

# Investor Call

Klepp, 29 September 2021

Knut Nesse, CEO

Ronny Meinkøhn, CFO



# Highlights

- Private placement corresponding to 10% of outstanding shares in AKVA at a subscription price of NOK 96,50 per share
- Share sale existing shareholders at a purchase price of NOK 96,50 per share
- Establishment of investment platform for investments in land-based projects worldwide
- Signed RAS contract with AquaCon subject to financing
- Call for extraordinary general meeting October 20, 2021

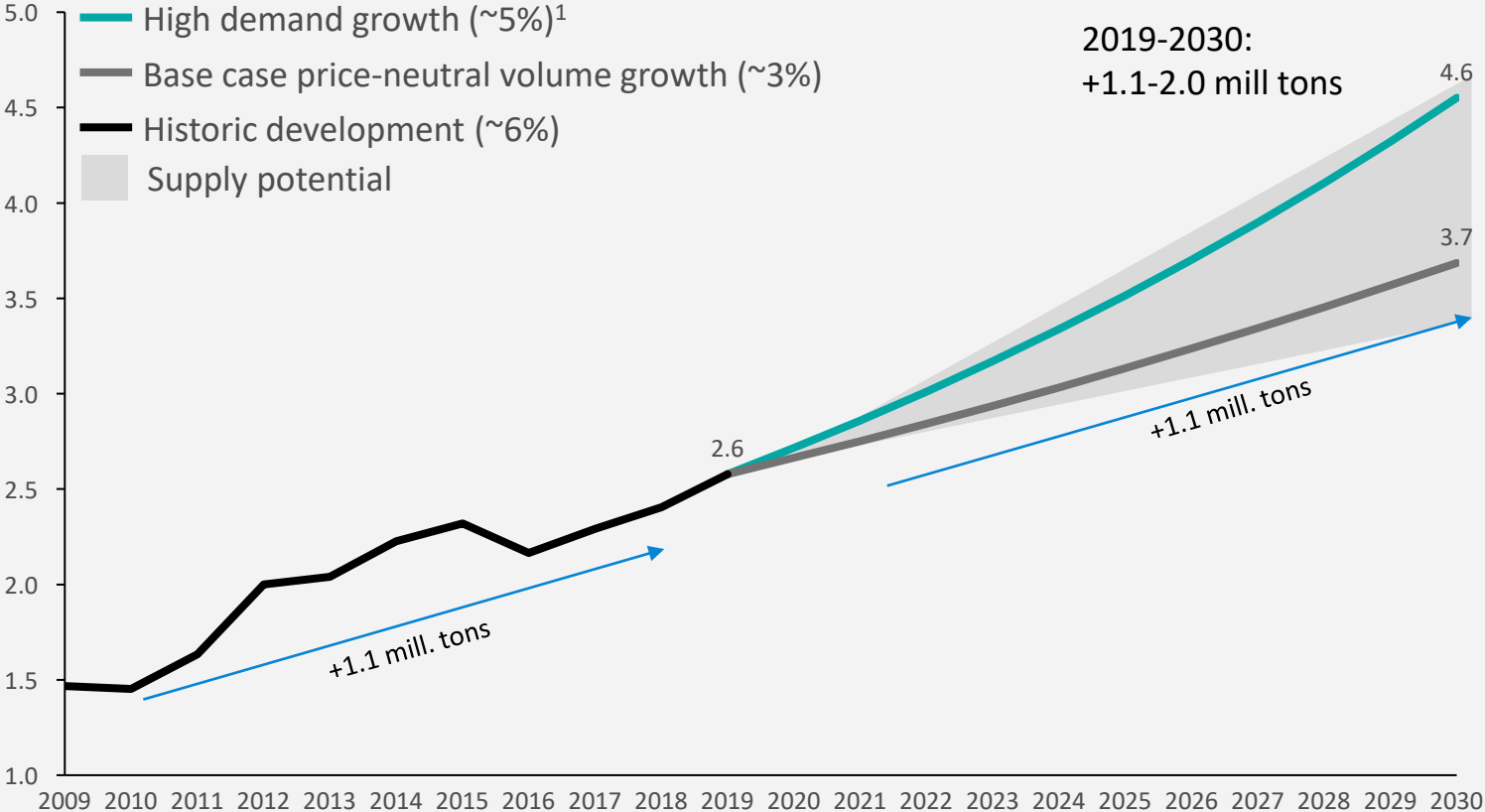


# Market outlook and strategic agenda

# Underlying demand growth implies 1–2 million ton volume increase by 2030

Salmon demand has increased by 1.1 mill tons from 2009-2019. “Base case” assumes similar demand growth till 2030

