



Q1 2022

Presentation 02.06.2022

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Agenda

■ Highlights and Nordic Aqua Partners in brief

Project Review

Market

Assumptions and KPI's

Financials

Outlook & Summary

Highlights

- Project on time and on budget – Hatchery completed and start feeding in May
- RAS 1 completed, RAS 2 and RAS 3 to be completed in July and September 2022 respectively
- Contract signed with local energy bureau for installation of solar panels on roof for solar energy to operation
- Record salmon price development to the Chinese market
- In process of transferring the jurisdiction of incorporation of NOAP from Denmark to Norway
- Capex of 20 MDKK in period Q1 2022 and 147 MDKK total out of total project capex of 370 MDKK
- Available liquidity of 476 MDKK as of 31.3.2022, Cash 253 MDKK, working capital 37 MDKK and loan 186 MDKK



Nordic Aqua Partners

– first producer of fresh Atlantic salmon in China



- 1 Fully funded to reach 4,000 tonnes, equity in place for 8,000 tonnes
- 2 Existing plan for 20,000 tonnes and an ambition to reach 50,000 tonnes, including replications on other locations
- 3 Uniquely located near Shanghai, with access to +100 million customers within 5 hours
- 4 World class RAS- and management team with extensive experience from land-based salmon farming and from doing business in China
- 5 Dedicated support from local authorities and leading industry players

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■ **Project Review**

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Project status

- Project continues to develop on time and on budget
- Construction activity in full motion – carried under lease agreement
- Completed hatchery and first inlay of eggs, feeding has started in RAS 1
- Project not impacted by global supply chain issues and Covid-19
- Small building with administration, hatchery and RAS 1, 2, and 3 to be fully completed in Q2 2022
- Construction work on large building for phase 1 completed, ready for installation of process equipment



Good progress at the construction site

Construction site March 2021



Construction site late May 2022



● Stage 1: 38k m²

● Stage 2: 19k m²

First feeding has started at Gaotang

- Successfully completed first inlay of 350,000 eggs in March 2022. Eggs produced by Benchmark Genetics Iceland
- First of four inlays scheduled for 2022, next inlay in June 2022
- Feeding started 17 May 2022
- Harvest ready in 24 months – for stage 1 - 4,000 tonnes



Installing RAS technology and building organization

- Senior RAS team in place, track-record of land-based farming
- Recruitment and subsequent training of local farming operators ongoing

