



# Nordic Aqua Partners

Q2 2024  
August 2024



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# Agenda



Highlights

Operations

Project

Sales and Market

Financials

Outlook & Summary



# Highlights

- Second quarter harvest of 523 tonnes HOG with an average weight of 4.54 kg HOG and superior rate of 99%
- Average sales price EUR 8.94 / kg HOG in Q2
- Geosmin issue in July, continuing into Q3 causing lower turnover and significant reduced harvest in H2/24
- Good operational and biological performance for all batches with excellent fish health and welfare
- Available liquidity of EUR 10.4 million as of 30.06.24
- Due to reduced harvest, additional equity financing of approximately NOK 250 million will be raised
- Primary insiders representing close to 40% of shareholding have indicated to contribute to funding needs





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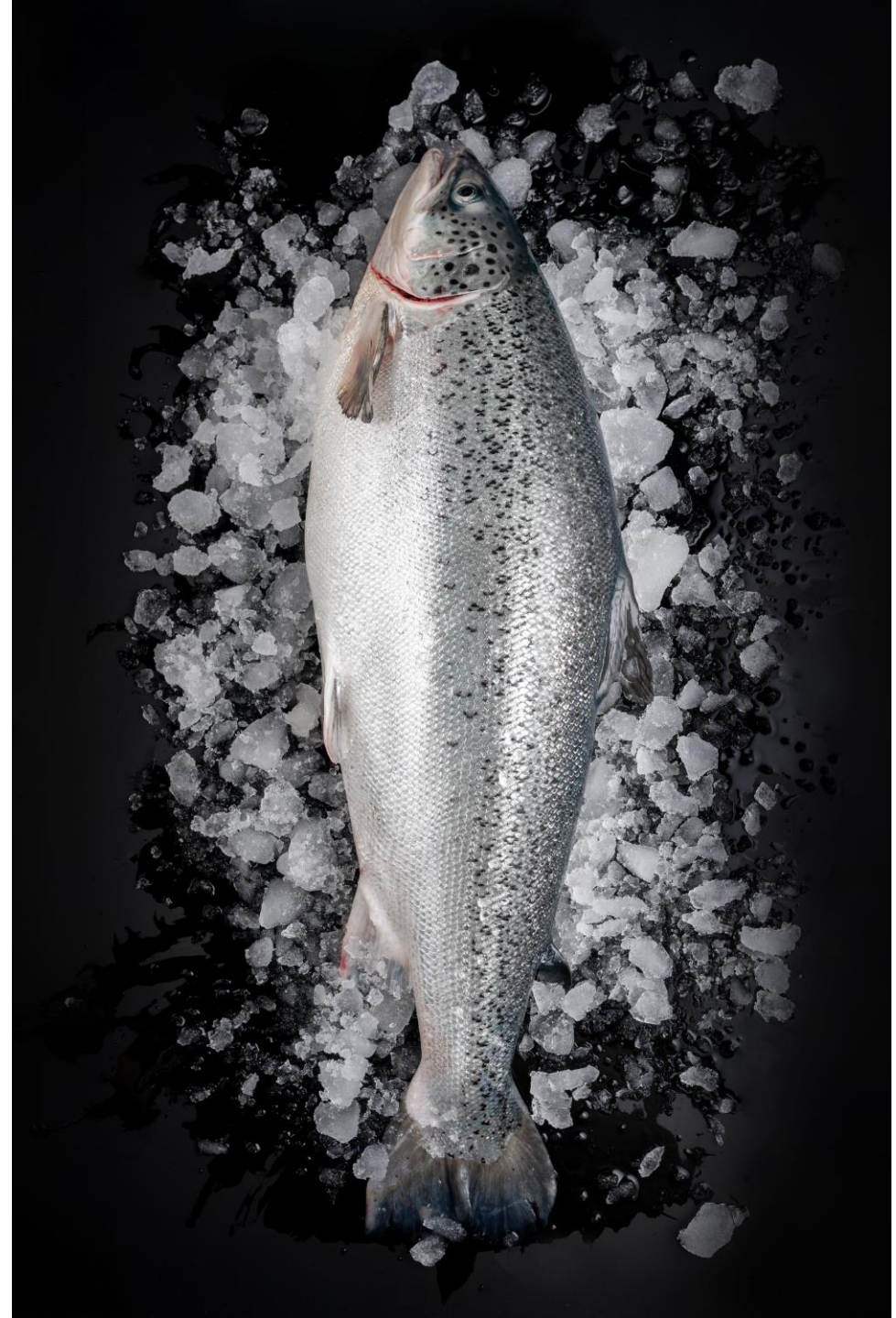
Financials

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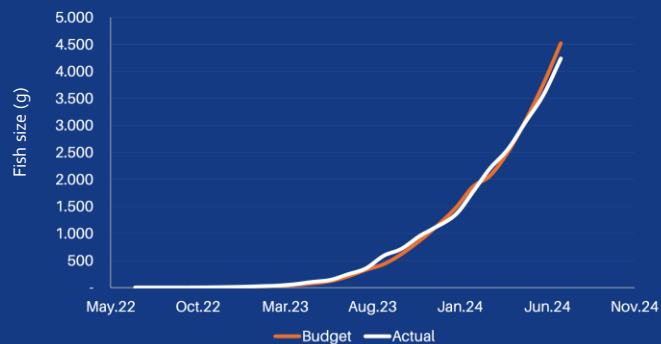
# Biological production

