



Q3 2022

REPORT

Nordic Aqua Partners A/S
Hundegade 1, 6760 Ribe, Denmark
Business Registration No. 38 18 30 01



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Nordic Aqua Partners A/S

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World's 1st producer of fresh Atlantic salmon in China



Nordic Aqua Partners is a Nordic land-based Atlantic salmon farming company, using cutting-edge technology and expertise to set up the first fully integrated and commercially scaled Recirculating Aquaculture System [RAS] farm for Atlantic salmon located in Ningbo, China. With operations in place, Nordic Aqua Partners will be the first local producer of truly sustainable Atlantic salmon to the Chinese market, positioned to deliver fresh and locally farmed Atlantic salmon to ~100 million of China's wealthiest consumers within 5 hours and to 1.4 billion consumers within 24 hours. Company is on schedule to do first harvest in Q1-2024

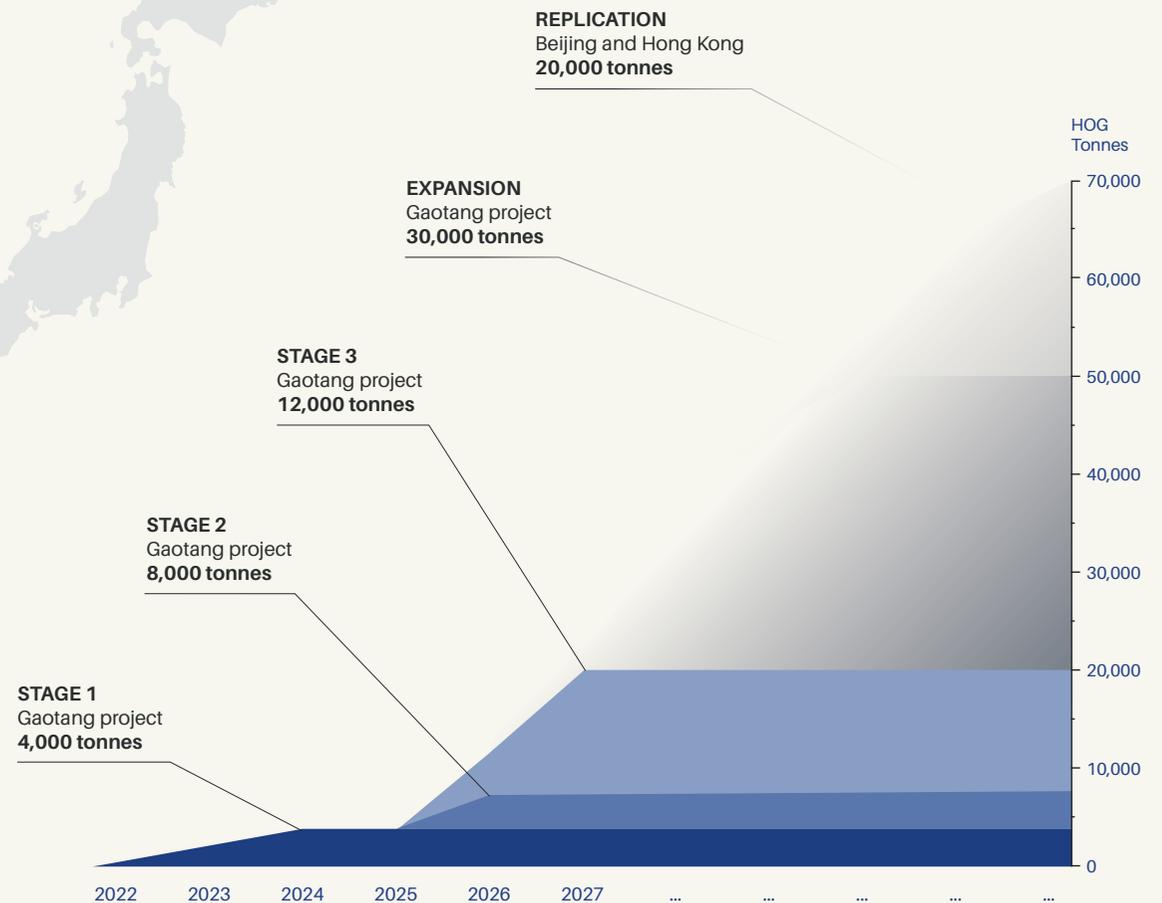
- Good biological performance on all three batches, first batch is now 50 grams
- Installation of RAS 3 completed, RAS 4-5-6 ongoing
- Salmon prices in China continue to support long term business opportunity
- Capex of 51 MDKK in period Q3 2022 and 238 MDKK total out of total project capex of 370 MDKK (125 NOK/kg)
- Available liquidity of 379 MDKK as of 30.09.2022, including cash and undrawn credit facilities

Pipeline with attractive upside

OPPORTUNITIES TO REPLICATE THE PROJECT



ILLUSTRATIVE PRODUCTION PROFILE



Highlights in Q3 2022

- Project on time and on budget, phase 1 with fixed capex
- Good biological performance, first batch is now 50 grams
- Installation of RAS 3 completed, RAS 4-5-6 ongoing
- Salmon prices in China supports long term business opportunity
- Capex of 51 MDKK in period Q3 2022 and 238 MDKK total out of total project capex of 370 MDKK (125 NOK/kg)
- Available liquidity of 379 MDKK as of 30.09.2022, including cash and undrawn credit facilities



Key figures



(figures in DKK 1000)	Q3 2022	YTD 2022	Q3 2021	YTD 2021
Other operating income	0	175	0	0
Personnel expenses	-6.299	-13.462	-2.302	-5.927
Other operating expenses	-2.327	-6.786	-2.289	-6.163
EBITDA	-8.626	-20.073	-4.591	-12.090
Depreciations	-126	-358	-55	-83
Operating profit (EBIT)	-8.752	-20.431	-4.646	-12.173
Financial income	279	1.736	18	20
Exchange rate deviations	506	3.599	0	0
Financial expenses	-1.706	-4.401	-2.224	-7.983
Net financials	-921	934	-2.206	-7.963
Profit/loss before tax	-9.673	-19.497	-6.852	-20.135
Income tax expense	0	0	0	0
Profit/loss for the period	-9.673	-19.497	-6.852	-20.135

Targeting 20,000 tonnes in 2026



Nordic Aqua Partners A/S, through its 100% owned company in China, Nordic Aqua (Ningbo) Co. Ltd., is well underway to build a RAS based Atlantic salmon farm in Ningbo, the first of its kind in China, with an initial annual capacity of 4,000 tonnes. The company can expand up to 20,000 tonnes annual production on existing land, and have initiated the planning for such expansion. Underlying the company's targeted production volume is an assumption of 127 kg (lwe) per m³ tank capacity.

Initial annual capacity

4,000

TONNES

The local government is providing dedicated backing of the project, which has materialized in an attractive long-term lease agreement where the government provides infrastructure utilities and facilities. The lease agreement is for an initial 8,000 tonnes. Initial discussions with the local government on principle terms and conditions to expand the annual capacity to reach 20,000 tonnes on current location and contracted land area are in process.

The overall objective is to start actual construction of such expansion within 2023, and therefore to gradually increase annual capacity to reach 20,000 tonnes capacity by end 2026.

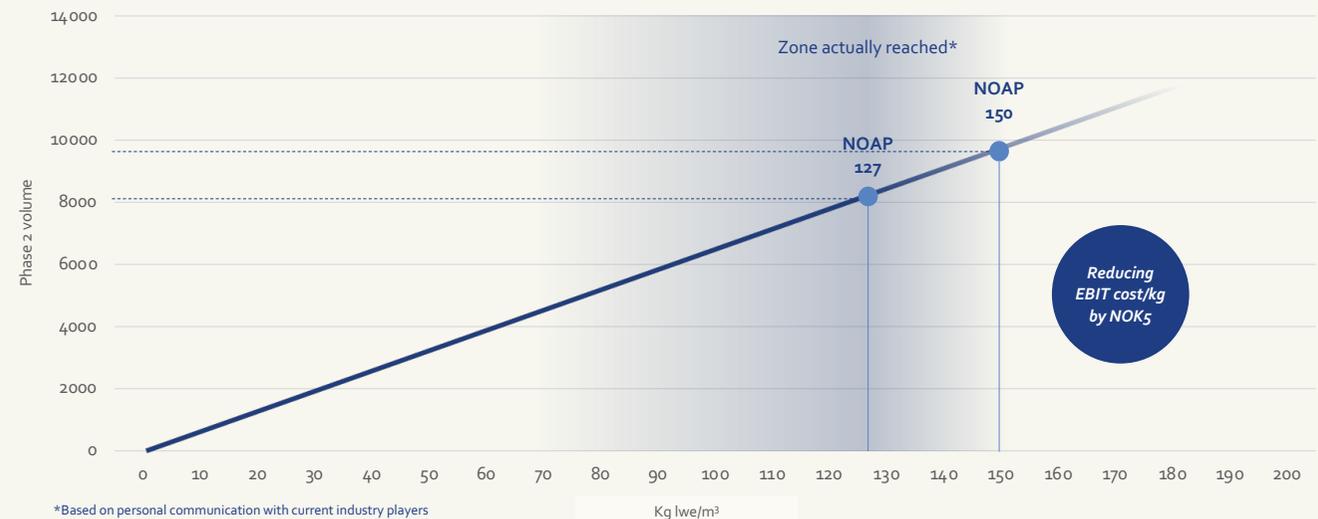
ROADMAP TO 20,000 TONNES AND BEYOND ON GAOTANG ISLAND



Based on management’s own experience and discussions with other industry players, the actual achieved annual production capacity per tank volume for land-based salmon farmers today has been 100 - 135 kg(lwe) per m³. In the company’s facility in China the assumed production capacity is 127 kg(lwe)/m³, which is within that range. If the farmers in Gaotang are able to increase output from 127 kg/m³ to 150 kg/m³, the total capacity of stage 2 would increase from 8,000 tonnes to 10,000 tonnes per year.

