



BY APPOINTMENT TO THE ROYAL DANISH COURT

Royal Greenland®



International Cold Water Prawn Forum 2015

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Royal Greenland



History

100% owned by the Greenlandic Self Rule government

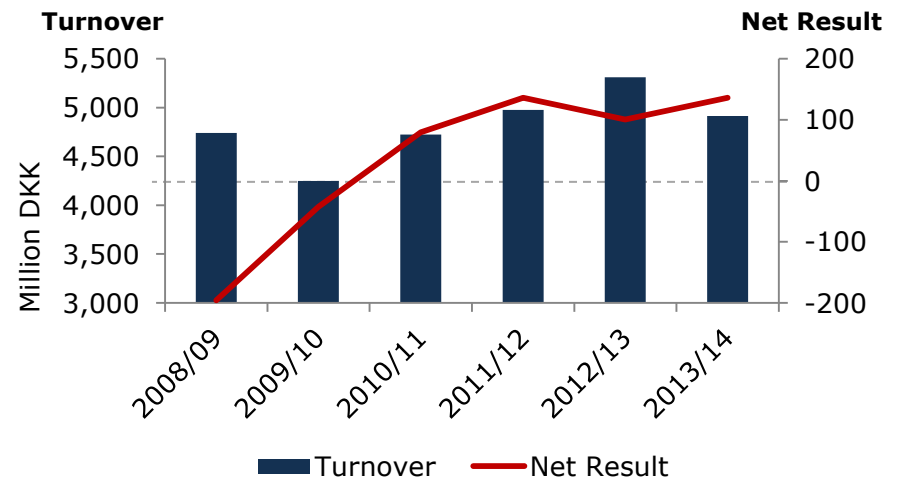
Established in 1774 as part of the Royal Greenlandic Trade Department

Largest employer in Greenland

World's largest processor of cold-water prawns and Greenland halibut

1.900 employees located in 17 countries

Results



The North Atlantic Champion

Mission "We sustainably maximize the value of the North Atlantic marine resources, to the benefit of Greenland"

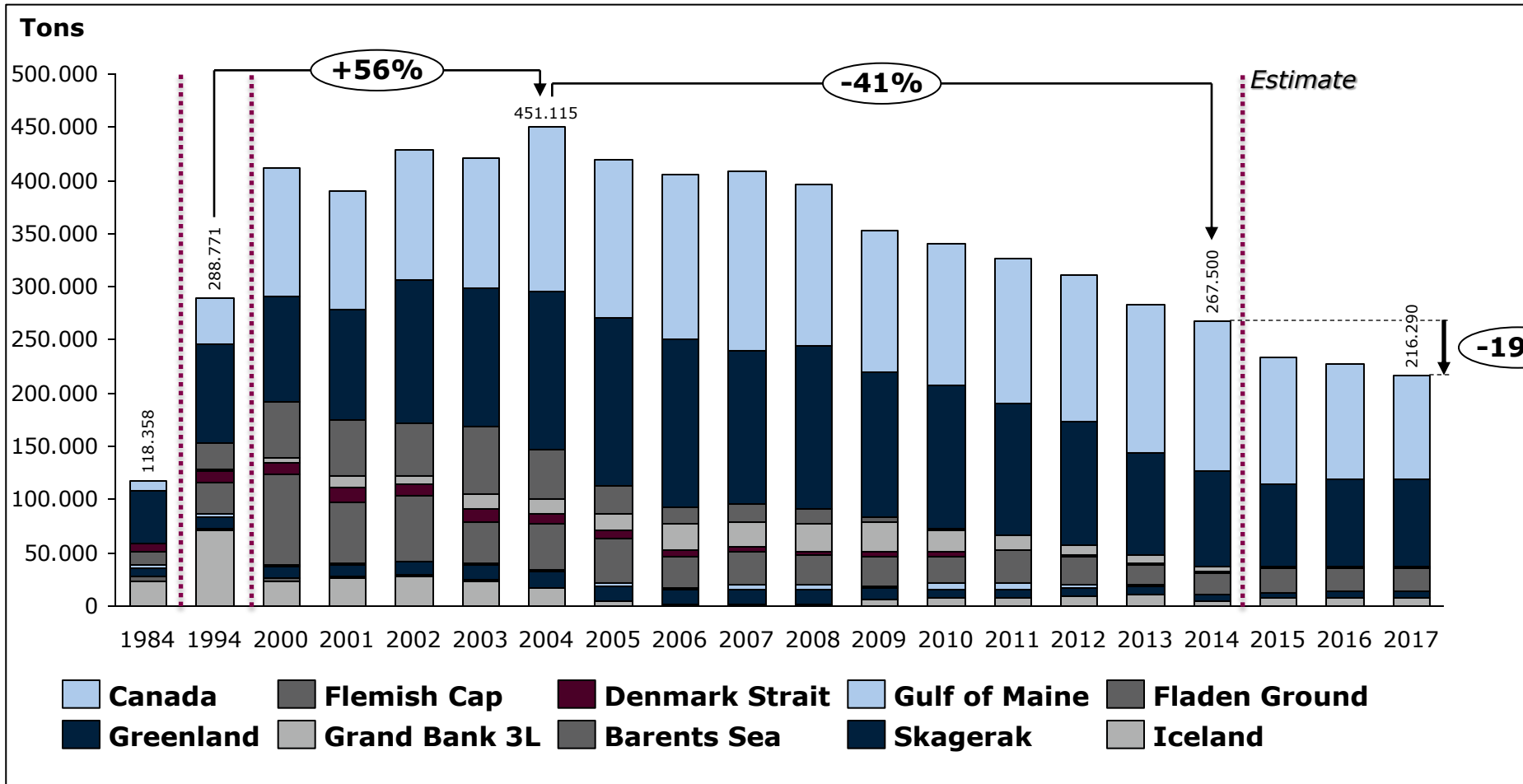
Vision The North Atlantic Champion
"We are closest to the fish, closest to the customers and closest to the consumers"

