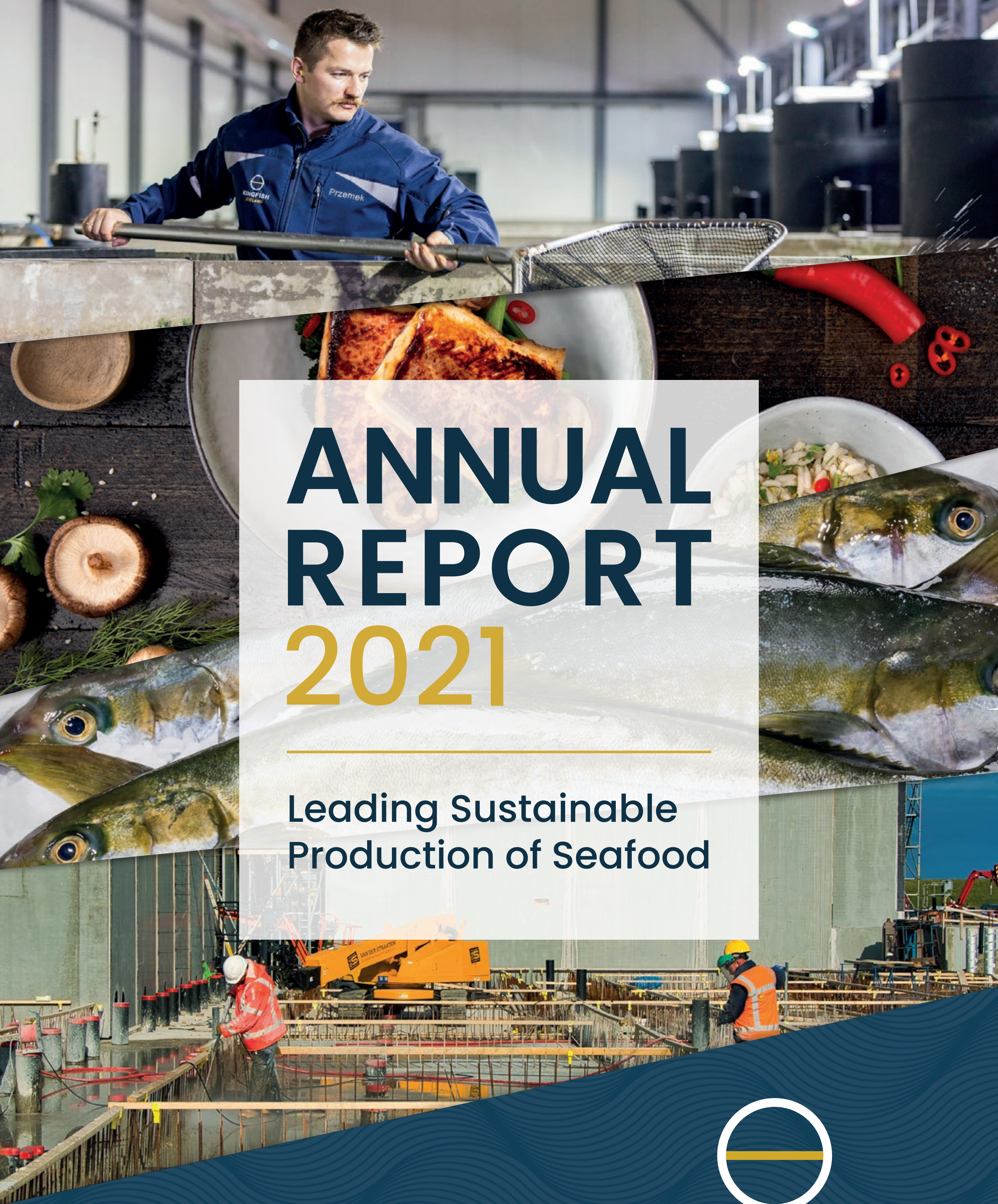


ANNUAL REPORT 2021

Leading Sustainable Production of Seafood

THE KINGFISH COMPANY

THE
KINGFISH
COMPANY

Oost-Zeedijk 13
4485 PM Kats, the Netherlands

info@kingfish-zeeland.com

+31 (0) 113 74 54 61

https://www.the-kingfish-company.com/

Contents

MISSION

Our mission at
The Kingfish Company
is to further advance our first
mover position in technology
driven aquaculture, and
continue to establish ourselves
as a market leader in the
sustainable production of high
value marine seafood.

01

Introduction

Ohad Maiman
Founder/CEO The Kingfish Company

CEO message

2021 has been another record year for The Kingfish Company. I am very proud of our team which has delivered over four years of stable and continuous system operations at sector leading productivity. In 2021, The Kingfish Company doubled sales and output while the average sales price increased by 6.5%. We continue to be well on track to more than double our capacity to 3,500 tons in the Netherlands and to develop an 8,500 tons facility in the US.

With the global demand for sustainable seafood continuing to increase, and wild catch and traditional aquaculture meeting structural limitations for further growth, our next generation RAS technology offers an environmentally responsible solution; and our focus on high value import dependent species produced at the market continues to prove to be a solid business case. Consumer awareness and demand of sustainably produced and local low carbon proteins continue to drive the growth of our target markets, and our focus remains on providing a high-value, premium quality sustainable product.

Market demand for Dutch Yellowtail is strong in both Europe and the United States. Our products are now sold in 14 countries, where leading retailers such as Whole Foods, Conad, and Auchan are some of the company's important clients. We are pleased with

the production record of 1,154 tons of growth and sector leading productivity of 0.65 achieved in 2021.

The Kingfish Company continues to be well on track with the expansion of its facilities in Europe by more than doubling installed capacity to 3,500 tons. Target standing biomass was reached in the third quarter of 2021 in phase one, as scheduled, leading to record productivity, harvest volumes and sales on the way to producing 1,500 tons per annum.

In November 2021, we gained final state level approvals and exercised our option to purchase the land for our new facility in Jonesport, Maine. Following the approval and the land purchase, the company is cleared to start groundworks while awaiting final construction permits. The development is designed to reach 8,500 metric tons. Construction in Maine will start once final permits have been obtained and funding has been secured.

We are excited when we look ahead at the years to come, we are poised to deliver the intended growth of The Kingfish Company across Europe and North America, and we aim to continue to fulfill our mission: To further advance our first-mover position in technology driven aquaculture, and continue to establish ourselves as a market leader in the sustainable production of high value seafood.

"2021 HAS BEEN ANOTHER RECORD YEAR FOR THE KINGFISH COMPANY. I AM VERY PROUD OF OUR TEAM WHICH HAS DELIVERED OVER FOUR YEARS OF STABLE AND CONTINUOUS SYSTEM OPERATIONS AT SECTOR LEADING PRODUCTIVITY."

About The Kingfish Company

The Kingfish Company is a pioneer and leader in sustainable land-based aquaculture. Current annual production capacity at its Kingfish Zeeland facility in the Netherlands is 1,500 tons of superior quality and premium value yellowtail kingfish.

Expansion is underway and installed capacity in the Netherlands will reach 3,500 tons by Q4 2022. In the US, permitting and pre-construction for the company's 8,500 tons capacity facility is in progress.

Historical highlights

The Kingfish Company Timeline

First pole ceremony

First harvest

ASC & BAP certification

Seafood excellence award

Sept 2016

Aug 2016

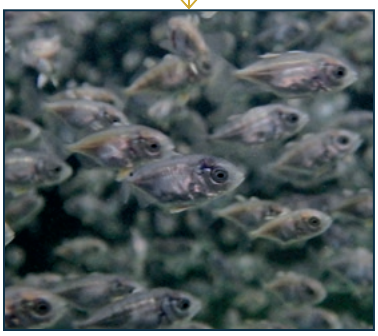
Oct 2017

Apr 2018

Sept 2018

Jan 2019

May 2019



Closing production cycle

Official opening A-site

Full production phase IA

Production is based on advanced recirculating aquaculture systems (RAS), creating the ideal growth environment for kingfish, offering optimal biosecurity and limiting environmental impacts. Animal welfare is paramount, and the fish are grown without the use of antibiotics and vaccines. Operations run on 100% renewable electricity, sourced from wind and on-site solar energy production. The company's facilities operate on sea water, avoiding the use of fresh water, a limited resource.

The Kingfish Company's main product at present, the yellowtail kingfish (also known as Ricciola/Hiramasa/Greater Amberjack) is a highly versatile premium fish species, well known in the Italian and Asian fusion cuisines.

Its products and processes are certified and approved as sustainable and environmentally and socially responsible by Aquaculture Stewardship Council (ASC), Best Aquaculture Practices (BAP) and Friends of the Sea. It carries British Retail Consortium (BRC) certification for food safety. It was the winner of the 2019 Seafood Excellence Award, and it is recommended as a green choice by the Good Fish Foundation.

Start expansion Phase 1B

Dec–Jan 2019–2020

Feb 2020

Nutreco invests in huge Kingfish Zeeland expansion

Kingfish Zeeland bags funding from Rabobank, PE for EU, US expansion

Kingfish Zeeland expanding into US with Maine RAS facility

Kingfish Zeeland Secures Strategic Funding for Its EU and US Expansion, Led by Rabo Corporate Investments and Creadev

Secured funding for expansion

First stocking in Phase 1B

Nov 2020

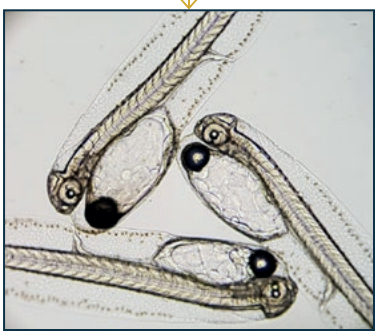
Feb 2021

Listing at the Oslo Børs

Ongoing construction Phase 2A

Oct 2021

Jan 2022



First stocking of 3rd generation larvae

2021 Achievements

In Pictures


KINGFISH

2021 In review
Core figures

Financial

€10.4m Sales in 2021, a doubling of sales from €5.0m in 2020	**902** **tons sold** Whole fish equivalents compared with 467 tons in 2020	**€11.5** WFE/kg Average sales price, an increase of 6.5% compared with 2020	**1 154** tons Record production of high value yellowtail kingfish	**0.65** kg/m³ per day Sector leading productivity
19% gross margin Versus −8% in 2020	**€2.2** gross profit per kg Up from €−0.9 per kg for 2020	**€−6m** EBITDA	**€30m** Capex investments Related to expansions in the Netherlands and the US	**10** production cycles > 1.2 million fingerlings into production

Sustainability

~600–700m people within road delivery catchment area requiring no air freight	**92%** Transport emission reduction using road freight vs airfreight	**83%** Of waste allocated to 'new life' through recycling, repurposing and reuse	**>90%** Of fishmeal certified (MSC, Marin Trust, FIP and trimmings)	**19%** Reduction In generation of residual waste
100% Use of non-commercial, pure seawater with limited need for freshwater, a scarce resource	**ZERO** Mass mortalities due to best in class design and operational excellence	**100%** renewable electricity used	**15%** Reduction In Fish Out ratio with reduced reliance on marine reources	**20%** Reduction In CO_2e emissions per ton of production

A FISH LIKE NO OTHER

02

Management report 2021

The Kingfish Company's main business activities are the design construction and operation of advanced RAS systems, and the production (breeding and grow-out) and supply of sustainable, high value yellowtail kingfish into its target markets. The Kingfish Company is listed on Euronext Growth in Oslo (Norway), under the ticker "KING".

The Kingfish Company N.V. is the group holding company and owns 100% of the issued share capital of Kingfish Zeeland B.V., Kingfish Property One B.V., Yellowtail Hatchery USA Inc and Kingfish Maine Inc.

Business update 2021

The Kingfish Company achieved a significant improvement in underlying farming operations in 2021. Revenue more than doubled from EUR 5.0 million in 2020 to EUR 10.4 million in 2021. The company achieved a sales volume of 902 tons whole fish equivalent for 2021, compared to 467 tons in 2020, a 93% increase. The average sales price increased by 6.5% to EUR 11.5 per whole fish equivalent kg on total 2021 sales. Fresh fish demand continues to outstrip supply despite increased harvest levels and higher sales prices.

In 2021, The Kingfish Company achieved record production of 1,154 tons net growth. Target standing biomass was reached in the third quarter of 2021 as scheduled leading to record production and sales. The company achieved sector leading productivity of 0.65 kg net growth per installed cubic meter per day for the full year 2021. The Kingfish Company is pleased with over four years of continuous operations, and over 26 production cycles of fish produced from full cycle hatchery to harvest, with zero mass mortality events to date.

In 2021, gross profit per kg sold was EUR 2.2, up from EUR –0.9 per kg for 2020. The Kingfish Company reached a net loss after tax in 2021 of EUR –6.3 million, which includes indirect costs and reflects development costs related to the scale-up phase of the business, and planned expansion of the company's production capacity in the Netherlands and the US.

The Kingfish Company has entered into a Senior Facilities Agreement with P Capital Partners AB for a five-year ESG-linked bilateral debt facility of up to €75 million. The net proceeds from the Debt Facility will be used to repay existing debt, finance remaining capital expenditures in the Netherlands related to phase 2A and 2B on the Zeeland facility, and fund working capital. The Debt Facility also includes an uncommitted facility of €37.5 million to finance part of the capital cost for a future phase 3 build-out in the Netherlands. With capex and working capital funding in place to reach 3,500 tons annual capacity in Zeeland, The Kingfish Company is now funded to become group-level profitable.

Financial instruments and risk management

The Group's financial instruments primarily comprise of cash, current receivables, payables, debt, financial and operational leases. The estimated fair value of these instruments approximates their book value. Credit risk arising from the failure of a customer to pay its debts is – to a large extent – covered by an insurance contract. This also applies to the property and equipment which are all covered by insurances. Most borrowing is at a Euribor linked rate plus a fixed mark up. The main non-financial risk relates to health and safety and the focus is and will remain on personal and operational safety.

2021

The year of fast-paced high impact acceleration and scale-up.

The year of continuing to pioneer next generation disruptive technologies taking The Kingfish Company from concept and pilot to the efficient and responsible production of 1,500 tons of premium quality Dutch Yellowtail.

The year of boosting Plan Blue, growing positive environmental, social and governance impacts and including sustainability targets throughout all activities.

The year of driving responsibility in all aspects related to production and ultimately to our consumers.

The year of innovation and research, showing continual improvements and reduced dependency on marine resources.

The year of growing talent, best-in-class performance, embracing diversity and growing community based economic impact.

The year of increasing our global presence offering a fish like no other throughout Europe, the United Kingdom and the United States.

2021 was the year of building on our initial foundations with a clear vision and plan to commission phase 2A in the Netherlands and reach construction readiness in Maine in 2022.

