



NORDIC HALIBUT

Company Presentation

November 2023

Nordic Halibut at a glance

A leading producer of farmed Atlantic halibut since 1995



A leading producer of farmed Atlantic halibut



Fully integrated value chain from genetics to sales
- to be optimized with new facility in Tingvoll



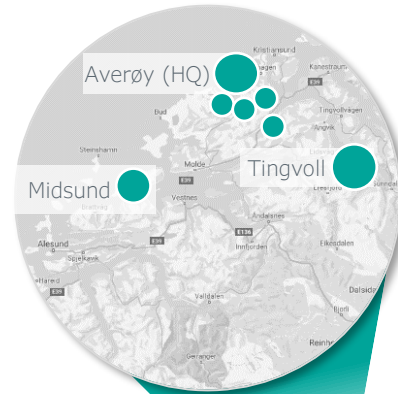
Dedicated broodstock program - currently in the
3rd and 4th generation



De-risked production plan and visible growth towards
~10k tonnes



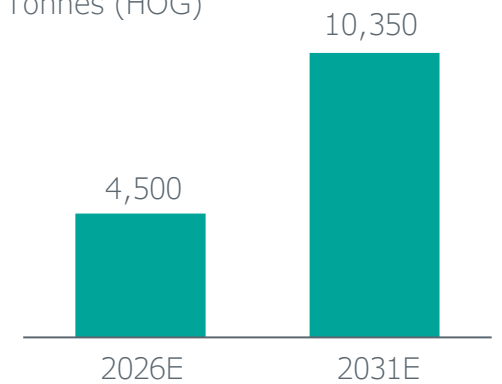
Strong management team with relevant seafood experience



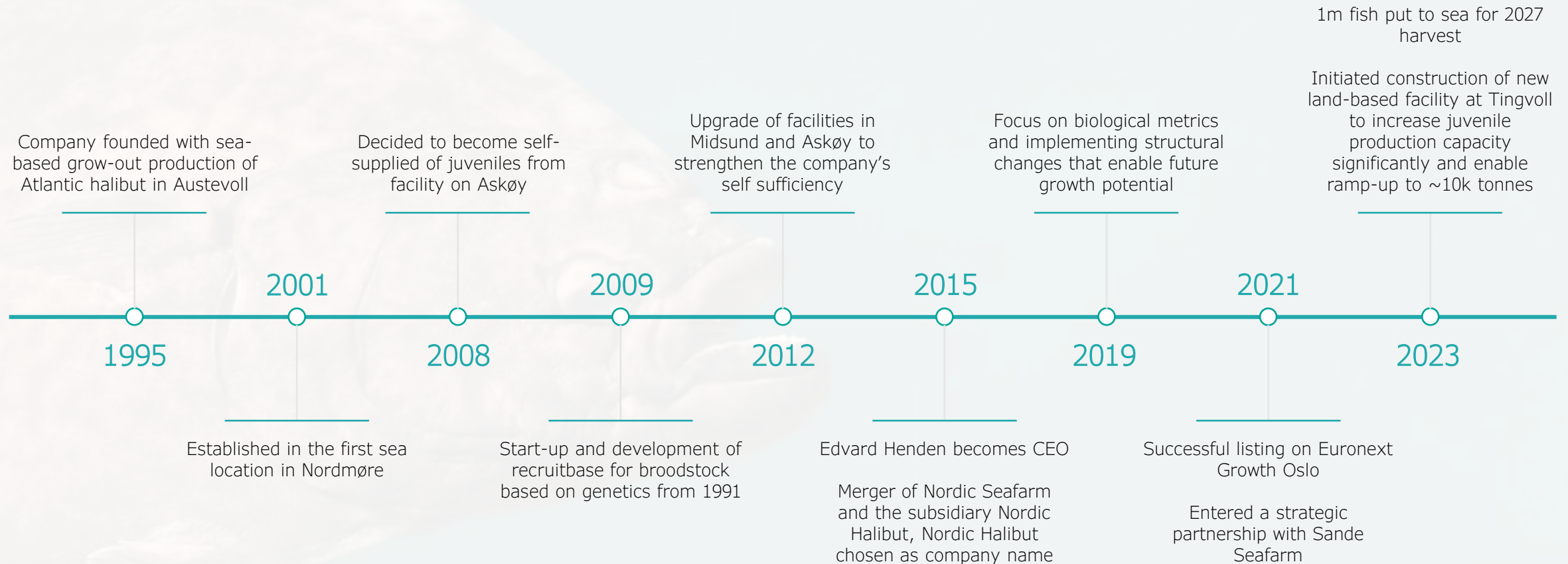
Nordmøre

Askøy

Production plan
Tonnes (HOG)



Strong competitive advantage producing halibut since 1995



Fundamentals in place for Nordic Halibut to succeed with halibut farming at large scale



