



Investor Presentation

October 2018



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Forward Looking Statements

This presentation may contain "forward-looking information" as defined in applicable Canadian securities legislation. All statements other than statements of historical fact, including, without limitation, statements regarding future plans and objectives of Clearwater, constitute forward-looking information that involve various known and unknown risks, uncertainties, and other factors outside management's control. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect including, but not limited to, total allowable catch levels, selling prices, weather, exchange rates, fuel and other input costs.

There can be no assurance that such information will prove to be accurate and actual results and future events could differ materially from those anticipated in such forward-looking information.

For additional information with respect to risk factors applicable to Clearwater, reference should be made to Clearwater's continuous disclosure materials filed from time to time with securities regulators, including, but not limited to, Clearwater's Annual Information Form.

The forward-looking information contained in this presentation is made as of the date of this release and Clearwater does not undertake to update publicly or revise the forward-looking information contained in this presentation, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

No regulatory authority has approved or disapproved the adequacy or accuracy of this presentation.



Company Overview

- Leading global provider of premium Marine Stewardship Council (“MSC”) certified shellfish
- North America's largest vertically integrated, publicly traded, shellfish harvester
- Largest holder of shellfish quotas in Canada
- Operations in Canada, Argentina, UK & China
- Industry leader in shellfish
 - Sustainable fishing practices
 - Frozen at-sea processing of shellfish
 - Scale procurement of same & complimentary species
 - Onshore processing, storage and distribution
- Global sales, marketing and distribution in over 40 countries



widest selection of MSC-certified species of any shellfish harvester worldwide



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Key Messages

- **2018 continues to be a pivotal year to reset the business for the future**
 - Prioritizing cash generation, cost savings, margin improvement and debt repayment
 - Planning for success and long-term shareholder value creation in our Clam business
- **Continue to leverage powerful industry fundamentals**
 - Global demand exceeds supply, rising incomes among middle class consumers in Asia led by China, and changing tastes, diet and social 'cachet' in developed markets
 - IMF data suggests strong China per capita GDP growth rates (measured in PPP) to continue 2018-2023
- **Continue to leverage our strong value proposition and competitive advantages**
 - Unique assets, technology & IP
 - Scale and breadth of access to supply
 - Vertical integration model enhances value capture
 - Global reach & customer diversity & proximity
- **There are attractive opportunities for future growth in 2019 and over the next five years**
 - Organic – core license usage, procurement, cost savings, pricing, technology innovation, market expansion
 - External development – M&A, joint ventures, royalty and harvest contracts
 - We expect meaningful and balanced growth across all regions in 2019 (led by APAC) from volume, sales mix and modest price improvement
- **Keys to success**
 - Cost savings and margin improvement
 - Cash generation and debt reduction
 - Engage our talent and increase organizational capability and capacity



Same Strategies... Different Emphasis



1. Expand Access to Supply

- Expand access to supply of core species and other complimentary, high demand, premium, wild and sustainably-harvested seafood through improved utilization and productivity of core licenses as well as acquisitions, partnerships, JV's and commercial agreements



2. Target Profitable & Growing Markets, Channels & Customers

- Segment and target markets, consumers, channels and customers on the basis of size, profitability, demand for eco-label seafood and ability to win
- Win in key channels and with customers that are winning with consumers

2



3. Innovate & Position Products to Deliver Superior Customer Satisfaction & Value

- Innovate and Position Clearwater's premium seafood to deliver superior satisfaction and value that's relevantly differentiated on the dimensions of taste, quality, safety, sustainability, wellness and convenience



4. Increase Margins by Improving Price Realization & Cost Management

- Leverage scarcity of seafood supply/increasing global demand to continuously improve price realization, revenue & margins
- Invest in, innovate and adopt state-of-the-art technology, systems & processes that maximize value, minimize cost, reduce waste, increase yield & improve quality, reliability & safety of our products & people

1



5. Pursue & Preserve the LT Sustainability of Resources on Land & Sea

- Work in partnership with DFO's and NGO's to lead R&D and industry-wide deployment of sustainable harvesting practice, ensuring long term health of resource and value of licenses & quotas
- Continue to advance our company-wide sustainability framework to improve economic, environmental and social outcomes on land and sea



6. Build Organizational Capability, Capacity & Engagement

- Attract, engage, train, develop, reward and retain the best talent
- Build business system and process excellence company-wide
- Communicate and aspire to live our mission, goals, values and code of conduct every day

3



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Markets, Value, and Competitive Advantage

Where to Play?



