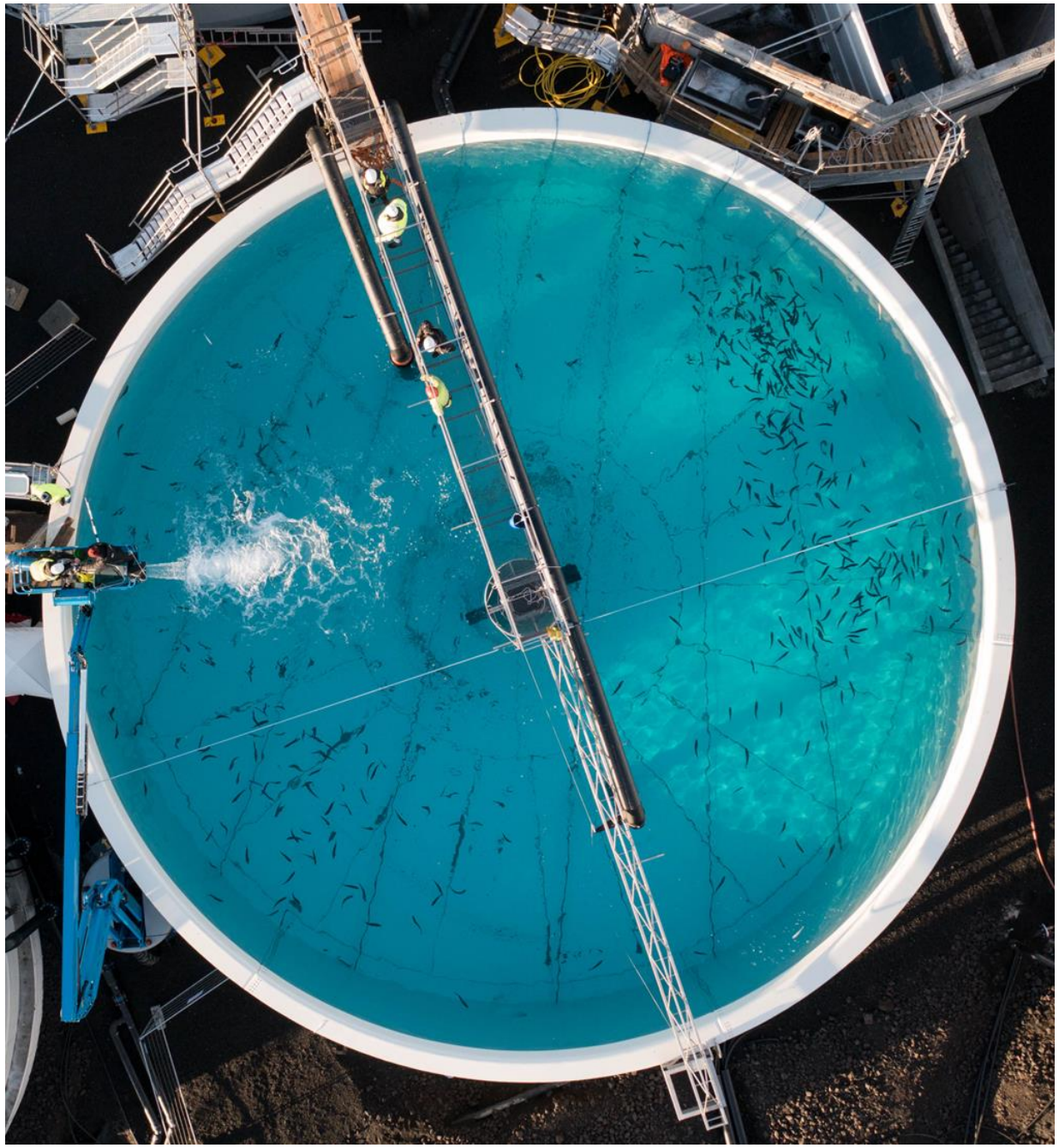
First Water

Information meeting
27.11.2024

Agenda

1. Project overview
2. Funding
3. Other



2024
Information Meeting

Project Overview

First Water site today

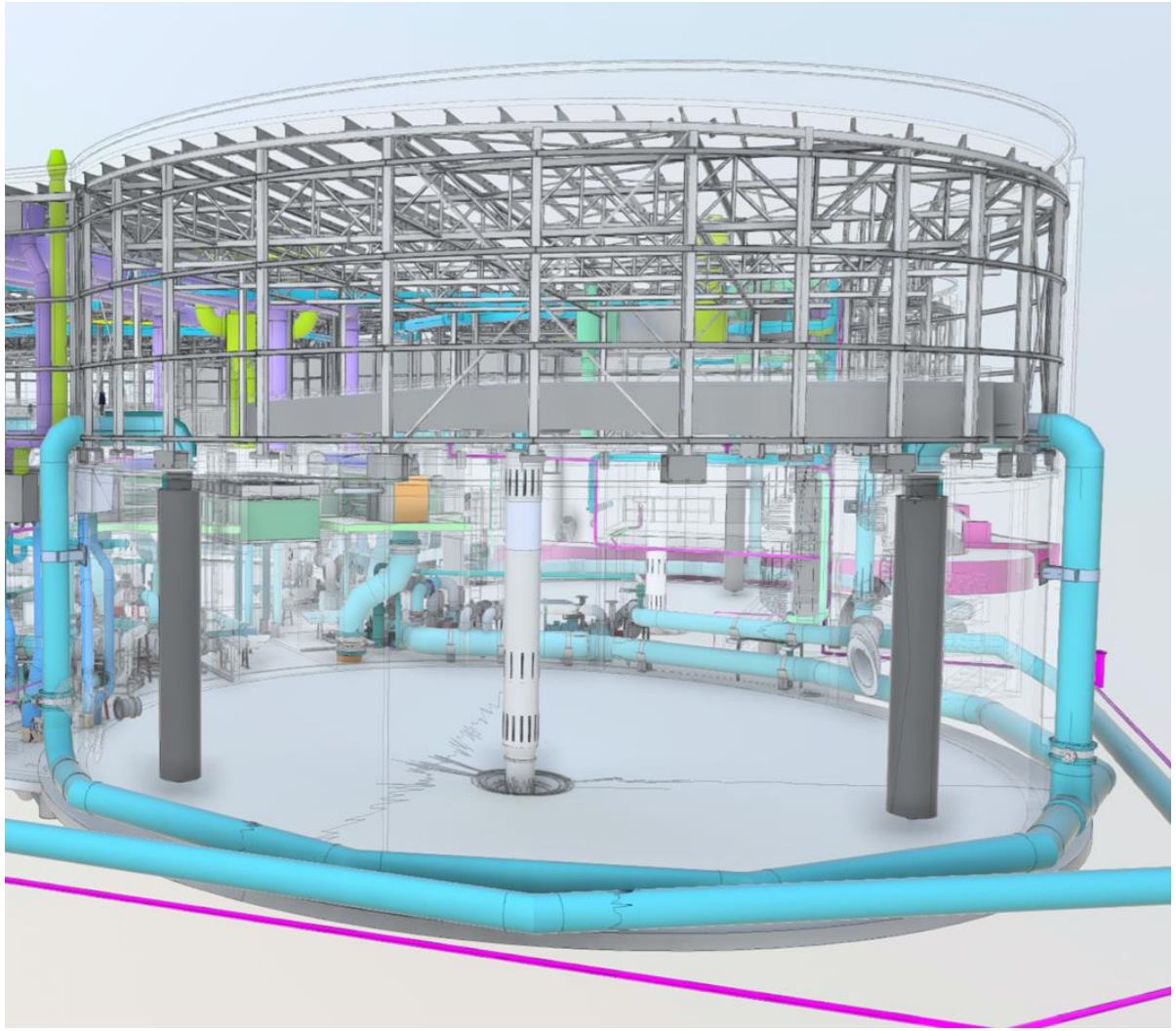
Project Status

Phase 1 – 25m tanks

- We experienced delays with 25m tanks of 5-6 months due to design adjustments and longer than expected lead time on critical components/materials
- Order for most of the components and materials for the 25m tanks have been placed
- First 25m tanks to be ready end of Q1 2025 with completion of all 25m tanks in July 2025

Phase 1 – 28m tanks

- Design will complete in February 2025
- Fish in all tanks in Q1 2026

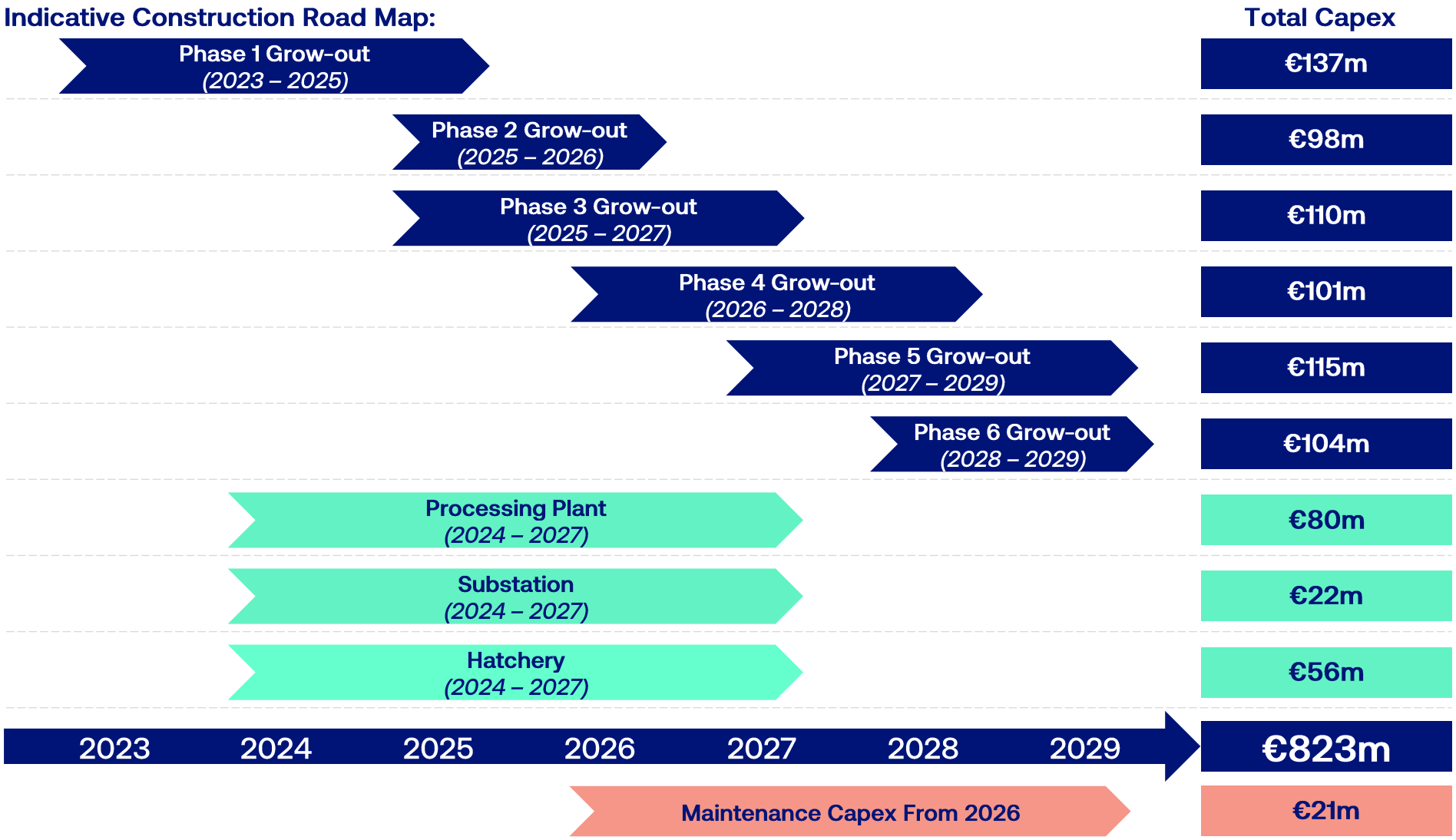


Processing facility moving

- First Water and Ísfélagið have signed a lease agreement for the processing facility in Þorlákshöfn
- First Water will operate the facility until the completion of its new facility in 2027
- Relocating the processing facility from Sandgerði to Þorlákshöfn offers several key advantages for First Water, including:
    - Proximity to the grow-out facility in Laxabraut
    - Significantly reduced transportation costs and time
    - Improved conditions to ensure better quality for the salmon
    - Processing operated and controlled by First Water, thus better quality control

Grow-out site close-up

Project Timeline – Six Phases



First Water

Sustainable Land-based Salmon Farm

Overview of Opportunity

- ✓ **Icelandic land-based salmon farm** constructing a large-scale site on **52-hectares of land ideally positioned in proximity to Iceland's international seaport and airport**
- ✓ **€120m+ equity** raised to date from leading Icelandic investors and **€80m of debt financing already secured with potential to expand to €140m**[1]
- ✓ Already **harvested and sold >1,500 tons HOG** of high-quality salmon to date

Proven Land-based Farming Technology

- ✓ Grow-out tanks are filled with **pristine water which has been naturally filtered through underground porous lava beds**
- ✓ **Water is sourced at a near-constant (~8°C) temperature perfect for optimizing salmon growth year-round** – removing requirement for expensive temperature treatment
- ✓ First Water uses the HFS[2] farming method – **optimizes control of the growth environment for the fish vs. FTS**[2] **and removes the need for complex filtering requirements vs. RAS**[2]
- ✓ Salmon produced at **competitive cost per KG (both Opex and Capex) vs. traditional sea-based farming**

