



Company presentation

North Atlantic Seafood Forum
23rd of June 2022

Norcod – a pioneer in the modern cod farming industry

Introduction to Norcod

Norcod is an innovative producer of premium Atlantic Cod positioned as the leader of cod farming

- Norcod is the market leader and dominant front-figure in the emerging cod farming industry
- The company has already proven its production ability through a successful test batch and operational harvest in H2 '21
- Partnerships with globally leading actors such as distributor Sirena Group makes Norcod's value chain highly integrated
- Norcod targets the premium segment with high quality, efficient distribution and certified sustainable production
- Unlike wild-caught cod, Norcod will deliver fresh products throughout the year when reaching full production
- Norcod is geographically focused on the Trøndelag- and Troms regions with optimal biological conditions



The Trondheim-based company is listed on Euronext Growth with a MCAP of NOK 1.7 bn¹



Operates **4 farming sites** with plans to invest in **7 additional sites** to reach 2025 production target



14 licenses for **10.32k tonnes** MAB² capacity granted – guided target of reaching **27.5k tonnes** WFE² by 2025³



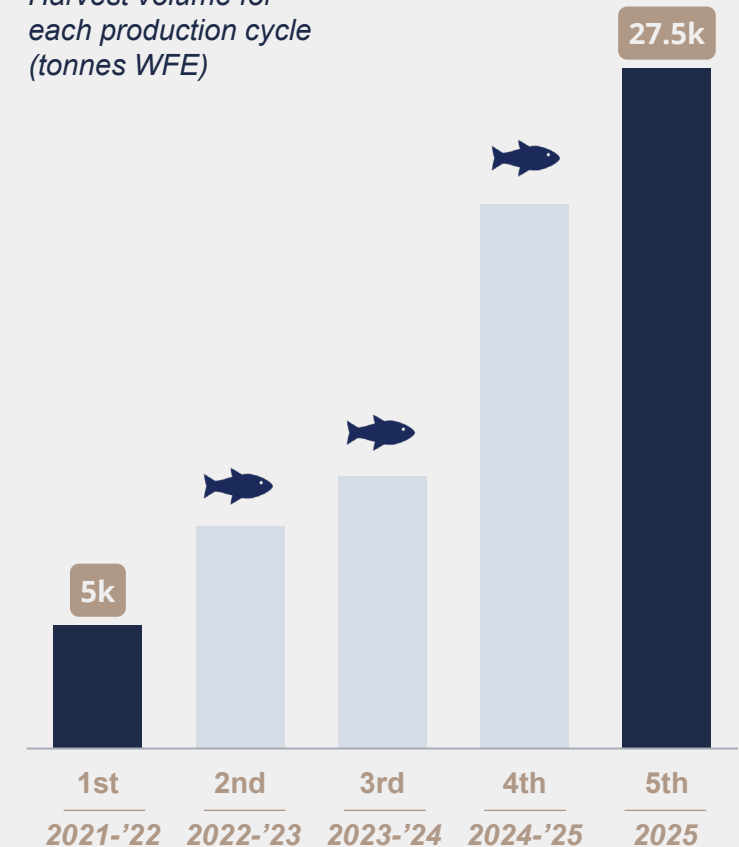
Low capex-levels with **NOK 70.3m** cost for each new site – providing **5.000 tonnes** WFE additional production volume



Extensive R&D in last **18 years** have enabled quantum leaps in biologic development – 7th generation of fry is currently performing very well

Ramp up of production cycles

Harvest volume for each production cycle (tonnes WFE)



1) Market cap as of 6th June 2022

2) MAB - Maximum Allowable Biomass; WFE - Whole Fish Equivalent, i.e., the entire fish calculated in the size measurement (as opposed to Head-on-Gutted (HOG) where the gutting loss is accounted for)

3) Reaching production volumes of 27.5k tonnes is dependent on current licenses being expanded, that applications for additional licenses are approved and new locations are secured

Established position as the leading player in a fast-growing market

Norcod's key value propositions



Highly integrated value chain through ownership and strong partners, securing 3-4-year **first mover advantage**



True to its consolidated strategy, Norcod is the only company with **proof of concept** on industrial scale



Global G.A.P. **certified responsible** farmer of healthy, sustainable seafood in the most energy efficient way

