



Arctic Fish

Q3 Presentation

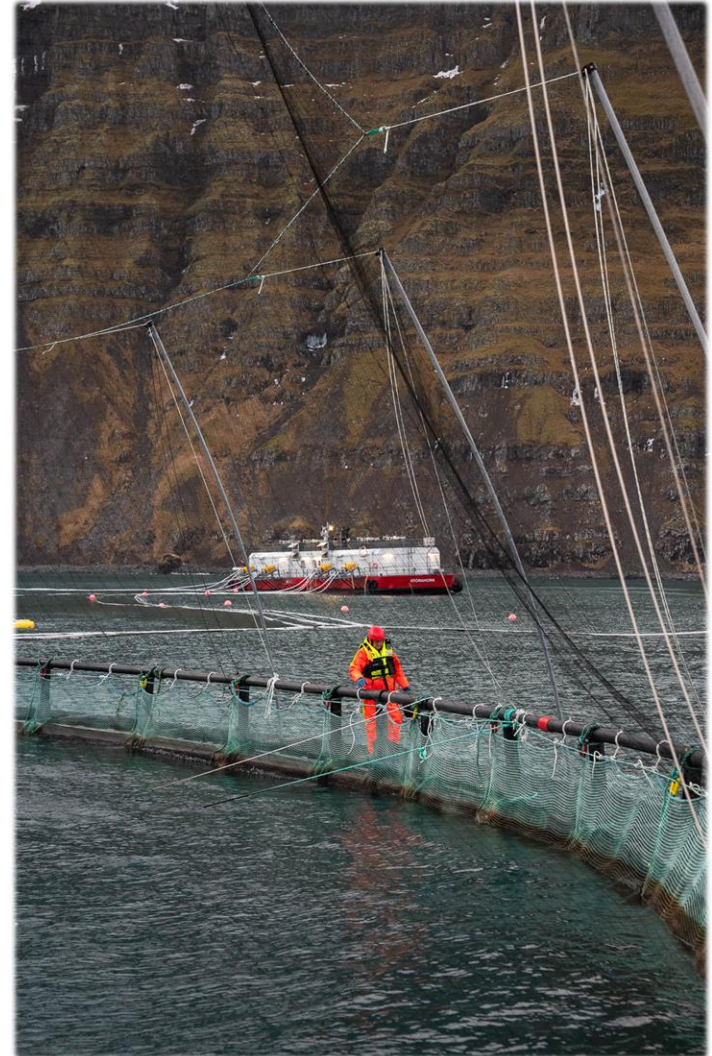
9th November 2021



1	Highlights for the period
2	Operational performance & Group financials
3	Building blocks
4	Markets
5	Growth projects
6	Outlook and summary

Highlights in Q3 2021

- This year already, we have sold more salmon (8,542 tonnes) than any other year in the company's history
- Farming EBIT of 10.6 NOK pr. kg that is an improvement of 10.3 NOK pr. kg compared to last years 3rd quarter
- Excellent smolt quality that gives a strong start for production at sea sites
- Arctic Fish continues to deliver a high percentage (97 %) of superior quality salmon
- Improved price achievement impacts the farming EBIT pr. kg positively

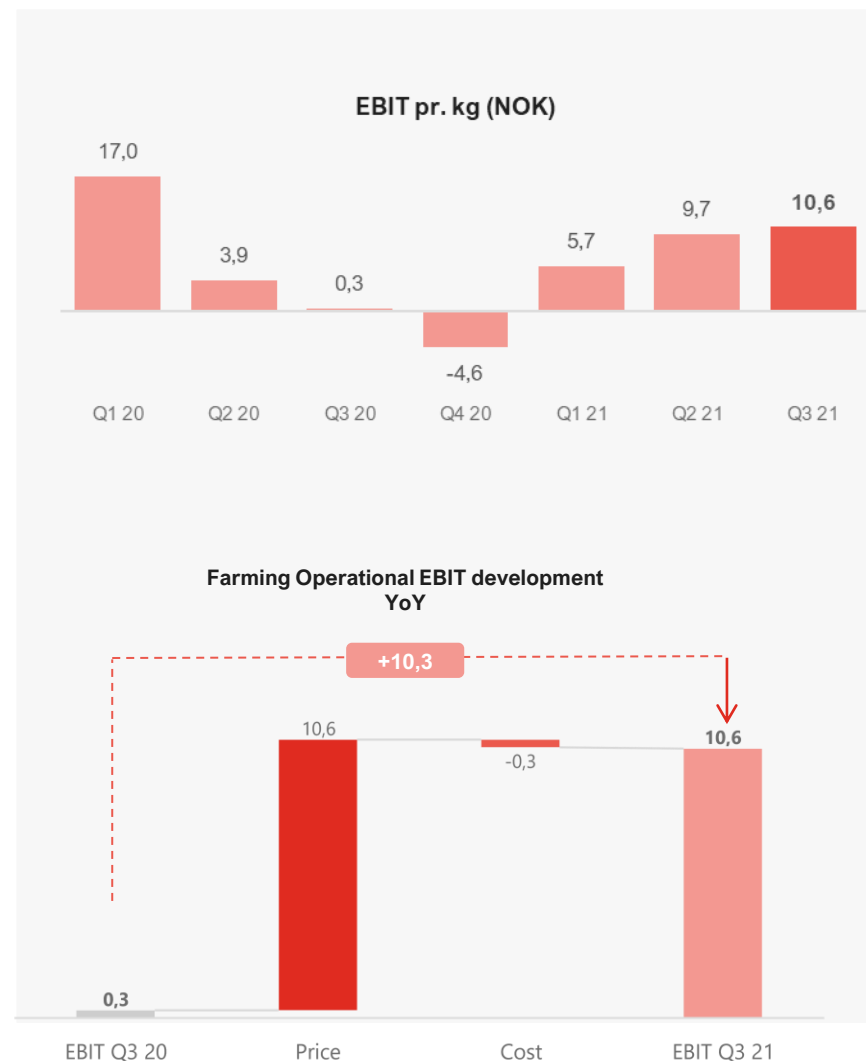




1	Highlights for the period
2	Operational performance & Group financials
3	Building blocks
4	Markets
5	Growth projects
6	Outlook and summary

