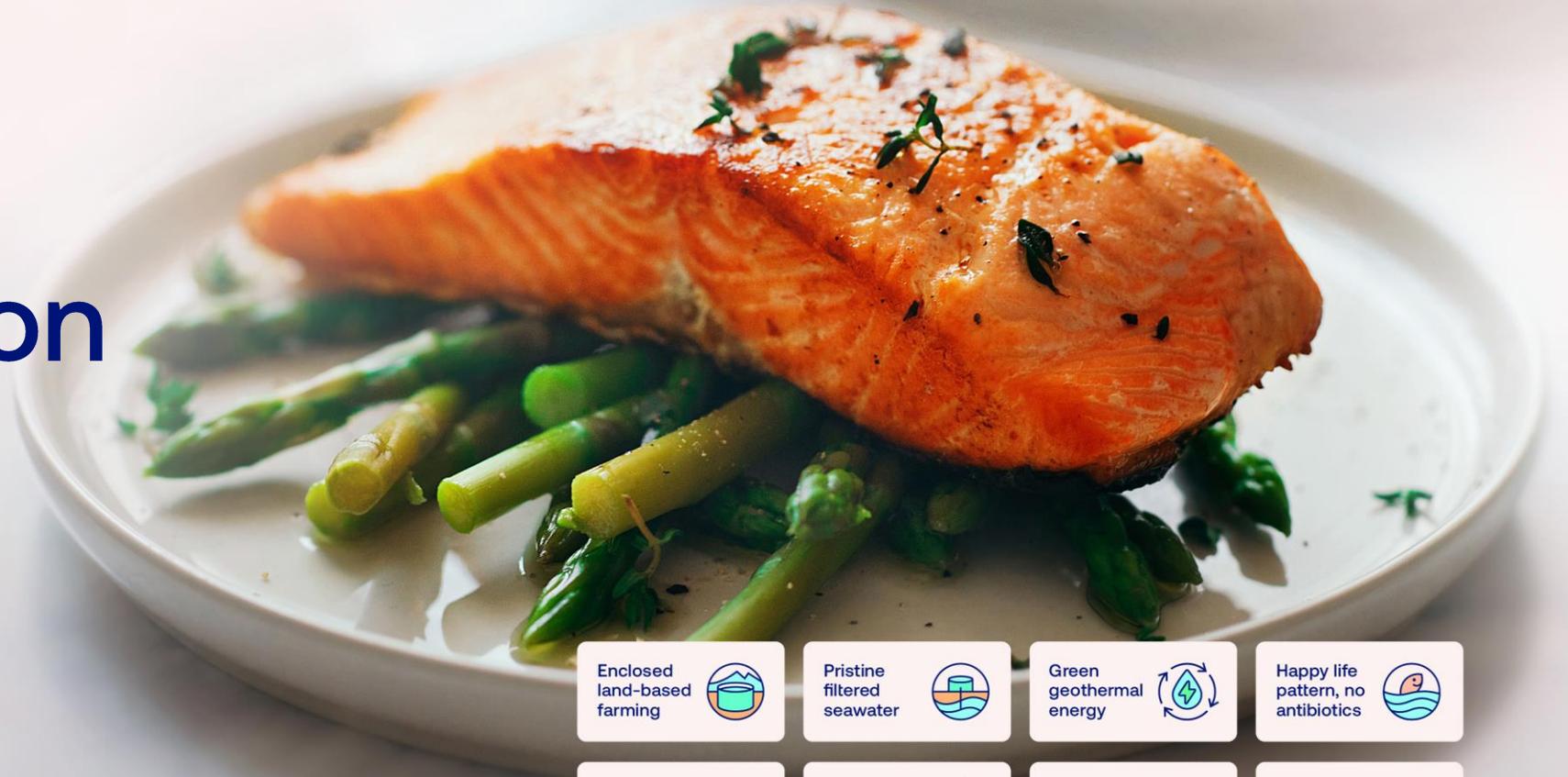


Investor Presentation

ICELANDIC SALMON FARM



March 2023

- Enclosed land-based farming 
- Pristine filtered seawater 
- Green geothermal energy 
- Happy life pattern, no antibiotics 
- From the middle of the Atlantic 
- 100% Organic production 
- Sustainable source of protein 
- Stable & fresh delivery 



Investment highlights

Unique opportunity to invest in a sustainable land-based salmon farm



43,000 tonnes HOG production

Icelandic land-based salmon farming company, constructing a large-scale fish farm for Atlantic salmon in Þorlákshöfn. Acquired 32.8 hectares of land, 3 km west of Þorlákshöfn. In addition, acquired an up-and-running hatchery Öxnalækur in 2020. Plans for 51,000 tonnes (43,000 HOG) annual production in 6 phases with full capacity intended in 2028.



Unique and strategic location

The location in Þorlákshöfn offers access to vital sustainable resources for the operation in both quantity and quality, namely water and electricity. Unique conditions where an underground porous lava bed provides naturally filtered seawater at constant temperature. Strategic location close to shipping harbor & international airport enables direct and fast access to major markets in Europe and USA.



Sustainable production using natural resources

Utilizing the unique natural resources at location to produce a steady supply of a high-quality sustainable product resulting in a premium price. Using the most economic production method available Flow-Through with re-use (FTS-R), enabling significant cost advantages. Sustainability remains at the core of the company with clear ESG goals and an implementation plan to achieve them.



Milestones achieved

Environmental Impact Assessment (EIA) for Phase 1 finalized in 2020, Phase 2-4 expected to be finalized in Q2 2023 and Phase 5-6 in Q1 2024. A 20 MW energy purchase agreement signed with Landsvirkjun. Green Power Purchase Agreement (green certificates). Construction well underway in Phase 1, estimated to be finalized in Q4 2023. All necessary licenses, permits and agreements in place for Phase 1.



Dynamic and experienced management team

The team consists of dynamic specialists with extensive experience in the aquaculture industry, engineering and business management, determined to achieve the company's goals. Management team backed up by a board of directors with extensive experience and competence to support large-scale projects and executing on Landeldi's future growth plans. Shareholders today mostly private investors, led by Stodir, hf., an Icelandic investment firm with 40% shareholding.

