



Nordic Aqua Partners

Q3 2024

14 November 2024



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Agenda



Highlights

Operations

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Sales and Market

Financials

Outlook & Summary

Highlights

- Good underlying operational and biological performance for all batches with excellent fish health and welfare
- No commercial harvest in the third quarter. 651 tonnes biomass taken out in the quarter to optimize stock
- Geosmin issue discovered in July 2024, continuing into Q3 2024 causing lower turnover and no expected commercial harvest in H2 2024
- Q3 2024 biomass production of 1,005 tonnes and total biomass of 2,786 tonnes by quarter end, which is satisfactory given the reduced feeding due to geosmin
- Stage 2 is on schedule and the first egg inlay for Stage 2 was successful
- New equity of NOK 350 million that, together with indicative debt financing and cash on hand will secure full funding of Stage 2 and other general corporate purposes



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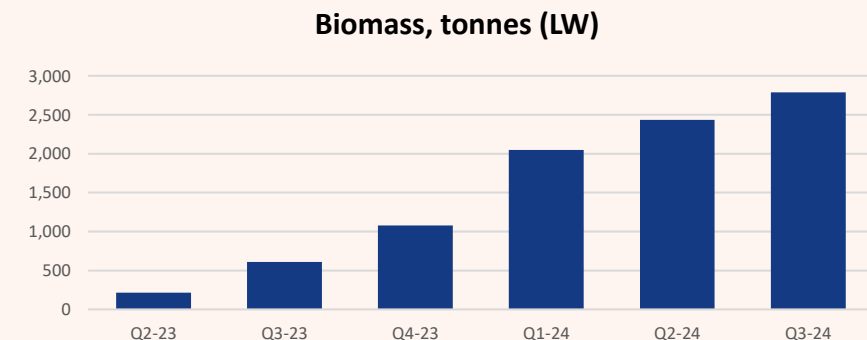
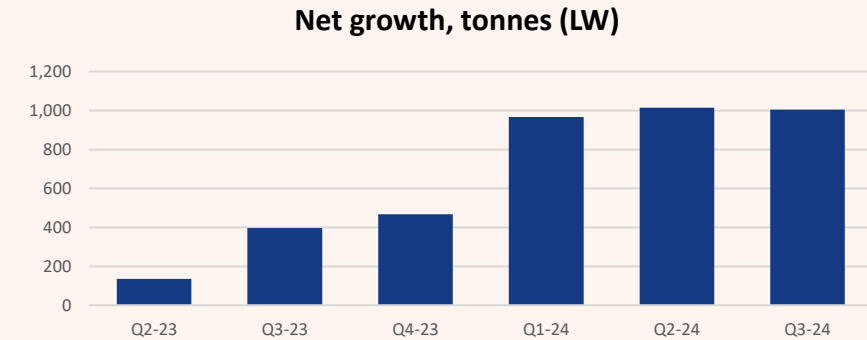
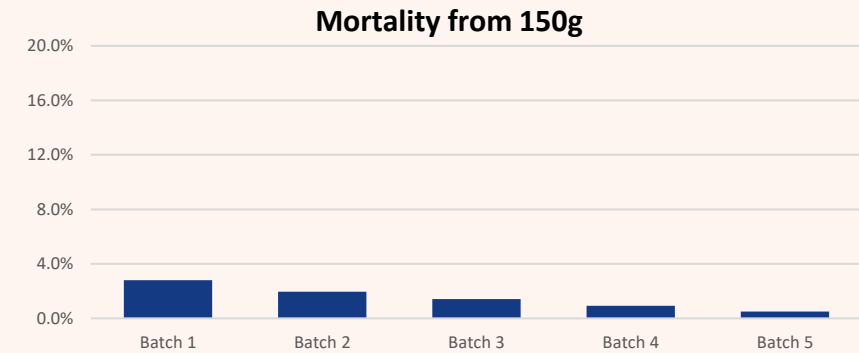
Sales and Market

Financials

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Biological production

- **No commercial harvest in the third quarter**
 - 651 tonnes of biomass taken out to ensure full effect of measures taken
- **Q3 biomass production of 1,005 tonnes which is satisfactory given the reduced feeding due to geosmin**
 - Total biomass of 2,786 tonnes by quarter end
- **Accumulated mortality from 150 g in batch 1, 2 and 3 was 2.8%, 2.0% and 1.4% respectively**
- **Production in July and August at an annual run rate of 4,000 tonnes**
 - Taken down in September to reduce biomass growth due to the geosmin issue
- **First eggs for Stage 2 successfully laid in. On schedule to start harvest from Q3 2026**



