vast expanse of the Southern Ocean.
- Yellowtail Kingfish are *indigenous to these remote crystal clear waters*. Spencer Gulf Hiramasa Kingfish brood stock are bred from fish originally sourced only an hour or so from our current operations.



Lease Capacity for 9,000 + tonnes – 3,300 Produced in FY18



Dedicated Feed Trial Facilities



Long serving highly skilled staff



Adam Miller
Breeding and Hatchery Manager

Team of world class scientists preparing fish for departure



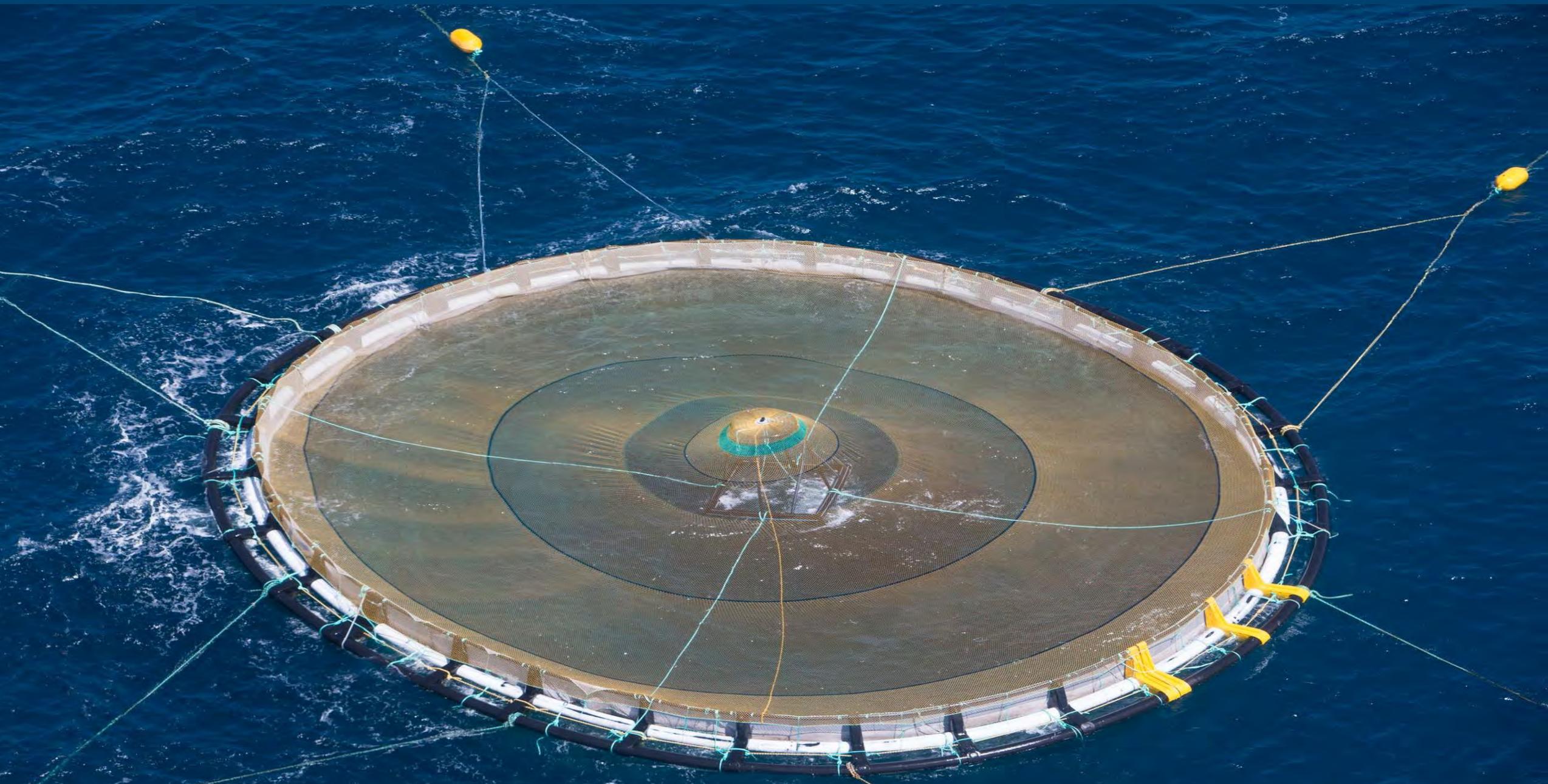
Transfer to Sea Farms by helicopter four times (runs) per year