Capital expenditures

The Group spent EUR 29,484K on capital expenditure during 2021. The capital related mainly to the expansion of The Kingfish Company's facility in the Netherlands and to the announced new facility in Maine for which it gained final state level approvals and announced the land purchase. The construction of phase two in The Netherlands remains on track to increase installed capacity to 3,500 tons by the fourth quarter of 2022. The company has started phase 2B, which includes a second pumphouse, second intake and exhaust pipeline and expanded hatchery, which will support both phase two operation as well as cover support infrastructure for a future phase three buildout.

Employees

The number of full-time equivalent (FTE) personnel increased from 59 in 2020 to 112 in 2021 to enable the rapid expansion that the company is undertaking. The number includes staff employed by the group's US entities.

Innovation

Innovation is an integral part of The Kingfish Company's strategy. It mainly relates to improving the breeding, growth performance, feed and system efficiencies of the Dutch Yellowtail production. The majority of the innovation projects in the Netherlands are undertaken in conjunction with provincial and national government as well as tertiary education institutions, while internal innovation and research projects continue to deliver impactful results.

Outlook

Management remains positive about the outlook for the Group despite the uncertainty caused by recent spike in inflation, the COVID-19 pandemic, and the Ukraine/Russia conflict. The group does not have any exposure to Ukraine through its operations nor any customers. The group expects to largely offset the impacts of rising inputs costs by higher sales prices driven by healthy demand for its products and rising sales prices for seafood in general. The Group will benefit from new debt financing secured which enables the Group to reach overall profitability.

03

Sustainability Report

What is Sustainable Aquaculture and how do we fare?

- Use of Green Energy
- Sustainable Feed
- Coastal Conservation
- Limited Pollution Impact
- Fish Welfare
- GMO Free
- Fresh Water Conservation
- Socially Responsible
- No Biodiversity Loss
- Raised without Antibiotics
- Community Engagement
- Economically Viable

Our purpose

As the global demand for seafood continues to grow, and structural challenges limit additional seafood from wild catch and traditional aquaculture, the advanced technology RAS sector is primed to become a significant additional source to meet increasing global demand.

The Kingfish Company is purpose driven to guarantee the responsible production of premium seafood with the lowest possible carbon impact while being socially responsible and growing a viable business with sustainable and long-term prospects and has shown that it is leading the way in land-based recirculating aquaculture systems and production.

Consumer demand for high value sustainable seafood continues to increase and land-based RAS facilities enable the production of low carbon seafood close to large marketplaces reducing carbon impact and cost of freight while increasing product shelf life and harvesting to order, therefore reducing food waste.

The Kingfish Company is on a mission to promote sustainable aquaculture, offering responsible choices to the consumer and growing awareness and care for the planet and people.

It is our purpose to produce a fish like no other, with uncompromising quality and sustainability.

> "SUSTAINABILITY MEANS MEETING THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR NEEDS."

Our people

Our values continue to inspire a people-centric approach to ethical and responsible business conduct through which we create an engaging and safe work environment where we promote diversity, inclusivity and equal opportunities while growing community impact and involvement.

Our people are also our stakeholders, and we interact with and listen to our employees, customers, local communities, suppliers, authorities and the blue economy industry at large.

We continue to align our activities, actions and strategic objectives with the United Nations' Sustainable Development Goals with a 2021 core focus on being responsible.

> “THE UNITED NATIONS SET 17 SDGS TO PROVIDE A BLUEPRINT FOR PEACE AND PROSPERITY FOR PEOPLE AND THE PLANET, NOW AND IN THE FUTURE. THE GOALS COVER ALL THREE PILLARS OF SUSTAINABILITY: ENVIRONMENTAL, SOCIAL AND ECONOMIC."

SUSTAINABLE DEVELOPMENT GOALS

Global Culture
16 nationalities
represented at
The Kingfish Company

Equality
women are in
42%
of middle and
senior management
positions

2021 People impacts

The Kingfish Company believes in growing talent and recognizes the value and potential of our employees. We offer opportunities to learn, further develop skills, grow knowledge and develop careers within the company.

We generated our Responsible Work Conditions Policy which is FOR inclusivity and diversity and AGAINST discrimination and corruption. This is in addition to our comprehensive People Guide and Kingfish Code of Conduct. Our employees represent 16 different nationalities and we embrace a global culture.

We value equal opportunity, with women in 42% of our middle to senior management positions and equal remuneration up to senior management level.

Health and Safety is top of mind as we commenced the construction of phase 2 and the appointment of a Health, Safety and Environment Specialist to lead and expand our Health and Safety Management System. The Kingfish Company strives for excellence in all we do and is committed to ensuring all work activities are carried out safely, and with all possible measures taken to mitigate risks to the health, safety and welfare of employees, contractors, authorised visitors, and anyone else who may be affected by our operations. Health and Safety practice forms an integral part of planning and decision making within the company as well as complying with all relevant and required occupational health and safety regulations.

The province of Zeeland is surrounded by water with ocean minded and aware communities. The Kingfish Company continues to engage with our neighboring communities as we strengthen positive economic impact through employment opportunities and supporting local service suppliers. We have been collaborating with Scalda, a local vocational and training institution with learning streams in animal science, aquaculture, agriculture and food technology. We also partnered with the local municipality of Noord Beveland, Scalda and the Rusthoeve test farm developing a practical and hands-on training concept in food production and environmental fields. In 2022 we are prioritizing Quality Education and Sustainable Communities as two of our focused SDGs and the collaborative efforts with these local institutions are fully aligned with these goals.

On the Bevelanden, education, entrepreneurs, social organizations and the government are joining forces for an innovative, strong and vital region in 2030. For this purpose, the network 'Samenwerking De Bevelanden' has been established. The purpose and strength of the network is sharing knowledge and expertise. By looking at social challenges together from different perspectives, 'Samenwerking de Bevelanden' can come up with innovative solutions at a faster pace. Kingfish Zeeland, Rusthoeve AIKC, Scalda and the municipality of Noord-Beveland are already working on a joint training location in Colijnsplaat. De Rusthoeve is an arable farm with a knowledge centre, specialized in agricultural innovation. The four parties are committed to smart, new and multifunctional combinations of their activities. They will soon train young people in the agri/aqua sector at the location where the students can immediately gain practical experience. In this way, they offer a future-oriented and therefore sustainable training.

We initiated an environmental awareness and beach clean-up activation with the local primary school which was great fun, a fantastic interactive learning experience and environmentally impactful with removing a lot of plastic from our coastal environment.

2021 Sustainability targets

REDUCING
our carbon emissions per ton of growth by 25% by 2025

REDUCING
residual waste created by our operation with 25% by 2025

INCREASING
our recycling efforts by 25% by 2025

REDUCING
our dependency on marine resources (Fish In Fish Out ratio) by 25% by 2025

"THE FISH IN FISH OUT RATIO (FIFO) IS THE AMOUNT OF WILD-CAUGHT FISH CONSUMED AS FISHMEAL AND/OR OIL PER KILOGRAM FISH PRODUCED."

Caring about our Planet

Our mission is to further advance our first-mover position in technology driven aquaculture and continue to establish ourselves as a market leader in the sustainable production of premium seafood.

Sustainability and respect to our fish and the environment are at the core of our values, and inform our design, operations, and technology decisions. We consider innovation, renewable energy, emission reductions, fish welfare, resource conservation, energy efficiency and environmental stewardship in our business planning, implementation and management processes while driving environmental research and development. We support and develop environmental projects and partnerships in our communities and will continue to pursue environmental excellence and innovation in our corporate strategy and operations.

2021 Planet impacts

The Kingfish Company set clear sustainability targets as part of our Plan Blue through the '25 × 25' Campaign.

We have committed to:

- reducing our carbon emissions per ton of growth by 25% by 2025
- reducing residual waste created by our operation with 25% by 2025
- increasing our recycling efforts by 25% by 2025
- reducing our dependency on marine resources (Fish In Fish Out ratio) by 25% by 2025

We will continue to work towards carbon emission reduction in everything we do.

In 2021 we generated 0.49 MWh of solar energy on site and sourced 100% of our electricity from renewable sources with guarantees of origin certified. We continue to manage our energy usage and saw a reduced energy use per ton of fish produced year-on-year.

Kingfish Zeeland retained all its sustainability and quality certifications during 2021.

ASC: The Aquaculture Stewardship Council logo distinguishes farms that care for the environment, their workers and the communities in which they operate.

BAP: As part of the Global Seafood Alliance, Best Aquaculture Practices ensures aquaculture is done responsibly through its third-party certification program, which certifies every step of the production chain.

FOS: Friend of the Sea is a project of the World Sustainability Organisation, with the mission to "conserve the marine environment while ensuring sustainable fish stocks for generations to come". The label is used on products and services which respect and protect the marine environment.

Good Fish Foundation (Green choice): Good Fish has all the information needed for the consumer to make good choices about sustainable fish consumption. Farmed fish is 'Green' if, sustainable feed is used, the effects on the surrounding area are minimal, and if the farm is well-managed and regulations are followed.

"WE DON'T WAIT FOR SUSTAINABILITY STANDARDS TO RISE, WE RAISE THE BAR OURSELVES."

Cees Jan Bastiaansen
Head of Quality and Sustainability

Our core sustainability focus areas in 2021

SDG 12
Responsible Consumption and Production

SDG 9
Innovation and Infrastructure

SDG 14
Life Below Water

SDG 13
Climate Action

Janneke van der Linde
Brand Ambassador

Our Environmental Committee arranged 4 beach clean-ups during 2021 with voluntary employee participation making a difference while contributing data to a citizen science-based platform on plastic pollution. We celebrated International Coastal Clean-up Day 2021 with a local beach clean-up where we collected mostly fishing gear and micro plastics.

Responsible Consumption and Production (SDG 12) together with Innovation and Infrastructure (SDG 9) as well as Life Below Water (SDG 14) and Climate Action (SDG 13) have formed part of our core sustainability focus areas in 2021.

As a producer and a consumer, we are continually evaluating our impacts and working towards circularity with progress being made in the waste to value stream, sustainable procurement and reduced reliance on marine resources. Our Research and Innovation Department worked on 7 projects related to nutrition including plant-based proteins and non-marine oils in our feeds and therefore reducing the Fish In Fish Out ratio by 15%.

"EDUCATION ABOUT SUSTAINABILITY IS THE KEY. IT STARTS AT HOME AND IT CAN THEN BE MASTERED IN A WORK ENVIRONMENT: THE KINGFISH COMPANY IS A GREAT PLACE FOR THIS TOO."

Creating the perfect product

The Kingfish Company leads product quality and food safety of yellowtail kingfish production. Through our implemented Quality Management System and verification by external certification and audit processes we continue to deliver best in class quality. We are proud to hold ASC, GSA's BAP and BRC certification. We also foster a food safety culture throughout our vertically integrated production process.

2021 Healthy and safe product impacts

We guarantee that our fish are raised without antibiotics, hormones or GMO throughout the entire production process.

As an innovative organisation in animal production, we carry a big responsibility to achieve the highest standards of animal welfare. We are committed to manage and provide positive animal welfare states for our fish in a measurable and transparent manner by using research, staff experience, fish health care and monitoring skills. Fish welfare forms a critical part of our ethics considerations.

We have an Animal Ethics Committee, an animal health monitoring and surveillance program and track our welfare index monthly. We care about the wellbeing of our fish.

"FISH BEHAVIOUR TELLS YOU EVERYTHING: YOU HAVE TO LEARN TO READ IT TO ENSURE A GOOD QUALITY OF LIFE FOR THE FISH, WHICH IN TURN LEADS TO A HIGHER QUALITY OF THE PRODUCT ITSELF."

Maryke Musson
General Manager

Our productivity rating continues to indicate healthy fish within optimal systems.

Innovation drives differentiation and performance and gives The Kingfish Company a competitive advantage. We continuously identify opportunities to innovate, improve on and disrupt the norm to deliver uncompromising quality and sustainability. We are innovators, creative game-changers and pioneers when it comes to land based Recirculating Aquaculture Systems and sector leading performance. Technology and innovation are tools we use to create the most pristine and optimal environment for our fish. In 2021 we started including AI and image processing as part of smart technologies for precision farming and risk management.

Through interdepartmental collaboration we designed, developed and 3-D printed an advanced, new generation feeder with much improved efficiencies and feed distribution. This will now be produced on site for inclusion in the new development phase.

From start-up to scale-up

Building on our proven technology, sector leading productivity, and remarkable market acceptance of our product, The Kingfish Company continues to scale up its capacity and optimize its operations with the goal of reaching group level profitability at 3,500 ton capacity, strengthening our business case for further expansion.

We are fully integrated from egg to plate, and therefore control and manage all inputs, impacts and quality. Utilizing advanced sustainable technology and replacing import at the target market enables us execute on a solid business case and deliver societal value and environmental benefits. Applying ethical and sustainable business practices while doing good has contributed to connecting with consumers and driving demand thus paving a path to profitability.

Plan Blue

The Kingfish Company has clear ESG targets set for 2022 and beyond. We will continue working towards 25 × 25 (our 2020 – 2025 impacts campaign), reducing carbon emissions to ultimately achieve carbon neutral status and contributing to climate action and conserving life below water.

Talent management is a priority with focus on developing skills through quality education internally while supporting education programs and opportunities within our community and in collaboration with higher education institutions. We will continue to grow equality within the workspace and promoting sustainable aquaculture as a career of choice to women especially.

We stand for sustainable cities and communities and will grow our community impact and involvement through regular collaborations and activations.

2022, the year of actively leading the land-based blue economy and inspiring the world with the perfect fish, the sustainable option, a fish like no other. The future of fish is here.