RAS Team

Senior RAS management



Ragnar Joensen
COO



Ola Frøvik
Farm Manager



Bergur Magnussen
Assisting Farm Manager



Johan Toftegaard
RAS and fish production expert

Farming operators – currently 5 employees



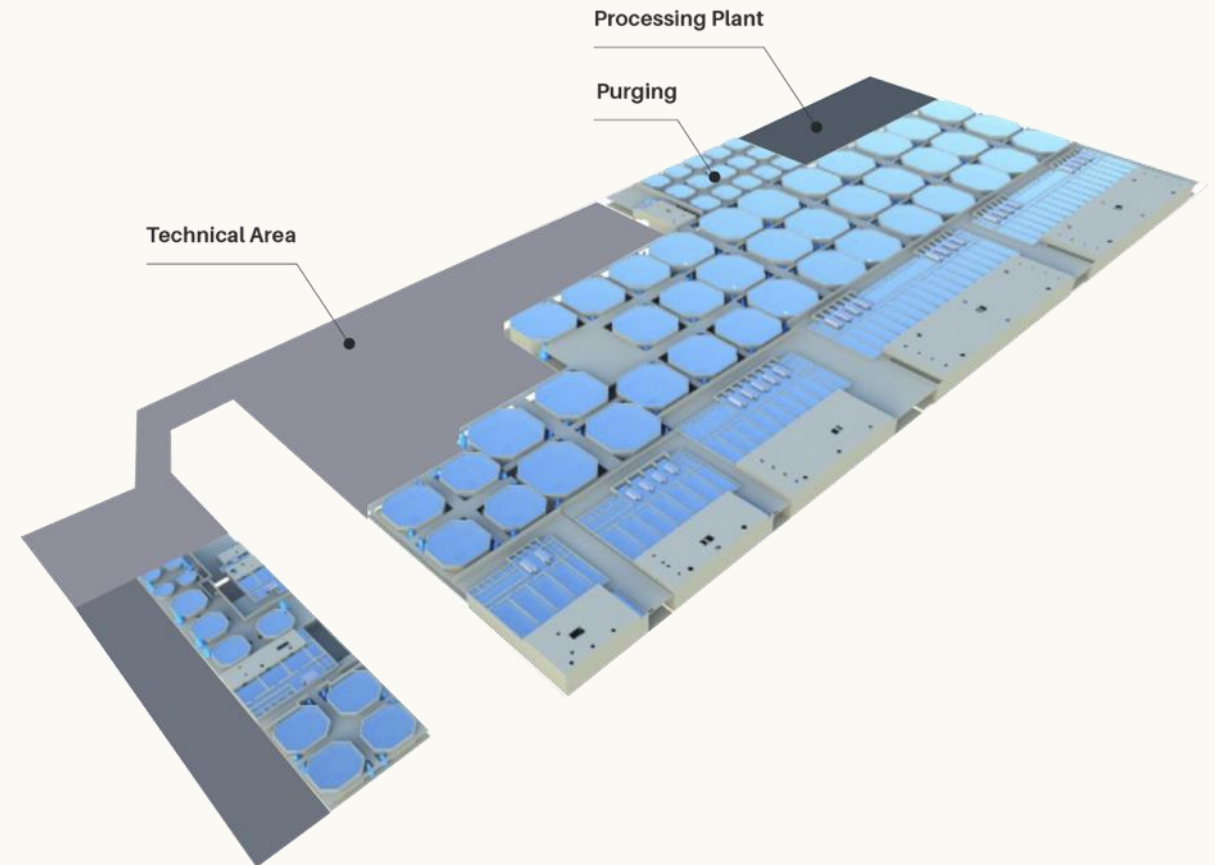
Hatchery



Start feeding

4,000 tonnes RAS facility under construction

- Delivered by leading technology provider AKVA Group
- Internal RAS team with extensive experience
 - Successful operation of similar systems
 - High certainty on capex after having completed several similar facilities
- Will run RAS system with low saline water
