



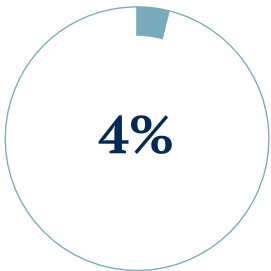
## Stolt Sea Farm

### Performance

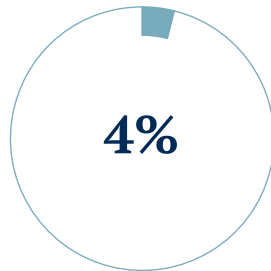
(US \$ millions)	2023	2022	2021
Operating revenue	111	103	108
Operating profit	24	20	24

### Percentage of group total

of total operating revenue



of total operating profit<sup>1</sup>



1. Excluding Stolt-Nielsen Gas, Corporate and Other loss of \$42.9 million and MSC *Flaminia* legal provision of \$155.0 million.



### Markets

- Our seafood products feature on restaurant, hotel and foodservice menus as well as on supermarket shelves in more than 30 countries.
- Our annual production capacity totals 6,800 tonnes of turbot and 1,700 tonnes of sole.

### Strategy

Stolt Sea Farm is a pioneer in land-based aquaculture, and our purpose is to ensure future generations continue to enjoy wonderful seafood. The business focuses on sustainable growth and building partnerships with customers and communities, while adhering to animal welfare and environmental protection standards.

We are known for our innovation and pioneering technologies, including highly specialised, custom-designed facilities at our 14 farms and two hatcheries. Thanks to more than 50 years of research and development, we are the only aquaculture company that can consistently produce the highest-quality turbot and sole in commercial volumes. Seafood is widely accepted to be one of the most sustainable sources of animal protein, and we pay rigorous attention to ensuring we develop increasingly sustainable production methods.

### 2023 in review

SSF delivered a strong performance in 2023, from maintaining firm prices and increasing production volumes for both turbot and sole, to delivering significant safety improvements and continuing to build relationships with our local communities.

All this was achieved despite facing several challenges and external pressures. The increased cost of living impacted consumer demand, unseasonably high temperatures affected production volume, and securing and maintaining operations during an earthquake in Iceland were challenges that our people navigated with great skill, agility and commitment. I would like to thank all our employees for their dedication to providing consistently great service and high-quality seafood to our customers in this ever-changing operating environment.

Operating profit was \$24.3 million in 2023, compared to \$19.5 million in 2022, as we benefited from a gain on the fair-value evaluation of biomass of \$3.9 million in 2023, compared with a fair-value loss of \$1.0 million in 2022. In 2023, we sold a record 6,814 tonnes of turbot, a 2.5% increase compared to 2022. Sole sales volumes also reached a record high of 1,728 tonnes, a 15.4% increase from the previous year. This allowed us to continue expanding our market reach

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and, with consumer demand being favourable for high-value species, we were able to increase sole prices by 18%. Turbot prices decreased by 3.8%.

Sales of our fresh range of value-added products (VAP) grew 9% year-on-year, reflecting growth in consumer demand for convenience, versatility and consistent supply. Our frozen turbot VAP range, launched in 2022, also went from strength to strength, with sales increasing by 21%. We continued our expansion into new markets, including Asia and the US, with turbot volumes sold to these geographies increasing by 3% and sole volumes by 34%.

As part of our growth strategy, we progressed the expansion of our sole broodstock facility to near-completion and began work to expand our sole hatchery in Galicia, Spain. This is already the world's largest flatfish hatchery, and the upgrade will support our plans to double production capacity in the next three years, ensuring SSF is on track to reach our overall annual production target of 23,000 tonnes of turbot and sole by 2035.

We also refreshed our Prodemar™ brand for fresh turbot and sole and continued to diversify our product range as part of our strategic ambition to move to a more customer-facing market position. During the year, we welcomed a significant number of new customers and expanded sales of our Prodemar™ products, especially our sole and frozen ranges, in the Asia and US markets.

Our digitalisation and automation programme also gathered pace. We partnered with Telefónica Tech to develop new digital tools and adopt artificial intelligence to help us to integrate, streamline and automate our operations and use data-led insights to strengthen and build customer relationships and forecasting capabilities. This will help us to better anticipate customer needs and reduce waste.

SSF has long been a pioneer when it comes to sustainability in aquaculture. This year, we established a dedicated fish welfare team to drive our progress and ensure ongoing compliance in this area. One of our sustainability ambitions is to reduce fish products in our ongrowing feed (relative to 2020 levels) by 2030: 65% reduction for sole and 50% reduction for turbot. As part of our ongoing work to achieve this, we continued to work with feed manufacturers and conducted our own research into new formulas and diets with lower fishmeal and fish oil content, thus preserving scarce natural resources. I was extremely proud that SSF was named Company of the Year by the Official College of Biologists

in Galicia in recognition of our commitment to sustainable production processes, animal welfare, and supporting the work and expertise of biologists in the region.

I am also proud of the progress we made in our safety performance. The average number of occupational safety incidents per worker fell to 4.3 in 2023 (2022: 5.3), well below the aquaculture industry average of 5.1. Read more on page 45.

Just as importantly, we continued to engage with the local communities in which we operate, which are home to most of our employees. We did this by sponsoring and attending community events to support the local fishing industry, raise environmental awareness and educate our local communities about sustainable aquaculture.

### Outlook

The Christmas 2023 season was the best ever for SSF, with record revenues achieved for both turbot and sole. In 2024, we expect to see continued growth in demand for our products, particularly our VAP offering. We are in a strong position to capitalise on this demand due to our market-leading production capacity and quality, pioneering farming techniques, digital innovations, and strong customer relationships. These strengths will also help SSF mitigate the effects of ongoing inflation including the higher costs of energy and feed.

Our transformation programme will continue as we progress our expansion plans for our recirculation aquaculture systems (RAS) and hatchery facilities in Europe and develop our data capabilities. To help meet our production targets and diversification plans, we will expand our research and development facilities and scope, which will also help ensure we maintain our steadfast commitment to fish welfare and the sustainability of our operations.

### Jordi Trias

President  
Stolt Sea Farm