25 × 25 Impacts campaign

REDUCING our carbon emission per ton of growth
On track 80% of target achieved

REDUCING residual waste created by our operation
On track 76% of target achieved

INCREASING our recycling efforts
On track 100% of target achieved

REDUCING our dependency on marine resources
On track 60% of target achieved

Kingfish Zeeland

2021–2022

2021

200%
INCREASE
in biomass production
by increasing production capacity and infrastructure and relying on the experience of our teams

50%
INCREASE
in harvest volumes
and double sales volume

70%
INCREASE
in growth
through best in class fish husbandry, welfare and efficiencies

15%
INCREASE
in productivity
through efficient use of advanced technology RAS

3.6
MILLION
equivalent portions of
PREMIUM QUALITY
fish delivered to customers

15%
REDUCTION
in electricity
used per kg of fish in production

2022

from scale up to mature

from
1 500t
to
3 500t
capacity

NEW
hatchery

NEW
processing plant

NEW
pumphouse

Innovation
Ownership
Collaboration
Passion

Key team

Managing board

OHAD MAIMAN
Founding Partner & CEO

CHRISTO DU PLESSIS
CFO

KEES KLOET
Founding Partner & COO

Supervisory board

HANS DEN BIEMAN
Founding Partner & Chairman of the Board

MARTIN JANSEN
Supervisory Board Member

HELGE MOEN
Supervisory Board Member

JEROEN SCHEELBEEK
Supervisory Board Member

ALEXANDRE VAN DER WEES
Supervisory Board Member

Lead team

MARYKE MUSSON

General Manager
Kingfish Zeeland

MEGAN SORBY

Operations Manager
Kingfish Maine

JAN HEIN BREVE

General Counsel
The Kingfish Company

PIETER TOL

Head of Finance
The Kingfish Company

SERENA ZUIDEMA

Corporate Finance
Manager The Kingfish
Company

NICOLAS HACKER

Head of Sales
The Kingfish Company

LAUREN ENZ

VP of Sales The Kingfish
Company – US

HOPE KITTERMAN

Head of Marketing
The Kingfish Company

RONALD PEEREBOOM

Head of People
The Kingfish Company

CEES JAN BASTIAANSEN

Head of Quality
and Sustainability
The Kingfish Company

CHRISTIAAN DE WET

Head of Design and
Engineering The Kingfish
Company

BRAM ROHAAN

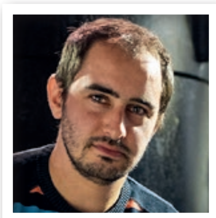
Head of Production
Kingfish Zeeland

SANDER RUIZEVELD DE WINTER

Head of Hatchery
Kingfish Zeeland

HUIBERT CORNELISSE

Technical Manager
Kingfish Zeeland



THOMAS STAESSEN

Innovation Manager
Kingfish Zeeland

MARTIJN SINAC

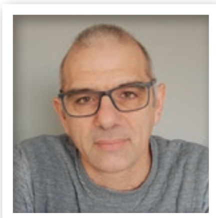
Operations Manager
Processing and Packing
Kingfish Zeeland

PETRA RUITER

Supply Chain and
Logistics Manager
Kingfish Zeeland

JANNEKE VAN DER LINDE

Brand Ambassador



ARIAN BERKHOUT

Technical Project
Manager Kingfish
Zeeland


Remuneration policy

This section provides an overview of the current remuneration policy of the Group. This policy relating to remuneration of the executive board members was presented and adopted by the Extraordinary General Meeting of Shareholders of the Group on 30 October 2020 and this Remuneration Policy will apply to all applicable remuneration payments and awards made after that date.

It is intended that this Remuneration Policy will be applicable for two years. Material changes to this policy during this period will be presented to the Annual General Meeting of the Group for approval. Prior to the expiry of the period, the Remuneration Policy will again be presented to the AGM for approval whereby this Remuneration Policy remains to be operated and applied by the Group until a new policy is approved by the AGM.

Objectives and principles of remuneration

This policy aims to attract, retain and reward highly qualified executives with the required background, skills and experience to implement the strategy of the Group. It is transparent and aligns the interests of the Group, shareholders and other stakeholders in the medium and long-term to deliver sustainable performance in line with the strategy, purpose and values of the Group.

The Group's mission is embedded in our growth strategy and the Remuneration Policy seeks to promote these strategic objectives within the Group's risk appetite.

The Group aspires to ensure that the Remuneration Policy aligns with all policies and procedures and complies with relevant laws and other regulations, by applying high standards of corporate governance, environmental and ethical practices.

Board remuneration benchmark

To ensure that the remuneration of the Management Board remains fair, reasonable and aligned with the values and purpose of the Group, the level of remuneration of the Management Board members is determined based on a variety of factors, including:

a. periodic benchmark assessments provided by external, independent advisors;
b. the remuneration arrangements for other employees in the Group;
c. the internal pay ratios;
d. views of shareholders as expressed during the AGM or in dialogue with the largest investors and shareholder representative bodies;
e. transformational value adding changes to the Group; and
f. the views within society.

Remuneration package

a. Fixed compensation – Annual base salary
b. Short-term incentive – Annual cash bonus plan
c. Long-term incentive plan – Conditional performance shares
d. Pension allowance and other benefits

These remuneration elements are regularly compared with a balanced remuneration reference group of companies selected by the Supervisory Board. When selecting reference companies, the size and complexity of the Group is taken into account, including market capitalization, net revenues and total assets.

The composition of the remuneration reference group is reviewed by the Supervisory Board on a regular basis and is updated if necessary to ensure an appropriate composition.

For the 2021 the management board members received their monthly fixed salary and participated in the group's pension scheme. There was no annual cash bonus paid out in 2021 and the Stock option plan in place contributes to the variable consideration of the board.

04

Financial performance

THE KINGFISH COMPANY N.V. GROUP

THE KINGFISH COMPANY N.V.

Statement of Financial Position

AS AT 31 DECEMBER 2021

Figures in Euro thousand	Notes	2021	2020	As at 1 January 2020
Assets				
Non-Current Assets				
Property, plant and equipment	4	55.450	26.614	14.239
Right-of-use assets	5	2.653	3.127	3.291
Biological assets	6	1.177	1.067	1.092
Deferred tax	8	6.977	5.242	2.657
		66.257	**36.050**	**21.279**
Current Assets				
Biological assets	6	4.496	2.748	2.142
Inventories	9	1.509	1.349	511
Trade and other receivables	10	3.888	1.511	1.268
Cash and cash equivalents	11	1.222	40.460	10.721
		11.115	**46.068**	**14.642**
Total Assets		**77.372**	**82.118**	**35.921**
Equity and Liabilities				
Equity				
Share capital	12	78.126	78.126	30.675
Reserves		813	361	26
Accumulated loss		(16.912)	(10.648)	(6.937)
		62.027	**67.839**	**23.764**
Liabilities				
Non-Current Liabilities				
Borrowings	15	7.321	8.402	7.090
Lease liabilities	5	1.285	1.779	1.994
		8.606	**10.181**	**9.084**
Current Liabilities				
Trade and other payables	16	5.584	2.036	2.157
Borrowings	15	540	1.434	522
Lease liabilities	5	527	534	394
Deferred income	17	88	94	–
		6.739	**4.098**	**3.073**
Total Liabilities		**15.345**	**14.279**	**12.157**
Total Equity and Liabilities		**77.372**	**82.118**	**35.921**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Euro thousand	Notes	2021	2020
Revenue	18	10.371	4.973
Other operating income	19	41	426
Other operating gains (losses)	20	1.448	491
Stock movements and transport and logistics cost	21	177	834
Raw materials	21	(6.629)	(3.687)
Employee costs	22	(4.920)	(2.835)
Lease expenses	22	(118)	(14)
Depreciation, amortisation and impairment expenses	22	(2.430)	(1.524)
Other operating expenses		(5.544)	(3.822)
Operating loss	22	**(7.604)**	**(5.158)**
Finance costs	23	(382)	(441)
Loss before taxation		**(7.986)**	**(5.599)**
Taxation	24	1.725	1.590
Loss for the year		**(6.261)**	**(4.009)**
Other comprehensive income:			
Items that maybe reclassified to profit or loss:			
Exchange differences on translating foreign operations		(21)	–
Other comprehensive income for the year net of taxation	25	**(21)**	**–**
Total comprehensive loss for the year		**(6.282)**	**(4.009)**
Earnings per share			
Per share information			
Basic loss per share (c)	28	(0,09)	(0,09)
Diluted loss per share (c)	28	(0,09)	(0,09)

Statement of Changes in Equity

Figures in Euro thousand	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Revaluation reserve	Share option reserve	Total reserves	Accumulated loss	Total equity
Opening balance as previously reported	415	30.260	30.675	–	915	–	915	(7.839)	23.751
Adjustments									
Change in accounting policy	–	–	–	–	(915)	26	(889)	902	13
Balance at 1 January 2020 as restated	**415**	**30.260**	**30.675**	**–**	**–**	**26**	**26**	**(6.937)**	**23.764**
Loss for the year	–	–	–	–	–	–	–	(4.009)	(4.009)
Other comprehensive income	–	–	–	–	–	–	–	–	–
Total comprehensive Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(4.009)**	**(4.009)**
Issue of shares	260	49.734	49.994	–	–	–	–	–	49.994
Employees share option expense	–	–	–	–	–	335	335	–	335
Convertible loan – equity component	2	220	222	–	–	–	–	–	222
Once-off funding fees reversal	–	–	–	–	–	–	–	298	298
Net fundraising costs	–	(2.765)	(2.765)	–	–	–	–	–	(2.765)
Total contributions by and distributions to owners of group recognised directly in equity	**262**	**47.189**	**47.451**	**–**	**–**	**335**	**335**	**298**	**48.084**
Balance at 1 January 2021	**677**	**77.449**	**78.126**	**–**	**–**	**361**	**361**	**(10.651)**	**67.836**
Loss for the year	–	–	–	–	–	–	–	(6.261)	(6.261)
Other comprehensive income	–	–	–	(21)	–	–	(21)	–	(21)
Total comprehensive Loss for the year	**–**	**–**	**–**	**(21)**	**–**	**–**	**(21)**	**(6.261)**	**(6.282)**
Employees share option expense	–	–	–	–	–	473	473	–	473
Total contributions by and distributions to owners of group recognised directly in equity	**–**	**–**	**–**	**–**	**–**	**473**	**473**	**–**	**473**
Balance at 31 December 2021	**677**	**77.449**	**78.126**	**(21)**	**–**	**834**	**813**	**(16.912)**	**62.027**
Notes	12	12	12	14 & 25	25	25		25	

Statement of Cash Flows

Figures in Euro thousand	Notes	2021	2020
Cash flows from operating activities			
Cash receipts from customers		7.995	4.895
Cash paid to suppliers and employees		(13.750)	(10.925)
Cash utilised in operations	26	(5.755)	(6.030)
Finance costs		(382)	(441)
Net cash from operating activities		**(6.137)**	**(6.471)**
Cash flows from investing activities			
Investment in property, plant and equipment	4	(30.625)	(13.445)
Net cash from investing activities		**(30.625)**	**(13.445)**
Cash flows from financing activities			
Net proceeds on share issue	12	–	47.451
(Repayment)/proceeds from borrowings		(1.975)	2.445
Payment on lease liabilities		(501)	(75)
Finance costs		–	–
Net cash from financing activities		**(2.476)**	**49.821**
Total cash movement for the year		**(39.238)**	**29.905**
Cash at the beginning of the year		40.460	10.555
Total cash at end of the year	11	**1.222**	**40.460**

Accounting Policies

1 Significant accounting policies

The principal accounting policies applied in the preparation of these annual report are set out below.

1.1 Basis of preparation

The annual report has been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing this annual report and the Part 9 of Book 2 of the Dutch Civil Code.

The annual report has been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Euros, which is the company's functional currency.

For all periods up to and including the year ended 31 December 2020, the Group prepared its annual report in accordance with Dutch generally accepted accounting principles (Dutch GAAP). This annual report for the year ended 31 December 2021 are the first the Group has prepared in accordance with IFRS. Refer to Note 34 for information on how the Group adopted IFRS.

1.2 Consolidation

Basis of consolidation

The consolidated annual report incorporates the annual report of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated annual report from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual report of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting Policies

1.2 Consolidation *(continued)*

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of annual report in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual report.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty *(continued)*

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Fair value estimation

Several assets and liabilities of the group are either measured at fair value or disclosure is made of their fair values, whereas biological assets have the most estimation uncertainty.

Biological assets are measured at fair value less costs to sell, with any change therein directly recognized in profit and loss. The estimated fair value of the biological assets is based on the most relevant prices at the reporting period date in the respective markets in which the group operates. The fair value calculation considers estimates of biomass volumes, quality, size distribution, production cost, mortality and normal costs of harvest and sale.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note 6 and note 7.

Impairment testing

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty *(continued)*

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of buildings, motor vehicles and office equipment and are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Deferred tax asset

Deferred tax assets are carried on the basis of the tax consequences of the realization or settlement of assets as planned by the group at the balance sheet date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available for set-off.

In this assessment, the group includes the possibility of planning of fiscal results and the level of future taxable profits in combination with the time and/or period in which the deferred tax assets are realized.

1.4 Biological assets

An entity shall recognise a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Biological assets (“biomass”) are measured at their fair value less costs to sell.

Biomass comprise of live fish in tanks from fry to market sized fish. All fish held in production tanks are considered saleable and are therefore measured at fair value less cost to sell.

The cost of biological assets (“biomass costs”) includes all direct costs required to raise fish from larvae to harvest. Biomass costs are generally recognized on a historical basis and include fish feed, other raw materials, direct salary and personnel costs and utilities from production.

Accounting Policies

1.4 Biological assets *(continued)*

The valuation of biological assets under IAS 41 is based on estimated fair value of the fish in a hypothetical market. The estimate of the unrealized fair value adjustment under IFRS 13 is based on actual size class of fish in tanks and historical sales prices and costs to sell. The difference between the fair value and the biomass costs is recognized under fair value adjustments in the accompanying consolidated statements of operations.

Under the provisions of IAS 41, the fair value of the company's biological assets is calculated based on the market price for the relevant fish quality and size on the reporting period date. As the biomass input is nor readily observable, biomass valuation is categorized at Level 3 in the fair value hierarchy under IFRS 13.

Biomass quantity is recorded upon grading of fish at younger ages into individual tanks and adjusted for actual mortalities recorded per tank. Total weight is calculated upon grading of fish and continually adjusted based on a feed intake based model. The average weight of fish per tank is regularly controlled by way of sampling of fish from each tanks, whereafter adjustments are made to reflect the sample results. Although some degree of variation is expected, actual fish size is not expected to deviate substantially from the average sampling size.

The fair value of the company's biological assets was calculated based on different parameters. The key element in the fair value model of biological assets is the price that is expected to be received in the future when the fish is harvested. This fair value calculation is based on realized sales per size-category around balance sheet date, the average production and harvesting cost.

Breeding stock are held for periods longer than 12 months after reporting date and are therefore classified as non-current assets. The live fish stock qualifies as a biological asset to be harvested within 12 months from reporting date and are therefore classified as current assets.

A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell is included in profit or loss for the period in which it arises.

Fair value adjustments of live fish stock is accounted for cost of sales.

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Accounting Policies

1.5 Property, plant and equipment *(continued)*

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Costs incurred as work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment are capitalized as assets under construction. When the activities are complete the costs are reallocated to the specific item of property, plant and equipment.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Buildings	Straightline	20–30 years
Equipment	Straightline	5–7 years
Motor vehicles	Straightline	5–7 years
Office equipment	Straightline	7 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Accounting Policies

1.5 Property, plant and equipment *(continued)*

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.6 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the group, as applicable, are as follows:

Financial assets which are debt instruments:
- Amortised cost.

Financial liabilities:
- Amortised cost.

Note 33 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Accounting Policies

1.6 Financial instruments *(continued)*

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 10).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (company-only).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

Accounting Policies

1.6 Financial instruments *(continued)*

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Euro equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 33).

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 10.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 22).

Accounting Policies

1.6 Financial instruments *(continued)*

Write off policy

The group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 10) and the financial instruments and risk management note (note 33).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Borrowings

Classification

Borrowings (note 15) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Accounting Policies

1.6 Financial instruments *(continued)*

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 23.)

