



Q1 2023

REPORT

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



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Nordic Aqua Partners A/S

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Nordic Aqua in Brief



Nordic Aqua is a Nordic land-based 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. Construction of Stage 1 started in Q2 2021, with the first inlay of Atlantic salmon eggs made in March 2022. With the first harvest scheduled in Q1 2024, Nordic Aqua will be the first local producer of truly sustainable salmon to the Chinese market, positioned to deliver fresh and locally farmed Atlantic salmon to about 100 million of China's wealthiest consumers within 5 hours and 1.4 billion consumers within 24 hours.

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

Stage 1 is fully financed, and will be completed within Q4 2023, with an annual capacity of 4,000 tonnes of Atlantic salmon

Stage 2, adding another 4,000 tons annual capacity is also fully financed when cash from operations in 2024 and 2025 is included, and when completed in 2025 as scheduled, the total annual capacity will be 8,000 tonnes.

Existing plan for 20,000 tonnes and an ambition to reach 50,000 tonnes, including replications at other locations

Uniquely located in greater Shanghai area, with access to about 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 and operating businesses in China

Dedicated support from local authorities and leading industry players

Highlights

- Project development on time and on budget
- Accumulated Stage 1 CAPEX of DKK 60m out of total DKK 330 million
- Good biological performance, first batch reached average weight of 400 g by mid May 2023
- Secured funding for Stage 2 expansion through NOK 300 million capital-raise when operational result from 2024 and 2025 is included
- Signed agreement with AKVA group for Stage 2 RAS delivery
- Signed agreement with Chinese authorities for Stage 2 construction and infrastructure expansion
- Strengthening managerial competence and capacity through board expansion and new hirings
- Change of domicile from Denmark to Norway to improve access to capital
- Available liquidity of DKK 439 million as of 31.03.2023, including cash and undrawn credit facilities



Key Figures



(figures in DKK 1 000)	Q1 2023	Q1 2022
Other operating income	411	39
EBITDA	-7,016	-4,713
EBIT	-7,218	-4,823
Profit / (loss) before taxes	-10,946	-6,778
Profit/loss for the period	-10,946	-6,778
Cash flow from investment activities	-50,895	-23,233
Cash flow from financing activities	195,393	0
Payments for fixed assets	-50,895	-23,233
Net cash flow	125,937	-29,893
Available cash	218,325	228,275
Total assets	583,282	414,624
Equity	542,125	397,036
Equity ratio	92.94	95.8

*Equity ratio = Equity / Total assets x 100

Letter from the CEO

STAGE 1 PROVING POSITIVE RESULTS

- initiated preparations for Stage 2

The first quarter of 2023 was an eventful quarter for Nordic Aqua, both with regards to development of operational facilities and to biological performance.

The first batch of eggs was laid in March 2022, with new batches introduced every three months. It is with great confidence we register that biological performance for all batches have been in line with or even better than plan, with high survival and good growth. Consequently, our ambition for first harvest in the first quarter of 2024 remains. Preparing for this milestone, we have in the first quarter signed agreements for necessary processing machinery and hired competent personnel.

Alongside bringing the first stage into the operational phase, we continue the preparations for the development of our operations towards 8,000 tonnes capacity. In February we secured funding for the expansion through a capital-raise of NOK 300 million and we signed an agreement with AKVA group for delivery of RAS-technology for additional 4,000 tonnes capacity. At the same time, we entered into an agreement with the Chinese authorities for construction and infrastructure for the new

capacity based on the same model as for the first 4,000 tonnes.

Being the only producer of Atlantic salmon in China, we have access to a massive consumer market within a few hours' drive of our production site. With first harvest approaching, we have been contacted by several players who want to enter into purchase agreements. We intend to use the coming months to finalize the set-up for commercial agreements and we are looking forward to bringing our premium product to the marketplace.

As the company gradually grows in size and complexity, need for managerial capacity and competence increase. During the quarter we were lucky to bring onboard long-term industry experience, adding Atle Eide, Therese Log Bergjord and Aino Olaisen to our board of directors.

With funding and critical infrastructure in place and dedicated employees supported by a competent board, I believe we are well prepared to enter the next stage, continuing the development of the Nordic Aqua towards 8,000 tonnes capacity and beyond.

Ragnar Joensen
CEO



About Nordic Aqua



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

Nordic Aqua will provide the Chinese market with live and locally farmed, high-quality Atlantic salmon farmed in a sustainable and state-of-the-art RAS facility located in Xiangshan county of Ningbo.

Stage 2 annual
capacity

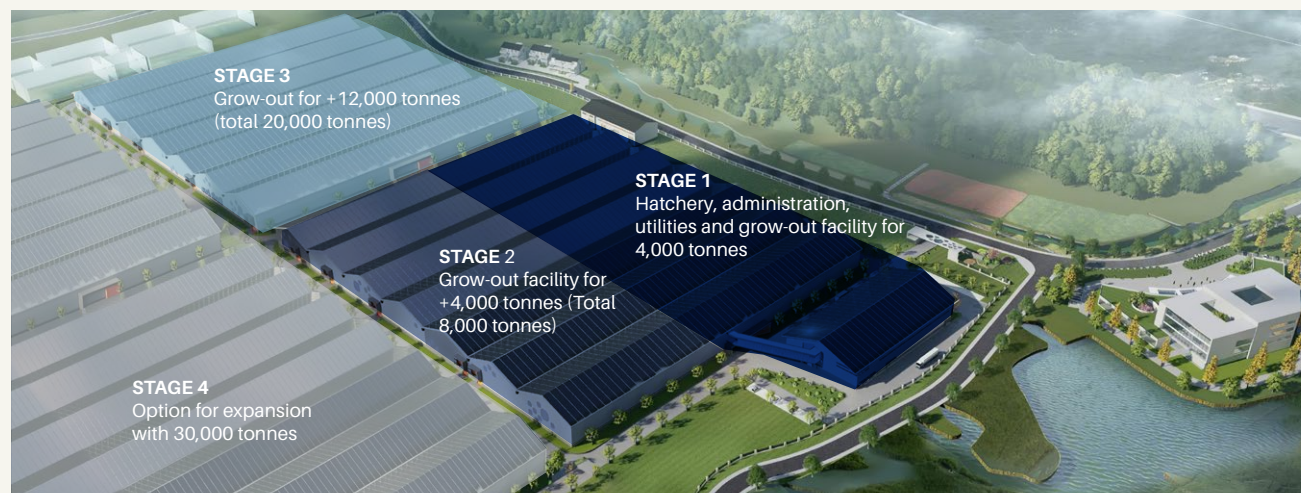
8,000

TONNES

The RAS farm is located on the Gaotang island, in Xiangshan county of Ningbo municipality, providing excellent logistics to Greater Shanghai and the rest of China. The dedicated land area has the potential to accommodate an annual production capacity of 20,000 tonnes, with further expansion option to reach annual capacity of 50,000 tonnes of Atlantic salmon.

