



# BioFish

## 2021 Investor Report - EuroNext

Expansion of post-smolt  
production – [www.BioFish.no](http://www.BioFish.no)



# BioFish

2021

Land-based post-smolt production

# Highlights – ready to scale up

<b>Company Overview</b>	
Business Model	
Financials	<ul style="list-style-type: none"><li>▪ Land-based post-smolt production facility for annually capacity of 2,200-tons will be ready in 2022</li><li>▪ About NOK 164 million invested per year-end including post-smolt</li><li>▪ Turnover 18 mNOK with +6 million smolt produced until date</li><li>▪ Holds an aquaculture hatchery license for production of 5 million smolt and discharge license for 2,200 ton</li><li>▪ Established post-smolt producer, operating and producing smolt since 2016 with enhanced RAS – technology<ul style="list-style-type: none"><li>▪ PEOPLE + RAS technology = Quality POST-SMOLT</li></ul></li></ul>
Market Outlook	

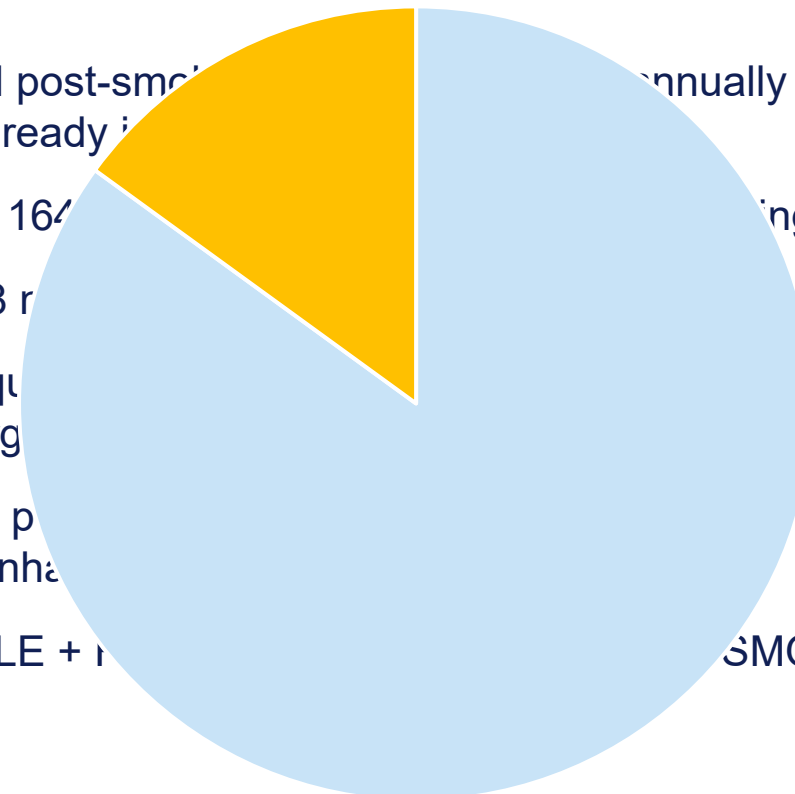


# RAS facilities nearly completed

<b>Company Overview</b>
Business Model
Financials
Market Outlook

## RAS technology completion

- Land-based post-smolt production facilities with an annual capacity of 2,200-2,500 tons will be ready in 2023
- About NOK 164 million invested in building post-smolt production facilities
- Turnover 18 million NOK in 2022, with a planned start of production in 2023
- Holds an aquaculture license for the production of 5 million smolt per year
- Established post-smolt production in 2022, producing smolt since 2023
- PEOPLE + PRODUCTION + PROFIT = SUSTAINABLE SMOLT



# Summary / Highlights

## Company Overview

## Business Model

## Financials

## Market Outlook

- BioFish has since 2018 delivered about 6 million smolts with weights in the range of 100 - 550 grams to several customers
- Applied for food-fish license. Experience through SkatteFUNN project.
- Proven business model – historical production with healthy EBITDA margin
- Extension to 2.200 tons production capacity nearly completed with 85 percentage completion
- Long-term expansion plan for a total of 10,000-ton annual production on existing sites
- Vision of 50.000 tons production through expansion of network, partnership and growth opportunities through ESG business model



