



Q1 2025 STATUS AND PROGRESS

28 MAY 2025

AGENDA

- ANDFJORD SALMON IN BRIEF
- Quarterly highlights and subsequent events
- Status Kvalnes build-out: Phase 1 and phase 2A
- Next smolt release
- Kvalnes Phase 2: Plans and ambitions
- Financials
- Summary and outlook



Martin Rasmussen
CEO



Bjarne Martinsen
CFO



Jostein Nilssen
Project Director

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**

 **ANDEFJORD™**
SALMON

THE BEST OF TWO WORLDS

3 BENEFITS OF SEA BASED NET PEN FARMING

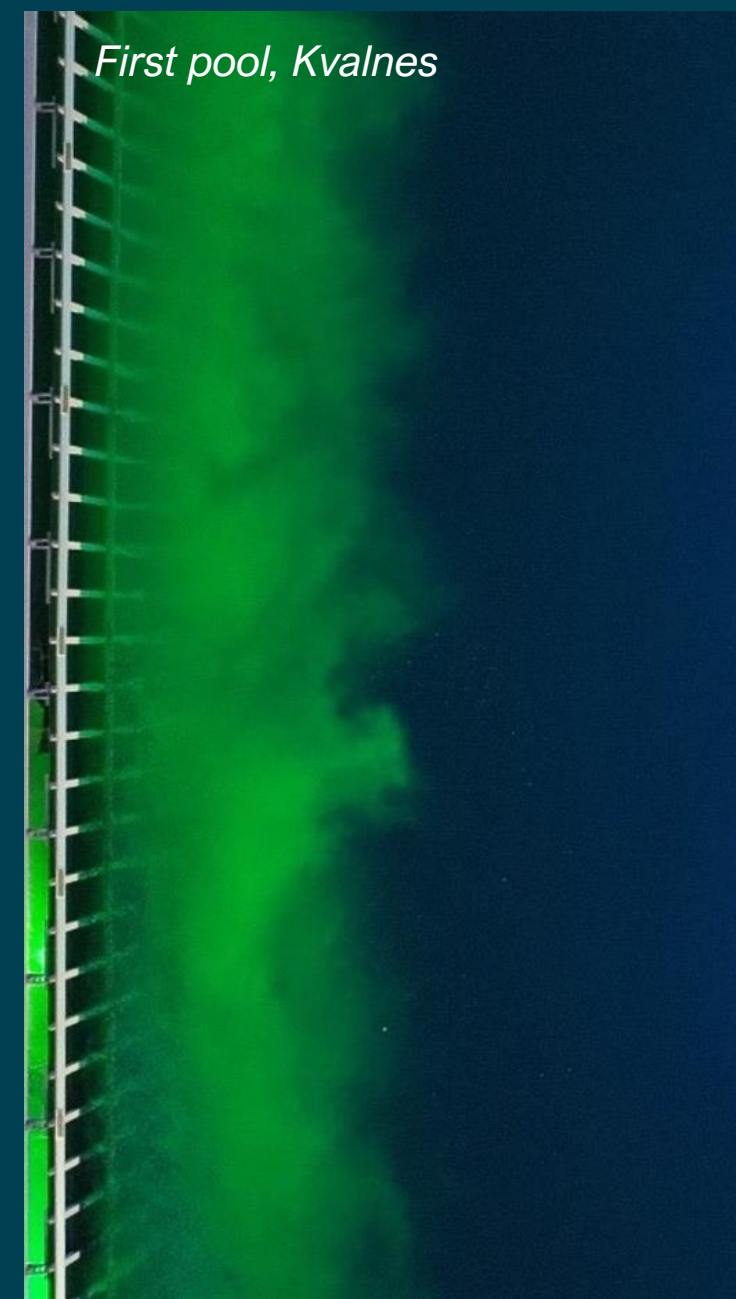


1 NATURAL OPTIMAL
WATER TEMPERATURES

2 OXYGEN-RICH AND
CLEAN ARCTIC
SEAWATER

3 LOW ENERGY
COSTS. NO
LIFTING, HEATING
OR COOLING

3 BENEFITS OF LAND BASED FARMING



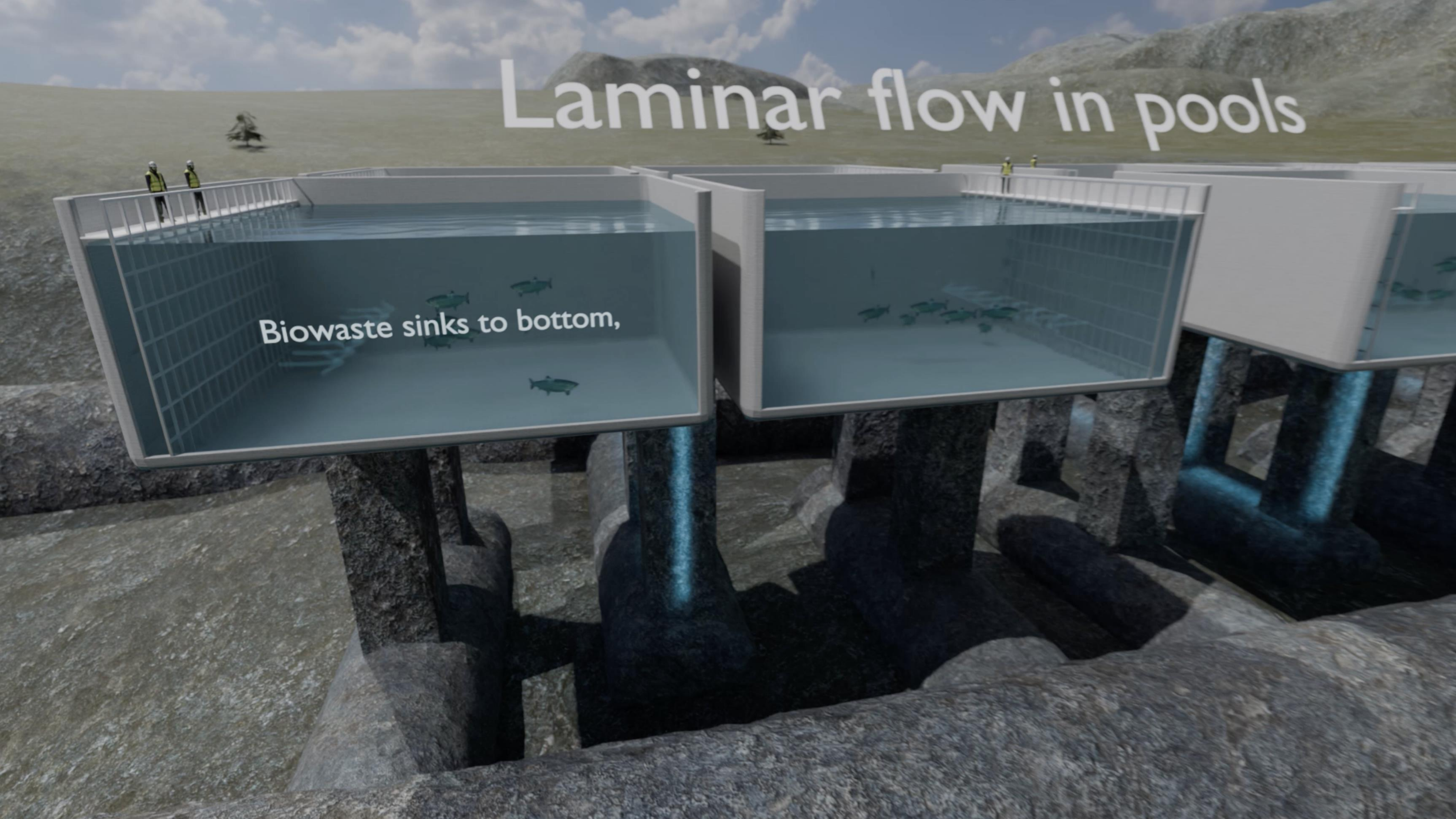
1 NO PROBLEMS WITH
SALMON LICE AND
POISONOUS ALGAE

2 NATURAL ESCAPE
PREVENTION

3 COLLECTION AND
RECYCLING BIOWASTE =
COMMERCIAL VALUE

Laminar flow in pools

Biowaste sinks to bottom,



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%**

Source: *Fish Health Report 2023 ** 2023 industry average

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- Andfjord Salmon in brief
- **QUARTERLY HIGHLIGHTS AND SUBSEQUENT EVENTS**
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HIGHLIGHTS Q1 AND SUBSEQUENT PERIOD



OPTIMISED PRODUCTION LOGISTICS FOR +20% HIGHER VOLUMES

Announced plan for 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



PHASE 2A CONSTRUCTION INITIATED

Initiated 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



KVALNES PHASE 1 BUILD-OUT ON TRACK FOR Q3 SMOLT RELEASE

Solid progress on four next pools and other workstreams



SUCCESSFUL BREAKTHROUGH TO ANDFJORDEN

Successful and safe breakthrough from waterways to Andfjorden, filling outlet tunnel with seawater

