



# Arctic Fish

Q2 2023

Management Report

23 August 2023

# Disclaimer

## Cautionary note regarding forward-looking statements

This presentation is the managements summary of the 2<sup>nd</sup> 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.

# Q2 2023 Presentation

## Highlights for the period



# Highlights

- Harvested quantities were in line with the company's short term and long-term plans, resulting in low volumes while moving all harvesting operations to the company's own new state of the art harvesting facility
- The new harvesting facility in Bolungarvík was tested at the end of the quarter with full operations commencing in July. Testing and operations has gone according to plans.
- Due to small volume previously mentioned it was a low-income quarter.
- Biological production in line with expectations for the quarter.
- CAPEX investments amounted to 104.4 MNOK in the quarter, mainly related to the harvesting facility.
- Refinancing term sheet was finalized that will enable the company to realize its long-term growth plans.
- In the quarter expansion of the licenses reached a major milestone with the potential to increase the production with a MAB license of 8,000 tonnes, there of 5,200 tonnes of salmon and the rest for trout.

# Key Financials

Arctic Fish - main figures	Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2 2022	2022
(NOK '000)					
Operational revenue and other income	22.836	87.001	440.433	369.526	583.446
Operational EBITDA	19.734	49.187	148.402	16.694	90.288
Operational EBIT	-2.311	35.832	110.909	-9.155	35.853
Net interest-bearing debt (NIBD)	1.056.060	336.514	1.056.060	336.514	729.366
Underlying EPS (NOK)	0,06	0,80	3,94	-0,49	0,75
Net cash flow per share (NOK)	-4,30	-3,77	-8,86	-0,34	-12,01
ROCE	-0,1%	2,9%	5,6%	-1,0%	2,1%
Equity ratio	42,6%	64,9%	42,6%	64,9%	50,0%
Harvest volume (GWT)	100	1.029	4.966	5.250	8.561
Operational EBIT - NOK per kg	-23,11	34,82	22,33	-1,74	4,19

From July 1, 2023, the operational currency of Arctic Fish has been converted to Euros (EUR) and all reporting will be in EUR from that point onwards.

# Q2 2023 Presentation

## Financials



# Profit and Loss

Arctic Fish	Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2 2022	2022
(NOK '000)					
<b>Operational revenue and other income</b>	<b>22.836</b>	<b>87.001</b>	<b>440.433</b>	<b>369.526</b>	<b>583.446</b>
<b>Operational EBIT</b>	<b>-2.311</b>	<b>35.832</b>	<b>110.909</b>	<b>-9.155</b>	<b>35.853</b>
Net fair value adjustment of biomass,	49.045	36.913	4.530	61.163	107.960
Production/license/sales taxes	-143	-897	-6.560	-4.432	-7.225
Impairment losses	-5.939		-5.939		
<b>EBIT</b>	<b>40.652</b>	<b>71.849</b>	<b>102.941</b>	<b>47.576</b>	<b>136.588</b>
Net financial items	-62.696	-24.951	-158.781	-16.033	-62.153
<b>Earnings before tax</b>	<b>-22.044</b>	<b>46.898</b>	<b>-55.841</b>	<b>31.543</b>	<b>74.435</b>
<b>Profit or loss for the period</b>	<b>-17.636</b>	<b>37.518</b>	<b>-44.673</b>	<b>25.234</b>	<b>61.283</b>
Basic EPS (NOK)	-0,55	1,18	-1,40	0,79	1,92
Underlying EPS (NOK)	0,06	0,80	3,94	-0,49	0,75
Net cash flow per share (NOK)	-4,30	-3,77	-8,86	-0,34	-12,01
Operational EBIT margin	-10,1%	41,2%	25,2%	-2,5%	6,1%
Harvested tonnes GW	100	1.029	4.966	5.250	8.561
Operational EBIT per kg	-23,11	34,82	22,33	-1,74	4,19
ROCE	-0,1%	2,9%	5,6%	-1,0%	2,1%

Revenues amounted to 22.8 MNOK in the second quarter of 2023, a decrease of 74% from the corresponding prior-year period which can be traced to substantially lower volumes.

