



Q3 2024 STATUS AND PROGRESS

28 NOVEMBER 2024

AGENDA

- ANDFJORD SALMON IN BRIEF
- Quarterly highlights and subsequent events
- Status Kvalnes build-out
- Proposed new land-based aquaculture regulations: Andfjord Salmon's response
- Financials
- Summary and outlook



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OUR
VISION

**BUILDING THE
WORLD'S MOST
FISH-FRIENDLY
AND SUSTAINABLE
SALMON FARMING
FACILITY OF
ITS KIND**

69°N | ANDØYA
VESTERÅLEN
NORWAY

OUR
MISSION

FISH FARMING
WITH A **CLEAR
CONSCIENCE**

 **ANDFJORD™**
SALMON

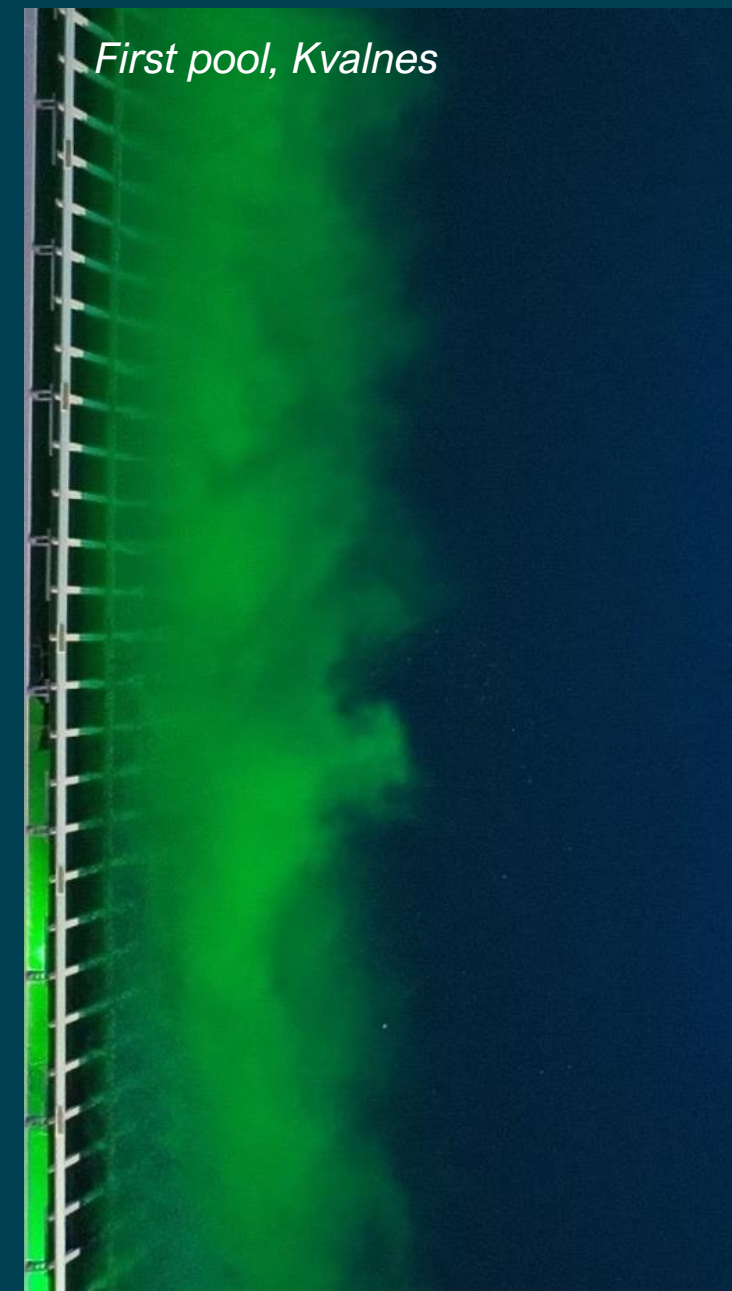
THE BEST OF TWO WORLDS

3 BENEFITS OF SEA BASED NET PEN FARMING



- 1** NATURAL OPTIMAL WATER TEMPERATURES
- 2** OXYGEN-RICH AND CLEAN ARCTIC SEAWATER
- 3** LOW ENERGY COSTS. NO LIFTING, HEATING OR COOLING

3 BENEFITS OF LAND BASED FARMING



- 1** NO PROBLEMS WITH SALMON LICE AND POISONOUS ALGAE
- 2** NATURAL ESCAPE PREVENTION
- 3** COLLECTION AND RECYCLING BIOWASTE = COMMERCIAL VALUE

Laminar flow in pools

Biowaste sinks to bottom,

A 3D architectural rendering of a wastewater treatment plant. The scene shows several rectangular aeration tanks supported by concrete pillars. The tanks are filled with water, and the water surface is calm, indicating laminar flow. In the foreground, the first tank is shown in a cutaway view, revealing a grid of diffusers at the bottom. Several fish are swimming in the water column. The text 'Biowaste sinks to bottom,' is overlaid on the water in this tank. In the background, there are more tanks, some with workers on walkways, and a landscape with hills and a cloudy sky.

