



Norcod

Q2-2024  
Webcast





## Q2 2024 Highlights

- 86 MNOK in revenues, up 121% from 39 MNOK in Q2-23
- 47 MNOK in operating loss, 34% improvement from 71 MNOK in Q2-23
- Production cost at sea NOK 47,6 per kg WFE
- 1 830 tons WFE harvested, up 76% from 1 038 tons WFE in Q2-23
- Completed cycle at Jamnungen with Economic Feed Conversion Ratio of 1,06
- Initiated measures to improve the company's financial performance, streamline operations and develop a more efficient and commercially oriented business
- Increased financial and operational headroom from additional credit and revised covenant structure on DNB credit facility

## Post Q2 2024 Highlights

- Completed cycle and the joint venture with Kime Aqua at Forså
- Favourable market developments and strong fundamentals in the ongoing commercialisation phase for farmed cod

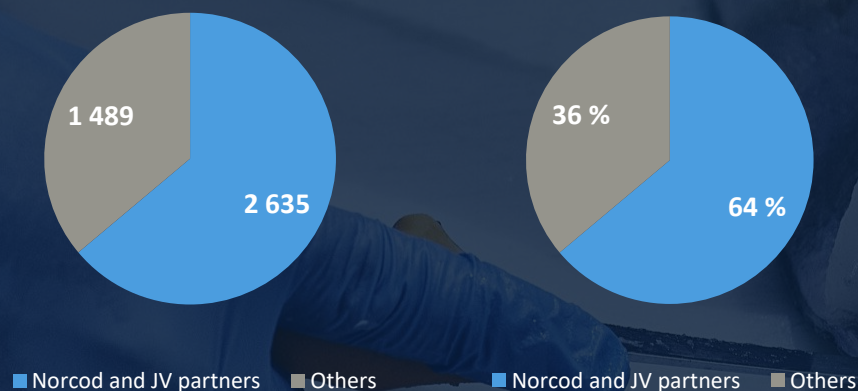


## Operational update

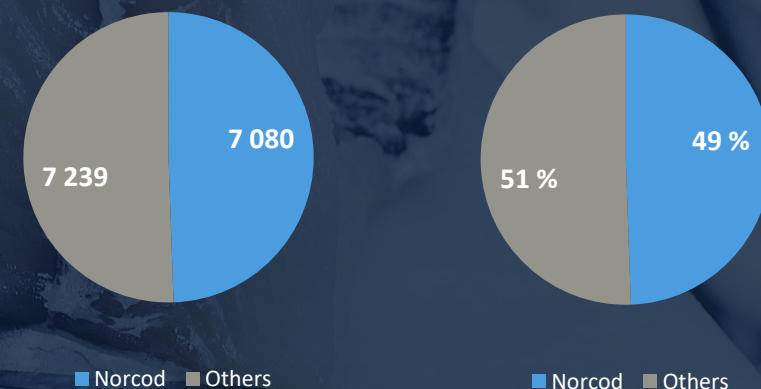
During the quarter, Norcod has harvested a total of 1 830 tons, of which 175 tons from Norcod's site Jamnungen (Frøya). The vast majority, 1655 tons, was harvested at Forså (Ibestad) through a joint venture with Kime Aqua, who owns and operates the farming site. All biomass was processed at Norcod's harvesting facility Kråkøy Slakteri.

- For the completed cycle at Jamnungen, biological feed conversion ratio (BFCR) came in at 0,98 with an economic feed conversion ratio (EFCR) of 1,06. At Forså, the BFCR was 1,07 and EFCR came in at 1,21.
- 95,7% of the harvested volume in Q2 holds superior quality.
- During the quarter, Norcod has initiated a successful start of the third cycle at Jamnungen, with further improvements in biological results compared to previous cycles.

