

CLEAN SEAS

Seafood Limited

INVESTOR PRESENTATION
October 2017

“ We gather at first light on the shore of the Spencer Gulf, home to the Hiramasa Kingfish. Around us, sea spray swirls, tossed by wild winds whipped up across an endless sea. In these cold waters, the Kingfish is majestic, radiant, powerful. Once landed, freshly prepared, it is luscious, translucent and delicate. ”

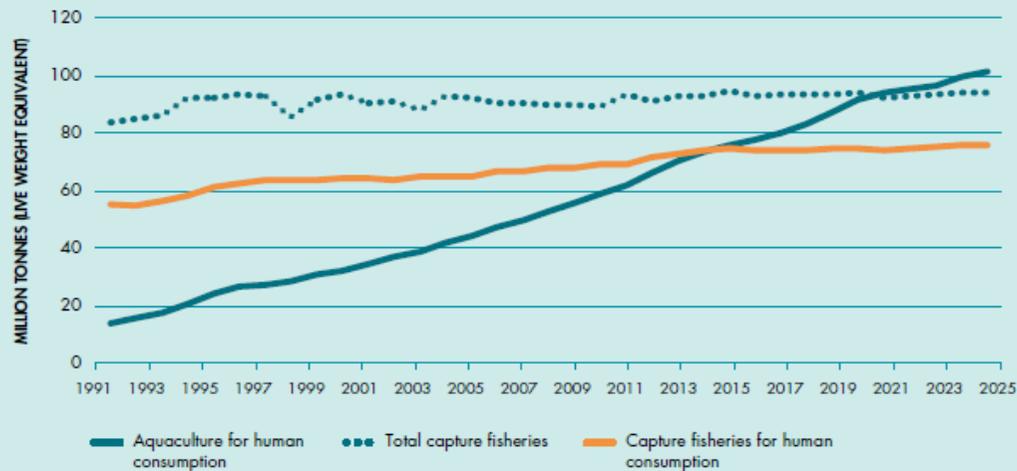
- THE TALE OF TWO FISH



Aquaculture – A sustainable growth opportunity

FIGURE 34

GLOBAL CAPTURE FISHERIES AND AQUACULTURE PRODUCTION TO 2025



SOURCE: OECD and FAO.

- The OECD and FAO forecast fish consumption to continue rising steadily through 2025
- Fish is an increasingly important source of animal protein, having grown rapidly to around 16% of all global animal protein consumption
- The wild fish catch is effectively capped, leaving growth in 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
- Clean Seas' **Spencer Gulf Hiramasa Kingfish** sells at a premium to wild caught Kingfish



Yellowtail Kingfish: An exceptional, surprising fish

Unsurpassed Raw

- Firm white to pink flesh with a sweet, rich, clean flavour
- Its flesh retains layers of subtlety and intrigue – firm but distinctively delicate
- Japanese Sushi Masters consider it the best fish in the world for sashimi

Outstanding Cooked

- Versatility inspires chefs to create innovative dishes
- Seared with heat and fire, mildly cured or marinated
- Endless ways to prepare this versatile fish



Global Leader



- We are forecast to grow around **3,100** tonnes of Yellowtail Kingfish in FY18
- The Japanese Industry is around **160,000** 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
 - The Japanese industry is made up of many small farmers- often just 100 tonnes per farmer
 - The vast majority of Japanese production (circa 95%) is for the local domestic market

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 second year in a row – 2016 & 2017

Our Customers

- Our customers are the leading seafood distributors and wholesalers in key cities across the world
- We have direct relationships with more than 120 distributors and wholesalers
- They service high-end fine dining, international, Japanese and fusion cuisine restaurants
- Together we develop long term relationships with restaurants and key chefs
- Our brand is featured in menus in the best restaurants around the world including Melbourne, Sydney, Milan, NYC, London, Barcelona, Hamburg, Lisbon, Oslo, Zurich, Paris, Los Angeles, Toronto, Venice, Berlin, Geneva, and so on.....



Nicky Riemar
Bellota Restaurant
Melbourne

Farmed in a unique area of South Australia

- Our Hatchery is located at Arno Bay and our sea farm operations are located in the Spencer Gulf, in a remote location off the Eyre Peninsula town of Port Lincoln in South Australia.
- By any measure, the Spencer Gulf is 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.