How to Win?



How to Sustain
Competitive Advantages?

TARGET SEGMENT(S)

- Wild shellfish, all major markets
- Food Services, Retail & ECOMM Direct and Indirect)

VALUE PROPOSITION

- Scarce, high quality (FAS), safe, sustainable, traceable shellfish
- Scale & diversity in key species
- Global delivery & customer service
- Unique, innovative products, pkg. & services
- Consumer, customer & market insights

ACTIVITY SYSTEM

- **Drive** cost savings, SG&A reduction and margin improvement
- **Drive** CAPEX and working capital (inventory) reduction for cash generation
- **Maintain** investment in China to increase Clam and Macduff volume and build Food Service, Retail and Ecommerce distribution
- **Maintain** access to quota in key species
- **Maintain** broad portfolio of species, markets & customers
- **Maintain** vertical integration
- **Maintain** MSC Certification



Our strategic framework is working but market forces and new opportunities will challenge us to become even more competitive

Growth Prospects



Source: IMF:
World Economic Outlook

- Clearwater is well positioned to participate in China growth, which is expected to outpace global growth.
- From 2010-2017, Clearwater sales (expressed in USD) are 86% correlated to World GDP, and China per Capita GDP growth rates (measured in PPP).
- Over any given period, Clearwater's sales will be affected by the global supply of wild seafood relative to its own harvesting and procurement activities.

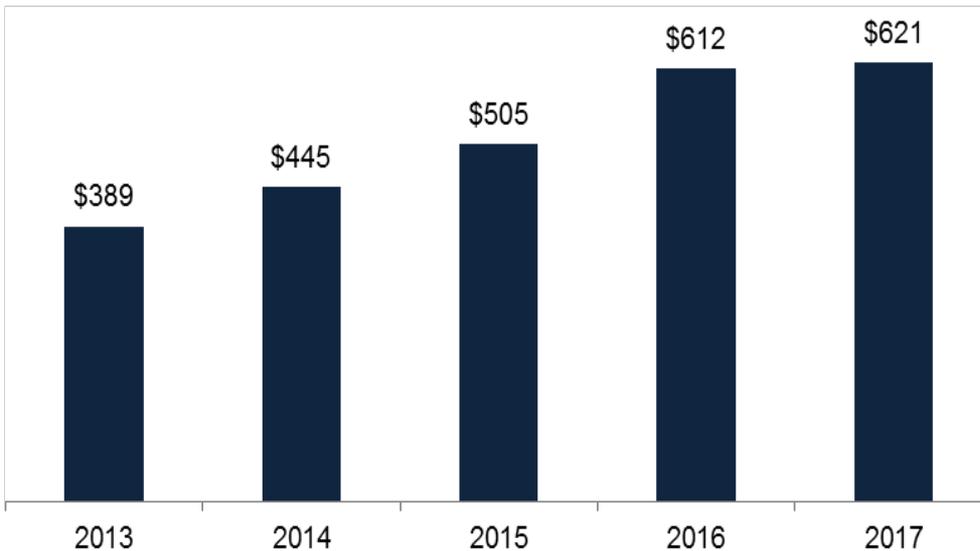


Long-term trends in tact, subject to short-term volatility

Strong Track Record for Growth

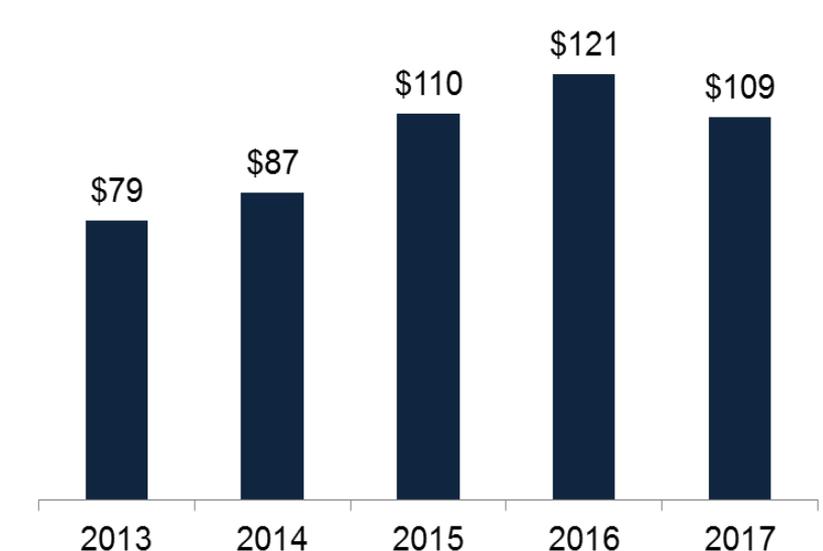
(C\$ in millions)

