



Norwegian Seafood Limited

...provider of fish maw to more than 500 million consumers

Our Agenda

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- 02 Business idea
- 03 Products
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- 05 Organization
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From seafood waste
to delicacy

A brief summary

- The business idea is to purchase raw material from the seafood processing industry in UK, Norway and Northern Europe, and apply secondary processing aimed to supply high end markets in Asia and other overseas destinations.
- Managed by Norwegian Seafood Limited, UK, purchasing and processing will be outsourced to third companies
- The fish maw is sold to wholesalers in Hong Kong, who distribute locally within Hong Kong, China and overseas markets in Asia.
- Our Norwegian company; Sea Venture AS, has had a steady progress in this market segment. Now, we want to reorganise the company structure and upscale the production. We have the best skills in processing and distribution.
- Due to covid in 2020 – 2022 we had to put the production on hold. Now, the demand is back and it is time to resume production and take advantage of economies of scale.
- Norwegian Seafood Ltd is asking GBP 2 million in order to increase market shares and upscale processing, including investments in new factory, key personnel and the purchase of raw material.



Why invest in seafood waste?

Why invest in seafood waste?

01

We have a **proven business model**

02

We sell a product with **high profitability** in a **proven market**

03

We have a **predictable access to raw materials**

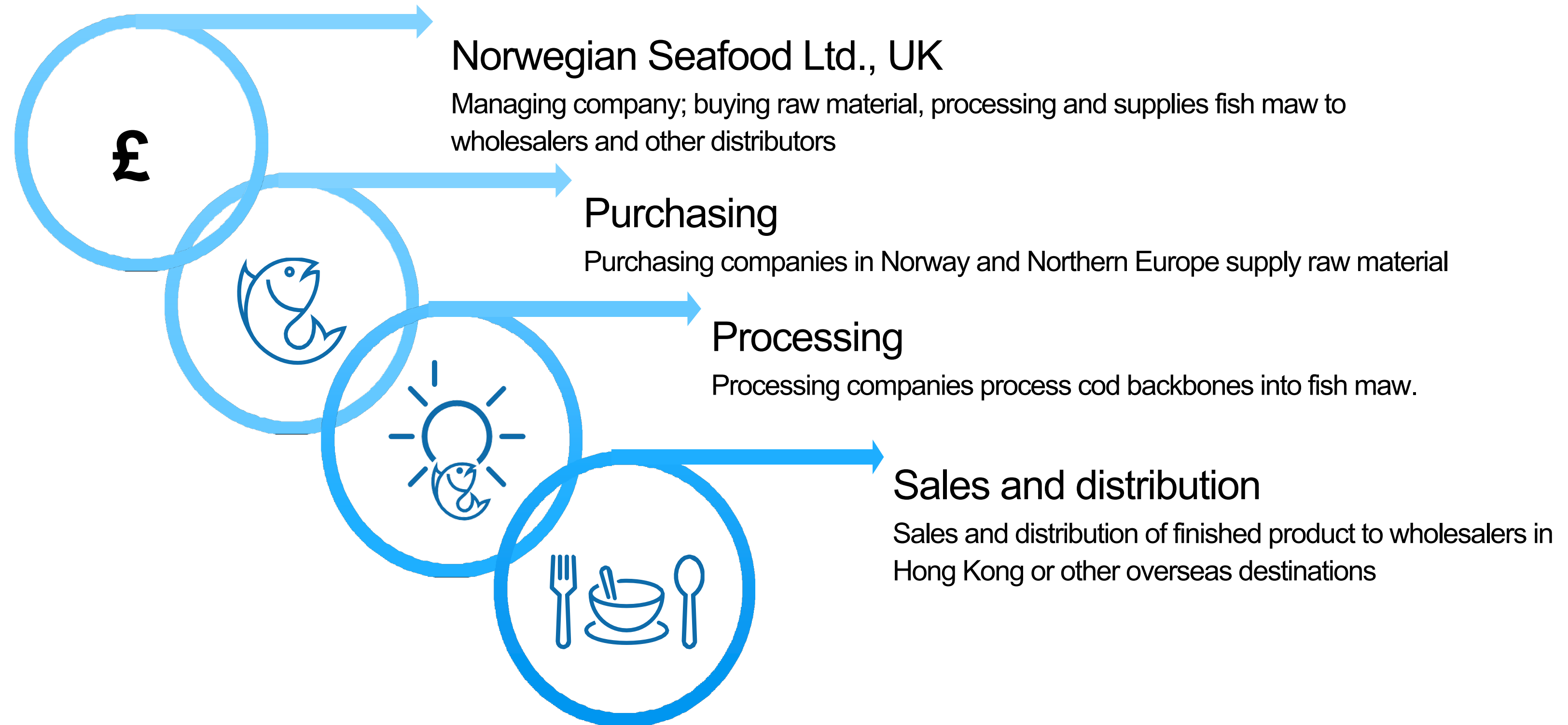
Business idea

«Norwegian Seafood Ltd.
processes by- products
from the fishing industry
into high quality products
for human consumption»

