THE KINGFISH COMPANY

ANNUAL REPORT 2022

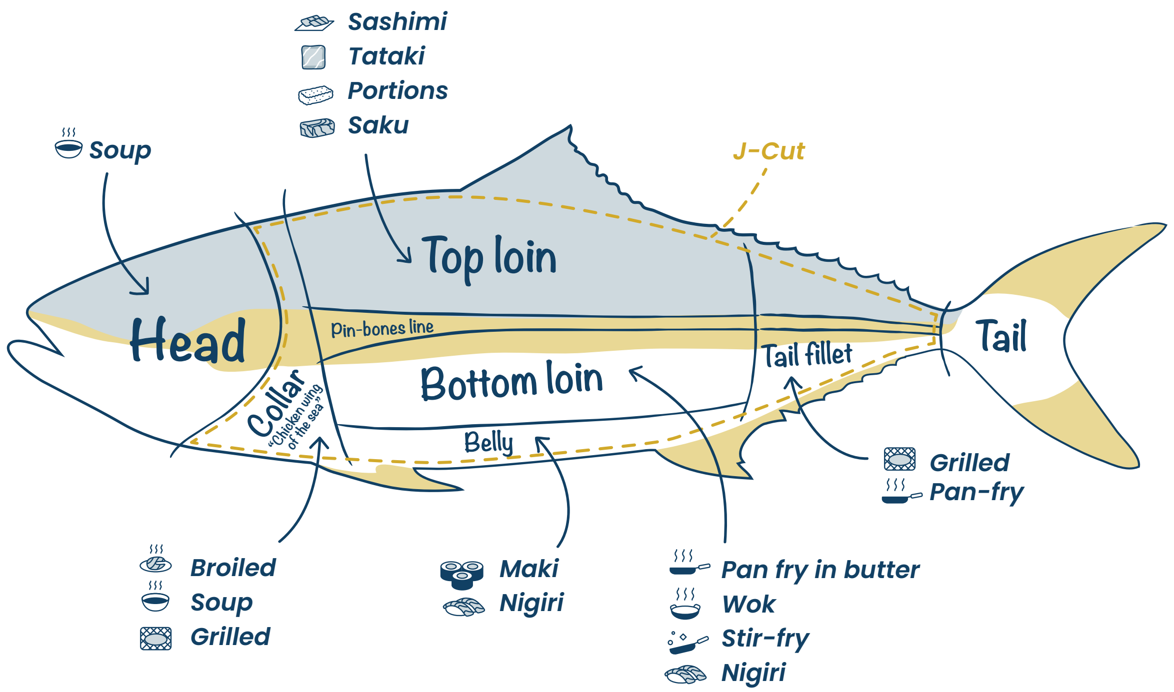
Leading Sustainable Production of Seafood

THE KINGFISH COMPANY

First mover in technology driven aquaculture

Market leader in the sustainable production of high value seafood

A FISH LIKE NO OTHER



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CONTENTS

1 INTRODUCTION 3
Introduction and Purpose of the Integrated Report 4
Message from the CEO 6
Message from the Chairman 8
2022 in Pictures 10
2022 Key Figures 13
The Kingfish Company 14
Key Team 15
Management Report 2022 17
Performance Summary 19
Materiality Matrix 20

2 SUSTAINABILITY REPORT 23
GUIDING PRINCIPLES 24
People and Community 24
Fish Health and Welfare 28
Environment and Innovation 34
Product Quality and Safety 40

3 GOVERNANCE 45
Business Ethics 46
The Kingfish Company Management Principles 47
The Management Board 47
The Supervisory Board 48
Reporting 48
Compliance 49
Business Continuity & Resilience 49

4 FINANCIAL PERFORMANCE 51

5 GLOBAL REPORTING INIATIVE INDEX 128

1
INTRODUCTION

4 Introduction and Purpose of the Integrated Report
6 Message from the CEO
8 Message from the Chairman
10 2022 In Pictures
13 2022 Key Figures
14 The Kingfish Company
15 Key Team
17 Management Report 2022
- 17 Business update 2022
- 18 Financial instruments and Risk Management
- 18 Capital Expenditures
- 18 Employees
- 19 Innovation
- 19 Business Outlook

19 Performance Summary
20 Materiality Matrix

Introduction and Purpose of the Integrated Report

In 2022 The Kingfish Company celebrated its 7th year of operating and expanding within the global aquaculture and seafood supply.

This integrated annual report is published to share our performance and value creation within the business as we drive the growth of global next-generation recirculating aquaculture.

We continuously evaluate our performance across the pillars of People, Planet, Profit and Progress, while retaining our sight firmly on our Purpose.

This report describes our activities related to the financial capital as well as to our human capital skills, intellectual capital, and social reputation, all of which contributed to achieving our production and sales targets and thus shaping the value of the company.

This report is aligned with the Global Reporting Initiative standards as well as the Corporate Governance Code requirements. Our carbon analysis was outsourced and follows the reporting standards of the Greenhouse Gas Protocol.

We are proud to share our integrated report and look forward to entering the next phase of development of The Kingfish Company.

> From concept to reality to leader of technology driven recirculating aquaculture production.

Historical Highlights

First pole ceremony

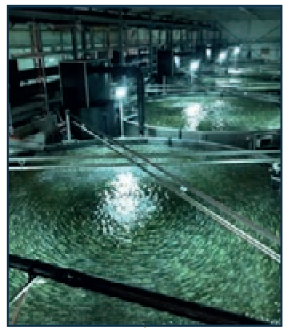
First harvest

ASC & BAP certification

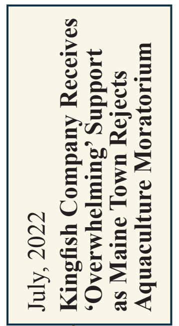
Seafood excellence award

Start expansion Phase 1B

First stocking in Phase 1B

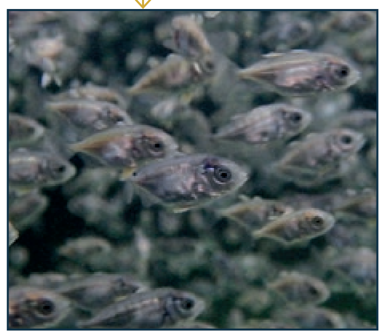


Ongoing construction Phase 2A



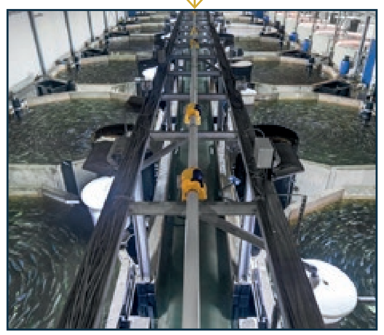
July, 2022
Kingfish Company Receives 'Overwhelming' Support as Maine Town Rejects Aquaculture Moratorium

Sept 2016 · Aug 2016 · Oct 2017 · Apr 2018 · Sept 2018 · Jan 2019 · May 2019 · Dec–Jan 2019–2020 · Feb 2020 · Nov 2020 · Feb 2021 · Oct 2021 · Jan 2022 · Apr 2022 · May 2022 · July 2022



Closing production cycle

Official opening Phase 1A



Full production phase IA

Nutreco invests in huge Kingfish Zeeland expansion

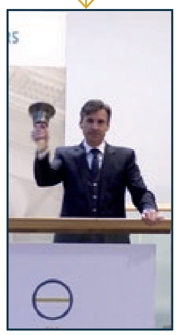
The move comes as part of Kingfish Zee...

Kingfish Zeeland bags funding from Rabobank, PE for EU, US expansion

Kingfish Zeeland expanding into US with Maine RAS facility

Kingfish Zeeland Secures Strategic Funding for Its EU and US Expansion, Led by Rabo Corporate Investments and Creadev

Secured funding for expansion



Listing at the Oslo Børs

First stocking of 3rd generation larvae

April, 2022
Land-based The Kingfish Company signs up to $81 million debt facility.
Financing will allow for further development in the United States and Europe

First export of 3rd generation fingerlings to Maine as future Broodstock

66

IN 2022, THE KINGFISH COMPANY ACHIEVED NEW PRODUCTION RECORDS AND SIGNIFICANTLY IMPROVED UPON SALES AND OPERATIONS.

Vincent Erenst
CEO

Message from the CEO

Dear Stakeholder,

In 2022, The Kingfish Company achieved new production records and significantly improved upon sales and operations. Despite challenges such as the continued effects of COVID-19, the Ukraine/Russia conflict, and rising inflation, we were able to deliver all-time high volumes, while bringing our Phase 2 facilities in The Netherlands close to completion.

As a result of a higher revenue per kg, increased volumes and improved operational performance, our EBITDA and EBITDA per kg improved as compared to 2021. However, our EBT remained on the same level as the year before. With the significant volume increase of Phase 2 coming online in 2023–2024, we expect to achieve material improvements on unit costs.

Last year we achieved a new production record of 1,511 tons of growth and sector leading productivity of 0.75 kg/m^3/day. Productivity further increased with the 3rd generation of fingerlings showing improved growth resulting in increased harvest size. Mortality levels remained low and there were no mass mortality events. The phase 2 hatchery is nearly complete with a successful start of operations in Q1 of 2023.

The Kingfish Company almost doubled output and sales, while the average sales price per kg increased by 15%. Market demand for high value Dutch Yellowtail is strong in both Europe and the United States, with products being sold in 21 countries by high end foodservice distributors and leading retailers such as Whole Foods, Conad and Auchan.

In December 2022, the operation in Maine, USA obtained the local building permit from the Jonesport Planning Board and is now fully permitted by Local, State and Federal regulatory agencies. Brood stock was successfully shipped to the US and the fingerlings that were already shipped there are doing well with a first harvest planned for Q2 2023.

As part of the foundation being laid for the future, The Kingfish Company has secured new equity and debt financing in 2022 for a total of EUR 120 million. While part of the financing was used to retire existing debt facilities, the majority of these funds will support the Phase 2 construction and operations in 2023.

Our achievements were only made possible by the dedication and hard work of The Kingfish Company employees. As their new CEO, I am looking forward to working together to take the company further into the future of fish.

66

The Kingfish Company has recognised sustainability as a key performance area since inception and formalised its monitoring, evaluation and sustainability reporting in 2020 with the launch of Plan Blue and the 25×25 sustainability campaign. We continually measure our performance against our definition of sustainable aquaculture, while being measured and audited by the certification bodies. We strive for excellence and will continue to prioritise our sustainability performance.

Message from the Chairman

Dear fellow employees and other stakeholders,

The year 2022 was a year with many exciting developments for The Kingfish Company; solid foundations have been laid for the next phase of sales growth of the company, good progress has been made on the construction of Phase 2 of our operations in the Netherlands and further preparations have been made for starting-up production in the USA.

In March of 2022, the company secured an ESG-linked debt facility from PCP totaling EUR 75 million which has been used to repay existing debt, fund remaining capital expenditures in the Netherlands related to Phase 2A and 2B on the Zeeland facility, and to fund working capital requirements. In September, the company announced a private placement of 24.224.781 new shares, raising gross proceeds of approx. EUR 19.7 million, and a subsequent offering, together totalling EUR 35 million.

The Kingfish Company welcomed Jean-Charles Valette to the executive team as CFO. With the announcement of Vincent Erenst as new CEO starting in 2023, we are convinced to be well prepared for the further growth of the company.

> THE KINGFISH COMPANY HAS AGAIN PROVED ITS INNOVATIVE SPIRIT. IT IS THIS WAY OF WORKING THAT MAKES US *A FISH LIKE NO OTHER*.

Jeroen Scheelbeek
Chairman of the board

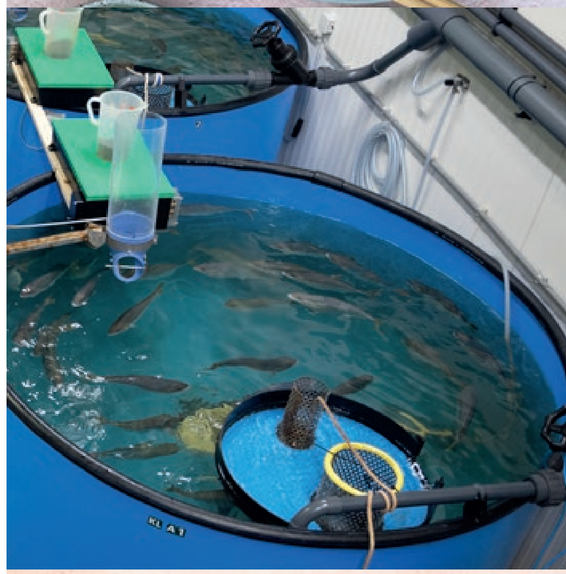
Although we are still working on the completion and commissioning of Phase 2 of our operations in Zeeland, the achievements already made are impressive. Over 2022 we had zero mass mortalities due to best-in-class design and operational excellence.

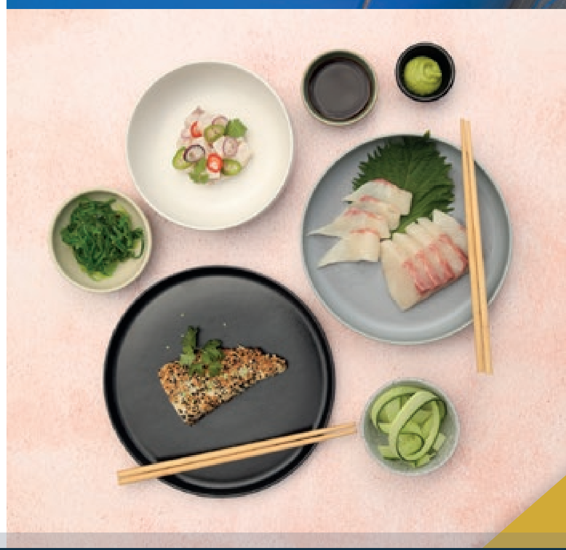
People, community, and health & safety are core values of our company. We had zero lost time due to injury in our Zeeland operations, which is an excellent achievement given that our production processes are still being refined. We also made progress towards improved inclusion and diversity, achieving an increase of 42% in the number of female employees. Overall, the company has met 75% of the 25×25 sustainability campaign targets.

With sales almost doubling compared to 2021 and the major expansion of our operations in Zeeland nearing completion, I believe our employees and stakeholders can be proud of what has been achieved in 2022. The Kingfish Company has again proved its innovative spirit. It is this way of working that makes us *a fish like no other.*

I want to conclude by expressing my sincerest appreciation for the loyalty and effort of all our employees and partners during these times of change. Together, we have shown what we can achieve despite challenges like Covid, inflation, supply chain disruptions etc. It is more important than ever that we continue to act responsibly, resourceful, and resilient.

> A big Thank You to all our employees and other stakeholders for your ongoing support of The Kingfish Company throughout 2022 and for cooperating with us to solidify our foundations, achieve our targets, and advance the future of fish.





2022
In Pictures

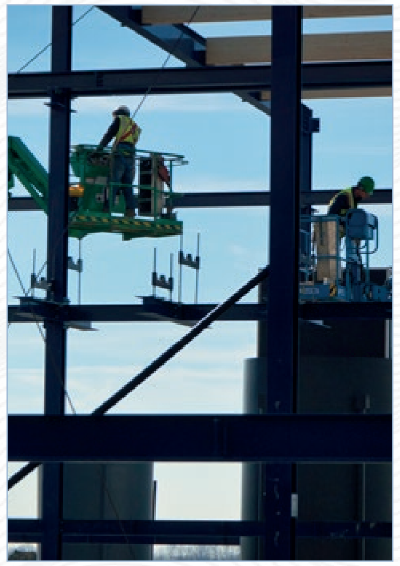












2022

The year of unsurpassed productivity.

The year of unmatched sales.

The year of owning pioneer status for our next generation systems enabling us to responsibly produce more than 1,500 tons of premium quality Dutch Yellowtail.

The year of new talent, new challenges but also new solutions.

The year of creating more skills development opportunities than ever before.

The year of best ever health and safety performance.

The year of expanding our positive economic and social-based impacts in surrounding communities.

The year of clear focus on sustainability and reporting with ongoing improvements in ESG performance.

The year where we pushed ahead and away from the direct pandemic impacts and re-aligned our vision and plans to retain our first mover position in technology driven land-based sustainable aquaculture.

2022 was the year of utilising experience, knowledge and wisdom gained throughout the start-up and scale-up phases to review, reset and map out a path to profitability.

2022 reconfirmed that the future of fish is here.

2022 showed the POWER OF THE PROVEN.

2022 Key Figures

€18M
81% REVENUE INCREASE
compared to prior year

100%
OF CERTIFICATIONS RETAINED
ASC, BAP, FOS, The Good Fish, BRCGS

SALES VOLUME
1,435 TONS
59% INCREASE
in WFE sold

0.75kg/m³/day
15% PRODUCTIVITY INCREASE
highest achieved, sector leading

€13.1/kg
SALES PRICE

€3.35
GROSS PROFIT PER KG

>99%
of fishmeal and fish oil
CERTIFIED AS SUSTAINABLE
(MSC, Marin Trust and FIP)

26%
GROSS MARGIN

ZERO
LOST TIME
due to injury at Zeeland operations

1,511 TONS
PRODUCTION
31% increase in year-on-year production

ZERO
MASS MORTALITIES
due to operational excellence

100%
OF HARVESTED FISH
allocated to premium seafood products, green energy and animal feeds

€-4 804k
EBITDA

75%
of the 25x25 sustainability
CAMPAIGN TARGETS ALREADY MET

€53 929k
CAPEX SPENT

990,150
PREMIUM QUALITY FISH
harvested and supplied into market

40%
REDUCTION
in fresh water usage in all operations

42%
INCREASE
in number of female employees

The Kingfish Company

The Kingfish Company was established in 2015 and has been producing Yellowtail kingfish (*Seriola lalandi*), since 2017. It is a vertically integrated company owning all stages of the value chain of premium sustainably farmed Yellowtail kingfish, known in the market place as Dutch Yellowtail.

The company designed and built the first 520 tons capacity per year modular production unit during the start-up years achieving a stable run-rate delivering 40% above initial design capacity.

In 2021 the construction of phase 2 commenced with the aim to further increase production capacity to 3,500 tons in The Netherlands. By the end of 2022 the new systems were near completion, with the new hatchery and pump-house to be commissioned in Q1 2023 and the on-growing facilities in Q2 2023. The new on-site and state-of-the-art processing plant will be commissioned in Q3 2023.

The hatchery is based at the Kingfish Zeeland facility. Carefully selected parent fish are delivering quality eggs from which juvenile fish are raised. The production team is responsible to grow these juvenile fish to market size in a recirculating aquaculture system in the current 7 650 m^2 on-growing facility. Harvesting takes place on site from where the fish are transferred to our processing plant, 2 KM from the facility in the nearby village, Colijnsplaat. The sales & logistics team ensures that the harvested-on-demand product arrives at final destinations within 24–48 hours to retain premium quality and freshness.

The design, engineering and construction teams, based at Kingfish Zeeland, are responsible for the ongoing development as well as optimising systems in terms of CAPEX, OPEX and ease of operation.

The Kingfish Company Sales & Marketing office is based in Amsterdam, the financial and commercial centre of The Netherlands. From here they direct the ongoing growth of product sales while reinforcing the Dutch Yellowtail brand.

In the US the Kingfish Company obtained all federal, state and municipal regulatory permits required for the development of Kingfish Maine. Parent fish, as well as juveniles were successfully transferred to the research hatchery in Franklin, Maine. Currently the Kingfish Maine sales hub is located in Florida servicing clients all over the US.

