



Arctic Fish

Q2'22 Presentation

31st of August 2022

Disclaimer

Cautionary note regarding forward-looking statements

This presentation is the managements summary of the 2nd quarter report, it 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 presentation.



1

Highlights for the period

2

Operational performance & Group financials

3

Key features

4

Growth projects

5

Outlook and summary

Highlights in Q2 2022

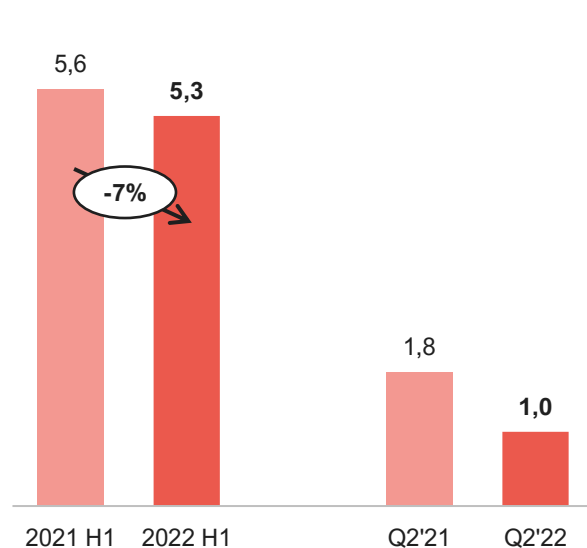
- **Farming Operational EBIT of 36.8 NOK pr. kg**
An improvement of 27.2 NOK pr. kg from Q2 2021
- **High salmon prices in market**
Price achievement amounted to 84.6 NOK pr. kg
- **Harvesting quantities**
Harvested 1.029 tonnes in the quarter – a 44% decrease YoY
- **Production costs of 47.7 NOK pr. kg**
Production costs have increased by 2.6 NOK pr. kg from Q2 2021
- **Output in Arnarfjordur a new site, and cooperation finalized for output in Isafjardardjup.**
The overall 2022 output structure maintained, with 2 new areas, as previously planned and future harvesting volume targets secured.



Operational KPI's

Harvested volumes

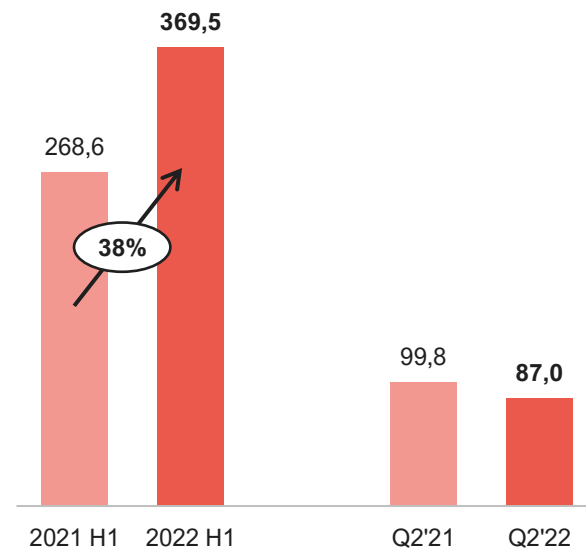
In thousand tonnes, HOG



- Arctic Fish has harvested 5.250 tonnes YTD, which is 7% less than at the same period last year.
- The company would have harvested more in Q2'22 but the mortality incident in Q1'22 impacted harvestable volumes substantially.

Revenue

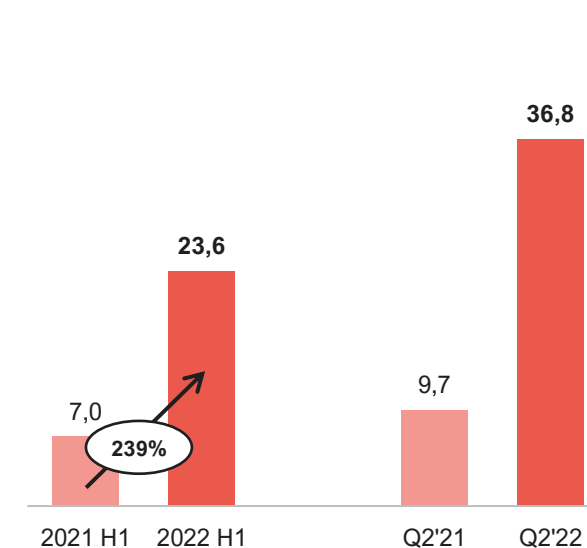
MNOK



- Revenues increased drastically which is due to improved market prices realized.
- Revenue has increased 38% YTD compared to the same period last year.

Operational EBIT pr. Kg (Farming)

NOK pr. kg



- The operations improved substantially, combining the two main factors, production cost stabilization and stronger market prices which resulted in the Operational EBIT developing emphatically.



1

Highlights for the period

2

Operational performance & Group financials

3

Key features

4

Growth projects

5

Outlook and summary

Operational performance

Operational EBIT pr. kg continues to develop positively

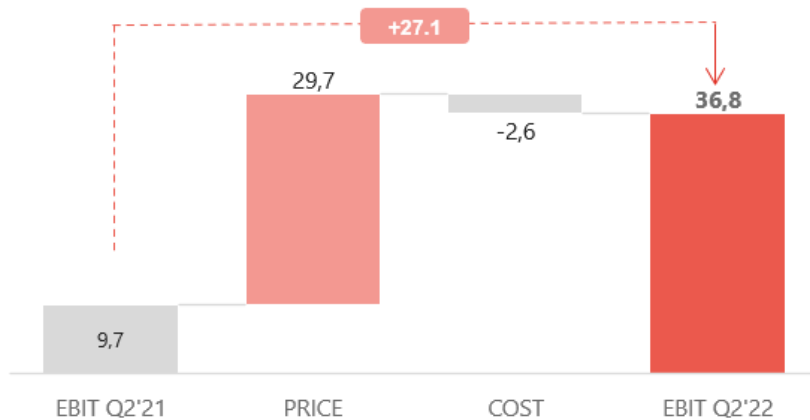
High salmon prices in the quarter impact the operational EBIT pr. kg firmly

