



# MARCH 2025 STATUS AND PROGRESS

11 MARCH 2025





# AGENDA

- **ANDFJORD SALMON IN BRIEF**
- Quarterly highlights and subsequent events
- Status Kvalnes build-out: Phase 1
- Kvalnes Phase 2: Plans and ambitions
- Financials
- Summary and outlook



Martin Rasmussen  
**CEO**



Bjarne Martinsen  
**CFO**



Jostein Nilssen  
**Project Director**



OUR  
VISION

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

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69°N | ANDØYA  
VESTERÅLEN  
NORWAY

OUR  
MISSION

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FISH FARMING  
WITH A **CLEAR  
CONSCIENCE**

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 **ANDFJORD™**  
SALMON



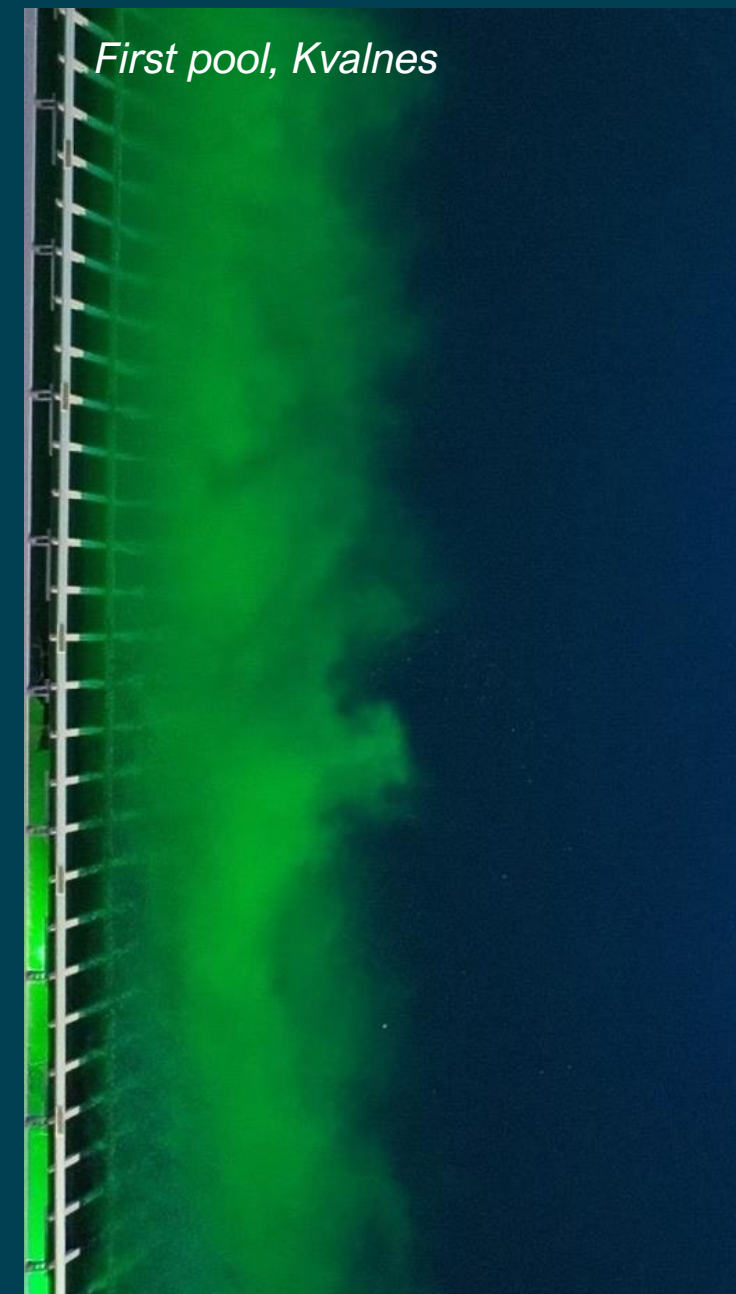
# THE BEST OF TWO WORLDS

## 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, illustrating laminar flow. In the foreground, the first tank is shown in a cutaway view, revealing a grid of vertical diffusers at the bottom. Several fish are swimming in the water column. The text 'Biowaste sinks to bottom,' is overlaid on 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

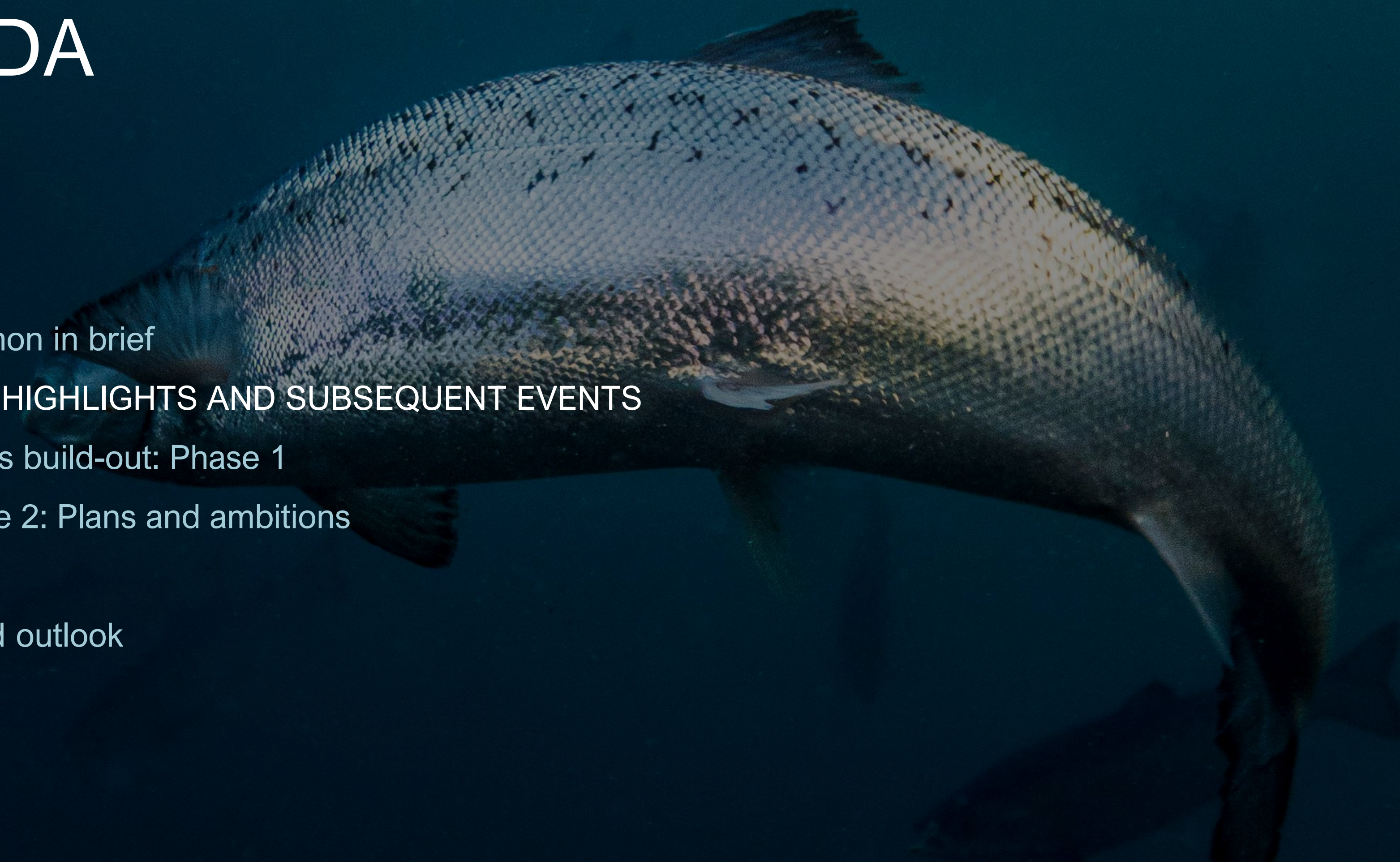


**91.1%**

Industry average  
= 85.1%\*\*



# AGENDA

- Andfjord Salmon in brief
  - **QUARTERLY HIGHLIGHTS AND SUBSEQUENT EVENTS**
  - Status Kvalnes build-out: Phase 1
  - Kvalnes Phase 2: Plans and ambitions
  - Financials
  - Summary and outlook
- 



# HIGHLIGHTS Q4 AND SUBSEQUENT PERIOD



## KVALNES PHASE 1 BUILD-OUT ON TRACK

Waterways near completion, solid progress on four next pools and other workstreams



## OPTIMISING PRODUCTION LOGISTICS FOR +20% HIGHER VOLUMES

Increased water flow capacity and optimized fish logistics to enable 20% higher through-put to give 23,700 tonnes (HOG + post-smolt) production capacity from current Kvalnes license



## INITIATING PHASE 2A CONSTRUCTION

Initiating phase 2a with additional production volume of 6,000 tonnes (HOG + post-smolt)



## RAISED FUNDS OF NOK 1.4 BN

Through bank package, potential sale and leaseback agreement, plus successful private placement

