

Q2 2024

Interim Report





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Highlights

Second quarter with 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
Excluding the geosmin issues, good operational and biological performance for all batches
Excellent fish health and welfare
Q2 biomass production of 1,014 tonnes. Total biomass of 2,432 tonnes by quarter end
Strengthened commercial and operational organisation
Available liquidity of EUR 10.4 million as of 30.06.24.
Due to reduced harvest and CAPEX related to geosmin, additional equity financing of approximately mNOK 250 will be raised. Significant interest from existing shareholders / primary insiders.



Summary of the 2nd quarter and H1 of 2024

The first commercial harvest and sales of the first batch of Atlantic salmon started mid-April 2024. The first harvest is a major operational milestone for Nordic Aqua and the Company is now introducing its Atlantic salmon under the Nordic Pure-Atlantic brand to the growing Chinese market.

Total sales for the second quarter of 2024 amounted to EUR 4.7 million, resulting in an average sales price of 8.94 EUR/kg. Whereof 66% of the sold volume was in June.

Excluding the geosmin issues, where solutions are under implementation, Nordic Aqua experienced excellent fish welfare and good biological performance in all batches during the second quarter.

The total production in Q2 2024 was 1,014 tonnes bringing total biomass to 2,432 tonnes by the end of the period.

Accumulated mortality is below expectations for all batches. Accumulated mortality from 150 g to first harvest in batch 1 was 1.9%.

As communicated in the operational update to the market of 24 July, Nordic Aqua detected an off-flavour due to a concentration of high geosmin in the fish. The Nordic Aqua team are working to identify the root causes. Immediate and long-

term solutions are being implemented, and further corrective actions are under implementation, to ensure a permanent solution during 2H. Due to the initiatives taken and further investigations, the harvest plan will be adjusted for H2 2024 to a significantly lower level. We plan to move a part of the biomass scheduled for harvesting in H2 to H1 2025. The exact impact on harvest volumes in 2025 is yet to be determined. The lower harvested and sold volumes, as well as corrective capex, will impact on the Company's liquidity for the second half of the year.

The construction of the farming operation of Stage 2 is well underway and the hatchery and first feeding is finished and in operation. Piling has been completed and construction of the large building of Stage 2 has started. We will make adjustments to Stage 2, in order to control the Geosmin levels.

Nordic Aqua introduced a new brand logo and branding strategy.

Due to reduced harvest and CAPEX related to geosmin, additional equity financing of approximately mNOK 250 will be raised and a share issue shall be closed not later than by the end of December. All primary insiders that are large shareholders and have access to this information (Kontrari AS, AKVA group ASA, Aino AS and Maringto AS) have all indicated to contribute to its funding needs going forward.

Total production in Q2

1,014
tonnes

Average harvested weight

4.54
kg HOG

Mortality

1.9%
150 g to first harvest

Key Figures

Q2 2024



(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*	-1,533	-1,239	-3,620	-2,087
Profit / (loss) before taxes	-2,788	-3,199	-2,811	-4,669
Profit/(loss) for the period	-1,687	-3,199	-1,710	-4,669
Cash flow from investment activities	-8,218	-3,995	-15,610	-12,985
Cash flow from financing activities	9,908	14,988	8,717	41,059
Payments for fixed assets	-8,218	-3,995	-15,610	-13,000
Net cash flow	-2,250	6,235	-12,411	23,226
Cash	10,363	34,391	10,363	34,391
Total assets	124,173	85,872	124,173	85,872
Equity	72,098	68,470	72,098	68,470
Harvested tonnes, HOG	523	0	523	0
Operating EBIT/kg**	-2.93	N/A	-6.93	N/A
Equity ratio***	58%	80%	58%	80%
Net interest-bearing debt (NIBD)****	15,045	N/A	15,045	N/A

*Operating EBIT = EBIT excl. fair value adjustments
**Operating EBIT/kg = EBIT excl. fair value adjustments/harvested tonnes HOG
***Equity ratio = Equity / Total assets
****Net interest-bearing debt (NIBD) = Long- and short-term interest-bearing debt - Cash and cash equivalents

Nordic Aqua

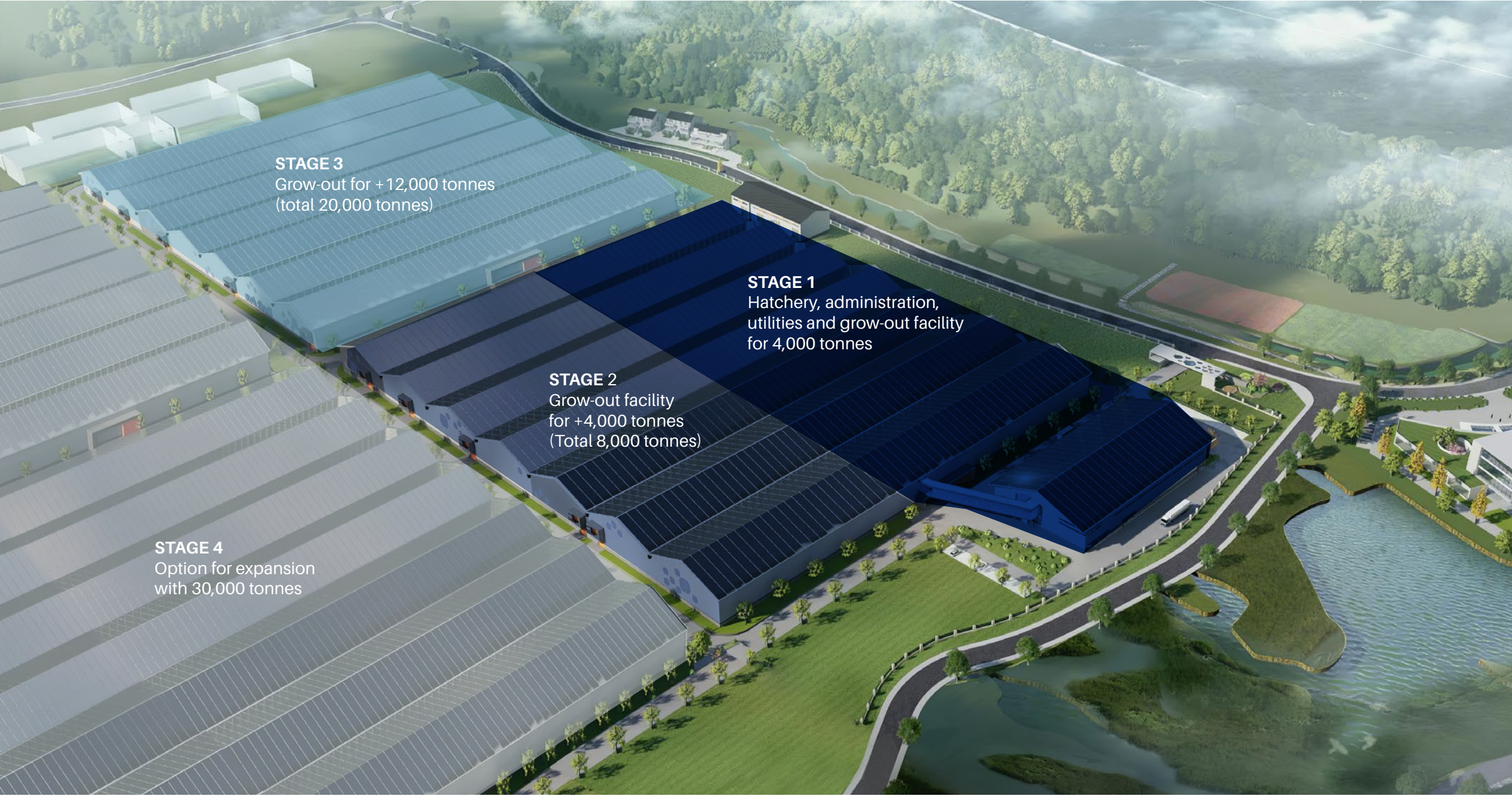
Nordic Aqua is a land-based Atlantic Salmon farming company that is operating the first fully integrated and commercially scaled Recirculating Aquaculture System (“RAS”) farm for Atlantic salmon in China, using cutting-edge technology and expertise.

The first harvest started mid-April 2024.

Located in Ningbo in the Zhejiang-province, the Company is positioned to deliver fresh and locally farmed Atlantic salmon to about 100 million of China’s wealthiest consumers within 5 hours.

- Dense population and high purchasing power in cities nearby.
- High growth potential for premium quality Atlantic salmon driven by the rising middle-class in China.
- Well established infrastructure in China enables fast and sustainable transportation of Atlantic Salmon to key cities.