ESG and Sustainability at the Core

- ✓ **Location offers access to water and electricity on a sustainable basis**
- ✓ **100% of production equipment is powered by renewable energy**
- ✓ Land-based salmon farming uses **no antibiotics, no pesticides and no chemicals**
- ✓ **Salmon is significantly more resource-efficient than other protein sources**, with higher yield, as well as lower carbon emissions, water and feed usage per KG produced

Clear Path to Realizing Scale and Growth

- ✓ Facility will achieve **~50k tons HOG annual production at capacity**
- ✓ **Production to be largely stable over the year with limited seasonality** – uninterrupted by climatic conditions as opposed to conventional sea-based farming
- ✓ **>€500m revenue from 2031 onwards when all 6 phases will be at run-rate production**
- ✓ **EBITDA positive from Q4 2025 onwards, with c. 49% margin from 2031 onwards**

>€500m
2031 Revenue

c. 49%
Long-term EBITDA Margin

2031
Full Capacity Achieved

~50k Tons HOG
Annual Production Run-rate

7-8% Price Premium Long-Term

€120m+
Equity Raised to Date

€140m
Debt Financing Available[1]

First Water

Proven Production Process Ensures Successful Harvests

First Water has already harvested and sold >1,500 tons HOG of high-quality salmon

Incubating and Hatching → Fry & Fingerling System → Grow-out Tanks → Harvesting → Distribution

c. 10 Months | *c. 16.5 Months*

Eggs from Benchmark Genetics Iceland undergo a 6-8 week incubation, developing into alevin and eventually reaching a weight of ~5g

Alevin become fry and move to smaller tanks in the hatchery, undergoing smoltification until reaching ~100g.

The Öxnalækur hatchery will produce smolts for phase 1, while the new hatchery to be built onsite will produce smolts for phases 2-6

Once smolts reach ~100g, they are moved to the Laxabraut facility and placed in grow-out tanks to grow to harvest size

When the salmon reach a weight of ~5,750g, they are moved into designated harvesting tanks where feeding is halted to prevent further growth ahead of harvest

First Water has strong a competitive advantage in distribution

- ✓ **Year-round delivery:** enabled by constant production environment
- ✓ **Proximity to strategic distribution centers:** e.g. Þorlákshöfn international seaport drives **lower freight costs to US vs. Norway**
- ✓ **Premium pricing:** sustainable, high-quality product with an origin premium leading to an ability to sell at 7-8% premium to market price throughout and beyond the business plan
- ✓ **Hard currency operations:** 99% of revenue in USD and EUR
- ✓ **Diverse end-markets:** currently North America and Europe, with potential to expand operations globally

First Water

Go-to-market Strategy

First Water is rolling out its go-to-market strategy focused on building a best-in-class sales team and distribution channels across key geographical markets with a demonstrated ability to sell to premium clients

Experienced Sales Team Expanding as Production Increases

- ✓ Lean sales team structure currently in place given early-stage operations and harvest sizes
- ✓ Expanded sales team hiring underway as First Water achieves scale and harvest regularity

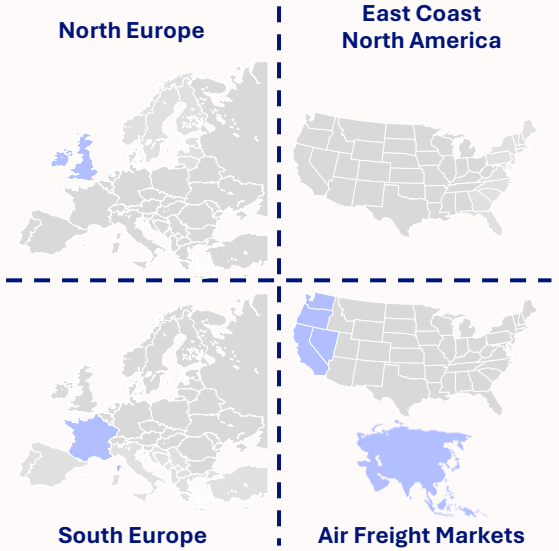
Target Sales Team Structure

5	Sales
	East Coast North America
	North Europe
	South Europe
	Air Freight Markets
3	Logistics
2	Back Office & Other Support Functions
#	FTEs at run-rate

Diverse Target Markets with a Detailed Regional Sales Strategy

- ✓ Customized sales strategies for each target market tailoring size of fish sold to meet specific market preferences

Long Term Target End Markets



Established and Growing Pipeline of Premium Global Clients

- ✓ Selling to a range of customers across distributors, wholesalers, food processors and retail supermarkets
- ✓ Targeting geographies across Europe, Asia and North America

Select Current Customers

John Nagle Co. · NOVO FOOD · VISSCHER

Potential Customers in Negotiations

WHOLE FOODS MARKET · Het Urker Zalmhuys · Vega Salmon · TRANSGOURMET · LABEYRIE · UBAGO

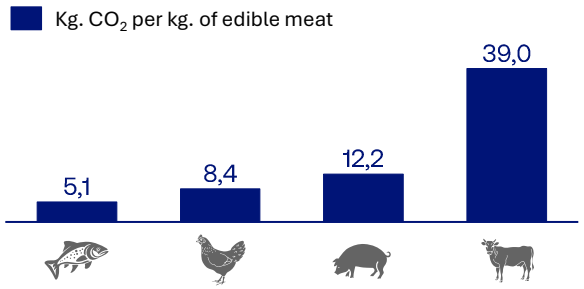
First Water

Industry Leading ESG Credentials

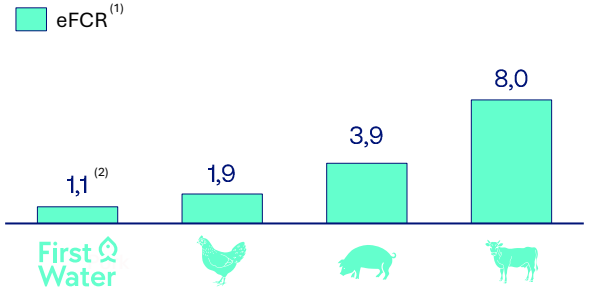
First Water production is striving to be carbon-neutral and makes minimal impact on the ecological environment whilst providing a quality source of protein globally

Salmon is the Most Resource Efficient Source of Animal-based Protein

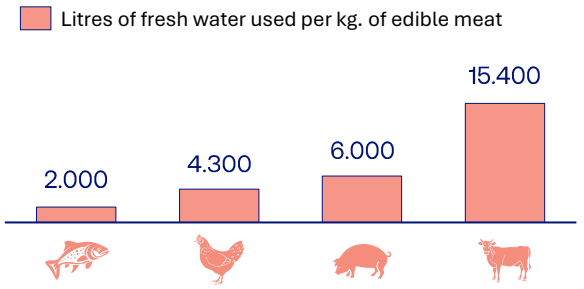
Salmon Production has by Far the Lowest CO_2 Impact of Any Animal-based Protein...



