



Nordic  
Aqua

# Nordic Aqua Partners

Q3 2023

November 2023



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# Agenda



## Highlights and New Recruitments

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Biology

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Outlook & Summary

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# Highlights

- Good operational and biological performance for all batches
- Good fish health and welfare, <1% mortality, and no signs of maturation
- Q3 biomass production of 397 tonnes. Total biomass of 610 tonnes by quarter end
- Batch 1 reached an average weight of 2.1kg, first harvest is expected in March 2024, and full capacity from May 2024
- Fish farming equipment for Stage 1 delivered on time at a total CAPEX of EUR 53m
- Strengthened commercial and operational competence through new hiring
- Strengthened financial capacity and flexibility through NOK 100m capital increase
- Available liquidity of EUR 36.5 million as of 30.09.23



# New recruitments in Q3-23



Andreas Thorud  
Managing Director, Nordic Aqua China



Tan Yong  
Project Manager



Jógvan Zachariasen  
Group Accounting Manager



Denise Qiu  
Financial Manager, Nordic Aqua China



Orfa Cabrera  
Farming Expert



Dan Tan  
Sales Manager



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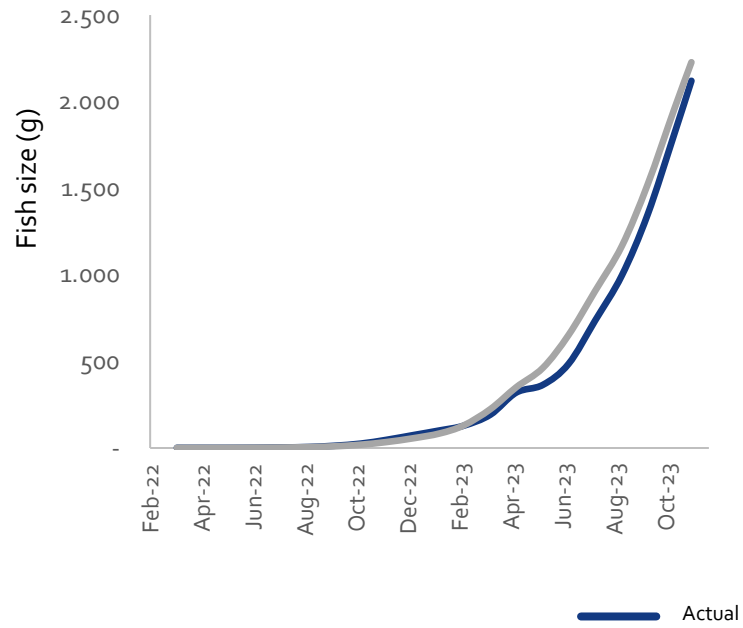
Outlook & Summary



