

A large industrial facility for commercial aquaculture. The room is filled with rows of large, circular blue tanks. In the foreground, a tank is filled with water and several large fish, likely salmon, are visible. The tanks are connected by a complex network of stainless steel pipes and machinery. The floor is a light-colored, polished concrete. The ceiling has exposed ductwork and bright overhead lights.

# STRATEGIC FINANCIAL SCALING IN COMMERCIAL AQUACULTURE

Operational Levers for Profitability, Risk  
Management, and Long-Term Value Creation

A blueprint for navigating the \$73M entry barrier.

# THE INVESTMENT THESIS: HIGH BARRIER, HIGH REWARD



**CAPITAL REQUIREMENT**

**~\$73 MILLION**

Land, RAS, Construction



**TIME TO LIQUIDITY**

**4-5 YEARS**

Post-scaling phase



**THE PRIZE**

**\$350K - \$25M**

Annual Earnings Potential at Maturity



*Success hinges on 7 operational factors, specifically biological efficiency and product mix optimization.*

# OWNER INCOME IS **CAPPED** TO SERVICE DEBT

YEARS 1-5



**\$180,000**

**Capped CEO Salary**

Income is locked. All excess cash flow is diverted to service the \$73M CapEx burden. The business eats first.

YEAR 5+ (2030)

**UNLOCKED**

**Distribution Phase**

Owner distributions trigger only after hitting the 43M kg harvest volume target.



Early years focus solely on operational scaling, not owner draws.