The Kingfish Company is the proven leader in high value sustainable seafood production. Utilizing in-house developed advanced Recirculating Aquaculture Systems (RAS) technology.

“

OUR MISSION IS TO FURTHER ADVANCE OUR FIRST-MOVER POSITION IN TECHNOLOGY DRIVEN AQUACULTURE, AND CONTINUE TO ESTABLISH OURSELVES AS THE MARKET LEADER IN THE SUSTAINABLE PRODUCTION OF HIGH VALUE SEAFOOD.

Key Team

During 2022 The Kingfish Company experienced a leadership shift. Jean Charles Valette was appointed as CFO in September. CEO and Founding Partner, Ohad Maiman stepped down after leading the company for seven years in early November. The Chairman of the Supervisory Board and Founding partner, Hans den Bieman stepped in as interim CEO during the recruitment of the new CEO. Vincent Erenst was appointed as the CEO of The Kingfish Company by the Supervisory Board and is leading the company as of February 2023.

VINCENT ERENST

CEO

JEAN-CHARLES VALETTE

CFO

KEES KLOET

CTO

Lead Team

Head of People and Culture

RONALD PEEREBOOM

Head of Production

BRAM ROHAAN

Head of Hatchery

SANDER RUIZEVELD DE WINTER

Head of Quality and Sustainability

CEES JAN BASTIAANSEN

Head of Design and Engineering

CHRISTIAAN DE WET

Head of Marketing

HOPE KITTERMAN

Head of Sales

NICOLAS HACKER

VP Sales US

LAUREN ENZ

Operations Manager US

MEGAN SORBY

Financial Controller

ANJA KOTZÉ

General Counsel

JAN HEIN BREVE

Research and Innovation Manager

THOMAS STAESSEN

Management Report 2022

The Kingfish Company's main business activities are the design, construction and operation of advanced RAS systems, and the production (breeding and grow out) and supply of sustainable, high value yellowtail kingfish into its target markets.

The Kingfish Company is listed on Euronext Growth in Oslo (Norway), under the ticker "KING". The Kingfish Company N.V. is the group holding company and has a 100% shareholding in Kingfish (Netherlands) Holdings B.V., Yellowtail Hatchery USA Inc and Kingfish Maine Inc. Kingfish (Netherlands) Holdings B.V. owns 100% of the issued share capital of Kingfish Zeeland B.V. and Kingfish Property One B.V. The Kingfish Company also obtained a 50% shareholding in Windfish Assets B.V. and 51% in Windfish Management B.V.

Business update 2022

The Kingfish Company again achieved a significant improvement in underlying farming operations in 2022. Revenue almost doubled from EUR 10.4 million in 2021 to EUR 18.7 million (+81%) in 2022. The company achieved a sales volume of 1,435 tons whole fish equivalent for 2022, compared to 903 tons in 2021, a 59% increase. The average sales price increased by 15% to EUR 13.1 per whole fish equivalent kg on total 2022 sales. The demand continues to outpace our production capacity.

In 2022, The Kingfish Company achieved a new record production of 1,511 tons net growth. While the company reached full capacity run rate in phase 1, it has started the production of fingerlings for the pre-stocking of phase 2. The company achieved sector leading productivity of 0.75kg net growth per installed cubic meter per day for the full year 2022. The Kingfish Company is pleased with over five years of continuous operations, and over 37 production cycles of fish produced from full cycle hatchery to harvest, with zero mass mortality events to date.

In 2022, gross profit per kg sold was EUR 3.35, up from EUR 2.25 per kg for 2021. The Kingfish Company reached a net loss after tax in 2022 of EUR –7.313 million, which includes indirect costs and reflects development costs related to the scale-up phase of the business, and planned expansion of the company's production capacity in the Netherlands and the US.

The Kingfish Company has entered into a Senior Facilities Agreement with P Capital Partners AB for a five-year ESG-linked bilateral debt facility of up to €75 million. The net proceeds from the Debt Facility will be used to repay existing debt, finance remaining capital expenditures in the Netherlands related to phase 2A and 2B on the Zeeland facility, and fund working capital. The Debt Facility also includes an uncommitted facility of €37.5 million to finance part of the capital cost for a future phase 3 build-out in the Netherlands.

In January 2023 The Kingfish Company successfully completed an equity raise, raising gross proceeds of approximately EUR 35 million through a private placement and a subsequent offering.

Financial instruments and Risk Management

The Group's financial instruments primarily comprise of cash, current receivables, payables, debt, financial, operational leases, the interest rate hedge and a forex hedge. The estimated fair value of these instruments approximates their book value, except for the interest rate hedge with Rabobank, which was revalued. Credit risk arising from the failure of a customer to pay its debts is – to a large extent – covered by an insurance contract. This also applies to the property and equipment which are all covered by insurances. Most borrowing is at a Euribor linked rate plus a fixed mark up. The main non-financial risk relates to health and safety and the focus is and will remain on personal and operational safety. Refer to note 34 in the Group Annual Report.

Capital Expenditures

The Group spent EUR 53.929 million on capital expenditure during 2022. The capital related mainly to the expansion of The Kingfish Company's facility in the Netherlands and to the announced new facility in Maine for which it gained final state level approvals and announced the land purchase. The construction of Phase 2A&B which will support both phase 2 operations as well as cover support infrastructure for a future phase three buildout.

Employees

The number of full-time equivalent (FTE) personnel increased from 95 in 2021 to 137 in 2022 to enable the rapid expansion that the company is undertaking. The number includes staff employed by the group's US entities.

Innovation

Innovation is an integral part of The Kingfish Company's strategy. It mainly relates to improving the breeding, growth performance, feed, and system efficiencies of the Dutch Yellowtail production. The majority of the innovation projects in the Netherlands are undertaken in conjunction with provincial and national government as well as tertiary education institutions, while internal innovation and research projects continue to deliver impactful results.

Business Outlook

Management remains positive about the outlook for the Group despite the uncertainty caused by the recent spike in inflation. The Group capacity will more than double after the commissioning of the new extension of the farm in Zeeland, enabling us to respond to the growing demand for high quality Yellowtail Kingfish. The Group expects to benefit from the scaling effect and further improvement in operations and productivity, to become profitable and cash positive. Management continues developing the plans for further expansions in the US and in Europe.

Performance Summary

	2022	2021
Gross Profit/kg	3,35	2,25
Gross Margin %	26	20
EBITDA (million)	–4.80	–5.50
Capex Spent (million)	–53.93	–31.00
Profit/Loss (million)	–7.31	–6.26
Cashflow from operations (million)	–6.98	–5.76
Total Assets (million)	141.74	77.37
Revenue (million)	18.74	10.37
Sales Volume (ton)	1,435	903
Sales/WRE kg	13.13	11.45
Number of Employees	137	95
Sustainability Certifications *	Yes	Yes
Carbon emissions/kg produced	5,63	5,74

*Sustainability Certifications
ASC, BAP, FOS, Good Fish
2022 – BAP 3 star
2022 – BAP Raised without antibiotics

Materiality Matrix

The external context in which The Kingfish Company operates is constantly evolving. Therefore, we conduct periodic materiality assessments to identify and prioritize ESG topics that matter most to all stakeholders and where there is greatest potential to have a positive impact in line with our purpose, mission, and values. The results inform the ESG framework and reporting.

In 2022 we conducted a comprehensive assessment to refine our understanding of internal and external stakeholder expectations and to drive meaningful progress on ESG priorities.

Four guiding principles were identified and the ESG key issues and contributions were allocated and ranked within the guiding principles of:

- People and Community
- Fish Health and Welfare
- Environment and Innovation
- Product Quality and Safety

A materiality matrix was created based on internal and external stakeholder prioritization of the value drivers for success. The materiality matrix is reviewed annually and updated through stakeholder engagement.

The materiality guiding principles and value drivers at The Kingfish Company

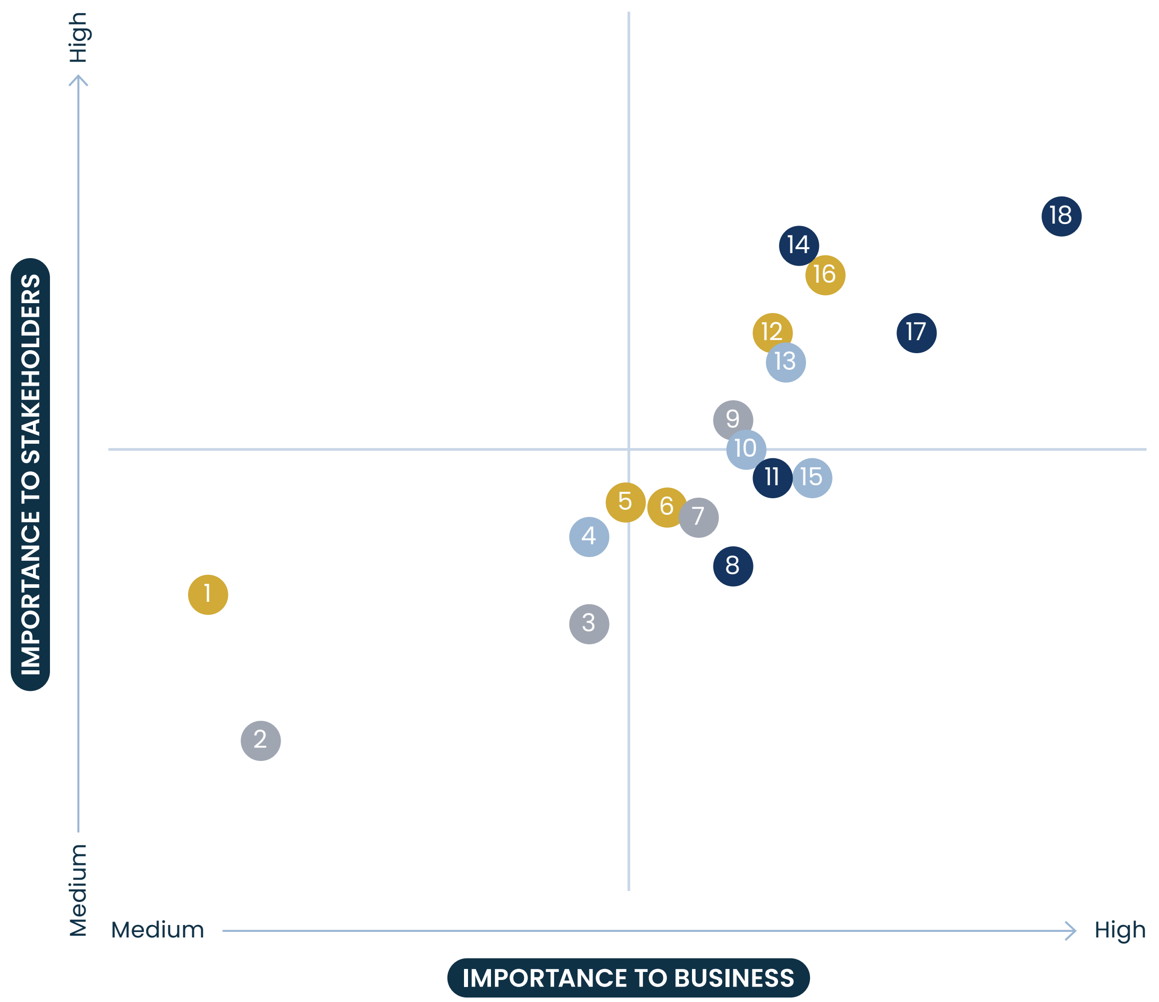
People and Community	Fish Health and Welfare	Environment and Innovation	Product Quality and Safety

GUIDING PRINCIPLES

MATERIAL TOPICS

People and Community	Fish Health and Welfare	Environment and Innovation	Product Quality and Safety
Company Culture	Animal Welfare	Certifications	Consumer Safety
Health and Safety	Fish Health Monitoring	CO_2e Management	Product Quality
Skills Development	Productivity	Sustainable Feed	Certifications
Community	FCR	Research and Innovation	Food Safety Culture
Governance		AI and IoT	No antibiotics

The Kingfish Company's most material value drivers



MATERIALITY TOPICS

People and Community
1. Community
5. Governance
6. Skills and Development
12. Company Culture
16. Health and Safety

Fish Health and Welfare
4. Feed Conversion Ratio's
10. Productivity Management
13. Fish Health Monitoring
15. Animal welfare

Environment and Innovation
2. AI and IoT
3. Research and Innovation
7. CO_2e Management
9. Sustainable Feed

Product Quality and Safety
8. Certifications
11. No antibiotics
14. Food Safety Culture
17. Product Quality
18. Consumer Safety

2

SUSTAINABILITY REPORT

24 **GUIDING PRINCIPLES**

24 People and Community

25 2022 People and Community Impacts

28 Fish Health and Welfare

29 2022 Fish Health and Welfare Impacts

31 The Kingfish Company Fish Welfare Commitments

34 Environment and Innovation

36 2022 Planet Impacts

39 Innovation

40 Product Quality and Safety

42 2022 Product Quality and Safety Impacts

GUIDING PRINCIPLES

People and Community

WE BELIEVE IN CONTINUOUS IMPROVEMENTS, EVERY DAY WE AIM FOR BETTER.

Sara Massoumi
Chemical Engineer

Our People are key to the delivery of our strategic objectives and operating performance. We promote a people-centric culture within The Kingfish Company. It is an inclusive culture and we invest in the development of our employees ensuring that we have the appropriate skills to sustain the ongoing growth of the company and operations. Our practices contribute to an ethical company culture within a safe work environment where we offer equal opportunities while promoting and facilitating community involvement. We love our 'neighbourhood' and contribute not only to economic growth and employment creation in the region but also to ongoing community awareness of environmentally responsible actions and tactics. We use the United Nation's Sustainable Development Goals to guide our actions and to evaluate our impacts.

> The success and growth of our business come from the accomplishments and well-being of our people. The Kingfish Company strives for excellence in all we do and is firmly committed to enabling a positive work environment and responsible work conditions for all. We collectively build a work environment that allows every person to thrive and to contribute to ongoing progress and best performance.

2022 People and Community Impacts

The Kingfish Company follows best practice human resource governance and reviewed and updated the Human Resources Manual, the Code of Conduct, the Reward Strategy and Remuneration Policy. Comprehensive Health and Safety and Responsible Work Conditions Policies are in place.

2022, the year of growth and progress showed a 46% increase in **employment numbers** at the Kingfish Company, with the representation of **female employees** increasing by 42%.

We managed to retain key employees from start-up through to expansion phase during which time we grew exponentially. We are recognised for our **culture** of inclusivity with 24 nationalities represented within the company.

We believe in **growing talent** and recognize the potential and value of our employees and supported 14% of our employees achieving career goals through promotions into more senior positions. This was made possible through ongoing **skills development and training** and in 2022 we offered 53 training sessions to our teams equalling 1 171 training hours collectively. We offered 85 onboarding sessions contributing a further 340 training hours which included occupational health and safety specific training. Our well-established awareness of **health and safety** contributed to our best health and safety performance to date. We recorded 12 minor injuries on duty with 0 Lost Time due to Injuries Frequency Rating (LTIFR).

During 2022 we hosted 17 students and interns from 5 different countries. The research projects in which these students were involved, resulted in 9 Master of Sciences degrees awarded.

The Kingfish Company recruited 2 professionals from this talented pool of post-graduates. The students and interns collectively gained 68 months of work and research experience at The Kingfish Company during 2022.

We participated in 13 community-based events during 2022 and continued to support **economic growth** within the local community. Our Sustainable Procurement Policy guides our purchasing practices and we currently have more than 810 suppliers, with 38.5% of these service and equipment providers located within a 100 km radius of our Zeeland operation. By supporting these local suppliers we contributed more than EUR 36.4 million to our local economy during the reporting year.

Kingfish Maine has secured tremendous community support and to date remains the only fully permitted RAS project in Maine. An economic impact study on the Kingfish Maine project showed a potential contribution to the local economy of US$44 million over two years (excluding the initial investment) as well as creating 366 full- and part-time employment opportunities during the planning and construction phase. Once operational it is estimated that the project will contribute $28 million to the local economy with 129 full- and part-time jobs created.

GLOBAL CULTURE
24 nationalities represented at The Kingfish Company

TRAINING
1 171 training hours logged with 53 training sessions offered to our teams

DEVELOPMENT
14% of employees advanced to more senior positions

ONBOARDING
85 onboarding sessions with 340 hours of induction training including H&S to new recruits

HEALTH AND SAFETY
0 LTIFR

STUDENTS
17 students annterns hosted from 5 different countries and 6 universities

EMPLOYMENT
46% increase in employment opportunities

DEGREES
9 Master of Sciences Degrees awarded to students and interns doing research at Kingfish Zeeland

EQUALITY
42% increase in number of female employees

COMMUNITY
13 community activations and ongoing economic growth through supporting local suppliers to the value of EUR 36.4 million

The Kingfish Company supports the United Nations Sustainable Development Goals (SDGs). These goals were set to provide a blueprint for peace and prosperity for people and the planet, now and in the future.

At The Kingfish Company we strive to implement all 17 goals in day-to-day practices.

From a People and Culture perspective we focussed on the following social impact SDGs during 2022:

SDG 4
Quality Education

Through our extensive internal training and skills development programme and partnerships with various Higher Education Institutions we contribute directly to not only supporting quality education, but also offering quality education and experiential learning opportunities.

SDG 5
Gender Equality

We believe in equal opportunity and fairness and promote within our People and Culture framework equal rights, opportunities, responsibilities and rewards to people of all genders. We increased our number of female employees by 42% in 2022, and continue to practice equal remuneration from entry-level management to lead team.

SDG 8
Decent Work and Economic Growth

We promote inclusive and sustainable economic growth through creating employment opportunities within a responsible work environment that considers the well-being and safety of our employees.

Fish Health and Welfare

The Kingfish Company is fully committed to **best practice fish health and welfare** and to that end we have made specific fish welfare commitments. We have a Code of Ethics and Welfare related to fish production and we have implemented science-based fish welfare monitoring procedures which contribute to production management and performance.

Healthy fish deliver higher productivity and in 2022 we achieved the **highest productivity rating to date.** We are independently audited on best practice fish welfare through assessments conducted for our ASC and BAP certifications. We have a Veterinary Health Programme, an animal health monitoring and surveillance programme and we track our welfare index monthly.

"

THE BEST QUALITY OF FISH STARTS WITH THE BEST QUALITY EGGS.

Florian Giesler
Hatchery Supervisor

"

The success and growth of our production performance come from expertise, skills and dedication from our biologists and technicians throughout the entire product lifecycle. The Kingfish Company strives for excellence in all we do and is firmly committed to uncompromised fish health and welfare. We collectively work towards best performance throughout the entire integrated production process.

2022 Fish Health and Welfare Impacts

During 2022 we **increased our production output by 31%** to a record high of **1,512 tons of growth** of premium quality fish. We achieved this through ongoing productivity improvements, with an annual performance increase of 15% to end off the year with a productivity rating of an impressive **0.75kg/m³/day.** Our hatchery matched the 2021 production success while building and commissioning a new on-site facility to enable the team to significantly ramp up production in 2023 as part of the expansion project.

Our phase 1 production systems (A – E) performed at **full capacity** with a **61% increase in harvesting volumes.**

We achieved **BAP raised without antibiotics** status, independently confirming that we continue to grow healthy fish.

