




BioFish

Annual report 2023





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 the 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.

Perfectly located for the post-smolt future

Strategically located RAS facility in Ljones, Western Norway

Our location in an area (PO 3) in Norway with high farming density imply shorter transportation which is beneficial for fish health and logistics

The combination of high farming density and relatively warm water increases the importance of production of robust smolt

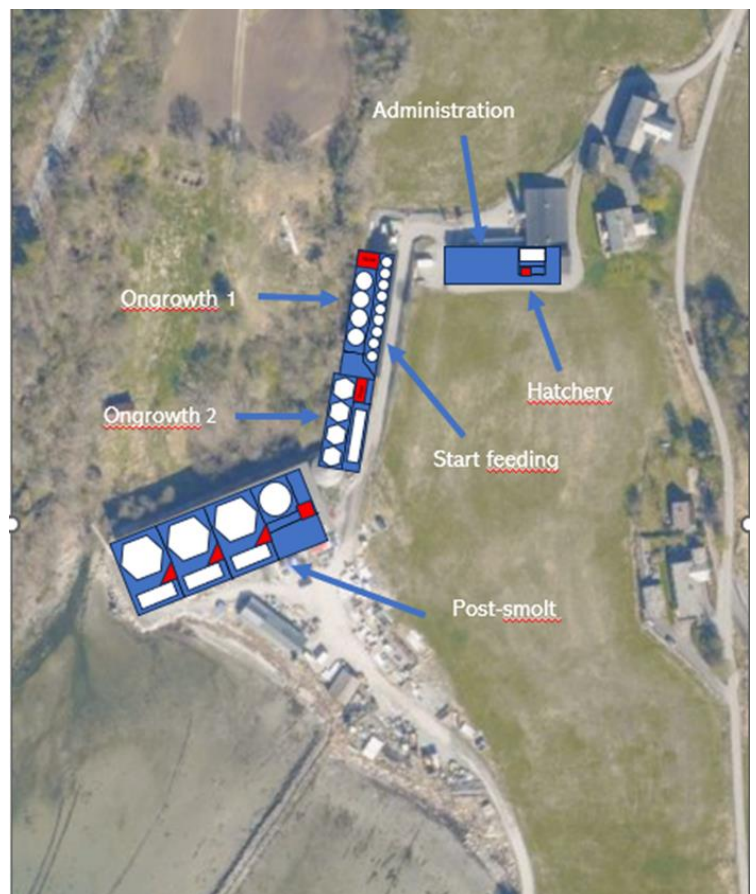
Completed RAS facility expansion, now focused on maintaining strong biological performance and scaling production in 2024 and 2025



