

The background of the entire page is a photograph of two fish resting on a white, textured surface, likely ice. One fish is on the left, showing its side and scales, while the other is on the right, showing its tail and scales. The lighting is soft, highlighting the texture of the fish and the surface.

FIFAX

Better fish for the world.

FINANCIAL STATEMENTS RELEASE
1.1.2021 - 31.12.2021

Fifax Plc's Financial Statements Release January – December 2021 (unaudited)

Company release 16 February 2021, 9.00

Fifax work on scaling operations continued despite challenges in the spring, targets remain unchanged

Significant events January – December 2021

The figures in parentheses represent the corresponding comparison period in 2020.

- Revenue for the financial year 2021 amounted to EUR 1.0 million (EUR 1.2 million)
- Volume delivered amounted to 288 tonnes of gutted rainbow trout for the financial year 2021 (314 tonnes)
- Operating loss for the period was EUR 9.8 million for the financial year 2021 (loss EUR 7.3 million), impacted by one-off costs related to an incident in production of EUR 0.9 million.
- Loss for the financial year was EUR -13.7 million (loss EUR 8.4 million), impacted by one-off costs related to the listing of EUR 2,1 million.
- In October, Fifax was listed on the Nasdaq First North Growth Market. The company raised a total of EUR 15.4 million in new capital with the initial public offering, in connection to which loans and interest of EUR 17.1 million was converted. The company's equity was in total strengthened by EUR 32.5 million euros.
- In May there was an incident that led to a loss of about 40% of the fish stock due to a delay in the delivery of oxygen caused by weaknesses in planning and logistics. The incident was not related to Fifax farming process.
- The biomass of fish amounted to 315 tonnes as of December 31, 2021. In addition, Fifax has, according to suppliers' estimates, an estimated 120 tonnes of fish as of December 31, 2021, that is reserved to be delivered during 2022.
- In November we surpassed cumulatively 1 million kilogrammes of delivered gutted fish since the start of our operation.
- During the end of 2021 Fifax Eckerö facilities underwent the ASC-auditing process.
- The company has started negotiations for the refinancing of maturing loans and additional debt financing for the planned expansion.

CEO's review

Fifax's vision is to be a pioneer in terms of large-scale, land-based aquaculture that is environmentally responsible and sustainable. While we continue to increase the proportion of fish in our diets, the overall global fish catch is declining. At the same time, conventional aquaculture methods are becoming less viable due to increasing environmental risks. Finland and Sweden are currently dependent on imports to satisfy our demand for fish. Fifax mission is therefore to deliver fresh, healthy, and sustainably farmed fish all year round and to steadily increase volumes by meeting our goals for strategic growth.

Fifax's Eckerö facility was completed in early 2020. With a technical capacity of 3,200 tonnes of fish per year, the facility is one of the largest of its kind in the world. In the spring of 2021, we were close to achieving full fish stock in two of our three grow-out units, which is a testament to the viability of the technology used in the facility and further evidence that our expansion plans are based on a solid technical foundation.

In October, we completed the process of listing the company's shares on the Nasdaq First North Growth Market in Helsinki. The listing marks a major milestone in the implementation of our growth strategy. The company would like to welcome our new shareholders as we move forward together on our journey towards a more sustainable world.

In the spring of 2021, we ramped up our deliveries, and our sustainably raised fish reached the plates of more and more consumers. At the end of May, the company experienced a significant setback when an interruption in the oxygen supply led to a large loss of the fish stock at our facility. Thanks to the efforts of our staff, we managed to save most of our fish stock, but the incident unfortunately resulted in a delay in the goal to reach full production. However, the reasons causing the incident lies outside of the fish farming operations and the farming process continues to function well. Deliveries were also interrupted for part of the summer but resumed again in the autumn and have thereafter continued uninterrupted. Our delivery volumes were significantly impacted by the loss of fish stock, which is reflected in our total sales, which amounted to a total of EUR 1.0 million for the year.

In November we passed the milestone of having delivered 1 million kilogrammes of gutted fish cumulatively from the start of our operations. We are now continuing to increase our fish stock and we accelerate the process through our smolt purchasing programme in order to compensate for losses caused by the incident. With our high ambitions in terms of sustainability, we are uniquely positioned in the aquaculture sector with our ultra-intensive RAS implementation, which results in minimal nitrogen and phosphorus emissions.

During the last months of the year, we were also the first aquaculture operation in Finland to complete the auditing process for ASC, and we are currently awaiting the final decisions completing the certification process. ASC is the world's leading certificate for farmed fish, and is well known among the consumers.

Fifax operative priority at present is to ramp up our fish stock and production. The planned expansion constitutes a central element of our growth strategy and is prepared in parallel and will be increasingly in focus for our work during the second half of 2022.

I would also like to extend my sincerest gratitude to all of our staff for their hard work during an intense and eventful year. Together, we laid a strong foundation for continued execution of our growth strategy and work on delivering better fish for the world.