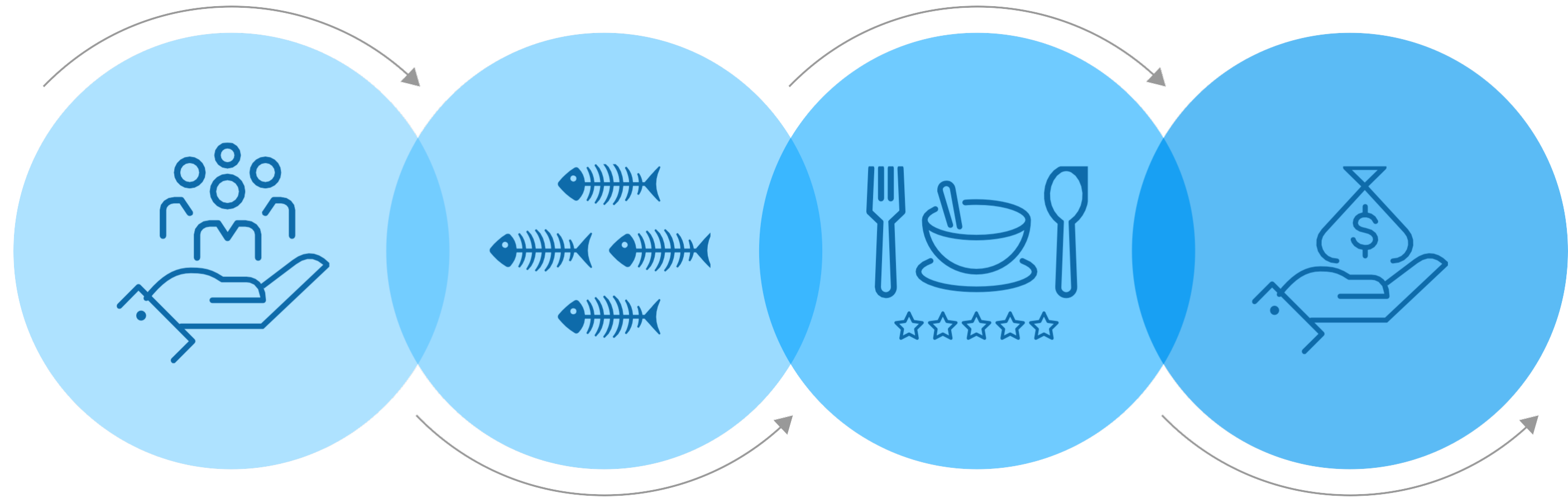


Business plan

«Sea Venture processes by-products from the Norwegian fishing industry into high quality products for human consumption»



Our goals



Market

Identify potential markets and get confirmed demand for our products. Create a position in the market that makes us a natural partner with the largest distributors in the market.

Products

Purchase and produce the products to the best standards in the industry, in a safe and reasonable way throughout the whole value chain.

Through our knowledge and experience of the market, we will connect with the most attractive customers.

Economic

Ensure good profitability through first-hand knowledge of the raw material and the producers, who ensure us the best raw material at competitive prices. Providing an annual return of 15% on the total capital in the company.





Products



Our product

A traditional product with demand beyond sustainability

Fish maw has long tradition in the Cantonese cuisine

Fish maw is processed from a number of species and the price shows high variety based on species and quality

Overfishing for some of these species has resulted in less supplies. Fish maw from Atlantic cod was introduced to this market 7-8 years ago and has today a significant part of the market

Fish maw is sold and marketed as «medicine food» in China, and fish maw from cod is regarded to have high quality

We purchase cod backbones from controlled and well managed fisheries and MSC certified processors, where control and enforcement provide for sustainable production

Processing backbones and fish maw, means that every part of the cod is being fully utilized



Our Fish Maw



Sustainable production

We source cod backbones from responsibly managed fisheries and MSC-certified processors to ensure sustainable production through rigorous controls and enforcement.



High quality

Our cod fish maw is known for its high quality, which enables us to achieve an average sales price that is 6% higher than Hong Kong's average import prices.



Environmentally friendly

By processing the backbones and fish maw, we utilize every part of the cod, demonstrating our commitment to reducing seafood waste and loss. This mission aligns with the growing trend towards sustainability and circular economy in the seafood industry.







Value chain



Value chain



Suppliers

- Lerøy Seafood ASA
- Vesterålen Marine Olje (VMO)
- Independent suppliers
- Planned quantity in 2024 is 1000 tons cod backbones, corresponding to 35 tons finished products
- Upscaling to 3,000 tons over a period of 4-5 years



Suppliers

Potential supplies of cod back bones in Northern Europe is 20 - 30,000 metric tons annually.

Estimated potential volume available from Norwegian suppliers is about 5 - 7,000 metric tons.

Other countries with potential suppliers are Iceland, Denmark, Fearoy Islands, Latvia, Poland, Spain and Portugal.

