



# Q3 presentation 2012

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## Highlights post Q3

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- **Substantial loss due to disease on fish ready for harvesting at 2 locations in the Møre region**
  - Lost 1.000 tons of non-vaccinated +2,5 kg fish.
  - No loss of vaccinated fish, important for future farming in the Møre region
- **Focus on cost cutting and down scaling of business**
  - All fish under 1 kg will be harvested, taken loss of 32.4 MNOK
  - 24 employees laid off in November
  - We have started the process of selling assets and parts of our business.
- **Increased quotas of wild cod during the winter fishing increase risk for substantial lower market prices on whole gutted cod.**
  - We write down expected sales prices to NOK 16 - 18 per kg r.w. and take a loss on our remaining biomass of 35 MNOK.
- **Codfarmers is in default under its loan agreements and has started negotiations with its lenders.**
- **The Company has also turned to its suppliers for deferred payment.**
- **We expect to harvest 1 639 tons of fish in Q4**
  - Market price expected to remain good until mid-January
  - No disease on remaining fish in the sea.
  - Expected production cost of NOK 16 per kg r.w. for harvesting in Q4 2012

## Highlights Q3

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- **Revenues of 46.9 MNOK vs. 24.6 MNOK in Q3/11**
  - Total harvest of 1 441 tons (r.w.) own production.
  - 82% of volume produced sold as whole fish, remaining sold as filets. Average sales price H&G: NOK 29.0 kg including bi-products.
  - Average sales price after logistics, processing and filet costs: NOK 14.6 pr kg r.w.
  
- **EBIT -105.2 MNOK vs. -45.1 MNOK in Q3/11**
  - Negative contribution of -2.9 MNOK from fish sold in the period.
  - Disease on fish from two locations in Møre, -28.1 MNOK
  - Write down and destruction of other biomass, -67.7 MNOK
  - Administration and sales costs of -3.4 MNOK.
  - Net result before finance from hatchery and pre on growing facilities with – 1.5 MNOK.
  - Depreciation of idle locations -1.6 MNOK.
  