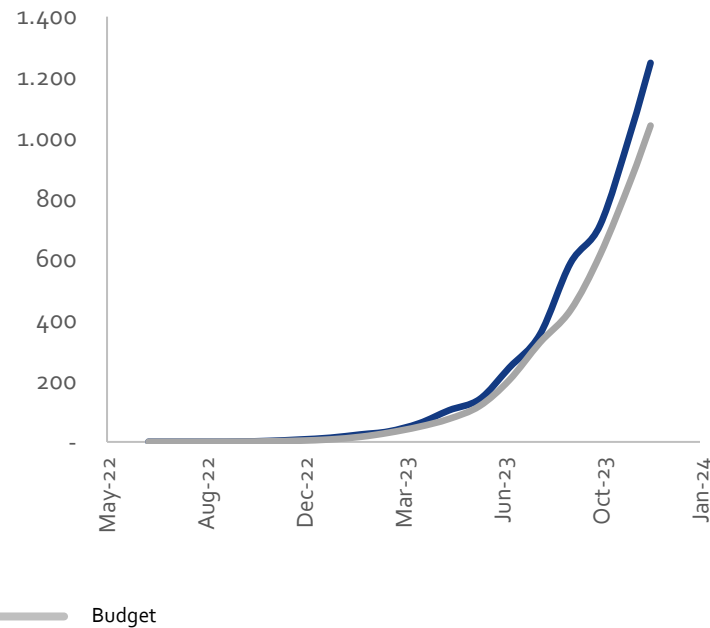


# Biological performance for Batch 1 and 2 as expected

## Batch 1



## Batch 2

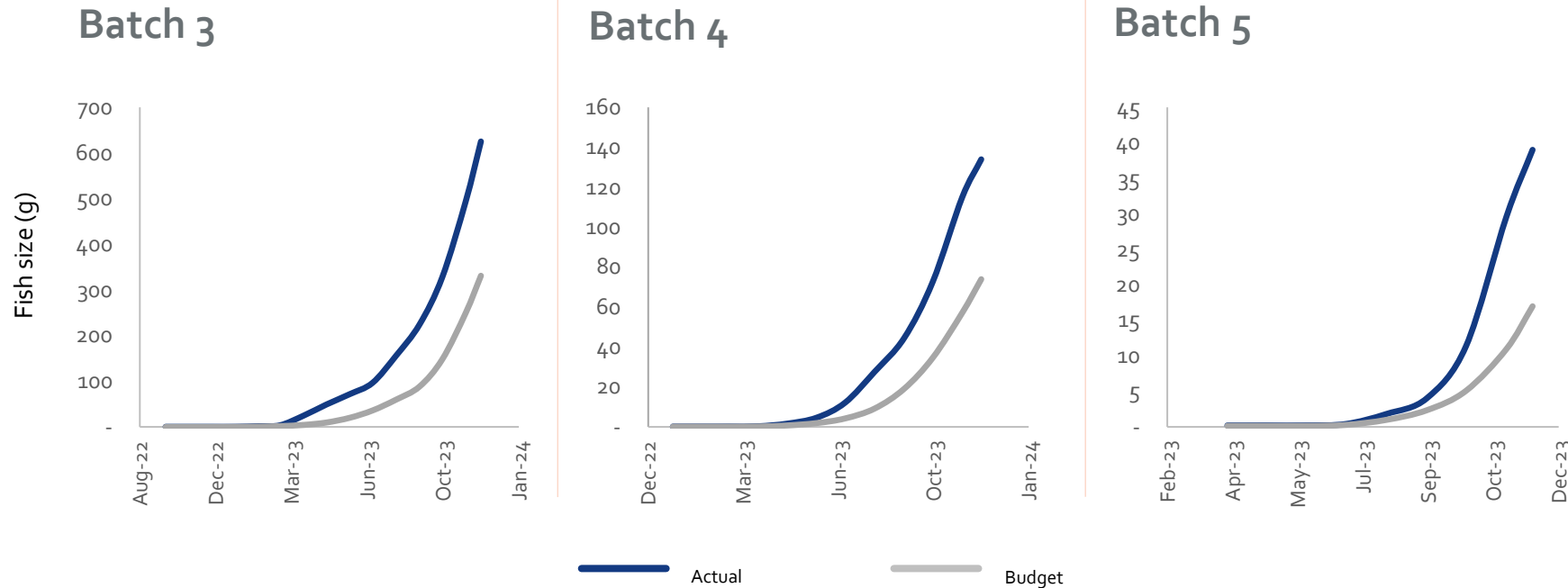


## Summary Batch 1 and 2

- Growth in Batch 1 is one week behind budget due to facility development alignment
- Batch 2 growth is three weeks ahead of budget
- No signs of maturation
- Accumulated mortality from 150 g is 0.9% in Batch 1 and 0.7 % in Batch 2
- Based on current growth first harvest of 5.3 kg live weight will be in March



# Batch 3-5 growth well above budget and expectations



## Summary Batch 3 and 4

- Growth in Batch 3 is 8 weeks ahead of budget
- Batch 4 growth is 7 weeks ahead of budget
- Accumulated mortality from 150 g is 0.4% in Batch 3



