

Quarterly Report

Q2 2022

31st of August 2022

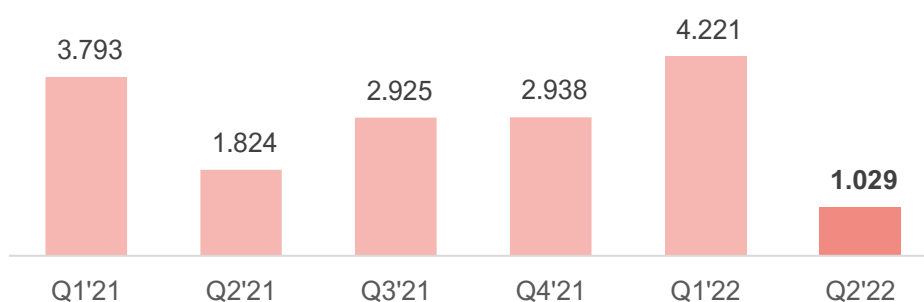


Quarterly report

Financial statements and notes

Key information

Harvesting volume (HOG tonnes)



Farming Operational EBIT pr. kg (NOK)

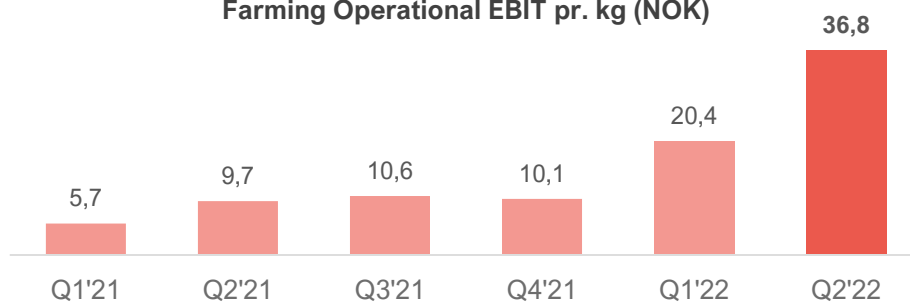


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Cautionary note regarding forward-looking statements

This quarterly 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. So far, for the first half of 2022 the Group has harvested 5,250 tonnes which amounts to 46% of the volumes compared to 2021.

The Group has farming licences for a total of 27.1 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 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 Norðurland, 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.

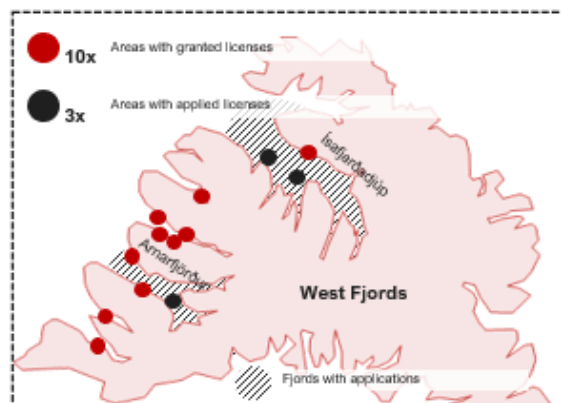
Freshwater smolt

The Group has a modern freshwater hatchery in Norðurbotn (Táknafjörður), 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 ten sites with granted licenses, and another three 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 27,100 tonnes MAB with additional applications for 4,800 tonnes MAB that the Group expects to receive in 2022. Existing licenses are divided into 21,800 tonnes MAB of salmon and 5,300 tonnes MAB of trout that is in process of being converted to salmon licenses in 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.

Q2 2022 Performance

The second quarter's performance will be broken down into the main operating categories, investments, and financing. In brackets some historical performance for the year 2021 is provided.

Key financial Performance

(Figures in brackets = 2021, unless otherwise specified).

Revenues and results

Arctic Fish posted operating revenues of NOK 87.0 million (Q2 2021: NOK 99.8 million) in the second quarter of 2022, a decrease of 12.8% from the corresponding prior-year period. The Group achieved a positive operational EBIT of NOK 35.8 million (Q2 2021: NOK 14.7 million), an increase of NOK 21.1 million year over year.

The Group recognised a positive fair value adjustment of NOK 36.9 million (Q2 2021: NOK 42.7 million) on the biomass in sea, a decrease of NOK 5.8 million compared to the corresponding quarter in 2021. The positive fair value adjustment in the quarter can be attributed to higher forward price indications.

