



H1 2023 financial results

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H1 2023 financial results

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Highlights H1 2023

Substantial progress in operations, financing, and Phase 2 project

- **Revenue / kg improvement** has offset input costs.
- **Strong demand** for fresh Dutch Yellowtail in all markets.
- Production in Phase 2 extension has started.
Biological performance is remarkable.
- Successful new financing round, raising €32 MM convertible loan and **securing the growth** of the Company.



Phase 2 project

Encouraging start-up of the new extension; project completed in Q4

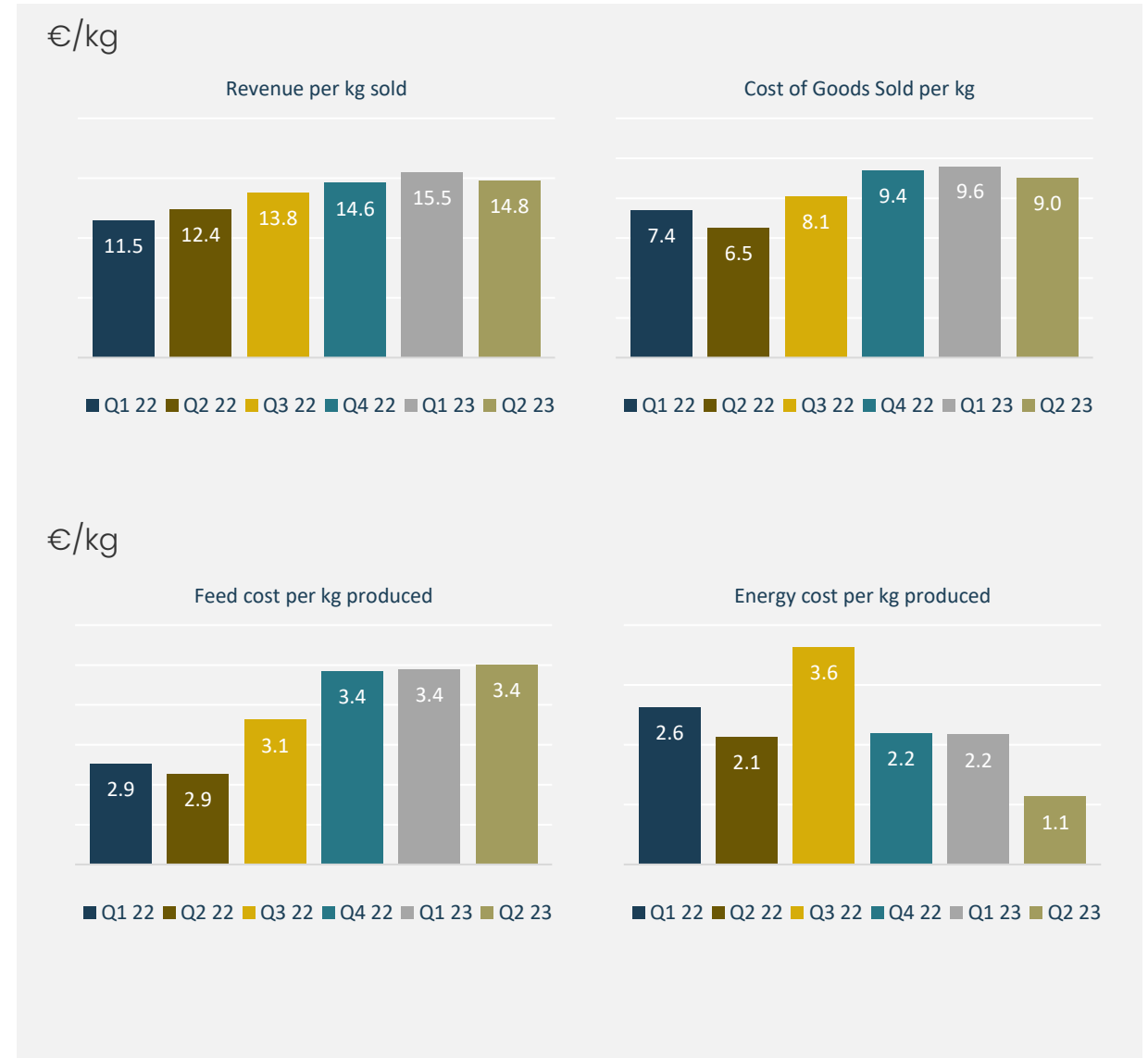
- First 6 tanks of new Phase 2 grow-out facility stocked since May 2023
- Currently 10 out of 18 tanks are stocked.
Phase 2 will be fully stocked by October 2023
- **Biological performance** of the farm exceeds expectations so far with high growth and low eFCR
- **Farm biomass to more than double** by year-end, to ~1,000 MT
- **Project completed by year-end** and fully operational including commissioning of new processing facility



