



ANNUAL REPORT 2021



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



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Nordic Aqua



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

Stage 1 under construction with an annual capacity of 4,000 tonnes of fish from 2024

Fully funded to reach 4,000 tonnes, equity in place to reach 8,000 tonnes

Existing plan for 20,000 tonnes and an ambition to reach 50,000 tonnes

Uniquely located near Shanghai, with access to +100 million customers within 5 hours

World-class RAS team providing the best land-based salmon farming experience and know-how plus a management team with extensive experience in building businesses in China


Dedicated support from local authorities and leading industry players

Timeline

■ Project idea and initial discussions with local Chinese Authorities ——— 2014

2016 ——— ■ Nordic Aqua ApS is incorporated
■ First cooperation agreement with Chinese government

■ Recruiting of key personnel
■ Chinese subsidiary incorporated and operating licenses granted ——— 2018
■ Private placement of MEUR 3

2020 ———  ■ Loan Agreement of MEUR 25 with Eksfin and Rabobank
■ Private placement of MEUR 60
■ Nordic Aqua listed on Euronext Growth under ticker NOAP

■ Construction initiated on stage 1 - 4,000 tonnes
■ Business Plan updated to 20,000 tonnes
■ Final rental agreement signed with local Chinese government
■ Signed banking agreement with Bank of Ningbo for working capital facility of RMB 35 million



2021

2022 ———  ■ Inlay of first eggs in hatchery on 9th March

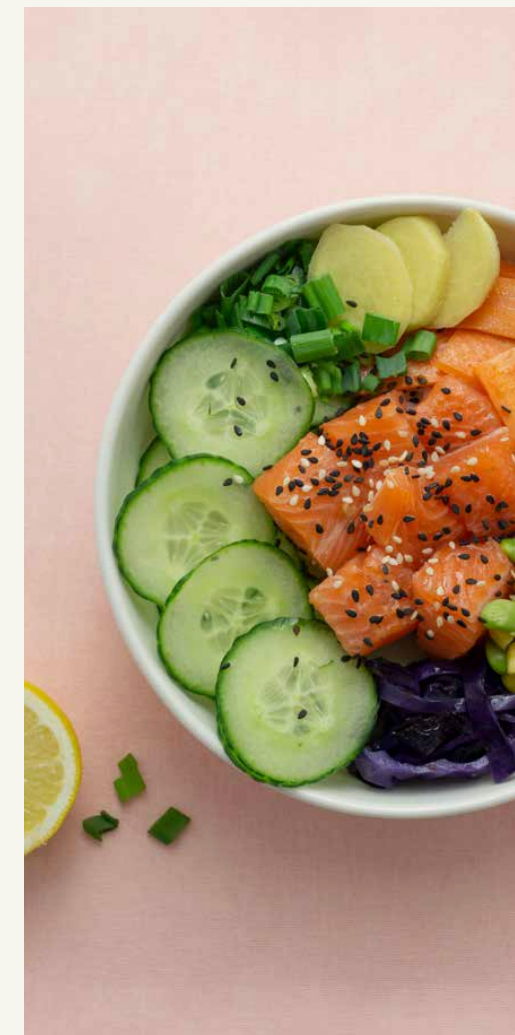
Key figures

(Figures in DKK 1000)

IFRS main figures

	2021	2020	2019	2018	2017
Other operating income	620	0	0	0	0
Net financial income / expences	-9,753	-6,517	-98	0	0
EBITDA	-17,586	-18,987	-5,701	-3,843	-1,402
EBIT	-17,752	-18,990	-5,703	-3,843	-1,402
Profit / (loss) before taxes	-27,505	-25,507	-5,801	-3,843	-1,402
Profit/loss for the period	-27,505	-25,507	-5,801	-3,843	-1,402
Cash flow from investment activities	-108,009	-14,715	-8	0	0
Cash flow from financing activities	0	429,669	0	17,901	0
Payments for fixed assets	-106,997	-5,431	0	0	0
Net cash flow	-129,941	390,758	-4,890	188	1,046
Available cash	277,345	399,588	9,250	1,234	1,046
Net Interest-bearing liabilities	0	0	0	0	0
Total assets	405,962	414,934	9,422	15,302	1,045
Equity	398,456	412,959	8,702	14,514	1,030
Equity ratio	98.2	99.5	92.4	94.9	98.6

The numbers for the year 2017 are figures from the parent company and not recognized according to IFRS.



Letter from Chairman

2021 marked the first year of actual startup after more than 6 years of preparatory work. We entered the year fully financed and just listed on Euronext Growth under the ticker NOAP in December 2020. Most of Q1 was spent on implementing all plans and mobilizing on site on Gaotang island. The comprehensive and complex design package for construction of the infrastructure, utilities and all facilities were handed over to Zhetai [the government-owned investment company being the owner of land, infrastructure, utilities and facilities], which invited for bidding for the total contract immediately thereafter to pre-nominated contractors. Zhetai confirmed that the total enterprise contract was placed with Long Yuan in April, and already in May the actual site preparation and construction started.

The construction has progressed basically as per plan; however, we had a close to 3-month delay in August, due to soft and muddy soil heavily affected by the strongest typhoon in more than 50 years. Ongoing excavation and piling work had to be halted, and due to safety reason avoiding excavated walls to collapse, the entire area for the basement of the Hatchery and RAS 01/02/03 had to be supported with a specially designed cofferdam prior to piling and completion. Due to strong support from Zhetai and Long Yuan, the delay caused by this incident was reduced

to a minimum. We could therefore hold the Roof Ceiling Ceremony of the Hatchery and RAS 01/02/03 in November.

We have experienced several challenges due to the Covid 19 pandemic, in particular with respect to travel restriction and logistics. However, we managed to find solutions, and the progress of the project was not affected.

Our main contractor for the RAS design and the supply of process equipment, AKVA Group, mobilized their site team in Q3 and started the installation and commissioning work in Q4. Thanks to good planning and cooperation, the travelling restrictions and logistic challenges did not have any impact on the arrival of imported equipment, so the installation work has commenced as scheduled.

We have also managed to grow the organization, with a good combination of experienced expatriates and local talents. We will continue our efforts to recruit local talent early to let them get first-hand training while doing the installation and commissioning of the RAS systems.

The local government and local partners continue to provide dedicated services and support across the

entire field of bureaus and organizations. We have been able to discuss and agree on practical and flexible solutions whenever required, and we have enjoyed fast-track solutions on all red tape processes involved with such a complex project. The support of local government and authorities has proven vital to our success, and we are pleased to know that such dedicated support will continue.

The market for Atlantic salmon in China has been very strong in 2021. Market prices peaked in October at NOK 163/kg HOG, and by year-end the prices were at NOK 134/kg. During the first months of 2022, prices have increased further. We believe that locally produced Atlantic salmon could achieve a premium pricing on top of the cost advantage when considering freshness and 24/7 delivery capability.

We are front runners with regards to RAS farming of Atlantic salmon in China, a position we intend to maintain. We have therefore initiated a project to see how we can accelerate our ambitions to reach 20,000 tons annual capacity on current land, an initiative driven by a combination of market demand and assuring our position as the leading producer of Atlantic salmon in China. Such expansion will be based on a cooperation with local government inline with the same principals as for current agreement, and we have there-

Letter from Chairman

fore initiated discussions with local government on how to expand our cooperation to accommodate for such an acceleration plan to reach 20,000 tons within 2027. We also held preliminary talks with potential partners for long term take-off agreement and for marketing and sale of our Atlantic salmon in China, and such discussions indicated a strong interest and support for our acceleration plans towards 20,000 tons capacity. These discussions have continued into 2022.



The good development has continued into 2022 and on 9th March we were thrilled to receive the first salmon eggs on-site. Our production team is nurturing and taking good care of these small salmon, and we look forward to the first harvest in early 2024.

Ragnar Joensen

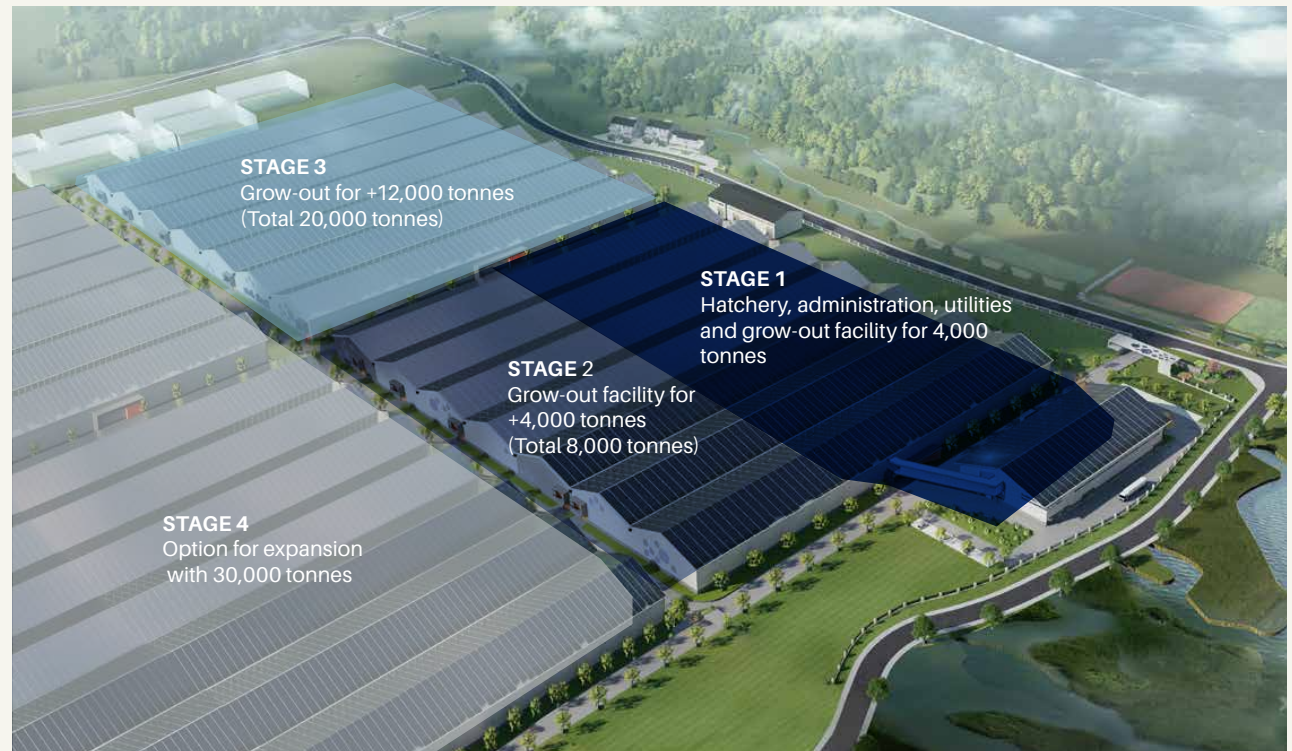


Targeting 20,000 tonnes in 2027

Nordic Aqua Partners A/S, through its 100% owned company in China, Nordic Aqua (Ningbo) Co. Ltd., is well underway to build a RAS-based salmon farm in Ningbo, the first of its kind in China, with an initial annual capacity of 4,000 tonnes. The company can expand up to 20,000 tonnes in annual production on existing land.

