



BioFish

2Q 2023 Report

Aiming to be the preferred Post-Smolt producer in Norway

www.BioFish.no

September 2023



BioFish

2023

Land-based post-smolt production

BioFish - Roe to Sea

Company Overview

Recent highlights

Financials

Market Outlook

- BioFish is a land-based post-smolt producer with a focus on sustainable production and fish welfare
- Holds an aquaculture license for production of up to 5 million smolt and discharge license for up to 2,200 tons
- Established post-smolt producer since 2016 with enhanced RAS – technology
- New equity raised of NOK 74.5 million in first quarter 2023
- Listed on EuroNext Growth – ticker: BFISH
- Ambition to be the preferred Post-Smolt producer with a goal to increase production up to 10,000 tons annually



Highlights 2Q 2023

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**Recent
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Outlook

- Building biomass and inventory for future deliveries. Purchased smolt to increase production
- Cash utilized in building RAS facility and building working capital
- New delivery pipeline installed successfully, which is increasing the delivery capacity considerably
- New waste pipeline under construction as planned
- Strong post-smolt prices and likely further pressure with resource rent tax



Recent highlights

Company
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Recent
highlights

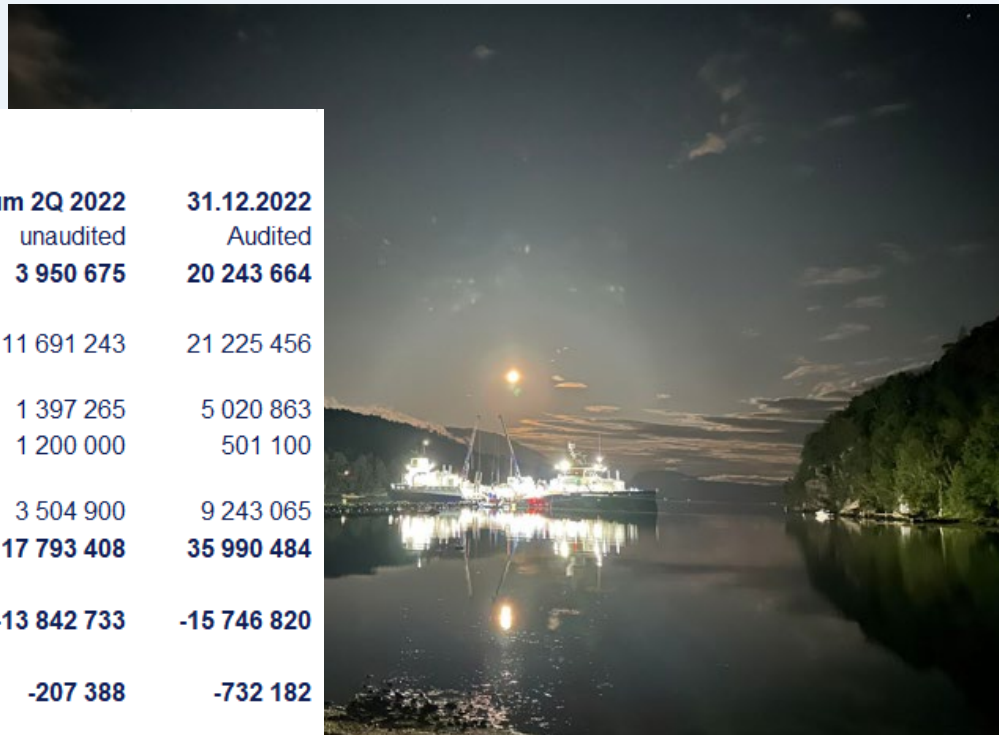
Financials

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- Strong focus on building biomass and finalizing production facility during second quarter
- Net profit is negative with NOK 7.4 million as per 30th June. Second quarter is net negative with NOK 3.0 million. Loss is due to suboptimal production at the facility, as construction is ongoing to reach planned capacity
- Successfully delivered Post-Smolt with revenue of NOK 20 million during first half 2023 and NOK 28.2 million in third quarter
- Expected completion of production facility end of September
- The company is on track to reach the expected production volume for 2023, between 500-750 tons



Profit & loss – 2Q 2023



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Income Statement BioFish Group						
	Note	2Q 2023 unaudited	2Q 2022 unaudited	Cum 2Q 2023 unaudited	Cum 2Q 2022 unaudited	31.12.2022 Audited
Operating revenue		0	3 950 675	20 107 758	3 950 675	20 243 664
Operational expenses		1 383 863	6 384 879	23 640 165	11 691 243	21 225 456
Salaries and personnel expenses		459 113	142 049	1 392 569	1 397 265	5 020 863
Depreciations	6	125 275	1 074 725	250 550	1 200 000	501 100
Other operational expenses		990 311	1 194 134	2 171 314	3 504 900	9 243 065
Operating expenses		2 958 562	8 795 787	27 454 598	17 793 408	35 990 484
Operating profit/ loss		-2 958 562	-4 845 112	-7 346 840	-13 842 733	-15 746 820
Net finance		-46 541	-24 343	-48 061	-207 388	-732 182
Ordinary result before tax		-3 005 103	-4 869 455	-7 394 901	-14 050 121	-16 479 002
Tax expenses		0	0	0	0	1 587 788
Net profit		-3 005 103	-4 869 455	-7 394 901	-14 050 121	-14 891 214