We are the largest global supplier of Greenland halibut and cold-water prawns – and of other North Atlantic species in which we can achieve this position

Market expansion targets	Double Asia 100% revenue growth	Lead Europe Grow core species	Grow Foodservice Double RG assortment
	Own Halibut Strengthen position as the world's largest halibut supplier	Consolidate C&P Increase catch share to become the world's largest on C&P	SoP leadership Increase catch share on SoP to become the world's largest on SoP

Renew Greenland Cod

Overall development in cold water prawns catch

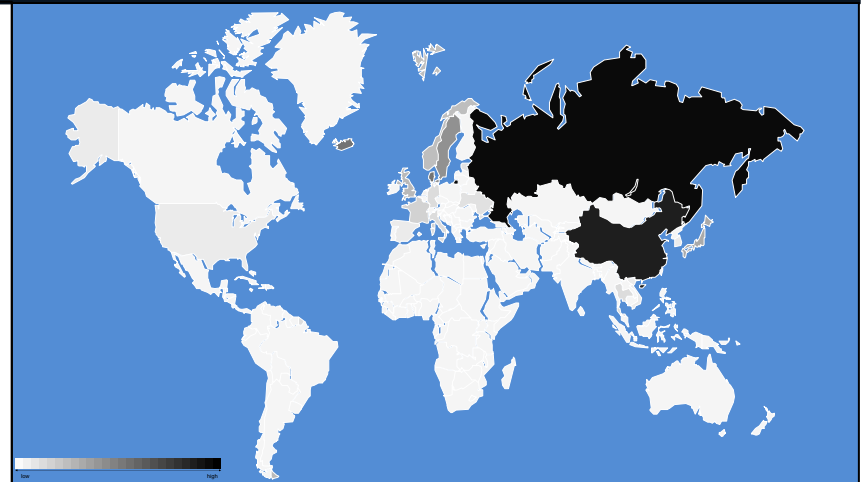
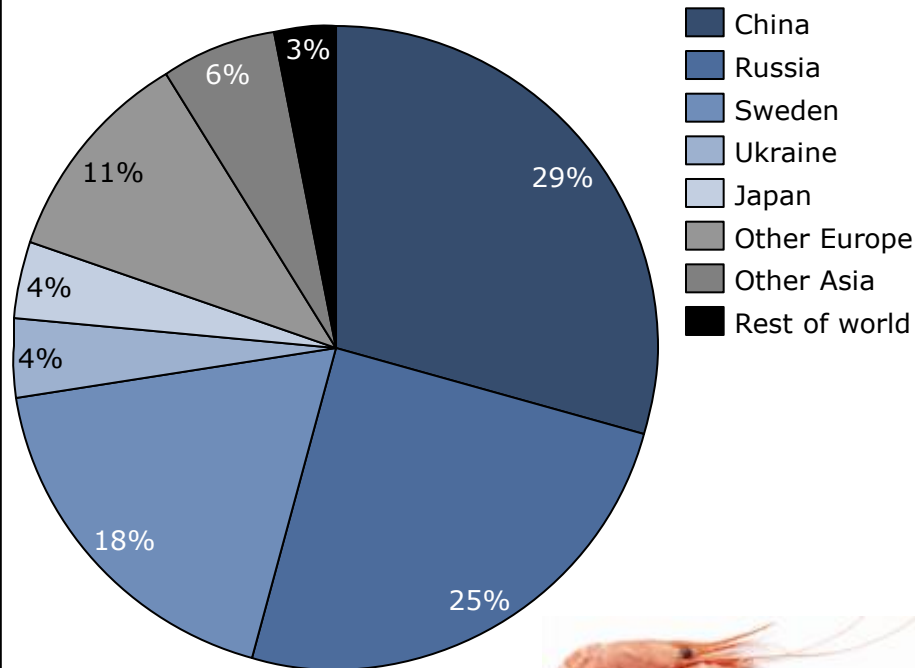


