



Annual Report 2022



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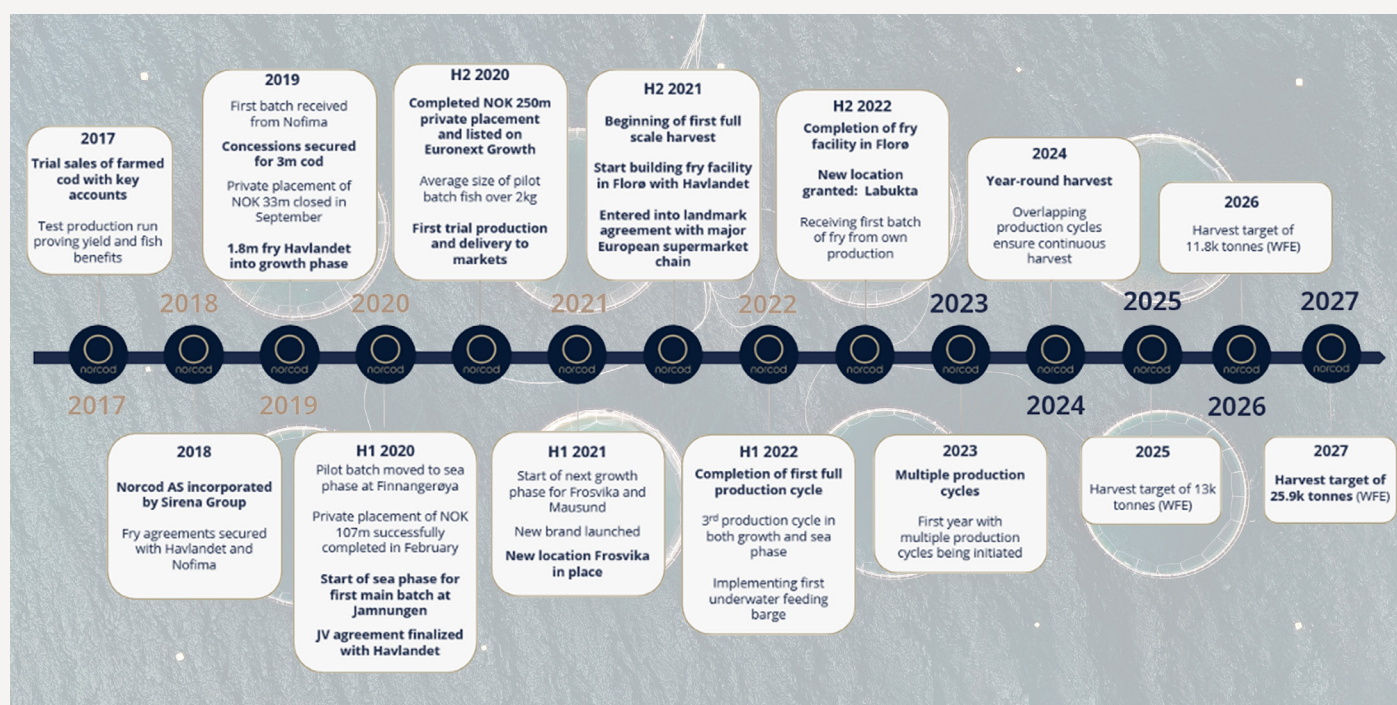
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Introduction & Overview

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 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.

