



# BioFish

## Interim Report Q2 2021 - EuroNext

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

September 2021



# BioFish

Q2 – 2021

Expansion of post-smolt production

# Summary / Highlights

## Company Overview

## Business Model

## Financials

## Market Outlook

- Fully financed to complete facility for 2,200-ton annual production capacity in 2022
- About NOK 130 million invested to date
- Holds an aquaculture hatchery license for production of 5 million smolt and discharge license for 2,200 ton
- Established post-smolt producer, operating and producing smolt since 2016 with enhanced RAS - technology



# Summary / Highlights

Company  
Overview

**Business  
Model**

Financials

Market  
Outlook

- BioFish has since 2018 delivered about 5 million smolt with weights in the range of 100 - 550 grams to several customers
- Proven business model – historical production and healthy EBITDA margin
- Long-term expansion plan for a total of 10,000-ton annual production



# Summary / Highlights – Q2 2021- ytd

Company Overview	
Business Model	
<b>Financials</b>	<ul style="list-style-type: none"><li>▪ First half year 2021<ul style="list-style-type: none"><li>▪ Q2 results effected by building capex and delay in operational license</li><li>▪ Building biomass and inventory for future deliverers</li></ul></li><li>▪ Key events after balance sheet date<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</li></ul></li></ul></li></ul>
Market Outlook	



# Summary / Highlights – Q2 2021 - ytd

Company Overview	Income Statement BioFish Group				
Business Model		Note	2021.06.30 unaudited	2020.06.30 unaudited	2020.12.31 Audited
<b>Financials</b>	<b>Operating revenue</b>	2	<b>7 680 990</b>	7 659 038	30 923 355
	Operational expenses	3	5 035 748	3 829 902	19 372 696
	Salaries and personnel expenses		2 317 871	2 086 084	4 297 085
	Depreciations		211 245	211 245	422 490
	<b>Operating expenses</b>		<b>7 564 864</b>	<b>6 127 231</b>	<b>24 092 271</b>
	<b>Operating profit/ loss</b>		<b>116 126</b>	<b>1 531 807</b>	<b>6 831 084</b>
	<b>Net finance</b>		<b>190 237</b>	<b>969 771</b>	<b>1 939 541</b>
	Ordinary result before tax		306 363	2 501 578	8 770 625
	Tax expenses	5	0	0	-1 956 012
Market Outlook	<b>Net profit</b>		<b>306 363</b>	<b>2 501 578</b>	<b>6 814 613</b>



# Summary / Highlights – Q2 2021 - ytd

Company Overview	Balance BioFish Group			
Business Model		Note	2021.06.30 unaudited	2020.12.31 audited
<b>Financials</b>	<b>Assets</b>			
	<b>Non-current assets</b>			
Market Outlook	Intangible assets			
	Fish licenses etc.		-	-
	Property, plant and equipment	6	128 419 158	124 464 121
	<b>Non-current assets</b>			
	<b>Current assets</b>			
	Inventory and biological assets		12 000 000	8 945 000
	Short-term receivables		4 544 541	8 140 425
	<b>Current assets</b>			
	Cash and cash equivalents	4	704 914	477 389
	<b>Total current assets</b>			
	<b>Total assets</b>			
			<b>145 668 614</b>	<b>142 026 935</b>



# Summary / Highlights – Q2 2021 - ytd

Company Overview	Balance BioFish Group			
Business Model		Note	2021.06.30 unaudited	2020.12.31 audited
<b>Financials</b>	<b>Equity and debt</b>			
	Share capital and paid in capital	1	8 440 000	8 840 000
	Retained earnings		12 432 688	12 126 325
	<b>Total equity</b>		<b>20 872 688</b>	<b>20 966 325</b>
	<b>Debt</b>			
	Deferred tax		3 393 269	3 393 269
	Bond loan		50 783 400	50 113 032
	Other non - current debt		9 782 751	-
	<b>Total non-current debt</b>		<b>63 959 420</b>	<b>53 506 301</b>
	<b>Current debt</b>			
Accounts payable		42 810 592	43 239 148	
Annen kortsiktig gjeld		18 025 914	24 315 161	
<b>Current debt</b>		<b>60 836 506</b>	<b>67 554 309</b>	
Market Outlook	<b>Total debt</b>		<b>124 795 926</b>	<b>121 060 610</b>
	<b>Total equity and debt</b>		<b>145 668 614</b>	<b>142 026 935</b>