Egga 3.000 mbsl

Gulf Stream

Bleiksdjupet 1.000 mbsl

Kvalnes, Andøya

KEY FIGURES – FIRST PRODUCTION CYCLE

HIGH
SURVIVAL RATE



97.5%

Industry average
= 83.3%*

LOW FEED
CONVERSION
RATE



1.05

Industry average
= 1.27**

STRONGER
GROWTH



+1 kilo

Extra growth
compared to
Skretting's growth
table

LOWER ENERGY
COSTS



1 kWh

Energy use per kilo
produced salmon

HIGH SUPERIOR
SHARE



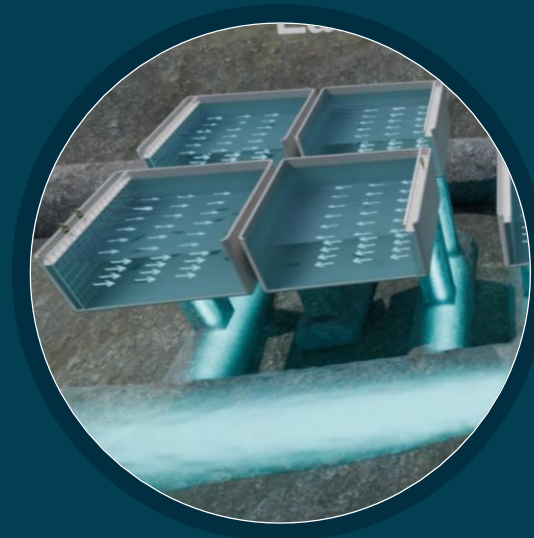
91.1%

Industry average
= 85.1%**

AGENDA

- Andfjord Salmon in brief
- **QUARTERLY HIGHLIGHTS AND SUBSEQUENT EVENTS**
- Status Kvalnes build-out
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HIGHLIGHTS Q3 AND SUBSEQUENT PERIOD



KVALNES BUILD-OUT ON TRACK

All workstreams on or
ahead of schedule



WATERWAYS NEAR COMPLETION

De-risks a challenging
part of the Kvalnes build-
out



SOLID PROGRESS ON NEXT FOUR POOLS

Pool framework for all
four pools close to
completion, side-wall
sections to be installed



PROPOSED REGULATIONS

Response submitted as
part of public
consultation on new
regulations for land-
based aquaculture

AGENDA

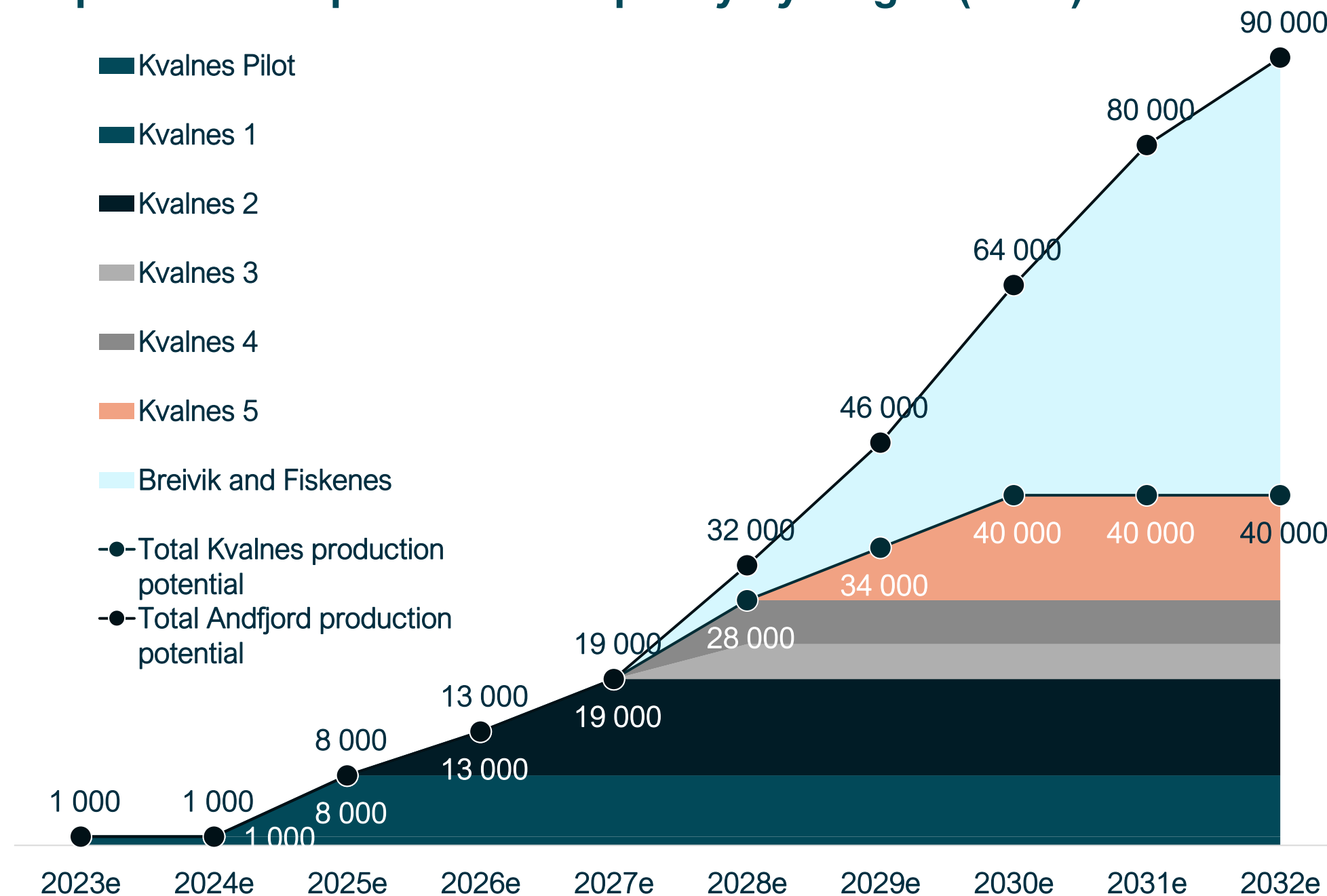
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PRODUCTION VOLUME OF **40,000t** AT KVALNES WITH TOTAL POTENTIAL OF **90,000t**