ASSUMED PRODUCTION CAPACITY

Stage 2 production volume for different kg (lwe) / m³

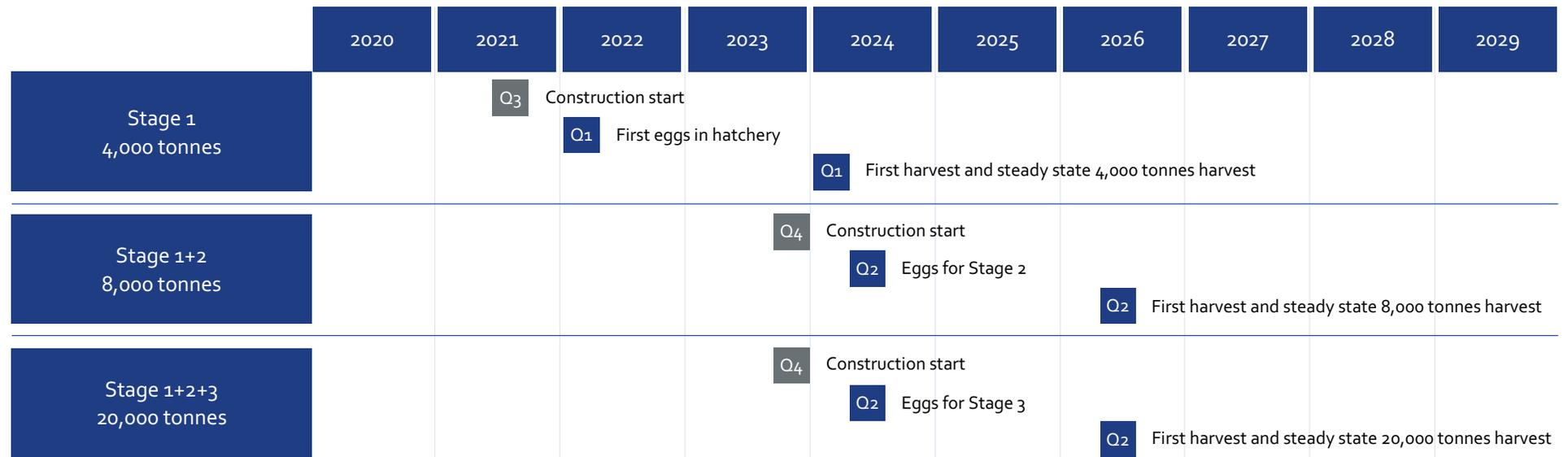


Following completion of the equity financing in Q4 2020, construction commenced in Q2 2021. Infrastructure and building of the administration and the hatchery facility were completed in February 2022.

Eggs were introduced in March 2022, immediately after completion of the hatchery, and with estimated production of two years, this implies first harvest early 2024.

Stage 1 is 4,000 tonnes and with stage 2 and 3 the annual production increases to 20,000 tonnes

TIMELINE OF GAOTANG BUILDOUT



Project review



STATUS

Stage 1 of the project continues to develop on time and within budget. Since completion of the building for administration, hatchery facility and RAS 1, 2 and 3 (“the small building”) in Q1 2022, focus has been on installation and commission of the actual process equipment. Project execution has been excellent.



The hatchery was completed on time for the first inlay of eggs in the first part of March, and freshwater production started in RAS 1 in May 2022. The first batch has since been moved to RAS 2 and then to RAS 3, where the fish currently stays. Batch 2 was introduced to RAS 1 at the end of August, and in September eggs for Batch 3 was introduced to the hatchery. When the company reaches full production capacity in 2024, a total of 8 batches will be in production simultaneously.

Biological performance has so far been very good for both batches, with survival and growth rates exceeding budgeted levels. The facility is dimensioned to have a high recirculation rate, which has proven to secure good water quality and performance. This has also enabled running the facility at higher density than budgeted while maintaining water quality and growth rates.

Simultaneous with the construction of Stage 1, all underground piping, filter basins and concrete tanks for RAS 11, 12 and 13 (first three RAS systems for Stage 2) were completed in June, ready for installation of the RAS process equipment in due course.

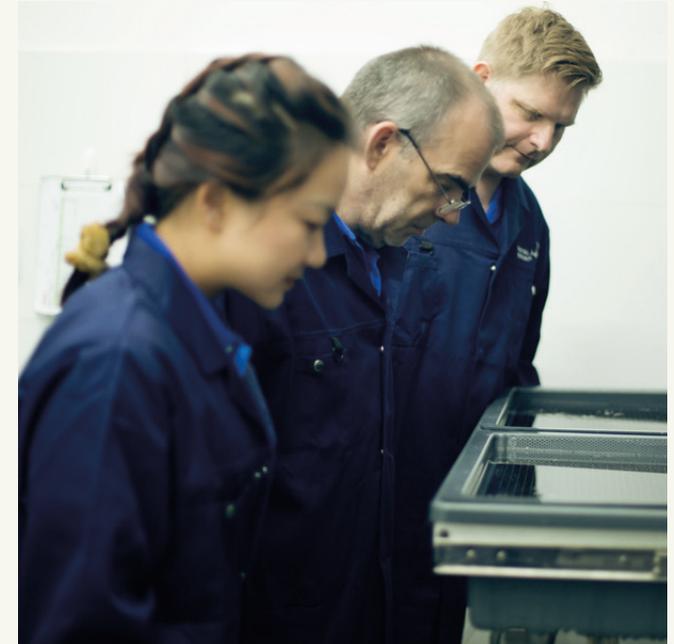
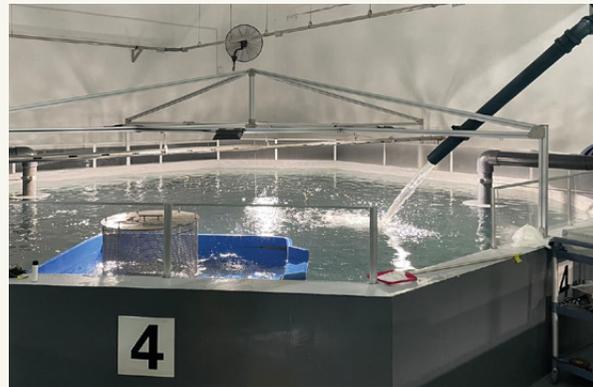


Installation of RAS 3 is completed, and installation of RAS 4 will be completed in January 2023

The Covid-19 situation in China and the war in Ukraine has fortunately not impacted progress significantly. All equipment necessary for completion of stage 1 as per schedule is already on site, and the company has consequently not been impacted by general logistical challenges. There has been no major Covid-19 outbreak at the construction site, allowing construction to progress as planned.

Construction of the large building, housing RAS 4-8, purging and processing plant, has progressed well. All piling and foundation work was completed this summer,, and construction of filter basins and fish tanks, as well as underground piping for RAS 4 and 5 and 6 is now completed, Preparation work for installation of RAS 4 and 05 has already started and scheduled to be completed as per schedule, with fish introduced to RAS 4 in January. RAS 5 will be completed in Q2 2023 and RAS 6-7 and 8 are expected to be completed during H2 2023.

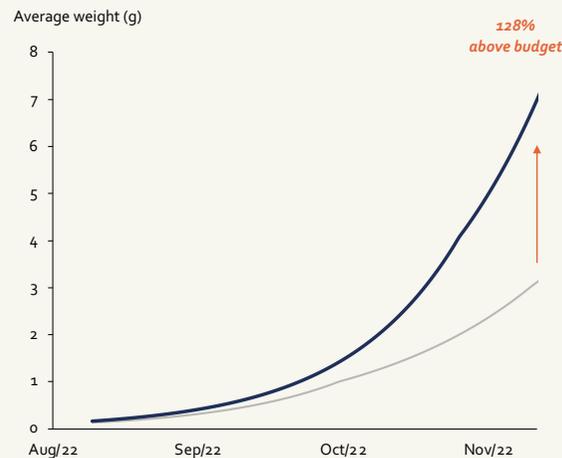
Good biology so far, growth and survival better than expected



BATCH 1 STARTFED MAY 2022



BATCH 2 STARTFED AUGUST 2022



The local authorities are responsible for the construction of infrastructure and facilities through the lease agreement. In April 2021, Longyuan Construction Group Co. Ltd., one of the leading construction companies in China, was selected main contractor for all infrastructure, utilities, and facilities. Longyuan is aligning construction work with the dynamic and complex ongoing RAS installation work. Nordic Aqua Partners is very satisfied with the dedicated support shown by local authorities, which have delivered on time and with a committed interest in ensuring steady progress.

