



*Andfjord Salmon tataki with ponzu sauce and pomegranate*



# Q3 2023 STATUS AND PROGRESS

30 NOVEMBER 2023





**ANDFJORD™**

SALMON

# AGENDA

- INTRODUCTION
- Quarterly highlights and subsequent events
- Andfjord Salmon's production method: Benefits and potential
- Status Kvalnes build-out
- Financials
- Summary and outlook



Martin Rasmussen  
CEO



Bjarne Martinsen  
CFO



Jostein Nilssen  
Project Director

*Gravlax from Andfjord  
Salmon with roe and  
Norwegian aquavit*



69°N | ANDØYA  
VESTERÅLEN  
NORWAY

FISH FARMING  
WITH A **CLEAR**  
**CONSCIENCE**

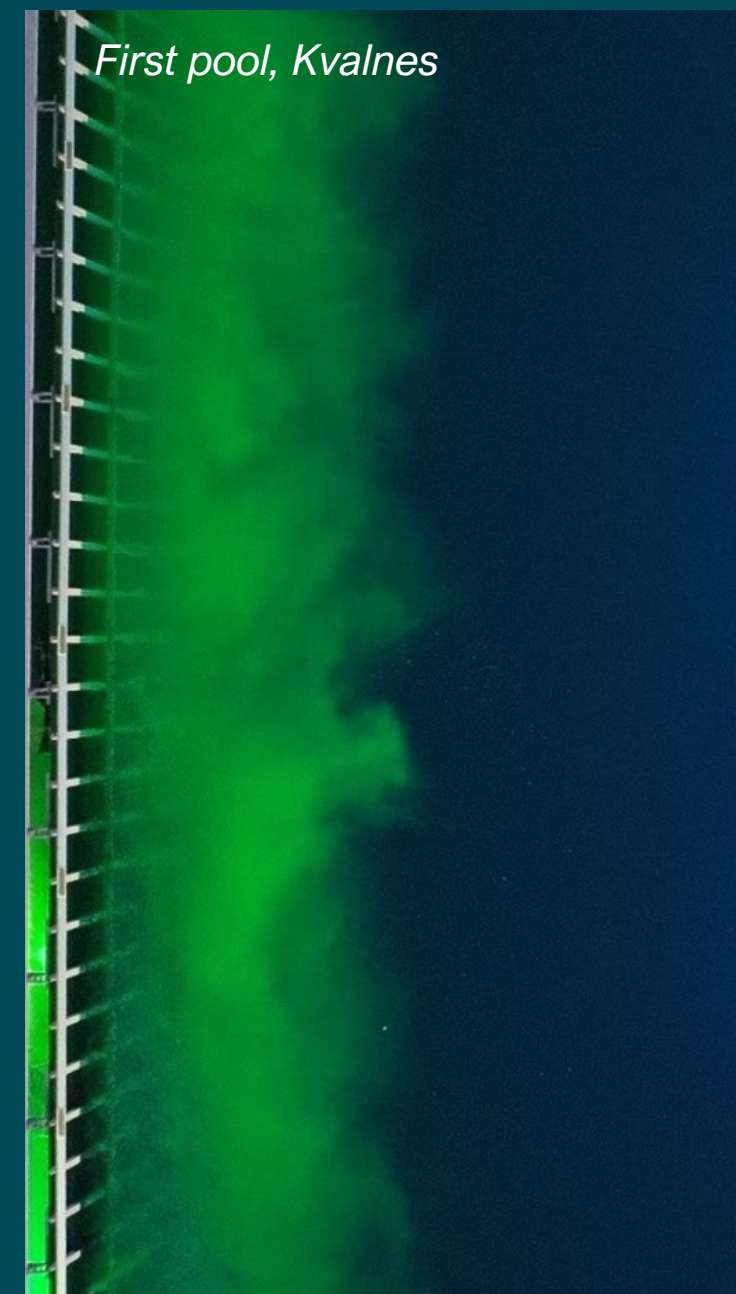
# THE BEST OF TWO WORLDS

## 3 BENEFITS FROM SEA BASED NET-PEN FARMING

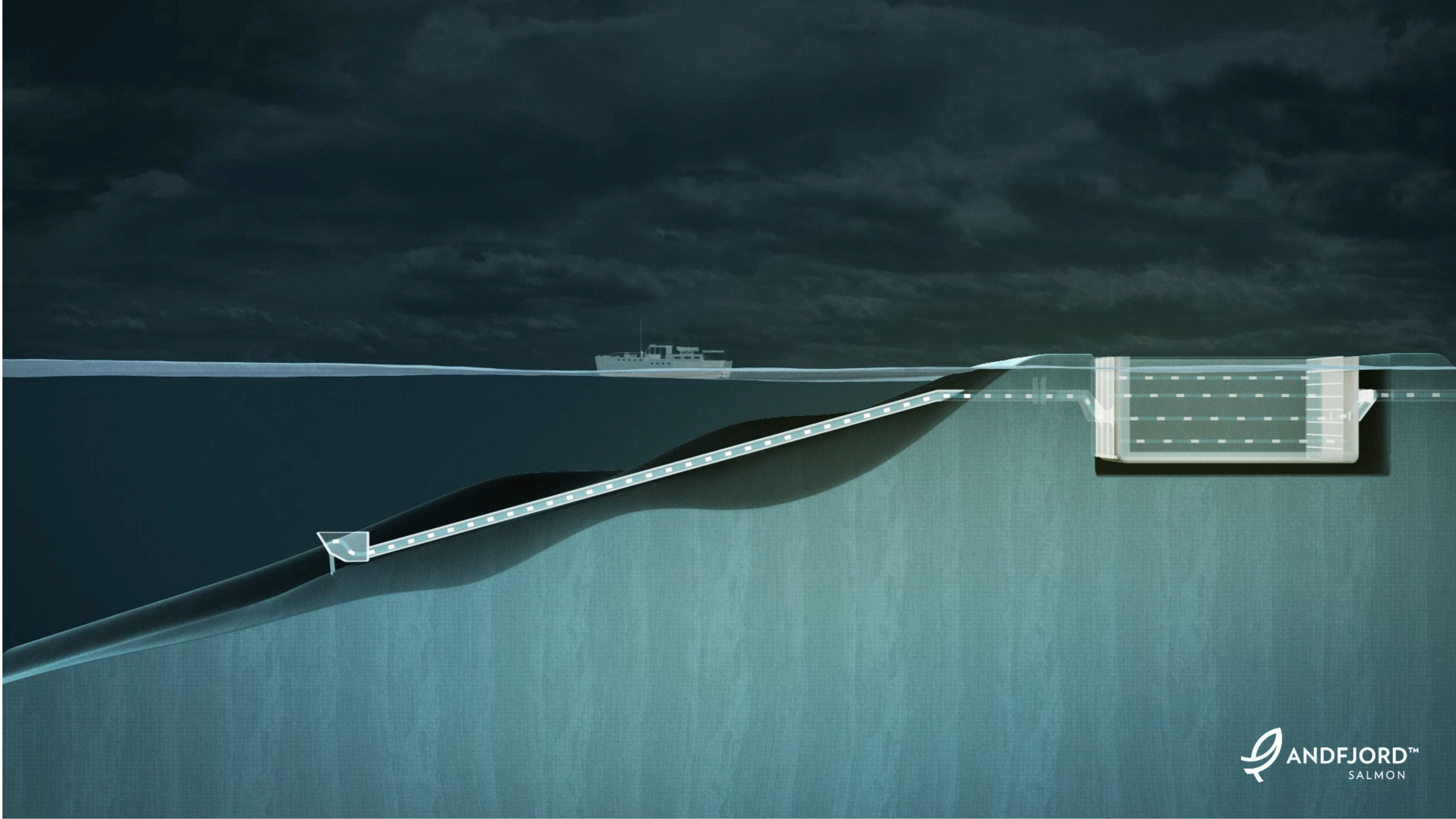


- 1** OPTIMAL WATER TEMPERATURES
- 2** OXYGEN-RICH AND CLEAN ARCTIC SEAWATER
- 3** LOW ENERGY COSTS. NO LIFTING, HEATING OR COOLING

## 3 BENEFITS FROM LAND BASED FARMING



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



*Egga 3.000 mbsl*

*Gulf Stream*

*Bleiksdjupet 1.000 mbsl*

*Kvalnes, Andøya*

# AGENDA

- Introduction
- QUARTERLY HIGHLIGHTS AND SUBSEQUENT EVENTS
- Andfjord Salmon's production method: Benefits and potential
- Status Kvalnes build-out
- Financials
- Summary and outlook



*Gravlax from Andfjord  
Salmon with roe and  
Norwegian aquavit*



# HIGHLIGHTS Q3 AND SUBSEQUENT PERIOD



Successful completion  
of first production cycle



Very positive customer  
feedback



Pool pit excavation at  
Kvalnes ahead of  
schedule



Harbour area  
workstream progressing  
as planned



Blasting of waterways  
started

# AGENDA

- Introduction
- Quarterly highlights and subsequent events
- ANDFJORD SALMON'S PRODUCTION METHOD: BENEFITS AND POTENTIAL
- Status Kvalnes build-out
- Financials
- Summary and outlook

