

Quarterly Report

Q4 2021

23rd of February 2022

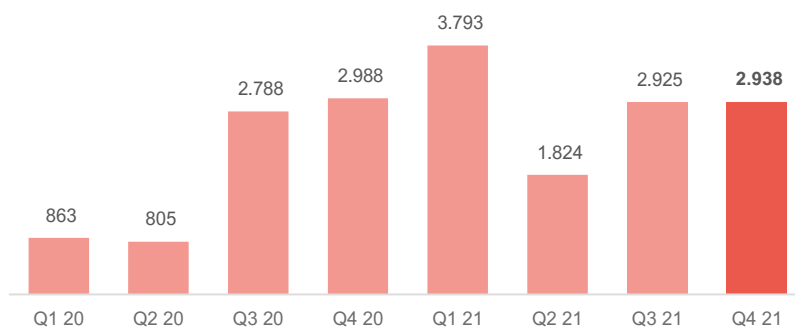


Quarterly report

Financial statements and notes

Key information

Harvesting volume (HOG tonnes)



Farming Operational EBIT pr. kg (NOK)

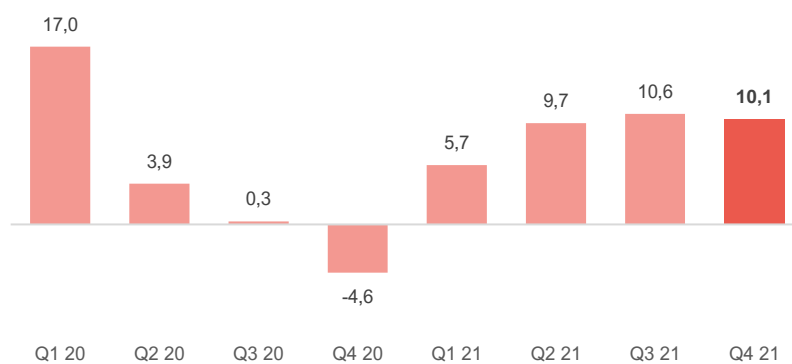


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Cautionary note regarding forward-looking statements

This interim report includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology. These forward-looking statements are not historic facts. The forward-looking statements are not guarantees of future performance. The Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements. The Company cannot guarantee that the intentions, beliefs, or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties, and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this report.

Arctic Fish Holding

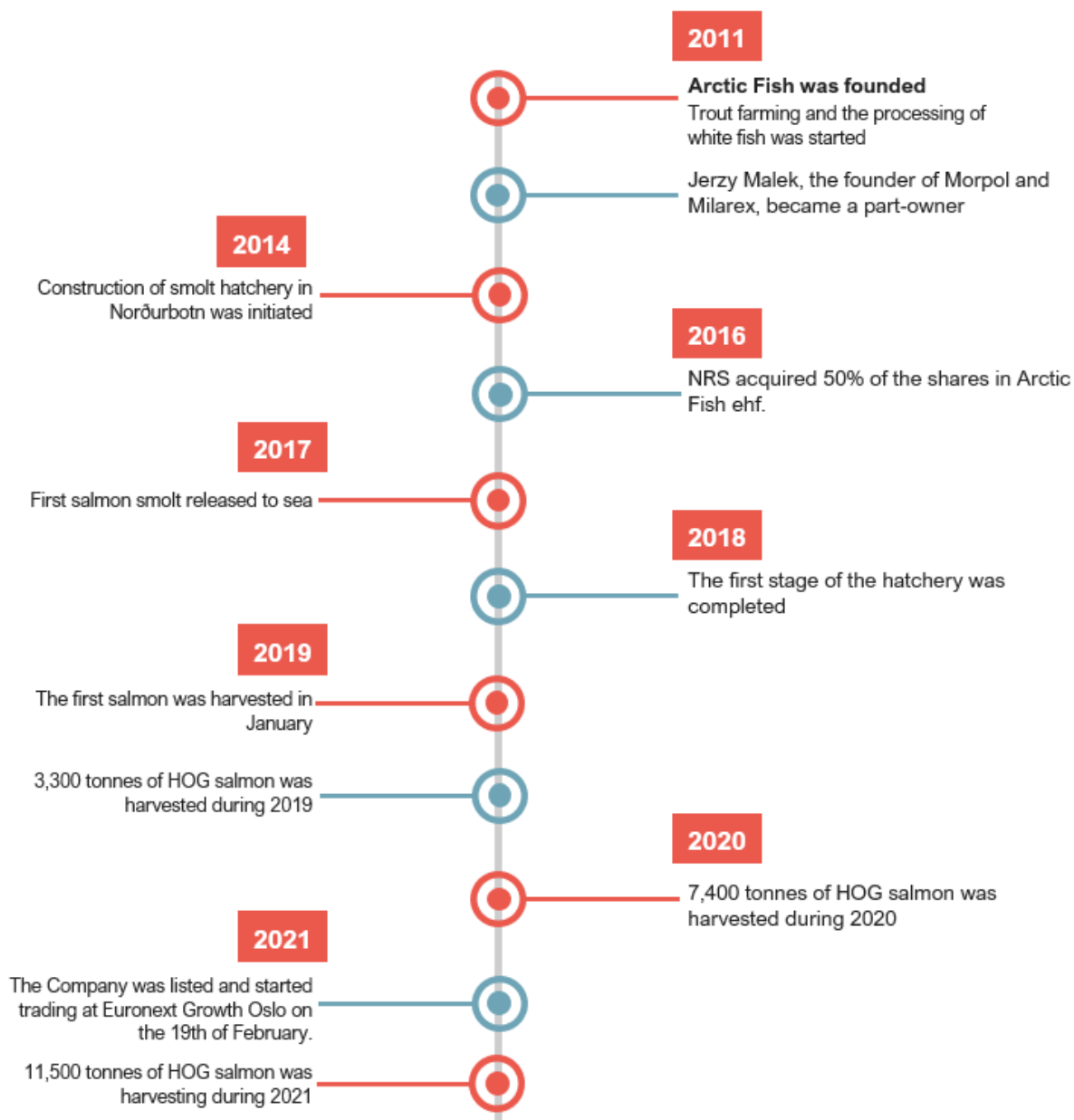
Arctic Fish Holding AS was incorporated on 1 October 2020. The Company is a holding company which owns 100% of the shares in Arctic Fish ehf, the former parent company of the Group, incorporated on 1 July 2011. Arctic Fish ehf. was founded in 2011 and is now one of the leading salmon farmers in Iceland, situated in the West Fjords, a region with favourable conditions for fish farming. The West Fjords are known for their pristine nature, good seawater conditions, low density and high growth potential.