World Class Hatchery



World Class Hatchery



World Class Hatchery



World Class Hatchery



World Class Hatchery

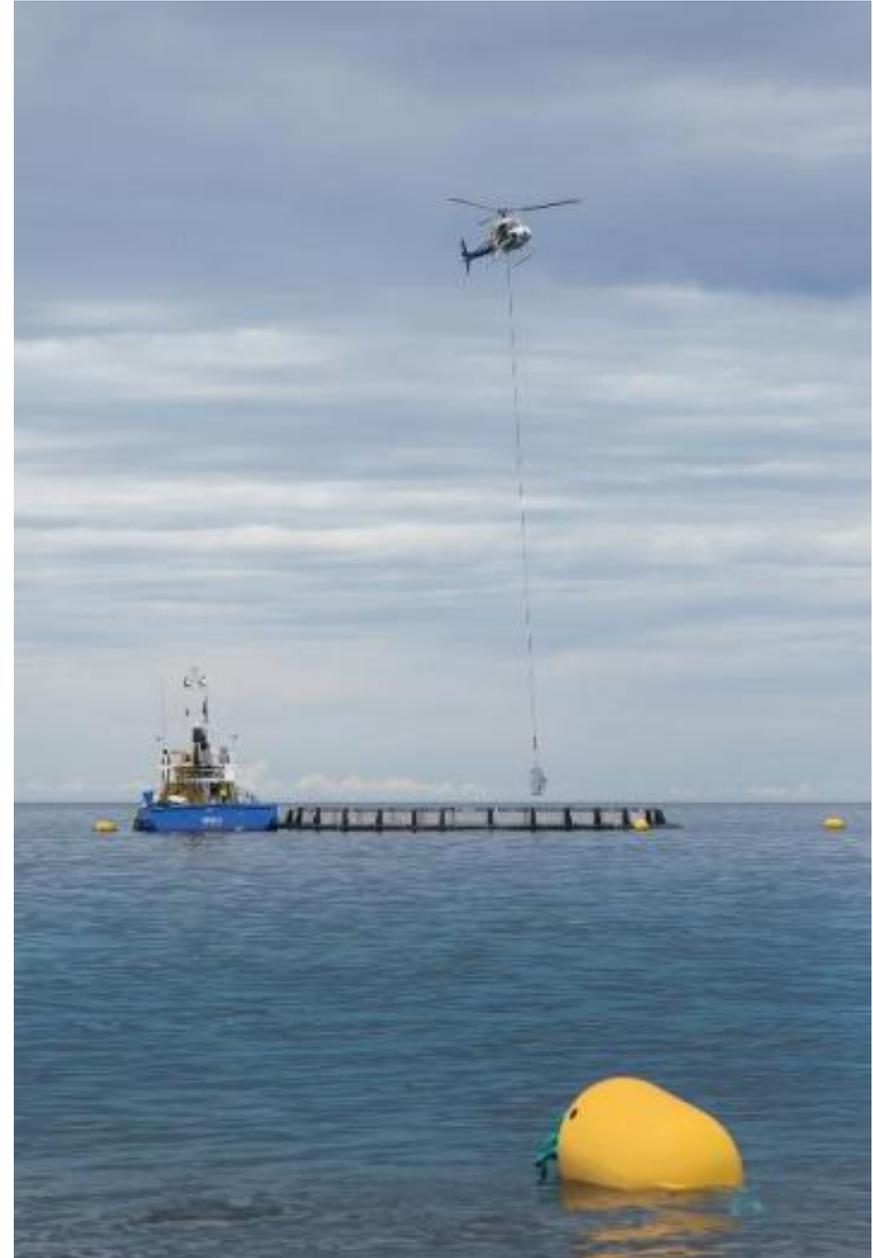


Transfer to Sea Farms

The fingerlings remain in the nursery until they reach a weight of up to 35 grams, at which point they are transferred to the sea, normally by helicopter.



