

***SECTION 3: Financial Capacity***

Kingfish Maine, Inc., applicant, is a wholly owned subsidiary of The Kingfish Company. The Kingfish Company is publicly traded on the Oslo Stock Exchange's Merkur Marker (Symbol: KING).

Commencing operations in 2017, the company is currently operating in the European market, and has a positive revenue stream. A statement of financial condition for the current financial period is enclosed in the appendix to this section.

Appended herewith are:

- Financial Statement
- Certificate of Good Standing for Kingfish, Maine, Inc.

***APPENDIX 3A***  
Financial Statements

Attn: To Whom It May Concern

Kats, The Netherlands, February 24<sup>th</sup>, 2021

RE: Financing of The Kingfish Company's facility in Jonesport, Maine

The Kingfish Company N.V. ("TKC") hereafter, through its wholly owned US registered subsidiary Kingfish Maine Inc. ("KFM") is currently in the process of obtaining required permits for a land-based fish farm in Jonesport, Maine.

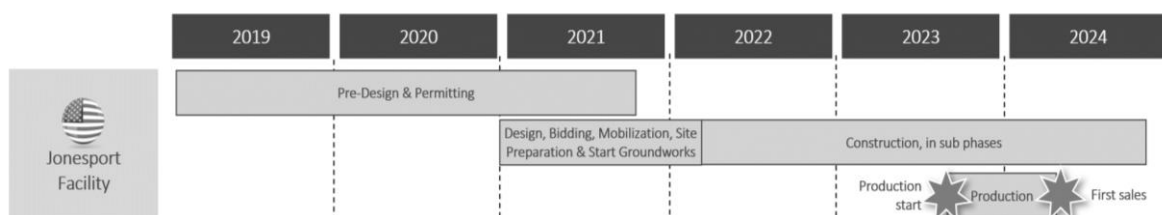
TKC owns and operates a land-based fish farm in the Netherlands and is currently expanding this facility from a 1,250 tons per annum capacity to more than 3,000 tons per annum. In the past year, the company has achieved growth of 678 tons of whole fish from a system designed to produce 520 tons and has proven the design and operation of its systems and chosen fish species (*Seriola lalandi*).

The total possible investment in the Jonesport project is expected to be a minimum of \$110m. This project will include purchase of land, development of infrastructure such as roadworks, water intake, discharge- and treatment infrastructure, wastewater management, a hatchery, 18 production grow-out systems, offices, farm store and night shift and visitor accommodation. The total production volume of the planned facility is projected to be 6,000 to 8,000 metric tons of whole fish per annum.

TKC has been actively planning and developing this project for more than 2 years and invested \$2m to date in permitting and design activities, as well as the addition of 4 full-time staff members based in the US. The project in Jonesport has been highlighted as a flagship development for the group when presenting the future strategy to shareholders, potential investors, and financiers.

Financing of the design & permitting, construction, and commissioning of the Jonesport development will be achieved utilizing a combination of sources of capital, being debt/bond finance, equity capital, and cash flow from existing and future operations. A timeline as well as topline budget allocation is included below. TKC anticipates that over the next year and with the completion of complete design that the budget above will evolve. Our inclusion of this breakdown and the figures presented in this letter serve as an initial assessment to date; prior to construction, TKC understands and intends to submit to the necessary agencies financial arrangements fit to serve the complete final budget. The board of directors of TKC will determine the optimal funding strategy for each of these milestones and ensure that the required capital be available prior to commencement. These sources may change, and a final decision always rests with the board. Investments to date have been sourced from equity but we expect to raise debt, both in the US and in Europe to partially fund future components. The company is already in discussions with several leading banks and lending institutions to secure the required finance prior to construction.