The Group has a modern and high capacity smolt facility with recirculating aquaculture systems ("RAS") technology, being currently the only RAS facility in Iceland with large-scale production capacity. 7,443 tonnes of head-on gutted ("HOG") salmon were harvested by the Group in 2020 and 11,479 tonnes HOG in 2021, or a 54% growth year over year.

The Group has farming licences for a total of 23.1 thousand tonnes maximum allowed biomass ("MAB"), of which 5.3 thousand tonnes relate to licences for rainbow trout that are in the process of being converted to salmon licences. The Group is in the final stages of achieving 4,000 tonnes MAB for salmon in Arnarfjordur. This is a new license in a fjord and at a site that the Group has not operated in before.

The Group also has applications for an additional 4.8 thousand tonnes of MAB for salmon. Additionally, the Group holds a license for land based smolt production on its own land in Norðurbotn, which is required for the Group's ongoing smolt production.

Important events



Principal activities

The Group's principal activity is salmon farming, producing smolt in its own freshwater hatchery and farming salmon at sea before the fish is harvested and finally sold to the market.



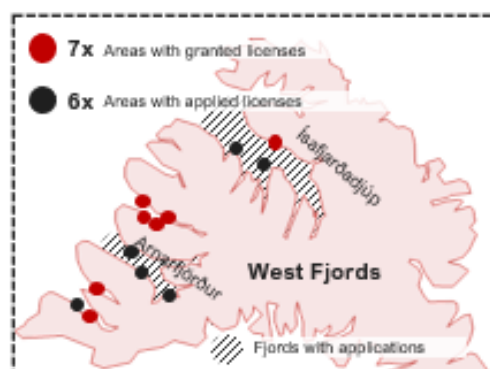
Freshwater smolt

The Group has a modern freshwater hatchery in Norðurbotn (Tálknafjörður), using RAS technology. The hatchery is the largest single investment by the Group at NOK 300 million and is 100% owned by Arctic Fish. It has access to natural water temperatures of between 6°C and 22°C all year round and good geothermic conditions. The hatchery has a proven record of smolt production, with roughly 13 million smolt having been produced at the hatchery since 2017. The Group also owns a 36.3 km² land area near the smolt facility, which it is using for a smolt facility expansion. The construction project continues to stay on track, with timing and cost estimations both in line with expectations.

Seawater sites

The Group's seawater sites are strategically located in all fjords on the West Coast of Iceland, with seven sites with granted licenses, and another six sites with license applications pending. This ensures that production may be alternated to minimise biological risk with a proven low mortality rate and feed conversion ratio.

The Group currently holds licenses for a production capacity of 23,100 tonnes MAB with additional applications for 8,800 tonnes MAB that the Group expects to receive in early 2022. Existing licenses are divided into 17,800 tonnes MAB of salmon and 5,300 tonnes MAB of trout that is in process of being converted to salmon licenses in early 2022 as well.



Processing

All processing of the Group's salmon is currently handled externally through a contractor at a processing facility in Bildudalur, Arnarfjörður. When the fish are ready for harvesting, the fish are transported from different locations with well boats. The Group has already made decisions that relate to increasing harvesting capacity. The Group considers the current slaughtering price as high and there is ongoing work on new and more modern harvesting solutions that will decrease the slaughtering price.

Sales

The fish are currently sold "Free Carriage" through a sales agreement with Seaborn AS, a major distributor of Icelandic and Norwegian salmon. The Group has a global footprint with sales in all major markets, with strategic marketing activities focussing in the long term on more high paying markets. Current export routes have developed positively, and there is potential to enter new markets in the future efficiently.

Q4 2021 Performance

The fourth quarter performance will be broken down into the main operating categories, investments, and financing. In brackets some historical performance for the year 2020 is provided.

Key financial Performance

(Figures in brackets = 2020, unless otherwise specified).

Revenues and results

Arctic Fish posted operating revenues of NOK 166.3 million (Q4 2020: NOK 130.5 million) in the fourth quarter of 2021, an increase of 27.4% from the corresponding prior-year period. The Group achieved an operational EBIT of NOK 27.5 million (Q4 2020: NOK -11.7 million), an increase of NOK 39.2 million. The group recognised a negative fair value adjustment of NOK -13.9 million (Q4 2020: NOK -4.6 million) of the biomass in sea, a decrease of NOK 9.3 million

compared to the corresponding quarter in 2020. The negative fair value adjustment in the quarter can be attributed to harvesting plan alterations.

From farming operations, the company harvested 2,938 tonnes (Q4 2020: 2,988 tonnes) gutted weight in the quarter, a decrease of 2% from the corresponding quarter last year. The operations achieved a farming operational EBIT pr. kg of NOK 10.1 (Q4 2020: NOK -4.6 pr. kg). The increase in operational EBIT pr. kg is due to significantly higher salmon price achievement on the harvested quantities sold, with production costs increasing year over year.