 - Incidents of fish mortality in RAS facilities mostly occur with high saline water



Timeline of Gaotang buildout

TIMELINE IN GAOTANG BUILDOUT

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Stage 1 4,000 tonnes			Q1 First eggs in hatchery		Q1 First harvest and steady state 4,000 tonnes harvest					
Stage 1+2 8,000 tonnes					Q2 Eggs for Stage 2		Q2 First Harvest Stage 2			
Stage 1+2+3 20,000 tonnes					Commences latest after Stage 2			Q1 Expected steady state 20,000 tonnes		

Q2

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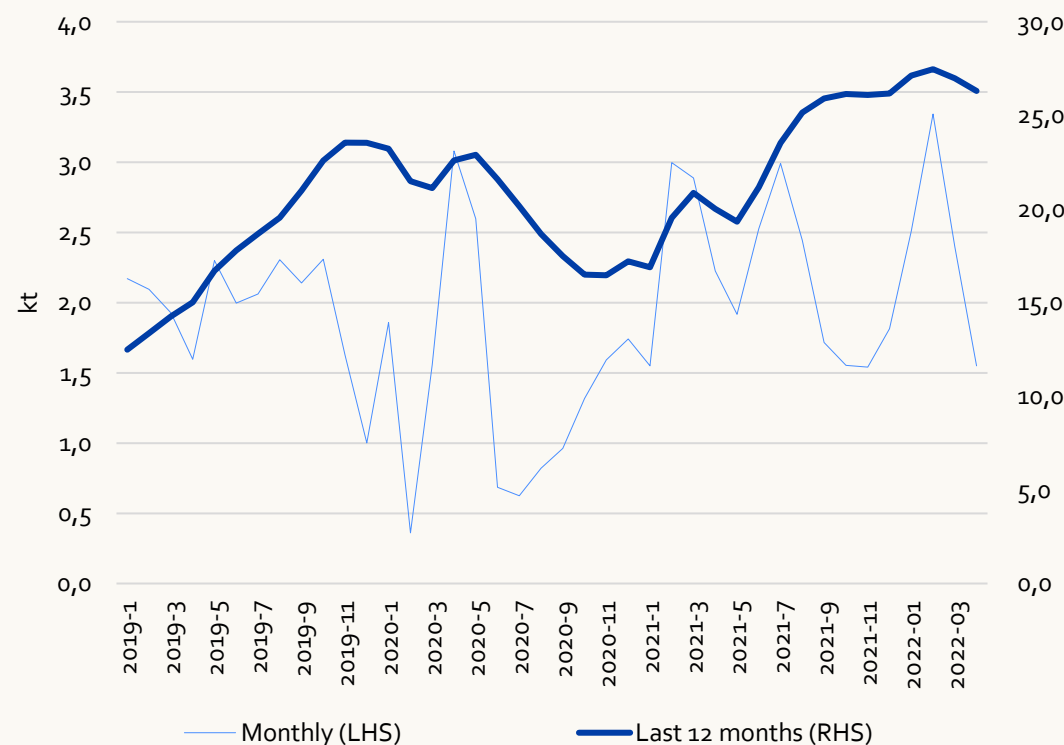
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Outlook & Summary