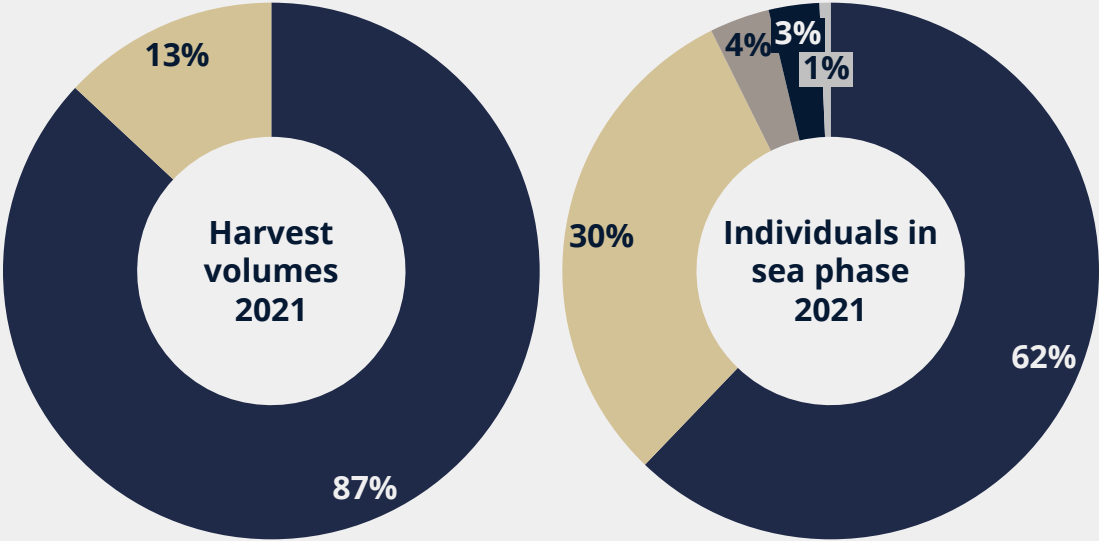


Highly **competent organisation** with well-developed internal control systems equipped for Norcod's planned upscaling



Unique access to the market as the only player who can offer contracted volumes of fresh cod

Definite market leader with clear first-mover advantage



■ Norcod ■ Statt Torsk ■ Vesterålen ■ Gadus ■ CIT Holding







Source: Company estimate, Norsk Råfisklag

Norcod's key strategy is to take part in every step of the value chain through key partnerships



A green vision for a blue future

Production methods with major environmental gains

-  Feed with **high marine content**
-  Fish utilisation of up to **98%**
-  **No antibiotics**
-  **Hybrid vessels and feed barges** that use electricity
-  **Minimal contamination** on local environment
-  All **feed** ingredients are **sustainable**

Norcod is committed to feeding the world's population with healthy, high-quality cod; the planet's most sustainably produced protein



Highly scalable - can supply the growing population with food



Excellent source of high-quality protein and amino acids



The cod is rated as «Green Fish» with FCR rating of 1.1



Sustainably produced with no harm to wild stock



Innovative collaboration across industries and countries



Certified ESG friendly production



Certified responsible farmer



In process regarding certification

ORGANIC

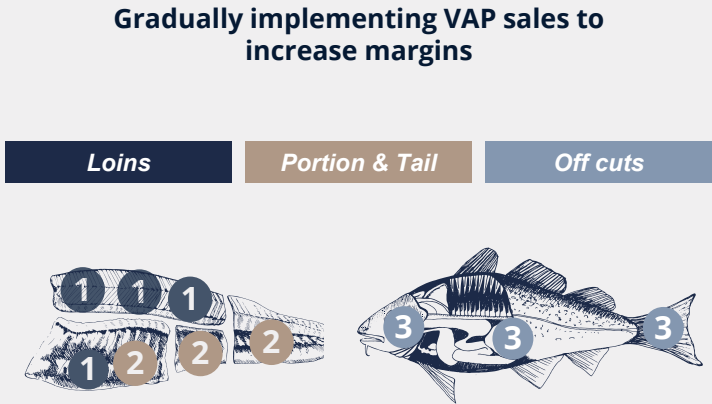
Working towards Organic & Bio certification for part of future production

Providing stable deliveries of fresh cod

Avoiding seasonal dependency...

- 
 A **guaranteed supply** of top-quality North Atlantic Cod all year-round
- 
 Available in fixed volumes and delivered within 48 hours for **unapparelled freshness**
- 
 Sold at **stable prices** – contracts at fixed prices for longer periods
- 
8% higher fillet yield on farmed compared to wild-caught Cod
- 
 With the added peace of mind that it is **sustainable** on an entirely new level

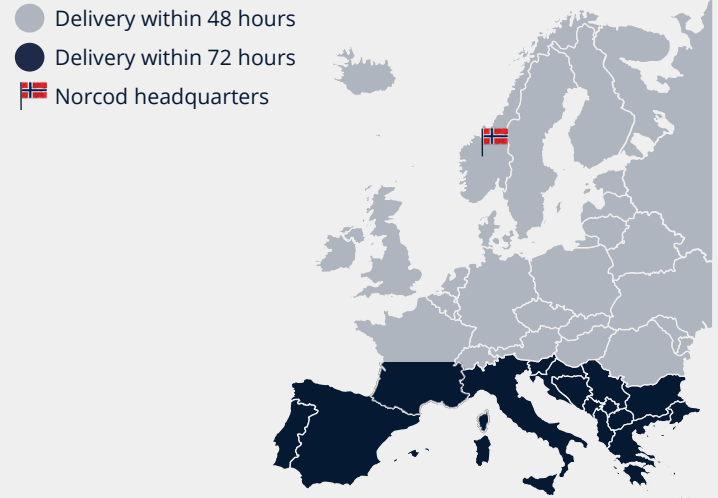
... utilizing the whole cod...



98% of the cod used for human consumption

Compared to ~60% utilization for salmon

... and delivering in 48-72 hours



Norcod has a logistical setup that enables the delivery of Cod to European customers in northern, eastern and western Europe within 2 days from it leaving water

Customers in southern Europe will receive Norcod's products within 3-4 days. This will ensure a much fresher Cod upon arrival compared to what is currently possible in most instances

Norcod's highly integrated value chain enables efficient production cycle from broodstock to final product in only 26 months



Prime locations for cod farming established...