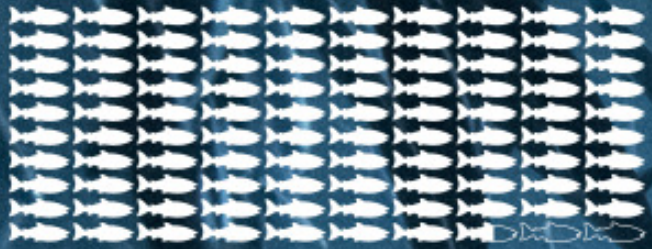


*Gravlax from Andfjord  
Salmon with roe and  
Norwegian aquavit*

*First generation in first pool, Kvalnes*

Industry leading

# SURVIVAL RATE



---

# 97.5%

---



SERVED WITH A  
— CLEAR  
CONSCIENCE

# HOW DOES STRONG BIOLOGY TRANSLATE TO FINANCES?

Two main parameters that affect revenue and profitability (Note: simplified\*):

## FISH

### Fish-related factors:

- Number of smolt
- Cost of smolt
- Survival rate
- Harvest weight
- Quality/superior share
- Price of salmon per kg

## FEED

### Feed-related factors:

- Amount of feed
- Cost of feed
- Feed conversion ratio  
(=amount of feed required to grow 1 kilogram of fish)

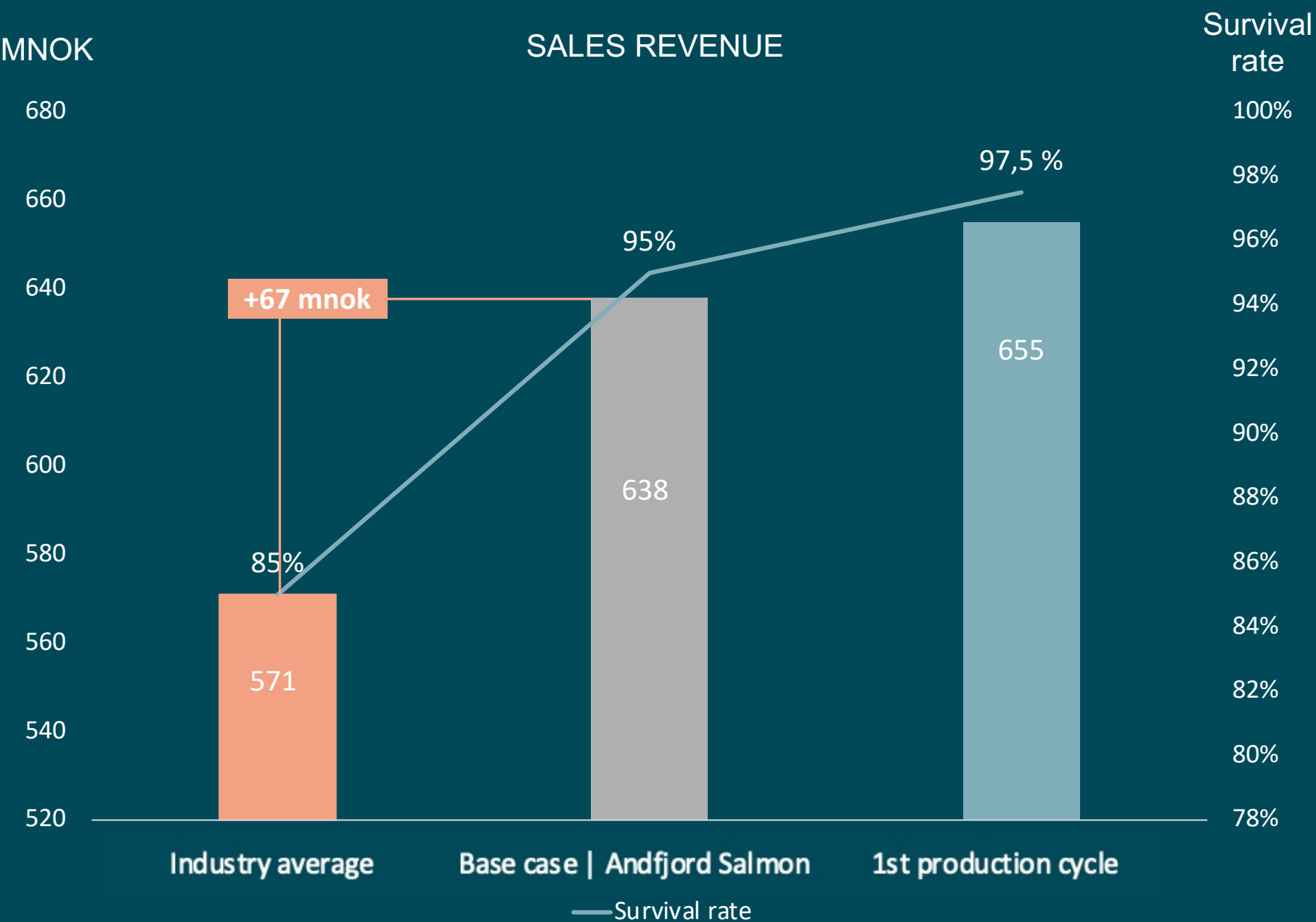
\*Energy consumption, energy prices, fixed costs etc must also be accounted for