Sharp recovery in demand for Norwegian salmon during 2021 continued into 2022

Norwegian export of salmon to China (k tonnes HOG)

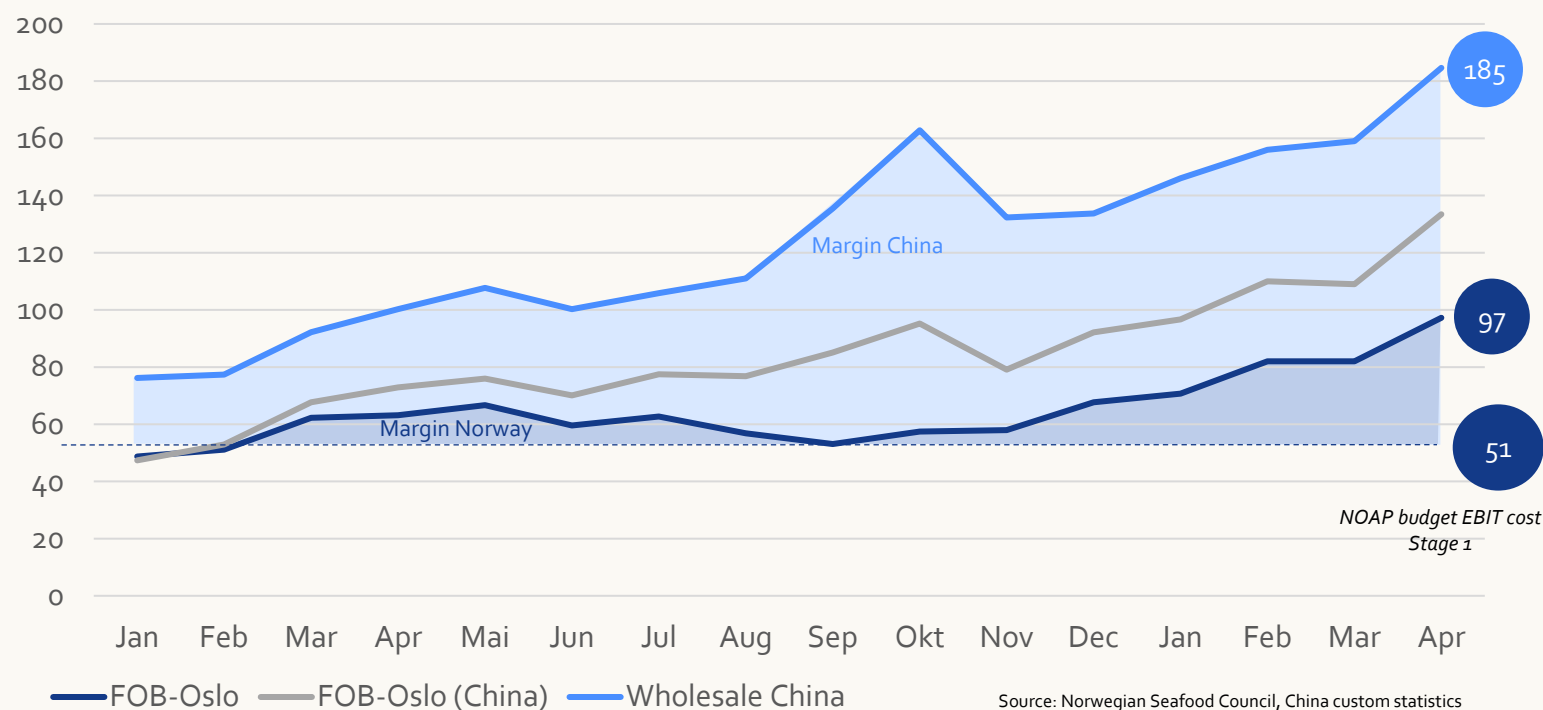


- Market for Atlantic salmon is expected to exceed pre-pandemic levels in 2022, and expected to grow to > 250,000 tons by 2025
- On-line and home delivery of fresh seafood, including salmon, continues to grow
- Recent outbreak of Covid 19, and subsequent lockdowns in Shanghai and Beijing, in combination with logistic challenges due to the war in Ukraine has temporary halted the market growth.

Source: Norwegian Seafood council monthly reports

Salmon prices – to the Chinese market

Export prices 2021 and 2022 from Norway to China, NOK/kg HOG



Source: Norwegian Seafood Council, China custom statistics

- Market prices for fresh 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 April Wholesale prices in China were 185 NOK/kg HOG and with our budgeted EBIT cost/kg at 51 NOK the implied margin would be 134 NOK/kg.
- Relative to FOB-Oslo prices at 97 NOK/kg HOG in April, the extra margin in China was 87 NOK/kg HOG.

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Budget remains unchanged since IPO



Lease

Terms fixed for Stage 1
and Stage 2 (8,000 t)



Akva Group RAS technology

Stage 1:

Turn-key contract at fixed price

Next stages:

Development and adjustments
expected to offset current
inflation impact, not included in
current budget



Production cost

Budget includes headroom for
inflation

If current elevated feed prices
persists budgeted production cost
need to be adjusted accordingly

Project Milestones

Key milestones and KPI's

	Stage 1	Stage 2	Stage 3****	Total
RAS Capex	500 MNOK (370 MDKK)	500 MNOK (370 MDKK)	1,500 MNOK (1,100 MDKK)	2,500 MNOK (1,840 MDKK)
Paid in equity (Dec 2020)	600 MNOK (448 MDKK)		TBD	
Secured bank financing**	250+50 MNOK (186+36 MDKK)			
Annual volume tonnes (HOG)	4,000	4,000	12,000	20,000
Capex/kg*** (HOG)	125 NOK (93 DKK)	125 NOK (93 DKK)	125 NOK (93 DKK)	125 NOK (93 DKK)
WC/kg (HOG)	33 NOK (37 DKK)	31 NOK (27 DKK)	29 NOK (23 DKK)	29 NOK (23 DKK)
EBITDA cost / kg (HOG)	43 NOK (32 DKK)	41 NOK (30 DKK)	38 NOK (27 DKK)	38 NOK (27 DKK)
EBIT cost / kg (HOG)	51 NOK (38 DKK)	49 NOK (36 DKK)	46 NOK (33 DKK)	46 NOK (33 DKK)
Production Capacity (lwe)	127 Kg / m ³	127 Kg / m ³	127 Kg / m ³	127 Kg / m³

* Excluding lease with local government, including biomass and start-up costs

** Converted with EUR:DKK 745

*** Capex relates to processing equipment, building is leased

**** Not formalized, but estimated to similar to stage 2

High local salmon prices combined with competitive investment level expected to result in attractive project economics