Production and operations

Improvement in production offset increase of input prices

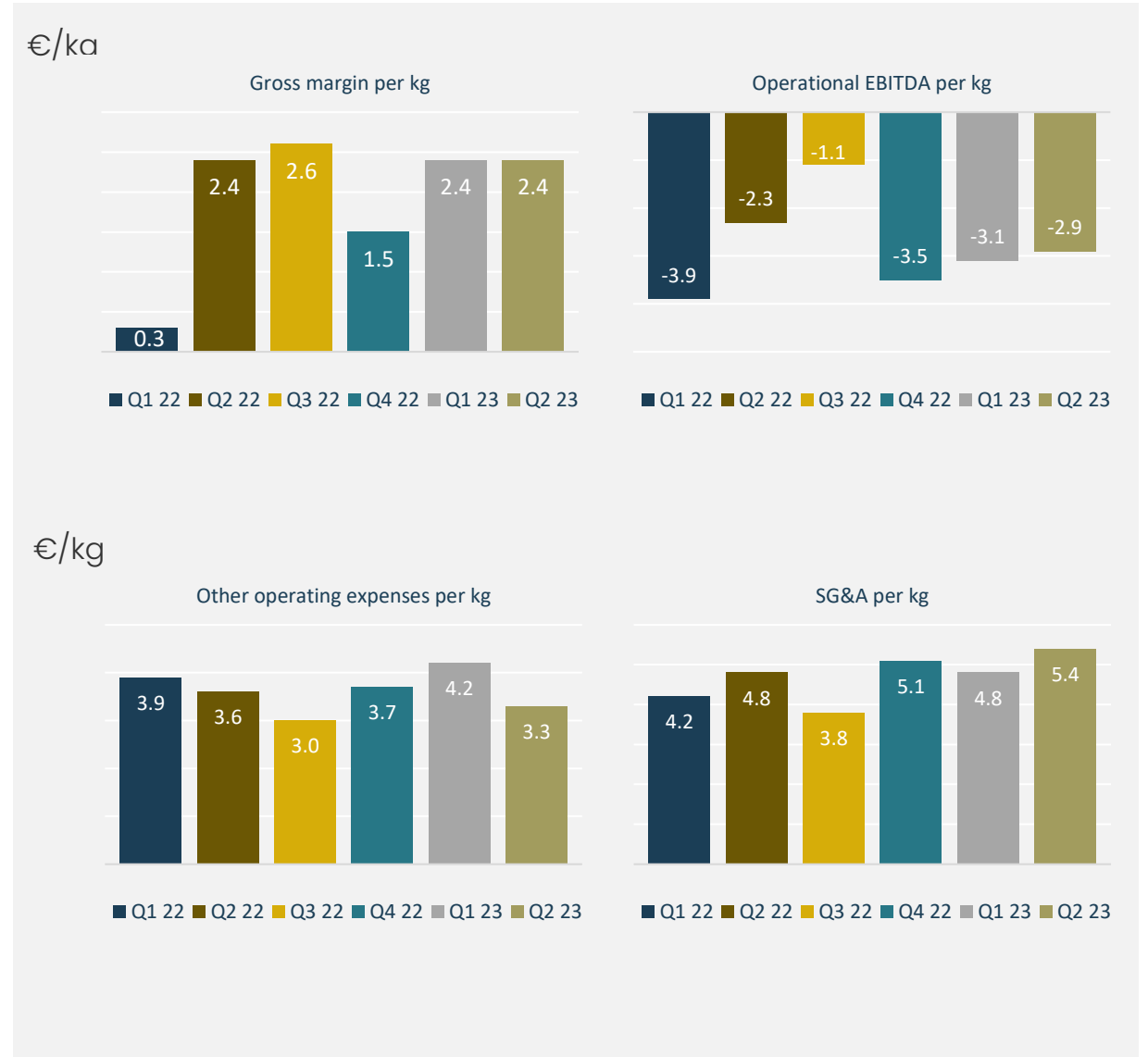
- **Feed prices in H1 2023 up 35% YoY** Increase is partially offset by improving biological performance and introduction of new feed formulations
- **Energy cost peaked** in H2 2022. Favorable contract in H1 2023
- H1 2023 cost base negatively impacted by Phase 2 start-up costs, mainly energy and labour
- Production costs will benefit from **scaling impact of Phase 2** as of H2 2023



