ASX & Media Release

For personal use only

19 February 2025

Clean Seas Seafood Limited announces proposal from Yumbah and grants exclusive due diligence

Clean Seas Seafood Limited ("Clean Seas", ASX: CSS, "the Company") advises that it has received a non-binding, indicative and incomplete proposal from Yumbah Aquaculture Ltd ("Yumbah") to merge with CSS through the acquisition of 100% of CSS shares by way of a scheme of arrangement ("Scheme") offering $0.14 cash per share with a scrip alternative in Yumbah ("Proposal").

About Yumbah

Yumbah is an Australian-owned vertically integrated investment grade shellfish aquaculture portfolio with operations in South Australia, Victoria, Tasmania and New South Wales. The company delivers premium produce from spat through to harvested products, supplying farmers, wholesalers and retailers with sustainably farmed shellfish.

Yumbah is the largest producer of abalone in the Southern Hemisphere, specialising in onshore production of this prized shellfish. In addition, the Group produces oysters, mussels, aquafeed and oyster spat. For more information, visit: www.yumbah.com

Anthony Hall is a director and the largest shareholder of Yumbah with a ~53.6%[1] ownership and is Clean Seas' largest shareholder with a current ownership of ~22.6%. CSS director Gary Higgins also serves as a director and Chairman of Yumbah.

Details of the Proposal

Under the terms of the Proposal, CSS shareholders will, as the default consideration, receive total cash consideration of $0.14 per share ("Cash Consideration"). As an alternative to the Cash Consideration, eligible CSS shareholders may elect to receive Yumbah scrip. CSS shareholders who elect to receive scrip will have ongoing economic exposure to the merged Clean Seas and Yumbah business. The exact CSS to Yumbah share ratio (for the scrip alternative) will be determined at a later stage, subject to the relative value of Yumbah scrip.

The Proposal's Cash Consideration of $0.14 per share represents a premium of:

- 52.2% to the closing price of $0.092 on 18 February 2025 (being the last trading day prior to this announcement);
- 46.8% to the one month volume weighted average price ("VWAP") to 18 February 2025 of $0.0954; and
- 27.6% to the 3 month VWAP to 18 February 2025 of $0.1097.

The Board of CSS has established an independent committee of directors ("IBC") to evaluate and negotiate the terms of the Proposal.[2]

The Proposal is subject to a number of conditions including:

- mutual satisfactory due diligence;
- unanimous recommendation from the IBC and a commitment from all Clean Seas Directors to vote any shares that they hold or control in favour of, or accept into, the Yumbah Proposal, in the absence of a superior proposal and subject to an independent expert concluding that the transaction is in the best interests of CSS shareholders; and

[1] As per Yumbah's Annual Report for the financial year ended 30 June 2024.
[2] The IBC consists of Katelyn Adams and Marcus Stehr. Note that CSS director, Gary Higgins who is also a director and Chairman of Yumbah, is not part of the IBC.

- entry into a Scheme Implementation Deed ("SID") on customary market terms acceptable to CSS and Yumbah, including:
  - standard conditions precedent including regulatory clearances, no material adverse change, no prescribed occurrences, no regulated events, no material acquisitions/disposals, no dividends/distributions, shareholder and court approval and subject to any matters arising out of due diligence;
  - provisions dealing with vesting or termination of Clean Seas performance rights;
  - standard deal protection mechanisms (including a break fee consistent with Takeovers Panel guidance), no-shop, no-talk, no-due diligence, notification and matching right provisions;
  - standard termination provisions for material breach; and
  - customary representations and warranties.

The Proposal will be funded through a combination of debt and, to the extent eligible CSS shareholders elect to take Yumbah scrip consideration, Yumbah equity.

The proposed consideration under the Proposal would be reduced by the value of any dividends or other distributions declared, proposed or paid on and from today's date.

The IBC's Intention

Following careful consideration, the IBC has determined that it is in the best interests of CSS shareholders to progress the Proposal and allow Yumbah to undertake further due diligence.

Subject to Clean Seas and Yumbah agreeing to a SID on terms acceptable to Clean Seas, the IBC unanimously intends to recommend that CSS shareholders vote in favour of the proposed Scheme (at the current offer price of $0.14 per share) and each director intends to vote any CSS shares they control in favour of the Scheme, subject to:

- the parties entering into a binding SID on terms no less favourable (when taken overall) to CSS' shareholders than the Proposal;
- no superior proposal being received; and
- an independent expert concluding (and continuing to conclude) that the Proposal is in the best interests of CSS shareholders.

Further to the Company's announcement on 20 December 2024 detailing the events surrounding the Year Class 24 cohort of fish and the appointment of Morgans Financial and Bell Potter Securities ("JLMs") to assist the Company in determining a capital strategy, the IBC has resolved to pursue the Proposal on an exclusive basis and terminate the appointment of the JLMs and all other discussions in relation to raising capital.

Yumbah has indicated that the offer price of $0.14 per share follows and reflects an initial period of financial, operational and technical due diligence, including in relation to CSS assumptions regarding harvest yield percentages. Yumbah now intends to undertake customary due diligence in the next stage, including in relation to legal, regulatory, workplace and taxation matters.

Next steps

CSS and Yumbah have entered into a Process Deed under which Yumbah has been granted until 24 March 2025 to undertake exclusive due diligence and negotiations on a binding SID. The Process Deed contains customary deal protection mechanisms, fiduciary exclusions and a matching right for Yumbah in the event of a competing proposal. A copy of the Process Deed is attached to this announcement.

CSS shareholders do not need to take any action in relation to the Proposal. The IBC will continue to keep shareholders and the market informed of developments.

The IBC notes that there is no certainty that the engagement between CSS and Yumbah will result in a change of control transaction or an offer capable of acceptance by CSS shareholders.

This announcement does not constitute a proposal to make a takeover bid for the purposes of section 631 of the Corporations Act.

For personal use only

CSS has appointed Candour Advisory as financial advisor and HWLE as legal advisor.

Yumbah has appointed K&L Gates as legal advisor.

This announcement is authorised by the IBC of the Company.

For further information on Clean Seas Seafood, please contact:

Rob Gratton
CEO
rob.gratton@cleanseas.com.au
+61 434 148 979

About Clean Seas Seafood

Clean Seas Seafood is a fully integrated Australian Aquaculture business listed on the Australian Securities Exchange (ASX) and with a secondary listing on Euronext Growth Oslo (OSE).

Clean Seas is the global leader in full cycle breeding, farming, processing and marketing of its Hiramasa or Yellowtail Kingfish (Seriola lalandi) and is renowned amongst leading chefs and restaurants around the world for its exceptional quality.