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PHASE 2 B:
K9 – K12

PHASE 2 A:
K5 – K8

PHASE 1:
K1 – K4

K11

K12

K10

K9

K8

K7

K6

K5

K4

K3

K2

K1

Note: Illustration showing what Kvalnes may look like in 2027

STATUS AND PROGRESS – WATERWAYS

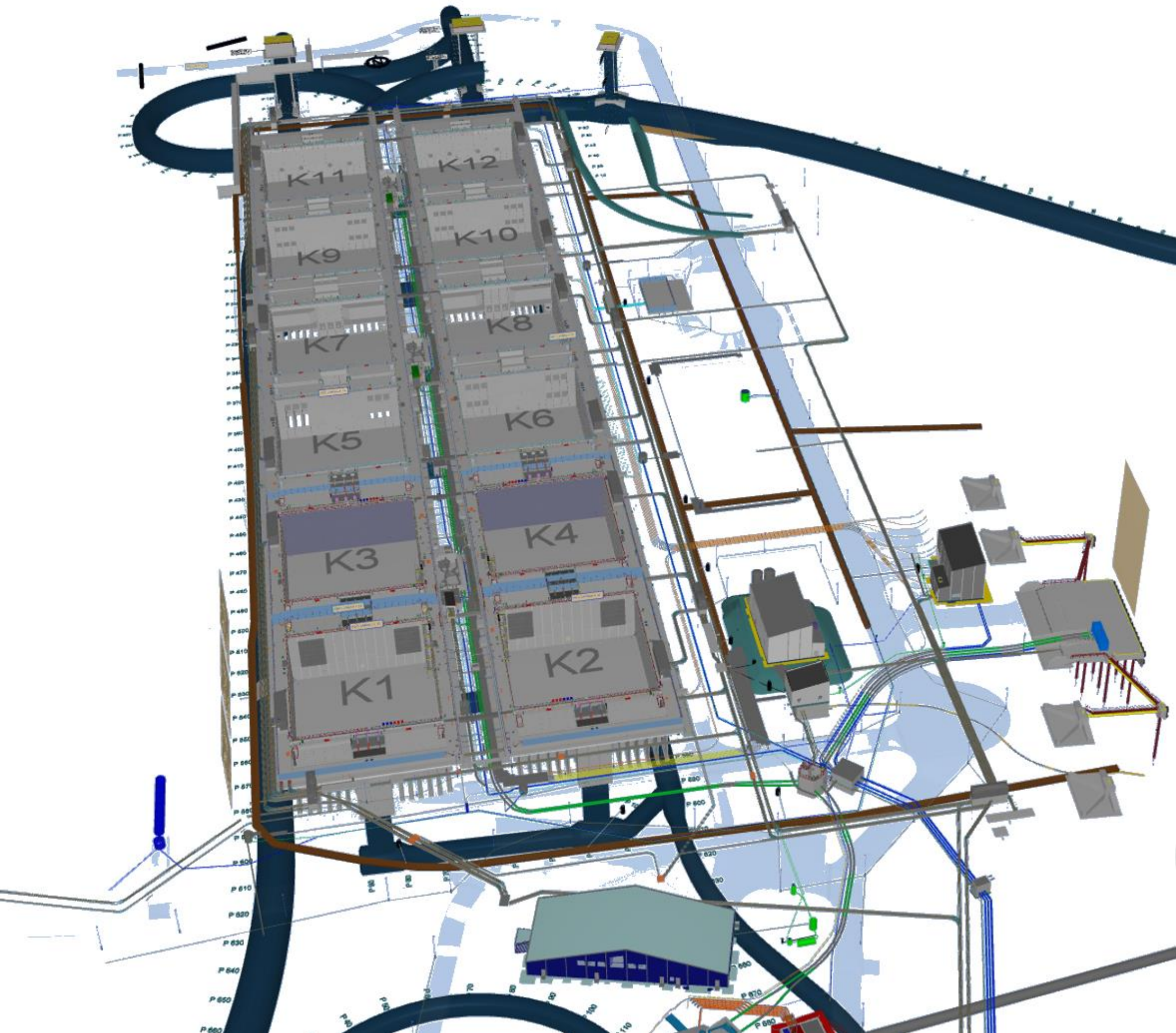


WATERWAYS ON TRACK

- Capacity to support annual production of 48,100 tonnes (HOG + post-smolt) of salmon
- Workstream on track
- Breakthrough to sea/Andfjorden safely conducted on 22 May 2025
- Outlet tunnel currently filled with seawater
- Successful breakthrough de-risks the build-out process and subsequent preparation for fish farming operations
- Inlet waterway completed, minus final barrier to sea. Breakthrough for inlet tunnel planned for June-July

PIPING AND ASSOCIATED INSTALLATIONS OF TECHNICAL INFRASTRUCTURE NEARING COMPLETION

- 100,000 meters of pipes (OPI) for electrical cabling and wiring
- Fish logistics system
- Feed system
- Sludge handling system
- Oxygen system
- Fresh seawater support system



Sludge
facility



Sludge
facility



Piping for
cabling and
wiring



STATUS AND PROGRESS – POOLS



4 POOLS BEING CONSTRUCTED

- Workstream on track
- Columns, supports and preparations for wall elements completed for K1 and K3
- All UHPC wall elements for pool K1 produced.
- Ongoing Installation of technical infrastructure in K1 and K3
- Additional development resources, manpower and equipment mobilised to increase production of concrete and UHPC wall elements, installation capacity and construction of dividing walls
- Mobilisation of additional resources has incurred extra cost in the short term, but will drive efficiency gains for forthcoming pools
- On track for initiating smolt release from Q3 2025 (September)

