

2024

ANNUAL

INTEGRATED

REPORT



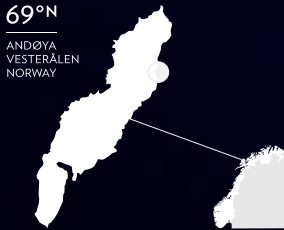
ANDEFJORD™
SALMON

ANDEFJORD SALMON AT A GLANCE

ES 20
TB 14

FOUNDED

Established in 2014 by founders with extensive salmon farming, financial and business development experience.



LOCATED

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



LISTED

Listed on Euronext Growth in 2020.

NATURAL
— FLOW



FLOW-THROUGH
TECHNOLOGY

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

PRODUCTION
POTENTIAL

~90,000
TONNES (HOG)

FISH 
GROWTH

+1 kg

Extra growth compared to Skretting's growth table (2023)

Industry leading
SURVIVAL
RATE 

97.5%

Industry average = 83.3% (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 (2023)

CALANUS®
— PLUS

OUR OWN FEED
MADE OF CALANUS
FINMARCHICUS, ZOOPLANKTON
FROM THE ARCTIC



TIME LINE

2014

Andfjord Salmon was established by Roy Bernt Pettersen in June 2014. Pettersen's vision was to create the world's most sustainable fish-farming facility of its kind, by utilising the natural conditions at Andøya and in particular the access to the Gulf Stream.

2018

In 2018, we received an official aquaculture permit document for land-based food fish-farming for salmon, trout and rainbow trout at Kvalnes – kick-starting our fish farming adventure.

2020

Six years after the company's inception, Andfjord Salmon was successfully listed on Euronext Growth in June 2020. The share is traded under the ticker ANDF.

2021

The first pool and associated inlet and outlet pipelines were completed. Following a period of successful testing, we verified the laminar water flow technology towards the end of the year.

2022

First smolt release. We also developed a specially designed feed together with Skretting and Nutreco, conducted a biodiversity mapping and started our fish sludge treatment project together with NIBIO.

2023

Nofima and Åkerblå confirmed strong biological conditions, fish health and welfare, and we obtained our Global G.A.P. certification. Successful harvest from first production cycle: 97.5% survival rate, feed conversion ratio of 1.05 and superior share of 91.9%. Initiated construction of next build-out phase at Kvalnes.

2024

Excavation of 12 new pool pits completed ahead of schedule in January 2024. Strong progress on the workstreams in the current build-out phase, including construction of four new pools, technical infrastructure, waterways - including inlet and outlet tunnel and infrastructure below pools – and harbour area.

2025

In 2025, we plan to complete four out of 12 pools, the waterways and harbour area. We will also strengthen our grow-out facility strategy, continue our fish sludge project and obtain ASC certification.

Next smolt release is scheduled for the third quarter of 2025

CONTENTS

CEO SUMMARY: ANOTHER YEAR OF VALUABLE PROGRESS	7
THIS IS ANDFJORD SALMON:	
STRATEGY, BUSINESS MODEL AND VALUE CHAIN	13
BOARD OF DIRECTORS	18
EXECUTIVE MANAGEMENT TEAM	20
CORPORATE GOVERNANCE STATEMENT	22
BOARD OF DIRECTORS' REPORT	30
SUSTAINABILITY STATEMENT	34
GENERAL INFORMATION	36
BASIS FOR PREPARATION	37
GOVERNANCE	38
INTEREST AND VIEWS OF STAKEHOLDERS	40
MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	43
ENVIRONMENT	44
E1 CLIMATE CHANGE	46
E4 BIODIVERSITY AND ECOSYSTEMS	50
E5 RESOURCE USE AND CIRCULAR ECONOMY	54

SOCIAL	58
S1 OWN WORKFORCE	60
S3 AFFECTED COMMUNITIES	64
GOVERNANCE	62
G1 ANIMAL WELFARE	68
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS	70
ANNUAL FINANCIAL STATEMENTS: PARENT COMPANY	104
INDEPENDENT AUDITOR'S REPORT	128
APPENDICES	130
APPENDIX 1: TRANSPARENCY ACT STATEMENT 2024	132
APPENDIX 2: EQUALITY STATEMENT 2024	136
APPENDIX 3: LIST OF ACRONYMS	140
APPENDIX 4: GRI 13 ASSESSMENT	142
APPENDIX 5: GRI CONTENT INDEX	144





CEO SUMMARY

RETURNING TO FISH FARMING OPERATIONS

Having spent nearly two years primarily on construction work, Andfjord Salmon is gradually gearing up for fish farming operations again. The road to get here has been both fun and challenging, and the physical platform we have built at Kvalnes is of the impressive kind.

Andfjord Salmon has not farmed salmon during 2024. Our focus has been on build-out and expansion of our Kvalnes site at Andøya. And our goal is still to develop the world's most fish friendly and environmentally friendly fish farming facility. The results from our first production cycle, which was completed in July 2023, showed that this is a realistic objective.

My belief was further strengthened in early 2024, when independent research body Nofima submitted its final report from the first

production cycle, covering the full period from smolt release to harvest. The report documented biological conditions and fish welfare in the first pool and highlighted our comprehensive welfare and health documentation plan. It documented numerous operational welfare indicators, including environmental factors, fish behaviour, growth, and health.

The Nofima report showed that our flow-through system enables fish-friendly salmon farming. Our first production cycle demonstrated industry-leading survival rate, low feed conversion rate, and strong growth and high superior share for the fish. Now our objective is to repeat this on an even bigger scale.

“Post-smolt” at Kvalnes

To support our scale-up plans at Kvalnes, we spent the latter part of 2023 developing an

interesting and attractive opportunity that was announced in February 2024. Our plan is to implement a “post-smolt” production strategy as a supplement to production of human grade salmon. We will do this by capitalising on unutilised pool capacity in the first half of each production cycle. This allows us to increase our production – with associated positive revenue, profitability and cash flow effects – but without requiring additional infrastructure capex.

There is substantial industry demand for post-smolt due to the significant benefits of shortening the ocean-based grow-out phase. Releasing larger and more robust fish into ocean net pens offers multiple biological and environmental benefits, including lower susceptibility to diseases, reduced time of exposure to salmon lice, and improved survival rates.

Hence, such an approach will bring substantial benefits to ocean-based fish farmers, the fish itself, the marine environment, the regional aquaculture industry, and Andfjord Salmon. We are simply utilising our infrastructure in a smarter way to create more value for multiple stakeholders.

Major build-out

Expansion at Kvalnes has been our main focus of 2024 and into 2025. In the current build-out phase, which we call Phase 1, we are completing four new pools plus shared infrastructure such as waterways and a harbour area that will support large-scale production at Kvalnes.

We have provided many status updates during 2024, and I will refrain from repeating all the details here, but the key message is that all ongoing workstreams are either on or ahead of schedule. I would, however, like to point out what an impressive achievement this is by my colleagues and their subcontractor partners who have executed the following during 2024/2025:

Completed the excavation of the next 12 pool pits, ahead of schedule. The excavation covered two rows of pools, which in the future will house six pools each – twelve in total

Completed more than 4 kilometres of tunnel infrastructure, including inlet and outlet waterways and tunnel infrastructure below the pools

Developed a harbour area, which is now more than 70 percent complete
Significant progress on the next four pools, including associated technical infrastructure

Optimised build-out plan

Our history shows that we are constantly trying to find new ways to improve biological conditions for our fish and the commercial potential of our land-based aquaculture facility. Subsequent to year-end 2024, we therefore announced an

We are extremely grateful for the support from our shareholders, including the extensive competence that our large industrial shareholders contribute with.

optimised build-out plan that will enable a 20 percent increase in production capacity at our Kvalnes site.

We aim to achieve this 20 percent increase through optimised pool utilisation including the implementation of a more efficient and gentle fish logistics system and reinforced concrete walls to enhance water flow. This results in an expanded production capacity from 8,000 tonnes to up to 11,000 tonnes (HOG +post-smolt) for the current build-out phase (Phase 1) at Kvalnes. The total production volume under Andfjord

Salmon's existing license at Kvalnes is expected to increase from 19,000 tonnes to 23,700 tonnes. Consequently, our blended capital expenditure (CAPEX) per kilogram at Kvalnes is estimated to be reduced from NOK 114/kg to NOK 105/kg.

We are now planning for immediate start of Phase 2a construction which will allow us to benefit from construction synergies due to the continuous process across phases, e.g., through the retention of personnel and use of equipment already on-site, optimising the resource usage and accelerate execution time.

Supportive shareholders and banks

It is important to underline that we would not have been able to realise these improvements without the support of our shareholders and banks.

To support the advancement of Phase 2 construction at Kvalnes and optimisation of fish logistics, we recently raised approximately NOK

1.4 billion in funds including a NOK 400 million construction loan, signed a term sheet for the sale of the Kvalnes harbour area for NOK 400 million, and completed a NOK 600 million private placement of new shares. Further, a leasing facility of NOK 175 million is planned for certain equipment financing, and an overdraft facility of up to 60% of the borrowing base, which is expected to be finalised ahead of the first smolt release, is discussed but not yet committed. All this comes on the back of a NOK 350 million private placement of new shares that we completed in 2024.

Fish farming soon

Having spent the past 20 months primarily on construction work, we will gradually start preparing for fish farming operations again. My colleagues and I are thoroughly looking forward to this. Our plan is to release smolt in the third quarter of 2025. I look forward to updating you on this nearer that time.

Finally, I would like to mention that this is Andfjord Salmon's second integrated annual and sustainability report, which emphasises how sustainability is integrated with our business strategy. I hope you will take the opportunity to get to know us even better through this report.

Yours sincerely,

Martin Rasmussen

Chief Executive Officer (CEO)
of Andfjord Salmon



THIS IS ANDFJORD SALMON



23
EMPLOYEES

SBM-1

STRATEGY, BUSINESS MODEL AND VALUE CHAIN

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

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 land-based farming of Atlantic salmon.

Our concept represents the best of traditional sea-based salmon farming, combined with the advantages of being land-based.

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 50 metres water depth, which means that we avoid problems with salmon lice or 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 utilise biological waste as a resource.

The result is optimal salmon welfare and sustainable production of Atlantic salmon.

Membership associations

We are a member of The Norwegian Seafood Federation (Sjømat Norge) and Norwegian Seafood Association (Sjømatbedriftene).



SjømatNorge



SJØMATBEDRIFTENE

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 the Global Good Agricultural Practices (G.A.P.) and ASC, which covers food safety, animal welfare, sustainability, employment, and traceability.

We obtained Global G.A.P. certification in 2023 and plan to obtain ASC certification once we have resumed continuous operation.

GLOBALG.A.P.

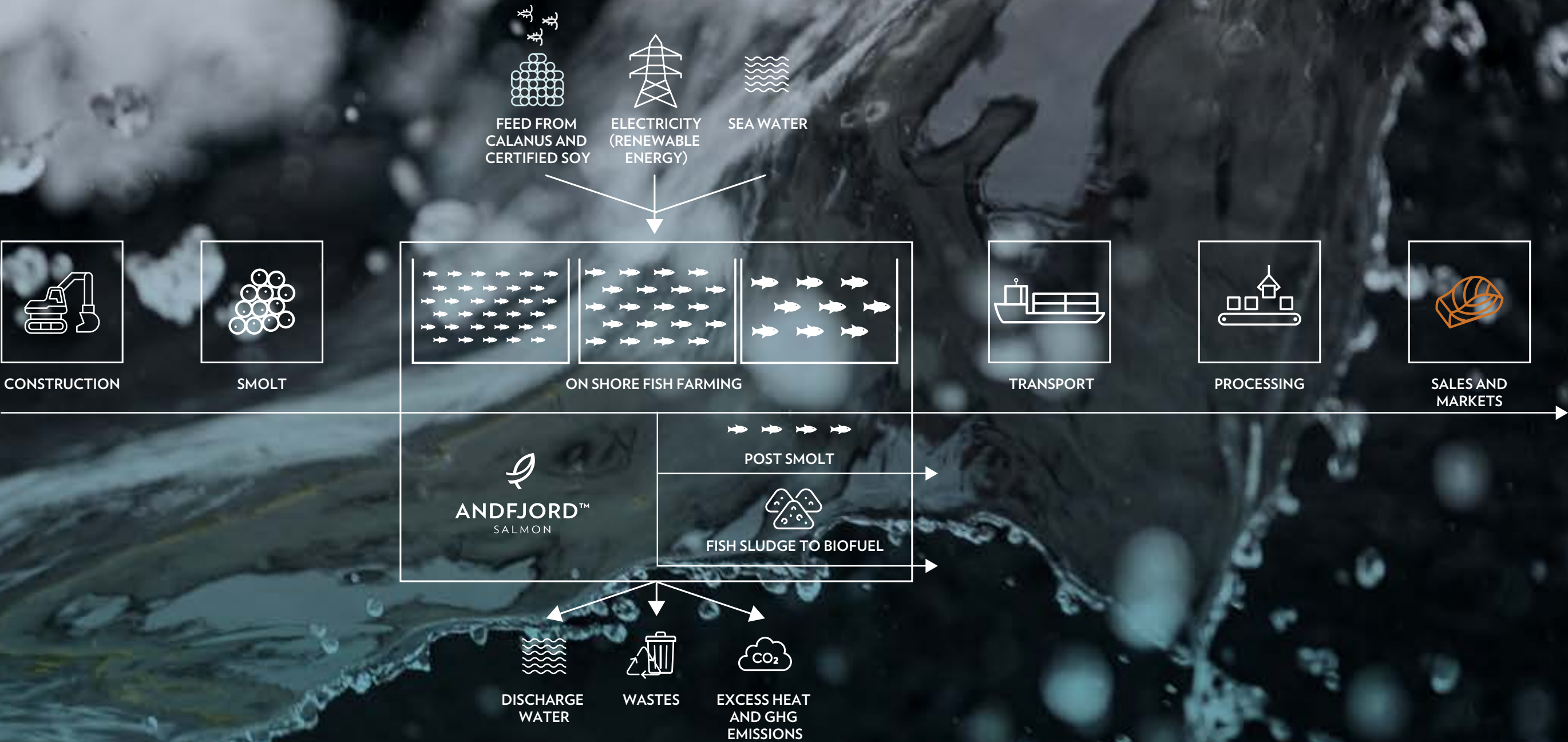
Vision

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

Mission

**FISH FARMING
WITH A CLEAR
CONSCIENCE**

OUR VALUE CHAIN



BOARD OF DIRECTORS



Roger Brynjulf Mosand
Chairman of the board

Mr Roger Brynjulf Mosand (born 1953) is chairman of Andfjord Salmon, elected in March 2021. Mosand is a highly experienced CEO from the Norwegian aquaculture industry. He has been the CEO of Nordlaks Produkter AS since 2001 and has multiplied the company's revenues by 15 during this period. As of 31.12.24, Mosand holds 30,000 shares and 60,000 share options in Andfjord Salmon.



Roy Bernt Pettersen
Board Member

Roy Bernt Pettersen (born 1954) founded Andfjord Salmon in 2014 and has served on the board since, first as chairman and later as director from 2021. He has extensive board experience and has fostered collaboration among seafood companies in Vesterålen, Norway. A fisheries candidate from the University of Tromsø, he has held CEO roles in fish farming, developing smolt production and land-based aquaculture. As of 31.12.24, Pettersen and associated companies own 4,858,680 shares and no share options in the company.



António Serrano
Board Member

Mr António Serrano (born 1965) is CEO of Jerónimo Martins Agro Alimentar since January 2015, and Professor at the Évora University. He was also Minister of Agriculture, Rural Development and Fisheries of the 18th Constitutional Government of Portugal. Serrano joined Andfjord Salmon's board of directors in 2022. 31.12.24, Serrano and associated companies holds 18,958,855 shares and no share options in Andfjord Salmon.



Knut Roald Holmøy
Board Member

Mr Knut Roald Holmøy (born 1972) is the CEO of Holmøy Maritime, owner of Eidsfjord Sjøfarm (vertically integrated salmon farmer producing 15 – 20k tonnes HOG annually) as well as serving on the board of directors in a number of fishing and fish farming related businesses in Northern Norway. He joined the Andfjord Salmon board of directors in 2019. 31.12.24, Holmøy and associated companies own 3,071,759 shares and no share options in Andfjord Salmon.



Hanne Digre
Board Member

Ms Hanne Digre (born 1970) joined Andfjord Salmon's board of directors in 2024. She is chief of sustainability of aquaculture industry supplier ScaleAQ and has worked with fisheries and aquaculture for more than 25 years. Digre's key areas of expertise are food quality, fish welfare, stress during harvest, and scientific writing and publishing. She holds no shares or share options in Andfjord Salmon.



Kim Strandenæs
Board Member

Kim Strandenæs (born 1986) is CEO of UFO Holding AS, UFI AS, and UFI Capital AS, focusing on listed companies, private equity, and venture capital. He joined Andfjord Salmon's board in 2019 and has extensive experience in equity sales, derivatives, and asset management from Carnegie AS and Danske Bank. He holds a business finance degree from BI Norwegian Business School. As of 31.12.24, Strandenæs and associated companies hold 2,127,597 shares and no share options in Andfjord Salmon.



Gro Skaar Knutsen
Board Member

Gro Skaar Knutsen (born 1969) is the former CEO of PEAB Bjørn Bygg, one of Northern Norway's largest construction firms. Previously, she spent seven years at Sweco as a project consultant and engineer. A construction and building technology engineer from UiT Narvik, she has also studied project management at UiT and ultra-low-energy building technology at NTNU. With 10 years in consulting, she has managed projects for both owners and developers at PEAB Bjørn Bygg. Knutsen joined Andfjord Salmon's board in 2021. As of 31.12.24 holds 9,259 shares and no share options in Andfjord Salmon.

EXECUTIVE MANAGEMENT TEAM



Martin Rasmussen
CEO

Mr Martin Rasmussen (born 1985) has been CEO of Andfjord Salmon since April 2020. Rasmussen has extensive management experience from the seafood industry, including roles as managing director of Primex Norway AS, where he built the world's most automated whitefish processing plant, and Managing Director of Norway Seafood's facility in Melbu, Norway. He also has experience from Lerøy Seafood Group. Rasmussen holds a master's degree in Fishery and Science from the University of Tromsø, Norway. 31.12.24, Rasmussen holds 125,000 shares and 250,000 share options in Andfjord Salmon Group AS.



Bjarne Martinsen
CFO

Mr Bjarne Martinsen (born 1979) joined Andfjord Salmon as CFO in January 2021. Martinsen has 20 years' experience from senior finance roles. He started his career as an auditor with KPMG and was later Finance Manager at TV distributor RiksTV and CFO at insurance company Nemi Forsikring. Prior to joining Andfjord Salmon, he was Head of Finance at the Norwegian Food Safety Authority. Martinsen holds a master's degree from NHH the Norwegian School of Economics and is a state authorised public accountant. 31.12.24, he holds 40,000 shares and 150,000 share options in Andfjord Salmon Group AS.



Jostein Nilssen
Project Director

Mr Jostein Nilssen (born 1971) joined Andfjord Salmon as Project Director in September 2021. Nilssen has extensive experience from developing and executing large projects. He has in the past spent 15 years in managerial roles with ConocoPhillips, including leading several large offshore installation projects. Prior to joining Andfjord Salmon, Nilssen was Production Director at Øksnes Entreprenør. He holds a master's degree in mechanical engineering from NTNU – the Norwegian University of Science and Technology. 31.12.24, Nilssen holds 45,000 share options in Andfjord Salmon Group AS.



Christian Torgersen
COO

Mr Christian Torgersen (born 1977) joined Andfjord Salmon in 2020, first as Operations Manager and since November 2023 as Chief Operations Manager. He has more than 25 years' operations experience from the fish farming value chain. Before joining Andfjord Salmon, Torgersen spent 15 years with Flatanger Settefisk and eight years with fish farmer Nesset fiskeoppdrett in various operations roles. As of 31.12.24, Torgersen holds 2,739 shares and 40,000 share options in Andfjord Salmon Group AS.



CORPORATE GOVERNANCE STATEMENT

The Board of Directors (“the Board”) is responsible for ensuring that Andfjord Salmon Group AS (“Andfjord Salmon” or “the Company”) is organised, managed and controlled in an appropriate and satisfactory manner in full compliance with applicable laws and regulations.

The Board considers compliance with generally accepted corporate governance guidelines as an important prerequisite for long-term value creation. The Company strives to ensure that its internal control mechanisms, organisation and management structures comply with good corporate governance principles.

The Norwegian Code of Practice for Corporate Governance (the “Code”) does not apply on Euronext Growth Oslo. However, Andfjord Salmon has started to establish corporate governance systems and seeks to comply with the Code, taking into account that the Company is a private (not public) limited liability Company, and provides an annual corporate governance statement regarding its progress.

The principal purpose of the Corporate Governance Code is to ensure (i) that listed companies implement corporate governance that clarifies the respective roles of shareholders, the Board and executive management more comprehensively than what is required by legislation and (ii) effective management and control over activities with the aim of securing the greatest possible value creation over time in the best interests of companies, shareholders, employees and other parties concerned.

The following statement explains how Andfjord Salmon addresses the 15 governance topics covered by the Code.

1. Implementation and reporting on corporate governance

The Board is aware of its responsibility for implementation of internal procedures and regulations to ensure that the Company complies with applicable principles for good corporate governance in line with Norwegian and applicable international standards.

The Board of the Company is actively involved in good corporate governance and will seek to ensure that the Company complies with the requirements of section 3-3b of the Norwegian Accounting Act, which is available at www.lovdata.no, and The Norwegian Code of Practice for Corporate Governance (“NUES”), last revised 14 October 2021, available at www.nues.no. If the Company deviates from NUES’s recommendations, Andfjord Salmon will adhere to the “comply or explain” principle for each and every clause in the Code.

According to Andfjord Salmon’s own evaluation, the Company deviates from the Corporate Governance Code on the following points:

Point 6 – General Meetings (GM): The Public Companies Act stipulates that at least 21 days’ notice must be given to call a general meeting of a listed Company. As Andfjord Salmon is not a public limited liability Company, but a private limited liability Company, the Company adheres to the Companies Act which stipulates that at

least 14 days’ notice must be given to call a general meeting. Andfjord Salmon also deviates from the recommendation to have all Board members present at the general meeting as the Company has deemed it satisfactory to require the presence of the chairperson of the Board, the chairperson of the nomination committee, and the CEO.

- Point 9 – The work of the Board of Directors: Andfjord Salmon does not have an audit committee as the Company is not considered a large Company or regulated by the Public Companies Act.
- Point 11 – Remuneration of the Board of Directors: Andfjord Salmon deviates from the point that members of the Board and/or companies with which they are associated should not take on specific assignments for the Company in addition to their appointment as a member of the Board. The Board considers it of value to all shareholders that certain Board members, who possess specialist competence within their fields and have in-depth knowledge of Andfjord Salmon, can provide specific and clearly defined strategic and operational support to the Company’s administration, which remains small in size in line with the Company’s objective of running a cost- effective operation.
- Point 11 – Remuneration of the Board of Directors: Andfjord Salmon deviates from the

point that share options should not be granted to members of its Board. The annual general meeting has awarded share options to chairman Roger Brynjulf Mosand. It is the Board’s view that Roger Brynjulf Mosand, who is a highly experienced aquaculture industry executive, is key to the long-term development of Andfjord Salmon. Hence, the option programme has been designed to secure the long-term commitment of Mosand while also aligning Mosand’s interests with the long-term interests of all other shareholders, thereby alleviating concerns of weakened Board independence.

- Point 12 – Remuneration of executive personnel: Andfjord Salmon has not established guidelines for the remuneration of executive personnel as the Company is a private limited liability Company that is not governed by the Public Companies Act.
- Point 14 – Take-overs: Due to the unpredictable nature of a takeover situation, the Company has decided not to implement detailed guidelines on such situations. In the event a takeover were to occur, the Board will act in accordance with applicable regulations as well as the general principles of the stock market.

2. Business
Andfjord Salmon (ANDF) has developed an innovative and sustainable aquaculture concept for land-based farming of Atlantic salmon.

The Company’s ambition is to build the world’s most sustainable and fish-friendly aquaculture facility of its kind.

Andfjord Salmon is a limited liability Company organised under the laws of Norway and subject to the provisions of the Norwegian Limited Liability Companies Act.

Andfjord Salmon’s purpose is currently defined in the Articles of Association as follows:

The Company’s business is to conduct land-based farming of fish and other matters that naturally coincide with this, including participating in other companies with similar activities, acquiring and divesting shares, or otherwise becoming interested in other businesses including provision of consulting services.

Each year, Andford Salmon publishes a sustainability report where it presents the main social, societal, and environmental challenges it faces, and how the Company is dealing with them. Based on an updated impact assessment, Andfjord Salmon has identified six focus areas– climate change, biodiversity, resource use and circular economy, own workforce, affected communities and animal welfare - that are integrated in the Company’s business strategy. Each year, concrete goals are identified to improve Andfjord Salmon’s performance within these areas.

To discuss and evaluate goals, strategy and risk profile, the Board conducts an annual strategy meeting, where the main purpose is to set the

long-term direction for the Company. This takes into account financial, social and environmental considerations as well as the Company's local impact.

A further description of the Company's operations, goals, strategy, and risk profile is provided in the Company's annual report, which shows how its operations and strategies are aligned with objectives defined in the Articles of Association.

3. Equity and dividends

The Company's solidity is continuously assessed based on the Company's goals, strategies and risk profile. Andfjord Salmon aims to give shareholders a competitive long-term return. Based on Andfjord Salmon's capital requirements for its ongoing development projects, it is unlikely that the Company will pay out dividends in the near future. Shareholders' return should therefore primarily be realised through an increase in the value of their shares. However, dividends can be relevant in the future, when the circumstances permit.

Any potential future dividend payment will be determined by a General Meeting, based on the Board's proposal. The shareholders can authorise the Board to increase the share capital or purchase the Company's own shares at the Annual General Meeting.

The General Meeting has authorised the Board to increase the Company's share capital in connection with capital raises to finance the Company's business, and in connection with acquisitions and mergers. The mandate given at the Annual General Meeting in 2024 was used in connection with the

capital increase that the Company carried out in May 2024.

4. Equal treatment of shareholders

Equal treatment of all shareholders is a core governance principle. Andfjord Salmon has one class of shares and is listed on Euronext Growth Oslo under the ticker ANDF. Each share carries one vote at the General Meeting.

In situations where normal preferential rights shall be deviated from, the Board shall present the grounds for such a decision to a general meeting pursuant to the Norwegian Code of Practice for Corporate Governance.

The General Meeting has given the Board authorisation to acquire shares in Andfjord Salmon, on behalf of the Company, with an aggregate nominal value of up to NOK 5,701,295.. If applicable, any transaction the Company carries out involving its own shares shall be purchased through ordinary trade on Euronext Growth or at the prevailing share price if carried out in any other way. The authorisation was not utilised during 2024. The authorisation is valid until the next Annual General Meeting however no longer than 30 June 2025.

5. Share and negotiability

All Andfjord Salmon shares carry equal rights and are freely negotiable. The Company's articles of association do not contain any form of restriction on negotiability.

6. General Meetings

The interest of the Company's shareholders is exercised at the General Meetings (GM). The Annual

General Meeting is usually held between the end of April and beginning of June. The meeting for 2025 is scheduled for 29 April 2025. General Meetings consider a vote on the following matters:

- Adoption of income statement and balance sheet.
- Distribution of profit or coverage of deficit pursuant to the adopted income statement and balance sheet as well as distribution of dividends.
- Election of the Board of Directors. The General Meeting shall elect the Chair of the Board.
- Other issues that pursuant to the provisions of the Norwegian laws and Articles of Association are to be treated by the General Meeting.

All shareholders with a known address registered in the Norwegian Central Securities Depository (VPS) will receive an invitation to the GM. The invitation is sent at least one week prior to the meeting. Other documents will be made available on Andfjord Salmon's website. A shareholder may request a printed copy of documents relating to matters to be dealt with at the GM.

The deadline for shareholders to give notice of their intention to attend the meeting is one day prior to the meeting.

Shareholders who are unable to attend the GM may vote by proxy. The proxy form is designed in such a way that voting instructions may be given for each item on the agenda.

