

2024

INTERIM REPORT

HALF-YEAR



ANDEFJORD™
SALMON

2024 HALF-YEAR HIGHLIGHTS

POOL PIT EXCAVATION

JANUARY

Excavation of the next 12 pool pits at Kvalnes, Andøya, completed one quarter ahead of schedule.

“POST-SMOLT” STRATEGY

FEBRUARY

Plans announced to implement a “post-smolt” production strategy, a supplement to production of human grade salmon, to capitalise on unutilised pool capacity in the first half of each production cycle. Andfjord Salmon estimates a 15-25% increase in EBIT through the combined production strategy.

SCIENCE-BASED APPROACH

APRIL

Nofima's final report, covering the full production cycle from smolt release to harvest, highlights Andfjord Salmon's comprehensive welfare and health documentation plan. The report documents numerous operational welfare indicators, including environmental factors, fish behaviour, growth, and health.

FINANCING

MAY

Andfjord Salmon capitalised on increased investor interest, raising NOK 350 million in equity to enhance its financial flexibility for the ongoing Kvalnes build-out. Strong support from strategically important shareholders.

BUILD-OUT PROGRESS

JUNE

Andfjord Salmon reports faster than expected progress for the development of the waterways that will provide fresh seawater to the pools at the company's land-based aquaculture facility at Kvalnes. Work on the two other ongoing workstreams - the harbour area and the concrete pools - is progressing as planned.

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ANDEFJORD SALMON AT A GLANCE

EST. 2014

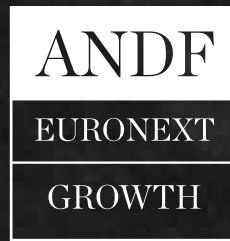
FOUNDED

Established in 2014 at Andøya, Vesterålen in Northern Norway



LOCATED

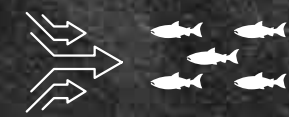
Strategically located with unique access to oxygen-rich tempered seawater from the Gulf Stream.



LISTED

Listed on Euronext Growth in 2020.

NATURAL FLOW



FLOW-THROUGH TECHNOLOGY

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

PRODUCTION POTENTIAL

~90,000 TONNES (HOG)

CAPACITY

We have acquired three locations, with a clear roadmap towards achieving a total production capacity of ~90,000 tonnes (HOG).

ENERGY CONSUMPTION PER KILO SALMON

1 kWh

LOW ENERGY FACILITIES

No need to lift the water above the surface. No need to heat or cool the seawater.

Industry leading SURVIVAL RATE

97.5%

Industry average = 83.3% (Fish Health Report 2023)

FISH FRIENDLY & SUSTAINABLE

Our ambition is to build and operate the world's most sustainable aquaculture facility of its kind.





CEO SUMMARY

WATCHING KVALNES GROW

The first half of 2024 has brought numerous positive developments for Andfjord Salmon. The solid progress of our Kvalnes build-out is one of many highlights in the period.

In last year's half-year report, I took the liberty of quoting iconic investor Warren Buffet, who once said "someone's sitting in the shade today because someone planted a tree a long time ago", to emphasise the need for careful preparation and planning to be able to reap the benefits later. Our build-out at Kvalnes is our "tree" and we are watching it grow every day. The fact that the build-out is on track, which is the result of strong preparatory work together with our main suppliers and our joint ability to convert plans into action.

For example, in January we announced that the excavation of the next 12 pool pits at Kvalnes had been completed a full quarter ahead of schedule. And at the end of June, we reported faster-than-expected progress for the development of the waterways that will provide fresh seawater to the pools at Kvalnes. Please bear in mind that construction of the waterways may expose us to underground conditions that can present potentially entail some unwanted surprises. However, careful examination and analyses of the bedrock prior to initiating excavation and blasting has helped manage and de-risk this part of the build-out.

The current status at Kvalnes is that all ongoing workstreams are on track, including pool construction, waterways and harbour area. Hence, our meticulous planning and preparation demonstrate its value every single day.

Biological performance

There is no doubt that the Norwegian salmon farming industry is under great scrutiny. Partly because of weak biological performance which has resulted in challenges with fish health, fish welfare and high mortalities.

Andfjord Salmon does not have fish in our pools at the moment, but biological performance is constantly top of mind. Because we have chosen to adopt a science-based approach to land-based fish farming.

Earlier this year, scientists at the Norwegian food research institute Nofima submitted their final report on our first production cycle, covering the full process from smolt release to harvest. The report highlighted our comprehensive welfare and health documentation plan. It also documents numerous operational welfare indicators, including environmental factors, fish behaviour, growth, and health. In short, the report clearly showed that our land-based flow-through system enables fish-friendly salmon farming.

"Post-smolt"

The impressive biological results from our first production cycle helped open up a new business opportunity for us earlier this year. In February 2024, we announced plans to implement a "post-smolt" production strategy, a supplement to production of human grade salmon, to capitalise on surplus pool capacity in the first half of each production cycle. The plan is to utilise some of this unused capacity by releasing more smolt. After reaching a certain biomass density level, typically after 5-7 months when the fish has reached an average weight of around 1 kilogram, some of the fish will be sold as "post-smolt" to ocean-based fish farmers in the local region. Releasing larger, more robust fish into ocean net pens shortens the ocean-based grow-out phase, providing biological and environmental benefits to ocean-based fish farmers.