... Requiring the Least Feed Input to Produce 1kg of Bodyweight...



... And Using the Least Amount of Fresh Water in Production



First Water's Land-based Approach Mitigates Many Environmental Issues of Sea-based Farming

No risk of escapes, preventing the risk of genetic changes in a wild salmon population and no risk of sea lice infestations

No use of chemicals, no use of antibiotics and less exposure to broader environment given largely controlled and isolated farming

All energy used by First Water is renewable through a PPA lasting until 2038 with Landsvirkjun Green Power priced in USD

First Water's Operations Directly Address 10 of the UN's 17 Sustainable Development Goals

2 ZERO HUNGER · 5 GENDER EQUALITY · 6 CLEAN WATER AND SANITATION · 7 AFFORDABLE AND CLEAN ENERGY · 8 DECENT WORK AND ECONOMIC GROWTH · 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION · 14 LIFE BELOW WATER · 15 LIFE ON LAND

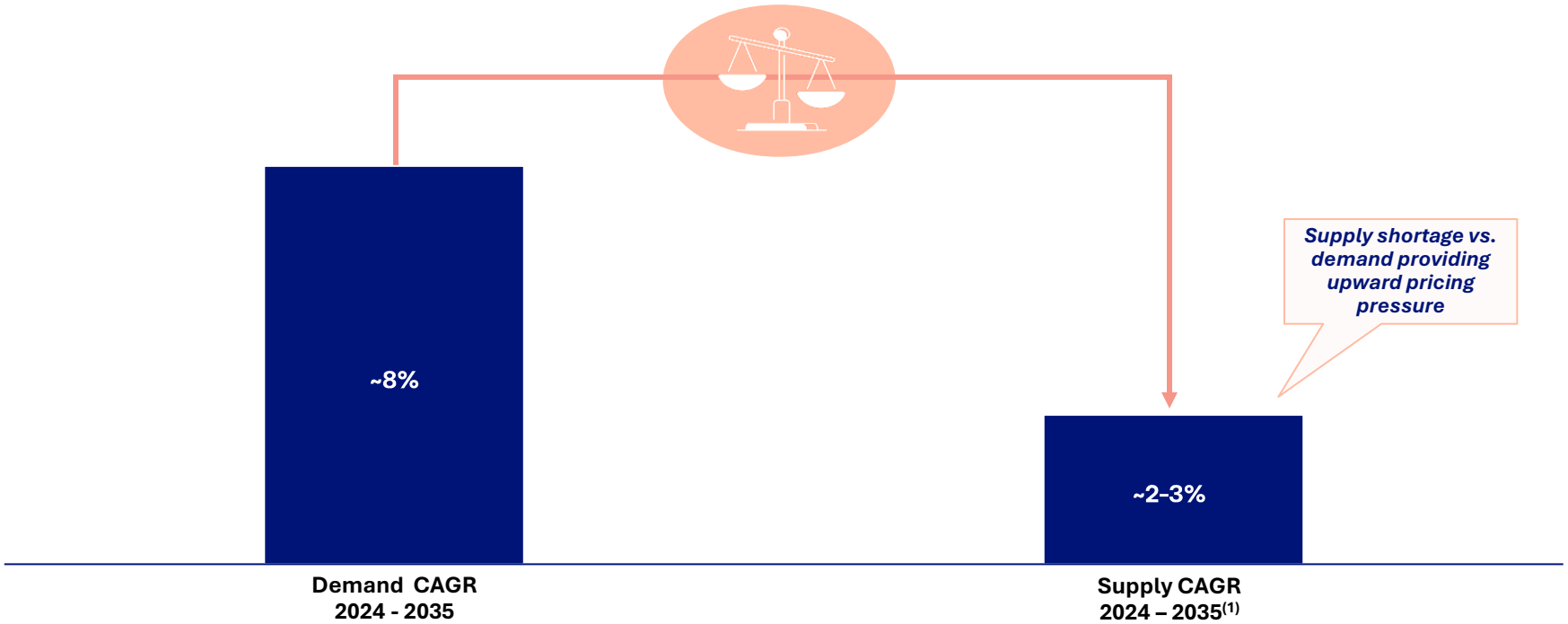
First Water

Demand-Supply Gap Leads to Pricing Pressure

Global population growth and a rise of the middle-class is increasing demand for salmon

Supply growth constrained in the next 5 years due to limited traditional sea-based capacity growth and construction timescale of new land-based facilities

Forecast Annual Change in Demand and Supply for Atlantic Salmon



Supply for Atlantic salmon is projected to increase at ~2-3% from 2024-2035 vs. demand (in USD) which is expected to increase at ~8% per year, providing upward pricing pressure

First Water

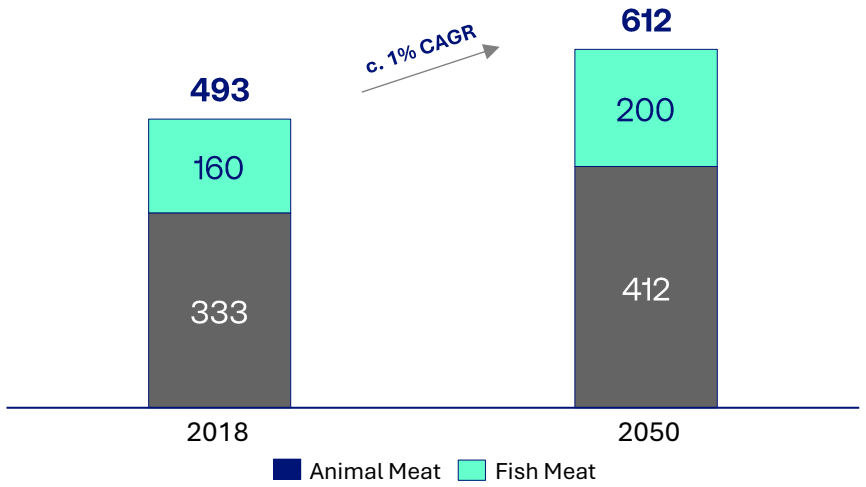
Global Salmon Demand Growth Driven by Secular Trends

Global population growth and increasing global middle-class is driving accelerated demand for salmon

- Salmon offers a **healthy source of protein vs. other animal proteins** which is **rich in nutrients, minerals, marine omega-3 fatty acids**
- For consumers, salmon is a **highly versatile product** which can be **consumed raw, grilled, cooked or smoked – catering to different cultural demands globally**
- **Growing global middle-class** with higher disposable income and greater health consciousness to drive increased fish consumption relative to other proteins