Chair of the Board, the chair of the nomination committee and the CEO are present at the GM, in

addition to other Board members when appropriate. Andfjord Salmon has not deemed it necessary to require the presence of all members of the Board at the GM. The general meeting is able to elect an independent chairperson for the general meeting. All shares carry an equal right to vote at General Meetings. Resolutions at GMs are normally passed by simple majority unless otherwise required by Norwegian law.

The minutes of the GM are made available on Andfjord Salmon's website.

7. Nomination committee

Pursuant to Andfjord Salmon's Articles of Association, the Company shall have a nomination committee, which is elected by the general meeting. Andfjord Salmon's nomination committee is called the "election committee", but is in this document referred to as the "nomination committee". The committee nominates candidates to chairperson, Board members, any deputy members to the Board, and members of the nomination committee.

As part of its nomination process, the committee will have contact with major shareholders, the Board and the Company's Executive Management Team to ensure that the process takes both the Board's and the Company's needs into consideration. A justification for a candidate will include information on each candidate's competence, capacity and independence. Further, the nomination committee submits proposals to the general meeting regarding remuneration of the Board and the nomination committee. Andfjord Salmon's nomination committee currently consists of the following members, who were re-

elected at the 2024 Annual General Meeting: Rode S. Rønning-Hansen (chair), Oddvar Fosse and Rita Karlsen.

All members of the nomination committee are independent of the Board and the Company's executive personnel. The nomination committee does not include any executive personnel or any member of the Company's Board. Information regarding the committee members and its procedures is available on the Company's website. Information about how input and proposals may be submitted to the committee is available on the Company's website.

8. Board of Directors, composition and independence

Pursuant to Andfjord Salmon's Articles of Association, the Company's Board shall consist of three to eight members.

The current Board consists of eight members. The chairperson and Board members are elected by the GM.

At the annual general meeting in 2024, the shareholders elected the following seven members to the Board:

- Roger Brynjulf Mosand (Chairperson, not up for election)
- Roy Bernt Pettersen (Director, not up for election)
- Knut Roald Holmøy (Director, not up for election)
- Kim Marius Strandenæs (Director, not up for election)

- Gro Skaar Knutsen (Director, not up for election)
- António Serrano (Director, re-elected)
- Hanne Digre (Director, new)

On 15 July 2024, Tore Traaseth informed the Company that he wished to step down from the Board.

Andfjord Salmon strives to ensure that the Board has a composition necessary to safeguard the interests of its shareholders. The Board considers its composition to be diverse and competent with respect to expertise and capacity related to the Company's objectives, main challenges and the common interests of all shareholders, including on sustainability topics. The Board consists of five men and two women.

Roy Bernt Pettersen is a major shareholder in the Company. Kim Marius Strandenæs is employed by UFI AS, which is a large shareholder in Andfjord Salmon. António Serrano is employed by Jerónimo Martins Agro- Alimentar, S.A., which is the largest shareholder in Andfjord Salmon. Knut Roald Holmøy is CEO of Holmøy Group, which is indirectly one of Andfjord Salmon's largest shareholders through Eidsfjord Sjøfarm AS. All Board members are independent of the of the Company's executive personnel. Further, three Board members – Roger Brynjulf Mosand, Gro Skaar Knutsen and Hanne Digre – are independent of the major shareholders.

The Board does not include executive management. Information about each Board member is available on the Company's website.

All Board members apart from Kim Marius Strandenes, Knut Roald Holmøy, António Serrano and Hanne Digre own shares in the Company. None of the Board members hold share options, apart from Roger Mosand who holds 60, 000 share options awarded at the general meeting in 2023. The options are vested over a period of two years.

9. The work of the Board of Directors

The Board has the overall responsibility of overseeing the organisation, operation and management of Andfjord Salmon, whilst the CEO is responsible for day-to-day management. This means that the Board is responsible for organising the Company's activities and establishing systems in order to ensure that Andfjord Salmon operates in compliance with laws and regulations, corporate governance guidelines and the guidelines defined in the Company's Code of Conduct.

The Board is also responsible for ensuring that the interests of shareholders and other interested parties are safeguarded in a satisfactory manner. The Board has prepared and adopted rules and procedures for the Board. The Board has an annual plan for its work to ensure that all important issues and business areas are covered, emphasising objectives, strategy, and implementation of the Company's business plan in particular.

The rules and procedures for the Board includes instructions to ensure that the Company's impact on the economy, environment and people is managed adequately. The rules and procedures describe how the Board is responsible for reviewing and approving the organisation's purpose, value and mission statements, strategies, policies and goals related to sustainable development, and delegate implementation of such matters to the Company's management. The procedures also include stipulations to ensure that the Company has the necessary due diligence and other processes in place to identify and manage its impacts on the economy, environment and people, and ensure that the management of the Company engages with relevant stakeholders to support these processes.

The rules and procedures for the Board also state how the Board and executive management shall handle agreements with related parties. The Board should also present any such agreements in their annual directors' report. Further, If the chairperson of the Board is personally involved in matters of a material character, the Board's consideration of such matters will be chaired by another member of the Board.

At least annually, the Board reviews the Company's sustainability performance, including material topics, key performance indicators and priorities going forward.

The rules of procedures for the Board incorporates procedures on how potential agreements with related parties shall be handled.

Andfjord Salmon does not have an audit committee as the Company is not considered a large Company or regulated by the Public Companies Act.

Andfjord Salmon does not have a remuneration committee. As all Board members are independent of the Company's executive personnel, it is the Board's view that it is a suitable body to help ensure a thorough and independent preparation of matters relating to compensation paid to the executive personnel.

The Board evaluates its own performance and expertise on an annual basis, including its role in overseeing the management of the Company's impact on the economy, environment and people. The evaluation is submitted to the nomination committee.

10. Risk management and internal control

The Board ensures that the Company has good internal control and appropriate systems for risk management in relation to the nature and extent of the Company's activities. The Board's work with internal control encompasses the Company's corporate values and Code of Conduct.

Andfjord Salmon has developed and implemented a management framework and internal control systems that are deemed appropriate for the Company's size and operational maturity.

The Board discusses and assesses the group's risk exposure, systems, routines, and internal control to mitigate such risk on an annual basis. Internal control procedures, limiting

authorisations, organisational changes and increased reporting are part of the improvements. Procedures have been established for the regular reporting of financial statements. Furthermore, management regularly reports to the Board on the progress of the Company's development and other operational processes.

As part of ongoing risk management efforts, the Board and executive management carry out specific risk reviews of major investments and contracts. As part of the annual budget and strategy process, the Board and executive management conduct an annual review to discuss and identify external and internal opportunities for and threats to the group. In addition, the Board carries out a thorough review of the Company's financial status in the annual Directors' Report.

11. Remuneration of the Board of Directors

Remuneration of the Board is determined by the GM, based on recommendations from the nomination committee. The recommendations are normally linked to the Board members' responsibilities, competence and time commitment, taking the Company's size and complexity into consideration. The remuneration is not linked to the Company's performance.

The annual general meeting has awarded 60,000 share options to chairman Roger Brynjulf Mosand. The stipulation that members of the Board should not be granted share options is founded on an assumption that this may weaken the Board's independence. The Board has considered this when developing Mosand's

option programme, which has been designed to secure the long-term commitment of Mosand. For example, the exercise date is set to 1 January 2027 at the earliest and 29 December 2029 at the latest. Consequently, it is the Board's view that the option programme sufficiently aligns Mosand's interests with the long- term interests of all other shareholders. Moreover, Mosand also owns shares in Andfjord Salmon, which ensures further alignment with Andfjord Salmon's shareholders.

Members of the Board, including companies with whom they are associated, are usually not given separate assignments by Andfjord Salmon in addition to their function as directors. Any such assignments will be based by approval from the Board.

The stipulation that members of the Board should not undertake additional assignments for the Company is based on the need for members of the Board to be independent of the Company's executive personnel. Currently, Board member Roy Bernt Pettersen is engaged by Andfjord Salmon to work on certain projects. As Pettersen is the co-founder of Andfjord Salmon, the Board considers it of value to all the Company's shareholders that he is engaged with the Company. Further, Board members Kim Marius Strandenes and Tore Traaseth, who both have extensive capital markets experience, and chairman Roger Brynjulf Mosand with his extensive aquaculture industry experience, have during 2024 supported the Company's administration with specialist competence and capacity related to Andfjord Salmon's financing

and business development processes. The Board considers it of value to all shareholders that Board members, who have in-depth knowledge of Andfjord Salmon, can provide specific and clearly defined strategic and operational support to the Company's administration, which remains small in size in line with the Company's objective of running a cost-effective operation.

Any remuneration in addition to normal directors' fees is specified in Andfjord Salmon's annual report.

12. Salary and other remuneration of executive personnel

The Board determines the principles applicable to the Company's policy for compensation of executive management.

The Board is directly responsible for determining the CEO's salary and other benefits. The CEO is, in consultation with the chairperson of the Board, responsible for determining the salary and other benefits for the Group's other senior executives.

As Andfjord Salmon not a public Company governed by the Public Companies Act, the Company is not required to prepare guidelines for the remuneration of executive personnel. The Board's view on management compensation is that it should be competitive and motivating, but not above observed market levels, and help ensure that the executive personnel and shareholders have convergent interests. Management compensation consists of a fixed sum base salary and share options. The Board has the opportunity to allocate discretionary

annual performance bonuses to members of management. So far, such bonuses have been limited to the equivalent of three months’ salary. The Board has initiated a process to define specific guidelines and targets for a performance-related bonus scheme for executive personnel. The Board aims to conclude this process in 2025.

13. Information and communication

Andfjord Salmon’s reporting and communication policy takes into account the requirement for equal treatment of all stakeholders in the financial markets. The Company has established guidelines for reporting of financial and other information. The purpose of these guidelines is to ensure that timely and correct information is made available to shareholders and other stakeholders. A financial calendar and other shareholder information, including the Company’s investor relations policy, is available on the Company’s website.

All information distributed to the Company’s shareholders is published simultaneously on the Company’s website and at Newsweb.no (Oslo stock exchange’s distribution channel).

13. Take-overs

The Company’s Articles of Association do not include defence mechanisms aimed towards take- over bids, nor are any other obstacles implemented with the objective of reducing the trade and/or transferability of the Company’s shares. The shares are freely negotiable. Transparency and equal treatment of the shareholders are fundamental principles the Company adheres to. No additional principles

have been established for how Andfjord Salmon will or should act with respect to takeover bids, but the Board will act in accordance with applicable regulations as well as the general principles of the stock market if such a situation should occur.

14. Auditor

The external auditor is independent in relation to Andfjord Salmon and elected by the Annual General Meeting. The auditor’s fee is approved by the GM. The auditor conducts a yearly meeting with the Board in connection with the review of the annual accounts. The Company’s internal control systems and procedures are addressed in the same meeting. The Board reviews the yearly audit plan with the auditor together with identified weaknesses and suggestions for improving the Company’s internal control. It has not been deemed necessary by the Board to implement additional guidelines regarding the use of the auditor for services other than auditing.



NATURAL
FLOW ➡ ➡ ➡ ➡ ➡ ➡

SEAWATER
100 %

TEMP.
7–14°C

DEPHT
50 m.

BOARD OF DIRECTORS REPORT

Nature of the enterprise

Andfjord Salmon is developing the aquaculture industry of the future and has an ambition of building the most fish-friendly and sustainable aquaculture facility of its kind. The benefits of both sea and land-based salmon farming are combined to achieve this. The result is a high level of salmon welfare and sustainable production by using Arctic seawater in land-based pools. Andfjord Salmon is a Norwegian Company that was established in Andøy municipality in 2014. The Company is developing production facilities and operating premises on Andøya. The Company has a license to farm 10,000 tonnes of maximum allowed biomass (MAB), at Kvalnes, Andøya. The Company is currently developing the Kvalnes site. Yearly production volume under the current license is expected to be 23,700 tonness (HOG + post-smolt) when the build-out has been completed in mid-2027. Andfjord Salmon has also secured coastal properties at Fiskeenes and Breivik on Andøya for future expansion. In total, the Company has a long-term ambition of an annual production of more than 90,000 tonnes HOG from all three sites.

Overview of the annual financial statements

The financial statements for the year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS®) as endorsed by the European Union (EU).

Andfjord Salmon consists of parent Company Andfjord Salmon Group AS and one subsidiary, Andfjord Salmon AS, together “the Group”.

Loss before income tax for 2024 was NOK 67.9 million for the Group, compared to a loss of NOK 69.8 million in 2023. In 2024, the Company employed 23 full-time equivalents and employee benefit expenses amounted to NOK 21.7 million after capitalisation of expenses related to construction. Depreciation and amortisation expenses were NOK 24.8 million in 2024, while other operating expenses totalled NOK 25.5 million. The loss is in line with the Board’s expectations for the current phase of the Company. Focus in 2024 has been on developing the Kvalnes land-based aquaculture facility,

including construction of the four next pools and associated pool infrastructure, plus share infrastructure – such as waterways and harbour area – to support a future total annual production capacity of 48,100 tonnes HOG + post-smolt at kvalnes. The next release of smolt will be in the third quarter of 2025, followed by continuous production thereafter.

The Group generated sales revenue in 2024 of NOK 190 thousand, which were fish remaining from the first production cycle that was harvested in 2023.

Net cash flow from operating activities was NOK -63.2 million, while operating loss was NOK -72 million. The Group’s cash flow from investment activities was NOK -1.205 million, which is related to construction of four new pools and associated area infrastructure at Kvalnes. Net cash flow from financing activities was NOK 1,078 million in 2024.

Total assets at the end of 2024 were NOK 2,397.5 million for the group. Total non-current assets were NOK 2,260.5 million, which consisted of investments in property, facility and equipment at Kvalnes, property at the Breivik and Fiskeenes locations and intangible assets of NOK 16.4 million. Since its inception in 2014, the group has carried out research and development that has resulted in a patented solution that has been implemented in the first pool. Direct expenses for equipment and external consultants in connection with development of the solution are entered in the balance sheet as intangible assets. Direct expenses related to the patent itself are also accounted for as an intangible asset.

Current assets mainly consist of bank deposits and current receivables.

RISK FACTORS

Market risks

Liquidity risk

The Group has financed the construction of four new pools, which will increase annual production capacity to 11,000 tonnes (HOG + post-smolt), and infrastructure including waterways and a harbour area which will support a complete development of Kvalnes to a production capacity of 48,100 tonnes per year. The financing package consists of equity and a construction loan of NOK 825 million from Sparebank 1 Nord-Norge, Sparebank 1 SR-Bank and Sparebank 1 SMN, supported by a guarantee of 50% from Eksfin. At the end of 2024, the group had a cash balance of NOK 59.2 million, undrawn construction loan of

NOK 40 million, and an undrawn credit facility of NOK 20 million.

The Group’s growth strategy and future plans are capital intensive and dependent on further future financing to continue to increase the production capacity beyond 11,000 tonnes yearly. The successful first production cycle has proven the concept and provided the basis for the strong financing the group secured in 2023.

Subsequent to year-end 2024, in March 2025, the Group raised funds of approximately NOK 1.4 billion through a bank package of NOK 400 million, potential sale and leaseback agreement of the harbour area valued at NOK 400 million, and a NOK 600 million private placement of new shares. Further, a leasing facility of NOK 175 million is planned for certain equipment financing, and an overdraft facility of up to 60% of the borrowing base, which is expected to be finalised ahead of the first smolt release, is discussed but not yet committed.

Currency risk

The salmon market is international and the group is exposed to currency risk in relation to sales income. In the future, currency hedging will be used to reduce such exposure.

Interest rate risk

The group is exposed to fluctuations in interest rate levels through interest-bearing debt. Total interest- bearing debt at the end of 2024 was NOK 832.3 million. Liquidity reserves are deposited on bank accounts and are thus exposed to interest rate fluctuations.

Credit risk

The group is currently exposed to credit risk through the placement of surplus liquidity in Norwegian regulated banks. Customer receivables are limited in the current phase.

Cybersecurity risk

Andfjord Salmon depends on IT systems throughout the Company’s operations. The risk of falling victim to a cyberattack is rising to companies in general. Disruptions to critical systems could negatively affect Andfjord Salmon’s ability to operate safely and effectively.

Pandemic risk

Pandemics may impact Andfjord Salmon and the economy at large. For example, the long-term impact on the global economy may result in impairment of assets and future decrease of the market as consumers change their habits and investors reduce their investments. Further, personnel may not be able to work due to illness, quarantines, travel restrictions and social distancing causing a shutdown of operations of the Company and its suppliers.

Going concern

The accounts have been prepared under the assumption that the companies the Group are a going concern. In accordance with Section 3-3a of the Norwegian Accounting Act, the Board confirms that the companies and the Group fulfil the requirements necessary for them to continue to operate as a going concern. The Board bases this on the Group’s financial position, which is good.

Working environment

The Board considers the group’s working environment to be good. No special measures have been implemented to improve the working environment. Registered sickness absence was 2.97% in 2024, while sickness absence in 2023 was 0.83%. The Group has not had any accidents or incidents in 20243 that have led to personal injuries.

Future outlook

The Group holds a fish farming licence of 10,000 tonnes MAB and expects to reach a total annual production volume of 23,700 tonnes (HOG + post-smolt) at Kvalnes under the current production license, The four next pools are being completed in 2025, which will lead to a production capacity of 11,000 tonnes. The group has secured rights to coastal properties at Fiskeenes and Breivik on Andøya, enabling a potential future production of more than 90,000 tonnes HOG. The current licence will be utilised in its entirety at the Company’s first production facilities at Kvalnes.

The Board considers the future prospects to be good. Successful biological results have strengthened the Company’s position significantly.

The land-based facility at Kvalnes will continue to be the Company’s main focal point in the coming years. However, the Company is also working on regulation of the Fiskeenes and Breivik sites and will apply for a licence for 20,000 tonnes MAB (25,000 tonnes HOG) for each of the locations. The zoning plan for Breivik was approved by the local municipality in 2022. There are also plans to further develop the Kvalnes site to a total production capacity of 48,000 tonnes per year.

Andfjord Salmon benefits from the well-developed salmon farming industry in the Vesterålen area, where the necessary infrastructure with sufficient capacity and expertise has already been established. This makes it possible to have a fully integrated value chain, from smolt production and salmon farming to sales and distribution to end customers.

The Group’s financial position and outlook is primarily dependent on the price of farmed salmon and the level of production costs.

Historically, the market price of farmed salmon has been subject to market fluctuations.

Andfjord Salmon’s flow-through concept requires low energy consumption. Due to the facilities’ unique location directly adjacent to the Gulf Stream, they have access to water at very favourable temperatures year-round. Inlet water is sourced at 50 meters’ below the levels inhabited by salmon lice. Salmon lice treatment represents a significant production cost in sea based salmon farming, and avoiding this gives a significant production cost advantage compared to traditional sea-based farming. The Company is largely dependent on maintaining its current licence and being awarded new licences in order to develop the business in the future.

Corporate governance

Andfjord Salmon has prepared a report on corporate governance that is included in the annual report, which is available on the Company’s website. Although the Company is not subject to the Norwegian Code of Practice

for Corporate Governance, it aims to comply with the principles of the recommendations as the business transitions into an operational phase. The report on corporate governance sets out the Company’s status in relation to the recommendations.

Gender equality and discrimination

In 2024, 23 full-time equivalents were performed by employees of the group. At the end of the year, the Board consisted of seven members, of which two are females. At the end of 2024, the Group had 23employees in total, of which nine are women. The proportion of woman among employees has increased considerably during the last couple of years. Based on an assessment of the size of the Group, the number of employees and job categories, the Board has not found it necessary to take further action with respect to gender equality at this time. However, Andfjord Salmon is keen to further increase the share of female employees, both in senior positions and in the Group in general. Andfjord Salmon shall be a workplace where there is full gender equality between women and men, and it shall ensure that there is no discrimination based on gender. More information on the status of gender equality in the Company can be found in the ESG report, which is part of the annual report available on the Company’s website.

The natural environment

The Group does not pollute the natural environment to any significant extent in its current phase, but it has nevertheless implemented environmental measures in connection with the development at Kvalnes. It is a clear goal

that the business shall have the smallest possible environmental footprint. Biological waste from the facility is captured and refined as a commercial resource, limiting discharges from the facility. The Company has prepared a separate ESG report as part of the annual report, which contains a detailed account of how it works towards achieving sustainability goals.

Other matters

Andfjord Salmon performs evaluations and assessments of suppliers in line with the Transparency Act. The Group will publish an updated statement on due diligence assessments on its website by the end of June 2025. The Group has taken out insurance for the Board

members and the CEO for their possible liability to the group and third parties, with an insurance sum of NOK 300 million.

The Board does not know of any other matters of importance to consider the Group’s position and profit/loss, other than those presented in the annual financial statements and notes to the annual financial statements. No matters have arisen after the end of the financial year that have an impact on the Board’s assessment of the annual financial statements.

Board of Directors and CEO of Andfjord Salmon Group AS

We hereby confirm that it is our sincere conviction that the financial statements for the period 1 January to 31 December 2024 have been prepared in accordance with the provisions and good accounting practices set out in the Norwegian Accounting Act, and that the information in the financial statements provides an accurate picture of the Company’s and the Group’s assets, liabilities, financial position, and profit/loss as a whole. We hereby confirm that the annual report provides an accurate overview of the development, annual profit/loss and position of the Company and the Group, together with a description of the most important risks and uncertainties the enterprise is facing.

<div><div>Sign.</div><div>Roger Brynjulf Mosand</div><div>Chair</div></div>	<div><div>Sign.</div><div>Roy Bernt Pettersen</div><div>Director</div></div>	<div><div>Sign.</div><div>António Serrano</div><div>Director</div></div>	<div><div>Sign.</div><div>Hanne Digre</div><div>Director</div></div>	<div><div>Sign.</div><div>Kim Strandenæs</div><div>Director</div></div>	<div><div>Sign.</div><div>Gro Skaar Knutsen</div><div>Director</div></div>	<div><div>Sign.</div><div>Knut Roald Holmøy</div><div>Director</div></div>	<div><div>Sign.</div><div>Martin Rasmussen</div><div>CEO</div></div>	<div><div>Andøy</div><div>9 April 2025</div></div>

SUSTAINABILITY STATEMENT



GENERAL INFORMATION

BP-1 & BP-2

BASIS FOR PREPARATION

General basis for preparation of the sustainability statement

Since 2021, Andfjord Salmon has prepared sustainability statements on an annual basis, where the purpose is to inform our stakeholders about our sustainability efforts and offer a clear and transparent picture of our activities.

The sustainability statement is prepared on a consolidated basis, where the scope is the same as for our financial statements. The sustainability statements have not been externally assured.

The sustainability statement covers our upstream and downstream value chain (see full value chain model on page 16).

Our sustainability statement is structured in four main parts: General information, Environment, Social and Governance.

Disclosures in relation to specific circumstances

Referring to our company strategy, we use the following time horizons:

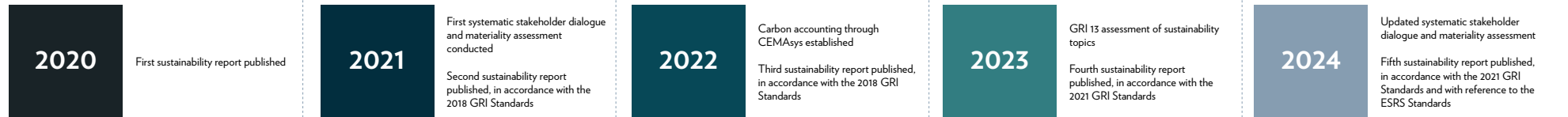
- Short-term: within the next 12 months
- Medium-term: 1-5 years
- Long-term: More than 5 years

We rely on upstream value chain data for our carbon accounting. The information is considered accurate and reliable, and we have not identified

any sources that are subject to a high level of measurement uncertainty.

We have previously prepared our sustainability statement in accordance with the 2021 Global Reporting Initiative (GRI) reporting standard. Although we are not subject to the Corporate Sustainability Reporting Directive (CSRD), the 2024 sustainability statements have been prepared with reference to the European Sustainability Reporting Standards (ESRS).

There are no restatements of information from previous reporting periods.



GOV-1 to GOV-5

GOVERNANCE

The role of the administrative, management and supervisory bodies

Our Board is composed of seven members (five male and two females). Detailed information on composition, independence and the work of the Board can be found in the corporate governance statement, sections 8 and 9.

Our sustainability performance is governed by the Board. The Board is responsible for ensuring that the interests of shareholders and other interested parties are safeguarded in a satisfactory manner. The Board has prepared and adopted rules and procedures for the Board. The Board has an annual plan for its work to ensure that all important issues and business areas are covered, emphasising objectives, strategy, and implementation of the business plan in particular.

The Board regularly reviews our sustainability performance, including material topics, key performance indicators and priorities.

The Executive Management Team is composed of four members. Information on their background and experience can be found in their CV’s. The Chief Financial Officer (CFO) is responsible for the follow-up of sustainability activities and reports back to the rest of the Executive Management Team and the Board, who evaluate the results.

Information provided to, and sustainability matters addressed by the Executive Management Team and Board

The CFO oversees our overall sustainability progress and provides updates to the rest of the Executive Management Team and Board on a need-to know basis. Progress is assessed based on existing policies, goals, targets, and actions. The primary report to the Board is the annual report. If required, critical issues related to our significant environmental and social impacts may also be raised and communicated to the Executive Management Team and Board on a need-to-know basis. No critical concerns were communicated to the Board during the reporting period.

Integration of sustainability-related performance incentive schemes

There are currently no incentives schemes related to sustainability matters offered to members of the Board or the Executive Management Team.

Statement on due diligence

We carry out various due diligence processes to identify impacts, risks, and opportunities (IROs) across our value chain. We rely on third-party suppliers, which means that we are directly and indirectly exposed to supply chain risks, including human rights breaches. In line with the OECD guidelines for multinational enterprises, we conduct due diligence of new suppliers and business partners following our own procedures.

In 2024 we started preparing a double materiality assessment (DMA) to map sustainability-related impacts, risks, and opportunities. Key internal stakeholders from all business areas are involved in this process, allowing for a comprehensive evaluation and prioritisation of sustainability issues.

Additionally, we perform an annual human rights risk assessment in accordance with the Norwegian Transparency Act. This assessment considers factors such as sector and geographies to identify potential human rights risks in our supply chain.

Risk management and internal controls over sustainability reporting

We have developed and implemented a management framework and internal control systems that are deemed appropriate for our company’s size and operational maturity. The Board oversees the risk governance structure, with ownership by the CEO, supported by relevant functions. Material risks are reviewed by the Executive Management Team, where mitigation strategies are defined and implemented.



Core elements of due diligence	Sections in the report
a) Embedding due diligence in governance, strategy and business model	Transparency Act statement section 2.0: “Embedding due diligence in governance, strategy and business model”
b) Engaging with affected stakeholders in all key steps of the due diligence	Transparency Act statement section 3.0: “Engaging with affected stakeholders in all key steps of the due diligence”
c) Identifying and assessing adverse impacts	Transparency Act statement section 4.0: “Identifying and assessing adverse impacts”
d) Taking actions to address those adverse impacts	Transparency Act statement section 5.0: “Taking actions to address adverse impacts”
e) Tracking the effectiveness of these efforts and communicating	Transparency Act statement section 6.0: “6.0 Tracking the effectiveness of efforts and communicating”

SBM-2

INTEREST AND VIEWS OF STAKEHOLDERS

Stakeholder identification

By stakeholders we mean those who can affect or be affected by our activities, or users of sustainability statements (such as lenders, trade unions and analysts).

Our main stakeholder groups were first identified in a workshop in 2021 and then re-assessed in 2024 by an interdisciplinary working group representing Finance, Sustainability, Sales, and HR.

Our key stakeholder groups are:

- Employees
- Shareholders (including members of the Board)
- Civil society
- Government
- Suppliers

Stakeholder dialogue

Having an ongoing dialogue with relevant stakeholders strengthens our relationship with the society in which we operate, and allows us to detect, investigate and manage potential risks arising in our immediate surroundings. We first conducted systematic stakeholder dialogue in 2021 and have resumed systematic interviews with selected stakeholders in 2024.

The selection of stakeholders is based on each stakeholders’ relevance. For practical reasons, we have conducted desktop research to identify the interest of certain stakeholder groups, mainly governmental authorities. For the rest of the stakeholders, the interviews were conducted via Teams.