Net Sales



5 yr growth of \$232MM, CAGR 12%

Adjusted EBITDA



5 yr growth of \$30MM, CAGR 8%

Solid sales and EBITDA trajectory; reductions to Shrimp quotas, temporary pricing incentives to expand clam distribution, market softness in UK Langoustines and FX held back Sales/EBITDA in 2017



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Latest Financial Results: Q2 2018

<i>(C\$ in millions)</i>	Q2 2018	Q2 2017	Commentary
Sales	\$148.1	\$154.3	Strong prices, and landing timing for FAS shrimp, and higher volumes and favorable sales mix for clams, were offset by lower available supply of, and competitive pricing for, scallops (associated with increased US scallop supply) resulting in a net decline in sales in the second quarter of 2018.
Adjusted EBITDA	\$30.5	\$27.5	Adjusted EBITDA grew 10.7% to \$30.5 million for the second quarter versus \$27.5 million in the prior year. As a percentage of sales adjusted EBITDA increased to 20.6% for the second quarter as compared to 17.8% in the prior year. This reflects strong sales mix and lower administrative and selling costs following the organization restructuring in the fourth quarter of 2017.
Leverage	5.1x	4.9x	Leverage for the rolling twelve months ended June 30, 2018 increased modestly to 5.1x from 4.9x. Net adjusted EBITDA (meaning shareholder EBITDA) was down slightly due to a reduction in gross margin, partially offset by lower debt balances.
Return on Assets	8.2%	10.5%	Return on assets declined from 10.5% in Q2 2017 to 8.2% in Q2 2018 primarily due to higher asset values as the fleet renewal program concluded in the first quarter of 2018, in combination with lower adjusted EBIT from a reduction in gross margin.

Expanding EBITDA and margin growth reflect sales mix and lower SG&A



please refer to management's discussion and analysis for related period for a fulsome analysis and commentary

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Arctic Surf Clam Update – 25% Access

- On Sept. 11, 2018 DFO confirmed that the remaining 25% of the 2018 and 2019 Total Allowable Catch (TAC) will be made available to Clearwater. This decision is good news for Clearwater after many months of uncertainty surrounding access to the remaining 25%.
- While the Minister considers next steps beyond 2019, Clearwater remains committed to working in partnership with DFO to bring reasonable and actionable solutions to the table that support security of access, sound fisheries management policy, and reconciliation with Indigenous communities.
- As part of our ongoing and industry leading commitment to science and sustainability, we have reaffirmed Clearwater's commitment to support continued DFO science work in this fishery through an MOU. This commitment underpins the sustainable management of the Arctic Surf Clam fishery and has allowed Clearwater to achieve recognition as a MSC certified fishery.

Clearwater granted access to 25% of clam quota in 2018-2019



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Current Economic Events

New NAFTA

- The United States-Mexico-Canada-Agreement (USMCA) is set to replace the North American free-trade agreement (NAFTA) after ratification.
- The US is a major export market for Clearwater products representing approximately \$87 million in sales in 2017. It is a significant market for scallops, coldwater shrimp, lobster and clam products.
- We are not expecting any significant changes to Clearwater from the USMCA once ratified.

Brexit

- With 6 months remaining until the UK is due to leave the EU and with no deal reached to date, Management continues to review, assess and monitor the key issues under Brexit that are relevant to our business that are centered around fisheries access, immigration/labor related matters and trade broadly.
- As a business, we are taking a fully participative, active and advisory role in all preparatory government working groups for our fisheries and processing sector.
- We expect to be able to assess, manage and plan for any impacts to the business through our involvement in the negotiations and their outputs.