Production at Sea

Pilot

Finnangerøya

- Pilot project with Namdal Settefisk
- Start of sea phase 2020
- 200.000 fish
- Feeding by canon

1

Jamnungen

- Start of sea phase 2020
- 1.600.000 fish
- Feeding with feed barge

2

Frosvika

- Start of sea phase 2021
- 1.600.000 fish
- Feeding with feed barge – being optimized with underwater feeding

3

Mausund – Skogsøya

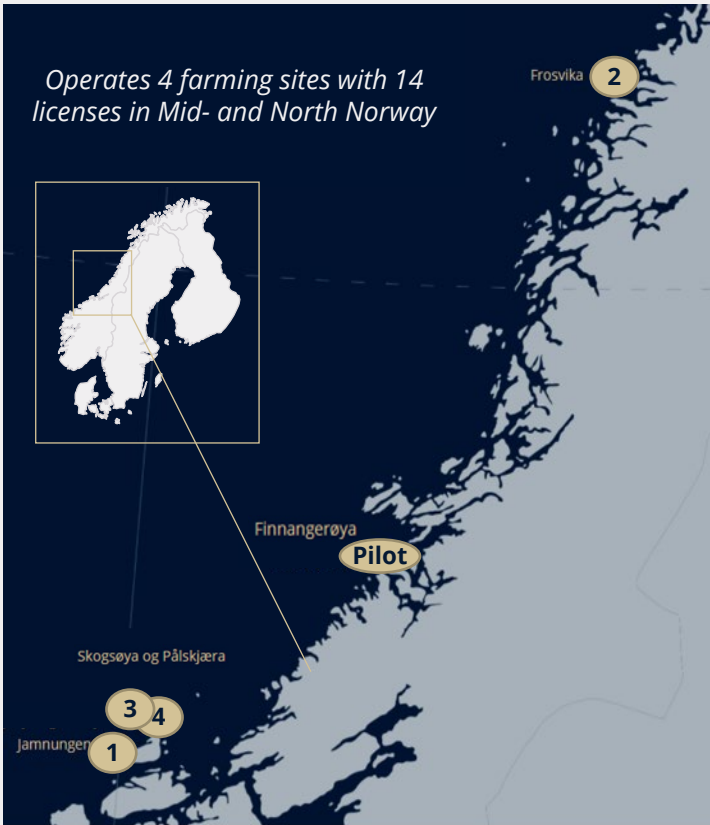
- Start of sea phase 2021
- 800.000 fish together with Pålskjæra
- Feeding by canon

4

Mausund – Pålskjæra

- Start of sea phase 2021
- 800.000 fish together with Skogsøya
- Feeding by canon

Overview of current sites



Advantages with locations



High water quality and right temperature

- Fish farming requires 2-15°C: The temperature at current and targeted new locations have ranged from 4-14°C, i.e. conditions are optimal



Prime fish farming conditions – same environment as wild caught cod

- The difference is that Norcod is able to harvest and process within hours, keeping the fish completely fresh



Limited seabed impact

- Professionally examined site samples show good results with regards to seabed sediments at Norcod's current sites



Optimal current and wave conditions

- The costal ocean water at Norcod's current site holds current and wave conditions within the preferred range

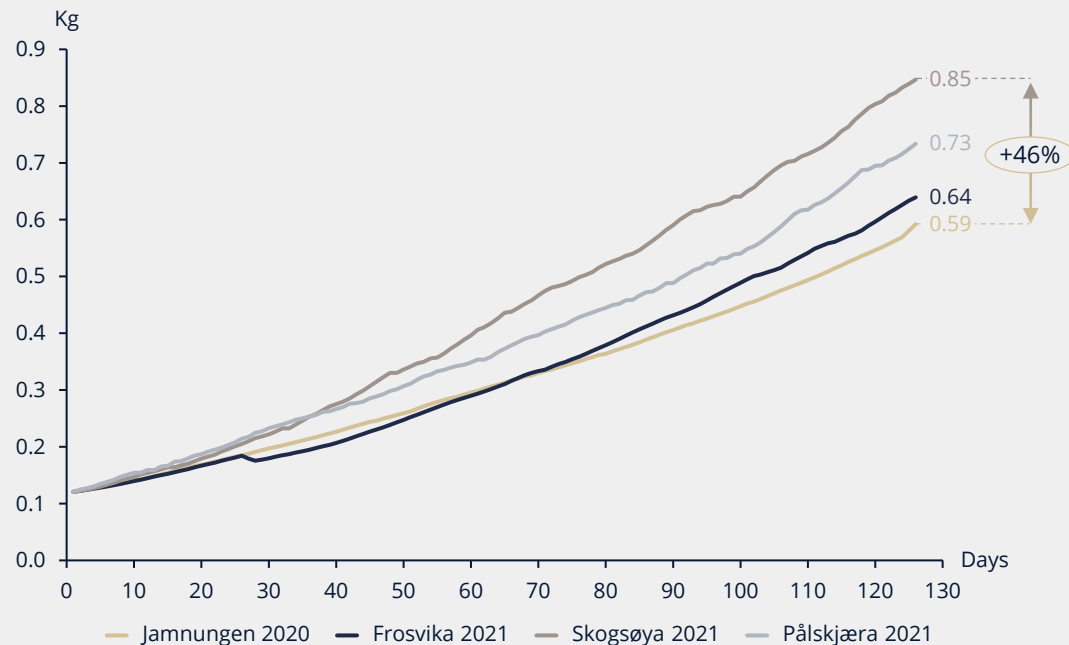


Proximity to harvest facilities

- Norcod's sites are and will be selected based on convenient distance to harvest facilities