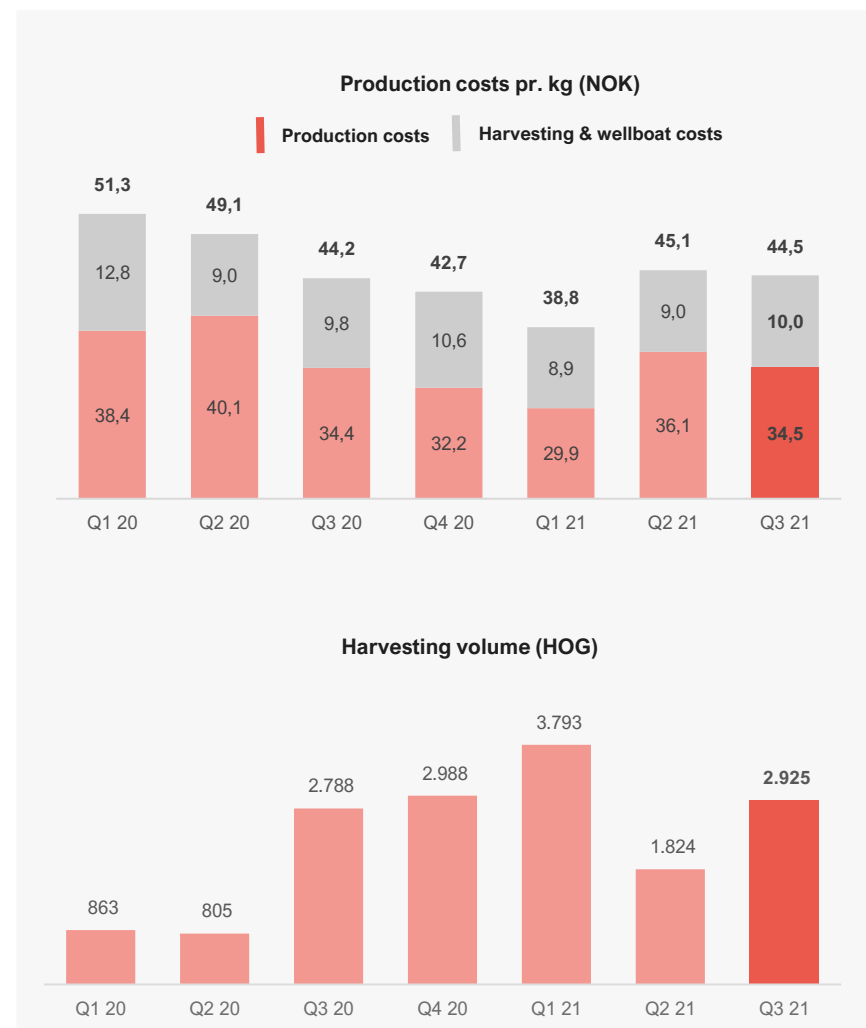
Operational performance

- EBIT 27 MNOK in the quarter and up by 12 MNOK from the previous quarter
- Operational EBIT pr. kg up by 0.89 NOK pr. kg, a 9.2 % increase from Q2 21
- Costs are at relatively stable levels and slightly decreased from Q2 21
- Operational Farming EBIT of 10.6 NOK pr. kg. has developed positively due to the following factors since the same period last year:
 - Price achievement up by 10.6 NOK pr. kg
 - Production cost pr. kg is 0.3 NOK higher



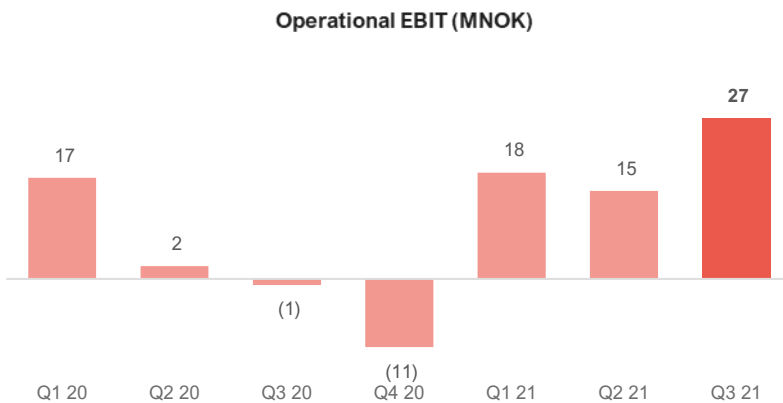
Operational performance

- **Harvested 2,925 tonnes, 138 tonnes more than in Q3 20**
- Production cost pr. kg in Q3 21 down by 0.6 NOK from Q2 21
 - Production costs decreased mostly due to good growth in the quarter
 - A slight decrease of production costs is expected in Q4 21
 - Wellboat and harvesting costs still require some improvement. Extensive dialog is ongoing regarding both matters with current focus on harvesting options
- **Biomass in sea increasing**
 - Biomass in sea increased by 1,741 tonnes (19 %) QoQ and increased by 740 tonnes (7 %) from Q3 20



Profit and loss

- Operating revenues of 161 MNOK
- Operational EBIT of 26.9 MNOK
- Harvested volume of 2,925 tonnes (YoY 5 % increase)
- Negative fair value adjustment of 24,2 MNOK due to changes in the harvesting schedule
- Production tax of 0,8 MNOK
- Net financial items (costs) of 5,1 MNOK



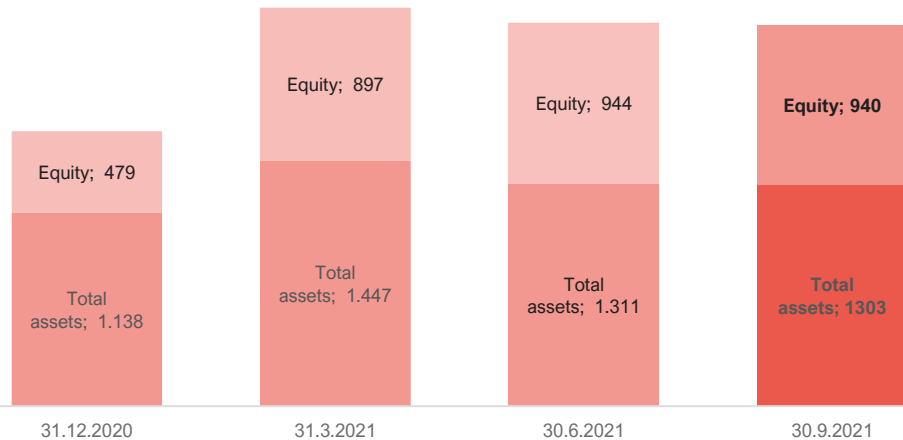
Key figures from P/L

KEY FIGURES (NOK '000)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Operating revenues	161.000	127.659	429.642	245.158
Operational EBIT	26.904	-1.017	59.414	18.026
Fair value adjustments	-24.183	0	58.837	0
Production tax	-818	-312	-3.054	-312
Income from associates	0	0	0	0
EBIT	1.904	-1.328	115.198	17.714
Net financial items	-5.141	-4.044	2.286	-19.071
Earnings before tax (EBT)	-3.237	-5.373	117.484	-1.357
Earnings per share	-0,10	-0,13	3,69	-0,04
Volume harvested GW	2.925	2.788	8.541	4.456
Operational EBIT pr.kg (farming)	10,55	0,30	8,20	4,17

Financial position

- Investments in sea farming equipment; cages and nets in the quarter
- Investments in Smolt production to secure production capacity
- Additional costs due to license investments in the quarter

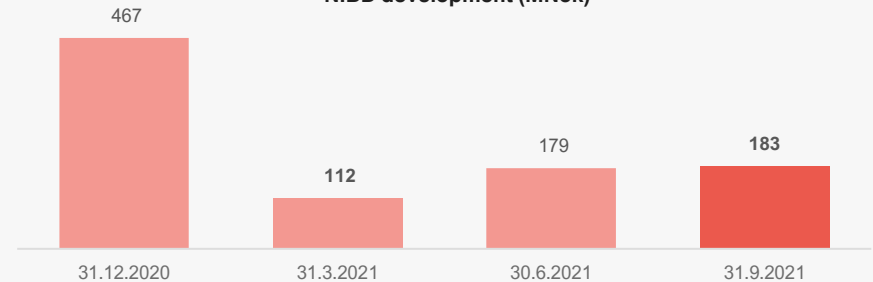
Total assets & Equity (MNOK)