The local government is providing dedicated backing of the project, which has materialized in an attractive long-term lease agreement where the government provides infrastructure and facilities. The lease agreement is currently for an initial 8,000 tonnes, however, the rental fee on part of the grow-out facility for Phase II is subject for renegotiation. A Letter of Intent to expand the annual capacity to reach 20,000 tonnes is in the process of being formalized.

Construction of infrastructure and building of the administration and the hatchery facility commenced in Q2 2021 and completed in February 2022. Eggs were introduced immediately after completion of the hatchery, and with estimated production of two years, this implies first harvest early 2024.



Roadmap to 20,000 tonnes and beyond on Gaotang Island

Targeting 20,000 tonnes in 2027

MILESTONES

Construction of stage 1 includes a stepwise construction of a smolt facility and a 4,000-tonne grow out facility. Stages 2 and 3 are expected to bring total annual production to 20,000 tonnes by the end of 2027.

The company is leasing land, facilities, and infrastructure from the local government at a fixed price. Consequently, this is not included in the company’s capex budget. This reduces the project capex by 30-40%, since all buildings and infrastructure are financed by

the local government. Financials for stage 3 have not been formalized, but the company expects this to be on similar terms as for stage 2, resulting in a total project cost of MNOK 2,500 (excluding lease capex).

TIMELINE OF 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		

Targeting 20,000 tonnes in 2027

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

Standard industry key figures in NOK

	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)
Equity requirement	600 MNOK (448 MDKK)			TBD
Secured bank financing**	250+50 MNOK (186+36 MDKK)			
Annual volume (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 (93DKK)
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 100 = DKK 745

*** Capex relates to processing equipment. Building is leased

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

HOG (Head On Guttet)

lwe (Live weight equivalent)

WC Working Capital

Technology

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

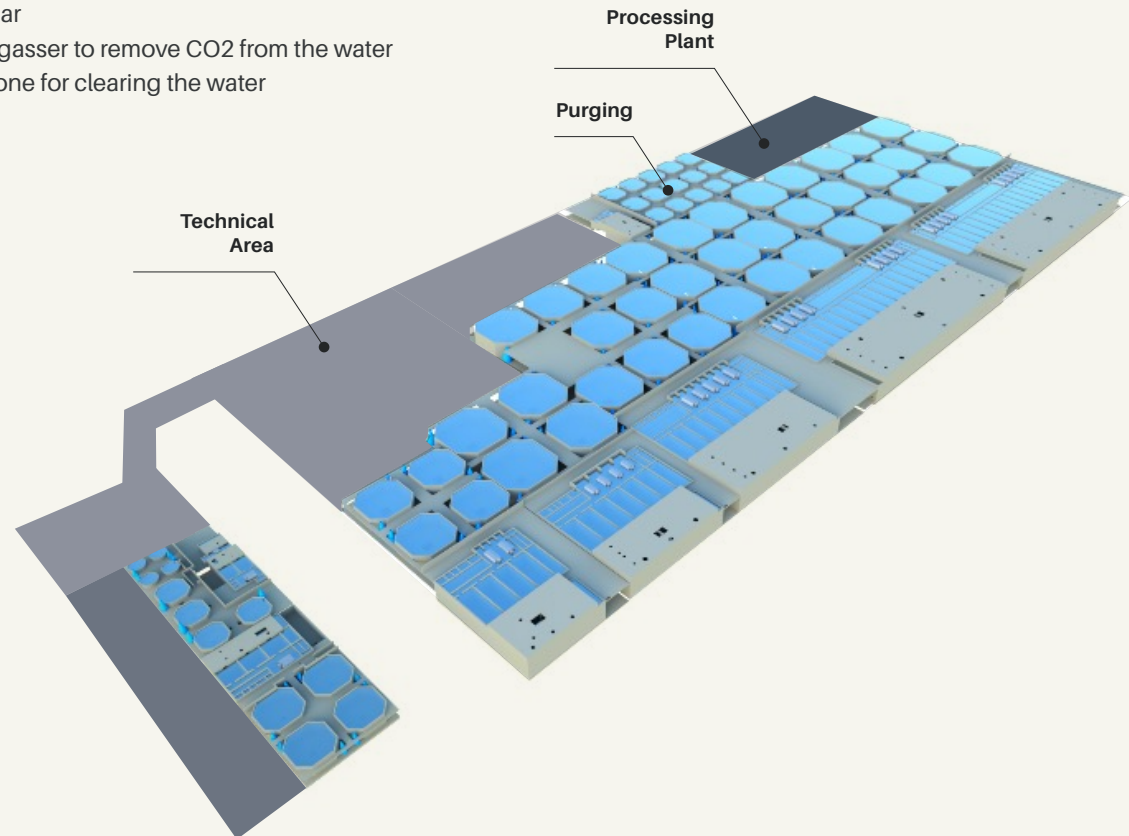
The internal team believes that AKVA Group offers a complete solution where operating costs, user friendliness, maintenance costs and other factors are optimized. The system is a turnkey delivery with flexibility in assembly, allowing the company to utilize its extensive experience in building RAS facilities.

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

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

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

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



Technology

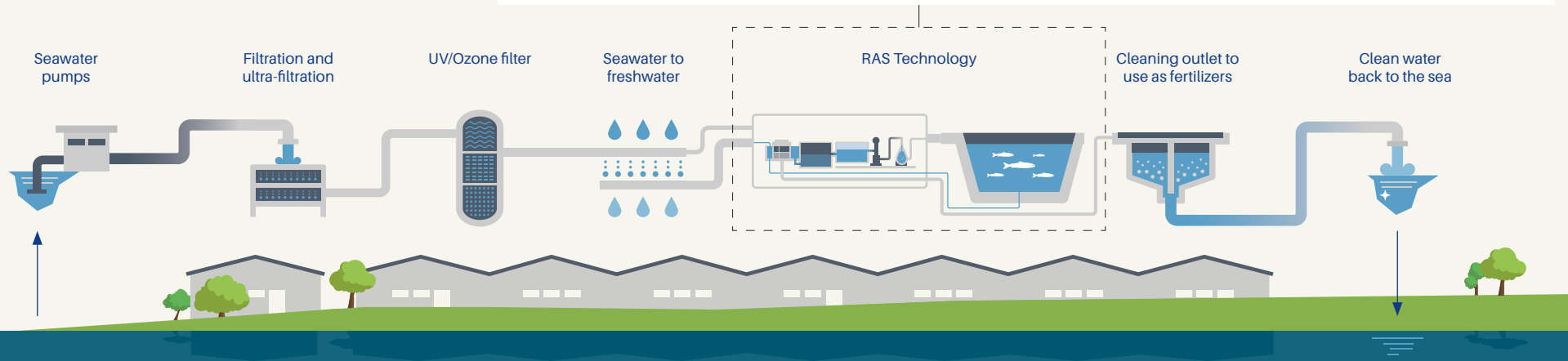
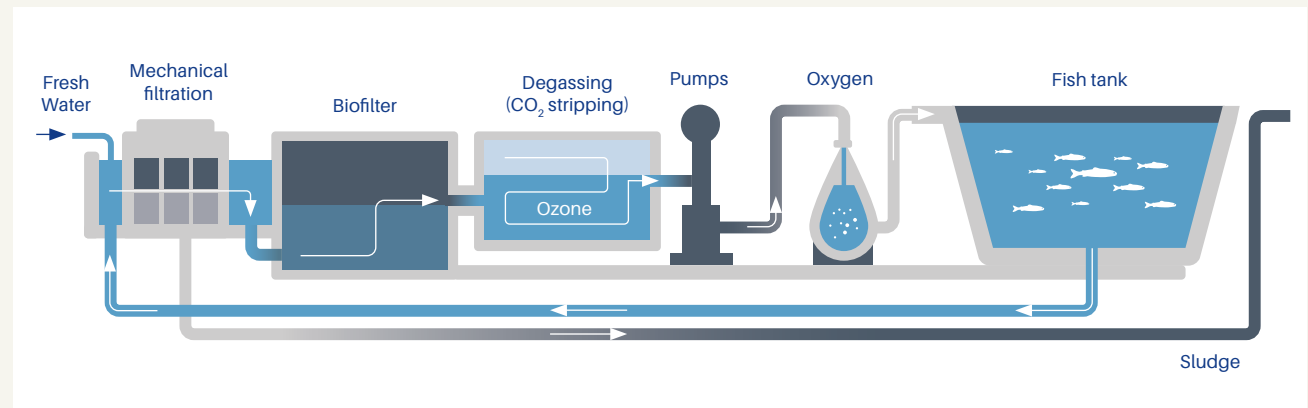


ILLUSTRATION OF TECHNOLOGY

Nordic Aqua will source the water from the ocean right next to the facility in the Gaotang Sound. After several years of monitoring and testing, the company is confident that the raw water is of superior quality for salmon farming. Before entering the fish farm, the raw water will be thoroughly filtered with sand filters and cartridge filter down to 5 microns before it is sterilized with UV/ozone for preventing diseases and parasites to enter the fish farm. Recent RAS history in Norway and abroad has shown that incidents of fish mortality mostly occur with RAS systems with high saline water, which also is the reason why Nordic Aqua has chosen to run the systems with low salinity. This is accomplished by producing freshwater from the seawater with reverse osmosis membrane filters. The internal RAS team members in Nordic Aqua have decades of experience from operating RAS systems with low salinity without any major incident of fish loss.

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

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

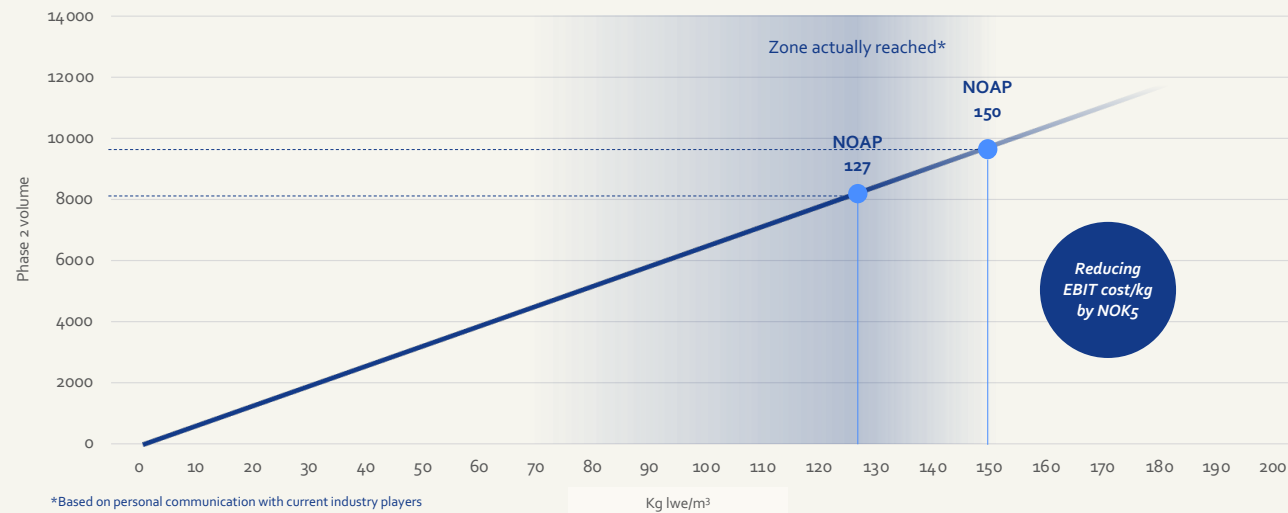


Assumed Production Capacity

Underlying the company’s targeted production volume is an assumption of producing 127 kg (lwe) annually per m³ tank capacity. The current actual industry range of annual production capacity per tank volume is 100 – 135 kg (lwe) per m³. In our facility in China, the assumed production capacity is within the range actually achieved by land-based salmon farmers today.