Current Economic Events (continued)

CETA

- The Canada-EU Comprehensive Economic and Trade Agreement (CETA) has been provisionally applied, pending ratification, and the treaty has eliminated 98% of the tariffs between Canada and the EU. Europe is one of the world's top consumption markets for seafood.
- Europe is a major export market for Clearwater products, representing approximately 40% of total sales or \$243 million in 2017. Clearwater anticipates the reduction in tariffs to lead to accelerated growth in the European market.

CPTPP

- On March 8, 2018 the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("CPTPP") was signed. The CPTPP will create an eleven country trading block including Canada, and representing 495 million people, with a combined gross domestic product of \$13.5 trillion or 13.5% of global GDP.
- The Government of Canada has also expressed interest in exploring a bilateral free trade agreement with China. These dialogues are in an early stage.

China & US Trade

- Ongoing trade disputes between the US and China has triggered a series of regulatory tariffs on seafood. In July, China imposed a 25 percent tariff on U.S. seafood.
- The outcome from the ongoing trade war is difficult to predict and any near-term benefits for the Canadian marketplace may be short-lived.

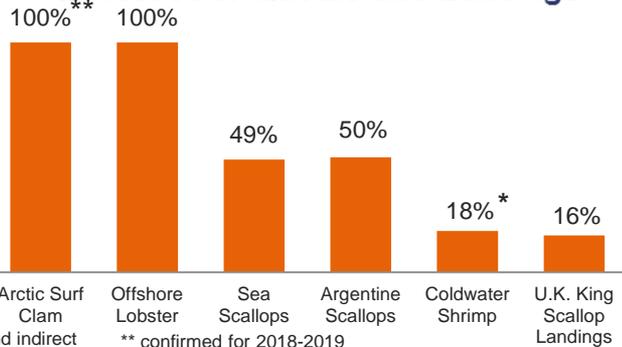


Competitive Advantage (1)

Scale Access to Supply & Distribution

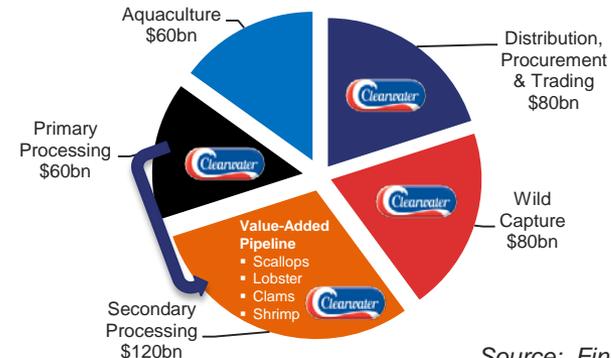
Access to Scarce, Highly Valuable Resources