Operational Farming EBIT of 36.8 NOK pr. kg has developed positively YoY due to the following factors

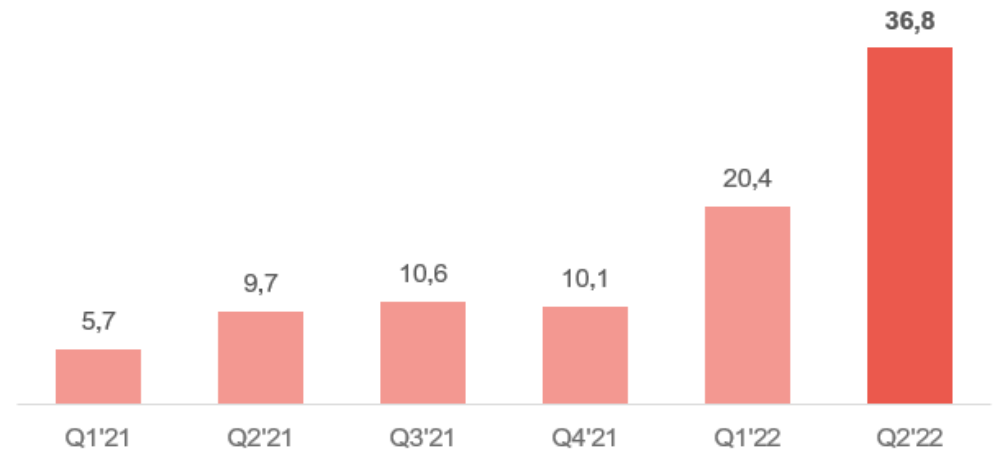
Price achievement increased by 29.7 NOK pr. kg

Production cost increased by 2.6 NOK pr. kg

Farming Operational EBIT YoY (NOK pr. kg)



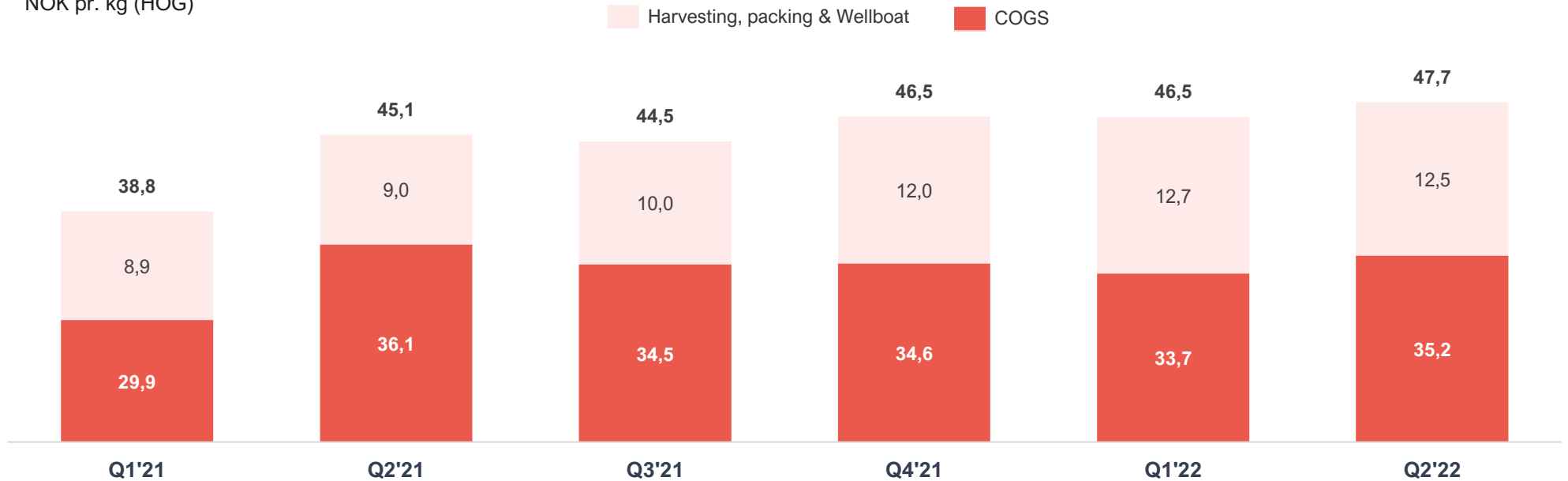
Operational EBIT (NOK pr. kg)



Stable and strong cost performance over time

Production cost development from 2021 and onwards

NOK pr. kg (HOG)



Arctic Fish expects to stabilize and decrease production cost through:

1 Biological performance

- Increased size of smolt is expected to improve survival rate and decrease production time.
- Expansions and improvements in the RAS facility will lead to better license utilization and fish health

2 Operational efficiency

- Constant improvements and economies of increased knowledge e.g., in feeding and fish health
- Full control of harvesting capacity will optimize timing both with regards to the market and the production in sea