The outcome of the stakeholder dialogue was summarised and presented to the Executive Management Team, as part of the DMA, see next chapter for more information.



Stakeholder group	Relevance	Arena for dialogue	2024 stakeholder dialogue
Employees	We have a direct impact on and are also directly impacted by our employees and access to skilled labour.	<ul style="list-style-type: none">• Meetings (incl. all-hands-meetings)• Intranet, website and Teams• Phone / e-mail-correspondence• Annual report• Newsletter• Direct dialogue	●
Shareholders and Board of Directors	Shareholders and Board members drive our priorities and strategy, including our sustainability approach.	<ul style="list-style-type: none">• Website• Presentations (company and quarterly presentations)• Reporting• Meetings (Board meetings, AGM and other information meetings)• Media and other public channels• Newsletter• Direct dialogue	●
Civil society	We have a direct and indirect impact on civil society and local value creation.	<ul style="list-style-type: none">• Meetings (private and public)• Media and other public channels• Annual report• Newsletter• Direct dialogue	●
Government	The government and local authorities have a direct impact on us through legislation and regulations.	<ul style="list-style-type: none">• Meetings (industry and local meetings)• Capital Markets Day• Reporting• Audits• Phone / e-mail correspondence	●
Customers	Customers drive our priorities and strategy, especially on sustainability topics. We also indirectly impact customers by providing information about fish health and sustainable fish farming.	<ul style="list-style-type: none">• Phone / e-mail correspondence• Meetings• Trade fairs	●
Suppliers	We are dependent on suppliers and business partners for distribution and can also directly and indirectly impact suppliers and business partners through our guidelines and strict requirements.	<ul style="list-style-type: none">• Phone / e-mail correspondence• Meetings• Trade fairs	●

● Yes ● No (desktop research)

Table 2: Key stakeholders and dialogue



SBM-3

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Our materiality assessment is updated on a regular basis to reflect changes in our environment and the development/expansion of our business.

We conducted our first materiality assessment in 2022, in line with the GRI Standards. In 2024, we re-evaluated actual and potential impacts based on the guidelines in ESRS 1 section 3.

Our Executive Management Team as well as a representative from the Board participated in the impact assessment workshop. The next step will be to conduct a financial materiality assessment, evaluating sustainability-related risks and opportunities.

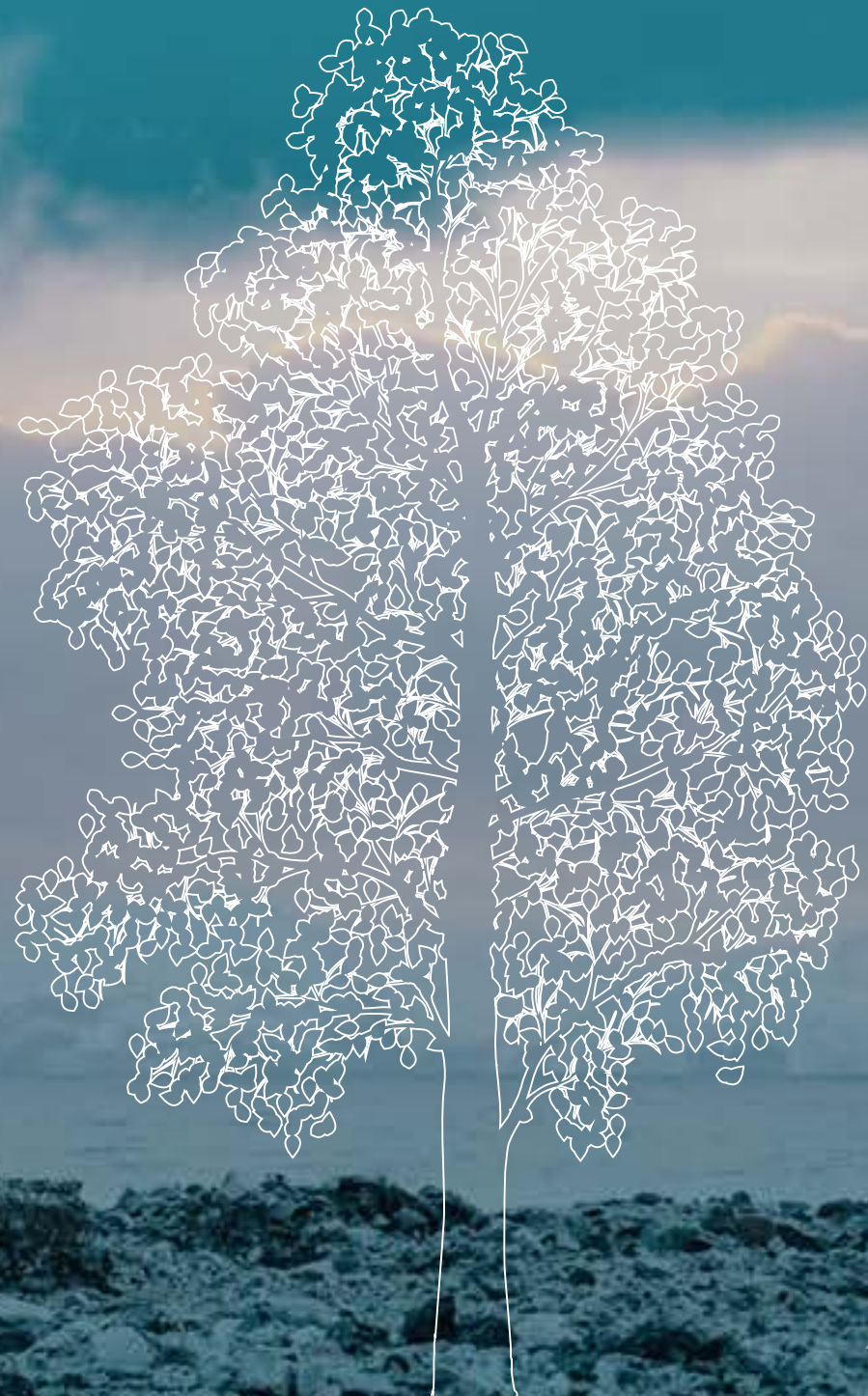
We are continuously engaging with stakeholders regarding actions taken under each of the material topics, and the outcome of such actions, including through direct conversations, quarterly presentations and annual sustainability reports.

Topical ESRS	Topic	Sub-topic	Sub-sub-topic	Section in the sustainability statement
ESRS 2	General information	N/A	N/A	General information
E1	Climate change	Climate change mitigation & Energy	-	Environment
E4	Biodiversity and ecosystems	-	-	Environment
E5	Resource use and circular economy	Resource outflows & Waste	-	Environment
S1	Own workforce	Working conditions	Health and safety	Social
S3	Affected communities	-	-	Social
G1	Business conduct	Animal welfare	-	Governance

Table 3: Material topics



ENVIRONMENT



E1

CLIMATE CHANGE

Material impacts, risks and opportunities

Fish farming on land and at sea usually requires a significant amount of energy for feeding, water circulation, lifting, moving and transportation, which can negatively affect the climate. Many of the current land-based facilities for fish farming rely on water recycling as the standard technology (Recirculating Aquaculture Systems – RAS). Such systems require significant amounts of energy in order to remove ammonia, particulate matter and CO2. A high energy consumption is not only negative for the environment but can also put restraints on the energy consumption of others.

Energy consumption occurs throughout our value chain and is primarily linked to the provision of energy to the fish pools and use of office buildings. For our offices, we rely on a waterborne heating system and a heat exchanger. For the fish pools, we use technological progress to be as energy efficient as possible. Our concept is based on flow-through technology which does not require energy to lift, clean, cool or heat up the water, meaning that there is no need for an energy

intensive water treatment plant. The natural conditions at Andøya are important in this aspect, as the Gulf Stream naturally pushes the water through the pipes and help fill our pools with fresh sea water. As a result, our fish farming facility has low energy consumption, on average 80,000 kwh per month in 2023¹ . This means that for every 1kg produced salmon, we use approximately 1kWh of energy – which is significantly lower than many of our land-based peers. Through such technological innovations, we aim to have a positive impact on this topic.

Our Scope 1 and Scope 3 emissions are generally low. We are not reliant on any fuels to operate our pools, and we do not own any production equipment that is emission intensive. We do not own any company cars but have some business travel activities, mostly within Norway. Scope 1 and Scope 3 emissions are therefore mainly linked to the construction of four new pool pits at Kvalnes. For example, our pools are made of concrete which produces significant amounts of carbon dioxide.

As a company dependent on a healthy environment, we aim to help mitigate climate change by reducing our own emissions as much as possible. We shall ensure that our operation has a minimal impact on the climate, and we aim to utilise climate friendly technology, establish clear environmental guidelines, monitor our activities, and report on our progress towards net zero.

Actions and resources in relation to climate change policies

Our way of producing fresh salmon is highly dependent on the benefits of the natural environment that we operate in. Climate change is therefore a particular topic of concern to us, even though we have not identified a significant negative impact from our own operation.

Since our inception, we have taken part in several projects aiming to combat climate change, for example RESIST, which is a project led by the independent research organisation SINTEF and that aims to improve ability of rural areas² to deal with climate change. Vesterålen is the sole

Norwegian region taking part in the project due to its vulnerability to climate change. Other national partners include Vesterålsrådet, Museum Nord, and GAIA Vesterålen.

The purpose of the RESIST project is to use technology, innovation, and science to develop regions that will remain sustainable in the face of climate change by conducting large-scale trials of climate adaptation innovations in 12 regions and by sharing knowledge and innovative solutions among the regions. The RESIST project has a budget of EUR 26.6 million, the equivalent of almost NOK 270 million, and has received EU funding through Horizon Europe’s EU Mission Adaptation to Climate Change programme.

We did not have any fish in the pool during 2024, which means that our energy use is considerably lower compared to the previous reporting period. We did however increase the emissions relating to the build-out phase at Kvalnes, as seen in our carbon accounting on page 48. To reduce these emissions as much as possible, we have used own masses from the carve-out process for the production of concrete, which also means that we have significantly reduced emissions related to transport of masses.

Targets related to climate change mitigation and adaption

We support the UN's Sustainability Development Goal 9.4 to upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes. We are currently in the process to establish short-, medium and long-term targets related to climate change mitigation and energy, that we will report on in future sustainability statements.

Energy consumption and mix	2024	2023
Total fuel consumption from non-renewable sources	51 MWh	37 MWh
Total fuel consumption from renewable sources	12 MWh	7.6 MWh
Electricity consumption	809.6 MWh	926.5 MWh
Heating consumption	-	-
Cooling consumption	-	-
Steam consumption	-	-
Total energy consumption	3141.6 GJ	3495.7 GJ

Table 4: Energy consumption and mix

“As a business that is not only reliant on the ocean as a resource but also with a clear sustainability focus, the RESIST project was something that we wanted to commit to and take part in.”

Stig Pettersen,
Head of Public Affairs.



¹ We did not have any fish in the pool in 2024.

Greenhouse gas emissions

Carbon accounting is a crucial tool to identify tangible measures to reduce greenhouse gas (GHG) emissions.

The carbon accounting covers our operations as well as emissions relating to certain upstream activities such as the construction phase. The input data is based on consumption data from internal and external sources, which are converted into tonnes of CO2 equivalents (tCO2e), using CEMAsys software. The report addresses the following greenhouse gases, all converted into CO2 equivalents: CO2, CH4 (methane), N2O (nitrous oxide), SF6, HFCs, PFCs, and NF3.

The carbon accounting is based on A Corporate Accounting and Reporting Standard, an international standard developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The reporting standard is the most widely used and recognised international standard for measuring GHG emissions and is the basis for the ISO standard 14064-I.

We report on Scope 1, direct energy use, Scope 2, electricity purchased (Nordic mix), and Scope 3, to a limited extent, which includes purchased goods and services, capital goods, other fuel and energy related activities, upstream transportation and distribution, waste, and business travel.

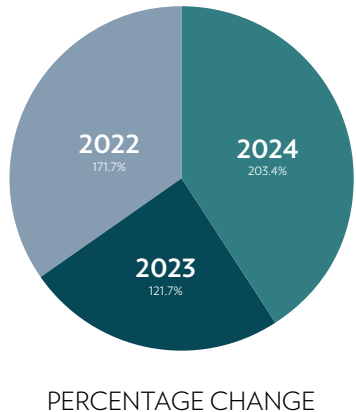
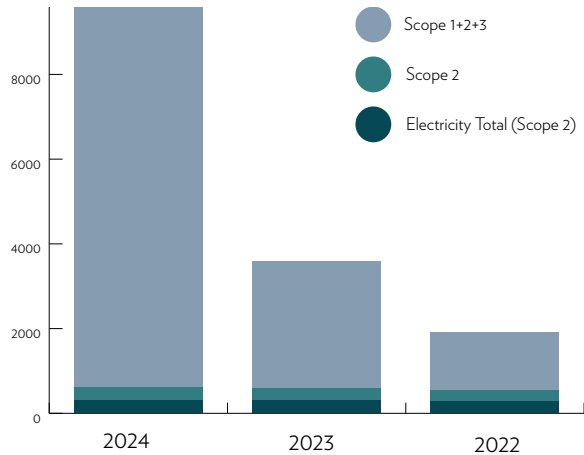
We do not have any biogenic CO2 emissions. The base year for all calculations is 2022.

Gross direct (Scope 1) GHG emissions in the reporting period totalled 14.3 tonnes of CO2e (up from 10.4 tonnes of CO2 in 2023). The main Scope 1 emission source is diesel for leased company cars.

Gross market-based energy indirect (Scope 2) GHG emissions totalled 305 tonnes of CO2e in 2024 and is on par with the electricity use in 2023 (303 tonnes CO2e). The gross location-based Scope 2 emissions in the reporting period totalled 21.9 CO2e. Our Scope 2 emissions are calculated using an operational control approach, and the electricity emission factors used are based on national gross electricity production mixes from the International Energy Agency’s statistics (IEA Stat).

Emissions (tCO2e)	2024	2023	2022
Electricity Total (Scope 2) with Market-based calculations	305	303.9	276.7
Scope 2 Total with Market-based electricity calculations	305	303.9	276.7
Scope 1+2+3 Total with Market-based electricity calculations	9,064.4	2,987.7	1,347.9
Percentage change	203.4%	121.7%	171.7%

Gross other indirect (Scope 3) GHG emissions totalled 8,745.1 tonnes of CO2e in the reporting period (compared to 2,673.5 tonnes CO2e in 2023). The reason for the big increase in Scope 3 emissions can be explained with the build out of twelve new pools at Kvalnes. The work is mainly done by subcontractor AF Hæhre & Contur and involves the use of heavy machinery and materials like concrete, steel, dynamite and bolts. AF Hæhre & Conturs’ emissions from the Kvalnes construction phase is accounted for under Scope 3 Capital goods and represents 98.5% of total emissions in 2024.



PERCENTAGE CHANGE

E4

BIODIVERSITY AND ECOSYSTEMS

Material impacts, risks and opportunities

Biodiversity is critical to the health of people and the planet and responsible management of the oceans is a key feature of a sustainable future. Salmon farming can have a potential negative impact on flora, fauna, and ecosystems (birds, marine biodiversity, fish species/wild salmon population) through the building of new sites and discharges to sea.

During the construction phase, we can have a potential negative impact on biodiversity and ecosystems, for example through noise, dust and light associated with the carve out of new pools and pier. So far, we have no indication of this being the case and are monitoring this topic closely.

Environmental surveys carried out by the Norwegian Directorate of Fisheries show that effluents of nutrients and organic materials from aquaculture are minor environmental issues in Norway, and monitoring of benthic and kelp forest conditions near the outlet points of our Kvalnes site shows no actual negative impact from our

operation on the natural ecological state or loss of species. We do not introduce invasive species.

The escape of fish from net pens is perceived as a threat to natural biodiversity in Europe's marine waters. Escaped fish may cause undesirable genetic effects in native populations through interbreeding, and ecological effects through predation, competition, and the transfer of diseases to wild fish. Escapes are normally the result of technical and operational failures of fish farming technology. Our land-based facilities and technology provide robust barriers, meaning that the fish cannot escape.

How we identify and assess biodiversity and ecosystem-related impacts, risks and opportunities

We have carried out an Environmental Risk Assessment (ERA) and an Environmental Impact Assessment (EIA), as required by Norwegian law and in compliance with the requirements set out by Global G.A.P. Aquaculture Standards, pursuant to which Andfjord Salmon is we are

certified. Environmental surveys carried out by the Norwegian Directorate of Fisheries show that effluents of nutrients and organic materials from aquaculture are minor environmental issues in Norway.

We take samples regularly from the seabed below and near our production facilities in order to monitor the environmental conditions. As there are currently no environmental standards for land-based fish farming, our surveillance / discharge analysis is carried out in accordance with EN:ISO 16655:2013, which correspond to the Norwegian standard for environmental monitoring of benthic impact from marine fish farms (NS 9410).

Our biodiversity plan (which was established in 2023) lists 17 species observed within a radius of 1.5 kilometres of our premises at Kvalnes (see table 7). According to Rådgivende Biologer AS, which conducted the biodiversity mapping in 2023, none of these observations indicate that this area is an important nesting and breeding habitat for any of these species.

Policies related to biodiversity and ecosystems

We are committed to complying with both ethical and statutory obligations governed by Norwegian legislation, as well as relevant laws and regulations in the areas we operate, including:

- The Regulation on the Establishment and Expansion of Aquaculture Facilities
- The Aquaculture Operations Regulations
- The Aquaculture Act
- The Nature Diversity Act
- The Water Regulation Act
- The Aquatic Biosecurity Regulation
- The Pollution Control Act
- Internal Control Regulations
- Municipal zoning plans

The Regulation relating to internal control to meet the requirements set out in aquaculture legislation (IK-Akvakultur).

Actions and resources related to biodiversity and ecosystems

We have carried out a detailed mapping of biodiversity close to our premises at Kvalnes (Figure 1) in order to be able to monitor possible negative impact from effluents in the future. During this ROV mapping, researchers found kelp forest and shell sand near our site, in addition to important spawning and breeding areas for several fish species. We have also mapped the deep-water areas off Kvalnes as a precautionary measure, in which marine habitat sponge communities were registered. Everything that was mapped was assigned specific values, including the distance to our premises, see table 6.

We aim to monitor all activities that may have a

direct or indirect impact on biodiversity. Firstly, the impact zone of effluents from the production of salmon (organic compounds and dissolved nutrients) has been identified using advanced dispersion models. Next, the effluents' effects are monitored in accordance with monitoring plans, which are more comprehensive than the Norwegian standards for environmental monitoring. During the first generation of salmon production at Kvalnes, both the benthic and the kelp forest conditions were monitored. The results of the monitoring were that no negative impact on the natural ecological state or loss of species was documented in the areas near the outlet point.

We have also drawn up an environmental monitoring plan for the ongoing construction of our land-based site at Kvalnes, which closely describes how we aim to protect the environment during the construction work. This is a supplement to the requirements of Norwegian legislation and the terms and conditions of the effluent permits granted by the Norwegian environmental authorities. Establishment of the breakwater will result in the loss of 6.5 daa of kelp forest, which constitutes 0.38% of the registered habitat outside Kvalnes. The kelp forest will likely re-establish itself on boulders on the breakwater, and therefore continue to serve as a habitat for fish species in the area.

We started working with Norconsult and DNV in 2021 to meet the requirements for escape safety set out in NS 9416 Land-based aquaculture farms for fish. Norconsult and DNV's most recent report gave Andfjord Salmonus the highest score in terms of the prevention of fish escape.

In 2024, we entered into agreement with Stermer

regarding purification of discharged water to ensure that this will comply with regulatory requirements and our own targets for sludge treatment. We have also conducted modelling of noise in connection with the new pool development. Finally, together with Andfjord municipality, we have continued our participation in Rokdalsvassdraget / the Å River Project on surveillance of wild and humpback salmon.

Targets related to biodiversity and ecosystems

We support UN Sustainable Development Goal 8.4 to improve global resource efficiency in consumption and production, and endeavour to decouple economic growth from environmental degradation. We are in the process of setting short-, medium-, and long-term targets related to biodiversity and ecosystems.



Area/sub area	Type	Size	Distance	Value
1. Andøya	Kelp forest occurrences	171.3 hectares	–	Large
2. Kvalnes	Shell-sand occurrences	37.0 hectares	–	Large
3. Saura øst	Fungal community	33.6 hectares	4 km	Large
4. Sula/Klakken	Functional area coalfish, red-fish	413.0 hectares	2.1 km	Very large
5. Haue	Functional area coalfish, red-fish	278.1 hectares	3.9 km	Very large
6. Local area in general	Regular species including functional areas	–	–	Some

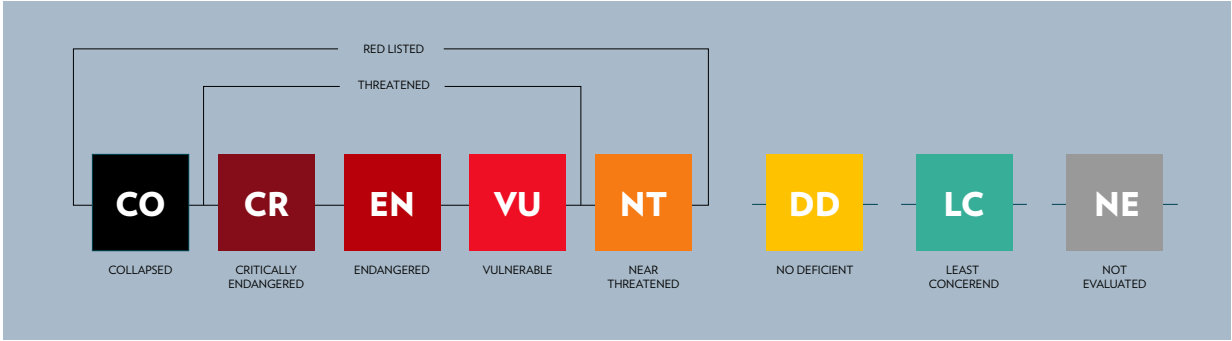
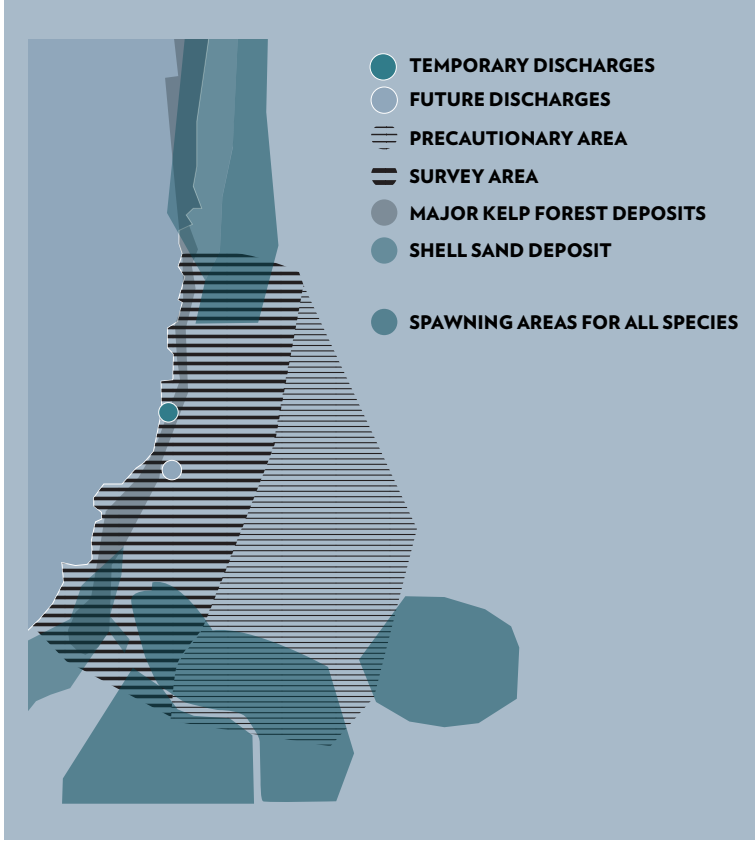
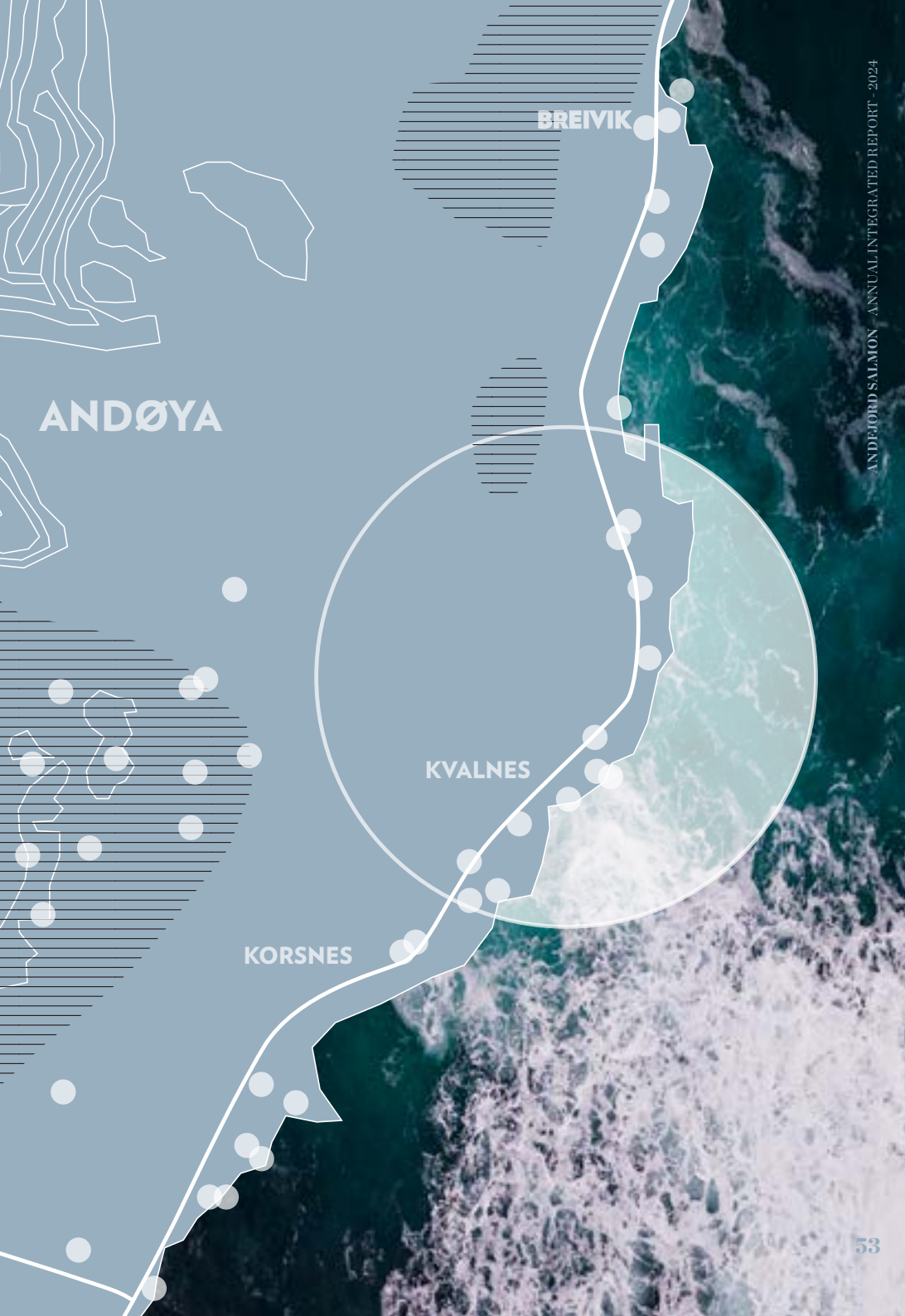


Figure 1: Mapping of marine biodiversity off Kvalnes (Rådgivende Biologer AS).

Total number of IUCN Red List species and national conservation list species with habitats in areas affected by our operations, categorised by level of extinction risk.