- Average farming cost of EUR 5.23/kg, HOG, in line with guiding
- Q2 biomass production of 1,014 tonnes. Total biomass of 2,432 tonnes by quarter end. During Q2 Nordic Aqua reached steady state production
- Adjusted harvest plan: no harvest in Q3 and 400 to 600 tonnes expected in Q4, some harvest volume transferred to H1 2025
- Preference for large-size fish in the Chinese market, Nordic Aqua will consider targeting average harvest weights higher than 5.3 kg (LW). This is supported by good experiences from the production of fish above 6 kg (LW)

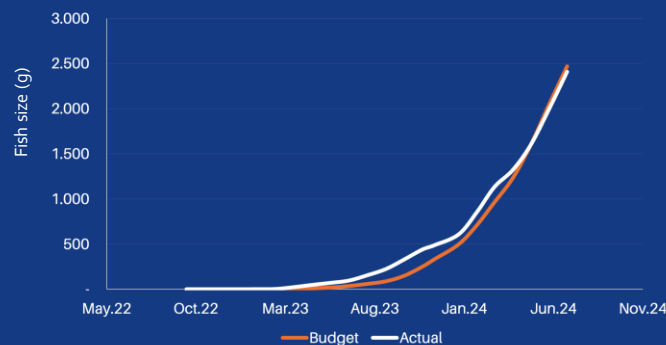


# Batches 2-5

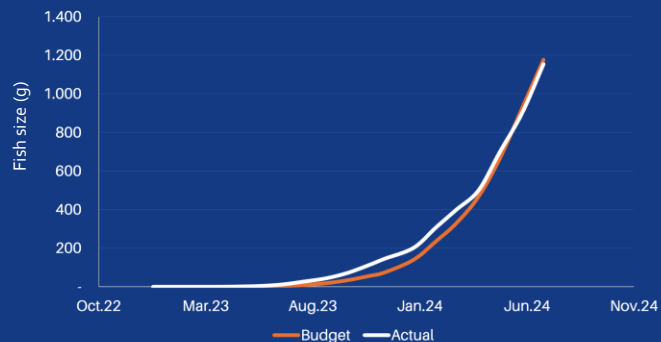
## Batch 2



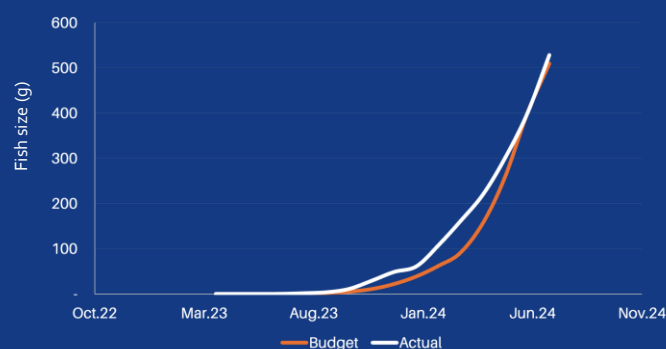
## Batch 3



## Batch 4



## Batch 5



## Summary

### Batch 2 and 3 performance as expected

- The growth in Batch 2 was somewhat affected by construction of the RAS units
- Accumulated mortality from 150g is 1.4% and 1.2% for Batch 2 and Batch 3, respectively

## Summary

### Batch 4 and 5 growth above expectations

- Growth in both batches is in line with budget
- Accumulated mortality from 150g is lower than budget for both batches

# Measures taken to ensure premium quality

- Detection of off-flavour incidents caused by geosmin in July
- Root causes identified and corrective initiatives securing premium quality implemented
  - Protein skimmers in production units
  - Change in operation protocols for biofilters
  - Increase ozonation capacity
  - Technology to remove geosmin in purging unit
- Harvest plan will be adjusted in H2 to a significantly lower level
  - Some of the planned harvests will be transferred to H1 2025
- Nordic Aqua's liquidity will be impacted due to lower revenues





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# Stage 1 status – Completed