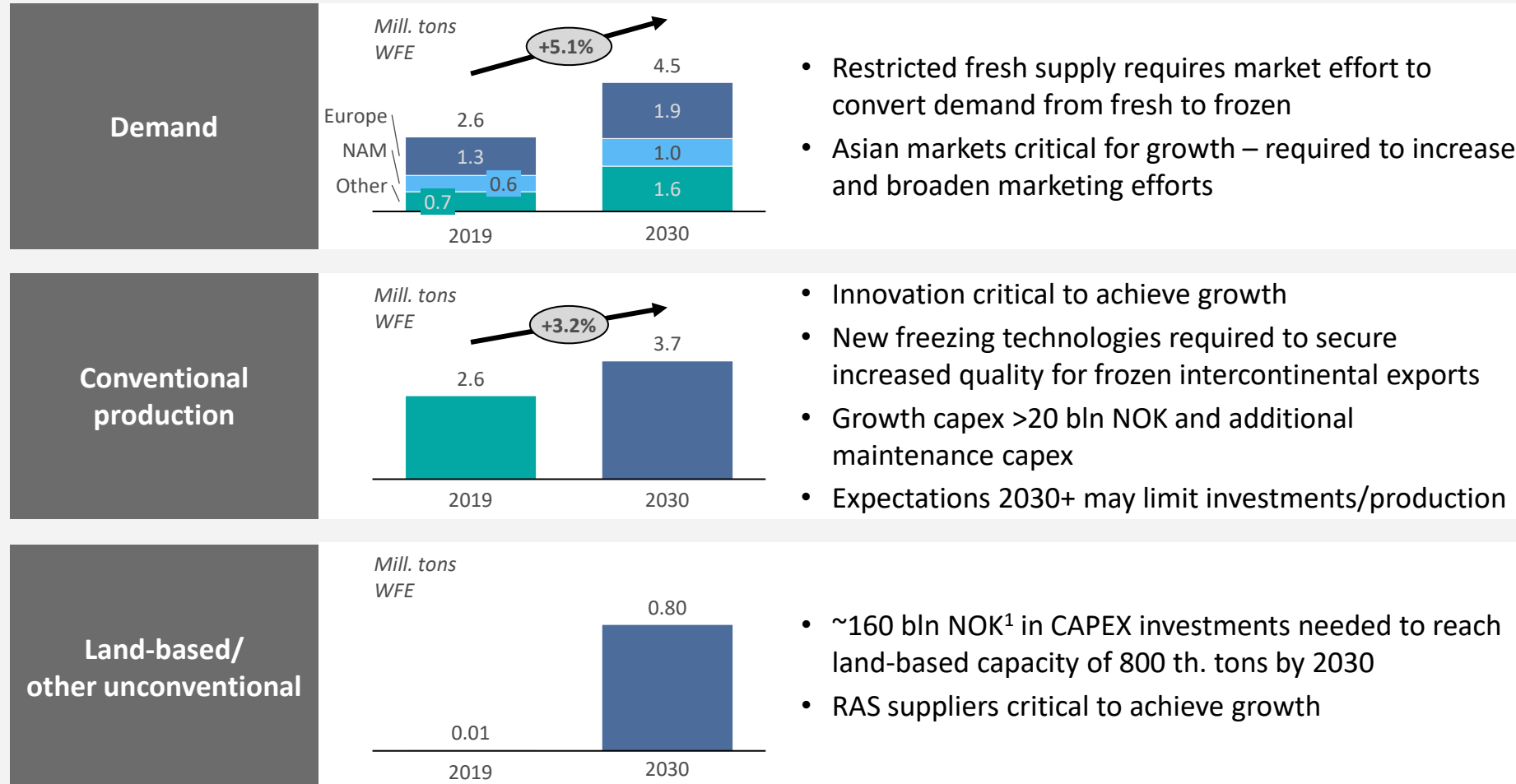
Consumption of salmon WFE in mill. tons



## Key demand drivers

- 
**Focus on environment and health** increasing demand for more environmentally friendly and healthy sources of protein
- 
**Salmon among favored species** for consumption in developed and emerging seafood markets
- 
**Distribution to new markets** fueling demand, ~45% of total volume growth 2015-2019
- 
**Product developments** (e.g. smoked, marinated, sushi) resulting in salmon gaining market share
- 
**Modified Atmosphere Packaging (MAP)** has prolonged shelf life and enabled grocery retailer distribution