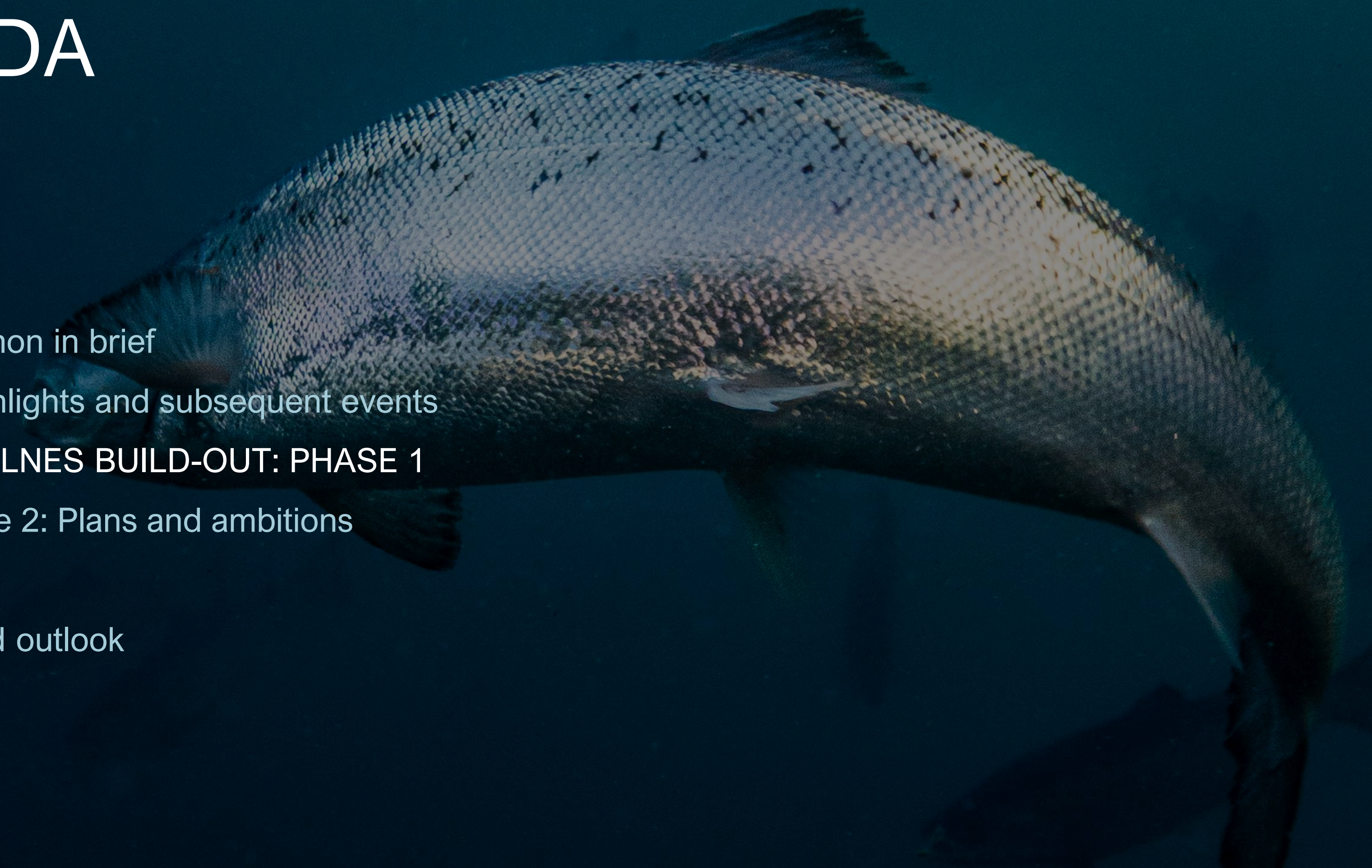


## DE-RISKING FOR POTENTIAL REGULATORY CHANGES

Future-proofing Andfjord Salmon through investments in redundancy for potential regulatory changes



# AGENDA

- Andfjord Salmon in brief
  - Quarterly highlights and subsequent events
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PHASE 2 B:  
K9 – K12

PHASE 2 A:  
K5 – K8

PHASE 1:  
K1 – K4

K11

K12

K9

K10

K7

K8

K5

K6

K3

K4

K1

K2

Illustration showing what Kvalnes may look like in 2027



# STATUS AND PROGRESS – WATERWAYS



## WATERWAYS ON TRACK

- Capacity to support annual production of 48,100 tonnes (HOG + post-smolt) of salmon
- Workstream on track
- Total tunnel length 4.4 km:
  - 6-7 m of outlet waterway remains
  - 70 m of inlet waterway left
  - Completed tunnel infrastructure below pools
  - Concrete work in tunnels ongoing
- Final breakthrough to sea (nearby Andfjorden) planned for Q2 2025



# INFRASTRUCTURE FOR WATERWAYS AND POOLS 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 sections from pools to tunnels





# STATUS AND PROGRESS – POOLS



## 4 POOLS BEING CONSTRUCTED

- Workstream on track: 65% completion per 10 March 2025
- UHPC concrete wall elements produced by factory on site
- Columns, supports and preparations for wall elements completed for K1 and K3
- UHPC wall elements being assembled in K1 – 80% complete



# STATUS AND PROGRESS – HARBOUR

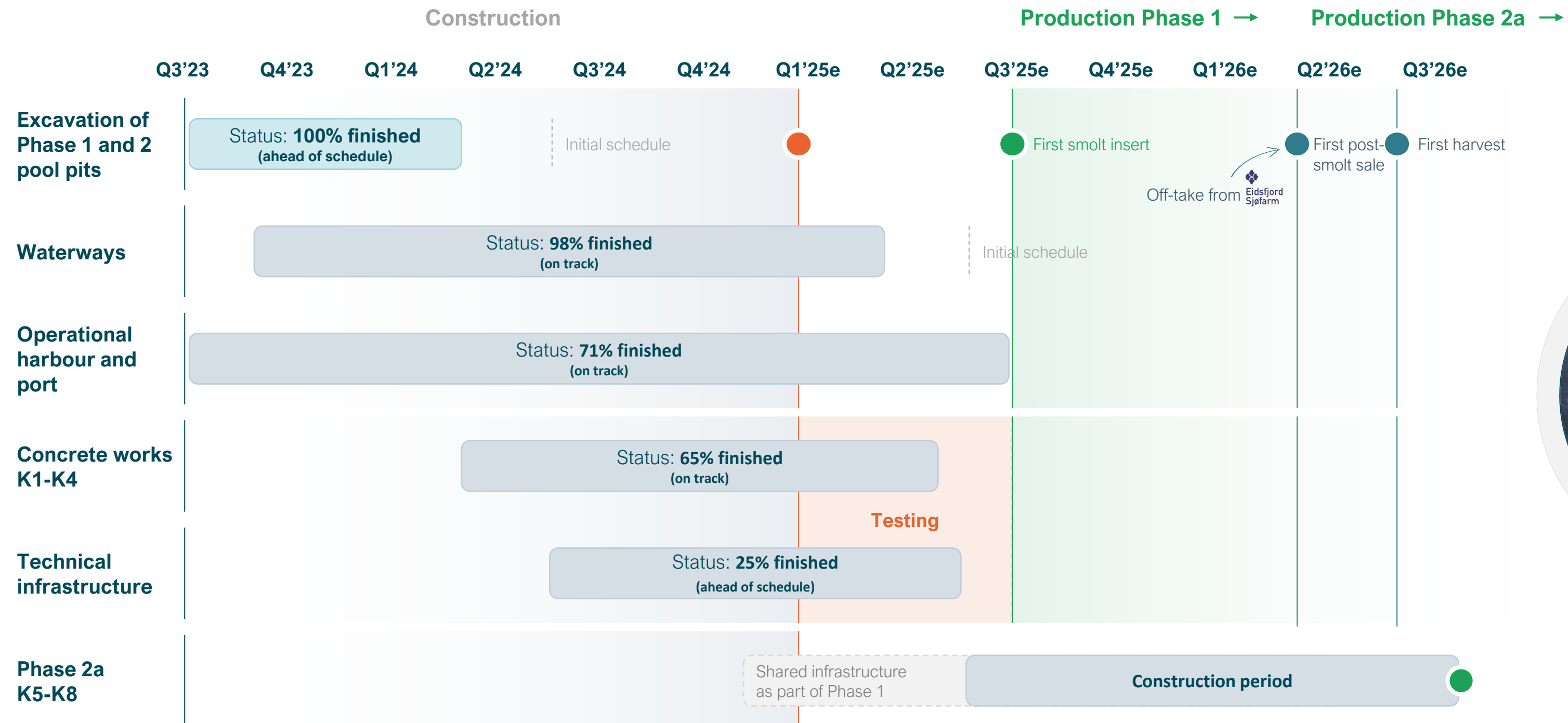
## QUAY AND BREAKWATER BEING CONSTRUCTED

- Workstream on track
- Temporary breakwater constructed to shield ongoing construction work from waves and currents originating from Andfjorden
- Once harbour and port infrastructure are fully completed, temporary section of breakwater will be removed, allowing vessels to enter and operate within the protected harbour.





