



Aon seminar on land-based salmon farming

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Why all the focus on land-based farming? Many good reasons

- Still, the conventional salmon companies play the waiting game..



Regulatory reasons

Conventional growth is expensive and limited and less profitable in exposed areas



Environmental reasons - oceans

No impact on the oceans, no fish escape, seabed footprint



Other environmental reasons

Production close to market reduces the need for air freight and lowers the carbon footprint



Fish health aspects

No sea lice or treatment of the fish, reduced stress, better growth with stable temperatures



Consumer friendly

Fresher salmon with production close to market



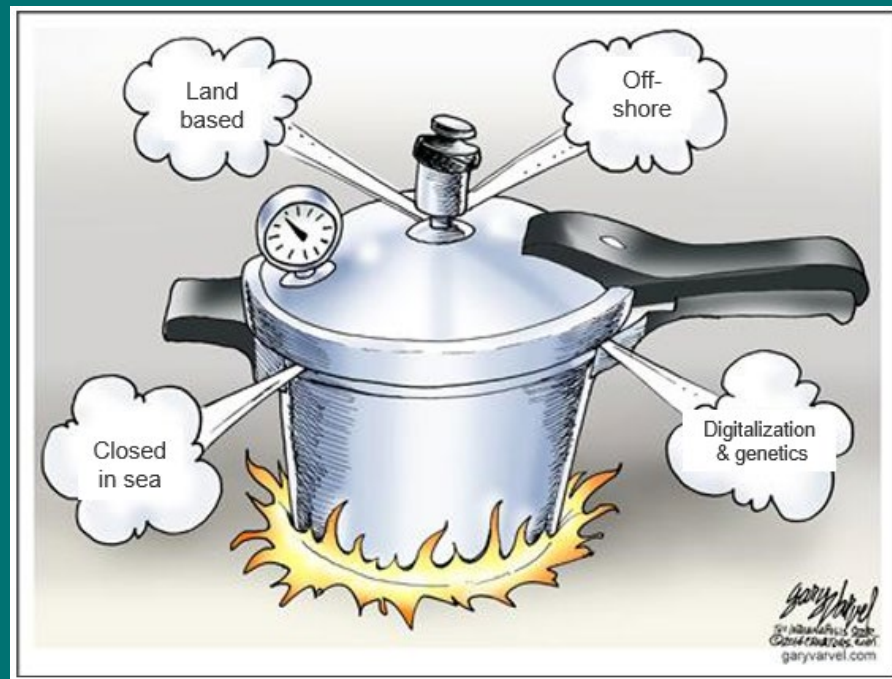
Profitability

The reasons above are drivers that could increase the price/kg and reduces the price. In the long term, when technological risk is reduced, the industry can become very profitable

