



CLEAN**SEAS**

Investor Presentation

May 2021

Strictly private & confidential



CLEAN SEAS SEAFOOD (CSS) – The global leader in breeding, production and processing of the Spencer Gulf Hiramasa Yellowtail Kingfish (YTKF)



LONG STANDING FARMING EXPERIENCE

- 20 years of experience and know-how
- Industry leading 13th generation of brood stock, optimizing the biology over time



NEW RETAIL MARKET ACCESS & GROWTH

- Significant growth opportunity, independent of global economic growth forecasts
- Access to produce up to 10,000 tonnes with existing licenses and 30,000 tonnes in the longer term



GLOBAL STRATEGIC PARTNERSHIP

- Unique global distribution arrangement with strategic partnership with HI, a global leader in the distribution of Atlantic Salmon into retail markets and meal kit companies



NATURAL PROVENANCE

- Clean Seas gets its name from the Clean Seas of Southern Australia – a vast expanse of clean oceanic water
- One the most arid locations in the world limits agricultural run-off keeping the water clean and pure
- Fish grown in its natural provenance where its biology is best placed



UNIQUE PRODUCT, GLOBAL RECOGNITION

- Multiple global awards for product quality
- Included in more than 200 Michelin star restaurants across 17 countries
- Firmness of flesh is an essential quality component for a successful retail product and we believe this is ONLY achievable through a natural growout in colder water

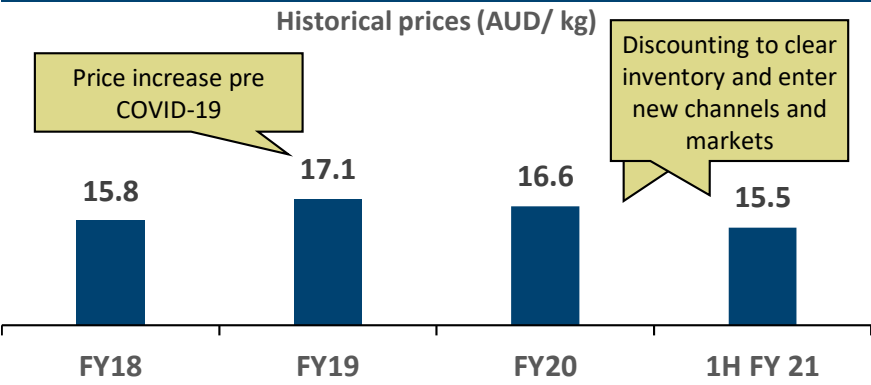


SUSTAINABILITY AWARDS

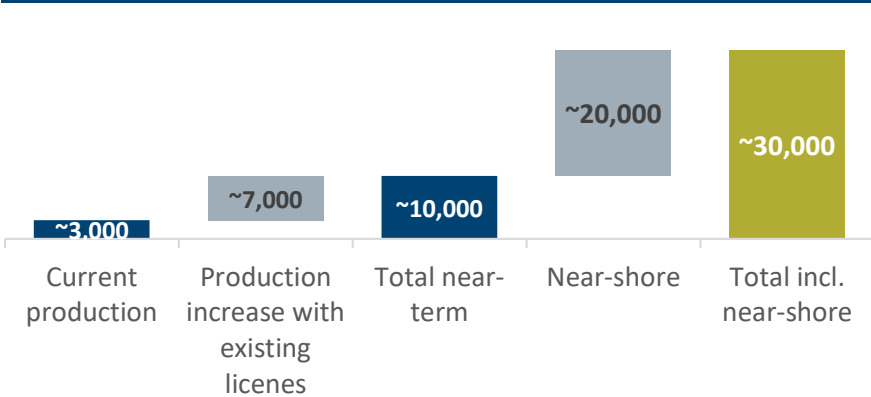
- Sustainable and environmentally friendly farming practices, focusing on animal welfare
- 'Aquaculture Stewardship Council' (ASC) certified
- 'Friends of the Sea' Certified
- Winner of ASC retail product of the year award in 2020

Potential for value creation with attractive margins and low cost growth

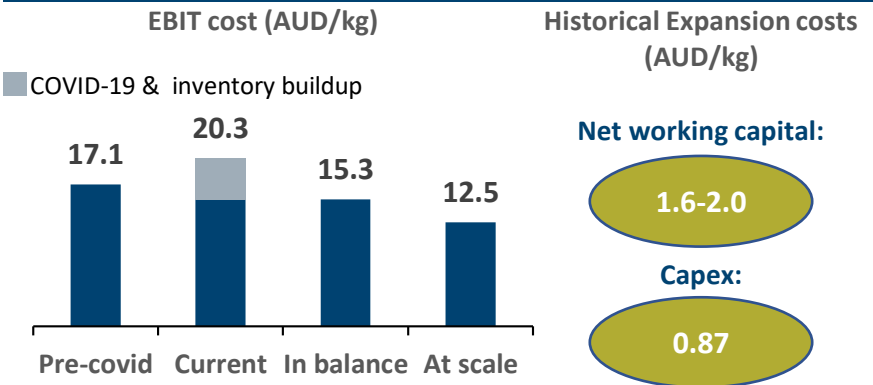
Attractive prices for Yellowtail Kingfish..