Clean Seas is recognised for innovation in its sustainable Yellowtail Kingfish farming and has become the largest producer of aquaculture Yellowtail Kingfish outside Japan. For more information, visit www.cleanseas.com.au

For personal use only

For personal use only

K&L GATES

Process Deed

Yumbah Aquaculture Ltd
ACN 082 219 636

and

Clean Seas Seafood Limited
ACN 094 380 435

K&L Gates
Melbourne office
Ref: 7392777.00044

For personal use only

Table of Contents

1.	**Definitions and interpretation**	**3**
1.1	Definitions	3
1.2	Interpretation	8
2.	**Confidentiality**	**9**
2.1	Obligations of Confidentiality and use of Confidential Information	9
2.2	Disclosure	9
3.	**Clean Seas Due Diligence**	**9**
3.1	Phase 1 Clean Seas Information	9
3.2	Access to Phase 2 Clean Seas Information	9
3.3	Acknowledgements in respect of due diligence	10
3.4	Yumbah to complete due diligence	10
3.5	Yumbah to provide information	10
4.	**Announcement, negotiation and commitment of resources**	**11**
4.1	Promote the Transaction	11
4.2	Announcement and intention to recommend	11
4.3	Good faith negotiation of the Implementation Agreement	11
4.4	First draft of Implementation Agreement	11
4.5	Commitment of necessary resources	11
4.6	Ceasing to progress Transaction	12
5.	**Exclusivity**	**12**
5.1	No existing discussions	12
5.2	No-shop restriction	12
5.3	No-talk restriction	12
5.4	No due diligence	13
5.5	No Competing Proposal	13
5.6	Fiduciary carve out	13
6.	**Notification of material events**	**14**
6.1	Matching right	14
6.2	Matching or superior Yumbah proposal	14
6.3	Exceptions to the exclusivity arrangement	15
6.4	Notification obligation	16
6.5	Clean Seas legal advice	16
7.	**Termination**	**16**
7.1	Termination	16
7.2	Obligations on termination	17
8.	**Term of Deed**	**18**
9.	**Warranties**	**18**
9.1	Reciprocal representations and warranties	18
9.2	Yumbah acknowledgements	18
10.	**Yumbah Proposal Acknowledgements**	**18**
10.1	No offer	18
10.2	No association	19

11. Notices **19**

12. Amendment and Assignment **20**

12.1 Amendment 20
12.2 Assignment 20

13. General **20**

13.1 Governing law 20
13.2 Liability for expenses 21
13.3 Operation of this Deed 21
13.4 Waiver of rights 21
13.5 No merger 21
13.6 Counterparts 21
13.7 Electronic signatures 22
13.8 Severability 22

Annexure 1 – Public Announcement **25**

For personal use only

For personal use only

Process Deed

Date

19/2/2025 | 7:11 AM AEDT

Parties

1. **Yumbah Aquaculture Ltd** ACN 082 219 636 of Unit 2, 69 Fullarton Road, Kent Town SA 5067 (**Yumbah**)

2. **Clean Seas Seafood Limited** ACN 094 380 435 of 7 Frederick Road, Royal Park SA 5014 (**Clean Seas**)

Background

A. Yumbah submitted a non-binding, indicative offer to Clean Seas on 31 January 2025 (**NBIO**) under which Yumbah would, subject to certain conditions, acquire all of the shares of Clean Seas via a scheme of arrangement (the **Yumbah Proposal**).

B. Yumbah has requested that Clean Seas provide it with access to select due diligence information for it to reach a decision on whether to proceed to make a binding offer to acquire all of the shares of Clean Seas, by entering into an Implementation Agreement.

C. The Independent Board Committee has resolved that, in the absence of a superior Competing Proposal, pursuing negotiations with Yumbah in respect of the Yumbah Proposal, facilitating Yumbah's due diligence exercise and agreeing to the protections set out in this Deed, is in the best interests of Shareholders.

D. Notwithstanding the entry into of this Deed, the Yumbah Proposal remains a non-binding, indicative offer which is not intended to constitute and does not constitute a legally binding offer.

Agreed terms

1. Definitions and interpretation

1.1 Definitions

The following definitions apply in this Deed.

Affiliate means, in relation to an entity:

(a) a Related Body Corporate of that entity; and

(b) an entity, fund, partnership or collection investment vehicle over which an entity (or a Related Body Corporate of that entity) exercises Control or that is managed or advised by that entity or a Related Body Corporate of that entity.

Adviser means, in relation to an entity, a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser or consultant who provides advisory services and who has been engaged or employed by that entity.

ASX means the Australian Securities Exchange.

For personal use only

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Adelaide, South Australia, Australia.

Clean Seas Due Diligence Information means the Phase 1 Clean Seas Information and the Phase 2 Clean Seas Information.

Clean Seas Group means Clean Seas, its Affiliates and its Subsidiaries.

Competing Proposal means any offer, proposal, agreement or transaction (whether existing before, on or after date of this Deed) that, if entered into or completed substantially in accordance with its terms, would result in any person or persons other than Yumbah or its Related Body Corporate acquiring (directly or indirectly):

(a) Voting Power in or otherwise having a right to acquire a legal, beneficial or economic interest in, or control of, more than 20% of the securities in any member of the Clean Seas Group;

(b) Control of any member of the Clean Seas Group;

(c) becoming the holder of, or otherwise having a right to acquire a legal, beneficial or economic interest in, or control of, all or substantially all or a material part of the business or assets of any member of the Clean Seas Group;

(d) Voting Power in more than 20% of the issued Shares; or

(e) require Yumbah to abandon, or otherwise fail to proceed with, the Yumbah Proposal,

whether by way of a takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale, lease or purchase of shares, other securities or assets, assignment of assets or liabilities, joint venture, dual listed company (or other synthetic merger), deed of company arrangements, any debt for equity arrangement or other transaction or arrangement.

Confidential Information has the meaning given in the Confidentiality Deed and, for the avoidance of doubt, includes the Clean Seas Due Diligence Information and the Yumbah Due Diligence Information.

Confidentiality Deed means the confidentiality deed between Yumbah and Clean Seas dated 31 December 2024.

Control means with respect to any person (other than an individual) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person whether through the ownership of voting securities, by agreement or otherwise.

Corporations Act means the *Corporations Act 2001* (Cth) as modified by any relevant exemption or declaration by ASIC.

Director means a director of Clean Seas from time to time.

Due Diligence Period means the first Business Day after the date on which Clean Seas makes the data room available to Yumbah and ending on the earlier of:

(a) termination of this Deed under clause 7.1;

(b) the execution of the Implementation Agreement; and

(c) the expiry of the Exclusivity Period.