- Catch of coldwater prawns increased 6% CAGR until 2004 when the fishery peaked.
- From 2005 to 2014 the fishery has been characterised by a consistent decline of 5% CAGR a year
- Total volume in 2014 was 267.500 tons

Shell on prawns are predominately sold in China, Sweden and Russia

Distribution of Shell on cold water prawns and a World map

2013 distribution of export volumes (traded)
(96% of volume)



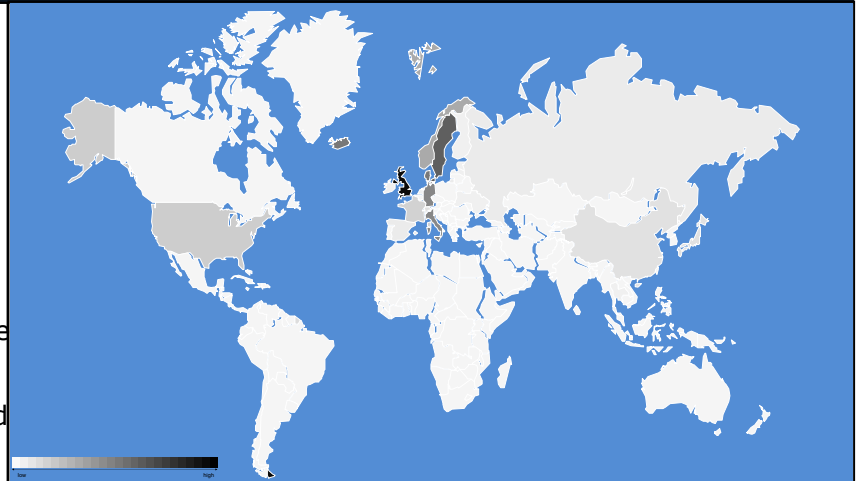
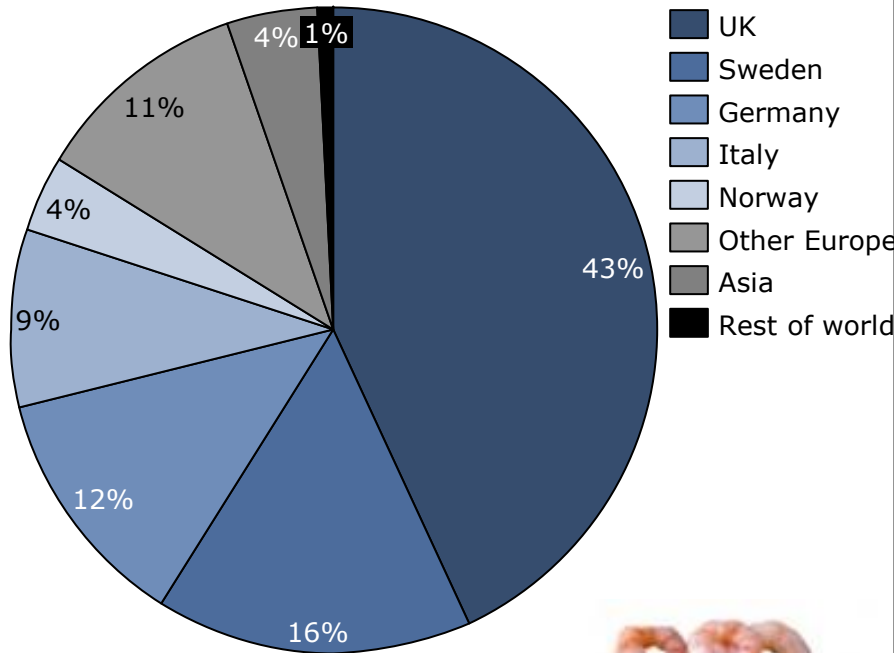
- ✓ *Asia is the main market of cold water prawns with shell on.*
- ✓ *Sweden being the main driver in the European market*