Transfer to Sea Farms



Our Spencer Gulf Farms – Extraordinary Provenance



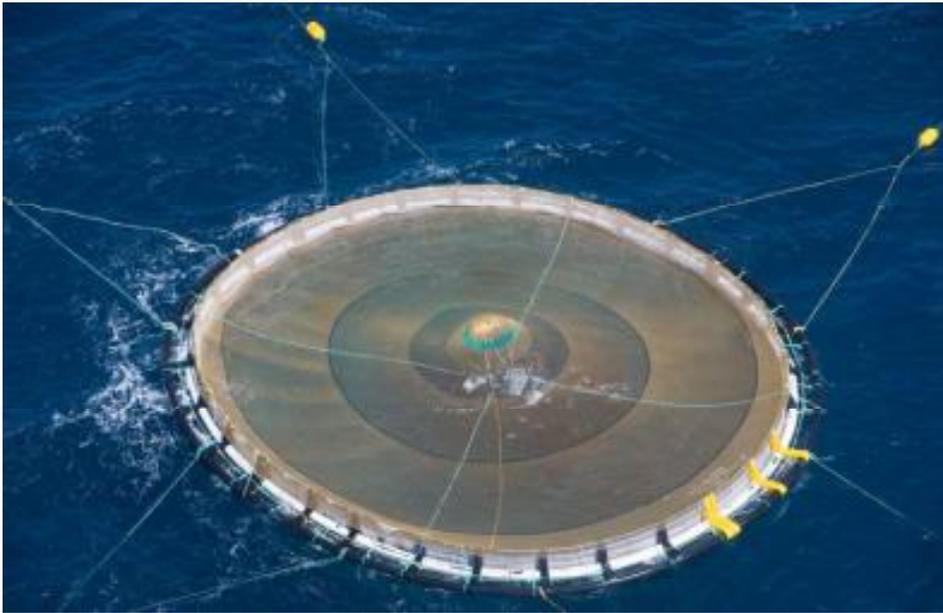
Spencer Gulf – Extraordinary Provenance



Our Spencer Gulf Farms – Extraordinary Provenance



Our Spencer Gulf Farms – Extraordinary Provenance



Clean Seas Farm Lease Capacity



Sustainability

Certification from Friend of the Sea

- No impact on critical habitat (e.g.: mangroves, wetlands, etc.)
- Compliance with waste water parameters
- No use of harmful antifoulants or growth hormones
- Compliance with Social Accountability



Aquaculture Stewardship Council (ASC)

- The worlds leading certification. We are currently working to achieve accreditation during half 1 2018



HACCP

- We are focused on safe work practices and have recently been re-accredited for HACCP



Fully integrated supply chain

New Facility

- In July 2017 Clean Seas commissioned a new in house processing facility in Adelaide providing end to end quality control across the supply chain from Hatchery to customer
- The facility has a significant capacity for future expansion including production of new “value added” products planned from 2018/2019



Latest Technology

- The Royal Park Processing Facility will include latest rapid freezing technology (liquid nitrogen) and Adelaide’s first -40 degree freezer facility





SPENCER GULF HIRAMASA KINGFISH

In July 2017 we rebranded and launched a new marketing campaign

Hiramasa Kingfish brand has evolved over time

Beautiful Fish Campaign (2007 – 2014)



King of Kingfish Campaign (2014 – 2017)



Strategic review of brand

A strategic review in 2016 identified current branding did not reflect the products key attributes and personality.

The new strategy has three strategic pillars:

- Provenance (including cold water benefits)
- Culinary excellence and versatility
- Sustainability



Rebrand: Spencer Gulf Hiramasa Kingfish



Leverages unique provenance | Benefits of cold water farming | Distinct differentiation from competitors

Brand Story – The duality of one

When we talk about our Spencer Gulf Hiramasa Kingfish, we are talking about two fish ...

“There’s the Kingfish in the water ...

POWERFUL, PREDATORY, MAJESTIC...”

and

“There’s the landed Kingfish on the plate..

DELICATE, TRANSLUCENT, SUBLIME ...”



Chef Ambassadors

We have a long standing culture of working closely with high end chefs in Australia and around the world.

