



Q4 2022

STATUS AND PROGRESS

16 MARCH 2023

69°N
ANDØYA
VESTERÅLEN
NORWAY

FARMED WITH A
— CLEAR
CONSCIENCE

 ANDEFJORD™
SALMON

Q4 PRESENTATION 2022

AGENDA

Introduction

Quarterly highlights and subsequent events

Operational update

Key financial figures

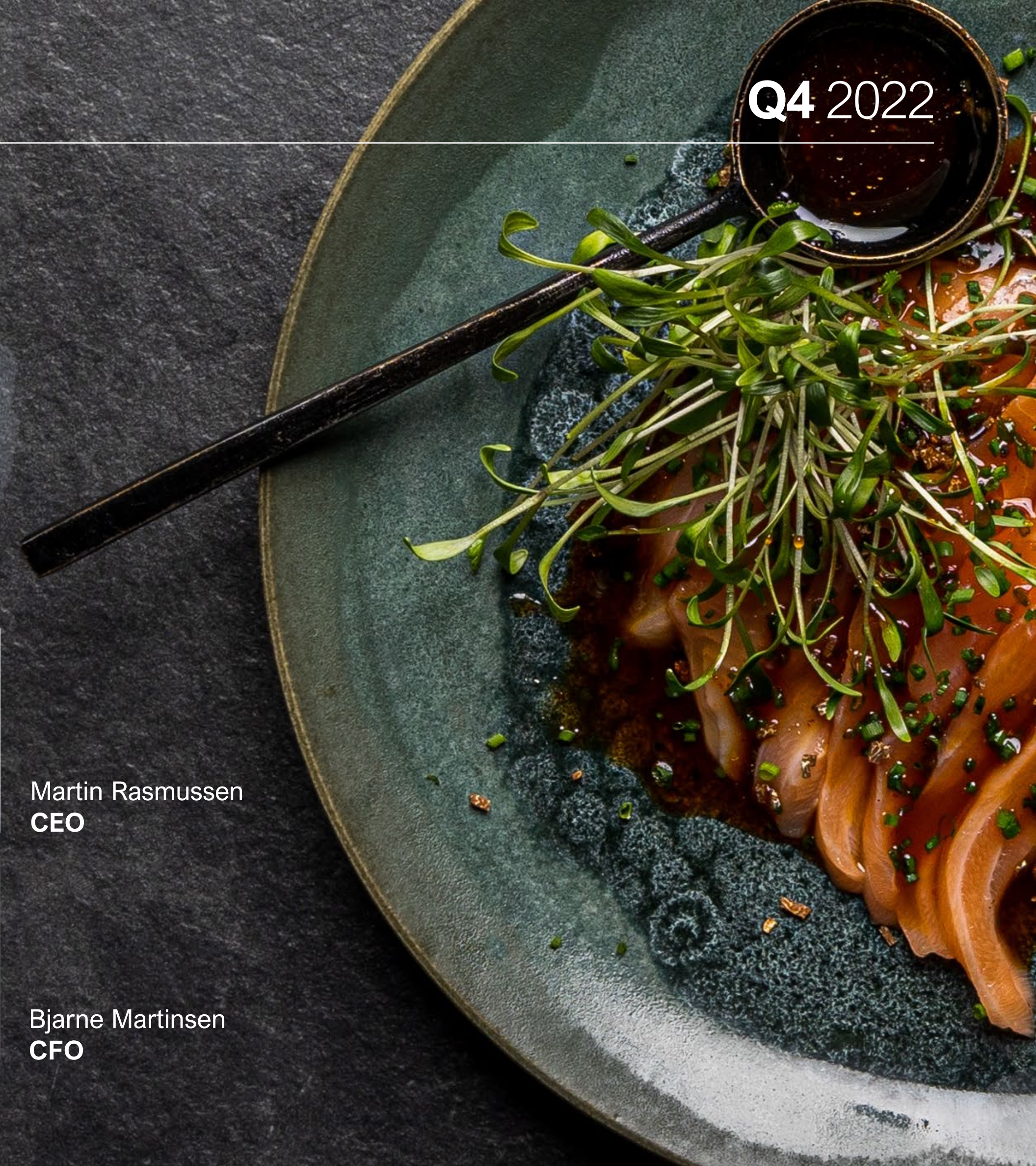
Summary and outlook



Martin Rasmussen
CEO



Bjarne Martinsen
CFO



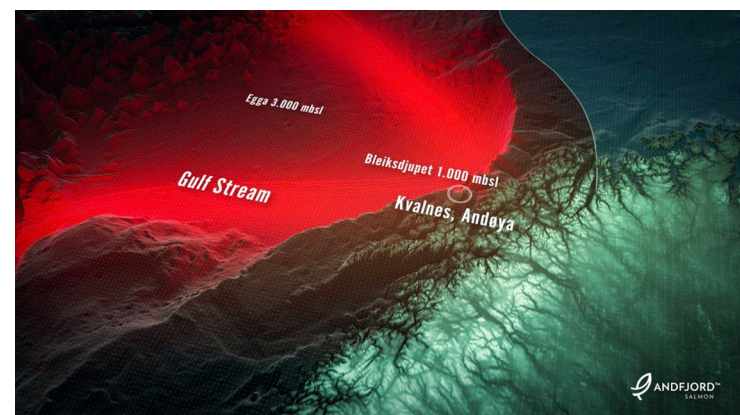
ANDFJORD SALMON AT A GLANCE

FOUNDED: 2014 **LOCATION:** ANDØYA, NORWAY **EURONEXT GROWTH:** ANDF



FLOW-THROUGH – NATURAL FLOW

Uses a closed flow-through system, which combines the benefits of both traditional and land based aquaculture while solving a number of traditional farming issues.



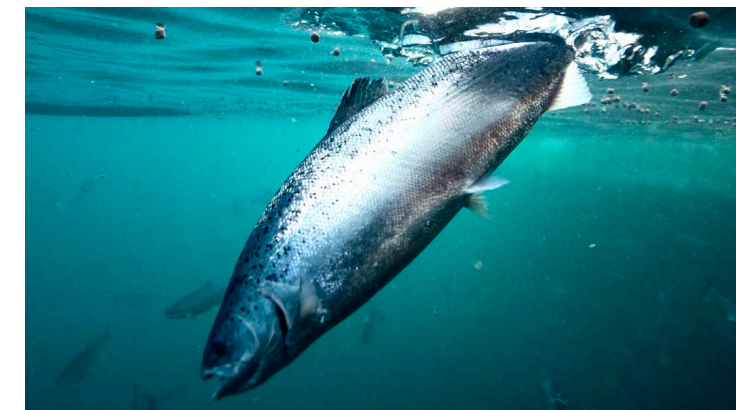
GULF STREAM

Strategically located at Andøya – with unique access to oxygen-rich seawater at stable temperatures.



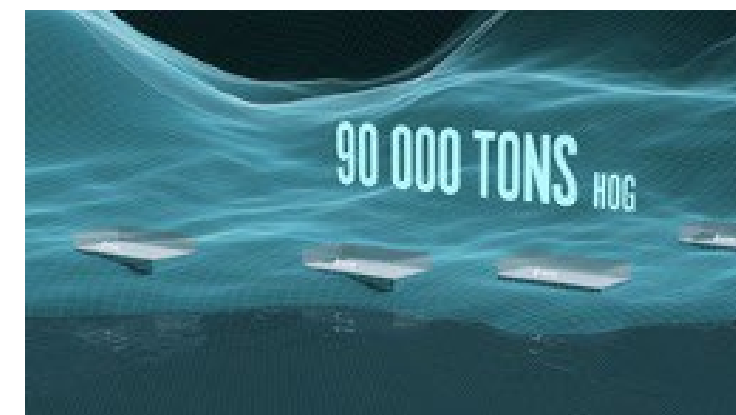
LOW ENERGY USE

No need to lift the water above the surface.
No need to heat or cool the seawater, or other costly operations.



FIRST LOCATION

Andfjord Salmon has been granted a licence for 10,000 tonnes MAB with potential production volume of 19,000 tonnes HOG at Kvalnes, Andøya.