PRODUCTION
31% increase
year-on-year with 1,512 tons of premium Dutch Yellowtail produced

PRODUCTIVITY
15% increase
year-on-year with a productivity rating of 0.75kg/m³/day

HARVEST
61% increase
year-on-year with a 2022 harvest volume of 1,520 tons

WELFARE
< 5% mortality rate
maintained during the 2022 production year with 26 welfare assessments conducted

Wednesday, 3 August 2022

Kingfish Zeeland First in Europe to Complete Pilot of Raised Without Antibiotics Standard

BAP News

Global Seafood Alliance™ · Best Aquaculture Practices™ · Best Seafood Practices™

Our SDG focus areas within our fish health, welfare and production performance for 2022 were:

SDG 12
Responsible Consumption and Production

We grow our fish responsibly, utilising the most responsibly sourced resources, from energy to feed, to ensure optimal health and welfare of the fish with minimal environmental impacts. We continue to monitor, measure and report on our activities and impacts. Our feed suppliers continue to responsibly source raw materials with 99.6% of fish oil and 99.2% of fishmeal used in our feed now sourced from sustainably certified sources, a 20% and 25% improvement respectively compared to 2021.

SDG 7
Affordable and Clean Energy

All electricity supplied to The Kingfish Company is green certified. Our own solar panels produced a further 459mWh. 86% of our total energy consumption came from renewable sources.

The Kingfish Company production team work closely with the Research and Development team, various universities and our feed suppliers to find the optimal and most sustainable feed. Our FCR showed a slight increase during 2022 as we are settling into full capacity production in phase 1, however we have seen an overall improvement rate of 13% in FCR since 2020.

Our **third-generation fingerlings**, produced from carefully selected parent fish, continue to show excellent **growth** and performance.

Another significant 2022 achievement was our **'flying Dutch Yellowtail'**. We managed to successfully transfer Yellowtail kingfish fingerlings as well as selected parent fish to our research hatchery in Maine. We are pleased with the performance of the installed life support systems and the young fish have already reached market size. The parent fish have settled in well and we are looking forward to transferring more fish across the Atlantic Ocean in 2023.

The Kingfish Company Fish Welfare Commitments

Kingfish Zeeland is a world-class aquaculture production facility operating under a code of ethics designed to help conduct business with honesty and integrity.

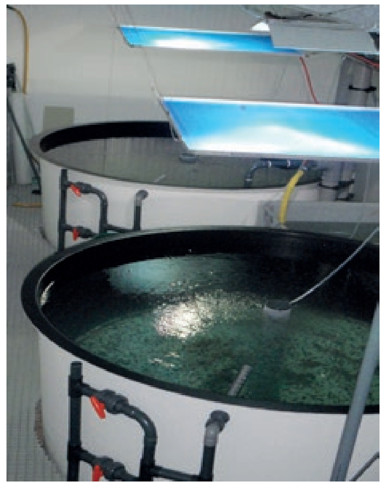
As an innovative organisation in animal production, we carry a big responsibility to achieve the highest standards of animal welfare. Positive animal welfare can be defined as a state experienced by an animal when its physical and psychological needs are met.

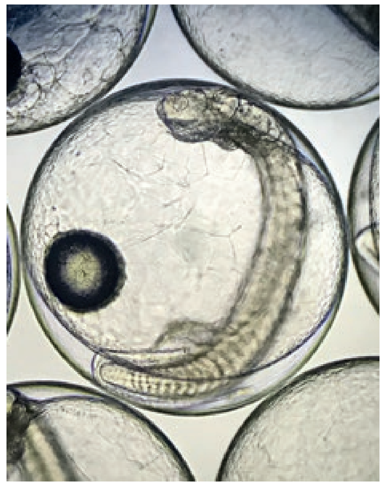
We are committed to manage and provide positive animal welfare states for the fish in a measurable and transparent manner by using research, staff experience, fish health care and monitoring skills.

Fish Welfare forms a critical part of our ethics considerations. We have made the following Fish Welfare commitments.

We are committed to:

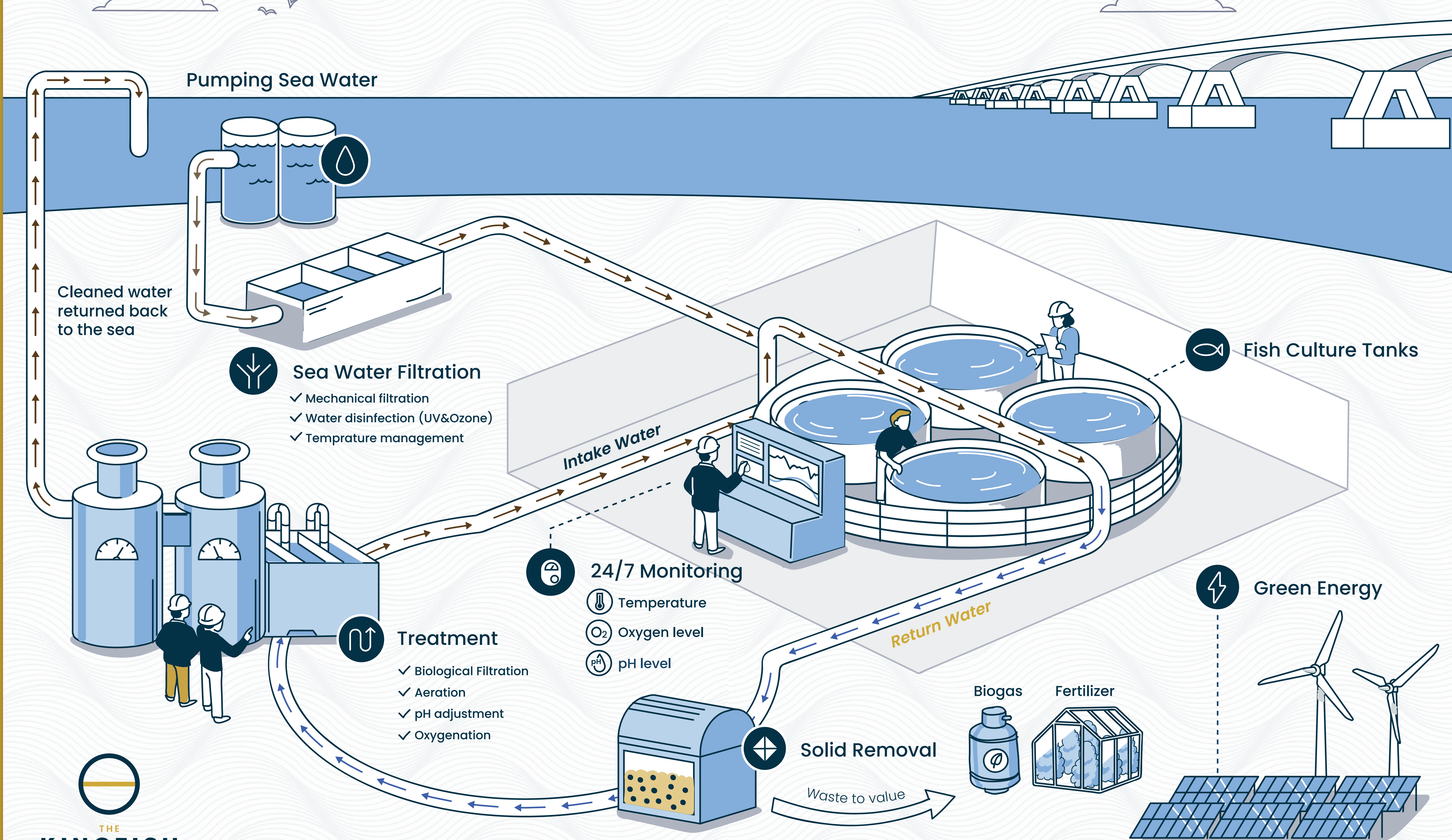
- achieve the highest possible welfare standards for the fish under our care during the production cycle (from egg to harvest)
- be leaders in the field of fish welfare and husbandry, and to advocate welfare and care in how we design and operate our systems and production
- provide environments that focus on the fish's physical and behavioural needs
- treat all fish and our facility with respect
- ensure that husbandry decisions are underpinned by up-to-date animal welfare and veterinary science
- comply with required standards, regulations and legislation
- review internal standards regularly
- share knowledge, skills and best practice advice





Recirculating Aquaculture Systems

Land Based Sustainable Technology



Environment and Innovation

The Kingfish Company is driven to guarantee the **responsible production** of premium seafood with the lowest possible carbon impact. We continue to work towards our environmental commitments made through our 25×25 sustainability campaign and have made good progress in 3 of the 4 areas. We sourced 100% **green certified electricity** supplemented by **solar energy** generated on site. 86% of our energy requirements came from renewable sources, with supplementation from gas and diesel due to our ongoing expansion in 2022.

Our total **energy requirement** per kg of production **decreased by 13%** in 2022 compared to 2021. We continue to explore more sustainable packaging and freight options to ensure getting our fish to market as quickly, efficiently, safely and environmentally sound as possible. With 83.5% of our sales within the European market we can make use of lowest impact freight while reducing food waste significantly due to our harvest on demand practice.

In 2022, all our **certifications were successfully renewed** after being independently audited. Additionally, we obtained BAP certification for our hatchery, resulting in being awarded 3-star BAP status, and we are the first facility in Europe to obtain BAP Raised Without Antibiotics recognition. Every single fish we produce and sell is certified under ASC, BAP, FOS and the Good Fish Foundation.

FRESH WATER USE
40% reduction
in fresh water use

SUSTAINABILITY CERTIFICATION
>99% carried
in fishmeal and
fish oil in fish feed

CO_2e REDUCTION
12.4% reduction
in carbon emissions
per kg of production
from Scope 1, 2 and 3

BEACH CLEAN
Participated
in the 2022 International
Coastal Clean-up effort

GREEN ELECTRICITY
100% certified green
electricity used.
86% renewable energy
used on site

ASC

The Aquaculture Stewardship Council logo distinguishes farms that care for the environment, their workers and the communities in which they operate.

In 2018, our fish became the world's first ASC-certified source of Yellowtail kingfish. We also achieved the Chain of Custody certification and have retained both the farm and Chain of Custody certifications since 2018.

BAP

As part of the Global Seafood Alliance, Best Aquaculture Practices ensures aquaculture is done responsibly through its third-party certification program, which certifies every step of the production chain.

In 2018 our farm became the world's first BAP certified land-based farm. We also achieved BAP Processing in 2018, and both BAP Hatchery and Raised without Antibiotics in 2022.

FOS

Friend of the Sea is a project of the World Sustainability Organisation, with the mission to "conserve the marine environment while ensuring sustainable fish stocks for generations to come". The label is used on products and services which respect and protect the marine environment.

We were awarded farm and processing certification in 2018 and have retained both since then.

Good Fish Foundation

Good Fish Foundation (Green choice) has all the information needed for the consumer to make good choices about sustainable fish consumption. Farmed fish is 'Green' if, sustainable feed is used, the effects on the surrounding area are minimal, if the farm is well-managed and regulations are followed.

We achieved Good Choice in 2017 and have retained it since then.

> The Kingfish Company has recognised sustainability as a key performance area since inception and formalised its monitoring, evaluation and sustainability reporting in 2020 with the launch of Plan Blue and the 25×25 sustainability campaign. We continually measure our performance against our definition of sustainable aquaculture, while being measured and audited by the certification bodies. We strive for excellence and will continue to prioritise our sustainability performance.

2022 Planet Impacts

In 2020 we set clear targets through our 25×25 sustainability campaign. How have we fared?

Reducing our carbon emissions per ton of production by 2025:

On track, 50% of the 2025 target achieved.

The product carbon footprint was calculated by independent service provider Futureproofed following the reporting requirements of the Product Standard of Greenhouse Gas Protocol for cradle to gate production. The study was performed based on the key accounting principles of the Greenhouse Gas Protocol.

Categories included in the carbon footprint for the main production site, Kingfish Zeeland:

- Company Facilities (Scope 1)
- Purchased Electricity (Scope 2)
- Purchased goods & Services (Scope 3)
- Energy Related Activities (Scope 3)
- Waste (Scope 3)

It excluded business travel, staff commute, end-of-life of product and use of sold products.

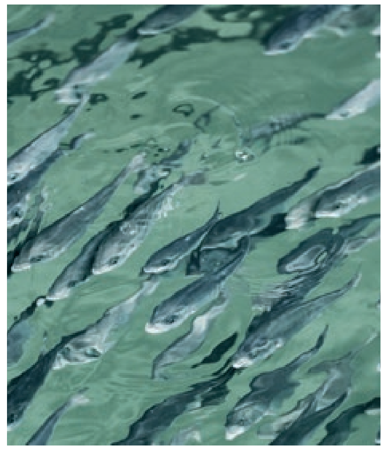
25×25 Sustainability Campaign

CARBON EMISSIONS
25% reduction
per ton of growth
by 2025

RESIDUAL WASTE CREATED
25% reduction
per ton of growth
by 2025

RECYCLING EFFORTS
25 increase
per ton of growth
by 2025

DEPENDENCY ON MARINE RESOURCES
25% reduction
per ton of growth
by 2025



Total carbon emissions have increased due to increase in activities and production, but at a slower rate than production increase (0.87 to 1). Material acquisitions (feed, oxygen, raw materials) contributed 91.4% of carbon emissions, with actual production activities contributing 8.6% of total carbon emissions.

	2022	2021	2020
Inventory results per GHGP category	kg CO_2e/kg produced		
Company facilities	0,21	0,14	0,35
Purchased electricity	0,02	0,01	0,01
Purchased goods & services	5,10	5,25	5,67
Energy related activities	0,27	0,31	0,35
Waste	0,03	0,03	0,05
Total	5,63	5,74	6,42

Reducing residual waste created by our operation relative to our production volumes:

Target achieved

Increasing our recycling efforts:

Target achieved

Reducing our dependency on marine resources:

Not achieved

We have managed to improve our FCR by 13% but while we are engaged in optimising feed formulations and investigating alternative proteins, we have not been able to roll out a commercial diet reducing our FIFO ratio. 99.2% and 99.6% of fish meal and fish oil respectively used in our feeds are certified as sustainable by MSC, the Marin Trust and Fisheries Improvement Projects. This is a year-on-year improvement of 25.4% and 20% for fish meal and fish oil.

We continue to trial the inclusion of land-based non-animal proteins as well as algal oils to improve FIFO rating while still meeting the nutritional and welfare demands of our fish. Improving feed sustainability is one of our high priority innovation and research themes.

We are permitted to extract marine water from the Oosterschelde estuary, a non-commercial water source, and the volume utilised and effluent water parameters are strictly monitored and controlled.

During 2022 we reduced the amount of fresh water used per ton of production by 40%.

Our environmental committee drives our Kingfish sustainability culture and initiated various clean-ups, including a beach clean-up as part of International Coastal Clean-up 2022.

Our SDG focus areas within environmental sustainability performance for 2022 were:

SDG 14
Life Below Water

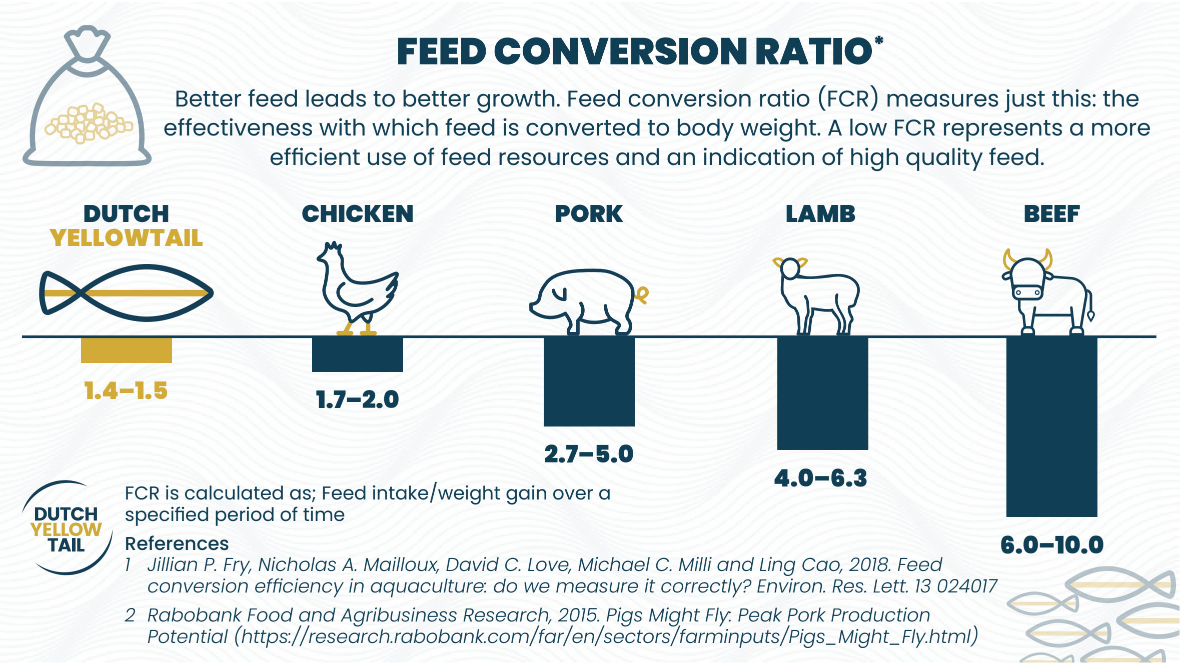
We lead the way in the sustainable production of Yellowtail kingfish, reducing the pressure on wild fisheries while offering the market high quality and fresh responsibly farmed seafood. Our production volume increased by 31% during 2022.

SDG 15
Life On Land

As a land-based Recirculating Aquaculture System, we ensure that our environmental impacts are identified, managed, monitored and reduced as to not impact negatively on biodiversity while growing our operations. We work within our permit conditions and legislative requirements as a responsible production plant.

SDG 13
Climate Action

By monitoring and reducing our carbon emissions we directly contribute to reducing climate change. We care about the planet and people. We have reduced our carbon emissions by 12.4% and on track to achieve a 25% reduction by 2025.



> The Kingfish Company is on a mission to promote sustainable aquaculture, offering responsible choices to the consumer and growing awareness and care for the planet and people.
>
> It is our purpose to produce a fish like no other, the perfect sustainable choice, because we care.

Innovation

The Kingfish Company has a dedicated Research and Development Department.

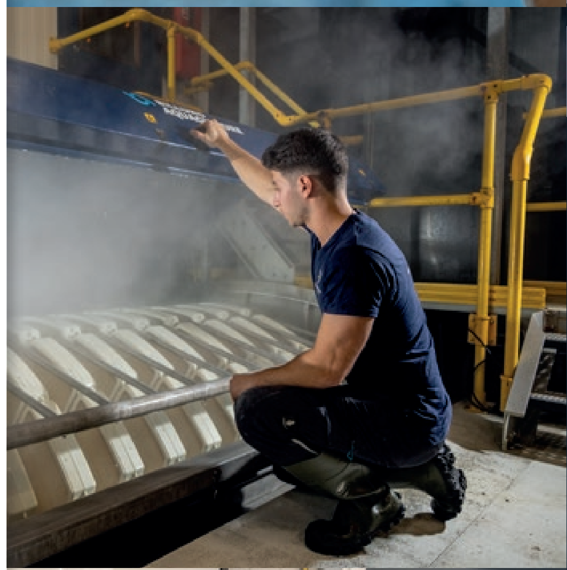
Our Research and Innovation Manager holds a PhD in aquaculture nutrition and is currently overseeing **6 feed specific studies** with our feed producers. The collaboration supports the development of RAS-specific feeds for Yellowtail kingfish. The common thread throughout the various feed trials is to develop diets which will allow us to reduce the dependency on traditional marine ingredients such as fishmeal and fish oil without compromising performance. During 2022 our R&D department supervised 13 marine science students from 4 different universities. Besides the feed development projects they also worked towards the identification and development of egg quality protocols for Yellowtail kingfish, identifying various physiological and morphological characteristics of Yellowtail kingfish during ontogeny and working towards improved wastewater management. The integration of **AI (artificial intelligence) and automation**, through collaborations with various innovation partners, allows us to gain additional performance insights and further improve our operations.