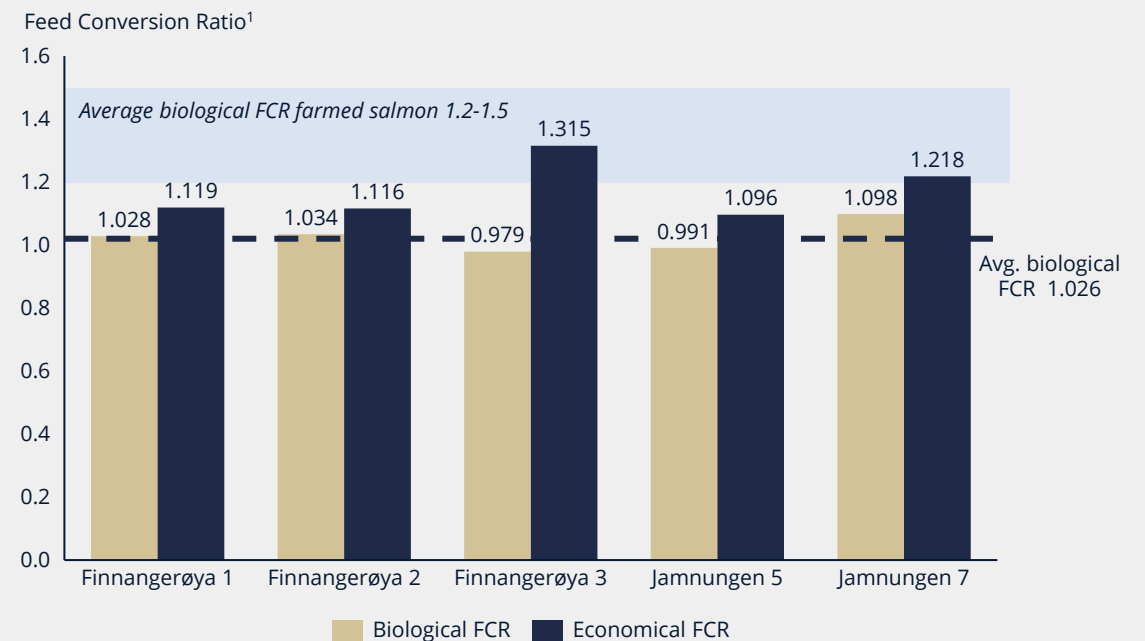
Current generation of cod delivers strong biological performance, lowering overall risk and boosting profitability

Weight development



- The graph shows the weight development 130 days following the time the fish reaches 120 grams
- Significant growth improvement for cod put in sea during 2021 compared to 2020
- Weight development expected to follow 2021-trend, due to increased knowledge of optimal condition for fish growth

FCR from slaughtered seawater cages

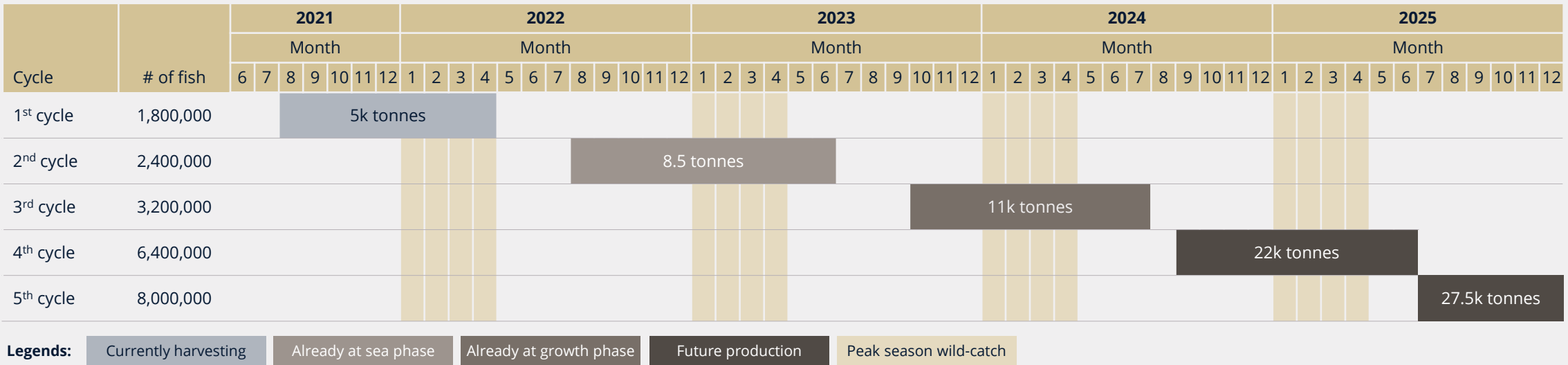


- Feed conversion ratio (FCR) is an important measure in the fish farming industry as it measures the amount of feed required to produce one kg fish
- Biological FCR has been stable at ~1.0, significantly lower than farmed salmon at 1.2-1.5
- Feed costs budgeted at a FCR of 1.2
- FCR expected to stay at the same levels going forward

