



# NORDIC HALIBUT

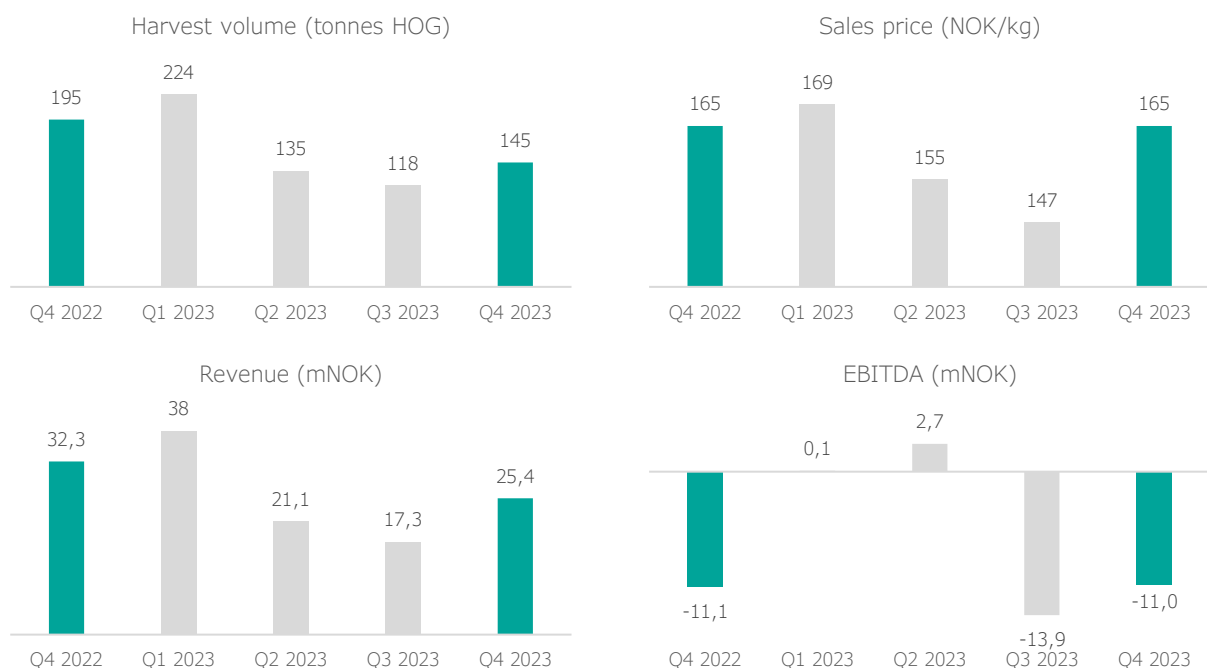
## Interim Report Q4 2023



## KEY HIGHLIGHTS Q4 2023

- Nordic Halibut continues to be well positioned to achieve long-term production targets of 4,500 tonnes head-on-gutted (HOG) within 2026 and 10,350 tonnes HOG within 2031
- The upward trend in sales prices persisted into Q4 2023, registering an average sales price of 165 NOK/kg
- Harvested 161 tonnes (145 tonnes HOG) with an average harvest weight of 5.5 kg during the quarter
- Total revenue in Q4 2023 ended at NOK 25 million (-21% YoY)
- Strong biological control enables new commercial strategy that will yield better results with higher margins and increased full run-rate production volumes long-term
- In line with expectations, EBITDA came in at NOK -11.0 million and loss for the period ended at NOK 22.6 million in total
- The Tingvoll facility construction progresses according to plan with financing secured
- Capital raise of approx. NOK 205 million strengthens financial position

## KEY FIGURES



## SUMMARY OF EVENTS

Nordic Halibut witnessed an upwards trajectory in price levels in Q4 2023 compared to previous quarter supported by somewhat increased harvest weights. Particularly, halibut sold in size categories above 5 kg fetched a price of 185 NOK/kg during this period, highlighting the importance of larger-sized fish and the adjusted commercial focus based on market signals. The sales price for the fiscal year (FY) 2023 reached 161 NOK/kg, indicating an impressive 8% year-on-year growth.

The strategic harvest plan of Nordic Halibut aimed at aligning with their commercial focus on larger-sized fish, resulting in an average harvest weight of 5.5 kg (4.9 kg HOG) for the quarter. However, harvest weights in Q4 were slightly lower compared to the same period in previous years, leading to a reduced volume share sold to the US market. Given the US market's preference for larger-sized fish, this reflects the company's strategy to

maximize larger-sized harvests for this and other prioritized markets. In Q4, the average sales price to the US was 210 NOK/kg, albeit on a lower volume share, contributing to an overall reduction in the average sales price for the period.

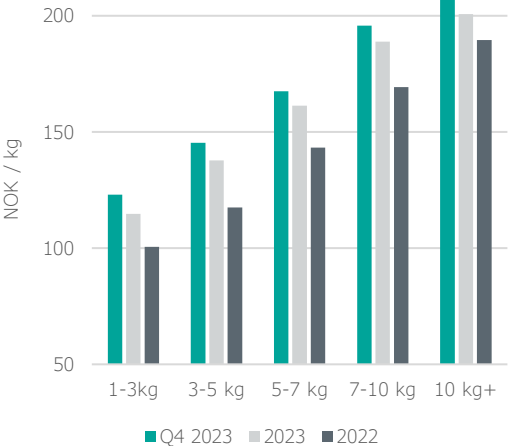
The strategic shift towards larger-sized fish did affect the volume share sold at preferred size categories above 5 kg, impacting the company's average pricing achievement. However, despite this, Nordic Halibut successfully increased price levels across all size categories compared to previous years. This achievement reflects positively on the company's strategic commercial focus and efforts to raise awareness of farmed halibut's unique attributes.