One such project is the integration of AI image processing systems mounted in the outlets of our production tanks in collaboration with **REEL DATA** which recognises any pellet waste and automatically adjust the appetite factor and feeding levels of the tanks with pellet spill, resulting in less wastage and improved feed conversion ratios.

Our SDG focus area within innovation for 2022 was:

SDG 9
Industry, Innovation and Infrastructure

To produce protein in the most sustainable way, we focus on designing and implementation of infrastructure and processes with limited environmental impact. We invest significantly in research, development and innovation to solve our challenges and we partner with designers, engineers and researchers to drive innovation within The Kingfish Company and thus in sustainable land-based aquaculture.

WITH A DELICATE TASTE, A LIGHT PINK-WHITE FILLET AND A NICE FIRM BITE, THE YELLOWTAIL KINGFISH NATURALLY LENDS ITSELF TO MULTIPLE USES- FROM COLD SMOKE TO GRILLED, BAKED, OR RAW, THE FISH COMBINES WELL WITH VARIOUS DIFFERENT FLAVORS.

Mart Scherp
Chef at Restaurant Scherp

BRGS
Food Safety
CERTIFICATED

Product Quality and Safety

Our **Dutch Yellowtail** is a high-grade Sashimi, grilled, or smoked classic, sustainably produced in The Netherlands.

Strong familiarity of the product exists in Japanese and Italian cuisine, and there is a growing presence in retail across Europe and the US.

Consumer satisfaction is one of our highest ranked value drivers and this is directly linked to **food safety, premium quality** and delivering on our sustainability commitments. We incorporate a food safety culture in every stage of growing the product. Our fish processing plant is fully compliant to food safety standards and certified by the **BRCGS** (A-rated) as well as **BAP Seafood Processing** Standard. BAP also recognized that our fish are raised without antibiotics. In fact, we were first to pilot the standard in Europe.

We have a trained **in-house tasting panel** conducting standardized tasting tests weekly to ensure that we know exactly what we deliver to our customers.

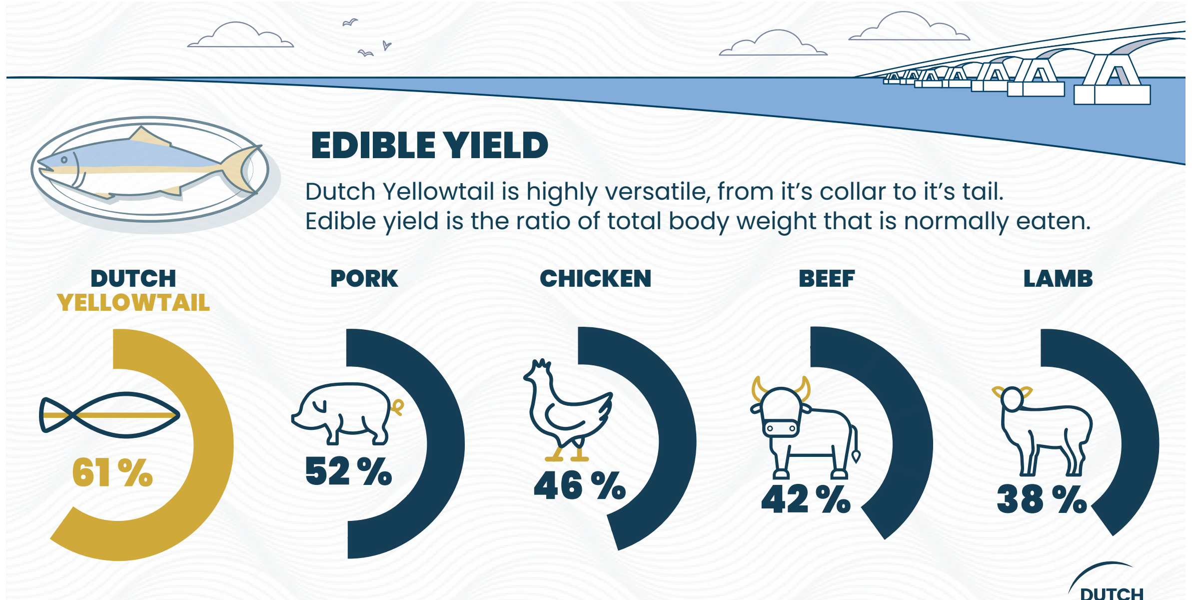
We have developed an **effective recall procedure** in the event of any food safety breaches or concerns. We experienced no food safety incidents in 2022 and have no history of having to recall any of the product. Full traceability is guaranteed, as certified by BRCGS and BAP.

Compared to other protein sources, our Dutch yellowtail delivers high quantities of omega-3 fatty acids, contributing to its status as a very healthy food source. Our product is good for people and good to the planet.

Omega-3 content in different fish species	g/100g
Yellowtail kingfish	3,70
Salmon	1,99
Seabass	0,54
Cod	0,23

Yellowtail kingfish contains relatively high values of omega-3 fatty acids compared to other seafood sources.

The edible yield is the percentage of the specified product that is usable. Our Dutch Yellowtail out performs other animal protein sources, delivering the highest edible yield. 100% of harvested fish is utilised in the food and energy sectors.



References
Bjørkli, J., 2002. Protein og energiregnskap hos laks, kylling, gris og lam [Protein and energy account in salmon, chicken, pig and lamb]. M.Sc. Thesis, Norwegian University of Life Sciences (UMB), Norway

PRODUCT QUALITY REQUIRES PROCESS QUALITY.

Kim Tiebie
Quality and Assurance Officer

PROCESSED
almost 1 000 000 fish
to deliver to market

PORTIONS
9.15 million
equivalent portions of premium quality fish delivered to customers

21 COUNTRIES
received premium quality
fish directly from our processing plant

FOOD SAFETY AUDITS
all food stafety standards
and certifications retained

Our SDG focus area within product quality and safety for 2022 was:

SDG 3
Good Health and Well-being
The consumption of fish is associated with many health benefits. Our Dutch Yellowtail is filled with essential nutrients, like omega-3 fatty acids, and is a great source of protein to keep consumers healthy.

2022 Product Quality and Safety Impacts

Our teams harvested and processed close to **1 000 000 fish** in 2022, with a **61% increase** in **harvesting and processing** volume. That is an equivalent of **9.2 million portions** of premium quality fish delivered to our customers in **21 different countries.**

We **doubled** our **Quality Assurance** capacity and implemented the **Kingfish Quality Standard** while retaining our **BRCGS and BAP processing** certifications. 100% of our fish harvested was used in the food and energy system with all processing waste allocated to agriculture feed and green gas through responsible uptake agreements contributing to **zero food waste at The Kingfish Company.**

The Kingfish Company is fully integrated from egg to plate, and therefore control and manage all inputs, impacts and quality. Our business strategy directs focus on delivering environmental benefits, quality, societal value and to deliver profits.

Applying ethical and sustainable business practices while doing good has contributed to connecting with consumers and driving demand thus paving a path to profitability.

> 2022 was the year of the power of the proven. We showed progress. We grew. We improved. 2023 will see us reaching new heights, commissioning our production and processing expansions, reaching new markets and working towards profitability.

THE KINGFISH COMPANY

2022–2023

2022

31%
INCREASE
in growth

61%
INCREASE
in harvest volume

15%
INCREASE
in productivity

NEW PUMPHOUSE
COMMISSIONED

9.2
MILLION
equivalent portions of
FISH PRODUCED

POWER of the PROVEN

2023

NEW PROCESSING PLANT

100%
INCREASE
in production capacity

STOCKING OF NL PHASE 2

SPAWNING
of broodstock
in Maine

Retain
ALL CERTIFICATIONS AND STANDARDS

PLANET
PEOPLE
PURPOSE
PROFIT

3

GOVERNANCE

46 Business Ethics

47 The Kingfish Company Management Principles

47 The Management Board

48 The Supervisory Board

48 Reporting

49 Compliance

49 Business Continuity & Resilience

Business Ethics

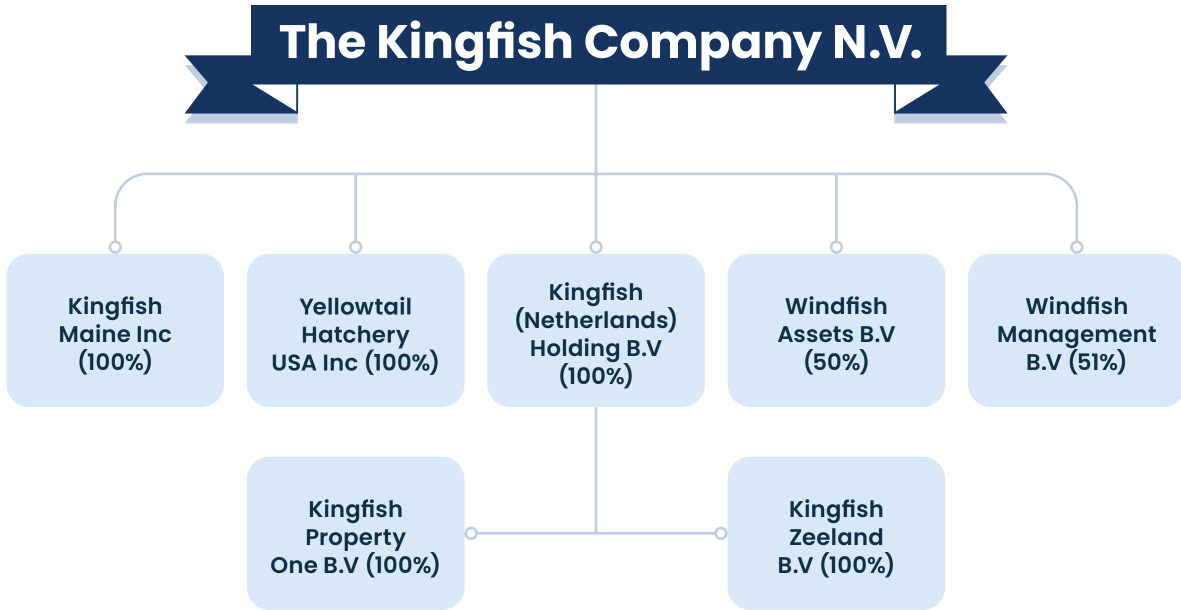
> The Kingfish Company implemented sound organisational governance, which is the result of ethical leadership, social responsibility, compliance and accountability. This grows stakeholder confidence and trust. The company operates within an ethical business culture, pursuing excellence while implementing effective control strategies to ensure achieving strategic targets.

The underpinning philosophy of the company's governance is Sustainable Development which includes integrated thinking, corporate citizenship, stakeholder inclusivity, and showing how the organisation operates within society.

The Management Board leads ethically and effectively with integrity, competence, fairness, accountability, transparency and responsibility. They established an ethical culture ensuring that a best practice code of conduct and ethics policy were implemented. A time-based medium to long-range strategy is in place, objectives as per operational plans are being measured and assessed and the general viability of the company is evaluated regularly by the Management and Supervisory Boards.

The Kingfish Company Management Principles

The Kingfish Company N.V. is the parent company of the Kingfish group of companies. The Kingfish Company N.V. is a public limited company under Dutch law, and is traded at Euronext Growth in Oslo, Norway. The following organisation chart sets out the Group's legal structure:



The Kingfish Company is governed by a two-tier board structure, the Management and Supervisory Boards who are the principal custodians of the corporate governance within the company. The boards comprise the appropriate balance of knowledge, skills, experience, and independence and offer objective guidance and support. They ensure that evaluation of their own performance and that of the board committees, chair, and individual members supports continued improvements of company performance.

The Management Board

The Management Board of The Kingfish Company ensures that the company is managed in the best interest of its shareholders and other stakeholders. It is responsible for the deployment of the company's strategy and the achievement of the operational and financial objectives of the company. It supervises the day-to-day business of the company and appoints the staff members who represent the company. The Management Board is composed of the Chief Executive Officer, the Chief Financial Officer and the Chief Technology Officer of The Kingfish Company. The Management Board is accountable for its actions and decisions to the Supervisory Board and is answerable to shareholders of the company at the Annual General Meeting of Shareholders.

The Management Board members are recommended by the Supervisory Board members and appointed by the General Meeting of Shareholders. The Management Board members are specialists in the field of aquaculture, finance, economics, management, and others. Broad expertise of the members allows them to make decisions that promote the growth of The Kingfish Company and secure its values.

The Management Board protects itself from conflicts of interest by making sure they act independently and in the best interest of the company. This is done by observing the Dutch Corporate Governance Code in relation to all decisions undertaken by the Board.

Remuneration of the members of the Management Board is determined by the Supervisory Board in accordance with the remuneration policy which is aligned with internal and industry standards.

Supervisory Board

Jeroen Scheelbeek (Chairman)

Hans den Bieman

Alexandre van der Wees

Helge Moen

Martin Jansen

Jordi Trias

Noam Kleinfeld

The Supervisory Board

The Supervisory Board of The Kingfish Company supervises the policies, management and general affairs of the company. It is also their role to assist the Management Board with advice to ensure that the best interest of the company is maintained. The Kingfish Company Supervisory Board delivers on their responsibilities through the support of setting and steering strategic direction, approving policies and planning that give effect to the strategy, overseeing and monitoring the implementation and execution by management and ensuring there is accountability for organisational performance.

The Supervisory Board members are appointed by the General Meeting. The members of the Board are recommended by the Nomination Committee, independent from any other governance body within the organisation, to the General Meeting, who then proceeds to vote upon and appoint them.

Reporting

The Kingfish Company has a multi-disciplinary management team working through integrated enterprise resource management systems to ensure accurate and on time reporting of all business activities. The Operational Report and Management Accounts are reviewed monthly by the Management Team and Supervisory Board. A quarterly report is prepared for all shareholders and stakeholders in combination with a Quarterly Business Update by the Management Board. Annual financial statements and a sustainability report make up the annual integrated report with the materiality index guiding the inclusion of information valued by internal and external stakeholders. The quarterly and annual reports are published on The Kingfish Company website.

Compliance

The Kingfish Company is governed by and complies with various standards and regulations as set out by laws, codes and industry and best practice requirements. The company aligned its governance with the Dutch Corporate Governance Code.

The Kingfish Company appointed a General Counsel (legal expert) as a permanent employee in 2021 to guide legislative understanding and implementation within all departments.

The company has an active department for Quality and Sustainability, where the mission is to ensure 100% compliance and conformity with regulations and quality standards. The Kingfish Company guarantees that the fish is farmed in a sustainable manner, compliant with all regulations and guidelines set out by government and any other related organisations and professional bodies.

Employees are well-informed regarding the processes they can follow should they need to raise concerns or seek advice within The Kingfish Company. Anonymous and independent advisors have been contracted in and employees can contact them directly to discuss any potential concerns.

Business Continuity & Resilience

The Kingfish Company has a strong focus on business resilience through carefully managing the production process, maintaining customer satisfaction and continuing the delivery of fish. Despite difficult macro conditions, the company has been able to compensate input inflation. The company has partially hedged its exposure to energy prices through energy contracts as of 2023.

The Kingfish Company has no exposure to Russia or Ukraine and is hence not directly impacted by the war. It remains sold out on all size categories, while increasing both volumes and sales revenue. The Kingfish Company sells its product to fourteen countries, diversifying country-specific risks.

Risks are analysed and ranked on probability and impact ratings in a detailed risk matrix to ensure mitigating factors are in place in all areas of risk which consists of 7 risk categories with 34 sub-categories.

4

FINANCIAL PERFORMANCE

THE KINGFISH COMPANY N.V. GROUP

52 Statement of Financial Position
53 Statement of Profit or Loss and Other Comprehensive Income
54 Statement of Changes in Equity
55 Statement of Cash Flows
56 Accounting Policies
80 Notes to the Annual Report

THE KINGFISH COMPANY N.V.

107 Statement of Financial Position
108 Statement of Profit or Loss and Other Comprehensive Income
109 Statement of Changes in Equity
110 Notes to the Annual Report
120 Independent Auditor's Report

Statement of Financial Position

AS AT 31 DECEMBER 2022

Figures in Euro thousand	Notes	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	4	112.170	55.823
Right-of-use assets	5	2.155	2.653
Biological assets	6	1.192	1.177
Financial assets	8	2.399	–
Deferred tax	9	9.062	6.977
		126.978	**66.630**
Current Assets			
Biological assets	6	5.600	4.496
Inventories	10	1.157	1.136
Trade and other receivables	11	6.317	3.888
Financial assets	8	60	–
Cash and cash equivalents	12	1.624	1.222
		14.758	**10.742**
Total Assets		**141.736**	**77.372**
Equity and Liabilities			
Equity			
Share capital	13	97.185	78.126
Reserves		2.689	813
Accumulated loss		(24.224)	(16.913)
		75.650	**62.026**
Liabilities			
Non-Current Liabilities			
Borrowings	16	51.407	7.321
Lease liabilities	5	1.605	1.285
		53.012	**8.606**
Current Liabilities			
Trade and other payables	17	7.195	5.585
Borrowings	16	5.332	540
Lease liabilities	5	454	527
Deferred income	18	93	88
		13.074	**6.740**
Total Liabilities		**66.086**	**15.346**
Total Equity and Liabilities		**141.736**	**77.372**

The Kingfish Company N.V. group
Annual Report for the year ended 31 December 2022

Statement of Profit or Loss and Other Comprehensive Income

Figures in Euro thousand	Notes	2022	2021
Revenue	19	18.738	10.371
Other operating income	20	18	41
Other operating gains (losses)	21	(524)	1.121
Stock movements and transport and logistics cost	22	630	177
Raw materials	22	(11.121)	(6.629)
Employee costs	23	(7.139)	(4.920)
Lease expenses	23	(267)	(118)
Depreciation, amortisation and impairment expenses	23	(2.792)	(2.431)
Other operating expenses		(5.139)	(5.544)
Operating loss	23	**(7.596)**	**(7.932)**
Finance costs	24	(1.582)	(55)
Loss before taxation		**(9.178)**	**(7.987)**
Taxation	25	1.865	1.725
Loss for the year		**(7.313)**	**(6.262)**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		(26)	(21)
Deferred cost of hedging on cash flow hedges not subject to basis adjustments		1.721	–
Total items that may be reclassified to profit or loss		**1.695**	**(21)**
Other comprehensive income for the year net of taxation	26	**1.695**	**(21)**
Total comprehensive loss for the year		**(5.618)**	**(6.283)**
Earnings per share			
Per share information			
Basic loss per share (c)	29	(0,09)	(0,09)
Diluted loss per share (c)	29	(0.09)	(0,09)

Statement of Changes in Equity

Figures in Euro thousand	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Cash flow hedging reserve	Share option reserve	Total reserves	Accumulated loss	Total equity
Balance at 1 January 2021	**677**	**77.449**	**78.126**	**–**	**–**	**361**	**361**	**(10.651)**	**67.836**
Loss for the year	–	–	–	–	–	–	–	(6.262)	(6.262)
Other comprehensive income	–	–	–	(21)	–	–	(21)	–	(21)
Total comprehensive Loss for the year	**–**	**–**	**–**	**(21)**	**–**	**–**	**(21)**	**(6.262)**	**(6.283)**
Employees share option expense	–	–	–	–	–	473	473	–	473
Total contributions by and distributions to owners of group recognised directly in equity	**–**	**–**	**–**	**–**	**–**	**473**	**473**	**–**	**473**
Balance at 1 January 2022	**677**	**77.449**	**78.126**	**(21)**	**–**	**834**	**813**	**(16.911)**	**62.028**
Loss for the year	–	–	–	–	–	–	–	(7.313)	(7.313)
Other comprehensive income	–	–	–	(26)	1.721	–	1.695	–	1.695
Total comprehensive Loss for the year	**–**	**–**	**–**	**(26)**	**1.721**	**–**	**1.695**	**(7.313)**	**(5.618)**
Issue of shares	243	19.426	19.669	–	–	–	–	–	19.669
Employees share option expense	–	–	–	–	–	181	181	–	181
Gross funding fee	–	(824)	(824)	–	–	–	–	–	(824)
Tax on funding fee	–	214	214	–	–	–	–	–	214
Total contributions by and distributions to owners of group recognised directly in equity	**243**	**18.816**	**19.059**	**–**	**–**	**181**	**181**	**–**	**19.240**
Balance at 31 December 2022	**920**	**96.265**	**97.185**	**(47)**	**1.721**	**1.015**	**2.689**	**(24.224)**	**75.650**
Notes	13	13	13	15&26	26	26		26	

Statement of Cash Flows

Figures in Euro thousand	Notes	2022	2021
Cash flows from operating activities			
Cash receipts from customers		19.619	7.995
Cash paid to suppliers and employees		(26.579)	(13.377)
Cash utilised in operations	27	(6.960)	(5.382)
Finance costs		(17)	(382)
Net cash from operating activities		**(6.977)**	**(5.764)**
Cash flows from investing activities			
Investment in property, plant and equipment	4	(53.929)	(30.998)
Net cash from investing activities		**(53.929)**	**(30.998)**
Cash flows from financing activities			
Net proceeds on share issue	13	18.845	–
Proceeds/(Repayment) of borrowings		45.365	(1.975)
Repayment of lease liabilities		(1.581)	(501)
Finance costs on leases		(45)	–
Payment of hedge premium		(1.276)	–
Net cash from financing activities		**61.308**	**(2.476)**
Total cash movement for the year		**402**	**(39.238)**
Cash at the beginning of the year		1.222	40.460
Total cash at end of the year	12	**1.624**	**1.222**

Accounting Policies

1 Significant accounting policies

The principal accounting policies applied in the preparation of these annual report are set out below.