# THE CAPITAL BURDEN: ANATOMY OF THE \$73M ENTRY

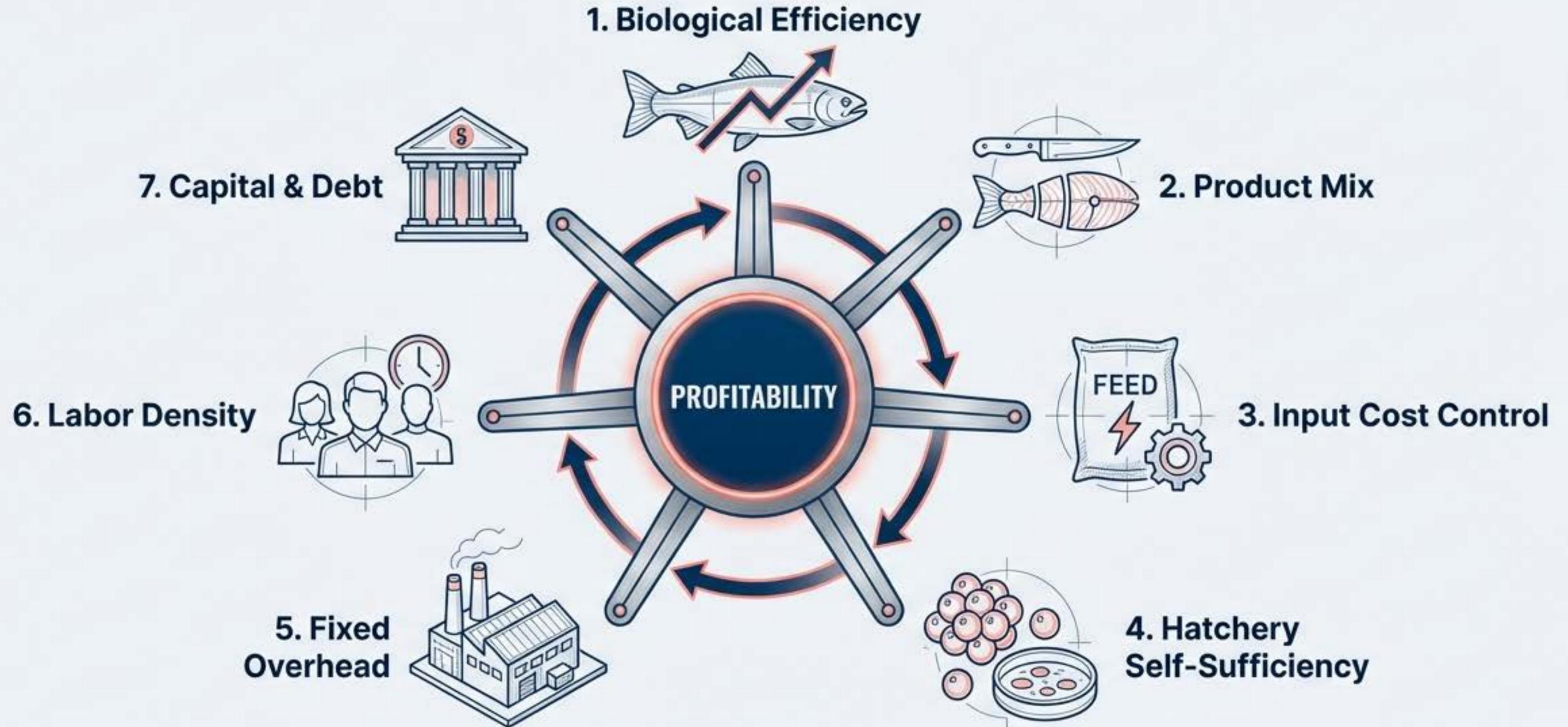
\$73M TOTAL



Creates heavy debt service obligation. Dictates all early-stage cash flow.

**STRATEGY NOTE**  
**CRITICAL ACTION:** Negotiate long amortization schedules. Short-term debt during the 4-5 year ramp-up is fatal.

# THE 7 OPERATIONAL LEVELS OF PROFITABILITY



**Operational scale is the only path to dilute fixed costs and bridge the gap to distributions.**

# BIOLOGICAL EFFICIENCY: THE MARGIN ENGINE

## HARVEST WEIGHT

25kg (Base) → 33kg (Target)



**Insight:** Increases sellable biomass without adding fixed costs.

## MORTALITY RATE

100% (Risk) → 60% (Target)