Species	Scientific name	Group	Category
Black Guillemot	Cepphus grylle	Bird	NT
Razorbill	Alca torda	Bird	VU
Northern Lapwing	Vanellus vanellus	Bird	CR
Common Murre	Uria aalge	Bird	CR
Common Tern	Sterna hirundo	Bird	EN
Eurasian Curlew	Numenius arquata	Bird	EN
Eurasian Golden Plover	Pluvialis apricaria	Bird	NT
Black-legged kittiwake	Rissa tridactyla	Bird	EN
Arctic Jaeger	Stercorarius para-siticus	Bird	VU
Common Red-shank	Tringa totanus	Bird	NT
Great Cormorant	Phalacrocorax carbo	Bird	NT
Mew Gull	Larus canus	Bird	VU
European Herring Gull	Larus argentatus	Bird	VU
Black-headed Gull	Chroicocephalus ridibundus	Bird	CR
Eurasian Oystercatcher	Haematopus ostralegus	Bird	NT
Atlantic Puffin	Fratercula arctica	Bird	EN
Golden Redfish	Sebastes norvegi-cus	Fish	EN

Table 6 and 7: Metrics related to biodiversity and ecosystems change



E5

RESOURCE USE AND CIRCULAR ECONOMY

Every year, the aquaculture industry produces large quantities of fish sludge, both on land and at sea. This is likely to negatively impact the environment. Although our impact as a land-based farmer is limited compared to traditional sea-based farming, it is our ambition to find new ways to reduce and reuse fish sludge stemming from production, and inspire other industry players to do the same.

Policies related to resource use and circular economy

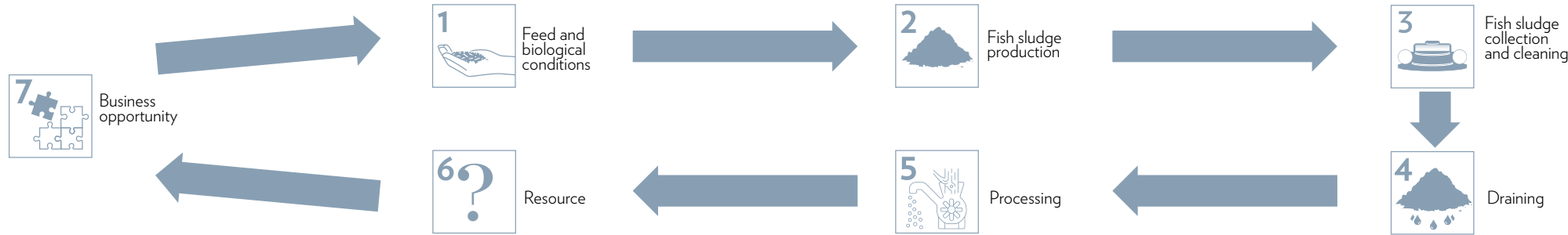
We are committed to both ethical and statutory obligations governed by Norwegian legislation, as well as relevant laws and regulations in the areas in which we operate.

These include:

- The Aquaculture permits for Kvalnes
- The Regulation on the Establishment and
- Expansion of Aquaculture Facilities
- The Aquaculture Operations Regulations
- The Aquaculture Act
- The Nature Diversity Act
- The Water Regulation Act
- The Pollution Control Act
- Internal Control Regulations
- The aquaculture legislation (IKA) for environmental sustainability and animal health and welfare.

Actions and resources related to resource use and circular economy

We have has implemented several circularity measures to reduce and prevent waste generation in our own activities and upstream and downstream in our value chain. Our main impact is through the production and handling of fish sludge. Here, we have established a process where we focus on everything from feed and biological conditions to processing of sludge generated.



Our approach to circularity builds on technological innovation and strong partnerships

1. Feed development: Together with Skretting and Nutreco we have developed a specially designed feed that has a lower sink rate, meaning that more feed is eaten by the fish and less feed end up at the bottom of the pool as waste.
2. Clean and collect: The first step in our method for sludge collection is the pool itself: Fish sludge stemming from production sink and settle on the bottom of the pool. We utilise specially designed and technologically advanced robots (ROV's) that cleans the walls and floor of the pools for feed residue and feces and pumps the fish
3. Draining: After the ROV's have collected fish sludge from the bottom of the pool, the sludge is pumped through pipes until it reaches our water treatment system. The water treatment system is delivered by Sterner – one of Norway's leading suppliers of water treatment systems for the aquaculture industry. Sterner's technology has been adapted to fit our production system and will secure important nutrients that will allow for further circular use of the sludge.

sludge to the next processing step. In connection with the build-out of four new pools, we have consulted Norwegian robotics firm Meox that will develop self-propelled ROV's – a newer version of the units that were used at the first pool.

4. Processing: We deliver our fish sludge to a logistics partner that is specialised in collecting residual raw materials from the aquaculture industry, who, through partners in biogas industry turn the fish sludge into energy. We are also taking part in several innovation projects aimed at utilising fish sludge for other purposes.

The HydroAntec Project: Technology for biogas treatment of fish sludge

We are currently taking part in an innovative project aimed at producing biogas exclusively from fish sludge from farmed fish production. The goal of the project is to be able to run fish sludge through a biogas plant without having to use manure or other substrates. In addition to the production of renewable energy, biogas production from fish sludge will also result in

lower sludge volumes. If successful, this will both reduce the amount of energy used for drying and reduce logistics costs. The project is a collaboration between the Antec Biogas AS, Norwegian University of Life Sciences (NMBU), the Norwegian Institute of Bioeconomy Research (NIBIO) and Holmøy Maritime, which is engaged in ocean-based fish farming, and feed producer Skretting is also involved in through the reference group. The Research Council of Norway is participating in the project with a grant of NOK 7.45 million.



Recycling of phosphorus-rich residual raw materials into new value chains

Recycling of phosphorus-rich residual raw materials into new value chains
The earth's phosphorus reserves is finite and in decline. Phosphorus is an indispensable nutrient that helps plants to grow and its primary use is in manufacturing synthetic fertiliser to increase crop yields, making it crucial to food security. When dried, fish sludge can contain significant amounts of phosphorus. In 2024, we joined a research project together with other industry players and research institutes such as Yara and NIBIO to identify technological solutions to recycle mineral phosphorus to products with positive value.

Other waste

Aside from the fish sludge, other waste generated through our operations is limited and include combustible waste, metal, cardboard, plastic, wood, and residual waste. Such waste is regularly collected and handled by Reno-Vest, a company in Vesterålen that manages the waste in line with contractual and legislative obligations. In total, 4,410 kg of waste was collected by Reno-Vest in 2024. Waste stemming from the development of the new pool pits are reported by the contractor AF Hæhre & Contur and registered in the company’s internal systems.

Both Kystmiljø and Reno-Vest collect and monitor waste-related data from us, and report this back. We also register relevant data in our own internal systems, and through the CEMAsys portal.

Targets related to resource use and circular economy

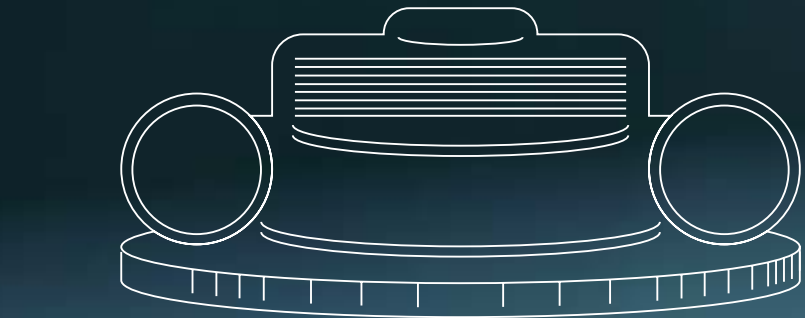
We supports UN SDG target 12.5 to substantially reduce waste generation through prevention, reduction, recycling, and reuse. We are in the process of setting short-, medium and long-term targets related to resource use and circular economy.



Resource outflows and waste	Type	2024	2023
Organic waste, treated	Sludge handling Kystmiljø	-	260,600.00 kg
Residual waste, incinerated	Sorted	-	5,730.0 kg²
Residual waste, incinerated	Unsorted	4,010.0 kg	1,440.0 kg
Wood waste, incinerated	Wood waste	-	2,940.0 kg
Cardboard waste, recycled	Cardboard waste	80.0 kg	313.0 kg
Industrial intern waste	Landfill	320.0 kg	-
Metal waste, recycled	Metal waste	-	1,140 kg

Table 8: Resource outflows

MULTI
CLEANING
SYSTEM



SOCIAL



OWN WORKFORCE

Interest and views of stakeholders

Key stakeholders include employees, unions, the Norwegian Labour Inspection Authority and the Executive Management Team. Their main interest is for Andfjord Salmon to provide a safe and positive working environment. Employees are interested in working for an employer that can provide a good work-life balance and meaningful work, while Executive Management Team is interested in minimal employee turn-over, sick-leave, accidents, and injuries.

Material impacts, risks and opportunities

Employees are at the core of our operations and business success. The ability to attract and retain skilled workers as well as maintaining a healthy working environment – both physically and mentally – is critical to our existence. By promoting a good and safety-oriented Company culture, we can positively impact this topic. Failure to engage with employees and abide by laws and regulations can lead to an unsafe working environment. Safe working conditions are a key priority for us. As for any production environment, working

at Andfjord Salmon involves health and safety risks. A risk assessment has been conducted to determine potential hazards related to the working environment. The main risks identified include fall injuries, falling into pools or moats, drowning, and pinch point hazards. To mitigate such risks, we have established preventive measures, such as walkways around the pool and solid fencing of embankments. Personal protective equipment and rescue equipment are also in place. We conduct safety inspections on a regular basis – annually, at minimum.

Policies related to own workforce

We shall provide a workplace where everyone thrives, feels respected and valued. We communicate openly and speak up if we witness unsafe or unjust situations. We operate in accordance with the Norwegian Working Environment Act and associated regulations as well as the Global G.A.P. guidelines. We have also implemented a separate Employee Handbook through Simployer. Guidelines for employee conduct are also set out in the Company Code of Conduct.

We aim to have a positive impact on health and safety by establishing clear guidelines that are thoroughly enforced. These are available at all production departments and shall be complied with by all employees and service suppliers working on behalf of Andfjord Salmon or at our premises. It is everyone’s responsibility to ensure a healthy and safe working environment.

Processes for engaging with own workforce and workers’ representatives about impacts

We engage with employees directly and through employee representatives. We have not established a Working Environment Committee (WEC) but have appointed two safety representatives (one at Kvalnes and one at Sortland) who safeguard the interests of employees in matters relating to the working environment, together with the Human Resources Manager. The Operations Manager is responsible for assessing competence and ensuring that internal communication regarding health and safety is functioning well.

Employees are closely involved in the design and development of their own working environment and regularly participate in conversations about this with the Executive Management Team. We arrange monthly meetings where all employees participate, to improve and ensure good communication across all departments in the organisation. We have also implemented the informal social platform “Viva Engage” to respond to employees’ information needs, as well as enabling our employees to interact in an easy and swift manner.

Processes to remediate negative impacts and channels for own workers to raise concerns

We work systematically to promote a safety culture and always inform employees of potential risks relating to their tasks. We provide health and safety training on a regular basis, including training in the facility’s operating procedures. This training is carried out with the assistance of external course providers, and is mandatory for all employees, suppliers and subcontractors carrying out work at our premises. We also provide training that covers a wide range of topics that extend beyond safety, including training in line with the Norwegian Food Safety Authority’s requirements and Global G.A.P certification.

We have an open-door-policy and employees have easy access to the Executive Management Team and can raise concerns directly with them. We have also established a whistleblowing channel, and more information about this can be found in the Transparency Act statement (appendix 1).

Actions related to own workforce

We have established a web-based health and management (internal control) system, referred to as the EQS. The EQS is developed by Extend and covers all workers (100%), and all Company procedures regarding health and safety are available here. The EQS is internally audited on a rolling basis, where all documents have their own deadline for updating/renewal, which is done by the document owner.

The software has a ‘read and understood’ function for procedures and instructions. If relevant, control questions can also be asked before the Operations Manager approves training for operators. The EQS includes a function for employees to report incidents, but incidents can also be reported to the employee’s nearest line manager. Suppliers that have been involved in construction at the Kvalnes site have implemented their own system for reporting incidents to us.

In 2024, we arranged safety training for all employees in relation to the construction process at Kvalnes, and we also activated wellbeing measures for all employees such as holiday gatherings, shared lunches every day, in addition to arranging our second Andfjord Day.

Every year, we conduct an employee survey measuring the level of satisfaction in the workplace, the results of which help us identify key areas for improvement. The most recent survey was conducted in December 2024, with a participation rate of 95.65% (up from 91.7% in 2023), covering all levels of the organisation. In the survey, respondents were asked to rank a number of statements about the working environment on a scale of 1 to 5 and the average score on all questions was 3.97, reflecting a good/very good working environment.

Targets related to own workforce

We are in the process of setting short-, medium-, and long-term targets related to working conditions and health and safety.

Characteristics of the undertaking’s employees and diversity metrics

Information about the characteristics of employees, including diversity metrics, can be found in the Equality statement (appendix 2).

Health and safety

Health and safety is our number one priority. We are not aware of any illness, incidents, or injuries involving employees. In 2024, there were three high-consequence work-related injuries involving our suppliers during the construction phase, of which two were fall injuries and one was due to a falling object. All incidents were investigated and followed-up, and corrective measures and improvements were subsequently drawn up.

As a good working environment is often characterised by a low absence rate, our ambition is to keep absence due to illness well below the Norwegian industry average, which was 5.1% in the reporting period. At the end of 2024, our absence rate was 2.97%.

Occupational health and safety management system	2024	2023
No. and % of employees that are covered by the occupational health and safety management system	23 (100%)	23 (100%)
No. and % of workers who are not employees that are covered by the occupational health and safety management system	1 (100%)	1 (100%)

Table 9: Occupational health and safety management system

Work-related injuries	2024		2023		2022	
	Workers who are not employees	Employees	Workers who are not employees	Employees	Workers who are not employees	Employees
No. and % of fatalities as a result of work-related injury	-	-	-	-	-	-
No. and % of high-consequence work-related injuries (excl. fatalities)	-	-	-	-	-	-
No. and % of recordable work-related injuries	-	-	-	-	-	-
The number of hours worked	200,000	200,000	200,000	200,000	200,000	200,000

Table 10: Work-related injuries

All numbers are reported in head count and at the end of the reporting period.



S3

AFFECTED COMMUNITIES

Interest and views of stakeholders

Key affected stakeholders include the local community and local and regional businesses. Other stakeholders include users of sustainability statements such as local and regional authorities and NGOs. Stakeholders’ views, interests and rights informs our strategy and business model. For example, stakeholders expects us to contribute to a good local community and make Andøya an attractive place to work and live. This is done by creating jobs and by collaborating with different organisations, businesses and governmental authorities.

Material impacts, risks and opportunities

In the surrounding areas of Andøy, there is a well-developed industry for salmon farming with an already established infrastructure.

We benefits from excess capacity and competence through local partnerships throughout the value chain, which allows for a fully integrated business structure ranging from smolt production to end customer.

We have a positive impact on local value creation, through the hiring of local talents and people outside the active workforce, through the payment of taxes to local authorities and through buying goods and services from local suppliers – which all contribute to economic growth in the region.

There are no indigenous people residing in or nearby the area in which we operate. During the Kvalnes construction phase we discovered a medieval finding in Finnvika which we reported to local authorities. On the basis of this, construction was adapted, and we are in the process to assist the county council to preserve the cultural heritage. We have not identified any actual or potential negative impact on this topic.

Policies related to affected communities

Our goal is to make Andøy an attractive place to work and live and to directly and/or indirectly contribute to economic growth in the region. We are committed to hiring local talents where we can and attract necessary competence to the region. We actively seek out local suppliers and

support local projects. We strive to use local subcontractors and collaborate with other local businesses.

Actions related to affected communities

Our goal is to benefit from local and regional expertise and to employ local talent where possible. However, as we are dependent on certain competence to achieve our business goals, we also take part in different initiatives to attract the necessary workforce to the region.

Andøy municipality have adopted an ambitious strategy for business development in the region called Andøy 8060. The name signalises the municipality’s ambition for population growth and transformation. Together with other companies in the region, such as Andøya Spaceport and the Whale, we are committed to achieving this goal. For instance, we are part of the “Job-for-two” initiative which goal is to provide jobs, strategic housing, and arrange social gatherings and company visits for people in the region. We also support the municipality’s “Great Place to

Live” project (Bo-og-bli-lyst) that aims to make Andøy an attractive place to work and live. For many years, we have collaborated with NAV (the Norwegian Labour and Welfare Administration) to employ those that have ended up outside the active workforce.

Since 2023, we have participated in a project to save the local breeding ground for wild salmon. We have contributed with IT and video equipment to monitor the number of spawning salmon and smolt that enters the sea. Our salmon experts also share their competence on how to protect important natural salmon populations in the area. We are also involved in the ongoing project of extending the seasonal Andenes – Senja ferry connection to the whole year, which will

be important for local cargo transportation as well as ensuring stable access to the island for visitors and workers. Since our inception, we have supported local cultural events such as music festivals, theatre, and local sports teams.

In the operational phase, we collaborate with local companies on several areas, for instance, we source smolt from locally owned Nordland Aqua, whereas external processing facilities nearby perform the slaughtering and processing, and we use local well boat operators for transportation of fish. We were in a construction phase throughout 2024, in which we hired many local suppliers and service providers such as Hæhre and LNS for the carve out of new pools.

Targets related to affected communities

We support the UN’s Sustainability Development Goal number 8.2 to achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors. We are in the process of setting short-, medium and long-term targets relating to affected communities.



Newly hired employees and employee turnover	2024		2023		2022	
	Men	Women	Men	Women	Men	Women
Newly hired employees (total number and rate)	1 (50%)	1 (50%)	1 (20%)	4 (80%)	2 (40%)	3 (60%)
Employee turnover (total number and rate)	2 (100%)	-	2 (50%)	2 (50%)	1 (100%)	-

Table 11: Newly hired employees and employee turnover

GOVERNANCE

G1

ANIMAL WELFARE

Our business idea is to create a natural environment for the fish, on the fish’s premises. This means ensuring enough space for the fish and a slow and comfortable water flow.

The role of the Executive Management Team and Boards

Our Board and Executive Management Team oversees the topic of animal welfare, and both Board members and the Executive Management Team have expertise on fish health and welfare. We have appointed our own Fish Health and Quality Assurance Manager, who monitors this topic daily and ensures compliance with national legislation and internal guidelines. The Fish Health and Quality Assurance Manager reports back to the Executive Management Team and the Board on a regular basis.

How we identify and assess material impacts, risks and opportunities

Our impact, risks and opportunities relating to animal welfare and especially fish health and

welfare, is a regular topic of discussion for our Executive Management Team and Board, and we uses several criteria to assess our impacts, such as our fish welfare surveillance programme.

Material impacts, risks and opportunities

Ensuring good fish health and welfare is both an ethical responsibility and the most important factor in achieving good growth, higher quality, and lower costs. The salmon farming industry can potentially have a negative impact on animal welfare, for example by not ensuring optimised water quality and environment in the pool, by causing stress to the fish or exposing the fish to lice or other diseases.

We have taken several steps to minimise negative impact: A continuous water flow from deep waters ensures that our salmon live in an environment where salmon lice and poisonous algae are close to non-existent, we conduct regular health checks, have implemented soft protection of pools and developed a feed that is healthy and that the fish

really likes. By ensuring good animal welfare and being transparent about our methods, we believe that we can not only mitigate risks but also have a positive influence on the industry.

Policies relating to animal welfare

Fish health and welfare is at the core of our innovation. Our goal is to mimic the salmon’s natural habitat in the sea as much as possible. Our fish welfare measures are comprehensive and focus on all aspects of the farming value chain, including water quality, thermal regulation, respiration, hygiene, disease prevention measures, feed and nutrition, comprehensive monitoring of fish health, water quality and the fish’ habitat, behaviour control, social contact, and rest.

We are committed to complying with both ethical and statutory obligations governed by Norwegian legislation, as well as relevant laws and regulations in the areas in which we operate, for example:

- The Norwegian Animal Welfare Act
- The Norwegian Act relating to aquaculture
- The Aquatic Biosecurity Regulation
- Regulations on the operation of aquaculture facilities

Actions related to animal welfare

Our laminar water flow technology was verified in 2021, and confirmed that we are able to recreate the natural habitat of wild salmon on land and offer the best possible habitat. We regularly test the water quality, including monitoring the presence of pathogens, and we have also set up a complete Fishwell sensor system to monitor, control, and optimise the water quality and environment in the pool. In 2024, we further improved our surveillance programme. When starting production again, we will use a more comprehensive range of health and welfare indicators (for example advanced AI camera systems and Bactoprofile to measure microbial community) to improve animal welfare. These methods have been documented by Nofima (a leading food research institute) and data will be gathered in the Clarify platform in tandem with operational data from each production cycle.

Our patented flow-through technology supplies a continuous flow of 100% seawater. Water is pumped from a depth of 50 meters, which means that the temperature is considerably more stable than what would be expected at corresponding depths in net pens and follows seasonal patterns in ambient water temperature. During the first six months of production, more than 60% of daily temperature readings were in the range of 10–14°C, which is considered optimal for sea farmed salmon. Water quality measurements was continued and expanded in 2024. According to the Norwegian Aquaculture regulations, risk-based health checks must be

carried out for farmed fish. Health checks must be planned in consultation with and carried out by a veterinarian or fish health biologist, and necropsies and relevant investigations must be carried out on a representative sample of recently deceased fish and fish with abnormal behaviour. Fish in aquaculture facilities for edible fish with more than 50,000 fish and less than 1,000,000 fish must have at least six health checks per year. As our ambition is to develop the world’s most fish-friendly aquaculture facility of its kind, we choose to have monthly health checks to better monitor fish health although this is not required by law. We will continue with enhanced testing for fish pathogens on a voluntary basis, to document fish health and to use the results as a management tool and basis for improvements.

Adopting a feeding strategy that avoids strong competitive behaviour, ensuring low stress and homogeneous growth is important. In February 2022, we entered into a strategic feed supply agreement with Skretting, which is the aquaculture business line of global leader in animal nutrition and aquafeed, Nutreco. Under this agreement, Skretting has developed a feed that is specifically tailored to our flow-through technology to ensure optimal water quality, fish welfare and growth conditions in the land-based pool. The feed is called “Calanus® Plus by Andfjord Salmon” and consists of ingredients that have a proven track record from land-based salmon farming, including the zooplankton Calanus finmarchicus (Calanus), which we are the first salmon farmer in the world to utilise commercially. The feed will ensure the production of premium quality salmon, but most importantly: It is a sustainable marine source and improves the taste of the feed. In 2024 we implemented a new underwater feeding system for the new farming facility.

On 25 June 2022, we released approximately 200,000 smolt at an average weight of 120 grams into our first land-based pool at Kvalnes. Due to strong biological performance, the average weight of the salmon reached 1 kilogram in November 2022 – well ahead of the late December 2022 forecast, and with an industry-leading survival rate of 98.9%. As of 17 July 2023, the accumulated survival rate was 97.5% for the entire production – nearly 14% better than the industry average in the same period. As we are currently in a construction phase, we did not have fish in the pool during 2024 but are preparing for a new smolt release in 2025.

Actions are continuously discussed and decided on by our Executive Management Team.

Targets related to animal welfare

We are in the process of establishing short-, medium- and long-term targets related to animal welfare and will report on these in future sustainability statements.

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS 2024

TABLE OF
CONTENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	72
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	72
CONSOLIDATED STATEMENTS OF CASH FLOWS	74
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	75
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	74

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK thousand	Notes	2024	2023
Revenue from contracts with customers	3.2	190	37 279
Other operating income		134	-
Total operating revenue		324	37 279
Changes in biological assets at cost and other inventories	5.1	-	(1 162)
Cost of materials	5.2	(375)	(59 638)
Fair value adjustments of biological assets	5.1	-	25 707
Employee benefit expenses	3.3	(21 683)	(25 208)
Depreciation and amortisation expenses	4.1, 4.2, 6.3	(24 756)	(24 904)
Other operating expenses	3.4	(25 450)	(31 707)
Operating profit/(loss)		(71 940)	(79 634)
Financial income	3.5	4 914	12 187
Net financial costs	3.5	(837)	(2 340)
Net financial result		4 077	9 847
Profit/(loss) before income tax		(67 862)	(69 787)
Income tax expense	3.7	-	-
PROFIT/(LOSS) FOR THE PERIOD		(67 862)	(69 787)
Net other comprehensive income/(loss)		-	-
COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		(67 862)	(69 787)
Earnings per share (in NOK):			
Basic earnings per share	3.6	(1.07)	(1.43)
Diluted earnings per share	3.6	(1.07)	(1.43)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	Notes	2024	2023
ASSETS			
Non-current assets			
Intangible assets	4.2	16 420	14 389
Property, plant and equipment	4.1	2 230 854	876 632
Right-of-use assets	6.3	13 060	17 640
Other non-current assets		139	113
Total non-current assets		2 260 473	908 774
Current assets			
Biological assets	5.1	-	-
Other inventories	5.2	1 340	1 697
Trade and other receivables		44	-
Other current assets	5.3	76 443	52 361
Cash and cash equivalents	5.4	59 196	250 032
Total current assets		137 023	304 090
TOTAL ASSETS		2 397 496	1 212 864

Amounts in NOK thousand

	Notes	2024	2023
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6.6	67 619	57 013
Share premium	6.6	1 440 261	1 124 620
Retained earnings		(263 086)	(195 224)
Other reserves		9 561	7 278
Total equity		1 254 355	993 688
LIABILITIES			
Borrowings	6.2, 6.4	832 309	59 959
Lease liabilities	6.3, 6.4	6 163	9 340
Total non-current liabilities		838 472	69 299
Borrowings	6.2, 6.4	-	7 666
Lease liabilities	6.3, 6.4	4 276	4 511
Trade payables	6.5.2.1	295 506	131 134
Other current liabilities		4 887	6 567
Total current liabilities		304 669	149 877
Total liabilities		1 143 141	219 176
TOTAL EQUITY AND LIABILITIES		2 397 496	1 212 864

Roger Brynjulf Mosand
Chair

Roy Bernt Pettersen
Director

António Serrano
Director

Hanne Digre
Director

Knut Roald Holmøy
Director

Kim Strandenæs
Director

Gro Skaar Knutsen
Director

Martin Rasmussen
CEO

Andøy
9 April 2025

CONSOLIDATED STATEMENTS OF CASH FLOWS

Amounts in NOK thousand	Notes	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit/(loss) before income tax		(67 862)	(69 787)
Adjustments to reconcile profit/loss before tax to net cash flow:			
Depreciation and amortisation	4.1, 4.2, 6.3	24 756	24 904
Finance income/(expense), net	3.5	(4 077)	(9 847)
Share-based payment expense	3.3.2	2 282	4 588
Fair value adjustments of biological assets		-	(25 707)
Working capital changes:			
Change in other inventories and biological assets at cost		358	39 458
Change in trade and other receivables		(44)	-
Change in trade payables		(7 697)	4 556
Change in other current assets and liabilities		8 312	(1 666)
Interests received		4 914	12 187
Interests paid		(30 887)	(7 833)
Net cash flow from operating activities		(69 945)	(29 148)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SECTION 1.	Corporate information and basis of preparation	76
1.1	Corporate Information	76
1.2	Basis of Preparation	76
1.3	Summary of General accounting policies	78
SECTION 2.	Significant transactions and events during the reporting period	79
2.1	Significant transactions and events during the reporting period	79

SECTION 3.	Results of the year	80
3.1	Segment Information	80
3.2	Operating income	80
3.3	Employee benefits	81
3.4	Other operating expenses	83
3.5	Finance income and costs	83
3.6	Earnings per share	84
3.7	Income tax	84
3.8	Government grants	85

Amounts in NOK thousand	Notes	2024	2023
CASH FLOW FROM INVESTMENT ACTIVITIES:			
Payment for property, plant and equipment	4.1	(1 204 887)	(320 559)
Payment for intangible assets	4.2	(3 524)	(6 307)
Net cash flow from investing activities		(1 208 411)	(326 866)
CASH FLOW FROM FINANCING ACTIVITIES:			
Equity received	6.6	326 247	583 182
Proceeds from borrowings	6.2, 6.4	768 517	-
Repayment of borrowings	6.2, 6.4	(3 833)	(55 918)
Payment of principal portion of lease liabilities	6.3, 6.4	(3 411)	(4 128)
Net cash flow from financing activities		1 087 519	523 136
Net increase/(decrease) in cash and cash equivalents		(190 836)	167 121
Cash and cash equivalents as of 1 January		250 032	82 911
Cash and cash equivalents as of 31 December		59 196	250 032

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Amounts in NOK thousand	Notes	Share capital	Share premium	Retained earnings	Other reserves	Total equity
Balance at 1 January 2023		41 039	557 414	(125 438)	2 690	475 705
Profit for the year		-	-	(69 787)	-	(69 787)
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-	-	(69 787)	-	(69 787)
Capital increase		15 974	567 208	-	-	583 182
Share based payments to employees	3.3.2	-	-	-	4 588	4 588
Balance at 31 December 2023		57 013	1 124 622	(195 225)	7 278	993 688
Balance at 1 January 2024		57 013	1 124 622	(195 225)	7 278	993 688
Profit for the year		-	-	(67 862)	-	(67 862)
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-	-	(67 862)	-	(67 862)
Capital increase	6.6	10 606	315 641	-	-	326 247
Share based payments to employees	3.3.2	-	-	-	2 282	2 282
Balance at 31 December 2024		67 619	1 440 263	(263 087)	9 560	1 254 355

SECTION 4.	Invested capital	86	6.2	Borrowings	95
4.1	Property, plant and equipment	86	6.3	Leases	95
4.2	Intangible assets	88	6.4	Reconciliation of Cash Flows from Financing Activities	97
			6.5	Financial risk and capital management	98
			6.6	Share capital	99
SECTION 5.	Working capital	90	SECTION 7. Other disclosures		
5.1	Biological assets	90			
5.2	Other inventories	92			
5.3	Other current assets	92	7.1	Related parties	101
5.4	Cash and cash equivalents 3	92	7.2	Provisions and contingent liabilities	103
			7.3	Commitments	103
			7.4	Events after the reporting Period	103
SECTION 6.	Capital and debt structure	93			
6.1	Financial Assets and Liabilities	93			

SECTION 1.

