GLOBAL CHANGE IS OUR COMMITMENT

Offering Innovative Solutions to Help Solve the World's Water Crisis
Feeding the People, Draining The Planet

70% Of the World’s Water used in agriculture

With current agricultural practices we would need to double the amount of water on earth to feed the world in 2050

489 Million KM² Of land is used for agriculture, equating to 36.7% of total land surface
Today’s Agenda

- CURRENT SITUATION
- OPPORTUNITY STATEMENT
- PUMP STRATEGY
- RECOMMENDATION
- FINANCES AND IMPLEMENTATION
- KEY TAKEAWAYS
How can Grundfos leverage digitalization, services and new business models, to not only sustainably grow their Water Utility revenues, but also fulfill their social responsibility to combat the global water crisis?
PUMP Strategy

**PRODUCTS**

Push efficient agricultural products

**UNIFICATION**

Create a Farming Management platform through acquisition of a digital solution

**MANAGEMENT**

Utilize new platform to offer optimized farming management

**PEOPLE**

Leverage our people to excel at customer service

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Current Situation | Opportunity | Recommendation | Financials | Implementation | Key Takeaways
--- | --- | --- | --- | --- | ---

**P**RODUCTS | **U**NIFICATION | **M**ANAGEMENT | **P**EOPLE
By implementing the PUMP Strategy, Grundfos can leverage digitalization to pioneer novel business models in the agricultural sector, hence growing their water utility revenues by DKK 2.6-3B (CAGR >15%) and outperform Grundfos’ overall growth target of 3% by 2020, all whilst combatting the global water crisis.
Meet Fred the Farmer

Fred is an average Californian nut farmer, one of the most water-intensive crops.

Fred struggles with the management of his farm, due to the variety of complex interrelated factors.

Since the start of the recent droughts his irrigation costs have gone up almost 300% to USD 1 million.

Fred is in need of a system of efficient irrigation Products that are connected to a Unified platform, enabling him to optimize the Management of his farm with support and service of competent People.
Products: Grundfos Technologies

Efficient Hardware
Grundfos irrigation saves between 20%-30% water usage

Promising Software
GRM leverages CIU & internet of things to offer a valuable service but monetization needs to be sustainable

Complex User-Interface
iSolutions & Remote Management do not cater to non-technical agricultural customers

Untapped Digital Services potential
Unification: Amalgamation of Products

- **Amalgamate portfolio of Grundfos products**
- **Develop simple & compelling U.I catered to farmers**

But Fred wants more...
Unification: Acquiring OnFarm

Who is OnFarm?

OnFarm creates seamless **software, analytics and API** to provide valuable data from **28 partners** such as weather, soil moisture, crop and crop yields **BUT no water efficiency data**

By adding this offering to Grundfos’ new U.I we will develop ‘**FosFarm**’, a unique digital service for which farmers are willing to pay

**Acquisition Cost:**

140-165 M DKK (4-5x Revenue)
7-8% of EBIT

**Gain the appropriate competencies to enter the digital solutions market, creating sustainable revenue growth, agricultural efficiency & a brighter future.**
Management: FosFarm Features

FosFarm Value Proposition

More Crop per Drop

- Pump Leak and Maintenance Alerts from Grundfos Sensors and Technology
- Climate Prediction – analyses weather conditions to help farmers determine yield-limiting factors in their fields
- Acidity, Humidity & Temperature Levels
- Money, Water and Energy Savings
- Soil Moisture
- Product Recommendations
- Past Trends and Real Time Analytics to Help Manage Farming & Water Usage
- Direct Communication With Grundfos Employees Through Online Chat
Management: FosFarm Interface

Maintenance and Pump Leak Alerts
Acidity, Humidity and Temperature Analytics
Money, Water and Energy Savings
Real Time Water Usage

My FosFarm Profile  Place Orders  Help Center  Recommended for Me

Chat with Grundfos Experts
Implementing a new Digital Services-based model allows Grundfos to tap into sustainable, recurring revenue.

