



THE
KINGFISH
COMPANY



Q3 2023 UNAUDITED FINANCIAL RESULTS

November 2, 2023



Q3 2023 FINANCIAL RESULTS¹

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¹ All figures are unaudited



HIGHLIGHTS Q3 2023

Strong biological performance – steady progress towards break-even

- **Record growth of 637 tons**, with biological performance above expectations
- **Revenue** increased 8.5% to € 5.7 MM from € 5.3 MM in Q3 2022
- Path to profitability confirmed with **operational EBITDA approaching break-even** level at € -0.1 million in Q3
- **Phase 2** is 66% stocked and **on track to be completed** by year-end 2023



PHASE 2 PROJECT

Project on track for completion in Q4 2023

- Project developing according to plan, **completion in Q4 2023**
- Capex spent by Q3 2023: €90 MM
- **12 out of 18 tanks stocked and operational**; remaining 6 tanks will be commissioned by year-end
- **Biological** performance exceeding expectations
- First harvest successfully done in September
- After completion **total production capacity** will increase from 1,500 tons to **3,500 tons**

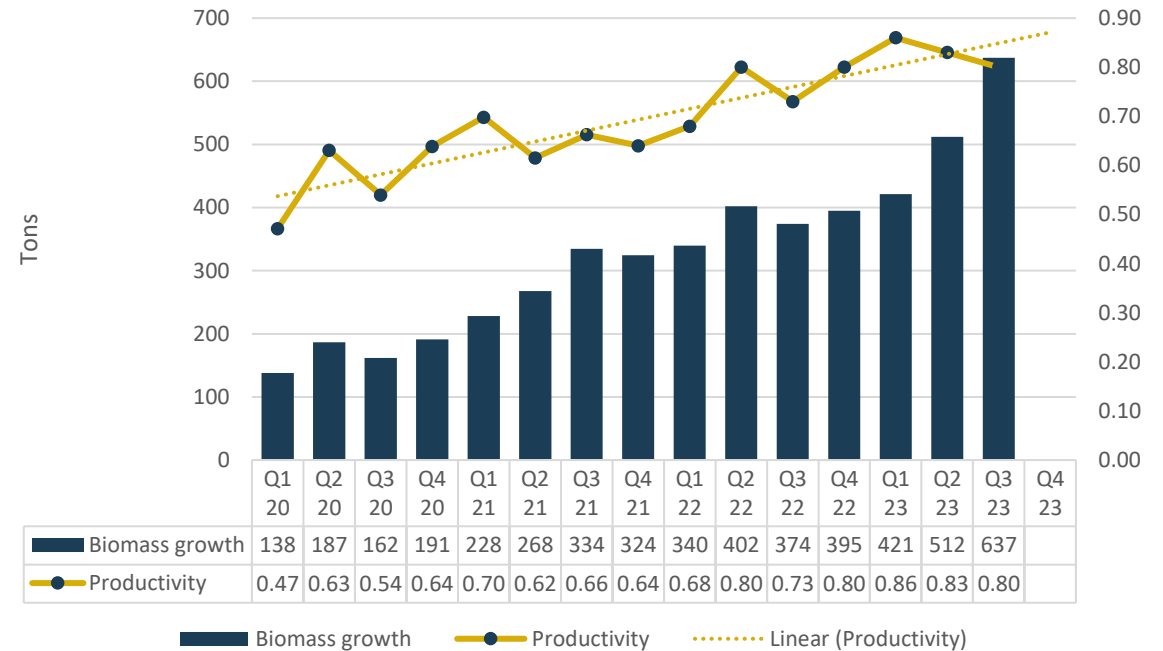


PRODUCTION UPDATE

Biological performance above expectations



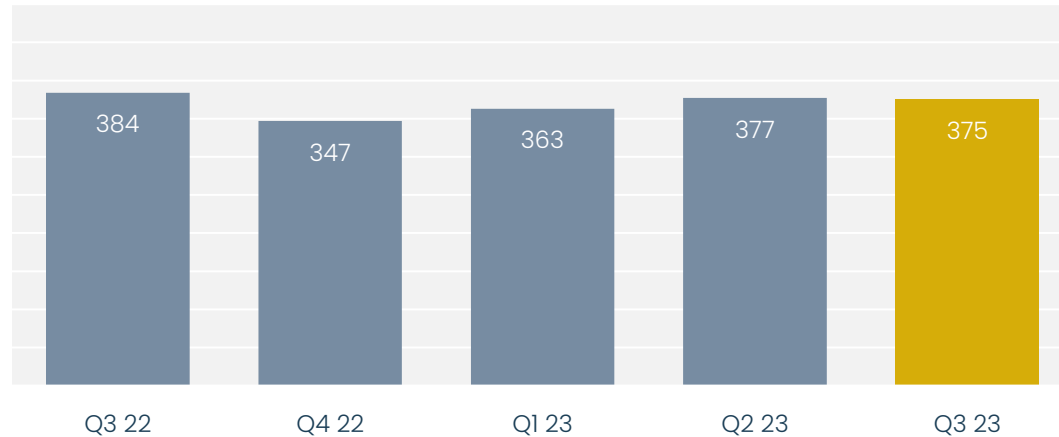
- Total net growth was at **new record level** of 637 tons as a result of expanding operations of Phase 2
- **Sector-leading productivity** reaching level above 0.80 kg growth / m³ / day
- **eFCR was 1.37**, a significant improvement from 1.52 in Q3 2022
- **Harvest volumes** 399 tons (Q3 2022: 390 tons)
- Share of **3rd generation fingerlings** increasing to over 50%, demonstrating performance improvements exceeding expectations
- Expecting a **significant increase** in harvest volumes **by Q1 2024**



SALES VOLUME STABLE

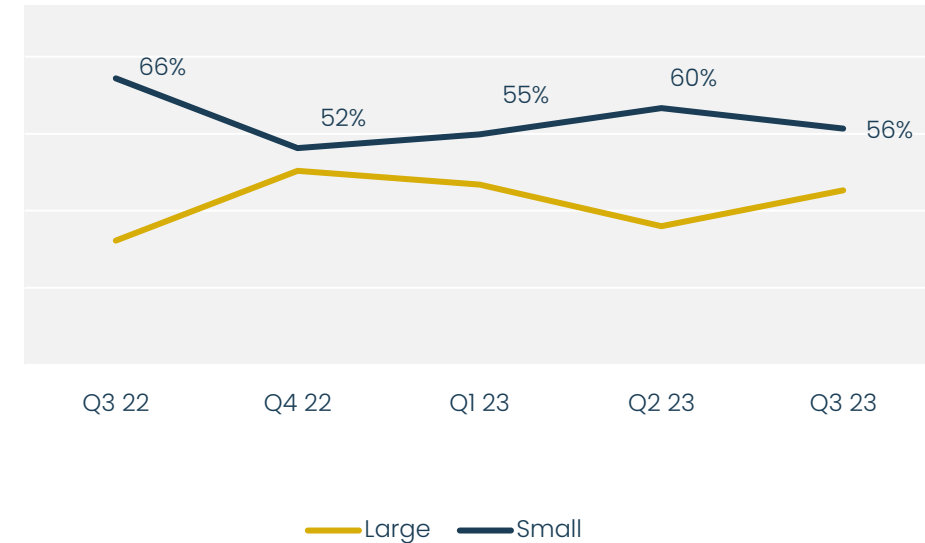
Size mix gradually moving towards larger size

Sales volume



- Sales volume in Q3 2023 of 375 tons WFE (Q3 2022: 384 tons WFE) driven by **sustained demand for fresh** Dutch Yellowtail
- **Volume growth in the US** in both fresh and frozen, but increased competition in frozen