If our experienced RAS and fish producing team at Gaotang manages to increase the output from 127 kg/m³ to 150 kg/m³, the total capacity of stage 2 would increase from 8,000 tonnes to 10,000 tonnes per year. An increase of 2,000 tonnes equivalent of 25%.

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





Nordic
Aqua

Environmental, social and corporate governance

ESG – environmental, social and corporate governance

Nordic Aqua’s business concept is to provide sustainable food to the Chinese market in the form of locally farmed Atlantic salmon. Being the first international company to set up a commercially scaled Atlantic salmon farm in China, using state-of-the-art recirculating aquaculture system, we realized that ESG criteria and reporting had to be an integrated part of the project planning from day one. This is therefore a brief report on what we have achieved with respect to the ESG aspects so far.

Nordic Aqua Partners A/S has just started to report about ESG, why the ESG report does not constitute a compliant report according to Danish GAAP § 99a.

China has by far the largest aquaculture farming industry in the world; however, most aquaculture farming is done with simple and close-to-shore cages and inland ponds, all with limited control of the impact on the environment, and with the quality and safety of the products. China therefore introduced a directive in 2017, calling for the entire aquaculture industry to be restructured, to become more sustainable, more efficient and to ensure food quality and safety. This directive

also encouraged introduction of modern and advanced farming technology to become an important element of such restructuring and has therefore been part of the project planning, with regards to renewable energy and energy efficiency, freshwater conservation, wastewater and effluent treatment and efficient use of land resources. Nordic Aqua has also participated with our vast international experience in RAS-based salmon farming to define regulations and procedures as required, thus contributing to our project now being subject to the most stringent regulations for RAS farming globally.

To monitor the ESG performance of our facility in China, we will document all production protocols and set science-based targets on environmental/social performance in accordance with the highest quality standards. We will adopt the GlobalGAP and ASC standards once the production is in full-scale operation. Eventually, we also aim to audit the ESG performance according to Scopes 1, 2 and 3.



UN SUSTAINABLE GOALS



In Nordic Aqua, we want to take an active leading role in transforming and restructuring the Chinese aquaculture industry into more efficient and less polluting food production. We will produce a nutritious Atlantic salmon with efficient protein utilization and a low climate footprint in an area with high population density.



Farmed Atlantic salmon is a rich source of omega-3 fatty acids, minerals, and vitamins. Health authorities worldwide are recommending higher intake of fish, especially oil-rich fish like Atlantic salmon to prevent cardiovascular diseases. In Nordic Aqua, we will secure food safety through strict hygiene standards.

ESG - environmental, social and corporate governance



8 DECENT WORK AND ECONOMIC GROWTH

In Nordic Aqua, we are creating meaningful and safe jobs in the modernization of aquaculture in China. We are operating in a traditional fisheries community with declining catches and will therefore contribute to build up a sunrise industry in the region. We focus on hiring locally and to build up local competence, and we work in close collaboration with local authorities, universities, and educational institutions to support the regional development of local aquaculture competence. One of our aims is to increase the regional social recognition of the aquaculture industry by being a modern and attractive employer. We offer extensive employee benefits – insurance for employee and family, career progression plans, and incentive bonuses. The health and safety standards are kept at the highest level by systematically monitoring and preventing HES incidents. Our experienced management team in China will continue the policy of zero tolerance of corruption.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

The central Government issued a directive in 2017 calling for the entire Chinese aquaculture industry to be restructured and become more sustainable. Supported by the Zhejiang provincial Government, Nordic Aqua is pioneering the restructuring by constructing innovative and sustainable aquaculture systems.

Traditionally, Atlantic salmon is farmed in a few foreign countries thousands of kilometers away and air-freighted into the Chinese market. Nordic Aqua’s modernized facility ensures that fresh Atlantic salmon can be sourced locally and sustainably.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

In Nordic Aqua, we focus on responsible sourcing by balancing economic, social, and environmental concerns. All employees follow the Code of Conduct for business ethical behavior, and major suppliers of feed, other raw materials, and technology should follow ESG conditions set by Nordic Aqua. We will adopt the high quality and sustainability standards of ASC and GlobalGAP once the production is in full scale operation, ensuring that all activities have minimal influence on biodiversity in our local area. In protected closed contained environment on land,

our Atlantic salmon will swim in pristine water securing good fish welfare free of antibiotics, parasites, and hormones. With well-controlled environments, the loss of fish in production will be minimized and during food processing, all by-products will be collected and used for highest possible food value.



13 CLIMATE ACTION

Atlantic salmon farming is one of the most efficient ways of using natural resources to produce a healthy protein: it has a low carbon footprint, high energy and protein retention efficiency and low water footprint. Nordic Aqua will further contribute to lowering the carbon footprint by eliminating carbon emissions from airfreight.

China has a net-zero energy goal by 2060, mainly by converting to renewable energy sources. Our production facility is located on Gaotang Island in the province of Zhejiang. The island is a net exporter of renewable energy with a 400 GWh solar and wind power plant in the immediate vicinity of Nordic Aqua’s Atlantic salmon farm. On the farm site, the 39,000 m² roof will be covered with solar panels to produce 25% of the facility’s energy consumption. Within the salmon farm, Nordic Aqua is subject to China’s strictest conditions on relevant energy efficiency and consumption as stated in the “Classification Standards of National

ESG - environmental, social and corporate governance

Economy [GB/T4754-2017]". The energy consumption will be monitored on all major components and will continuously be evaluated for improvements.

Nordic Aqua will work with all major suppliers to reduce the carbon footprint. Our strategic partner Nutreco is supplying feed through its subsidiary Skretting, which has a general ambition to reduce the emission in Scopes 1 and 2 with 30% and Scope 3 with 39% by 2030. Similar targets will be set with our supplier of oxygen and lime.



Nordic Aqua has a negligible impact on life below water, marine wildlife, and marine ecosystems. By producing Atlantic salmon out of the sea, we are protecting wild populations of fish and other wildlife from escapees, parasites, and disease pressure. Through sustainable sourcing of feed, we are supporting viable fishing regimes in the oceans.

The effluent from the farm is carefully treated for all organic particles before the cleaned water is led back to the ocean. China does not have a specific regulation for treating effluents from recirculated aquaculture systems, but together with the local authorities, we have set a high standard to ensure minimal impact on the neighboring ocean.



In China, freshwater is generally a scarce resource and through the initial phase of discussions with the provincial authorities, Nordic Aqua was directed to local reservoirs for freshwater supply.

Since the agricultural activities are depending on the same freshwater supply during dry summers, we decided to produce all our own freshwater from the adjacent sea, rather than competing with neighboring activities for the restricted availability. Since we are producing Atlantic salmon in low saline water, the collected waste from effluents is well-suited as fertilizers to local agriculture and farmers. In general, recirculating aquaculture systems are using limited amount of freshwater, and in our systems, we have added the "Zero Water" cleaning systems, reducing the freshwater consumption to 10% of standard RAS systems. So, instead of the normal consumption of around 400 L of freshwater per kg produced fish, the Zero Water system can take the consumption down to 40 L of freshwater per kg produced fish.

Through sustainable sourcing of feed for Atlantic salmon, Nordic Aqua is contributing to avoid deforestation.



Achieving a sustainable future will require concerted action and collaboration. Nordic Aqua will therefore maintain and develop the dialogue with suppliers, agricultural neighbors, the

local government, and relevant bureaus. To structure the work toward sustainability, we will conduct a material risk analysis regularly together with suppliers and regional stakeholders. The analysis will be conducted in accordance with the GRI standard and will ensure good dynamics in the ESG work. Further partners will be organisations working for a sustainable future.

Nordic
Aqua



Market

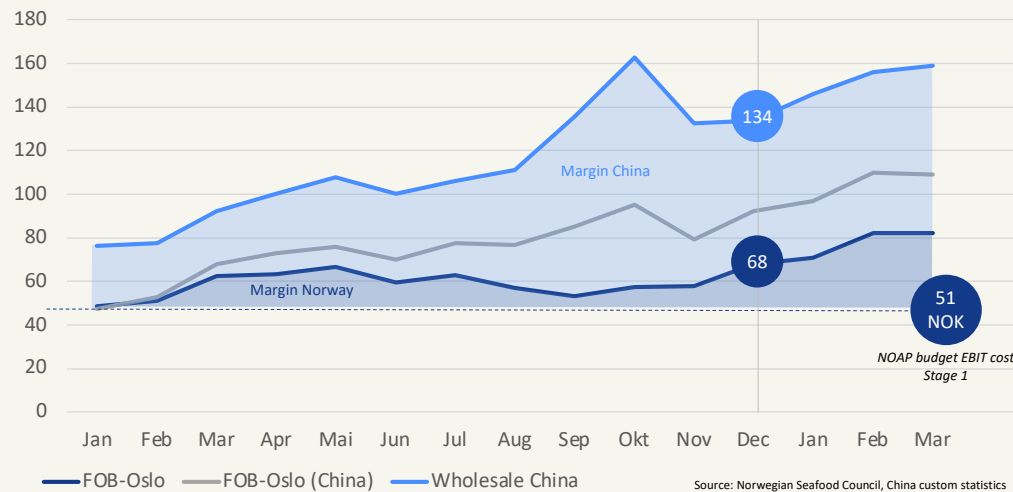


Market

China is by far the largest consumer and producer of seafood in the world, and according to the OECD, China is expected to account for 51% of global consumption growth over the next 8 years. Atlantic salmon is still relatively new to Chinese consumers, resulting in a modest relative consumption of ~100,000 tonnes in 2020/2021. However, Kontali expects consumption to grow with a CAGR of 15% over the next 5 years, reaching 250,000 tonnes by 2025. A key demand driver is familiarization of salmon as a healthy source of protein in the normal Chinese household. Today, all Atlantic salmon is imported, mostly by air, resulting in fresh salmon being 4 days old when introduced to the market, and with a high carbon footprint.