Overall Meat Consumption Driven by Population Growth

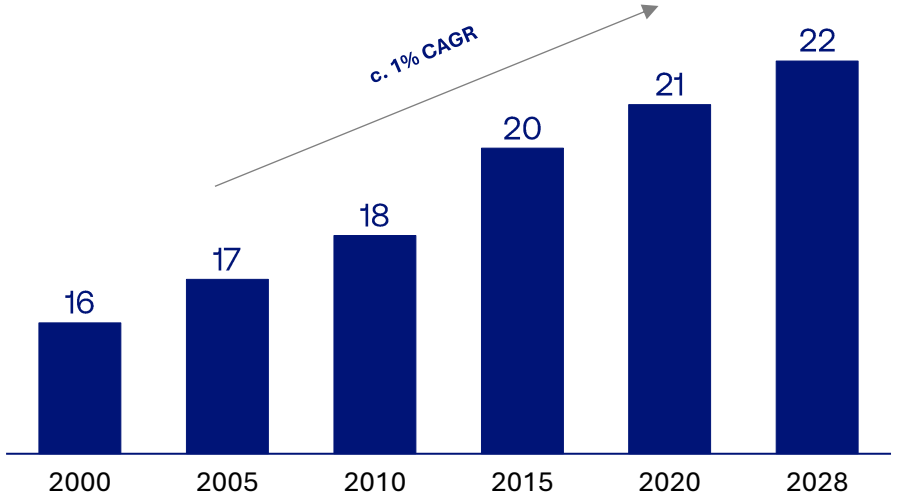
Implied meat consumption driven by population growth only
(million tons)



The worlds growing population (~9.7bn by 2050) will require more protein, **with a growing share expected to be from fish**

Fish to Constitute a Greater Portion of Diets

Per Capita Annual Fish Consumption
(kilograms)



Global fish consumption to increase from ~16kg per person p.a. in 2000 to ~22kg in 2028 **driving increased global demand for all fish consumption**

First Water

Sustainable Land-Based Aquaculture

i **Enclosed land-based farming operations on the coast of Iceland**

ii **30-year automatically renewable lease of 52 hectares of land** to construct facilities with ~**50ktons HOG capacity**

iii **Access to locally sourced water from subterranean reservoirs**, making production both economical and more sustainable

iv All energy required to run operations is from **renewable hydro power**

v **Utilization of Hybrid Flow-Through System (HFS)** enables cost efficient use of water and a **healthier option for fish and the environment**

vi Acquired a **hatchery in Öxnalækur in 2020** with a **further new hatchery planned in Laxabraut** for full capacity

✓ **Proven ability to deliver with >1,500 tons HOG sold to-date**

✓ **Leading Icelandic land-based salmonids project with 6% market share of global land-based production in 2024E**

First Water

Significant Progress Made Since Founded in 2017

2017
First Water is founded by local entrepreneurs

Aug-2020
Phase 1 EIA[1] finalized

Aug-2021
Start of phase 1 of construction

Nov-2020
Acquired Öxnalækur hatchery in Hveragerði

Dec-2022
Green PPA with Landsvirkjun for 20MW and c. €26m debt financing from Landsbanki

Jun-2022
€6m debt financing from Landsbanki

May-2023
1st harvest completed ~110 tons HOG

Jun-2023
€90m raised in a private placement

July-2023
Phase 2-4 EIA[1] finalized

Oct-2023
2nd harvest completed ~260 tons HOG

Dec-2023
Masterplan for project finalized

Jan-2024
Partnership with detail design partner COWI

May-2024
Agreement with Linde and NP Innovations for reuse systems and €35m debt financing from Landsbanki

Nov-2024
€80m debt financing secured with accordion of an additional €60m

Arion banki Landsbankinn

2017 | 2020 | 2021 | 2022 | 2023 | 2024 | >1,500 tons HOG sold to date

First Water

Deep Dive on HFS Technology

HFS re-uses 2/3 of the water within the tank, and 1/3 is filtered out to sea

The chosen technology enables First Water to have significant control over the aquatic environment in which the fish grow (as opposed to FTS), but at the same time does not require the more capex intensive commitment that comes with 100% re-use (RAS system)

Although HFS method needs significantly less influent seawater than the FTS method, **the volume of influent seawater is still significant at c. 6,000 – 7,000 l/s for each phase**

Access to a large amount of quality seawater is essential with First Water's farm **well positioned to leverage abundant lava-filtered sea-water from on site boreholes**

...with Re-use Leading to Better Use of the Influent Seawater Resource

Minimizing the **utilization of the seawater reservoir**

Less influent seawater intake

Less outgoing seawater to be filtered before going to the sea

First Water has State-of-the-art Filtration Methods for Re-used Water

Water needs to be **treated both during re-use and when being filtered out to sea**

Adding oxygen (O2) and decreasing **carbon dioxide level (CO_2)**

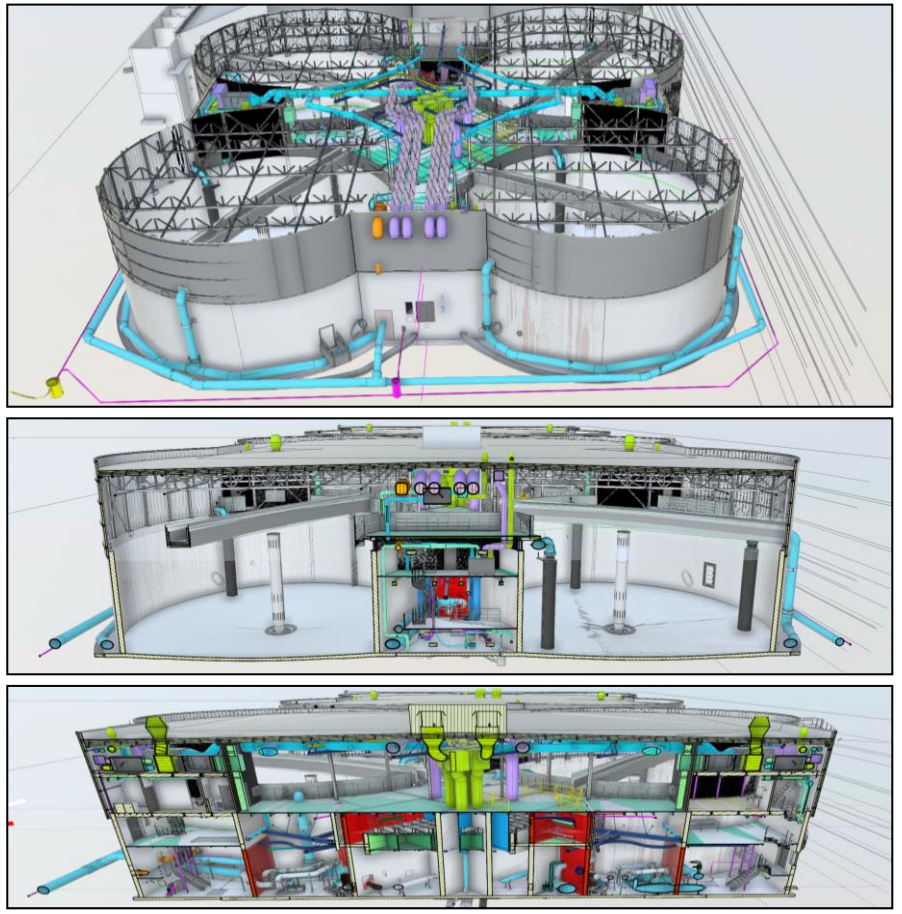
Filtering particles away

HFS Method Lowers Capex and Opex, and Retains Environmental Control

By re-using the seawater, **First Water decreases the pumping volume of influent seawater by 2/3**