..with unique scale and large untapped potential..



..decreasing Opex and low investment requirements..



..with best-in-class product and unique distribution



Australian Food Awards
'Best fish'
2016, 2017 & 2018

On the menu of
>200 top
starred/hatted
restaurants



'Champion' award for
'Fresh fish'
at the 2021 Royal
Sydney Fine Food Show



ASC and Friends of the Sea certified



HOFSETH

Global distribution partner

Key Investment Highlights for CSS and the Spencer Gulf YTKF

Unique market opportunity driven by megatrends

- Exposure to megatrends: consumer health, sustainable protein, rising incomes and environmental awareness
- COVID-19 has created an opportunity to create access to the retail market with an abundant inventory of fish
- 70% of demand for Atlantic Salmon from retail, YTKF is almost entirely foodservice, indicating huge retail potential
- Increasing popularity for YTKF as a premium source of seafood with limited sources of supply outside Japan
- V-shaped recovery in sales despite that most of the world is in lock-down signals successful start to the strategy

High growth potential can be realized at low costs and result in more competitive cost/kg

- CSS is several times larger than its closest competitor and is well placed to access the growth potential from the global retail and meal kit channels in the near-term
- Tangible growth trajectory towards 30,000 tonnes with low license costs and ability to leverage fixed assets
- Volume growth facilitated by retail strategy can enable unit production costs to fall whilst simultaneously allowing the core restaurant business to become more profitable as the vaccine roll-out ensues and the world re-opens

Proven setup with all key success factors in place

- Industry leading production experience from 13+ generations of breeding
- Control over the entire production value chain, delivering a Michelin-starred quality product
- Distribution through exclusive agreement with HI, a tier-1 global seafood distributor
- Cold-water production in its natural environment, ensuring optimal and unparalleled product quality
- Exclusive access to freezing and defrosting technology, optimizing seasonality in harvesting schedules and global deliveries to retail with a low carbon footprint

Experienced management team and board with refreshed focus on growth



Travis Dillon - Chairman

Extensive agribusiness experience, with a strong commercial and strategic mindset. Formerly CEO & MD of Ruralco Holdings. Currently Chairman of Terragen Holdings Limited (ASX:TGH), Non-Executive Director of S&W Seed Company Australia, Non-Executive Director of Lifeline Australia and member of the CSIRO Agriculture and Food Advisory Committee.



Rob Gratton - Chief Executive Officer

CEO of Clean Seas since August 2020, having previously been CFO. Formerly at JP Morgan in London and New York, Mr Gratton then helped Jurlique grow through international expansion, and went on join kikki.K to assist them with a similar international expansion strategy. Strong understanding of capital markets and deep commercial and international experience.



David Brown - Chief Financial Officer

CFO of Clean Seas since August 2020, having previously been Group Financial Controller and Joint Company Secretary, Mr Brown has over 10 years experience in Corporate Finance and Accounting roles across a range of industries and is a Chartered Accountant. Prior to Clean Seas, David held senior Corporate Finance positions at KPMG and Grant Thornton.



Gilbert Vergères – Director / board member

One of three Partners of Bonafide Wealth Management AG, who, through their Global Fish Fund is Clean Seas' largest shareholder. Bonafide is considered one of the pre-eminent global investors in aquaculture. Mr Vergères worked at several Swiss private banks and has been MD and member of the Board of Directors at an asset management company.



Marcus Stehr - Director / board member

More than 25 years hands on experience in marine finfish aquaculture operations. Currently MD of Australian Tuna Fisheries Pty Ltd. Mr Stehr makes a strong contribution to the Australian fishing and aquaculture industries as a Board member of the Australian Southern Bluefin Tuna Industry Association and the Australian Maritime and Fisheries Academy.

Executive team and board re-focusing targets on growth and sales into new markets and channels, as well as having a strong focus on costs of production.