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

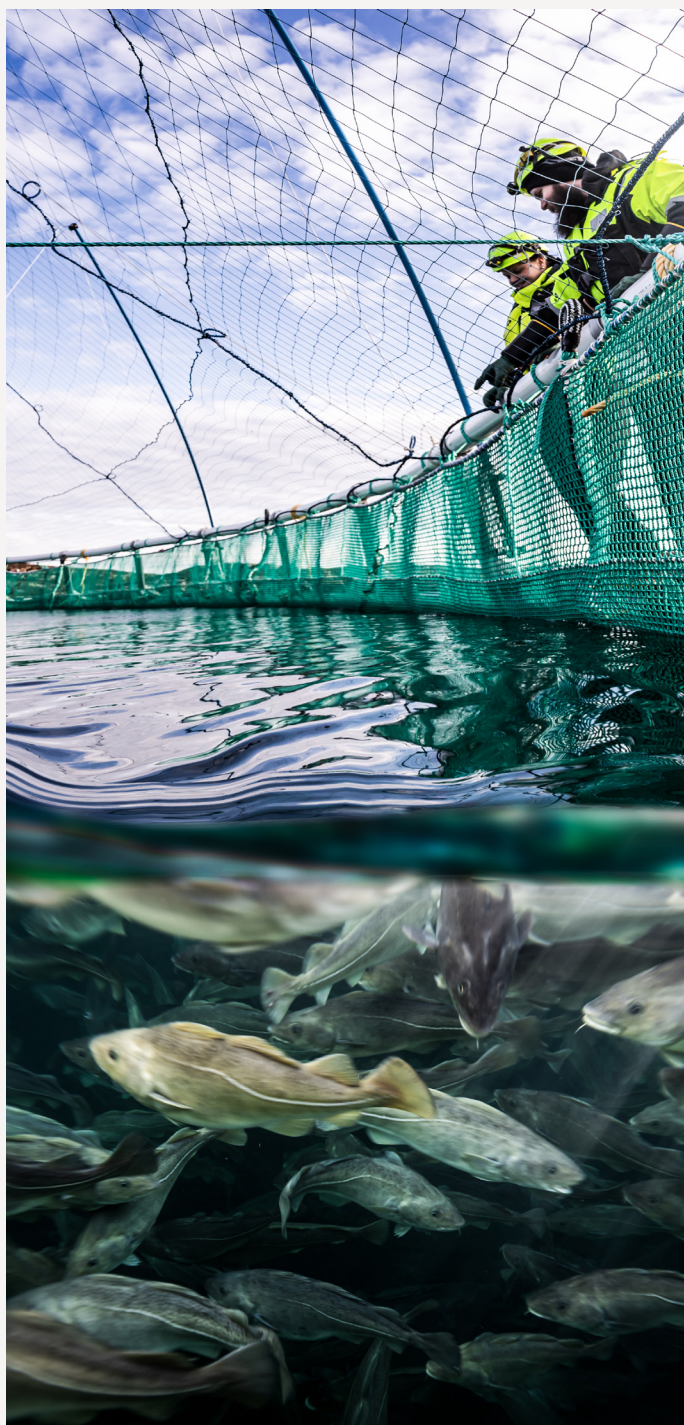
Norcod's second harvest period was kicked off at Vesterålen's harvest facility in Bø. As formerly announced, Norcod and Myre-based Vesterålen Havbruk entered a partnership for the main harvest volume this period. A run-in phase was expected, and the daily harvest volume increased until the forecasted 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
Chief Executive 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.

