

Q4 2020

Status and progress

12 March 2021

Martin Rasmussen, CEO

Andfjord Salmon™ in brief

**Andfjord
Salmon™:**
Salmon farming

Founded:
2014

Location:
Andøya, Norway

License:
10,000 tonnes
(MAB)

Share:
“ANDF”

- Uses a closed flow-through system, which combines the benefits of both traditional and land based aquaculture while simultaneously eliminating a number of traditional farming issues.
- Strategically located at Andøya – Access to oxygen-rich seawater with stable temperatures, which is pumped up from 160 and 30 meters deep depending on the season.
- Land based farming mitigates problems with sea lice and escapes, besides enabling lower mortality, emissions, food waste and impact on nearby surroundings including wildstock.
- Andfjord Salmon™ has acquired land and is planning for an annual production of 12,600 tonnes (HOG*) salmon on Kvalnes, Andøya.
- Growth potential with clear roadmap to a total capacity of ~90,000 tonnes (HOG).



Our ambition: Build the world's most fish friendly and sustainable aqua farming facility

Salmon welfare

A salmon that thrives, is a salmon that grows. At Andfjord, the salmon will have the very best growing conditions. Crystal clear and oxygen rich sea water is very important. Ample space for the salmon in the pools is another benefit.



Nutritious food

The world needs more food. We also need healthier food. Andfjord Salmon™ will produce premium Atlantic salmon that is very nutritious, has perfect texture and superior taste.



Footprint

Andfjord Salmon™ is land based in harmony with the beautiful landscape of Andøya. The facility is secured, preventing escapements and thereby protecting local wild salmon. Bio residues are collected and reused as fertilizer.



Energy

The Andfjord Salmon™ method has lower energy consumption than most land based farms per kilo of salmon. Solar panels and wind turbines will contribute to power supply.



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**Quarterly highlights and
subsequent events**

Operational update

**Andfjord Salmon's fish
health and welfare
approach**

Summary and outlook

Highlights

Fourth quarter 2020 and subsequent to quarter

Decision to fast-track wider Kvalnes 1 development

- De-risk Kvalnes 1 development to achieve 12,600 tonnes production volume (HOG)
- Significant biological and time saving benefits

Strengthened balance sheet

- Raised NOK 88.2 million to fast-track blasting and excavation work related to the expansion from 1,260 to 12,600 tonnes (HOG)
- Cash or cash equivalents per 31 December 2020 at NOK 148.8 million, which does not include:
 - NOK 50 million undrawn credit facility
 - NOK 15 million in grants

Solid progress on construction of first pool

- Time-critical inlet and outline pipeline installations completed in Q1 2021
- Moving from construction to test phase

On track to build the world's most sustainable and fish-friendly aquaculture farming facility of its kind