Key figures from Balance sheet

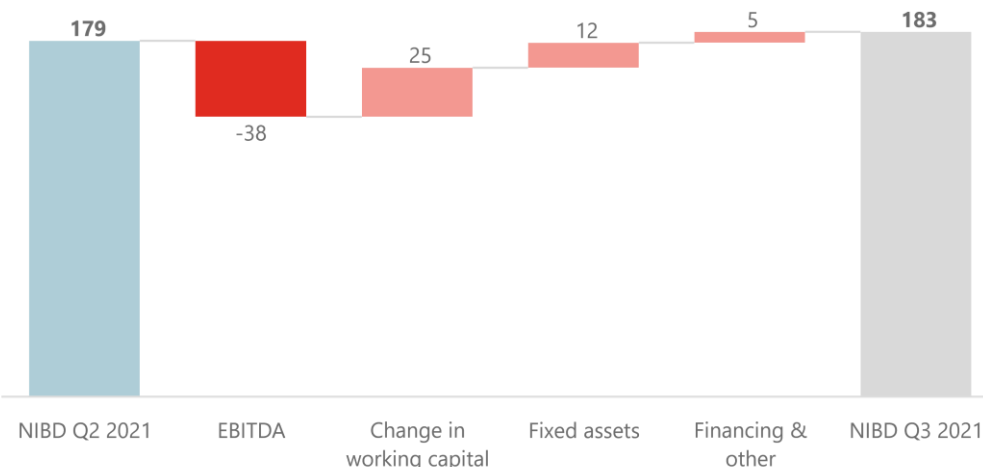
KEY FIGURES (NOK '000)	30.9.2021	30.6.2021	30.9.2020	31.12.2020
Intangible assets	49.340	48.243	31.914	34.297
Property, plant and equipment	605.124	605.706	545.257	559.988
Non-current financial assets	629	629	623	626
Non-current assets	655.094	654.579	577.794	594.911
Biological assets	496.880	469.846	398.415	402.191
Other inventory	18.800	30.900	18.536	27.046
Receivables	76.480	73.331	110.675	34.528
Bank deposits	55.517	82.701	54.088	79.171
Current assets	647.676	656.777	581.714	542.936
TOTAL ASSETS	1.302.770	1.311.356	1.159.508	1.137.847
Equity	940.429	943.668	284.191	478.805
Interest-bearing debt	238.342	261.367	712.329	546.338
Trade payables	112.110	93.003	152.336	100.703
Other current liabilities	9.384	10.812	8.147	9.495
TOTAL EQUITY AND LIABILITIES	1.302.770	1.311.356	1.159.508	1.137.847

NIBD development (MNok)



NIBD development and financial covenants

NIBD development MNOK



Summary

- Net interest bearing debt up by 4 MNOK in the quarter due to an increase in fixed assets and working capital

Net interest bearing debt

NET INTEREST BEARING DEBT			
(NOK '000)	30.9.2021	30.6.2021	31.3.2021
Reported long term interest bearing debt	201.720	221.242	214.847
Reported short term interest bearing debt	36.621	40.125	244.462
Interest bearing long term receivables	-	-	-
Reported bank deposits	55.517	82.701	347.691
Total net interest bearing debt	182.825	111.618	111.618

Equity ratio

EQUITY RATIO			
(NOK '000)	30.9.2021	30.6.2021	31.3.2021
Reported equity	940.429	943.668	896.667
Reported total assets	1.302.770	1.311.356	1.447.423
Equity ratio	72,2%	72,0%	61,9%

Interest bearing debt overview

INTEREST BEARING DEBT OVERVIEW				
(NOK '000)	30.9.2021	30.6.2021	Loan agreement	Unused 30.9.2021
Total interest bearing debt	238.342	261.367	651.400	413.058

Bank covenants

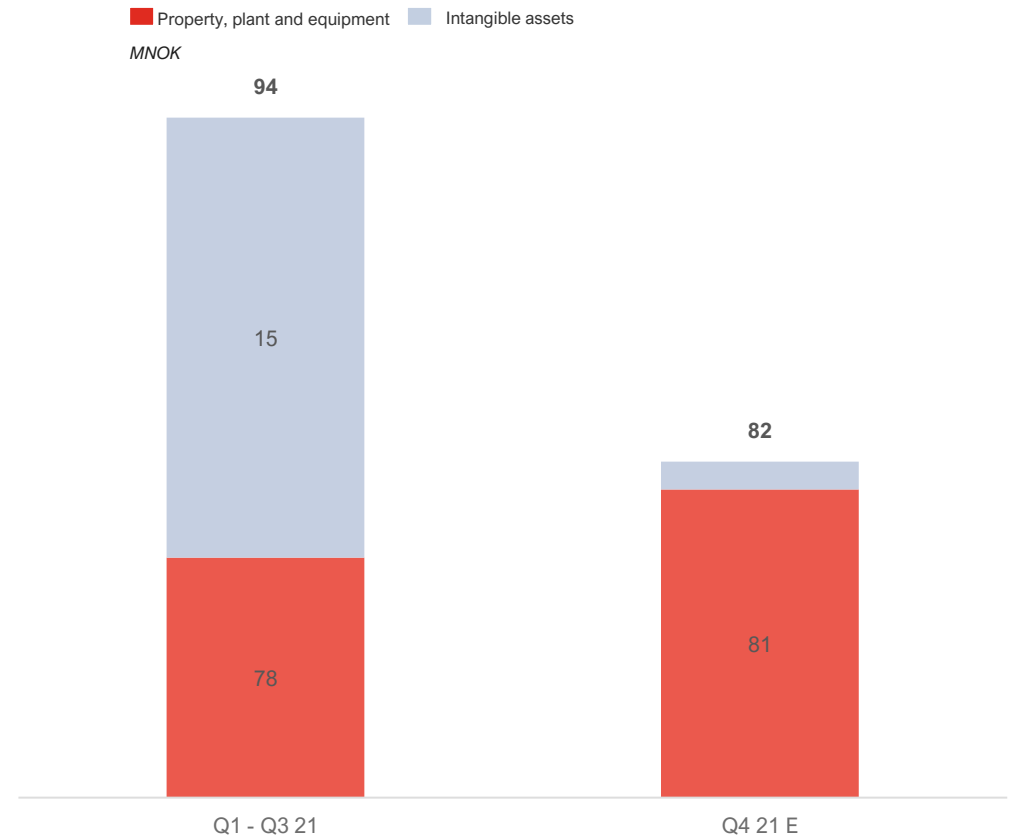
- Equity ratio has to remain above 40 %
- Minimum EBITDA on a 12 month rolling basis has to remain over 30 MNOK
 - In compliance with the bank covenants, with good headroom. EBITDA is 88,2 million NOK for a rolling 12 month period ending on the 30th of September 2021.

CAPEX

Ongoing investments

- Expansion of smolt capacity
- Farming equipment
- Branding initiatives
- Biomass build-up
- Increase harvesting capacity