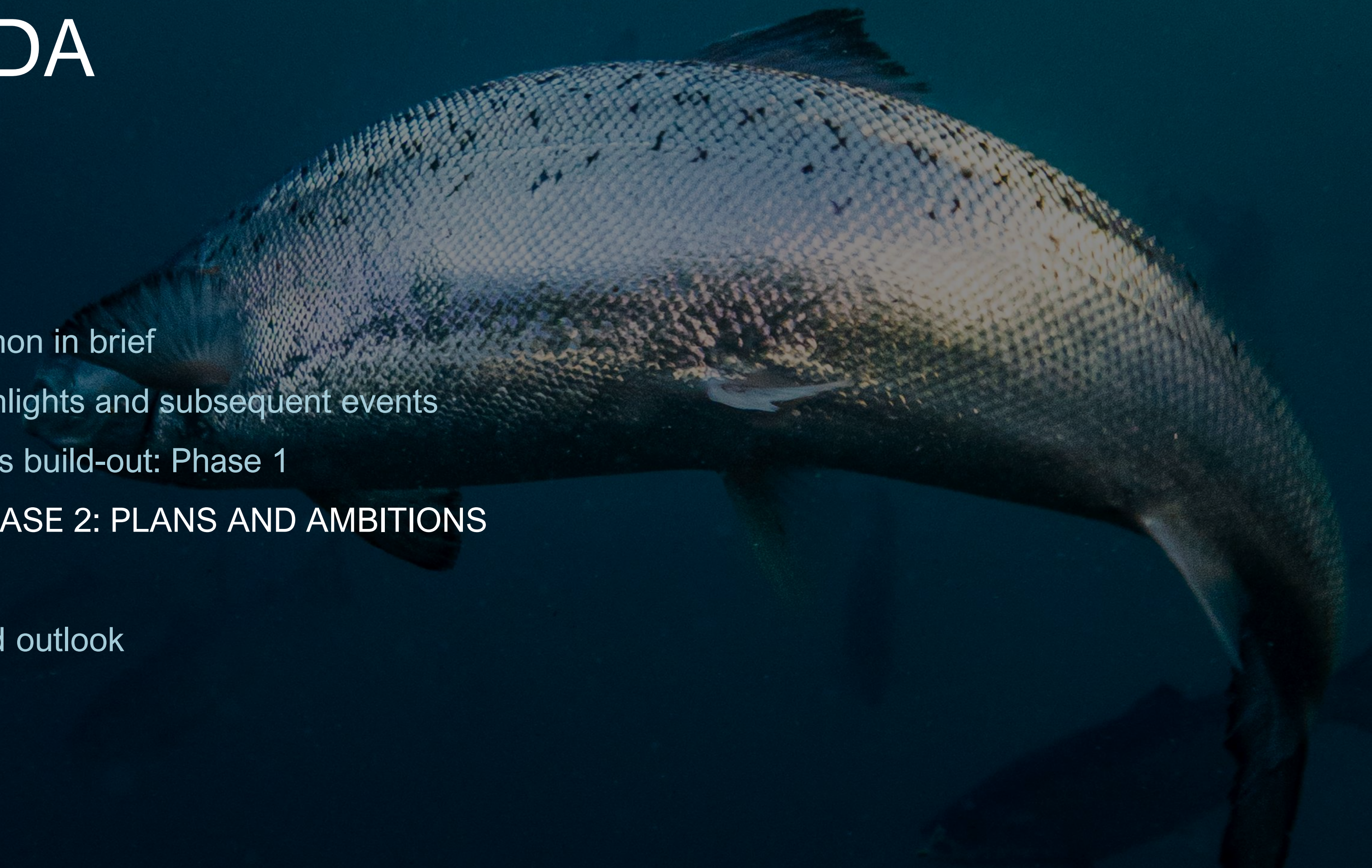
# BUILD-OUT OF PHASE 1 AT KVALNES NEARING COMPLETION



Note: Status per 24<sup>th</sup> February 2025

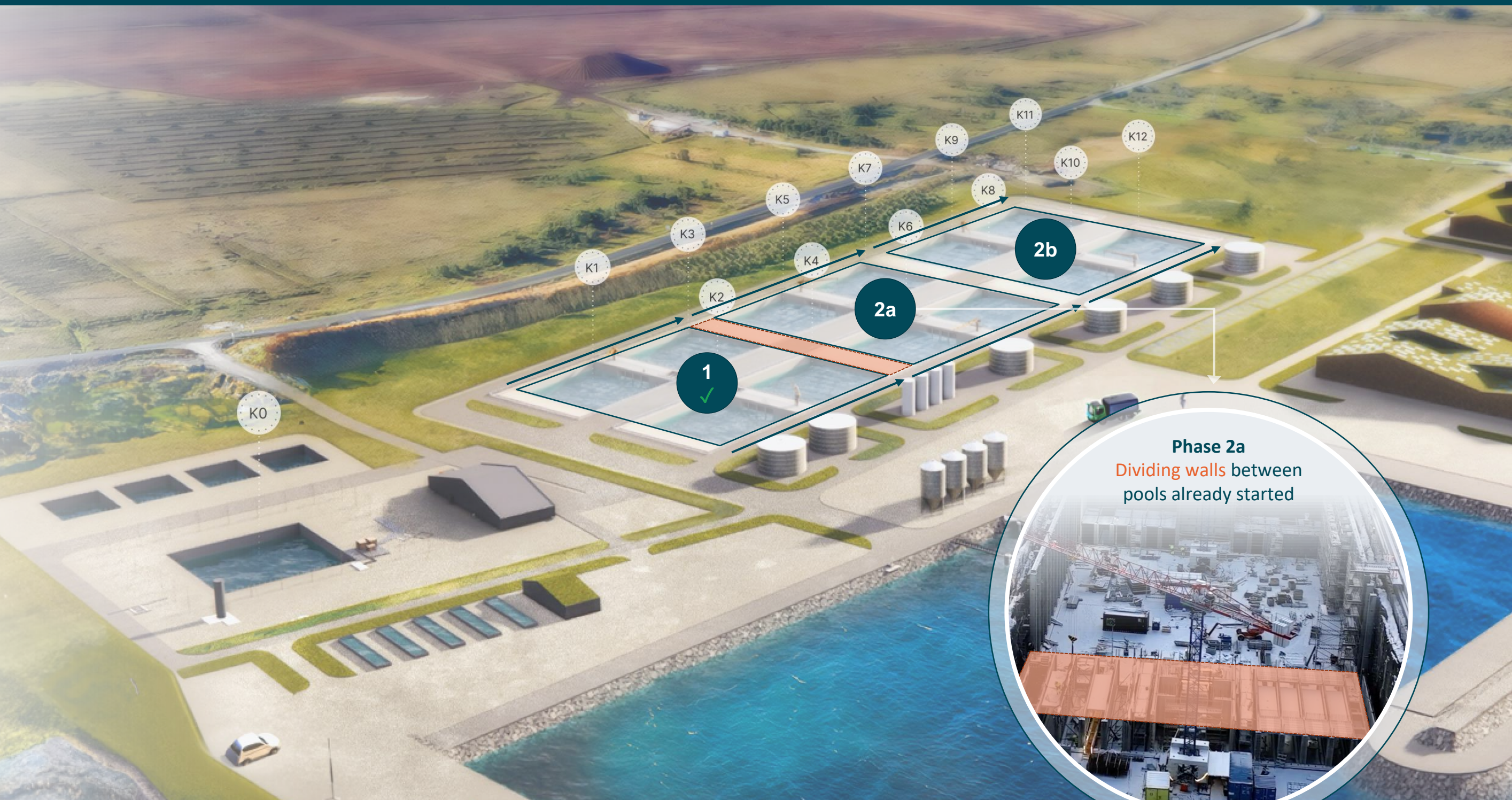


# AGENDA

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  - **KVALNES PHASE 2: PLANS AND AMBITIONS**
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- 



# SPEED AND ACCURACY OF PHASE 1 ALLOWS FOR IMMEDIATE START OF PHASE 2 EXP.



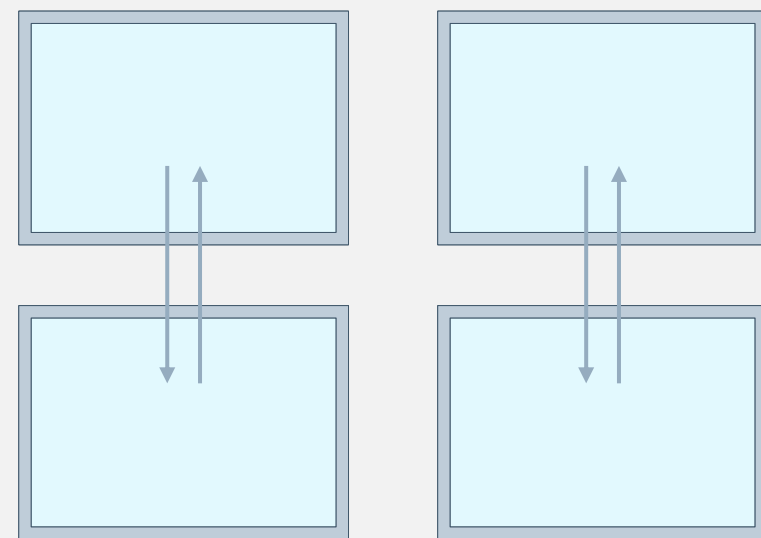
- Kvalnes construction plan follows a four-by-four pool expansion
- **Construction of Phase 1 and shared operational infrastructure for all 12 pools to be finalized by Q2 2025, on time and budget**
- **Decision to start Phase 2a construction immediately, reaping construction synergies** from continuous process across phases. Retaining personnel and equipment on-site, allowing for optimized resource usage and accelerated execution time
- **Accretive investment opportunity to be further pursued now**, prior to pool pits being cemented in:
  - This includes **wall segment** joining Phase 1 and Phase 2a, which will reinforce the pools to allow for optimized water flow and **fish logistics**, as well as preparations for adherence to potential regulatory changes (further described on subsequent pages)



# DESIGN IMPROVEMENTS FOR **OPTIMIZED** **POOL UTILISATION** AND +20% OUTPUT

## OLD

water flow and fish logistics

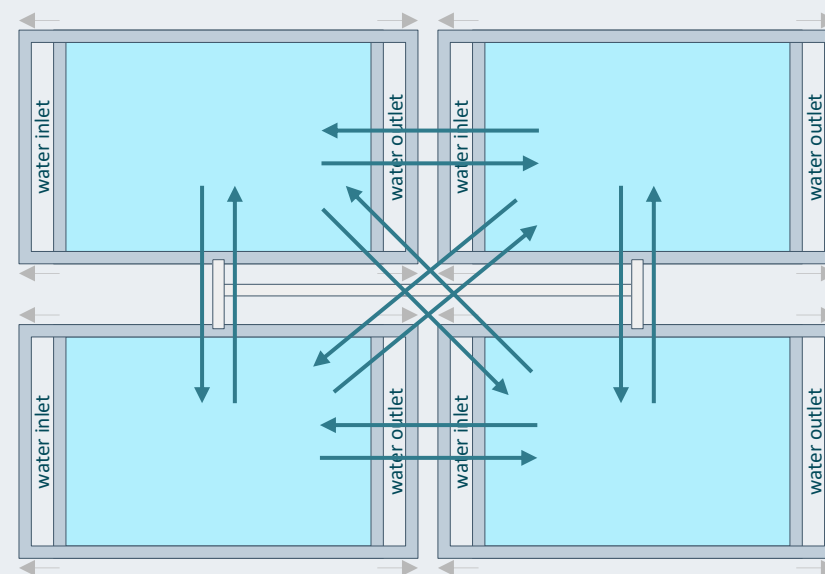


**19,000 tons**

Previous annual production estimate,  
Phases 1 & 2 (HOG)