Greenery completed and opening ceremony late May 2024



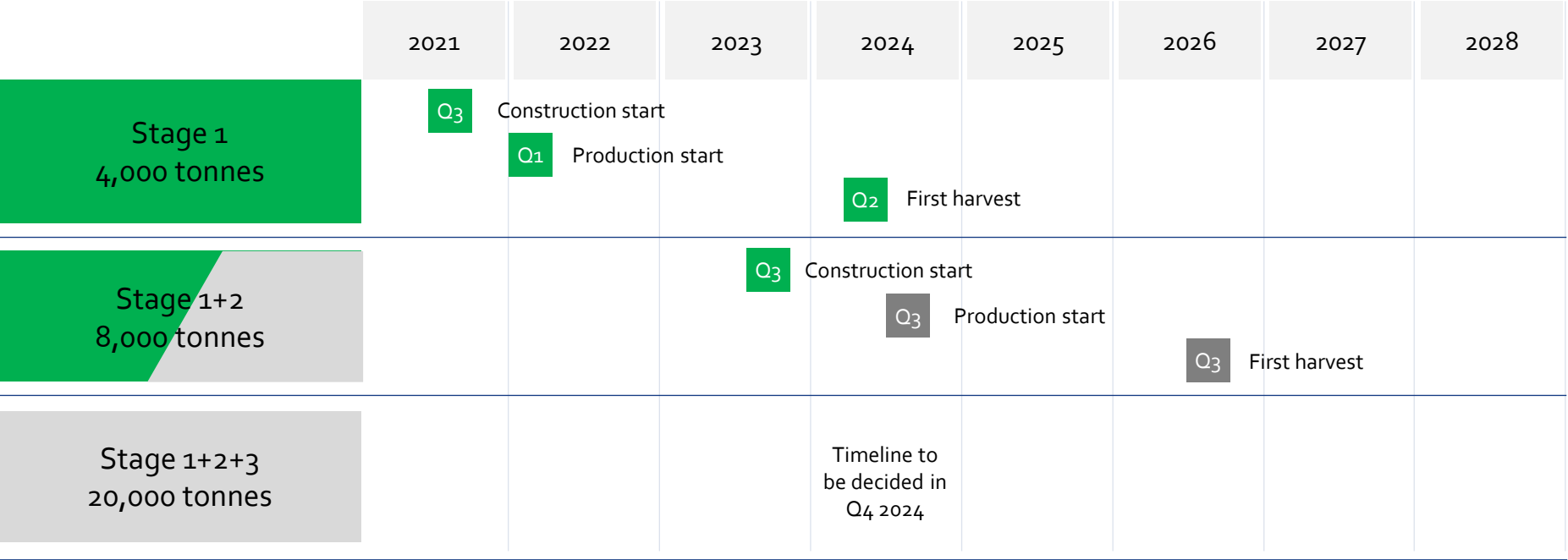


# Stage 2 status

- The hatchery's extra capacity and RAS 11 in the small building is finished and operational
- The construction of RAS 12 and 13 has begun
- The piling for the large building started in January 2024
- First inlay of eggs in Q3 2024