# Summary / Highlights – Q2 2021 - ytd

Company Overview	
Business Model	
<b>Financials</b>	<ul style="list-style-type: none"><li>▪ Notes to Q2 2021<ul style="list-style-type: none"><li>▪ The Q2 report have been prepared in accordance with Norwegian GAAP. 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. No tax expenses are estimated for the first half year</li></ul></li><li>▪ Balance sheet – notes 1, 4 &amp; 6<ul style="list-style-type: none"><li>▪ BioFish improved cash level with successfully IPO after balance sheet date. CAPEX consist building a complete fish farm with enhanced RAS technology</li><li>▪ Listed on EuroNext Growth Oslo August 2021</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



# 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 150m 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





Olav Fredrik Skulstad, daglig leder i BioFish. Foto: BioFish

## Slik bruker børsferskingen BioFish lys for å sikre bedre tilvekst på smolten

Nyheter av redaksjonen - 10 september 2021

Ved å arrangere undervannslyset i en femkant har BioFish lykket med å oppnå jevnere og bedre fordeling av postsmolt i karet som sammen med tilsvarende fôring gir bedre vekst på postsmolten.

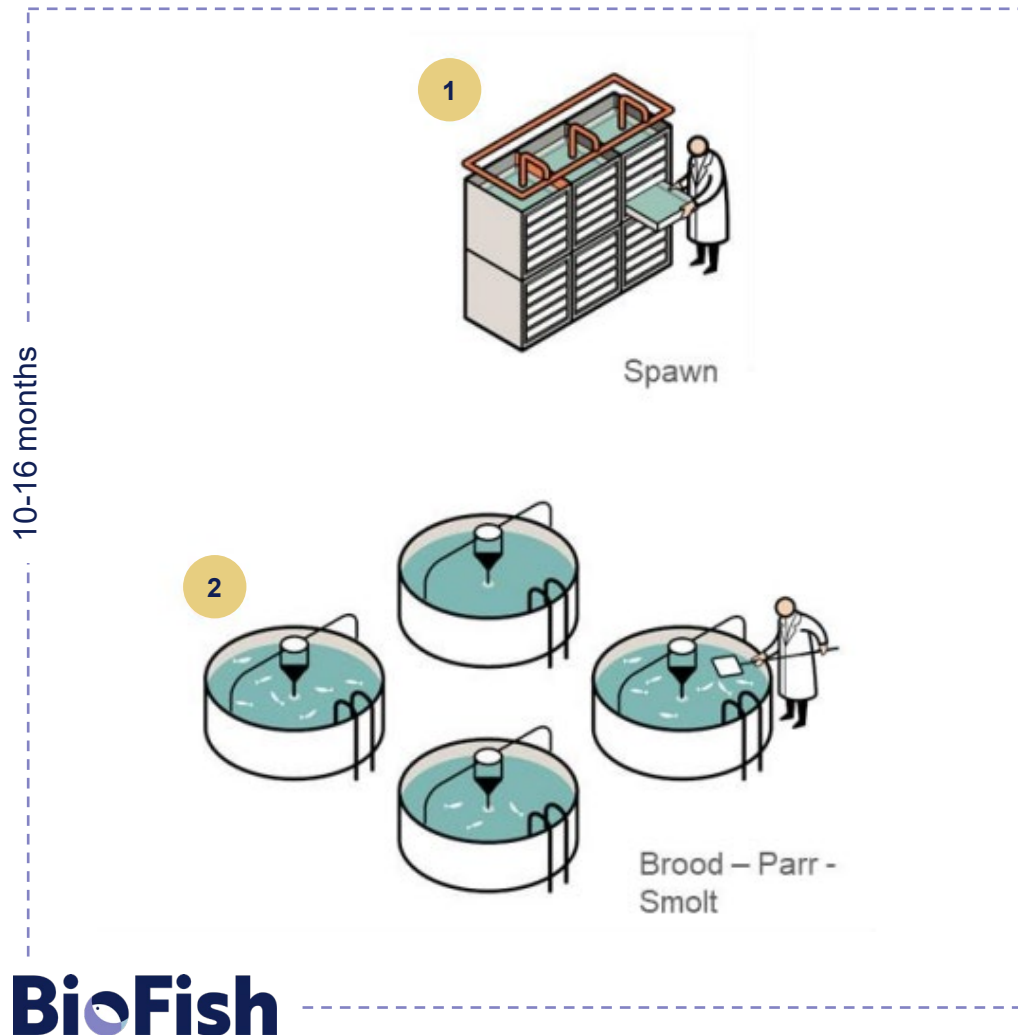
## Improved light conditions in fish tanks Improves fish welfare