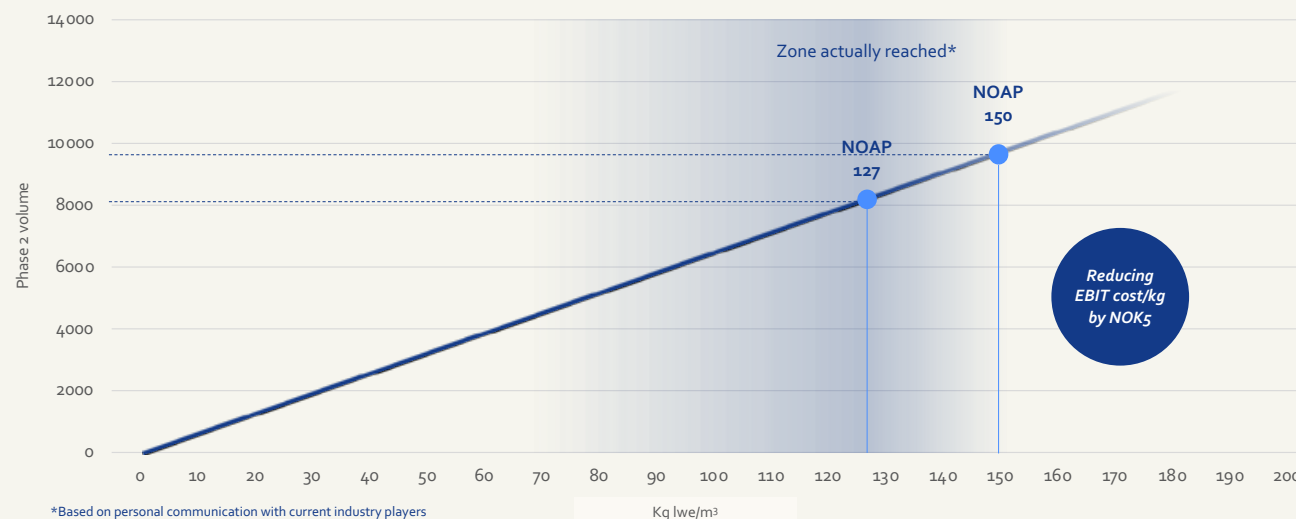
The overall objective is to start actual construction of the expansion within 2023, and therefore to gradually increase annual capacity to reach 20,000 tonnes capacity by 2027.

ROADMAP TO 20,000 TONNES AND BEYOND ON GAOTANG ISLAND



ASSUMED PRODUCTION CAPACITY

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



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

Project Execution

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

Stage 2 and 3 are expected to bring total annual production to 20,000 tonnes by 2027. The company is leasing land, facilities, and infrastructure from the local government at a fixed lease fee, consequently this is not included in the company's capex budget. Financials for Stage 3 have not been formalized, but the company expect them to be on similar terms as for Stage 2, resulting in a total project cost of NOK 2,800 million (excluding lease capex).

On 9 March 2022 the company successfully completed the first inlay of eggs to the hatchery. With this, the company entered the next phase, moving from the project phase to early phase production. The eggs introduced in the hatchery are quality eggs produced by Benchmark Genetics Iceland and have been directly imported in accordance with the license issued by local authorities. Since the first inlay of eggs, an additional 4 inlays of eggs have been undertaken from June 2022 to March 2023.

Project Economics – 3 stages

Expected	Stage 1	Stage 1+2	Stage 1+2+3 (flexibility)
Annual volume tonnes (HOG) ⁵	4,000	8,000	20,000
RAS Capex ¹ / kg (HOG) ⁵	125 NOK	134 NOK	140 NOK
Lease financed capex ² / kg (HOG) ⁵	45 NOK	43 NOK	41 NOK
Working capital / kg (HOG) ⁵	27 NOK	28 NOK	25 NOK
EBITDA cost ³ / kg (HOG) ⁵	52 NOK	49 NOK	44 NOK
EBIT cost / kg ³ (HOG) ⁵	57 NOK	58 NOK	51 NOK

1) Capex relates to RAS equipment, building excluded (leased)

2) Estimated capex financed under lease with local government

3) Assumed feed cost of NOK 24 / kg. HOG, compared with current price of 28 NOK / kg. HOG. Two years average of 21 NOK / kg. HOG

4) This overview is presented in NOK, because the salmon prices are settled in NOK.

5) HOG: Head-on-gutted

Due to overall inflationary pressure the past 12-18 months, capex estimates for Stage 2 and 3 have increased from NOK 125/kg to NOK 145/kg, or about 15%. However, construction of infrastructure and facilities is carried under a lease agreement with the local authorities, with fixed terms for Stage 1 and 2 (8,000 t), signifi-

cantly reducing capex risk to Nordic Aqua. The updated budget reflects optimization and standardization from Stage 1, in addition to increased local sourcing of parts and equipment, which was not reflected in the old budget.

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

Organisation, board of directors and management

Board of Directors



Atle Eide

Chairman of the Board

Atle Eide is Norwegian and has held numerous high-level positions in the seafood industry, as well as in finance and the global agriculture industry. Such positions include CEO of Mowi (Marine Harvest), a company Eide established supported by John Fredriksen and Tor Olav Trøim as lead shareholders, Hydro Seafood; the first global salmon farmer of size. Eide has also been chairman of Norway Royal Salmon and Salmar. Eide was also senior partner in HitecVision, the leading private equity fund in Norway. He was also CEO in Kverneland, at the time a listed company and the largest producer of agricultural implements in the world. Eide is currently chairman of Lake Harvest Group, a leading African Tilapia producer. Eide is an active investor and hold board-member ships in companies where he is invested.



Aino Olaisen

Board Member

Aino Olaisen is a Norwegian citizen. She is a owner and now the chairperson in the family controlled company Nova Sea. She has held various board positions in many companies and organisations within the aquaculture sector in Norway and abroad. On a daily basis she runs her own investment company "Aino as", where the main focus is to invest in new technology in aquaculture.



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).



Therese Log Bergjord

Board Member

Therese Log Bergjord is a Norwegian citizen, working as CEO of Skretting and member of the Management Board of Nutreco.

Before her current position, Therese previously worked in aquaculture where she held various leading positions across the value chain in salmon feed as global sales director for Skretting, in fish farming and fish processing in Pan Fish (Now MOWI). She worked eight years for Compass Group; a leading food service company and she started her career in the oil and gas industry where she spent 16 years in ConocoPhillips in a number of leadership roles.



Vegard Gjerde

Board Member

Vegard Gjerde is a Norwegian citizen. He holds a MSc in Finance from the Norwegian School of Economics (NHH) and works as Investment Director in Kontrari. Vegard represents Kontrari in numerous boards both as Chair, member, and observer.