% Access to Quotas and Landings



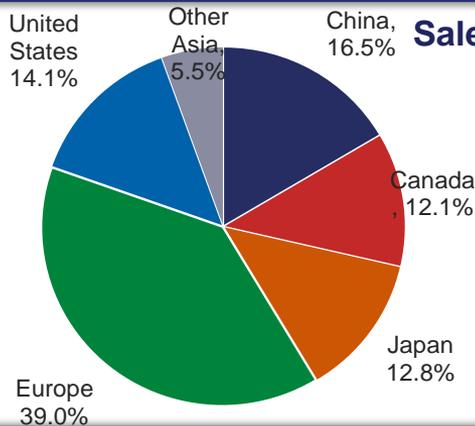
Strong Presence Across Value Chain

Estimated size of overall market



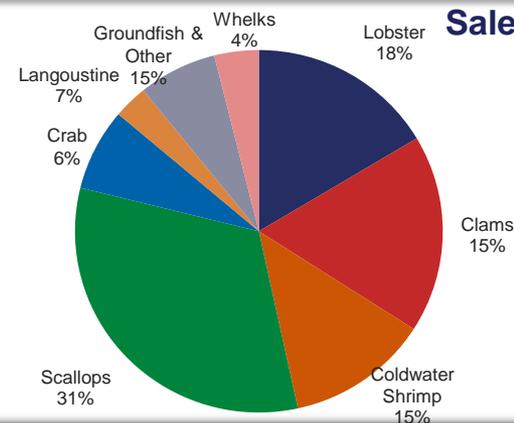
Balanced Global Footprint

Sales by Geography



Balanced Species Mix

Sales by Species



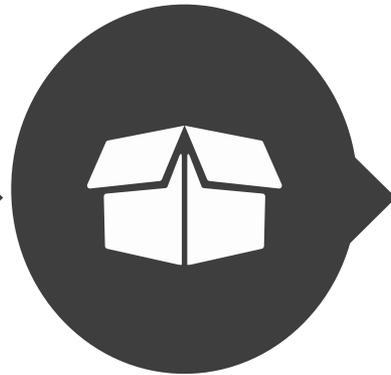
(1) Figures shown for year ended 12/31/2017

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harvest

we harvest our
own quota on
board our own
vessels



processing

we process in
our own facilities



logistics

we coordinate
delivery to our
customers



culinary

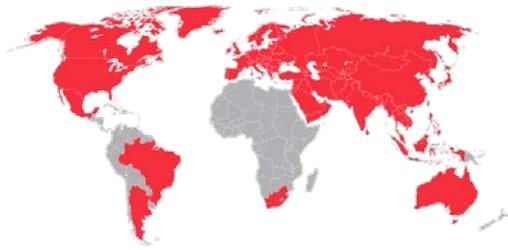
delivering premium
shellfish to plates
around the world

Competitive Advantage

Market, Channel & Customer Diversity

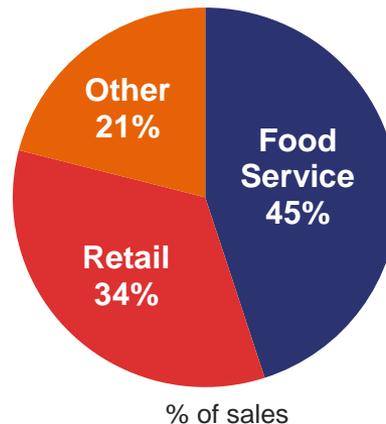
Global Footprint

- 94 million pounds sold in 2017 in over 40 countries



Channel Mix

- Multiple touch points to global seafood consumers



Diverse Customer Base

- No single customer represents more than 8% of 2017 sales
- Average top ten customer relationship of ~19 years



Clearwater's Value Proposition

- Broadest, highest-quality premium wild shellfish portfolio
- Widest selection of MSC-certified species of any harvester / processor
- Unique, "just-in-time" live lobster distribution system
- Longstanding track record of new product innovation