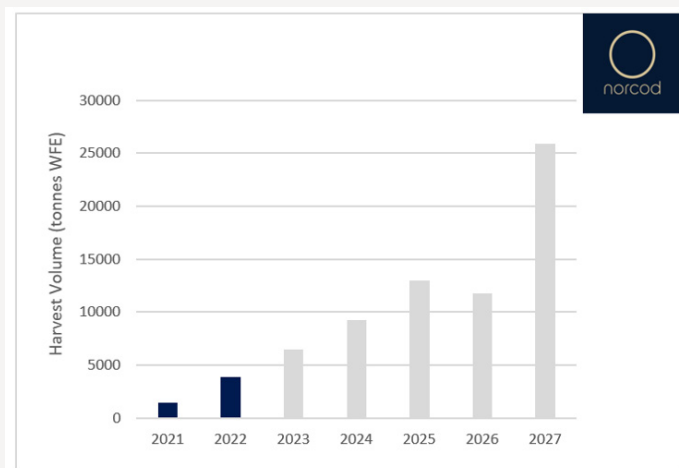
Cost Efficiency

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

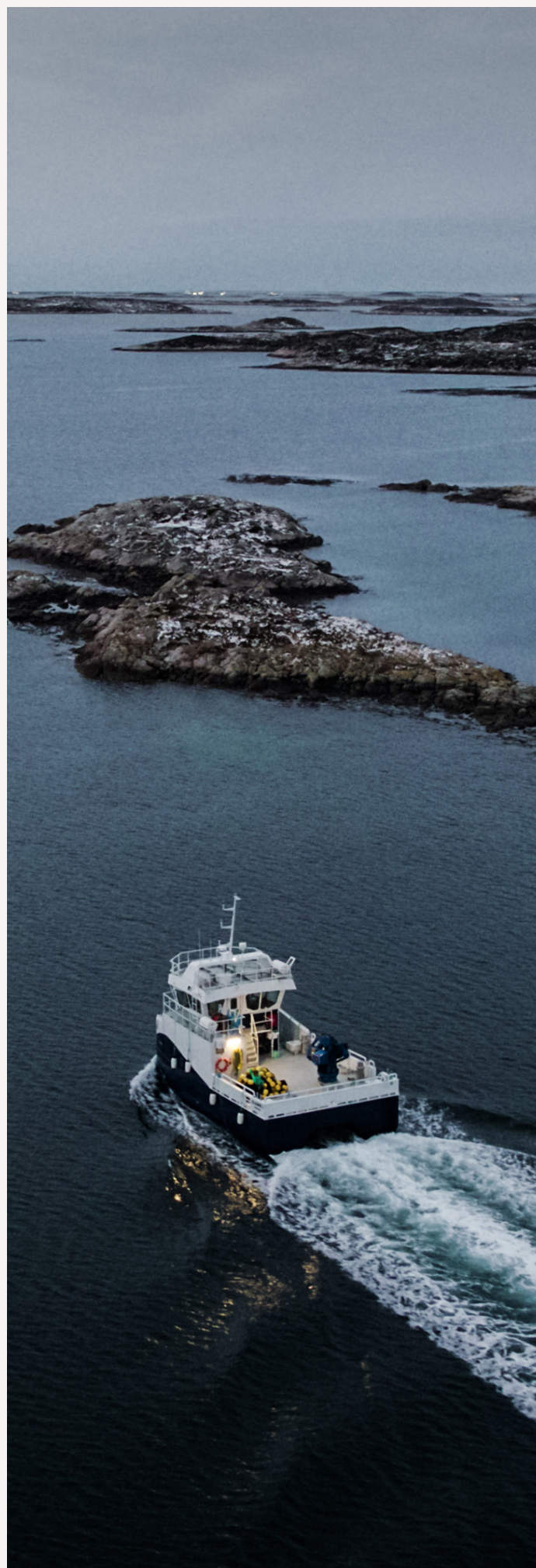
Further integration in the value chain will contribute to increased control and promote quality. By e.g., owning a harvest plant predictability would increase and make it possible for Norcod to invest further in the automation of the processes.

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.

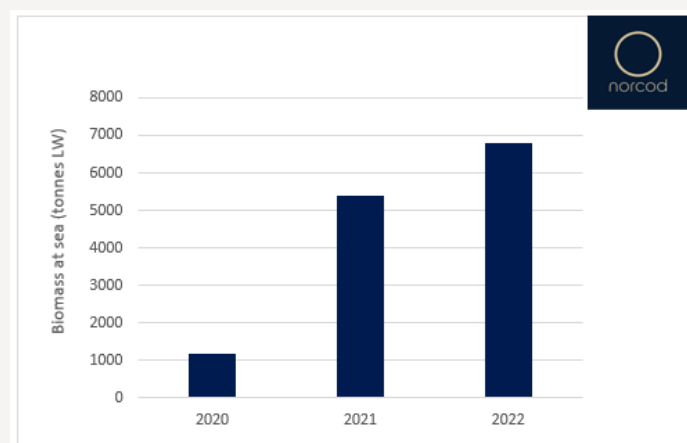


Our Operations

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. 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 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.