- **Biological assets have a fair value of 56.5 MNOK (3 858 tons r.w.)**
  
- **Cash position per Q3 was 7.6 MNOK**

# COD Production

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## COD PERFORMANCE INDICATORS PER SEPTEMBER 2012

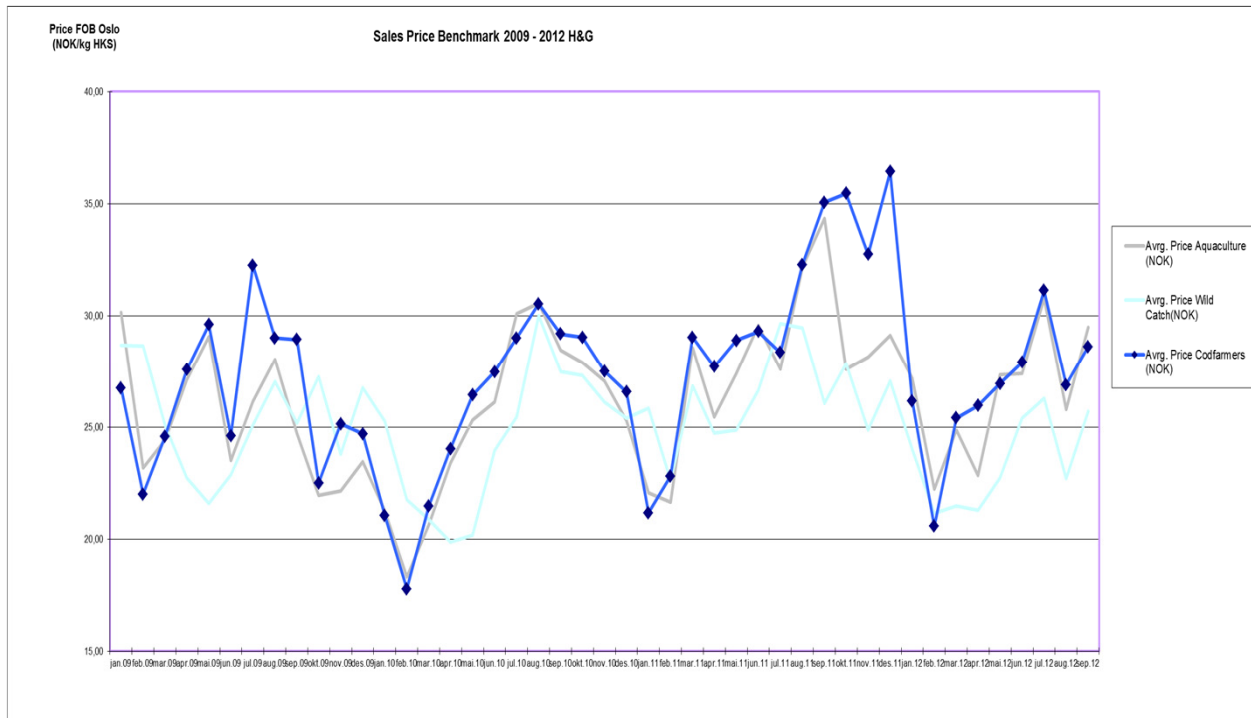
	Meløysjøen 2008	Kjerkvika 2008	Hammarvika 2010	Standal 2010	Stokkeneset 2011	Russenes 2011	Kjølvika 2011	Hagardsneset 2011	Steinvik/ Russenes 2012
Harvest %	100 %	100 %	100 %	100 %	26 %	0 %	0 %	0 %	0 %
Avg. harvested w eight	2.9 kg	2.7 kg	2.8 kg	2.8 kg	1.9 kg	0 kg	0 kg	0 kg	0 kg
Current avg. w eight	-	-	-	-	2.475 kg	2.366 kg	1.472 kg	1.351 kg	0.221 kg
No. of fish (1000)	0	0	0	0	437	239	833	640	538
Biological feed factor (FCR)	1.23	1.18	1.28	1.25	1.34	1.19	1.01	1.09	0.80
Economic feed factor (EFCR)	1.38	1.31	1.36	1.47	1.39	1.19	1.07	1.44	0.81
Mortality (%) based on start number	18.8%	10.3%	26.9%	21.3%	27.5%	12.8%	11.0%	21.2%	1.3%
Loss of fish (%) (destruction, escapes etc.)	18.3%	25.5%	9.0%	15.1%	3.4%	7.1%	6.2%	2.6%	0%

- 3 858 tons (r.w) of standing biomass at sea. Estimated value of 56.5 MNOK. (excluding fish that will be destroyed)
- A total of 2.7 million fish at 5 different locations at sea.
- Total harvest of 1 441 tons (r.w) in Q3/12 from the Hammarvika, Standal and Stokkenes 2010 generations. Average harvest weight of 2.798 kg.
- There were released 545,000 fish at locations Steinvika/Russenes in August and 1,210,000 fish at location Kjerkvika in July and August. However, due to the liquidity situation in Codfarmers, the fish at Kjerkvika will be destroyed in the beginning of December.
- During July, two locations in Møre was hit by disease. The mortality stayed low during the summer months, but started to accelerate in September/October. As a consequence Codfarmers had to take substantially losses on the biomass in Q3.



# Cod spot prices

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27% decrease in the average price and 16% increase in export volumes

- COD's Q3 average FOB export price on whole gutted fish was NOK 27.7 per kg. Prices including contribution from liver was NOK 29.0 per kg.
- COD's market share was 73.8% of total Norwegian fresh farmed cod exports. In Q3 COD harvested 1 441 tons.
- Sales of STRØM® accounted for 10.0% of the total sales value in Q3.

## Financials Q3 / 2012

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Key Financials Figures NOK (1000`)	Q3 2012	Q3 2011	Year 2011
Revenue	46 928	24 623	122 865
EBITDA	-98 673	-40 757	-69 569
EBIT after write down of biomass	-105 241	-45 124	-90 712
EBIT before write down of biomass	-9 441	-23 124	-65 212
*Writedown of biomass	-95 800	-22 000	-25 500
Net profit	-108 429	-46 767	-94 324
Total assets	261 173	283 191	295 588
Total Equity	60 753	121 875	155 492
Equity ratio	23 %	43 %	53 %
Interest bearing debt	138 400	104 229	100 911
Cash and cash equivalents	7 573	12 962	7 802
Harvest volumes tons (r.w)	1 441	629	2 906

\*Includes losses related to diseases and destruction of fish.

