




BioFish



Q3 2024 report



In beautiful Hardanger we have access to the cleanest freshwater from the nearby lake and unlimited fresh seawater from the fjord

This is BioFish

BioFish is a Norwegian independent producer of high-quality smolt and post-smolt. The company has a RAS production facility in Ljones close to the Hardangerfjord on the west coast of Norway. Numerous Norwegian fish farming sites are located within one day of transport.

BioFish was established in 2016 and has its own uniquely built facility where the fish health and water environment has been in focus through all the decisions during building the production facility.

BioFish holds an aquaculture license for 5 million smolt and a discharge license for 2,200 tons.

HIGHLIGHTS Q3 2024

- BioFish successfully delivered 159 tons of smolt and post-smolt, generating revenues of NOK 19.5 million for the period
- Volumes sold in the quarter were impacted by phasing of deliveries
- Strong biological performance on smolt delivered year-to-date 2024
- Ongoing operational improvement progressing as planned
- New agreements secured to deliver more than 400,000 smolt and post-smolt in 2024 and 2025
- Strong demand from large industry players for batches to be delivered in 2025-2026

KEY FIGURES

Amounts in NOK 1,000	Q3 24	Q3 23	YTD 24	YTD 23	2023
Total revenue	19 477	27 576	36 666	47 684	47 684
Operating expenses excl. depr.	16 739	15 869	41 248	43 073	57 090
Operating result (EBITDA)	2 738	11 707	-4 583	4 611	-9 406
Depreciation	3 182	3 000	9 514	3 250	6 250
Result before tax	-2 411	8 083	-19 114	785	-17 825
Tax expense	-	-	-	-	-313
Result for the period	-2 411	8 083	-19 114	785	-17 512
Interest-bearing debt	50 000	53 000	50 000	53 000	52 000
Equity ratio (%)	70.9	76.3	70.9	76.3	75.2
Net cash flow from operations	-4 081	10 072	-12 674	1 387	-19 143

FINANCIAL REVIEW

Income statement

The company delivered 159 tons of smolt in the quarter, resulting in total revenue of NOK 19.5 million. In the comparable period of 2023, the company delivered 250 tons, which generated NOK 27.6 million in revenue.

Volumes sold in the third quarter were impacted by one delivery of 86 tons, which was rescheduled from September (Q3) to October (Q4). In addition, one customer asked for earlier delivery, which implied lower average weight on this batch.

For the year-to-date period, revenues were NOK 36.7 million from the delivery of a total of 365 tons of smolt. For the comparable period in 2023, the company delivered 450 tons of smolt, which generated NOK 47.7 million in revenues.

Cost of goods sold totalled NOK 12.3 million in the quarter. This represents a slight increase from NOK 12.1 million in the prior-year period.

For the period to date, cost of goods sold totalled NOK 23.6 million, compared with NOK 35.7 million in the prior-year period.

Total expenses in the third quarter were NOK 19.9 million, compared with NOK 18.9 million in the third quarter of 2023. The increase was mainly driven by higher depreciation. Depreciation charges were NOK 3.2 million in the quarter compared with NOK 3.0 million in the same period of 2023.

Total expenses for the period to date were NOK 50.8 million, compared with NOK 46.3 million in 2023.

Net financial costs were NOK 2.0 million in the quarter, compared with NOK 0.6 million in the prior-year period. The increase was driven by reduced capitalisation of interest expenses.

For the year-to-date period, net financial costs were NOK 5.0 million, compared with NOK 0.6 million last year.

The company had no tax expenses in the quarter or in the first nine months of 2024, nor in the third quarter of 2023.

The result for the quarter ended at negative NOK 2.4 million, compared with a profit of NOK 8.1 million in the same period last year.

The result for the period to date was negative NOK 19.1 million, compared with a profit of NOK 0.8 million in the same period of 2023.

Financial position

Cash and cash equivalents were NOK 0.4 million at the end of the quarter, compared with NOK 3.5 million at the end of June 2024 and down from NOK 1.3 million at year-end 2023.

At the end of the period, interest-bearing debt was NOK 50.0 million, compared with NOK 51.0 million at the end of the previous quarter and NOK 52.0 million at year-end 2023.

Total equity at 30 September 2024 was NOK 190.4 million, resulting in an equity ratio of 70.9 per cent, compared with NOK 192.8 million at the end of the June 2024, and NOK 195.0 million at year-end 2023.

Cash flow

Cash flow from operations was negative NOK 4.1 million, compared with positive NOK 10.1 million in same period of 2023. Build-up of biomass in the facility and no capitalisation of expenses were the main reasons for the negative change in cash flow.

For the year-to-date period, cash flow from operations was negative NOK 12.7 million, compared with positive NOK 1.4 million in same period of 2023.

Investments in the facility and related machinery totalled NOK 1.0 million in the third quarter, and NOK 5.7 million in the first nine months, and were mainly related to the capacity expansion of the production facilities.

Net cash flow from financing activities ended at positive NOK 2.0 million in the quarter, as a result of increased use of the bank overdraft facility, compared with negative NOK 0.4 million in the third quarter 2023.

