

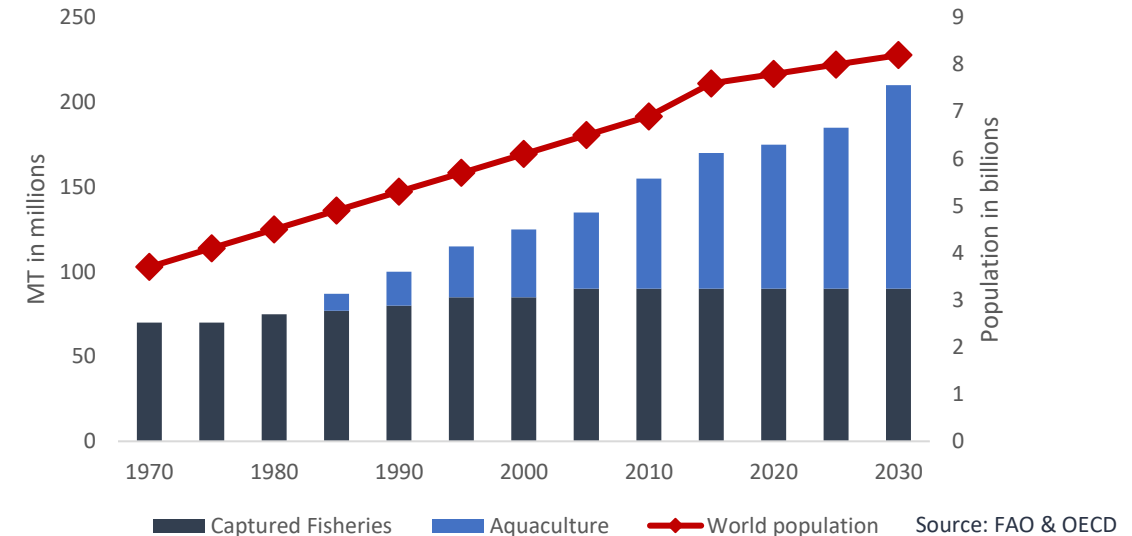
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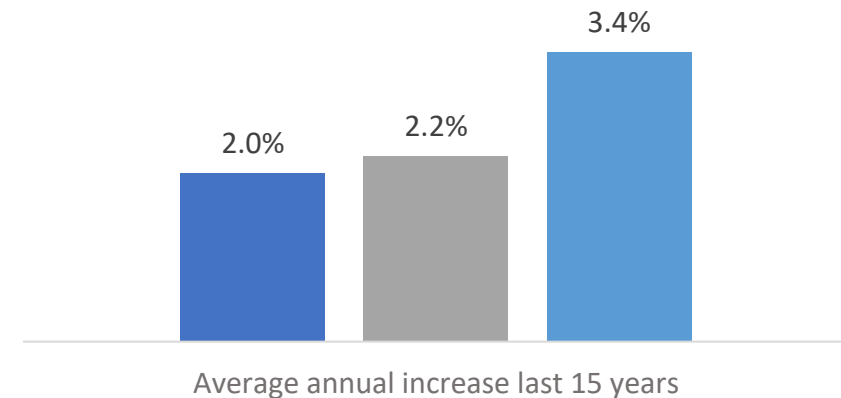
Most global megatrends in favor of seafood investments

Important source of food for growing population

- Fisheries and aquaculture remain important sources of food, nutrition, income and livelihoods for hundreds of millions of people around the world. It is more fragmented than other protein industries.
- Thanks to vigorous growth in aquaculture, which provides almost half of all fish for human consumption seafood supply is growing.
- Wild catch fishing is 90 m tons. Professional fisheries management systems have stabilized fishing in the world at that level
- The rise in demand for seafood products outstrips increased supply from aquaculture
- Growth in population, especially middle class in emerging markets, health trends and older people that favors seafood over other proteins is pushing seafood prices
- Global warming is potentially disruptive for all fisheries and cause movements of fishing stocks between fishing zones and uncertainties on stock developments



■ US CPI ■ Food prices ■ Seafood prices



The Iceland seafood industry is open for foreign investments

Successful companies are increasingly listed on the public markets

- Seafood is fundamental industry for the Icelandic economy
- No government subsidies
- Iceland has EU aligned legislation and is part of the internal market
- Good fisheries management system