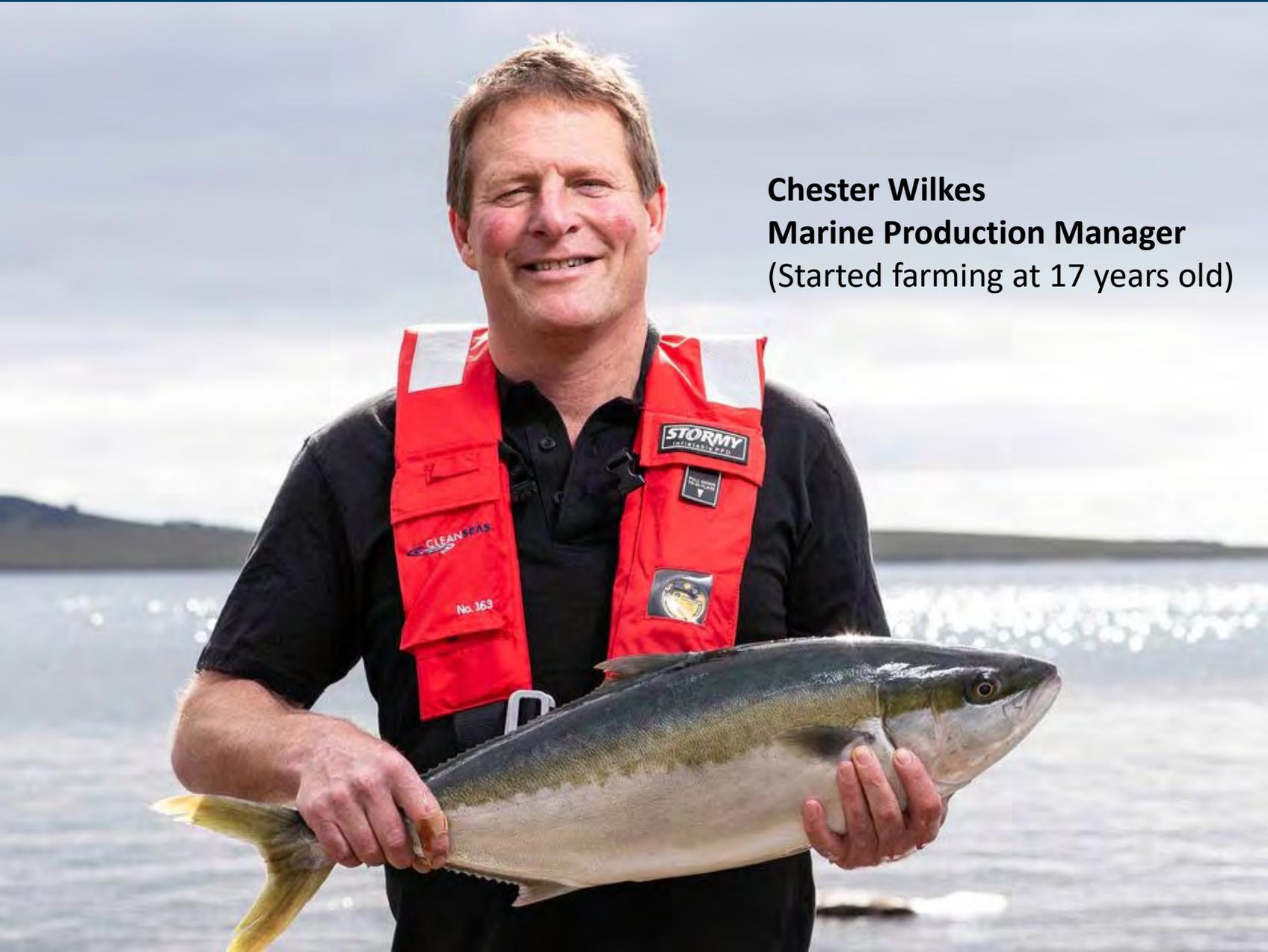
Circa 300,000 fish transferred per run – Up to 40 trips a day



Ocean Farm – Home for the next 18-24 months



Years of experience farming this unique animal



Chester Wilkes
Marine Production Manager
(Started farming at 17 years old)



