NATIONAL PROSPECTUS

(*Norwegian: nasjonalt prospekt*)

Norcod AS

(a private limited liability company incorporated under the laws of Norway)

(registered with the Norwegian Register of Business Enterprises with registration number 821 489 962)

Subsequent offering up to 1,666,666 Offer Shares at an Offer Price of NOK 12 per Offer Share

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Norcod AS ("**Norcod**" or the "**Company**") is offering up to 1,666,666 new shares in the Company (the "**Offer Shares**"), each with a par value of NOK 0.50 in connection with a subsequent offering (the "**Subsequent Offering**") raising gross proceeds of maximum NOK 19,999,992.

Subscription rights to Offer Shares will be given to existing shareholders of the Company as of 27 February 2025 (as registered with the VPS (as defined hereinafter) on 3 March 2025) (the "**Record Date**") who (i) were not allocated Offer Shares in the Private Placement, (ii) were not contacted during pre-sounding ahead of announcement of the Private Placement, and (iii) are not resident in a jurisdiction where such offering would be unlawful or, would (in jurisdictions other than Norway and any other jurisdiction(s) decided by the board of directors) require a prospectus, registration document or similar action (the "**Eligible Shareholders**"). Each Eligible Shareholder will receive 0.12304 subscription rights (the "**Subscription Rights**") for each Share held by as of the Record Date. Over-subscription and subscription without subscription rights is permitted.

The Offer Shares will when issued be registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form. The Company's shares (the "**Shares**") are, and the Offer Shares will be, admitted to trading on Euronext Growth Oslo, a multilateral trading facility operated by Euronext Oslo Børs under the ticker code "NCOD" with ISIN NO0010892912. The Offer Shares will have equal rights and rank pari passu with the Company's existing Shares.

Investing in the Company's Shares, including the Offer Shares involves a high degree of risk. See Section 3 "Risk Factors".

This Prospectus is a national prospectus and has been registered with the Norwegian Register of Business Enterprises in accordance with Section 7-8 of the Norwegian Securities Trading Act for reasons of public verifiability, but neither the Financial Supervisory Authority of Norway (*Norw*. Finanstilsynet) (the "**Norwegian FSA**") nor any other public authority has carried out any form of review, control or approval of the Prospectus. This Prospectus does not constitute an EEA-prospectus.

IMPORTANT INFORMATION

This prospectus dated 20 March 2025 (the "**Prospectus**") has been prepared by Norcod AS in connection with the Subsequent Offering. The Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**")

Section 7-5 and related legislation and regulations. The Prospectus has been prepared in the English language. The Prospectus has not been approved by the Norwegian FSA or any other public authority but has been registered with the Norwegian Register of Business Enterprises for reasons of public verifiability, pursuant to the Norwegian Securities Trading Act Section 7-8. The Prospectus is not subject to and has not been prepared to comply with the EU Prospectus Regulation (Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017) and related legislation.

Prospective investors are expressly advised that an investment in the Offer Shares entails a high degree of financial and legal risks and that they should therefore read this Prospectus in its entirety, including but not limited to Section 3 “Risk Factors”, when considering an investment in the Offer Shares. The contents of this Prospectus shall not be construed as legal, financial or tax advice. Each reader should consult his, her or its own legal advisor, independent financial advisor or tax advisor for legal, financial or tax advice.

The Company has retained DNB Markets, a part of DNB Bank ASA to act as manager in the Subsequent Offering (the "**Manager**"). Neither the Company, the Manager nor any of their respective representatives or advisors make any representation to any offeree, applicant or subscriber of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree, applicant or subscriber under the laws applicable to such offeree, applicant or subscriber.

Prospective investors should assume that the information appearing in the Prospectus is accurate only as at the date of the Prospectus, regardless of the time of delivery of the Prospectus or the Offer Shares. The business, financial condition, results of operations and prospects of the Company could have changed materially since that date. The Company expressly disclaims any duty to update this Prospectus except as required by applicable law. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances imply that there has been no change in the Company’s affairs or that the information set forth in this Prospectus is correct as at any date subsequent to the date hereof.

All inquiries relating to this Prospectus must be directed to the Company. No other person is authorized to give information, or to make any representation, in connection with the Subsequent Offering or this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or their advisors.

No action has been, or will be, taken in any jurisdiction other than Norway by the Company that would permit an offering of the Offer Shares, or the possession or distribution of any documents relating thereto, or any amendment or supplement thereto, in any country or jurisdiction where specific action for such purpose is required. Accordingly, this Prospectus may not be used for the purpose of, and does not constitute, an offer to sell or issue, or a solicitation of an offer to buy or apply for, any securities in any jurisdiction in any circumstances in which such offer or solicitation is not lawful or authorized. Persons into whose possession this Prospectus may come are required by the Company to inform themselves about and to observe such restrictions. The Company shall not be responsible or liable for any violation of such restrictions by prospective investors.

The securities described herein have not been and will not be registered under the US Securities Act of 1933 as amended (the “**US Securities Act**”), or with any securities authority of any state of the United States. Accordingly, the securities described herein may not be offered, pledged, sold, resold, granted, delivered, allotted, taken up, or otherwise transferred, as applicable, in the United States, except in transactions that are exempt from, or in transactions not subject to, registration under the US Securities Act and in compliance with any applicable state securities laws.

The Prospectus and the Subsequent Offering are subject to Norwegian Law. Any dispute arising in respect of or in connection with this Prospectus or the Subsequent Offering is subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as legal venue in the first instance.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares and the Subscription Rights (together the "**Financial Instruments**") in the Subsequent Offering have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). The Company has not published sufficient data for the manufacturers to determine whether an investment in the Subsequent Offering is compatible with investors who have expressed sustainability related objectives with their investments based on that which i) is an environmentally sustainable investment under the EU Taxonomy Regulation, ii) represents a sustainable investment under the SFDR, and/or iii) takes into consideration any Principle Adverse Impacts on sustainably factors as per the SFDR. Distributors should note that: the price of the Financial Instruments may decline and investors could lose all or part of their investment; the Financial Instruments offer no guaranteed income and no capital protection; and an investment in the Financial Instruments is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Financial Instruments is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**" and, together with the Positive Target Market, the "**Target Market Assessment**").

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Subsequent Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Financial Instruments.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Financial Instruments in the Subsequent Offering and determining appropriate distribution channels.

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APPENDICES

1. STATEMENTS

1.1 Responsibility for the Prospectus

This Prospectus has been prepared by the Company in connection with the Subsequent Offering described herein.

The members of the Board of Directors confirm, after having taken all reasonable care to ensure that such is the case, that to the best of their knowledge, the information presented in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

20 March 2025

Renate Larsen
Chair of the Board

Jan Severin Sølbæk Board member	Paul Jewer Board member
Trine Danielsen Board member	Boe Spurré Board member

1.2 Third party information

In certain Sections of this Prospectus information sourced from third parties has been reproduced. To the best knowledge of the Company, such third-party information has been accurately reproduced. As far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

1.3 Forward-looking information

This Prospectus contains forward-looking statements relating to, among other things, the business, strategy, the potential benefits of the Company's product, future operations, future progress and timing of development and commercialization activities, future size and characteristics of the markets that could be addressed by the Company's product, expectations related to the use of proceeds from the Subsequent Offering, future financial performance and results, projected costs, prospects, plans and objectives of the Company and/or the industry in which it operates.

Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "intends", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Prospectus, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development.

Neither the Company nor any of its subsidiary undertakings or any such person's officers or employees provide any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Prospectus or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.

2. DESCRIPTION OF THE SUBSEQUENT OFFERING

2.1 Background for the Subsequent Offering

On 14 March 2025 (the “**Announcement Date**”), the General Meeting of the Company resolved to complete a private placement of 13,724,225 new shares at a subscription price per share of NOK 12, raising gross proceeds of NOK 164,690,700 (the “**Private Placement**”).

In order to comply with its equal treatment obligations under the Euronext Growth Rule Book Part II and Oslo Børs’ Circular no. 2/2014, the Company has initiated the Subsequent Offering directed towards the Eligible Shareholders.

The purpose of the Subsequent Offering is to enable the Company’s shareholders as of the Record Date who were not allocated shares in the Private Placement to subscribe for Offer Shares at the same price as in the Private Placement, thus limiting dilution of their shareholding.

The net proceeds from the Subsequent Offering will be used to fund biomass and site investments necessary to reach its 25,000t WFE annual target harvest capacity.

2.2 Conditions for completion of the Subsequent Offering

Completion of the Subsequent Offering is subject to (i) due payment for the Offer Shares by the subscribers, (ii) the Board of Directors of the Company resolving to approve the Subsequent Offering and issue and allocate the Offer Shares based on the authorization granted by the general meeting of the Company held on 14 March 2025, (iii) registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises, and (iv) delivery of the Offer Shares to the subscribers in the VPS.

2.3 Subscription of Offer Shares

Each Eligible Shareholder will receive 0.12304 subscription rights (the "**Subscription Rights**") for each Share held by such Eligible Shareholder as of the Record Date. The number of Subscription Rights will be rounded down to the nearest whole Subscription Right. The Subscription Rights will not be listed and admitted to trading and are not transferable. Each Subscription Right will, subject to applicable securities laws, give the right to subscribe for, and be allocated, one Offer Share, at a price per share of NOK 12 (the “**Offer Price**”) (equal to the subscription price in the Private Placement), in the Subsequent Offering. Over-subscription and subscription without Subscription Rights is permitted. The Subscription Rights will be distributed free of charge, and the recipient of Subscription Rights will not be debited any cost.

The subscription of the Offer Shares is made on the terms set out in this Prospectus and the Subscription Form. Over-subscription and subscription without Subscription Rights is permitted in the Subsequent Offering, however there can be no assurance that Offer Shares will be allocated for such subscriptions. Subscription Rights that are not used to subscribe for Offer Shares before expiry of the Application Period will have no value and will lapse without compensation to the holder.

2.4 Timetable

The timetable set out below provides key dates for the Subsequent Offering:

Event	Date
Last day of trading for inclusion in Subsequent Offering	27 February 2025
Record date	3 March 2025
Start of Application Period	21 March 2025 at 09:00 CET
End of Application Period	4 April 2025 at 16:30 CEST
Allocation of Offer Shares	on or about 7 April 2025
Notification of allocation	on or about 7 April 2025
Payment date for the Offer Shares	on or about 9 April 2025
Registration of share capital increase in the Norwegian Register of Business Enterprises	on or about 15 April 2025
Delivery of the Offer Shares in VPS	on or about 15 April 2025

The above dates are indicative and subject to change.

2.5 Number of Offer Shares to be issued

Up to 1,666,666 Shares will be issued in the Subsequent Offering based on the number of subscriptions received by the Company during the Application Period.

Applicants applying for Offer Shares in the Subsequent Offering will be notified by the Company of the number of Offer Shares to be issued following expiry of the Application Period.

2.6 Offer Price

The Offer Price per Offer Share is NOK 12, equal to the subscription price per share in the Private Placement.

2.7 Application Period and subscription procedures

The Application Period commences on 21 March 2025 at 09:00 CET and expires on 4 April 2025 at 16:30 CEST. The Company may at its own discretion extend or shorten the Application Period at any time and for any reason, on short notice. If the Application Period is shortened or extended the other dates referred to herein may be amended accordingly. Further, the Company reserves the right to cancel the Subsequent Offering or reduce the number of shares to be issued through the Subsequent Offering.

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form, attached hereto as Appendix E (the "**Subscription Form**") to the Manager during the Application Period, or may, for subscribers who are residents of Norway with a Norwegian personal identification number, be made online as further described below.

The number of Subscription Rights allocated to the Eligible Shareholder will be made available online through VPS. The Prospectus is available at www.dnb.no/emisjoner.

Subscribers who are Norwegian residents are encouraged to subscribe for Offer Shares by following the link set out above, which will redirect the subscriber to the VPS online subscription system. In order to use the online subscription system, the subscriber must have, or obtain, a valid VPS account number.

Online subscriptions must be duly registered or accurately completed Subscription Forms must be received by the Manager by 16:30 (CEST) on 4 April 2025.

Properly completed and signed Subscription Forms may be mailed or delivered to the Manager at the address set out below:

DNB Markets, a part of DNB Bank ASA Dronning Eufemias gate 30 P.O. Box 1600 Sentrum 0021 Oslo, Norway Tel: +47 915 04800 E-mail: retail@dnb.no

The subscriber is responsible for the correctness of the information contained in the Subscription Form. Subscription forms received after the end of the Application Period and/or incomplete or incorrectly completed Subscription Forms may be disregarded at the sole discretion of the Company. Neither the Company nor the Manager shall be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Company.

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Manager. By signing and submitting a Subscription Form or registering a subscription through the VPS online subscription system, the subscribers confirm and warrant that they have read this Prospectus and are eligible to subscribe for Offer Shares under the terms set forth herein.

There is no minimum subscription amount for which subscriptions in the Subsequent Offering must be made. Over-subscription (i.e., subscription for more Offer Shares than the number of Subscription Rights held by the subscriber) and subscription without Subscription Rights is permitted, however, there can be no assurance that Offer Shares will be allocated for such subscriptions.

Multiple subscriptions (i.e., subscriptions on more than one Subscription Form) are allowed. Subscribers should also note that two separate Subscription Forms submitted by the same subscriber to the Manager with the same number of Offer Shares subscribed for on both Subscription Forms may only be counted once unless otherwise explicitly stated in one of the Subscription Forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a Subscription Form and through the VPS online subscription system, all subscriptions will be counted.

2.8 Allocation

Allocation of the Offer Shares is expected to take place on or about 7 April 2025.

The allocation hierarchy in the Subsequent Offering will be as follows:

a) Offer Shares shall be allocated to Eligible Shareholders who have subscribed with Subscription Rights;

b) any unallocated Offer Shares following allocation pursuant to item a) shall be allocated to Eligible Shareholders who have over-subscribed (on a pro rata basis); and

c) any unallocated Offer Shares following allocation pursuant to item b) shall be allocated to subscribers without Subscription Rights.

The Board of Directors reserves the right to round off, cancel or reduce any subscription for Offer Shares. The Board of Directors will, however, not cancel a subscription which it finds to be correctly submitted by an Eligible Shareholder. Allocation of fewer Offer Shares than applied for, does not affect the subscriber's obligation to subscribe and pay for the Offer Shares allocated.

The result of the Subsequent Offering will be published on or about 7 April 2025 in the form of a stock exchange notification from the Company through the Oslo Stock Exchange information system. Subscribers having access to investor services through their VPS account will be able to check the number of Offer Shares allocated to them from approximately 10:00 hours (CEST) on 7 April 2025. Subscribers who do not have access to investor services through their VPS account manager may contact the Manager from 10:00 hours (CEST) on 7 April 2025 to request information about the number of Offer Shares allocated to them.

2.9 Manager and settlement agent

The Manager and settlement agent in the Subsequent Offering is DNB Markets, a part of DNB Bank ASA (address: Dronning Eufemias gate 30, 0191 Oslo, Norway),

2.10 Payment date for the Offer Shares

The payment for the Offer Shares allocated to a subscriber falls due on 9 April 2025 (the "**Payment Date**"). In order for payment to take place on the Payment Date, applicants must ensure that there are sufficient funds on the bank account to be debited on or about 8 April 2025 (i.e., one business day prior to the Payment Date). Payment must be made in accordance with the requirements set out below.

<u>Subscribers who have a Norwegian bank account</u>

Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form, provide the Settlement Agent with a one-time irrevocable authorization to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares allocated to the subscriber.

The specified bank account is expected to be debited on or after the Payment Date. The Settlement Agent is only authorized to debit such account once but reserves the right to make up to three debit attempts, and the authorization will be valid for up to seven working days after the Payment Date. Payment by direct debiting is only available for subscribers who are allocated Offer Shares for an amount below NOK 5,000,000.

Furthermore, the subscriber authorizes the Settlement Agent to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment.

If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorization from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue. If payment for the allotted Offer Shares is not received when due, the Offer Shares will not be delivered to the subscriber, and the Board of Directors reserves the right, at the risk and cost of the subscriber, to cancel the subscription in respect of the Offer Shares for which payment has not been made, or to sell or otherwise dispose of the

Offer Shares, and hold the subscriber liable for any loss, cost or expense suffered or incurred in connection therewith. The original subscriber remains liable for payment of the entire amount due, including interest, costs, charges and expenses accrued, and the Manager may enforce payment of any such amount outstanding.

Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscriber's bank, the standard terms and conditions for "Payment by Direct Debiting – Securities Trading", which are set out in the Subscription Form, will apply, provided, however, that subscribers who are allocated Offer Shares for an amount exceeding NOK 5,000,000 must contact the Settlement Agent for further details and instructions, and ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date.

<u>Subscribers who do not have a Norwegian bank account</u>

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date.

Prior to any such payment being made, the subscriber must contact the Settlement Agent for further details and instructions.

<u>Overdue payments</u>

Overdue and late payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 12.50% per annum. If a subscriber fails to comply with the terms of payment, the Offer Shares will not be delivered to the subscriber.

The Manager, on behalf of the Company, reserves the right, at the risk and cost of the subscriber to, at any time, cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Manager may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Manager, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

2.11 VPS registration

The Offer Shares will when issued be registered in the VPS in book-entry form. The Company's register of shareholders in VPS is administrated by DNB Bank ASA, Dronning Eufemias gate 30, 0191 Oslo, Norway, telephone number +47 915 04800 (the "**VPS Registrar**").

The Shares are, and the Offer Shares will be, admitted to trading on Euronext Growth Oslo, a multilateral trading facility operated by Euronext Oslo Børs under the ticker code "NCOD" with ISIN NO0010892912.

2.12 Delivery of the Offer Shares

All subscribers subscribing for Offer Shares must have a valid VPS account (established or maintained by an investment bank or Norwegian bank that is entitled to operate VPS accounts) to receive Offer Shares. The share capital increase pertaining to the issuance of Offer Shares is expected to be registered with the Norwegian Register of Business Enterprises on or about 15 April 2025, following which the Offer Shares are expected to be delivered in the VPS. The Offer Shares will be listed on Euronext Growth Oslo under the Company's ISIN (NO0010892912) as soon as the Offer Shares have been issued in the VPS. This is expected to take place on or about 15 April 2025.

The Offer Shares may not be transferred or traded before they are fully paid and said registration in the VPS has taken place (expected to take place on or about 15 April 2025).

Delivery of Offer Shares to a subscriber will only take place if such subscriber has made full payment for the Offer Shares in accordance with the payment instructions set out in section 2.10.

2.13 Financial intermediaries

2.13.1 General

All persons or entities holding Shares or Subscription Rights through financial intermediaries (e.g., brokers, custodians and nominees) should read this Section. All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

The Company is not liable for any action or failure to act by a financial intermediary through which Shares are held.

2.13.2 Subscription rights

If an existing shareholder of the Company holds Shares registered through a financial intermediary on the Record Date, the financial intermediary will, subject to the terms of the agreement between the Eligible Shareholder and the financial intermediaries, customarily give the Eligible Shareholder details of the aggregate number of Subscription Rights to which it will be entitled and the relevant financial intermediary will customarily supply each Eligible Shareholder with this information in accordance with its usual customer relations procedures. Eligible Shareholders holding Shares through a financial intermediary should contact the financial intermediary if they have received no information with respect to the Subsequent Offering.

Subject to applicable law, Eligible Shareholders holding Shares through a financial intermediary may instruct the financial intermediary to sell some or all of their Subscription Rights, or to purchase additional Subscription Rights on their behalf. Please refer to Section 8.1 "Selling and Transfer Restrictions" for a description of certain restrictions and prohibitions applicable to the sale and purchase of Subscription Rights in certain jurisdictions outside Norway.

2.13.3 Application period

The time by which notification of exercise instructions for subscription of Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Application Period. Such deadlines will depend on the financial intermediary. Eligible Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

2.13.4 Subscription

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the Eligible Shareholders and for informing the Company of their exercise instructions.

A person or entity who has acquired Subscription Rights that are held through a financial intermediary should contact the relevant financial intermediary for instructions on how to exercise the Subscription Rights.

Please refer to Section 8.1 "Selling and Transfer Restrictions" for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions outside Norway.

2.13.5 Method of payment

Any existing shareholder of the Company who holds its Subscription Rights through a financial intermediary should pay the Subsequent Offering Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in the Prospectus. Payment by the financial intermediary for the Offer Shares must be made to one of the Managers no later than the Payment Date. Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

2.14 Dilution

The dilutive effect following the Private Placement and the Subsequent Offering (assuming subscription of the maximum number of Offer Shares in the Subsequent Offering) is summarized in the table below. The percentage dilution set out in the table below shows the situation for existing shareholders of the Company as of the Record Date that do not exercise any of the Subscription Rights they are granted in the Subsequent Offering.

	Prior to the Private Placement and the Subsequent Offering	**Subsequent to the Private Placement**	**Subsequent to the Private Placement and the Subsequent Offering[1]**
Number of Shares each with a nominal value of NOK 0.50	43,803,164	57,527,389	59,194,055
% dilution		24%	26%

[1] Assuming all Offer Shares are subscribed and allocated.

2.15 Participation of major existing shareholders and members of the Board of Directors

To the extent known by the Company, no major existing shareholders of the Company (i.e., existing shareholders holding more than 5% of the total outstanding Shares) or members of the Board of Directors intend to participate in the Subsequent Offering

2.16 National Client Identifier and Legal Entity Identifier

2.16.1 Introduction

In order to participate in the Subsequent Offering, subscribers will need a global identification code. Physical persons will need a so-called National Client Identifier ("**NCI**") and legal entities will need a so-called Legal Entity Identifier ("**LEI**"). Investors who do not already have an NCI or LEI, as applicable, must obtain such codes in time to subscribe for Offer Shares during the Application Period.

2.16.2 NCI code for physical persons

Physical persons need an NCI code to participate in a financial market transaction. The NCI code is a global identification code for physical persons. For physical person with only a Norwegian citizenship, the NCI code is the 11-digit personal ID number (Nw: fødselsnummer). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Investors are encouraged to contact their bank for further information.

2.16.3 LEI code for legal entities

A LEI code is a mandatory number for all companies investing in the financial market. A LEI is a 20-character identifier that identifies distinct legal entities that engage in financial transactions. The Global Legal Identifier Foundation ("**GLEIF**") is not directly issuing LEIs, but instead delegates this responsibility to Local Operating Units ("**LOUs**").

Norwegian companies can apply for a LEI code through the website https://no.nordlei.org/. The application can be submitted through an online form and signed electronically with BankID. It normally takes one to two working days to process the application.

Non-Norwegian companies can find a complete list of LOUs on the website https://www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations.

2.17 Interests of natural and legal persons involved in the Subsequent Offering

The Manager and its affiliates have provided from time to time, and may provide in the future, investment banking services to the Company and its affiliates in the ordinary course of business, for which they may receive and may continue to receive customary fees and commissions. The Manager, its employees and any affiliate may currently own Shares in the Company. Further, in connection with the Subsequent Offering, the Manager, its employees and any affiliate acting as investor for its own account may receive Subscription Rights (if they are Eligible Shareholders) and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares or Subscription Rights and any other securities of the Company or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Manager does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Beyond the abovementioned, the Company is not known with any interest, including conflicting ones, or natural and legal persons involved in the Subsequent Offering.

2.18 Expenses of the Subsequent Offering

The Company estimates that expenses in connection with the Subsequent Offering, which will be paid by the Company, will amount to approximately NOK 1 million. Accordingly, the maximum net proceeds to the Company will be approximately NOK 19 million.

2.19 Shareholders' rights attached to the Offer Shares

The Offer Shares will be ordinary Shares in the Company, each having a par value of NOK 0.50. The rights attached to the Offer Shares will be the same as those attached to the Company`s existing Shares and will rank pari passu with existing Shares in all respects from such time as the share capital increase in connection with the Subsequent Offering is registered with the Norwegian Register of Business Enterprises.

The holders of the Offer Shares will have a right to dividend from the time the share capital increase is registered in the Norwegian Register of Business Enterprises.

2.20 Selling and transfer restrictions

2.20.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information purposes only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Offer Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Offer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

2.20.2 Selling restrictions

United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to persons that are "qualified institutional buyers" ("QIBs") as defined under Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, the Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than (i) within the United States to QIBs in accordance with Rule 144A or (ii) outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements.

Any offer or sale in the United States will be made solely by affiliates of the Manager who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Subsequent Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Subsequent Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

United Kingdom

This Prospectus and any other material in relation to the Subsequent Offering described herein is only being distributed to, and is only directed at persons in the United Kingdom who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Regulation, as the term is used in Article 1(4) and (6) of the Prospectus Regulation, ("Qualified Investors") that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom distributions may otherwise lawfully be made (all such persons together being referred to as Relevant Persons). The Offer Shares are only available to, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, Relevant Persons. This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Persons who are not Relevant Persons should not take any action on the basis of this Prospectus and should not rely on it.

European Economic Area

Each person in a Relevant Member State (other than persons in Norway) must represent, warrant and agree that: (a) it is a qualified investor within the meaning of Article 2(e) of the Prospectus Regulation, as the term is used in Article 1(4) and (6) of the Prospectus Regulation, cf. Section 7-6 of the Norwegian Securities Trading Act; and (b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 (4) and (6) of the Prospectus Regulation, cf. Section 7-6 of the Norwegian Securities Trading Act, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the Prospectus Regulation as having been made to such persons.

Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia, Canada, Switzerland, Hong Kong, Singapore or any other jurisdiction in which it would not be permissible to offer the Offer Shares. In jurisdictions outside the United States and the EEA where the Subsequent Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

2.20.3 Transfer restrictions

United States

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section. Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and, subject to certain exceptions, may not be offered or sold within the United States.

- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares or any economic interest therein to any person in the United States.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.

- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- The Company shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.

- If the purchaser is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.

- The purchaser acknowledges that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

- Each purchaser of the Offer Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.

- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.

- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, or any economic interest therein, as the case may be, such Offer Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser will not deposit or cause to be deposited such Offer Shares into any depositary receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.

- The purchaser acknowledges that the Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.

- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

- If the purchaser is requiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Manager and its respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Manager and the Company that:

a) it is a qualified investor within the meaning of Articles 2(e) of the Prospectus Regulation, as the term is used in Article 1(4) and (6) of the Prospectus Regulation, cf. Section 7-6 of the Norwegian Securities Trading Act; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 (4) and (6) of the Prospectus Regulation, cf. Section 7-6 of the Norwegian Securities Trading Act, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the

Prospectus Regulation, as the term is used in Article 1(4) and (6), cf. Section 7-6 of the Norwegian Securities Trading Act, as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Subsequent Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

3. RISK FACTORS

Investing in the Company involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out in this section before making an investment decision in respect of the Shares. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company or that the Company currently deems immaterial, may also impair the Company's business operations and adversely affect the price of the Company's Shares. If any of the following risks materialize, individually or together with other circumstances, the Company's business, prospects, financial position, cash flow and operating results could be materially and adversely affected, which in turn could lead to a decline in the value of the Shares and the loss of all or part of an investment in the Shares.

A prospective investor should consider carefully the factors set forth below, and elsewhere in the Admission Document, and should consult his or her own expert advisors as to the suitability of an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of an investment in the Shares.

The information herein is presented as of the date hereof and is subject to change, completion or amendment without notice.

All forward-looking statements included in this document are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward-looking statements. Forward-looking statements will however be updated if required by applicable law or regulation. Investors are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties and that actual results may differ materially from those included within the forward-looking statements as a result of various factors. Factors that could cause or contribute to such differences include, but are not limited to, those described in this Prospectus.

The order in which the below risks are presented is neither intended to provide an indication of the likelihood of their occurrence nor their severity or significance.

3.1 Risks related to the Company and the industry in which it operates

3.1.1 No assurance can be given that the Company will achieve its objectives

The Company is in an ongoing developing process. The Company has limited operating history and implementing its strategy will require the Company's management to make complex judgments. Hence, no assurance can be given that the Company will achieve its objectives or other anticipated benefits. Further, risks relating to the successful implementation of the Company's strategies may be increased by external factors, such as downturn in cod prices, increased competition, unexpected or unforeseeable changes in applicable regulations or the materialisation of any of the risk factors mentioned herein, which may require the management's focus and resources, and which could in turn imply failure or delay in the successful adoption of the Company's business strategy. Failure to implement the Company’s business strategy could have a material adverse effect on the Company’s results, financial condition, cash flow and prospects.

3.1.2 Cod farming is a fairly new industry which is subject to inherent risks

Although cod farming experienced a boost from 2000-2008, the industry subsequently experienced a challenging period from 2008-2010, where production costs, due to poor biology, were higher than achieved prices. In addition to the inherent risks involved by being in a development phase in a fairly new industry, such as faults in production, operations, maintenance, etc. There is also a risk that the Company’s commercialisation strategy proves unsuccessful, and that other players in the same industry are able to commercialise in a more rapid pace than the Company, which may in turn have a material adverse effect on the Company’s results, financial condition, cash flow and prospects.

3.1.3 The Company has entered into agreements with Sirena A/S concerning i.e. sales and distribution

The Company has entered into agreements with Sirena A/S, the parent company of Sirena Group AS ("Sirena Group"), where Sirena Group inter alia undertakes to use the Company as its sole and exclusive supplier of Norwegian cod products and is granted exclusive marketing rights to all products produced and harvested by the Company. Relying on one customer, who is also a major shareholder in the Company, for its entire harvest volume of cod may involve inherent risks and it may take time to build up new customer relationships should this agreement for any reason be terminated. If the agreements with Sirena Group should be terminated or Sirena Group should not perform satisfactorily, the Company may experience a loss of income, it may take time to establish alternative distribution channels and the Company could fail to develop, or experience a loss of, market position. There is a risk that Sirena Group being a major shareholder of the Company could impact the Company's handling of these matters.

3.1.4 The Company may not succeed in entering into beneficial agreements with third-parties

The Company's long term commercialisation strategy involves planning and preparing for the Company to enter into customer, distribution, marketing, sales and other agreements with third parties. The commercial success of the Company will, in the long term, require such agreements to be entered into with professional third parties on commercially favourable terms. If the Company does not succeed in doing so, this could have a material adverse effect on the Company's results, financial condition, cashflow and prospects.

3.1.5 The Company's business depends on goodwill, reputation and on maintaining good relationships with clients, partners, suppliers and employees

The Company's business depends on goodwill, reputation and on maintaining good relationships with clients, partners, suppliers and employees. Negative publicity related to the Company and/or its direct and indirect customers could, regardless of its truthfulness, adversely affect the Company's reputation and goodwill. The Company is exposed to the risk that negative publicity may arise from activities of legislators, pressure groups and the media, for instance environmental concerns or that fish and other commodities are being bred only to generate profit, which may tarnish the industry's reputation in the market. Loss of certification may furthermore lead to reputational risks. Negative reputational publicity may arise from a broad variety of causes, including incidents and occurrences outside the Company's control. No assurance can be given that such incidents will not occur in the future, which may cause negative publicity about the operations of the Company, which in turn could have a material adverse effect on the Company. Negative publicity could further jeopardize the Company's relationships with customers and suppliers or diminish the Company's attractiveness as a potential investment opportunity. In addition, negative publicity could cause any customers of the Company to purchase products from the Company's competitors, i.e. decrease the demand for the Company's products in the future. Any circumstances that publicly damage the Company's goodwill, injure the Company's reputation or damage the Company's business relationships, may lead to a broader adverse effect in addition to any monetary liability arising directly from the damaging events by way of loss of business, goodwill, clients, partners and employees.

3.1.6 Risks arising from the Company's contractual relationships with suppliers and transporters, processors and vendors of fish products

In connection with development of the Company's fish farms and, the transportation, processing and sale of fish products, the Company must, to a significant extent, rely upon its counterparties, and their contracting parties, to fulfil their contractual obligations towards the Company. Should any supplier and transporter, processor or vendor of fish products, or their third-parties, fail to deliver according to contract, the Company may be at risk of suffering significant reputational damage and, if resulting in the Company not being able to comply with its own obligations, other unwanted consequences, which may lead to impaired relationships with buyers and other important business connections. Furthermore, breach of contract by counterparties may, among other things, also expose the Company to risk of disputes and legal proceedings arising from contractual liability, as well as a reduction of revenues.

3.1.7 Risks related to existing and increasing competition in the cod market

The market for cod is in general international and highly competitive, and the Company faces strong competition from both wild caught cod and other sources of protein, supplied by both domestic and international players. If the Company is unable to compete efficiently, e.g. due to overcapacity, consolidation, increased competition and price pressure in the market, this may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Company.

3.1.8 The Company is vulnerable to errors in technology, production equipment and maintenance routines

The Company is vulnerable to errors in technology, production equipment and maintenance routines. As the Company’s technology is relatively new in a cod farming context, and not yet used over time on a commercial scale for the farming of cod, such risk is meaningful. Such errors could cause damage to the Company's production and biomass, which are the Company's most valuable assets, and as such be detrimental to the Company’s future business and to the value of the Company as a whole. Hence, it is imperative that the Company holds the ability to implement routines and safety measures to protect its production line and develop its biomass. The Company is partly reliant on third-party suppliers of technical production equipment and sufficient maintenance routines for its production facilities. Despite the security and maintenance measures (e.g. internal control systems) in place, the Company's facilities and systems, and those of its third-party service providers, may be vulnerable to technical errors, limits in capacity, breaches in routines, lack of surveillance, acts of vandalism, human errors or other similar events.

3.1.9 The Company's operations are subject to several biological risks

The Company's operations are subject to several biological risks which could have a negative impact on future profitability and cash flows. Biological risks include for instance diseases, viruses, bacteria, parasites, algae blooms, jelly fish and other contaminants, which may have adverse effects on fish survival, health, growth and welfare and result in reduced harvest weight and volume, downgrading of products, claims from customers, and in a worst case scenario result in the Company’s biomass losing some or all of its value. An outbreak of a significant or severe disease represents a cost for the Company through e.g. direct loss of fish, loss of biomass growth, accelerated harvesting and poorer quality on the harvested fish, but may also be followed by a subsequent period of reduced production capacity and loss of income. The most severe diseases may require culling and disposal of the entire stock (stamping out), disinfection of the farm and a long subsequent fallow period as preventive measures to stop the disease from spreading. Market access could be impeded by strict border controls, not only for cod from the infected farm, but also for products originating from a wider geographical area surrounding the site of an outbreak. Continued disease problems may also attract negative media attention and public concerns. Cod farming has historically experienced several episodes with extensive disease and similar problems and no assurance can be given that this will not also happen in the future. Epidemic outbreaks of diseases may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Company. In addition to the aforementioned biological risks there is also a risk of other creatures in the sea attacking the Company’s equipment and biomass, which could negatively impact the value of such assets.

3.1.10 Risk of gonad development and the beginning of maturation in the final growth phase

Gonad development and the beginning of maturation in the final growth phase is an inherent challenge in cod farming. The Directorate of Fisheries (“Fdir”) has established a new administrative practice of imposing accelerated harvesting of individual cages where findings indicate that parts of the biomass may evolve into cod ready to spawn. In February 2025, Fdir proposed regulations involving a codification of this administrative practice, including requirements for risk assessment, contingency plans and the obligation to harvest individual cages when spawning is imminent. A clear statutory basis to mandate slaughter and the ability to impose fines for violations, is also proposed. In the spring of 2023, the Company was ordered by Fdir to accelerate the harvest at three of the Company's locations due to indications that parts of the biomass may evolve into maturation. In March 2025, Fdir also ordered the Company to harvest 6 pens before April 6 due to maturation. Although cod famers, together with the professional-and research environment, are working extensively on this issue to limit exposure, similar incidents may occur in the future. An accelerated rate of harvesting may result in lower production volume than expected and smaller size fish than expected, which may also give the Company challenges with fulfilling its obligations under contracts and lower sales prices due to increased sales in the spot market. This may in turn have a material adverse effect on the business, financial condition, results of operations or cash flow of the Company.

3.1.11 Regulatory risk

Cod farming is strictly regulated by licenses and permits granted by the authorities. Future changes in the laws and regulations applicable to the Company can be unpredictable and are beyond the Company's control. Such changes could imply the need to materially alter the Company's operations and set-up and may prompt the need to apply for further permits, which could in turn have a material adverse effect on the business, financial condition, results of operations, prospects, or cash flow of the Company. For example, the authorities may introduce further regulations for the operations of the Company's facilities, e.g. regarding standards for production facilities, capacity requirements, site allocation conditions or other parameters for production, which may negatively impact the Company.

3.1.12 The Company's operation is dependent on the quality and availability of cod fry

The Company's operation is dependent on the supply, quality and availability of cod fry. The supply of fry is limited, and ensuring access to fry in sufficient quantities and of good quality will be important for the Company's success going forward. Cod fry may perish when being transported to production facilities and, although mortality related transportation of fry is normal, a higher mortality rate could have a severe effect on the Company's business. Further, the quality of fry impacts the volume and quality of the harvested fish. Lack of supply, poor quality or small fry may cause slow growth, reduced health, increased mortality, deformities, or inferior end products, which in turn may have a material adverse effect on the Company's results, financial condition, cash flow and prospects. The Company has entered into a frame agreement with Havlandet Norcod giving the Company access to high quality fry for the duration of the agreement (20 years). If Havlandet Norcod should fail to provide the agreed volumes, or the agreement is otherwise terminated, this could have a material negative impact on the Company's access to fry which in turn could have a material negative effect on the Company's results of operations and financial condition.

3.1.13 The Company's operation is dependent on the quality and availability of cod juveniles

The Company's operation is dependent on the supply, quality and availability of cod juveniles. While there are many growth facilities in Norway that potentially could be used for cod, there are few producers. Ensuring access to juveniles in sufficient quantities and of good quality will be important for the Company's success going forward. Further, the quality of juveniles impact the volume and quality of the harvested fish. Lack of supply, poor quality or small juveniles may cause slow growth, reduced health, increased mortality or inferior end products, which in turn may have a material adverse effect on the Company's results, financial condition, cash flow and prospects.

3.1.14 Production related disorders may negatively affect the Company

As the aquaculture industry has intensified production levels, the biological limits for how fast fish can grow have also been challenged. As with all other forms of intensive food production, a number of production-related disorders may arise, i.e. disorders caused by intensive farming methods. As a rule, such disorders appear infrequently, are multi factorial, and with variable severity. The most important production-related disorders relate to physical deformities and cataracts, which may lead to financial loss in the form of reduced growth and health, reduced quality on harvesting, and damage to the overall reputation of the industry, which in turn may have a material adverse effect on the Company's results, financial condition, cash flow and prospects.

3.1.15 Risks related to feed costs and supply

Feed costs account for a significant portion of the Company's total production costs, and an increase in feed prices could thus have a major impact on the Company's future profitability. The feed industry is characterized by large global suppliers operating under cost plus contracts, and feed prices are accordingly directly linked to the global markets for fishmeal, vegetable meal, animal proteins and fish/vegetable/animal oils which are the main ingredients in fish feed. Increases in the prices of these raw materials will accordingly result in an increase in feed prices. The Company may not be able to pass on increased feed costs to its customers in the future. Due to the long production cycle for farmed cod, there may be a significant time lag between changes in feed prices and corresponding changes in the prices of farmed cod and finished products to customers. As the main feed suppliers normally enter into fixed contracts and adapt their production volumes to prevailing supply commitments, there is limited excess of fish feed available in the market. If one or more of the feed contracts the Company may enter into in the future were to be terminated on short notice prior to their respective expiration dates, the Company could be unable to find alternative suppliers in the market. Shortage in feed supply may lead to starving fish, accelerated harvesting, loss of biomass and reduced income. In addition, the Company's costs going forward may be affected by external factors outside the Company's control, such as the Russian invasion of Ukraine or increased taxation on European goods, which may result in fluctuating prices or higher costs, and in turn could have negative effect on the Company's business, results of operations, financial position, cash flows and/or prospects.

3.1.16 Risks related to food safety and health concerns

Food safety issues and perceived health concerns may in the future have a negative impact on the reputation of and demand for the products and services of the Company. It is of critical importance to the Company that its products are perceived as safe and healthy in all relevant markets. The food industry in general experiences increased customer awareness with respect to food safety and product quality, information and traceability. A failure by the Company to meet new and exacting market or governmental requirements may reduce the demand for their products which, in turn, may have a material adverse effect on the Company.

3.1.17 The Company is dependent on key employees

The Company’s business is knowledge-based. In order for the Company to run its operations successfully and to reach its strategic and operational objectives, it is dependent on having access to skilled and motivated employees. Therefore, the Group's future development is to a large extent dependent on the Group's success in attracting, developing and retaining employees with appropriate skills in the future. If this is not possible, it could adversely affect the Group's business and prospects. As the Company is dependent on key persons and its development is to a large extent dependent on the experience, knowledge and commitment of the management and other key personnel, the Company could be adversely affected should one or several of such key persons terminate their employment. Future hires of senior management and employees are important to the development and prospects of the Company. Further, the Company's performance is to a large extent dependent on highly qualified personnel and management. The continued ability of the Company to compete effectively and implement its strategy depends on its ability to attract new and well-qualified employees and retain and motivate existing employees. Any loss of the services of key employees, particularly to competitors, or the inability to attract and retain highly skilled personnel could have a material adverse effect on the Company's business, results of operation, cash flow, financial condition and/or prospects.

3.1.18 Risks related to real property and construction projects

The Company's future development and growth is dependent on it being able to obtain access to the necessary real property. However, no assurance can be given that the planned real property projects will be successful, or that the Company will be able to obtain access to necessary real property in the future. The Company's planned and future real property and construction projects are and will be subject to numerous risks, including denial of authority approval for applications related to properties needed for the operation, competing third-party rights related to the properties, shortages or delays in equipment, materials or skilled labour, failure of the equipment to meet quality and/or performance standards, inability to obtain required permits and approvals, unanticipated cost increases, design or engineering changes, labour disputes and adverse weather conditions or other similar events, all of which may cause delays or cost overruns. The Company's planned use of the properties it has obtained rights to, could turn out to be unsuitable or impossible, which could lead to the Company having to invest in further real property. Significant cost overruns or delays could have a material adverse effect on the Company's business, results of operations, cash flow, financial condition and/or prospects. Further, if the Company's real property or construction projects fail, or if the Company is unable to obtain access to necessary real property in the future, this could also have a material adverse effect on the Company's business, results of operations, cash flow, financial condition and/or prospects.

3.1.19 Risk of fish escapes

The Company has experienced two incidents of escaped fish the last two years. Although the 8th generation of farmed cod is less likely to escape compared to previous generations of farmed cod and new and improved net technology may reduce the risk of escape incidents, there can be no assurances that there will not be escape incidents in the future. Human error in connection with reception, grading, sampling and handling of cod, damage to cages and net failure, as well as natural phenomena such as extreme weather conditions may allow fish to escape.

Coastal waterways represent a risk of boats accidentally harming farm constructions and thus make escapes unavoidable. The Company is also exposed to risks relating to predation. Incidents of significant fish escapes could result in substantial loss of biomass as well as repair costs, spreading of diseases, negative publicity and penalties or other sanctions from governmental authorities which again could affect the licenses held by the Company. Frequent escape incidents could affect the Company's and the industry’s reputation and possibility for further growth. Fish escapes may accordingly have a material adverse effect on the business, financial condition, results of operations or cash flow of the Company.

3.1.20 Risk of fish cannibalism

The 8th generation of farmed cod is better adapted to farming and combined with better feed and feed distribution, this may lead to fewer incidents of cannibalism compared to previous generations of farmed cod. However, there can be no assurances that there will not be cannibalism in the future, including risk that the cod eat each other and uneven growth were the relatively bigger fish gets bigger. Cannibalism may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Company.

3.1.21 The price of farmed cod may fluctuate

The Company's financial position and future prospects are dependent on the price of farmed cod, which has historically been subject to substantial fluctuations. The Company assumes that the market price for farmed cod will continue to follow a cyclical pattern based on the balance between total supply and demand. No assurance can be given that the demand for farmed cod will not increase as expected, and the demand may decrease in the future. Historically the prices of farmed cod have been negatively impacted by increases in supply from wild caught cod and farmed cod, and no guarantee can be given that this will not occur in the future. Farmed cod is furthermore generally sold as a fresh product with limitation on the time available between harvesting and consumption. Short-term overproduction may therefore result in very low prices obtained in the market. The entrants of new producing geographical areas or the issuance of new production licenses could result in a general overproduction in the industry. In addition, the price of farmed cod has recently been fluctuating due to external factors outside the Company's control, inter alia, such as changes in demand and supply for cod, and food in general, as a result of the Russian invasion of Ukraine. Increased taxation on European goods may also have an effect on the price of farmed cod. Short term or long term decreases in the price of farmed cod may have a material adverse effect on the Company's business, financial condition, prospects, results of operations or cash flow. In addition, the wild catch quotas and supply of wild caught cod and other related protein sources may also influence the price of farmed cod.

3.1.22 The Company may be exposed to activism

Certain global environmental organisations aim to eradicate cod farming and other types of fish farming. Therefore, cod farming companies such as the Company may be targets for activism of various kinds with the aim to cause reputational damage or damage to production facilities (spread of information, sabotage, etc.), which may have a material adverse effect on the business, financial condition, results of operations, prospects or cash flow of the Company.

3.1.23 Risks relating to identifying and acquiring rights to appropriate locations

There can be no assurance that the Company will identify and acquire rights to suitable locations. A failure to establish new locations may have a negative impact on the Company's revenue growth and development.

3.1.24 Risks relating to cyber threats

The Company may become subject to attacks from cybercriminals, as the sophistication and scope of cyber-attacks has developed such that cyber-attacks occur on a nearly daily basis. Any information technology security breaches could lead to shutdowns or disruptions of the Company's operations and potentially unauthorized disclosure of confidential information, which may have a material adverse effect on the Company's business, results of operations, financial condition, cash flows, competitive position, reputation and/or prospects.

3.2 Risks related to the Company's financing and financial situation

3.2.1 Risks associated with changes to accounting rules or regulations

Changes to existing accounting rules or regulations may impact the Company's future profit and loss or cause the perception that the Company is more highly leveraged. New accounting rules or regulations and varying interpretations of existing accounting rules or regulations may be adopted in the future and could adversely affect the Company's financial position and results of operations.

3.2.2 Risks related to contractual default by counterparties

Lack of payments from customers/clients upon commencement of operations may impair the Company's liquidity. The concentration of the Company's customers may impact the Company's overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic and industry conditions. The Company is especially dependent on exclusive sales contract with the distributors, which provides the distributors with an exclusive right to distribute cod from the Company, including distributions to fulfil orders in the sales contracts entered into by the Company with the retailer and the supplier.

3.2.3 Market risk, including currency and interest risk

The Company is and may in the future be exposed to currency fluctuations and changes in exchange rates. All cash is currently held in NOK. Adverse movement in currency or interest rates may therefore have a material adverse impact on the Company's financial performance.

3.2.4 Risks related to current financing needs

The Company may need to obtain financing to fund the Company’s growth or future capital expenditures, including its planned biomass build up. As the Company is barred from taking on any further debt except as allowed under the terms of its financing arrangements, the Company may need to obtain any such additional capital from other sources, including through additional equity from new and/or existing shareholders or sale of assets. The Company may be unable to obtain such capital or may only be able to obtain this under terms which may adversely impact the profitability of the Company.

3.2.5 Risks related to loan requirements

The Company’s financing arrangement with DNB includes financial covenants, such as minimum book equity requirements (35% adj.) and restrictions on dividend payments. Failure to comply with these covenants may prevent the Company from making drawdowns under the financing arrangement, or, if funds have already been drawn, could result in an event of default. If not remedied, this could require the Company to repay its borrowings ahead of schedule. The need to refinance under potentially less favorable terms could have a negative impact on the Company’s financial condition and results of operations.

3.2.6 Future funding may not be available on favourable terms in the future, or at all

The Company's business and future plans are capital intensive and, to the extent the Company does not generate sufficient cash from operations in the long term, the Company may need to raise additional funds through public or private debt or equity financing to execute the Company's growth strategy and to fund capital expenditures. Adequate sources of capital funding might not be available when needed or may only be available on unfavourable terms, or not available at all. If funding is insufficient at any time in the future, the Company may be unable to fund maintenance requirements and acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Company's results, financial condition, cash flow and prospects.

3.2.7 Risk related to unaudited financial information

The Company's unaudited interim financial statements for Q1 2024, Q2 2024, Q3 2024 and Q4 2024 have not been audited or reviewed by an independent auditor. No assurance can be given that information presented in the audited financial statements for 2023 will be the same as the information presented in the announced unaudited financial statements or that the auditor's report to the audited financial statements for 2024 will not contain any emphasis of matter or opinions. In addition, no assurance can be given that the Company's results of operations, financial position and/or cash flows will not be affected by factors outside the Company's control due to, inter alia, fluctuating cod prices, transportation costs and/or other costs as a result of external factors such as the Russian invasion of Ukraine, or by a potential end of such conflict.

3.3 Risks related to the Shares

3.3.1 Risk related to volatility of the share price

The market price of the Shares may be highly volatile and investors in the Shares could suffer losses. The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including the sale of relatively large holdings of Shares by majority shareholders, quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, significant contracts, acquisitions or strategic relationships, publicity about the Company or other companies where the Company holds an ownership interest, their products and services or its competitors, lawsuits and unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions. In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company or other companies where the Company holds an ownership interest, and these fluctuations may materially affect the price of the Shares.

3.3.2 Risks relating to illiquid market for trading shares

No assurances can be made that there will continue to be a liquid market for the shares. If such market fails to be sustained, it would have a negative impact on the price of the shares. Investors would not be in a position to sell their shares quickly, at the market price or at all if there is no active trading in the shares.

3.3.3 The Company does not expect to pay dividends in the near future

Norwegian law provides that any declaration of dividends must be adopted by the Company's shareholders at the Company's general meeting of shareholders. Dividends may only be declared to the extent that the Company has distributable funds and the Company's Board of Directors finds such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company's operations and the need to strengthen its liquidity and financial position. As the Company's ability to pay dividends is dependent on the availability of distributable reserves, it is inter alia dependent upon receipt of dividends and other distributions of value from its subsidiaries and companies in which the Company has and in the future may invest. The Company does not expect to pay dividends in the near future.

3.3.4 Investors could be unable to exercise their voting rights for shares registered in a nominee account

Beneficial owners of the shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be restricted from voting such Shares unless they have submitted a voting instruction or provided a notification of attendance at least two workdays prior to any General Meeting. There is no assurance that beneficial owners of the shares will receive the notice of any General Meeting in time to instruct their nominees to provide the required pre-notification of attendance in due time or otherwise vote their shares in the manner desired by such beneficial owners.

3.3.5 The value of the shares could for foreign investors be adversely affected by exchange rate fluctuations

The shares are priced in NOK, and any future payments of dividends on the shares will be made in NOK. Investors registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant investor's currency will be the company's VPS registrar's exchange rate on the payment date. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the shares and of any dividends paid on the shares for an investor whose principal currency is not NOK.

4. PRESENTATION OF THE COMPANY AND ITS BUSINESS

4.1 About Norcod AS

The Company is a private limited company organized and existing under the laws of Norway pursuant to the Norwegian Private Limited Companies Act, with its registered office at Thomas Angells gate 22, 7011 Trondheim, Norway and registration number in the Norwegian Register of Business Enterprises 821 489 962. The Company's LEI code is 549300N8UWBEWUET7X59. The Company's website can be found at www.norcod.com.

The Company was incorporated in Norway on 7 August 2018. On 15 October 2020, the Company was admitted to trading on Euronext Growth Oslo, a multilateral trading facility operated by Euronext Oslo Børs under the ticker code "NCOD" with ISIN NO0010892912.

The Company's register of shareholders in VPS is administrated by the VPS Registrar.

The Company has three wholly owned subsidiaries. Norcod Equipment AS (previously Norcod Drift AS), is a company registered in the Norwegian Register of Business Enterprises with company registration number 923 176 853. Kråkøy Slakteri AS is a company registered in the Norwegian Register of Business Enterprises with company registration number 985 872 406. Kråkøy Norcod Eiendom AS (previously TN Kråkøy Eiendom AS) is a company registered in the Norwegian Register of Business Enterprises with company registration number 824 021 562.

4.2 Overview of the Company's business

4.2.1 General

Norcod is a producer of premium Atlantic Cod positioned among the market leaders in the emerging cod farming industry.

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 central and northern regions of Norway with optimal biological conditions for cod farming.

The Company has already proven its production ability through a successful harvest of first production cycle in 2021 and 2022 and has entered into partnerships with global leading actors such as Sirena Group for distribution, making Norcod's value chain highly integrated.

The Company's current production is based in its natural cold-water habitat along the coast of Trøndelag, in Central Norway. Norcod will seek to establish new operating locations to execute the long-term business plan, mainly in the coastal areas from Trøndelag and north, which has favorable temperatures for cod farming. The Company is experiencing increased demand for stable deliveries of fresh cod all year round and is targeting an annual harvest of 11,000 tonnes by 2026. In order to scale the production up to the 25,000t target, the Company is targeting expansion of 4 new sites (assumed ~3,600t MAB per site initially).

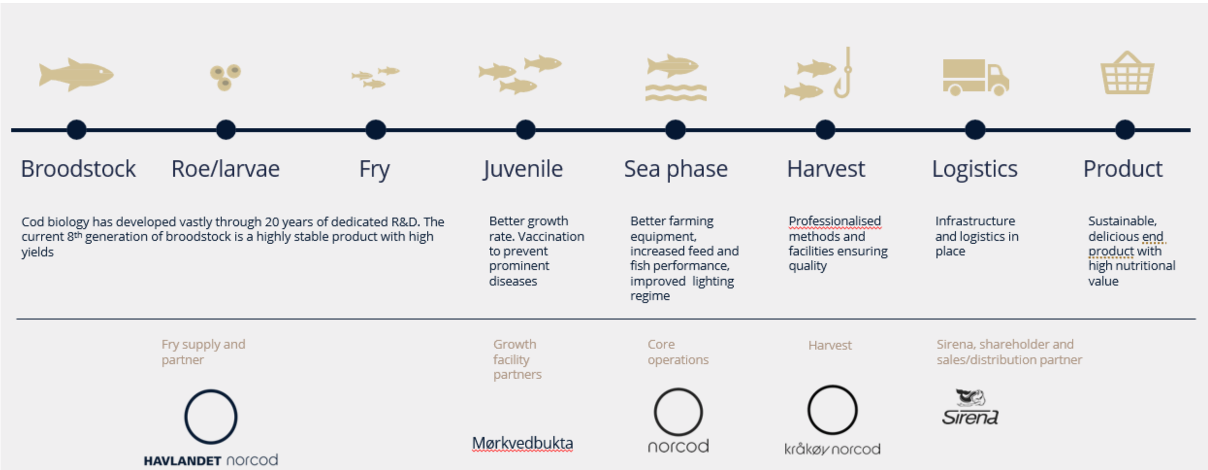
Norcod is led by experienced aquaculture industrials. Since cod farming is deemed to be fairly similar to salmon farming on the marine operations side, the Company's recruitment philosophy revolves around attracting talent from the salmon farming industry. In addition, the Company has seen an increase in incoming interest after starting up operations, which has resulted in establishment of apprenticeships for students within aquaculture education. Furthermore, a key component in the Company's strategy is entering into and developing cooperation with vendors and partners throughout the value chain. This ensures involvement in and control of all stages in the cod production value chain.

Norcod's core business area is the sea-phase, which is the part of the value chain where cod grows from approximately 0.1 to approximately 4 kg in commercial sea sites.

Norcod's position in the fully integrated value chain of cod farming:

As illustrated in the figure below, the Company is involved throughout the value chain by virtue of partnerships with, inter alia, players involved with: (i) fry production, (ii) land-based ongrowing sites, (iii) harvesting facilities, (iv) sales and the end-market. As further described in below, the Company owns all the shares in Kråkøy Slakteri AS, which owns and operates harvesting facilities in close proximity to the Company's cod-farming sites.

Norcod's position and partnerships in the value chain:



4.2.2 Geographical sites

The Company currently operates six cod-farming sites along the Norwegian coast encompassing 26 licenses with a total MAB of 19,079t.

The current cost of acquiring licenses are low, and is expected to remain so in the near future, while the application time is prolonged and similar to the salmon farming industry.

<u>Overview of Norcod's current sites:</u>

Jamnungen
MAB 5,160t
Start of sea phase 2022

Frosvika
MAB 3,600t
Start of sea phase 2021

Pålskjæra
MAB 1,560t
Start of sea phase 2021

Bjørnvika
MAB 3,599t
Start of sea phase 2023

Skogsøya
MAB 1,560t
Start of sea phase 2021

Labukta
MAB 3,600t
Start of sea phase 2021

4.3 History and important events

The table below provides an overview of key events in the history of the Group:

Year	Event
2018	• The Company was incorporated by Sirena Group • Fry agreements secured with Havlandet and Nofima
2019	• The Company received its first batch of fry received from Nofima • The Company was granted concessions for production of up to 3m cod • The Company completed a private placement raising gross proceeds of NOK 33 million. • The Company received 1.8m fry from Havlandet which were put into growth phase
2020	• The Company's pilot batch moved to sea phase. • The Company completed a private placement raising gross proceeds of NOK 107 million. • Start of sea phase for first main batch • In October 2020, the Company completed a private placement raising gross proceeds of NOK 250 million, and was admitted to trading on Euronext Growth Oslo, a multilateral trading facility operated by Oslo Børs ASA under the ticker code "NCOD" with ISIN NO. NO0010892912 • First trial production and delivery to markets
2021	• Start of next growth phase for the Frosvika and Mausund locations. • Beginning of first full scale harvest • Entered into landmark agreement with major European supermarket chain

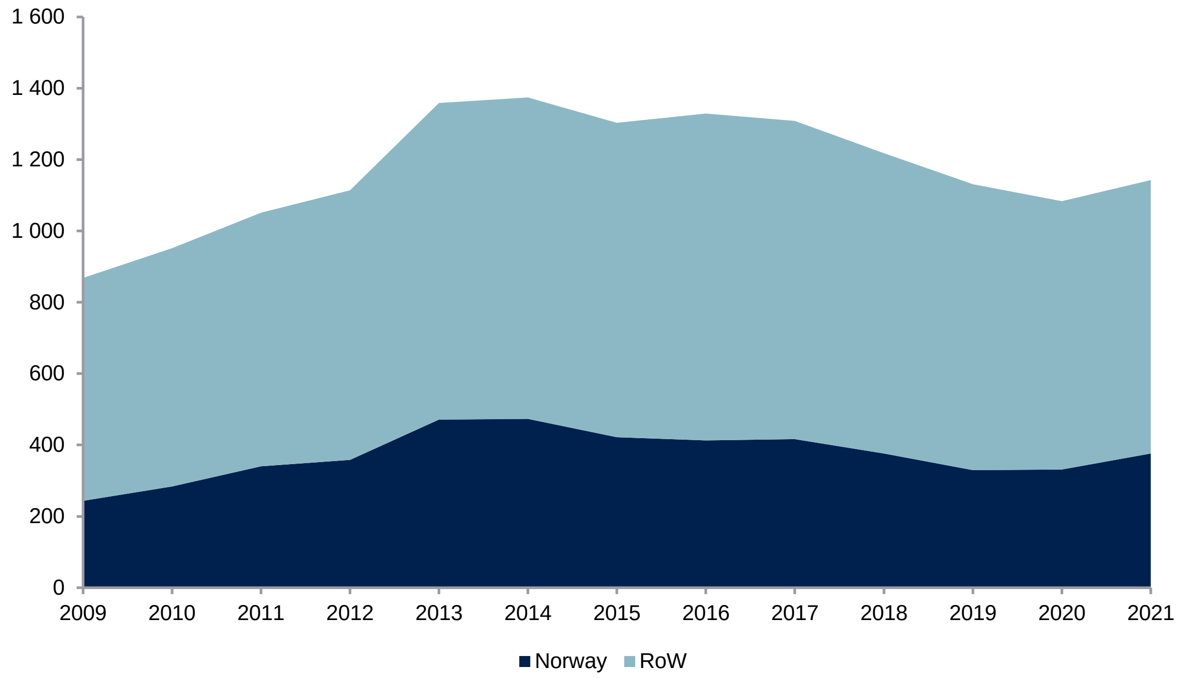
2022	• Completion of first full production cycle • The Company completed a private placement raising gross proceeds in the amount of approx. NOK 175 million. • Implemented shore power as the energy source for its Frosvika production facility.
2023	• The Company completed a private placement raising gross proceeds in the amount of approx. NOK 190 million. • The Company completed a subsequent offering raising gross proceeds in the amount of NOK 9,848,010. • The Company divested its investment in the joint venture with Havlandet AS by selling its shares in Havlandet Norcod AS to Havlandet AS. • Norcod entered into a 20-year fry supply contract with Havlandet. • Norcod purchased 100 per cent of the shares in Kråkøy Slakteri AS and TN Kråkøy Eiendom. • The Company completed a capital increase through conversion of part of a shareholder loan issued by Artha Cod Ansvarlight Lån P/S with a total subscription amount of NOK 88,606,022. • The Company granted new production site in Nordland county.
2024	• The Company landed a new profitable contract in China. • The Company completed a private placement raising gross proceeds in the amount of approx. NOK 170 million.
2025	• The Company completed a private placement raising gross proceeds in the amount of approx. NOK 165 million. • The Company secured a credit facility with DNB for MNOK 130, with the possibility to increase debt commitment up to NOK 150 million

4.4 Principal markets

4.4.1 Supply

The market for cod is in general large and international, primarily consisting of wild caught cod from trawlers and fishing vessels which is primarily caught in the areas around Iceland, Greenland and the Barents Sea. Supply levels of Atlantic cod experienced a stagnation in the years after 2016, mainly due to dwindling stocks of cod in the sea. Further, supply is heavily reliant on issued catch quota.

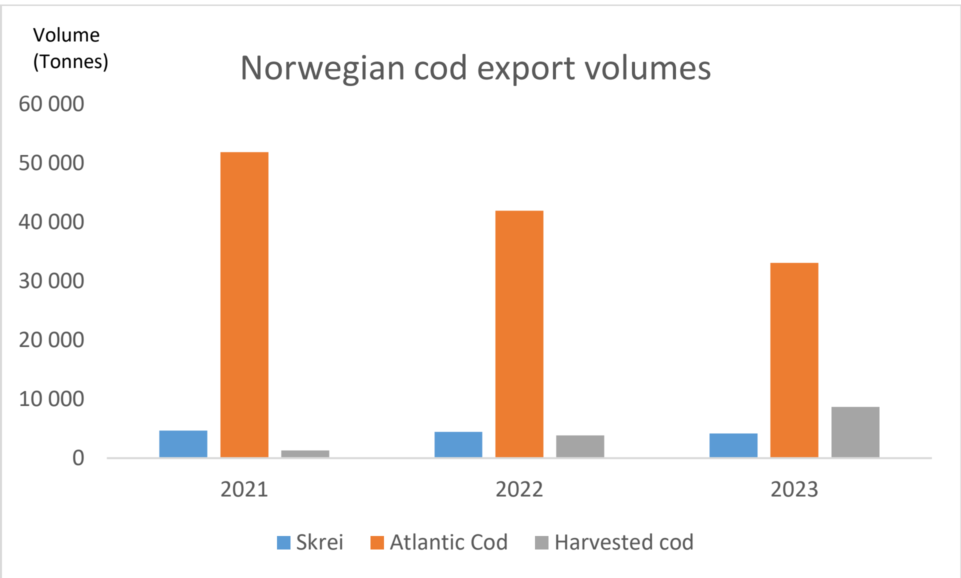
<u>The chart below shows development in Atlantic cod supply levels *('000 tonnes)*:</u>



Source: Food and Agriculture Organization of the United Nations

Farming of cod was initiated in the early 2000s in Norway, and according to Nofima, total harvest amounted to approximately 20,000 tonnes in 2009/10. Most of the companies who engaged in cod farming in these years were not cash flow generating, and many incurred financial difficulties during the financial crisis in 2008 and 2009 as they were not able to attract additional financing. This resulted in the closure of many companies involved in cod farming, with most of them going bankrupt, and accordingly, harvesting volumes decreased dramatically in the period thereafter. Cod farming licenses were acquired by new entities, and new companies were after some years able to finance their cod farming initiatives. At the same time, the development of genetics for cod farming made significant progress (Nofima, *"Kunnskap- og erfaringgrunnlag for torskeoppdrett",* 2018).

According to the Norwegian Seafood Council (*norw*. Norges sjømatråd), the export volumes for farmed cod increased from appx. 1 290 tonnes in 2021 to 3 845 tonnes in 2022 to 8 700 tonnes in 2023.



Source: Norges Sjømatråd

The table below shows the distribution of cod farming licenses among the eleven largest license owners.

Ode AS	*38*
Norcod AS	*22*
Namdal Settefisk AS	*16*
Kime Akva AS	*11*
Vesterålen Havbruk AS	*8*
Vesterålen Havbruk Statt AS	*8*
Organic Seafarm AS	*5*
Uttian Kystfiske AS	*4*
Havforskningsinstituttet	*4*
Hofseth Aqua AS	*4*
Fjordcod Farming AS	*2*

Source: Fiskeridirektoratet, Akvakulturregisteret (2025)

4.4.2 Offtake and sales

Norcod has an exclusive marketing and sales agreement with Sirena A/S for all of the Company's farmed cod. Sirena Group has, with its extensive sales network, access to a wide set of potential off-takers in the retail and HoReCa segments. The intention behind the marketing and sales agreement is to enter into long-term sales programs with these off-takers to achieve a premium compared to other cod products and secure price stability. The Company's expectation of premium pricing is furthermore underpinned by better expected yield and freshness relative to the wild caught alternative.

