

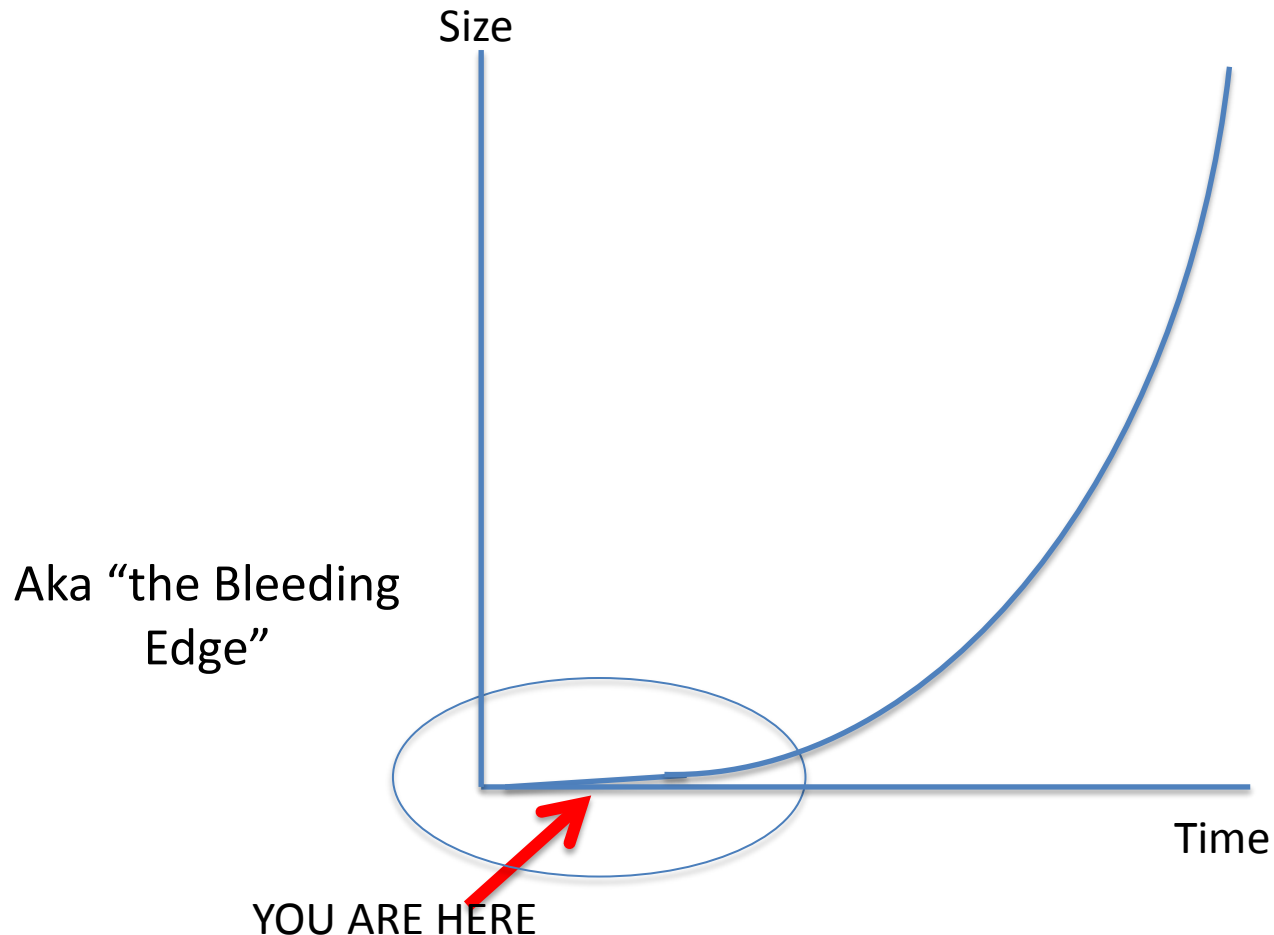
A large school of salmon, likely Chinook or Coho, swimming in clear, shallow water. The fish are silvery with yellow-orange fins and some have pinkish-red spots. They are swimming in various directions, creating a sense of movement. The background shows some green foliage and a rocky riverbed.