1) Biological FCR describes the amount of feed required to produce one kg of farmed fish; Economical FCR adds mortality to the biological measure and is calculated as total weight of feed divided by net production

Solid ramp up of production planned

Planned harvesting provides year-round cod production




Norcod’s business model provides industrial scale cod farming in Norway

- Harvested volumes is distributed across each cycle, providing year-round production and harvesting from 2024
- Compared to the limited peak season for wild-catch, Norcod provides stable supply of cod
- On course to achieve the volume of 5k tonnes by April 2022
- Licenses for 10.32k tonnes MAB capacity granted
- Cooperation between production and market from day one

Introduction to the cod market

- Cod currently represents 9% of EU seafood consumption, making it a popular specie along with tuna (13%) and salmon (10%)
- Farmed cod constitute a mere 0.6% of the worlds total cod harvest, while wild-catch production constitute the remaining 99.4%
- Decades of research has built a strong foundation for cod farming with Norcod having delivered proof of concept on an industrial scale
- It is key to differentiate Norcod's farmed cod from wild-caught cod with its superior quality, sustainability, and year-round freshness
- Norcod has already proven that it is possible to differentiate and create an independent market for farmed cod demonstrated by entered retail contract running through wild peak seasons
- Seasonality characterises the market for wild-caught cod with peak season between January and April/May – a non-existing issue for Norcod's farmed cod which can be produced and distributed fresh throughout the year
- Key markets include the whole fish market in Southern- and Western Europe, and the filet market in North America and Western Europe
- The farmed cod market is a major first mover game with only a handful of players operating in Norway today and no players currently pursuing the opportunity globally
- Norcod, with its current 5k tonnes capacity, has 0.5% of total Atlantic Cod quota and will target high-end and niche markets



"Everything about this product is inspiring and in the spirit of our restaurant. I look forward to following the journey of the product, which is sure to make its way to our kitchen."

Brian Mark Hansen
Head Chef at Michelin star restaurant
Søllerød Kro

Fry access through joint venture with Havlandet

Overview of Havlandet Norcod AS

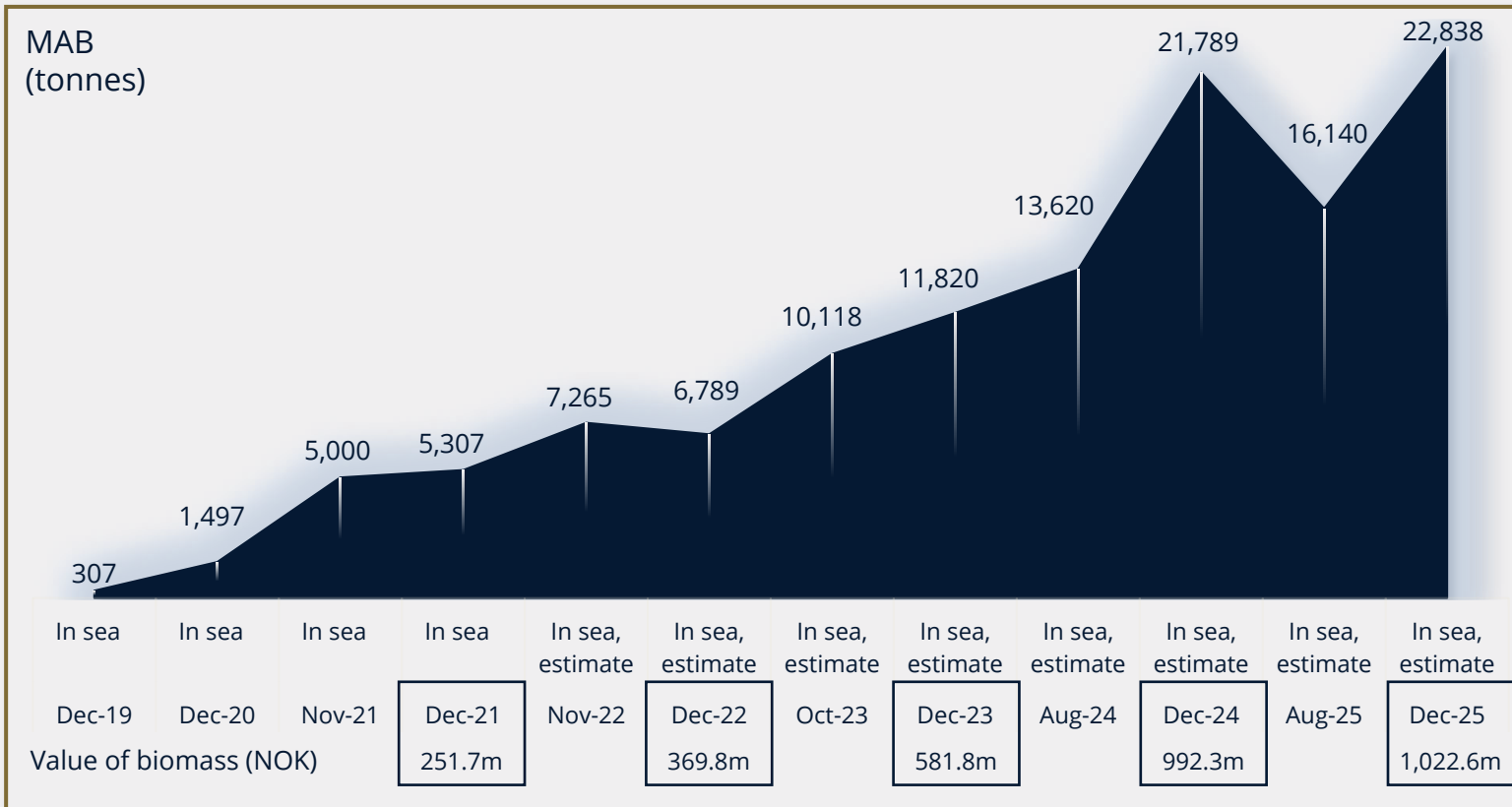
- ✓ Havlandet Norcod AS is a 50/50 joint venture between Havlandet Marin Yngel AS and Norcod AS
- ✓ Havlandet, having more than 20 years of experience, has started production of 7th generation fry
- ✓ The new fry facility began construction in August 2021 and is expected complete in August 2022
- ✓ The development is on schedule and on budget
- ✓ First fry delivery is expected to be at the end of 2022
- ✓ Capacity in the facility is up to 24m fry which can yield over 80k tonnes of full-grown cod