**Current Situation**

**Opportunity**

**Recommendation**

**Financials**

**Implementation**

**Key Takeaways**

**Fred’s Perspective**

With FosFarm’s help: **Reduce water usage by 10%**

**Grundfos negotiates contracts with farmers based on acres serviced**

**Proposed rate**: $30/acre/year

**Contract/System includes**

Entirety of FosFarm integrated service

**Fred’s Farm: 1000-acre Net Savings: USD 20,000**
**People: Sales Force & Customer Service**

**Who?**
Salesforce team with software engineering or business-selling background and maintenance engineers

**Preparation**
3 week training program to help employees fully understand our holistic service and new technology (FosFarm)

**What?**
Selling and marketing FosFarm integrated services to network of existing and potential customers

**HOW...?**
## People: Marketing Team

<table>
<thead>
<tr>
<th>Marketing Effort</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer 3 Month FREE TRIAL to farmers that have already implemented Grundfos products</td>
<td>Encourage relationships with our existing end-users and push our new software</td>
</tr>
<tr>
<td>Introduce FosFarm.com - new subsection of the current website specifically designed for Agriculture Needs</td>
<td>Create a more customer-oriented approach to Agriculture Market and an added-service for farmers and distributors</td>
</tr>
<tr>
<td>Marketing Brochures &amp; World AG Exposition</td>
<td>Excite customers about new project and build awareness</td>
</tr>
</tbody>
</table>

Through marketing efforts, Grundfos will successfully transition from the Pump Tool and Automation Markets to the **Digital Services Market**
## Outperform 2020 Vision

### Objective
- 3% revenue CAGR in 2017-2020
- Leverage digitalization to grow Water Utility segment
- Avoid product commoditization

### Outcome
- Outperform mandate: overall CAGR of 4.2% to 4.6%
- Novel model grows WU segment by DKK 3B (CAGR>15%) by 2020
- Service revenue goes from 5% to 15% of overall turnover

### Important Assumptions
1. Reach and service 1.22% to 1.45% of USA farmlands by 2020 (8000-9500 farmers)
2. Service revenue of $30/acre/year

### Overall revenue Growth from FosFarm – 2017-2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover</th>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>26B DKK</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>30.1B</td>
<td>30.5B</td>
</tr>
</tbody>
</table>

Company-wide Turnover CAGR: 4.2% - 4.6%
2017
- Acquire OnFarm and Build FosFarm Interface

2018
- Launch FosFarm
- Feedback from training
- Marketing FosFarm

2019
- Receive Feedback from Farmers to Improve
- Solidify presence in US
- Attend World Ag Exposition

2020
- Continue R&D Investments
- Deploy Sales Team
By implementing the PUMP Strategy, Grundfos can leverage digitalization, services and new business models to sustainably grow revenue in its Water Utility business and combat the global water crisis.

**Key Takeaways**

**PRODUCTS**

Novel business model that grows W.U revenues by **DKK 2.6-3 billion** (CAGR over 15%)

**UNIFICATION**

Allow us farms to save **130 – 210 K megalitres** gallons of water by 2020

**MANAGEMENT**

Outperform mandate of revenue growth by achieving a **CAGR of 4.2-4.6%**

**PEOPLE**

**Current Situation**

**Opportunity**

**Recommendation**

**Financials**

**Implementation**

**Key Takeaways**
Appendix

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5. PUMP Strategy
6. Opportunity Statement
7. Fred the Farmer
8. Pushing Products: Grundfos Technologies
9. Amalgamation of Products
10. Acquiring OnFarm
11. FosFarm Features
12. FosFarm Interface
13. Establishing a New Business Model
14. Sales Force and Customer Service
15. Marketing Team
16. Outcomes
17. Implementation
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OnFarm

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37. Develop Digital Twin (Ansys)
38. Data Safety and Privacy
39. Customer Service Detail
40. Drip Irrigation
41. New Business Model Detail
42. Grundfos Brochure
43. Added Customer Service
44. Service Revenue from FosFarm
45. Company-Wide Aggregate Financials
46. Environmental Impact
47. Contract Pricing Assumptions
## Future Considerations

### Goals for 2020-2025

1. **Expand the PUMP project internationally**
   - Look into countries such as India (high potential)