# The paradigm shift of land-based farming will require major capex investments until 2030 and beyond



**AKVA Group implications:**

- Strong Cage Farming segment
- Exponential growth in Land Based revenue
- Likely high margins within Land Based technology given potential shortage of RAS supplier capacity

1. Estimated 200 NOK/kg capex investment for land-based and 20 NOK/kg for conventional production

# Land-based farming to be a part of the solution in to 2030 to fill the consumer gap

...however, massive headwind in land-based full grow out segment



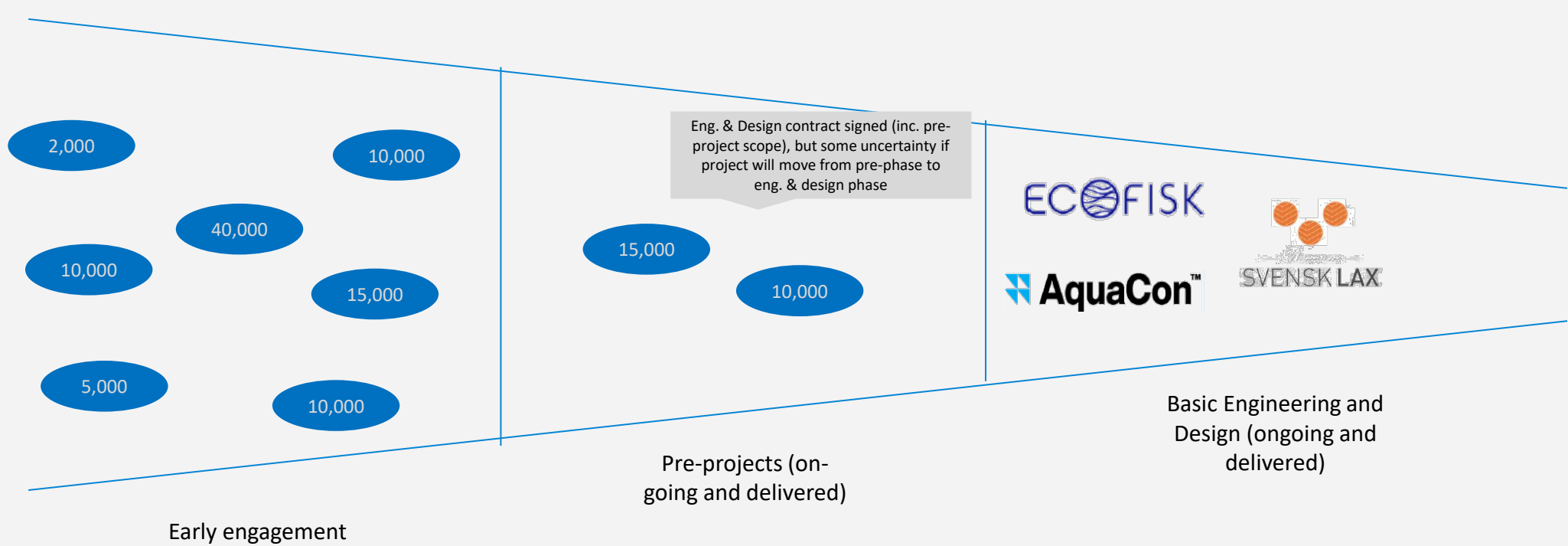
Atlantic Sapphire shares take another sharp decline as disasters continue to pummel stocks