Project Review



Following completion of the equity financing in Q4 2020, construction commenced in Q2 2021. Stage 1 of the project continues to develop on time and within budget. Since completion of the building for administration, hatchery facility and RAS 1, 2 and 3 ("the small building") in Q1 2022, focus has been on installation and commission of the actual process equipment. Fish were introduced into RAS 1 in June, in RAS 2 in August and in RAS 3 in November 2022. Project execution has been excellent.



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

Construction of the large building, housing RAS 4-8, purging and processing plant, has progressed well. All piling and foundation work was completed in Q2 - 2022, and construction of filter basins and fish tanks, as well as underground piping for RAS 4 - 9 is now completed. Fish were introduced to RAS 4 in February 2023 and RAS 5 fish will be introduced in May 2023. RAS 6-7 and 8 are expected to be completed during H2 2023.

In preparing for Stage 2, important milestones have been reached during the first quarter. In February, we completed a private placement of NOK 300 million, securing equity funding of the project through completion.

Important milestone reached in Q1. Private placement of NOK 300 million.



In April, Nordic Aqua signed a contract with Baader for its stunning and bleeding solution and the efficient gutting machine. In addition, we signed a contract with Mar-el for its weighing and innova system.

In Q1 23, we signed an agreement with AKVA group for delivery of RAS-technology for Stage 2 (additional 4,000 tonnes capacity). At the same time, we entered into an agreement with the Chinese authorities for construction and infrastructure for the new capacity based on the same model as for the first 4,000 tonnes.

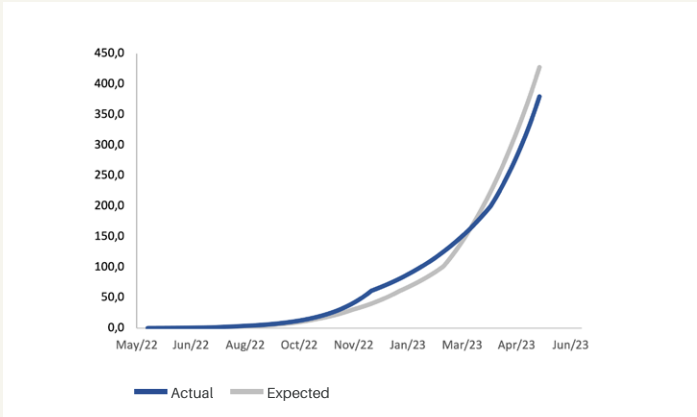


PROJECT MILESTONES

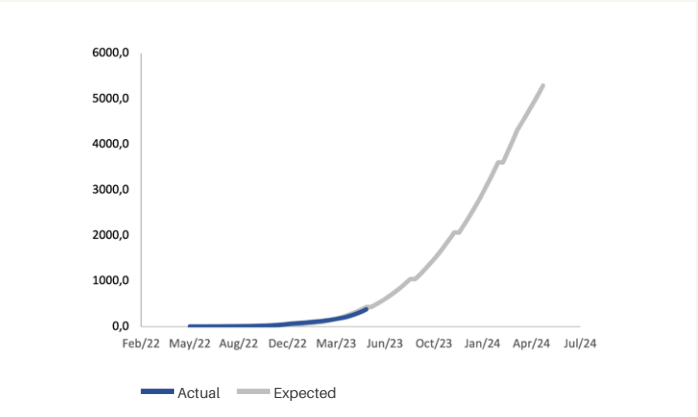
	2021	2022	2023	2024	2025	2026	2027	2028	Financing
Stage 1 4,000 tonnes		● Q3 - Construction start ● Q1 - Production start		● Q1 - First harvest					Fully financed and under construction
Stage 2 8,000 tonnes			● Q3 - Construction start ● Q4 - Production start			● Q4 - First harvest			Fully financed with DKK 199 million (NOK 300 million) new funding
Stage 3 (flexibility) +12,000 tonnes additional capacity				● Q3 - Optional construction start ● Q2 - Production start (Up to smolt, uses Stage 2 facility)		● Q3 - First harvest			Optionality to target more funding for larger Stage 2 project

Farming Activities

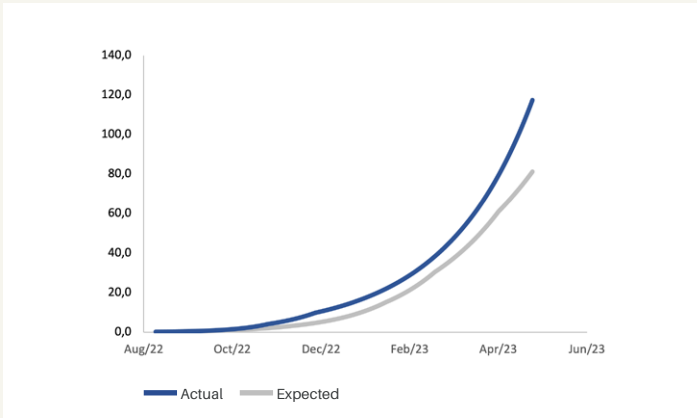
BATCH 1 - Growth



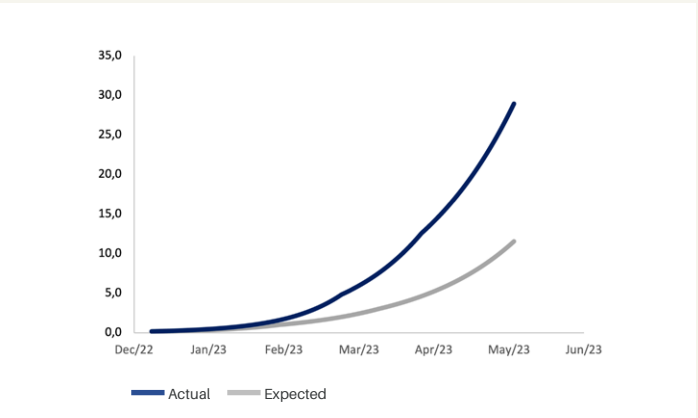
BATCH 1 - Growth to harvest



BATCH 2 - Growth



BATCH 3 - Growth



The first group of Atlantic salmon eggs were laid in March 2022. This group was started feeding in May 2022 and during the first month's fish grew faster than expected as they were moved to RAS 1, 2, 3 and 4. The fast growth would eventually lead to fish growing faster than the construction of facility, so Nordic Aqua had to consciously adjust the growth factors by cooling the water to stay on course with the original project plan. The adjustments went successfully and without any complications. In April 2023, the fish in the first group is approximately 350g, and the first harvesting of this group is expected in Q1 2024. Survival rates have been better than expected.

New batches are introduced to the facility every 3 months and in April 2023, the facility holds 5 groups of fish. In general, these fish groups have shown good biological performance with growth and survival equal to or better than expectations. When the company reaches full production capacity in 2024, a total of 8 batches will be in production simultaneously.

The facility is dimensioned to have a high recirculation rate, which has been proven to secure good water quality and performance.

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 their own RAS team with extensive experience in successful operation of similar RAS systems.