Market overview

Increasing demand led by growing population and consumer awareness



Growing population

World population is expected to reach 9.7 billion in 2050 from 8.0 billion in 2022, resulting in increased global demand for food

Health benefits of seafood are increasingly being promoted by global health authorities



Increasing consumer awareness for sustainability

Rising demand for more sustainable food production leading to higher prices

Atlantic salmon is a highly resource-efficient product when compared to livestock, affirming itself as a sustainable choice for consumers

Ability to charge a premium price for sustainable, reliable and high-quality food production



Demand for Atlantic salmon projected to outpace supply

Market analysts are projecting supply growth at 1% for 2023 and 3-5% for the next 3-5 years, while demand growth is projected to be 5-8% per year, resulting in a supply shortage

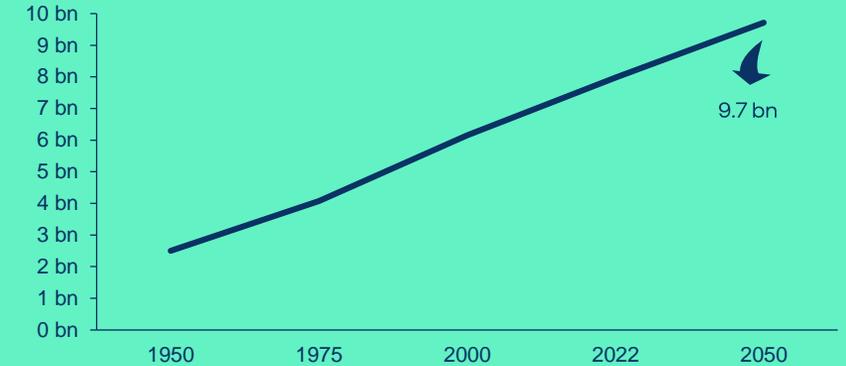
Rising salmon prices and supply shortage calls for increased supply from land-based farming

Atlantic Salmon market size in 2021 was around 2.6 m HOG

Source:
UN World Population Prospects 2022
Salmon Farming Industry Handbook 2022 – MOWI
EIT Food

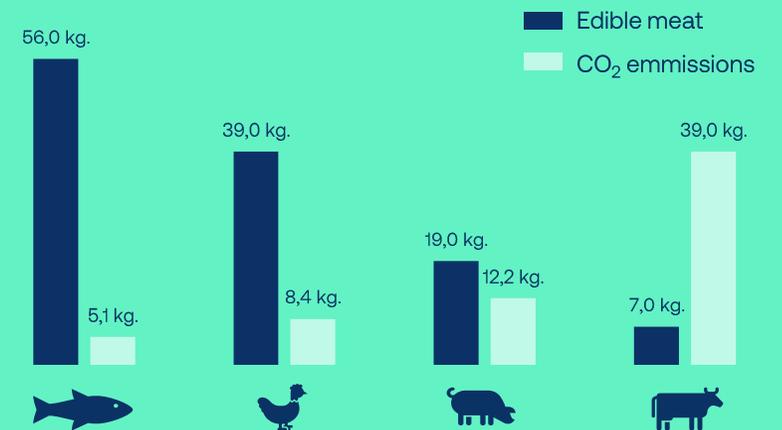


Population growth



Efficiency in production

Salmon comparison to livestock per 100 kg feed





Company overview

Building a sustainable business with a premium product

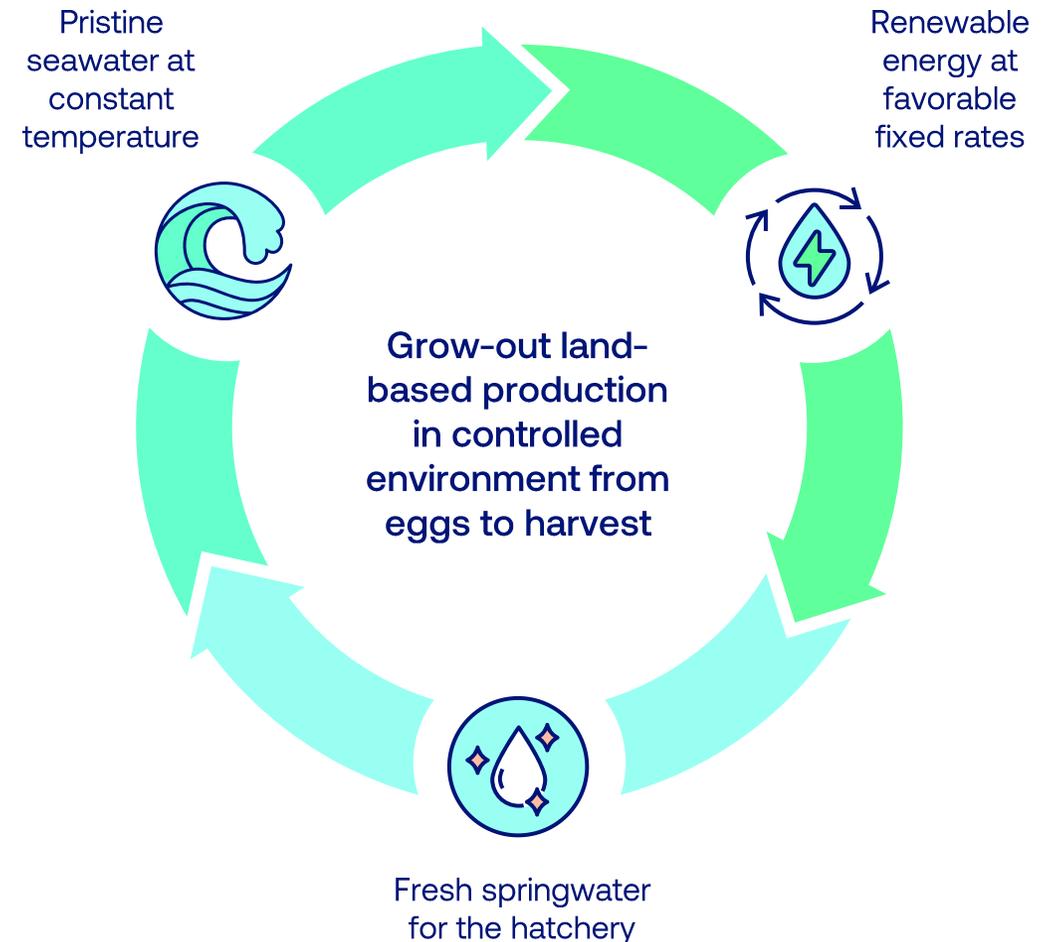
Land-based production in a controlled environment