Strong genetics with lasting competitive advantage



Predictable production of juveniles



Proven robustness and scalability in sea phase of production



Acceptance and willingness-to-pay for product in high-end markets

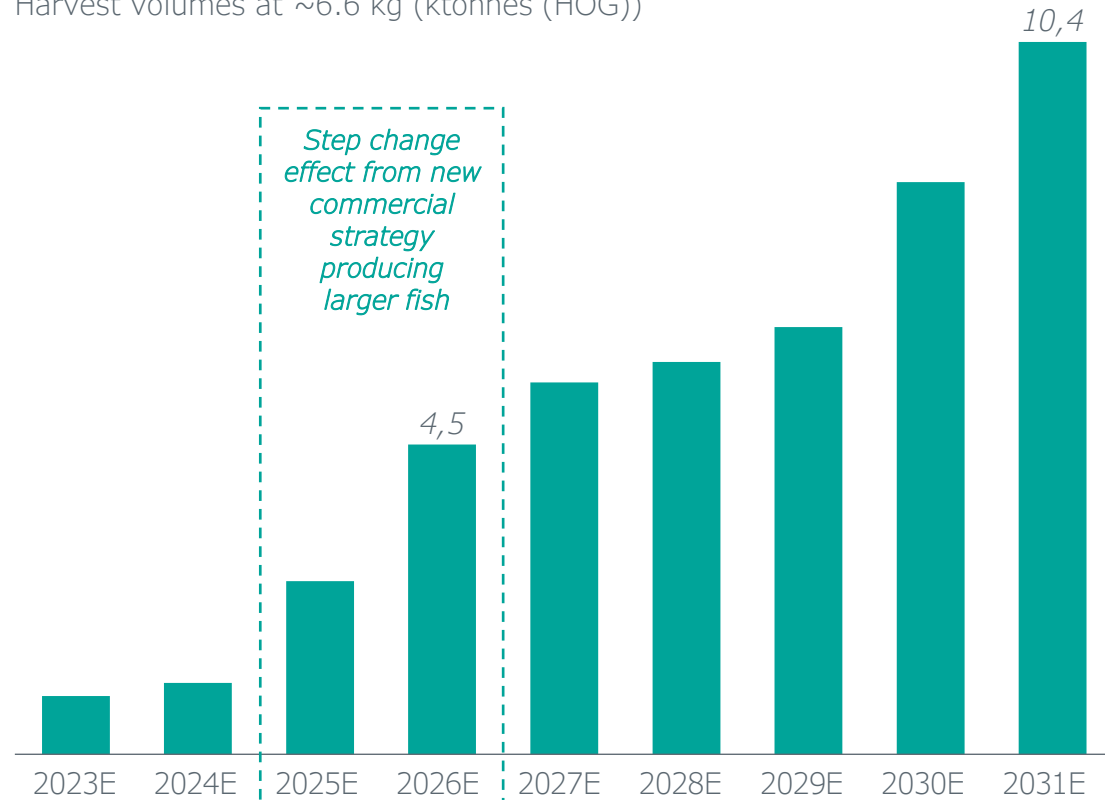
Farmed Atlantic halibut is a sustainable high-quality species sold at premium prices

Strong biological control enables increased harvest weight

New commercial strategy of harvesting larger sized fish is expected to yield better results

Increased full run-rate production

Harvest volumes at ~6.6 kg (ktonnes (HOG))



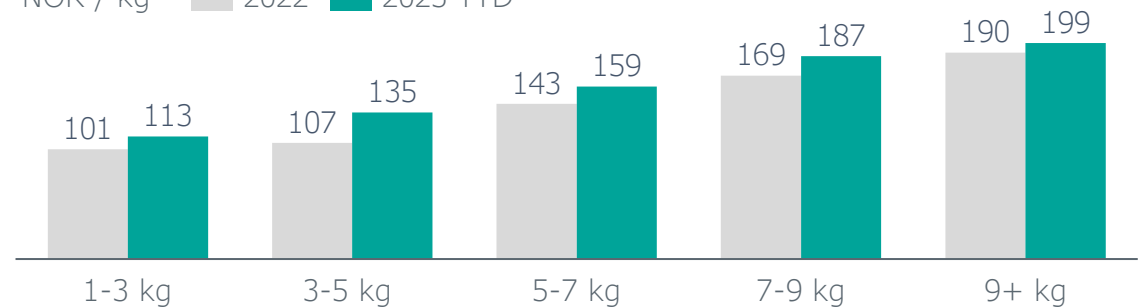
Increasing demand for larger fish
Experiencing increased preference and willingness-to-pay for larger sized fish in key markets



Strong biological control enables improved profit margins
Profit per kg significantly increases as the fish grow to larger size categories due to a substantial rise in price per kg sold at 6 kg and above

