

The Kingfish Company N.V

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The Kingfish Company N.V. (“Kingfish” or “the Company”) is well-positioned to capitalize on the rapidly growing sustainable seafood market, projected to reach USD 26 billion by 2030. With an ESG-certified, award-winning product and a strong customer base in Europe and the U.S., the Company is expected to emerge as a dominant player in sustainable aquaculture. Continuous R&D investments have optimized production efficiency, reducing mortality rates and improving margins. Additionally, a 29% increase in sales volumes in 2024 highlights Kingfish’s ability to scale production. Based on these factors, Analyst Group views Kingfish as an attractive investment in the sustainable seafood industry.

Kingfish in Short

Founded in 2015, The Company is a pioneer in the sustainable land-based fish industry, aiming to become the market-leading “green choice” in the industry. By cultivating premium fish species, native to the southern hemisphere, in land-based farms located near high-demand regions such as Europe and the U.S. The Company reduces carbon footprint through shorter transportation routes while addressing demand closer to key markets. The Company’s flagship product, Yellowtail Kingfish is a high-end, versatile fish featured prominently in Mediterranean and Japanese cuisine. The production process is closely monitored from egg to plate, ensuring superior quality without the use of antibiotics or vaccines. Operations are powered entirely by renewable energy and utilize seawater in a Recirculating Aquaculture System (“RAS”), a technology that has demonstrated consistency and reliability, hence showcasing proof of concept without any mass mortality events.

Kingfish’s edge lies in the operational efficiencies and ability to scale production. The Company has expanded capacity from 1,500 tons in 2022 to 4,000 tons by 2024. This proven scalability, combined with continuous process optimization, strengthens profitability and solidifies Kingfish’s position as a leader in sustainable aquaculture.

Kingfish Process Chains and Workflows

The Company operates a state-of-the-art hatchery system, ensuring the highest standards in fish health and productivity. The process begins with eggs sourced from selected broodstock, chosen for their genetic traits and optimal health. Over multiple production cycles, the Company has developed proprietary protocols to enhance fingerlings' quality and survival rates. For example, the fourth generation of fingerlings has shown strong growth and resilience, leading to improved productivity and larger harvest sizes (>5-3kg). The proportion of fish within this size range has increased from 40% to 54% of the total fish stock, driven by an expansion in production capacity. In 2023, the Company’s hatchery operations produced over one million fingerlings, demonstrating scalability and consistency, while at the same time generating valuable data to further improve operations going forward. Kingfish manages the entire post-harvest process to ensure premium quality and freshness. After harvest, the fish are immediately processed in-house, utilizing automation and packaging systems for optimized cost-efficiencies. Products are transported within 24 to 48 hours to retail, B2B, D2C, hotels, restaurants, and catering channels. Kingfish guarantees traceability and high-quality standards by controlling every step, from harvest to delivery, with rapid delivery to clients in over 24 countries. The current customer base includes high-end retailers such as Whole Foods, Auchan, Conad, Mercadona, and various high-end Michelin-starred establishments.

Proven Track Record

Kingfish has a proven track record in fish farming, having completed over 57 production cycles from hatchery to harvest. Unlike many competitors in the industry, Kingfish has avoided any mass mortality events, which highlights the effectiveness of the RAS technology and strict biosecurity protocols. By maintaining low mortality rates and ensuring the health of the fish throughout the production process, the Company has established itself as one of the leaders in sustainable aquaculture operations.

Market Tailwinds

The global sustainable seafood market is projected to grow at a CAGR of 5.6% from 2023 to 2030 reaching USD 26 b. Analyst Group sees the Company as well-positioned to capitalize on the vast market and its growth with an ESG-certified, award-winning product. Backed by a strong customer base in Europe and the US, the Company is expected to emerge as a dominant player in the growing sustainable fishing industry in the coming decade.

Operational Efficiency

Through continuous investments in R&D to optimize hatchery and production cycles, minimizing mortality rates, Kingfish is set to increase profitability through improved cost efficiencies and increased production volumes. The aforementioned is expected to lead to higher gross margins per kilogram of fish, mid to long term. Analyst Group expects R&D investments to exponentially grow, solidifying Kingfish’s position in the industry.

Scale-up in Production and Sales

Kingfish is well positioned to capitalize on a strong demand by scaling production, which was evident in Q3 2024, when sales volumes rose to 1,436 tons, marking an increase of 29% LTM. With production capacity continuously expanding through a majority of CAPEX investments already taken, the Company can shift focus towards enhancing sales and marketing efforts, further enabling growth and solidifying Kingfish’s position as an industry first-mover.