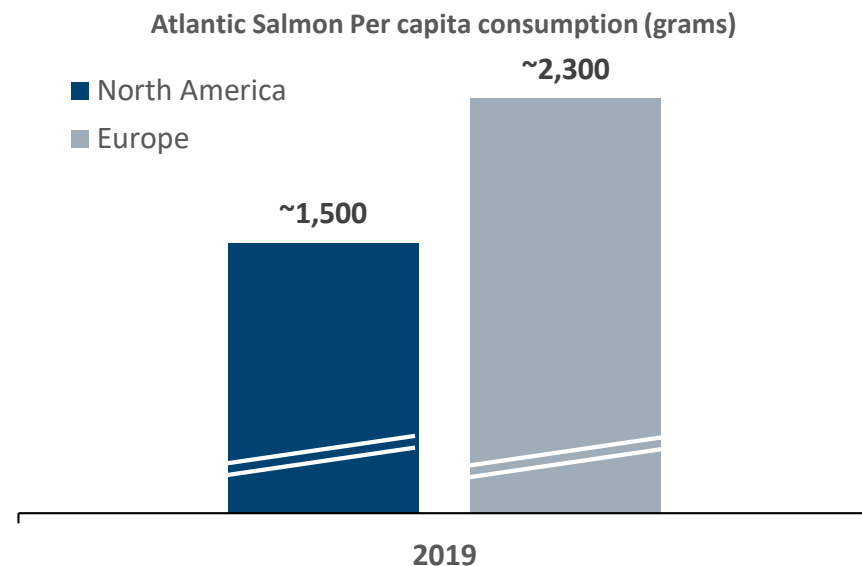
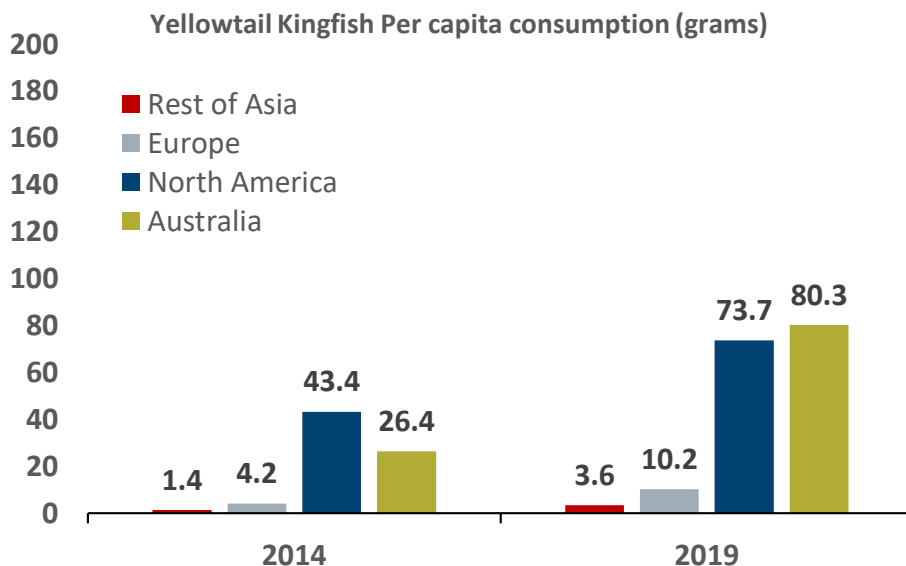
Restructuring has already delivered circa \$2m (25%) reduction in Indirect Expenses and 50% reduction in Executive costs

New strategic alliance with Norwegian farmer, processor and distributor HI immediately scales market access at low cost to CSS, as well as sharing farming and processing know-how and partners for global retail access.

This complements an existing and successful profitable restaurant business when foodservice re-opens over the course of the next 24 months

Huge potential market globally for YTKF for the market leader

- The market for YTKF has expanded significantly over the last 10 years as awareness of the species has grown and due to its increased availability in Asian restaurants and premium food service channels
- Clean Seas has built a substantial per capita consumption in Australia in premium restaurants
- Continued increases in per capita consumption will see total global sales grow strongly in future years
- Clean Seas has established distribution in Australia and Europe, and significant partnerships to expand into North America and Asia



CSS has turned COVID-19 from a problem to a huge opportunity

COVID-19 resulted in a collapse in demand in food service...

...resulting in a large build-up of frozen inventory...

...which gave CSS the potential to service large retail chains requiring large volumes for product introduction

- 1 New partnership for channel and geographical diversification**
- 2 New focus on volume growth to best service channel diversification**
- 3 New focus on cost of production and core strengths in farming**

The COVID-19 Problem

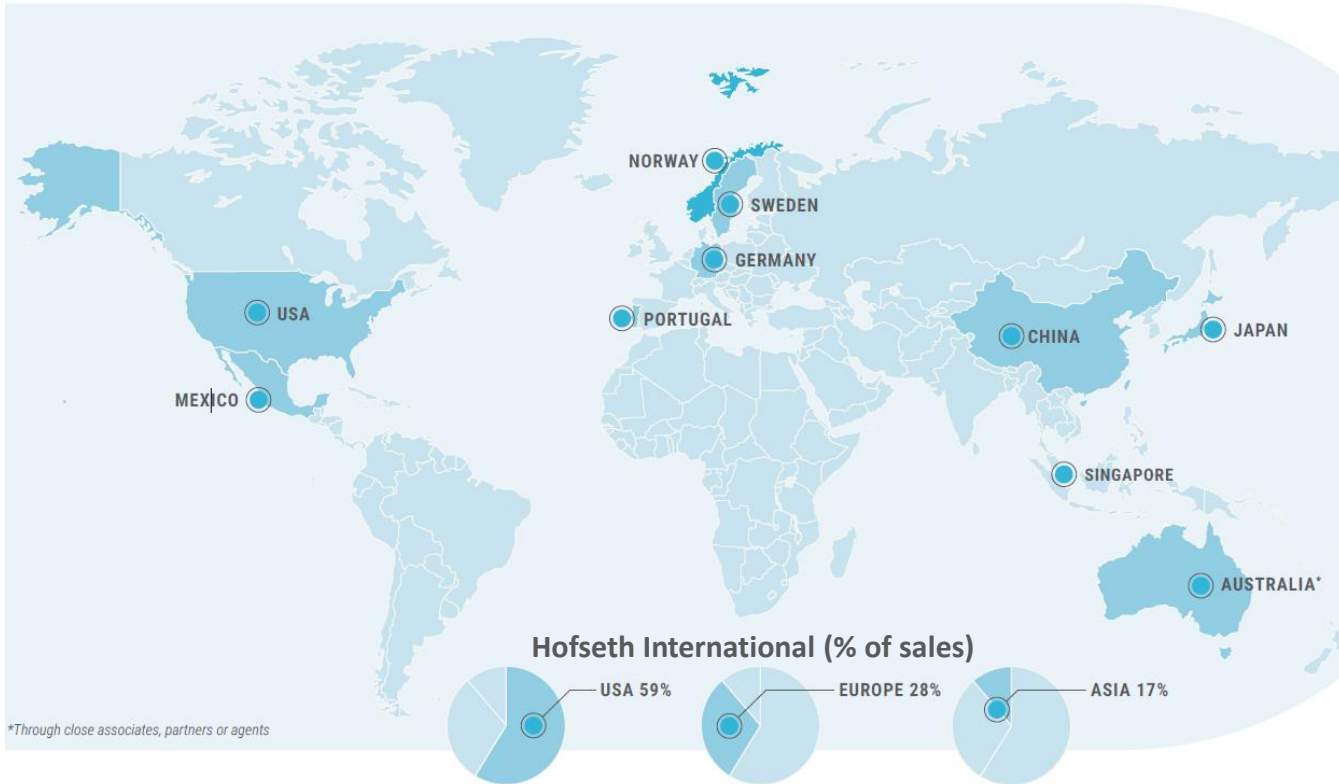
- Pre-COVID, 50% of Clean Seas' topline was domestic into restaurants, and 40% was into European restaurants
- COVID-19 was highly disruptive as restaurants were shut down
- Over 1,600 tonnes of oversupply was written down significantly in 2020, allowing for an opportunity to initiate a retail market access using discounted excess supply to tempt first time retail customers