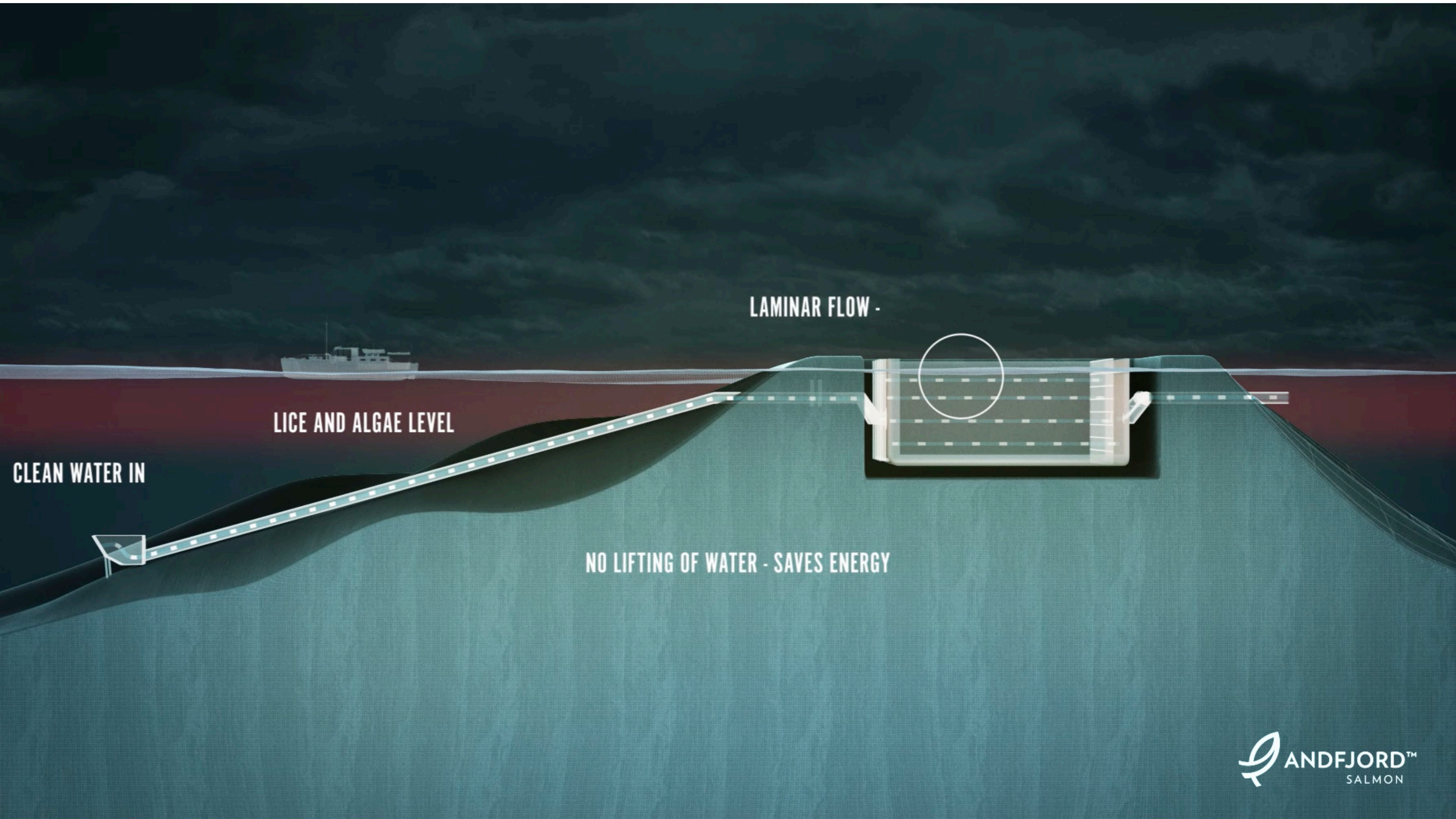
~90,000 TONNES IN TOTAL

Andfjord Salmon has acquired three locations, with a clear roadmap towards achieving a total capacity of ~90,000 tonnes (HOG).



FISH-FRIENDLY & SUSTAINABLE

Andfjord Salmon aims to build the world's most fish-friendly and environmentally friendly facility for salmon, with the lowest possible energy consumption and cost.

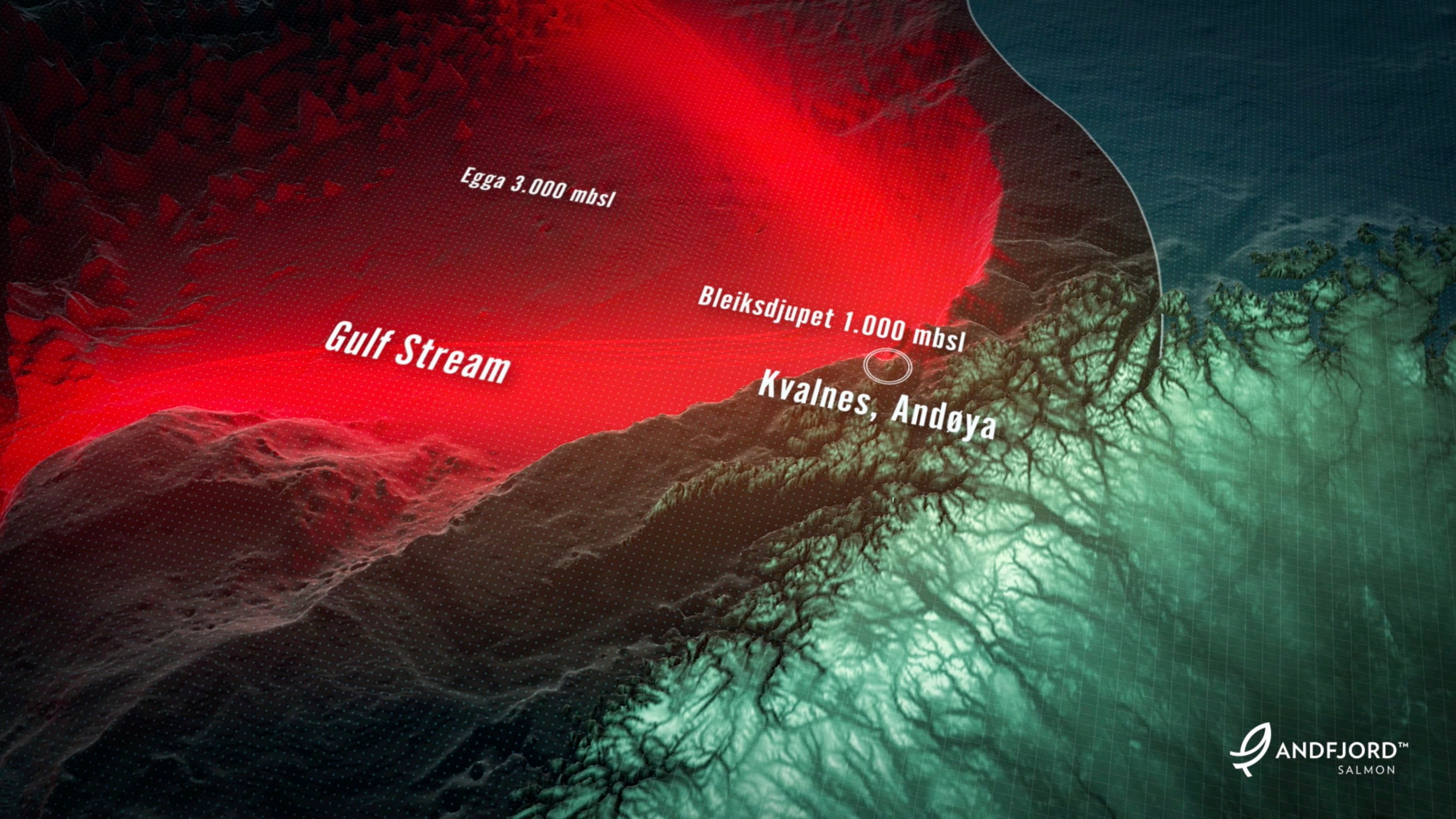


LAMINAR FLOW -

LICE AND ALGAE LEVEL

CLEAN WATER IN

NO LIFTING OF WATER - SAVES ENERGY



Egga 3.000 mbsl

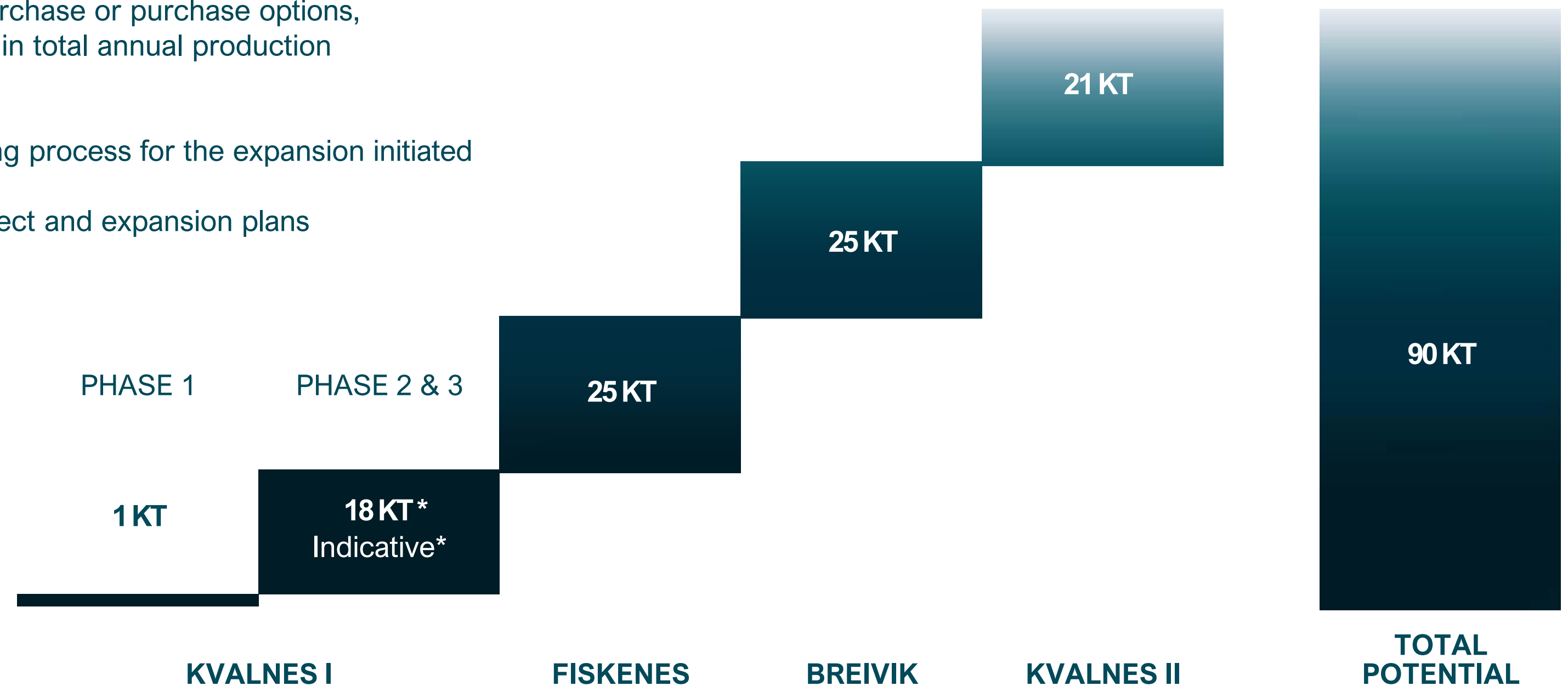
Bleiksdjupet 1.000 mbsl

Gulf Stream

Kvalnes, Andøya

EXPANSION POTENTIAL TO A TOTAL CAPACITY OF ~90,000T (HOG)