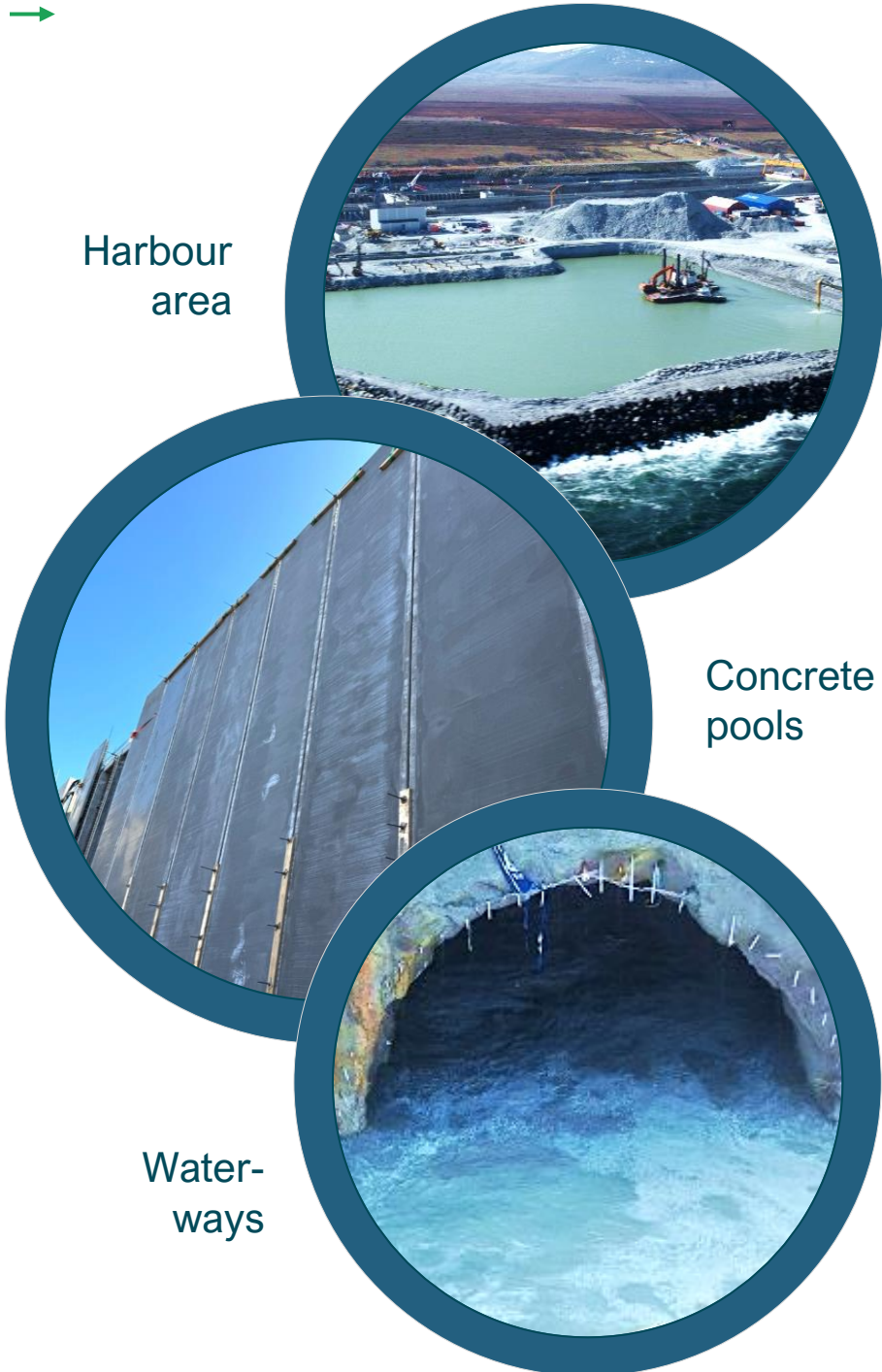
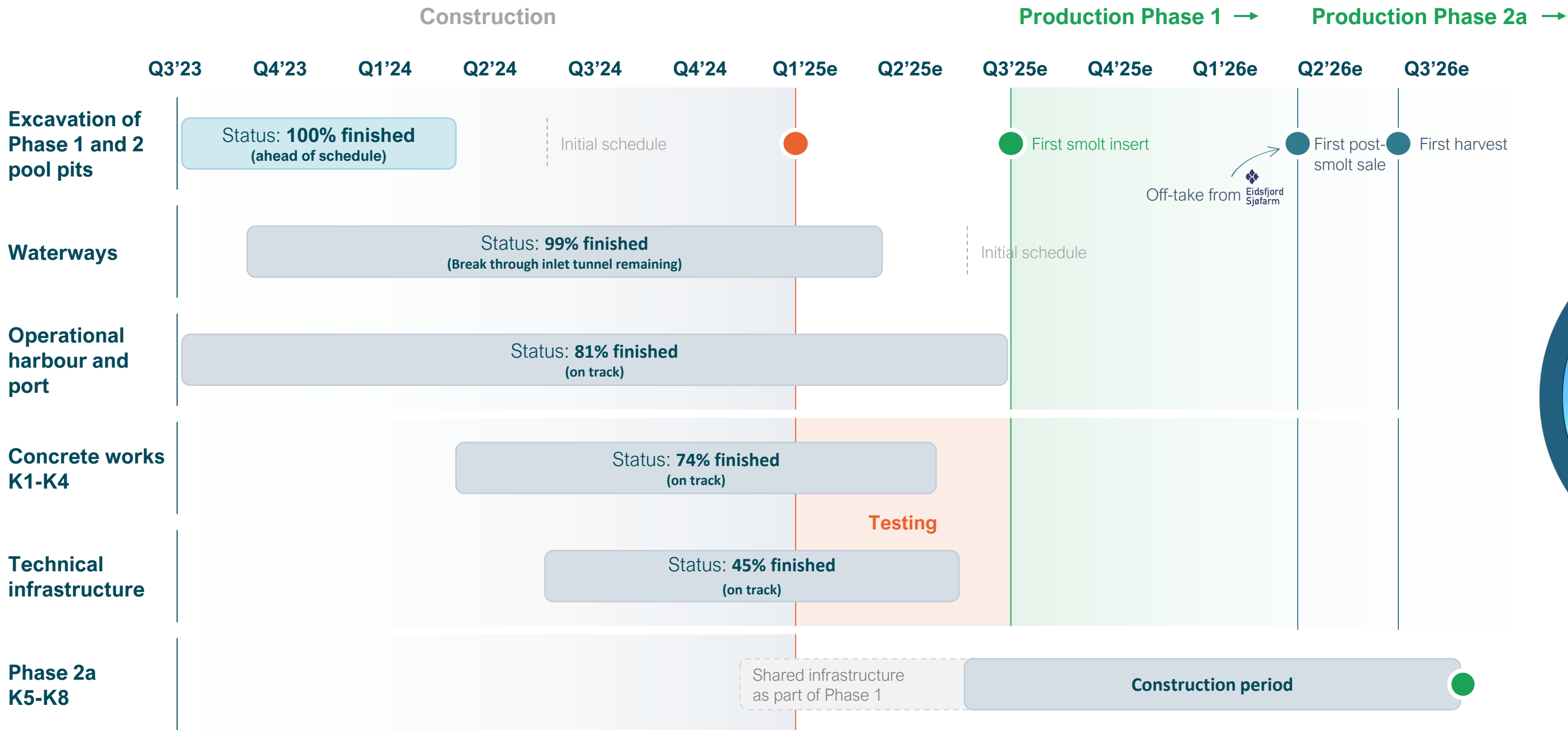
STATUS AND PROGRESS – HARBOUR