### Total export volume during the quarter



### Standing biomass at the end of the quarter

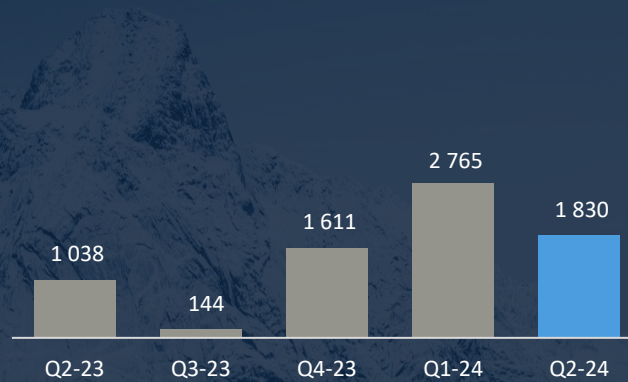


At the end of the quarter, Norcod's biomass at sea totaled 7 080 tons. Net growth during the quarter was 481 tons. According to officially reported statistics by the Norwegian Seafood Council, Norcod's share of total export volume of harvested cod during the quarter was 64%. At the end of the quarter, Norcod holds 49% of the total biomass volume.

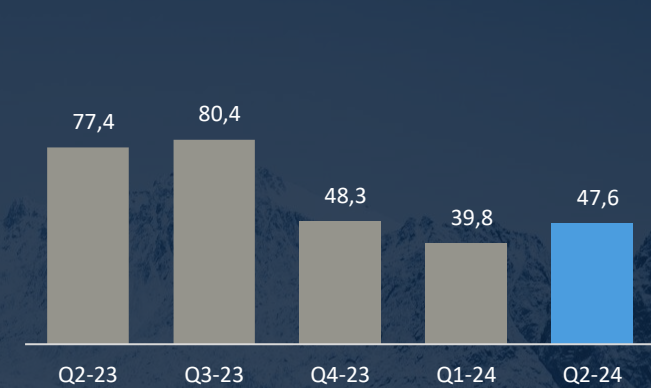


# Financial Update - Highlights

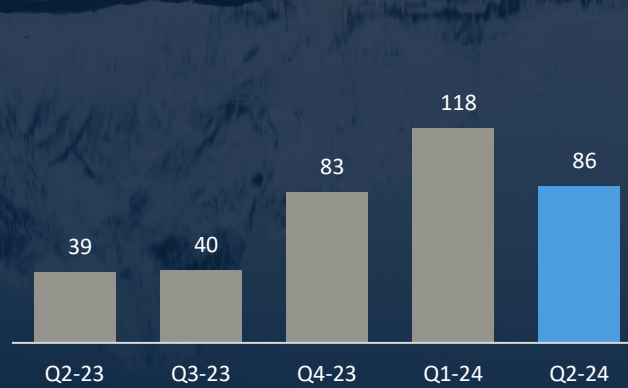
Harvest volume (tons WFE)



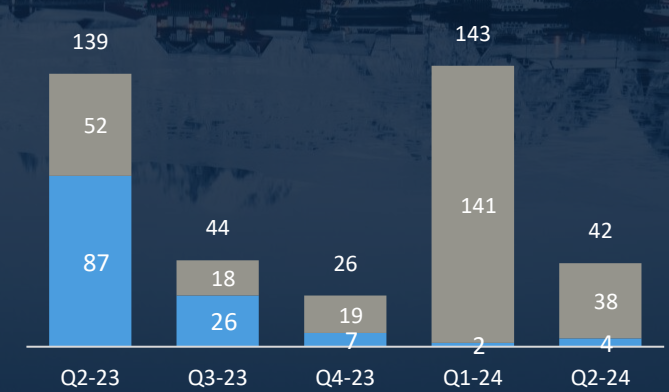
Production cost at sea (NOK per kg WFE)



Revenues (MNOK)



