

THE  
**KINGFISH**  
COMPANY

# Strategy update and H1 2022 results

2 September 2022



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**1** **Company overview & strategy update**

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# Wild-catch and traditional aquaculture are insufficient to meet the increasing seafood demand – RAS technology offers an environmentally responsible solution

1

Significant addressable market with limited supply



Growing demand for proteins

2x

Global protein demand expected growth by 2050<sup>1</sup>



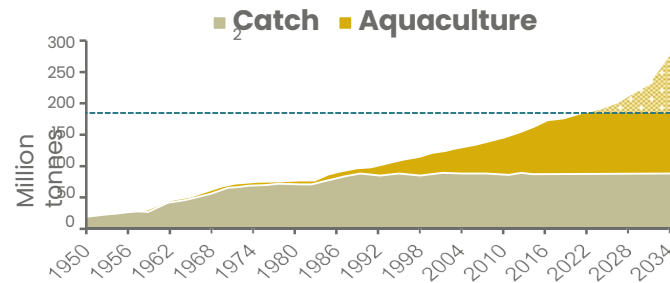
Demand / supply gap for seafood

c.40%

Higher demand than supply in the EU and the US

2

Traditional aquaculture has been filling the gap, but is also capped



Potential for RAS to fill demand

Very limited new offshore aquaculture licenses available in key harvest regions



3

The demand is for a sustainable solution



Growing demand for sustainable products

70%

Of fish consumers think sustainability is important<sup>3</sup>



Public awareness of sustainable protein sources is higher than ever

The stage is set for RAS technology to deliver a disruptive 3<sup>rd</sup> supply source with Kingfish as a sector leader





1

The Kingfish Company produces a high-value species generating very strong average sales prices of EUR 12.5<sup>1</sup> per kg

2

Our fish performs extremely well in our system with stellar productivity scores and zero mass mortality events

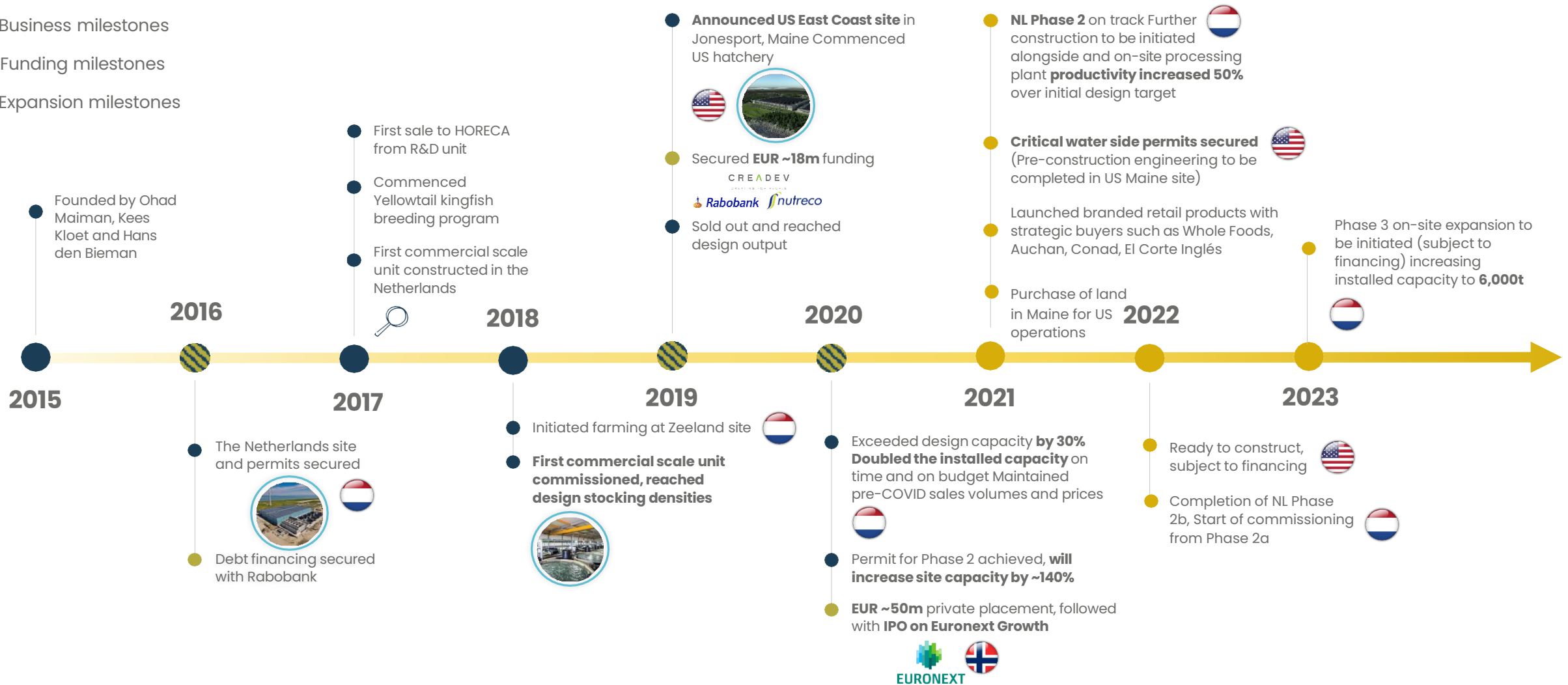
3

We focus on import-dependent markets, selling our premium product in the EU and US

# Built on a proven track record of design, construction and operational excellence, The Kingfish Company is poised to enter a supercharged expansion phase