Key Figures

	7-12/2021 ¹	7-12/2020 ¹	12.2021 ¹	12.2020
FINANCIAL KEY FIGURES				
EUR thousand				
Revenue	369	266	1 004	1 242
Operating results	-4 637	-3 767	-9 822	-7 290
Result for the financial period	-6 717	-4 576	-13 687	-8 395
Earnings per share, undiluted and diluted (EUR) ²	-0,39	-0,39	-0,94	-0,71
Cash flow from operations	-5 034	-7 199	-9 627	-6 904
Investments	-575	48	-963	-557
Equity ratio %	75 %	19 %	75 %	19 %
Average full-time employee no	29	24	28	23
Salaries and compensations total	-993	-629	-1875	-1381
Balance sheet total	31 223	27 202	31 223	27 202
Number of outstanding shares at the end of the period ³	25 756 168	11 851 507	25 756 168	11 851 507
Average number of outstanding shares during the period ^{3,4}	17 292 461	11 851 507	14 594 344	11 819 726
OPERATIONAL KEY FIGURES				
Biomass at the beginning of the period, tonnes	268	328	413	488
Biomass at the end of the period, tonnes	315	413	315	413
Produced fish, HOG tonnes	113	87	288	314

¹Unaudited

²There are no dilutive instruments as at 31.12.2021 and therefore the earnings per share diluted and undiluted is the same.

³Adjusted according to the decision of the Annual General Meeting held on 10 May 2021, registered on 11 May 2021, to redeem and cancel 47,406,260 shares without consideration.

⁴The number of outstanding shares at the end of the period and the calculation of the average number of outstanding shares during the period is adjusted by the number of shares 150,000 that the company holds.

Calculation of key figures:

Earnings per share, undiluted (EUR) = Net result for the financial period/Weighted average number of outstanding shares during the period

Earnings per share, diluted (EUR) = Net result for the financial period/Weighted average number of outstanding shares during the period including (+) the number of potentially diluting shares

Investments = investments into tangible and intangible assets as in the cash flow statement

Equity ratio % = (equity + equity-termed capital loans) / (total assets - prepayments received)

Future outlook

Fifax grows and sells organically farmed, sustainable, and nutritious rainbow trout using a unique system based on RAS technology (Recirculating Aquaculture System). The management concludes that the global megatrends embracing a healthier diet and reduced consumption of red meat, increasing the demand for locally produced food, and the increasing environmental awareness will strongly drive the demand for fish in general, and the demand for sustainably farmed fish in particular, as consumers increasingly pay attention to the sustainability of production of animal proteins and the environmental impact of conventional aquaculture methods.

Fifax focuses primarily on the Finnish and Swedish markets. Demand for fish in Finland has doubled since the 1980s. However, the supply of fish is strongly dependent on imports, which accounted for 81% of all fish consumed in Finland in 2018¹ and approximately 72% in Sweden² in 2017. Furthermore, consumers in both countries are to an increasing extent demanding more domestic and locally produced food³. The domestic fish supply primarily rely on wild caught and farmed fish (mainly rainbow trout), which is raised using conventional aquaculture methods in sea cages. Both sources are strongly affected by changes in season and temperature. The protected and stable environment that RAS aquaculture provides allows Fifax to continuously offer fish year-round, which the management sees as a strong competitive advantage. In an RAS facility the growing environment is also protected from pollutants and diseases that might occur in the ocean, it therefore provides a safe environment for the fish and ultimately healthy food for the consumers.

The demand for sustainably farmed, locally produced fish is strong, and Fifax's customers have, despite the challenges in fulfilling orders following the incident in May, welcomed the deliveries of all fish produced.

Objectives

Financial and operational objectives:

SHORT-TERM (2022)

- Fish stock at full capacity (900 tonnes), and full production output level equivalent to an annual production of approximately 3,200 tonnes/year, in the first half of 2022.
- Construction of the expansion of the Eckerö production facility expected to begin in 2022

¹ Source: Luonnonvarakeskus (Luke or the Natural Resources Institute Finland) – Luken meri- ja sisävesien ammattikalastusta, vesiviljelyn tuotantoa, kalan jalostusta ja ulkomaankauppaa koskevat tilastot.

² Research Institutes of Sweden (RISE), 2017

³ Kantar TNS Agri (2019). n=1014

MID-TERM TARGETS (BY THE END OF 2026)

- Expansion of the Eckerö production facility in full operation
- Revenue EUR 50 million
- EBITDA 25 percent of revenue
- Establishing business operations that commercially capitalize on accumulated know-how concerning RAS technology and projects

LONG-TERM TARGETS (BY THE END OF 2030)

- Continue the expansion of the Company's operations through construction of new facilities.
- Significant revenues from business operations that commercially capitalize on accumulated know-how
- Revenue exceeds EUR 100 million
- EBITDA exceeds 25 percent of revenues

Targets above were included in the prospectus in connection to the First North listing. The targets remain unchanged.

Strategy

Fifax's vision is to be a forerunner in large-scale sustainable fish farming with minimal impact on the environment. Consumer awareness of the environmental impact of food choices is growing, which is increasing the demand for sustainably produced goods. This trend is particularly pronounced in the consumer markets in the Baltic Region, which is the main area that Fifax targets.