Planned capital expenditure going forward



Existing Credit facilities from bank

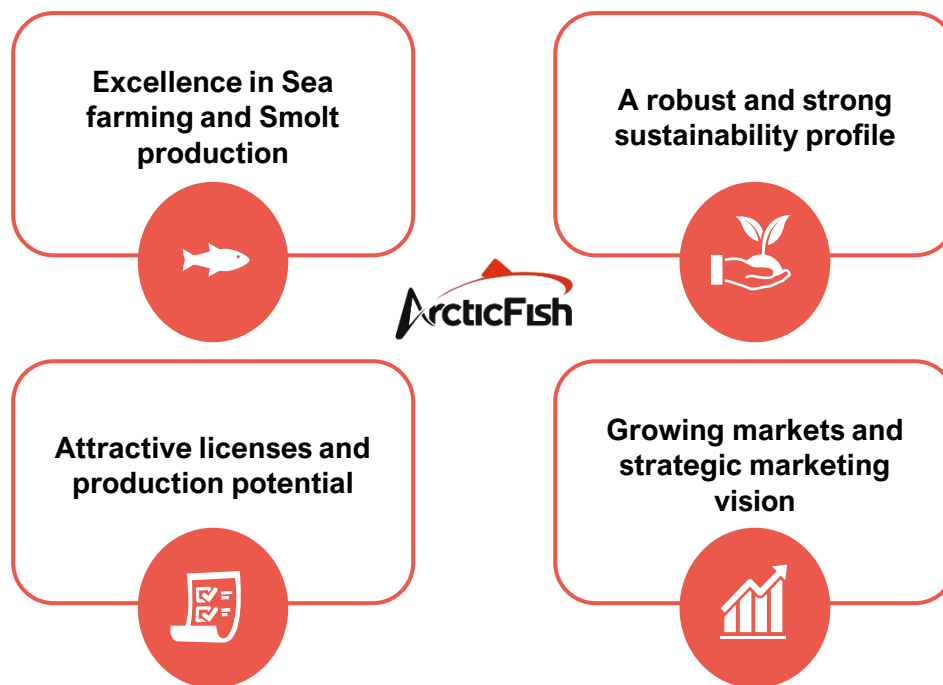
- **Existing loan agreement components are as follows:**
 - 300 MNOK revolving facility for Biomass
 - 321 MNOK long term loan
 - 30 MNOK overdraft facility
- **Additional facility approved by bank to be finalized in line with construction project needs and definitions:**
 - 150 MNOK construction facility
- **Covenants:**
 - 40 % Equity ratio
 - 12 month EBITDA has to be at least 30 MNOK
 - Leverage ratios to be tested starting with the ratio 5:1 until the end of 2021 and consequently 4.5:1



Agenda

1	Highlights for the period
2	Operational performance & Group financials
3	Building blocks
4	Markets
5	Growth projects
6	Outlook and summary

The building blocks of Arctic Fish





Excellence in Sea Farming and Smolt production

Smolt production

- Produced 3,4 million smolt at and average weight of 152 gr. already
- Good quality smolt with high survival rate in sea farming
- Production conditions good with well functioning RAS and stability in systems
- Expansion of smolt production started and on track, expected to end in Q1 2023

Sea Farming

- Growth as expected with good FCR and good survival rates
- Biomass in sea increased compared to previous years
- Harvesting targets on track for next years estimations
- Already harvested more tonnes (8,524) during the first three quarters compared with the full year 2020



A robust and strong sustainability profile



A robust and strong sustainability profile

ESG focus

- All sites ASC certified
- Reducing CO₂ emissions with:
 - Prioritizing green energy use in land farming and sea farming
 - Hybrid barges
 - CO₂ awareness in purchasing
- Low medicine use and alternative treatment
- Constant feeding monitoring focussing on efficiency and sustainability
- Active social involvement and social awareness



First of its kind hi-tech smolt facility with 100% green energy



All Icelandic attributes preserved; low sea temperature and density



No antibiotics has ever been used on Arctic Fish sites

Arctic Fish strives to use non-medical methods to battle sea and fish lice

- ✓ **Area based management:** Strategically placed sites with alternating production cycles between fjords
- ✓ **Lumpfish:** By eating sea lice parasites off the salmon, high quality Icelandic lumpfish is an effective, preventive method
- ✓ **Environmental monitoring:** Benthic monitoring and parasiticide residue levels is carried out

Attractive licenses and production potential



Licenses enabling growth and production potential

I

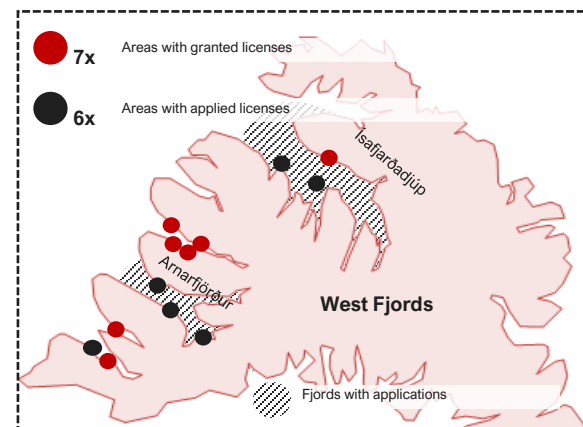
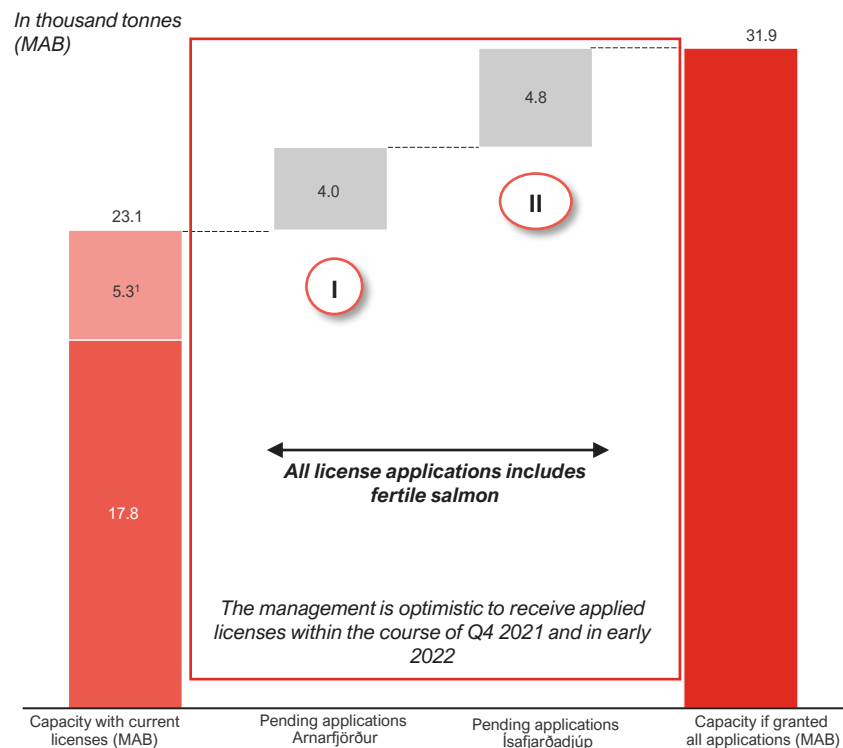
New 4,000 tonnes (MAB) license in Arnarfjörður already advertised, a new license in a fjord and at a site that has not operated before. The licenses are expected to be issued and granted in Q4 2021.

II

Arctic Fish has pending applications in the final stages for additional 4.8kt MAB in Ísafjarðardjúp.

It is expected that the current existing MAB for trout farming up to 5.3 thousand tonnes will be converted to salmon in the same process.

Licenses and applications are well positioned for future growth with locations in different fjords

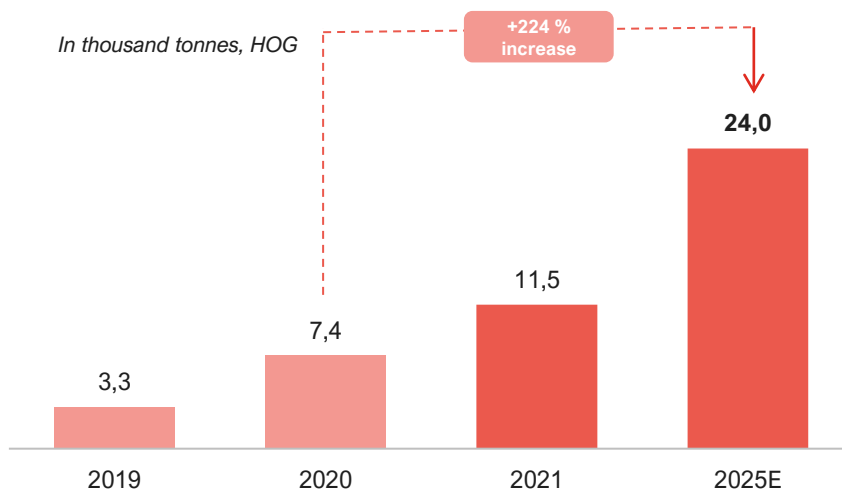




Growing markets and strategic marketing vision

Markets are growing and so are we!