The price development observed in 2023 signals encouraging market trends for premium seafood products, highlighting Nordic Halibut's ability to adapt and thrive in evolving market



conditions. Building on this success, the company aims to capitalize further on positive signals from key markets by expanding its offering of premium halibut products in increasing volumes in the years ahead. This forward-looking approach underscores Nordic Halibut's commitment to sustainable growth and meeting the demands of discerning consumers for high-quality seafood.

AVERAGE SALES PRICE PER SIZE CATEGORY



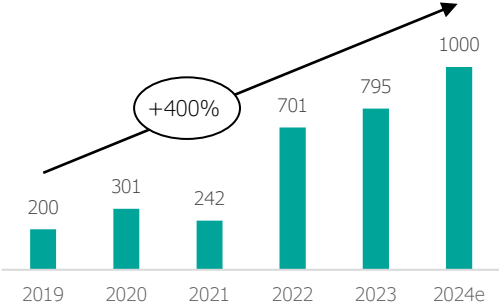
In Q4 2023, Nordic Halibut generated a total revenue of NOK 25 million, contributing to a fiscal year 2023 revenue of NOK 102 million, reflecting a significant 27% year-on-year growth. Harvest volumes for the quarter amounted to 161 tonnes (145 tonnes HOG), while cumulative harvest volumes for FY 2023 totalled 691 tonnes (621 tonnes HOG). The company prioritized facilitating favourable distribution of harvest weights during the quarter, aligning with its commercial strategy aimed at increasing harvest weights in future periods to optimize the utilization of available biomass.

In 2023, Nordic Halibut achieved an all-time high release of halibut into the sea, totalling 794,500. Assessments conducted toward the end of 2023

regarding the timing of release, considering factors such as fish welfare, logistics, and batch sizes, led the company to defer approximately 100,000 fish releases to early 2024. Although this fell short of the 1 million release target for 2023, the short-term adjustments in release volumes are not expected to adversely affect the 2026 production target of 4,500 tonnes HOG. This is attributed to the step change effect from the commercial strategy emphasizing larger fish and the expected release of fish in 2024.

Overall, despite short-term adjustments and deviations from targets, Nordic Halibut remains focused on its long-term goals and strategic objectives, aiming for sustainable growth and optimization of its operations to meet future demands and market opportunities.

NUMBER OF FISH PUT TO SEA (1,000s)



The Company aims to achieve a minimum release of 1 million fish into the sea during 2024. This target is crucial for derisking future production volumes toward 2026 and 2027, as it provides visibility of production in the grow-out phase. Investments made in on-growing facilities over the past few years have yielded positive results, with improved biological performance and a more robust production phase.

The higher number of fish released into the sea, coupled with promising results from strategic partners and the potential improvements in the value

chain set up by Tingvoll, signifies a positive outlook for early-phase production performance moving forward. This strategic focus on increasing production capacity and optimizing the value chain reflects the company's commitment to long-term growth, enhancing operational efficiency and leveraging strategic partnerships.



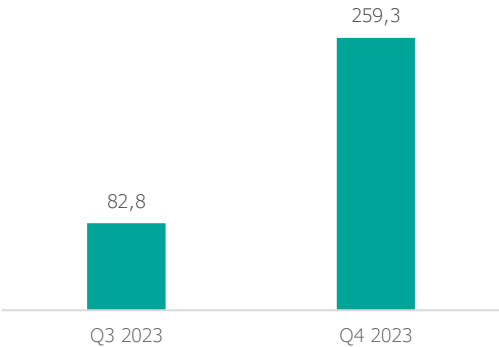
**Financial position bolstered with successful capital raise**

In December 2023, Nordic Halibut executed a successful Private Placement and subsequent offering, raising approximately NOK 206 million in gross proceeds. The Private Placement, which received robust support from existing shareholders, was oversubscribed, showcasing strong investor confidence in the company's trajectory.

The net proceeds from the capital raise will be allocated towards bolstering the equity portion of capital expenditure for the Tingvoll facility and addressing increased working capital needs stemming from the company's new commercial strategy. This infusion of funds significantly enhances Nordic Halibut's financial position, providing the necessary flexibility and financial capacity to execute on the growth plan, targeting 10,350 tonnes HOG by 2031. Additionally, it enables the pursuit of strategic growth opportunities aligned with the communicated business plan.

Furthermore, Nordic Halibut secured an additional tranche of its overdraft facility with Sparebank 1 SR-Bank during Q4 2023, supported by an Eksfin financing guarantee. This extension, amounting to NOK 50 million, expands the existing overdraft facility from NOK 150 million to a total of NOK 200 million. The augmented overdraft facility reinforces the company's liquidity position, offering vital support for financing the planned growth in biomass. The backing of Eksfin through its financing guarantee further enhances Nordic Halibut's financial resilience, contributing to overall financial robustness.

AVAILABLE LIQUIDITY (MNOK)



### New commercial strategy expected to yield better results

Nordic Halibut has refined its commercial strategy to capitalize on the growing acceptance of farmed halibut in key export markets, particularly in size categories exceeding 6 kg. This trend reflects customers' sustained willingness to pay premium prices for larger-sized halibut, presenting an opportunity for further market penetration and increased profitability.