Significant positive effect on both CAPEX and Opex cost due to fewer boreholes needed and less energy usage

Illustration of Tanks with HFS Technology



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HFS is Superior vs. Alternative Land-based Technologies

FTS	HFS	RAS
Lower control of the production environment and higher external risk	Balancing control of production environment while reducing technological risk	Higher control of the production environment and higher technological risk

Higher external risk → Higher Technological Risk

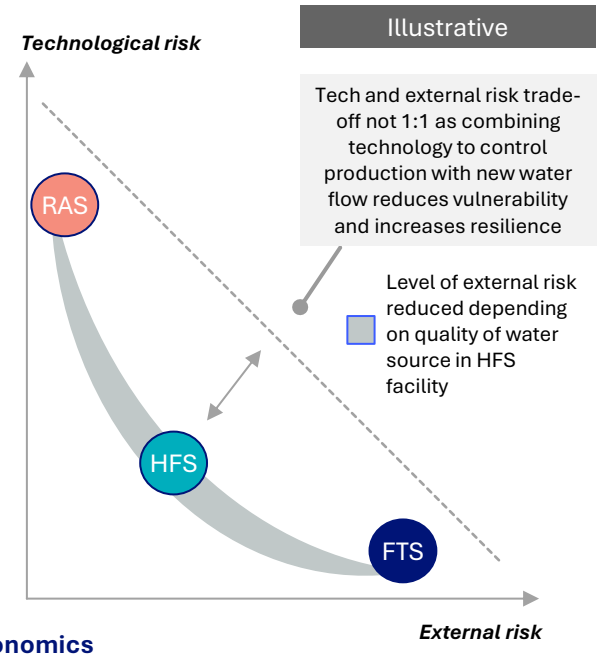
Temperature variations throughout the season **may be sub-optimal for growth, cause early maturation and forcing growers to sell when market supply and prices are high**

Introducing pathogens and diseases naturally existing in sea water, **causing increased stress, lower growth and higher treatment costs**

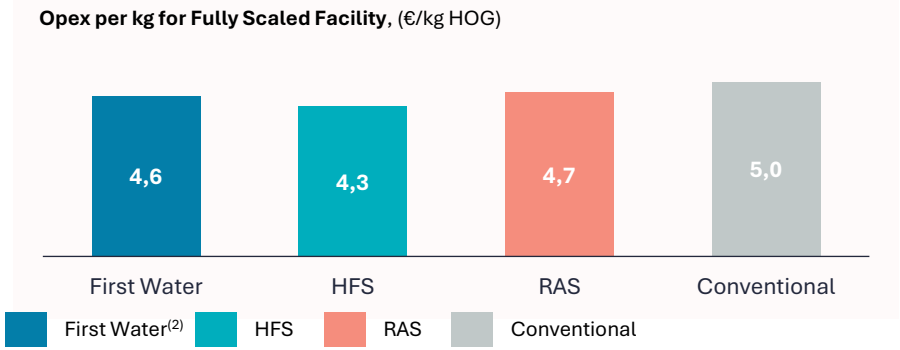
FTS faces particularly strong **opposition due to environmental concerns from not filtering water**

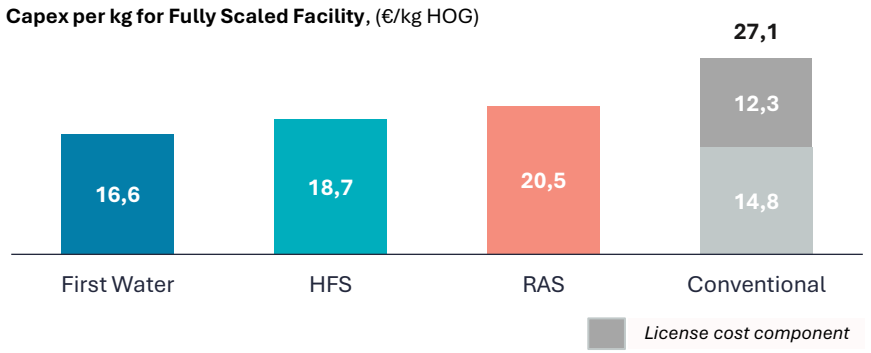
Defect or insufficient cooling / heating capacity **causing adverse growth conditions and early maturation**

Defect or insufficient biofilter capacity **causing build-up of toxins and adverse water quality, increasing mortality**



From a Value-to-benefit Point of View, HFS Compares Favorably on a Cost Basis with Superior Capex Economics





First Water

HFS enabled with seawater from boreholes

✓ First Water's plot is situated on a ~10,000 years old lava field and at the edge of the volcanic belt which runs through Iceland

Significant Benefits from Seawater Filtered by the Warm & Porous Lava Bed

Filtration eliminates all trace contaminants and live threats such as lice, diseases and algae, replacing the need for expensive UV filtering when sourcing seawater directly from the sea

The temperature of the rock bed keeps a constant optimal seawater temperature throughout the year, enabling constant year-round production compared to highly cyclical supply from land-based farms

Stable temperatures leads to greater salmon weight, lower mortality and all-year round yields