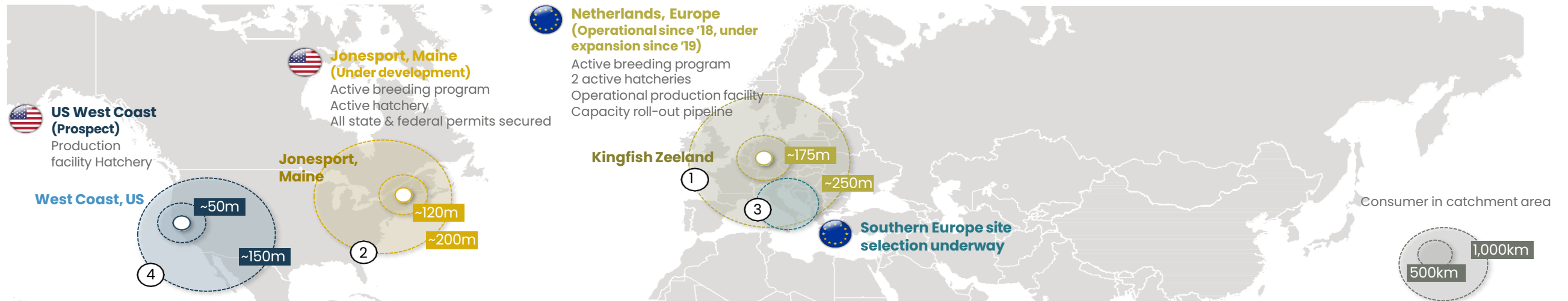
Strategically located in US and European premium import dependent seafood markets

- Business milestones
- Funding milestones
- Expansion milestones

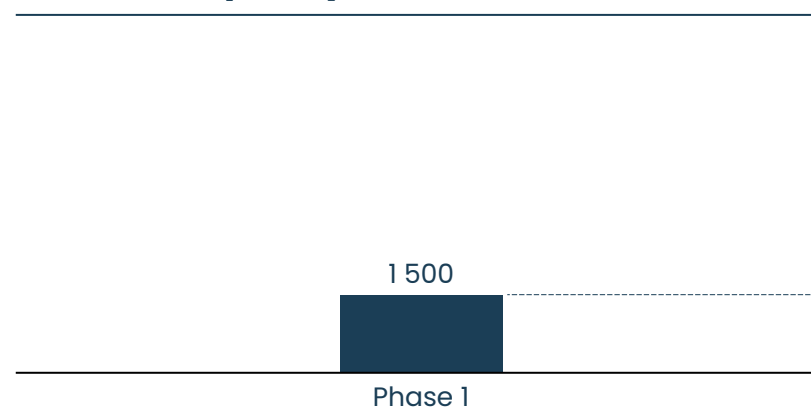


# Kingfish is poised to rapidly deploy its RAS capabilities in new markets with clear focus on capturing high-value volumes in Europe and US

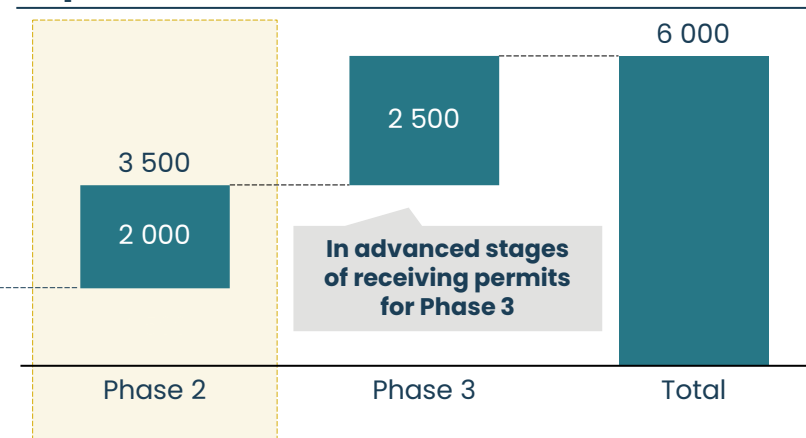
Strategically located to offer ultra-fresh products to total catchment area of ~600-700 million people, without any import related costs



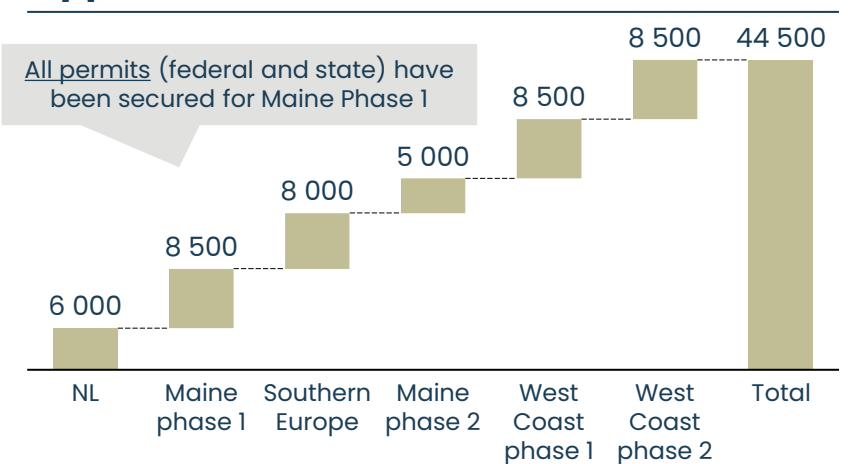
## Current capacity Netherlands (tons WFE)