Controlled environment offering significant benefits through:

- Optimal hydraulics: Full control of optimal water quality and fish health
- Constant seawater temperature: Improving growth rate & providing stability in production
- Protection from external environment: Minimizing biology risk from nature & weather
- Environmentally friendly: No escapes and intrusions into wild salmon rivers, minimal discharge of chemicals and waste in the ocean

Quality product and stable output

- Pristine seawater: Filtered through the lava bed providing constant temperature, excellent water quality & eliminates trace elements
- Renewable energy: Long term PPA agreement at favorable fixed price
- Massive source of fresh spring water for hatchery and smoltification process
- Flow-through with re-use production method: Lowering both CAPEX and OPEX significantly. Access to resources essential
- 32.8 hectares plot: Enabling significant economy of scale
- Weekly harvesting of an in-demand sustainable premium product





Facility built in 6 phases – annual ~7,200 tonnes HOG per phase

1,050 meters

Phase 4

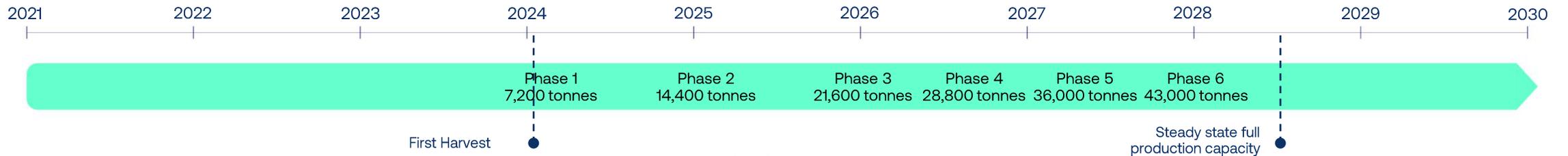
Phase 3

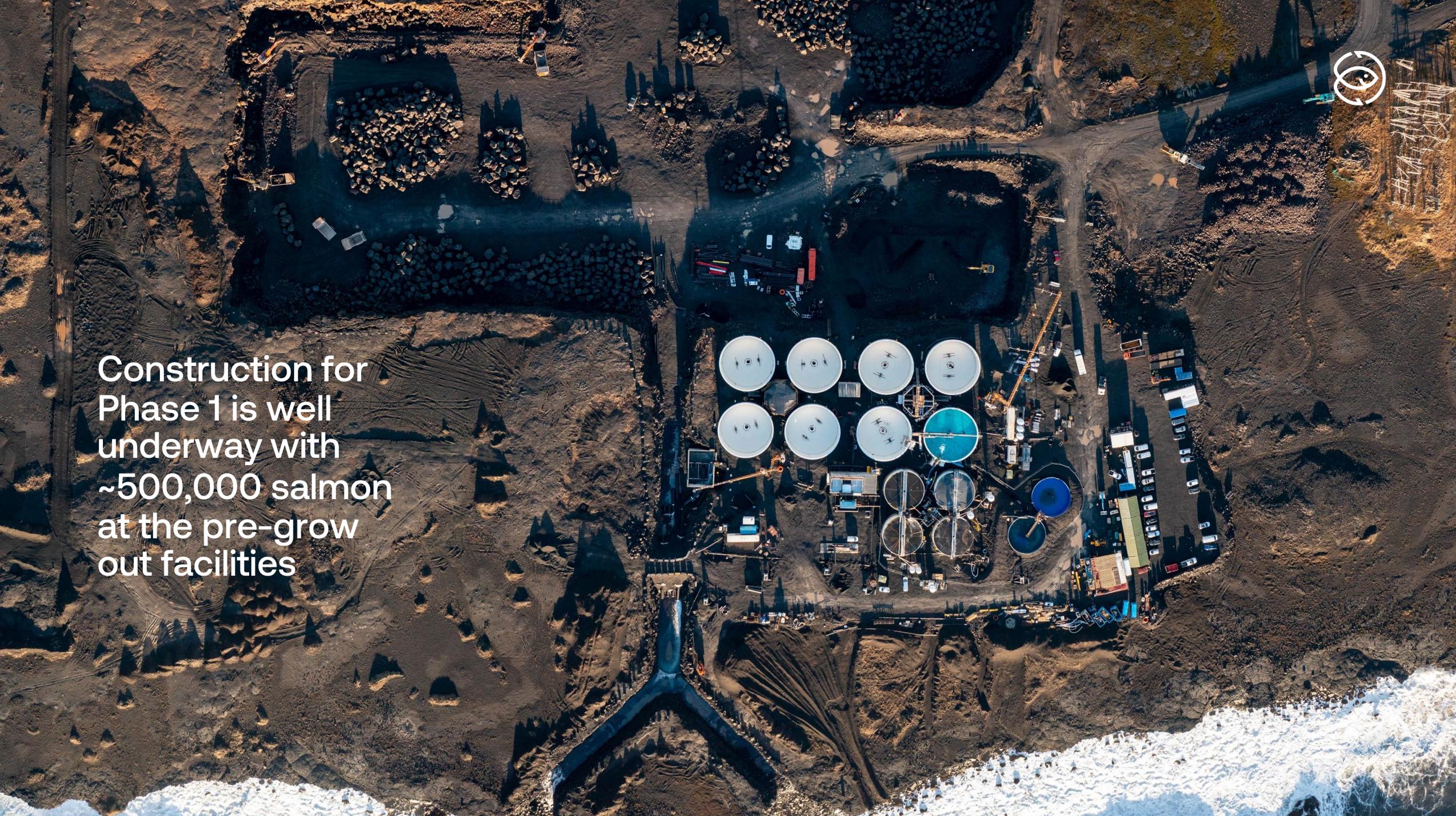
Phase 2

Phase 1

Phase 5

Phase 6



An aerial photograph of a large-scale construction site for a salmon farm. The central focus is a cluster of approximately 12 large, circular concrete tanks, some of which are filled with blue water. The tanks are arranged in a grid-like pattern. Surrounding the tanks are various pieces of construction equipment, including cranes, trucks, and smaller structures. The site is situated on a dark, sandy or silty terrain, with a coastline and white waves visible at the bottom of the frame. In the upper left, there are several large piles of logs or timber. A white circular logo with a stylized 'e' is visible in the top right corner.