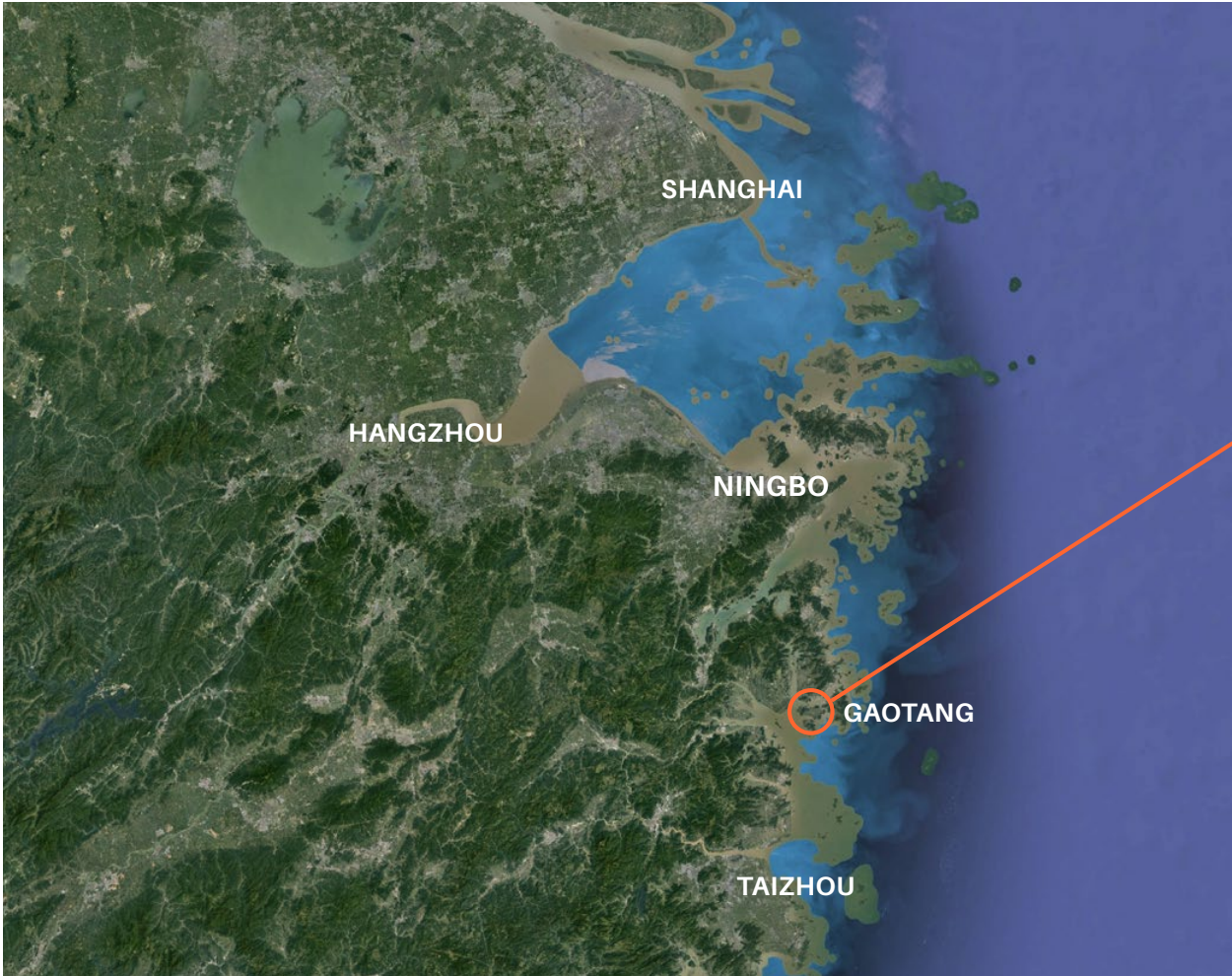




The current plan - in close co-operation with the local government - is an annual production capacity of 20,000 tonnes. The dedicated land has potential to further increase production to 50,000 tonnes of Atlantic salmon, all a part of Nordic Aqua’s medium-term plan.

The objective is to start harvest from Stage 2 in Q3 2026. The start of Stage 3 will be discussed by the board after contracts with government are finalized. Final timeline will be concluded in Q4/24.

The local authorities in Ningbo are supportive of Nordic Aqua, including construction of the facility and infrastructure to house the farm in Stage 1 and 2, which is leased back to the Company.



Operational Review

(Figures in parenthesis refer to the same period last year).

Harvesting and sales

The first commercial harvest and sales of the first batch of Atlantic salmon started mid-April 2024. The first harvest was a major operational milestone for Nordic Aqua and the Company is now introducing its Atlantic salmon under the Nordic PureAtlantic brand to the growing Chinese market.

For the second quarter of 2024, the Company has harvested 523 tonnes HOG (0), achieving an average harvest weight of 4.54 kg HOG, with mortality rates of 1.9 per cent, no signs of maturation issues and a superior rate of 99%. The biological results underscore Nordic Aqua’s capability to maintain good fish health and welfare standards, which translates into premium product quality for the highly attractive Chinese consumer market.

Total sales for the second quarter of 2024 reached EUR 4.7 million (EUR 0.0 million), with an average sales price of 8.94 EUR/kg. Whereof 66% of the sold volume was in June. Nordic Aqua is competing in a Chinese market filled several countries of origins for imported fresh whole Atlantic salmon. Although no statistics show import pricing of Atlantic salmon to China per weight class, there is a preference for larger sizes, usually above 6 kg, HOG. Compared to a model based



on Chinese customs data and modelling an average landed price for other countries of origin, Nordic PureAtlantic since its launch has established a position together with other countries of origins in the competitive local Chinese market.

Due to the stronger preference for large size fish in the Chinese market, Nordic Aqua will consider adjusting the production strategy targeting average harvest weights higher than 5.3 kg (LW). This is also supported by good experiences from production of fish above 6 kg (LW), both biological and marketwise.

The farming cost of goods sold amounted to EUR 2.7 million during the quarter (EUR 0.0 million), resulting in an average farming cost of EUR 5.23/kg, HOG.

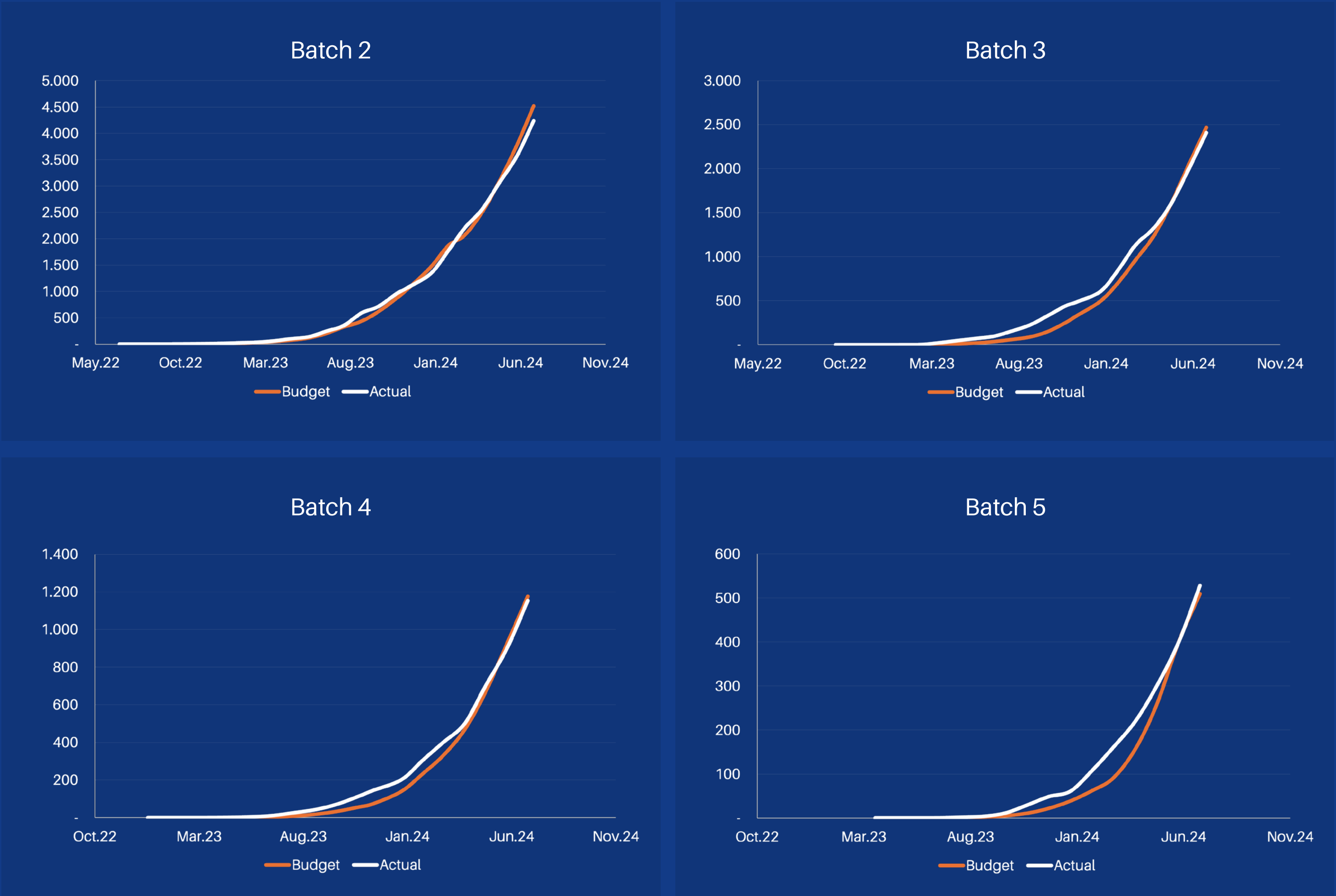
Farming

Nordic Aqua introduces new batches of smolt to the facility every 3 months and the facility hold 9 batches. The farming production during the second quarter of 2024 was 1,014 tonnes (135 tonnes). The production was good but was somewhat impacted by transfer of fish into new RAS units. Overall biological performance remains strong with good fish health and survival above expectations.

Stage 1 of the production facility reached full production capacity in Q1 2024, with a total of 9 batches in production simultaneously, during Q2 2024 the biological production reached steady state. The facility is dimensioned for a recirculation rate of 99.9% and has proven to secure good water quality and performance.

For batch 1 the accumulated mortality was 1.9% from smolt at 150g until start of harvest. Batches 2 and 3 accumulated mortality was 1.4% and 1.2% from 150g to 4,500 and 2,500g weight respectively until the end of the second quarter.

Excellent fish welfare and survival rates for all batches



GEOSMIN

As communicated on July 24, 2024, incidents of off-flavour were detected in part of the production due to a high concentration of geosmin. Elevated levels of geosmin, are known to occur in RAS facilities. The presence of such compounds, are without any health concerns for humans and fish, but when present in extremely small quantities, may cause off-flavour to fish produced in such facilities.