From farming operations, the company harvested 1,029 tonnes (Q2 2021: 1,824 tonnes) gutted weight in the quarter, a decrease of 44% from the corresponding quarter last year. The operations achieved a farming operational EBIT pr. kg of NOK 36.8 (Q2 2021: NOK 9.7 pr. kg). The increase in operational EBIT pr. kg is due to significantly higher market prices in the quarter, with production costs increasing year over year.

Financial items

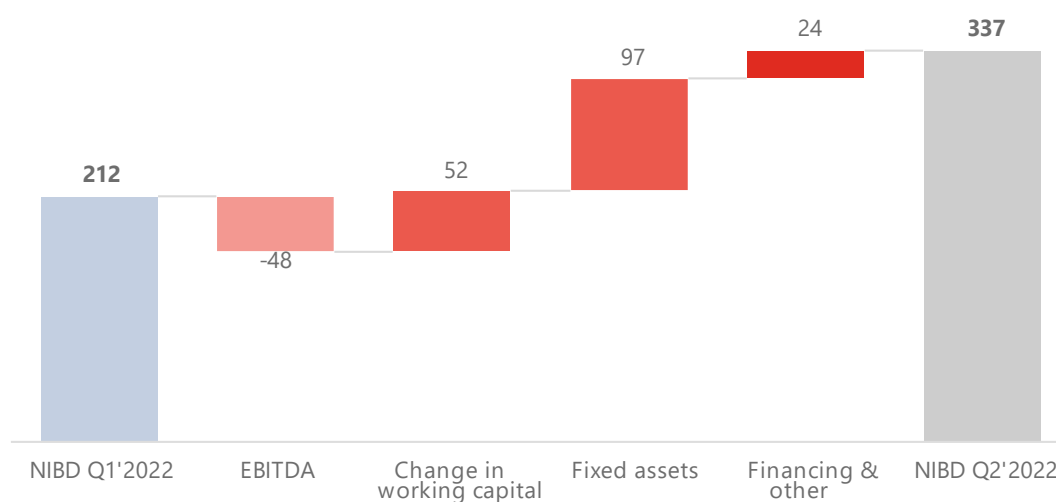
Net financial losses were NOK -24.9 million in the quarter (Q2 2021: NOK -9.9 million). The losses in the quarter mostly relate to unfavourable currency development.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 1,540 million, an increase of NOK 90.5 million from the prior period (Q1 2022). The change in

total assets is attributable to several factors. Property, plant, and equipment increased by NOK 82.5 million. Receivables decreased by NOK -12.0 million, and bank deposits decreased by NOK -70.6 million. Biological assets and other inventories increased by 98.8 million NOK.

The Group's net interest-bearing debt (NIBD) increased by NOK 125 million, from NOK 212 million at the end of the first quarter of 2022 to NOK 337 million at the end of the second quarter 2022. The increase is for the most part attributable to investments in fixed assets and working capital changes as well as finance related items.



At the end of the quarter, the Group's equity totalled NOK 1,001 million, an increase of NOK 37.5 million from the end of the previous quarter. The equity ratio at the end of the quarter amounted to 65.0%.

Q2 YTD financial highlights

(Comparison figures given for 2021).

Operating revenues for the first six months of 2022 amounted to 369.5 MNOK, compared to 268.6 MNOK for the same period in 2021, this is due to a significant increase in overall market prices as harvested volumes were 7% less than in 2021 (5.250 tonnes 2022 and 5.617 tonnes 2021). Average price achievement in 2022 so far has been 70.4 NOK pr. kg, which is a 47% increase when compared to the same period last year, where price achievement was 47.8 NOK pr. kg.

Operational EBIT pr. kg increased by 240% year over year, with 2022 reaching 23.6 pr. kg harvested compared to 6.97 NOK pr. kg last year. The increase is due to the aforementioned increase in market prices, as production costs of sold fish increased by 14% year over year for the first six months, from 40.9 NOK pr. kg in 2021 to 46.7 NOK pr. kg in 2022. The production costs increased due to unfavourable development of growth and mortality event in Q1 2022.