   - **2016:** Maharastra Government to bring Sugarcane under Drip Irrigation
   - **Pushing for better irrigation in rice fields**
     => India alone has some 43 million hectares of rice under cultivation therefore saving even 10 percent of the water to grow rice crops could free up a great deal of water

2. **Continue to invest in R&D to optimize systems**

3. **Minimize costs of the project and explore how business model can be applied to LifeLink projects abroad**
   - (i.e. helping Kenyan farmers better manage their fields)
<table>
<thead>
<tr>
<th>Risks</th>
<th>Mitigations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition Falls Through with OnFarm</td>
<td>Back-Up Acquisitions (Crop Logic, Farm Solutions)</td>
</tr>
<tr>
<td>Digital Solutions is Not Our Core Competency</td>
<td>Acquiring Competent Start-up: OnFarm (API)</td>
</tr>
<tr>
<td>Large Investments that Farmers Are Not Ready to Make</td>
<td>Opt-for the Digital Solutions (FosFarm) until ready</td>
</tr>
</tbody>
</table>
Target Market

1. Current & New Distributors
2. Current & New Wholesalers
3. American Farmers (primarily those in California and Texas)

- Inefficient Management System
- Ability to invest income into new farming tools
- Environmentally Conscious

Customer-oriented approach to selling
People: World AG. Expo

WHERE
International AgriCenter Tulare California

WHEN
February 2018

HOW
Booth: communicate efficiency-related cost-savings and environmental significance

Potential reach: ~100k
Cost: $1500-$2000
Cost per exposure: ~ $0.02
People: Sales Force & Customer Service

Salesforce with Software Engineering and/or Business/Selling Backgrounds

Direct Selling to Distributors and Wholesalers (i.e. Preferred Pump)

Focus on pushing FosFarm (new integrated software system) and pump technologies for Farmers to have the ultimate Grundfos “Farm of the Future” Experience

3 week training program to teach employees fully understand holistic approach and technology behind FosFarm (Grundfos iSOLUTIONS, OnFarm and GRM)

Goals

Ensure our Distributors and Wholesalers understand Grundfos’ newfound holistic approach to farming

Sales team working directly with farmers, who can contact them for questions, concerns and after-sale service

With a properly trained selling staff, Grundfos can ensure that this customer-oriented approach is well implemented and better serve its customers and end-users better.
## Location Choice for Irrigation

<table>
<thead>
<tr>
<th></th>
<th>Growth Potential</th>
<th>Investment in Sustainability</th>
<th>Competition</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>America</td>
<td>++</td>
<td>++</td>
<td>0</td>
<td>++</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>+</td>
<td>+</td>
<td>0</td>
<td>- -</td>
</tr>
<tr>
<td>China</td>
<td>+</td>
<td>+</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>EMEA</td>
<td>+</td>
<td>-</td>
<td>+</td>
<td>+</td>
</tr>
</tbody>
</table>
## Water Utility Segment Choice

<table>
<thead>
<tr>
<th></th>
<th>Opportunities for new business model</th>
<th>Sustainable revenue growth</th>
<th>Leveraging digital trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste Water Treatment</td>
<td>0</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Waste Water Transport</td>
<td>-</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Drinking Water Distribution</td>
<td>-</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Drinking Water Treatment</td>
<td>0</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Flood Control</td>
<td>+</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Irrigation</td>
<td>++</td>
<td>+</td>
<td>++</td>
</tr>
<tr>
<td>Raw Water Intake</td>
<td>0</td>
<td>0</td>
<td>+</td>
</tr>
</tbody>
</table>
Why Hasn’t This Been Done?

Low Margin Industry, meaning that investments in innovation are difficult.

Internet of Things (originated in 2009) and Digital Ecosystems are Relatively New Concepts.

Big Competitors haven’t entered the agricultural market.

Changing trend as issues like Climate Change and the Water Crisis become pressing matters farmers must respond to.

Time to capitalize on the trend and apply it to the Agricultural market to gain first-mover advantage.