Due Diligence Target Date means 11 March 2025, unless extended as mutually agreed in writing by the parties.

End Date has the meaning given in clause 8.

Exclusivity Period means the period commencing on the date of this Deed and ending on the earlier of:

(a) termination of this Deed under clause 7.1;

(b) the execution of the Implementation Agreement; and

(c) 24 March 2025,

unless extended as mutually agreed in writing by the parties.

Government Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity in any relevant part of the world. It includes the Australian Securities and Investments Commission and ASX (and any other relevant stock exchange).

Implementation Agreement means an implementation agreement or deed to be entered into between Yumbah and Clean Seas for the purposes of the Transaction, which agreement will reflect any agreed terms and conditions as at the date of this document (which must, for the avoidance of doubt but without limitation, include the price, terms and conditions reflected in the public announcement set out at **Annexure 1**).

Independent Board Committee means the independent committee of Directors formed to consider the Yumbah Proposal.

Insolvency Event means, in relation to any entity:

(a) the entity resolving or applying to court for an order that it be wound up or a court making an order for the winding up or dissolution of the entity;

(b) a liquidator, provisional liquidator, administrator, receiver, receiver and manager, trustee or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets;

(c) the entity executing a deed of company arrangement or other compromise or arrangement with its creditors or any class of them;

(d) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of this document;

(e) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation);

(f) the entity being deregistered as a company or otherwise dissolved; or

For personal use only

(g) something having a substantially similar effect to any of the things described in paragraphs (a) to (f) happens in connection with the entity under the law of Australia or any foreign jurisdiction.

JLM Engagement means the joint lead managers letter of engagement between Clean Seas, Bell Potter Securities Limited (ACN 006 390 772, AFSL 243480) and Morgans Corporate Limited (ACN 010 539 607, AFSL 235407) dated 17 December 2024 as amended or varied from time to time and any other engagement, agreement or understanding between Clean Seas and either of them, including any surviving rights after termination.

NBIO has the meaning given to it in **Recital A**.

Officer means, in relation to an entity, its directors, officers and employees.

Phase 1 Clean Seas Information means the 'Phase 1' due diligence information relating to Clean Seas provided by Clean Seas to Yumbah in the electronic data room prior to the date of this Deed.

Phase 2 Clean Seas Information means any other confirmatory due diligence information reasonably required by Yumbah from Clean Seas not provided under Phase 1.

Regulated Event means the occurrence of any of the following, other than anything which is required, contemplated by or expressly permitted by this Deed:

(a) a member of the Clean Seas Group issuing (or agreeing to issue) shares or options or other securities convertible into shares, other than (in the case of a member of the Clean Seas Group other than the Clean Seas) an issue to (or agreement to issue to) another member of the Clean Seas Group or an issue of shares upon the exercise of options or convertible securities (including, but not limited to, performance and other share rights, including, for the avoidance of doubt, any share rights issued under the CSS Equity Incentive Plan after the date of this Deed) existing as at the date of this Deed;

(b) Clean Seas resolving to reduce its share capital in any way, or entering into a buy-back agreement or resolving to approve the terms of a buy-back agreement under the Corporations Act;

(c) Clean Seas converting all or any of its shares into a larger or smaller number of shares;

(d) Clean Seas announcing, making, declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members (whether in cash or in specie) (other than a cash distribution that is consistent with Clean Seas's stated dividend or distribution policy, as most recently announced to the ASX before the date of this Deed);

(e) a member of the Clean Seas Group acquiring or disposing of, or entering into or announcing any agreement for the acquisition or disposal of, any asset or business, or entering into any corporate transaction, which would or would reasonably be likely to involve a material change in:

(i) the manner in which the Clean Seas Group conducts its business;

For personal use only

(ii) the nature (including balance sheet classification), extent or value of the assets of the Clean Seas Group; or

(iii) the nature (including balance sheet classification), extent or value of the liabilities of the Clean Seas Group;

(f) a member of the Clean Seas Group commencing business activities that are not in the ordinary course of the Clean Seas Group's business and not already carried out as at the date of this Deed, whether by way of acquisition or otherwise; or

(g) Clean Seas Board exercising any discretion to accelerate the vesting of any shares, options or other securities given to the Clean Seas Board under any existing share plan, performance plan or any other short term or long term incentive schemes (excluding, for the avoidance of doubt, any vesting (i) in the ordinary course, consistent with past practice and in accordance with the terms of such plans or schemes as at the date of this Deed or (ii) otherwise in accordance with the terms of issue of the relevant shares, options or securities).

Related Body Corporate has the meaning given in the Corporations Act.

Related Entity has the meaning given to that term in the Corporations Act.

Relevant Interest has the meaning given to that term in the Corporations Act.

Representative means, in relation to a party:

(a) a Related Body Corporate;

(b) an Officer of the party or any of the party's Related Body Corporate; and

(c) an Adviser to the party or any of the party's Related Body Corporate.

Share means an issued ordinary share in the capital of Clean Seas.

Shareholder means a registered holder of one or more Shares.

Subsidiary of an entity means another entity which is a subsidiary of the first entity within the meaning of the Corporations Act.

Substantial Shareholder means a Shareholder who holds more than 5.0% of Shares on issue in the capital of Clean Seas.

Scheme means a members' scheme of arrangement under Part 5.1 of the Corporations Act to effect the Transaction.

Superior Proposal means a bona fide Competing Proposal (and not resulting from a breach by Clean Seas (or any of its Affiliates or Representatives) of any of its obligations under this document) which the Independent Board Committee, acting in good faith in the interests of Clean Seas and its Shareholders, and after taking advice from its legal and financial advisers, determines:

(a) is reasonably capable of being valued and completed taking into account all aspects of the Competing Proposal, including any timing considerations, its conditions, the identity, reputation and financial condition of the person making such proposal, and all relevant legal, regulatory and financial matters; and

For personal use only

(b) would be more favourable to Shareholders (as a whole) than the latest proposal provided by Yumbah to Clean Seas, taking into account all aspects of the Competing Proposal and the latest proposal provided by Yumbah to Clean Seas, including the identity, reputation and financial condition of the person making such proposal, legal, regulatory and financial matters, certainty and any other matters affecting the probability of the relevant proposal being completed in accordance with its terms.

Transaction means a potential transaction whereby Yumbah and/or any one or more Affiliates of Yumbah (either alone or together with any other equity investor) would acquire 100% of the Shares by way of a Scheme proposing scheme consideration of no less than $0.14 per Share.

Voting Power has the meaning it is given in section 610 of the Corporations Act.

Yumbah Proposal has the meaning given to it in **Recital A**.

Yumbah Due Diligence Information means any reciprocal due diligence information reasonably required by Clean Seas from Yumbah.