Other items on the income statement changed in the following way, with fair value adjustments decreasing by 26% year over year due to an increase in the discount factor, from 4% to 6%, used for risk assumptions in the discounting methodology. Financial items generated currency losses of 16.0 MNOK in the first six months of 2022 compared to currency gains of 7.4 MNOK in the first six months of 2021.

Total assets on the balance sheet increased by 17% year over year to 1,540 MNOK at the end of Q2 2022 due to heavy investments in property, plant, equipment and biomass growth. This subsequently affected the interest bearing debt, which increased by 88% year over year and stands at 336.5 MNOK at the end of Q2 2022. In similar fashion, the cash amounts to 63.4 MNOK at the end of Q2 2022, which is a decrease of 23% compared to Q2 2021. Liquidity is still good, with unused facilities that can be utilized for future growth.

Financial performance summary

Financial performance summary Q2 YTD	Unit	2022 YTD	2021 YTD	% YoY	Commentary on changes between years:
Operating revenue	NOK '000	369.526	268.641	37,6%	Higher market prices result in increased revenue
Harvested volume	Tonnes	5.250	5.617	-6,5%	Lesser harvesting volumes due to unfavourable development in the sea farming operations
Average price	NOK pr. kg	70,39	47,83	47,2%	Substantial increase in market prices
Production cost of sold fish	NOK pr. kg	46,74	40,86	-14,4%	Production costs increased due to unfavourable development of growth and mortality event in Q1 2022
Operational EBIT	NOK '000	-9.155	32.510	-128,2%	Mostly due to the mortality incident suffered in Q1 2022
Operational EBIT/KG	NOK pr. kg	23,64	6,97	239,3%	High market prices impact the operational EBIT pr. kg positively
Fair value adjustment	NOK '000	61.163	83.021	-26,3%	Lesser Fair Value Adjustments due to increased risk factor in discounting methodology
Financial items	NOK '000	-16.033	7.427	-315,9%	Currency development has been fluctuating substantially creating currency losses YTD
Assets	NOK '000	1.539.719	1.311.356	17,4%	Increased due to investment in property, plant, equipment, and biomass growth
NIBD	NOK '000	336.514	178.666	88,3%	Increased interest bearing debt and less cash due to heavy capital expenditures cause an increase in NIBD
Cash	NOK '000	63.369	82.701	-23,4%	Liquidity is good with unused facilities that can be utilized in future growth

Sales

The Group sells all harvested salmon FCA Bildudalur. The sold volume HOG was 1,029 tonnes in the quarter (in Q2 2021 1,824 tonnes. The average price in the quarter was 84.6 NOK pr.kg (in Q2 2021 the average price was 54.7 NOK pr. kg). The salmon prices developed positively due to strong market conditions and a demand shift following Covid-19 related issues in 2021.

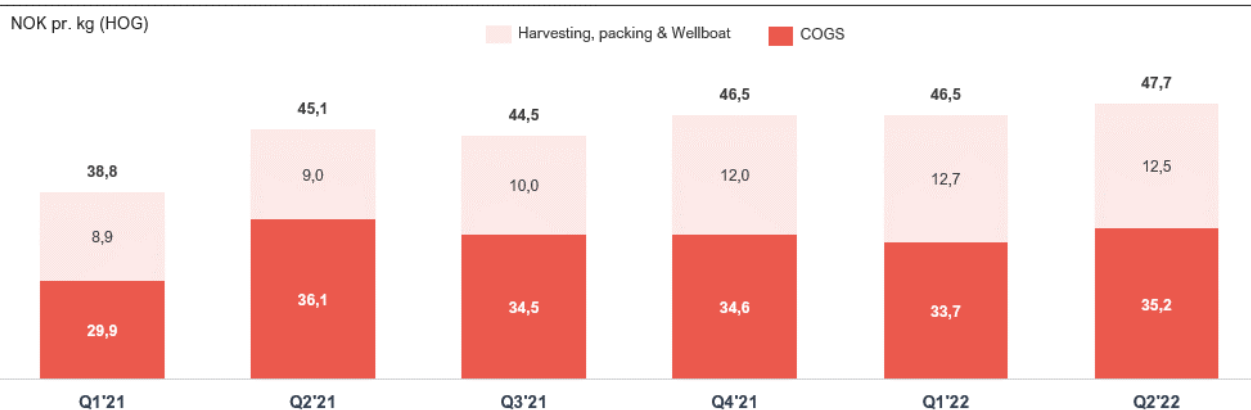
The achieved salmon price therefore improved by 29.9 NOK pr. kg. compared to Q2 2021, or an increase of close to 55% year over year. The price achievement increased by 17.7 NOK pr. kg from Q1 2022. The price achievement in the quarter was indirectly impacted by the incident in Dyrafjordur suffered in Q1 2022, with smaller average weight being harvested and despite the good market conditions the price achievement was not optimal as consequent price parameters based on size category distribution impacted sales efforts.