Higher prices for larger fish

NOK / kg ■ 2022 ■ 2023 YTD

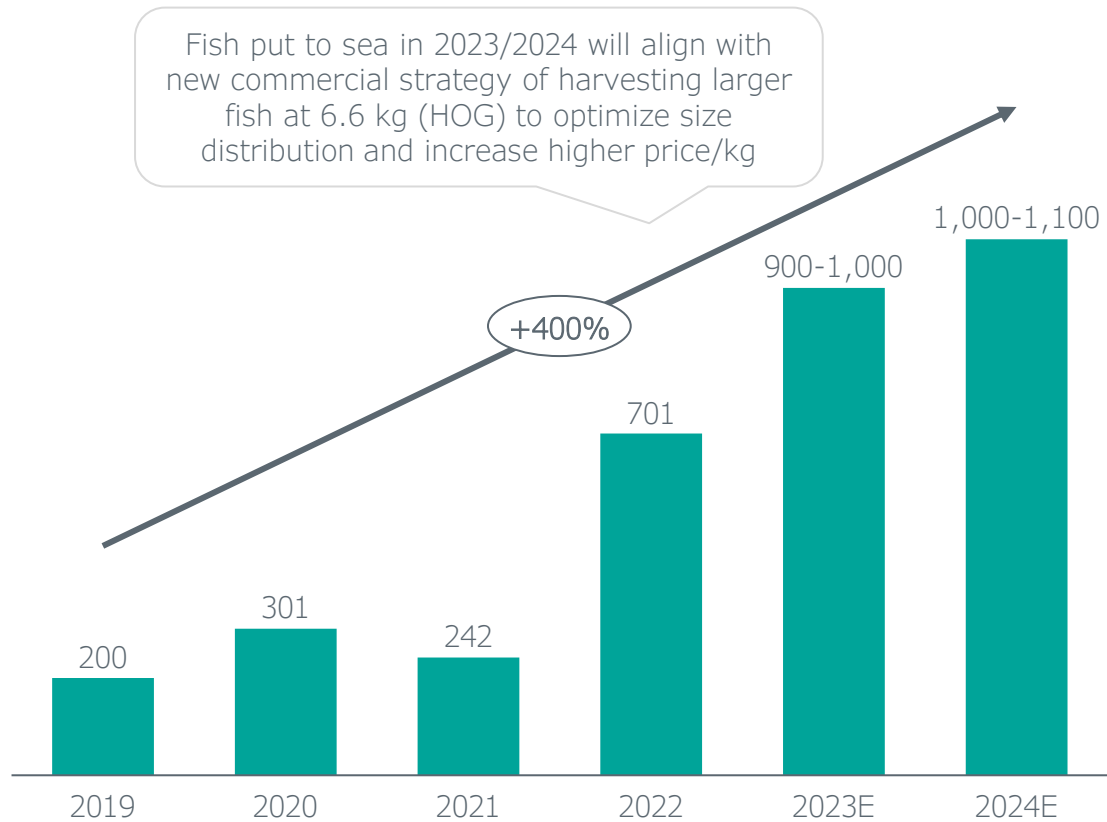


New production plan is expected to yield better financials due to increasing demand and higher price / kg for larger fish

Proven farming concept ready to scale

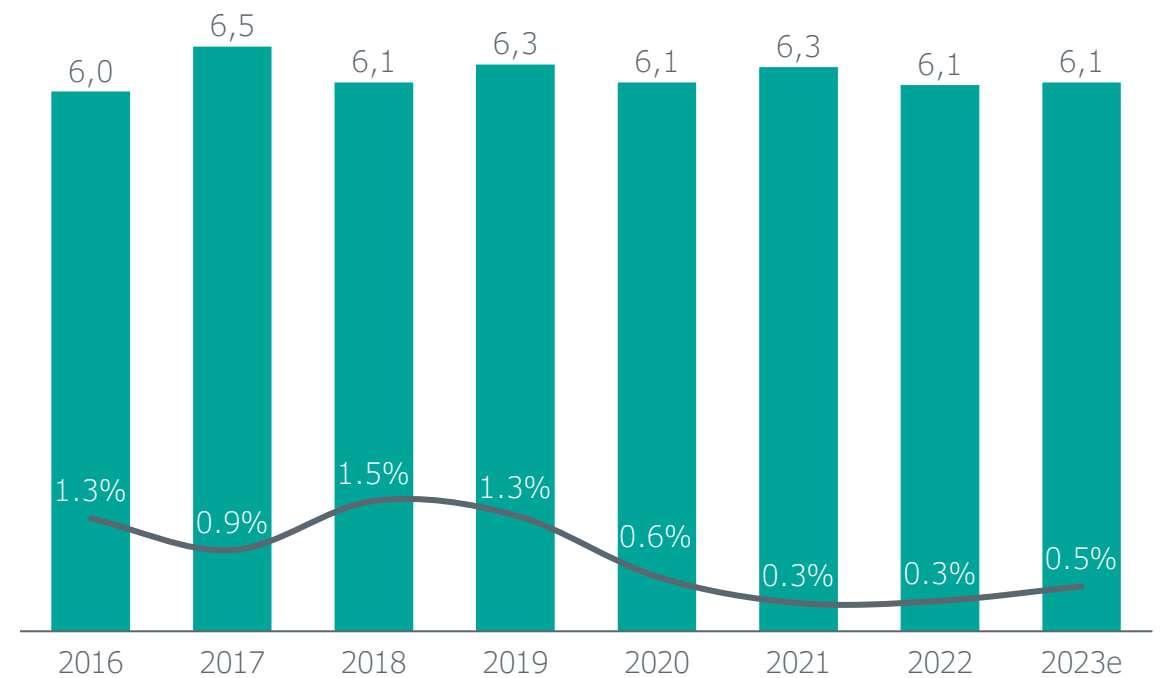
Significant increase in number of fish put to sea