The COVID-19 Opportunity

- North America is the largest Kingfish market outside of Japan, where HI is already a distribution leader of other comparable marine products
- CSS is now already selling across US in over 250 stores
- YTKF is now available in 3 leading home meal kit brands, and in a foodservice partnership with a national restaurant chain
- These opportunities represent a step-change for CSS to scale up distribution and sales without adding costs

Global distribution secured through HI enhances an established sales team

Hofseth International operational overview




- HI is a leading, vertically integrated, global seafood company
- Specializes in servicing direct to the consumer through its own global distribution network to all key markets for Kingfish
- Close cooperation with leading retailers in all relevant markets
- Medium-term ambition to distribute over 6,000 tonnes of Kingfish in the U.S. alone through meal kits, retail and food service
- Established channels above can unlock unparalleled demand in the coming years
- Distribution margin based on a % of realized sales price

Exclusive partnership with #2 shareholder to fast-track sales volume opportunities

Example: HI marketing of YTKF to retail segment


AUSTRALIAN YELLOWTAIL



RAISED WITHOUT ANTIBIOTICS

100% TRACEABILITY FROM EGG TO TABLE

PROCESSING SCALABILITY



SPENCER GULF
Australia

PRIME LOCATION

Raised in its native habitat, the Spencer Gulf is one of the cleanest bodies of water in Australia. The high tidal movement, consistent flow, and cold waters strengthen the yellowtail.

Producer
CLEANSEAS

- Global leader in full cycle breeding, production and sale of Yellowtail Kingfish outside of Japan
- Collaborates with the government, industry and universities to develop best practice regimes in fish health and welfare

FARMED RESPONSIBLY
asc
CERTIFIED
ASC-AQUA.ORG

WATER
ASC
WATER
ASC-AQUA.ORG

FREEZING TECHNOLOGY


Use of innovative SensoryFresh liquid nitrogen freezing technology provides a significant competitive advantage against the traditional Japanese (-18°C) frozen offering.

DIET AND NUTRITION

All feed is made from sustainably sourced high grade fish meal, fish oil products, and from sustainable land based GMO free ingredients (proprietary blend).

PEN DENSITIES

Farm raised in large, deep floating pens with a low pen density of 1.5% fish and 98.5% water gives maximum comfort and a healthy growth cycle.