## Expansion Netherlands (tons WFE)

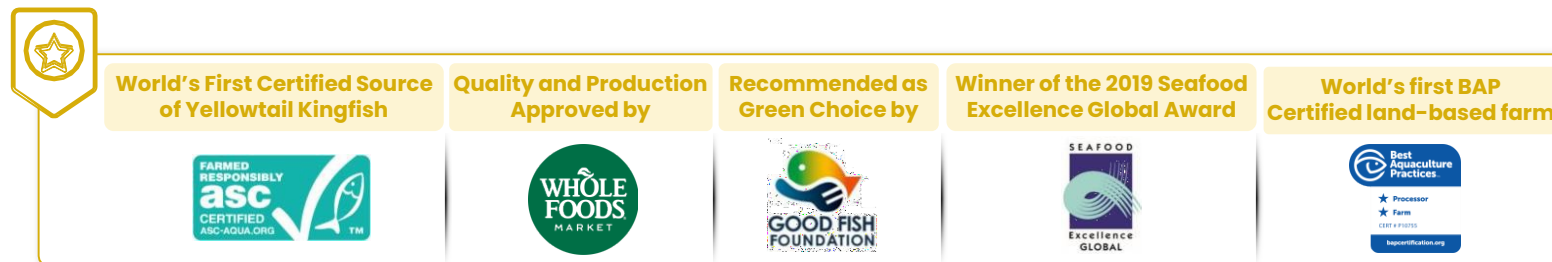
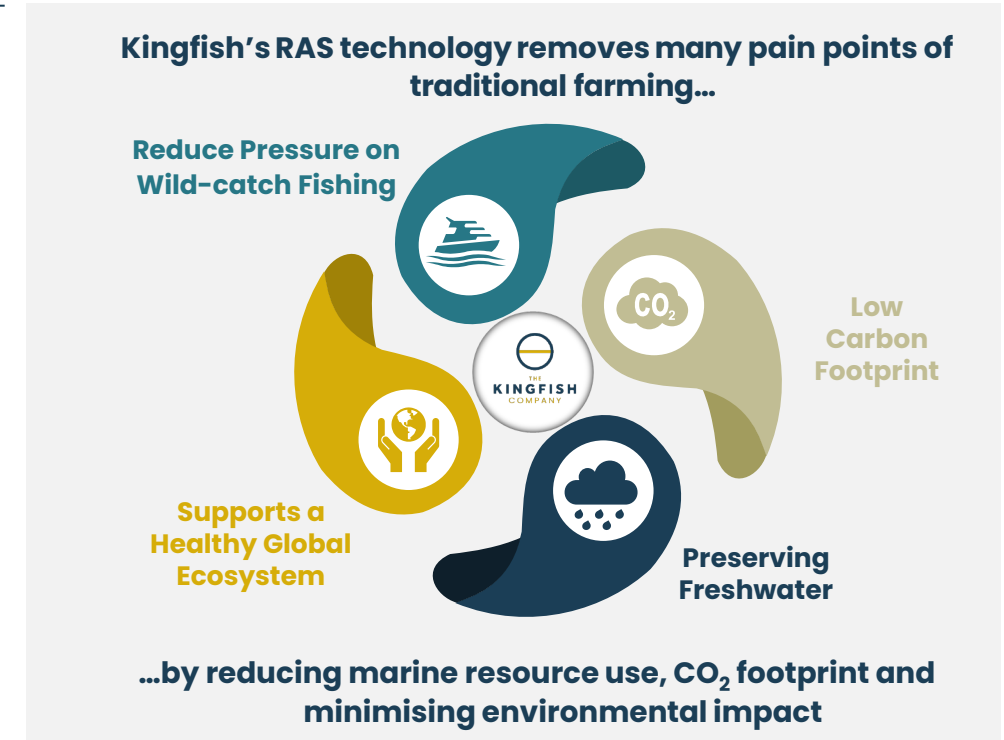
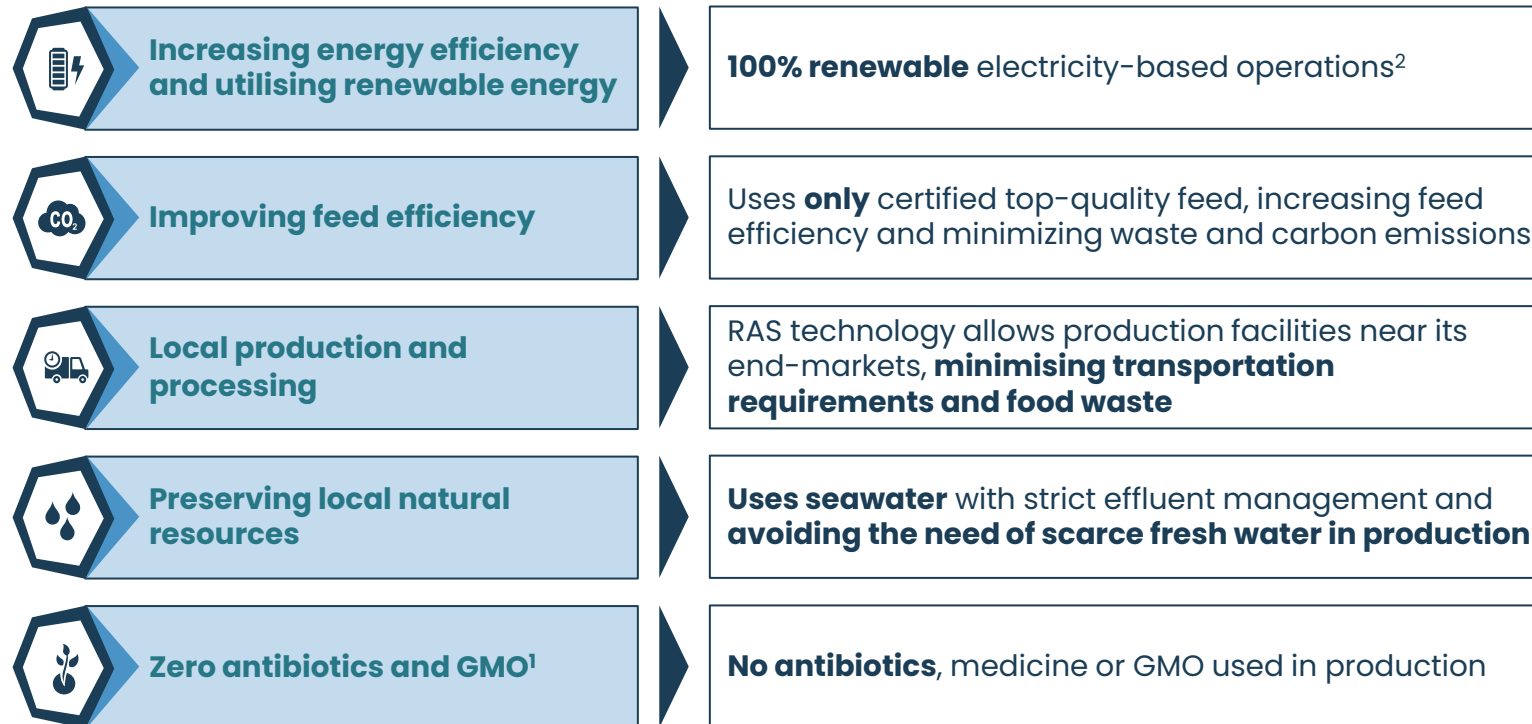