Nordic Aqua takes all aspects of Nordic PureAtlantic's salmon quality seriously and strives to achieve the best quality and taste possible for our product. Water and fish are being monitored and tested for geosmin in a rigid and established process.

From the beginning of harvesting in April, the feedback from market on taste have been highly satisfactory. The incident in July set off an immediate in-depth study of the root causes of the problem as well as implementation of mitigating efforts. One of the reasons for high levels of geosmin in fish was related to overloading of the purging system with high biomass.

High levels of geosmin are, however also detected in the production units and the company strategy is to focus on low levels of geosmin before fish are transferred into the purging unit. Since the end of July, the Company has had protein skimmers working to reduce the levels of geosmin components before purging. The protein skimmers will gradually increase their capacity, over the next three months, to take down geosmin level. It is further decided to increase the ozonation capacity.

Furthermore, initiatives are taken related to operating protocols for the biofilters to reduce the production of geosmin in the system.

The company plans that over the next months the geosmin situation will be solved and the harvesting of the best quality and taste possible for our product will continue. An ongoing rigid testing regime has shown that optimisation in biomass for the purging unit, in combination with other mitigating efforts, are reducing the geosmin level compounds compared to earlier commercial batches. Efforts to further ramp up production and preserve low levels of geosmin will continue in the months to come.

Due to the initiatives taken to ensure an optimum taste, the harvest plan needs to be adjusted in H2 2024 to a significantly lower level. The company does not expect to have any harvest in Q3 2024 and 400 to 600 tonnes in Q4 2024. Therefore the guiding for FY 2024 will be 900 to 1,100 tonnes. The Company plans to be able to move a part of the biomass scheduled for harvesting in H2 to H1 2025. Nordic Aqua will come back with a more precise guiding on harvest for 2025 during Q3 2024, but the range is estimated from 4,500 to 5,000 tonnes.



Financial Review

(Figures in parenthesis refer to the same period last year).

SECOND QUARTER 2024 PROFIT AND LOSS

Nordic Aqua reached the commercial stage of its operations during the second quarter 2024. Operating revenues during the period amounted to EUR 4.7 million (EUR 0.0 million). Due to the delay of the first harvest, the Company sold low volumes in April and May, while only June had steady state sales volumes. While the global salmon price decreased throughout the quarter this impacted sales negatively during the period. Sales volume per month HOG: April 43 tonnes, May 134 tonnes, and June 346 tonnes.

The farming cost of goods sold during the quarter amounted to EUR 2.7 million (EUR 0.0 million), resulting in an average farming cost of EUR 5.23/kg.

Other external expenses came in at EUR 2.8 million in the second quarter of 2024 (EUR 0.8 million), mainly related to production cost. Staff costs for the second quarter of 2024 totalled EUR 1.6 million, up from EUR 0.8 million in the second quarter of 2023. The increase is due to increased production and the corresponding development of the organisation, expanding both operational and administrative capacity, all according to plan.



Thus, operating EBIT for the second quarter of 2024 ended at EUR -1.5 million (EUR -1.2 million), corresponding to an operating EBIT/kg of EUR -2.93 EUR.

Net financial items were negative: EUR 0.5 million in the second quarter of the year (EUR -2.0 million), driven by financial expenses of EUR 0.7 million (EUR 0.1 million). Exchange rate deviations are mainly deviations on the EUR 25 million loan from Nordic Aqua to the subsidiary Nordic Aqua (Ningbo) and on the EUR 15 million loan from Export Finance Norway (EksFin). Financial expenses are related to interest payments on the loan facility.

Pre-tax profit came in at EUR -2.8 million for the second quarter of 2024 (EUR -3.2 million).

The Company has in Q2 2024 recognised deferred tax assets of EUR 1.1 million from losses carried forward, since the Company now is in operation and the uncertainty is low, related to the possibility that if there would be taxable profits available against the deductible temporary difference. Therefore, profit for the period ended at EUR -1.7 million (EUR -3.2 million), corresponding to EUR -0.10 per share (EUR -0.25).

The total sales, costs and operating EBIT are all lower than expected due to the delay of the first harvest and affecting the numbers per kg negatively. Considering the delay of first harvest, the result is in line with the expected result excluding the fair value adjustment of biological assets and the exchange rate deviations.

SECOND QUARTER 2024 CASH FLOW

The net cash flow from operating activities was EUR -0.2 million (EUR -4.8 million). This is primarily affected positively due to a EUR 1.3 million increase (EUR 3.1 million decrease) in trade payables. The net cash flow from operating activities is primarily affected negatively due to the operating loss of EUR -2.3 million (EUR -1.2 million) and a EUR 1.2 million increase (EUR 0.8 million increase) in biomass.

The net cash flow from investment activities was EUR -8.2 million (EUR -4.0 million), all related to payments for fixed assets.

The net cash flow from financing activities was EUR 6.1 million (EUR 15.0 million). Primarily from the second and final drawdown of EUR 10 million on the EUR 15 million loan from EksFin.

The total net cash flow during the second quarter of 2024 was EUR -2.3 million (EUR 6.2 million), leaving cash and cash equivalents at the end of the second quarter at EUR 10.4 million, down from EUR 34.4 million 12 months earlier.

FIRST HALF YEAR 2024 PROFIT AND LOSS

Nordic Aqua reached the commercial stage of its operations during the second quarter. Operating revenues in the first half year of 2024 amounted to EUR 4.7 million (EUR 0.0 million).

Farming costs in the first half of 2024 from cost of goods sold amounted to EUR 2.7 million (Q2 2023: EUR 0.0 million).

Other external expenses came in at EUR 5.0 million in the first half of 2024 (EUR 1.5 million), mainly related to production cost. Staff costs for the first half of 2024 totaled EUR 3.2 million, up from EUR 1.5 million in the first half of 2023. The increase is due to increased production and the corresponding development

Total equity
72.1
million EUR

of the organisation, expanding both operational and administrative capacity, all according to plan.

Thus, operating EBIT for the first half of 2024 ended at EUR -3.6 million (EUR -2.2 million). Operating EBIT/kg for the first half of 2024 corresponded to -6.93 EUR per kg (no harvest in first half of 2023).

Net financial items were negative EUR 0.8 million in the first half of the year (EUR -2.5 million), driven by financial expenses of EUR 1.5 million (EUR 0.2 million). Exchange rate deviations are mainly deviations on the EUR 25 million loan from Nordic Aqua to the subsidiary Nordic Aqua (Ningbo) and on the EUR 15 million loan from Export Finance Norway (EksFin). Financial expenses are related to interest payments on the loan facility.

Pre-tax profit came in at EUR -2.8 million for the first half of 2024 (EUR -4.7 million).

The Company has in Q2 2024 recognised deferred tax assets from losses carried forward, since the Company now is in operations and the uncertainty is low, related to the possibility that if there would be taxable profits available against the deductible temporary difference. Therefore, profit for the period ended at EUR -1.7 million (EUR -4.7 million), corresponding to EUR -0.10 per share (EUR -0.35).

The total sales, costs and operating EBIT are all lower than expected due to the delay of the first harvest, decreasing prices throughout the quarter and affecting the numbers per kg negatively. Considering the delay of first harvest, the result is in line with the expected result excluding the fair value adjustment of biological assets and the exchange rate deviations.

FIRST HALF YEAR 2024 CASH FLOW

The net cash flow from operating activities was EUR -1.7 million (EUR -4.8 million). This is primarily affected positively due to a EUR 4.0 million increase (EUR 1.1 million decrease) in trade payables and other current liabilities, and a EUR 2.0 million increase (EUR 0.7 decrease) in other current receivables. The net cash flow from operating activities is primarily affected negatively due to a EUR 6.0 million increase (EUR 1.5 million increase) in biomass.

The net cash flow from investment activities was EUR -15.6 million (EUR -13.0 million), all related to payments for fixed assets.

The net cash flow from financing activities was EUR 4.9 million (EUR 41.1 million). Primarily from the second and final drawdown of EUR 10 million on the EUR 15 million loan from Eksfin, and a deposit of EUR 3.8 million on a Debt Service Retention Account. The positive net cash flow from financing activities in the first half of 2023 was from first drawdown of EUR 15 million on the EUR 15 million loan from EksFin and the proceeds from the capital increase of EUR 26.2 million.

The total net cash flow during the first half of 2024 was EUR -12.4 million (EUR 23.2 million), leaving cash and cash equivalents at the end of the first half at EUR 10.4 million, down from EUR 34.4 million 12 months earlier.

FINANCIAL POSITION

As at 30 June 2024, Nordic Aqua had total assets of EUR 124.2 million (EUR 85.9 million). Book value of fixed assets amounted to EUR 68.0 million (EUR 46.7 million). Right of use assets amounted to EUR 18.4 million (EUR 0.0 million). Current assets decreased to EUR 30.8 million (EUR 37.9 million). Biomass at the end of the second quarter amounted to EUR 16.8 million (EUR 2.2 million). Biomass includes a fair value adjustment of EUR 3.6 million (EUR 0.0 million).

Total equity amounted to EUR 72.1 million (EUR 68.5 million), corresponding to an equity ratio of 58% (80%).

Non-current liabilities at the end of the second quarter were EUR 24.6 million (EUR 15.0 million). The change is related to the second and final drawdown of the loan from EksFin - Export Finance Norway in April 2023 of EUR 10.0 million and long-term leasing debt amounted to EUR 18.7 million (EUR 0.0 million).

Current liabilities at the end of the second quarter were EUR 8.7 million (EUR 2.4 million), of which trade payables amounted to EUR 5.9 million (EUR 2.0 million).