Seawater

The biomass at the end of the quarter was 5,851 tonnes in the sea and the closing average weight was close to 1.7 kgs, resulting in more fish and more biomass in the sea compared to Q1 2022, at a less average weight (at the end of Q1 2022 the biomass was 5,315 tonnes in the sea and the closing average weight was close to 1.8 kgs).

The production cost was 47.7 NOK pr kg in the quarter, which is an increase of 1.2 NOK pr. kg from the previous two quarters.

Production cost development from 2021 and onwards



Smolt production

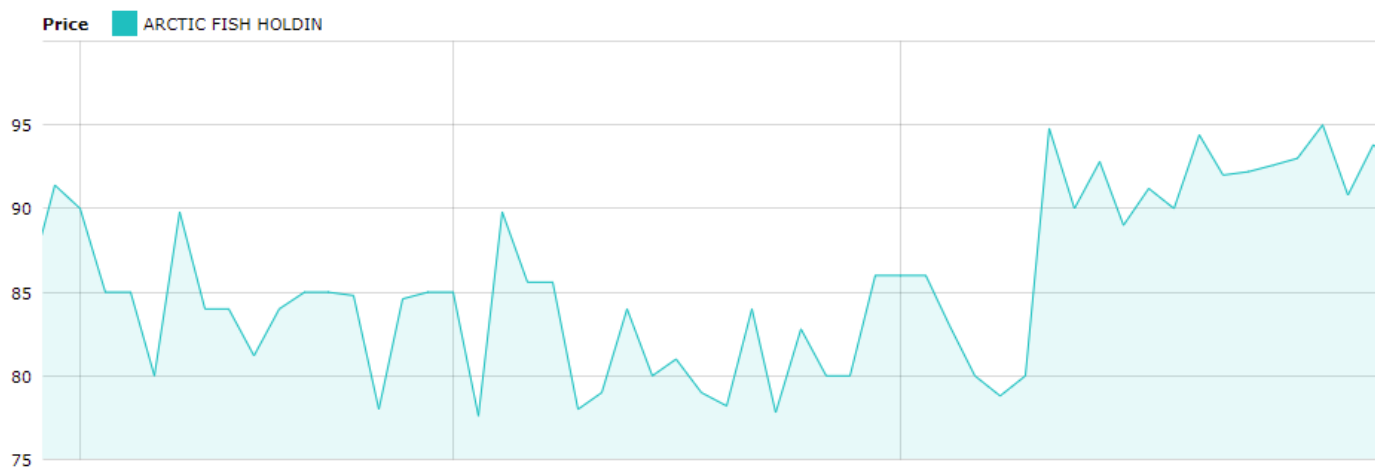
In the smolt facility at the end of the period there are 6.0 million fry and smolt at an average weight of 28.8 grams, compared to 4.2 million fry and smolt at an average weight of 41.6 grams last year.

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.

As of 30th of June 2022 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 90.00 NOK pr. share. Closing price at the end of Q2 2022 was 93.80 NOK pr. share, or an increase of 3.80 NOK pr. share from last quarter. The stock traded at a high of 95.00 and a low of 77.60 within the quarter. 423 trades were executed, with the number of shares traded amounting to 392,777 shares and a turnover of 33.5 MNOK.