# Summary / Highlights – 2021

Company Overview	
Business Model	
<b>Financials</b>	<ul style="list-style-type: none"><li>▪ 2021 Year of building RAS – production facilities<ul style="list-style-type: none"><li>▪ Results effected by building capex, delay in operational license, increased costs and lead - times</li><li>▪ Building biomass and inventory for future deliverers</li></ul></li><li>▪ KEY Events 2021<ul style="list-style-type: none"><li>▪ Successfully launched 150.5 million in an IPO and Listed on EuroNext Growth Oslo August 2021</li><li>▪ Entered into a long-term loan agreement of 60 mNOK</li><li>▪ Repaid<ul style="list-style-type: none"><li>▪ Bond loan/ vendors and deleted pledges</li><li>▪ a lost arbitration effected results</li></ul></li></ul></li></ul>
Market Outlook	



# Summary / Highlights – 2021

Company Overview	Income Statement BioFish Group				
Business Model		Note	2021.12.31	2020.12.31	
Financials			Unaudited	Audited	
Market Outlook	<b>Operating revenue</b>	2	18 329 596	30 923 355	
	Operational expenses	3	11 400 405	19 372 696	
	Salaries and personnel expenses		2 122 646	4 297 085	
	Depreciations		400 000	422 490	
	<b>Operating expenses</b>		<b>25 484 667</b>	<b>24 092 271</b>	
	<b>Operating profit/ loss</b>		<b>-7 155 072</b>	<b>6 831 084</b>	- Lost arbitration - OPEX/ CAPEX decisions effects profit & loss
	<b>Net finance</b>		<b>-37 514</b>	<b>1 939 541</b>	
	Ordinary result before tax		-7 192 586	8 770 625	
	Tax expenses	5	3 393 269	-1 956 012	
	<b>Net profit</b>		<b>-3 799 317</b>	<b>6 814 613</b>	



# Summary / Highlights – 2021

Company Overview	<b>Balance</b> <b>BioFish Group</b>					
Business Model		<b>Note</b>	<b>2021.12.31</b> Unaudited	<b>2020.12.31</b> audited		
<b>Financials</b>	<b>Assets</b>					
	<b>Non-current assets</b>					
	Intangible assets					
	Fish licenses etc.			-	-	
	Property, plant and equipment	6	148 606 210	124 464 121		
Market Outlook	<b>Non-current assets</b>		<b>148 606 210</b>	<b>124 464 121</b>		
	<b>Current assets</b>					
	Inventory and biological assets		15 182 177	8 945 000		
	Short-term receivables		8 223 179	8 140 425		
	<b>Current assets</b>		<b>23 405 356</b>	<b>17 085 425</b>		Cash utilized to successfully completion of land-based facility in 2022
	Cash and cash equivalents	4	49 558 927	477 389		
	<b>Total current assets</b>		<b>72 964 283</b>	<b>17 562 814</b>		
	<b>Total assets</b>		<b>221 570 493</b>	<b>142 026 935</b>		





# Summary / Highlights – 2021

Company Overview	Balance BioFish Group			
Business Model		Note	2021.12.31 unaudited	2020.12.31 audited
<b>Financials</b>	<b>Equity and debt</b>			
	Share capital and paid in capital	1	151 340 000	8 840 000
Market Outlook	Retained earnings		8 327 008	12 126 325
	<b>Total equity</b>		<b>159 667 008</b>	<b>20 966 325</b>
	<b>Debt</b>			
	Deferred tax		0	3 393 269
	Bond loan		0	50 113 032
	Bank loan		59 000 000	-
	<b>Total non-current debt</b>		<b>59 000 000</b>	<b>53 506 301</b>
	<b>Current debt</b>			
	Accounts payable		2 006 396	43 239 148
	Annen kortsiktig gjeld		897 089	24 315 161
	<b>Current debt</b>		<b>2 903 485</b>	<b>67 554 309</b>
	<b>Total debt</b>		<b>61 903 485</b>	<b>121 060 610</b>
	<b>Total equity and debt</b>		<b>221 570 493</b>	<b>142 026 935</b>