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

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

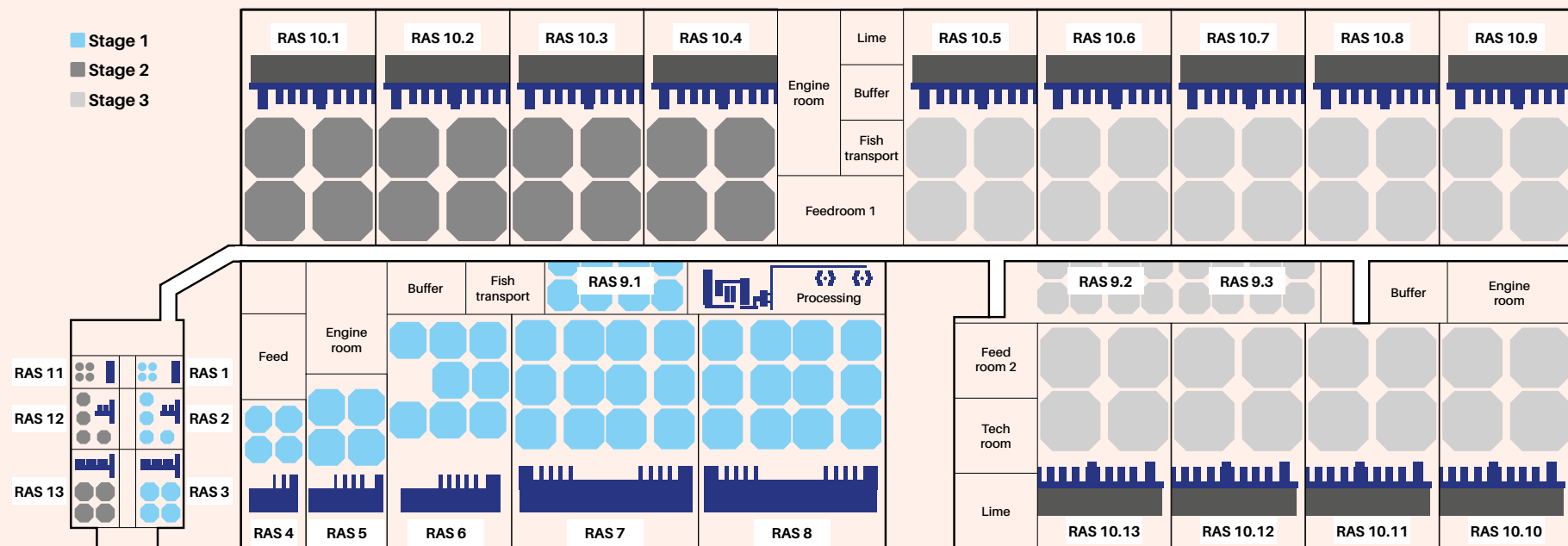
The basic idea with the AKVA RAS systems is to clean the water from the fish tanks so it can be reused and maintain an optimal water quality for the Atlantic salmon. The basic stages in the water cleaning process are:

- Mechanical filter to remove particles
- Biofilter to remove ammonia and keep the water clear
- Degasser to remove CO₂ from the water
- Ozone to clear 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.

Nordic Aqua sources 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 the superior quality suitable for salmon farming. Before entering the fish farm, the raw water will be thoroughly filtered with sand filters and cartridge filters down to 5 microns before it is sterilized with UV/ozone for preventing diseases and parasites from entering the fish farm. Recent RAS history both in Norway and abroad has shown that incidents of fish mortality mostly occur with RAS systems with high saline water, which



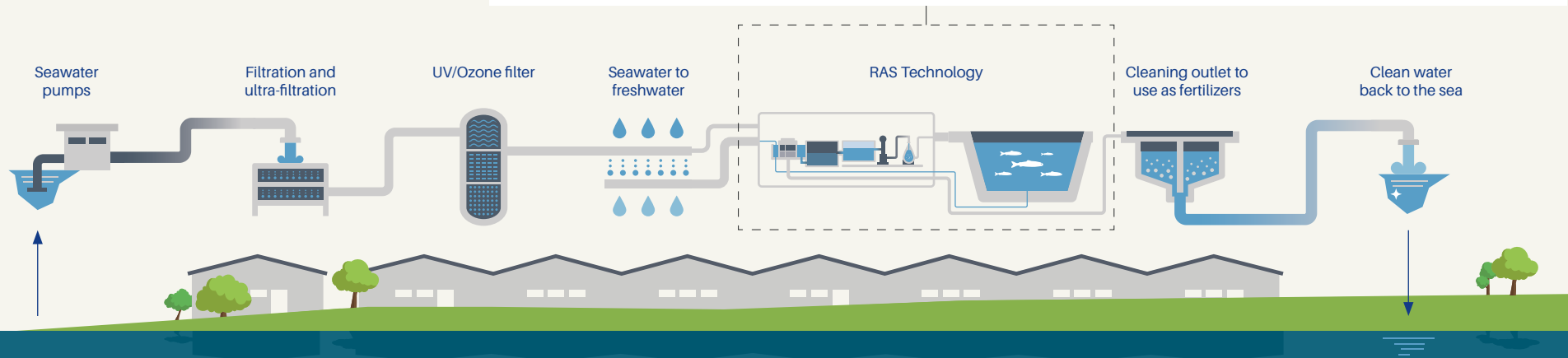
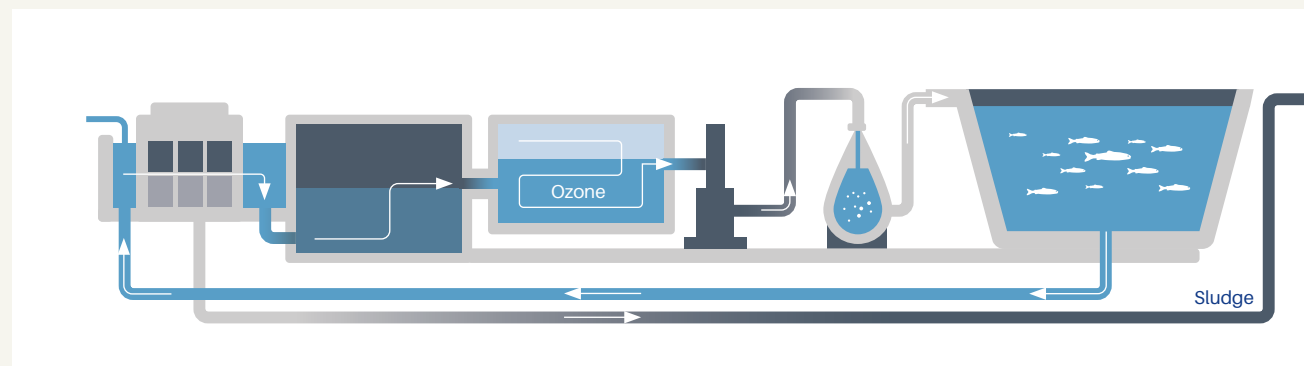
Solar panels
to produce
20-25%
OF THE ENERGY
CONSUMPTION

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



also is the reason that 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. Our RAS team in Nordic Aqua has decades of experience from operating RAS systems with low salinity, without any major incidents 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 removed particles are excellent fertilizers for neighbouring agriculture.