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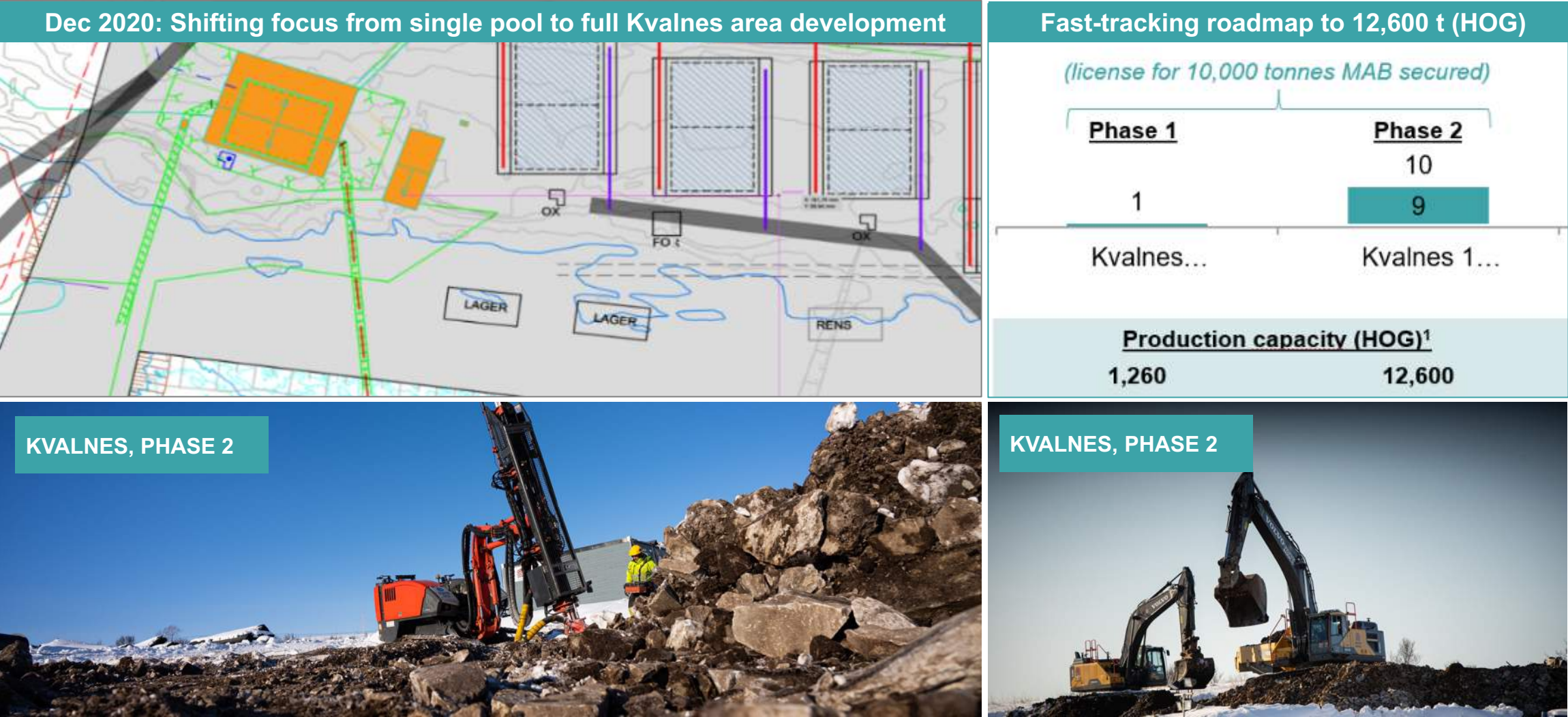
Summary and outlook

Overview of secured locations

1 Kvalnes	<p>Potential for up to 12,600 tonnes HOG (license secured), and an additional 25,200 tonnes in the future</p> <p>Land area purchased, with options to expand into additional areas</p>
2 Breivik	<p>Potential for up to 25,200 tonnes HOG</p> <p>Land area secured through purchase option</p>
3 Fiskenes	<p>Potential for up to 25,200 tonnes HOG</p> <p>Land area purchased</p>



Key decision in December 2020: Fast-tracking and de-risking Kvalnes development, from sequential to full area development



8 1) Management base case assuming WFE/MAB=1.5 and HOG/WFE=0.84

Multiple benefits of fast-tracking full area development at Kvalnes

Current plan:

Parallel development of full Kvalnes area by moving blasting and excavation work forward in time



Numerous biological and time-saving benefits, only marginally affecting runway to revenues

- Moving blasting and excavation work for Kvalnes Phase 2 (to reach full 12,600 tonnes HOG) 6 months forward allows:
 - Fast-tracking development of Phase 2
 - Significantly de-risks expansion
 - Allows more time for testing of Kvalnes start pool
- Results in saved expenses related to de-mobilization and mobilization of required machinery, and does not otherwise affect total capex
- Reduces biological risk for fish in Kvalnes Phase 1
 - Eliminates risk that fish suffers stress from noise and vibration from nearby construction work
- Updated plan only marginally affects release of first smolt for Phase 1 and time to first revenues