Atlantic Sapphire endures another share squeeze after latest mortality incident

Company	Share price 31.12.2020	Share price 31.08.2021	Change (%)
Salmon Evolution	6,9	8,6	26
Proximar Seafood	18,6	8	-57
Nordic Aqua Partners	88	63,9	-27
Kingfish Company	33,5	23,6	-30
Atlantic Sapphire	120	46,8	-61
Aqua Bounty	76	39,4	-48
Andfjord Salmon	55	40,7	-26

# AKVA believes land-based farming has a great potential

Mill. tons



# Main challenge is access to equity financing

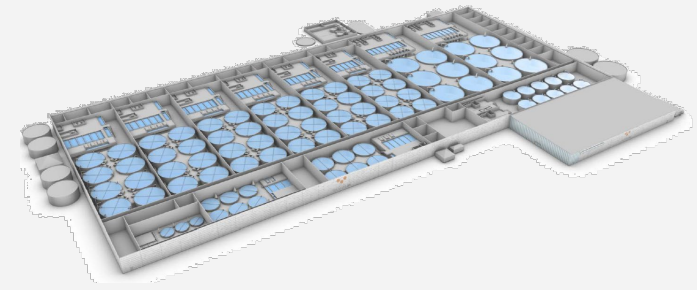
- Land-based business has been too dependent on Norwegian capital
- Key projects will be oversea projects closer to the consumers in North America and Asia
- Access to international equity financing is the key to realizing projects





# Establishment of investment platform

- AKVA and Israel Corp. has agreed to establish an investment platform
- Investments in land-based projects worldwide using AKVA technology and solutions bearing in mind ESG considerations
- Both parties will contribute with MUSD 10 each and this can be in a pre-established project
- The goal is to raise further commitments from co-investors and partners up to MUSD 100
- The investment platform will target projects which are “closer to the consumer” (i.e. North America, Middle East and Asia)



# AquaCon: 16,000 tonnes in Maryland, USA

## Project overview

- Location: Maryland, USA
- Parent entity: AquaCon AS (Norwegian company)
- First phase capacity: 16,000 tonnes
- Total planned capacity: Approx. 50,000 tonnes

## Project status

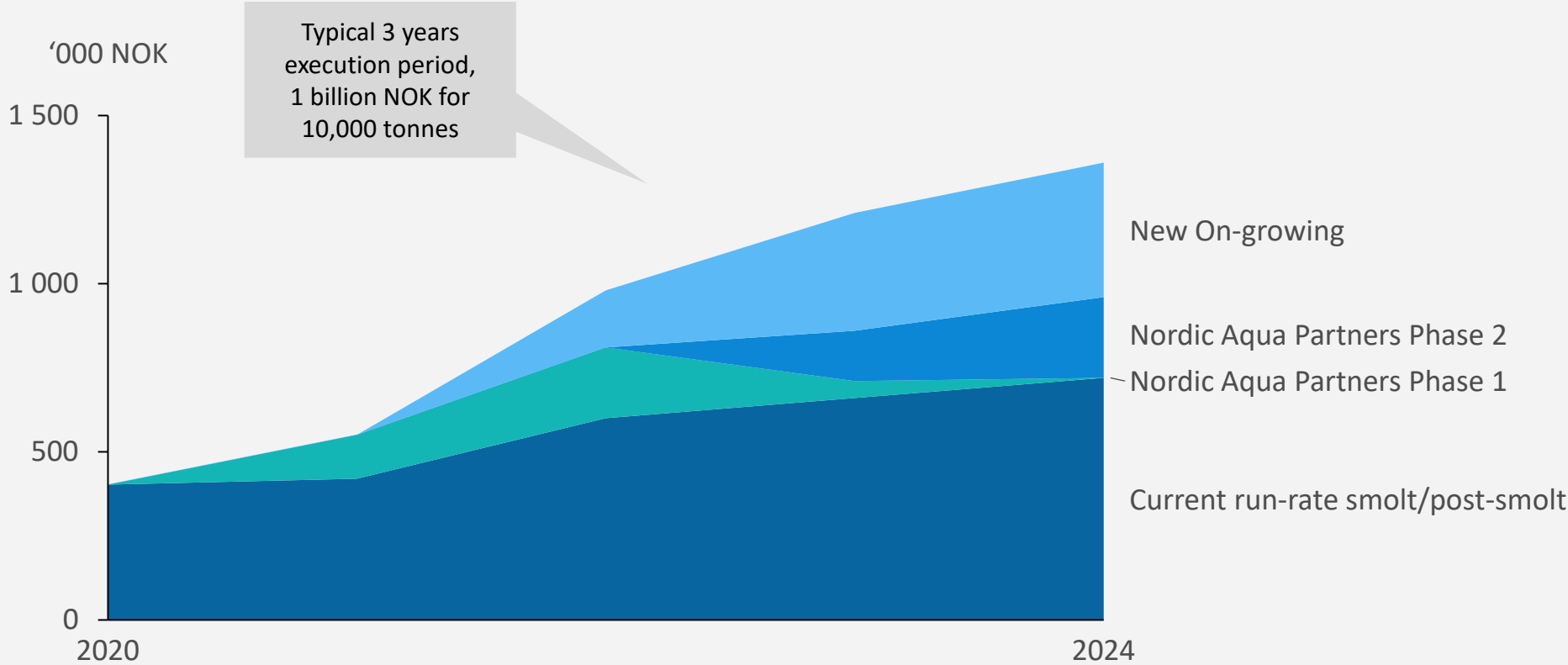
- Basic engineering and design work completed
- Development work continuing (e.g. feed system)
- Delivery contract signed subject to financing
- Contract value ~ 150 million USD for the first phase (16,000 tonnes)