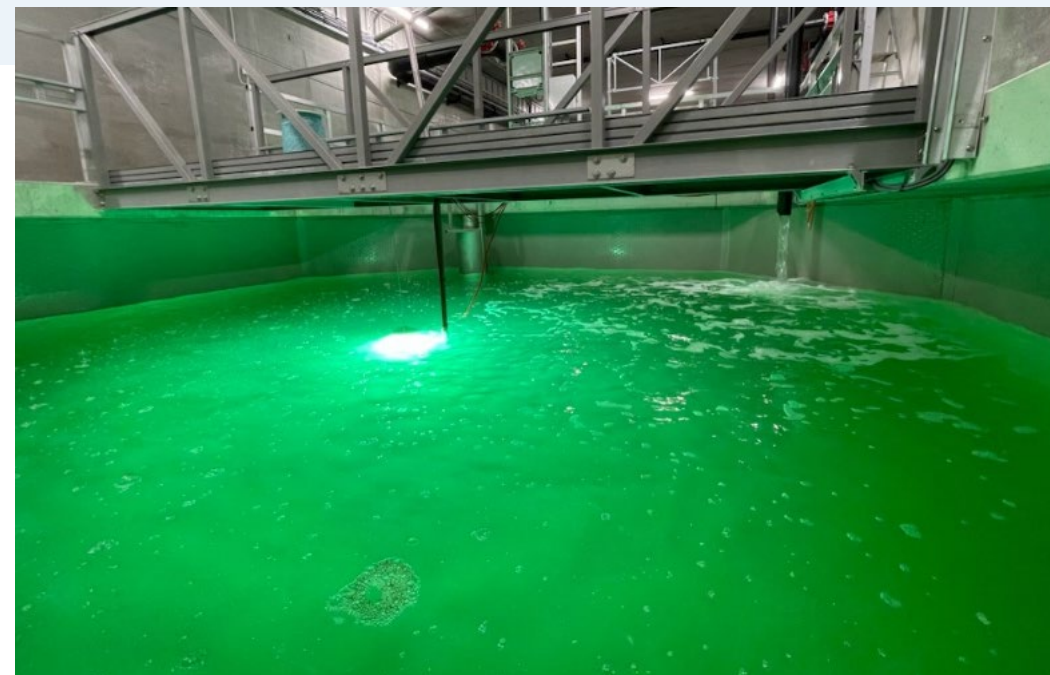
Assets – 2Q 2023

Company Overview	Balance	Note	30.06.2023	31.12.2022
	BioFish Group		unaudited	Audited
	Assets			
	Non-current assets			
	Intangible assets			
Recent highlights	Fish licenses etc.		-	-
	Property, plant and equipment	6	230 140 674	193 916 292
	Non-current assets		230 140 674	193 916 292
	Current assets			
Financials	Inventory and biological assets		15 896 997	20 411 005
	Short-term receivables		2 490 897	2 128 855
	Current assets		18 387 894	22 539 860
	Cash and cash equivalents		24 079 282	2 838 064
Market Outlook	Total current assets		42 467 176	25 377 924
	Total assets		272 607 850	219 294 215



Equity and liabilities – 2Q 2023

	Balance	Note	30.06.2023	31.12.2022
	BioFish Group		unaudited	audited
Company Overview	Equity and debt			
	Share capital and paid in capital	1	220 540 000	151 340 000
	Retained earnings		-15 261 351	-7 866 450
	Total equity		205 278 649	143 473 550
Recent highlights	Debt			
	Deferred tax		0	0
	Bank loan		53 000 000	56 000 000
	Other non - current debt			
	Total non-current debt		53 000 000	56 000 000
Financials	Current debt			
	Accounts payable		14 428 756	14 481 099
	Other short debt		-99 555	5 339 565
	Current debt		14 329 201	19 820 664
	Total debt		67 329 201	75 820 664
Market Outlook	Total equity and debt		272 607 850	219 294 215