Borrowings expose the group to liquidity risk and interest rate risk. Refer to note 33 for details of risk exposure and management thereof.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 16), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 23).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 33 for details of risk exposure and management thereof.

Accounting Policies

1.6 Financial instruments *(continued)*

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Euro equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 33).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Accounting Policies

1.6 Financial instruments *(continued)*

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.7 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Accounting Policies

1.7 Tax *(continued)*

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.8 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting Policies

1.8 Leases *(continued)*

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is “identified”, which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (note 22) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the group is a lessee are presented in note 5 Leases (group as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

Accounting Policies

1.8 Leases *(continued)*

Lease payments included in the measurement of the lease liability comprise the following:
- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- the amount expected to be payable by the group under residual value guarantees;
- the exercise price of purchase options, if the group is reasonably certain to exercise the option;

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 23).

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:
- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Kingfish Company N.V. Group has elected to apply the practical expedient and the modified retrospective approach was adopted with the transition to IFRS 16.

Accounting Policies

1.8 Leases *(continued)*

Right-of-use assets

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Equipment	Straight line	5–7 years
Motor vehicles	Straight line	5–7 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Accounting Policies

1.9 Inventories

Raw materials and consumables
Raw materials and consumables are stated at the lower of cost and net realizable value.

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost excludes borrowing costs. Costs are assigned to individual items of inventory on the first-in-first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts.

Frozen fish stock
The frozen fish stock is the harvested product from the live fish stock which is a biological asset and therefore qualifies as Agricultural Produce. Agricultural produce is measured at fair value less estimated costs to sell at the point of harvest. The point of harvest represents the transition to inventory measured under IAS 2. The fair value less estimated selling expenses at the point of harvest forms the cost price of the inventory at the date of transition.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The harvested fish stock is subsequently measured at the lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, redundant and slow moving items are identified on a regular basis and are written down to their estimated net realizable values.

1.10 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

Accounting Policies

1.10 Impairment of assets *(continued)*

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.11 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.12 Share based payments

Mid-and senior management of the group receive longterm incentives in the form of stock options.

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity- settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

Accounting Policies

1.12 Share based payments *(continued)*

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the share based payments granted do not vest until the counterparty completes a specified period of service, group accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight line basis over the vesting period).

In circumstances where the group is involved in a share based payment transaction among entities in the group, the following is applied in the entity's separate annual report:

- Where the group is the recipient of the goods or services, the transaction is measured as an equity settled share based payment transaction only if the awards are granted in its own equity instruments or if the entity has no obligation to settle the transaction. In all other cases, the transaction is measured as a cash settled share based payment transaction.
- Where the group settles the share based payment transaction and another entity in the group receives the goods or services, the entity recognises the transaction as an equity settled share based payment transaction only if it is settled in the entity's own equity instruments. In all other circumstances, the transaction is recognised as a cash settled share based payment transaction.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Accounting Policies

1.13 Employee benefits *(continued)*

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.14 Government grants

Government grants are recognised when there is reasonable assurance that:

- the group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are deducted from the related expense.

1.15 Revenue

Revenue represents income arising in the course of ordinary activities, being the sale of yellowtail kingfish, cultivated through aquaculture farming.

Revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Accounting Policies

1.15 Revenue *(continued)*

Sale of fish

Revenue from the sale of fish is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the fish at the customer's location.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of fish, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customer, if any.

All revenue earned by the Group, results in the recognition of trade receivables, to the extent unpaid by the customer, as only the passage of time is required, being the agreed payment terms. There are no significant payments terms.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. During both the 2021 and 2020 years there were no variable consideration included as part of a contract, except discounts as discussed below.

In exceptional cases discount is granted to customers on an ad-hoc basis. The discount can not be estimated at contract inception and are usually immaterial. Discount are therefore accounted for on a case-by-case basis as discount is granted.

The Group provides retrospective volume rebates to certain customers once the quantity of fish purchased during the period exceeds the threshold specified. The rebates are usually immaterial. Rebates are accounted for on a case-by-case basis as thresholds are met and therefore no refund liabilities are recognized.

Due to the nature of the product sold, return of goods hardly ever happens.

Accounting Policies

1.16 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.17 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

During both the 2021 and 2020 financial years, no borrowing costs were capitalised.

Accounting Policies

1.18 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Euros, except for the companies in the US, where a foreign currency transaction is recorded in USD, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, group determines a date of transaction for each payment or receipt of advance consideration. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual report are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated inequity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Euros by applying to the foreign currency amount the exchange rate between the Euro and the foreign currency at the date of the cash flow.

Accounting Policies

1.18 Translation of foreign currencies *(continued)*

Investments in subsidiaries, joint ventures and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the average rate for the year; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

Notes to the Annual Report

2 Group information

During 2020, the holding company converted from a ‘Besloten Vennootschap’ (BV) into a ‘Naamloze Vennootschap’ (NV) and changed its legal name to The Kingfish Company N.V. (previously: Kingfish Zeeland B.V.). Per November 2020 the Company is listed on Euronext Growth in Oslo (Norway), share code: KING

The address and domicile of The Kingfish Company N.V. group is:
Oost Zeedijk 13
4485 PM
Kats
the Netherlands

The Kingfish Company N.V. group engages in the production and supply of sustainable, safe and high quality seafood in its target markets.

In 2016 the group sanctioned its first project: a commercial scale pilot farm in the Netherlands for the production of more than 500 tons per annum of the supply constrained lucrative fish species ‘yellowtail kingfish’ via a proprietary recirculating aquaculture system. Since then the group completed the construction of the farm, closed the ‘production cycle’ and reached industry leading operational results.

The group is currently engaged in expanding its production capacity in West Europe (Netherlands site) and developing its first North America site (Maine, US). The Kingfish Company N.V group continues to explore additional market opportunities across various species and locations in Europe and North America.

The majority of the groups’ assets are in the Netherlands (2021: EUR 68.395k; 2020: EUR 80.008k) and the remainder is in North America (2021: EUR 8.978k; 2020: EUR 2.111k)

The consolidated annual report of The Kingfish Company N.V. group for the year ended 31 December 2021 were authorised for issue by the Executive Board on 20 April 2022, were signed by the Executive Board and the Supervisory Board on 20 April 2022 and will be submitted for adoption to the General Meeting on 9 June 2022.

Article 32 paragraph 1 of the company's Articles of Association state that profit is at the disposal of the general meeting of shareholders. The board of directors proposes that the result for the financial year 2021 amounting to € 6261K (negative) should be transferred to the general reserve. The financial statements reflect this proposal.

Notes to the Annual Report

3 New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 7

The amendment sets out additional disclosure requirements related to interest rate benchmark reform.

The effective date of the group is for years beginning on or after 1 January 2021.

The group has adopted the amendment for the first time in the 2021 annual report.

The impact of the amendment is not material.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9

When there is a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform then the entity is required to apply paragraph B5.4.5 as a practical expedient. This expedient is only available for such changes in basis of determining contractual cash flows.

Additional temporary exemptions from applying specific hedge accounting requirements as well as additional rules for accounting for qualifying hedging relationships and the designation of risk components have been added to hedge relationships specifically impacted by interest rate benchmark reform.

The effective date of the group is for years beginning on or after 1 January 2021.

The group has adopted the amendment for the first time in the2021 annual report.

The impact of the amendment is not material.

Notes to the Annual Report

3.1 Standards and interpretations effective and adopted in the current year *(continued)*

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 16

If there is a lease modification as a result of the interest rate benchmark reform, then as a practical expedient the lessee is required to apply paragraph 42 of IFRS 16 to account for the changes by remeasuring the lease liability to reflect the revised lease payment. The amendment only applies to modifications as a result of the interest rate benchmark reform.

The effective date of the group is for years beginning on or after 1 January 2021.

The group has adopted the amendment for the first time in the 2021 annual report.

The impact of the amendment is not material.

Interest Rate Benchmark Reform – Phase 2: Amendments to IAS 39

Temporary exemptions from applying specific hedge accounting requirements as well as additional rules for accounting for qualifying hedging relationships and the designation of financial items as hedged items have been added to hedge relationships specifically impacted by interest rate benchmark reform.

The effective date of the group is for years beginning on or after 1 January 2021.

The group has adopted the amendment for the first time in the 2021 annual report.

The impact of the amendment is not material.

Notes to the Annual Report

3.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2022 or later periods:

STANDARD/INTERPRETATION:	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT:
Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12	1 January 2023	Unlikely there will be a material impact
Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	1 January 2023	Unlikely there will be a material impact
Definition of accounting estimates: Amendments to IAS 8	1 January 2023	Unlikely there will be a material impact
Classification of Liabilities as Current or Non-Current-Amendment to IAS 1	1 January 2023	Unlikely there will be a material impact
Annual Improvement to IFRS Standards 2018–2020: Amendments to IFRS 1	1 January 2022	Unlikely there will be a material impact
Reference to the Conceptual Framework: Amendments to IFRS 3	1 January 2022	Unlikely there will be a material impact
Annual Improvement to IFRS Standards 2018–2020: Amendments to IFRS 9	1 January 2022	Unlikely there will be a material impact
Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	1 January 2022	Unlikely there will be a material impact

4 Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	21.285	(2.077)	19.208	11.805	(1.244)	10.561
Equipment	8.054	(2.099)	5.955	3.821	(1.119)	2.702
Motor vehicles	62	(24)	38	40	(8)	32
Office equipment	472	(154)	318	332	(72)	260
Assets under construction	29.931	–	29.931	13.059	–	13.059
Total	**59.804**	**(4.354)**	**55.450**	**29.057**	**(2.443)**	**26.614**

Notes to the Annual Report

4 Property, plant and equipment *(continued)*

	As at 1 January 2020		
	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	6.845	(289)	6.556
Equipment	7.643	(1.048)	6.595
Motor vehicles	41	(7)	34
Office equipment	199	(30)	169
Assets under construction	885	–	885
Total	**15.613**	**(1.374)**	**14.239**

Reconciliation of property, plant and equipment – 2021

	Opening balance	Additions	Reclassification	Forex adjustment	Depreciation	Total
Land and buildings	10.561	215	9.265	–	(833)	19.208
Equipment	2.702	2.116	2.121	(4)	(980)	5.955
Motor vehicles	32	22	–	–	(16)	38
Office equipment	260	141	1	–	(84)	318
Assets under construction	13.059	28.131	(11.387)	128	–	29.931
	26.614	**30.625**	**–**	**124**	**(1.913)**	**55.450**

Reconciliation of property, plant and equipment – 2020

	Opening balance	Additions	Reclassification	Depreciation	Total
Land and buildings	6.556	22	4.198	(215)	10.561
Equipment	6.595	1.249	(4.314)	(828)	2.702
Motor vehicles	34	–	–	(2)	32
Office equipment	169	–	116	(25)	260
Assets under construction	885	12.174	–	–	13.059
	14.239	**13.445**	**–**	**(1.070)**	**26.614**

Property, plant and equipment encumbered as security

Assets have been pledged as security for the secured long-term borrowings. Refer to note 15.

Assets under construction

Assets under construction mainly relate to the expansion of the farm in the Netherlands, as well as initial investments for a farm in the USA.

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

5 Leases (group as lessee)

The group has lease contracts for various motor vehicles and production equipment in its operations. Leases of motor vehicles generally have lease terms between five and seven years, while production equipment generally have lease terms between five and seven years. The group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the group is restricted from assigning and subleasing the leased assets.

Details pertaining to leasing arrangements, where the group is lessee are presented below:

	2021	2020	As at 1 January 2020
Net carrying amounts of right-of-use assets			
The carrying amounts of right-of-use assets are as follows:			
Equipment	2.437	2.865	3.158
Motor vehicles	216	262	133
	2.653	**3.127**	**3.291**
Additions to right-of-use assets			
Equipment	–	121	3.676
Motor vehicles	42	171	166
	42	**292**	**3.842**
Depreciation recognised on right-of-use assets			
Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 22), as well as depreciation which has been capitalised to the cost of other assets.			
Equipment	428	413	360
Motor vehicles	89	41	8
	517	**454**	**368**
Lease liabilities			
The maturity analysis of lease liabilities is as follows:			
Within one year	581	605	411
Two to five years	1.195	1.717	1.972
More than five years	225	248	297
	2.001	2.570	2.680
Less finance charges component	(189)	(257)	(292)
	1.812	**2.313**	**2.388**
Non-current liabilities	1.285	1.779	1.994
Current liabilities	527	534	394
	1.812	**2.313**	**2.388**

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

5 Leases (group as lessee) *(continued)*

	2021	2020
As at 1 January	2.313	2.388
Additions	41	293
Interest	72	63
Payments	(614)	(431)
As at 1 December	1.812	2.313

Exposure to liquidity risk

Refer to note 33 Financial instruments and risk management for the details of liquidity risk exposure and management.

6 Biological assets

	2021			2020		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Live stock fish	4.496	–	4.496	2.748	–	2.748
Brood stock	1.177	–	1.177	1.067	–	1.067
Total	**5.673**	**–**	**5.673**	**3.815**	**–**	**3.815**

	As at 1 January 2020		
	Cost/ Valuation	Accumulated depreciation	Carrying value
Live stock fish	2.142	–	2.142
Broodstock	1.092	–	1.092
Total	**3.234**	**–**	**3.234**

Reconciliation of biological assets – 2021

	Opening balance	Increase due to production	Decreases due to harvest/sales	Decrease due to mortality	Gains (losses) arising from changes in fair value	Total
Live fish stock	2.748	13.596	(11.294)	(595)	41	4.496
Broodstock	1.067	–	–	–	110	1.177
	3.815	**13.596**	**(11.294)**	**(595)**	**151**	**5.673**

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

6 Biological assets *(continued)*

Reconciliation of biological assets – 2020

	Opening balance	Increase due to production	Decreases due to harvest/sales	Decrease due to mortality	Gains (losses) arising from changes in fair value	Total
Live fish stock	2.142	9.555	(8.565)	(216)	(168)	2.748
Broodstock	1.092	–	–	–	(25)	1.067
	3.234	**9.555**	**(8.565)**	**(216)**	**(193)**	**3.815**

Pledged as security

All current and future biological assets are pledged as security for loan 0050021680 with Rabobank.

Methods and assumptions used in determining fair value

The cost of Biological assets ("biomass costs") includes all direct costs required to raise fish from larvae to harvest. Biomass costs are generally recognized on a historical basis and include fish feed, other raw materials, direct salary and personnel costs and utilities from production.

The valuation of Biological assets is based on estimated fair value of the fish in a hypothetical market. The estimate of the unrealized fair value adjustment under IFRS 13 is based on actual size class of fish in tanks and historical sales prices and costs to sell. Refer to note 7 for more detailed information.

Financial risk management strategies related to agricultural activity

Since The Kingfish Company N.V. group is in the aquaculture industry, there are various risks related to biological assets, that should be mitigated. A detailed risk matrix has been designed by the management of the group, which can be inspected at the register office. The three highest risks within the production department are a viral infection in the hatchery, unsuccesful hatchery production with unknown cause and an introduction of disease into the farm.