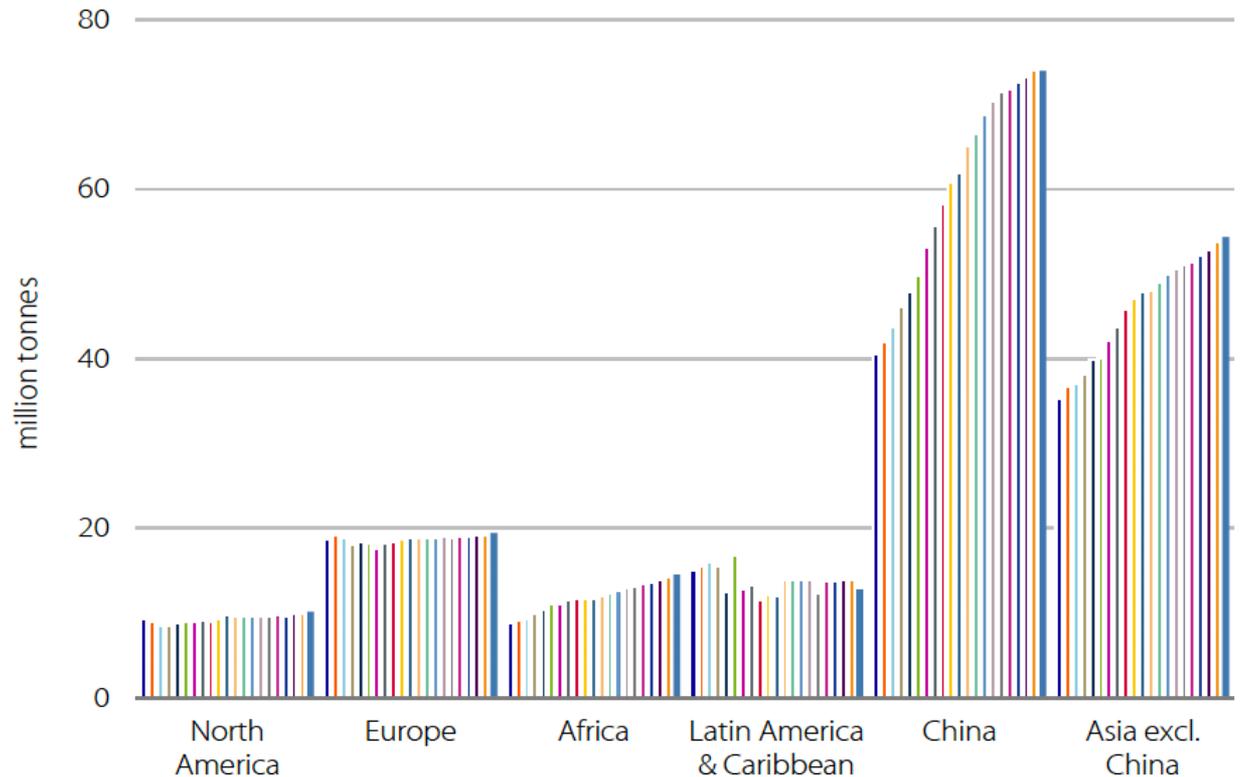


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China Growth Opportunity

China has a high seafood consumption rate, estimated at 44kg per person, which is forecast to reach 50kg in 2026

China Will Dominate Global Seafood Consumption



Rabobank: Growth in Seafood Consumption 2006-2026



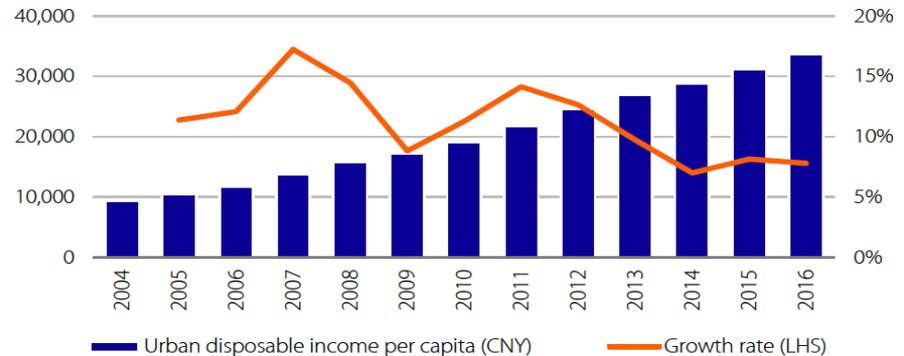
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China Growth Opportunity

High Consumption + High Income = Market Dominance

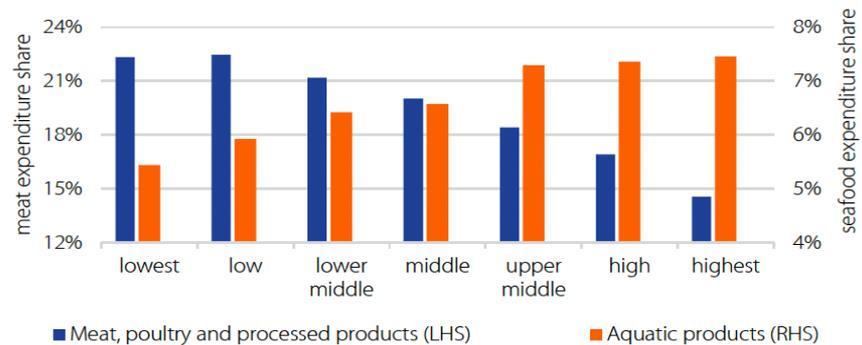
- China currently accounts for 37% of global seafood consumption

