



Nordic
Aqua

Nordic Aqua Partners AS

North Atlantic Seafood Forum 23.06.2022

Nordic Aqua Partners

– first producer of fresh Atlantic salmon in China



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

Project status

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



Installing RAS technology and building organization

- Senior RAS team in place, track-record of land-based farming
- Recruitment and subsequent training of local farming operators ongoing
- First group of eggs received in March and started on May 17th 2022



Hatchery



Start feeding

Fish and RAS Team

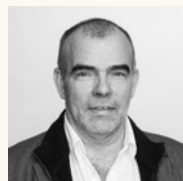
Senior RAS management



Ragnar Joensen
COO



Ola Frøvik
Farm Manager



Bergur Magnussen
Assisting Farm
Manager



Johan Toftegaard
RAS and fish
production expert

The “NOAP” Management Team

The Board



Ragnar Joensen
Working Chairman



Ove Nodland
Board Member, CEO, NAN



Knut Nesse
Board Member



Vegard Gjerde
Board Member



Tore Hopen
Board Member

Group Management



Ole Juul Jørgensen
CEO,
NOAP



Hjalti Hvitklett
CFO,
NOAP

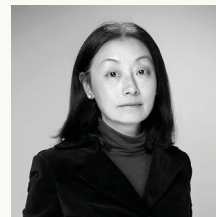
Ningbo Management



Ove Nodland
Board Member, CEO, NAN



Arne Knudsen
Project Manager,
NAN



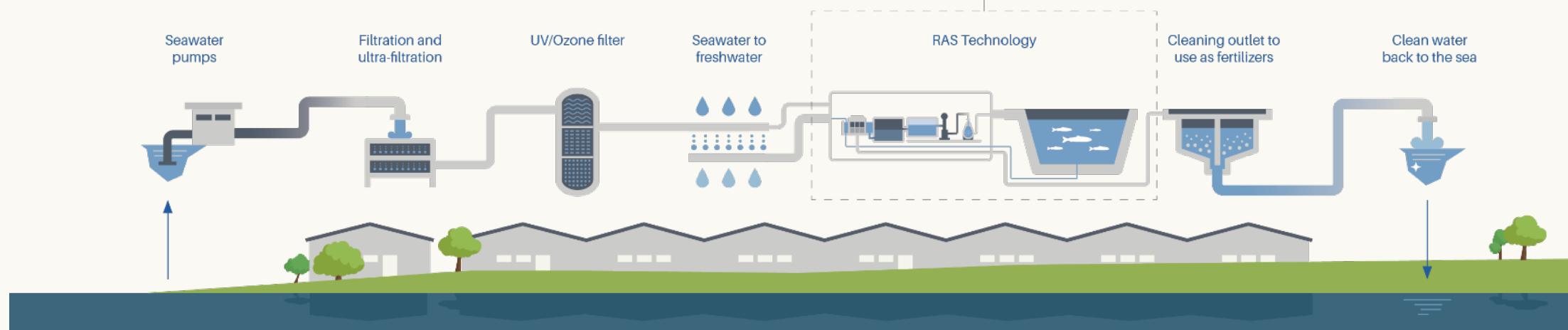
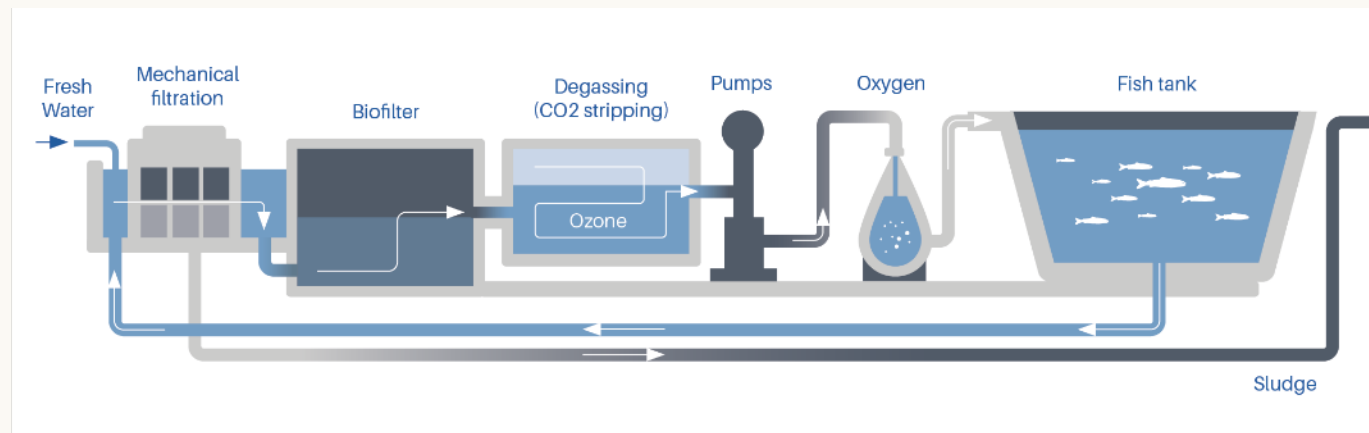
Catherine Shen
Chief Administration Officer,
NAN