## Opportunities (tons WFE)



# Mission-driven company pioneering best-in-class practices to achieve key sustainability goals and superior quality

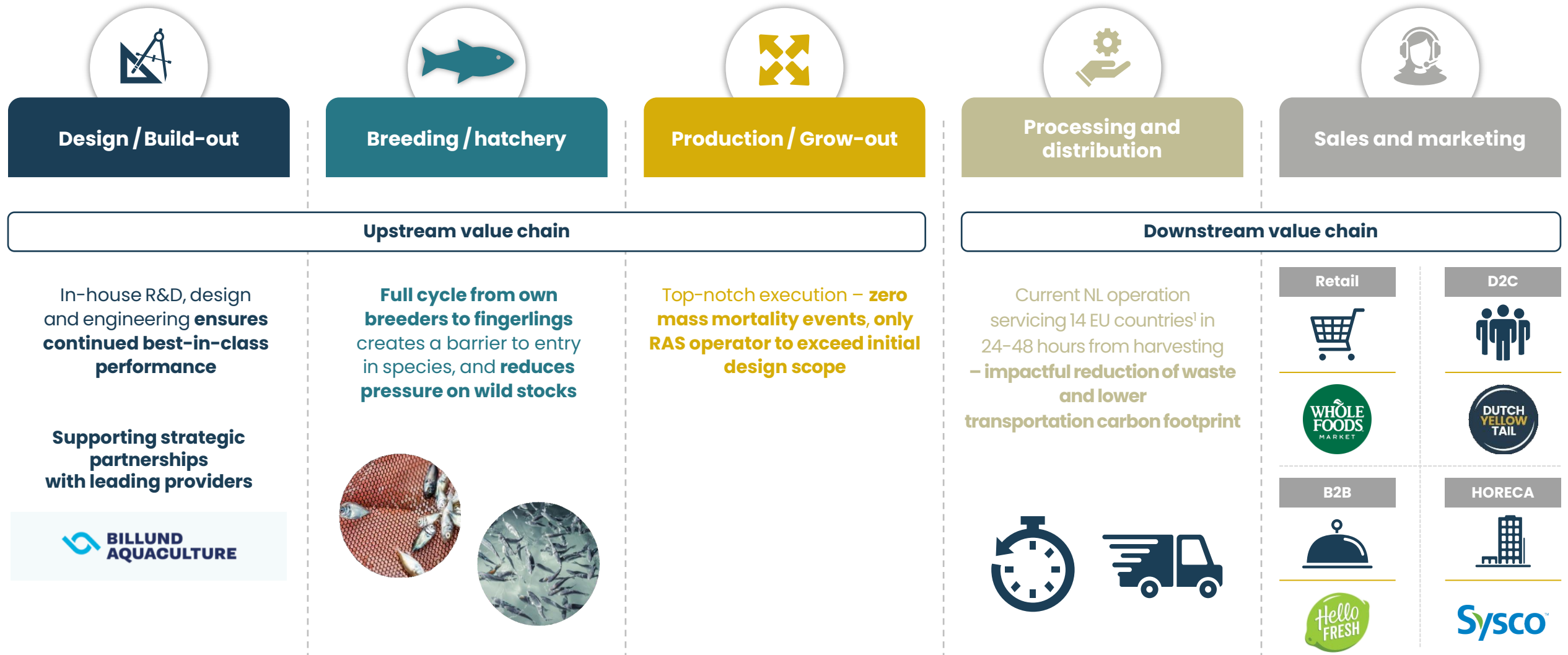
Kingfish promotes sustainable aquaculture, minimizing greenhouse gas emissions





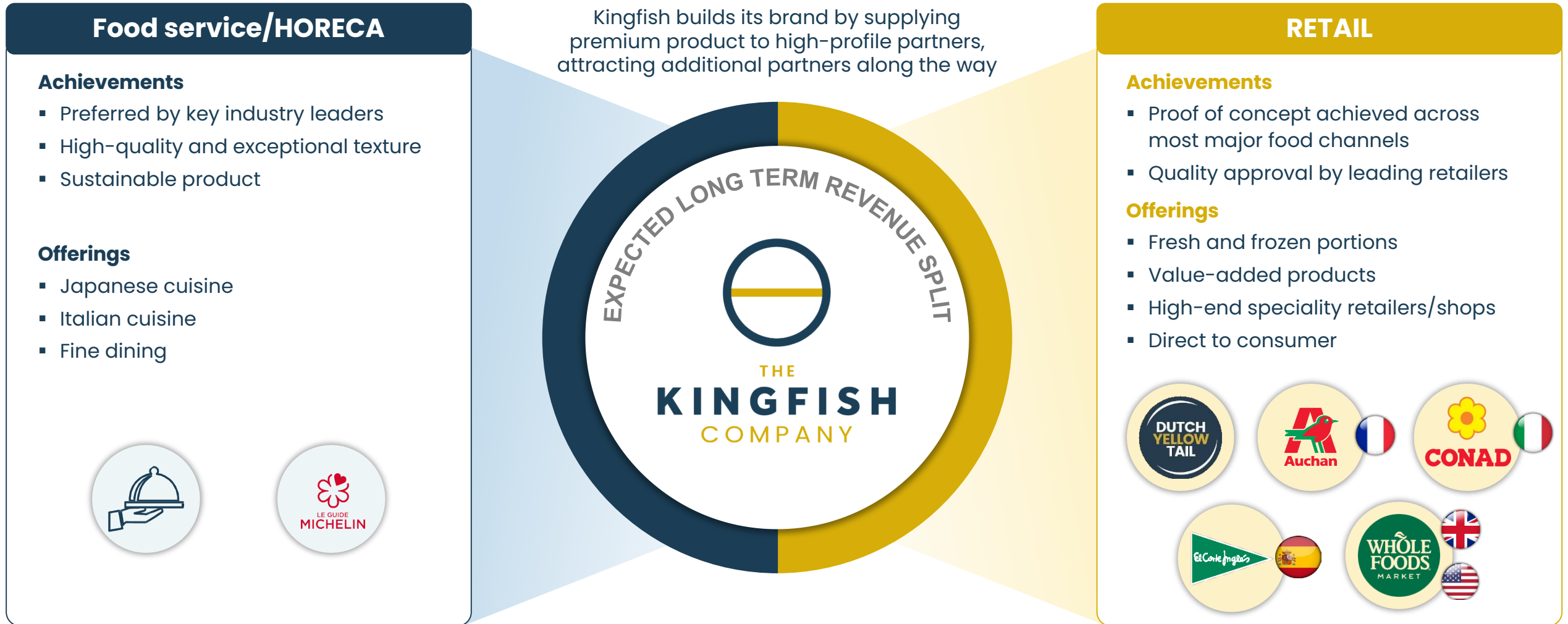
# Integrated “egg-to-plate” business model, with significant route-to-market capabilities