AIW Wrap-Up

August 20, 2016

Where Are We Doing Here?

Building an Industry...



Who Else Has Been Here?

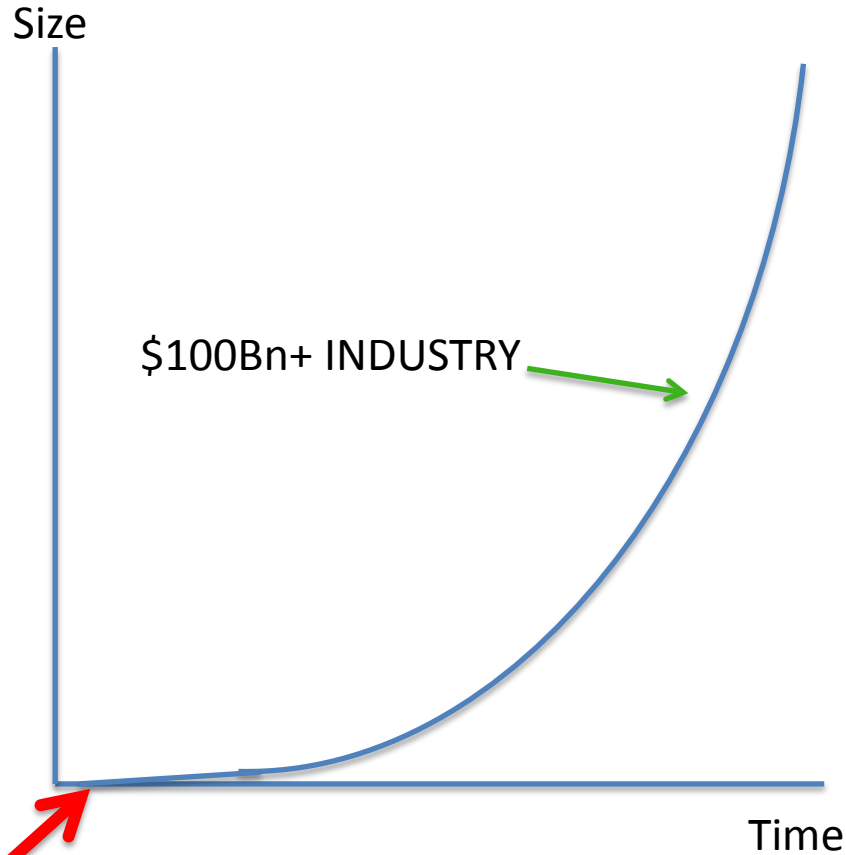
Flashback from the 70's...



Meat in a health foods store? Sure, if the store is Alhelfo's Market at Amsterdam Avenue and Broadway. Owners Mark Kell...



Where Are They?



Disruption



And It's Not Just Them...

- Music industry - Digital - \$15 Bn



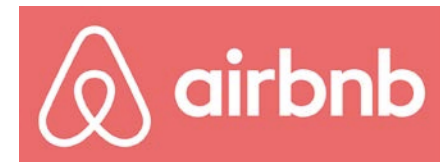
- Newspapers/publishing - Digital - \$50Bn



