



ARCTIC FISH

Q4 | 2023

Report

14 February 2024

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Highlights Q4 2023

- Harvested quantities in Q4 2023 amounted to 2,529 tonnes compared to 1,343 tonnes for the same period last year, or an increase of 88% YoY.
- 2023 marks an all-time high in harvested volumes where the company harvested a total of 11,878 tonnes.
- All fish was harvested at the company's own new harvesting facility and the harvesting operations have gone according to plan and expectations.
- Biological production performed as expected after a difficult Q3 and autumn where lice issues persisted.
- CAPEX investments amounted to 5.7 MEUR in the quarter, mainly related to the completion of the harvesting facility.
- Baldur Smári Einarsson was appointed as the new CFO of Arctic Fish having served as Financial Controller for the company since October 2019.
- John Gunnar Grindskar was appointed as COO of Farming, which is a new position at Arctic Fish. John is a highly experienced seawater executive that has worked in various seawater related positions at Mowi in different regions in Norway.

(EUR '000)	Q4 2023	Q4 2022	2023	2022
Operational revenue and other income	18.960	9.543	88.900	55.495
Operational EBITDA	6.208	4.120	21.239	8.588
Operational EBIT	4.174	2.641	14.493	3.410
Net interest-bearing debt (NIBD)	114.289	69.374	114.289	69.374
Underlying EPS (EUR)	0,14	0,05	0,59	0,07
Net cash flow per share (EUR)	-0,30	-0,36	-1,14	-1,11
ROCE	2,1%	1,9%	7,6%	2,1%
Equity ratio	38,0%	50,0%	38,0%	50,0%
Harvest volume (GWT)	2.529	1.343	11.878	8.561
Operational EBIT - EUR per kg	1,65	1,97	1,22	0,40

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 and smolt facility in Norðurbotn (Tálknafjörður), using RAS technology. The Group owns a 36.3 km² land area surrounding the facility and securing existing and future expansion with both sufficient land and water capacity.

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. The structure enables alternation of production areas to minimize biological risk. The sites are in general considered with high bearing capacity indicated by low and non-impact proven by regular bottom surveys. 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 the near future. 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 2024.

Processing

All processing of the Group's salmon since Q3 2023 and onwards takes place in the company's 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, with growth possibilities for external service contracts for other farmers as well.

Sales

The fish is sold through a sales agreement with Mowi. The Group sees substantial potential in utilizing the synergies from the majority owner Mowi with sales being handled by Mowi from September 2023 and onwards. Market routes both domestically and internationally are developing positively, and there is potential to enter markets and costumers efficiently.

Q4 2023 Performance

The fourth quarter's performance will be broken down into the main operating categories, investments, and financing. In brackets some historical performance for the year 2022 is provided.

Key financial Performance

(Figures in brackets = 2022, unless otherwise specified)

Revenues and results

Arctic Fish posted operating revenues of EUR 18.9 million (Q4'2022: EUR 9.6 million) in the fourth quarter of 2023, an increase of 99% from the corresponding prior-year period which can be traced to substantially higher volumes. The sold volume HOG was 2,529 tonnes in the quarter, in Q4'2022 the volume amounted to 1,343 tonnes.

The Group achieved a positive operational EBIT of EUR 4.2 million (Q4'2022: EUR 2.6 million), which is mainly a result of the higher harvest volumes in the quarter. The Group recognised a positive fair value adjustment of EUR 0.3 million (Q4'2022: EUR 5.5 million) on the biomass in sea, a decrease of EUR 5.2 million compared to the corresponding quarter in 2022. The lower fair value adjustment in the quarter can largely be attributed to lower biomass in the sea compared to last year and a change in harvesting structure as a result of the extraordinary mortality faced in Q3'2023.

Financial items

Net financial losses were EUR -2.3 million in the quarter (Q4'2022: EUR -1.0 million). Net interest payments in the quarter amounted to 2.9 million EUR in the period, whilst other financial items resulted in a 0.6 MEUR gain.