CORPORATE INFORMATION AND BASIS OF PREPARATION

In brief
 This section includes corporate information, basis of preparation, an overview of general accounting policies, key estimates, and judgements in the Group.

1.1 CORPORATE INFORMATION
 These consolidated financial statements are made for the group comprised of Andfjord Salmon Group AS and its subsidiary Andfjord Salmon AS (together the “Company”, “Group” or “Andfjord”). The parent company of the Group is Andfjord Salmon Group AS, which is a limited liability company incorporated and domiciled in Norway. The shares are currently traded in Euronext Growth Oslo. Andfjord Salmon Group AS was established in 2014 and the registered office is located at Kvalnesveien 69, Andøy.

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 31 December 2024, the Group is only 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 escapement and is at the same time contributing to reduced feed waste.

As at 31 December 2024, Andfjord Salmon Group AS has one subsidiary: Andfjord Salmon AS (100% equity interest).

The consolidated financial statements for the year ended 31 December 2024 of Andfjord Salmon Group AS were authorised for issue by the Board of Directors on 9 April 2025.

1.2 BASIS OF PREPARATION
 The Group’s consolidated financial statements are prepared in accordance with IFRS® Accounting Standards as adopted by the European Union (EU) (“IFRS”).

The Group has prepared consolidated financial statements at 31 December 2024, together with the comparative periods for the year ended 31 December 2023.

All amounts are presented in NOK (Norwegian kroner), and rounded to the nearest thousand, unless stated otherwise.

These 2024 consolidated financial statements have been prepared based on the going concern assumption. When preparing consolidated financial statements, management has assessed the Group’s ability to continue as a going concern. There is no material uncertainties related to events or conditions that may cast significant doubt upon the Group’s ability to continue as a going concern.

Critical accounting judgements, estimates and assumptions
 The preparation of consolidated financial statements in accordance with IFRS® Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

In the case of the Group, the areas involving significant estimates or judgements were mainly related to measuring the fair value of the biomass,

until that uncertainty was resolved when the production cycle was completed, and salmon was sold during 2023. See Note 5.1 for further information.

Therefore, Management notes that these consolidated financial statements contain no areas subject to significant judgements or estimates, even though some areas require certain degree of judgement and estimates by Management:

- Capitalisation criteria of expenditures with respect to PPE
- Assessing impairment indicators in the PPE being developed by the Group including considerations about the climate-related risks as specified further below in this note.

Estimates and judgements are evaluated on an ongoing basis, and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

1.2.1 Climate-related risks
 Management has assessed the potential effects that climate-related matters may have on the Group’s operations and consolidated financial statements.

Climate-related risks can take the form of both physical, political and transition risks, that may lead to potential effects in the Group’s consolidated financial statements. Physical risks are risks of economic ramifications resulting from climatic events such as extreme weather and long-term

environmental changes. Political risks are risks of regulatory changes. Transitions risk relates to shifts in consumer behaviour and technological advancements, resulting from the process of transitioning away from reliance on fossil fuels towards renewable energy sources. Physical risks are considered when determining the remaining useful life of PPE, and on the assessment of impairment indicators (see Note 4.1).

Andfjord Salmon’s flow-through system with laminar water flow consumes a minimal amount of energy with relatively low operating costs, and its land-based facility is sustainable with minimal impact on the surrounding environment. The farming facilities are recently constructed following the appropriate standards, so it is highly unlikely that these will be materially affected by climate-related events in the foreseeable future. Therefore, physical risks and transition risks from climate change are not considered to affect the Group’s operations significantly.

Changes in the regulatory and legal environment related to adverse environmental effects from the salmon farming industry may potentially affect the Group’s operations and future income tax and levies payments, but no significant policy adjustments for onshore salmon farming have been signalled by the regulators or the current administration.

New standards and interpretations not yet adopted
 Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31

December 2024 reporting periods and have not been early adopted by the Group.

Out of these standards, amendments or interpretations, only IFRS 18 ‘Presentation and Disclosure in Financial Statements’ is expected to have a material impact on the company’s future reporting periods and foreseeable future transactions, as described below.

IFRS 18 ‘Presentation and Disclosure in Financial Statements’ (effective for annual periods beginning on or after 1 January 2027)

In April 2024, the IASB® issued IFRS 18, which replaces IAS 1 ‘Presentation of Financial Statements’. IFRS 18 introduces a defined structure for the statement of profit or loss with new totals and subtotals, and in which all income and expenses should be classified in one of the following categories: operating, investing, financing, income taxes and discontinued operations, where the first three are new. IFRS 18 also requires disclosure of newly defined management-defined performance measures.

Additionally, IFRS 18 made narrow scope amendments to IAS 7 ‘Statements of Cash Flows’. These amendments require companies to start the cash flow statement with the ‘operating profit’ subtotal (new subtotal introduced by IFRS 18) and requires companies without a specified business activity (i.e. which is the case for the Group) to present interests and dividends received within the investing activities, and interests paid within financing activities.

IFRS 18 and corresponding amendments to other standards are effective for annual periods beginning on or after 1 January 2027. Early application is permitted, and application should be made retrospectively.

The management is currently assessing the detailed implications of applying IFRS 18 on the company’s financial statements.

1.3 SUMMARY OF GENERAL ACCOUNTING POLICIES

1.3.1 Impairment of non-financial assets

At each reporting date, the Group assesses whether there is an indication of impairment of its non-financial assets, of which the most important asset is the property, plant and equipment held by the Group. Management assesses both internal and external sources of information, including but not limited to technological, market, economic or

legal environment considerations, in respect to the salmon industry and affecting the land-based facilities. Management has not found any indication of impairment of its non-financial assets during 2024 or 2023.

The Group considers in its assessment whether climate-related risks could have a significant impact on the carrying amount of the Group’s assets, such as the effects of long-term environmental changes on fish farming production, or the introduction of emission-reducing legislations that may increase costs. These risks are included as key assumptions where they materially impact the measure of the recoverable amount. See Note 1.2.1 for more information.

1.3.2 Statement of cash flows

The cash flow statement is prepared using the indirect method.

Interest paid on trade payables and interest received on trade receivables are presented as operating cash flows. Interests paid on borrowings are classified as operating cash flows.

Cash flows are only classified as investing activities if they result in the recognition of an asset in the statement of financial position.

Cash payments for the principal portion of the lease liabilities are presented as cash flows from financing activities, whereas cash payments for short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented as cash flows from operating activities.

SECTION 2. SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE REPORTING PERIOD

In brief

This section summarises significant transactions and events that occurred during the reporting period.

2.1 SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE REPORTING PERIOD

The main transactions and events in relation to the Group are the following ones:

Transactions and events	Disclosure notes
First drawdowns of the construction loan facility of NOK 825 million.	Note 6.2
Capital increase of NOK 326 million in May.	Note 6.6
Strong progress at the construction project at Kvalnes.	Note 4.1, 1.2.1
Other than those noted above, the Group has presented material information of its financial position, highlighting any material changes, policies, judgements and estimates in the Group for the period presented.	

SECTION 3.

RESULTS OF THE YEAR

In brief

This section provides insights into the financial performance of the Group over the periods presented, including those relating to financing activities, employee costs, taxes and government grants.

3.1 SEGMENT INFORMATION

Accounting policies

Operating segments are components of the Group regularly reviewed by the chief operating decision maker (CODM) to assess performance and be able to allocate resources. The Board of Directors as a whole is considered to be, collectively, Andfjord Salmon’s CODM. The Group as a whole is operated as a single segment.

Andfjord Salmon has no operating pools as at 31 December 2024 due to property development. One pool has been operating until mid-2023. Further details on the sale of salmon during 2023 has been included in Note 3.2. All non-current assets held by the Group are located in Norway.

3.2 OPERATING INCOME

Accounting policies – Revenue from contracts with customers

Revenue was recognised at the point in time salmon was physically delivered to the customer and all significant risks and rewards were transferred to the customer. The transaction price was not subject to any significant variable consideration.

Total operating income	2024	2023
<i>(Amounts in NOK thousand)</i>		
Revenue from contracts with customers	190	37 279
Other operating income	134	-
Total operating income	324	37 279

Sales revenue in 2024 were from remaining fish from the first production cycle that was harvested in 2023. See Note 5.1 for further details in respect to this.

3.3 EMPLOYEE BENEFITS

Accounting policies

The Group recognises the undiscounted amount of short-term employee benefits expected to be paid to its employees in exchange for their services. Obligations for short-term employee benefits mainly include wages and salaries; bonuses; annual leave and accumulated sick leave that are expected to be settled within twelve months of the reporting date. Employee benefit obligations are included in the ‘other current liabilities’ in the statement of financial position.

The Group has incurred in the following employee benefit expenses:

Employee benefits	2024	2023
<i>(Amounts in NOK thousand)</i>		
Salary expenses and bonuses	23 124	21 076
Share based payments	2 282	4 588
Other benefits	383	458
Social security cost	1 599	1 407
Pension cost (defined contribution)	2 947	2 540
Total employee benefits before capitalisation (*)	30 336	30 069
Capitalised employee benefits	(8 653)	(4 861)
Total employee benefits after capitalisation	21 683	25 208

(*) The Group decided to present employee benefits before and after capitalisation made for works performed by the Group, mainly in relation with the construction of its new pools (see Note 4.1).

During 2024, the average number of employees was 23 (2023: 23).

See Section 7.1.1 for further information on remuneration to its key management personnel.

3.3.1 Defined contribution plans

Accounting policies

The Group has a defined contribution plan for its employees, where payments are made through an insurance Group. Cost from the defined contribution plans is recognised when payable. The Group does not hold any credit or actuarial risks from these contribution plans.

With respect to its defined contribution plans, Andfjord Salmon has a defined contribution plan in accordance with local laws. The defined contribution plan covers all employees and amounts to between 7.0% and 18.1% of the gross salary. As at 31 December 2024 there were 21 members in the plan (2023: 23).

3.3.2 Share based payments

Accounting policies

Share-based compensation programs are provided to the Group’s employees. These programs are equity-settled, since services rendered by the employees will be settled with the Group’s own equity instruments.

The cost of the equity-settled program is measured at the fair value of the options, at the grant date. The cost is recognised as ‘employee benefit expenses’, with a corresponding increase in equity, over the vesting period. The vesting period is the period over which the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its best estimates of the number of options expected to vest, recognising in the statement of comprehensive income the difference between the cumulative expense at the beginning and period-end dates, with a corresponding adjustment to equity.

When the options vest in annual instalments over the vesting period, in substance it implies that each instalment has a different vesting period. Therefore, the Group accounts for each “tranche” as a separate award.

The Group recognises social security taxes from its share-based payments in line with IAS 37 ‘Provisions, contingent liabilities and contingent assets’. The Group assumes that the activity that triggers the payment is the granting of the options to its employees, and measures the liability as the share price per the reporting date, minus the strike price of the options, multiplied by the current applicable social security tax rate.

In June 2022 Andfjord Salmon established a Long-Term Incentive Program for the Group’s Management and employees, under which the Group will deliver share options as part of the consideration for the services rendered by its employees. The incentive program consists of equity settled share options. The options granted have equal terms for all employees. The program is divided into three different tranches, with vesting periods ranging from one to three years starting at grant date 30 June 2022. An equal amount of shares vest in each of the three tranches. The earliest exercisable date is 1 January 2027 and the expiry date is 30 June 2031. These dates are the same for all options independently of vesting period or employee. The Group has not granted any new options in 2024.

Employee share option plan	Earliest exercise date - expiry date	Strike price	Number of options
Number of options as at 1 January 2023		41.945	503 520
Options granted	1 January 2027 - 30 June 2031	41.945	248 800
Correction for employees who have left during the year			(15 000)
Number of options as at 31 December 2023			737 320
Weighted average remaining vesting period			1 year

Employee share option plan	Earliest exercise date - expiry date	Strike price	Number of options
Number of options as at 1 January 2024		41.945	737 320
Options granted	1 January 2027 - 30 June 2031	41.945	-
Correction for employees who have left during the year			(10 320)
Number of options as at 31 December 2024			727 000
Weighted average remaining vesting period			< 1 year

The Group assessed fair value at the grant date for the options granted in June 2022 was NOK 17.49 per option. The Group has calculated the value of the options using the Black-Scholes options pricing model, with the fair value following main assumptions:

Assumptions share-based payment program	
Expected dividend yield	0.0 %
Historical volatility	38.4 %
Risk-free interest rate	3.3 %
Expected life of option (years)	3

Due to the Group’s limited length of share price history, expected volatility used in the calculations are estimated based on implied volatility of similar traded entities.

As any dividend payment during the options’ vesting period is regulated with a proportional adjustment of the exercise price, the dividend parameter is not included in the calculations.

3.4 OTHER OPERATING EXPENSES

Other operating expenses	2024	2023
(Amounts in NOK thousand)		
Expenses related to short-term and low-value leases	1 662	662
Legal and consultancy services (incl. remuneration to auditors)	9 952	10 668
Sales and marketing costs	4 244	7 848
Maintenance (incl. materials and other small equipment)	677	2 418
Insurance and bank fees	1 098	950
Energy expenses (fuel, electricity, water, etc.)	722	1 831
IT costs	4 481	3 844
Other taxes and levies	174	109
Other expenses	2 439	3 376
Total other operating expenses	25 450	31 707

Auditor’s remuneration	2024	2023
(Amounts in NOK thousand)		
Statutory audit fees	812	523
Other assurance services	206	1 232
Total auditor's remuneration	1 018	1 755

3.5 FINANCE INCOME AND COSTS

Finance income and costs	2024	2023
(Amounts in NOK thousand)		
Financial income	4 914	12 187
Interest from bank deposit	4 885	12 136
Other financial income	29	51
Financial costs:	(30 887)	(7 173)
Interests on borrowings	(29 792)	(5 860)
Net foreign currency loss	(6)	(16)
Interest expense on lease liabilities	(523)	(658)
Other financial expense	(565)	(639)
Capitalised borrowing costs	30 049	4 834
Net finance result	4 077	9 848

3.6 EARNINGS PER SHARE

Accounting policies

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares; by the weighted average number of ordinary shares outstanding during the financial year, adjusted for treasury shares (see Note 6.6).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share, to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

A potential ordinary share is a financial instrument or other contract that may entitle its holder to ordinary share, and whose conversion into an ordinary share would lead to a reduction in earnings per share or an increase in loss per share from continuing operations (i.e. would make the loss per share more negative).

Therefore, options granted to its employees by the Group through its Long-Term Incentive Program (Note 3.3.2 contains further information) are considered anti-dilutive in the diluted earnings per share calculation for the periods where the Group incurred a loss from continuing operations.

Basic and diluted earnings per share	2024	2023
Profit/(loss) for the year	(67 862)	(69 787)
Weighted average number of shares used as the denominator		
Weighted average number of shares used in basic earnings per share	63 644 020	48 657 358
Dilutive effect of granted share options	-	-
Weighted average number of shares used in diluted earnings per share	63 644 020	48 657 358
Basic earnings per share (NOK)	(1.07)	(1.43)
Diluted earnings per share (NOK)	(1.07)	(1.43)

The options have not been included in the determination of basic earnings per share. In the future, these options could potentially dilute basic earnings per share.

3.7 INCOME TAX

3.7.1 Income Tax Expense

Accounting policies

The income tax expense or credit for the period is the tax payable on the current period’s taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred taxes are calculated at 22% of the temporary differences between book value and tax values, in addition to tax losses carried forward at the end of the accounting year.

The income tax rate has been determined by using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets are realised or the deferred income tax liabilities are settled.

Income tax expense	2024	2023
(Amounts in NOK thousand)		
Current income tax	-	-
Change in deferred tax	-	-
Total income tax expense	-	-

3.7.2 Deferred Tax Balances

Accounting policies

The Group is subject to ordinary Norwegian company tax with a tax rate of 22%. Because of timing differences between the financial statements and the tax rules, there will be temporary differences that give rise to deferred tax liabilities or deferred tax assets. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses.

Deferred tax balances	2024	2023
(Amounts in NOK thousand)		
Tangible fixed assets	(20 787)	(18 041)
Leases	(2 621)	(3 789)
Inventories biological assets	-	-
Receivables	-	-
Allocations and more	14 481	14 481
Other differences	6 071	7 398
Total deferred tax relating to temporary differences	(2 856)	49
Tax losses to carry forward	261 688	260 361
Not included in the deferred tax calculation	(258 832)	(260 410)

3.7.3 Reconciliation of Income Tax Expense

Reconciliation of income tax expense	2024	2023
(Amounts in NOK thousand)		
Profit before tax	(67 862)	(69 787)
Expected income tax at statutory income tax rate of 22% (2021: 22%)	(14 930)	(15 353)
Permanent differences	(5 790)	(5 189)
Change in unrecognised deferred tax asset	20 720	20 542
Calculated tax expense/(income)	-	-

3.8 GOVERNMENT GRANTS

Accounting policies

Government grants are recognised when there is a reasonable assurance that the Group complies with the conditions attaching to them; and the grant will be received. When government grants relate to assets, the Group recognises the grant as a reduction in the carrying value of the asset, and therefore as a reduction of the depreciation expense for subsequent measurement. When grants relate to expenses, the Government grant is recognised as a reduction of the expense over the period that the related costs are expensed.

Skattefunn

Andfjord Salmon has received during 2024 NOK 903 thousand in grants from Skattefunn in connection with the tax settlement for 2023. These grants were presented as ‘other receivables’, until the amounts were settled.

SECTION 4.

INVESTED CAPITAL

In brief

This section provides insights into the disclosures in relation to the capital invested by the Group in its tangible and intangible assets.

4.1 PROPERTY, PLANT AND EQUIPMENT

Accounting policies

Property, plant and equipment (‘PPE’) is initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairments.

The following table summarises the useful life and depreciation method by class of asset:

	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 depreciated

Estimated residual values and expected useful lives of assets are reviewed by the Group at least annually. In estimating the remaining useful lives of the assets, Management considers the expected level of use; the expected physical wear and tear together with the maintenance plans; and any technical, legal or commercial obsolescence arising from, among others, laws and regulations affecting health, safety or environmental regulations.

Each significant component is identified separately for depreciation purposes and depreciated over its individual useful life. When a significant component is replaced, the old component is derecognised and the new component capitalised, if its cost is recoverable.

Property, plant and equipment	Land and buildings	Machinery and plant	Furniture, tools and others	Facilities for farming	Assets under construction	Total
At 1 January 2023						
Cost	98 973	32 113	6 660	299 267	73 429	510 442
Accumulated depreciation	(423)	(1 359)	(1 337)	(8 937)	-	(12 056)
Net book amount	98 550	30 754	5 323	290 330	73 429	498 386
Year ended 31 December 2023						
Opening net book amount	98 550	30 754	5 323	290 330	73 429	498 386
Additions	6 440	(1 213)	891	2 685	393 268	402 071
Other movements	-	-	-	(5 653)	-	(5 653)
Depreciation	(398)	(2 909)	(1 543)	(13 322)	-	(18 172)
Closing net book amount	104 592	26 632	4 671	274 040	466 697	876 632
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
Year ended 31 December 2024						
Opening net book amount	104 592	26 632	4 671	274 040	466 697	876 632
Additions	827	242	568	-	1 370 519	1 372 156
Other movements	-	-	-	(149)	149	-
Sale	-	-	(11)	-	-	(11)
Depreciation	(400)	(2 929)	(1 577)	(13 038)	-	(17 924)
Closing net book amount	105 019	23 945	3 671	260 853	1 837 365	2 230 853
At 31 December 2024						
Cost	106 240	31 142	8 108	296 150	1 837 365	2 279 005
Accumulated depreciation	(1 221)	(7 197)	(4 437)	(35 297)	-	(48 152)
Net book amount	105 019	23 945	3 671	260 853	1 837 365	2 230 853

	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

The difference against the investment in property, plant and equipment in the statement of cash flow comes from timing differences between capitalisation and payment date.

Note 6.2.2 discloses information on the amount of property, plant and equipment that are pledged as security for borrowings.
Note 7.2 discloses information of contractual obligations to purchase, construct or develop property, plant and equipment or for repairs, maintenance or enhancements.

4.1.1 Significant additions during the period

Accounting judgements and estimates

Management assesses to which extent costs are directly attributable to bringing the assets into the condition for them to operate in the intended manner. In this sense, Management considers own employees with direct responsibilities for the building of the pools to meet the capitalisation criteria for capitalisation, excluding general management, administrative and finance roles.

Kvalnes land-based facility – Phase II

The additions during 2024 mainly relate to the development of the Kvalnes land-based facilities. The Group's construction project at Kvalnes has made strong progress through 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.

In this context, the significant additions to assets under construction during 2024 mainly relates to development of the land by excavating the rock pits, improving the port area, building the waterways and pool construction.

Fiskenes and Breivik

Development of Fiskenes and Breivik is at the current stage about formal matters relating to properties and regulation.

4.1.2 Capitalisation of borrowing costs

Accounting policies

Specific borrowing costs that are directly attributable to the construction of an asset that necessarily takes a substantial period to get ready for its intended use (a qualifying asset) are capitalised as part of the cost of the respective asset. The Group interprets ‘substantial period’ one year or more. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The Group has incurred in general borrowings that form part of the funds used to finance a project, and it has capitalised its borrowing costs using a weighted average of rates applicable to relevant general borrowings of the Group during the period.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

The amount of borrowing costs capitalised during the 2024 period has been NOK 30 049 thousand (2023: NOK 4 834 thousand), and the amount of assets under constructions have significantly exceeded the amount of borrowings held by the Group.

4.2 INTANGIBLE ASSETS

Accounting policies

Intangible assets are initially recognised at cost and amortised to their residual values over their economic useful life using the straight-line method.

The following table summarises the useful life and depreciation method by class of intangible asset:

	Licenses, patents, and similar rights	Other intangible assets
Amortisation method	Straight-line	Straight-line
Useful life	10-20 years	5 years

Estimated residual values and expected useful lives of assets are reviewed by the Group at least at each financial reporting date.

Intangible assets	Licenses, patents, and similar rights costs	Other intangible assets	Total
(Amounts in NOK thousand)			
At 1 January 2023			
Cost	3 745	5 158	8 903
Accumulated amortisation and impairment	(31)	(316)	(347)
Net book amount	3 714	4 842	8 556
Year ended 31 December 2023			
Opening net book amount	3 714	4 842	8 556
Additions	-	6 997	6 997
Additions - capitalised development	-	-	-
Amortisation charge	(187)	(977)	(1 164)
Closing net book amount	3 527	10 862	14 389
At 31 December 2023			
Cost	3 745	12 155	15 900
Accumulated amortisation and impairment	(218)	(1 293)	(1 511)
Net book amount	3 527	10 862	14 389
Year ended 31 December 2024			
Opening net book amount	3 527	10 862	14 389
Additions		3 524	3 524
Amortisation charge	(187)	(1 307)	(1 494)
Closing net book amount	3 340	13 079	16 419
At 31 December 2024			
Cost	3 745	15 679	19 424
Accumulated amortisation and impairment	(405)	(2 600)	(3 005)
Net book amount	3 340	13 079	16 419

The difference against the investment in intangible assets in the statement of cash flow comes from timing differences between capitalisation and payment date.

The additions in «other intangible assets» in 2024 is mainly related to work on licences.

4.2.1 Development costs

During 2024, the Group was developing its Laminar Flow Technology for its current and future salmon farming pools. Expenditures incurred during the development stages of these pools have been capitalised to the extent that they meet the requirements.

SECTION 5.

WORKING CAPITAL

In brief
This section provides insights into the disclosures in relation to items considered part of the working capital of the Group, typically with a short-term nature, and related to its operating activities.

5.1 BIOLOGICAL ASSETS

5.1.1 Summary of accounting policies for biological assets

Accounting policies
The smolt is acquired and released into the Group’s operating pool, and remain there until its ready to be harvested, which is when the salmon is considered mature.

The Group held no biological assets, live salmon stock, during 2024 and in the second half of 2023 because of the development project. New biological assets are planned to be acquired and released in 2025.

The accounting treatment of biological assets is regulated by IAS 41 ‘Agriculture’. According to IAS 41, biological assets are recognised and measured at fair value less cost to sell at each reporting period. However, when there is little biological transformation, the cost of biological assets is deemed to be a close approximation to its fair value. This is the case of the smolt that has been acquired, but not released into the pools yet.

Management has considered the approach to measure fair value of the biomass, in accordance with IFRS 13 ‘Fair value’, at each reporting period during the growing phase. Transactions with live, unmaturred salmon are rare. Also, those transactions would not reflect the highest and best

use for the Group’s biological assets. Therefore, the market approach for estimating fair value would not be at optimal approach for the Group.

The income approach is applied to estimate the fair value of the salmon stock, by which future cash flows from selling the salmon at harvest date are discounted to a single current amount. The valuation model for the salmon considers the highest and best use for salmon, which Management believes corresponds to the moment when the salmon is ready to be harvested (see Note 5.1.2 for Management’s assumption on optimal weight).

The valuation model requires the use of several significant inputs, part of which are not observable. Therefore, the fair value it is considered ‘level 3’ in the fair value hierarchy. Significant unobservable inputs include the cost to complete; the biomass’ weight and quality; the implied discount rate and estimated growth rate of salmon. The significant observable inputs are the forward market price of salmon at the expected time of harvest. Environmental or operational incidents leading to mortality exceeding a rate of 3% from that single incident. Will be recognised under ‘cost of materials” in the statement of comprehensive income.

Only one set of assumptions was used, as the Group only operates one location during 2023.

The change in the fair value of biological assets is recognised in the statement of comprehensive income as ‘fair value adjustments of biological assets’. The accumulated costs from incident-based mortality will reduce the fair value of the biological assets in the statement of financial position and is recognised as ‘cost of materials’ in the statement of comprehensive income.

5.1.2 Main judgements and assumptions for the valuation of the biomass

Accounting judgements and estimates
The valuation model for the salmon livestock considers the highest and best use for salmon, which Management believes corresponds to a live weight of approximately 4.8 kg, and a gutted weight of 4.0 kg when harvested.

The Group estimates the fair value of the biomass at each reporting period using a model following an income approach.

Estimated future cash inflows
Future cash inflows are estimated based on the estimated biomass volume, and price at the expected harvesting date. Biomass volumes are estimated based on the number of fish in the pools, adjusted by expected mortality, and multiplied by the expected average weight of salmon at the harvest date. The expected price at harvesting date is calculated using the Fish Pool forward price at the harvest date, adjusted for costs to sell the fish, such as harvesting costs, transportation etc. The Fish Pool forward prices are also adjusted for differences in quality.