Sirena Group has historically been selling their products in key international markets, mainly Europe and North America. Based on insights gained through this experience, Sirena Group has developed an initial plan for sale of Norcod's farmed cod, primarily targeting specific regions of Continental Europe. Sirena Group expects demand from North American off-takers as well. However, due to the increased carbon footprint transportation to North America would generate, this is not included in the current offtake strategy of the Company. The Company has focus on utilizing the whole cod, and as such the marketing plan also involves distributing specific parts of the cod to the highest paying markets, including sale of off-cuts (e.g. liver). Through gradually implementing value adding processing sales the Company expects increased margins over time.

4.5 Material contracts

4.5.1 Frame agreement for provision of fry

In connection with the Company's divestment of its investment in Havlandet Norcod in May 2023, the Company and Havlandet Norcod entered into a frame agreement for the latter's provisions of fry to the Company for a period until 2043 (the "**Havlandet Fry Supply Agreement**").

Pursuant to the Havlandet Fry Supply Agreement, the Company is secured stable provision of high-quality fry for the next 20 years.

4.5.2 Marketing and sales agreement

As described in section 4.4.2 above, the Company has an exclusive marketing and sales agreement with Sirena A/S for all of the Company's farmed cod, under which Sirena undertakes to use the Company as its sole and exclusive supplier of Norwegian cod products and is granted exclusive marketing rights to all products produced and harvested by the Company.

4.5.3 Third party material agreements

The Company has not entered into any material agreement outside the ordinary course of business, or any other agreement outside the ordinary course of business that contains any provision under which the Company has any obligation or entitlement that is material to the Company as of the date of this Prospectus.

4.6 Financing commitments

4.6.1 Credit facility with DNB

DNB Bank ASA has committed an additional credit facility of NOK 130 million (with possibility to increase this debt commitment up to NOK 150 million) in debt financing to support the Company's growth plans. The debt is divided into a term Loan and an overdraft facility, where availability of the overdraft facility is subject to certain financial covenants. The facility was secured in February 2025 and matures in full in October 2026. This is an addition to the existing credit facility of NOK 200 million from DNB.

4.6.2 Shareholder loan

In August 2020, the Company received a shareholder loan from Artha Cod Ansvarligt Lån P/S ("**Artha Cod**") in the principal amount of DKK 47.5 million (the "**Artha Cod Loan**").

In August 2023, the Company and Artha Cod entered into a restructuring agreement relating to the Artha Cod Loan. DKK 41.0 million + accrued interest was settled by conversion to share capital in the Company. Moreover, the maturity for repayment of the remaining amount of the Artha Cod Loan was extended till August 2025. The Artha Cod Loan has a 12 percent p.a. compounding interest (i.e. interest is added to the total outstanding loan amount each year and is paid upon maturity). As of 31 December 2024, the outstanding loan amount is NOK 17.2 million.

4.7 Related party transactions

The Company has entered into a marketing and sales agreement with Sirena A/S, as described in section 4.4.2 above.

In addition, the Company entered into a share lending agreement with Artha Norcod A/S in connection with the Private Placement. The purpose of the share lending agreement was to facilitate for an agreed DvP settlement towards the subscribers in the Private Placement.

Save for these agreements, the Company has not entered into any agreements with its related parties the last two years preceding the date of the Prospectus.

4.8 Patents, licenses and intellectual property

4.8.1 Intellectual property

The Company does not have proprietary technology or intellectual property rights besides its web domain, www.norcod.no.

4.8.2 Licenses

The Company's operations are subject to numerous laws and regulations, which are special for aquaculture operations.

Aquaculture production in Norway require various licenses and permits. Norcod holds all the required permits and licenses with regard to its current production facilities, including the following aquaculture licenses for production of edible cod fish:

License	Site	MAB in tonnes
N ME0063	FROSVIKA	780,00
N ME0064	FROSVIKA	780,00
N ME0065	FROSVIKA	780,00
N ME0066	FROSVIKA	780,00
N ME0067	FROSVIKA	480,00
N NA0011	LABUKTA	780,00
N NA0012	LABUKTA	780,00
N NA0013	LABUKTA	780,00
N NA0014	LABUKTA	780,00
N NA0015	LABUKTA	480,00
N NA0016	BJØRNVIKA	3 599,00
STF 0055	SKOGSØYA	780,00
STF 0057	PÅLSKJÆRA	780,00
STF 0058	PÅLSKJÆRA	780,00
STF 0059	SKOGSØYA	780,00
STF 0065	JAMNUNGEN	780,00
TRF 0005	JAMNUNGEN	780,00
TRF 0006	JAMNUNGEN	780,00
TRF 0007	JAMNUNGEN	780,00
TRF 0008	JAMNUNGEN	480,00
TRF 0042	JAMNUNGEN	780,00
TRF 0043	JAMNUNGEN	780,00

4.9 Competition

The market for cod in general is international and highly competitive. The Company faces strong competition from wild caught cod and other sources of protein, supplied by both domestic and international players. The quotas set for wild Atlantic Cod fluctuate over time and global supply will therefore inherently vary. However, farmed cod may contribute to a steady supply of cod to the market, including outside of the traditional cod-season. Farmed cod companies may also succeed in branding farmed cod as a sustainable and high-quality product and differentiate their product from wild caught cod.

Norwegian authorities have granted approx. 130 cod production licenses, and there are currently approx. 15-20 active locations or facilities in Norway producing edible cod.

5. SELECTED FINANCIAL AND OTHER INFORMATION

5.1 Introduction and basis for preparation

The following selected financial information has been extracted from the Groups' consolidated audited financial statements as of and for the year ended 31 December 2023, and from the Company's unaudited Q4 report for the year ended 31 December 2024 (the "**Financial Statements**").

The selected financial information included herein should be read in connection with and is qualified in its entirety by reference to the Financial Statements. The official versions of the Financial Statements, which are prepared in Norwegian, are available on the Company's website; www.norcod.com.

5.2 Statement of comprehensive income

The table below sets out selected data from the Group's audited statement of comprehensive income for the year ended 31 December 2023 and the Group's unaudited report for the year ended 31 December 2024, extracted from the Q4 report.

In NOK 1000

	As at 31 December	
Statement of comprehensive income	**Q4 2024** (unaudited)	**2023** (audited)
Operating revenue	**123 721**	**269 419**
Cost of materials and change in inventories	106 702	315 439
Salaries and personnel expenses	23 755	67 845
Depreciation on amortization	9 458	29 095
Other operating expenses	36 909	111 532
Total operating expenses	**176 823**	**523 911**
Operating profit/(loss) before fair value adj. of biomass	**-53 103**	**-254 492**
Fair value adjustment biomass	18 572	38 623
Operating profit/(loss)	**-34 531**	**-215 869**
Share of profit(loss) from associates	0	1 489
Net financial items	-4 992	-34 921
Profit(loss) before tax	**-39 522**	**-249 301**
Income tax expenses	0	3 121
Net profit/(loss) for the period	**-39 522**	**-246 180**
Other comprehensive income	0	0
Total comprehensive income for the period	**-39 522**	**-246 180**

5.3 Statement of financial position

The table below sets out selected data from the Group's audited statement of comprehensive income for the year ended 31 December 2023 and the Group's unaudited report for the year ended 31 December 2024, extracted from the Q4 report.

In NOK 1000

	As at 31 December	
Selected statement of financial position information	**Q4 2024** (unaudited)	**2023** (audited)
ASSETS		
Non-current assets		
Concessions, patents, licenses, trademarks and similar rights	2 000	2 000
Property, plant & equipment	145 933	148 246
Right-of.use assets	193 127	198 776
Investment in associated companies	0	0
Other investments	3	505
Other non-current receivables	0	0
Total non-current assets	**341 064**	**349 527**
Current assets		
Inventories	13 242	8 093
Biological assets	265 341	272 052
Short-term receivables	15 834	46 344
Cash and cash equivalents	22 533	18 777
Total current assets	**316 951**	**345 267**
TOTAL ASSETS	**658 014**	**694 793**
EQUITY AND LIABILITIES		
Equity		
Share capital	28,763,694.50[1]	14 714
Treasury shares	-3 707	(-3 707)[2]
Share premium	1 005 143	846 042[3]
Retained earnings	-866 079	(632 243)[4]
Total equity	**157 260**	**224 807**
Liabilities		
Non-current interest-bearing debt	17 018	29 284
Lease liabilities	111 156	124 182
Total non-current liabilities	**128 174**	**153 465**
Current leasing liabilities	34 661	32 642
Current interest-bearing debt	205 270	119 356
Trade payables	119 981	135 863
Other current liabilities	12 668	28 661
Total current liabilities	**372 580**	**316 522**
TOTAL EQUITY AND LIABILITIES	**658 014**	**694 793**

5.4 Cash flows

The table below sets out selected data from the Group's audited statement of comprehensive income for the year ended 31 December 2023 and the Group's unaudited report for the year ended 31 December 2024, extracted from the Q4 report.

In NOK 1000

	As at 31 December	
	Q4 2024 (unaudited)	**2023** (audited)
Profit/(loss) before tax	**-39 522**	**-249 301**
Cash flow from operating activities		
Depreciation and amortization	9 458	27 903
Impairment of intangible assets	0	1 191
Change in inventory and biological assets	-4 176	-23 902
Fair value adjustment	-18 572	-38 623
Share of profit/(loss) from associates	0	-1 489
Change in accounts receivable	-999	3 235
Change in accounts payable	1 412	19 833
Change in other current receivables and other current liabilities	4 689	30 131
Net cash flow from operating activities	**-47 710**	**-231 023**
Cash flows from investing activities		
Payments for purchase of property, plant & equipment	-4 998	-24 550
Proceeds from sale of property, plant & equipment	0	25 153
Acquisition of subsidiaries	0	-8 912
Proceeds from sale of shares in associates	0	35 000
Change in loans to associates and others	0	40 000
Net cash flow from investing activities	**-4 998**	**66 691**
Cash flows from financing activities		
Net change in bank overdraft	71 660	50 865
Repayment of lease liability	-7 516	-34 925
Repayment of debt	-344	-12 164
Interest paid	-846	-8 987
Proceeds from issues of shares	0	184 907
Receipts from new non-current debt	3 500	
Net cash flow from financing activities	**66 453**	**179 696**
Net (decrease)/increase in cash and cash equivalents	13 746	15 365
Cash and cash equivalents at the beginning of the period	8 788	3 412
Cash and cash equivalents at the close of the period	**22 533**	**18 777**

5.5 Auditor

The Company's auditor is KPMG AS with registration number 935 174 627, with its registered address at Sørkedalsveien 6, 0369 Oslo, Norway ("**KPMG**"). The partners of KPMG are members of Den Norske

Revisorforening (The Norwegian Institute of Public Accountants). KPMG has been the Company's auditor since 2022.

The financial statements for the years ending 31 December 2022 and 31 December 2023 have been audited by KPMG, and the auditor's report is included together with the audited financial statements in Appendix B and Appendix C.

6. BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

6.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested in the Company's Board of Directors and the Company's Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's managing director, is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the managing director must according to Norwegian law, brief the Board of Directors about the Company's activities, financial position, and operating results at a minimum of one time per month.

6.2 Board of directors

6.2.1 Overview of the Board of Directors

The current Board of Directors consist of five Board Members, as listed in the table in the section below.

Over time, the Company plans to ensure that the composition of the Board of Directors are in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance last updated 17 October 2018 (the "**Corporate Governance Code**"), meaning that (i) the majority of the shareholder-elected members of the Board of Directors are independent from the Company's executive management and material business connections, (ii) at least two of the shareholder-elected members of the Board of Directors are independent of the Company's main shareholders (shareholders holding 10% or more of the shares in the Company), and (iii) no member of the Company's executive management serve on the board of directors. The Company is in compliance with the gender-requirements applying for the board of directors set out in the Norwegian Private Limited Liability Companies Act.

As at the date of this Prospectus, none of the members of the Board of Directors hold any options or other rights to acquire Shares.

6.2.2 Overview of the Board of Directors

The Company's registered office at Thomas Angells gate 22, 7011 Trondheim, Norway, serves as business address for the members of the Board of Directors in relation to their positions in the Company. The names and positions of the current Board Members are set out in the table below.

Name	Position	Served since	Shares	Options	Comments
Renate Larsen	Chair of the Board	2023	See comment section	0	Ms. Larsen is the chairperson and a shareholder in Berners AS which holds 250,000 shares in the Company.
Jan Severin Sølbæk	Board member	2020	130,609	0	Mr. Sølbæk is the CEO of Artha Kapitalforvaltning A/S, the Company's largest shareholder with a shareholding of 24,540,712 shares.
Trine Danielsen	Board Member	2022	0	0	
Boe Spurré	Board Member	2023	312,931	0	Mr. Spurré is the CEO of Sirena A/S, which holds 4,856,040 shares in the Company.
Paul Jewer	Board Member	2024	See comment section	0	Mr. Jewer is the CEO of Highliner Foods Inc., which holds 10,662,00 shares in the Company.

6.2.3 Brief biographies of the Board Members

Set out below are brief biographies of the current Board Members, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative, management or supervisory bodies or partner the previous five years.

Renate Larsen – Chair of the Board

Ms. Larsen has extensive experience from the seafood industry, both from various executive management positions and from the board room. Ms. Larsen has previously held the positions as CEO of the Norwegian Seafood Council and Lerøy Aurora, and currently holds board positions in various companies. Ms. Larsen holds a Master in Economics and Business Administration from the Norwegian School of Economics (NHH).

Current directorships and senior management positions	Helse Nord Rhf (chair of the board), Oceanfood AS (CEO and chair of the board), Mowi ASA (board member), Norwegian Handball Association (board member), Bane Nor SF (board member), Calanus AS (board member), Berners AS (chair of the board), Larren Invest AS (chair of the board)
Previous directorships and senior management positions last five years	Norwegian Seafood Council (CEO), Lerøy Aurora (CEO and CFO), Folketrygdfondet (board member)

Jan Severin Sølbæk – Board member

Mr. Sølbæk is currently serving as CEO of Artha Holding A/S (several of its subsidiaries have licenses within asset management and investments) and has previously been a CEO of Provisio. Prior to this he was employed as Vice Director at Finansbanken. Jan Severin has furthermore held various executive positions at Finance Partner and Danica Pension. He is educated in banking and finance at Danske Bank Akademi.

Current directorships and senior management positions	Artha Fondsmæglerselskab A/S (board member), Brønsholm Holding ApS (board member), Brønsholm ApS (board member), Projektselskabet Marienlyst Joint Venture ApS (board member), Artha Projekt A/S (chair of the board), Store Kongensgade Ejerlejligheder A/S (chair of the board), Komplementarselskabet Artha Ejerlejligheder I A/S (chair of the board), Artha Ejerlejligheder I P/S (chair of the board), Cargo Air A/S (chair of the board), Komplementarselskabet Artha Ejerlejligheder II A/S (chair of the board), K/S Fredens Gaard (chair of the board), K/S GG Ved Stadsgraven 15(chair of the board), Komplementarselskabet Artha Brønsholm A/S (chair of the board), Komplementarselskabet Artha Toldbodhuse A/S (chair of the board), Komplementarselskabet Artha Skovly A/S (chair of the board), Artha Skovly P/S (chair of the board), Artha Trylleskoven A/S (chair of the board), RS Trylleskoven 2 ApS (chair of the board), Artha Ejendomme Vest A/S (chair of the board), Artha Rødovre Port P/S (chair of the board), Artha Rungsted Husene A/S (chair of the board), Artha Cargo A/S (chair of the board), Scanpartners International A/S (chair of the board), Artha Ejerlejligheder II P/S (chair of the board), Artha Stadsgraven A/S (chair of the board), Artha Brønsholm P/S (chair of the board), Artha Forvaltning A/S (chair of the board), Artha Ejerlejligheder I P/S (chair of the board), Artha Vindmøller A/S (board member), Sølbæk Holding ApS (CEO), Artha Dagligvarebutikker (chair of the board), Artha Holding A/S CEO and chair of the board), Artha Kapitalforvaltning (CEO), Seve Holding ApS (CEO).
Previous directorships and senior management positions last five years	Holistic House Daycare ApS (chair of the board), Artha Marienlyst A/S (chair of the board), Ejendomsselskabet for Marienlyst Badeanstalt af 1861 A/S (board member), Strand- & Badehotel Marienlyst A/S (board member), Artha Teglholmsgade A/S (chair of the board), Holistic House Ørestad A/S (chair of the board), Artha Ørestad A/S (chair of the board), Copenhagen Hotel Invest ApS (chair of the board), Strandvejen 449 A/S (chair of the board), Artha Ejerlejligheder I Pension ApS (chair of the board), Artha Guard ApS (board member), H Copenhagen (board member).

Trine Danielsen – Board member

Ms. Danielsen has extensive experience from the aquaculture and fisheries industry. She has previously served as state secretary in the Norwegian Ministry of Trade, Industry and Fisheries, and has held various positions (both management and board seats) within the industry. Ms. Danielsen currently serves as CEO of Stiim Aqua Cluster. She holds a Msc in Zoology from the Norwegian University of Science and Technology.

Current directorships and senior management positions	Stiim Aqua Cluster (CEO), Azul Holding AS (chair of the board), Bulandet Miljøfisk AS (board member), Nortuna Holding AS (board member), Scale Aquaculture Group AS (board member)
Previous directorships and senior management positions last five years	BluePlanet Academy (CCO), Norwegian Ministry of Trade, Industry and Fisheries (State Secretary), BluePlanet Academy (CEO), Salmar ASA (board member), Timar Group Portugal (COO), Seabass Bream Farms (CEO), African Century Foods (board member), Lake Harvest (board member), mayor in Hjelmeland Municipality

Boe Spurré – Board member

Mr. Boe Spurré has 10 years of experience in both sales and marketing of seafood from Sirena Group, where he currently serves as Group CEO. Mr. Spurré has previously held various positions as both financial director, managing director and finance & administration manager. He furthermore has extensive accounting experience from his approx. 6 years as an auditor with both Ernst & Young (1993-1996) and Chr. Mortensen (1990-1993). Mr. Spurré holds a degree from Copenhagen Business School.

Current directorships and senior management positions	Sirena A/S (CEO)
Previous directorships and senior management positions last five years	N/A

Paul Jewer – Board member

Mr. Jewer has held the position as CEO of Highliner Foods since December 2023. Prior to assuming the CEO position, he held various executive roles in the company. Prior to joining Highliner Foods, Mr. Jewer served as CFO and SVP Finance at Sobeys. Mr. Jewer attended Harvard Business School Executive Education.

Current directorships and senior management positions	Highliner Foods Inc. - CEO
Previous directorships and senior management positions last five years	Highliner Foods Inc. – CFO, EVP Sobeys – CFO, SVP Finance and Treasurer

6.3 Management

6.3.1 Overview

The Company’s management team consists of six individuals. The Company's registered office at Thomas Angells gate 22, 7011 Trondheim, Norway, serves as business address for all members of management in relation to their positions in the Company. The names and positions of Management, and their respective positions, are presented in the table below

Name	Position	Employed with the Company since	Shares (excluding any Offer Shares)	Options
Christian Riiber	Chief Executive Officer	2021	112 090	38,800
Stian Vollan-Hansen	Chief Financial Officer	2024	0	0
Chris Guldberg	Chief Operating Officer	2024	0	0
Arve Olav Lervåg	Chief Production Officer	2024	0	0

6.3.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years.

Christian Riber – Chief Executive Officer

Mr. Riber has previously served as commercial director at Sirena Group for 12 years. He also has 2 years' experience as Account Manager at Experian. Christian also holds a degree in Marketing and International trade from Copenhagen Business School which he completed in 2006.

Current directorships and senior management positions	Norcod AS (CEO)
Previous directorships and senior management positions last five years	Experian (12 years as Commercial, 2 years as Account Manager)

Stian Vollan-Hansen – Chief Financial Officer

Mr. Vollan-Hansen has 9 years in various positions at Entro, including CFO. This has given him, broad experience in financial planning, reporting, M&A activities, strategy, and business development. He holds a Master's degree in economics from NTNU Business School.

Current directorships and senior management positions	Norcod AS (CFO), Sveberg Barnehage SA (board member)
Previous directorships and senior management positions last five years	Entro Group (CFO, Finance Manager, Head of department), Sameiet Grilstad Park B3 (chair of the board)

Chris Guldberg– Chief Operating Officer

20 years commercial experience in management, strategy, branding, PR & comm, ESG, organizational development, and IR. Background in seafood through The Norwegian Seafood Council and SINTEF.

Current directorships and senior management positions	Chief Operating Officer, Norcod. Chair of the board, GCI AS.
Previous directorships and senior management positions last five years	Chief Commercial Officer and organizational director, Norcod Director of Sustainability, Communications and Marketing, Norsk helsenett Director of Communications and Sustainability, Norwegian Seafood Council Director of Communications and Branding, SINTEF Head of Investor Relations, PR and Marketing, the listed oil services company EMGS.

Arve Olav Lervåg– Chief Production Officer

Mr. Lervåg has worked in aquaculture for 27 years, most recently as Executive Director of Aquaculture at Norway Royal Salmon (NRS). Prior to his role at NRS, he spent 10 years at Lerøy, where he held positions as Production Coordinator and Production Manager.

• Bachelor's degree in aquaculture and economics from Molde University College.

Current directorships and senior management positions	Norcod AS (CPO)
Previous directorships and senior management positions last five years	Norway Royal Salmon (Executive Director), Lerøy (Production Coordinator, Production Manager)

6.4 Conflicts of interest

Except as disclosed in section 6.2 and 6.3, no Board Member or member of the Management has, or had, as applicable, during the last five years preceding the date of the Prospectus:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/ or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership, liquidation, or been involved in companies put into administration in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company; or
- been selected as a member of the administrative, management of supervisory bodies or member of senior management of the Company’s major shareholders, customers, suppliers, or others.

7. CORPORATE INFORMATION AND DESCRIPTION OF SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association and applicable law.

7.1 Company corporate information

The Company's legal name is Norcod AS and the Company's commercial name is Norcod. The Company is a private limited liability company (Nw.: aksjeselskap), validly incorporated and existing under the laws of Norway and in accordance with the Companies Act. The Company is registered in the Norwegian Register of Business Enterprises with company registration number 821 489 962. The Company was incorporated on 7 August 2018.

The Company's registered business address is Thomas Angells gate 22, 7011 Trondheim, Norway, which is the Group's principal place of business. The telephone number to the Company's principal offices is +47 950 71 879 and its website is www.norcod.com..

The Shares are registered in book-entry form with VPS under ISIN NO0010892912. The Company's register of shareholders in VPS is administrated by the VPS Registrar, Dronning Eufemias gate 30, 0191 Oslo, Norway. The Company's LEI-code is 549300N8UWBEWUET7X59.

7.2 Share capital

Following completion of the Private Placement, the Company's share capital is NOK 28,763,694.50 divided into 57,527,389 Shares, with each Share having a nominal value of NOK 0.50. All the Shares have been created under the Norwegian Private Limited Companies Act and are validly issued and fully paid. By issuance of 1,666,666 Offer Shares, the Company's share capital will be 29,597,027.50 divided into 59,194,055 Shares.

The Company has one class of shares. There are no share options or other rights to subscribe for or acquire Shares from the Company. Neither the Company nor any of its subsidiaries directly or indirectly owns Shares in the Company.

7.3 Authorisation to carry out the Subsequent Offering

In an extraordinary general meeting of the Company held 14 March 2025 at 10 am CET (the "**March 2025 EGM**") the Board was granted the following authorisation to resolve the issue of new Shares in the Company:

(i) *The Board is authorized to increase the Company's share capital with up to NOK 833,333 by issuing up to 1,666,666 new shares, each with a nominal value of NOK 0.50.*

(ii) *The subscription price shall be NOK 12.00 per share giving a total maximum subscription amount of NOK 19,999,992.*

(iii) *The power of attorney shall be utilized to issue shares in a subsequent offering in connection with the Private Placement resolved by the general meeting under item 4 above.*

(iv) *Existing shareholders' preferential rights pursuant to Section 10-4, cf. Section 10-5, of the Companies Act may be waived.*

(v) *The Board will set out the further subscription terms.*

(vi) *The power of attorney only allows capital increases against payment in cash. The power of attorney does not apply to mergers, cf. section 13-5 of the Companies Act.*

(vii) *The power of attorney expires at the annual general meeting in 2024, but in any event not later than 30 June 2024.*

(viii) *The Board is authorized to amend the Company's Articles of Association to reflect the new number of shares and share capital upon use of the power of attorney.*

(ix) *The resolution is conditional upon the resolution proposed in item 4 above, and the power of attorney can at the earliest be registered with the Register of Business Enterprises together with the share capital increase as per item 4 above.*

7.4 Other financial instruments

The Company has not issued any financial instruments as of the date of this Prospectus.

7.5 Shareholder rights

The Company has one class of Shares in issue, and all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote. The rights attaching to the Shares are described in Section 7.6 "The Articles of Association" and certain aspects of Norwegian company law.

7.6 The Articles of Association

The Company's Articles of Association are set out in Appendix A to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Selling and transfer restrictions

The Shares, including the Offer Shares, may in certain jurisdictions, be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws for any jurisdiction.

The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction other than Norway. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

It is the responsibility of any person outside Norway wishing to subscribe for Offer Shares to fully observe the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdictions. The Subscription Rights and Offer Shares have not been registered and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under the securities law of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States. There will be no public offer of the Subscription Rights and Offer Shares in the United States. Notwithstanding the foregoing, the Offer Shares may be offered to and the Subscription Rights may be exercised by or on behalf of, persons in the United States reasonably believed to be "qualified institutional buyers" (QIBs) as defined by the U.S. Securities Act, in offerings exempt from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, provided such persons satisfy the Company that they are eligible to participate on such basis. Persons in the United States exercising Subscription Rights to acquire Offer Shares will be required to execute an investor letter in the form to be provided by the Manager upon request.

The Subscription Rights and Offer Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, Hong Kong, Japan or South Africa and may not be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan or South Africa. Except as otherwise provided herein, the Subscription Rights and the Offer Shares may not be transferred, sold or delivered in the United States, Australia, Canada, Hong Kong, Japan or South Africa. Exercise of Subscription Rights and subscription of Offer Shares in contravention of the restrictions set out herein may be deemed invalid.

None of the Company or the Manager, or any of their respective representatives or advisors, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

The information set out in this Section 8.1 "Selling and transfer restrictions" is intended as a general guide only. If you are in any doubt about any of the contents of applicable restrictions, or whether any of these restrictions apply to you, you should obtain independent professional advice without delay.

8.2 Auditor and advisors

The Company's independent auditor is KPMG AS with registration number 935 174 627, and business address Sørkedalsveien 6, 0369 Oslo, Norway ("**KPMG**"). The partners of KPMG are members of the Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforening*). KPMG has been the auditor of the Company since 2022.

DNB Markets, a part of DNB Bank ASA (Dronning Eufemias gate 30, 0191 Oslo) is acting as sole bookrunner for the Subsequent Offering (the "**Manager**").

Advokatfirmaet Haavind AS (Haakon VIIs gate 10, 0161 Oslo) is acting as legal counsel to the Company.

8.3 Information sourced from third parties and expert opinions

In this Prospectus, certain information has been sourced from third parties. The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

The Company confirms that no statement or report attributed to a person as an expert is included in this Prospectus.

8.4 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Thomas Angells gate 22, 7011 Trondheim, Norway, during normal business hours from Monday to Friday each week (except public holidays) and on the Company's website www.norcod.com for a period of twelve months from the date of this Prospectus:

- The Company's certificate of incorporation and Articles of Association;
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus;
- The historical financial information of the Company and its subsidiary undertakings for 2024; and
- This Prospectus.

9. DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

Announcement Date	14 March 2025
Application Period	Commences at 09:00 hours (CET) on 21 March 2025 and closes at 16:30 hours (CET) on 4 April 2025.
March 2025 EGM	An extraordinary general meeting of the Company, held 14 March 2025.
Artha Cod	Artha Cod Ansvarligt Lån P/S
Artha Cod Loan	Has the meaning ascribed to such term in section 4.6.2.
Articles of Association	The Company's articles of association.
Board Members	The members of the Board of Directors.
Board of Directors	The board of directors of the Company.
CET	Central European Time.
Company	Norcod AS.
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance last updated 17 October 2018.
EEA	The European Economic Area.
Eligible Shareholders	Has the meaning ascribed to such term in section 2.1.
EU	The European Union.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 20014/71/EC.
Euronext Growth	A Norwegian multilateral trading facility operated by Oslo Børs ASA.
Financial Statements	The audited consolidated financial statement for the Group as of and for the year ended 31 December 2023 and the unaudited financial statement for the Group as of and for the year ended 31 December 2024.
General Meeting	The general meeting of the shareholders in the Company.
Group	The Company and its consolidated subsidiaries.

Havlandet Fry Supply Agreement	Has the meaning ascribed to such term in section 4.5.1
HoReCa Segment	The hotel, restaurant and catering segment.
KPMG	KPMG AS
LEI	Legal Entity Identifier.
Loan Conversion	Has the meaning ascribed to such term in section 4.6.2.
MAB	Maximum Allowable Biomass
Management	The senior management team of the Company.
Manager	DNB Markets, a part of DNB Bank ASA.
Member States	The participating member states of the European Union.
MiFID II	EU Directive 2014/65/EU on markets in financial instruments.
NOK	Norwegian Kroner, the lawful currency of Norway.
Norwegian FSA	The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*).
Norwegian Private Limited Companies Act	The Norwegian Private Limited Companies Act of 13 June 1997 no. 44 (Nw.: *aksjeloven*).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (Nw.: *verdipapirhandelloven*).
Norwegian Securities Trading Regulation	Norwegian Securities Trading Regulations of 29 June 2007 no 876 (Nw.: *verdipapirhandelsforskriften*).
Offer Price	The subscription price for the Offer Shares will be NOK 12 per share.
Offer Shares	The shares offered in the Subsequent Offering.
Oslo Børs	Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA.
Payment Date	The payment date for the Offer Shares, expected to be on 9 April 2025.
Private Placement	Has the meaning ascribed to such term in section 2.1.
Prospectus	This Prospectus dated 20 March 2025.
Record Date	Has the meaning ascribed to such term in section 2.1.
Share(s)	Means the shares of the Company, each with a nominal value of NOK 0.50, or any one of them.
Subscription Form	The Subscription Form to be used to apply for Offer Shares, attached to this Prospectus as Appendix E.

Subscription Rights	Has the meaning ascribed to such term in section 2.2.
Subsequent Offering	The offering of up to 1,666,666 Offer Shares at an Offer Price of NOK 12 per Offer Share.
U.S. Securities Act	The United States Securities Act of 1933, as amended.
VPS	The Norwegian Central Securities Depository (Nw.: Verdipapirsentralen).
VPS Account	An account with VPS for the registration of holdings of securities.
VPS Investor Services	The VPS online subscription system.
VPS Registrar	DNB Bank ASA.

ARTICLES OF ASSOCIATION FOR NORCOD AS

(org.no. 821 489 962)

(last changed 14 March 2025)

§ 1 – Name

The company's business name is Norcod AS.

§ 2 – Company office

The company's office is in Trondheim municipality.

§ 3 – Purpose

The company's business is production of edible fish, molluscs, crustaceans and echinoderms in marine and coastal aquaculture, as well as all other related activities, including investing and owning shares in other companies.

§ 4 – Share capital

The company's share capital is NOK 28,763,694.50 divided into 57,527,389 shares, each with a nominal value of NOK 0.50.

§ 5 – The board of directors

The company's board of directors shall consist of 1 to 6 members.

§ 6 – Transfer of shares

The transfer of shares is not subject to the Board's consent. Shareholders do not have a pre-emptive right to shares that are transferred or otherwise change ownership.

§ 7 – VPS

The company's shares must be registered in VPS.

§ 8 - Signature

The company's name is signed by the chairman of the board and one board member jointly, or the chairman of the board and the CEO jointly. The Board may grant power of attorney.

§ 9 – General meeting

The annual general meeting shall consider and decide on the following:

(i) Approval of the annual accounts and the annual report, including the distribution of dividends

(ii) Other matters that, according to law or the articles of association, are the responsibility of the general meeting.

§ 10 – Electronic communication

The Board of Directors may decide that the shareholders shall be able to participate in the general meeting using electronic means, including that the shareholders may exercise their rights as shareholders electronically.

Electronic participation can only be decided if the statutory requirements are met.

The board of directors is authorized to stipulate more detailed security and practical requirements for electronic participation in the general meeting.

The notice of each general meeting must state whether electronic participation is permitted and the guidelines that apply to such participation.

§ 11 - Advance voting

Shareholders shall be able to cast their votes in writing for a period prior to the general meeting. This also includes the use of electronic communication. For such voting, a satisfactory method shall be used to authenticate the sender. The board of directors decides whether there is an adequate method before each general meeting. The Board may adopt more detailed guidelines for advance voting. The notice of each general meeting must state whether advance voting is permitted and what guidelines, if any, are adopted for such voting.

§ 12 – Documents

When documents relating to matters to be dealt with at the general meeting are made available to shareholders on the company's website, the Norwegian Companies Act does not require the documents to be sent to the shareholders. This also applies to documents that by law must be included in or attached to the notice of the general meeting. A shareholder may, however, request that documents relating to matters to be considered at the general meeting be sent to them. The company may not charge any form of remuneration for sending the documents to the shareholders.

Otherwise, reference is made to applicable company legislation.

norcod

Annual Report 2022

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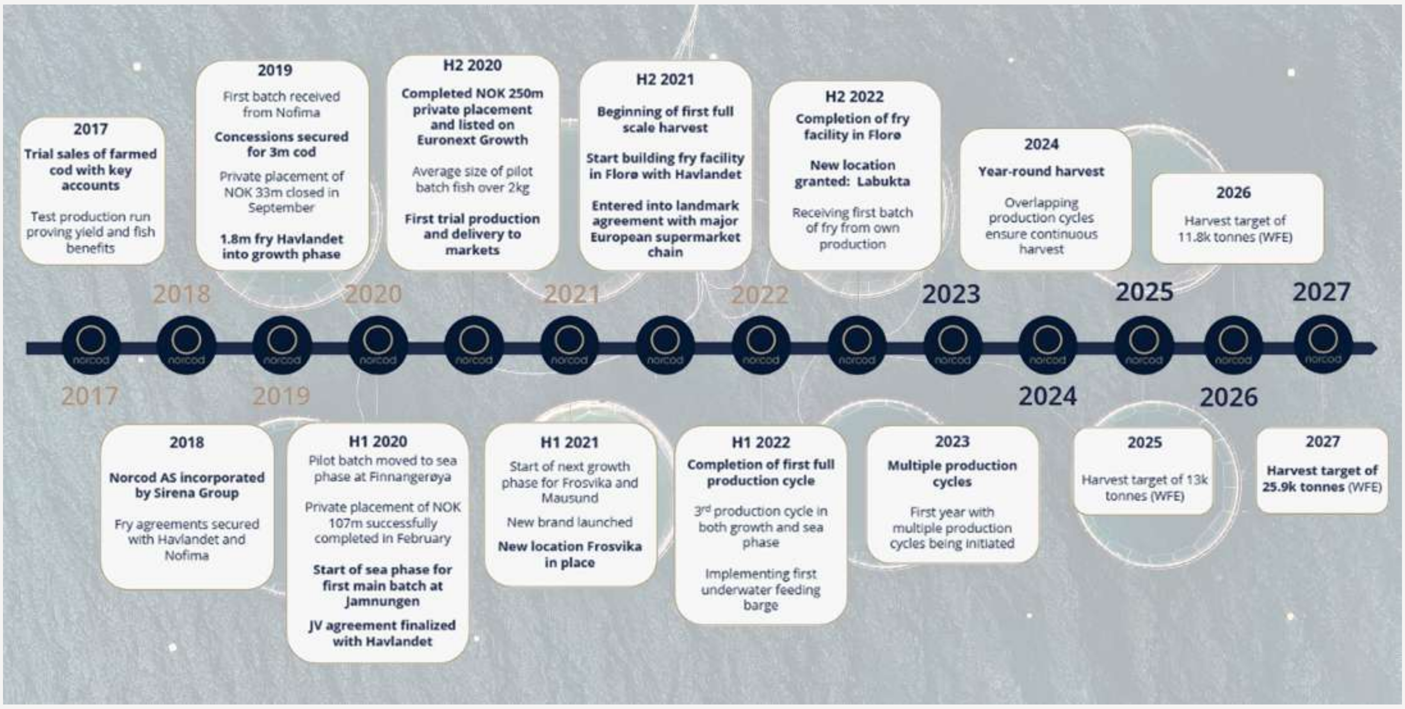
Introduction & Overview

Norcod is the world's largest cod farmer with an integrated value chain. With the first full-scale production closed in 2022 Norcod showed proof-of-concept. Many uncertainties have been eliminated, and cod has been definitively proven ready for industrial scale. The company's production is based in its natural cold-water habitat along the coast of Central and Northern Norway. Norcod will establish new farm locations to execute the long-term business plan, mainly in the latter coastal areas which have favorable temperatures for cod farming. The Company is experiencing increased demand for stable deliveries of fresh cod all year round and is targeting an annual harvest of approximately 25,900 tonnes (WFE) in 2027.

Norcod is the result of a comprehensive evaluation project where we looked at the possibilities of making an industrial venture on farmed cod again. Our strategy is to take part in the entire value chain to keep our processes in control and to ensure better margins. This made production and market working together from day one to build stability in every segment of the value chain, where the company now has control to accommodate a solid industrial growth over the next few years.

Norcod is led by experienced aquaculture industrials. Since cod farming is deemed to be fairly similar to salmon farming on the marine operations side, the Company's recruitment philosophy revolves around



The global market demands stable deliveries of fresh cod, and for the first time, high-quality farmed cod has been produced on a larger scale and delivered to the market. With wild fish stock under pressure and fishing quotas for cod being cut, Norcod, as a leading producer of farmed cod, aims to fill the gap in the market and provide truly blue and fresh cod. The Company's head office is centrally located in Trondheim and has five production facilities in operation.

attracting talent from the salmon farming industry. In addition, the Company has seen an increase in incoming interest after starting up operations, which has resulted in establishment of apprenticeships for students within aquaculture education.

Norcod's core business area is the sea-phase of the cod farming value chain where the fish grows from approximately 0.1 to 3.5-4 kg in commercial marine production sites.

A key component in the company's strategy is entering into and developing cooperation with vendors and partners throughout the value chain to ensure involvement in and control of all stages. Going forward Norcod aims to increase its integration to the value chain. Ownership in different segments of the value chain will significantly reduce the total production cost.

We collaborate with a multitude of professional environments and external partners for together create the best prerequisites for success, and we see that we have managed to get an enthusiasm among internal and external partners who make us confident in the future.
Through our devotion to people, cod, nature, innovation and profit we take our responsibility related to economic, social and environmental sustainability. More of the world's food production should come from the ocean.

We value our employees and partners, ensuring an inclusive culture where everyone should thrive and have the opportunity to reach their full potential. It is our responsibility to give our fish the best conditions to performe, by offering the cod a customized feed, and production sites that match the cod's environmental preferences. We take responsibility for our production and its impact on the surroundings and society. Health, safety and the environment are always our top priority. We seek to make right choices for our planet.

Highlights

- Total harvest volume of 3837 tonnes WFE
- Reception of hybrid-electric vessel and feed barges
- Recertified regarding GlobalG.A.P.
- Stocking of Norcod's third production cycle at sea
- Granted new production site
- Implementing waterborne feeding technology
- Feed Center established
- Kick off at Norcod's joint venture fry facility, Havlandet Norcod
- First production site connected to onshore power supply
- Financing deal with DNB
- Second harvest cycle initiated
- Best possible score on seabed surveys
- Fourth generation in growth phase

Key Events in 2022

During its relatively short existence, Norcod has cemented many milestones. From holding three employees and having cod in growth phase in land-based facilities in 2019, the company took solid steps forward in its development during 2020. Before the end of the year, the company had eighteen employees and established production sites at sea. In 2021 Norcod grew even more and raised cod at four production sites. In addition, the cooperation with Kime Akva regarding site Forså was established. At the end of the reporting year, Norcod had a total of 32 permanent employees and 6 temporary workers.

Harvest

The harvest pace increased significantly in the first quarter of 2022. During the first half of the year a total of 2,990 tonnes WFE were harvested. Improvements in the production line at the harvest facility, increased skills of the operators and implementation of measures as a result of customer feedback contributed to higher efficiency and quality assurance of the process. In addition, a second harvest plant was used to a greater extent during the quarter, which contributed to an increased harvest volume compared to the fourth quarter of 2021. After closing of the first harvest cycle, five months went by where the main focus was aimed on growing biomass and preparing for the second harvest cycle to start. In October the first well boat loaded with high quality cod left site Frosvika. During the fourth quarter the harvest volume ended at 850 tonnes WFE. In total Norcod harvested 3,837 tonnes WFE in 2022, which represents an increase of 175 % from 2021.

Environment Friendly Production

In April Norcod received its second hybrid-electric service vessel. The vessel is one of the key components in the company's sustainability strategy to enhance operational efficiency and lower emissions in the production cycle. This strengthening of Norcod's sustainability profile is an important contribution to the configuration of Norway's most sustainable fish farm. In addition to the service vessel, site Frosvika is taking advantages from latest environment-friendly production methods by virtue of a hybrid-electric feed barge which is equipped with water borne feeding technology. Norcod is capitalizing on both biological advances and new technology to succeed in cod farming, investing in the latest environment-friendly production methods. Besides contributing to a lower CO2 footprint by being far more energy efficient, waterborne feeding technology allows feeding at desired depth and avoids the impact of wind and surface currents and provides the possibility for more intensive feeding (kg/min), less breakage, larger pellet-size and not least, minimal wear on the feed hoses regarding microplastic emissions.

Recertification – GlobalG.A.P.

Norcod is proud to have achieved this year's GlobalG.A.P. recertification. GlobalG.A.P. approval renewed after our four production sites were audited in March, and now the certificate has been updated. Norcod is the first company within the Cod industry to obtain this certification. It demonstrates the company's clear operational focus on sustainability. The GlobalG.A.P. standard covers the entire production chain from broodstock, seedlings and feed suppliers to farming, harvesting and processing or 'feed to fork'. It lays down strict criteria for legal compliance, employee occupational health and safety, animal welfare, food safety and environmental and ecological care. As in the previous audit round, Norcod also underwent the GlobalG.A.P. Risk Assessment on Social Practice (GRASP), a voluntary part of the certification process applied to assess social risks in primary production and to provide additional transparency to supply chain partners.

Stocking Third Production Cycle

Already in May we initiated stocking of Norcod's third production cycle at sea. The largest grade of fry was ready to leave the growth facility and enter its fish farm at sea. This first group was sent to the location Forså, which Norcod is operating in cooperation with Kime Akva. Furthermore, site Jamnungen located in Frøya municipality was stocked during the summer and early autumn. During Q3 we finalized stocking of in total 3 million cod distributed on the two respective locations. Harvest volumes from the 2022 batches are expected to be market ready in 2023/24 following the sea growth phase.

Granted New Production Site

By the end of June 2022 Norcod was granted permission to establish a new production location, Labukta, in Nesna municipality with a total maximum allowed biomass (MAB) of 3,600 tonnes. The new site has been equipped with state-of-the-art aquaculture technology and stocked its first cage with cod ultimo April current year. The feed barge serving the site is equipped with water borne feeding technology and will be fixed to onshore power for significantly reducing the direct emissions from our production activities. Norcod commits to responsible farming of premium product. Our ambition is to contribute not only to the industrial base of the coastal municipalities in which we are active, but also to support employment opportunities and ensure sustainable operations with minimal impact to the environment.

Havlandet Norcod

Norcod's joint venture, Havlandet Norcod, has during Q3 initiated production in the world's largest hatchery and juvenile facility for cod. The brand-new site at Fjord Base in Florø had its first input of cod roe in august. The transition to this new facility has been a success, by virtue of increased survival rate of larvae after hatching compared to previous roe batches. The facility in Florø will produce 24 million 1-2 gram fry a year.

Climate Action

To further support the choice of technical solution at our fish farms, we have introduced onshore power to our production site Frosvika. The supplier ensures us electricity originating from hydropower. The fish farm's vessel and feed barge are equipped with hybrid technology basically to reduce fuel consumption, admissions, and generator maintenance. This benefits not only the fish, but also Norcod's employees and the local surroundings. Now connected to onshore power this package of configuration provides Norcod with the most emission reducing equipment setup seen in Norwegian aquaculture industry. To Norcod this strategic approach to equipment procurement and use of green energy sources will be a priority.

Seabed Surveys

Benthic surveys assess the impact of aquaculture on the seafloor by looking at the physical, chemical, and biological conditions of the area. For the production sites, the effect of emissions of organic substances such as feces from the fish, uneaten feed and nutrient salts is monitored. The impact is usually greatest directly below the facilities and diminishes the further away you are from the facility. Sea currents, depth and sinking speed of the fish feed affect how much the emissions spread in an area. Norcod has achieved the best possible scores on seabed environmental surveys and strives to maintain the production sites' capacity going forward.

Second Harvest Cycle

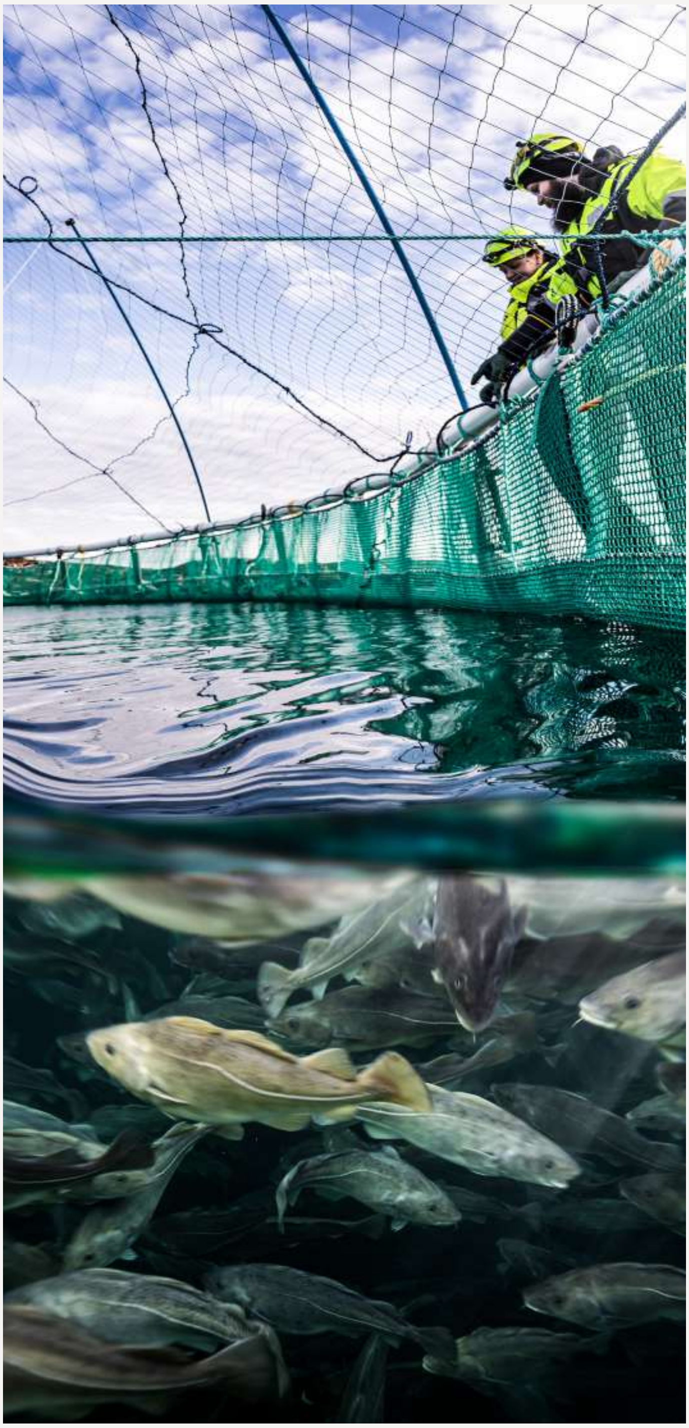
Norcod's second harvest period was kicked off at Vesterålen's harvest facility in Bø. As formerly announced, Norcod and Myre-based Vesterålen Havbruk entered a partnership for the main harvest volume this period. A run-in phase was expected, and the daily harvest volume increased until the forecasted volume was achieved. Quality tests showed very good results for the cod regarding both sensory and texture. During the harvest period the biomass was supplied from our operations in both Frøya and Meløy municipality.

Financing

In November Norcod entered into a NOK 75 million overdraft facility with DNB, Norway's largest bank and also the largest within the seafood industry. The agreement contributes to the financing of Norcods further operations and growth. Norcod is using the credit facility to further invest in the cod production at sea and building up biomass. The agreement with DNB was a significant step further towards fulfilling the ambition of raising premium Atlantic Cod sustainably and commercially.

Fourth Generation In Growth Phase

Norcod started transporting, by truck, its fourth batch of quality fry from tanks at the Havlandet Norcod juvenile facility in Florø to land-based growth facilities. This kicked off our fourth production cycle and constitutes the starting point for the next sea phase, which is to be initiated during the second quarter of 2023. All fry transports were successful. Full control regarding this critical stage is crucial for high survival and good growth during the growing period which extends over 5-6 months.



Letter From The CEO

I am pleased to present the annual report for 2022, highlighting the remarkable achievements and progress we have made as the world's largest cod farmer. Norcod continues to lead the way in the cod farming industry, with a strong focus on sustainability, innovation, and delivering high-quality products to meet the growing global demand for fresh cod.

In 2022, we reached a significant milestone by successfully closing our first full-scale production, demonstrating the viability of industrial-scale cod farming. This achievement has eliminated uncertainties and proven that cod is ready for large-scale production. We have strategically positioned our production facilities in the natural cold-water habitat along the coast of Central and Northern Norway, where we will establish new farm locations in the coming years to execute our long-term business plan. We have set a target of approximately 25,900 tonnes (WFE) annual harvest in 2027.

The global market demands stable deliveries of fresh cod, especially with wild fish stocks under pressure and fishing quotas for cod being reduced. As a leading producer of farmed cod, Norcod aims to fill this gap in the market and provide high-quality and fresh cod throughout the year. Our commitment to the entire value chain, from production to market, ensures stability and control in every segment, setting the stage for solid industrial growth in the years ahead.

We are proud to have assembled a team of experienced aquaculture professionals who bring their expertise from the salmon farming industry to our cod farming operations. Additionally, we have seen a rise in interest and have established apprenticeships for students in aquaculture education, further contributing to talent development in the industry.

Norcod's core business area lies in the sea-phase of the cod farming value chain, where the fish grows from 0.1 to 3.5-4 kg in our commercial marine production sites. We recognize the importance of integration in the value chain and are actively pursuing partnerships and collaborations with vendors and partners to ensure control and involvement in all stages of production. By owning segments of the value chain, we can significantly reduce production costs and strengthen our competitive advantage.

Our commitment to economic, social, and environmental sustainability is unwavering. We believe that more of the world's food production should come from the ocean, and through our dedication to people, cod, nature, innovation, and profit, we aim to fulfil this vision responsibly. We prioritize the well-being and development of our employees and partners, fostering an inclusive culture that allows everyone to thrive and reach their full potential. We also ensure the best conditions for our fish by offering customized feed and production sites that align with their environmental preferences. Health, safety, and the environment remain our top priorities, as we strive to make choices that benefit our planet.

In 2022, Norcod achieved several key milestones. We harvested a total volume of 3,837 tonnes WFE, marking a significant increase from the previous year. Our commitment to environment-friendly production methods was reinforced with the introduction of hybrid-electric vessels and feed barges, as well as the implementation of waterborne feeding technology. We are proud to have received recertification from GlobalG.A.P., demonstrating our dedication to sustainability and stringent standards throughout the production chain. Furthermore, we successfully stocked our third production cycle at sea and were granted permission to establish a new production site, Labukta in Nesna municipality. Havlandet Norcod, our joint venture, has successfully initiated production in the world's largest hatchery and juvenile facility for cod. This new facility in Florø will produce 24 million 1-2 gram fry per year, further strengthening our position in the industry. Havlandet Norcod, which initiated production in the world's largest hatchery and juvenile facility for cod. The facility in Florø has shown promising results, contributing to increased survival rates of larvae.

To align with our commitment to climate action, we have introduced onshore power at our production site in Frosvika, using electricity from hydropower. Our fish farm's vessel and feed barge are equipped with hybrid technology, reducing fuel consumption and emissions. These efforts ensure a positive impact not only on the environment but also on the well-being of our employees and the local surroundings.

Our seabed surveys have yielded excellent results, indicating minimal impact from our aquaculture activities. We will continue to monitor and maintain the environmental conditions at our production sites.
Lastly, we secured a NOK 75 million overdraft facility with DNB, Norway's largest bank and a significant player in the seafood industry. This financing agreement will support our operations, growth, and further investment in cod production at sea.

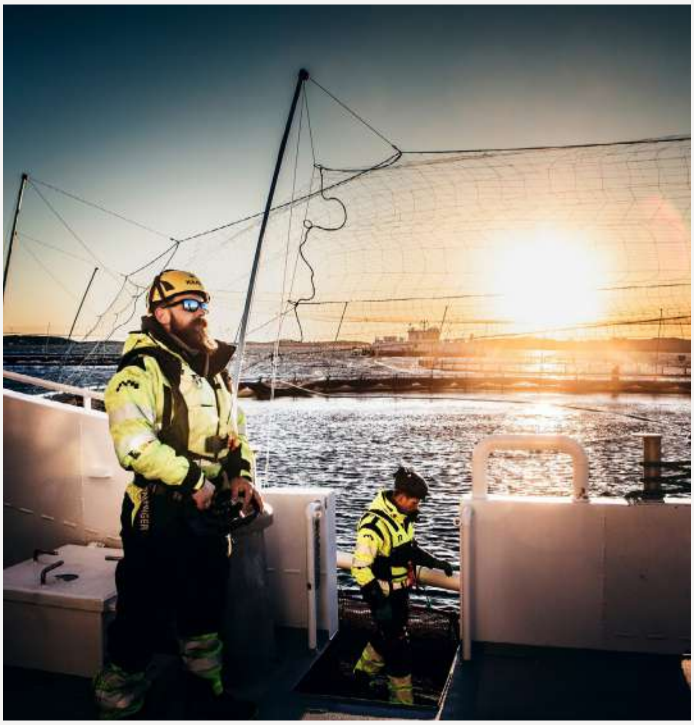
I am immensely proud of the accomplishments we have achieved in 2022. The dedication and hard work of our team have propelled us forward, and we are well on our way to realizing our ambition of raising premium Atlantic Cod sustainably and commercially.

Christian Riber

Christian Riber
Chief Execute Officer

Business Strategy 2023-2027

Norcods' ambition has always been to set the standard in responsible, industrial-scale farming of top-quality cod, through constant operational improvements which ensure sustainability and fish welfare. By making conscious choices regarding equipment and technology, we are making a valuable contribution to reducing our impact, both locally and globally. Our green vision for a blue future is founded in Norcods' devotion to sustainability and form the basis for our business strategy. We clearly see and believe in the potential of growth and development of lower production cost in line with increasing production volumes. By gradually integrating in the value chain Norcod will achieve even more competitive advantages and further lead the development of sustainable cod farming.



Devoted to Sustainability

Growth

Growth will manifest through our devotion to sustainability, targeting new licences and due to thorough evaluation and analyses of existing production data. Further engagement in R&D projects will contribute to build the company and the industry as a whole.

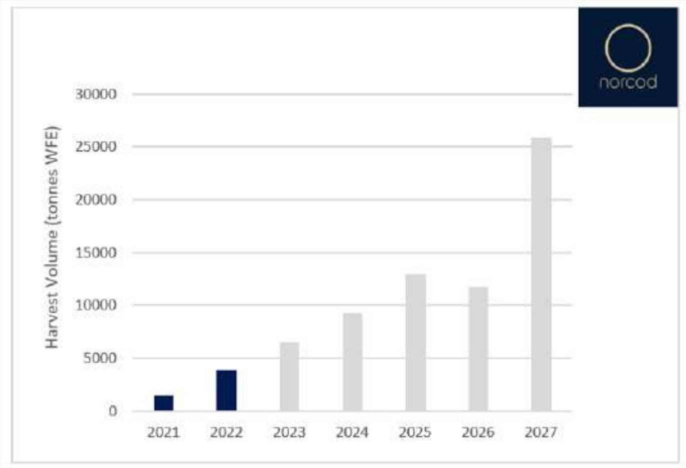
Cost Efficiency

Norcod is implementing several measures to reduce costs. Feeding and biomass control is important focus areas. Efficient feed utilization is what mainly makes cod farming environmentally and economically sustainable.

Value Chain Intergration

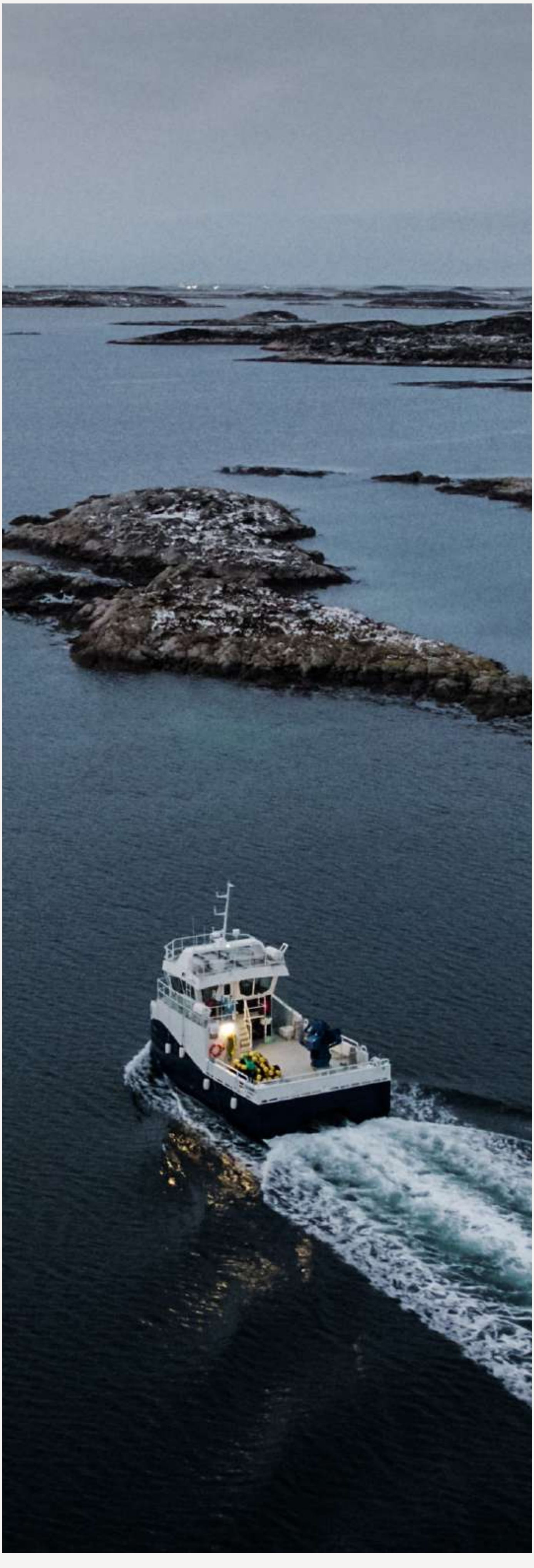
Further integration in the value chain will contribute to increased control and promote quality. By e.g., owning a harvest plant predictability would increase and make it possible for Norcod to invest further in the automation of the processes.

Growth will mainly be driven by improved utilization of current operations and by targeting new licenses and seize opportunities within new technology. We aim for an annual harvest of approximately 25,900 tonnes WFE by 2027.



Better utilization of our production licenses, by further improving biosecurity, fish health, welfare and survival rates, is expected to secure estimated growth and harvest volumes. Flexibility is a requirement to achieve better utilization of our capacity, and we are continuously looking for opportunities to secure access to new locations. The application process regarding licenses is time consuming and there are many thresholds which needs to be exceeded. The moderate growth the next years is reflecting the need of gaining further biological control and flexibility by virtue of available production capacity.

By implementing even a higher level of control mechanisms, Norcod will for sure decrease several risk elements and increase profitability. Our approach to a step-by-step integration in the value chain will result in detailed cost control and create positive result.



Value Chain

Fry

Norcod invested NOK 75m in the new fry-facility, which is owned 50% by Norcod and 50% by Havlandet Marin Yngel AS, which holds the broodstock. The new fry-facility is able to produce in excess of 24 million fry a year. This makes it the largest and only private cod hatchery on the market. Havlandet Norcod is the only hatchery which has succeeded in hatching eggs on a large scale.

The cod goes through 3 stages during it's time at the fry-facility, the egg stage, the larval stage and the fry stage. Hatching Cod is much more complex than hatching salmon. A salmon egg is many times larger than a cod egg, and the larvae salmon are hatched with a yolk sac, which feeds the fry until juvenile stage. Cod larvae's do not have a yolk sac and must thus be fed from the day they are hatched. As they are picky, and only eat live feed, keeping the larvae's alive until juvenile stage is very complex and reliant on specific expertise. Thus, the access to juvenile fry is a big asset to Norcod.

Growth Phase

The growth phase, which is the second stage in the value chain, involves moving the recently hatched fish to landbased facilities where they spend around five months growing until they are big enough to be relocated to marine offshore facilities.]

This phase is outsourced to external partners. It will be necessary to increase capacity further as production increases. There are many grow-out facilities in Norway, and most of them can be used for the cultivation of cod fry and juvenile fish, as the same facilities can be used for salmon and trout as well as cod. This also means good opportunities to find alternatives in case the collaboration partners disappoint or do not renew existing contracts.

The grow-out phase is not particularly costly, but it has a big impact on the growth of the cod. The better the growth, the less time in the growth phase and sea phase and the lower the cost for the cod. The right temperature can increase the cod's ability to digest food in favorable way, which can lead to a quicker market-ready product.

Havlandet Marine Yngel has performed experiments around the growth characteristics of cod, where the temperature was the variable factor. The results indicate, that with the right temperature, the cod can grow 100 % larger during the same time span. This will ultimately lead to a decrease in the sea phase by 4 month, thus optimizing the production costs and time-to-market.

Sea Phase

The most comprehensive cost of producing cod is feed. To increase the focus on feed and feeding strategy, Norcod has established an operational Feed Centre which provides the company's fish farms remote feeding, through a sophisticated system of moving cameras, remote feed dispatchers and flow measurements. The company also gathers this expertise for all locations at in one place, which is easier to control and manage. The Feed Centre commenced operations in June 2022. During the third quarter of 2022 the feed centre incorporated all production sites. The feed is made to meet the cod's nutritional needs and contains both marine and vegetable raw materials. We make one kg of cod from 1,1-1,5 kg of feed. The Feed Conversion Ratio varies throughout the production cycle, depending on the composition, fish size and other factors. It is of great importance to preserve feeding control and minimize feed spillage to the surroundings. This has been confirmed to be achieved by analysis made at Norcods sites' seabed. Thus, Norcod is seeking to increase the allowed production capacity (Maximum Allowed Biomass) at sites. This could potentially reduce overhead costs per KG by excess of 25%.

Other costs related to the sea phase include equipment, leasing of the rings, personnel, boat expenses etc. These costs will decrease per kg. due to the economies of scale. These effects have already been demonstrated at the locations Jamnungen and Mausund.

Harvest / Processing

Norcod has seen an increase of 175% in the harvest volume when comparing 2022 with 2021. The harvesting process has been refined by learning from the harvest of the first batch to optimize the taste and consistency of the fish. When the fish arrives at the processing plant, it is placed in sea holding tanks. From here it is pumped to the facility, where it is stunned by electric shock along the way. Then it has its neck cut and it bleeds out in a bleeding tank. Correct bleeding ensures that the meat has a nice white colour. Hereafter it is gutted and placed in refrigerated boxes, ready for delivery. The liver is sold separately, and the off-cuts can be sold for collagen production, for example, in the dietary supplements industry.
To ensure the correct high quality of the final product and the desired capacity, It would be a natural next step to acquire a modern fish processing plant.

Having its own processing plant would make it possible for Norcod to invest further in the automation of the processes, which have previously been carried out manually. It will also be possible to expand production to value-added products consisting of cuts. Introducing value-added products will improve overall profitability. The value-added product will result in increased by-product, which along with the offal's can be sold for collagen production in a scale where it is economically attractive. This raises the utilization of the fish from 90 % to 98 %. This upside has not been incorporated into the budget but can increase the profitability significantly.

Logistics / Sales

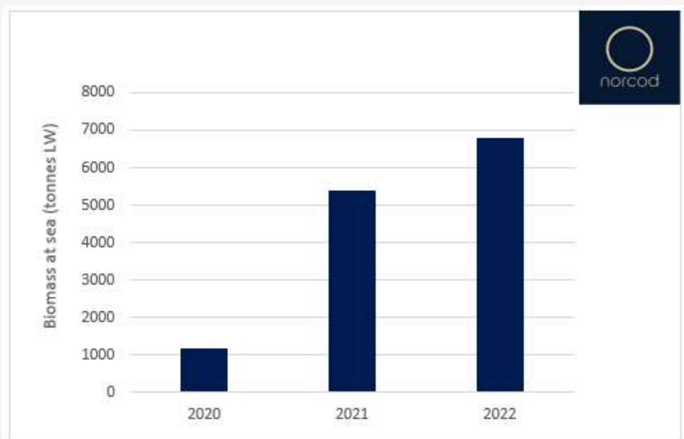
Norcod has partnered with Sirena group, one of the world's largest whitefish seafood companies. Sirena has the responsibility to market Norcod in the best possible way. Sirena has 38 years of experience of taking seafood products into the marketplace and building their position. Sirena Group also has a global sales force ensuring that Norcod can be sold internationally through its many established customers and contacts.
Sirena Group has successfully been able to position Norcod as a premium product that taps into this demand for a delicious high-quality natural whitefish. Promotional activities have been made to help build this position such as a site visit trips with some of the world's leading chefs. Tastings has been made in Tokyo and other potential markets where new applications of cod can be made, such as for sushi. Such activities paired with the exclusive brand material and great storytelling has given Norcod a strong position in the markets. A position that will get expanded upon as Norcod flows into the market on steady basis.