## Project Timeline Overview



<b>Estimated Development Cost Allocation</b>	
Permitting, Design, and Initial Mobilization	3%
Land Acquisition & Legal Expenses	1%
Site Works (including but not limited to site clearing, erosion control, stormwater management, road works, landscaping, disposal)	1.5%
Infrastructure (including but not limited to site power, freshwater and seawater supplies, storage, septic, etc)	12%
Buildings & Equipment	80%
Additional miscellaneous project development costs	2.5%

## **Sources of Development Capital**

### **Equity**

TKC is a listed company, having listed on Euronext Growth in Oslo in November 2020; current market capitalization ranges from \$200M to \$270M USD. It has a history of raising equity from blue-chip investors and industry leaders. In November 2020, the group raised €50m (approx. \$60m) in new equity. The IPO was oversubscribed, and current shareholders took up a significant portion of the new equity on offer.

Oslo is seen as the capitol for aquaculture investments. This can be confirmed by many analysts, including DNB Markets, the lead investment bank in our recent IPO. Our listing in the Euronext Growth in Oslo therefor gives us exposure and access to significant new equity sources. In addition, we have very strong investors that will likely contribute a material amount to future equity raises aimed at the Jonesport development. The aforementioned gives us the confidence needed to proceed with our developments.

### **Debt finance**

Following the recent €50m (\$60m) equity raise there is ample capacity for additional debt in the group. Current debt amounts to less than €11m (\$13,4m). Additional debt can be raised offering European assets worth more than €30m currently and with additional expansions in the Netherlands, more than €75m in 18 months' time, as security.

We are also in talks with several US banks and lending institutions for US debt for the Jonesport project. A letter providing details of such discussions with Rabobank, one of our leading partnerships in the Netherlands, is attached; it details their interest in playing a significant role in financing the Jonesport development. In addition, EKF, the Danish Export Credit Agency ([www.ekf.dk](http://www.ekf.dk)), has shown interest in participation as a state-backed loan guarantor for an approved bank based. A letter of interest from EKF confirms their history and continued willingness to finance land-based aquaculture farms.

### **Cash flow from Operations**

As development components in both the Netherlands and Jonesport Maine reach full run-rate and harvesting, cash flow from operations will be available to partially fund development projects.

### **Shareholders**

To date TKC has raised more than €82,2m (\$100m) in equity from private placements and an IPO and all issues have been fully subscribed. Below is a brief overview of the largest shareholders at the date of this memo.

Investor	Holding	Stake
Credev International S.A.S	12.332.607	18,2%
Rabo Participaties B.V.	9.527.694	14,1%
Terra Mare B.V.	4.600.000	6,8%
Bank Julius Bär & Co. AG	4.410.460	6,5%
Claris BV	3.402.500	5,0%
Noam Kleinfeld	3.169.755	4,7%
PERSHING LLC	2.751.102	4,1%
HDB Beheer B.V.	2.171.331	3,5%
Cibus Enterprises Fund LP	2.083.333	3,1%
Nutreco International B.V.	1.954.958	2,9%
C.J. Kloet Beheer B.V.	1.850.000	2,7%
Itay Young	1.850.000	2,7%
KVERVA FINANS AS	1.822.917	2,7%
Silver Oak Investments Holding C.V	1.645.328	2,4%
JPMorgan Chase Bank, N.A., London	1.335.077	2,0%

### **Credev International S.A.S**

Launched in 2002, Credev is an evergreen investment company operating worldwide, supporting companies able to scale-up and become global best players in their sector. To make this happen, they believe that the shareholder's timing should match with the entrepreneur's vision, up to an unlimited amount of time. Credev is backed by the Mulliez family, who share their global footprint network and their entrepreneurial spirit.

The Mulliez family's business is an autonomous federation of over 200 companies, which employ about 600,000 people in more than 35 countries. Leading businesses include Auchan Retail, Decathlon, ADEO, Leroy Merlin, Boulanger & Flunch.

### **Rabo Participaties B.V.**

Rabo Participaties is an investment holding company in the Rabobank group, a leading Dutch banking group with interests world-wide.