PACKING OPTIONS

Skinpack, Retail Bags, 10K OTR Film

PRODUCT FORMS

Loins, Portions, J-Cut Fillets, V-Cut Fillets

Well positioned as foodservice markets reopen

Well established existing premium channels

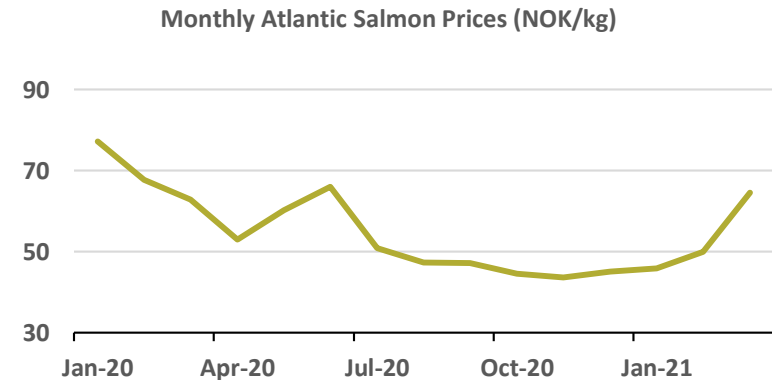
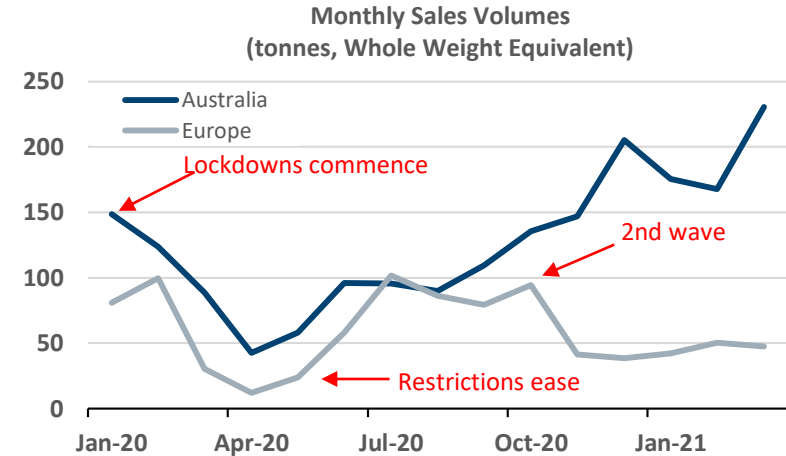
- Prior to COVID-19, Clean Seas was growing at 10-15% per annum, primarily in the premium restaurants segment
- At this time, 50% of Clean Seas sales were in Australia and 40% were in Europe

Strong correlation to COVID-19 lockdowns

- Australia sales have already rebounded ahead of pre-COVID levels as lockdowns are eased
- Europe volumes remain below pre-COVID levels with ongoing lockdowns however a strong correlation between lockdown and sales volume has been clearly demonstrated between the first and second waves

Significant upside opportunity as the world reopens

- A world emerging from COVID-19 represents significant opportunity for Clean Seas in its existing markets and channels
- The rebound in global salmon prices suggests there will be opportunity for Clean Seas to be competitive in a post COVID-19 world



New strategy is paying off with increasing sales growth and working capital improvements despite ongoing global shutdowns due to COVID-19

Historical sales and production imbalance

- Variance between sales and production tonnes coupled with COVID-19 disruptions has contributed to an extended growout and therefore an increased cost of production

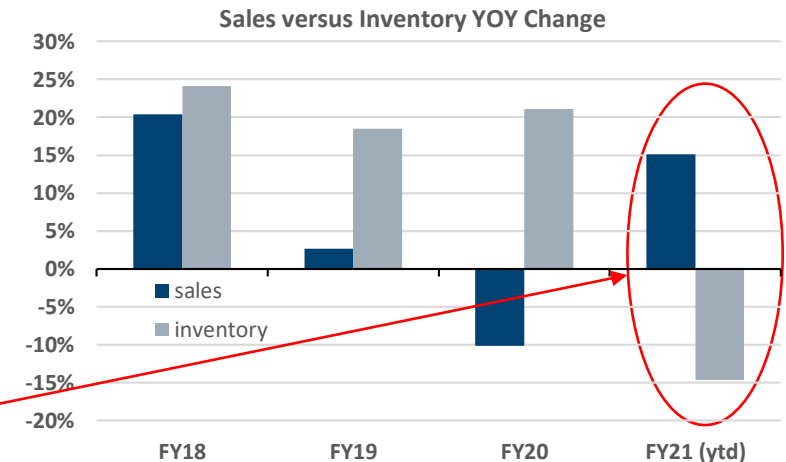
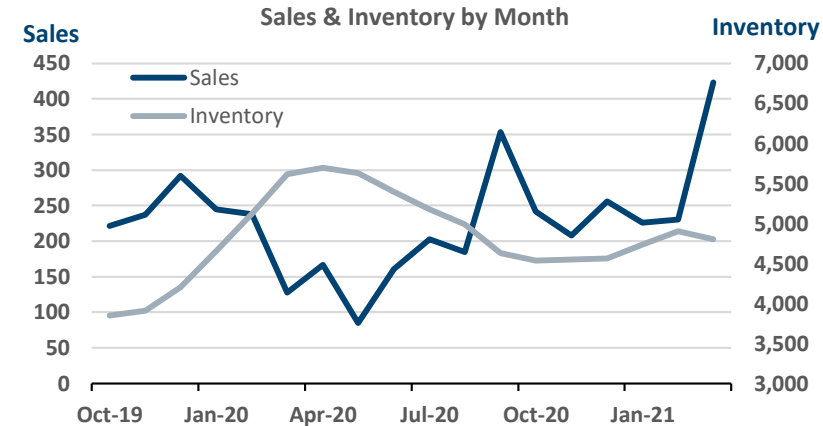
Strategic decision to address biomass imbalance in FY21

- FY21 sales have been very strong, and will exceed production volumes to substantially reduce the biomass imbalance
- The actions taken in FY21 have a negative impact this year on production costs, however they are required to right size working capital and reposition for growth as a low-cost operator.

