

June 15, 2021

**Certification**

**Welocalize Translations**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Norwegian into English of the file "Ref Møte U H 050506\_726\_Word".



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Project Manager

Project Number: CAJO\_2106\_P0014

Meeting with Ulf Håkansson, Plant Leader Brunna, Fresenius Kabi (FK) 05.05.06.

Present: Nils Are Lysø, Finn-Arne Lorentsen, Einar Lied and Snorre Tilseth.

NAL og FAL presented Aker's business.

UH : The factory in Brunna is specifically built for production of PL from egg yolk powder (EPL). The PL content is 20% and is paid with SKK 45/kg to the producer. The product is approved for use in medication. The factory has 50% of the world's production of 200 tons/year. Brunna supplies EPL concentrates to 30 FK factories in various countries, which produce parenteral fluids (parenteral = intravenous nutrition versus enteral = drink) for medical clinical nutrition. He also has a few different external customers without these being specified. Closest competitor has 25% of the market. There is a total of only 4 players in the market.

Of the EPL emulsions 90% go to clinical nutrition and only 10% to pharma emulsions, e.g. Diprivan (anesthesia) AstraZenica.

**Today only EPL is approved for medical use. The pharmaceutical industry in the industrialized part of the world is saturated with this product, and the market has a weak annual growth. The increase will first and foremost come in South East Asia.**

The by-product after the extraction is denaturalized egg yolk protein. This is sold to the food industry, and is used as a supplement in baked goods with a growing market, especially in Eastern Europe.

The last years, FK has tested different raw materials for extraction of marine - PL (MPL) such as cod roe, milt, fishmeal and other by-products from fish without this giving results that can be used industrially. FK has been looking for an industrial supplier of raw materials for extraction of MPL.

A test extraction of our krill flour gave good results, both mhp yield of PL (fat classes not analyzed) and technically in the process. Want to run pilot scale trial with 300 – 400 kg krill flour. (Calls ST when the material is to be sent.)

Ulf Håkansson has during the last four-year period worked on ideas to develop new products geared towards the nutrition market based on the surplus capacity in the factory in Brunna (first section extraction, the bottle neck sites in the last step for up-concentration). He has a clear opinion that marine PL with its specific characteristics quickly could take over the market from existing products within nutraceuticals, functional foods. (The factory in Brunna can also separate the lipid classes, also the different pl-components; this is something we can develop further within health food or further within pharma.)

Ulf exemplified this with:

Breast milk substitute, which in today's product, among others, contains 50% EPL mixed with 50% rapeseed oil (SKR 5/kg) paid with SKR 300/kg (i.e. SKR 600/kg EPL). The market in Europe is 20 – 30 tons.

He also thinks that we may be able to get in with a series of other products as alternative to the food industry, then imagined as nutraceuticals/ functional foods, (health food are tablets and capsules) both for emulsions and/or by-products like the protein part (if nothing else, we ourselves will have customers within the specialty feed market).

1 1/2 years ago, Ulf was contacted by Cargill, (family-owned, not listed on the Stock Exchange, world-wide supplier to the food industry) with a request for co-operation within extraction of PL. Cargill is positive to co-operation with FK Brunna.

Ulf's proposal for a co-operation model is based on "open books, shared cost and profit" built on mutual trust. He has envisioned Aker (krill flour producer, world leading) - FK Brunna (extraction, world leading) – Cargill (world leading) with over 150 market enterprises (largest supplier to McDonald) as a strong and leading alliance within production of nutraceuticals. The entity will be leading and dominating the market, defining the price level, and we think, quickly be able to get to market volumes of 1000 tons and more. There are no problems with the logistics in Brunna to be able to handle this. (Question if it would not be a good idea in the future to set up a factory in South America to cut cost).

As factory leader, Ulf has had the opportunity for entrepreneurship, leadership and decision lines within FK are short. The idea to co-operate with Aker is already discussed with FK's factory leader at the headquarter in Frankfurt, and positive signals for further negotiations have been given.

We outlined 3 different models;

one where Aker and FK start a run towards pharma for testing (all phases) for approval as a pharmaceutical product,

one solution in alliance with Cargill, and

a third solution where we rent produce at FK and distribute ourselves.

Ulf is initially open to all suggestions. Agreement that if we enter into an alliance with Cargill, we do so together.

Agreement that we at this stage discuss different forms of co-operation orally; we must return with a proposal on what form we would like.

The next meeting is in Brunna on the morning of May 19th – draft for co-operation model must be ready by May 29, 2006.

During the meeting it was said that Cargill has purchased parts of Degussa – Degussa has made an agreement with Neptune to develop the market for phospholipids from krill oil. It must be determined if this may create problems with co-operation with Cargill. We are checking this via our contact in Canada.

ST 05.07.06.