# SURVIVAL RATE IMPACT ON SALES REVENUES

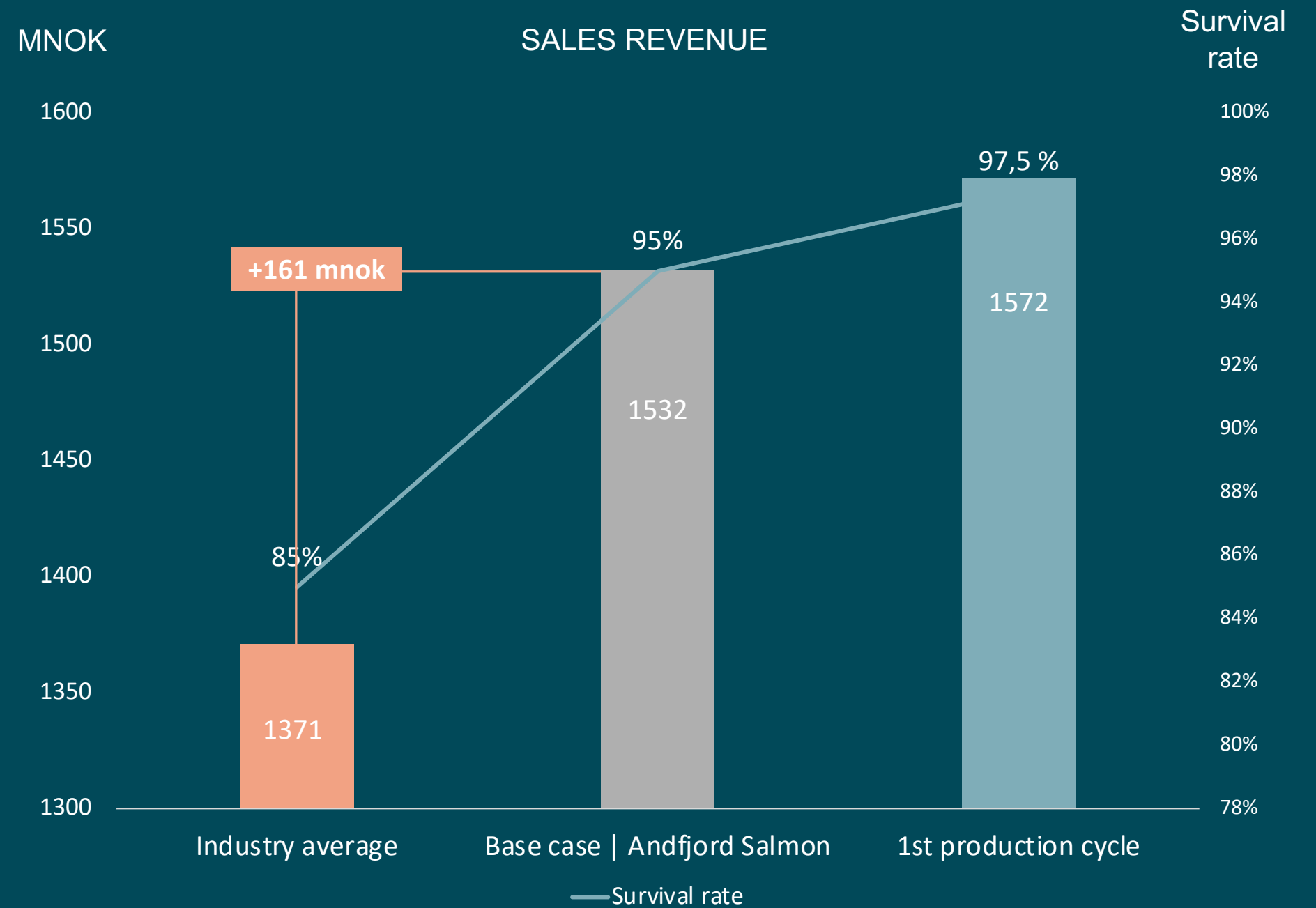
**Assumptions\*:**

- 5 kg harvest weight / 84% yield
- Salmon price: NOK 80 per kg

2 MILL. SMOLT RELEASED = 5 POOLS IN OPERATION



4.8 MILL. SMOLT RELEASED = 13 POOLS IN OPERATION



\*Illustrative examples

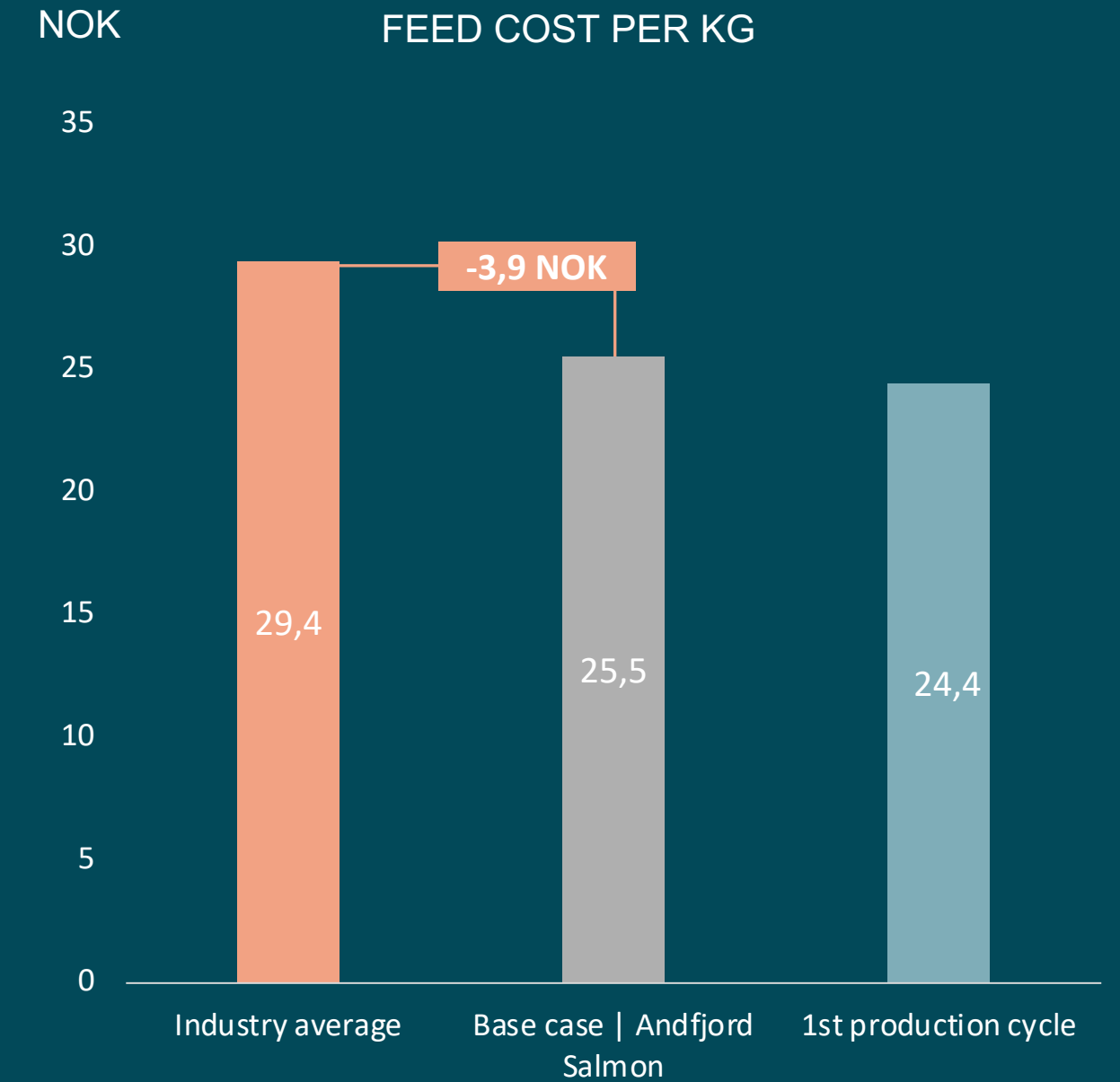
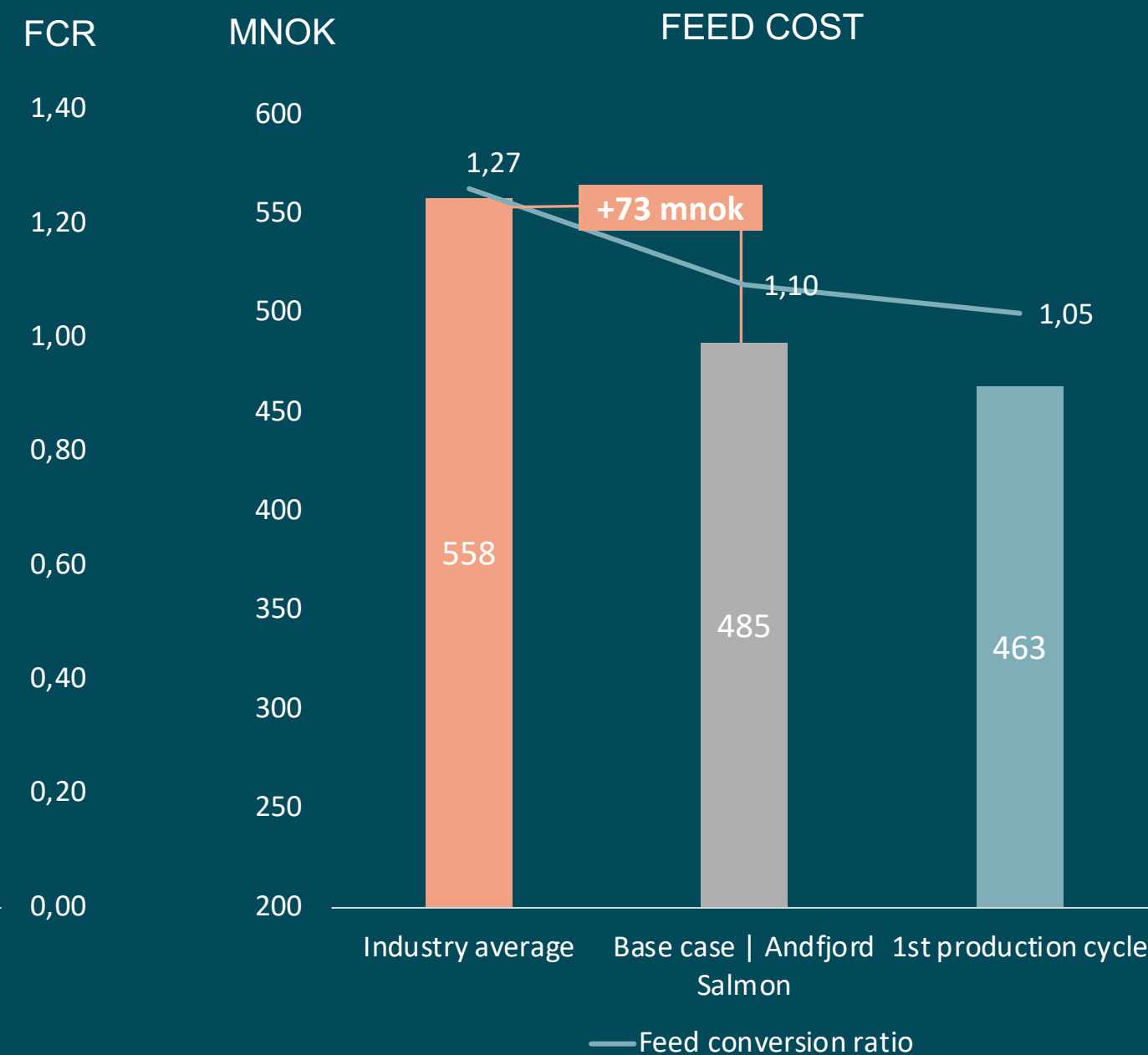
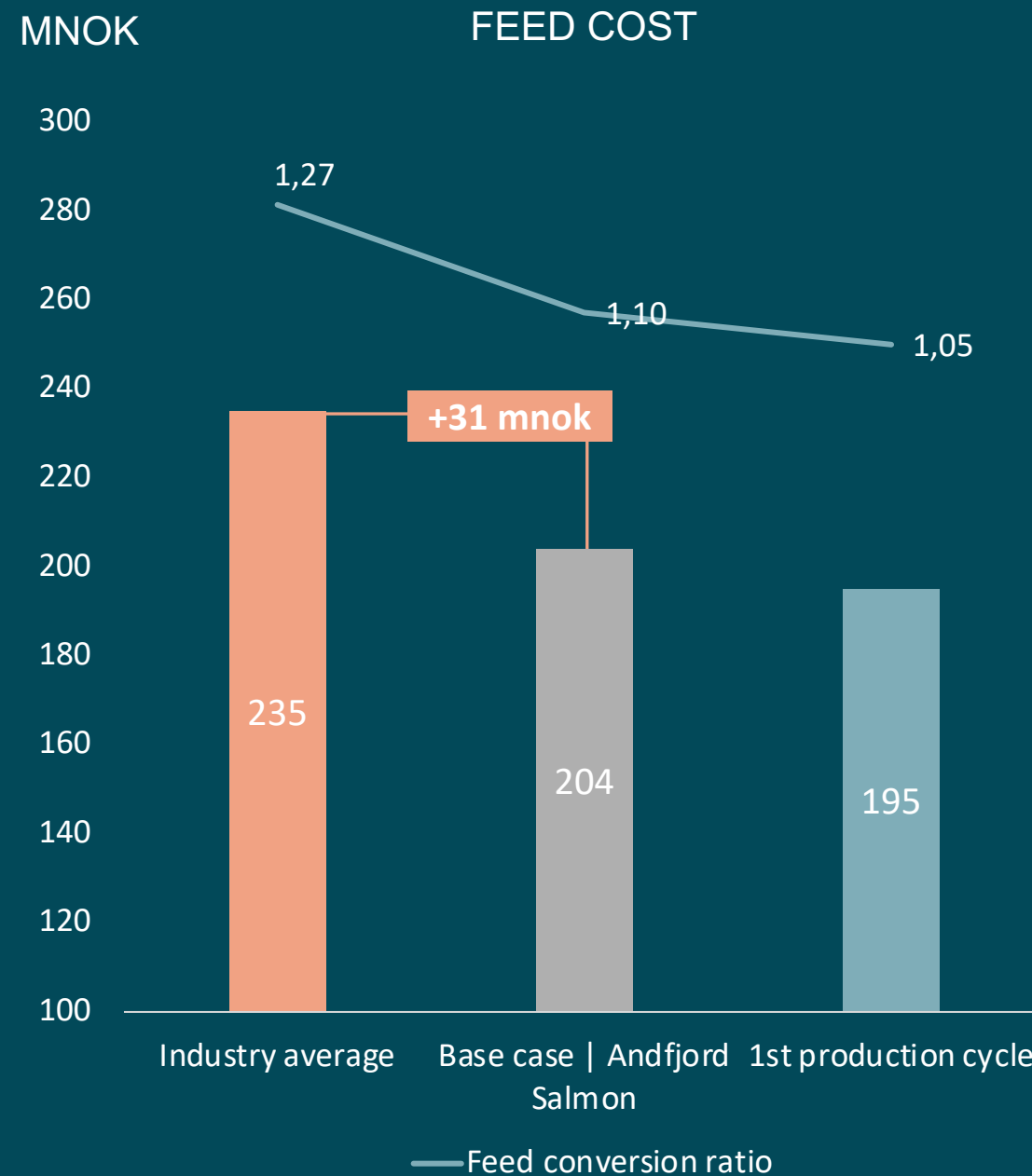
# FEED FACTOR IMPACT ON COST