- **Andfjord Salmon has secured**, by purchase or purchase options, land on Andøya enabling an increase in total annual production volume to ~90,000t (HOG)
- License for Kvalnes I **secured**, licensing process for the expansion initiated
- **Support** from local authorities for project and expansion plans



*) Management base case assuming WFE/MAB=2.25 and HOG/WFE=0.84.
19 kt = 19 000t HOG based on existing licence of MAB 10 000t on the regulated production area of Kvalnes I.

AGENDA

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QUARTERLY HIGHLIGHTS
AND SUBSEQUENT EVENTS

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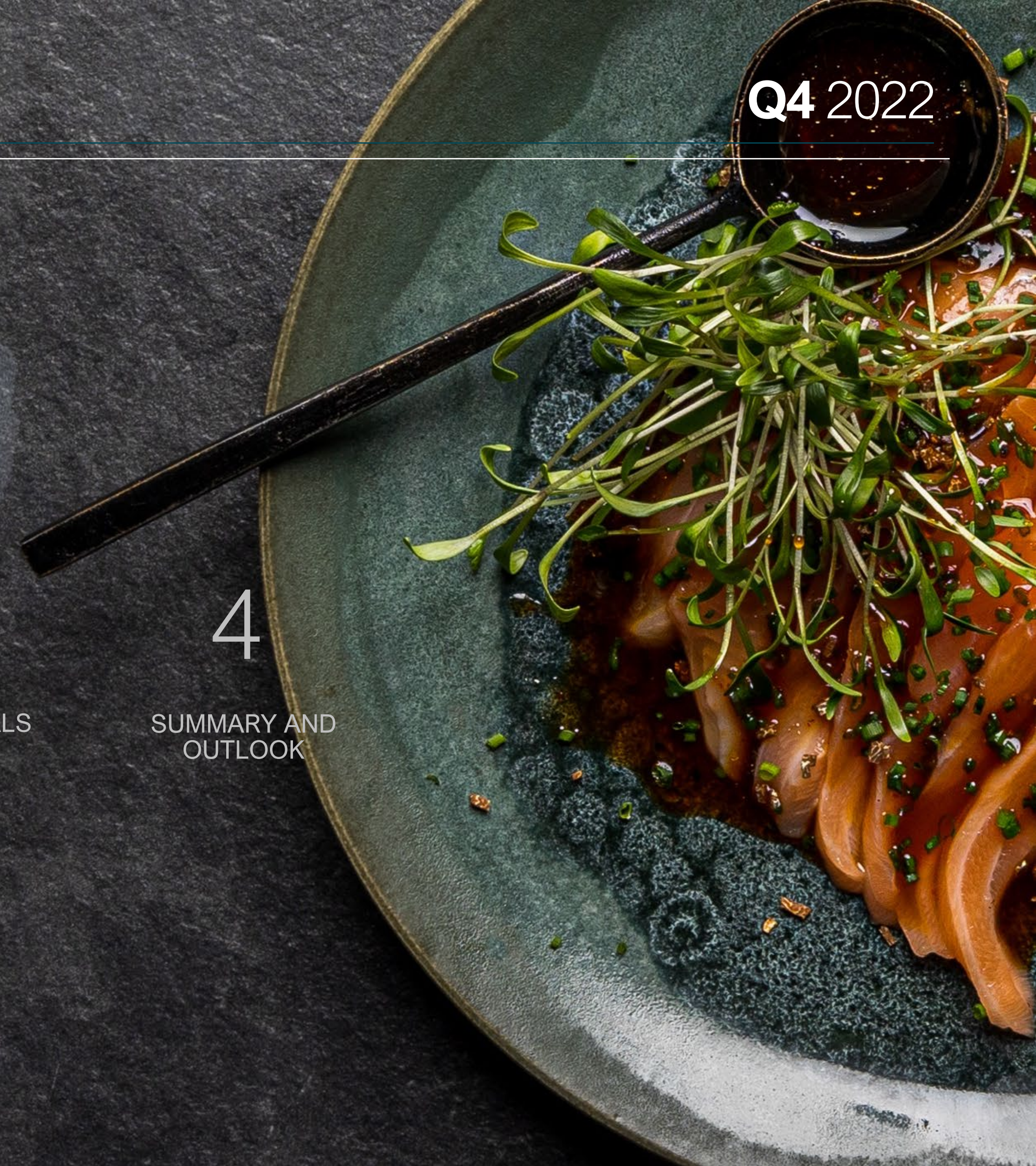
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KEY FINANCIALS

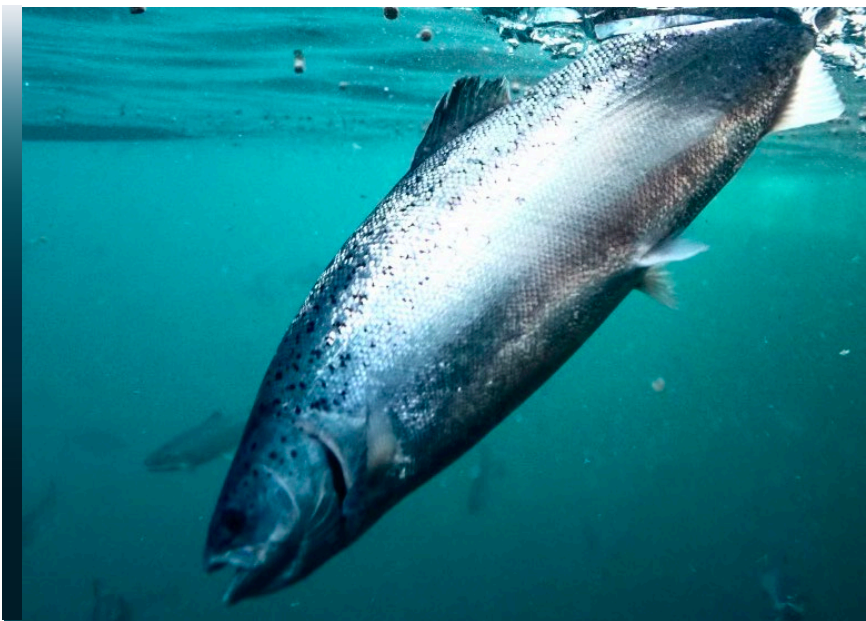
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SUMMARY AND
OUTLOOK



HIGHLIGHTS Q4 AND SUBSEQUENT PERIOD

CONTINUED HIGH SURVIVAL RATE



Survival rate of 98.4 % per 31 December 2022, after 6+ months in the pool

EXCELLENT GROWTH AND FEED CONVERSION RATE



High growth rate during Q4: from 560 to 1,434 grams (average) – ~40% higher than estimated

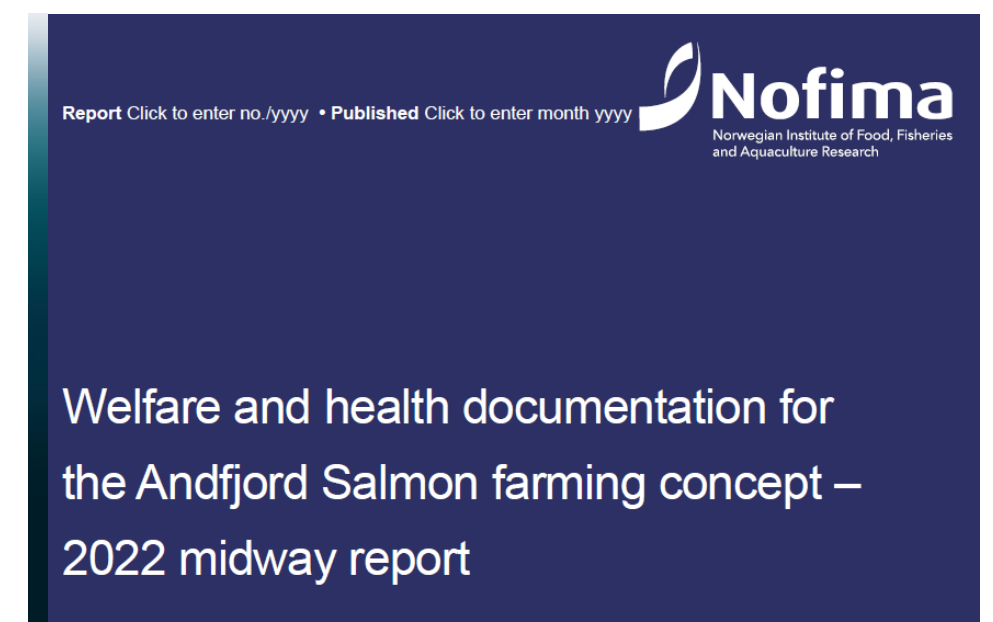
Accumulated feed conversion rate of 0.94*

CONTINUED LOW ENERGY CONSUMPTION AND COSTS



Industry-leading energy efficiency: Run-rate of 1 kWh per kilo produced salmon.