The Baltic Sea is a relatively enclosed and shallow sea area, which makes it extremely sensitive, eutrophication is a problem, especially in the archipelago and in shallow coastal waters. In Fifax ultra intensive implementation of recirculating aquaculture technology (RAS: Recirculating Aquaculture System) up to 99,7% of the water used in the process is purified and recirculated. Phosphorus, nitrogen, and other by-products generated during aquaculture are thus collected and separated and therefore the process prevents eutrophication (excess nutrient build-up in the sea), compared with sea-based aquaculture operations. The protected habitat offered by our land-based facility also facilitates an environment that is healthy and optimal for growth and allows fish to grow year-round.

The company continues to build its fish stock while sales operations remain in the early stages. During the ramp-up phase, the company have produced HOG fish (Head-On-Gutted) for

delivery to its customers, who further processed and distributed the fish to grocery chains and actors within HoReCa⁴ and further to end consumers.

The company now intends to increase the value of its products by processing its farmed fish into consumer products and by investing in sales and marketing. The purpose is to build an effective distribution channel for the products and to develop the company's own brand in order to raise awareness of the company and its products among customers and end consumers.

Land-based aquaculture operations that are based on RAS technology are a growing trend globally. Fifax is one of the pioneers of the industry and has built up valuable in-house expertise from establishing, continuously operating and maintaining an RAS facility. Once the current production facility reaches full capacity, the company plans to expand operations by investing in additional capacity. The expansion also offers certain operational economies of scale. The company also plans to commercialise its expertise in recirculation technologies and operation of RAS facilities on the international market.

Sustainability is a central part of the company's strategy, which is also reflected in the approach to energy use and the use of side streams. All electricity used in the facility is coming from renewable wind power, and the company works continuously to optimise its energy consumption. The nutrient-rich by-products resulting from production, which mainly consist of sludge, fish trimmings and fish that have died before slaughter, are currently used as feed and fertiliser. Fifax continues to study options to refine side flows into more value adding uses.

Fifax has recently completed the audit process for the ASC (Aquaculture Stewardship Council) certification for sustainable practices in aquaculture and it expects to receive certification in the near future. The company strongly believes that the ASC certification will strengthen the competitiveness of its products. ASC is an independent, international non-profit organisation founded by the World Wildlife Fund (WWF) and the Sustainable Trade Initiative (IDH), that is responsible for the leading certification and labelling program for the aquaculture industry. ASC's standards impose high demands on environmental responsibility and social responsibility, and its label is widely recognised in the market.

Operational review

The company has continued to build up its fish stock and optimise its aquaculture operations during the year. For example, the company has made investments to improve water quality, oxygen supply and oxygen security, purge capacity and cooling systems in addition to enhanced operational routines.

The company saw strong growth in its fish stock at the beginning of the year, which was also supplemented through the company's smolt purchasing programme. In May, however, the facility suffered a loss of about 40% of the fish stock due to a delay in the delivery of oxygen.

⁴ HoReCa referring to the Hotel, Restaurant and Catering category

The fish stock had grown from 413 tonnes to 634 tonnes from the beginning of the year and was 593 tonnes just before the incident. At the end of June, the fish stock was 260 tonnes, and at the end of December, it was 315 tonnes. In addition, Fifax had, according to suppliers' estimates, an estimated 120 tonnes of fish at the end of December, that is reserved to be delivered during 2022.

The company has investigated the causes of the incident and corrective measures have been taken to prevent the recurrence of a similar incident. The incident did not relate to Fifax farming process but was caused by weaknesses in the planning and logistics of oxygen deliveries. After the incident a number of measures have been taken to strengthen systems and routines for monitoring oxygen levels and the collaboration with the oxygen supplier. A number of improvements have also been made to the facility's oxygen system, which increase capacity and operational reliability.

The incident did not affect the facility equally throughout but affected certain growing tanks and therefore fish of particular sizes, which led to an uneven size distribution of fish in the fish stock. Stable and continuous production of fish requires an even distribution of fish of different sizes.

In order to recover the lost fish and accelerate the recovery and growth of the fish stock a fish purchasing programme is planned to complete the fish stock in addition to own smolt production. An IHN virus outbreak during the autumn affecting some farms in Denmark led to a complete halt in the export of live fish and fish products from Denmark. Even though Fifax's supplier was not directly impacted by the virus, planned deliveries to Fifax were postponed. The export ban was lifted for Fifax's supplier in January of 2022, and the first deliveries were received in February.

At the beginning of 2021 delivery volumes were gradually increased and continued until the end of June, when they were suspended due to a shortage of full-size fish, following the oxygen supply incident. Deliveries were resumed again in September, and Fifax has since continued to deliver all fish that have reached a suitable size for slaughter each month.

The demand for fish in the domestic market continues to develop positively. The market underwent a period of stabilisation after the market uncertainty that characterised the previous year, which was due to the coronavirus pandemic. Key players in the market have increased their strategic focus on domestic fish. An outbreak of the IHN virus in a few aquaculture areas around Åland had an impact on the amount of farmed fish available for slaughter at the end of the year, which also highlighted the elevated risks associated with conventional aquaculture methods.