# Timeline of Gaotang buildout





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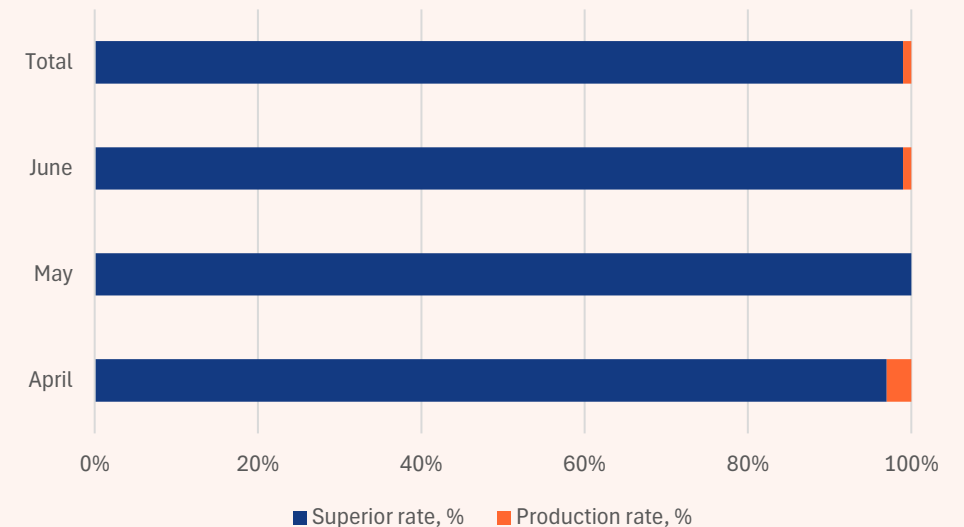
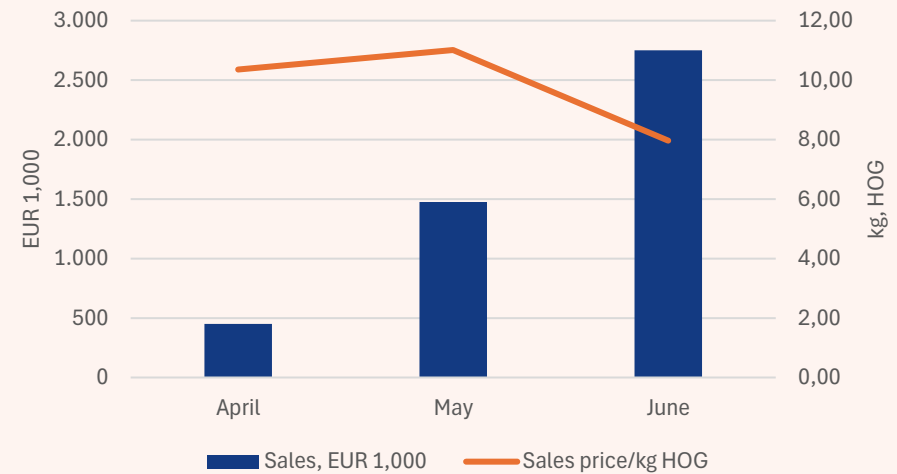
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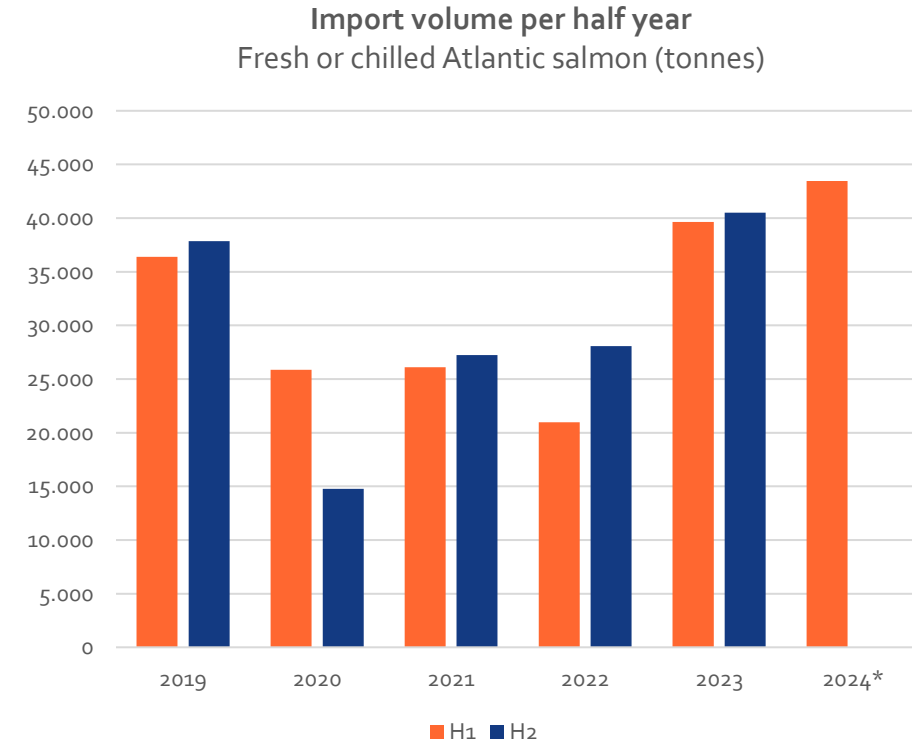
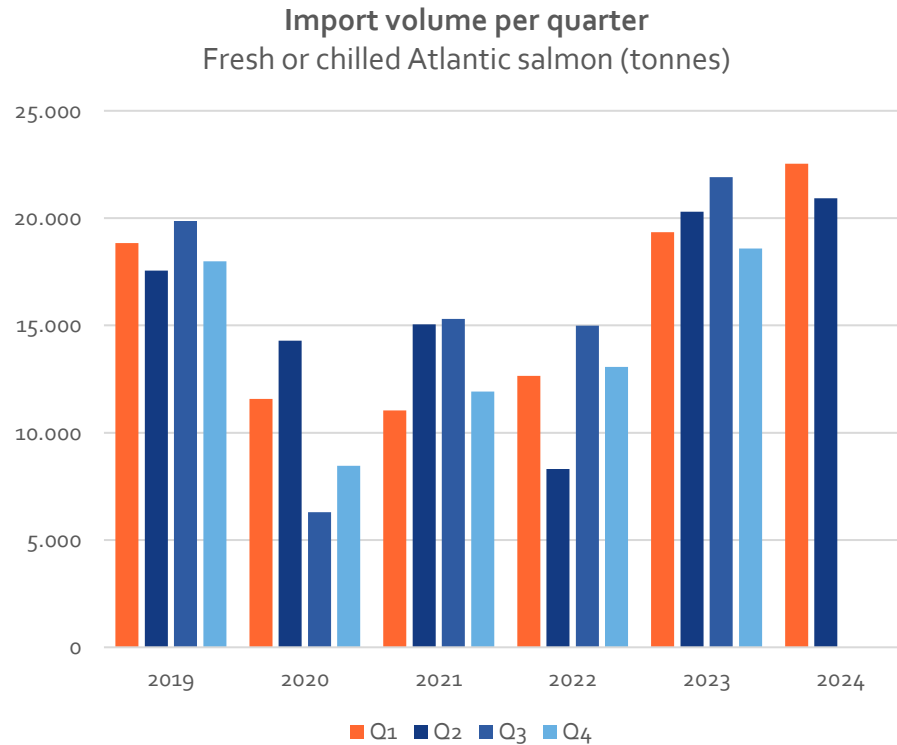
# Nordic Aqua has started commercial sales

- First commercial sales was in April 2024, then gradually increased through May and reached full scale harvest end of June 2024
- Second quarter harvest of 523 tonnes HOG with an average weight of 4.54 kg HOG and superior rate of 99%
- In the second quarter, sales amounted to EUR 4.7 million
  - Sales price in Q2 2024 was 8.94 EUR/kg
  - Distribution via customers established into food service and retail sectors