- Conventional Auto – Electrics - \$570Bn



- Hotels – Digital - \$550Bn

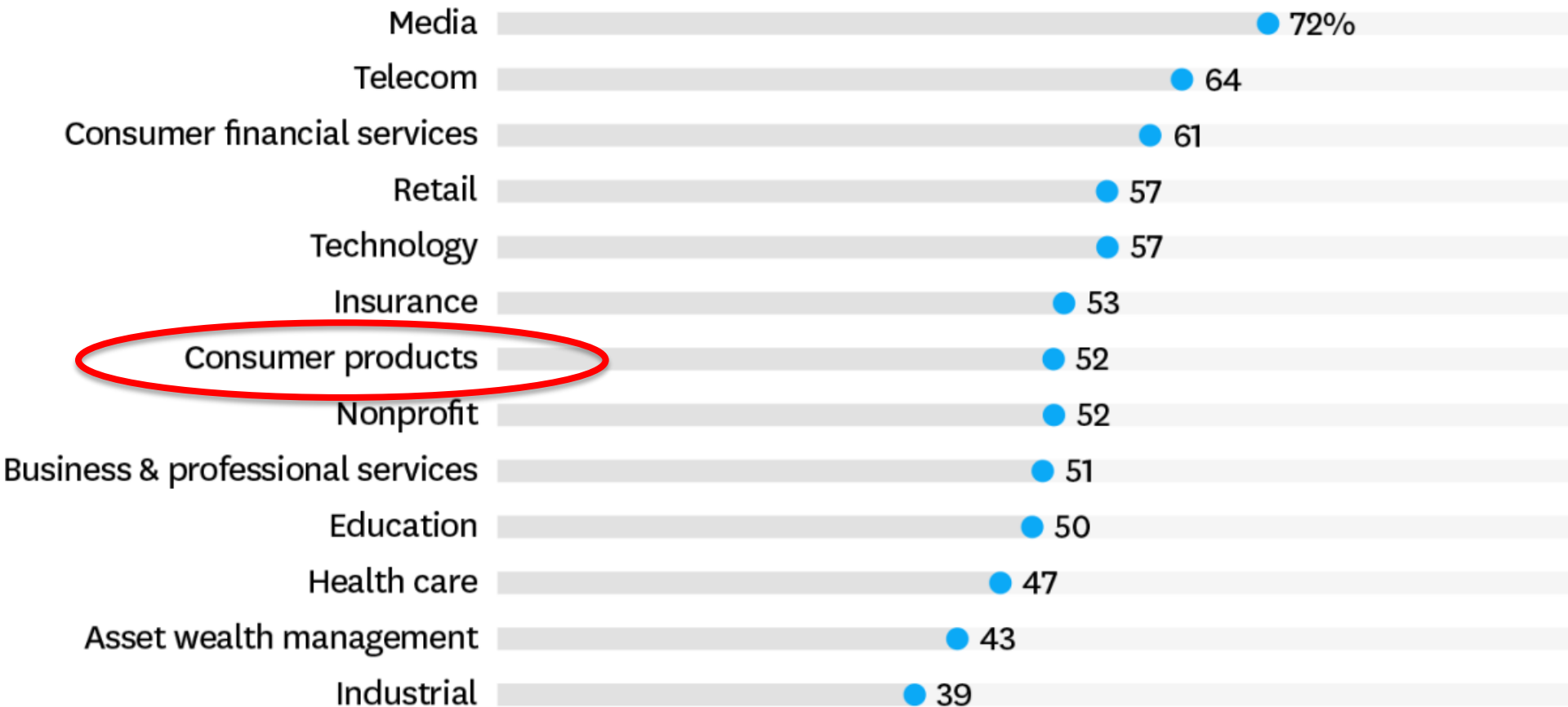


- Salmon Fishing – Aquaculture - \$12Bn



But Wait...There's More...

Executives Who Anticipate Moderate or Massive Digital Disruption in the Next 12 Months, by Industry