Kingfish owns the supply chain, ensuring best-in-class execution





# Strategic downstream partnerships help the company extend its global route-to-market and gain further momentum in target markets





# The Netherlands Zeeland facility –expanding from current capacity of 1,500 tons to 3,500 tons

Operational since 2018, capacity expansion commenced construction early 2021 with fish in water from late 2022e

## Phase 1A & 1B:

- Phase 1A launched in 2017 and completed in 2018
- Phase 1B launched in 2020 and completed in 2021
- Represents production capacity of ~1,500 tons

## Phase 2:

- Construction launched in 2021
- Expected production start by end of 2022
- Will increase production capacity up to ~3,500 tons

## Phase 3:

- Construction expected to be launched in 2023
- Expected production start by 2025
- Will increase production capacity up to ~6,000 tons





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# Solid progress in H1 2022

## Sales

- **Sales more than doubled** from €3.8m in H1 '21 to €8.4m in H1 '22
- **H1 '22 sales price for both small and large fish** increased by 14% compared with H1 '21
- **Netherlands operations is now cash positive** in H1 2022

## Production

- **Record production** of 742t net growth in H1 2022
- **Sector leading productivity** of 0.75 kg per cubic meter per day for H1 2022

## Development & Financing

- **NL (EU) Phase 2 construction** is nearing completion
- **Phase 2B ongoing** to include hatchery, second pumphouse and seawater pipelines
- **While having been able to avoid significant cost overruns** in the first 1.5 years of NL (EU) construction, we anticipate significant extra cost and potential delays for the work to completion
- **Received final state and federal level permits in Maine** – US Army Corps of Engineers and Maine DEP; currently working on securing final local permit

# Group Consolidated Profit and Loss statement

- **Strong top-line**, driven by strong market demand in Europe and the US
- **Revenue more than doubled** from €3.8m in H1 2021 to €8.4m in 2022
- Net result is reflective of the **scale-up** phase of the business
- **Our operation in Zeeland is EBITDA break-even** in H1 2022

	6 months ended 30 June 2022	6 months ended 30 June 2021
Figures in Euro '000		
Revenue	8.438	3.792
Other operating income	18	40
Other operating gains (losses)	933	941
Stock movements and transport and logistics cost	(3)	209
Raw materials	(5.015)	(2.833)
Employee costs	(3.538)	(2.369)
Lease expenses	(99)	(30)
Depreciation, amortisation and impairment expenses	(1.368)	(1.119)
Other operating expenses	(2.784)	(2.274)
<b>Operating loss</b>	<b>(3.418)</b>	<b>(3.643)</b>
Finance costs	(654)	(219)
<b>Loss before taxation</b>	<b>(4.072)</b>	<b>(3.862)</b>
Taxation	1.237	632
<b>Loss for the 6 months</b>	<b>(2.835)</b>	<b>(3.230)</b>
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified to profit or loss:</b>		
Exchange differences on translating foreign operations	(32)	(32)
Deferred cost of hedging on cash flow hedges not subject to basis adjustments	23	-
<b>Total items that may be reclassified to profit or loss</b>	<b>(9)</b>	<b>(32)</b>
<b>Other comprehensive income for the 6 months net of taxation</b>	<b>(9)</b>	<b>(32)</b>
<b>Total comprehensive loss for the 6 months</b>	<b>(2.844)</b>	<b>(3.262)</b>
<b>Earnings per share</b>		
<b>Per share information</b>		
Basic loss per share (c)	(0,04)	(0,05)
Diluted loss per share (c)	(0,04)	(0,05)

# Interim report H1 2022

## Sales and production analysis

Full year sales stats	H1 2022	H1 2021	Change
Price large fish (EUR/kg)	€ 15.2	€ 13.3	<b>14.2%</b>
Price small fish (EUR/kg)	€ 11.0	€ 9.6	<b>14.3%</b>
Share Large fish (%)	38 %	52 %	
Share Small fish (%)	62 %	48 %	
Biomass sold (t)	687	335	<b>104.6%</b>
Biomass harvested (t)	739	379	<b>94.9%</b>
Net Growth biomass (t)	742	496	<b>49.6%</b>
Productivity (kg/m <sup>3</sup> /day)	0.75	0.66	<b>13.6%</b>

- **Prices increased** over half year to compensate for increasing input prices
- **Strong fresh sales** of both small and large fish
- **Continued increase in farm productivity YoY** and total biomass growth