ESG PERFORMANCE WILL MONITORED BY:

Audit Scopes 1, 2 and 3

GLOBALG.A.P.



Renewable energy

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

No Air transports

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



Neighbours and local government

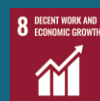
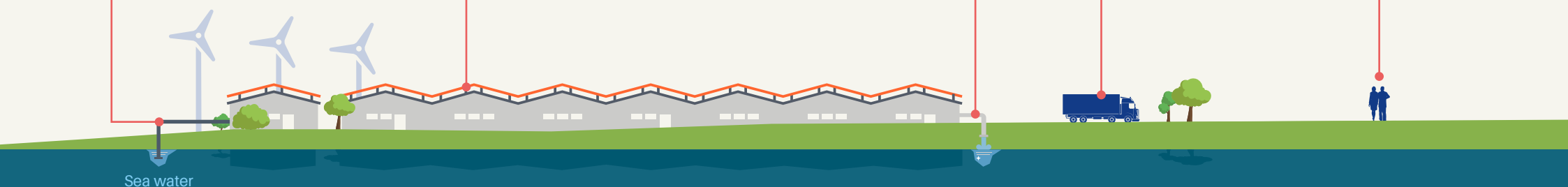
Local government and neighbours are fully supporting Nordic Aqua. Efforts are made to contribute to the local community, including creating meaningful and safe jobs in an area with declining fisheries.

Freshwater

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

Fertilizer

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



Project Financials

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

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

Capex overview stage 1

31.03.23	DKKm
Distribution	330
Before 2023	270
Q1 2023	60
<hr/>	
Remaining	DKKm
2023	40

The RAS technology was first introduced during Q4 2021, and the company consequently made acquisitions for DKK 143 million in 2022. Stage 1 will be finalised in 2023 with the remaining DKK 116 million. Capex remains on budget.



Funding

EQUITY

Total equity raised is DKK 450 million, of which DKK 418 million was raised in a private placement in connection with the company's IPO in Q4 2020 and approximately DKK 199 million in a private placement in March 2023. Prior to the private placements, DKK 32 million of equity capital was invested in the company.

Combined with retained earnings from ongoing Stage 1 operations, the company is now fully equity funded to reach a production of 8,000 tonnes, which is Stage 1.

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 is split in 3 tranches based on progress on capex. The facility shall be repaid in equal, consecutive quarterly instalments starting from the finishing date of the project, with maturity 10 years after the first drawdown date. The first drawdown of the loan on EUR 15 million was in April 2023.

BANKING AGREEMENT AND WORKING CAPITAL FACILITY

The company also 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 RMB 35 million (DKK 35 million) 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 the Xiangshan government. The structure of the lease agreement significantly reduces the risk to Nordic Aqua, as any eventual cost overruns on the building side are covered by the landlord. The payment of rental fees will start 1 January 2024, which concludes that no rental fee will be charged while the company is building up its biomass in preparation for first harvest and sale. The rental contract also includes an option to acquire land, infrastructure, and facilities, all at agreed terms.

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



Financial Review

PROFIT AND LOSS

Nordic Aqua has not reached the commercial stage of its operations and the company had no operating revenues in the first quarter of 2023. Other operating income mainly related to other services, amounted to DKK 411,000 during the year (39,000).

Personnel expenses for 2022 totalled DKK 4.7 million, up from DKK 3.5 million in 2022. The increase is due to increased production and the corresponding development of the organisation, expanding both operational and administrative capacity, all according to plan. Other external expenses came in at DKK 3.2 million (1.2), mainly related to production cost.

Thus, operating profit for the year ended at DKK -11.5 million (-6.8).

Net financial items were negative DKK 3.7 million in the first quarter of the year (-2.0), driven by negative exchange rate deviations of DKK 3 million (-5.1) and financial expenses of DKK 5.0 million. Exchange rate deviations are mainly deviations on the EUR 25 million loan from Nordic Aqua to the subsidiary Nordic Aqua (Ningbo). Financial expenses are related to interest payments on the undrawn loan facility, negative interest on cash

and exchange deviations. First quarter financial income amounted to DKK 0.2 million (0.2).

Pre-tax profit came in at DKK -11.5 million (-6.8). The company is not in tax position, so profit for the period ended at -11.5 (-6.8), corresponding to DKK -0.66 per share (-0.77). The result is within line with the expected result.

CASH FLOW

Net cash flow from operating activities was DKK -20.1 million (-4.7). This is due the operating loss of DKK 7.7 million. This includes a DKK 4.6 million increase in biomass.

Net cash flow from investment activities was DKK -51.1 million (-23.2), all related to payments for fixed assets.

Proceeds from the capital increase in the first quarter was DKK 196 million (0).

Total net cash flow during for the year was DKK 124.6 million (-19.9), leaving cash and cash equivalents at the end of the first quarter at DKK 217.0 million, down from DKK 228.3 million 12 months earlier.

FINANCIAL POSITION

As at 31 March 2023, Nordic Aqua had total assets of DKK 583.3 (414.6). Book value of fixed assets amounted to DKK 333.1 million (145.9). Current assets decreased to DKK 250.2 million (268.8). Biomass at the end of the quarter amounted to DKK 10.4 million (0.8).

Total equity amounted to DKK 542.1.8 million (397.0), corresponding to an equity ratio of 93% (96%).

Current liabilities at the end of the year were DKK 41.2 million (17.6), of which trade payables amounted to DKK 38.2 million (21.3). As at 31 March 2023, the company had no long-term debt.

LIQUIDITY AND FINANCING

The Company is of the opinion that the cash position and the liquidity available from external sources available at year end is sufficient to satisfy company's capital requirements to complete the investment related to Stage 1 according to plan, originally scheduled around DKK 370 million.

However, to accelerate the Company's project to expand production capacity of Atlantic salmon from 4,000 to 8,000 tonnes, Nordic Aqua in February 2023 complet-

ed a private placement of NOK 300 million, securing equity funding of the project through completion.

The Company's budgets and plans are based on best estimates of the future at the time of issuing this annual report. Such plans relate to future events and the fulfilment of such are by nature subject to uncertainty. However, based on executed assessments, the Board of Directors and Management considers that Nordic Aqua will have adequate liquidity resources available to finance the operations of the Group for the coming year.

GOING CONCERN

In accordance with section 3 § 13 in the Danish Financial Reporting Act, it is hereby confirmed that the financial statements have been prepared on the assumption that the entity is a going concern. The board considers that the annual financial statements for Nordic Aqua provide a true and fair picture of the company's results for the first quarter of 2023 and the company and Group's financial position at the end of the quarter.



