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Investment in AKVA Group ASA

September 29th, 2021

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Israel Corp First Investment under updated Strategy - AKVA Group – Technology for Sustainable Biology



Leading aquaculture technology and service partner



Listed on Oslo stock exchange since 2006 with market cap of ~\$316m*



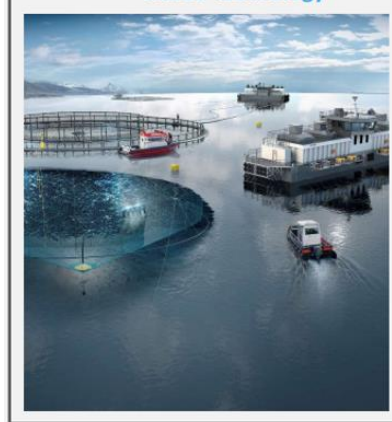
Global player with Deliveries in 65 countries over 40 years



Companies in 10 countries.
1,449 employees

AKVAGROUP™

Sea Based Technology



Land Based Technology



Digital Solutions



Investment in AKVA Group (OB:AKVA)

- Israel Corp (“ILCO”) announced today it has engaged in an agreement to purchase shares of AKVA Group ASA (hereinafter: “AKVA”), a public company whose shares are traded on the Oslo Stock Exchange, Norway (ticker: AKVA)
- AKVA engages in the provision of solutions and services in the field of aquaculture, including solutions using land-based aquaculture technology.
- ILCO will invest ~\$65m*, of which ~NOK 322m (~\$37m*) be invested in AKVA against the issuance of shares, and up to ~NOK 241m (~\$28m*) shall be paid to purchase shares of AKVA from the current shareholders of AKVA (“Secondary”)**.
- Following the closing of the transaction, ILCO is expected to hold at least 15% of the shares in AKVA.



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Investment in AKVA Group (OB:AKVA) (cont')

- ILCO will have the right to appoint one board member and be a part of an advisory committee to AKVA's CEO and management, on strategy, technology and innovation.
- ILCO and AKVA shall strive to set up an investment vehicle that will invest into land-based aquaculture projects that will use AKVA's technology, and that will consider ESG factors.
- ILCO & AKVA, will allocate \$10m each, to be invested through the investment vehicle or to be invested directly into land-based projects.
- ILCO & AKVA have engaged in an agreement to provide, under certain conditions, financing (convertible loan, in a non-material amount), to AquaCon AS ("AC"), a company that is setting up a salmon land-based facility in the US. In addition, ILCO and AKVA will receive, subject to granting the convertible loan, a right to participate in an additional investment in AC, \$7.5 million each, during an additional future round of financing in terms and conditions as were agreed by the parties.