Measures taken to ensure premium quality

- **Detection of off-flavor incidents in July, caused by elevated levels of geosmin**
 - Geosmin is a naturally occurring compound commonly found in RAS facilities
- **Corrective initiatives to secure premium quality implemented**
 - Protein skimmers in production units
 - Change in operation protocols for biofilters
 - Increased ozonation capacity
 - Technology to remove geosmin in purging unit
- **CAPEX related to the handling of geosmin, including preventive improvements estimated to be EUR 19 million**
- **Harvest plan adjusted as previously announced**
 - No commercial harvest in H2 2024 - biomass takeouts for stock optimization
 - 651 tonnes in Q3 2024
 - 560 tonnes in October 2024
 - About 870 tonnes expected during the rest of Q4 2024
 - FY 2025 harvest of 4,000 tonnes



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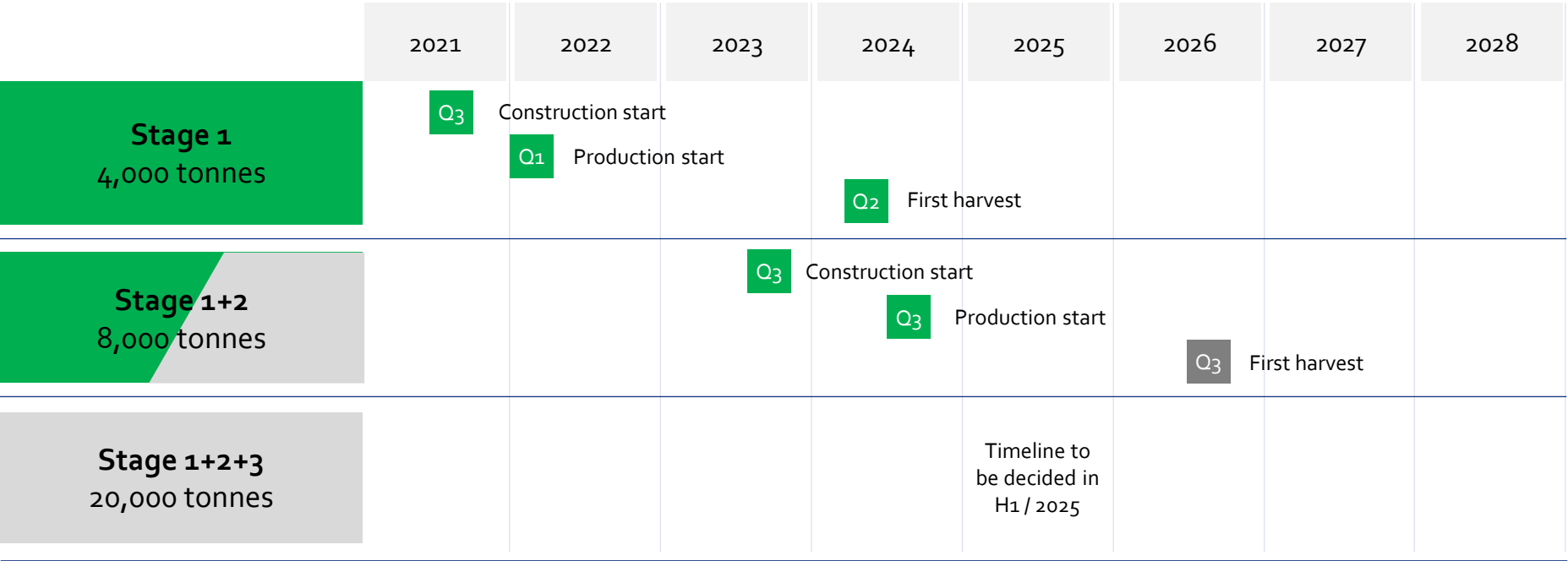
Outlook & Summary

Stage 2: Developing according to plan

- The extra capacity for hatchery, start-feeding, parr unit and smolt unit is finished and operational
- First inlay of eggs completed in Q3 2024
- On schedule for the first harvest in Q3 2026
- Technical installations expected to start in January 2025
- Estimated capex for Stage 2 amounting to EUR 76.6 million
 - Including EUR 13.6 million in improvement capex