Closing price development within the quarter:



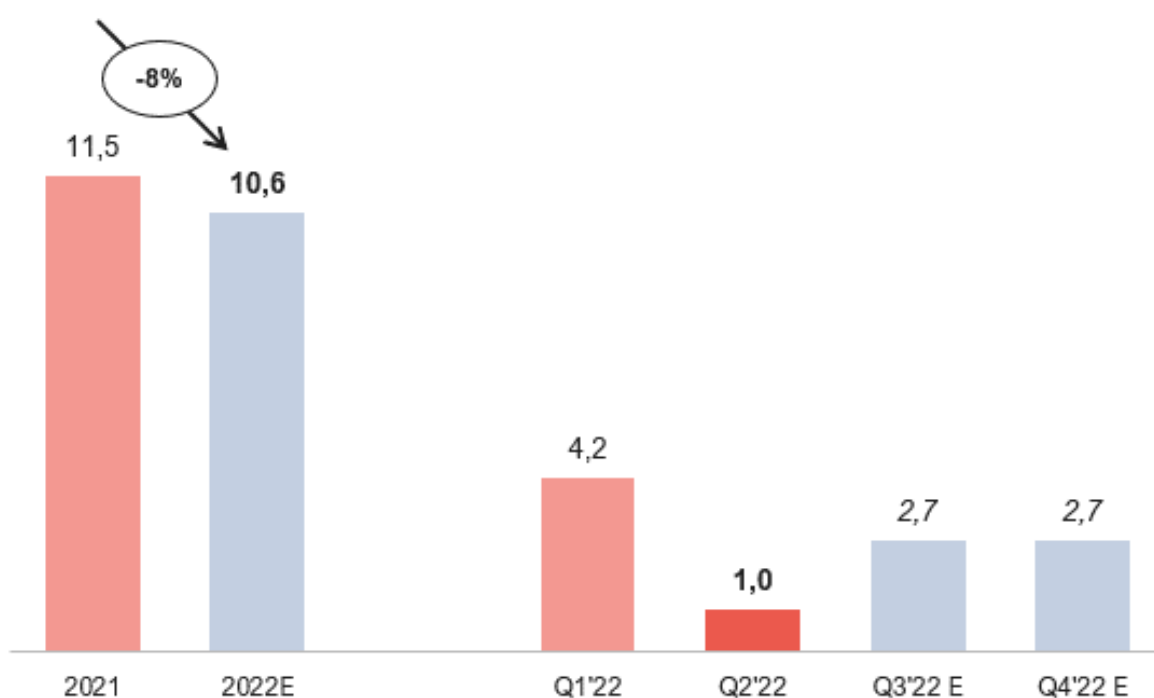
Outlook

Markets and sales

The groups future outlook for 2022 harvesting predictions is still lower than for 2021 actual harvesting quantities by 8%, impacted by the mortality event in Q1 2022. The group is yet very optimistic on continuing strong market performance moving forward and believes that it can generate a healthy margin on sold quantities throughout the year.