INDEPENDENT REPORT CONFIRMS STRONG BIOLOGICAL CONDITIONS



Research report by Nofima (Norwegian Institute of Food, Fisheries and Aquaculture Research) confirms favourable pool conditions and good fish welfare

* Average industry feed conversion rate was 1.27 in 2021 (Source: The Norwegian Directorate of Fisheries)

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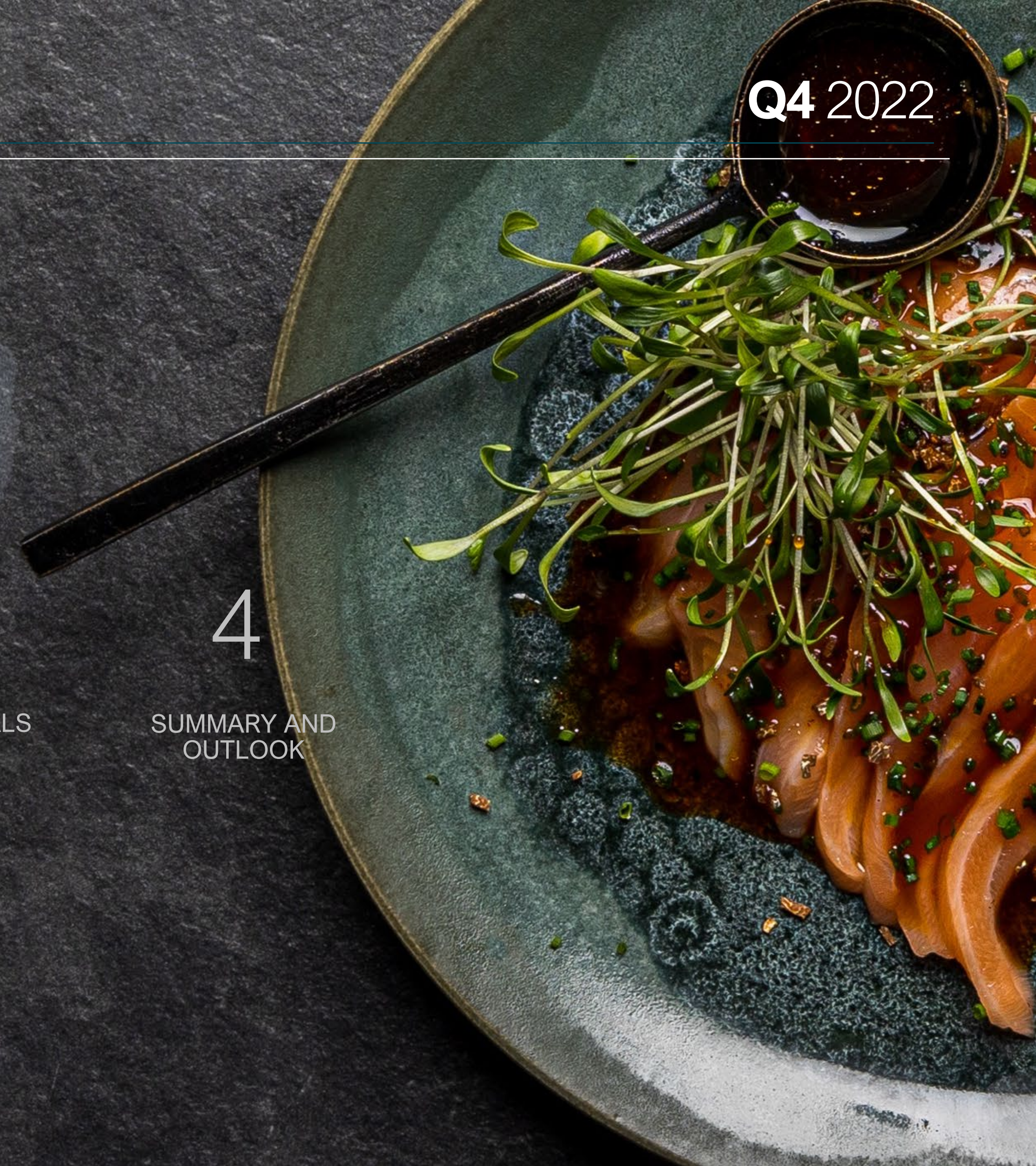
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KEY FINANCIALS

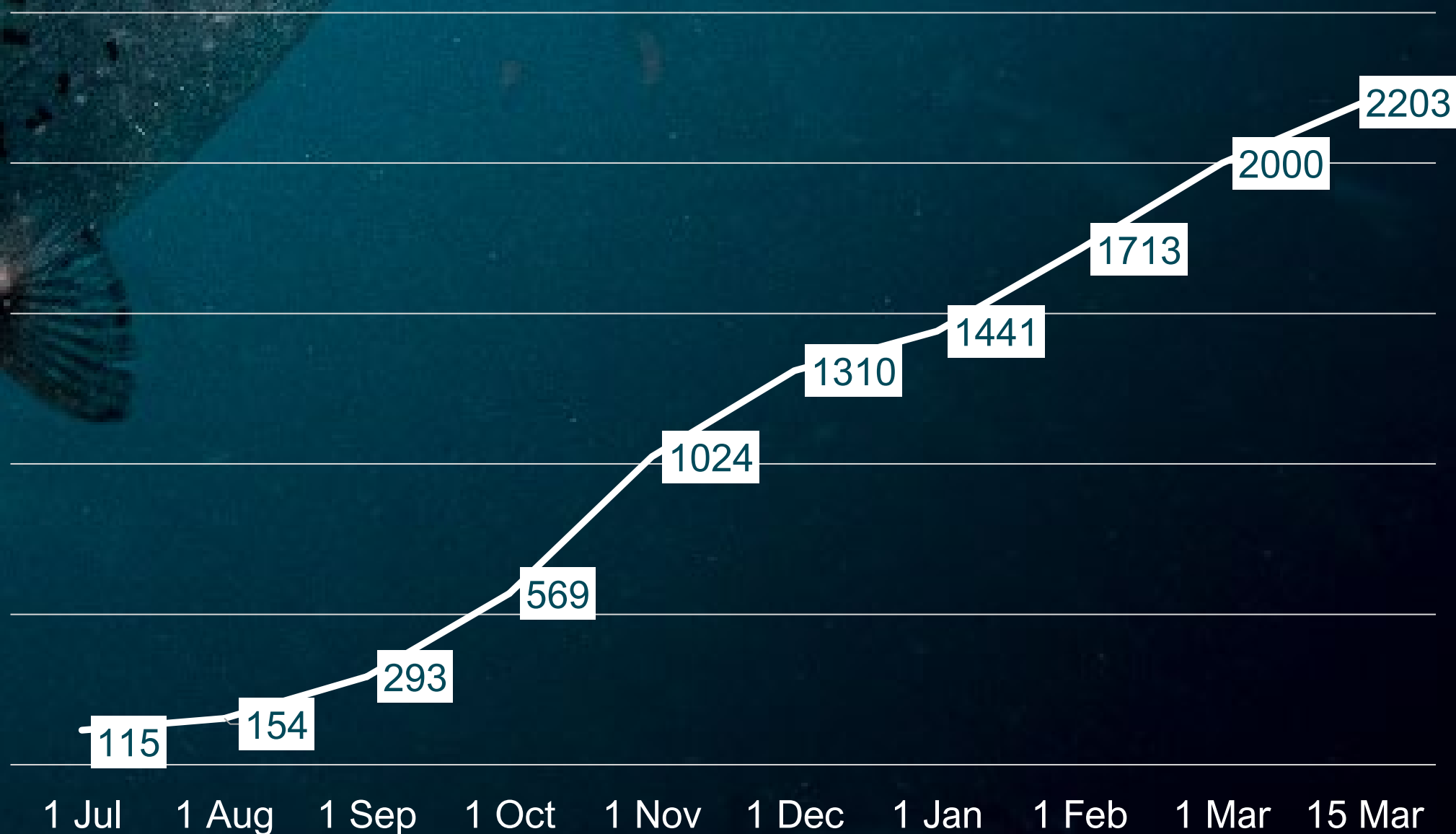
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SUMMARY AND
OUTLOOK



FISH GROWTH AHEAD OF SCHEDULE

AVERAGE WEIGHT PER FISH (GRAMS)