Our Operations

Norcod currently holds 5 production locations with a total of 13.920 tonnes MAB (Maximum allowable Biomass) The Location at Forså is run in cooperation with Kime Akva, which raises the total production capacity to 17.520 tonnes MAB.

There are several license applications pending. Step by step, we will consolidate farmed cod's position in Norwegian aquaculture. It is crucial for the industry as a whole that more applications are granted. It is obvious that growth comes as an effect of the acquisition of new licences, but Norcod is also working on upgrading MTB at existing locations. Such may be granted if environmental surveys support an increase in production capacity.

In 2020, our pilot project and first production cycle at Jamnungen constituted the company's biomass. By comparing the volume year-on-year, we saw a development and increase corresponding to approximately three and a half times the volume at the end of 2021 compared to 2020. Furthermore, the status regarding standing biomass at sea ultimo year has changed from 5,400 tonnes (LW) in 2021 to 6,800 tonnes in 2022. This corresponds to an increase of 26 %



Biomass at sea end of year

Operational Focus Areas

It takes time to create a new industry on an industrial scale. Since Norcod's inception, we have been engaged in R&D projects and gained invaluable experience and knowledge. Best practice is taking shape, and the industry as a whole has come incredibly far. The conditions are right for this to become a successful and sustainable industry. Norcod uses new and modern equipment, which is of course certified according to requirements. We carry out more frequent net inspections than required by the authorities, both by external companies and our own inspections using ROV.

Continuously increased control in our operations is the key to increased welfare, safeguarding the surrounding environment and reduced production costs. Our approach to sustainable cod farming is by working throughout the whole value chain and organization to continuously assess its operations risk elements. A broad set of applied procedures, risk analyses and contingency plans are the foundation we rely on and constantly seek to improve.

Norcod works throughout the whole value chain and organization to continuously assess its operations risk elements. A broad set of applied procedures, risk analyses and contingency plans are the foundation we rely on and constantly seek to improve.

Risk (KPI)	Target	Status and Approach to Risk Reduction
GlobalG.A.P.	*All site/fish GlobalG.A.P. certifed*	*100 % sites/fish certified. In addition, Norcod complies with the GlobalG.A.P. Risk Assessment on Social Practice, GRASP.*
Use of antibiotics	*No use of antibiotics*	*No antibiotics have been used in the production. Fish welfare is ranked top priority to Norcod. To prevent prominent diseases all our cod is vaccinated prior to the sea phase. No disease has occurred to our biomass, so the available vaccine is considered to be a strong prophylactic measure.*
Escape incidents	*Zero escape incidents*	*Norcod has established zero tolerance for escapes from the fish farms. Since a minor incident in 2021, due to equipment failure, Norcod has not had any escapes. Daily technical inspection is performed on the cages and all nets are controlled by an ROV every 1-2 weeks. Net inspection by an external body is done once a month, which is more frequently than required.*
Maturation	*Limited gonad development and no maturation*	*Observations of pronounced gonad development was observed on a limited volume of the biomass during last winter. Norcod has evaluated available production data and relevant scientific work on the issue devising an improved strategy to control and postpone the development of gonads in the cod. The preventive element is controlled lighting in the cages. An extended control regime for continuously mapping the gonad status of the biomass is implemented. With such measures and control routines, the risk of environmental impact and interaction with wild cod is considered to be low.*
Micro plastic pollution	*Waterborne feeding technology in use on sites where it's implementable*	*By equipping feed barges with the technology of waterborne feeding, Norcod virtually eliminates release of microplastics from the feed hoses into the sea. As of today, we operate two such barges, and all feed barges on order are equipped with the same technology.*
Seabed surveys	*Best possible score*	*100 % of Norcod's production sites have achieved the best possible score regarding the seabed surveys (carried out by an accredited, independent party). Local biodiversity is safeguarded, and the localities' capacity is maintained.*
Carbon footprint	*30 % reduction in total emissions by 2030 (Scope 1, 2 & 3)*	*Fish farming is one of the most sustainable ways of producing healthy protein for human consumption. As part of the aquaculture industry in Norway, Norcod takes part in a low emission value chain. Lower FCR and further electrification of the sea site equipment are focus areas. By utilizing the fish feed in an even more efficient way, considerable reduction in the carbon footprint will follow. In the aquaculture industry approximately 75 % of the total emission is related to the fish feed. Further direct emissions like use of fossil fuel will be reduced by connecting the production facilities to shore power.*
Food safety	*Every aspect of food safety guarded*	*No detection of food safety compromising substances in any of Norcod's fish. Prior to harvest every Norcod farm provides fish samples for analyses. Nutritional value is mapped and tests on foreign substances are conducted. Shelf-life study on product is also a part of the test program. All the fish is processed and packed by trained personnel at certified harvest facilities.*

Cod farming in a Sustainable Global Food System

A fundamental transformation of our global food system is needed during the next decades. Food systems are instigating 60 % of biodiversity loss, generate up to a third of human greenhouse gas emissions and are responsible for 70 % of the water extracted from
nature. If we do it right, food from the ocean can play an important role. We must provide healthy food for a growing population using fewer resources and with a lower impact.

Norcod is an innovative producer of premium Atlantic Cod positioned as the industry leader of cod farming. As a leading pioneer in sustainable, naturally raised cod we take great pride in delivering a premium quality product through cultivation methods that are highly respectful of our shared ocean resources. Our practices align with several UN Sustainable Development Goals, including Life Below Water and Responsible Consumption & Production.

Sustainable aquaculture is essential to solving this global challenge. And our solution is grounded in a responsible 360-approach covering every part of our operation. Aquaculture has the potential to be an important part of the solution. 70 % of the Earth is covered by ocean. Today, however, we obtain only about 2 % of our food from the sea. While there are limits to the volumes of wild fish which can be sustainably harvested.

Sustainable aquaculture can meet the increased demand for seafood in people's diets. With a low carbon footprint, low feed conversion ratio, low land and freshwater consumption, and a high edible yield. Farmed cod is one of the most eco-efficient forms of animal protein. In addition, farmed cod is a nutritious food with numerous proven health benefits.

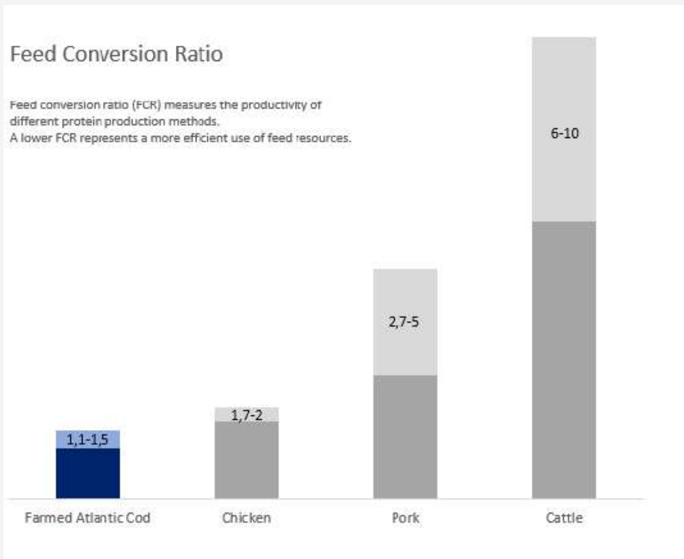
There is no doubt that we're facing some challenges we need to solve, and as we develop as company we aim to continuously

THE CARBON-CUTTING COD
Compared to livestock farming, the Norcod aquaculture system leaves a much smaller carbon footprint, making our Atlantic Cod a more sustainable food source. We have even opted for electric vessels.

THE BLUE OCEAN STRATEGY
Despite covering 70% of the Earth's surface, just 2% of our food comes from the ocean. We offer a sustainable solution that brings fresh Atlantic Cod to dinner tables all over without depleting natural resources.

PACKED WITH NUTRIENTS
Cod is not only flavorful but also highly nutritious. It's an excellent source of lean protein, vitamins, minerals, and Omega-3, making Atlantic Cod a great component of any healthy diet. In fact, 96% of its calories come from protein.

ANIMAL HEALTH & WELFARE
We are strongly committed to upholding the health and welfare of our Cod. Carefully developed practices ensure a well-balanced growth and sustainable performance of our stock through natural feeds of highly digestible proteins and lipids.



Source: Norcod and GSI

do better. By ensuring co-existence with nature and other species and improve fish welfare, we will be able to provide nutritious food for a growing population and at the same time protect nature and biodiversity.

Our employees are of high value to the company and will always be safeguarded. It is also Norcods priority to ensure social and economic justice for producers in our supply chain.

Fish feed is the heaviest input in our production, both in terms of costs and the environment. This resource must be managed in the most efficient way possible, and the raw materials on which the feed is based must come from exclusively sustainable sources. Feed is accountable for approximately 75 % of our carbon footprint, and by lowering our cod's feed conversion ratio we can make a significant reduction in the CO2 footprint.

The entire industry needs to invest in a higher degree of recycling and move towards furthermore utilization of used equipment components in order to gradually move from a linear to a circular economy. Norcod has implemented strict waste management plans but has not yet scrapped equipment of larger volumes. Nevertheless, we will in cooperation with equipment suppliers, regarding the reuse of e.g. floating collars and nets actively contribute to the important development projects being done regarding the topic of recycling and circular economy.

Sales & Market

Cod prices saw a steady increase during the entirety of 2022 and ended on a record high by the end of the fiscal year. This helped Norcod achieve a higher level and gave more favorable conditions for creating contracts. This resulted in that 80% of all harvest volume was precontracted before the commencement of cycle 2.

The Market Impact From The Maturation Incident

The maturation incident that occurred in beginning of 2023 however caused that the planned harvest volume allocation had to be changed. This meant that much greater volumes had to be sold on the spot market in the middle of the high-season for wild-caught. Further it shortened the planned run-period for the pre-made contracts. Meaning that the current contracted customers had to take larger volumes in a shorter period, again resulting in a price reduction, to allow for such larger volumes to be sold. This all had a negative effect on the achieved market prices, compared to what would have been achieved, had the cod not gone into the unplanned maturation.

Key Sectors

Especially the retail segment has proven to be a strong market segment for farmed cod. These customers continue to value the many unique selling points of Norcod. Especially the ability and convenience of having stable supply of premium supply is in high favor with these stakeholders.

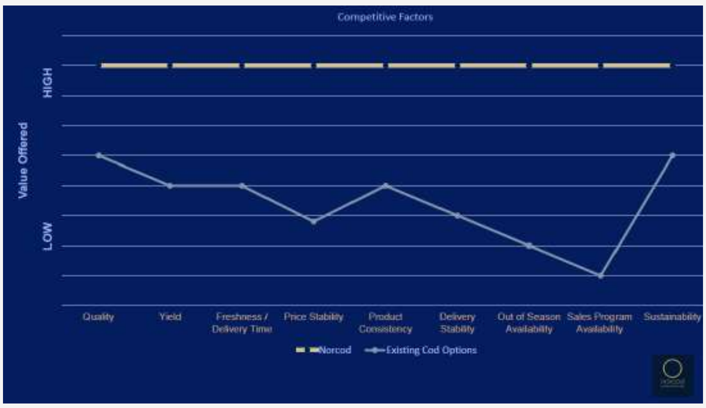
Positioning of Norcod

Despite the wild-caught cod prices remain somewhat volatile, Norcod is able to break with such dynamics, due to the stability in production and the ability to also deliver outside of the fishery peak periods.

Through branded tags and ice counter signs, the retail consumers are starting to understand that the high quality and stability is connected to the Norcod brand and Norwegian origin.

Key Markets

The largest and strongest market for farmed cod continues to be the Spanish market. Norcod continues to be sold in the majority of Spanish retail shops. With the preference for Norcod getting stronger and stronger as the product is getting sold over the counter. The Spanish market has worked as proof of concept for other markets, that now is seeing a similar potential of Norcod in their own markets.
France, the largest market for fresh cod in the world, has historically been very traditional, but have now started taking Norcod to heart. One of the largest retailers has chosen Norcod as a preferred partner on the cod for their shops on national level in France. They have also expanded into their shops outside of France. Norcod has also been sold to other large French retailers through processing partners.
Similar developments are being seen in the UK market, which is also a very conversative approached market in regard to their sourcing of cod. Here major players have initiated the preparation for introducing Norcod into retail and food service.



Future Outlook

The existing customers are eager to continue with Norcod and continue building up this category. They have come to understand the many advantages that the product holds, from both a convenience and quality aspect. This means that large parts of Norcod will be pre-contracted before the commencement of cycle 3.

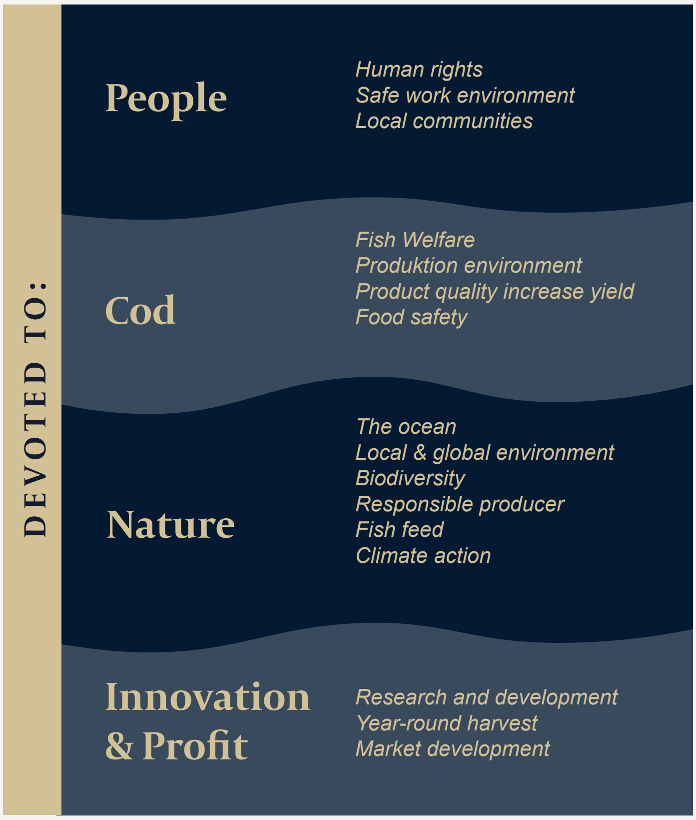
The onboarding of Norcod into new traditional cod markets such as France and UK, holds great potential as these markets come to gain a similar understanding of farmed cod, as that of Spain. The US market also falls into this category, and key customers in the US market are preparing to expand the Norcod market share.

In addition to the classic cod markets, new markets holds great potential. These markets can allow for breaking with the current fixed market prices levels, by tapping into new consumption habits and cuisines. Markets such as Japan, South Korea and China holds great buying power, with vast populations that spend a lot of their available income on food. In such markets Norcod can be introduced as a sashimi grade product due to the absence of nematodes. Events have been held in for instance Tokyo, where local chefs and customers have given testament to the potential for the suitability of Norcod for sushi. The first steps have been taking with great success, to launch Norcod in these markets in cycle 3. Sirena Group has in dialogue with leading customers laid out plans for developing and exploiting the potential these respective markets hold.

Environmental Social Governance
Devoted to Sustainability

Our Approach to Sustainable Cod Farming

Through the production of sustainable protein from the sea, we take our responsibility related to economic, social and environmental sustainability. We believe that more of the world's food production should come from the ocean Transparency has been a main principle and one of our core values since the outset of the company, and we are in the process of establishing solid reporting mechanisms to guide and support our sustainability ambitions. Norcod was established in 2018 and we stocked our first batch of cod at sea in a pilot project in January 2020. Now we are operating five production sites and deliver fresh cod to a wide range of customers.



The pillars – Determining Speed and Direction

It has been important for us to build a sustainable business model right from the start and we have invested heavily and actively conducted R&D projects to achieve this. Based on collaboration throughout the value chain, the company produces one of the most efficient animal protein sources for human consumption.

Our management team sees sustainability as a driving force for achieving the company's overall strategic goals; Growth, Lower Cost and Value Chain Integration. By focusing our devotion on People, Cod, Nature and Innovation & Profit Norcod will preserve and create new competitive advantages. The pillars are always taken into account as part of the decision-making foundation for the company's strategic decisions and ongoing business development.

Devoted to the UN Sustainability Goals

The SDGs described below are those considered the most material to Norcod. They are the ones we can have the greatest impact on, but we also contribute to others. Furthermore, Norcod has in many contexts promoted 5 of the 17 sustainability goals in particular: 2 No hunger, 3 Good health, 12 Responsible consumption, 14 Life below water and 17 Partnerships for the goals. By prioritizing investments of new and sustainable production methods and equipment as well as focus on animal welfare Norcod minimizes the impact on external environment. We also strongly believe that collaborations are the way to go to scale up the cod farming industry.

norcod

2 ZERO HUNGER

Cod farming is a truly sustainable production method with limited impact on scarce resources of the planet. Successful cod farming can be scaled up and supply an increasing body of people.

3 GOOD HEALTH AND WELL-BEING

Cod as a food source has numerous health benefits. High on quality protein and easily digestible. Lean fish e.g., cod has among the lowest quantity of persistent organic pollutant.

5 GENDER EQUALITY

We focus on building a diverse workforce, as well as make fair employment, create development and equal opportunities for employees regardless of gender.

8 DECENT WORK AND ECONOMIC GROWTH

Our operations contribute to providing safe and meaningful jobs. Norcod seek to be an attractive employer providing its employesse the best possible work environment.

11 SUSTAINABLE CITIES AND COMMUNITIES

Our operations contribute to the development of local communities. We take pride in purchaseing goods locally, use local services and contribute to the local communities through sponsorship funds for culture and sports

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our farm raised cod is among the most efficient food sources in term of required input factors. Farmed cod is one of the most eco-efficient forms of animal protein Low carbon footprint, low feed conversion ratio, low land and freshwater consumption, and a high edible yield.

13 CLIMATE ACTION

Norcod equip its sites with onshore power and invests in hybrid service vessels to reduce direct GHG emissions. We are continously evaluating and further developing our feed and feeding strategy which is a tool for seriousley lowering our carbon footprint by virtue of a low feed conversion ratio.

14 LIFE BELOW WATER

We minimise our environmental impact by monitoring and applying best practices. As a certified responsible farmer we take our responsibility to safeguard the environment in which we conduct our business.

17 PARTNERSHIPS FOR THE GOALS

Norcod is precisely a innovative cooperation between several industrien, companies and countries. It takes time to spearheading a new industry, but Norcod grows by virtue of cooperation with players in the value chain.

Vision & Values

Norcod's Vision embraces the cultivating og the best cod in the world on a large scale that's good for everyone and the environment. It requires fresh thinking and a lot of dedication. As the population grows, so does the demand for protein. Cultivating cod in a sustainable way is part of the solution. Our Vision consists of a Business Idea, a Main Goal and Core Values.

Business Idea: Leading producer of sustainably raised cod – Cod Above the Rest. Be the industry leader in production and supply of fresh Atlantic cod at premium price.

Main Goal: Give our customers the best and safest choice for sustainably raised Atlantic cod.

Core values: Quality, Fresh, Transparent and Devoted.

We know that there are no shortcuts to quality; it must be prioritized. It's about making the right solid choices and knowing the difference between premium and pretentious.

Being a young company, we're fresh in the way we engage with our customers, by always staying contemporary and lively. And we pride ourselves on delivering as fresh a fish as possible.

Customers need to be able to trust that we deliver every time, all year round. And that the quality is of the same high standard. Our cod play a part in feeding a growing world population which hungers for protein. We are responsible for our fish's wellbeing. We know that when we put devotion into everything we do, people will provide that devotion in return.

Core Value	How we live the value
Quality	Everything we do has to be high quality to reflect our cod. From the way we communicate to the way we work and the way our customers experience our product.
Fresh	We're as fresh as the fish we cultivate. It's our freshness that keeps us ahead of the rest, by thinking in new ways that leads us to smart solutions.
Transparent	We're as transparent as the cold clear Norwegian coastal water. It's our promise to the world, that we'll do things the right way. Transparency leads to trust, and trust is paramount for us.
Devoted	People, fish and environment. We care for it all and put a lot of devotion into everything we do. From choosing carbon emission reducing technology to being devoted to the local communities adjacent to our production facilities.

Transparency

Transparency has been a main principle and one of our core values since the outset of the company, and we are in the process of establishing solid reporting mechanisms to guide and support our sustainability ambitions. In 2022 Norcod was recertified according to Global G.A.P. IFA for Aquaculture. As the first company within the Cod industry to obtain this certification, it demonstrates our clear operational focus, from the outset, on sustainability. The standard covers the value chain from broodstock, seedlings and feed suppliers to farming, harvesting and processing or 'feed to fork'. It lays down strict criteria for legal compliance, employee occupational health and safety, animal welfare, food safety and environmental and ecological care.
IFA for Aquaculture (Integrated Farm Assurance).

The IFA standard for aquaculture is a global standard for responsible farming practices that covers the entire production chain, from brood stock, seedlings, and compound feed to farming, harvesting, and transportation. GLOBALG.A.P. standards for aquaculture have been operational for almost 20 years and are developed through extensive collaboration with stakeholders throughout the sector. IFA for aquaculture is the only aquaculture certification standard at farm level recognized by GFSI and the only aquaculture certification standard recognized by GSSI for all species of finfish, crustaceans, mollusks, and seaweed.

IFA For Aquaculture Summarized

- Adopts a holistic approach that covers food safety, animal health and welfare, environmental sustainability and biodiversity, workers' well-being, production processes, legal compliance, and traceability.
- Mandatory inclusion of the GLOBALG.A.P. Risk Assessment on Social Practice (GRASP)
- Requires sourcing of compound feed used at the aquatic farming and hatchery levels from compound feed manufacturers with GLOBALG.A.P. certified production processes.
- Covers all species of finfish, crustaceans, mollusks, and seaweed.
- Covers all types of aquaculture production systems with certification options for both individual producers and producer groups.
- Considers all four pillars of the FAO Technical Guidelines on Aquaculture Certification and the OIE (World Organization for Animal Health) Aquatic Animal Health Code
- Supports increased efficiency and improved management of farm operations.
- Provides clarity on market requirements and acts as a practical manual for on-farm activities.
- Enables producers to demonstrate responsible farming practices and buyers to easily identify production that fulfills their requirements.
- Implements a farm-level continuous improvement plan that helps producers to analyze and enhance their operations.
- Opens the door to a range of GLOBALG.A.P. add-ons and supply chain solutions.
- Audited annually by accredited and independent third-party certification bodies, resulting in a certificate valid for one year.

Norcod also complies with the GLOBALG.A.P. Risk Assessment on Social Practice (GRASP), a voluntary add-on part of the certification process applied to assess social risks in primary production and to provide additional transparency to supply chain partners.
To further demonstrate our commitment to transparency, Norcod has committed to the UN global Compact and annual reporting related to the ten sustainability principles. Read more about why in the section Devoted to Innovation & Profit.

Reporting Process

Previous year we disclose some ESG data. The ESG data is reported for entity Norcod AS with its administration and core business of cod farming at sea limited to associated licenses. Going forward, we will publish annual integrated reports, to communicate our impacts. For 2022, reference year, we have reported in accordance with Global Reporting Initiative (GRI) Core Standards (2021). A Materiality Assessment in line with the GRI 2021 Standards has been conducted, which will be the basis for our ESG reporting going forward. Norcod's double materiality has been mapped out from the level of Stakeholder concern and the significance of economic, environmental and social impact. The GRI materiality process requires identifying both positive and negative key economic, environmental and social impacts, including impact on human rights, that a company has upon its stakeholders throughout its value chain.

The GRI Standards are globally regarded as the 'best practice' framework to follow when reporting on non-financial topics. In the years to come, we will use the GRI reporting requirements and recommendations actively to communicate our sustainability strategy in a transparent, comparable, and comprehensive fashion.

Due to limited operation in previous years, and lack of available industry data, we are to a lesser extent able to include any comparative data. However, we will actively use the gaps identified in the Materiality Assessment to improve our practices for reporting and data collection in 2023. We have also initiated an internal project on a complete Life Cycle Assessment (LCA) for our cod. LCA is a method for creating an overall picture of how big the total environmental impact is during our cod's life cycle via production processes and use to waste management, including all transport and all energy use in the intermediate stages. Norcod is aware that we have to disclose our external impacts in a quantitative manner. However, this year's report solidifies the start of the latter, our commitment to continuously improve on our sustainability work and its related reporting.

Materiality Assessment

Following the principles of the GRI framework, we have conducted a materiality assessment, Norcod's double materiality, based on stakeholder input, alongside the significance of impacts. Our key impacts were originally identified using a stakeholder dialogue process and desktop review of relevant academic literature, media reports, reporting standards, regulations and competitors. To identify the value drivers that have the most material impact on long-term value creation, each value driver has been assessed with regards to current and future stakeholder expectations as well as operational and strategic impact on Norcod. The prioritization was performed in conjunction with executive management, and material value drivers will be addressed on a regular basis at senior management level to ensure adequate focus.

We have been in dialogue with the following stakeholder groups to help us identify our current and future positive and negative impact on the environment, economy and people, including human rights:

- ***Shareholders, investors, assets managers and analysts*** - Through road shows and other presentations to share ambitions and concerns.
- ***Employees, potential employees*** - Utilizing their potential for personal and company growth and progress.
- ***Customers*** – Incl. key retailers for product and process development and greater understanding of consumer expectations in general.
- ***Local communities, municipalities*** - To promote healthy cooperation and create win-win solutions.
- ***National authorities and regulators*** - To facilitate the development and implementation of smart, fair and enforced industry regulations.
- ***Media incl. SoMe*** – To comprehend the public perception of seafood in general and our business specifically.
- ***Suppliers and service providers*** - To ensure that we have a shared approach to the delivery of goods and services, sustainability, human rights and ethics in general.
- ***The Industry*** – To fortify a unified approach to common global and local challenges, for greater seafood industry cooperation and continuous progress on global sustainability challenges through local industry associations, e.g. Norwegian Seafood Federation (Sjømat Norge).

Interaction and engagement with stakeholders:

Shareholders, Investors, Assets Managers And Analysts

- Continuous dialogue, roadshows, quarterly results presentations
- Face-to-face meetings/dialogue responding to inquiries

Employees, Potential Employees
- Employee survey, intranet, dialogue with employees and managers
- Career days regarding recruitment

Customers
- Meetings/dialogue responding to inquiries
- Surveys
- Trade fairs
- Marketing activities of Norcod

Local Communities, Municipalities
- Community engagement plans
- Visit to farming sites
- Career days
- Beach clean up days

National Authorities and Regulators
- Participation in policy discussions
- Feedback to open hearings regarding changes in legislation
- Sea site visits

Media incl. SoMe
- Dialogue in the context of press releases, trade fairs, international events

Suppliers and Service Providers
- Regular meetings to learn about new developments and accelerate more sustainable and affordable solutions
- Dialogue in the context of industry initiatives

The Industry
- National industry initiative by virtue of Norwegian Seafood Federation (Sjømat Norge)
- Working groups with industry players

Based on stakeholder dialogue and objective assessment of Norcod actual and potential impacts, we established the following material topics for our 2022 report:

- Ecosystem preservation and Biodiversity
- Fish feed and feeding technology
- GHG reduction
- Local communities
- HSE, Diversity, and Inclusion
- Research & Development
- Corporate Gorvernance

Devoted to Cod

Our saltwater super star belongs to the blue future and need for sustainable food systems. We are cultivating the best cod in the world – Cod Above the Rest. The Atlantic Cod, naturally raised to delicate perfection in the clear, cold Norwegian fjords. Respectfully farmed, carefully packed, and timely delivered. Nutrition wise our premium cod provides the consumer a numerous science-backed benefits to maintain strong physical and mental health.

Devotion to fish welfare is essential to the success of cod farming. We have experienced a lot just since the first cycle at sea. It is an advantage in the initial phase of establishing the cod industry that we have access to a well-functioning vaccine. We have had no detection of disease on our fish, and thus avoided the use of antibiotics.

Cumulative survival rate for harvested cages in 2022 was 84 %, which was up 1 % compared to 2021. Our goal is to increase the survival rate to 90 % within 2030.

Prior to harvest thorough tests are conducted to safeguard both nutritional quality and food safety. There has been no detections of food safety compromising substances in any of Norcod's fish. Nutritional values are mapped and tests on numerous foreign substances are conducted. Shelf-life study on product is also a part of the test program. All the fish is processed and packed by trained personnel at certified harvest facilities.

Devotion to our cod means providing the most stressless conditions of existence, and we strive to postpone or eliminate the process of maturation before entering harvestable size. Preventing gonad development and no maturation are what we're aiming for. Norcod has evaluated available production data and relevant scientific work on the issue devising an improved strategy to control and postpone the development of gonads in the cod. The preventive element is controlled lighting in the cages. An extended control regime for continuously mapping the gonad status of the biomass is implemented. With such measures and control routines, the risk of environmental impact and interaction with wild cod is considered to be low.

PROTEIN
Proteins are part of your body's vital building blocks. They are made of essential and non-essential amino acids, which the body cannot produce on its own. Luckily, cod is an excellent source of these all-important nutrients.

SELENIUM
There are many health benefits to a regular intake of selenium. The mineral acts as a powerful antioxidant, may reduce the risk of certain cancers and heart disease while boosting the immune system.

VITAMIN A
Cod is rich in vitamins, including Vitamin A, which strengthens the immune system and contributes to good eye health. It also promotes normal growth as well as skeletal, reproductive, and fetal development.

OMEGA-3
Omega 3 is good for blood circulation and is known to boost concentration levels and your general mood. One serving of cod (150g) is enough to meet the recommended daily intake.

IODINE
Cod is a good source of iodine that helps ensure proper thyroid function. This is essential for the body's ability to regulate the metabolism.

VITAMIN B12
Vitamin B12 is a natural nutrient in cod. B12 is essential to the body's production of red blood cells, its formation of genetic material, and for proper function of the nervous system.

Devoted to Nature

Fish Feed & Feeding Technology

Raw Materials

From an environmental standpoint, fish feed is one of the greatest challenges in the aquacultural sector. The use of foreign protein in feed (e.g. soy and palm oil) has proven to have severe environmental impacts when it comes to for example GHG emissions from production and transportation, land-use change, and deforestation. Due to this, Norcod only sources soy-based raw materials from certified non-GMO farms in Europe. Marine raw materials are sourced from ICES-regulated fisheries, ensuring avoidance of overfishing and strains on wild fish stocks. Wild-captured fish used to produce fishmeal and fish oil are not classified as endangered species and come from healthy fish stocks. In order to ensure that our feed comes from sustainable sources, we require that the raw materials are certified through reliable standards such as MSC/ ISEAL or IFFO-RS.

Another benefit of using a large percentage of the high-quality marine protein in feed mixes is that it improves the health and welfare of the fish. We take fish health seriously and use dedicated health and safety guidelines in everything we do. To meet the specific nutritional requirement of farmed Atlantic Cod, whilst balancing fish health and welfare with operational performance in the most sustainable way possible, the feed contains high levels of highly digestible marine proteins and lipids. This ensures well-balanced growth and fish welfare, using raw materials which are natural and easily digested by the fish.

Feed Content

• Protein: 48-56% (80-90% marine origin)
• Fat: 18-22% (100% marine origin)
• Other

Though we have emphasized sustainability in our feed selection, 2022 was the year where we started to quantify our developments. We are currently in dialogue with our feed suppliers regarding emission factors for our feed and have received data on the latter. Compared to a standard salmon feed, the cod feed on average has an approximately 25 % lower CO2-footprint. Fish feed is included in our Scope 3 Carbon Accounting, which will help us guide us in an even more sustainable direction and see the effect of performing better regarding the feed conversion ratio (FCR). For our production harvested in 2022, we achieved a far higher FCR than expected. We were aware, based on analyzes of feed, that the fish performance was not optimal. During a eight-month period where the fish naturally has a very good growth potential, the feed contained nutrients which the cod does not benefit from.

Average eFCR for cages harvested in 2022 was 1.42 which was up 0,02 from 2021. The high eFCR in 2021 was due to an incident caused by external factors which resulted in a high mortality number. Disregarding that event, the fish performance was satisfactory in the other cages in 2021 with an eFCR of 1.16. This due to a feed of far better quality than the feed used in 2022 on one of the production sites which was entering harvest period latter year.

We are setting up a project to identify the eFCR, bFCR and growth rates for different stocking sizes of cod, looking at the whole production cycle, including the optimal stocking size given location, time of input and cost.

Waterborne Feeding and microplastic
An important strategic element for Norcod is the technological development of equipment for the production sites. To address the potential adverse effects of traditional feeding procedures, airborne feeding, Norcod has implemented a system for waterborne

feeding. Alongside resulting in less energy consumption and a calmer environment for our employees, the cod, and surroundings, it reduces the amount of microplastics released into the ocean. This is due to the fact that such method of feeding greatly reduces erosion of the feed pipes. Estimated annual discharge of microplastics from feed hoses in Norwegian fish farms is 10-100 tonnes (based on model simulations, Vangelstenet al., 2019). In 2022 3 Norcod sites applied waterborne feeding contributing to less microplastic in the ocean. We know that our business depends on a healthy ocean and will going forward prioritize this kind of feeding technology at our farm sites.

According to the Norwegian Directorate of Fisheries, Large amounts of plastic and other solid materials from human activity regularly end up in the marine environment. This littering includes everything from larger objects, such as packaging and ropes, for example Styrofoam and microplastics that end up at sea. Marine litter can have very negative consequences for physical environment, ecosystems, wildlife and food security. Several analyzes and studies point to fishing, recreational fishing and aquaculture as significant contributors to plastic waste in the Nordic sea areas. We are all responsible for safeguarding the global and local oceans. Norcod is aware of its responsibility and has therefore made choices regarding production technology that we believe will to the greatest extent remedy the situation with regard to microplastic.

To further materialize our proclaimed objectives and commitment to sustainable aquaculture development, Norcod signed a contract with equipment supplier ScaleAQ in 2022 for a complete equipment package for three new locations. The feed barges are equipped with waterborne feeding technology.

Ecosystem Preservation

As a seafood producer Norcod is inherently dependent on the preservation of the ocean ecosystem. The aquacultural sector has great potential for improvements when it comes to this, and we want to do our part to push the market in the right direction. Although we are a comparatively small player in the aquaculture industry, we are determined to take responsibility for maintaining our production areas and ensuring biodiversity by minimizing the impact on the surrounding environment.

Emissions from farmed fish in the sea are excrements and feed residues. These are biodegradable organic materials, but that does not mean, as well known, that the load-bearing capacity of a locality is infinite. Another emission category materializes as a consequence of preventing biofouling on the fish nets. Biofouling is a challenge in the global sea-based fish farming. The aquaculture industry relies primarily on copper-based antifouling coatings. However, copper is an increasingly recognized environmental hazard, and there is a need to further develop and use alternative antifouling products to prevent biofouling in marine aquaculture. Since we place great emphasis on maintaining the production environment for our fish, we will for the coming cycles only use nets with copper-free coating. In 2021 we had nets with copper free coating on one of three production sites. This improved in 2022 where we equipped every cage with copper free coated nets. Going forward this will be the default for Norcod regarding anti-fouling.

To track the condition of the seabed at Norcod's sites, we have routines for monitoring emissions. MOM-surveys (routine environmental tests) are performed by an accredited company in accordance with the authorities' requirements. There are two different types of MOM surveys: MOM-B and MOM-C. The Norwegian standard (NS 9410: 2016) sets the requirements for how such surveys are to be carried out and the frequency of these.

MOM-B is a survey of the environment below and in the immediate vicinity of the site. The aim is to provide a picture of how the bottom and the wildlife there are affected by the operation.

The survey is carried out at maximum biomass for each cycle at the site. A trend monitoring of the bottom conditions at the site is thus achieved, which provides valuable information about the environmental conditions over time. A small bottom grab is used to collect samples of the bottom sediment at a minimum of 10 different points distributed under the site. The samples are evaluated according to several different parameters: odor, volume, color, consistency, pH, chemical composition, as well as the bottom type and findings/absence of benthic animals.

MOM-C is a survey that will provide a picture of the bottom impact near the plant (near zone) and some distance out into the recipient (remote zone). Similar to MOM-B surveys, a grab is used to collect samples, but in MOM-C a larger grab is used. Samples of bottom sediment are taken at the site, while benthic animals are collected and sent to experts who determine which species the animals belong to and how many there are of each species.

Based on the results of these tests, the site is given a classification/score between 1 and 4, where 1 is a very good environmental condition, while 4 is very poor.

Company	Location/Site	Generation	ID	Type of survey	Sample date	Report date	Score
Norcod	Jamnungen	20	26535	MOM B	28.01.2022	22.02.2022	1
Norcod	Jamnungen	20	26535	MOM C	13.05.2022	21.10.2022	Very good
Norcod	Frosvika	21	45073	MOM B	28.11.2022	23.12.2022	1
Norcod	Skogsøya	21	25315	MOM B	14.11.2022	23.11.2022	1

During 2022 we received three MOM-B reports and confirmation of score 1 all three sites. Furthermore, one MOM-C report arrived with the best possible score. It confirms our belief that the well-implemented feeding strategy, maintained feeding systems and camera as a control tool prevents overfeeding. Norcod's goal is to continue to achieve the best possible scores on future seabed environmental surveys.

GHG Reduction

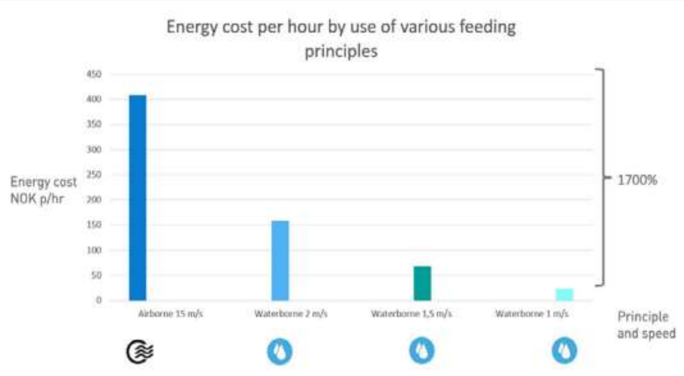
Norcod´s way of farming is a sustainable production method that limits the GHG emission impact on scarce resources of the planet. This is reflected in the management approach of prioritizing sustainable production through focus on animal welfare, care for the environment and forward-looking investments. 2022 is the first year Norcod discloses on carbon footprint. The carbon accounting is in reference to the Green House Gas Protocol requirements on carbon equivalents (CO2e) emissions for scope 1, 2 and category fish feed in Purchased Goods and Services in scope 3.

A complete LCA on our cod will be mapped out during 2023. Mean while the total GHG emissions for 2022 per scope 1, 2 and 3 (category; purschased goods and services – Fish feed) is disclosed in this report based on actual data combined with some estimated values. It's assumed that the fish feed accounts for at least 70 % of the company's total carbon emissions.

GHG emissions (Scope 1, 2 & 3)	TOTAL EMISSIONS (tCO2e)
Scope 1	1 026
Scope 2	400
Scope 3	
Fish feed	9 410
Other (estimate)	2 664
Total scope 3	12 074
Total GHG emission	13 500

Fish feed Carbon emissions are calculated on the basis of the amount of feed used and the carbon emission factor of the feed products used. Our carbon emissions from fish feed are highly dependent on the different raw materials used in the feed, as well as the life cycle assessments and methodology chosen by our feed suppliers. Fish feed carbon emission factors are calculated on the basis of life cycle assessments (LCAs) and appear to be variable over time and different between our suppliers. The reason for this is that data quality and transparency vary and increase in relation to the efforts made and resources allocated to those comprehensive analyses. Compared to a standard salmon feed, the cod feed on average has an approximately 25 % lower CO2-footprint.

In 2022 Norcod received a catamaran service vessel and two feed barges to reduce direct GHG emissions from our operations. The new investments are equipped with technology to reduce fuel consumption, emissions and generator maintenance. The catamaran service vessel and both barges are hybrid equipped which reduce emissions, as well as limiting noise during daily operations. This benefits not only the fish, but also Norcod's employees and the local surroundings. To further support this choice of technical solution at our fish farms, we established onshore power to our first site in 2022. The agreement with the electricity supplier ensures a source guarantee for the electricity which origins from hydropower. This package of configuration measures along with the implementation of energy efficient waterborne feeding provides Norcod with the most emission reducing equipment setup seen in Norwegian aquaculture industry. By connecting the production site to onshore power, we have reduced the need for fossil fuel with approximately 160,000 liters and reducing the direct emissions with 420 tonnes CO2 on an annual basis. This strategic approach to equipment procurement and site configuration will be a priority for Norcod going forward.



Source: AKVA Group ASA

As Norcod is growing, it is vital to make sustainable choices in our every-day operations and long-term management approaches.

"*The energy savings and minimization of microplastic emissions we achieve with water feeding are important to us in terms of our sustainability ambitions. The fact that the pellet is transported with water will also leave the cod at the desired depth. The pellet is spread below the water surface and the cod does not have to move upwards in the cage to get the pellet, it is good for fish welfare and growth.*" - Tsjipke Deuzeman, Production Director

The steps made in 2022 was the beginning of measuring our impact on the environment and being transparent of quantitative measurements as well as qualitative. Going forward our main goal is to be able to thoroughly account for our product-specific climate footprint using LCA/PEF. This will be conducted in 2023.

Climate Risk

We acknowledge the increasing climate risk potentially impact our business in the short, medium and long term. The physical related climate risks and opportunities relate to extreme weather events, sea levels and temperatures, the frequency of algae blooms, and the availability of the raw materials for fish feed (medium to long term impact). Climate change is likely to influence the water temperature along the coastline of Norway. Some areas in the North of Norway could experience higher sea water temperatures leading to an increased production. This could lead to shorter production cycles at sea which would lead to a reduced GHG emissions/tonnes of fish produced at sea. The transition risks and opportunities include legislation or regulations imposing overall caps or taxes on greenhouse gas emissions or mandating the increased use of electricity from renewable energy sources (short-term impact). An increased recognition of seafood as a low carbon footprint protein is a transitional opportunity for Norcod.

The Board of Directors take overall accountability and oversight of all risks and opportunities, including climate change. The integration of Norcod's sustainability strategy (Devoted to People, Cod, Nature) into our business strategy is ensured by the Management Team which includes a Chief Sustainability Officer (CSO). The CSO reports directly to the CEO. Climate change is also identified as a material topic in Norcod's materiality and risk assessment. Reduction targets have been developed.
We will stay true to reducing the dependency on diesel to run our farming sites by connecting them to land power and/or introducing hybrid generators. In addition, we will be working with our suppliers to promote a climate-friendly supply chain and contribute to more energy- efficient processing plants.

Devoted to People

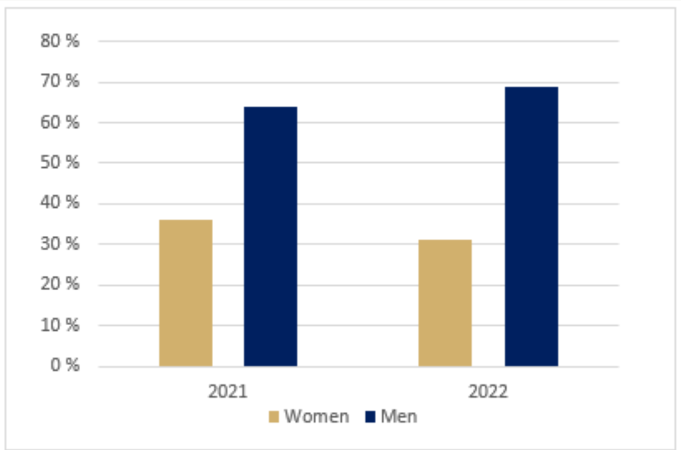
Social

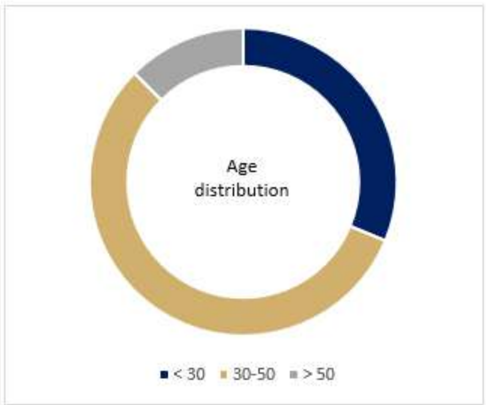
To Norcod, our employees are a highly valued driving force for success. We focus on a safe work environment, value-creating tasks and that our employees can be able to proudly present themselves as a part of Norway's leading cod farming company. It is also important for Norcod to make a positive mark in the local community where we carry out our core business. Since the company's establishment, we have and will continue to give priority to purchase of local goods and services.

Our Employees

As of 31.12.2022 we had a total of 32 full time employees, including four apprentices. Regarding temporary or parttime workers, we had six by the end of the reporting year. Compared to end of 2021 we saw an increase in full time employees by 7 % ultimo 2022.

The two diagrams represent percentage share of individuals within the organization's governing bodies by gender, and percentage distribution of Norcod's employees in three categories based on their age. The gender balance in Norcod was above the average





of the Industry Sector in Norway which, according to the Directorate of Fisheries, was 79 % men and 21 % women. In 2022 we had 4 employees over 50 years old, 18 employees between the ages of 30-50, and 10 employees under 30 years. There were 8 women and 22 men employed by the end of 2021. Our Executive Management group consisted of three men and one woman. No change in the latter during compared to ultimo 2021.

At Norcod, the principles of equality, diversity and inclusion are built into our Code of Conduct – fair, respectful and ethical treatment of others is core to who we are. Mandatory training on equal opportunities, non-discrimination and personal bias remains integral to the onboarding program of every employee.

In 2022 we managed to hire a dedicated HR manager. The increase of operational activity, higher number of employees and the need of even more profound reporting on several fields required a strengthening of such competence in our organization.

We are preparing to report on the Transparency Act, which is to promote companies' respect for human rights and decent working conditions - in their own operations and with subcontractors, also outside Norway.

Further the Transparency Act is to ensure companies' transparency and work with basic human rights and decent working conditions. This includes publishing a statement, so that the public has access to information about how negative effects for human rights and decent working conditions are handled in our company.

Local Communities and Recruitment

In recent years, recruitment to the aquaculture industry has picked up considerably. This applies to all levels of education. Locally in municipalities where Norcod operates, there are High Schools that train apprentice candidates in aquaculture. Norcod aims to annually offer apprenticeships at our facilities, and in 2022 we had four apprentices employed at our fish farms. This is a good opportunity for us as a company to contribute to local recruitment and help cover current and future competence needs in the industry.

The many positive ripple effects and value creation Norcod and other Norwegian fish farming companies contribute along the coast, are of great importance for development in many small municipalities. To keep a community vivid, it is not enough that jobs exist. A diverse and rich range of spare time activities are important for strengthening social life and cohesion. Norcod sees the value of this and contributes annually with sponsorship funds to local cultural and sports activities.

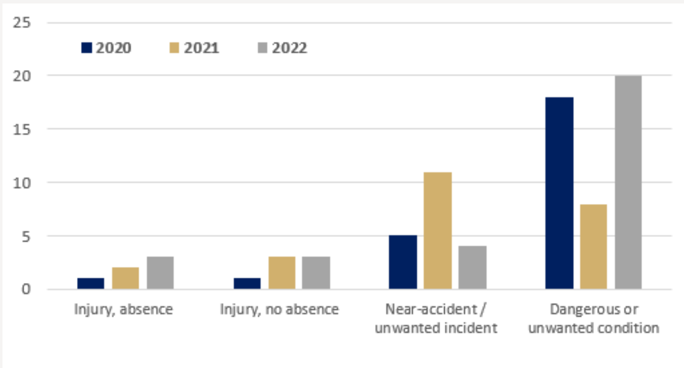
In 2022, Norcod accounted for ripple effects in the local communities by virtue of purchased goods and services, as well as sponsorship funds for sports and culture, equivalent to approximately NOK 15,800,000.

HSE, Diversity and Inclusion

On a weekly basis, operations and administration meetings are held where HSE is high on the agenda. In order to learn as quickly as possible about incidents that have occurred or undesirable conditions, a status update is made, and measures for future prevention are implemented.

For new employees in the company, the onboarding process ensures introduction to procedures and policies, as well as that relevant courses are carried out continuously. All training is well documented in the quality system, EQS. As a part of the training, employees are getting to know our Personnel and HSE Handbook. The handbooks contain information on working conditions, work regulations, ethical guidelines, available resources and a routine for internal notification.

Due to higher operational activity, the 2022 company statistics on HSE incidents/ conditions compared to 2021 figures shows an increase in the number of injuries. These are low numbers, but the increase is taken seriously. The number of unwanted incidents also increased, but a positive is that the registered unwanted conditions reduced by 56 %. We believe that's a result from continuous focus and care our employees have for each other in their operations.



Number of HSE-related incidents or conditions

Total sick leave for the company in 2022 was 2,68 %, down from 2,83 % in 2021.

As previous years Norcod also in 2022 underwent the GLOBALG.A.P. Risk Assessment on Social Practice (GRASP), a voluntary part of the GlobalG.A.P. certification process applied to assess social risks in primary production and to provide additional transparency to supply chain partners. An important audit check point is the company's Declaration of good social practice / Ethical guidelines. Norcod's Declaration of good social practice is known to the employees and signed by the union representative and the CEO. Important aspects and guidelines regarding Health, Environment and Safety, Regular employment, Work performed by children and young people, Wages, Working hours, Labour unions and collective bargaining, Forced labor, Discrimination, Resource use and impact on the local

environment, National and international environmental legislation and regulation and Right to Complaints are all covered in the company declaration.

Norcod AS is aware of its social responsibility. Our goal is to combine healthy business operations with a clear responsibility for society and the environment. Norcod complies with Norwegian working environment law and the ILO standard. Personnel handbook and HSE handbook are built around the Working Environment Act and are available to all employees.

Employees who work with independent third parties such as suppliers, consultants, advisers, agents or the like must familiarize them with the company's ethical guidelines and ensure that they agree to comply with

relevant parts of the ethical guidelines. If deviations occur, measures must be implemented to ensure that these compliance guidelines, and following the guidelines show the inability to comply with Norcod AS's ethical guidelines, the cooperation must be terminated.
The legislation of each country must be followed, as well as Norcod AS 'own rules, quality systems and routines. In cases where there are discrepancies between these, as a general rule, the most stringent requirements must be complied with.

Our goal is to contribute to influencing the work for human rights, labor rights and protection of the environment, both in our own group and vis-à-vis our trading partners.

Rules of business practice; Norcod AS's business information shall be communicated precisely and in detail, both internally and externally. All information required for accounting and reporting must be correct and reproduced in accordance with laws and regulations, including relevant standards.

We will continue our efforts to keep our organization attractive and competitive by hiring, developing, engaging, rewarding and retaining a highly skilled and diverse group of employees. Our focus on practicing fair employment and fair working conditions, diversity and equality in the workplace is an integral part of both our operations

and our supply chain. We will continue our efforts to ensure a skilled and sustainable workforce, a responsible supply chain and good business partnerships going forward. Norcod will continue our efforts to embed diversity and inclusion elements in our daily operations and recruitment practices to ensure discrimination and unfair practices is not taking place. We aim to increase the focus on improving our common knowledge and awareness tracking and assessing data and risks to drive further development and continue to enable and push for diversity and inclusion in our operations.

Management Group

Christian Riber
CEO

- Extensive seafood experience through 12 years as commercial
- Director at key distributing- and sales partner and major shareholder
- Sirena
- 2 years experience as Accountant Manager at Experian
- Education from Copenhagen Business School

Kia Zadegan
COO

- Has held positions as both CEO and CFO in various companies providing valuable insights into company management
- Diverse experience through positions in both North-American and Norwegian seafood companies
- Education from London Business School and UCL

Arne Kristian Hoset
CFO

- Experience as Interim Group CFO at Q-FREE, which is listed at Oslo Stock Exchange
- 8 years experience as auditor and consultant at Ernst & Young (EY)
- Education from Norwegian School og Economics and State Authorized public auditor from Norwegian Business School

Tsjipke Deuzeman
CPO

- 3 years experience as Production Manager at Norcod before getting promoted to CPO
- Previously 12 years experience at different firms within salmon farming including 5 years at Norway Royal Salmon

Hilde Storhaug
CSO

- Highly experienced within aquaculture through 18 years in the business
- Thorough knowledge of operations and biology through positions in Leroy and Mow as well as an analyst at Kontali Analyse
- Holds a BSc in Aquaculture as well as an MBA from Nord Universitet

Devoted to Innovation & Profit

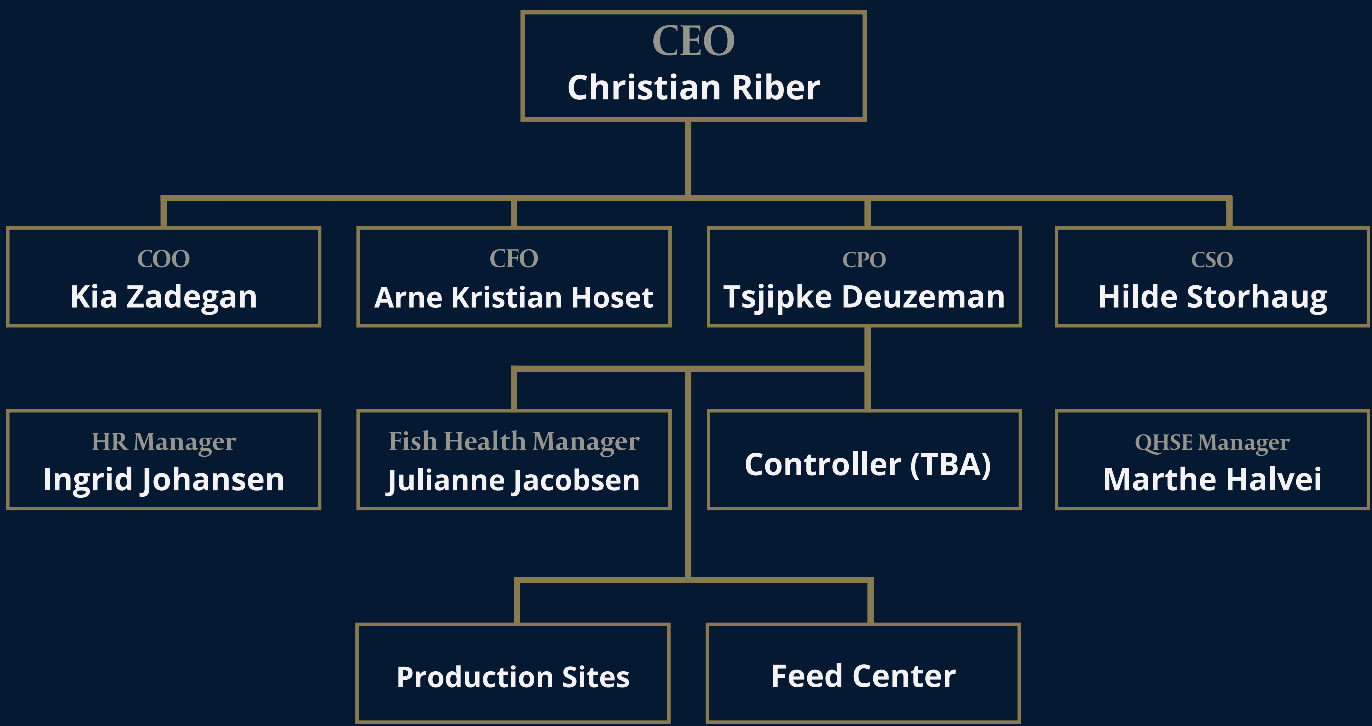
Since the outset of Norcod different trails and studies have been conducted. Our perception is that R&D improves quality and good financial results.

We believe that successful growth of the industry within a sustainable framework is only possible by overcoming biological challenges and contribute to develop a high-performance cod feed. Research and development (R&D) at Norcod lay in our DNA and is integral to our green visions for a blue future. We focus on creating sustainable value and competitive advantage by making improvements and breakthroughs in cooperation with strong supplier and research organizations. Our Production, Fish Health and Sustainability Managers work directly with technical staff at our operating units through participation in collaborative projects. This ensures that our work unceasingly benefits from a culture of shared expertise and knowledge. Through collaboration and the allocation of defined responsibilities, we ensure knowledge sharing and continuous improvement throughout the organization.

Responsible business practices combined with collaboration and innovation can bring powerful change in markets and societies, proving that principles and profit go hand in hand. Norcod has committed to the UN Global Compact. Participation makes a statement about our values, and we believe it benefits both society and contributes to our company's long-term success.

Taking social responsibility starts with the company's own values and principles. This means that we run the company in such a way that we take responsibility when it comes to e.g. human rights, work, the environment and anti-corruption. Responsible companies show the same values regardless of where they are located, and know that good practice in one area does not allow violations in another. By using the UN Global Compact's ten principles in our strategy, policy and in practice, we are responsible towards people, society - and lay the foundation for long-term success.

The Organization Structure



Research & Development projects closed or initiated in 2022

It's been high on Norcod's agenda to be a driving force for knowledge-based development in cod farming. In 2021 we finished three projects and in 2022 the following were closed or initiated:

Feed trial with two different diets to examine the feed's effect on liver index and product quality.

Blood chemistry. Investigate blood samples taken to find out if blood chemical factors correlate with sexual maturation. The aim is to create a model so that, by using blood parameters, sexual maturation in farmed cod can be predicted.

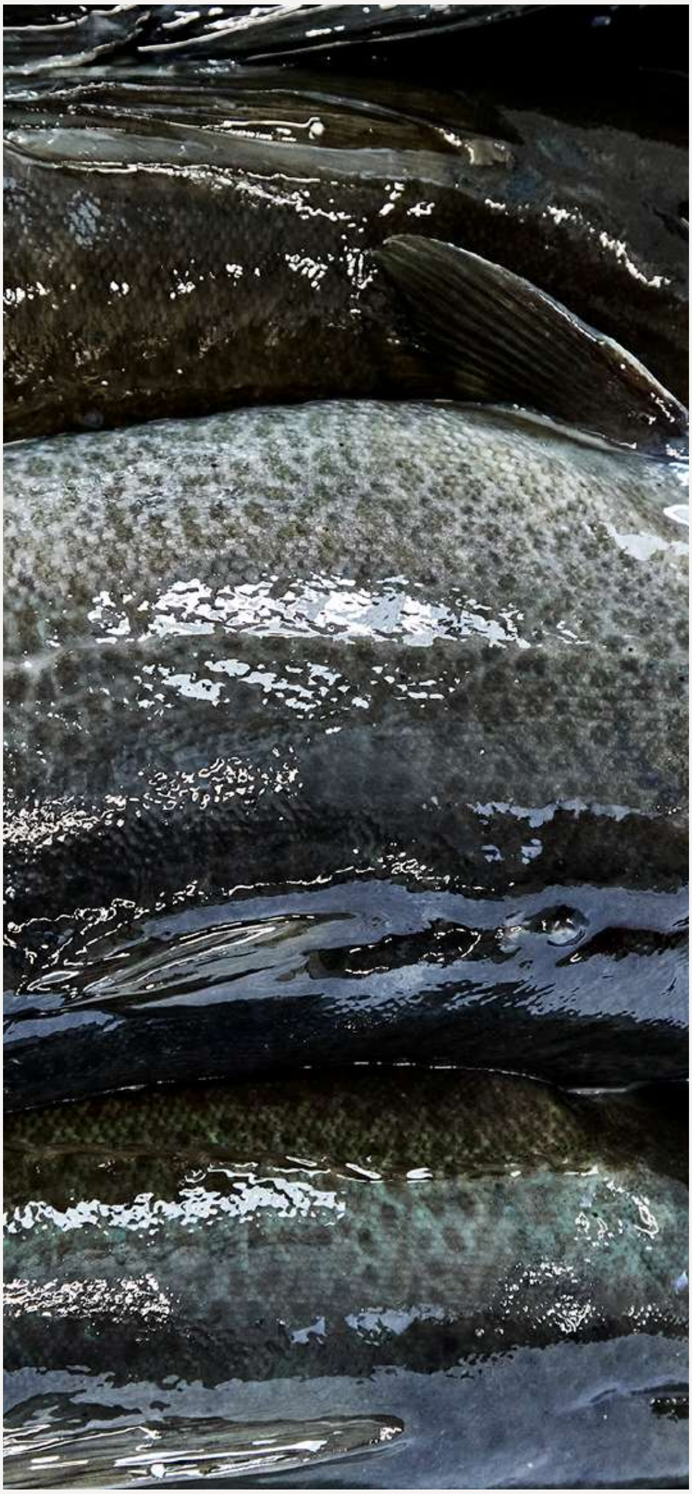
IPN-project. A consortium of research institutions and several cod framers, with Norcod as project manager, has received a commitment from the Research Council of Norway for support of NOK 9.76 million for the development of new feeding strategies for cod. Other partners are Statt Torsk ASA, Arctic Cod AS, Havlandet Havbruk AS and Skretting AS. R&D partners are Akvaplan-niva, NMBU and Nofima.

The purpose of the project is to develop a feeding concept for cod that takes into account the cod's environmental response, eating behavior and nutritional potential. This will contribute to more profitable and sustainable production through better fish health, more efficient feed consumption and increased control of sexual maturation. The innovation in the project is new methods of feeding and changed composition of the feed. The project will last four years.

Feed trail II. Testing a diet with or without inclusion of blue mussels. The purpose of the experiment is to see if the addition of mussels can have a good effect on appetite, growth and/or fish health.

Vaccine preventing winter ulcers. A collaborative vaccine supplier has produced a vaccine which contains our Moritella isolate. The project resulted in Norcod being able to include this prevention factor in the vaccine for our last batch of cod. The batch will be better protected against winter ulcers during the production cycle.

All of the above will provide Norcod with short and longterm advantages. Our approach to sustainable cod farming is driven by us, throughout partnerships, for backing the strategic goals of Growth, Lower Cost and Value Chain Integration.



Board of Directors Report

The Board of Directors is responsible for the overall management of Norcod and may exercise all the powers on behalf of the company. In accordance with Norwegian law, the Board of Directors is responsible for e.g., supervising the general and everyday management of our business; ensuring proper organisation, preparing plans and budgets for our activities; ensuring that our activities, accounts, and asset management are subject to adequate controls. They also undertake investigations necessary to ensure compliance with these duties.

The Board of Directors may delegate such matters to the Executive Management of Norcod. The Executive Management is responsible for ensuring that daily operations are in accordance with instructions set out by the Board of Directors.

Among other responsibilities, our CEO is responsible for keeping the accounts at Norcod in accordance with existing Norwegian legislation and regulations, and for managing the company's assets in a responsible manner. At least once a month, our CEO must brief the Board of Directors about Norcod's activities, financial position, and financial results.

Jan Severin Sølbæk
COB

- CEO, Artha Holding A/S
- Comprehensive Executive Board experience
- Proven M&A track record
- Extensive start-up experience
- Banking background

Renate Larsen
Board Member

- CEO and Chair of the Board Oceanfood AS
- Several years of extensive board experience. Currently, Larsen serves as Chair of the Board in Helse Nord RHF and as board member in Mowi ASA, Bane NOR SF, Calanus and the Norwegian Handball Federation. Previously, Larsen has served as board member in among others Folketrygdfondet, Nofima and several companies in the Lerøy Group
- Several years of extensive management experience, serving among others the Norwegian Seafood Council as CEO and Lerøy Aurora as CFO and CEO

Trine Danielsen
Board Member

- CCO at Blue Planet Academy A/S
- Previous experience as State secretary in Norway's Ministry of Trade, Industry and Fisheries

Anders Bjerno
Board Member

- Present COB Codinvest ApS and Bjerno Holding ApS
- Former CEO and later COB in Chr. Jensen Shipping Group
- Former COB in Hotel Property Group

Peter Buhl
Board Member

- 35 years as co-founder and president of Sirena Group
- Co-founder of Whitecap International Seafood Exporters

Board of Directors

Industry-based expertise, national and international entrenchment characterise Norcod's Board of Directors. Their confidence in which sustainable cod farming will be a positive contribution to Norwegian aquaculture is based on the Board's comprehensive knowledge and experience base.

The board members are covered by the Group's Directors and Officers Liability Insurance.

The Company's Operations & Locations

Norcod AS is the leading producer of farmed cod. The company's core business is commercial farming of cod in marine facilities, and the company is also involved in the entire value chain through cooperation with key players. Norcod's head office is in Trondheim and the company's fish farms are located in central Norway, Frøya Municipality, the county of Nordland, Meløy and Nesna Municipality, and the county of Troms, Ibestad Municipality where conditions are ideal for cod. The company has established a subsidiary, Norcod Equipment AS, and have shares in one associated company.

Norcod has reached many milestones and achieved its production targets since the company's inception. Focus on fish welfare and efficient production with a low CO2 footprint is the foundation of Norcod's existence. Our mission is to help ensure that more of the world's food production comes from the sea.

Blue value creation within the existing framework for management and sustainability is our approach to the blue future.

Norcod has access to the best fry, bred for optimal health and yield. They are farmed in their natural cold-water habitat along the coast of Central and Northern Norway. The global market is increasingly demanding stable deliveries of fresh cod all year round.

For the first time, high-quality farmed cod can be produced on a large scale to meet demand. Clean and productive ocean is important to the world's population, and to ensure food safety for all seafood we grow or harvest from the sea.

By devoting our focus to the employees, the cod, the local and global environment, the company contributes to increased blue value creation. Through the production of sustainable protein from the sea, we take our responsibility related to economic, social and environmental sustainability. We believe that more of the world's food production should come from the ocean.