1.2 Interpretation

In this Deed, unless the context requires otherwise:

(a) the singular includes the plural and vice versa;

(b) a gender includes the other genders;

(c) headings are used for convenience only and do not affect the interpretation of this Deed;

(d) other grammatical forms of a defined word or expression have a corresponding meaning;

(e) a reference to a document is to that document as amended, novated, supplemented, extended or restated from time to time;

(f) a reference to a party is to a party to this Deed and includes that party's executors, administrators, successors, permitted assigns and permitted substitutes;

(g) "person" includes a natural person, partnership, body corporate, association, joint venture, governmental or local authority, and any other body or entity whether incorporated or not;

(h) "month" means calendar month and "year" means 12 consecutive months;

(i) a reference to all or any part of a statute, rule, regulation or ordinance (**statute**) is to that statute as amended, consolidated, re-enacted or replaced from time to time;

(j) "include", "for example" and any similar expressions are not used, and must not be interpreted, as words of limitation;

(k) money amounts are stated in Australian currency unless otherwise specified;

For personal use only

(l) a reference to a time of day is to that time in Adelaide, South Australia, Australia;

(m) a reference to any agency or body that ceases to exist, is reconstituted, renamed or replaced, or has its powers or functions removed (**defunct body**) is to the agency or body that performs most closely the powers or functions of the defunct body;

(n) any provision in this Deed which is in favour of more than one person benefits all of them jointly and each of them severally; and

(o) any provision in this Deed which binds more than one person binds all of them jointly and each of them severally.

2. Confidentiality

2.1 Obligations of Confidentiality and use of Confidential Information

A party (**Recipient**) to whom Confidential Information is or will be disclosed or who possesses or otherwise acquires Confidential Information under this Deed which belongs or relates to the other party (**Discloser**), must:

(a) only use or deal with the Confidential Information of the Discloser; and

(b) keep confidential and secure all Confidential Information of the Discloser,

in accordance with the terms of the Confidentiality Deed.

2.2 Disclosure

The Recipient agrees that any disclosure to it of the Discloser's Confidential Information is in accordance with and shall be governed by the terms of the Confidentiality Deed.

3. Clean Seas Due Diligence

3.1 Phase 1 Clean Seas Information

The parties acknowledge that:

(a) the Phase 1 Clean Seas Information has been provided by Clean Seas to Yumbah prior to the date of this Deed; and

(b) entry into this Deed constitutes the commencement of due diligence in relation to the Phase 2 Clean Seas Information.

3.2 Access to Phase 2 Clean Seas Information

Subject to clause 3.3 Clean Seas agrees to:

(a) provide Yumbah and its Advisers with access to an electronic data room within 24 hours of execution of this Deed which will be populated with the Phase 2 Clean Seas Information; and

(b) during the Due Diligence Period:

For personal use only

(i) make available relevant members Clean Seas management (including but not limited to the CEO and CFO) to present on and respond to such matters relating to the Phase 2 Clean Seas Information as reasonably requested by Yumbah; and

(ii) provide any information in good faith and without omission relating to Clean Seas which Yumbah reasonably requests as a result of its review of the Phase 2 Clean Seas Information.

3.3 Acknowledgements in respect of due diligence

Yumbah agrees and acknowledges that:

(a) it will focus on material issues, having regard to management commitments and the impact of the due diligence process on the business;

(b) Clean Seas and its Officers and Advisers make no representation or warranty (express or implied) as to the currency, accuracy, reliability or completeness of the Clean Seas Due Diligence Information and disclaim all responsibility and liability relating to the Clean Seas Due Diligence Information; and

(c) it will make an independent assessment of the prospects of Clean Seas and its business and whether to proceed with the Yumbah Proposal.

3.4 Yumbah to complete due diligence

(a) Subject to Clean Seas complying with its obligations under clause 3.1 and clause 3.2, Yumbah will use its best endeavours to complete its due diligence by the Due Diligence Target Date and, in any event, within the Exclusivity Period.

3.5 Yumbah to provide information

(a) Subject to clause 3.5(b), within 24 hours of execution of this Deed, Yumbah agrees to provide Clean Seas and its Advisers with access to an electronic data room (subject to the execution of a non-reliance letter in relation to any professional reports) which is populated with the Yumbah Due Diligence Information.

(b) Clean Seas agrees and acknowledges that:

(i) it will focus on material issues, having regard to management commitments and the impact of the due diligence process on the business;

(ii) Yumbah and its Officers and Advisers make no representation or warranty (express or implied) as to the currency, accuracy, reliability or completeness of the Confidential Information provided by Yumbah and disclaim all responsibility and liability relating to such Confidential Information; and

(iii) it will make an independent assessment of the prospects of Yumbah and its business and whether to proceed with the Yumbah Proposal.

For personal use only

(c) Subject to Yumbah complying with its obligations under clause 3.5(a), Clean Seas will use its best endeavours to complete its due diligence inquiries by the Due Diligence Target Date and, in any event, within the Exclusivity Period.

4. Announcement, negotiation and commitment of resources

4.1 Promote the Transaction

Clean Seas must actively cooperate with Yumbah, and participate in efforts reasonably requested by Yumbah, including by:

(a) providing information in relation to Substantial Shareholders reasonably requested by Yumbah;

(b) using reasonable endeavours to make introductions to relevant representatives of Substantial Shareholders; and

(c) attending meetings, or participating in discussions, with Substantial Shareholders, to promote the merits of the Transaction and canvassing for support of the Transaction.

4.2 Announcement and intention to recommend

(a) The parties acknowledge and agree that immediately after the execution of this document, Clean Seas will issue a public announcement in the form set out at **Annexure 1**.

(b) Clean Seas warrants that as at the date of this document, each Director on the Independent Board Committee has confirmed that he or she intends, upon entry into an Implementation Agreement on acceptable terms, to unanimously recommend to Shareholders to accept any offer under, or vote in favour of, (as the case may be) the Transaction in respect of which the consideration per Share is equal to or greater than the price specified in the public announcement set out at **Annexure 1**, in the absence of a Superior Proposal and subject to an independent expert concluding that the offer under the relevant Transaction is in the best interests of Shareholders in respect of the Scheme.

4.3 Good faith negotiation of the Implementation Agreement

(a) Clean Seas and Yumbah must, during the Exclusivity Period, negotiate in good faith an Implementation Agreement and any other transaction documentation required to implement the Transaction.

(b) Clean Seas agrees not to engage in or announce any Regulated Event prior to the expiry of the Exclusivity Period.

4.4 First draft of Implementation Agreement

Yumbah must provide a first draft of the Implementation Agreement as soon as practicable and in any event within ten (10) Business Days of the date of this Deed.