These risks are mitigated by the following strategies:
- There are two hatcheries in place to spread risk;
- the group employs an experienced hatchery team and consultants with a track record of successful production
- an experienced veterinarian can be called upon to assist in isolating and treating any disease as soon as detected.

As of 31 December 2021 and 2020, the group's physical volumes of biological assets consisted of the following:

	2021	2020	
Live fish weight (in tons)	416	206	
Number of fish (in thousands)	716	394	
Volume of fish harvested during the year (tons whole round weight)	944	637	
Net biological assets			
Non-current assets	1.177	1.067	1.092
Current assets	4.496	2.748	2.142
	5.673	**3.815**	**3.234**

Notes to the Annual Report

Figures in Euro thousand		2021	2020	As at 1 January 2020

7 Fair value information

Fair value hierarchy

The table below analyses assets carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements				
Level 3				
Recurring fair value measurements				
Assets	Note			
Biological assets	6			
Live fish stock		4.496	2.748	2.142
Broodstock fish		1.177	1.067	1.092
Total biological assets		**5.673**	**3.815**	**3.234**
Total		**5.673**	**3.815**	**3.234**

Reconciliation of assets and liabilities measured at level 3

2021/2020

Refer to note 6 for the movement in fair value.

Movements within the fair value of live fish stock is recognised within cost of sale and movements within broodstock is recognised in fair value adjustments.

Information about valuation techniques and inputs used to derive level 3 fair values

Biological assets – live fish stock

The key unobservable inputs, together with the weighted average range of probabilities, are as follows:

Biomass quantity is recorded upon grading of fish at younger ages into individual tanks and adjusted for actual mortalities recorded per tank. Total weight is calculated upon grading of fish and continually adjusted based on a feed intake based model. The average weight of fish per tanks is regularly controlled by way of sampling of fish from each tanks, where after adjustments are made to reflect the sample results. Although some degree of variation is expected, actual fish size is not expected to deviate substantially from the average sampling size.

The fair value of the Group's biological assets was calculated based on different parameters. The key element in the fair value model of biological assets is the price that is expected to be received in the future when the fish is harvested. This fair value calculation is based on realized sales per size-category around balance sheet date, the average production and harvesting cost. The distribution per size-category as of 31 December 2021 and 2020 was as follows:

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

7 Fair value information *(continued)*

	Price range in €/kg		Counts (thousand units)	
	2021	2020	2021	2020
Fish below 2 kg	8,32–12,09	7,80–11,95	622	174
Fish above 2 kg	12,09–13,13	11,95–13,50	21	220

All fish under 700 grams are valued at EUR 3 each.

Incident based Mortality

No significant mortality incidents were noted for the years ended 31 December 2021 and 2020.

8 Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	2021	2020	As at 1 January 2020
Deferred tax asset	6.977	5.242	2.657
Reconciliation of deferred tax asset/(liability)			
At beginning of year	5.242	2.657	1.249
Increase due to rate change	155	346	283
Increases (decrease) in tax loss available for set off against future taxable income	1.580	1.159	1.125
Once-off funding cost	–	1.080	–
	6.977	**5.242**	**2.657**

Recognition of deferred tax asset

Deferred income tax assets relate to unutilized tax losses. These losses are expected to be offset with future profits.

9 Inventories

	2021	2020	As at 1 January 2020
Raw materials and consumables	854	465	376
Finished goods – frozen fish	655	884	135
	1.509	**1.349**	**511**

Write-downs of inventories were minimal. The write downs were recognized as an expense during the year ended 31 December 2021 and included in cost of sales in the statement of profit or loss. All inventories are reviewed regularly to ensure that it is measured at the lower of cost or net realizable value.

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

10 Trade and other receivables

	2021	2020	As at 1 January 2020
Financial instruments:			
Trade receivables	1.665	803	663
Trade receivables – related parties	–	–	128
Loss allowance	(42)	(10)	–
Trade receivables at amortised cost	1.623	793	791
Deposits	57	44	40
Lease credits	677	113	–
Non-financial instruments:			
VAT	1.503	561	292
Prepayments	28	–	145
Total trade and other receivables	**3.888**	**1.511**	**1.268**

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

Management regularly monitors trade receivables for aging. The group trades only with recognized and creditworthy third parties. The group subjects all potential customers to credit verification procedures as part of its policy and monitors its outstanding trade receivable balances on an ongoing basis. The group makes use of credit insurance on customers where available. The group monitors exposure towards individual customers closely and was not substantially exposed in relation to any individual customer or contractual partner as of 31 December 2021 and 2020.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

10 Trade and other receivables *(continued)*

	2021	2021	2020	2020
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 0,7%	1.249	8	–	–
Less than 30 days past due: 0% (2020: 1,1%)	374	15	451	5
31–60 days past due: 0% (2020: 1,7%)	40	5	263	4
61–90 days past due: 0% (2020: 2,2%)	1	1	28	1
91–120 days past due: 0% (2020: 100%)	13	13	(4)	–
Total	**1.677**	**42**	**738**	**10**

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for lease receivables:

	2021	2020	As at 1 January 2020
Opening balance	**(10)**	**(25)**	**(25)**
Remeasurement of loss allowance – comparative	(32)	15	25
Closing balance	**(42)**	**(10)**	**–**

Exposure to currency risk

Refer to note 33 for details of currency risk management for trade receivables.

11 Cash and cash equivalents

	2021	2020	As at 1 January 2020
Cash and cash equivalents consist of:			
Bank balances	1.222	40.425	10.686
Short-term deposits	–	35	35
	1.222	**40.460**	**10.721**

Exposure to currency risk

Refer to note 33 Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

12 Share capital

Authorised			
200.000.000 Ordinary shares of par value of EUR 0.01	2.000	2.000	2.000
Reconciliation of number of shares issued:			
Reported as at 1 January 2021/2020	67.741	41.525	41.525
Issue of shares – ordinary shares	–	26.042	–
Conversion of loan	–	174	–
	67.741	**67.741**	**41.525**
Issued			
Ordinary	677	677	415
Share premium	77.449	77.449	30.260
	78.126	**78.126**	**30.675**

No movements in shares took place during 2021. On 24 March 2020 the remaining balance of the subordinated loan was converted into 81 000 ordinary shares with a nominal value of EUR 0.01 per share for a total value of EUR 222k. On 20 November 26 042 000 common shares with a nominal value of EUR 0.01 were issued for EUR 49 994k.

All issued shares are fully paid.

The shareholders shall have the right to vote in respect of the Shares in which an usufruct has been created. However, the beneficiary of an usufruct shall be entitled to vote, if this was so provided for at the creation of the usufruct. Shares may be pledged as security. The Shareholder shall have the right to vote in respect of the Shares which have been pledged. However, the voting rights shall accrue to the pledgee, if this was so provided for at the creation of the pledge. The Receipt Holder's Right shall vest in a Shareholder who in consequence of usufruct or a pledge created on his Shares is not entitled to vote, and in usufructuaries and pledges who are entitled to vote. The Receipt Holder's Rights Shall not vest in usufructuaries and pledgees who are not entitled to vote.

13 Share based payments

Share Option Group	Number ('000)	Weighted exercise price
Outstanding at the beginning of the year	2.122	1,28
Granted during the year	880	2,53
Forfeited during the year	(70)	2,53
Outstanding at the end of the year	2.932	1,62
Exercisable at the end of the year	707	1,28

Details	Total Options @ Eur 1,2788	Vested	Total Options @ Eur 2,53	Vested
O. Maiman	887.862	295.954	–	–
C.J. Kloet	705.736	235.245	–	–
C.M. du Plessis	227.657	75.886	180.000	–
Other staff	300.508	100.169	700.000	–
	2.121.763	**707.254**	**880.000**	**–**

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

13 Share based payments *(continued)*

On 30 October 2020, at an extraordinary general meeting an employee stock option plan (ESOP) was approved, pursuant to which options for a total of 4 006 762 common shares may be awarded to members of the mid- and senior management and key employees, equivalent to approximately 8,8% of the then issued share capital on a fully diluted basis. A four year vesting schedule applies to each grant under the ESOP including an one-year cliff during which no options vest. After the one-year cliff awarded options vest in 36 equal monthly numbers. Vesting is based on the recipient remaining in service and contains bad leaver provisions. As at the reporting date 2 121 763 options were issued with an exercise price of EUR 1,2788 each and 880 000 with an exercise price of EUR 2,53. The exercise price is based on the value of the shares when capital was raised or latest average price on the exchange. The expected volatility is 40% based on similar companies listed for a couple of years. The model is based on a 10 year expiration date with no expected dividends, the risk-free interest rate is assumed as 0,33%, the average fair value is EUR 0,60 at the end of 2021 and the last options vesting 31/05/2025.

Based on the Binomial compensation model, an amount of EUR 473 313 (2020: 335 287) was recognized in the P&L versus equity under Share options reserve. This amount represents the potential cost of the ESOP and has not been paid.

14 Foreign currency translation reserve

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries.

	2021	2020	As at 1 January 2020
Kingfish Maine Inc.	(5)	–	–
Kingfish Yellowtail USA Inc.	(16)	–	–
	(21)	**–**	**–**

15 Borrowings

	2021	2020	As at 1 January 2020
Held at amortised cost			
Rabobank 0050021680	4.787	6.102	6.590
Rabobank 0050152046	3.074	3.695	–
PPP Loan USA	–	39	–
Visserij investeringsfonds Nederland 430.005.020	–	–	500
Visserij investeringsfonds Nederland 430.004.020	–	–	300
Subordinated loan	–	–	222
	7.861	**9.836**	**7.612**
Split between non-current and current portions			
Non-current liabilities	7.321	8.402	7.090
Current liabilities	540	1.434	522
	7.861	**9.836**	**7.612**

Rabobank 0050021680

The loan matures on 30 June 2029 and bears interest at 3 Month EURIBOR plus a markup of 3.25%. The markup of 3.25% is fixed for the duration of three years.

The loan is repayable in quarterly instalments of EUR 75 000 as from 30 June 2019. An additional repayment of EUR 3 100 000 is due on 30 June 2029.

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

15 Borrowings *(continued)*

The transaction costs attributable to the loan amount EUR 47 000 and are deducted from the amount received. The transaction costs will be amortized during the duration of the loan.

The loan is secured by a first mortgage on the land and the company hall at Oostzeedijk 11, 4485 OM Colijnsplaat. The loans is also pledged by the insured stock, all current and future stocks and all current and future inventories.

The Kingfish Company N.V. group should satisfy a solvency ratio of at least 45% and a debt service ratio of at least 1.3 (as from 31 December 2021).

Rabobank 0050152046

The loan matures on 1 July 2030 and bears interest at 3 Month EURIBOR plus a markup of 2.7%. The markup of 2.7% is fixed for the duration of three years.

The loan is repayable in quarterly instalments of EUR 105 263 as from 31 December 2020.

The loan is secured with a third right of mortgage on the land and the company hall at Oostzeedijk 11, 4485 OM Colijnsplaat and second right of mortgage on the fish farm, situated at Colijnseplaatse Groeneweg 2 Kats. The loan is also pledged by CAR insurance.

The Kingfish Company N.V. group should satisfy a solvency ratio of at least 45% and a debt service ratio of at least 1.3 (as from 31 December 2021).

Please refer to Note 29 Going Concern which provides further comments.

PPP Loan USA

The loan is interest free and unsecured. During 2021 the loan was converted into a grant.

Visserij investeringsfonds Nederland 430.004.020/430.005.020

Both the loans were repaid on the 30th on November 2020.

Exposure to liquidity and interest rate risk

Refer to note 33 Financial instruments and financial risk management for details of liquidity risk exposure and management, as well as details of interest rate risk management for borrowings.

16 Trade and other payables

	2021	2020	As at 1 January 2020
Financial instruments:			
Trade payables	2.426	1.287	1.641
Payables relating to taxes and social security contributions	407	301	111
Accrued leave pay and holiday allowance	390	241	111
Accrued expenses and fees to be paid	64	131	244
Other accruals	2.297	76	50
	5.584	**2.036**	**2.157**

Other accruals

Other accruals consist mainly of an accrual created for the assets under construction, which have been constructed, but no invoice was received at year-end.

Exposure to currency risk, liquidity risk and interest rate risk

Refer to note 33 Financial instruments and financial risk management for details of currency risk management, liquidity risk exposure and management and interest rate risk management for trade and other payables.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

Notes to the Annual Report

Figures in Euro thousand	2021	2020

17 Deferred income

Government grants have been received for the reimbursement of costs.

Figures in Euro thousand	2021	2020
As at 1 January	94	–
Received during the year	136	727
Released to the statement of profit or loss	(148)	(633)
Forex adjustment	6	–
As at 31 December	88	94
	88	**94**

There are no unfulfilled conditions or contingencies attached to these grants and no signficant decreases are expected in the level of government grants.

18 Revenue

	2021	2020
Revenue from contracts with customers		
Sale of goods	10.371	4.973
Disaggregation of revenue from contracts with customers		
The group disaggregates revenue from customers as follows:		
Sale of goods		
Fish	10.371	4.973
Timing of revenue recognition		
At a point in time		
Sale of goods	10.371	4.973
Geographical markets		
Western Europe	3.985	1.074
Southern Europe	4.579	3.017
Rest of the World	1.807	882
	10.371	**4.973**

Performance obligation

The performance obligation is satisfied upon delivery of the fish and payment is generally due within 30 days from delivery.

The customer pay the transaction price equal to the cash selling price upon delivery of the fish. There is not a significant financing component for any of the sales transactions.

In exceptional cases discount is granted to customers on an ad-hoc basis. The discount cannot be estimated at contract inception and are usually immaterial. Discount on therefore accounted for on a case-by-case basis as discount is granted.