The "post-smolt" strategy also benefits Andfjord Salmon. According to our own calculations, this strategy will enable a 10% higher biomass turnover, leading to an estimated 15-25% increase in EBIT. Cash flow will improve too.

Key shareholder support

The combination of our strong biological results, "post-smolt" strategy and solid build-out progress have further strengthened shareholders' trust in our business. We were therefore able to raise NOK 350 million in equity in May which increased our financial flexibility for the ongoing Kvalnes build-out. I would like to end this summary by thanking our shareholders for their continued support. We look forward to reporting our progress at Kvalnes in the months and quarters ahead.

Martin Rasmussen
CEO of Andfjord Salmon



This is Andfjord Salmon

THE HOME OF ATLANTIC SALMON

Andfjord Salmon is a Norwegian company established in 2014 by founders with extensive salmon farming, financial and business development experience.

Our concept represents the best of traditional ocean-based salmon farming, combined with the advantages of being land-based. The result is optimal salmon welfare and sustainable production of Atlantic salmon.

Taking salmon farming into the future
Headquartered at Kvalnes on the northern part of the island of Andøya, in the Arctic archipelago of Vesterålen, we have developed an innovative aquaculture concept for the land-based farming of Atlantic salmon.

Our patented natural flow-through technology takes advantage of the nearby Gulf Stream, which provides oxygen-rich water at ideal temperatures. We source seawater at 40 meters depth, which means that we avoid problems with salmon lice and poisonous algae. Our closed pools combined

with a 20-kilometre distance to other salmon farms means that we are less exposed to the challenges faced by the traditional salmon farming industry.

In addition, salmon cannot escape. The pools are equipped with an innovative cleaning system which not only prevents the pollution of marine life, but which even utilises biological waste as a resource.

Our ambition is to build and operate the world's most sustainable aquaculture facility of its kind, serving the global food market.

For more information, see www.andfjordsalmon.com

Certifications
We work closely with certification bodies in Europe and the Americas, which certify that salmon is farmed in accordance with strict and clearly



defined environmental criteria and standards for food safety. The two most important certifications for our industry are Global G.A.P. and ASC.

Global Good Agricultural Practices (G.A.P.) is a standard for both agriculture and aquaculture that covers food safety, animal welfare, sustainability, employment, and traceability. We obtained Global G.A.P. certification in 2023, and also plan to obtain ASC certification once we have resumed continuous operation.

Membership associations
Andfjord Salmon is a member of The Norwegian Seafood Federation (Sjømat Norge) and Norwegian Seafood Association (Sjømatbedriftene), where we are an active participant.



OPERATIONAL REVIEW

Andfjord Salmon's primary focus during the first half of 2024 has been the development of the company's land-based salmon farming facility at Kvalnes, Andøya, Norway.

In January 2024, Andfjord Salmon announced that the excavation of the next 12 pool pits at Kvalnes had been completed a full quarter ahead of schedule. This encouraging start created added flexibility for the technical workstreams that lie ahead in the construction process.

In the first phase of the build-out, Andfjord Salmon is completing four new pools, increasing total production capacity to 8,000 tonnes HOG at Kvalnes by 2025. The company aims to achieve a total production capacity of 40,000 tonnes HOG at Kvalnes through gradual volume increases between 2025 and 2030. The initial phase includes developing shared infrastructure such as waterways and a harbour area to support future production.

Andfjord Salmon has adopted a mass balance approach for the current build-out, whereby excavated masses from pool pits and waterways are used in the development of a new harbour at Kvalnes. This considerably reduces operating costs and CO2 emissions associated with the build-out.

At the end of the first half of 2024, Andfjord Salmon reported faster than expected progress for the development of the waterways – including inlet and outlet tunnels – that will provide fresh seawater to the pools at Kvalnes. In just one month, from late May to late June the tunnel construction's completion rate increased from 38 to 57 percent. Construction of the waterways involves working underground, which exposes the project to ground conditions. To make such solid progress in such a short time period is therefore important as it helps to de-risk one of the most challenging parts of the Kvalnes build-out.

Work on the two other ongoing workstreams - the harbour area and the concrete pools – progressed as planned throughout the first half of 2024. At the end of the period, the harbour area workstream had reached 42 percent completion, while the concrete pools workstream stood at 12 percent completion as installation of steel reinforcements and foundation work moved ahead as scheduled.

Andfjord Salmon has adopted a science-based approach to land-based fish farming. In early 2023, scientists at the Norwegian food research institute Nofima submitted an assessment and report regarding pool conditions, fish health and welfare half-way through Andfjord Salmon's first production cycle. In the spring of 2024, Nofima submitted its final report, covering the full production cycle from smolt release to harvest. This report highlighted Andfjord Salmon's comprehensive welfare and health documentation plan. It also reported documents numerous operational welfare indicators, including

environmental factors, fish behaviour, growth, and health. The fish farming industry is under pressure to improve biological conditions, fish health, and welfare. Although Andfjord Salmon is still a small player in a large global industry, this report showed that the company's land-based flow-through system enables fish-friendly salmon farming.

In February 2024, Andfjord Salmon announced plans to implement a "post-smolt" production strategy, a supplement to production of human grade salmon, to capitalise on unutilised pool capacity in the first half of each production cycle. Andfjord Salmon has significant surplus pool capacity after the release of smolt in the company's pool. The plan is to utilise some of this unused capacity by releasing more smolt. After reaching a certain biomass density level, typically after 5-7 months when the fish has reached an average weight of around 1 kilogram, some of the fish will be sold as "post-smolt" to ocean-based fish farmers in the local region.