An increase in the forward price will increase the fair value of the salmon biomass. However, the effect will be compensated by the deductions of costs to complete at each point in time. Only changes in prices when the salmon is matured has a full effect on the value of the biomass. Equivalent effects can be expected when the source of the change is due to the deduction of costs to sell.

The following forward price was estimated at harvesting time, corresponding to the forward price at optimal weight time, from Fish Pool have been considered by the Group for the expected harvesting dates for its biomass:

Expected harvesting period	Forward price at harvest dates
(Amount in NOK per kg)	
Aug-23	77.50

At harvest date, the mortality for the live salmon in was expected at 3%. The actual rate was 2.5% after transportation to process harvested salmon for sale.

Estimated future cash outflows
Future cash outflows are defined as the costs to complete the salmon lifecycle at each point in time. This includes costs necessary to grow the fish to its optimal weight, which main components are fodder and other direct costs. The estimation of the fodder costs depends on future fodder prices, but also expected conversion rate, measured as gained weight of the salmon stock per kg of fodder released in the fish pools.

Fair value interpolation
Estimated net cash flows are discounted at each point in time using an interpolation method where the two known data points are the value of the smolt when released into the pool, and the expected cash inflows as described above. The discounting follows a natural interpretation to calculate a discount rate representing the time value of money and hypothetical license fees for the salmon farming permits.

Hypothetical license fees are included in the calculation of the discount rate, as it represents the value that a hypothetical buyer of a salmon farming license would have to incur for such a permit, which cannot be obtained in the open market, therefore causing entry barriers.

The interpolation model is updated monthly, considering data on actual forward prices, mortality rates, number of fish in the pools, etc. These estimates are approved by the Group’s Management, supported by real quantitative data samples of the biomass, and updated budgets and forecasts.

5.1.3 Carrying amount reconciliation of biological assets

The Group holds no biological assets 31 December 2024 (31 December 2023: 0 tonnes). No roe, fry or smolt was held year-end 2024 and 2023.

5.2 OTHER INVENTORIES

Accounting policies

Other inventories mainly include fodder, packaging materials, and other materials to be used during the maturing process of the salmon. Inventory is measured at the lower of its cost and its net realisable value. Cost of inventories held by the Group mainly include its cost of purchase. As at 31 December 2024, the Group does not have any harvested salmon. In the future, harvested salmon will be classified within ‘other inventories’. Inventory is based on the first-in first-out principle, except for fodder where a weighted average is used.

Other inventories	31 December 2024	31 December 2023
(Amounts in NOK thousand)		
Others	1 340	1 697
Total other inventories	1 340	1 697

As at year-end 2024 and 2023 inventory consists of frozen salmon for sale.

5.3 OTHER CURRENT ASSETS

Other current assets	2024	2023
(Amounts in NOK thousand)		
Other receivables	-	-
Prepayments	2 911	1 793
Government grants receivables	-	903
VAT receivables	73 522	49 665
Other current assets	10	-
Total other current assets	76 443	52 361

5.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents	2024	2023
(Amounts in NOK thousand)		
Cash at bank	59 196	250 032
Restricted cash (payroll)	1 169	1 160
Unrestricted cash	58 028	248 872
Total cash and cash equivalents	59 196	250 032

5.4.1 Short-term deposits

The Group does not hold bank deposits or other short-term, liquid investments that have been classified as cash equivalents.

5.4.2 Restricted cash

Part of the cash and cash equivalents disclosed is subject to regulatory restrictions on payroll tax liabilities and is therefore not available for general use by the Group.

SECTION 6.
CAPITAL AND DEBT STRUCTURE

In brief

This section provides insights into Andfjord Salmon’s capital and debt structure, including financial risk and capital management.

6.1 FINANCIAL ASSETS AND LIABILITIES

None of the financial instruments held by the Group are measured at fair value. The financial instruments’ amortised cost is considered to be a close approximation to their fair value.

6.1.1 Financial Assets

Financial assets	2024	2023
(Amounts in NOK thousand)		
Debt instruments measured at amortised cost:	59 196	250 032
Cash and cash equivalents	59 196	250 032
Total financial assets	59 196	250 032

6.1.2 Financial Liabilities

Financial liabilities	2024	2023
(Amounts in NOK thousand)		
Liabilities measured at amortised cost	1 138 254	212 610
Borrowings	832 309	67 625
Lease liabilities	10 439	13 851
Trade and other payables	295 506	131 134
Total financial liabilities	1 138 254	212 610

6.2 BORROWINGS

Accounting policies

Borrowings are initially recognised at fair value, net of transaction costs incurred that are directly attributable to the issuance of the financial liability. After initial recognition, borrowings are measured at amortised cost. Any difference between the net proceeds and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has

been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as financial expenses.

Borrowings are classified as current liabilities except for the portion of the liability that is due to be settled more than twelve months after the reporting period, or for the portion the Group has an unconditional right to defer settlement for at least twelve months after the reporting period.

Overview of borrowings	2024	2023
<i>(Amounts in NOK thousand)</i>		
Non-current		
Debt to credit institutions	832 309	49 126
Debt to related parties	-	-
Debt to other entities	-	10 833
Total non-current borrowings	832 309	59 959
Current		
Debt to credit institutions	-	5 999
Debt to related parties	-	-
Debt to other entities	-	1 667
Total current borrowings	-	7 666
Total borrowings	832 309	67 625

6.2.1 Relevant terms and conditions

Debt with financial institutions

During 2024, the Group refinanced its debt with financial institutions, settling all its previous debt to financial institutions. The refinancing consist of a construction loan facility with an available amount of up to NOK 825 million and a loan facility of NOK 75 million entered into with SpareBank 1 Nord-Norge and bank alliance partners (with support from Eksfin). These facilities have drawdown available until 31 December 2025. Additionally, up until that date, the Company 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, which is subject to annual renewal. The total amount available is NOK 20 million.

Debt to other parties

Debt to other entities was repaid and settled in 2024. The debt to other entities mainly comprised NOK 15 000 thousand loan facility with Innovasjon Norge maturing in 2031.

6.2.2 Assets pledged as securities for liabilities

The debt to credit institutions required certain assets to be pledged as security, being property, plant and equipment, inventory, trade receivables and licenses.

As of 31 December 2024, assets pledged as security included property, plant and equipment with a carrying amount of NOK 2 230 853 thousand (2023: NOK 876 632 thousand), and intangible assets with a carrying amount of NOK 16 419 thousand (2023: NOK 14 389 thousand).

Assets pledged as security in relation to the outstanding loans and credit facilities also include aquaculture permissions, other inventories, and trade receivables.

6.2.3 Compliance with covenants

Debt to financial institutions entered during 2024 (see note 6.2.1 for further information) is subject to the following covenants:

- Overdraft facility within 60 % of borrowing base
- Total equity at minimum 35 % of Total assets at year-end
- Minimum liquidity of NOK 50 million each quarter until 31 December 2027

The following covenants are applicable as of 31 December 2027:

- Net interest-bearing debt / EBITDA shall be above 5,00
- Minimum required work capital of NOK 100 million

The Company has complied with the financial covenants during the reporting period, and Management does not expect to breach any covenant in the foreseeable future (see note 7.4 for further information).

6.3 LEASES

6.3.1 Nature of the lessee’s leasing activities

Accounting policies

The Group recognises right-of-use assets and lease liabilities for all lease contracts, except leases that are considered short-term (lease term of 12 months or less), or leases for underlying assets that are of a low value. Management considers as low value those assets that are worth NOK 50 thousand or less when new.

The Group has lease agreements related to offices and other buildings; machinery and specialized equipment used in the salmon farming operations; and vehicles. The lease term varies normally from 1 to 5 years with options to both extend and terminate the lease contracts at Management’s discretion.

The Group also leases offices, warehouses and machinery, with lease terms being less than 12 months. Some machinery and small equipment also meet the low-value exemption. In both cases, the Group applies

the recognition exemption to these leases, and consequently these are recognised as expense linearly over the lease term. These expenses are presented within ‘other operating expenses’ (see Note 3.4 for further information).

The Group is not typically subject to variable lease payments for its leases.

6.3.2 Right-of-use assets

Accounting policies

The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liabilities, any lease payments made at or before the commencement date of the lease, less any lease incentives received, and initial direct costs incurred by the lessee. Subsequently, right-of-use assets are measured at cost less accumulated depreciation and impairments and adjusted for certain remeasurements of the lease liabilities. Depreciation of the right-of-use asset is carried out using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

Right-of-use assets	Land and buildings	Machinery, equipment and other	Vehicles	Total
<i>(Amounts in NOK thousand)</i>				
At 1 January 2023	1 155	20 415	969	22 539
Year ended 31 December 2023				
Additions	413	(7)	110	516
Depreciation charge	(715)	(4 257)	(443)	(5 415)
Closing net book amount	853	16 151	636	17 640
At 31 December 2023	853	16 151	636	17 640
Year ended 31 December 2024				
Additions	771	-	-	771
Depreciation charge	(565)	(4 317)	(468)	(5 350)
Closing net book amount	1 058	11 834	168	13 060
At 31 December 2024	1 058	11 834	168	13 060

6.3.3 Lease liabilities

Accounting policies

Lease liabilities are recognised at the lease commencement date. The lease liabilities are measured as the present value of future lease payments, discounting by the Group’s incremental borrowing rate.

Lease payments mainly consist of fixed payments, which are typically updated by changes on consumer price indexes or interest rate levels.

Lease liabilities are measured at amortised cost using the effective interest rate method.

If there is a change in future lease payments arising from a change in an index or rate, there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or the Group changes its assessment of whether it will exercise a purchase, extension or termination option, the liability is remeasured and a matching adjustment is made to the carrying amount of the related right-of-use asset. No significant changes in this regard have occurred during the period.

Lease liabilities	2024	2023
<i>(Amounts in NOK thousand)</i>		
At 1 January	13 807	17 979
Additions	817	48
Interest expense	521	654
Lease payments	(4 706)	(4 830)
Balance at 31 December	10 439	13 851
Current	4 276	4 511
Non-current	6 163	9 340

The following table discloses the maturity analysis for lease liabilities.

Contractual maturities	2024	2023
<i>(Amounts in NOK thousand)</i>		
Less than 1 year	4 375	4 615
1-3 years	6 613	7 521
3-5 years	71	2 775
More than 5 years	-	-
Total contractual cash-flows	11 060	14 911
Recognised as liabilities	10 439	13 851

6.3.4 Amounts recognised in the statement of comprehensive income and statement of cash flows

The following amounts have been recognised in the income statement in relation to leases:

Amounts recognised in the income statement	2024	2023
<i>(Amounts in NOK thousand)</i>		
Interest expense (included in finance cost)	521	654
Expense relating to short-term and low-value leases	133	133
Expense relating to depreciation	5 350	5 415

The total cash outflow for leases in 2024 has been NOK 6 368 thousand (2023: NOK 5 493 thousand).

6.4 RECONCILIATION CASH FLOW FROM FINANCING ACTIVITIES

Reconciliation cash flow from financing activities	Borrowings	Lease liabilities	Total
<i>(Amounts in NOK thousand)</i>			
Liabilities from financing activities at 1 January 2023	123 543	17 979	141 522
Financing cash flow (payments)	(55 918)	(4 176)	(60 094)
New leases	-	48	48
Liabilities from financing activities at 31 December 2023	67 625	13 851	81 476
Financing cash flow (payments)	(3 833)	(4 185)	(8 018)
Cash inflows from new borrowings	785 404	-	785 404
Capitalised financing costs	(18 625)	-	(18 625)
Amortised financing costs	1 739	-	1 739
New leases	-	773	773
Liabilities from financing activities at 31 December 2024	832 309	10 439	842 748

6.5 FINANCIAL RISK AND CAPITAL MANAGEMENT

As indicated in Note 6.1, financial assets held by the Group mainly comprise cash and cash equivalents. Financial liabilities are mainly comprised of borrowings, lease liabilities, and trade payables.

In conducting its operations, the Group faces the following main types of risks: credit risk, liquidity risk and market risk. Management keeps track of the evolution of the different risks, and the potential impact to the Group. The Group has not entered into any derivative contracts to manage its exposure to financial risks during 2024 or 2023.

The following sections provide disclosures on the specific exposure to risks and how they arise; the objectives, policies, and processes for managing the risks and the methods used to measure the risk; and any changes thereof.

6.5.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Group by failing to settle its obligation. The Group is exposed to credit risks in conducting its ordinary activities.

6.5.2.1 Maturities

The following table discloses the maturity analysis for non-derivative liabilities (except for lease liabilities, which are disclosed in Note 6.3), showing its un-discounted remaining contractual liabilities:

At 31 December 2024	Carrying amount	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
<i>(Amounts in NOK thousand)</i>						
Borrowings	832 309	-	-	159 224	689 971	849 196
Trade payables	295 506	295 506	-	-	-	295 506
Other current liabilities	4 887	2 576	2 310	-	-	4 887
Total financial liabilities	1 132 702	298 082	2 310	159 224	689 971	1 149 588

At 31 December 2023	Carrying amount	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
<i>(Amounts in NOK thousand)</i>						
Borrowings	67 625	2 333	5 333	30 669	29 290	67 625
Trade payables	131 134	131 134	-	-	-	131 134
Other current liabilities	6 567	4 705	1 862	-	-	6 567
Total financial liabilities	205 326	138 172	7 195	30 669	29 290	205 326

Cash and cash equivalents from the Group are managed by the Group's Finance Department. The Group limits the amount of deposits that can be held in a single bank to limit the concentration of risks.

As at 31 December 2024, the Group has trade receivables of NOK 44 thousand (2023: NOK 0 thousand), so there is insignificant credit risk associated with these.

6.5.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group manages its liquidity with a high level of prudence, with rules and policies that ensure an adequate amount of cash and cash equivalents to meet the immediate needs of resources both in the short and long term. Management develops rolling forecasts on liquidity, which are regularly monitored against the contractual maturities of the financial liabilities.

6.5.2.2 Financing facilities

As at 31 December 2024, the Group has undrawn amounts from its loan facility with a credit institution (as disclosed in Note 6.2) until the end of 2025, which provides the Group with the financing needed to complete the ongoing construction projects of four new production pools by mid-2025.

6.5.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is mainly exposed to interest rate risk.

Foreign exchange risk is not considered relevant for the Group as they do not hold any balances in foreign currencies. The Group is neither exposed to risk related to salmon price as it does not hold any derivatives or other financial contracts based on the price of salmon as of 31 December 2024.

6.5.3.1 Interest rate risk

The following table summarises the effects that a reasonably possible change in the effective interest rate of the borrowings would have in the profit after tax:

Sensitivity of changes in interest rates on borrowings	Impact on profit after tax	
	2024	2023
<i>(Amounts in NOK thousand)</i>		
Increase in interest rate of 2%	(16 646)	(1 353)
Decrease in interest rate of 1%	8 323	676

Changes in interest rates on borrowings will not have impact on OCI, and Andfjord has no hedge accounting.

The Group's exposure to interest rate risk arises from long-term borrowings with variable rates (see Note 6.1 and 6.2 for further information) based on the NIBOR rate applicable at each point in time. These instruments have no effect on other comprehensive income.

The Group has not entered into any interest rate swaps agreement or other interest rate hedges to mitigate risk related to increase in the variable interest rate of its loans.

6.5.3.2 Currency risk

The Group is currently exposed to currency risk to a small extent. Although some components for the development have been purchased in EUR, both cost and investments are primarily in NOK. The Group will be increasingly exposed to currency risk once it starts operating the fish farming facility and in the case of future fish sales. Currency hedging will be considered to reduce such exposure.

Due to the very limited currency risk exposure, no sensitivity analysis has been presented.

6.5.4 Capital management: objectives, policies and processes

The Group defines capital as equity, including other reserves. The Group's main objective when managing capital is to ensure the ability of the Group to continue as a going concern and to meet all requirements imposed by external financing agreements in the form of covenants.

6.6 SHARE CAPITAL

6.6.1 Share capital and share premium

As of 31 December 2024, the share capital consists of 67 619 013 ordinary shares (2023: 57 012 953 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.

6.6.2 Authorised shares and amounts

	Number of shares		Amounts in NOK thousand	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Authorised shares				
Fully paid ordinary shares	67 619 013	57 012 953	67 619	57 013
Total share capital	67 619 013	57 012 953	67 619	57 013

6.6.3 Movements in ordinary shares

Movements in ordinary shares	Number of shares	Par value per share (NOK)	Share premium total (TNOK)	Total (TNOK)
At 1 January 2023				
Opening balance	41 038 927	1.00	557 413	598 452
Capital increase	15 974 026	1.00	567 208	583 182
Closing balance at 31 December	57 012 953	1.00	1 124 621	1 181 634
At 1 January 2024				
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	-	-	(23 753)	(23 753)
Closing balance at 31 December	67 619 013	1.00	1 440 262	1 507 881

During 2024, The Company completed a private placement on 22 May 2024. As a consequence, the total share capital and premium increased by NOK 350 million, and the number of shares by 10 606 060. Transaction costs corresponding to the incremental directly attributable costs from this increase in capital. The capital increase was approved on 22 May and registered in the Norwegian Register of Business Enterprises on 30 May.

At 31 December 2024, the Group held 5 thousand (2023: 5 thousand) treasury shares amounting to NOK 185 thousand (2023: NOK 185 thousand). Treasury shares are recognised at cost. These are deducted from equity and no gain or loss is recognised on the purchase, sale, issue or cancellation of these shares.

6.6.4 List of the 20 largest shareholders at 31 December 2024

Shareholders	Number of shares	Ownership percentage	Voting percentage
Jerónimo Martins Agro-Alimentar, S.A.	18 958 855	28.04	28.04
Andfjord Holding AS	4 858 680	7.19	7.19
KG Investment Comp AS	3 636 419	5.38	5.38
High Liner Foods INC	3 634 970	5.38	5.38
Eidsfjord Sjøfarm AS	3 071 759	4.54	4.54
OG Invest AS	2 250 991	3.33	3.33
Skagerak Vekst AS	2 045 064	3.02	3.02
Jan Heggelund	1 932 865	2.86	2.86
DNB Markets Aksjehandel/-Analyse	1 339 597	1.98	1.98
Karstein Gjersvik	1 291 384	1.91	1.91
Traaseth Property AS	1 262 916	1.87	1.87
Euro Tv AS	1 057 114	1.56	1.56
Vicama AS	1 000 000	1.48	1.48
Sirius AS	940 000	1.39	1.39
Sparebank 1 Markets AS	710 541	1.05	1.05
J.P. Morgan Securities LLC	693 142	1.03	1.03
Ristora AS	685 656	1.01	1.01
Omniverse AS	666 000	0.98	0.98
Leonhard Nilsen & Sønner - Eiendom AS	645 257	0.95	0.95
Bliksmark AS	601 000	0.89	0.89
Total 20 largest shareholders	51 282 210	75.8	75.8

SECTION 7. OTHER DISCLOSURES

In brief

This section provides insights into topics other than those covered in the previous sections, including related parties, provisions, contingent liabilities and events after the reporting period.

7.1 RELATED PARTIES

7.1.1 Key management personnel compensation

	For the year ended 31 December 2024				
	Salary	Board remuneration	Pension costs	Sharebased payments	Other remuneration
(Amounts in NOK thousand)					
Martin Rasmussen, CEO	2 249	-	231	849	32
Bjarne Martinsen, CFO	1 991	-	245	565	15
Jostein Nilssen, Project director (*)	-	-	-	153	-
Christian Torgersen, COO	1 249	-	216	129	19
Roger Brynjulf Mosand, Chairman	-	280	-	-	1
Roy Bernt Pettersen, Board member	-	140	-	-	4
Knut Roald Holmøy, Board member	-	140	-	-	-
Tore Traaseth, Board member	-	140	-	-	-
Bettina Flatland, Board member	-	140	-	-	-
Kim Marius Strandenæs, Board member	-	140	-	-	3
António Serrano, Board member	-	-	-	-	-
Gro Skaar Knutsen, Board member	-	140	-	-	-
Total	5 489	1 120	691	1 696	74

	For the year ended 31 December 2023					
	Salary	Board remuneration	Pension costs	Share-based payments	Other remuneration	Total
<i>(Amounts in NOK thousand)</i>						
Martin Rasmussen, CEO	1 917	-	235	1 932	18	4 101
Bjarne Martinsen, CFO	1 750	-	273	783	14	2 819
Jostein Nilssen, Project director	-	-	-	348	-	348
Christian Torgersen, COO	1 107	-	108	253	12	1 480
Roger Brynjulf Mosand, Chairman	-	270	-	-	4	274
Roy Bernt Pettersen, Board member	-	135	-	-	4	139
Knut Roald Holmøy, Board member	-	135	-	-	-	135
Tore Traaseth, Board member	-	135	-	-	-	135
Bettina Flatland, Board member	-	135	-	-	-	135
Kim Marius Strandenæs, Board member	-	135	-	-	2	137
António Serrano, Board member	-	-	-	-	-	-
Gro Skaar Knutsen, Board member	-	135	-	-	-	135
Total	4 473	3 080	615	3 316	54	9 839

(*) Project Director Jostein Nilssen is not employed by Andfjord, and delivers key management services as an independent consultant. In 2024, NOK 3 600 thousand was expensed for his services.

As at 31 December 2024, Martin Rasmussen owns 125 000 shares, Bjarne Martinsen 40 000 shares and Christian Torgersen 2 739 shares in Andfjord Salmon Group AS. The Group has not granted any new options in 2024.

In addition to their roles as board members, Roger Mosand, Tore Traaseth and Kim Strandenæs have advised the Group in relation to financing. For this, RBM Invest (Roger Mosand) received NOK 243 thousand (2023: NOK 372 thousand) in 2023. Skagerak Vekst AS (Tore Traaseth) received NOK 77 thousand (2023: NOK 180 thousand). KS Invest AS (Kim Strandenæs) received NOK 2 000 thousand (2023: NOK 3 588 thousand). Andfjord Holding AS (Roy Pettersen) has received NOK 375 thousand (2023: NOK 0 thousand) for participation in different projects of the Group.

7.1.2 Transactions with other related parties

Transactions with related parties	Relationship	2024	2023
<i>(Amounts in NOK thousand)</i>			
Financial advisory	Board members	2 320	4 140
Other operating expenses	Board members	375	-
Interest expense	Majority shareholders	-	1 000
Total related party profit or loss items		2 695	5 140

7.1.3 Balances with related parties

During 2023, the Group repaid the loan agreement with shareholders amounting to NOK 50 000 thousand.

No other balances with related parties were held by the Group at 31 December 2024 or 2023.

7.2 PROVISIONS AND CONTINGENT LIABILITIES

7.2.1 Dismantling obligations

It has been assessed by Management whether dismantling provisions should be recognised, or contingent liabilities disclosed, in connection with any future termination of the business or license expiry.

In this respect, the Group operates on its own property, which is regulated for this kind of operations. Future disposal of the property must take care of the ecosystem and water quality in accordance with the Biodiversity Act and the Water Regulations, among others. This also applies in the event of termination of activities. The Group will be able to take care of the environment and comply with statutory requirements without requiring changes to its properties. It is the Group's assessment that, based on current legislation, there are no obligations related to the potential termination or dismantling of the operations.

7.3 COMMITMENTS

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

Capital commitments	2024	2023
<i>(Amounts in NOK thousand)</i>		
Property, plant and equipment	138 187	66 618
Total capital commitments	138 187	66 618

7.4 EVENTS AFTER THE REPORTING PERIOD

In March 2025, the Group raised funds of approximately NOK 1.4 billion through a bank package of NOK 400 million, potential sale and leaseback agreement of the harbour area valued at NOK 400 million, and a NOK 600 million private placement of new shares. Further, a leasing facility of NOK 175 million is planned for certain equipment financing, and an overdraft facility of up to 60% of the borrowing base, which is expected to be finalised ahead of the first smolt release, is discussed but not yet committed.

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



PARENT COMPANY

ANNUAL FINANCIAL STATEMENTS 2024

TABLE OF CONTENTS

STATEMENT OF COMPREHENSIVE INCOME	106
STATEMENT OF FINANCIAL POSITION	106
STATEMENT OF CASH FLOWS	108
STATEMENT OF CHANGES IN EQUITY	109
NOTES TO THE FINANCIAL STATEMENTS	108

STATEMENT OF COMPREHENSIVE INCOME			
Amounts in NOK thousand	Notes	2024	2023
Revenue from contracts with customers		-	37 278
Other operating income		-	-
Total operating revenue		-	37 278
Changes in biological assets at cost and other inventories		-	(1 162)
Cost of materials		-	(59 358)
Fair value adjustments of biological assets		-	25 707
Employee benefit expenses	3.1	-	(24 783)
Depreciation and amortisation expenses		-	(21 857)
Other operating expenses	3.2	(3 597)	(31 545)
Operating profit/(loss)		(3 597)	(75 721)
Financial income	3.3	30 860	12 187
Net financial costs	3.3	(27 474)	(1 459)
Net financial result		3 386	10 728
Profit/(loss) before income tax		(211)	(64 992)
Income tax expense	3.4	-	-
PROFIT/(LOSS) FOR THE PERIOD		(211)	(64 992)
Net other comprehensive income/(loss)		-	-
COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		(211)	(64 992)

STATEMENT OF FINANCIAL POSITION			
Amounts in NOK thousand	Notes	2024	2023
ASSETS			
Non-current assets			
Shares in subsidiaries	4.1	414 651	412 339
Other non-current assets		-	30
Total non-current assets		414 651	412 369
Current assets			
Receivables from group companies	4.2	1 720 090	335 391
Other current assets	4.3	1 376	914
Cash and cash equivalents	4.4	24 745	250 032
Total current assets		1 746 211	586 337
TOTAL ASSETS		2 160 862	998 705

Amounts in NOK thousand	Notes	2024	2023
EQUITY AND LIABILITIES			
EQUITY			
Share capital	5.1	67 619	57 013
Share premium	5.1	1 440 261	1 124 620
Retained earnings		(190 640)	(190 429)
Other reserves		9 561	7 278
Total equity		1 326 801	998 483
LIABILITIES			
Borrowings	5.2, 5.3, 5.4	832 309	-
Total non-current liabilities		832 309	-
Trade payables		487	-
Liabilities from group companies		299	-
Other current liabilities		967	223
Total current liabilities		1 752	223
Total liabilities		834 061	223
TOTAL EQUITY AND LIABILITIES		2 160 862	998 705

Roger Brynjulf Mosand Chair	Roy Bernt Pettersen Director	António Serrano Director
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Hanne Digre Director	Knut Roald Holmøy Director	Kim Strandenæs Director
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Gro Skaar Knutsen Director	Martin Rasmussen CEO
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Andøy
9 April 2025

STATEMENT OF CASH FLOWS			
Amounts in NOK thousand	Notes	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit/(loss) before income tax		(211)	(64 992)
Adjustments to reconcile profit/loss before tax to net cash flow:			
Depreciation and amortisation		-	21 857
Finance income/(expense), net	3.3	(3 386)	(10 728)
Share-based payment expense	3.1.1	2 282	3 734
Fair value adjustments of biological assets		-	(25 707)
Working capital changes:			
Increase in other inventories and biological assets at cost		-	39 403
Change in trade and other receivables		-	38 541
Change in trade payables		487	-
Change in other current assets and liabilities		611	(35 499)
Change in current assets to group company		-	(89 455)
Interests received		30 860	12 187
Interests paid		(27 474)	(7 833)
Net cash flow from operating activities		3 169	(118 482)

NOTES TO THE FINANCIAL STATEMENTS

SECTION 1.	Corporate information and basis of preparation	110
1.1	Corporate Information	110
1.2	Basis of Preparation	110
SECTION 2.	Significant transactions and events during the reporting period	112
2.1	Significant transactions and events during the reporting period	112

CASH FLOW FROM INVESTMENT ACTIVITIES:			
Payment for property, plant and equipment	-	(231 225)	
Proceeds from sale of property, plant and equipment	-	-	
Payments for investments and loans in subsidiaries	(1 387 012)	-	
Payment for intangible assets	-	(6 307)	
Net cash flow from investing activities	(1 387 012)	(237 532)	
CASH FLOW FROM FINANCING ACTIVITIES:			
Equity received	5.1	326 247	583 182
Proceeds from borrowings	5.2	832 309	-
Repayment of borrowings	-	(55 918)	
Payment of principal portion of lease liabilities	-	(4 128)	
Net cash flow from financing activities	1 158 556	523 136	
Net increase/(decrease) in cash and cash equivalents	(225 287)	167 121	
Cash and cash equivalents as of 1 January	250 032	82 911	
Cash and cash equivalents as of 31 December	24 745	250 032	

SECTION 3.	Results of the year	113
3.1	Employee benefits	113
3.2	Other operating expenses	115
3.3	Finance income and costs	115
3.4	Income tax	116
SECTION 4.	Assets	118
4.1	Other current assets	118
4.2	Cash and cash equivalents	118

STATEMENT OF CHANGES IN EQUITY						
	Notes	Share capital	Share premium	Retained earnings	Other reserves	Total equity
Amounts in NOK thousand						
Balance at 1 January 2023		41 039	557 414	(125 438)	2 690	475 705
Profit for the year		-	-	(64 992)	-	(64 992)
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-	-	(64 992)	-	(64 992)
Capital increase June and July 2023	5.5	15 974	567 208	-	-	583 182
Share based payments to employees	3.1.1	-	-	-	4 588	4 588
Balance at 31 December 2023		57 013	1 124 620	(190 429)	7 278	998 483
Balance at 1 January 2024		57 013	1 124 620	(190 429)	7 278	998 483
Profit for the year				(211)	-	(211)
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-	-	(211)	-	(211)
Capital increase		10 606	315 641	-	-	326 247
Share based payments to employees	3.1.1	-	-	-	2 282	2 282
Balance at 31 December 2024		67 619	1 440 261	(190 640)	9 561	1 326 802

SECTION 5.	Capital and debt structure	120
5.1	Financial assets and liabilities	120
5.2	Borrowings	123
5.3	Reconciliation of cash flows from financing activities	124
5.4	Financial risk and capital management	124
5.5	Share capital	124
SECTION 6.	Other disclosures	127
6.1	Related parties	127
6.2	Commitments	127
6.3	Events after the reporting period	127

SECTION 1.