**Assumptions\*:**

- Feed price: NOK 20 per kg
- FCR: 1.27 (industry average), 1.10 (base case) and 1.05 (1<sup>st</sup> production cycle)

8,000 T (HOG) PRODUCTION VOLUME

19,000 T (HOG) PRODUCTION VOLUME



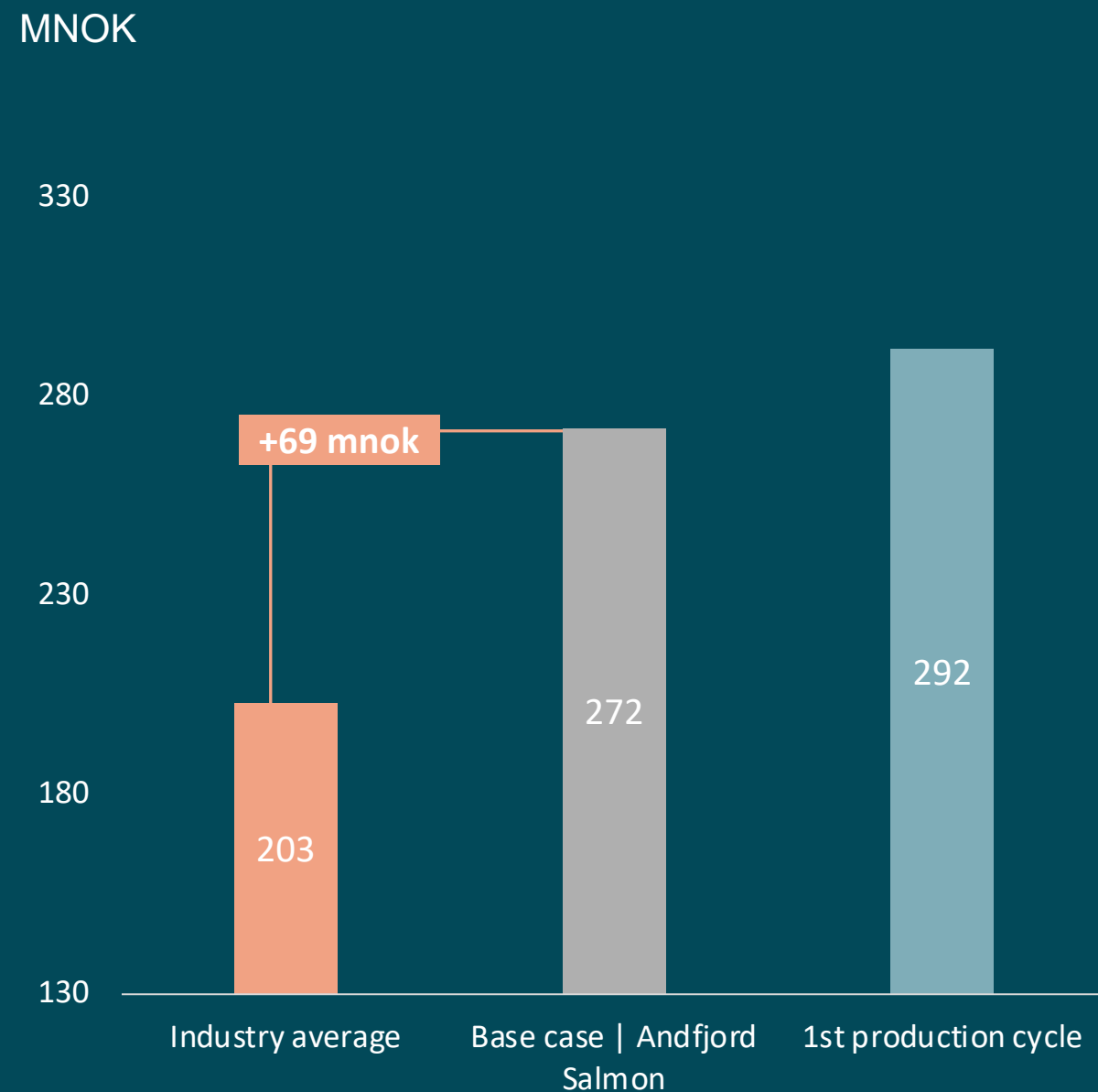
\*Illustrative examples

# STRONG BIOLOGY IMPACT ON EBIT

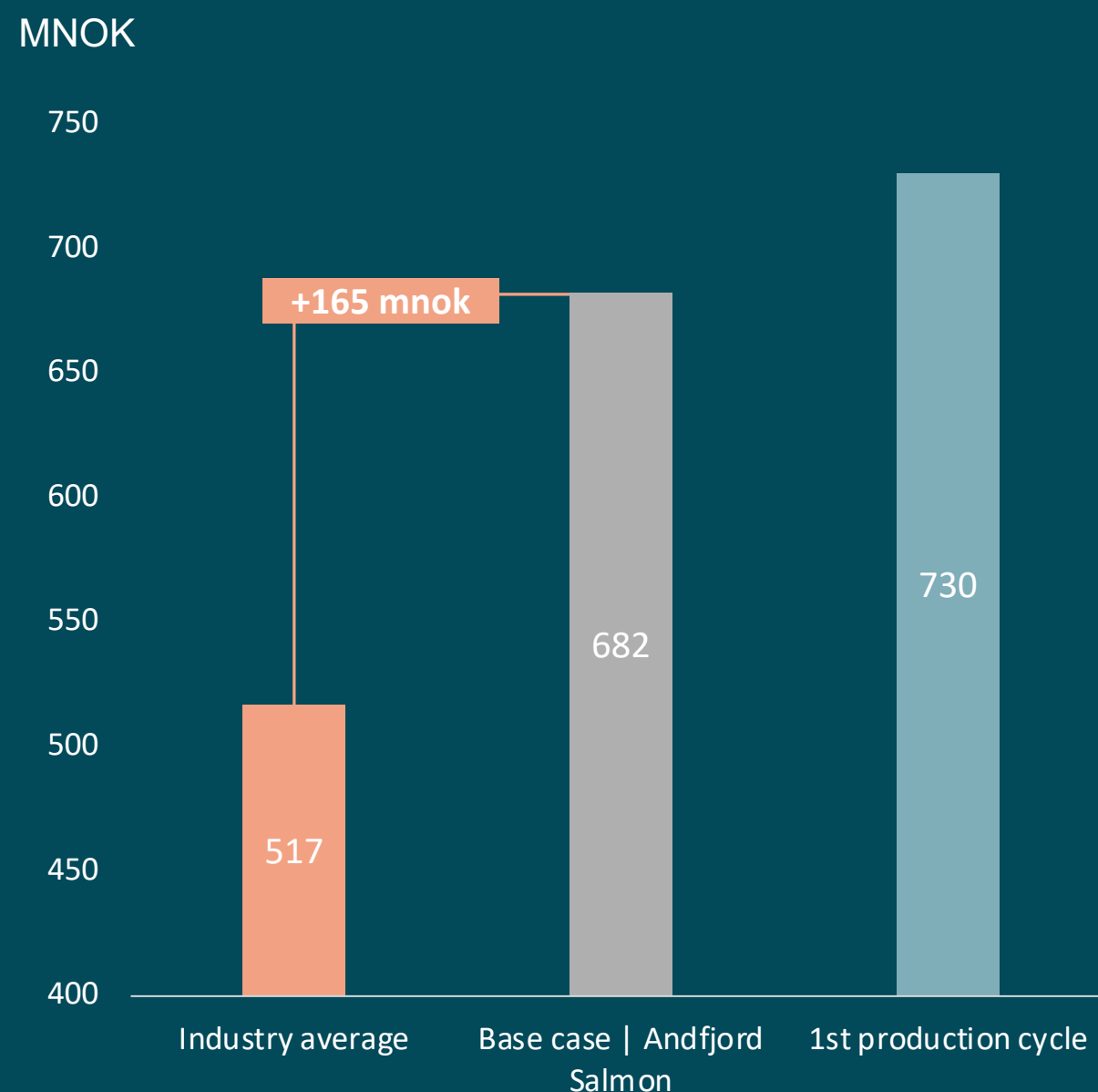
**Assumptions\*:**

- Feed price: NOK 20 per kg
- Smolt price: NOK 20 per individual
- Salmon price: NOK 80 per kg
- FCR: 1.27 (industry average), 1.10 (base case) and 1.05 (1<sup>st</sup> production cycle)
- Survival rate 85 %, 95 % and 97.5 %