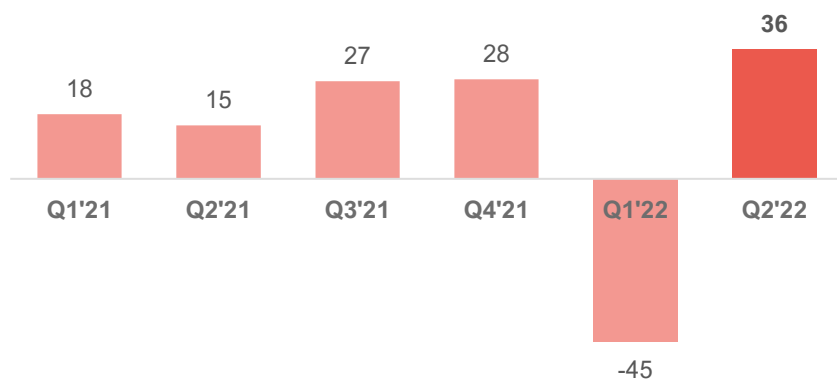
3 Primary processing

- A new facility will decrease cost and secure sufficient capacity
- Increased and stable volumes with full control on harvesting capacity

Profit and loss

- Operating revenues of 87 MNOK
- Operational EBIT of 35.8 MNOK
- Harvested volume of 1,029 tonnes (YoY 44% decrease)
- Positive fair value adjustment of 36.9 MNOK due to increased forward prices

Operational EBIT (MNOK)



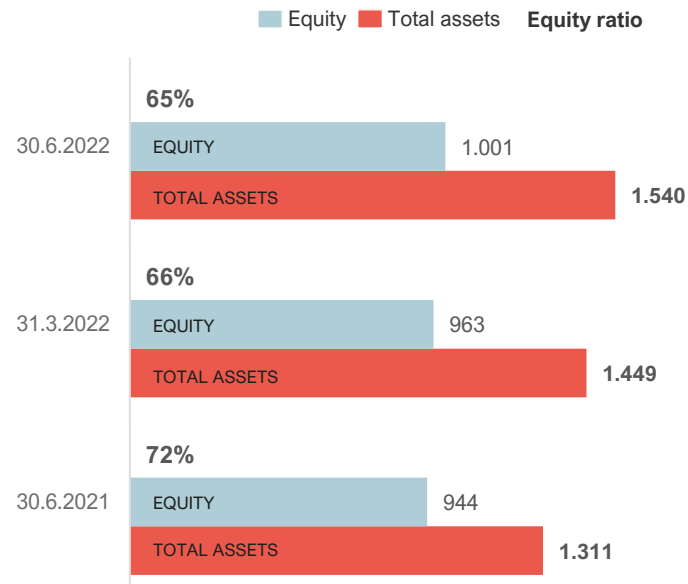
Key figures from P/L

KEY FIGURES (NOK '000)	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Operating revenues	87.001	99.798	369.526	268.641
Operational EBIT	35.832	14.710	-9.155	32.510
Fair value adjustments	36.913	42.748	61.163	83.021
Production tax	-897	-602	-4.432	-2.236
EBIT	71.849	56.856	47.576	113.295
Net financial items	-24.951	-9.855	-16.033	7.427
Earnings before tax (EBT)	46.898	47.001	31.543	120.722
Volume harvested GW	1.029	1.824	5.250	5.617
Operational EBIT pr.kg (farming)	36,84	9,66	23,64	6,97

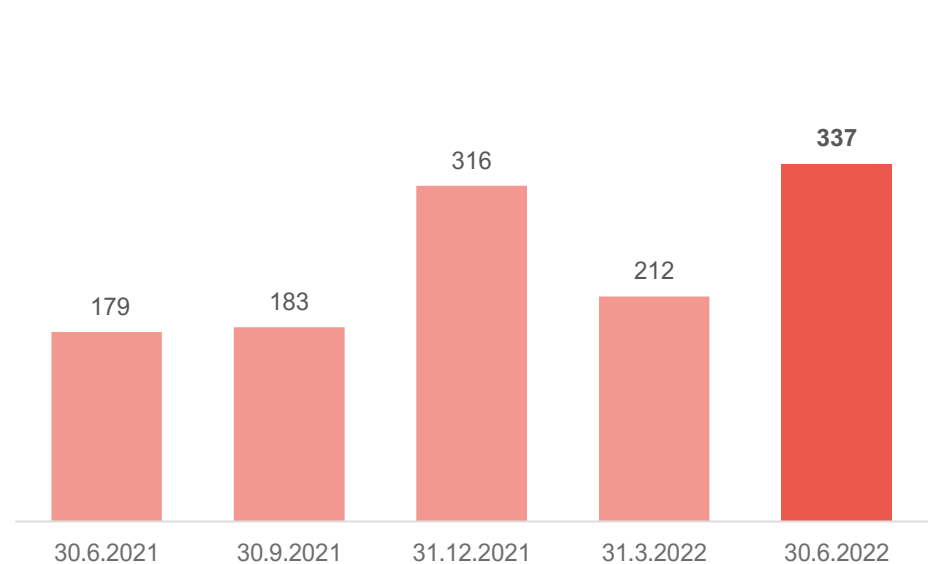
Financial position

- Total assets increased by 90.4 MNOK from the prior period (Q1'2022).
- Receivables decreased by 12.0 MNOK from the prior period (Q1'2022).
- Biological assets and other inventories increased by 98.8 MNOK from the prior period (Q1'2022).
- Property, plant, and equipment increased by 82.5 MNOK from the prior period (Q1'2022).
- Bank deposits decreased by 70.6 MNOK from the prior period (Q1'2022).