# Summary / Highlights – 2021

Company Overview	
Business Model	
<b>Financials</b>	<ul style="list-style-type: none"><li>▪ Notes to financial statements<ul style="list-style-type: none"><li>▪ The financial report has been prepared in accordance with Norwegian General Accepted Accounting Principles for small-medium-businesses. For more details, see Prospectus &amp; Annual Financial statement</li></ul></li><li>▪ Profit and loss – notes 2,3 &amp; 5<ul style="list-style-type: none"><li>▪ Operating revenue is delivery of Atlantic Smolt to customers where operational expenses varies with timing of delivery.</li><li>▪ The unforeseen biological factors are always present</li></ul></li><li>▪ Balance sheet – notes 1, 4 &amp; 6<ul style="list-style-type: none"><li>▪ CAPEX consist building a complete land-based fish farm with enhanced RAS technology.</li><li>▪ Listed on EuroNext Growth Oslo August 2021 BioFish improved cash level with successfully IPO after balance sheet date.</li></ul></li></ul>
Market Outlook	



# Summary / Highlights

## Company Overview

## Business Model

## Financials

## Market Outlook

- Currently the Norwegian production of smolt is about 400 million units, whereof about 25% is produced by independent smolt producers
- The salmon farmers are continuously increasing use of larger smolt (post-smolt), but currently making up only about 16% of the market
  - Most existing facilities are not capable of producing large smolt due to technology and lack of waste control/ management and high consumption of both water and electricity
- Use of larger smolt has the benefit of shorter production cycles in sea, reducing cost and allowing higher utilization of licenses (Maximal Allowed Biomass)





# Company Overview



# Background and Track Record

2016

- BioFish acquired an on-land fish farming facility in Ljones from Green Salars bankruptcy estate
- Since the acquisition BioFish transformed the facility to a profitable recirculating aquaculture system (RAS)

2017

- NOK 12m invested to restore the old facility with new RAS technology
- Signed land lease contract until 2054 with an option of extension to 2064
- Granted rights to produce up to 150 tons p.a.

**Produced volume:** 100 tons

2018

- BioFish raised NOK 50m in bond financing and NOK 10m of paid-in equity from shareholders
- Signed a five-year delivery contract with Engesund Fiskeoppdrett AS for up to 600,000 smolt p.a. until 2023

**Produced volume:** 100 tons

2019

- Finalized a new 2,000m<sup>2</sup> production facility and the installation process of four new modern grow-out tanks reached its final stage
- Total of NOK 130m invested in the facility after the acquisition in 2016

**Produced volume:** 150 tons

2020

- Granted a waste license for up to 2,200-tons pro annum.

**Production:** 150 tons

2021

- New production license achieved from 1.5m to 5m smolt
- **First listed land-based post-smolt production facility with +6 million produced smolt**
- **Finalize the 2,200-tons production facility in 2022**
- **Longer lead time on equipment, increased prices, complex building process**
- Ambition to produce up to 50.000 ton within 2030 with additional network and potential ideal location – sites

