



NORCOD

Q1– 2023
Presentation



CEO: Christian Riber



CFO: Arne Kristian Hoset

Agenda

- **Q1 2023 Highlights**
- **Operational update**
- **Green visions for a blue future**
- **Financial update**
- **Outlook**

Q1 2023 Highlights

- 125 MNOK in revenues, up 51% from Q1-22 driven by increased harvesting
- 28 MNOK in operating loss, compared to 45 MNOK in Q1-22
- 9 MNOK in cash flows from operations, up from -11 MNOK in Q1-22
- 3 362 tons WFE harvested, up from 2 027 tons WFE in Q1-22
- Second production site supplied with onshore power

Post Q1 2023 Highlights

- Measures to improve financial robustness and enable further growth
 - 265 MNOK in gross proceeds from private placement and asset divestment
 - Shareholder loan restructuring improving equity base
 - Extension of overdraft facility from main bank
- GlobalG.A.P. recertified
- First cycle initiated at site Labukta

Operational update

- Process with the Directorate of Fisheries regarding suspicion of escape (not concluded on) and gonade development.
- Accelerated harvest and lower production volume.
- Shortened delivery on long-term sales contracts and lower sales prices due to increased sales on the spot market.
- We have initiated heavy measures to reduce risk and more robustly meet biological challenges.
- Norcod will continue to lead the development of Norwegian cod farming and recognizes the responsibility it entails.
- Good cooperation with available facilities made it possible for all harvest capacity to be used. The situation led to a challenging market situation, but the fish reached the end user.
- Second production site Jamnungen supplied by onshore power.
- Norcod fortifies its role as the leading industry player in farm raised, sustainable, quality cod by following up on our strategy and promise of continuous reduction in CO2 emissions.

Green visions for a blue future

Norcod in a sustainable global food system

- Zero use of antibiotics
- Certified feed ingredients
- Best possible score regarding seabed surveys
- Hybrid-electric vessels and feed barges
- Highly nutritious and flavorful product good for everyone and the planet – Cod above the rest
- 90 % utilization of the cod for human consumption

Looking ahead

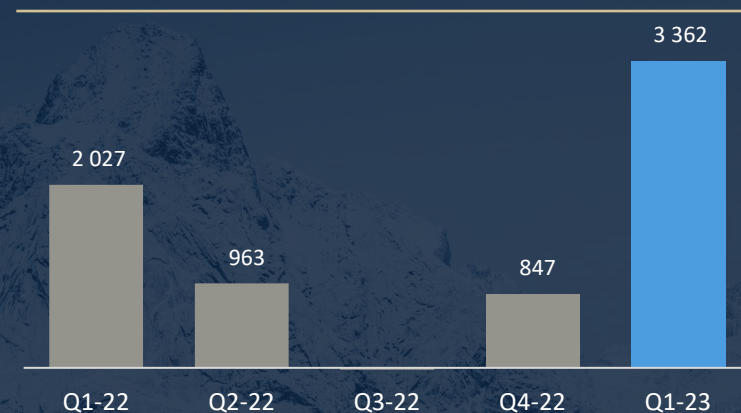
- Aiming to increase the survival rate to 90 % within 2030
- Targeting for 98 % utilization of the cod for human consumption
- 30 % reduction in carbon footprint by 2030 (Scope 1, 2, 3)
- Zero escape incidents
- Available tools not only to prevent and detect, but fully control maturation

Devoted to

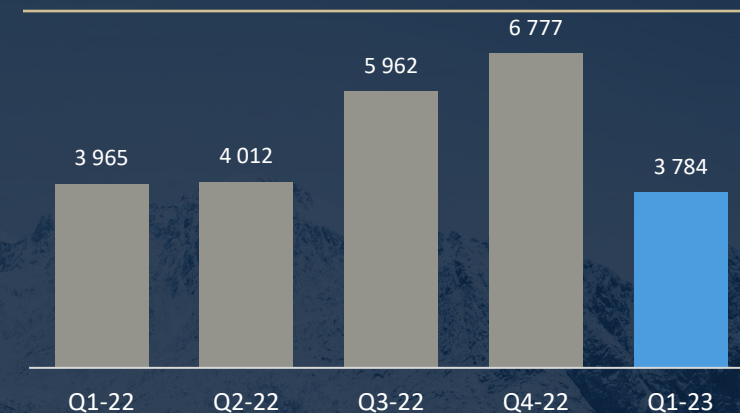
People	Cod	Nature	Innovation & Profit
Human rights	Fish Welfare	The ocean	Research and development
Safe work environment	Production environment	Local and global environment	
Local communities	Product quality	Biodiversity	Year-round harvest
Gender equality	Increase yield	Responsible producer	
Aquaculture education	Food safety	Fish feed	Market development
Customers		Climate action	