FISH THRIVING IN POOL

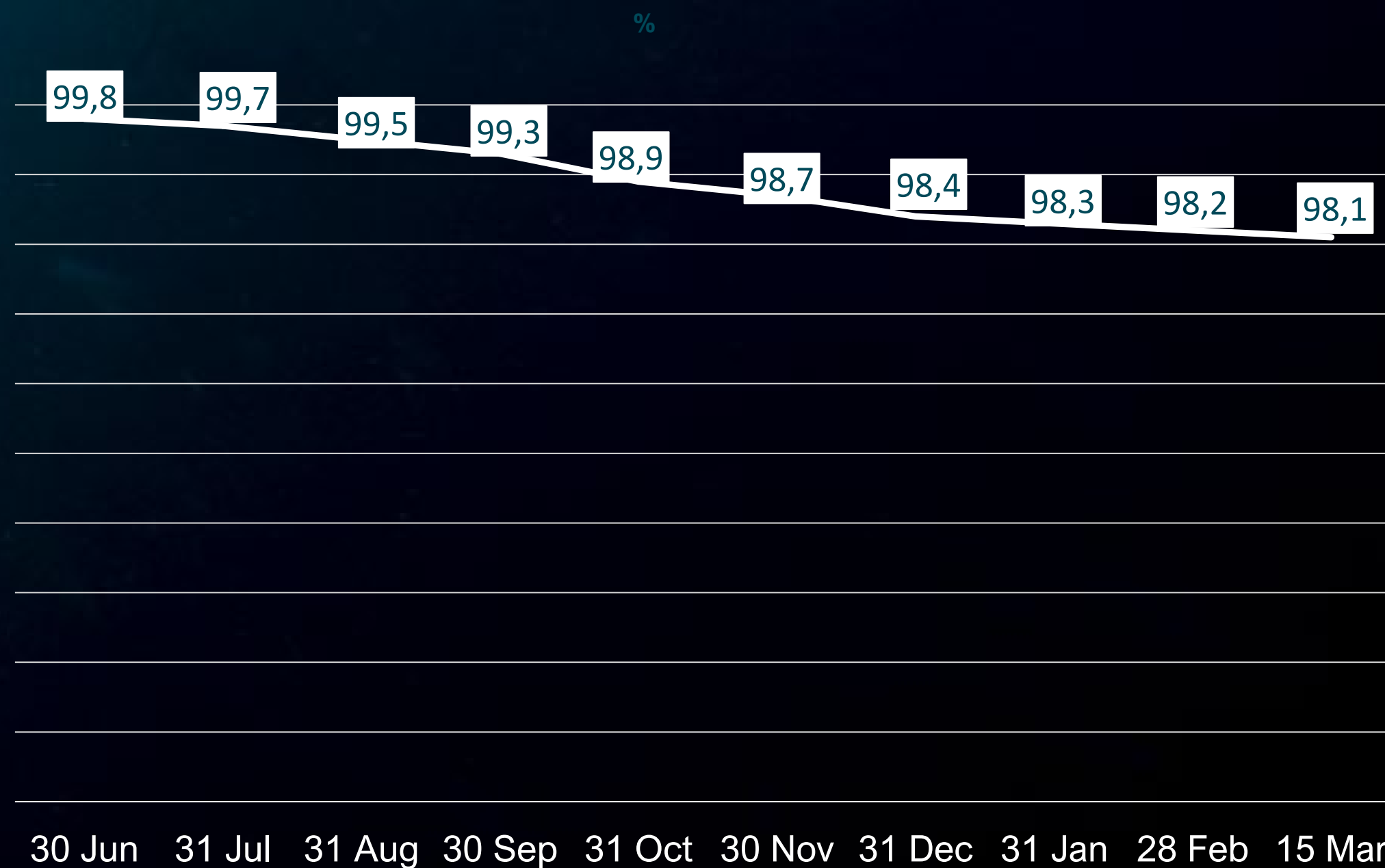
- Continued healthy appetite and natural behaviour
- Slightly lower growth rate in dark season and in colder water
- Growth still ahead of Andfjord Salmon's original schedule (~40%)

HIGH SURVIVAL RATE

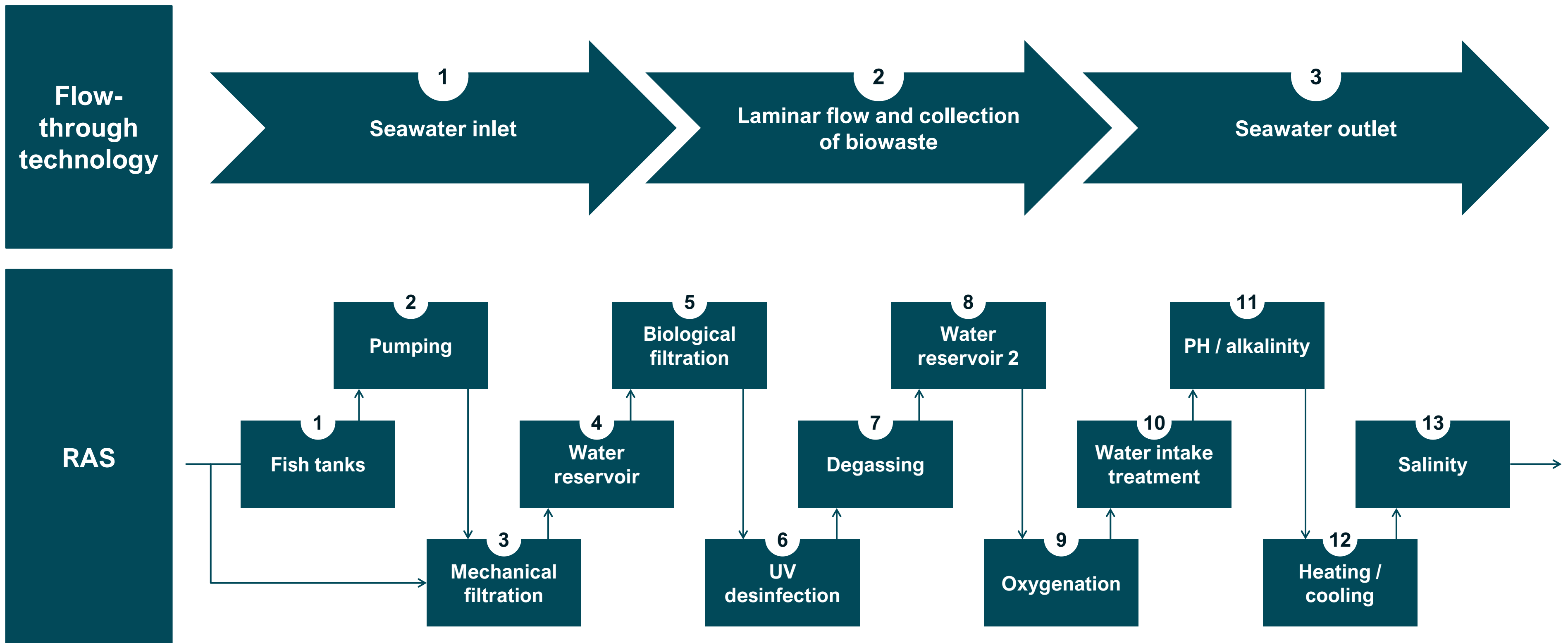
SALMON THRIVING IN POOL

- Low mortality proves that fish thrives in pool
- Good biological conditions
- Slightly higher mortality rate in October due to ROV lighting incident that caused a brief period of stress to fish
- Constantly looking for ways to further improve fish safety: Safety pads installed along pool wall during Q4 to reduce risk of trauma injuries

CONTINUED HIGH SURVIVAL RATE (%)