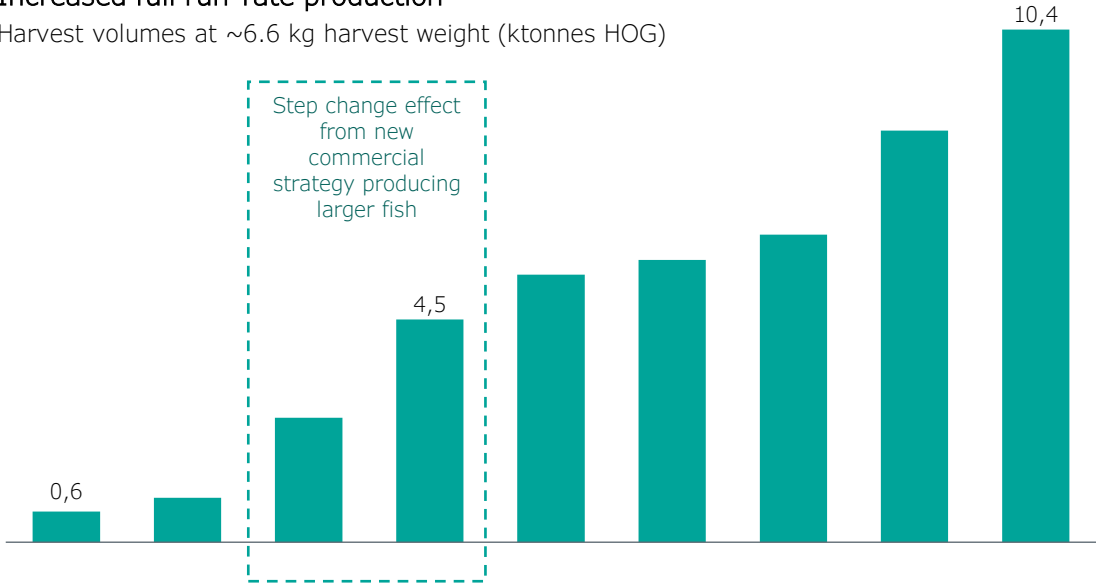
Unlike some other species, halibut production in the sea is not constrained by biological factors such as early maturation or lice infestation. This allows the company to control and produce size categories that align with market demands, particularly larger-sized fish favored by consumers.

The primary focus of Nordic Halibut's revised strategy is to leverage market preferences and price dynamics associated with larger-sized fish. This involves prioritizing biomass build-up with an optimal size distribution and concentrating on producing larger-sized halibut to achieve target production volumes.

Although this shift may initially lead to a temporary reduction in harvest volumes between 2024 and 2026, due to changes in production dynamics, it is expected to be offset by enhanced pricing achieved through the sale of increased harvest weights. The company remains committed to its growth phase 1 harvest volume target of 4,500 tonnes HOG by 2026, with a revised target for growth phase 2 set at 10,350 tonnes HOG by 2031.

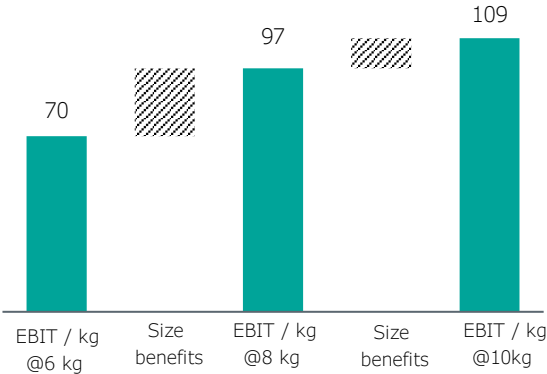
### Increased full run-rate production

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



The adjusted commercial focus aims to optimize biomass utilization, improve margins, and increase earnings per kilogram through higher harvest weights. The rise in price levels across various size categories will positively impact earnings for each additional kilogram of fish, leading to significant overall margin improvement. This strategic refinement is expected to deliver improved short and long-term outcomes, including elevated EBIT per kilogram and increased production volumes, reinforcing Nordic Halibut's position in the market.

EXPECTED EBIT / KG AT RUN-RATE VOLUMES PER SIZE CATEGORY



## Tingvoll facility project advances on schedule

Nordic Halibut's Tingvoll facility construction project is progressing according to plan, with groundwork initiated in August 2023. The company anticipates commencing construction of the new land-based facility in the first half of 2024, aligning with the previously communicated project timeline. The facility is scheduled to be fully operational by 2027.

During Q4 2023, Nordic Halibut secured NOK 230 million in debt financing for the Tingvoll facility, complementing the raised capital and marking a significant milestone towards realizing phase two of the company's growth plan. This phase targets a production capacity of 10,350 tonnes HOG by 2030.

The recent debt financing, coupled with ongoing project development, reaffirms estimates for the facility's completion. Nordic Halibut plans to phase the facility partially into production during 2025-26, thereby enhancing the robustness and flexibility of the value chain in the early production phase.



Strategically situated in close proximity to the established production hub in Nordmøre, the Tingvoll facility will play a crucial role in mitigating risks associated with future production cycles. Diversification of early-phase production across multiple locations will significantly strengthen the resilience of the production process. With plans to double the current production capacity on land, this facility will enable the company to produce 2 million juveniles annually.





**Growth phase 1 value chain complete – advances to phase 2 with Tingvoll**

The Company has accomplished a fully integrated value chain, covering all necessary capacities to meet the growth phase 1 production target of 4,500 tonnes HOG by 2026. The inclusion of the fourth grow-out site during the second half of 2023, alongside the three existing grow-out sites and land facilities in Midsund, Askøy, and Averøy, provides the Company with sufficient capability to annually produce 4,500 tonnes of HOG halibut.

This comprehensive value chain, extending from roe to sales, enhances operational resilience and flexibility,

ensuring consistent and stable production volumes. Nordic Halibut can now meet production targets through well-aligned production buffers, leveraging internal capacities and strategic partnerships such as with Sande Seafarm.

The company remains committed to further developing its integrated value chain within the Nordmøre region, focusing on securing production buffers to de-risk future targets and maximize sustainable production potential. The upcoming Tingvoll facility, along with four additional grow-out sites, will facilitate the realization of growth phase 2 production targets.