China customs statistics has official data on import prices of fresh Atlantic salmon before customs clearance. By adding import taxes and handling costs, it is possible to project wholesale prices. The Export Price graph illustrates the strong wholesale prices in China during 2021. Wholesale prices peaked in October with NOK 163/kg HOG and by year end the prices were at NOK 134/kg. By using projected forward Atlantic salmon price to China of NOK 91/kg from Fish pool 2022 and adding known import taxes and handling costs only, this concludes with a cost to the importer of NOK 126-133/kg. This corresponds well with wholesale prices, which management observes to be varying from NOK 140-154/kg based on various market sources and freshness.

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



- Market prices for fresh Atlantic salmon are expected to remain high even after current pandemic restrictions have been eased
- We therefore expect to see attractive margins for our locally farmed Atlantic salmon also in 2024, our first year on full capacity
- In December, wholesale prices in China were NOK 134/kg HOG and with an EBIT cost/kg at NOK 51 the implied margin would be NOK 83/kg.
- Relative to FOB-Oslo prices at NOK 68/kg HOG, the extra margin in China in December was NOK 66/kg HOG.

Nearly 100% of all Atlantic salmon consumed in China is imported, mostly by airfreight as chilled salmon. Current restrictions caused by the pandemic have resulted in complicated packaging and customs clearance restrictions. This, combined with reduced airfreight capacity, has resulted in very high prices of Atlantic salmon. We do expect these restrictions to ease and the capacity of airfreight to improve; however, the cost of imported Atlantic salmon will continue to be high, and the Chinese consumers will be willing

to pay a premium price for locally farmed and high-quality Atlantic salmon available within hours after being harvested.

It is the company's view that a locally produced Atlantic salmon could achieve a premium pricing on top of the cost advantage when considering freshness and 24/7 delivery capacity, which eliminates the importer risk of having to place spot orders ahead of sales.

Market

Unique setup to meet market trend

Guaranteed freshness, food safety and quality are of extreme importance to Chinese consumers. With basically all Atlantic salmon being imported, Chinese consumers are not always convinced when ordering their Atlantic salmon. Our locally farmed Atlantic salmon will guarantee freshness and quality, expected to be well received by local consumers.

The global shopping habits have changed towards online shopping and direct home deliveries. China is leading this change, with +50% of their retail done online. A great number of companies are now guaranteeing delivery of fresh groceries at the doorstep within less than one hour from ordering, and predictions indicate that online shopping and home deliveries will continue to grow. An ever-increasing number of specialized companies continue to deliver a broader range of high-quality seafood, including strategies to work closer with farmers to reduce costs, shorten delivery times and increase flexibility, without jeopardizing quality and freshness.

We are currently the only company in China capable of meeting such demand for fresh Atlantic salmon, and we have therefore initiated discussions with leading companies and portals to prepare for cooperation from harvesting all the way to the end consumer based on this new future in retail shopping.





Board and Management

Board of Directors



Ragnar Joensen
Working Chairman

Ragnar Joensen is a Faroese citizen with extensive management experience from the aquaculture industry. Prior to the Company, he worked 17 years as Managing Director at Marine Harvest (now Mowi). He has also been in executive positions at Marine Harvest Faroes, Marine Harvest Norway and Marine Harvest ASA. Furthermore, Mr. Joensen has held several board positions at leading aquaculture companies.

Mr. Joensen holds a M.Sc. in Engineering, Aquaculture from Aalborg University, Denmark, and an MBA from the University of Warwick, UK.



Ove Nodland
Board Member, CEO, NAN

Ove Nodland is a Norwegian citizen but has lived and worked in Ningbo, China since 1999. He has more than 25 years' experience working in Asia in various management positions, including setting up and being the CEO of Nordic Industrial Park in 2002, where he has advised and supported 50 companies in setting up their business operations in China. Ove is the founding partner of Nordic Aqua and initiated the project in 2014. Before moving to China, he held management positions in various companies in Norway.

Mr. Nodland is an Honorary Citizen of Ningbo and is a Qualified Mechanical Engineer from the Stavanger College of Technology.



Knut Nesse
Board Member

Knut Nesse is a Norwegian citizen, working as CEO of AKVA group ASA, a position he has held since November 2019. Prior to his current positions, Mr. Nesse has extensive experience as a CEO in leading international companies, including six years as CEO of Skretting Group (part of Nutreco) and six years as CEO of Nutreco. Mr. Nesse has vast experience from board positions in several companies.

Mr. Nesse holds an MBA from the Norwegian School of Economics and Business Administration (NHH).



Jan Petersen
Board Member

Jan Petersen is a Faroese citizen. He is the CEO of Christian i Grótinum, which main activity trawlers, fishing and producing around 90.000 ton of pelagic fish per year. Mr. Petersen has held the position since 2016. Prior to his current positions, Mr. Petersen has extensive experience as CFO of Christian i Grótinum and Føroya Tele.

Mr. Petersen holds a Bachelor's degree in financial accounting and finance from CBS.



Knut Langeteig
Board Member

Knut Langeteig is a Norwegian citizen, working as CEO and founder of several companies. Mr. Langeteig has over 40 years' experience from the pig farming industry. Over the last 10 years, Mr. Langeteig has also started companies in the fish farming industry. Mr. Langeteig is the co-founder of Goodvalley, a pig farming company which has grown from one farm in Poland to a company with over DKK 1.5 bn in revenues, Rbpi group.

Mr. Langeteig holds several board positions as chair of the board.

Management



Ove Nodland
Chairman, CEO,
NAN

See profile on page 22



Ragnar Joensen
COO,
NAN

See profile on page 22



Ole Juul Jørgensen

CEO,
NAP

Ole Jørgensen is a Danish citizen and an active investor. Through his company, Invactor, he supports companies with capital and active ownership. Mr. Jørgensen has been active with businesses in China for several years, and has, among other things, facilitated the startup of several companies in China. Ole is the chair of the board of 10 companies and board member of 13 companies.

Mr. Jørgensen holds a Graduate Diploma in Business Administration from Handelshøjskole Syd and a BSc, Mechanical Engineering from Sønderborg Teknikum.



Hjalti Hvitklett

CFO,
NAP

Mr. Hjalti Hvitklett is a Faroese citizen with experience as CFO and auditor. Prior to this position, he worked as CFO at P/F Pelagos from 2014 to 2021. From 2002 to 2014, he worked as an auditor.

Mr. Hvitklett holds a Master of Science (MSc) in Business Administration and Auditing (Cand. merc. aud.) from School of Business and Social Science, Aarhus University.

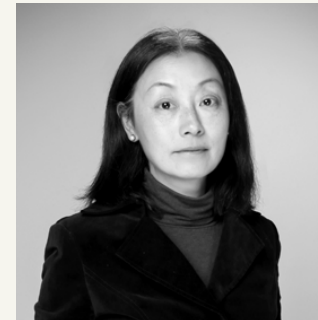


Arne Knudsen

Project Manager,
NAN

Arne Knudsen is a Norwegian citizen but has lived and worked in China for 20 years. He has held various management positions while working in China, most of them as General Manager of TTS Marine, where Mr. Knudsen was in charge of setting up their entire business operations. Before moving to China, Mr. Knudsen has worked in senior positions mostly related to the marine industries and held senior positions with companies such as Reber Shindler Heis AS, Hydralift ASA, Hydralift Marine AS, and TTS Marine ASA.

Mr. Knudsen holds a Machinist exam, Maritime school in Kristiansand, and is a certified Engine and Construction/Design engineer from Ålesund College.



Catherine Shen

Chief Administration Officer,
NAN

Catherine Shen is a Chinese citizen residing in Ningbo. Ms. Shen has extensive experience in setting up and holding management positions with foreign companies operating in China. Ms. Shen has been instrumental in the structuring and development of the company. Ms. Shen has extensive experience in liaising and negotiating with government authorities and bureaus and possesses an in-depth understanding of applicable rules and regulations, taxes and duties, financing, and HR-related issues.

Ms. Shen holds an MBA from BI – Fudan University, a Master's Degree from BI Norwegian Management School, and a Bachelor of laws from the University of International Business and Economics, majoring in international business law.

Company's management profile

The Nordic Aqua Partners A/S registered office is located at Dagmarsgades Vandtårn, Hundegade 1, 6760 Ribe, Denmark, and serves as the business address for the members of the Management in relation to their positions in the Company.

Management



Ove Nodland
Chairman, CEO,
NAN

See profile on page 22



Ragnar Joensen
COO,
NAN

See profile on page 22



Johan Toftegaard

RAS and fish production expert,
NAN

Johan Toftegaard is a Faroese citizen with more than 20 years of experience in producing salmon in RAS systems. He comes from the position as Freshwater Manager at MOWI Faroe Islands.

Mr. Toftegaard is a mechanical engineer and has been responsible for the construction of several land-based systems at MOWI and as a consultant in other companies.

Mr. Toftegaard will assure that his extensive experience and know-how are considered during design and construction of the RAS system and will be responsible for setting up and implementing RAS operational procedures and practices.



Matthew Bell

Technical Manager,
NAN

Matthew Bell is a British citizen with a solid mechanical engineering background, specialising in remote area work. He gained his experience in RAS farming in Arctic Norway.

Prior to working with RAS farming, Mr. Bell worked as a mechanical engineer for the British Antarctic Survey, maintaining and building mechanical systems at a research station and also in deep field Antarctica.

Mr. Bell also has experience as a technical specialist/trainer for a German mechanical handling company.

Mr. Bell is a qualified mechanical engineer from the Barnfield Technical College, UK.



Yong Tan

Construction Quality Manager,
NAN

Yong Tan is a Chinese Citizen residing in Shanghai. Mr. Tan has 20 years' experience in quality management and project management in various multinational companies, with more than 10 years in management position.

Mr. Tan is good at quality management, problem solving, process improvement, team management and data analysis. He has extensive project management experience mainly in shipbuilding, offshore, and oil & gas industries.

Mr. Tan is a Lean Six Sigma Black Belt, ISO9001 lead auditor, and holds a College Diploma in Marine Engineering from Bohai Shipbuilding Vocational College and an MBA from Shanghai University.



Bergur Magnussen

Assisting Farm Manager,
NAN

Bergur Magnussen is a Faroese citizen with more than 30 years of experience in producing salmon and trout in flow-through and RAS systems. Bergur has held various managerial positions in the Faroese and Danish aquaculture industry and has worked as an independent fish farmer over the past 12 years.

Mr. Magnussen has been responsible for the production of hundreds of fish groups in his career. In addition, he has been responsible for the construction of several land-based systems through his management positions as well as he has assisted as advisor in other companies.



Ola Frøvik

Farm Manager,
NAN

Ola Frøvik is a Norwegian citizen (born in 1983) with more than 11 years of RAS salmon farming experience. He has held various positions within the industry, including positions as Managing Director of Vågåfossen Settefisk AS and Operation Manager of MOWI, Vågåfossen. As Farm Manager, Ola will be responsible for the entire RAS operation, including the important task of implementing best farming practices and training local RAS operators.

Ola Frøvik has during his carrier within the aquaculture industry attended a variety of programs and courses at University Nord, NTNU and UIB within production biology, fish health and WM6010-RAS.