Attractive lease with local government

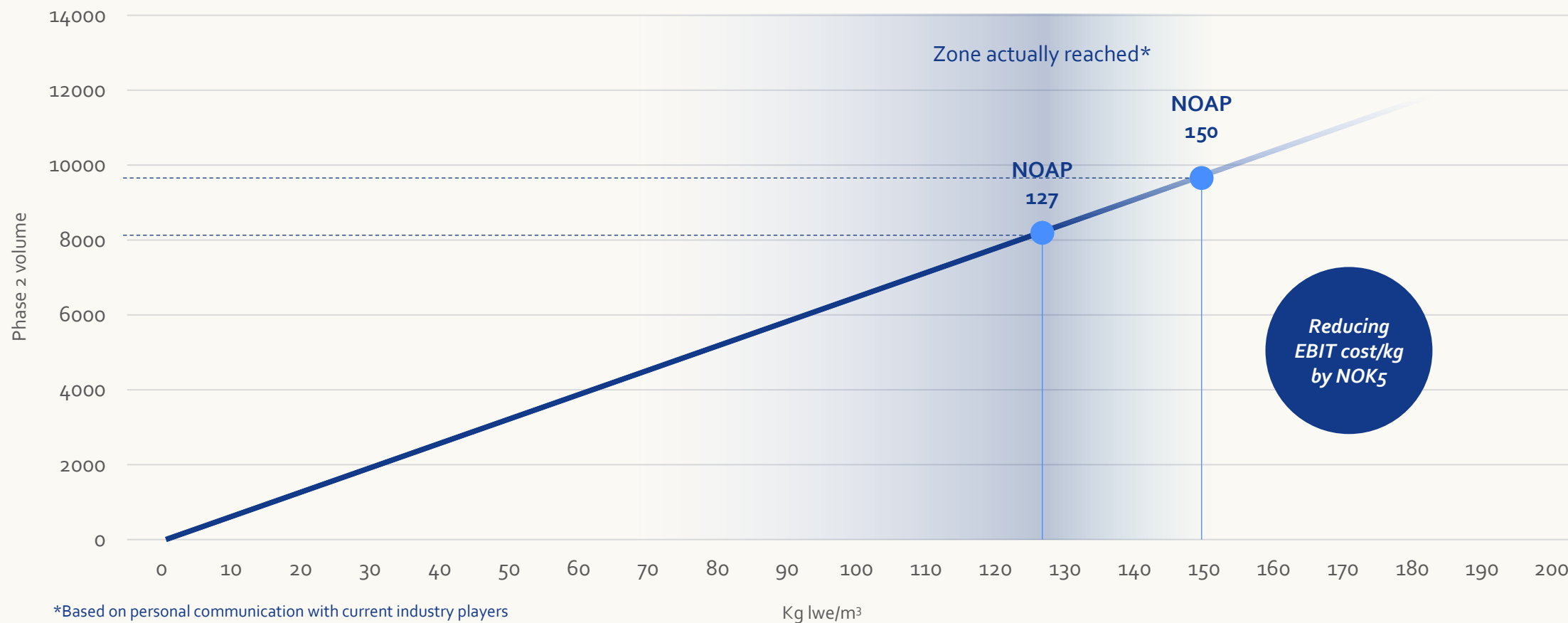
Lease agreement

- The leased facility corresponds to a capex/kg of NOK 40-45
- Adding capex for RAS equipment of NOK 125 /kg, total capex would be NOK 165 /kg



Assumed production capacity

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



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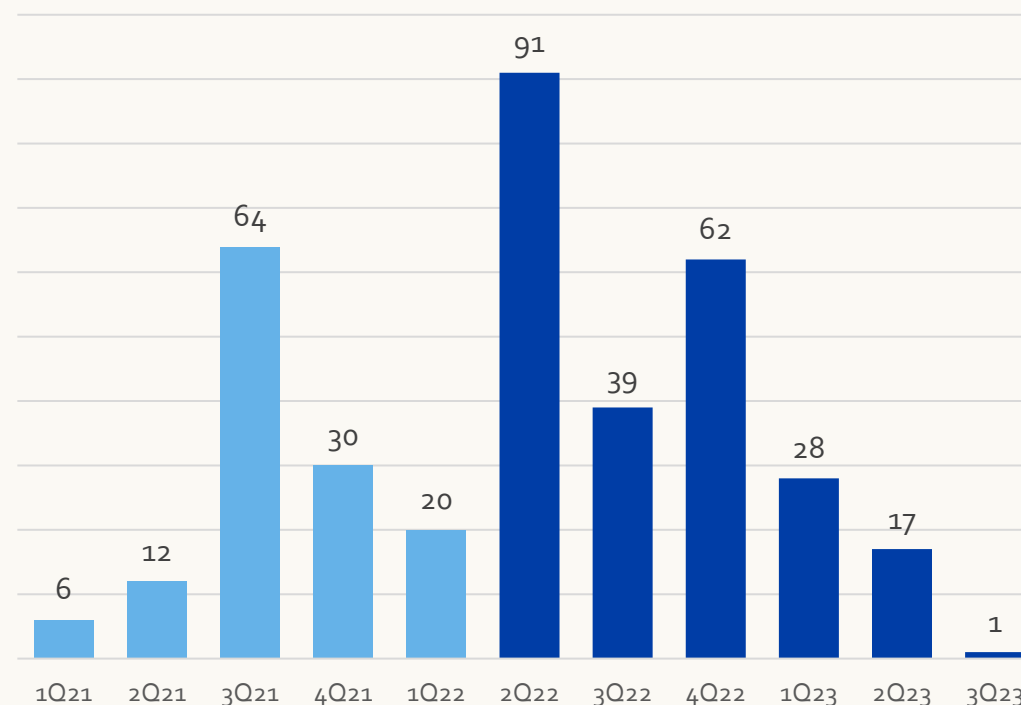
■ Financials