QUAY AND BREAKWATER BEING CONSTRUCTED

- Workstream on track
- Temporary breakwater constructed to shield ongoing construction work from waves and currents from Andfjorden
- Dredging of harbour, to make it deeper, is more or less completed
- Initiated construction of quay facility
- Started installing armour stone to protect harbour from wave erosion
- Adverse weather conditions have eroded the financial buffer for the harbour workstream, additional flexibility required for sea transport of armour stone



BUILD-OUT OF PHASE 1 AT KVALNES NEARING COMPLETION



Note: Status per 28th May 2025

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- **NEXT SMOLT RELEASE**
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PLANNED SMOLT RELEASE

- Initiating release of smolt from September
- Pools K0 and K1 (for future splitting) to be stocked first
- Smolt to be transferred to pools K3, K2 and K4 as biomass density increases
- **Smolt release represents a significant scale up of commercial operations for Andfjord Salmon**
- Currently assessing “post-smolt” production opportunities

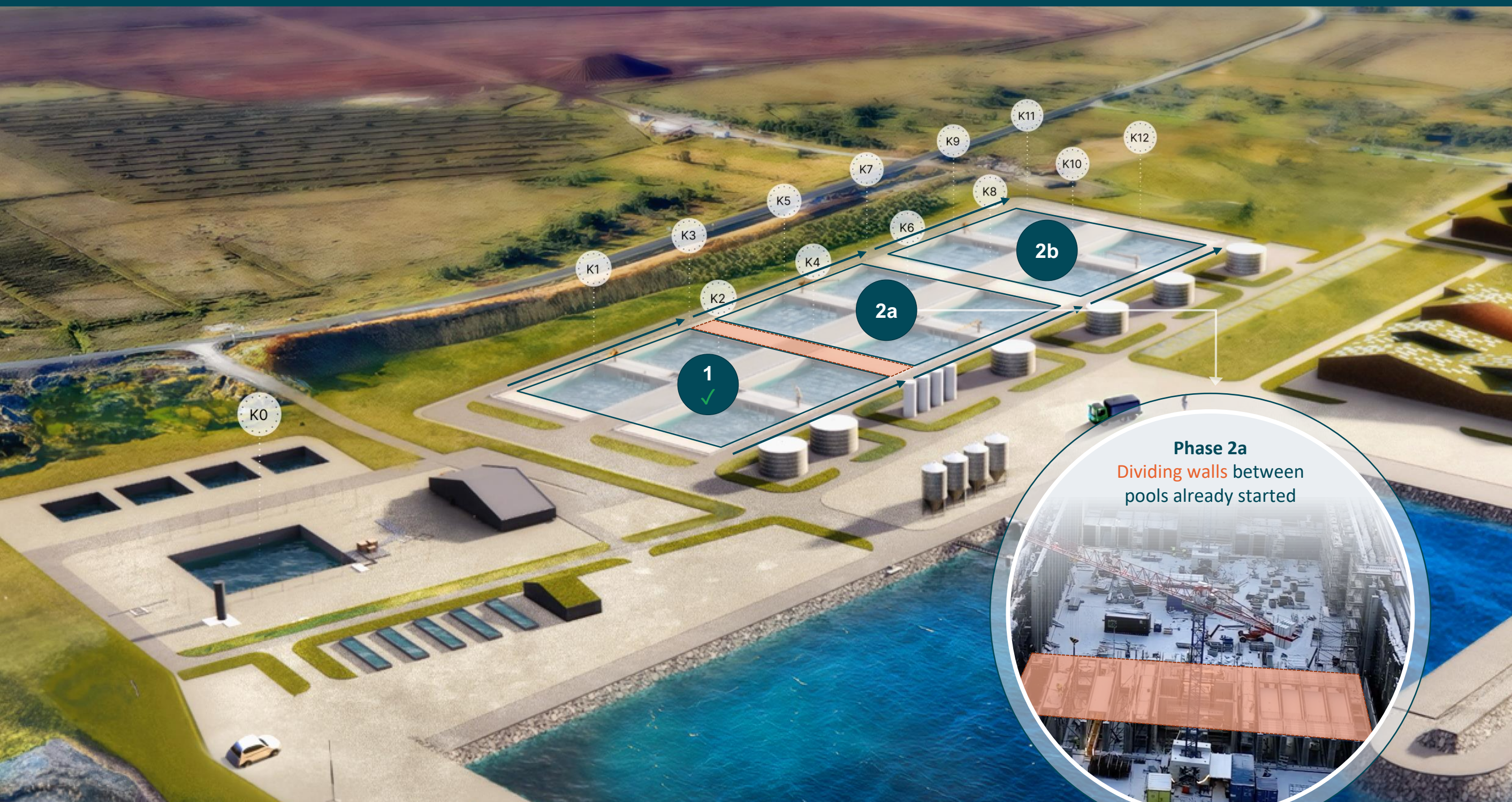


The smolt from our first generation of salmon that was produced with excellent results.

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

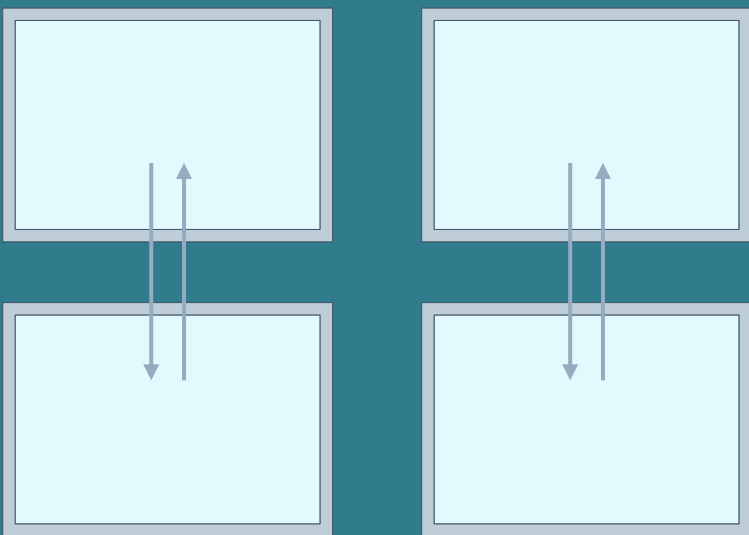


- Kvalnes construction plan follows a **four-by-four** pool expansion
- Construction of Phase 1 and shared operational infrastructure for all 12 pools to be finalized by Q2 2025
- Phase 2a construction started, **reaping construction synergies** from continuous process across phases.
- **Accretive investment opportunity** being pursued, prior to pool pits being cemented in:
 - 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