Icy cold Spencer Gulf winters that firm and tone the flesh



Warm Spencer Gulf summers - growing season



Kingfish are hungry animals and fed daily – 52 weeks per year



Harvest day



Harvesting – the last stage in 24 months of *daily nurture* at the farm

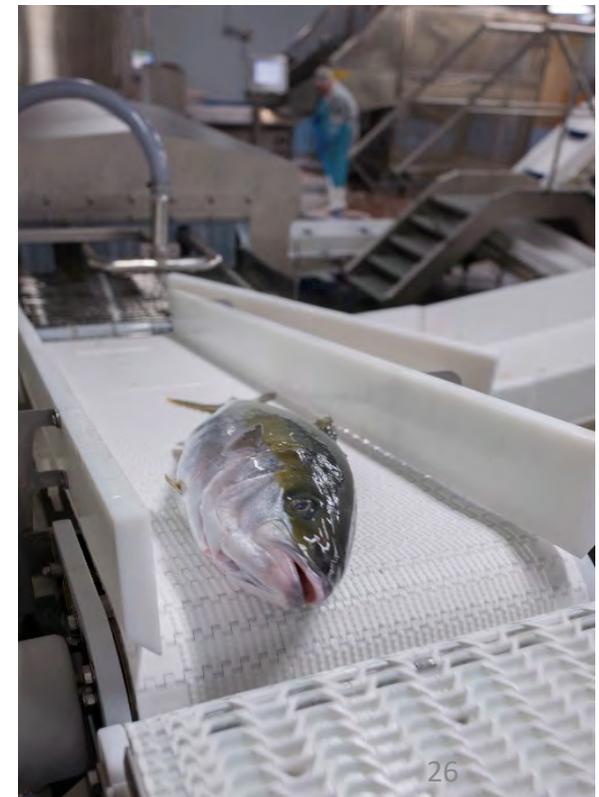
Grant “Andy” Henderson
Captain of the Harvest Vessel

Nicholas Angelo



Specialised Processing and handling – all the way to the customer

- In 2017 Clean Seas has made a significant investment in a new in-house processing facility that delivers high quality fresh and frozen product from Adelaide to the world *and will deliver annual savings of \$1.2 million +*
- End to end quality control across Clean Seas' supply chain from hatchery to end customer
- Significant capacity for future expansion, including new “value added” products planned in FY20
- As part of this multi million dollar investment, Clean Seas will also set a new standard for frozen Yellowtail Kingfish



A game changer in frozen Yellowtail Kingfish



CLEANSEAS

SensoryFresh: A Game Changer in Frozen Yellowtail Kingfish



- Freezing high value, premium quality seafood is *all about speed*. The ice formation stage must be fast for optimum texture
- Clean Seas Rapid Freezing does this in **around 22 minutes, 10 times faster** than conventional freezing
- To capture the colour, aroma and flavour, **-35°C must be reached quickly**. Conventional freezing won't do this
- Our Rapid Freezing achieves **surface temperature of -95°C and core temperature -50°C to -70°C**
- We call it "*SensoryFresh*"

Testimonial from Shaun Presland – Sushi Master



“I was seriously overwhelmed with how good this product is.

I cooked some with crispy skin and the fat layer between the flesh and skin is perfect, undisturbed by the freeze.

I ate some sashimi, made some nigiri and smashed out a tartar.

The bloodline, the firm flesh and the aroma felt like this fish had just jumped out of the ocean.

The flavour was delicious and had no traces of the tinny, metallic tastes that can affect frozen fish.”

Shaun Presland
Group Executive Chef - Sake Restaurants

Specialised global supply chain

- **Fresh Spencer Gulf Kingfish** is delivered to customers around the world *twice per week – 52 weeks per year* and is in restaurants in Europe, North America and Asia within *four days* of harvest
- **Sensory Fresh (premium frozen) product** is shipped around the world in specialist minus 35 degree refrigerated containers and has achieved a clear product advantage versus all other frozen YTK offerings (globally)
- We have direct relationships with more than *150 distributors* and wholesalers worldwide