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Figures in Euro thousand		2021	2020

19 Other operating income

		2021	2020
Fees earned		–	421
Other income		–	5
PPP loan forgiveness		41	–
		41	**426**

20 Other operating gains (losses)

		2021	2020
Foreign exchange gains (losses)			
Net foreign exchange gains		403	240
Fair value gains (losses)			
Biological assets	6	1.045	251
Total other operating gains (losses)		**1.448**	**491**

21 Cost of sales

		2021	2020
Transport and logistics cost		651	402
Stock movements		(240)	(810)
Live fish stock movements		(588)	(426)
Raw materials		6.629	3.687
		6.452	**2.853**

Notes to the Annual Report

Figures in Euro thousand	2021	2020

22 Operating profit (loss)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

	2021	2020
Auditor's remuneration – external		
Audit fees	127	86
Employee costs		
Salaries, wages and other benefits	4.117	2.373
Share based compensation expense	456	335
Retirement benefit plans: defined contribution expense	347	127
Total employee costs	**4.920**	**2.835**
Average number of persons employed during the year		
Total number of Full Time Equivalents	95	46
Leases		
Leases of short term and low value assets	118	14
Depreciation and amortisation		
Depreciation of property, plant and equipment	1.913	1.070
Depreciation of right-of-use assets	517	454
Total depreciation and amortisation	**2.430**	**1.524**

23 Finance costs

	2021	2020
Lease liabilities	37	76
Borrowings	345	365
Total finance costs	**382**	**441**

Notes to the Annual Report

Figures in Euro thousand	2021	2020

24 Taxation

	2021	2020
Major components of the tax income		
Deferred		
Originating and reversing temporary differences	(1.725)	(1.590)
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(7.986)	(5.599)
Tax at the applicable tax rate of 25% (2020: 25%)	(1.997)	(1.400)
Tax effect of adjustments on taxable income		
Final return 2019	37	–
Non-deductable expenses	141	102
Difference between tax and IFRS accounting policies	366	123
Participants included	(84)	(86)
Effect of lower tax bracket	(25)	17
Change in tax rate	(163)	(346)
	(1.725)	**(1.590)**

The income tax rate of 25% in 2021 (2020: 25%; 2019: 19%) was increased to 25,8% in 2022.

25 Other comprehensive income

Components of other comprehensive income – 2021

	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	(21)	–	(21)

Notes to the Annual Report

Figures in Euro thousand	2021	2020

26 Cash utilised in operations

	2021	2020
Loss before taxation	(7.986)	(5.599)
Adjustments for:		
Depreciation and amortisation	2.430	1.524
Gains on foreign exchange	(124)	–
Finance costs	382	441
Fair value gains	(1.858)	(581)
Revaluation reversal	–	(996)
Funding fee expense	–	299
Employee share option expense	452	335
Non-cash movement in right-of-use assets	(42)	(293)
Changes in working capital:		
Inventories	(166)	841
Trade and other receivables	(2.377)	(77)
Trade and other payables	3.540	(114)
Deferred income	(6)	(128)
	(5.755)	**(6.030)**

27 Directors' emoluments

Executive

2021

Directors' emoluments	Basic salary	Other remuneration	Pensions receivable or received	Fees for acceptance of office	Share options received	Total
Services as director or prescribed officer						
CEO – O. Maiman	230	47	8	–	138	423
COO – C.J. Kloet	190	9	8	–	66	273
CFO – C.M. du Plessis	198	4	8	–	109	319
Former CFO – I. Young	–	155	–	–	–	155
Chairman – H. den Bieman	–	–	–	68	–	68
Board member – A. Van Der Wees	–	–	–	39	–	39
Board member – J. Scheelbeek	–	–	–	39	–	39
Board member – H. Moen	–	–	–	39	–	39
Board member – M. Jansen	–	–	–	39	–	39

Notes to the Annual Report

Figures in Euro thousand	2021	2020

27 Directors' emoluments *(continued)*

2020

Directors' emoluments	Basic salary	Other remuneration	Pensions receivable or received	Fees for acceptance of office	Share options received	Total
Services as director or prescribed officer						
CEO – O. Maiman	222	47	7	–	140	416
COO – C.J. Kloet	191	2	7	–	138	338
CFO – I. Young	191	65	7	–	–	263
Chairman – H. den Bieman	–	–	–	45	–	45
Board member – A. Van Der Wees	–	–	–	4	–	4
Board member – J. Scheelbeek	–	–	–	4	–	4
Board member – H. Moen	–	–	–	4	–	4

28 Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing profit (loss) attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	2021	2020
Basic loss per share		
From continuing operations (c per share)	(0,09)	(0,09)

Basic earnings per share was based on weighted average number of ordinary shares of 67.740.195 (2020: 44.575.629).

	2021	2020
Reconciliation of profit (loss) for the year to basic earnings		
Profit (loss) for the year attributable to equity holders of the parent	(6.261)	(4.009)

Notes to the Annual Report

28 Earnings per share *(continued)*

Figures in Euro thousand	2021	2020
Diluted earnings per share		
In the determination of diluted earnings per share, profit (loss) attributable to the equity holders of the parent and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.		
Where there is a discontinued operation, diluted earnings per share is determined for both continuing and discontinued operations.		
Diluted loss per share		
From continuing operations (c per share)	(0,09)	(0,09)
Diluted earnings per share was based on a weighted average number of ordinary shares of 67.767.647 (2020: 45.843.635).		
Reconciliation of basic earnings to earnings used to determine diluted earnings per share		
Basic loss	(6.261)	(4.009)
Reconciliation of weighted average number of ordinary shares used for earnings per share to weighted average number of ordinary shares used for diluted earnings per share		
Weighted average number of ordinary shares used for basic earnings per share	67.740	44.576
Adjusted for:		
Options	27	1.268
	67.767	**45.844**

29 Going concern

The annual report has been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly, the annual report have been prepared on a going concern basis.

The group has entered into a Senior Facilities Agreement with P Capital Partners AB ("PCP") for a five-year ESG-linked bilateral debt facility of up to €75 million. This loan has been secured to ensure enough cash for the completion of the Netherlands expansion and subsequent ramp up in production to reach a Group cash flow positive result. This PCP loan will also be used to repay the current debt with the Rabobank who have confirmed that the required debt service ratio per 31-12-2021 does not need to be met.

The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

We draw attention to the fact that at 31 December 2021, the group had accumulated losses of € 16.912 and that the group's total assets exceed its liabilities by € 62.027. This is mainly due to the group still being in a start-up phase.

Notes to the Annual Report

Figures in Euro thousand	2021	2020

30 Events after the reporting period

A bridge facility of EUR 10 000 000 from Rabobank has been secured to assure continuous development of the Netherlands expansion. The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

31 Comparative figures

Certain comparative figures have been reclassified for presentation purposes.

32 Commitments

Authorised capital expenditure

The group has committed and contracted to spend an amount of EUR 23.015k towards the construction of further production capacity in the Netherlands. EUR 14.035k is still outstanding at year-end.

Electricity hedge

The group has committed to purchase electricity at a fixed rate from CAMCOM from 2024, for a period of 3 years, at a price of EUR 242k per annum.

33 Financial instruments and risk management

Capital risk management

The group's objective when managing capital (which includes mainly equity and debt) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The group monitors capital utilising a number of measures, such as inspecting montly management reports and monitoring ratios of the borrowings bi-annually, which are externally imposed capital requirements by Rabobank. Refer to note 15 for the ratios of the borrowings. These requirements are incorporated in the management of capital by inspecting it bi-annually and by taking it into consideration when deciding on future equity/debt raise.

The main objective for managing capital is to get the Zeeland farm to a point where it will be at full capacity of 3500t, and where it will be profitable. The group is meeting this objective by obtaining external borrowings.

There has been no changes to the group's objective, policy and processes for managing capital from the previous period and no changes in what the group manages as capital.

During the period the group has complied with externally imposed capital requirements to which it is subject to.

The capital of the group at the reporting date was as follows:

Borrowings	15	7.861	9.836	7.612
Equity		62.027	67.836	23.764

Notes to the Annual Report

33 Financial instruments and risk management

(continued)

Financial risk management

Overview

The group's financial instruments primarily comprise of cash, current receivables, payables, debt, financial and operational leases. Credit risk arising from the failure of a customer to pay its debts is – to a large extent – covered by an insurance contract. This also applies to the property and equipment which are all covered by insurances. Most borrowings are at an Euribor rate plus a fixed mark up. The main non-financial risk relates to health and safety and the focus is and will remain on personal and operational safety.

The group is exposed to credit risk, liquidity risk and market risk (currency risk and interest rate risk). The group's finance department oversees the management of these risks. The group's finance department ensures that the group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group is exposed to credit risk on trade and other receivables, cash and cash equivalents and loan commitments.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The group only deals with reputable counterparties with consistent payment histories. The group subjects all potential customers to credit verification procedures as part of its policy and monitors its outstanding trade receivable balances on an ongoing basis. If the credit rating (risk) of a financial instrument has increased significantly during the year, the credit risk agency will provide the group with the updated information. The group makes use of credit insurance on customers where available. The group monitors exposure towards individual customers closely and was not substantially exposed in relation to any individual customer or contractual partner as of 31 December 2021 and 2020. The credit risk of financial instruments are deemed low for the group, as the risks are mitigated by insurance on clients and if not applicable, only small amounts are sold to the client. The presumption, that there have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has been rebutted, since most debtors are insured and only a small percentage of debtors are outstanding for more than 30 days. A client is seen as in default, if the balance is outstanding for more than 30 days.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The group evaluates the concentration of risk with respect to trade receivables as low as its customers are located in several jurisdictions and industries. A financial instrument is seen as credit impaired when the balance has been outstanding for more than 90 days.

Notes to the Annual Report

Figures in Euro thousand	2021	2020

33 Financial instruments and risk management

(continued)

The maximum exposure to credit risk is presented in the table below:

		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost/fair value	Gross carrying amount	Credit loss allowance	Amortised cost/fair value
Trade and other receivables	10	3.930	(42)	3.888	1.521	(10)	1.511
Cash and cash equivalents	11	2.007	–	2.007	40.553	–	40.553
		5.937	**(42)**	**5.895**	**42.074**	**(10)**	**42.064**

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The Group continuously monitors liquidity and financial projections through budgets and monthly updated forecasts. Liquidity risks include the impacts from fluctuations in production and harvest volumes, biological issues, changes in feed prices and the timely completion of construction of the expansion in Kats.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2021

		Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Borrowings	15	–	3.511	3.810	7.321	7.321
Lease liabilities		–	1.083	202	1.285	1.285
Current liabilities						
Trade and other payables		5.582	–	–	5.582	5.582
Borrowings	15	540	–	–	540	540
Lease liabilities		527	–	–	527	527
Bank overdraft	11	785	–	–	785	785
		(7.434)	**(4.594)**	**(4.012)**	**(16.040)**	**(16.040)**

Notes to the Annual Report

Figures in Euro thousand	2021	2020

33 Financial instruments and risk management

(continued)

2020

		Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Borrowings	15	–	3.422	4.980	8.402	8.402
Lease liabilities		–	1.546	233	1.779	1.779
Current liabilities						
Trade and other payables	16	2.042	–	–	2.042	2.042
Borrowings	15	1.434	–	–	1.434	1.434
Lease liabilities		534	–	–	534	534
Bank overdraft	11	93	–	–	93	93
		(4.103)	**(4.968)**	**(5.213)**	**(14.284)**	**(14.284)**

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. The foreign currencies in which the group deals primarily are US Dollars, GBP and NOK.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Exposure in Euro

The net carrying amounts, in Euro, of the various exposures, are denominated in the following currencies. The amounts have been presented in Euro by converting the foreign currency amounts at the closing rate at the reporting date:

		2021	2020
US Dollar exposure:			
Current assets:			
Trade and other receivables	10	–	42
Cash and cash equivalents	11	3	23
Current liabilities:			
Trade and other payables	16	59	14
Net US Dollar exposure		**62**	**79**
GPB exposure:			
Current assets:			
Trade and other receivables	10	–	10
Cash and cash equivalents	11	16	–
Net GBP exposure		**16**	**10**

Notes to the Annual Report

Figures in Euro thousand		2021	2020

33 Financial instruments and risk management

(continued)

NOK exposure:			
Current assets:			
Cash and cash equivalents	11	1	29
Current liabilities:			
Trade and other payables	16	1	29
Net NOK exposure		**2**	**58**
Net exposure to foreign currency in Euro		**80**	**147**

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

US Dollar exposure:			
Current assets:			
Trade and other receivables	10	–	49
Cash and cash equivalents	11	3	27
Current liabilities:			
Trade and other payables	16	67	16
Net US Dollar exposure		**70**	**92**
GBP exposure:			
Current assets:			
Trade and other receivables	10	–	9
Cash and cash equivalents	11	13	–
Net GBP exposure		**13**	**9**
NOK exposure:			
Current assets:			
Cash and cash equivalents	11	7	307
Current liabilities:			
Trade and other payables	16	15	309
Net NOK exposure		**22**	**616**

Exchange rates		
Foreign currency per Euro		
USD	1,133	1,178
SEK	10,224	–
GBP	0,839	0,908
NOK	9,993	10,699
DKK	7,437	–

Notes to the Annual Report

33 Financial instruments and risk management

(continued)

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The group's interest rate risk relates primarily from borrowings from financial institutions with variable rate interest. When possible, the group manages its interest rate risk by entering fixed-interest loans. The group currently holds debt with a floating interest rate and does not maintain a program to hedge this exposure. Changes in the interest rate may affect future investment opportunities.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note	Average effective interest rate		Carrying amount	
		2021	2020	2021	2020
Variable rate instruments:					
Liabilities					
Borrowings – Rabobank 0050021680		2,48%	2,69%	4.787	6.102
Borrowings – Rabobank 0050152046	15	2,14%	2,73%	3.074	3.695
				7.861	**9.797**
Variable rate financial liabilities as a percentage of total interest bearing financial liabilities				100,00%	100,00%

34 First-time adoption of International Financial Reporting Standards

The group has applied IFRS 1, First-time adoption of International Financial Reporting Standards, to provide a starting point for the reporting under International Reporting and Accounting Standards. On principle these standards have been applied retrospectively and the 20020 comparatives contained in this annual report differ from those published in the annual report published for the year ended 31 December 2021.

The date of transition was 1 January 2020and the effect of the transition from Dutch GAAP was as follows.

Notes to the Annual Report

34 First-time adoption of International Financial Reporting Standards *(continued)*

Reconciliation of equity at 1 January 2020 (Date of transition to the new standards)

	Note	As reported under previous GAAP	IFRS adjustments and reclassifications	IFRS
Property, plant and equipment		18.232	(3.993)	14.239
Right-of-use assets		–	3.291	3.291
Biological assets		–	1.092	1.092
Deferred tax		2.657	–	2.657
Total non-current assets		**20.889**	**390**	**21.279**
Biological assets		–	2.142	2.142
Inventories		2.652	(2.141)	511
Trade and other receivables		638	630	1.268
Other receivables		770	(770)	–
Cash and cash equivalents		10.554	166	10.720
Total current assets		**14.614**	**27**	**14.641**
Borrowings		7.390	222	7.612
Employee benefits		111	(111)	–
Leases		1.986	402	2.388
Subordinated loans		222	(222)	–
Trade and other payables		1.639	517	2.156
Other liabilities		404	(404)	–
Total liabilities		**11.752**	**404**	**12.156**
Total assets less total liabilities		**23.751**	**13**	**23.764**
Issued capital		415	–	415
Share premium		30.260	–	30.260
Revaluation reserve		915	(915)	–
Retained earnings		(7.839)	902	(6.937)
Share option reserve		–	26	26
Total		**23.751**	**13**	**23.764**

Notes to the Annual Report

34 First-time adoption of International Financial Reporting Standards *(continued)*

Reconciliation of equity at 31 December 2020

	Note	As reported under previous GAAP	IFRS adjustments and reclassifications	IFRS
Property, plant and equipment		30.206	(3.592)	26.614
Right-of-use assets		–	3.127	3.127
Biological assets		–	1.067	1.067
Deferred tax		5.242	–	5.242
Total non-current assets		**35.448**	**602**	**36.050**
Biological assets		–	2.748	2.748
Inventories		4.097	(2.748)	1.349
Trade and other receivables		786	725	1.511
Other receivables		829	(829)	–
Cash and cash equivalents		40.350	111	40.461
Total current assets		**46.062**	**7**	**46.069**
Borrowings		9.835	1	9.836
Employee benefits		301	(301)	–
Leases		1.688	626	2.314
Deferred income		–	94	94
Trade and other payables		1.268	768	2.036
Other liabilities		566	(566)	–
Total liabilities		**13.658**	**622**	**14.280**
Total assets less total liabilities		**67.852**	**(13)**	**67.839**
Issued capital		677	–	677
Share premium		77.449	–	77.449
Revaluation reserve		1.166	(1.166)	–
Retained earnings		(11.440)	792	(10.648)
Share option reserve		–	361	361
Total		**67.852**	**(13)**	**67.839**

Notes to the Annual Report

34 First-time adoption of International Financial Reporting Standards *(continued)*

Notes

Property, plant and equipment
Under Dutch GAAP, carrying values of right-of-use assets and breeding stock were included in the line item of property, plant and equipment, a reclassification was made to show these line items separately.