Victor Leong



Chef Ambassadors

And these leading Chef's have produced a series of short videos (unscripted and unpaid) in which they share their favourite Spencer Gulf Hiramasa Kingfish creation



Giovanni Pilu
Pilu at Freshwater
Sydney, Australia



Nicky Riemar
Bellota
Melbourne, Australia



Victor Leong
Lee Ho Fook
Melbourne, Australia



Shaun Presland
London, UK



Frank Shek
China Doll
Sydney, Australia



Juan Amador
Amador
Mannheim, Germany



Donovan Cooke
The Atlantic
Melbourne, Australia

Clean Seas Seafood Ltd (ASX: CSS)

TRADING INFORMATION

ASX stock code	CSS
Shares quoted on ASX (After Placement, before Rights Issue)	1,490m
Cash + available finance facilities (30 September 2017)	\$8.0m
Market cap at 6.0 cents/share	\$89m

2017 SHARE PRICE PERFORMANCE



Board of Directors



Terry O'Brien - Independent Non-Executive Chairman (Joined January 2017 – Chairman since May 2017)

Over 30 years' experience as a CEO, CFO and senior executive in the FMCG and textile industry sectors, including Cadbury Schweppes, Pacific Dunlop and Simplot. From 2001 until March 2017 Terry was Managing Director of Simplot Australia, one of Australia's largest food companies where he led a threefold growth in sales during his tenure as Managing Director.

Terry is also a Director of Food Innovation Australia Ltd . Chairs the Clean Seas remuneration and nominations committee.



David J Head – Managing Director & CEO (Joined January 2016)

Over 25 years experience as a CEO, Non-Executive Director and Corporate Advisor in a wide range of industry sectors in Australia, New Zealand, Asia and Europe in public and privately owned companies. This includes Chief Executive roles at Pepsi, Lion Nathan, Calum Textile Group and Leigh Mardon Group. A Non-Executive Director of Fair Trade Australia & NZ Limited and Chairman of the Board of the VCFA Football (Soccer) Association.



Paul Steere – Independent Non-Executive Director (Joined May 2010, Chairman May 2012 – May 2017)

Founding CEO of New Zealand King Salmon (NZK) (1994-2009) and Non-Executive Director since 2009. NZK listed on ASX and NZX in October 2016 , is the leading aquaculture company in NZ and the largest Chinook salmon farmer globally. Chairs and Directorships in Wine, Aviation, Education and Architectural sectors. Member of the finance, audit and risk committee .



Nick Burrows – Independent Non-Executive Director (Joined April 2012)

21 years (1988 – 2009) as CFO and Company Secretary of Tassal Group Limited, Australia's largest aquaculture company. Holds a diverse range of Non-Executive Director and advisory roles. Chairs the Clean Seas Finance, Audit and Risk Management (FARM) Committee with substantial experience in similar roles. Member of remuneration and nominations committee.



Hagen Stehr AO – Non-Executive Director (September 2000)

A founding Director with extensive knowledge of and experience in the fishing and aquaculture industries, having been involved in the tuna industry in Australia since 1960. A Director of Australian Tuna Fisheries Pty Ltd which is Clean Seas' largest shareholder (9%). Holds leadership roles in a number of Industry Associations.



Marcus Stehr – Non-Executive Director (September 2000)

Marcus is a founding Director and has over 25 years of hands on experience in marine finfish aquaculture operations encompassing Tuna, Kingfish and Mulloway. Marcus is Managing Director of Australian Tuna Fisheries Pty Ltd and holds leadership roles in a number of Industry Associations. Member of remuneration and nominations committee.