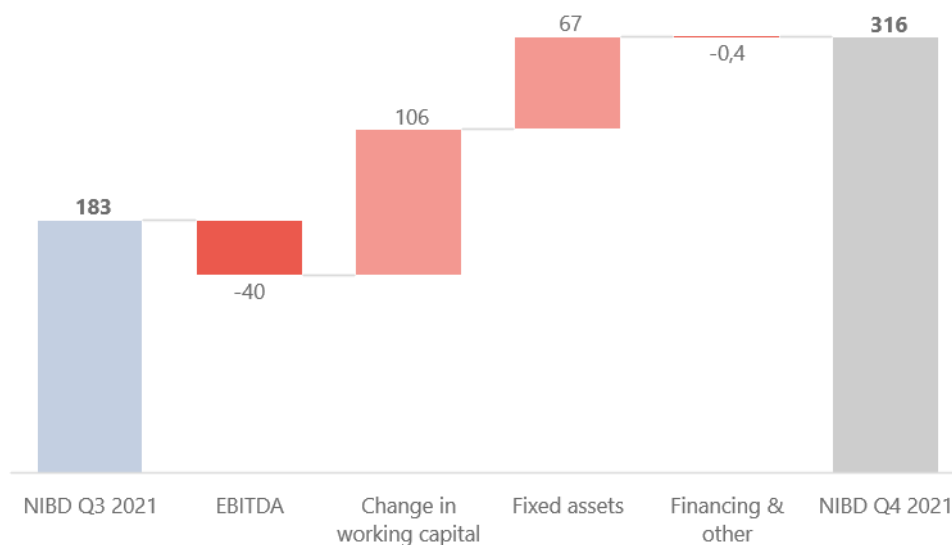
Financial items

Net financial gains were NOK 0.3 million in the quarter (Q4 2020: NOK -20.8 million). The gains in the quarter relate to favourable currency change differences.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 1,434 million, an increase of NOK 131 million from the prior quarter end. The change in total assets is attributable to several factors. Property, plant, and equipment increased by NOK 52.1 million. Receivables increased by NOK 39.5 million, and bank deposits decreased by NOK 17 million. Deferred tax assets increased by 19.5 million NOK, and accumulated tax losses carry forward are accounted for as a tax asset in the quarter and here after. Biological assets and feed inventories increased by 15.1 million NOK from the end of the last quarter.

The Group's net interest-bearing debt (NIBD) increased by NOK 133 million, from NOK 183 million at the end of the third quarter of 2021 to NOK 316 million at the end of the fourth quarter 2021. The increase is attributable to investments in fixed assets and working capital changes.



At the end of the quarter, the Group's equity totalled NOK 976 million, an increase of NOK 36 million from the end of the previous quarter. The equity ratio at the end of the quarter was 68%.

Sales

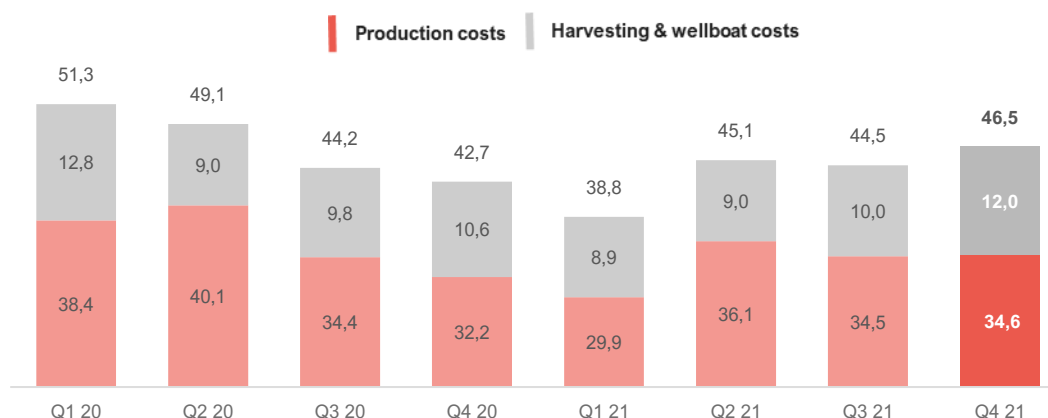
The Group sells all harvested salmon FCA Bildudalur. The sold volume HOG was 2,938 tonnes in the quarter (in Q4 2020 2,988 tonnes and 7,443 tonnes in the full year). The average price in the quarter was 56.6 NOK pr.kg (in Q4 2020 the average price was 38.2 NOK pr. kg and the average price for the year 2020 was 46 NOK pr. kg). The price achievement developed positively mostly due to a demand shift after Covid-19 restrictions were lifted, as well as lower global harvesting quantities due to lower smolt stocking in 2020 and beginning of 2021.

The price achievement in the quarter improved by 18.5 NOK pr. kg. compared to the previous year or increased by 48%. The price achievement increased by 1.5 NOK pr. kg from Q3 2021.

Seawater

The biomass at the end of the quarter was 11,477 tonnes in the sea and the closing average weight was close to 2.5 kgs, resulting in both larger fish and more biomass in the sea compared to Q3 2021 (at the same time in 2020 the biomass was 10,513 tonnes in the sea and average weight 2.3 kgs).

The third quarter of 2021 from a harvesting cost perspective was a fairly good one, showing signs of a minor decrease due to good growth with the production costs amounting to 44.5 NOK pr.kg. In Q4 2021 there were certain harvesting limitations that affected the growth and the associated costs of harvesting, with the total production costs amounting to 46.5 NOK pr. kg in the quarter.



Smolt production

In the smolt facility at the end of the period there are 5.0 million fry and smolt at an average weight of 10.5 grams, compared to 4.1 million fry and smolt at an average weight of 21.2 grams last year.

Farming

The Group put out 2.7 million smolt for the year at an average weight of 161 gr. The output was in line with the schedule and biological budgets.

In 2022 the expected smolt output is 3.6 million smolt.

Subsequent event in Dyrafjordur

The Group has been experiencing severe biological issues in two of its sites in Dyrafjordur, Iceland. These biological issues and mortalities are thought to have been caused by the following:

The highest mortality is related to cages with the highest average weight. Examination on fish shows mortality related to circulation problems, suboptimal gill conditions and Heart and Skeletal Muscle Inflammation (HSMI). HSMI are characterized as endemic in Iceland.

Limitations on the harvesting capacity has increased the loss for the company, both as a preventive measurement and to reduce the loss when the situation occurred.

Further examinations and analysis are ongoing to secure a sufficient evaluation and conclusions, including implementation of relevant measurement to prevent similar incidents in the future.

Material effect

There will be a write down of biological assets and non-recurring costs for dead fish handling that currently estimated to be 106 MNOK that will be accounted for in Q1 22. Estimated mortality is 3.0 thousand tonnes LW.

The harvesting estimates for the year 2022 will be 10.1 thousand tonnes GW and 13.0 thousand tonnes GW for the year 2023.