CORPORATE INFORMATION AND BASIS OF PREPARATION

In brief
 This section includes corporate information, basis of preparation, an overview of general accounting policies, key estimates, and judgements in the Group.

1.1 CORPORATE INFORMATION

These financial statements have been prepared for Andfjord Salmon Group AS ('the Company') which is the parent entity of the Andfjord Salmon Group ('the Group'). At 31 December 2024, the Group is comprised of Andfjord Salmon Group AS (mother company) and Andfjord Salmon AS (Subsidiary).

The Company is a limited liability company incorporated and domiciled in Norway. Andfjord Salmon Group AS was established in 2014 and the registered office is located at Kvalnesveien 69, Andøy. The shares are currently traded on Euronext Growth Oslo under the ticker 'ANDF'.

The Group's business is to farm salmon with the aim of selling to third parties when the fish has reached a mature state. At 31 December 2024, the Group is only 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.

After capital reorganisation, performed at the end of 2023, that involved transfer of operational activities to a newly established subsidiary, The Company's main activities comprise of holding shares in the subsidiary and entering into financing agreements to carry out the planned investments in the Group.

The stand-alone financial statements for the year ended 31 December 2024 of Andfjord Salmon Group AS were authorized for issue by the Board of Directors on 9 April 2025.

1.2 BASIS OF PREPARATION

The Company's financial statements are prepared in accordance with the simplified International Financial Reporting Standards (IFRS®) Accounting Standards rules as stipulated in the Norwegian Accounting Act's §3-9 and regulation on simplified IFRS issued by the Norwegian Ministry of Finance in 2022.

The Company has prepared financial statements as of 31 December 2024 together with the comparative periods for the year ended 31 December 2023.

All amounts are presented in NOK (Norwegian kroners), and rounded to the nearest thousand, unless stated otherwise. Transactions in foreign currencies are translated at the exchange rate applicable at the date of the transaction. Monetary items in a foreign currency are translated to NOK using the exchange rate applicable on the balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement as they occur.

The financial statements have been prepared based on the going concern assumption. When preparing financial statements, management has assessed the Company's ability to continue as a going concern. There are no material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

1.2.1 Accounting judgements, estimates and assumptions
 The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Historically, the areas involving significant estimates or judgements were mainly related to measuring of the fair value of the biomass, capitalisation of PPE and other operational activities, that are no longer part of the Company after the reorganisation at the end of 2023. Therefore, Management notes that these financial statements contain no areas subject to significant judgements or estimates.

Estimates and judgements are evaluated on an ongoing basis, and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

1.2.2 Statement of cash flows
 The cash flow statement is prepared using the indirect method.

Interest paid on trade payables and interest received on trade receivables are presented as operating cash flows. Interests paid on borrowings are classified as operating cash flows.

Cash flows are only classified as investing activities if they result in the recognition of an asset in the statement of financial position. Cash payments for the principal portion of the

lease liabilities are presented as cash flows from financing activities, whereas cash payments for short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented as cash flows from operating activities.

1.2.3 New standards and interpretations adopted
 The Company has applied certain amendments to the standards and interpretations that are effective for annual periods beginning 1 January 2024. None of the amendments and interpretations applied had impacts in the amounts recognised in the current or previous periods and are not expected to affect future periods.

1.2.4 New standards and interpretations not yet adopted
 Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Company.

Out of these standards, amendments or interpretations, mainly IFRS 18 'Presentation and Disclosure in Financial Statements' is expected to have a material impact on the company's future reporting periods and foreseeable future transactions. We refer to note 1.2.2 in the consolidated financial statements of Andfjord Salmon Group for the description and assessment of the new IFRS 18 standard.

SECTION 2.

SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE REPORTING PERIOD

In brief
This section summarizes significant transactions and events that occurred during the reporting period.

2.1 SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE REPORTING PERIOD

The main transactions and events in relation to the Company are the following ones:

Transactions and events	Disclosure notes
First drawdowns of the construction loan facility of NOK 825 million.	Note 5.3
Capital increase of NOK 326 million in May.	Note 5.1

The financial position and the performance of the Company was not, other than mentioned above, particularly affected by any significant events or transactions during 2024.



SECTION 3.

RESULTS OF THE YEAR

In brief
This section provides insights into the financial performance of the Company, including those relating to financing activities and taxes.

3.1 EMPLOYEE BENEFITS

The Company is a holding company with no employees. As such, the Company does not have any pension schemes. However, see Section 7.1.1 of the consolidated financial statements for further information on remuneration to its key management personnel.

3.1.1 Share based payments

Accounting policies

Share-based compensation programs are provided by Andfjord Salmon Group AS (mother company) to Andfjord Salmon AS (the subsidiary)’s employees. These programs are equity-settled, since services rendered by the employees will be settled with the Andfjord Salmon Group AS (mother company)’s own equity instruments.

The cost of the equity-settled program is measured at the fair value of the options, at the grant date. The cost of this share-based payments is recognised as ‘shares in subsidiaries’, with a corresponding increase in equity, over the vesting period. The vesting period is the period over which the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Company revises its best estimate of the number of options expected to vest, recognising in the investment in subsidiaries the difference between the cumulative expense at the beginning and period-end dates, with a corresponding adjustment to equity.

When the options vest in annual instalments over the vesting period, in substance it implies that each instalment has a different vesting period. Therefore, the Company accounts for each “tranche” as a separate award.

The Company recognises social security taxes from its share-based payments in line with IAS 37 ‘Provisions, contingent liabilities and contingent assets’. The Company assumes that the activity that triggers the payment is the granting of the options to its employees and measures the liability as the share price per the reporting date, minus the strike price of the options, multiplied by the current applicable social security tax rate.

In June 2022 Andfjord Salmon Group AS established a Long-Term Incentive Program for its Management and employees, under which the Company will deliver share options as part of the consideration for the services rendered by its employees. The incentive program consists of equity settled share options. As from the capital reorganisation date (see Section 1.2.1), employees and Management are hired by Andfjord Salmon AS’ subsidiary.

The options granted have equal terms for all employees. The program is divided into three different tranches, with vesting periods ranging from one to three years starting at grant date 30 June 2022. An equal amount of shares vest in each of the three tranches. The earliest exercisable date is 1 January 2027 and the expiry date is 30 June 2031. These dates are the same for all options independently of vesting period or employee. During 2023, additional have been granted under the same terms.

Employee share option plan	Earliest exercise date - expiry date	Strike price	Number of options
Number of options as at 1 January 2023		41.945	503 520
Options granted	1 January 2027 - 30 June 2031	41.945	248 800
Correction for employees who have left during the year			(15 000)
Number of options as at 31 December 2023			737 320
Weighted average remaining vesting period			1 year

Employee share option plan	Earliest exercise date - expiry date	Strike price	Number of options
Number of options as at 1 January 2024		41.945	737 320
Options granted	1 January 2027 - 30 June 2031	41.945	-
Correction for employees who have left during the year			(10 320)
Number of options as at 31 December 2024			727 000
Weighted average remaining vesting period			< 1 year

The Company assessed fair value at the grant date for the options granted in June 2022 as NOK 17.49 per option. The Company has calculated the value of the options using the Black-Scholes options pricing model, with the following main assumptions:

Assumptions share-based payment program	
Expected dividend yield	0.0 %
Historical volatility	38.4 %
Risk-free interest rate	3.3 %
Expected life of option (years)	3

Due to the Company’s limited length of share price history, expected volatility used in the calculations are estimated based on implied volatility of similar traded entities.

As any dividend payment during the options’ vesting period is regulated with a proportional adjustment of the exercise price, the dividend parameter is not included in the calculations.

3.2 OTHER OPERATING EXPENSES

Other operating expenses	2024	2023
(Amounts in NOK thousand)		
Expenses related to short-term and low-value leases	-	1 993
Legal and consultancy services (incl. remuneration to auditors)	3 030	10 193
Sales and marketing costs	-	7 324
Maintenance (incl. materials and other small equipment)	-	2 319
Insurance and bank fees	50	950
Energy expenses (fuel, electricity, water, etc.)	-	1 713
IT costs	345	3 604
Other taxes and levies	-	109
Other expenses	171	3 241
Total other operating expenses	3 596	31 545

Auditor’s remuneration	2024	2023
(Amounts in NOK thousand)		
Statutory audit fees	284	523
Other assurance services	159	1 232
Total auditor’s remuneration	443	1 755

3.3 FINANCE INCOME AND COSTS

Finance income and costs	2024	2023
(Amounts in NOK thousand)		
Financial income	30 860	12 187
Interest from intercompany loan	26 669	-
Interest from bank deposit	4 191	12 136
Other financial income	-	51
Financial costs:	-	(6 293)
Interests on borrowings	(25 194)	(4 965)
Net foreign currency loss	-	(16)
Interest expense on lease liabilities	(1)	(658)
Other financial expense	(2 279)	(654)
Capitalised borrowing costs	-	4 834
Net finance result	3 386	10 728

3.4 INCOME TAX

3.4.1 Income Tax Expense

Accounting policies

The income tax expense or credit for the period is the tax payable on the current period’s taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred taxes are calculated at 22% of the temporary differences between book value and tax value, in addition to tax losses carried forward at the end of the accounting year.

The income tax rate has been determined by using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets are realised or the deferred income tax liabilities are settled.

Income tax expense	2024	2023
(Amounts in NOK thousand)		
Current income tax	-	-
Change in deferred tax	-	-
Total income tax expense	-	-

3.4.2 Deferred Tax Balances

Accounting policies

The Company is subject to ordinary Norwegian company tax with a tax rate of 22%. Because of timing differences between the financial statements and the tax rules, there will be temporary differences that give rise to deferred tax liabilities or deferred tax assets.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses.

Deferred tax balances	2024	2023
(Amounts in NOK thousand)		
Total deferred tax relating to temporary differences	-	-
Tax losses to carry forward (*)	77 625	50 161
Not included in the deferred tax calculation	(77 625)	(50 161)
Basis for deferred tax assets (liabilities)	-	-
Carrying value of deferred tax assets (liabilities)	-	-

Deferred tax asset is not recognised in the balance sheet.

3.4.3 Reconciliation of Income Tax Expense

Reconciliation of income tax expense	2024	2023
(Amounts in NOK thousand)		
Profit before tax	(211)	(64 992)
Expected income tax at statutory income tax rate of 22% (2021: 22%)	(46)	(14 298)
Permanent differences	(5 226)	(6 031)
Demerger effects (*)	-	15 386
Change in unrecognised deferred tax asset	5 272	4 943
Calculated tax expense/(income)	-	-

Permanent differences relate to equity issue costs recognised directly against the share premium.

(*) Demerger effects are due to the tax treatment of the capital reorganisation and the use of predecessor accounting. In the tax reporting, the demerger has been treated as effective from 1 January 2023. In accordance with the demerger plan, the profit is distributed between the transferor company (being the mother company) and the Acquiring Company (the subsidiary) to reflect the business or part of the business that the companies will continue. Only costs relating to the listing of the shares on Euronext Growth and owning and administrating the subsidiary has been allocated as taxable costs. Also, only interest income on bank deposits have been recognised as taxable income. In total, a taxable profit of NOK 3 618 thousand has been calculated, and have been netted out with carry forward losses from previous years. The tax expense of the Company is therefore zero.

SECTION 4.

ASSETS

In brief
This section provides insights into the disclosures in relation to asset items of the Company.

4.1 INVESTMENTS IN SUBSIDIARIES

Accounting policies Accounting policies Investments in subsidiaries are measured at cost.		
Investment in subsidiaries	Voting share/ ownership share	31 December 2024
<i>(Amounts in NOK thousand)</i>		
Andfjord Salmon AS (the subsidiary)	100%	414 651
Total investments in subsidiaries		414 651

4.2 FINANCIAL ASSETS
None of the financial instruments held by the Company are measured at fair value. The financial instruments’ amortised cost is considered to be a close approximation to their fair value.

Financial assets	31 Dec 2024	31 Dec 2023
<i>(Amounts in NOK thousand)</i>		
Debt instruments measured at amortised cost:	1 743 981	250 032
Receivables from Group companies	1 720 090	335 391
Cash and cash equivalents	24 745	250 032
Total financial assets	1 744 835	250 032

Receivables from group companies arose as a consequence of the Company’s reorganisation indicated in Section 1.2.1, and it is also disclosed as a balance with related parties 7.1.

4.3 OTHER CURRENT ASSETS

Other current assets	31 Dec 2024	31 Dec 2023
<i>(Amounts in NOK thousand)</i>		
Other receivables	-	-
Prepayments	1 199	-
Government grants receivables	-	903
VAT receivables	176	-
Other current assets	-	11
Total other current assets	1 376	914

4.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents	31 Dec 2024	31 Dec 2023
<i>(Amounts in NOK thousand)</i>		
Cash at bank	24 745	250 032
Restricted cash (payroll)	2	1 160
Unrestricted cash	24 744	248 872
Total cash and cash equivalents	24 745	250 032

All cash and cash equivalents held by the Company is to be used for the purpose of completing the investment projects that are currently undertaken by Andfjord Salmon AS, and carrying out the holding activities of the Company.

4.4.1 Short-term deposits
The Company does not hold bank deposits or other short-term, liquid investments that have been classified as cash equivalents.

4.4.2 Restricted cash
Part of the cash and cash equivalents disclosed is subject to regulatory restrictions on payroll tax liabilities and is therefore not available for general use by the Company.



SECTION 5.

CAPITAL AND DEBT STRUCTURE

In brief

This section provides insights into Andfjord Salmon's capital and debt structure, including financial risk and capital management.

5.1 SHARE CAPITAL

5.1.1 Share capital and share premium

As of 31 December 2024, the share capital consists of 67 619 013 ordinary shares (2023: 57 012 953 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.

5.1.2 Authorised shares and amounts

	Number of shares		Amounts in NOK thousand	
Authorised shares	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Fully paid ordinary shares	67 619 013	57 012 953	67 619	57 013
Total share capital	67 619 013	57 012 953	67 619	57 013

5.1.3 Movements in ordinary shares

During 2024, the Company completed a private placement on 22 May 2024. As a consequence, the share capital and premium increased by NOK 350 million, and the number of shares by 10 606 060. Transaction costs corresponds to the incremental directly attributable costs from this increase in capital. The capital increase was approved on 22 May 2024 and registered in the Norwegian Register of Business Enterprises on 30 May 2024.

During 2023, the Company completed a private placement on 29 June 2023. As a consequence, the total share capital and premium increased by NOK 615 million, and the number of shares by 15 974 026. Transaction costs corresponds to the incremental directly attributable costs from this increase in capital. The capital increase was approved on 6 July and registered in the Norwegian Register of Business Enterprises on 14 July.

On 23 October 2023 the general meeting resolved to demerger Andfjord Salmon AS (mother company) followed by implementation of the triangular merger with the subsidiaries. The transactions resulted in a share capital reduction of NOK 36.5 million, immediately followed by a share capital increase of NOK 36.5 million.

On 15 December 2023, a capital reorganisation occurred via a triangular merger. A demerger reduced share capital and share premium, followed by a merger increasing the share capital and share premium, with no (zero) net effect. See section 1.2.1 for further information.

Movements in ordinary shares	Number of shares	Par value per share (NOK)	Share premium total (TNOK)	Total (TNOK)
At 1 January 2023				
Opening balance	41 038 927	1.00	557 413	598 452
Capital increase Tranche 1	5 922 078	1.00	222 078	228 000
Capital increase Tranche 2	10 051 948	1.00	376 948	387 000
Transaction costs	-	-	(31 818)	(31 818)
Spun off in demerger	(36 482 589)	1.00	(375 002)	411 485
Triangular merger	36 482 589	1.00	375 002	411 485
Closing balance at 31 December	57 012 953	1.00	1 124 621	1 181 634
At 1 January 2024				
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	-	-	(23 753)	(23 753)
Closing balance at 31 December	67 619 013	1.00	1 440 262	1 507 881

At 31 December 2023, the Company held 5 thousand (2022: 5 thousand) treasury shares amounting to NOK 185 thousand (2022: NOK 185 thousand). Treasury shares are recognised at cost. These are deducted from equity and no gain or loss is recognised on the purchase, sale, issue or cancellation of these shares.

5.1.4 List of the 20 largest shareholders at 31 December 2024

Shareholders	Number of shares	Ownership percentage	Voting percentage
Jerónimo Martins Agro-Alimentar, S.A.	18 958 855	28.04	28.04
Andfjord Holding AS	4 858 680	7.19	7.19
KG Investment Comp AS	3 636 419	5.38	5.38
High Liner Foods INC	3 634 970	5.38	5.38
Eidsfjord Sjøfarm AS	3 071 759	4.54	4.54
OG Invest AS	2 250 991	3.33	3.33
Skagerak Vekst AS	2 045 064	3.02	3.02
Jan Heggelund	1 932 865	2.86	2.86
DNB Markets Aksjehandel/-Analyse	1 339 597	1.98	1.98
Karstein Gjersvik	1 291 384	1.91	1.91
Traaseth Property AS	1 262 916	1.87	1.87
Euro Tv AS	1 057 114	1.56	1.56
Vicama AS	1 000 000	1.48	1.48
Sirius AS	940 000	1.39	1.39
Sparebank 1 Markets AS	710 541	1.05	1.05
J.P. Morgan Securities LLC	693 142	1.03	1.03
Ristora AS	685 656	1.01	1.01
Omniverse AS	666 000	0.98	0.98
Leonhard Nilsen & Sønner - Eiendom AS	645 257	0.95	0.95
Bliksmark AS	601 000	0.89	0.89
Total 20 largest shareholders	51 282 210	75.84	75.84

5.2 FINANCIAL LIABILITIES

None of the financial instruments held by the Company are measured at fair value. The financial instruments' amortised cost is considered to be a close approximation to their fair value.

Financial liabilities	31 Dec 2024	31 Dec 2023
<i>(Amounts in NOK thousand)</i>		
Liabilities measured at amortised cost	833 094	-
Borrowings	832 309	-
Liabilities from group companies	299	-
Trade and other payables	487	-
Total financial liabilities	833 094	-

5.3 BORROWINGS

Accounting policies

Borrowings are initially recognised at fair value, net of transaction costs incurred that are directly attributable to the issuance of the financial liability. After initial recognition, borrowings are measured at amortised cost. Any difference between the net proceeds and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as financial expenses.

Borrowings are classified as current liabilities except for the portion of the liability that is due to be settled more than twelve months after the reporting period, or for the portion the Company has an unconditional right to defer settlement for at least twelve months after the reporting period.

Overview of borrowings	31 Dec 2024	31 Dec 2023
<i>(Amounts in NOK thousand)</i>		
Non-current		
Debt to credit institutions	832 309	-
Total non-current borrowings	832 309	-
Current		
Debt to credit institutions	-	-
Total current borrowings	-	-
Total borrowings	832 309	-

5.3.1 Relevant terms and conditions

Debt with financial institutions

Debt to financial institutions consist of a construction loan facility with an available amount of up to NOK 825 million and a loan facility of NOK 75 million entered into with SpareBank 1 Nord-Norge and bank alliance partners (with support from Eksfin). These facilities have drawdown available until 31 December 2025. Additionally, up until that date, the Company 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, which is subject to annual renewal. The total amount available is NOK 20 million.

5.3.2 Assets pledged as securities for liabilities

The debt to credit institutions required certain assets to be pledged as security, being property, plant and equipment, inventory, trade receivables and licenses.

As of 31 December 2024, all assets held by Andfjord Salmon Group AS are pledged as security for its debt to credit institutions. As of 31 December 2024, assets pledged as security included shares in subsidiaries with a carrying amount of NOK 414 651 thousand, and receivables from group companies with a carrying amount of NOK 1 719 235 thousand.

Assets pledged as security in relation to the outstanding loans and credit facilities also include aquaculture permissions, other inventories, and trade receivables.

5.3.3 Compliance with covenants

Debt to financial institutions entered during 2024 (see note 5.2.1 for further information) is subject to the following covenants:

- Overdraft facility within 60 % of borrowing base
- Total equity at minimum 35 % of total assets at year-end
- Minimum liquidity of NOK 50 million each quarter until 31 December 2027

The following covenants are applicable as of 31 December 2027:

- Net interest-bearing debt / EBITDA shall be above 5.00
- Minimum required working capital of NOK 100 million

The Company has complied with the financial covenants during the reporting period, and Management does not expect to breach any covenant in the foreseeable future.

5.4 RECONCILIATION OF CASH FLOWS FROM FINANCING ACTIVITIES

Reconciliation cash flow from financing activities	Borrowings	Lease liabilities	Total
(Amounts in NOK thousand)			
Liabilities from financing activities at 1 January 2023	123 543	17 979	141 522
Financing cash flow (payments)	(55 918)	(4 176)	(60 094)
Foreign exchange adjustments	-	48	48
Disposals by merger	(67 625)	(13 851)	(81 476)
Liabilities from financing activities at 31 December 2023	-	-	-
Cash inflows from new borrowings	849 196	-	849 196
Capitalised financing costs	(18 625)	-	(18 625)
Amortised financing costs	1 739		1 739
Liabilities from financing activities at 31 December 2024	832 309	-	832 309

5.5 FINANCIAL RISK AND CAPITAL MANAGEMENT

As indicated in Note 5.1, financial assets held by the Company mainly comprise cash and cash equivalents. Financial liabilities are mainly comprised of borrowings and trade payables.

In conducting its operations, the Company faces the following main types of risks: credit risk, liquidity risk and market risk. Management keeps track of the evolution of the different risks, and the potential impact to the Company. The Company has not entered into any derivative contracts to manage its exposure to financial risks during 2024 or 2023.

The following sections provide disclosures on the specific exposure to risks and how they arise; the objectives, policies, and processes for managing the risks and the methods used to measure the risk; and any changes thereof.

5.5.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to settle its obligation. The Company is exposed to credit risks in conducting its ordinary activities.

Cash and cash equivalents from the Company are managed by the Company's Finance Department. The Company limits the amount of deposits that can be held in a single bank to limit the concentration of risks.

5.5.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity with a high level of prudence, with rules and policies that ensure an adequate amount of cash and cash equivalents to meet the immediate needs of resources both in the short and long term. Management develops rolling forecasts on liquidity, which are regularly monitored against the contractual maturities of the financial liabilities.

5.5.2.1 Maturities

The following table discloses the maturity analysis for non-derivative liabilities (except for lease liabilities, which are disclosed in Note 6.3), showing its undiscounted remaining contractual liabilities:

Nominal amounts						
At 31 December 2024	Carrying amount	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
(Amounts in NOK thousand)						
Borrowings	832 309	-	-	156 058	693 138	849 196
Trade payables	487	487	-	-	-	487
Other current liabilities	299	-	299	-	-	299
Total financial liabilities	833 094	487	299	156 058	693 138	849 981

Nominal amounts						
At 31 December 2023	Carrying amount	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
(Amounts in NOK thousand)						
Other current liabilities	205	-	205	-	-	205
Total financial liabilities	205	-	205	-	-	205

5.5.2.2Financing facilities

As at 31 December 2024, the Company has undrawn amounts from its loan facility with a credit institution (as disclosed in Note 5.2 until the end of 2025), which provides the Group with the financing needed to complete the construction projects of its pools.

5.5.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is mainly exposed to interest rate risk.

Foreign exchange risk is not considered relevant for the Company as they do not hold any balances in foreign currencies. The Company is neither exposed to risk related to salmon price as it does not hold any derivatives or other financial contracts based on the price of salmon as of 31 December 2024.

5.5.3.1 Interest rate risk

The following table summarises the effects that a reasonably possible change in the effective interest rate of the borrowings would have in the profit after tax:

	Impact on profit after tax	
Sensitivity of changes in interest rates on borrowings	2024	2023
(Amounts in NOK thousand)		
Increase in interest rate of 2%	(16 984)	-
Decrease in interest rate of 1%	8 492	-

Changes in interest rates on borrowings will not have impact on OCI, and Andfjord has no hedge accounting.

The Company’s exposure to interest rate risk arises from long-term borrowings with variable rates (see Note 5.1 and 5.2 for further information) based on the NIBOR rate applicable at each point in time.

The Company has not entered any interest rate swaps agreement or other interest rate hedges to mitigate risk related to increase in the variable interest rate of its loans.

5.5.3.2Currency risk

The Company is currently exposed to currency risk to a small extent. Although some components for the development have been purchased in EUR, both cost and investments are primarily in NOK. The Company will be increasingly exposed to currency risk once its subsidiary starts operating the fish farming facility and in the case of future fish sales. Currency hedging will be considered to reduce such exposure.

Due to the very limited currency risk exposure, no sensitivity analysis has been presented.

5.5.4 Capital management: objectives, policies and processes

The Company defines capital as equity, including other reserves. The Company’s main objective when managing capital is to ensure the ability of the Company to continue as a going concern and to meet all requirements imposed by external financing agreements in the form of covenants.

SECTION 6. OTHER DISCLOSURES

In brief

This section provides insights into topics other than those covered in the previous sections, including related parties, provisions, contingent liabilities and events after the reporting period.

6.1 RELATED PARTIES

6.1.1 Key management personnel compensation

For key management personnel compensation, we refer to the consolidated financial statements Note 7.1.1

6.1.2 Transactions with related parties

Transactions with related parties	Relationship	2024	2023
(Amounts in NOK thousand)			
Financial advisory	Board members	2 243	4 140
Interest income	Subsidiary	26 669	-
Interest expense	Majority shareholders	-	1 000
Total related party profit or loss items		28 912	5 140

6.1.3 Balances with related parties


At year-end, the Company has group receivables of NOK 1 719 235 thousand towards its subsidiary. Part of the intercompany balance is expected to be converted to equity in 2025. The Company also has NOK 299 thousand in liabilities from group companies.

6.2 EVENTS AFTER THE REPORTING PERIOD

In March 2025, the Company raised funds of approximately NOK 1.4 billion through a bank package of NOK 400 million, potential sale and leaseback agreement of the harbour area valued at NOK 400 million, and a NOK 600 million private placement of new shares. Further, a leasing facility of NOK 175 million is planned for certain equipment financing, and an overdraft facility of up to 60% of the borrowing base, which is expected to be finalised ahead of the first smolt release, is discussed but not yet committed.