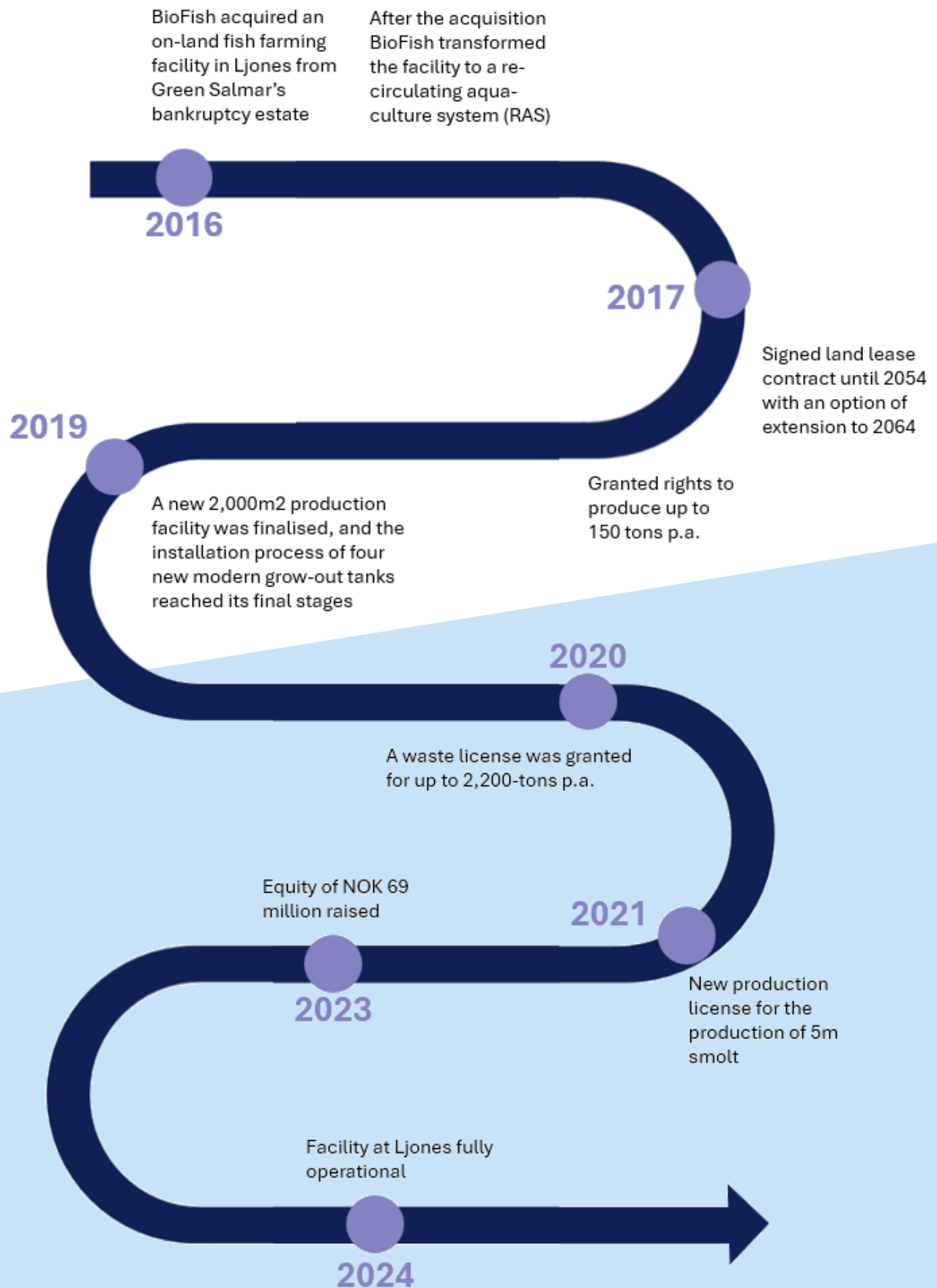
Ideal site for robust and healthy smolt

Our approach to ensuring robust and healthy smolt

- BioFish uses both fresh water and sea water in the production of smolt to better prepare the smolt for seawater environment
- The temperatures that we use in early phase reflect the environment of wild salmon
- We are not using pumps to deliver our smolt to the wellboat. Gravity helps us which reduces stress on our smolt during a vulnerable phase



Our history



HIGHLIGHTS 2023

- Successful delivery of 450 tons of smolt and post-smolt with strong biological performance
- Revenues of NOK 48 million, representing a doubling from 2022
- New equity raised with net proceeds of NOK 69 million
- Warrants program established with potential minimum cash proceeds of NOK 90 million (before expenses) over a 3-year period
- New management in place

KEY FIGURES

Amounts in NOK 1 000	2023	2022
Total revenue	47,684	20,244
Total expenses	63,340	35,990
Operating result (EBIT)	-15,656	-15,746
Result before tax	-17,825	-16,479
Tax expense	2	-1,588
Result for the period	-17,827	-14,891
Interest-bearing debt	52,000	56,000
Equity ratio (%)	75.1	65.4
Net cash flow from operations	-18,893	1,066

LETTER FROM THE CEO

Smolt quality has been at the centre of attention in the aquaculture industry during the past year – and for a good reason: Robust smolt is one of the most crucial inputs for raising healthy, high-quality salmon.

In 2023, BioFish successfully delivered a batch of smolt which has been harvested with outstanding results in terms of mortality, quality, and growth. I want to congratulate our skilled and experienced customers with these solid results. It is also a milestone and great joy for us at BioFish that we deliver smolt for successful and profitable salmon production.

As an external and independent supplier of post-smolt to the industry, the quality of the fish we sell to our customers is crucial for our success. This will continue to be our core priority as we scale up operations going forward.

In total for the year, we delivered 450 tons of smolt and post-smolt, generating revenues of NOK 47.7 million, representing more than a doubling from NOK 20.2 million in 2022. Increased activity levels have naturally involved increased cost of goods sold and higher personnel expenses year-over-year, but moving into 2024, our operational efficiency and safety is improving.

In 2023, we set up a new building at our location in Hardanger to enable increased production and more efficient logistics. With the new department now fully operational, coupled with optimisation of the other departments at our facility, we are closer to our goals of efficient facility utilisation. Land-based production demands both technical and biological expertise, and throughout 2023 we have enhanced our capabilities in both areas.

Looking ahead, the demand from salmon farmers for smolt and post-smolt is expected to develop positively, supported by strong market fundamentals. With the

facility expansion, we anticipate increased production in 2024 and beyond.

The Norwegian aquaculture industry has faced significant biological challenges over the past year, and reputation surveys indicate that this has translated into a decline in the industry's reputation. BioFish remains committed to ensuring the best possible conditions for our smolt. This not only aids our customers in producing healthier, faster-growing salmon but also helps to rebuild the industry's reputation by reducing the stress and handling of fish from release to slaughter.