**Production:** Building capacity for 2.200 tons

2022

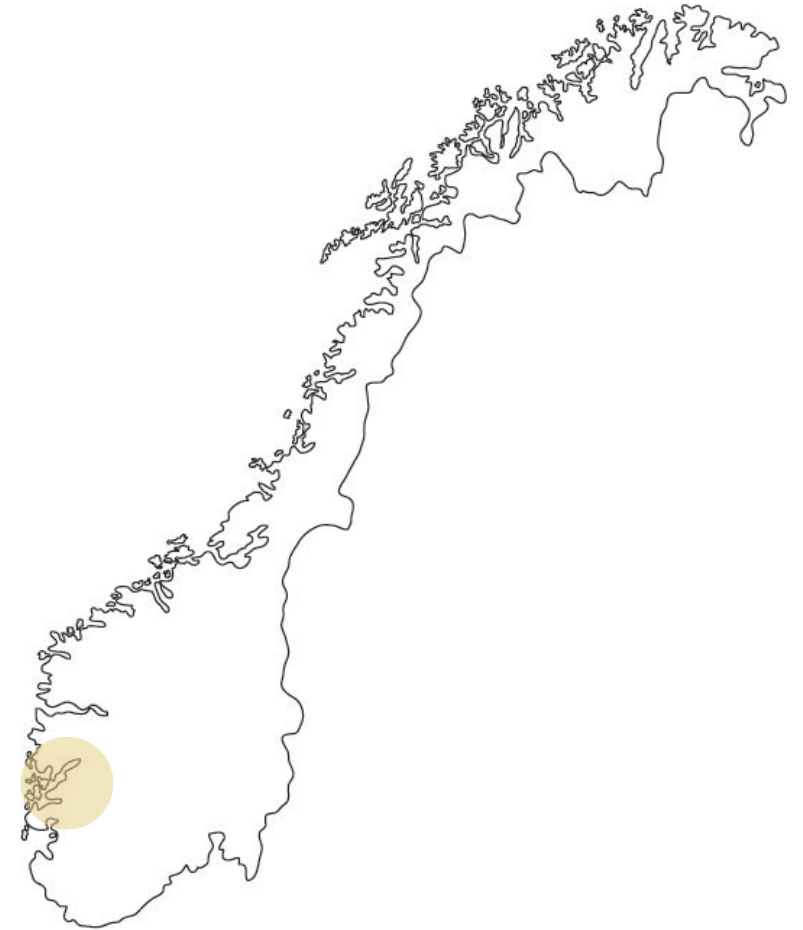


# Proven Smolt Farming Technology

## –Ready to Scale-Up

- BioFish was established in 2016 after the acquisition of a on-land flow-through smolt farming facility
- Since the acquisition, BioFish has invested approx. NOK 200m in RAS-technology, biomass and equipment
- Discharge license for production of up to 2,200 tons smolt
- Upgraded license to 5 million smolt in 2021
- The existing RAS facility consists of RAS hatchery, a RAS start feeding facility, 3 RAS growth departments and a vaccination department