Fit to ILCO Strategy

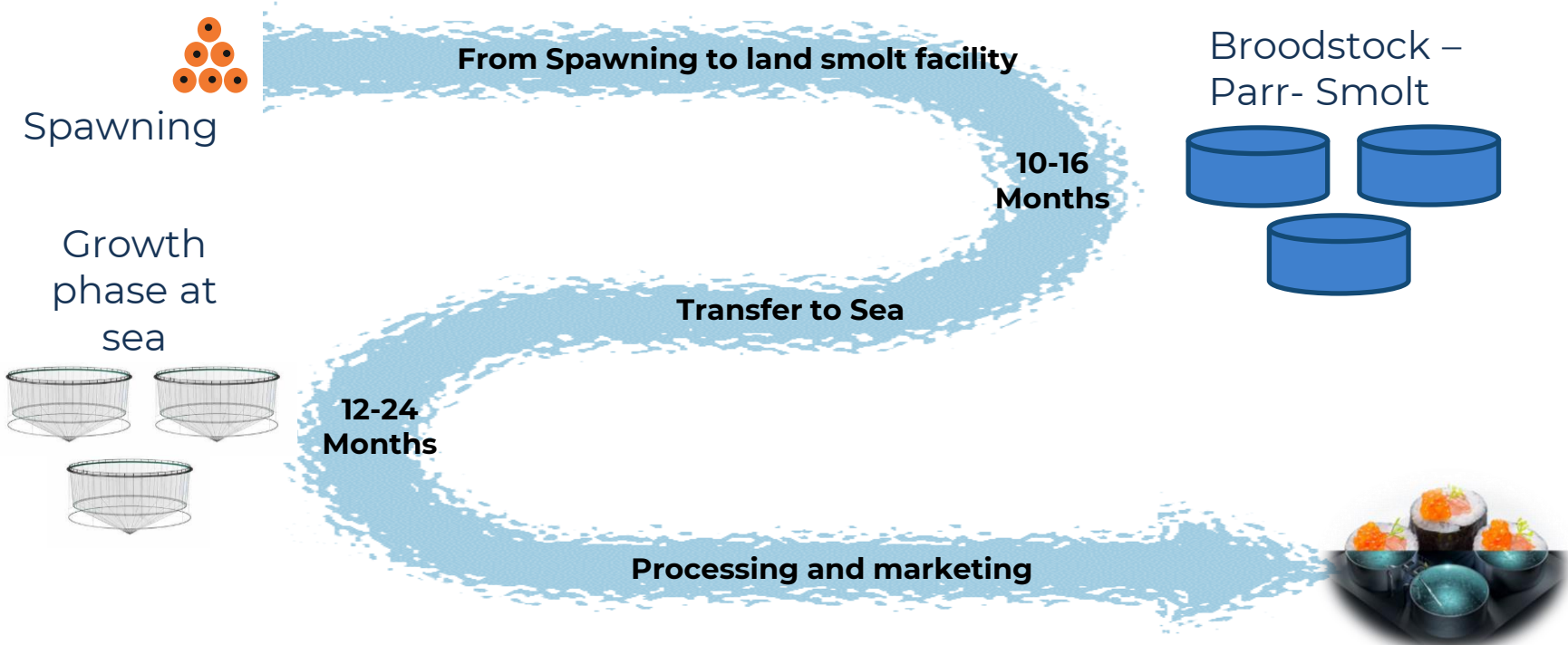
- ✓ Main investment sector focus will be Food (Tech), Agri (Tech), Healthcare and Industry 4.0
- ✓ Investing in sectors that ride on the global megatrends, and with Positive ESG profile
- ✓ Our global presence and capabilities position ILCO to create significant value in both European and Israeli investments
- ✓ Investing in mature companies
- ✓ Investing in a strong platform for future growth



Aquaculture Atlantic Salmon Industry

Atlantic Salmon Conventional Life Cycle Net Pens

Most of the salmon supply today is grown in open sea cages, the growth cycle is 12-24 months depending on the target weight. The open sea cages are license based, which are becoming very challenging to obtain. This development may impact future supply growth from sea cages