The Iceland seafood industry is mostly open for foreign investments

	Fishing & primary processing	Aquaculture	Technology & other industries	Total turnover
Turnover	US\$ 2.2 b	US\$ 0.3 b	US\$ 0.5 b	US\$ 3 b
Growth	+3%	+20%	+ 6%	+5%
Foreign investment restrictions	Foreign ownership restrictions on fishing quotas	No foreign ownership restrictions.	No foreign ownership restrictions (Marel seafood 200+ other estimated \$ 300)	Mostly open to foreign investors

Source: Radarinn - Mælaborð sjávarútvegsins



ARNARLAX



Síldarvinnslan hf

HAMPIÐJAN



ICE FISH FARM

ISI ICELAND SEAFOOD



Public companies in Iceland with seafood roots

8 companies with total market cap of EUR 7.5 bn - the trend is towards more listings



Name	Business type	Stock exchange	Ticker	Market CAP EUR m.
Marel	Equipment & service	Nasdaq Iceland and Euronext Amsterdam	MARL/ MAREL	4.564
Brim	Fishing & processing	Nasdaq Iceland	BRIM	742
Sildarvinnsla	Fishing & processing	Nasdaq Iceland	SVN	738
Icelandic Salmon	Salmon farming	Euronext growth Oslo	ISLAX	356
Hampidjan	Manufacturing and services	First North Nasdaq Iceland	HAMP	354
Iceland Seafood	Processing and marketing	Nasdaq Iceland	ICESEA	322
Ice Fish Farm	Salmon farming	Euronext growth Oslo	IFISH	234
Arctic Fish Holding	Salmon farming	Euronext growth Oslo	AFISH	177
Total				7.487

Private companies in seafood and related sectors

Seafood is fragmented, consolidation and further growth in coming years

Fishing and primary processing

- Currently 2 companies are listed with total holding of 20% of the total TAC
- About 10 companies hold about 60% of the TAC, no one company can own more than 12% of the total TAC
- Over 90 processing operations processing in total 450 – 500 thousand tons of groundfish, consolidation will take place
- Processing of pelagic species more consolidated, only 4 – 5 processing operations

Salmon farming

- 3 of the 4 largest sea-based salmon farming companies are listed
- Potential to grow sea-based farming from 35 to 150-200 thousand tons
- Good conditions for land-based farming, couple of companies operational in land-based farming with plans to grow
- Several companies developing new land-based farming

Secondary processing and marketing

- One listed company; Iceland Seafood International that is in strategic relationship with s harvesting companies
- Interest in Iceland to acquire more secondary seafood processing companies in Europe, N. America and Asia
- Secondary processing companies outside of Iceland sourcing directly from Iceland today trough fish markets

Technology and service

- Two companies with international operations listed; Marel and Hampidjan, both have very impressive growth stories, starting as small companies serving Icelandic seafood companies.
- Foreign and strategic investors have been investing in this part of the sector, as an example Bader, Skaginn
- Opportunities to invest in development companies with good ideas and great growth prospects

Aquaculture is a growing industry in Iceland

Allowable biomass ca 150 thousand tons but current production 40 thousand tons

Four Norwegian controlled companies have secured about 90% of available sea-based aquaculture licenses in Iceland;