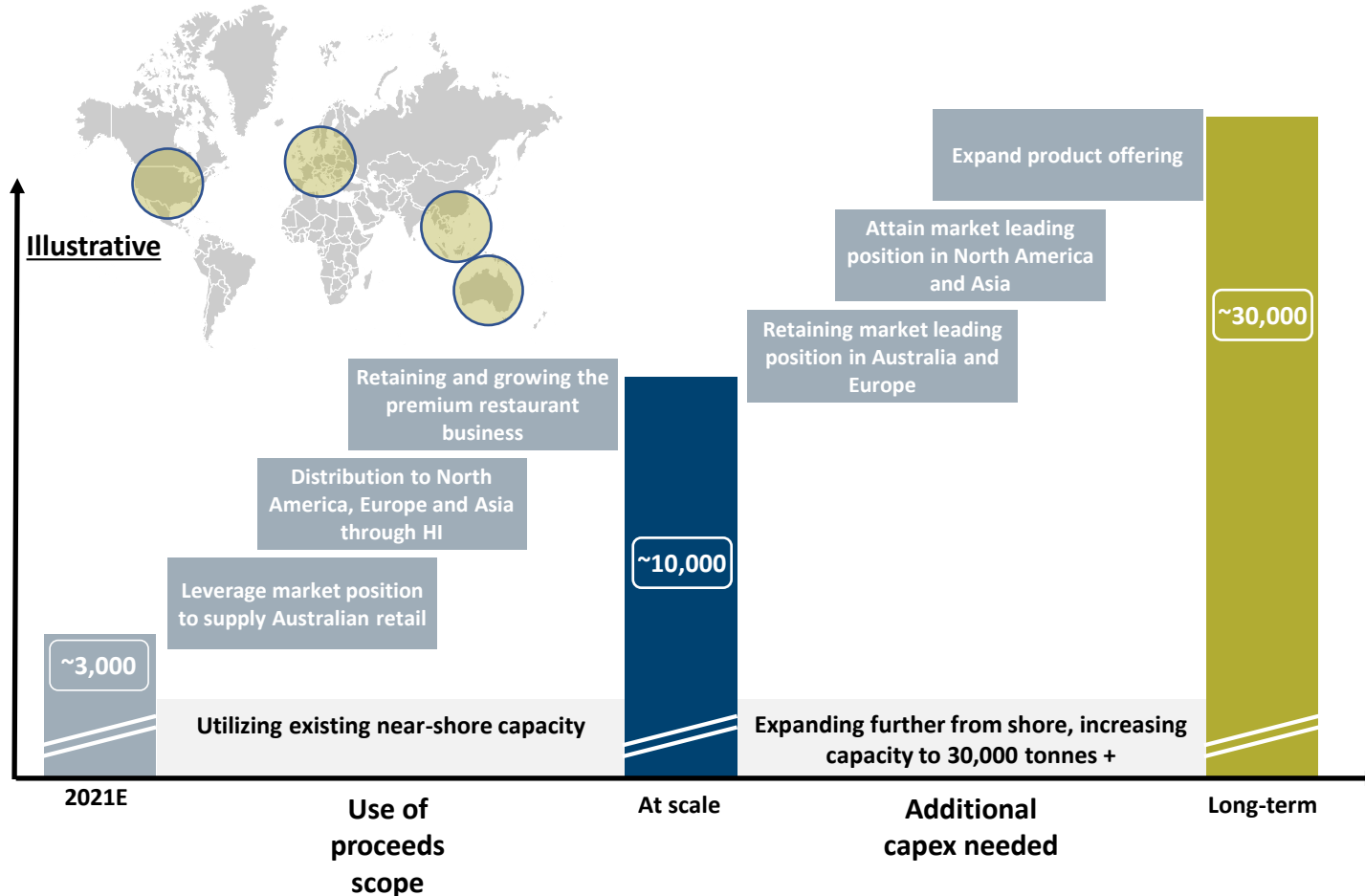
Sales volumes accelerating

- FY21 YTD sales volumes will already exceed FY20 of 2,424 tonnes in April driven by the rebound in Australian food service channel and channel diversification in North America.
- March 2021 at 425t was record month for Clean Seas
- Further growth expected as Europe emerges from extended lockdowns

Sales recovery coupled with production improvements will drive future cost reductions as Clean Seas scales for growth