Giving us time to establish ourselves and gain network effects.
## Acquisition Alternatives

<table>
<thead>
<tr>
<th></th>
<th>Crop Logic</th>
<th>Farm Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>New Zealand</td>
<td>California, United States</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td>Uses scientific plant growth models to forecast the future effects of today's decisions on crop yield and quality</td>
<td>Offers irrigation control, UAV image analysis, market valuations and comprehensive data mining solutions</td>
</tr>
<tr>
<td><strong>Acquisition Price</strong></td>
<td>$20M - $25M</td>
<td>$13M - $16M</td>
</tr>
</tbody>
</table>

[http://www.croplogic.com](http://www.croplogic.com)
Unifying: Acquiring OnFarm

What’s in it for Grundfos?

It will allow Grundfos to offer an entirely integrated system for farmers as OnFarm will provide various tools for collecting valuable agricultural data – thus, Grundfos will not be limited to only collecting water-related data in agriculture.

Access to technologies and resources which is less risky than developing these competencies internally.

Acquiring an innovative and successful start-up to create FosFarm, the single integrated management platform for Farmers.
<table>
<thead>
<tr>
<th>OnFarm Details</th>
</tr>
</thead>
</table>

### How Grundfos Is To Approach The Acquisition of OnFarm:

<table>
<thead>
<tr>
<th>Assessing Right Fit</th>
<th>Due Diligence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresno, California, USA</td>
<td>Integrating Perspectives of Both Parties</td>
</tr>
<tr>
<td>Compatibility of Core Competencies</td>
<td>Founded in 2012</td>
</tr>
<tr>
<td>Founder &amp; CEO: Lance Donny</td>
<td>Total Funding: $800 K</td>
</tr>
<tr>
<td>Estimated Revenue: $5M</td>
<td>Estimated Employees: 10</td>
</tr>
</tbody>
</table>
### OnFarm’s 28 Partners (Examples)

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGRIAN</td>
<td>Agrian systems give everyone in the food supply chain a way to track what’s happened to a crop at every stage.</td>
</tr>
<tr>
<td>AGSENSE</td>
<td>AgSense’s cutting edge global WagNet network provides growers with a more complete view of their entire farming operation by tying it all together.</td>
</tr>
<tr>
<td>AWHERE</td>
<td>Founded in 1999, aWhere collects and analyzes over a billion points of data from around the world on a daily basis.</td>
</tr>
<tr>
<td>BANNER</td>
<td>Banner is a global leader in process and industrial automation, helping customers increase efficiency, reduce costs, ensure quality, monitor and manage.</td>
</tr>
<tr>
<td>CAMPBELL SCIENTIFIC</td>
<td>Campbell Scientific provides professional- and research-grade measurement systems for many applications within agriculture and plant-related markets. Campbell systems measure environmental conditions.</td>
</tr>
<tr>
<td>CERMETEK</td>
<td>AquaMon™ by Cermetek can help growers meet today’s challenges. Rising populations increasingly compete for water resources while the available supplies dwindle.</td>
</tr>
<tr>
<td>DAVIS INSTRUMENTS</td>
<td>Davis Instruments develops and manufactures three lines of products that offer practical solutions to real-world problems. Their products are backed by science and engineering.</td>
</tr>
<tr>
<td>DECAGON</td>
<td>Decagon designs, manufactures, and markets scientific instruments. The applied research division focuses on measuring water, light, and heat in the environment.</td>
</tr>
</tbody>
</table>
Farmer Profile

Farmers Can Input:
- Type of Farm
- Farm Size
- Geographical Location
- Product Preferences
- Preferred Services
- Preferred Contact Hours

Leveraging Services and a Fully Customer-Oriented & Customized Approach to Agriculture
AGRICULTURE

For Farmers Committed to Global Change

FosFarm Management System

Water Utility

RAW WATER INTAKE

DRINKING WATER TREATMENT

WATER DISTRIBUTION

WASTEWATER TRANSPORT & FLOOD CONTROL
Customizable Farming Irrigation Systems

Can use variable speed pumping systems in any irrigation system, increasing productivity.