Timeline of Gaotang buildout



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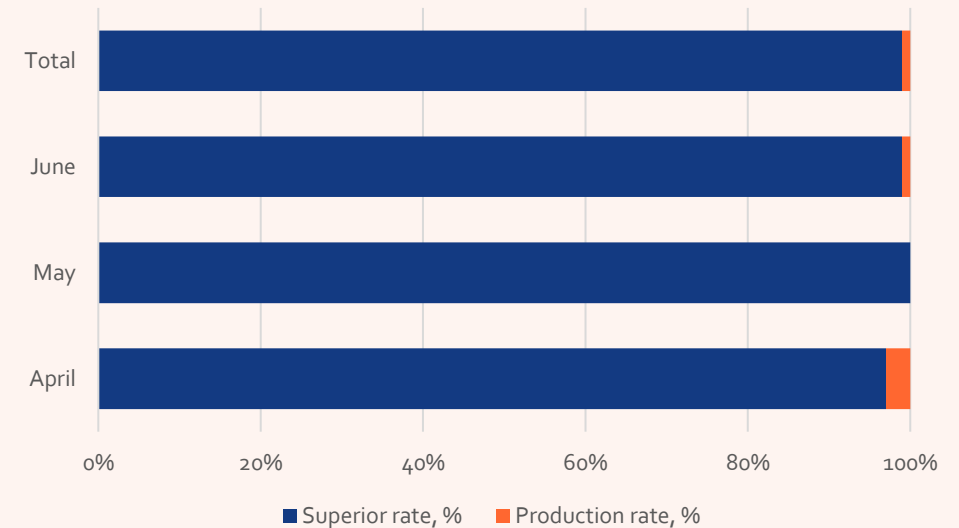
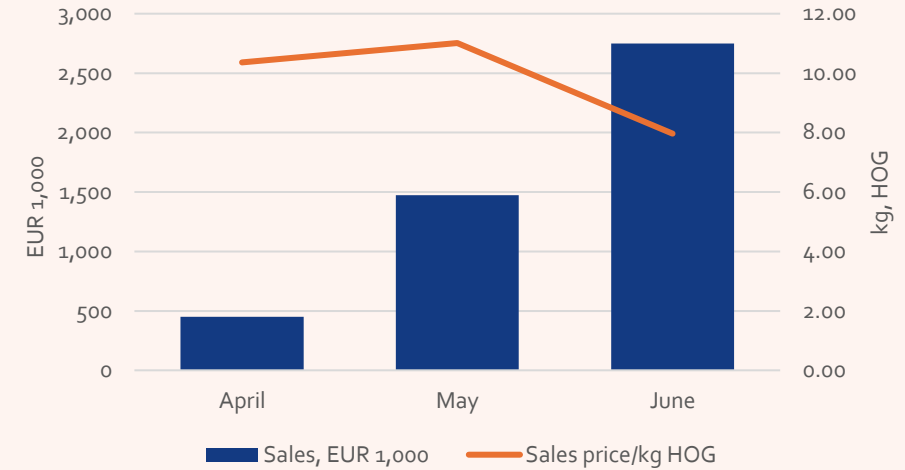
Investing in building market recognition for premium position

- **Participated in the World Seafood Shanghai trade show and the China Global Salmon Industry Development Summit**
 - Delivered a keynote on land-based Atlantic salmon and the Chinese market
- **PR attention**
 - Our innovative land-based Atlantic salmon farming facility was featured on CGTN, China's nationwide English-language television network
- **Recognized by the Norwegian Prime Minister Jonas Gahr-Støre**
 - The Prime Minister personally acknowledged Nordic Aqua's significant contributions
 - We have a mutual goal of strengthening cooperation between Norway and China in the green transition, particularly in advancing sustainable aquaculture practices



Market acceptance confirmed

- **Commercial sales commenced in Q2 2024**
 - Distribution via customers established in food service and retail
 - Superior share of 99%
 - Average weight of 4.54 kg HOG
 - Average sales price in Q2 2024 was 8.94 EUR/kg
- **Expect sales to resume in Q1 2025**
 - Continued market preparations
 - Targeting HoReCa, retail and e-commerce channels



Compelling value proposition to local market



Freshness

The product is significantly fresher than any competitive Atlantic Salmon, 5 days to most products.



Safety

The Product is free from antibiotics, medicines, and parasites.



Sustainability

The product holds the highest of quality when it comes to sustainability and traceability.