LIQUIDITY AND FINANCING

The Company’s budgets and plans are based on best estimates of the future at the time of issuing this interim report. Such plans relate to future events and the fulfilment of such are by nature subject to uncertainty. Due to reduced harvest, additional equity financing of approximately mNOK 250 will be raised and a share issue shall be closed not later than by the end of December. All primary insiders that are large shareholders and have access to this information (Kontrari AS, AKVA group ASA, Aino AS and Maringto AS) have all indicated to contribute to its funding needs going forward.

GOING CONCERN

In accordance with section 3-3a in the Norwegian Accounting Act, it is hereby confirmed that the financial statements have been prepared on the assumption that the entity is a going concern. The Board considers that the interim financial statements for Nordic Aqua provide a true and fair picture of the Group’s results for the second quarter and first half of 2024 and the Group’s financial position at the end of the quarter.



Project Review

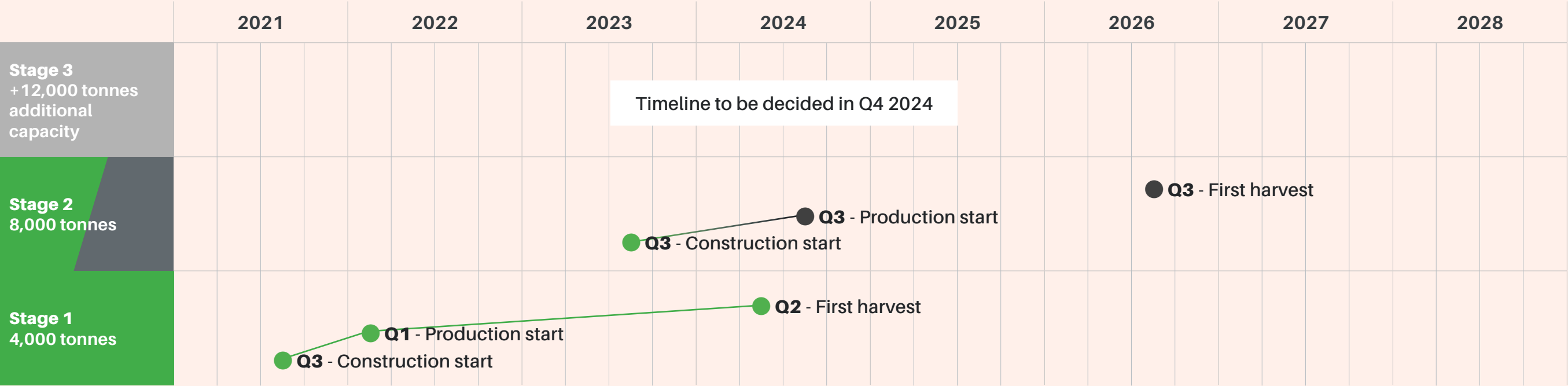
All necessary land, infrastructure and operational facilities needed to for the development of the project is facilitated by the local governments and made available for Nordic Aqua under long term lease agreements through Xiangshan Strait Economic & Technological Cooperation Co., Ltd.

The lease agreements are entered at fixed terms and reduces risk for potential cost overruns on buildings and infrastructure.

The contract with AKVA Group for delivery of the Stage 1 RAS system, was a turnkey delivery contract, which means that the contract amount is fixed all the way to installation, commissioning, and handover. For Stage 2, the contract with AKVA Group is based on a target price arrangement, so potential changes in sourcing indexes may impact the price.



Project milestones



Stage 1: Completed
Stage 2: Annual
production capacity
8,000 tonnes HOG

Combined, the long-term lease contracts with Xiangshan Strait Economic & Technological Cooperation Co., Ltd., and the contracts with AKVA Group contribute to reduce/minimise risk for potential cost overruns in the projects.

As the project has progressed, Nordic Aqua has made individual adjustments to the design of the facility and the RAS technology together with the local government and AKVA. This optimises operations and CAPEX. However, some of the adjustments have come in addition to underlying contracts and may imply changes to previously communicated capital expenditures.

STAGE 1

The first stage of the Gaotang buildout, which constitutes an annual production capacity of 4,000 tonnes HOG, is completed. The civil work on buildings was

finished in October 2023, while the RAS system for Purging was finished and ready in March 2024. The processing plant was ready in April 2024.

The farming technology part is projected to be in finalised with a total projected cost of EUR 53.0 million, slightly above original budget at EUR 52.5 million. By the end of the second quarter, accumulated CAPEX for Stage 1 amounted to EUR 52.1 million.

Capex overview Stage 1 (EURm)	
Accumulated CAPEX per 30/06/24	52
Remaining	1
Total	53

The total cost for the processing plant is estimated to be approximately EUR 4.5 million. The plant has a designed capacity for an annual harvest of 20,000 tonnes HOG. To support the full 20,000 tonnes HOG, two more Baader gutting machines and one more palletising robot needs to be installed together with minor adjustments, though representing a limited CAPEX. By the end of the second quarter, accumulated CAPEX for the processing plant amounted to EUR 1.8 million.

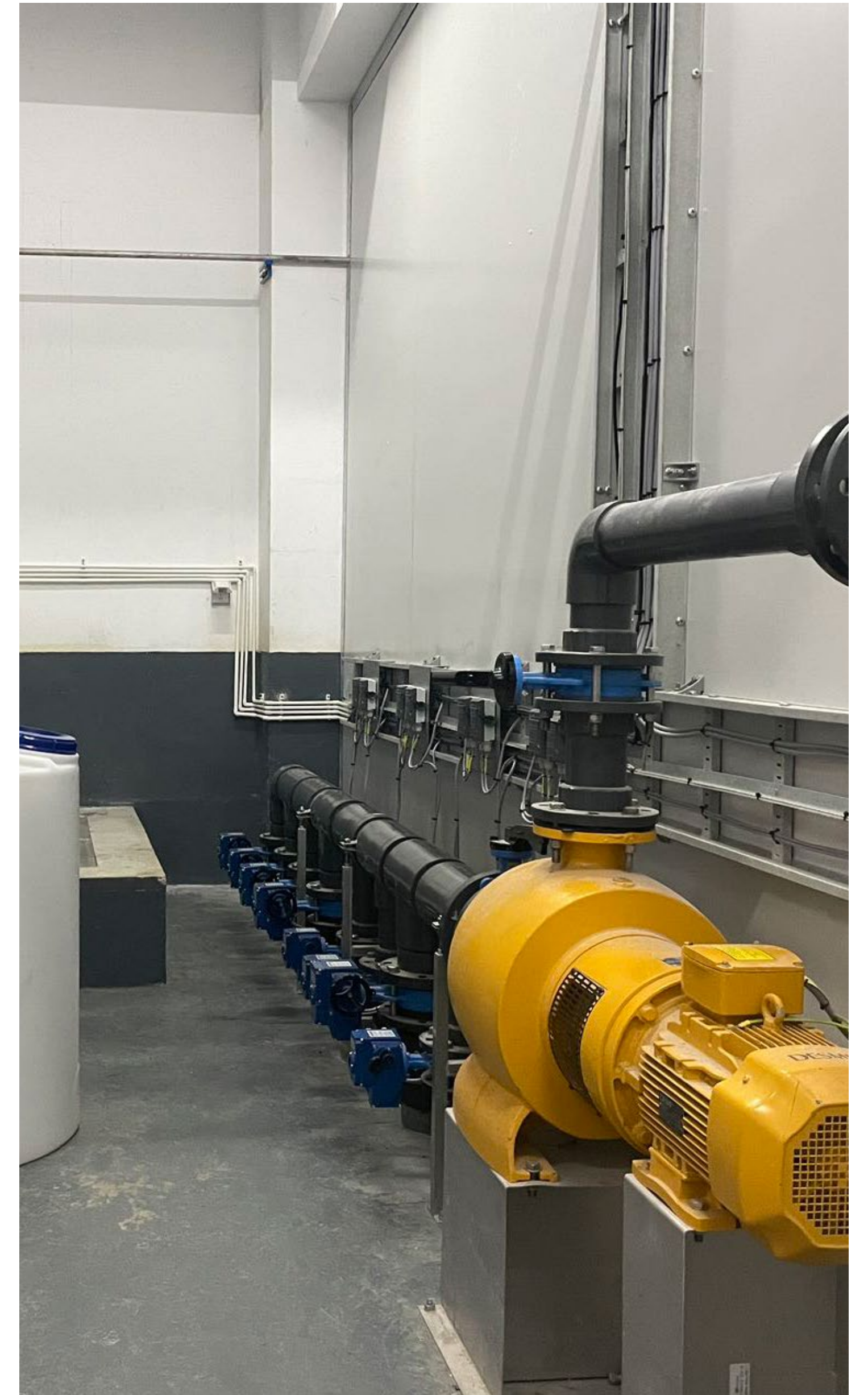
STAGE 2

The second stage will increase annual production capacity to 8,000 tonnes HOG.

Following the end of Stage 1, the large building is now enlarged, and the small building is receiving RAS equipment. The hatchery's extra capacity and start-feeding in the small building is finished and operational. The construction of the additional parr unit is nearly completed and installation of the additional smolt unit has begun. Work is going according to plan in the big building, with piling work completed and concrete construction underway.

The Government has entered into a construction contract that aligns with our time schedule with first inlay of eggs for Stage 2, expected to be in Q3 2024, with first harvest from Stage 2 in Q3 2026.

The farming technology part is projected to cost around EUR 63.0 million. By the end of the second quarter, accumulated CAPEX for Stage 2 amounted to EUR 15.9 million. There will be additional CAPEX related to proactive geosmin management of EUR 2.0 million.



Market Opportunity

On a global scale the demand for healthy, nutritious, and sustainably produced seafood continues to rise.

However, the conventional farming of Atlantic Salmon has witnessed limited supply growth in recent years. This disparity between demand and supply has resulted in a tight market balance, contributing to consistently high global salmon prices.