Board of Directors report

Board of Directors report

Nordic Aqua Partners A/S is a public limited liability company incorporated in Denmark on 10th November 2016, organized and existing under the laws of Denmark pursuant to the Danish Companies Act. Nordic Aqua was listed on EuroNext Growth in Oslo on 2nd December 2020, under the ticker "NOAP".

The 100% owned Subsidiary, Nordic Aqua (Ningbo) Co., Ltd, is a private limited liability company organized and existing as a Wholly Foreign Owned Enterprise under the Law of the People's Republic of China (the "PRC"). The RAS Atlantic salmon farm will be operated and managed by Nordic Aqua (Ningbo) Co., Ltd, located in Xiangshan county of Ningbo municipality.

Principal activities

The Group's main activity is investments in breeding systems for fish and shellfish as well as installing and operating these systems.

Group structure

The Group comprises two entities. Nordic Aqua Partners A/S acts primarily as a holding company to its 100% owned Subsidiary registered in China.

Our Mission

Our mission is to be the first to deliver live and locally and sustainably farmed Atlantic salmon directly to the Chinese consumer, saving air freight costs and import duties and significantly reducing the carbon footprint.

To achieve our objective, we employ state-of-the-art technology and best farming practices to sustainably accommodate China's rapidly growing appetite for high-quality protein.

To further develop our ambitious objectives and to continue to be a leader in the aquaculture and salmon farming industry in China, we will take a leading and visible role in the ongoing restructuring of the Chinese aquaculture industry towards greater efficiency, self-sufficiency and sustainability. This also includes ambitious growth plans in both production, processing, and cooperating with leading local players to deliver fresh salmon direct to consumers by using the best practices available.



Board of Directors report

Main achievements in 2021

Design package and site preparation completed

Registered Capital of EUR 25,0 million fully subscribed in the Chinese entity

Signed lease agreement with Xiangshan Strait Economic & Technological Cooperation Co., Ltd

Installation of AKVA Group RAS technology started

Technical Manager and Farm Manager on site in Gaotang

Construction startup of Hatchery, RAS 01/02/03 facility

Signed banking agreement with Bank of Ningbo for working capital facility of RMB 35 million

2022

Inlay of first eggs in hatchery completed

Board of Directors report / Operations

PROJECT REVIEW

Stage 1 of the project is largely developing on time and within budget. Groundworks and site preparations for the hatchery and administration building were completed in late April 2021. Since then, all focus has been on the completion of the hatchery facility and construction of RAS 1, 2 and 3 (“the small building”), which will also accommodate administration and other support functions.

As reported in the December 2021 project update, a typhoon and heavy rainfall in August caused slight postponement of construction work. This did not result in additional costs for Nordic Aqua as construction of facilities are carried under lease agreement.

However, it caused a slight delay to the construction schedule and completion of the hatchery, moving completion from December 2021 to February 2022.

Except for the unfortunate typhoon in August 2021 causing slight delays, project execution has been excellent, and the small building is expected to be completed by Q2 2022, according to plan. Construction of

the large building, housing RAS 4-8, purging and processing plant, has commenced. The local authorities are responsible for the construction of infrastructure and facilities through the lease agreement. Nordic Aqua is very satisfied with the dedicated support shown by local authorities, which have delivered on time and with a committed interest in ensuring steady progress.

In April 2021, Longyuan Construction Group Co. Ltd., one of the leading construction companies in China, was selected as main contractor for all infrastructure, utilities, and facilities, and the company is now fully mobilized on-site with site offices and dormitory.



Board of Directors report / Operations

TIMELINE

Longyuan is aligning construction work with the dynamic and complex ongoing RAS installation work.

AKVA Group, the turnkey supplier of technology, processes equipment and subsequent installation and commissioning of the RAS equipment mobilized on-site during the fall of 2021. Their local sub-supplier contracted to do the mechanical and electrical installation arrived at the site during the same time. AKVA Group and its sub-suppliers share offices with the Nordic Aqua project team and meet with the contractor on regular basis.

The first containers with the hatchery and RAS 01 and RAS 02 from AKVA Group have already arrived on site, and the installation work is progressing as per schedule.

On 9th March 2022, the company successfully completed its first inlay of eggs to the hatchery. With this, the company entered the next phase, moving from project phase to early phase productions. The eggs used in the hatchery are quality eggs produced by Benchmark Genetics Iceland and have been imported in accordance with the license issued by local authorities.

As the company is now entering the production phase, the senior RAS team is well into the process of strengthening the farming competence and capacity by recruiting and training additional local farming operators. The organization now has 30 employees.



Timeline

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

Board of Directors report / Operations

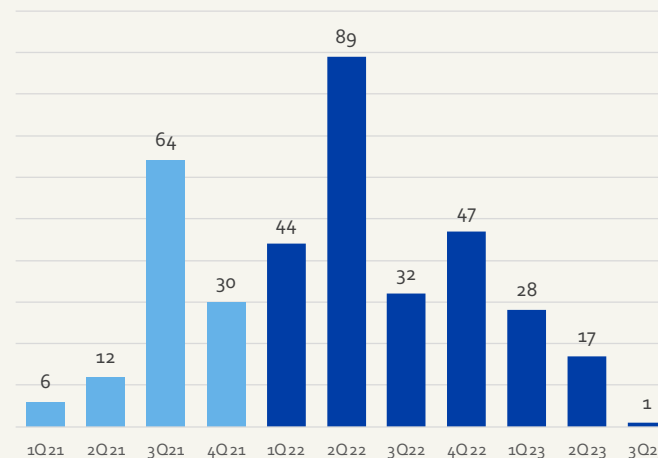
PROJECT FINANCIALS

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

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

The RAS technology was introduced during Q4 2021, and the company consequently made its first large capex payments during 2H 2021. The next large payment will be in Q2 2022 when major components arrive on-site. Capex remains on budget.

Capex plan Gaotang Island stage 1 Total 370 MDKK



Capex overview stage 1

	MDKK
Paid per 31.12.21	112
Distribution	
Before 2021	6
2021	106

Remaining payments

	MDKK
2022	212
2023	46



Board of Directors report / Operations

FUNDING

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

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

Loan agreement signed

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

Banking agreement and working capital facility

The company has an agreement with Bank of Ningbo, Xiangshan Branch, to provide banking services to its operation of the RAS based salmon farm in Ningbo, China. The agreement includes typical banking services for a company in rapid development and is based on a long-term partnership. The agreement also includes a conditional credit facility of MRMB 35 (MDKK 36) which will be used as a typical working capital facility.

Attractive lease with local government

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

Due to the nature of the business of the company, it has been agreed between the company and the Landlord that the company can take temporary use of

the infrastructure, utilities and facilities while being constructed. Such temporary use includes, but is not limited to doing necessary installation and commissioning work of RAS equipment, as start building biomass. However, the buildings will not be formally handed over to company until finally completed, agreed to be when all utilities, infrastructure and RAS equipment is installed and commissioned, scheduled to be latest by December 31st 2023. Company will start paying rent at the date of such formal handing over of the facilities, however, no later than January 1st 2024. The Company has started using the first part of the facility in Q1 2022, as the Company received egg into the hatchery.

Overview of lease agreement

Step	M ²	Monthly lease DKK/m ²	Lease/kg DKK*
Stage 1/A	38,000	24.2	2.8
Stage 2/B	19,000	24.2	1.4
Business plan	57,000	24.2	2.1

* Lease cost pr. kg. annual production HOG

Expansion to reach an annual capacity of 20,000 tonnes is expected to be done at similar lease terms as per the provisions in the Letter of Intent being negotiated between the company and the local government.



Financial Review

Financial review

PROFIT AND LOSS

Personnel expenses for 2021 totalled DKK 8.6 million (2020 4.1 million). The company has hired new personnel in administration and farming since last year, which is the primary reason for the increase. Other operating expenses totalled DKK 9.6 million (2020 14.9 million) during 2021 and consisted mainly of consultants and advisors. Financial expenses are related to interest payments on the undrawn loan facility, negative interest on cash and exchange deviations.

CASH FLOW

Net cash flow from operating activities was DKK -17.3 million in 2021 (2020 18.2 million).

Net cash flow from investing activities was DKK -108 million during in 2021 (2020 14.7 million). Investments are related to AKVA technology and will gradually increase as construction accelerates.

There was no cash flow from financing activities during in 2021 (2020 429,7 million).

Total net cash flow during 2021 was DKK -130 million (2020 390 million). Cash and cash equivalents at the end of the period were DKK 277 million (2020 400 million).

FINANCIAL POSITION

The carrying amount of Nordic Aqua's total fixed assets per 31st December 2021 was DKK 123 million, compared to DKK 15 million on 31st December 2020. The increase is mainly related to AKVA technology.

Consolidated non-interest-bearing liabilities totalled DKK 7 million.

CASH FLOW SUMMARY

(Figures in DKK 1,000)

	2021	2020
Net cash flow from operating activities	-17,316	-18,194
Net cash flow from investments activities	-108,009	-14,715
Net cash flow from financing activities	0	429,669
Net change in cash and cash equivalents	-129,941	390,758
Foreign exchange differences	7,698	-420
Cash and cash equivalents at start of period	399,588	9,250
Cash and cash equivalents at end of period	277,345	399,588

USE OF FINANCIAL INSTRUMENTS

The Group is exposed to interest rate risk and exchange rate risk. Cash and loan facility is primarily held in EUR to match the upcoming Capex payments. Loan facility is based on fixed interest rate.

The Group continuously monitors liquidity and financial projections through Master Plan, yearly budgets and monthly updated forecasts.

A possible delay in the completion of construction of the plant located on the Gaotang Island, Xiangshan County in Ningbo municipality in China may have influence on our operational plan and full schedule of production, thereby impacting the Group's business, liquidity, and result of operation.

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.

Share information

Per 31st December 2021, Nordic Aqua had 10,283,984 issued shares, held by 593 shareholders.

Nordic Aqua Holding ApS is the company's largest shareholder with 5,168,922 shares, corresponding to 50.26% of total number of share outstanding. Nordic Aqua Holding ApS is owned by Nutreco, key personnel, and others.

On the Annual General Meeting on May 27th, 2021, it was decided that the Board of Directors were authorized to grant and issue warrants to key personnel of up to 5% of the Company's share capital. On March 3rd 2022, The Board of Directors has allocated 437,070 warrants to the Company's employees, which have been subscribed by the relevant holders. Each warrant gives the holder a right to subscribe for one share in the Company at a strike price of NOK 81 per share.

The closing price of the company's share was NOK 65.80 per share as per 31st December, which corresponds to a market capitalization of NOK 677 million.

During H2 2021, the average daily traded volume was about 10,288 shares and the average daily traded value was about NOK 0.64 million.