Organisational Update

CHANGES TO BOARD AND MANAGEMENT

As part of the overall development of the company, the organisation of the Nordic Aqua has gone through significant organisational restructurings, including measures to strengthen the management team and adding industry experience to the board of directors.

Ragnar Joensen has stepped down from the board of the directors, entering the position as the new CEO. With more than 25 years' experience from land-based salmon farming, Mr Joensen is one of the most experienced executives within the industry. His proven track record from Mowi and other companies, includes the role as member of Mowi group management responsible for farming in Norway as well as the role as director of Technology. Moreover, Joensen has together with the Viga family been responsible for building up Tyltandsvik Aqua.

Further, Ove Nodland stepped down from the board to focus on development of the company towards commercialisation in addition to maintaining relations to and reassuring collaboration with the local government in China.

At the same time, Atle Eide, Therese Log Bergjord and Aino Olaisen were elected new directors, bringing broad industry competence into the board. As a senior executive with experience from both salmon farming

and private equity, Atle Eide has a proven track record in building industry leading companies in the seafood industry, bringing important expertise to the board. Therese Log Bergjord, CEO of Skretting, has long-term experience from global aquaculture, bringing a wealth of experience from long-term operating in China. As chairman and part-owner of Nova Sea, Aino Olaisen, will bring extensive competence in building high performing company cultures.

REDOMICILIATION TO NORWAY

Effective from July 2023, Nordic Aqua is expected to change domicile from Denmark to Norway. With the Company's shares being traded on Euronext Growth Oslo, and considering the Company's limited activity in Denmark, it is the assessment that such redomiciliation will make the share more attractive to investors and thus contribute to improving NOAP's access to capital.

As part of the redomiciliation, Danish Nordic Aqua A/S and Norwegian Nordic Aqua AS (NOAP AS) will merge, with NOAP AS as the surviving entity. Upon completion of the merger, the Company's business will be continued in NOAP AS as a Norwegian private limited liability company.

The merger will be completed in accordance with the provisions of chapter 13 of the Norwegian Private Limited Liability Companies Act and chapter 16 of the Dan-

Board of Directors strengthened with profiled individuals from the aquaculture industry

ish Companies Act. Upon completion of the merger the Company's business, including all assets, rights and obligations, will be transferred to NOAP AS, and the shareholders in the Company will as consideration receive one share in NOAP AS for each share held in the Company. The shares in NOAP AS will be listed on Euronext Growth Oslo.

Completion of the merger is subject to customary conditions being fulfilled, including approval by the general meeting of each of the merging companies.

The changes to company's legal structures have no implications for existing shareholders.

Shareholders voting against completion of the merger at the general meeting are entitled to have their shares redeemed by the Company at market value. Further details on the procedure for such redemption will be announced later.

Transactions with Related Parties

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

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

Knut Nesse is member of the board of directors of the Company and CEO of AKVA Group. Further, Nutreco and AKVA Group are main shareholders in Nordic Aqua Holding ApS, the largest shareholder of Nordic Aqua.

All agreements have been entered into at arm's length and at market terms.

Subsequent Events

No significant events have been recorded after the balance sheet date

Share Information

As at 31 March 2023, Nordic Aqua had 14,899,368 issued shares, held by 547 shareholders.

Nordic Aqua Holding ApS is the company's largest shareholder with 5,168,922 shares, corresponding to 34.7% of total number of shares outstanding. Nordic Aqua Holding ApS is owned by Nutreco, key personnel and others.

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

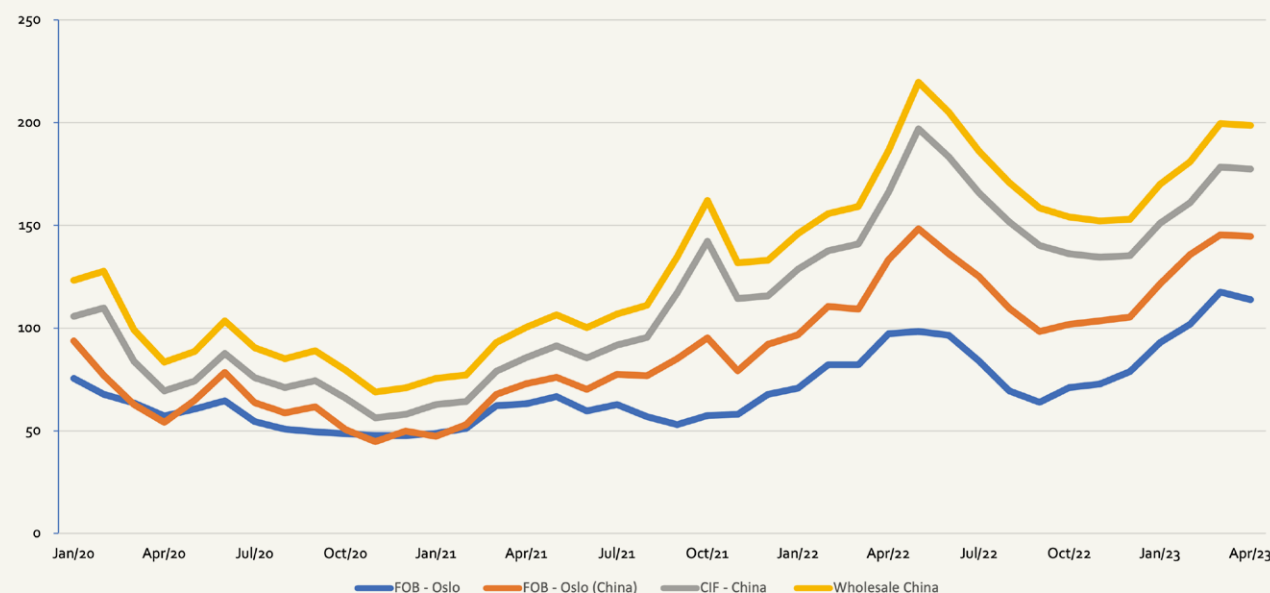
Rank	Shareholder	Holdings	%-share
1	NORDIC AQUA PARTNERS HOLDING APS	5.168.922	34,7%
2	KONTRARI AS	3.682.737	24,7%
3	Israel Corporation Ltd	1.375.835	9,2%
4	Nordea Funds Ltd.	676.251	4,5%
5	J.P. Morgan SE	489.928	3,3%
6	FARVATN PRIVATE EQUITY AS	244.516	1,6%
7	The Bank of New York Mellon SA/NV	232.093	1,6%
8	Saxo Bank A/S	174.856	1,2%
9	AINO AS	162.643	1,1%
10	MARINGTO AS	115.000	0,8%
11	SPAREBANK 1 MARKETS AS	108.561	0,7%
12	SONSTAD AS	101.000	0,7%
13	SOUTH WINDS AS	100.770	0,7%
14	KEWA INVEST AS	100.000	0,7%
15	SN SAMLEREN AS	91.329	0,6%
16	BERGEN KOMMUNALE PENSJONSKASSE	75.000	0,5%
17	NORDNET LIVSFORSIKRING AS	68.511	0,5%
18	MØSBU AS	65.000	0,4%
19	J.P. Morgan SE	60.843	0,4%
20	KRISTIAN FALNES AS	60.000	0,4%
Sum 20 largest		13.153.795	88,3%
	Other 527 shareholders	1.745.573	11,7%
Total		14.899.368	100,0%