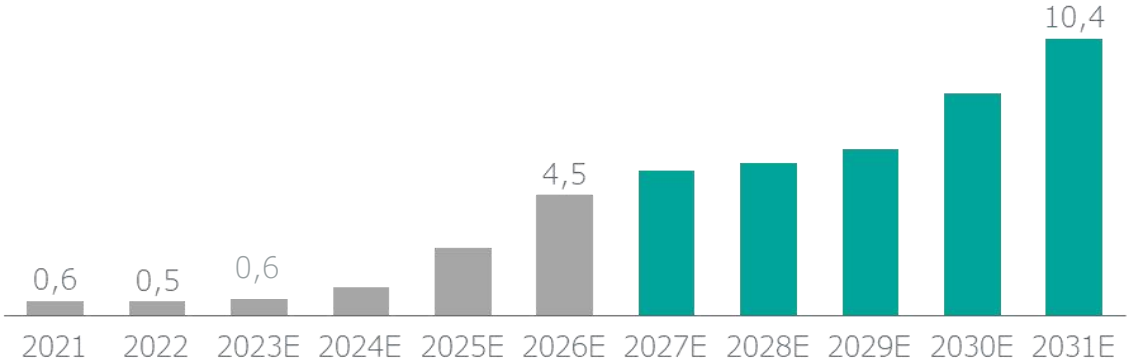
**Increasing robustness and capacity to 10k tonnes**



Capacity for 4.5k tonnes



Additional capacity for 10k tonnes



## FINANCIAL PERFORMANCE

Sales revenue in Q4 2023 ended at NOK 25.5 million, a 21% decrease from the corresponding quarter in 2022. The Company increased its revenue for FY 2023 by 27% compared to 2022, ending at NOK 102.0 million. The average sales price during Q4 ended at 165 NOK/kg (0% YoY). The average sales price for full year 2023 demonstrated a YoY increase of 8%, concluding at 161 NOK/kg.

Financial results for the quarter ended in line with what was expected. EBITDA came in negative in the quarter at NOK -11.0 million and loss for the period ended at NOK -22.6 million in total. According to expectations and the current growth phase of the Company, expenses are frontloaded and scale effects on financial results from increased production and sales will emerge stepwise moving forward. The Company's value chain is currently dimensioned to run at growth phase 1 volumes of 4,500 tonnes HOG and the Company will continue to build a strong foundation for further development and robustness towards our production and profitability targets both short-term and long-term towards 2031.

The increase in cost of materials during the quarter was mainly driven by increased feed expenses. The increased feed costs mainly relate to increased feed consumption from a growing biomass and higher feed prices. An overall increased activity level from operations led to somewhat higher operating expenses. Increased production both at land and in sea led



to a fair value adjustment of live halibut of approx. NOK 26.8 million in the period.

In connection to the private placement performed during Q4 2023, the Company obtained one-off expenses. This led to somewhat increased other expenses during the quarter.

Net financial items are YoY up 1.5 million during Q4 2023 mainly due to increased interest expenses and some currency effects.

The Company is comfortable with the current situation towards our growth and long-term profitability targets towards 2026 and 2031.



## FINANCIAL STATUS

On 31 December 2023 Nordic Halibut's total capital was NOK 733.4 million (YoY change + NOK 244.5 million). Inventories and biological assets are capitalized at NOK 314.2 million on 31 December 2023, compared to NOK 227.6 million on 31 December 2022.

Nordic Halibut successfully performed a Private Placement and subsequent offering during December 2023, raising gross proceeds of approximately NOK 206 million.

After a net change in cash and cash equivalents during Q4 of approx. NOK 89.8 million, the Company's cash at period end Q4 2023 ended at approx. NOK 105.0 million. Including the

committed credit facility of NOK 200 million with Sparebank 1 SR-Bank the total liquidity entering 2024 was NOK 259.3 million. In addition, the Company have uncommitted credit facility of additionally NOK 100 million that is expected to be released in tranches to support biomass growth and growth plan going forward. Overall, the Company assesses the current financial situation as acceptable.

Total equity stands at NOK 505.4 million on 31 December 2023. That represents an equity ratio of 69% vs. 75% on 31 December 2022. The Company was also in Q4 in compliance with all financial covenants.

## OUTLOOK

The constant high prices and demand observed for farmed halibut throughout 2023 and into 2024 underscore the ongoing challenge of limited supply in the market. Nordic Halibut is committed to utilize the opportunity to increase its production of sustainable protein, leveraging this to meet the rising demand for halibut products in the years to come. The company is confident in the presence of a market for premium halibut products and intends to execute commercial strategies to expand into new markets while further enhancing awareness and demand for its unique sustainable product.

The current progress in commercial activities, coupled with the adjustment in commercial focus towards higher harvest weights and maximum biomass utilization, is anticipated to yield future benefits and enhance profitability.

Nordic Halibut is strategically positioned to achieve its business objectives, aiming to produce 4,500 tonnes of HOG by 2026 and 10,350 tonnes by 2031.

The company has successfully established a fully integrated value chain, including all necessary capacities to meet the production target of 4,500 tonnes of HOG by 2026 in its growth phase 1. Additionally, the initiation of growth phase 2, marked by the construction of a new land-based juvenile facility at Tingvoll, alongside four additional sea site locations, will collectively cover the capacity required for phase 2.

The company's efforts to execute its growth plan are progressing according to schedule, with investments in organizational and value chain enhancements supporting its position and mitigating inherent risks. With a healthy financial situation providing flexibility, Nordic Halibut is well-equipped to realize its growth plan. Moreover, a continuous focus on biological performance and ongoing improvement efforts give confidence in the company's ability to support upcoming volume growth. Overall, Nordic Halibut remains on track to deliver on its business plan.