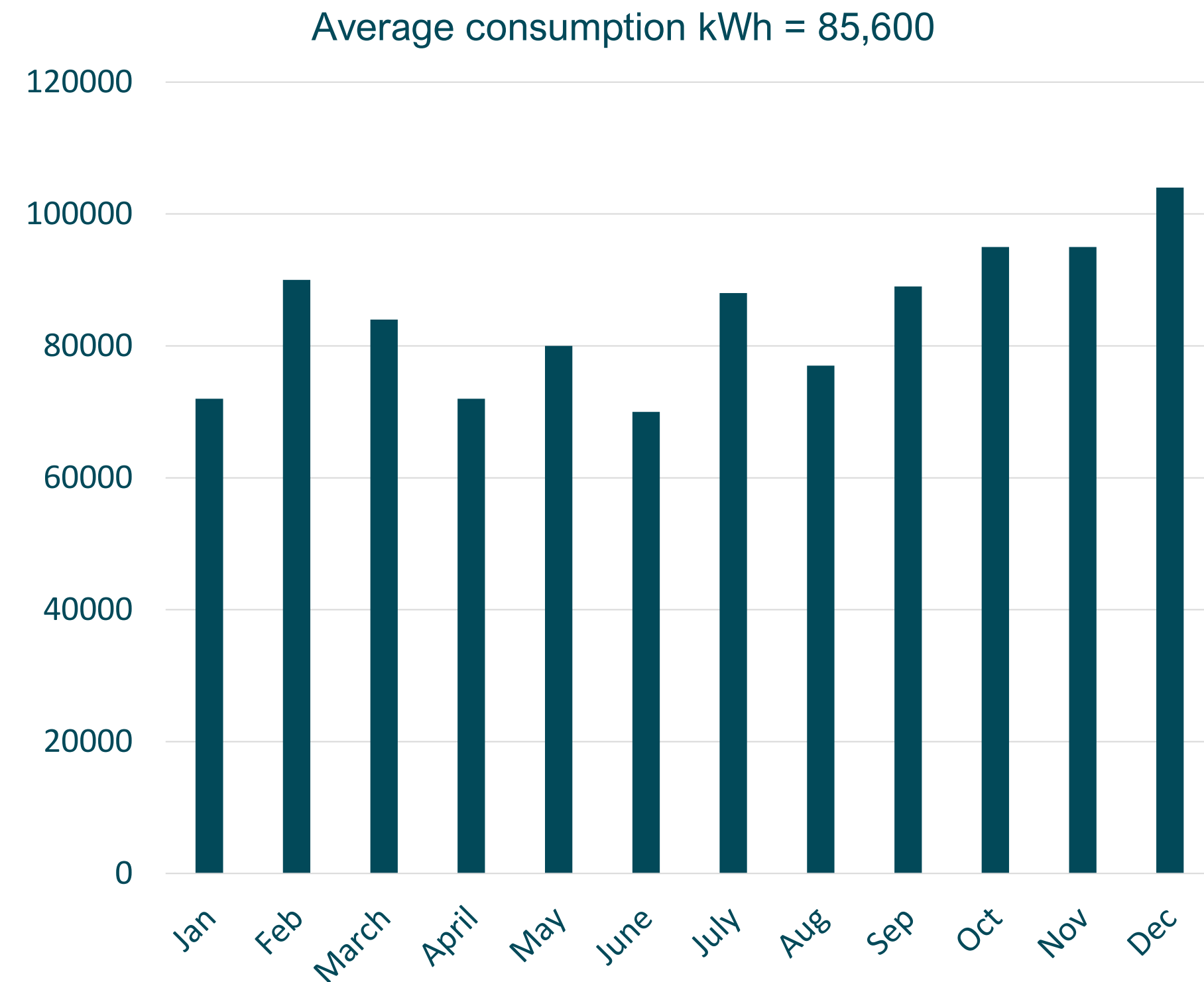


FLOW-TROUGH DESIGNED FOR **LOW ENERGY USE**

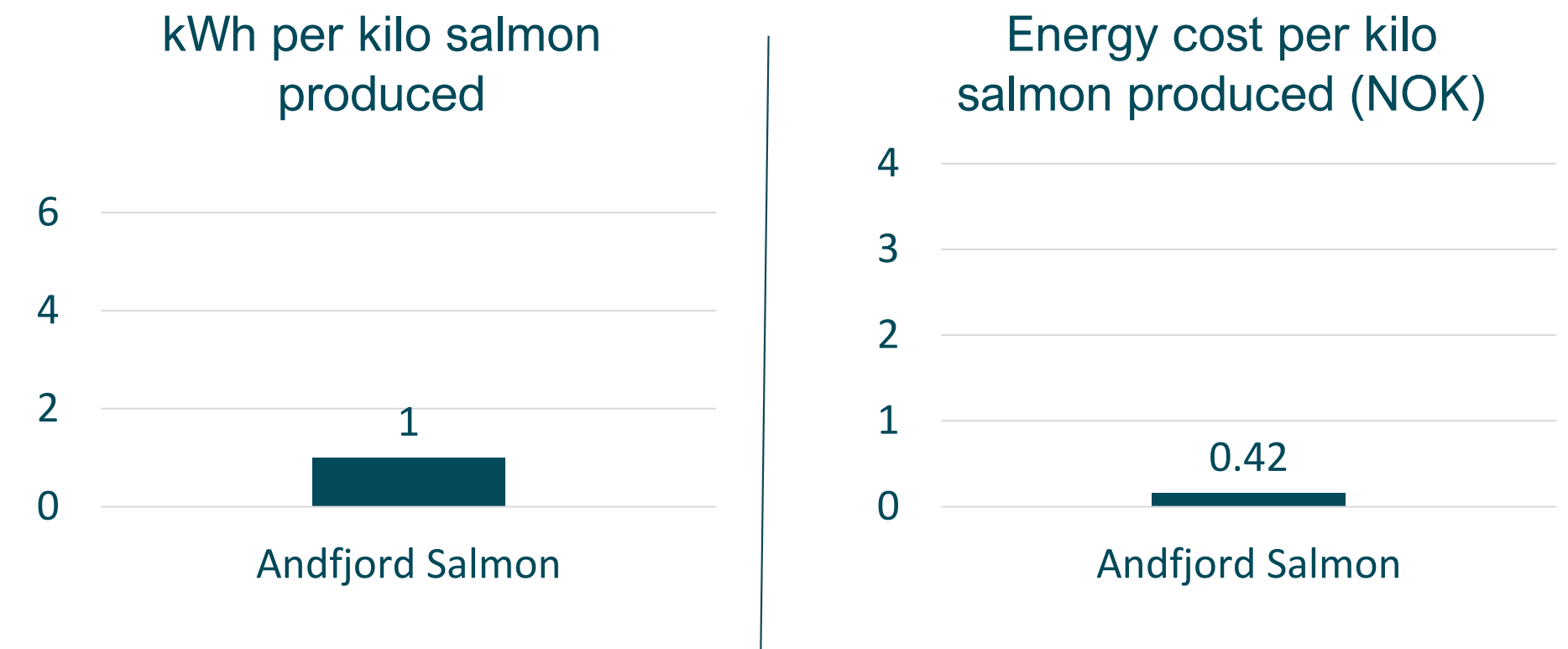


PROOF OF CONCEPT: LOW ENERGY CONSUMPTION

ENERGY CONSUMPTION EXACTLY AS ESTIMATED



INDUSTRY-LEADING ENERGY EFFICIENCY



- Based on average prices in July – December 2022:

NO4 (Northern Norway = 0.42 NOK per kwh


NOFIMA REPORT CONFIRMS HEALTHY BIOLOGICAL CONDITIONS

RESEARCH REPORT

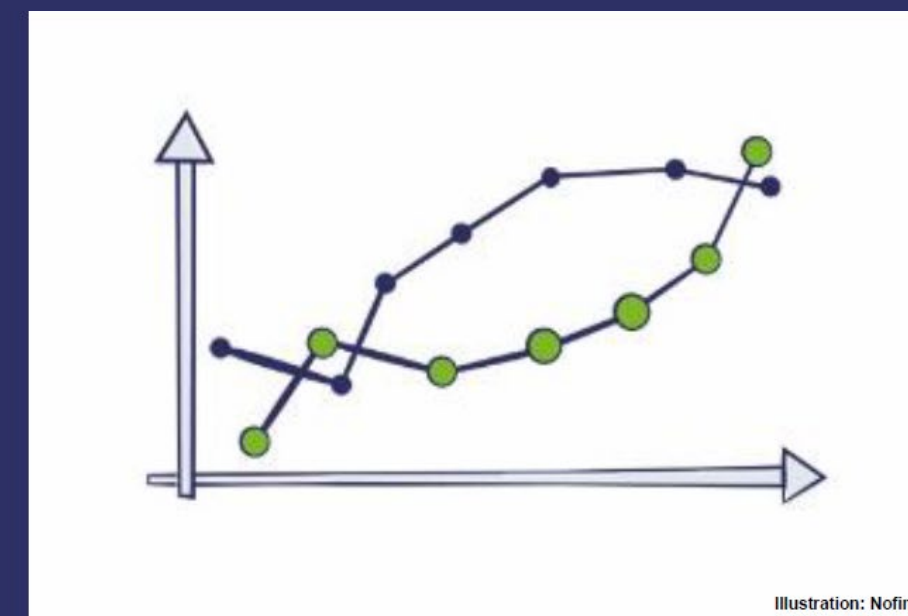
- Research report written by the Norwegian food research institute Nofima
- Based on first six months of operation of first pool

FOCUS AREAS

- Fish welfare
- Production performance
- Fish health (Åkerblå)

Report [Click to enter no./yyyy](#) • Published [Click to enter month yyyy](#)  **Nofima**
Norwegian Institute of Food, Fisheries
and Aquaculture Research

Welfare and health documentation for
the Andfjord Salmon farming concept –
2022 midway report



EXTENSIVE EXAMINATION OF PHYSICAL AND **BIOLOGICAL** FACTORS

Input-based OWIs*

- Oxygen
- Temperature
- Salinity
- Water velocity
- Light
- Stocking density
- Total suspended solids
- Turbidity
- Carbon dioxide
- pH

Group-based OWIs

- Appetite
- Growth
- Mortality
- Behaviour
- Emaciated fish
- Disease/health status

Individual-based OWIs according to Laksvel**

- First impression
- Vertebral deformities
- Emaciation state
- Maturation state
- Scale loss
- Skin haemorrhaging
- Lesion/wounds
- Snout damage
- Jaw deformities
- Eye opacity and damage
- Opercular damage
- Gill status
- Fin damage

NOFIMA REPORT UNDERLINES BENEFITS

*“Overall, **the welfare of the fish** in the system for the first six months of the documentation project **has been good** in relation to e.g. the Laksvel scoring scheme for input and outcome based indicators for salmon.”*

Pool conditions

“Water **temperature** is somewhat **more stable** than what would be expected at corresponding depths in open cages.”

“**Water current speeds**, whilst low, have not manifested in poor water quality and seems to be **increased by fish presence** in system.”

Fish health and welfare

“The low natural water temperatures the fish have been subjected to over the autumn/early winter have currently **not** manifested in any welfare or performance risks, or risks for e.g. winter ulcers.”

“**Mortalities** have been **very low** in the rearing system.”

“The **injury status** of the fish has generally been **good** with the majority of injury-based OWIs being scored as absent or mild.”

Growth

“**Appetite** has generally been **good** in the first six months of the project and growth performance and condition factor have been good.”

“The **growth**...has been **higher** throughout the period than that indicated for fish in this weight and temperature range (4 to 14°C) by reference growth tables. It is also in the **upper range** of values reported in several previous studies, overall.”