The positive fair value adjustment in the quarter can largely be attributed to higher forward price indications and more fish in the sea.

# Financial Position

Arctic Fish	30.6.2023	31.3.2023	30.6.2022	31.12.2022
(NOK '000)				
Non-current assets	1.350.756	1.263.955	895.693	1.113.157
Current assets	979.255	983.680	646.334	959.941
<b>Total assets</b>	<b>2.330.011</b>	<b>2.247.635</b>	<b>1.542.027</b>	<b>2.073.097</b>
Equity	992.119	1.009.755	1.000.742	1.036.791
Non-current liabilities	767.704	744.105	362.167	736.970
Current liabilities	570.189	493.775	179.118	299.336
<b>Total equity and liabilities</b>	<b>2.330.011</b>	<b>2.247.635</b>	<b>1.542.027</b>	<b>2.073.097</b>
Net interest-bearing debt	1.056.060	892.615	336.514	729.366
Equity ratio	42,6%	44,9%	64,9%	50,0%

At the end of the reporting period, total assets amounted to NOK 2,330 million, an increase of NOK 82.4 million from the prior period.

The Group's net interest-bearing debt (NIBD) increased by NOK 163 million from NOK 893 million at the end of the first quarter of 2023 to NOK 1,056 million at the end of the second quarter 2023.

At the end of the quarter, the Group's equity totalled NOK 992.1 million, a decrease of NOK 17.6 million from the end of the previous quarter. The equity ratio at the end of the quarter amounted to 42.6%.



# Cash Flow and Net Interest-Bearing Debt

Arctic Fish	Q2 2023	YTD Q2 2023
(NOK '000)		
<b>NIBD beginning of period*</b>	<b>-892.615</b>	<b>-729.366</b>
Operational EBITDA*	19.734	148.402
Change in working capital	-10.731	-44.095
Other adjustments	-6.082	-12.499
<b>Cash flow from operations</b>	<b>2.921</b>	<b>91.808</b>
Net CAPEX	-104.438	-263.924
<b>Cash flow from Investments</b>	<b>-104.438</b>	<b>-263.924</b>
Net interest and financial items paid	-27.321	-48.404
Other items	-152	-605
Currency effect on interest-bearing debt	-34.456	-105.570
<b>NIBD end of period*</b>	<b>-1.056.060</b>	<b>-1.056.060</b>

\*Excluding effects of IFRS 16

Net interest-bearing debt has increased as a result of increased Capital Expenditures.

Very low harvest volumes affect the cash flow from operations in the quarter.

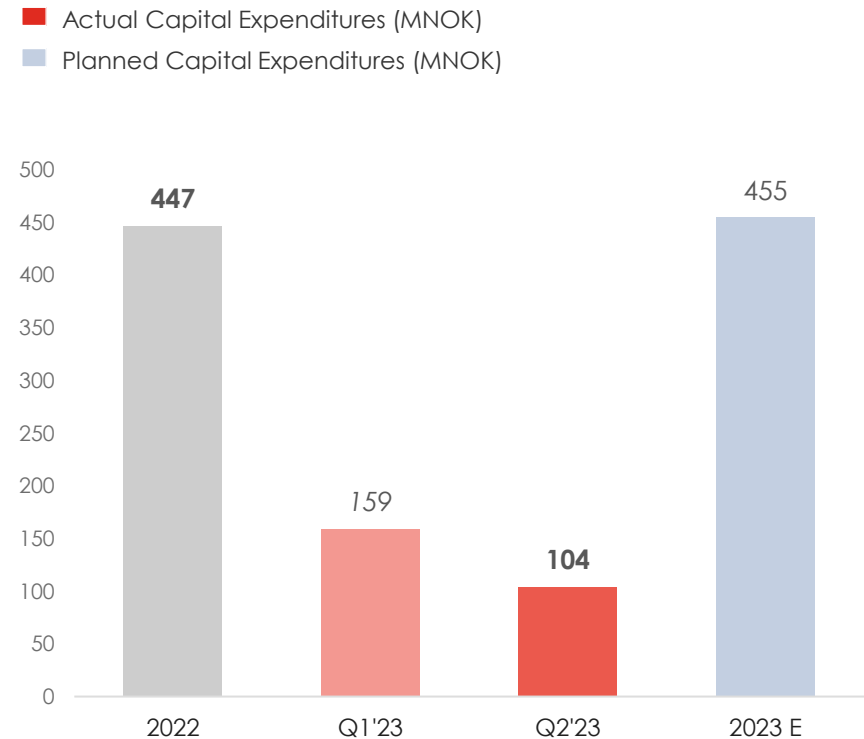
Continued weakening of the NOK against the EUR in the quarter resulted in currency losses.