Averøy, 28 February 2024

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**Vegard Gjerde**  
Chair of the Board

**Aino Olaisen**  
Director

**Birthe Cecilie Lepsøe**  
Director

**Tore Hopen**  
Director

**Jan Erik Sivertsen**  
Director

**Øyvind Schanke**  
Director

**Edvard Henden**  
CEO



## INCOME STATEMENT

(Amounts in 1 000 NOK, except EPS)	Note	Q4 2023	Q4 2022	2023	2022
Revenue		25 395	32 257	101 813	80 037
Other income		136	24	205	145
<b>Total operating revenue</b>		<b>25 531</b>	<b>32 281</b>	<b>102 019</b>	<b>80 182</b>
Fair value adjustment of live halibut	2	26 771	1 878	81 251	38 140
Cost of materials		-33 576	-22 570	-100 831	-80 377
Salaries and personell expenses	6	-15 136	-10 391	-52 078	-38 757
Other operating expenses		-14 629	-12 348	-52 523	-41 110
<b>Operating profit/loss (EBITDA)</b>		<b>-11 039</b>	<b>-11 149</b>	<b>-22 161</b>	<b>-41 921</b>
Depreciation and amortisation		-9 216	-5 185	-25 388	-16 651
<b>Operating profit/loss (EBIT)</b>		<b>-20 255</b>	<b>-16 334</b>	<b>-47 549</b>	<b>-58 572</b>
Financial income	5	3 518	950	2 902	2 953
Financial expenses	5	-5 847	-1 780	-16 017	-6 726
<b>Net financial items</b>		<b>-2 329</b>	<b>-830</b>	<b>-13 115</b>	<b>-3 773</b>
<b>Profit/loss before tax</b>		<b>-22 585</b>	<b>-17 164</b>	<b>-60 664</b>	<b>-62 345</b>
Income tax expense		0	0	0	0
<b>Profit/loss for the period</b>		<b>-22 585</b>	<b>-17 164</b>	<b>-60 664</b>	<b>-62 345</b>
Basic earnings per share		-0,73	-0,59	-2,05	-2,14
Diluted earnings per share		-0,73	-0,59	-2,05	-2,14

## COMPREHENSIVE INCOME STATEMENT

(Amounts in 1 000 NOK)	Note	Q4 2023	Q4 2022	2023	2022
Profit/loss for the year		-22 585	-17 164	-60 664	-62 345
Items that are or may be reclassified to profit or loss					
<b>Total comprehensive income for the period</b>		<b>-22 585</b>	<b>-17 164</b>	<b>-60 664</b>	<b>-62 345</b>

# FINANCIAL POSITION

(Amounts in 1 000 NOK)	Note	31.12.2023	31.12.2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Licenses, patents and other		0	0
Property, plant and equipment		179 776	137 194
Right-to-use assets		108 691	63 227
Non-current biological assets	2	78 108	53 554
<b>Total non-current assets</b>		<b>366 575</b>	<b>253 975</b>
<b>Current assets</b>			
Biological assets	2	228 087	171 391
Other inventory	2	8 026	2 733
<b>Total biological assets and inventory</b>		<b>236 113</b>	<b>174 124</b>
<b>Receivables</b>			
Accounts receivable		12 197	17 794
Other short-term receivables		13 456	14 007
<b>Total receivables</b>		<b>25 654</b>	<b>31 802</b>
Cash and cash equivalents		105 024	28 978
<b>Total current assets</b>		<b>366 791</b>	<b>234 904</b>
<b>Total assets</b>		<b>733 366</b>	<b>488 878</b>

# FINANCIAL POSITION

EQUITY AND LIABILITIES	Note	31.12.2023	31.12.2022
<b>Equity</b>			
Share capital		195 532	145 846
Share premium		408 385	258 685
Other equity		-98 485	-39 473
<b>Total equity</b>		<b>505 433</b>	<b>365 059</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Non-current debt to financial institutions	3	22 961	28 649
Lease liabilities	3	73 213	37 905
<b>Total non-current liabilities</b>		<b>96 174</b>	<b>66 554</b>
<b>Current liabilities</b>			
Debt to financial institutions	3	51 268	5 079
Lease liabilities	3	22 884	11 466
Trade payables		40 620	30 845
Public duties payable		3 822	2 962
Other current liabilities		13 165	6 914
<b>Total current liabilities</b>		<b>131 759</b>	<b>57 266</b>
<b>Total liabilities</b>		<b>227 934</b>	<b>123 820</b>
<b>Total equity and liabilities</b>		<b>733 366</b>	<b>488 878</b>

**Averøy, 28 February 2024**

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Chair of the Board

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Edvard Henden  
CEO



## STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Other equity	Total equity
<b>Equity 30.09.2023</b>	145 846	258 685	-76 315	328 217
<b>Changes in the period</b>				
Profit or loss			-22 585	-22 585
Other comprehensive income				0
Share option expense			415	415
Dividend				0
<b>Total changes in the period</b>	<b>49 686</b>	<b>149 700</b>	<b>-22 170</b>	<b>177 216</b>
<b>Equity 31.12.2023</b>	<b>195 532</b>	<b>408 385</b>	<b>-98 485</b>	<b>505 433</b>
<b>Equity 30.09.2022</b>				
	145 846	258 685	-22 723	380 160
<b>Changes in the period</b>				
Profit or loss			-17 164	-17 164
Other comprehensive income				0
Share option expense			415	415
Dividend				0
<b>Total changes in the period</b>	<b>0</b>	<b>0</b>	<b>-16 749</b>	<b>-16 749</b>
<b>Equity 31.12.2022</b>	<b>145 846</b>	<b>258 685</b>	<b>-39 473</b>	<b>365 059</b>