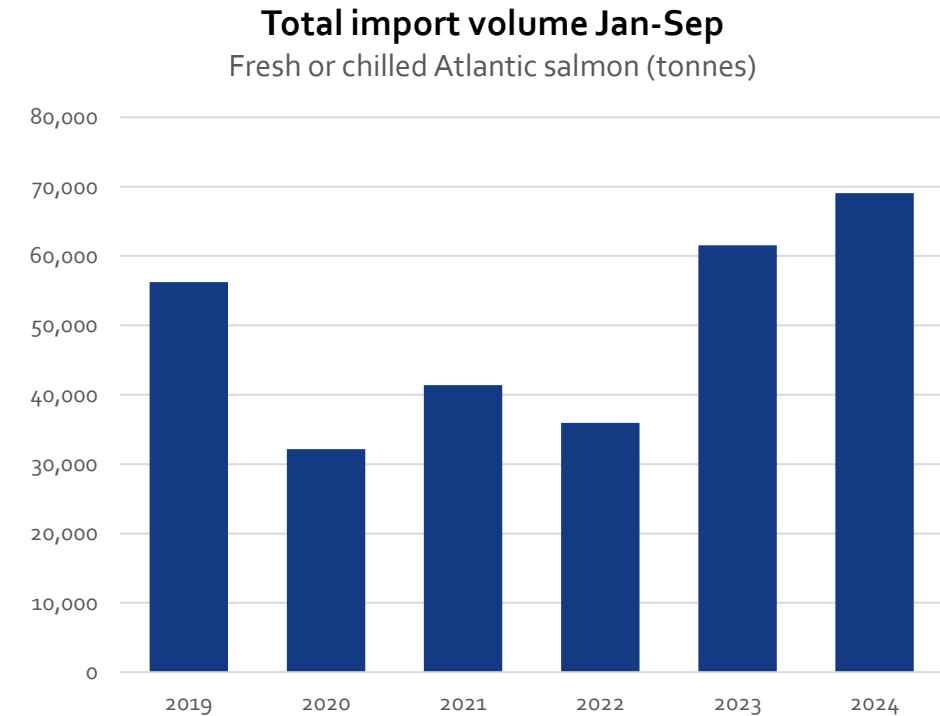
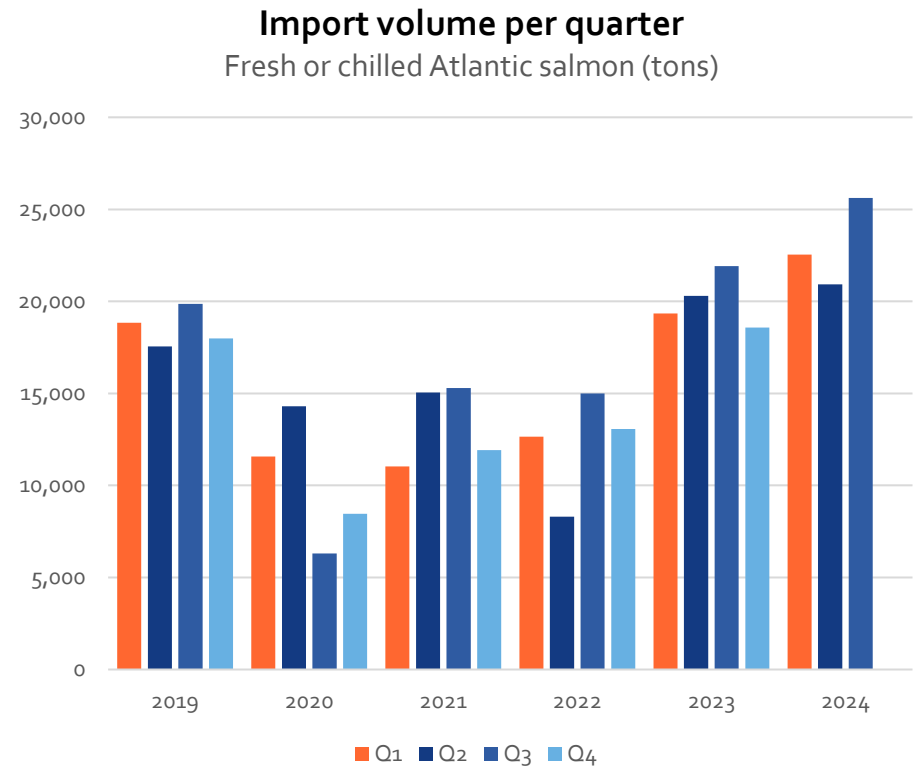
Agility

It is the only high quality, continuously supplied Atlantic Salmon produced in China.