Kvalnes build-out plan

Stage, Kvalnes	Added production (HOG, est.)	Accum. production (HOG, est.)
First pool	+1,000t	1,000t
1	+7,000t	8,000t
2	+11,000t	19,000t
3 (licence expansion)	+4,000t	23,000t
4	+5,000t	28,000t
5	+12,000 t	40,000t

Expected total production capacity by stages (HOG)



Comments

- **Gradual ramp-up to full capacity of 40,000 tonnes at Kvalnes**, focusing on capital efficiency
- **Next stage at Kvalnes encompasses 4 new pools**, bringing total production capacity to 8,000 tonnes, followed by further expansion
- **Major interventions and blasting to be completed in this stage**, meaning that the only required pause in production due to ground works will be in 2024
- **Current production licence of 10,000 tonnes MAB at Kvalnes** (total potential of 19,000 tonnes HOG), with further licence applications to be submitted in accordance with the original business plan

Construction start 2023-2025:
+18,000 tonnes
+4,000 tonnes licence expansion



Construction start in 2027:
+12,000 tonnes
(exact location to be decided)



Construction start in 2026:
+5,000 tonnes

First pool

In operation:
1,000 tonnes



NOTE: ILLUSTRATIVE GRAPHICS

STATUS AND PROGRESS – WATERWAYS



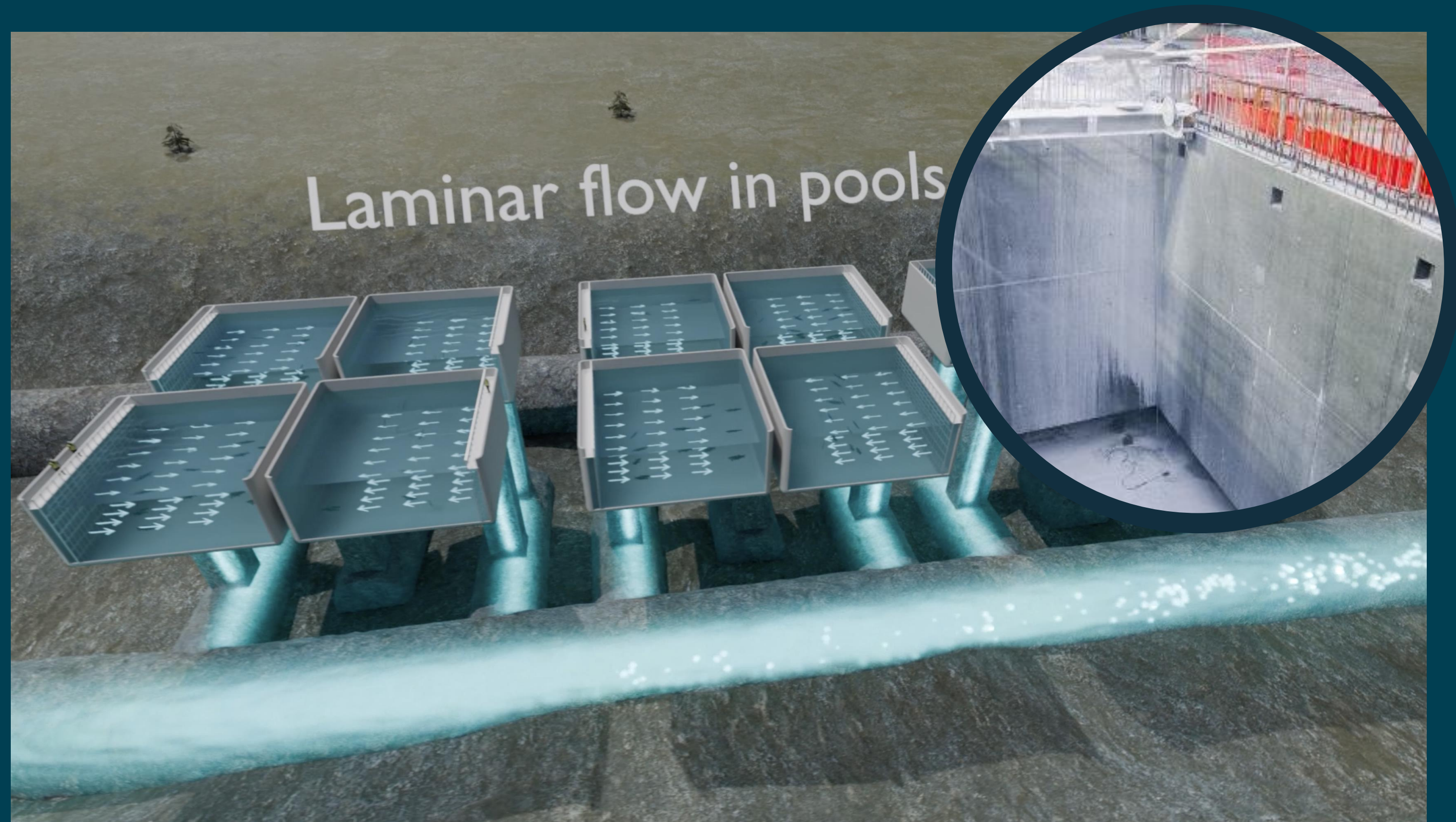
WATERWAYS ON TRACK

- Capacity to support annual production of 40,000 tonnes (HOG) of Salmon
- Workstream on track
- Strong progress in recent months: Reached 90% completion as of 27 November 2024
- Total length 4.4 km:
 - 20 m of outlet waterway remains