This strategy enhances production capacity and income potential without requiring additional infrastructure costs.

According to Andfjord Salmon's calculations, this strategy will enable a 10% higher biomass turnover, leading to an estimated 15-25% increase in EBIT. Cash flow will also improve as sales revenue can be generated after 5-7 months of production, in addition to income from harvesting human-grade salmon after a full 12-15 month production cycle. Releasing larger, more robust fish into ocean net pens shortens the ocean-based grow-out phase, providing biological and environmental benefits to ocean-based fish farmers. Andfjord Salmon has entered a strategic collaboration with Eidsfjord Sjøfarm/Holmøy Havbruk to supply post-smolt to nearby ocean-based farming locations.

The successful results achieved in the first production cycle, Nofima's independent verifications, and the "post-smolt"-strategy, all

contributed to increased investor interest in Andfjord Salmon. Consequently, in May 2024, Andfjord Salmon successfully raised NOK 350 million in equity to enhance financial flexibility for the ongoing Kvalnes build-out. Current shareholders, including the company's largest shareholder Jerónimo Martins Agro-Alimentar S.A and Eidsfjord Sjøfarm, invested their pro-rata shares in the private placement. High Liner Foods Incorporated, a leading seafood processor and marketer in the US and Canada, also invested approximately NOK 107 million, becoming a new shareholder in Andfjord Salmon.

FINANCIAL REVIEW

Income statement

In the first half of 2024, the company has primarily been focusing on the build-out of its Kvalnes site. The first steps in the current expansion were initiated in mid-2023 and the next four pools and shared infrastructure such as harbour and waterways are expected to be completed by mid-2025. In total, this will lead to a total production capacity of 8,000 tonnes HOG. Step two of the expansion includes a further eight pools leading to a total production capacity of 19,000 tonnes HOG from mid-2027.

The Group has had some minor sales income during the first half of 2024. This is related to the sale of frozen products from the first production cycle that was harvested in 2023. For the first half of 2024, Andfjord Salmon reported an operating loss of NOK 36.2 million, compared to a loss of NOK 32.0 million in the same period in 2023. The change is mainly related to lower sales revenue, since a significant proportion of the first batch of self-produced salmon was sold in June 2023. Operating expenses were also higher in 2023, due to production costs related

to the first batch. Apart from direct production cost, both employee benefit expenses and other operating expenses are at a stable level in the current phase and at approximately the same level in 2024 as in 2023.

Net financial result were NOK 1.7 million in the first half of 2024, compared to NOK -0.3 million in 2023. This is due to higher bank deposits as a result of the capital increase that was carried out in June 2023. Interest expenses are mainly accounted for as investment and more or less unchanged.

Financial position and cash flow

During the first half year of 2024, Andfjord Salmon has carried out significant investments in property, plant and equipment related to the ongoing expansion at Kvalnes. Book value of property, plant and equipment at the end of the first half of 2024 was NOK 1,443 million, up from NOK 877 million at year-end 2023.

Cash and deposits were NOK 228 million as of

30 June 2024, a decrease from NOK 250 million at year-end 2023. In addition, the Group had other current assets of NOK 82.8 million at the end of June 2024, of which NOK 70 million was related to VAT receivables that were paid in August.

