



INVESTOR PRESENTATION

SEPTEMBER 2017



Global Leader – Best in Class



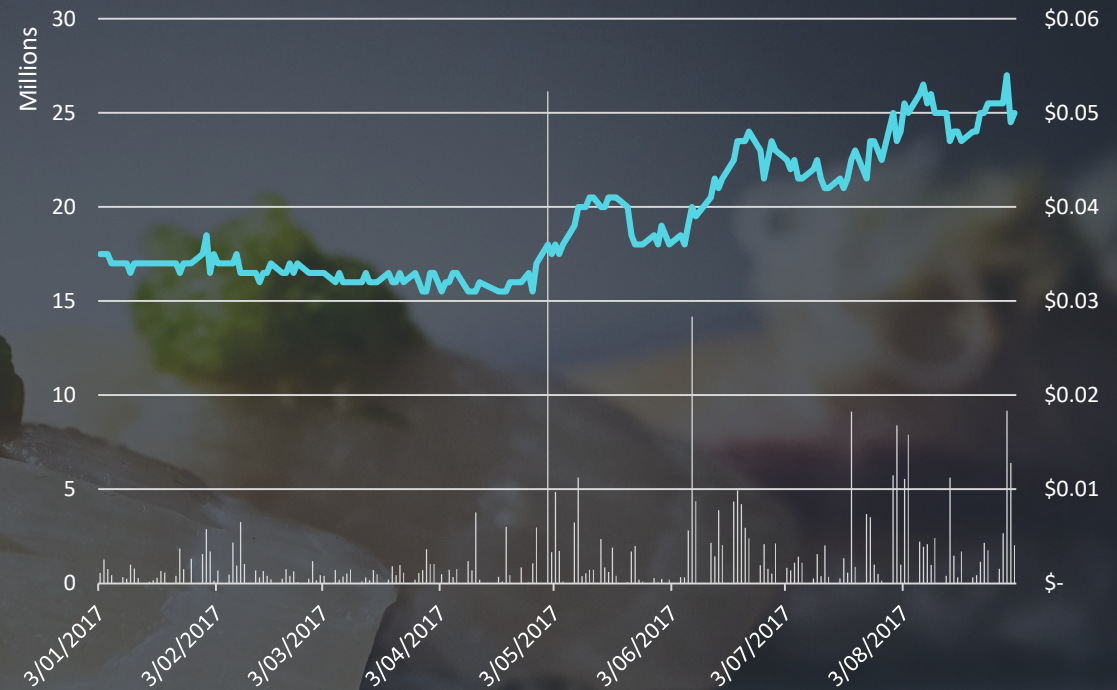
- Clean Seas is the global leader in full cycle breeding, production and sale of Yellowtail Kingfish
- One of the world's most desirable seafoods
- Voted "Best Fish": Australian Food Awards 2016 and 2017
- Delivered fresh twice weekly to 150 distributors in 25 countries

Clean Seas Seafood Limited (ASX : CSS)

TRADING INFORMATION

ASX stock code	CSS
Shares quoted on ASX	1,373m
Cash (30 June 2017)	\$0.5m
Cash + available finance facilities (30 June 2017)	\$8.5m
Market cap at 5.0 cents/share	\$69m

2017 SHARE PRICE PERFORMANCE



Clean Seas Seafood Limited (ASX : CSS)

MAJOR SHAREHOLDERS (AS AT 17/08/17)

Australian Tuna Fisheries Pty Ltd*	7.7%
JP Morgan Nominees Australia Limited (includes Bonafide Global Fish Fund 3.0%)	6.7%
Citicorp Nominees Pty Limited	2.0%
Mr Jason Squire	1.1%
Michael and Rebecca O'Neill	1.0%
BNP Paribas Noms Pty Ltd	1.0%
Mr Xianghui Chen	1.0%
DHC International Pty Ltd (David Head)*	0.6%
Top 20 shareholders	27.2%