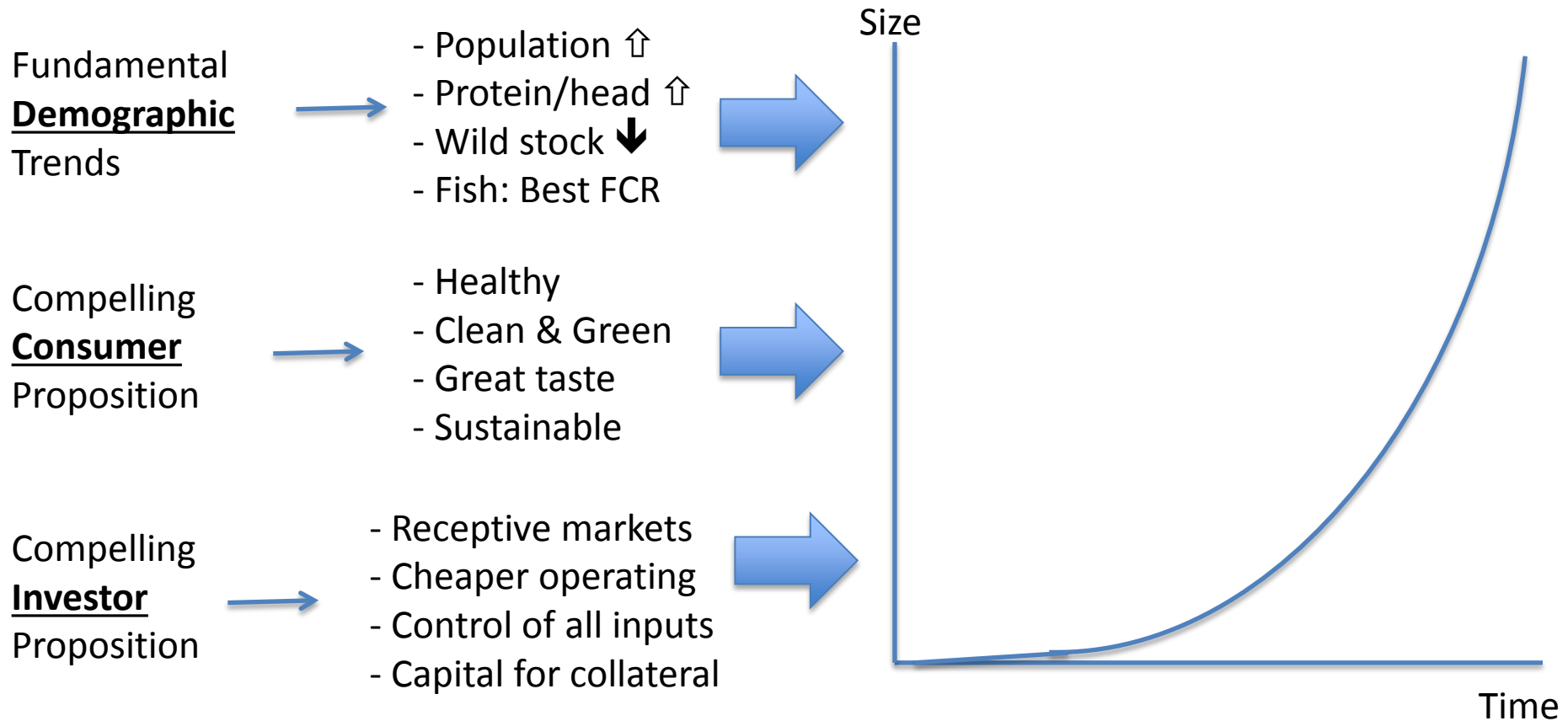
SOURCE "DIGITAL PULSE 2015," BY RUSSELL REYNOLDS ASSOCIATES

© HBR.ORG

Disruption: Commonalities

- Better Idea: Caters more to consumer desires
- Denial from incumbents
- Some early casualties
- Takes visionaries
- Digital models speed up the curve

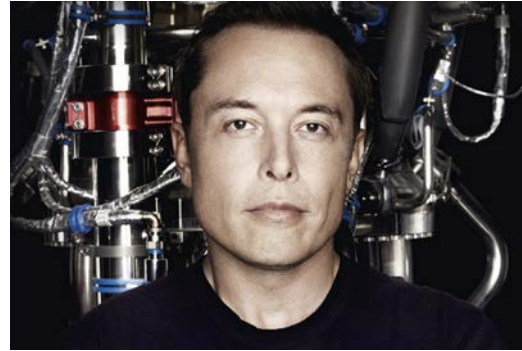
It Starts With a Better Idea



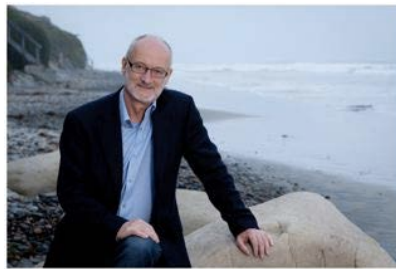
Our Disruption is Different

Traditional Model:

- Revolutionary
- Competitive
- Single Hero

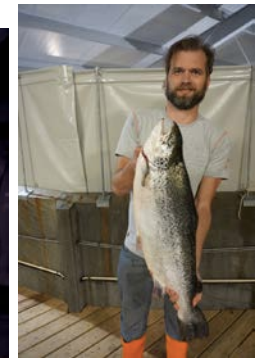


TESLA MOTORS



Our Model:

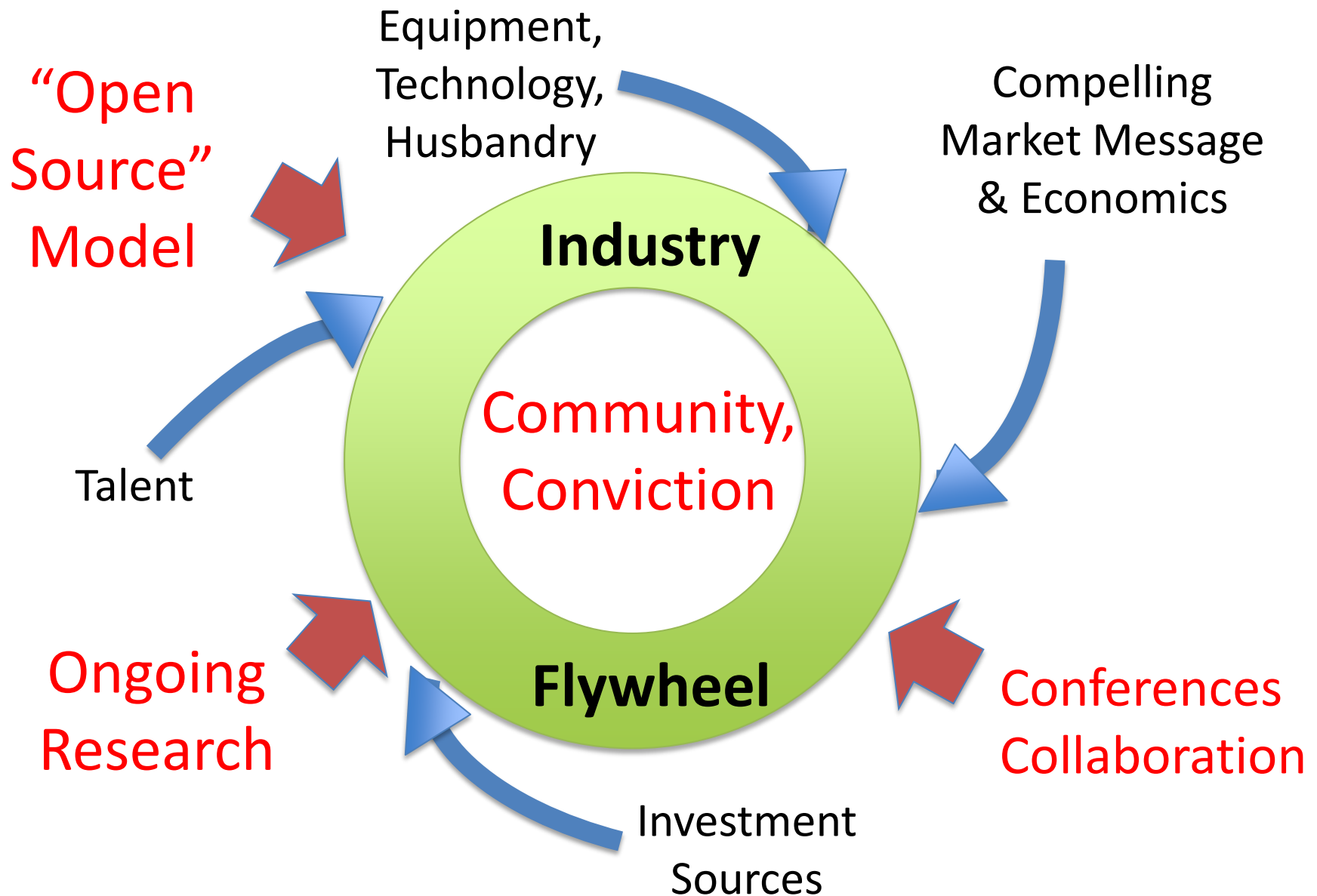
- Evolutionary
- Cooperative
- Multiple Heroes



Disruption: Commonalities

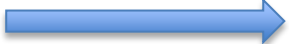












- Better Idea: Caters more to consumer desires
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What Are Our Accelerators?