[laks.no](https://laks.no)

10. September 2021



# Value Chain Salmon Farming



**BioFish**

## Production of Smolt/ Post-smolt

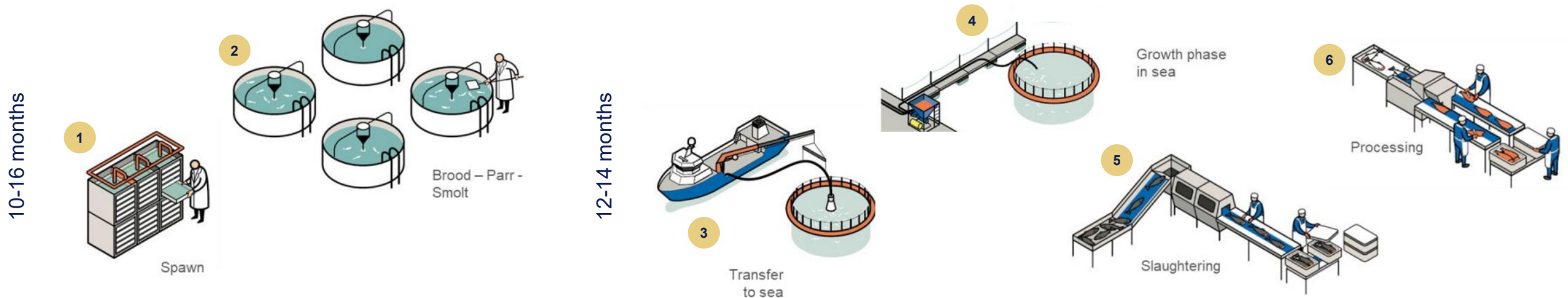
- A smolt is produced over a period of 6-12 months from fertilization of an egg to a mature smolt weighing 100-250 grams
- Post-smolt production (250-1,000 grams) has become more common in recent years, accounting for 9.1% of the smolt release in 2019 in terms of individuals
  - The idea behind larger 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)