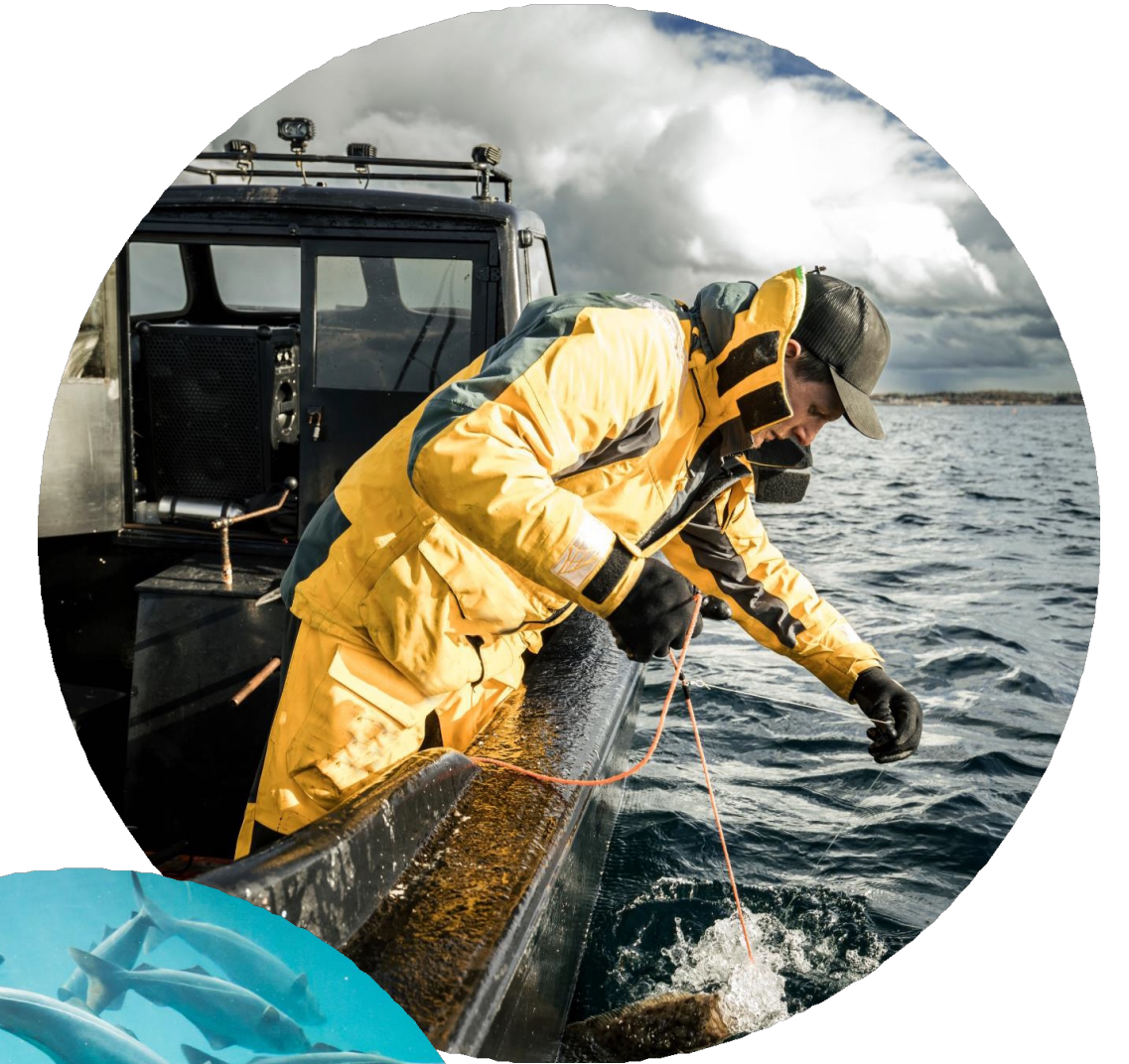
Increased demand for cod back bones in recent years has resulted in increased competition for raw material.

Price has been the most important factor in order to purchase cod backbones.



Purchasing structure

- The raw material for "fish maw/cod maw" is frozen or salted cod backbones
- Norwegian Seafood Ltd. is outsourcing purchasing to relevant companies and traders in Northern Europe
- Quality control of raw material is taken care of by random check of every consignment. In addition, we will track the temperature during shipment, handling and container transport



Processing

- Vietnam will be the hub for processing of "fish maw" sold in Asia
- Logistics in Vietnam is handled by our shipping agent in Ho Chi Minh City in accordance with Vietnamese legislation and practice
- The processing consists of separating the swimbladder from the backbone (fileting), cleaning and preparing for natural sun drying
- The finished product is controlled and graded based on size and quality and packed in 20 kg PP bags
- Shipment in 20 feet container. Each consignment is certified by accredited agency
- Remaining products are bones (65%) and to some extent meat. The bones are sold to the fish mill industry. The remaining meat is sold to human consumption



Sales and distribution - Hong Kong

- Finished products are sold and shipped to our customers in Hong Kong.
- Norwegian Seafood Limited will supply directly to wholesalers and through distributors based on commission.





