



Nordic Aqua - Results for the third quarter 2024

Highlights

- Good underlying operational and biological performance for all batches with excellent fish health and welfare
- No commercial harvest in the third quarter. 651 tonnes biomass taken out in the quarter to optimize stock
- Geosmin issue in July 2024, continuing into Q3 2024 causing lower turnover and no expected commercial harvest in H2 2024
- Q3 2024 biomass production of 1,005 tonnes and total biomass of 2,786 tonnes by quarter end, which is satisfactory given the reduced feeding due to geosmin
- Stage 2 is on schedule and the first egg inlay for Stage 2 was successful
- New equity of NOK 350 million that, together with indicative debt financing and cash on hand will secure full funding of Stage 2 and other general corporate purposes

Nordic Aqua operations during the third quarter were impacted by previous incidents of elevated geosmin levels. No commercial harvest was executed during the period, impacting results negatively.

However, underlying operational and biological performance was good for all batches. Total biomass production exceeded 1,000 tonnes during the quarter bringing total biomass to nearly 2,800 tonnes by the end of the period. Fish health and welfare was good, and mortality rates were low.

Commenting on the development, CEO Ragnar Joensen, said:

“We are encouraged by the progress made in recent months and are pleased to see the resilience of our operations as we rebound from the geosmin setback. With rigorous measures in place and strengthened biological performance, we are now positioned to continue expanding our Nordic PureAtlantic brand in the Chinese market.”

Despite the adjustments to handle the biological situation, construction of the farming operation of Stage 2 continues as planned. Extra capacity for hatchery, start-feeding, parr unit and smolt unit are finished and operational and the first egg inlay was successfully completed in September 2024.

In September the company successfully completed a private placement raising new equity of NOK 350 million. Combined with the company’s strategic agreement with Bank of China this will secure funding through completion of Stage 2 in addition repayment of short-term debt, capex related to geosmin improvements, working capital and other general corporate purposes.

“We are well underway with the buildout of Stage 2, which will double our capacity to 8,000 tonnes. The technical installations are expected to start in January 2025 with first harvest scheduled for the second half of 2026. Preparations for Stage 3, expanding capacity to 20,000 tonnes are ongoing, and a final decision on the timeline will be made during H1 2025”, Ragnar Joensen commented.

Outlook

Nordi Aqua expects to bring the geosmin situation under control over the next months. Efforts to further ramp up production will continue and harvesting of the best quality and taste salmon will resume.

In line with previous announcement and as part of the handling of the biological situation about 2,000 tonnes of salmon is expected to be culled, and no commercial harvest is expected in the fourth quarter 2024. Alongside a gradual normalization of operations, Nordic Aqua expects to harvest about 4,000 tonnes for the full year 2025, and together with its customers, the company is continuing its efforts of building a long-term position with unparalleled freshness and high-quality Atlantic salmon in the growing Chinese salmon market.

Results presentation

CEO Ragnar Joensen, CFO Tom Johan Austrheim, and managing director for Nordic Aqua's operational activities in China, Andreas Thorud, will host a webcast to present the results today at 10:00 a.m. CET. The webcast can be accessed at www.nordicaquapartners.com, or with the following link: http://channel.royalcast.com/landingpage/hegnarmedia/20241114_8/

Following the presentation, Nordic Aqua will take questions from the audience. Webcast participants need to register to post questions. The presentation and subsequent Q&A will be held in English.

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About Nordic Aqua

Nordic Aqua Partners is a Nordic land-based salmon farming company, using cutting-edge Nordic 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 Partners will be the first local producer of truly sustainable and fresh salmon to the Chinese market. The current business plan is for an annual production of 20,000 tonnes HOG. Nordic Aqua Partners A/S is listed at Euronext Growth under the ticker NOAP.