As the largest seafood market globally, China's momentum is driven by the rapid expansion of its upper middle- and high-income class, estimated at 54 % of the Chinese households by 2025 (McKinsey 2022)¹.

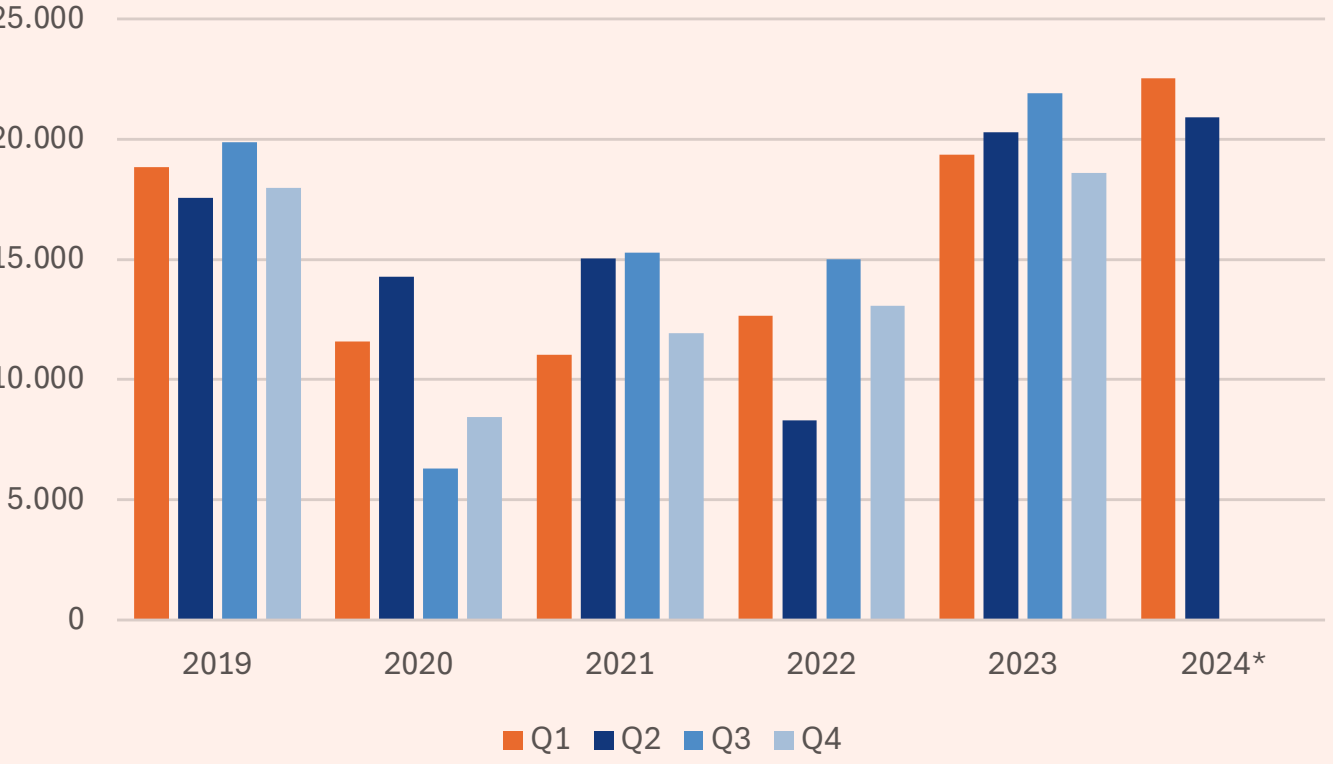
MARKET SITUATION AND STRATEGIC CONSIDERATIONS

The Chinese market for Atlantic salmon, which started developing in the 1990s, is a market that has traditionally been known for having the food service channel as a key channel. In that respect, raw consumption of Atlantic salmon in Japanese restaurants, in the form of sashimi slices or sushi have been the key usage. In such as a market situation, large sized Norwegian salmon, meaning above 6 kgs (HOG) have been a preferred choice. The Chinese market has harsh competition from several countries of origins, such as Faroe Islands and Scotland from the European side, as well as from Chilean and Australian. The food

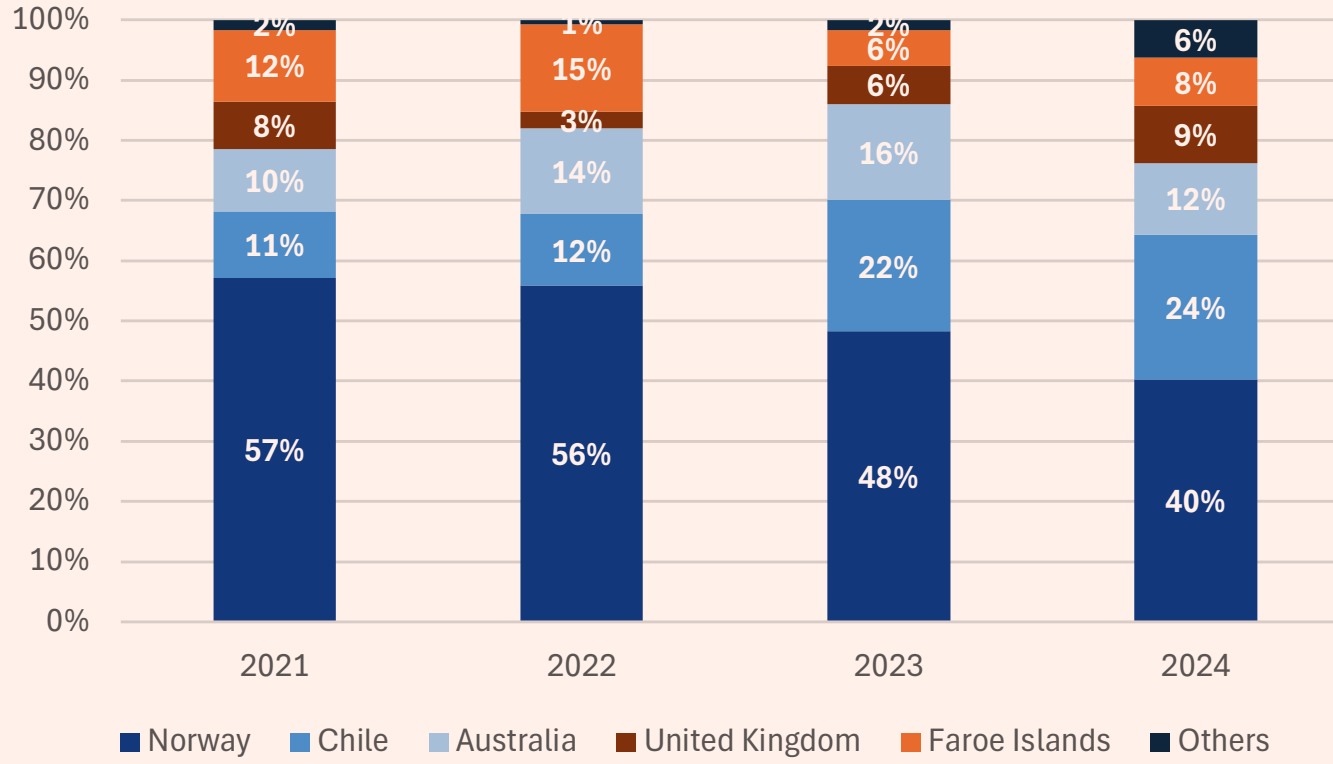
¹) Source 2023 McKinsey China Consumer Report



Import volume per quarter
Fresh or chilled Atlantic salmon (tonnes)



Share of market, Jan - June
Fresh or chilled Atlantic salmon (tonnes)



Chinese customs data as of 30.06.2024
Import price includes import duty

service industry’s consumption of Atlantic salmon is estimated by various local industry actors to represent 80-85% of the market.

A trend that has emerged in recent years is an increase in home consumption of Atlantic salmon and sales via e-commerce platforms. Fresh Atlantic salmon can be found in retail chains throughout key cities around China, as well as available for online purchases. The estimate is that retail channels, online and offline, constitute 15-20% percent of the total market. The Atlantic salmon used in retail channels are also 4-5 kgs, and 5-6kgs, (HOG) and these are processed locally and distributed to retail channels. It is expected the trend of more home consumption and growth of sales via online channels will continue.

Nordic Aqua is proactively engaging with the market to further develop the market for salmon sizes below 5 kg, HOG, and we are reviewing options on how to adjust and to meet the current preference for larger size Atlantic salmon, mainly above 5kgs (HOG), which has traditionally achieved more attractive prices compared to smaller sizes. Furthermore, given a high untapped potential of increasing penetration of Atlantic salmon consumption in the growing Chinese market, the Company is also seeking to actively engage in creating business in new distribution channels and with partners closer to end-users. The unique benefits of Nordic PureAtlantic when it comes to freshness, food safety, sustainability and local presence are key pillars for creating a winning value proposition to consumers and key industry partners alike.

The importation of fresh whole Atlantic salmon to China reached 51 thousand tonnes in Jan-July, 2024, setting a new-record high, and a YoY growth of 10% in volume. The market demand is still robust, driven by the expansion of its upper middle- and high-income class as well as the growing appetite for healthy, nutritious, and sustainable seafood.

There are many countries of origins of Atlantic salmon competing in the Chinese market. While the H1 market share of Norway, a dominant player, dropped 17% from 2021 to 2024, the market witnessed the growth of other COOs, such as Chile and United Kingdom. Also, in 1H 2024, the share of other COO’s, showed a year-on-year increase of 4%, which indicates the Chinese market is open for new suppliers.