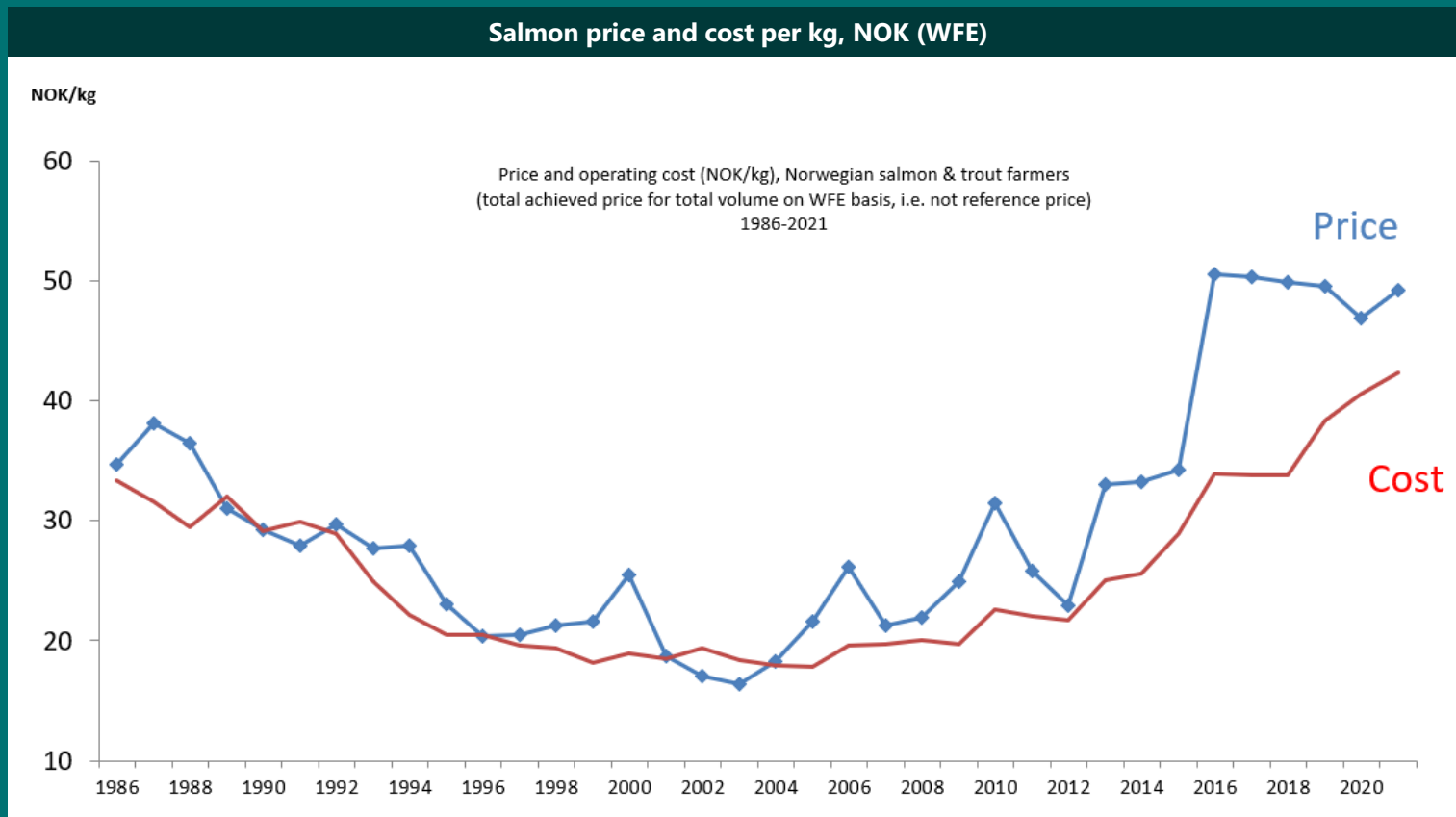
In short: sustainability, different value proposal, lack of growth in conventional farming