Shares

Arctic Fish holding was admitted to trading on the Euronext Growth Oslo under the trading symbol “AFISH” with an Initial Public Offering (IPO) on the 19th of February 2021. The listing and private placement before attracted very strong interest from Norwegian, Icelandic, Nordic, and international high-quality institutional investors. Furthermore, four cornerstone investors subscribed for and were allocated Offer Shares at the Offer Price of 61.20 NOK, for a total amount of NOK 97 million distributed as follows: 50 million NOK from Nordea Asset Management / 28 million NOK from Birta Pension Fund / 15 million NOK from Vestmannaeyja Pension Fund / 4 million NOK from Vördur tryggingar hf.

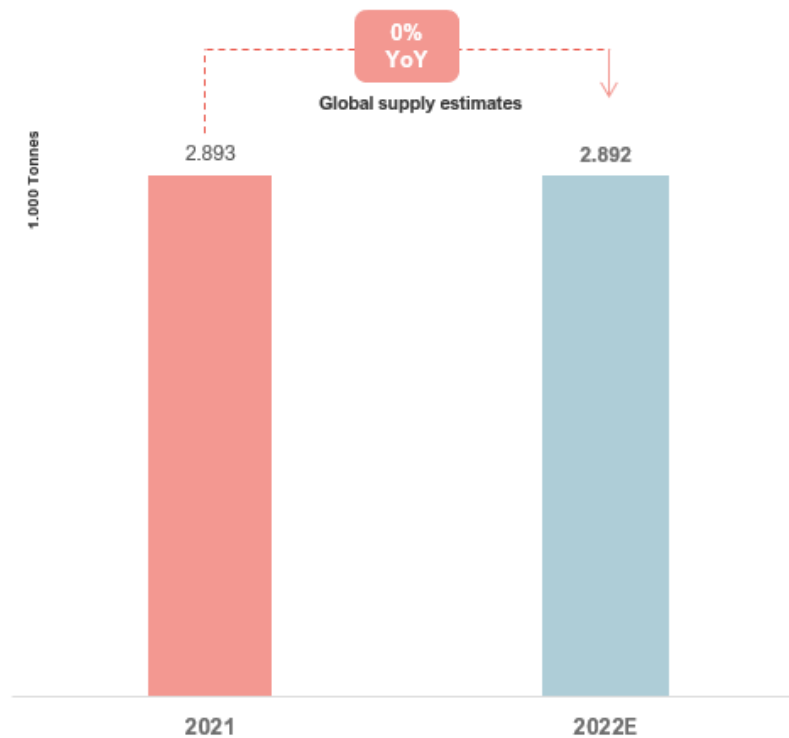
As of 31st of December the company has 31,876,653 shares outstanding and Arctic Fish Holding does not own any of its own shares. The share price at the start of the quarter was 63.00 NOK pr. share. Closing price at the end of Q4 21 was 89.00 NOK pr. share, or an increase of 41.3% from last quarter. The stock traded at a high of 90.00 and a low of 62.90 within the quarter. 361 trades were executed, with the number of shares traded amounting to 352,207 shares.



Outlook

Markets and sales

Due to lower smolt stocking in 2020 and beginning of 2021, global supply growth stagnation is expected for 2022 harvesting volumes, which should support high price achievement.



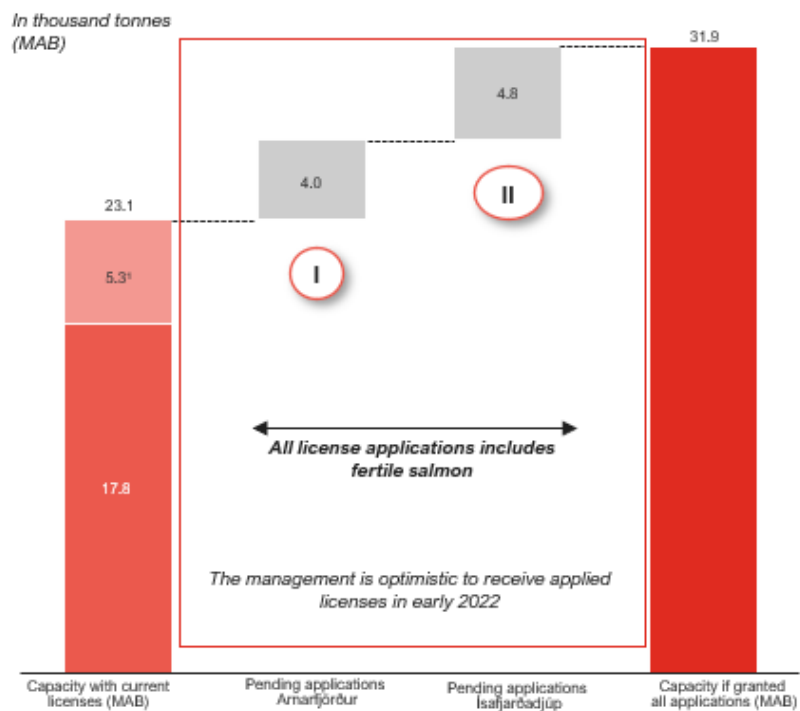
Investments

Construction project expenditure related to the smolt expansion were the key investments in the quarter. A new building that is under consideration as a future harvesting facility was purchased in the quarter. Minor investments were made in farming and other smaller smolt production investments.

Licenses

License situation remained unchanged in the quarter, with previous expectations of licenses in Arnarfjordur and Isafjardardjup delayed. Within the course of 2022 the Group expects to receive the following salmon sea farming licenses:

- A new 4,000 tonne salmon license in Arnarfjordur to be issued, as has been previously advertised by the issuing agencies.
- Conversion of 5,300 tonnes of trout licenses to salmon licenses and further expansion up to 10,100 tonnes in Isafjarðardjúp.



Board declaration

We declare that to the best of our knowledge, the information provided in this report is fair and accurate and that the report is not subject to any material omissions, and that all relevant information is included in this report to be published to the market.