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 an estimated modest relative consumption of ~100,000 tonnes in 2023. However, Kontali expects consumption to grow to 250,000 tonnes within 2030. A key demand driver is familiarization of Atlantic salmon as a healthy source of protein in the normal Chinese household. Today, all Atlantic salmon is imported, mostly by air, resulting in fresh Atlantic salmon being 4 days old when introduced to the market, and with a high carbon footprint. Being the first provider of locally farmed and day-fresh Atlantic salmon to the Chinese market, we will introduce an attractive alternative to Chinese consumers.

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 2022 and Q1 2023. Wholesale prices peaked in May 2022 with NOK 220/kg HOG and by end of March 2023 the prices were at NOK 199/kg. By using projected forward Atlantic salmon price of NOK 91/kg from Fish pool 2023 and adding costs to China, this concludes with a cost to the importer of approximately NOK 160/kg.

Export prices 2021 and 2023 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 and airfreight costs reduced due to increased capacity.

· We therefore expect to see attractive margins for our locally farmed Atlantic salmon also in 2024, our first year at full capacity.

· In March 2023, wholesale prices in China were NOK 199/kg HOG and with an EBIT cost/kg at NOK 51 the implied margin would be NOK 148/kg.

· Relative to FOB-Oslo prices at NOK 114/kg HOG, the extra margin in China in March was NOK 85/kg HOG.

This is well below wholesale prices, which management observes to be varying from NOK 190-215/kg based on various local market sources and freshness. Nordic Aqua appreciates that the global prices for Atlantic salmon are very dynamic, however we have reasons to believe that the margins will remain very attractive in spite of the dynamics in the global pricing of Atlantic salmon.

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's risk of having to place spot orders ahead of sales.

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 of actual origin, freshness and quality when ordering their Atlantic salmon. Our locally farmed Atlantic salmon will guarantee freshness and quality, with full traceability, 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 within this fast growing segment 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.



Outlook

The first quarter of 2023 was an eventful quarter for Nordic Aqua, both with regards to development of operational facilities and to biological performance. All processes have developed according to plan, and with the first production cycle estimated to two years, the company is on schedule for first harvest in Q1 2024.

Due to overall inflationary pressure the past 12-18 months, capex estimates for Stage 2 and 3 have increased from NOK 125/kg to NOK 145/kg, or about 15%. However, construction of infrastructure and facilities is carried under a lease agreement with the local authorities, with fixed terms for Stage 1 and 2 (8,000 t), significantly reducing capex risk to Nordic Aqua. The updated budget reflects optimization and standardization from Stage 1, in addition to increased local sourcing of parts and equipment, which was not reflected in the old budget.

Moreover, the recent sharp increase in prices on feed has resulted in an upward revision to production cost assumptions compared to previously communicated estimates.

The company is still in an early development phase with limited operational activity, and the company estimate a financial loss in the DKK 40-45 million range for 2023.

According to current growth plans, first harvest is expected in Q1 2024. With outlook for continued strong prices for Atlantic salmon, this is expected to generating positive results for Nordic Aqua in 2024. Fishpool forward and actual prices for 2023 and 2024 is currently NOK 94 and NOK 91 per kg respectively, supporting the optimistic market outlook.

Nordic Aqua is currently in the final preparations for the initiation of Stage 2, doubling capacity to 8,000 tonnes. The company has also 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 mid 2024.

With funding and critical infrastructure in place and dedicated employees supported by a competent board, we are well prepared to enter the next stage, continuing the development of the Nordic Aqua towards 8,000 tonnes capacity and beyond.

According to current growth plans, first harvest is expected in Q1 2024.



Interim Financial Statements

Consolidated Statement of Comprehensive Income

(figures in DKK 1000)	Note	Q1 2023	Q1 2022
Summary of result			
Revenue		0	0
Other operating income		411	39
Other external expenses		-2,690	-1,232
Gross profit/(Loss)		-2,280	-1,193
Staff costs		-4,737	-3,520
Operating profit/(loss) before amortisation and depreciation		-7,016	-4,713
Depreciations	3	-202	-110
Operating profit/ (loss) before tax		-7,218	-4,823
Financial income		236	190
Exchange rate deviations		-3,059	0
Financial expenses		-905	-2,145
Financial expense - net		-3,728	-1,955
Profit/loss before tax		-10,946	-6,778
Income tax expense		0	0
Profit/loss for the period		-10,946	-6,778
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		-670	5,357
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-11,616	-1,421
Other comprehensive income		-670	5,357
Total other comprehensive income for the period		-11,616	-1,421
Earnings per share			
Basic		-0.73	-0.66
Diluted		-0.88	-0.66

Statements of Financial Position

(figures in DKK 1000)	Note	31/03/2023	31/03/2022	31/12/2022
Assets				
Assets under construction	3	326,972	133,790	267,013
Property, plant & equipment	3	6,099	1,495	5,258
Deposits		0	10,565	10,106
Total non-current assets		333,070	145,850	282,377
Biological assets (Biomass)	4	9,971	765	5,402
Other current receivables	6	21,916	13,825	4,147
Receivables	6	0	1,275	10
Receivables from owners and management	6	0	99	0
Cash and cash equivalents	6	218,325	252,810	93,058
Total current assets		250,212	268,774	102,617
Total assets		583,282	414,624	384,994
Equity and liabilities				
Share capital		14,899	10,284	10,284
Other equity		527,226	386,752	348,496
Total equity		542,125	397,036	358,780
Trade payables	6	38,242	13,315	24,509
Other current liabilities	6	2,915	4,273	1,705
Total current liabilities		41,157	17,588	26,214
Total liabilities		41,157	17,588	26,214
Total equity and liabilities		583,282	414,624	384,994

Statement of Cash Flow

(figures in DKK 1000)	Note	Q1 2023	Q1 2022
Cash flow from operations			
Operating profit/loss		-7,218	-4,823
Adjustments for:			
Depreciation	6	202	110
Changes in working capital:			
Change in other current receivables		-8,768	-9,309
Change in trade payables		13,733	6,628
Change in other current liabilities		1,210	3,454
Change in biomass		-4,569	-765
Cash generated from operations		-5,410	-4,705
Interest paid	4	-905	-2,145
Interest received	4	236	190
Exchange rate deviations	4	-3,059	0
Net cash flow from operations		-3,728	-1,955
Cash flow from investment activities			
Payments for fixed assets and other capitalizations		-60,319	-23,233
Payments for intangible assets		0	0
Net cash flow from investment activities		-60,319	-23,233
Cash flow from financing activities			
Proceeds from capital increase		198,960	0
Transaction cost of issue of shares		-3,567	0
Proceeds from new borrowings		0	0
Net cash flow from financing activities		195,393	0
Net change in cash and cash equivalents		125,937	-29,893
Foreign exchange differences		-670	5,358
Cash and cash equivalents at the beginning of the period		93,058	252,810
Cash and cash equivalents at the end of the period		218,325	228,275