1.1 Basis of preparation

The annual report has been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing this annual report and the Part 9 of Book 2 of the Dutch Civil Code.

The annual report has been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Euros, which is the group's functional currency.

1.2 Consolidation

Basis of consolidation

The consolidated annual report incorporates the annual report of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity.

The results of subsidiaries are included in the consolidated annual report from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual report of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting Policies

1.2 Consolidation *(continued)*

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of annual report in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual report.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty *(continued)*

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Fair value estimation

Several assets and liabilities of the group are either measured at fair value or disclosure is made of their fair values, whereas biological assets have the most estimation uncertainty.

Biological assets are measured at fair value less costs to sell, with any change therein directly recognized in profit and loss. The estimated fair value of the biological assets is based on the most relevant prices at the reporting period date in the respective markets in which the group operates. The fair value calculation considers estimates of biomass volumes, quality, size distribution, production cost, mortality and normal costs of harvest and sale.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note 6 and note 7.

Impairment testing

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty *(continued)*

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of buildings, motor vehicles and office equipment and are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Deferred tax asset

Deferred tax assets are carried on the basis of the tax consequences of the realization or settlement of assets as planned by the group at the balance sheet date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available for set-off.

In this assessment, the group includes the possibility of planning of fiscal results and the level of future taxable profits in combination with the time and/or period in which the deferred tax assets are realized.

1.4 Biological assets

An entity shall recognise a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Biological assets (''biomass'') are measured at their fair value less costs to sell. Biomass comprise of live fish in tanks from fry to market-sized fish. All fish held in production tanks are considered saleable and are therefore measured at fair value less cost to sell.

The cost of biological assets ("biomass costs") includes all direct costs required to raise fish from larvae to harvest. Biomass costs are generally recognized on a historical basis and include fish feed, other raw materials, direct salary and personnel costs and utilities from production.

Accounting Policies

1.4 Biological assets *(continued)*

The valuation of biological assets under IAS 41 is based on estimated fair value of the fish in a hypothetical market. The estimate of the unrealized fair value adjustment under IFRS 13 is based on actual size class of fish in tanks and historical sales prices and costs to sell. The difference between the fair value and the biomass costs is recognized under fair value adjustments in the accompanying consolidated statements of operations.

Under the provisions of IAS 41, the fair value of the group's biological assets is calculated based on the market price for the relevant fish quality and size on the reporting period date. As the biomass input is not readily observable, biomass valuation is categorized at Level 3 in the fair value hierarchy under IFRS 13.

Biomass quantity is recorded upon grading of fish at younger ages into individual tanks and adjusted for actual mortalities recorded per tank. Total weight is calculated upon grading of fish and continually adjusted based on a feed intake based model. The average weight of fish per tank is regularly controlled by way of sampling of fish from each tanks, whereafter adjustments are made to reflect the sample results. Although some degree of variation is expected, actual fish size is not expected to deviate substantially from the average sampling size.

The fair value of the group's biological assets was calculated based on different parameters. The key element in the fair value model of biological assets is the price that is expected to be received in the future when the fish is harvested. This fair value calculation is based on realized sales per size-category around balance sheet date.

Breeding stock are held for periods longer than 12 months after reporting date and are therefore classified as non-current assets. The live fish stock qualify as biological assets to be harvested within 12 months from reporting date and are therefore classified as current assets.

A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell is included in profit or loss for the period in which it arises.

Fair value adjustments of live fish stock are accounted for as cost of sales.

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Accounting Policies

1.5 Property, plant and equipment *(continued)*

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Costs incurred as work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment are capitalized as assets under construction. When the activities are complete the costs are reallocated to the specific item of property, plant and equipment.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Buildings	Straight line	20–30 years
Equipment	Straight line	5–7 years
Motor vehicles	Straight line	5–7 years
Office equipment	Straight line	7 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Accounting Policies

1.5 Property, plant and equipment *(continued)*

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.6 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group, as applicable, are as follows:

Financial assets which are debt instruments:
- Amortised cost.
- Fair value through other comprehensive income.

Financial liabilities:
- Amortised cost.

Note 34 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Accounting Policies

1.6 Financial instruments *(continued)*

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 11).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (company-only).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:
- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

Accounting Policies

1.6 Financial instruments *(continued)*

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Euro equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 34).

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 11.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 23).

The Kingfish Company N.V. group
Annual Report for the year ended 31 December 2022

Accounting Policies

1.6 Financial instruments *(continued)*

Write off policy

The group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 11) and the financial instruments and risk management note (note 34).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Borrowings

Classification

Borrowings (note 16) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Accounting Policies

1.6 Financial instruments *(continued)*

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 24.)

Borrowings expose the group to liquidity risk and interest rate risk. Refer to note 34 for details of risk exposure and management thereof.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 17), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 24).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 34 for details of risk exposure and management thereof.

Accounting Policies

1.6 Financial instruments *(continued)*

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Euro equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 34).

Derecognition

Refer to the “derecognition” section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Accounting Policies

1.6 Financial instruments *(continued)*

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.7 Hedge accounting

The group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the group actually uses to hedge that quantity of hedged item.

Accounting Policies

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Accounting Policies

1.8 Tax *(continued)*

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.9 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (note 23) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the group is a lessee are presented in note 5 Leases (group as lessee).

Accounting Policies

1.9 Leases *(continued)*

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- the amount expected to be payable by the group under residual value guarantees;
- the exercise price of purchase options, if the group is reasonably certain to exercise the option;

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 24).

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

Accounting Policies

1.9 Leases *(continued)*

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Buildings	Straight line	3–20 years
Equipment	Straight line	5–7 years
Motor vehicles	Straight line	5–7 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Accounting Policies

1.10 Inventories

Raw materials and consumables

Raw materials and consumables are stated at the lower of cost and net realizable value.

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost excludes borrowing costs. Costs are assigned to individual items of inventory on the first-in-first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts.

Frozen fish stock

The frozen fish stock is the harvested product from the live fish stock which is a biological asset and therefore qualifies as Agricultural Produce. Agricultural produce is measured at fair value less estimated costs to sell at the point of harvest. The point of harvest represents the transition to inventory measured under IAS 2. The fair value less estimated selling expenses at the point of harvest forms the cost price of the inventory at the date of transition.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The harvested fish stock is subsequently measured at the lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, redundant and slow moving items are identified on a regular basis and are written down to their estimated net realizable values.

1.11 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

Accounting Policies

1.11 Impairment of assets *(continued)*

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.13 Share based payments

Mid- and senior management of the group receive long term incentives in the form of stock options.

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

Accounting Policies

1.13 Share based payments *(continued)*

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the share based payments granted do not vest until the counterparty completes a specified period of service, group accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight line basis over the vesting period).

In circumstances where the group is involved in a share based payment transaction among entities in the group, the following is applied in the entity's separate annual report:

- Where the group is the recipient of the goods or services, the transaction is measured as an equity settled share based payment transaction only if the awards are granted in its own equity instruments or if the entity has no obligation to settle the transaction. In all other cases, the transaction is measured as a cash settled share based payment transaction.
- Where the group settles the share based payment transaction and another entity in the group receives the goods or services, the entity recognises the transaction as an equity settled share based payment transaction only if it is settled in the entity's own equity instruments. In all other circumstances, the transaction is recognised as a cash settled share based payment transaction.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Accounting Policies

1.14 Employee benefits *(continued)*

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.15 Government grants

Government grants are recognised when there is reasonable assurance that:
- the group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are deducted from the related expense.

1.16 Revenue

Revenue represents income arising in the course of ordinary activities, being the sale of Yellowtail Kingfish, cultivated through aquaculture farming.

Revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue.

Sale of fish

Revenue from the sale of fish is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the fish at the customer's location.

Accounting Policies

1.16 Revenue *(continued)*

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of fish, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customer, if any.

All revenue earned by the Group, results in the recognition of trade receivables, to the extent unpaid by the customer, as only the passage of time is required, being the agreed payment terms. There are no significant payments terms.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. During both the 2022 and 2021 years there were no variable consideration included as part of a contract, except discounts as discussed below.

In exceptional cases discount is granted to customers on an ad-hoc basis. The discount can not be estimated at contract inception and are usually immaterial. Discount are therefore accounted for on a case-by-case basis as discount is granted.

The Group provides retrospective volume rebates to certain customers once the quantity of fish purchased during the period exceeds the threshold specified. The rebates are usually immaterial. Rebates are accounted for on a case-by-case basis as thresholds are met and therefore no refund liabilities are recognized.

Due to the nature of the product sold, return of goods hardly ever happens.

1.17 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Accounting Policies

1.18 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Euros, except for the companies in the US, where a foreign currency transaction is recorded in USD, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Accounting Policies

1.19 Translation of foreign currencies *(continued)*

In circumstances where the group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, group determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual report are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Euros by applying to the foreign currency amount the exchange rate between the Euro and the foreign currency at the date of the cash flow.

Investments in subsidiaries, joint ventures and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the average rate for the year; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

Notes to the Annual Report

2 Group information

During 2020, the holding company converted from a 'Besloten Vennootschap' (BV) into a 'Naamloze Vennootschap' (NV) and changed its legal name to The Kingfish Company N.V. (previously: Kingfish Zeeland B.V.). Per November 2020 the Company is listed on Euronext Growth in Oslo (Norway), share code: KING

The address and domicile of The Kingfish Company N.V. group is:
Oost Zeedijk 13
4485 PM
Kats
The Netherlands

The company is registered at the Dutch Chamber of Commerce under number 64625060.

The Kingfish Company N.V. group engages in the production and supply of sustainable, safe and high quality seafood in its target markets.

In 2016 the group sanctioned its first project: a commercial scale pilot farm in the Netherlands for the production of more than 500 tons per annum of the supply constrained lucrative fish species 'Yellowtail Kingfish' via a proprietary recirculating aquaculture system. Since then the group completed the construction of the farm, closed the 'production cycle' and reached industry leading operational results.

The group is currently considering the expansion of its production capacity in West Europe (Netherlands site) and developing its first North America site (Maine, US). The Kingfish Company N.V group continues to explore additional market opportunities across various species and locations in Europe and North America.

The majority of the group's assets are in the Netherlands (2022: EUR 130.433k; 2021: EUR 68.395k) and the remainder is in North America (2022: EUR 11.303k; 2021: EUR 8.978k)

The consolidated annual report of The Kingfish Company N.V. group for the year ended 31 December 2022 were authorised for issue by the Executive Board on 18 April 2023, were signed by the Executive Board and the Supervisory Board on 19 April 2023 and will be submitted for adoption to the General Meeting on 20 June 2023.

Article 32 paragraph 1 of the company's Articles of Association state that profit is at the disposal of the general meeting of shareholders. The board of directors proposes that the result for the financial year 2022 amounting to € 3.890K (negative) should be transferred to the general reserve. The financial statements reflect this proposal.

The Kingfish Company N.V. group
Annual Report for the year ended 31 December 2022

Notes to the Annual Report

3 New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date of the company is for years beginning on or after 1 January 2022.

The company has adopted the amendment for the first time in the 2022 annual report.

The impact of the amendment is not material.

3.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2023 or later periods:

STANDARD/INTERPRETATION:	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT:
Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12	1 January 2023	Unlikely there will be a material impact
Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023	Unlikely there will be a material impact
Definition of accounting estimates: Amendments to IAS 8	1 January 2023	Unlikely there will be a material impact
Classification of Liabilities as Current or Non-Current – Amendment to IAS 1	1 January 2023	Unlikely there will be a material impact

Notes to the Annual Report

4 Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	22.138	(2.988)	19.150	21.285	(2.077)	19.208
Equipment	14.296	(4.882)	9.414	8.427	(2.099)	6.328
Motor vehicles	112	(81)	31	62	(24)	38
Office equipment	1.030	(261)	769	472	(154)	318
Assets under construction	82.806	–	82.806	29.931	–	29.931
Total	**120.382**	**(8.212)**	**112.170**	**60.177**	**(4.354)**	**55.823**

Reconciliation of property, plant and equipment – 2022

	Opening balance	Additions	Reclassification	Foreign adjustment	Depreciation	Total
Land and buildings	19.208	853	–	–	(911)	19.150
Equipment	6.328	2.604	2.103	20	(1.641)	9.414
Motor vehicles	38	–	19	–	(26)	31
Office equipment	318	539	–	–	(88)	769
Assets under construction	29.931	52.408	–	467	–	82.806
	55.823	**56.404**	**2.122**	**487**	**(2.666)**	**112.170**

Reconciliation of property, plant and equipment – 2021

	Opening balance	Additions	Reclassification	Forex adjustment	Depreciation	Total
Land and buildings	10.561	215	9.265	–	(833)	19.208
Equipment	2.702	2.489	2.121	(4)	(980)	6.328
Motor vehicles	32	22	–	–	(16)	38
Office equipment	260	141	1	–	(84)	318
Assets under construction	13.059	28.131	(11.387)	128	–	29.931
	26.614	**30.998**	**–**	**124**	**(1.913)**	**55.823**

Property, plant and equipment encumbered as security

Assets have been pledged as security for the secured long-term borrowings. Refer to note 16.

Assets under construction

Assets under construction mainly relate to the expansion of the farm in the Netherlands, as well as initial investments for a farm in the USA.

Notes to the Annual Report

Figures in Euro thousand	2022	2021

5 Leases (group as lessee)

The group has lease contracts for various motor vehicles, production equipment and buildings in its operations. Leases of motor vehicles and production equipment generally have lease terms of between 5 and 7 years and buildings between three and twenty years. The group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the group is restricted from assigning and subleasing the leased assets.

Details pertaining to leasing arrangements, where the group is lessee are presented below:

	2022	2021
Net carrying amounts of right-of-use assets		
The carrying amounts of right-of-use assets are as follows:		
Buildings	261	318
Equipment	19	2.119
Motor vehicles	134	216
Assets under construction	1.741	–
	2.155	**2.653**
Additions to right-of-use assets		
Motor vehicles	–	42
Assets under construction	1.741	–
	1.741	**42**
Depreciation recognised on right-of-use assets		
Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 23), as well as depreciation which has been capitalised to the cost of other assets.		
Buildings	59	70
Equipment	5	358
Motor vehicles	62	89
	126	**517**
Lease liabilities		
The maturity analysis of lease liabilities is as follows:		
Within one year	500	581
Two to five years	1.523	1.195
More than five years	225	225
	2.248	2.001
Less finance charges component	(189)	(189)
	2.059	**1.812**
Non-current liabilities	1.605	1.285
Current liabilities	454	527
	2.059	**1.812**

Notes to the Annual Report

Figures in Euro thousand	2022	2021

5 Leases (group as lessee) *(continued)*

	2022	2021
As at 1 January	1.815	2.313
Additions	1.741	41
Interest	44	72
Payments	(1.540)	(614)
As at 1 December	2.059	1.812

Exposure to liquidity risk

Refer to note 34 Financial instruments and risk management for the details of liquidity risk exposure and management.

6 Biological assets

	2022			2021		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Live stock fish	5.600	–	5.600	4.496	–	4.496
Broodstock	1.192	–	1.192	1.177	–	1.177
Total	**6.792**	**–**	**6.792**	**5.673**	**–**	**5.673**

Reconciliation of biological assets – 2022

	Opening balance	Increase due to production	Decreases due to harvest/ sales	Decrease due to mortality	Gains (losses) arising from changes in fair value	Total
Live fish stock	4.496	22.451	(20.621)	(1.157)	431	5.600
Broodstock	1.177	–	–	–	15	1.192
Total	**5.673**	**22.451**	**(20.621)**	**(1.157)**	**446**	**6.792**

Reconciliation of biological assets – 2021

	Opening balance	Increase due to production	Decreases due to harvest/ sales	Decrease due to mortality	Gains (losses) arising from changes in fair value	Total
Live fish stock	2.748	13.596	(11.294)	(595)	41	4.496
Broodstock	1.067	–	–	–	110	1.177
Total	**3.815**	**13.596**	**(11.294)**	**(595)**	**151**	**5.673**

The Kingfish Company N.V. group
Annual Report for the year ended 31 December 2022

Notes to the Annual Report

Figures in Euro thousand	2022	2021

6 Biological assets *(continued)*

Pledged as security

All current and future biological assets are pledged as security for loan 0050021680 with Rabobank, which has been settled in 2022 and after this assets have been pledged as security for the secured long-term borrowings. Refer to note 16.

Methods and assumptions used in determining fair value

The cost of Biological assets ("biomass costs") includes all direct costs required to raise fish from larvae to harvest. Biomass costs are generally recognized on a historical basis and include fish feed, other raw materials, direct salary and personnel costs and utilities from production.

The valuation of Biological assets is based on estimated fair value of the fish in a hypothetical market. The estimate of the unrealized fair value adjustment under IFRS 13 is based on actual size class of fish in tanks and historical sales prices and costs to sell. Refer to note 7 for more detailed information.