The company completed the ASC certification process at the end of the year and is now awaiting a final decision on certification, which it expects to receive soon. The process helped the company refine its own documentation procedures and to make additional improvements to sustainability and safety processes, as well as staff competence development.

During the year, the subsidiary Fifax Fastighets Ab has been registered on 31 August 2021 (business registration number: 3223039-6) to which ownership of the real estate properties are intended to be transferred.

Revenue and results

During the year, the company delivered 288 tonnes of head-on gutted rainbow trout. Revenue amounted to EUR 1.0 million (EUR 0.4 million 1 July – 31 December 2021 and EUR 1.2 million 1 January – 31 December 2020).

The direct costs amounted to EUR 5.1 million (EUR 1.9 million 1 July – 31 December 2021 and EUR 3.7 million 1 January – 31 December 2020) and were attributable mainly to the purchase of smolt, feed and oxygen, chemicals and electricity required for the production environment. The effect on inventory due to the loss of fish at the end of May and other direct costs in connection with the incident are included in direct costs and amount to EUR 0.9 million. Other operating income includes EUR 0.5 million in insurance compensation for the accident.

Payroll and other operating costs amounted to EUR 4.7 million (EUR 2.4 million 1 July – 31 December 2021 and EUR 3.7 million 1 January – 31 December 2020) and increased moderately in relation to the development of operations. Depreciation according to plan amounted to EUR 1.6 million (EUR 0.8 million 1 July – 31 December 2021 and EUR 1.2 million 1 January – 31 December 2020).

As the company is still growing its fish stock to full scale and increasing delivery capacity, and by extension, its sales, costs exceeded revenues and operations resulted in a loss for the year. Operating loss amounted to EUR -9.8 million (EUR -4.6 million 1 July – 31 December 2021 and EUR -7.3 million 1 January – 31 December 2020).

Cash flow from current operations amounted to EUR -9.6 million (EUR -5.0 million 1 July – 31 December 2021 and EUR -6.9 million 1 January – 31 December 2020).

Financial costs in the period 1 January – 31 December 2021 include costs attributable to the listing on Nasdaq First North that amount to EUR 2.1 million.

Balance sheet, financing, and investments

Investments amounted to EUR 1.0 million (EUR 0.6 million 1 July – 31 December 2021 and EUR 0.6 million 1 January – 31 December 2020). Fixed assets amounted to EUR 19.6 million (EUR 20.2 million on 31 December 2020). Inventory has decreased as a result of the incident in May and amounted to EUR 1.1 million (EUR 1.3 million on 31 December 2020). Cash and cash equivalents amounted to EUR 9.4 million (EUR 5.2 million on 31 December 2020).

In May, the company renegotiated the payment terms of loans from financial institutions amounting to EUR 5.9 million on 31 December 2021, the loan capital matures in its entirety within 12 months. In May, the company raised EUR 1.0 million in loans from owners and EUR 1.0 million in loans from financial institutions. The loans were repaid in connection with the listing on Nasdaq First North Growth Market. In June and September, the company raised 3.7 million in equity termed loans to supplement the company's equity; the loans have been converted in their entirety to non-restricted equity in connection with the First North listing.

The company raised a total of EUR 15.4 million in new capital through the initial public offering, in the public issue and the employee share issue. In the directed share issue, convertible loans and accrued interest amounting to EUR 17.1 million were converted.

On 31 December 2021, equity amounted to EUR 23.3 million (EUR 4.9 million on 31 December 2020). Liabilities amounted to EUR 7.9 million (EUR 22.4 million on 31 December 2020), including EUR 5.9 million loans from financial institutions, of which EUR 5.9 million falls due for payment by 30 September 2022.

The balance sheet total amounted to EUR 31.2 million (EUR 27.2 million on 31 December 2020).

Going concern and financing

The company's management team has prepared a financial forecast including sales, costs, and investment needs for the next 12-month period. The forecast is based on the assumption that Fifax will maintain its current level of operations and focus on measures to further develop the production process, achieving full capacity utilisation and sales reaching a commercial level. These measures will require additional investments to further optimise the production process and purchase smolts, as well as feed for the increased fish stock.

Fifax management team has assessed the assumption of the company's ability to continue its operations as a going concern in the foreseeable future. During the early part of the 2022 financial period, the company has further developed its production process, taken measures to increase efficiency, and made additional investments in smolts to even out the production of ready-to-slaughter fish stocks. In addition, the company is increasing its sales to key wholesalers, fish processors and retail chains.

However, due in part to the incident in May, the company's result during the financial period ending 31 December 2021 was a loss of EUR 13.7 million, while equity was a total of EUR 23.3 million. Cash flow from operating activities for the financial period was negative EUR 9.6 million, and cash flow from investment activities was a total of EUR 1.0 million. The company's current liabilities at the end of the financial period totalled EUR 7.9 million. Current receivables, including cash and cash equivalents, totalled EUR 11.6 million.