Versatile and Economically Attractive Species to Farm

Yellowtail Kingfish is famous for the excellent taste, versatility, and high market value, prized in both Japanese and Mediterranean cuisines, where it is a popular choice amongst high-end restaurants and retail consumers. Beyond the culinary appeal, Yellowtail Kingfish is perceived as a healthy and high-quality protein, fitting into the rising trend of clean eating. Highly suitable for farming, Yellowtail Kingfish grows rapidly, has superior feed conversion efficiency, and demonstrates remarkable resilience in aquaculture. It efficiently converts feed into body mass, delivering high yields at lower costs compared to similar species. Unlike many conventional farmed fish, the broodstock is less prone to disease, reducing operational risks and making it an economically attractive choice for producers seeking risk mitigation to scale production sustainably without the risk of high mortality rates.



"With a leading product and production poised for scaling to capture market share and establish Kingfish as a leader in an emerging sector, Analyst Group sees substantial potential. Investing in Kingfish provides exposure to a promising industry with strong momentum. Current market tailwinds and operational efficiencies present Kingfish with a unique opportunity to drive growth and enhance sustainability in the fishing industry," says the lead analyst at Analyst Group.

ESG Certified and Award-Winning Product

Kingfish products have received numerous awards and certifications for quality, sustainability, and production control, often recognized by industry organizations and experts. These accolades validate the Company's commitment to responsible and ethical aquaculture practices, setting it apart in a competitive market. Certifications such as the ASC, Global GAP, and BAP are industry benchmarks that ensure adherence to stringent environmental, social, and production standards. These certifications not only enhance the Company's reputation but also assure environmentally conscious consumers, premium retailers, and high-end restaurants seeking sustainably sourced products.

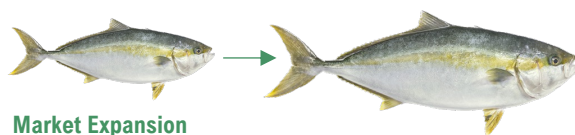


Financials per 2025-02-11

Share price (NOK)	5.35
Number of shares (m)	142.69
Market capitalization (NOKm)	763
Net debt (NOKm)	1,235
Enterprise value (NOKm)	1,998
Exchange	Euronext Growth Oslo
CEO	Vincent Ernest

Improved Product Mix Due to Higher Production Capacity

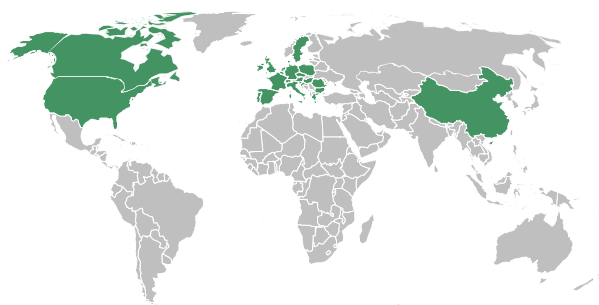
The new production capacity in 2025 will enable the Company to improve the product mix by increasing the proportion of larger fish (>5-3kg), as compared to smaller ones (<3kg). This shift is not only estimated to enhance the margin per unit but also align with growing consumer demand for premium, larger cuts of Yellowtail Kingfish which are rare in the market, and are therefore being sold at a higher price point per kilo than smaller ones. The ability to offer a higher share of larger fish will strengthen the Company's market position, particularly among high-end restaurants and premium retailers seeking top-quality products. Aligned with the increased production in 2024, the proportion of large fish in the product mix has risen to 54%, up from 40% in 2023, while the remaining 46% consists of smaller-sized fish decreasing from 60%.



Market Expansion

Kingfish has undergone significant market expansion in recent years, reflecting both the growing demand for sustainably farmed fish and the Company's ability to deliver a premium product. Kingfish has expanded the customer base from 8 countries in 2020 to over 24 countries globally, growing at a CAGR of 24.6% (2020 to 2024). This growth has been driven by strategic partnerships with prominent retailers such as Whole Foods, Mercadona, and Auchan, as well as high-end restaurants, including Michelin-star establishments. The geographical expansion has been enabled by the Company's ability to scale production and ensure efficient supply chains with short lead times. The market expansion not only underscores the Company's strong position but also highlights the growing global awareness of sustainability and traceability in the food industry. The Company has successfully established a presence in major European markets and strategic locations in the U.S. and Asia through an In-house sales force. With an increased production capacity of 90% from 2100 to 4000 tons annually, moving into 2025, the management has communicated a strategy of additional resources to be allocated to sales and marketing to further accelerate revenue growth across all markets.