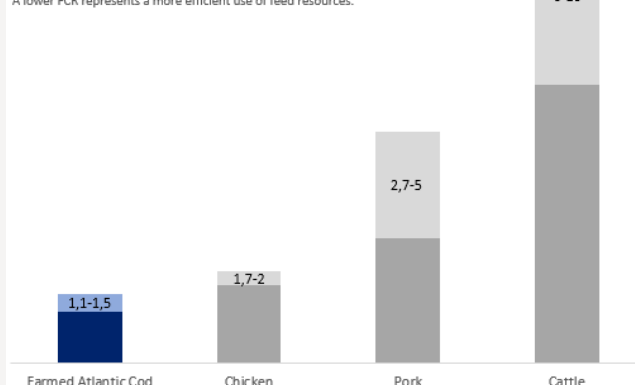


ANIMAL HEALTH & WELFARE

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.

Feed Conversion Ratio

Feed conversion ratio (FCR) measures the productivity of different protein production methods. A lower FCR represents a more efficient use of feed resources.



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.

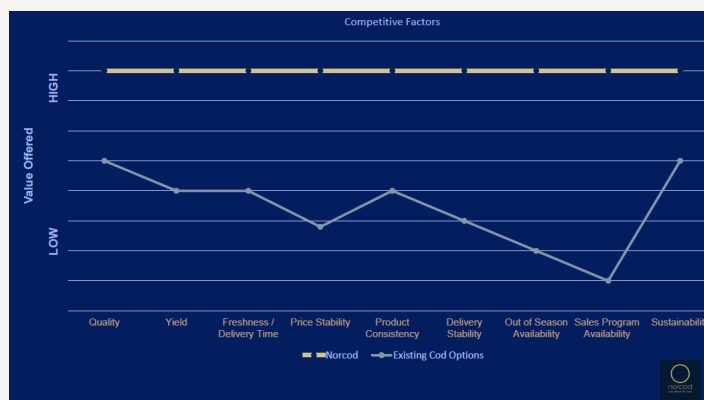
Through branded tags and ice counter signs, the retail consumers are starting to understand that the high quality and stability is connected to the Norcod brand and Norwegian origin.

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 conservative 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.

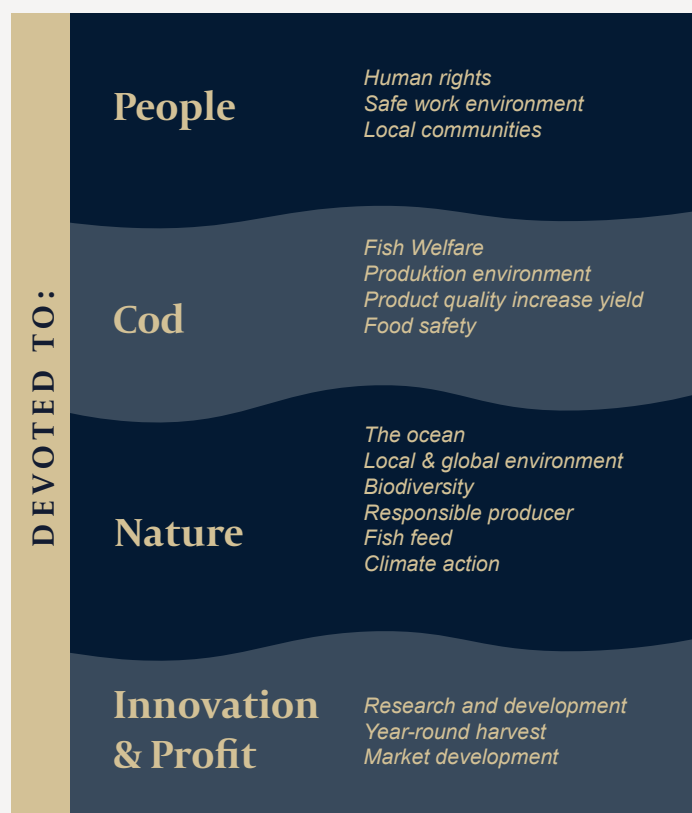
In addition to the classic cod markets, new markets holds great potential. These markets can allow for breaking with the current fixed market prices levels, by tapping into new consumption habits and cuisines. Markets such as Japan, South Korea and China holds great buying power, with vast populations 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.