During the financial period, the company has secured its continued operations and going concern by taking the following measures:

- In May, the company renegotiated the payment terms of loans from financial institutions amounting to EUR 5.9 million on 31 December 2021; the loan capital matures in its entirety within 12 months.
- In May, the company raised EUR 1.0 million in loans from the company's owners and EUR 1.0 million in loans from financial institutions; the loans were repaid in connection with the listing on Nasdaq First North.
- In June and September, the company raised 3.7 million in loans with equity terms to supplement the company's equity; the loans have been converted in connection with the listing on Nasdaq First North.

- In October, the company raised a total of EUR 15.4 million in cash and cash equivalents through the listing on Nasdaq First North; and converted convertible loans and interest of EUR 17.1 million, which significantly strengthened the company's equity ratio.

At the close of the financial period, the company's current cash and cash equivalents of EUR 9.4 million will not be sufficient to finance the current operations and to pay its loans from credit institutions (EUR 5.9 million) for which the last instalment is due at the end of September 2022.

The management team has initiated negotiations with current and potential new lenders and financiers and notes that there is significant interest in the company's operations, particularly since they fall within the framework of sustainable development. With the public offering in 2021, the company also has a better equity position (increased equity of EUR 32.5 million) when entering into these negotiations. Management therefore concludes that the company is well positioned to secure the financing it needs to implement its plans for the operation in the beginning of 2022.

Given the fact that the company's sales have not yet reached a commercial level for an extended period and that at the time of publishing of this financial statement release, no binding commitments have been obtained for additional financing, these events and circumstances taken together with other information mentioned above can represent material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

The Nasdaq First North listing

In October, Fifax was listed on Nasdaq First North Growth Market Finland. The listing marks an important milestone in the implementation of our growth strategy and creates increased opportunities for Fifax's sustainably farmed fish to reach more households. Preparations for the listing were made at the beginning of the year when the company was changed to a public limited company and a resolution of the General Meeting authorised the board to move forward with the process.

In May, the Extraordinary General Meeting resolved to change the company form to a public limited company, to change the company's name to Fifax Abp (parallel company in Finnish Fifax Oyj and in English Fifax Plc), to change the articles of association to meet the requirements of Nasdaq First North, to increase the company's share capital to EUR 80,000 through a transfer from the non-restricted equity fund and to authorise the board to make a resolution on the share issue and make other resolutions in relation to the company's listing on Nasdaq First North.

In September, Fifax announced the planned Nasdaq First North listing and listing on Nasdaq First North Growth Market Finland. The company's prospectus was approved by the Finnish Financial Supervisory Authority and was published at the end of September. The cornerstone investors were Aurator Asset Management Ltd, FV Group AB, Holdix Oy Ab, Oy Etrisk Ab, Finnish Industry Investment Ltd, Special Investment Fund Säästöpankki Ympäristö (Säästöpankki Ympäristö - erikoissijoitusrahasto), Turret Oy Ab and Ålands Ömsesidiga Försäkringsbolag. The share issue and listing were completed in October and trading in the company's shares began on 25 October 2021.

Fifax raised a total of EUR 15.4 million in new capital in connection with the initial public offering and the employee share issue. The public issue amounted to 6,005,684 shares at an issue price of EUR 2.55 per share; the employee share issue amounted to 44,316 shares at an issue price of EUR 2.30 per share, which amounted to a total of 6,050,000 shares issued. An additional 8,004,661 shares were issued in connection with the listing to holders of convertible notes. The notes that were converted amounted to EUR 16.1 million and accrued interest on the notes of EUR 1.0 million. Financial costs attributable to the Nasdaq First North listing amounted to EUR 2.1 million.

The funds raised from the Nasdaq First North listing position Fifax to accelerate its growth strategy for the existing facility and to initiate the expansion of its production capacity for rainbow trout.

The company's shares, share capital and shareholders

On 10 May 2021, the Annual General Meeting resolved to redeem and cancel 47,406,260 shares without consideration in relation to holdings. After cancellation, the number of shares was 11,851,507.

On 21 May 2021, the Extraordinary General Meeting resolved to change the company form to a public limited company, to change the company's name to Fifax Abp (the parallel company in Finnish is Fifax Oyj and in English Fifax Plc) and to change the articles of association to comply with the requirements for companies listed on Nasdaq First North (including the removal of the redemption clause in the Articles of Association, conditional on the company's listing on Nasdaq First North). Through the execution of a transfer from the non-restricted equity fund, the company's share capital was increased to EUR 80,000.

A resolution was passed authorising the Board to decide on the share issue, including a directed share issue open to the public, institutional investors, and the company's employees and management for a total of no more than 17,000,000 shares in connection with a Nasdaq First North listing (the initial public offering). As part of the initial public offering, shares can be offered to employees and management at a lower subscription price than the price offered to other investors. As per the resolution, the Board's authorisation will remain valid until the next Annual General Meeting, however, no longer than 21 November 2022. The authorisation also includes other decisions related to carry out the Nasdaq First North listing.

At the Extraordinary General Meeting on 17 September 2021, the Board was granted authorisation to decide on the acquisition of a maximum of 3,000,000 of the company's own shares, of which 150,000 shares have been acquired in stabilisation measures in connection to the listing (at the IPO price of EUR 2.55 per share). At any given time, the company may hold no more than 10% of the shares. The authorisation remains valid until the close of the next Annual General Meeting, but no longer than 21 November 2022.