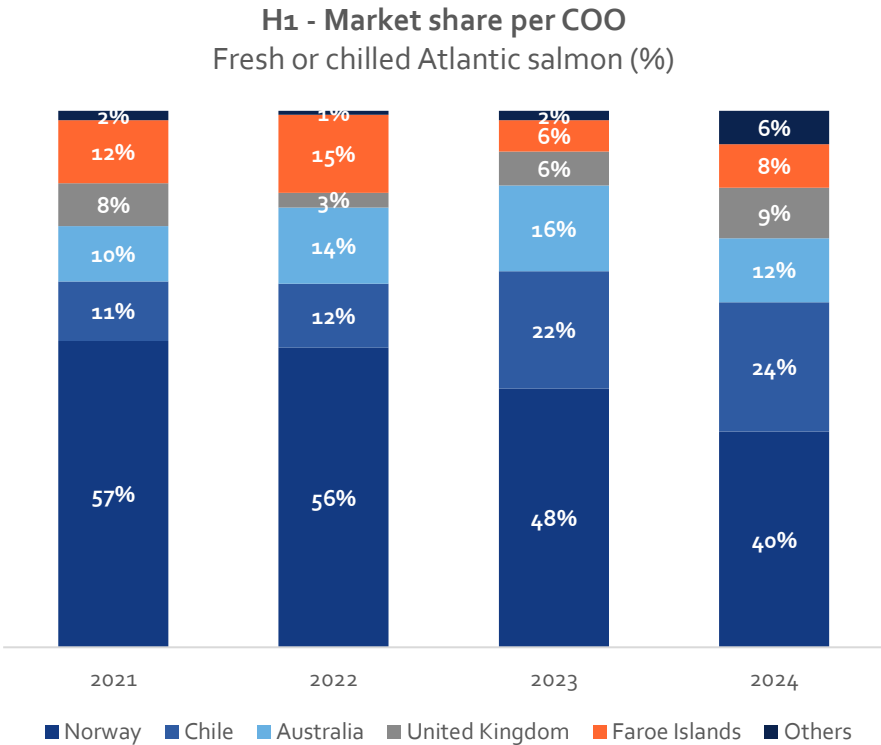
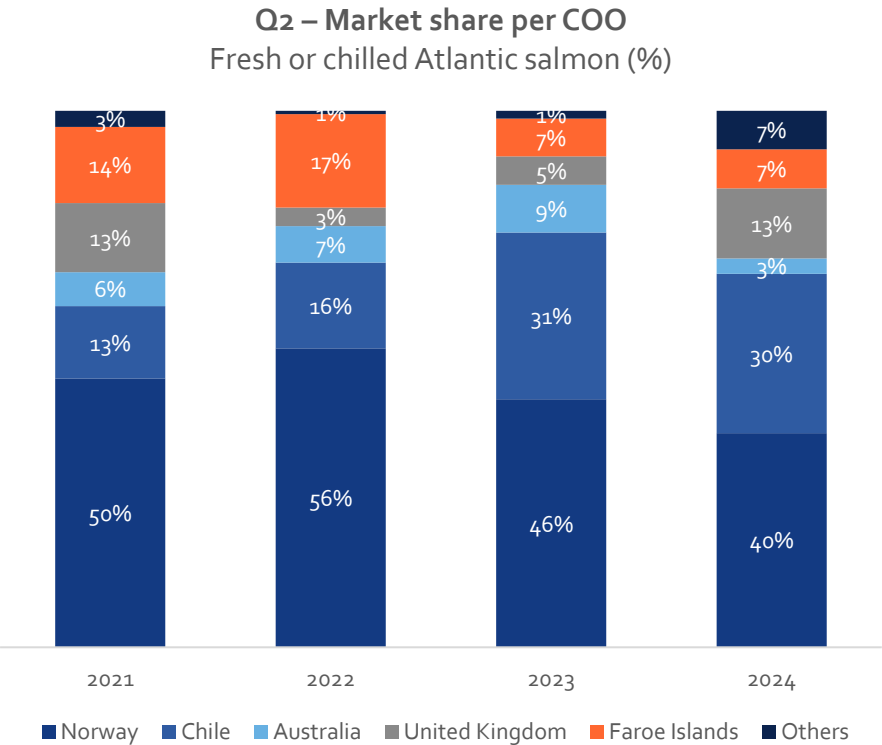
# Imports of Atlantic salmon to China Q2 and H1 2024



New record for import volumes of fresh whole Atlantic salmon to China in H1 with 9.6% YoY growth in volumes