# Capital Expenditures

## Ongoing investments

- We are committing to our growth plan and have been focusing on the harvesting capacity and increased smolt production.
- Both investments are aimed at securing larger parts of our value chain, improving operational scale, less biological risk and ultimately decreasing our production cost.
- The fire at our smolt production facility earlier in the year has slowed down the investment profile and now there is ongoing planning on the rebuilding of the facility, that is in the planned CAPEX.
- The harvesting facility design has been upgraded with investment additions in water treatment, water intake and waste handling. Combined with inflation the cost of the facility will end around 400 MNOK.

## Planned capital expenditure going forward



# Financing Overview

## Refinancing

---

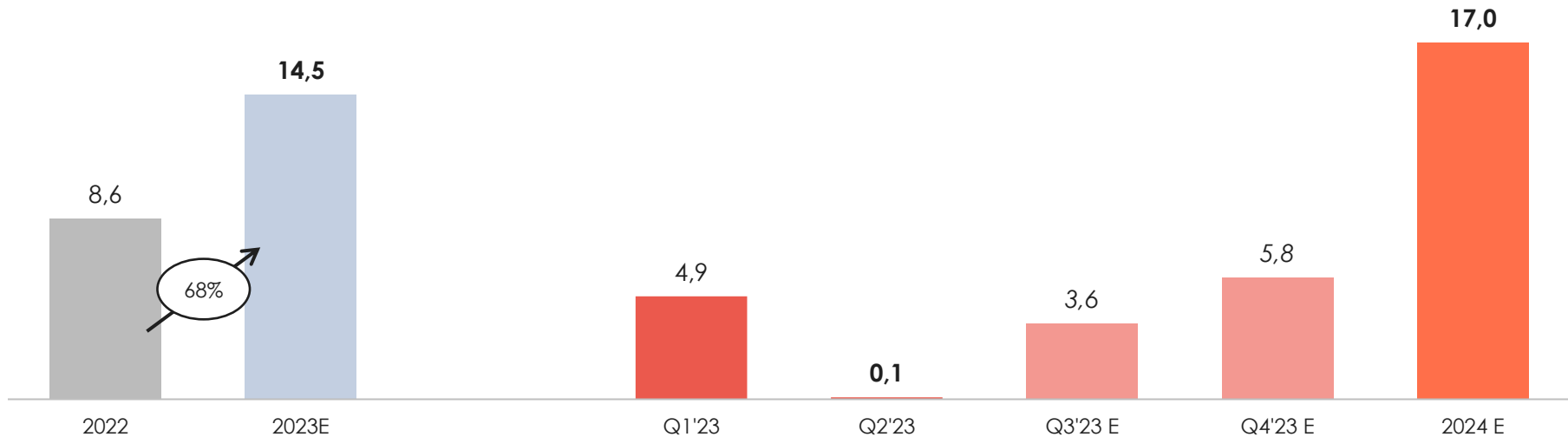
- A Term Sheet has been signed to refinance its existing bank facilities and support planned growth with a EUR 170 million three-year senior secured term loan and revolving credit facility with Danske Bank, DNB, Nordea and Rabobank.
- The committed facility comprises a term loan of EUR 120 million and a revolving credit of EUR 50 million, and two one-year extension options will provide flexibility for the parties to agree to extend the maturity of the facility.