23rd of February 2022

The Board of Directors of Arctic Fish Holding AS

Svein Sivertsen
Chairman

Charles Hoestlund
Board member

Ola Loe
Board member

Nicolaj Refshall Weiergang
Board member

Hildur Árnadóttir
Board member

The Management of Arctic Fish Holding AS

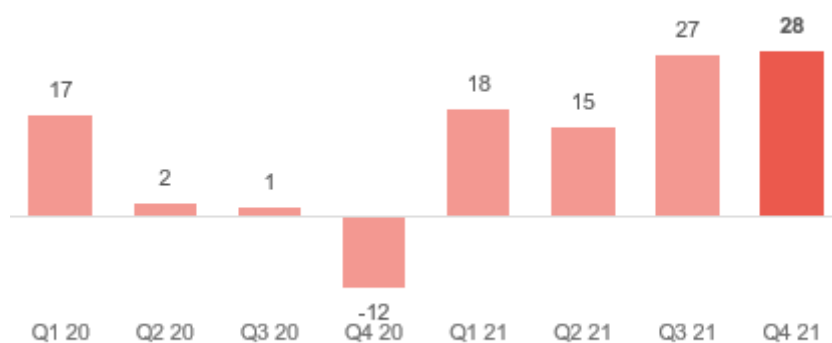
Stein Ove Tveiten
CEO

Neil Shiran Thorisson
CFO

Key figures from P/L

KEY FIGURES (NOK '000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating revenues	166.253	130.509	595.895	375.667
Operational EBIT	27.530	-11.706	86.944	6.319
Fair value adjustments	-13.940	-4.638	44.897	-4.638
Production tax	-790	0	-3.843	-312
EBIT	12.800	-16.344	127.998	1.369
Net financial items	294	-20.799	2.580	-39.870
Earnings before tax (EBT)	13.094	-37.143	130.578	-38.500
Earnings per share	1,10	-1,17	4,79	-1,21
Volume harvested GW	2.938	2.988	11.479	7.443
Operational EBIT pr.kg (farming)	10,05	-4,62	8,67	0,64

Operational EBIT (MNOK)



Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT

(NOK '000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating revenues	166.253	130.509	595.895	375.667
Cost of goods sold	90.732	92.956	299.189	192.800
Salaries	11.526	11.932	54.151	42.025
Depreciation	12.940	11.755	46.501	40.113
Other operating costs	23.526	25.572	109.110	94.410
Operational EBIT	27.530	-11.706	86.944	6.319
Fair value adjustments	-13.940	-4.638	44.897	-4.638
Production tax	-790	0	-3.843	-312
EBIT	12.800	-16.344	127.998	1.369
Other net financial items	294	-20.799	2.580	-39.870
Earnings before tax (EBT)	13.094	-37.143	130.578	-38.500
Taxes	21.985	0	21.985	0
Net profit/loss	35.079	-37.143	152.563	-38.500
Profit attributable to:				
Parent company shareholders	35.079	-37.143	152.563	-38.500
Minority interests	0	0	0	0
Earnings per share (NOK)	1,10	-1,17	4,79	-1,21
Earnings per share - diluted	1,10	-1,17	4,79	-1,21

COMPREHENSIVE INCOME STATEMENT

(NOK '000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Net profit/loss	35.079	-37.143	152.563	-38.500
Total comprehensive income	35.079	-37.143	152.563	-38.500
Total comprehensive income attributable to:				
Parent company shareholders	35.079	-37.143	152.563	-38.500

Statement of Financial Position

STATEMENT OF FINANCIAL POSITION

(NOK '000)	31.12.2021	30.9.2021	31.12.2020
Deferred tax assets	19.479	0	0
Intangible assets	52.119	49.340	34.297
Property, plant and equipment	657.161	605.124	559.988
Right of use assets	4.435	0	0
Non-current financial assets	629	629	626
Non-current assets	733.824	655.094	594.911
Biological assets	512.010	496.880	402.191
Other inventory	33.785	18.800	27.046
Receivables	115.951	76.480	34.528
Bank deposits	38.126	55.517	79.171
Current assets	699.871	647.676	542.936
TOTAL ASSETS	1.433.695	1.302.770	1.137.847
Share capital	31.877	31.877	689.476
Other equity	943.631	908.552	-210.672
Equity	975.508	940.429	478.805
Deferred tax	0	2.506	2.506
Provisions	0	2.506	2.506
Long-term interest-bearing debt	318.152	201.720	245.184
Long term leasing liabilities	3.424	0	0
Short-term interest-bearing debt	36.063	36.621	301.154
Short term leasing liabilities	1.138	0	0
Trade payables	91.052	112.110	100.703
Other current liabilities	8.357	9.384	9.495
Current liabilities	136.610	158.115	411.353
TOTAL EQUITY AND LIABILITIES	1.433.695	1.302.770	1.137.847

Statement of Equity

STATEMENT OF EQUITY

31.12.2021 (NOK '000)	Equity allocated to parent company shareholders			Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings			
Equity at 01.01.2021	689.476	0	-210.672	478.805	0	478.805
Total comprehensive income	0	0	152.563	152.563	0	152.563
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 31.12.2021	31.877	0	943.632	975.508	0	975.508

31.12.2020 (NOK '000)	Equity allocated to parent company shareholders			Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings			
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

Statement of Cash Flow

Statement of cash flow

(NOK '000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Operational EBIT	27.218	-11.706	86.944	6.319
Adjusted for:				
Depreciation	12.940	11.755	46.501	40.113
Production tax	-790	0	-3.843	-312
Change in inventories/biological assets	-44.055	-16.925	-71.661	-146.716
Change in account receivables and accounts payables	-60.528	24.515	-91.074	69.957
Change in other current assets and liabilities	-1.026	1.349	-1.138	5.856
Net cash flow from operating activities	-65.930	8.988	-34.271	-24.782
Cash flow from investing activities				
Payments for purchase of fixed assets and licenses (MAB)	-67.101	-28.872	-160.846	-99.705
Net cash flow from investing activities	-67.101	-28.872	-160.846	-99.705
Cash flow from financing activities				
Proceeds from borrowings	119.797	518.424	119.797	597.944
Repayment of borrowings	-9	-590.948	-69.747	-622.640
Installments on right to use liabilities	-528	0	-528	0
Interest payments for right to use liabilities	-153	0	-153	0
Current debt change	-3.914	-93.466	-242.172	26.306
Issued new share capital	0	231.757	344.140	231.757
Net interest payments	-5.812	-20.799	-22.311	-39.870
Adjustment due to Currency difference	6.259	0	25.044	0
Net cash flow from financing activities	115.640	44.968	154.071	193.497
Net increase in bank deposits	-17.391	25.084	-41.046	69.010
Bank deposits as of start of period	55.517	54.088	79.171	10.162
Bank deposits as of 31st of December	38.126	79.171	38.126	79.171

Note 1 – Accounting Principles

Corporate information

Arctic Fish Holding AS and its subsidiaries (collectively "the Group", or "Arctic Fish Group") is a publicly listed company on Euronext Growth, with the ticker symbol AFISH.