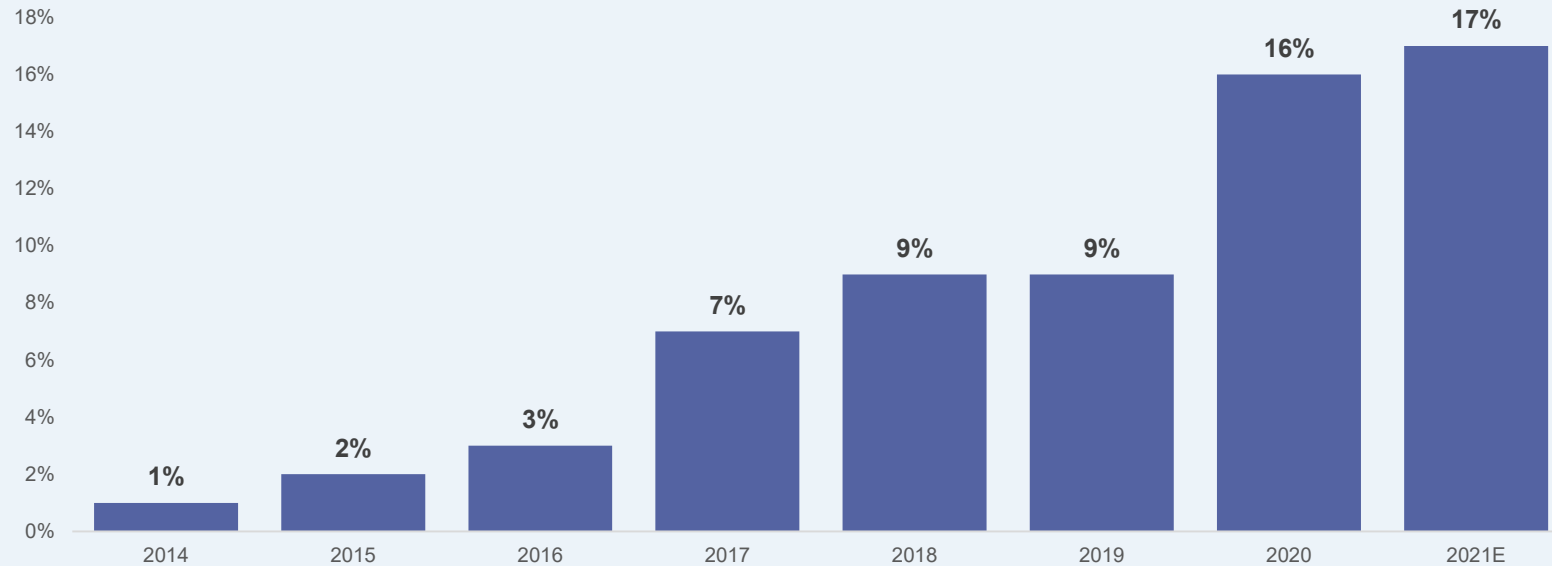
## New Production Model Post - Smolt

- From 2012 smolt companies could apply for an exemption to produce smolt up to 1 kg, the previous limit being 175 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 60-100 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 carcass 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.



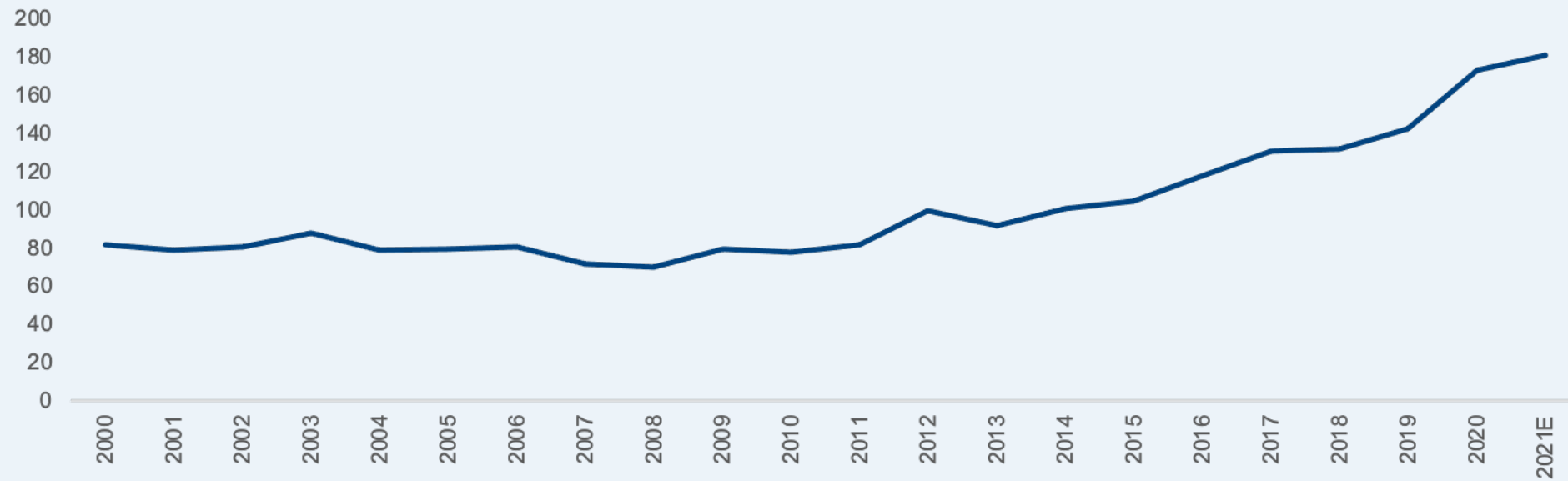
# Strong Development in Use of Large Smolt (>250 grams)

## 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

- Norwegian smolt has previously been transported from the west coast of Norway to Russia. However this is not ideal from the fish health or the transportation cost to transport the smolt over such large distances.
- From Ljones 30-40% of the Norwegian production is within one day transport (260 km)



# 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.

**Estimated production:** 320 tons

2021

- **Finalize the 2,200-tons production facility (mainly completion of the remaining two 18m x 6m tanks) in 2021/ 2022**
- **Working capital for building biomass over the next 2-3 years, to reach 2,200-tons p.a. of production**
- New production license achieved from 1.5m to 5m smolt
- Signed land-lease agreement giving access to land in connection with existing facility, with the company aims to use for further expansion of production up to 10,000 ton pro annum\*



# 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** Use of proceeds: Grow-out tanks under construction, to be completed
- 2** Use of proceeds: New RAS facility replacing current flow-through tanks
- X** Future opportunity for expansion for facility to up to 10,000-ton p.a.





# Building complete fish farm

- individual RAS departments to avoid RISKS

Investments to increase production capacity and improving waste management.





# BioFish

## Thank you!

Expansion of post-smolt  
production



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Executive Director

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