Total assets & Equity (MNOK)

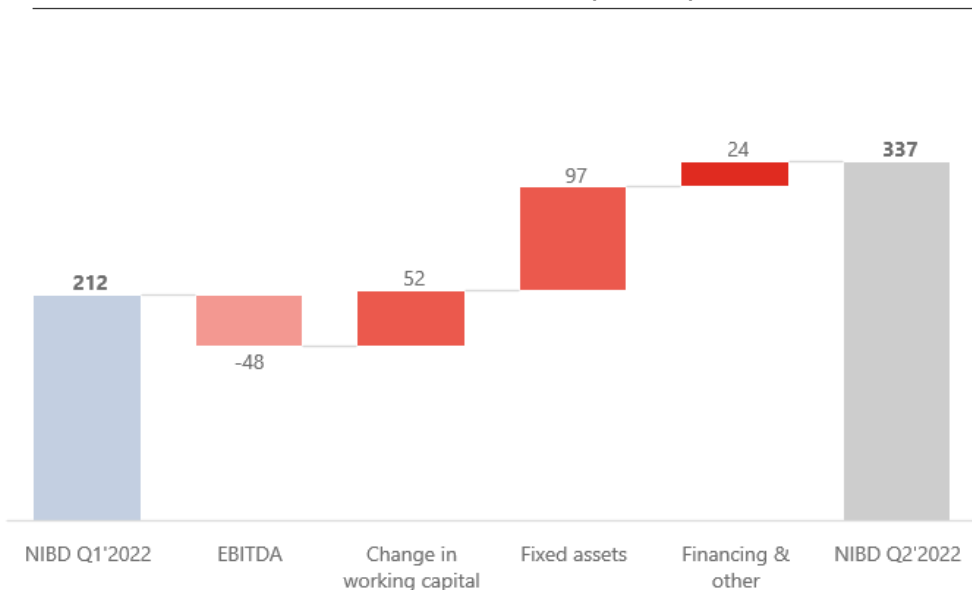


NIBD development (MNOK)



NIBD development and financial covenants

NIBD development (MNOK)



Summary

- Net interest-bearing debt (NIBD) up by 125 MNOK in the quarter. The increase is due to working capital changes.

Alternate performance measures (APM)

Net interest bearing debt

(NOK '000)	30.06.2022	31.03.2022	30.06.2021
Reported long-term interest-bearing debt	359.477	308.021	221.242
Reported short-term interest-bearing debt	40.406	37.914	40.125
Reported bank deposits	-63.369	-133.926	-82.701
Total net interest bearing debt	336.514	212.008	178.666

Equity ratio

(NOK '000)	30.06.2022	31.03.2022	30.06.2021
Reported equity	1.000.742	963.223	943.668
Reported total assets	1.539.719	1.449.293	1.311.356
Equity ratio	65,0 %	66,5 %	72,0 %

Interest bearing debt overview

(NOK '000)	30.06.2022	31.03.2022	Loan agreement	Unused 30.06.2022
Total interest bearing debt	399.883	345.935	771.432	371.549

Bank covenants

- Equity ratio has to remain above 40%
- NIBD/EBITDA ratio cannot be higher 4.5. Q1'22 will not be used in further NIBD/EBITDA calculations in 2022.

CAPEX

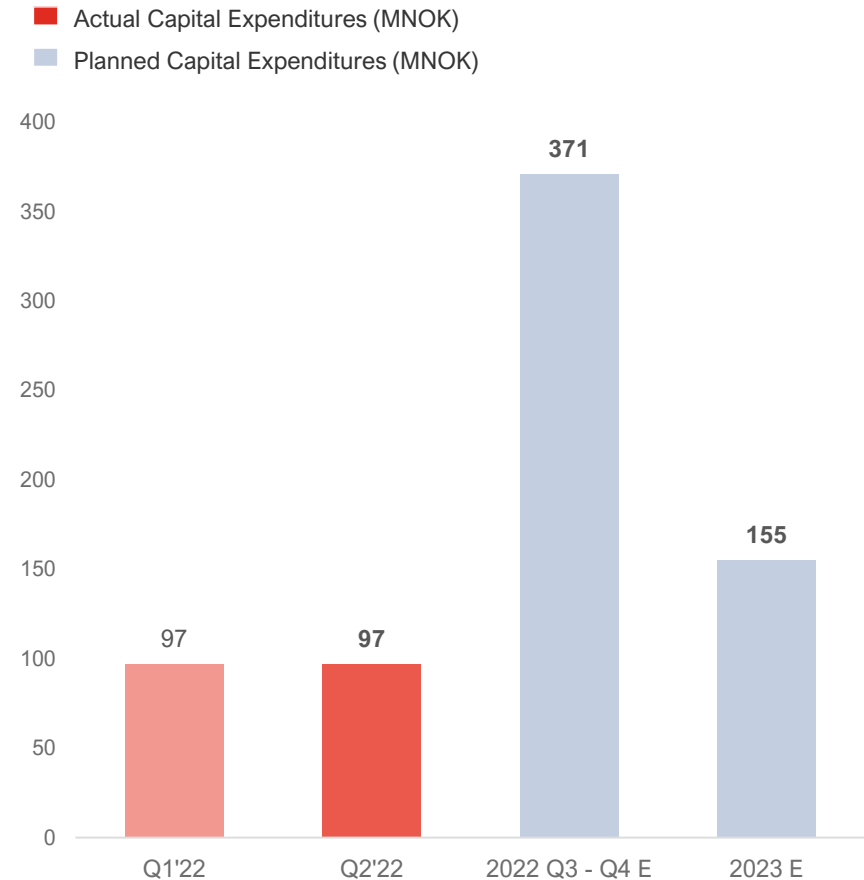
Ongoing investments

- We are committing to our growth plan with extensive investments in our Smolt Production capacity and in a Harvesting facility.
- Both investments are aimed at securing larger parts of our value chain, improving operational scale, less biological risk and ultimately decreasing our production cost.