Urban disposable income in China is still growing at around 8% per year



Source: National Bureau of Statistics, Nielsen, BCG, Rabobank 2018

Richer Chinese households shift consumption towards seafood



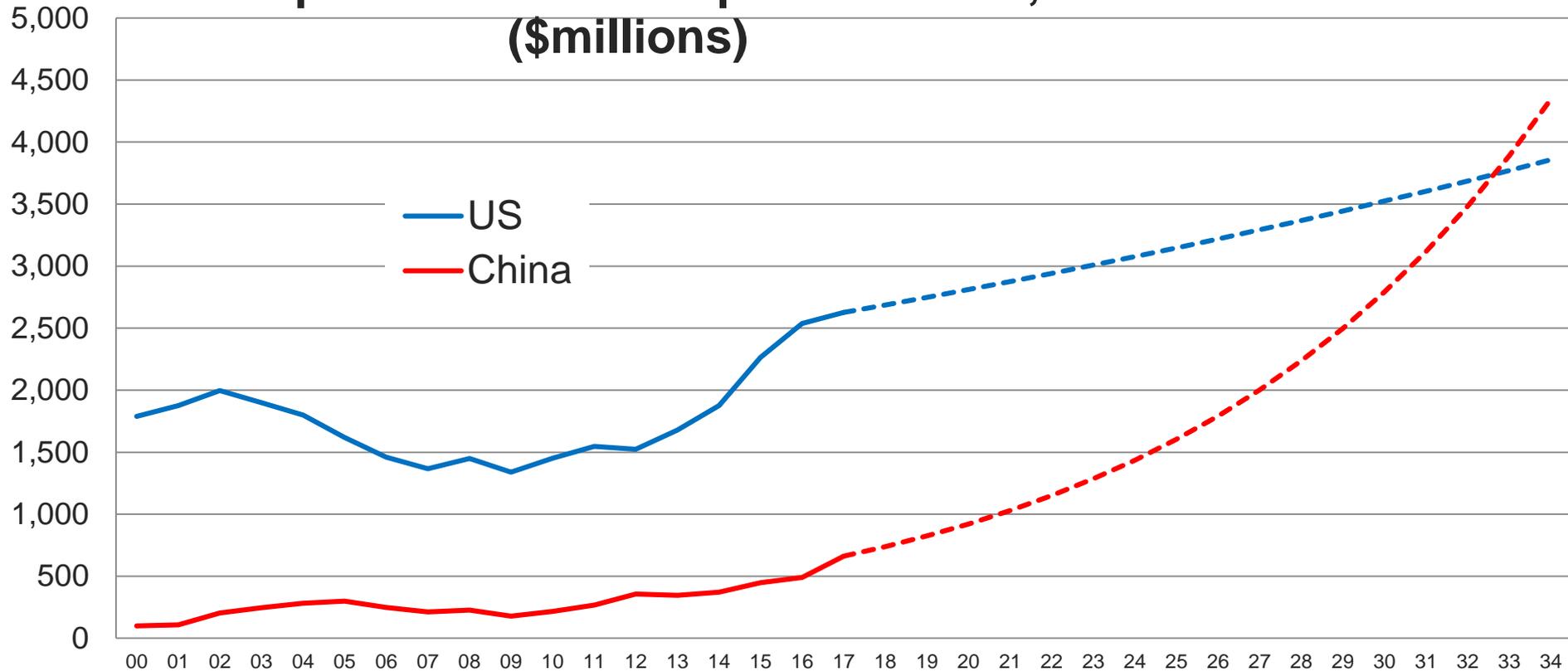
Source: National Bureau of Statistics, Nielsen, BCG, Rabobank 2018



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China Growth Opportunity

Canada's processed fish shipments to US, China (\$millions)



Source: UN FAO, EDC Economics



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Proven and Experienced Leadership Team

Deep Management Team with Expertise in Global Fast Moving Consumer Goods

Ian Smith
Chief Executive Officer

- Joined: May 2010
- Experience: 29 years

Christine Penney
*VP of Sustainability and
Public Affairs*

- Joined: July 1995
- Experience: 22 years

Teresa Fortney
Chief Financial Officer

- Joined: March 2016
- Experience: 30 years

Dieter Gautschi
*Vice President, Human
Resources*

- Joined: July 2015
- Experience: 25 years

Darren Bowen
*Vice President,
Global Supply Chain*

- Joined: February 2015
- Experience: 27 years

Roy Cunningham
*Chief Operating Officer,
Macduff Shellfish Group*

- Joined Macduff: April 2012
- Experience: 23 years

Tony Jabbour
*Vice President,
Fleet Operations*

- Joined: November 1993
- Experience: 25 years



Key Investment Highlights



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Ian D. Smith

Chief Executive Officer

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