## AKVA's delivery scope

- Complete delivery of production technology and production infrastructure
- Installation done by third party
- AKVA delivers supervisory and commissioning services



# A significant ramp up of Land Based activity is expected



\* For illustration purposes only

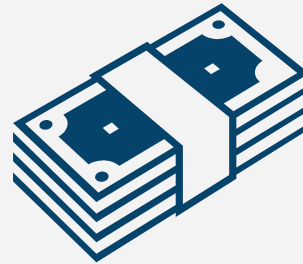
# Strategic guidance



Organic topline growth



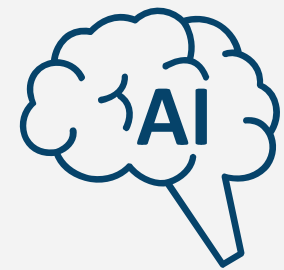
Operational excellence



- Deliver min. 25% EBIT-increase Y-o-Y
- Step by step improve ROACE to min. 15% by 2023.



Min. 50% increase in Innovation spending to support new Product development and Organic growth



3 Digital platforms: AKVAconnect, AKVA Observe and Fishtalk

 **Attractive share issue to accelerate strategic agenda**

# Strategy for Land Based Salmon Farming

1

Market leading Zero Water Concept RAS enabling sustainable and cost-effective production

2

Delivering complete scope of fish farming technology (e.g. feeding, fish tanks, fish handling, camera, lights, sensors, control system)

3

Data driven insight and intelligent farming systems enabling consistent and optimized production - "Precision Farming"

4

Production Advisory Services – RAS production competence group helping customers maximizing output and reducing cost

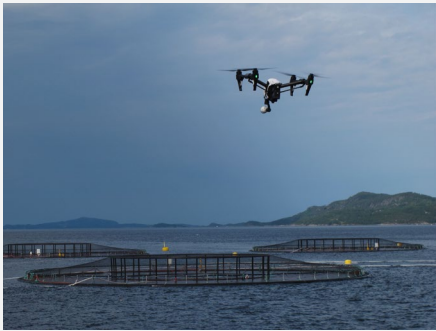
Standard 5,000 tonnes modules

Build up LB organization in Norway

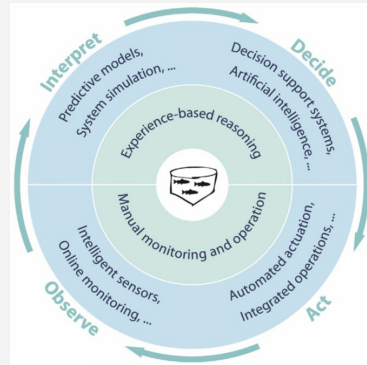
AKVA group Innovation agenda – Centre of Excellence