Financial risk management strategies related to agricultural activity

Since The Kingfish Company N.V. group is in the aquaculture industry, there are various risks related to biological assets, that should be mitigated. A detailed risk matrix has been designed by the management of the group, which can be inspected at the register office. The three highest risks within the production department are a viral infection in the hatchery, unsuccessful hatchery production with unknown cause and an introduction of disease into the farm.

These risks are mitigated by the following strategies:
- there are two hatcheries in place to spread risk;
- the group employs an experienced hatchery team and consultants with a track record of successful production
- an experienced veterinarian can be called upon to assist in isolating and treating any disease as soon as detected.

As of 31 December 2022 and 2021, the group's physical volumes of biological assets consisted of the following:

	2022	2021
Live fish weight (in tons)	408	416
Number of fish (in thousands)	739	716
Volume of fish harvested during the year (tons whole round weight)	1 520	944
Net biological assets		
Non-current assets	1.192	1.177
Current assets	5.600	4.496
	6.792	**5.673**

Notes to the Annual Report

Figures in Euro thousand		2022	2021

7 Fair value information

Fair value hierarchy

The table below analyses assets carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements			
Level 3			
Recurring fair value measurements			
Assets	Note		
Biological assets	6		
Live fish stock		5.600	4.496
Broodstock fish		1.192	1.177
Total biological assets		**6.792**	**5.673**
Total		**6.792**	**5.673**

Reconciliation of assets and liabilities measured at level 3

2022/2021

Refer to note 6 for the movement in fair value.

Movements within the fair value of live fish stock is recognised within cost of sale and movements within broodstock is recognised in fair value adjustments.

Information about valuation techniques and inputs used to derive level 3 fair values

Biological assets – live fish stock

The key unobservable inputs, together with the weighted average range of probabilities, are as follows:

Biomass quantity is recorded upon grading of fish at younger ages into individual tanks and adjusted for actual mortalities recorded per tank. Total weight is calculated upon grading of fish and continually adjusted based on a feed intake based model. The average weight of fish per tanks is regularly controlled by way of sampling of fish from each tanks, where after adjustments are made to reflect the sample results. Although some degree of variation is expected, actual fish size is not expected to deviate substantially from the average sampling size.

The fair value of the Group's biological assets was calculated based on different parameters. The key element in the fair value model of biological assets is the price that is expected to be received in the future when the fish is harvested. This fair value calculation is based on realized sales and cost to sell per size-category around balance sheet date. The distribution per size-category as of 31 December 2022 and 2021 was as follows:

Notes to the Annual Report

Figures in Euro thousand		2022	2021

7 Fair value information *(continued)*

	Price range in €/kg		Counts(thousand units)	
	2022	2021	2022	2021
Fish below 2 kg	8,81–14,00	8,32–12,09	681	622
Fish above 2 kg	14,00–16,30	12,09–13,13	57	21

Fish under 700 grams are valued between EUR 3 and EUR 5.60 each.

Incident based Mortality

No significant mortality incidents were noted for the years ended 31 December 2022 and 2021.

8 Financial assets

Hedging derivatives		
Rabobank currency option	60	–
Rabobank interest cap	2.399	–
Split between non-current and current portions		
Non-current assets	2.399	–
Current assets	60	–
	2.459	**–**

Rabobank currency option

The Kingfish Company N.V group entered into a vanilla currency option transaction with Rabobank on 22 December 2022 and paid a premium of EUR 76.800. This call currency is in Euros and is for an amount of EUR 14.392.523,36 and the put currency is in NOK for an amount of NOK 154.000.000. The option expires 30 January 2023 and the premium is amortised over 1.5 months.

Rabobank interest cap

The Kingfish Company N.V group entered into an interest cap transaction with Rabobank on 27 May 2022 and paid a fixed premium of EUR 841.000. The notional amount is EUR 75.000.000 and the transaction is for a period of 3 years.

The transaction caps EURIBOR at 2% on the loan with P Capital Partner AB and the floating amount payment dates commence on 30 September 2022 and then every 3 months thereafter on the last day of the month up to and including the termination date.

Refer to note 7 Fair value information for details of valuation policies and processes.

Refer to note 34 Financial instruments and risk management further details.

Notes to the Annual Report

Figures in Euro thousand	2022	2021

9 Deferred tax

Deferred tax asset		
Deferred tax losses available for offsetting against future taxable income	9.062	6.977
The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:		
Deferred tax asset	9.062	6.977
Reconciliation of deferred tax asset/(liability)		
At beginning of year	6.977	5.242
Increase due to rate change	–	155
Increases in tax loss available for set off against future taxable income	2.085	1.580
	9.062	**6.977**

Recognition of deferred tax asset

Deferred income tax assets relate to unutilized tax losses. These losses are expected to be offset with future profits.

10 Inventories

	2022	2021
Raw materials and consumables	336	481
Finished goods – frozen fish	894	655
	1.230	1.136
Inventories (write-downs)	(73)	–
	1.157	**1.136**

Write-downs of inventories were minimal. The write downs were recognized as an expense during the years ended 31 December 2022 and 31 December 2021 and included in cost of sales in the statement of profit or loss. All inventories are reviewed regularly to ensure that it is measured at the lower of cost or net realizable value.

Inventory pledged as security

Inventories have been pledged as security for the secured long-term borrowings. Refer to note 16.

11 Trade and other receivables

	2022	2021
Financial instruments:		
Trade receivables	2.546	1.665
Loss allowance	(23)	(42)
Trade receivables at amortised cost	2.523	1.623
Deposits	75	57
Lease credits	735	677
Non-financial instruments:		
VAT	2.043	1.503
Prepayments	941	28
Total trade and other receivables	**6.317**	**3.888**

Notes to the Annual Report

Figures in Euro thousand	2022	2021

11 Trade and other receivables *(continued)*

Trade and other receivables pledged as security

Trade and other receivables have been pledged as security for the secured long-term borrowings. Refer to note 16.

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

Management regularly monitors trade receivables for aging. The group trades only with recognized and creditworthy third parties. The group subjects all potential customers to credit verification procedures as part of its policy and monitors its outstanding trade receivable balances on an ongoing basis. The group makes use of credit insurance on customers where available. The group monitors exposure towards individual customers closely and was not substantially exposed in relation to any individual customer or contractual partner s of 31 December 2022 and 2021.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below.

The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2022	2022	2021	2021
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount**	**Loss allowance (Lifetime expected credit loss)**
Not past due: 0,3% (2021: 0,7%)	1.841	5	1.249	8
Less than 30 days past due: 2,2% (2021: 4%)	445	10	374	15
31–60 days past due: 5,6% (2021: 12,8%)	70	4	40	5
61–90 days past due: 6,4% (2021: 39,8%)	15	1	1	1
91–120 days past due: 21,6% (2021: 100%)	14	3	13	13
Total	**2.385**	**23**	**1.677**	**42**

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for lease receivables:

	2022	2021
Opening balance	**(42)**	**(10)**
Remeasurement of loss allowance – comparative	19	(32)
Closing balance	**(23)**	**(42)**

Exposure to currency risk

Refer to note 34 for details of currency risk management for trade receivables.

Notes to the Annual Report

Figures in Euro thousand	2022	2021

12 Cash and cash equivalents

Cash and cash equivalents consist of:		
Bank balances	1.624	1.222

Cash and cash equivalents pledged as security
Cash and cash equivalents have been pledged as security for the secured long-term borrowings. Refer to note 16.

Exposure to currency risk
Refer to note 34 Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.

13 Share capital

	2022	2021
Authorised		
200.000.000 Ordinary shares of par value of EUR 0.01	2.000	2.000
Reconciliation of number of shares issued:		
Reported as at 1 January 2022/2021	67.741	67.741
Issue of shares – ordinary shares	24.224	–
	91.965	**67.741**
Issued		
Ordinary	920	677
Share premium	99.640	80.214
Share issue costs written off against share premium	(3.375)	(2.765)
	97.185	**78.126**

During 2022 24.224.781 common shares with a nominal value of EUR 0.01 were issued for EUR 19 668k. Costs of EUR 823k (including tax) were offset against this equity raise.

All issued shares are fully paid.

The shareholders shall have the right to vote in respect of the Shares in which an usufruct has been created. However, the beneficiary of an usufruct shall be entitled to vote, if this was so provided for at the creation of the usufruct. Shares may be pledged as security. The Shareholder shall have the right to vote in respect of the Shares which have been pledged. However, the voting rights shall accrue to the pledgee, if this was so provided for at the creation of the pledge. The Receipt Holder's Right shall vest in a Shareholder who in consequence of usufruct or a pledge created on his Shares is not entitled to vote, and in usufructuaries and pledgees who are not entitled to vote. The Receipt Holder's Rights shall not vest in usufructuaries and pledgees who are not entitled to vote.

14 Share based payments

Share Option Group	Number	Weighted exercise price
Outstanding at the beginning of the year	2.932	1,62
Granted during the year	200	1,88
Forfeited during the year	(423)	2,04
Exercised during the year	(34)	1,28
Outstanding at the end of the year	2.674	1,60
Exercisable at the end of the year	1.376	1,38

Notes to the Annual Report

Figures in Euro thousand	2022	2021

14 Share based payments *(continued)*

Details	Total Options @ Eur 1,2788	Vested	Total Options @ Eur 2,53	Vested	Total Options @ Eur 1,67	Vested	Total Options @ Eur 1,90	Vested
O. Maiman	887.862	591.908	–	–	–	–	–	–
C.J. Kloet	705.736	470.491	–	–	–	–	–	–
J.C. Valette	–	–	–	–	–	–	180.000	–
Other staff	300.508	200.339	580.000	112.778	20.000	–	–	–
	1.894.106	**1.262.737**	**580.000**	**112.778**	**20.000**	**–**	**180.000**	

On 30 October 2020, at an extraordinary general meeting an employee stock option plan (ESOP) was approved, pursuant to which options for a total of 4 006 762 common shares may be awarded to members of the mid- and senior management and key employees, equivalent to approximately 8,8% of the then issued share capital on a fully diluted basis. A four year vesting schedule applies to each grant under the ESOP including an one-year cliff during which no options vest. After the one-year cliff awarded options vest in 36 equal monthly numbers. Vesting is based on the recipient remaining in service and contains bad leaver provisions. As at the reporting date 1 894 106 options were issued with an exercise price of EUR 1,2788 each, 580 000 with an exercise price of EUR 2,53,20 000 with an exercise price of EUR 1,67 and 180 000 with an exercise price of EUR 1,90. The exercise price is based on the value of the shares when capital was raised or latest average price on the exchange. The expected volatility is 40% based on similar companies listed for a couple of years. The model is based on a 10 year expiration date with no expected dividends, the risk-free interest rate is assumed as 0,44%, the average fair value is EUR 0,60 at the end of 2022 and the last options vesting 31/08/2026.

Based on the Binomial compensation model, an amount of EUR 180 648 (2021: 473 313) was recognized in the P&L versus equity under Share options reserve. This amount represents the potential cost of the ESOP and has not been paid.

15 Foreign currency translation reserve

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries.		
Kingfish Maine Inc.	(7)	(5)
Kingfish Yellowtail USA Inc.	(40)	(16)
	(47)	**(21)**

Notes to the Annual Report

16 Borrowings

Figures in Euro thousand	2022	2021
Held at amortised cost		
Rabobank 0050021680	–	4.787
Rabobank 0050152046	–	3.074
P Capital Partner AB	51.739	–
Coöperatieve Rabobank U.A.	5.000	–
	56.739	**7.861**
Split between non-current and current portions		
Non-current liabilities	51.407	7.321
Current liabilities	5.332	540
	56.739	**7.861**

Rabobank 0050021680

The loan was fully repaid during the year ending 31 December 2022 by ways of the loan from P Capital Partners AB.

Rabobank 0050152046

The loan was fully repaid during the year ending 31 December 2022 by ways of the loan from P Capital Partners AB.

P Capital Partners AB

The loan with P Capital Partners AB consists of facility A, B and C. Facility A is EUR 19.000.000 and this facility was used to repay the loans and leases with Rabobank. Facility B is for an amount of EUR 45.000.000 and is used to cover capex of phase 2 and working capital and facility C is EUR 11.000.000 and this is used to cover the interest and commitment fees payable on both facility A and B.

Interest is the aggregate of 8% and EURIBOR 3 months (with a minimum of 0%) and is payable on a quarterly basis. A commitment fee of 2% is payable on the part of the loan that is not utilised and are payable on the last day of each successive period of three months. An arrangement fee of 1% is payable on every amount requested.

Property. plant and equipment, biological assets, inventory, trade and other receivables, cash and cash equivalents and share capital have been pledged as security.

Coöperatieve Rabobank U.A.

During 2022, The Kingfish Company N.V. group entered into an ancillary facility agreement with Coöperatieve Rabobank U.A. of EUR 5.000.000.

The interest rate on an Advance in euro shall be based on EURIBOR 3 months plus 2.65% (subject to the operation of the Sustainability Adjustment) per annum. Interest on an Advance shall be due on each Maturity Date of the Advance. The full amount was repaid after year-end.

An upfront fee in the amount of EUR 5.000 was paid, as well as a commitment fee of 25% of EURIBOR per annum, on such amount of the Ancillary Facility as remains undrawn at any time during the availability of the Ancillary Facility.

Exposure to liquidity and interest rate risk

Refer to note 34 Financial instruments and financial risk management for details of liquidity risk exposure and management, as well as details of interest rate risk management for borrowings.

Notes to the Annual Report

17 Trade and other payables

Figures in Euro thousand	2022	2021
Financial instruments:		
Trade payables	4.145	2.427
Payables relating to taxes and social security contributions	381	407
Accrued leave pay and holiday allowance	408	390
Accrued bonus	116	–
Accrued expenses and fees to be paid	100	64
Other accruals	2.045	2.297
	7.195	**5.585**

Other accruals

Other accruals consist mainly of an accrual created for the assets under construction, which have been constructed, but no invoice was received at year-end.

Exposure to currency risk, liquidity risk and interest rate risk

Refer to note 34 Financial instruments and financial risk management for details of currency risk management, liquidity risk exposure and management and interest rate risk management for trade and other payables.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

18 Deferred income

Government grants have been received for the reimbursement of costs.

Figures in Euro thousand	2022	2021
As at 1 January	88	94
Received during the year	–	136
Released to the statement of profit or loss	–	(148)
Forex adjustment	5	6
As at 31 December	93	88
	93	**88**

There are no unfulfilled conditions or contingencies attached to these grants and no significant decreases are expected in the level of government grants.

Notes to the Annual Report

19 Revenue

Figures in Euro thousand	2022	2021
Revenue from contracts with customers		
Sale of goods	18.738	10.371
Disaggregation of revenue from contracts with customers		
The group disaggregates revenue from customers as follows:		
Sale of goods		
Fish	18.738	10.371
Timing of revenue recognition		
At a point in time		
Sale of goods	18.738	10.371
Geographical markets		
Western Europe	5.629	3.985
Southern Europe	8.680	4.579
Rest of the World	4.429	1.807
	18.738	**10.371**

Performance obligation

The performance obligation is satisfied upon delivery of the fish and payment is generally due within 30 days from delivery.

The customer pays the transaction price equal to the cash selling price upon delivery of the fish. There is not a significant financing component for any of the sales transactions.

In exceptional cases discount is granted to customers on an ad-hoc basis. The discount can not be estimated at contract inception and is usually immaterial. Discount on therefore accounted for on a case-by-case basis as discount is granted.

20 Other operating income

Figures in Euro thousand	2022	2021
Compensation from insurance claims	18	–
PPP loan forgiveness	–	41
	18	**41**

Notes to the Annual Report

21 Other operating gains (losses)

Figures in Euro thousand		2022	2021
Foreign exchange gains (losses)			
Net foreign exchange gains		–	76
Fair value gains (losses)			
Biological assets	6	16	1.045
Net loss on the hedged item in fair value hedges		(376)	–
Cash flow hedging ineffectiveness loss		(164)	–
		(524)	**1.045**
Total other operating gains (losses)		**(524)**	**1.121**

22 Cost of sales

Figures in Euro thousand	2022	2021
Sale of goods	985	651
Frozen inventory write-down	142	–
Stock movements	(653)	(240)
Live fish stock movements	(1.104)	(588)
Raw materials	11.121	6.629
	10.491	**6.452**

23 Operating profit (loss)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

Figures in Euro thousand	2022	2021
Auditor's remuneration – external		
Audit fees	259	127
Employee costs		
Salaries, wages and other benefits	6.491	4.117
Share based compensation expense	146	456
Retirement benefit plans: defined contribution expense	502	347
Total employee costs	**7.139**	**4.920**
Average number of persons employed during the year		
Total number of Full Time Equivalents	137	95
Leases		
Leases of short term and low value assets	267	118
Depreciation and amortisation		
Depreciation of property, plant and equipment	2.666	1.913
Depreciation of right-of-use assets	126	518
Total depreciation and amortisation	**2.792**	**2.431**

Notes to the Annual Report

Figures in Euro thousand	2022	2021

24 Finance costs

Net foreign exchange (gains) on foreign currency borrowings	(531)	(327)
Lease liabilities	44	37
Borrowings	2.069	345
Total finance costs	**1.582**	**55**

25 Taxation

Major components of the tax income		
Deferred		
Originating and reversing temporary differences	(1.865)	(1.725)
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense		
Accounting loss	(9.178)	(7.987)
Tax at the applicable tax rate of 25,8% (2021: 25%)	(2.368)	(1.997)
Tax effect of adjustments on taxable income		
Final return 2019	–	37
Non-deductible expenses	746	141
Difference between tax and IFRS accounting policies	2	366
US included	(157)	(84)
Deductible expenses	(336)	–
Effect of lower tax bracket	14	(25)
Change in tax rate	–	(163)
Prior year correction	21	–
Tax on funding fee	213	–
	(1.865)	**(1.725)**

The income tax rate of 25% in 2021 was increased to 25,8% in 2022.

Notes to the Annual Report

Figures in Euro thousand	2022	2021

26 Other comprehensive income

Components of other comprehensive income – 2022	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	(26)	–	(26)
Deferred cost of hedging on cash flow hedges not subject to basis adjustments			
Deferred cost of hedging	1.721	–	1.721
Total items that may be reclassified to profit (loss)	**1.695**	**–**	**1.695**

Components of other comprehensive income – 2021	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	(21)	–	(21)

27 Cash utilised in operations

Loss before taxation	(9.178)	(7.987)
Adjustments for:		
Depreciation	2.792	2.431
Amortisation on interest rate hedge	164	–
Gains on foreign exchange	(523)	(124)
Finance costs	2.113	382
Fair value gains	(744)	(1.858)
Employee share option expense	181	452
Non-cash movement in right-of-use assets	–	(42)
Changes in working capital:		
Inventories	(20)	207
Trade and other receivables	(2.429)	(2.377)
Trade and other payables	679	3.540
Deferred income	5	(6)
	(6.960)	**(5.382)**

Notes to the Annual Report

Figures in Euro thousand	2022	2021

28 Directors' emoluments

Executive

2022

Directors' emoluments	Basic salary	Other remuneration	Pensions receivable or received	Fees for acceptance of office	Share options received	Total
Services as director or prescribed officer						
Interim CEO – H. den Bieman	20	–	–	–	–	20
COO – C.J. Kloet	195	7	9	–	69	280
CFO – J.C. Valette (4 months)	70	3	3	–	18	94
Former CEO – O. Maiman	220	159	9	–	48	436
Former CFO – C.M. du Plessis	89	3	3	–	20	115
Chairman – H. den Bieman (10 months)	–	–	–	58	–	58
Board member – J. Scheelbeek (2 months Chairman)	–	–	–	46	–	46
Board member – A. Van Der Wees	–	–	–	40	–	40
Board member – M. Jansen	–	–	–	40	–	40
Board member – H. Moen	–	–	–	40	–	40
Board member – J Fita	–	–	–	7	–	7

2021

Directors' emoluments	Basic salary	Other remuneration	Pensions receivable or received	Fees for acceptance of office	Share options received	Total
Services as director or prescribed officer						
CEO – O. Maiman	230	47	8	–	138	423
COO – C.J. Kloet	190	9	8	–	66	273
CFO – C.M. du Plessis	198	4	8	–	109	319
Former CFO – I. Young	–	55	–	–	–	55
Chairman – H. den Bieman	–	–	–	68	–	68
Board member – A. Van Der Wees	–	–	–	39	–	39
Board member – J. Scheelbeek	–	–	–	39	–	39
Board member – H. Moen	–	–	–	39	–	39
Board member – M. Jansen	–	–	–	39	–	39

Notes to the Annual Report

Figures in Euro thousand	2022	2021

29 Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing profit (loss) attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	2022	2021
Basic loss per share		
From continuing operations (c per share)	(0,09)	(0,09)

Basic earnings per share was based on weighted average number of ordinary shares of 80.111.199 (2021: 67.740.195).