Every day, we strive to improve the lives of salmon in the aquaculture industry. We know that good fish health equals good economics, throughout the entire value chain, and we plan to play a central role in this value chain in the years to come.



Sondre Hagerup Johnsrud
CEO

MANAGEMENT TEAM



Sondre Hagerup Johnsrud
CEO

Sondre Hagerup Johnsrud (born 1990) joined BioFish as CEO in October 2023.

Hagerup Johnsrud has extensive experience from the aquaculture industry. For more than 16 years he held various positions at Bjørøya AS, including responsibility for production and operations. Prior to joining BioFish he ran his own consultancy firm.

He holds a bachelor's degree in economics from Sør-Trøndelag University College and is also a sergeant from the Air Force Officer Training School.

Hagerup Johnsrud owns 0 shares in BioFish.



Lena Hovda Aas
Operations manager

Lena Hovda Aas (born 1998) was appointed Operations manager in January 2024.

Hovda Aas joined BioFish in May 2023 as production biologist. She also has experience from part-time work during studies.

She holds a bachelor of business and environmental science in aquaculture from James Cook University, Singapore, and a master's degree in fishery and aquaculture science from the Arctic University of Norway.

Hovda Aas owns 0 shares in BioFish.



Johnny Duedahl
CFO

Johnny Duedahl (born 1971) was appointed as CFO in March 2024 after having served as interim CFO since October 2023.

Duedahl holds extensive experience in management and finance leadership roles. His most recent positions include serving as CFO of Nortech AI AS and as CFO of Kvass AS. Previously, he has served as CFO at Nexans Norway -AS and as SVP at BW Offshore, along with various senior leadership positions and board mandates. Duedahl also has long experience as auditor in Ernst & Young.

He holds a bachelor in auditing from Agder Distriktshøyskole, and a master's degree in accounting from the Norwegian School of Economics (NHH).

Duedahl owns 35,000 shares in BioFish through Emca AS.

BOARD OF DIRECTORS



Torbjørn Gjelsvik
Chair

Torbjørn Gjelsvik (born 1965) has served as chair of the board since February 2023.

Other current directorships include, but are not limited to, the role as chair of Biofish AS, Probio AS, Norway Shrimp AS, Norway King Crab Production AS, Norway King Crab Hub AS, Troika Seafood AS, Azione Holding AS and Smir AS, and director of Norway King Crab Trollbukt AS.

Gjelsvik has been partner in Advokatfirmaet Haavind AS since April 2023. Before joining Haavind, he was employed as lawyer in Ecopole AS for ten years. His career also includes positions as partner in the law firms Schjødt and Kluge.

He holds a master's degree in law from the University of Bergen.

Gjelsvik owns 0 shares in BioFish.



Margrethe Smith
Director
Member of audit committee

Margrethe Smith (born 1974) has served as director of the board since June 2023.

Sæbø Smith serves as CFO at Blom Fiskeoppdrett AS, where she has been employed since 2020.

She also holds experience as consultant in the section for internal control at Bergen municipality, as business controller at Det Norske Veritas and as project controller at Statsbygg.

Sæbø Smith holds a degree in business administration from Molde University College, and a master of general management (Siviløkonom) from the University of Agder.

Sæbø Smith owns 0 shares in BioFish.



Jens-Julius Ramdahl Nygaard
Director
Member of audit committee

Jens-Julius Ramdahl Nygaard (born 1978) has served as director of the board since February 2023.

Other current directorships include the role as chair of A Wilhelmsen Foundation and as director of Awilco LNG ASA, Integrated Wind Solutions ASA, Carnegies Heltfond, Oslo Maritime Stiftelse, Biofish AS and Probio AS. Nygaard is also a member of the Audit Committee in Integrated Wind Solutions ASA.

Nygaard currently serves as managing director at Awilco AS, where he has been employed since 2005.

He has a BA Honours degree in Finance from the University of Strathclyde and an MSc in Shipping, Trade and Finance from Bayes Business School.

Ramdahl Nygaard owns 151,000 shares in BioFish and represents Awilco AS that owns 15,281,946 shares in BioFish.



Bent-Are Brunnes Ratvik
Director

Bent-Are Brunnes Ratvik (born 1989) has served as director of the board since February 2023.

Other current directorships include the role director of Biofish AS and Probio AS.

Brunes Ratvik currently serves as operations manager at Columbi Salmon.

He also holds extensive operational and management experience from the aquaculture industry, including nine years in Refsnes Laks AS and six years as CEO at Trøndersmolt AS.