KVALNES I PHASE TWO PROGRESSING AS PLANNED

PROJECT PLANNING:

- In final stages of contract discussions with suppliers regarding the most efficient plan for further development
- Capital markets update during spring 2023 to present plans for next build-out phase,



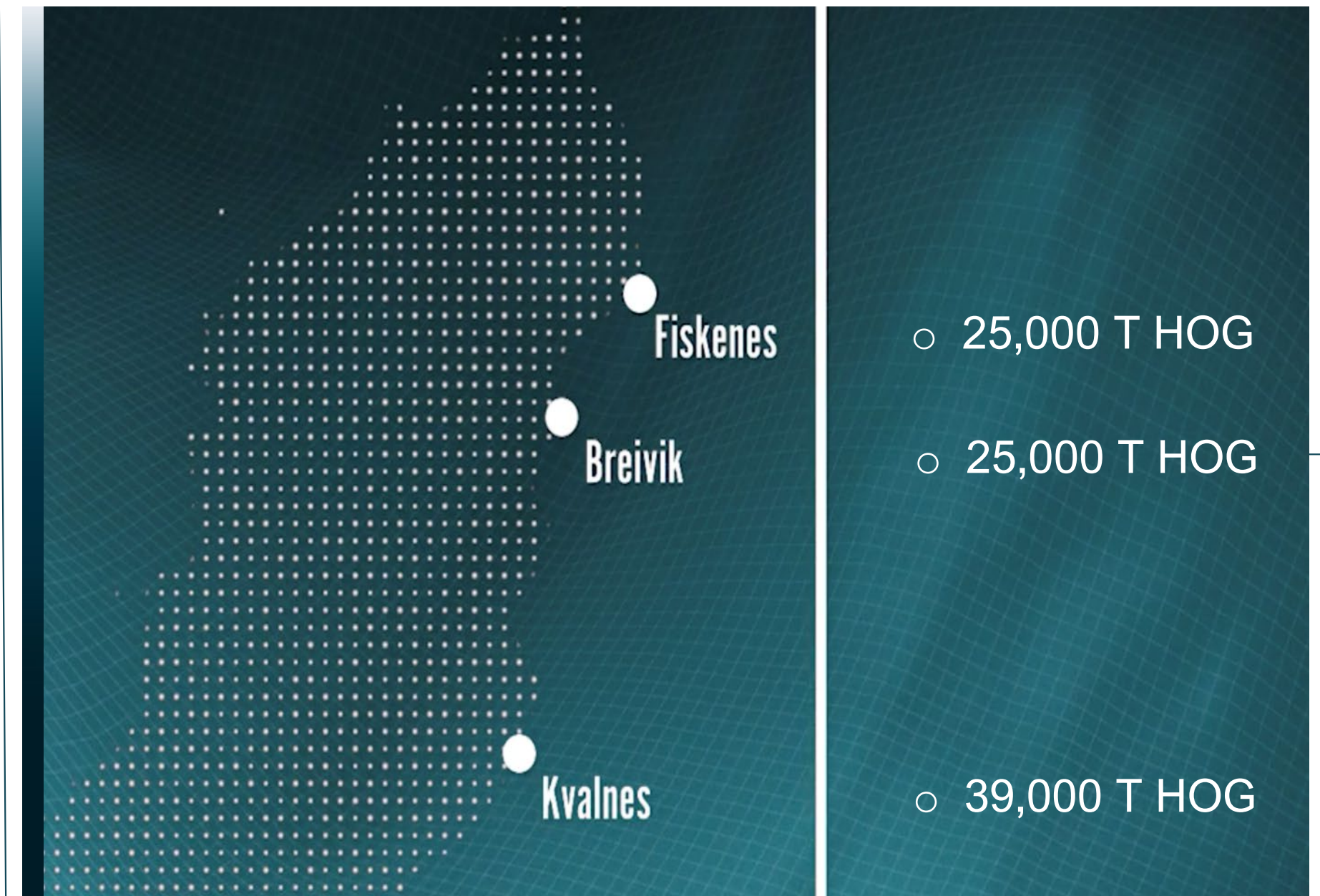
BREIVIK APPROVED, FISKENES IN PIPELINE

BREIVIK ZONING PLAN APPROVED 13 JUNE 2022

- Plan to build land-based fish farming facility, targeting production volume of 25,000 tonnes HOG

FISKENES ZONING PLAN APPLICATION:

- Process managed by Andøy municipal council.
- Plan to build land-based fish farming facility, targeting production volume of 25,000 tonnes HOG



TEMPORARY HALT IN LICENSE APPLICATIONS FOR LAND-BASED AQUACULTURE

- **Positive for the industry:** Andfjord Salmon has requested clarity and more up-to-date regulations that consider the latest technology development within land-based fish farming
- Up-to-date regulations will provide **increased predictability** for fish farmers

Andfjord Salmon is not directly impacted:

- Kvalnes production license (10,000 t MAB) in place since 2018 (see photo)
- Deliberately held back license applications for Breivik and Fiskenes in expectation of the new regulations



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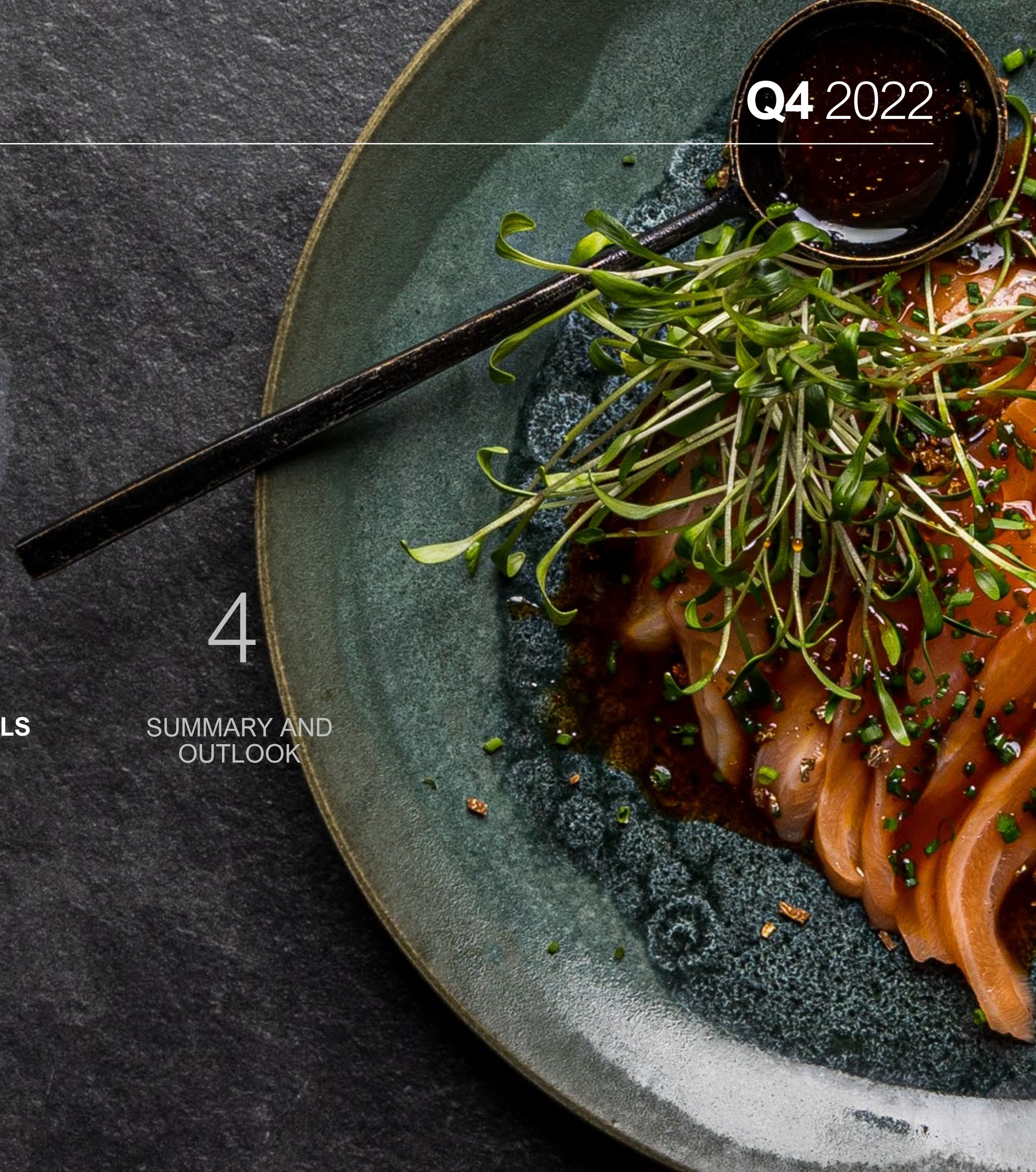
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KEY FINANCIALS

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SUMMARY AND
OUTLOOK



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INCOME STATEMENT

ANDFJORD SALMON AS

All amounts in NOK

	Q4 2022	Q4 2021	2022	2021
	1.10 – 31.12	1.10– 31.12	1.1 – 31.12	1.1 – 31.12
	Unaudited	Unaudited	Unaudited	
Operating income and expenses				
Other income	81 770	0	113 270	0
Total operating income	81 770	0	113 270	0
Change in biomass and inventory	74 409	0	-2 361 907	0
Salary and personnel expenses	9 732 908	5 848 526	23 338 021	17 402 069
Depreciation of tangible and intangible fixed assets	4 546 056	610 732	10 538 694	1 229 217
Other operating expenses	6 809 003	2 895 587	22 662 106	15 829 035
Total operating expenses	21 162 376	9 354 845	54 176 914	34 460 322
Operating profit/loss	-21 080 606	-9 354 845	-54 063 644	-34 460 322
Financial income and expenses				
Other financial income	898 884	80 918	1 845 488	282 983
Other financial expenses	1 793 236	799 556	5 198 141	1 358 912
Net financial income/expenses	-894 352	-718 638	-3 352 653	-1 075 929
Profit/loss before tax	-21 974 958	-10 073 484	-57 416 297	-35 536 250
Net profit/loss for the period	-21 974 958	-10 073 484	-57 416 297	-35 536 250