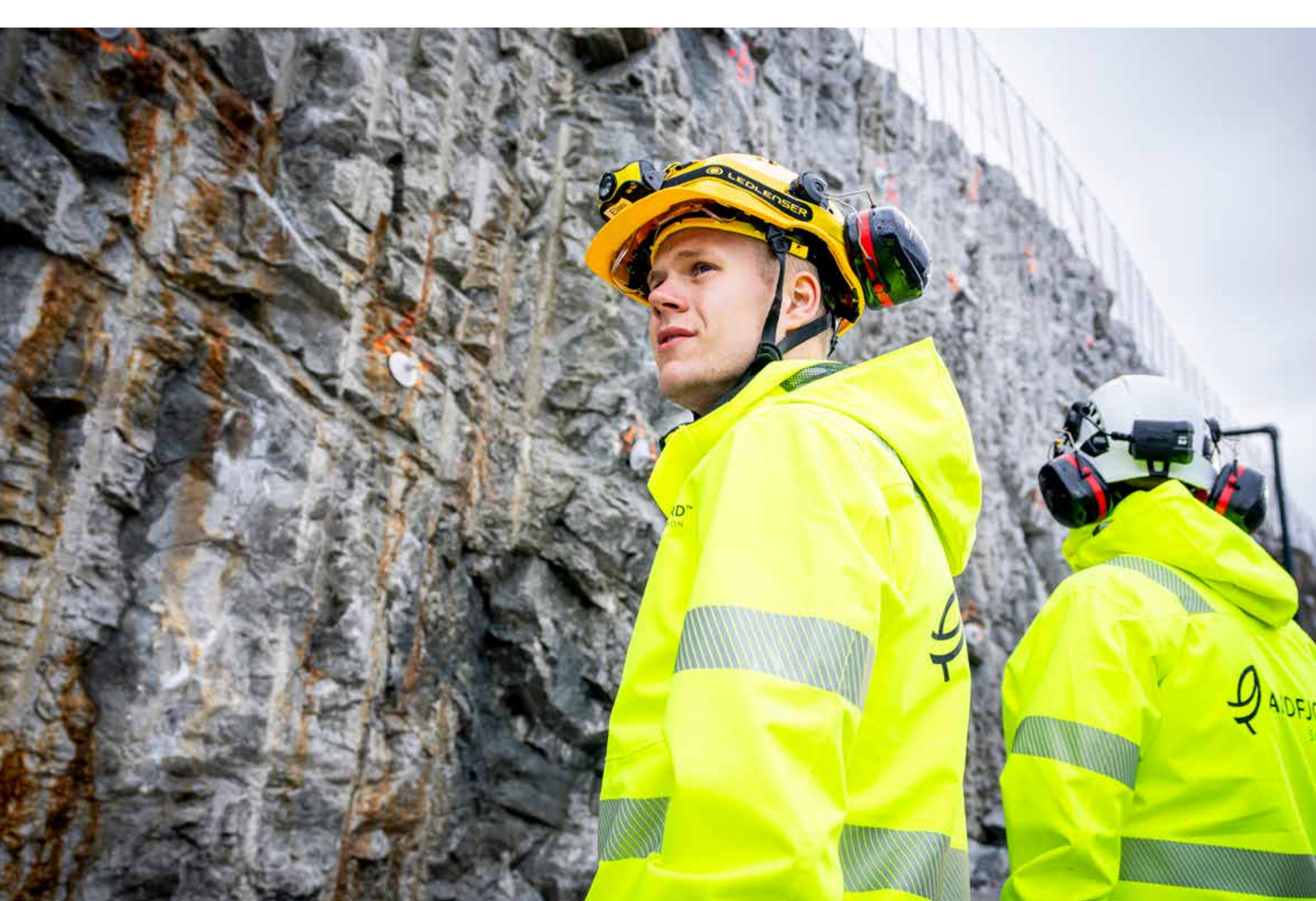
The Board of Andfjord Salmon approved a share issue in May 2024. The capital increase related to this was NOK 350 million. The Group's assets at the end of June 2024 are financed with 72% equity. The Group had interest-bearing debt of NOK 226 million and trade payables of NOK 254.5 million. Andfjord Salmon raised equity of NOK 965 million in total during 2023 and the first half of 2024. Together with a construction loan of NOK 825 million, this forms the financing of stage 1 of the expansion at Kvalnes. The first drawdown of the construction loan was carried out in June 2024, with NOK 165 million. The Group expects to have four new pools ready for production in mid-2025, in addition to major infrastructure such as waterways and a harbour area that will serve the entire Kvalnes site, targeting total production capacity of 40,000 tonnes HOG annually.

Net cash flow from operating activities was NOK -31.7 million in the first half of 2024. Cash flow from investing activities was NOK -462.1 million. Net cash flow from financing activities was NOK 471.8 million, of which NOK 326.3 million was related to paid-in equity in connection with the above-mentioned capital increase. The remaining net cash flow from financing activities is related to bank financing and the first drawdown of the construction loan.

Statement from the board of directors and CEO

We confirm, to the best of our knowledge, that the interim financial statements for the period January 1 to June 30, 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and provide a true and fair view of the company's assets, liabilities, financial position and profit and loss as a whole. We also confirm, to the best of our knowledge, that the interim report includes a fair overview of important events that have occurred during the first six months of the financial year and major related party transactions.





ANDEFJORD SALMON GROUP INTERIM CONDENSED CONSOLIDATED REPORT HALF-YEAR 2024

Ended 30 June 2024

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK thousand</i>	Notes	HY 2024	HY 2023	2023
		Unaudited	Unaudited	
Revenue from contracts with customers	5	135	9 625	37 279
Total revenue		135	9 625	37 279
Changes in biological assets at cost and other inventories		-	(1 864)	(1 162)
Cost of materials		(210)	(22 047)	(59 638)
Fair value adjustments of biological assets		-	25 707	25 707
Employee benefit expenses		(10 446)	(12 389)	(25 208)
Depreciation and amortisation expenses	7	(12 412)	(12 317)	(24 904)
Other operating expenses		(13 233)	(18 748)	(31 707)
Operating profit/(loss)		(36 166)	(32 032)	(79 634)
Financial income		2 100	-	12 187
Net financial costs		(421)	(283)	(2 340)
Financial income/(expenses), net		1 679	(283)	9 847
Profit/(loss) before income tax		(34 487)	(32 315)	(69 787)
Income tax expense				
PROFIT/(LOSS) FOR THE PERIOD		(34 487)	(32 315)	(69 787)
Net other comprehensive income/(loss)				
COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		(34 487)	(32 315)	(69 787)
Earnings per share (in NOK):				
Basic earnings per share		(0.58)	(0.80)	(1.43)
Diluted earnings per share		(0.58)	(0.80)	(1.43)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in NOK thousand</i>	Notes	30 June 2024	31 December 2023	30 June 2023	<i>Amounts in NOK thousand</i>	Notes	30 June 2024	31 December 2023	30 June 2023
		Unaudited		Unaudited			Unaudited		Unaudited
ASSETS					EQUITY AND LIABILITIES				
NON-CURRENT ASSETS					EQUITY				
Intangible assets		16 445	14 389	12 570	Share capital	10	67 619	57 013	46 961
Property, plant and equipment	7	1 443 058	876 632	521 109	Share premium	10	1 440 345	1 124 620	748 286
Right-of-use assets		15 376	17 640	19 496	Retained earnings		(229 711)	(195 224)	(157 752)
Other non-current assets		35	113	71	Other reserves		8 890	7 278	5 566
Total non-current assets		1 474 914	908 774	553 246	Total equity		1 287 142	993 688	643 061
CURRENT ASSETS					LIABILITIES				
Biological assets		-	-	29 836	Borrowings	8	218 324	59 959	63 417
Other inventories	6	1 487	1 697	-	Lease liabilities		7 869	9 340	11 027
Trade and other receivables		30	-	10 987	Total non-current liabilities		226 193	69 299	74 444
Other current assets		82 831	52 361	152 157	Borrowings	8	7 666	7 666	59 417
Cash and cash equivalents		228 038	250 032	94 698	Lease liabilities		4 304	4 511	4 514
Total current assets		312 385	304 090	287 678	Trade payables		254 529	131 134	45 461
TOTAL ASSETS		1 787 299	1 212 864	840 924	Other current liabilities		7 465	6 567	14 027
					Total current liabilities		273 964	149 877	123 419
					Total liabilities		500 157	219 176	197 863
					TOTAL EQUITY AND LIABILITIES		1 787 299	1 212 864	840 924