Enablers

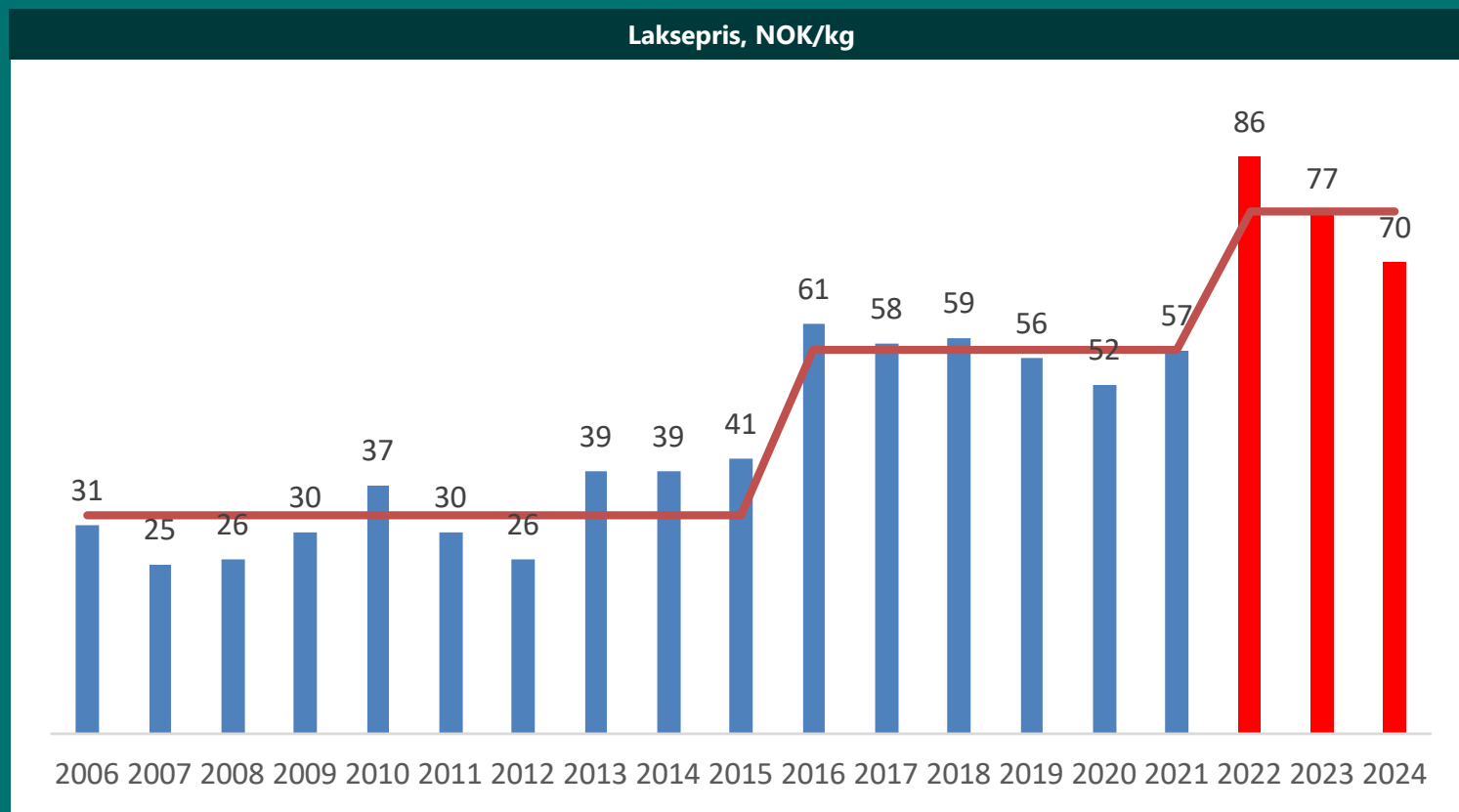
- High profitability
- Good long-term price visibility
- Clearly defined problems