# Volume Guidance

- In Q2 2023, the Company harvested 100 tonnes (HOG) and YTD 5.0 thousand tonnes compared to 5.3 thousand tonnes the year before.
- All processing of the Group's salmon from Q3 2023 and onwards will take place in its brand-new state of the art harvesting facility in Bolungarvík. The facility has been designed to fulfil the short and long term needs of Arctic Fish

## Harvesting volumes and forecast

*In thousand tonnes, HOG*



# Q2 2023 Presentation

## Appendix



# Strong Sustainability Profile



First of its kind hi-tech smolt facility with 100% green energy<sup>1</sup>



All Icelandic attributes preserved, low sea temperature and density



There has not been a need for antibiotic treatment in the farming activities



## 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.

## Social Responsibility

Ethical guidelines



Healthy, safety and environment



Education and development



## Customers

Product Certification



Healthy and safe seafood



## Environment

Prevent escapes



Sea lice management



Sustainable and efficient fish feed



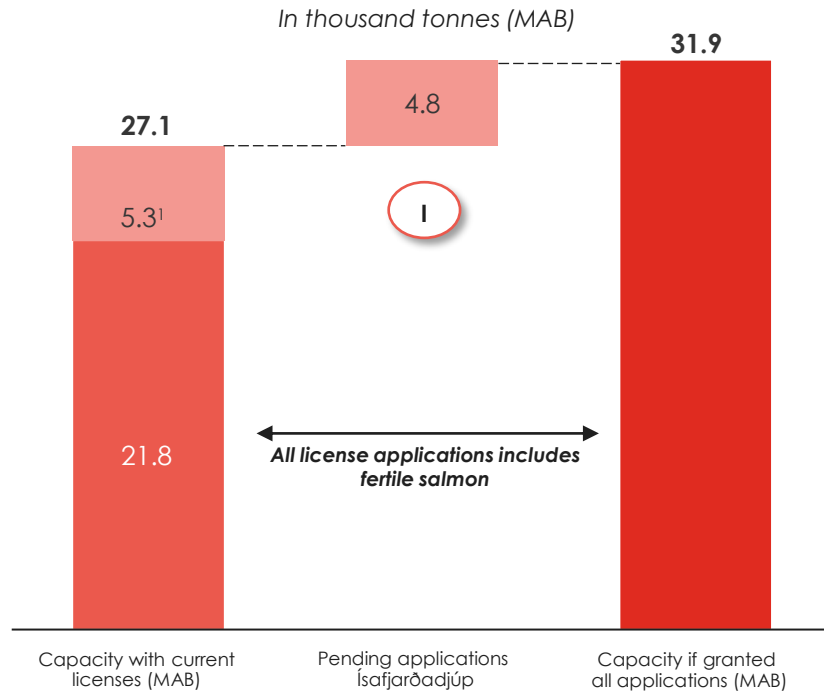
Source: Company

<sup>1</sup> Iceland's energy production is about 73% hydropower and 27% geothermal power