DESIGN IMPROVEMENTS FOR OPTIMIZED POOL UTILISATION AND +20% OUTPUT

OLD

water flow and fish logistics

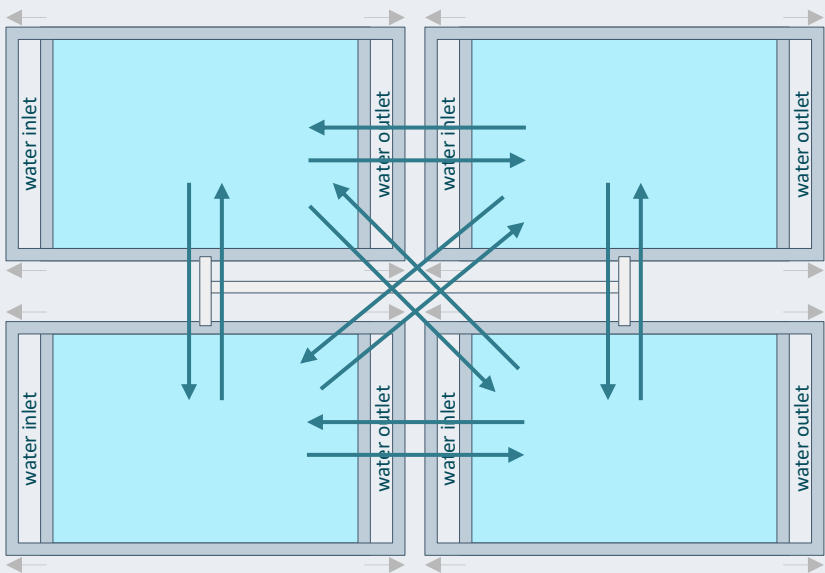


19,000 tons

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

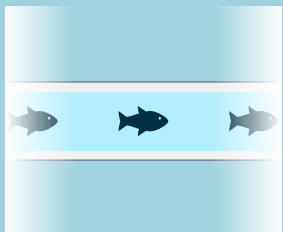
NEW

water flow and fish logistics

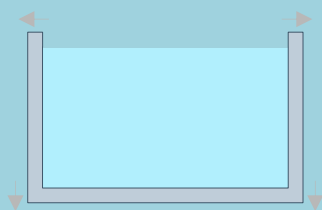


23,700 tons

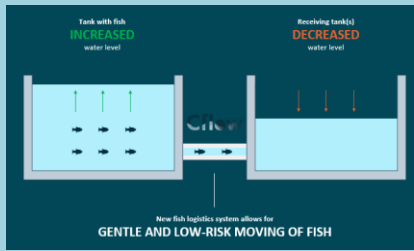
Revised annual production estimate,
Phases 1 & 2 (HOG + post-smolt)



New system for increased flexibility of moving fish, enabling significantly higher pool utilization