Cash flow – 2Q 2023

	Unaudited	Audited
Cash flow		
BioFish Group	30.06.2023	31.12.2022
Net result for the period	- 7 394 901	-16 479 002
Depreciations	250 550	501 100
Change in working capital	871 837	13 066 416
Change in other current items	- 4 912 435	4 858 124
Net cash flow from operating activities	-11 184 949	1 946 638
Investment in fish production facility	-34 973 832	-45 667 501
Net cash flow from investment activities	-34 973 832	-45 667 501
Net finance	- 3 000 000	- 3 000 000
New equity	74 500 000	
Expenses	- 4 100 000	
Net cash flow from finance activities	67 400 000	- 3 000 000
Net change in cash	21 241 219	-46 720 863
Cash and cash equivalent at the start of the period	2 838 064	49 558 927
Cash and cash equivalent at the end of the period	24 079 283	2 838 064
* The company raised equity of NOK 74.5 million in first quarter 2023		



Equity- 2Q 2023

Company Overview	Equity reconciliation BioFish Group			
Recent highlights	Note	Unaudited 2Q 30.06.2023	Unaudited 1Q 31.03.2023	Audited 2022 31.12.2022
Financials	Equity at the start of the period	208 283 752	143 473 550	158 364 764
	Net profit (loss)	- 3 005 103	- 4 389 798	- 14 891 214
	Equity contribution		69 200 000	
	Equity at the end of period	205 278 649	208 283 752	143 473 550
Market Outlook	* The company raised equity in first quarter of 2023			



Market outlook

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- Most salmon farmers are continuously increasing use of larger smolt (post-smolt). Use of larger smolt has the benefit of reducing the production cycle at sea, and therefore higher turnover with increased margins
- Production of smolt is a strictly regulated business with entry barriers
- The resource rent tax will not directly affect BioFish. However, the market expectation is that it may lead to an increase in post-smolt pricing going forward
- BioFish expects strong market outlook with increased demand of Post-Smolt. Continued focus on sustainable post-smolt production and fish welfare





Biofish Holding group

Interim report
for 2Q 2023

Notes

Accounting policies

BioFish uses NGAAP for small enterprises and follows NRS 11 in interim reports. For further information, please refer to the annual report as of 2022.

BioFish is listed on the stock exchange and more info can be found on the company's website www.BioFish.no

Consolidated financial statements

Consolidated accounts have been prepared for Biofish Holding and the wholly owned subsidiaries Biofish AS and Probio AS. All significant transactions and balances between the companies in the Group have been eliminated.

Sales revenue

Revenue recognition on the sale of goods takes place at the time of delivery. Services are recognized as income as they are delivered.

Classification and assessment of balance sheet items
Current assets and current liabilities include items related to the commodity cycle. For items other than trade receivables, items that are due for payment within one year of the transaction date are covered. Fixed assets are assets destined for permanent ownership and use. Long-term debt is debt that matures later than one year after the transaction date.

Current assets are valued at the lower of the acquisition cost and fair value. Current liabilities are recognized on the balance sheet at the nominal amount at the time of establishment.

Fixed assets are assessed at acquisition cost. Fixed assets are depreciated according to a reasonable depreciation schedule. The fixed assets are written down to fair value in the event of a decline in value that is not expected to be temporary. Long-term liabilities, with the exception of other provisions, are recognized on the balance sheet at the nominal amount at the time of establishment.

Risk factors

Increased market risk related to inflation and rising interest rates. Increased production risk through building CAPEX and growing bio-mas. Increased liquidity risk through a possible overrun on capex combined with building working capital.

The unforeseen biological factors are always present. The company has mitigated this risk by building 8 different RAS – systems (separate water environments)



Biofish Holding group

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Receivables

Trade receivables and other receivables are listed on the balance sheet at face value after deducting provisions for expected losses. Provisions for losses are made on the basis of individual assessments of the individual receivables. In addition, an unspecified provision is made for other trade receivables to cover the assumed loss.

Inventories

Stock of purchased goods is valued at the lower of the acquisition cost according to the FIFO principle and fair value. Self-manufactured finished goods and manufactured goods are assessed as variable manufacturing costs. Write-downs are made for foreseeable obsolescence. The inventory consists mainly of biological Atlantic salmon, of which the biological risk is always present.

Property, plant and equipment

Fixed assets are recognized on the balance sheet and depreciated over the life of the fixed assets if they have an assumed useful life of more than 3 years and have a cost price exceeding NOK 15,000. Direct maintenance of fixed assets is expensed continuously under operating costs, while costs or improvements are added to the cost price of the fixed asset and depreciated in step with the operating asset.

BioFish has built a complete RAS maritime fish farm where the production line goes from egg to fully produced post-smolt. The facility is still under construction and is expected to be completed in the second half of 2023.

In addition, the following accounting principles have been applied:

The FIFO method for allocating acquisition cost for exchangeable financial assets, the lowest value principle for market-based financial current assets, pension costs are recognized on an ongoing basis after the mandatory occupational pension, leases are not recognized on the balance sheet as they are valued as operational, monetary items in foreign currency are valued at the exchange rate at the end of the financial year and the cost method is used for investments in subsidiaries. Own expenses for research and development and development of rights are expensed.