# Ideally Located Along the Hardangerfjord

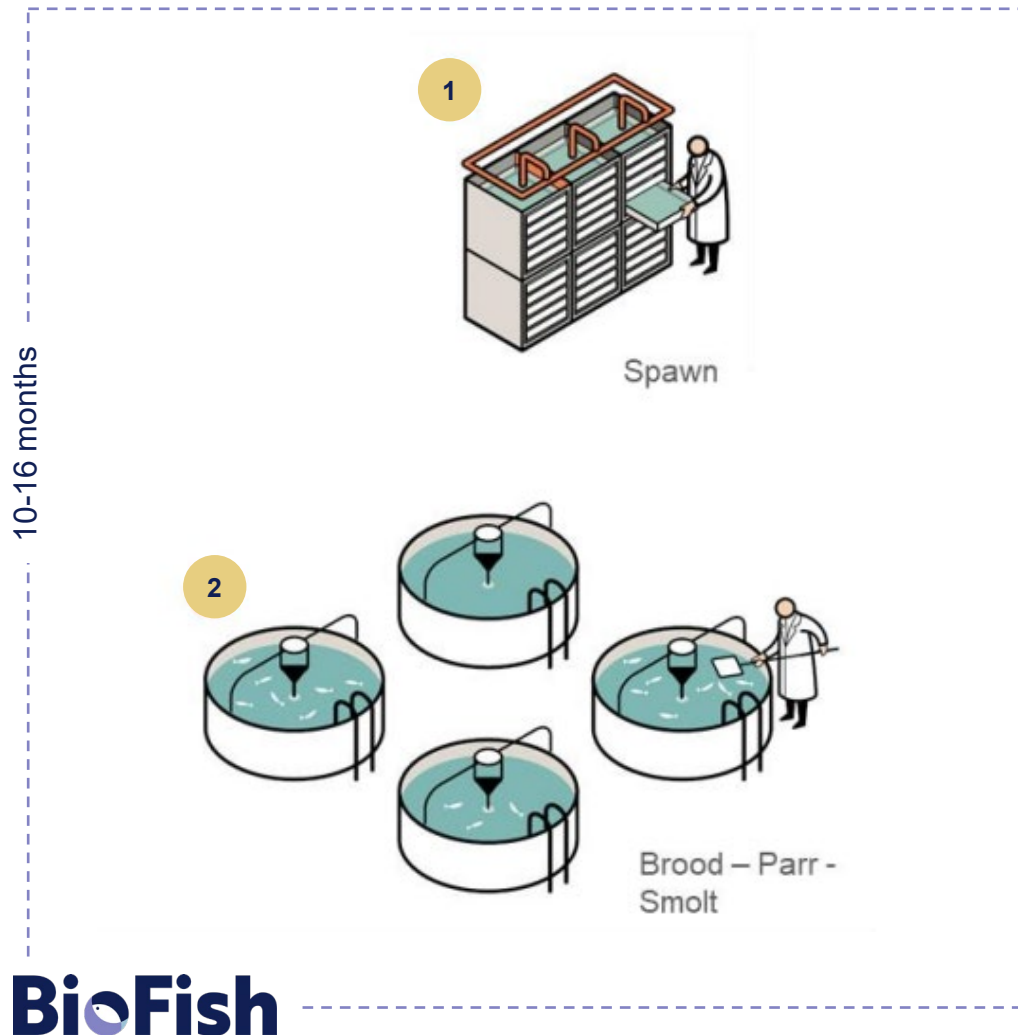


## Ideally Located Along the Hardangerfjord

- Access to both freshwater from nearby lake and saltwater from the fjord
- Ideal water temperature of approx. 10-14°C in the Hardangerfjord saves electricity costs of regulating the water temperature and facilitates a high daily growth rate



# Value Chain Salmon Farming



**BioFish**

## Production of Smolt/ Post-smolt

- A smolt is produced over a period of 6-12 months from fertilization of an egg to a mature smolt weighing 100-250 grams
- Post-smolt production (250-1,000 grams) has become more common in recent years, accounting for 9.1% of the smolt release in 2019 in terms of individuals
  - The idea behind larger smolt is to shorten the time at sea, thus reducing exposure to sea lice, disease and better growth to harvesting-size for the salmon
- The total post smolt production cycle takes approximately 10-16 months

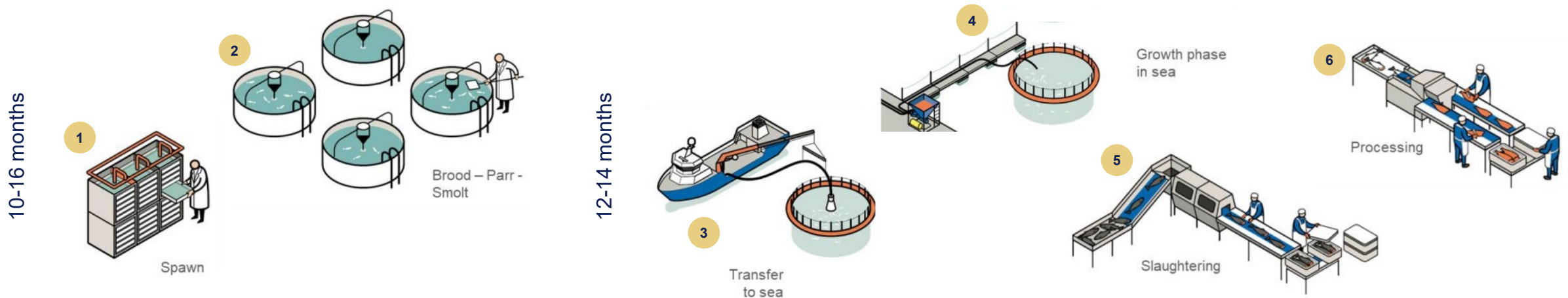




# Value Chain Salmon Farming

## Production Cycle

- In autumn, broodstock are stripped for eggs, and ova inlay takes place between September and March
- The producer can speed up the growth of the juveniles with light manipulation which accelerates the smoltification process by up to 6 months
- Spring and autumn are the two main periods to release smolt in Norway. However, there are smolt being released in all twelve months of the year
- Increased land-based production will keep demand up every day since steering production environment for optimal fish welfare and daily-growth
- Harvesting is spread evenly across the year, although most harvesting takes place in the last half of the year with current production regime
- The seawater production cycle lasts around 12-24 months, giving a total cycle length of on average about 3 years