* combined holdings

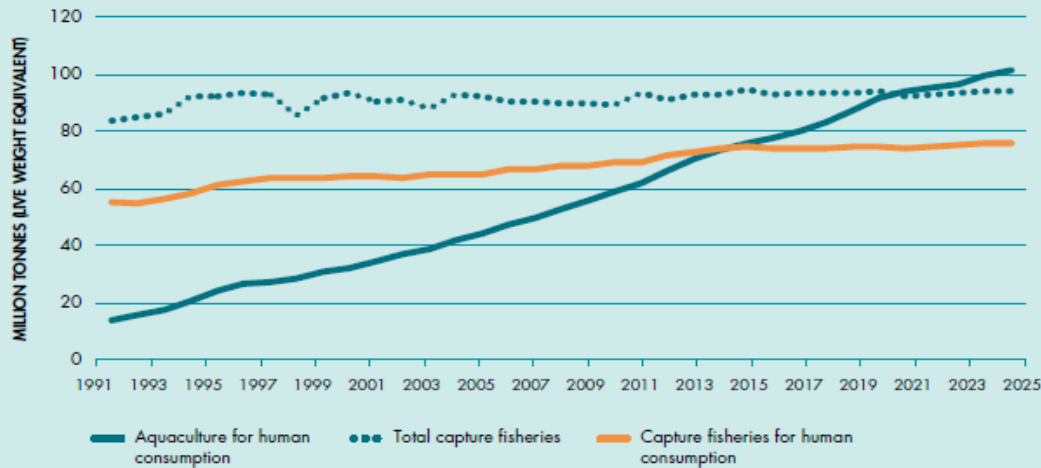
BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

Terry O'Brien	Independent Non-Executive Chairman
David Head	Managing Director and CEO
Paul Steere	Independent Non-Executive Director
Nick Burrows	Independent Non-Executive Director
Dr Hagen Stehr AO	Non-Executive Director
Marcus Stehr	Non-Executive Director
Wayne Materne	CFO and Company Secretary

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 fresh 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



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 Peninsular 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.



Fully integrated supply chain



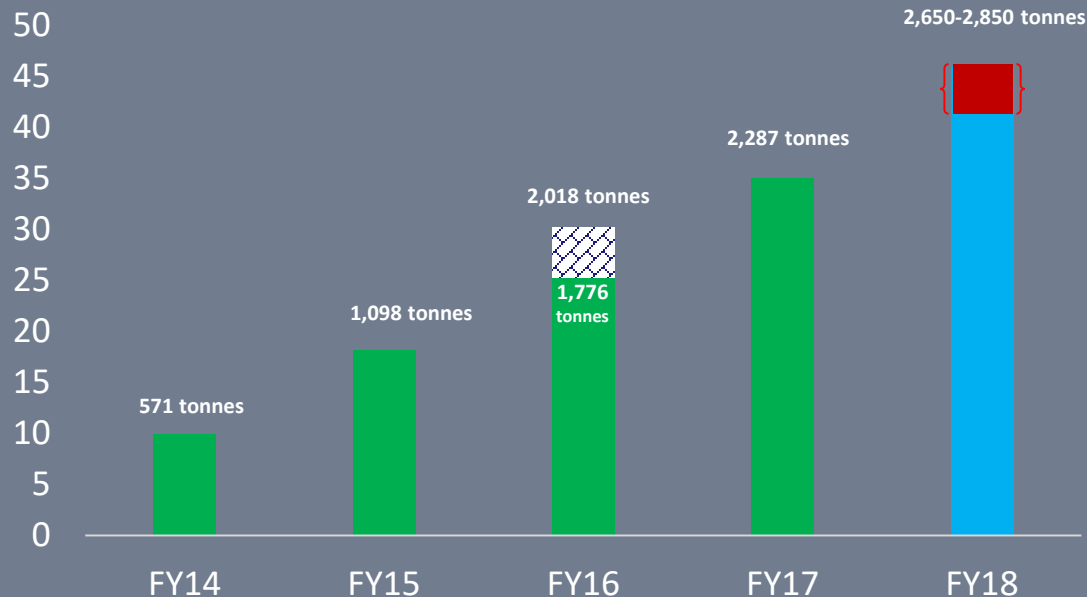
- Fresh product delivered within four to seven days of harvest to thousands of restaurants and high end caterers through more than 150 distributors in over 25 countries
- World class hatchery infrastructure and farm facilities with potential (assuming appropriate capex) to more than triple production from current 2,500 tonnes per year
- 15 years of experience in breeding and farming leaves Clean Seas with an entrenched first mover advantage in Australia & key export markets
- Strengthen social, environmental and sustainability credentials through Aquaculture Stewardship Council accreditation (in progress): **validates Clean Seas' offering** in the large US and European markets