Inventories
Under IFRS Live fish stock qualifies as a biological asset held for shorter than 12 months after year-end and should therefore be disclosed as part of `biological assets. Under Dutch GAAP Live fish stock was disclosed as part of Inventory. A reclassification was made to show the live fish stock under biological assets. Broodstock is also included under biological assets and is reclassified from property, plant and equipment. It is held for longer than 12 months.

Trade and other receivables
The adoption of IFRS has fundamentally changed the group's accounting for impairment losses for financial assets by replacing the incurred loss approach under Local GAAP with a forward-looking expected credit loss (ECL) approach. IFRS requires the group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss. At the date of transition to IFRS, the group decreased the impairment on its trade receivables, which resulted in a decrease in retained earnings by the same amount.

Other receivables
Other receivables included in the prior year, was reclassified to Trade and other receivables during the current year.

Cash and cash equivalents
Cash in transit was disclosed as part of other receivables under Dutch GAAP. To comply with IFRS, cash in transit was reclassified to Cash and cash equivalents.

Leases
Leases were accounted for under IFRS 16.Therefore a right-of-use asset line item was created and the corresponding leases accounted for. Leases is also separately disclosed in the current year from the borrowings.

Revaluation reserve
Under IFRS all fair value movements of biological assets should be through profit or loss. Under Dutch GAAP it was accounted for as part of equity in the revaluation reserve. The fair value movements on the revaluation reserve were reclassified to profit or loss for IFRS purposes.

Share option reserve
Under IFRS 2, share options should be accounted for as the services are rendered and not only when the options vest. These options were separately accounted for under a reserve.

Reclassification
Various assets and liabilities were also reclassified for disclosure purposes and are included under the IFRS adjustment column.

Notes to the Annual Report

34 First-time adoption of International Financial Reporting Standards *(continued)*

Reconciliation of profit (loss) for 2020

	Note	IFRS adjustments and reclassifications	IFRS
Fair value adjustment		251	251
Share option expense		(335)	(335)
Depreciation right-of-use assets		(78)	(78)
Leases		90	90
Bad debt expense adjustment		(19)	(19)
Funding fees expense		(299)	(299)
Lease interest		(20)	(20)
Net loss		**(410)**	**(410)**

Notes

Fair value adjustment
Under IFRS all fair value movements of biological assets should be through profit or loss. Under Dutch GAAP it was accounted for as part of equity in the revaluation reserve. The fair value movements on the revaluation reserve were reclassified to profit or loss for IFRS purposes.

Share option expense
Under IFRS 2, share options should be accounted for as the services are rendered and not only when the options vest. These options were separately accounted for under a reserve and expenses in the same period.

Depreciation right-of use assets, leases, lease interest
Adjustments were made to separately disclose depreciation for right-of use assets, lease payments previously expenses, were reverse and was accounted for under the liability and the corresponding interest expense for the lease liabilities were accounted for.

Funding fee expense
Under Dutch GAAP, funding fees were directly accounted for under equity, but it should be expensed under IFRS.

Explanation of material adjustments to the statement of cash flows for 2021

No material differences from Dutch GAAP to IFRS as the actual cash movements will not change in the conversion.

Company Balance Sheet

AT 31 DECEMBER 2021

Figures in Euro thousand Before appropriation of result	Notes	2021	2020	As at 1 January 2020
Assets				
Non-Current Assets				
Property, plant and equipment	2	50	25.011	13.943
Right-of-use assets	3	216	2.992	3.257
Biological assets	4	–	1.067	1.092
Investments in subsidiaries	5	20.074	1	–
Loans to group companies	6	41.151	1.771	493
Deferred tax	7	7.346	5.157	2.657
		68.837	**35.999**	**21.442**
Current Assets				
Biological assets	4	–	2.748	2.142
Inventories	8	–	1.349	511
Trade and other receivables	9	98	1.397	1.235
Cash and cash equivalents	10	–	40.287	10.557
		98	**45.781**	**14.445**
Total Assets		**68.935**	**81.780**	**35.887**
Equity and Liabilities				
Equity				
Share capital	11	78.126	78.126	30.675
Reserves		834	361	26
Accumulated loss		(12.058)	(10.647)	(6.937)
		66.902	**67.840**	**23.764**
Liabilities				
Non-Current Liabilities				
Borrowings	13	–	8.363	7.090
Lease liabilities	3	155	1.688	2.011
		155	**10.051**	**9.101**
Current Liabilities				
Trade and other payables	14	1.440	1.955	2.158
Borrowings	13	–	1.434	522
Lease liabilities	3	66	488	342
Deferred income	15	–	12	–
Bank overdraft	10	372	–	–
		1.878	**3.889**	**3.022**
Total Liabilities		**2.033**	**13.940**	**12.123**
Total Equity and Liabilities		**68.935**	**81.780**	**35.887**

Company Profit or Loss account

Figures in Euro thousand	Notes	2021	2020
Revenue	16	–	4.973
Other operating income	17	11	426
Other operating gains (losses)	18	387	672
Stock movements and transport and logistics cost	19	–	834
Raw materials	19	–	(3.645)
Employee costs	20	(1.665)	(2.787)
Lease expenses	20	(7)	(14)
Depreciation, amortisation and impairment expenses	20	(112)	(1.504)
Other operating expenses		(2.333)	(3.688)
Operating loss	20	**(3.719)**	**(4.733)**
Investment income	21	232	–
Finance costs	22	(127)	(438)
Income from equity accounted investments		16	(341)
Loss before taxation		**(3.598)**	**(5.512)**
Taxation	23	2.189	1.504
Loss for the year		**(1.409)**	**(4.008)**

Statement of Changes in Equity

Figures in Euro thousand	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Revaluation reserve	Share option reserve	Total reserves	Accumulated loss	Total equity
Opening balance as previously reported	415	30.260	30.675	–	915	–	915	(7.839)	23.751
Adjustments									
Change in accounting policy	–	–	–	–	(915)	26	(889)	902	13
Balance at 1 January 2020 as restated	**415**	**30.260**	**30.675**	**–**	**–**	**26**	**26**	**(6.937)**	**23.764**
Loss for the year	–	–	–	–	–	–	–	(4.008)	(4.008)
Other comprehensive income	–	–	–	–	–	–	–	–	–
Total comprehensive Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(4.008)**	**(4.008)**
Issue of shares	260	49.734	49.994	–	–	–	–	–	49.994
Employees share option expense	–	–	–	–	–	335	335	–	335
Convertible loan – equity component	2	220	222	–	–	–	–	–	222
Once-off funding fees reversal	–	–	–	–	–	–	–	298	298
Net fundraising costs	–	(2.765)	(2.765)	–	–	–	–	–	(2.765)
Total contributions by and distributions to owners of company recognised directly in equity	**262**	**47.189**	**47.451**	**–**	**–**	**335**	**335**	**298**	**48.084**
Balance at 1 January 2021	**677**	**77.449**	**78.126**	**–**	**–**	**361**	**361**	**(10.649)**	**67.838**
Loss for the year	–	–	–	–	–	–	–	(1.409)	(1.409)
Total comprehensive Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1.409)**	**(1.409)**
Employees share option expense	–	–	–	–	–	473	473	–	473

Statement of Changes in Equity

Figures in Euro thousand	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Revaluation reserve	Share option reserve	Total reserves	Accumulated loss	Total equity
Total contributions by and distributions to owners of company recognised directly in equity	**–**	**–**	**–**	**–**	**–**	**473**	**473**	**–**	**473**
Balance at 31 December 2021	**677**	**77.449**	**78.126**	**–**	**–**	**834**	**834**	**(12.058)**	**66.902**
Notes	11	11	11						

The difference between the consolidated equity and the company-only equity is due to the valuation of the investments in subsidiaries, as well as the loss allowance on loans to group companies.

Notes to the Annual Report

1 Accounting information and policies

The Company annual report of The Kingfish Company N.V. have been prepared in accordance with Section 9, Book 2 of the Dutch Civil Code. In accordance with sub-article 8 of article 362, Book 2 of the Dutch Civil Code, the Company's financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated annual report. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

In the event that no other policies are mentioned, we refer to the accounting policies as described in the accounting policies in the consolidated annual report.

In the company's separate annual report, investments in subsidiaries are carried at cost less any accumulated impairment losses.

Loans to group companies are classified as financial liabilities subsequently measured at amortised cost.

2 Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	–	–	–	11.805	(1.244)	10.561
Equipment	–	–	–	3.655	(1.119)	2.536
Motor vehicles	25	(14)	11	40	(8)	32
Office equipment	69	(30)	39	332	(72)	260
Assets under construction	–	–	–	11.622	–	11.622
Total	**94**	**(44)**	**50**	**27.454**	**(2.443)**	**25.011**

	As at 1 January 2020		
	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	6.845	(289)	6.556
Equipment	7.643	(1.048)	6.595
Motor vehicles	41	(7)	34
Office equipment	199	(30)	169
Assets under construction	589	–	589
Total	**15.317**	**(1.374)**	**13.943**

Notes to the Annual Report

2 Property, plant and equipment *(continued)*

Reconciliation of property, plant and equipment – 2021

	Opening balance	Demerger	Depreciation	Total
Land and buildings	10.561	(10.561)	–	–
Equipment	2.536	(2.536)	–	–
Motor vehicles	32	1	(22)	11
Office equipment	260	(220)	(1)	39
Assets under construction	11.622	(11.622)	–	–
	25.011	**(24.938)**	**(23)**	**50**

Reconciliation of property, plant and equipment – 2020

	Opening balance	Additions	Reclassification	Depreciation	Total
Land and buildings	6.556	22	4.198	(215)	10.561
Equipment	6.595	1.083	(4.314)	(828)	2.536
Motor vehicles	34	–	–	(2)	32
Office equipment	169	–	116	(25)	260
Assets under construction	589	11.033	–	–	11.622
	13.943	**12.138**	**–**	**(1.070)**	**25.011**

Property, plant and equipment encumbered as security

Assets have been pledged as security for these cured long-term borrowings. Refer to note 13.

Assets under construction

Assets under construction mainly relate to the expansion of the farm in the Netherlands.

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

3 Leases (company as lessee)

The group has lease contracts for various motor vehicles and production equipment in its operations. Leases of motor vehicles generally have lease terms between five and seven years, while production equipment generally have lease terms between five and seven years. The group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the group is restricted from assigning and subleasing the leased assets.

Details pertaining to leasing arrangements, where the company is lessee are presented below:

Net carrying amounts of right-of-use assets			
The carrying amounts of right-of-use assets are as follows:			
Equipment	–	2.730	3.124
Motor vehicles	216	262	133
	216	**2.992**	**3.257**
Additions to right-of-use assets			
Equipment	–	–	3.641
Motor vehicles	42	171	166
	42	**171**	**3.807**

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 20), as well as depreciation which has been capitalised to the cost of other assets.

Equipment	–	393	360
Motor vehicles	89	41	8
	89	**434**	**368**

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

3 Leases (company as lessee) *(continued)*

Lease liabilities

	2021	2020	As at 1 January 2020
The maturity analysis of lease liabilities is as follows:			
Within one year	73	552	402
Two to five years	164	1.621	1.944
More than five years	–	248	297
	237	2.421	2.643
Less finance charges component	(16)	(245)	(290)
	221	**2.176**	**2.353**
Non-current liabilities	155	1.688	2.011
Current liabilities	66	488	342
	221	**2.176**	**2.353**

4 Biological assets

	2021			2020		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Live stock fish			–	2.748	–	2.748
Brood stock			–	1.067	–	1.067
Total			**–**	**3.815**	**–**	**3.815**

	As at 1 January 2020		
	Cost/ Valuation	Accumulated depreciation	Carrying value
Live stock fish	2.142	–	2.142
Broodstock	1.092	–	1.092
Total	**3.234**	**–**	**3.234**

Reconciliation of biological assets – 2021

	Opening balance	Demerger	Total
Live stock fish	2.748	(2.748)	–
Broodstock	1.067	(1.067)	–
Total	**3.815**	**(3.815)**	**–**

Notes to the Annual Report

4 Biological assets *(continued)*

Reconciliation of biological assets – 2020

	Opening balance	Increase due to production	Decreases due to harvest/sales	Decrease due to mortality	Gains (losses) arising from changes in fair value	Total
Live fish stock	2.142	9.555	8.565)	(216)	(168)	2.748
Broodstock	1.092	–	–	–	(25)	1.067
	3.234	**9.555**	**(8.565)**	**(216)**	**(193)**	**3.815**

Pledged as security

All current and future biological assets are pledged as security for loan 0050021680 with Rabobank.

Net biological assets			
Non-current assets	–	1.067	1.092
Current assets	–	2.748	2.142
	–	**3.815**	**3.234**

5 Interests in subsidiaries

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's separate annual report.

Name of company	% holding 2021	% holding 2020	% holding 2019	Carrying amount 2021	Carrying amount 2020	Carrying amount 1 January 2020
Kingfish Zeeland B.V.	100,00%	–%	–%	4.143	1	–
Yellowtail Hatchery USA Inc.	100,00%	100,00%	–%	17	–	–
Kingfish Property One B.V.	100,00%	–%	–%	15.895	–	–
Kingfish Maine Inc.	100,00%	100,00%	–%	19	–	–
				20.074	**1**	**–**

Acquisitions

On 18 December 2020, the company incorporated Kingfish Zeeland B.V, a non-listed operational company based in the Netherlands. The company obtained 1 000 shares for a consideration of EUR 1 000. The company holds 100% of the issued share capital. The company incorporated Kingfish Zeeland B.V. to act as a separate entity for the operating activities of the group. The new entity started its activities on 1 January 2021.The Kingfish Property One B.V. was also part of a legal demerger and was incorporated in 2021.