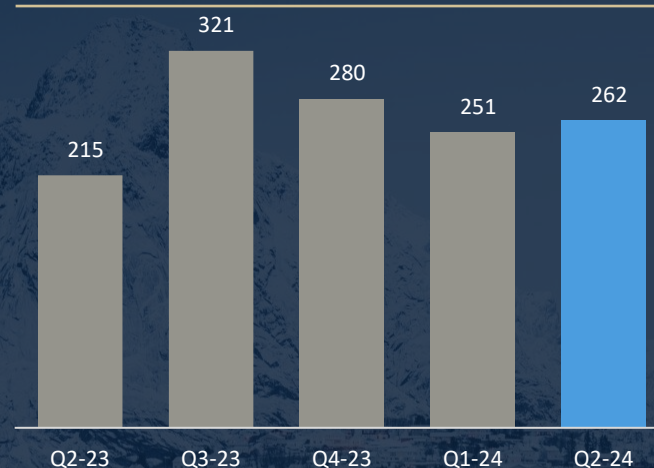
Available credit and cash at hand (MNOK)



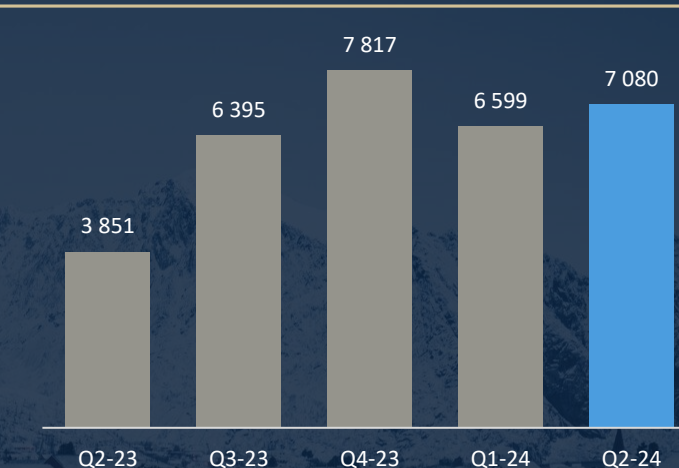
■ Available credit ■ Cash at hand

# Financial Update - Highlights

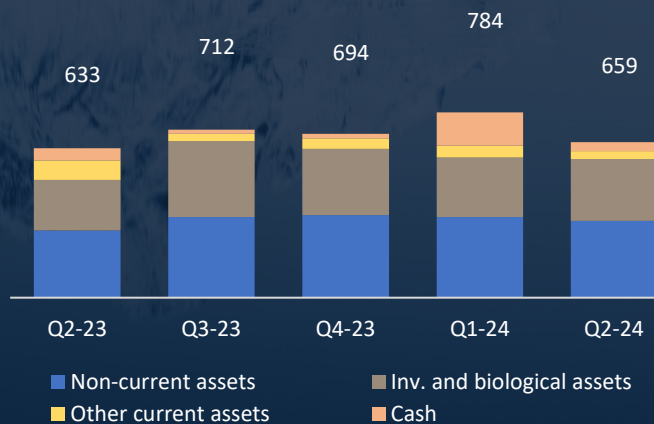
Biological assets (MNOK)



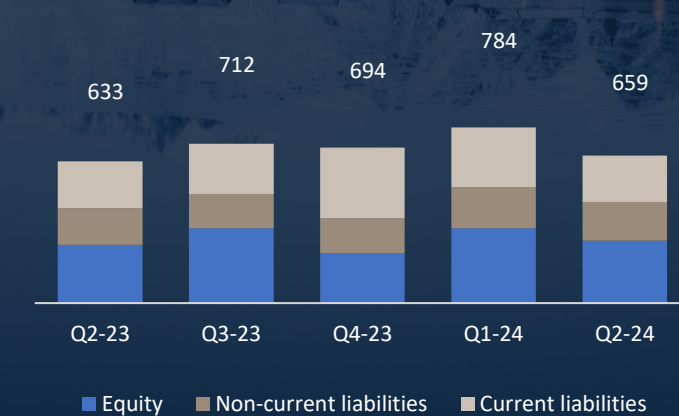
Biomass at sea (tons)