Food Service

Retail

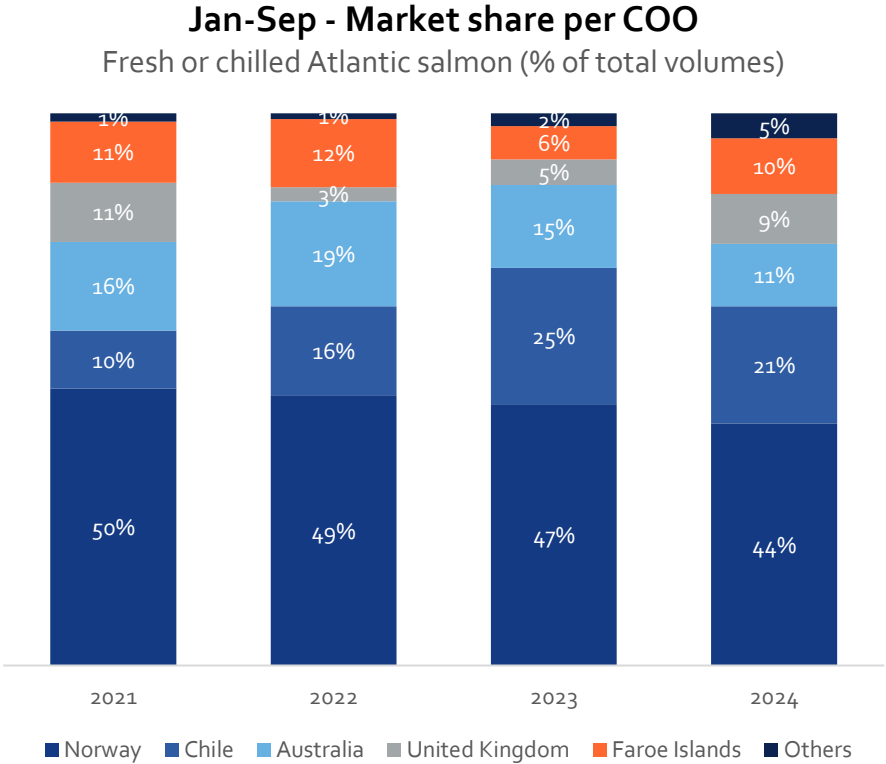
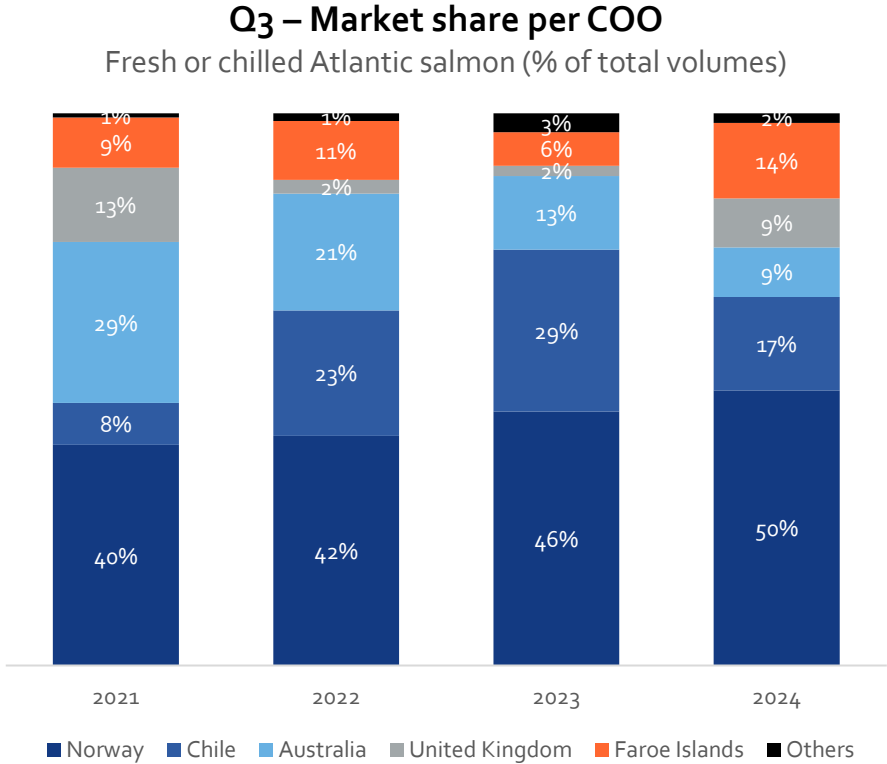
Imports of Atlantic salmon to China Q3 and YTD 2024



New record for import volumes of fresh whole Atlantic salmon to China in Q3 with 16.9% YoY growth in volumes