Roger Brynjulf Mosand
Chair

Roy Bernt Pettersen
Director

António Serrano
Director

Gro Skaar Knutsen
Director

Knut Roald Holmøy
Director

Hanne Digre
Director

Kim Strandenæs
Director

Martin Rasmussen
CEO

Andøy
03 September 2024

**INTERIM CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY**

<i>Amounts in NOK thousand</i>	Notes	Share capital	Share premium	Retained earnings	Other reserves	Total equity
Balance at 1 January 2023		41 039	557 413	(125 438)	2 690	475 704
Profit for the period		-	-	(32 315)	-	(32 315)
Capital increase		5 922	222 077	-	-	227 999
Transaction costs for capital increase		-	(31 204)	-	-	(31 204)
Share based payments to employees		-	-	-	2 875	2 875
Balance at 30 June 2023		46 961	748 286	(157 752)	5 566	643 061
Balance at 1 January 2024		57 013	1 124 622	(195 225)	7 278	993 688
Profit for the period		-	-	(34 487)	-	(34 487)
Capital increase	10	10 606	339 394	-	-	350 000
Transaction costs for capital increase	10	-	(23 670)	-	-	(23 670)
Share based payments to employees		-	-	-	1 612	1 612
Balance at 30 June 2024		67 619	1 440 345	(229 711)	8 890	1 287 142

**INTERIM CONDENSED CONSOLIDATED
STATEMENT OF CASH-FLOWS**

<i>Amounts in NOK thousand</i>	Notes	HY 2024	HY 2023	2023
		Unaudited	Unaudited	
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit/(loss) before income tax		(34 487)	(32 315)	(69 787)
Adjustments to reconcile profit/loss before tax to net cash flow:				
Depreciation and amortisation		12 412	12 317	24 904
Finance income/(expense), net		(1 679)	283	(9 847)
Share-based payment expenses		1 612	2 875	4 588
Fair value adjustments of biological assets		-	(15 551)	(25 707)
Working capital changes:				
Increase in other inventories and biological assets at cost		210	1 162	39 458
Change in trade and other receivables		(28)	(10 987)	-
Change in trade payables		(10 561)	11 896	4 556
Change in other current assets and liabilities		2 145	(8 454)	(1 666)
Interests received		2 100	824	12 187
Interests paid		(3 454)	(3 662)	(7 833)
Net cash flow from operating activities		(31 730)	(41 612)	(29 148)
CASH FLOW FROM INVESTMENT ACTIVITIES:				
Payment for property, plant and equipment	7	(459 660)	(29 206)	(320 559)
Payment for intangible assets		(2 415)	(4 249)	(6 307)
Net cash flow from investing activities		(462 075)	(33 455)	(326 866)
CASH FLOW FROM FINANCING ACTIVITIES:				
Equity received	10	326 330	90 000	583 182
Proceeds from borrowings	8	150 991	-	-
Repayment of borrowings	8	(3 833)	(709)	(55 918)
Payment of principal portion of lease liabilities		(1 677)	(2 438)	(4 128)
Net cash flow from financing activities		471 811	86 853	523 136
Net increase/(decrease) in cash and cash equivalents		(21 995)	11 787	167 121
Cash and cash equivalents at the beginning of the period		250 032	82 911	82 911
Cash and cash equivalents at the end of the period		228 038	94 698	250 032

NOTES TO THE INTERIM CONDENSED CONSOLIDATED REPORT

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1 - GENERAL INFORMATION

These interim condensed consolidated financial statements are made for the group comprised of Andfjord Salmon Group AS and Andfjord Salmon AS (the "Group" or "Andfjord"). The parent entity of the Group is Andfjord Salmon Group AS, which is a limited liability company incorporated and domiciled in Norway. The shares are currently traded on Euronext Growth Oslo. Andfjord Salmon Group AS was established in 2014 and its registered office is located at Kvalnesveien 69, Andøy, Norway.

Andfjord Salmon's business is to farm salmon with the aim of selling to third parties when the fish has reached a mature state. At 30 June 2024, the Group is solely devoted to the construction of its land-based salmon farming facility located in the intertidal zone on the eastern shores of Andøya, in Andøy municipality. During 2022, and until July 2023, the Group operated one salmon pool facility. The facility uses a seawater flow-through system that avoids issues with salmon lice and poisonous algae, prevents salmon escape, and contributes to reduced feed waste.

As at 30 June 2024, Andfjord Salmon Group AS has one subsidiary: Andfjord Salmon AS (100% equity interest).

The interim condensed consolidated financial statements for the period ending 30 June 2024 for Andfjord Salmon Group AS were authorised for issue by the Board of Directors on 3 September 2024.