Is the Flywheel Starting to Turn?

We Started These Over 5 Years Ago...

	<u>Jan 2011</u>		<u>Aug 2016</u>
Participants	33		250+
Countries	2		10
Feasibility			  
Optimization			  
Market Acceptance			
Economics			
Species	Salmon		Multiple
RAS Salmon Capacity	0		4K Tonnes + 25K smolts + 20K coming?

Last Two Days: Major Messages

Good News

- Demand
- Pricing
- All-Female Strains
- Feed: Big Advances

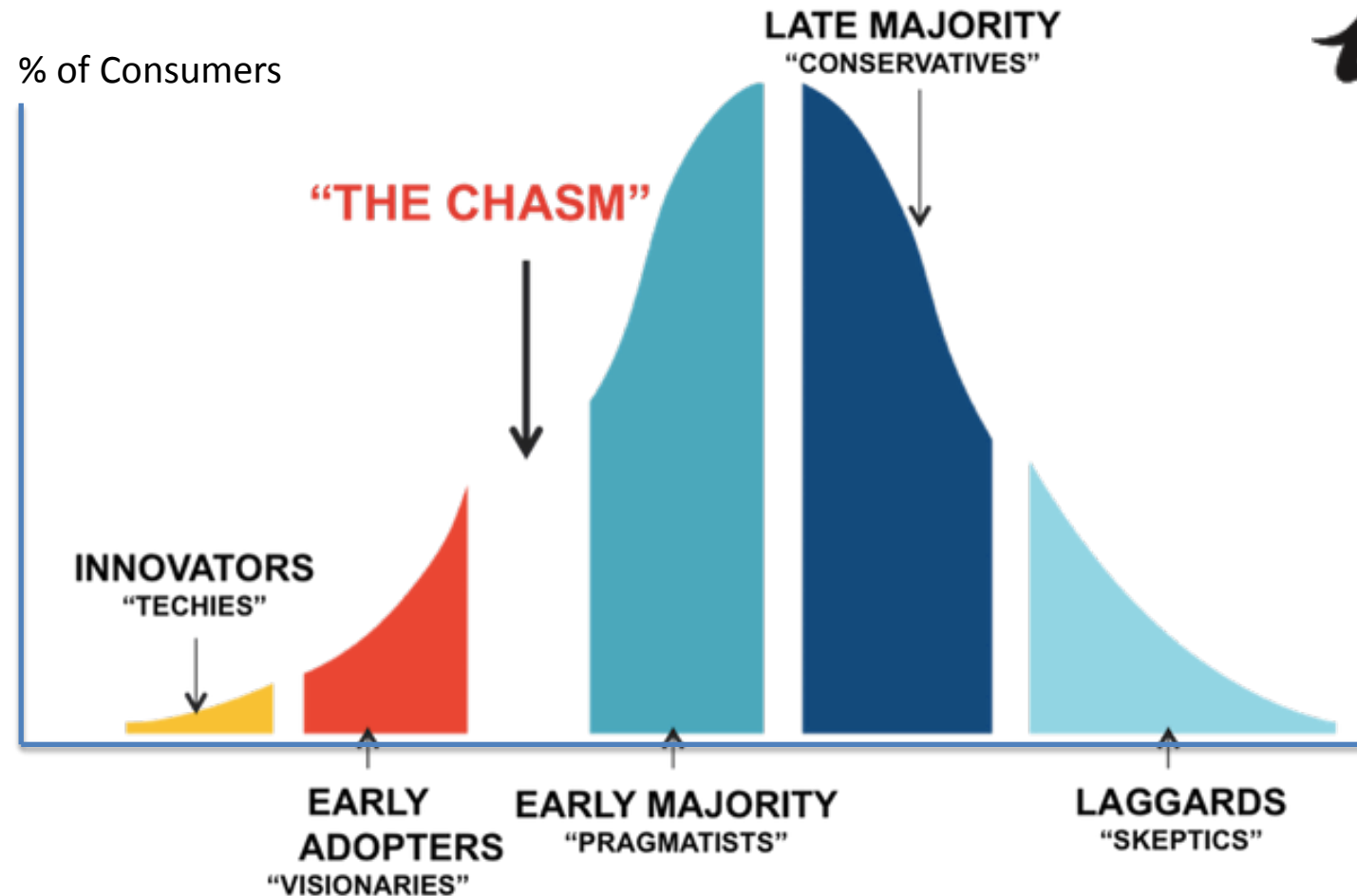
Challenges

- Early Maturation
- Water Quality
- Geosmin Reduction
- Disease Control



- Mixed Investor Uptake
- Cash flow Management