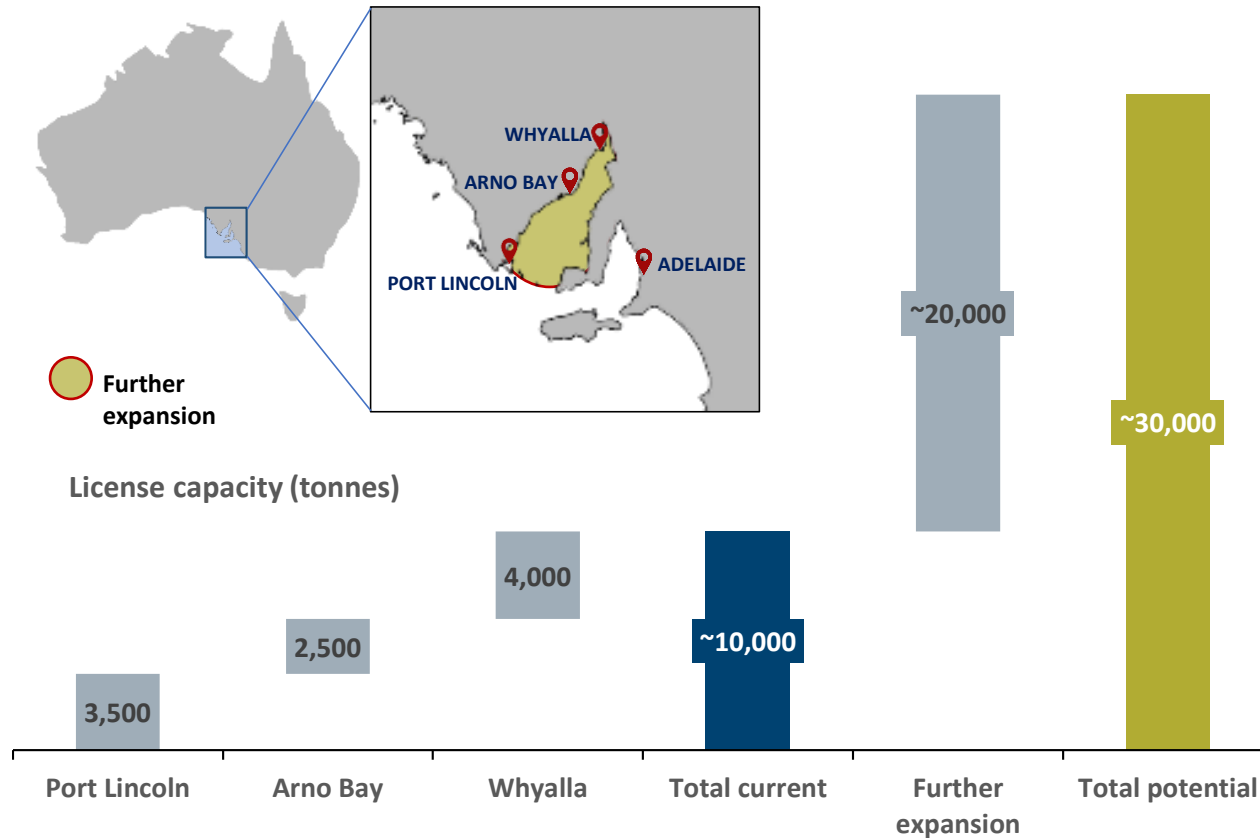


Ambition to drive the advent of YTKF volumes in retail while retaining its global #1 position in high-end food service, increasing production 10x current levels



- Introduction of YTKF in Australian retail already underway
- Distribution with HI will drive retail volumes in North America and Asia
- The production capacity is there, but will be expanded consistent with increasing retail penetration
- Expanding the geographic footprint, while growing retail volumes will diversify CSS' sales volume and reduce offtake risk

Clear pathway to increase production 3 fold with existing licenses, and a further 3 fold increase from that level available should demand require it



10,000 tonnes

- Existing inshore licenses are held and can be farmed with existing technology – clear pathway to increase production 3 fold
- This growth can be achieved with current operational setup and funding of working capital in this financing round

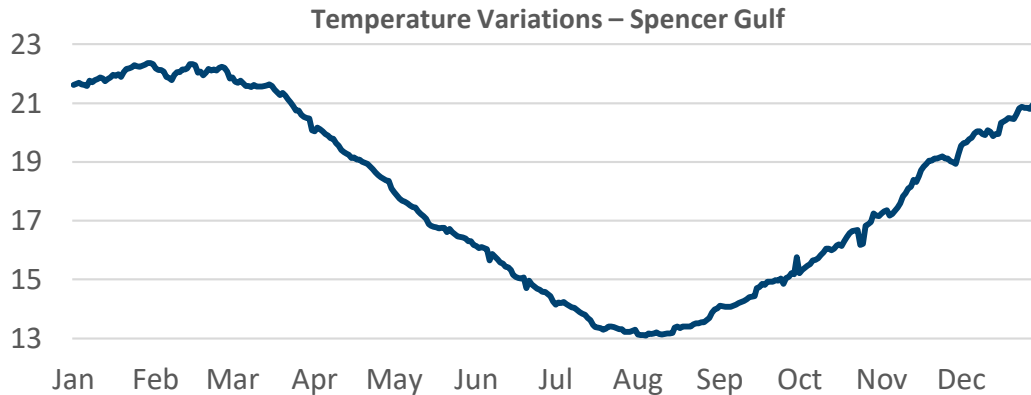
30,000 tonnes

- Additional capacity to come from farming using larger scale equipment, increased automation (similar to Salmon farming)
- Government and regulatory planning underway for this strategy
- New farms will be located further from the shore than existing capacity, but still protected within the Spencer Gulf area

Potential production increase to 30,000 tonnes, while still protected in the Spencer Gulf

Cold water production is a necessity to reach the highest quality

- Seasonal warm and cold water growout cycle provides product quality versus warm water and tank farmed production
- Clean Seas Seafood produces its Kingfish in the perfect environment with temperatures in the range of 13°C and 22°C, ensuring the best possible product quality at acceptable growth rates
- It's possible to accelerate growth (and to some extent reduce operating costs) with temperatures in the range at or above 22°C, but we believe it does affect the product quality
 - Texture, taste, shelf life
- This is why we farm in Kingfish's natural environment, the Spencer Gulf of South Australia



Clean Seas ensures unparalleled product quality with production in optimal temperatures