Harvesting volumes and forecast

In thousand tonnes, HOG



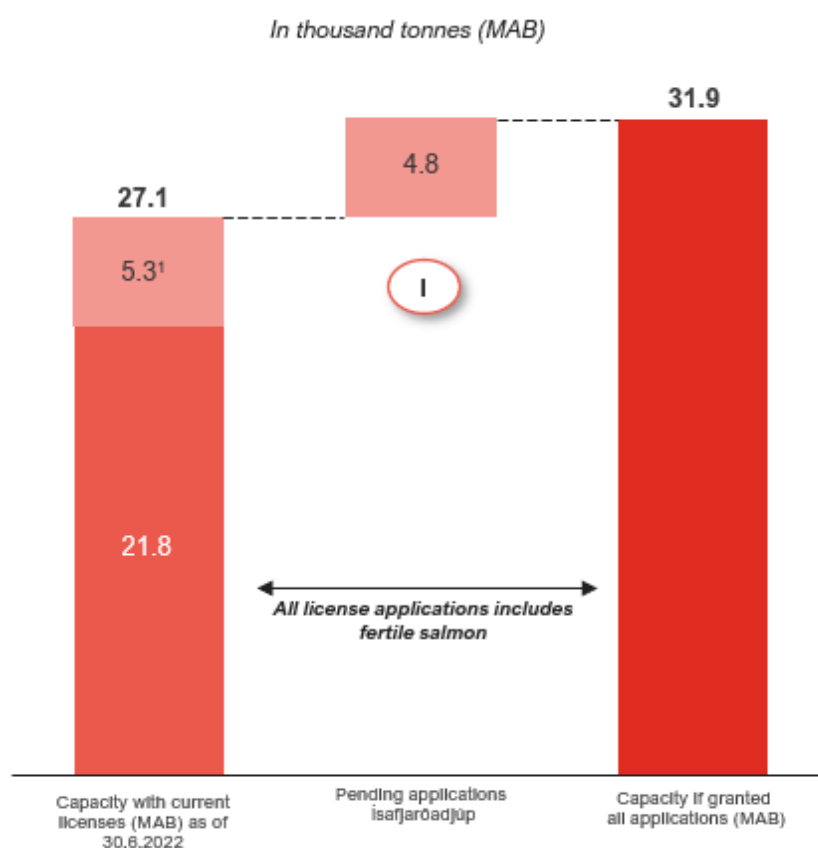
Investments

Construction project expenditure related to the smolt expansion in Tálknafjörður and the harvesting facility in Bolungarvík were the key investments in the quarter. Minor investments were made in farming and other smaller smolt production investments.

Licenses

Within the course of 2022 the Group expects to receive the following salmon sea farming license:

- Conversion of 5,300 tonnes of trout licenses to salmon licenses and further expansion up to 10,100 tonnes in Ísafjarðardjúp.



Board declaration

RESPONSIBILITY STATEMENT FROM THE BOARD OF DIRECTORS AND CEO

We confirm, to the best of our knowledge, that the financial report for the first half of 2022 has been prepared in accordance with IAS 34 – Interim Financial Reporting, as adopted by EU, and gives a true and fair view of the Group's assets, liabilities, financial position and profits and loss for the period.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

31.08.2022

The Board of Directors of Arctic Fish Holding AS

Svein Sivertsen

Chairman



Charles Hoestlund

Board member



Bjørn Kleven

Board member



Gunnthor Ingvason

Board member



Hildur Árnadóttir

Board member



The Management of Arctic Fish Holding AS

Stein Ove Tveiten
CEO

Neil Shiran Thorisson
CFO

Consolidated 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				0	0
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

COMPREHENSIVE INCOME STATEMENT

(NOK '000)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Net profit/loss	37.518	47.001	25.234	120.722	152.563
Total comprehensive income	37.518	47.001	25.234	120.722	152.563
Total comprehensive income attributable to:					
Parent company shareholders	37.518	47.001	25.234	120.722	152.563

Statement of 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			
(NOK '000)	Share capital	Share premium	Accumulated earnings	Total equity
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

31.12.2021	Equity allocated to parent company shareholders			
(NOK '000)	Share capital	Share premium	Accumulated earnings	Total equity
Equity at 01.01.2021	689.476	0	-210.672	478.804
Total comprehensive income	0	0	152.563	152.563
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 31.12.2021	31.877	1.001.740	-58.109	975.508

Statement of Cash Flow

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

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 26th of August 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.

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.

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 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).

	Farming		Eliminations / other		TOTAL	
(NOK '000)	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021
Total sales revenues	87.001	99.798			87.001	99.798
Operating costs	49.112	82.178	2.058	2.910	51.170	85.088
Operational EBIT	37.890	17.620	-2.058	-2.910	35.832	14.710
Fair value adjustments	36.913	42.748			36.913	42.748
Production tax	-897	-602			-897	-602
EBIT	73.906	59.766	-2.058	-2.910	71.848	56.856
Volume harvested (HOG)	1.029	1.824			1.029	1.824
Operational EBIT per kg Farming	36,84	9,66			36,84	9,66

	Farming		Eliminations / other		TOTAL	
(NOK '000)	YTD 2022	YTD 2021	YTD 2022	YTD 2021	YTD 2022	YTD 2021
Total sales revenues	369.526	268.641			369.526	268.641
Operating costs	245.393	229.500	133.289	6.632	378.681	236.132
Operational EBIT	124.133	39.142	-133.289	-6.632	-9.155	32.510
Fair value adjustments	61.163	83.021			61.163	83.021
Production tax	-4.432	-2.236			-4.432	-2.236
EBIT	180.864	119.927	-133.289	-6.632	47.576	113.295
Volume harvested (HOG)	5.250	5.617			5.250	5.617
Operational EBIT per kg Farming	23,64	6,97			23,64	6,97