Safe and Precise chemical dosing made simple. Reacting automatically to changing conditions.
Value Considerations

Full disclosure and open communication with new business model

Working towards a global solution to solve the world’s water crisis

Business model centered on America but with long-term goals

Relationship with distributors, farmers and citizens are at the center of our strategy

Using technology to create a sustainable value chain, that efficiently delivers water to farmers

Strengthening relationships with our distributors, using OnFarm to grow diversity
Data Sourcing in Real Time
Leveraging IoT and analytics to increase efficiency
Incorporating pay per acre model & digital services
Sourcing data (FosFarm), analyzing it, improving decisions
Develop Digital Twin with Ansys

Digital Twin
Use data from sensors to represent real time status

Advantages
Improved quality and performance, enhanced development productivity, optimized maintenance and reduced overall costs and risks associated with unplanned downtime

Building on Existing Relationship
Access multi-year agreement through ANSYS Elite channel partner, EDRMedeso, gaining premium engineering simulation software
# Data Safety and Privacy

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>Committed to ensuring farmers maintain control of their data.</td>
</tr>
<tr>
<td>Collection &amp; Control</td>
<td>Farmer’s data use has to be granted with affirmative &amp; explicit consent. Part of the contractual agreement.</td>
</tr>
<tr>
<td>Transparency</td>
<td>Full disclosure on purpose and use of their data collection.</td>
</tr>
<tr>
<td>Choice</td>
<td>Farmer’s always have a choice, they can opt in and out of services.</td>
</tr>
<tr>
<td>Terms</td>
<td>Using clear, consistent and unambiguous language.</td>
</tr>
<tr>
<td>Liability &amp; Security</td>
<td>Farm data protected with reasonable security safeguards, against loss, unauthorized access, destruction, use, modification, etc.</td>
</tr>
</tbody>
</table>

Farmers are the foundation
Customer Service Details

Pre-emptive maintenance & modifications

As a result of our advanced analytics and farming insights we will be able to pre-emptively

Our FosFarm management system with additional features and benefits as well as our capable customer service and sales team can help alleviate the pain points Farmers experience
Drip irrigation

Ecological Water Utility – More Crop per Drop

**Best Practices: Drip Irrigation Pump (80% More Efficient)**

- Saves water and fertilizer by allowing water to drip slowly to the roots of many different plants

**System Advantages For Fred**

- Monitor energy usage
- Assure constant pressure
  - Integrate chemical injection equipment
    - Customizable
    - Frost protection

"Grundfos is dedicated to bringing new perspectives to make American agriculture more competitive and more sustainable in a fast-changing world."

**Communicating the data to the farmer**
New Business Model Details

From Fred’s Perspective

Yearly irrigation costs: $200-$1300/acre-foot (depending on conditions, legislations and location)

FosFarm Integrated Service: Reduction of 10% of water usage

Grundfos negotiates contracts with farmers based on acres serviced

Proposed rate for US clients: $30/acre/year, based on expected savings

Fred has a 1000-acre farm: Fred pays $30,000 & saves $50,000 and over 1.2M liters in water consumption through efficient water usage
CLEANER AGRICULTURE

How We Help You
THINK AHEAD, ACT TODAY.
INCORPORATE OUR HOLISTIC AND DIGITLIZED APPROACH TO FARMING, WHEREBY YOU, OUR BELOVED FARMERS, CAN BETTER MANAGEMENT YOUR FARMS, SAVE MONEY AND WATER, AND ULTIMATELY OUR ENVIRONMENT.

CONTENT

HIGHLIGHT ECONOMIC SAVINGS
ENVIRONMENTALLY FRIENDLY BENEFITS
BETTER MANAGEMENT OF FARMS

KEY OBJECTIVES

INCREASE BRAND AWARENESS
INTRODUCE PACKAGES TO FARMERS, DISTRIBUTORS AND WHOLESALERS
SIMPLICITY IN OUR MESSAGE
Added Customer Service

- **Preemptive maintenance and modification**
  - As a result of our detailed system of analytics and insights we will be able to pre-emptively perform maintenance as well as deliver timely modifications.

- **Instant Chat feature**
  - More interactive customer-service with less down-time.

- **Digital customer service**
  - Analytics will provide automated insights that will add a new layer of data-driven consultancy.