FY17 Highlights

- Turnaround strategy on track – return to profitability one year ahead of schedule
- Full year profit after tax of \$0.2 million (+ \$9.2 million over FY16) driven primarily by continued sales growth at significantly higher farm gate prices
 - Sales up 29% (excluding one-off FY16 clearance sales) to 2,287 tonnes
 - Cash receipts from customers up 35% to \$36.1m
 - Farm gates for large fresh fish, which represented 75% of volume and 80% of revenue in FY17, increased globally by \$2.06 per kg (WWE) From \$11.50 in June 2016 to \$13.56 in June 2017 -Australia up \$0.67 and Europe up \$3.39
 - H2 FY17 profit after tax of \$5.2 million, up from \$1.8 million in H2 FY16
- New in-house processing facility established to provide end-to-end quality control & capacity to innovate value-added products – full year cash saving of \$1.2million + (2 year payback)
- Fish health, condition and survival rates continue to be excellent
- Won Best Fish at Australian Food Awards for second consecutive year (2016 +2017)
- Re- branded premium kingfish as “Spencer Gulf Hiramasa Kingfish”
- No material WH&S or environmental issues

Strong revenue growth continued in FY17

Sales Revenue (\$ million)



 = One off clearance sales

 FY18 Guidance Range

- After growth of 92% in FY15 and 84% in FY16, volume grew a further 29% (on a normalised basis) in FY17
- During FY17, farm gate for large fresh fish increased 18% from June 2016 to June 2017
 - Europe +\$3.39
 - Australia + \$0.67
- Sales guidance for FY18 is 2,650 to 2,850 tonnes (+16% to 25%) with revenue of \$43m to \$47m (+21% to 33%)

Profit & Loss Summary

\$'m	FY17	FY16
Live Fish Net Growth – Tonnes	2,459	2,602
Sales Volume - Tonnes	2,287	2,018
Sales Revenue	35.4	30.0
COGS (incl. SGARA)	(34.6)	(28.5)
Gross Profit	0.8	1.5
Live Fish Net Growth	34.0	31.4
Operating Costs	(31.2)	(30.9)
Live & Frozen Fish Write-down	(1.3)	(10.5)
R&D Tax Incentive	-	0.5
EBITDA	2.3	(8.0)
Depreciation & Amortisation	(2.0)	(1.8)
EBIT	0.3	(9.8)
Net Interest	(0.1)	(0.1)
Net Profit Before Tax	0.2	(9.9)
Tax (R&D Tax Incentive Refund)	-	0.9
Net Profit After Tax	0.2	(9.0)

- FY17 sales volume up 29% (excluding one-off clearance sales in FY16)
- Double digit sales growth in Australia, Europe and North America
- Net Farm Gate prices per/kg for large fresh increased by 18% during FY17 *
- Net fish growth of 2,459 tonnes in FY17, down 5% from FY16 due to cooler than average seawater but higher value per kg reflecting higher farm gates
- Feed cost and efficiency gains on farm
- Higher sales & marketing spend to support growth at higher farm gates

* Net farmgate price is selling price less processing costs, freight, sales commissions and packaging materials,

Large Fresh - Cash profit (\$/kg)

Cost \$/ kg	FY17	FY16
June Farm Gate – Large Fresh per kg (WWE)	13.56	11.50
Total Cash Cost per kg of Net Growth	12.69	11.87
Cash Profit per kg – Large Fresh	0.87	(0.37)

- A different perspective to Statutory P&L based on SGARA accounting (as required by Corporations Act and Accounting Standards)
- FY17 Net Growth was lower than expected due to cooler than average seawater in H1 thus increasing average cost per kg of growth
- FY18 farm gate is expected to increase with increased selling prices and reduced processing costs at Royal Park, mainly from H2 FY18
- Large Fresh Cash Profit per kg expected to improve to \$2.50 to \$3.00 per kg within two to three years
- Similarly Cash Profits for all products are expected to increase to \$2.50 to \$3.00 per kg within three to four years