Market



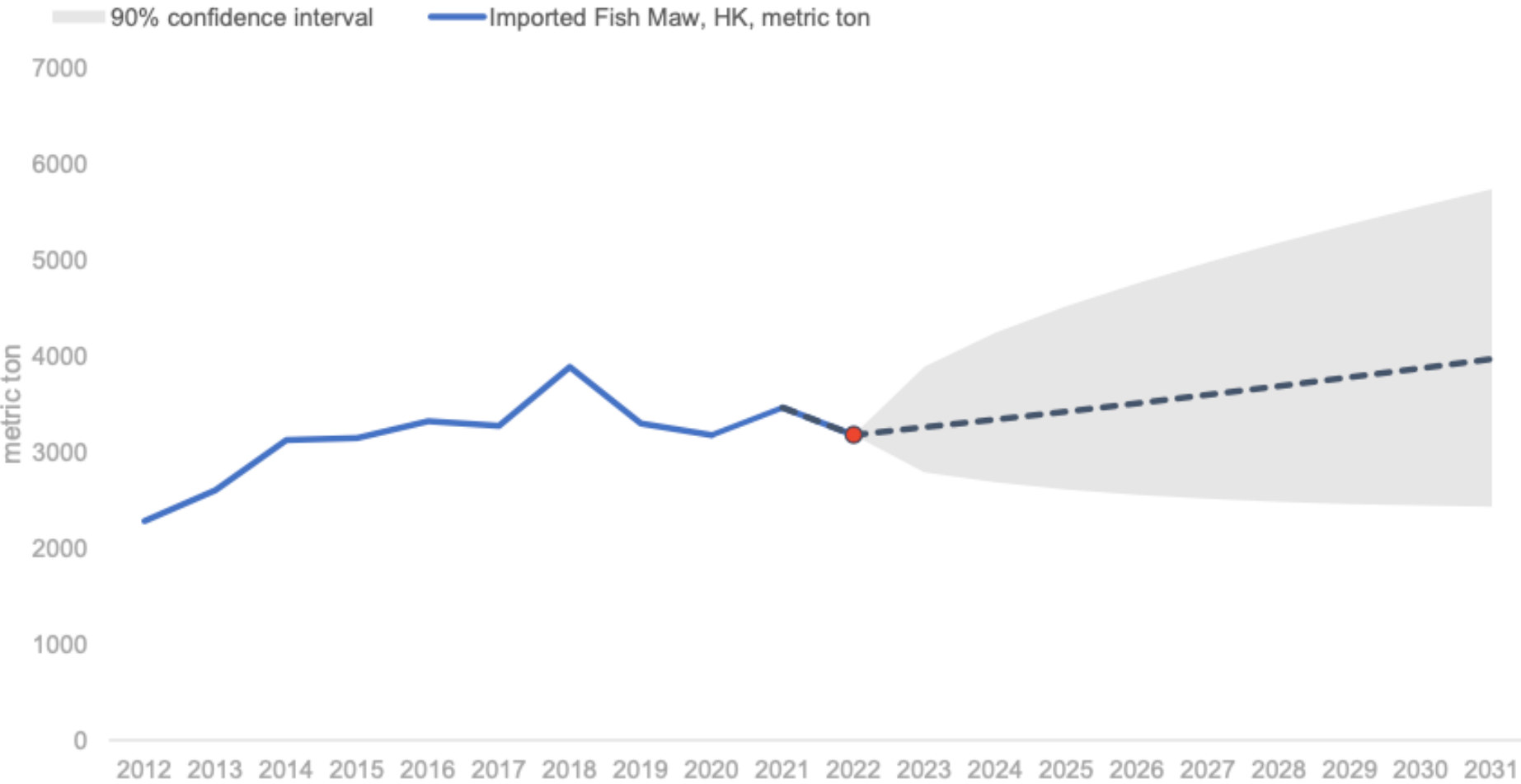
The fish maw market

- Hong Kong and Guangzhou are centers for trade and distribution
- Wholesalers in Hong Kong import annually 200-300 tons fish maw from cod
- Many wholesalers have retail shops as well
- The Covid-19 has resulted in low demand and reduced price
- We anticipate trade will increase second half of 2022



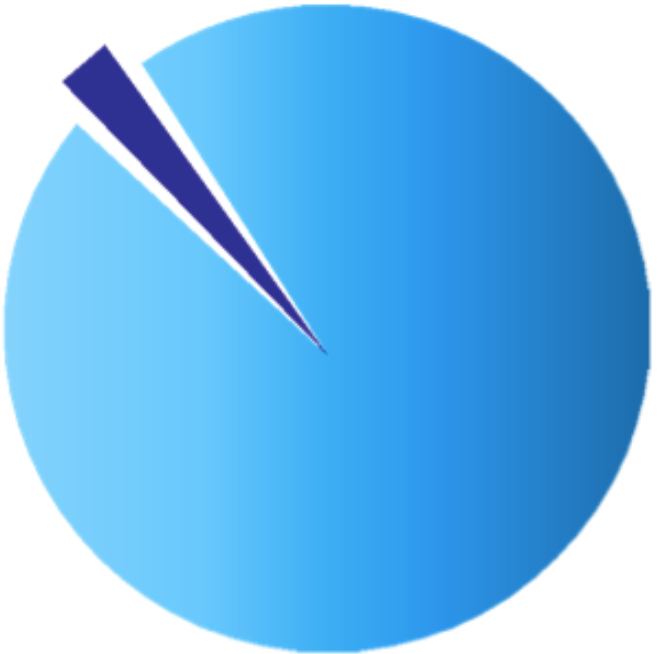
Fish Maw Market: A Mature and Stable Industry

The demand is stable and growing: we expect continued growth of 2,5% YoY in Fish Maw imports to HK



Predicted HK imports assuming average growth rate from 2012 - 2021 and 90% confidence intervals.

Sea Venture Budgeted market share in 2027



- Hong Kong's dried fish maw imports are experiencing a steady annual growth rate of approximately 3.2% in HKD.
- Fish maw is a well-established ingredient in traditional Chinese cuisine, and we anticipate that demand will remain stable in the future.
- In 2022, Hong Kong imported 3,176 metric tons of dried fish maw, and we project that this figure will reach around 4,500 in the next five years.
- To contextualize the market size, our target of shipping 140 containers in 2027 equates to less than 3% of the market share, leaving ample room for expansion.

The customers

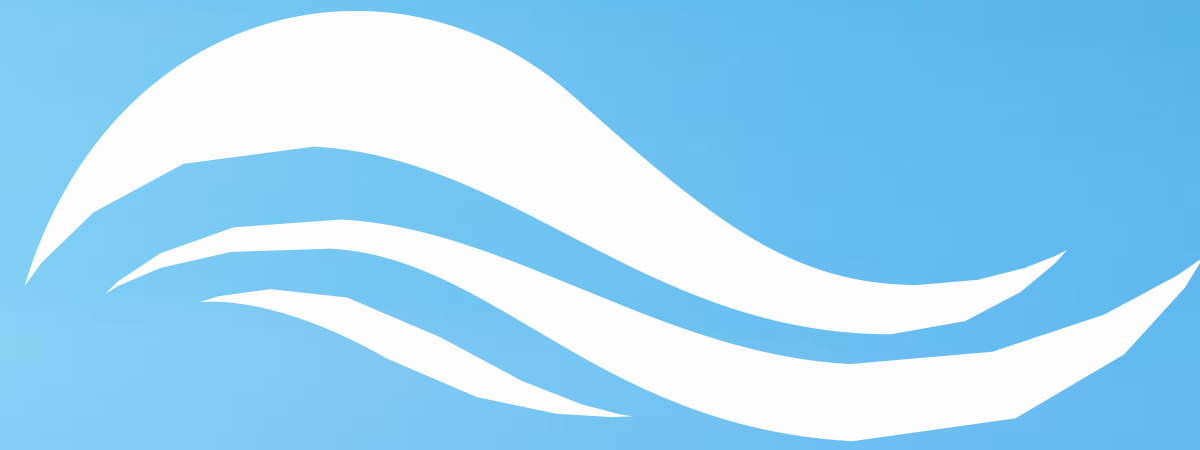
- Today Sea Venture trades fish maw to customers in Hong Kong, Singapore, Taiwan and Canada
- There are also potential customers in China and South East Asia
- In addition, fish maw is consumed in Chinese settlements around the world. In that note, the market potential is significant