Global Customer Map



Market Overview

Rising Demand for Sustainable Protein Sources

The fresh fish market is projected to reach USD 343b in 2025, with a growth rate of 4.9% CAGR from 2025 to 2030 reaching USD 456b. However sustainable alternatives are expected to grow at a faster rate, with a projected CAGR of 5.6% during the same period. This growth is driven by increasing awareness of the sustainability and health disadvantages associated with conventional protein sources such as beef and pork. From a health perspective, both beef and pork have been linked to higher rates of cardiovascular diseases and certain cancers when consumed in large quantities. As concerns over the environmental impact and health risks of conventional proteins has grown, consumers have shifted their consumption habits, particularly moving away from beef toward alternative proteins such as fish. Fish is perceived as a healthier and more environmentally friendly option, with significantly lower carbon emissions of 3kg CO₂/kg compared to beef's 100kg CO₂/kg. Over the past decade, the European Parliament has concluded that meat consumption has declined by 10%, further supporting the shift toward more sustainable protein sources. In Europe, 44% of citizens reported in 2021 that they consumed fish more often for its health benefits, while 31% reduced meat consumption for the same reason. According to a McKinsey report from 2020, 60% of consumers in Europe and the U.S. actively seek more sustainable products and are willing to pay a premium for it. In the food sector, this is particularly true for fish, where several surveys in recent years have concluded that sustainability plays a key role in customers' purchasing decisions.

Due to recent criticism of conventional farm-raised fish, particularly in Norway, the industry has faced growing concerns about its lack of sustainability and the poor living conditions for the fish. These conditions often involve the widespread use of antibiotics, vaccines, and other medications. As a result, consumers are seeking more sustainable and ethically produced alternatives. The solution to this market gap is likely to be land-based farms, which have seen significant investments in recent years across Europe, driven by private investments as well as subsidies and public funding, as Europe leads the global transition toward a more sustainable future. However, many projects are still in the "start-up" phase, and the few that have progressed beyond this stage are not yet operating anywhere near full capacity to meet market demand. This is where Kingfish stands out. Unlike many of the competitors, Kingfish has successfully scaled operations and achieved profitability, proving that the business model works.

The land-based fish farming industry is still in its early stages, with significant resources being allocated to improve and develop technologies that enable these farms to operate as efficiently and cost-effectively as their sea-based counterparts. The most common technology, RAS, is currently undergoing rapid advancements in automation. These improvements aim to enhance the quality of life for

the fish stock, reduce operational costs and further increase the sustainability of the industry. Kingfish has positioned the Company at the forefront of these advancements. Having successfully utilized RAS technology to raise Yellowtail Kingfish in a land-based environment, showcasing both the efficiency and sustainability of the operations. With ongoing investments in research and development, Kingfish is continuously optimizing production processes, ensuring superior fish quality, lower costs, and minimal environmental impact. This sets Kingfish apart from many competitors, often in the early stages of development, demonstrated by the Company's ability to scale production sustainably.

Key Market Segments for Land-Based Fish Farms

High-end Restaurants

The restaurant industry accounts for approximately 30% of all seafood consumed globally, where the trend toward sustainability is increasingly evident, particularly in the fine dining sector and among Michelin-starred restaurants. The Michelin Guide has introduced a Sustainability Award alongside its star-rating system, recognizing restaurants that operate sustainably with a "Green Star". Since the introduction in 2021, where 300 restaurants were awarded, the number of Green Star restaurants has grown at a CAGR of 19%, underscoring the rising demand for sustainable food products in this sector.

Kingfish's commitment to producing high-quality, traceable seafood without antibiotics or vaccines aligns perfectly with the values of Michelin-starred restaurants and other high-end establishments that prioritize sustainability. With growing demand for sustainably sourced seafood, Kingfish is well-positioned to expand the customer base in this segment as the Company already has a strong reputation and a large customer base, which provides a solid foundation for future growth.

Retail Market

The retail market of organic and ESG-certified products is projected to grow at a CAGR of 13.9% between 2024 and 2030. As consumers become more environmentally conscious and prioritize health and sustainability, retailers are adapting by expanding their offerings, a trend that is expected to continue. Kingfish is well-positioned to benefit from this shift. As the consumer preference for eco-friendly and health-conscious products continues to rise, Kingfish's commitment to sustainability, high-quality, and ethically farmed seafood gives the Company a competitive edge in capturing a larger share of the growing retail market for sustainable products. Analyst Group expects the Company to leverage the expanding demand and shifting customer preferences through the existing partnerships with established retailers such as Whole Foods, Auchan, Conad, and Mercadona, while also expanding relationships with other major retailers, positioning Kingfish for continued growth.