AKVA Group, the turnkey supplier of technology, process equipment and subsequent installation and com-

missioning of the RAS equipment mobilized are on site, together with their local sub supplier contracted to do the mechanical and electrical installation. AKVA Group and its sub-suppliers share offices with Nordic Aqua Partners project team and meets with the contractor on regular basis.

The eggs used in the hatchery are quality eggs produced by Benchmark Genetics Iceland and have been imported in accordance with the import license issued to the company by local authorities.

The senior farming RAS team is in place and has been strengthen with an experienced Fish Health Manager.,

The organization continues the process of strengthening the farming competence and capacity by recruiting and training additional local farming operators. The organization is now counting 39 employees.

On September 10th 2022 the company successfully completed the third inlay of eggs to the hatchery.

TIMELINE

2022 Q1	2022 Q2	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Hatchery	RAS 1	RAS 3	RAS 4	RAS 5	RAS 6	RAS 8
	RAS 2				RAS 7	RAS 9

TECHNOLOGY

Nordic Aqua Partners is applying leading RAS technology and knowhow to develop the land-based Atlantic salmon farming facility. Nordic Aqua Partners is very satisfied with the dedicated support shown by local authorities, which have delivered on time and with a committed interest in ensuring steady progress. More-over, Nordic Aqua Partners has employed an internal RAS team with extensive experience in successful operation of similar RAS systems.

AKVA Group offers a complete solution where operating cost, user friendliness, maintenance cost and other factors are optimized. The system is a turnkey delivery with flexibility in assembling, allowing the company to utilize its long experience in building RAS facilities.

The first 4,000 tonnes facility is divided into 9 RAS departments, with hatchery and RAS 1-3 in a separate 6,200 m² smolt building over two floors, which also include offices, service functions, canteen, and accommodation facilities for future expansion. This facility also accommodate RAS 11-13, being RAS 1-3 for Phase 2 of the project. The larger RAS 4-8 units will be located in the larger 29,000 m² production building, where also the purging unit and processing plant will be located.

The basic idea with the AKVA RAS systems is to clean the water from the fish tanks so it can be reused and maintain an optimal water quality for the Atlantic salmon. The basic stages in the water cleaning process are:

- mechanical filter to remove particles
- biofilter to remove ammonia and keeping the water clear
- degasser to remove CO₂ from the water
- ozone for clearing the water

The water cleaning system is designed with focus to maintaining good water clearance for optimum fish performance. The mechanical filters are well dimensioned and the biofilters are fixed so they are used for cleaning out micro particles. Finally, ozone will be dosed at low levels also for keeping the water clean.

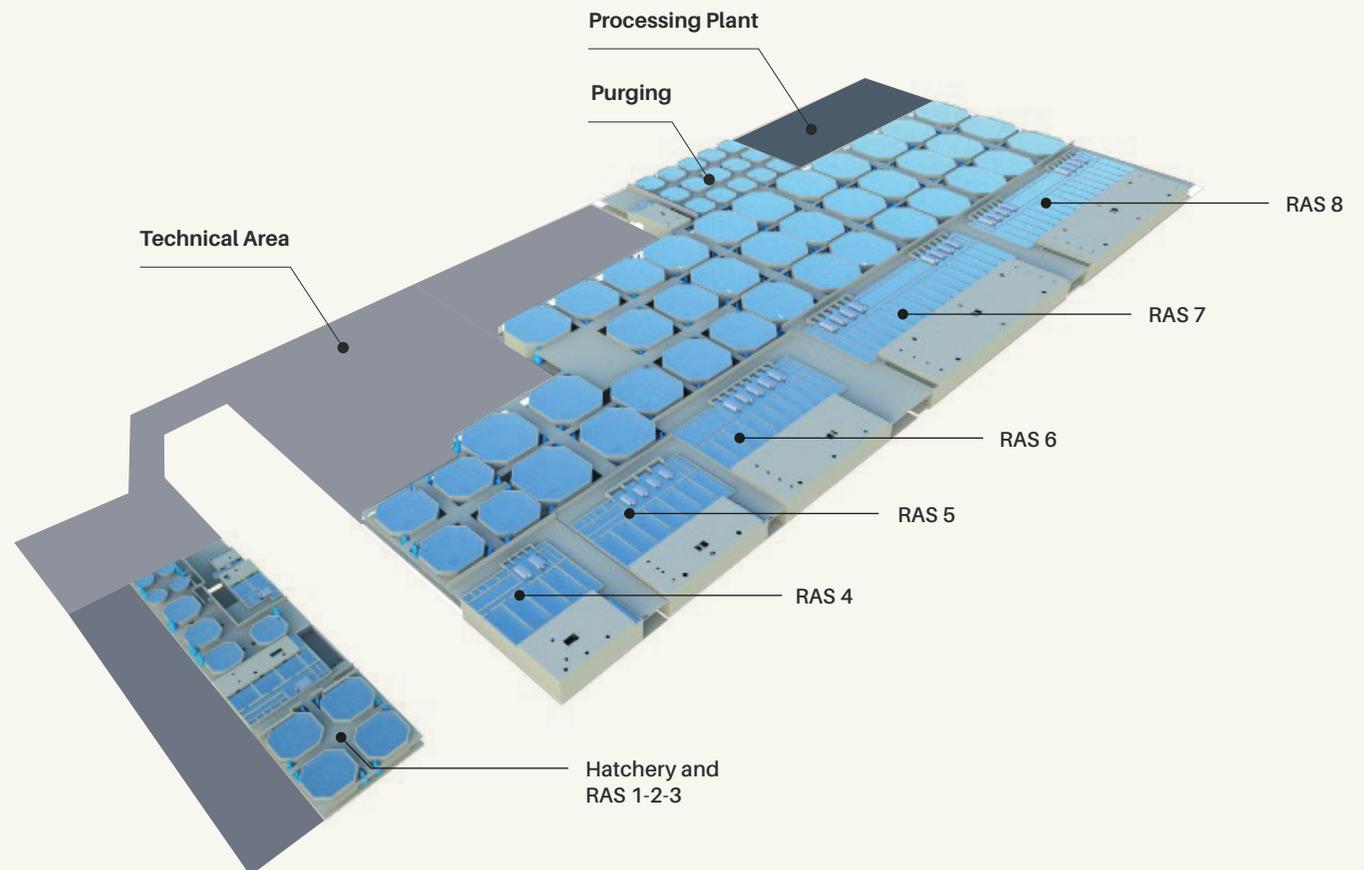


ILLUSTRATION OF TECHNOLOGY

Nordic Aqua Partners source the water from the ocean right next to the facility in the Gaotang Sound. After several years of monitoring and testing, the company is confident that the raw water is of superior quality for salmon farming. Before entering the fish farm, the raw water will be thoroughly filtered with sand filters and cartridge filter down to 5 microns before it is sterilized with UV/ozone for preventing diseases and parasites to enter the fish farm. Recent RAS history both in Norway and abroad has shown that incidents of fish mortality mostly occur with RAS systems with high saline water, and Nordic Aqua Partners has chosen to run the systems with low salinity. This is accomplished by producing freshwater from the seawater with reverse osmosis membrane filters. The internal RAS team in Nordic Aqua Partners have decades of