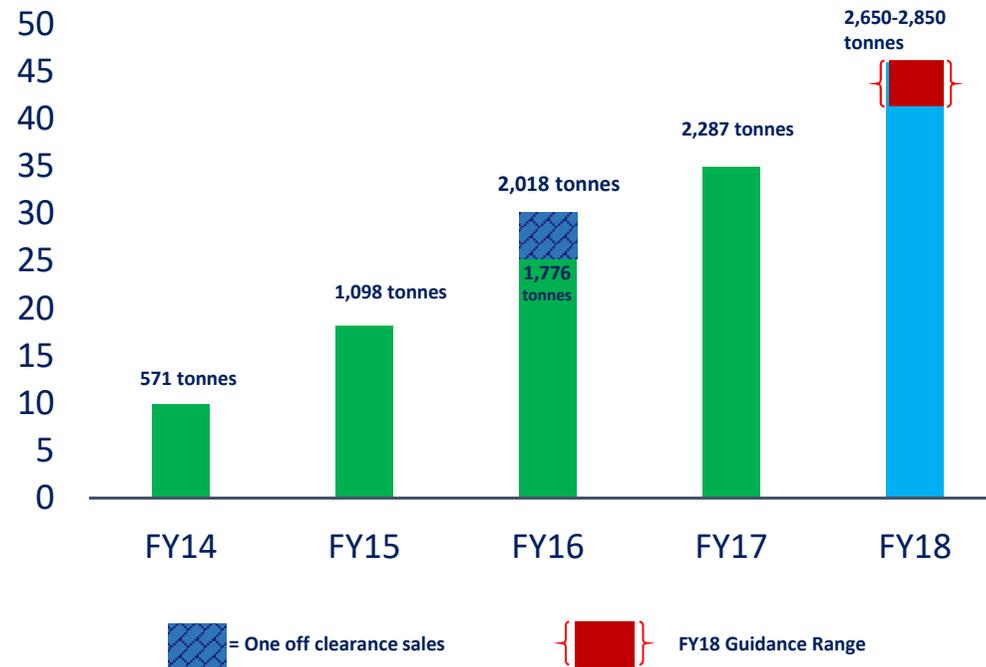
Share Register Post Institutional Placement

MAJOR SHAREHOLDERS (AS AT 27/10/17)

Australian Tuna Fisheries Pty Ltd (Including Related Entities)	7.1%
JP Morgan Nominees Australia Limited (includes Bonafide Global Fish Fund)	6.2%
Merrill Lynch (Australia) Nominees Pty Ltd	3.0%
Citicorp Nominees Pty Limited	2.0%
RBC Investor Services Australia Nominees Pty Ltd	1.8%
HSBC Custody Nominees (Australia) Ltd	1.7%
UBS Nominees Pty Ltd	1.1%
BNP Paribas Noms Pty Ltd	1.0%
David Head (Managing Director) Related Entities - Combined	0.6%
Top 20 shareholders	31.2%

Five years of strong growth

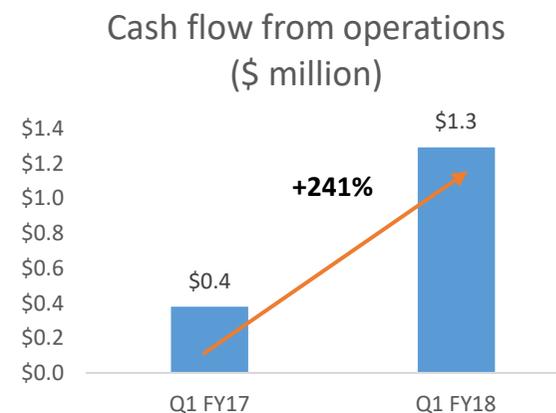
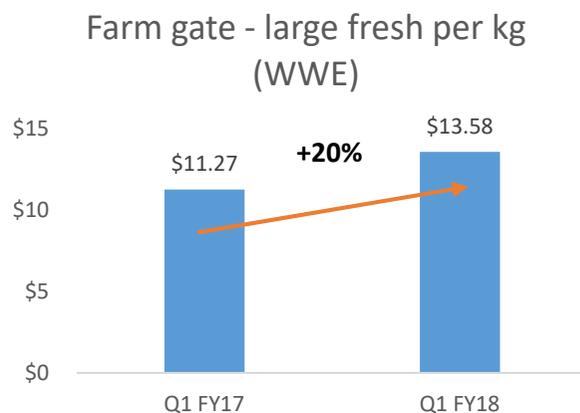
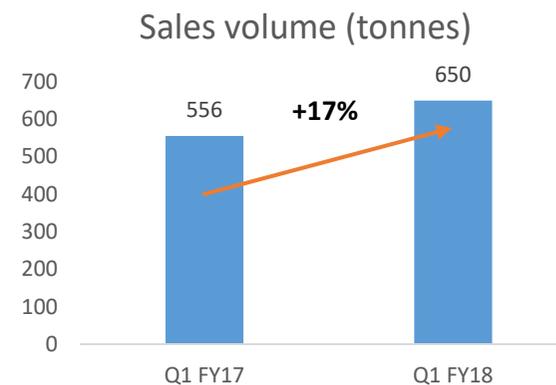
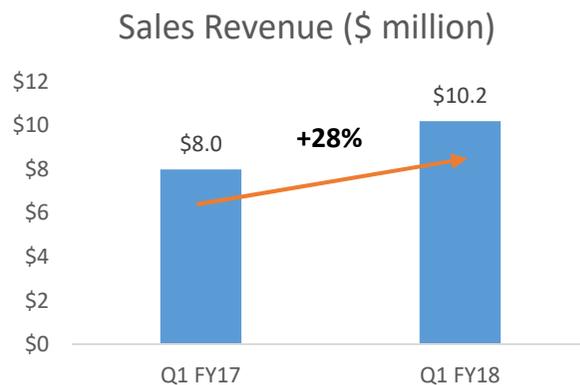
Sales (\$Millions)