Number of fish (1,000s)



Stable production and low mortality

— Monthly mortality (%) ■ Avg. harvest weight (kg)



Optimal setup for farming of Atlantic halibut

Optimal species for farming



Harvested all year round with predictable quality and size



Up to 100% utilization of the fish



No parasites or sea lice



No usage of antibiotics or chemicals



No problem with maturation

Modernized production setup with standardized 160m cages



Robust value chain in place for 4.5k tonnes production

Building internal capacity to put 2 million fish to sea per year for 10.4k tonnes



Building a value chain with integrated production buffers to ensure stable volumes

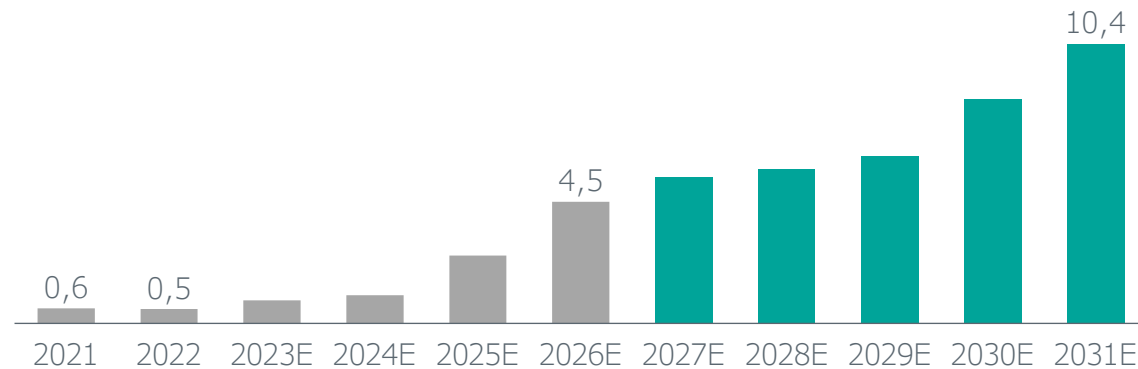
Tingvoll facility increases robustness and enable ramp-up

Building a fully integrated land-based facility at Tingvoll tailormade for farmed halibut

Increasing robustness and capacity to 10k tonnes

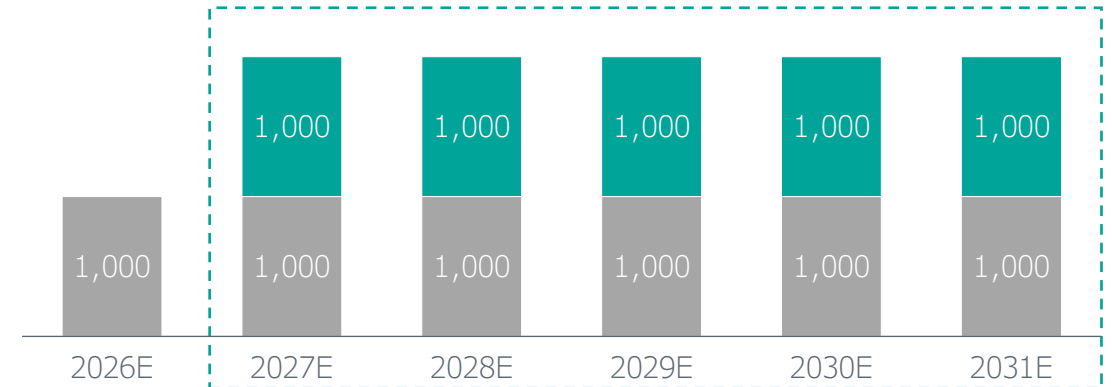


Integrated value chain from broodstock to on-growing



Juvenile volumes (1,000s)