For the three quarters to date, cash flow from financing of positive NOK 17.5 million included net proceeds from new equity of NOK 14.5 million arising from the exercise of warrants.

Net cash flow for the third quarter ended at negative NOK 3.1 million, compared with positive NOK 4.2 million in the third quarter of 2023.

OUTLOOK

With a good track record in terms of biological performance, BioFish is an attractive supplier of high-quality, healthy smolt and post-smolt. Geographically, BioFish is ideally located in an area with high density of salmon farmers.

Demand for smolt and post-smolt remains strong overall, but the “traffic light regulation” requires a six per cent production cut for fish farmers in our region, impacting short-term demand and timing of delivery. For BioFish, this affects one of the two November batches (~60 tons), which has been moved to March 2025.

Despite capacity reduction in our region, demand for BioFish’s high-quality smolt remains solid, driven by its track-record of strong biological performance. The capacity reduction in our region means farmers must optimise production, setting stricter requirements for robust smolt. Recently, major industry players have shown strong interest in BioFish’s smolt and post-smolt batches for the coming years.

Customer preferences and market dynamics have impacted the projected sales volume for 2024. In addition, legacy operational challenges at the site relating to past performance have impacted production in 2024, although these challenges have been addressed and are in process of being resolved. In sum, sales projections have been adjusted to ~500-550 tons for the full-year period. For 2025, sales volumes are expected to increase to 900-1,100 tons, supported by firm orders and ongoing tenders from top-tier fish farmers.

Ljones, 14 November 2024

Torbjørn Gjelsvik
Chair

Margrethe Sæbø Smith
Director

Jens-Julius Ramdahl Nygaard
Director

Bent-Are Brunnes Ratvik
Director

Kjetil Grønnskag
Director

Sondre Hagerup Johnsrud
Chief Executive Officer

CONSOLIDATED INCOME STATEMENT

(Unaudited figures in NOK 1,000)

	Note	3Q 24	3Q 23	YTD 24	YTD 23	2023
Total revenue		19 477	27 576	36 666	47 684	47 684
Cost of goods sold		12 298	12 064	23 621	35 704	42 830
Salaries and personnel expenses		2 812	2 053	11 452	3 445	7 564
Other operating expenses		1 629	1 752	6 175	3 924	6 696
Total expenses		16 739	15 869	41 248	43 073	57 090
Operating result (EBITDA)		2 738	11 707	-4 583	4 611	-9 406
Depreciation	2	3 182	3 000	9 514	3 250	6 250
Operating result (EBIT)		-444	8 707	-14 097	1 361	-15 656
Net interest expenses		-1 995	235	-5 052	187	-1 770
Net agio		27	389	34	389	-399
Net financial items		-1 967	-624	-5 018	-576	-2 169
Result before tax		-2 411	8 083	-19 114	785	-17 825
Tax expense	8	-	-	-	-	-313
Result for the period		-2 411	8 083	-19 114	785	-17 512

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited figures in NOK 1,000)

	Note	30.09.2024	30.06.2024	31.12.2023	30.09.2023
ASSETS					
Total intangible assets	8	-	-	-	-
Total tangible fixed assets	2	229 696	231 835	233 546	232 658
Total non-current assets		229 696	231 835	233 546	232 658
Biological assets	3	20 975	18 283	11 998	12 273
Other inventories		5 003	1 556	486	1 171
Account receivables		10 584	-	-	3 297
Other receivables		1 879	1 647	11 948	1 680
Cash and cash equivalents		410	3 528	1 281	28 281
Total current assets		38 851	25 013	25 713	46 702
TOTAL ASSETS		268 547	256 848	259 259	279 360
		30.09.2024	30.06.2024	31.12.2023	30.09.2023
EQUITY AND LIABILITIES					
Paid in equity	5	227 190	226 844	212 326	212 326
Earned equity		-36 840	-34 082	-17 379	918
Total equity	4	190 350	192 762	194 947	213 244
Long term debt					
Loans from credit institutions	6	50 000	51 000	52 000	53 000
Total other long term debt		50 000	51 000	52 000	53 000
Short term debt					
Bank overdraft	7	10 000	5 000	-	-
Account payables		12 567	5 224	9 253	7 977
Public duties		532	795	288	3 192
Other short-term liabilities		5 098	2 067	2 771	1 947
Total short-term debt		28 197	13 086	12 312	13 116
Total debt		78 197	64 405	64 312	66 116
TOTAL EQUITY AND DEBT		268 547	256 848	259 259	279 360

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited figures in NOK 1,000)