The facility is key for the future of cod farming in Norway; not only for Norcod and Havlandet, but also for others who might have interest in start farming cod as they can receive fry from this facility

Currently ramping up production leading to biomass building up at sea

Biomass ramp up requires significant working capital

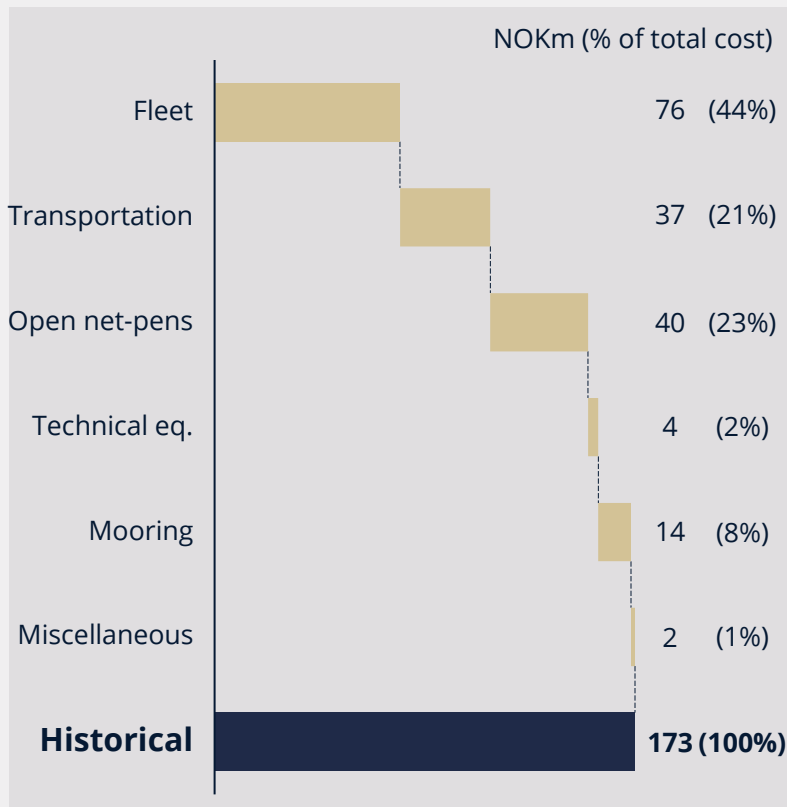


Commentary

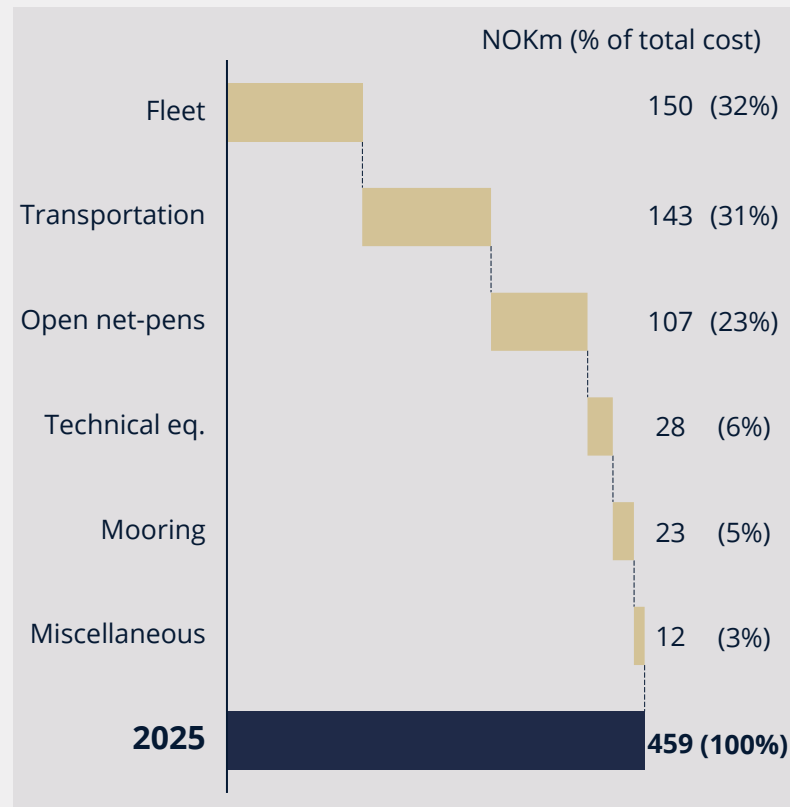
- Norcod is currently ramping up production and consequently building up biomass at sea
- Large volumes of biomass in sea requires significant working capital represented by the increase in value of biomass from ~NOK 370m in 2022 to NOK 1,023m by the end of 2025
- Norcod currently has three sites with fish in water and has applied for several sites which is expected to start operations according to production plan