Harvesting facility building in Bolungarvík

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, 20 MNOK has been repaid reducing the availability under this part of the loan agreement
- 30 MNOK overdraft facility
- 150 MNOK smolt expansion facility

Additional facilities approved by bank to be finalized in line with construction project needs and definitions:

- 175 MNOK harvesting plant facility

Covenants:

- 40 % Equity ratio
- Leverage ratios to be tested and need to be less than 4.5:1. Q1'22 results will be excluded from calculations for the remainder of 2022

* Leverage = Net Interest bearing debt divided with EBITDA



Agenda

1

Highlights for the period

2

Operational performance & Group financials

3

Key features

4

Growth projects

5

Outlook and summary

A robust and strong sustainability profile



First of its kind hi-tech smolt facility with 100% green energy¹



All Icelandic attributes preserved; low sea temperature and density



No antibiotics have ever been used on Arctic Fish sites



Certifications

100%

All sites ASC certified

- All fish sold and all sites in use have been ASC certified or accepted certified since 2016
- The company was the first salmon farmer from Iceland to receive an ASC certification

Committed to people

Ethical guidelines



Healthy, safety and environment



Education and development



Committed to customers

Product Certification



Healthy and safe seafood



Committed to nature

Prevent escapes



Sea lice management



Sustainable and efficient fish feed

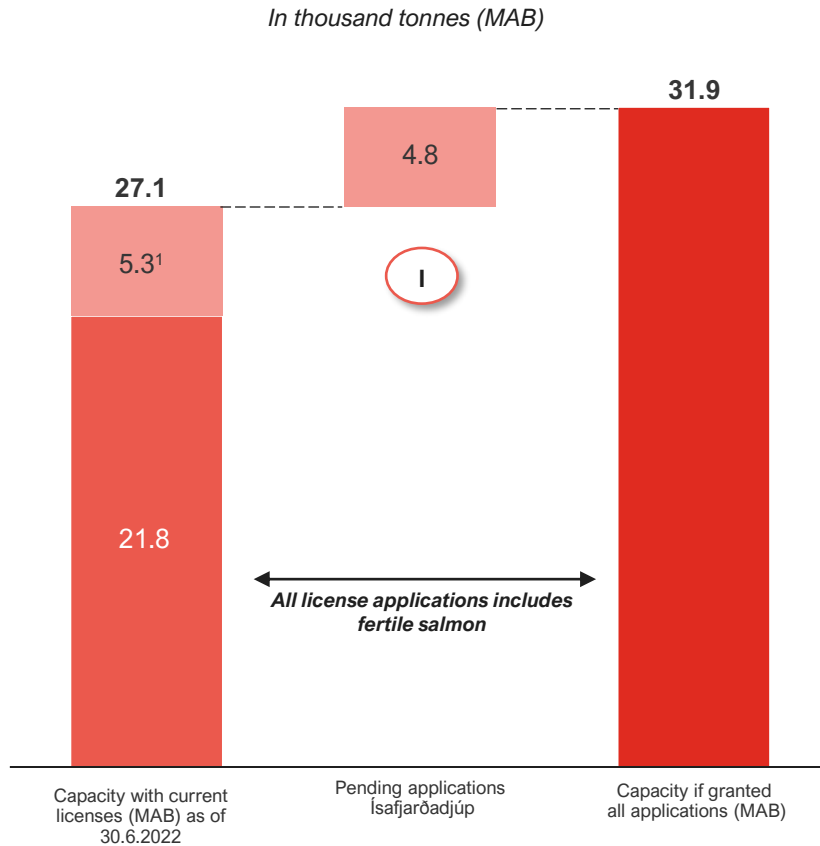


Source: Company

¹ Iceland's energy production is about 73% hydropower and 27% geothermal power

Licenses enabling growth and production potential

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



Current license applications



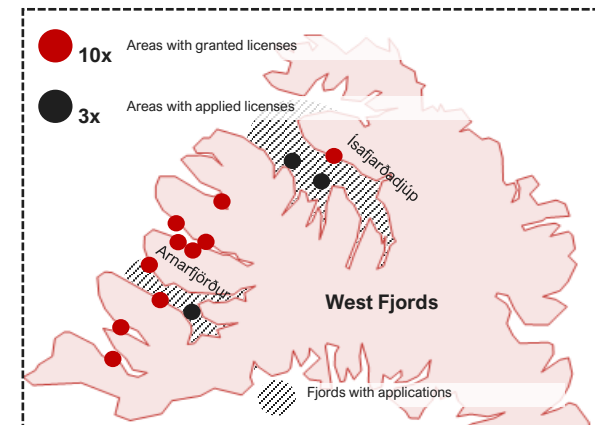
1



Ísafjarðardjúp
Additional license for 4.800 tonnes



- Handed in an application for the expansion of the land based smolt production license from 1.000 tonnes to 2.400 tonnes.
- Enlarged area and updated licenses in Patreksfjörður finalized. Enables 1 additional site and better licences utilization.

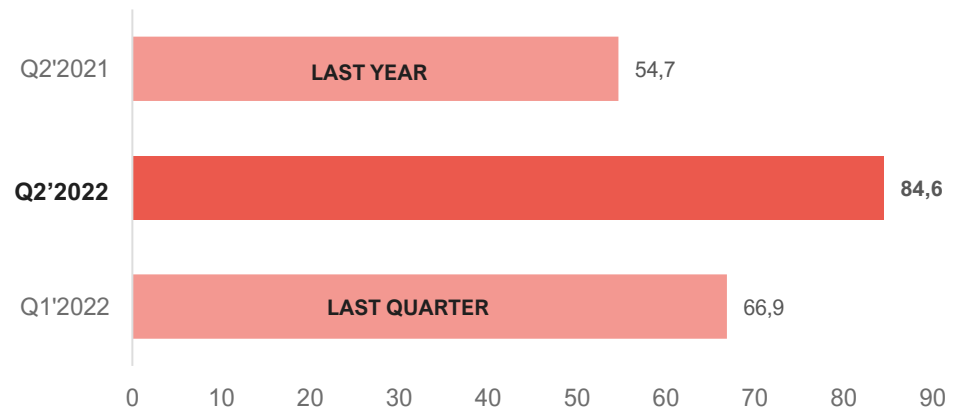


1: 5.3 thousand tonnes MAB for Trout farming that is in the process of being converted to salmon

Markets and sales

- The markets for salmon were substantially stronger in the quarter opposed to the previous year mostly due to Covid-19 affecting 2021 prices.
- Despite the good market conditions the price achievement was not optimal as the volume harvested was at lower average weight than expected which impacted sales efforts.
- Price achievement was affected to a further extent due to fixed price contracts, logistics and sales commission.
- Proportionally there was a higher part of the sales that was sold on fixed price contracts that were under the spot prices.
- Despite uncertainty, the forward prices for salmon are at high levels compared to 2021 and should remain at strong levels on average for the second half of the year.
- Fixed price contracts will affect the price achievement in a less negative manner in the coming months due to the stabilizing forward prices and serve as a hedge against possible unfavorable market conditions.