	3Q 24	3Q 23	YTD 24	YTD 23	2023
Cash flows from operating activities					
Result before tax	-2 411	8 083	-19 114	785	-17 825
Depreciation	3 182	3 000	9 514	3 250	6 250
Change in inventory and biological assets	-6 140	2 453	-13 494	6 967	7 927
Change in account receivables	-10 584	-3 297	10 584	-3 247	50
Change in account payables	7 343	-6 452	3 314	-6 504	-5 228
Items reclassified as financing activities	1 995	235	5 052	187	1 770
Other changes	2 534	6 050	12 638	-51	-12 087
Net cash flows from operating activities	-4 081	10 072	-12 674	1 387	-19 143
Cash flows from investing activities					
Net investment in fixed assets	-1 043	-5 517	-5 663	-41 742	-45 630
Net cash flows from investing activities	-1 043	-5 517	-5 663	-41 742	-45 630
Cash flows from financing activities					
Repayment of long term debt	- 1 000	-	-2 000	-3 000	-4 000
Change in bank overdraft	5 000	-	10 000	-	-
New equity	-	-118	14 518	68 985	68 986
Net interest expenses	-1 995	-235	-5 052	-187	-1 770
Net cash flows from financing activities	2 005	-353	17 466	65 798	63 216
Net cash flows for the period	-3 118	4 202	-871	25 443	-1 557
Cash at the beginning of period	3 528	24 079	1 281	2 838	2 838
Cash at the end of period	410	28 281	410	28 281	1 281

NOTES

Note 1: Accounting principles

This report is prepared according to Norwegian Generally Accepted Accounting Principles (NGAAP) standard for small enterprises and NRS 11.

The interim consolidated financial statements do not include all the information and disclosures required by NGAAP in the annual financial statements and should be read in conjunction with the Group's Annual Financial Statements 2023.

All amounts are in NOK 1 000 if not otherwise stated.

All figures are unaudited, except for year-end figures (last year).

Note 2 - Fixed assets

	2024	2023
Opening balance 1.1.	233 546	193 916
Additions	5 663	41 992
Disposals	-	-
Depreciation*	-9 514	-3 250
Closing balance 30.9	229 695	232 658

* estimate

In 1Q 2023, BioFish entered into an agreement to acquire 100% of the shares in Biofish Land AS (to be incorporated) from the Seller Biofish Aquafarms AS, a company that owns the land where the BioFish facility is located. The transaction has taken longer than anticipated and will be settled through the issuance of 8.5 million shares, 8.5 million warrants and repayment of net debt of approximately NOK 3.9 million in Biofish Land AS. The transaction is in the final stages of being finalised.

Note 3 - Biological assets

BioFish recognises and measures biological assets (smolt) at cost. Cost on stock is historic costs after expensed mortality.

Note 4 – Equity

	Paid in capital	Earned equity	TOTAL
Equity at 1.1.24	212 326	-17 379	194 947
Net result for the period		-19 114	-19 114
New equity (net of expenses)	14 518	-	14 518
Equity at 30.9.24	226 844	-36 493	190 351
Equity at 1.1.23	143 340	134	143 474
Net result for the period	-	785	785
New equity (net of expenses)	68 985	-	68 985
Equity at 30.9.23	212 325	919	213 244

Note 5 - Share capital and shareholder information

Shareholder	Number of shares	Shareholding
Awilco AS	15 281 946	15.02 %
Odfjell Land AS	12 734 686	12.52 %
Stoksund AS	10 141 000	9.97 %
Helgø Invest AS	3 305 000	3.25 %
Monaco Invest AS	3 200 000	3.15 %
Yme Fish AS	3 200 000	3.15 %
Tigerstaden Marine AS	3 000 000	2.95 %
UBS Switzerland AG	2 797 999	2.75 %
Biofish Aquafarm AS	2 700 696	2.65 %
Skulstad	2 527 410	2.48 %
Profond AS	2 462 080	2.42 %
Asteroidebakken AS	2 401 254	2.36 %
Jaras Invest AS	2 233 996	2.20 %
Yme Holding AS	2 215 571	2.18 %
Nordnet Livsforsikring AS	2 000 000	1.97 %
Millennium Falcon AS	1 744 665	1.71 %
Nordnet Bank AB	1 706 690	1.68 %
Trapesa AS	1 238 945	1.22 %
VH Eiendom & Invest AS	851 000	0.84 %
First Partners Holding 16 AS	829 321	0.82 %
Total 20 largest shareholders	76 572 259	75.27 %
Others	25 162 799	24.73 %
Total	101 735 058	100.00 %

In January 2023, Biofish Holding AS issued 82 550 000 warrants with a duration of 3 years. Strike prices are NOK 1.10, NOK 1.20 and NOK 1.30 respectively. Warrants can be exercised twice a year during this period (July/ August and January/ February). At 30 September 2024 a total of 13 835 058 warrants have been exercised.

Biofish Holding AS had a total of 101 735 058 shares issued at 30 September 2024.

Note 6 – Interest-bearing long-term debt

Interest bearing debt totalling NOK 50 000 000 is due in January 2027.

The loan has quarterly instalments of NOK 1 000 000.

Note 7 – Bank overdraft facility

The Group has a bank overdraft facility of NOK 33 000 000, of which NOK 10 000 000 was drawn at 30 September 2024.

Note 8 – Taxes

Deferred tax asset of NOK 12 300 000 at 30 September 2024 has not been recognised in the balance sheet as the Group has been in a start-and build-up phase.



BioFish