20 LARGEST SHAREHOLDERS 31 DECEMBER 2021

Rank	Number of shares held	Ownership percentage	Name
1	5,168,922	50.26%	NORDIC AQUA HOLDING APS
2	881,778	8.57%	KONTRARI AS
3	409,780	3.98%	J.P. MORGAN BANK LUXEMBOURG S.A.
4	269,960	2.63%	IMMOB INVEST AS
5	209,108	2.03%	VERDIPAPIRFONDET NORDEA NORGE VERD
6	188,497	1.83%	VERDIPAPIRFONDET NORDEA AVKASTNING
7	187,943	1.83%	The Bank of New York Mellon SA/NV
8	167,944	1.63%	VERDIPAPIRFONDET NORDEA KAPITAL
9	143,113	1.39%	SILVERCOIN INDUSTRIES AS
10	110,702	1.08%	VERDIPAPIRFONDET NORDEA NORGE PLUS
11	110,047	1.07%	SPAREBANK 1 MARKETS AS
12	101,000	0.98%	SONSTAD AS
13	100,770	0.98%	SOUTH WINDS AS
14	92,968	0.90%	KEWA INVEST AS
15	91,329	0.89%	SN SAMLEREN AS
16	83,360	0.81%	EQUINOR PENSJON
17	73,500	0.71%	DNB Markets Aksjehandel/-analyse
18	71,301	0.69%	Nordea Bank Abp
19	65,000	0.63%	MØSBU AS
20	63,970	0.62%	Danske Bank A/S
	8,590,992	83.54%	Total for 20 largest shareholders
	1,692,992	16.46%	Other 573 shareholders
	10,283,984	100.00%	Total number of shares

Outlook

At listing in Q4 2020, Nordic Aqua secured equity funding for expansion up to 8,000 tonnes. Since then, site preparations have been completed, and construction of the smolt facility for Stage 1 and Stage 2 has started. As land, infrastructure, and buildings are leased from the local government in China, they are currently responsible for the work being conducted on the site. The first milestone was completed in early March 2022, with inlay of the first eggs. Production cycle is estimated at two years, which means the company is on time for first harvest in Q1 2024.

At the end of 2021, the organization counted 20 employees. The company continues to recruit both foreign and local expertise, management, and staff to fill the many positions needed to meet our ambitious expansion and development plans.

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

The company has initiated a project to investigate all aspects of a possible accelerated expansion plan to reach a capacity of 20,000 tonnes by 2027. This process is expected to be concluded by end 2022.



Responsibility statement from the Board of Directors

The Board of Directors and Executive Board have today discussed and approved the Annual Report of Nordic Aqua Partners A/S for the financial year 01.01.2021 – 31.12.2021.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, which have been adopted by the EU. The parent company's financial statements have been prepared in accordance with the Danish Financial Statements Act. Management's review has been prepared in accordance with the Danish Financial Statements Act.

Further, the consolidated financial statements have been prepared in accordance with additional requirements under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements for the parent company give a true and fair view of the Group's and the parent company's assets, liabilities and financial position on 31st December 2021 and of the results of its operations and cash flow for the financial year 01.01.2021-31.12.2021.

The management review contains in our opinion a true and fair review of the development in the Group's and the parent company's operations, financial circumstances and results for the year, and of the parent company's financial position, and describes the material risks and uncertainties affecting the Group and the parent company.

We recommend that the Annual Report be approved at the Annual General Meeting.

Ribe, 04.05.2022

EXECUTIVE BOARD

Ole Juul Jørgensen
CEO

BOARD OF DIRECTORS

Ragnar Joensen
Chairman

Jan Petersen
Board member

Ove Nodland
Board member

Knut Nesse
Board member

Knut Langeteig
Board member

Ole Juul Jørgensen
Board member



Financial Statements and Notes



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Financial Statements

Consolidated Statement of Comprehensive Income

kDKK	Note	2021	2020
Revenue		0	
Other operating income	2	620	0
Other external expenses	2	-9,605	-14,876
Gross profit/(Loss)		-8,985	-14,876
Staff costs	3	-8,601	-4,111
Operating profit/(loss) before amortisation and depreciation		-17,586	-18,987
Depreciations	6	-166	-3
Operating profit/ (loss) before tax		-17,752	-18,990
Financial income	4	157	469
Financial expenses	4	-9,910	-6,986
Financial expense - net		-9,753	-6,517
Profit/loss before tax		-27,505	-25,507
Income tax expense		0	0
Profit/loss for the period		-27,505	-25,507
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		12,711	-420
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		12,711	-420
Total other comprehensive income for the period		-14,794	-25,927
Earnings per share			
Basic	5	-2,67	-8,70
Diluted		-2,67	-8,70

Financial Statements

Consolidated Statement of Financial Position

ASSETS

kDKK	Note	2021	2020
Assets under construction	6	111,141	5,412
Property, plant & equipment	6	1,290	22
Deposits	8	10,296	9,284
Total non-current assets		122,727	14,718
Other current receivables	8	4,656	628
Receivables	8	1,135	0
Receivables from owners and management	8	99	0
Cash and cash equivalents		277,345	399,588
Total current assets		283,235	400,216
Total assets		405,962	414,934

Financial Statements

Consolidated Statement of Financial Position

EQUITY AND LIABILITIES

kDKK	Note	2021	2020
Share capital	9	10,284	10,284
Other equity		388,172	402,675
Other capital reserve		0	0
Total equity		398,456	412,959
Trade payables		6,687	87
Other current liabilities	11	819	1,888
Total current liabilities		7,506	1,975
Total liabilities		7,506	1,975
Total equity and liabilities		405,962	414,934

Financial Statements

Consolidated Statement of Changes in Equity

kDKK	Share capital	Currency translation differences	Retained earnings	Total Equity
Equity January 1 st 2021	10,284	-282	402,957	412,959
Net profit/(loss) for the period			-27,505	-27,505
Exchange adjustment		12,711		12,711
Other comprehensive income			292	292
Total comprehensive income				0
Balance December 31th 2021	10,284	12,428	375,744	398,456

kDKK	Share capital	Currency translation differences	Retained earnings	Total Equity
Equity January 1 st 2020	195	138	8,369	8,702
Net profit/(loss) for the period			-25,507	-25,507
Exchange adjustment				0
Other comprehensive income		-420		-420
Total comprehensive income	0	-420	-25,507	-25,927

Conversion of shares	1,759		-1,759	0
Capital increase	8,330		440,156	448,486
Transaction costs			-18,817	-18,817
Compound financial instrument			515	515
Balance at 31 December 2020	10,284	-282	402,957	412,959

On 26th February 2020, the parent turned the corporate form from ApS to A/S. Share capital was increased from kDKK 195 to kDKK 1,954 by transferring kDKK 1,759 from retained earnings.

Transactions with shareholders:

On 27th May 2020, share capital has been increased by adding net kDKK 7,329 to equity.

On 15th July 2020, share capital has been increased by adding net kDKK 1,489 to equity.

On 3rd September 2020, share capital has been increased by adding net kDKK 1,860 to equity.

On 1st October 2020, share capital has been increased by adding net kDKK 1,489 to equity.

On 25th November 2020, share capital has been increased by adding net kDKK 417,502 to equity, including converting of 2 convertible loans obtained previously in 2020.

Financial Statements

Consolidated Statement of Cash Flows

kDKK	Note	2021	2020
Cash flow from operations			
Operating profit/loss		-17,752	-18,990
Adjustments for:			
Depreciation	6	166	3
Changes in working capital:			
Change in other current receivables		-5,262	-462
Change in trade payables		5,532	1,255
Cash generated from operations		-17,316	-18,194
Interest paid	4	-4,773	-6,471
Interest received	4	157	469
Net cash flow from operations		-21,931	-24,196
Cash flow from investment activities			
Payments for fixed assets and other capitalizations		-106,997	-5,431
Payments for intangible assets		-1,012	-9,284
Net cash flow from investment activities		-108,009	-14,715
Cash flow from financing activities			
Proceeds from capital increase		0	448,486
Transaction cost of issue of shares		0	-18,817
Proceeds from new borrowings		0	0
Net cash flow from financing activities		0	429,669
Net change in cash and cash equivalents		-129,941	390,758
Foreign exchange differences		7,698	-420
Cash and cash equivalents at the beginning of the period		399,588	9,250
Cash and cash equivalents at the end of the period		277,345	399,588

The figures in the cash flow statement cannot be directly derived from the figures in the balance sheet.

Notes on the Consolidated Financial Statements

Notes on the Consolidated Financial Statements

NOTE 1 BASIS OF REPORTING

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and additional requirements of the Danish Financial Statements Act for class B.

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

The Group's general accounting policies are described below. In addition to this, specific accounting policies are described in each of the individual notes to the consolidated financial statements. The accounting policies set out below and, in each note, have been used consistently in respect of the financial year and the comparative figures.

Materiality in financial reporting

In the preparation of the consolidated financial statements, Management aims to focus on the information considered to be material and relevant for the understanding of the Group's performance in the reporting period.

The consolidated financial statements are a result of aggregating large numbers of transactions into classes of similar items according to their nature or function in the consolidated financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or in the notes.

Management provides specific disclosures required by IFRS unless the information is not applicable or considered immaterial to the economic decision-making of the users of these consolidated financial statements.

Key account estimates and judgements

As part of the preparation of the consolidated financial statements, Management makes a number of accounting estimates and assumptions as a basis for recognising and measuring the Group's assets, liabilities, income and expenses as well as judgements made in applying the Group's accounting policies. The estimates, judgements and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances, but which are inherently subject to uncertainty and volatility.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur, for which reason the actual results may differ from the estimates and judgements made.

There have not been identified any key account estimates or judgements.

Notes on the Consolidated Financial Statements

Basis of consolidation

The consolidated financial statement comprises the financial statements of Nordic Aqua Partners A/S (the Parent) and subsidiaries which are entities controlled by Nordic Aqua Partners A/S. The Group controls an entity when it directly or indirectly owns more than 50% of the voting rights or may otherwise exercise a controlling influence.

Principles of consolidation

The consolidated financial statements are prepared based on the financial statements of the Parent and its subsidiaries.

The consolidated financial statements are prepared by combining items of a uniform nature and subsequently eliminating intercompany transactions, internal shareholdings and balances and unrealised intercompany gains or losses. The financial statements used for consolidation are prepared in accordance with the Group's accounting policies.

The accounting items of subsidiaries are recognised 100% in the consolidated financial statements. Non-controlling interest's share of subsidiaries' profit or loss for the year and net assets is included in the Group's profit or loss and balance sheet but are disclosed separately.

Investments in subsidiaries are offset by the interest's share of subsidiaries' net assets at the acquisition date at fair value.

Cash flow statement

The cash flow statement shows cash flow from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition of property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, repayment of interest-bearing debt.

Cash and cash equivalents comprise cash.

Segment reporting

The Group is still in a start-up phase and therefore for management purposes, the Group is currently organised in only one segment. Therefore, no further disclosure relating to segment reporting was provided.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are expected to have no impact on the Group's consolidated financial statements. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New standards

New standards implemented in 2021 have had no impact on the financial statement.

Notes on the Consolidated Financial Statements

NOTE 2 OTHER OPERATING INCOME AND EXTERNAL EXPENSES

Other operating income is measured at the fair value of the consideration received or receivable for the sale. The Income is recognized net of discounts, VAT and other sales related taxes.