4.5 Commitment of necessary resources

Clean Seas and Yumbah must commit all reasonably necessary resources (including management and financial, legal and other professional advisory resources) to enable:

For personal use only

(a) an Implementation Agreement and any other transaction documentation required to implement the Transaction to be prepared, negotiated and finalised before the expiry of the Exclusivity Period; and

(b) Yumbah to complete its due diligence investigations in relation to the Clean Seas Group before the expiry of the Due Diligence Period.

4.6 Ceasing to progress Transaction

Yumbah agrees to progress the Transaction in good faith and if at any time during the Exclusivity Period, Yumbah decides to no longer progress the Transaction in respect of which the consideration per Share is equal to or greater than the price specified in the public announcement set out at **Annexure 1**, it must immediately notify Clean Seas.

5. Exclusivity

5.1 No existing discussions

Clean Seas represents and warrants to Yumbah that:

(a) at the date of this Deed neither it nor any of its Representatives or any of its Representatives is party to any agreement or arrangement with any person entered into in relation to, or for the purposes of facilitating a Competing Proposal;

(b) at the date of this Deed, it and its Representatives have ceased directly or indirectly participating in any discussions or negotiations with a person in relation to, or with a view to, or that might reasonably be expected to encourage or lead to, a Competing Proposal;

(c) on the date of this Deed, it will provide written notice of termination under the JLM Engagement; and

(d) on the date of this Deed it will terminate any due diligence access granted to a person for the purpose of the person making, formulating, developing or finalising a Competing Proposal and it will promptly request the return of all confidential information of Clean Seas from any such party and terminate its access to any such confidential information on an ongoing basis. Clean Seas agrees to not waive, and to enforce, any standstill obligations owed to Clean Seas (to the extent applicable).

5.2 No-shop restriction

During the Exclusivity Period, Clean Seas must ensure that neither it nor any of its Representatives, directly or indirectly solicits, invites encourages or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining or which would reasonably be expected to encourage or lead to the making of any offer, proposal or expression of interest from any person, in relation to a Competing Proposal.

5.3 No-talk restriction

Subject to clause 5.6, during the Exclusivity Period, Clean Seas must ensure that neither it nor any of its Representatives, negotiates or enters into, continues or

For personal use only

participates in negotiations or discussions with any other person regarding a Competing Proposal, or any agreement, understanding or arrangement that could be reasonably expected to lead to a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Clean Seas or any of their Representatives or the person has publicly announced a Competing Proposal.

5.4 No due diligence

(a) Without limiting clause 5.3 but subject to clause 5.6, during the Exclusivity Period, Clean Seas must not:

(i) solicit, initiate, facilitate or encourage any party (other than Yumbah or its Representatives) to undertake due diligence on Clean Seas or its Related Body Corporate; or

(ii) make available to any other person (other than Yumbah or its Representatives) or permit such person to receive any non-public information relating to Clean Seas or its Related Body Corporate,

for the purposes of a Competing Proposal.

(b) Clause 5.4(a) does not prevent Clean Seas from providing information to ASX or Clean Seas's auditors and advisers in the ordinary course of business or to otherwise effect the negotiation and entry into the Implementation Agreement.

5.5 No Competing Proposal

Subject to clause 5.6, during the Exclusivity Period, Clean Seas must not:

(a) accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal; or

(b) approve or recommend a Competing Proposal or announce an intention to do so.

5.6 Fiduciary carve out

(a) The restrictions in clauses 5.3 to 5.5 (inclusive) do not apply to the extent that the relevant clause (and only to such an extent) restricts Clean Seas or the Independent Board Committee from taking or refusing to take any action with respect to a genuine Competing Proposal (which was not solicited, invited, encouraged or initiated in contravention of this Deed) provided that the Independent Board Committee has determined, in good faith and acting reasonably that:

(i) after consultation with its financial advisors, such a genuine Competing Proposal is, or could reasonably be considered to become, a Superior Proposal; and

(ii) after receiving written legal advice from its external legal advisers failing to respond to such a genuine Competing Proposal would, or would be reasonably likely to constitute a breach of the Independent Board Committee's fiduciary or statutory obligations.

For personal use only

(b) In that regard the Independent Board Committee may facilitate, or continue to facilitate, a Competing Proposal notwithstanding that the relevant Competing Proposal may ultimately not be more favourable to Shareholders than any matching or superior proposal to the terms of the Competing Proposal that may be made by Yumbah.

(c) Yumbah and Clean Seas agree that the provisions of, and requirements to comply with, clauses 6.1 and 6.4 do not restrict in any way the ability of the Independent Board Committee to determine that clauses 5.3 and 5.4 do not apply with respect to a genuine Competing Proposal under clauses 5.6 and clause 6.4 does not oblige Clean Seas to notify Yumbah of a Competing Proposal before the Independent Board Committee has made a determination under this clause 5.6 as to whether clauses 5.3 and 5.4 apply with respect to a genuine Competing Proposal.

6. Notification of material events

6.1 Matching right

(a) Before any member of the Clean Seas Group, during the Exclusivity Period, enters into any legally binding agreement to give effect to any Competing Proposal, each of the following conditions must be satisfied:

(i) the actual, proposed or potential Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of clause 5.2;

(ii) Clean Seas must have complied with its notification obligations under clause 6.4 (which at a minimum must include the offer price per share and material terms and conditions and the identity of the third party making the Competing Proposal); and

(iii) Clean Seas must give Yumbah (or any of its Affiliates) until the end of the Exclusivity Period to provide a matching or superior proposal to the terms of the Competing Proposal, and the Independent Board Committee must not publicly recommend, endorse or support a Competing Proposal prior to the end of the Exclusivity Period.

(b) Clean Seas agrees that each successive modification of any Competing Proposal (including a change to the consideration offered, the addition of any consortium member to a third party consortium proposal, a change to the conditions of the proposal or a non-binding proposal becoming complete, capable of acceptance or binding on the third party) will constitute a new Competing Proposal for the purposes of the requirements under this clause 6.1 and clause 6.4.

6.2 Matching or superior Yumbah proposal

If, in accordance with clause 6.1(a)(iii), Yumbah provides to Clean Seas a proposal (**Yumbah Counterproposal**), Clean Seas must procure that the Independent Board Committee considers the Yumbah Counterproposal and determines whether, acting reasonably and in good faith, the Yumbah Counterproposal would provide an equivalent or superior outcome to Shareholders as a whole compared with the Competing Proposal. Following that determination, Clean Seas must:

(a) procure that the Independent Board Committee promptly, and in any event

For personal use only

within two (2) Business Days, notifies Yumbah of the determination in writing, stating reasons for that determination; and

(b) if the determination is that the Yumbah Counterproposal would provide an equivalent or superior outcome to Shareholders as a whole compared with the Competing Proposal, then for a period of three (3) Business Days after Clean Seas delivers to Yumbah the notice referred to in clause 6.2(a), Clean Seas and Yumbah must use their best endeavours to agree the transaction documentation required to implement the Yumbah Counterproposal as soon as reasonably practicable.