- Since 2019 we have more than tripled our annual sales
- 2021 the highest volumes traded in the history of the company, already 13 % more volume than for FY 2020
- The fish delivered continues to be of a high quality
- Higher volumes going into the N-American and Asian markets



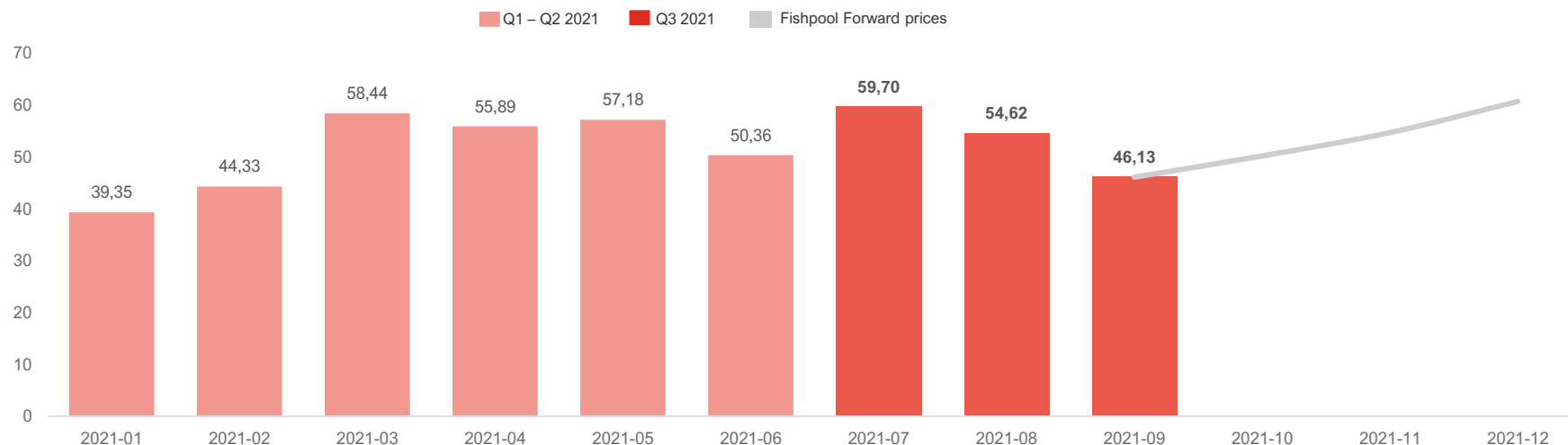
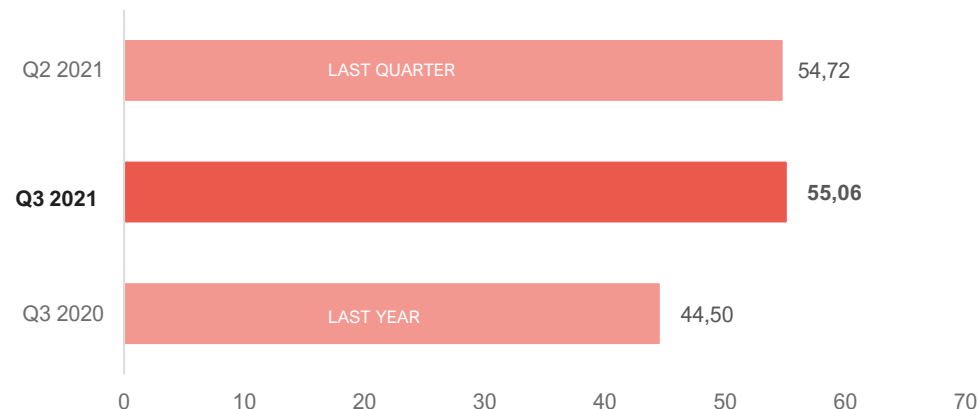


Agenda

1	Highlights for the period
2	Operational performance & Group financials
3	Building blocks
4	Markets
5	Growth projects
6	Outlook and summary

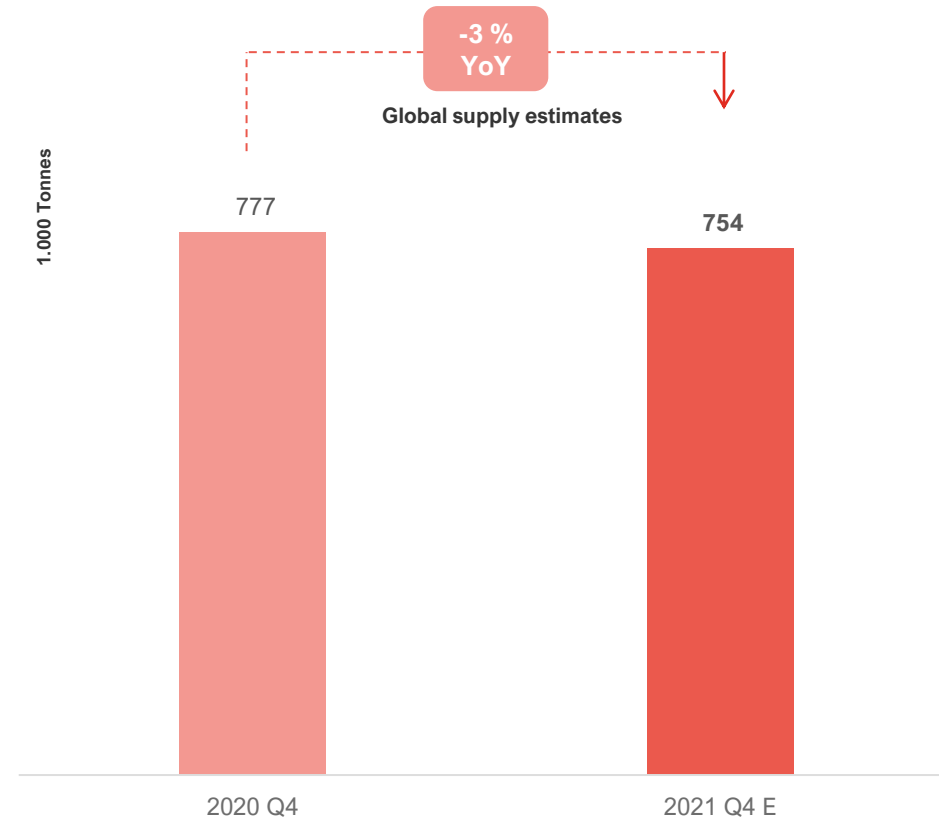
Market outlook

- Q3 price achievement increased by 10.56 NOK pr. kg, or by 23.7 % YoY
- Price achievement increased by 0.3 NOK pr. kg QoQ
 - Good timing of harvesting and big size of fish contributed positively to the good price achievement in the quarter
- The prices Arctic Fish achieves are “FCA packing station” which are not completely comparable to the forward prices used by Fish Pool



Global harvest volumes – expectations Q4 2021

- **Expected 3 % YoY decrease for Q4 2021**
- Global supply (harvest volumes) is expected to decrease in Q4 21 compared to last year, with the world supply amounting to 754 thousand tonnes
- The global supply decrease for Q4 is expected to have a positive effect on price achievement in the quarter