# Strong Development in Use of Large Smolt (>250 grams)

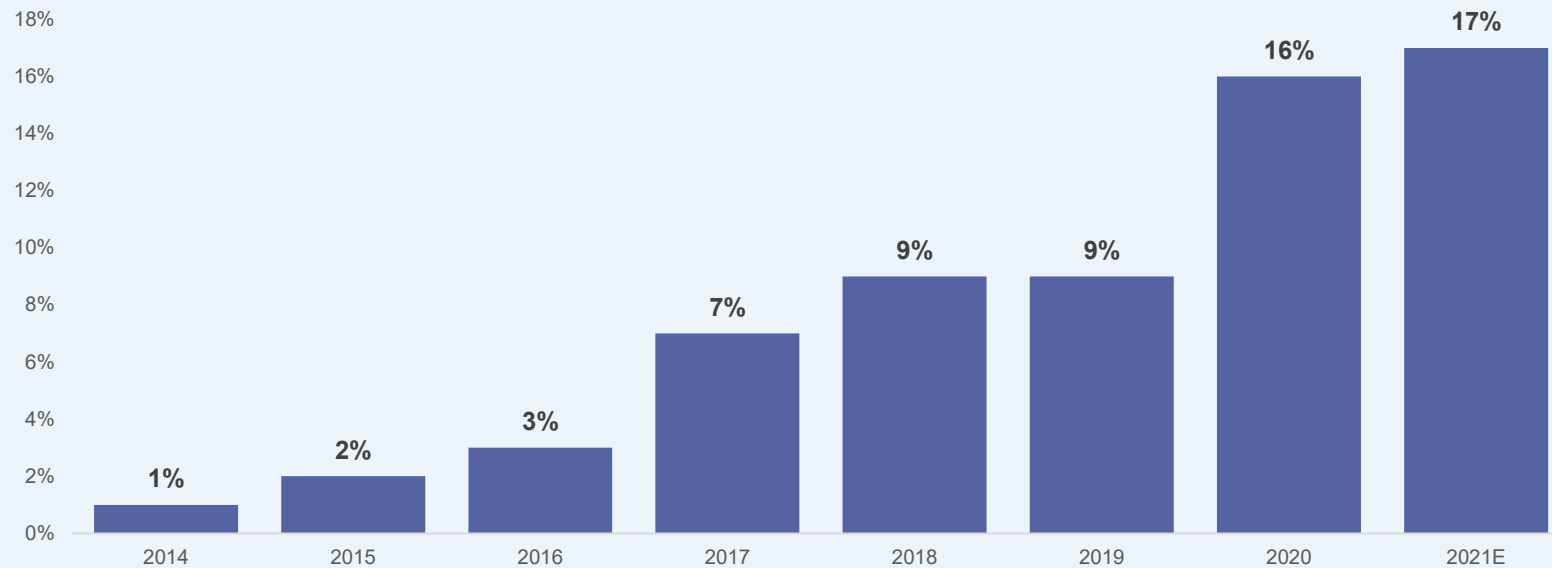
## New Production Model Post - Smolt

- From 2012 smolt companies could apply for an exemption to produce smolt up to 1 kg, the previous limit being 250 grams. This changed in June 2016 so that such permits could be granted continuously without compensation. Mr. Ole Fredrik Skulstad, was a pioneer in this quest to change the regulation.
- In the traditional production model, it is common to put the smolt in the sea when it is 100 – 150 grams. Further feeding the salmon in the sea to it reaches an ideal harvest weight of approx. 5 kg within 15-20 months. In the new production model, the smolt will have a max weight of 1 kg before being transported into the sea, where the salmon will reach its harvest weight within 8-10 months.
- By setting post-smolt of significantly larger size in the sea, the producers will have reduced exposure time to lice's and diseases, which is today some of the largest cost drivers in the industry.
- 2020 figures show about 60 million units over 250 grams, about 16% of the total smolt production and the trend is raising towards lager smolt.
- Estimate for smolt releases over 250 grams is expected to increase by an additional 5 million units, to a total of 65 million for 2021.