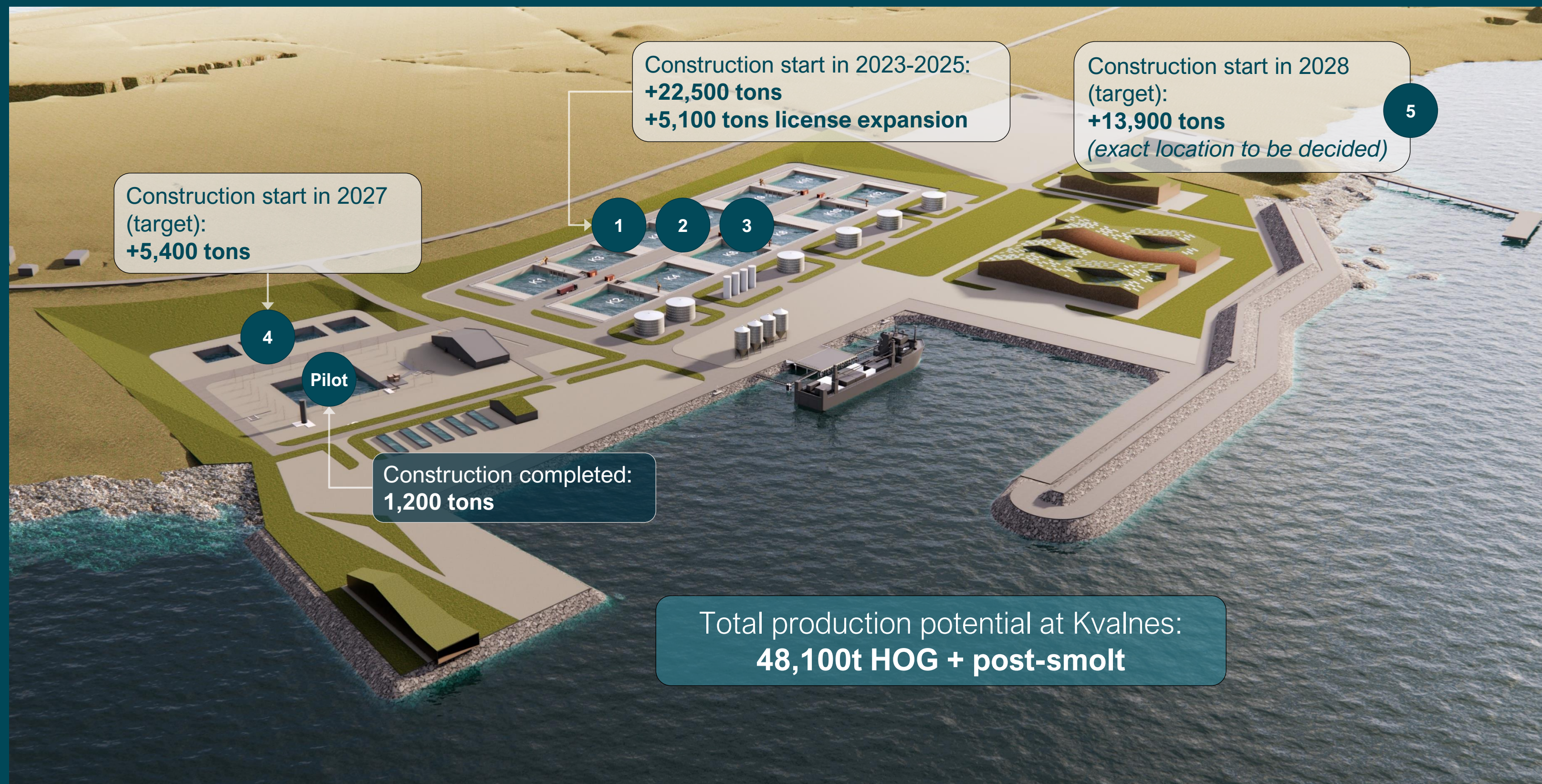


Reinforced concrete walls for increased water flow and levels



Fish to be moved using a network of underground piping

+20% PRODUCTION VOLUME AT KVALNES



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FEBRUARY 2025: ANNOUNCED NOK ~1.4 BN FUNDING FOR **PHASE 2 EXPANSION**

NEW BANK PACKAGE

- 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
- Overdraft facility of up to 60% of the value of borrowing base (standing biomass, inventories, accounts receivables) discussed, not yet committed
- A leasing facility of **NOK 175m** is planned for certain equipment financing

SALE OF INFRASTRUCTURE ASSET

- Term sheet for the sale of harbour area to Asset Buyout Partners based on estimated cost of **NOK ~400 million** which, if such transaction is agreed and completed, will give ~NOK +200 million in immediate positive cash effect to Andfjord
- NOK ~200m of proceeds to be used to reduce the existing bank package
- Upon completion, harbour is **leased back** to Andfjord Salmon company on an 80-year contract
- Transaction to be settled following completion of de-merger of harbour property

SUCCESSFUL PRIVATE PLACEMENT

- Raised **NOK 600 million**
- Strong support from large **industrial shareholders**, including:
 - Jerónimo Martins (NOK 226 million)
 - High Liner Foods (NOK 114 million)
 - Eidsfjord Sjøfarm/Holmøy Havbruk (NOK 15 million)

STATEMENT OF COMPREHENSIVE INCOME

All amounts in NOK 1,000

Statement of comprehensive income	Q1 2025	Q1 2024	2024
	1.1 – 31.3 Unaudited	1.1 – 31.3 Unaudited	1.1 – 31.12
Operating income and expenses			
Revenue from contracts with customers	-	57	190
Other operating income	-	-	134
Total operating income	-	57	324
Cost of materials	-	-98	-375
Employee benefit expenses	-4 142	-4 811	-21 683
Depreciation and amortisation expenses	-5 952	-6 192	-24 756
Other operating expenses	-8 979	-5 984	-25 450
Total operating expenses	-19 072	-17 085	-72 264
Operating profit/loss	-19 072	-17 028	-71 940
Financial income and expenses			
Financial income	1 250	1 528	4 914
Net financial costs	-211	-205	-837
Net financial result	1 040	1 324	4 077
Profit/loss for the period	-18 033	-15 705	-67 862

STATEMENT OF FINANCIAL POSITION

All amounts in NOK 1,000

Assets	31.03.2025 - Unaudited	31.12.2024	31.03.2024 - Unaudited
Intangible assets	16 350	16 420	15 077
Property, plant & equipment	2 897 667	2 230 854	1 067 333
Right-of-use assets	12 387	13 060	16 243
Other non-current assets	9	139	44
Total non-current assets	2 926 414	2 260 473	1 098 698
Biological assets	-	-	-
Other inventories	1 340	1 340	1 599
Trade and other receivables	22	44	46
Other current assets	23 215	76 443	2 777
Cash and cash equivalents	178 890	59 196	51 426
Total current assets	203 467	137 023	55 848
Total assets	3 129 880	2 397 496	1 154 545

Figures do not include undrawn construction loan of NOK 440 million in total and an undrawn credit facility of NOK 20 million

STATEMENT OF FINANCIAL POSITION

All amounts in NOK 1,000

Equity and liabilities	31.03.2025 - Unaudited	31.12.2024	31.03.2024 - Unaudited
Total equity	1 807 461	1 254 355	978 819
Borrowings	830 771	832 309	57 626
Lease liabilities	5 406	6 163	8 365
Total non-current liabilities	836 177	838 472	65 991
Borrowings	-	-	7 666
Lease liabilities	4 747	4 276	4 396
Trade payables	282 620	295 506	73 505
Other current liabilities	198 874	4 887	24 167
Total current liabilities	486 242	304 669	109 736
Total liabilities	1 322 420	1 143 141	175 726
Total equity and liabilities	3 129 880	2 397 496	1 154 545