Solid progress on full Kvalnes area development





First pool hooked up: Inlet and outline pipeline in place

Main weather dependent and time-critical sections in place

- The main artery: inlet pipeline
- Outline pipeline

Progressing as planned despite external challenges

- Weather
- Covid-19
- ØPD AS

Remaining work before first pool is complete

- Walkway
- Grouting of pool
- System for water flow

Testing

On track for first smolt release summer 2021

Update: Zoning plan process for Fiskenes and Breivik sites

- **18 February 2021:** Second public meeting conducted to present planning proposal
- **March – May 2021:** Zoning plan proposal undergoing public inspection and hearing
- **End-June 2021:** Final decision expected from Andøy municipality council

**BREIVIK,
25,200 T HOG**



**FISKENES,
25,200 T HOG**



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What is ANIMAL WELFARE?

Animal welfare = The quality of life as perceived by the animal itself. (*Farm Animal Welfare Council 2009*).

The five freedoms:

- 1 From **hunger** and malnutrition
- 2 From **discomfort** due to an unsuitable environment
- 3 From **pain**, injury, illness
- 4 Freedom to express **natural** behavior
- 5 From **fear** and stress



1 Freedom from hunger and malnutrition

The unique Andfjord Salmon™ solution:

- **ANDFJORD DESIGN:** Special designed feed for flow through facility. The nutritious feed is designed for growth and good health.
- No need of **ANTI-LICE** ingredients.
- **FEED:** Sustainable feed suppliers only.



2 Freedom from discomfort due to an unsuitable environment

The unique Andfjord Salmon™ solution:

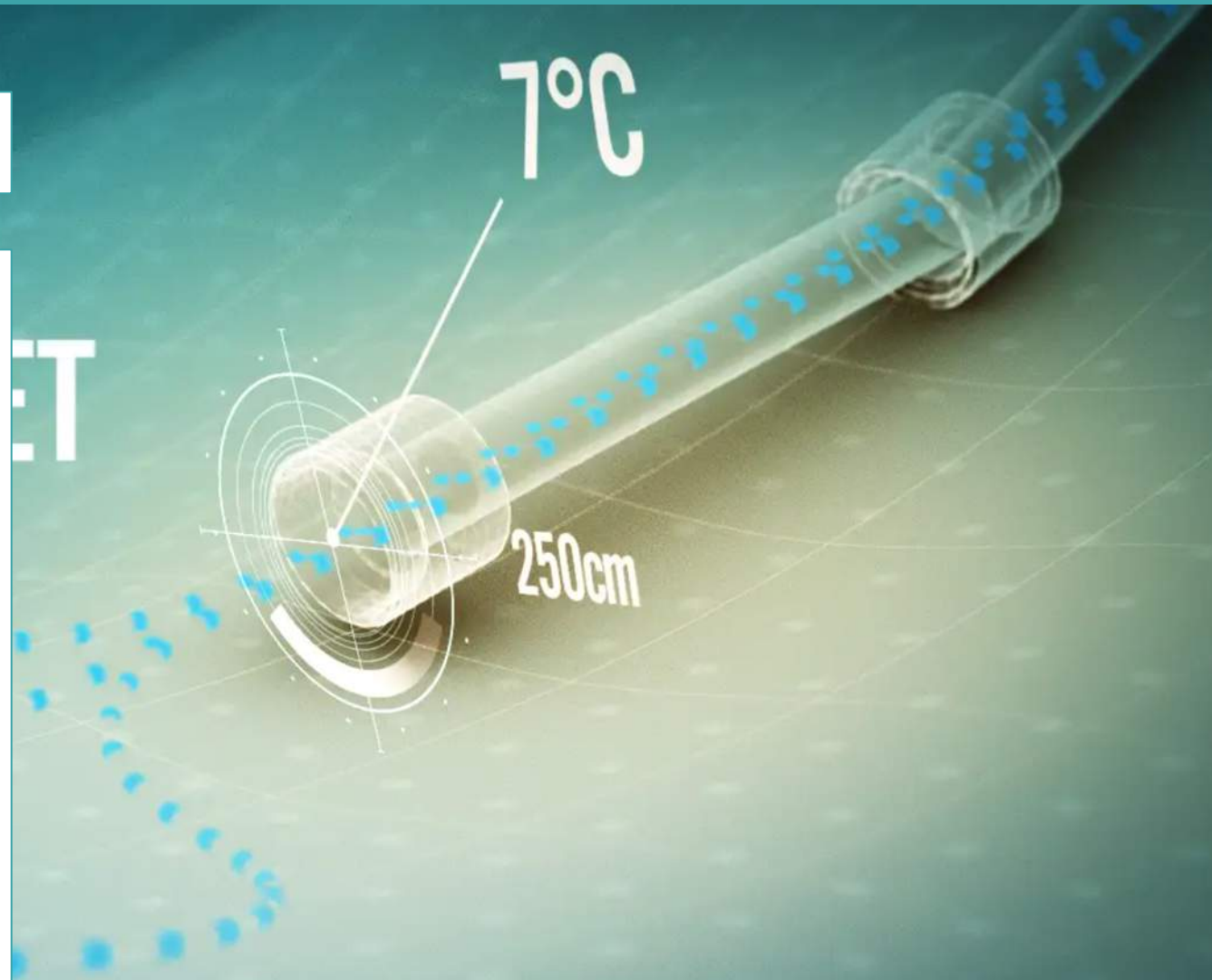
- **LOW DENSITY:** The pools will have low fish density, assuring optimal fish health.
- **GULF STREAM WATER:** High quality oxygen rich water. Perfectly tempered between 7 and 12 degrees.
- **NATURAL OCEAN POOLS:** In the pools the Andfjord salmon will find the same unique growing and living conditions as outside the pools, in the Gulf Stream.