High price & high cost in sea positive for land-based farming



Strong prices also ahead



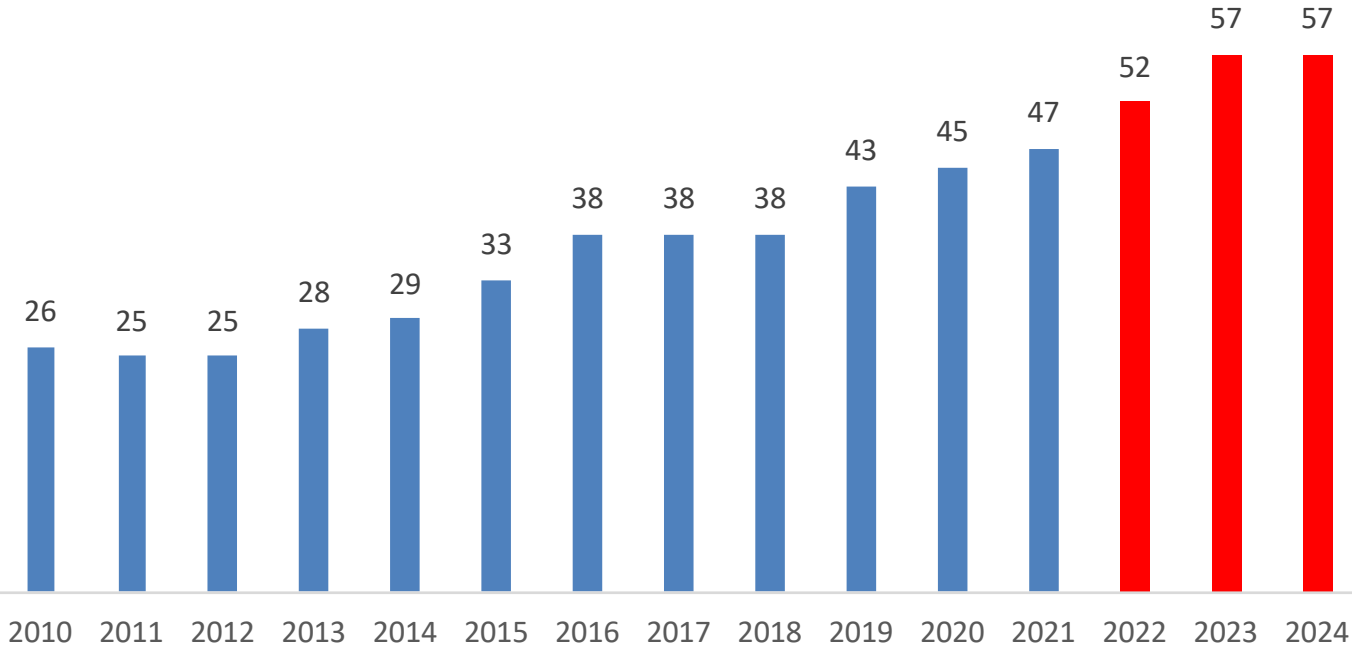
But cost will also pick up



Source: DNB Markets' Alex Aukner

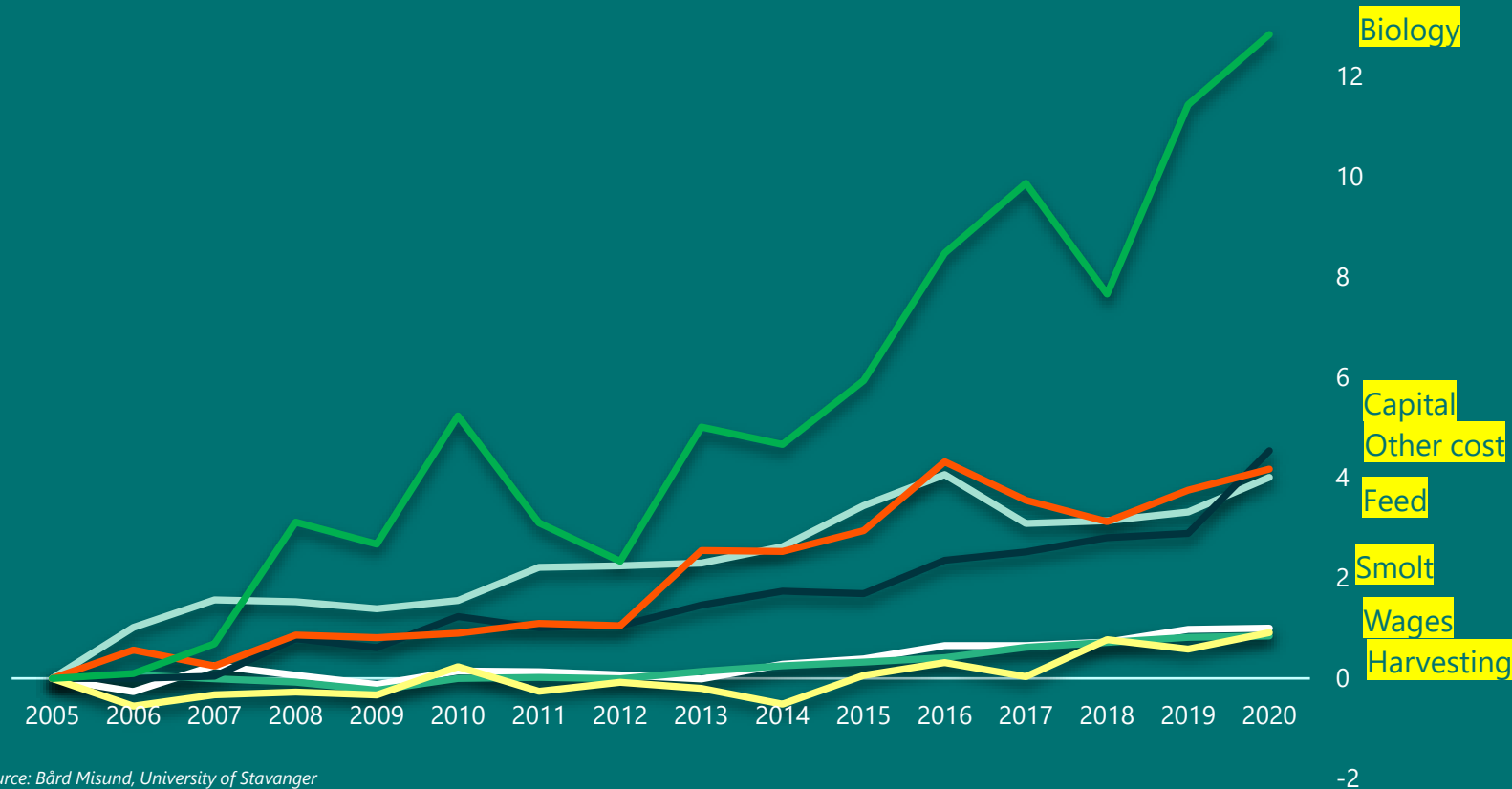
Production cost, NOK/kg

NOK/kg



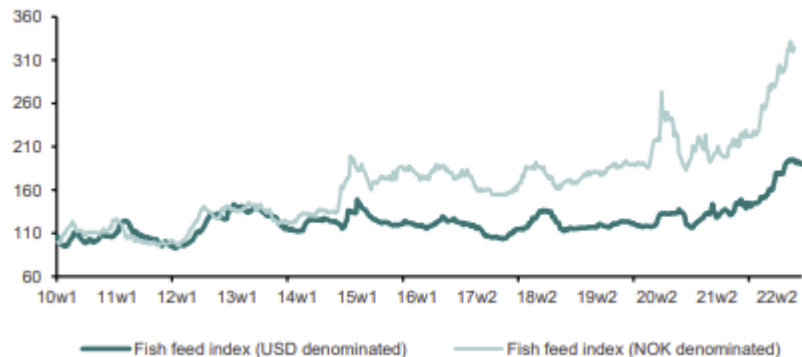