6.3 Exceptions to the exclusivity arrangement

(a) Nothing in this clause 6 prevents Clean Seas from:

(i) providing information to its Representatives;

(ii) providing information to any Government Agency;

(iii) providing information to its auditors, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business;

(iv) engaging with its Shareholders (in their capacity as a shareholder of Clean Seas) in relation to the Clean Seas Group, provided that such engagement does not relate to Clean Seas soliciting, inviting, encouraging or initiating an actual, proposed or potential Competing Proposal;

(v) continuing to make presentations to, and to respond to enquiries from, brokers, portfolio investors, analysts and institutional lenders in the ordinary course in relation to its business generally; or

(vi) fulfilling its legal obligations, including continuous disclosure requirements.

(b) Despite any other provision in this Deed, a statement by Clean Seas or the Independent Board Committee to the effect that:

(i) the Independent Board Committee has determined that a Competing Proposal is a Superior Proposal and has commenced the matching right process set out in clause 6.2; or

(ii) that Shareholders should take no action pending the completion of the matching right process set out in clause 6.2,

does not of itself:

(iii) constitute a change, withdrawal, modification of the recommendation by the Independent Board Committee or an endorsement of a Competing Proposal;

(iv) contravene this Deed; or

(v) give rise to a termination right under clause 7.1.

For personal use only

6.4 Notification obligation

During the Exclusivity Period, Clean Seas must, subject to clause 5.6:

(a) promptly, and in any event within one (1) Business Day of the approach, inform Yumbah in writing if it or any of its Representatives receives any approach with respect to any actual, proposed or potential Competing Proposal and must disclose to Yumbah:

(i) the fact that the approach has been made;

(ii) all material terms and conditions of, and the nature of, the Competing Proposal, including as to value and price;

(iii) the details of the person making the approach (and if different, details of and the identity of the proposed Yumbah or acquirer), the material terms of the Competing Proposal and any material updates to the proposal, to allow Clean Seas to properly exercise its right under clause 6.2; and

(b) as soon as practicable, and in any event within one (1) Business Day after Clean Seas decides to provide information or the Independent Board Committee resolves to consider the approach (or the actual, proposed or potential Competing Proposal), notify Yumbah if Clean Seas proposes to provide confidential information of Clean Seas to any third party in relation to any actual, proposed or potential Competing Proposal,

but nothing in this clause 6.4 limits the obligations of Clean Seas under clauses 5.2 (No shop), clause 5.3 (No talk) or clause 5.4 (No due diligence) and nothing in this clause 6.4 obliges Clean Seas to notify Yumbah of a Competing Proposal until after the Independent Board Committee has determined in accordance with clause 5.6 whether clauses 5.3 and 5.4 apply with respect to a genuine Competing Proposal.

6.5 Clean Seas legal advice

(a) Clean Seas acknowledges that it has received legal advice on this document and the operation of clause 5 and clause 6.

(b) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination in relation to clause 6.

7. Termination

7.1 Termination

(a) The parties acknowledge and agree that if Yumbah provides notice to Clean Seas under clause 4.6 stating that it has decided to no longer progress with the Transaction, then this Deed shall be automatically terminated with effect on the date of that notice.

(b) Clean Seas may terminate this Deed by giving written notice of termination with immediate effect if:

(i) Yumbah or any of its Affiliates breach any of their material obligations under this document or the Confidentiality Deed and they do not remedy

For personal use only

that breach within five (5) Business Days of receipt of written notice of such breach from Clean Seas;

(ii) Yumbah or any of its Subsidiaries are subject to an Insolvency Event; or

(iii) Yumbah has provided to Clean Seas a Yumbah Counterproposal prior to the end of the Exclusivity Period and the Independent Board Committee has considered the Yumbah Counterproposal in accordance with clause 6.2 and determined that the Yumbah Counterproposal does not provide an equivalent or superior outcome to Shareholders as a whole.

(c) Yumbah may terminate this Deed by giving Clean Seas written notice of termination with immediate effect if:

(i) the Independent Board Committee has changed, withdrawn or modified its recommendation of the Transaction as a result of Clean Seas receiving a Competing Proposal that a majority of the Independent Board Committee determines, after all of Yumbah's rights under this Deed have been exhausted, is a Superior Proposal;

(ii) Clean Seas or any of its Affiliates breach any of their material obligations under this document or the Confidentiality Deed and they do not remedy that breach within five (5) Business Days of receipt of written notice of such breach from Yumbah;

(iii) Clean Seas or any of its Affiliates are subject to an Insolvency Event; or

(iv) Clean Seas or any of its Affiliates breach any law that any applicable regulator or Government Agency would reasonably consider renders Clean Seas or any of its Affiliates unfit to Control Clean Seas.

(d) No party may terminate or rescind this document except as permitted under this clause 7.

7.2 Obligations on termination

(a) If a party terminates this Deed pursuant to this clause 7 or the document terminates pursuant to clause 8 (other than as a result of the entry by the parties into the Implementation Agreement), all obligations of the parties under this Deed, other than this clause 7.2 and clauses 1.2 (Interpretation), 11 (Notices), 12 (Amendment and Assignment) and 13 (General), immediately cease to be of further force or effect.

(b) The termination of this Deed does not:

(i) terminate the Confidentiality Deed; or

(ii) affect any claim arising before this Deed is terminated or arising in connection with the termination of this Deed that a party may have against the other party.

For personal use only

For personal use only

8. Term of Deed

This Deed, and the parties' obligations under it, will take effect from the signing of this Deed by both parties, and will subject to clause 7.2, terminate upon the earliest of the following to occur:

(a) the end of the Exclusivity Period;

(b) the parties executing an Implementation Agreement; or

(c) termination by either party under clause 7.1,

(such date being the **End Date**).

9. Warranties

9.1 Reciprocal representations and warranties

Each party represents and warrants that:

(a) it is duly incorporated under the laws of the place of its incorporation;

(b) it has the power and authority to enter into this Deed and perform and observe all its terms;

(c) this Deed has been duly executed and is a legal, valid and binding agreement enforceable against it in accordance with its terms; and

(d) it is not bound by any contract which may restrict its right or ability to enter into or perform the agreement contained in this Deed.