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*Our FosFarm management system with additional features and benefits as well as our capable customer service and sales team can help alleviate the pain points Farmers experience.*
### Service Revenue from FosFarm

**Important Assumptions (Conservative Scenario)**

1. GrundFos can reach and service **8000-9500 farms** by 2020

2. Average farm size of **1500 acres**

3. Service revenue of **$30/acre/year**

**Outcomes**

- Our hypothetical share of total US farmland serviced: \((1.5k\times8k)/975M = 1.2\%\)
- Overall Service Revenue gained by 2020: **DKK 2.6B-3B**

---

### Revenue Forecast - FosFarm Service (USD Millions except for DKK numbers)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>New acquired farms in the year</td>
<td>1250</td>
<td>1500</td>
<td>1750</td>
<td>2500</td>
</tr>
<tr>
<td>Total farms customer base</td>
<td>2250</td>
<td>3750</td>
<td>5500</td>
<td>8000</td>
</tr>
<tr>
<td>Average acres per farm</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
</tr>
<tr>
<td>Average contract revenue, $/acre/year</td>
<td>$30.00</td>
<td>$30.00</td>
<td>$30.00</td>
<td>$30.00</td>
</tr>
<tr>
<td><strong>Revenues from FosFarm, USD Millions</strong></td>
<td><strong>$101.25</strong></td>
<td><strong>$168.75</strong></td>
<td><strong>$247.50</strong></td>
<td><strong>$360.00</strong></td>
</tr>
<tr>
<td>Acquired Revenues from OnFarm existing customers, USD Millions</td>
<td>$5.00</td>
<td>$5.00</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
<tr>
<td><strong>Total Revenues from FosFarm Division, USD Millions</strong></td>
<td><strong>$106.25</strong></td>
<td><strong>$173.75</strong></td>
<td><strong>$252.50</strong></td>
<td><strong>$365.00</strong></td>
</tr>
<tr>
<td><strong>Total Revenues from FosFarm Division, DKK Millions</strong></td>
<td><strong>DKK 749</strong></td>
<td><strong>DKK 1,224</strong></td>
<td><strong>DKK 1,779</strong></td>
<td><strong>DKK 2,572</strong></td>
</tr>
</tbody>
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---

**Outcomes**

- **Our hypothetical share of total US farmland serviced:** \((1.5k\times8k)/975M** = **1.2\%**
- **Overall Service Revenue gained by 2020:** **DKK 2.6B-3B**

**Outcomes**

- **Overall Service Revenue gained by 2020:** **DKK 2.6B-3B**

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**Important Assumptions (Conservative Scenario)**

1. GrundFos can reach and service **8000-9500 farms** by 2020

2. Average farm size of **1500 acres**

3. Service revenue of **$30/acre/year**

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**Outcomes**

- **Our hypothetical share of total US farmland serviced:** \((1.5k\times8k)/975M = 1.2\%**
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**Revenue Forecast - FosFarm Service (USD Millions except for DKK numbers)**

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<tr>
<td>Average contract revenue, $/acre/year</td>
<td>$30.00</td>
<td>$30.00</td>
<td>$30.00</td>
<td>$30.00</td>
</tr>
<tr>
<td><strong>Revenues from FosFarm, USD Millions</strong></td>
<td><strong>$101.25</strong></td>
<td><strong>$168.75</strong></td>
<td><strong>$247.50</strong></td>
<td><strong>$360.00</strong></td>
</tr>
<tr>
<td>Acquired Revenues from OnFarm existing customers, USD Millions</td>
<td>$5.00</td>
<td>$5.00</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
<tr>
<td><strong>Total Revenues from FosFarm Division, USD Millions</strong></td>
<td><strong>$106.25</strong></td>
<td><strong>$173.75</strong></td>
<td><strong>$252.50</strong></td>
<td><strong>$365.00</strong></td>
</tr>
<tr>
<td><strong>Total Revenues from FosFarm Division, DKK Millions</strong></td>
<td><strong>DKK 749</strong></td>
<td><strong>DKK 1,224</strong></td>
<td><strong>DKK 1,779</strong></td>
<td><strong>DKK 2,572</strong></td>
</tr>
</tbody>
</table>
## Company-Wide Aggregate Financials