Construction for
Phase 1 is well
underway with
~500,000 salmon
at the pre-grow
out facilities

43,000 tonnes
HOG total annual
production by
year-end 2028



The location

Optimal location close to main logistic gates and employee area

Location enables direct and fast access to major markets

Built in southwest-Iceland, the main facilities at Laxabraut are being built close to Þorlákshöfn which has a well-situated international port that enables fast and direct access to Landeldi's major markets in Europe. In addition, the grow-out facility is within 55 KM to the Capital area where Landeldi has access to the east USA market

The grow-out facility is only 85 KM from the international airport in Iceland

Main employee area within 55 KM of Landeldi's facility

The grow-out facilities' close proximity to the capital area of Iceland facilitates access to employees and increases the company's competitiveness

Significant value being near US

Saving 2-3 days in sea transport time to US compared to Norway, where appr. 60% of the supply of Atlantic Salmon is originated





Project status

Major milestones already secured for the road ahead

	Counterparty	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Notes
Fundamentals								
Land	ÖLFUS	●	●	●	●	●	●	Signed long-term lease contract with Municipality of Ölfus
Electricity	Landsvirkjun	●	●	◐	○	○	○	Signed long-term agreement with Landsvirkjun Power
Feed	SKRETTING	●	●	●	○	○	○	Signed long-term agreement with Skretting
Roe	Benchmark Genetics	●	●	●	○	○	○	Signed long-term agreement with Benchmark
Seawater with drilling power	Ræktó	●	◐	○	○	○	○	Drilled 14 seawater boreholes 2020-2022. Signed agreement with drilling company Ræktó for 30 new seawater boreholes.
Waste treatment technology	BLUE OCEAN TECHNOLOGY	●	●	●	○	○	○	Signed contract with Blue Ocean technology
Oxygen	Linde	●	○	○	○	○	○	Signed long-term agreement with Linde. Own production is possible
Require operating permits								
Planning permit	ÖLFUS	●	●	●	●	◐	○	Signed Planning permit for grow-out on 3 plots and hatchery on 1 plot
Environmental impact assessment	Skipulagsstofnun	●	◐	◐	◐	○	○	Approved Environmental Impact Assessment for phase 2-4 expected in Q2 2023. Phase 5-6 expected in Q2 2024
Operating license and permit	matis	●	●	●	●	○	○	Approved operation license from MATIS & Approved operational permit from The Environment Agency of Iceland
Water utilization permit	ORKUSTOFNUN National Energy Authority	●	●	○	○	○	○	Approved water utilization permit from National Energy Authority
Funding								
Constructin & biomass loan	Landsbankinn	●	○	○	○	○	○	Signed loan agreements with Landsbanki
Reinbursement of R&D cost and grants	rannís	●	○	○	○	○	○	Signed reimbursement of R&D cost with RANNIS. Signed and approved innovation grants from government of Iceland
Construction of operation								
Groundwork agreement	ÞORLÁKSHÖFN	●	●	◐	○	○	○	Signed contract with PHH lowering about 40.000 sqm down by 8 meters (320.000 m3 of material)
Processing	BAADER	◐	○	○	○	○	○	Signed contract on part of equipment
Water treatment and gas control	Pescatech	●	●	◐	○	○	○	Signed contract with Nordic Clean Pumps (NCP)
Tank purchase agreements	OCTAFORM	●	○	○	○	○	○	Signed contract with tank supplier High Comp and Octaform

● 100% ◐ 20-60% ○ 0%



Production Method

Significant environmental and operational advantages compared to other farming methods



Sustainability

Use of chemicals and antibiotics held to a minimum. Biology risk from external environment greatly reduced. Sludge and mineral from the water can be collected and value enhanced



Controlled environment

Possible to achieve full control of the aquatic environment with carefully monitored systems



Stable and consistent supply

The combination of a controlled environment, reduced diseases, efficient water and waste management, and consistent feeding, make land-based Atlantic salmon farms well-suited in producing consistent supplies year-round



Reduced environmental footprint

Minimal chemicals and other waste left in the ocean as well as no possibility of escapes and intrusions into wild salmon rivers. Results in a much smaller environmental footprint and associated political risks

Source:

(1) No data available. Will be a mix of fossil and renewable energy for use in feeding, light control, boat transport, treatments, handling of fish, etc.

(2) Sinhaf Rapport: K. (3) Landeldi's Business Plan

(4) Factors such as volume, water temperature, disease management, and feeding practices, among others can have an effect