Arctic Fish Holding AS is a Company incorporated in Norway with headquarters in Iceland. The address of its registered office is Ferjemannsveien 10, 7014 Trondheim, Norway. Arctic Fish's headquarter is located at Sindragata 10, 400 Isafjordur, Iceland.

The consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Board of Directors on 23rd of February 2022.

February 2021 reorganization

The structure of the Group was changed in 2021. Arctic Fish Holding AS is a newly established entity that owns 100% of the shares in Arctic Fish ehf. the Icelandic mother company of the Icelandic subsidiaries Arctic Oddi, Arctic Smolt and Arctic Sea Farm.

In the consolidated financial statements of Arctic Fish Group the values of Arctic Fish Iceland and subsidiaries are continued. The Group has accounted for the reorganization as a continuation of Arctic Fish ehf. The consolidated financial statements are presented as if the Group and Arctic Fish Holding AS as the parent company, had always existed.

Comparative financial information is provided for the preceding period in the Consolidated statement of comprehensive income, Consolidated statement of financial position and Consolidated statement of cash flows.

These condensed, consolidated interim financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRSs) and such interpretations as are determined by the EU and published by the

International Accounting Standards Board, including the interim reporting standard (IAS 34). The interim financial statements do not include all the information required of an annual financial report.

The condensed consolidated interim financial statements have not been audited. As a result of rounding differences, numbers or percentages may not add up to the total.

Following is a reconciliation of the 2020 financial statements that were previously prepared for the Icelandic parent company Arctic Fish ehf. in accordance with the Financial Statements Act (IS-GAAP) and the Regulation on the Presentation and Contents of the Financial Statements and Consolidated Financial Statements. The 2020 financial statements have been restated in accordance with International Financial Reporting Standards (IFRSs).

The consolidated financial statements are presented in Norwegian Kroner (NOK) which is the functional currency of the Group as of 01.01.2021 and onwards.

Reconciliation of equity and financial position as of 1 January 2020

(NOK '000)	ICEGAAP	IFRS adj.	Notes	IFRS
Intangible assets	22.581	5.569	A	28.150
Property, plant and equipment	506.610			506.610
Non-current financial assets	559			559
Non-current assets	529.750	5.569		535.319
Inventory and biological assets	275.485	11.675	B	287.160
Receivables	66.566			66.566
Bank deposits	10.162			10.162
Current assets	352.213	11.675		363.888
TOTAL ASSETS	881.963	17.244		899.207
Share capital	457.719			457.719
Other equity	-189.415	17.244	A,B	-172.171
Non-controlling interests	0			0
Equity	268.304	17.244		285.548
Pensions	0			0
Deferred tax	2.506			2.506
Provisions	2.506	0		2.506
Long-term interest-bearing debt	375.230			375.230
Short-term interest-bearing debt	169.499			169.499
Trade payables	62.785			62.785
Tax payable	0			0
Other current liabilities	3.639			3.639
Current liabilities	235.923	0		235.923
TOTAL EQUITY AND LIABILITIES	881.963	17.244		899.207

A: The IFRS adjustment reflects the difference between the booked value of goodwill and licenses in Arctic Fish ehf and the cost value at 1 January 2020

B: Biological assets have previously been calculated using cost method. According to IFRS, biological assets are valued at fair value less costs to sell (see note 3). The IFRS adjustment reflects the difference between these two accounting principles.

Note 2 – Farming summary

The operating segment Farming is used by Group management to assess performance and profitability at a strategic level. The Group management is defined as the chief operating decision-makers. The fish farming business includes smolt production, salmon farming, harvesting activities and sales of the harvested fish. All farming sites are located in the Westfjords of Iceland. Group management reviews monthly reports in connection with the production sites and operating segments. Performance is evaluated based on operating results (EBIT).

The eliminations in year to date in 2021 in the table below relates to administration costs and some non-recurring costs related to the listing of the Group.

(NOK '000)	Farming		Eliminations / other		TOTAL	
	Q4 2021	Q4 2020	Q4 2021	Q4 2020	Q4 2021	Q4 2020
Total sales revenues	166.253	113.814		16.695	166.253	130.509
Operating costs	136.726	127.614	1.997	14.602	138.723	142.216
Operational EBIT	29.527	-13.800	-1.997	2.093	27.530	-11.707
Fair value adjustments	-13.940	-4.638			-13.940	-4.638
Production tax	-790	0			-790	0
EBIT	14.797	-18.438	-1.997	2.093	12.802	-16.345
Volume harvested (HOG)	2.938	2.988			2.938	2.988
Operational EBIT per kg Farming	10,05	-4,62			10,05	-4,62

(NOK '000)	Farming		Eliminations / other		TOTAL	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Total sales revenues	595.895	339.374		36.293	595.895	375.667
Operating costs	496.368	334.574	12.583	34.774	508.951	369.348
Operational EBIT	99.527	4.800	-12.583	1.519	86.944	6.319
Fair value adjustments	44.897	-4.638	0		44.897	-4.638
Production tax	-3.844	-312			-3.844	-312
EBIT	140.580	4.488	12.583	1.519	127.997	1.369
	0					
Volume harvested (HOG)	11.479	7.443			11.479	7.443
Operational EBIT per kg Farming	8,67	0,64			8,67	0,64

Note 3 - Biomass

In accordance with IAS 41, the biomass is recognised at fair value. The fair value is calculated in accordance with IFRS 13. Adjustments to the fair value of the biomass are presented on a separate line in the income statement. The technical model for calculating fair value is a present value model. Present value is calculated for the biomass on each site/project by estimating the future sales value less remaining production costs discounted to the present value at the balance sheet date.