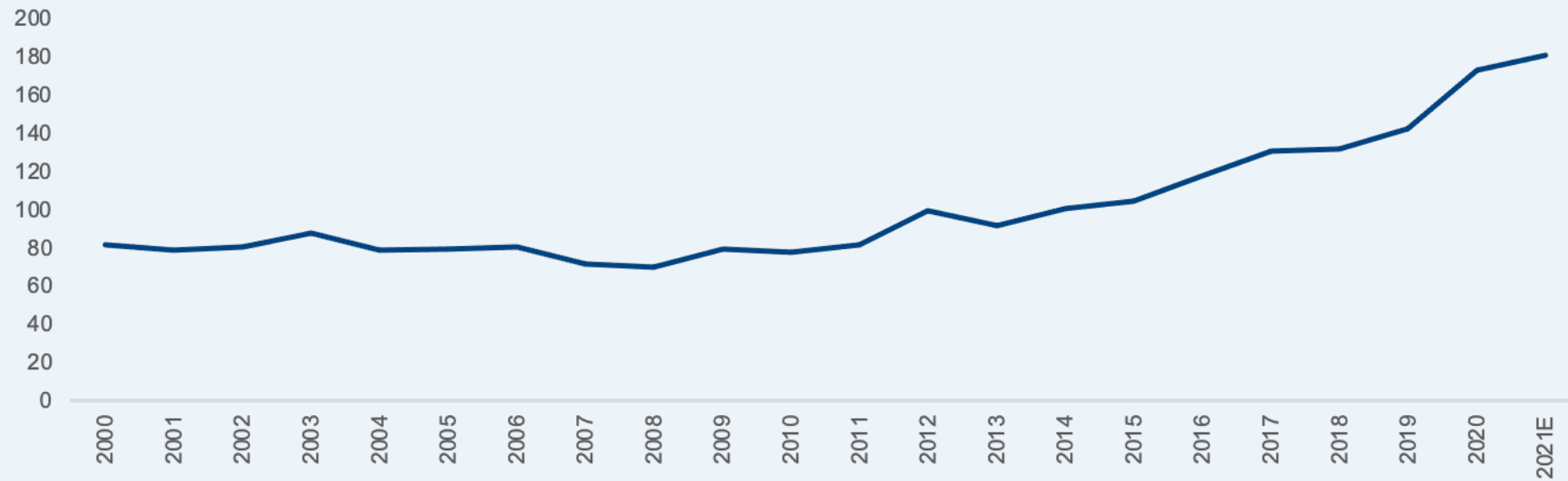
# Strong Development in Use of Large Smolt (>250 grams)

## Release of Smolt above 250 grams of total release



# Strong Development in Use of Large Smolt (>250 grams)

## Development in Average Smolt Size (Norway)



*Within reasonable distance to 30-40% of the salmon production in Norway*



## The facility in Ljones has an ideal location close to a larger number of salmon farmers

- The facility is located at the west-coast of Norway. This is the area in the country with the highest farming density and limited possibilities to increase number of licenses.
- Due to the high farming density and warm water, this is one of the areas in Norway where the sea lice issues are the highest, hence importance of using more robust smolt is also the highest.





## Smolt can be transported over large distances

- From Ljones 30-40% of the Norwegian production is within one day transport (260 km)