Investment Potential

Moving into 2025, the strong sales growth of 29% from 2024 is expected to continue, driven by increased sales volumes and sustained momentum. The estimated growth is supported by the expanded production capacity and the completion of key CAPEX investments made in recent years. Analyst Group anticipates that production volumes in 2025 will be sufficient to cover fixed operational costs and sales efforts, enabling Kingfish to focus entirely on scaling production by at least 90% from 2025 onwards, to support the expected growth in sales. This shift is set to drive profitability, a trend already visible in Q1 to Q3 2024, where operational EBITDA per kilogram of fish sold improved significantly from EUR -6.3 to -3.1 compared to the same period in 2023. These improvements were primarily driven by higher sales volumes and a more optimized product mix. Analyst Group projects that Kingfish will achieve positive EBITDA and cash flow by 2025, marking a pivotal milestone where the Company can self-finance operations without relying on external capital. The current burn rate is expected to decline over the next two years as operational profitability improves, covering annual financial costs of approximately EUR 12 million. With a current cash position of EUR 29 million, Analyst Group deems it sufficient until net profitability.

With existing production facilities, Kingfish can increase sales volumes by 90% from the current 2100 tons to 4000 tons annually. Furthermore, the upcoming U.S. facility is set to expand production capacity in tandem with rising market demand in the coming years, adding an additional 8500 tons at most. This expansion is critical for maintaining the Company's sales momentum in the growing U.S. market. Analyst Group expects capacity to be built incrementally over the coming year with construction expected to begin in 2025 or 2026 as the Company strengthens the presence in the U.S. through increased sales and partnerships with retailers, hotels, and high-end restaurants.

Historically, the Company has demonstrated great timing in aligning sales with production capacity, which is expected to continue in the next phase, transitioning from an early-stage, capital-intensive business reliant on rights issues, the Company is now poised to commercialize operations and achieve sustained profitability. With all foundational elements in place, Analyst Group foresees a promising future characterized by significant growth and high potential.

The Company's hatchery program stands out as a key differentiator against competitors. With over a decade of research dedicated to optimizing the Yellowtail Kingfish with RAS technology, the fourth generation of fingerlings comprising of one million juveniles, has demonstrated strong growth rates and resilience. This progress has resulted in higher harvest sizes and improved productivity, underscoring the Company's invaluable efforts in genetic improvement. Analyst Group anticipates that, given the Company's trajectory toward profitability, additional resources can be allocated to this vertical, strengthening

the competitive advantage over competitors trying to enter the market. The Company's extensive database, built over a decade of research, is costly and time-intensive for competitors to replicate. This unique data could also open up new revenue streams in the future, through sales to research institutes or other companies in the industry, further enhancing Kingfish's long-term value proposition.

Value Drivers

Technical improvements – The RAS technology is still in the early stages, offering significant potential for improvements. Innovations in automation and AI are expected to further enhance efficiency and reduce operational costs. These improvements will be particularly impactful for larger facilities, where economies of scale can maximize unit economics and drive profitability. For Kingfish, which operates one of the largest facilities in the sector, these innovations could further strengthen the competitive edge to support long-term profitability.

Stricter regulation and subsidies in EU and U.S. – Aligned with the growing "green trend" and increasing awareness of the environmental challenges associated with conventional fish farms, are expected to further tighten in the coming years. This regulatory shift favors sustainable and environmentally friendly solutions, particularly land-based fish farming, which aligns with these priorities and could significantly increase demand for Kingfish's products, accelerating growth opportunities. Additionally, the industry has benefited from subsidies and federal grants, primarily from the EU, a trend that is likely to continue and potentially intensify depending on the political climate in Brussels and individual member states. Increased political support could attract greater private sector investment, leveraging favorable tailwinds to drive sustainable aquaculture innovations. As a result, Kingfish stands to benefit significantly, gaining additional resources to expand sales and marketing efforts, ultimately driving revenue growth.

To conclude – Analyst Group sees great potential for Kingfish to become a major player in the rapidly growing land-based fish farming industry. As a first mover, the Company has secured a strong customer base across Europe and the U.S., establishing a solid market presence enabling further growth. With expanded production capacity, Kingfish is well-positioned to meet increasing demand, further strengthening the competitive advantage as one of the first companies to successfully commercialize in this sector. Additionally, Kingfish's commitment to sustainability and high-quality products, supported by ESG certifications, aligns with the growing consumer demand for eco-friendly, health-conscious food options, furthering the growth potential. Favorable market trends, operational optimization, and increased production capacity are set to enable Kingfish to achieve operational profitability in 2025, positioning the Company as a prime candidate for long-term success in the land-based fish farming industry.

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