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.

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.

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.

13 CLIMATE ACTION



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

5 GENDER EQUALITY



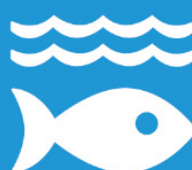
We focus on building a diverse workforce, as well as make fair employment, create development and equal opportunities for employees regardless of gender.

8 DECENT WORK AND ECONOMIC GROWTH



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

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.

11 SUSTAINABLE CITIES AND COMMUNITIES



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

17 PARTNERSHIPS FOR THE GOALS



Norcod is precisely a innovative cooperation between several industries, 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 of 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.

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

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.

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 Governance



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.

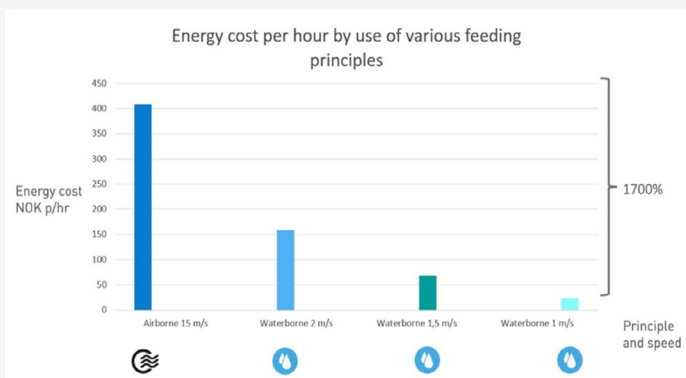
A complete LCA on our cod will be mapped out during 2023. Mean while the total GHG emissions for 2022 per scope 1, 2 and 3 (category; purchased goods and services – Fish feed) is disclosed in this report based on actual data combined with some estimated values. It's assumed that the fish feed accounts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

GHG emissions (Scope 1, 2 & 3)	TOTAL EMISSIONS (tCO ₂ e)
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

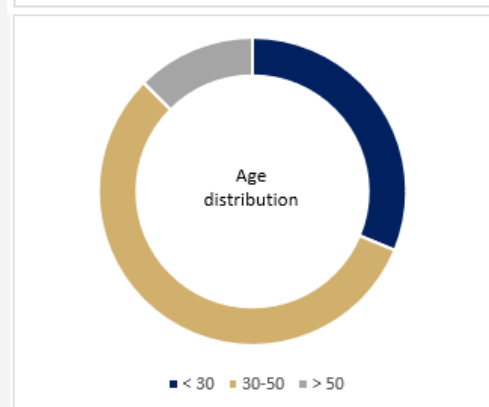
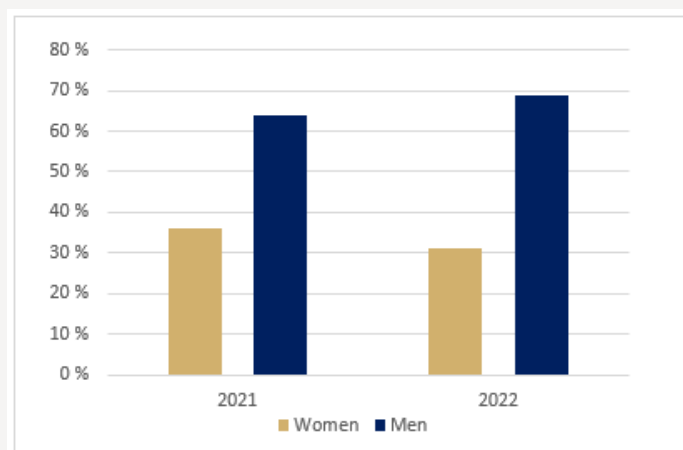
Social

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.