Revenue guidance for FY18 is in the range of **\$43-\$47 million**
(2650-2850 tonnes) further growth of 23%-34%

Strong growth has continued in Q1 FY18

- Clean Seas is continuing to build momentum on the **return to full-year profitability** achieved in FY17.
- Q1 on target to meet FY18 guidance, having achieved **growth in sales revenue** of 28% year-on-year, **volume growth** of 17% and **material improvements** in domestic and international farm gate prices.



Raising capital to accelerate growth

- On 20 October 2017, Clean Seas launched a **1:10 fully underwritten renounceable rights issue** to raise up to \$8.9 million alongside an oversubscribed institutional placement to raise \$7 million (before costs).
- Funds raised through the placement and rights issue will support our sales growth momentum and accelerate the continued execution of Clean Seas' **sustainable aquaculture growth opportunity**.
- \$0.06 per share represents a **17.5% discount** to the volume-weighted average price for the 20 trading days prior to announcing the Offer.
- The **1-for-10 rights issue is renounceable**. This allows for existing shareholders to transfer or sell their rights. Rights were recorded in Shareholder accounts on Monday 30 October and Rights trading ceases on Friday 3 November.

Raising capital to accelerate growth

- **Shortfall Offer:** Shareholders can apply for additional shares at 6.0 cents per share. Shortfall shares will be available to the extent that entitlements are not taken up.
- **Top Up Offer:** The Rights Issue is fully underwritten. If the Shortfall, after shareholder applications, is less than \$2.0m / 33.3m shares, the sub-underwriters can be issued additional shares to ensure they are able to participate in \$2.0m / 33.3m shares.
- **Prospectus** was released to ASX on Monday 23 October
- **Record date** is Friday 27 October.
- **Entitlement & Acceptance Form** and Prospectus to be dispatched to Shareholders on Wednesday 1 November, and then available online to all Shareholders.
- Offer to participate closes at 5pm AEDT on **Friday 10 November 2017.**

Proceeds of the offers will fund Clean Seas' ongoing growth

Capital raise to fund:

- **An increase in working capital** to fund the growth in Live Fish Biomass
 - FY18 sales are forecast to be 2,650 to 2,850 tonnes, a 360 to 560 tonne increase from FY17.
 - Biomass growth expected to increase by circa 600 tonnes in FY18, which will require additional working capital of approximately \$7.0m.
- **Expansion of farming infrastructure** with the planned return to farming at Fitzgerald Bay in the Upper Spencer Gulf, near Whyalla (\$5.0 million)
 - YC 19 planned to be farmed at Fitzgerald Bay
 - Application underway to expand Lease from 2400 to 4200 tonnes
 - Working with Federal and State Governments and Local Council (Seeking Grants and Upgrade of council owned marine infrastructure)
- **Investment in processing automation** and new equipment (\$1.0 million)
- **General working capital** (\$1.7 million)
- **Costs of the offer** (\$1.2 million)