- At steady state of production changes in biomass is a factor of harvest of fish and timing of new production cycles

Low capex levels per site and all completed sites constructed within budget

Breakdown of historic capex



Breakdown of budgeted capex ('22-'25)



Commentary

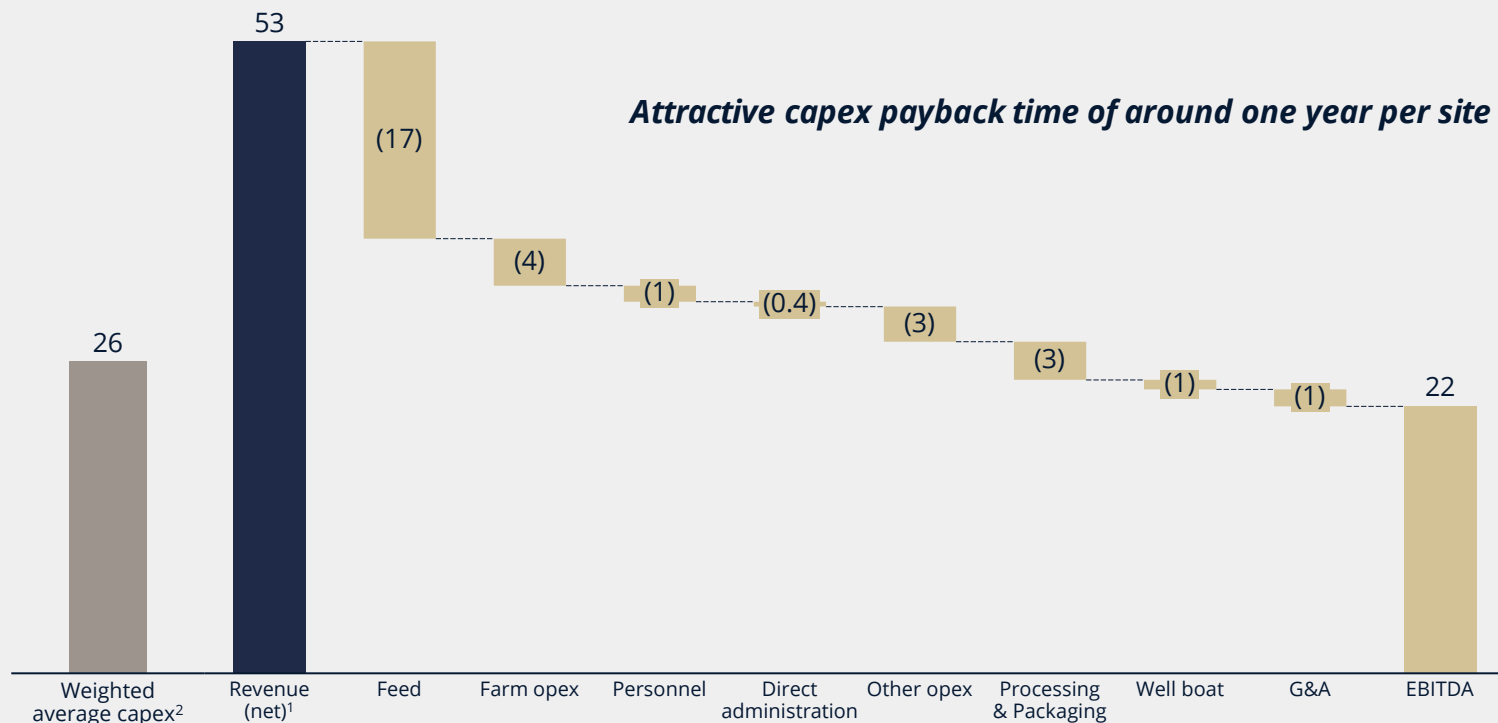
- The existing 4¹ sites have all been constructed within budgeted capex level of **NOK 60.1m**
- **7 new sites** will be constructed to reach Nocod's 2025 targeted production volume of 27.5k tonnes
- Budgeted capex for each new location of **NOK 70.3m**
 - Capex relating to fleet and moorings for site 4 was invested in end of 2021, remaining capex will be invested in 2022
- Fleet, open-net pens and work boat capex will be fully financed through **leasing agreements**
 - These items represent ~78% of the budgeted capex for each site, however ~30% are paid up-front