At the date of incorporation there were no assets to be acquired and no liabilities to be assumed.

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

6 Loans to group companies

Subsidiaries			
Kingfish Maine Inc.	7.401	1.481	387
Yellowtail Hatchery USA Inc.	1.284	290	106
Kingfish Property One B.V.	23.172	–	–
Kingfish Zeeland B.V.	9.294	–	–
	41.151	**1.771**	**493**

The loans to group companies are unsecured, interest is charged at 4% per annum to Kingfish Maine Inc and Yellowtail Hatchery USA Inc, as it is not part of the Dutch fiscal unit, and no repayments are due within the next year.

Split between non-current and current portions			
Non-current assets	41.151	1.771	493

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

In determining the amount of expected credit losses, the company has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below. The company does not hold collateral or other credit enhancements against group loans receivable.

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans receivable by credit rating grade:

2021

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans to subsidiaries				
Kingfish Maine Inc.	Other	7.401	–	7.401
Yellowtail Hatchery USA Inc.	Other	1.749	(465)	1.284
Kingfish Property One B.V.	Other	23.172	–	23.172
Kingfish Zeeland B.V.	Other	9.294	–	9.294
		41.616	**(465)**	**41.151**

2020

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans to subsidiaries				
Kingfish Maine Inc.	Other	1.606	(125)	1.481
Yellowtail Hatchery USA Inc.	Other	646	(356)	290
		2.252	**(481)**	**1.771**

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

7 Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax asset	7.346	5.157	2.657
Reconciliation of deferred tax asset/(liability)			
At beginning of year	5.157	2.657	1.249
Increase due to rate change	155	346	283
Increases (decrease) in tax loss available for set off against future taxable income	2.034	1.074	1.125
Once-off funding cost	–	1.080	–
	7.346	**5.157**	**2.657**

Recognition of deferred tax asset

Deferred income tax assets relate to unutilized tax losses. These losses are expected to be offset with future profits.

8 Inventories

Raw materials and consumables	–	465	376
Finished goods – frozen fish	–	884	135
	–	**1.349**	**511**

9 Trade and other receivables

Financial instruments:			
Trade receivables	1	803	663
Trade receivables – related parties	–	–	128
Loss allowance	–	(10)	–
Trade receivables at amortised cost	1	793	791
Deposits	16	44	40
Non-financial instruments:			
VAT	58	561	292
Prepayments	23	(1)	112
Total trade and other receivables	**98**	**1.397**	**1.235**
Split between non-current and current portions			
Current assets	98	1.397	1.235

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

10 Cash and cash equivalents

Cash and cash equivalents consist of:			
Bank balances	–	40.252	10.522
Short-term deposits	–	35	35
Bank overdraft	(372)	–	–
	(372)	**40.287**	**10.557**
Current assets	–	40.287	10.557
Current liabilities	(372)	–	–
	(372)	**40.287**	**10.557**

11 Share capital

Authorised			
200.000.000 Ordinary shares of par value of EUR 0.01	2.000	2.000	2.000
Reconciliation of number of shares issued:			
Reported as at 1 January 2021/2020/2019	67.741	41.525	41.525
Issue of shares – ordinary shares	–	26.042	–
Conversion of loan	–	174	–
	67.741	**67.741**	**41.525**
Issued			
Ordinary	677	677	415
Share premium	77.449	77.449	30.260
	78.126	**78.126**	**30.675**

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

12 Share based payments

Share Option Group	Number ('000)	Weighted exercise price
Outstanding at the beginning of the year	2.122	1,28
Granted during the year	880	2,53
Forfeited during the year	(70)	2,53
Outstanding at the end of the year	2.932	1,62
Exercisable at the end of the year	707	1,28

Details	Total Options @ Eur 1,2788	Vested	Total Options @ Eur 2,53	Vested
O. Maiman	887.862	295.954	–	–
C.J. Kloet	705.736	235.245	–	–
C.M. du Plessis	227.657	75.886	180.000	–
Other staff	300.508	100.169	700.000	–
	2.121.763	**707.254**	**880.000**	**–**

On 30 October 2020, at an extraordinary general meeting an employee stock option plan (ESOP) was approved, pursuant to which options for a total of 4 006 762 common shares may be awarded to members of the mid- and senior management and key employees, equivalent to approximately 8,8% of the then issued share capital on a fully diluted basis. A four year vesting schedule applies to each grant under the ESOP including an one-year cliff during which no options vest. After the one-year cliff awarded options vest in 36 equal monthly numbers. Vesting is based on the recipient remaining in service and contains bad leaver provisions. As at the reporting date 2 121 763 options were issued with an exercise price of EUR 1,2788 each and 880 000 with an exercise price of EUR 2,53. The exercise price is based on the value of the shares when capital was raised or latest average price on the exchange. The expected volatility is 40% based on similar companies listed for a couple of years. The model is based on a 10 year expiration date with no expected dividends, the risk-free interest rate is assumed as 0,33%, the average fair value is EUR 0,60 at the end of 2021 and the last options vesting 31/05/2025.

Based on the Binomial compensation model, an amount of EUR 473 313 (2020: 335 287) was recognized in the P&L versus equity under Share options reserve. This amount represents the potential cost of the ESOP and has not been paid.

13 Borrowings

	2021	2020	As at 1 January 2020
Held at amortised cost			
Rabobank 0050021680	–	6.102	6.590
Rabobank 0050152046	–	3.695	–
Visserij investeringsfonds Nederland 430.005.020	–	–	500
Visserij investeringsfonds Nederland 430.004.020	–	–	300
Subordinated loan	–	–	222
	–	**9.797**	**7.612**
Split between non-current and current portions			
Non-current liabilities	–	8.363	7.090
Current liabilities	–	1.434	522
	–	**9.797**	**7.612**

Notes to the Annual Report

Figures in Euro thousand	2021	2020	As at 1 January 2020

14 Trade and other payables

Financial instruments:			
Trade payables	286	1.265	1.642
Payables relating to taxes and social security contributions	407	301	111
Accrued leave pay and holiday allowance	390	241	111
Accrued expenses and fees to be paid	64	131	244
Other accruals	293	17	50
	1.440	**1.955**	**2.158**

15 Deferred income

Government grants have been received for the reimbursement of costs.

Figures in Euro thousand	2021	2020
As at 1 January	12	–
Received during the year	136	645
Released to the statement of profit or loss	(148)	(633)
As at 1 December	–	12
	–	**12**

16 Revenue

Revenue from contracts with customers		
Sale of goods	–	4.973
Disaggregation of revenue from contracts with customers		
The company disaggregates revenue from customers as follows:		
Sale of goods		
Fish	–	4.973
Timing of revenue recognition		
At a point in time		
Sale of goods	–	4.973
Geographical markets		
Western Europe	–	1.074
Southern Europe	–	3.017
Rest of the World	–	882
	–	**4.973**

Notes to the Annual Report

Figures in Euro thousand	2021	2020

17 Other operating income

Fees earned	11	421
Other income	–	5
	11	**426**

18 Other operating gains (losses)

Foreign exchange gains (losses)		
Net foreign exchange (losses) gains	(22)	421
Fair value gains (losses)		
Biological assets	409	251
Total other operating gains (losses)	**387**	**672**

19 Cost of sales

Transport and logistics cost	–	402
Stock movements	–	(810)
Live fish stock movements	–	(426)
Raw materials	–	3.645
	–	**2.811**

Notes to the Annual Report

Figures in Euro thousand	2021	2020

20 Operating profit (loss)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

	2021	2020
Auditor's remuneration – external		
Audit fees	127	86
Employee costs		
Salaries, wages and other benefits	1.104	2.215
Share based compensation expense	438	335
Retirement benefit plans: defined contribution expense	123	237
Total employee costs	**1.665**	**2.787**
Leases		
Leases of short term and low value assets	7	14
Depreciation and amortisation		
Depreciation of property, plant and equipment	23	1.070
Depreciation of right-of-use assets	89	434
Total depreciation and amortisation	**112**	**1.504**

21 Investment income

	2021	2020
Interest income		
Loans to group companies:		
Subsidiaries	232	–

22 Finance costs

	2021	2020
Lease liabilities	9	73
Borrowings	118	365
Total finance costs	**127**	**438**

Notes to the Annual Report

Figures in Euro thousand	2021	2020

23 Taxation

Major components of the tax income		
Deferred		
Originating and reversing temporary differences	(2.189)	(1.504)
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(3.598)	(5.512)
Tax at the applicable tax rate of 25% (2020: 25%)	(900)	(1.378)
Tax effect of adjustments on taxable income		
Final return 2019	37	–
Non-deductable expenses	141	102
Difference between tax and IFRS accounting policies	(104)	101
Participants included	(1.174)	–
Effect of lower tax bracket	(25)	17
Change in tax rate	(164)	(346)
	(2.189)	**(1.504)**

The income tax rate of 25% in 2021 (2020: 25%; 2019:19%) was increased to 25,8% in 2022.

24 Related parties

Relationships

Holding company	The Kingfish Company N.V.
Subsidiaries	Refer to note 5

Related party balances		
Loan accounts – Owing (to) by related parties		
Kingfish Maine USA Inc.	7.401	1.481
Kingfish Yellowtail Inc.	1.284	290
Kingfish Zeeland B.V.	9.294	–
Kingfish Property One B.V.	23.172	–
Related party transactions		
Interest paid to (received from) related parties		
Yellowtail Hatchery USA Inc.	(61)	–
Kingfish Maine Inc.	(171)	–
Management fees paid to (received from) related parties		
Yellowtail Hatchery USA Inc.	(101)	–
Kingfish Maine Inc.	164	–
Kingfish Property One B.V.	(7)	–
Kingfish Zeeland B.V.	(440)	–
Consultancy fees paid to (received from) related parties		
Hans den Bieman	–	40

Notes to the Annual Report

Figures in Euro thousand	2021	2020

25 Comparative figures

Certain comparative figures have been reclassified for presentation purposes.

26 First-time adoption of International Financial Reporting Standards

The company has applied IFRS 1, First-time adoption of International Financial Reporting Standards, to provide a starting point for the reporting under International Reporting and Accounting Standards. On principle these standards have been applied retrospectively and the 20020 comparatives contained in these annual report differ from those published in the annual report published for the year ended 31 December 2021.

The date of transition was 1 January 2020 and the effect of the transition from Dutch GAAP was as follows.

Reconciliation of equity at 1 January 2020 (Date of transition to the new standards)

	Note	As reported under previous GAAP	IFRS adjustments and reclassifications	IFRS
Property, plant and equipment		17.935	(3.992)	13.943
Right-of-use assets		–	3.257	3.257
Biological assets		–	1.092	1.092
Loans to group companies		493	–	493
Deferred tax		2.657	–	2.657
Total non-current assets		**21.085**	**357**	**21.442**
Biological assets		–	2.142	2.142
Inventories		2.652	(2.141)	511
Trade and other receivables		638	597	1.235
Other receivables		737	(737)	–
Cash and cash equivalents		10.391	166	10.557
Total current assets		**14.418**	**27**	**14.445**
Borrowings		7.390	222	7.612
Employee benefits		111	(111)	–
Leases		1.986	367	2.353
Subordinated loans		222	(222)	–
Trade and other payables		1.639	519	2.158
Other liabilities		404	(404)	–
Total liabilities		**11.752**	**371**	**12.123**
Total assets less total liabilities		**23.751**	**13**	**23.764**
Issued capital		415	–	415
Share premium		30.260	–	30.260
Revaluation reserve		915	(915)	–
Retained earnings		(7.839)	902	(6.937)
Share option reserve		–	26	26
Total		**23.751**	**13**	**23.764**

Notes to the Annual Report

Figures in Euro thousand	2021	2020

26 First-time adoption of International Financial Reporting Standards *(continued)*

Reconciliation of equity at 31 December 2020

	Note	As reported under previous GAAP	IFRS adjustments and reclassifications	IFRS
Property, plant and equipment		28.603	(3.592)	25.011
Right-of-use assets		–	2.992	2.992
Biological assets		–	1.067	1.067
Investments in subsidiaries		–	1	1
Loans to group companies		1.771	–	1.771
Deferred tax		5.157	–	5.157
Total non-current assets		**35.531**	**468**	**35.999**
Biological assets		–	2.748	2.748
Inventories		4.097	(2.748)	1.349
Trade and other receivables		786	611	1.397
Other receivables		716	(716)	–
Cash and cash equivalents		40.176	111	40.287
Total current assets		**45.775**	**6**	**45.781**
Borrowings		9.796	–	9.796
Employee benefits		301	(301)	–
Leases		1.688	488	2.176
Deferred income		–	12	12
Trade and other payables		1.268	686	1.954
Other liabilities		401	(401)	–
Total liabilities		**13.454**	**484**	**13.938**
Total assets less total liabilities		**67.852**	**(10)**	**67.842**
Issued capital		677	–	677
Share premium		77.449	–	77.449
Revaluation reserve		1.166	(1.166)	–
Retained earnings		(11.440)	795	(10.645)
Share option reserve		–	361	361
Total		**67.852**	**(10)**	**67.842**

Notes

Refer to the notes as per the group adjustments.

Notes to the Annual Report

Figures in Euro thousand	2021	2020

26 First-time adoption of International Financial Reporting Standards *(continued)*

Reconciliation of profit (loss) for 2020

	Note	IFRS adjustments and reclassifications	IFRS
Fair value adjustment		251	251
Share option expense		(335)	(335)
Depreciation right-of-use assets		(58)	(58)
Leases		69	69
Bad debt expense adjustment		(19)	(19)
Funding fees expense		(299)	(299)
Lease interest		(17)	(17)
Net loss		**(408)**	**(408)**

Notes

Refer to the notes as per the group adjustments.

Baker Tilly (Netherlands) N.V.
Fascinatio Boulevard 260
PO Box 8545
3009 AM Rotterdam
Netherlands

T: +31 (0)10 253 59 00
F: +31 (0)10 253 59 99

rotterdam@bakertilly.nl
www.bakertilly.nl

Reg.no.: 24425560

To the shareholders and supervisory board of
The Kingfish Company N.V.

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 of The Kingfish Company N.V. based in Kats. The financial statements include the consolidated financial statements of the Group and the Company financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of The Kingfish Company N.V. as at 31-12-2021 and of its result and its cash flows for 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company statement of financial position as at 31 December 2021;
2. the following statements for 2021: the consolidated and company statements of profit or loss and other comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of The Kingfish Company N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

Report on the other information included in the annual report
The annual report contains other information, in addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:
- the management report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements
Responsibilities of management and the supervisory board[1] for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Rotterdam, April 20, 2022

Baker Tilly (Netherlands) N.V.

Was signed

Harry van den Burg

THE KINGFISH COMPANY

ANNUAL REPORT 2021

Leading Sustainable Production of Seafood