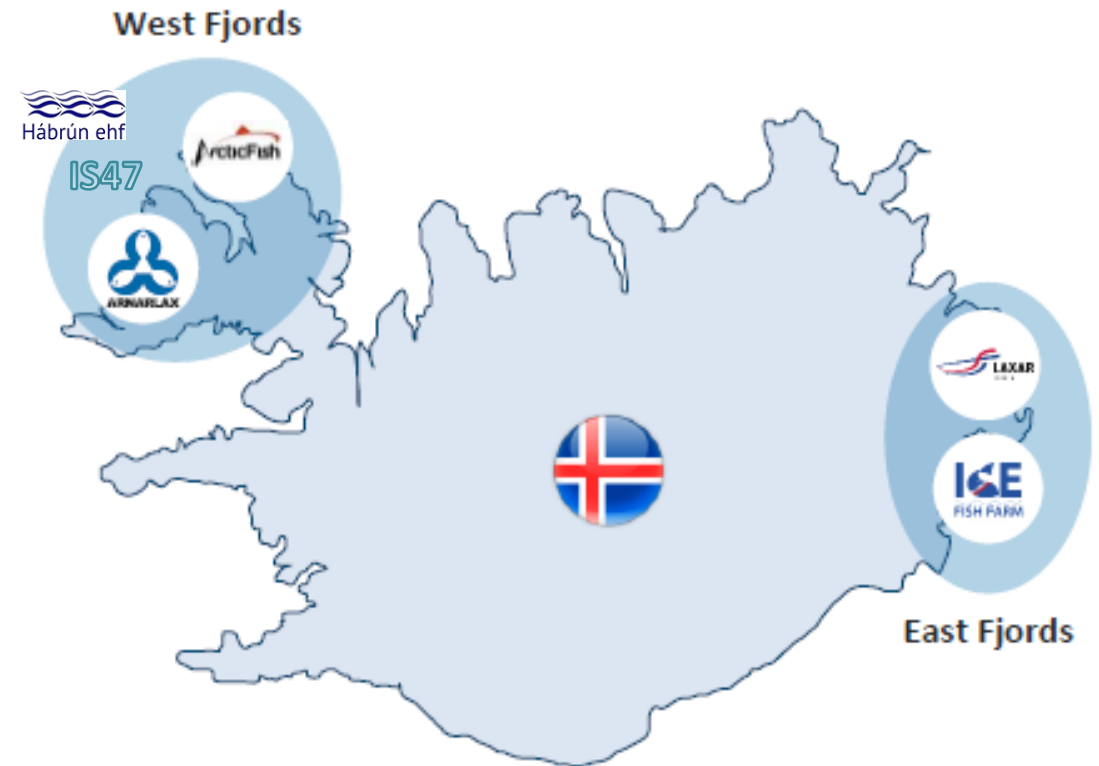
- West Fjords:
 - **Arnarlax** – Listed on Euronext, Norway as Icelandic Salmon
 - **Arctic Fish** - Listed on Euronext, Norway
- East Fjords;
 - Laxar Fiskeldi
 - Ice Fish Farms – Listed on Euronext, Norway

The Icelandic controlled companies have 10% of sea-based licenses:

- **Háafell** with roughly 7,000 licensed tons
- **Hábrún** with 900 licensed tons
- **ÍS47** with 1,000 licensed tons

Additionally, there are land-based aquaculture companies in Iceland;

- Samherji - Arctic char, salmon
- Stolt Seafarms - Senegal soul
- Matorka - Arctic char
- Number of land-based projects in development



Picture: MAR, Arnarlax presentation, Oslo , NOTC.

Innovation and start ups

Opportunities in early stages and start up companies developing products related to the seafood industry



Public investment opportunities

Fishing, aquaculture, processing and sales

**Brim, Síldarvinnslan, Iceland Seafood
Icelandic Salmon, IceFish Farm and Arctic Fish**

continue to grow through acquisitions
new licenses and infrastructure investments

Technology, by-products and start ups

Marel, Hampidjan

continue to grow with good access to capital, strong management teams, market access based on established technology and good track records

Private investment opportunities

Aquaculture (both land and sea based) is looking for funding for new ventures

Mid-sized family-owned companies are going through ownership transformation and continued investment in automation, vessels and market access

Examples, Skaginn - 3X, Valka, Margildi, Thor Ice, Kerecis and many others

Interesting mid-sized companies and startups that benefit from the proximity with the US\$3 billion seafood industry.

About MAR Advisors

- ❖ MAR Advisors is an independent specialised corporate finance boutique, offering tailor made advisory service in international seafood, energy and infrastructure sectors
- ❖ Built on extensive network, transactions track-record, management experience and the need for consolidation in the global seafood industry and infrastructure investments in Iceland



International Seafood

- ❖ The global seafood space focus on relationships where partners can **add value**
- ❖ **Vertical integration.** Help harvesting companies to buy secondary processing or sell secondary processing to harvesting
- ❖ **Consolidation** in international seafood will continue



Infrastructure & Energy

- ❖ Support **international companies** in infrastructure projects **in Iceland**
- ❖ **Increasing need** for infrastructure investments in Iceland due to growth
- ❖ Assist private investors to explore investments related to infrastructure in Iceland

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**CARR
& SONS**
OF IRELAND

Exclusive financial advisor on the acquisition of Carr & sons, an Irish secondary seafood processor, on behalf of Ocean Path



Advice on investments in natural resources business



Exclusive advisor to Fisk Seafood, Jakob Valgeir, Nesfiskur and Sjavarshyn in the €70m sale of 100% of **Icelandic Iberica** for a 44% stake in ISI



Exclusive advisor to Arctic Hydro in structuring and funding of small hydro projects US\$ 30 m



Monitor and develop **infrastructure** investment opportunities



Advisory project for **Landsvirkjun**, The National Power company of Iceland.



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