1) Including Finnangerøya (pilot site)

Estimated run-rate EBITDA of NOK 22/kg WFE on average in 2025

EBITDA-bridge (2025E)

(NOK/kg WFE)



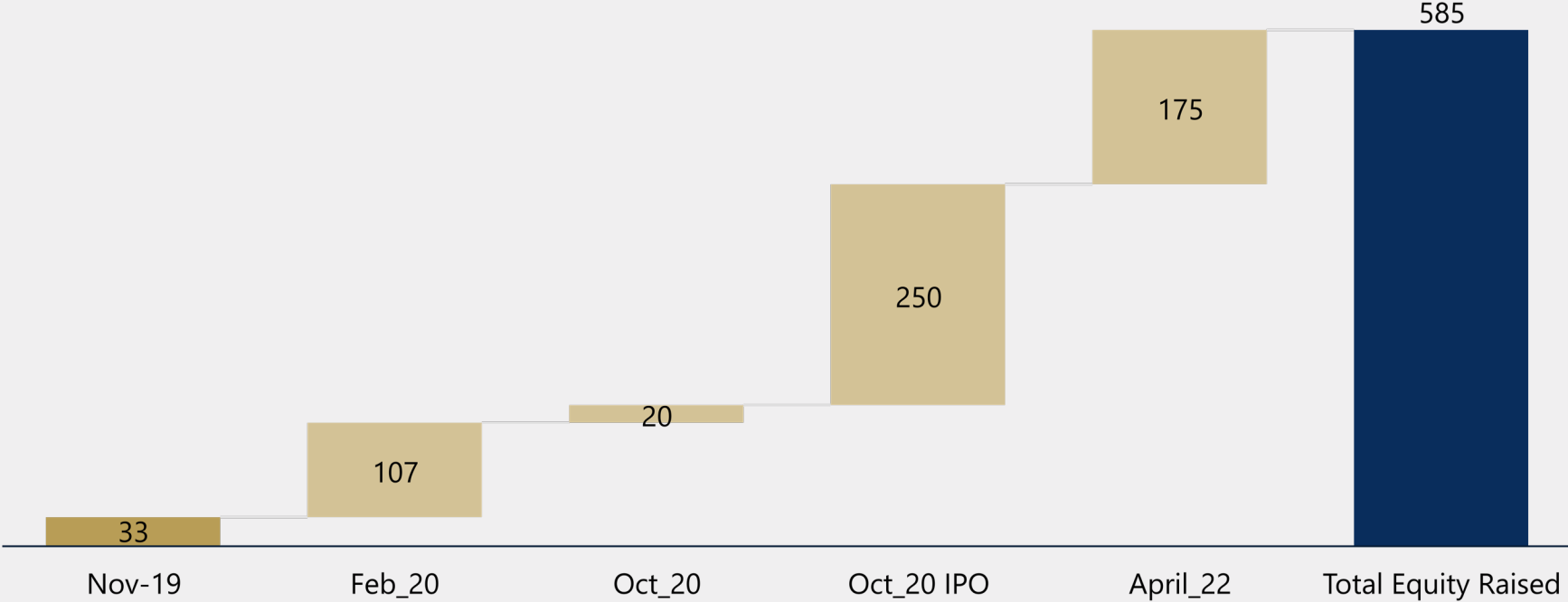
Commentary

- Norcod has entered into an 850 tonnes HOG delivery contract with a major European supermarket chain for a fixed gross price of NOK 60/kg HOG
 - NOK 54/kg HOG net of commission and transportation
- Farm opex, direct administrative costs and G&A are expected to decrease significantly with increased harvest volumes
- Attractive capex payback time around one year per site encourages investments in additional cash generative sites which increases the asset base
- With a target harvest volume of 27.5k tonnes WFE in 2025, the run-rate EBITDA is estimated to more than NOK 600m

1) Net revenue is based on a weighted average price from HOG sales (based on latest contract with a major European supermarket chain), price of VAP sales and liver sales
 2) Weighted average capex is based on NOK 70.3m investment per site and 27.5k tonnes WFE expected harvest with 10 sites in 2025

Historical equity issues

(NOKm)





Case summary



Established position as the market leading cod producer

1.4k tonnes WFE harvested in 2021, representing 87% of the Norwegian farmed cod export market



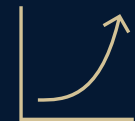
Proven business model selling high-quality cod

Offtake agreement with major European supermarket for a net price of NOK 54/kg HOG, proving ability to achieve premium pricing



Certified ESG friendly production

Rated "Green Fish" with a FCR of 1.1 compared to salmon of 1.2-1.5



Hugh growth potential

Currently operating 4 farming sites with plans to invest in 7 additional sites to reach 2025 production target