Chinese customs data

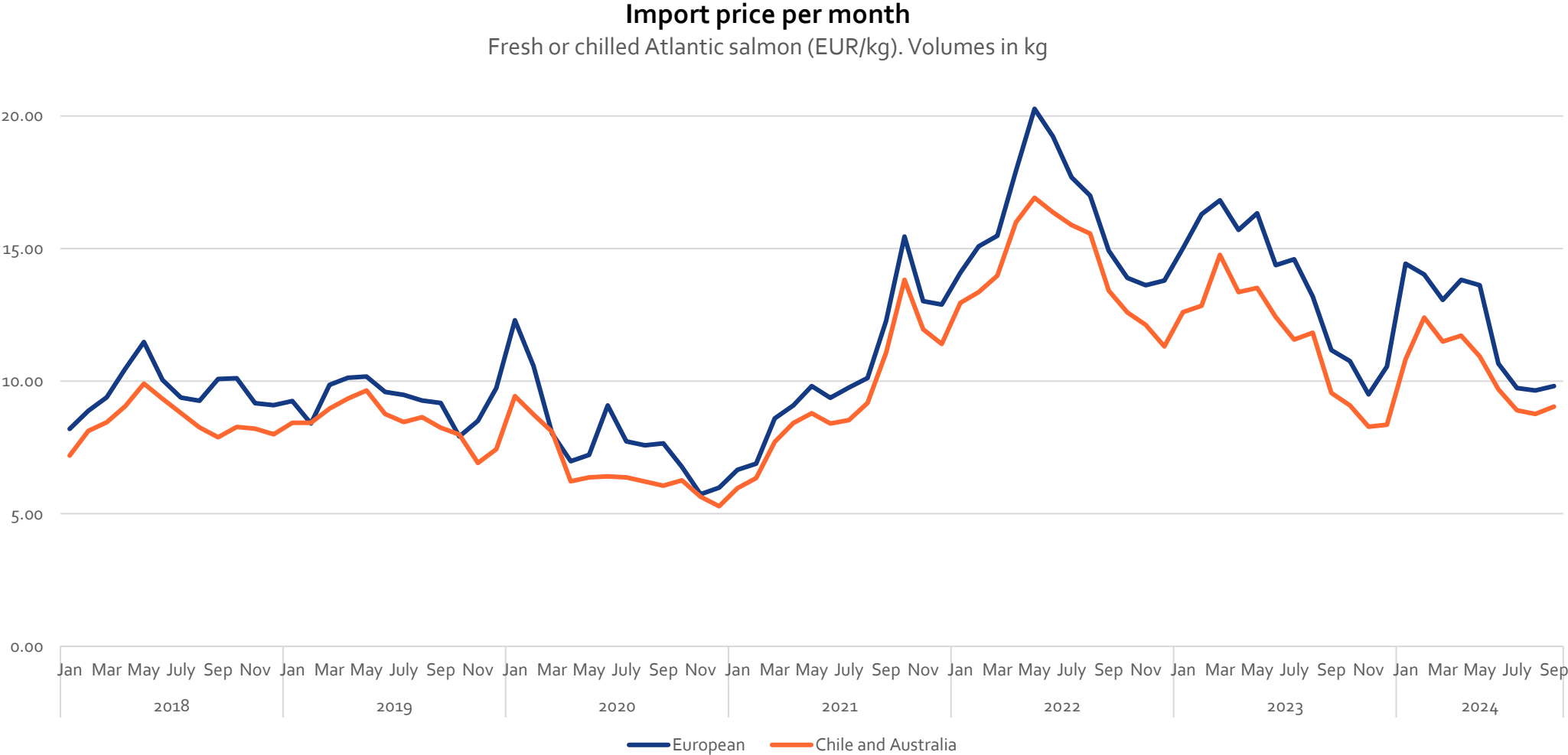
Imports of Atlantic salmon to China Q3 and YTD 2024



Chinese market is a competitive market attracting several countries of origin.
Norway's position in YTD is down 3% compared same period last year.

Chinese customs data

Imports of Atlantic salmon to China Q3 and YTD 2024



Import price includes import duty, Chinese customs data

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Financial review

- Q3 2024 sales of only EUR 0.3 million – No commercial sales in quarter due to the geosmin issue
- Inventory value of the fish expected to be culled in Q4 2024 was taken down from EUR 7.8 million to zero in Q3 2024
- Operating EBIT is lower than expected due to the pause of harvest and culling fish
- Cash flow from investments in Q3 2024 amounted to EUR -4.9m related to investments in PPE
- Cash flow from financing of EUR 5.3 million, primarily from the drawdown of the short-term credit facility of EUR 5.8 million
- Biomass of EUR 13.2 million, including fair value adjustment of EUR 3.3 million
- Equity ratio at quarter end was 49%

Key Figures

(figures in EUR 1000)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue	255	0	4,929	0
EBITDA	-11,063	-456	-11,382	-2,540
EBIT	-12,339	-643	-14,303	-2,850
Operating EBIT ¹⁾	-12,059	-1,798	-15,679	-4,005
Profit/loss before tax	-13,888	423	-16,699	-4,246
Profit/loss for the period	-13,888	423	-15,598	-4,246
Net cash flow	-7,229	-12,983	-19,640	9,425
Cash	2,777	20,951	2,777	20,951
Total assets	117,279	91,452	117,279	91,452
Equity	57,904	69,175	57,904	69,175
Harvested tonnes, HOG	0	0	523	0
Operating EBIT/kg ²⁾	N/A	N/A	-30.00	N/A
Equity ratio³⁾	49%	76%	49%	76%
Net interest-bearing debt ⁴⁾	28,709	N/A	28,709	N/A