Cooked and peeled prawns are mainly sold in Europe with UK and Sweden being the main markets.

Distribution of cooked and peeled cold water prawns and a World map

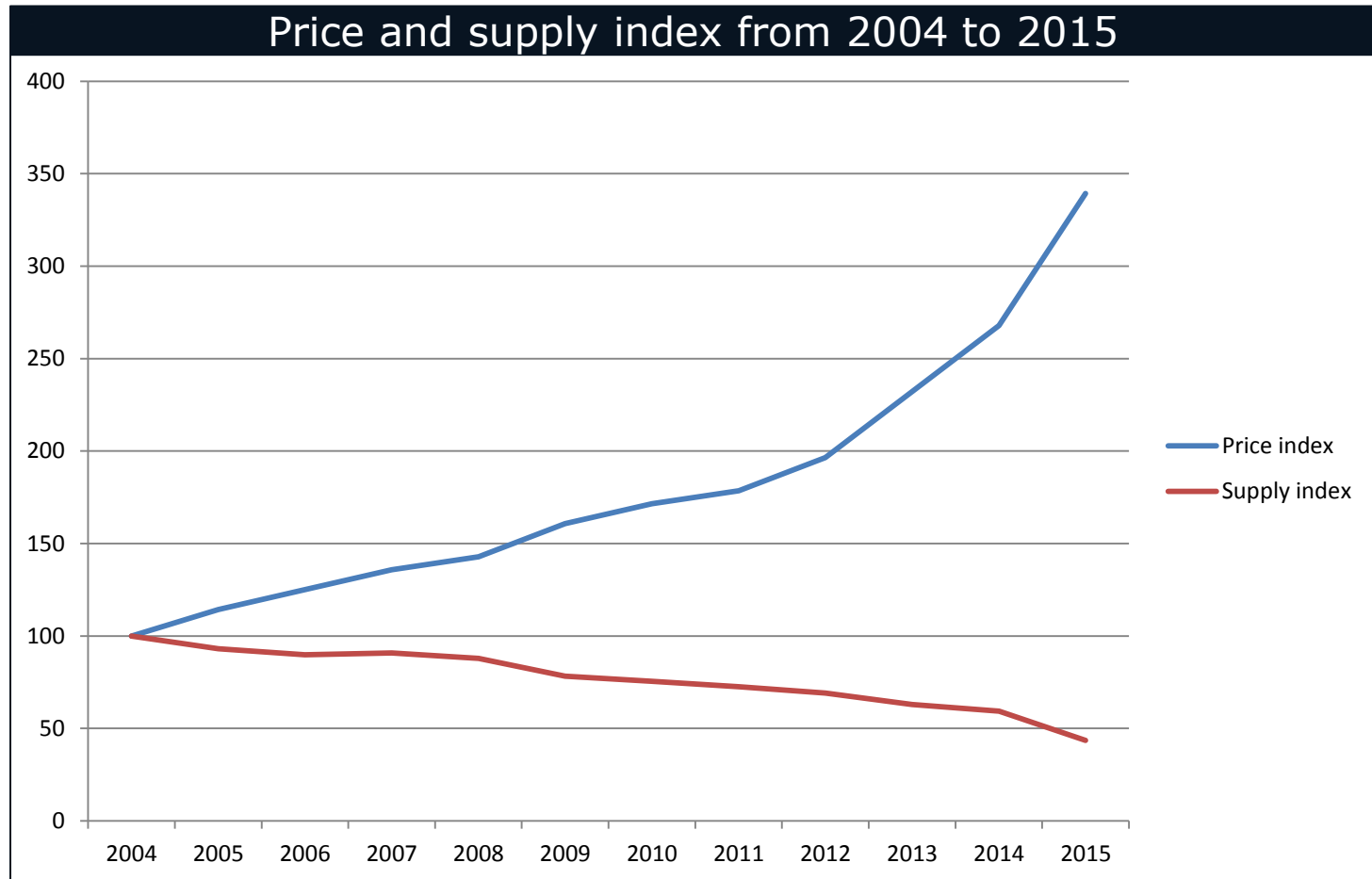
2013 distribution of export volumes



- ✓ *UK has been the main market for cooked and peeled prawns during the past years and continue to be*
- ✓ *Sweden being second largest market*



Since 2014, volumes have been reduced to half, while prices have tripled



Can the two curves be extrapolated?

In all likelihood: No.

Supply:

- Long-term: Anyone's guess
- Short-term: Signs of stabilization



Demand:

- Markets have more or less adapted to lower levels of supply

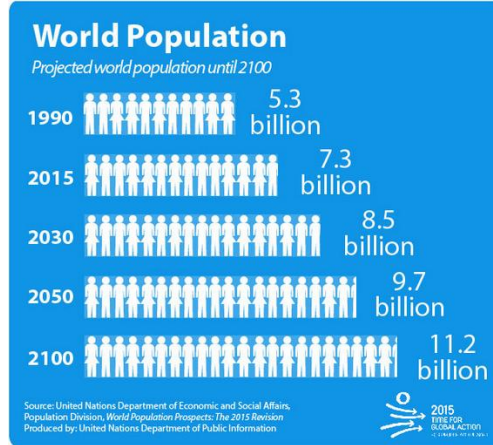
So we must, unfortunately, still work when we're on the ship, in the factory, with the customer, or in the office...

The challenges for cold water prawns will be to differentiate itself and to demonstrate true value to consumers.

Is it too easy for the cold water prawn business looking ahead?



Prawn stocks



UN projects world population to reach 8.5 billion by 2030

Threats
- Substitutions
- Value for money

Response to threats
- Deliver core messages of unbeatable product characteristics
- Create true value on quality
- Diversify market penetration - geography

Two ways forward - simultaneously

Traditional markets:

- Quality in absolutely everything we do
- Essentially, we harvest, produce and package as we have done in the last 50 years



More recent and entirely new markets:

- Emphasize unique character of CWP
- Adapt production, packaging, sales and promotion to local requirements

Both ways forward require the CWP industry to share goals

To a large extent, the species is the brand

- In traditional markets, we are all hurt if someone places sub-standard CWP
- In newer markets, we must cooperate to even find a niche for our relatively small species
- In newer markets, the same consideration concerning sub-standard CWP also applies



Outlook.....

-Short term

- Supply will remain at current, low level
- Demand still exceeding supply – strong prices
- Substitution by other species to be expected in low value segments.



-Long term

- Quotas most likely to flatten out
- The traditional CWP market will adapt to a lower but sustainable level.
- We will need to differentiate the product much better than today