Other external expenses include expenses relating to the Group's ordinary activities and the startup costs, including expenses for external parties, stationery and office supplies, marketing costs, etc.

Other external expenses include costs relating to listing on Euronext Growth.

Notes on the Consolidated Financial Statements

NOTE 3 STAFF COSTS

Staff costs include employees' salaries and bonuses, social security costs and other staff costs for salaried employees.

kDKK	2021	2020
Salary	7,379	3,584
Other employee benefits	958	506
Social security costs	264	21
Total	8,601	4,111
Weighted average number of full-time employees	17	3
Executive remuneration:		
Board of Directors	420	132
Other key management personnel		
Ole Juul Jørgensen, CEO	90	66
Hjalti Hvitklett, CFO (from May 2021)	792	0
Ove Nodland, CEO Nordic Aqua Ningbo	1,522	1,411
Other key management personnel total	2,404	1,477
Ragnar Joensen, Chairman	150	0
Knut Nesse	90	0
Knut Langeteig	90	66
Ove Nodland	0	0
Jan Petersen	90	66
Board of Directors total	420	132

In the consolidated companies, the remuneration of the Board of Directors is a fixed annual salary.

NOTE 4 FINANCIAL INCOME AND EXPENSES**Accounting policies**

Financial income and expenses include interest income and expenses and exchange gains and losses on transactions in foreign currencies.

Interest on convertible loans raised in 2020 and converted later in 2020 is included in financial expenses.

Commitment fees and loan cost from obtaining bank loan facility are included in financial expenses.

Financial income

kDKK	2021	2020
Interest income	157	2
Exchange rate adjustment	0	467
Total	157	469

Financial expenses

kDKK	2021	2020
Bank charges	-22	-17
Interest bank deposits	-1,246	-183
Exchange rate adjustment	-5,138	-143
Costs for loan facility	-3,504	-3,232
Interest and costs on convertible loan	0	-3,411
Total	-9,910	-6,986

Notes on the Consolidated Financial Statements

NOTE 5 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings	31 Dec 2021	31 Dec 2020
kDKK		
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the Company	-27,505	-25,506
Effect of dilutive potential ordinary shares:		
Earnings for the purposes of diluted earnings per share	-27,505	-25,506
Number of shares	31 Dec 2021	31 Dec 2020
Weighted average number of ordinary shares for the purposes of basic earnings per share	10,283,984	2,932,945
Weighted average number of ordinary shares for the purposes of diluted earnings per share	10,283,984	2,932,945

NOTE 6 PROPERTY, PLANT AND EQUIPMENT**Accounting policies**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment. Cost comprises the acquisition price and other directly attributable costs until the date on which the asset is available for use.

Depreciation is recognised on a straight-line basis from the time of acquisition, or when the asset is available for use, over the expected useful life. The expected useful lives are assessed individually for every class of assets. A reassessment is made once a year to ascertain that the depreciation basis reflects the expected useful lives and future residual values of the assets.

The expected useful lives are as follows:

Other plant, fixtures and operating equipment 3-5 years

Impairment testing

The carrying amount of property, plant and equipment is reviewed to determine whether there is any indication of impairment loss. If the recoverable amount of an asset is estimated to be less than the carrying amount, an impairment loss is recognised. There are no issues, that indicate the need of impairment.

Notes on the Consolidated Financial Statements

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

kDKK	Construction in progress	Other plant, fixtures and operating equipment	Total
Cost at 1 January 2021	5,451	30	5,481
Exchange rate adjustment	0	0	0
Additions	105,690	1,440	107,130
Cost at 31 December 2021	111,141	1,470	112,611
Depreciation and impairment at 1 Jan 2021	0	-5	-5
Depreciation for the year	0	-175	-175
Depreciation and impairment at 30 June 2021	0	-180	-180
Carrying amount	111,141	1,290	112,431
Cost at 1 January 2020	0	8	8
Additions	5,412	19	5,431
Cost at 31 December 2020	5,412	27	5,439
Depreciation and impairment at 1 jan 2020	0	-2	-2
Depreciation for the year	0	-3	-3
Depreciation and impairment at 31 December 2020	0	-5	-5
Carrying amount 31 December 2020	5,412	22	5,434

NOTE 7 VALUATION OF BIOLOGICAL ASSETS (RELEVANT FOR 2022)

Biological assets are, in accordance with IAS 41, measured at fair value less cost to sell. The calculation of the estimated fair value is based on market prices for harvested fish. In the accounts, the change in estimated fair value is entered to the Income Statement on a continuous basis.

The Group's biological assets are salmon at all stages of the life cycle. The fish is divided into two main groups, depending on the stage of the life cycle. The first group is eggs to post smolt. The second is post smolt to market size.

For the first group, historical industry cost is deemed a reasonable approach to fair value, as there is little biological transformation.

For the second group, the fair value is calculated by applying a present value in the fair value hierarchy in IFRS 13. In accordance with the principle in IFRS 13 for highest and best use.

The valuations are based on an income approach and takes into consideration unobservable input based on biomass, the estimated growth rate and cost to completion at batch level. Mortality, quality of the fish going forward and market price are considered. A special assessment is performed for batches with high/low performance due to disease or other deviating factors. The market prices are derived from observable market prices where available.

Notes on the Consolidated Financial Statements

NOTE 8 RECEIVABLES AND DEPOSITS

Accounting policies

Receivables and other receivables are measured on initial recognition at fair value and subsequently at amortised cost less impairments, if any.

Prepaid expenses comprise amounts paid in respect of goods or services to be received in subsequent financial periods.

Deposits comprise a payment to local government for customized plant construction and amounts to kDKK 10,296. The deposit will be returned to Nordic Aqua (Ningbo) Co., Ltd. step by step when it starts to pay corporate income taxes in accordance with agreement.

kDKK	Deposits
Cost at 1 January 2021	9.284
Exchange rate adjustment	1.012
Total	10.296

The Company granted a loan to Nordic Aqua Partners Holding ApS on February 1st 2021. The loan is fully repaid in 2022.

Accounts receivable and other receivables are presented at face value less provisions for bad debts. Provisions for bad debts are made based on an individual assessment of the receivables concerned. Due to insignificant cost and the short credit period, amortized cost is equivalent to face value less foreseeable losses.

kDKK	2021	2020
Receivables	1,135	0
Receivables from owners and management	99	0
Total	1,234	0

NOTE 9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are primarily held with financial institutions through which the Group conducts its day-to-day banking transactions.

NOTE 10 SHARE CAPITAL

The share capital comprises 10,283,984 shares of DKK 1 each (2020: 195,407). The shares are all authorised, issued and fully paid. No shares carry any additional special rights. The Group continuously assesses the need for adjustment of the capital structure.

The shares are listed on Euronext Growth in Oslo (Merkur Market) with ticker "NOAP".

There is no dividend proposed for 2021 (2020: Nil).

NOTE 11 TRADE AND OTHER PAYABLES

Accounting policies

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. These are classified as current liabilities if payment is due in one year or less. If payment is due at a later date, they are presented as non-current liabilities.

kDKK	31 Dec. 2021	31 Dec. 2020
Trade payables	6,687	87
Various taxes, including VAT	0	0
Other payables	819	1,888
Total trade and other payables	7,506	1,975

Notes on the Consolidated Financial Statements

NOTE 12 INTEREST-BEARING LOANS AND BORROWINGS

Accounting policies

Bank loans are initially recognised at fair value net of transaction expenses and subsequently measured at amortised cost using the effective interest method.

The Group has entered into a loan agreement with Eksfin – Eksportfinansiering Norge and Coöperative Rabobank U.A. (“Rabobank”) for a senior secured export credit term loan and guarantee facility agreement, amounting to EUR 25 million. Loan amount will be split in 3 drawings based on progress on Capex. The Facility shall be repaid in equal, consecutive quarterly instalments starting of finishing date of the Project and the facility matures 10 years after the first drawdown date. First drawing is planned to take place in 2023.

Nordic Aqua has an agreement with Bank of Ningbo, Xiangshan Branch, to provide a conditional credit facility of MRMB 35 (MDKK 36) which will be used as a typical working capital facility.

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

kDKK	31 Dec. 2021	31 Dec. 2020
Credit facility	222,019	185,983
Undrawn credit facility	-222,019	-185,983
Total financial liabilities	0	0
Included in the balance sheet:		
Non-current liabilities	0	0
Current liabilities	0	0
Total bank loans	0	0

NOTE 13 LEASING

Accounting policies

The determination of whether a contract is, or contains, a lease is assessed at the inception of the lease and is based on whether the contract conveys a right to control the use of an identified asset or assets for a period of time in exchange for consideration. For contracts where the Group is the lessee, right-of-use assets and lease liabilities are recognised at the commencement of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the useful life of the asset. When a purchase option has been included in the cost at recognition, the right-of-use asset is depreciated over the estimated useful life of the asset. The lease liabilities at commencement date is measured at the present value of the lease payments. The lease payments are discounted using the Group’s incremental borrowing rate as the interest rate implicit in the lease is not readily determinable.

For leasing contracts with optional renewal period, and where we are reasonably certain to exercise this option, the renewal periods are included in the calculation of the lease liability and asset. The Group has lease contracts for various assets used in its operation, the main asset group being transportation. Lease terms and other conditions vary.

Nordic Aqua (Ningbo) Co., Ltd. has entered into an agreement with Xiangshan Strait Economic & Technological Cooperation Co., Ltd, in which they will provide land, infrastructure, utilities and all facilities on a 10 + 10 year lease, with a contracted option for the Group to purchase land, infrastructure, utilities and all facilities during the lease term. The annual lease amounts to MDKK 10.4 for Stage 1.

The executed Rental Agreement has a term of 10 years, with a right to extend the term for an additional 10 years. The reason for splitting the 20 years term into a 10 + 10 years terms, is simply to allow the rental fee to be adjusted to reflect fair market price at the end of the first 10 years of the term, since the rental fee for the first 10 years is fixed. The term of the rental period starts at date of formal handover of the facilities, latest at December 31st 2023.

Notes on the Consolidated Financial Statements

Due to the nature of the business of the company, it has been agreed between the company and the Landlord that the company can take temporary use of the infrastructure, utilities and facilities while being constructed. Such temporary use includes, but is not limited to doing necessary installation and commissioning work of RAS equipment, as start building biomass. However, the buildings will not be formally handed over to company until finally completed, agreed to be when all utilities, infrastructure and RAS equipment is installed and commissioned, scheduled to be latest by December 31st 2023. Company will start paying rent at the date of such formal handing over of the facilities, however, no later than January 1st 2024. The Company has started using the first part of the facility in Q1 2022, as the Company received egg into the hatchery.