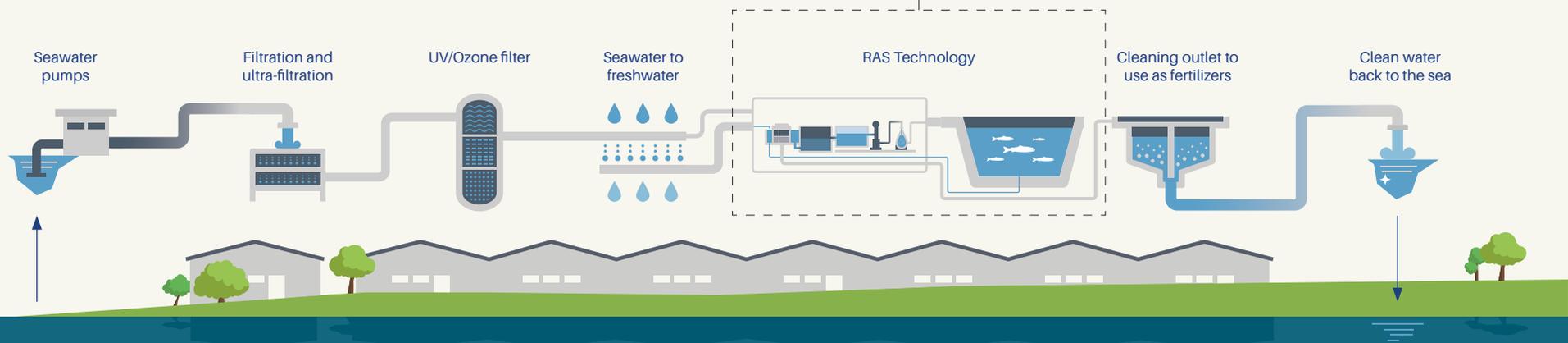
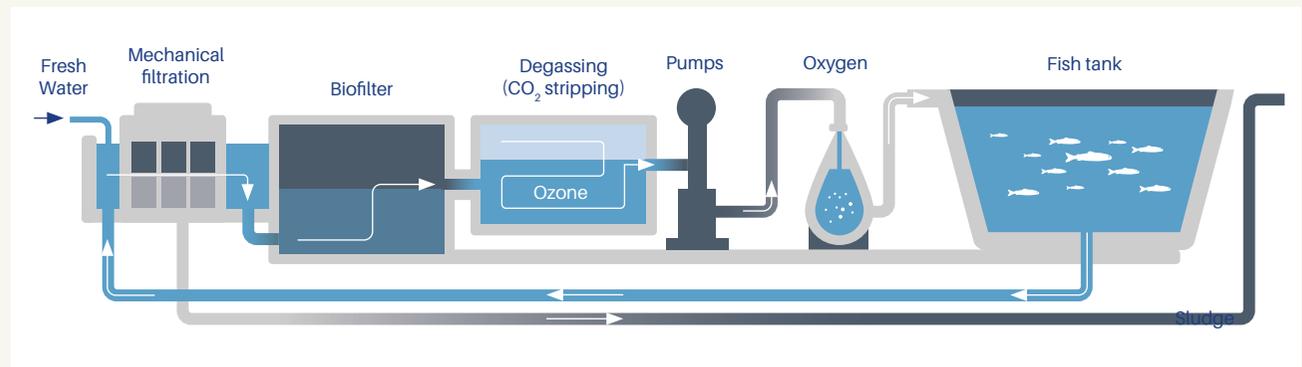
experience from operating RAS systems with low salinity, without any major incident of fish loss.

At the outlet of the fish farm and before the water leaves the RAS systems back to the ocean, it is filtered and cleaned to very high standards, and the discharged particles are excellent fertilizers for neighbouring agriculture.

The main energy source is the local 400 GWh solar and wind power facility. Moreover, the roofing of the salmon farm will be covered with solar panels to produce 20-25% of the energy consumption on site.



Solar panels to produce **20-25%** OF THE ENERGY CONSUMPTION



ESG PERFORMANCE WILL MONITORED BY:

Audit Scopes 1, 2 and 3

GLOBALG.A.P.



Renewable energy

The 39,000 m² facility roof will be covered with solar panels producing 20-25% of the required energy. Gaotang Island is a net exporter of renewable energy with a 400 GWh solar and wind power plant in the immediate vicinity of the facility.

No Air transports

Nordic Aqua is a local producer of Atlantic salmon, hence no air-transport with high carbon footprint is required to reach the market.



Neighbours and local government

Local government and neighbours are fully supporting Nordic Aqua. Efforts are made to contribute to the local community, including creating meaningful and safe jobs in an area with declining fisheries.

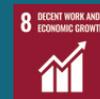
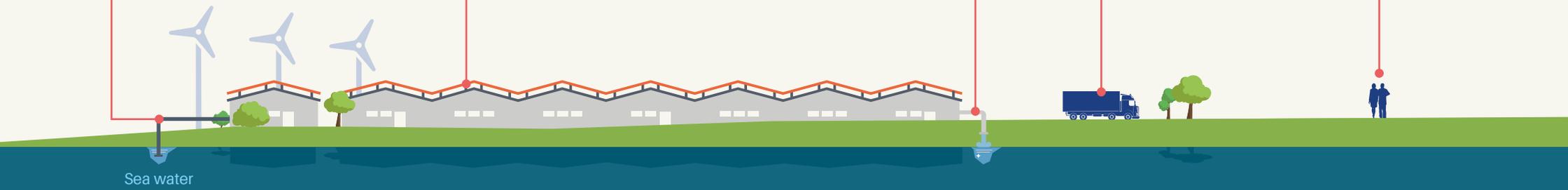


Freshwater

Freshwater is a scarce resource in China. Therefore, Nordic Aqua will produce all freshwater from the adjacent sea rather than compete with neighbours for the restricted availability

Fertilizer

The effluent from the farm is carefully treated for all organic particles before the cleaned water is led back into the ocean. The collected waste will be fertilizing local agriculture farms.



MILESTONES

Construction of stage 1 commenced in Q2 2021. This first stage includes a stepwise construction of a 4,000 tonnes smolt and grow out facilities.

Stage 2 and 3 are expected to bring total annual production up to 20,000 tonnes by the end of 2026. The company is leasing land, facilities and infrastructure from the lo-

cal government at a fixed price, consequently this is not part of the company's capex budget.

The company's capex estimates for stage 2 and 3 is increased from NOK125/kg to NOK 145/kg (~15%) as a result of the inflationary pressure seen in recent 12-18 months. The updated budget reflects optimizing and standardization from stage 1, in addition to increased lo-

cal sourcing of services, parts and equipment, which was not reflected in the old budget.

Moreover, the recent sharp increase in prices on feed has resulted in an upward revision to production cost assumptions presented. If feed prices decline back down again, the budget will likely also be revised back down.

The Gaotang facility will be built out in three stages with a total production capacity of 20,000 tonnes

	Stage 1	Stage 1+2	Stage 1+2+3 (flexibility)
Annual volume tonnes (HOG)	4,000	8,000	20,000
RAS Capex** / kg (HOG)	125 NOK	134 NOK*	140 NOK*
Lease financed capex*** / kg (HOG)	45 NOK	43 NOK*	41 NOK*
WC / kg (HOG)	27 NOK	28 NOK	25 NOK
EBITDA cost**** / kg (HOG)	52 NOK	49 NOK	44 NOK
EBIT cost / kg**** (HOG)	57 NOK	58 NOK	51 NOK

High local Atlantic salmon prices combined with competitive investment and cost level

* Estimates due to ongoing negotiations
 ** Capex relates to processing equipment, building is leased
 *** Estimated capex financed under lease with local government
 **** Assumed feed cos of 24 NOK / kg. HOG, compared with current price of 28 NOK / kg. HOG. Two yeas average of 21 NOK / kg. HOG

PROJECT FINANCIALS

The company leases land, facilities, and infrastructure from the local government for a fixed price on a 20-year term (see funding section for details on lease agreement). Consequently, such costs are not included in the capex overview. This lease agreement further eliminates all risks related to possible cost overruns for such capex, which normally would account for 30-40% of total capex expenditure for similar project.

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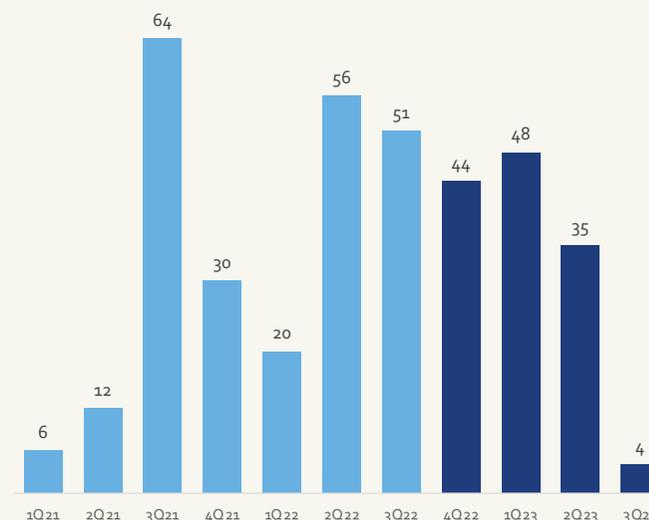
Capex payments are therefore related to RAS technology only. The contract with AKVA Group is a turnkey delivery contract, which means that the contract amount is fixed all the way to installation, commissioning, and handover of the complete RAS system. Since the IPO, the company has made some marginal capex savings due to a combination of optimization of design and local sourcing of part of the capex, and all such savings are used to further improve and optimize the design.

Capex overview stage 1

	DKKm
30.09.22	295
Before 2022	112
2022	127
<hr/>	
Remaining payments	DKKm
2022	44
2023	87

The RAS technology was started to be introduced during Q4 2021. Capex remains on budget.

**Capex plan Gaotang Island stage 1
Total 370 MDKK**



FUNDING

Total equity raised is DKK 448 million (600 MNOK), of which DKK 418 million was raised in a private placement in connection with the company's IPO in Q4 2020.