Norcod contributes to a sustainable sea with minimal environmental costs and active support of local communities. In this matter Norcod contributes to the blue value creation. The company's shares are admitted to trading on the Oslo Stock Exchange Euronext Growth.

Highlights in 2022

Norcod started the year with higher growth rate than expected during the winter. Over 2,000 tonnes WFE were harvested during the first quarter. Norcod achieved a yield of approximately 90 % of finished product, which was sold through the partner company and shareholder Sirena A/S in Denmark. One of our most important production goals to strengthen the sustainability of our operations, is to increase the proportion of residual raw material for human consumption. Our goal is to achieve 98 % utilization of the fish. Norcod paves the way for a positive future for the industry by achieving commercially viable, biologically superior cod farming.

In May we initiated stocking of Norcod's third production cycle at sea. The largest grade of fry was ready to leave the growth facility and enter its fish farm at sea. The fry was sent to the location Forså and to location Jamnungen. Harvest volumes from the 2022 batch are expected to be market ready in 2023/24 following the sea growth phase. The stocking initiated in May was finalized during the third quarter. In August, Norcod and fry producer Havlandet Havbruk jointly finalized the construction of the new cod fry facility in Florø, Kinn Municipality. This production site has a license to produce 24 million fry per year. The fry facility is owned by the Havlandet Norcod AS, jointly controlled by Norcod and Havlandet Havbruk.

The company continues to evolve and has during the year strengthened its ability to meet the ongoing growth according to plan. Norcod has increased its efforts in feeding strategy, and in June Norcod established an operational Feed Center which provides the company's fish farms remote feeding. The growing operational activity in Norcod has led to increased recruitment and employment of Technicians. Skilled Operations Technicians are the key to ensuring fish welfare, handling input factors in production efficiently and in the best possible way safeguarding the surrounding environment. Additionally, Norcod recruited Biological Controller and Quality Coordinator. At the end of 2022 the company had 32 employees and operated four production sites at sea.

Moreover, Norcod has made some changes in the Board of Directors. Former Chair of the Board, Marit Solberg, together with board members Boe Spurre and Tore Tønseth, did not stand for re-election at Norcod's ordinary general meeting 2022. Stepping up as new chairman is Jan Severin Sølbæk. Aquaculture industry experts Trine Danielsen and Renate Larsen joined as new board members.

Sustainable Focus & Organic Growth Potential

Norcod takes an active position on the UN's sustainability goals for sustainable food production. Based on collaboration throughout the value chain, the company produces one of the most efficient animal protein sources for human consumption. Norcod's contribution is considered to be valuable for a future where we all should focus on meeting today's needs, without destroying the opportunities for future generations to meet their needs.

An important strategic element for Norcod is related to technology and equipment for the production sites. Focusing on sustainable production and reducing the carbon footprint, the company will, as far as possible, use electrified vessels and hybrid solutions for the feed barges. Implementing waterborne feeding results in less energy consumption and a calmer environment for our employees, the cod, and surroundings. Waterborne feeding also reduces the amount of microplastic released into the ocean, due to less erosion of the feed pipes.

With the aim of reducing the climate footprint, we will continuously seek technical solutions and alternatives to input factors for the company's production. This is to ensure a good working environment, fish welfare and the lowest possible impact on the surroundings. Through the production of sustainable protein from the sea, Norcod takes responsibility related to economic, social, and environmental sustainability. Read more about the company's approach to sustainability in the annual report's section Green Visions for a Blue Future.

Research and Development

We believe that successful growth of the industry within a sustainable framework is only possible by overcoming biological challenges and contribute to develop a high-performance cod feed. Research and development (R&D) at Norcod lay in our DNA and is integral to our green visions for a blue future. We focus on creating sustainable value and competitive advantage by making improvements and breakthroughs in cooperation with strong supplier and research organizations. Our Production, Fish Health and Sustainability Managers work directly with technical staff at our operating units through participation in collaborative projects. This ensures that our work unceasingly benefits from a culture of shared expertise and knowledge. Through collaboration and the allocation of defined responsibilities, we ensure knowledge sharing and continuous improvement throughout the organisation.

EU Taxonomy

The EU Taxonomy Regulation entered into force in July 2020 in the EU, and in Norway from 2023. The EU Taxonomy is a classification system for sustainable economic activities. The regulations are still under development and the seafood and aquaculture industries remain largely uncovered by the current taxonomy regulation. It is expected that the EU Taxonomy will be expanded to four other environmental objectives during 2023. Norcod supports the goals set by the EU Taxonomy and welcomes the further development of the regulation.

Financial Review for the Group

Figures below are Group figures according to IFRS unless specified otherwise.

2022 financial year saw the finalization of the first commercial harvest by Norcod. This marked a step in the right direction for the company, providing proof of concept, and delivering high quality product to satisfied customers across Europe. This stage also provided some new challenges for Norcod, in the form of live fish transport to the processing facilities, processing capacity limitations, and packing and logistics to our customers in an environment of increasing inflation and limited resources. Entry with a new product line to the retail market has progressed smoothly and Norcod is confident of future demand for the product.
Norcod also continues the growth strategy by focusing on increasing volumes of biomass at sea and on growing locations. It is clear that this growth stage is capital intensive, and the balance sheet clearly demonstrates that.

Consolidated Income Statement

(Unless stated otherwise, 2021 numbers are in parentheses)

Norcod generated revenues of MNOK 171 in 2022 (MNOK 73). This corresponds to a volume of 3 837 tons WFE /3 070 tons HOG. This resulted in an operating loss before fair value adjustment of biomass of MNOK 123 (MNOK -48) and an operating loss of MNOK 281 (MNOK -65). The net loss for the period stands at MNOK 297 (MNOK -75) after financial expenses and tax. It has been a challenging year for the company, with accelerated harvesting and increased transportation and well boat costs compared to 2021. Earnings per share was NOK -15.50 (NOK -3.92).

Statement of Financial Position

Norcod's carrying amount of total assets were MNOK 542 as of 31.12.2022, a decrease of MNOK 15 from MNOK 557 as of 31.12.2021. Property plant and equipment increased by MNOK 25 from MNOK 52 as of 31.12.2021 to MNOK 77 as of 31.12.2022 amid investments in machines and equipment. Right-of-use-assets increased by MNOK 13 from MNOK 111 as of 31.12.2021 to MNOK 124 as of 31.12.2022. Biomass decreased by MNOK 50 from MNOK 236 as of 31.12.2021 to MNOK 207 as of 31.12.2022 including a biomass write down of MNOK 159. The main reason for the write down was the accelerated harvesting that the Norwegian Directorate of Fisheries enforced during the first half of 2023, as described in the subsequent events section of this report. Cash and cash equivalents decreased by MNOK 26 from MNOK 29 as of 31.12.2021 to MNOK 3 as of 31.12.2022, demonstrating the cash intensive nature of the business during the year. Additionally, further MNOK 10 of loan financing has been issued to Havlandet Norcod during 2022 to ensure access to fry and secure growth.

Total liabilities ended at MNOK 365 as of 31.12.2022, an increase of MNOK 118 from MNOK 247 as of 31.12.2021. During the year Norcod was granted a new overdraft facility from DNB of MNOK 75. Interest bearing debt to shareholders increased from MNOK 75 as of 31.12.2021 to MNOK 88 as of 31.12.2022 due to accrued interest and currency. Leasing liabilities increased from MNOK 57 as of 31.12.2021 to MNOK 77 as of 31.12.2022 whereas trade payables increased from MNOK 88 as of 31.12.2021 to MNOK 114 as of 31.12.2022 amid increased operational activities. Total equity as of 31.12.2022 ended on 177 MNOK, down from MNOK 309 as of 31.12.2021.

Cash Flow Statement

Net cash flows from operating activities in 2022 ended at MNOK -202 (MNOK -85) amid significant cash usage for build-up of biomass and fixed assets. Net cash flows from investing activities in 2022 was MNOK -47 (MNOK -84) due to loans issued to associated company of MNOK 10 and investments in property, plant and equipment of MNOK 37. Net cash flows from financing activities in 2022 was MNOK 223 (MNOK -20) due to a new bank overdraft of MNOK 70 and proceeds of share issue of MNOK 168, partly offset by repayment of lease liabilities. Total net cash flow ended at MNOK -26 (MNOK -189).

Financial Review for the Parent Company

(Unless stated otherwise, 2021 numbers are in parentheses).

Figures below are parent company figures according to Norwegian GAAP unless specified otherwise.

The parent company generated revenues of MNOK 171 in 2022 (MNOK 80). This corresponds to a volume of 3 837 tons WFE /3 070 tons HOG. Operating loss was MNOK 281 (MNOK 37). The net loss for the period ended at MNOK 299 (MNOK 36) after financial expenses and tax. It has been a challenging year for the company, with accelerated harvesting and increased transportation and well boat costs compared to 2021.

Total assets as of 31.12.2022 was MNOK 507, down from MNOK 515 at 31.12.2021, mainly due to a biomass write down of MNOK 159. The main reason for the write down was the accelerated harvesting that the Norwegian Directorate of Fisheries enforced during the first half of 2023, as described in the subsequent events section of this report. Total liabilities as of 31.12.2022 was MNOK 330, up from MNOK 206 as of 31.12.2021 to a new overdraft facility from DNB and increased accounts payables. Total equity ended at MNOK 178, mainly due to the net result of the year, partly offset by the share capital increase.

Net cash flows from operating activities ended at MNOK -258 (MNOK -130) amid significant cash usage for build-up of biomass and fixed assets. Net cash flows from investing activities ended at MNOK -18 (MNOK -70) due to loans issued to associated company and investments in property, plant and equipment. Net cash flows from financing activities ended at MNOK 251 (MNOK 29) mainly due to a new bank overdraft of MNOK 70 and proceeds of share issue of MNOK 168, partly offset by repayment of lease liabilities. Total net cash flow ended at MNOK -26 (MNOK -171).

Result & Allocation

In 2022 the parent company reports an annual loss after tax of MNOK -299. The Board of Directors proposes the following allocation of the net loss for the year:

Transferred to retained earnings: MNOK -299.

Total allocation: MNOK -299

Operational Risk & Risk Management

Norcod's operational risk include those relating to biological production, farming operation and market, sales, and distribution. Through detailed risk assessment of the company's activity, many risk factors have been mapped and procedures and routines have been implemented to reduce the chance of unwanted conditions occurring.

A summary of some of the risks may be found below.

Biological Production

Norcod set its first cod into the sea in the beginning of 2020 and have since then gained valuable experience related to the welfare and behaviour of the cod. Norcod has had relatively low mortality rates and also seen particularly good growth rates and feed utilization. Cod does not have the lice challenge as salmon, but may in the future be exposed to other health challenges that have so far not been found in our production. The cod is carefully followed up by internal systems and external fish health service to reduce these biological risks.

Farming Operation

Norcod has established four farming sites. The farming activity is running stable, and all equipment is regularly inspected in accordance with our internal inspection procedures and external audits. The equipment is maintained and cleaned to minimize operational risks in accordance with Norcod's maintenance program.

Market, Sales & Distribution

The Cod market is volatile, with price fluctuations within a relatively short time span. Norcod will mitigate part of the price fluctuation risk by selling a large part of its production on contracts and only a smaller volume in the daily market.

Financial Risk & Risk Management

The Cod market is volatile, with price fluctuations within a relatively short time span. Norcod will mitigate part of the price fluctuation risk by selling a large part of its production on contracts and only a smaller volume in the daily market.

Currency Risk

The funding arrangement with Artha Cod Ansvarligt Lån P/S is originally in the foreign currency DKK. Due to this, Norcod is exposed to currency exchange rate fluctuation affecting the company's cash flow and profits. All other cash is currently held in the local currency NOK.

Interest Risk

Norcod's interest bearing debt from shareholder Artha Cod Ansvarligt Lån P/S and the overdraft facility main bank DNB is based on agreed fixed interest rates, which means that the company has reduced its exposure to movements in interest rates. Adverse movement in interest rates in the future may therefore have a material adverse impact on the Company's financial performance. Norcod's leasing liabilities are exposed to variable interest rates. The book value of biological assets is exposed to changes in interest rates. This means that Norcod is exposed to changes in interest rates.

Credit & Liquidity Risk

Norcod is exposed to credit risk related to customers' ability to fulfil their financial obligations. Norcod only has one customer which is deemed to be financially strong and hence the credit risk is considered low. Liquidity risk is currently based on the company's financial position, leasing arrangements and access to financing in the capital market. These may impact the company's ability to meet its financial obligations in the day-to-day activities. The company has entered funding arrangements with Artha Cod Ansvarligt Lån P/S which is associated with one of the Company's current shareholders Artha Cod AS. The Board of Directors continuously assesses the company's available liquidity, and has inititated efforts after the balance sheet date to inporve the liquidity situation. Also refer to separate section on subsequent events.

Corporate Social Responsibility

The Board of Directors of Norcod is aware of its responsibility for the development and implementation of internal procedures and regulations to ensure that the Company and its subsidiaries complies with applicable principles for good corporate governance. The Board has defined the company's overall vision as "Leading producer of sustainably raised cod – Cod Above the Rest". Closely linked to the vision are the company's values "Quality", "Fresh", "Transparent" and "Devoted".

Norcod is made up of individuals with different backgrounds, nationalities, cultures and customs. Their conduct - what each and every employee does and says each day - determines the company's ability to succeed as an organization. The Code of Conduct sets standards for behaviour that can be expected between colleagues, and that external parties can expect from employees of the company. The Code of Conduct was updated in 2022. It has been communicated to employees, and it is expected that all employees make a personal commitment to abide by the Code of Conduct. Testing of each employee's understanding has been, and will continue to be, carried out regularly. The most recent test was performed current year. The Code of Conduct is available at the company's website.

Working Environment, Discrimination & Equality

As of 31 December 2022, the company had 32 full-time employees and 6 temporary workers. The aquaculture industry has traditionally to a large extent been male dominated, but in Norcod 31 % of the employees are women and 69 % are men. The gender balance in Norcod was above the average of the Aquaculture Sector in Norway which, according to the Directorate of Fisheries, was 79 % men and 21 % women. Both men and women are represented in the management and in the board. 1 of 5 are women in the management, and 2 of 5 board members are women. The company aims to be a workplace in which women and men are equal, and where it is no gender-based discrimination in payment, promotion or recruitment. Further the company aims to be a good and safe workplace where it is no discrimination on the ground of ethnicity, country of origin, colour, religion, reduced functional capacity or in other areas. Norcod had a sickness absence rate of 2,68 % in 2022. There are various reasons for the total sick leave. We experienced 3 injuries which led to short term absence and 3 injuries which did not lead to absence.

Impact on External Environment

Norcod's way of farming is a sustainable production method that limits the impact on scarce resources of the planet. Norcod's value chain is depended on sustainability and Norcod's core business of raising cod in marine facilities meets several of the UN's 17 sustainable development goals. The following 5 are emphasized to a greater extent: no hunger, good health, responsible consumption, life below water and partnerships for the goals. Together with these goals Norcod invests to minimize its impact on the external environment, this is reflected in the prioritizing of new and sustainable production methods and equipment, focus on animal welfare and investments in a new catamaran and feed barges which are equipped with new technology reducing fuel consumption, admissions, and generator maintenance.

Norcod is also implementing waterborne feeding technology on the last two barges. This contributes to reduced energy consumption, as well as reducing the release of microplastics from the feed hoses into the sea. The catamaran service vessel is also electrified, which will dramatically reduce direct emissions, as well as limiting noise during daily operations. This benefits not only the fish but also Norcod's employees and the surrounding environment.

Anti-Corruption & Ethical Code of Conduct

Norcod denounce all forms of corruptions and is very conscious to its responsibility regarding ethical conduct, society at large and the environment. The company strive for a culture of transparency in all areas and have established an ethical code of conduct for the employees. These common principles reflect the company's values and supports the employees make the right decisions when needed.

For instance, this includes the use of correct business conduct, conflicts of interests, entertainment and travel expenses, giving and receiving gifts, processing information and duty of confidentiality, how to handle inside information, corruption, whistleblowing, bribes etc. The management is responsible for ensuring compliance with the conducts, but the employees is responsible for practicing the ethical code of conduct. Norcod uses an external accountant, KL Økonomi og HR AS. They are responsible for the bookkeeping and the company always require dual approval when paying invoices.

Reporting on the Transparency Act

The board has been briefed on activity and reporting requirements in accordance with the Transparency Act, which was effective as of 1st July 2022. The purpose of the act is to promote Norwegian businesses' respect for human rights and decent working conditions. The first report for Norcod, will be published on the group's website within the deadline of June 30, 2023.

Going Concern

Management is continuously evaluating the company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, all available information for the future is taken into account. During the first half of 2023 the company has initiated actions, both in terms of capital injection and financial debt restructuring to secure the company's ability to continue as a going concern. The initiatives are described in the section on subsequent events in this report. Based on the initiated actions, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern and that this assumption was realistic at the time of the approval of the statements. It is the Board's opinion that the Income Statement in the parent company and consolidated statement of comprehensive income in the group financials with notes and Balance Sheet in the parent company and consolidated statement of financial position in the group financials with notes provide accurate information on the operations and the financial position at year-end.

Subsequent Events

Process with the Norwegian Directorate of Fisheries in the first quarter of 2023

The harvesting and production plan for the 2021 generation of fish was accelerated due to potentially escaped spawning cod around year end leading to a process with and conclusion from the Norwegian Directorate of Fisheries (Fdir) (cases number 23/1402 and 23/1094 – both publicly available). The remaining fish was healthy and was originally planned to be harvested within the next 6 months. However, the accelerated rate of harvesting, agreed with Fdir resulted in:

- Lower volume production than expected.
- Smaller size fish than expected
- Short delivery on long-term sales contracts with clients
- Lower sales prices due to increased sales on the spot market
- The immediate consequence was s a significant drop in earnings and cash flows from operations.

The facts and circumstances described above have been taken into consideration in management's estimated value of the biological assets recognized as of Dec. 31, 2022.

During the first half of 2023, the company has initiated countermeasures to reduce biological risk and to improve the liquidity and cash flows from the running operations. The company is mainly working with the following countermeasures:

- Risk reducing countermeasures: The company has modified its harvesting plan for 2023 and 2024 to reduce biological risk and to improve the estimated cash flows from operations. The modified harvesting plan implies a somewhat increased harvesting during second half of 2023, enabling the company to meet high market demand with stable prices during second half of 2023. The revised harvesting plan is deemed to improve the cash flows from operations during the second half of 2023, and to reduce the risk of significant biomass going into maturation first half of 2024.
- Preventive countermeasures: The company has, together with key players in the aquaculture industry and research institutions, initiated science based activities to mitigate gonad development, segregation of sexes and to mitigate reproduction.

Capital Injection Through Private Placement And Divestment of Associated Company

To strengthen operational liquidity, increase biomass in accordance with the company's production plan and to develop two new locations, Norcod successfully raised MNOK 180 in net proceeds through a private placement of 6.349.612 offer shares at a subscription price of NOK 30 per share in April 2023. The Extraordinary General Meeting held on April 24, 2023 resolved the private placement.

Following the registration of the share capital increase, the company will have a registered share capital of TNOK 12,784 divided into 25.568.244 shares, each with a nominal value of NOK 0.5. Following the private placement, the three main shareholders Artha, Sirena and Bank of New York increases its total holding of outstanding shares from 12.453.424 shares to 18.192.258, corresponding to an increase from previous 64.79 percent of outstanding shares and voting rights to 71.15 percent of outstanding shares and voting rights.

Moreover, the extraordinary general meeting on April 24, 2023 resolved to issue the offer shares in the private placement and to carry out a subsequent repair offering of up to 1.333.333 new shares at a subscription price of NOK 30 per share. The subsequent repair offering will be directed towards existing shareholders in the company who were not allocated offer shares in the private placement and is expected to be completed during the second quarter of 2023.

In May 2023, Norcod came to an agreement with a business partner in the cod harvesting industry to divest its investment in associated company and fry producer Havlandet Norcod AS. The transaction implies that the outstanding loan to Havlandet Norcod AS of MNOK 40 will be settled, and that the shares in Havlandet Norcod AS of MNOK 35 will be divested. The net proceeds to Norcod from the transaction is MNOK 75 which include both proceeds from sales of shares and repayment of loan. The divestment enables Norcod to focus solely on the core business, and represents a strategic measure to secure Norcod's position as a focused cod producer. The divestment also secures additional liquidity to the company's running operations.

The net cash contribution from the private placement and the divestment of the associated company totals 225 MNOK during the first and second half of 2023.

Extension of Bank Overdraft

Norcod's overdraft facility of MNOK 75 issued by DNB was originally due for repayment in September 2023. However, in May 2023 DNB agreed to extend the repayment by one year to September 2024. Other main terms and conditions are unchanged. The extension of the overdraft with one year strengthens Norcod's operational liquidity at predictable terms and contributes to steady liquidity in the company's running operations.

Extension and Debt Conversion of Artha Cod Loan

Norcod's loan granted from Artha (Artha Cod loan) with a book value of MNOK 88 as of December 31, 2022 was originally due for repayment in August 2023. In May 2023, the company and Artha came to a restructuring agreement of the loan. Main terms in the agreement implies a conversion of 80 percent (MNOK 82) of the nominal loan amount to share capital and a repayment extension of 20 percent (MNOK 20) of the nominal loan amount till August 2025. The debt conversion is subject to approval by the General Meeting on June 12, 2023. Based on current shareholder base, the management and the Board of Director's finds it more likely than not that the Annual General Meeting will pass the debt conversion.

Market Conditions & Future Outlook

Despite the challenges described in the subsequent events section resulting in Norcod's reduced biomass growth plan throughout 2025, the fundamentals are positive and the market outlook for Atlantic cod in the longer time perspective is good. There has been a decline in global supply of Atlantic cod since 2013. In 2022 there was a decrease in the quota and it is expected there will be less fresh Cod available throughout 2023. Prices have seen an upward trend since 2013, due to market & product development and decrease in stocks. Prices are however expected to increase in 2023 due to increased demand caused by the recovering of the pandemic.

An important factor is that Norcod is marketed and sold not as a substitute product to wild Atlantic Cod but as an additional high end whitefish product. The high-end whitefish market appreciates the difference Norcod brings such as high stable quality, unique freshness, tremendous yields and both price and delivery stability. Based on the current high demand for Norcod and prices as high as NOK 65/kg ensures the market confidence.

It is also Norcod's expectation that the longer Norcod is available and present in the market the higher demand and preference will be achieved and therefore higher prices.

Norcod was in June 2022 granted its fifth production site, location Labukta, situated in Nesna municipality in Nordland county. This marks another important milestone on the company´s journey towards year- round industrial-scale farming of fresh cod.

Going forward, Norcod will continue to focus on operational improvements. Our core business will continue to develop along our three main pillars: Growth, lower cost and value chain integration. We are putting sustainability at the core of all our activities to achieve excellence, as expected from our stakeholders.

Trondheim, 24th May 2023

Jan S. Sølbæk
Chairman of the Board

Peter Buhl
Member of the Board

Anders Bjerno
Member of the Board

Trine L. Danielsen
Member of the Board

Renate Larsen
Member of the Board

Christian Riber
General Manager/CEO

Norcod's Financial Statement 2022

Consolidated statement of comprehensive income			
(Amounts in NOK '000)	Note	Full year 2022	Full year 2021
Operating revenue	1, 2	**170 541**	**72 633**
Cost of materials and change in inventories	3	168 730	56 921
Salaries and personnel expenses	4	43 031	26 878
Depreciation and amortization	5, 6	16 032	8 741
Other operating expenses	7, 8	65 833	28 037
Operating expenses		**293 626**	**120 577**
Operating profit/ loss(-) before fair value adj. of biomass		**-123 085**	**-47 944**
Fair value adjustment biomass	3	-157 808	-17 446
Operating profit/loss		**-280 892**	**-65 390**
Share of profit/ loss(-) from associates	9	1 798	-418
Net financial items	10	-18 123	-9 348
Profit/loss before tax		**-297 217**	**-75 156**
Income tax expenses	11	0	0
Net profit/loss for the period		**-297 217**	**-75 156**
Other comprehensive income		0	0
Total comprehensive income for the period		**-297 217**	**-75 156**
Earnings per share	12	-15,50	-3,92
Earnings per share - diluted	12	-15,50	-3,92

norcod

Consolidated statement of financial position

(Amounts in NOK '000)	Note	31.12.2022	31.12.2021
ASSETS			
Non-current assets			
Concessions, patents, licenses, trademarks and similar rights	13	2 000	8 039
Property, plant & equipment	5	76 678	52 055
Right-of-use assets	6	123 846	111 286
Investment in associated companies	9	33 511	34 582
Other investments	9	502	1 003
Other non-current receivables	2	40 000	30 000
Deferred tax assets		0	0
Total non-current assets		**276 536**	**236 965**
Current assets			
Inventories	3	8 712	4 805
Biological assets	3	206 758	235 919
Short-term receivables		46 427	49 411
Cash and cash equivalents	14	3 412	29 418
Total current assets		**265 310**	**319 554**
TOTAL ASSETS		**541 846**	**556 519**
EQUITY AND LIABILITIES			
Equity			
Share capital	15	9 609	8 516
Treasury Shares	15	-3 706	-3 707
Share premium		553 043	386 586
Retained earnings		-382 267	-82 158
Total equity		**176 679**	**309 237**
Liabilities			
Non-current interest-bearing debt	2, 16	0	74 655
Lease liabilities	16	60 939	57 549
Total non-current liabilities		**60 939**	**132 203**
Current leasing Liabilities	16	16 275	15 952
Current interest-bearing debt	2, 16	158 151	0
Trade payables		114 263	88 226
Other current liabilities		15 540	10 901
Total current liabilities		**304 228**	**115 079**
TOTAL EQUITY AND LIABILITIES		**541 846**	**556 519**

Trondheim, 24. May 2023

Trondheim, 24th May 2023

Jan S. Sølbæk
Chairman of the Board

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Member of the Board

Anders Bjerno
Member of the Board

Trine L. Danielsen
Member of the Board

Renate Larsen
Member of the Board

Christian Riber
General Manager/CEO

Consolidated statement of cash flow

(Amounts in NOK '000)	Note	2022	2021
Profit/loss before tax		**-297 217**	**-75 156**
Cash flow from operating activities			
Depreciation and amortization	5, 6	16 032	8 825
Change in inventory and biological assets	3	-132 554	-129 587
Fair value adjustment	3	157 808	17 446
Share of profit/ loss(-) from associates	9	-1 798	-418
Change in accounts receivable		929	-31 319
Change in accounts payable		26 037	74 723
Change in other current receivables and other current liabilities		28 987	50 280
Net cash flow from operating activities		**-201 777**	**-85 205**
Cash flows from investing activities			
Payments for purchase of property, plant & equipment	5	-36 978	-58 195
Payments for licences	13	0	-2 137
Capital contribution to associated companies	9	0	-20 000
Proceeds from sale-leaseback transaction	5, 6	0	25 549
Other investments		0	893
Loan to associated company	2	-10 000	-30 000
Net cash flow from investing activities		**-46 978**	**-83 890**
Cash flows from financing activities			
Receipts from new debt	16	70 144	0
Repayment of lease liability	16	-12 523	-13 331
Purchase of own shares	15	0	-3 707
Interest paid	10	-2 421	-2 723
Proceeds from issues of shares		167 549	0
Net cash flow from financing activities		**222 749**	**-19 761**
Net (decrease)/increase in cash and cash equivalents		-26 006	-188 856
Cash and cash equivalents at the beginning of the period		29 418	218 273
Cash and cash equivalents at close of the period		**3 412**	**29 418**

Consolidated statement of change in equity

(Amounts in NOK '000)	Paid-in equity			Other equity	
2021	**Share capital**	**Treasury shares**	**Share premium**	**Retained earnings**	**Total equity**
Equity as of 1 jan 2021	8 516		386 590	-7 002	388 104
Net profit/loss for the year				-75 156	-75 156
Purchase Treasury shares		-3 707			-3 707
Distribution of treasury shares		1		-1	0
Other changes			-3		-3
Equity as of 31 Dec 2021	**8 516**	**-3 706**	**386 587**	**-82 159**	**309 238**

2022	Share capital	Treasury shares	Share premium	Retained earnings	Total equity
Equity as of 1 jan 2022	8 516	-3 706	386 587	-82 159	309 238
Issue of shares 05.04.2022	1 094		166 455		167 549
Net profit/loss for the year				-297 217	-297 217
Other changes				-2 891	-2 891
Equity as of 31 Dec 2022	**9 609**	**-3 706**	**553 043**	**-382 267**	**176 679**

NOTES

Notes to the consolidated financial statement

The Consolidated Financial Statement

Accounting Principles | Basis of Preparation

As of December 31, 2022, the consolidated financial statements of Norcod AS and the subsidiary Norcod Equipment AS ("Norcod" or "the Group") have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. In compliance with the Norwegian Accounting Act, additional disclosures are included in the notes to the financial statements of Norcod.

The consolidated financial statements are produced based on historical cost principle with the exception of biological assets which are measured at net fair value and adjusted in the income statement.

All figures in the notes to the accounts are in NOK 1000, unless otherwise specified. The consolidated financial statements were approved by the Board of Directors at its meeting on May 24, 2023 and are subject to approval by the annual general meeting scheduled on June 12, 2023.

Revenues

Norcod recognizes revenues from customers in accordance with IFRS 15 Revenue from contracts with customers. The company's operating revenue derive mainly from sale of cod. Revenues from the sale of goods are recognised when the control is transferred to the customer. Control is generally passed on when the goods are delivered to the customer according to the delivery terms in the sales contract.

The company's performance obligations is part of contracts that has an expected duration of one year or less.

Classification & Assessment of Items in the Statement of Financial Position

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities.

Property, Plant & Equipment (PPE)

PPE is measured at acquisition cost less accumulated depreciation and impairment. Land is not depreciated. PPE other than land is reflected in the statement of financial position and depreciated to residual value over the asset's expected useful life on a straight-line basis. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are capitalized to the asset's cost price and depreciated separately.

Investment in Associated Companies

Associated companies are defined as companies in which Norcod has significant influence. Norcod's investments in its associated companies are accounted for using the equity method. Using the method, the investment in an associate is booked at cost. The amount of the investment is adjusted to recognise changes in the Group's share of the associate's net assets since the acquisition date. The financial statements of the associate are prepared for the same reporting period as Norcod. The statement of comprehensive income reflects Norcod's share of the results resulting from the associate's operations.

Other Investments

Other investments is classified as fair value over profit and loss. The fair value of the financial asset is level 3 as the investment is in a non-listed company. As of year end 2022 this investment was determined to have a fair value of TNOK 500 and the change in fair value was recognized in the statement of profit or loss. See also Note 3 Subsidiaries associated companies and other investments.

Asset Impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of assets at which independent cash inflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and value in use, the asset is written down to the highest of fair value less cost to sell and the value in use.

Previous impairment charges, except writedown of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Intangible Assets - Concessions, Patents, Licences, Trademarks And Similar Rights

Licenses are capitalised at cost. Licenses are defined as having indefinite useful economic lives and are not amortised. If there are indications of impairment, impairment assessments are done at the lowest level of assets at which independent cash flows can be identified.

Biological Assets

Biological assets are, in accordance with IAS 41 Agriculture, measured at fair value less costs to sell in accordance with IFRS 13. Biomass measured at fair value, is categorized at Level 3 in the fair value hierarchy, as the input is mostly unobservable. All cod at sea are subject to a fair value calculation, while roe and cod fry are measured at cost as cost is deemed a reasonable approximation for fair value as there is little biological transformation. The technical model used to calculate the fair value of biomass is a present value model. Present value is calculated on the basis of estimated revenues less production costs remaining until the cod is harvestable at the individual site. The cod is harvestable when it has reached the estimated weight required for harvesting specified in the company's budgets and plans. The estimated value is discounted to present value on reporting date. The expected biomass at harvest is calculated on the basis of the number of individuals held at sea farms at the date of reporting, adjusted for expected mortality up until the point of harvest and multiplied by the fish's estimated weight at harvest. The price is calculated using the Group's best estimate of future prices and are not observable. The price includes the Group's best estimate of the future prices of cod liver and other products of the cod that will be sold. Prices are adjusted for expected costs related to harvesting, sales and carriage costs. The Group applies a monthly discount rate of 4%.

Other inventory is comprised of feed. Inventories of goods are measured at the lowest of cost and net realisable value. The cost of finished goods includes direct material costs, direct personnel expenses and indirect processing costs (full production cost). Interest costs are not included in the inventory value. The cost is based on the principle of first-in first-out.

Debtors

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for the trade debtors.

Financial Instruments

Norcod's business model and the contractual cash flows of the financial instruments held by the Group determine the classification of all Norcod's financial assets and financial liabilities. Norcod's financial instruments are classified as following:

Financial Assets at Amortised Cost

Loans and Receivables

Loans and receivables, including trade receivables, are financial assets with fixed payments not listed in an active market. Loans and receivables are initially recognised at fair value plus directly attributable transaction costs. Following initial recognition, loans and receivables are recognised at amortised cost less any impairment.

Accounts Receivables

Accounts receivables are amounts outstanding from customers as a result of ordinary sales of goods as part of ordinary activities. Accounts receivables have ordinary credit time of 30 days and are classified as current assets. Accounts receivables are initially recognised at the transaction price as defined in IFRS 15. Following initial recognition, trade receivables are measured at amortised cost, less any impairment losses. Accounts receivables are measured at face value less any expected losses.

Bank deposits

Bank deposits comprise cash, bank deposits and other current investments that may immediately be converted into cash amounts without material risk of loss on the transaction.

Financial Liabilities at Amortised Cost

Liabilities

Current and non-current interest-bearing debt and trade payables are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing debt is recognised at amortised cost. Trade payables do not generate interest and are recognised at face value in the balance sheet.

Financial Assets at Fair Value Over Profit and Loss

Norcod holds other investments that are not for trading. Such investments are classified as fair value over profit and loss. The fair value of the financial asset is level 3 in the fair value hierarchy as such investments is in a non-listed companies.As of year end 2022 this investment was determined to have a fair value of TNOK 500 and the change in fair value was recognized in the statement of profit or loss.

Amortised Cost and Effective Interest Method

The effective interest method is used to calculate the cost of debt and allocating the interest over the relevant period.

Income Taxes

The tax charge in the statement of comprehensive income includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end.

As of reporting date, the Group has losses carried forward available for offset against future profits. No deferred tax asset has been recognised at this point, due to the financial history of Norcod. There are no time restraints on the utilisation of the losses carried forward.

Foreign Currency
Foreign currency transactions are translated into the functional currency (NOK) using the exchange rates at the transaction date. Foreign currency assets and liabilities are valued at the exchange rate at the end of the financial year, and gains and losses are classified as financial items.

Cash-Flow
The cash flow statement is prepared according to the indirect method. Cash and cash equivalents includes cash and bank deposits. The cash flow illustrates the companys total cash flow by operating activities, investing activities and financing activities.

Consolidation Principles

The Group's consolidated financial statements comprise the parent company and its subsidiaries. Consolidated entities have been assessed as being controlled by the Group during the reporting period.

Business combinations are accounted for by using the acquisition method. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Accounting Principles Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lesee applies a single recognition and measurement approach for all leases, with exception for leases with a term of less than 12 months and for leases relating to assets with a low underlying value. Non-lease components in a lease arrangement is not capitalized as a part of the lease.

A lease liability is initially recognized as the present value of lease payments that are not paid on the commencement date of the lease contract. The lease payments are discounted by using the Group's incremental borrowing rate as a discount rate. The Group assesses it's incremental borrowing rate based on it's current rating, adjusted for nature of the underlying asset and duration of the lease agreement.

A lease liability is subsequentially measured by using effective interest rate. The lease liability is revalued when there is a change in future payments due to a change in index or interest rate. The lease liability is also revalued if there is a change in the Group's estimation on residual payments in relation to the lease contract, if there is a change in estimation on utilization of an option to buy the underlying asset, or if there is a change in the expected lease term.

The right of use asset is depreciated on a straight line basis from the commencement date until the final date of the contract, except when the Group becomes an owner of the asset at the end of the lease period or has an option to purchase the asset at the end of the lease period, and it is highly probable that the Group will do so. In those cases the asset is depreciated over the expected useful life of the asset, which is the same method as used for depreciation of other operating assets of the Group. The right of use asset is adjusted for any impairment or revaluation of the lease liability.

Sale and Leaseback

In 2021, Norcod initiated sale and leaseback transactions related to fixed assets and equipment, whereby actual items have been sold to a finance institution and leased back for a minimum period of 5 years and prevailing interest rates, with an option to extend the period. The purpose is to increase available liquidity for investment in biological assets and biomass.

These items have been reclassified from 'Property, plant and Equipment' to 'Right of use Assets. The impact on profit and loss was immaterial.

Climate Risk

Norcod takes its responsibility towards the climate seriously, and the reader is referred to a comprehensive section in the annual report under the heading 'Devoted to Nature". Norcod does not expect any material financial risk from climate issues in the foreseeable future.

Significant Accounting Judgements, Estimates & Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Uncertainty about these judgements and estimates could result in outcomes that require a material adjustment to the reported amounts of assets, liabilities, revenues and expenses in future reporting periods.
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are listed below. Management has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of management.

Valuation of Biological Assets

Biological assets are measured at fair value less costs to sell. For a more detailed description of the accounting policies applied, refer to the description provided under accounting policies and in the note on biological assets. The key assumptions in the valuation of biological assets are volume, costs, price and discount rate. For fish ready for harvest on the balance sheet date, uncertainty mainly involves realized prices and volume. For fish not ready for harvest, the level of uncertainty is higher, and for this category, uncertainty related to remaining production costs, remaining biological transformation and remaining mortality up to harvest date applies.

Biological assets are fish in the sea. In accordance with IAS 41 and IFRS 13, the biological assets are valued at fair value less costs to sell. The difference between the fair value adjustment of the biological assets at the beginning and the end of the period is recognized as a fair value adjustment in the income statement. The technical model for calculating fair value is a present value model. The assets to be valued are in the sea and are exposed to operational risk. All harvest is in the future, normally within the next 1 to 18 months. The following factors affecting the calculation of fair value of biomass are uncertain: volume, growth rate, price, cost and discount factor.

The volume of fish may be lower or higher than expected. The calculation of fair value is done for each site and specifying the biomass includes both the number of fish and the estimated average weight. This estimate includes considerable uncertainty. Estimated produced biomass is based on assumptions about growth and mortality from the date the fish is put to sea, adjusted for any controls done during the production period, until the fish is harvested. Uncertainty about the growth rate affect the time of harvest and the period of discounting. Changes in regulatory conditions and forced harvest or destruction required by the authorities cause uncertainty about the harvest volume.

The prices are based on estimated market prices. However, changes in regulatory issues can lead to changes to the harvest plans, which in turn results in harvesting at different times with other prices than the valuation model assumes. Achieved price is also affected by the quality distribution of the fish, which only to a limited extent can be observed and assessed before harvest. The estimate of the quality distribution will be subject to considerable uncertainty and affect the price assumption used when estimating the fair value of the biomass.

There is considerable uncertainty associated with the estimate for the remaining production costs. Biological challenges greater than expected may result in higher costs. Changes in the market prices of feed will change the remaining production costs. Changes in fair value adjustment is recognised and classified under fair value adjustment Biomass in the Consolidated statement of comprehensive income. This means that both realised and changes in unrealised fair value adjustments are presented in this line item in the Consolidated statement of comprehensive income. This is to to provide a better understanding of the Group's profit and loss with respect to goods sold, as cost of materials and changes in inventories then includes actual production cost and excludes the effects of fair value adjustments.

Change in regulatory conditions, which can enforce higher cost, represents an uncertainty in the estimation of fair value of biomass. The discount factor used in the model consists of several components. The principles used for valuation are described in the section in Note 3 to the financial statements.

New Standards

At the end of 2022, there are some amendments to existing standards that are not yet effective, but will be relevant for the Group at implementation. The Group intends to adopt these standards, if applicable, when they become effective. There are no amendments that is expected to have a significant impact on the Group's financial statements.

Note 1 Sales revenue by geographical area

2022

Norcod Sales of NOK 171 million is distributed per country and segment as follows
Sales in Norway are of Cod Fry and not of finished goods.

Country	Retail	Processing	Ongrowing
Norway			27,8 %
Spain	38,0%		
Poland	1 %	2,0%	
Denmark		7,8%	
Ireland	5,8%		
Lithuania		2,7%	
Germany	8,0%		
Other	1,9%	5 %	
Total	**54,7%**	**17,6%**	**27,8%**

2021

Norcod Sales of NOK 72.6 million is distributed per country and segment as follows
Sales in Norway are of Cod Fry and not of finished goods.

Country	Retail	Processing	Ongrowing
Norway			35,8 %
Spain	28,0%		
Poland	1 %	13,8%	
Denmark		7,8%	
Ireland	6,6%		
Lithuania		2,7%	
Germany	2,4%		
Other	1,9%		
Total	**39,9%**	**24,4%**	**35,8%**

Retail refers to sales to supermarket chains for B2C sale to end consumer.
Processing Refers to sales to production companies for production of filets and other products.

Note 2 Transactions and balance with related parties

All figures in NOK 1 000.

2021	Ownership	Sales	Purchases	Interest exp	Receivables	Liabilities
Transactions with parent company and its related parties						
Sirena Group		0	11 317	0	8 508	12 480
Artha Holding AS		0	6 128	0	0	0
Artha Cod		0	0	10 262	0	74 653
Transactions with the Group's own associates and subsidiaries						
Havlandet Norcod AS	Norcod AS (50 %)	0	0	0	30 000	0
Total transactions and intercompany accounts with all identified related parties		**0**	**17 445**	**10 262**	**38 508**	**87 133**

2022	Ownership	Sales	Purchases	Interest exp	Receivables	Liabilities
Transactions with parent company and its related parties						
Sirena Group		0	26 086	0	11 959	11 276
Artha Holding AS		0	0	0	0	0
Artha Cod		0	0	9 400	0	88 066
Transactions with the Group's own associates and subsidiaries						
Havlandet Norcod AS	Norcod AS (50 %)	0	25 434	0	40 000	15 309
Total transactions and intercompany accounts with all identified related parties		**0**	**51 520**	**9 400**	**51 959**	**114 651**

Contractually all sales of harvested cod from Norcod are transacted through sales agent Sirena Group with TNOK 155 299 in 2022 and TNOK 46 426 in 2021.
The end customers of Sirena are not related parties.
Norcod AS has established a loan to Havlandet Norcod (associated company) of NOK 40 000 000, with repayment starting in 2024.

Note 3	Inventories and biological assets	tall i : 1 000

Book value of inventories	**31.12.2022**	**31.12.2021**
Feed and other materials	8 712	4 805
Total inventories	**8 712**	**4 805**

Book value of biological assets as at 31.12.2022	**31.12.2022**	**31.12.2021**
Roe and cod fry at cost	23 284	15 470
Biological assets held at sea farms at cost	344 327	223 495
Total Biological assets before fair value adjustment	**367 611**	**238 965**
Fair value adjustment of biological assets	-160 853	-3 045
Total biological assets	**206 758**	**235 919**

Specification of the change in biological assets for the period:	**Income statement post**	**2022**	**2021**
Biological assets as of 01.01		235 919	130 541
Increase resulting from production in the period		303 259	194 884
Reduction resulting from incident-based mortality	Cost of Materials	0	-3 572
Fair value adjustment biomass IFRS	Fair value adjustment biomass	-157 808	-17 446
Reduction due to harvesting in the period		-174 612	-68 488
Total biological assets as of 31.12		206 758	235 919

Biomass as at 31.12		
At sea		
Tons at sea	6 777	5 060
Count - 000's	3 994	2 890
Juveniles		
Count - 000's	2 056	1 468

Fair value adjustment biomass

Booked Fair Value Adjustment	**31.12.2020**	**Booked in 2021**	**31.12.2021**	**Booked in 2022**	**31.12.2022**
Fair Value adjustment Biomass IFRS*	14 401	-17 446	-3 045	-157 808	-160 853

*Refer to description in note 18 for fair value adjustment in 2022.

Sensitivity analysis:
Based on the Group's biomass at December 31, 2022, changes in certain factors is deemed to impact the book value of the biomass in the following manner:

	Increase	**Impact on value 31.12.2022**	**Decrease**	**Impact on value 31.12.2022**
Change in sales price:	NOK 5,- per kg	35 904	NOK 5,- per kg	-28 889
Change in production cost:	NOK 1,- per kg	-6 077	NOK 1,- per kg	6 077
Change in discount factor:	0,50 %	-7 877	0,50 %	8 494
Change in discount factor:	1,0 %	-15 189	1,0 %	17 661
Change in time of harvest	One month earlier	-3 487	One month later	5 415

Biological assets are, in accordance with IAS 41 Agriculture, measured at fair value in accordance with IFRS 13. Biomass measured at fair value, is categorized at Level 3 in the fair value hierarchy, as the input is mostly unobservable. All cod at sea are subject to a fair value calculation, while roe and cod fry are measured at cost as cost is deemed a reasonable approximation for fair value as there is little biological transformation. The technical model used to calculate the fair value of biomass is a present value model. Present value is calculated on the basis of estimated revenues less production costs remaining until the cod is harvestable at the individual site. The cod is harvestable when it has reached the estimated weight required for harvesting specified in the company's budgets and plans. The estimated value is discounted to present value on the date of reporting. The expected biomass at harvest is calculated on the basis of the number of individuals held at sea farms on date of reporting, adjusted for expected mortality up until the point of harvest and multiplied by the fish's estimated weight at harvest. The price is calculated using the Group's best estimate of future prices and are not observable. The price includes the Group's best estimate of the future prices of cod liver and other products of the cod that will be sold. Prices are adjusted for expected costs related to harvesting, sales and carriage costs. The Group applies a monthly discount rate of 4%.

Estimated remaining production costs are estimated costs that a market participant would presume necessary for the farming of fish up until they reach a harvestable weight. In the model, instead of being a separate cost element in the calculation, compensation for estimated license fees and site leasing costs is included in the discount factor, and thereby reduces the fair value of the biomass.

The fair value of the biomass is calculated using a monthly discounting of the cash flow based on an expected harvesting month according to the harvesting plan. The discount factor is intended to reflect three main components:
1. The risk of incidents that affect the cash flow.
2. The time value of money.
3. Synthetic license fees and site leasing costs.

The discount factor is set on the basis of an average for all the Group's sites and which, in the Group's assessment, provides a sensible growth curve for the fish – from cod fry to harvestable fish.

The risk adjustment must take account of the risk involved in investing in live fish. Currently the Group expects a cod to spend on average 16-18 months at a sea farm, and the risk will be higher the longer the time until harvest. Biological risk, the risk of increased costs and price risk will be the most important elements to be recognized. The present value model includes a theoretical compensation for license fees and site leasing costs as a surplus to the discount factor in the model, instead of being a cost-reducing factor in the calculation.

Note 4	Payroll expenses, number of employees, remunerations, loans to employees, etc.

Payroll expenses	2022	2021
Wages and salaries	39 132	23 362
Payroll tax	1 700	1 766
Pension expenses	1 180	1 222
Other benefits	1 019	529
Total	**43 031**	**26 878**
Average number of full-time-equivalents	32	25

The company follows the agreement on a mandatory occupational pension (OTP) for all employees.

Remuneration to key management		Salary	Bonus	Payments in kind	Total
Christian Riber	CEO	3 053		10	3 063
Kia Zadegan	CFO	1 356	128	10	1 494
Hilde R. Storhaug	CSO	1 423	39	11	1 472
Total		**5 832**	**167**	**31**	**6 030**

Directors fee		2022	2021
Jan Severin Sølbæk	Chair/ Board member*	250	125
Peter Buhl	Board member	125	125
Anders Bjerno	Board member	125	125
Trine L. Danielsen	Board member	125	0
Renate Larsen	Board member	125	0
Marit Solberg	Chair*		250
Boe R. Spurré	Board member		125
Tore Tønseth	Board member		125
Total		**750**	**875**

* During 2022 the Board of Directors have been changed. Jan Severin Sølbæk took over as Chair of the Board after Marit Solberg.
Trine L. Danielsen and Renate Larsen are new members of the Board, while Boe R. Spurré and Tore Tønseth are no longer Board members.

Share based compensation (cash settled)	Total
Booked value as of 31. December 2021	809
Expenses this year	891
Booked value as of 31. December 2022	**1 699**

Assumptions for calculation	Grant date January 2021	Grant date June 2021
Share price on the allocation date	129	114
Strike	109	109
Turnover adjustment	20,0 %	20,0 %
Expected volatility	50,0 %	50,0 %
Risk-free interest rate	0,5 %	0,9 %
Lifetime	3,5 years	3,1 years
Model employed for fair value calculation	Black and Scholes	Black and Scholes

Change in number of options		
At 31 December 2021	25 500	5 000
Exercised in the year	0	0
Allocated during the year	0	0
Number of options at 31 December 2022	**25 500**	**5 000**
Exercise price	109	109
Number of employees in the program at 31 December 2022	6	1

Note 5 Property, plant and equipment

(NOK 1 000)	Land, buildings a.o. property	Machinery and equipment	Boats and fleets	Other operating assets	Total fixed assets
Acquisition cost as of 1 January 2021	**0**	**20 892**	**0**	**259**	**21 150**
Additions	0	33 390	1 334	224	34 948
Disposals	0	-363	0	0	-363
Acquisition cost as of 31 December 2021	**0**	**53 919**	**1 334**	**482**	**55 735**
Accumulated depreciation as of 1 January 2021	0	0	0	-37	-36
Depreciation for the year	0	-3 621	32	-56	-3 644
Accumulated depreciation as of 31 December 2021	0	-3 620	32	-93	-3 680
Book value as of 31 December 2021	**0**	**50 299**	**1 367**	**389**	**52 055**
Acquisition cost as of 1 January 2022	**0**	**53 919**	**1 334**	**482**	**55 735**
Additions	3 091	23 307	791	4 427	31 616
Disposals	0	0	0	0	0
Acquisition cost as of 31 December 2022	**3 091**	**77 226**	**2 125**	**4 909**	**87 351**
Accumulated depreciation as of 1 January 2022	0	-3 378	32	-93	-3 438
Depreciation for the year	0	-6 822	53	-464	-7 234
Accumulated depreciation as of 31 December 2022	0	-10 201	86	-557	-10 672
Book value as of 31 December 2022	**3 091**	**67 025**	**2 211**	**4 352**	**76 678**
Expected useful life	15 - 25 years	3 - 15 years	10 - 15 years	3 - 10 years	3 - 10 years
Depreciation plan	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line

Note 6 Right-of-use Assets

Norcod recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for certain leases mentioned below. The right-of-use assets are depreciated on a straight-line basis over the the useful life of the underlying asset.
The lease liabilities at commencement date are measured at the present value of the lease payments. The discount rate used is the discunt rate offered in the respective leasing agrrements and based on market terms. The leasing agreements include options for the company to acquire the right of use assets at the end of the leasing period, and the company intends to do so. Hence the right-of-use assets are depreciated over its expected useful life.
Norcod has elected to apply the practical expedient of short-term leases with a lease term of 12 months or less and low-value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

(NOK 1 000)	Land, buildings a.o. property	Machinery and equipment	Boats and fleets	Total fixed assets
Acquisition cost as of 1 January 2021	0	1 703	26 970	28 673
Additions	0	1 817	89 619	91 435
Disposals	0	0	-1 654	-1 654
Acquisition cost as of 31 December 2021	**0**	**3 520**	**114 936**	**118 455**
Accumulated depreciation as of 1 January 2021	0	-669	-1 403	-2 073
Depreciation for the year	0	-819	-4 278	-5 096
Accumulated depreciation as of 31 December 2021	0	-1 488	-5 681	-7 169
Book value as of 31 December 2021	**0**	**2 032**	**109 255**	**111 286**
Acquisition cost as of 1 January 2022	0	3 520	114 936	118 455
Additions	3 372	1 597	16 630	21 599
Disposals	0	0	0	0
Acquisition cost as of 31 December 2022	**3 372**	**5 117**	**131 566**	**140 055**
Accumulated depreciation as of 1 January 2022	0	-1 488	-5 681	-7 169
Depreciation for the year	-375	-223	-8 442	-9 040
Accumulated depreciation as of 31 December 2022	-375	-1 711	-14 123	-16 209
Book value as of 31 December 2022	**2 997**	**3 406**	**117 442**	**123 846**
Expected useful life	6 years	3 - 15 years	10 - 15 years	3 - 10 years
Depreciation plan	Straight-line	Straight-line	Straight-line	Straight-line

Note 7 Other operating expenses

Specification of other operating expenses:

(NOK 1 000)	2022	2021
Freight and insurance regarding sales	17 811	0
Sales commission	7 786	0
Fuel	5 336	2 922
Maintenance	11 454	9 818
Short term rental of equipment and offices	2 531	3 521
Expensed capitalized cost as of 31.12.2021 related to work of licenses and site surveys of locations (see note 13)	6 039	0
Expenses related to work of licenses and site surveys of locations	2 040	1 272
External fees	4 492	4 943
Insurance	2 098	833
Other	6 244	4 729
	65 833	**28 037**

Note 8 Auditor's fees

	2022	2021
Statutory audit	1 105	311
Other attestation services	188	157
Total	**1 293**	**467**

All auditor's fees are exclusive VAT.

Note 9 Subsidiaries, associated companies and other investments

Subsidiaries

Norcod Equipment AS

	2022	2021
Property, plant & equipment	135 637	105 965
Other receivables	796	89
Cash and cash equivalents	1 132	1 031
Total assets	**137 566**	**107 085**
Total equity	50 407	50 034
Non-current liabilities	52 334	47 761
Liabilities to group companies	35 264	5 658
Short term debt	-439	3 632
Total equity and liabilities	**137 566**	**107 085**

Associated companies	Location	Ownership/ voting right	Equity as of 31.12.22 (100%)	Book value as of 01.01.2022	Share of result for the year	Equity changes	Book value as of 31.12.2022
Havlandet Norcod As	Florø	50 %	44 611	34 582	1 798	-2 869	33 511
Book value as of 31 December 2022				**34 582**	**1 798**	**-2 869**	**33 511**

The Group account incude the Group's share of result from associates by using the equity method.

Equity changes relates to eliminations due to a merger between Havlandet Norcod AS and its subsidiary Gaddholmen Newco AS.

Norcod has access to the biological rights that Havlandet Havbruk AS currently owns for the production of cod fry. The company has started a project of a new facility of fish farms (RAS) for the production of fry on land. This will give Norcod AS access to fry that supports and is in line with Norcod's future prospects of growth.

Other investments

Norcod holds an investment in Arctic Cod AS, book value of TNOK 502 (2021: TNOK 1 003). The company offers growth facility capacity for a share of Norcod's juveniles. The contracting arrangement is based on common business terms.

Note 10	Specification of financial income, expenses and other comprehensive income

Financial income	**2022**	**2021**
Currency gains	0	3 538
Other financial income	592	556
Total financial income	**592**	**4 095**

Financial expenses	**2022**	**2021**
Impairment of financial assets	502	0
Interest expenses to related companies	9 400	8 393
Other financial expenses to associated companies	0	1 869
Interest expenses leasing	2 421	2 814
Currency loss	3 915	0
Other financial expenses	2 478	367
Total financial expenses	**18 715**	**13 443**

Note 11 Taxation

	2022	2021
Tax payable	0	0
Change in deferred tax	0	0
Changes in non-recognized deferred tax assets	0	0
Tax on items booked against equity	0	0
Tax on the result	**0**	**0**
Effective tax rate	0 %	0 %

Specification of temporary differences and deferred tax:	**31.12.2022**	**31.12.2021**
Fixed assets	17 927	10 237
Leases	21 308	13 711
Biological assets	206 758	235 919
Receivables	0	0
Net temporary differences	245 994	259 868
Losses carried forward	-658 666	-369 952
Basis for deferred tax	**-412 673**	**-110 084**
Non recognized deferred tax assets	**-90 788**	**-24 218**
Deferred tax assets	**0**	**0**

Specification of changes in temporary differences and deferred tax:	**Change 2022**	**Change 2021**
Fixed assets	7 690	4 280
Leases	7 597	13 711
Biological assets	-29 161	134 172
Receivables	0	0
Net temporary differences	-13 874	152 163
Losses carried forward	-288 715	-227 875
Basis for deferred tax	**-302 589**	**-75 712**
Non recognized deferred tax assets	**-66 569**	**-16 657**
Deferred tax assets	**0**	**0**

Basis for income tax expense, changes in deferred tax and tax payable:	**2022**	**2021**
Result before taxes	-297 217	-75 156
Permanent differences	734	26
Items booked against equity (costs regarding issue of shares)	-7 451	0
Other items (Skattefunn)	-453	-1 000
Equity method associates	1 798	418
Basis for the tax expense for the year	-302 589	-75 712
Change in temporary differences	13 874	-152 163
Change in tax losses carried forward	288 715	227 875
Basis for payable taxes in the income statement	**0**	**-0**
+/- Group contributions received/given	0	0
Taxable income (basis for payable taxes in the balance sheet)	**0**	**-0**

Reconciliation of the tax expense		
Result before taxes	-297 217	-75 156
Tax calculated at nominal tax rate (22 %)	-65 388	-16 534
Tax expense	0	0
Difference	**65 388**	**16 534**

The difference consist of		
Non recognized deferred tax	66 569	16 657
Permanent differences	-1 182	-122
Sum explained differences	**65 388**	**16 534**

Payable taxes in the balance sheet		
Payable tax in the tax charge	0	0
Tax effect of group contribution	0	0
Payable tax in the balance sheet	**0**	**0**

Note 12 Earnings per share

All figures in NOK 1 000, with exception of earnings per share

Earnings per share	**2022**	**2021**
This year's earnings to shareholders (NOK 1 000)	**-297 217**	**-75 156**
Number of issued shares as of 31.12 (in 1 000)	19 219	19 219
Number of treasury shares as of 31.12 (in 1 000)	-39	-39
Number of outstanding shares as of 31.12 (in 1 000)	**19 180**	**19 180**
Average number of outstanding shares (in 1 000)	19 180	19 180
Average number of outstanding shares with dilution (in 1 000)	19 180	19 180
Earnings per share	-15,50	-3,92
Diluted earnings per share	-15,50	-3,92

Note 13	Intangible assets - Concessions, patents, licenses, trademarks and similar rights

Intangible assets	Licenses	Licenses	Total
Acquisition cost as of 1 January 2021	3 926	2 000	5 926
Additions	3 409	0	3 409
Disposals	-1 040	0	-1 040
Acquisition cost as of 31 December 2021	6 294	2 000	8 294
Accumulated depreciation as of 1 January 2021	-24	0	-24
Depreciation for the year	-231	0	-231
Accumulated depreciation as of 31 December 2021	-255	0	-255
Net book value 31.12	6 039	2 000	8 039
Acquisition cost as of 1 January 2022	6 294	2 000	8 294
Additions	0	0	0
Disposals	0	0	0
Expensed during the year (other operating expenses)	-6 039	0	-6 039
Acquisition cost as of 31 December 2022	255	2 000	2 255
Accumulated depreciation as of 1 January 2022	-255	0	-255
Depreciation for the year	0	0	0
Accumulated depreciation as of 31 December 2022	-255	0	-255
Book value as of 31 December 2022	-0	2 000	2 000

Expected useful life Indefinite

The Group has previously had an accounting policy that cost incurred, in advance of granted licenses being confirmed, has been capitalized and recognized as intangible assets. The Group has evaluated that to better align with the requirements in IAS 38 all cost related to the application process, prior to licenses being granted, should have been expensed as incurred. Consequently, the Group has changed its accounting policy in this regards from 2022, and expensed capitalized cost as of 31.12.2021 of TNOK 6,039 in the 2022 financial statements as the Group considers the financial statement impact to be immaterial.

Note 14	Cash and bank deposits

	2022	2021
Bank deposits	3 412	29 418
Cash and bank deposits	3 412	29 418
Of which restricted bank deposits	908	831

Note 15 Share capital and shareholder information

Share capital as of 31 December 2022 comprises:

	Number of shares	Nominal value	Book value
Outstanding Shares	19 179 832	0,5	
Treasury shares	38 800	0,5	
Share Capital	19 218 632	0,5	9 609 316

Norcod AS had 693 shareholders as of 31 December 2022 All shares afford the same rights in the company.

List of (20) major shareholders at 31.12.	Number of shares	Ownership
Artha-Norcod III A/S	3 872 500	20 %
Artha Norcod A/S	3 287 712	17 %
SIRENA GROUP AS	3 122 708	16 %
The Bank of New York Mellon SA/NV	2 171 757	11 %
RONJA CAPITAL II AS	1 421 428	7 %
Danske Bank A/S	842 967	4 %
Nordnet Bank AB	565 381	3 %
FARVATN PRIVATE EQUITY AS	469 915	2 %
GH HOLDING AS	403 734	2 %
Kinondo Invest ApS	311 578	2 %
UBS Switzerland AG	297 008	2 %
Nordea Bank Abp	268 555	1 %
GÅSØ NÆRINGSUTVIKLING AS	201 246	1 %
The Bank of New York Mellon SA/NV	188 095	1 %
SHIPS HOLDING AS	133 349	1 %
COMMITAS AS	114 502	1 %
JPMorgan Chase Bank, N.A., London	103 305	1 %
JAKOB HATTELAND HOLDING AS	100 000	1 %
State Street Bank and Trust Comp	82 666	0 %
LINDVARD INVEST AS	74 055	0 %
Total 20 largest shareholders	**18 032 461**	**94 %**
Total other owners	1 147 371	6 %
Total outstanding shares	**19 179 832**	**100 %**
Treasury shares	38 800	0,20 %
Total number of shares	**19 218 632**	**100 %**

Norcod AS owns 38 800 treasury shares at the end of 2022, representing 0,20 % of the share capital in the company. All the shares have been acquired in relation with the company's share option incentive program. All the shares were acquired in 2021 at a price of NOK 93 per share.

Treasury shares	Number of shares	Payment (NOK 1 000)
Book value as of 1 January 2022	38 800	3 707
Net purchase and sale of tresury shares	0	0
Distribution of treasury shares	0	0
Book value as of 31 December 2022	**38 800**	

Shares held by members of the board, CEO and senior executives:		Number of shares	Option shares
Christian Riber	CEO	65 250	10 000
Kia Zadegan	CFO/ COO	0	5 000
Hilde R. Storhaug	CSO	500	1 000
*Jan Severin Sølbæk	Chair	0	
Peter Buhl	Board member	0	
Anders Bjerno	Board member	0	
Trine L. Danielsen	Board member	0	
Renate Larsen	Board member	0	
Total		**65 750**	**16 000**

*Jan Severin Sølbæk holds 144 432 shares in the company through Sølbæk Holding APS.

Note 16	Interest bearing debt		

Non current interest bearing debt:	31.12.2022	31.12.2021
Lease liabilities	60 940	57 549
Non-current debt to shareholders and other long-term debt**	0	74 654
Total non current interest bearing debt	**60 940**	**132 203**

Current interest bearing debt:	31.12.2022	31.12.2021
Current Lease liabilities	16 275	15 952
Overdraft facilities	70 144	0
Current debt to shareholders and other short-term debt**	88 006	0
Total current interest bearing debt	**174 425**	**15 952**
Total interest bearing debt	**235 365**	**148 155**
Cash and bank deposits	3 412	29 418
Net interest bearing debt	**231 953**	**118 737**

*All of the long-term leasing liabilities are due within the next 5 years.

**Debt is originally issued in DKK 49 623 836. Exchange currency rate used is NOK 141,38. Carrying amount includes accrued interest.
The loan from Artha Holding A/S is due in Aug 2023.

Refer to note 18 for arrangements met with Artha and DNB after the balance sheet date.