NOTE 14 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. At 31th December 2021, the Group has no interest-bearing debt net, but has in the beginning of 2021 entered into an agreement with Xiangshan Strait Economic & Technological Cooperation Co., Ltd, on lease of land, infrastructure, utilities and all facilities. Furthermore, the Group has entered into a loan agreement with Eksportkreditt Norge AS ("Eksportkreditt"), Garantiinstituttet for Eksportkreditt ("GIEK"), and Coöperative Rabobank U.A. ("Rabobank") for a senior secured export credit term loan and guarantee facility agreement, amounting to EUR 25 million according to Note 12.

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

Liquidity risk

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

The Group has cash of MDKK 277, an undrawn bank loan facility of MDKK 186, and an undrawn credit facility of MDKK 36 as of 31st December 2021.

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

Maturity of the Group's financial liabilities:

kDKK	Less than 1 year	Between 1-5 years	More than 5 years	Total
2021:				
Trade Payables	6,687	0	0	6,687
Other Payables	819	0	0	819
Total	7,506	0	0	7,506
2020:				
Trade Payables	87	0	0	87
Other Payables	1,888	0	0	1,888
Total	1,975	0	0	1,975

Notes on the Consolidated Financial Statements

Foreign exchange risk

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

The sensitivity analysis for foreign currency risk:

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

kDKK	Change in CNY rate	Effect on profit before tax
2021	+5%	-1,079
	-5%	1,079
2020	+5%	-350
	+5%	-350

Interest rate risk

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

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

Categories of financial assets and liabilities

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

kDKK	31 Dec. 2021	31 Dec. 2020
Financial assets measured at amortised cost:		
Other receivables	4,656	628
Receivables	1,234	0
Cash and cash equivalents	277,345	399,588
Total cash and cash equivalents	283,235	400,216
Financial liabilities measured at amortised cost:		
Trade payables	6,687	86
Other payables	819	1,888
Total financial liabilities	7,506	1,975

Notes on the Consolidated Financial Statements

NOTE 15 AUDIT FEES

Fees to auditors appointed at the Annual General Meetings:

kDKK	2021	2020
Statutory audit	139	89
Tax advisory services	191	33
Other services	82	364
Total audit fees	412	486

NOTE 16 CONTINGENT LIABILITIES AND SECURITY FOR DEBT

Accounting policies

Contingent liabilities include possible obligations that are uncertain and not yet held. If the obligation is more likely to be in effect, a provision must then be recognised.

Contingent liabilities

The existence of contingent liabilities is assessed on an ongoing basis whether the criteria for recognising a provision are met.

Security for debt

As of 31st December 2021, no assets have been pledged.

Nordic Aqua (Ningbo) Co., Ltd. has entered into an agreement with Xiangshan Strait Economic & Technological Cooperation Co., Ltd, in which they will provide land, infrastructure, utilities and all facilities on a 10 + 10 year lease, with a contracted option for the Group to purchase land, infrastructure, utilities and all facilities during the lease term. The annual lease amounts to MDKK 10.4 for Stage 1.

The buildings will not be formally handed over to company until finally completed, agreed to be when all utilities, infrastructure and RAS equipment is installed and commissioned, scheduled to be latest by December 31st 2023. Company

will start paying rent at the date of such formal handing over of the facilities, however, no later than January 1st 2024. The Company has started using the first part of the facility in Q1 2022, as the Company received egg into the hatchery.

NOTE 17 RELATED PARTIES

Transactions with related parties

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its related parties are disclosed below. Transactions to related parties could be loans, interest expenses on these loans, general payables and receivables and tax settlements.

A company where the Chairman of the Board has significant influence, has received advising fee for assistance to the company kDKK 1,650 in 2021 (2021: kDKK 1.650).

A company where the Chief Financial Officer has significant influence has received advising fee for assistance to the company kDKK 157 in 2021 (2020: kDKK 0).

There were no further transactions with the Board of Directors or the Executive Board, besides remuneration. For information on remuneration, please refer to note 3.

Shareholders	Registered office	Basis of Influence
Nordic Aqua	Ribe, Denmark	Significant influence *)
Holding ApS; 50,3 %		

Ad *) The 16 shareholders in Nordic Aqua Holding ApS act in a professional capacity on behalf of its shareholders, and Nordic Aqua Holding ApS is entitled to distinguish between the different shares and exercise the voting rights attaching to the different shares in different ways (split voting).

Notes on the Consolidated Financial Statements

NOTE 17 RELATED PARTIES

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

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

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

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

The Company granted a loan to Nordic Aqua Partners Holding ApS on 99 tDKK, the loan is repaid in 2022.

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

NOTE 18 EVENTS AFTER THE BALANCE SHEET DATE

On the Annual General Meeting on 27th May 2021, it was decided that the Board of Directors were authorized to grant and issue warrants to key personnel of up to 5% of the Company's share capital. On 3rd March 2022, The Board of Directors has allocated 437,070 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.

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

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

The unfortunate situation with the war in Ukraine has added to the logistic challenges, however we do not see this as a risk factor for our project. We may see an increase in cost for certain raw materials in the short and medium term, such as in fish feed, however the majority of our fish feed consumption will start towards the end of 2022 and into 2023. As any such longer term cost consequences will apply to the entire industry, we do not consider our project to be particular at risk.

Apart from this, no events have occurred after the balance sheet date, which would change the evaluation of the annual report.



Financial Statements Parent Company



Financial Statements Parent Company

Income Statement

kDKK	Note	2021	2020
Gross profit/loss		-4,145	-8,954
Staff cost		-1,378	-198
Operating profit/(loss) before tax		-5,522	-9,152
Other financial income		527	0
Other financial expenses		-1,463	-4,690
Profit/loss for the year		-6,458	-13,842
Proposed distribution of profit and loss			
Retained earnings		-6,458	-13,842
Proposed distribution of profit and loss		-6,458	-13,842

Financial Statements Parent Company

Balance Sheet

ASSETS			
kDKK	Note	2021	2020
Investments in group enterprises	1	186,043	186,043
Receivables from group enterprises		186,363	0
Other financial assets		372,406	186,043
Fixed assets		372,406	186,043
Receivables from group enterprises		26,612	2,265
Receivables from owners and management		99	0
Other receivables		1,069	432
Receivables		27,780	2,697
Cash		23,886	384,706
Current assets		51,666	387,403
Assets		424,072	573,446

Financial Statements Parent Company

Balance Sheet

EQUITY AND LIABILITIES			
kDKK	Note	2021	2020
Contributed capital		10,284	10,284
Retained earnings		412,957	419,415
Equity		423,241	429,699
Trade payables		831	34
Payables to group enterprises		0	143,578
Other payables		0	135
Current liabilities other than provisions		831	143,747
Liabilities other than provisions		831	143,747
Total equity and liabilities		424,072	573,446

Financial Statements Parent Company

Cash Flow

kDKK	Note	2021	2020
Operating profit/loss		-5,522	-9,152
Change in working capital	2	-24,460	-3,155
Cash flow from operating activities before financial income and expenses		-29,983	-12,307
Financial income, received		0	0
Financial expenses, paid		-1,256	-4,175
Income taxes, received/(paid)		0	0
Cash flow from operating activities		-31,239	-16,482
Share capital to group enterprises		-143,578	-29,055
Loan to group enterprises		-185,902	0
Cash flows from investing activities		-329,480	-29,055
Proceeds from capital increase		0	448,486
Transaction costs of issue of shares		0	-18,817
Cash flow from financing activities		0	429,669
Cash and cash equivalents, beginning of the year		384,706	574
Net (decrease)/increase in cash and cash equivalents		-360,720	384,132
Cash and cash equivalents, end of the year		23,986	384,706
Cash and cash equivalents in the cash flow statement comprise:			
Cash and cash equivalents		23,986	384,706

The figures in the cash flow statement cannot be directly derived from the figures in the balance sheet.

Financial Statements Parent Company

Statement of Changes in Equity

kDKK	Share capital	Retained earnings	Total equity
Equity beginning of year	10,284	419,415	429,699
Loss/profit for the year		-6,458	-6,458
Equity end of year	10,284	412,957	423,241



Nordic
Aqua

Notes to the Financial Statements Parent Company

Notes to the Financial Statements Parent Company

NOTE 1 FIXED ASSET INVESTMENTS

kDKK	Investments in group enterprises
Cost at 1 January 2021	186,043
Cost at 31 December 2021	186,043
Carrying amount at 31 December 2021	186,043
<hr/>	
kDKK	
Cost at 1 January 2020	186,723
Changes to exchange rates	-680
Cost at 31 December 2020	186,043
Carrying amount at 31 December 2020	186,043

Investments in group enterprises of the total amount of the share capital in Nordic Aqua (Ningbo) Co., Ltd.

	Equity interest	Registered in	Corporate form
Nordic Aqua (Ningbo) Co., Ltd.	100%	China	Ltd.

NOTE 2 WORKING CAPITAL

kDKK	2021	2020
Change in receivables from group enterprises	-24,347	-2,265
Change in other receivables	-776	-417
Change in trade payables and other payables	663	-473
Total change in working capital	-24,460	-3,155

Notes to the Financial Statements Parent Company

ACCOUNTING POLICIES

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

INCOME STATEMENT

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff cost

Staff costs include employees' salaries and bonuses, social security costs and other staff costs for salaried employees.

Other financial income

Other financial income comprises dividends etc interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies, etc.

Other financial expenses

Other financial expenses comprise interest expenses, etc.

Notes to the Financial Statements Parent Company

BALANCE SHEET

Investments in group enterprises

Investments in associates are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equaling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortized cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.

Parent Company Details

Parent Company

Nordic Aqua Partners A/S
Hundegade 1
6760 Ribe
Denmark

Business Registration No.:
38 18 30 01

Registered office:
Esbjerg

Date of incorporation:
10.11.2016

Financial year:
01.01.2021 - 31.12.2021

Board of Directors

Ragnar Joensen, Chairman
Ove Nodland
Jan Petersen
Knut Nesse
Knut Langeteig

Executive Board

Ole Juul Jørgensen, CEO

Auditors

Deloitte Statsautoriseret
Revisionspartnerselskab
Dokken 8
6700 Esbjerg
Denmark

Independent Auditor's Report

To the shareholders of Nordic Aqua Partners A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Nordic Aqua Partners A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies and cash flow statement, for the Group as well as the Parent, and the income statement of the Parent and the statement of comprehensive income of the Group. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31.12.2021, and of the results of its operations and cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements under the Danish Financial Statements Act.

Further, in our opinion, the parent financial statements give a true and fair view of the Parent's finan-

cial position at 31.12.2021, and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management's review, and we do not express any

form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management's review and, in doing so, consider whether the management's review is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management's review is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act as well as the preparation of parent finan-

Independent Auditor's Report

cial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional

requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but

not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the

Independent Auditor's Report

disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit

findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Violation of Danish company law and similar legislation.

Without modifying our opinion we must state that, the company has granted a loan to a shareholder, which is a violation of the Danish Company Act § 210. Management may be held liable.

The loan has been repaid in 2022.

Esbjerg, 04.05.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Mikael Grosbøl

State-Authorised Public Accountant
Identification No. (MNE) mne33707

Jakob Olesen

State-Authorised Public Accountant
Identification No. (MNE) mne34492





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