Yong Tan
Construction Quality Manager,
NAN

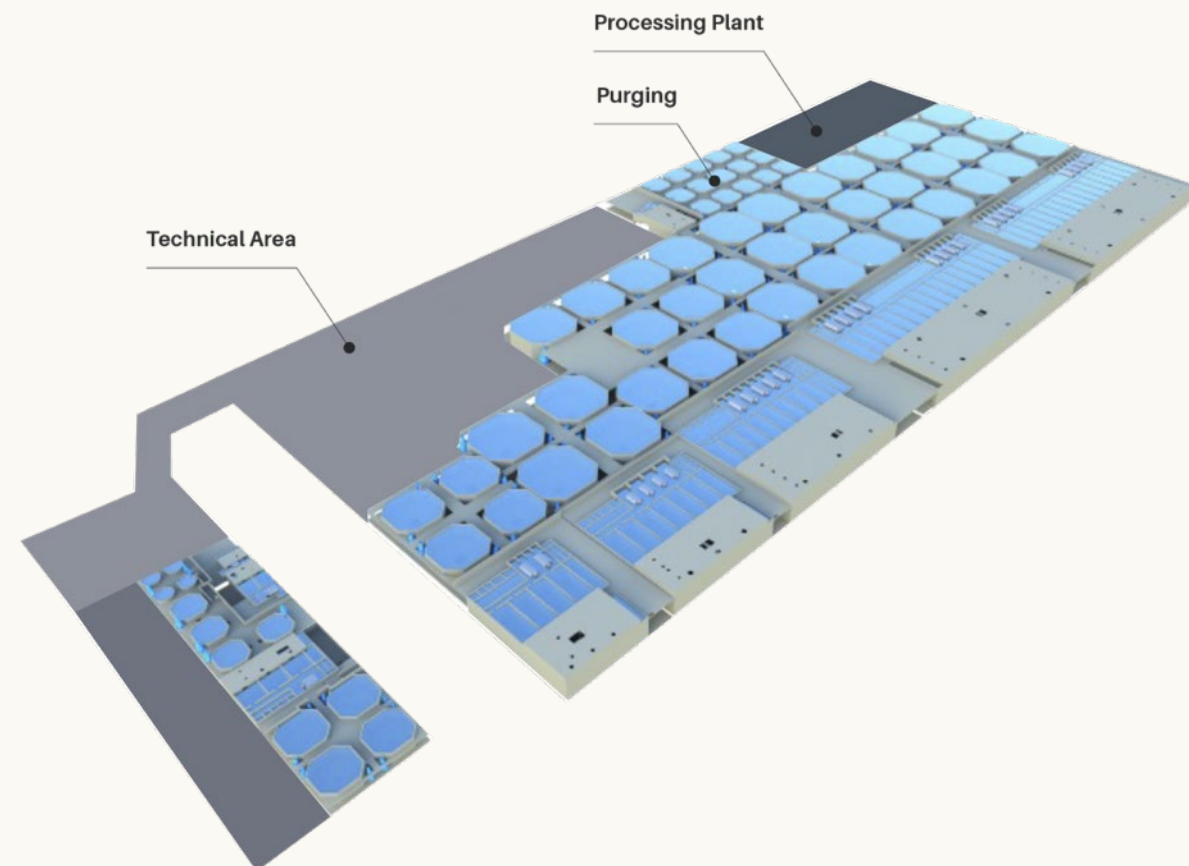
Leading RAS Technology

4,000 tonnes RAS facility under construction



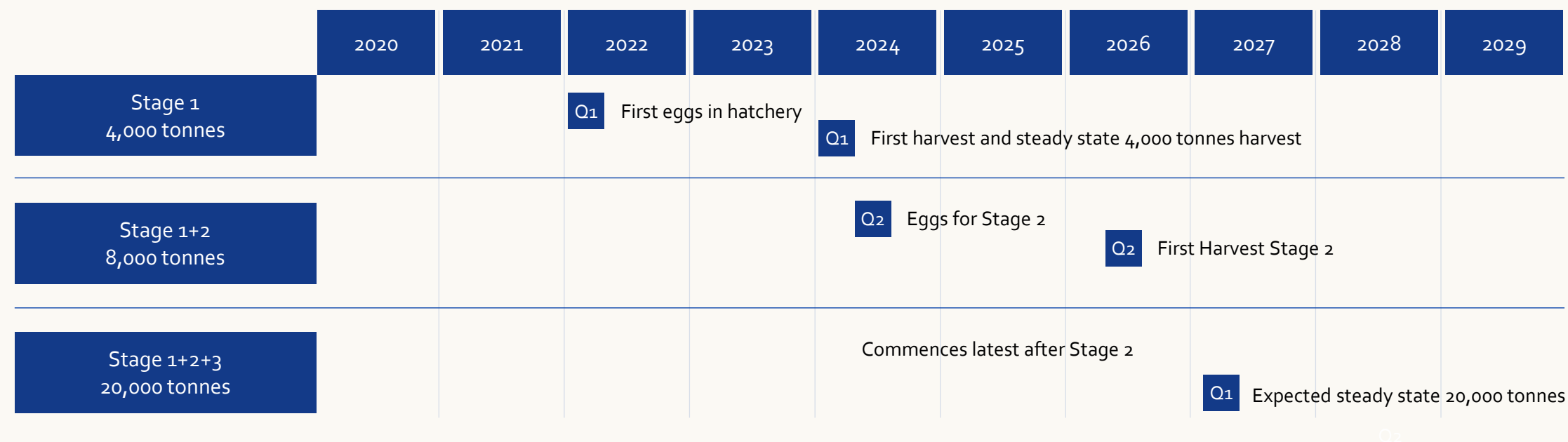
4,000 tonnes RAS facility under construction

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



Timeline of Gaotang buildout

TIMELINE IN GAOTANG BUILDOUT



Project Milestones

Key milestones and KPI's

	Stage 1	Stage 2	Stage 3****	Total
RAS Capex	500 MNOK (370 MDKK)	500 MNOK (370 MDKK)	1,500 MNOK (1,100 MDKK)	2,500 MNOK (1,840 MDKK)
Paid in Equity (Dec 2022)	600 MNOK (448 MDKK)		TBD	
Secured bank financing**	250+50 MNOK (186+36 MDKK)			
Annual volume tonnes (HOG)	4,000	4,000	12,000	20,000
Capex/kg*** (HOG)	125 NOK (93 DKK)	125 NOK (93 DKK)	125 NOK (93 DKK)	125 NOK (93 DKK)
WC/kg (HOG)	33 NOK (37 DKK)	31 NOK (27 DKK)	29 NOK (23 DKK)	29 NOK (23 DKK)
EBITDA cost / kg (HOG)	43 NOK (32 DKK)	41 NOK (30 DKK)	38 NOK (27 DKK)	38 NOK (27 DKK)
EBIT cost / kg (HOG)	51 NOK (38 DKK)	49 NOK (36 DKK)	46 NOK (33 DKK)	46 NOK (33 DKK)
Production Capacity (lwe)	127 Kg / m ³	127 Kg / m ³	127 Kg / m ³	127 Kg / m³