Price achievement development





Agenda

1

Highlights for the period

2

Operational performance & Group financials

3

Key features

4

Growth projects

5

Outlook and summary

Smolt expansion in Tálknafjörður

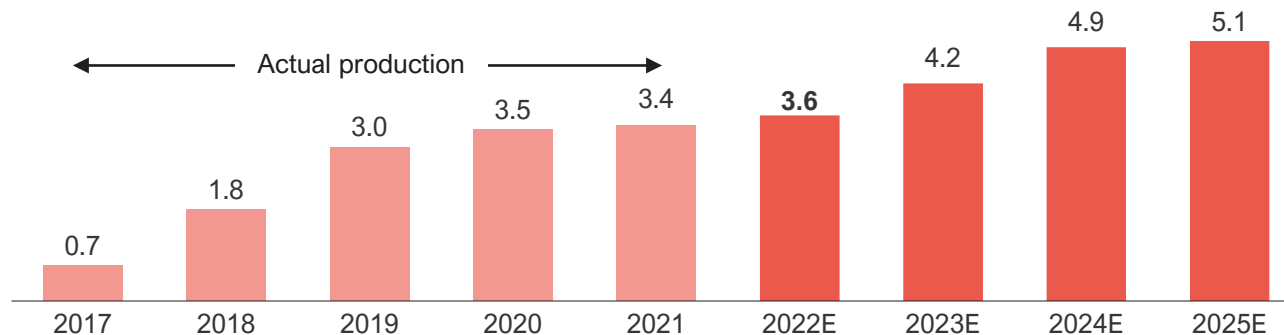
Commentary

- 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 completed in the end of Q2'2023.
- Total cost is estimated to 260 MNOK.
- Total investment will strengthen the position of Arctic Fish as leading smolt producer as well as support its future growth target in terms of harvest volume.



Current progress in Norður Botn

Smolt capacity forecast (in million)



Harvesting facility in Bolungarvik

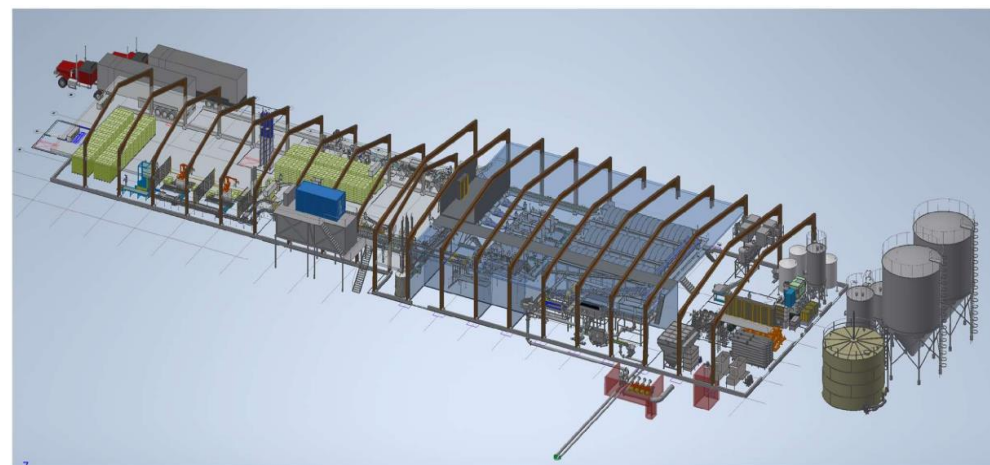
Commentary

- Contracts signed for all major components of the new harvesting plant. Groundwork ongoing and production of equipment started, and ready in Q2 2023.
- The facility will fulfil Arctic Fish needs with additional possibilities to service others as well, with a potential short-term capacity of 60 thousand tonnes.
- Strategic investment plan with possibilities to increase capacity, up to 120 thousand tonnes.
- Parallel to this there are possibilities at this specific site for value added processing, box manufacturing, fish meal & oil as well as possibilities for waiting cages.
- New logistical routes with exiting direct ocean freight possibilities from the closes export port in Isafjordur to USA now achievable.

Suitability of the location

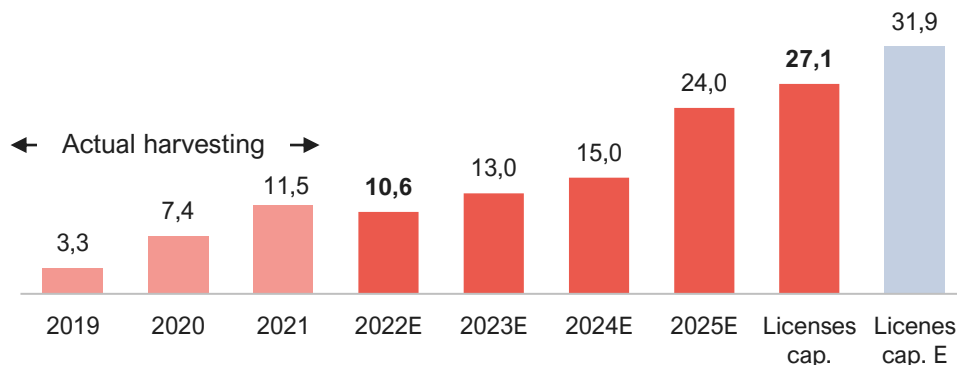
- Low biological risk for production areas ✓
- Proximity to sea cargo solutions and excellent logistics ✓
- Area for VAP, freezing and box factory available ✓
- Developed labor market and supply industry ✓