# Investments and Growth Plans

**A**

Existing 2,000 m<sup>2</sup> RAS facility

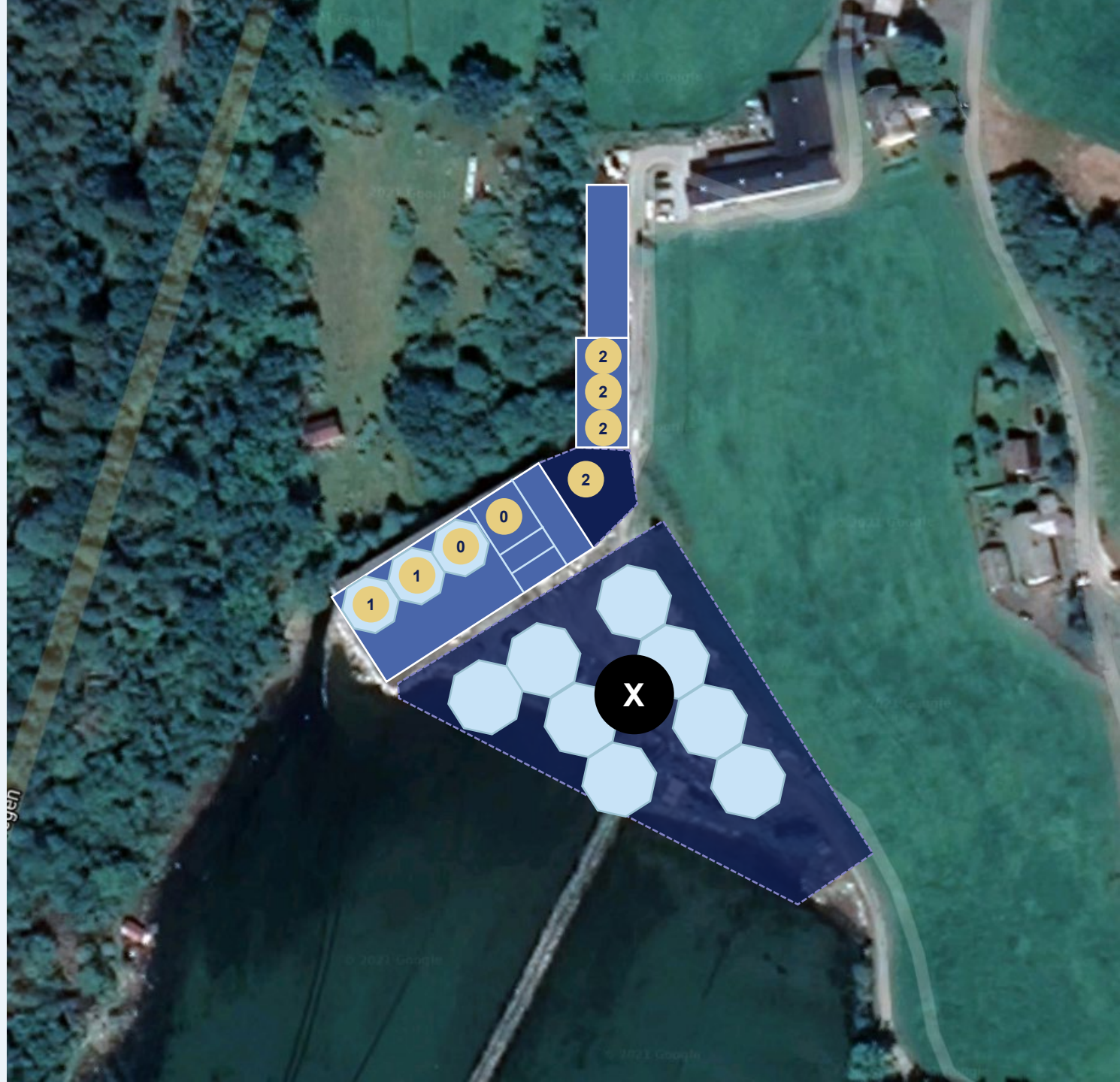
**B**

Existing hatchery and office space



# Investment and Growth Plans

- 0** Completed growth-out tanks including all water filtering, pumps and technical room for complete facility
- 1** Grow-out tanks completed
- 2** New RAS facility replacing current flow-through tanks
- X** Future opportunity for expansion for facility to up to 10,000-ton p.a.
- ?** Future opportunities, increase production by offer RAS – technology with corporating networks?





# Building Land-based fish farm

- individual RAS departments to avoid RISKS
- Lower CAPEX on technology by BioFish
- Decreased energy cost



Investments to increase production capacity and improving waste management.





# BioFish

## Thank you!

Expansion of post-smolt  
production



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