3 Freedom from from pain, injury and illness

The unique Andfjord Salmon™ solution:

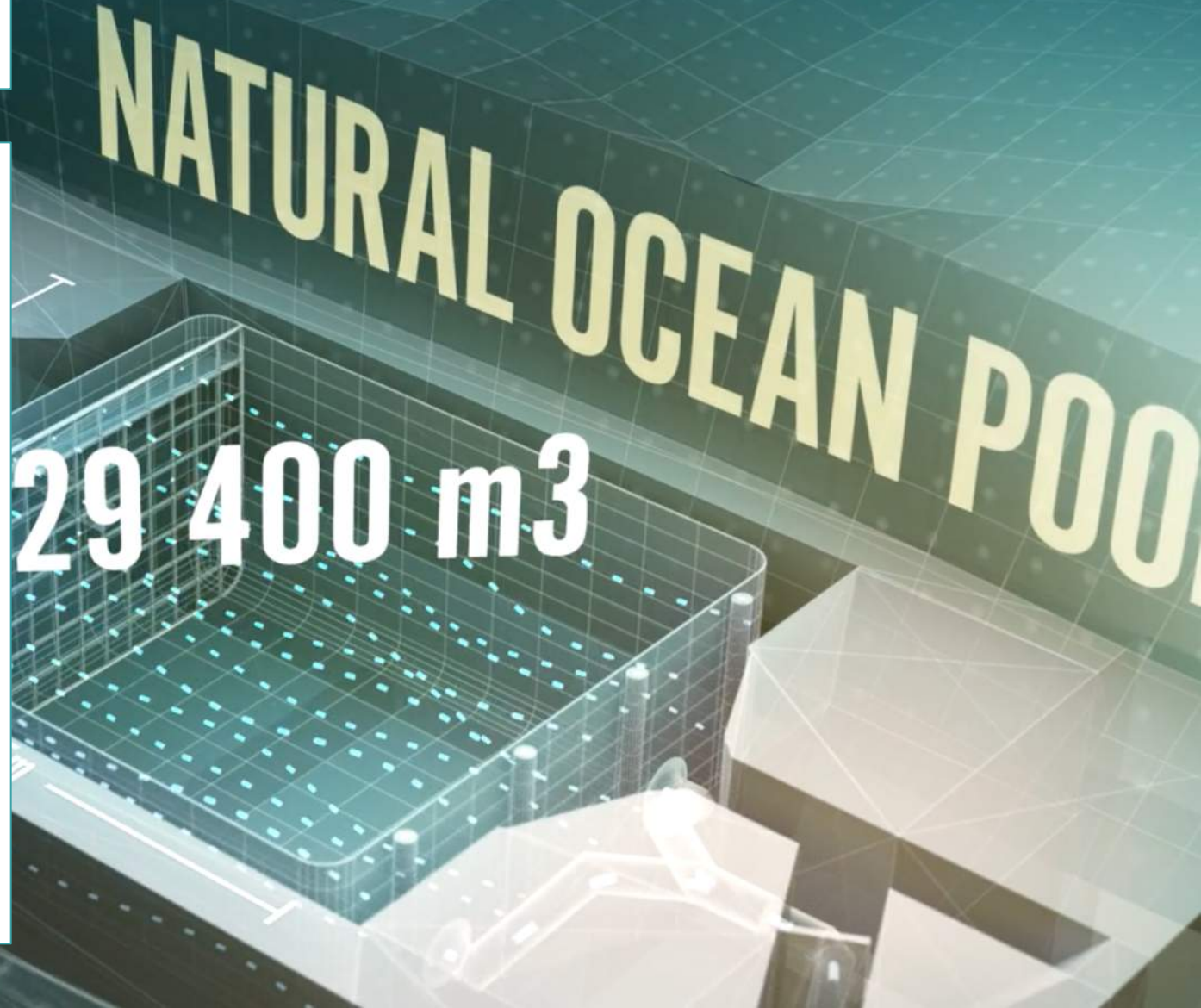
- **NO LICE PROBLEMS:** The risk of sea lice or dangerous algae in our facility is close to zero. The water is collected below the level where lice and algae live.
- **NATURAL DEFENCE:** Against contagious diseases in the surface ocean current due to deep water intake.
- **AVOIDING ULCERS:** The risk of winter ulcers is also very low. The water temperature is always between 7 or 12 degrees Celsius, which is optimal for Atlantic salmon.