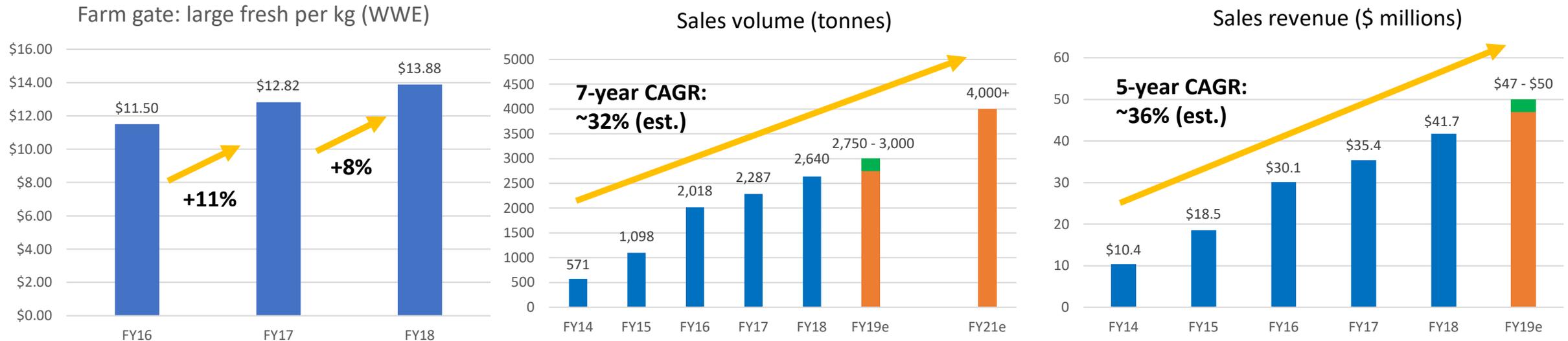


Nicky Riemar
Bellota Restaurant
Melbourne



Five Years of Strong Sales Growth — Projecting 4,000 Tonnes by FY21

- Continued volume and pricing improvements across several categories drove FY18 revenue growth of **18%** to \$41.7 million.
- Farm gate prices continues to improve, with Clean Seas boosting farm gate price for its Large Fresh product by **8%** (representing 64% of FY18 volume and 73% of revenue) on volumes which matched FY17.
- Traditional frozen product sales volume (excluding clearance stock) increased **53%** in FY18 at 25% higher farm gate prices.
- Overall, Clean Seas achieved a **15%** increase in sales volume over FY17 to 2,640 tonnes¹.



1: A 7% volume increase excluding the impact of clearance sales of frozen product in FY17 and FY18.

Strong global sales growth potential

	Annual Per Capita*Consumption Farmed YTK (Grams/PA)
Japan	1,100 grams (1.1kg)
Australia	80 - 90 grams
North America	60 - 70 grams
Europe	< 10 grams
China	<10 grams

(*) Based on major urban populations

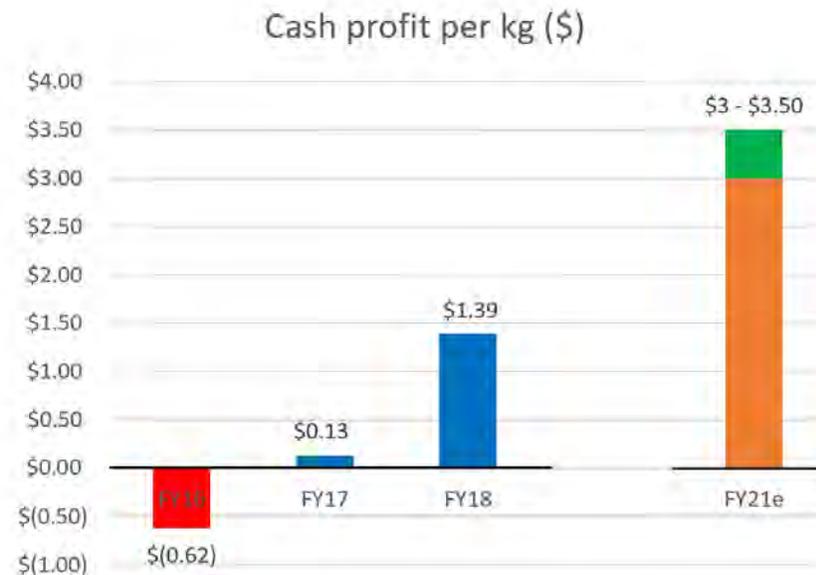
- **Japanese** annual Per Capita consumption of Farmed Yellow Tail Kingfish is circa 1.1 kg and circa \$2kg Per capita combining Farmed and Wild Caught YTK
- **European** annual Per Capita consumption of Farmed Yellow Tail Kingfish is less than 10 grams which excludes the large Wild Catch YTK from the Mediterranean and South Africa
- **North American** annual Per Capita consumption of Farmed Yellow Tail Kingfish is circa 60-70 grams and excludes any Wild Caught YTK – it was only circa 15-20 grams per capita 10 years ago
- **Australian** annual Per Capita consumption of Farmed Yellow Tail Kingfish is circa 80-90 grams but varies by region from 40 to 110+ (excludes Wild catch)
- **China** annual Per Capita consumption of imported Farmed Yellow Tail Kingfish is less than 10 grams but excludes local farmed and wild caught YTK