		Cashflow		Non-cash generating effects					
Financing activities - changes in liabilities as of 31 December 2021	**01.01.2021**	**Receipts from new debt**	**Instalments**	**New leasing contracts**	**Dissemination commission**	**Accrued interest this year**	**Foreign exchange adjustments**	**Reclasification short/ long term & other**	**31.12.2021**
Long term liabilities to financial institutions	0	0	0	0	0	0	0	0	0
Short term liabilities to financial institutions	0	0	0	0	0	0	0	0	0
Non-current debt to shareholders*	67 951	0	0	0	1 869	8 393	-3 560	0	74 653
Current debt to shareholders*		0	0	0	0	0	0	0	0
Total liabilities to financial institutions and shareholders	**67 951**	**0**	**0**	**0**	**1 869**	**8 393**	**-3 560**	**0**	**74 653**
Non current liabilities for right-of-use assets	202	0	0	86 025	0	0	0	-28 679	57 549
First year's instalment for right-of-use assets	604	0	-13 331	0	0	0	0	28 679	15 952
Total liabilities for right-of-use-assets	**806**	**0**	**-13 331**	**86 025**	**0**	**0**	**0**	**0**	**73 501**
Total interest bearing debt	**68 758**	**0**	**-13 331**	**86 025**	**1 869**	**8 393**	**-3 560**	**0**	**148 154**

		Cashflow		Non-cash generating effects					
Financing activities - changes in liabilities as of 31 December 2022	**01.01.2022**	**Receipts from new debt**	**Instalments**	**New leasing contracts**	**Dissemination commission**	**Accrued interest this year**	**Foreign exchange adjustments**	**Reclasification short/ long term & other**	**31.12.2022**
Long term liabilities to financial institutions	0	0	0	0	0	0	0	0	0
Short term liabilities to financial institutions	0	70 144	0	0	0	0	0	0	70 144
Non-current debt to shareholders*	74 653	0	0	0	0	0	0	-74 653	0
Current debt to shareholders*	0	0	0	0	0	9 400	3 953	74 653	88 006
Total liabilities to financial institutions and shareholders	**74 653**	**70 144**	**0**	**0**	**0**	**9 400**	**3 953**	**0**	**158 150**
Non current liabilities for right-of-use assets	57 549	0	0	16 237	0	0	0	-12 846	60 940
First year's instalment for right-of-use assets	15 952	0	-12 523	0	0	0	0	12 846	16 275
Total liabilities for right-of-use-assets	**73 501**	**0**	**-12 523**	**16 237**	**0**	**0**	**0**	**0**	**77 215**
Total interest bearing debt	**148 154**	**70 144**	**-12 523**	**16 237**	**0**	**9 400**	**3 953**	**0**	**235 365**

Maturity structure of Group's debt as of 31 December 2021	Interest rate	Maturity	2022	2-5 years	Total
Non-current debt to shareholders	12,0 %	2023	0	83 612	**83 612**
Leasing liabilities	3,0 % - 5,1 %	2024 - 2026	0	57 549	**57 549**
Current Leasing liabilities	3,0 % - 5,1 %	2022	15 952	0	**15 952**
Total interest bearing debt			**15 952**	**141 160**	**157 112**
Trade payables		2022	88 226	0	**88 226**
Other current liabilities		2022	10 901	0	**10 901**
Total non interest bearing debt			**99 127**	**0**	**99 127**
Total debt			**115 079**	**141 160**	**256 239**

Maturity structure of Group's debt as of 31 December 2022	Interest rate	Maturity	2023	2-5 years	Total
Current debt to shareholders	12,0 %	2023	94 603	0	**94 603**
Leasing liabilities	3,0 % - 5,1 %	2024 - 2026	0	60 940	**60 940**
Current Leasing liabilities	3,0 % - 5,1 %	2023	16 275	0	**16 275**
Overdraft facilities	10,15 %	2023	77 264	0	**77 264**
Total interest bearing debt			**188 141**	**60 940**	**249 081**
Trade payables		2023	114 263	0	**114 263**
Other current liabilities		2023	15 540	0	**15 540**
Total non interest bearing debt			**129 803**	**0**	**129 803**
Total debt			**317 944**	**60 940**	**378 884**

Capitalized secured liabilities	31.12.2022	31.12.2021
Total liabilities for right-of-use assets	77 215	73 501
Total	**77 215**	**73 501**

Book value of assets pledged as security on leasing liabilities	31.12.2022	31.12.2021
Operating assets	123 846	111 286
Total	**123 846**	**111 286**

Book value of assets pledged as security on overdraft facility	31.12.2022	31.12.2021
Concessions, patents, licenses, trademarks and similar rights	2 000	8 039
Property, plant & equipment	76 678	52 055
Inventories	8 712	4 805
Biological assets	206 758	235 919
Accounts receivables	30 390	31 319
Total	**324 538**	**332 137**

Note 17	Financial risk

Financial Risk And Risk Management
Guidelines for the finance activities are determined by the financial strategy, which is reviewed and approved by the Board. Norcod aims to limit its exposure to financial risk. The Group is exposed to different financial market risks arising from normal business activities, primarily these risks are:

-Foreign exchange risk
-Interest rate risk
-Credit risk
-Price risk/Liquidity risk
-Biological risk

Foreign Exchange Risk
Company sales of end products, fresh cod, are denominated mainly in EUR. The Group's revenues are exposed to currency risk.

Loan from Artha Holding A/S is in DKK, and is revaluated monthly to NOK.

Sales of Cod Fry are in NOK and carry no exchange risk.

Interest Rate Risk
Norcod's leasing liabilities are exposed to variable interest rates. This means that the Norcod is exposed to changes in interest rates.

Artha Holding A/S loan is and the bank overdraft facility is at fixed interest rate.

The book value of biological assets is exposed to changes in interest rates.

Credit Risk
All finished products are sold via partner Sirena AS. All credit facilities to end customer are fully insured.

Price Risk/Liquidity Risk
Norcod monitors its liquidity continuously and estimates expected future developments through budgets and updated forecasts. Norcod's liquidity is dependent on future prices of Cod, making it significantly exposed to changes in prices. The majority of Norcod's sales are subject to fixed price contracts with the aim to hedge fluctuations in the spot price. Also refer to note 18 for capital management inititatives on improving the financial situation after the balance sheet date.

Biological Risk
Other key risks include fluctuations in production, mortality and harvested volumes. A sudden unforeseen change in production, mortality rates, or harvest volumes may impact revenues, production costs and net equity.

Capital Management
Norcod's capital management measures is to support long-term growth in Operating profit and Cash Flows from Operations. The Board aims to maintain a healthy balance between liabilities and equity. The capital management measures may be subject to changes due to the financing of the company. Also refer to note on subsequent events for capital management initiatives on improving the financial situation after the balance sheet date.

Note 18 Subsequent events

Process with the Norwegian Directorate of Fisheries
The harvesting and production plan for the 2021 generation of fish was accelerated due to potentially escaped spawning cod around year end leading to a process with and conclusion from the Norwegian Directorate of Fisheries (Fdir) (cases number 23/1402 and 23/1094 – both publicly available). The remaining fish was healthy and was originally planned to be harvested within the next 6 months. However, the accelerated rate of harvesting, agreed with Fdir resulted in:

• Lower volume production than expected.
• Smaller size fish than expected
• Short delivery on long-term sales contracts with clients
• Lower sales prices due to increased sales on the spot market
The immediate consequence was s a significant drop in earnings and cash flows from operations

The facts and circumstances described above have been taken into consideration in management's estimated value of the biological assets recognized as of Dec. 31, 2022.

During the first half of 2023, the company has initiated countermeasures to reduce biological risk and to improve the liquidity and cash flows from the running operations. The company is mainly working with the following countermeasures:

- Risk reducing countermeasures: The company has modified its harvesting plan for 2023 and 2024 to reduce biological risk and to improve the estimated cash flows from operations. The modified harvesting plan implies a somewhat increased harvesting during second half of 2023, enabling the company to meet high market demand with stable prices during second half of 2023. The revised harvesting plan is deemed to improve the cash flows from operations during the second half of 2023, and to reduce the risk of significant biomass going into maturation first half of 2024.

- Preventive countermeasures: The company has, together with key players in the aquaculture industry and research institutions, initiated science based activities to mitigate gonad development, segregation of sexes and to mitigate reproduction.

Inititatives to Secure The Company's Ability to Continue as a Going Concern
Management is continuously evaluating the company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, all available information for the future is taken into account. During the first half of 2023 the company has initiated actions, both in terms of capital injection and financial debt restructuring to secure the company's ability to continue as a going concern. The initiatives are described in the section on subsequent events in this report. Based on the initiated actions, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern and that this assumption was realistic at the time of the approval of the statements. It is the Board's opinion that the Income Statement in the parent company and consolidated statement of comprehensive income in the group financials with notes and Balance Sheet in the parent company and consolidated statement of financial position in the group financials with notes provide accurate information on the operations and the financial position at year-end.

Capital Injection Through Private Placement and Divestment of Associated Company
To strengthen operational liquidity, increase biomass in accordance with the company's production plan and to develop two new locations, Norcod successfully raised MNOK 180 in net proceeds through a private placement of 6.349.612 offer shares at a subscription price of NOK 30 per share in April 2023. The Extraordinary General Meeting held on April 24, 2023 resolved the private placement.

Following the registration of the share capital increase, the company will have a registered share capital of TNOK 12,784 divided into 25.568.244 shares, each with a nominal value of NOK 0.5. Following the private placement, the three main shareholders Artha, Sirena and Bank of New York increases its total holding of outstanding shares from 12.453.424 shares to 18.192.258, corresponding to an increase from previous 64.79 percent of outstanding shares and voting rights to 71.15 percent of outstanding shares and voting rights.

Moreover, the extraordinary general meeting on April 24, 2023 resolved to issue the offer shares in the private placement and to carry out a subsequent repair offering of up to 1.333.333 new shares at a subscription price of NOK 30 per share. The subsequent repair offering will be directed towards existing shareholders in the company who were not allocated offer shares in the private placement and is expected to be completed during the second quarter of 2023.

In May 2023, Norcod came to an agreement with a business partner in the cod harvesting industry to divest its investment in associated company and fry producer Havlandet Norcod AS. The transaction implies that the outstanding loan to Havlandet Norcod AS of MNOK 40 will be settled, and that the shares in Havlandet Norcod AS of MNOK 35 will be divested. The net proceeds to Norcod from the transaction is MNOK 75 which include both proceeds from sales of shares and repayment of loan. The divestment enables Norcod to focus solely on the core business, and represents a strategic measure to secure Norcod's position as a focused cod producer. The divestment also secures additional liquidity to the company's running operations.
The net cash contribution from the private placement and the divestment of the associated company totals 225 MNOK during the first and second half of 2023.

Extension of Bank Overdraft
Norcod's overdraft facility of MNOK 75 issued by DNB was originally due for repayment in September 2023. However, in May 2023 DNB agreed to extend the repayment by one year to September 2024. Other main terms and conditions are unchanged. The extension of the overdraft with one year strengthens Norcod's operational liquidity at predictable terms and contributes to steady liquidity in the company's running operations.

Extension and Debt Conversion of Artha Cod loan
Norcod's loan granted from Artha (Artha Cod loan) with a book value of MNOK 88 as of December 31, 2022 was originally due for repayment in August 2023. In May 2023, the company and Artha came to a restructuring agreement of the loan. Main terms in the agreement implies a conversion of 80 percent (MNOK 82) of the nominal loan amount to share capital and a repayment extension of 20 percent (MNOK 20) of the nominal loan amount till August 2025. The debt conversion is subject to approval by the General Meeting on June 12, 2023. Based on current shareholder base, the management and the Board of Director's finds it more likely than not that the Annual General Meeting will pass the debt conversion.

Seperate Financial Statement Norcod AS 2022

PARENT COMPANY INCOME STATEMENT

(Amounts in NOK '000)	Note	2022	2021
Operating revenue and costs			
Operating revenue	1	170 541	72 633
Total operating revenue		**170 541**	**72 633**
Cost of materials	2	312 298	184 130
Change in inventory and biological assets	2	14 239	-138 557
Salaries and personnel expenses	3	43 031	26 878
Depreciation and amortization	4, 5	6 626	8 156
Other operating expenses	6, 7	75 744	28 799
Total operating expenses		**451 938**	**109 407**
Operating result		**-281 397**	**-36 773**
Financial items			
Other interest income	9	12	365
Other financial income	9	576	3 758
Write-downs on fixed financial assets	8, 9	502	0
Other interest expenses	9	13 307	13 135
Other financial expense	9	4 877	327
Net financial items		**-18 098**	**-9 341**
Result before tax		**-299 496**	**-46 114**
Income tax expense	10	0	0
Net profit or loss for the year		**-299 496**	**-46 114**
Loss attributed to:			
Transferred to/from retained earnings		-299 496	-46 114
Net result for the year		**-299 496**	**-46 114**

BALANCE SHEET

(Amounts in NOK '000)	Note	31.12.2022	31.12.2021
ASSETS			
Non-current assets			
Concessions, patents, licenses, trademarks and similar rights	11	2 000	8 039
Deferred tax assets	10	0	0
Total intangible assets		**2 000**	**8 039**
Land, buildings and other property	4, 5	6 088	0
Machinery and equipment	4, 5	20 315	19 647
Boats and fleets	4, 5	34 132	37 093
Fixtures and fittings, tools, office machinery and equipment	4, 5	4 352	389
Total tangible assets		**64 886**	**57 130**
Investments in subsidiaries	8	50 030	50 030
Investments in associated companies and joint ventures	8	35 000	35 000
Loans to associated companies and joint ventures	1	40 000	30 000
Investment in shares	1	502	1 003
Other non-current receivables		0	29
Total financial fixed assets		**125 532**	**116 062**
TOTAL NON-CURRENT ASSETS		**192 418**	**181 230**
Inventory and biological assets	2	**215 470**	**240 724**
Trade receivables		30 390	31 319
Receivables on group companies	1	35 264	5 658
Other short-term receivables and prepayments	1	31 961	28 614
Total receivables		**97 614**	**65 591**
Cash and cash equivalents	12	**2 279**	**28 387**
TOTAL CURRENT ASSETS		**315 364**	**334 702**
TOTAL ASSETS		**507 782**	**515 933**

BALANCE SHEET

(Amounts in NOK '000)	Note	31.12.2022	31.12.2021
EQUITY AND LIABILITIES			
Equity			
Share capital	13	9 609	8 516
Treasury shares		-19	-19
Share premium		556 838	390 383
Total paid-in equity		**566 428**	**398 879**
Retained earnings		-388 743	-89 248
Total retained earnings		**-388 743**	**-89 248**
TOTAL EQUITY		**177 685**	**309 631**
Liabilities			
Long-term leasing liabilities	14	24 986	25 521
Other non-current liabilities	1, 14	0	74 653
Total non-current liabilities		**24 986**	**100 174**
Liabilities to financial institutions	14	70 144	0
Trade payables		114 263	84 040
Public duties payable		1 269	1 148
Other current liabilities	1	119 436	20 939
Total current liabilities		**305 111**	**106 127**
TOTAL LIABILITIES		**330 097**	**206 301**
TOTAL EQUITY AND LIABILITIES		**507 782**	**515 933**

Trondheim, 24th May 2023

Jan S. Sølbæk
Chairman of the Board

Peter Buhl
Member of the Board

Anders Bjerno
Member of the Board

Trine L. Danielsen
Member of the Board

Renate Larsen
Member of the Board

Christian Riber
General Manager/CEO

STATEMENT OF CASH FLOW

(Amounts in NOK '000)	Note	2022	2021
Profit/loss before income taxes		-299 496	-46 114
Cash flow from operating activities			
Depreciation	2	6 626	8 156
Impairmentof financial assets	2	502	0
Change in inventory and biological assets	1	25 254	-137 474
Change in trade debtors		-30 825	-39 237
Change in trade creditors		30 222	70 879
Change in other accruals		9 364	13 821
Net cash flow from operating activities		**-258 353**	**-129 968**
Cash flow from investments			
Purchase of fixed assets	2	-8 295	-18 309
Purchase of shares	3,4	0	-20 000
Investments and loans in subsidary and associated companies	3,4	-10 000	-30 000
Payment for licences	11	0	-2 137
Payment for other investments		29	902
Net cash flow from investments		**-18 266**	**-69 545**
Cash flow from financing			
Proceeds from new interest-bearing debt	12	23 349	44 439
Repayment of Interest-bearing debt	12	-9 400	-10 724
Interest paid	12	-1 131	-1 492
Net change in bank overdraft		70 144	0
Proceeds from issuance of equity	5	167 549	-8
Purchase of treasury shares	5,6	0	-3 707
Net cash flow from financing		**250 511**	**28 507**
Net change in cash and cash equivalents		-26 108	-171 006
Cash and cash equivalents at the beginning of the period	10	28 387	199 392
Cash and cash equivalents at the end of the period		**2 279**	**28 387**

STATEMENT OF CHANGE IN EQUITY

	Paid-in equity		Other equity	
2021	**Share capital**	**Share premium**	**Retained earnings**	**Total equity**
Equity as of 1 jan 2021	8 516	390 392	-25 587	373 320
Correction previous years error, see note 10 taxation			-13 859	-13 859
Net profit/loss for the year			-46 114	-46 114
Purchase of treasury shares	-20		-3 687	-3 707
Distribution of treasury shares	1		-1	
Other changes		-9		-9
Equity as of 31 Dec 2021	**8 496**	**390 383**	**-89 248**	**309 631**

2022	**Share capital**	**Share premium**	**Retained earnings**	**Total equity**
Equity as of 1 jan 2022	8 496	390 383	-89 248	309 631
Issue of shares 05.04.2022	1 094	166 455		167 549
Net profit/loss for the year			-299 496	-299 496
Equity as of 31 Dec 2022	**9 590**	**556 838**	**-388 744**	**177 685**

NOTES

Notes to the annual financial statement

Accounting Principles

The annual accounts have been prepared in accordance with the Norwegian Accounting Act and accountingstandards and practices generally accepted in Norway. All figures in the notes to the accounts are in NOK 1000. Norcod AS has established the subsidiary Norcod Equipment AS. The company also has investments in the associated company Havlandet Norcod AS where they have 50 % of the shares, the other 50 % is owned by Havlandet Havbruk AS. The started operations in 2022. See note 3 for more information regarding the investments.The annual financial statement was approved by the board on 19 April 2023.

Revenues

The company's operating revenue derive mainly from sale of cod. Operating revenue from the sale of goods are recognized at when the control is transferred to the customer. Control is generally passed on when the goods are delivered to the customer according to the delivery terms in the sales contract.

Classification and Assessment of Balance Sheet Items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Fixed Assets

assetsFixed assets include assets intended for long-term ownership and use for the company. Fixed assets are measured at acquisition cost less accumulated depreciation and impairment. Land is not depreciated. Other fixed assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are capitalized to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements is calculated in proportion to the asset's condition at the acquisition date.

Investments in Other Companies

The cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

Asset Impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use. Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Inventories & Biological Assets

Inventories and biological assets are valued at the lower of purchase cost (according to the FIFO principle) and fair value. Biological assets comprise live fish stocks. Acquisition cost for these goods is direct costs and a proportionately share of indirect variable and fixed manufacturing costs. Share of fixed costs is limited to share at normal capacity utilization. When calculating fair value, the sales price is deducted at a future sales date sales costs and manufacturing costs incurred to bring goods to finished goods.

Debtors

DebtorsTrade debtors are recognized in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognized at the lower of nominal and net realizable value. Net realizable value is the present value of estimated future payments. When the effect of a write-down is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for the trade debtors.

Liabilities

Liabilities are recognized in the balance sheet at face value.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have

Foreign Currency

Foreign currency transactions are translated into the functional currency (NOK) using the exchange rates at the transaction date. Foreign currency debt is valued at the exchange rate at the end of the financial year. Currency gains and currency losses classified as financial items.

Cash Flow

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents include cash and bank deposits. The cash flow illustrates the company's total cash flow by operating activities, investing activities and financing activities.

norcod

Note 1 Transactions and balance with group companies and related parties

	Other receivables	
	2022	2021
Group companies	35 264	5 658
Associated companies	40 000	30 000
Other companies	5 000	2 811
Total	**80 264**	**38 469**

Norcod AS has established a loan to Havlandet Norcod of NOK 40 000 000, with repayment starting in 2024.

Transactions with group companies	**2022**	**2021**
Sale from group companies to Norcod AS	11 339	4 210
Internal profit	454	168

Balance with related parties

	Other liabilities	
	2022	2021
Artha Cod Loan	88 066	74 653
Total	**88 066**	**74 653**

Transactions with related parties	**2022**	**2021**
Sales to Sirena Group	0	0
Purchases from Sirena Group	26 086	11 317
Purchases from Artha Holding AS	6 128	0
Interest expenses Artha Cod	9 400	10 262

Contractually all sales of harvested cod from Norcod are transacted through sales agent Sirena Group with TNOK 155 299 in 2022 and TNOK 46 426 in 2021.
The end customers of Sirena are not related parties.

Note 2 Inventory and biological assets

Specification of the change in biological assets for the period:	**2022**	**2021**
Biological assets as of 01.01	235 919	101 747
Increase resulting from production in the period	306 305	205 706
Write-down of inventory*	-160 853	-3 045
Reduction due to harvesting in the period	-174 612	-68 488
Total biological assets as of 31.12	206 758	235 919

Specification of inventory:	**2022**	**2021**
Feed and other materials	8 712	4 805
Total inventory	8 712	4 805

* Inventory has been written down to fair value according to the fair value adjustment of the biomass, as described in note 3 in the Consolidated Financial Statements for 2022.

Note 3 Payroll expenses, number of employees, remunerations, loans to employees, etc.

Payroll expenses	2022	2021
Wages and salaries	38 014	21 032
Payroll tax	1 700	1 766
Pension expenses	1 142	1 090
Other benefits	2 176	2 991
Total	**43 031**	**26 878**
Average number of full-time-equivalents	32	25

The company follows the agreement on a mandatory occupational pension (OTP) for all employees.

Remuneration to key managemenet		Salary	Bonus	Payments in kind	Total
Christian Riber	CEO	3 053		10	3 063
Kia Zadegan	CFO	1 356	128	10	1 494
Hilde R. Storhaug	CSO	1 423	39	11	1 472
Total		**5 832**	**167**	**31**	**6 030**

Directors fee		2022	2021
Jan Severin Sølbæk	Chair/ Board member*	250	125
Peter Buhl	Board member	125	125
Anders Bjerno	Board member	125	125
Trine L. Danielsen	Board member	125	
Renate Larsen	Board member	125	
Boe R. Spurré	Board member		125
Tore Tønseth	Board member		125
Marit Solberg	Chair*		250
Total		**750**	**875**

* During 2022 the Board of Directors have been changed. Jan Severin Sølbæk took over as Chair of the Board after Marit Solberg. Trine L. Danielsen and Renate Larsen are new members of the Board, while Boe R. Spurré and Tore Tønseth are no longer Board members.

In 2021, a share-based bonus program was introduced for senior executives and key personnel. The share-based bonus program entitles the employees the right to receive shares based on the price development of the company's shares. In 2022, a cost of 891 TNOK

Share based compensation (cash settled)	Total
Booked value as of 31. December 2021	809
Expenses this year	891
Booked value as of 31. December 2022	**1 699**

Assumptions for calculation	Grant date January 2021	Grant date June 2021
Share price on the allocation date	129	114
Strike	109	109
Turnover adjustment	20,0 %	20,0 %
Expected volatility	50,0 %	50,0 %
Risk-free interest rate	0,5 %	0,9 %
Lifetime	3,5 years	3,1 years
Model employed for fair value calculation	Black and Scholes	Black and Scholes

Change in number of options		
At 31 December 2021	25 500	5 000
Exercised in the year	0	0
Allocated during the year	0	0
Number of options at 31 December 2022	**25 500**	**5 000**
Exercise price	109	109
Number of employees in the program at 31 December 2022	9	1

Note 4 Tangible assets

Fixed assets	Land, buildings a.o. property	Machinery and equipment	Boats and fleets	Other operating assets	Total fixed assets
Purchase cost 01.01	0	22 937	42 174	482	65 593
Additions	6 463	3 105	389	4 427	14 383
Disposals	0	0	0	0	0
Purchase cost 31.12	6 463	26 042	42 563	4 909	79 976
Accumulated depreciation 31.12	-375	-5 727	-8 431	-557	-15 090
Net book value 31.12	6 088	20 315	34 132	4 352	64 886
Depreciation in the year	-375	-2 437	-3 350	-464	-6 626
Expected useful life	6 - 25 years	3 - 15 years	10 - 15 years	3 - 10 years	
Depreciation plan	Straight-line	Straight-line	Straight-line	Straight-line	

For additional information please see notes in the consolidated accounts.

Note 5 Leasing

Norcod AS applies NRS 14 Leases, and the leases mainly consist of floating installations, vessels and movable property with different lease terms. When entering into a contract, it is assessed whether an agreement contains a lease agreement that gives the company the right to control the use of an identified asset. If the lease is identified as such, assets and related liabilities are recognized at the start of the lease. The company determines the lease as the non-cancellable lease, together with periods covered by an option to extend the lease if it is reasonably certain to be exercised, or a period covered by an option to terminate the lease if it is reasonably safely exercised. The company has not entered into any significant operational lease contracts.

(NOK 1 000)	Land, buildings a.o. property	Machinery and equipment	Boats and fleets	Total fixed assets
Purchase cost 01.01	0	2 341	42 174	44 515
Additions	3 372	1 647	389	5 407
Disposals	0	0	0	0
Purchase cost 31.12	3 372	3 987	42 563	49 922
Accumulated depreciation 31.12	-375	-803	-8 431	-9 609
Net book value 31.12	2 997	3 184	34 132	40 313
Depreciation in the year	-375	-461	-3 350	-4 186
Expected useful life	6 - 25 years	3 - 15 years	10 - 15 years	
Depreciation plan	Straight-line	Straight-line	Straight-line	

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Note 6 Other operating expenses

Specification of other operating expenses:

(NOK 1 000)	2022	2021
Freight and insurance regarding sales	17 811	0
Sales commission	7 786	0
Fuel	5 336	2 922
Maintenance	11 454	9 818
Rental of equipment and offices	11 691	3 521
Expensed capitalized cost as of 31.12.2021 related to work of licenses and site surveys of locations (see note 11)	6 039	0
Expenses related to work of licenses and site surveys of locations	2 040	1 272
External fees	4 492	4 943
Insurance	2 098	833
Other	6 995	5 491
Total	**75 744**	**28 799**

Note 7 Auditor's fees

	2022	2021
Statutory audit	1 062	278
Other attestation services	188	157
Total	**1 250**	**435**

All auditor's fees are exclusive VAT.

Note 8 Subsidiaries, associated companies, and investment in other companies

Investments in subsidiaries and associated companies are booked according to the cost method.

Subsidiaries	Location	Ownership/ voting right	Equity last year (100 %)	Result last year (100 %)	Balance sheet value
Norcod Equipment AS	Trondheim	100 %	50 407	372	50 030
Balance sheet value 31.12					

Norcod Equipment AS was established 12.07.2019.

Norcod AS has made a capital contribution of NOK 50 million to its subsidiary Norcod Equipment AS during 2020. Norcod Equipment AS has invested some of these funds as part of the preparation for their operations to commence. A condensed interim balance sheet of the company as of 31 December 2021 is presented as follows for information purposes:

Norcod Equipment AS	
Property, plant & equipment	135 637
Other receivables	796
Cash and cash equivalents	1 132
Total assets	**137 566**
Total equity	50 407
Non-current liabilities	52 334
Liabilities to group companies	35 264
Short term debt	-439
Total equity and liabilities	**137 566**

Associated companies	Location	Ownership/ voting right	Equity last year (100%)	Result last year (100%)	Balance sheet value
Havlandet Norcod As	Florø	50 %	44 611	6 086	35 000
Balance sheet value 31.12					**35 000**

Norcod AS has an investment agreement with Havlandet Havbruk AS, Company No. 821 489 969.
The agreement implies that Norcod AS is a shareholder with 50 % shares in Havlandet Norcod AS, Corporation No. 925 237 809, in Florø. Additionally, Norcod has issued a loan of TNOK 40 000 with repayment starting in 2024.

Norcod has access to the biological rights that Havlandet Havbruk AS currently has for the production of cod fry. The company has completed a project of a new facility of fish farms (RAS) for the production of fry on land. This gives Norcod AS access to fry that supports and is in line with Norcod's future prospects of growth.

Investment in other companies
Norcod holds an investment in Arctic Cod AS, book value of TNOK 502 (2021: TNOK 1 003). The company offers growth facility capacity for a share of Norcod's juveniles. The contracting arrangement is based on common business terms.

Note 9	Specification of financial income and expenses

Financial income	2022	2021
Interest income from group companies and associated companies	0	0
Adjustments due to currency changes	0	3 566
Other financial income	587	556
Total financial income	**587**	**4 122**

Financial expenses	2 022	2 021
Interest expenses long term debt	9 400	8 393
Interest expenses to group and associated companies	1 290	1 869
Interest expenses leasing	1 131	1 492
Adjustments due to currency changes	3 893	27
*Other financial expenses	2 972	1 681
Total financial expenses	**18 686**	**13 463**

*Write downs on fixed financial assets in 2022 of TNOK 502 are included in Other financial expenses.

Note 10 Taxation

	2022	2021
Tax payable	0	0
Change in deferred tax	0	0
Tax expense	**0**	**0**

Specification of temporary differences and deferred tax:	**31.12.2022**	**31.12.2021**	**Change**
Fixed assets	6 741	4 947	1 793
Right-of-use assets	5 546	4 071	1 475
Biological assets	206 758	235 919	-29 161
Receivables	0	0	0
Net temporary differences	219 045	244 938	-25 893
Losses carried forward	-635 793	-355 020	-280 772
Basis for deferred tax	**-416 748**	**-110 083**	
Deferred tax assets	**0**	**0**	**0**
Deferred tax assets not booked	**-91 684**	**-24 218**	**-67 466**

In 2021 the deferred tax assets was by misunderstanding recognized in the balance sheet.
A correction is made in the 2022 financial accounts, and corresponding numbers in 2021 are updated to reflect the previous years error in income tax expense, deferred tax assets and equity.

Basis for income tax expense, changes in deferred tax and tax payable:	**2022**	**2021**
Result before taxes	-299 496	-46 114
Permanent differences	734	26
Items booked against equity	-7 451	0
Other items (Skattefunn)	-453	-1 000
Basis for the tax expense for the year	-306 665	-47 088
Change in temporary differences	25 893	-137 342
Change in tax losses carried forward	280 772	184 430
Basis for payable taxes in the income statement	**0**	**0**
+/- Group contributions received/given	0	0
Taxable income (basis for payable taxes in the balance sheet)	**0**	**0**

Reconciliation of the tax expense		
Result before taxes	-299 496	-46 114
Calculated tax	-65 889	-10 145
Tax expense	0	0
Deferred tax assets not booked	-67 466	-10 359
Difference	**-1 577**	**-214**

The difference consist of		
Tax of permanent differences	62	-214
Tax on items booked against equity	-1 639	0
Sum explained differences	**-1 577**	**-214**

Payable taxes in the balance sheet		
Payable tax in the tax charge	0	0
Tax effect of group contribution	0	0
Payable tax in the balance sheet	**0**	**0**

Note 11	Intangible assets - Concessions, patents, licenses, trademarks and similar rights

The company has previously had an accounting policy that cost incurred, in advance of granted licenses being confirmed, has been capitalized and recognized as intangible assets. The Group has evaluated that to better align with the requirements in IAS 38 all cost related to the application process, prior to licenses being granted, should have been expensed as incurred. Consequently, the company has changed its accounting policy in this regards from 2022, and expensed capitalized cost as of 31.12.2021 of TNOK 6,039 as other operating expenses in the 2022 financial statements as the company considers the financial statement impact to be immaterial.

Note 12	Cash and bank deposits

	2022	2021
Bank deposits	2 279	28 387
Cash and bank deposits	2 279	28 387
Of which restricted bank deposits	908	831

Note 13	Share capital and shareholder information

For additional information on ownership structure and purchase and sale of treasury shares please see Note 15 in the consolidated accounts.

Note 14	Liabilities, securities and guarantees etc.

Change in debt from shareholders (amount in NOK million)	31.12.2021	Issued	Fallen due/ Redeemed	Booked as expense	31.12.2022
Debt to Artha Holding A/S	66 949				66 949
Dissemination commission	0			0	0
Adjustment due to change in currency*	-3 682			3 953	271
Accrued interest	11 386			9 400	20 787
Total	**74 653**	**0**	**0**	**13 353**	**88 006**

*Debt is originally issued in DKK 49 623 836. Exchange currency rate used is NOK 140,7.
The loan from Artha Holding A/S is due in Aug 2023.

Long-term leasing liabilities	31.12.2022	31.12.2021
Long-term leasing liabilities	24 986	25 521
Total	**24 986**	**25 521**

All of the long-term leasing liabilities are due within the next 5 years.

Norcod AS has given guarantees to credit institutions with respect to their subsidary, Norcod Equipments AS' leasing liabilities.
As of 31 December 2022 theese leasing liabilities are TNOK 52 228 and the total recognised leasing liabilities for which Norcod has pledged security amounted to are TNOK 77 214.

Liabilities to financial institutions	Interest rate	Maturity	31.12.2022	31.12.2021
Overdraft facilities	10,15 %	30.09.2023	70 144	0
Total			**70 144**	**0**

Note 15	Financial risk

Financial risk and risk management

Guidelines for the finance activities are determined by the financial strategy, which is reviewed and approved by the Board. Norcod aims to limit its exposure to financial risk. The Group is exposed to different financial market risks arising from normal business activities, primarily these risks are:

-Foreign exchange risk
-Interest rate risk
-Credit risk
-Price risk/Liquidity risk
-Biological risk

Foreign exchange risk
Company sales of end products, fresh cod, are denominated mainly in EUR. The Group's revenues are exposed to currency risk.
Loan from Artha Holding A/S is in DKK, and is revaluated monthly to NOK.
Sales of Cod Fry are in NOK and carry no exchange risk.

Interest rate risk
Norcod's leasing liabilities are exposed to variable interest rates. This means that the Norcod is exposed to changes in interest rates.
Artha Holding A/S loan is and the bank overdraft facility is at fixed interest rate.
The book value of biological assets is exposed to changes in interest rates.

Credit risk
All finished products are sold via partner Sirena AS. All credit facilities to end customer are fully insured.

Price risk/Liquidity risk
Norcod monitors its liquidity continuously and estimates expected future developments through budgets and updated forecasts. Norcod's liquidity is dependent on future prices of Cod, making it significantly exposed to changes in prices. The majority of Norcod's sales are subject to fixed price contracts with the aim to hedge fluctuations in the spot price. Also refer to note 18 for capital management inititatives on improving the financial situation after the balance sheet date.

Biological risk
Other key risks include fluctuations in production, mortality and harvested volumes. A sudden unforeseen change in production, mortality rates, or harvest volumes may impact revenues, production costs and net equity.

Capital management
Norcod's capital management measures is to support long-term growth in Operating profit and Cash Flows from Operations. The Board aims to maintain a healthy balance between liabilities and equity. The capital management measures may be subject to changes due to the financing of the company. Also refer to note on subsequent events for capital management initiatives on improving the financial situation after the balance sheet date.

Note 16 Subsequent events

Process with the Norwegian Directorate of Fisheries in the first quarter of 2023

The harvesting and production plan for the 2021 generation of fish was accelerated due to potentially escaped spawning cod around year end leading to a process with and conclusion from the Norwegian Directorate of Fisheries (Fdir) (cases number 23/1402 and 23/1094 – both publicly available). The remaining fish was healthy and was originally planned to be harvested within the next 6 months. However, the accelerated rate of harvesting, agreed with Fdir resulted in:

• Lower volume production than expected.
• Smaller size fish than expected
• Short delivery on long-term sales contracts with clients
• Lower sales prices due to increased sales on the spot market
The immediate consequence was s a significant drop in earnings and cash flows from operations.

The facts and circumstances described above have been taken into consideration in management's estimated value of the biological assets recognized as of Dec. 31, 2022.

During the first half of 2023, the company has initiated countermeasures to reduce biological risk and to improve the liquidity and cash flows from the running operations. The company is mainly working with the following countermeasures:

- Risk reducing countermeasures: The company has modified its harvesting plan for 2023 and 2024 to reduce biological risk and to improve the estimated cash flows from operations. The modified harvesting plan implies a somewhat increased harvesting during second half of 2023, enabling the company to meet high market demand with stable prices during second half of 2023. The revised harvesting plan is deemed to improve the cash flows from operations during the second half of 2023, and to reduce the risk of significant biomass going into maturation first half of 2024.

- Preventive countermeasures: The company has, together with key players in the aquaculture industry and research institutions, initiated science based activities to mitigate gonad development, segregation of sexes and to mitigate reproduction.

Inititatives to Secure The Company's Ability to Continue as a Going Concern
Management is continuously evaluating the company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, all available information for the future is taken into account. During the first half of 2023 the company has initiated actions, both in terms of capital injection and financial debt restructuring to secure the company's ability to continue as a going concern. The initiatives are described in the section on subsequent events in this report. Based on the initiated actions, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern and that this assumption was realistic at the time of the approval of the statements. It is the Board's opinion that the Income Statement in the parent company and consolidated statement of comprehensive income in the group financials with notes and Balance Sheet in the parent company and consolidated statement of financial position in the group financials with notes provide accurate information on the operations and the financial position at year-end.

Capital injection through private placement and divestment of associated company
To strengthen operational liquidity, increase biomass in accordance with the company's production plan and to develop two new locations, Norcod successfully raised MNOK 180 in net proceeds through a private placement of 6.349.612 offer shares at a subscription price of NOK 30 per share in April 2023. The Extraordinary General Meeting held on April 24, 2023 resolved the private placement.

Following the registration of the share capital increase, the company will have a registered share capital of TNOK 12,784 divided into 25.568.244 shares, each with a nominal value of NOK 0.5. Following the private placement, the three main shareholders Artha, Sirena and Bank of New York increases its total holding of outstanding shares from 12.453.424 shares to 18.192.258, corresponding to an increase from previous 64.79 percent of outstanding shares and voting rights to 71.15 percent of outstanding shares and voting rights.

Moreover, the extraordinary general meeting on April 24, 2023 resolved to issue the offer shares in the private placement and to carry out a subsequent repair offering of up to 1.333.333 new shares at a subscription price of NOK 30 per share. The subsequent repair offering will be directed towards existing shareholders in the company who were not allocated offer shares in the private placement and is expected to be completed during the second quarter of 2023.

In May 2023, Norcod came to an agreement with a business partner in the cod harvesting industry to divest its investment in associated company and fry producer Havlandet Norcod AS. The transaction implies that the outstanding loan to Havlandet Norcod AS of MNOK 40 will be settled, and that the shares in Havlandet Norcod AS of MNOK 35 will be divested. The net proceeds to Norcod from the transaction is MNOK 75 which include both proceeds from sales of shares and repayment of loan. The divestment enables Norcod to focus solely on the core business, and represents a strategic measure to secure Norcod's position as a focused cod producer. The divestment also secures additional liquidity to the company's running operations.
The net cash contribution from the private placement and the divestment of the associated company totals 225 MNOK during the first and second half of 2023.

Extension of bank overdraft
Norcod's overdraft facility of MNOK 75 issued by DNB was originally due for repayment in September 2023. However, in May 2023 DNB agreed to extend the repayment by one year to September 2024. Other main terms and conditions are unchanged. The extension of the overdraft with one year strengthens Norcod's operational liquidity at predictable terms and contributes to steady liquidity in the company's running operations.

Extension and debt conversion of Artha Cod loan
Norcod's loan granted from Artha (Artha Cod loan) with a book value of MNOK 88 as of December 31, 2022 was originally due for repayment in August 2023. In May 2023, the company and Artha came to a restructuring agreement of the loan. Main terms in the agreement implies a conversion of 80 percent (MNOK 82) of the nominal loan amount to share capital and a repayment extension of 20 percent (MNOK 20) of the nominal loan amount till August 2025. The debt conversion is subject to approval by the General Meeting on June 12, 2023. Based on current shareholder base, the management and the Board of Director's finds it more likely than not that the Annual General Meeting will pass the debt conversion.

KPMG

KPMG AS
Sjøgangen 6
N-7010 Trondheim

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Norcod AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Norcod AS, which comprise:

- the financial statements of the parent company Norcod AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Norcod AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of change in equity and consolidated statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the section Corporate Social Responsibility included in the Board of Directors report.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Trondheim, 24 May 2023
KPMG AS

Jørgen Mo Rande

Jørgen Mo Rande
State Authorised Public Accountant

GRI Index

Statement of use	Norcod AS has reported in accordance with the GRI Standards for the period 01.01.2022 to 12.31.2022				
GRI 1 used	GRI 1: Foundation 2021				
Applicable GRI Sector Standard	GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022				
DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.
GRI 2: GENERAL DISCLOSURES 2021					
THE ORGANIZATION AND ITS REPORTING PRACTICES					
2-1	Organizational details	Norcod AS Listed company for trading on Euronext Growth Headquarters in Trondheim, Central Norway	Introduction & Overview Our Results		
2-2	Entities included in the organization's sustainability reporting	The ESG data is reported for entity Norcod AS with its administration and core business of cod farming at sea limited to associated licenses.	ESG - Devoted to sustainability Our Results		
2-3	Reporting period, frequency and contact point	Integrated sustainability and financial report, we report on annually frequency. Publication date, 25.05.2023 Contact points: CSO: Hilde R. Storhaug, hs@norcod.no. CFO: Arne Kristian Hoset, arne.hoset@norcod.no.	GRI Index		
2-4	Restatements of information	No restatement of information has been made.	GRI Index		
2-5	External assurance	The Chief Sustainability Officer seeks external consultancy of sustainability reporting according to GRI Standards, climate accounting and sustainability KPIs. Our sustainability reporting has not for 2022 been assured by any independent auditor.	GRI Index		
ACTIVITIES AND WORKERS					
2-6	Activities, value chain and other business relationships	Joint Venture Havlandet Norcod, fry facility	Introduction & Overview – Value Chain Our Results		
2-7	Employees	We do not have any non-guaranteed hours employees	Devoted to People		
2-8	Workers who are not employees	We define workers who are not employees as contractors. No contractors in 2022	Devoted to People		

DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.
GOVERNANCE					
2-9	Governance structure and composition		Our Results Devoted to People		
2-10	Nomination and selection of the highest governance body	Data incomplete but we will start reporting on the subject in the 2023 report.	Our Results	Yes 2-10 a	
2-11	Chair of the highest governance body		Our Results		
2-12	Role of the highest governance body in overseeing the management of impacts		Our Results		
2-13	Delegation of responsibility for managing impacts		Our Results		
2-14	Role of the highest governance body in sustainability reporting		Our Results		
2-15	Conflicts of interest		Our Results		
2-16	Communication of critical concerns	Code of Conduct	Devoted to People Company's web page		
2-17	Collective knowledge of the highest governance body		Our Results Devoted to people		
2-18	Evaluation of the performance of the highest governance body	The latest assessment, completed did not uncover any need for changes to the composition of the Board or organizational practices.	GRI-Index		
2-19	Remuneration policies		Our Results		

DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.
2-20	Process to determine remuneration		Our Results		
2-21	Annual total compensation ratio	Data incomplete but we will start reporting on the subject in the 2023 report.	Our Results	Yes	
STRATEGY, POLICIES AND PRACTICES					
2-22	Statement on sustainable development strategy		Introduction & Overview ESG – Devoted to Sustainability Our Results		
2-23	Policy commitments		ESG – Devoted to Sustainability		
2-24	Embedding policy commitments		ESG – Devoted to Sustainability		
2-25	Processes to remediate negative impacts		ESG – Devoted to Sustainability		
2-26	Mechanisms for seeking advice and raising concerns	Code of Conduct	Devoted to people		
2-27	Compliance with laws and regulations		Our Results		
2-28	Membership associations	Member of The Norwegian Seafood Federation.	GRI Index		
STAKEHOLDER ENGAGEMENT					
2-29	Approach to stakeholder engagement		ESG – Devoted to Sustainability		
2-30	Collective bargaining agreements		Devoted to People		

MATERIAL TOPICS

DISCLOSURE		RESPONSE	LOCATION	OMISSION		GRI SECTOR STANDARD REF.NO.
GRI 3: MATERIAL TOPICS						
3-1	Process to determine material topics		ESG – Devoted to Sustainability			
3-2	List of material topics		ESG – Devoted to Sustainability			
ANIMAL HEALTH AND WELFARE						
3-3	Management of material topics		ESG – Devoted to Sustainability			13.11.1
Additional sector disclosures	Percentage of production volume certified to third-party animal health and welfare standards	We refer to GlobalG.A.P.-certification as the animal health and welfare standard.	Introduction & Overview Our Operations - Operational Focus Areas			13.11.2
	Survival rate at sea		Devoted to cod			13.11.3
	Main causes for reduced survival in seawater	The main cause for reduced survival is due to intestinal problems.	GRI Index			
Norcod KPI	Use of antibiotics	No antibiotics have been used in our production.	GRI Index			13.11.1

DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.
BIODIVERSITY					
3-3	Management of material topics		Introduction & Overview ESG – Devoted to Sustainability		13.3.1
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Devoted to nature		13.3.2
304-2	Significant impacts of activities, products and services on biodiversity		Devoted to nature		13.3.3
304-3	Habitats protected or restored		Devoted to nature		13.3.4
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	National Red List/conservation list online, filtered on the area where we operate in order to see species with habitats in these areas sorted by extinction risk. The topic is audited in conjunction with the annual GlobalG.A.P. audit.	GRI Index		13.3.5
Additional sector disclosures	Information on species of aquatic organisms, juvenile seeds stocks and fishing products in feed	Farmed species: Atlantic cod (Gadus morhua)	Devoted to Nature		13.3.6
Norcod KPI	Number of escape incidents and fish escaped		Operational focus areas		
Norcod KPI	Sea lice levels	No sea lice issue related to cod.	GRI-Index		

DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.
Norcod KPI	Environmental status of our sites	Environmental status of our sites is a result of benthic monitoring tests under and around our sites according to national regulations, as explained under the presentation of the B- and C-test results.	Devoted to Nature		
Norcod KPI	Active substances used for treatments	No use of active substances for treatments.	GRI Index		
Norcod KPI	Number of dead birds and marine mammals	No dead birds or marine mammals.	GRI Index		
FOOD SAFETY					
3-3	Management of material topics		ESG - Devoted to sustainability		13.10.1
416-1	Assessment of the health and safety impacts of product and service categories	As all of our products is appropriated human consumption, the health and safety impacts are constantly tested as a part of our certification processes.	Devoted to cod		13.10.2
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of non-compliance concerning the health and safety impacts of products.	GRI Index		13.10.3
Additional sector disclosures	Percentage of production volume from sites certified to internationally recognized food safety standards	We refer to Global G.A.P as internationally recognized food safety standard. 100 % of production volume is Global G.A.P certified.	ESG		13.10.4
	Number of recalls issued for food safety reasons and the total volume of products recalled	No recalls issued	GRI Index		13.10.5

DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.
EMISSIONS					
3-3	Management of material topics		ESG – Devoted to sustainability		13.1.1
305-1	Direct (Scope 1) GHG emissions	Biogenic CO2 emissions (tCO2e) is not relevant for our operations.	Devoted to Nature		13.1.2
305-2	Energy indirect (Scope 2) GHG emissions	The group's market-based Scope 2 GHG emissions amount to 11 613 tCO2e.	Devoted to Nature		13.1.3
305-3	Other indirect (Scope 3) GHG emissions	Biogenic CO2 emissions (tCO2e) is not relevant for our operations.	Devoted to Nature		13.1.4
305-4	GHG emissions intensity		Devoted to Nature		13.1.5
305-5	Reduction of GHG emissions		Operational Focus Areas Devoted to Nature		13.1.6
305-6	Emissions of ozone-depleting substances (ODS)	Norcod does not have emissions from ODS.	GRI-Index		13.1.7
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	We do not have any significant air emissions.	GRI-Index		13.1.8
3-3	Management of material topics		Devoted to Nature		13.2.1
201-2	Financial implications and other risks and opportunities due to climate change	No direct cost is taken in 2022 to manage climate related risks or opportunities	Our Results		13.2.2
FOOD SECURITY					
3-3	Management of material topics		Devoted to cod		13.9.1

DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.
NATURAL ECOSYSTEM CONVERSION					
3-3	Management of material topics		Devoted to Nature		13.4.1
SUPPLY CHAIN TRACEABILITY					
3-3	Management of material topics		Devoted to Nature		13.23.1
Additional sector disclosures	Level of traceability	All our fish is GlobalG.A.P. certified and our feed suppliers are certified as well.	Devoted to Nature		13.23.2
	Improvements projects related to certification	All our fish is GlobalG.A.P. certified and our feed suppliers are certified as well.	Devoted to Nature		13.23.4
ANTI-CORRUPTION					
3-3	Management of material topics		Devoted to People Financial result		13.26.1
205-1	Operations assessed for risks related to corruption		Our Results		13.26.2
205-2	Communication and training about anti-corruption policies and procedures	Our Code of Conduct program involves guidelines and procedures for anti-corruption. The disclosure requirements are met with one minor exemption, a share of our suppliers in purchase value has signed the Supplier Code of Conduct. We are not able to provide the percentage. We will work to systemize this data going forward.	Devoted to people	YES, point c.	13.26.3
205-3	Confirmed incidents of corruption and actions taken	Zero incidents of corruption.	GRI-Index		13.26.4

DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.
EMPLOYEE HEALTH AND SAFETY					
3-3	Management of material topics		Devoted to People		13.19.1
403-1	Occupational health and safety management system		Devoted to People		13.19.2
403-2	Hazard identification, risk assessment, and incident investigation		Devoted to People		13.19.3
403-3	Occupational health services		Devoted to People		13.19.4
403-4	Worker participation, consultation, and communication on occupational health and safety		Devoted to People		13.19.5
403-5	Worker training on occupational health and safety		Devoted to People		13.19.6
403-6	Promotion of worker health		Devoted to People		13.19.7
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Devoted to People		13.19.8
403-8	Workers covered by an occupational health and safety management system		Devoted to People		13.19.9
403-9	Work-related injuries		Devoted to People		13.19.10
403-10	Work-related ill health	We have no incidents of work-related ill health	Devoted to People		13.19.11

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DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.
FORCED OR COMPULSORY LABOR					
3-3	Management of material topics		ESG - Devoted to sustainability		13.16.1
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		ESG - Devoted to sustainability		13.16.2
CHILD LABOR					
3-3	Management of material topics		ESG - Devoted to sustainability		13.17.1
408-1	Operations and suppliers at significant risk for incidents of child labor		ESG - Devoted to sustainability		13.17.2
LOCAL COMMUNITIES					
3-3	Management of material topics	We report on our efforts in local communities.	Devoted to people		13.12.1

DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.
413-1	Operations with local community engagement, impact assessments, and development programs		Devoted to People		13.12.2
413-2	Operations with significant actual and potential negative impacts on local communities				13.12.3
ECONOMIC INCLUSION					
3-3	Management of material topics		ESG - Devoted to sustainability		13.22.1
201-1	Direct economic value generated and distributed		Devoted to People		13.22.2
203-1	Infrastructure investments and services supported		Devoted to People		13.22.3
203-2	Significant indirect economic impacts	Cod farming has a range of significant indirect economic impacts that can affect local and regional economies in terms of economic activity, such as purchasing equipment and feed, as well as creating employment opportunities.	Devoted to People		13.22.4

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TOPICS IN THE APPLICABLE GRI SECTOR STANDARD DETERMINED AS NOT MATERIAL

TOPIC	EXPLANATION
GRI 13: AGRICULTURE, AQUACULTURE AND FISHING SECTORS 2022	
13.5 Soil health	Soil health is determined as not material as a result of an impact assessment. The scope of impact is limited to the countries where our feed suppliers source vegetable raw materials. Hence, the overall severity of the impacts is assessed to be moderate.
13.6 Pesticides use	Pesticides use is determined as not material as a result an impact assessment. The severity is assessed as moderate as the use of pesticide in crop production for feed ingredients is regulated and the scope is limited to tier-2 suppliers. In cod farming sea lice is not an issue. Use of delousing chemicals does not occur in our production.
13.7 Water and effluents	Water and effluents is determined as not material as a result of the detailed impact assessment. Norcod does not operate in water scarce areas. The nutrient build-up from fish feces is likely, however the scope is limited to local impact and restoration of sea beds allows remediation.
13.8 Waste	Waste is determined as not material as a result of the detailed impact assessment. In the comparison of impact level to the other material topics, waste is considered not to be significant.
13.13 Land and resource rights	Land and resource rights is determined as not material as a result of an impact assessment. The possession of farming licenses to operate ensures predictability and accountability of land and resource rights.
13.14 Rights of indigenous peoples	Based on the fact that our company's operational and administrative activities are exercised in Norway, it has been determined that the risk of compromising rights of indigenous peoples is low.
13.15 Non-discrimination and equal opportunity	Non-discrimination and equal opportunities is determined as not material as a result of the detailed impact assessment. The severity is high, however the likelihood is limited by human rights regulation.
13.18 Freedom of association and collective bargaining	Freedom of association and collective bargaining is determined as not material as a result of the detailed impacts assessment. Norcod ensures freedom of association and collective bargaining for its employees. The likelihood is limited through regulations from ILO.
13.20 Employment practices	Employment practices is determined as not material as a result of an impact assessment. The scope is limited to our direct operations, whereas the severity is determined to moderate.
13.21 Living income and living wage	Living income and living wage is determined as not material as a result of the aquaculture agreement that sets collective wages
13.24 Public policy	Public policy is determined as not material as a result of the detailed impact assessment, as the scale is low and the impact is easy to counteract, the severity is determined to be moderate.
Anti-competitive behavior	Anti-competitive behavior is determined as not material, as a result of the impact assessment, as there is no documented indication of impact on the economy, environment and people.

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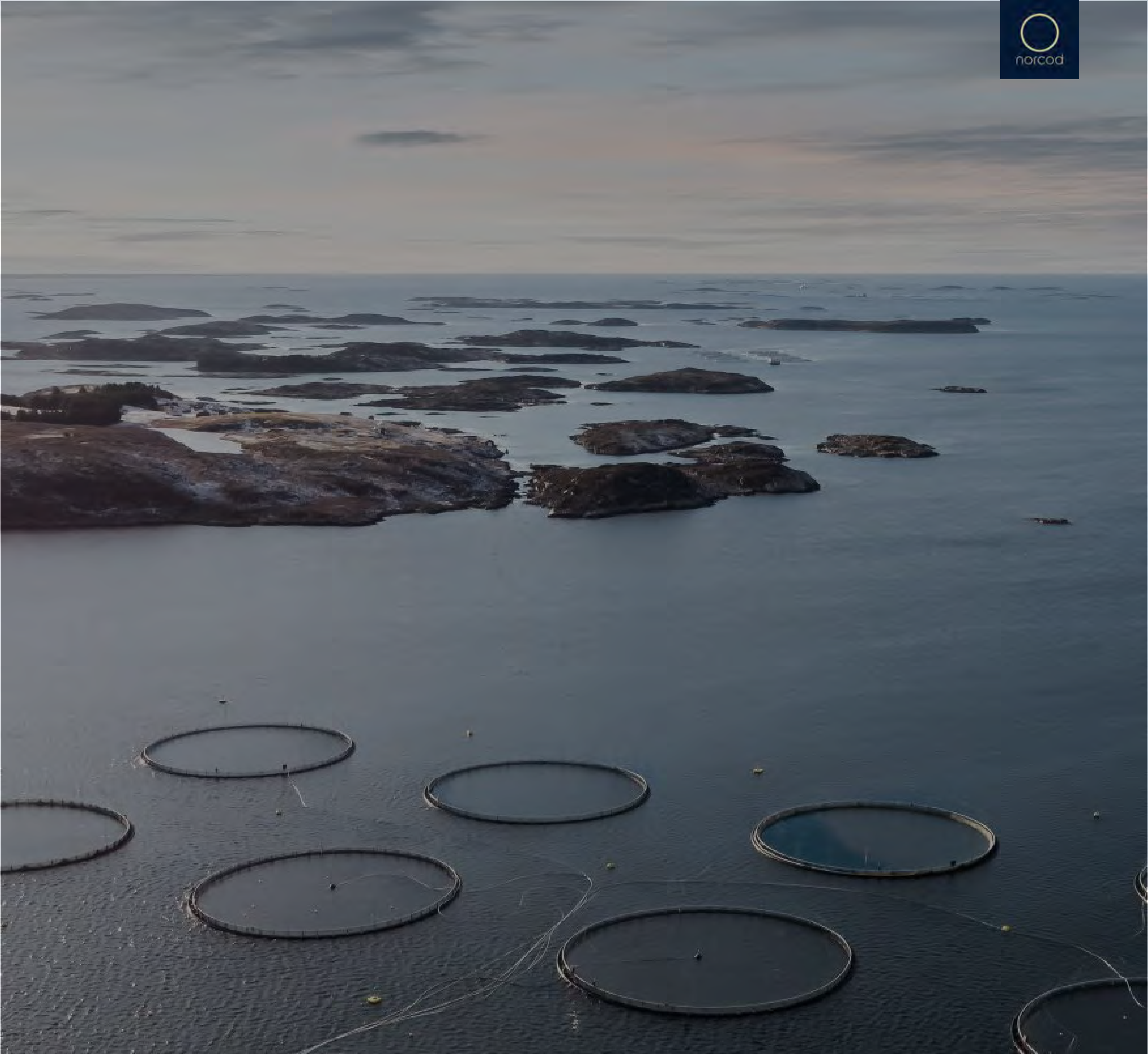
Annual Report 2023



Contents

Introduction & Overview

Norcod is the market leader and dominant front- figure in the emerging cod farming industry. The company has taken cod farming from proof of concept to full industrial scale, and targets the premium segment with high quality, efficient distribution and certified sustainable production. Unlike wild-caught cod, Norcod delivers fresh products throughout the year.
The company's produc
tion is based in its natural cold-water habitat along the coast of Central and Northern Norway, with ideal temperatures for cod farming. The Company is experiencing increased demand for stable deliveries of fresh cod all year round and is targeting an annual harvest of approximately 10,000 tonnes (WFE) in 2024.

The global market demands stable deliveries of fresh cod, and for the first time, high-quality farmed cod has been produced on a larger scale and delivered to the market. With wild fish stock under pressure and fishing quotas for cod being cut, Norcod, as a leading producer of farmed cod, aims to fill the gap in the market and provide truly blue and fresh cod. The Company's head office is centrally located in Trondheim and has five production facilities in operation.

Norcod is the result of a comprehensive evaluation project where we looked at the possibilities of making an industrial venture on farmed cod again. Our strategy is to take part in the entire value chain to keep our processes in control and to ensure better margins. Production and market has worked together from day one, ensuring stability in every segment of the value chain. The company can now accommodate solid industrial growth overthe next few years. Norcod is led by experienced aquaculture industrials. Since cod farming is deemed to be fairly similar to salmon farming on the marine operations side, the Company's recruitment philosophy revolves around attracting talent from the salmon farming industry. In addition, the Company has seen an increase in incoming interest after starting up operations, which has resulted in establishment of apprenticeships for students within aquaculture education.

Norcod's core business area is the sea-phase of the cod farming value chain where the fish grows from approximately 0.1 to 3.5-4 kg in commercial marine production sites.
A key component in the company's strategy is entering into and developing cooperation with vendors and partners throughout the value chain to ensure involvement in and control of all stages. Going forward Norcod aims to increase its integration in the value chain. Ownership in different segments of the value chain will significantly reduce total production costs.

We collaborate with a multitude of professional environments and external partners to create the best prerequisites for success, and we see that we have managed to foster an enthusiasm among internal and external partners which makes us confident about the future.

Through our devotion to people, cod, nature, innovation and profit, we take our responsibility related to economic, social and environmental sustainability. More of the world's food production must come from the ocean.

We value our employees and partners, ensuring an inclusive culture where everyone should thrive and have the opportunity to reach their full potential. It is our responsibility to give our fish the best conditions to perform, by offering the cod a customized feed, and production sites that match the cod's environmental preferences. We take responsibility for our production and its impact on the surroundings and society. Health, safety and the environment are always our top priority. We seek to make right choices for our planet.

Key historical and targeted upcoming milestones

2017
- Trial sales of farmed cod with key accounts
- Test production run proving yield and fish benefits

2018
- Norcod AS incorporated by Sirena Group
- Fry agreements secured with Havlandet and Nofima

2019
- First batch received from Nofima
- **Concessions secured for 3m cod**
- Private placement of NOK 33m closed in September
- 1.8m fry from Havlandet into growth phase

2020
- **Pilot batch moved to sea phase at Finnangerøya**
- Private placement of NOK 107m successfully completed in February
- Start of sea phase for first main batch at Jamnungen
- JV agreement finalized with Havlandet
- **Completed NOK 250m private placement and listed on Euronext Growth**
- Average size of pilot batch fish over 2kg
- First trial production and delivery to markets

2021
- Start of next growth phase for Frosvika and Mausund
- New brand launched
- New location Frosvika in place
- **Beginning of first full scale harvest**
- Start building fry facility in Florø with Havlandet
- Entered into landmark agreement with major European supermarket chain

2022
- Completion of first full production cycle
- 3rd production cycle in both growth and sea phase
- Implementing first underwater feeding barge
- **Completion of new fry facility**
- Receiving first batch of fry from own production

2023
- **Multiple production cycles**
- First year with multiple production cycles being initiated
- **Kråkøy Slakteri becomes a part of the Norcod group**
- Private placement and subsequent offering of NOK 200m successfully completed in Q2 and Q3

2024
- **Year-round harvest**
- Overlapping production cycles ensure continuous harvest
- Private placement and subsequent offering of NOK 174m successfully completed in Q1 and Q2

2025
- Production target of ~12.0k tonnes
- **Ready to scale up**

Highlights

- 269 MNOK in revenues, up 58% from 171 MNOK in FY 2022
- 6 155 tonnes WFE harvested, up 60%from 3 837 tonnes WFE in FY 2022
- Feed conversion ratio of 1.05 and strategical biomass investments enabling 4 600 tonnes WFE net growth
- Acquisition and integration of Kråkøy Slakteri
- Recertified regarding Global G.A.P.
- Stocking of three new production cycles at sea
- Granted new production site
- Second production site supplied with
- onshore power

Key Events in 2023

In 2023, Norcod stands for appx. 71% of the total Norwegian export volume of harvested farm raised cod. During 2023, biomass investments are more than doubled from previous years. The net growth during 2023 is 4 600 tonnes, amid heavy investments in biomass and a satisfactory feed conversion rate and stable and predictable mortality. Alongside biomass investments, the investments in Kråkøy Slakteri increases the predictability on harvest and market planning and secures efficiency gains.

Alongside biomass investments, the acquisition of Kråkøy is deemed instrumental in establishing the basis for future growth.

Harvest

The first quarter of 2023 was challenging, characterized by the process with the Directorate of Fisheries regarding a limited escape incident and gonade development (maturation). The latter led to accelerated harvest, which in turn resulted in lower production volume than budgeted due to lower harvest weight.

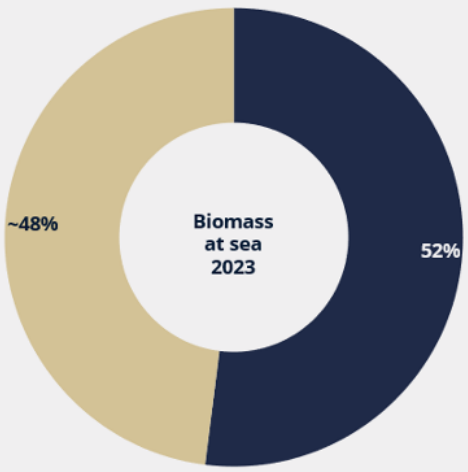
This resulted in reduced delivery on long-term sales contracts and lower sales prices, due to increased volumes on the spot market. The overall consequence was a significant drop in earnings and simultaneously increase in expensed costs/kg. During the reporting period, Norcod initiated heavy measures to reduce risk and more robustly meet biological challenges. The harvest volume ended at 3,362 tonnes WFE, up from 2 027 tonnes in the first quarter of 2022.

Improvements in the production line at the harvest facility and other measures contributed to higher efficiency and quality assurance of the production process. In the second quarter, we harvested 1,038 tonnes WFE, up from 963 tonnes in the second quarter of 2022. After closing of the harvest cycle, our main focus was growing biomass and preparing for the next harvest cycle to start.

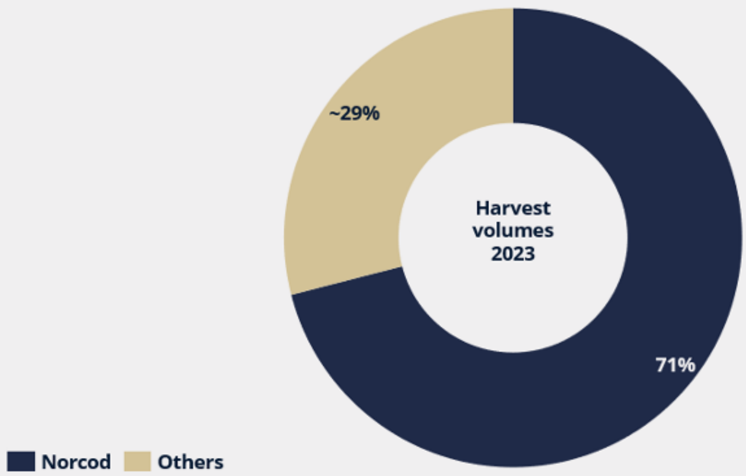
In September, the first well boat loaded with high quality cod left our site Jamnungen. Our devoted employees' effort has resulted in an outstanding share of Superior graded cod. By virtue of the harvest facility acquisition in June, Norcod strengthened its ability to offer fresh cod of the highest quality all year round. From this point on, Norcod is always in season. For the third quarter the harvest volume amounted to 144 tonnes WFE, up from 0 tonnes in the third quarter of 2022. During the fourth quarter, the harvest volume ended at 850 tonnes WFE. In total, Norcod harvested 6,155 tonnes WFE in 2023, which represents an increase of 60% from 2022.

Summarized for the reporting period, Norcod held 52% of the standing biomass at sea by the end of 2023. As for the harvest/export volume, we provided 71%.

52% of total biomass at sea



71% of total harvest volume



Source: Directorate of Fisheries and Norwegian Seafood Council

Environmently Friendly Production

In the reporting period Norcod further strengthened its sustainability profile. The configuration of the new production site Labukta included a hybrid electric feed barge equipped with water borne feeding system, which is a key component in the company's sustainability strategy. This provides enhanced operational efficiency and lower emissions in the production cycle. Norcod capitalizes on both biological advances and new technology through investments in the latest environment-friendly production methods. Besides contributing to a lower CO2 footprint by being far more energy efficient, waterborne feeding technology allows feeding at desired depth and avoids the impact of wind and surface currents. It also provides the possibility for more intensive feeding (kg/min), less breakage, larger pellet-size and not least, minimal wear on the feed hoses regarding microplastic emissions. Another milestone was achieved at our production site, Jamnungen, which now has onshore power supply. 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.

Recertification – GlobalG.A.P.

Norcod is proud to have achieved Global GAP recertification. The Global GAP approval was renewed after our production sites were audited in March. Norcod was the first company within the Cod industry to obtain this prestigious certification back in 2021. It demonstrates the company's clear operational focus on sustainability. The Global GAP standard covers the entire production chain from broodstock, seedlings and feed suppliers to farming, harvesting and processing, or 'feed to fork'. It lays down strict criteria for legal compliance, employee occupational health and safety, animal welfare, food safety and environmental and ecological care. As in the previous audit round, Norcod also underwent the Global GAP Risk Assessment on Social Practice (GRASP) version 2. This is a voluntary part of the certification process which assesses social risks in primary production and provides additional transparency to supply chain partners.

