

## **Letter from the Chairman of the Board and CEO**

Dear fellow shareholders,

Reference is made to the shareholder letter dated January 4<sup>th</sup> 2023 regarding the temporary shutdown of the Equinor methanol plant due to acceleration of the Dvalin gas project, and consequentially, for Lumarine, the temporary loss of access to heated water at the Tjeldbergodden facility.

The methanol plant was fully shut down during week 6 in preparation for the Dvalin gas project. Equinor is now planning for a safe re-start of the facility. The exact timing of the re-start is currently not known, but it implies that Lumarine's facility at Tjeldbergodden may get back its access to heated water earlier than anticipated.

However, due to the temporary shutdown, Lumarine was not able to meet its obligations under the contract with Mowi and the parties entered into an agreement to terminate the main contract regarding grow-out of ballan wrasse. In parallel to the termination, a new agreement was made with Mowi, and currently effective, to facilitate grow-out of a smaller number of ballan wrasse until September 2023 with Mowi covering the costs related to the ballan wrasse production. This part of the facility will become vacant from October 2023.

The contract with Mowi was the foundation for Lumarine's planned profitability the coming years and due to the termination of the contract the Company will make material write downs in its financial statements for 2022, as mentioned in the previous shareholder letter. Lumarine has now received a substantial financial compensation to remedy the expected margin loss from the ballan wrasse contract. Pending final agreement with the Company's lenders, the compensation will reduce the company's indebtedness yielding a stronger balance sheet, remove the capital requirement mentioned in previous shareholder letters and create a stronger financial foundation in which the company can refocus and restructure its efforts towards the growing cod farming industry.

The Company's cod operation at Tjeldbergodden is still expected to be unaffected by the temporarily shutdown of the methanol plant. With reference to shareholder letter regarding the fire at the Sleneset production facility in December, the company has initiated the process with the insurance company.

Lumarine is now working to establish its plan for future utilization of the Tjeldbergodden and Tømmervåg facilities and will revert to its shareholders as soon as such plans have been established.