Nordic Aqua launched its brand Nordic PureAtlantic to the Chinese market in late April. As a newcomer to the market, Nordic Aqua, together with partners, aims to build a premium positioning towards food service as well as towards the retail sector with a compelling value proposition of unparalleled freshness, consistently superior quality, and high food safety standards. Activities are initiated to engage with top chefs to further influence the market. PR campaigns, media interviews as well as social media efforts are implemented in order to increase of the Nordic PureAtlantic towards end-users and strengthen and consolidate a premium position.

Brand Story

A NEW Partnership FOR CHINA, MILLENNIA IN THE MAKING

China has a long and deep history of aquaculture. Records from the early Zhou Dynasty, over 3,000 years ago, demonstrate advanced fish-rearing methods. By the time fish culturist Fan Li wrote his famous treatise, “The Classic of Fish Culture,” China had well and truly mastered the art of breeding fish at scale. These methods have resonated throughout the millennia and across different parts of the world touched by the sea. Through his generosity, these Chinese innovators embodied the notion that if you teach a person to fish you feed them for a lifetime.

With this spirit at heart, Nordic Aqua has partnered with the leading minds in Chinese aquaculture to develop state-of-the-art global fishery technology. The new Recirculating Aquaculture System (RAS) and land-based farm site, based in Ningbo, will harvest fresh Atlantic salmon for the first-time directly on Chinese soil. Here, Nordic farming expertise will blend seamlessly with the Chinese spirit of exploration. Our devotion to embedding advanced, environmentally sound practices is the perfect complement to the vast knowledge of land-based fish farming in this region of the country. Thus, we will foster mutual development, learning, and success in China, for China.

To realise this vision, Nordic Aqua has brought seasoned aquaculture experts from around the world together in Ningbo, on the Gaotang island of Xiangshan County. There, global Atlantic salmon experts and talents from China are undertaking the pioneering task of reclaiming land and building the country’s first RAS base to cultivate Atlantic salmon on land. The team is also working diligently to nurture and upskill local workforce, establish China’s first-ever stand-



ards for land-based aquaculture, and overcome challenges in translating technology to ground-breaking reality.

The result has been some of the world’s most premium Atlantic salmon. With unparalleled freshness, the rich exquisite flavour is second to none. It’s the pinnacle of seafood, with flavour lighting up the taste buds and a mouthful of pure deliciousness consumers will want to savour. That’s because every step of the way our meticulous process ensures such a great result. This process stems from both our passionate dedication and full confidence in land-based aquaculture technology.

From egg through to maturity, our technology monitors health indicators and the well-being of the fish. We employ globally leading seawater recirculation systems to cultivate our salmon in a pristine environment surrounded by disinfected and purified water. We strictly adhere to the principles of natural, scientific, and environmentally lighter aquaculture. Feeding only the highest-quality food, controlling density, and administering no antibiotics also means we keep our land-based habitat as close to the Atlantic salmon’s natural, pure environment as possible. Doing this means we’re preserving the most authentic aspects of Atlantic salmon. It also guarantees an Atlantic salmon of the purest and highest quality, suitable for raw consumption.

Millennia in the making, but as new as fresh-caught fish, Nordic Aqua’s partnership is the latest chapter in China’s storied history with aquaculture.

DESIGN MOCK-UPS



Outlook

The overall biological performance has developed well with very strong fish welfare, low mortality and good growth. Harvest was initiated successfully in April and grew through May and especially June. Harvest size and overall quality was good in Q2.

As communicated on July 24, 2024, incidents of off-flavour were detected in part of the production due to a high concentration of the off-flavour-compound geosmin. Elevated levels of geosmin, are known to occur in RAS facilities. The presence of such compounds, are without any health concerns for humans, but when present in extremely small quantities, may cause off-flavour to fish produced in such facilities.

Nordic Aqua takes all aspects of Nordic PureAtlantic's salmon quality seriously and strives to achieve the best quality and taste possible for our product. Water and fish are being monitored and tested for geosmin in a rigid and established process.

From the beginning of harvesting in April, the feedback from market on taste have been highly satisfactory. The incident in July set off an immediate in-depth study of the root causes of the problem as well as implementation of mitigating efforts. One of the reasons for high levels of geosmin in fish is related to overloading of the purging system with high biomass. Also, during this specific batch of fish, the exchange of new water was lower than average due to issues with the water production which have now been resolved. The Company has

also invested in equipment to regulate geosmin present in the purging unit, as well as equipment for reducing geosmin in the intake-water to the purging unit.

High levels of geosmin are also observed in the production units and the company strategy is to focus on low levels of geosmin before fish are transferred into the purging unit. Since the end of July, the Company has invested in an number of corrective technologies and adjusted some of the production protocols, which will contribute in bringing geosmin to acceptable levels.

The company plans to brint the geosmin situation under control over the next months and the harvesting of the best quality and taste possible for our product will continue. Efforts to further ramp up production and preserve low levels of geosmin will continue in the months to come.

Due to the initiatives taken to ensure an optimum taste, the harvest plan needs to be adjusted in H2 2024 to a significantly lower level. The company does not expect to have any harvest in Q3 2024 and 400 to 600 tonnes in Q4 2024. Therefore the guiding for FY 2024 will be 900 to 1,100 tonnes. The Company plans to be able to move a part of the biomass scheduled for harvesting in H2 to H1 2025. But it is uncertain at the point of reporting to what extent this is possible. The lower harvested and sold volumes will impact on the Company's liquidity for the second half of the year. Nordic Aqua will come back with a more precise guiding on harvest for 2025 during Q3 2024, but the range is estimated from 4,500 to 5,000 tonnes.

Nordic Aqua launched its brand Nordic PureAtlantic to the Chinese market in late April and generated market knowledge and valuable feedback. The company will continue together with customers and partners to build a premium positioning towards the food service and retail sector with a compelling value proposition of unparalleled freshness, consistently superior quality, and high food safety standards. Activities including 2B presence at trade events, media events, and end-user activities toward food service are planned for Q3 and Q4 this year. In a strategic move to intensify and expand the commercial efforts, Nordic Aqua has strengthened the sales team that will significantly bolster the business development, strategic partnerships, and market presence in China.

Nordic Aqua is well underway with the buildout of Stage 2, which will double capacity to 8,000 tonnes HOG. The first inlay of eggs for Stage 2 will be in Q3 2024, with first harvest from Stage 2 in Q3 2026.

Preparations for the expansion to 20,000 tonnes HOG (Stage 3) are well under-way, and a final decision on the timeline will be made during Q4 2024.

The Group is anticipating a need for capital in the near term, partly due to the geosmin incident, which has significantly reduced harvest volumes forecasted for 2024. To maintain financial stability and support growth prospects, securing additional external funding sources is essential.

The new Corporate Sustainability Reporting Directive (CSRD) will soon come into effect for small and medium sized business, which will impact our approach to the management and reporting of environmental, social and governance (ESG) topics. We believe the work we must carry out to comply with this will better equip us to mitigate risks and capitalise on opportunities from the fast-changing external environment in which we are operating.

Related Parties' Transactions

Nordic Aqua has entered into contracts with two of closely related parties. The contracts include ongoing and future deliveries of RAS technology and support, in addition to feed sales and R&D projects.

- Technology supply contract with AKVA Group.
- Feed sales and delivery agreement with Skretting, a subsidiary company of Nutreco.
- Trial and data access agreement with Skretting.

Knut Nesse is member of the Board of Directors of the Company and CEO of AKVA Group. Further, Nutreco, the parent company of Skretting, and AKVA Group are main shareholders in Nordic Aqua Holding ApS, the second largest shareholder of Nordic Aqua.

All agreements have been entered into at arm's length and at market terms. Other than those set out above, the Company has not entered into any transactions with related parties during the first quarter of 2024, that may be material to assessing the admission to trading on Euronext Growth.

Subsequent Events

GEOSMIN INCIDENT

As communicated in the operational update to the market of 24 July, Nordic Aqua detected an off-flavour due to a concentration of high geosmin in the fish. The Nordic Aqua team are working to identify the root causes and both immediate and long-term solutions are implemented, and further corrective action are under implementation, to remove the problem during H2. Due to the initiatives taken and further investigations, the harvest plan will be adjusted for H2 2024 to a significant lower level. We plan to move a part of the biomass scheduled for harvesting in H2 to H1 2025. But it is uncertain at the point of reporting to how much volumes that can be transferred. The lower harvested and sold volumes, as well as corrective capex, will impact on the Company's liquidity for the second half of the year.

The affected salmon, 190 MT HOG, will not be sold for human consumption but sold at a substantially lower price. Costs from the fish that lost its value in purging, announced to the stock market on the 24.07.2024, amounted to EUR 1.1 million.

As a consequence of the incident, after harvesting the 190 MT (HOG), the purging department (8 tanks) will be emptied, disinfected and refilled with pure, cleaned water, and new salmon will eventually be moved to purging. As one element of the incident was overstretching the purging capacity due to excellent fish growth, purging department will be restarted in a controlled manner. This will thus further impact the harvest volume for the whole 2nd half of 2024.

In parallel, the Company is continuing its efforts, together with customers, of building a long-term position with unparalleled freshness and high-quality Atlantic salmon in the growing Chinese salmon market.

ORGANISATION

As of July 1, Vanessa Liu has taken on the role of Senior PR Executive at Nordic Aqua. Vanessa brings significant experience in PR and branding particularly in the premium seafood segment within China. Her expertise will be pivotal in enhancing the brand image and marketing efforts for Nordic PureAtlantic, and ensuring the company's high-quality land-based Atlantic salmon resonate strongly with Chinese consumers.

Effective October 1, Morten Westby will join Nordic Aqua as the new head of business development and strategic partnerships. Morten is a seasoned executive in the seafood industry with extensive experience in the Chinese market.

He previously served as the VAP Asia Manager at Lerøy, where he played a crucial role in expanding their footprint across Asia. Morten's deep understanding of the seafood sector and his strategic acumen make him an invaluable addition to the Nordic Aqua team.