1) EBIT excluding fair value adjustments

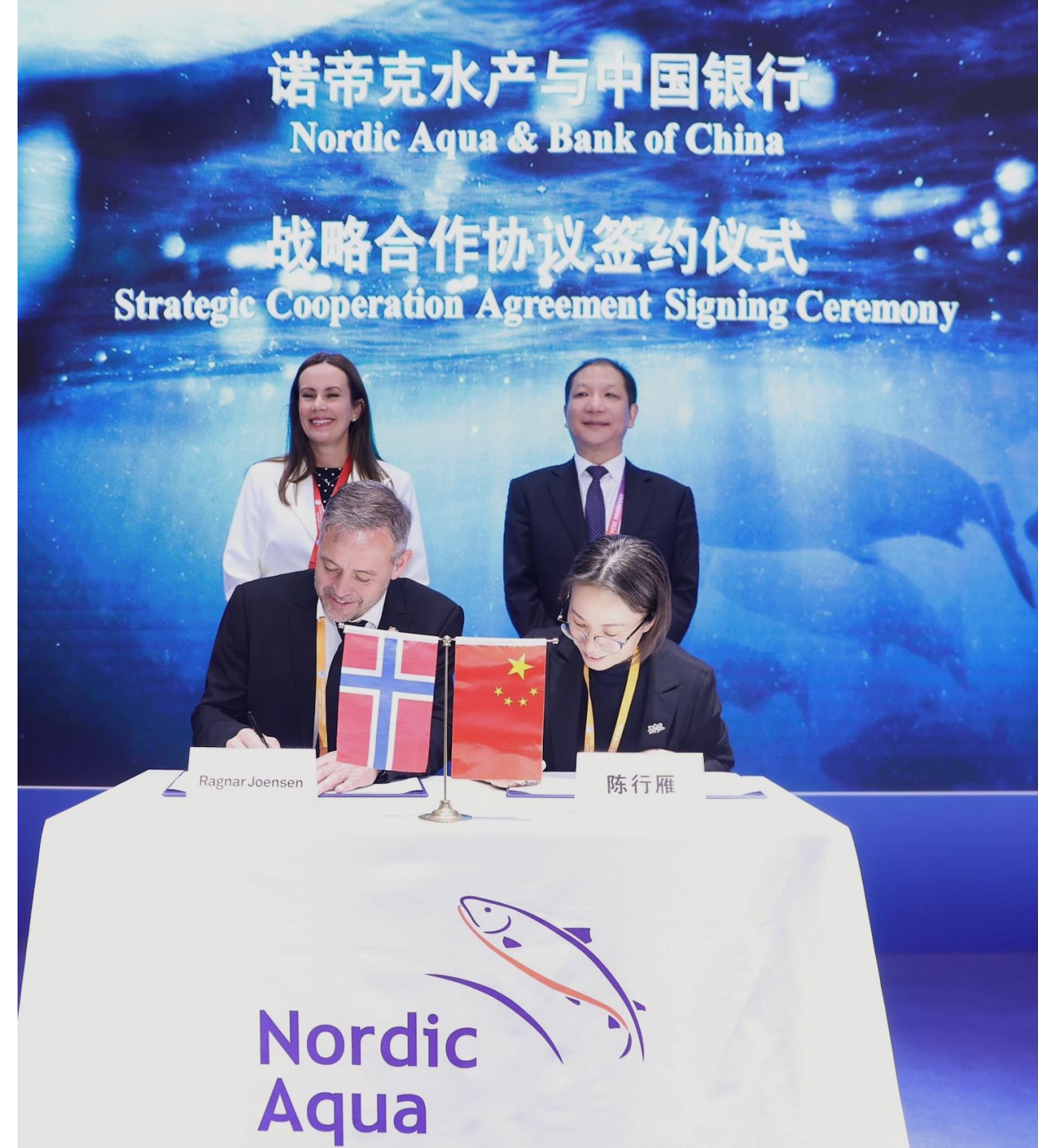
2) EBIT excluding fair value adjustment/harvested tonnes HOG

3) Equity/Total assets

4) Long- and short-term interest-bearing debt – Cash and cash equivalents

CAPEX and FUNDING

- **Estimated total CAPEX for Stage 2 – EUR 76.6 million**
 - Farming technology – EUR 63.0 million
 - Improvement capex from geosmin situation – EUR 13.6 million
 - EUR 17.1 million accrued end of Q3 2024
- **Funding**
 - Secured short-term credit facility EUR 5.8 million – Repaid in October 2024
 - Successfully completed a Private Placement of NOK 350 million (approx. EUR 30.0 million)
 - Securing equity funding of Stage 2 to 8,000 tonnes
 - Signed a Strategic Cooperation Agreement with Bank of China in November 2024
 - Long-term financing of the development and construction of Nordic Aqua's facility towards an annual harvesting capacity of 20,000 tonnes
 - Related banking services
 - Financing is subject to credit approval



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Summary and outlook

- Geosmin issue in July 2024, continuing into Q3 2024 causing lower turnover and no expected commercial harvest in H2 2024
- Good operational and biological performance for all batches
- Q3 biomass production of 1,005 tonnes. Total biomass of 2,786 tonnes by quarter-end
- Stage 2 is on schedule and the first egg inlay for Stage 2 was successful
- Additional equity financing of approximately NOK 350 million
- 651 tonnes have been culled in Q3 2024 and about 1,430 tonnes expected to be culled in Q4 2024 as previously announced
- FY 2025 harvest: 4,000 tonnes





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Thank you

Next event:

Q4 2024, 26 February 2025

Capital Markets Update, TBA 2025

Appendix

Profit & Loss

(figures in EUR 1000)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue	255	0	4,929	0
Purchase of goods	-2,360	-630	-6,941	-1,233
Change in inventory and biological assets (at cost)	-2,897	1,611	3,152	2,912
Other operating income	9	0	121	139
Other external expenses	-4,214	-1,423	-9,238	-2,885
Staff costs	-1,576	-1,169	-4,781	-2,628
Depreciations	-1,276	-187	-2,921	-310
Operating EBIT	-12,059	-1,798	-15,679	-4,005
Fair Value of Biological Assets	-280	1,155	1,376	1,155
EBIT	-12,339	-643	-14,303	-2,850
Financial expense - net	-1,549	1,066	-2,396	-1,396
Profit/loss before tax	-13,888	423	-16,699	-4,246
Income tax expense	0	0	1,101	0
Profit/loss for the period	-13,888	423	-15,598	-4,246
Operating EBIT/kg	N/A	N/A	-30.00	N/A

- Revenue in Q3 2024 amounted to EUR 0.3 million (EUR 0.0 million)
- Inventory value of the fish that is expected to be culled in Q4 2024 was taken down from EUR 7.8 million to zero in Q3 2024
- Operating EBIT is lower than expected due to the pause of harvest and culling fish
- Net financial expenses at EUR -1.5 million in Q3 2024 (EUR 1.1 million).
- No commercial harvest and sales affect revenues and results negatively

Financial Position

(figures in EUR 1000)	30.09.2024	30.09.2023	31.12.2023
Assets			
Assets under construction	20,352	51,669	31,161
Property, plant & equipment	51,000	862	21,906
Right of Use assets	18,163	4,458	9,287
Deferred tax assets	1,101	0	0
Financial assets	5,863	2,111	2,092
Total non-current assets	96,479	59,100	64,446
Biological assets (Biomass)	13,247	4,996	9,178
Inventory	494	482	457
Other current receivables	4,514	5,923	5,082
Receivables	181	0	0
Cash and cash equivalents	2,777	20,951	22,422
Total current assets	21,213	32,352	37,139
Total assets	117,692	91,452	101,585
Equity and liabilities			
Share capital	1,425	1,301	1,425
Other equity	56,478	67,873	71,925
Total equity	57,904	69,175	73,350
Long-term interest-bearing debt	21,892	14,708	15,016
Long-term leasing debt	18,599	4,532	9,495
Total non-current liabilities	40,491	19,240	24,511
Short-term interest-bearing debt	9,594	0	0
Short-term leasing debt	424	0	206
Trade payables	7,265	2,219	2,394
Other current liabilities	2,014	818	1,124
Total current liabilities	19,297	3,037	3,724
Total liabilities	59,788	22,277	28,235
Total equity and liabilities	117,692	91,452	101,585
Equity ratio	49%	76%	72%

- Total assets of EUR 118 million (EUR 91 million), increase mainly from investments in PPE, RoU assets and biomass
- Biomass of EUR 13.2 million (including fair value adjustment of EUR 3.3 million)
- Interest-bearing debt amounted to EUR 31.5 million (EUR 14.8 million) at quarter end
- Equity ratio of 49% at the end of Q3 2024 (76%)

Cash Flow

(figures in EUR 1000)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Cash flow from operating activities				
Operating profit/loss	-12,339	-643	-14,303	-2,850
Adjustments	1,208	-632	1,444	-35
Changes in working capital	3,438	-6,344	3,418	-10,385
Net cash flow from operating activities	-7,693	-7,619	-9,441	-13,270
Cash flow from investment activities				
Payments for fixed assets and other capitalizations	-4,884	-4,949	-20,493	-17,949
Net cash flow from investment activities	-4,884	-4,949	-20,493	-17,949
Net cash flow from financing activities	5,348	-415	10,294	40,644
Net change in cash and cash equivalents	-7,229	-12,983	-19,640	9,425
Foreign exchange differences	-357	360	-5	-988
Cash and cash equivalents at the beginning of the period	10,363	33,573	22,422	12,514
Cash and cash equivalents at the end of the period	2,777	20,951	2,777	20,951
Net interest-bearing debt (NIBD)	28,709	N/A	28,709	N/A

- Net cash flow in Q3 2024 EUR -7.2 million (EUR -13.0 million)
- Cash at the end of Q3 2024 was EUR 2.8 million (EUR million 21.0)
- Total available liquidity at the end of Q3 2024 EUR 2.8 million, excluding
 - Undrawn working capital of EUR 3.7 million
 - Cash on retention account EUR 4.6 million
- NIBD was EUR 28.7 million (EUR 0.0 million) at the end of Q3 2024
- Proceeds from NOK 350 million Private Placement in September were received in October
 - Leaving available cash at the end of October EUR 25.7 million.