The fair value of fish in the sea is calculated in the present value model as a function of the expected biomass at the time of harvest multiplied by the expected sales price. For fish that are not harvestable, estimated remaining costs to breed the fish to its harvestable weight are deducted. Cash flows are discounted monthly using a discount factor. The discount factor consists of three main components: 1) risk for events that affect cash flow, 2) hypothetical license and site rent and 3) the time value of money. The discount factor used is 4%. Expected biomass (volume) is based on the estimated number of individuals in the sea, adjusted for expected mortality until harvesting and multiplied by the expected harvest weight per individual at the time of harvest. The measuring unit is the individual fish, but for practical reasons the calculation is made on site level. Live weight of fish in the sea is translated into gutted weight to get the same measurement unit as the prices are set in.

The price is calculated based on forward prices from Fish Pool. The forward price for the period in which the fish expected to be harvested, is used in the calculation of expected cash flow. The price quoted by Fish Pool is adjusted to reflect an ex harvesting plant price achievement and is a reference price. This price is further adjusted for expected harvest costs (well boat, harvest and packing, sales commission), and the governmental production taxes. Adjustments for expected size differences and quality differences are also made. The adjustment in relation to the reference price is done at site level.

The principle of highest and best use, according to IFRS 13 is the basis for the valuation and classification. In the fair value calculation, optimal harvest weight is defined as harvest weight according to harvest plans.

Book value of inventory:

(NOK '000)	31.12.2021	30.9.2021	31.12.2020
Raw materials	33.785	18.800	27.046
Biological assets - freshw ater	29.575	25.772	26.204
Biological assets - seaw ater	482.435	471.108	375.987
Finished goods	0	0	0
Total inventory	545.795	515.680	429.237

Specification of the biological assets:

(NOK '000)	31.12.2021	30.9.2021	31.12.2020
Biological assets at cost	459.778	430.708	395.535
Fair value adjustments of the biomass	52.232	66.172	6.656
Book value biological assets	512.010	496.880	402.191

Specification of biological assets - tonnes

(NOK '000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Opening balance biological assets	10.945	10.205	10.513	6.042
Increase due to fish put in the sea	47	0	436	413
Increase due to production in the period	4.015	3.890	14.541	13.834
Reduction due to mortality in the period	-108	-92	-631	-971
Reduction due to harvesting in the period	-3.422	-3.489	-13.382	-8.805
Non-recurring events and other	0	0	0	0
Closing balance biological assets	11.477	10.513	11.477	10.513

Specification of changes in book value of biological assets:

(NOK '000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Opening balance biological assets	496.880	398.415	402.191	276.544
Increase due to production in the period	130.626	117.645	447.558	447.655
Non-recurring events and other at cost		0		0
Reduction due to harvesting in the period	-101.555	-109.231	-382.636	-317.370
Fair value adjustments of the biological assets	-13.940	-4.638	44.897	-4.638
Closing balance biological assets	512.010	402.191	512.010	402.191

NOTE 3: Biomass cont.

Groups of biological assets in sea, status as of 31.12.2021	Number of fish (1000)	Biomass (tonnes)	Costs	Fair value adjustments	Book value
Smaller than 1 kg	1.145	444	16.702	2.028	18.730
1-4 kg	2.774	7.180	269.912	32.771	302.682
Larger than 4 kg	690	3.820	143.589	17.433	161.022
Biological assets	4.609	11.444	430.203	52.232	482.435

Groups of biological assets in sea, status as of 30.9.2021	Number of fish (1000)	Biomass (tonnes)	Costs	Fair value adjustments	Book value
Smaller than 1 kg	2.291	1.432	52.962	8.655	61.617
1-4 kg	1.291	3.489	129.073	21.092	150.165
Larger than 4 kg	1.239	6.025	222.900	36.425	259.325
Biological assets	4.822	10.945	404.936	66.172	471.108

Groups of biological assets in sea, status as of 31.12.2020	Number of fish (1000)	Biomass (tonnes)	Costs	Fair value adjustments	Book value
Smaller than 1 kg	1.219	556	19.533	352	19.885
1-4 kg	2.581	6.463	227.051	4.092	231.143
Larger than 4 kg	688	3.494	122.747	2.212	124.959
Biological assets	4.488	10.513	369.331	6.656	375.987

Fish Pool forward prices used in the calculation of the fair value of the biomass in the sea

	31.12.2021	NOK/kg	30.9.2021	NOK/kg	31.12.2020	NOK/kg
	Q1 22	68,67	Q4 21	60,50	Q1 21	66,20
	Q2 22	68,23	Q1 22	64,70	Q2 21	66,80
	Q3 22	56,43	Q2 22	66,00	Q3 21	54,90
	Q4 22	62,27	Q3 22	56,28	Q4 21	56,30
	Q1 + Q2 23	65,25	Q4 22	62,02	Q1 + Q2 22	59,50

Note 4 – Fair Value Adjustments

Fair value adjustments which are a part of the Group's EBIT, is presented on a separate line in order to give a better understanding of the Group's operating profit from goods sold. The item consists of:

(NOK '000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Change in fair value adjustments of the biomass	-13.402	-4.638	45.435	-4.638
Change in provision for onerous sales contracts	-538	0	-538	0
Total fair value adjustments	-13.940	-4.638	44.897	-4.638

The fair value adjustments has the following effect in the balance sheet:

(NOK '000)	31.12.2021	30.9.2021	31.12.2020
Fair value adjustments biomass (inventory and biological assets)	52.770	66.172	6.656
Provision for onerous sales contracts (other current liabilities)	-538	0	0
Net fair value adjustments in the balance sheet	52.232	66.172	6.656

Note 5 – Related parties

The Group conducts transactions on normal terms with associates and suppliers who are also Arctic Fish Holding shareholders.

All services and goods are purchased at arm length prices. The table below shows figures from continued operations. The Board is not aware of any changes or transactions in Q4 21 associated with related parties that in any significant way have an impact on the Group's financial position and profit for the period.

Goods and services purchased:

(NOK '000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Companies controlled by large shareholder - products purchased	3.483	363	17.784	890
Companies controlled by large shareholder - services purchased	863	563	3.526	2.037
Total goods and services purchased from related parties	4.346	926	21.310	2.927

Note 6 – Financial Covenants

The group has to fulfil the following covenants for the Group's main borrowings

The Equity Ratio for each Relevant Period shall at all times be equal to or exceed 40%.

Leverage: Leverage in respect of any Relevant Period specified in column 1 below shall not exceed the ratio set out in column 2 below opposite that Relevant Period. Leverage means, in respect of any Relevant Period, the ratio of Total Net Interest Bearing Debt on the last day of that Relevant Period to EBITDA in respect of that Relevant Period.