Existing Point Lowly facilities

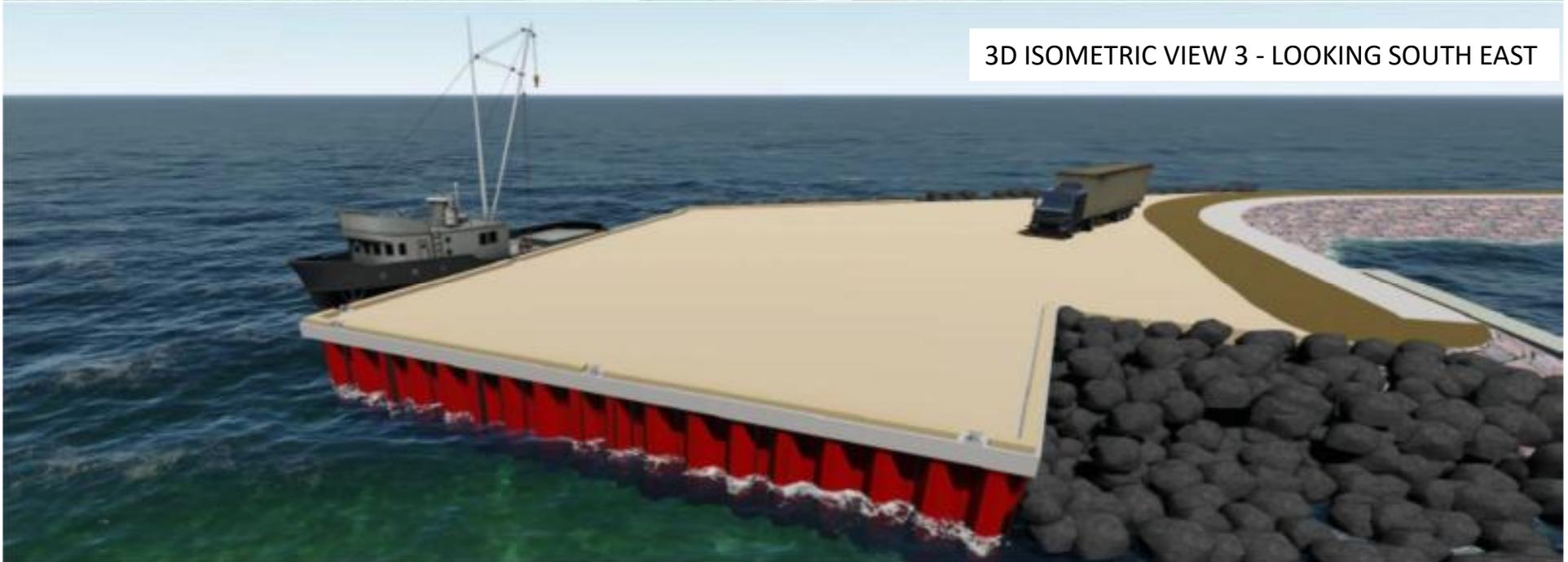


Concept drawings for proposed Point Lowly wharf

3D ISOMETRIC VIEW 1 - LOOKING NORTH EAST



3D ISOMETRIC VIEW 3 - LOOKING SOUTH EAST



Sustainable growth strategy



- Expand global sales via new marketing campaign and targeted customer activation program
- Significant scope to increase per capita sales across major Australian cities and expand into relatively under developed markets for Kingfish across major cities in Europe, USA and Asia
- Leverage brand positioning to maintain premium pricing
- Introduce new rapid freezing technology for new product capabilities and significant reduction in transport costs to markets in Europe, Americas and Asia
- Widen Clean Seas' advantage in quality and cost of production through ongoing investment in genetic research

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



Outstanding but unknown species

- Yellowtail Kingfish is an outstanding species but is still relatively unknown outside Japan

Sustainable source of protein

- Clean Seas is the Global Leader in the environmentally sustainable full cycle breeding and farming of Yellowtail Kingfish



Best in Class

- Sensory research has confirmed our product as “Best in Class” with clear and distinct preference to competitive offering including Japanese product.
- Voted “Best Fish” – Australian Food Awards

Unique Provenance

- Spencer Gulf has an untold and unique provenance story.



Endorsement of leading Chefs

- Leading international chefs get their inspirations from Spencer Gulf Hiramasa Kingfish



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