Initiating New Production Cycles

By the end of April 2023, our fifth production site, Labukta, kicked off its first production cycle. This well-equipped location is configurated with the most energy efficient technology seen in Norwegian aquaculture industry and will be Norcod's third site which is supplied with onshore power.

Furthermore, site Skogsøya and Pålskjæra located in Frøya municipality was stocked during the summer. Also, site Frosvika kicked off its second production cycle during the third quarter, providing the Norcod's fourth stocking in 2023. In total, nearly 4 million cod were distributed on the four respective locations. Harvest volumes from the 2023 batches are expected to be market ready in 2024/25 following the sea growth phase.

Granted New Production Site

Norcod received approval for a new production site, Bjørnvika, in Nesna municipality, marking our second location in the area alongside Labukta. This expansion boosts our total capacity in Nesna to an impressive 7,200 mt MAB. Our commitment to responsible farming and sustainability is unwavering, with strong community relations at the heart of our mission. Bjørnvika's ideal conditions make it a perfect fit for our goal of providing premium cod sustainably. This addition of capacity brings Norcod's total number of production sites to six along the Norwegian coastline, with 17,500 mt MAB in total.

Norcod commits to responsible farming of a premium product. Our ambition is to contribute not only to the industrial base of the coastal municipalities in which we are active, but also to support employment opportunities and ensure sustainable operations with minimal impact to the environment.

Havlandet Norcod

In May, Norcod divested its assets in Havlandet Norcod AS. The joint venture with Havlandet was crucial to the development of Norcod, as the facility has provided access to high-quality cod fry in the volume that Norcod required. Now that the facility is fully operational, the timing was right to transfer ownership and operation of the cod fry facility to Havlandet. As part of the agreement, Norcod has entered into a 30-year fry supply contract with Havlandet, which will allow Norcod to continue to access high-quality fry as before.

Climate Action

We have introduced onshore power to our production site Jamnungen. The majority of feed barges and a service vessel are equipped with hybrid technology to reduce fuel consumption, omissions and generator maintenance. This benefits not only the fish, but also Norcod's employees and the local surroundings. Onshore power and our equipment is the most emission reducing equipment setup seen in Norwegian aquaculture industry. To Norcod, this strategic approach to equipment procurement and electrification will be a priority going forward.

Seabed Surveys

Benthic surveys assess the impact of aquaculture on the seafloor by looking at the physical, chemical, and biological conditions of the area. For the production sites, the effect of emissions of organic substances such as feces from the fish, uneaten feed and nutrient salts is monitored. The impact is usually greatest directly below the facilities and diminishes the further away you are from the facility. Sea currents, depth and sinking speed of the fish feed affect how much the emissions spread in an area. Norcod has achieved the best possible scores on seabed environmental surveys and

Value Chain Integration

Norcod used external partners for the harvest process until June 2023, when the company acquired Kråkøy Slakteri AS (harvest plant). Previously, the company faced issues with a lack of holding cages, leading to high well boat costs, which have now been avoided. Additionally, the harvest facility offers several economic and strategic advantages, such as:

- Significant reduction in harvesting and packaging cost
- Lower logistics cost from harvesting facility to end client compared to harvesting in the Northern Norway
- Saves one day in transport to Oslo compared to Northern Norway, giving shorter delivery by plane and truck
- Possibilities of optimizing packaging and quality significantly
- Service the high-end markets and customers better due to certifications and stability.

Financing

In May, Norcod extended the overdraft facility with DNB. The agreement contributes to the financing of Norcod's further operations and growth. Norcod is using the credit facility to invest in biomass. The overdraft facility combined with the capital contributions from the shareholders have been instrumental in producing premium Atlantic Cod sustainably.

Fifth Generation In Growth Phase

Norcod transported, by truck, its fifth batch of quality fry from tanks at the Havlandet Norcod fry facility in Florø to land-based juvenile facilities in the north of Norway. This kicked off our fifth production cycle and marks the starting point for the next sea phase. All fry transports were successful. Full control regarding this critical stage is crucial for high survival and good performance during the growing period, which extends over 5-6 months and is the phase in which the vaccination of the cod occurs. Vaccination prevents the most prominent diseases known for cod, without the use of antibiotics.

Letter From The CEO

I am pleased to present the annual report for 2023, highlighting the achievements and progress we have made during the year. Norcod continues to lead the way in the cod farming industry, with a strong focus on sustainability, innovation, and delivering high quality products to meet the growing global demand for fresh cod.

The first half of the year was challenging, with accelerated harvest which resulted in lower production volumes and a significant drop in earnings. I am impressed by the performance of our employees and business partners, handling the challenging situation and securing that all fish reached the end user.
The second part of the year is, however, filled with highlights. In July, Norcod acquired Kråkøy Slakteri. The vertical integration of Kråkøy has been an important step to create a robust and streamlined business model. Numerous benefits stem from this acquisition, such as priority facility access, cost reduction and operational efficiency, enhanced process control and exploration of value-added services. After the acquisition, a new processing line has been installed at Kråkøy, enabling an even more efficient processing plant for farmed cod. The integration of Kråkøy is deemed instrumental in establishing the basis for future growth, and strengthens our long-term vision of higher customer satisfaction, cost savings and market expansion. A huge thanks to our employees at Kråkøy for their diligent efforts to integrate with Norcod's processes, people and culture.

Our biological performance is at the core of our market offering. Thanks to remarkable efforts from our production team and business partners on fry and feed, our efforts have resulted in extraordinary biological performance. The harvested biomass during the second half of 2023 shows a feed conversion rate of 1.05 and 93% of our fish are of superior quality. This solid biological performance is a clear demonstration of our advancements in cod production over the last years and is a competitive advantage that enables us to produce a highly sustainable product of exceptional quality. Our dedicated employees and business partners are the main contributors to these achievements. You know who you are – and I want to thank you all for your contributions.

2023 is now history and the future looks bright! We have come to a point where we can supply cod all year round, clearly differentiating us from wild-caught cod, which is only available seasonally. With wild cod quotas to be further reduced the next years, we will see a declining supply of wild cod. The long-term outlook for the market seems strong, as supply-demand imbalance

implies increased cod pricing. The commercial breakthrough with a new contract in China announced during the first quarter of 2024, proves the trend and the Norcod business case.

Norcod is continuously working feeding regime, production processes and utilization of production capacity. In the years to come, Norcod's ambition is to increase production and harvest volume at a pace that is beneficial for the environment, our customers, and our shareholders.

Our vision is clear, and we are standing firm on it. Farmed cod is a sustainable and viable alternative for the customers securing year-round supply and helping reduce the pressure on the wild stocks, positioning farmed cod as a reliable and sustainable protein source. The world is looking for pure and sustainable sources of food to serve increased human demand. The Norcod product clearly demonstrates its market potential and naturally fits in with this vision. For the reporting period 2023, Norcod will publish its first independent ESG report. We are proud to be able to increase transparency regarding the production of our high quality, sustainably produced cod. Based on a double materiality assessment, we shed light on important topics that are important to both internal and external stakeholder groups. The ESG report will be published on Norcod's website.

Final thanks from me goes out to all of you – our employees for being there every day and diligently improving our business, our shareholders for believing in our product and strategy, and our business partners for keeping up the pace and standing by our side.

Christian Riber
Chief Execute Officer

Business Strategy 2023-2028

Norcods' ambition has always been to set the standard in responsible, industrial-scale farming of top-quality cod, through constant operational improvements which ensure sustainability and fish welfare. By making conscious choices regarding equipment and technology, we are making a valuable contribution to reducing our impact, both locally and globally. Our green vision for a blue future is founded in Norcods' devotion to sustainability and form the basis for our business strategy. We clearly see and believe in the potential of growth and development of lower production cost in line with increasing production volumes. By gradually integrating the value chain, Norcod will achieve even more competitive advantages and further lead the development of sustainable cod farming.

Devoted to Sustainability

Growth
sustainability, targeting new licenses through evaluation and analyses of existing production data. Further engagement in R&D projects will contribute to build the company and the industry as a whole.

Cost Reduction
Norcod is implementing several measures to reduce costs. Feeding and biomass control is important focus areas. Efficient feed utilization is what mainly makes cod farming environmentally and economically sustainable.

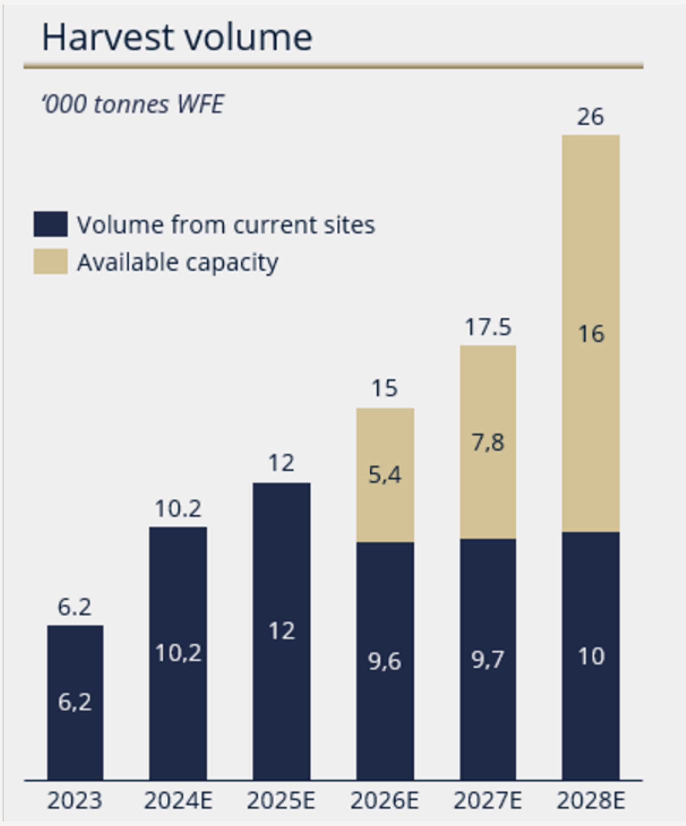
Value Chain Intergration
Further integration in the value chain will contribute to increased control and promote quality. Norcod considers value chain integration as a risk-reducing measure with regard to environmental, social and governance conditions.

Growth will mainly be driven by improved utilization of current operations and by targeting new licenses and seize opportunities within new technology. We aim for an annual harvest of approximately 10,000 tonnes WFE by 2028.

Harvest Volume

Better utilization of our production licenses, by further improving biosecurity, fish health and survival rates, is expected to secure estimated growth and harvest volumes. Flexibility is a requirement to achieve better utilization of our capacity, and we are continuously looking for opportunities to secure access to new locations. The application process regarding licenses is time consuming and there are many thresholds which needs to be exceeded. The moderate growth the next years reflects the need for gaining further biological control and flexibility by virtue of available production capacity.

By implementing a higher level of control mechanisms, Norcod will decrease several risk elements and increase profitability. Our approach to a step-by-step integration in the value chain, will result in detailed cost control and create positive results.



Value Chain

Fry (Broodstock, Roe & Larvae)

The fry is the first step of the value chain and has been one of the bottlenecks to succeed in cod farming. Cod biology has developed vastly through 20 years of dedicated R&D and the current 8th generation of broodstock is a highly stable product with increased yield. The cod goes through 3 stages during it's time at the fry-facility, the egg stage, the larval and fry stage.

Hatching Cod is much more complex than hatching salmon. A salmon egg is many times larger than a cod egg, and the larvae salmon are hatched with a yolk sac, which feeds the fry until juvenile stage. The cod larvae do not have a yolk sac and must thus be fed from the day they are hatched. As they are picky, and only eat live feed, keeping the larvae's alive until juvenile stage is very complex and reliant on specific expertise. Thus, the access to juvenile fry is a big asset to Norcod.

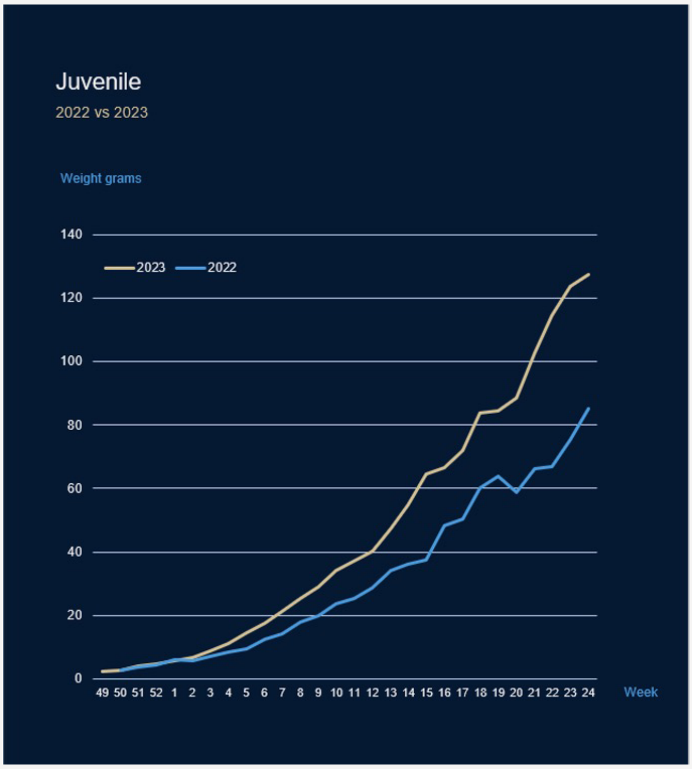
Norcod AS had until May 2023 a 50% ownership in the company Havlandet Norcod, which is the largest fry producer in the market. Havlandet Norcod constructed a new industrial fry facility that has the capacity to produce over 24 million fry per year, making it the largest and the only private fry facility in the market.

Since fry supply has been a bottleneck in cod farming, Norcod entered into the joint ownership of Havlandet to secure an advantage. Norcod sold its shares in Havlandet Norcod, as it both released 75 million NOK and made it possible to obtain a long-term contract with Havlandet for the supply of cod fry. The 30-year agreement with Havlandet Norcod secures stable prices for the fry.

Juvenile

The juvenile phase, which is the second stage in the value chain, involves transferring the newly hatched fish to a land-based facility, where they will spend approximately five months growing until they are large enough to be moved to the sea phase.
This phase is outsourced to external partners. It will be necessary to increase capacity as production grows. There are many growth facilities in Norway, and most of them can

be used for the growth of cod fry, along with salmon and trout. This also means there are good opportunities to find alternatives if a partner doesn't meet expectations or don't renew existing contracts.
The juvenile phase is crucial for the growth of cod. Better growth leads to less time in the juvenile stage and sea phase, resulting in lower costs. The right temperature can enhance the cod's ability to digest food favorably, which can lead to a faster market-ready product. During this period the juvenile receives a vaccine to prevent prominent diseases.
Havlandet Marine Yngel has conducted experiments on cod's growth characteristics, where temperature was the variable factor. The results indicate that with the right temperature, cod can grow 100 percent larger in the same period. This could potentially shorten the sea phase by 4 months, optimizing production costs and time to market.
The graph compares the growth development of cod from two different cycles. Growth plays a significant role in the profitability of cod, which is why positive development is crucial.



Sea Phase

The sea phase is the most extensive stage of the cod's life cycle and is Norcod's core business.

Norcod is seeking to increase the permitted production capacity at its production sites, allowing for more tonnes per location. This has the potential to reduce overhead costs per kilogram significantly. Other costs related to the sea phase include equipment, leasing of fish pens, personnel and boat expenses.

The most significant cost in cod production is feed. To enhance focus on feed and feeding strategy, Norcod has established an operational feed centre that enables remote feeding for the company's farms through a sophisticated system of movable cameras, remote feeding controllers, and flow measurements. The company consolidates this expertise for all locations in one place, improving control and management.

To date, Norcod has invested significantly in biomass. During 2023, biomass investments were more than doubled from previous years. The net growth during 2023 was 4,600 tonnes, amid heavy investments in biomass and a satisfactory feed conversion rate and stable and predictable mortality. The company is able to produce and deliver consistent volumes of cod throughout the whole year. Norcod is able to increase production capacity significantly, dependant on the market situation and company strategy.

Harvest / Processing

Led by our strategy for growth, the vertical integration of our value chain by virtue of the acquisition of Kråkøy Slakteri AS, was a strategic step to improve our operations and create a robust and streamlined business model.

The harvesting process has been refined by learning from the handling of the first batches of cod. For the reporting period, the harvest volume increased 61% compared to the amount we harvested in 2022.

Having its own processing plant makes it possible for Norcod to invest further in the automation of the processes. It will also be possible to expand production to value-added products and better handling of the cod liver. Introducing value-added products will improve overall profitability. The value-added product will result in increased by-product, which along with the offal's can be sold for collagen production in a scale where it is economically attractive. This raises the utilization of the fish from 90 % to 98 %. This upside has not been incorporated into the budget but can increase the profitability significantly.

Logistics / Sales

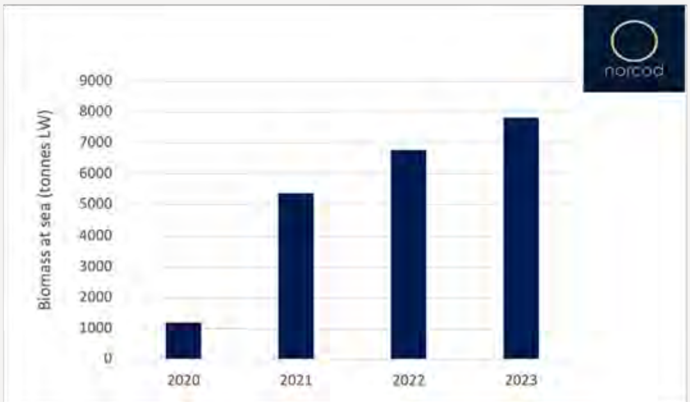
Norcod has partnered with Sirena group, one of the world's largest whitefish seafood companies. Sirena has the responsibility to market Norcod in the best possible way. Sirena has 38 years of experience of taking seafood products into the marketplace and building their position. Sirena Group also has a global sales force, ensuring that Norcod can be sold internationally through its many established customers and contacts.
Sirena Group has successfully been able to position Norcod as a premium product that taps into this demand for a delicious high-quality natural whitefish. Promotional activities have been made to help build this position, such as a site visit trips with some of the world's leading chefs. Tastings have been conducted in Tokyo and other potential markets, where new applications of cod can be made, such as for sushi. Such activities paired with the exclusive brand material and great storytelling, has given Norcod a strong position in the markets. A position that will get expanded upon as Norcod flows into the market on steady basis.

Our Operations

Norcod currently holds 6 production locations and a total of 17,519 tonnes MAB (Maximum Allowed Biomass). The Forså location is run in cooperation with Kime Akva and raises the total production capacity to 21,119 tonnes MAB.

There are several license applications pending. Step by step, we will consolidate farmed cod's position in Norwegian aquaculture. It is crucial for the industry as a whole that more applications are granted.
It is obvious that growth comes as an effect of the acquisition of new licences, but Norcod is also working on upgrading MTB at existing locations. Such may be granted if environmental surveys support an increase in production capacity.

In 2020, our pilot project and first production cycle at Jamnungen constituted the company's biomass. By comparing the volume year-on-year, we saw a development and increase corresponding to approximately three and a half times the volume at the end of 2021 compared to 2020. Furthermore, the status regarding standing biomass at sea ultimo year has changed from 5,400 tonnes (LW) in 2021 to 6,800 tonnes in 2022. This corresponds to an increase of 26 %. By the end of the reporting period Norcod held 7800 tonnes biomass at sea, up 15% from 2022.

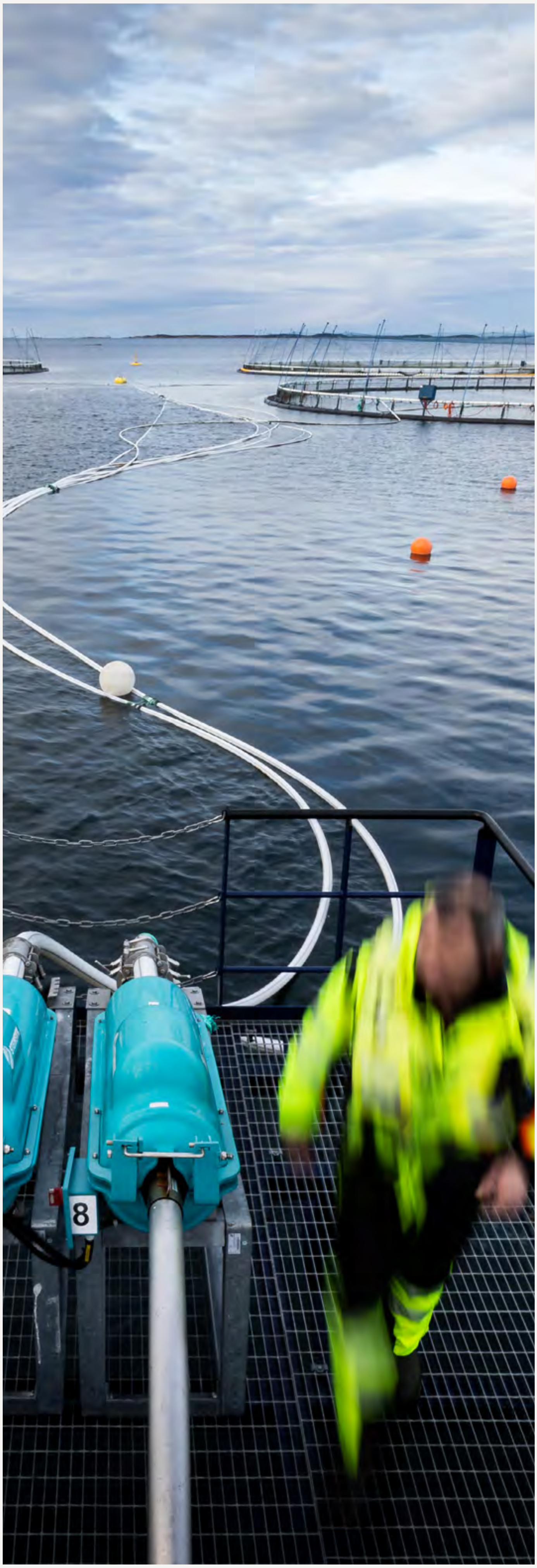


Biomass at sea end of year

Operational Focus Areas

It takes time to create a new industry on an industrial scale. Since Norcod's inception, we have been engaged in R&D projects and gained invaluable experience and knowledge. Best practice is taking shape, and the industry as a whole has come incredibly far. The conditions are right for this to become a successful and sustainable industry. Norcod uses new and modern equipment, which is of course certified according to requirements. We carry out more frequent net inspections than required by the authorities, both by external companies and our own inspections using ROV.

Continuously increased control in our operations is the key to increased welfare, safeguarding the surrounding environment and reduced production costs. Our approach to sustainable cod farming is by working throughout the whole value chain and organization to continuously assess its operation's risk elements. A broad set of applied procedures, risk analyses and contingency plans are the foundation we rely on and constantly seek to improve.



Risk (KPI)	Target	Status and approach to risk reduction
GlobalG.A.P. certification	All sites/fish GlobalG.A.P. certified	100 % sites/fish certified. In addition, Norcod complies with the GlobalG.A.P. Risk Assessment on Social Practice, GRASP.
Use of antibiotics	No use of antibiotics	No antibiotics have been used in the production. Fish welfare is ranked top priority to Norcod. To prevent prominent diseases all our cod is vaccinated prior to the sea phase. No disease has occurred to our biomass, so the available vaccine is considered to be a strong prophylactic measure.
Escape incidents	Zero escape incidents	Norcod has established zero tolerance for escapes from the fish farms. Since a minor incident in 2023, due to a limited mesh breakage in one of the nets, Norcod has not had any escapes. Daily technical inspection is performed on the cages and all nets are controlled by an ROV every 1-2 weeks. Net inspection by an external body is done once a month, which is more frequently than required.
Maturation	Limited gonad development and no maturation	Norcod has evaluated available production data and relevant scientific work on the issue devising an improved strategy to control and postpone the development of gonads in the cod. The preventive element is controlled lighting in the cages. An extended control regime for continuously mapping the gonad status of the biomass is implemented. During the winter 23/24 there has not been observed any development of gonads exceeding the threshold values.
Micro plastic pollution	Waterborne feeding technology in use on sites where it's implementable	By equipping feed barges with the technology of waterborne feeding, Norcod virtually eliminates release of microplastics from the feed hoses into the sea. As of today, we operate four such barges, and all feed barges on order are equipped with the same technology.
Seabed surveys	Best possible score	As of today, 100 % of Norcod's production sites have achieved the best possible score regarding the seabed surveys (carried out by an accredited, independent party). Local biodiversity is safeguarded, and the localities' capacity is maintained.
Carbon footprint	30 % reduction in total emissions by 2030 (Scope 1, 2 & 3) per kg edible yield	Fish farming is one of the most sustainable ways of producing healthy protein for human consumption. As a player in the aquaculture industry in Norway, Norcod takes part in a low emission value chain. Lower FCR and further electrification of the sea site equipment are focus areas. By utilizing the fish feed in an even more efficient way, considerable reduction in the carbon footprint will follow. In the aquaculture industry approximately 75 % of the total emission is related to the fish feed. Further direct emissions like use of fossil fuel will be reduced by connecting the production facilities to onshore power. Base year 2022.
Food safety	Every aspect of food safety guarded	No detection of food safety compromising substances in any of Norcod's fish. Prior to harvest every Norcod farm provides fish samples for analyses. Nutritional value is mapped and tests on foreign substances are conducted. Shelf-life study on product is also a part of the test program. All the fish is processed and packed by trained personnel at certified harvest facilities.

Sales and Market

Norcod has already proven that it is possible to differentiate and create an independent market for farmed cod demonstrated by retail contracts running through wild peak seasons. Key markets include the whole fish market in Southern- and Western Europe, and the filet market in North America and Western Europe. Future markets will also be fresh high-end markets in Asia.

Europe
Spain continues to be the main market for Norcod products. Spanish retailers have shown consistent demand and continue to promote and sell the products of Norcod. The French market, which is the largest fresh cod market in the world has also started to market the Norcod products on a steady basis in leading retail chains. Other key European markets includes Benelux, Germany and Italy. The UK is also a key target and premium retailers are in dialogue to take on Norcod cod.

Asia
China will become a major market for the Norcod products. A contract has been signed with a leading distributor who has initiated promotion activities. Other Asian markets in Asia that holds potential are Japan and Korea.

North America
North America also holds great potential. Several trials have been executed and it is expected to see sales grow during 2024.

Brand positioning
The products of Norcod will in selected markets be branded and sold as Snow Cod. This brand shall help position the product as a distinct and premium seafood product. The name brings many references to the unique selling points of Snow Cod. Firstly, it gives reference to the snow and pristine crisp environment of Norway. Secondly it references the snow white meat of the cod from Norcod. It is also a reference to the cleanness of the meat, as it is considered parasite free and hence sashimi grade. Furthermore, it gives associations to freshness to help communicate that the Norcod cod has superior freshness, as it goes direct from the ocean to the harvest facility.
Norcod cod has superior freshness, as it goes direct from the ocean to the harvest facility.

Adding Additional Value
Working with partners that can help further distinguish the product in terms of usages where its superior flavour, texture, freshness and sashimi grade are taken advantage of, is also part of the market strategy. As an example, a partnership with a Danish smokehouse has shown how Snow Cod can have distinct usages that aren't applicable for the wild- caught cod. This cold-smoked Snow Cod product shows great potential for further expansion. Sushi, Sashimi and portioned processing and packaging for retail displays are other ways that can provide higher pricing for the product.

Sales and Market Outlook
The key to Norcod's future success lies in its sales prices. The company has now reached a point where it can supply cod year-round, clearly differentiating it from wild-caught cod, which is only available seasonally. At the same time, macroeconomic trends indicate a declining supply of wild cod, further emphasizing the importance of Norcod's existence.

Farmed cod is a sustainable and viable alternative for the customers securing year-round supply and helping reduce the pressure on the wild stocks positioning farmed cod as a reliable and sustainable future protein source. The world is looking for pure and sustainable sources of food to serve increased human demand. The Norcod product clearly demonstrates its market potential and naturally fits in.

Therefore, Norcod was pleased to announce

on January 11th a contract with a distribution chain from China. The contract represents a modest volume of Norcod's total sales for 2024, but it is an important step towards a profitable and healthy business.
As the market develops, it is expected that prices will also rise. Exporting to China is a significant milestone and paves the way for other new and exciting markets that Norcod can enter. Norcod's goal is to eventually earn minimum 20 NOK/kg. WFE (Whole Fish Equivalent).

Cod Farming in a Sustainable Global Food System

A fundamental transformation of our global food system is needed during the next decades. Food systems are instigating 60 % of biodiversity loss, generate up to a third of human greenhouse gas emissions and are responsible for 70 % of the water extracted from nature. If we do it right, food from the ocean can play an important role. We must provide healthy food for a growing population, using fewer resources and with a lower impact.

Norcod is an innovative producer of premium Atlantic Cod, positioned as the industry leader of cod farming. As a leading pioneer in sustainable, naturally raised cod we take great pride in delivering a premium quality product through cultivation methods that are highly respectful of our shared ocean resources. Our practices align with several UN Sustainable Development Goals, including Life Below Water and Responsible Consumption & Production.

Sustainable aquaculture is essential to solving this global challenge. And our solution is grounded in a responsible 360-approach covering every part of our operation. Aquaculture has the potential to be an important part of the solution. 70 % of the Earth is covered by ocean. Today, however, we obtain only about 2 % of our food from the sea. There are limits to the volumes of wild fish that can be sustainably harvested.

Sustainable aquaculture can meet the increased demand for seafood in people's diets. With a low carbon footprint, low feed conversion ratio, low land and freshwater consumption, and a high edible yield. Farmed cod is one of the most eco-efficient forms of animal protein. In addition, farmed cod is a nutritious food with numerous proven health benefits.

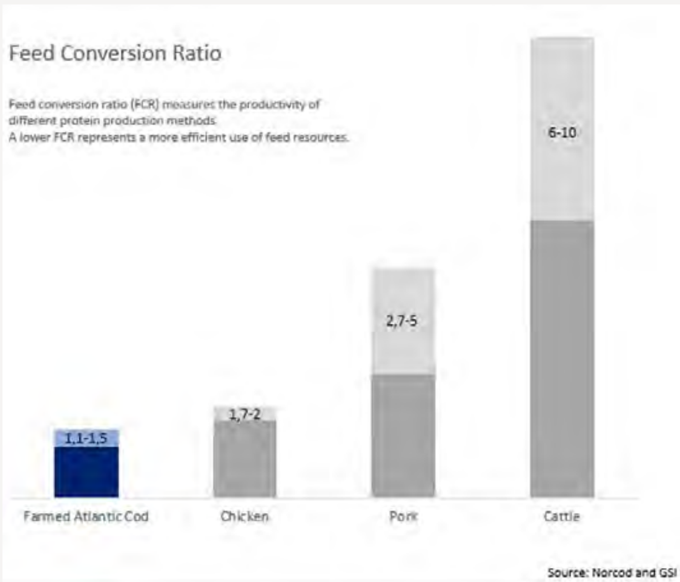
THE CARBON-CUTTING COD
Compared to livestock farming, the Norcod aquaculture system leaves a much smaller carbon footprint, making our Atlantic Cod a more sustainable food source. We have even opted for electric vessels.

THE BLUE OCEAN STRATEGY
Despite covering 70% of the Earth's surface, just 2% of our food comes from the ocean. We offer a sustainable solution that brings fresh Atlantic Cod to dinner tables all over without depleting natural resources.

PACKED WITH NUTRIENTS

Cod is not only flavorful but also highly nutritious. It's an excellent source of lean protein, vitamins, minerals, and Omega-3, making Atlantic Cod a great component of any healthy diet. In fact, 96% of its calories come from protein.

ANIMAL HEALTH & WELFARE
We are strongly committed to upholding the health and welfare of our Cod. Carefully developed practices ensure a well-balanced growth and sustainable performance of our stock through natural feeds of highly digestible proteins and lipids.

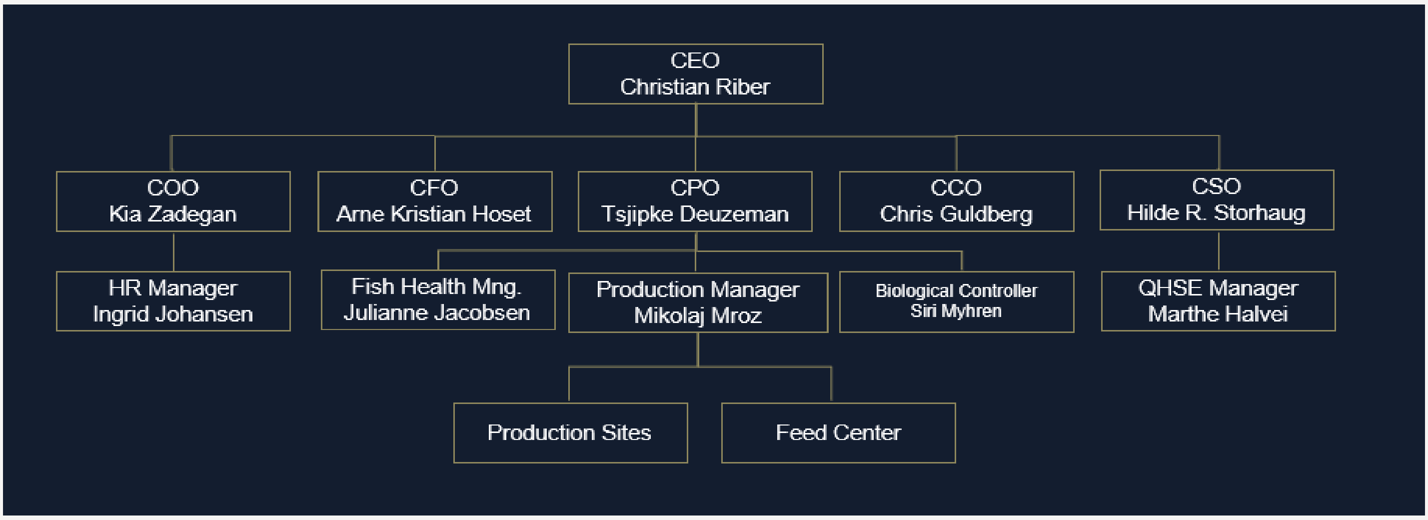


There is no doubt that we're facing some challenges we need to solve, and as we develop as company we aim to continuously do better. By ensuring co-existence with nature and other species and improved fish welfare, we will be able to provide nutritious food for a growing population and at the same time protect nature and biodiversity. Our employees are of high value to the company and will always be safeguarded. It is also Norcods priority to ensure social and economic justice for producers in our supply chain.

Fish feed is the heaviest input in our production, both in terms of costs and the environment. This resource must be managed in the most efficient way possible, and the raw materials on which the feed is based must come from exclusively sustainable sources. Feed is accountable for approximately 75 % of our carbon footprint, and by lowering our cod’s feed conversion ratio we can make a significant reduction in the CO2 footprint.

The entire industry needs to invest in a higher degree of recycling and move towards further utilization of used equipment components, in order to gradually move from a linear to a circular economy. Norcod has implemented strict waste management plans but has not yet scrapped equipment of larger volumes. Nevertheless, we will in cooperation with equipment suppliers actively contribute to important development projects that promote recycling and circular economy. For the reporting period 2023, Norcod will publish its first independent ESG report. We are proud to be able to increase transparency on the production of our high quality, sustainably produced cod. Based on a double materiality assessment, we shed light on important topics that are important to both internal and external stakeholder groups. The ESG report will be published on Norcod's website.

The Organization Structure



Norcod is aware of its social responsibility. Our goal is to combine healthy business operations with a clear responsibility for society and the environment. Norcod complies with Norwegian working environment law and the ILO (International Labour) standard. Both the personnel and HSE handbook are built around the Working Environment Act and are available to all employees.

Employees who work with independent third parties such as suppliers, consultants, advisers, agents or the like must familiarize themselves with the company's ethical guidelines and ensure that they agree to comply with relevant parts of the ethical guidelines. If deviations occur, measures must be implemented to ensure compliance. The cooperation must be terminated if suppliers show inability to comply with Norcod AS's ethical guidelines.

The legislation of each country must be followed, as well as Norcod AS 'own rules, quality systems and routines. In cases where there are discrepancies between these, as a general rule, the most stringent requirements must be complied with.

Our goal is to contribute to positively influencing the work for human rights, labor rights and protection of the environment, both in our own group and vis-à-vis our trading partners.

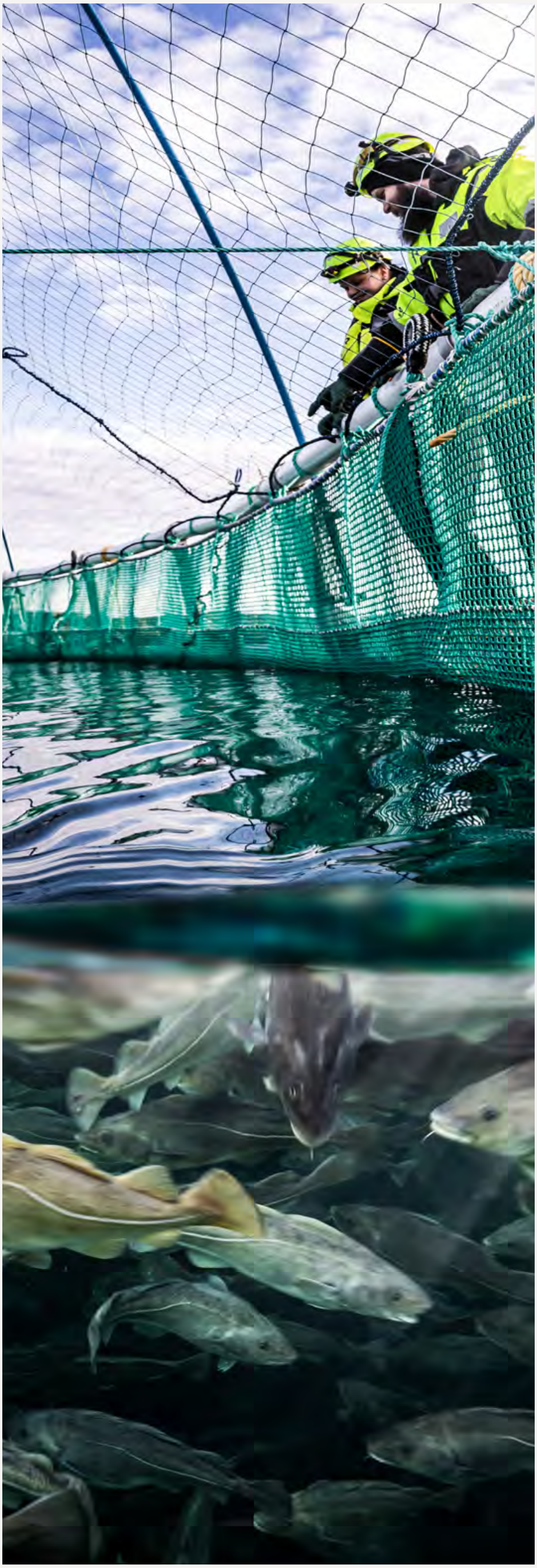
Rules of business practice; Norcod AS's business information shall be communicated precisely and in detail, both internally and externally. All information required for accounting and reporting must be correct and reproduced in accordance with laws and regulations, including relevant standards.

We will continue our efforts to keep our organization attractive and competitive by hiring, developing, engaging, rewarding and retaining a highly skilled and diverse group of employees.

Our focus on practicing fair employment and fair working conditions, diversity and equality in the workplace is an integral part of both our operations and our supply chain. We will continue our efforts to ensure a skilled and sustainable workforce, a responsible supply chain and good business partnerships going forward. Norcod will continue our efforts to embed diversity and inclusion elements in our daily operations and recruitment practices to ensure discrimination and unfair practices is not taking place.

We believe that successful growth of the industry within a sustainable framework only is possible by overcoming biological challenges and contribute to developing a high-performance cod feed. Research and development (R&D) is integral to our green visions for a blue future. We focus on creating sustainable value and competitive advantage by making improvements and breakthroughs in cooperation with strong suppliers and research organizations. Our Production, Fish Health and Sustainability Managers work directly with technical staff at our operating units through participation in collaborative projects.

This ensures that our work unceasingly benefits from a culture of shared expertise and knowledge. Through collaboration and the allocation of defined responsibilities, we ensure knowledge sharing and continuous improvement throughout the organization.



Board of Directors' Report

Norcod is the leading producer of farmed cod. The company's core business is commercial farming of cod in marine facilities, and the company is also involved in the entire value chain through cooperation with key players. Norcod's head office is in Trondheim and the company's fish farms are located in central Norway, Frøya Municipality, the county of Nordland, Meløy and Nesna Municipality, and the county of Troms, Ibestad Municipality, where conditions are ideal for cod.

Norcod contributes to a sustainable sea with minimal environmental costs and active support of local communities. In this matter Norcod contributes to the blue value creation. The company's shares are admitted to trading on the Oslo Stock Exchange Euronext Growth. A presentation of the Board of Directors is found below. The board members are covered by the Group's Directors and Officers Liability Insurance.

CEO and Chair of the Board Oceanfood AS

- Several years of extensive board experience.
- Chair of the Board in Helse Nord RHF
- Board member in Mowi ASA,
- Board member Bane NOR SF
- Board member the Norwegian Handball Federation.
- Previously, Larsen has served as board member in among others Folketrygdfondet, Nofima and several companies in the Lerøy Group
- Several years of extensive management experience, serving among others the Norwegian Seafood Council as CEO and Lerøy Aurora as CFO and CEO

Co-founder & President

- 35 years as co-founder and president of Sirena Group
- Co-founder of Whitecap International Seafood Exporters

CEO, Artha Holding A/S

- Comprehensive Executive Board experience
- Proven M&A track record
- Extensive start-up experience
- Banking background

CEO, Sirena Group

- Mr. Spurré has previously held various positions as both financial director, managing director and finance & administration manager.
- Copenhagen Business School

CEO Stiim Aqua Cluster

- Azul Holding AS (chair of the board)
- Bulandet Miljøfisk AS (board member)
- Nortuna Holding AS (board member)
- Scale Aquaculture Group AS (board member)
- Previously served as state secretary in the Norwegian Ministry of Trade, Industry and Fisheries, and has held various positions (both management and board seats) within the industry

CEO, Highliner Foods

- CFO and SVP Finance at Sobeys
- Harvard Business School Executive Education

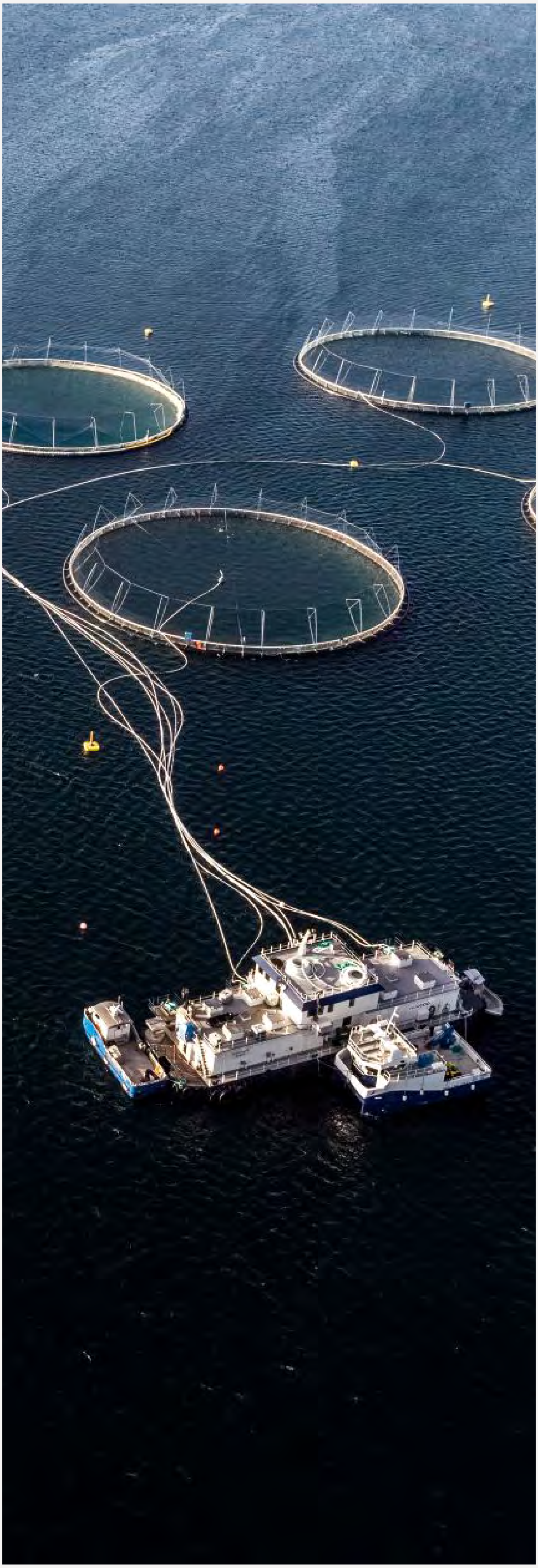
The Company's Operations & Locations

Norcod has reached many milestones and achieved its production targets since the company's inception. Focus on fish welfare and efficient production with a low CO2 footprint is the foundation of Norcod's existence. Our mission is to help ensure that more of the world's food production comes from the sea.

Blue value creation within the existing framework for management and sustainability is our approach to the blue future.

Norcod has access to the best fry, bred for optimal health and yield. They are farmed in their natural cold-water habitat along the coast of Central and Northern Norway. The global market is increasingly demanding stable deliveries of fresh cod all year round. For the first time, high-quality farmed cod can be produced on a large scale to meet demand. Clean and productive ocean is important to the world's population, and to ensure food safety for all seafood we grow or harvest from the sea.

By devoting our focus to the employees, the cod, the local and global environment, the company contributes to increased blue value creation. Through the production of sustainable protein from the sea, we take our responsibility related to economic, social and environmental sustainability. We believe that more of the world's food production should come from the ocean.



Highlights in 2023

During the year, Norcod went through several operational and structural changes. In the first quarter, maturation and gonad development on sites Frosvika and Mausund arose. As a precautionary measure, the Norwegian Directorate of Fisheries imposed the company to execute accelerated harvesting of the two sites, which impacted production volumes, sales prices, and cash flows from operations negatively.

To strengthen operational liquidity and increase biomass in accordance with the company's production plan, Norcod successfully raised MNOK 190 in net proceeds through a private placement and subsequent offering in the first half of 2023. In May 2023, Norcod divested its investment in associated company and fry producer Havlandet Norcod AS. This enabled the company to invest heavily in biomass and value chain integration during the year. Investment and development highlights are described in the sections below.

In 2023, Norcod stood for 71% of the total Norwegian export volume of harvested farm raised cod. The company's ambition is to be the leading cod farmer globally, offering weekly, year-round deliveries of high quality fresh cod to attractive markets. The company has been working continuously on the optimal strategies and initiatives to deliver on this ambition. During 2023, biomass investments are more than doubled from previous years. The net growth during 2023 is 4 600 tonnes, amid heavy investments in biomass and a satisfactory feed conversion rate and stable and predictable mortality.

Alongside biomass investments, the investments in Kråkøy Slakteri increases the predictability on harvest and market planning and secures efficiency gains. In December, a new processing line was installed in Kråkøy, enabling a more efficient processing plant for farmed cod. Alongside biomass investments, the acquisition of Kråkøy is deemed instrumental in establishing the basis for future growth.

As of year end 2023, Norcod's biomass at sea totaled 7 817 tons. Based on official statistics, the Company holds 52% of the total biomass volume, reaffirming Norcod's position as the major cod harvester. During the year, Norcod harvested 6 155 tons WFE. Norcod's main market during 2023 has been Central and Western Europe. During Q1-2024 Norcod has been granted a new contract with an Asian customer at favorable market prices, and the company has an ambition to strengthen its market position in the Asian market during 2024.

Reporting framework on gonad development and maturation on farmed cod.

During H2-23, Norcod, Fiskeridirektoratet and other players in the cod farming industry have been working actively on developing guidelines for monitoring and mitigating gonad development on farmed cod. The intention is to conclude on a common set of guidelines that provides direction for the cod farmers on how to minimize any biological and environmental risk related to maturation, and at the same time enables the cod farming industry to operate on predictable and sustainable terms and securing operational headroom. The industry players and the authorities share the same objective – to minimize any biological, ecological, and environmental risk and to establish common principles for a sustainable industry.
In early December, Fiskeridirektoratet suggested a reporting framework on gonad development. The reporting framework is supported by well documented research from Havforskningsinstituttet and other established knowledge environments. The intention with this reporting framework is to form the basis of the controlling and risk mitigation of gonad development.

The reporting framework is the first step in developing a holistic methodology on how to monitor and formally report gonad development. As for the time being, the reporting framework is under review. Norcod's assessment is that at current stage in the process, the suggested reporting framework supports the company's already established working and controlling methods, and has limited impact on the company's operations.

Going forward, production and harvest volume shall be beneficial for the environment, our customers, and our shareholders. Norcod is working diligently to streamline the company, cut costs and optimize the processes to be able to deliver on the ambitions.

Sustainable Focus & Organic Growth Potential

Norcod takes an active position on the UN's sustainability goals for sustainable food production. Based on collaboration throughout the value chain, the company produces one of the most efficient animal protein sources for human consumption. Norcod's contribution is considered to be valuable for a future where we all should focus on meeting today's needs, without destroying the opportunities for future generations to meet their needs.

An important strategic element for Norcod is related to technology and equipment for the production sites. Focusing on sustainable production and reducing the carbon footprint, the company will, as far as possible, use electrified vessels and hybrid solutions for the feed barges. Implementing waterborne feeding results in less energy consumption and a calmer environment for our employees, the cod, and surroundings. Waterborne feeding also reduces the amount of microplastic released into the ocean, due to less erosion of the feed pipes.

With the aim of reducing the climate footprint, we will continuously seek technical solutions and alternatives to input factors for the company's production. This is to ensure a good working environment, fish welfare and the lowest possible impact on the surroundings. Through the production of sustainable protein from the sea, Norcod takes responsibility related to economic, social, and environmental sustainability. Read more about the company's approach to sustainability in the annual report's section Green Visions for a Blue Future.

Research and Development

We believe that successful growth of the industry within a sustainable framework is only possible by overcoming biological challenges and contributing to developing a high-performance cod feed. Research and development (R&D) at Norcod lay in our DNA and is integral to our green visions for a blue future. We focus on creating sustainable value and competitive advantage by making improvements and breakthroughs in cooperation with strong supplier and research organizations. Our Production, Fish Health and Sustainability Managers work directly with technical staff at our operating units through participation in collaborative projects. This ensures that our work unceasingly benefits from a culture of shared expertise and knowledge. Through collaboration and the allocation of defined responsibilities, we ensure knowledge sharing and continuous improvement throughout the organisation.

Financial Review for the Group

Figures below are Group figures according to IFRS unless specified otherwise.

Income Statement

Norcod generated revenues of MNOK 269 in 2023 (MNOK 171). This corresponds to a volume of 6 155 tons WFE /4 924 tons HOG (3 837/3 070). This resulted in an operating loss before fair value adjustment of biomass of MNOK 254 (MNOK -123) and an operating loss of MNOK 216 (MNOK -281). The net loss for the period ended on MNOK 246 (MNOK -297) after financial expenses and tax. It has been a challenging year for the company, with accelerated harvesting and increased transportation and well boat costs compared to 2022. Earnings per share was NOK -10.54 (NOK -15.50).

Statement of Financial Position

Norcod's carrying amount of total assets were MNOK 695 as of 31.12.2023, an increase of MNOK 153 from MNOK 542 as of 31.12.2022. Property plant and equipment increased by MNOK 72 from MNOK 77 as of 31.12.2022 to MNOK 148 as of 31.12.2023 amid the purchase of Kråkøy Slakteri, offset by depreciations on existing machines and equipment. Right-of-use-assets increased by MNOK 75 from MNOK 124 as of 31.12.2022 to MNOK 199 as of 31.12.2023 amid investments in equipment at sea. Biomass increased by MNOK 65 from MNOK 206 as of 31.12.2022 to MNOK 272 as of 31.12.2023 including a biomass write down of MNOK 122. The main reason for the write down is an adjustment of the expectations to future sales prices and cost of completion on the biomass, impacting the expectations to future earnings. Cash and cash equivalents increased by MNOK 15 from MNOK 4 as of 31.12.2022 to MNOK 19 as of 31.12.2023.

Total liabilities ended at MNOK 470 as of 31.12.2023, an increase of MNOK 105 from MNOK 365 as of 31.12.2022. Non-current interest bearing debt to financial institutions increased from 0 MNOK in 2022 to 29 MNOK in 2023 due to the acquisition of Kråkøy Slakteri and the conversion of debt from shareholders. Non-current interest bearing debt to shareholders decreased from MNOK 88 as of 31.12.2022 to MNOK 0 as of 31.12.2023 due to conversion of 87% of the nominal loan amount from shareholders including accrued interest to equity. Leasing liabilities increased from MNOK 77 as of 31.12.2022 to MNOK 157 as of 31.12.2023 amid investments in equipment at sea whereas trade payables increased from MNOK 114 as of 31.12.2022 to MNOK 136 as of 31.12.2023 amid increased operational activities. Current interest bearing debt decreased from MNOK 158 as of 31.12.2022 to MNOK 119 as of 31.12.2023 due to the shareholder debt conversion of MNOK 88 mentioned above offset by increased bank overdraft. During the year Norcod was granted a new overdraft facility from DNB of MNOK 50. Total equity as of 31.12.2023 ended on 225 MNOK, up from MNOK 177 as of 31.12.2022.

Cash Flow Statement

Net cash flows from operating activities in 2023 ended at MNOK -231 (MNOK -202) amid significant cash usage for build-up of biomass and fixed assets. Net cash flows from investing activities in 2023 was MNOK 67 (MNOK -47) due to repayment of loans from associated company and divestment of shares in associated company, offset by the acquisition of Kråkøy Slakteri and purchase of production equipment. Net cash flows from financing activities in 2023 was MNOK 180 (MNOK 223) due to increased bank overdraft of MNOK 51 and proceeds of share issue of MNOK 185, partly offset by repayment of debt and lease liabilities. Total net cash flow ended at MNOK 15 (MNOK -26).

Financial Review for the Parent Company

(Unless stated otherwise, 2022 numbers are in parentheses)

Figures below are parent company figures according to Norwegian GAAP unless specified otherwise.
The parent company generated revenues of MNOK 249 in 2023 (MNOK 171). This corresponds to a volume of 6 155 tons WFE /4 308 tons HOG. Operating loss was MNOK 212 (MNOK 281). The net loss for the period ended at MNOK 254 (MNOK 299) after financial expenses and tax. It has been a challenging year for the company, with accelerated harvesting and increased transportation and well boat costs compared to 2022.

Total assets as of 31.12.2023 was MNOK 524, up from MNOK 508 at 31.12.2022, mainly due to increased investments in biomass. Total liabilities as of 31.12.2023 was MNOK 306, down from MNOK 330 as of 31.12.2022 due to conversion of 87% of the nominal loan amount from shareholders including accrued interest to equity, partly offset by increased bank overdraft and increased accounts payables. Total equity ended at MNOK 218, mainly due to the net result of the year, partly offset by share capital increase during the year.

Net cash flows from operating activities ended at MNOK -248 (MNOK -258) amid significant cash usage for build-up of biomass. Net cash flows from investing activities ended at MNOK 52 (MNOK -18) due to repayment of loans from associated company and divestment of shares in associated company, offset by the acquisition of the shares in Kråkøy Slakteri and purchase of production equipment. Net cash flows from financing activities ended at MNOK 210 (MNOK 251) mainly due to increased bank overdraft and proceeds of share issue of MNOK 185, partly offset by repayment of debt and lease liabilities. Total net cash flow ended at MNOK 14 (MNOK -26).

Result & Allocation

In 2023 the parent company reports an annual loss after tax of MNOK -254. The Board of Directors proposes the following allocation of the net loss for the year:

Transferred to retained earnings: MNOK -254.
Total allocation: MNOK -254.

Operational Risk & Risk Management

Norcod's operational risk include those relating to biological production, farming operation and market, sales, and distribution. Through detailed risk assessment of the company's activity, many risk factors have been mapped and procedures and routines have been implemented to reduce the chance of unwanted conditions occurring.

A summary of some of the risks may be found below.

Biological Production

Norcod set its first cod into the sea in the beginning of 2020 and have since then gained valuable experience related to the welfare and behaviour of the cod. Norcod has had relatively low mortality rates and also seen particularly good growth rates and feed utilization. At the end of 2023, production data shows that the overall feed conversion rate in the biomass is 1.05, and that 93% of the harvested volume holds superior quality.

The cod is carefully followed up by internal systems and external fish health service to reduce these biological risks.

Farming Operation

Norcod has established four farming sites. The farming activity is stable, and all equipment is regularly inspected in accordance with our internal inspection procedures and external audits. The equipment is maintained and cleaned to minimize operational risks in accordance with Norcod's maintenance program.

Market, Sales & Distribution

The Cod market is volatile, with price fluctuations within a relatively short time span. Norcod will mitigate part of the price fluctuation risk by selling a large part of its production on contracts and only a smaller volume in the daily market.

Financial Risk & Risk Management

Norcod's financial risks include those relating to currency exchange, interest rates, credit and liquidity.

Currency Risk

Company sales of end products, fresh cod, are denominated mainly in EUR. The Group's revenues are exposed to currency risk.

The funding arrangement with Artha Cod Ansvarligt Lån P/S is originally in the foreign currency DKK. Due to this, Norcod is exposed to currency exchange rate fluctuation affecting the company's cash flow and profits. All other cash is currently held in the local currency NOK.

Interest Risk

Norcod's leasing liabilities and debt to financial institutions are exposed to variable interest rates. This means that Norcod is exposed to changes in interest rates. Adverse movement in interest rates in the future may therefore have a material adverse impact on the Company's financial performance. The book value of biological assets are recognized at net present value of estimated revenues less remaining production costs and is exposed to changes in interest rates.
Artha Holding A/S loan is at fixed interest rate.

Credit & Liquidity Risk

Norcod is exposed to credit risk related to customers' ability to fulfil their financial obligations. Norcod only has one customer which is deemed to be financially strong and hence the credit risk is considered low.

Liquidity risk is currently based on the company's financial position, leasing arrangements and access to financing in the capital market. These may impact the company's ability to meet its financial obligations in the day-to-day activities. Further information is included in the subsequent events section of this report.
The Board of Directors assesses the available liquidity at the end of 2023 to be sufficient to finance the company's ordinary operations and operational investments. Overall, the company's credit and liquidity risk are at an acceptable level and under control.

Corporate Social Responsibility

The Board of Directors of Norcod is aware of its responsibility for the development and implementation of internal procedures and regulations to ensure that the Company and its subsidiaries complies with applicable principles for good corporate governance. The Board has defined the company's overall vision as "Leading producer of sustainably raised cod – Cod Above the Rest". Closely linked to the vision are the company's values "Quality", "Fresh", "Transparent" and "Devoted".

Norcod is made up of individuals with different backgrounds, nationalities, cultures and customs. Their conduct - what each and every employee does and says each day - determines the company's ability to succeed as an organization. The Code of Conduct sets standards for behaviour that can be expected between colleagues, and that external parties can expect from employees of the company. The Code of Conduct was updated in 2023. It has been communicated to employees, and it is expected that all employees make a personal commitment to abide by the Code of Conduct. Testing of each employee's understanding has been, and will continue to be, carried out regularly. The most recent test was performed in 2023. The Code of Conduct is available at the company's website.

Working Environment, Discrimination & Equality

As of 31 December 2023, the Group had 93 full-time employees and 5 temporary workers. The aquaculture industry has traditionally to a large extent been male dominated, but in the Group 33 % of the employees are women and 67 % are men. The gender balance in Norcod was above the average of the Aquaculture Sector in Norway which, according to the Directorate of Fisheries, was 82 % men and 18 % women. Both men and women are represented in the management and in the board. 1 of 5 are women in the management, and 2 of 5 board members are women. The company aims to be a workplace in which women and men are equal, and where it is no gender-based discrimination in payment, promotion or recruitment. Further the company aims to be a good and safe workplace where there is no discrimination on the ground of ethnicity, country of origin, colour, religion, reduced functional capacity or in other areas. Norcod had a sickness absence rate of 6 % in 2023. There are various reasons for the total sick leave. We experienced 2 injuries which led to long term absence, 4 injuries which led to short term absence and 11 injuries which did not lead to absence.

Reporting on the Norwegian Equality and Anti-Discrimination Act for the Parent Company

The parent company is subject to the reporting requirements in the Transparency act. The gender balance in the parent company as of 31.12.2023 is as follows:

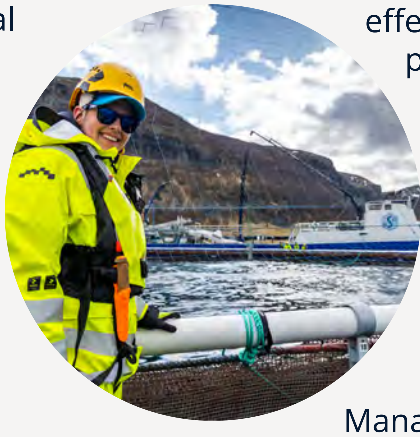
	Women	Men
Group management level	1	4
Manager level	2	4
Other employees	12	32
Part time employees	0	0
# of weeks of maternity/paternity leave	0	0
# of weeks of unvoluntary part time leave	0	0

Detailed research of the salary and benefit arrangements has been carried through in the company. There is no indication of gender- based payment discrimination. Average salary for women is 81% of the average salary for men. Management positions have in general higher salary than other positions, and because there are more men than women in management positions, the average salary is higher for men than women.

	Women	Men
Average salary as of 31.12.2023	569 457	703 468

Impact on External Environment

Norcod's way of farming is a sustainable production method that limits the impact on scarce resources of the planet. Norcod's value chain is depended on sustainability and Norcod's core business of raising cod in marine facilities meets several of the UN's 17 sustainable development goals. The following 5 are emphasized to a greater extent: no hunger, good health, responsible consumption, life below water and partnerships for the goals. Together with these goals Norcod invests to minimize its impact on the external environment, this is reflected in the prioritizing of new and sustainable production methods and equipment, focus on animal welfare and investments in a new catamaran and feed barges which are equipped with new technology reducing fuel consumption, admissions, and generator maintenance.



Norcod is also implementing waterborne feeding technology on the last two barges. This contributes to reduced energy consumption, as well as reducing the release of microplastics from the feed hoses into the sea. The catamaran service vessel is also electrified, which will dramatically reduce direct emissions, as well as limiting noise during daily operations. This benefits not only the fish but also Norcod's employees and the surrounding environment.

Anti-Corruption & Ethical Code of Conduct

Norcod denounces all forms of corruptions and is very conscious of its responsibility regarding ethical conduct, society at large and the environment. The company strives for a culture of transparency in all areas and have established an ethical code of conduct for the employees. These common principles reflect the company's values and supports that employees make the right decisions when needed. For instance, this includes the use of correct business conduct, conflicts of interests, entertainment and travel expenses, giving and receiving gifts, processing information and duty of confidentiality, how to handle inside information, corruption, whistleblowing, bribes etc. The management is responsible for ensuring compliance with the conducts, but the employees are responsible for practicing the ethical code of conduct. Norcod uses an external accountant, KL Økonomi og HR AS.

Reporting on the Transparency Act

The board has been briefed on activity and reporting requirements in accordance with the Transparency Act, which was effective as of 1st July 2022. The purpose of the act is to promote Norwegian businesses' respect for human rights and decent working conditions. The report for Norcod will be published on the group's website within the deadline of June 30, 2024.

Going Concern

Management is continuously evaluating the company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, all available information for the future is taken into account. During the first half of 2024 the company has initiated actions to secure the company's ability to continue as a going concern. The initiatives are described in the section on subsequent events in this report.

Based on the initiated actions, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern and that this assumption was realistic at the time of the approval of the statements. It is the Board's opinion that the Income Statement in the parent company and consolidated statement of comprehensive income in the group financials with notes and Balance Sheet in the parent company and consolidated statement of financial position in the group financials with notes, provide accurate information on the operations and the financial position at year-end.

Subsequent Events

Capital injection through private placement.

To strengthen operational liquidity and finance further investments in biomass in accordance with the company's production plan and to develop two new locations, Norcod successfully raised 170 MNOK in gross proceeds through a private placement of 14.166.667 offer shares at a subscription price of NOK 12 per share in February 2024. The Extraordinary General Meeting held on March 15, 2024 resolved the private placement.

Moreover, the extraordinary general meeting on March 15, 2024 resolved to carry out a subsequent repair offering of up to 1.333.333 new shares at a subscription price of NOK 12 per share. The subsequent repair offering was directed towards existing shareholders in the company who were not allocated offer shares in the private placement.

Following the registration of the share capital increase, the company will have a registered share capital of TNOK 21,902 divided into 43.803.164 shares, each with a nominal value of NOK 0.5. Following the private placement, the three main shareholders are Artha Kapitalforvaltning (43,6%), Highliner Foods Inc. (10,1%) and Sirena Group (9,6%).

The net cash contribution from the private placement and the subsequent repair offering totals 167 MNOK.

Extension of bank overdraft

Norcod's overdraft facility of 125 MNOK issued by DNB was originally due for repayment in September 2024. However, in the second quarter of 2024, DNB agreed to extend the repayment by one year to September 2025. Other main terms and conditions are unchanged. The extension of the overdraft with one year strengthens Norcod's operational liquidity at predictable terms and contributes to steady liquidity in the company's running operations.