## NEW

water flow and fish logistics

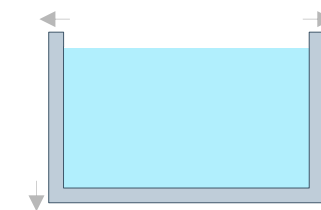


**23,700 tons**

Revised annual production estimate,  
Phases 1 & 2 (HOG + post-smolt)



New system for increased  
flexibility of moving fish



Reinforced concrete walls for  
increased water flow and levels

Previous capex/kg estimate,  
full Kvalnes site

**NOK 114/kg**

Updated capex/kg estimate,  
full Kvalnes site

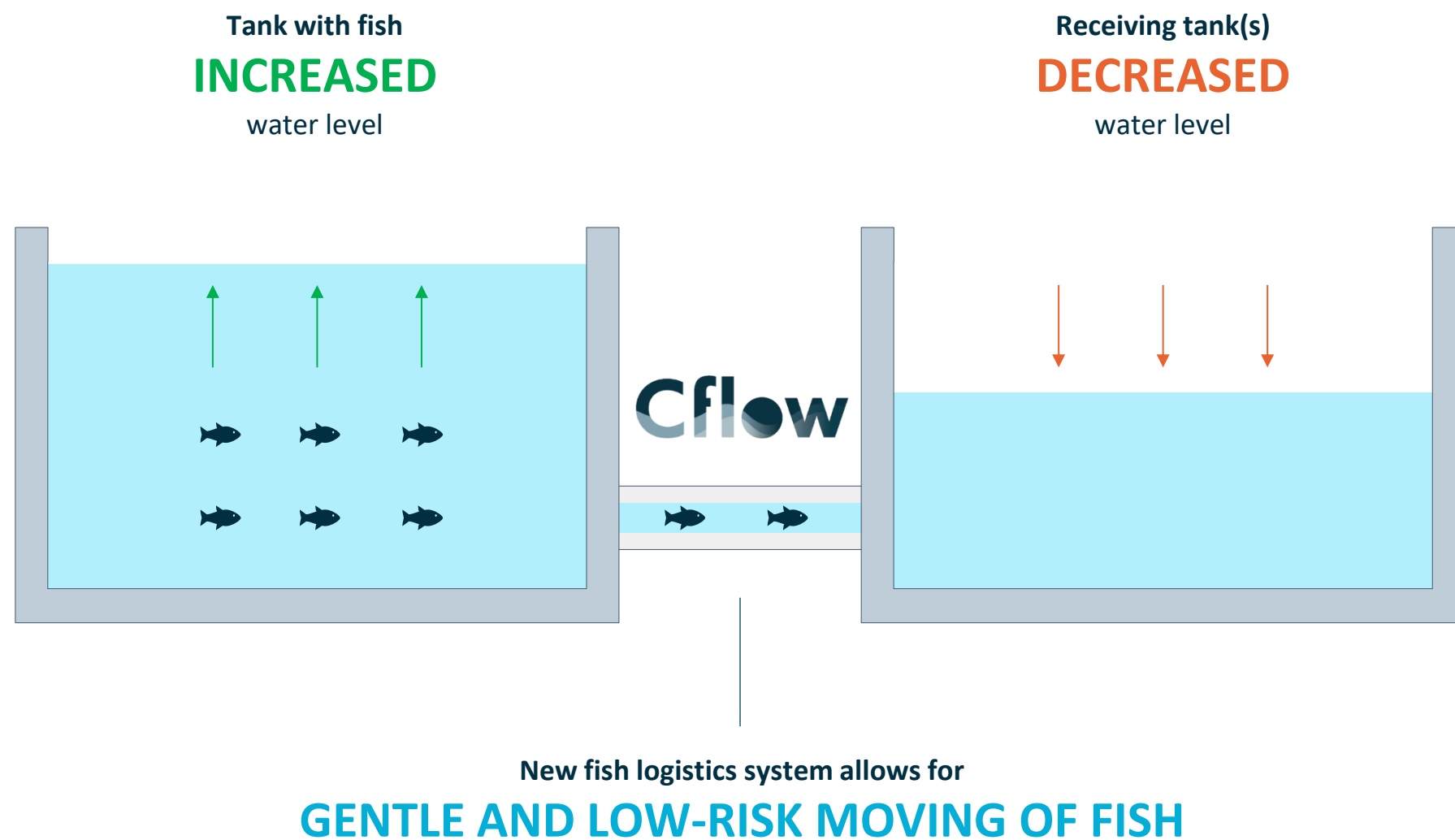
**NOK 105/kg**



# NEW AND MORE GENTLE LOGISTICS SYSTEM REDUCES OPERATIONAL RISK

New fish logistics system developed in partnership with Cflow

Key features of upgraded system

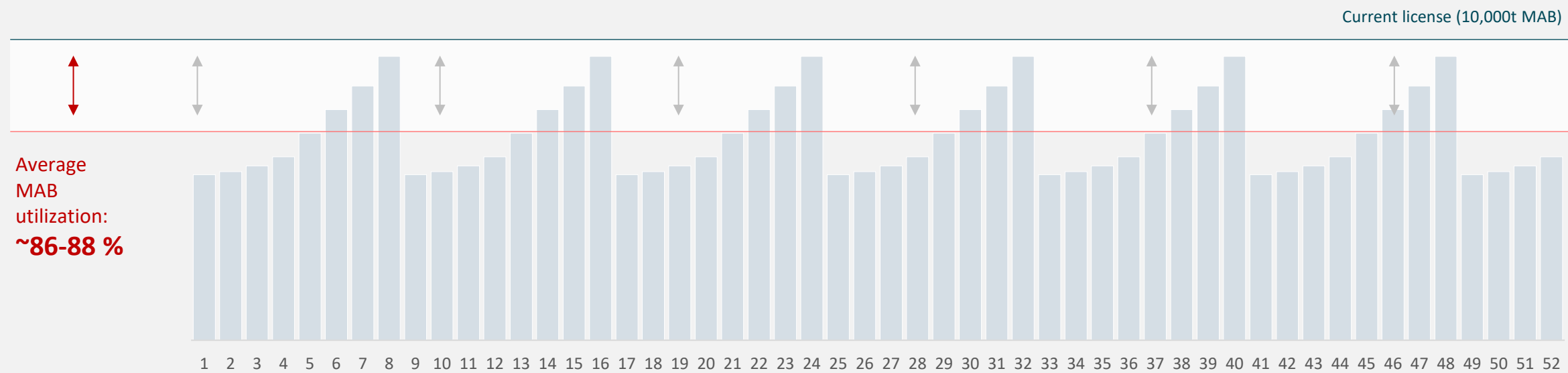


- Originally, Andfjord had planned for splitting between pools to utilize piping going over the walls, one time per life cycle
- Now, with a new design developed together with fish handling experts and core partner Cflow, the company will move fish using a network of piping below the ground
- This revised method imposes less stress on the fish
- **Further, the revised logistics system enables more flexibility in splittings, meaning that pools will achieve significantly higher utilization (higher average number of fish across all pools)**
- The method for moving fish entails having a lower water level in the 'receiving' pool versus the 'sending' pool, resulting in a natural flow of water and fish between pools
- This added water pressure means that walls need reinforcing
- **For Kvalnes in total, the optimizations are expected to give approximately +20% production output**

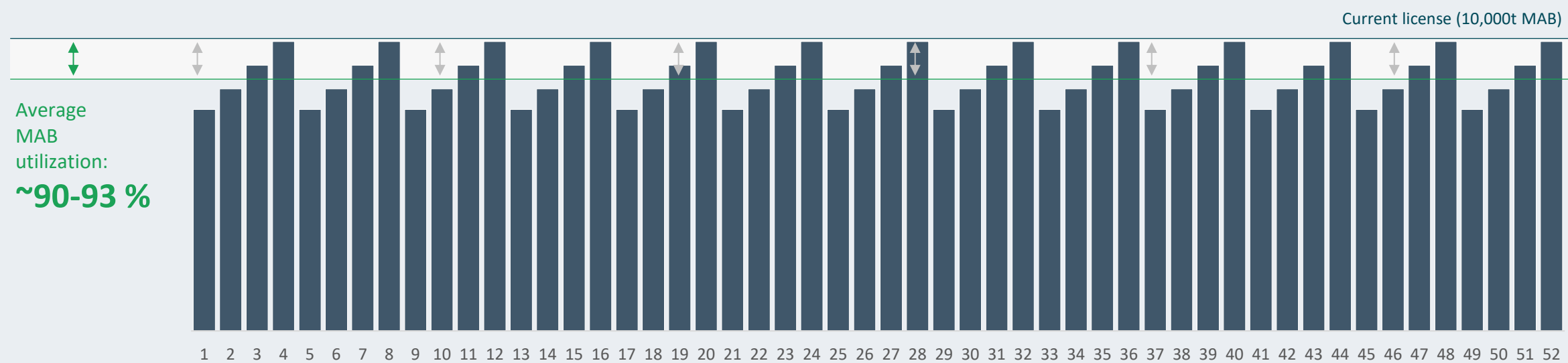


# ENSURING MORE **STABLE, HIGH** UTILISATION OF THE CURRENT LICENSE

License utilization through the year based on **OLD** fish logistics and water flow