The competitors

- Currently, there are two companies, not controlled by Chinese owners, who have the skills to process fish maw «the Chinese way». Sea Venture is one of them
- Many Chinese companies are strong competitors in relation to purchase of raw material. Most of them are located to Qingdao, China
- Chinese companies have factories in Africa, Thailand and Vietnam

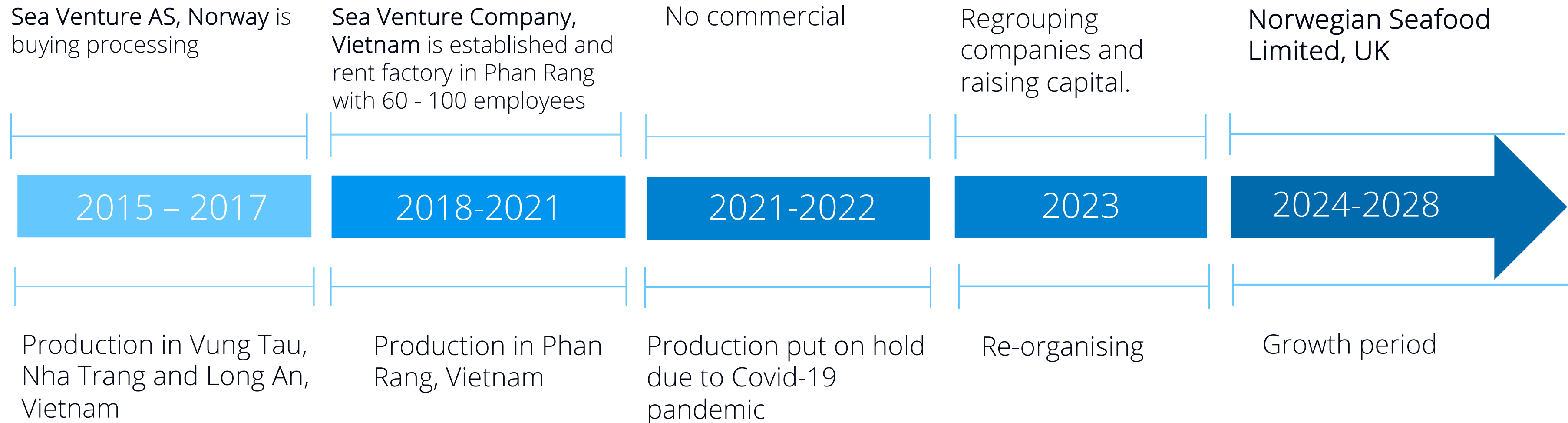




Organization

Owner's Timeline

Having established proof of concept while generated revenue form customers, now it is time to **upscale the production**



In this period Sea Venture have exported a total of ~60 metric ton Fish Maw to Hong Kong between 2017 and 2021 at premium prices while staying true to our mission to help reduce fish waste.

Raising capital to **upscale** the production

Our Founders



Jostein Kåre Angell

CEO since 2015

Owns 15 % of Sea Venture AS

- Angell has worked with the Norwegian seafood industry for more than 35 years
- CEO in Vestfjord Mussels AS (2004-2009)
- Founder and CEO of Arctic Mussels AS and Salten Skjell AS (2000-2011)
- Advisor for various seafood agencies and governmental institutions (1983-1999)
- Master in Fisheries Science and Aquaculture from University of Tromsø (1983)



Stein Egil Stavem

Partner

Head of purchase

Owns 12 % av Sea Venture AS

- Stavem has worked within the seafood sector since 2007
- CEO in other companies since 1986
- Head of sales at Vesterålen Marine Olje AS
- CEO in Vesterålen Fiskeripark AS (2007-2015)
- Nordic sales and marketing executive in Bell Canada (2002-2007)



Johan Jørgen Koch

Chair

Chairman of the board

Representing Otto Koch AS,
which owns 55 % of Sea Venture AS

- 20 years experience from trading and real estate at Otto Koch AS in Bodø (a family company)
- Partner and executive manager at Koch
- Siviløkonom from Norges Handelshøgskole i Bergen 1989
- Luftforsvarets befalsskole (Officer Candidate School) (1983-1984)



Team



**Duong Nguyen
Quyen Huyen**

General Manager

General manager and accountant, from
Phan Rang

- 2014 - 2018 General accountant at Vietnamese Aquaculture Larvae Co. Ltd
- 2009 - 2014 Bachelor of Accountancy
- University of Ho Chi Minh City



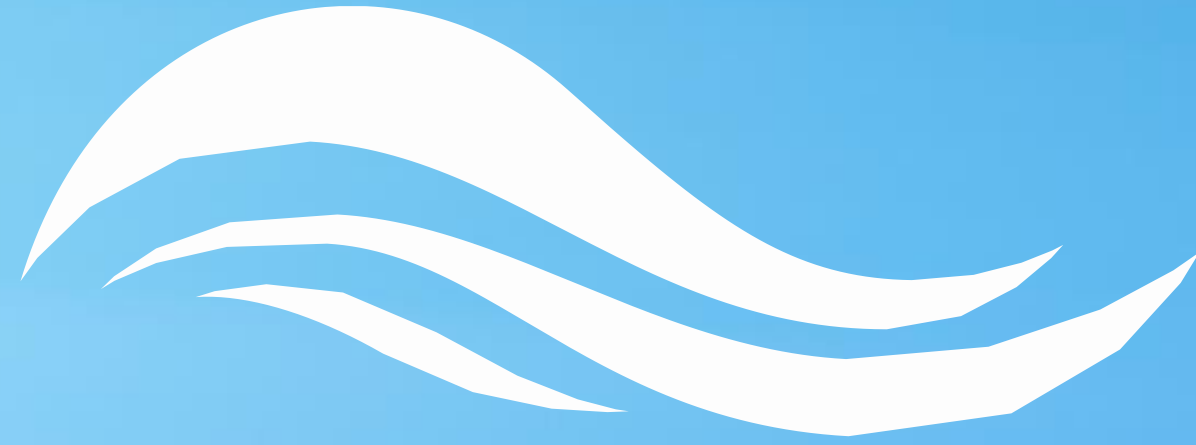
Liang Jianxing (Jack)

