

Q2 2023 Business Update

Operations in Phase 2 extension have started generating record biomass growth

Highlights

- Sales up 14% year-on-year (YoY) to €5.6 million
- Total volume sold amounted to 377 tons
- Revenue per kg increased 19% YoY to €14.8
- Phase 2 extension operations started in May 2023
- Record level of biomass growth of 512 tons

Subsequent events

- Signed convertible loan agreement of €32 million on the 5th of July with strong support of existing shareholders and a new sustainability-focused investor

Kats, Netherlands – July 20, 2023: The Kingfish Company N.V. (the "Company"; OSE: KING), pioneer and leader in sustainable land-based production of yellowtail kingfish, is pleased to announce its Q2 2023 business update.

"We reached important milestones in the past few months, financially as well as operationally: we have started operations of the Phase 2 grow-out systems and celebrated record production at our facility in Kats. We have also secured additional financing which will provide full funding until we reach positive cash flow," said Vincent Erenst, CEO of The Kingfish Company.

"Our priorities now are to finalize construction of Phase 2, continue to improve operational performance, and increase sales volumes to reach profitability," Mr. Erenst added.

Sales and production

Sales for the quarter increased 14% year-on-year to €5.6 million. Revenue per kg continued to improve compared to the same quarter last year, up €2.4 per kg, at €14.8. Revenue per kg was lower than Q1 2023 due to a larger share of smaller fish resulting from the delay of commissioning of Phase 2. Total volume sold in the quarter amounted to 377 tons, roughly in line with the same quarter last year. Demand continues to outpace our production capacity.

Total standing biomass increased by more than 25% to 512 tons with an all-time high net growth of around 195 tons in June alone, and 512 tons net growth in the quarter. This shows the excellent performance of the systems as well as the faster growth of the 3rd generation

fingerlings. As a result, we will approach our maximum standing stock faster than expected. Operations of Phase 2 started in May 2023 and the full system will be operational by Q4 2023.

In the quarter, productivity was 0.83 kg growth/m³/day and eFCR improved again to 1.27. The company completed some feed trials resulting in new formulations which aim to reduce the content of marine ingredients, while reducing feed costs.

Convertible loan agreement of €32 million for completion of Phase 2 and path to profitability

On July 5, the company announced it had successfully raised €32 million in an unsecured convertible loan. The majority of the Convertible Loan is allocated to existing key shareholders, while €11 million will be allocated to Ocean 14 Capital Fund (“Ocean 14”). Ocean 14 is a sustainability focused impact fund with significant aquaculture industry experience.

The loan provides full funding for the expansion until the Company reaches positive cash flow and sustainable profitability. The harvest volume from the farm in Zeeland will start to increase in the first quarter of 2024. Steady state harvest volumes are expected in the course of 2025. Estimated capex for Phase 2 remains at approximately €95 million.

Outlook

Management remains positive about the outlook for The Kingfish Company. With financing secured for completion of Phase 2 and the path to profitability, we can focus fully on growing the business and optimizing operations.

The Group capacity will more than double after the new extension of the farm in Zeeland is fully commissioned, enabling us to meet the growing demand for high-quality yellowtail kingfish. The company expects to benefit from the scaling effect and further improvement in operations and productivity, to become profitable and cash positive. Where the current focus is on completion of the Zeeland project, management continues to develop expansion plans in the US and Europe.

Webcast

CEO Vincent Erenst and CFO Jean-Charles Valette will present the Q2 2023 business update on Thursday July 20, 2023, at 14:00 CEST. The online presentation will be followed by a Q&A session. The presentation will be available on our website around 15 minutes before the start of the webcast.

Call in details

Click [here](#) to access the webcast.

For media and investor inquiries, please contact

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Company News feed

<https://www.the-kingfish-company.com/news>

About The Kingfish Company

The Kingfish Company is a pioneer and leader in sustainable land-based aquaculture. Current annual production capacity at its Kingfish Zealand facility in the Netherlands is 1,500 tons of high quality and high-value yellowtail kingfish. Expansion is underway and capacity in the Netherlands is expected to reach 3,500 tons. Kingfish Maine is now fully permitted by local, state and federal regulatory agencies.

Production is based on advanced recirculating aquaculture systems (RAS), which protect biodiversity and ensure biosecurity. Animal welfare is paramount, and the fish is grown without use of antibiotics and vaccines. Operations run on 100 percent renewable electricity, sourced from wind, solar and biogas. The Company's facilities operate on sea water, avoiding wasting precious fresh water.

The Kingfish Company's main product at present, the yellowtail kingfish (also known as ricciola/hiramasu/greater amberjack) is a highly versatile premium fish species, well known in the Italian and Asian fusion cuisines. Its products are certified and approved as sustainable and environmentally friendly by Aquaculture Stewardship Council (ASC), Best Aquaculture Practices (BAP) and British Retail Consortium (BRC). It was the winner of the 2019 Seafood Excellence Award, and it is recommended as green choice by Good Fish Foundation.

This information is pursuant to the EU Market Abuse Regulation and subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act.