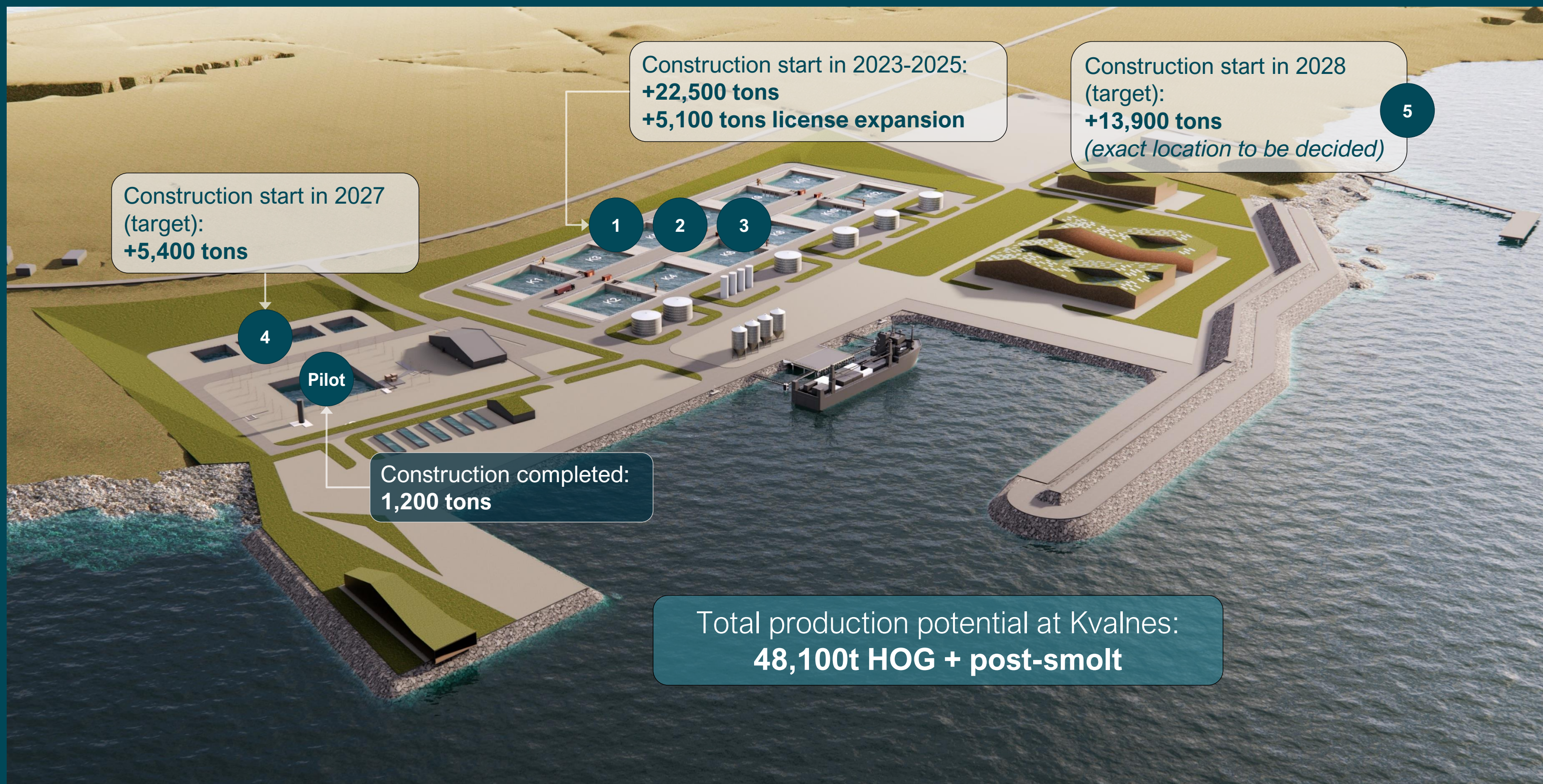
Expected license utilization through the year based on **NEW** fish logistics and water flow



- New fish logistics system allowing for **more flexibility in the relocation** of fish between pools thanks to **increased water flow**, with up to 24 times water renewal per day, and **new fish transport system**
- Possible to stock more smolt when avoiding the illustrated drops in pool utilization, and thereby **increasing production**
- **Improved MAB utilization** of current license while maintaining optimal farming conditions
- Better water flow and fish management also means that the system can handle higher densities at the peaks

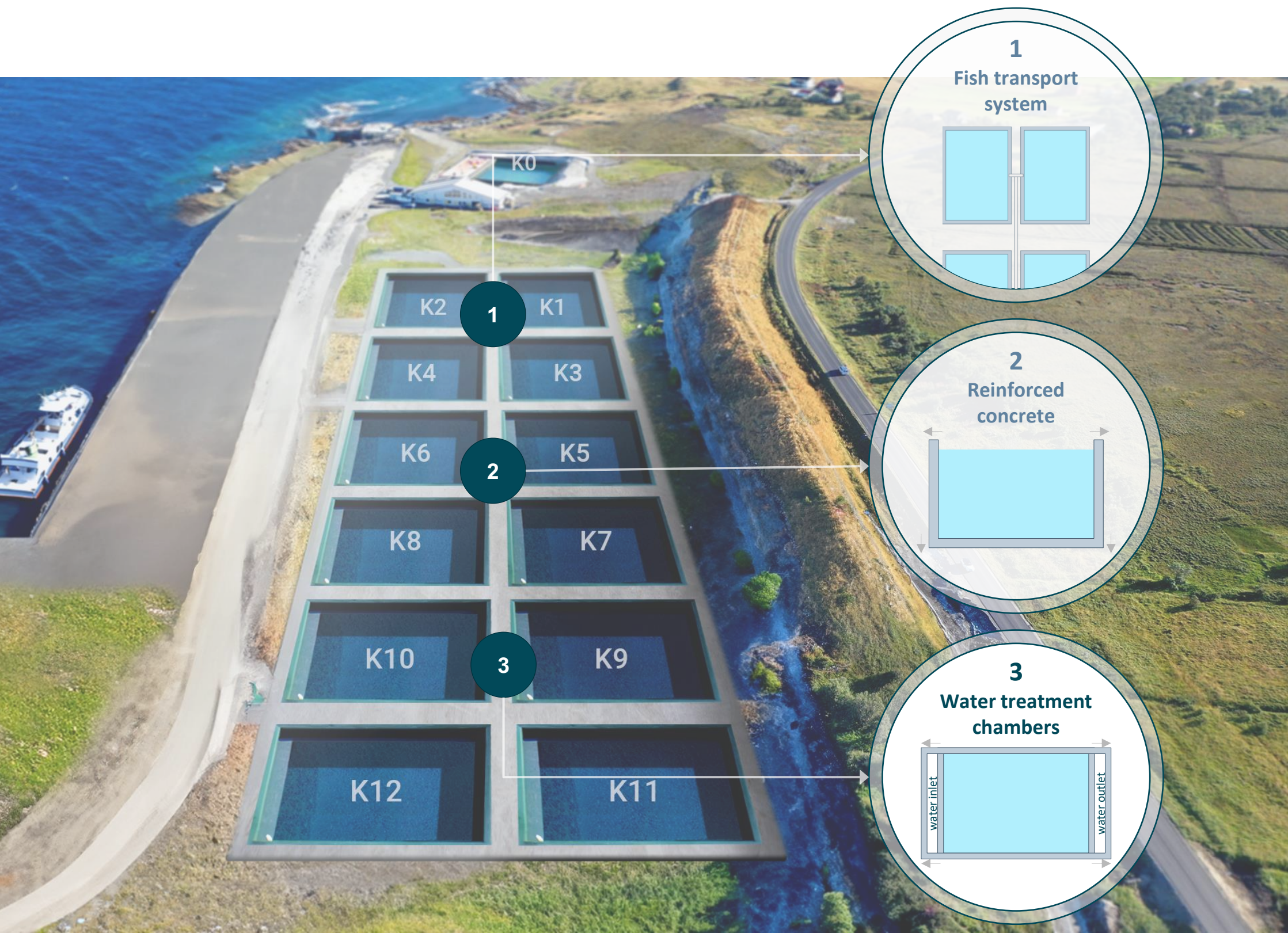


# +20% PRODUCTION VOLUME AT KVALNES






# OPTIMIZATIONS ALSO OPEN FOR ADHERENCE TO POTENTIAL REGULATORY CHANGES



- The Norwegian Ministry of Trade, Industry and Fisheries has proposed changes to the regulations to ensure the sustainable development of aquaculture production on land:
  - The proposals will not affect facilities that have already received permission for farming on land<sup>1</sup>
  - The proposal eliminates past confusion about which aquaculture facilities are defined as being “on land”
  - Proposed requirement for disinfection of seawater at water inlet
- **Proactive upgrades made to all Phase 1 and 2 pools – highly accretive given that it also enables stronger MAB utilization**
- Upgrades include treatment chambers for both inlet- and outlet water as well as significant reinforcements to pool concrete structures
- As such, **Andfjord is fully prepared to retrofit water treatment equipment in case of future water cleansing requirements**