 - 450 m of inlet waterway left
 - Completed tunnel infrastructure below pools

WATERWAYS: INFRASTRUCTURE IN PLACE

TUNNEL INFRASTRUCTURE BELOW POOLS COMPLETED

- 8 x vertical inlet shafts to provide pools with fresh seawater (most adjacent pools share one inlet)
- 6 x vertical outlet shafts (adjacent pools share one outlet)
- Completed horizontal sections from pools to outlet tunnel



STATUS AND PROGRESS – POOLS



4 POOLS BEING CONSTRUCTED

- Workstream on track
- Concrete wall elements produced by factory on site
- Columns, supports and preparations for wall elements completed for K1 and in progress for K3
- CONSTRUCTION STEPS:
 - Installation of walls with Ultra-High Performance Concrete (UHPC)
 - Preparing technical installations

STATUS AND PROGRESS – HARBOUR

QUAY AND BREAKWATER BEING CONSTRUCTED

- Workstream on track
- Excavated masses from the tunnels and pool pits being moved into place to complete the breakwater
- Digging underway to make the harbour deeper



SUSTAINABILITY AT CORE OF BUILD-OUT

EFFICIENT AND SMART BUILD-OUT PROCESS

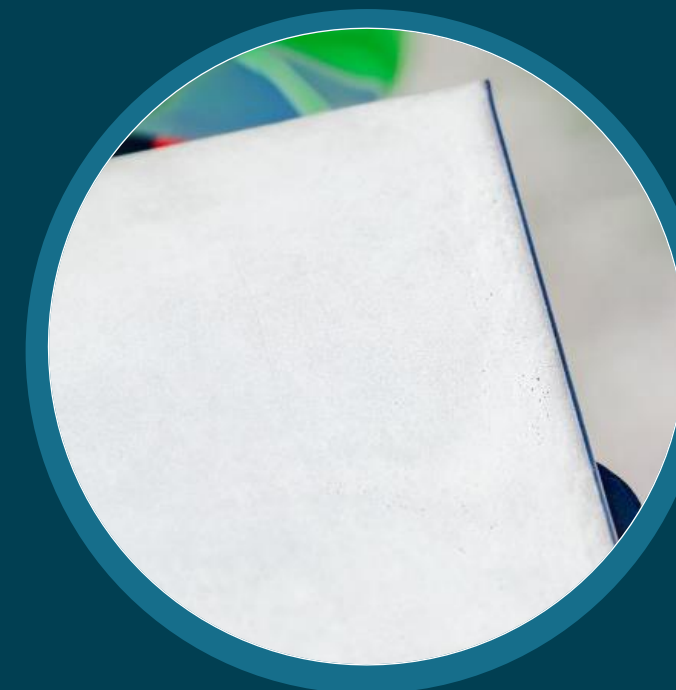
- Utilising masses from pool pits and tunnels as raw material in concrete reduces costs and enhances environmental sustainability.
- Saves approximately 23,300 tonnes (equivalent to 780 truckloads) of concrete material being delivered to site.
- Masses from pool pits and tunnels also being utilised to create harbour – resulting in mass balance for the project



Excavated masses from pool pits...