# EBITDA per kg improvements driven by economies of scale

## Cost analysis per kg

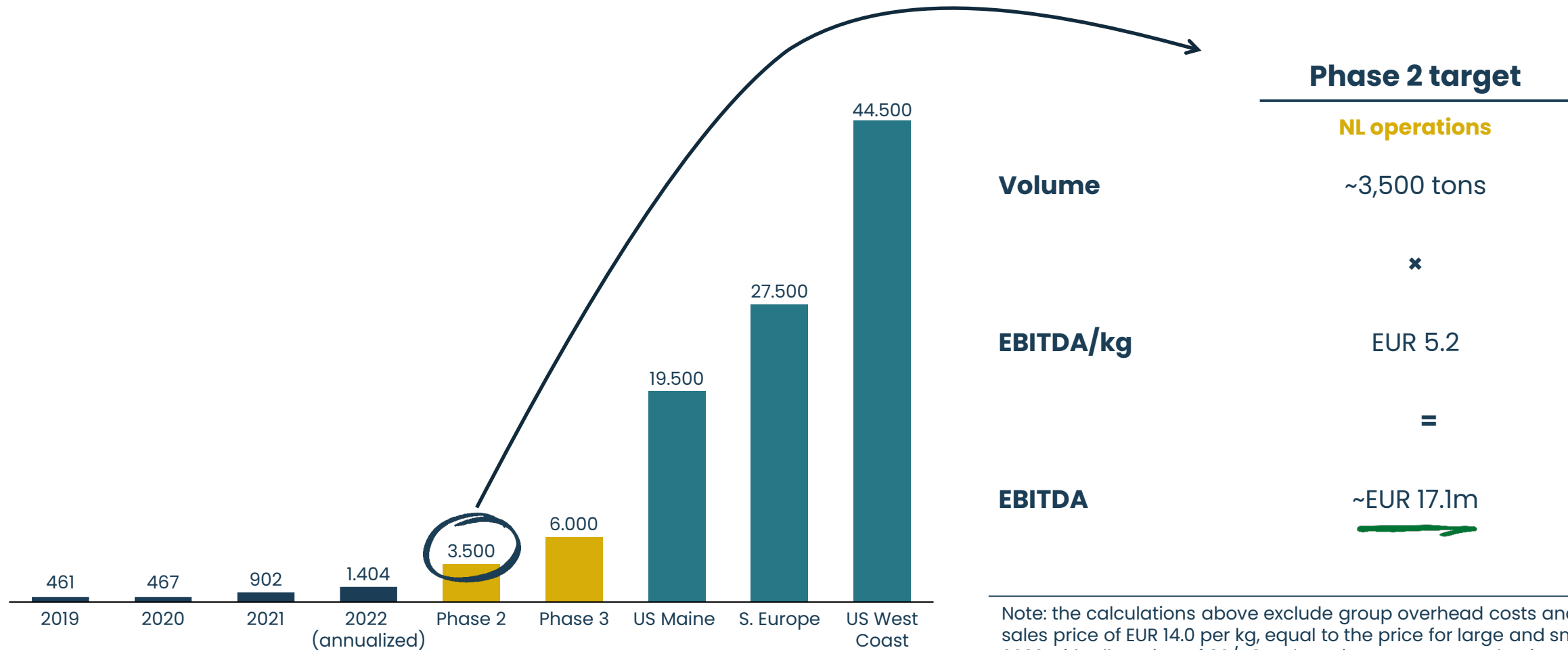
EUR / kg	Group level HI 2022 <sup>1</sup>	NL operations HI 2022 <sup>1</sup>	NL operations Phase 2 target
Volume (tons)	~739	~739	~3,500
<b>Revenue</b>	<b>12.3</b>	<b>12.3</b>	<b>14.0<sup>2</sup></b>
COGS & direct operating cost	(9.6)	(9.6)	Approx. (6.8) -29%
<b>Gross profit</b>	<b>2.8</b>	<b>2.8</b>	<b>~7.2</b>
Indirect operating cost	(6.5)	(2.7)	~(2.0) -60%
<b>EBITDA</b>	<b>(3.7)</b>	<b>0.0</b>	<b>Approx. 5.2</b>
Net growth in biomass (tons)	~742	~742	~3,500
Biomass sold (tons)	~686	~686	~3,500

## Considerations

- **Revenue:** Prices are expected to gradually increase over time with food inflation and unlocking more markets
- **Commission & transport:** Expected to decline over time as higher volumes leads to lower cost per kg. Increased focus on direct sales reduces commissions
- **Processing, packaging & storage:** Expected to slightly decline over time as processing, packaging and storage can be more efficiently used
- **Fingerling costs:** Costs expected to decrease in the coming years as a result of new hatchery and scale advantages
- **Other direct production costs:** Continue to explore opportunities to reduce the costs of feed through formulations and volumes
- **Indirect production costs:** Yearly costs per kg for indirect labor and sales & marketing will decrease over time as capacity increases. This item also includes fish and system insurance costs and maintenance cost

# Target EBITDA of EUR ~17m from Phase 2 operations in the Netherlands, driven by volume growth and improving unit economics

Annual production volume (WFE tons)



Note: the calculations above exclude group overhead costs and assume a sales price of EUR 14.0 per kg, equal to the price for large and small fish in Q2 2022 with allocation of 60/40. Sales prices are expected to increase as the company unlocks more markets and due to food inflation.