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

** Converted with EUR:DKK 745

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

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

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

Attractive lease with local government

Lease agreement

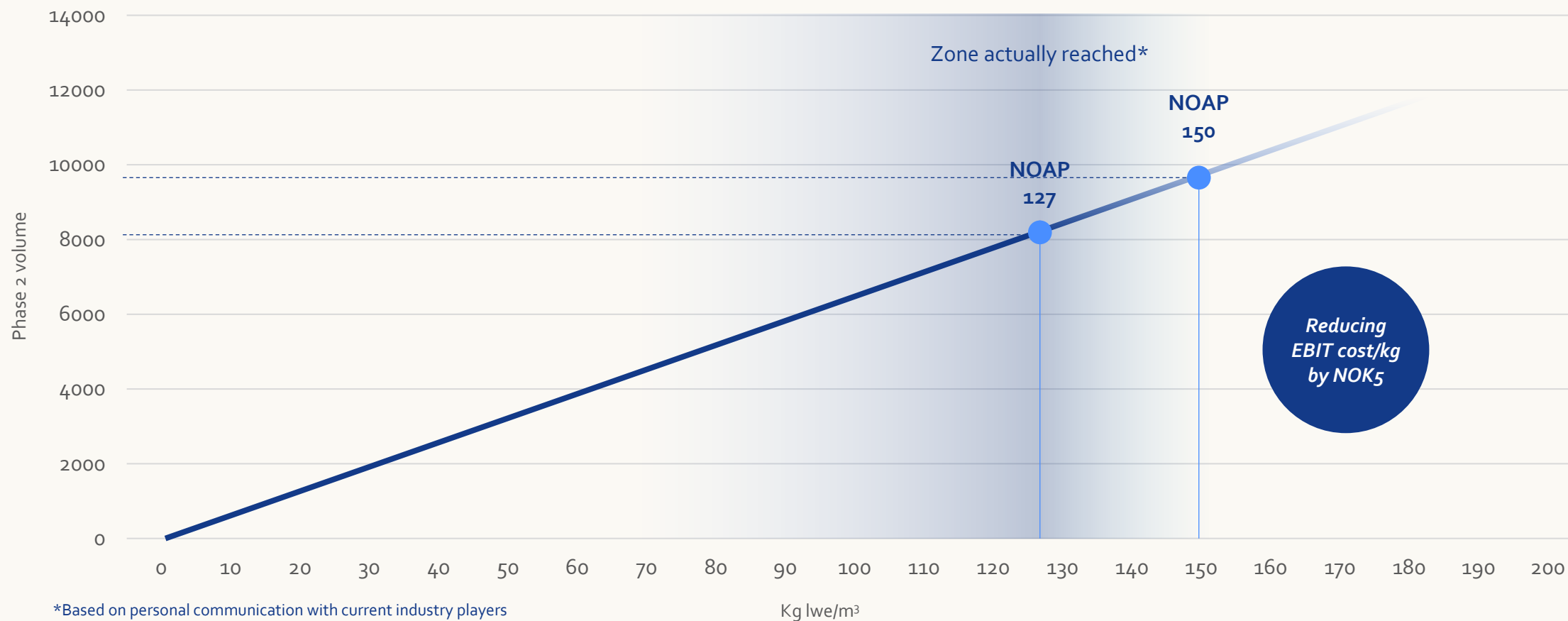
- Local government responsible for all land, infrastructure and building construction, leading to 40 % reduction in capex cost to company



- The leased facility corresponds to a capex/kg of NOK 40-45
- Adding capex for RAS equipment of NOK 125 /kg, total capex would be NOK 165-170 /kg