FY18 Results Summary

	FY18	FY17	Change
Sales Volume (tonnes WWE)	2,640	2,287	▲ 15%
Net Biomass Growth (tonnes)	3,330	2,459	▲ 35%
Closing Biomass (tonnes)	3,606	2,699	▲ 34%
Sales Revenue (\$'M)	41.7	35.4	▲ 18%
Profit After Tax (\$'M)	3.4	0.2	▲ \$3.2M
Closing Cash Balance (\$M)	5.5	0.5	▲ \$5.0M
Undrawn Committed Facilities (\$'M)	13.9	8.0	▲ \$5.9M
Net Assets (\$'M)	71.8	51.6	▲ \$20.2M
Cash used in Operations (\$'M)	(6.8)	(3.3)	▼ \$3.5M

Target FY21 Cash Profits – On Track

Large Fresh - \$ Per kg (WWE)	FY16	FY17	FY18	FY21 Target
Farm Gate Price	11.50	12.86	13.88	
Production Cash Cost per kg of Net Growth (Farm and Hatchery)	9.78	9.74	8.88	
Indirect Cash Cost per kg of Sales (Sales, Marketing, Logistics, YTK R&D and Corporate)	2.34	2.99	3.61	
Cash profit per kg (WWE)*	(0.62)	0.13	1.39	3.00 – 3.50



- FY18 live fish net growth was stronger with better feed conversion than FY17, with a favourable year class reducing average production cost per kg.
- Indirect costs increased due to higher sales and marketing spend per kg sold, which has **lifted farm gate prices 21% over the last 2 years**.
- In FY19 the **farm gate is expected to increase further**, reflecting savings from in-house processing and further price increases.
- Expansion into **North America and China** will require increased **sales and marketing investment** over the next 2 years, but will help drive global volumes to **4,000+ tonnes by FY21**.
- Investment in the new Whyalla farm plus **automated feed systems** over the next 2 years is expected to reduce farm production costs further by FY21.
- Lower cost of production through automation and investment in selective breeding combined with economies of scale from higher volumes (thus reducing indirect cost per kg) are expected to deliver cash profit per kg of **\$3.00 to \$3.50 for Large Fresh Products by FY21**.
- **Cash profit for All Products** is expected to be \$2.00 to \$2.50 in FY21 and **\$2.50 to \$3.00 in FY22**.

Our Story so far : “Best in class with a compelling narrative”



Outstanding but relatively unknown species outside Japan

Sustainable source of protein

- Global Leader in the environmentally sustainable full cycle breeding and farming of YTK
- Friends of the Sea Accreditation and ASC in process

Best in Class

- Sensory research with chefs confirmed Spencer Gulf Kingfish as “Best in Class”
- Not saying Absolutely best Raw Fish in the Worldbut
- *SensoryFresh* - New Standard in frozen product format
- Voted “Best Fish” – Australian Food Awards three years in a row (2016, 2017, 2018)

Strong Brand Story

- Unique Provenance reflected in brand name
- Cold water differentiation proposition
- *SensoryFresh* Branding

Endorsement of leading Chefs around the world

- Leading chefs use Spencer Gulf Hiramasa Kingfish on menu
- First chef to use *SensoryFresh* - “ Seriously overwhelmed “

Significant Growth potential

- New Markets (North America /Asia)
- Per capital growth opportunity in Europe and Australia

Profitability

- Solid Profit FY18
- On track for FY21 Cash Profit per kg Targets



CONTACT:

David J Head | Managing Director and CEO

david.head@cleanseas.com.au

+61 (0) 419 221 196

Tim Dohrmann | Investor Relations

tim@nwrcommunications.com.au

+61 (0) 468 420 846



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.