### **Nutreco International B.V**

Nutreco N.V. is a Dutch producer of animal nutrition, fish feed and processed meat products. It operates about 100 production facilities in more than 30 countries, and eight research centers.

### **Management**

Terra Mare B.V., HDB Beheer B.V. and C.J. Kloet Beheer B.V are all owned by founders / management ensuring alignment between the interests of shareholders and key management.

### **Share issues to date**

Below is a summary of the share issues completed by TKC to date, showing increases in size and issue price in each consecutive issue.

	Number of Shares	Issue price	Capital raised
Initial private placement - 2016	24.583.363	€ 0,47	€ 11.609.141
Shareholder loans converted to equity	3.881.598	€ 0,95	€ 3.689.459
Share issue - December 2019	13.233.234	€ 1,28	€ 16.922.661
IPO - November 2020	26.042.000	€ 1,92	€ 50.000.000
<b>Total</b>	<b>67.740.195</b>		<b>€ 82.221.261</b>


### Conclusion

The management of TKC firmly believes that the required funding to execute the Jonesport development is available and will be sourced as needed, subject to obtaining critical permits and finalizing complete design and budget. The company is going ahead with design for construction activities in preparation for a start of construction as soon as possible. TKC will provide finalized financial arrangement as it becomes available and prior to start of construction.

TKC has a proud track record of executing on projects, both on-time and within budget, and then exceeding design capacity in actual production in these projects. This record gives shareholders, potential investors and financiers the confidence to allocate additional capital to future expansions such as the Jonesport project.

For further details or information, please contact Ohad Maiman, CEO (Tel +31 683 57 12 70, email : [o.maiman@kingfish-zeeland.com](mailto:o.maiman@kingfish-zeeland.com)) or Christo du Plessis, CFO (Tel +31 645 48 13 62, email: [c.duplessis@kingfish-zeeland.com](mailto:c.duplessis@kingfish-zeeland.com)).

Yours,

DocuSigned by:  
  
 961AB4C6942F4C6...

Ohad Maiman  
 Chief Executive Officer  
 The Kingfish Company N.V.

DocuSigned by:  
  
 5A0839CB3EA242E...

Christo du Plessis  
 Chief Financial Officer  
 The Kingfish Company N.V.

# Letter of Intent



The Kingfish Company N.V.  
Attn. Christo du Plessis  
Oost-Zeedijk 13  
4485 PM Kats  
The Netherlands

Visiting address Croeselaan 18  
3521CB Utrecht

Email [gijs.van.der.wolf@rabobank.com](mailto:gijs.van.der.wolf@rabobank.com),  
[martin.van.hulst@rabobank.com](mailto:martin.van.hulst@rabobank.com)

Website [www.rabobank.com](http://www.rabobank.com)

Our reference GW/MH  
Date 10 March 2021

Letter of Intent ('LOI') to support The Kingfish Company in the construction of a land-based yellowtail farming facility in Maine (US).

Dear Mr. Du Plessis,

We refer to our communication during recent months regarding the planned development of a site in Maine (US) (the "Project"). To be more specific, from where The Kingfish Company aims to sell its product into the US market. Based on our longstanding relationship and the company's track record in the Netherlands, Rabobank has formed a positive view of both the management of The Kingfish Company. And of the strategic rationale behind the planned construction of the environmentally friendly, sustainable RAS yellowtail kingfish farming facilities located in Jonesport Maine, US. Rabobank acknowledges the rapid market developments for RAS produced yellowtail, the use of Billund RAS technology and the sustainable and green aspects associated with the Project.