Balance sheet

At the end of the reporting period, total assets amounted to EUR 226 million, an increase of EUR 10.1 million from the prior period (Q3'2023). The change in total assets is attributable to several factors. Property, plant, and equipment increased by EUR 3.5 million. Receivables decreased by EUR 12.9 million, and cash increased by EUR 6.2 million. Biological assets and other inventories increased by 13.3 million EUR.

Net interest bearing debt

The Group's net interest-bearing debt (NIBD) increased by EUR 12.0 million, from EUR 102.3 million at the end of the third quarter of 2023 to EUR 114.3 million at the end of the fourth quarter 2023.

Equity

At the end of the quarter, the Group's equity totalled EUR 85.7 million, an increase of EUR 1.4 million from the end of the previous quarter. The equity ratio at the end of the quarter amounted to 38.0%.

Seawater

The biomass at the end of the quarter was 9,747 tonnes in the sea and the closing average weight was close to 1.7 kgs, resulting in less fish and less biomass in the sea compared to last year, at a lesser average weight. At the end of Q4'2022 the biomass was 11,375 tonnes in the sea and the closing average weight was close to 2.0 kgs.

Smolt production

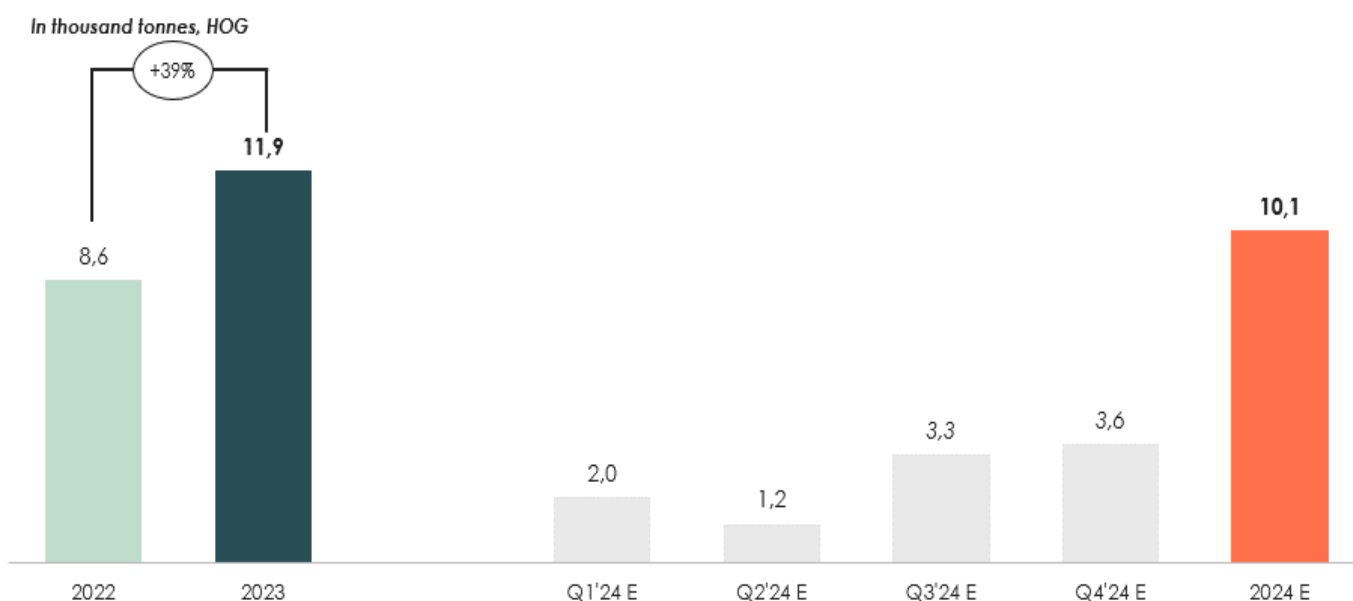
In the smolt facility at the end of the period there are 6.1 million fry and smolt at an average weight of 24.6 grams, compared to 5.5 million fry and smolt at an average weight of 10.7 grams last year.

Outlook

Markets and sales

Harvesting volumes in 2023 amounted to 39% more than realized in 2022 overall, coming in at a total of 11.9 thousand tonnes in 2023 compared to 8.6 thousand tonnes in 2022.

The company plans to harvest 10.1 thousand tonnes in 2024.