Ratio large/small fish

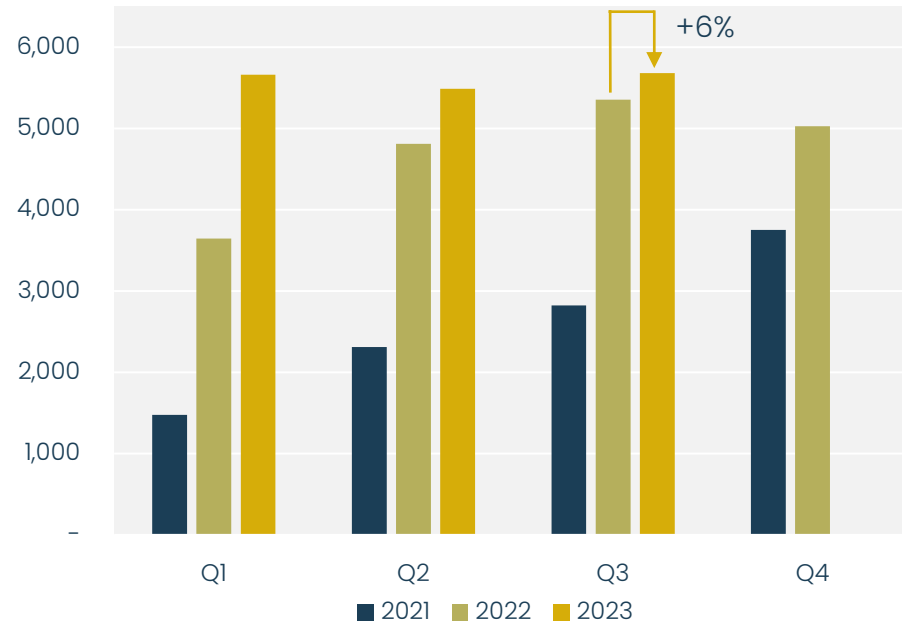


- Mix improved, while **demand for large fish exceeded supply** during summer months.
- Demand softening from September onwards

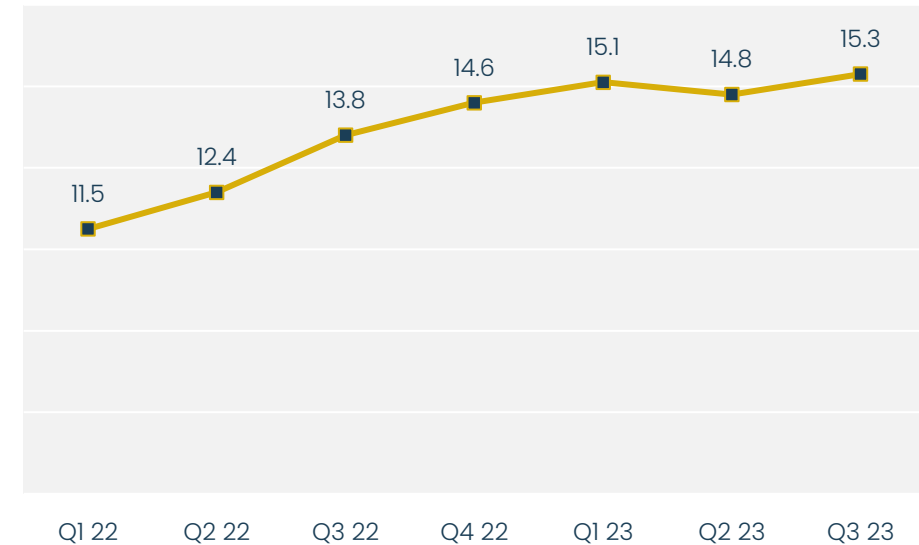
CONSISTENT GROWTH IN SALES AND REVENUE PER KG

Positive impact from improved size mix

Sales per quarter (€ '000)