Balance Sheet Summary

\$'m	FY17	FY16
Cash	0.5	0.6
Live Fish	32.1	25.0
Receivables	3.8	3.7
Inventories	3.5	4.1
Property, Plant & Equipment	14.0	13.0
Other Assets	3.8	3.5
TOTAL ASSETS	57.7	49.9
Payables	(4.1)	(3.1)
Borrowings	(1.2)	(3.1)
Employee Leave Provisions	(0.8)	(0.8)
TOTAL LIABILITIES	(6.1)	(7.0)
NET ASSETS	51.6	42.9

- Live Fish inventory increased 8% in FY17 to 2,699 tonnes
- Average Live Fish value (\$/kg) increased from \$9.98 to \$11.90 per kg (net of mortality allowance), reflecting higher farm gates
- \$7m CBA Trade Finance facility was undrawn at June 2017
- \$1m of the \$2m CBA Lease Finance facility was undrawn at June 2017
- Net \$8.3m of equity raised in Q2 FY17 via SPP, Placement and Directors' Placement

Cash Flow Summary

\$'m	FY17	FY16
Receipts from Customers	36.1	26.7
Payments to Suppliers excl. Feed	(19.6)	(14.4)
Payments for Feed	(13.3)	(14.5)
Payments for Employees	(6.5)	(6.1)
R&D Tax Incentive Refund	-	6.0
NET CASH FROM OPERATIONS	(3.3)	(2.3)
Capital Expenditure	(2.5)	(1.4)
Net Proceeds from Share Issue	8.3	-
Net Proceeds from borrowings	(2.5)	2.9
Net Interest	(0.1)	(0.1)
NET CHANGE IN CASH	(0.1)	(0.9)
Opening Cash	0.6	1.5
CLOSING CASH	0.5	0.6

- Increased sales receipts from customers reflect sales growth at higher prices
- Increased payments to suppliers reflect increased processing, freight and other costs due to increased sales volumes
- Feed payment reduction reflects reduced volume and reduced cost of feed per tonne
- No longer eligible for R&D Tax Incentive Refund from FY16 due to sales revenue exceeding \$20m
- FY17 capex includes initial investment at Royal Park, South Australia processing plant
- Excluding R&D tax incentive cash flow from operations improved by \$5 million

New in-house Processing Facility



- New Adelaide in-house processing facility with latest technology capabilities has commenced operations, commissioned on-time and on-budget
- All domestic whole fish processing currently taking place.
- Export product expected to commence later in H1 FY18
- Provides end to end quality control across supply chain from hatchery to customer
- Capacity to establish in-house “value added” products
- Includes latest rapid freezing technology and a minus 40 degree storage freezing facility
- Opportunities for product innovation and market expansion
- Ability to improve economics of supply to new market segments in Europe, Asia and USA
- Significant capacity for future expansion



SPENCER GULF HIRAMASA KINGFISH

In July 2017 we rebranded and launched a new marketing campaign

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 ...”



A tale of two fish



Chef Ambassadors

Clean Seas have established close relationships with a number of leading chefs who have become ambassadors for Spencer Gulf Hiramasa Kingfish.



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

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



Outstanding but relatively 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 2016 and 2017

Unique Provenance

- Spencer Gulf is an ideal environment with an untold and unique provenance story

Endorsement of leading Chefs

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

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 premium brand positioning to maintain upwards farm gate momentum
- Introduce new rapid freezing technology for new product capabilities and significant reduction in transport costs to markets in Europe, Americas and Asia
- Leverage opportunities from scale, investment in automation and feed trials to reduce average cost of production over next five years
- Widen Clean Seas' advantage in quality and cost of production through ongoing investment in genetic research

FY18 Outlook

- Revenue guidance of \$43 - \$47 m (+21% to +33%) driven by targeted customer activation program and increased sales representation in Australia, Europe and USA
- Further increases expected in large fresh farm gates driven by price increases (supported by new marketing campaign) and cost reductions in processing and logistics
- Significant increase expected in sales volumes, prices and farm gates of frozen products driven by success with new European sales team focusing on these products and processing cost reductions
- Live fish growth guidance of circa 3,100 tonnes (600+ tonnes growth over FY17) to support future sales targets
- Significant further improvement expected in profitability
- Litigation with feed company continues, with the independent expert assessing the claim at \$34.5m to \$39.1m (plus interest and costs) – expect mediation and/or trial to commence in 2018
- Significant Retained tax losses (circa \$88 million)





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