**Insight:** Mortality >60% destroys ability to cover overhead.

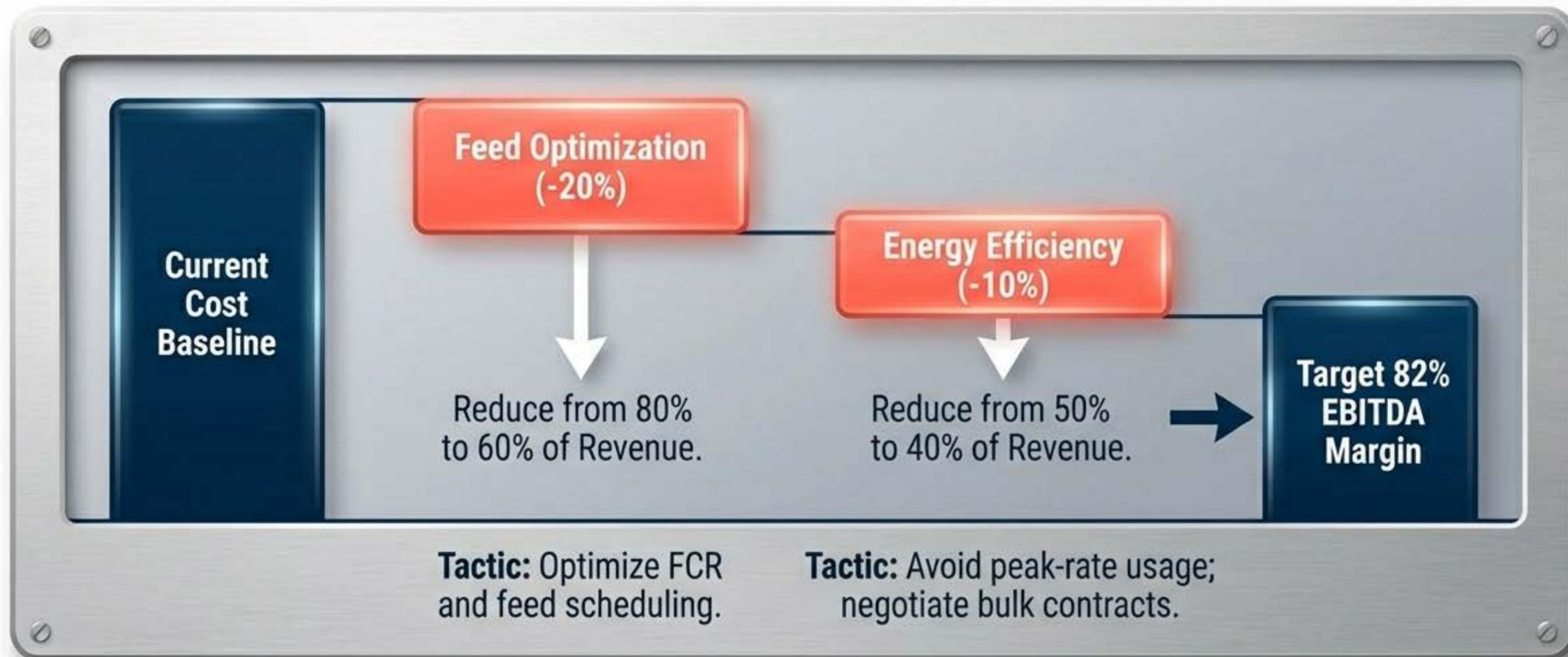
### TACTICAL RESPONSE

- > **ACTION:** Deploy sensor tech for hourly water quality monitoring.
- > **ACTION:** Eanase efficiency.
- **ACTION:** Benchmark Feed Conversion Ratio (FCR) against industry leaders.