9.2 Yumbah acknowledgements

Yumbah acknowledges and agrees that:

(a) Clean Seas is not bound to enter into any agreement with Yumbah in relation to the Yumbah Proposal; and

(b) it will make an independent assessment of the prospects of Clean Seas and its business and whether to proceed with the Yumbah Proposal and will be responsible for its own costs in conducting such an assessment.

10. Yumbah Proposal Acknowledgements

10.1 No offer

Each party agrees that:

(a) this document is not intended to constitute, and does not constitute, an offer capable of acceptance or to otherwise give rise to a binding contract to proceed with the Transaction;

(b) there is no certainty that the Transaction will proceed; and

(c) this document does not constitute a proposal to make a takeover bid for the purposes of section 631 of the Corporations Act.

10.2 No association

Except as expressly agreed in writing between the parties, neither party has any obligations to the other in relation to the Yumbah Proposal or the Shares. No circumstances arise which result in, or would cause, the parties to be considered associates.

11. Notices

Any notice or other communication to or by a party under this Deed:

(a) may be given by personal service, post or email;

(b) must be in writing, legible and in English addressed (depending on the manner in which it is given) as shown below:

(i) If to **Yumbah**:

Address: 69 Fullarton Road, Kent Town, SA 5067

Attention: Richard Davey

Email: richard.davey@yumbah.com

with a copy to:

Address: K&L Gates, L25, 525 Collins Street, Melbourne, Victoria 3000

Attention: Harry Kingsley, Partner

Email: harry.kingsley@klgates.com

(ii) If to **Clean Seas**:

Address: 7 Frederick Road, Royal Park SA 5014

Attention: Robert Gratton, CEO and Joint Company Secretary

Email: rob.gratton@cleanseas.com.au

with a copy to:

Address: Candour Advisory, Suite 101, 147 Pirie Street, Adelaide SA 5000

Attention: George Stavrou, Executive Director

Email: george@candouradvisory.com.au

or addressed in accordance with any updated details last notified by the party to the sender by notice given in accordance with this clause 11;

For personal use only

(c) must be signed:

(i) in the case of a corporation registered in Australia, by the appropriate office holders of that corporation under section 127 of the Corporations Act; or

(ii) in the case of a corporation registered outside of Australia, by a person duly authorised by that corporation under the laws governing the place of registration of that corporation; and

(d) is deemed to be given by the sender and received by the addressee:

(i) if delivered in person, when delivered to the addressee;

(ii) if posted, at 9.00 am on the second Business Day after the date of posting to the addressee, whether delivered or not;

(iii) if sent by email, on the earlier of

(A) the sender receiving a delivery confirmation message from the recipient's information system; and

(B) 4 hours after the time the email is sent to the relevant email address unless the sender receives an automatic notification (other than an out of office greeting) that the email has not been delivered,

but if the delivery or receipt is on a day which is not a Business Day or is after 4.00 pm (addressee's time), it is deemed to have been received at 9.00 am on the next Business Day.

12. Amendment and Assignment

12.1 Amendment

This Deed can only be amended or replaced by another document executed by the parties.

12.2 Assignment

A party may only assign, declare a trust over or otherwise deal with its rights under this Deed with the written consent of the other party.

13. General

13.1 Governing law

(a) This Deed is governed by the law of South Australia, Australia.

(b) Each party submits to the jurisdiction of the courts of South Australia, Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with this Deed.

For personal use only

For personal use only

13.2 Liability for expenses

Each party will pay its own costs and expenses in connection with:

(a) the negotiation, preparation, execution, and performance of this Deed; and

(b) the proposed, attempted or actual implementation of this Deed.

13.3 Operation of this Deed

(a) This Deed and the Confidentiality Deed contain the entire agreement between the parties about their subject matter. Other than in relation to the Confidentiality Deed, any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this Deed and has no further effect.

(b) Any provision of this Deed which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this Deed enforceable, unless this would materially change the intended effect of this Deed.

13.4 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

(a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;

(b) a waiver of a right on one or more occasions does not operate as a waiver of that right or as an estoppel precluding enforcement of that right if it arises again; and

(c) the exercise of a right does not prevent any further exercise of that right or of any other right.

13.5 No merger

The rights and obligations of the parties will not merge on completion of any transaction under this Deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

13.6 Counterparts

(a) This Deed may be executed in any number of counterparts, each executed by one or more parties.

(b) All counterparts, taken together, constitute one instrument.

(c) A party may execute this Deed by signing any counterpart. To the extent permitted by law, a counterpart may be executed electronically.

(d) This Deed is binding on the parties on exchange of counterparts. A copy of a counterpart that is electronically scanned and emailed to each other party or their authorised representative:

(i) must be treated as an original counterpart;

(ii) is sufficient evidence of the execution of the original; and

(iii) may be produced in evidence for all purposes in place of the original.

13.7 Electronic signatures

To the extent permitted by law, a party may sign this Deed electronically, including by using software or a platform for the electronic execution of documents and each party consents to the Deed being signed in this way.

13.8 Severability

Any provision of this Deed, which is invalid in any jurisdiction, must, in relation to that jurisdiction, be:

(a) read down to the minimum extent necessary to achieve its validity, if applicable; and

(b) severed from this Deed in any other case,

without invalidating or affecting the remaining provisions of this Deed or the validity of that provision in any other jurisdiction.

For personal use only

Executed as a **Deed**

Executed by **Yumbah Aquaculture Ltd** ACN 082 219 636 in accordance with section 127(1) of the *Corporations Act 2001* (Cth):

.....
Signature of director

Ben Cameron

.....
Name (please print)

The signatory personally affixed their signature above by an electronic method the signatory and all parties consent to and intending it to authenticate this document.

.....
Signature of director or company secretary*
*delete whichever does not apply

Richard Davey

.....
Name (please print)

The signatory personally affixed their signature above by an electronic method the signatory and all parties consent to and intending it to authenticate this document.

For personal use only

For personal use only

Executed by **Clean Seas Seafood Limited** ACN 094 380 435 in accordance with section 127(1) of the *Corporations Act 2001* (Cth):

.....

Signature of director

Katelyn Adams

.....

Name (please print)

The signatory personally affixed their signature above by an electronic method the signatory and all parties consent to and intending it to authenticate this document.

.....

Signature of director or company secretary*

*delete whichever does not apply

Robert Gratton

.....

Name (please print)

The signatory personally affixed their signature above by an electronic method the signatory and all parties consent to and intending it to authenticate this document.