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# Project status

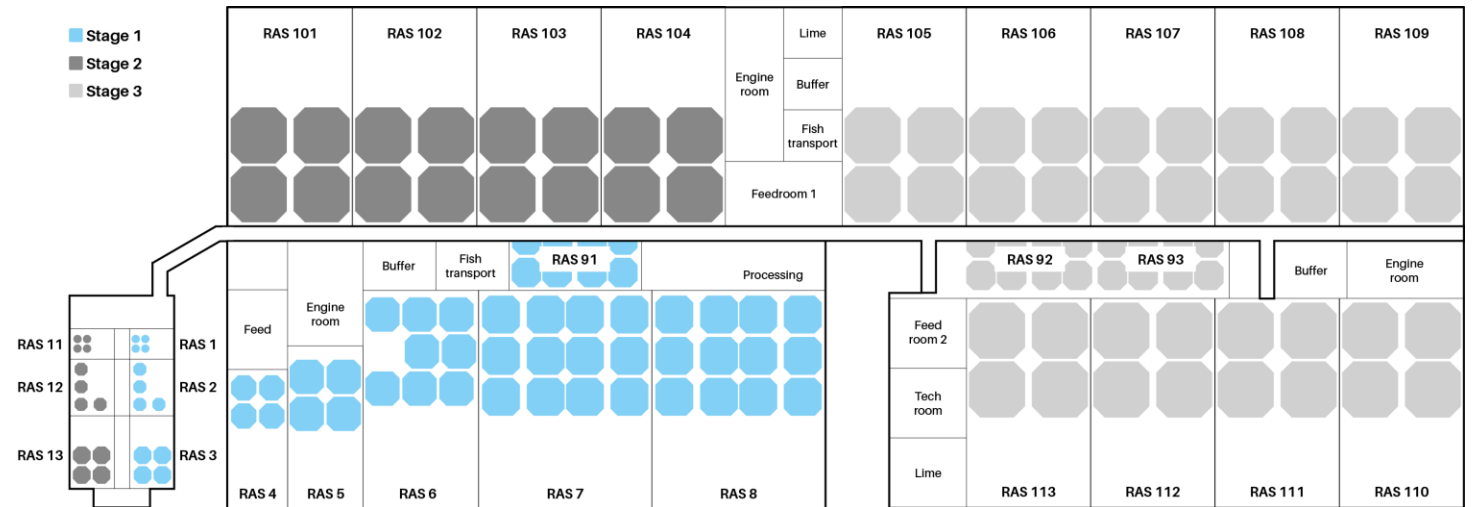
- Installation of RAS 6 completed in August
    - Fish moved from RAS 5 to RAS 6 in August
  - Installation of RAS 7 completed in November
    - Fish are currently being moved from RAS 6 to RAS 7
  - Construction and commissioning of RAS 9 to be completed in January 2024, and RAS 8 in February 2024
  - Processing Plant to be completed by February 2024
    - With minor additional investments the processing plant will have capacity
- 11 for Stages 1, 2 and 3





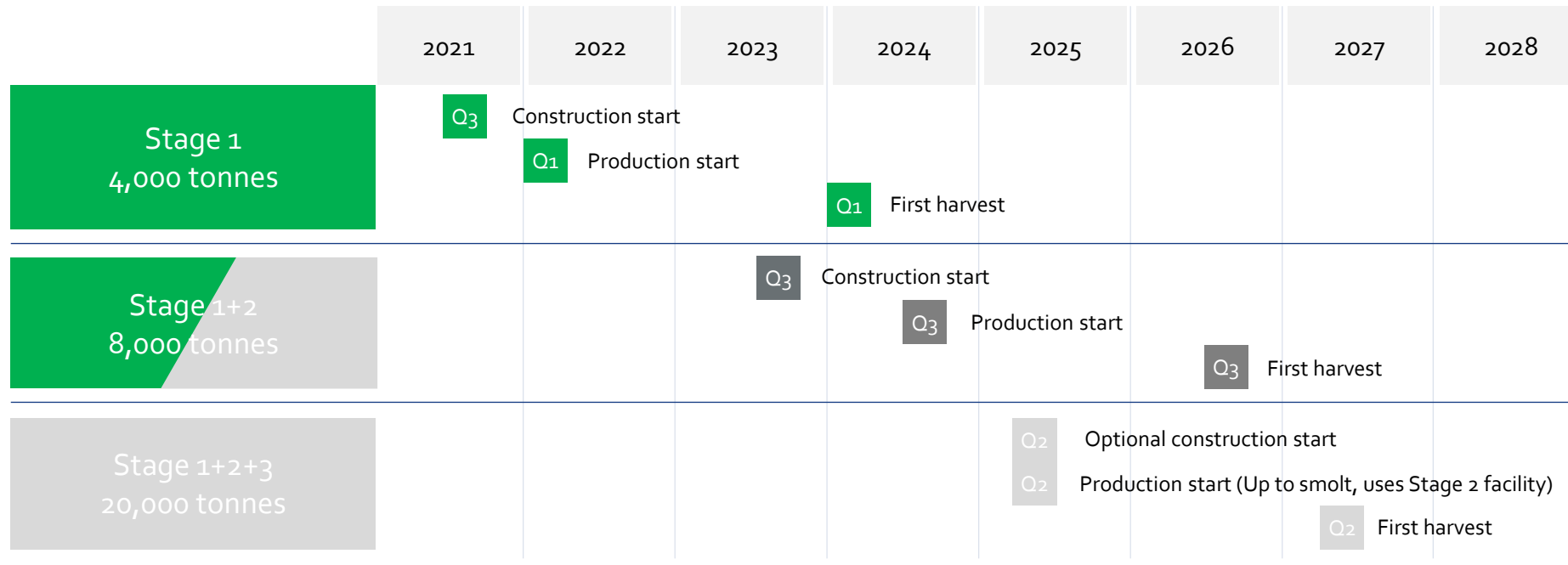
# Expanding to 8,000 tonnes and planning for 20,000 tonnes