Investments

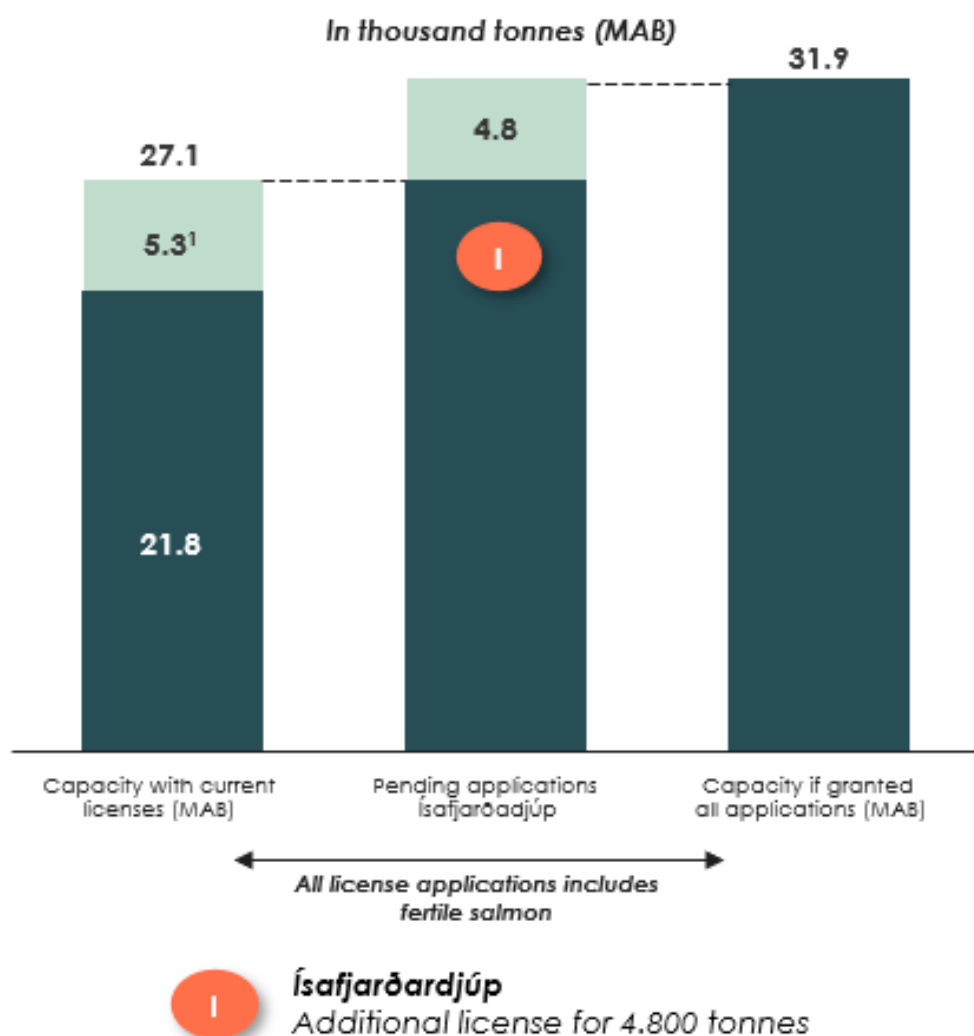
CAPEX was mainly related to the finishing stages of the harvesting facility. The harvesting facility design has been upgraded from original specs with investment additions in water treatment, water intake and waste handling. Minor investments were made in farming and other smaller smolt production investments.

It should be noted that the smolt expansion is still in a restructuring phase after the fire incident at the start of the year.

Licenses

A pending application for 10,100 tonnes in Ísafjarðardjúp is in progress, of which an 8,000 tonnes (MAB) license for Ísafjarðardjúp, advertised by MAST (Iceland Food and Veterinary Authority) and UST (The Environment Agency of Iceland) in Q3 is still pending publication. The delay is due to new requirements from the Icelandic government, requiring a risk assessment for sailing routes. The risk assessment has been performed and expected publication is in Q1 2024.

In Q4 MAST and UST advertised a renewed license for 7,800 tonnes (MAB) in Patreks- and Tálknafjörður and publication is expected to happen in Q1 2024.