OPEX comparison

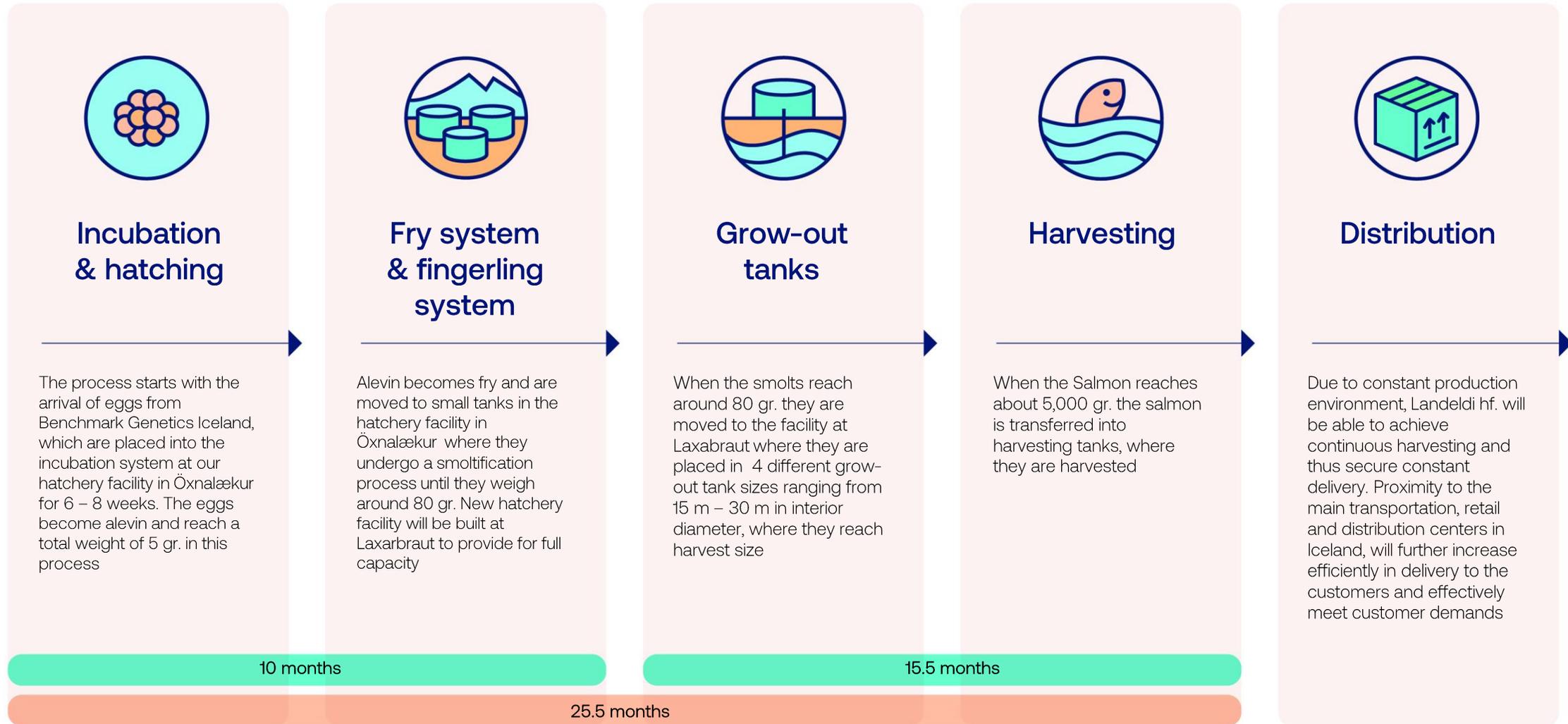
	Sea-based	Land-based RAS	Landeldi FTS-R
Re-use of water %	N/A	99%	67%
„New“ water usage	N/A	1%	33%
Energy usage in kWh/kg produced	N/A ⁽¹⁾	7.5 ⁽²⁾	5.8 ⁽³⁾
Stable and consistent supply	✓ ⁽⁴⁾	✓	✓
Highly controlled farming process	✗	✓	✓

Environmental comparison

Antibiotics and chemicals at a min.	✗	✓	✓
No sea lice	✗	✓	✓
Minimal waste left in ocean	✗	✓	✓
No risk of escapes to wild rivers	✗	✓	✓



Growth curve from hatching to harvesting 25.5 months





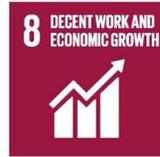
Environmental ambition in line with United Nations SDGs



Production of high-quality salmon on land and steady delivery to market



Sustainable sourcing of water by monitoring and adjusting water flow in our facilities



A responsible and secure workplace with transparent governance, inclusive culture and a sustainable business model



Monitor resources, build on barren land and innovate to turn waste into soil and fertilizer



Combat CO2 emissions by using emission free and sustainable energy sources



Spare wild fish stocks, avoid eutrophication and prevent fish escapes. Do no harm



Use terraforming aquaculture to create life on land, enhance soil quality and reverse desertification

Land-based aquacultures presents an opportunity to meet rising demand, and solve environmental challenges



Board and shareholders

Experienced management team backed by diverse board with strong industrial and aquaculture background

Management team



Eggert Þór Kristófersson / CEO

- Extensive strategic and operational experience as CEO at Festi hf for 7 years and CFO for 4 years at N1 hf.
- >15 years experience in banking, asset management and trading



Helgi Þór Logason / CFO

- 4 years as CFO of Fjarðarlax
- 10 years in investment banking
- 4 years ad MD of Kex hostel & 2 years as MD of Festi real estate



Bjarni Már Júlíusson / CTO

- >30 years of experience in corporate governance, senior management, and board membership. Such as technical manager at National Power Company and CEO of ON Power



Stefán Ágústsson / COO

- 10 years experience in financial & operational management
- 4 years in wild salmon population management



Rúnar Þór Þórarinnsson / Director of Sustainability & Innovation

- >30 years experience in creative design, management, development at Funcom, CCP, NLS and independent
- Board of the Icelandic Land-based Aquaculture Association

Board of directors



Halldór Óli Halldórsson / Chairman

- CEO of Grófin Business Development
- > 20 years experience in finance, retail, wild salmon rivers operations, construction & real estate development



Júlíus Thorfinnsson / Board member

- COO of the investment firm Stodir hf.
- > 20 years experience in management and board positions in number of sectors, unlisted and listed companies



Örvar Kærnested / Board member

- 25 years experience in banking, financing and investment activities
- Has held numerous board position across different industries



Kristján Davíðsson / Board member

- > 30 years experience in the fishing industry. Fishery technologist (M.Sc.) from Tromsø, Norway.
- Chairman of the Board of Brim hf. Board member of several seafood related companies



Baldvin Valdimarsson / Board member

- CEO of Málning hf.
- > 30 years of experience in the business sector and as board member in various industries