Notice of proceedings

During Q4-23, Norcod made capacity adjustments to align future production with the company's growth plan. In February 2024, the company received a notice of proceedings from a contracting party for a claim regarding what is argued to be a rejection of delivery in breach of contract. Norcod has rejected the claim, but has made provisions in its accounts based on estimates and risk assessments. At the date of the approval of the Annual Financial Statements for 2023, the parties have reached an agreement and settled the claim.

Market Conditions & Future Outlook

Despite the challenges in the first half of the year resulting in Norcod's reduced biomass growth plan throughout 2025, the fundamentals are positive and the market outlook for Atlantic cod in the longer time perspective is good. There has been a decline in global supply of Atlantic cod since 2013. In 2023 there was a decrease in the quota and it is expected that there will be less fresh Cod available in the years to come. Prices have seen an upward trend since 2013, due to market & product development and decrease in stocks. Prices are however expected to increase in 2024 due to increased demand caused by the recovering of the pandemic. Going forward, Norcod will continue to focus on operational improvements. Our core business will continue to develop along our three main pillars: Growth, lower cost and value chain integration. We are putting sustainability at the core of all our activities to achieve excellence, as expected from our stakeholders.

Trondheim, 30th May 2024

Renate Larsen
Chair of the Board

Peter Buhl
Member of the Board

Trine L. Danielsen
Member of the Board

Boe R. Spurre
Member of the Board

Jan S. Sølbæk
Member of the Board

Paul Jewer
Member of the Board

Christian Riber

Christian Riber
General Manager/CEO

The Consolidated Financial Statement

Consolidated statement of comprehensive income

(Amounts in NOK '000)	Note	Full year 2023	Full year 2022
Operating revenue	1, 2	**269 419**	**170 541**
Cost of materials and change in inventories	3	315 439	168 730
Salaries and personnel expenses	4	67 845	43 031
Depreciation, amortization and impairment loss	5, 6, 13	29 095	16 032
Other operating expenses	7, 8	111 532	65 833
Operating expenses		**523 911**	**293 626**
Operating profit/ loss(-) before fair value adj. of biomass		**-254 492**	**-123 085**
Fair value adjustment biomass	3	38 623	-157 808
Operating profit/loss		**-215 869**	**-280 892**
Share of profit/ loss(-) from associates	9	1 489	1 798
Net financial items	10	-34 921	-18 123
Profit/loss before tax		**-249 301**	**-297 217**
Income tax expenses	11	3 121	0
Net profit/loss for the period		**-246 180**	**-297 217**
Other comprehensive income		0	0
Total comprehensive income for the period		**-246 180**	**-297 217**
Earnings per share	12	-10,54	-15,50
Earnings per share - diluted	12	-10,54	-15,50

Consolidated statement of financial position

(Amounts in NOK '000)	Note	31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Concessions, patents, licenses, trademarks and similar rights	13	2 000	2 000
Property, plant & equipment	5	148 246	76 678
Right-of-use assets	6	198 776	123 846
Investment in associated companies	9	0	33 511
Other investments	9	505	502
Other non-current receivables	2	0	40 000
Total non-current assets		**349 527**	**276 536**
Current assets			
Inventories	3	8 093	8 712
Biological assets	3	272 052	206 758
Short-term receivables		46 344	46 427
Cash and cash equivalents	14	18 777	3 412
Total current assets		**345 267**	**265 310**
TOTAL ASSETS		**694 793**	**541 846**
EQUITY AND LIABILITIES			
Equity			
Share capital	15	14 714	9 609
Treasury Shares	15	-3 707	-3 707
Share premium		846 042	553 043
Retained earnings		-632 243	-382 267
Total equity		**224 807**	**176 679**
Liabilities			
Non-current interest-bearing debt	2, 16	29 284	0
Lease liabilities	16	124 182	60 939
Total non-current liabilities		**153 465**	**60 939**
Current leasing liabilities		32 642	16 275
Current interest-bearing debt	16	119 356	158 151
Trade payables	2, 16	135 863	114 263
Other current liabilities	19	28 661	15 540
Total current liabilities		**316 522**	**304 228**
Tota liabilities		**469 987**	**365 167**
TOTAL EQUITY AND LIABILITIES		**694 793**	**541 846**

Trondheim, 30th May 2024

Renate Larsen
Chair of the Board

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Member of the Board

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Member of the Board

Boe R. Spurre
Member of the Board

Jan S. Sølbæk
Member of the Board

Paul Jewer
Member of the Board

Christian Riber
General Manager/CEO

Consolidated statement of cash flows

(Amounts in NOK '000)	Note	2023	2022
Profit/loss before tax		**-249 301**	**-297 217**
Cash flow from operating activities			
Depreciation and amortization	5, 6	27 903	16 032
Impairment of intangible assets	13	1 191	0
Change in inventory and biological assets	3	-23 902	-132 554
Fair value adjustment	3	-38 623	157 808
Share of profit/ loss(-) from associates	9	-1 489	-1 798
Change in accounts receivable		3 235	929
Change in accounts payable		19 833	26 037
Change in other current receivables and other current liabilities		30 131	28 987
Net cash flow from operating activities		**-231 023**	**-201 777**
Cash flows from investing activities			
Payments for purchase of property, plant & equipment	5	-24 550	-36 978
Proceeds from sale of property, plant & equipment		25 153	0
Payments for licences	13	0	0
Acquisition of subsidiaries		-8 912	0
Capital contribution to associated companies	9	0	0
Proceeds from sale-leaseback transaction	5, 6	0	0
Other investments		0	0
Proceeds from sale of shares in associates		35 000	0
Change in loans associates and others	2	40 000	-10 000
Net cash flow from investing activities		**66 691**	**-46 978**
Cash flows from financing activities			
Net change in bank overdraft	16	50 865	70 144
Repayment of debt	16	-12 164	0
Repayment of lease liability	16	-34 925	-12 523
Interest paid	10	-8 987	-2 421
Proceeds from issues of shares		184 907	167 549
Net cash flow from financing activities		**179 696**	**222 749**
Net (decrease)/increase in cash and cash equivalents		15 365	-26 006
Cash and cash equivalents at the beginning of the period		3 412	29 418
Cash and cash equivalents at close of the period		**18 777**	**3 412**

Statement of change in equity

(Amounts in NOK '000)		Paid-in equity		Other equity	
2022	**Share capital**	**Treasury shares**	**Share premium**	**Retained earnings**	**Total equity**
Equity as of 1 jan 2022	8 516	-3 707	386 587	-82 158	309 238
Issue of shares 05.04.2022	1 094		166 455		167 549
Net profit/loss for the year				-297 217	-297 217
Other changes				-2 891	-2 891
Equity as of 31 Dec 2022	**9 609**	**-3 707**	**553 043**	**-382 266**	**176 679**

2023	**Share capital**	**Treasury shares**	**Share premium**	**Retained earnings**	**Total equity**
Equity as of 1 Jan 2023	9 609	-3 707	553 043	-382 266	176 679
Issue of shares 10.05.2023	3 175		176 065		179 240
Issue of shares 05.07.2023	289		19 592		19 881
Issue of shares 13.07.2023	164		9 350		9 514
Issue of shares 25.08.2023	1 477		84 196		85 673
Net profit/loss for the year				-246 180	-246 180
Other changes/ reclassification			3 796	-3 796	0
Equity as of 31 Dec 2023	**14 714**	**-3 707**	**846 042**	**-632 242**	**224 807**

NOTES

Notes to the consolidated financial statements

Notes to the annual financial statement

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Accounting Principles

Basis of Preparation

As of December 31, 2023, the consolidated financial statements of Norcod AS and the subsidiary Norcod Equipment AS (“Norcod” or “the Group”) have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. In compliance with the Norwegian Accounting Act, additional disclosures are included in the notes to the financial statements of Norcod.

The consolidated financial statements are produced based on historical cost principle with the exception of biological assets which are measured at net fair value and adjusted in the income statement.

All figures in the notes to the accounts are in NOK 1000, unless otherwise specified. The consolidated financial statements were approved by the Board of Directors at its meeting on May 30, 2024 and are subject to approval by the annual general meeting scheduled on June 14, 2024.

Revenues

Norcod recognizes revenues from customers in accordance with IFRS 15 Revenue from contracts with customers. The company’s operating revenue derive mainly from sale of cod. Revenues from the sale of goods are recognised when the control is transferred to the customer. Control is generally passed on when the goods are delivered to the customer according to the delivery terms in the sales contract. The company’s performance obligations is part of contracts that has an expected duration of one year or less.

Classification & Assessment of Items in the Statement of Financial Position

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities.

Property, Plant & Equipment (PPE)

PPE is measured at acquisition cost less accumulated depreciation and impairment. Land is not depreciated. PPE other than land is reflected in the statement of financial position and depreciated to residual value over the asset’s expected useful life on a straight-line basis. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are capitalized to the asset’s cost price and depreciated separately.

Investment in Associated Companies

Associated companies are defined as companies in which Norcod has significant influence. Norcod’s investments in its associated companies are accounted for using the equity method. Using the method, the investment in an associate is booked at cost. The amount of the investment is adjusted to recognise changes in the Group’s share of the associate’s net assets since the acquisition date. The financial statements of the associate are prepared for the same reporting period as Norcod. The statement of comprehensive income reflects Norcod’s share of the results resulting from the associate’s operations.

Other Investments
Other investments is classified as fair value over profit and loss. The fair value of the financial asset is level 3 as the investment is in a non-listed company. See also Note 3 Subsidiaries associated companies and other investments.

Asset Impairments
Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of assets at which independent cash inflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and value in use, the asset is written down to the highest of fair value less cost to sell and the value in use.

Previous impairment charges, except writedown of goodwill, are reversed in later periods if the conditions causing the writedown are no longer present.

Intangible Assets - Concessions, Patents, Licences, Trademarks and Similar Rights
Licenses are capitalised at cost. Licenses are defined as having indefinite useful economic lives and are not amortised. If there are indications of impairment, impairment assessments are done at the lowest level of assets at which independent cash flows can be identified.

Biological Assets
Biological assets are, in accordance with IAS 41 Agriculture, measured at fair value less costs to sell in accordance with IFRS 13. Biomass measured at fair value, is categorized at Level 3 in the fair value hierarchy, as the input is mostly unobservable. All cod at sea are subject to a fair value calculation, while roe and cod fry are measured at cost as cost is deemed a reasonable approximation for fair value as there is little biological transformation. The technical model used to calculate the fair value of biomass is a present value model. Present value is calculated on the basis of estimated revenues less production costs remaining until the cod is harvestable at the individual site. The cod is harvestable when it has reached the estimated weight required for harvesting specified in the company's budgets and plans. The estimated value is discounted to present value on reporting date. The expected biomass at harvest is calculated on the basis of the number of individuals held at sea farms at the date of reporting, adjusted for expected mortality up until the point of harvest and multiplied by the fish's estimated weight at harvest. The price is calculated using the Group's best estimate of future prices and are not observable. The price includes the Group's best estimate of the future prices of cod liver and other products of the cod that will be sold. Prices are adjusted for expected costs related to harvesting, sales and carriage costs. The Group applies a monthly discount rate of 2%.

Other inventory is comprised of feed. Inventories of goods are measured at the lowest of cost and net realisable value. The cost of finished goods includes direct material costs, direct personnel expenses and indirect processing costs (full production cost). Interest costs are not included in the inventory value. The cost is based on the principle of first-in first-out.

Debtors
Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for the trade debtors.

Financial Instruments
Norcod's business model and the contractual cash flows of the financial instruments held by the Group determine the classification of all Norcod's financial assets and financial liabilities. Norcod's financial instruments are classified as following:

Financial Assets at amortised Cost

Loans and Receivables
Loans and receivables, including trade receivables, are financial assets with fixed payments not listed in an active market. Loans and receivables are initially recognised at fair value plus directly attributable transaction costs. Following initial recognition, loans and receivables are recognised at amortised cost less any impairment.

Accounts Receivables
Accounts receivables are amounts outstanding from customers as a result of ordinary sales of goods as part of ordinary activities. Accounts receivables have ordinary credit time of 30 days and are classified as current assets. Accounts receivables are initially recognised at the transaction price as defined in IFRS 15. Following initial recognition, trade receivables are measured at amortised cost, less any impairment losses. Accounts receivables are measured at face value less any expected losses.

Bank deposits
Bank deposits comprise cash, bank deposits and other current investments that may immediately be converted into cash amounts without material risk of loss on the transaction.

Financial Liabilities at amortised Cost

Liabilities
Current and non-current interest-bearing debt and trade payables are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing debt is recognised at amortised cost. Trade payables do not generate interest and are recognised at face value in the balance sheet.

Financial Assets at Fair Value Over Profit and Loss
Norcod holds other investments that are not for trading. Such investments are classified as fair value over profit and loss. The fair value of the financial asset is level 3 in the fair value hierarchy as such investment is in a non-listed company.

Amortised Cost and Effective Interest Method
The effective interest method is used to calculate the cost of debt and allocating the interest over the relevant period.

Income Taxes
The tax charge in the statement of comprehensive income includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. As of reporting date, the Group has losses carried forward available for offset against future profits. No deferred tax asset has been recognised at this point, due to the financial history of Norcod. There are no time restraints on the utilisation of the losses carried forward.

Foreign Currency
Foreign currency transactions are translated into the functional currency (NOK) using the exchange rates at the transaction date. Foreign currency assets and liabilities are valued at the exchange rate at the end of the financial year, and gains and losses are classified as financial items.

Cash-Flow
The cash flow statement is prepared according to the indirect method. Cash and cash equivalents includes cash and bank deposits. The cash flow illustrates the companys total cash flow by operating activities, investing activities and financing activities.

Consolidation Principles
The Group's consolidated financial statements comprise the parent company and its subsidiaries. Consolidated entities have been assessed as being controlled by the Group during the reporting period.

Business combinations are accounted for by using the acquisition method. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Business combinations
Business combinations are accounted for using the acquisition method in accordance with IFRS 3 Business combinations.
Consideration is the sum of the fair values, as of the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the entity.

When acquiring a business, all the financial assets and liabilities are assessed for appropriate classification and designation in accordance with contractual terms, economic circumstances and pertinent conditions at the acquisition date.

The initial accounting for a business combination can be changed if new information about the fair value at the acquisition date is present. The allocation can be amended within 12 months of the acquisition date. The measurement principle is done for each business combination separately.
Goodwill is recognized as the aggregate of the consideration transferred and the amount of any non-controlling interest and deducted by the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is not depreciated but is tested at least annually for impairment. In connection with this, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the business combination. If the fair value of the equity exceeds the acquisition cost in a business combination, the difference is recognized as income immediately on the acquisition date.

Accounting Principles Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lesee applies a single recognition and measurement approach for all leases, with exception for leases with a term of less than 12 months and for leases relating to assets with a low underlying value. Non-lease components in a lease arrangement is not capitalized as a part of the lease.
A lease liability is initially recognized as the present value of lease payments that are not paid on the commencement date of the lease contract. The lease payments are discounted by using the Group's incremental borrowing rate as a discount rate. The Group assesses it's incremental borrowing rate based on it's current rating, adjusted for nature of the underlying asset and duration of the lease agreement.

A lease liability is subsequentially measured by using effective interest rate. The lease liability is revalued when there is a change in future payments due to a change in index or interest rate. The lease liability is also revalued if there is a change in the Group's estimation on residual payments in relation to the lease contract, if there is a change in estimation on utilization of an option to buy the underlying asset, or if there is a change in the expected lease term.

The right of use asset is depreciated on a straight line basis from the commencement date until the final date of the contract, except when the Group becomes an owner of the asset at the end of the lease period or has an option to purchase the asset at the end of the lease period, and it is highly probable that the Group will do so. In those cases the asset is depreciated over the expected useful life of the asset, which is the same method as used for depreciation of other operating assets of the Group. The right of use asset is adjusted for any impairment or revaluation of the lease liability.

Climate Risk
Norcod takes its responsibility towards the climate seriously, and the reader is referred to a comprehensive section in the annual report under the heading 'Devoted to Nature'. Norcod does not expect any material financial risk from climate issues in the foreseeable future.

Significant Accounting Judgements, Estimates & Assumptions
The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Uncertainty about these judgements and estimates could result in outcomes that require a material adjustment to the reported amounts of assets, liabilities, revenues and expenses in future reporting periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are listed below. Management has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of management.

Valuation of Biological Assets
Biological assets are measured at fair value less costs to sell. For a more detailed description of the accounting policies applied, refer to the description provided under accounting policies and in the note on biological assets. The key assumptions in the valuation of biological assets are volume, costs, price and discount rate. For fish ready for harvest on the balance sheet date, uncertainty mainly involves realized prices and volume. For fish not ready for harvest, the level of uncertainty is higher, and for this category, uncertainty related to remaining production costs, remaining biological transformation and remaining mortality up to harvest date applies.

Biological assets are fish in the sea. In accordance with IAS 41 and IFRS 13, the biological assets are valued at fair value less costs to sell. The difference between the fair value adjustment of the biological assets at the beginning and the end of the period is recognized as a fair value adjustment in the income statement. The technical model for calculating fair value is a present value model. The assets to be valued are in the sea and are exposed to operational risk. All harvest is in the future, normally within the next 1 to 18 months. The following factors affecting the calculation of fair value of biomass are uncertain: volume, growth rate, price, cost and discount factor.

The volume of fish may be lower or higher than expected. The calculation of fair value is done for each site and specifying the biomass includes both the number of fish and the estimated average weight. This estimate includes considerable uncertainty. Estimated produced biomass is based on assumptions about growth and mortality from the date the fish is put to sea, adjusted for any controls done during the production period, until the fish is harvested. Uncertainty about the growth rate affect the time of harvest and the period of discounting. Changes in regulatory conditions and forced harvest or destruction required by the authorities cause uncertainty about the harvest volume.

The prices are based on estimated market prices. However, changes in regulatory issues can lead to changes to the harvest plans, which in turn results in harvesting at different times with other prices than the valuation model assumes. Achieved price is also affected by the quality distribution of the fish, which only to a limited extent can be observed and assessed before harvest. The estimate of the quality distribution will be subject to considerable uncertainty and affect the price assumption used when estimating the fair value of the biomass.

There is considerable uncertainty associated with the estimate for the remaining production costs. Biological challenges greater than expected may result in higher costs. Changes in the market prices of feed will change the remaining production costs. Changes in fair value adjustment is recognised and classified under fair value adjustment Biomass in the Consolidated statement of comprehensive income. This means that both realised and changes in unrealised fair value adjustments are presented in this line item in the Consolidated statement of comprehensive income. This is to to provide a better understanding of the Group's profit and loss with respect to goods sold, as cost of materials and changes in inventories then includes actual production cost and excludes the effects of fair value adjustments.

Change in regulatory conditions, which can enforce higher cost, represents an uncertainty in the estimation of fair value of biomass. The discount factor used in the model consists of several components. The principles used for valuation are described in the section in Note 3 to the financial statements.

New Standards
At the end of 2023, there are some amendments to existing standards that are not yet effective, but will be relevant for the Group at implementation. The Group intends to adopt these standards, if applicable, when they become effective. There are no amendments that is expected to have a significant impact on the Group's financial statements.

Note 1	Sales revenue by geographical area

2023

Norcod Sales is distributed per country as follows.
Sales in Norway are Cod Fry and harvesting and freezing of salmon.

Country	Retail	Processing	Ongrowing	*Harvesting	Total
Norway			7,2 %	9,3 %	**16,4 %**
Spain	27,0 %				**27,0 %**
The Netherlands		18,0 %			**18,0 %**
Poland		19,0 %			**19,0 %**
Denmark		2,0 %			**2,0 %**
France	8,0 %				**8,0 %**
UK	4,0 %				**4,0 %**
Other	5,6 %				**5,6 %**
Total	**44,6 %**	**39,0 %**	**7,2 %**	**9,3 %**	**100,0 %**

*During the sencod half of 2023, the Group executed harvesting of salmon at Kråkøy Slakteri. This business activity is however expected to be temporary, as the harvesting facility in its entirety is intented for cod harvesting on behalf of the Group. Hence, the harvesting operations does not qualify as an operating segment for 2023 and no segment reporting is prepared thereof.

2022

Norcod Sales is distributed per country as follows.
Sales in Norway are of Cod Fry and not of finished goods.

Country	Retail	Processing	Ongrowing	Harvesting	Total
Norway			27,8 %	0,0 %	27,8 %
Spain	38,0 %				38,0 %
Poland	1,0 %	2,0 %			3,0 %
Denmark		7,8 %			7,8 %
Ireland	5,8 %				5,8 %
Lithuania		2,7 %			2,7 %
Germany	8,0 %				8,0 %
Other	1,9 %	5,0 %			6,9 %
Total	**54,7 %**	**17,6 %**	**27,8 %**	**0,0 %**	**100,0 %**

Retail refers to sales to supermarket chains for B2C sale to end consumer.
Processing Refers to sales to production companies for production of filets and other products.

Note 2	**Transactions and balance with related parties**

2023	**Ownership**	**Sales**	**Purchases**	**Interest exp**	**Receivables**	**Liabilities**
Transactions with parent company and its related parties						
Sirena Group		0	39 223	0	2 111	89
Artha Holding AS		0	9 910	0	0	0
Artha Cod		0	0	6 323	0	0
Transactions with the Group's own associates and subsidiaries		0	0	0	0	0
Total transactions and intercompany accounts with all identified related parties		**0**	**49 133**	**6 323**	**2 111**	**89**

Contractually all sales of harvested cod from Norcod are transacted through sales agent Sirena Group. The end customers of Sirena are not related parties.
Other income relates to sales of cod fry and rental of equipment.

2022	**Ownership**	**Sales**	**Purchases**	**Interest exp**	**Receivables**	**Liabilities**
Transactions with parent company and its related parties						
Sirena Group		0	26 086	0	11 959	11 276
Artha Holding AS		0	0	0	0	0
Artha Cod		0	0	9 400	0	88 066
Transactions with the Group's own associates and subsidiaries						
Havlandet Norcod AS	Norcod AS (50 %)	0	25 434	0	40 000	15 309
Total transactions and intercompany accounts with all identified related parties		**0**	**51 520**	**9 400**	**51 959**	**114 651**

Contractually all sales of harvested cod from Norcod are transacted through sales agent Sirena Group with TNOK 223 641 in 2023 and TNOK 155 299 in 2022.
The end customers of Sirena are not related parties.
Other income relates to sales of cod fry and rental of equipment.

Note 3	Inventories and biological assets

Book value of inventories	31.12.2023	31.12.2022
Feed and other materials	8 093	8 712
Total inventories	**8 093**	**8 712**

Book value of biological assets as of 31.12	31.12.2023	31.12.2022
Roe and cod fry at cost	13 830	23 284
Biological assets held at sea farms at cost	380 452	344 327
Total Biological assets before fair value adjustment	**394 282**	**367 611**
Fair value adjustment of biological assets	-122 230	-160 853
Total biological assets	**272 052**	**206 758**

Specification of the change in biological assets for the period:	Income statement post	2023	2022
Biological assets as of 01.01		206 758	235 919
Increase resulting from production in the period		338 928	303 259
Reduction resulting from incident-based mortality	Cost of Materials	0	0
Fair value adjustment biomass IFRS	Fair value adjustment biomass	38 623	-157 808
Reduction due to harvesting in the period		-312 257	-174 612
Total biological assets as of 31.12		272 052	206 758
Biomass as at 31.12			
At sea			
Tons at sea		7 817	6 777
Count - 000's		5 238	3 994
Juveniles			
Count - 000's		464	2 056

Fair value adjustment biomass

Booked Fair Value Adjustment	31.12.2021	Booked in 2022	31.12.2022	Booked in 2023	31.12.2023
Fair Value adjustment Biomass IFRS*	-3 045	-157 808	-160 853	38 623	-122 230
Total value adjustment	-3 045	-157 808	-160 853		-122 230

***Refer to description in note 18 for fair value adjustment in 2022.**

Sensitivity analysis:
Based on the Group's biomass at December 31, 2023, changes in certain factors is deemed to impact the book value of the biomass in the following manner:

	Increase	Impact on value 31.12.2023	Decrease	Impact on value 31.12.2023
Change in sales price:	NOK 5,- per kg	47 735	NOK 5,- per kg	-47 736
Change in production cost:	NOK 1,- per kg	-14 056	NOK 1,- per kg	14 056
Change in discount factor:	0,50 %	-10 520	0,50 %	11 259
Change in discount factor:	1,0 %	-20 358	1,0 %	23 323
Change in time of harvest	One month earlier	3 484	One month later	-3 439

Biological assets are, in accordance with IAS 41 Agriculture, measured at fair value in accordance with IFRS 13. Biomass measured at fair value, is categorized at Level 3 in the fair value hierarchy, as the input is mostly unobservable. All cod at sea are subject to a fair value calculation, while roe and cod fry are measured at cost as cost is deemed a reasonable approximation for fair value as there is little biological transformation. The technical model used to calculate the fair value of biomass is a present value model. Present value is calculated on the basis of estimated revenues less production costs remaining until the cod is harvestable at the individual site. The cod is harvestable when it has reached the estimated weight required for harvesting specified in the company's budgets and plans. The estimated value is discounted to present value on the date of reporting. The expected biomass at harvest is calculated on the basis of the number of individuals held at sea farms on date of reporting, adjusted for expected mortality up until the point of harvest and multiplied by the fish's estimated weight at harvest. The price is calculated using the Group's best estimate of future prices and are not observable. The price includes the Group's best estimate of the future prices of cod liver and other products of the cod that will be sold. Prices are adjusted for expected costs related to harvesting, sales and carriage costs. The Group applies a monthly discount rate of 2%.

Estimated remaining production costs are estimated costs that a market participant would presume necessary for the farming of fish up until they reach a harvestable weight. In the model, instead of being a separate cost element in the calculation, compensation for estimated license fees and site leasing costs is included in the discount factor, and thereby reduces the fair value of the biomass.

The fair value of the biomass is calculated using a monthly discounting of the cash flow based on an expected harvesting month according to the harvesting plan. The discount factor is intended to reflect three main components:

1. The risk of incidents that affect the cash flow.
2. The time value of money.
3. Synthetic license fees and site leasing costs.

The discount factor is set on the basis of an average for all the Group's sites and which, in the Group's assessment, provides a sensible growth curve for the fish – from cod fry to harvestable fish.

The risk adjustment must take account of the risk involved in investing in live fish. Currently the Group expects a cod to spend on average 16-18 months at a sea farm, and the risk will be higher the longer the time until harvest. Biological risk, the risk of increased costs and price risk will be the most important elements to be recognized. The present value model includes a theoretical compensation for license fees and site leasing costs as a surplus to the discount factor in the model, instead of being a cost-reducing factor in the calculation.

Note 4 Payroll expenses, number of employees, remunerations, loans to employees, etc.

Payroll expenses	2023	2022
Wages and salaries	59 992	39 132
Payroll tax	3 987	1 700
Pension expenses	2 546	1 180
Other benefits	1 321	1 019
Total	**67 845**	**43 031**

Average number of full-time-equivalents	109	32

The company follows the agreement on a mandatory occupational pension (OTP) for all employees.

Remuneration to key management		Salary	Bonus	Payments in kind	Total
Christian Riber	CEO	3 292	12	4	3 308
Arne Kristian Hoset	CFO*	1 023		13	1 036
Kia Zadegan	COO	1 749	12	16	1 776
Hilde R. Storhaug	CSO	1 539	12	18	1 569
Total		**7 602**	**36**	**50**	**7 688**

Directors fee		2023	2022
Renate Larsen	Chair/ Board member**	175	175
Jan Severin Sølbæk	Chair/ Board member**	200	200
Peter Buhl	Board member	100	100
Anders Bjerno	Board member	100	100
Trine L. Danielsen	Board member	175	175
Boe R. Spurré	Board member**	0	0
Total		**750**	**750**

* Arne Kristian Hoset was employed by the company as CFO in April 2023.

** During 2023 the Board of Directors have been changed. Renate Larsen took over as Chair of the Board after Jan Severin Sølbæk in June 2023. Boe R. Spurré is a new member of the Board from June, 2023.

In 2021, a share-based bonus program was introduced for senior executives and key personnel. The share-based bonus program entitles the employees the right to receive shares based on the price development of the company's shares.
The Black and Scholes model has been used to calculate this cost.
Due to the development in the share price, no cost related to the option schemes have been recognised in the income statement for 2023.

Assumptions for calculation	Grant date January 2021	Grant date June 2021
Share price on the allocation date	129	114
Strike	109	109
Turnover adjustment	20,0 %	20,0 %
Expected volatility	50,0 %	50,0 %
Risk-free interest rate	0,5 %	0,9 %
Lifetime	3,5 years	3,1 years
Model employed for fair value calculation	Black and Scholes	Black and Scholes

Change in number of options		
At 31 December 2022	25 500	5 000
Exercised in the year	0	0
Allocated during the year	0	0
Terminated options	-12 500	0
Number of options at 31 December 2023	**13 000**	**5 000**
Exercise price	109	109
Number of employees in the program at 31 December 2023	4	1

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Note 5	Property, plant and equipment				
	Land, buildings a.o. property	Machinery and equipment	Boats and fleets	Other operating assets	Total fixed assets
Acquisition cost as of 1 January 2022	**0**	**53 919**	**1 334**	**482**	**55 735**
Additions	3 091	23 307	791	4 427	31 616
Disposals	0	0	0	0	0
Acquisition cost as of 31 December 2022	**3 091**	**77 226**	**2 125**	**4 909**	**87 351**
Accumulated depreciation as of 1 January 2022	0	-3 378	32	-93	-3 438
Depreciation for the year	0	-6 822	53	-464	-7 234
Accumulated depreciation as of 31 December 2022	0	-10 201	86	-557	-10 672
Book value as of 31 December 2022	**3 091**	**67 025**	**2 211**	**4 352**	**76 678**
Acquisition cost as of 1 January 2023	**3 091**	**77 226**	**2 125**	**4 909**	**87 351**
Additions due to acquisition of subsidiaries	25 754	56 390	527	0	82 671
Additions	5 325	29 093	4 593	445	39 456
Disposals	0	-130	0	-375	-505
Acquisition cost as of 31 December 2023	**34 170**	**162 579**	**7 245**	**4 978**	**208 973**
Accumulated depreciation as of 1 January 2023	0	-10 201	86	-557	-10 672
Depreciation due to acquisition of subsidiaries	-9 723	-26 841	-280	0	-36 844
Depreciation for the year	-987	-10 844	-374	-1 006	-13 210
Accumulated depreciation as of 31 December 2023	-10 710	-47 886	-568	-1 563	-60 727
Impairment loss for the year	0	0	0	0	0
Book value as of 31 December 2023	**23 461**	**114 693**	**6 677**	**3 415**	**148 246**
Expected useful life	15 - 25 years	3 - 15 years	10 - 15 years	3 - 10 years	
Depreciation plan	Straight-line	Straight-line	Straight-line	Straight-line	

Note 6 Right-of-use Assets

Norcod recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for certain leases mentioned below. The right-of-use assets are depreciated on a straight-line basis over the the useful life of the underlying asset.
The lease liabilities at commencement date are measured at the present value of the lease payments. The discount rate used is the discunt rate offered in the respective leasing agrrements and based on market terms. The leasing agreements include options for the company to acquire the right of use assets at the end of the leasing period, and the company intends to do so. Hence the right-of-use assets are depreciated over its expected useful life.
Norcod has elected to apply the practical expedient of short-term leases with a lease term of 12 months or less and low-value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

	Land, buildings a.o. property	Machinery and equipment	Boats and fleets	Total fixed assets
Acquisition cost as of 1 January 2022	0	3 520	114 936	118 455
Additions	3 372	1 597	16 630	21 599
Disposals	0	0	0	0
Acquisition cost as of 31 December 2022	**3 372**	**5 117**	**131 566**	**140 055**
Accumulated depreciation as of 1 January 2022	0	-1 488	-5 681	-7 169
Depreciation for the year	-375	-223	-8 442	-9 040
Accumulated depreciation as of 31 December 2022	-375	-1 711	-14 123	-16 209
Book value as of 31 December 2022	**2 997**	**3 406**	**117 442**	**123 846**
Acquisition cost as of 1 January 2023	3 372	5 117	131 566	140 055
Additions	344	26 467	88 304	115 115
Disposals	0	0	-25 491	-25 491
Acquisition cost as of 31 December 2023	**3 716**	**31 584**	**194 378**	**229 678**
Accumulated depreciation as of 1 January 2023	-375	-1 711	-14 123	-16 209
Depreciation for the year	-619	-2 362	-11 712	-14 693
Accumulated depreciation as of 31 December 2023	-994	-4 073	-25 835	-30 902
Book value as of 31 December 2023	**2 722**	**27 511**	**168 543**	**198 776**
Expected useful life	6 years	3 - 15 years	10 - 15 years	
Depreciation plan	Straight-line	Straight-line	Straight-line	

Note 7 Other operating expenses

Specification of other operating expenses:

	2023	2022
Freight and insurance regarding sales	27 738	17 811
Sales commission	11 485	7 786
Fuel	7 085	5 336
Maintenance	21 789	11 454
Short term rental of equipment and offices	2 034	2 531
Expensed capitalized cost as of 31.12.2021 related to work of licenses and site surveys of locations (see note 13)	0	6 039
Expenses related to work of licenses and site surveys of locations	1 991	2 040
External fees	8 207	4 492
Insurance	3 128	2 098
Expenses related to disputes	11 146	0
Loss on disposal of assets	2 823	0
Transaction costs related to acquisition of subsidiaries	2 619	0
Other	11 487	6 244
	111 532	**65 833**

Note 8 Auditor's fees

	2023	2022
Statutory audit	786	1 105
Other attestation services	195	188
Total	**981**	**1 293**

All auditor's fees are exclusive VAT.

Note 9 Subsidiaries, associated companies and other investments

A condensed interim balance sheet of the companies as of 31 December 2023 is presented as follows for information purposes:

	Norcod Equipment AS	Kråkøy Slakteri AS	Norcod Kråkøy Eiendom AS
Property, plant & equipment	213 786	39 671	4 993
Inventory	0	1 779	0
Other receivables	1 185	4 030	915
Cash and cash equivalents	41	863	1 195
Total assets	**215 011**	**46 343**	**7 103**
Total equity	51 321	16 822	918
Non-current liabilities	364	15 124	0
Liabilities to group companies	22 505	0	6 113
Short term debt	140 821	14 397	72
Total equity and liabilities	**215 011**	**46 343**	**7 103**

Up until May 2023, Norcod AS had a 50 % ownership in Havlandet Norcod AS (associated company), where NOK 35 million where invested in shares. An additional NOK 40 million long-term loan was granted to Havlandet Norcod AS. In MAy 2023, Norcod sold its shares in Havlandet Norcod AS and the long term loan was settled in cash correspondingly. Both transactions were settled at book values.

Other investments

Norcod holds an investment in Arctic Cod AS, book value of TNOK 502. The company offers growth facility capacity for a share of Norcod's juveniles. The contracting arrangement is based on common business terms.

Note 10	**Specification of financial income, expenses and other comprehensive income**	
	2023	**2022**
Financial income		
Adjustments due to currency gains	0	0
Other financial income	851	592
Total financial income	**851**	**592**
Financial expenses		
Impairment of fixed assets	0	502
Interest expenses to related companies	6 323	9 400
Other financial expenses to associated companies	0	0
Interest on long term loans from credit institutions	7 873	852
Interest expenses leasing	10 944	2 421
Adjustments due to currency loss	8 254	3 915
Other financial expenses	2 379	1 626
Total financial expenses	**35 773**	**18 715**
Net financial items	**-34 921**	**-18 123**

Note 11 Taxation			
Taxable income	**2023**	**2022**	
Result before taxes	-249 301	-297 217	
Subsidiaries years result before time of acquisition	4 832	0	
Permanent differences	4 937	1 054	
Items booked against equity	-15 422	-7 451	
Skattefunn	-461	-453	
Equity method associates	-1 489	-1 798	
Other changes	0	0	
+/- Changes in temporary differences	-55 279	12 959	
+/- Group contributions received/given			
Basis for payable taxes	**-312 183**	**-292 906**	
Change in tax losses carried forward	312 184	292 906	
Taxable income	**0**	**0**	
Income tax expenses	0	0	
Change in deferred tax	-3 121	0	
Tax expense	**-3 121**	**0**	
Specification of temporary differences and deferred tax:	**31.12.2023**	**31.12.2022**	**Change**
Fixed assets	29 789	17 260	12 529
Right-of-use assets	42 098	46 631	-4 533
Biological assets	272 052	206 758	65 294
Other differences	-12 418	0	-12 418
Net changes in temporary differences	**331 521**	**270 650**	**60 871**
Changes due to temporary differences as of 1 Jan 2023 in new subsidiaries	5 596	0	5 596
Net changes in temporary differences	**325 925**	**270 650**	**55 275**
Losses carried forward	-997 411	-686 594	-310 817
Losses carried forward as of 1 Jan 2023 in new subsidiaries	-10 484		-10 484
Sum changes in Losses carried forward	**-1 007 895**	**-686 594**	**-321 301**
Sum net changes in temporary differences	**-676 374**	**-415 945**	**-260 429**
Deferred tax assets	**0**	**0**	**0**
Deferred tax assets not booked	**-148 802**	**-91 508**	**-57 294**

Note 12 Earnings per share

All figures in NOK 1 000, with exception of earnings per share

Earnings per share	2023	2022
This year's earnings to shareholders (NOK 1 000)	**-246 180**	**-297 217**
Number of issued shares as of 31.12 (in 1 000)	29 428	19 219
Number of treasury shares as of 31.12 (in 1 000)	-39	-39
Number of outstanding shares as of 31.12 (in 1 000)	**29 389**	**19 180**
Average number of outstanding shares (in 1 000)	23 358	19 180
Average number of outstanding shares with dilution (in 1 000)	23 358	19 180
Earnings per share	-10,54	-15,50
Diluted earnings per share	-10,54	-15,50

Note 13 Intangible assets - Concessions, patents, licenses, trademarks and similar rights

Intangible assets	Licenses	Licenses	Goodwill	Total
Acquisition cost as of 1 January 2022	6 294	2 000	0	8 294
Additions	0	0	0	0
Disposals	0	0	0	0
Expensed during the year (other operating expenses)	-6 039	0	0	-6 039
Acquisition cost as of 31 December 2022	255	2 000	0	2 255
Accumulated depreciation as of 1 January 2022	-255	0	0	-255
Depreciation for the year	0	0	0	0
Accumulated depreciation as of 31 December 2022	-255	0	0	-255
Book value as of 31 December 2022	-0	2 000	0	2 000
Acquisition cost as of 1 January 2023	255	2 000	0	2 255
Additions	0	0	1 192	1 192
Disposals	0	0	0	0
Expensed during the year (other operating expenses)	0	0	0	0
Acquisition cost as of 31 December 2023	255	2 000	1 192	3 447
Accumulated depreciation as of 1 January 2023	-255	0	0	-255
Depreciation for the year	0	0	0	0
Accumulated depreciation as of 31 December 2023	-255	0	0	-255
Impairment loss for the year	0	0	-1 192	-1 192
Book value as of 31 December 2023	0	2 000	0	2 000

Expected useful life Indefinite

The Group has previously had an accounting policy that cost incurred, in advance of granted licenses being confirmed, has been capitalized and recognized as intangible assets. The Group has evaluated that to better align with the requirements in IAS 38 all cost related to the application process, prior to licenses being granted, should have been expensed as incurred. Consequently, the Group has changed its accounting policy in this regards from 2022, and expensed capitalized cost as of 31.12.2021 of TNOK 6,039 in the 2022 financial statements as the Group considers the financial statement impact to be immaterial.

TNOK -1 192 is an impairment loss on acquired goodwill in 2023, related to Kråkøy Slakteri AS and Norcod Kråkøy Eiendom AS.

Note 14 Cash and bank deposits

	2023	2022
Bank deposits	18 777	3 412
Cash and bank deposits	18 777	3 412
Of which restricted bank deposits	2 265	908

Note 15	Share capital and shareholder information		

Share capital as of 31 December 2023 comprises:

	Number of shares	Nominal value	Book value
Outstanding Shares	29 388 874	0,5	
Treasury shares	38 800	0,5	
Share Capital	29 427 674	0,5	14 713 837

Norcod AS had 619 shareholders as of 31 December 2023. All shares afford the same rights in the company.

List of (20) major shareholders at 31.12.	Number of shares	Ownership
ARTHA NORCOD VI A/S	5 505 501	19 %
Artha-Norcod III A/S	3 872 500	13 %
SIRENA GROUP AS	3 356 041	11 %
Artha Norcod A/S	3 287 712	11 %
Codinvest ApS	2 530 182	9 %
RONJA CAPITAL AS	1 498 572	5 %
The Bank of New York Mellon SA/NV	1 457 965	5 %
Danske Bank A/S	1 340 327	5 %
Nordnet Bank AB	734 459	2 %
Nordea Bank Abp	718 305	2 %
UBS Switzerland AG	700 092	2 %
Kinondo Invest ApS	478 245	2 %
GH HOLDING AS	403 734	1 %
FARVATN PRIVATE EQUITY AS	395 808	1 %
JPMorgan Chase Bank, N.A., London	379 588	1 %
TIAN HOLDING AS	340 430	1 %
JAKOB HATTELAND HOLDING AS	200 000	1 %
UBS Switzerland AG	196 782	1 %
Danske Bank A/S	183 817	1 %
UBS Switzerland AG	158 799	1 %
Total 20 largest shareholders	**27 738 859**	**94 %**
Total other owners	1 650 015	6 %
Total outstanding shares	**29 388 874**	**100 %**
Treasury shares	38 800	0,13 %
Total number of shares	**29 427 674**	**100 %**

Norcod AS owns 38 800 treasury shares at the end of 2023, representing 0,13 % of the share capital in the company. All the shares have been acquired in relation with the company's share option incentive program. All the shares were acquired in 2021 at a price of NOK 93 per share.

Treasury shares	Number of shares	Payment (NOK 1 000)
Book value as of 1 January 2023	38 800	3 707
Net purchase and sale of tresury shares	0	0
Distribution of treasury shares	0	0
Book value as of 31 December 2023	**38 800**	**3 707**

Shares held by members of the board, CEO and senior executives:		Number of shares	Option shares
Christian Riber	CEO	66 250	10 000
Kia Zadegan	CFO/ COO	0	5 000
Hilde R. Storhaug	CSO	500	1 000
Renate Larsen	Chair	0	
Jan Severin Sølbæk	Board member	0	
Peter Buhl	Board member	0	
Anders Bjerno	Board member	0	
Trine L. Danielsen	Board member	0	
Boe R. Spurré	Board member	3 251	
Total		**70 001**	**16 000**

Note 16	Interest bearing debt

Non current interest bearing debt:	31.12.2023	31.12.2022
Debt to financial institutions	14 979	0
Lease liabilities *	124 182	60 940
Non-current debt to shareholders and other long-term debt **	14 305	0
Total non current interest bearing debt	**153 465**	**60 940**
Current interest bearing debt:	**31.12.2023**	**31.12.2022**
Current Lease liabilities	32 642	16 275
Overdraft facilities	119 356	70 144
Current debt to shareholders and other short-term debt**	0	88 006
Total current interest bearing debt	**151 998**	**174 425**
Total interest bearing debt	**305 463**	**235 365**
Cash and bank deposits	18 777	3 412
Net interest bearing debt	**286 687**	**231 953**

*All of the long-term leasing liabilities are due within the next 5 years.

**Long term loans of TNOK 13 368 were reissued in Aug. 23 when TNOK 88 606 was converted into shares. Carrying amount includes accrued interest.
The loans are issued in DKK and are due in Aug 2025. The loans are not shareholder loans.

		Cashflow		Non-cash generating effects						
Financing activities - changes in liabilities as of 31 December 2022	**01.01.2022**	**Receipts from new debt**	**Instalments**	**Consolidation/ other**	**New leasing contracts**	**Dissemination commission**	**Accrued interest this year**	**Foreign exchange adjustments**	**Reclasification short/ long term & other**	**31.12.2022**
Long term liabilities to financial institutions	0	0	0		0	0	0	0	0	0
Short term liabilities to financial institutions	0	70 144	0		0	0	0	0	0	70 144
Non-current debt to shareholders*	74 653	0	0		0	0	0	0	-74 653	0
Current debt to shareholders*	0	0	0		0	0	9 400	3 953	74 653	88 006
Total liabilities to financial institutions and shareholders	**74 653**	**70 144**	**0**		**0**	**0**	**9 400**	**3 953**	**0**	**158 150**
Non current liabilities for right-of-use assets	57 549	0	0		16 237	0	0	0	-12 846	60 940
First year's instalment for right-of-use assets	15 952	0	-12 523		0	0	0	0	12 846	16 275
Total liabilities for right-of-use-assets	**73 501**	**0**	**-12 523**		**16 237**	**0**	**0**	**0**	**0**	**77 215**
Total interest bearing debt	**148 154**	**70 144**	**-12 523**		**16 237**	**0**	**9 400**	**3 953**	**0**	**235 365**

		Cashflow		Non-cash generating effects						
Financing activities - changes in liabilities as of 31 December 2023	**01.01.2023**	**Receipts from new debt**	**Instalments**	**Consolidation/ other**	**New leasing contracts**	**Dissemination commission**	**Accrued interest this year**	**Foreign exchange adjustments**	**Reclasification short/ long term & other**	**31.12.2023**
Long term liabilities to financial institutions	0	14 979	0	0	0	0	0	0	0	14 979
Short term liabilities to financial institutions	70 144	50 865	0	-1 653	0	0	0	0	0	119 356
Non-current debt to shareholders*	0	14 305	0	0	0	0	0	0	0	14 305
Current debt to shareholders*	88 006	0	-88 006	0	0	0	0	0	0	0
Total liabilities to financial institutions and shareholders	**158 150**	**80 149**	**-88 006**	**-1 653**	**0**	**0**	**0**	**0**	**0**	**148 639**
Non current liabilities for right-of-use assets	60 940	0	0	0	114 534	0	0	0	-51 292	124 182
First year's instalment for right-of-use assets	16 275	0	-34 925	0	0	0	0	0	51 292	32 642
Total liabilities for right-of-use-assets	**77 215**	**0**	**-34 925**		**114 534**	**0**	**0**	**0**	**0**	**156 824**
Total interest bearing debt	**235 365**	**80 149**	**-122 932**	**-1 653**	**114 534**	**0**	**0**	**0**	**0**	**305 463**

Maturity structure of Group's debt as of 31 December 2022	Interest rate	Maturity	2023	2-5 years	Total
Current debt to shareholders	12,0 %	2023	94 603	0	**94 603**
Leasing liabilities	3,0 % - 5,1 %	2024 - 2026	0	60 940	**60 940**
Current Leasing liabilities	3,0 % - 5,1 %	2023	16 275	0	**16 275**
Overdraft facilities	6,23 %	2023	77 264	0	**77 264**
Total interest bearing debt			**188 141**	**60 940**	**249 081**
Trade payables		2023	114 263	0	**114 263**
Other current liabilities		2023	15 540	0	**15 540**
Total non interest bearing debt			**129 803**	**0**	**129 803**
Total debt			**317 944**	**60 940**	**378 884**

Maturity structure of Group's debt as of 31 December 2023	Interest rate	Maturity	2024	2-5 years	Total
Debt to financial institutions	8,70 %	2024 - 2036	440	14 539	**14 979**
Non-current debt to shareholders and other long-term debt	12,0 %	2025		14 972	**14 972**
Leasing liabilities	4,75% - 6,85%	2024 - 2028	0	103 378	**124 182**
Current Leasing liabilities	4,75% - 6,85%	2024	32 642	0	**32 642**
Overdraft facilities	7,73 %	2024	0	119 356	**119 356**
Total interest bearing debt			**33 082**	**252 245**	**306 131**
Trade payables		2024	135 863	0	**135 863**
Other current liabilities		2024	28 661	0	**28 661**
Total non interest bearing debt			**164 524**	**0**	**164 524**
Total debt			**197 606**	**252 245**	**470 654**

Capitalized secured liabilities	31.12.2023	31.12.2022
Total liabilities for right-of-use assets	156 824	77 215
Total	**156 824**	**77 215**

Book value of assets pledged as security on leasing liabilities	31.12.2023	31.12.2022
Operating assets	198 776	123 846
Total	**198 776**	**123 846**

Book value of assets pledged as security on overdraft facility	31.12.2023	31.12.2022
Concessions, patents, licenses, trademarks and similar rights	2 000	2 000
Property, plant & equipment	148 246	76 678
Inventories	8 093	8 712
Biological assets	272 052	206 758
Accounts receivables	25 923	30 390
Total	**456 314**	**324 538**

Note 17	Financial risk

Financial risk and risk management
Guidelines for the finance activities are determined by the financial strategy, which is reviewed and approved by the Board. Norcod aims to limit its exposure to financial risk. The Group is exposed to different financial market risks arising from normal business activities, primarily these risks are:

-Foreign exchange risk
-Interest rate risk -Credit risk
-Price risk/Liquidity risk
-Biological risk

Foreign exchange risk
Company sales of end products, fresh cod, are denominated mainly in EUR. The Group's revenues are exposed to currency risk. Loan from Artha Holding A/S is in DKK, and is revaluated monthly to NOK. Sales of Cod Fry are in NOK and carry no exchange risk.

Interest rate risk
Norcod's leasing liabilities and debt to financial institutions are exposed to variable interest rates. This means that Norcod is exposed to changes in interest rates. Adverse movement in interest rates in the future may therefore have a material adverse impact on the Company's financial performance. The book value of biological assets are recognized at net present value of estimated revenues less remaining production costs and is exposed to changes in interest rates.

Credit and Liquidity risk
Norcod is exposed to credit risk related to customers' ability to fulfil their financial obligations. Norcod only has one customer which is deemed to be financially strong and hence the credit risk is considered low.
Liquidity risk is currently based on the company's financial position, leasing arrangements and access to financing in the capital market. These may impact the company's ability to meet its financial obligations in the day-to-day activities. Further information is included in the subsequent events section of this report. The Board of Directors assesses the available liquidity at the end of 2023 to be sufficient to finance the company's ordinary operations and operational investments. Overall, the company's credit and liquidity risk are at an acceptable level and under control.

Biological risk
Other key risks include fluctuations in production, mortality and harvested volumes. A sudden unforeseen change in production, mortality rates, or harvest volumes may impact revenues, production costs and net equity.

Capital management
Norcod's capital management measures is to support long-term growth in Operating profit and Cash Flows from Operations. The Board aims to maintain a healthy balance between liabilities and equity. The capital management measures may be subject to changes due to the financing of the company. Also refer to note 18 for capital management inititatives on improving the financial situation after the balance sheet date.

Note 18 Business combinations

Kråkøy Slakteri AS and Tn Kråkøy Eiendom AS was acquired by the Group in July 2023.The two companies are incorporated in the consolidated financial statements for 2023 from July 1, 2023. If the subsidiaries acquired in 2023 had been consolidated for the whole year, operating revenue for the Group would have been 19 MNOK higher.

Kråkøy Slakteri AS

Kråkøy Slakteri AS is a former salmon harvester that provides cod harvesting to the Group. The company's assets consists of harvesting lines and associated production equipment. The shares were bought from Kråkøy Holding II AS and Tian Utvikling AS and the consideration comprised a combination of cash and 390 993 new shares issued in Norcod AS at a subscription price of NOK 36.00 per share.

	Carrying amount	Adjustment to fair value	Fair value
Property, plant and equipment	35 652	13 820	49 472
Other current assets	5 903		5 903
Deferred tax asset/liability	542	-3 040	-2 498
Non current liabilities	-15 808		-15 808
Current liabilities	-13 967		-13 967
Net identifiable assets and liabilities	12 322	10 780	23 102
Goodwill		1 192	1 192
Total consideration			24 294

Tn Kråkøy Eiendom AS

Tn Kråkøy Eiendom AS consists of the harvesting facility building. The shares were bought from Kråkøy Holding II AS and Tian Utvikling AS and the consideration comprised a combination of cash and 186 646 new shares issued in Norcod AS at a subscription price of NOK 36.00 per share.

	Carrying amount	Adjustment to fair value	Fair value
Property, plant and equipment	5 745	5 255	11 000
Other current assets	1 366		1 366
Deferred tax asset/liability	533	-1 156	-623
Non current liabilities	-4 639		-4 639
Current liabilities			
Net identifiable assets and liabilities	3 005	4 099	7 104
Goodwill		0	0
Total consideration			7 104

Total

	Carrying amount	Adjustment to fair value	Fair value
Property, plant and equipment	41 397	19 075	60 472
Other current assets	7 269	0	7 269
Deferred tax asset/liability	1 075	-4 197	-3 122
Non current liabilities	-20 447	0	-20 447
Current liabilities	-13 967	0	-13 967
Net identifiable assets and liabilities	15 327	14 879	30 206
*Goodwill		1 192	1 192
Total consideration			31 398

*Goodwill is tested annually for impairment. As of 31.12.2023, the goodwill is fully impaired with a net book value of 0.

Note 19 Subsequent events

Inititatives to secure the company's ability to continue as a going concern
Management is continuously evaluating the company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, all available information for the future is taken into account. During the first half of 2024 the company has initiated actions, both in terms of capital injection and financial debt restructuring to secure the company's ability to continue as a going concern. The initiatives are described below. Based on the initiated actions, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern and that this assumption was realistic at the time of the approval of the statements. It is the Board's opinion that the Profit and Loss Account and Balance Sheet with notes provide accurate information on the operations and the financial position at year-end.

Capital injection through private placement
To strengthen operational liquidity and finance further investments in biomass in accordance with the company's production plan and to develop two new locations, Norcod successfully raised 170 MNOK in gross proceeds through a private placement of 14.166.667 offer shares at a subscription price of NOK 12 per share in February 2024. The Extraordinary General Meeting held on March 15, 2024 resolved the private placement.

Moreover, the extraordinary general meeting on March 15, 2024 resolved to carry out a subsequent repair offering of up to 1.333.333 new shares at a subscription price of NOK 12 per share. The subsequent repair offering was directed towards existing shareholders in the company who were not allocated offer shares in the private placement.

Following the registration of the share capital increase, the company will have a registered share capital of TNOK 21,902 divided into 43.803.164 shares, each with a nominal value of NOK 0.5. Following the private placement, the three main shareholders are Artha Kapitalforvaltning (43,6%), Highliner Foods Inc. (10,1%) and Sirena Group (9,6%).

The net cash contribution from the private placement and the subsequent repair offering totals 167 MNOK.

Extension of bank overdraft
Norcod's overdraft facility of 125 MNOK issued by DNB was originally due for repayment in September 2024. However, in the second quarter of 2024, DNB agreed to extend the repayment by one year to September 2025. Other main terms and conditions are unchanged. The extension of the overdraft with one year strengthens Norcod's operational liquidity at predictable terms and contributes to steady liquidity in the company's running operations.

Notice of proceedings
During Q4-23, Norcod made capacity adjustments to align future production with the company's growth plan. In February 2024, the company received a notice of proceedings from a contracting party for a claim regarding what is argued to be a rejection of delivery in breach of contract. Norcod has rejected the claim, but has made provisions in its accounts based on estimates and risk assessments. At the date of the approval of the Annual Financial Statements for 2023, the parties have reached an agreement and settled the claim.

Seperate Financial Statement Norcod AS 2023

PARENT COMPANY INCOME STATEMENT

(Amounts in NOK '000)	Note	2023	2022
Operating revenue and costs			
Operating revenue	1	249 155	170 541
Total operating revenue		**249 155**	**170 541**
Cost of materials	2	336 435	312 298
Change in inventory and biological assets	2	-62 896	14 239
Salaries and personnel expenses	3	56 153	43 031
Depreciation	4, 5	8 854	6 626
Other operating expenses	6, 7	123 013	75 744
Total operating expenses		**461 560**	**451 938**
Operating result		**-212 405**	**-281 397**
Financial items			
Other interest income	9	67	12
Other financial income	9	784	576
Impairment of shares in subsidiaries	8, 9	7 524	502
Other interest expenses	9	26 298	13 307
Other financial expense	9	8 886	4 877
Net financial items		**-41 856**	**-18 098**
Result before tax		**-254 261**	**-299 496**
Income tax expense	10	301	0
Net profit or loss for the year		**-253 960**	**-299 496**
Loss attributed to:			
Transferred to/from other paid-in equity		0	-0
Transferred to/from retained earnings		-253 960	-299 496
Net result for the year		**-253 960**	**-299 496**

BALANCE SHEET

(Amounts in NOK '000)	Note	31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Concessions, patents, licenses, trademarks and similar rights	11	2 000	2 000
Total intangible assets		**2 000**	**2 000**
Land, buildings and other property	4, 5	5 758	6 088
Machinery and equipment	4, 5	30 178	20 315
Boats and fleets	4, 5	31 591	34 132
Fixtures and fittings, tools, office machinery and equipment	4, 5	3 337	4 352
Total tangible assets		**70 863**	**64 886**
Investments in subsidiaries	8	80 363	50 030
Investments in associated companies and joint ventures	8	0	35 000
Loans to associated companies and joint ventures	1	0	40 000
Investment in shares	1	502	502
Total financial fixed assets		**80 864**	**125 532**
TOTAL NON-CURRENT ASSETS		**153 728**	**192 418**
Inventory and biological assets	2	**278 367**	**215 470**
Trade receivables		25 660	30 390
Receivables on group companies	1	28 513	35 264
Other short-term receivables and prepayments	1	21 425	31 961
Total receivables		**75 598**	**97 614**
Cash and cash equivalents	12	**16 677**	**2 279**
TOTAL CURRENT ASSETS		**370 642**	**315 364**
TOTAL ASSETS		**524 370**	**507 782**

BALANCE SHEET

(Amounts in NOK '000)	Note	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Equity			
Share capital	13	14 714	9 609
Treasury shares		-19	-19
Share premium		846 042	556 838
Total paid-in equity		**860 736**	**566 428**
Retained earnings		-642 704	-388 743
Total retained earnings		**-642 704**	**-388 743**
TOTAL EQUITY		**218 032**	**177 685**
Liabilities			
Long-term leasing liabilities	14	19 046	24 986
Other non-current liabilities	1, 14	14 305	0
Total non-current liabilities		**33 351**	**24 986**
Liabilities to financial institutions	14	117 911	70 144
Trade payables		131 052	114 263
Public duties payable		2 025	1 269
Other current liabilities	1, 16	21 999	119 436
Total current liabilities		**272 987**	**305 111**
TOTAL LIABILITIES		**306 337**	**330 097**
TOTAL EQUITY AND LIABILITIES		**524 370**	**507 782**

Trondheim, 30th May 2024

Renate Larsen
Chair of the Board

Peter Buhl
Member of the Board

Trine L. Danielsen
Member of the Board

Boe R. Spurre
Member of the Board

Jan S. Sølbæk
Member of the Board

Paul Jewer
Member of the Board

Christian Riber
General Manager/CEO

STATEMENT OF CASH FLOW

(Amounts in NOK '000)	Note	2023	2022
Profit/loss before income taxes		-254 261	-299 496
Cash flow from operations			
Depreciation	4, 5	8 854	6 626
Impairmentof fixed assets	8	7 524	502
Change in inventory and biological assets	2	-62 896	25 254
Change in trade debtors		12 811	-30 825
Change in trade creditors		16 789	30 222
Change in other accruals		23 091	9 364
Net cash flow from operations		**-248 089**	**-258 353**
Cash flow from investments			
Purchase of fixed assets	4, 5	-13 681	-8 295
Proceeds from sale of subsidaries and associated companies	8	35 000	0
Aquisition of subsidiaries	8	-8 912	0
Investments and loans in subsidary and associated companies	8	40 000	-10 000
Payment for other investments		0	29
Net cash flow from investments		**52 406**	**-18 266**
Cash flow from financing			
Proceeds from new interest-bearing debt	14	0	23 349
Repayment of Interest-bearing debt		-12 164	-9 400
Repayment of lease liabilities		-7 089	
Interest paid	9	-3 340	-1 131
Net change in bank overdraft	14	47 767	70 144
Proceeds from issuance of equity		184 907	167 549
Net cash flow from financing		**210 080**	**250 511**
Net change in cash and cash equivalents		14 398	-26 108
Cash and cash equivalents at the beginning of the period		2 279	28 387
Cash and cash equivalents at the end of the period		**16 677**	**2 279**

STATEMENT OF CHANGE IN EQUITY

	Paid-in equity			Other equity	
2022	**Share capital**	**Share premium**	**Other paid-in equity**	**Retained earnings**	**Total equity**
Equity as of 1 jan 2022	8 496	390 383		-89 248	309 631
Issue of shares 05.04.2022	1 094	166 455			167 549
Net profit/loss for the year				-299 496	-299 496
Equity as of 31 Dec 2022	**9 590**	**556 838**	**0**	**-388 744**	**177 685**

2023	**Share capital**	**Share premium**	**Other paid-in equity**	**Retained earnings**	**Total equity**
Equity as of 1 jan 2023	9 590	556 838		-388 744	177 685
Issue of shares 10.05.2023	3 175	176 065			179 240
Issue of shares 05.07.2023	289	19 592			19 881
Issue of shares 13.07.2023	164	9 350			9 514
Issue of shares 25.08.2023	1 477	84 196			85 673
Net profit/loss for the year				-253 960	-253 960
Equity as of 31 Dec 2023	**14 694**	**846 042**	**0**	**-642 704**	**218 032**

NOTES

	Notes to the annual financial statement
Note 1	Transactions and balance with group companies and related parties
Note 2	Inventory and biological assets
Note 3	Payroll expenses, number of employees, remunerations, loans to employees, etc.
Note 4	Property, plant and equipment
Note 5	Right-of-use Assets
Note 6	Other operating expenses
Note 7	Auditor's fees
Note 8	Subsidiaries, associated companies and investment in other companies
Note 9	Specification of financial income and expenses
Note 10	Taxation
Note 11	Intangible assets - Concessions, patents, licenses, trademarks and similar rights
Note 12	Cash and bank deposits
Note 13	Share capital and shareholder information
Note 14	Liabilities, securities and guarantees etc.
Note 15	Financial risk
Note 16	Subsequent events

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Accounting principles

The annual accounts have been prepared in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. All figures in the notes to the accounts are in NOK 1000. The annual financial statement was approved by the board on May 30, 2024.

Revenues
The company's operating revenue derive mainly from sale of cod. Operating revenue from the sale of goods are recognized at when the control is transferred to the customer. Control is generally passed on when the goods are delivered to the customer according to the delivery terms in the sales contract.

Classification and assessment of balance sheet items
Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Fixed assets
Fixed assets include assets intended for long-term ownership and use for the company. Fixed assets are measured at acquisition cost less accumulated depreciation and impairment. Land is not depreciated. Other fixed assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are capitalized to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements is calculated in proportion to the asset's condition at the acquisition date.

Investments in other companies
The cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

Asset impairments
Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use. Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write down are no longer present.

Inventories and biological assets
Inventories and biological assets are valued at the lower of purchase cost (according to the FIFO principle) and fair value. Biological assets comprise live fish stocks. Acquisition cost for these goods is direct costs and a proportionately share of indirect variable and fixed manufacturing costs. Share of fixed costs is limited to share at normal capacity utilization. When calculating fair value, the sales price is deducted at a future sales date sales costs and manufacturing costs incurred to bring goods to finished goods.

Debtors
Trade debtors are recognized in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognized at the lower of nominal and net realizable value. Net realizable value is the present value of estimated future payments. When the effect of a write-down is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for the trade debtors.

Liabilities
Liabilities are recognized in the balance sheet at face value.

Taxes
The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings.

Foreign currency
Foreign currency transactions are translated into the functional currency (NOK) using the exchange rates at the transaction date. Foreign currency debt is valued at the exchange rate at the end of the financial year. Currency gains and currency losses classified as financial items.

Cash flow
The cash flow statement is prepared according to the indirect method. Cash and cash equivalents include cash and bank deposits. The cash flow illustrates the company's total cash flow by operating activities, investing activities and financing activities.

Note 1	Transactions and balance with group companies and related parties	

	Other receivables	
	2023	2022
Group companies	28 513	35 264
Associated companies	0	40 000
Other companies	5 000	5 000
Total	**33 513**	**80 264**

Transactions with group companies	**2023**	**2022**
Sale from group companies to Norcod AS	36 079	11 339
Group contributions from subsidiaries	1 367	0

Balance with related parties

	Other liabilities	
	2023	2022
Artha Cod Loan*	0	88 066
Total	**0**	**88 066**

Transactions with related parties	**2023**	**2022**
Sales to Sirena Group	0	0
Purchases from Sirena Group	39 223	26 086
Purchases from Artha Holding AS	9 910	6 128
Interest expenses Artha Cod	6 323	9 400

Contractually all product sales of harvested cod from Norcod are transacted through sales agens Sirena Group with TNOK 223 641 in 2023 and TNOK 155 299 in 2022. The end custormers of Sirena Group are not related parties.

*Long term loans of TNOK 13 368 were reissued in Aug. 23 when TNOK 88 606 was converted into shares. Carrying amount includes accrued interest. The loans are issued in DKK and are due in Aug 2025. The loans are not shareholder loans.

Note 2	Inventory and biological assets	

Specification of the change in biological assets for the period:	**2023**	**2022**
Biological assets as of 01.01	206 758	235 919
Increase resulting from production in the period	338 928	306 305
*Write-down of inventory	38 623	-160 853
Reduction due to harvesting in the period	-312 257	-174 612
Total biological assets as of 31.12	272 052	206 758

Specification of inventory:	**2023**	**2022**
Feed and other materials	6 314	8 712
Total inventory	6 314	8 712

*Inventory has been written down to fair value according to the fair value adjustment of the biomass, as described in note 3 in the Consolidated Financial Statements for 2023.

Note 3	Payroll expenses, number of employees, remunerations, loans to employees, etc.