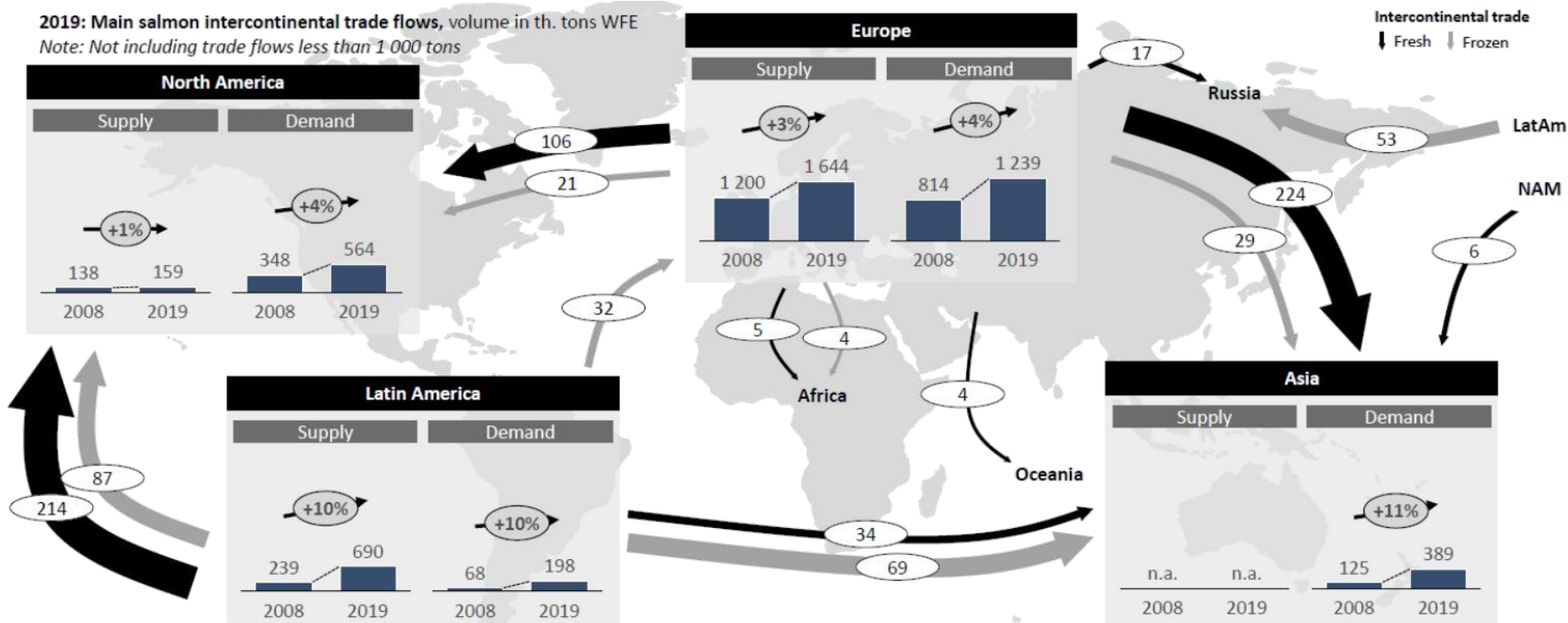


The North American and Asian markets have historically been dependent on (and limited by) import from Norway and Chile

2019: Main salmon intercontinental trade flows, volume in th. tons whole fish equivalent (WFE)

2019: Main salmon intercontinental trade flows, volume in th. tons WFE

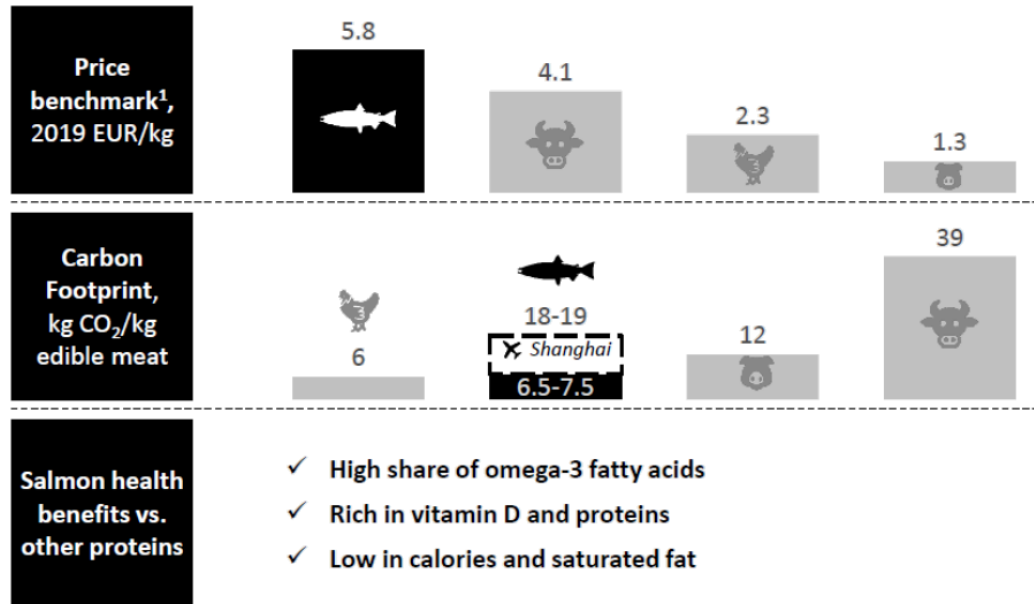
Note: Not including trade flows less than 1 000 tons



Source: AKVA Capital Markets Day, November 2020

Consumers willing to pay a premium for salmon vs. other proteins











Salmon versus other protein sources



- Current price level shows that consumers are willing to pay premium prices for salmon vs. other proteins, likely due to health benefits and superior taste
- Airborne salmon challenging in terms of sustainability given ~3x CO₂e/kg emissions compared to locally produced salmon

Underlying demand growth implies 1–2Mt volume increase by 2030

Traditional growth and new emerging technologies have the potential to cover underlying demand