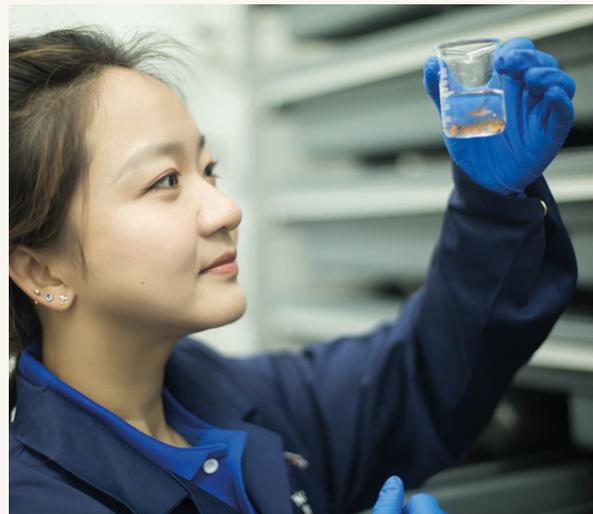
Prior to the private placement, DKK 31 million of equity capital was invested in the company. The company expects to be fully equity funded to reach a production of 8,000 tonnes, but will need additional equity to scale production further. Timing of a potential equity issue depends on market sentiment and timing of upscaling. Stage 2 of the project is planned financed through a combination of debt and retained earnings from ongoing stage 1 operations.

Loan agreement signed

The Group has entered into a loan agreement with Eksfin - Export Finance Norway*, and Coöperative Rabobank U.A. ("Rabobank") for a senior secured export credit term loan and guarantee facility agreement, amounting to EUR 25 million. The loan amount will be split in 3 draw downs based on progress on Capex. The Facility shall be repaid in equal, consecutive quarterly instalments starting at date of finishing the Project, with maturity 10 years after the first drawdown date. Rabobank is the world's largest agriculture bank, with 25-year history in China - and a fully licensed branch in Shanghai.

Banking agreement and working capital facility

The company has an agreement with Bank of Ningbo, Xiangshan Branch, to provide banking services to its operation of the RAS based salmon farm in Ningbo, China. The agreement includes typical banking services for a company in rapid development and is based on a long-term partnership. The agreement also includes a conditional credit facility of MRMB 35 (MDKK 37) which is now used as a typical working capital facility.



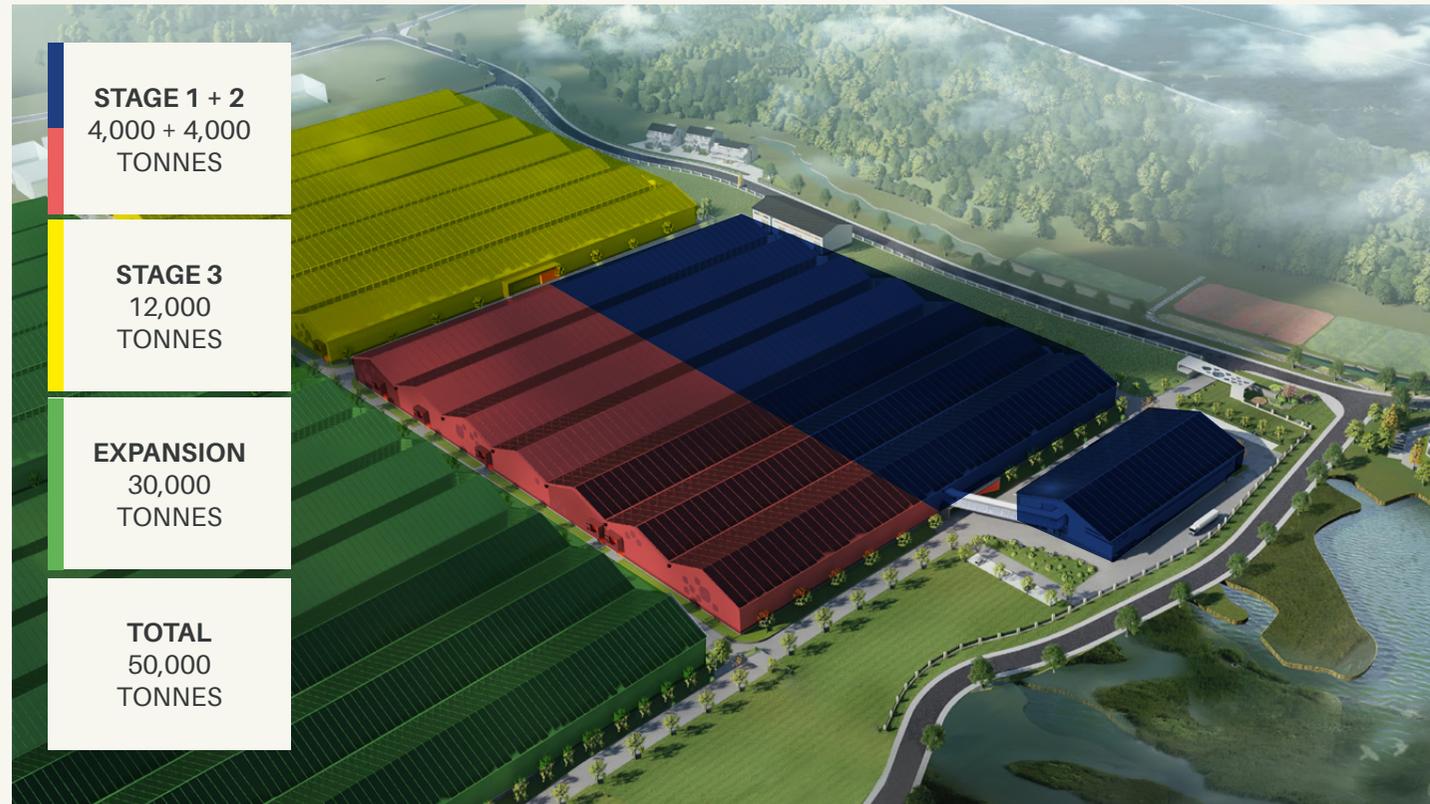
Total equity raised
600
 MILLION NOK

* Former Eksportkreditt Norge AS ("Eksportkreditt"), Garantiinstituttet for Eksportkreditt ("GIEK")

Attractive lease with local government

The company has entered into a 20-year lease agreement in which the government of Xiangshan County will provide land area and construction of all infrastructure and buildings at a very attractive fixed monthly rental fee. The landlord is Xiangshan Strait Economic & Technological Cooperation Co., a 100% owned subsidiary of Xiangshan government. The structure of the lease agreement significantly reduces the risk to Nordic Aqua Partners, as any eventual cost overruns on the building side is with the landlord. The payment of rental fee will start January 1st, 2024, which concludes that no rental fee will be charged while the company is building up its biomass preparing for first harvest and sale. The Rental Contract also includes an option to acquire land, infrastructure, and facilities, all at agreed terms. The annual lease for the Stage 1 is DKK 15 million.

Expansion to reach an annual capacity of 20,000 tonnes is expected to be done at similar lease principles and terms currently being discussed between the company and the local government.



The structure of the lease agreement significantly reduces the risk to Nordic Aqua Partners

Financial review

SUMMARY OF RESULT

(figures in DKK 1000)

	Q3 2022	YTD 2022	Q3 2021	YTD 2021
Other operating income	0	175	0	0
Personnel expenses	-6.299	-13.462	-2.302	-5.927
Other operating expenses	-2.327	-6.786	-2.289	-6.163
EBITDA	-8.626	-20.073	-4.591	-12.090
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Financial income	279	1.736	18	20
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Profit/loss before tax	-9.673	-19.497	-6.852	-20.135
Income tax expense	0	0	0	0
Profit/loss for the period	-9.673	-19.497	-6.852	-20.135

PROFIT AND LOSS

Personnel expenses for Q3 2022 totalled DKK 3.6 million (DKK 2.3 DKK million Q3 2021). The company has hired new personnel since last year which is the primary reason for the increase.

Other operating expenses totalled DKK 2.3 million during Q3 2022 (DKK 2.3 DKK million Q3 2021) and consisted mainly of consultants and advisors. Financial expenses are related to interest payment on the undrawn loan facility, negative interest on cash and exchange deviations.

CASH FLOW

Net cash flow from operating activities was DKK 1 million in Q3 (30 million in Q3 2021).

Net cash flow from investing activities was DKK 51 million during Q3 (64 Q3 2021). Investments are related to AKVA technology and will gradually increase as construction accelerates.

Total net cash flow during Q3 2022 was -51 million (-35 Q3 2021). Cash and cash equivalents at the end of the period were DKK 156 million (381 Q3 2021).

FINANCIAL POSITION

The carrying amount of Nordic Aqua Partners' total fixed assets at September 30th, 2022, was DKK 241 million, compared to DKK 104 million at September 30th, 2021. The increase is mainly related to AKVA technology.

Consolidated non-interest-bearing liabilities totalled DKK 27 million.

Subsequent events

No significant events have been recorded after the balance sheet date.

Transactions with related parties

The Company has entered into the following contracts with two of its shareholders:

- Feed sales and delivery agreement with Skretting, a subsidiary company of Nutreco
- Trial and data access agreement with Skretting, a subsidiary company of Nutreco
- Technology supply contract with AKVA Group, a company where Knut Nesse—a member of the board of directors of the Company—is CEO.