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  - Summary and outlook
- 



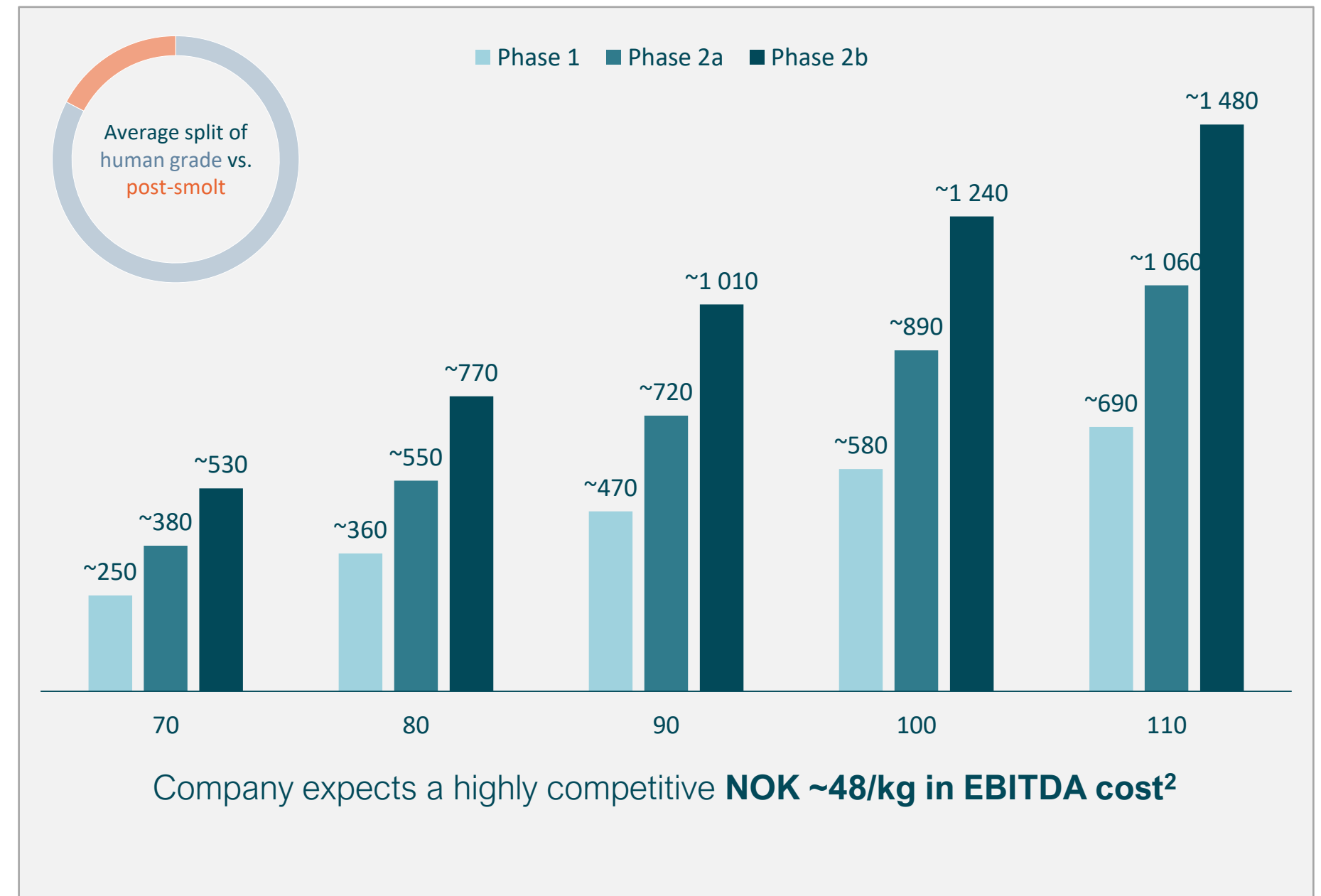
# TOTAL CAPEX FOR KVALNES DOWN TO AN ESTIMATED NOK 105/KG

Updated Kvalnes build-out plan increases production by +20%

Phase, Kvalnes	Previous capex <sup>1</sup> (NOK, est.)	Previous accum. Production (HOG, est.)	Updated capex <sup>1</sup> (NOK, est.)	Updated accum. production (HOG, est.)
Pilot	~ 450m	1,000t	~ 450m	1,200t
1	Up to 1,650m <sup>a</sup>	8,000t	Up to 1,650m <sup>a</sup>	11,000t
2a	~ 800m	13,000t	~ 1,150m	17,000t
2b	~ 300m	19,000t	~ 400m	23,700t
3 (license expansion)	~ 0m	23,000t	~ 0m	28,800t
4	~ 280m	28,000t	~ 280m	34,200t
5	~ 1,100m	40,000t	~ 1,100m	48,100t

Highly competitive **blended capex for Kvalnes down from 114 NOK/kg<sup>a</sup> to NOK 105/kg<sup>a</sup>**

Illustrative EBITDA sensitivity to salmon prices, Kvalnes Phase 1 & 2 (NOKm)

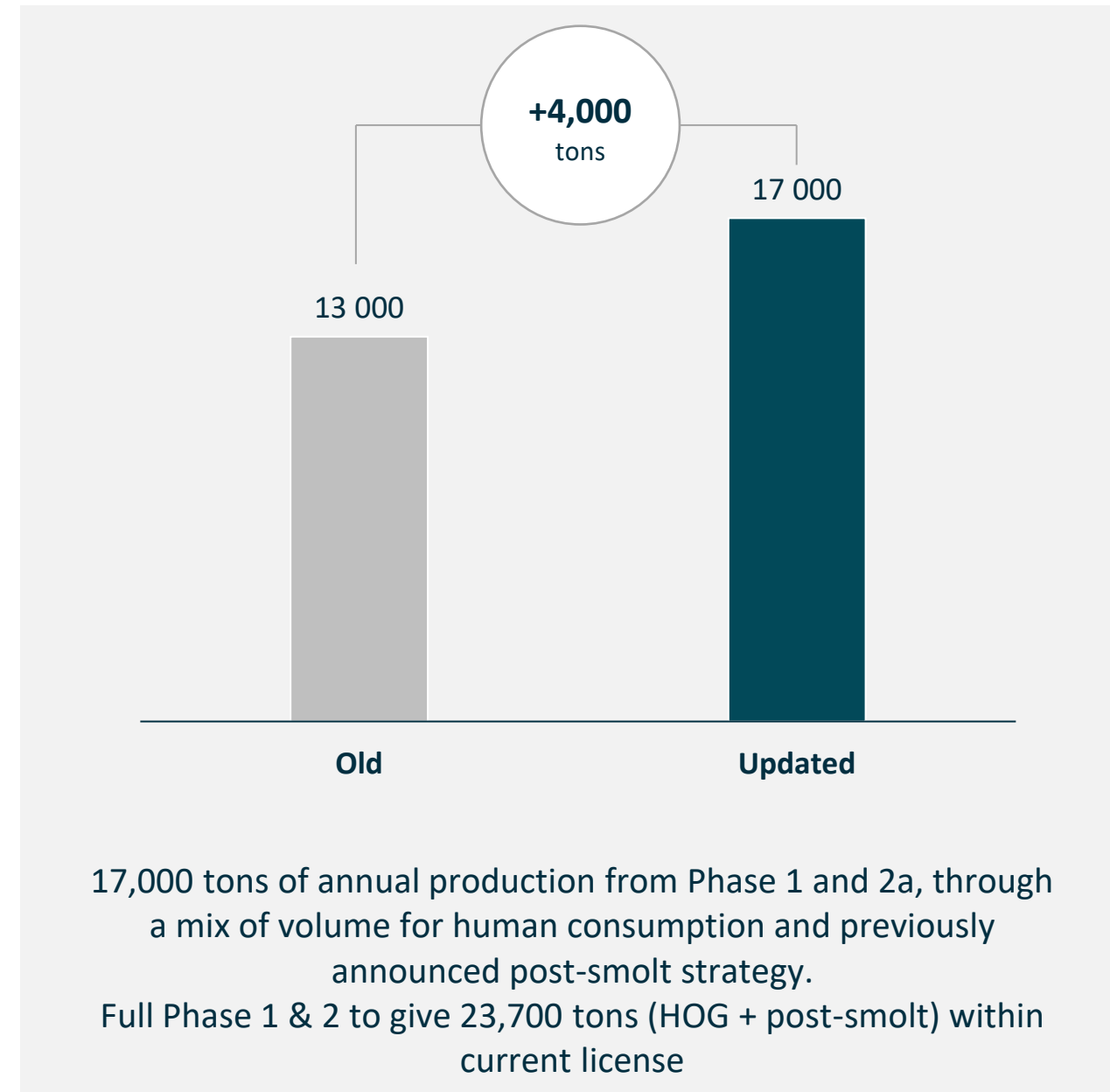


Notes: 1) Stated capex numbers relate to investments (working capital/biomass, finance and operational costs not included). Estimates only; 2) Official Company guidance for human grade at full production, including energy costs; a) Included contingency buffer to investment plan of NOK 350m