...turned into concrete elements

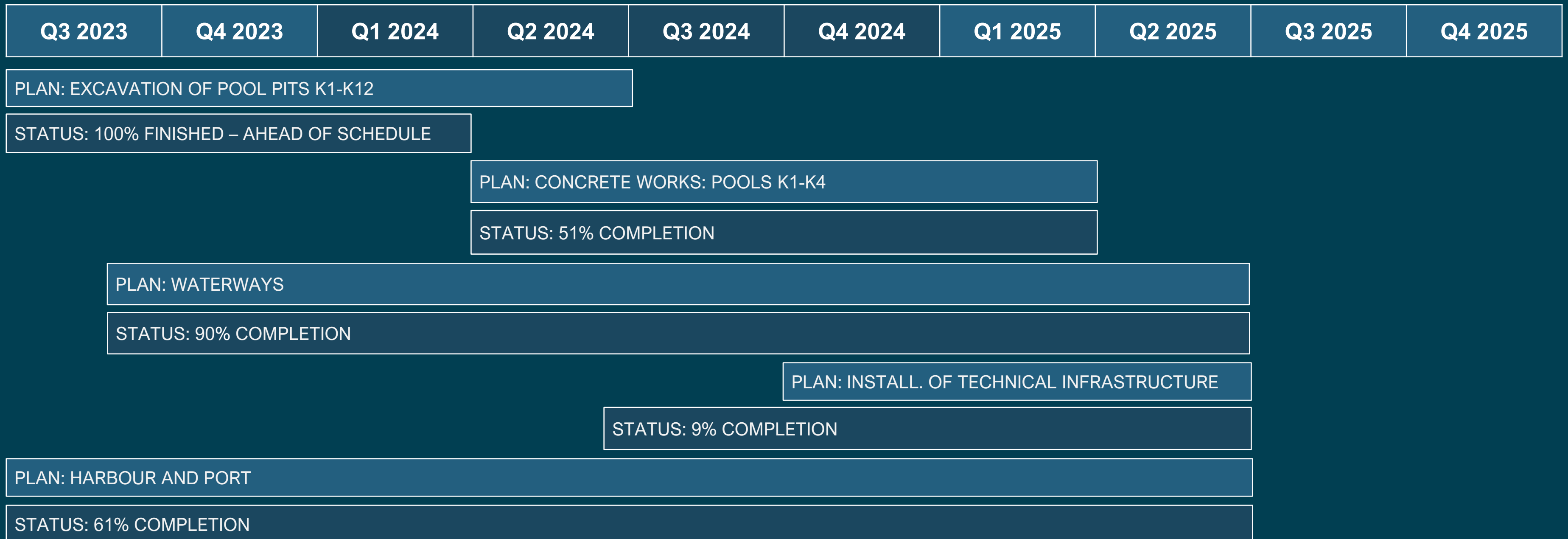


... concrete walls covered with Ultra-High Performing Concrete (UHPC)



...and finally becoming part of concrete pools and harbour

KEY CONSTRUCTION MILESTONES FOR BUILD-OUT PHASE AT KVALNES (8,000 t)



Note: Status per 27 November 2024

AGENDA

- Introduction
- Quarterly highlights and subsequent events
- Status Kvalnes build-out
- **PROPOSED NEW LAND-BASED AQUACULTURE REGULATIONS: ANDFJORD SALMON'S RESPONSE**
- Financials
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PROPOSED NEW REGULATIONS FOR LAND-BASED AQUACULTURE

BACKGROUND

- After a two-year standstill period for administering licence applications for land-based aquaculture, the Norwegian Ministry of Trade, Industry and Fisheries has issued **proposed changes** to the regulations to ensure the sustainable development of aquaculture production on land
- Public consultation deadline: 21 November 2024
- Andfjord Salmon submitted its response to the proposal on 20 November 2024
- After reviewing the consultation input, the ministry will present new regulations for land-based aquaculture

KEY POINTS FROM THE PROPOSAL

- The proposals will not affect facilities that have already received permission for farming on land*
- The proposal removes confusion about which aquaculture facilities are defined as being “on land”
- Proposed requirement for disinfection of seawater at water inlet (Note: Andfjord Salmon has flexibility in design to adapt to changes in functional requirements)
- Positive for the long-term development of land-based aquaculture industry that a revised regulatory framework is reaching completion