■ New volume ■ Existing volume



State-of-the-art facility de-risking production by building a more robust value chain and doubling capacity up to 10,350 tonnes

Tingvoll financing in place - construction initiated in August 2023

On track for production start in 2025/2026 enabling volume ramp-up to 10k tonnes

Ongoing constructions at Tingvoll



Overview of finalized land-based facility



- 2020-2023**
- ✓ Planning, financing & approvals
 - Financing secured - NOK 280m total investment
 - NOK 230m financing for construction of facility from SpareBank 1 SR/Nordmøre
 - Attractive long-term financing of ~NOK 230m with Innovation Norway, Eksfin and SpareBank 1 SR/Nordmøre

- 2023-2025**
- ✓ Construction phase
 - Key milestone with groundwork initiated in August 2023
 - Construction of infrastructure expected to start H1 2024

- 2025-2026**
- ✓ Production start
 - Facility phased into production during 2025-26 - increasing value chain robustness and flexibility
 - Facility tailor-made for halibut with proven technology and improvements from Averøy based on a 100% flow-through system yielding low emissions

- 2027**
- ✓ First juvenile delivery
 - Minimum volume of 1m juveniles per year - capacity doubled enabling for ramp-up of production at a larger scale

Building a fully integrated HUB in Nordmøre

Strategically located in the natural habitat of the Atlantic Halibut



Operational synergies

- New centralized value chain within 2 hours enabling optimal utilization of available resources throughout the organization
- Close collaboration throughout the value chain enabling industrial synergies and increased flexibility in operations



Marketing synergies

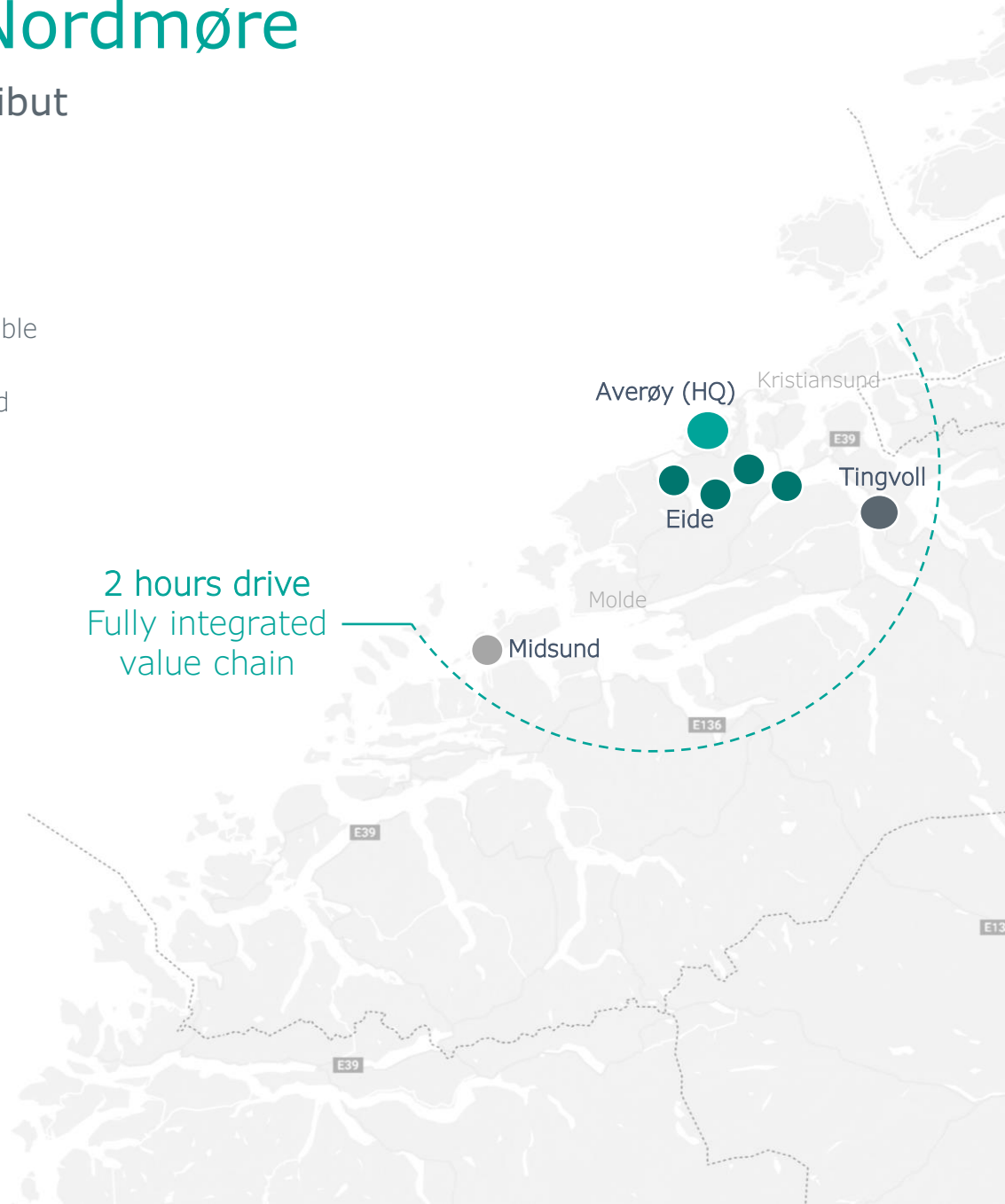
- Local HUB enabling further improvements on product quality, and more focus on branding going forward
- Building a brand from a local and sustainable producer could yield increased willingness to pay among customers