Annexure 1 – Public Announcement

For personal use only

For personal use only

Annexure 1 – Public Announcement

ASX ANNOUNCEMENT

19 February 2025

CLEAN SEAS SEAFOOD LIMITED (ASX: CSS) Clean Seas announces proposal from Yumbah and grants exclusive due diligence

Clean Seas Seafood Limited ("Clean Seas", ASX: CSS, "the Company") advises that it has received a non-binding, indicative and incomplete proposal from Yumbah Aquaculture Ltd ("Yumbah") to merge with CSS through the acquisition of 100% of CSS shares by way of a scheme of arrangement ("Scheme") offering $0.14 cash per share with a scrip alternative in Yumbah ("Proposal").

About Yumbah

Yumbah is an Australian-owned vertically integrated investment grade shellfish aquaculture portfolio with operations in South Australia, Victoria, Tasmania and New South Wales. The company delivers premium produce from spat through to harvested products, supplying farmers, wholesalers and retailers with sustainably farmed shellfish.

Yumbah is the largest producer of abalone in the Southern Hemisphere, specialising in onshore production of this prized shellfish. In addition, the Group produces oysters, mussels, aquafeed and oyster spat. For more information, visit: www.yumbah.com

Anthony Hall is a director and the largest shareholder of Yumbah with a ~53.6%[1] ownership and is Clean Seas' largest shareholder with a current ownership of ~22.6%. CSS director Gary Higgins also serves as a director and Chairman of Yumbah.

Details of the Proposal

Under the terms of the Proposal, CSS shareholders will, as the default consideration, receive total cash consideration of $0.14 per share ("Cash Consideration"). As an alternative to the Cash Consideration, eligible CSS shareholders may elect to receive Yumbah scrip. CSS shareholders who elect to receive scrip will have ongoing economic exposure to the merged Clean Seas and Yumbah business. The exact CSS to Yumbah share ratio (for the scrip alternative) will be determined at a later stage, subject to the relative value of Yumbah scrip.

The Proposal's Cash Consideration of $0.14 per share represents a premium of:

- 52.2% to the closing price of $0.092 on 18 February 2025 (being the last trading day prior to this announcement);
- 46.8% to the one month volume weighted average price ("VWAP") to 18 February 2025 of $0.0954; and
- 27.6% to the 3 month VWAP to 18 February 2025 of $0.1097.

The Board of CSS has established an independent committee of directors ("IBC") to evaluate and negotiate the terms of the Proposal.[2]

---

[1] As per Yumbah's Annual Report for the financial year ended 30 June 2024.
[2] The IBC consists of Katelyn Adams and Marcus Stehr. Note that CSS director, Gary Higgins who is also a director and Chairman of Yumbah, is not part of the IBC.

The Proposal is subject to a number of conditions including:

- mutual satisfactory due diligence;
- unanimous recommendation from the IBC and a commitment from all Clean Seas Directors to vote any shares that they hold or control in favour of, or accept into, the Yumbah Proposal, in the absence of a superior proposal and subject to an independent expert concluding that the transaction is in the best interests of CSS shareholders; and
- entry into a Scheme Implementation Deed ("SID") on customary market terms acceptable to CSS and Yumbah, including:
    - standard conditions precedent including regulatory clearances, no material adverse change, no prescribed occurrences, no regulated events, no material acquisitions/disposals, no dividends/distributions, shareholder and court approval and subject to any matters arising out of due diligence;
    - provisions dealing with vesting or termination of Clean Seas performance rights;
    - standard deal protection mechanisms (including a break fee consistent with Takeovers Panel guidance), no-shop, no-talk, no-due diligence, notification and matching right provisions;
    - standard termination provisions for material breach; and
    - customary representations and warranties.

The Proposal will be funded through a combination of debt and, to the extent eligible CSS shareholders elect to take Yumbah scrip consideration, Yumbah equity.

The proposed consideration under the Proposal would be reduced by the value of any dividends or other distributions declared, proposed or paid on and from today's date.

The IBC's Intention

Following careful consideration, the IBC has determined that it is in the best interests of CSS shareholders to progress the Proposal and allow Yumbah to undertake further due diligence.

Subject to Clean Seas and Yumbah agreeing to a SID on terms acceptable to Clean Seas, the IBC unanimously intends to recommend that CSS shareholders vote in favour of the proposed Scheme (at the current offer price of $0.14 per share) and each director intends to vote any CSS shares they control in favour of the Scheme, subject to:

- the parties entering into a binding SID on terms no less favourable (when taken overall) to CSS' shareholders than the Proposal;
- no superior proposal being received; and
- an independent expert concluding (and continuing to conclude) that the Proposal is in the best interests of CSS shareholders.

Further to the Company's announcement on 20 December 2024 detailing the events surrounding the Year Class 24 cohort of fish and the appointment of Morgans Financial and Bell Potter Securities ("JLMs") to assist the Company in determining a capital strategy, the IBC has resolved to pursue the Proposal on an exclusive basis and terminate the appointment of the JLMs and all other discussions in relation to raising capital.

Yumbah has indicated that the offer price of $0.14 per share follows and reflects an initial period of financial, operational and technical due diligence, including in relation to CSS assumptions regarding harvest yield percentages. Yumbah now intends to undertake customary due diligence in the next stage, including in relation to legal, regulatory, workplace and taxation matters.

For personal use only

For personal use only

Next steps

CSS and Yumbah have entered into a Process Deed under which Yumbah has been granted until 24 March 2025 to undertake exclusive due diligence and negotiations on a binding SID. The Process Deed contains customary deal protection mechanisms, fiduciary exclusions and a matching right for Yumbah in the event of a competing proposal. A copy of the Process Deed is attached to this announcement.

CSS shareholders do not need to take any action in relation to the Proposal. The IBC will continue to keep shareholders and the market informed of developments.

The IBC notes that there is no certainty that the engagement between CSS and Yumbah will result in a change of control transaction or an offer capable of acceptance by CSS shareholders.

This announcement does not constitute a proposal to make a takeover bid for the purposes of section 631 of the Corporations Act.

CSS has appointed Candour Advisory as financial advisor and HWLE as legal advisor.

Yumbah has appointed K&L Gates as legal advisor.

This announcement is authorised by the IBC of the Company.

About Clean Seas Seafood Limited

Clean Seas Seafood is a fully integrated Australian Aquaculture business listed on the Australian Securities Exchange (ASX) and with a secondary listing on Euronext Growth Oslo (OSE).

Clean Seas is the global leader in full cycle breeding, farming, processing and marketing of its Hiramasa or Yellowtail Kingfish (Seriola lalandi) and is renowned amongst leading chefs and restaurants around the world for its exceptional quality.

Clean Seas is recognised for innovation in its sustainable Yellowtail Kingfish farming and has become the largest producer of aquaculture Yellowtail Kingfish outside Japan. For more information, visit www.cleanseas.com.au