RESPONSE TO PROPOSAL

MAIN COMMENTS FROM ANDFJORD SALMON

- No need for universal disinfection requirement.
- Unwise to establish framework conditions that limit the meaning of “sustainable production” to solely a contamination topic, which in practice will come at the expense of other vital sustainability parameters.
- Such a **“one size fits all” approach** can result in **negative consequences** for:
 - The the ability of fish to develop basic robust health
 - Energy consumption levels
 - The Norwegian fish farming industry’s international competitiveness
- A **knowledge gap exists** regarding the connection between fish welfare, biosecurity and the seawater’s natural microbiological composition. **This void must be addressed** before the authorities implement functional requirements that will significantly influence how fish is produced on land.
- A “one size fits all” approach to disinfection of inlet water is unnecessary, because prevention of infection to surrounding aquaculture facilities is already safeguarded by **current distance requirements** between the land-based facility’s discharge point and surrounding facilities.
- **More knowledge about effects and impacts must be obtained** before a general disinfection requirement is introduced. This applies to the treatment of both inlet and outlet water.
- The disinfection requirement is, in practice, **not technology-agnostic**.
- **A consequence of a potential functional requirement is increased energy consumption**, which will be **counterproductive** in relation to the stated ambition that the regulations should “ensure profitable employment and activity along the coastline”, because land-based aquaculture facilities are often established in coastal areas that often have a **poorly developed power supply network**.

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STATEMENT OF COMPREHENSIVE INCOME

All amounts in NOK 1,000

Statement of comprehensive income	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
	1.7 – 30.9 Unaudited	1.7 – 30.9 Unaudited	1.1 – 30.9 Unaudited	1.1 – 30.9 Unaudited	1.1 – 31.12
Operating income and expenses					
Revenue from contracts with customers	46	27 653	181	37 278	37 279
Total operating income	46	27 653	181	37 278	37 279
Change in biological assets at cost and other inventories	-	-165	-	-1 162	-1 162
Cost of materials	-64	-36 296	-274	-59 209	-59 638
Fair value adjustments of biological assets	-	-	-	25 707	25 707
Employee benefit expenses	-5 859	-7 395	-16 306	-19 784	-25 208
Depreciation and amortisation expenses	-6 127	-6 283	-18 539	-18 600	-24 904
Other operating expenses	-4 537	-5 676	-17 770	-24 424	-31 707
Total operating expenses	-16 587	-55 815	-52 889	-97 471	-116 912
Operating profit/loss	-16 541	-28 162	-52 707	-60 194	-79 634
Financial income and expenses					
Financial income	1 443	1	3 543	1	12 187
Net financial costs	-200	-138	-622	-422	-2 340
Net financial result	1 243	-137	2 921	-421	9 847
Profit/loss for the period	-15 298	-28 299	-49 786	-60 614	-69 787

STATEMENT OF FINANCIAL POSITION

All amounts in NOK 1,000

Assets	30.09.2024 - Unaudited	31.12.2023	30.09.2023 - Unaudited
Intangible assets	16 259	14 389	13 245
Property, plant & equipment	1 825 558	876 632	544 850
Right-of-use assets	14 068	17 640	18 743
Other non-current assets	27	113	62
Total non-current assets	1 855 911	908 774	576 900
Biological assets	-	-	-
Other inventories	1 423	1 697	2 031
Trade and other receivables	23	-	201
Other current assets	37 967	52 361	5 118
Cash and cash equivalents	162 178	250 032	526 279
Total current assets	201 591	304 090	533 629
Total assets	2 057 503	1 212 864	1 110 529

Figures do not include an undrawn construction loan of NOK 270 million and an undrawn credit facility of NOK 20 million

STATEMENT OF FINANCIAL POSITION

All amounts in NOK 1,000

Equity and liabilities	30.09.2024 - Unaudited	31.12.2023	30.09.2023 - Unaudited
Total equity	1 272 107	993 688	1 002 006
Borrowings	607 899	59 959	60 834
Lease liabilities	7 005	9 340	10 095
Total non-current liabilities	614 904	69 299	70 929
Borrowings	-	7 666	8 166
Lease liabilities	4 156	4 511	4 544
Trade payables	163 566	131 134	19 062
Other current liabilities	2 769	6 567	5 821
Total current liabilities	170 491	149 877	37 593
Total liabilities	785 396	219 176	108 522
Total equity and liabilities	2 057 503	1 212 864	1 110 529

STATEMENT OF CASH FLOWS

All amounts in NOK 1,000

Statement of cash flows	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
	1.7-30.9 Unaudited	1.7-30.9 Unaudited	1.1 – 30.9 Unaudited	1.1 – 30.9 Unaudited	1.1 – 31.12
Net cash flow from operating activities	-9 408	15 510	-41 138	-26 102	-29 148
Net cash flow from investing activities	-443 041	-31 719	-905 116	-65 174	-326 866
Net cash flow from financing activities	386 588	447 790	858 399	534 643	523 136
Net change in cash and cash equivalents	-65 860	431 581	-87 855	443 367	167 121