- Budget for the fish farming part of Stage 1 on time and budget
- For Stage 2 RAS delivery is based on a target price arrangement
- The lease agreements with local government are entered at fixed terms and contribute to reduce the risk of potential cost overruns on buildings and infrastructure
- Continue to plan for 20,000 tonnes expansion in Stage 3



# Timeline of Gaotang buildout

## Timeline in Gaotang buildout





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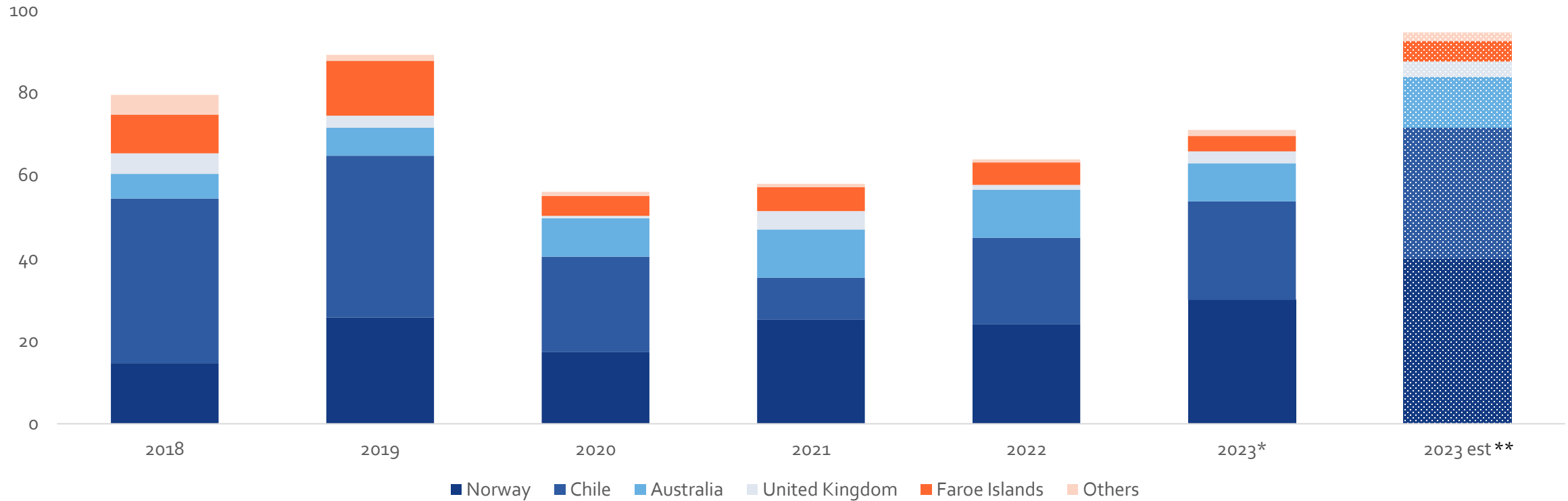
Financials

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# Import of Atlantic salmon at all-time high in 2023