The agreements with AKVA and Skretting (Nutreco) have been entered into at arm's length and at market terms.

Nutreco and AKVA Group is an indirect shareholder of the Company through Nordic Aqua Partners Holding ApS.

Other than set out above, the Company has not entered into any transactions with related parties during the last two financial years that may be material to assessing the admission to trading on Euronext Growth.

20 LARGEST SHAREHOLDERS 30.09.22

Rank	Number of shares held	Ownership percentage	Navn
1	5.168.922	50,26%	NORDIC AQUA PARTNERS HOLDING APS
2	1.046.067	10,17%	KONTRARI AS
3	490.029	4,76%	J.P. Morgan SE
4	244.516	2,38%	FARVATN PRIVATE EQUITY AS
5	209.108	2,03%	VERDIPAPIRFONDET NORDEA NORGE VERD
6	206.971	2,01%	SILVERCOIN INDUSTRIES AS
7	188.497	1,83%	VERDIPAPIRFONDET NORDEA AVKASTNING
8	187.943	1,83%	The Bank of New York Mellon SA/NV
9	167.944	1,63%	VERDIPAPIRFONDET NORDEA KAPITAL
10	124.041	1,21%	Saxo Bank A/S
11	112.531	1,09%	SPAREBANK 1 MARKETS AS
12	110.702	1,08%	VERDIPAPIRFONDET NORDEA NORGE PLUS
13	101.000	0,98%	SONSTAD AS
14	100.770	0,98%	SOUTH WINDS AS
15	100.000	0,97%	KEWA INVEST AS
16	91.329	0,89%	SN SAMLEREN AS
17	83.027	0,81%	EQUINOR PENSJON
18	65.000	0,63%	MØSBU AS
19	60.843	0,59%	J.P. Morgan SE
20	47.036	0,46%	NORDNET LIVSFORSIKRING AS
	8.906.276	86,60%	Total for 20 largest shareholders
	1.377.708	13,40%	Other 502 shareholders
	10.283.984	100,00%	Total number of shares

Share information

Per September 30th, 2022, Nordic Aqua Partners had 10,283,984 issued shares, held by 545 shareholders.

Nordic Aqua Partners Holding ApS is the company's largest shareholder with 5,168,922 shares, corresponding to 50.26% of total number of share outstanding. Nordic Aqua Partners Holding ApS is owned by Nutreco (54,6%), key personnel (19,0%) and others (26,4%).

On the Annual General Meeting on May 27th, 2021, it was decided that the Board of Directors were authorized to grant and issue warrants to key personnel of up to 5% of the Company's share capital.

The Board of Directors has allocated 488,490 warrants to the Company's employees, which have been subscribed by the relevant holders. Each warrant gives the holder a right to subscribe for one share in the Company at a strike price of NOK 81 per share.

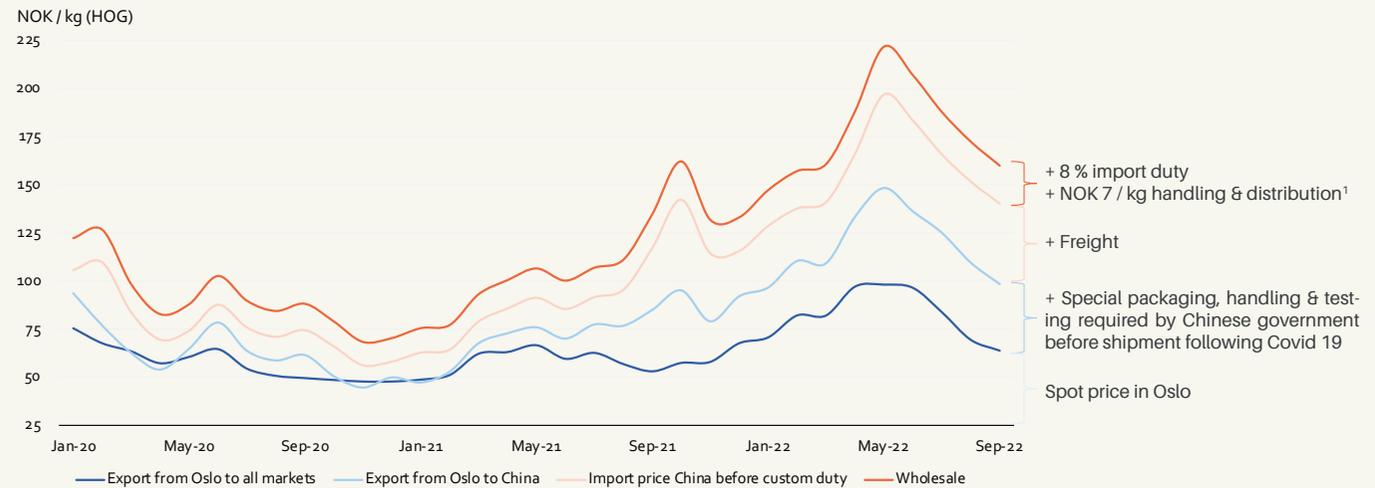
The closing price for the company's share was NOK 61.8 per share as per September 30th, which corresponds to a market capitalization of NOK 636 million.

Market development

Nordic Aqua Partners finds it encouraging that salmon prices remain at seasonally strong levels, driven by very solid consumption by the retail segment and tight supply. However, as a local farmer of Atlantic salmon to the Chinese market, the company is focusing on the domestic market and how that is expected to develop.

China is by far the largest consumer and producer of seafood in the world, and according to OECD China is expected to account for 51% of global consumption growth over the next 8 years. Atlantic salmon is still relatively new to the Chinese consumers, resulting in a modest relative consumption of ~89,000 tonnes in 2021. However, Kontali expects consumption to grow with a CAGR of 12% between 2021 and 2030, reaching 240,000 tonnes by 2030. A key demand driver is familiarization of Atlantic salmon as a healthy source of protein in the normal Chinese household. Today, all Atlantic salmon is imported, mostly by air, resulting in fresh Atlantic salmon being 4 days old when introduced to the market, and with a high carbon footprint.

Atlantic salmon in China is priced substantially above Oslo



1) Wholesale price estimated by company based on available data
Sources: Fish Pool, Kontali, China custom statistics, Company

- Market prices for fresh Atlantic salmon is expected to remain high also after current pandemic restrictions have been eased
- We do therefore expect to see attractive margins for our locally farmed Atlantic salmon also in 2024, our first year on full capacity
- In September Wholesales prices in China were 160 NOK/kg HOG and with an EBIT cost/kg at 51 NOK the implied margin would be 109 NOK/kg.
- Relative to FOB-Oslo prices at 64 NOK/kg HOG the extra margin in China was in June 96 NOK/kg HOG.

Outlook

The Fishpool forward price for 2023 is currently close to NOK 87 per kg, reflecting an optimistic market outlook.

The company reached its first milestone in early March 2022, with inlay of the first eggs. The first juveniles were moved into RAS 1 and first feed in May, and the second inlay of eggs was done early June and the third in September. The production cycle is estimated to two years, which means the company is on time for first harvest in Q1 2024.

Construction of infrastructure and facilities are carried under a lease agreement with the local authorities. The terms under the lease agreement are fixed for Stage 1 and 2 (8,000 t), which significantly reduces the capex risk to Nordic Aqua Partners.

The company's capex estimates for stage 2 and 3 is increased from NOK125/kg to NOK 145/kg (~15%) as a result of the inflationary pressure seen recent 12-18 months. The updated budget reflects optimization and standardization from stage 1, in addition to increased local sourcing of parts and equipment, which was not reflected in the old budget.

Moreover, the recent sharp increase in prices on feed has resulted in an upward revision to production cost assumptions presented. If feed prices decline back down again, the budget will likely also be revised back down.

The Covid-19 situation in China and the war in Ukraine has fortunately not impacted progress significantly. All equipment necessary for construction of Stage 1 as per plan is already on site, and the company has consequently not been impacted by logistical challenges. There has been no major Covid-19 outbreak at the construction site, allowing construction to progress as planned.

The Covid-19 situation in China and the war in Ukraine has fortunately not impacted progress significantly

By the end of the third quarter 2022, the organisation counts 39 employees. The company continues to recruit both foreign and local expertise, management and staff to fill the many positions needed to meet our ambitious expansion and development plans.

The financial expectation for 2022 is that Nordic Aqua's result will be a loss on MDKK 30-35, Nordic Aqua expects a positive result for the year 2024, when harvest will be initiated.

The company has initiated a project to investigate all aspects of a possible accelerated expansion plan to reach a capacity of 20,000 tonnes by 2027.

Risks and uncertainties

Land-based salmon farming is a new industry and operations will be subject to several biological risks, including water contamination, viruses and bacteria, which could cause diseases and mortality. As the project is in the construction phase, there are many inherent risks, such as successful project execution, dependence on sub-contractors, delays and cost overruns, which could negatively impact the company's ability to realize its business plan.