	2022	2021
Reconciliation of profit (loss) for the year to basic earnings		
Profit (loss) for the year attributable to equity holders of the parent	(7.313)	(6.261)

Diluted earnings per share

In the determination of diluted earnings per share, profit (loss) attributable to the equity holders of the parent and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

Where there is a discontinued operation, diluted earnings per share is determined for both continuing and discontinued operations.

	2022	2021
Diluted loss per share		
From continuing operations (c per share)	(0.09)	(0,09)

Diluted earnings per share was based on a weighted average number of ordinary shares of 78.128.742 (2021: 67.767.647).

	2022	2021
Reconciliation of basic earnings to earnings used to determine diluted earnings per share		
Basic loss	(7.313)	(6.261)
Reconciliation of weighted average number of ordinary shares used for earnings per share to weighted average number of ordinary shares used for diluted earnings per share		
Weighted average number of ordinary shares used for basic earnings per share	72.519	67.740
Adjusted for:		
Options	(1.982)	27
	70.537	**67.767**

Notes to the Annual Report

Figures in Euro thousand	2022	2021

30 Going concern

The annual report has been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Group's financial projections show that the Group may breach the covenant regarding the availability of no less than EUR 7.5 million of cash and undrawn facilities before the end of 2023. If a breach would occur, the Group has a remedy period to cure the breach failing which PCP has the option to accelerate the repayment obligations under the senior facilities agreement. To avoid such a potential breach, the Group would aim to increase its liquidity by raising additional equity financing, private debt or public debt during 2023. The Group ongoingly keeps several interested parties in close consultation and expects this to lead to new funding and strengthening of the financial position of the Group until it becomes cash flow positive.

Given the possibility of a breach of covenants and the need for additional funding in the coming 12 months, the company is depending on the willingness of investors and financers to continue the existing financing facilities and/or to provide additional funding to operate as a going concern. This indicates the existence of a material uncertainty with respect to the going concern.

The directors have considered the company's financial position and future prospects, and believe that the company will have access to sufficient funding facilities to be able to meet its obligations as they fall due. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

We draw attention to the fact that at 31 December 2022, the group had accumulated losses of € (24.224) and that the company's total assets exceed its liabilities by € 75.650. This is mainly due to the group still being in a scale-up phase.

31 Events after the reporting period

On January 18, 2023 The Kingfish Company N.V. has completed a subsequent offering of 18,884,315 new shares in the Company at a subscription price of NOK 8.410 per Offer Share.

On February 6, 2023, Vincent Erenst joined the Group as Chief Executive Officer. The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

32 Comparative figures

Certain comparative figures have been reclassified for presentation purposes.

33 Commitments

Authorised capital expenditure

The group has committed and contracted to spend an amount of EUR 41.616k towards the construction of further production capacity in the Netherlands. EUR 5.567k is still outstanding at year-end.

Electricity hedge

The group has committed to purchase electricity at a fixed rate from COUCAM from 2024, for a period of 3 years, at a price of EUR 242k per annum, capped to 5 megawatt hours.

Notes to the Annual Report

Figures in Euro thousand	2022	2021

34 Financial instruments and risk management

Capital risk management

The group's objective when managing capital (which includes mainly equity and debt) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The group monitors capital utilising a number of measures, such as inspecting monthly management reports and monitoring ratios of the borrowings bi-annually, which are externally imposed capital requirements by P Capital Partners. Refer to note 16 for the ratios of the borrowings. These requirements are incorporated in the management of capital by inspecting it bi-annually and by taking it into consideration when deciding on future equity/debt raise.

The main objective for managing capital is to get the Zeeland farm to a point where it will be at full capacity of 3 500t, and where it will be profitable. The group is meeting this objective by obtaining external borrowings.

There has been no changes to the group's objective, policy and processes for managing capital from the previous period and no changes in what the group manages as capital.

During the period the group has complied with externally imposed capital requirements to which it is subject to.

The capital of the group at the reporting date was as follows:

Borrowings	16	56.739	7.861
Lease liabilities		2.059	1.812
Equity		62.027	67.836

Financial risk management

Overview

The group's financial instruments primarily comprise of cash, current receivables, payables, debt, financial and operational leases. Credit risk arising from the failure of a customer to pay its debts is – to a large extent – covered by an insurance contract. This also applies to the property and equipment which are all covered by insurances. Most borrowings are at an Euribor rate plus a fixed mark up. The main non-financial risk relates to health and safety and the focus is and will remain on personal and operational safety.

The group is exposed to credit risk, liquidity risk and market risk (currency risk and interest rate risk). The group's finance department oversees the management of these risks. The group's finance department ensures that the group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Notes to the Annual Report

Figures in Euro thousand	2022	2021

34 Financial instruments and risk management *(continued)*

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group is exposed to credit risk on trade and other receivables, cash and cash equivalents and loan commitments.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The group only deals with reputable counterparties with consistent payment histories. The group subjects all potential customers to credit verification procedures as part of its policy and monitors its outstanding trade receivable balances on an ongoing basis. If the credit rating (risk) of a financial instrument has increased significantly during the year, the credit risk agency will provide the group with the updated information. The group makes use of credit insurance on customers where available. The group monitors exposure towards individual customers closely and was not substantially exposed in relation to any individual customer or contractual partner as of 31 December 2022 and 2021. The credit risk of financial instruments are deemed low for the group, as the risks are mitigated by insurance on clients and if not applicable, only small amounts are sold to the client. The presumption, that there have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has been rebutted, since most debtors are insured and only a small percentage of debtors are outstanding for more than 30 days. A client is seen as in default, if the balance is outstanding for more than 30 days.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The group evaluates the concentration of risk with respect to trade receivables as low as its customers are located in several jurisdictions and industries. A financial instrument is seen as credit impaired when the balance has been outstanding for more than 90 days.

The Kingfish Company N.V. group
Annual Report for the year ended 31 December 2022

Notes to the Annual Report

Figures in Euro thousand	2022	2021

34 Financial instruments and risk management *(continued)*

The maximum exposure to credit risk is presented in the table below:

		2022			2021		
		Gross carrying amount	Credit loss allowance	Amortised cost/fair value	Gross carrying amount	Credit loss allowance	Amortised cost/fair value
Trade and other receivables	11	6.340	(23)	6.317	3.930	(42)	3.888
Cash and cash equivalents	12	1.624	–	1.624	2.007	–	2.007
		7.964	**(23)**	**7.941**	**5.937**	**(42)**	**5.895**

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The Group continuously monitors liquidity and financial projections through budgets and monthly updated forecasts. Liquidity risks include the impacts from fluctuations in production and harvest volumes, biological issues, changes in feed prices and the timely completion of construction of the expansion in Kats.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

		2022				
		Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Borrowings	16	–	51.407	–	51.407	51.407
Lease liabilities		–	1.399	206	1.605	1.605
Current liabilities						
Trade and other payables		7.195	–	–	7.195	7.195
Borrowings	16	5.332	–	–	5.332	5.332
Lease liabilities		454	–	–	454	454
		(12.981)	**(52.806)**	**(206)**	**(65.993)**	**(65.993)**

Notes to the Annual Report

Figures in Euro thousand	2022	2021

34 Financial instruments and risk management *(continued)*

		2021				
		Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Borrowings	16	–	3.511	3.810	7.321	7.321
Lease liabilities		–	1.083	202	1.285	1.285
Current liabilities						
Trade and other payables	17	5.579	–	–	5.579	5.579
Borrowings	16	540	–	–	540	540
Lease liabilities		527	–	–	527	527
Bank overdraft	12	785	–	–	785	785
		(7.431)	**(4.594)**	**(4.012)**	**(16.037)**	**(16.037)**

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. The foreign currencies in which the group deals primarily are US Dollars, GBP, NOK and DKK.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Exposure in Euro

The net carrying amounts, in Euro, of the various exposures, are denominated in the following currencies. The amounts have been presented in Euro by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar exposure:			
Current assets:			
Trade and other receivables	11	322	–
Cash and cash equivalents	12	249	3
Current liabilities:			
Trade and other payables	17	22	59
Net US Dollar exposure		**593**	**62**

GBP exposure:			
Current assets:			
Cash and cash equivalents	12	1	16
Current liabilities:			
Trade and other payables	17	14	–
Net GBP exposure		**15**	**16**

Notes to the Annual Report

Figures in Euro thousand	2022	2021

34 Financial instruments and risk management *(continued)*

NOK exposure:			
Current assets:			
Cash and cash equivalents	12	7	1
Current liabilities:			
Trade and other payables	17	29	1
Net NOK exposure		**36**	**2**

DKK exposure:			
Current assets:			
Cash and cash equivalents	12	40	–

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

US Dollar exposure:			
Current assets:			
Trade and other receivables	11	346	–
Cash and cash equivalents	12	267	3
Current liabilities:			
Trade and other payables	17	24	67
Net US Dollar exposure		**637**	**70**

GBP exposure:			
Current assets:			
Cash and cash equivalents	12	1	13
Current liabilities:			
Trade and other payables	17	12	–
Net GBP exposure		**13**	**13**

NOK exposure:			
Current assets:			
Cash and cash equivalents	12	77	7
Current liabilities:			
Trade and other payables	17	304	15
Net NOK exposure		**381**	**22**

Notes to the Annual Report

Figures in Euro thousand		2022	2021

34 Financial instruments and risk management *(continued)*

DKK exposure:			
Current assets:			
Cash and cash equivalents	12	298	–
Exchange rates			
Foreign currency per Euro:			
USD		1,073	1,133
GBP		0,887	0,839
NOK		10,496	9,993
DKK		7,456	7,437

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The group's interest rate risk relates primarily from borrowings from financial institutions with variable rate interest. When possible, the group manages its interest rate risk by entering fixed-interest loans. The group currently holds debt with a floating interest rate and does maintain a program to hedge this exposure by optaining the hedge referred to in note 8. Changes in the interest rate may affect future investment opportunities.

There have been some significant changes in the interest rate risk management policies and this has been mitigated by obtaining the interest rate hedge.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note	Average effective interest rate		Carrying amount	
		2022	2021	2022	2021
Liabilities					
Borrowings – Rabobank 0050021680	16	–%	2,48%	–	4.787
Borrowings – Rabobank 0050152046		–%	2,14%	–	3.074
Coöperatieve Rabobank U.A.		0,51%	–%	5.000	–
P Capital Partner AB	17	6,41%	–%	51.740	–
				56.740	**7.861**

Statement of Financial Position

AS AT 31 DECEMBER 2022

Figures in Euro thousand	Notes	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	523	50
Right-of-use assets	3	134	216
Investments in subsidiaries	4	101	20.074
Loans to group companies	5	73.680	41.151
Deferred tax	6	9.266	7.346
		83.704	**68.837**
Current Assets			
Trade and other receivables	7	468	98
Financial assets	8	60	–
Cash and cash equivalents	9	264	–
		792	**98**
Total Assets		**84.496**	**68.935**
Equity and Liabilities			
Equity			
Share capital	10	97.185	78.126
Reserves		1.015	834
Accumulated loss		(15.948)	(12.058)
		82.252	**66.902**
Liabilities			
Non-Current Liabilities			
Lease liabilities	3	84	155
Current Liabilities			
Trade and other payables	12	2.104	1.440
Lease liabilities	3	56	66
Bank overdraft	9	–	372
		2.160	**1.878**
Total Liabilities		**2.244**	**2.033**
Total Equity and Liabilities		**84.496**	**68.935**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Euro thousand	Notes	2022	2021
Other operating income	14	18	11
Other operating gains (losses)	15	(377)	387
Employee costs	16	(2.264)	(1.665)
Lease expenses	16	(51)	(7)
Depreciation, amortisation and impairment expenses	16	(98)	(112)
Other operating expenses		(2.811)	(2.333)
Operating loss	16	**(5.583)**	**(3.719)**
Investment income		409	232
Finance costs	17	(84)	(127)
(Expense)/Income from equity accounted investments		(339)	16
Loss before taxation		**(5.597)**	**(3.598)**
Taxation	18	1.707	2.189
Loss for the year		**(3.890)**	**(1.409)**
Total comprehensive loss for the year		**(3.890)**	**(1.409)**

Statement of Changes in Equity

Figures in Euro thousand	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Cash flow hedging reserve	Share option reserve	Total reserves	Accumulated loss	Total equity
Balance at 1 January 2021	**677**	**77.449**	**78.126**	**–**	**–**	**361**	**361**	**(10.649)**	**67.838**
Loss for the year	–	–	–	–	–	–	–	(1.409)	(1.409)
Total comprehensive Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1.409)**	**(1.409)**
Employees share option expense	–	–	–	–	–	473	473	–	473
Total contributions by and distributions to owners of group recognised directly in equity	**–**	**–**	**–**	**–**	**–**	**473**	**473**	**–**	**473**
Balance at 1 January 2022	**677**	**77.449**	**78.126**	**–**	**–**	**834**	**834**	**(12.058)**	**66.902**
Loss for the year	–	–	–	–	–	–	–	(3.890)	(3.890)
Other comprehensive income	–	–	–	–	–	–	–	–	–
Total comprehensive Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3.890)**	**(3.890)**
Issue of shares	243	19.426	19.669	–	–	–	–	–	19.669
Employees share option expense	–	–	–	–	–	181	181	–	181
Gross funding fee	–	(824)	(824)	–	–	–	–	–	(824)
Tax on funding fee	–	214	214	–	–	–	–	–	214
Total contributions by and distributions to owners of group recognised directly in equity	**243**	**18.816**	**19.059**	**–**	**–**	**181**	**181**	**–**	**19.240**
Balance at 31 December 2022	**920**	**96.265**	**97.185**	**–**	**–**	**1.015**	**1.015**	**(15.948)**	**82.252**
Notes	10	10	10						

Notes to the Annual Report

1 Accounting information and policies

The Company annual report of The Kingfish Company N.V. has been prepared in accordance with Section 9, Book 2 of the Dutch Civil Code. In accordance with sub-article 8 of article 362, Book 2 of the Dutch Civil Code, the Company's financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated annual report.

These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

In the event that no other policies are mentioned, we refer to the accounting policies as described in the accounting policies in the consolidated annual report.

In the company's separate annual report, investments in subsidiaries are carried at cost less any accumulated impairment losses.

Loans to group companies are classified as financial liabilities subsequently measured at amortised cost.

2 Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Motor vehicles	75	(63)	12	25	(14)	11
Office equipment	559	(48)	511	69	(30)	39
Total	**634**	**(111)**	**523**	**94**	**(44)**	**50**

Reconciliation of property, plant and equipment – 2022	Opening balance	Additions	Depreciation	Total
Motor vehicles	11	19	(18)	12
Office equipment	39	490	(18)	511
	50	**509**	**(36)**	**523**

Reconciliation of property, plant and equipment – 2021	Opening balance	Demerger	Depreciation	Total
Land and buildings	10.561	(10.561)	–	–
Equipment	2.536	(2.536)	–	–
Motor vehicles	32	1	(22)	11
Office equipment	260	(220)	(1)	39
Assets under construction	11.622	(11.622)	–	–
	25.011	**(24.938)**	**(23)**	**50**

Notes to the Annual Report

Figures in Euro thousand	2022	2021

3 Leases (group as lessee)

The company has lease contracts for various motor vehicles. Leases of motor vehicles generally have lease terms of between 5 and 7 years. The group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the group is restricted from assigning and subleasing the leased assets.

Details pertaining to leasing arrangements, where the company is lessee are presented below:

	2022	2021
Net carrying amounts of right-of-use assets		
The carrying amounts of right-of-use assets are as follows:		
Motor vehicles	134	216
Additions to right-of-use assets		
Motor vehicles	–	42

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 16), as well as depreciation which has been capitalised to the cost of other assets.

	2022	2021
Motor vehicles	62	89

Lease liabilities

The maturity analysis of lease liabilities is as follows:

	2022	2021
Within one year	60	73
Two to five years	88	164
	148	237
Less finance charges component	(8)	(16)
	140	**221**
Non-current liabilities	84	155
Current liabilities	56	66
	140	**221**

Notes to the Annual Report

4 Investments in subsidiaries

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's separate financial statements.

Name of company	% holding 2022	% holding 2021	Carrying amount 2022	Carrying amount 2021
Kingfish Zeeland B.V.	–%	100,00%	–	4.143
Yellowtail Hatchery USA Inc.	100,00%	100,00%	48	17
Kingfish Property One B.V.	–%	100,00%	–	15.895
Kingfish Maine Inc.	100,00%	100,00%	53	19
Kingfish (Netherlands) Holdings B.V.	100,00%	–%	–	–
			101	**20.074**

Acquisitions

During 2022, the company incorporated Kingfish (Netherlands) Holdings B.V., a non-listed company based in the Netherlands. The company obtained 100 shares for a consideration of EUR 1. The company holds 100% of the issued share capital. The company mainly acts as a separate entity for the financing activities of the group. Kingfish (Netherlands) Holdings B.V. also obtained all of the shares in both Kingfish Zeeland B.V. and Kingfish Property One B.V.

At the date of incorporation there were no assets to be acquired and no liabilities to be assumed.

5 Loans to group companies

Subsidiaries		
Kingfish Maine Inc.	8.990	7.401
Yellowtail Hatchery USA Inc.	1.686	1.284
Kingfish Property One B.V.	38.413	23.172
Kingfish Zeeland B.V.	12.054	9.294
Kingfish (Netherlands) Holdings B.V.	12.537	–
	73.680	**41.151**

The loans to group companies are unsecured, interest is charged at 4% per annum to Kingfish Maine Inc and Yellowtail Hatchery USA Inc, as it is not part of the Dutch fiscal unit, and no repayments are due within the next year.

Split between non-current and current portions

Non-current assets	73.680	41.151

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

In determining the amount of expected credit losses, the company has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below. The company does not hold collateral or other credit enhancements against group loans receivable.