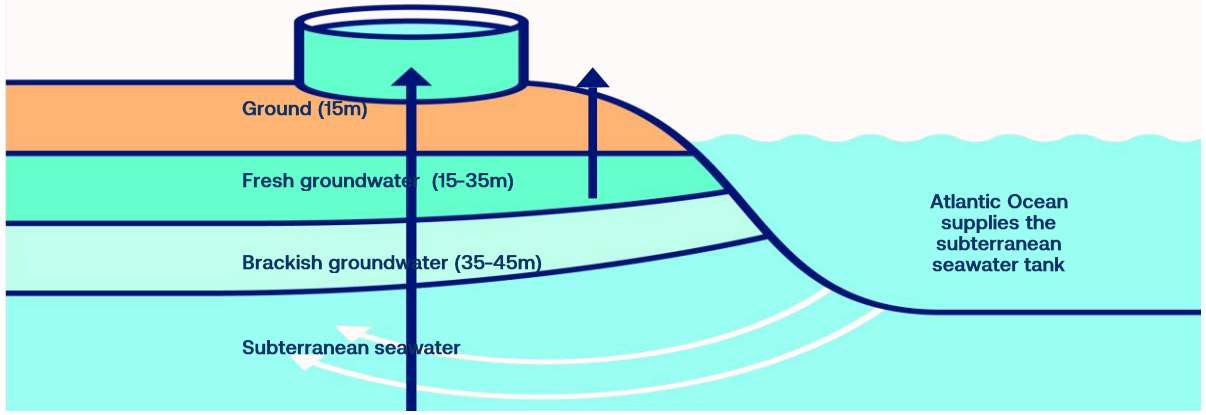
Freshwater Usage Mainly In The Hatchery Operation

Over 99% of the grow-out water usage is in the form of seawater, i.e. full salinity

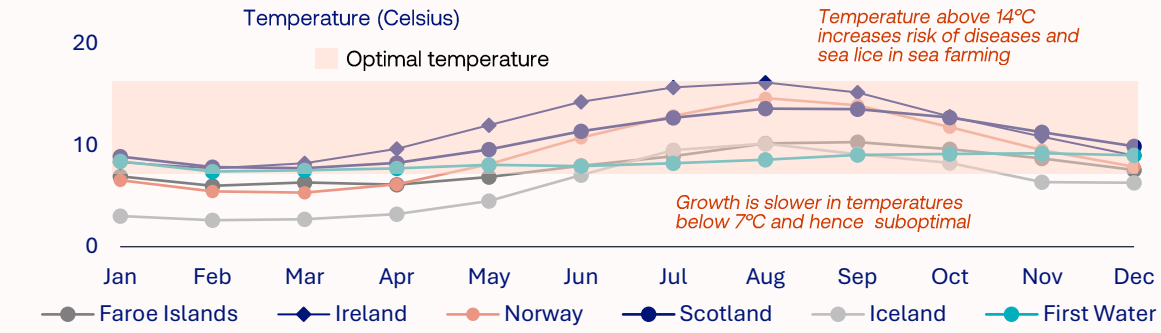
The only freshwater usage in the grow-out is when fish are being transferred from the hatchery to the grow-out during the smoltification process

There the salinity is gradually increased by mixing freshwater with seawater. The hatchery itself uses only freshwater, i.e. no seawater

✓ The flowing lava meets the ocean, creating a unique porous lava bed where only a few locations with similar conditions can be found in Iceland and elsewhere in the world



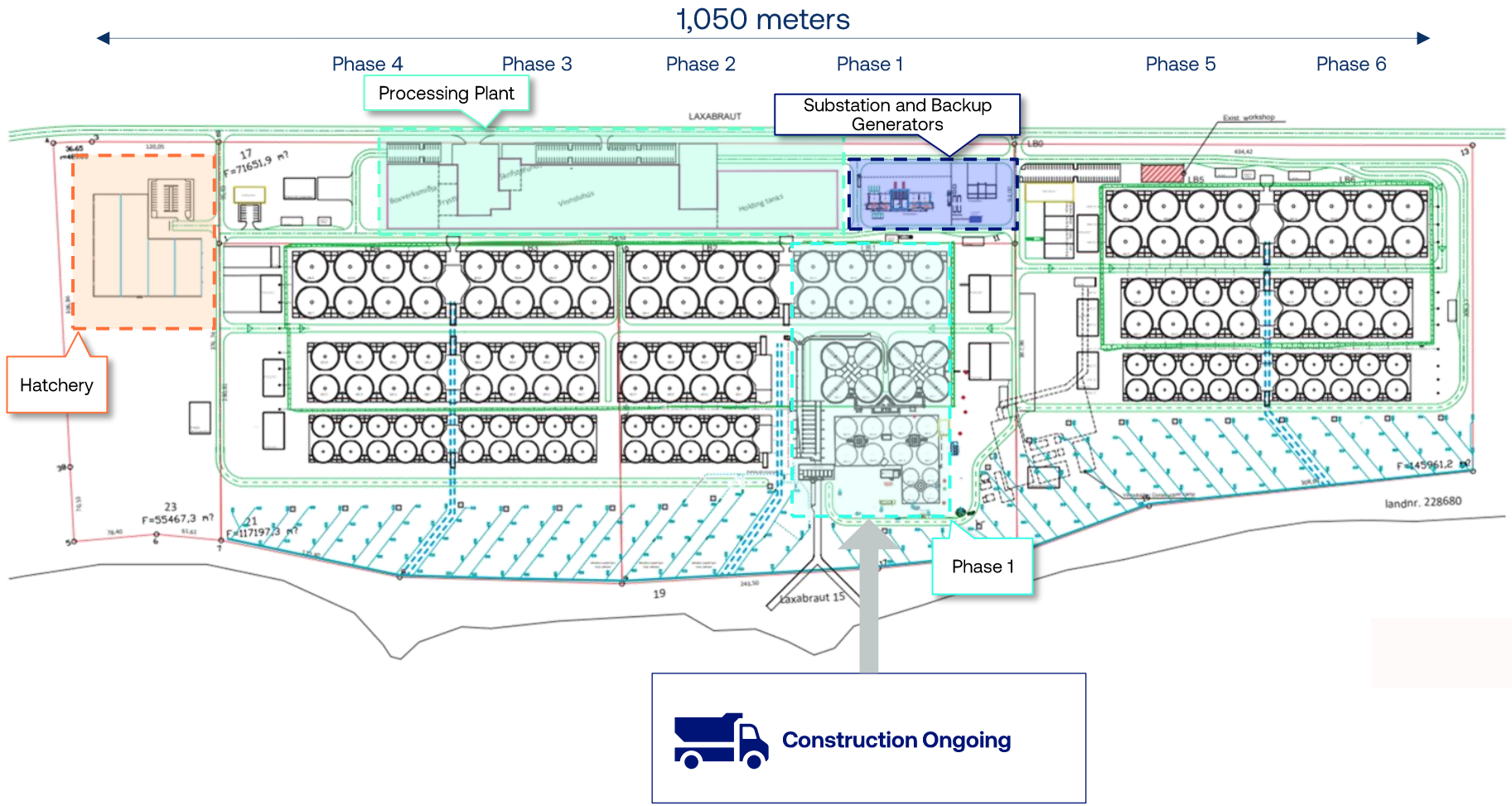
✓ First Water's water temperature is relatively constant around 8°C without the need for additional heating