# Group Consolidated Balance sheet

- **Investments in the Netherlands and the US** resulted in more than EUR 30m additional fixed assets
- **Biological assets** value increased in line with higher standing stock
- Entered into a **Senior Facilities Agreement** after year end with P Capital Partners AB for a 5-year ESG-linked bilateral debt facility of up to €75m

	<b>HI 2022</b>	<b>FY 2021</b>
	€ '000	€ '000
Fixed assets	89 680	55 450
Deferred tax	8 228	6 977
Right-of-use assets	472	2 653
Biological assets	6 080	5 673
Inventories	1 690	1 509
Account receivables	5 294	3 888
Cash & cash equivalents	3 554	1 222
<b>Total assets</b>	<b>115 839</b>	<b>77 372</b>
Equity and reserves	59 429	62 027
Long-term debt	47 386	8 606
Short-term debt	279	1 155
Account payables & accruals	8 745	5 584
<b>Total equity and liabilities</b>	<b>115 839</b>	<b>77 372</b>



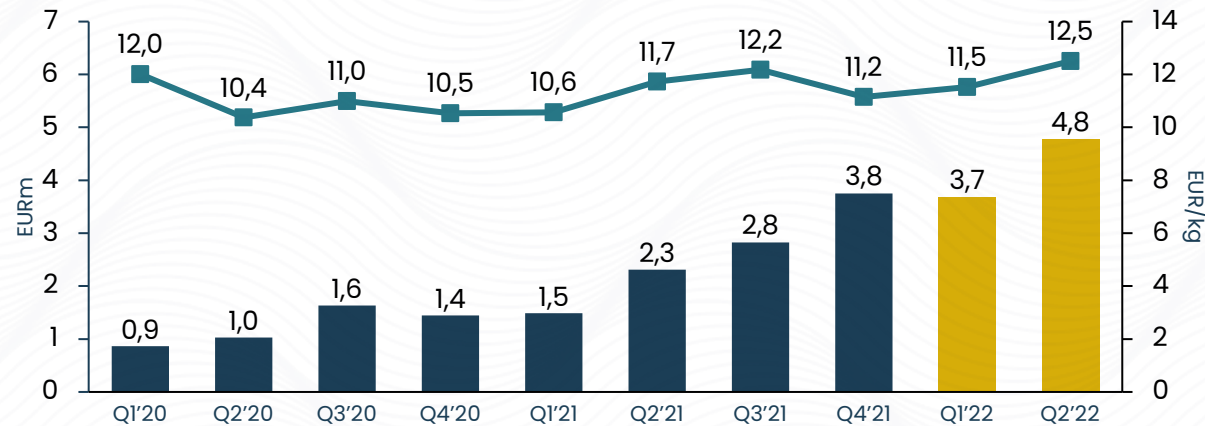
# Group Consolidated Cash Flow Statement

Figures in Euro '000	Notes	6 months ended 30 June 2022	6 months ended 30 June 2021
<b>Cash flows from operating activities</b>			
Cash receipts from customers		7.633	3.876
Cash paid to suppliers and employees		(8.872)	(6.631)
Cash utilised in operations		(1.239)	(2.755)
Finance costs		(247)	(218)
<b>Net cash from operating activities</b>		<b>(1.486)</b>	<b>(2.973)</b>
<b>Cash flows from investing activities</b>			
Investment in property, plant and equipment		(32.771)	(10.405)
Finance costs		(408)	-
<b>Net cash from investing activities</b>		<b>(33.179)</b>	<b>(10.405)</b>
<b>Cash flows from financing activities</b>			
Proceeds / (repayment) of borrowings		39.158	(943)
Payment on lease liabilities		(1.320)	(209)
Purchase of interest rate hedge		(841)	-
<b>Net cash from financing activities</b>		<b>36.997</b>	<b>(1.152)</b>
<b>Total cash movement for the 6 months</b>		<b>2.332</b>	<b>(14.530)</b>
Cash at the beginning of the 6 months		1.222	40.460
<b>Total cash at end of the 6 months / 12 months</b>		<b>3.554</b>	<b>25.930</b>

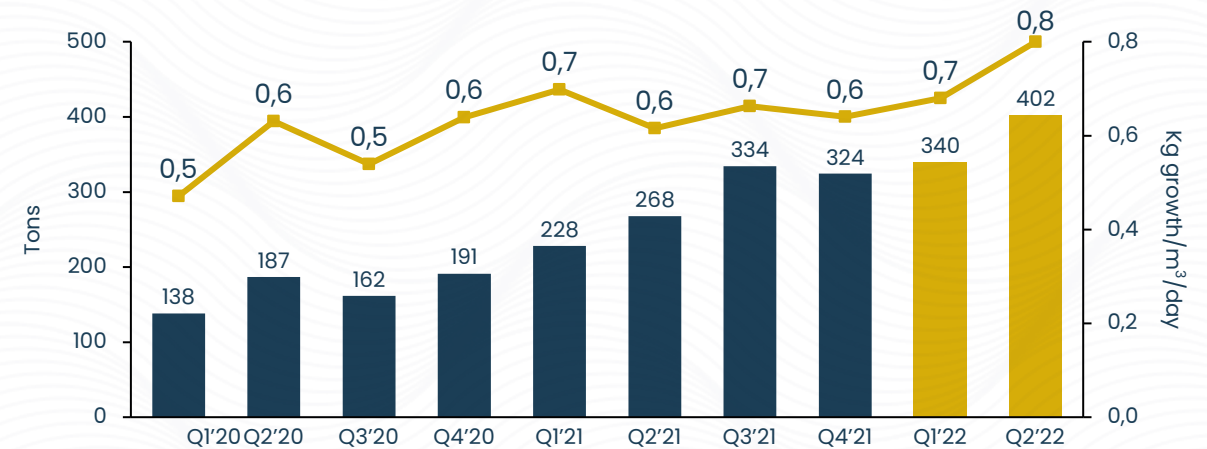
- Increased investments as a result of **construction of NL Phase 2**