# Future of digitization in aquaculture

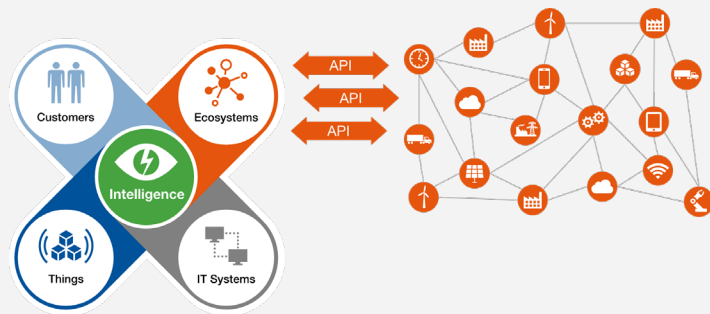
## Remote operations



## Precision Fish Farming



## Ecosystems



# Precision Farming Sea based Solutions



## Marine Infrastructure

for secure containment and efficient operations

- Plastic and Steel pens
- Nets
- Moorings
- Boats
- Net Cleaning services and FNC8s

## Precision Feeding

for optimizing feed conversion and growth

- Barges
- Feed systems
- Camera systems
- AKVAconnect
- AKVA Observe
- Fishtalk

## Digital

to support precision farming with leading, open and modular digital solutions

- AKVAconnect
- AKVA Observe
- Fishtalk

## Lice Solution

to minimize number of lice treatments (Farmer's "license to operate")

- Tubenet
- Plastic Cages
- Feed system
  - Sub surface feeding
- Camera systems
- Lights
- Digital



# Increased focus on operational excellence



# The transaction will accelerate our strategic agenda in all business segments

- Israel Corp. to become an important strategic partner for AKVA
- The investment platform will be the driving force for realizing of new land-based full grow out project
- Attractive subscription price of NOK 96,50 per share



# Israel Corp.

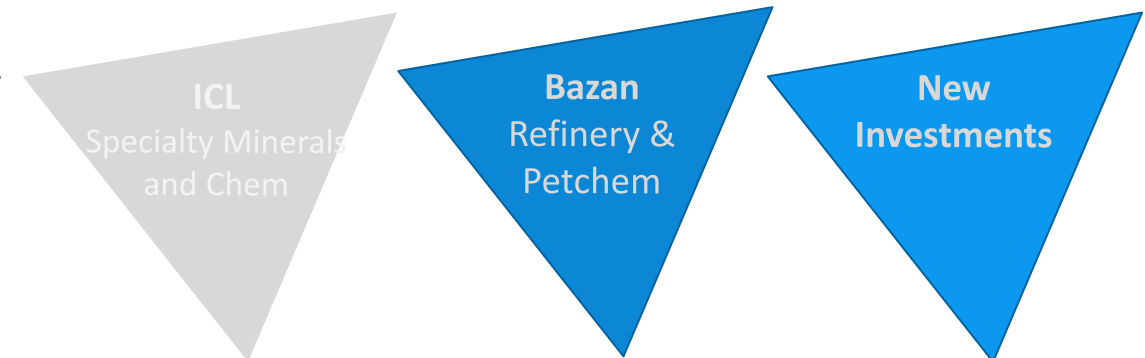
Israel Corp. (TASE: ILCO) is a reputable public investment company, that owns and invests in high quality companies with established managements and go-to markets.

Israel Corp. new investments focuses mainly on food (tech), agriculture (tech), healthcare and industry 4.0

Israel Corp. strives to generate return on its investment through active board participations and its operational and managerial expertise.

Its current core holdings include:

- c.46% stake in ICL Group (NYSE:ICL, TASE:ICL), leading global specialty minerals company that creates impactful solutions for humanity's sustainability challenges in the global food, agriculture, and industrial markets
- c.33% stake in Bazan Group (TASE:ORL), Israel largest refinery and petrochemical complex



# Partnership with Israel Corp.

- Israel Corp. and AKVA will form a strategic partnership with the purpose to share and utilize experiences related to technology, digital and food industry
- Israel Corp. will be entitled to appoint one board member in AKVA while it holds a strategic ownership position
- Israel Corp. will be part of an Advisory Committee to provide advice to the CEO and management of AKVA in matters of strategy, technology and innovation
- AKVA and Israel Corp. to be General Partner for the investment platform
- The goal is to invest in land-based projects either by direct investment or through the investment platform
- Egersund Group will still hold the majority ownership in AKVA