BALANCE SHEET

ANDFJORD SALMON AS

All amounts in NOK

	31.12.2022 Unaudited	31.12.2021
Assets		
Total intangible assets	8 555 993	2 664 757
Total property, plant & equipment	514 502 126	428 987 851
Total long-term fixed assets	88 550	123 970
Total fixed assets	523 146 669	431 776 578
Biomass	14 285 013	0
Other inventories	1 162 388	0
Total current receivables	20 580 848	33 673 118
Cash and deposits	82 911 053	14 918 370
Total current assets	118 939 301	48 591 488
Total assets	642 085 970	480 368 067

Figures do not include a remaining loan facility of NOK 5 million from Sparebank 1 Nord Norge and a NOK 20 million undrawn credit facility with Sparebank 1 Nord Norge.

BALANCE SHEET

ANDFJORD SALMON AS

All amounts in NOK

	31.12.2022 Unaudited	31.12.2021
Total equity	473 975 588	323 273 127
Liabilities		
Non-current liabilities		
Liabilities to financial institutions	85 498 408	39 478 187
Other non-current liabilities	64 079 192	59 191 509
Total non-current liabilities	149 577 600	98 669 696
Current liabilities		
Trade payables	10 360 515	49 689 856
Current tax liabilities	1 450 670	1 246 151
Other current liabilities	6 721 597	7 489 236
Total current liabilities	18 532 782	58 425 243
Total liabilities	168 110 382	157 094 939
Total equity and liabilities	642 085 970	480 368 067

CASH FLOW STATEMENT

ANDFJORD SALMON AS

All amounts in NOK

	Q4 2022 1.10 – 31.12 Unaudited	Q4 2021 1.10 – 31.12 Unaudited	2022 1.1 – 31.12 Unaudited	2021 1.1 – 31.12
Net cash flow from operating activities	-18 179 737	5 691 802	-85 568 992	-20 620 952
Net cash flow from investing activities	-20 582 755	-58 745 810	-100 714 987	-207 820 439
Net cash flow from financing activities	4 552 590	31 546 770	254 276 661	94 513 693
Net change in cash and cash equivalents	-34 209 902	-21 507 237	67 992 682	-133 927 697

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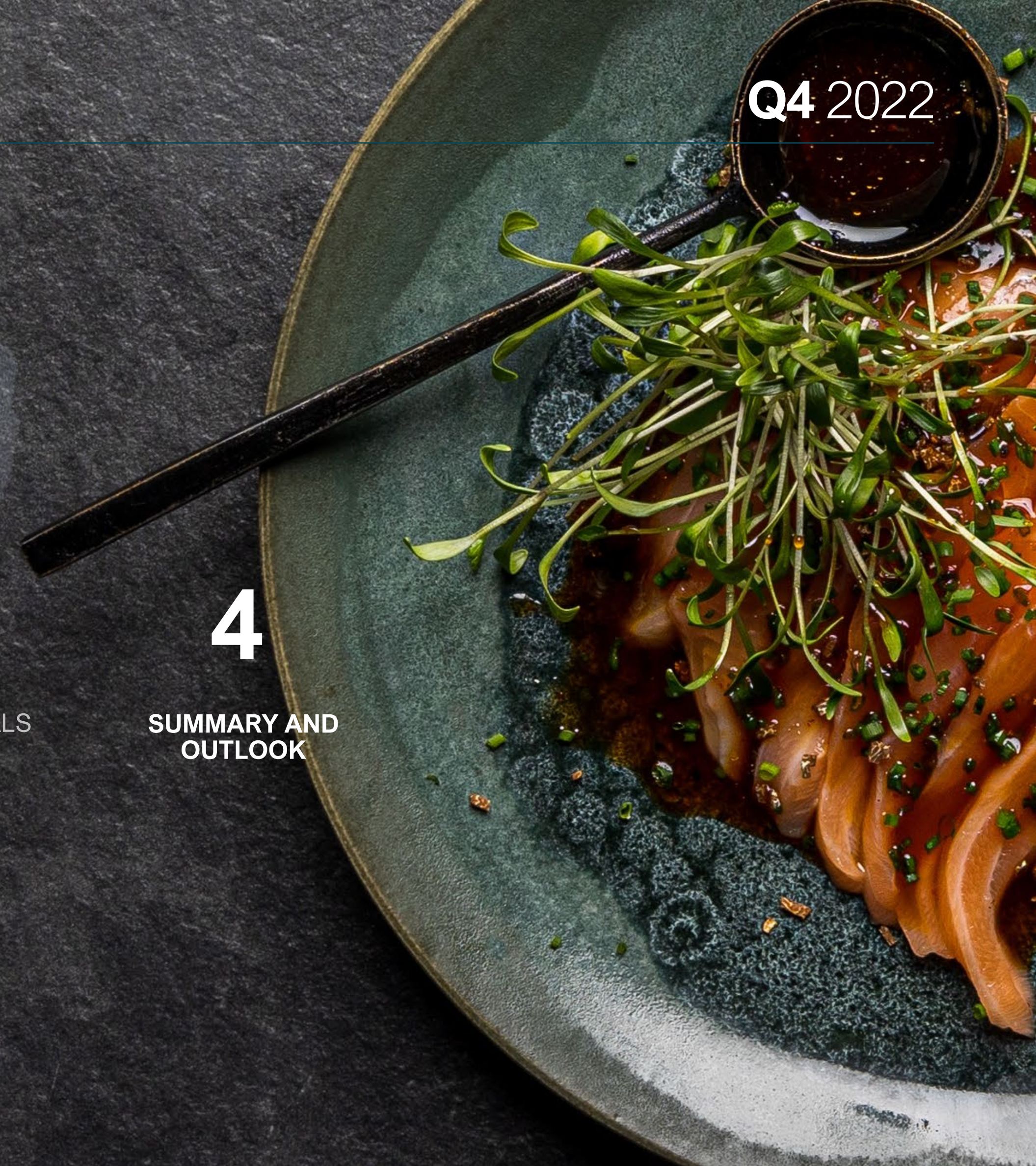
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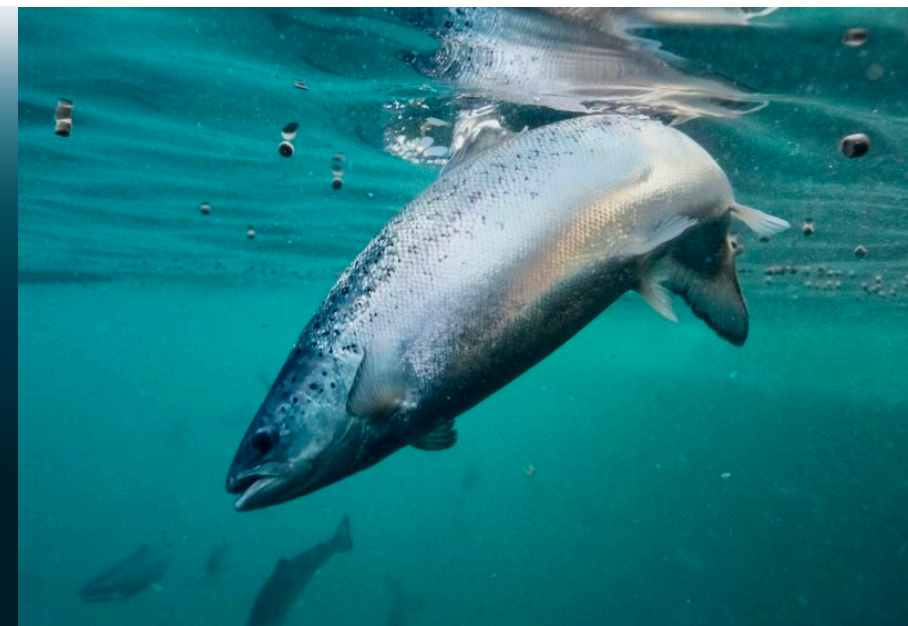
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SUMMARY AND
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SUMMARY AND OUTLOOK

OUR SALMON



- Healthy fish
- Growing faster than expected
- Maintains very high survival rate
- Nofima report confirms salmon's welfare status

SUSTAINABLE OPERATIONS



- Industry-leading energy consumption: run-rate of 1 kWh per kilo salmon produced
- Energy cost of NOK 0.42 per kilo salmon produced
- Feed conversion rate of 0.94

CAPITAL MARKETS UPDATE



- Ambitions and plans for next build-out phase at Kvalnes during spring 2023

FIRST HARVEST



- Targeting first harvest mid-2023

* Average feed conversion rate was 1.27 in 2021 (Source: The Norwegian Directorate of Fisheries)

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Q4 2022

ON TRACK
TO BUILD THE
THE WORLD'S MOST
**FISH-FRIENDLY AND
SUSTAINABLE
FACILITY**



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