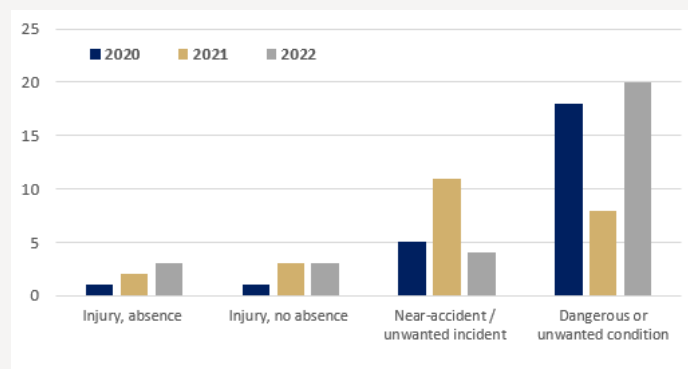
HSE, Diversity and Inclusion

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 of 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 trials 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



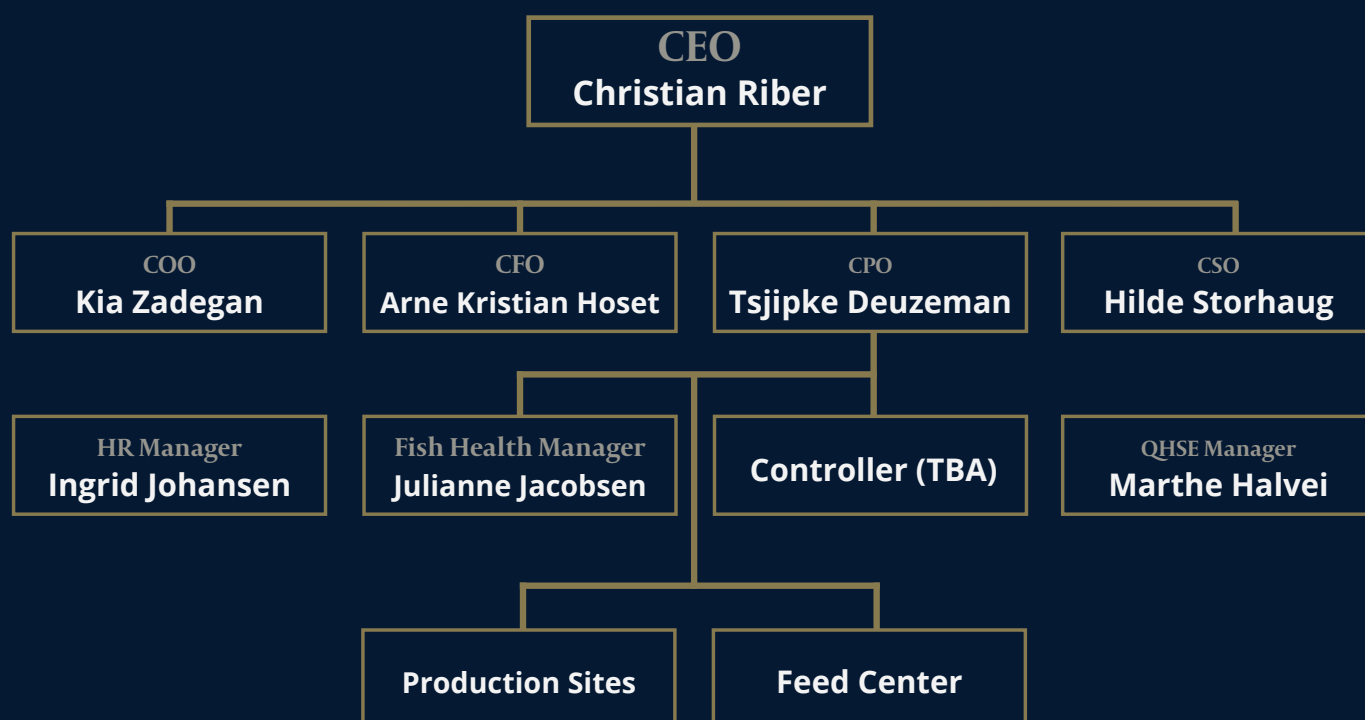
and innovation can bring powerful change in markets and societies, proving that principles and profit go hand in hand. Norcod has committed to the UN Global Compact. Participation makes a statement about our values, and we believe it benefits both society and contributes to our company's long-term success.