STATEMENT OF CASH FLOWS

All amounts in NOK 1,000

Statement of cash flows	Q1 2025	Q1 2024	2024
	1.1 – 31.3 Unaudited	1.1 – 31.3 Unaudited	1.1 – 31.12
Net cash flow from operating activities	-18 519	-20 590	-69 945
Net cash flow from investing activities	-447 031	-174 594	-1 208 411
Net cash flow from financing activities	585 244	-3 423	1 087 519
Net change in cash and cash equivalents	119 694	-198 606	-190 836

REVISED CAPEX PLAN: MAINTAINS **MAXIMUM PROGRESS** AND ACHIEVES **EFFICIENCY GAINS** FOR FUTURE BUILD-OUT PHASES

Estimated capex per phase, revised

Phase, Kvalnes	Capex ¹ (NOK, est.)	Added production (HOG, est.)	Accumulated production (HOG, est.)
Pilot	~ 450m	+1,200t	1,200t
1	~1,850m	+9,800t	11,000t
2a	~1,270m	+6,000t	17,000t
2b	~ 500m	+6,700t	23,700t
3 (license expansion)	~ 0m	+5,100t	28,800t
4	~ 360m	+5,400t	34,200t
5	~ 1,100m	+13,900t	48,100t

Comments

- Andfjord Salmon has been informed by main contractor Hæhre that the final construction cost will be higher than the original budget
- In total, phases 1 and 2A had a prior total capex budget of NOK 2,800 million, which is hereby upwards adjusted to NOK 3,120 million. In addition, the company has conducted infrastructure work inside the waterways that are related to preparations for steps 4 and 5 of the expansion. This amounts to NOK 80 million in total and the budget for step 4 is adjusted accordingly
- NOK 100 million of the capex is related to Phase 2B
- The revision is connected to higher than expected costs related to concrete production; mobilization of additional development resources, manpower and equipment to maintain progress; unforeseen costs related to certain one-off design changes as the project has progressed; plus adverse weather conditions that have eroded the financial buffer for the harbour workstream
- **Front-loading of some of the additional capex investments are expected to drive efficiency gains and de-risk the build-out process for forthcoming build-out phases**
- The Kvalnes site is expected to deliver 48,100 tonnes of production once fully scaled
- **After these adjustments, the company expects blended capex for the full Kvalnes site at NOK 115/kg**
- Significant parts of the total Kvalnes infrastructure, including e.g. waterways and harbour to support full scale production of 48,100 tonnes, is taken as part of phases 1 and 2

STRONG SHAREHOLDER SUPPORT: **IMMEDIATE RESOLUTION** FOR CAPEX FINANCING

Equity issue

- To finance the updated CAPEX, an equity injection totaling NOK 400 million has been secured from certain existing shareholders at a subscription price of NOK 36.80 per share:
 - Jerónimo Martins (the Company's largest shareholder) will be allocated shares equal to an amount of NOK 300 million
 - Three other existing shareholders will be allocated the remaining NOK 100 million
- The financing is carried out as a directed equity issue conducted in line with the authorization granted by the annual general meeting to the board of Andfjord Salmon
- The board has considered the structure of the equity raise in light of relevant equal treatment obligations and guidelines, and is of the view that the ability to efficiently secure the additional capital required at current market price with no discount and without project or production interference is in the common interest of the Company and all its shareholders.

**Jerónimo
Martins**

About Jerónimo Martins:

- Portugal-based international industry group that operates in food distribution, retail and agribusiness
- 19th largest food retailer in Europe and 47th largest retailer in the world, regardless of sector (Deloitte, 2023)
- Listed on the Euronext Lisbon Stock Exchange with a market cap of EUR ~[13]bn¹
- Consolidated group sales of EUR ~33.5bn (2024)



PREPARING FOR PRODUCTION: PLANNED BOND ISSUE TO COVER WORKING CAPITAL NEEDS

Upcoming production cycle: Working capital

Upcoming production cycle, starting Q3 2025 (September):

- July/August 2025: Testing of all equipment and infrastructure, including waterways, concrete works, technical infrastructure, pools, etc.
- Initiating release of smolt in September 2025
- After this release, Andfjord Salmon will continuously add more batches and have consistent salmon production

Fixed income meetings

Fixed income meetings:

- Separate to the construction process, Andfjord Salmon is contemplating further working capital financing for the purpose of production ramp-up
- Andfjord Salmon has mandated Arctic Securities as Global Coordinator and Joint Bookrunner, and Nordea and SpareBank 1 Markets as Joint Bookrunners, to arrange a series of fixed income meetings commencing on 30 May 2025
- Subject to inter alia market conditions, a NOK denominated senior secured floating rate bond issue with 3-year tenor may follow
- See separate stock exchange announcement regarding fixed income meetings

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



STRONG FINANCING SUPPORT

Q1: Raised NOK ~1.4 bn Through bank package, potential sale and leaseback agreement, and private placement

Q2: NOK 400 million directed equity issue to cover revised capex plan



KVALNES PHASE 1 BUILD-OUT ON TRACK FOR Q3 SMOLT RELEASE

Solid progress on four next pools and other workstreams

Initiating release of approximately 1 million smolt in September 2025



SUCCESSFUL BREAKTHROUGH TO ANDFJORDEN

Successful and safe breakthrough from waterways to Andfjorden, filling outlet tunnel with seawater

Inlet tunnel breakthrough planned for June/July

Q & A

NEXT QUARTERLY UPDATE:

Q2 2025 presentation – 4 Sept 2025

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

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