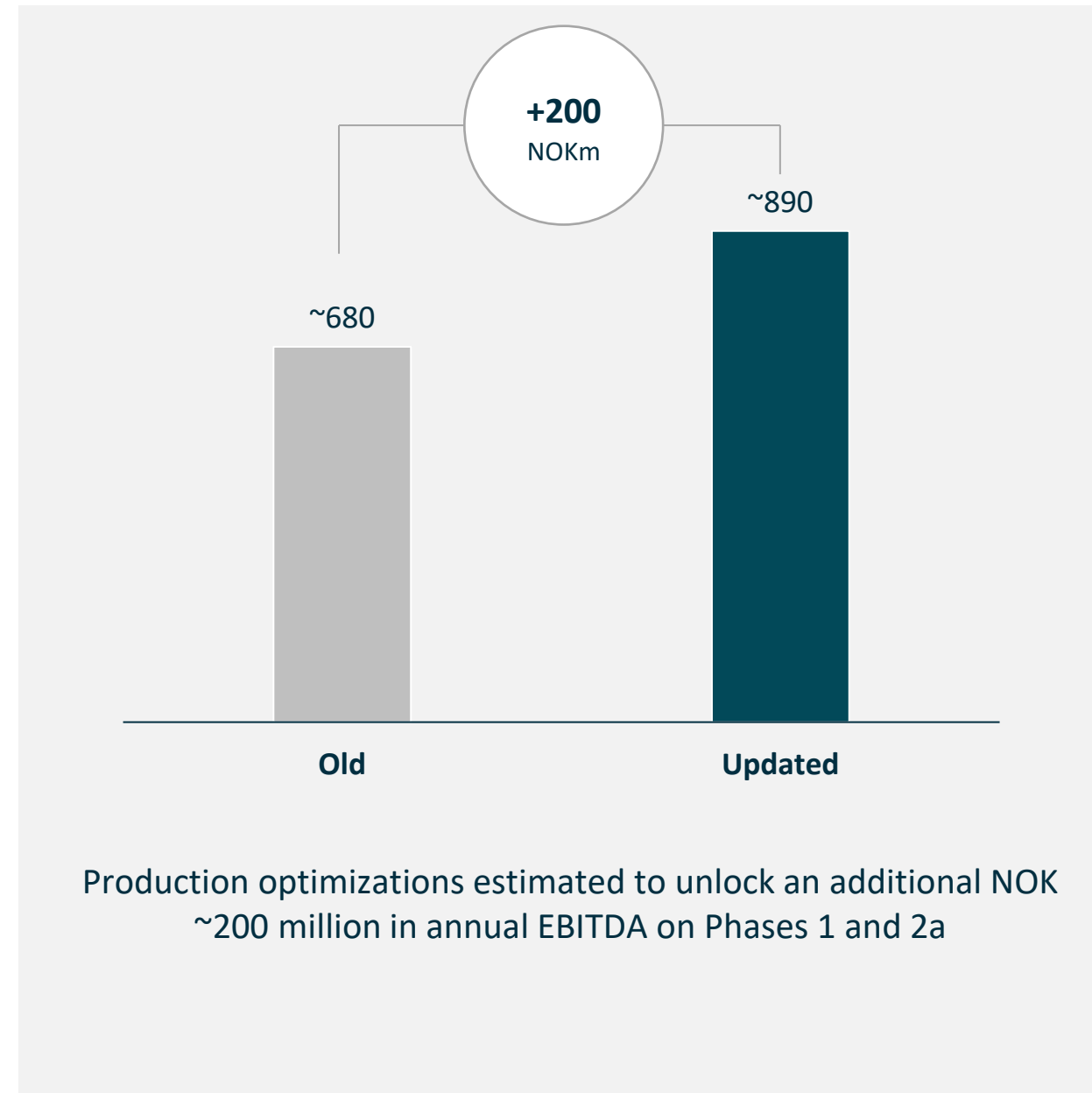


# LESS THAN TWO YEARS IN EXP. PAYBACK PERIOD ON PRODUCTION OPTIMIZATIONS

**Estimated annual production volumes**  
Tons, HOG & post-smolt – Kvalnes Phase 1 & 2a



**Estimated EBITDA<sup>1</sup>**  
NOKm – Kvalnes Phase 1 & 2a



**Estimated annual production volumes<sup>1</sup>**  
Tons, HOG – Kvalnes Phase 1 & 2a







Note: 1) Based on NOK 100/kg and a cost base of NOK 48/kg



# NEW BANK PACKAGE TO COMPLETE PHASE 2 EXPANSION

## Debt funding plan for next expansion at Kvalnes

Main terms	Updated bank package
Lenders	   
Construction loan	Up to NOK 400m
Existing loan <sup>a</sup>	Up to NOK 700m <sup>c</sup>
Construction loan converted to term loan	At first production
<b>Total loan</b>	<b>Up to NOK 1,100m<sup>c</sup></b>
Amortization holiday	24 months after first term loan draw down
Repayment profile	12 years
Equity ratio covenant <sup>b</sup>	35% at year-end
<b>Overdraft facility</b>	<b>60% of borrowing base<sup>d</sup></b>

### Key terms of the bank facility

- Andfjord Salmon has received a term sheet signed by the banks for an additional commitment for a construction loan of up to NOK 400 million (up to 50% loan to Phase 2a construction capex), for a total debt package of NOK 1,100 million
- As shown on the next page, Andfjord is working on securing a 100% financing on the harbour area which implies a NOK 200 million reduction of the existing bank package
- The commitment comes with attractive terms from SpareBank 1 Nord-Norge, SpareBank 1 Sør-Norge and SpareBank 1 SMN, with support from Export Finance Norway (NO: Eksfin)
- The loan represents a major step in the further expansion of Andfjord Salmon and another strong signal from lending banks
- Overdraft facility of up to 60% of the value of borrowing base (standing biomass, inventories, accounts receivables) discussed, not yet committed
- Utilization of the construction loan is subject to customary conditions, including fully financed status
- Flexibility on timing of full financing and construction start

### Leasing facility

- A leasing facility of NOK 175m is planned for certain equipment financing

### Further financing plans

- Good dialogue with several banks regarding future financing
- Future expansions expected to be financed through debt

Notes: a) Including loan with Sparebank1 Nord-Norge and Innovation Norway; b) The loan is subject to additional covenants not shown in this page; c) Net of the sale leaseback shown on next page; d) Not yet committed



# ~NOK 400M SALE OF INFRASTRUCTURE ASSET



ABP

### Key terms of the sale leaseback to Asset Buyout Partners AS (“ABP”)

- Andfjord Salmon signed a term sheet for the sale of the harbour area to ABP based on estimated cost of ~NOK 400m which, if such transaction is duly agreed and completed, will give ~NOK +200m in immediate positive cash effect to Andfjord
- Upon completion, the harbour is leased back to the company on an 80-year contract at 7.5% yield adjusted for CPI
- The transaction is conditional upon the parties agreeing on a share purchase agreement, lease agreement and due diligence, with estimated signing of the share purchase agreement in March 2025

### Harbour area

- The harbour is a key asset for Andfjord and its operations for the transportation of feedstock, product and waste to and from the site
- Contract design and length will ensure full right of use

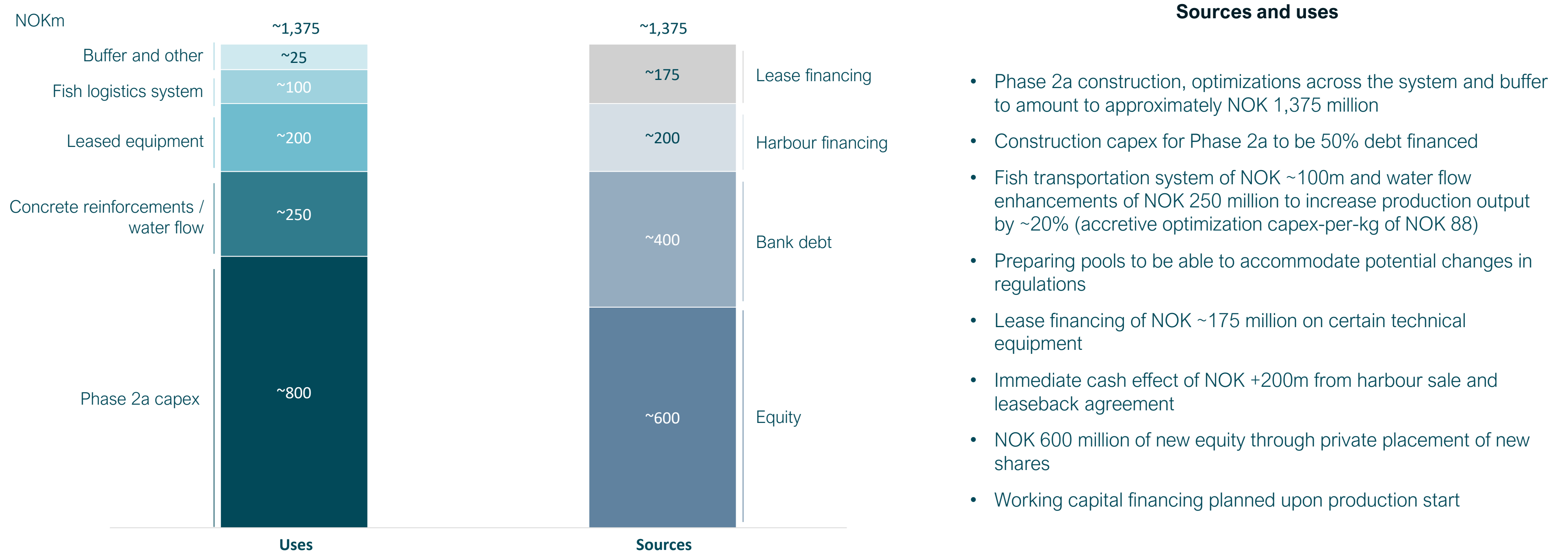
### ABP<sup>1</sup>

- ABP is a leading Norwegian industrial real estate company with a dedicated investment strategy focusing on mission critical real estate and infrastructure located in major Norwegian energy and maritime clusters

ABP sale leaseback	Total value
Harbour sales value	~NOK 400m
Repayment of bank loan linked to harbour area	NOK -200m
<b>Cash effect for Andfjord</b>	<b>~NOK +200m</b>



# CONSTRUCTING GROWTH AND ENABLING PRODUCTION BOOST





# HIGHLY SUPPORTIVE SHAREHOLDER GROUP



**28.0%**  
ownership



**5.4%**  
ownership



**4.5%**  
ownership

## About Jerónimo Martins:

- Portugal-based international industry group that operates in food distribution, retail and agribusiness
- 19<sup>th</sup> largest food retailer in Europe and 47<sup>th</sup> largest retailer in the world, regardless of sector (Deloitte, 2023)
- Listed in Lisbon with market cap of EUR ~12 billion per January 2025
- Consolidated group sales of EUR 33.5 billion (2024)
- Allocated shares for NOK 226 million in private placement