Through a resolution at the Extraordinary General Meeting on 17 September 2021, the board was authorised to issue shares and issue special rights in accordance with section 10 (1) of the Companies Act (including options) on one or more occasions. The total number of shares that can be issued with the authorisation granted to the board is 3,000,000 shares. The

authorisation applies to the distribution of new and existing shares in the company's holdings and also includes a directed share issue. The authorisation remains valid until the close of the next Annual General Meeting, but no longer than 21 November 2022.

Through a resolution at the Extraordinary General Meeting on 21 May 2021, the board was authorised to decide on a share issue to holders of convertible loans amounting to a maximum of 7,000,000 shares, and at the Extraordinary General Meeting on 17 September 2021, an additional issue of no more than 2,500,000 shares. A total of 8,004,661 shares were issued in a directed share issue to holders of convertible loans in connection with the company's Nasdaq First North listing, which was carried out by a resolution of the company's board on 15 October 2021. In connection with the issue, the Board's authorisation to issue a maximum of 7,000,000 shares was exercised in its entirety, and the authorisation to issue a maximum of 2,500,000 shares was exercised for 1,004,661 shares. The remaining authorisation is valid until the close of the next Annual General Meeting, but no longer than 21 November 2022.

A total of 14,054,661 shares were issued in connection with the Nasdaq First North listing, of which 6,005,684 were issued in the directed share issue, 44,316 in the employee issue and 8,004,661 shares in a directed share issue when converting capital and bonds. Through authorisation granted in a resolution at the General Meeting, the board approved the issue subscriptions at the Board meeting on 15 October 2021. The shares were listed on Nasdaq Helsinki First North Growth Market Finland and trading in the company's shares commenced on 25 October 2021.

On 31 December 2021, Fifax had 25,906,168 shares with 1,182 shareholders, including shareholders registered in the name of a nominee or trustee. The company's shares are registered in the Finnish book entry system. Information on shareholders is based on information from Euroclear Finland Oy. The largest shareholders are presented on the company's website www.fifax.ax.

On 31 December 2021, the CEO, and the members of the board, either directly or through companies under their control, held a total of 5,386,976 shares in Fifax (20.8% of all shares and votes).

Personnel and management

The Extraordinary General Meeting on 26 February 2021 elected Panu Routila and Robin Blomqvist as new board members. Eduard Paulig, Ulf Toivonen, and Rolf Karlsson remained regular board members. Pentti Kulmala, Bo-Sture Sjölund, and Björn Geelnard resigned from their regular roles on the board. Samppa Ruohtula also exited the role of deputy board member. Panu Routila was elected as the new Chairman of the Board at the Board meeting on 1 March 2021.

The company's CEO is Samppa Ruohtula.

On 1 February 2021, Niclas Jansson, Production Manager, was appointed to the company's management team. Niclas is responsible for management of the production facility and customer deliveries. On 17 May 2021, Linda Lindroos, CFO, was also appointed to the management team.

The company had an average of 29 (23) employees, calculated as full-time equivalents (FTE) in 2021.

Related party transactions

Fifax's closely related parties include the company's board members, the CEO, and members of the management team, as well as family members of the aforementioned parties and the companies in which these individuals hold decision-making rights.

The company has purchased services from companies associated with related parties and has accrued interest costs on loans from the group of related parties. The company's purchases from related parties amounted to EUR 200 thousand from January through December 2021 (EUR 211 thousand January through December 2020), of which EUR 14 thousand for the period July through December 2021 (EUR 114 thousand July through December 2020). Accounts payable attributable to related parties amounted to EUR 0 on 31 December 2021 and EUR 33 thousand on 31 December 2020. Interest has accrued on loans from related parties in the amount of EUR 219 thousand from January through December 2021 (EUR 148 thousand January through December 2020), of which EUR 83 thousand accrued during the period July through December 2021 (EUR 143 thousand July through December 2020). Loan capital and accrued interest on loans from related parties was EUR 2,754 thousand on 31 December 2020 and EUR 37 thousand, respectively; these amounts have been converted in connection with the public offering, and there was no accrued interest to related parties on the balance sheet as at 31 December 2021.

Risks and uncertainties

The most significant source of uncertainty continues to be the access to working capital until full, sustained production and profitability are achieved. Additional financing will be required to carry out the strategic expansion of production capacity after existing capacity is fully utilised. The management and Board are continuously working to secure future financing needs but cannot guarantee that this effort will be successful despite a positive outlook on the prospects for the operation in the future.

Aquaculture presents inherent operational risks. Any problems arising in part of the production chain can have consequences in other parts of the chain. The operation is optimised through the continuous monitoring (24/7) of the production environment, water quality, fish health and the development of the fish stock. Other factors, such as feed conversion, actual growth, and mortality significantly affect conditions to achieve profitability. Uneven production and potential quality problems in delivered fish can lead to a lack of confidence in the supply chain and financial losses.