Design



Rendering of interior design

Harvest volumes forecast





Agenda

1

Highlights for the period

2

Operational performance & Group financials

3

Key features

4

Growth projects

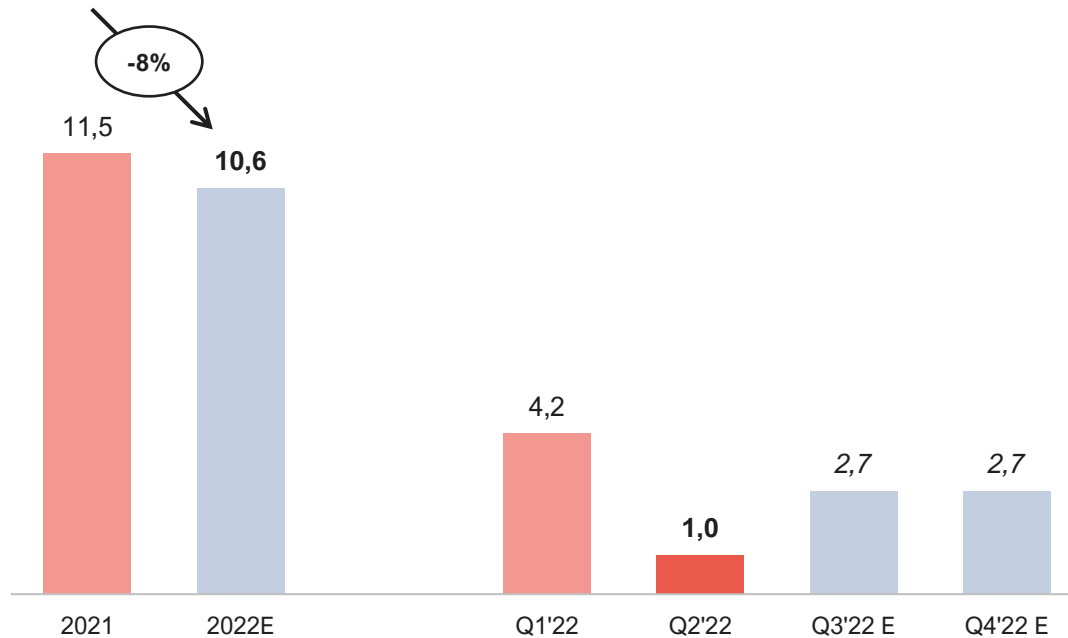
5

Outlook and summary

Harvesting estimates

Harvesting volumes and forecast

In thousand tonnes, HOG



- Arctic Fish continues developing according to its growth plan but harvesting quantities in 2022 take a substantial hit due to the mortality incident which occurred in Q1'2022. Harvesting volumes in 2022 are expected to be 8% lower than in 2021 overall.
- In Q2'2022, the Company harvested 1.0 thousand tonnes (HOG) compared to 1.8 thousand tonnes for the same period the year before (2021) which is a 44% decrease.

Appendix: Group financials



Group income statement

CONSOLIDATED INCOME STATEMENT

(NOK '000)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Operating revenues	87.001	99.798	369.526	268.641	595.895
Cost of goods sold	-15.794	35.429	158.897	139.941	299.189
Salaries	16.432	13.352	33.595	25.371	54.151
Depreciation	13.355	11.211	25.849	21.601	46.501
Other operating costs	37.177	25.095	160.340	49.219	109.110
Operational EBIT	35.832	14.710	-9.155	32.510	86.944
Fair value adjustments	36.913	42.748	61.163	83.021	44.897
Production tax	-897	-602	-4.432	-2.236	-3.843
EBIT	71.849	56.856	47.576	113.295	127.998
Other net financial items	-24.951	-9.855	-16.033	7.427	2.580
Earnings before tax (EBT)	46.898	47.001	31.543	120.722	130.578
Taxes	-9.380	0	-6.309	0	21.985
Profit after tax from continuing operations	37.518	47.001	25.234	120.722	152.563
Profit after tax on discontinued operations incl. profit from sale					
Net profit/loss	37.518	47.001	25.234	120.722	152.563
Profit attributable to:					
Parent company shareholders	37.518	47.001	25.234	120.722	152.563
Minority interests	0	0	0	0	0
Earnings per share (NOK)	1,18	1,47	0,79	3,79	4,79
Earnings per share - diluted	1,18	1,47	0,79	3,79	4,79

Statement of the financial position

STATEMENT OF FINANCIAL POSITION

(NOK '000)	30.6.2022	31.3.2022	30.6.2021	31.12.2021
Deferred tax assets	13.170	22.550	0	19.479
Intangible assets	54.257	53.136	48.243	52.119
Property, plant and equipment	823.518	741.014	605.706	657.161
Right of use assets	4.098	4.234	0	4.435
Non-current financial assets	650	629	629	629
Non-current assets	895.693	821.563	654.579	733.823
Biological assets	439.584	335.904	469.846	512.010
Other inventory	23.881	28.725	30.900	33.785
Receivables	117.191	129.175	73.331	115.951
Bank deposits	63.369	133.926	82.701	38.126
Current assets	644.026	627.730	656.777	699.871
TOTAL ASSETS	1.539.719	1.449.293	1.311.356	1.433.695
Share capital	31.877	31.877	31.877	31.877
Other equity	968.865	931.347	911.791	943.631
Equity	1.000.742	963.223	943.668	975.508
Deferred tax	0	0	2.506	0
Provisions	0	0	2.506	0
Long-term interest-bearing debt	359.477	308.021	221.242	318.152
Long term leasing liabilities	3.420	3.254	0	3.424
Total non-current liabilities	362.897	311.275	221.242	321.576
Short-term interest-bearing debt	40.406	37.914	40.125	36.063
Short term leasing liabilities	1.252	1.165	0	1.138
Trade payables	119.224	123.479	93.003	91.052
Other current liabilities	15.198	12.237	10.812	8.357
Current liabilities	176.080	174.795	143.941	136.609
TOTAL EQUITY AND LIABILITIES	1.539.719	1.449.293	1.311.356	1.433.695