Liang Jianxing (Jack)

Processing manager

Head of processing and quality control From:
Guangdong, China

- Jack has worked with fish maw since 2010
- 2005 - 2009 Guangdong Technology University, Guangzhou
- 2010 fish maw trader in Guangzhou
- 2011 - 2017 manager at fish maw processing factory in Uganda
- 2017 - manager and quality responsibility Sea Venture Co. Ltd, Vietnam



Financials

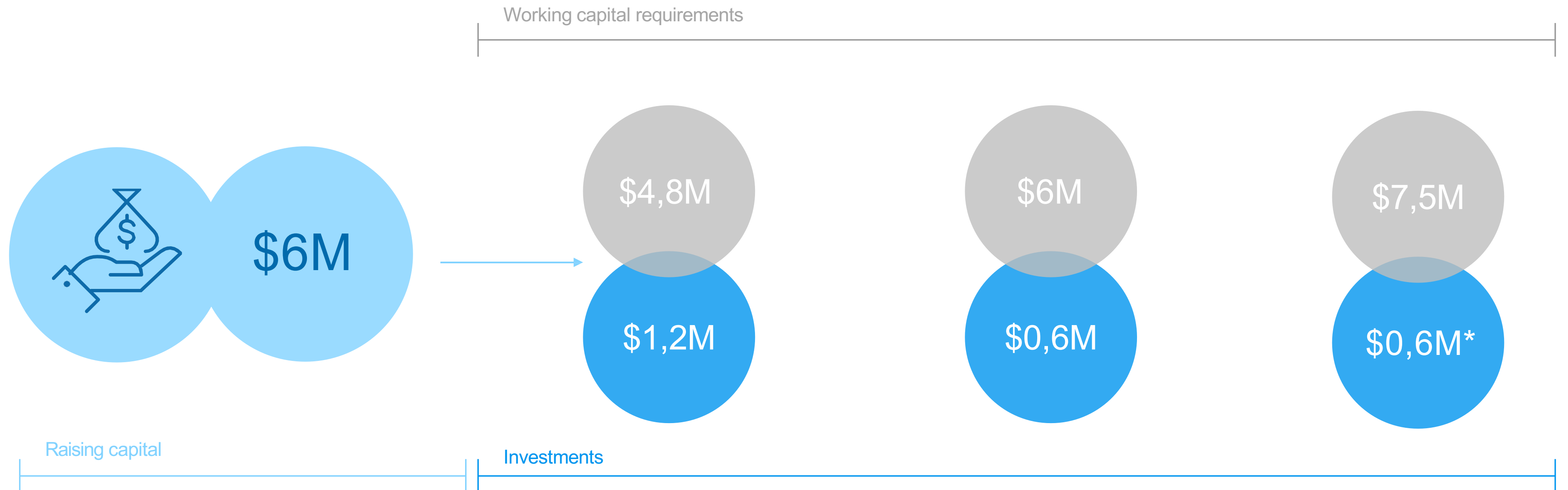
Investment Case



- Founders deeply invested and committed as co-owners and partners, and committed to return capital to investors via dividends
- Hong Kong imports more than 3 thousand metric tons of dried fish maw per year, and Fish Maw market as whole should be able to grow at 2-3% per year
- Promising ROIC (in this case equal to ROE) estimates ranging from 20-30%
- Projected EBIT margins > 15%
- EBIT expected to grow at Compound Annual Growth Rate of 28% next five years
- Shareholder value expected to grow at CAGR 20%/year

GBP, thousand	2024	2025	2026	2027	2028
Common Stock	2 000	2 000	2 000	2 000	2 000
Retained Earnings	-	364	948	1 808	2 833
Invested Capital	2 000	2 364	2 948	3 808	4 833
EBIT after tax	364	584	860	1 025	1 246
EBIT growth rate		61 %	47 %	19 %	22 %
ROIC	18 %	27 %	32 %	30 %	29 %

Our goals



2023

Raising capital to invest in new infrastructure and working capital to handle upscaled volume and maintain efficient processing.

2024

Buy/rent a new facility with increased capacity to handle planned growth. Hire new staff, both in the production line and quality controllers. Start R&D projects related to new products and business areas.

2025

Continue R&D projects related to new product and business areas

2026-2027

Finalizing R&D projects and implement new products in existing and new markets

*(Numbers per year)



Income budget



<i>Produced finished product, MT</i>	40	60	85	100	120
<i>Raw materials needed, MT</i>	1 143	1 714	2 429	2 857	3 429
<i># Containers raw materials</i>	42	63	90	106	127