Payroll expenses	**2023**	**2022**
Wages and salaries	51 085	38 014
Payroll tax	3 394	1 700
Pension expenses	1 973	1 142
Other benefits	-299	2 176
Total	**56 153**	**43 031**

Average number of full-time-equivalents	55	32

The company follows the agreement on a mandatory occupational pension (OTP) for all employees.

Remuneration to key managemenet		**Salary**	**Bonus**	**Payments in kind**	**Total**
Christian Riber	CEO	3 292	12	4	3 308
Arne Kristian Hoset	CFO*	1 023		13	1 036
Kia Zadegan	COO	1 749	12	16	1 776
Hilde R. Storhaug	CSO	1 539	12	18	1 569
Total		**7 602**	**36**	**50**	**7 688**

Directors fee		**2023**	**2022**
Renate Larsen	Chair/ Board member**	175	125
Jan Severin Sølbæk	Chair/ Board member**	200	250
Peter Buhl	Board member	100	125
Anders Bjerno	Board member	100	125
Trine L. Danielsen	Board member	175	125
Boe R. Spurré	Board member**	0	0
Total		**750**	**750**

* Arne Kristian Hoset was employed by the company as CFO in April 2023.

** During 2023 the Board of Directors have been changed. Renate Larsen took over as Chair of the Board after Jan Severin Sølbæk in June 2023. Boe R. Spurré is a new member of the Board from June, 2023.

In 2021, a share-based bonus program was introduced for senior executives and key personnel. The share-based bonus program entitles the employees the right to receive shares based on the price development of the company's shares.
The Black and Scholes model has been used to calculate this cost.
Due to the development in the share price, no cost related to the option schemes have been recognised in the income statement for 2023.

Assumptions for calculation	**Grant date January 2021**	**Grant date June 2021**
Share price on the allocation date	129	114
Strike	109	109
Turnover adjustment	20,0 %	20,0 %
Expected volatility	50,0 %	50,0 %
Risk-free interest rate	0,5 %	0,9 %
Lifetime	3,5 years	3,1 years
Model employed for fair value calculation	Black and Scholes	Black and Scholes

Change in number of options		
At 31 December 2022	25 500	5 000
Exercised in the year	0	0
Allocated during the year	0	0
Terminated options	-12 500	0
Number of options at 31 December 2023	**13 000**	**5 000**
Exercise price	109	109
Number of employees in the program at 31 December 2023	4	1

Note 4	Tangible assets			
(NOK 1 000)	Land, buildings a.o. property	Machinery and equipment	Boats and fleets	Other operating assets
Purchase cost 01.01	6 463	26 042	42 563	4 909
Additions	414	13 618	865	438
Disposals	0	-130	0	-375
Purchase cost 31.12	6 877	39 530	43 428	4 972
Accumulated depreciation 01.01	-375	-5 727	-8 431	-557
Depreciations	-745	-3 626	-3 406	-1 078
Accumulated depreciation 31.12	-1 119	-9 352	-11 837	-1 635
Net book value 31.12	5 758	30 178	31 591	3 337
Expected useful life	6 - 25 years	3 - 15 years	10 - 15 years	3 - 10 years
Depreciation plan	Straight-line	Straight-line	Straight-line	Straight-line

For additional information please see notes in the consolidated accounts.

Note 5 Right-of-use Assets

Norcod AS applies NRS 14 Leases, and the leases mainly consist of floating installations, vessels and movable property with different lease terms. When entering into a contract, it is assessed whether an agreement contains a lease agreement that gives the company the right to control the use of an identified asset. If the lease is identified as such, assets and related liabilities are recognized at the start of the lease. The company determines the lease as the non-cancellable lease, together with periods covered by an option to extend the lease if it is reasonably certain to be exercised, or a period covered by an option to terminate the lease if it is reasonably safely exercised. The company has not entered into any significant operational lease contracts.

(NOK 1 000)	Land, buildings a.o. property	Machinery and equipment	Boats and fleets	Other operating assets	Total fixed assets
Purchase cost 01.01	3 372	2 390	42 563	1 597	49 922
Additions	344	69	367	370	1 149
Disposals	0	0	0	0	0
Purchase cost 31.12	3 716	2 458	42 930	1 967	51 071
Accumulated depreciation 01.01	-375	-580	-8 431	-223	-9 609
Depreciations	-619	-239	-3 359	-448	-4 666
Accumulated depreciation 31.12	-994	-819	-11 790	-671	-14 275
Net book value 31.12	2 722	1 639	31 140	1 296	36 797
Expected useful life	6 - 25 years	3 - 15 years	10 - 15 years	3 - 10 years	
Depreciation plan	Straight-line	Straight-line	Straight-line	Straight-line	

Note 6 Other operating expenses

Specification of other operating expenses:

(NOK 1 000)	2023	2022
Freight and insurance regarding sales	27 738	17 811
Sales commission	11 485	7 786
Fuel	7 080	5 336
Maintenance	18 654	11 454
Rental of equipment and offices	22 425	11 691
Expensed capitalized cost as of 31.12.2021 related to work of licenses and site surveys of locations (see note 11)	0	6 039
Expenses related to work of licenses and site surveys of locations	1 991	2 040
External fees	7 402	4 492
Insurance	2 854	2 098
Expenses related to sea farms and juvenile cod	8 949	0
Other	14 437	6 995
Total	**123 013**	**75 744**

Note 7	Auditor's fees	
	2023	**2022**
Statutory audit	694	1 062
Other attestation services	172	188
Total	**865**	**1 250**

All auditor's fees are exclusive VAT.

Note 8 Subsidiaries, associated companies and investment in other companies

Investments in subsidiaries and associated companies are booked according to the cost method.

Subsidiaries	**Location**	**Ownership/ voting right**	**Equity last year (100 %)**	**Result last year (100 %)**	**Balance sheet value**
Norcod Equipment AS	Trondheim	100 %	50 407	372	50 030
Kråkøy Slakteri As	Åfjord	100 %	8 277	42	21 254
Norcod Kråkøy Eiendom AS	Åfjord	100 %	1 843	12	9 079
Balance sheet value 31.12					**80 363**

Norcod Equipment AS was established 12.07.2019.

Kråkøy Slakteri AS and Norcod Kråkøy Eiendom AS were acquired by purchasing 100 % of the shares in the two companies in 2023.
During 2023, Norcod AS carried through a share capital increase of TNOK 7,524 in Kråkøy Slakteri AS by converting interompany receivables against the subsidiary to equity. The book value of the share in the subsidiary has been written down with the corresponding amount. Norcod AS has received a group contribution of NOK 1,367 million from Norcod Kråkøy Eiendom AS in 2023. The amount is booked against investments in subsidiaries in the balance sheet.

A condensed interim balance sheet of the companies as of 31 December 2023 is presented as follows for information purposes:

	Norcod Equipment AS	**Kråkøy Slakteri AS**	**Norcod Kråkøy Eiendom AS**
Property, plant & equipment	213 786	39 671	4 993
Inventory	0	1 779	0
Other receivables	1 185	4 030	915
Cash and cash equivalents	41	863	1 195
Total assets	**215 011**	**46 343**	**7 103**
Total equity	51 321	16 822	918
Non-current liabilities	364	15 124	0
Liabilities to group companies	22 505	0	6 113
Short term debt	140 821	14 397	72
Total equity and liabilities	**215 011**	**46 343**	**7 103**

Associated companies
Up until May 2023, Norcod AS had a 50 % ownership in Havlandet Norcod AS (associated company), where NOK 35 million where invested in shares. An additional NOK 40 million long-term loan was granted to Havlandet Norcod AS.

In May 2023, Norcod sold its shares in Havlandet Norcod AS and the long term loan was settled in cash correspondingly. Both transactions were settled at book values.

Investment in other companies
Norcod holds an investment in Arctic Cod AS, book value of TNOK 502. The company offers growth facility capacity for a share of Norcod's juveniles. The contracting arrangement is based on common business terms.

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Note 9 Specification of financial income and expenses

Financial income	2023	2022
Interest income from group companies and associated companies	0	0
Adjustments due to currency changes	0	0
Other financial income	851	587
Total financial income	**851**	**587**

Financial expenses	2023	2022
Interest expenses long term debt	6 891	9 400
Interest expenses to group and associated companies	7 546	1 290
Interest expenses leasing	3 340	1 131
Adjustments due to currency changes	8 254	3 893
Impairment of shares in subsidiaries	7 524	502
Other financial expenses	9 152	2 470
Total financial expenses	**42 707**	**18 686**

Note 10 Taxation

Taxable income	2023	2022
Result before taxes	-254 261	-299 496
Permanent differences	10 892	1 054
Items booked against equity	-15 422	-7 451
Skattefunn	-461	-453
+/- Changes in temporary differences	-58 388	25 686
+/- Group contributions received/given	1 367	0
Basis for payable taxes	**-316 273**	**-280 659**
Change in tax losses carried forward	316 273	280 659
Taxable income	**0**	**0**

Tax payable	0	0
Change in deferred tax	0	0
Other changes	-301	0
Tax expense	**-301**	**0**

Specification of temporary differences and deferred tax:	31.12.2023	31.12.2022	Change
Fixed assets	7 992	6 176	1 816
Right-of-use assets	17 751	15 327	2 424
Biological assets	272 052	206 758	65 294
Other differences	-11 146	0	-11 146
Net changes in temporary differences	**286 649**	**228 261**	**58 388**
Losses carried forward	-960 962	-644 689	-316 273
Changes carried forward	**-960 962**	**-644 689**	**-316 273**
Sum net changes in temporary differences	**-674 313**	**-416 428**	**-257 885**
Deferred tax assets	**0**	**0**	**0**
Deferred tax assets not booked	**-148 349**	**-91 614**	**-56 735**

Note 11	Intangible assets - Concessions, patents, licenses, trademarks and similar rights

The company has previously had an accounting policy that cost incurred, in advance of granted licenses being confirmed, has been capitalized and recognized as intangible assets. The Group has evaluated that to better align with the requirements in IAS 38 all cost related to the application process, prior to licenses being granted, should have been expensed as incurred. Consequently, the company has changed its accounting policy in this regards from 2022, and expensed capitalized cost as of 31.12.2021 of TNOK 6,039 as other operating expenses in the 2022 financial statements as the company considers the financial statement impact to be immaterial.

Note 12	Cash and bank deposits

	2023	2022
Bank deposits	16 677	2 279
Cash and bank deposits	16 677	2 279
Of which restricted bank deposits	1 401	908

Note 13 Share capital and shareholder information

For additional information on ownership structure and purchase and sale of treasury shares please see Note 15 in the consolidated accounts.

Note 14	Liabilities, securities and guarantees etc.

Change in debt from shareholders (amount in NOK million)	31.12.2022	Converted to shares	Fallen due/ Redeemed	Booked as expense	31.12.2023
Debt to Artha Holding A/S	66 949	-57 787	-9 161		0
Adjustment due to change in currency*	271	-7 348	-1 158	8 235	0
Accrued interest	20 787	-23 471	-3 639	6 323	0
Total	**88 006**	**-88 606**	**-13 958**	**14 557**	**0**

*Debt is originally issued in DKK 49 623 836. Exchange currency rate used is NOK 140,7.
TNOK 88 606 of the loan from Artha Holding A/S is are converted into shares in 2023.
The remaining balance has been moved to new long-term loan agreements. The loans are not shareholder loans.

Long-term leasing liabilities	31.12.2023	31.12.2022
Long-term leasing liabilities	19 046	24 986
Total	**19 046**	**24 986**

All of the long-term leasing liabilities are due within the next 5 years.

Norcod AS has given guarantees to credit institutions with respect to their subsidary, Norcod Equipments AS' leasing liabilities.
As of 31 December 2023 theese leasing liabilities are TNOK 137 632 and the total recognised leasing liabilities for which Norcod has pledged security amounted to are TNOK 156 678.

Liabilities to financial institutions	Interest rate	Maturity	31.12.2023	31.12.2022
Overdraft facilities	7,73 %	2024	117 911	70 144
Total			**117 911**	**70 144**

Note 15	Financial risk

Financial risk and risk management
Guidelines for the finance activities are determined by the financial strategy, which is reviewed and approved by the Board. Norcod aims to limit its exposure to financial risk. The Group is exposed to different financial market risks arising from normal business activities, primarily these risks are:

-Foreign exchange risk
-Interest rate risk
-Credit risk
-Price risk/Liquidity risk
-Biological risk

Foreign exchange risk
Company sales of end products, fresh cod, are denominated mainly in EUR. The Group's revenues are exposed to currency risk.
Loan from Artha Holding A/S is in DKK, and is revaluated monthly to NOK.
Sales of Cod Fry are in NOK and carry no exchange risk.

Interest rate risk
Norcod's leasing liabilities and debt to financial institutions are exposed to variable interest rates. This means that Norcod is exposed to changes in interest rates. Adverse movement in interest rates in the future may therefore have a material adverse impact on the Company's financial performance. The book value of biological assets are recognized at net present value of estimated revenues less remaining production costs and is exposed to changes in interest rates.

Credit and Liquidity risk
Norcod is exposed to credit risk related to customers' ability to fulfil their financial obligations. Norcod only has one customer which is deemed to be financially strong and hence the credit risk is considered low.

Liquidity risk is currently based on the company's financial position, leasing arrangements and access to financing in the capital market. These may impact the company's ability to meet its financial obligations in the day-to-day activities. Further information is included in the subsequent events section of this report. The Board of Directors assesses the available liquidity at the end of 2023 to be sufficient to finance the company's ordinary operations and operational investments. Overall, the company's credit and liquidity risk are at an acceptable level and under control.

Biological risk
Other key risks include fluctuations in production, mortality and harvested volumes. A sudden unforeseen change in production, mortality rates, or harvest volumes may impact revenues, production costs and net equity.

Capital management
Norcod's capital management measures is to support long-term growth in Operating profit and Cash Flows from Operations. The Board aims to maintain a healthy balance between liabilities and equity. The capital management measures may be subject to changes due to the financing of the company. Also refer to note 18 for capital management inititatives on improving the financial situation after the balance sheet date.

Note 16 Subsequent events

Inititatives to secure the company's ability to continue as a going concern
Management is continuously evaluating the company’s ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, all available information for the future is taken into account. During the first half of 2024 the company has initiated actions, both in terms of capital injection and financial debt restructuring to secure the company’s ability to continue as a going concern. The initiatives are described below. Based on the initiated actions, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern and that this assumption was realistic at the time of the approval of the statements. It is the Board’s opinion that the Profit and Loss Account and Balance Sheet with notes provide accurate information on the operations and the financial position at year-end.

Capital injection through private placement
To strengthen operational liquidity and finance further investments in biomass in accordance with the company’s production plan and to develop two new locations, Norcod successfully raised 170 MNOK in gross proceeds through a private placement of 14.166.667 offer shares at a subscription price of NOK 12 per share in February 2024. The Extraordinary General Meeting held on March 15, 2024 resolved the private placement.

Moreover, the extraordinary general meeting on March 15, 2024 resolved to carry out a subsequent repair offering of up to 1.333.333 new shares at a subscription price of NOK 12 per share. The subsequent repair offering was directed towards existing shareholders in the company who were not allocated offer shares in the private placement.

Following the registration of the share capital increase, the company will have a registered share capital of TNOK 21,902 divided into 43.803.164 shares, each with a nominal value of NOK 0.5. Following the private placement, the three main shareholders are Artha Kapitalforvaltning (43,6%), Highliner Foods Inc. (10,1%) and Sirena Group (9,6%).

The net cash contribution from the private placement and the subsequent repair offering totals 167 MNOK.

Extension of bank overdraft
Norcod's overdraft facility of 125 MNOK issued by DNB was originally due for repayment in September 2024. However, in the second quarter of 2024, DNB agreed to extend the repayment by one year to September 2025. Other main terms and conditions are unchanged. The extension of the overdraft with one year strengthens Norcod’s operational liquidity at predictable terms and contributes to steady liquidity in the company’s running operations.

Notice of proceedings
During Q4-23, Norcod made capacity adjustments to align future production with the company’s growth plan. In February 2024, the company received a notice of proceedings from a contracting party for a claim regarding what is argued to be a rejection of delivery in breach of contract. Norcod has rejected the claim, but has made provisions in its accounts based on estimates and risk assessments. At the date of the approval of the Annual Financial Statements for 2023, the parties have reached an agreement and settled the claim.

KPMG AS
Sjøgangen 6
N-7010 Trondheim

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Norcod AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Norcod AS, which comprise:

- the financial statements of the parent company Norcod AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of change in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- the consolidated financial statements of Norcod AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, statement of change in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and

- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

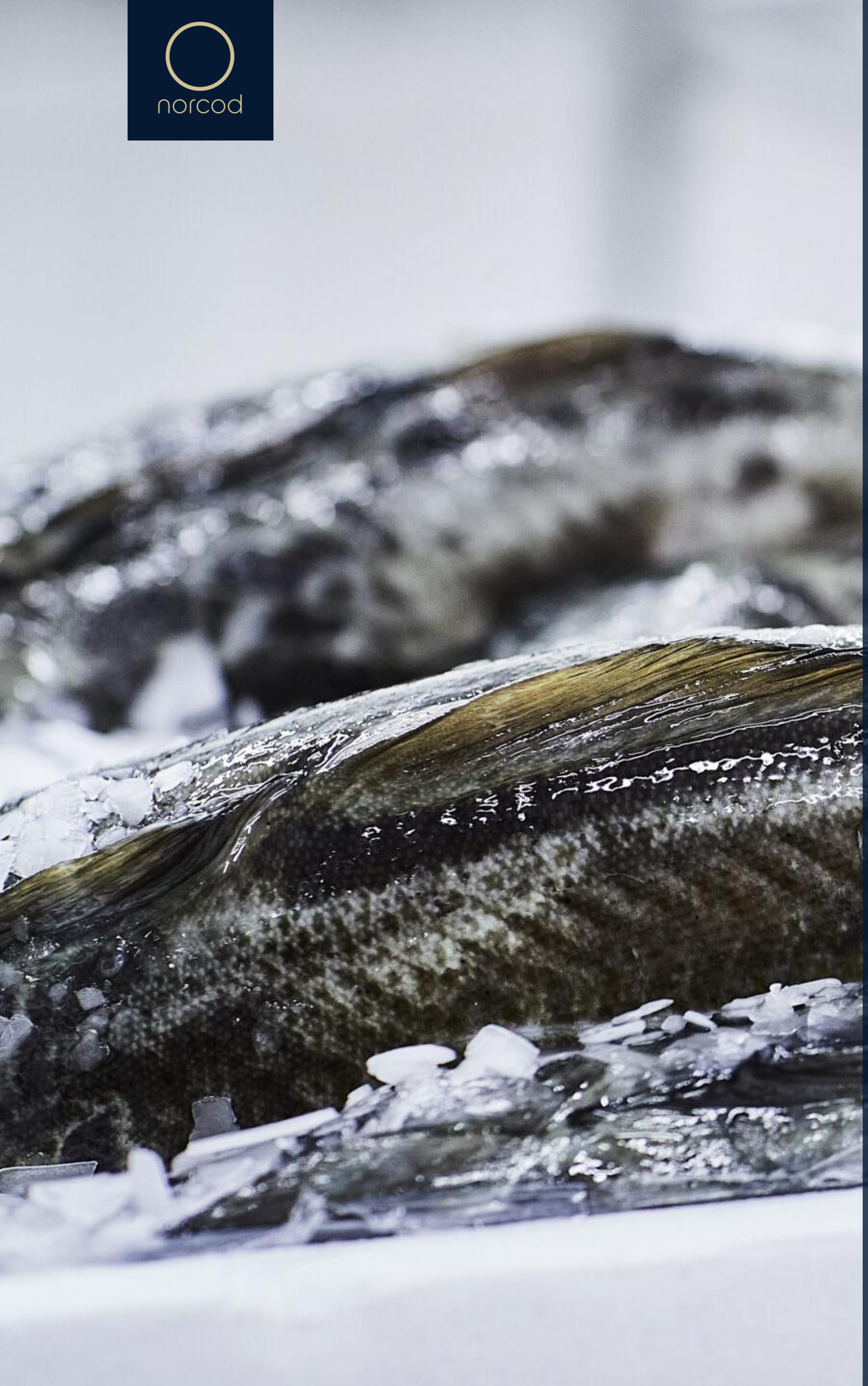
Trondheim, 30 May 2024

KPMG AS

Jørgen Mo Rande
State Authorised Public Accountant

Norcod

Q4-2024
Financial report



Q4 2024 Highlights

- 124 MNOK in revenues, up 47% from 83 MNOK in Q4-23
- 35 MNOK in operating loss, down 66% from 104 MNOK in Q4-23
- 2,390 tons WFE* harvested, up from 1,080 tons WFE in Q4-23
- The Jamnungen site has been granted an increase of MAB (Maximum Allowable Biomass) from 3,600 tons to 5,200 tons.
- Stocking of 5 pens at the new location Bjørnvika (Nesna).
- Strong market conditions have made the outlook for both farmed cod and Norcod more promising than ever.

Post Q4 2024 Highlights

- Revised and profitable growth strategy that aligns with the current favorable market dynamics, including funding of approximately 300 MNOK through a combination of increased debt commitment and a contemplated Private Placement.
  - The Company is contemplating an equity raise of minimum 150 MNOK to fund annual production capacity of up to 25,000 tons WFE. Some of Norcod's largest shareholders have already indicated support covering the minimum amount in the equity raise. DNB Markets has been engaged as financial advisor.
  - Increased debt commitment from DNB Bank ASA of up to 150 MNOK, subject to completion of equity raise.

**WFE: Whole Fish Equivalent*

Operational update

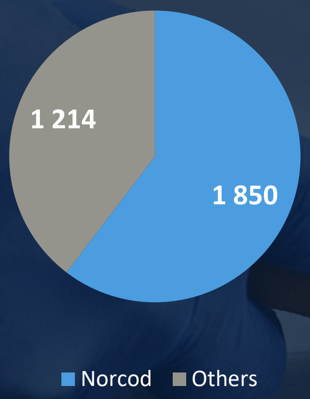
A total of 2,390 tons were harvested during the quarter, with the majority coming from Labukta (902 tons) and Mausund (909 tons). An additional 578 tons were harvested from Frosvika. All biomass was processed at Norcod's harvesting facility, Kråkøy Slakteri. The biological performance of the fish at the Jamnungen site is strong, exceeding expectations. Fish stocked at the Bjørnevika site have also shown promising results, and more are expected to be stocked in Q1 2025. Sea temperatures during Q4 were favorable for cod production, contributing to good growth throughout the period.

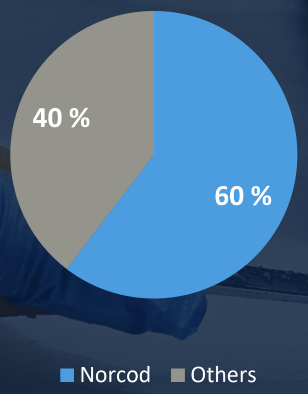
The Jamnungen site has been granted an increase in MAB (Maximum Allowable Biomass) from 3,600 tons to 5,200 tons, contributing to more cost-efficient production.

As disclosed in a separate press release, Norcod experienced a fish escape at the Labukta site. While the exact cause remains under investigation, an inspection will be conducted in collaboration with the Directorate of Fisheries and the supplier to determine the cause. Norcod has a zero-escape policy and is committed to continuously improving its procedures and equipment.

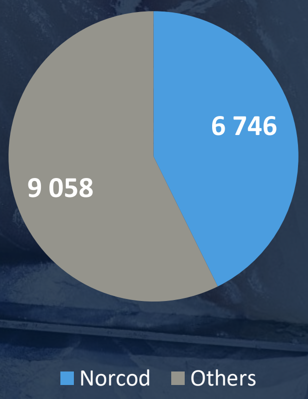
To manage maturation and prevent spawning, Norcod has increased harvesting capacity at the Kråkøy processing plant. As a result, the fish harvested from Frosvika will be smaller than originally budgeted. Although this is offset by higher prices and a strong market, the financial results for both the first and second quarters of 2025 may be impacted.

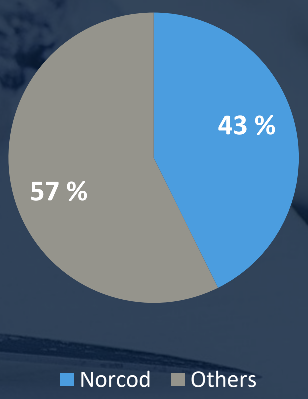
Total export volume during the quarter





Standing biomass at the end of the quarter

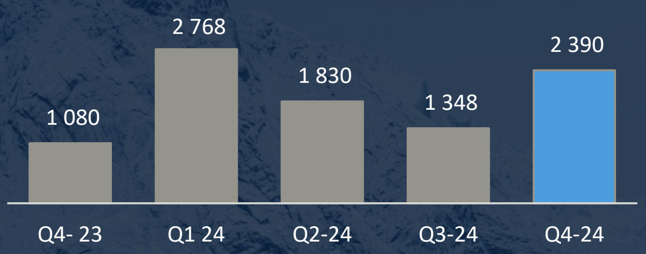




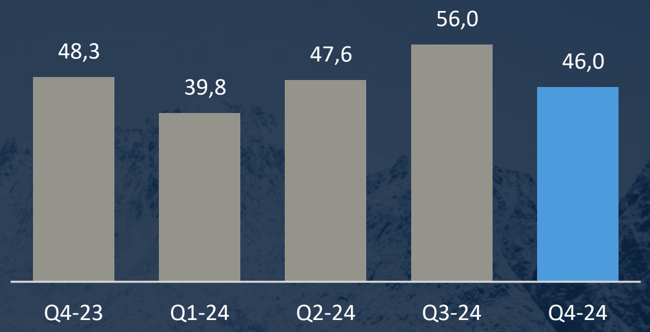
At the end of the quarter, Norcod's biomass at sea totaled 6,746 tons (43% of the total biomass volume). According to officially reported statistics by the Norwegian Seafood Council, Norcod's share of total export volume of harvested cod during the quarter was 60%.

Financial Update - Highlights

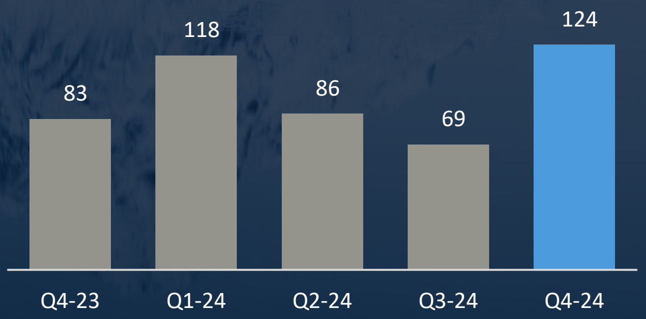
Harvest volume (tons WFE)



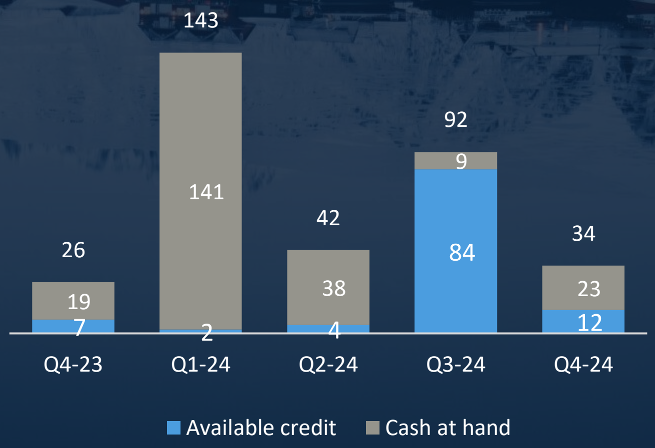
Production cost at sea (NOK per kg WFE)



Revenues (MNOK)

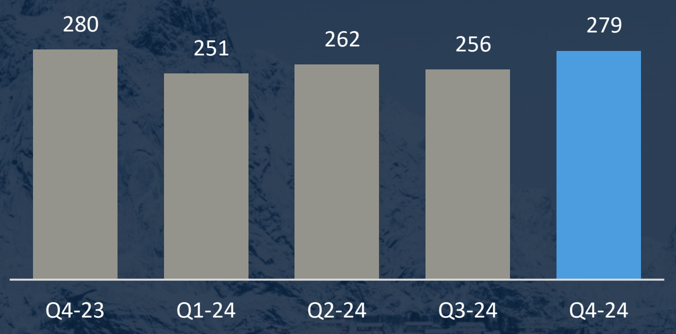


Available credit and cash at hand (MNOK)

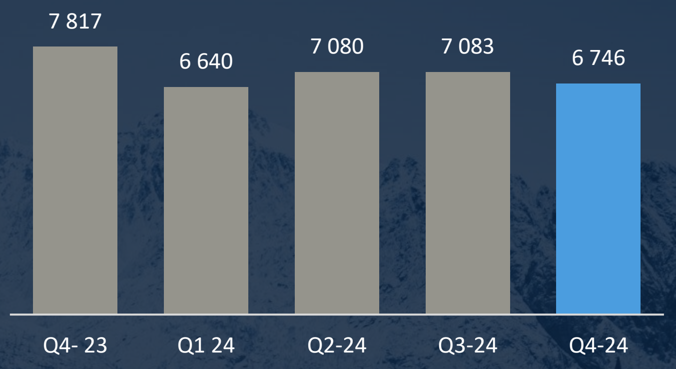


Financial Update - Highlights

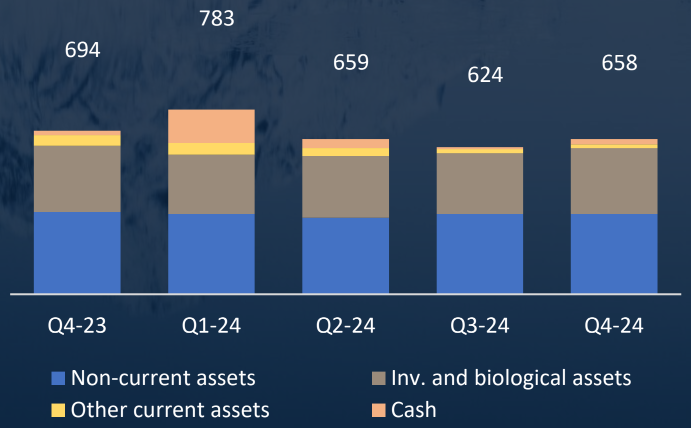
Biological assets (MNOK)



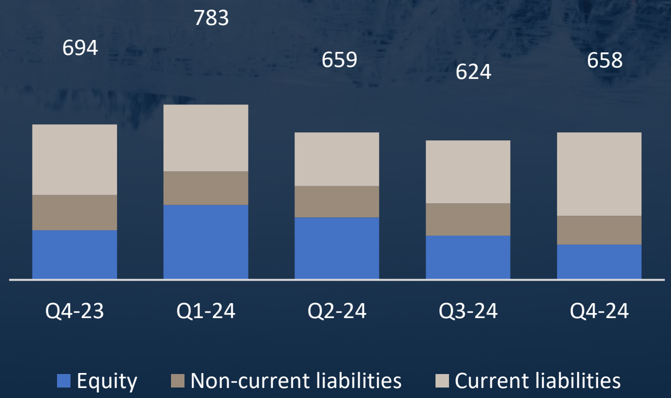
Biomass at sea (tons)



Balance sheet development – Assets (MNOK)



Balance sheet development – Equity and liabilities (MNOK)



norcod

Financial Review

	Q4 - 2024	FY 2024	Q4 - 2023	FY 2023	Y/Y-%
Operating revenue	123 721	397 183	83 163	269 419	47,4 %
Production cost*	-110 016	-382 866	-77 755	-312 257	22,6 %
Other operating expenses	-59 606	-205 634	-51 161	-190 544	7,9 %
EBIT excl non-recurring items and FV adjustment of biomass	**-45 901**	**-191 317**	**-45 753**	**-233 382**	**18,0 %**
Non-recurring items**	-7 202	-30 226	-21 110	-21 110	43,2 %
FV-adjustment of biomass	18 572	17 740	-36 965	38 623	-54,1 %
EBIT	**-34 531**	**-203 802**	**-103 828**	**-215 869**	**5,6 %**
Harvest volume WFE	2 390	8 333	1 611	6 155	35,4 %
Production cost NOK per kg*	46,0	45,9	48,3	50,7	-9,4 %

* 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 administration not included

** Non-recurring items in Q4 mainly relates to the escape incident late November

Financial Review

Profit and Loss Fourth Quarter 2024

Operating revenues for the fourth quarter were 124 MNOK based on a harvested volume of 2.4 tons, up from 83 MNOK and a harvested volume of 1.6 tons in Q4-23. Operating expenses ended at 177 MNOK, up from 150 MNOK in Q4-23. The increase is mainly explained by significantly higher harvest volume compared to the corresponding quarter last year.

Production cost per kg decreased from 48.3 NOK per kg WFE in Q4-23 to 46.0 NOK per kg WFE in Q4-24. Operating loss ended at 35 MNOK, down from 104 MNOK in the corresponding quarter last year. Net loss for the period ended at 40 MNOK, down from 110 MNOK in Q4-23.

The non-recurring items mainly relates to the escape incident late November, which was reported via the stock exchange.

Balance Sheet

Total assets ended at 658 MNOK in Q4-24, down from 695 MNOK in Q4-23.

The change from last year is due to a reduction in biological assets and short-term receivables. Available credit ended at 12 MNOK, and cash on hand ended at 23 MNOK. Total available funds reached 34 MNOK, up from 26 MNOK in Q4-23.

The retained earnings has reduced the equity further from Q4-23. Total equity ended at 157 MNOK, down from 225 MNOK corresponding quarter last year.

Norcod has operated in compliance with all financial covenants under its loan agreement with DNB. Due to the challenging conditions during the summer of 2024 and a subsequent decrease in the equity ratio to approximately 24%, Norcod has been given a waiver of the equity ratio requirement of 35% until the contemplated capital increase is completed.

Financial Review

Balance Sheet (cont.)

Total non-current liabilities ended at 128 MNOK in Q4-24, down from 153 MNOK in Q4-23. Current interest-bearing debt ended at 205 MNOK in Q4-24, up from 119 MNOK in Q4-23. Total current liabilities ended at 373 MNOK in Q4-24, up from 317 MNOK in Q4-23. The change is mainly due to investing in biomass along with the increased harvesting levels, combined with the increased overdraft facility.

Cash Flows

Net cash flows from operating activities were -48 MNOK in Q4-24 compared to -6 MNOK in Q4-23. The increased overdraft facility was utilized throughout the quarter to repay overdue accounts payable. Net cash flows from investing activities were -5 MNOK in Q4-24 compared to -9 MNOK in Q4-23. This change is due to reduced purchases of equipment in this quarter.

Net cash flows from financing activities ended at 66 MNOK in Q4-24, compared to 15 MNOK during Q4-23. This change is primarily explained by the variation in the utilization of the credit line facility.

Market update

Norcod is currently benefiting from favorable market conditions, with a 29 percent rise in sales prices from Q1 to Q4 of 2024.

We are witnessing growing awareness and recognition of the advantages of farmed cod, offering a reliable year-round supply of fresh, high-quality cod, with similar versatility to salmon.

The launch of the Snow Cod brand and our efforts to position the product within a premium niche segment in key growth markets have been well received both in the retail and food service sectors.

In light of the substantial quota reductions for wild cod and a reduction in available raw materials, both Norcod and our customers are aligned in recognizing farmed cod as a sustainable and viable alternative. Farmed cod ensures a steady supply while easing the strain on wild stocks, positioning farmed cod as a dependable and sustainable protein source for the future. Farmed cod is a proven part of the solution to providing the world’s growing population with a reliable, sustainable and healthy protein source.

With these market conditions, the outlook for farmed cod, and Norcod in particular, has never been more promising.

Outlook

Revised and profitable long-term growth strategy with increased debt commitment and contemplated Private Placement

Driven by favorable market conditions and strong sales price trends, the company has seen improvements in its financial performance year-on-year.

By maintaining a sharp focus on cod biology, optimizing the feeding regime, refining production processes, maximizing production capacity and capitalizing on scale-up effects, Norcod has developed a revised and profitable growth strategy that aligns with the current favorable market dynamics. This includes funding of approximately NOK 300 million through a combination of increased debt commitment and a contemplated Private Placement.

The Company is contemplating an equity raise of minimum NOK 150 million to fund annual production capacity of up to 25,000 tons Whole Fish Equivalent (WFE). Some of Norcod’s largest shareholders have already indicated support covering the minimum amount in the equity raise. DNB Markets has been engaged as financial advisor. The contemplated Private Placement is expected to take place during Q1 2025.

Subject to completion of the equity raise, Norcod has secured increased debt commitment from DNB Bank ASA of up to NOK 150 million.

Adjustments to expected financial results for 2025 compared to indications provided in Q3 24-report

As part of the revised growth strategy, Norcod has adjusted its production plan for 2025 to optimize long-term, profitable growth. Along with increased harvesting in Q1 2025 to manage maturation (see the section “Operational update”), these changes will negatively affect cash flow from operations for the 2025 financial year, compared to the Q3 2024 report where Norcod indicated that positive cash flow from operations in 2025 was within reach.

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 flavourful product good for everyone and the planet
- 90 % utilization of the cod for human consumption

Looking ahead

- Targeting 98 % utilization of the cod for human consumption
- 50 % reduction in carbon footprint by 2030 (Scope 1, 2, 3) per kg edible yield
- Zero escape vision
- Aiming to increase the survival rate to 90 % per cycle within 2030
- 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	

Interim condensed consolidated statement of comprehensive income

Consolidated statement of comprehensive income					
(Amounts in NOK '000)	Note	Q4 - 2024	FY 2024	Q4 - 2023	FY 2023
Operating revenue		**123 721**	**397 183**	**83 163**	**269 419**
Cost of materials		106 702	373 036	74 920	315 439
Salaries and personnel expenses		23 755	88 842	22 805	67 845
Depreciation, amortization and impairment		9 458	36 550	10 967	29 095
Other operating expenses		36 909	120 296	41 333	111 532
Operating expenses		**176 823**	**618 724**	**150 026**	**523 911**
Operating profit/ loss(-) before fair value adj. of biomass		**-53 103**	**-221 542**	**-66 863**	**-254 492**
Fair value adjustment biomass	1	18 572	17 740	-36 965	38 623
Operating profit/loss		**-34 531**	**-203 802**	**-103 828**	**-215 869**
Share of profit/ loss(-) from associates		0	0	0	1 489
Net financial items	2	-4 992	-30 033	-9 656	-34 921
Profit/loss before tax		**-39 522**	**-233 835**	**-113 484**	**-249 301**
Income tax expenses		0	0	3 121	3 121
Net profit/loss for the period		**-39 522**	**-233 835**	**-110 363**	**-246 180**
Other comprehensive income		0	0	0	0
Total comprehensive income for the period		**-39 522**	**-233 835**	**-110 363**	**-246 180**

Interim condensed consolidated statement of financial position

Consolidated statement of financial position			
(Amounts in NOK '000)	**Note**	**Q4 - 2024**	**Q4 - 2023**
ASSETS			
Non-current assets			
Concessions, patents, licenses, trademarks and similar rights		2 000	2 000
Property, plant & equipment		145 933	148 246
Right-of-use assets		193 127	198 776
Other investments	2, 3	3	505
Total non-current assets		**341 064**	**349 527**
Current assets			
Inventories	1	13 242	8 093
Biological assets	1	265 341	272 052
Short-term receivables		15 834	46 344
Cash and cash equivalents		22 533	18 777
Total current assets		**316 951**	**345 267**
TOTAL ASSETS		**658 014**	**694 793**

Interim condensed consolidated statement of financial position

Consolidated statement of financial position			
(Amounts in NOK '000)	Note	Q4 - 2024	Q4 - 2023
EQUITY AND LIABILITIES			
Equity			
Share capital		21 902	14 714
Treasury Shares		-3 707	-3 707
Share premium		1 005 143	846 043
Retained earnings		-866 079	-632 243
Total equity		**157 260**	**224 806**
Liabilities			
Non-current interest-bearing debt	4	17 018	29 284
Lease liabilities	4	111 156	124 182
Total non-current liabilities		**128 174**	**153 466**
Current leasing Liabilities	4	34 661	32 642
Current interest-bearing debt	4	205 270	119 356
Trade payables		119 981	135 863
Other current liabilities		12 668	28 661
Total current liabilities		**372 580**	**316 521**
TOTAL EQUITY AND LIABILITIES		**658 014**	**694 793**

Interim condensed consolidated statement of changes in equity

Interim condensed consolidated statement of changes in equity

(Amounts in NOK '000)	Paid-in equity			Other equity	
2023	**Share capital**	**Treasury shares**	**Share premium**	**Retained earnings**	**Total equity**
Equity as of 1 Jan 2023	9 609	-3 707	553 043	-382 266	176 679
Issue of shares 10.05.2023	3 175		176 065		179 240
Issue of shares 05.07.2023	289		19 592		19 881
Issue of shares 13.07.2023	164		9 350		9 514
Issue of shares 25.08.2023	1 477		84 196		85 673
Net profit/loss for the year				-246 180	-246 180
Other changes/ reclassification			3 796	-3 796	0
Equity as of 31 Dec 2023	**14 714**	**-3 707**	**846 042**	**-632 242**	**224 806**

2024	**Share capital**	**Treasury shares**	**Share premium**	**Retained earnings**	**Total equity**
Equity as of 1 Jan 2024	14 714	-3 707	846 042	-632 242	224 806
Issue of shares 11.03.2024	773		17 184		17 957
Issue of shares 20.03.2024	6 310		140 246		146 556
Issue of shares 15.04.2024	105		1 671		1 776
Net profit/loss for the year				-233 835	-233 835
Equity as of 31 Dec 2024	**21 902**	**-3 707**	**1 005 143**	**-866 079**	**157 260**

Interim condensed consolidated statement of cash flows

Interim condensed consolidated statement of cash flows					
(Amounts in NOK '000)	Note	Q4 - 2024	FY 2024	Q4 - 2023	FY 2023
Profit/loss before tax		**-39 522**	**-233 835**	**-113 484**	**-249 301**
Taxes paid		0	0	0	0
Cash flow from operating activities					
Depreciation and amortization		9 458	36 550	9 776	27 903
Impairment of intangible assets	3	0	502	1 191	1 191
Change in inventory and biological assets	1	-4 176	19 302	79 081	-23 902
Fair value adjustment	1	-18 572	-17 740	-38 623	-38 623
Share of profit/ loss(-) from associates		0	0	0	-1 489
Change in accounts receivable		-999	15 685	-3 575	3 235
Change in accounts payable		1 412	-15 882	49 331	19 833
Change in other current receivables and other current liabilities		4 689	12 855	10 558	30 131
Net cash flow from operating activities		**-47 710**	**-182 564**	**-5 745**	**-231 022**
Cash flows from investing activities					
Payments for purchase of property, plant & equipment		-4 998	-18 883	-8 207	-24 550
Proceeds from sale of property, plant & equipment		0	4 228	-339	25 153
Acquisition of subsidiaries		0	0	0	-8 912
Proceeds from sale of shares in associates		0	0	0	35 000
Change in loans associates and others		0	0	0	40 000
Net cash flow from investing activities		**-4 998**	**-14 655**	**-8 545**	**66 691**
Cash flows from financing activities					
Receipts from new non-current debt		3 500	3 500	0	0
Net change in bank overdraft		71 660	68 701	22 444	50 865
Repayment of debt		-344	-1 461	0	-12 164
Repayment of lease liability		-7 516	-24 732	-4 179	-34 925
Interest paid	2	-846	-11 322	-3 646	-8 987
Proceeds from issues of shares		0	166 289	0	184 907
Net cash flow from financing activities		**66 453**	**200 975**	**14 619**	**179 696**
Net (decrease)/increase in cash and cash equivalents		13 746	3 757	330	15 365
Cash and cash equivalents at the beginning of the period		8 788	18 777	18 447	3 412
Cash and cash equivalents at close of the period		**22 533**	**22 533**	**18 777**	**18 777**

Notes

Norcod (the Group) consists of Norcod AS, Norcod Equipment AS, Kråkøy Norcod AS and Kråkøy Norcod Eiendom AS .
The Groups head office is located at Thomas Angells gate 22 in Trondheim, Norway.
Norcod AS is listed on the Oslo Stock Exchange Euronext Growth under the ticker NCOD.

The condensed, consolidated interim financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS), including the International Accounting Standards 34 (IAS34) for interim financial reporting and are authorized for issue by the board of directors on 12. Feb 2025. The Group's accounting principles and calculation methods used in the most recent annual accounts are described in the annual report for 2023. No accounting principles have been changed or other standards have been adopted during the period. The annual report is published on www.norcod.no.

The condensed consolidated interim financial statements have not been audited. As a result of rounding differences, numbers or percentages may not add up to the total.

All figures in the notes are in NOK 1 000, unless otherwise specified.

Notes

Note 1 Inventories and biological assets

	31.12.2024	31.12.2023
Book value of inventories		
Feed and other materials	13 242	8 093
Total inventories	**13 242**	**8 093**
Book value of biological assets		
Roe and cod fry at cost	18 796	13 830
Biological assets held at sea farms at cost	351 035	380 452
Total Biological assets before fair value adjustment	**369 831**	**394 282**
Fair value adjustment of biological assets	-104 490	-122 230
Total biological assets	**265 341**	**272 052**

		Q4 - 2024	2024	Q4 - 2023	2023
Reconciliation of changes in carrying amount of biological assets	**Statement of comprehensive income post**				
Opening balance biological assets		248 356	272 052	304 852	206 758
Increase resulting from production in the period	Cost of materials	114 302	387 311	81 921	338 928
Reduction due to extraordinary mortality		-5 872	-28 896	0	0
Fair value adjustment of biomass	Fair value adjustment biomass	18 572	17 740	-36 965	38 623
Reduction due to harvesting in the period		-110 016	-382 866	-77 755	-312 257
Closing balance biological assets		**265 341**	**265 341**	**272 052**	**272 052**
Volumes of biological assets in sea (1 000 kg)					
Opening balance biological assets in sea		7 083	7 817	6 395	6 777
Closing balance biological assets in sea		6 746	6 746	7 817	7 817

Notes

The group had no uninvoiced finished goods in Q4 2024.

Biological Assets

Biological assets are, in accordance with IAS 41 Agriculture, measured at fair value in accordance with IFRS 13. Biomass measured at fair value, is categorized at Level 3 in the fair value hierarchy, as the input is mostly unobservable. All cod at sea are subject to a fair value calculation, while roe and cod fry are measured at cost as cost is deemed a reasonable approximation for fair value as there is little biological transformation.

The technical model used to calculate the fair value of biomass is a present value model. Present value is calculated on the basis of estimated revenues less production costs remaining until the cod is harvestable at the individual site. The cod is harvestable when it has reached the estimated weight required for harvesting specified in the company's budgets and plans. The estimated value is discounted to present value on the date of reporting. The expected biomass at harvest is calculated on the basis of the number of individuals held at sea farms on date of reporting, adjusted for expected mortality up until the point of harvest and multiplied by the fish's estimated weight at harvest. The price is calculated using the Group's best estimate of future prices and are not observable. The price includes the Group's best estimate of the future prices of cod liver and other products of the cod that will be sold. Prices are adjusted for expected costs related to harvesting, sales and carriage costs. The Group applies a monthly discount rate of 2 %.

Estimated remaining production costs are estimated costs that a market participant would presume necessary for the farming of fish up until they reach a harvestable weight. In the model, instead of being a separate cost element in the calculation, compensation for estimated license fees and site leasing costs is included in the discount factor, and thereby reduces the fair value of the biomass.

The fair value of the biomass is calculated using a monthly discounting of the cash flow based on an expected harvesting month according to the harvesting plan. The discount factor is intended to reflect three main components:

1. The risk of incidents that affect the cash flow
2. The time value of money
3. Synthetic license fees and site leasing costs

The discount factor is set on the basis of an average for all the Group's sites and which, in the Group's assessment, provides a sensible growth curve for the fish – from cod fry to harvestable fish.

The risk adjustment must take account of the risk involved in investing in live fish. Currently the Group expects a cod to spend on average 16-18 months at a sea farm, and the risk will be higher the longer the time until harvest. Biological risk, the risk of increased costs and price risk will be the most important elements to be recognized. The present value model includes a theoretical compensation for license fees and site leasing costs as a surplus to the discount factor in the model, instead of being a cost-reducing factor in the calculation.

Notes

Note 2 Financial items	Q4 - 2024	FY 2024	Q4 - 2023	FY 2023
Financial income				
Other financial income	34	1 240	191	851
Total financial income	**34**	**1 240**	**191**	**851**
Financial expenses				
Impairment of financial assets	0	502	0	0
Interest expenses to related companies	0	0	-181	6 323
Interest on long term loans from credit institutions	4 233	14 992	7 873	7 873
Interest expenses leasing	846	11 322	5 603	10 944
Adjustments due to currency loss	124	2 147	185	8 254
Other financial expenses	-178	2 311	-3 633	2 379
Total financial expenses	**5 025**	**31 274**	**9 847**	**35 773**
Net financial items	**-4 992**	**-30 033**	**-9 656**	**-34 921**

Notes

Note 3 Associated companies and other investments

Up until May 2023, Norcod AS had a 50 % ownership in Havlandet Norcod AS (associated company), where NOK 35 million where invested in shares. An additional NOK 40 million long-term loan was granted to Havlandet Norcod AS. In May 2023, Norcod sold its shares in Havlandet Norcod AS and the long term loan was settled in cash correspondingly. Both transactions were settled at book values.

Norcod has written down an investment in Arctic Cod AS by TNOK 502 during the second quarter of 2024.
The investment was acquired for TNOK 1 003 and had a book value of TNOK 502 at the beginning of the year.

Notes

Note 4 Interest-bearing liabilities	31.12.2024	31.12.2023
Non-Current interest-bearing liabilities		
Non-current interest-bearing debt	17 018	29 284
Non current liabilities for right-of-use assets	111 156	124 182
Non-current leasing liabilities	**128 174**	**153 465**
Current interest-bearing debt:		
Current liabilities for right-of-use assets	34 661	32 642
Current interest-bearing debt	205 270	119 356
Total current interest-bearing debt	**239 931**	**151 998**
Total interest-bearing debt	**368 105**	**305 463**
Cash and bank deposits	22 533	18 777
Net interest-bearing debt	**345 572**	**286 687**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SUBSEQUENT OFFERING

SUBSCRIPTION FORM

Securities number: ISIN NO 0010892912

General information: The terms and conditions for the subsequent offering (the "**Subsequent Offering**") of up to 1,666,666 new shares in the Company, each with a nominal value of NOK 0.50 (the "**Offer Shares**") at an offer price of NOK 12.00 per Offer Share (the "**Offer Price**"), in Norcod AS (the "**Company**") are set out in the prospectus dated 20 March 2025 (the "**Prospectus**"). Terms defined in the Prospectus shall have the same meaning in this subscription form (the "**Subscription Form**"). The notice of, and minutes from, the extraordinary general meeting (with appendices) held on 14 March 2025, the Company's articles of association and the annual accounts and annual reports for the last two financial years are available at the Company's registered office address at Thomas Angells gate 22, 7011, Trondheim, Norway and its website. All announcements referred to in this Subscription Form will be made through the Oslo Stock Exchange' information system (NewsWeb) under the Company's ticker "NCOD".

Subscription procedures: The subscription period will commence at 09:00 hours (CET) on 21 March 2025 and expire at 16:30 hours (CEST) on 4 April 2025 (the "**Subscription Period**"). Subscriptions by Eligible Shareholders (as defined below) who do not have a CSD account, but instead hold Shares (and Subscription Rights) through a financial intermediary (i.e. Nordnet, broker, custodian, nominee, etc.) can be made by contacting their respective financial intermediary as further described in Section 2.13 of the Prospectus. Correctly completed Subscription Forms must be received by DNB Markets, a part of DNB Bank ASA (the "**Manager**") at the following address or e-mail address, or in the case of online subscriptions through the CSD online subscription systems be registered, no later than 16:30 hours (CEST) on 4 April 2025:

DNB Markets, a part of DNB Bank ASA
Dronning Eufemias gate 30 N-0021 Oslo Norway Tel.: +47 91 50 48 00 E-mail: retail@dnb.no www.dnb.no/emisjoner

The subscriber is responsible for the correctness of the information included in this Subscription Form. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Manager without notice to the subscriber. **Subscribers who are residents of Norway with a Norwegian national identity number are encouraged to subscribe for Offer Shares through the CSD online subscription system (or by visiting the Manager's' website: www.dnb.no/emisjoner, which will include a reference to the CSD online subscription system).** Subscriptions made through the CSD online subscription system must be duly registered before the expiry of the Subscription Period. None of the Company or the Manager may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Manager. Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Manager, or in the case of subscriptions through the CSD online subscription system, upon registration of the subscription. By signing and submitting a Subscription Form, or by registration of a subscription in the CSD online subscription system, the subscriber confirms and warrants to have read the Prospectus and that it is eligible to subscribe for Offer Shares under the terms set forth therein.

Offer Price: The Offer Price in the Subsequent Offering is NOK 12.00 per Offer Share.

Subscription Rights: The shareholders of the Company as of 27 February 2025 (being registered as such in the CSD on 3 March 2025 pursuant to the two days' settlement procedure (the "**Record Date**")) (the "**Eligible Shareholders**"), will be granted non-tradable subscription rights (the "**Subscription Rights**") that, subject to applicable law, give a right to subscribe for and be allocated Offer Shares in the Subsequent Offering at the Offer Price. Each Existing Shareholder will be granted 0.12304 Subscription Rights for every existing Share registered as held by such Existing Shareholder in the CSD as at the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable securities laws, give the right to subscribe for, and be allocated, one (1) Offer Share in the Subsequent Offering. Over-subscription and subscription without Subscription Rights will be permitted. **Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period at 16:30 hours (CEST) on 4 April 2025 will have no value and will lapse without compensation to the holder.**

Allocation of Offer Shares: The Offer Shares will be allocated to the subscribers based on the allocation criteria set out in the Prospectus. No fractional Offer Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not validly made or covered by Subscription Rights (i.e over-subscription or subscriptions made without Subscription Rights) and will only allocate such Offer Shares to the extent that Offer Shares are available to cover such subscriptions. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated. Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed on or about 7 April 2025. Subscribers having access to investor services through their CSD account manager will be able to see the number of Offer Shares allocated to them from 10:00 hours (CEST) on or about 7 April 2025. Subscribers who do not have access to investor services through their CSD account manager may contact the Manager from 10:00 hours (CET) on the same date to obtain information about the number of Offer Shares allocated to them.

Payment: The payment for Offer Shares allocated to a subscriber falls due on 9 April 2025 (the "**Payment Date**"). The subscriber must ensure that there are sufficient funds in the stated bank account from and including 8 April 2025, i.e. one banking date prior to the Payment Date. Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form, provide the Manager, with a one-time irrevocable authorisation to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares which are allocated to the subscriber. The specified bank account is expected to be debited on or after the Payment Date. The Manager is only authorised to debit such account once, but reserves the right to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Payment Date. The subscriber furthermore authorises the Manager to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment. If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment being made, the subscriber must contact the Manager on telephone number +47 23 26 80 20 for further details and instructions. Should any subscriber have insufficient funds on his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any other reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue payments" set out on page 2 of this Subscription Form.

PLEASE SEE PAGE 2 OF THIS SUBSCRIPTION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE SUBSCRIPTION OF OFFER SHARES

DETAILS OF THE SUBSCRIPTION

Subscriber's CSD / VPS account:	Subscriber's LEI code (20 digits):	Number of Subscription Rights:	Number of Offer Shares subscribed (incl. over-subscription):	(For broker: Consecutive no.):

SUBSCRIPTION RIGHTS' SECURITIES NUMBER: ISIN NO0013512426

Offer Price per Offer Share:	Subscription amount to be paid:
X NOK 12.0	= NOK _______________

IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED BY SUBSCRIBERS WITH A NORWEGIAN BANK ACCOUNT)

Norwegian bank account to be debited for the payment for Offer Shares allocated (number of Offer Shares allocated x NOK 12.00).	(Norwegian bank account no.)

In accordance with the terms and conditions set out in the Prospectus and this Subscription Form, I/we hereby irrevocably (i) subscribe for the number of Offer Shares specified above, (ii) grant the Manager (or someone appointed by it) to take all actions required to purchase and/or subscribe for Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Subscription Form, and to ensure delivery of such Offer Shares to me/us in the VPS, (iii) grant the Manager authorisation to debit (by direct debiting or manually as described above) the specified bank account for the payment of the Offer Shares allocated to me/us and (iv) confirm and warrant to have read the Prospectus and that I/we are aware of the risks associated with an investment in the Offer Shares and that I/we are eligible to subscribe for and purchase Offer Shares under the terms set forth therein, and that I/we acknowledge that the Manager has not taken any steps to verify the information in the Prospectus.

Place and date Must be dated in the Subscription Period	**Binding signature.** The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney should be attached.

INFORMATION ON THE SUBSCRIBER

First name:	
Surname / company:	
Street address:	
Post code / district / country:	
Personal ID number / company registration number:	
Legal Entity Identifier ("**LEI**") / National Client Identifier ("**NCI**"):	
Nationality:	
E-mail address:	
Daytime telephone number:	

ADDITIONAL GUIDELINES FOR THE SUBSCRIBER

Regulatory Issues: In accordance with the Markets in Financial Instruments Directive 2014/65/EU ("**MiFID II**") of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect, the Manager must categorize all new clients in one of three categories: eligible counterparties, professional and non-professional clients. All subscribers in the Subsequent Offering who are not existing clients of the Manager will be categorized as non-professional clients. Subscribers can, by written request to the Manager, ask to be categorized as a professional client if the subscriber fulfils the applicable requirements of the Norwegian Securities Trading Act. For further information about the categorization, the subscriber may contact the Managers on the telephone numbers set forth hereon. **The subscriber represents that he/she/it is capable of evaluating the merits and risks of an investment decision to invest in the Company by subscribing for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.**

The Manager will receive a consideration from the Company and will in conducting its work have to take into consideration the requirements of the Company and the interests of the investors subscribing under the Subsequent Offering and the rules regarding inducements pursuant to the requirements of the Norwegian MiFID II Regulations (implementing the European Directive for Markets in Financial Instruments (MiFID II)).**General Business Terms and Conditions:** The subscription for Offer Shares is further regulated by the Manager's general business terms and conditions, and guidelines for execution of orders and categorization of customers, which are available on the following website: www.dnb.no.

Selling and Transfer Restrictions: The attention of persons who wish to exercise Subscription Rights and/or subscribe for Offer Shares is drawn to Section 8.1 "Selling and Transfer Restrictions" of the Prospectus. The making or acceptance of the Subsequent Offering to or by persons who have registered addresses outside Norway, or who are resident in, or citizens of, countries outside Norway, may be affected by the terms of the Subsequent Offering and the laws of the relevant jurisdiction. Those persons should read Section 8.1 of the Prospectus and consult with their professional advisers as to whether they are eligible to exercise Subscription Rights to subscribe for Offer Shares, or require any governmental or other consents or need to observe any other formalities to enable them to exercise Subscription Rights or purchase Offer Shares. It is the responsibility of any person outside Norway wishing to exercise Subscription Rights and/or subscribe for Offer Shares under the Subsequent Offering to satisfy himself/herself/itself as to the full observance of the terms and conditions of the Subsequent Offering and the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Subscription Rights and/or the Offer Shares, as applicable, have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction in the United States and may not and will not be offered, sold, pledged or otherwise transferred in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. There will be no public offer of the Subscription Rights and the Offer Shares in the United States. Notwithstanding the foregoing, the Offer Shares may be offered to and the Subscription Rights may be exercised by or on behalf of, persons in the United States reasonably believed to be QIBs, in offerings exempt from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, provided such persons satisfy the Company that they are eligible to participate on such basis. Persons in the United States exercising Subscription Rights to acquire Offer Shares will be required to execute an investor letter in a form acceptable to the Company and the Manager. **Other than persons who are QIBs, no person in the United States may be offered Subscription Rights or otherwise acquire Offer Shares by exercise of Subscription Rights.** The Subscription Rights or Offer Shares may not be offered, sold, exercised, pledged, resold, granted, allocated, taken up, transferred or delivered, directly or indirectly, in or into, Canada, Japan, Australia, Hong Kong or any other jurisdiction in which it would not be permissible to offer the Subscription Rights or the Offer Shares. This Subscription Form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful or would, other than Norway, require any prospectus filing, registration or similar action. A notification of exercise of Subscription Rights and subscription of Offer Shares in contravention of the above restrictions may be deemed to be invalid. By subscribing for the Offer Shares, persons effecting subscriptions will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for the Offer Shares, have complied with the above selling restrictions and will be deemed to have made the applicable representations, acknowledgements, agreements and warranties set forth in Section 8.1 of the Prospectus.

Execution Only: As the Manager is not in the position to determine whether the application for Offer Shares is suitable for the applicant, the Manager will treat the Subscription Form as an execution-only instruction. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The subscriber acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Manager, there is a duty of secrecy between the different units of the Manager and other entities in the Manager' groups. This may entail that other employees of the Manager or the Manager's groups may have information that may be relevant to the subscriber, but which the Manager will not have access to in their capacity as Manager for the Subsequent Offering.

Information Barriers: The Manager is a security firm that offer a broad range of investment services. In order to ensure that assignments undertaken in the Manager's corporate finance department are kept confidential, the Manager's other activities, including analysis and stock broking, are separated from the Manager's corporate finance department by information walls. The subscriber acknowledges that the Manager's analysis and stock broking activity may conflict with the subscriber's interests with regard to transactions of the Shares, including the Offer Shares, as a consequence of such information walls.

CSD Account and Mandatory Anti-Money Laundering Procedures: The Subsequent Offering is subject to the Norwegian Money Laundering Act No. 23 of 1 June 2018 and the Norwegian Money Laundering Regulations No. 1324 of 14 September 2018 (collectively, the "**Anti-Money Laundering Legislation**"). Subscribers who are not registered as existing customers with the Manager must verify their identity to one of the Manager in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing CSD account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. The verification of identity must be completed prior to the end of the Subscription Period. Subscribers that have not completed the required verification of identity may not be allocated Offer Shares. Further, in participating in the Subsequent Offering, each subscriber must have a CSD account. The CSD account number must be stated on the Subscription Form. CSD accounts can be established with authorised CSD registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the European Economic Area (the "**EEA**"). Non-Norwegian investors may, however, use nominee CSD accounts registered in the name of a nominee. The nominee must be authorised by the Financial Supervisory Authority of Norway. Establishment of a CSD account requires verification of identity to the CSD registrar in accordance with the Anti-Money Laundering Legislation.

Personal data: The Subscription Form may contain sensitive information, including national identification numbers, and the Manager recommends the subscribers to send the Subscription Form in a secured e-mail. The subscriber confirms that it has been provided information regarding the Manager's processing of personal data, and that it is informed that the Manager will process the subscriber's personal data in order to manage and carry out the Subsequent Offering and the subscription from the subscriber, and to comply with statutory requirements.

The data controllers who are responsible for the processing of personal data are the Manager. The processing of personal data is necessary in order to fulfil the application and to meet legal obligations. The Norwegian Securities Trading Act and the Anti-Money Laundering Legislation require that the Manager process and store information about clients and trades, and control and document activities. The subscriber's data will be processed confidentially, but if it is necessary in relation to the purposes, the company(ies) participating in the offering, with companies within the Manager's groups, the CSD, stock exchanges and/or public authorities. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it.

If the Manager transfers personal data to countries outside the EEA, that have not been approved by the EU Commission, the Manager will make sure the transfer takes place in accordance with the legal mechanisms protecting the personal data, for example the EU Standard Contractual Clauses.

As a data subject, the subscribers have several legal rights. This includes inter alia the right to access its personal data, and a right to request that incorrect information is corrected. In certain instances, the subscribers will have the right to impose restrictions on the processing or demand that the information is deleted. The subscribers may also complain to a supervisory authority if they find that the Manager's processing is in breach of the law. Supplementary information on processing of personal data and the subscribers' rights can be found at the Manager's websites.

Terms and Conditions for Payment by Direct Debiting - Securities Trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions will apply:

a) The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.

b) Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given by other appropriate manner. The bank will charge the indicated account for costs incurred.

c) The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.

d) In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.

e) The payer cannot authorise payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.

f) The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.

g) If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue Payment: Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 12.5% per annum as of the date of this Prospectus. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act and at the discretion of the Manager, not be delivered to such subscriber. The Manager, on behalf of the Company, reserve the right, at the risk and cost of the subscriber to, at any time, cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Manager may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Manager, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

The Company and the Manager further reserve the right (but have no obligation) to have the Manager advance the subscription amount on behalf of subscribers who have not paid for the Offer Shares allocated to them within the Payment Date. The non-paying subscribers will remain fully liable for the subscription amount payable for the Offer Shares allocated to them, irrespective of such payment by the Settlement Agent.

National Client Identifier and Legal Entity Identifier: In order to participate in the Subsequent Offering, subscribers will need a global identification code. Physical persons will need a so-called National Client Identifier ("**NCI**") and legal entities will need a so-called Legal Entity Identifier ("**LEI**"). *NCI code for physical persons:* Physical persons will need a NCI code to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11-digit personal ID (*Nw.: personnummer*). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Subscribers are encouraged to contact their bank for further information. *LEI code for legal entities:* Legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorized LEI issuer, and obtaining the code can take some time. Subscribers should obtain a LEI code in time for the subscription. For more information visit www.gleif.org. Further information is also included in Section 5.18 ("NCI code and LEI code") of the Prospectus.

Investment decisions based on full Prospectus: Subscribers must neither subscribe for any Offer Shares, nor acquire any Subscription Rights or Offer Shares, on any other basis than on the complete Prospectus.