# Consistent track record of improvement and reaching targets

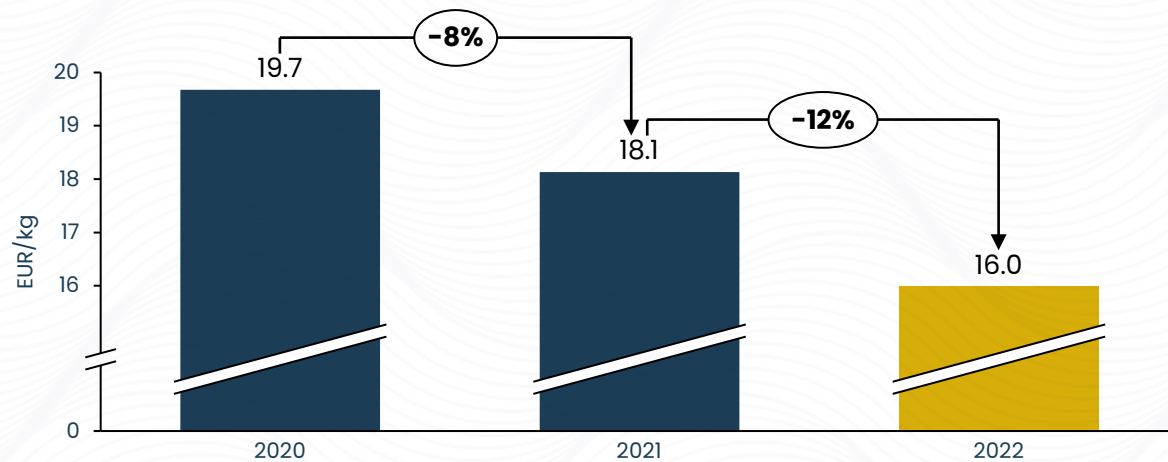
Revenue and sales prices achieved per quarter



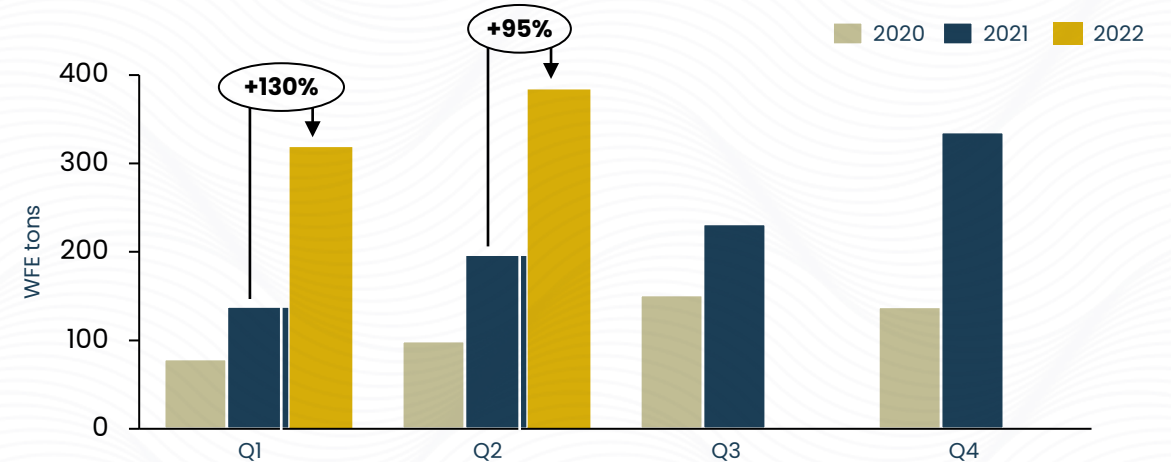
Biomass growth and productivity



Annual improvements in opex per kg<sup>1</sup>



Volume sold per quarter





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# The Kingfish Company has proven its ability to deliver on targets

## Consistently delivered on previously announced targets

- ✓ The standing biomass has proven to be stable and trending upwards in conjunction with increasing productivity
- ✓ Phase 1B expansion was integrated into production in 2021 – on time, quality and budget, bringing capacity to 1,500 tons p.a.
- ✓ Cash positive for the Netherlands operation 2022YTD
- ✓ Started construction of capacity expansion in Netherlands in 2021 to reach 3,500 tons (Phase 2)
- ✓ Mortality rate of ~5% compared to avg. mortality rate for salmon farmers of ~12%
- ✓ Secured land and all permits (federal and state) to launch construction in Maine, US
- ✓ Successfully completed more than 30 production cycles
- ✓ Currently operating at 30-40% above design capacity
- ✓ Achieved sector leading productivity

# The Kingfish Company has the optimal foundation for future triggers

## Outlook

- Production from Phase 2 in the Netherlands is expected to commence from Q4 2022 / Q1 2023
- Permits for Phase 3 in the Netherlands are expected to be achieved in first half of 2023
- Following Phase 3 NL, the next step in Europe is expansion to Southern Europe with production capacity of ~8,000 tons
- Further expansion in the US outside of Main is envisioned on the West Coast, with ~17,000 tons production facilities
- Restated long-term ambition of ~44,500 tons annual production capacity, split across the Netherlands, Southern Europe and the US
- Achieving attractive unit economics
- Well positioned to lead future industry consolidation in RAS



# Why invest in The Kingfish Company



**RAS is well positioned to become the third pillar in global seafood supply**

Wild catch and traditional aquaculture face limitations in seafood supply



**RAS operator with consistent sector leading performance**

Deep in-house expertise enabling biological outperformance and cost leadership among land-based peers



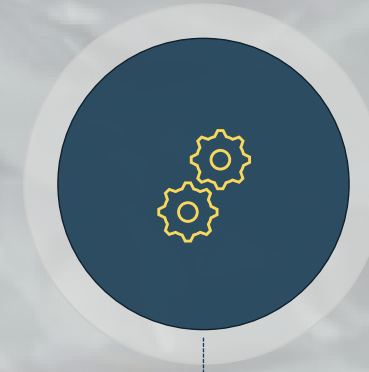
**Leader in a highly attractive market**

Operating in the fundamentally strong Yellowtail Kingfish market with a first-mover position and clear ESG angle



**Proven unit economics**

On track to become EBITDA positive in the Netherlands for full year 2023



**Unique business case maximizing the strategic advantage of RAS**

High value species that performs well in the RAS system, while being sold to import dependent markets





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