Steady increase in revenue per kg



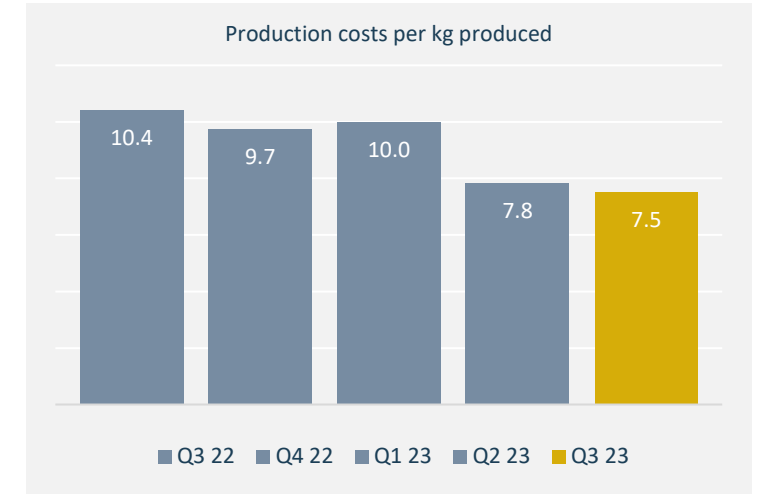
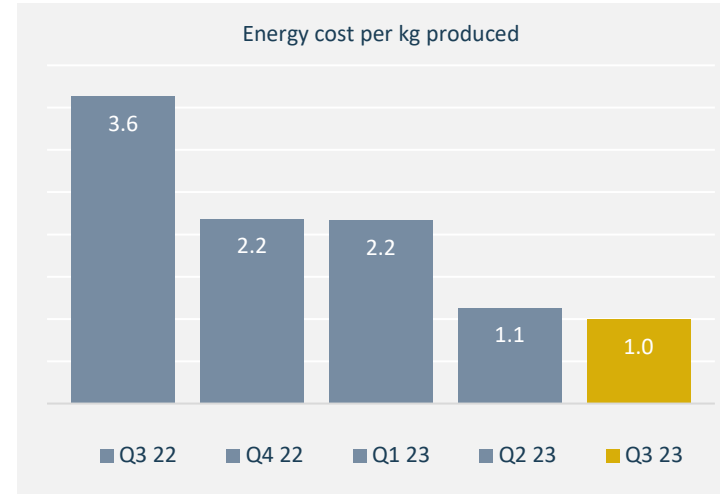
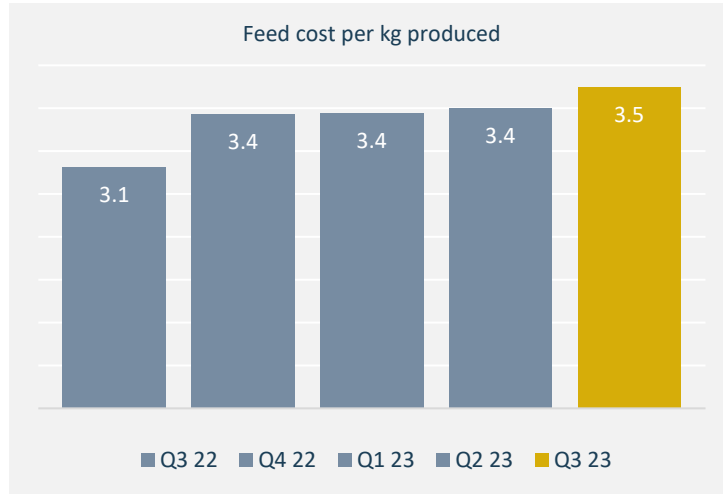
- **Sales in Q3 2023 up 8.5% YoY** to € 5.7 MM mainly driven by higher price/kg and more favorable size mix
- Export to the **Israeli market** (approx 10% of sales) has been **temporarily halted** since October 2023, due to the current situation

- Revenue/kg increased steadily driven by **higher share of large fish**
- Fresh **Dutch Yellowtail prices** remain stable