Biology has been the key cost driver

Cost per kg, NOK. Change since 2005

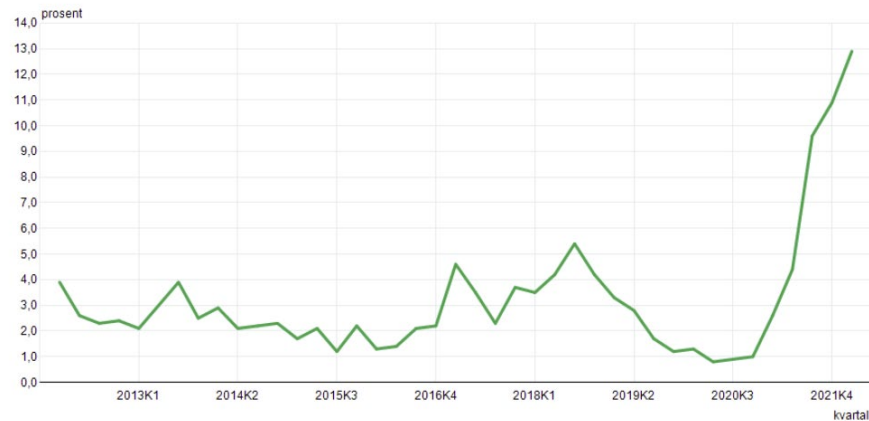




Estimated trend in fish-feed prices (indexed from January 2010)



08662: Byggekostnadsindeks for veganlegg (1. kv. 2004=100), etter kvartal. Veganlegg, i alt, Endring fra forrige år (prosent).