## Chinese import of Atlantic fresh and frozen salmon by country of origin (1,000 tonnes)



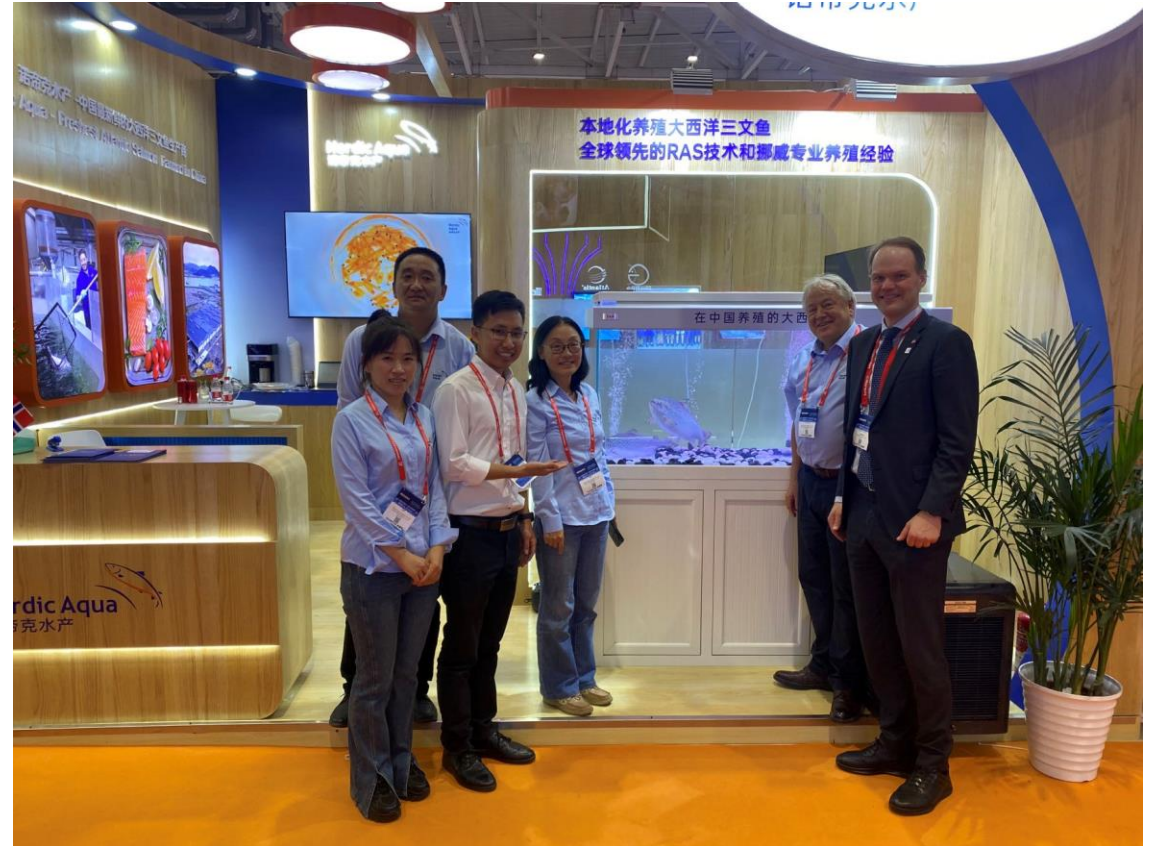
\* Updated on numbers from 30,09,2023

\*\* Estimated volume for 2023 is based on YTD growth compared to 2019 figures



# Nordic Aqua preparing for entering the market

- Nordic Aqua is strategically located within the Greater Shanghai area with 100 million consumers
- The retail market is rapidly growing, therefore the demand for traditional Atlantic salmon is assumed to increase
- First commercial harvest expected in March 2024 and will gradually increase to ~ 330 tonnes per month from May 2024





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# Financial highlights

- Financial performance in line with plans and budget
- Biomass 610 tonnes on September 30th with a value of EUR 5.0 million incl. fair value adjustment
- Estimated total CAPEX for completion
  - Farming technology stage 1 EUR 53.0 million
  - Leasehold improvements stage 1 EUR 3.5 million
  - Processing plant EUR 4.5 million
- To increase the financial buffer and flexibility, it has been decided to increase the liquidity with an additional EUR 8.5 million (NOK 100 million) in new equity. With backing from strong dedicated shareholders, a pre-committed private placement was completed