Balance sheet development – Assets (MNOK)



Balance sheet development – Equity and liabilities (MNOK)





# Financial Review

	Q2- 2024	YTD 2024	Q2 - 2023	YTD 2023	Y/Y-%	FY 2023
Operating revenue	86 045	204 514	39 429	164 536	24,3 %	269 419
Production cost at sea *	-87 159	-197 315	-80 302	-222 918	-11,5 %	-312 141
Other operating expenses	-46 158	-102 336	-30 533	-101 055	1,3 %	-190 660
<b>EBIT excl non-recurring items and FV adjustment of biomass</b>	<b>-47 272</b>	<b>-95 136</b>	<b>-71 406</b>	<b>-159 436</b>	<b>40,3 %</b>	<b>-233 382</b>
Non-recurring items	0	0	0	0		-21 110
FV-adjustment of biomass	-3 160	-896	24 104	84 331	-101,1 %	38 623
<b>EBIT</b>	<b>-50 432</b>	<b>-96 032</b>	<b>-47 302</b>	<b>-75 105</b>	<b>-27,9 %</b>	<b>-215 869</b>
Harvest volume WFE	1 830	4 595	1 038	4 400	4,4 %	6 155
Production cost NOK per kg*	47,6	42,9	77,4	50,7	-15,2 %	50,7

\* Costs incurred during the process of raising fish to harvestable size, including expenses for fry and during juvenile stages.  
Harvest, wellboat, freight and non-production admin not included



# Financial Review

## Profit and Loss Second Quarter 2024

Operating revenues for the second quarter were 86 MNOK based on a harvested volume of 1.830 tons, up from 37 MNOK and a harvested volume of 1.038 tons in Q2-23. Operating expenses ended at 133 MNOK, up from 111 MNOK in Q2-23. The increase is mainly explained by higher harvest volume compared to the corresponding quarter last year and by the additional cost base from structural changes in the Group following the consolidation of Kråkøy Slakteri from the second half of 2023.

Production cost per kg decreased from 77.4 NOK per kg WFE in Q2-23 to 47.6 NOK per kg WFE in Q2-24. The decrease is mainly explained by improved biology and feed factor.

Operating loss ended at 47 MNOK, down from 71 MNOK in the corresponding quarter last year. Net loss for the period ended at 57 MNOK, up from 52 MNOK in Q2-23.

The company has initiated measures to focus resources in key areas, improve the company's financial performance, streamline operations and develop a more efficient and commercially oriented business.

## Balance Sheet

Total assets ended at 659 MNOK in Q2-24, up from 632 MNOK in Q2-23. The change from last year is mainly explained by an increase in biological assets and property, plant, and equipment, and a decrease in short-term receivables and cash and cash equivalents.

Available credit ended at 4 MNOK, and cash on hand ended at 38 MNOK, with total available funds ending at 42 MNOK, down from 139 MNOK in Q2-23. During the quarter, the covenant structure on the company's credit facility was revised, increasing the company's financial and operational headroom.

Total equity ended at 279 MNOK, up from 260 MNOK in Q2-23.



# Financial Review

## Balance Sheet (cont.)

Total non-current liabilities ended at 140 MNOK in Q2-24, down from 163 MNOK in Q2-23. Current interest-bearing debt ended at 120 MNOK in Q2-24, up from 104 MNOK in Q2-23. Total current liabilities ended at 240 MNOK in Q2-24, up from 209 MNOK in Q2-23. The change is mainly driven by increased cash flows from recurring and stable harvesting levels, combined with liquid funds from the private placement executed during Q1-24.