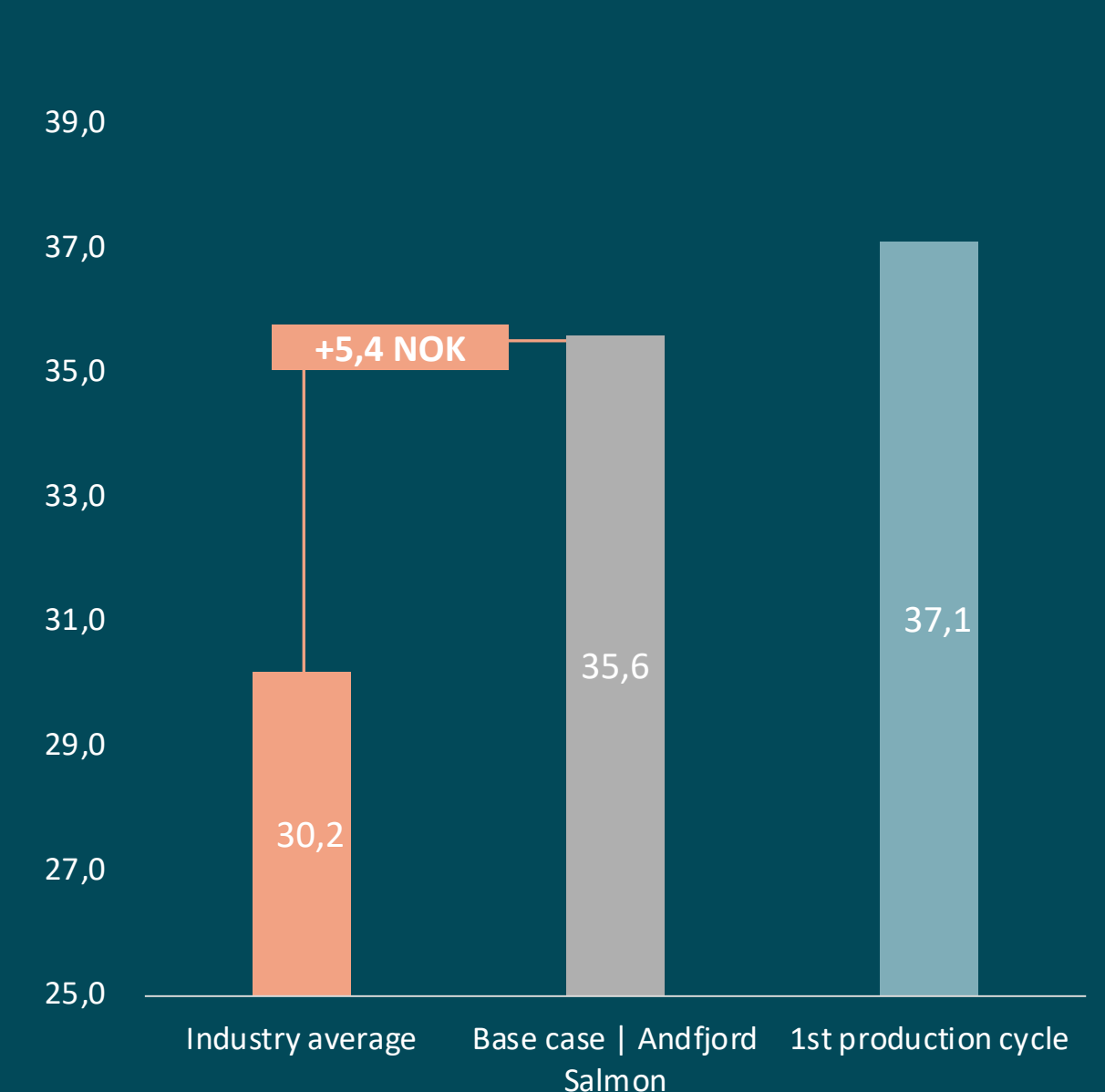
EBIT – 2 MILLION SMOLT RELEASED (5 POOLS)



EBIT – 4,8 MILLION SMOLT RELEASED (13 POOLS)



EBIT NOK PER KG



\*Illustrative examples

# AGENDA

- Introduction
- Quarterly highlights and subsequent events
- Andfjord Salmon's production method: Benefits and potential
- **STATUS KVALNES BUILD-OUT**
- Financials
- Summary and outlook



*Gravlax from Andfjord  
Salmon with roe and  
Norwegian aquavit*

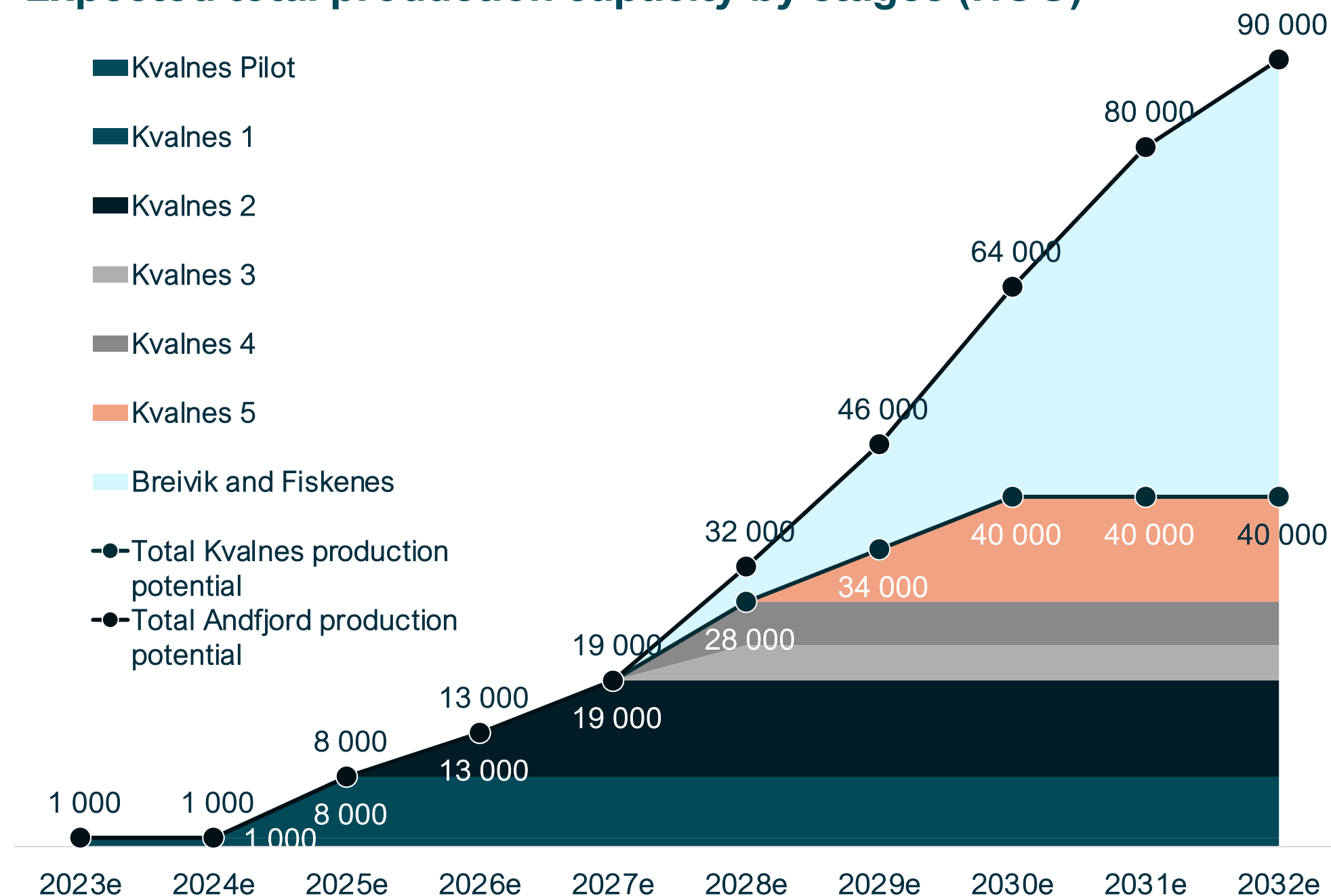


# PRODUCTION VOLUME OF **40,000 TONS** AT KVALNES WITH TOTAL POTENTIAL OF **90,000 TONS**

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

# KVALNES



# KVALNES

Pool pit excavation reached 80% completion.



Outlet and inlet waterways reached 5% completion.



# KVALNES

Port and harbour area  
progressing as planned.  
Reached 20% completion.