### Revenue forecast - Base Case (DKK Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>DKK 11,909</td>
<td>DKK 12,147</td>
<td>DKK 12,390</td>
<td>DKK 12,637</td>
</tr>
<tr>
<td>Industry</td>
<td>DKK 5,833</td>
<td>DKK 5,950</td>
<td>DKK 6,069</td>
<td>DKK 6,190</td>
</tr>
<tr>
<td>Water Utility</td>
<td>DKK 3,020</td>
<td>DKK 3,081</td>
<td>DKK 3,142</td>
<td>DKK 3,205</td>
</tr>
<tr>
<td>Other</td>
<td>DKK 5,041</td>
<td>DKK 5,192</td>
<td>DKK 5,348</td>
<td>DKK 5,508</td>
</tr>
<tr>
<td><strong>Turnover - Base</strong></td>
<td><strong>DKK 25,803</strong></td>
<td><strong>DKK 26,369</strong></td>
<td><strong>DKK 26,949</strong></td>
<td><strong>DKK 27,541</strong></td>
</tr>
</tbody>
</table>

### Revenue forecast - Including FosFarm - Conservative (DKK Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover - Base</td>
<td>DKK 25,803</td>
<td>DKK 26,369</td>
<td>DKK 26,949</td>
<td>DKK 27,541</td>
</tr>
<tr>
<td>FosFarms Revenues</td>
<td>DKK 749</td>
<td>DKK 1,224</td>
<td>DKK 1,779</td>
<td>DKK 2,572</td>
</tr>
<tr>
<td><strong>New turnover</strong></td>
<td><strong>DKK 26,552</strong></td>
<td><strong>DKK 27,594</strong></td>
<td><strong>DKK 28,728</strong></td>
<td><strong>DKK 30,113</strong></td>
</tr>
</tbody>
</table>

### Important Assumptions

- Ongoing growth in other segments: 2%
- Service revenue of $30/acre/year

### Financial result

- FosFarm Service Revenue by 2020: 2.6B+ DKK
- Total Revenue by 2020: 30.1B+ DKK

### Compared to our objective

- Realized company-wide CAGR 2017-2020: **4.2%**+
- Realized Water Utility CAGR 2017-2020: **15%**+
### Environmental Impact

**How much water can we actually save through water management?**

**Water savings Forecast - FosFarm Service (Conservative)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>New acquired farms in the year</td>
<td>1250</td>
<td>1500</td>
<td>1750</td>
<td>2500</td>
</tr>
<tr>
<td>Total farms customer base</td>
<td>2250</td>
<td>3750</td>
<td>5500</td>
<td>8000</td>
</tr>
<tr>
<td>Average acres per farm</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
</tr>
<tr>
<td><strong>Total acres serviced - Conservative</strong></td>
<td>3375000</td>
<td>5625000</td>
<td>8250000</td>
<td>12000000</td>
</tr>
</tbody>
</table>

**Assumptions**

- 9% - 12% water efficiency savings
- Average farm irrigation need: 1 acre-foot/acre/year

By servicing 12-14M acres of US farmland by 2020 (8k-9.5k family-sized farms), our water management system can potentially save **130K to 210K Megaliters of water**
**Contract Pricing Assumptions**

**Justifying a price of $30/acre/year to US farmers:**

- Average farm water irrigation price in the US, 2016: **$180-$1500/acre-foot** (depending on location, conditions & legislation)

- Water savings due to smart farming and more efficient pumps: **MINIMUM 9%-12%**

*Sources:*
- Report: California Public Utilities Commission
- Study: Alabama Cooperative Extension Systems

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**Water costs savings from the farmer’s perspective:**

- **$45-$60/year** per acre of irrigated land

***Assumptions:***
- Weighted average cost of water: **$500/acre-foot**
- Average farm irrigation need: **1 acre-foot/acre/year**

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**Farmers paying for our efficient water and farming management solution will roughly save $45-60/acre, for a price of $30/acre, all while accessing our integrated software & service solution**