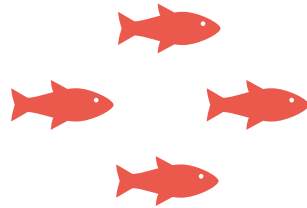


Agenda

1	Highlights for the period
2	Operational performance & Group financials
3	Building blocks
4	Markets
5	Growth projects
6	Outlook and summary

Ongoing Growth Projects

1 Increased smolt capacity

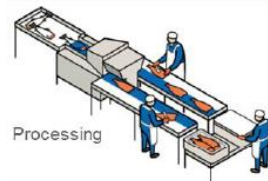


- The hatchery has a proven record of smolt production, with roughly 12 million smolt having been produced at the hatchery since 2017
- With the planned expansion, the smolt capacity will be ~1,000 tonnes ~ 5 million smolt at ~200 grams
- Existing smolt production can facilitate 17.5kt HOG salmon production volume with planned expansion increasing capacity to ~25kt HOG to meet future expected licenses



**Project started,
timeline and
costs on track**

2 Increased harvesting capacity



- Current harvesting capacity is a limitation with future volumes
- Investments and additional volumes are needed to bring harvesting cost down to more acceptable levels
- Opportunity to increase capacity through jointly or stand-alone projects



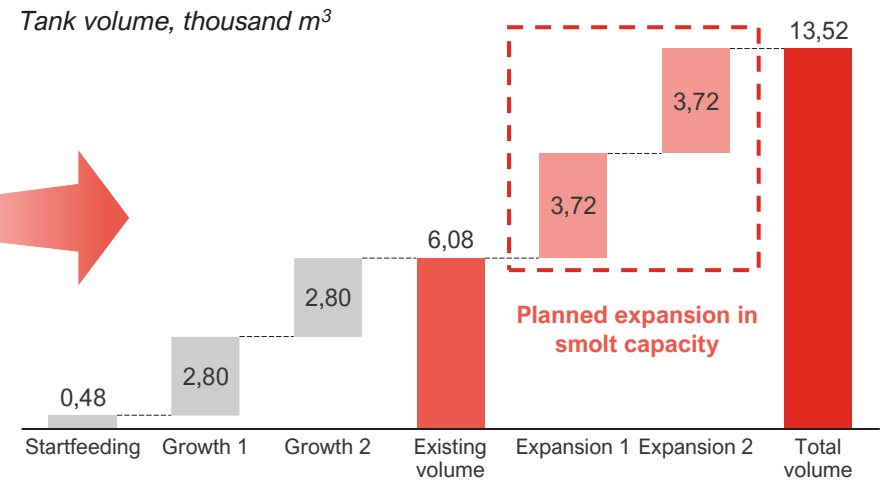
**Site analysis,
planning and
preparation work
ongoing.**

Smolt expansion plan

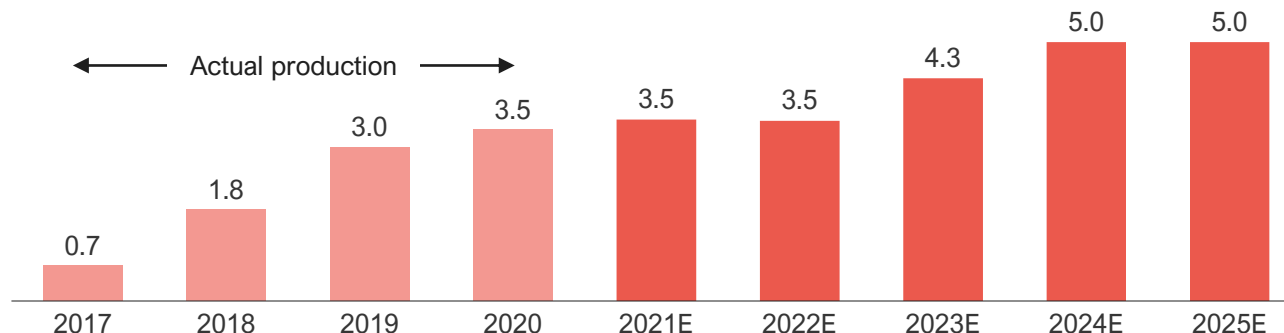
Commentary

- Two-step plan to increase tank volume with 7,500m³ and increase smolt capacity to 5 million smolt
- It is expected that the expansion will be finished first half of 2023
- Total cost is estimated to 260 MNOK
- Aiming to get fish in first half in Q2 2023 to support the growth trajectory of Arctic Fish and cater for planned harvest volumes going forward

Expected tank volume increase from 6,000 m³ to 13,500m³



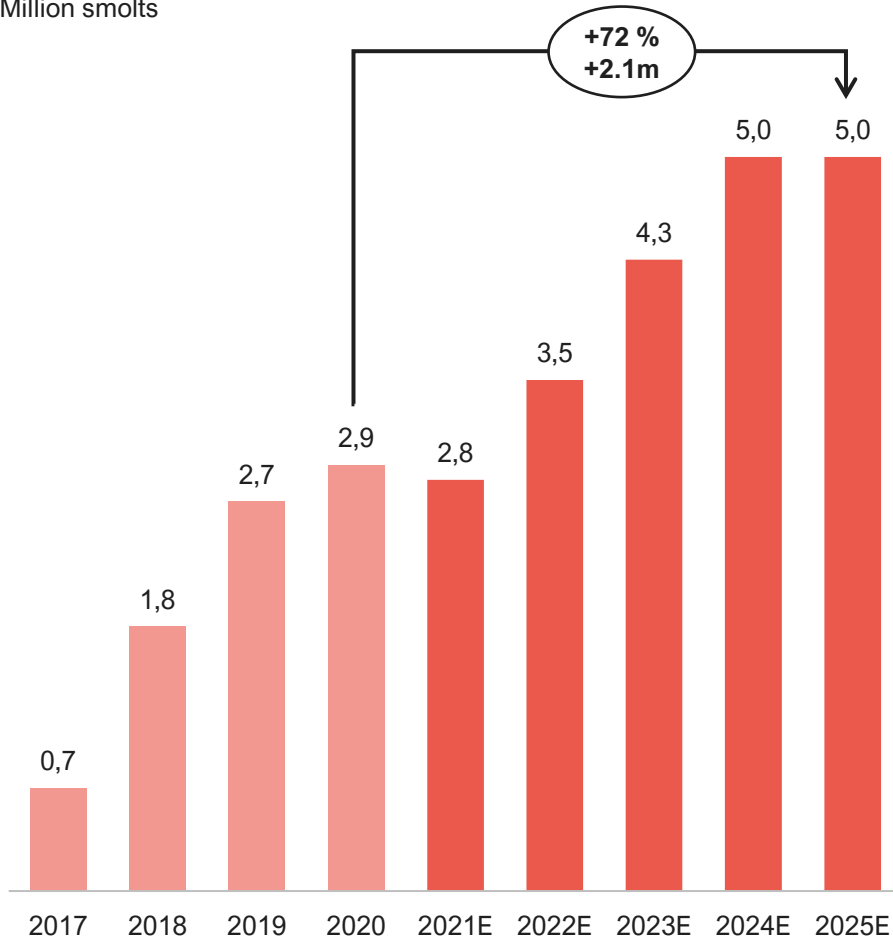
Smolt capacity forecast (in million)