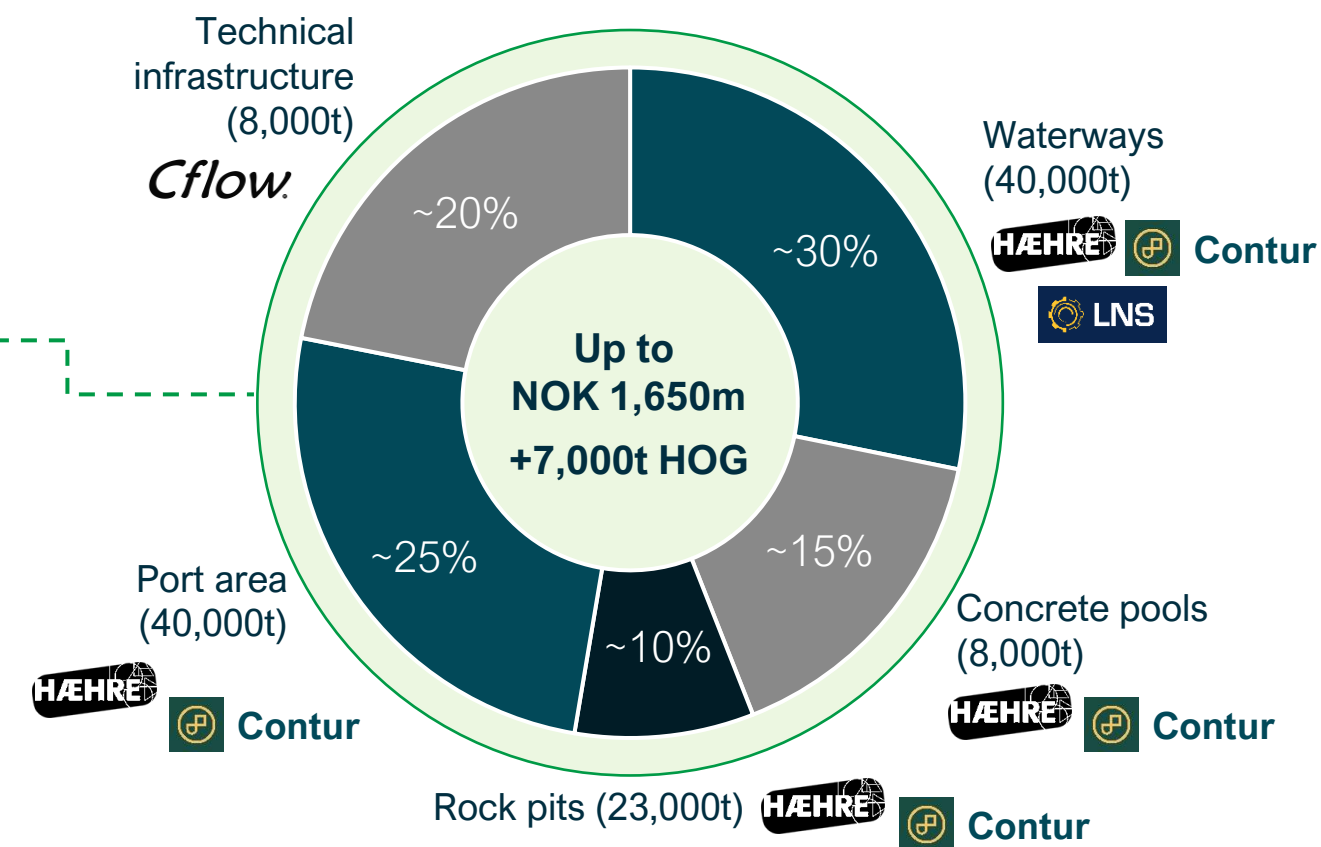
SCALE-UP TAILORED FOR CAPITAL EFFICIENCY

KVALNES BUILD-OUT PLAN

Stage, Kvalnes	Capex (NOK, est.)	Added production (HOG, est.)	Accum. production (HOG, est.)
First pool	~ 450m	+1,000t	1,000t
1	Up to 1,650m	+7,000t	8,000t
2	~ 1,100m	+11,000t	19,000t
3 (licence expansion)	~ 0m	+4,000t	23,000t
4	~ 280m	+5,000t	28,000t
5	~ 1,100m	+12,000t	40,000t