4 Freedom to express natural behavior

The unique Andfjord Salmon™ solution:

- **RIVER ON LAND:** We are recreating a river on land, with a laminar, natural flow of sea water. The pools will fill themselves with tempered sea water 15-17 times a day without using energy. This technology is an Andfjord Salmon™-patent.
- **CRYSTAL CLEAR WATER:** The Andfjord Salmon™ method is providing the salmon with crystal clear Arctic sea water.
- **SIMILAR TO NATURE:** Tempered water and ample space in the pools for an active salmon, swimming naturally in the ocean pools.



5 Freedom from fear and stress

The unique Andfjord Salmon™ solution:

- **NO FEARS:** Unlike in nature, the Andfjord salmon do not have to fear predators like seals and killer whales.
- **NO STRESS:** The natural ocean pools provide a totally secure habitat for the salmon with sufficient day light.



Biosecurity

- Prevents the introduction of pathogenic infectious agents into the farm
 - Reduces the spread of infection internally in the farm
 - Reduce losses due to infection
 - Bio waste will be collected and recycled as fertilizer products for agriculture
 - Prevents the release of infection and the spread of diseases to other farms
-



Conclusion: We are about to complete the first pool in the world's most fish friendly and sustainable aqua farming facility.



Agenda

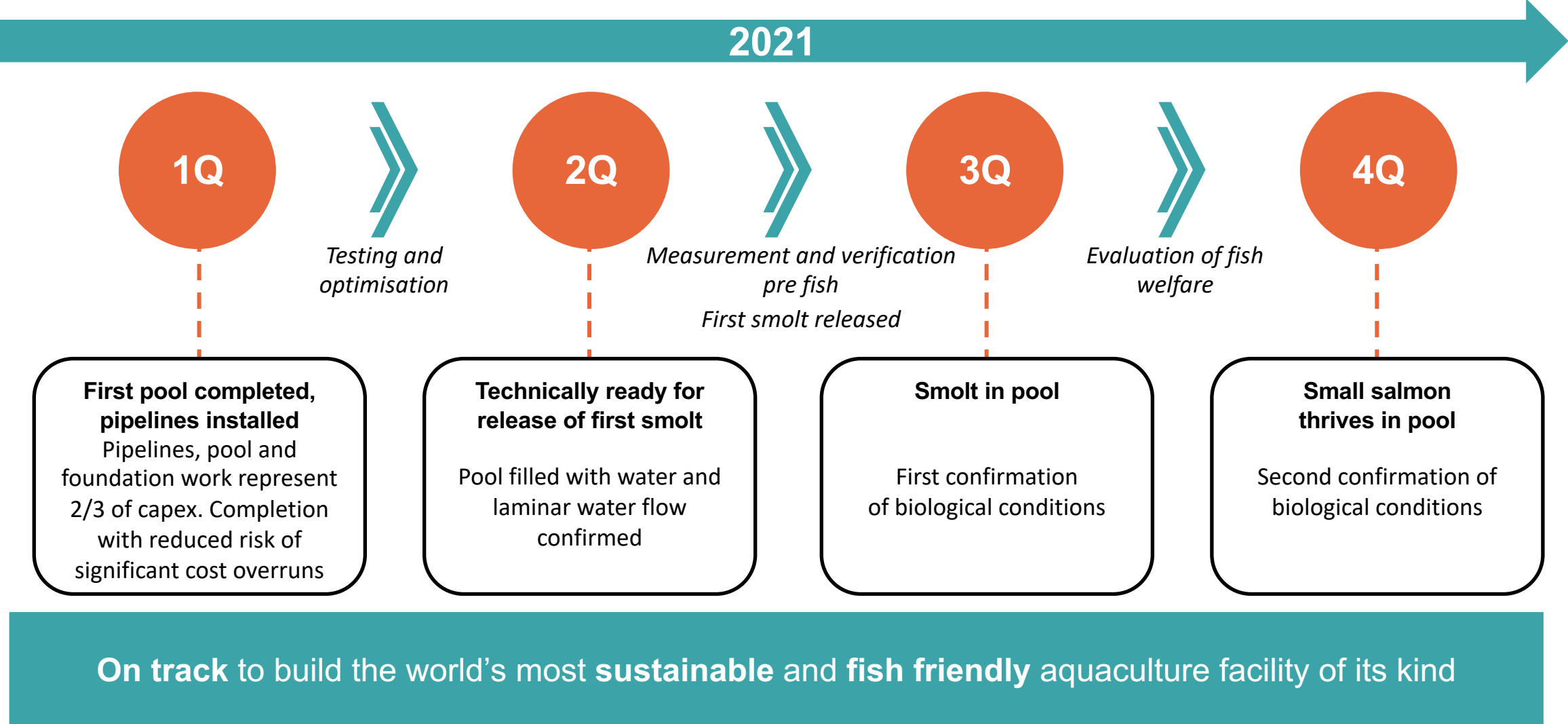
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Q & A



Appendix



Income statement

Andfjord Salmon AS	Q4 2020	Q4 2019	31.12.2020	31.12.2019
<i>All amounts in NOK</i>	Unaudited		Unaudited	
Operating income and expences				
Other income	180 863	0	180 863	1 650 000
Total operating income	180 863	0	180 863	1 650 000
Salary and personell expences	3 748 867	1 506 154	10 342 618	3 977 066
Depreciation of tangible and intangible fixed assets	128 816	60 103	370 704	305 177
Other operating expenses	3 386 627	1 302 603	9 085 586	5 683 407
Total operating expenses	7 264 310	2 868 860	19 798 909	9 965 650
Operating profit/loss	-7 083 448	-2 868 860	-19 618 046	-8 315 650
Financial income and expences				
Other financial income	207 265	517 648	838 273	1 934 894
Other financial expenses	536	417	409 703	13 778
Net financial income/expences	206 728	517 231	428 570	1 921 116
Profit/loss before tax	-6 876 719	-2 351 630	-19 189 476	-6 394 534
Net profit/loss for the period	-6 876 719	-2 351 630	-19 189 476	-6 394 534