Local value creation

- Strong support from municipalities to building a local HUB
- Reputational benefits and local support for facilitation on further growth

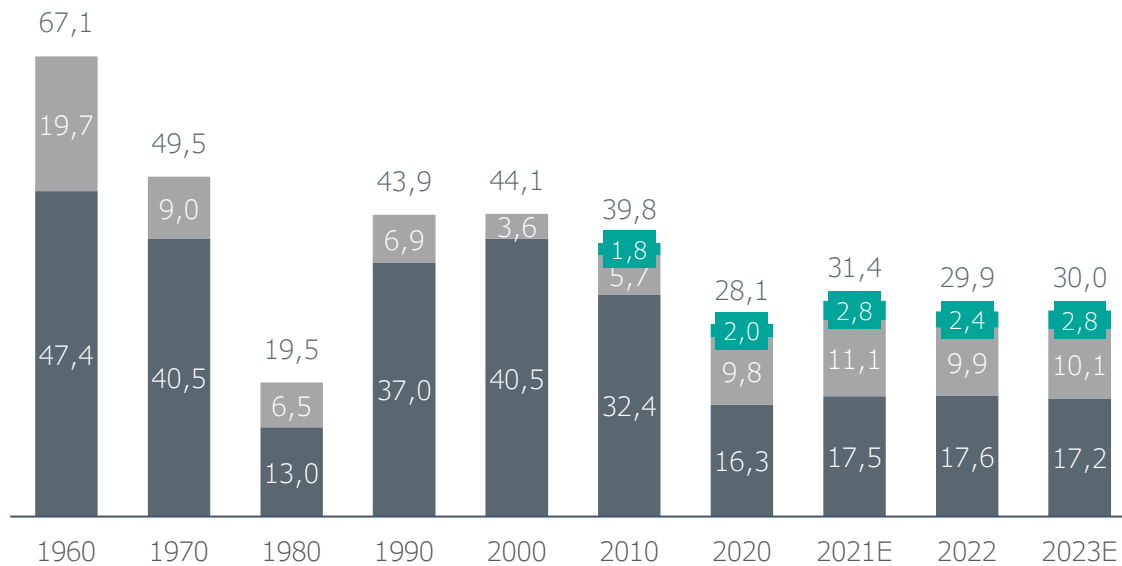
2 hours drive
Fully integrated
value chain



Halibut supply strongly hampered by limited wild catch quotas – farmed halibut represents growth potential

Limited supply from unsustainable wild catches

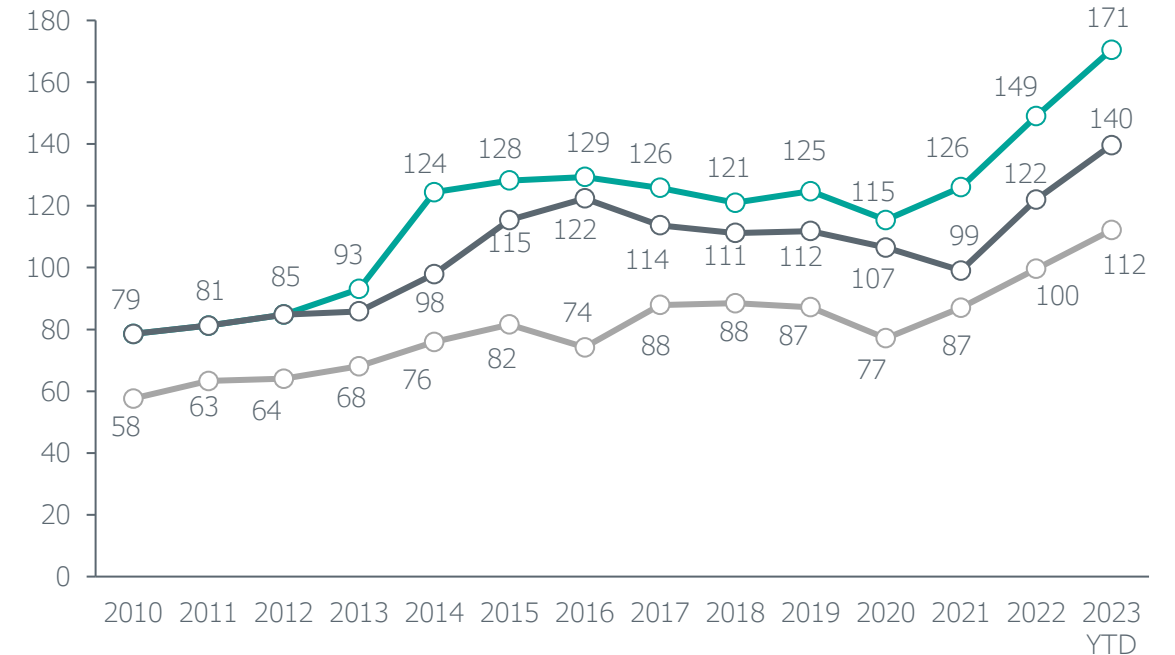
kTonnes ■ Wild catch - Pacific halibut ■ Wild catch - Atlantic halibut ■ Aquaculture