Investor overview

Shareholders as of 01.01.2023	% Ownership
Stoðir hf.	40.0%
Framherji ehf.	16.1%
Fylla ehf.	8.3%
21. júní ehf.	5.2%
Líra ehf.	5.0%
Investco ehf.	4.3%
Konkrít ehf.	3.0%
Reykjavík Retail ehf.	2.5%
Core ehf.	1.8%
Sleðbrjótur hf.	1.6%
Others	12.1%
Total	100.0%

The team behind Landeldi consists of dynamic entrepreneurs and specialists with extensive experience in the aquaculture industry and business management, determined to achieve the company's goals



Financial Overview

Cost dynamics similar to traditional farming with potential upsides

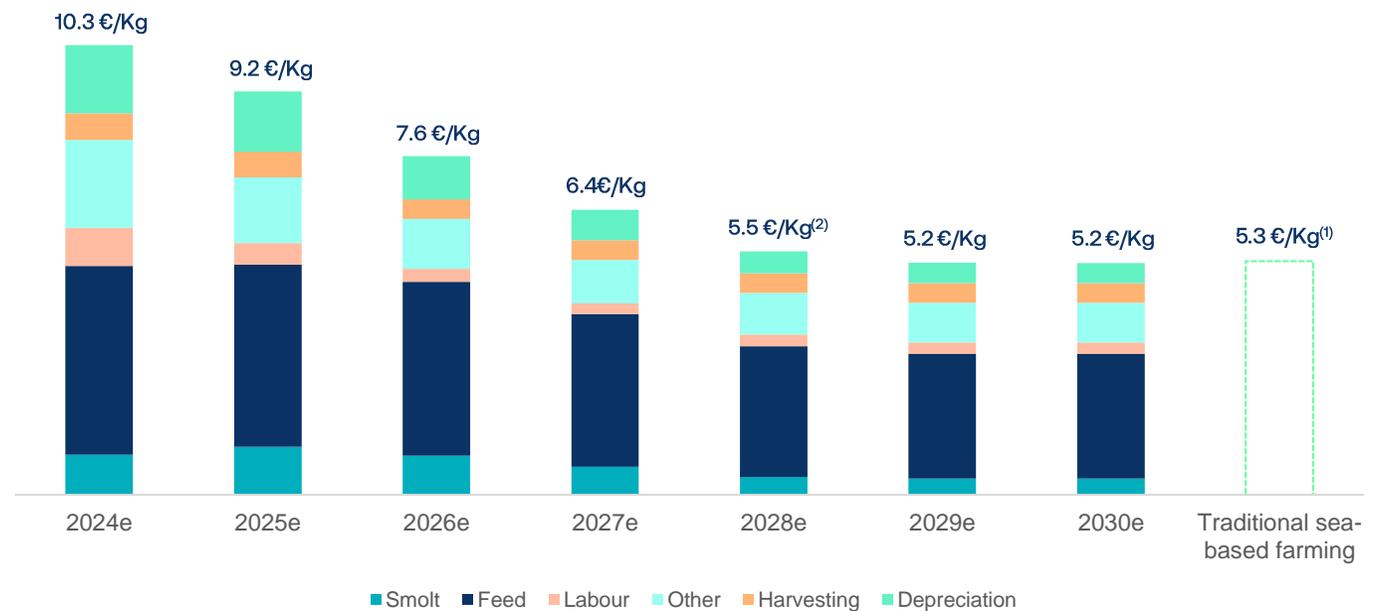
Biology cost is a key cost driver in traditional sea-based farming

Traditional sea-based farms have seen significant increase in biology costs in recent years (E.g., weather, lice, escapes, preventing treatments). With carefully controlled environments and monitored systems it is possible to minimize these costs on land

The FTS-R method enables Landeldi to increase its control over inputs, outputs and conditions and therefore minimize the risk of unforeseen biology costs. In the long-run, this will have a positive effect on production costs

In addition, by re-using seawater Landeldi decreases the pumping volume of influent seawater by 2/3, having a significant positive effect on OPEX in form of decreased number of boreholes and less energy usage

Landeldi production cost in €/kg compared to traditional sea-based farming



Source:

(1) The Norwegian Directorate of fisheries

(2) Projected production cost in €/kg HOG for Landeldi after reaching steady state production

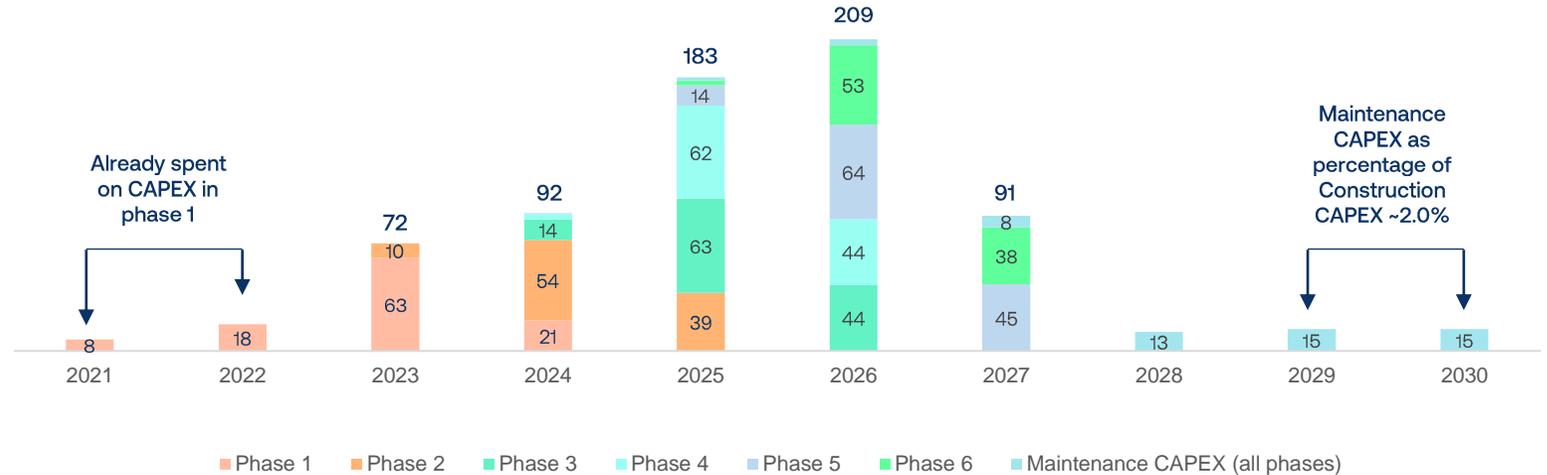


CAPEX for all phases forecasted to reach total EUR 659 m

Total CAPEX by phases
EURm



CAPEX by phase and maintenance CAPEX
EURm



Funding of CAPEX will consist of a mix of equity and debt, with debt funding coming from mortgage loans and biomass financing