Targeting ~24kt harvest volume in 2025

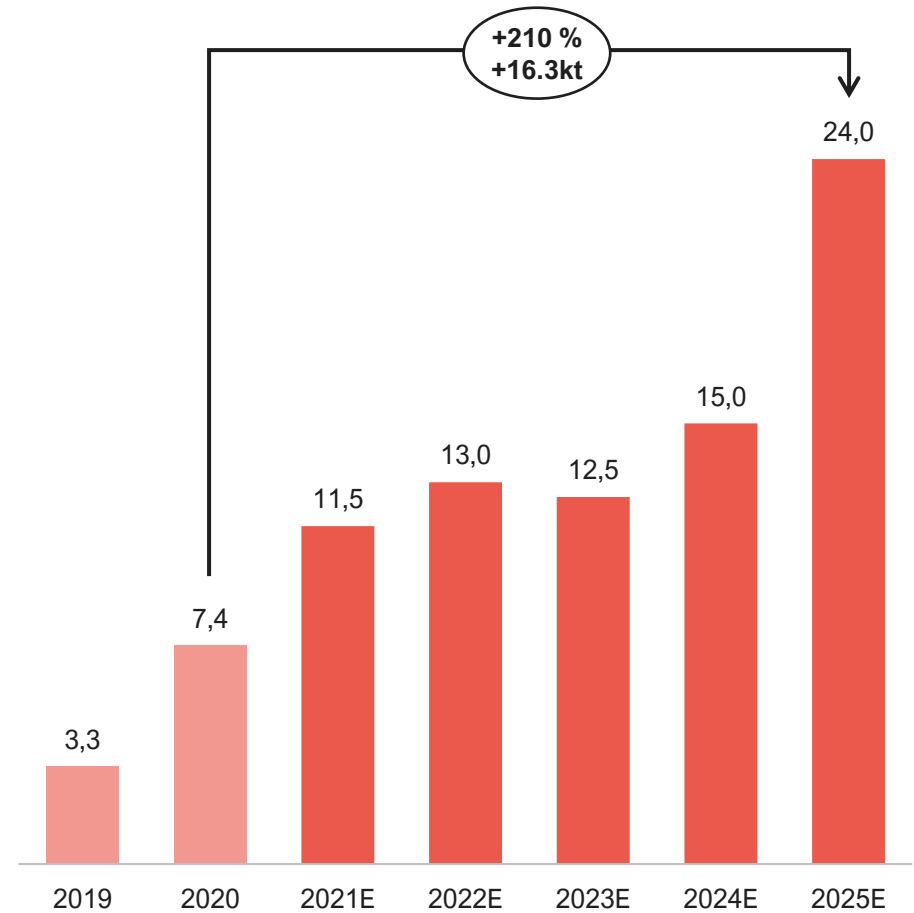
Smolt release forecast

Million smolts



Harvest volumes forecast

In thousand tonnes, HOG





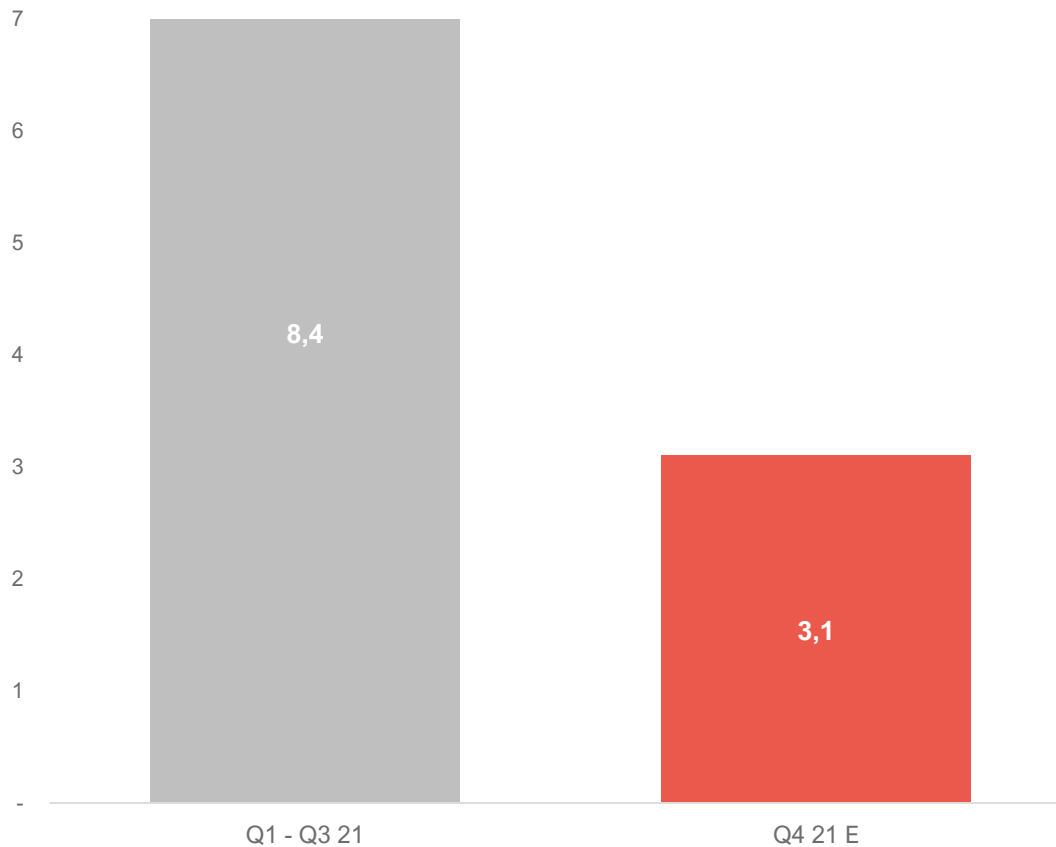
Agenda

1	Highlights for the period
2	Operational performance & Group financials
3	Building blocks
4	Markets
5	Growth projects
6	Outlook and summary

Harvesting estimates 2021 and 2022

■ Actual harvested volume (tonnes) ■ Expected harvested volume (tonnes)

2021 estimates



- **Harvest volumes in Q3 increased 5 % YoY**

2020 Q3: 2,788 tonnes

2021 Q3: 2,924 tonnes

2020 YTD: 4,456 tonnes

2021 YTD: 8,541 tonnes

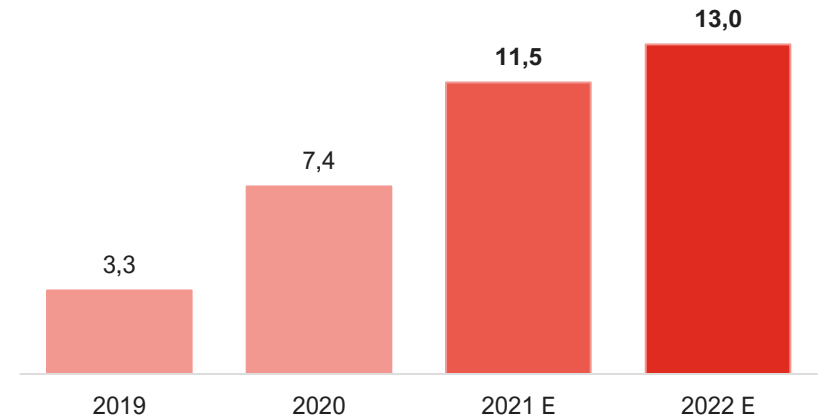
- **Total quantity to increase by 55 % YoY**

2020: 7,443 tonnes

2021E : 11,500 tonnes, volumes slightly less in Q4 that has been postponed to Q1 2022

