

Lighthouse seeks €1bn to finance seafood asset investments globally

By [Tom Seaman](#)

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A firm specializing in providing financing for seafood projects ranging from massive recirculating aquaculture system (RAS) facilities to vessel acquisitions is seeking to raise its first aqua asset-backed private debt fund for institutional investors interested in supporting sustainable seafood enterprises.

Lighthouse Finance -- which has provided funding and advisory services for some of the industry's largest players -- has received strong early interest from investors representing several billion dollars in capital to deploy, Roy Hoias, its CEO, told *Undercurrent News*.

"The fund will also meet the top standard for sustainable investing by incorporating key sustainability metrics in its underwriting criteria," he said.

Lighthouse plans to raise two €500 million tranches for its own fund, to meet strong demand and act faster, said Hoias.

At the moment, Lighthouse is seeing unprecedented demand for capital in the sector and is involved in “five or six” RAS projects globally, as well as three big offshore projects, Hoias said. That’s not to mention the demand for “conventional” seafood investments, such as aquaculture equipment, vessels, and plants.

Lighthouse uses what Hoias terms “special purpose vehicles”, or SPVs, to acquire or finance assets on behalf of seafood companies.

The company already has around \$250m of active assets in its portfolio, as well as \$500m “ramping up”, said Hoias.

“Obviously, the most well-known client we work with is one of the biggest salmon farmers. We are supporting them globally. That’s one of the best vertically-integrated seafood companies globally, I think. It’s vessels, it’s feed, it’s processing, it’s hatcheries, it’s RAS, it’s conventional cages and feed barges and so on,” he said.

Hoias declined to name the global salmon farmer. However, in March 2019, [Lighthouse announced a financing package for Cooke](#), one of the world's largest salmon farmers, which has then expanded into other farmed species and also wild-catch globally.

Lighthouse's current model means it has to go out and raise money for each case and each client it's investing for. Having its own fund will mean Hoias' team can move quicker, with a pre-raised pot of money.

“It’s a combination of being more scalable for big clients globally, but also to be able to move faster. We want to work with our existing investors and clients to bring additional needed capital to the market because we know that there is such significant need,” he said.

“We’re already talking to investors who have been interested in putting more money into the seafood sector. These investors are looking for a fixed attractive return to meet pension obligations or other income needs of their constituents.” Hoias told *Undercurrent*.

The value of Lighthouse, said Hoias, is to act as a bridge between the financial sector and the industry.

“We bridge that gap and we’re also helping the financial markets utilize their product. We convert that to a product the client needs, using our SPV model. It’s straightforward lending into the SPV and then we buy the asset, then convert that to rent for the client,” he told *Undercurrent*. “We like to think of ourselves as one of the players able to make a difference and create new solutions in that sense to the industry, where the client hasn’t been able to get these types of models or solutions earlier or before.”

Main industry drivers

A combination of factors is driving Lighthouse's plan to raise more capital for the fund. One of these is the increased activity in RAS and offshore farming, he said.

"We see a lot of land-based activity out there," he said. The big 10,000t RAS projects are \$100m-\$180m investments, said Hoias.

There will be a chance for smaller RAS projects in the future, as technology is changing. "There are some in the \$5-6m range and we will see more of that," he said.

Lighthouse is involved in "five-to-six" RAS facilities, globally, he said. In addition, the company has three offshore projects underway, as well as work with "four-to-five" conventional farmers, said Hoias.

Lighthouse also has several offshore projects in the pipeline and not just from Norwegian salmon farmers.

"We have some discussions with some of the Norwegian ones, yes. Then, we also have one case in China we are also discussing an agreement on. That's a bigger case where we also can put more resources and knowledge into the client's plan. Using our contacts in aquaculture in Norway and globally, we have been able to help put together a team of people to work on it operationally," he said. "If that goes to plan, we will step in and work on the upcoming CAPEX program for around \$100m."

Lighthouse is also in talks with another group, which is in the first stage of a \$45m-\$50m investment for an offshore cage solution in Asia. "We are in discussions with the clients and suppliers and the yard, that also will be a heavy focus on that this month to close it and sign off on that. So, we have two or three offshore cages we will work on in the coming months," he said.

Then, Lighthouse is active in processing, both for direct human consumption and also fish waste, as well as "supporting some of the equipment suppliers in their cases globally", he said.

Lighthouse is also involved in fishing vessels and wellboats. "If you look at the volume, you can see offshore and land-based is taking a big chunk of the volumes. But, in the case of the number of clients, I think it'd be quite equal across the different sectors," Hoias said.

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