China continues its "zero tolerance" policy on the Covid 19 pandemic, causing restrictions and challenges with respect to logistics and travelling. The company were aware of such challenges when planning the logistics together with the main contractor, AKVA Group, and have therefore managed to minimize such consequences, thus avoiding consequences to have any material defect on the overall project plan and budget. All equipment necessary for Stage 1 completion as per plan, has already arrived on site. It should also be noticed that the market for our Atlantic salmon is 100% domestic, and all raw material required for our production is made in China, with the exemption of the salmon eggs being imported from Iceland.

The strict quarantine rules for visitors to China reduces

the possibilities for foreign expatriates to visit the project, and it also complicates the initiated rotating schedule, however we have managed to find workable options. Unfortunately, the same restrictions also hinder the company to welcome our investors and other interested parties to visit the project. On a medium term we are of the opinion that these restrictions will be eased and that travelling and logistics will be back to normal.

The Group continuously monitors liquidity and financial projections through internal budgets, with forecasts updated both yearly and monthly. The Group's business plan and growth ambitions are capital intensive, and based on estimates, the Group may need future equity and/or debt financing to realize its plans. A delay in the completion of construction of the plant currently under construction may influence on the company's operational plan and full schedule of production, thereby impacting the Group's business, liquidity and result of operation.

The unfortunate situation with the war in Ukraine has added to the logistic challenges, however we do not see this as a risk factor for our project. See the outlook and milestone sections for a discussion of how the current inflationary pressure is impacting the company.

Our Atlantic salmon is 100% domestic, and all raw material required for our production is made in China

The Group's future financial position depends on sales prices for salmon on the Chinese market. Other future liquidity risks include the impacts from fluctuations in production and harvest volumes, biological issues, and changes in feed prices. For more on financial risks, see note 5.

Responsibility Statement

From the Board of Directors and CEO of Nordic Aqua Partners A/S

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 September 2022 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the (Company’s and) group’s assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair re-

view of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties’ transactions.

Copenhagen, November 30th, 2022

EXECUTIVE BOARD

Ole Juul Jørgensen
CEO

BOARD OF DIRECTORS

Ragnar Joensen
Chairman

Tore Hopen
Board member

Ove Nodland
Board member

Knut Nesse
Board member

Vegard Gjerde
Board member



Interim Financial Statements

Consolidated Statement of Comprehensive Income

Summary of result kDKK	Q3 2022	YTD 2022	Q3 2021	YTD 2021
Revenue	0	0	0	0
Other operating income	0	175	0	0
Other external expenses	-2.327	-6.786	-2.289	-6.163
Gross profit/(Loss)	-2.327	-6.611	-2.289	-6.163
Staff costs	-6.299	-13.462	-2.302	-5.927
Operating profit/(loss) before amortisation and depreciation	-8.626	-20.073	-4.591	-12.090
Depreciations	-126	-358	-55	-83
Operating profit/ (loss) before tax	-8.752	-20.431	-4.646	-12.173
Financial income	279	1.736	18	20
Exchange rate deviations	506	3.599	0	-4.622
Financial expenses	-1.706	-4.401	-2.224	-3.360
Financial expense - net	-921	934	-2.206	-7.963
Profit/loss before tax	-9.673	-19.497	-6.852	-20.135
Income tax expense	0	0	0	0
Profit/loss for the period	-9.673	-19.497	-6.852	-20.135
Other comprehensive income				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):				
Exchange differences on translation of foreign operations	524	6.510	4.030	7.664
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	-9.149	-12.987	-2.822	-12.471
Adjustments to prior period	0	0	0	0
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	0	0	0	0
Other comprehensive income	524	6.510	4.030	7.664
Total other comprehensive income for the period	-9.149	-12.987	-2.822	-12.471
Earnings per share				
Basic	-0,94	-1,90	-0,67	-1,96
Diluted	-0,94	-1,90	-0,67	-1,96

Statements of Financial Position

(figures in DKK 1000)	Q3 2022	Q3 2021
Assets		
Assets under construction	238.282	102.516
Property, plant & equipment	2.918	1.245
Deposits	10.720	9.935
Total non-current assets	251.920	113.696
Biological assets (Biomass)	3.870	0
Other current receivables	962	3.624
Receivables	11	0
Cash and cash equivalents	155.682	343.192
Total current assets	160.524	346.817
Total assets	412.444	460.513
Equity and liabilities		
Share capital	10.284	10.284
Other equity	375.186	389.788
Total equity	385.470	400.072
Long-term interest-bearing debt	0	0
Lease liabilities - long term	0	0
Total non-current liabilities	0	0
Provisions	2.240	0
Trade payables	21.224	58.669
Other current liabilities	3.509	1.772
Total current liabilities	26.974	60.441
Total liabilities	26.974	60.441
Total equity and liabilities	412.444	460.513

Statement of Cash Flow

(figures in DKK 1000)	Q3 2022	YTD 2022	Q3 2021	YTD 2021
Cash flow from operations				
Operating profit/loss	-8.752	-20.431	-4.646	-12.173
Adjustments for:				
Depreciation	126	358	55	83
Changes in working capital:				
Change in other current receivables	-551	4.939	-1.377	-2.996
Change in trade payables	10.500	14.537	36.535	58.582
Cash generated from operations	1.324	-596	30.567	43.496
Interest paid	-1.706	-4.401	-2.224	-5.759
Interest received	279	1.736	18	2
Net cash flow from operations	-103	-3.261	28.361	37.739
Cash flow from investment activities				
Payments for fixed assets and other capitalizations	-51.228	-128.769	-63.498	-98.327
Payments for intangible assets	0	0	0	0
Net cash flow from investment activities	-51.228	-128.769	-63.498	-98.327
Cash flow from financing activities				
Proceeds from capital increase	0	0	0	0
Net cash flow from financing activities	0	0	0	0
Net change in cash and cash equivalents	-51.331	-132.030	-35.137	-60.588
Foreign exchange differences	2.463	-23.895	3.849	4.192
Cash and cash equivalents at the beginning of the period	204.550	277.345	374.480	399.588
Cash and cash equivalents at the end of the period	155.682	121.420	343.192	343.192

Interim Financial Statements

Statement of Changes in Equity

	Share capital	Premium Reserve	Currency translation differences	Retained earnings	Total Equity
kDKK					
Equity January 01 th 2022	10.284	0	12.428	375.744	398.456
Net profit/(loss) for the period				-19.496	-19.496
Other comprehensive income			6.510	0	6.510
Balance September 30th 2022	10.284	0	18.938	356.248	385.470

	Share capital	Premium Reserve	Currency translation differences	Retained earnings	Total Equity
kDKK					
Equity January 01 th 2021	10.284	421.339	-282	-18.382	412.959
Net profit/(loss) for the period				-20.136	-20.136
Other comprehensive income			7.248		7.248
Balance September 30th 2021	10.284	421.339	6.966	-38.518	400.071

Selected Notes to the Quarterly Financial Statements

NOTE 1 STATEMENT OF COMPLIANCE

This Condensed Consolidated Interim Report has been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting as adopted by the EU. It does not include all the information required for the full Annual and Consolidated Report and Accounts and should be read in conjunction with the Annual and Consolidated Report and Accounts for the Group as of December 31st 2021.

This interim report has not been subject to any external audit.

The consolidated financial statements are presented in thousand Danish kroner (kDKK) which is the functional currency of Nordic Aqua Partners A/S.

The Group's general accounting policies are described below.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in this Condensed Consolidated Interim Report are the same as those applied in the Annual Report as at and for the year ended December 31st 2021, to which we refer for a full understanding on applied accounting policies. Accounting policies, application of estimates, methods of compilation and presentation are unchanged as compared to the last financial statements.

NOTE 3 PROPERTY, PLANT, AND EQUIPMENT

kDKK	Other plant, fixtures and operating equipment	Construction in progress	Total
Cost at 1 January 2022	1.470	111.141	112.611
Exchange rate adjustment	0	0	0
Additions	1.806	127.141	128.947
Cost at 30 September 2022	3.276	238.282	241.558
Depreciation and impairment at 1 January 2022	-358	0	-358
Depreciation For the year	0	0	0
Depreciation and impairment at 30 September 2022	-358	0	-358
Carrying amount	2.918	238.282	241.200

NOTE 4 BIOLOGICAL ASSETS

kDKK	Q3 2022	Q3 2021
Biological assets carrying amount 01.01	0	0
Increase due to production or purchase	3.870	0
Biological assets carrying amount at the end of the period	3.870	0

Number of fish (thousand)	Q3 2022	Q2 2021
Biological assets carrying amount 30.09.2022	624	0

As of September 30th 2022 the total number of fish and eggs was 1.015 thousand.

NOTE 5 INTEREST-BEARING LOANS AND BORROWINGS

The Group has entered into a loan agreement with Eksfin – Export Finance Norway*, and Coöperative Rabobank U.A. (“Rabobank”) for a senior secured export credit term loan and guarantee facility agreement, amounting to EUR 25 million. Loan amount will be split in 3 drawings based on progress on Capex. The Facility shall be repaid in equal, consecutive quarterly instalments starting of finishing date of the Project and the facility matures 10 years after the first drawdown date. First drawing is planned to take place in second half 2022.