Brunes Ratvik has studied aquaculture and holds a maritime education in ship administration and management from Trondheim Tekniske Fagskole.

Brunes Ratvik owns 0 shares in BioFish but represents Stoksund AS that owns 8,500,000 shares in BioFish.



Kjetil Grønsgag
Director

Kjetil Grønsgag (born 1964) has served as director of the board since June 2023.

Other current directorships include, but are not limited to, the role as chair of Grønco AS, Odfjell Land AS, Real Eiendomsservice AS, Kokstad Næringspark AS, and as director of Odfjell Oceanwind AS.

Grønsgag is a professional investor, owner and board executive.

Grønsgag holds a master of general management (Siviløkonom) from BI Norwegian Business School, has studied law and is also a certified financial analyst (CFA) from the Norwegian School of Economics (NHH).

Grønsgag owns via an associated company 12,734,686 shares in BioFish.



Torbjørn Skulstad
Director

Torbjørn Skulstad (born 1976) has served as director of the board since March 2016.

Other current directorships include the role as chair of Biofish Aquafarm AS, Monaco Invest AS, Secbase AS, Escali Partners AS and Loddefjord II, and as director of Biofish AS and Probio AS.

Skulstad holds the position as CEO of Stacc Escali AS, where he has been employed since 2018.

Former positions include serving as CFO and group chief accountant at Oceanteam and as public accountant at BDO Norge.

He is educated in economics (Siviløkonom) from the Norwegian School of Economics (NHH), as well as a master of business administration (MBA).

Skulstad owns 100,000 shares in BioFish, and associated companies own 5,727,410 shares in BioFish.

Sustainability

BioFish is proud to contribute to an increase in sustainable food production. Fish health is a key priority, and the location of our site enables shorter transportation distances.

Increased consumption of seafood can reduce global greenhouse gas emissions (GHG) and improve human health, according to UN. Growing the aquatic food production must preserve the health of aquatic ecosystems, prevent pollution and protect biodiversity.

BioFish is proud to contribute to an increase in sustainable food production. The company brings new expertise and its investments in people and operations have been warmly welcomed. BioFish's core business of land-based production avoids many of the environmental issues associated with traditional sea-based fish pen farming. By facilitating production close to the market, BioFish avoids comprehensive transport and related emissions.

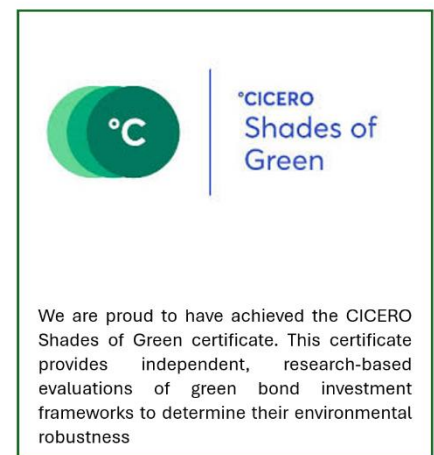
We base our production on RAS (recirculation aquaculture system) which normally recycles 99 per cent of the water used.

We work on sustainability along the following lines:

- **Sustainable fish farming:** Our land-based production prevents fish escape and thus protects the wild salmon.

- **Water and wastewater management:** We normally recycle 99 per cent of water used. Wastewater is treated and waste is collected and used as fertiliser on local farms.
- **Sustainable feed:** We work constantly to reduce the carbon footprint from our feed materials.
- **Improved fish health:** Our smolt lives in a biosafe atmosphere. By setting post-smolt of significantly larger size in the sea, the producers will have reduced exposure time to lice's and diseases.
- **Effective waste management:** Equipment for waste handling in process of being replaced

BioFish has been certified in Global GAP since 2016 for its post-smolt production and has also been granted the Global GAP certificate for 2023. Global GAP is a global standard for responsible farming practices at all stages of primary production. It is built on a holistic approach that covers the key topics of food safety, the environment (including biodiversity), animal welfare, workers' well-being, production processes, and traceability.



Our vision: zero emissions

The global population continues to grow rapidly, and fish farming represents one way to meet the increasing demand for sustainable protein production and healthy food. There are limited amounts of wild fish that can be sustainably harvested, and aquaculture therefore must meet the demand for more seafood in peoples' diets.

Sustainable farming of fish and other marine species has an enormous potential globally. With a low carbon footprint, a low feed conversion ratio and a low land and freshwater use, farmed salmon continues to be one of the most eco-efficient forms of animal protein.

BioFish is committed to the UN Sustainable Development Goals (SDGs) as well as the Sustainable Ocean Principles established by the UN Global Compact. We have identified four of the SDGs as particularly important for our business, further outlined below.