# PRODUCT MIX: THE REVENUE MULTIPLIER

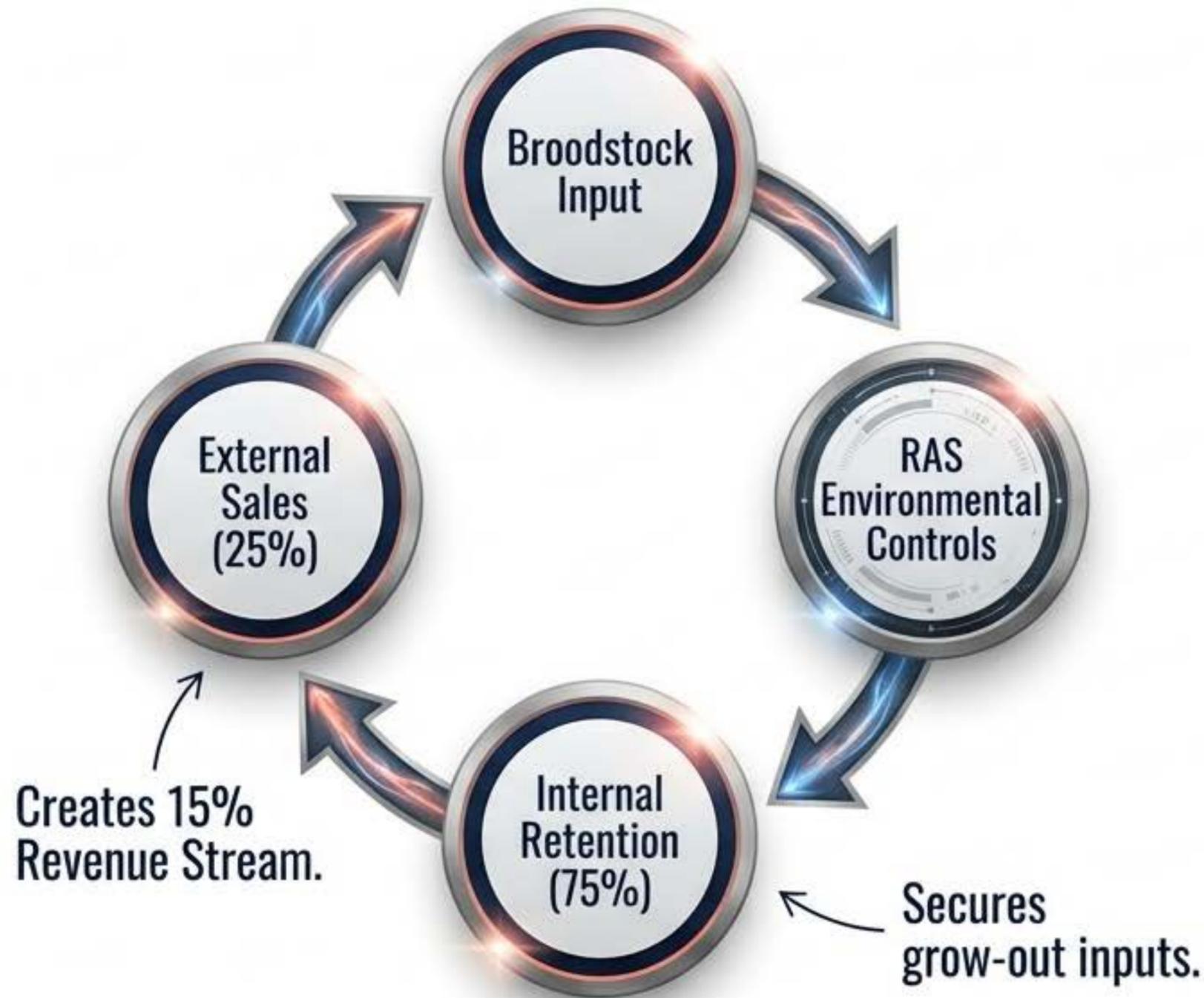


# COGS CONTROL: REDUCING THE 80% BURDEN



⚠️ If FCR does not improve alongside weight gain, feed costs will balloon and erase profits.

# HATCHERY SELF-SUFFICIENCY & RISK MITIGATION



## Why Internalize?

- Removes price volatility.
- Eliminates quality variance from external markets.
- Turns a cost center into a secondary revenue stream.