Dividends are recognized as income in the same year as deposited in subsidiaries, if it is likely that the amount will be received. In the case of dividends exceeding the proportion of retained profit after the purchase, the excess part represents the repayment of invested capital, and is less the value of the investment on the balance sheet.

Tax

The tax expense in the income statement includes both the tax payable for the period and the change in deferred tax. Deferred tax is calculated at the rate of 22% on the basis of the temporary differences that exist between accounting and tax values, as well as the tax loss carried forward at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or can reverse in the same period are offset and the tax effect is calculated on the net basis.

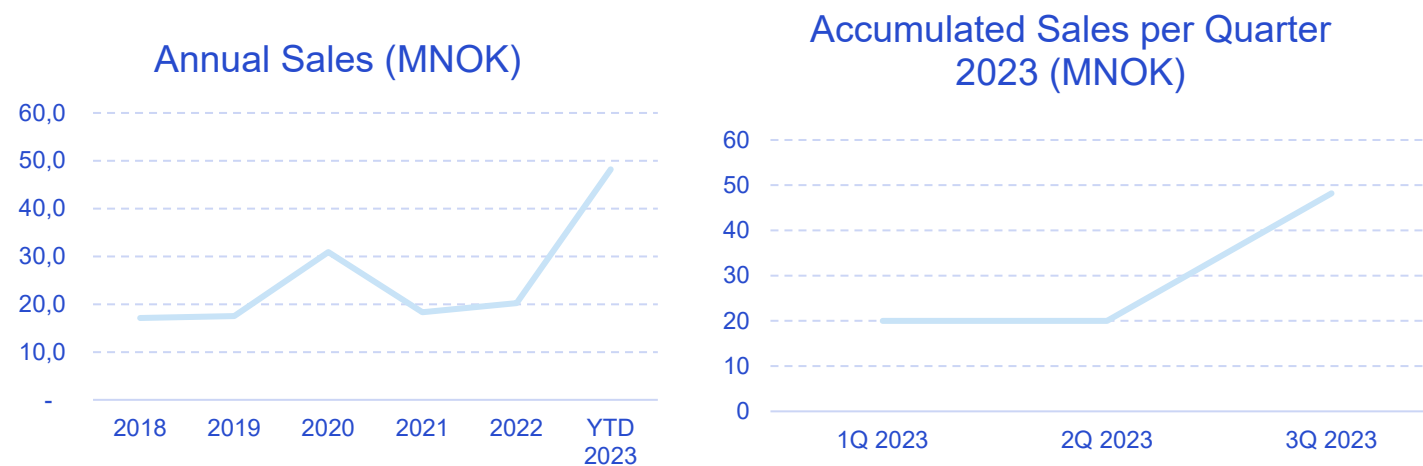
The company has not changed its accounting policy for the accounting period, and the company will not be directly affected by the Ground Rent Tax from 2023.

Post Smolt production

Biofish Holding group

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- Sales of post smolt batches in first quarter with average weight up to 1,000 gram
- No Post- Smolt deliveries in 2Q. The company is growing biomass
- Batch of 500,000 Post-Smolt successfully delivered in 3Q, with NOK 28.2 million in revenue





Biofish Holding group

Interim report
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Note 6 Fixed assets

	Ground and land	RAS-facility equipment etc.	30.06.2023 NOK	31.12.2022 NOK
Aquisition cost 01.01		196 657 394	196 657 394	150 989 893
Access purchased operating assets	0	36 474 380	36 474 380	45 676 401
Sold assets	0	0	0	0
Aquisition costs30.06	0	233 131 774	233 131 774	196 657 394
Depreciations 01.01	0	2 741 100	2 741 100	2 240 000
Accumulated depreciation of sold fixed assets	0	0	0	0
Accumulated depreciation 30.06	0	250 000	250 000	2 741 100
Carrying value as of 30.06	0	230 140 674	230 140 674	193 916 294
Depreciation for the year	0	250 000	250 000	400 000
Economic life	Eternal rental agreement			
Depreciaton schedule		Linear		

The license to produce smolt and fry is recognized at NOK 0 in the half-yearly accounts. The real value is substantially higher. The Group also received increased licenses in 2021:

- Issued perpetual withdrawal rights of fresh water from the NVE
 - Increased license to produce post-smolt from NOK 1.5 million to NOK 5.0 million With the rising inflation, additional costs have been incurred in 2022 for the completion of the production facility.
- There have also been delays in delivery times beyond the company's control due to changes in the macro picture.

The fish farm is under completion during September 2023 and will then follow a decomposed depreciation plan for the building with production facilities after its estimated useful life.



BioFish

Expansion of post-smolt
production