In addition, BioFish remains committed to another nine of the SDGs; 3) Good fish health and well-being, 4) Quality education, 5) Gender equality, 6) Clean water and sanitation, 8) Decent work and economic growth, 9) Industry, innovation and infrastructure, 12) Responsible consumption and production, 15) Life on Land, and 16) Peace, justice and strong institutions.



The salmon farming industry is driving developments in global aquaculture. As a result, we are making a broader contribution to sustainable seafood production. Sustainable farming methods and practices,

biological and technical innovation, research, new knowledge, and government regulations developed for the salmon farming industry can be transferred to the production of other marine species in other parts of the world. The solutions we find not only make our own operations more sustainable, but also advance the practices of fish farming industries in other countries. That way, we can truly contribute to zero hunger.



Farmed fish is one of the animal proteins with the lowest carbon footprint. Still, the salmon farming industry must work to cut the carbon footprint of our salmon even further.



We work to conserve and use oceans, seas, and marine resources sustainably. We have a responsibility to protect marine biodiversity, and we strive to find new ways to reduce our environmental

footprint and improve the welfare of our fish.



We cannot reach the goals we have set alone. We collaborate with authorities, research institutions, other salmon farmers, NGOs, students, suppliers and others to advance sustainable aquaculture. We

share knowledge, expertise, and technology. We seek to be honest, exchange ideas, and learn from those around us.

BOARD OF DIRECTORS' REPORT

In 2023, BioFish expanded its facilities at Ljones, and delivered 450 tons of smolt and post-smolt with positive customer feedback on strong biological performance. The demand for healthy, high-quality smolt is increasing, and the company expects to increase production in the coming years.

Nature of the enterprise

BioFish Holding AS ("the company", "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. The company has two subsidiaries, Biofish AS and Probio AS.

Financial statements

Income statement

In 2023, deliveries of 450 tons of smolt and post-smolt generated revenues of NOK 47.7 million, compared with NOK 20.2 million in 2022 when 154 tons were delivered.

Total expenses were NOK 63.3 million, of which depreciation charges totalled NOK 6.3 million. In 2022, operating expenses were NOK 36.0 million in 2022, including NOK 0.5 million in depreciation. The increase was mainly driven by higher operational activity and no capitalisation of expenses. The depreciation charges increased following completion of the facilities.

The net result was negative NOK 17.8 million, compared with negative NOK 14.9 million in 2022.

Financial position

Cash and cash equivalents decreased to NOK 1.3 million at the end of the year, down from NOK 2.8 million at year-end 2022.

At the end of the year, interest-bearing debt was NOK 52 million, compared with NOK 56 million at year-end 2022.

Total equity at 31 December 2023 was NOK 194.6 million, resulting in an equity ratio of 75.1 per cent, compared with NOK 143.5 million at the end of 2022.

Cash flow

Cash flow from operations totalled negative NOK 18.9 million, compared with NOK 1.1 million in 2022.

Cash flow used in investments totalled NOK 45.9 million, compared with NOK 45.7 million in 2022.

Cash flow from financing activities totalled NOK 63.2 million, including net proceeds from new equity of NOK 69.0 million raised in a private placement and subsequent offering. In 2022, the cash flow from financing represented a cash outflow of NOK 2.1 million.

Operations

After year-end, the management and board of directors identified and addressed deviations related to technical challenges causing reduced performance, biological challenges, and potential lack of proper reporting to the authorities in 2023.

The identified issues have been dealt with, and at the beginning of 2024, the management team at BioFish was in process of establishing and improving internal systems and routines for ensuring the highest quality operations, systematic monitoring of the production facilities and best practice reporting of any deviations.

Risks

BioFish's business activities entail exposure to various types of risks and uncertainties, that may prevent us from reaching our goals and deliver on our strategy. Through our risk management process we identify, quantify, and define actions to manage the risks we face. The main risks are described below:

Operational risk

The main operational risk for BioFish relates to biological incidents with the Groups aquaculture operations. Even though BioFish has been in operation for several years, the company is vulnerable to diseases and errors in the production equipment and maintenance routines which may have a material adverse effect.

Market risk

The company is exposed to the fluctuations in the smolt and post-smolt prices as well as the demand for smolt and post-smolt. BioFish has entered into long-term agreements with customers to reduce its exposure to both the smolt price and the demand for smolt.

Credit risk

The financial assets of the Group, comprising cash and cash equivalents and receivables, exposes the Group to risks arising from default of the relevant counterparty. BioFish has procedures in place to ensure that our smolt is sold to customers with satisfactory creditworthiness and with on satisfactory payments terms. The credit risk is not considered to be material on 31 December 2023.

Liquidity risk

A lack of cash will result in a risk that the Group will not be able to pay its obligations on maturity. Management monitors rolling forecasts for the Group's liquidity reserve (comprising cash and revolving credit facility) based on the expected cash flows arising from our current business plan.