The financial statements for the year ended 31 December 2023 are available at <https://www.andfjordsalmon.com>

2 - BASIS FOR PREPARATION

The Group's interim condensed consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards (IAS) 34 "Interim Financial Reporting" as adopted by the European Union. The Group has prepared interim condensed consolidated financial statements based on the going concern assumption, as Management has identified no material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

This consolidated interim report does not include all the information and disclosures required by other standards within the International Financial Reporting Standards (IFRS). Therefore, this report should be read in conjunction with the annual integrated report for the year ended 31 December 2023.

These consolidated interim financial statements are unaudited.

The accounting policies applied by the Group in these interim condensed consolidated financial statements are the same as those applied by the Group in its financial statements for the year ended 31 December 2023, and no amendments applicable for the first time in 2024 had an impact on the interim condensed consolidated financial statements of the Group.

In these interim condensed consolidated financial statements, the half-year is defined as the reporting period from January 1st to June 30th 2024. All amounts are presented in NOK thousand (TNOK) unless otherwise stated. As a result of rounding differences, numbers or percentages may not add up to the sum totals.

Significant assumptions and estimates

The preparation of financial statements requires Management and the Board of Directors to make assessments and assumptions that affect recognised

assets, liabilities, income and expenses and other information provided, such as contingent liabilities. For further information concerning these, please refer to the Andfjord Salmon Group AS annual integrated report 2023.

3 - SIGNIFICANT CHANGES, EVENTS AND TRANSACTIONS IN THE CURRENT REPORTING PERIOD

The table below shows the Group's main transaction and events during the first half-year of 2024:

Transactions and events	Disclosure notes
First drawdown of NOK 165 million of the construction loan facility of NOK 825 million.	Note 8
Capital increase of NOK 350 million in May.	Note 10
Strong progress on the construction project at Kvalnes.	Note 7

With the exception of the above, the financial position and the performance of the Group was not particularly affected by any significant events or transactions during the first half year in 2024.

4 - PROFIT AND LOSS INFORMATION

Seasonality of operations

The salmon industry is subject to some specific seasonality. Salmon growth is impacted by changes in the temperature of water. Salmon grows at a higher pace during summer and autumn as compared to winter and spring when the seawater temperatures are lower. Additionally, the industry is subject to some degree of seasonal price variation due to seasonal demand shifts.

However, Management has concluded that the business is not considered as 'highly seasonal' in accordance with IAS 34.

5 - REVENUE

Revenue	HY 2024	HY 2023
<i>(Amounts in NOK thousand)</i>		
Sales of salmon	135	9 625
Total revenue	135	9 625

Revenue is related to the sale of the first salmon produced by the Group.

In 2024, the Group has been developing its land-based facilities, and no production activities or sales have therefore carried out during the year.

6 - OTHER INVENTORIES

Other inventories	30 June 2024	31 December 2023
<i>(Amounts in NOK thousand)</i>		
Others	1 487	1 697
Total other inventories	1 487	1 697

The inventory consists of frozen salmon for sale.

7. - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	Land and buildings	Machinery and plant	Furniture, tools and others	Facilities for farming	Assets under construction	Total
<i>(Amounts in NOK thousand)</i>						
At 31 December 2023						
Cost	105 413	30 900	7 551	296 299	466 697	906 860
Accumulated depreciation	(821)	(4 268)	(2 880)	(22 259)	-	(30 228)
Net book amount	104 592	26 632	4 671	274 040	466 697	876 632
Period ended 30 June 2024						
Opening net book amount	104 592	26 632	4 671	274 040	466 697	876 632
Additions	879	242	180	4 771	569 089	575 161
Transfers	-	-	-	(5 181)	5 181	-
Depreciation	(200)	(1 459)	(766)	(6 310)	-	(8 735)
Closing net book amount	105 271	25 415	4 085	267 321	1 040 967	1 443 058

Property, plant and equipment	Land and buildings	Machinery and plant	Furniture, tools and others	Facilities for farming	Assets under construction	Total
At 30 June 2023						
Cost	106 292	31 142	7 731	295 889	1 040 967	1 482 021
Accumulated depreciation	(1 021)	(5 727)	(3 646)	(28 568)	-	(38 962)
Net book amount	105 271	25 415	4 085	267 321	1 040 967	1 443 058

	Land and buildings	Machinery and plant	Furniture, tools and others	Facilities for farming	Assets under construction
Depreciation method	Buildings: Straight-line Land not depreciated.	Straight-line	Straight-line	Straight-line	Not applicable
Useful life	50 years	5-20 years	3 - 10 years	5 - 50 years	Not applicable

7.1 SIGNIFICANT MOVEMENTS DURING THE PERIOD

Kvalnes land-based facility – Phase II

The additions during the first half of 2024 mainly relate to the development of the Kvalnes land-based facilities. The Group's construction project at Kvalnes has made strong progress through the first half of 2024. It is expected that the Group will have four new pools in operation from mid-2025, in addition to the existing pool in which a production cycle has already been completed. The production capacity will then be 8,000 tonnes HOG annually and continue to increase up to 19,000 tonnes HOG annually from mid-2027.

8 - BORROWINGS

Overview of borrowings	30 June 2024	2023
<i>(Amounts in NOK thousand)</i>		
Non-current		
Debt to credit institutions	208 324	49 126
Debt to other entities	10 000	10 833
Total non-current borrowings	218 324	59 959
Current		
Debt to credit institutions	6 000	5 999
Debt to other entities	1 666	1 667
Total current borrowings	7 666	7 666
Total borrowings	225 990	67 625

8.1 DEBT TO CREDIT INSTITUTIONS

Relevant terms and conditions – NOK 900 million facility and overdraft facility

In June 2024, the Group made the first drawdown from its construction loan facility, for an amount of NOK 165 million.