Outlook & Summary

Project Financials

- Capex of 20 MDKK in Q1 2022
- Remaining capex of 238 MDKK
- Next large payment will be in Q2 2022 for major RAS components already arrived on site
- Capex remains on budget.

Capex plan Gaotang Island stage 1 / Total 370 MDKK



Profit & Loss

(figures in DKK 1000)

Other operating income

Cost of goods sold

Personnel expenses

Other operating expenses

EBITDA

Depreciations

Operating profit (EBIT)

Financial income

Financial expenses

Net financials

Profit/loss before tax

Income tax expense

Profit/loss for the period

Q1 2022 **Q1 2021**

39 **0**

0 **0**

-3.520 -1.241

-1.232 -1.738

-4.713 -2.979

-110 -5

-4.823 **-2.984**

190 0

-2.145 -2.073

-1.955 **-2.073**

-6.778 -5.057

0 0

-6.778 **-5.057**

- Financial performance according to plan and budget
- Personnel expenses driven by new hirings RAS experts and administration staff
- Financial expenses are negative interest on cash, commitment fee on the 25 MEUR loan and exchange deviations.

Cash flow

(figures in DKK 1000)

Cash flow from operations

Operating profit/loss

Adjustments for:

Depreciation

Cash generated from operations

Net cash flow from operations

Cash flow from investment activities

Net cash flow from investment activities

Net cash flow from financing activities

Net change in cash and cash equivalents

Foreign exchange differences

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

Q1 2022

Q 2021

-4.823

-2.984

110

5

-5.175

-5.294

-7.651

-7.367

-23.124

-13.147

0

0

-30.775

-20.514

6.399

1.435

277.345

399.588

252.969

380.509

- Cash flow according to plan and budget
- First utilization of loan expected in Q4 2022
- Net change in cash in Q1 2022 -31 MDKK
- Available liquidity of 476 MDKK as of 31.03.2022. Cash 253 MDKK, working capital 37 MDKK and loan 186 MDKK

Financial Position

(figures in DKK 1000)

Assets

Assets under construction
Property, plant & equipment
Deposits
Total non-current assets

Q1 2022	Q1 2021	12/31/21
133.790	5.644	111.141
1.495	12.539	1.290
10.565	9.682	10.296
145.850	27.865	122.727

Biological assets (Biomass)
Receivables and other current receivables
Cash and cash equivalents
Total current assets
Total assets

765	0	0
15.199	1.366	5.890
252.798	380.509	277.345
268.762	381.875	283.235
414.613	409.739	405.962

Equity and liabilities

Total equity

397.036	409.342	398.456
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Trade payables
Other current liabilities

13.315	9	0
4.273	389	0

Total current liabilities

17.588	398	0
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Total equity and liabilities

414.623	409.739	6.687
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- Total assets of 406 MDKK
- Biological assets 0.8 MDKK
- Cash 253 MDKK
- Equity to reach Phase 2, annual production of 8.000 tonnes HG

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New board members

Legal management structure



Ole Juul Jørgensen
CEO
(NOAP)



Hjalti Hvitklett
CFO
(NOAP)



Ove Nodland
CEO
(NAN)



Arne Knudsen
Project Manager
(NAN)