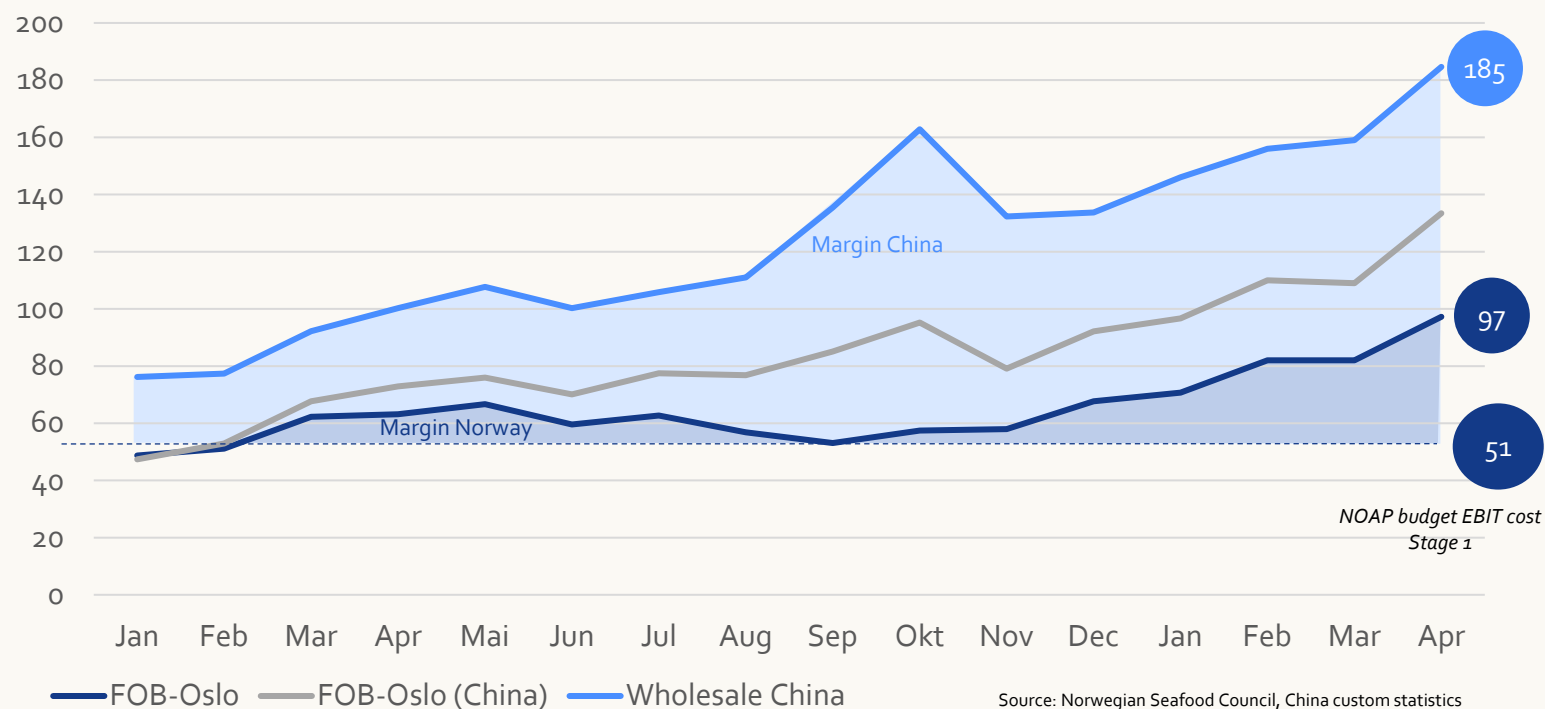
Assumed production capacity

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



Salmon prices – to the Chinese market

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



Source: Norwegian Seafood Council, China custom statistics

- Market prices for fresh salmon is expected to remain high also after current pandemic restrictions have been eased
- We do therefore expect to see attractive margins for our locally farmed Atlantic salmon also in 2024, our first year on full capacity
- In April Wholesale prices in China were 185 NOK/kg HOG and with our budgeted EBIT cost/kg at 51 NOK the implied margin would be 134 NOK/kg.
- Relative to FOB-Oslo prices at 97 NOK/kg HOG in April, the extra margin in China was 87 NOK/kg HOG.