Share information

Nordic Aqua Partners Holding ApS is the Company’s second largest shareholder with 5,168,922 shares, corresponding to 31.6% of total number of shares outstanding. Nordic Aqua Partners Holding ApS is owned by Nutreco, key personnel and others. Nordic Aqua Partners Holding Aps is in the process of being dissolved and the ownership in Nordic Aqua Partners AS will be held directly. This process is expected to be concluded in Q3.

The Board of Directors has allocated 603,490 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 Board is authorised to increase the share capital by up to NOK 486,478 in connection with the Company’s incentive program, in one or more share capital increases through issuance of new shares. The authorisation may only be used to issue shares to the Group’s employees and Board members in connection with incentive programs, both individual and general. The authorisation is valid until the annual general meeting in 2025, however no longer than until 30 June 2025.

Main Shareholders

Rank	Shareholder	Holdings	%-share
1	Kontrari AS	5,176,125	31.7%
2	Nordic Aqua Partners Holding Aps	5,168,922	31.6%
3	Israel Corporation Ltd	1,508,320	9.2%
4	J.P. Morgan SE	329,880	2.0%
5	Saxo Bank A/S	317,682	1.9%
6	Nordea Funds Ltd.	262,357	1.6%
7	Prima Blue AS	249,244	1.5%
8	The Bank of New York Mellon SA/NV	230,693	1.4%
9	Aino AS	193,965	1.2%
10	Maringto AS	161,146	1.0%
11	Danske Bank A/S	144,070	0.9%
12	Sonstad AS	122,000	0.7%
13	J.P. Morgan SE	120,810	0.7%
14	Kewa Invest AS	120,000	0.7%
15	Sparebank 1 Markets AS	101,218	0.6%
16	South Winds AS	100,770	0.6%
17	Bergen Kommunale Pensjonskasse	89,444	0.5%
18	Jan Heggelund	87,446	0.5%
19	Tamarillo Invest AS	85,592	0.5%
20	Kiwano Invest AS	75,592	0.5%
20	Babaco Invest AS	75,592	0.5%
Sum 20 largest		14,720.868	90.1%
Other 614 shareholders		1,613,221	9.9%
Total		16,334,089	100.0%

Risks and Uncertainties

OPERATIONAL RISKS

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 lower quality, 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 realise its business plan.

GEOPOLITICAL RISKS

The unfortunate situation with the war in Ukraine has added to the logistic challenges, however these are not considered to represent any risk for the project. See the Outlook and Milestone sections for a discussion of how the current inflationary pressure is impacting the Company.

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 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 will need future equity and/or debt financing to realise its plans.

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.

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.

The Group is anticipating a need for capital in the near term, partly due to the geosmin incident, which has significantly reduced harvest volumes forecasted for 2024. To maintain financial stability and support growth prospects, securing additional external funding sources is essential.

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.

FOREIGN EXCHANGE RISK

The cash and loan facility are primarily held in euros to match the coming capex payments. The loan facility has a fixed interest rate.

Responsibility statement from the Board of Directors and CEO

From the Board of Directors and CEO of Nordic Aqua Partners AS

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2024 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 review of important events that have occurred during the first three 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 nine months of the financial year, and major related parties’ transactions.

Over and above the disclosures in the interim report, no changes in the Group’s most significant risks and uncertainties have occurred relative to the disclosures in the annual report for 2023.

Oslo, August 21st, 2024

Atle Eide
Chairman

Therese Log Bergjord
Board member

Aino Olaisen
Board member

Vegard Gjerde
Board member

Knut Nesse
Board member

Ove Nodland
Board member

Marit Solberg
Board member

Ragnar Joensen
CEO

Financial Statements



Consolidated Statement of Comprehensive Income

Summary of result

(figures in EUR 1000)	Note	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	4	-845	-96	-1,645	-123
Operating EBIT		-1,533	-1,239	-3,620	-2,207
Fair Value of Biological Assets	5	-782	0	1,656	0
EBIT		-2,315	-1,239	-1,964	-2,207
Financial income		5	154	17	185
Exchange rate deviations		193	-1,989	661	-2,400
Financial expenses		-671	-125	-1,525	-247
Financial expense - net		-473	-1,960	-847	-2,462
Profit/loss before tax		-2,788	-3,199	-2,811	-4,670
Income tax expense		-1,101	0	1,101	0
Profit/loss for the period		-1,687	-3,199	-1,710	-4,670
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		175	-1,154	352	-1,348
Other comprehensive income		175	-1,154	352	-1,348
Total comprehensive income for the period		-1,512	-4,353	-1,358	-6,018
Earnings per share					
Basic		-0.10	-0.25	-0.10	-0.35
Diluted		-0.10	-0.21	-0.10	-0.33

Consolidated Statement of Financial Position

(figures in EUR 1000)	Note	30.06.2024	30.06.2023	31.12.2023
Assets				
Assets under construction	4	28,805	45,831	31,161
Property, plant & equipment	4	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
Total non-current assets		93,404	47,962	64,446
Biological assets (Biomass)	5	16,806	2,187	9,178
Inventory		503	0	457
Other current receivables	7	2,852	1,331	5,082
Receivables	7	245	0	0
Cash and cash equivalents	7	10,363	34,392	22,422
Total current assets		30,769	37,910	37,139
Total assets		124,173	85,872	101,585
Equity and liabilities				
Share capital		1,425	2,001	1,425
Other equity		70,672	66,469	71,925
Total equity		72,098	68,470	73,350
Long-term interst-bearing debt	6	24,636	14,960	15,016
Long-term leasing debt		18,704	0	9,495
Total non-current liabilities		43,340	14,960	24,511
Short-term interest-bearing debt		772	0	0
Short-term leasing debt		420	0	206
Trade payables	7	5,892	2,044	2,394
Other current liabilities	7	1,651	399	1,124
Total current liabilities		8,735	2,442	3,724
Total liabilities		52,075	17,402	28,235
Total equity and liabilities		124,173	85,872	101,585

Consolidated Statement of Cash Flow

(figures in EUR 1000)	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Cash flow from operating activities					
Operating profit/loss		-2,315	-1,239	-1,964	-2,207
Adjustments for:					
Depreciation	4	845	96	1,645	123
Fair value adjustments	5	782	0	-1,656	0
Exchange rate deviations		-79	-70	142	395
Equity-settled share-based payment transactions		50	40	106	79
Changes in working capital:					
Change in other current receivables		22	345	1,973	-680
Change in trade payables		1,334	-3,091	3,498	-1,252
Change in other current liabilities		565	7	527	170
Change in inventory		-215	0	-46	0
Change in biomass	5	-1,158	-848	-5,972	-1,461
Net cash flow from operating activities		-169	-4,759	-1,747	-4,834
Cash flow from investment activities					
Payments for fixed assets and other capitalisations		-8,218	-3,995	-15,610	-12,985
Net cash flow from investment activities		-8,218	-3,995	-15,610	-12,985
Cash flow from financing activities					
Change in interest-bearing debt (short and long)		10,673	14,960	10,392	14,960
Change in financial assets		-3,771	0	-3,771	0
Interest received		5	154	17	185
Interest paid		-671	-125	-1,525	-246
Lease payments		-99	0	-167	0
Proceeds from Capital increase		0	0	0	26,737
Transaction cost		0	0	0	-576
Net cash flow from financing activities		6,137	14,989	4,946	41,060
Net change in cash and cash equivalents		-2,250	6,235	-12,411	23,241
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
Cash and cash equivalents at the end of the period		10,363	34,392	10,363	34,407

Consolidated Statement of Changes in Equity

(figures in EUR 1000)	Share capital	Share premium reserve	Currency translation differences	Retained earnings	Share based payments	Total equity
Equity January 1 st 2024	1,425	93,888	331	-22,584	289	73,349
Net profit/(loss) for the period				-1,710		-1,710
Other comprehensive income			352			352
Share-based payments					106	106
Total comprehensive income	1,425	93,888	683	-24,294	395	72,098
Balance June 30th 2024	1,425	93,888	683	-24,294	395	72,098

(figures in EUR 1000)	Share capital	Share premium reserve	Currency translation differences	Retained earnings	Share based payments	Total equity
Equity January 1 st 2023	1,381	59,319	1,903	-14,355	0	48,248
Correction of prior years misstatement			-129		129	0
Net profit/(loss) for the period				-4,670		-4,670
Other comprehensive income			-1,348			-1,348
Share-based payments					79	79
Total comprehensive income	1,381	59,319	426	-19,025	208	42,309

Capital increase	620	26,117				26,737
Transaction costs	0	-576				-576
Total transactions with owners	620	25,541	0	0	0	26,161
Balance June 30th 2023	2,001	84,860	426	-19,025	208	68,470

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 31, 2023.

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

The consolidated financial statements are presented in thousand euro (kEUR) which is the functional currency of Nordic Aqua Partners AS, please see further information in note 2.

The Group’s general accounting policies are described below.

**NOTE 2. CHANGE OF FUNCTIONAL CURRENCY
AND PRESENTATION CURRENCY**

As a result of the merger between the Danish parent company and the Norwegian parent company completed in August 2023, the primary economic environment and generation and use of cash flows of the Group became mainly denominated in euro. Consequently, effective on August 17, 2023, Nordic Aqua Partners AS changed its functional currency from the Norwegian krone (“NOK”) to the euro (“EUR”). The Group changed both its presentation currency of its consolidated financial statements from the Danish kroner (“DKK”) to the euro (“EUR”).