- Wild catch volumes of halibut considerably hampered by limited quotas set to prevent continuous overfishing of the species stocks in both the Atlantic and the Pacific
- Strong demand for high quality whitefish products opens significant growth potential for the halibut farming industry

Farmed Halibut demands consistent export price premium

NOK / kg (HOG) — Nordic Halibut — Farmed Atlantic halibut — Wild Atlantic halibut



- Farmed halibut demands consistent price premium compared to wild caught halibut due to predictable supply of higher quality products
- Nordic Halibut have achieved additional price premium to other farmed halibut with higher distribution of large-sized fish

Farmed Atlantic halibut has unique attributes that perfectly suites premium VAP production

A high value specie suited for VAP



Fantastic nutritional profile, low-fat and high protein content



Strong VAP-potential with a filet yield of 65%

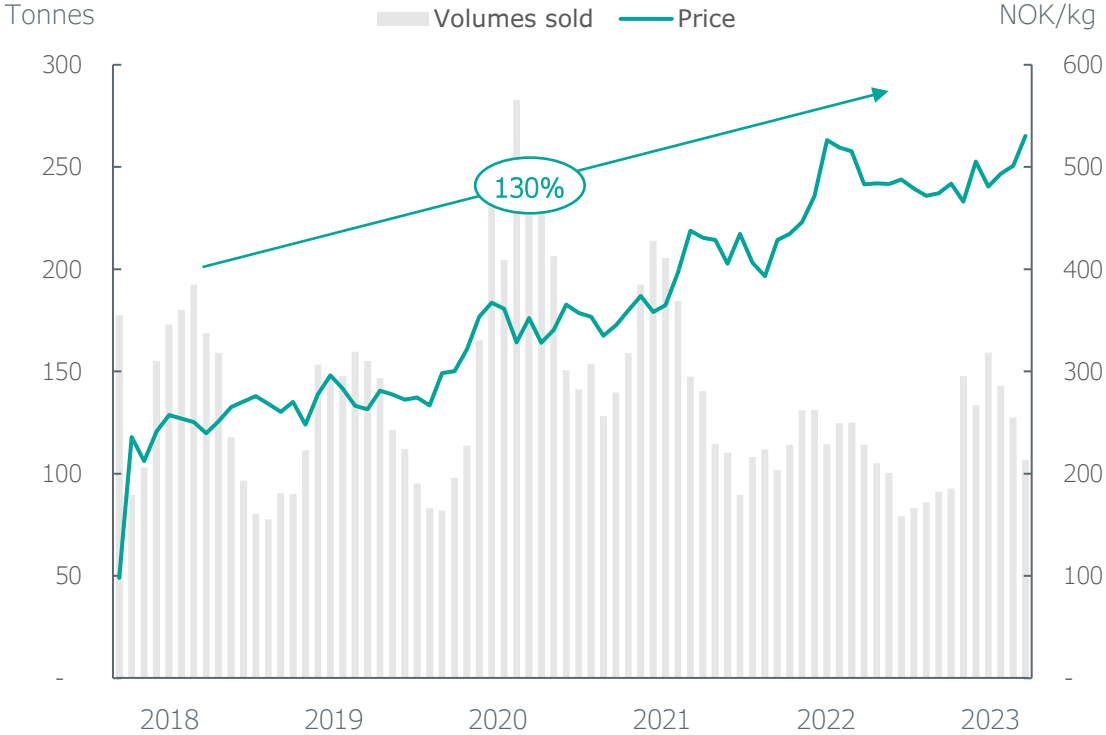


Minimal waste – up to 100% utilization of the fish



Size distribution well suited for VAP