We understand that the first phase of the Project entails the construction of a facility with a production capacity of 6,000-8,000 tons. The construction is expected to commence by the end of 2021 (subject to permitting), with first sales projected in 2023. Total capital expenditure for this first phase has been estimated by you to amount to approximately USD 110 million. A significant portion of this investment will have to be financed by equity. The successful private placement and subsequent listing on Euronext Growth (Oslo Stock Exchange) in November 2020 has given The Kingfish Company a venue to raise additional equity. For the remaining portion of the capital expenditure for the Project your wish is to attract long term debt financing (exact amount to be determined). As indicated in our preliminary discussions, Rabobank is keen to explore the different types of debt financing with you and identify those options that would be most suitable for the Project. Based on our conversations thus far, and subject to sufficient equity financing being in place, Rabobank is interested in further exploring this financing opportunity with you.

As you know, Rabobank is a cooperative bank with strong presence in the Netherlands and sizable international banking operations, amongst others in the US. Our focus is on the international Food and Agriculture sector and we are acknowledged for our expertise in this sector. With a team of seafood sector specialists, we have a broad and deep understanding of this market in general and the salmon industry specifically. Of our USD 136 billion in commitments outside of the Netherlands, USD 70 billion is dedicated to food and agriculture and around 35% of our international operations take place in North America.

This LOI is for discussion purposes only and does not constitute, and may not be construed as constituting a commitment or an offer to commit to any transaction or financing by Coöperatieve Rabobank U.A. ("Rabobank"), The Netherlands. The entering into of such a commitment or making such an offer is, inter alia, subject to internal credit approval, the satisfactory completion of due diligence, execution of legal documentation acceptable to Rabobank. This letter is provided on a confidential basis for the sole purpose of the company's permit application process in the US and may not be disclosed to any third party without the prior written consent of Rabobank.

This letter and any matter arising under or in connection with it shall be exclusively governed by the laws of The Netherlands. The district court of Amsterdam shall have exclusive jurisdiction to decide on any dispute which may arise out of or in connection herewith.

Should you have any questions regarding this letter, please feel free to contact us, Gijs van der Wolf (+31 6 1090 5044) or Martin van Hulst (+31 6 2918 6147) at any time. We look forward to working with you on this transaction.

Yours sincerely,

Rabobank



Gijs van der Wolf  
Executive Director – Client Coverage F&A



Martin van Hulst  
Director – Loan Products Group F&A



***APPENDIX 3B***  
Corporate Good Standing Certificates



**Corporate Name Search**

## Information Summary

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Legal Name	Charter Number	Filing Type	Status
KINGFISH MAINE INC.	20200418 F	BUSINESS CORPORATION (FOREIGN)	GOOD STANDING

Filing Date	Expiration Date	Jurisdiction
12/13/2019	N/A	DELAWARE

**Other Names** (A=Assumed ; F=Former)

NONE

### Clerk/Registered Agent

ANTHONY E. PERKINS, ESQ.  
C/O BERNSTEIN SHUR  
P.O. BOX 9729  
PORTLAND, ME 04104 5029

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# State of Maine



## Department of the Secretary of State

*I, the Secretary of State of Maine, certify that according to the provisions of the Constitution and Laws of the State of Maine, the Department of the Secretary of State is the legal custodian of the Great Seal of the State of Maine which is hereunto affixed and of the reports of qualification of foreign business corporations in this State and annual reports filed by the same.*

*I further certify that KINGFISH MAINE INC., a DELAWARE corporation, is a duly qualified foreign business corporation under the laws of the State of Maine and that the application for authority to transact business in this State was filed on December 13, 2019.*

*I further certify that said foreign business corporation has filed annual reports due to this Department, and that no action is now pending by or on behalf of the State of Maine to forfeit the authority to transact business in this State and that according to the records in the Department of the Secretary of State, said foreign business corporation is a legally existing business corporation in good standing under the laws of the State of Maine at the present time.*

*In testimony whereof*, I have caused the Great Seal of the State of Maine to be hereunto affixed. Given under my hand at Augusta, Maine, this fifteenth day of June 2020.

A handwritten signature in black ink, appearing to read 'Matthew Dunlap', written over a horizontal line.

Matthew Dunlap  
Secretary of State