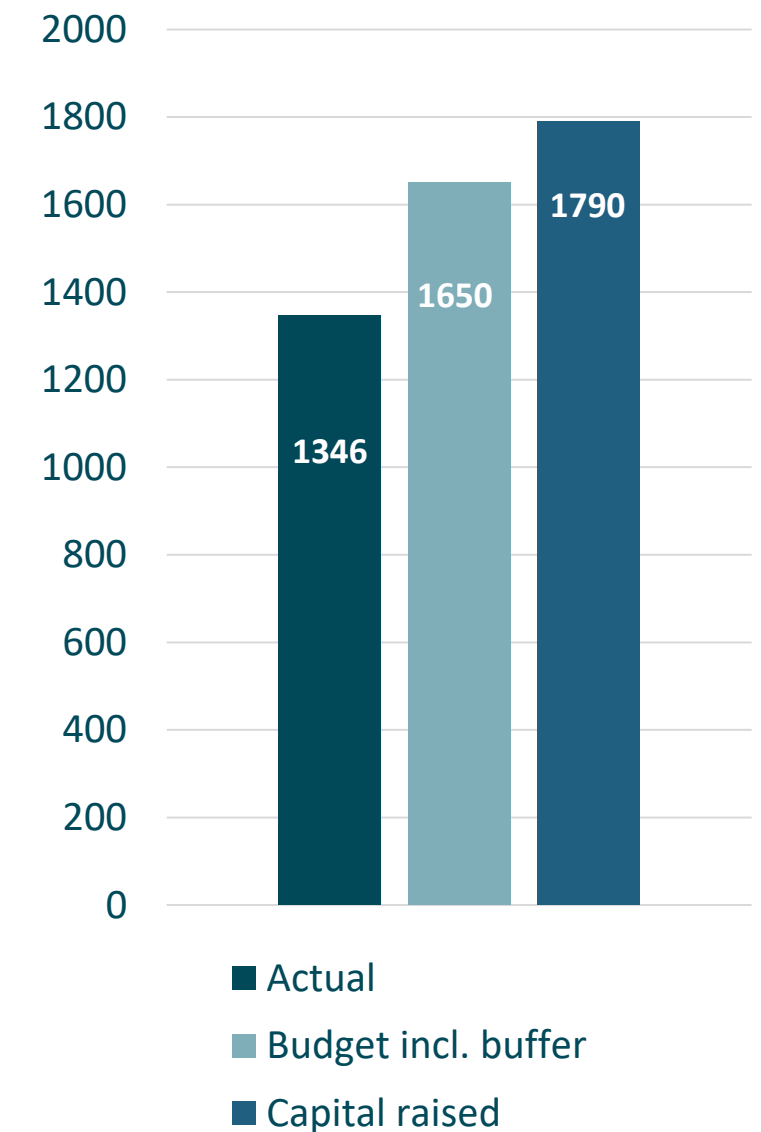
- All future expansions (stage 2 and later) expected to be financed by a mix of **debt and cash flow**
- Significant **shared infrastructure** across stages
- Highly competitive **blended capex for Kvalnes of NOK 114/kg (including buffers)**

CAPITAL EXPENDITURE, KVALNES PHASE 1



- Large part of investment towards **shared infrastructure** for full Kvalnes site
- **Shared upside and downside: 60/40** between AF Hæhre-Contur and Andfjord Salmon

INCURRED COSTS VS ESTIMATED BUDGET COST, INCL. BUFFER



- Actual cost of NOK 1.346 million per 30 September 2024

Note: Stated CAPEX figures relate to investments (working capital/biomass, finance and operational costs not included). Estimates only.

SUPPORTIVE SHAREHOLDER GROUP

10 LARGEST INVESTORS	SHARES	%
Jerónimo Martins Agro-Alimentar S.A	18,958,855	28.04%
Andfjord Holding AS	4,858,680	7.19%
High Liner Foods	3,634,970	5.38%
KG Investement Comp AS	3,583,419	5.30%
Eidsfjord Sjøfarm	3,071,759	4.54%
OG Invest AS	2,250,991	3.33%
Skagerak Vekst AS	2,045,064	3.02%
Heggelund Jan	1,928,865	2.85%
DNB Bank ASA	1,344,357	1.99%
Gjersvik Karstein	1,291,384	1.91%

STRONG SUPPORT FROM LARGE INDUSTRIAL INVESTORS



- Lisbon-listed group with 230 years of know-how in the food business
- Revenue of EUR 30 billion in 2023
- More than 134,000 employees
- Andfjord Salmon's largest shareholder



- North American processor and supplier of seafood
- Listed on the Toronto Stock Exchange, Canada
- Sales revenue of almost USD 1.1 billion in 2023
- Exploring opportunity for distribution of Andfjord Salmon's fish to the North American market



- Part of Holmøy Maritime
- Produces around 25,000 tonnes of salmon annually, based on conventional licences in Nordland and Troms
- Off-taker of "post smolt" from Andfjord Salmon for nearby ocean-based farming locations

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based aquaculture

Q & A

NEXT QUARTERLY UPDATE:

Q4 2024 presentation – 18 February 2025

For more information on this presentation
and its contents, please contact:

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