Interest rate risk

The Groups interest rate risk related to borrowings from financial institutions with floating interest rates (NIBOR). BioFish has not entered into any agreements to reduce this exposure at 31 December 2023.

Corporate social responsibility

BioFish is committed to responsible business practices with respect to human rights, labour

standards, equality and non-discrimination, social matters, and anti-corruption. BioFish shall have an inclusive working environment and will promote equal opportunities and fair treatment of all employees.

Total sick leave for the Group in 2023 was 11.6 per cent. Measures have been taken to identify the causes of absence and to implement actions to improve the sick leave rate.

At the end of 2023, BioFish had two women and nine men employed. The share of female representation at the board of directors is 16 per cent, and this share will increase moving forward.

Environment

BioFish's core business of land-based production avoids many of the environmental issues associated with traditional sea-based fish farming. By facilitating production close to the market, BioFish avoids comprehensive transport and related emissions.

We base our production on RAS (recirculation aquaculture system) which recycles approximately 99 per cent of the water used.

The company's sustainability strategy is further described in a separate section of this report.

Board of directors' insurance

BioFish Holding AS has a board of directors' and officers' liability insurance policy, covering defence costs, legal representation expenses and losses arising from claims for the Group's board of directors and its officers. The insurance policy has an aggregate limit of NOK 25 million per year.

Disposal of profit and loss

The net result for the year will be allocated to Other equity.

Continued operation

The board believes that the accounts provide a true and fair view of the development and results of the company's operations and position.

The board of directors has reviewed the company's ongoing operations, position, and performance development.

In accordance with the Accounting Act 3-3a, we confirm that financial statements have been prepared under the assumption of going concern. This assumption is based on new equity raised in 2023 and 2024, new revolving credit facility and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Subsequent events

In February 2024, a total of 13,406,423 warrants were exercised, bringing the total number of shares issued to 101,735,058. Net proceeds from this transaction amounted to NOK 14.5 million.

The refinancing process announced in February was finalised in March 2024. The agreements include a new revolving credit facility of NOK 33 million and an extension of the duration of its existing loan (NOK 51 million) until 31 January 2027.

Outlook

Demand for smolt and post-smolt is expected to develop positively moving forward, supported by strong market fundamentals. 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 near numerous salmon farmers.

Following the expansion of the RAS facility, the company expects to grow production in 2024 and further increase the production in 2025. However, the exact volumes will vary from quarter to quarter depend on timing of customer demand as well as access to external smolt deliveries.

Responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2023 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity. We also confirm that the board of directors' report includes a true and fair review of the development and performance of the business and the position of the entity and the Group, together with a description of the principal risks and uncertainties facing the entity and the Group.

Ljones, 23 May 2024



Torbjørn Gjelsvik

Chair



Margrethe Sæbø Smith

Director



Jens-Julius Ramdahl Nygaard

Director



Bent-Are Brunes Ratvik

Director




Kjetil Grønskag

Director



Torbjørn Skulstad

Director



Sondre Hagerup Johnsrud

Chief Executive Officer

CONSOLIDATED INCOME STATEMENT

(Figures in NOK 1 000)

Parent company			Group	
2022	2023		2023	2022
-	-	Total revenue	47,684	20,244
-	-	Cost of goods sold	42,830	21,225
1,067	2,303	Salaries and personnel expenses	2 7,564	5,021
-	-	Depreciation	3 6,250	501
221	3,775	Other operating expenses	6,696	9,243
1,288	6,078	Total expenses	63,340	35,990
-1,288	-6,078	Operating result (EBIT)	-15,656	-15,746
7,526	20,143	Interest income from group companies	-	-
9	-	Other finance income	-	148
48	442	Interest expenses	1,770	881
9		Other finance expenses	399	-
7,478	19,701	Net financial items	-2,169	-733
6,190	13,623	Result before tax	-17,825	-16,479
-	1,261	Tax expense	4 2	-1,588
6,190	12,362	Result for the period	-17,827	-14,891
		Attributable to:		
6,190	12,362	Retained earnings		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Figures in NOK 1 000)