Highly awarded product, and first-class sustainability profile with certifications from world-leading organizations



**Australian Food Awards
'Best fish'
2016, 2017 & 2018**



**'Champion' award for 'Fresh fish'
at the 2021 Royal Sydney Fine Food
Show (Aquaculture)**



Certified by the 'Aquaculture Stewardship Council'

Clean Seas received certification by the Aquaculture Stewardship Council (ASC) in July 2019. CSS also won 'Best Responsible Seafood Product' in the ASC Sustainable Seafood Awards in 2021



'Friend of the Sea' certified

First aquaculture company in the Southern Hemisphere certified as sustainable by the internationally recognized Friend of the Sea accreditation system

Arguably the best raw fish in the world

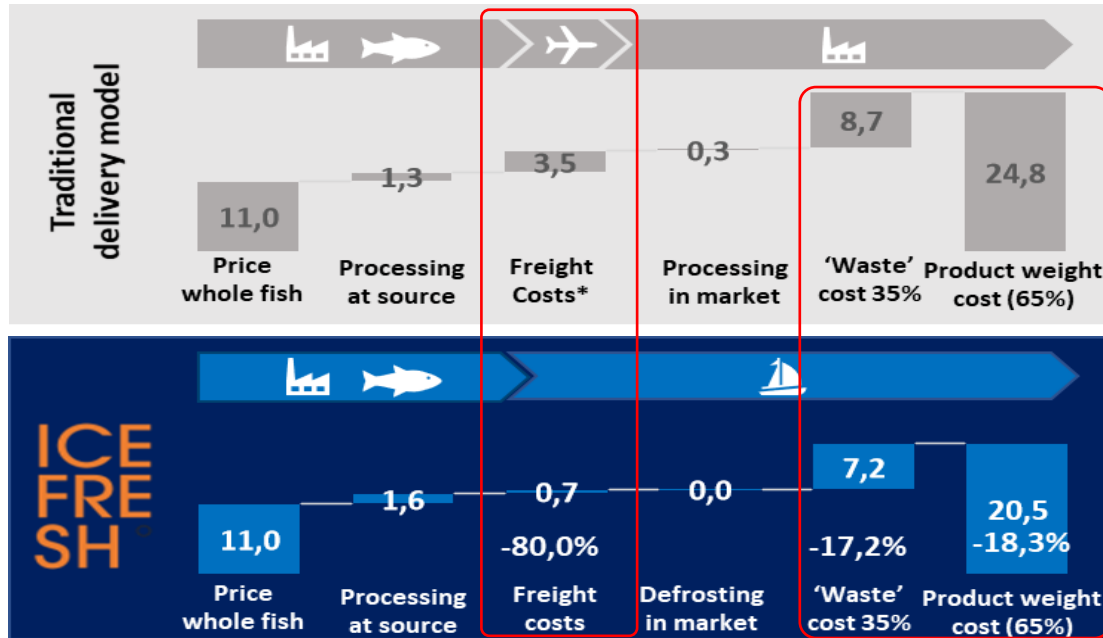
State-of-the-art freezing technology *SensoryFresh™* will allow Clean Seas to deliver a high quality product globally with low cost & carbon footprint

- Freezing high value, premium quality seafood requires speed. The ice formation stage must be fast for optimum texture
- Clean Seas rapid freezing “*SensoryFresh*” is 10 times faster than conventional freezing
- This technology increases frozen sales to restaurants and has significant benefits in terms of carbon footprint
- Taste tests prove unmatched quality for frozen products, particularly when served raw
- Utilising frozen technology presents great opportunity for Clean Seas to benefit as the world reopens, particularly in the premium seafood and restaurant markets



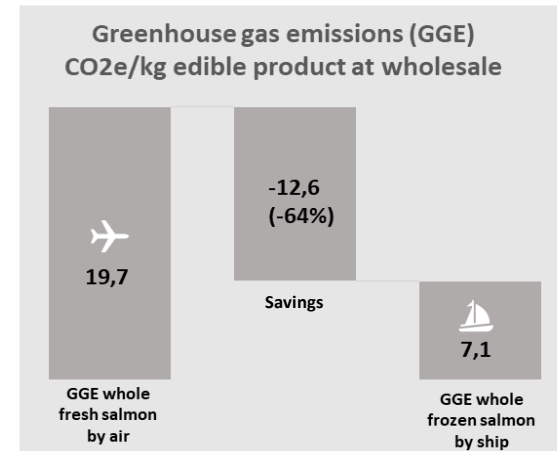
Exclusive¹ access to patented sustainable IcefreshTM supply chain technology²

- Icefresh provides rapid defrosting technology that reduces thawing time from 6 hours to 30 minutes enhances product quality once thawed as fresh.
- Lower carbon emission and lower cost frozen distribution, delivering a high quality “refreshed” product to the customer.
- Icefresh technology will deliver high quality, low cost expansion in overseas markets.
- 64% reduction in greenhouse gas emissions and reduction in food waste.
- 18% overall cost reduction from freight and food waste.
- Minimizing possible logistic costs and maximising freshness benefits of in-market production.



* Assumed post-COVID air freight costs. Current costs appr. AUD 6

Norwegian fish to Shanghai (SINTEF, 2020):



Sustainability at our core