Nordic Aqua has an agreement with Bank of Ningbo, Xiangshan Branch, to provide a conditional credit facility of MRMB 35 (MDKK 37) which will be used as a typical working capital facility

Cash and loan facility is primarily held in EUR to match the coming Capex-payments. Loan facility is based on fixed interest rate.

kDKK	Sept. 30th 2022	Sept. 30th 2021
Credit facility	223.119	185.905
Undrawn credit facility	-223.119	-185.905
Total financial liabilities	0	0
Included in the balance sheet:		
Non-current liabilities	0	0
Current liabilities	0	0
Total bank loans	0	0

* Former Eksportkreditt Norge AS (“Eksportkreditt”), Garantiinstituttet for Eksportkreditt (“GIEK”)

NOTE 6 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

Capital management

The Group's Management assesses whether the Group's capital structure is in line with the interests of the Group and its shareholders. The overall objective is to ensure a capital structure that supports long-term profitable growth.

On September 30th 2022, the Group has no interest-bearing debt net, but has entered into agreement with Xiangshan Strait Economic & Technological Cooperation Co., Ltd, on lease of land, infrastructure, utilities and all facilities.

Furthermore, the Group has entered into a loan agreement with Eksfin - Export Finance Norway*, and Coöperative Rabobank U.A. ("Rabobank") for a senior secured export credit term loan and guarantee facility agreement, amounting to EUR 25 million.

Following this further to the private placement which took place in 2020, the financial facilities in the Group is considered sufficient to run the business for the coming years.

The Group has entered into a lease agreement with Xiangshan Strait Economic & Technological Cooperation Co., Ltd,

Liquidity risk

The purpose of the Group's cash management policy is to maintain adequate cash resources to meet financial liabilities. The Group's cash resources consist of cash and cash equivalents, and undrawn credit facilities. The Group continuously monitors the cash flows in order to manage the liquidity risk.

The Group has cash of MDKK 156 and undrawn bank loan facility of MDKK 186 and an undrawn credit facility of MDKK 37 as of September 30th 2022.

The following table reflects all contractually fixed pay-offs for settlement, repayments and interests resulting from recognised financial liabilities.

Maturity of the Group's financial liabilities:

	Less than 1 year	Between 1-5 years	More than 5 years
kDKK			
30 September 2022			
Trade Payables	21.224	0	0
Other Payables	3.509	0	0
Total	24.734	0	0
30 September 2021			
Trade Payables	58.669	0	0
Other Payables	1.772	0	0
Total	60.441	0	0

Foreign exchange risk

The Group is only insignificantly affected by exchange rate fluctuations. The Group has in all material aspects only transactions in EUR, DKK and CNY.

The sensitivity analysis for foreign currency risk:

Cash and loan facility is primarily held in Eur to match the coming Capex-payments also in Eur.

Interest rate risk

Interest rate risks refer to the influence of changes in market interest rates on future cash flows concerning the Group's interest-bearing assets and liabilities.

The Group's interest rate rights relate to interest on external loans and is deemed insignificant.

Categories of financial assets and liabilities

The fair value of financial assets and liabilities does not differ significantly from the carrying amount.

kDKK	Sept. 30 th 2022	Sept. 30 th 2021
Financial assets measured at amortised cost:		
Other receivables	962	3.624
Receivables	11	0
Cash and cash equivalents	155.682	343.192
Total cash and cash equivalents	156.654	346.817
Financial liabilities measured at amortised cost:		
Trade payables	21.224	58.669
Other payables	3.509	1.772
Total financial liabilities	24.734	60.441

NOTE 7 CONTINGENT LIABILITIES AND SECURITY FOR DEBT

Security for debt

As of September 30th, no assets have been pledged.

Assets in property, plant and equipment will be pledged as security for bank loan facility.

Nordic Aqua (Ningbo) Co., Ltd. has entered into an agreement with Xiangshan Strait Economic & Technological Cooperation Co., Ltd, in which they will provide land, infrastructure, utilities and all facilities on a 10 + 10 years' lease, with a contracted option for the Group to purchase land, infrastructure, utilities and all facilities during the lease term. The annual lease amounts to 10.7 MDKK for Stage 1.

NOTE 8 RELATED PARTIES

Transactions with related parties

A company where the Chairman of the Board has significant influence has received advising fee for assistance to the Company KDKK 1.296 in YTD Q3 2022 (YTD Q3 2021: 1.238 kDKK).

There were no further transactions with the Board of Directors or the Executive Board, besides remuneration. For information on remuneration, please refer to the Annual report for 2021.

Parent Company Details

Parent Company

Nordic Aqua Partners A/S
Hundegade 1
6760 Ribe
Denmark

Business Registration No.:
38 18 30 01

Registered office:
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Organisation Telephone Number
+298 221222

Contact:
E-mail: hjalti@nordicaquapartners.com

Web:
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Board of Directors

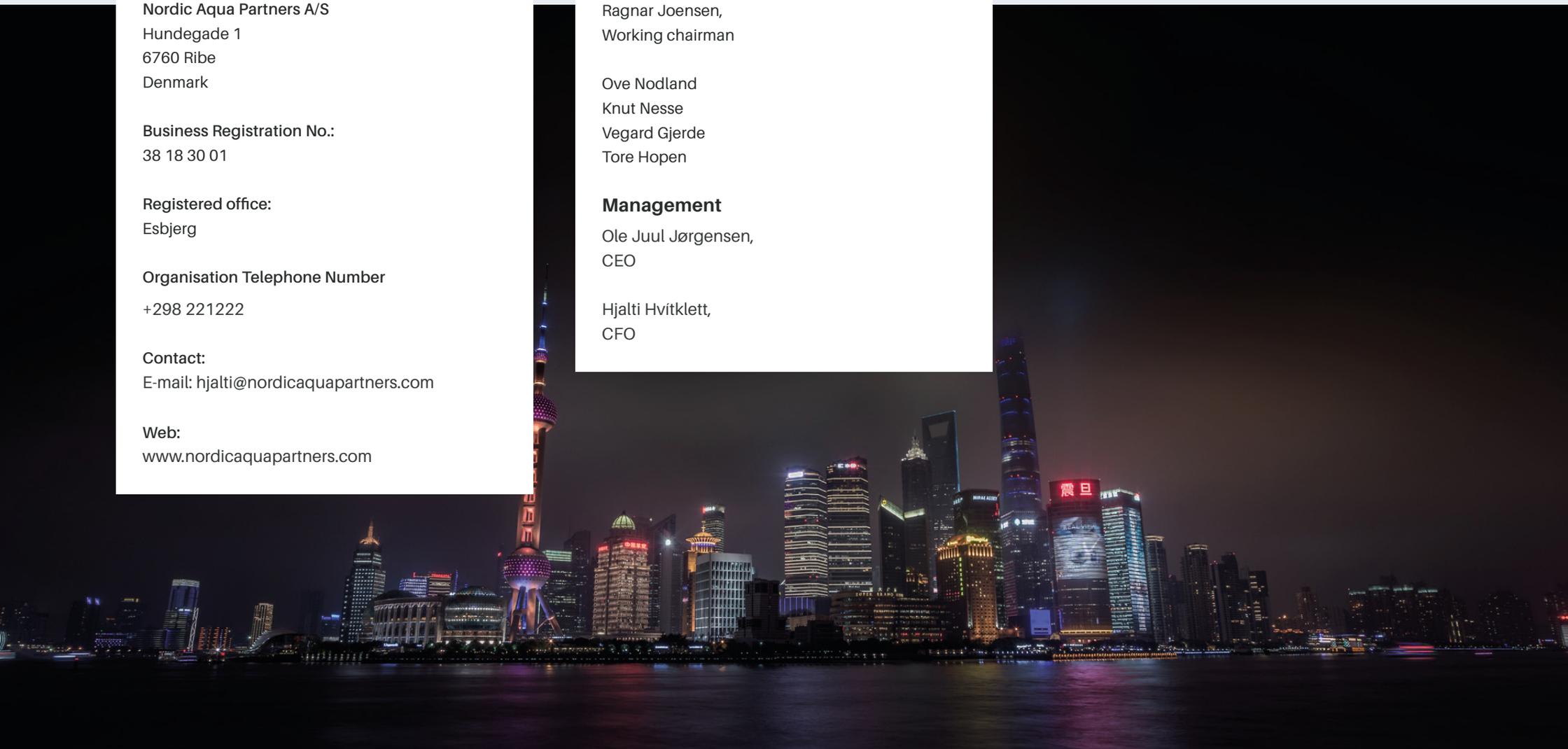
Ragnar Joensen,
Working chairman

Ove Nodland
Knut Nesse
Vegard Gjerde
Tore Hopen

Management

Ole Juul Jørgensen,
CEO

Hjalti Hvitklett,
CFO





Nordic Aqua Partners A/S

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