Tailwind: Latent Market Demand

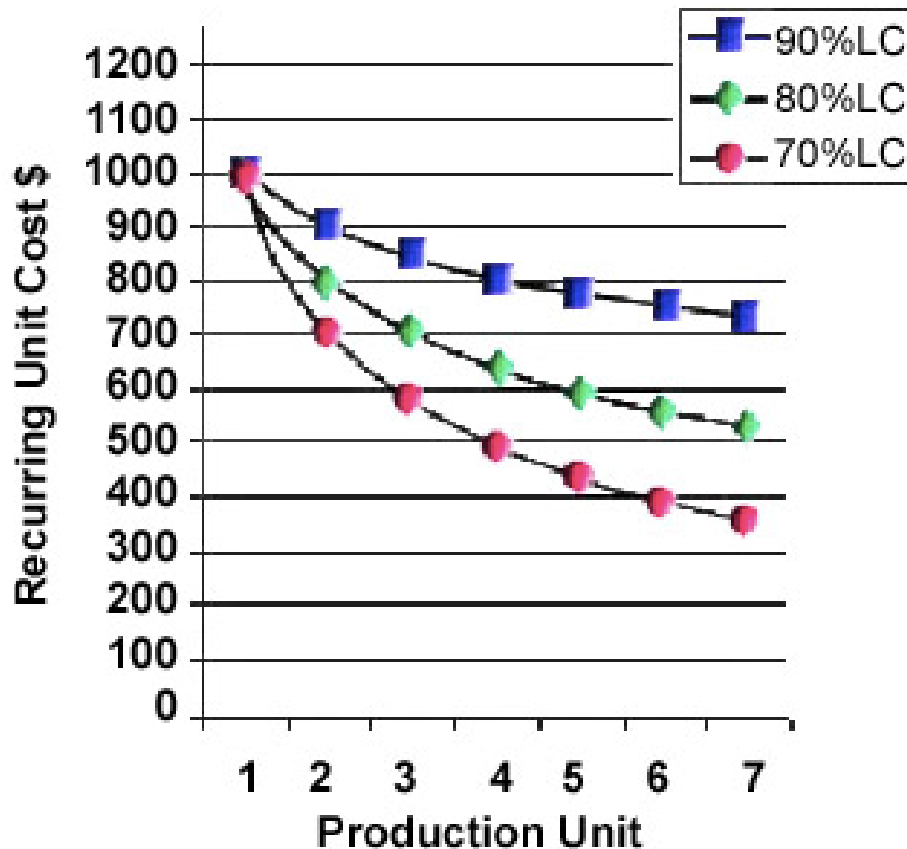


Wegmans



Headwind: The Learning Curve

Learning Curve Comparison



- Early maturation
- Managing Water Quality
- Geosmin Reduction
- Disease Control



- Investor-Friendly
- Manageable Cash

Summary

- Building an Industry
- Feeling the bleeding edge
- Disruptive, but evolutionary, not revolutionary
- Wonderful tailwinds and real challenges
- Non-digital:
 - None of us can do it alone
 - We need to turn the flywheel together
 - The only way we speed this up is through collaboration

What Do You Think We Need?