# CASH FLOW STATEMENT

(Amounts in 1 000 NOK)	Note	Q4 2023	Q4 2022	2023	2022
<b>Cash flow from operating activities</b>					
Profit/loss before tax		-22 585	-17 164	-60 664	-62 345
Tax paid in the period		-	-	-	-
Depreciation and amortisation		9 216	5 185	25 388	16 651
Interest paid	5	2 913	1 341	10 612	4 521
Currency translation of cash and cash equivalents	5	-854	2 203	524	1 080
Change in inventory and biological assets	2	-32 063	-1 878	-86 543	-38 140
Change in trade receivables		-8 751	1 654	5 597	6 342
Change in trade payables		-18 029	-5 098	9 775	-7 014
Change in other accruals		15 985	-5 817	12 881	1 257
<b>Net cash flow from operating activities</b>		<b>-54 168</b>	<b>-19 573</b>	<b>-82 431</b>	<b>-77 649</b>
<b>Cash flow from investing activities</b>					
Payments for property, plant and equipment		-9 387	-5 852	-52 378	-31 526
<b>Net cash flow from investing activities</b>		<b>-9 387</b>	<b>-5 852</b>	<b>-52 378</b>	<b>-31 526</b>
<b>Cash flow from financing activities</b>					
Proceeds from issuance of long-term debt	3	0	5 000	0	5 000
Repayment of long-term debt to financial institutions	3	-1 385	-1 069	-4 884	-4 944
Repayment lease liabilities	3	-5 828	-4 288	-17 836	-13 890
Net change in overdraft facilities	3	-35 876	7 553	45 324	245
Interest paid	5	-2 913	-1 341	-10 612	-4 521
Proceeds from issuance of equity		199 386	-	199 386	-
<b>Net cash flow from financing activities</b>		<b>153 384</b>	<b>5 855</b>	<b>211 379</b>	<b>-18 110</b>
<b>Net change in cash and cash equivalents in the period</b>		<b>89 829</b>	<b>-19 571</b>	<b>76 571</b>	<b>-127 284</b>
Cash and cash equivalents - opening balance		14 341	50 752	28 978	157 342
Currency translation of cash and cash equivalents		854	-2 203	-524	-1 080
<b>Cash and cash equivalents - closing balance</b>		<b>105 024</b>	<b>28 978</b>	<b>105 024</b>	<b>28 978</b>

# SELECTED NOTES TO THE FINANCIAL STATEMENT

## NOTE 1 | GENERAL INFORMATION AND ACCOUNTING PRINCIPLES

Nordic Halibut AS is listed on Euronext Growth Oslo under the ticker "NOHAL".

The financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU and were approved by the Board of Directors on 27 February 2024. These interim financial statements have been prepared in accordance with International Accounting Standards 34 Interim Financial Reporting. The report does not include all information required in a complete annual report and should therefore be read in conjunction with the Company's annual report (2022). No other accounting principles have been changed or other standards have been adopted during the period. The annual report is published on [www.nordichalibut.com](http://www.nordichalibut.com).

The financial report for the fourth quarter of 2023 is unaudited.

Management is required to make estimates and assumptions concerning the future that affect the accounting policies and recognized amounts of assets, liabilities, income and expenses. Significant estimates relate to valuation of biological assets. Estimates and underlying assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be probable under the present circumstances. The final outcomes may deviate from these estimates. Changes in estimates are reflected in the accounts as they occur.

## NOTE 2 | BIOLOGICAL ASSETS

Biological assets comprise broodstock fish, eggs, juveniles, and fish in the sea. Biological assets are, in accordance with IAS 41 and IFRS 13, measured at fair value less cost to sell. In line with IFRS 13, the highest and best use of the biological assets is applied for the valuation. In accordance with the principle for highest and best use, the fish is considered to have optimal harvest weight at 7,3 kg. This corresponds to that fish with live weight of 7,3 kg, or more are classified as mature fish, while fish that have still not achieved this weight are classified as immature fish. All fish at sea are subject to a fair value calculation, while juveniles are measured at cost due to little transformation and as a reasonable proxy of fair value.

Broodstock recruits are measured at accumulated cost (normalized) through development stages from selected juvenile broodstock recruits until the selected group reaches roe producing broodstock stage. The accumulated cost for broodstock recruits is time adjusted for each category to reflect the cost per fish balance throughout the development phases. Producing broodstock fishes are measured at accumulated cost per fish (normalized) at the time they are considered roe producing with an added margin to reflect value of this fish in a hypothetical market, adjusted for time value and declining value as remaining roe producing periods lessen until ultimately being valued at estimated sales value to consumption.

The estimation of the fair value relies on a series of uncertain assumptions, e.g., biomass volume, biomass quality, size distribution, market prices, expected future costs, remaining time to harvest and total time to harvest.

The fair value of the biological assets at sea is calculated using a 2% monthly discounting of the cash flow based on the month in which the fish reaches optimal harvest weight. The discount factor is intended to reflect three main components: 1. Risk of incidents that affect cash flow; 2. Hypothetical site rental cost; 3. Time value of money

The discount factor is set on the basis of an average for all the Company's sites, which, in the Company's assessment, provides a sensible growth curve for the fish – from juvenile to harvestable size. The risk adjustment must take into account the biological risks of farming, including the average time in sea for the fish. The number of months left until harvesting will affect the risk. Biological risk, the risk of increased costs and price risk will be the most important elements to be recognized.

The change in the fair value of biological assets is recognized through profit or loss and presented as "fair value adjustment of live halibut".