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 Sølback
COB

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



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



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



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 initiated efforts after the balance sheet date to improve 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 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.

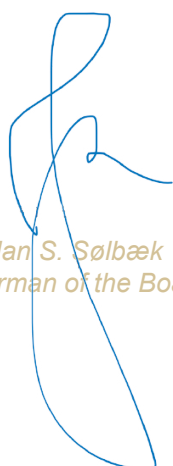
An important factor is that Norcod is marketed and sold not as a substitute product to wild Atlantic Cod but as an additional high end whitefish product. The high-end whitefish market appreciates the difference Norcod brings such as high stable quality, unique freshness, tremendous yields and both price 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. Sølbaek
Chairman of the Board



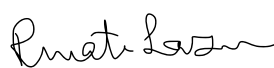
Peter Buhl
Member of the Board



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

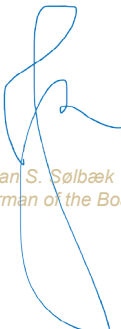
(Amounts in NOK '000)	Note	Full year 2022	Full year 2021
Operating revenue	1, 2	170 541	72 633
Cost of materials and change in inventories	3	168 730	56 921
Salaries and personnel expenses	4	43 031	26 878
Depreciation and amortization	5, 6	16 032	8 741
Other operating expenses	7, 8	65 833	28 037
Operating 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

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. Sølback
Chairman of the Board



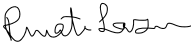
Peter Buhl
Member of the Board



Anders Bjørn
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

		2022	2021
(Amounts in NOK '000)	Note		
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

Notes to the annual financial statement

- Note 1 | *Sales revenue by geographical area*
- Note 2 | *Transactions and balance with related parties*
- Note 3 | *Inventories and biological assets*
- Note 4 | *Payroll expenses, number of employees, remunerations, loans to employees, etc.*
- Note 5 | *Property, plant and equipment*
- Note 6 | *Right-of-use Assets*
- Note 7 | *Other operating expenses*
- Note 8 | *Auditor's fees*
- Note 9 | *Subsidiaries, associated companies and other investments*
- Note 10 | *Specification of financial income, expenses and other comprehensive income*
- Note 11 | *Taxation*
- Note 12 | *Earnings per share*
- Note 13 | *Intangible assets - Concessions, patents, licenses, trademarks and similar rights*
- Note 14 | *Cash and bank deposits*
- Note 15 | *Share capital and shareholder information*
- Note 16 | *Interest bearing debt*
- Note 17 | *Financial risk*
- Note 18 | *Subsequent events*

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 company's 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 lessee 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 its incremental borrowing rate based on its current rating, adjusted for nature of the underlying asset and duration of the lease agreement.

A lease liability is subsequently 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 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		0	-3 572			
Fair value adjustment biomass IFRS		-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
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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 Sjølbæk	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 Sjølbæk 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 discount rate offered in the respective leasing agreements 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 include 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