Profitability

Path to profitability confirmed

- Increase in Revenue / kg offsets the higher input costs
- **Gross margin per kg up 78% in H1 2023 YoY**, and up 16% vs H2 2022
- SG&A impacted by one-off transformation activities. **SG&A per kg to benefit from scaling** impact as of H1 2024
- Operational **EBITDA** will benefit from scaling impact in 2024



Cash flow

Improving cash from farming operations

- **Cash from Operations** down € 0.7 MM YoY. Driven by biomass build-up and decrease of capex payable
- **Investments in Phase 2** of € 14.8 MM and € 1.3 MM in maintenance and US growth capex in H1 2023
- **Cash from Financing** includes the proceeds of the equity raise tranche 3 (€ 14.1 MM), as well as € 5 MM bridge loan and € 3 MM utilization of PCP facility

€ '000	H1 2023	H1 2022
Net cash from operating activities	(2 198)	(1 486)
Net cash from investing activities	(14 489)	(33 179)
Net cash from financing activities	21 531	36 997
Total cash movement for the year	4 844	2 332
Cash at the beginning of the year	1 624	1 222
Total cash at end of the year	6 468	3 554

Financing

Financial position strengthened by € 32 MM convertible loan

- Net debt up € 5.2 MM to € 60.4 MM driven by progress of Phase 2 construction (€ 89 MM spent to-date)
- **Financing structure strengthened** with € 32 MM convertible loan fully paid in August 2023
- € 10.9 MM remaining PCP facility for financing of Phase 2 capex
- € 4.7 MM remaining PCP facility to finance interests. Kingfish will start paying **interest in cash in Q1 2024**
- Company fully financed until it turns free cash flow positive before growth in H2 2025



Path to profitability

Several important near-term milestones



1

Phase 2 fully operational
Expected in Q4 2023

Half of Phase 2 tanks stocked. Fully stocked by Q4 2023
Farm biomass to more than double from Phase 1
Steady-state level by year-end 2023
Harvested volume to increase significantly as of Q1 2024

2

Operational EBITDA positive
Expected in H2 2024

Scaling impact on production and overhead costs
Larger fish driving increase in profitability

3

Cash flow positive
Expected in H2 2025

Positive cash flow from farm operations expected in H2 2024
Positive free cash flow before growth capex expected in H2 2025

Path to profitability

Multiple initiatives to further improve operational KPIs

Initiative	About	Estimated effect
1 Selection & genetics	Improve grading of smaller fish Enhance and expand current program with Wageningen University	<ul style="list-style-type: none"> Improved harvest rates Enhanced genetics and RAS robustness per generation to accelerate growth rate
2 Feed	Optimize feed formulation based on current knowledge	<ul style="list-style-type: none"> Reduce feed cost without reducing growth or increasing FCR and maintaining water quality
3 Fish size	Optimize harvest mix between small and large fish Increase proportion of large size fish	<ul style="list-style-type: none"> Increase profitability per kg Faster growing generation F3 will still yield 3,500 MT / year
4 Operational excellence	Optimize support organization such as purchasing, warehousing and maintenance	<ul style="list-style-type: none"> Cost optimization
5 3rd Generation farm	Building permit request submitted Review current design to lower capex/kg production capacity	<ul style="list-style-type: none"> Optimize and minimize capex/kg to finish build new production facilities

Concluding remarks

- **Sector leader with consistent operational track record.** Excellent biological performance of the farm after Phase 2 start-up.
- **Robust sales, high customer satisfaction,** validating strong demand for our premium quality fish.
- **Phase 2 extension:** 10 tanks out of the 18 are stocked with fish. First results are impressive.
- All **18 tanks** will be stocked by October.
- Focus of management is on **completion of Phase 2,** become **cash positive** and drive path to profitability.





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