Chinese customs data

# Imports of Atlantic salmon to China Q2 and H1 2024

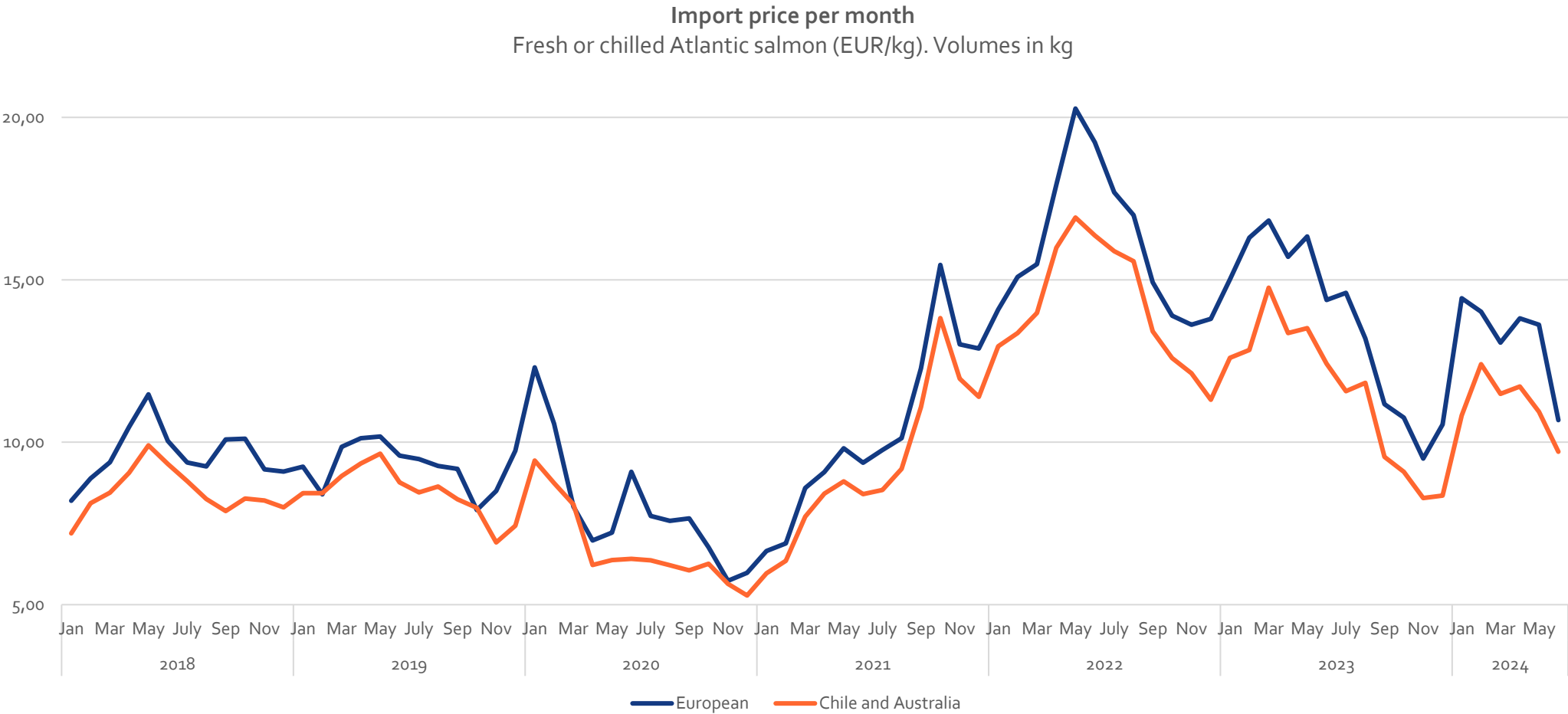


Chinese market is a competitive market attracting several countries of origin.  
Norway's position in H1 down 17% compared same period last year.