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 6%. 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)	30.6.2022	31.3.2022	30.6.2021	31.12.2021
Raw materials	23.881	28.725	30.900	33.785
Biological assets - freshwater	48.088	47.496	27.349	29.575
Biological assets - seawater	391.496	288.408	442.497	482.435
Total inventory	463.465	364.629	500.746	545.795

Specification of the biological assets:

(NOK '000)	30.6.2022	31.3.2022	30.6.2021	31.12.2021
Biological assets at cost	318.408	255.717	379.490	459.778
Fair value adjustments of the biomass	121.176	80.187	90.356	52.232
Book value biological assets	439.584	335.904	469.846	512.010

Specification of biological assets - tonnes

(NOK '000)	Q2 2022	Q1 2022	Q2 2021	FY 2021
Opening balance biological assets	5.315	11.477	8.585	10.513
Increase due to fish put in the sea	103	0	240	436
Increase due to production in the period	1.696	1.324	2.686	14.541
Reduction due to mortality in the period	-64	-54	-182	-631
Reduction due to harvesting in the period	-1.199	-4.920	-2.125	-13.382
Non-recurring events and other	0	-2.512	0	0
Closing balance biological assets	5.851	5.315	9.203	11.477

Specification of changes in book value of biological assets:

(NOK '000)	Q2 2022	Q1 2022	Q2 2021	FY 2021
Opening balance biological assets	335.904	512.010	401.730	402.191
Increase due to production in the period	98.869	85.246	91.441	447.558
Non-recurring events and other at cost	0	-120.801	0	0
Reduction due to harvesting in the period	-36.177	-168.507	-66.072	-382.636
Fair value adjustments of the biological assets	40.988	27.955	42.748	44.897
Closing balance biological assets	439.584	335.904	469.847	512.010

NOTE 3: Biomass cont.

Groups of biological assets in sea, status as of 30.6.2022	Number of fish (1000)	Biomass (tonnes)	Costs	Fair value adjustments	Book value
Smaller than 1 kg	1.807	902	41.673	18.681	60.354
1-4 kg	1.464	4.140	191.256	85.733	276.989
Larger than 4 kg	186	809	37.392	16.762	54.153
Biological assets	3.457	5.851	270.320	121.176	391.496

Groups of biological assets in sea, status as of 31.3.2022	Number of fish (1000)	Biomass (tonnes)	Costs	Fair value adjustments	Book value
Smaller than 1 kg	1.076	494	19.337	7.447	26.784
1-4 kg	1.944	4.392	172.043	66.255	238.298
Larger than 4 kg	73	430	16.840	6.485	23.326
Biological assets	3.093	5.315	208.220	80.187	288.408

Groups of biological assets in sea, status as of 30.6.2021	Number of fish (1000)	Biomass (tonnes)	Costs	Fair value adjustments	Book value
Smaller than 1 kg	1.233	368	14.071	3.611	7.682
1-4 kg	2.417	4.636	177.377	45.513	222.890
Larger than 4 kg	792	4.200	160.693	41.232	201.925
Biological assets	4.442	9.204	352.141	90.356	432.497

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	7.213	269.912	32.771	302.682
Larger than 4 kg	690	3.820	143.589	17.433	161.022
Biological assets	4.609	11.477	430.203	52.232	482.434

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

30.6.2022	NOK/kg	31.3.2022	NOK/kg	30.6.2021	NOK/kg	31.12.2021	NOK/kg
Q3 22	81,83	Q2 22	78,95	Q2 21	55,77	Q1 22	68,67
Q4 22	78,58	Q3 22	61,97	Q3 21	60,97	Q2 22	68,23
Q1 23	85,70	Q4 22	66,23	Q4 21	64,40	Q3 22	56,43
Q2 23	86,10	Q1 + Q2 23	68,50	Q1 + Q2 21	56,60	Q4 22	62,27
Q3 + Q4 23	80,21	Q3 + Q4 23	59,50	Q3 + Q4 21	56,60	Q1 + Q2 23	65,25

Note 4 – Non-recurring events

Non-recurring event 1)	Q2 2022			Q1 2021		
	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
	0	0	0	0	0	0
Biological assets	0	0	0	0	0	0

1) Non-recurring events are not allocated to the segments.