First Water

Master Plan In the 52 Hectares Plot

✓ **Phase 1 Construction and Phase 2 Ground Work Preparation Ongoing**

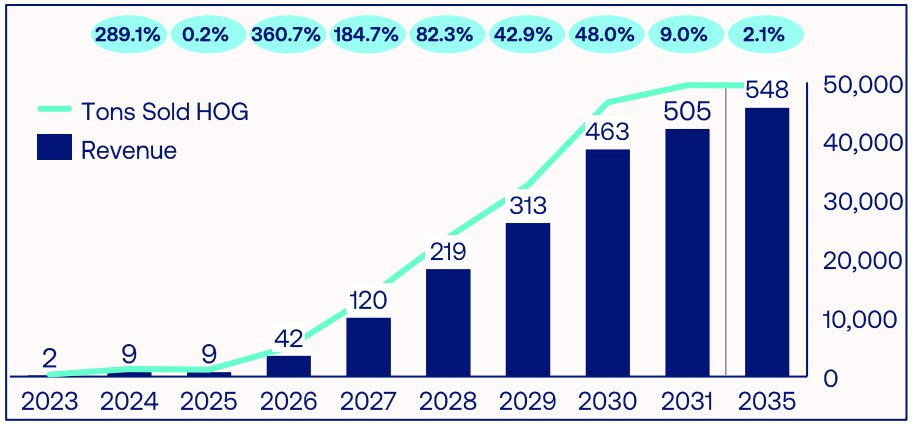


First Water

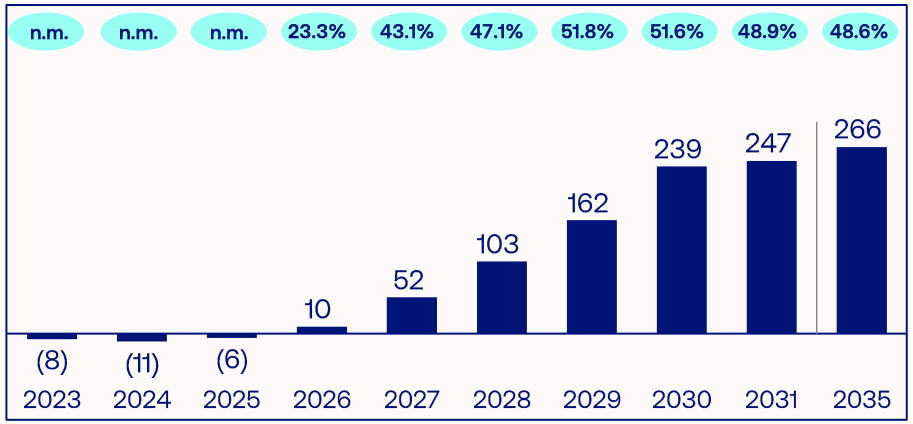
Business Plan Summary (Financials)

Significant growth expected with business estimated to reach >€500m from 2031 onwards when run-rate production is achieved, at c. 49% EBITDA Margin and >90% cash conversion

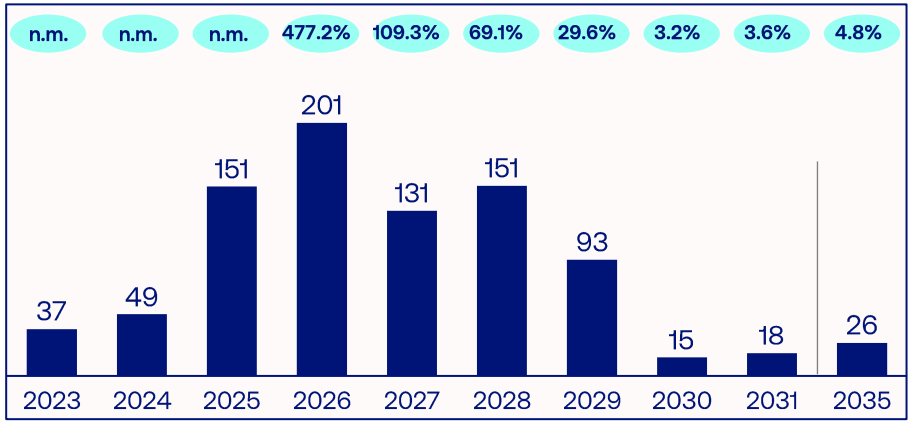
Revenue (€m) *(% Revenue Growth)* **/ Tons Sold HOG**



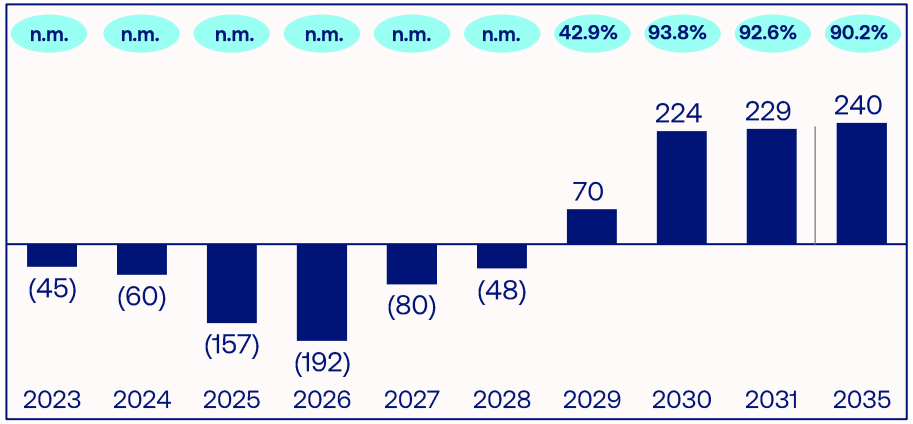
EBITDA (€m) *(% Margin)*



Capex (€m) *(% Revenue)*



EBITDA – Capex (€m) *(% Cash Conversion)*[1]



First Water

First Water in end of 2029

2024
Information Meeting

Debt Funding

Debt Funding Secured

- First Water has secured syndicated debt financing of EURm 80 with expansion potential to EURm 140
- Syndicate members are Arion Bank and Landsbanki
- Purpose of the new debt to support development and construction of phase 1 and 2

EURm 140

Arion Bank

Landsbankinn

2024
Information Meeting

Equity Funding

Equity Funding Overview

- Lazard is leading the equity fund raise
- Since early 2024 First Water and Lazard team have been working on preparation for the equity funding
  - Business Model Finalized
  - BCG – Vendor commercial due diligence (VCDD)
  - Akvaplan Niva – Technical due diligence (TDD)
  - BBA Fjeldco – Legal due diligence (LDD)

First Water is seeking to secure up to €200 million in equity

LAZARD

Phase 1: Nov 4th – 15 Jan

- Management meeting + site visits
- Non-Binding offers received
- Internal discussions on offers received

Phase 2: 16 Jan – 31 March

- Full VDR investor access
- Additional management meeting + site visits
- Expert sessions
- Binding offers received
- Final negotiations and closing transaction

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