The overall financing agreement, entered into with SpareBank 1 Nord-Norge and bank alliance partners (with support from Eksfin) in May 2024, consists of a construction loan facility of up to NOK 825 million, and a loan facility of NOK 75 million to refinance the Group's other borrowings. These facilities have drawdown available until 31 December 2025. Additionally, up until that date, the Group can decide to convert these facilities into a new facility maturing 4 years after the conversion date (i.e. latest maturity 31 December 2029). No payments of principal are required until 24 months after the conversion date (i.e. starting at 31 December 2027, at the latest), with quarterly instalments that reflect a repayment period of 12 years.

In addition, the financing agreement includes an overdraft facility to partly refinance the Group's working capital, which is subject to annual renewal. The total amount available is NOK 20 million.

All assets of the Group are pledged as security for liabilities, including aquaculture licenses, other inventories, and trade receivables. Loan terms and financial covenants are described in detail in the annual report for 2023. The Group has complied with the financial covenants during the reporting period, and Management does not expect to breach any covenants in the foreseeable future.

9 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The following transactions were conducted with related parties:

Transactions with related parties	Relationship	HY 2024	HY 2023
<i>(Amounts in NOK thousand)</i>			
Financial advisory	Board members	2 217	335
Interest expense	Majority shareholders	-	750
Total related party profit or loss items		2 217	1 085

10 - SHARE CAPITAL

10.1 SHARE CAPITAL AND SHARE PREMIUM

As at 30 June 2024, the share capital consists of 67 619 013 ordinary shares, with a par value of NOK 1.00 each. All shares are entitled to equal rights with respect to dividends, voting rights and other rights in accordance with Norwegian corporate law.

10.2 MOVEMENTS IN ORDINARY SHARES

Movements in ordinary shares	Number of shares	Par value per share (NOK)	Share premium total (TNOK)	Total (TNOK)
At 31 December 2023				
Opening balance	57 012 953	1,00	1 124 621	1 181 634
Capital increase	10 606 060	1,00	339 394	350 000
Transaction costs			(23 670)	(23 670)
Closing balance at 30 June	67 619 013	1,00	1 440 345	1 507 964

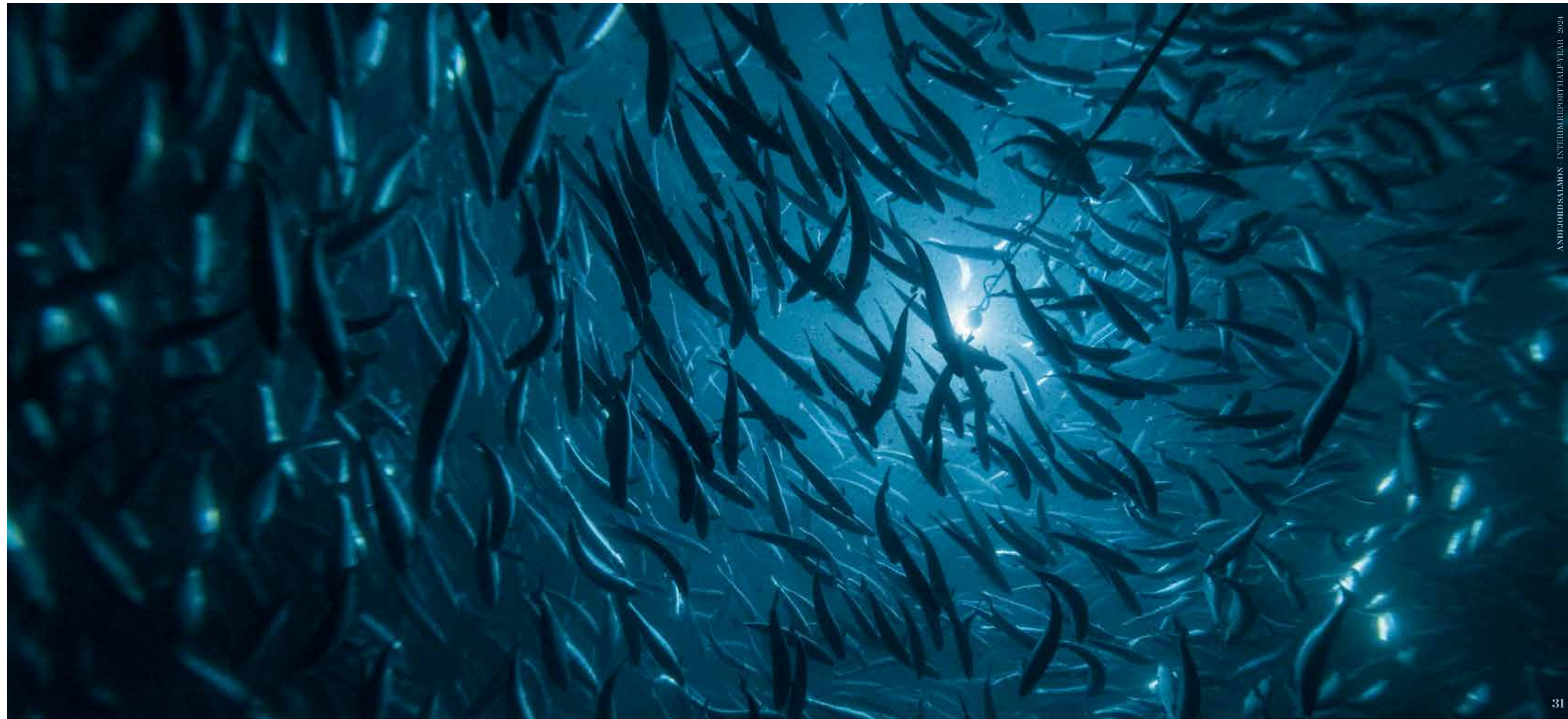
11 - COMMITMENTS

The following significant contractual commitments are present at the interim reporting period:

Capital commitments	30 June 2024	31 December 2023
<i>(Amounts in NOK thousand)</i>		
Property, plant and equipment	94 300	66 618
Total capital commitments	94 300	66 618

12 - EVENTS AFTER THE REPORTING PERIOD

The Board of Directors is not aware of any events that occurred after the balance sheet date, or any new information regarding existing matters, that can have a material effect on the 2024 first half-year interim condensed consolidated financial statements of the Group.



Our results on a plate

FISH GROWTH
+1 kg

Additional growth compared to Skretting's growth table

Industry leading
SURVIVAL RATE
97.5%

Industry average = 83.3% (Fish Health Report 2023)

HIGH **SUPERIOR SHARE**
91.1%

Industry average = 84.0% (2023)

ENERGY CONSUMPTION PER KILO SALMON
↓ 1 kWh

LOW FEED CONVERSION RATE
1.05

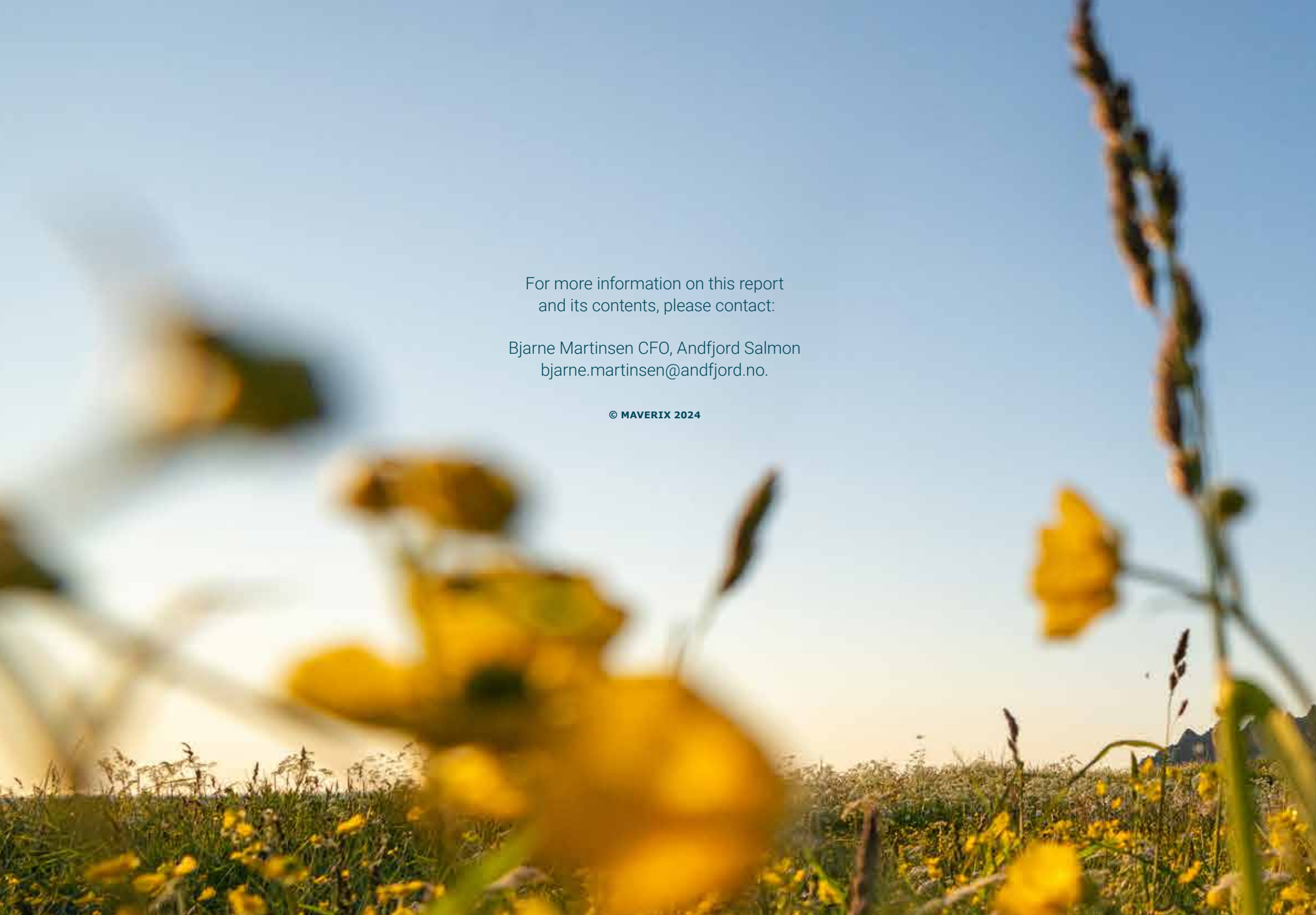
Industry average = 1.27

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

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