Mass balance approach: 2,100  
tonnes relocated on-site every day.



# KVALNES

First pool – proven flow trough technology



Technology from traditional salmon farming





Mass balance approach

2100

tonnes relocated on-site every day

OUTLET WATERWAY

FIRST POOL

POOL PITS

PORT AND HARBOUR AREA

INLET WATERWAY

Rock pit excavation  
REACHED

80 %

Port area  
REACHED

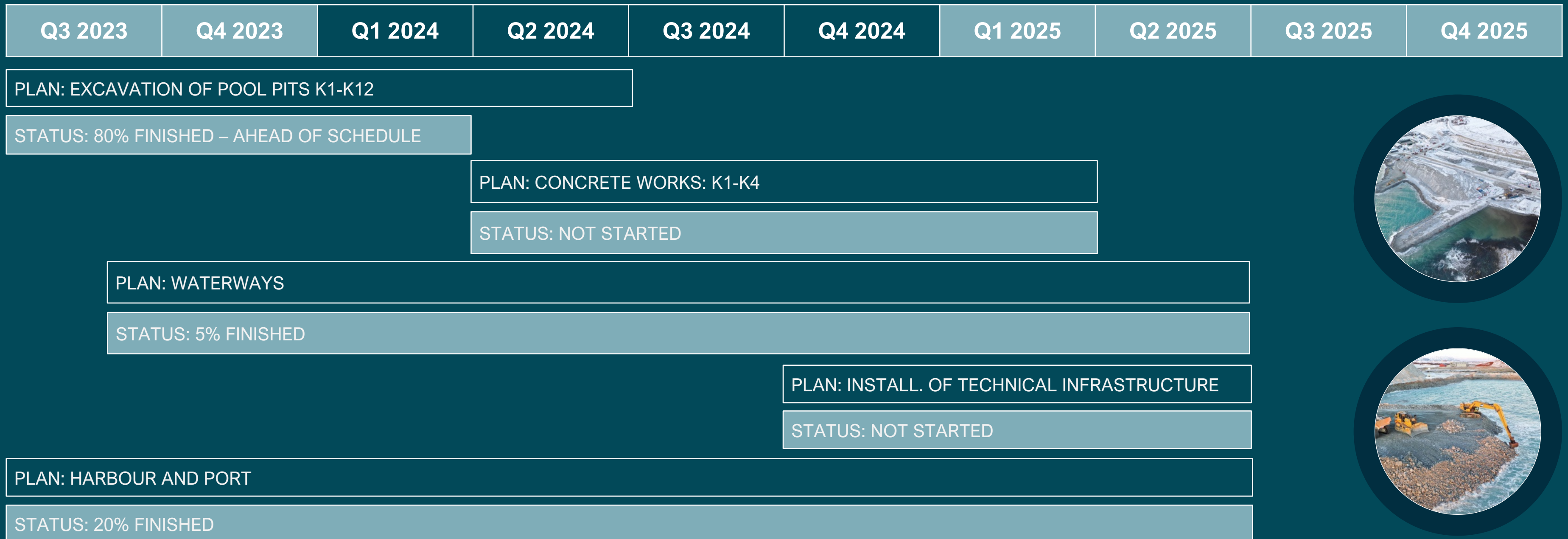
20 %

Waterways  
REACHED

5 %



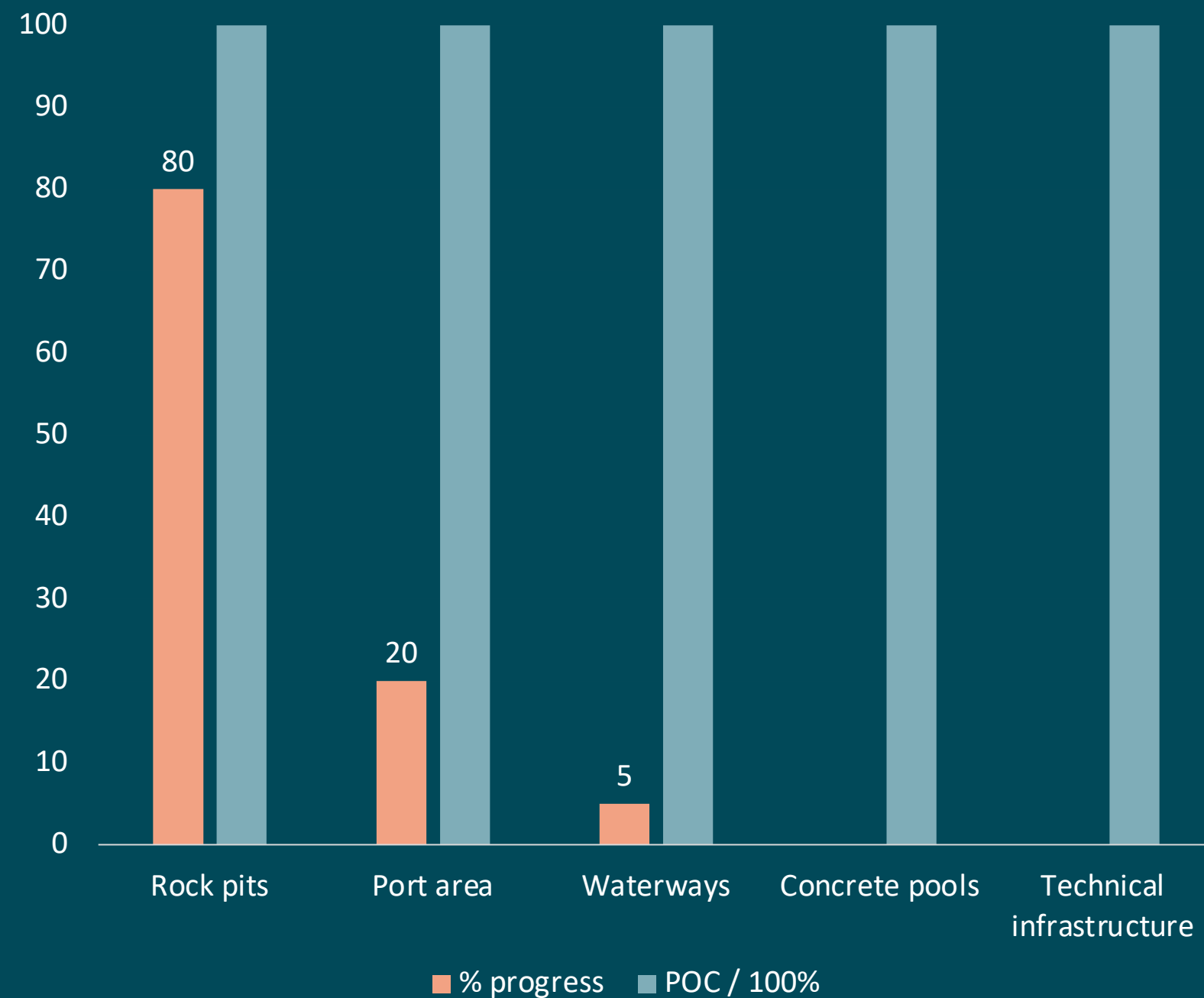
# KEY CONSTRUCTION MILESTONES FOR BUILD-OUT PHASE AT KVALNES (8,000 t)