Financial Update - Highlights

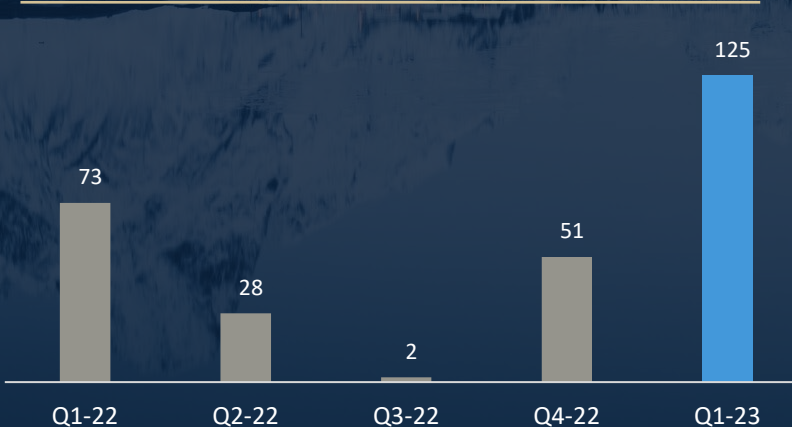
Harvest volume (tons WFE)



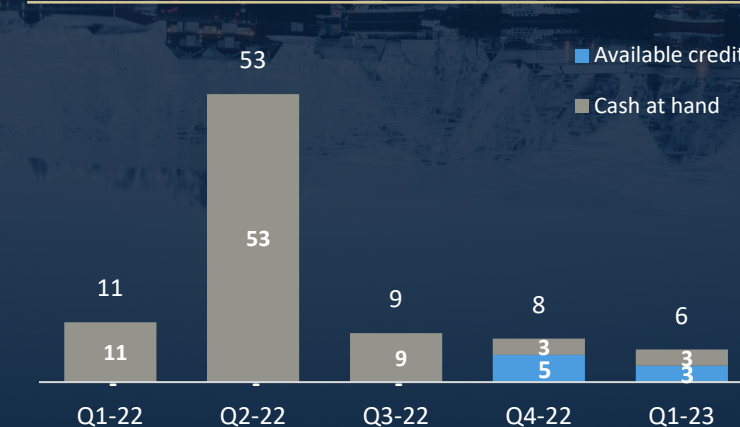
Biomass at sea (tons)



Revenues (MNOK)

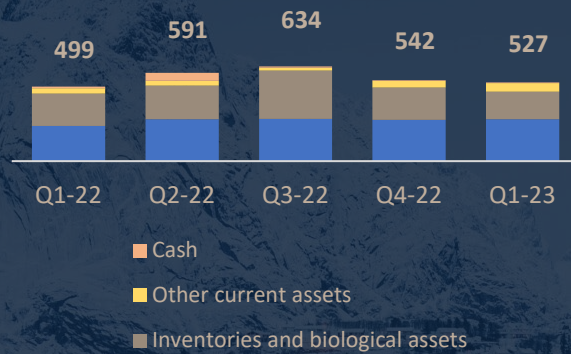


Available credit and cash at hand

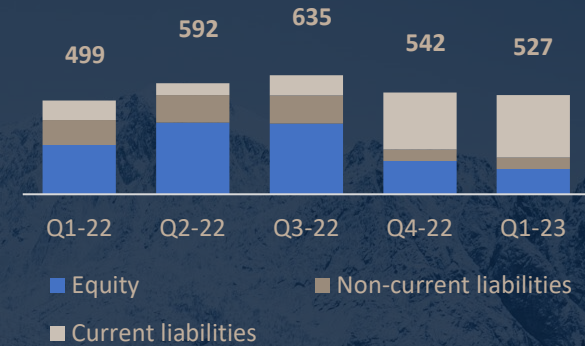


Financial Update - Highlights

Balance sheet development - Assets



Balance sheet development – Equity and liabilities



Financial update – Profit and loss

(Amounts in NOK '000)	Note	Q1 - 2023	Q1 - 2022	2022
Operating revenue		125 107	83 050	170 541
Cost of materials	1	164 487	98 797	168 730
Salaries and personnel expenses		13 499	8 189	43 031
Depreciation and amortization		4 998	2 731	16 032
Other operating expenses		30 154	17 401	65 833
Operating expenses		213 138	127 117	293 626
Operating profit/ loss(-) before fair value adj. of biomass		-88 031	-44 067	-123 085
Fair value adjustment biomass		60 227	-943	-157 808
Operating profit/loss		-27 804	-45 009	-280 892
Share of profit/ loss(-) from associates		-2 201	-462	1 798
Net financial items	2	-12 762	-954	-18 123
Profit/loss before tax		-42 767	-46 425	-297 217
Income tax expenses		0	0	0
Net profit/loss for the period		-42 767	-46 425	-297 217
Other comprehensive income		0	0	0
Total comprehensive income for the period		-42 767	-46 425	-297 217