## CARRYING AMOUNT OF INVENTORY

	31.12.2023	30.09.2023	31.12.2022
Fish feed	8 026	9 940	2 733
Biological assets	306 196	279 425	224 904
<b>Total value of biological assets and inventory</b>	<b>314 222</b>	<b>289 364</b>	<b>227 637</b>

## BOOK VALUE OF BIOLOGICAL ASSETS

	31.12.2023	30.09.2023	31.12.2022
Biological assets held at sea farms at cost	345 651	300 511	237 683
Fair value adjustment of biological assets	-117 564	-93 692	-66 334
<b>Total biological assets held at sea farms at fair value</b>	<b>228 087</b>	<b>206 819</b>	<b>171 350</b>
Biological assets at land at cost	67 166	63 360	44 492
Fair value adjustment of biological assets at land	10 943	9 246	9 062
<b>Total biological assets held at land at fair value</b>	<b>78 108</b>	<b>72 606</b>	<b>53 554</b>
<b>Total biological assets</b>	<b>306 196</b>	<b>279 425</b>	<b>224 904</b>

	Period	Book value at period end	Book value at period beginning	Fair value change over profit and loss
Change in fair value of live halibut Q4 2023	01.10.2023 - 31.12.2023	306 196	279 425	<b>26 771</b>
Change in fair value of live halibut 2023	01.01.2023 - 31.12.2023	306 196	224 904	<b>81 292</b>

## CHANGE IN BIOLOGICAL ASSETS HELD AT SEA

	Biomass			Carrying amount		
	Q4 2023	Q4 2022	2023	Q4 2023	Q4 2022	2023
<b>Biological assets at beginning of period</b>	<b>1 481 824</b>	<b>1 449 498</b>	<b>1 492 249</b>	<b>173 050</b>	<b>152 443</b>	<b>171 350</b>
Increase due to production	383 505	279 393	972 293	124 123	43 846	219 836
Decrease due to sales	-160 695	-217 032	-690 676	-19 435	-23 351	-75 513
Decrease due to mortality	-20 410	-19 610	-89 642	-3 267	-1 917	-14 086
Decrease due to incident-based losses			0			0
Fair value adjustment at beginning of period				-71 180	-44 393	-44 063
Fair value adjustment at period end				-117 564	-44 063	-117 564
<b>Biological assets at period end</b>	<b>1 684 224</b>	<b>1 492 249</b>	<b>1 684 224</b>	<b>228 087</b>	<b>171 350</b>	<b>228 087</b>

Biological assets held at 31.12.2023	Biomass	Cost	Fair value adjustments	Carrying amount
< 2 kg	684 079	217 065	-107 581	109 484
2 - 4 kg	465 928	63 494	-9 501	53 993
> 4 kg	534 217	65 092	-482	64 610
<b>Biological assets held at sea farms</b>	<b>1 684 224</b>	<b>345 651</b>	<b>-117 564</b>	<b>228 087</b>
Other biological assets	31 701	67 166	10 943	78 108
<b>Biological assets</b>	<b>1 715 925</b>	<b>412 817</b>	<b>-106 621</b>	<b>306 196</b>

Biological assets held at 31.12.2022	Biomass	Cost	Fair value adjustments	Carrying amount
< 2 kg	395 518	100 867	-37 120	63 747
2 - 4 kg	449 697	49 414	-5 460	43 954
> 4 kg	647 033	65 132	-1 483	63 649
<b>Biological assets held at sea farms</b>	<b>1 492 249</b>	<b>215 413</b>	<b>-44 063</b>	<b>171 350</b>
Other biological assets	24 888	44 492	9 062	53 554
<b>Biological assets</b>	<b>1 517 137</b>	<b>259 905</b>	<b>-35 001</b>	<b>224 904</b>

## NOTE 3 | INTEREST-BEARING LIABILITIES

The fair value of borrowings is not materially different from their carrying amounts since the interest payable on the borrowings is either close the current market rates or the borrowings are of short-term nature. Next year's instalments on bank loans, overdraft facility and lease agreements are classified as current liabilities in the balance sheet.

Nordic Halibut have a NOK 200 million overdraft facility agreement with Sparebank 1 SR-Bank. The overdraft facility give the Company increased free liquidity and will be used to finance the planned growth in biomass. The facility also includes uncommitted options that is expected to be released in tranches aligned with the planned growth in biomass.

The principal financial covenant of the facility is a minimum equity ratio of 30%. As of 31.12.2023, the Company had an equity ratio of 68% (Q4 2022: 75%). The second financial covenant to the overdraft facility is that utilized overdraft facility is limited to 65% of book value of biological assets, inventory and trade receivables.

The Company has debt financing with Innovasjon Norge. Remaining liabilities to Innovasjon Norge 31.12.2023 consist of four low-risk loans amounting to NOK 28.5 million in total on floating interest rate conditions.

<b>Non-current interest-bearing liabilities</b>	<b>31.12.2023</b>	<b>30.09.2023</b>	<b>31.12.2022</b>
Non-current debt to financial institutions	22 961	24 346	28 649
Lease liabilities	73 213	60 324	37 905
<b>Total non-current liabilities</b>	<b>96 174</b>	<b>84 669</b>	<b>66 554</b>
<b>Current interest-bearing debt</b>	<b>31.12.2023</b>	<b>30.09.2023</b>	<b>31.12.2022</b>
Debt to financial institutions	51 268	87 086	5 079
Lease liabilities	22 884	16 794	11 466
<b>Total current liabilities</b>	<b>74 152</b>	<b>103 880</b>	<b>16 546</b>
<b>Gross interest-bearing liabilities</b>	<b>170 326</b>	<b>188 549</b>	<b>83 100</b>
Cash and cash equivalent	105 024	14 341	28 978
<b>Net interest-bearing debt</b>	<b>65 302</b>	<b>174 208</b>	<b>54 122</b>

## NOTE 4 | SHARE INFORMATION

Nordic Halibut AS has its registered office at Hendnesveien 124, 6533 Averøy and was listed on Euronext Growth Oslo on 26 April 2021 under the ticker "NOHAL".

The Company issued 9,937,188 new shares during December 2023 which has been registered with the Norwegian Register of Business Enterprises (the "NRBE") (Nw: Foretaksregisteret). Following registration of the share capital increase, Nordic Halibut's share capital is NOK 195 531 990 divided into 39 106 398 shares, each with a par value of NOK 5. All shares have the same voting privileges.