Statement of equity

STATEMENT OF EQUITY

30.6.2022	Equity allocated to parent company shareholders			Total equity	
	(NOK '000)	Share capital	Share premium		Accumulated earnings
Equity at 01.01.2022		31.877	1.001.740	-58.109	975.508
Total comprehensive income		0	0	25.234	25.234
Transactions with shareholders					
Dividend		0	0	0	0
Total transactions with shareholders		0	0	0	0
Equity at 30.06.2022		31.877	1.001.740	-32.876	1.000.741

30.6.2021	Equity allocated to parent company shareholders			Total equity	
	(NOK '000)	Share capital	Share premium		Accumulated earnings
Equity at 01.01.2021		689.476	0	-210.672	478.805
Total comprehensive income		0	0	120.722	120.722
Transactions with shareholders					
Reclassification due to new parent		-689.476	12.888	0	-676.588
Proceeds from issue of new share capital		26.158	650.431	0	676.588
Proceeds from issue of new share capital		5.719	344.281	0	350.000
Transaction costs		0	-5.859	0	-5.859
Total transactions with shareholders		-657.600	1.001.740	0	344.141
Equity at 30.06.2021		31.877	1.001.740	-89.950	943.667

Group cash flow statement

STATEMENT OF CASH FLOW

(NOK '000)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Operational EBIT	35.833	14.710	-9.155	32.510	86.944
Adjusted for:					
Depreciation	13.355	11.211	25.849	21.601	46.501
Production tax	-897	-602	-4.432	-2.236	-3.843
Change in inventories/biological assets	-61.924	-36.769	143.492	11.512	-71.661
Change in account receivables and accounts payables	7.728	-4.876	26.931	-46.503	-91.074
Change in other current assets and liabilities	2.961	2.869	6.841	1.317	-1.138
Net cash flow from operating activities	-2.943	-13.457	189.526	18.201	-34.271
Cash flow from investing activities					
Payments for purchase of fixed assets and licenses (MAB)	-96.865	-43.738	-194.028	-81.269	-160.846
Net cash flow from investing activities	-96.865	-43.738	-194.028	-81.269	-160.846
Cash flow from financing activities					
Proceeds from borrowings	31.591	0	54.559	0	119.797
Repayment of borrowings	-15	-19.579	-18.958	-49.916	-39.425
Installments on right to use liabilities	-360	0	-503	0	-528
Interest payments for right to use liabilities	-50	0	-100	0	-153
Current debt change	2.715	-182.546	4.566	-216.624	-247.450
Issued new share capital	0	0	0	344.141	344.140
Net interest payments	-4.630	-5.670	-9.819	-11.003	-22.311
Net cash flow from financing activities	29.251	-207.795	29.745	66.598	154.070
Net increase in bank deposits	-70.557	-264.990	25.243	3.530	-41.046
Bank deposits as of start of period	133.926	347.691	38.126	79.171	79.171
Bank deposits at the end of the period	63.369	82.701	63.369	82.700	38.126

Appendix:
Ownership structure - Shareholders



Shareholders

Ownership structure: The largest 20 shareholders as of 30.6.2022*

Rank	Name	# of shares	% ownership
1	NORWAY ROYAL SALMON ASA	16.346.824	51,28%
2	Sildarvinnslan hf **	10.899.684	34,19%
2	J.P. Morgan Bank Luxembourg S.A. **	1.301.149	4,08%
3	Landsbankinn hf.	479.651	1,50%
4	KVERVA FINANS AS	258.000	0,81%
5	VERDIPAPIRFONDET NORDEA AVKASTNING	237.107	0,74%
6	CLEARSTREAM BANKING S.A.	203.751	0,64%
7	VERDIPAPIRFONDET PARETO INVESTMENT	190.000	0,60%
8	VERDIPAPIRFONDET EIKA SPAR	172.312	0,54%
9	GÅSØ NÆRINGSUTVIKLING AS	166.700	0,52%
10	MP PENSJON PK	165.000	0,52%
11	PACTUM AS	152.751	0,48%
12	VERDIPAPIRFONDET EIKA NORGE	125.225	0,39%
13	VERDIPAPIRFONDET NORDEA KAPITAL	113.504	0,36%
14	Íslandsbanki hf.	111.513	0,35%
15	State Street Bank and Trust Comp	98.616	0,31%
16	J.P. Morgan Bank Luxembourg S.A.	83.849	0,26%
17	VERDIPAPIRFONDET NORDEA NORGE PLUS	82.702	0,26%
18	ROTH	80.000	0,25%
19	Euroclear Bank S.A./N.V.	46.989	0,15%
20	SKEIE ALPHA INVEST AS	46.000	0,14%
Ownership of 20 largest shareholders		31.361.327	98,38%
Total number of shares		31.876.653	100,00%

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

*20 largest shareholders list includes nominee accounts that are composed of multiple individual shareholders.

**Sildarvinnslan hf is a part of the nominee account "J.P. Morgan Bank Luxembourg S.A." but is shown separately



ArcticFish

ISFELL