Market trends affect demand as well as the prices that can be obtained for the company's fish, which in turn affects the conditions for profitability. However, the company believes demand

for sustainably farmed, locally produced fish is very strong and will remain strong for the foreseeable future.

Environmental risks relate to water treatment and the potential for uncontrolled discharges. Fifax has an almost completely closed water circulation within the facility, which results in insignificant discharges. All waste generated at the facility is recycled and handled through established processes by third parties. The environmental impact is not currently at a level that requires an environmental permit. During the year, 2,544 m³ of compostable sludge waste was transported from the Eckerö facility. The company is currently evaluating potential future solutions for the more productive use of side flows from its production activities.

The Board's proposal for the distribution of distributable funds

The distributable funds amount to EUR 23,246,709.83, of which the loss for the financial period amounts to EUR -13,687,020.71. The board proposes to the Annual General Meeting that the loss for the financial year be transferred to the account for retained earnings and that no funds be distributed from the unrestricted equity.

Significant events after the period

- The company's operations continue to focus on farming, slaughter and customer deliveries, as well as continuous efforts to optimise and further develop our technical solutions.
- In January, Jarkko Alho was appointed commercial director and a new member of the management team. Jarkko will be responsible for productisation, sales and marketing for Fifax.
- In January, a marketing and brand firm was hired to assist the company with its branding and marketing efforts
- The active phase of the ASC certification process was completed, and the audit report is currently under review.
- As of 15 February 2022, smolt deliveries totalling 19 tonnes have been received at the company's facilities. The company continues to receive smolt deliveries.
- The company continues to negotiate financing solutions with its current lenders and potential new lenders and financiers in order to refinance its existing loans and the financing of the planned expansion.

Annual General Meeting

Fifax Plc's next Annual General Meeting will be held on Wednesday, 20 April 2022 at 10:00. The meeting will be convened by the Board of Directors of Fifax Plc.

Publication of financial information

The company publishes an interim report for the period January through June, as well as a year-end report and financial statements for the financial year according to the calendar year.

The annual accounts will be published on 24 March 2022. The interim report will be published 25 August 2022.

The annual accounts for 2021 and the interim report for the first six months of 2022 are published in a company announcement and on the company webpages on www.fifax.ax

Webcast

A webcast for the results for the second half of the year will be held on 16 February 2022 at 12:30

The conference will be held in English and can be accessed at:

<https://www.inderes.fi/fi/videot/fifax-q421-ke-162-klo-1230>.

The press conference material is published separately on www.fifax.ax

A recording of the webcast will be available on the company's website. Personal information collected in connection with the conference will not be used for any other purpose.

Mariehamn 15 February 2022

Fifax Plc

The Board of Directors

Additional information:

CEO Samppa Ruohtula, +358 40 559 8812

Certified advisor Alexander Corporate Finance, +358 50 520 4098

Distribution:

Nasdaq, central media, www.fifax.ax

Income Statement

EUR thousand	7-12/2021	7-12/2020	1-12/2021	1-12/2020
REVENUE	369	266	1 004	1 242
Other operational income	36	0	496	0
Materials and services	-1 896	-1 537	-5 110	-3 731
Personnel expenses	-993	-629	-1 875	-1 381
Depreciations, amortisation, and impairments	-792	-575	-1 552	-1 150
Other operating expenses	-1 361	-1 291	-2 785	-2 269
OPERATING RESULT	-4 637	-3 767	-9 822	-7 290
Financial income and expenses	-2 080	-809	-3 865	-1 105
LOSS BEFORE APPROPRIATIONS AND TAXES	-6 717	-4 576	-13 687	-8 395
RESULT FOR THE FINANCIAL PERIOD	-6 717	-4 576	-13 687	-8 395

Balance Sheet

EUR thousand	31.12.2021	31.12.2020
ASSETS		
NON-CURRENT ASSETS		
Tangible assets	19 612	20 211
Shares of group companies	10	0
TOTAL NON-CURRENT ASSETS	19 622	20 211
CURRENT ASSETS		
Inventories	1 062	1 323
Long-term receivables	270	264
Short-term receivables	852	222
Cash and cash equivalents	9 418	5 182
TOTAL CURRENT ASSETS	11 601	6 991
TOTAL ASSETS	31 223	27 202
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80	5
Reserve for invested unrestricted equity	66 845	34 756
Retained earnings (loss)	-29 911	-21 516
Result for the financial period	-13 687	-8 395
TOTAL EQUITY	23 327	4 850
LIABILITIES		
Non-current liabilities		
Capital loan	0	200
Convertible loans	0	12 173
Total non-current liabilities	0	12 373
Current liabilities		
Loans from financial institutions	5 851	7 509
Accounts payable	783	985
Other liabilities	177	447
Accruals and deferred income	1 085	1 038
Total current liabilities	7 896	9 979
TOTAL LIABILITIES	7 896	22 352
TOTAL EQUITY AND LIABILITIES	31 223	27 202