Achieving price premium due to high quality Atlantic Salmon



Projecting average of 10% price premium to the base market price by taking advantage of the set of conditions at hand

- 1. Excellent product quality**
Due to optimal hydraulics and constant production environment
- 2. Sustainability & certification**
Sustainable production method allowing for number of certifications increasing saleability and allowing premium price
- 3. Low CO2 footprint**
Becoming increasingly important for both the wholesalers and the end consumer
- 4. Constant product supply**
Due to constant production environment offering increased saleability

10% premium to market price



Excellent product quality



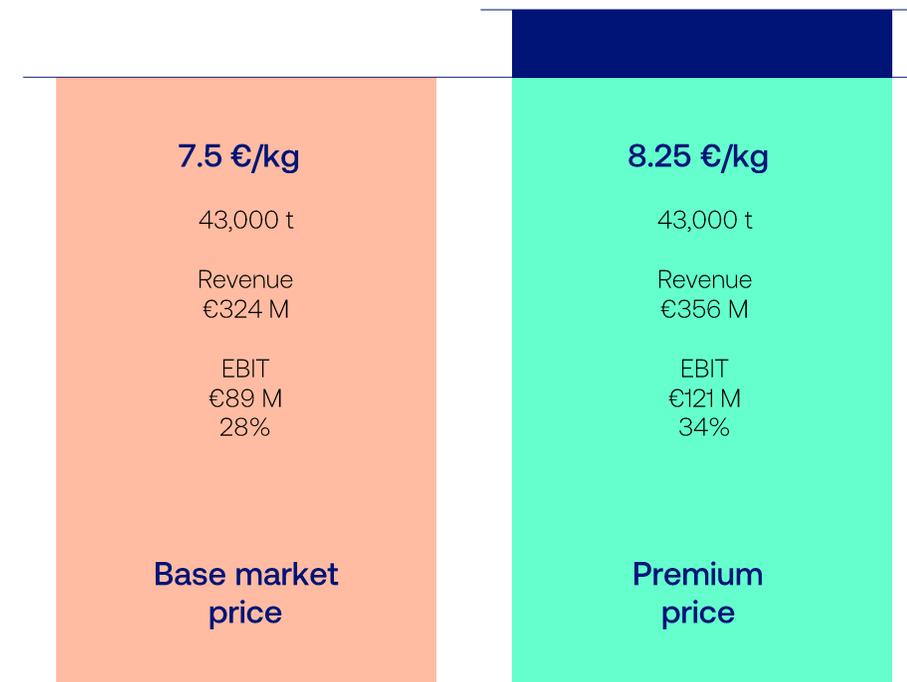
Sustainability & certification



Low CO² footprint



Constant product supply



Financial Overview

Attractive business case that delivers €356 annual revenue with 40% EBITDA

€356

Million in revenue at full annual production⁽¹⁾ in 2029 based on 43,000 HOG annual tonnes sold and price of 8.25 €/Kg

~40%

EBITDA margin at steady state. Access to unique natural resources at location and using the FTS-R production method lowers OPEX

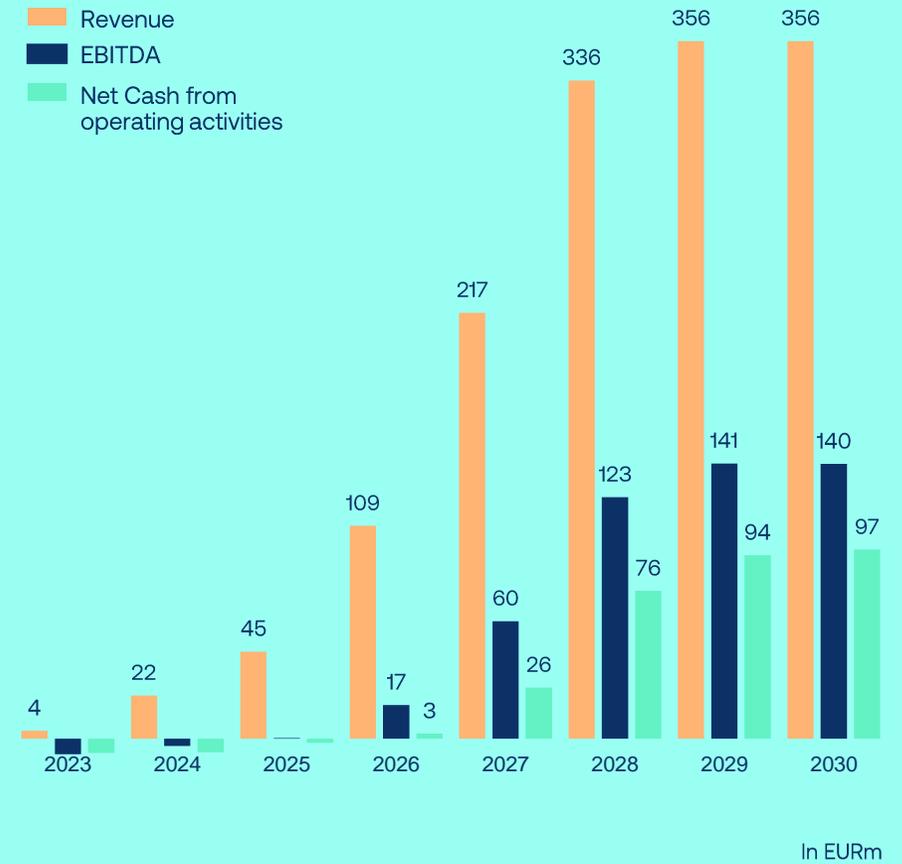
€659

Million projected in construction CAPEX for all 6 phases. Phase 1 estimated to amount to €109 million with ~€26 million in equity already spent on construction. Construction CAPEX will be financed with a mix of equity and debt