Non-recurring event 1)	YTD 2022			YTD 2021		
	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
Fish mortality in Dyråfjordur	129.072	0	129.072	0	0	0
Biological assets	129.072	0	129.072	0	0	0

1) Non-recurring events are not allocated to the segments.

Note 5 – 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)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Change in fair value adjustments of the biomass	40.988	42.748	68.405	83.021	45.435
Change in provision for onerous sales contracts	-4.075	0	-7.242	0	-538
Total fair value adjustments	36.913	42.748	61.163	83.021	44.897

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

(NOK '000)	30.6.2022	31.3.2022	30.6.2021	31.12.2021
Fair value adjustments biomass (biological assets)	121.176	80.187	90.356	52.770
Provision for onerous sales contracts (other current liabilities)	-7.781	-3.705	0	-538
Net fair value adjustments in the balance sheet	113.395	76.482	90.356	52.232

Note 6 – 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 Q2'2022 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)

	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Companies controlled by large shareholder - products purchased	-	12.761	2.115	14.166	14.301
Companies controlled by large shareholder - services purchased	1.458	921	2.187	1.672	4.121
Total goods and services purchased from related parties	1.458	13.682	4.302	15.838	18.422

Note 7 – 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. NIBD/EBITDA ratio cannot be higher 4.5, this covenant has been waived in the quarter. The Q1 results will not be used in further NIBD/EBITDA calculations in 2022.

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

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)	30.06.2022	31.3.2022	30.6.2021	31.12.2021
Reported long-term interest-bearing debt	359.477	308.021	221.242	318.152
Reported short-term interest-bearing debt	40.406	37.914	40.125	36.063
Reported bank deposits	-63.369	-133.926	-82.701	-38.126
Total net interest bearing debt	336.514	212.008	178.666	316.090

Equity ratio

(NOK '000)	30.06.2022	31.03.2022	30.06.2021	31.12.2021
Reported equity	1.000.742	963.223	943.668	975.508
Reported total assets	1.539.719	1.449.293	1.311.356	1.433.695
Equity ratio	65,0 %	66,5 %	72,0 %	68,0 %

Compliance

At the end of the second quarter of 2022, the Group is in compliance with the amended terms and covenants of the loan agreement.

Note 8 – Shareholder List

The largest shareholders as of 30.6.2022:

Rank	Name	# of shares	% ownership
1	NORWAY ROYAL SALMON ASA	16.346.824	51,28%
2	J.P. Morgan Bank Luxembourg S.A.	12.200.833	38,28%
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 AS does not own any of its own shares.

Note 9 – Alternative Performance Measures

Operational EBIT pr. kg

(NOK '000)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Operational EBIT continuing operations	35.832	14.710	-9.155	32.510	86.944
Non-recurring events (note 4)					
Operational EBIT	35.832	14.710	-9.155	32.510	86.944
Harvested volume (tonnes)	1.029	1.824	5.250	5.617	11.479
Operation EBIT pr. kg	34,84	8,07	(1,74)	5,79	7,57

Farming Operational EBIT pr. kg

Operational EBIT per kg FARMING

(NOK '000)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Operational EBIT (segment, note 2)	37.890	17.620	124.133	39.142	99.527
Operational EBIT	37.890	17.620	124.133	39.142	99.527
Harvested volume (tonnes)	1.029	1.824	5.250	5.617	11.479
Operational EBIT per kg	36,84	9,66	23,64	6,97	8,67

Production cost pr. kg Farming

Production cost per kg FARMING

(NOK '000)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Production cost (segment, note 2)	49.112	82.178	245.393	229.500	496.368
Harvested volume (tonnes)	1.029	1.824	5.250	5.617	11.479
Production cost pr. kg	47,75	45,06	46,74	40,86	43,24

Fair Value-adjusted earnings per share

(NOK '000)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Majority share of net result for the period	37.518	47.001	25.234	120.722	152.563
Majority share of fair value adjustments of biomass	-40.988	-42.748	-68.405	-83.021	-45.435
Fair value of sales contracts and Fish Pool contracts	4.075	0	7.242	0	538
Majority share of fair value-adjusted result for the period	605	4.253	-35.929	37.701	107.666
Weighted average number of ordinary shares outstanding	31.876.653	31.876.653	31.876.653	31.876.653	31.876.653
Fair value-adjusted earnings per share	0,02	0,13	(1,13)	1,18	3,38