	Change 2022	Change 2021
Specification of changes in temporary differences and deferred tax:		
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 treasury 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 Sjølbæk 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 Sjølbæk holds 144 432 shares in the company through Sjølbæk 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																																																																																																																																			
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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.																																																																																																																																														
<table><tr><th></th><th></th><th colspan="3">Cashflow</th><th colspan="5">Non-cash generating effects</th><th></th></tr><tr><th></th><th>01.01.2021</th><th>Receipts from new debt</th><th>Instalments</th><th></th><th>New leasing contracts</th><th>Dissemination commission</th><th>Accrued interest this year</th><th>Foreign exchange adjustments</th><th>Reclassification short/ long term & other</th><th>31.12.2021</th></tr><tr><td colspan="11">Financing activities - changes in liabilities as of 31 December 2021</td></tr><tr><td>Long term liabilities to financial institutions</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Short term liabilities to financial institutions</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Non-current debt to shareholders*</td><td>67 951</td><td>0</td><td>0</td><td>0</td><td>0</td><td>1 869</td><td>8 393</td><td>-3 560</td><td>0</td><td>74 653</td></tr><tr><td>Current debt to shareholders*</td><td></td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Total liabilities to financial institutions and shareholders</td><td>67 951</td><td>0</td><td>0</td><td>0</td><td>0</td><td>1 869</td><td>8 393</td><td>-3 560</td><td>0</td><td>74 653</td></tr><tr><td>Non current liabilities for right-of-use assets</td><td>202</td><td>0</td><td>0</td><td>0</td><td>86 025</td><td>0</td><td>0</td><td>0</td><td>-28 679</td><td>57 549</td></tr><tr><td>First year's instalment for right-of-use assets</td><td>604</td><td>0</td><td>-13 331</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>28 679</td><td>15 952</td></tr><tr><td>Total liabilities for right-of-use-assets</td><td>806</td><td>0</td><td>-13 331</td><td>0</td><td>86 025</td><td>0</td><td>0</td><td>0</td><td>0</td><td>73 501</td></tr><tr><td>Total interest bearing debt</td><td>68 758</td><td>0</td><td>-13 331</td><td>0</td><td>86 025</td><td>1 869</td><td>8 393</td><td>-3 560</td><td>0</td><td>148 154</td></tr></table>													Cashflow			Non-cash generating effects							01.01.2021	Receipts from new debt	Instalments		New leasing contracts	Dissemination commission	Accrued interest this year	Foreign exchange adjustments	Reclassification short/ long term & other	31.12.2021	Financing activities - changes in liabilities as of 31 December 2021											Long term liabilities to financial institutions	0	0	0	0	0	0	0	0	0	0	Short term liabilities to financial institutions	0	0	0	0	0	0	0	0	0	0	Non-current debt to shareholders*	67 951	0	0	0	0	1 869	8 393	-3 560	0	74 653	Current debt to shareholders*		0	0	0	0	0	0	0	0	0	Total liabilities to financial institutions and shareholders	67 951	0	0	0	0	1 869	8 393	-3 560	0	74 653	Non current liabilities for right-of-use assets	202	0	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	0	28 679	15 952	Total liabilities for right-of-use-assets	806	0	-13 331	0	86 025	0	0	0	0	73 501	Total interest bearing debt	68 758	0	-13 331	0	86 025	1 869	8 393	-3 560	0	148 154
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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 initiatives 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 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.

Initiatives 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

	Note	2022	2021
(Amounts in NOK '000)			
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

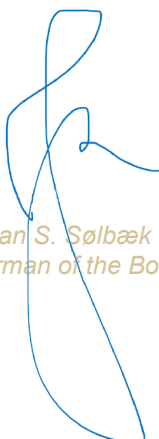
BALANCE SHEET

	Note	31.12.2022	31.12.2021
(Amounts in NOK '000)			
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

	Note	31.12.2022	31.12.2021
(Amounts in NOK '000)			
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. Sølback
Chairman of the Board



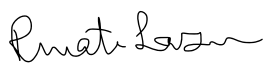
Peter Buhl
Member of the Board



Anders Bjørno
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

	Note	2022	2021
(Amounts in NOK '000)			
Profit/loss before income taxes		-299 496	-46 114
Cash flow from operating activities			
Depreciation	2	6 626	8 156
Impairment of 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 subsidiary 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	
	Share capital	Share premium	Retained earnings	Total equity
2021				
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				
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

- 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*

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. 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

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 & 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

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.

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.

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
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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 Sjølbæk 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 Sjølbæk 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

	Land, buildings a.o. property	Machinery and equipment	Boats and fleets	Other operating assets	Total fixed assets
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	

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 subsidiary, Norcod Equipments AS' leasing liabilities.
As of 31 December 2022 these 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 initiatives 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 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.

Initiatives 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 Directors finds it more likely than not that the Annual General Meeting will pass the debt conversion.



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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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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ullsteinvik
Bodø	Kjeller	Stord	Ålesund
Drammen	Kristiansund	Strøme	



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.



- 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
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: Ame Kristian Hoset, ame.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 (<i>Gadus morhua</i>)	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

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

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 of 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.