The Board of Directors is not aware of any other events that have occurred after the balance sheet date, or any additional new information regarding existing matters, that can have a material effect on the 2024 financial statements of the Company.

INDEPENDENT AUDITOR'S REPORT



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Medlemsstat av Den norske Revisorerforening

To the General Meeting in Andfjord Salmon Group AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Andfjord Salmon Group AS (the Company) which comprise:

- The financial statements of the Company, which comprise the statement of financial position as at 31 December 2024, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the Group, which comprise the statement of financial position as at 31 December 2024, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for opinion


We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors and the Chief Executive Officer (management) are responsible for the information in the Board of Directors' report and the other information presented with the financial statements. The other information consists of the information included in the annual report other than the financial statement and our auditor's report. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially

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misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Director's report applies correspondingly for statement on Corporate Governance.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements


Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

Independent auditor's report - Andfjord Salmon Group AS 2024
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events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Tromsø, April 9, 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Monica Sørensen
State Authorised Public Accountant (Norway)

Independent auditor's report - Andfjord Salmon Group AS 2024
A member firm of Ernst & Young Global Limited

ANDEJORD SALMON - ANNUAL INTEGRATED REPORT - 2024

129

APPENDICES

APPENDIX 1: TRANSPARENCY ACT STATEMENT 2024

About the Transparency Act and this statement

In July 2022, The Norwegian Transparency Act entered into force. Its purpose is to promote enterprises’ respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions. Although the Transparency Act applies to larger Norwegian enterprises (meaning organisations with more than 100 employees and therefore not Andfjord Salmon), we have a clear policy to respect human rights and decent working conditions.

In this document, human rights are defined as rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Decent working conditions means work that safeguards fundamental human rights, health, safety and environment in the workplace, and that provides a living wage.

For additional questions about our work on human rights, please contact our CFO, Bjarne Martinsen: bjarne.martinsen@andfjord.no

Our commitment

We shall always operate legally and with an ethical responsibility, set the highest standards of integrity for our operations and inspire others to do the same. We apply the precautionary principle and shall always respect human rights and ensure decent working conditions.

We are headquartered and operating in Norway only, and therefore adhere to Norwegian law, in addition to relevant international rules and regulations on human rights. We support the UN International Bill of Human Rights, the ILO and the ICRC Conventions and the OECD Guidelines for Multinational Enterprises. Our policy commitment is integrated into our organisational strategies, operational policies and procedures, and throughout our business relationships.

Embedding due diligence in governance, strategy and business model

Our CEO holds the overall responsibility for the day-to-day business being conducted in an ethical manner. All employees, workers who are not employees, suppliers and business partners must ensure that they comply with our policies and procedures, local laws and regulations relating to human rights and decent working conditions. Managers have additional responsibilities that go beyond the basic requirements of all employees.

Guidelines

To mitigate or minimise the risk of human rights breaches we have established clear guidelines, including a Code of Conduct, Supplier Code of Conduct and a Human Rights Policy. A breach of any of these guidelines will result in consequences for the person in question. Relevant sanctions may be verbal or written warnings and curtailment of prevailing authorisations, and serious breaches of the regulations may result in discharge or dismissal, or the termination or discontinuance of contracts.

Code of Conduct

Our Code of Conduct was established in 2021 and approved by the Board of Directors in 2022. The Code of Conduct reflects our values, describes common principles, expectations, obligations, and requirements for how employees should act, and forms the foundation of our culture. The Code of Conduct applies to Board members, employees, and contracted labour, at production, administration, and the Executive Management Team, and is communicated to all of these groups as part of the onboarding process. The Code of Conduct is available on our website.

Supplier Code of Conduct

A Supplier Code of Conduct was established in 2023. The Supplier Code of Conduct (internally referred to as Supplier-Specific Compliance Terms) describes the supplier’s (“Contractor’s”) duty to act lawfully and responsibly. In addition to outlining the supplier’s general obligations, the Supplier Code of Conduct also contains information about topics such as anti-corruption, sanctions and export control, anti-money laundering, human rights, data privacy and information security, and environment and climate. The Supplier Code of Conduct has been read and approved by the Board of Directors, and is available on our website.

Human Rights Policy

A Human Rights Policy was established in 2023. The Human Rights Policy describes our approach to managing human rights risks in our operations and compliments the Code of Conduct and Supplier Code of Conduct. The objective of the Human Rights Policy is to:

- Describe our human rights commitments and how we work to avoid infringements of human rights to employees, business partners and other stakeholders.
- Clarify our expectations on the importance of conducting business consistently with the principles described in the Policy, and the internationally recognised human and labour standards as listed above.
- Improve our continuous efforts to eliminate human rights abuses.

The Human Rights Policy has been read and approved by the Board and is available on our website.

Engaging with affected stakeholders in all key steps of the due diligence

To minimise risks, we keep a close dialogue with all suppliers and receive documentation that they are operating in line with both our expectations and general terms and conditions for responsible business practice. We are committed to support and protect individuals who, in good faith, report concerns or violations. Retaliation against the reporter is both illegal and punishable.

If unsure, employees shall seek advice from their nearest line manager on implementing the organisation’s policies and practices for responsible business conduct. Any suspicion or concerns about actual or potential human rights abuses should immediately be reported to a member of the Executive Management Team, and if possible, the Human Resources Manager.

Critical concerns shall be reported to the Board of Directors. Anonymous reporting is available through Euronext Growth IntergityLog. Employees have been involved in the design, review, operation, and improvement of the whistle blowing channel.

Identifying and assessing adverse impacts

We rely on third-party suppliers for production and distribution, which means that the our Company is directly and indirectly exposed to supply chain risks, including human rights breaches. In line with the OECD guidelines for multinational enterprises, we conduct due diligence of new suppliers and business partners following our own procedures, which again draws upon the Norwegian Standard NS 5814 Requirements for Risk Assessment, the NS 9416 Requirements for Land Based Facilities, Global G.A.P and Aquaculture Stewardship Council (ASC).

The latest due diligence assessment of our suppliers was conducted in 2024. In the assessment, we first listed our suppliers based on contract value, size and whether the supplier is considered critical to our business. Next, we looked at the countries and industries that the supplier operates in. This is important as we know that certain countries and industries have a higher risk of human rights breaches.

Main risks identified include possible health and safety breaches occurring in the construction phase. This risk is not linked to a specific supplier, but to the risk associated with the work that is performed. We also identified one supplier that have operations in South America, where laws and regulations concerning human rights are not as extensive as they are in Norway.

We have not identified any actual human rights breaches in the reporting period, nor have we received any reports of suspected misconduct.

Taking actions to address adverse impacts

We are committed to provide for or cooperate in the remediation of negative impacts that we have contributed to. Our approach to identify and address grievances is mainly based on the guidelines for reporting and relevant stakeholders are involved in the design, review, operation and improvement of the grievance mechanism.

Tracking the effectiveness of efforts and communicating

The effectiveness of the grievance mechanism will be evaluated on a continuous basis or whenever a report has been filed. In 2025 we plan to further systemise our due diligence

processes to ensure regular follow-up of both new and existing suppliers, and communicate our guidelines (Supplier Code of Conduct) to all relevant suppliers.

Non-compliance with laws and regulations	2024	2023	2022
Total instances of non-compliance with laws and regulations	-	-	-
Instances for which fines were incurred	-	-	-
Instances for which non-monetary sanctions were incurred	-	-	-
No. and monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period	-	-	-
Fines for instances of non-compliance with laws and regulations that occurred in the reporting period	-	-	-
Fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods	-	-	-



APPENDIX 2: EQUALITY STATEMENT 2024

There are increasing expectations relating to corporate action and transparency on diversity, inclusion, and equal employment opportunities. We aim to be an inclusive workplace that works actively to promote diversity and equality. Recruitment and promotion shall solely be based on the skills, experience, achievements, and potential of each individual. We shall always operate in accordance with the Norwegian Equality and Anti-discrimination Act. Our policy commitment regarding this topic is stated both in the Company values and Code of Conduct. All numbers in this statement is reported in head count and at the end of the reporting period.

Gender balance

We continuously strive to achieve a better gender balance at all levels of the organisation. At the end of 2024, our workforce comprised of 14 (60.87%) men and 9 (39.13%) women, an increase of 4% of the total number of employees since the previous reporting period. During the year, we hired 4 women (full-time employees) and 1 man (part-time employee).

Gender distribution by employee category	2024	2023	2022
Permanent employees			
Female	9 (39.13%)	8 (38%)	4 (22%)
Male	14 (60.87%)	13 (62%)	14 (78%)
Total	23(100%)	21 (100%)	18 (100%)
Temporary employees			
Female	-	-	-
Male	2 (100%)	2 (100%)	2 (100%)
Total	2 (100%)	2 (100%)	2 (100%)
Non-guaranteed hours employees			
Female	-	-	-
Male	-	1 (100%)	-
Total	-	1 (100%)	-
Full-time employees			
Female	9 (39.13%)	8 (35%)	5 (25%)
Male	14 (60.87%)	15 (65%)	15 (75%)
Total	23 (100%)	23 (100%)	20 (100%)
Part-time employees			
Female	-	-	1 (100%)
Male	-	-	-
Total	-	-	1 (100%)

Gender distribution by leadership level	2024	2023	2022
Board of Directors			
Female	2 (28.57%)	2 (25%)	2 (25%)
Male	5 (71.43%)	6 (75%)	6 (75%)
Total	7 (100%)	8 (100%)	8 (100%)
Executive Management Team			
Female	-	-	-
Male	3 (100%)	3 (100%)	2 (100%)
Total	3 (100%)	3 (100%)	2 (100%)
Non-executive management			
Female	6 (50%)	6 (50%)	No data available
Male	6 (50%)	6 (50%)	No data available
Total	12 (100%)	12 (100%)	No data available
Organisation total			
Female	11 (36.67%)	10 (31%)	8 (28%)
Male	19 (63.33%)	22 (69%)	21 (72%)
Total	30 (100%)	32 (100%)	29 (100%)

Age diversity

We recognise that inclusion is about more than gender balance and are therefore focused on attracting and recruiting a workforce that is

also diverse when it comes to age and other characteristics. Our internship and trainee schemes aim to inspire young people to pursue a career in Andfjord Salmon.

Age diversity	2024			2023		
Board of Directors	< 30 years	30-50 years	50 years >	< 30 years	30-50 years	50 years >
Female	-	-	2	-	1	1
Male	-	1	4	-	1	5
Total	-	1	6	-	2	6
Executive Management Team	< 30 years	30-50 years	50 years >	< 30 years	30-50 years	50 years >
Female	-	-	-	-	-	-
Male	-	2	1	-	3	-
Total	-	2	1	-	3	-
Non-executive management	< 30 years	30-50 years	50 years >	< 30 years	30-50 years	50 years >
Female	3	5	1	2	3	1
Male	3	7	1	-	5	1
Total	6	12	2	2	8	2
Organisation total	< 30 years	30-50 years	50 years >	< 30 years	30-50 years	50 years >
Female	3	5	3	3	5	2
Male	3	10	6	4	10	7
Total	6	15	9	7	15	9

Other indicators of diversity

In Norway, there are strict rules for how to measure and track other indicators of diversity, such as ethnicity, gender identity, disability, nationality, and more. We are in any case keenly interested in attracting a more diverse workforce beyond gender and age characteristics, as we believe this will further strengthen our business. We encourage all people with the relevant skills and experience to apply for open positions in Andfjord Salmon.

Compensation

We are committed to paying employees fairly for the work they perform, regardless of personal beliefs or any individual characteristics. Individual compensation for an employee, consultant or contractor only varies based on position, performance and competence. In 2024, women were paid 91.6% of the total that was earned by men. The salary difference between men and women is due to a higher percentage of men in senior management positions.

Non-discrimination

We prohibit discrimination in any form, whether it is based on political views, membership in workers' organisations, sexual orientation, gender, disability and/or age, nor do we tolerate any form of violence or harassment. Incidents of discrimination can be reported through our internal whistleblowing channel or to the employee's immediate supervisor.

Going forward

In 2025, we will continue the process to improve the gender balance of our Board, in line with expected requirements for Norwegian limited liability companies (AS) from 2026. Our ambition is to build

a diverse company and to increase the number of women throughout the entire organisation and on all leadership levels. However, due to our remote location and since we are a company in a growth and development phase, our current priority is first and foremost to attract candidates based on their knowledge and experience from the fish farming

industry. Nevertheless, we will highlight diversity in local and international initiatives to which we contribute to and will continue to focus on diversity in our trainee and apprenticeship programmes in the future.

Compensation	Gender balance in %			% salary of women to men		
Employee category	Men	Women	Total bene-fits	Base salary	Bonus	Overtime
Executive and non-executive level management	60%	40%	74.18%	80.27%	100%	-
Organisation total	63.33%	36.67%	86.36%	91.6%	100%	-
Non-discrimination	2024			2023		2022
Total number of incidents of discrimination during the reporting period	-			-		-
Incidents reviewed by the organisation	-			-		-
Remediation plans being implemented	-			-		-
Remediation plans that have been implemented, with results reviewed through routine internal management review processes	-			-		-
Incidents no longer subject to action	-			-		-

APPENDIX 3:

LIST OF ACRONYMS

Acronyms	Meaning
°C	Degree Celsius
AGM	Annual General Meeting
ASC	Aquaculture Stewardship Council
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CH4	Methane
CO2	Carbon dioxide
DNV	Det Norske Veritas
EIA	Environmental Impact Assessment
EQS	Environmental Quality System
ERA	Environmental Risk Assessment
ESG	Environmental, Social and Governance
EU	European Union

Acronyms	Meaning
GHG	Greenhouse Gas
Global G.A.P.	Global Good Agricultural Practices
GM	General Meeting
GRI	Global Reporting Initiative
GAAP	Generally Accepted Accounting Principles
HFCs	High-fructose corn syrup
HOG	Head-on Gutted
HR	Human Resources
HSE	Health, Safety, and Environment
IAS	International Accounting Standards
IESBA	International Ethics Standards Board for Accountants
IFRIC	Interpretations by the IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing

Acronyms	Meaning
ISO	International Organization for Standardization
KG	Kilogram
KKE	Karstein Kristiansen Entreprenør AS
KPI	Key Performance Indicator
KWH	Kilowatt-hour
LNS	Leonhard Nilsen & Sønner AS
MAB /MTB	Maximum Allowed Biomass / Maksimalt tillat biomasse
N2O	Nitrous oxide
NF3	Nitrogen trifluoride
NGAAP	Norwegian Generally Accepted Accounting Principles
NIBIO	Norwegian Institute of Bioeconomic Research
NOFIMA	Norwegian Institute of Food, Fisheries and Aquaculture Research
NOK	Norwegian krone
NS	Norsk Standard
NUES	The Norwegian Code of Practice for Corporate Governance
OECD	Organization for Economic Cooperation and Development
PFCs	Perfluorinated chemicals
PPE	Property, Plant and Equipment

Acronyms	Meaning
RAS	Recirculating Aquaculture Systems
ROV	Remotely Operated Vehicle
SDGs	Sustainable Development Goals
SF6	Sulphur hexafluoride
tCO2	Tonnes carbon dioxide
TSC	Technical Screening Criteria
UiT	The Norwegian College of Fishery Science at University of Tromsø
VAT	Value Added Tax
VPS	Norwegian Central Securities Depository
WEC	Working Environment Committee

APPENDIX 4:

GRI 13 ASSESSMENT

Agriculture, aquaculture, and fishing industries share common impacts associated with the production of food as well as non-food products. These industries are crucial to the world’s food systems and the manufacture of a variety of materials. Due to the sector’s widely documented economic, environmental, and social impacts – including those on climate change and biodiversity, food security, farming and fishing practices, and community engagement – GRI has

developed a sector standard for our industry (GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022). As a relatively small company located in Norway (where both national laws and industry regulations are in place to ensure responsible operations), not all the topics mentioned in the sector standard are considered equally relevant to Andfjord Salmon.

GRI 13 Standard:

Topic	Reason for omission
Topic 13.4 Natural ecosystem conversion	Andfjord Salmon runs its operations with a minimal impact on natural ecosystems and the company evaluates its impact through established routines and internal control measures. The company’s activities do not lead to substantial and sustained change in natural ecosystems therefore, this topic is determined as not material.
Topic 13.5 Soil health	Soil health is determined as not material due to fact that our land-based fish farming facility does not take up a lot of space and is not located in an area where operations can negatively or significantly impact soil health. Our operations have a minimal impact on soil health, including soil erosion, soil loss and reduction in soil fertility.
Topic 13.7 Water and effluents	Water and effluents are determined as not material as we do not withdraw or consume fresh water that can impact the overall access to fresh water. Neither do we discharge water or effluents that can impact the quality of fresh water. We use a normal amount of water in both our operation and production, which does not displace other use.

Topic	Reason for omission
Topic 13.9 Food security	Andfjord Salmon aims to produce premium Atlantic salmon that is very nutritious, has perfect texture and superior taste. The company is built on a foundation of innovation and sustainable salmon farming with the intention to feed people both nationally and internationally. Andfjord Salmon contributes to food security and offers a product that meets people’s dietary needs and food preferences for an active and healthy lifestyle.
Topic 13.10 Food safety	Handling food and feed products in a way that prevents food contamination and food borne illness is of the highest importance to Andfjord Salmon. The company adheres to national and industry regulations concerning food safety, and has established thorough routines to prevent contamination. The company has, together with cooperation partners, developed its own feed for its Atlantic Salmon, which does not contain any antibiotics. As a result of our impact assessment, this topic is determined as not material.
Topic 13.13 Land and resource rights	Our impact on the availability and accessibility of land for other users is minimal due to our low area use. We are in close contact with the local community regarding for example regarding tenure rights and have no knowledge of any ongoing disputes or complaints.
Topic 13.14 Rights of indigenous peoples	Our office and production are located at Andøya in Norway, where no indigenous people are or have been residing. Our activities therefore do not negatively impact the collective or individual rights of indigenous people. We keep a close dialogue with the local community in Andøya, including the state administrator as well as the Sami Parliament.
Topic 13.22 Economic inclusion	Our business has a positive economic impact on the local community at Andøya. We contribute to local value creation, including job creation, for both our own employees as well as suppliers. We keep a close dialogue with the local community, including local farmers and fishermen. Thus, economic inclusion is not determined as a material topic.
Topic 13.23 Supply chain traceability	Andfjord Salmon’s ability to trace the source, origin or production of raw materials and final products is important to the company. The main impact on this area is linked to the production of salmon feed that Andfjord Salmon uses in its production. The company has implemented internal control routines for identifying and preventing potential negative impacts and also adheres to international standards. As a result of our impact assessment, this topic is determined as not material.
Topic 13.24 Public policy	Public policy is not determined as a material topic, as our impact is low to non-existent. We keep an ongoing dialogue with all stakeholders, including governmental authorities, and encourage public policy development that benefits society. We do not make any financial or in-kind contributions to political parties, politicians or causes.

APPENDIX 5: GRI CONTENT INDEX

Andfjord Salmon has reported in accordance with the GRI Standards for the reporting period 1 January to 31 December 2024.

GRI 2 - GENERAL DISCLOSURES 2021			
Disclosure	Disclosure description	Reference	Omission
2-1	Organizational details	Andfjord Salmon at a glance	
2-2	Entities included in the organization's sustainability reporting"	Basis for preparation (General basis for preparation of the sustainability statement)	
2-3	Reporting period, frequency and contact point"	Basis for preparation (General basis for preparation of the sustainability statement) + End page	
2-4	Restatements of information	Basis for preparation (Disclosures in relation to specific circumstances)	
2-5	External assurance	Basis for preparation (General basis for preparation of the sustainability statement)	N/A: The report has not been externally assured
2. ACTIVITY AND WORKERS			
2-6	Activities, value chain and other business relationships"	This is Andfjord Salmon: Strategy, business model and value chain + Membership associations + Basis for preparation	
2-7	Employees	Appendix 2: Equality statement (table: Gender distribution, Equality statement, footnote 1) + Actions related to affected communities (Table: Newly hired employees and employee turnover)	
2-8	Workers who are not employees	In 2023, Andfjord Salmon had one worker that was not an employee. The person was part of the leadership team and responsible for project management. There have been no significant fluctuations in the number of workers who are not employees in the reporting period or between reporting periods.	Information unavailable: We do not report information about workers who are not employees.

3. GOVERNANCE

2-9	Governance structure and composition	8. Board of directors, composition and independence + 9. The work of the board of directors + Board of directors	N/A: The Board is responsible for decisionmaking on and overseeing the management of the organisation's impacts on the economy, environment, and people, but has not delegated this responsibility to any specific Board committee. "
2-10	Nomination and selection of the highest governance body"	7. Nomination committee	
2-11	Chair of the highest governance body	8. Board of directors, composition and independence	N/A: The Chair is not a senior executive
2-12	Role of the highest governance body in overseeing the management of impacts"	9. The work of the board of directors	
2-13	Delegation of responsibility for managing impacts"	9. The work of the board of directors	
2-14	Role of the highest governance body in sustainability reporting"	9. The work of the board of directors	N/A: The report is approved by the Board.
2-15	Conflict of interest	9. The work of the board of directors	
2-16	Communication of critical concerns	Appendix 1: Transparency Act statement (Engaging with affected stakeholders in all key steps of the due diligence + Identifying and assessing adverse impacts) + Governance: Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	
2-17	Collective knowledge of the highest governance body"	Material impacts, risks and opportunities	
2-18	Evaluation of the performance of the highest governance body"	9. The work of the board of directors	
2-19	Remuneration policies	1. Implementation and reporting on corporate governance (Point 12) + 11. Remuneration of the Board of Directors + 12. Salary and other remuneration of executive personnel	Information incomplete: The remuneration policies does not contain information about fixed and variable pay; sign-on bonuses or recruitment incentive payments; termination payments; clawbacks; or retirement benefits.

2-20	Process to determine remuneration	11. Remuneration of the Board of Directors + 12. Salary and other remuneration of executive personnel + Annual General Meeting Notices (website)	Information incomplete: The results of votes of stakeholders on remuneration policies and proposals are not mentioned. Information unavailable: The company does not report the ratio or percentage increase of the annual total compensation for the highest paid individual to the median annual total compensation for all employees.
2-21	Annual total compensation ratio	7.1.1 Key management personnel compensation	

4. STRATEGY, POLICIES AND PRACTICES

2-22	Statement on sustainable development strategy"	CEO summary	
2-23	Policy commitments	Appendix 1: Transparency Act statement (our commitment + Identifying and assessing adverse impacts + Embedding due diligence in governance, strategy and business model) + Documents on Andfjord's website: Code of Conduct + Supplier Code of Conduct + Human Rights Policy	
2-24	Embedding policy commitments	Appendix 1: Transparency Act statement (Embedding due diligence in governance, strategy and business model + Engaging with affected stakeholders in all key steps of the due diligence) + Documents on Andfjord's website: Code of Conduct + Supplier Code of Conduct + Human Rights Policy	
2-25	Processes to remediate negative impacts"	Appendix 1: Transparency Act statement (Taking actions to address adverse impacts + Engaging with affected stakeholders in all key steps of the due diligence + Identifying and assessing adverse impacts + Tracking the effectiveness of efforts and communicating)	
2-26	Mechanisms for seeking advice and raising concerns"	Appendix 1: Transparency Act statement (Embedding due diligence in governance, strategy and business model)	
2-27	Compliance with laws and regulations	Identifying and assessing adverse impacts (Table: Non-compliance with laws and regulations)	N/A: no instances of non-compliance.
2-28	Membership associations	This is Andfjord Salmon (Membership associations)	

5. STAKEHOLDER ENGAGEMENT

2-29	Approach to stakeholder engagement	Interest and views of stakeholders	
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2-30	Collective bargaining agreements		Information unavailable: Although the company knows that most of its workers are covered by collective bargaining agreements, it does not have the exact percentage.
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MATERIAL TOPCIS

GRI 3: Material topcis 2021		
3-1	Process to determine material topcis	Material impacts, risks and opportunities
3-2	List of material topics	Material impacts, risks and opportunities

G1 BUSINESS CONDUCT (ANIMAL WELFARE)

3-3	Management of material topics	G1 Business conduct / Animal welfare (Material impacts, risks and opportunities + Policies relating to animal welfare + Actions related to animal welfare + Targets related to animal welfare) + Interest and views of stakeholders
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OWN KPIS

KPI	Survival rate	G1 Business conduct / Animal welfare (Actions related to animal welfare)
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BIODIVERSITY


3-3	Management of material topics	E4 Biodiversity and ecosystems (Material impacts, risks and opportunities + Policies related to biodiversity and ecosystems + Actions and resources related to biodiversity and ecosystems + Targets related to biodiversity and ecosystems) + Interest and views of stakeholders
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GRI 304 BIODIVERSITY 2016

304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	E4 Biodiversity and ecosystems / Metrics related to biodiversity and ecosystems change (Table: Biodiversity mapping + Figure: Mapping of marine biodiversity off Kvalnes (Rådgivende Biologer AS)
304-2	Significant impacts of activities, products, and services on biodiversity	E4 Biodiversity and ecosystems (Metrics related to biodiversity and ecosystems change)

304-3	Habitats protected or restored	E4 Biodiversity and ecosystems (How we identify and assess biodiversity and ecosystem-related impacts, risks and opportunities)	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	E4 Biodiversity and ecosystems (How we identify and assess biodiversity and ecosystem-related impacts, risks and opportunities + Table: Red List species in a radius of 1.5 km of Kvalnes (naturbase.no))	
E5 RESOURCE USE AND CIRCULAR ECONOMY			
3-3	Management of material topics	E5 Resource use and circular economy (Actions and resources related to resource use and circular economy + Policies related to resource use and circular economy + Targets related to resource use and circular economy) + Interest and views of stakeholders	
GRI 306 WASTE 2020			
306-1	Waste generation and significant waste-related impacts	E5 Resource use and circular economy (Actions and resources related to resource use and circular economy)	
306-2	Management of significant waste-related impacts	E5 Resource use and circular economy (Actions and resources related to resource use and circular economy)	
306-3	Waste generated	E5 Resource use and circular economy / Actions and resources related to resource use and circular economy	
E1 CLIMATE CHANGE			
3-3	Management of material topics	E1 Climate change (Material impacts, risks and opportunities + Actions and resources in relation to climate change policies + Targets related to climate change mitigation and adaption) + Interest and views of stakeholders	
GRI 302: ENERGY 2016		E1 Climate change: Energy consumption and mix (Table: Energy use)	N/A: we do not sell electricity, heating, cooling or steam.
302-1	Energy consumption within the organisation	E1 Climate change: Energy consumption and mix (Table: Energy use)	N/A: we do not sell electricity, heating, cooling or steam.
S1 OWN WORKFORCE (OCCUPATIONAL HEALTH AND SAFETY)			
3-3	Management of material topics	S1 Own workforce (Material impacts, risks and opportunities + Policies related to own workforce + Actions related to own workforce + Targets related to own workforce) + Interest and views of stakeholders	

GRI 403: OCCUPATIONAL HEALTH AND SAFETY			
403-1	Occupational health and safety management system	S1 Own workforce / Actions related to own workforce (Table: Occupational health and safety management system)	
403-2	Hazard identification, risk assessment, and incident investigation	S1 Own workforce (Actions related to own workforce)	
403-3	Occupational health services	S1 Own workforce (Actions related to own workforce)	
403-4	Worker participation, consultation, and communication on occupational health and safety	S1 Own workforce (Actions related to own workforce)	
403-5	Worker training on occupational health and safety	S1 Own workforce (Actions related to own workforce)	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	S1 Own workforce (Processes for engaging with own workforce and workers’ representatives about impacts)	
403-8	Workers covered by an occupational health and safety management system	S1 Own workforce / Actions related to own workforce (Table: Occupational health and safety management system)	N/A: the occupational health and safety system is not audited by an external party.
403-9	Work-related injuries	S1 Own workforce (Material impacts, risks and opportunities + Table: Work-related injuries)	
S3 AFFECTED COMMUNITIES			
3-3	Management of material topics	S3 Affected communities (Material impacts, risks and opportunities + Policies related to affected communities + Actions related to affected communities + Targets related to affected communities) + Interest and views of stakeholders	
GRI 401 Employment			
401-1	New employee hires and employee turnover	S3 Affected communities (Table: Newly hired employees and employee turnover)	



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