Parent company				Group	
31.12.2022	31.12.2023		Note	31.12.2023	31.12.2022
		ASSETS			
		Total intangible assets			
-	-	Deferred tax asset	4	-	-
		Total tangible fixed assets			
-	-	Property, plant and equipment	3	233,546	193,916
		Long-term financial assets			
51,911	56,343	Investment in subsidiaries	5		
158,767	189,184	Loan to Group companies			
210,678	245,527	Total long term financial assets		-	-
210,678	245,527	Total non-current assets		233,546	193,916
-	-	Inventory		12,484	20,411
-	-	Account receivables		-	50
3	965	Other receivables		11,948	2,079
45	160	Cash and cash equivalents		1,281	2,838
48	1,125	Total current assets		25,713	25,378
210,726	246,652	TOTAL ASSETS		259,259	219,294
		EQUITY AND LIABILITIES			
		Paid-in equity			
13,400	88,329	Share capital	6	88,329	13,400
129,940	123,997	Share premium reserve		123,997	129,940
143,340	212,326	Total paid-in equity		212,326	143,340
13,816	26,177	Other equity		-17,694	134
157,156	238,503	Total equity	7	194,632	143,474
		Long term debt			
-	-	Loans from credit institutions	8	52,000	56,000
-	-	Total other long-term debt		52,000	56,000
		Short term debt			
-	1,065	Account payable		9,253	14,481
95	315	Public duties		288	646
50,000	5,720	Debt to Group companies		-	-
3,475	1,049	Other short-term liabilities		3,086	4,693
53,570	8,149	Total short-term debt		12,627	19,820
53,570	8,149	Total debt		64,627	75,820
210,726	246,652	TOTAL EQUITY AND DEBT		259,259	219,294

Ljones, 23 May 2024


Torbjørn Gjelsvik
Chair


Margrethe Sæbø Smith
Director


Jens-Julius Ramdahl Nygaard
Director


Bent-Are Brunes Ratvik
Director


Kjetil Grønskag
Director


Torbjørn Skulstad
Director


Sondre Hagerup Johnsrud
Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

(Figures in NOK 1 000)

Parent company			Group	
2022	2023	Note	2023	2022
Cash flows from operating activities				
6,190	13,623		-17,825	-16,479
-	30	3	6,250	501
-	-		7,927	-5,229
-	-		50	5,046
-	1,065		-5,228	13,249
-12,025	-80,417		-	-
-	-19,701		1,770	-881
3,569	-3,172		-11,837	4,859
-2,266	-88,572		-18,893	1,066
Cash flows from investing activities				
-	-	3	-45,880	-45,668
-	-		-45,880	-45,668
Cash flows from financing activities				
-	-	8	-4,000	-3,000
-	68,986	7	68,986	-
-	19,701		-1,770	881
-	88,687		63,216	-2,119
-2,266	115		-1,557	-46,721
2,311	45		2,838	49,559
45	160		1,281	2,838

NOTES

Note 1 - Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles for small companies in Norway.

Basis for consolidation

The Group's consolidated financial statements comprise Biofish Holding AS and the wholly owned subsidiaries Biofish AS and Probio AS. Transactions between Group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

The purchase method is applied when accounting for business combinations.

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Revenue recognition

Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred.

Income tax

The tax expense consists of the tax payable and changes to deferred tax and deferred tax asset. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilised. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Balance sheet classification

Current assets and short-term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognised at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognised at nominal value.

Property, plant and equipment

Property, plant and equipment is capitalised and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas

costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted are used.

Subsidiaries

Subsidiaries are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contributions exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Inventories

Biological assets are recognised at direct historical cost. The biomass volume is an estimate based on the number of roe and fry released into the facility, the estimated growth from the time of stocking and estimated mortality based on observed mortality in the period. Inventories are recognised at the lowest of historical cost and net selling price.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Pensions

The Group operates with defined contribution plans. The contributions are recognised as personnel expense when they are due.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

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

Note 2 – Salaries and personnel expenses

	Group		Parent company	
	2023	2022	2023	2022
Salaries	9,563	7,598	856	260
Board remuneration	1,142	1,947	1,142	675
Payroll tax	1,317	1,062	297	132
Pension costs	303	261	-	-
Employee benefits	353	153	8	-
Capitalised expenses	-5,114	-6,000	-	-
Total	7,564	5,021	2,303	1,067
Man-labour years employed	10	8	0.5	0.2

Note 3 – Property, plant and equipment

	Land	Facility	Office equipment	Total
Accumulated cost 01.01.23	-	194,359	2,298	196,657
Additions	-	45,494	386	45,880
Disposals	-	-	-	-
Accumulated cost 31.12.23	-	239,853	2,684	242,537
Accumulated depreciation	-	7,059	1,932	8,991
Carrying value 31.12.23	-	232,794	752	233,546
Depreciation for the year		5,219	1,031	6,250
Economic life		TBD*	3 years	

*The facility will be completed in 2024, whereafter the cost price will be decomposed for depreciation purposes. Accordingly, the depreciation charges for 2023 is an estimate.

All production and other licenses are included in the financial statements with a book value of NOK 0.