Ragnar Joensen
COO
(NAN)



Ragnar Joensen
Chairman
(NOAP)



Knut Nesse
Board Member
(NOAP)



Ove Nodland
Board Member
(NOAP)



Vegard Gjerde
Board Member
(NOAP)



Tore Hopen
Board Member
(NOAP)

ESG

ESG performance will be 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 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

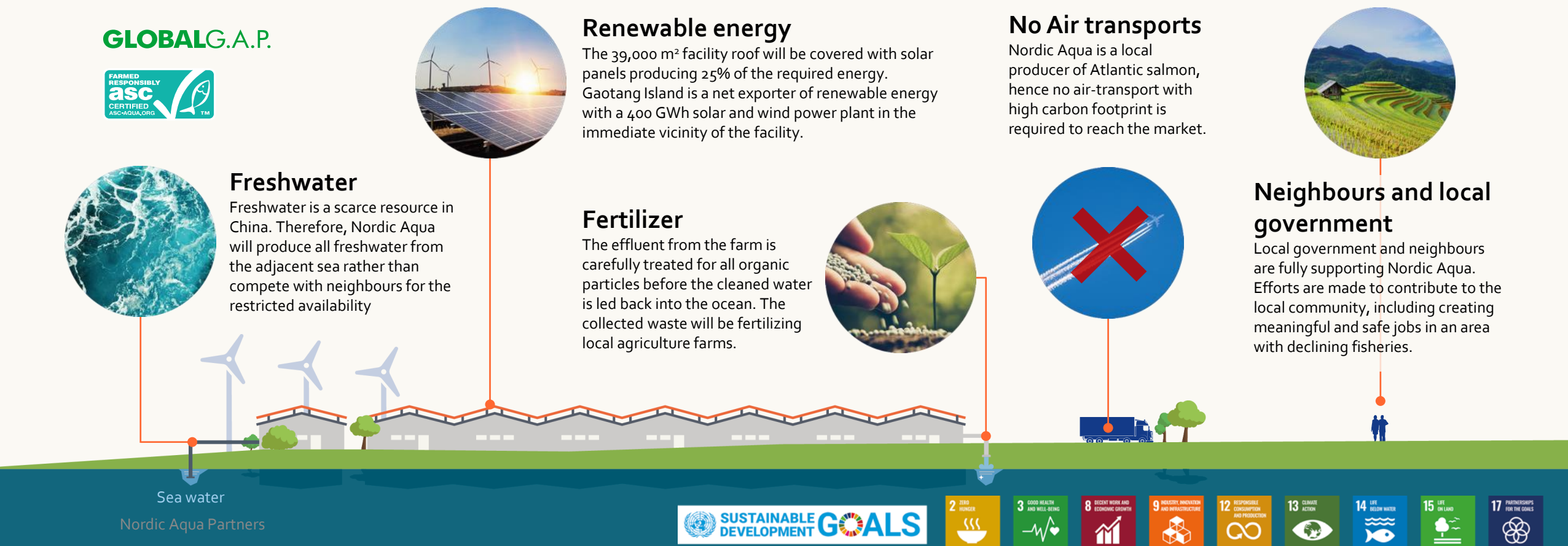
Local government and neighbours are fully supporting Nordic Aqua. Efforts are made to contribute to the local community, including creating meaningful and safe jobs in an area with declining fisheries.

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.



ESG

China directive from 2017

- China called for the entire aquaculture industry to be restructured
- Focus on sustainable, more efficient production and food quality and safety
- This formed part of NOAP project planning:
 - Use renewable energy
 - Energy efficient facilities
 - Freshwater conservation
 - Wastewater and effluent treatment
 - Efficient use of land resources
- As a front runner in advanced RAS based fish farming in China, NOAP is assisting in developing relevant standards



Summary and Outlook

- Project on time and on budget
- Start feeding in May 2022
- Second inlay of eggs in June
- Recruitment and training of local farming operators ongoing
- Strong development of the Chinese market for Atlantic Salmon
- Initiated discussions with potential local partners for processing, marketing and sales
- Investigating aspects of accelerated expansion plan to reach a capacity of 20,000 tons by 2026, to be concluded by end 2022



Q & A

www.nordicaquapartners.com