PRODUCTION AND OPERATIONS

Favorable production costs development

€/kg

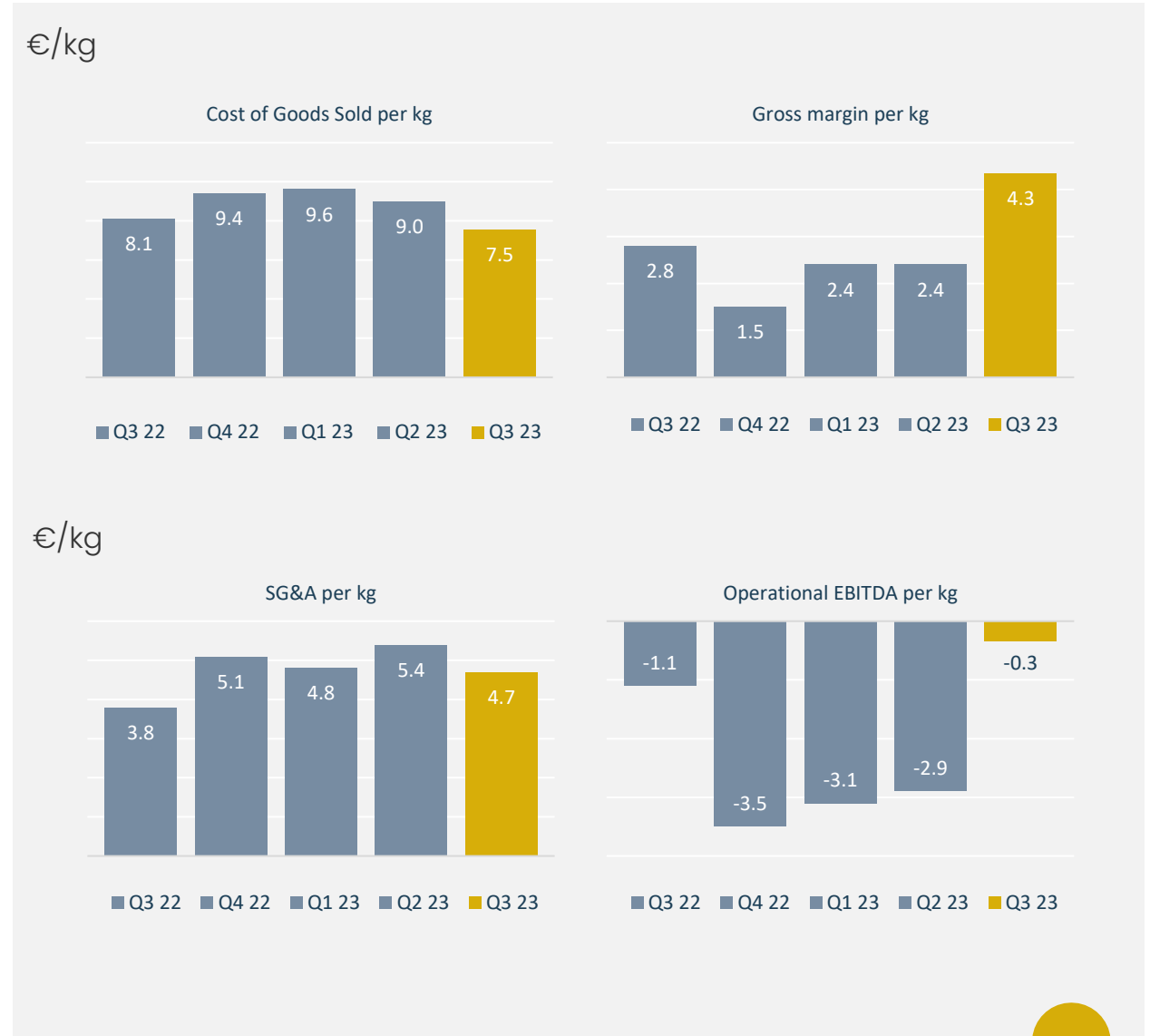


- **Feed price declined QoQ** after peaking in Q1 2023, benefiting from new formulations and suppliers
- **Increased feed cost per kg** produced vs. Q3 2022, due to higher feed price, **offset by lower eFCR** (Q3 23: 1.37; Q3 22: 1.52)
- Energy costs benefiting from a **favorable contract** in 2023
- **Energy prices for 2024** expected to be significantly higher than in 2023
- **Significant reduction in production costs**, driven by lower input costs and **scaling impact** (biomass growth 70% higher than in Q3 2022)

PROFITABILITY

Operational EBITDA approaching break-even

- **Gross margin per kg up 79%** from Q2 2023 and up 54% vs Q3 2022, driven by higher sales price and lower costs of goods sold
- **SG&A** impacted by one-off transformation activities in 2023. Scaling effect expected from 2024
- Upcoming investments in sales and marketing to **accelerate development of new markets** in EU and US
- Operational **EBITDA approaching break-even in Q3**, confirming path to profitability



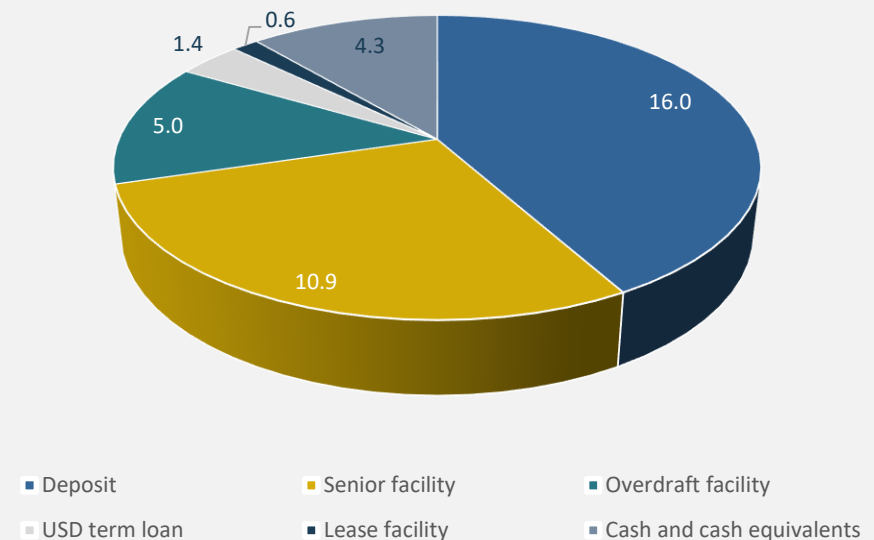
FINANCING AND LIQUIDITY

Convertible loan of € 32 MM strengthened financing position

- Received the full **€32 MM convertible loan** in August
- **Total liquidity and committed financing facilities** amounting to € 38.2 MM at the end of Q3
- Q3 **cash usage** was €7.7 MM:
 - € 4.0 MM Phase 2 capex
 - € -3.7 MM operating cash flow, driven by biomass growth