Landeldi's strategic location, access to unique natural resources and high-quality product will enable premium pricing as well as opportunities for value added products and other upside potential not reflected in a base case scenario

Notes:

Based on a base case of 15.5-month growth curve in the grow-out tanks and density of 65 kg / m³





Transaction Overview

Utilizing both debt and equity financing to support the company's growth

Loan agreement with Landsbankinn that will provide most of the debt capital needed for Phase 1

Landeldi can draw upon the loan facility provided by Landsbankinn as needed to meet its financial needs, with loan to value (LTV) not to exceed 50% for mortgage loans on construction CAPEX. In addition, able to take on debt corresponding to LTV of 60% on outstanding biomass

For the remaining phases, Landeldi expects to take on debt with the same LTV as in Phase 1. Landeldi aims to maintain a Debt/EBITDA multiple of 2.5x at steady state

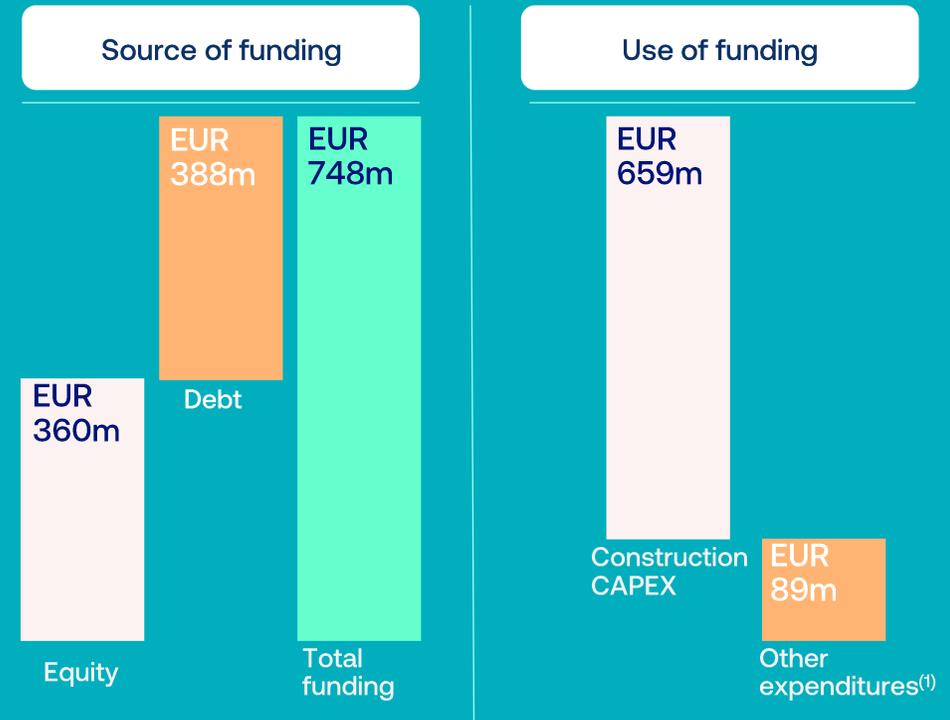
Landeldi intends to explore other funding options to support its expansion plan in the future, such as raising debt abroad. This could help the company minimize its cost of debt while improving its overall financial position.

Total equity financing expected to reach EUR ~360m with EUR 30m raised in previous rounds

Landeldi is currently raising around EUR 80m in equity financing, taking total equity financing to EUR 110m. Additionally, Landeldi is targeting additional equity rounds as well as an IPO in Q4 2024/Q1 2025 in order to finance further phases and reach full capacity of 43,000 HOG

Notes:

(1) Other expenditures mostly include working capital, maintenance CAPEX and repayment of loans in the period 2021 to the beginning of 2028 when construction is estimated to be completed



Private placement in Q1 2023

Raising EUR 80m in a private placement in Q1 2023 at a pre-money valuation of EUR 102m

Use of funds will mainly be targeted toward finishing construction of the grow-out facility for Phase 1 and lay further foundations for Phase 2 and beyond

The share price offered is the equivalent of a pre-money valuation of EUR 102m and post-money valuation of EUR 182m

IRR is expected to be around 20 – 25%, based on an estimated exit event in 2029 when Landeldi has reached steady state

Existing shareholders will subscribe for ~28% of the share offering with ~72% of the share offering available to new shareholders

Stodir hf., Landeldi's largest shareholder (40% of shares), is among current shareholders who will continue to support the company by subscribing for 25% of the share offering

Other existing shareholders will likely subscribe for around 3% of the share offering



Size of share offering

EUR 80m

Pre-money valuation

EUR 102m

Post-money valuation

EUR 182m

Share percentage offered

44%

IRR

20%-25%

Multiple on Invested Capital

3x-4x

Unique investment opportunity in a strategically located land-based salmon farm with significant return potential



Sustainable food production at a unique location

- Access to naturally filtered seawater at constant temperature and abundance of pure freshwater extremely suitable for flow-through production method
- Long term Green PPA agreement at favorable fixed price
- Competitive advantage through fast and direct access to major markets
- Environmentally friendly production with closed and controlled production environment, with no risk of escapes and intrusion into over 100 wild salmon rivers in Iceland
- No chemicals, antibiotics or hormones



Strong business case with significant upside potential

- Up-and-running project with major milestones already secured
- Price premium through premium product and constant supply
- Proven Flow-through production method lowering both OPEX & CAPEX
- Large-scale project using modular build-up
- Increased output based on faster growth curves and increased density



Advantageous market outlook

- Growing population and increased consumer awareness leading to rising seafood consumption
- Demand for Atlantic Salmon projected to outpace supply



Please direct all enquiries regarding
this investment opportunity to
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