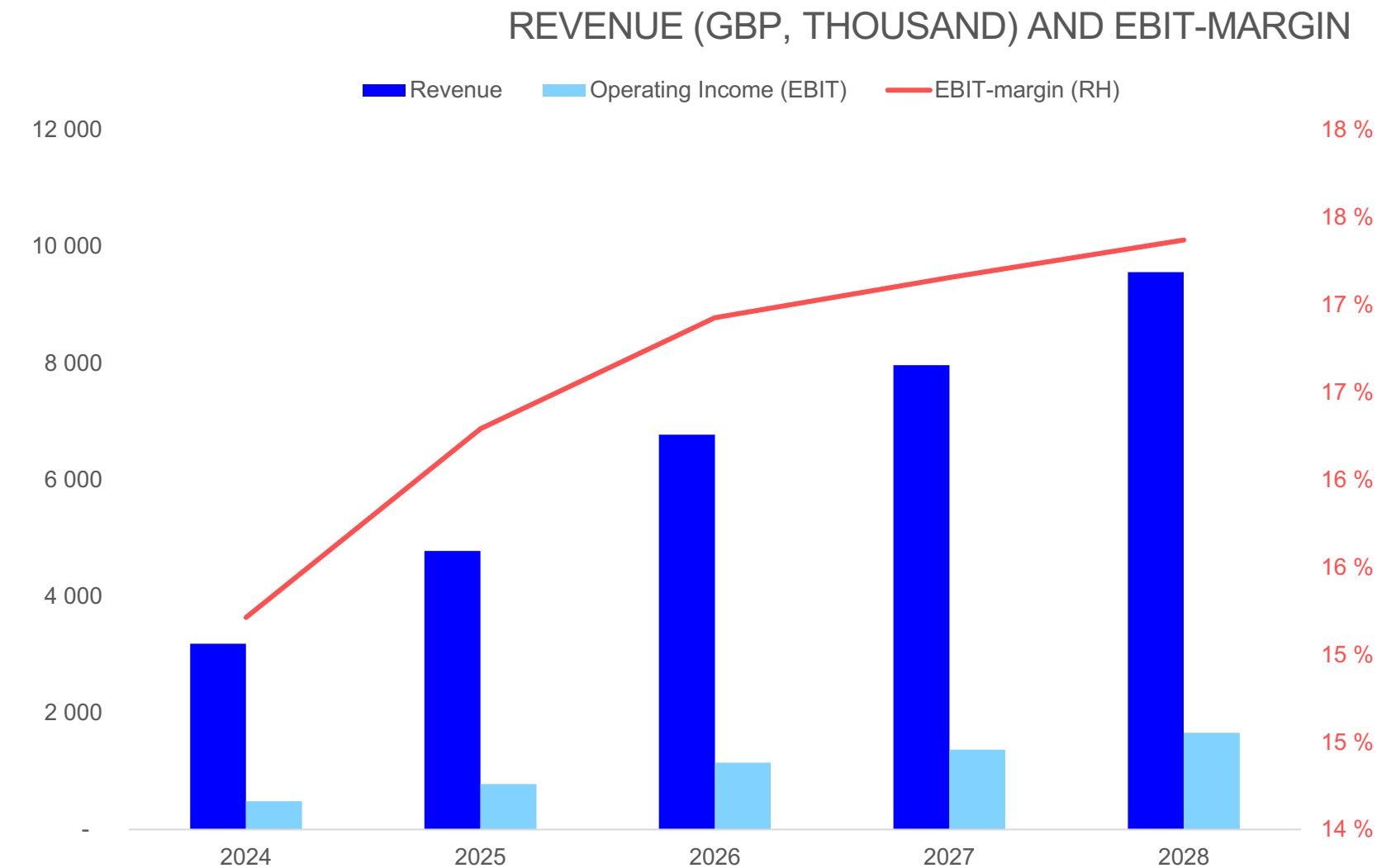
ltd. GBP, thousand	2024	2025	2026	2027	2028
Revenue	3 187	4 781	6 773	7 968	9 562
Raw materials and shipping to Vie	2 103	3 152	4 463	5 250	6 299
Production	536	755	1 028	1 192	1 411
<i>COGS</i>	2 639	3 906	5 491	6 442	7 709
Gross Profit	549	875	1 282	1 526	1 852
<i>Gross Margin</i>	17 %	18 %	19 %	19 %	19 %
Depreciation	0	0	0	0	0
Operating Income (EBIT)	485	779	1 146	1 367	1 661
Earnings before tax (EBT)	485	779	1 146	1 367	1 661
Tax (25%)	121	195	287	342	415
Net Income	364	584	860	1 025	1 246
<i>Net margin</i>	11 %	12 %	13 %	13 %	13 %
EBIT (1-t)	364	584	860	1 025	1 246
Change in NWC*	112	168	238	280	336
FCFF*	252	416	622	745	910

* Normalized WC requirements will underestimate needed liquidity at peak season

Sea Venture is expected create shareholder value from year 1



- Proven business model
- We estimate revenue to grow at 25% CAGR next five years
- By raising capital to invest in new infrastructure and working capital Sea Venture is positioned for upscaled volume and efficient processing.
- We expect Return on Invested Capital ranging from 20-30%
- EBIT-margins are expected to average on 17%.



Est. 2024 - 2028	
CAGR Revenue	25 %
Average EBIT-margin	17 %
Average Return on Invested Capital	27 %



