

Måsøval AS acquire 100% of the shares in Vartdal Invest AS' operational business

Måsøval AS has entered into a share purchase agreement with Vartdal Invest AS to acquire 100% of the shares in the entities Aquafarms Vartdal AS, Vartdal Fiskeoppdrett AS, Urke Fiskeoppdrett AS, Western Seaproducts AS (processing) and Vartdal Fryseri AS ("Vartdal Gruppen")

Vartdal Gruppen is a fully integrated salmon farmer with four licenses for production of salmon in production area 5 ("PA 5") with a total maximum allowed biomass ("MAB") of 3,120 tonnes¹. The company has its own production of smolt and post-smolt. The production of post-smolt is carried out at a land-based facility utilizing salt water flowthrough technology. The post-smolt facility has a capacity for 670 tonnes standing biomass which, sufficiently utilized, will give an annual production at land of approximately 1,400 tonnes biomass (live weight).

The transaction values Vartdal Gruppen at an enterprise value of NOK 1,521 million split with NOK 1,441 million for the salmon farming operations and NOK 80 million for the processing and freezing facilities. The transaction is fully financed through debt facilities provided by Måsøval's main bank, DNB, as well as a share settlement to the seller of 4,761,904 new shares in Måsøval AS valued at NOK 42 per share. The seller, Vartdal Invest AS, has agreed to a lock-up period for the consideration shares of 6 months from the closing date of the transaction. The managers from Måsøval AS' IPO process, completed in June 2021, has agreed to waive the lock up agreements entered into in order to facilitate the issuance of the consideration shares to Vartdal Invest AS.

The acquisition of Vartdal Gruppen will eventually, provided full utilization of resources, provide Måsøval an increased harvest in PA 5 of approximately 6,900 tonnes (HOG). This assumes integration with Måsøval's existing operations in the area and sufficient utilization of the post-smolt capacity that Vartdal Gruppen has established. On this basis the acquisition will give Måsøval a robust production unit in PA 5 with a total yearly production of approximately 9,800 tonnes. Post-smolt will provide increased utilization of MAB for all production in PA 5, as well as shorter production time and lower biological risk at sea. Måsøval and Vartdal Gruppen will integrate routines for operations, planning and biological control to realize synergies.

«The acquisition of Vartdal Gruppen is a testament to Måsøvals growth strategy, as communicated during the IPO process in June 2021. This acquisition strengthens our position in PA 5 and support our strategy in several areas. We diversify the biological risk through expanding operations significantly in PA 5. Additionally, we secure access to mission critical infrastructure in terms of solid locations with limited influence from sea lice and a good environment, as well as significant post-smolt and processing capacity», says CEO Asle Rønning.

"I am satisfied with handing over my legacy to Måsøval AS. Måsøval has a great platform to further develop the company and the workplaces. Måsøvals existing volume in production area 5 will together with Vartdal Gruppen ensure improved

utilization of sites, smolt and processing facilities once it is integrated”, Ottar Vartdal comments about the transaction.

The transaction has been approved by the Board of Måsøval AS, but is subject to approval from competition authorities, due diligence, as well as necessary resolutions passed by the extraordinary general meeting of Måsøval AS in order to increase the share capital and issue the consideration shares. As such the closing of the transaction is expected to occur by end of Q4 2021. The notice for the extraordinary general meeting in Måsøval AS will be distributed with expected timing of a general meeting on or about 20 December 2021.

About Måsøval AS

Måsøval is a salmon farmer headquartered at Frøya in Trøndelag, Norway. The companies salmon farming operations is carried out in Trøndelag and Møre og Romsdal. Måsøval is 77% owned by Måsøval Eiendom which is fully owned by the third generation of the Måsøval family. (Also see www.masoval.no)

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¹Production area 5 is subject to a downwards capacity adjustment of 6 % due to the general biological risk profile in the area. The MAB of Vartdal Gruppen in the area is on the basis of this 2,932 tonnes.