Nordic Aqua Partners AS is a holding company that does not undertake any material operating activities of its own. Therefore, the indicators in IAS 21.9 are not the most relevant factors in determining the functional currency of the Company. In consideration of the indicators in IAS 21.10, the Company deter-

mined that the financing activities, the relatively large part of future investments in property, plant and equipment in EUR for the Chinese subsidiary and the currency in which cash and cash equivalents are retained, were relevant factors indicating that the NOK will not be the currency to reflect the principal economic environment in which the Company will generate and expend its cash. Accordingly, in accordance with IAS 21.36, the Company determined that the EUR is the new functional currency that will most faithfully reflect the underlying transactions, events and conditions relevant to the Company following the merger between the Danish parent company and the Norwegian parent company. Under IAS 21.35, when there is a change in an entity’s functional currency, the entity should apply the translation procedures applicable to the new functional currency prospectively from the date of the change. The Company, based on its judgment and considering that the underlying transactions, events and conditions that justify the change in its functional currency have developed gradually, and those of greater relevance took place during 2023, it has decided due to practical expedient, to apply the translation procedures applicable to the new functional currency prospectively beginning on August 17, 2023. This change in functional currency was accounted for prospectively from the date of the change by translating all items of the financial statements into the new functional currency, using the exchange rate of 7.4520 DKK/EUR at the date of the change.

The change in the presentation of the Group accounted for as a change in accounting policy and applied retrospectively, as if the new presentation currency had always been the presentation currency of the consolidated financial statements. Consequently, comparative figures for years prior to the effective date of August 17, 2023 have been restated to the new presentation currency in accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates. The consolidated statements of comprehensive income and the cash flows for the year ended December 31, 2022 has been restated to the presentation currency using the average exchange rate. The consolidated statements

of financial position as of June 30, 2023 has been translated into EUR using the closing exchange rate of 7.4474 DKK/EUR. Issued capital, retained earnings and other reserves within equity have been translated using the historical exchange rates. All of resulting exchange differences have been recognised in equity under the reserve for exchange differences in translation.

NOTE 3. 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 31 December 2023, 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 4. PROPERTY, PLANT, AND EQUIPMENT

(figures in EUR 1000)	Other plant, fixtures and operating equipment	Construction in progress	Total
Cost at 1 January 2024	22,511	31,161	53,672
Exchange rate adjustment	220	305	525
Reclassification	18,081	-18,081	0
Additions	189	15,420	15,609
Cost at 30 June 2024	41,001	28,805	69,806
Depreciation and impairment at 1 January 2024	-604	0	-604
Exchange rate adjustment	-6	0	-6
Depreciation for the year	-1,168	0	-1,168
Depreciation and impairment at 30 June 2024	-1,778	0	-1,778
Carrying amount 30 June 2024	39,223	28,805	68,028
Cost at 1 January 2023	802	35,907	36,709
Exchange rate adjustment	-61	-2,727	-2,788
Additions	334	12,651	12,985
Cost at 30 June 2023	1,075	45,831	46,906
Depreciation and impairment at 1 January 2023	-94	0	-94
Exchange rate adjustment	7	0	7
Depreciation for the year	-123	0	-123
Depreciation and impairment at 30 June 2023	-210	0	-210
Carrying amount 30 June 2023	865	45,831	46,696

NOTE 5. BIOLOGICAL ASSETS

(figures in EUR 1000)	2024	2023
Biological assets carrying amount 01.01.	9,178	726
Increase due to production or purchase	9,895	1,301
Reduction due to harvesting or sales (cost of goods sold)	-2,732	0
Reduction due to obsolete goods	-1,114	0
Fair value adjustments at the beginning of the period reversed	-1,895	0
Fair value adjustments at the end of the period	3,551	0
Currency translation differences	-77	160
Biological assets carrying amount at the end of the period	16,806	2,187
Number of fish (thousand)	2024	2023
Fish measured at cost	1,132	1,474
Fish measured at fair value	754	0
Total number of fish (thousand)	1,886	1,474
Volume of biomass (tonnes)	2024	2023
Fish measured at cost	209	78
Fish measured at fair value	2,223	0
Total volume of biomass (tonnes)	2,432	78
Sensitivity effect on fair value (EUR 1000)	2024	2023
Price increase of EUR 0.5	1,478	0
Volume of biomass increase of 1%	219	0
Discount rate increase of 1%	-1,101	0
Discount rate decrease of 1%	1,207	0

NOTE 6. 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 was split in 2 drawings based on progress on Capex. The Facility shall be repaid in equal, consecutive quarterly instalments starting one year after finishing date of the Project, 31 March 2024, and the facility matures 10 years after the first drawdown date. The first drawdown on EUR 15 million took place in April 2023 and the second drawdown on EUR 10 million took place in May 2024. Nordic Aqua has an agreement with Bank of Ningbo, Xiangshan Branch, to provide a conditional VAT and Duty facility of RMB 35 million (EUR 4.5 million). The conditional VAT and Duty facility of RMB 35 million from Bank of Ningbo, Xiangshan Branch is now secured for general working capital purposes. Cash and loan facility is primarily held in EUR to match the coming Capex-payments. The loan facility is based on fixed interest rate.

(figures in EUR 1000)	30.06.2024	30.06.2023
Credit facility	29,138	29,974
Undrawn credit facility	-3,730	-29,974
Total financial liabilities	25,408	0
Included in the balance sheet:		
Non-current liabilities	24,636	14,960
Current liabilities	772	14,960
Total bank loans	25,408	14,960

NOTE 7. 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 30 June 2024, the Group has interest-bearing debt net of EUR 25.4 million (EUR 0.0 million).

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.

The Group is anticipating a need for capital in the near term, partly due to the geosmin incident, which has significantly reduced harvest volumes forecasted for 2024. To maintain financial stability and support growth prospects, secur-ing additional external funding sources is essential.

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 contin-uously monitors the cash flows in order to manage the liquidity risk.

As of 30 June 2024, the Group had cash and cash equivalent of EUR 15.0 million including a Debt Retention Account of EUR 4.5 million, available liquidity is therefore EUR 10.4 million. In addition, the Company has a Working capital facility of RMB 35 million (4.5 EUR) available on terms and conditions, whereof RMB 6 million where drawn as of 30 June 2024.

Financial assets consists of EUR 1.3 million in deposits regarding the lease agreement and EUR 4.6 million is a Debt Retention Account regarding the loan from Eksfin – Export Finance Norway and Coöperative Rabobank U.A.

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, NOK 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.

NOTE 8. CONTINGENT LIABILITIES AND SECURITY FOR DEBT

Security for debt

Assets in property, plant and equipment and biological assets (biomass) will be pledged as security for bank loan facility.

As of 30 June 2024, assets in property, plant and equipment and biological assets (biomass) have been pledged for a total amount of EUR 52.8 million (EUR 0.0 million).

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 lease contract, with a

contracted option for the Group to purchase land, infrastructure, utilities and all facilities during the lease term. The annual lease amounts to EUR 2.0 million for Stage 1.

NOTE 9. RELATED PARTIES

Transactions with related parties

A company where the CEO has significant influence has received advising fee for assistance to the Company kEUR 0 in YTD Q2 2024 (YTD Q2 2023: 62 kEUR).

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 2023.

NOTE 10. ALTERNATIVE PERFORMANCE MEASURES (APM’S)

The Group’s financial information is prepared in accordance with international financial reporting standards (IFRS). To enhance the understanding of the Company’s financial performance, the Management’s intention is to provide alternative performance measures, which are regularly reviewed by the Management. These alternative performance measures are not replacing the financial statements prepared in accordance with IFRS. Other companies may determine or calculate the presented alternative performance measures differently. The APM’s are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over time and across the Company’s where relevant.

Operating EBIT

Operating EBIT is EBIT aligned for fair value adjustments. Operating EBIT is a common alternative performance measure in the salmon farming industry, and it is Nordic Aqua’s experience that this APM is frequently used by analysts, investors and other parties. A reconciliation from EBIT to Operating EBIT is provided below.

(figures in EUR 1000)	Q2 2024	Q2 2023	YTD 2024	YTD 2023
EBIT	-2,315	-1,239	-1,964	-2,207
Fair Value of Biological Assets	782	0	-1,656	0
Operating EBIT	-1,533	-1,239	-3,620	-2,207

Operating EBIT/kg

Operating EBIT/kg is Operating EBIT divided by harvest volume, HOG in the same period. Operating EBIT/kg is a common alternative performance measure in the salmon farming industry, and it is Nordic Aqua’s experience that this APM is frequently used by analysts, investors and other parties.

Net interest-bearing debt (NIBD)

NIBD consists of both current and non-current interest-bearing liabilities, less cash and cash equivalents. The NIBD is a measure of the Group’s net indebtedness that provides an indicator of the overall balance sheet strength. It is also a single measure that can be used to assess both the Group’s cash position and its indebtedness. The use of the term net debt does not necessarily mean that the cash included in the net debt calculation is available to settle the liabilities included in this measure. Net debt is an alternative performance measure as it is not defined in IFRS. The most directly comparable IFRS measure is the aggregate interest-bearing liabilities (both current and non-current), derivatives and cash and cash equivalents. A reconciliation of NIBD is provided below.

(figures in EUR 1000)	30.06.2024	30.06.2023	31.12.2023
Long-term interest-bearing debt	24,636	14,960	15,016
Short-term interest-bearing debt	772	0	0
Cash and cash equivalents	-10,363	-34,392	-22,422
Net interest-bearing debt (NIBD)	15,045	-19,432	-7,406

Parent Company Details

Parent Company

Nordic Aqua Partners AS
C. J. Hambros Plass 2c
0164 Oslo
Norway

Business Registration No.:
928 958 280

Registered office:
Oslo

Financial year:
01.01 – 31.12

Board of Directors

Atle Eide, Chairman
Aino Olaisen
Knut Nesse
Therese Log Bergjord
Vegard Gjerde
Ove Nodland
Marit Solberg

Executive Board

Ragnar Joensen, CEO

Auditors

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