## Cash Flows

Net cash flows from operating activities were -92 MNOK in Q2-24 compared to -131 MNOK in Q2-23. The decrease is explained by working capital changes. Net cash flows from investing activities were 3 MNOK in Q2-24 compared to 59 MNOK in Q2-23. Cash flows from financing activities ended at -14 MNOK in Q2-24, compared to 120 MNOK during Q2-23. The decrease is mainly explained by the private placement executed during the second quarter of last year.

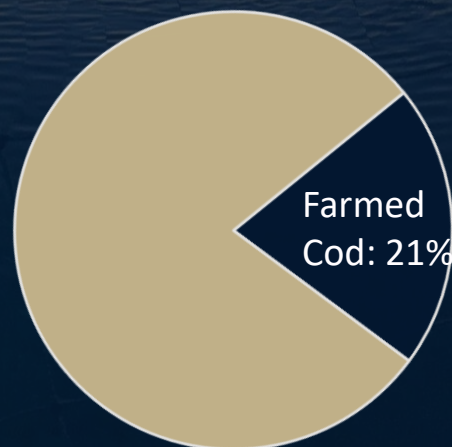


# Market update

Farmed cod's market potential and the positive market developments we are witnessing are clearly demonstrated by a combination of factors:

- Over the last 12 months, we have seen a gradual increase in average sales prices, albeit with fluctuations in periods.
- We have won contracts at considerably higher price points in selected markets.
- Positive feedback and testimonials from retail customers. Also, our products are embraced by leading chefs.
- There is a general increase in demand for seafood in many of our markets. This, along with the significant drop in wild cod quotes, will result in a lack of available raw material in the coming quarters.

Farmed cod had a record-high share of fresh cod exports from Norway in the first half year 2024



Compared to first half 2023:

- Volume +28%
- **Value +51%**

*\* Data from The Norwegian Seafood Council*



# Market update

Commercially, Norcod has stepped up its efforts to develop the market and position our product in a premium niche category, with corresponding sales prices and contracts. This is our main task at hand going forward.

Our commercial plan rests on three pillars:

- Repositioning, branding and increased awareness
- New products and uses, showing and leveraging the versatility of farmed cod
- Building new and existing growth markets

We believe that the market conditions and fundamentals for farmed cod have never been better.



## The 'White Salmon' of the sea.

Just like salmon, Snowcod is versatile and perfect for grilling, baking, or enjoying raw in sushi and sashimi.

Its delicate mild flavour profile and robust texture are sure to make it your sustainable seafood of choice. Delivered fresh from Norway for that crisp, ice-like bite.

We offer a reliable supply of high-quality, sustainable Snow Cod all year round, ensuring consistent, superior cod at fixed prices.

- ♥ Healthy
- ♻ Sustainable
- 💎 Pure



*Example of new positioning of farmed cod, branded as Snow Cod.*



# Outlook

Although Norcod recognizes that instability in the world economy and geopolitical unrest pose risks for the company, Norcod firmly believes that the favourable market conditions provide a strong foundation in the ongoing commercialisation phase for farmed cod.

The company's number one priority commercially is to achieve profitability at the current, annual production level of approximately 10 000 tons.

To achieve this, the key tasks at hand are twofold:

1. Continued focus on cod biology and fine tuning of the feeding regime, the production processes, and the utilization of production capacity.
2. Stepping up our efforts to develop the market and positioning our product in a premium niche category, with corresponding sales prices and contracts.

Norcod has initiated measures to focus resources in key areas and improve the company's financial performance, with the ambition of streamlining operations and developing a more efficient and commercially oriented business.

Beyond this, we will take a step-by-step approach to building up volume in line with market demand at favourable sales prices.



The background is a wide-angle photograph of a snowy mountain range. In the foreground, a calm body of water reflects the snow-covered peaks and a small village nestled at the base of the mountains. The sky is a clear, pale blue. The entire image is overlaid with a dark blue gradient that is most prominent on the right side, where the text is located.

# Q&A





norcod