Supply sources/ drivers			Indicative supply potential 2030, mill. tons	Volume 2019, tons	What to believe in?
Conventional	Traditional growth		 0.3–0.6	2.5M	<ul style="list-style-type: none"> • 1-2% supply growth driven by increased capacity and utilization • Currently challenging supply outlook in Chile and Canada (conv.) • Innovation required to maintain and grow existing volume
	Post-smolt		 0.12–0.25		
	Effective lice prevention/treatment		 0.1–0.4		
Un-conventional	Landbased		 0.2–0.8	7K	<ul style="list-style-type: none"> • Land-based has a role to play, either as “niche” production or as preferred growth area (dependent on cost competitiveness)
	Offshore/open sea		 0.1–0.2	~0	<ul style="list-style-type: none"> • Current development licenses in Norway • Significant potential if applicable in new regions
			Total: 0.9–2.3		

■ Low □ High

The background of the image is composed of several large, overlapping geometric shapes in various shades of blue and green. A dark navy blue shape occupies the upper left and center. To its right are lighter blue shapes. Below the dark blue shape are two shades of green, one a medium teal and the other a lighter, more vibrant green. The overall effect is a modern, abstract geometric design.

AKVA Group

AKVA Group – Facts and Figures



~\$360m*

Revenue LTM
30.6.21

40
Years of
aquaculture
experience

~\$37m*

EBITDA adj.
LTM 30.6.21

~10%

EBITDA adj.
margin LTM
30.6.21

For additional information please visit AKVA
Group web site at www.akvagroup.com

Sea Based Technology



From Single component
to complete solutions

Leading Technology
provider with strong
R&D

A leading service
provider to farmers

Land Based Technology



Substantial experience
in delivering smolt
land based
facilities

Signed Contract for
Land based Salmon
plant in China

Digital Solutions



A leading provider of
digital solutions to the
aquaculture industry

Digital solutions to
support high
productivity in
Sustainable salmon
production

Management

Management team led by the CEO, Knut Nesee, are equipped with extensive experience, with strong execution capabilities and mindset



Knut Nesse, CEO

Start: Nov-19

Experience: 6y CEO of Nutreco, 6y CEO of Skretting

Education: MBA



Ronny Meinkøhn, CFO

Start: Aug-20

Experience: 6y CFO of Apply

Education: MSc in finance



Erlend Sødal, COO Sea Based

Start: May-20

Experience: 8y managing director of skretting Norway

Education: MSc in industrial economics, MBA of Technology



Johan Fredrik Gjesdal, COO Land Based

Start: Oct-20

Experience: 3y VP strategy and BD of AKVA, before consulting in Aker Solutions

Education: MSc in Industrial economics and Technology management



Asle Kjetil Bratteli, CDO

Start: Jan-21

Experience: Regional VP at Gartner group, 10y in Nutreco and Skretting in Digital related roles

Education: Economics

AKVA Group – Advantageous position in Land Based

Smolt/post smolt
(200-1,000 gram)



- Substantial experience providing smolt facilities and ancillary equipment to the leading salmon farmers
- A new modus operandi is developing in the market, of increasing the smolt facilities volume and smolt size ; AKVA, with its solid pipeline, is well positioned to benefit

Grow out
(3-5.5 kg)



- Based on AKVA's experience in smolt facilities and their RAS design, AKVA is well positioned to be a leading player in the grow out space
- AKVA has a signed contract with Nordic Aqua Partners (OB:NOAP) to provide technology for a 4kt (1st phase) salmon land based project in Ningbo, China.
- AKVA has a solid pipeline of projects in various stages

CEO Perspective

Knut Nesse, CEO AKVA comments: *"We are very pleased to welcome Israel Corp. as a long-term, strategic shareholder in AKVA group. We believe that Israel Corp. global business experience and technology background will contribute to our goal to build a world-leading offering of technical & digital solutions within sea and land-based aquaculture. This transaction will enable AKVA to accelerate the execution of our current strategy, to significantly step up our innovation agenda, and to transform our land based strategy".*

Yoav Doppelt, CEO Israel Corp. comments: *"We look forward to working with AKVA group to accelerate growth in sustainable food production and further develop AKVA's technological leadership within the aquaculture industry. Our discussions with AKVA convinced us that AKVA is a leading global player in the aquaculture industry, and best positioned to capture the global land base opportunity".*



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thank you

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