Relevant Period Expiring.	Ratio
31 December 2021	5.0:1
31 March 2022 and all subsequent Relevant Periods	4.5:1

Minimum EBITDA (measured on a rolling 12-month basis), shall during the Relevant Period ending on and 31st of December 2021 exceed NOK 30,000,000.

Net interest-bearing debt

Net interest-bearing debt is defined as the net of long-term debt, short-term debt and bank deposits. The measure is useful and necessary information to investors and other users of the financial statements to assess the net of the interest-bearing external capital used to finance the group. The measure is used to calculate return on capital employed and highlights the Group's ability to take on more debt.

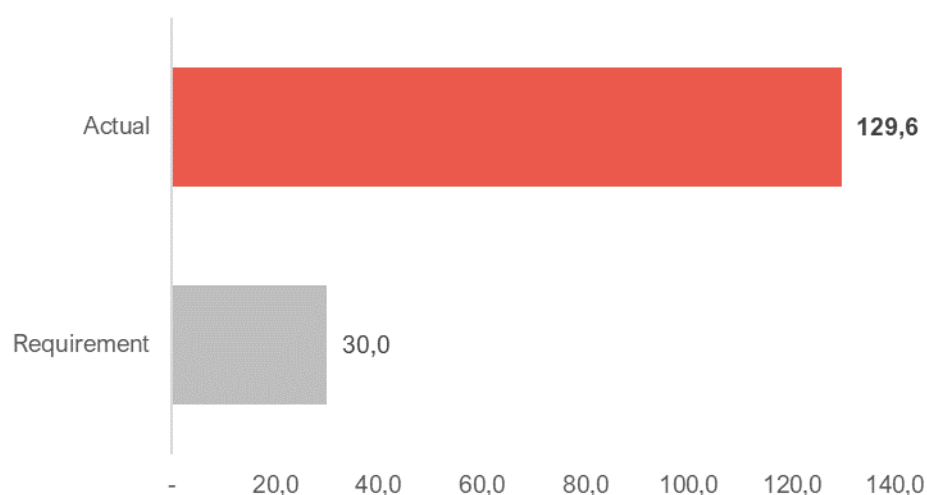
(NOK '000)	31.12.2021	30.9.2021	31.12.2020
Reported long-term interest-bearing debt	318.152	201.720	245.184
Reported short-term interest-bearing debt	36.063	36.621	301.154
Reported bank deposits	-38.126	-55.517	-79.171
Total net interest bearing debt	316.090	182.825	467.166

Equity ratio

(NOK '000)	31.12.2021	30.09.2021	31.12.2020
Reported equity	975.508	940.429	478.805
Reported total assets	1.433.695	1.302.770	1.137.847
Equity ratio	68,0 %	72,2 %	42,1 %

12 Month Rolling EBITDA

The 12 month rolling EBITDA on the 31st of December 2021 was 129.6 million NOK.



Compliance

At the end of the fourth quarter of 2021, the Group is in compliance with the terms and covenants of the loan agreement.

Note 7 – Shareholder List

The largest shareholders as of 31.12.2021:

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.	3.031.424	9,51%
4	Landsbankinn hf.	519.716	1,63%
5	VERDIPAPIRFONDET PARETO INVESTMENT	351.000	1,10%
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	CLEARSTREAM BANKING S.A.	181.391	0,57%
10	VERDIPAPIRFONDET EIKA SPAR	172.312	0,54%
11	MP PENSJON PK	165.000	0,52%
12	PACTUM AS	152.751	0,48%
13	VERDIPAPIRFONDET EIKA NORGE	125.225	0,39%
14	J.P. Morgan Bank Luxembourg S.A.	83.849	0,26%
15	VERDIPAPIRFONDET NORDEA NORGE PLUS	82.702	0,26%
16	State Street Bank and Trust Comp	80.605	0,25%
17	ROTH	80.000	0,25%
18	Euroclear Bank S.A./N.V.	68.154	0,21%
19	VERDIPAPIRFONDET HOLBERG TRITON	50.733	0,16%
20	TRETHOM AS	41.101	0,13%
Ownership of 20 largest shareholders		31.325.576	98,27%
Total number of shares		31.876.653	100,00%

Arctic Fish Holding AS does not own any of its own shares.

Note 8 – Alternative Performance Measures

Operational EBIT pr. kg

(NOK '000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Operational EBIT continuing operations	27.530	-11.706	86.944	6.319
Non-recurring events (note 4)				
Operational EBIT	27.530	-11.706	86.944	6.319
Harvested volume (tonnes)	2.938	2.988	11.479	7.443
Operation EBIT pr. kg	9,37	-3,92	7,57	0,85

Farming Operational EBIT pr. kg

(NOK '000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Operational EBIT (segment, note 2)	29.527	-13.800	99.527	4.800
Contracts				
Operational EBIT excl. Contracts	29.527	-13.800	99.527	4.800
Loss(-) / Gain(+) on open fixed-price contracts				
Operational EBIT	29.527	-13.800	99.527	4.800
Harvested volume (tonnes)	2.938	2.988	11.479	7.443
Operational EBIT per kg	10,05	-4,62	8,67	0,64

Production cost pr. kg Farming

(NOK '000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Production cost (segment, note 2)	136.726	127.614	496.368	334.574
Harvested volume (tonnes)	2.938	2.988	11.479	7.443
Production cost pr. kg	46,53	42,71	43,24	44,95

Fair Value-adjusted earnings per share

(NOK '000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Majority share of net result for the period	35.079	-37.143	152.563	-38.500
Majority share of fair value adjustments of biomass	13.402	4.638	-45.435	4.638
Fair value of sales contracts and Fish Pool contracts	538	0	538	0
Majority share of fair value-adjusted result for the period	49.019	-32.505	107.666	-33.862
Weighted average number of ordinary shares outstanding	31.876.653	31.876.653	31.876.653	31.876.653
Fair value-adjusted earnings per share	1,54	-1,02	3,38	-1,06

The logo for ArcticFish features the word "ArcticFish" in a bold, black, sans-serif font. A red, curved line arches over the letter "i" in "Fish", resembling a fish's dorsal fin or a stylized wave.

ArcticFish