Chinese customs data

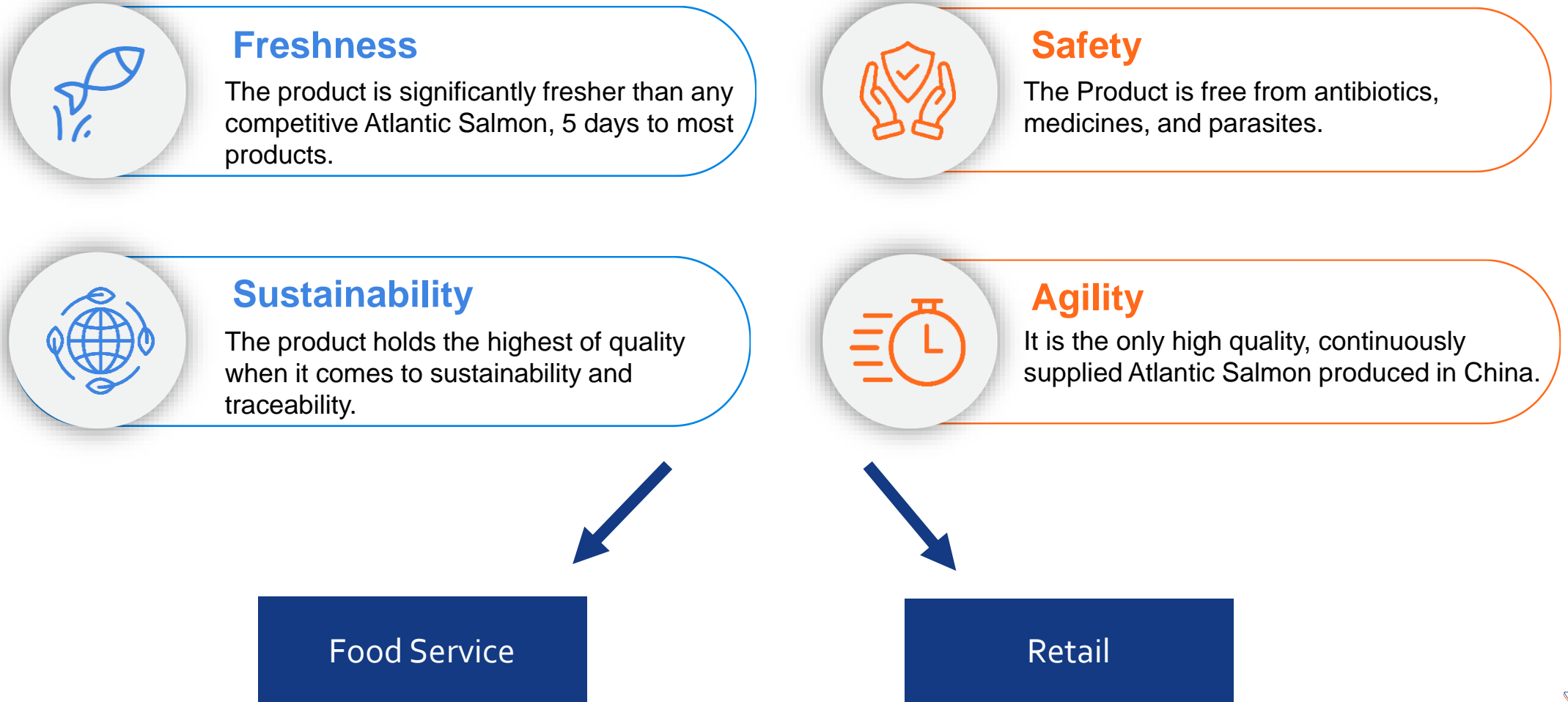


# Imports of Atlantic salmon to China Q2 and H1 2024



Import price includes import duty, Chinese customs data

# Compelling value proposition to local market





# Investing in building market recognition for premium position

- **Launch event of Nordic PureAtlantic**
  - Launching event with customers and key stakeholders celebrating the arrival of the first scaled up RAS produced Atlantic salmon in China
- **Marketing activities towards end-users**
  - Showing how to market our product to end-users based on our unique product in the local market
- **PR attention**
  - Attracting national TV, CCTV 2, for highlighting Nordic Aqua's facilities and Atlantic salmon in the China





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# Financial review

- Q2 sales of EUR 4.7 million – influenced by the delay of first harvest and a sharp decline in global salmon prices in June
- Farming cost at EUR 5.23/kg.
- Cash flow from investments of EUR -8.2m related to investments in PPE, and RoU assets
- Cash flow from financing of EUR 6.1 million, primarily from the final drawdown on Eksfin loan
- Biomass of EUR 16.8 million, including fair value adjustment of EUR 4.6 million
- Initial recognition of deferred tax assets of EUR 1.1 million during the quarter

## Key Figures

(figures in EUR 1000)	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenue	4,674	0	4,674	0
EBITDA	-1,470	-1,142	-319	-2,087
EBIT	-2,315	-1,239	-1,964	-2,087
Operating EBIT <sup>1)</sup>	-1,533	-1,239	-3,620	-2,087
Profit/loss before tax	-2,788	-3,199	-2,811	-4,669
<b>Profit/loss for the period</b>	<b>-1,687</b>	<b>-3,199</b>	<b>-1,710</b>	<b>-4,669</b>
<b>Net cash flow</b>	<b>-2,250</b>	<b>6,235</b>	<b>-12,411</b>	<b>23,226</b>
Cash	10,363	34,391	10,363	34,391
<b>Total assets</b>	<b>124,173</b>	<b>85,872</b>	<b>124,173</b>	<b>85,872</b>
Equity	72,098	68,470	72,098	68,470
Harvested tonnes, HOG	523	0	523	0
Operating EBIT/kg <sup>2)</sup>	-2.93	N/A	-6.93	N/A
<b>Equity ratio<sup>3)</sup></b>	<b>58%</b>	<b>80%</b>	<b>58%</b>	<b>80%</b>
Net interest-bearing debt <sup>4)</sup>	15,045	N/A	15,045	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 1**
  - Farming technology stage 1 EUR 53.0 million
  - Leasehold improvements stage 1 EUR 3.5 million
  - Processing plant EUR 4.5 million
  - EUR 53.9 million accrued end of Q2 2024
- **Estimated total CAPEX for Stage 2**
  - Farming technology stage 2 EUR 63 million
  - EUR 15.9 million accrued end of Q2 2024
- **Estimated CAPEX for Geosmin improvements EUR 2 million**
- **Funding**
  - Bank financing in advanced stage
  - Equity financing of approximately NOK 250 million to take place in 2024
  - All primary insiders that are large shareholders and have access to this information (Kontrari AS, AKVA group AS, Aino AS and Maringto AS) are supportive to the company and have all indicated to contribute to its funding needs going forward





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# Summary and outlook

- Good operational and biological performance for all batches
- Second quarter with harvest of 523 tonnes HOG with an average weight of 4.54 kg HOG
- Q2 biomass production of 1,014 tonnes. Total biomass of 2,432 tonnes by quarter-end
- Geosmin issue in July, mitigating measures implemented
- Adjusted harvest plan due to geosmin
- The production plan for 2025 is unchanged
- Construction of Stage 2 progressing according to plan
- Additional equity financing of approximately NOK 250 million