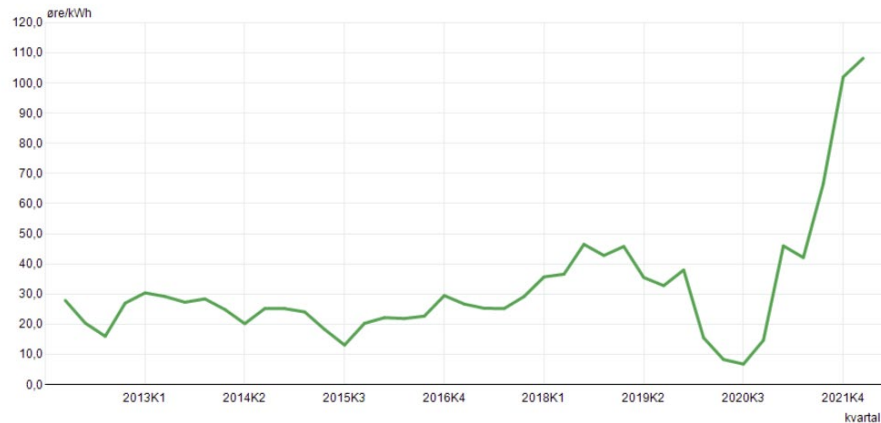


Kilde: Statistisk sentralbyrå

Norway 10Y Bond Yield (percent) 3.106 -0.06 (-0.06%)



09363: Kraftpriser i engrosmarkedet (øre/kWh), etter kvartal. SALG AV ENGROSKRAFT, Kraftpris ekskl. avgifter.



Kilde: Statistisk sentralbyrå

End of

BlackRock chief Larry Fink says Ukraine war marks end of globalisation

Boss of \$10tn asset manager warns about inflation as companies reconfigure supply chains







Proven
technology




Industrial
investors



Industry
experts part of
management



Geography and
political regime



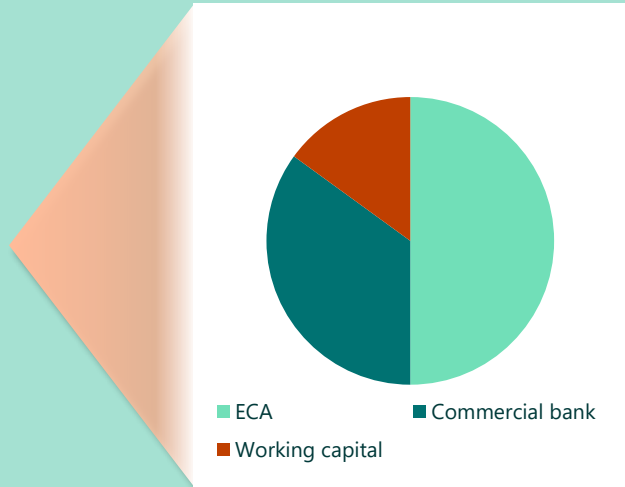
Some special
advantage

Debt financing of land based salmon farming

Simplified capital structure



■ Equity ■ Debt



Still a young industry, but promising developments in recent years

- Many unknown unknowns as we are still in an early phase

“There are known knowns; there are things we know we know.

We also know there are known unknowns; that is to say we know there are some things we do not know.

But there are also unknown unknowns — the ones we don't know we don't know.

And if one looks throughout the history of our country and other free countries, it is the latter category that tend to be the difficult ones” – Donald Rumsfeld



Techno-logical risk

Does the technology work well enough on a large scale? Can the technology handle/produce the volumes/density promised by the supplier?

Technical /Op. risk

Will we get to the “airplane system risk” where the important system simply doesn’t break down? If the systems works fine in 90/100 batches, it is not good enough if all fish dies in 10/100

Biological risk

How does the fish deal with the density levels required on land over time? What if bacteria get into the tanks? H2S?