## About High Liner Foods:

- North American processor and supplier of seafood
- Established in 1899 with significant network in their region
- Sales revenue of close to USD 1.1 billion in 2023
- Exploring opportunity for distribution of Andfjord Salmon's fish to the North American market
- Allocated shares for NOK 114 million in private placement



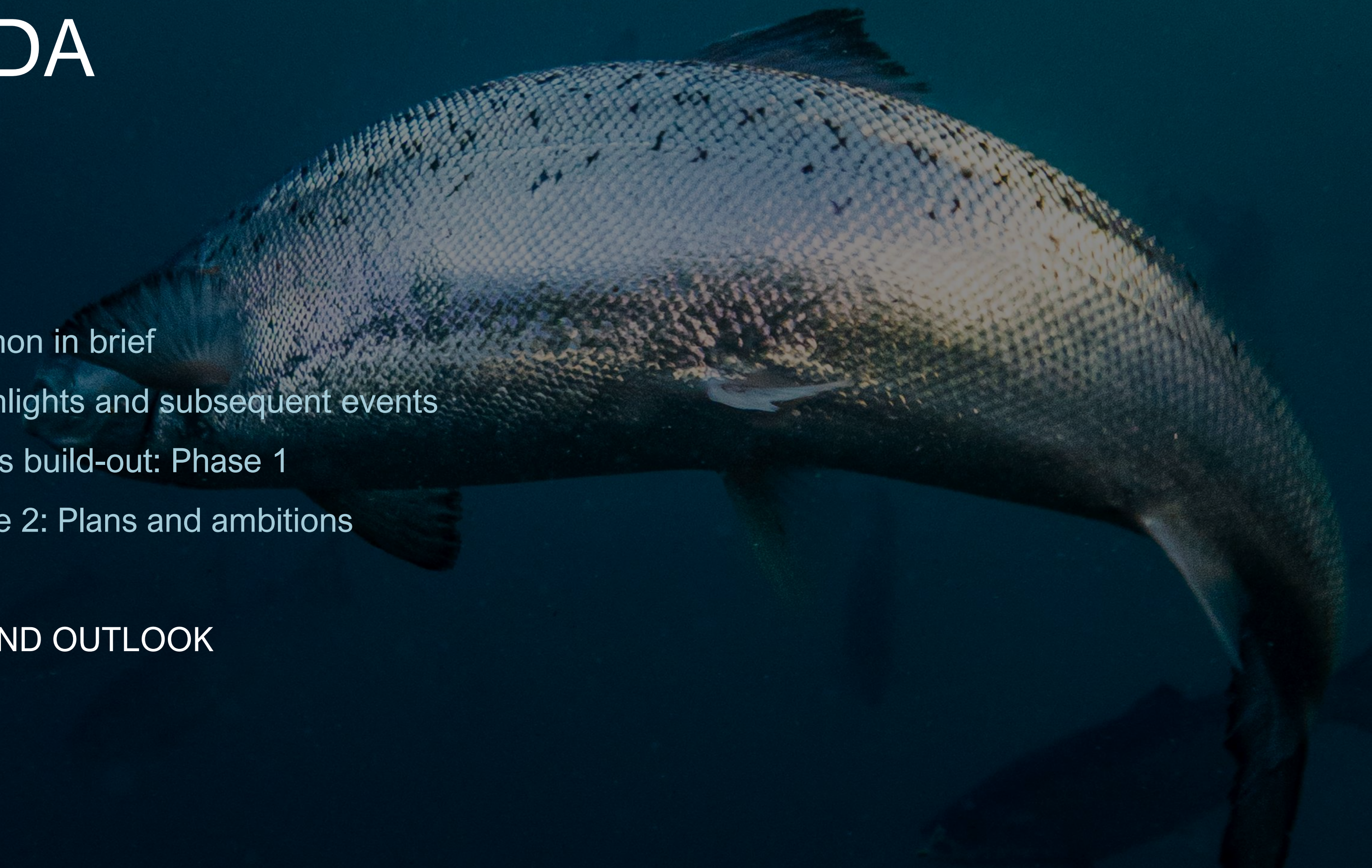
## About Eidsfjord Sjøfarm (Holmøy Havbruk):

- Conventional salmon farmer based in Northern Norway
- Eidsfjord Sjøfarm/Holmøy Havbruk produces around 30,000 tons of salmon annually based on conventional licenses in Nordland and Troms
- Off-taker of post-smolt from Andfjord Salmon for nearby ocean-based farming locations
- Allocated shares for NOK 15 million in private placement





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  - **SUMMARY AND OUTLOOK**
- 



# SUMMARY AND OUTLOOK



## KVALNES PHASE 1 BUILD-OUT ON TRACK

Waterways near completion, solid progress on four next pools and other workstreams



## OPTIMISING PRODUCTION LOGISTICS FOR +20% HIGHER VOLUMES

Increased water flow capacity and optimized fish logistics to enable 20% higher through-put to give 23,700t (HOG + post-smolt) production capacity from current Kvalnes license



## INITIATING PHASE 2A CONSTRUCTION

Initiating phase 2a with additional production volume of 6,000 t (HOG + post-smolt)



## RAISED FUNDS OF NOK 1.4 BN

Through bank package, potential sale and leaseback agreement, plus successful private placement



## SMOLT RELEASE IN Q3

On track for smolt release in Q3 2025



# Q & A



# APPENDIX





# STATEMENT OF COMPREHENSIVE INCOME

All amounts in NOK 1,000

Statement of comprehensive income	Q4 2024	Q4 2023	2024	2023
	1.10 – 31.12 Unaudited	1.10 – 31.12 Unaudited	1.1 – 31.12 Unaudited	1.1 – 31.12
<b>Operating income and expenses</b>				
Revenue from contracts with customers	8	1	190	37 279
Other operating income	134	-	134	-
<b>Total operating income</b>	<b>142</b>	<b>1</b>	<b>324</b>	<b>37 279</b>
Change in biological assets at cost and other inventories	-	-	-	-1 162
Cost of materials	-101	-429	-375	-59 638
Fair value adjustments of biological assets	-	-	-	25 707
Employee benefit expenses	-5 377	-5 424	-21 683	-25 208
Depreciation and amortisation expenses	-6 217	-6 305	-24 756	-24 904
Other operating expenses	-7 679	-7 283	-25 450	-31 707
<b>Total operating expenses</b>	<b>-19 375</b>	<b>-19 441</b>	<b>-72 264</b>	<b>-116 902</b>
<b>Operating profit/loss</b>	<b>-19 232</b>	<b>-19 440</b>	<b>-71 940</b>	<b>-79 634</b>
<b>Financial income and expenses</b>				
Financial income	1 371	5 229	4 914	12 187
Net financial costs	-215	-137	-837	-2 340
<b>Net financial result</b>	<b>1 156</b>	<b>5 092</b>	<b>4 077</b>	<b>9 847</b>
<b>Profit/loss for the period</b>	<b>-18 076</b>	<b>-14 348</b>	<b>-67 862</b>	<b>-69 787</b>



# STATEMENT OF FINANCIAL POSITION

All amounts in NOK 1,000

<b>Assets</b>	<b>31.12.2024 - Unaudited</b>	<b>31.12.2023</b>
Intangible assets	16 420	14 389
Property, plant & equipment	2 230 854	876 632
Right-of-use assets	13 060	17 640
Other non-current assets	139	113
<b>Total non-current assets</b>	<b>2 260 473</b>	<b>908 774</b>
Biological assets	-	-
Other inventories	1 340	1 697
Trade and other receivables	44	-
Other current assets	76 443	52 361
Cash and cash equivalents	59 196	250 032
<b>Total current assets</b>	<b>137 023</b>	<b>304 090</b>
<b>Total assets</b>	<b>2 397 496</b>	<b>1 212 864</b>

*Figures do not include an undrawn construction loan of NOK 40 million and an undrawn credit facility of NOK 20 million*



# STATEMENT OF FINANCIAL POSITION

All amounts in NOK 1,000

Equity and liabilities	31.12.2024 - Unaudited	31.12.2023
<b>Total equity</b>	<b>1 254 355</b>	<b>993 688</b>
Borrowings	832 309	59 959
Lease liabilities	6 163	9 340
<b>Total non-current liabilities</b>	<b>838 472</b>	<b>69 299</b>
Borrowings	-	7 666
Lease liabilities	4 276	4 511
Trade payables	295 506	131 134
Other current liabilities	4 887	6 567
<b>Total current liabilities</b>	<b>304 669</b>	<b>149 877</b>
<b>Total liabilities</b>	<b>1 143 141</b>	<b>219 176</b>
<b>Total equity and liabilities</b>	<b>2 397 496</b>	<b>1 212 864</b>



# STATEMENT OF CASH FLOWS

All amounts in NOK 1,000

Statement of cash flows	Q4 2024	Q4 2023	2024	2023
	1.10-31.12 Unaudited	1.10-31.12 Unaudited	1.1 – 31.12 Unaudited	1.1 – 31.12
Net cash flow from operating activities	-22 089	-17 247	-63 227	-29 148
Net cash flow from investing activities	-300 057	-256 776	-1 205 173	-326 866
Net cash flow from financing activities	219 165	-2 164	1 077 564	523 136
Net change in cash and cash equivalents	-102 982	-276 186	-190 836	167 121





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ANDFJORD™  
SALMON



## NEXT QUARTERLY UPDATE:

Q1 2025 presentation – 28 May 2025

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

Bjarne Martinsen, CFO Andfjord Salmon  
[bjarne.martinsen@andfjord.no](mailto:bjarne.martinsen@andfjord.no).