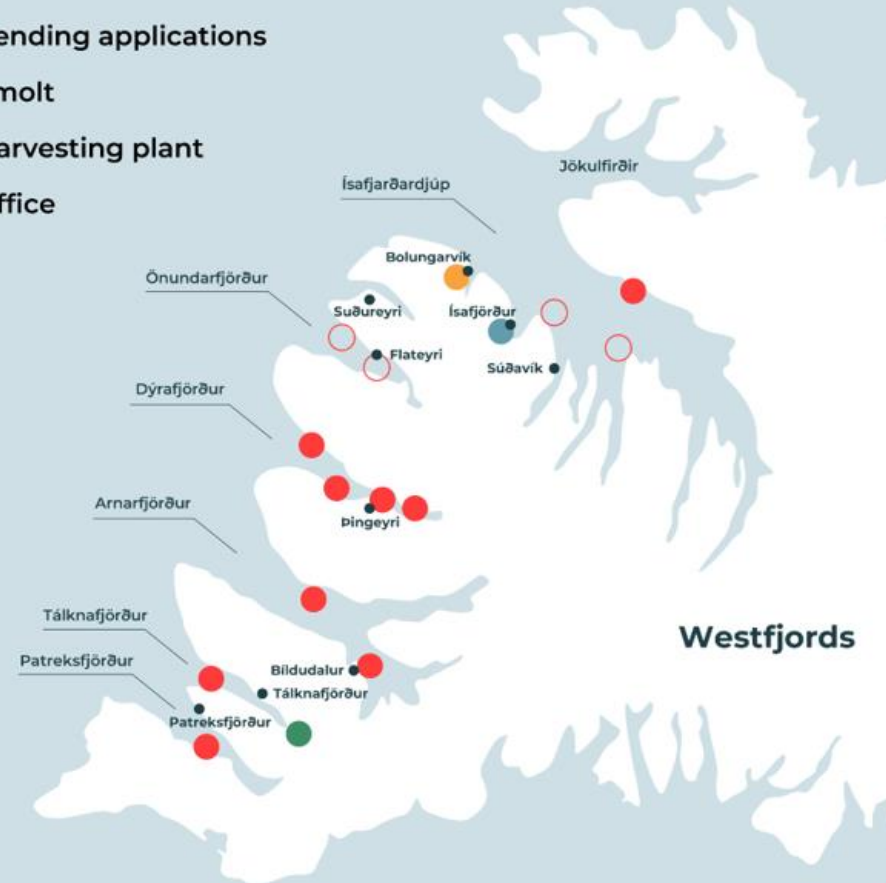
# License Portfolio

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



**1** **Ísafjarðardjúp**  
Additional license for 4.800 tonnes

- Arctic Fish sites
- Pending applications
- Smolt
- Harvesting plant
- Office



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

# Shareholders

Name of shareholder	No. of shares	%
MOW I ASA	16.346.824	51,28%
Síldarvinnslan hf.**	10.899.684	34,19%
J.P. Morgan SE	2.099.817	6,59%
Landsbankinn hf.	481.075	1,51%
CLEARSTREAM BANKING S.A.	248.926	0,78%
KVERVA FINANS AS	223.776	0,70%
VERDIPAPIRFONDET EIKA SPAR	167.406	0,53%
MP PENSJON PK	165.000	0,52%
PACTUM AS	153.751	0,48%
Íslandsbanki hf.	145.225	0,46%
State Street Bank and Trust Comp	134.000	0,42%
VERDIPAPIRFONDET EIKA NORGE	121.659	0,38%
VERDIPAPIRFONDET PARETO INVESTMENT	105.000	0,33%
ROTH	80.000	0,25%
SKEIE ALPHA INVEST AS	42.575	0,13%
RAMSFJELL AS	40.849	0,13%
Euroclear Bank S.A./N.V.	40.000	0,13%
VERDIPAPIRFONDET EIKA ALPHA	33.705	0,11%
Saxo Bank A/S	31.018	0,10%
DNB Luxembourg S.A.	25.231	0,08%
VERDIPAPIRFONDET EIKA BALANSERT	18.432	0,06%
<b>Total 20 largest shareholders</b>	<b>31.603.953</b>	<b>99,14%</b>
Total other	272.700	0,86%
<b>Total number of shares 30.06.2023</b>	<b>31.876.653</b>	<b>100,00%</b>

**Arctic Fish Holding does not own any of its own shares**

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

\*\*Síldarvinnslan hf is a part of the nominee account "J.P. Morgan SE".