Interim Financial Statements

Statement of Changes in Equity

(figures in DKK 1000)	Share capital	Currency translation differences	Retained earnings	Share based payments	Total equity
Equity january 01 st 2023	10,284	12,555	335,941	960	359,740
Net profit/(loss) for the period			-10,946		-10,946
Other comprehensive income		-811			-811
Share-based payments			-291	291	0
Total comprehensive income	10,284	11,744	324,704	1251	347,983
Capital increase	4,615		194,345		198,960
Transaction costs	0		-3,567		-3,567
Balance march 31st 2023	14,899	11,744	515,482	1,251	542,125

(figures in DKK 1000)	Share capital	Currency translation differences	Retained earnings	Share based payments	Total equity
Equity january 01 st 2022	10,284	12,428	375,744	0	398,456
Net profit/(loss) for the period			-6,778		-6,778
Exchange adjustments		5,357			5,357
Other comprehensive income					0
Balance march 31st 2022	10,284	17,785	368,966	0	397,035

Selected Notes to the Quarterly Financial Statements

NOTE 1 STATEMENT OF COMPLIANCE

This Condensed Consolidated Interim Report has been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting as adopted by the EU. It does not include all the information required for the full Annual and Consolidated Report and Accounts and should be read in conjunction with the Annual and Consolidated Report and Accounts for the Group as of March 31st 2022.

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

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

The Group's general accounting policies are described below.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in this Condensed Consolidated Interim Report are the same as those applied in the Annual Report as at and for the year ended December 31st 2022, to which we refer for a full understanding on applied accounting policies. Accounting policies, application of estimates, methods of compilation and presentation are unchanged as compared to the last financial statements.

NOTE 3 PROPERTY, PLANT, AND EQUIPMENT

(figures in DKK 1 000)	Other plant, fixtures and operating equipment	Construction in progress	Total
Cost at 1 january 2023	5,258	267,013	272,271
Exchange rate adjustment	0	0	0
Additions	1,744	59,959	61,702
Cost at 31 march 2023	7,002	326,972	333,973
Depreciation and impairment at 1 January 2023	-701	0	-701
Depreciation For the year	-202	0	-202
Depreciation and impairment at 31 march 2023	-903	0	-903
Carrying amount	6,099	326,972	333,071
Cost at 1 january 2022	1,509	114,043	115,552
Additions	281	19,747	20,028
Cost at 31 March 2022	1,790	133,790	135,580
Depreciation and impairment at 1 January 2022	-185	0	-185
Depreciation For the year	-110	0	-110
Depreciation and impairment at 31 march 2022	-295	0	-295
Carrying amount 31 March 2022	1,495	133,790	135,285

NOTE 4 BIOLOGICAL ASSETS

(figures in DKK 1 000)	2023	2022
Biological assets carrying amount 01.01.	5,402	0
Increase due to production or purchase	4,569	765
Biological assets carrying amount at the end of the period	9,971	765
Number of fish (thousand)	2023	2022
Number	1,474	341

NOTE 5 INTEREST-BEARING LOANS AND BORROWINGS

The Group has entered into a loan agreement with Eksfin – Export Finance Norway*, and Coöperative Rabobank U.A. ("Rabobank") for a senior secured export credit term loan and guarantee facility agreement, amounting to EUR 25 million. Loan amount will be split in 3 drawings based on progress on Capex. The Facility shall be repaid in equal, consecutive quarterly instalments starting of finishing date of the Project and the facility matures 10 years after the first drawdown date. First drawdown on EUR 15 million took place in April 2023.

Nordic Aqua has an agreement with Bank of Ningbo, Xiangshan Branch, to provide a conditional credit facility of RMB 35 million (DKK 35 million) 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.

(figures in DKK 1 000)	31/03/2023	31/03/2022
Credit facility	221,083	223,228
Undrawn credit facility	-221,083	-223,228
Total financial liabilities	0	0
Included in the balance sheet:		
Non-current liabilities	0	0
Current liabilities	0	0
Total bank loans	0	0

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

NOTE 6 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

Capital management

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

On March 31st 2023, the Group has no interest-bearing debt net, but has entered into agreement with Xiangshan Strait Economic & Technological Cooperation Co., Ltd, on lease of land, infrastructure, utilities and all facilities.

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

Following this further to the private placement which took place in 2020 and 2023, the financial facilities in the Group is considered sufficient to run the business for the coming years.

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

Liquidity risk

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

The Group has cash of DKK 218 million and undrawn bank loan facility of DKK 186 million and an undrawn credit facility of DKK 35 million as of March 31st 2023.

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:

(figures in DKK 1 000)	Less than 1 year	Between 1-5 years	More than 5 years	Total
31/03/2023				
Trade Payables	38,242	0	0	38,242
Other Payables	2,915	0	0	2,915
Total	41,157	0	0	41,157
31/03/2022				
Trade Payables	87	0	0	87
Other Payables	1,888	0	0	1,888
Total	1,975	0	0	1,975

Foreign exchange risk

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

The sensitivity analysis for foreign currency risk:

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

Interest rate risk

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

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

Categories of financial assets and liabilities

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

(figures in DKK 1 000)	31/03/2023	31/03/2022
Financial assets measured at amortised cost:		
Other receivables	11,493	13,924
Receivables	10,423	1,275
Cash and cash equivalents	218,325	252,798
Total cash and cash equivalents	240,241	267,997
Financial liabilities measured at amortised cost:		
Trade payables	38,242	13,315
Other payables	2,915	4,273
Total financial liabilities	41,157	17,588

NOTE 7 CONTINGENT LIABILITIES AND SECURITY FOR DEBT

Security for debt

As of March 31st 2023, no assets have been pledged.

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

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

NOTE 8 RELATED PARTIES

Transactions with related parties

A company where the Chairman of the Board has significant influence has received advising fee for assistance to the Company kDKK 458 in Q1 2023 (Q1 2022: 432 kDKK).

There were no further transactions with the Board of Directors or the Executive Board, besides remuneration. For information on remuneration, please refer to the Annual report for 2022.

Parent Company Details

Parent Company

Nordic Aqua 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 – 31.12

Board of Directors

Atle Eide, Chairman
Aino Olaisen
Knut Nesse
Therese Log Bergjord
Vegard Gjerde

Executive Board

Ragnar Joensen, CEO





Nordic Aqua Partners A/S

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