Liquidity and committed financing facilities²

€ 38.2 MM

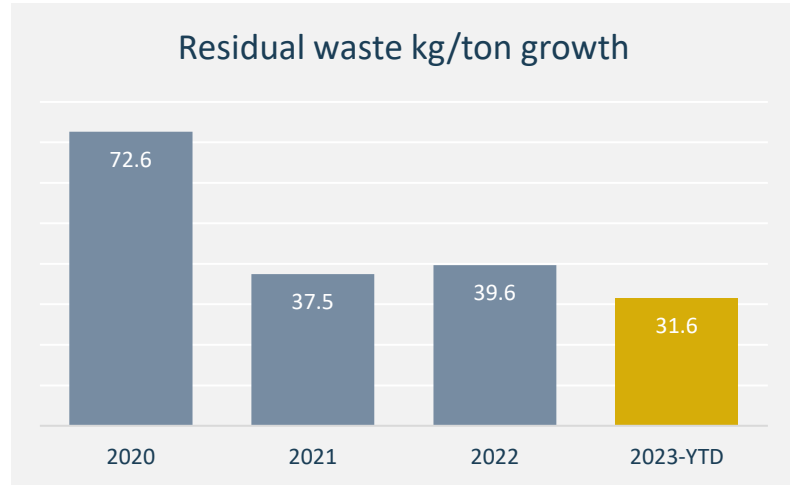


In mio €

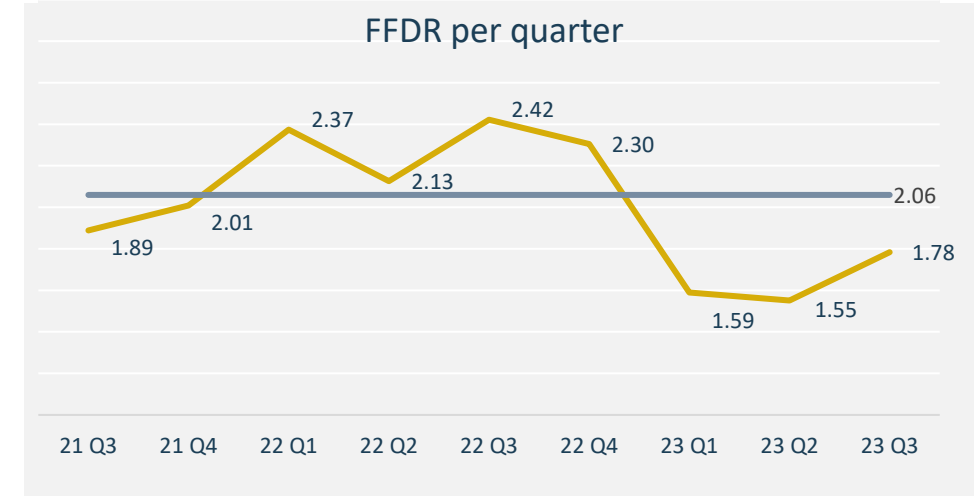
²Excluding € 2.7 million facility for interest payments

SUSTAINABILITY

Ahead of reaching our 25x25 ESG targets³



- **Residual waste** reduction 56%YTD compared to 2020, **exceeding target of 25% reduction**



- **FFDR** (forage fish dependency ratio⁴) was 1.66 YTD, **well below 25x25 target of 2.06**
- **FFDR improved** as a result of new formulations and increased usage of trimming

All certifications renewed including BRC certificate with **AA+** score. Application for a global GAP certification is in process.

³Our 25x25 ESG targets are further explained in the Sustainability Report, which is available here on our website.

⁴Forage Fish Dependency Ratio (FFDR) indicates the amount of wild marine raw material used to produce same mass of fish

CONCLUDING REMARKS

Summary & outlook

- **Record growth of 637 tons**, a proof of the superior performance in new Phase 2 expansion
- **Robust sales** despite more **challenging markets**
- **Favorable production cost development**, scale benefits starting to come through. Excellent biological performance in Phase 2.
- **Sufficient liquidity** until cash positive
- **Phase 2 on track** for completion in Q4 2023, expanding our capacity to 3,500 tons





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