Note 4 – Taxes

	Group		Parent company	
	2023	2022	2023	2022
Income tax expense				
Tax payable	-	-	1,259	-
Correction of tax payable from prior period	2	-	2	-
Changes in deferred tax and deferred tax assets	-	-1,588	-	-
Total income tax expense	2	-1,588	1,261	-
Tax base calculation				
Profit before income tax	-17,825	-16,479	13,623	6,190
Permanent differences *)	-5,861	9	-3,851	-
Temporary differences	8,516	-6,176	-100	-6,190
Use of tax loss carried forward	-	-	-3,952	-
Group contribution	-	-	-5,720	-
Tax base	-15,170	-22,646	-	-
Temporary differences				
Non-current assets	22,381	28,351	-	-
Current assets	4,199	7,144	-	-100
Tax loss carried forward	-63,346	-37,153	-	-3,953
Total	-36,766	-1,658	-	-4,053
Deferred tax liability/ asset (-)	-8,089	-365	-	-892
Deferred tax asset not recognised	8,089	365	-	892
Net deferred tax/ tax asset (-)	-	-	-	-
Tax payable in the balance sheet				
Tax payable	-	-	1,259	-
Tax effect of group contribution	-	-	-1,259	-
Net tax payable	-	-	-	-

Note 5 - Subsidiaries

Biofish Holding AS had the following subsidiaries at 31 December 2023:

Company name	Ownership
Biofish AS	100 %
Probio AS	100 %

Note 6 - Share capital and shareholder information

BioFish Holding AS had a total of 88,328,635 shares issued at 31 December 2023.

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 31 December 2023, a total of 428,635 warrants have been exercised.

The 20 largest shareholders at 31 December 2023 were:

Shareholder	Number of shares	Shareholding
Awilco AS	15,281,946	17.30 %
Odfjell Land AS	8,734,686	9.89 %
Stoksund AS	8,500,000	9.62 %
Monaco Invest AS	3,200,000	3.62 %
Yme Fish AS	3,200,000	3.62 %
Tigerstaden Marine AS	3,050,000	3.45 %
Ubs Switzerland Ag	2,665,696	3.02 %
Biofish Aquafarm AS	2,527,410	2.86 %
Profond AS	2,400,000	2.72 %
Asteroidbakken AS	2,233,996	2.53 %
Nordnet Livsforsikring AS	2,233,948	2.53 %
Telecom AS	2,215,571	2.51 %
Helgø Invest AS	1,755,000	1.99 %
Millennium Falcon AS	1,744,665	1.98 %
Nordnet Bank AB	1,690,667	1.91 %
Ole Fredrik Skulstad	1,680,964	1.90 %
Yme Holding AS	1,000,000	1.13 %
VH Eiendom og Invest AS	829,321	0.94 %
Walid Essebaa	778,000	0.88 %
Haukaas Eiendom & Invest AS	717,955	0.81 %
Total 20 largest shareholders	66,439,825	75.22 %
Others	21,888,810	24.78 %
Total	88,328,635	100.00 %

Note 7 – Equity

Group	Share capital	Share premium	Other equity	TOTAL
Equity at 1.1.23	13,400	129,940	134	143,474
Net result	-	-	-17,827	-17,827
New equity (net of expenses)	74,929	-5,943	-	68,986
Equity at 31.12.23	88,329	123,997	-17,693	194,633

Parent company	Share capital	Share premium	Other equity	TOTAL
Equity at 1.1.23	13,400	129,940	13,816	157,156
Net result	-	-	12,362	12,362
New equity (net of expenses)	74,929	-5,943	-	68,986
Equity at 31.12.23	88,329	123,997	26,178	238,504

Note 8 – Interest bearing debt

Interest bearing debt totalling NOK 52,000,000 at 31 December 2023. The loan is with Norian Bank and is due in January 2027. The loan has quarterly instalments of NOK 1,000,000.

Property, plant and equipment as well as agriculture and water licenses are pledged as security for the loan. The book value of these assets is NOK 233.5 million at 31 December 2023.

Note 9 – Subsequent events

In February 2024, a total of 13,406,423 warrants were exercised, bringing the total number of shares issued to 101,735,058. Net proceeds from this transaction amounted to NOK 14.5 million.

The refinancing process announced in February was finalised in March 2024. The agreements include a new revolving credit facility of NOK 33 million and an extension of the duration of its existing loan (NOK 51 million) until 31 January 2027.



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Biofish Holding AS

Opinion

We have audited the financial statements of Biofish Holding AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the statement of financial position as at 31 December 2023, the income statement for the year then ended and the statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2023 and their financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude 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 and the Group'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 the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Bergen, 23. May 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

Independent auditor's report - Biofish Holding AS 2023
A member firm of Ernst & Young Global Limited



BioFish