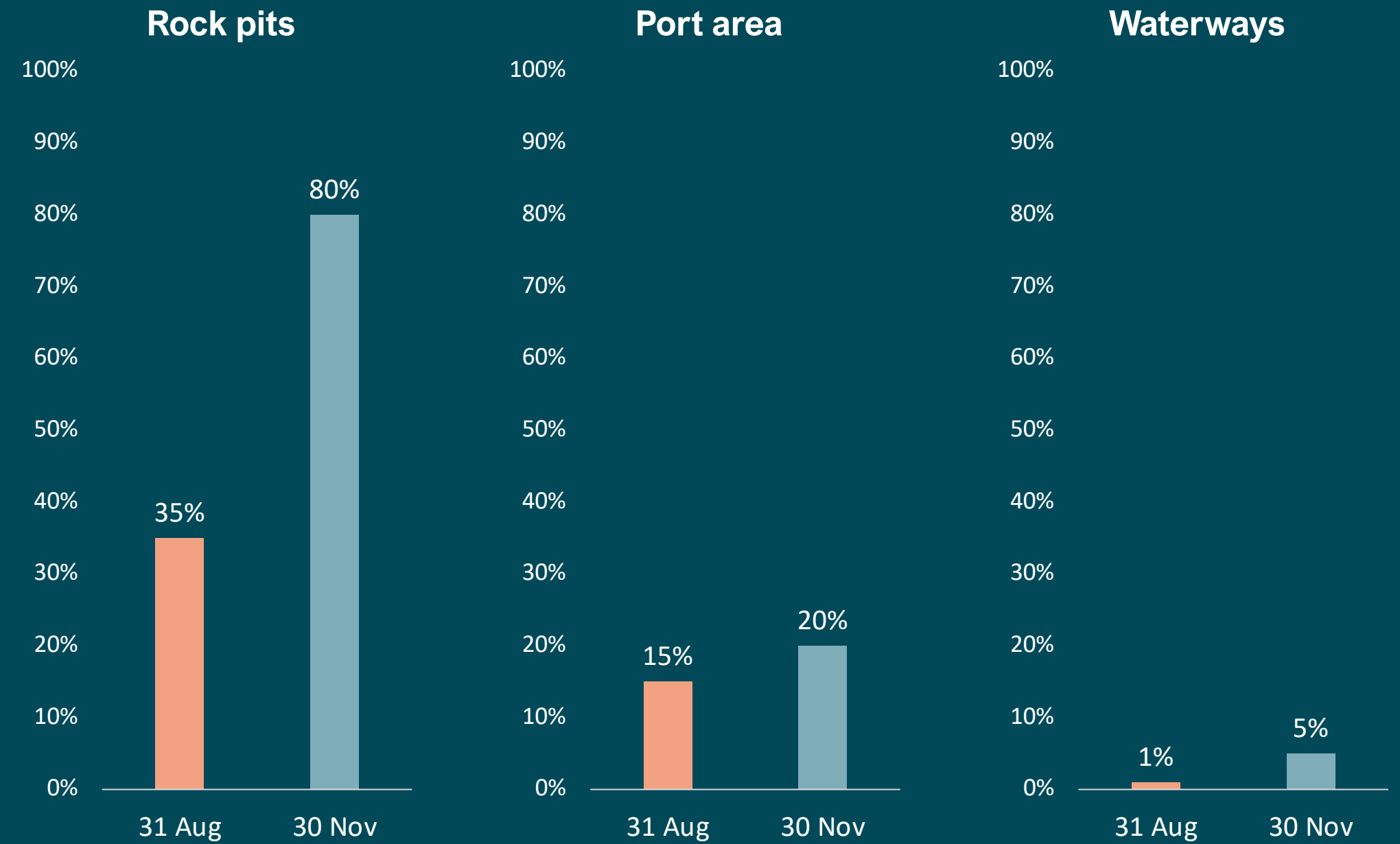
SMOLT  
RELEASE

# STRONG PROGRESS – ROCK PITS AHEAD OF SCHEDULE

Project progress per main workstream (per 30 November 2023)



Development progress per active workstream





# AGENDA

- Introduction
- Quarterly highlights and subsequent events
- Andfjord Salmon's production method: Benefits and potential
- Status Kvalnes build-out
- **FINANCIALS**
- Summary and outlook



*Gravlax from Andfjord  
Salmon with roe and  
Norwegian aquavit*

# STATEMENT OF COMPREHENSIVE INCOME

All amounts in 1000 NOK

Statement of comprehensive income	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
	1.7 – 30.9 Unaudited	1.7 – 30.9 Unaudited	1.1 – 30.9 Unaudited	1.1 – 30.9 Unaudited	1.1 – 31.12
<b>Operating income and expenses</b>					
Revenue from contracts with customers	27 653	-	37 278	-	-
Other income	-	-	-	32	113
<b>Total operating income</b>	<b>27 653</b>	<b>-</b>	<b>37 278</b>	<b>32</b>	<b>113</b>
Change in biological assets at cost and other inventories	-165	401	-1 162	401	700
Cost of materials	-36 296	-661	-59 209	-7 335	-12 704
Fair value adjustments of biological assets	-	2 504	25 707	9 177	14 285
Employee benefit expenses	-7 395	-6 932	-19 784	-14 950	-23 211
Depreciation and amortisation expenses	-6 283	-5 964	-18 600	-7 564	-13 603
Other operating expenses	-5 676	-6 931	-24 424	-17 684	-21 691
<b>Total operating expenses</b>	<b>-55 815</b>	<b>-17 584</b>	<b>-97 471</b>	<b>-37 955</b>	<b>-56 224</b>
<b>Operating profit/loss</b>	<b>-28 162</b>	<b>-17 584</b>	<b>-60 194</b>	<b>-37 923</b>	<b>-56 111</b>
<b>Financial income and expenses</b>					
Financial income	1	4	1	4	1 836
Net financial costs	-138	-150	-422	-454	-2 402
<b>Net financial result</b>	<b>-137</b>	<b>-146</b>	<b>-421</b>	<b>-450</b>	<b>-566</b>
<b>Profit/loss for the period</b>	<b>-28 299</b>	<b>-17 730</b>	<b>-60 614</b>	<b>-38 373</b>	<b>-56 677</b>

# STATEMENT OF FINANCIAL POSITION

All amounts in 1000 NOK

<b>Assets</b>	<b>30.09.2023 - Unaudited</b>	<b>31.12.2022</b>	<b>30.09.2022 - Unaudited</b>
Intangible assets	13 245	8 556	6 144
Property, plant & equipment	544 850	498 386	483 860
Right-of-use assets	18 743	22 539	22 829
Other non-current assets	62	89	97
<b>Total non-current assets</b>	<b>576 900</b>	<b>529 570</b>	<b>512 930</b>
Biological assets	-	14 285	9 177
Other inventories	2 031	1 162	401
Trade and other receivables	201	-	-
Other current assets	5 118	7 803	6 616
Cash and cash equivalents	526 279	82 911	117 121
<b>Total current assets</b>	<b>533 629</b>	<b>106 161</b>	<b>133 315</b>
<b>Total assets</b>	<b>1 110 529</b>	<b>635 731</b>	<b>646 245</b>

# STATEMENT OF FINANCIAL POSITION

All amounts in 1000 NOK

Equity and liabilities	30.09.2023 - Unaudited	31.12.2022	30.09.2022 - Unaudited
<b>Total equity</b>	<b>1 002 006</b>	<b>475 704</b>	<b>491 737</b>
Borrowings	60 834	67 375	68 976
Lease liabilities	10 095	13 296	13 599
<b>Total non-current liabilities</b>	<b>70 929</b>	<b>80 671</b>	<b>82 575</b>
Borrowings	8 166	56 168	54 417
Lease liabilities	4 544	4 683	4 383
Trade payables	19 062	10 361	10 981
Other current liabilities	5 821	8 144	2 152
<b>Total current liabilities</b>	<b>37 593</b>	<b>79 356</b>	<b>71 932</b>
<b>Total liabilities</b>	<b>108 522</b>	<b>160 027</b>	<b>154 508</b>
<b>Total equity and liabilities</b>	<b>1 110 529</b>	<b>635 731</b>	<b>646 245</b>

# STATEMENT OF CASH FLOWS

All amounts in 1000 NOK

Statement of cash flows	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
	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	15 510	-53 773	-26 102	-72 156	-88 443
Net cash flow from investing activities	-31 719	-11 779	-65 174	-75 365	-90 702
Net cash flow from financing activities	447 790	-8 518	534 643	249 725	247 139
Net change in cash and cash equivalents	431 581	-74 070	443 367	102 204	67 993

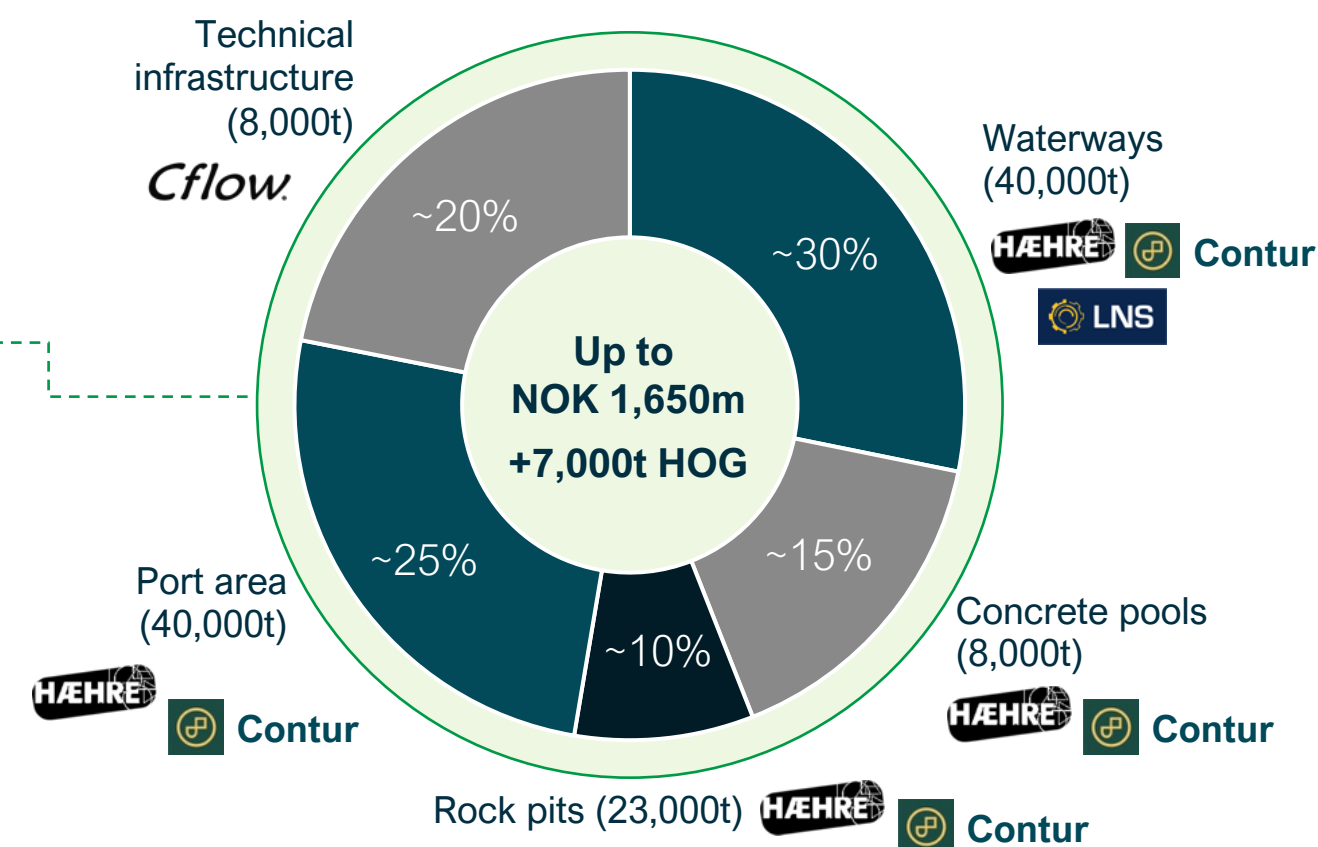
# SCALE-UP TAILORED FOR CAPITAL EFFICIENCY