Cash Flow Statement

EUR thousand	7-12/2021	7-12/2020	1-12/2021	1-12/2020
Cash flow from operating activities				
Profit/loss before appropriations and taxes	-6 717	-4 576	-13 687	-8 395
Adjustments (+/-):				
Depreciation according to plan	792	575	1 552	1 150
Financial income and expenses	2 080	809	3 865	1 105
Cash flow before change in working capital	-3 844	-3 192	-8 269	-6 140
Changes in working capital				
Change in trade and other receivables	-527	31	-635	117
Change in inventories	-7	135	261	256
Change in trade and other payables	73	-3 499	47	-368
Cash flow from operating activities before financial items and taxes	-4 304	-6 525	-8 596	-6 135
Interest paid and other financial expenses	-729	-674	-1 030	-769
Net cash flow from operating activities (A)	-5 034	-7 199	-9 627	-6 904
Cash flow from investments				
Investments in intangible and tangible assets	-565	-121	-953	-726
Grants received for investments	0	168	0	168
Investments in subsidiary company shares	-10	0	-10	0
Net cash flow from investments (B)	-575	48	-963	-557
Cash flow from financing activities				
Paid-in equity increase	15 416	0	15 416	971
Purchase of own shares	-383	0	-383	0
Proceeds from short-term loans	0	0	2 000	0
Repayments of short-term loans (-)	-3 063	-3	-3 926	-638
Proceeds from convertible loans	229	11 774	3 770	11 774
First North listing expenses	-2 051	0	-2 051	0
Net cash flow from financing activities (C)	10 149	11 771	14 827	12 107
Net change in cash at bank and in hand (A+B+C)	4 540	4 620	4 237	4 646
Cash at bank and in hand at the beginning of the financial period	4 879	562	5 182	536
Cash at bank and in hand at the end of the financial period	9 418	5 182	9 418	5 182

Accounting principles for the financial statements release

Information presented in these financial statements release is prepared in accordance with good accounting practice and in accordance with Finnish Accounting Standards (FAS). The scope of the financial statements release corresponds to the requirements set out in First North Growth Market, Section 4.4 (e) (i)–(iv). The figures presented in these financial statements release have not been audited. The figures are presented in thousands of euros and have been rounded to the nearest figure. Therefore, in some cases, totals of columns or rows may deviate from the presented total.

For information of transactions with related parties refer to the section transactions with closely related parties on page 14.

For information of going concern and financing refer to the section going concern and financing on page 10.

Statement of Changes in Equity

EUR thousand

	Share capital	Reserve for invested unrestricted equity	Retained earnings (loss)	Equity termed capital loans	Total equity
1 July - 31 December 2021					
Equity at the beginning of the period	80	34 680	-36 881	3 500	1 379
Result for the financial period	0	0	-6 717	0	-6 717
Increase of Equity termed capital loan	0	0	0	229	229
Share issue, First North listing	0	32 546	0	-3 729	28 817
Purchase of own shares	0	-383	0	0	-383
Equity at the end of the period	80	66 845	-43 458	0	23 326

	Share capital	Reserve for invested unrestricted equity	Retained earnings (loss)	Equity termed capital loans	Total equity
1 July - 31 December 2020					
Equity at the beginning of the period	5	34 756	-25 335	0	9 426
Result for the financial period	0	0	-4 576	0	-4 576
Equity at the end of the period	5	34 756	-29 911	0	4 850

	Share capital	Reserve for invested unrestricted equity	Retained earnings (loss)	Equity termed capital loans	Total equity
1 January - 31 December 2021					
Equity at the beginning of the period	5	34 756	-29 911	0	4 850
Result for the financial period	0	0	-13 687	0	-13 687
Increase of share capital 21.5.2021	75	-75	0	0	0
Increase of Equity termed capital loan	0	0	0	3 729	3 729
Share issue, First North listing	0	32 546	0	-3 729	28 817
Purchase of own shares	0	-383	0	0	-383
Equity at the end of the period	80	66 845	-43 458	0	23 327

	Share capital	Reserve for invested unrestricted equity	Retained earnings (loss)	Equity termed capital loans	Total equity
1 January - 31 December 2020					
Equity at the beginning of the period	5	33 785	-21 516	0	12 274
Result for the financial period	0	0	-8 395	0	-8 395
Share issue	0	971	0	0	971
Equity at the end of the period	5	34 756	-29 911	0	4 850

Collaterals and Commitments

EUR thousand	31.12.2021	31.12.2020
Liabilities secured by collateral		
Loans from financial institutions	5 851	7 509
Total	5 851	7 509
Given guarantees		
Corporate mortgages	10 100	10 100
Real estate mortgages	10 134	10 134
Total	20 234	20 234
Lease commitments		
Amounts paid according to lease agreements		
Within the next financial year	147	265
After the next financial year	94	194
Total	241	459
Rental commitments		
Amounts paid according to rental agreements		
Within the next financial year	790	786
After the next financial year	3 210	3 996
Total	4 001	4 782
Purchase commitments of fish		
Amounts paid according to purchase commitments	757	0
Total	757	0
Repayment liability for the investment grants received		
Investment grants received; liability expires in 2021	0	1 050
Investment grants received; liability expires in 2025	2 403	2 403
Total	2 403	3 453