- Q3/12 revenue of 46.9 MNOK compared to 24.6 MNOK in Q3/11. Revenues in Q3/12 generated by harvesting 1 441 tons (r.w.) of own production.
- EBIT of – 105.2 MNOK in Q3/12 compared to – 45.1 MNOK in Q3/11.
- Net profit of – 108.4 MNOK in Q3/12 compared to – 46.7 MNOK in Q3/11.
- Total assets of 261.2 MNOK, reflecting 160.8 MNOK in non-current assets and 100.4 MNOK in current assets. Estimated biomass value of 56.5 MNOK.
- Total equity of 60.8 MNOK with an equity ratio of 23.3% and 138.4 MNOK of interest bearing debt.
- Cash per Q3/12 of 7.6 MNOK. Net short term receivables of – 26.9 MNOK

## Cashflow Q3 / 2012

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Unaudited (NOK 1000)	Nine months ended 30 Sept	
	2012	2011
<b>Cash generated from operating activities</b>		
Operating profit for the period	-140 328	-71 383
Interest paid	-8 320	-3 787
Depreciation and amortisation	20 679	12 734
Share option costs	36	162
Change in inventories	29 828	37 490
Change in trade receivables	-5 385	11 676
Change in trade payables	23 056	1 965
Change in other	-3 571	17 448
<b>Net cash generated from operating activities</b>	<b>-84 004</b>	<b>6 470</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment (PPE)	-5 190	-582
Proceeds from sale of PPE	0	350
Purchase of financial assets	-2 411	-850
Interest received	1 479	1 652
<b>Net cash used in investing activities</b>	<b>-6 121</b>	<b>570</b>
<b>Cash flow from financing activities</b>		
Repayments of borrowings, incl convertible loan	-2 695	-20 510
Proceeds from new borrowings	40 400	0
Proceeds from share issue	52 192	0
<b>Net cash used in financing activities</b>	<b>89 897</b>	<b>-20 510</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>-229</b>	<b>-13 470</b>
Cash and cash equivalents at beginning of the period	7 802	26 432
<b>Cash and cash equivalents at end of the period</b>	<b>7 573</b>	<b>12 962</b>
Restricted cash as of 30 Sept	538	921
<b>Cash and cash equivalents at end of the period adjusted for restricted cash</b>	<b>7 035</b>	<b>12 041</b>

- Cash flow from operations
  - -84.0 MNOK per Q3/12 compared to 6.5 MNOK per Q3/11.
  - Mainly reflects YTD result adjusted for change in inventories and trade payables.
- Cash flow from investment activities
  - -6.1 MNOK per Q3/12 compared to 0.6 MNOK per Q3/11. Mainly reflects purchase of equipment to location Kjerkvika and acquisition of 36% of Nettet Sjømat AS.
- Cash flow from financing activities
  - 89.9 MNOK per Q3/12 compared to -20.5 MNOK per Q3/11.
  - Mainly explained by debt to the owners and proceeds from share issue in March/April 2012.
- Cash position per Q3/12 is 7.6 MNOK.

# STRØM®

FRESH COD FROM NORWAY

 MADE ONLY FROM THE FINEST QUALITY COD

 FROM THE COLD WATERS OF THE NORTH ATLANTIC

SKIN & BONELESS COD BACK LOIN

**PURE LOCATIONS:** STRØM fresh cod loins come from the finest quality cod, raised in the rough, icy waters of Norway. Our carefully selected, pristine locations guarantee the perfect environment for cod.

**NATURAL FRESHNESS:** STRØM fresh cod is packed within 3 hours after swimming in the ocean. Our commitment to quality ensures its delicate and subtle flavor for a delicious experience.

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STRØM®  
DET NYE NAVNET  
PÅ FERSK TORSK

STRØM®

FRESH COD FROM NORDLAND