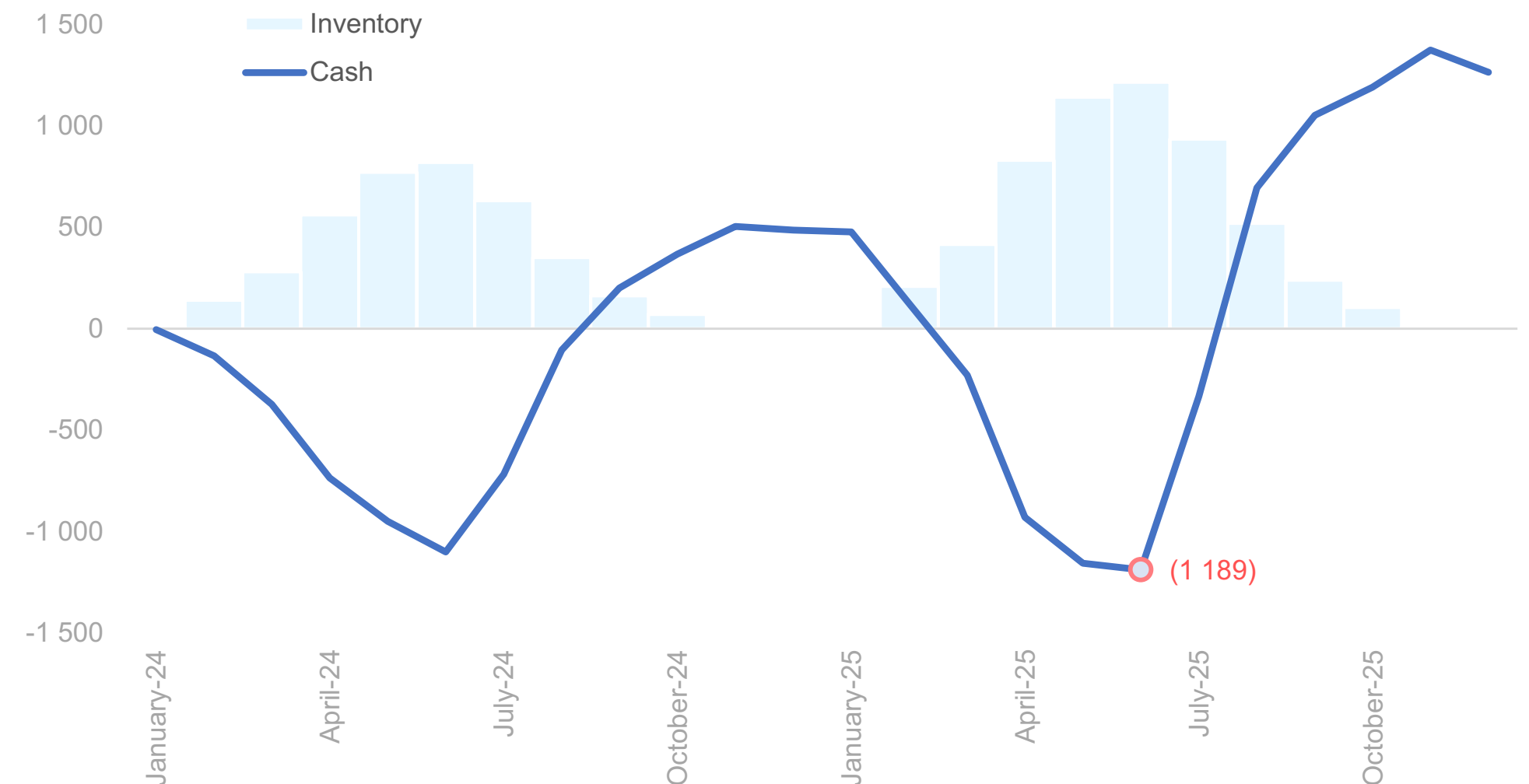
Working Capital



Due to the seasonal availability of raw materials, predominantly in the first half of the year, we strategically purchase them early on. Accounting for shipping and production timelines, the finished Fish Maw is market-ready approximately 3-4 months later. Consequently, sales surge from May onwards, resulting in the gradual clearing of finished products and cash inflow for the company.

The inherent challenge lies in the significant working capital demand. This demand arises from the early procurement of raw materials before actual sales. The chart showcases our projected cash drag trajectory, highlighting a noticeable cash surplus post-selling season. However, it also underscores the financial strain experienced while funding the expansion of inventory.

ACCUMULATED CASH FLOW BUDGETED



Exit scenario



Investment horizon

Estimated investment horizon is 5 years



Equity value

Based on our growth strategy, we estimate an Equity Value of \$12 millions



Buy ups

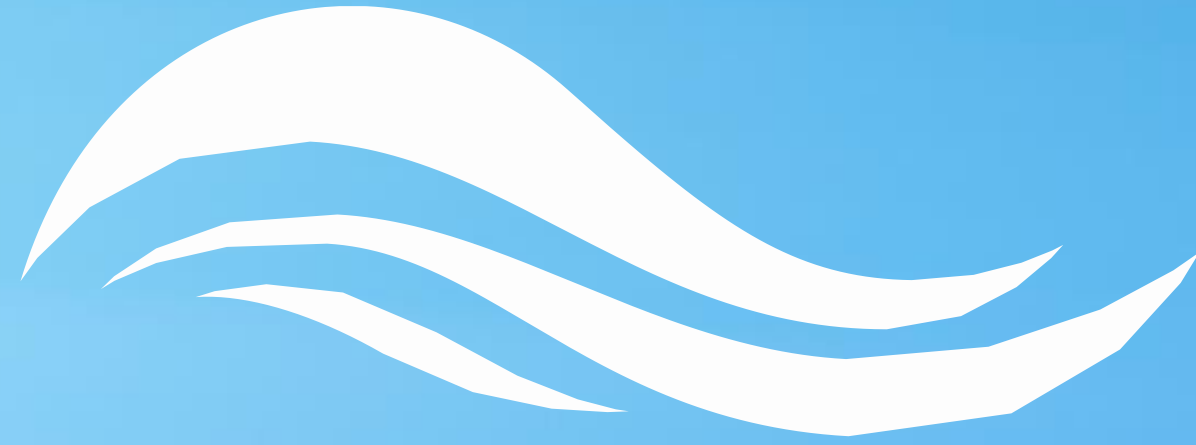
The company will be suitable for buy ups from companies in the seafood sector as well as Private-Equity funds



Dividend

As an alternative, or in combination with buyouts, we aim to reward our investors by paying back equity as dividends once we have built up a sufficient cash balance. Based on our financial models, we anticipate being able to pay back approximately 50% of our operating income to investors starting from year 3 and beyond, which we believe will provide a compelling return on investment.





Company information

Company information

Name: Norwegian Seafood Limited
Founded: 2023
CEO: Jostein Angell
Address: Storgaten 5, 8006 Bodø, Norway
Share capital: GBP

Board

Chairman of the board: Johan Jørgen Koch
Board member: Jostein Angell
Board member: Svein Egil Stavem
Board member: Morten Koch
Board member: Odd Emil Ingebrigtsen

Contact points



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Chair

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