The closing price for the Company's share was NOK 19.50 per share as per 31 December 2023, equivalent to a market capitalization of approx. NOK 763 million.

<b>Top 20 shareholders 31.12.2023</b>	<b>Holding</b>	<b>Stake</b>
Kontrari AS	13 778 158	35,2 %
Farvatn Private Equity AS	5 423 103	13,9 %
Kontrazi AS	5 289 530	13,5 %
T.D. Veen AS	2 261 281	5,8 %
Jakob Hatteland Holding AS	2 000 000	5,1 %
Børge Hald	1 827 843	4,7 %
Jahatt AS	800 000	2,0 %
Verdipapirfondet Holberg Triton	706 160	1,8 %
Aino AS	574 992	1,5 %
King Kong Invest AS	548 967	1,4 %
Rønneberg Invest AS	478 275	1,2 %
Pareto Securities ASA	386 474	1,0 %
Sulefjell AS	255 560	0,7 %
Ole Ketil Teigen	240 000	0,6 %
Serac AS	221 957	0,6 %
Babaco Invest AS	216 938	0,6 %
Kiwano Invest AS	215 063	0,5 %
Oroblanco Invest AS	206 938	0,5 %
Tamarillo Invest AS	206 938	0,5 %
Lindvard Invest AS	193 867	0,5 %
Total top 20	35 832 044	91,6 %
Other	3 274 354	8,4 %
Total shares	<b>39 106 398</b>	<b>100,0 %</b>

## NOTE 5 | NET FINANCIAL ITEMS

<b>Financial income</b>	<b>Q4 2023</b>	<b>Q4 2022</b>	<b>2023</b>	<b>2022</b>
Interest income	0	941	0	948
Currency gain (agio)	251	9	2 067	1 997
Changes in forward currency contracts	2 443	0	0	0
Other financial income	825	0	835	8
<b>Total financial income</b>	<b>3 518</b>	<b>950</b>	<b>2 902</b>	<b>2 953</b>
<b>Financial expenses</b>	<b>Q4 2023</b>	<b>Q4 2022</b>	<b>2023</b>	<b>2022</b>
Interest expenses	-4 581	-1 517	-10 612	-4 521
Currency loss (disagio)	-1 195	-485	-2 618	-2 076
Changes in forward currency contracts	0	0	-2 627	0
Other financial expenses	-72	222	-161	-129
<b>Total financial expenses</b>	<b>-5 847</b>	<b>-1 780</b>	<b>-16 009</b>	<b>-6 726</b>
<b>Net financial items</b>	<b>-2 329</b>	<b>-830</b>	<b>-13 115</b>	<b>-3 773</b>



## NOTE 6 | SHARE OPTION PROGRAM

Nordic Halibut AS resolved to implement a share option program for management and certain key employees of the Company from 24 September 2021. The share option program is implemented to increase the Company's ability to retain, reward and attract talent to help realise the Company's ambitious growth plan. It is considered beneficial for all Company stakeholders to implement an incentive for key employees to have ownership in the Company.

The program comprises 600.000 share options in total. Each option will give the option holder the right to subscribe or purchase one share in the Company at the exercise price, which is set to NOK 22.50, equal to the subscription price in the private placement of shares immediately prior to the listing of the Company's shares on 26 April 2021. On 31.12.2023 the closing share price for Nordic Halibut (Ticker: NOHAL) was NOK 19.50.

The share options will vest for a period of two years starting at the later of 24 September 2024 and the date when the Company has reached certain performance targets.

Share options that are not exercised within the exercise period will lapse and be of no value to the option holder. The options are non-tradable and conditional upon i.a. the option holder being employed with the Company and not having resigned or being terminated for cause prior to the vesting date.

The Company has the right, in its sole discretion, to settle any vested share options by transfer of existing shares, new shares or a mix of the two. Further, the Company has the right to settle any economic interest in any vested share option in cash.

Issuing of new shares in the future for the purpose of the options program will depend on required corporate authorizations being in place at the time of exercise of the options.

The cost of equity-settled transactions is recognized as a payroll expense over the vesting period. The cumulative expense is recognized in other equity reserves within equity. The calculated fair value of the stock options will be quarterly expensed linearly over the vesting period.

<b>Valuation of stock options 2021</b>	
Valuation model	Black and scholes
Granted	24.09.2021
Expected lifetime	4,00
Expected volatility	40,00 %
Risk free rate	1,24 %
Spot	26,01
Strike	22,50
Dividend yield	-
<b>Call option value</b>	<b>9,87</b>
Number of options	425 000
<b>Total value</b>	<b>4 194 580</b>

Name	Position	Option category	Outstanding options 30.09.2023	Granted options	Exercised options	Expired/ cancelled options	Outstanding options 31.12.2023	Of which share-settled
Edvard Henden	CEO	Share settlement	150 000	-	-	-	150 000	150 000
Kenneth Meyer	CFO	Share settlement	75 000	-	-	-	75 000	75 000
Ann Kristin Fladset	COO	Share settlement	75 000	-	-	-	75 000	75 000
Others		Share settlement	125 000	-	-	-	125 000	125 000
Not granted		Share settlement	175 000	-	-	-	175 000	175 000
<b>Total</b>			<b>600 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>600 000</b>	<b>600 000</b>

## NOTE 7 | POST-BALANCE SHEET EVENTS

Kenneth Meyer announced in January 2024 that he will step down as CFO in Nordic Halibut. He will fulfil his responsibilities in the current capacity until the end of May, ensuring a smooth and efficient transition for the Company. Following Meyer's resignation, his outstanding share options amounting 75,000 per 31 December 2023 will be cancelled.