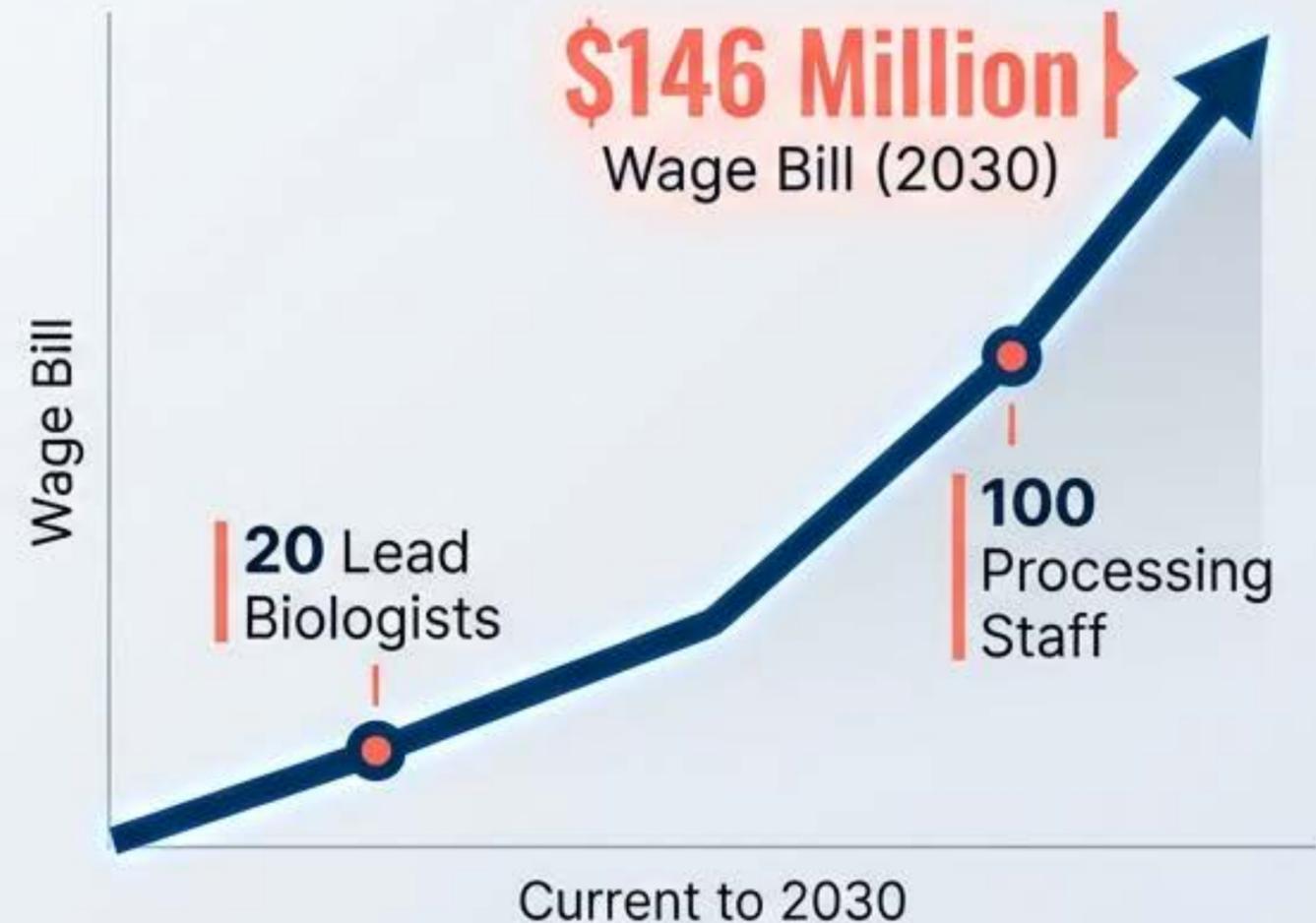
# SCALING STRUCTURE: OVERHEAD AND LABOR DENSITY

## FIXED OVERHEAD



**Must dilute through volume.**  
Maximize utilization immediately.

## LABOR BALLOON



**Automate processing early.** Processing staff is the largest scaling expense.

# OPERATIONAL VOLATILITY & RISK EXPOSURE



Earnings are highly exposed to sudden shocks. Mitigation is an active daily process.

# THE 2030 ROADMAP: OPERATIONAL TARGETS



**CYCLE VELOCITY**

**15 → 19**  
**Cycles/Year**

**HARVEST VOLUME**

**43 Million kg**

**MARGIN STABILIZATION**

**82%**  
EBITDA Margin

Reaching these metrics is the trigger for owner distributions (**\$350k - \$25M** range).

# OWNER'S PRE-FLIGHT CHECKLIST



**CAPITAL:** Secure **\$73M CapEx** with long-term amortization.



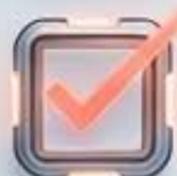
**TECHNOLOGY:** Install sensor tech for real-time water quality monitoring.



**OPERATIONS:** Lock in Fillet processing capability (**\$2,100/kg target**).



**EXPECTATIONS:** Plan for 4-5 years of CEO Salary (**\$180k**) only.



**LEGAL:** Verify lease (**\$180k/yr**) and utility (**\$36k/yr**) contracts.



Operational readiness is critical for successful deployment and capital recovery.

# EFFICIENCY IS THE BRIDGE TO WEALTH



The transition from debt-service to owner-distribution requires **disciplined adherence to biological and financial metrics.**

The potential for **\$25M in distributions** exists only for those who master the **7 Levers.**