2022E : 13,000 tonnes

Harvesting quantity development



Appendix: Group financials



Group income statement

CONSOLIDATED INCOME STATEMENT

(NOK '000)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Operating revenues	161.000	127.659	429.642	245.158	375.667
Cost of goods sold	68.516	80.279	208.457	99.843	192.800
Salaries	17.253	10.297	42.624	30.093	42.025
Depreciation	11.961	9.842	33.562	28.358	40.113
Other operating costs	36.366	28.257	85.584	68.838	94.410
	0				
Operational EBIT	26.904	-1.017	59.414	18.026	6.319
Fair value adjustments	-24.183	0	58.837	0	-4.638
Production tax	-818	-312	-3.054	-312	-312
EBIT	1.904	-1.328	115.198	17.714	1.369
Other net financial items	-5.141	-4.044	2.286	-19.071	-39.870
Earnings before tax (EBT)	-3.237	-5.373	117.484	-1.357	-38.500
Taxes	0	0	0	0	0
Net profit/loss	-3.237	-5.373	117.484	-1.357	-38.500
Profit attributable to:					
Parent company shareholders	-3.237	-5.373	117.484	-1.357	-38.500
Minority interests	0			0	0
Earnings per share (NOK)	-0,10	-0,13	3,69	-0,04	-1,21
Earnings per share - diluted	-0,10	-0,13	3,69	-0,04	-1,21

COMPREHENSIVE INCOME STATEMENT

(NOK '000)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Net profit/loss	-3.237	-5.373	117.484	-1.357	-38.500
Total comprehensive income	-3.237	-5.373	117.484	-1.357	-38.500
Total comprehensive income attributable to:					
Parent company shareholders	-3.237	-5.373	117.484	-1.357	-38.500

Statement of the financial position

STATEMENT OF FINANCIAL POSITION

(NOK '000)	30.9.2021	30.6.2021	30.9.2020	31.12.2020
Intangible assets	49.340	48.243	31.914	34.297
Property, plant and equipment	605.124	605.706	545.257	559.988
Non-current financial assets	629	629	623	626
Non-current assets	655.094	654.579	577.794	594.911
Biological assets	496.880	469.846	398.415	402.191
Other inventory	18.800	30.900	18.536	27.046
Receivables	76.480	73.331	110.675	34.528
Bank deposits	55.517	82.701	54.088	79.171
Current assets	647.676	656.777	581.714	542.936
TOTAL ASSETS	1.302.770	1.311.356	1.159.508	1.137.847
Share capital	31.877	31.877	457.719	689.476
Other equity	908.552	911.791	-173.529	-210.672
Equity	940.429	943.668	284.191	478.805
Deferred tax	2.506	2.506	2.506	2.506
Provisions	2.506	2.506	2.506	2.506
Long-term interest-bearing debt	201.720	221.242	433.217	245.184
Short-term interest-bearing debt	36.621	40.125	279.112	301.154
Trade payables	112.110	93.003	152.336	100.703
Other current liabilities	9.384	10.812	8.147	9.495
Current liabilities	158.115	143.941	439.594	411.353
TOTAL EQUITY AND LIABILITIES	1.302.770	1.311.356	1.159.508	1.137.847

Statement of equity

STATEMENT OF EQUITY

30.9.2021	Equity allocated to parent company shareholders			Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings			
(NOK '000)						
Equity at 01.01.2021	689.476	0	-210.672	478.805	0	478.805
Total comprehensive income	0	0	117.484	117.484	0	117.484
Transactions with shareholders						
Reclassification due to new parent	-689.476		12.888	-676.588		-676.588
Issued share capital	26.158		650.431	676.588		676.588
Issued share capital	5.719		344.281	350.000		350.000
Transaction costs			-5.859	-5.859		-5.859
Total transactions with shareholders	-657.600	0	1.001.740	344.141	0	344.141
Equity at 30.9.2021	31.877	0	908.553	940.429	0	940.429

31.12.2020	Equity allocated to parent company shareholders			Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings			
(NOK '000)						
Equity at 31.12.2019 (ICEGAAP)	457.719	0	-189.415	268.304	0	268.304
Effect of implementation IFRS			17.244	17.244		17.244
Equity at 01.01.2020 (IFRS)	457.719	0	-172.171	285.548	0	285.548
Total comprehensive income	0	0	-38.500	-38.500	0	-38.500
Transactions with shareholders						
Issued share capital	231.757			231.757		231.757
Total transactions with shareholders	231.757	0	0	231.757	0	231.757
Equity at 31.12.2020	689.476	0	-210.672	478.805	0	478.805

Group cash flow statement

Statement of cash flow

	Q3	Q3	YTD	YTD	FY
(NOK '000)	2021	2020	2021	2020	2020
Operational EBIT	26.904	-1.017	59.414	18.026	6.319
Adjusted for:					
Depreciation	11.961	9.842	33.562	28.358	40.113
Production tax	-818	-312	-3.054	-312	-312
Change in inventories/biological assets	-39.117	-58.064	-27.605	-129.791	-146.716
Change in account receivables and accounts payables	15.958	21.662	-30.545	45.442	69.957
Change in other current assets and liabilities	-1.429	3.398	-112	4.508	5.856
Net cash flow from operating activities	13.459	-24.491	31.660	-33.769	-24.782
Cash flow from investing activities	0				
Payments for purchase of fixed assets and licenses (MAB)	-12.476	-13.822	-93.745	-70.833	-99.705
Net cash flow from investing activities	-12.476	-13.822	-93.745	-70.833	-99.705
Cash flow from financing activities	0				
Proceeds from borrowings	0	32.464	0	79.520	597.944
Repayment of borrowings	-19.822	-7.307	-69.738	-31.692	-622.640
Current debt change	-3.203	63.384	-238.258	119.772	26.306
Issued new share capital	0		344.140	0	231.757
Net interest payments	-5.496	-4.044	-16.499	-19.071	-39.870
Adjustment due to Currency difference interest bearing debt	355		18.786	0	0
Net cash flow from financing activities	-28.167	84.497	38.431	148.529	193.497
Net increase in bank deposits	-27.183	46.184	-23.654	43.926	69.010
Bank deposits as of start of period	82.701	7.905	79.171	10.162	10.162
Bank deposits as of 30th of September	55.517	54.088	55.517	54.088	79.171

Shareholders

Ownership structure: The largest 20 shareholders as of 30.9.2021*

Rank	Name	# of shares	% ownership
1	NORWAY ROYAL SALMON ASA	16.346.824	51,28%
2	BREMESCO HOLDINGS LIMITED	9.104.582	28,56%
3	J.P. Morgan Bank Luxembourg S.A.	2.967.456	9,31%
4	Landsbankinn hf.	485.675	1,52%
5	VERDIPAPIRFONDET PARETO INVESTMENT	346.235	1,09%
6	KVERVA FINANS AS	258.000	0,81%
7	VERDIPAPIRFONDET NORDEA AVKASTNING	237.107	0,74%
8	VERDIPAPIRFONDET NORDEA KAPITAL	193.100	0,61%
9	VERDIPAPIRFONDET NORDEA NORGE VERD	168.033	0,53%
10	MP PENSJON PK	165.000	0,52%
11	PACTUM AS	152.751	0,48%
12	CLEARSTREAM BANKING S.A.	148.765	0,47%
13	VERDIPAPIRFONDET EIKA SPAR	136.242	0,43%
14	VERDIPAPIRFONDET EIKA NORGE	99.750	0,31%
15	J.P. Morgan Bank Luxembourg S.A.	83.849	0,26%
16	ROTH	80.000	0,25%
17	VERDIPAPIRFONDET NORDEA NORGE PLUS	74.904	0,23%
18	SKEIE ALPHA INVEST AS	69.053	0,22%
19	Euroclear Bank S.A./N.V.	68.726	0,22%
20	State Street Bank and Trust Comp	51.636	0,16%
Ownership of 20 largest shareholders		31.237.688	98,00%
Total number of shares		31.876.653	100,00%

Arctic Fish Holding does not own any of it's shares