Balance sheet

Andfjord Salmon AS	31.12.2020	31.12.2019
<i>All amounts in NOK</i>	Unaudited	
Assets		
Fixed assets		
Intangible assets		
Research and development	1 219 832	528 631
Total intangible assets	1 219 832	528 631
 Property, plant & equipment		
Land facilities for farming	218 810 019	51 004 230
Plots and other land	4 493 170	3 823 708
Operating movable property, furniture, tools, other	538 366	30 063
Total property, plant & equipment	223 841 555	54 858 001
 Long-term financial assets		
Other receivables	159 390	0
Total long-term fixed assets	159 390	0
<hr/> Total fixed assets	<hr/> 225 220 777	<hr/> 55 386 632
 Current assets		
Receivables		
Accounts receivables	226 078	
Other receivables	17 383 243	2 512 596
Total receivables	17 609 321	2 512 596
 Cash and deposits*	148 846 067	93 780 337
<hr/> Total current assets	<hr/> 166 455 388	<hr/> 96 292 933
<hr/> Total assets	<hr/> 391 676 165	<hr/> 151 679 565

Andfjord Salmon AS	31.12.2020	31.12.2019
<i>All amounts in NOK</i>	Unaudited	
Equity and liabilities		
Paid-in capital		
Share capital	35 791 900	29 874 400
Share premium reserve	318 345 305	116 935 784
Total paid-in capital	354 137 205	146 810 184
<hr/> Total equity	<hr/> 354 137 205	<hr/> 146 810 184
 Liabilities		
Non-current liabilities		
Other non-current liabilities	4 078 176	0
Total non-current liabilities	4 078 176	0
 Current liabilities		
Trade payables	29 788 856	4 145 138
Current tax liabilities	723 106	251 653
Other current liabilities	2 948 823	472 589
Total current liabilities	33 460 785	4 869 380
<hr/> Total liabilities	<hr/> 37 538 961	<hr/> 4 869 380
<hr/> Total equity and liabilities	<hr/> 391 676 165	<hr/> 151 679 565

27 * Figure does not include a NOK 50 million undrawn credit facility with Sparebank 1 Nord-Norge and Innovation Norway. In addition NOK 15 million in grants, not included from Innovation Norway (NOK 14 million) and Samskap (NOK 1 million).

Cash flow statement

Andfjord Salmon AS	Q4 2020	Q4 2019	31.12.2020	31.12.2019
<i>All amounts in NOK</i>	Unaudited		Unaudited	
Cash flows from operating activities				
Profit/ loss before income taxes	-6 876 719	-2 351 630	-19 189 476	-6 394 534
Depreciation	128 816	60 103	370 704	305 177
Change in accounts receivables	-226 078	167 055	-226 078	167 055
Change in trade creditors	10 838 894	-4 800 971	25 643 718	3 781 021
Changes in other accruals	-5 494 947	133 306	-12 773 552	87 744
Net cash flow from operating activities	-1 630 034	-6 792 137	-6 174 684	-2 053 537
Cash flows from investing activities				
Purchase of property, plant and equipment	-61 505 786	-22 418 799	-165 276 082	-51 361 868
Net cash flow from investing activities	-61 505 786	-22 418 799	-165 276 082	-51 361 868
Cash flows from financing activities				
Paid in capital	85 195 102	0	226 516 497	144 095 716
Net cash flow from financing activities	85 195 102	0	226 516 497	144 095 716
Net change in cash and cash equivalents	22 059 282	-29 210 936	55 065 731	90 680 311
Cash and cash equivalents at the beginning of the period	126 786 786	122 991 273	93 780 337	3 100 026
Cash and cash equivalents at the end of the period	148 846 067	93 780 337	148 846 067	93 780 337