# Profit & Loss

(figures in EUR 1000)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Change in inventory and biological assets (at cost)	1,611	213	2,912	520
Other operating income	0	0	139	23
Other external expenses	-2,052	-608	-4,118	-1,363
Staff costs	-1,169	-788	-2,628	-1,851
Depreciations	-187	-17	-310	-48
<b>Operating EBIT</b>	<b>-1,797</b>	<b>-1,201</b>	<b>-4,005</b>	<b>-2,719</b>
Fair Value of Biological Assets	1,155	0	1,155	0
<b>EBIT</b>	<b>-642</b>	<b>-1,201</b>	<b>-2,850</b>	<b>-2,719</b>
Financial expense - net	1,064	105	-1,396	127
<b>Profit/loss before tax</b>	<b>423</b>	<b>-1,096</b>	<b>-4,246</b>	<b>-2,593</b>
Income tax expense	0	0	0	0
<b>Profit/loss for the period</b>	<b>423</b>	<b>-1,096</b>	<b>-4,246</b>	<b>-2,593</b>

- Personnel expenses were driven by new hirings in farming, technical and processing
- Financial income and expenses at EUR 1.1 million in Q3 2023. Of these EUR 0.5 million are non-cash exchange deviations from loans

# Financial Position

(figures in EUR 1000)

	30/09/2023	30/09/2022	31/12/22
<b>Assets</b>			
Assets under construction	51,669	32,043	35,907
Property, plant & equipment	863	392	707
Right of use assets	4,458	0	0
Deposits	1,293	1,442	1,359
<b>Total non-current assets</b>	<b>58,283</b>	<b>33,877</b>	<b>37,973</b>
Biological assets (Biomass)	4,996	520	726
Inventory	482	0	0
Other current receivables	5,922	129	558
Receivables	0	1	1
Cash and cash equivalents	21,769	20,935	12,514
<b>Total current assets</b>	<b>33,169</b>	<b>21,587</b>	<b>13,800</b>
<b>Total assets</b>	<b>91,452</b>	<b>55,464</b>	<b>51,773</b>
<b>Equity and liabilities</b>			
Share capital	1,301	1,381	1,381
Other equity	67,875	50,481	46,867
<b>Total equity</b>	<b>69,175</b>	<b>51,862</b>	<b>48,248</b>
Non-current liabilities	19,240	0	0
Current liabilities	3,037	3,602	3,525
<b>Total liabilities</b>	<b>22,277</b>	<b>3,602</b>	<b>3,525</b>
<b>Total equity and liabilities</b>	<b>91,452</b>	<b>55,464</b>	<b>51,773</b>

- Total assets of EUR 91 million, increase mainly from investments in PPE and biomass and from changes in working capital in YTD 2023
- First recognition of leased assets, as the small building was handed over
  - Leased assets will continue to increase as the plant is handed over
- Biomass of EUR 5 million (including fair value adjustment of EUR 1 million) and increasing, equivalent to ~610 tonnes



# Cash Flow

(figures in EUR 1000)

	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>Cash flow from operations</b>				
Operating profit/loss	-642	-1,201	-2,850	-2,719
<b>Net cash generated from operations</b>	<b>-7,340</b>	<b>355</b>	<b>-12,452</b>	<b>434</b>
<b>Cash flow from investment activities</b>				
Payments for fixed assets and other capitalizations	-5,149	-6,404	-17,949	-17,358
<b>Net cash flow from investment activities</b>	<b>-5,149</b>	<b>-6,404</b>	<b>-17,949</b>	<b>-17,358</b>
<b>Net cash flow from financing activities</b>	<b>-416</b>	<b>-386</b>	<b>40,644</b>	<b>-358</b>
Net change in cash and cash equivalents	-12,905	-6,435	10,243	-17,282
Foreign exchange differences	282	-126	-988	789
Cash and cash equivalents at the beginning of the period	34,392	27,496	12,514	37,428
<b>Cash and cash equivalents at the end of the period</b>	<b>21,769</b>	<b>20,935</b>	<b>21,769</b>	<b>20,935</b>

- Liquidity according to plan and budget
- Net cash flow in Q3 2023 EUR -13 million
- Cash EUR 22 million, total available liquidity EUR 37 million
- Strengthened liquidity through EUR 8.5m equity raise



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**Outlook & Summary**

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# Summary and Outlook

- Stage 1 is nearly completed, and the fish farming facility is on time and in line with budget
- Good biological performance with strong growth and excellent fish health
- First harvest expected in March 2024
- Strengthening organization with new recruitments, including Andreas Thorud as new MD in Nordic Aqua China
- Strengthened financial capacity and flexibility through NOK 100 million (EUR 8.5m) capital increase
- Stage 2 initiated and Stage 3 in planning







# Nordic Aqua

## Investor contacts

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