Fresh halibut volume and price in US retail



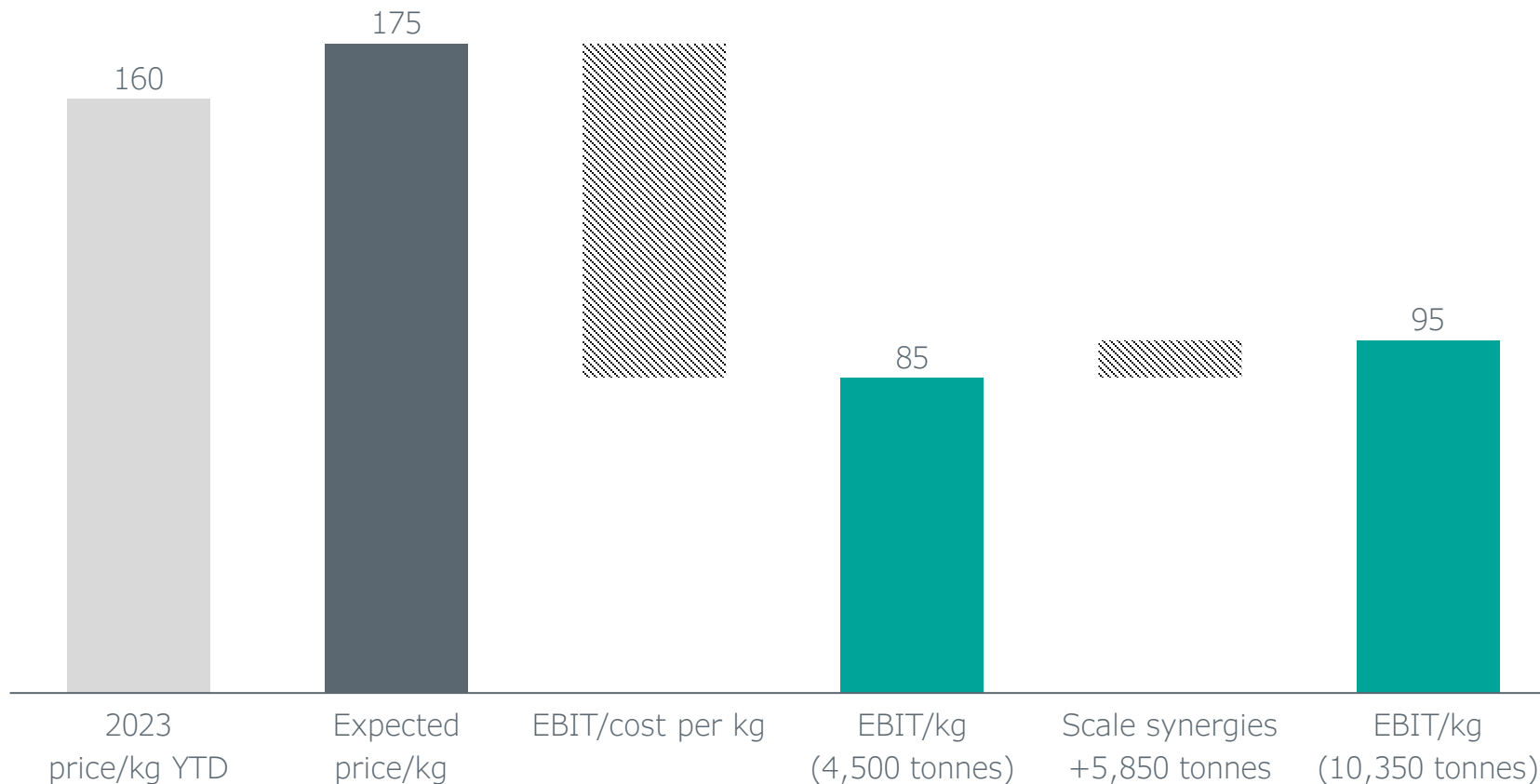
Average prices in 2023 for various for fresh VAP products in US

539 NOK/kg Fresh filet	456 NOK/kg Fresh steak	372 NOK/kg Other fresh
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Strong expected margin potential at run-rate production

Expected EBIT development

NOK / kg (HOG)



Comments

- Farming of Halibut is a volume game yielding significant EBIT / kg margins once produced in larger scale
- The scaling effect on cost per kilo is expected to be significant for both land and sea costs as current fixed opex is frontloaded for 4,500 tonnes
- 4th generation improvements represents further upside potential
- Potential for additional margin contribution when penetrating retail/HORECA with premium VAP



Untapped potential going forward providing sustainable superfood at scale



Genetics developed for more than 30 years
providing a unique competitive advantage



Proven farming concept ready for scale



Premium product in an attractive market with
increasing demand



NORDIC HALIBUT