Financial update – Balance Sheet

(Amounts in NOK '000)	Note	Q1 - 2023	Q1 - 2022	2022
ASSETS				
Non-current assets				
Concessions, patents, licenses, trademarks and similar rights	3	2 000	8 298	2 000
Property, plant & equipment		81 972	53 492	76 678
Right-of-use assets		126 155	109 954	123 846
Investment in associated companies	4	31 310	34 120	33 511
Other investments	4	502	1 003	502
Other non-current receivables		40 000	29 998	40 000
Deferred tax assets		0	0	0
Total non-current assets		281 938	236 865	276 536
Current assets				
Inventories		10 089	5 296	8 712
Biological assets		173 029	209 732	206 758
Short-term receivables		58 321	36 259	46 427
Cash and cash equivalents		4 284	11 295	3 412
Total current assets		245 723	262 582	265 310
TOTAL ASSETS		527 661	499 446	541 846

Financial update – Balance Sheet

(Amounts in NOK '000)	Note	Q1 - 2023	Q1 - 2022	2022
EQUITY AND LIABILITIES				
Equity				
Share capital		9 609	8 516	9 609
Treasury Shares		-3 706	-3 706	-3 706
Share premium		553 043	386 563	553 043
Retained earnings		-425 034	-128 583	-382 267
Total equity		133 912	262 789	176 679
Liabilities				
Non-current interest-bearing debt	5	0	74 736	0
Lease liabilities		61 044	57 549	60 939
Total non-current liabilities		61 044	132 285	60 939
Current leasing Liabilities		17 453	12 946	16 275
Current interest-bearing debt	5	172 511	-0	158 151
Trade payables		119 125	68 777	114 263
Other current liabilities		23 616	22 649	15 540
Total current liabilities		332 706	104 372	304 228
TOTAL EQUITY AND LIABILITIES		527 662	499 446	541 846

Financial update – Cash flows

(Amounts in NOK '000)		Q1 - 2023	Q1 - 2022	2022
	Note			Audited
Profit/loss before tax		-42 767	-45 021	-297 217
Cash flow from operating activities				
Depreciation and amortization		4 998	2 731	16 032
Impairment of intangible assets		0		
Change in inventory and biological assets	1	32 352	24 753	-132 554
Fair value adjustment		0		157 808
Share of profit/ loss(-) from associates		2 201	0	-1 798
Change in accounts receivable		-14 431	609	929
Change in accounts payable		4 862	-19 449	26 037
Change in other current receivables and other current liabilities		21 385	25 042	28 987
Net cash flow from operating activities		8 601	-11 335	-201 777
Cash flows from investing activities				
Payments for purchase of property, plant & equipment		-7 382	-2 836	-36978
Payments for licences		0	-259	0
Capital contribution to associated companies		0		0
Proceeds from sale-leaseback transaction		0		0
Other investments		0		0
Loan to associated company		0		-10 000
Net cash flow from investing activities		-7 382	-3 095	-46 978
Cash flows from financing activities				
Receipts from new debt		4 297		70 144
Repayment of lease liability		-3 936	-3 005	-12 523
Interest paid	2	-708	-688	-2 421
Proceeds from issues of shares		0		167 549
Net cash flow from financing activities		-346	-3 693	222 749
Net (decrease)/increase in cash and cash equivalents		872	-18 123	-26 006
Cash and cash equivalents at the beginning of the period		3 412	29 418	29 418
Cash and cash equivalents at close of the period		4 284	11 295	3 412

Outlook

- There has been extensive learning through the process which the company has been exposed to throughout Q1.
- Norcod is determined to further develop operational control parameters and build on an already well-developed quality and control system which e.g., embraces production, equipment, HSE and fish welfare.
- Both internally and in collaboration with industry colleagues and other stakeholders, we work on strategy and plans to prevent and eliminate risk.
- In order to postpone and reduce gonad development in our cod, new light regimes are set up on a large scale.
- Furthermore, measures such as sorting during the cycle will be carried out.
- Further development of ultrasound monitoring with regard to gonad development and for possible gender sorting will be a measure which it is realistic to assume can contribute to a long-term solution.
- The possibility of producing sterile cod is also being looked at and is a measure that is placed somewhat in the future.
- The main goal is to establish best practices in cod farming to safeguard a predictable and holistic context for everyone involved.
- Subsequent to the quarter Norcod recieved the good news of achieved GlobalG.A.P. recertification. It is of great importance to be able to refer to a third-party assessment.
- Our fifth production site, Labukta, kicked off its stocking of the 2023-generation in April. This well-equipped location is configrated with the most energy efficient technology seen in Norwegian aquaculture industry and is Norcod's second site supplied with onshore power.



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