Notes to the Annual Report

5 Loans to group companies *(continued)*

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans receivable by credit rating grade:

2022

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans to subsidiaries				
Kingfish Maine Inc.	Other	8.990	–	8.990
Yellowtail Hatchery USA Inc.	Other	2.490	(804)	1.686
Kingfish Property One B.V.	Other	38.413	–	38.413
Kingfish Zeeland B.V.	Other	12.054	–	12.054
Kingfish (Netherlands) Holdings B.V.	Other	12.537	–	12.537
		74.484	**(804)**	**73.680**

2021

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans to subsidiaries				
Kingfish Maine Inc.	Other	7.401	–	7.401
Yellowtail Hatchery USA Inc.	Other	1.749	(465)	1.284
Kingfish Property One B.V.	Other	23.172	–	23.172
Kingfish Zeeland B.V.	Other	9.294	–	9.294
		41.616	**(465)**	**41.151**

6 Deferred tax

Deferred tax asset		
Losses available for offsetting against future taxable income	9.266	7.346
The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:		
Deferred tax asset	9.266	7.346
Reconciliation of deferred tax asset/(liability)		
At beginning of year	7.346	5.157
Increase due to rate change	–	155
Increases in tax loss available for set off against future taxable income	1.920	2.034
	9.266	**7.346**

Recognition of deferred tax asset

Deferred income tax assets relate to unutilized tax losses. These losses are expected to be offset with future profits.

Notes to the Annual Report

Figures in Euro thousand	2022	2021

7 Trade and other receivables

	2022	2021
Financial instruments:		
Trade receivables	1	1
Deposits	15	16
Non-financial instruments:		
VAT	140	58
Prepayments	312	23
Total trade and other receivables	**468**	**98**

8 Financial assets

	2022	2021
Hedging derivatives		
Rabobank currency option	60	–
Split between non-current and current portions		
Current assets	60	–

9 Cash and cash equivalents

	2022	2021
Cash and cash equivalents consist of:		
Bank balances	264	–
Bank overdraft	–	(372)
	264	**(372)**
Current assets	264	–
Current liabilities	–	(372)
	264	**(372)**

Notes to the Annual Report

Figures in Euro thousand	2022	2021

10 Share capital

	2022	2021
Authorised		
200.000.000 Ordinary shares of par value of EUR 0.01	2.000	2.000
Reconciliation of number of shares issued:		
Reported as at 1 January 2022/2021	67.741	67.741
Issue of shares – ordinary shares	24.224	–
	91.965	**67.741**
Issued		
Ordinary	920	677
Share premium	99.640	80.214
Share issue costs written off against share premium	(3.375)	(2.765)
	97.185	**78.126**

11 Share based payments

Share Option Group	Number	Weighted exercise price
Outstanding at the beginning of the year	2.932	1,62
Granted during the year	200	1,88
Forfeited during the year	(423)	2,04
Exercised during the year	(34)	1,28
Outstanding at the end of the year	2.674	1,60
Exercisable at the end of the year	1.376	1,38

Details	Total Options @ Eur 1,2788	Vested	Total Options @ Eur 2,53	Vested	Total Options @ Eur 1,67	Vested	Total Options @ Eur 1,90	Vested
O. Maiman	887.862	591.908	–	–	–	–	–	–
C.J. Kloet	705.736	470.491	–	–	–	–	–	–
J.C. Valette	–	–	–	–	–	–	180.000	–
Other staff	300.508	200.339	580.000	112.778	20.000	–	–	–
	1.894.106	**1.262.737**	**580.000**	**112.778**	**20.000**	**–**	**180.000**	**–**

Notes to the Annual Report

Figures in Euro thousand	2022	2021

12 Trade and other payables

Financial instruments:		
Trade payables	980	286
Payables relating to taxes and social security contributions	378	407
Accrued leave pay and holiday allowance	276	390
Accrued expenses and fees to be paid	100	64
Other accruals	370	293
	2.104	**1.440**

13 Deferred income

Government grants have been received for the reimbursement of costs.

As at 1 January	–	12
Received during the year	–	136
Released to the statement of profit or loss	–	(148)
As at 31 December	–	–
	–	**–**

There are no unfulfilled conditions or contingencies attached to these grants and no significant decreases are expected in the level of government grants.

14 Other operating income

Compensation from insurance claims	18	–
Fees earned	–	11
	18	**11**

15 Other operating gains (losses)

Foreign exchange gains (losses)		
Net foreign exchange loss	(1)	(22)
Fair value gains (losses)		
Biological assets	–	409
Net loss on the hedged item in fair value hedges	(376)	–
	(376)	409
Total other operating gains (losses)	**(377)**	**387**

Notes to the Annual Report

Figures in Euro thousand	2022	2021

16 Operating profit (loss)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration – external		
Audit fees	259	139
Employee costs		
Salaries, wages and other benefits	2.024	1.104
Share based compensation expense	115	438
Retirement benefit plans: defined contribution expense	125	123
Total employee costs	**2.264**	**1.665**
Leases		
Leases of short term and low value assets	51	7
Depreciation and amortisation		
Depreciation of property, plant and equipment	36	23
Depreciation of right-of-use assets	62	89
Total depreciation and amortisation	**98**	**112**

17 Finance costs

Lease liabilities	6	9
Borrowings	78	118
Total finance costs	**84**	**127**

Notes to the Annual Report

Figures in Euro thousand	2022	2021

18 Taxation

Major components of the tax income		
Deferred		
Originating and reversing temporary differences	(1.707)	(2.189)
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense		
Accounting loss	(5.597)	(3.598)
Tax at the applicable tax rate of 25,8% (2021: 25%)	(1.444)	(900)
Tax effect of adjustments on taxable income		
Final return 2019	–	37
Non-deductable expenses	746	141
Difference between tax and IFRS accounting policies	–	(104)
Participants included	(923)	(1.174)
Deductable expenses	(336)	–
Effect of lower tax bracket	14	(25)
Change in tax rate	–	(164)
Prior year correction	23	–
Tax on funding fee	213	–
	(1.707)	**(2.189)**

The income tax rate of 25% in 2021 was increased to 25,8% in 2022.

The Kingfish Company N.V.
Annual Report for the year ended 31 December 2022

Notes to the Annual Report

Figures in Euro thousand	2022	2021

19 Related parties

Relationships		
Holding company		The Kingfish Company N.V.
Subsidiaries		Refer to note 4
Related party balances		
Loan accounts – Owing (to) by related parties		
Kingfish Maine USA Inc.	8.990	7.401
Kingfish Yellowtail Inc.	1.686	1.284
Kingfish Zeeland B.V.	12.054	9.294
Kingfish Property One B.V.	38.413	23.172
Kingfish (Netherlands) Holding B.V.	12.537	–
Related party transactions		
Interest paid to (received from) related parties		
Yellowtail Hatchery USA Inc.	(82)	(61)
Kingfish Maine Inc.	(327)	(171)
Management fees paid to (received from) related parties		
Yellowtail Hatchery USA Inc.	–	(101)
Kingfish Maine Inc.	486	164
Kingfish Property One B.V.	–	(7)
Kingfish Zeeland B.V.	–	(440)

20 Comparative figures

Certain comparative figures have been reclassified for presentation purposes.

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To the shareholders and supervisory board of
The Kingfish Company N.V.

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of The Kingfish Company N.V. based in Kats.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of The Kingfish Company N.V. as at 31 December 2022 and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company statement of financial position as at 31 December 2022;
2. the following statements for 2022:
3. the consolidated and company statement of profit or loss and other comprehensive income, changes in equity and cash flows; and
4. the notes comprising material accounting policy information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of The Kingfish Company N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the going concern section in the notes on page 100 of the financial statements which indicates that the company is dependent upon raising additional finance in order to continue operations. Furthermore, the company's financial projections show that the company may breach the covenant regarding the availability of no less than EUR 7.5 million of cash and undrawn facilities before the end of 2023. Therefore the company is depending on the willingness of investors and financers to continue the existing financing facilities and/or to provide additional funding to operate as a going concern. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

Our responsibility

Although we are not responsible for preventing fraud or noncompliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. Non-compliance with laws and regulations may result in fines, litigation or other consequences for the Company that may have a material effect on the financial statements.

Our audit response related to fraud risks

We identify and assess the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the Company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes. We refer to the management board report in which management reflects on this fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We identified the following fraud risks and performed the following specific procedures:

RISKS RELATED TO MANAGEMENT OVERRIDE OF CONTROLS	
Risk:	*Responses:*
Fraud risk related to management override and alteration of (financial) results to meet internal and external expectations.	We evaluated the design and the implementation of internal controls that mitigate fraud risks with respect to journal entries. We performed data analyses on journal entries, among others to determine whether journal entries follow the expected route We performed substantive testing on deviations and manual bookings.
	We evaluated key estimates and judgements for bias by management, such as estimates relating to impairment of tangible fixed assets and valuation of live stock fish. For the tangible fixed assets we performed a test of details on capital expenditures made in the financial year, we established that tangible fixed assets investments are physically present and in use and we performed a search for unrecorded liabilities by verification of payments and recorded purchase invoices in the subsequent period to verify the completeness of recorded liabilities with respect to investment obligations. For the live stock fish we attended stock counts, we assessed management's estimate for determining the amount of inventory (live fish) at balance sheet date based on the growth model applied by the company, we assessed management's fair value valuation of the live stock fish as per the end of the financial year, we performed back testing procedures on management's prior year estimates and we verified the correct application of IAS 41 and IFRS 13.

Based on our risk analysis and the nature of the entity, we did not identify a risk regarding the completeness of the revenue recognition. This is mainly caused by the phase that the company is in a crucial phase where it needs to meet outside expectation, therefore we did not identify a fraud risk regarding completeness.

REVENUE RECOGNITION	
Risk:	*Responses:*
The revenue is not accurately accounted for/does not exist. The risk consists of using incorrect prices, as well as possible fictitious revenue. Based on the need to meet outside expectations, we established that there is an incentive to overstate the revenue.	We evaluated the design and the implementation of internal controls that mitigate the identified fraud risks with respect to revenue recognition. As part of our audit procedures we verified that recognized revenues exist on the basis of payments made by customers, initial orders, contracts and delivery documentation. Furthermore, we inspected selected deliveries shipped around year-end to assess whether revenue was recognized in the correct reporting period.

THE RISK OF UNAUTHORIZED PAYMENTS	
Risk:	*Responses:*
Risk of fraudulent payments due to inaccurate changes in creditor master data and management's ability to make payments.	We performed an analysis based on all bank mutations in which we paid attention to creditors with more than one bank account number and bank account numbers with separate creditors.
	For certain payments, we have verified the authenticity of the bank account numbers as stated on the payment details by making a comparison with the bank account numbers as included in the bank application. We have determined by means of data analysis whether there are unexpected journal entries on accounts payable and performed further substantive work for these entries if considered necessary.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit approach going concern

The management board has performed its going concern assessment as included in the general notes on page 100 of the financial statements and where the management board states that the annual report has been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. We performed the following procedures on the statement of management:

- we considered whether the management board's assessment of the going concern assumption includes all relevant information of which we are aware as a result of our audit;

- we assessed the reasonableness of management board's assumptions made in the company's long- term financial forecast for 2022 to 2030 and performed sensitivity analysis by challenging the underlying scenarios;
- we assessed management board's assumptions in the cashflow forecasts for 2023 and 2024 and we evaluated whether the requirements of the financing covenants are being complied with;
- we performed back testing procedures on the financial forecast 2022 and compared the outcomes to the assessments as made by management board in prior years;
- we have taken note of the available interim figures for 2023;
- we have verified the new equity raised as per January 2023;
- we have read the future outlook paragraph of the management board's report with respect to the future results of the entity.

The outcome of our audit procedures did not give reason to perform additional procedures on management's going concern assessment. However, future events or conditions could affect the going concern assumption. We refer to the emphasis of matter regarding a 'Material uncertainty related to going concern' added above.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:
- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;

- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

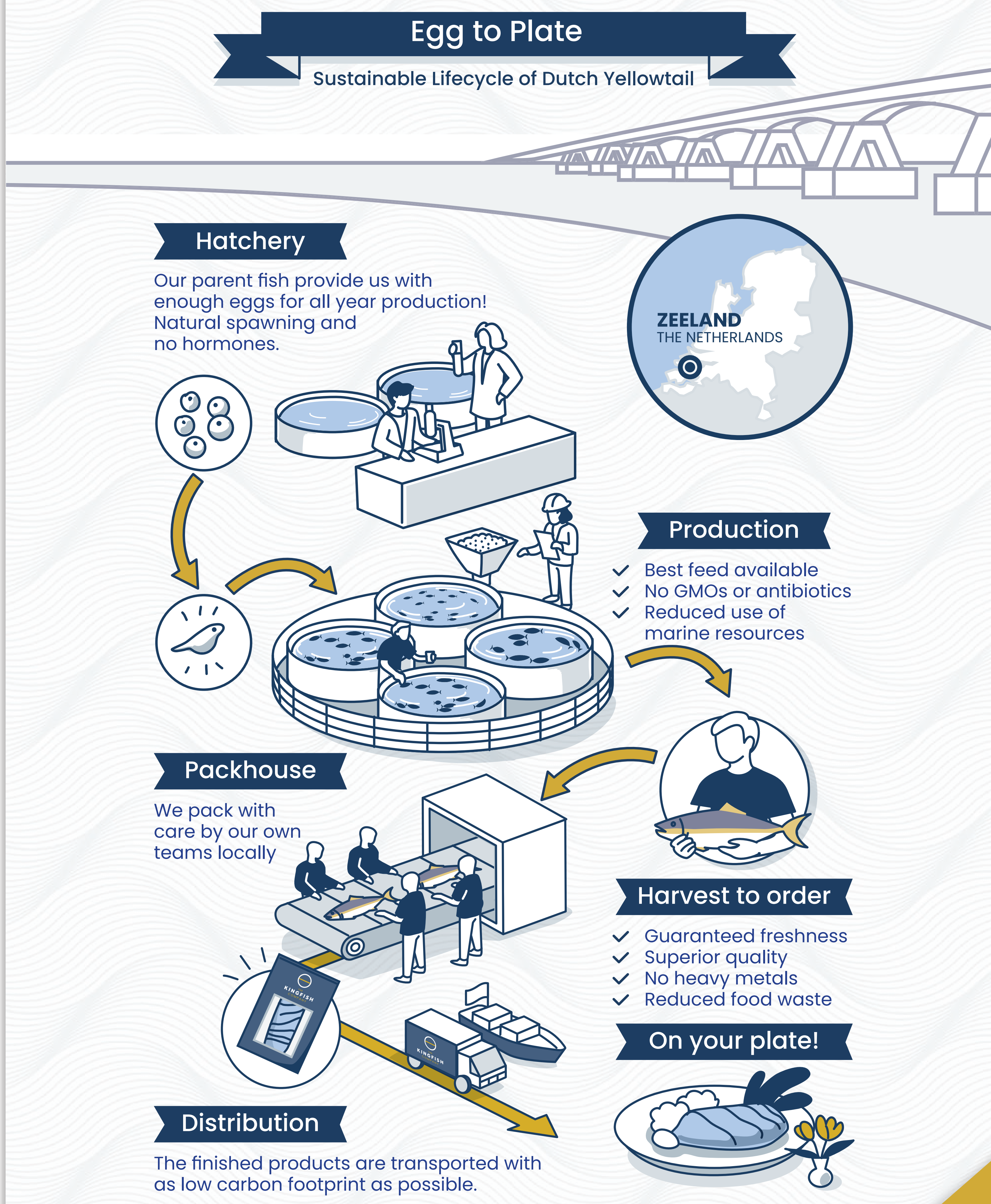
Rotterdam, 19 April 2023
Baker Tilly (Netherlands) N.V.

Was signed

drs. H.J. van den Burg RA

Baker Tilly (Netherlands) N.V. trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Baker Tilly (Netherlands) N.V. is a public limited company and is the exclusive contracting party in respect of all commissioned work. The company's general terms and conditions, filed with the registry of the Dutch chamberof commerce under no. 24425560, which include a limitation of liability, are applicable to all work



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GLOBAL REPORTING INIATIVE INDEX

130 The organization and its reporting practices

130 Activities and workers

130 Governance

130 Strategy, policies and practices

131 Stakeholder engagement

131 GRI

GRI 305: Emissions

GRI 306: Effluents and Waste

GRI 303: Water and Effluents

GRI 403: Occupational Health and Safety

GRI 203: Indirect Economic Impacts

GRI 413: Local Communities

GRI 416: Customer Health and Safety

132 KFC Material topics

GRI Index

NO.	DISCLOSURE	REFERENCE	GUIDING PRINCIPLES & MATERIALITY TOPICS
The organization and its reporting practices			
102-1	Organizational details	Inside cover	P&C, 5
102-2	Entities included in the organization's sustainability reporting	p5	
102-3	Reporting period, frequency and contact point	p48	P&C, 5
102-5	External assurance	p29, 35, 40	FH&W,15 ;PQ&S, 8
Activities and workers			
102-6	Activities, value chain and other business relationships	p36	All
102-7	Employees	p14, p18	P&C, 6, 12, 16
Governance			
102-9	Governance structure and composition	p47	P&C, 5
102-10	Nomination and selection of the highest governance body	p47, 48	P&C, 5
102-11	Chair of the highest governance body	p8, p48	P&C, 5
102-12	Role of the highest governance body in overseeing the management of impacts	p48	P&C, 5
102-13	Delegation of responsibility for managing impacts	p47, p48	P&C, 5
102-16	Communication of critical concerns	p48	P&C, 5
102-17	Collective knowledge of the highest governance body	p47, p48	P&C, 5
102-18	Evaluation of the performance of the highest governance body	p48	P&C, 5
102-19	Remuneration policies	Ref. to it p47	P&C, 5
102-20	Process to determine remuneration	p47	
Strategy, policies and practices			
102-22	Statement on sustainable development strategy	p24 – 43	All
102-23	Policy commitments	p25, 26, 46, 48, 65, 66	All
102-26	Mechanisms for seeking advice and raising concerns	P49	P&C, 5
102-27	Compliance with laws and regulations	p49	P&C, 5

NO.	DISCLOSURE	REFERENCE	GUIDING PRINCIPLES & MATERIALITY TOPICS
Stakeholder engagement			
102-29	Approach to stakeholder engagement	p20	P&C, 1, 5, 12; PQ&S, 8, 14
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	p36, 37	E&I, 7
305-2	Energy indirect (Scope 2) GHG emissions	p36, 37	E&I, 7
305-3	Other indirect (Scope 3) GHG emissions	p36, 37	E&I, 7
305-5	Reduction of GHG emissions	p36, 37	E&I, 7
GRI 306: Effluents and Waste			
306-2	Waste by type and disposal method	p37	E&I, 7
GRI 303: Water and Effluents			
303-5	Water consumption	p38	E&I, 7
GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system	p25, 26	P&C, 16
403-5	Worker training on occupational health and safety	p25	P&C, 16
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P25, 26	P&C, 16
403-9	Work-related injuries	p25, 26	P&C, 16
403-10	Work-related ill health	p25, 26	P&C, 16
GRI 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	p26	P&C, 1, 5
203-2	Significant indirect economic impacts	p26	P&C, 1, 5
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	p26	P&C, 1, 5

NO.	DISCLOSURE	REFERENCE	GUIDING PRINCIPLES & MATERIALITY TOPICS
GRI 416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	p40, 41, 42	PQ&S 17, 18; P&C, 16
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p40, 41, 42	PQ&S 17, 18; P&C, 16
KFC Own: Animal welfare commitment			
KFC Own:	Commitment to best practice fish health and welfare.	P28, 29, 30	FH&W, 13, 15; E&I, 2
KFC Own: Research and innovation			
KFC Own:	Driving innovation within RAS technology	P37, 38, 39	E&I, 2, 3, 9

THE
KINGFISH
COMPANY

ANNUAL REPORT 2022

Leading Sustainable Production of Seafood