## 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 (license expansion)	~ 0m	+4,000t	23,000t
4	~ 280m	+5,000t	28,000t
5	~ 1,100m	+12,000 t	40,000t

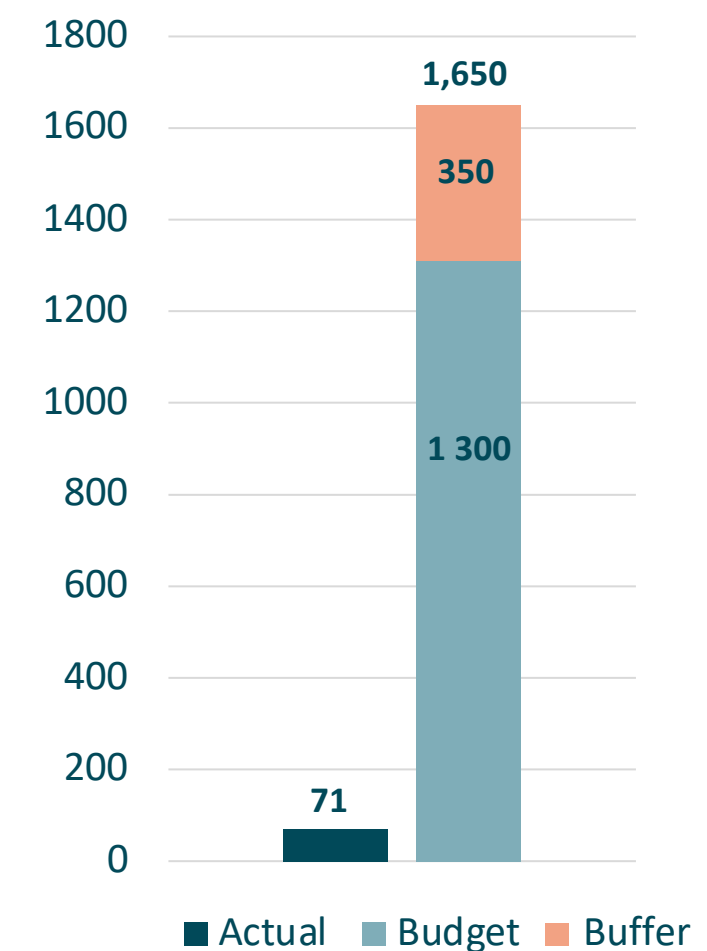
- All future expansions (step 2 and out) expected to be financed by mix of **debt and cash flow**
- Significant **shared infrastructure** across stages
- Highly competitive **blended capex for Kvalnes of NOK 114/kg (including substantial buffers)**

## Capital expenditure, Kvalnes phase 1



- Large part of investments 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 71 million per 30 September 2023

In this upcoming stage of construction, the company is planning to establish major infrastructure such as waterways and a port area to support 40,000 tons of production at Kvalnes. Together with highly reputable construction partners AF Hæhre-Contur and Cflow, a budget of NOK 1,300 million plus a buffer of NOK 350 million has been estimated for the next two years.

# SUPPORTIVE SHAREHOLDER BASE



## TOP 10 SHAREHOLDERS (PER NOVEMBER 2023)

Jerónimo Martins Agro-Alimentar, S.A.	25.12%
Andfjord Holding AS	11.45%
KG Investment Comp AS	5.68%
Eidsfjord Sjøfarm AS	4.54%
Skagerak Vekst AS	4.29%
OG Invest AS	3.94%
UFI AS	3.61%
Karstein Gjersvik	2.44%
Verdipapirfondet DNB SMB	2.26%
Traaseth Property AS	2.22%

### JERÓNIMO MARTINS

Ranked the 18<sup>th</sup> largest food retailer in Europe  
5,358 stores, 131,094 employees, and sales of EUR 25.4 billion (2022)

### EIDSFJORD SJØFARM

Part of Holmøy Maritime, and produces around 25,000 tons of salmon annually (2023e) based on conventional licenses in Nordland and Troms

### NUTRECO

Nutreco International (holds 505.050 shares / 0,89 %) Nutreco is a global leader in animal nutrition and aquafeed, and owner of Skretting.

# AGENDA

- Introduction
- Quarterly highlights and subsequent events
- Andfjord Salmon's production method: Benefits and potential
- Status Kvalnes build-out
- Financials
- SUMMARY AND OUTLOOK



*Gravlax from Andfjord  
Salmon with roe and  
Norwegian aquavit*



# SUMMARY AND OUTLOOK

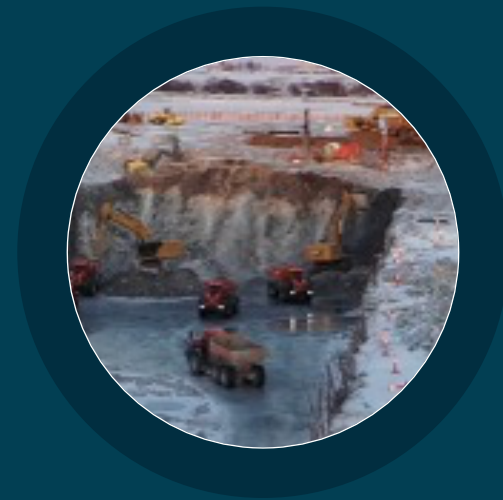


**Successful completion  
of first production  
cycle**



**Pool pit excavation  
ahead of schedule:  
creates flexibility and  
de-risks build-out**

**Estimated completion  
of pool pit excavation  
in Q1 2024**



**Concrete factory to be  
set up in Q1 2024,  
ready for construction  
of concrete pools**



**Harbour area  
progressing as  
planned**



**Blasting started on  
both inlet and outlet  
waterways, work on  
schedule**

**69°N**  
ANDØYA  
VESTERÅLEN  
NORWAY

*Andfjord Salmon burger with  
Americana dressing and cheddar*

**Q & A**

 **ANDFJORD™**  
SALMON

# DISCLAIMER

## IMPORTANT INFORMATION

This presentation (the "Presentation") has been produced by Andfjord Salmon AS (the "Company") solely for information purposes. By reading the Presentation slides or by otherwise receiving this Presentation or the information contained herein, you agree to be bound by the following terms, conditions, and limitations:

This Presentation does not constitute an offer to sell or a solicitation of an offer to buy, or a recommendation regarding, any securities of the Company. Any failure to comply with the restrictions set out herein may constitute a violation of applicable securities laws or other regulations. No representation, warranty or undertaking, express or implied, is made by the Company, its affiliates or representatives as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein, for any purpose whatsoever. Neither the Company nor any of its affiliates or representatives shall have any responsibility or liability for any loss arising from any use of this Presentation or its contents or otherwise arising in connection with this Presentation.

This Presentation speaks as of the date hereof. All information in this Presentation is subject to updating, revision, verification, correction, completion, amendment and may change materially and without notice. None of the Company, its affiliates or representatives undertake any obligation to provide the recipient with access to any additional information or to update this Presentation or any information or to correct any inaccuracies in any such information. The information contained in this Presentation should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect developments that may occur after the date of this Presentation. These materials do not purport to contain a complete description of the Company or the market(s) in which the Company operates. The contents of this Presentation are not to be construed as financial, legal, business, investment, tax or other professional advice. Each recipient should make its own independent assessment of the information in the Presentation and should take its own professional advice in relation thereto.

This Presentation contains forward-looking information and statements relating to the business, financial performance, and results of the Company and/or industry and markets in which it operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "aims", "anticipates", "believes", "estimates", "expects", "foresees", "intends", "plans", "predicts", "projects", "targets", and similar expressions. Such forward-looking statements are based on current expectations, estimates and projections, reflect current views with respect to future events, and are subject to risks, uncertainties, and assumptions. Forward-looking statements are not guarantees of future performance and risks, uncertainties and other important factors could cause the actual results of operations, financial condition and liquidity of the Company or the industry to differ materially from the results expressed or implied in this Presentation by such forward-looking statements. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved, and you are cautioned not to place any undue influence on any forward-looking statement.

This Presentation, and the information contained herein, does not constitute or form part of, and is not prepared or made in connection with, an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities of the Company and nothing contained herein shall form the basis of any contract or commitment whatsoever. This Presentation is not a prospectus and has not been reviewed or approved by any regulatory authority, stock exchange or market place. The distribution of this Presentation or other documentation into jurisdictions other than Norway may be restricted by law. Persons into whose possession this Presentation comes should inform themselves about and observe any such restrictions.

This Presentation is subject to and governed by Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts with Oslo District Court as the exclusive legal venue.

OUR  
VISION



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

OUR  
MISSION

Follow our salmon



LinkedIn



FISH FARMING  
WITH A **CLEAR  
CONSCIENCE**