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# Thank you

Next event:  
Q3 2024, 14 November





# Appendix



# Profit & Loss

(figures in EUR 1000)	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenue	4,674	0	4,674	0
Purchase of goods	-2,273	-407	-4,581	-603
Change in inventory and biological assets (at cost)	1,373	765	6,049	1,301
Other operating income	9	83	112	139
Other external expenses	-2,837	-813	-5,024	-1,462
Staff costs	-1,634	-771	-3,205	-1,459
Depreciations	-845	-96	-1,645	-123
<b>Operating EBIT</b>	<b>-1,533</b>	<b>-1,238</b>	<b>-3,620</b>	<b>-2,208</b>
Fair Value of Biological Assets	-782	0	1,656	0
<b>EBIT</b>	<b>-2,315</b>	<b>-1,238</b>	<b>-1,964</b>	<b>-2,208</b>
Financial expense - net	-473	-1,961	-847	-2,462
<b>Profit/loss before tax</b>	<b>-2,788</b>	<b>-3,199</b>	<b>-2,811</b>	<b>-4,670</b>
Income tax expense	1,101	0	1,101	0
<b>Profit/loss for the period</b>	<b>-1,687</b>	<b>-3,199</b>	<b>-1,710</b>	<b>-4,670</b>
Operating EBIT/kg	-2.93		-6.93	

- Revenue in Q2 2024 amounted to EUR 4.7 million (EUR 0.0 million)
- Operating EBIT in Q2 2024 at EUR -1.5 million (EUR -1.2 million)
  - Resulting in Operating EBIT/kg at -2.93 EUR/kg in Q2 2024
- Net financial expenses at EUR -0.5 million in Q2 2024 (EUR -2.0 million).
- Initial recognition of deferred tax assets of EUR 1.1 million during Q2 2024.

# Financial Position

(figures in EUR 1000)	30.06.2024	30.06.2023	31.12.2023
<b>Assets</b>			
Assets under construction	28,805	45,831	31,161
Property, plant & equipment	39,223	865	21,906
Right of Use assets	18,400	0	9,287
Deferred tax assets	1,101	0	0
Financial assets	5,875	1,266	2,092
<b>Total non-current assets</b>	<b>93,404</b>	<b>47,962</b>	<b>64,446</b>
Biological assets (Biomass)	16,806	2,187	9,178
Inventory	503	0	457
Other current receivables	2,852	1,331	5,082
Receivables	245	0	0
Cash and cash equivalents	10,363	34,391	22,422
<b>Total current assets</b>	<b>30,769</b>	<b>37,910</b>	<b>37,957</b>
<b>Total assets</b>	<b>124,173</b>	<b>85,872</b>	<b>101,585</b>
<b>Equity and liabilities</b>			
Share capital	1,425	2,001	1,425
Other equity	70,672	66,469	71,925
<b>Total equity</b>	<b>72,098</b>	<b>68,470</b>	<b>73,350</b>
Long-term interest-bearing debt	24,636	14,960	15,016
Long-term leasing debt	18,704	0	9,495
<b>Total non-current liabilities</b>	<b>43,340</b>	<b>14,960</b>	<b>24,511</b>
Short-term interest-bearing debt	772	0	0
Short-term leasing debt	420	0	206
Trade payables	5,892	2,044	2,394
Other current liabilities	1,651	399	1,124
<b>Total current liabilities</b>	<b>8,735</b>	<b>2,442</b>	<b>3,724</b>
<b>Total liabilities</b>	<b>52,075</b>	<b>17,402</b>	<b>28,235</b>
<b>Total equity and liabilities</b>	<b>124,173</b>	<b>85,872</b>	<b>101,585</b>
Equity ratio	58%	80%	72%

- Total assets of EUR 124 million (EUR 86 million), increase mainly from investments in PPE, RoU assets and biomass
- Initial recognition of deferred tax assets of EUR 1.1 million during Q2 2024.
- Biomass of EUR 16.8 million (including fair value adjustment of EUR 4.6 million)
- Equity ratio of 58% at the end of Q2 2024 (80%)



# Cash Flow

(figures in EUR 1000)	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Cash flow from operating activities				
Operating profit/loss	-2,315	-1,238	-1,964	-2,208
Adjustments	1,598	66	237	597
Changes in working capital	548	-3,586	-20	-3,223
<b>Net cash flow from operating activities</b>	<b>-168</b>	<b>-4,758</b>	<b>-1,747</b>	<b>-4,833</b>
Cash flow from investment activities				
Payments for fixed assets and other capitalizations	-8,218	-3,995	-15,610	-13,000
<b>Net cash flow from investment activities</b>	<b>-8,218</b>	<b>-3,995</b>	<b>-15,610</b>	<b>-13,000</b>
<b>Net cash flow from financing activities</b>	<b>6,137</b>	<b>14,988</b>	<b>4,946</b>	<b>41,059</b>
Net change in cash and cash equivalents	-2,250	6,235	-12,411	23,226
Foreign exchange differences	175	-1,154	352	-1,348
Cash and cash equivalents at the beginning of the period	12,438	29,311	22,422	12,514
<b>Cash and cash equivalents at the end of the period</b>	<b>10,363</b>	<b>34,391</b>	<b>10,363</b>	<b>34,391</b>
Net interest-bearing debt (NIBD)	15,045	0	15,045	0

- Net cash flow in Q2 2024 EUR 2.3 million (EUR 6.2 million)
- Cash at the end of Q2 2024 was EUR 10.4 million (EUR million 34.4)
- Total available liquidity at the end of Q2 2024 EUR 10.4 million, excluding
  - Undrawn working capital of EUR 3.7 million
  - Cash on retention account EUR 4.5 million
- NIBD was EUR 15.0 million (EUR 0.0 million) at the end of Q2 2024