Project status May 2022



NORDIC AQUA PARTNERS

Stage 1: 4,000 MT

Nordic Aqua Partners



NORDIC AQUA PARTNERS

Stage 2: 8,000 MT

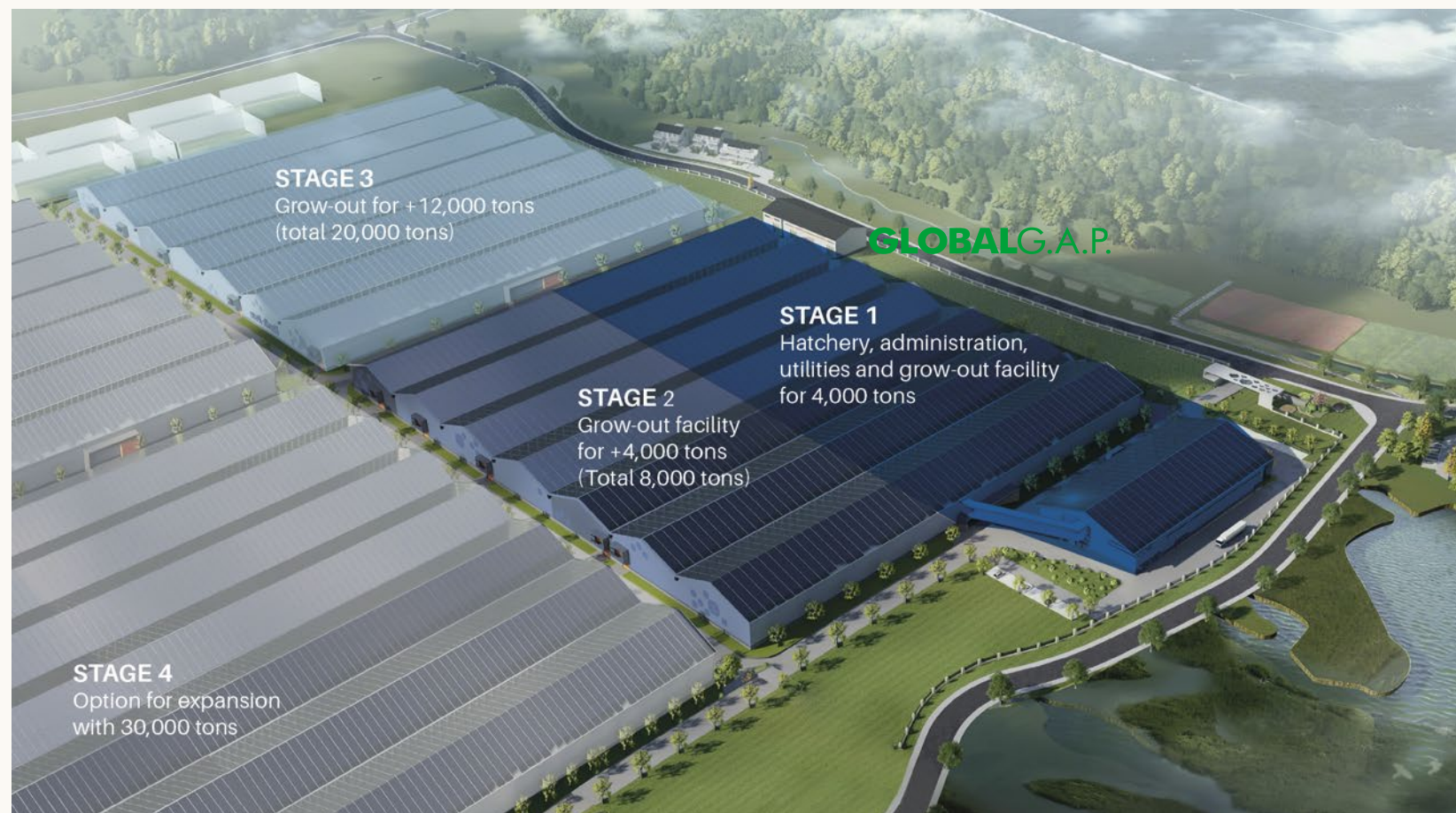


NORDIC AQUA PARTNERS

Stage 3: 20,000 MT



Upscaling to 20,000 harvest by 2027



BUILDOUT STAGE 1-4

STAGE 1
Hatchery, Administration, Utilities
and Grow-out facility for 4,000 tons

STAGE 2
Grow-out facility for +4,000 tons
[total 8,000 tons]

STAGE 3
Grow-out for +12,000 tons
[20,000 tons]

STAGE 4 – Option
Option for expansion
with +30,000 tons [± 50,000 tons]

ESG

ESG performance will be monitored by:

- Ambition to audit Scopes 1, 2 and 3
- Ambition to implement quality standards:

GLOBALG.A.P.



Renewable energy

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

No Air transports

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



Neighbours and local government

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

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.



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



Sea water

Nordic Aqua Partners



Summary and Outlook

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



Contacts



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