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



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 fourth quarter of 2023 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. Furthermore, we confirm that the interim management report includes a fair view of the information required under the Norwegian Securities Trading Act § 5-6, fourth paragraph.

12.02.2024

The Board of Directors of Arctic Fish Holding AS

Øyvind Oaland

Chairman



Ivan Vindheim

Board member



Gunnþór Ingvason

Board member



Gunnar Atli Gunnarsson

Board member



Hildur Árnadóttir

Board member



The Management of Arctic Fish Holding AS

Stein Ove Tveiten

CEO

Baldur Smári Einarsson

CFO

Consolidated Income Statement

(EUR '000)	Q4 2023	Q4 2022	2023	2022
Revenue	18.960	9.543	88.900	55.495
Cost of materials	-7.792	-641	-45.017	-29.371
Net fair value adjustment biomass	271	5.467	-412	10.269
Salaries and personnel expenses	-2.872	-1.483	-9.397	-5.699
Other operating expenses	-2.087	-3.299	-13.247	-11.838
Depreciation and amortisation	-2.034	-1.478	-6.745	-5.178
License and production fees / taxes	-310	-106	-1.473	-687
Restructuring costs	-137		-16.456	
Impairment losses and write-downs			-790	
Earnings before financial items (EBIT)	3.998	8.003	-4.638	12.992
Interest expenses	-2.879	-2.347	-9.543	-3.938
Net currency effects	273	360	-2.250	-2.928
Other financial items	300	969	243	955
Earnings before tax	1.692	6.984	-16.188	7.080
Income taxes	-264	-1.251	3.312	-1.251
Profit or loss for the period	1.428	5.733	-12.876	5.829
Total comprehensive income for the period attributable to				
Owners of Arctic Fish Holding AS	1.428	5.733	-12.876	5.829
Basic earnings per share (EUR)	0,04	0,18	-0,40	0,18

Statement of Financial Position

(EUR '000)	31.12.2023	30.9.2023	31.12.2022
Assets			
Farming licenses	5.364	5.167	4.710
Goodwill	658	658	658
Deferred tax assets	3.914	4.178	602
Other intangible assets	325	343	2
Property, plant & equipment	128.198	124.661	99.845
Other shares and other non-current assets	62	62	62
Total non current assets	138.520	135.068	105.878
Inventory	2.372	1.906	3.278
Biological assets	65.903	53.052	68.371
Current receivables	6.519	19.415	10.530
Cash	12.316	6.113	9.126
Total current assets	87.110	80.486	91.305
Total assets	225.630	215.554	197.184
Equity and liabilities			
Equity	85.739	84.311	98.615
Total equity	85.739	84.311	98.615
Non current interest bearing debt	126.605	69.981	69.719
Non current leasing liabilities	194	263	276
Total non current liabilities	126.799	70.244	69.996
Current interest bearing debt		38.453	8.781
Current leasing liabilities	95	91	102
Other current liabilities	12.998	22.456	19.691
Total current liabilities	13.093	61.000	28.573
Total equity and liabilities	225.630	215.554	197.184

Statement of Equity

2023

(EUR '000)	Share capital	Other paid in capital	Other equity reserves	Total equity
Equity 01.01.2023	3.032	95.281	302	98.615
Comprehensive income			-12.876	-12.876
Transactions with owners				
Total Equity end of period	3.032	95.281	-12.574	85.739

2022

(EUR '000)	Share capital	Other paid in capital	Other equity reserves	Total equity
Equity 01.01.2022	3.032	95.281	-5.527	92.786
Comprehensive income			5.829	5.829
Transactions with owners				
Total Equity 31.12.2022	3.032	95.281	302	98.615

Statement of Cash Flow

(EUR '000)	Q4 2023	Q4 2022	2023	2022
Earnings before tax	1.692	6.984	-16.188	7.080
Interest expense	2.879	2.347	9.543	3.938
Net currency effect	-273	-360	2.250	2.928
Other financial item(s)	-300	-969	-243	-955
Net fair value adjustment and onerous contracts	-271	-5.467	412	-10.269
Impairment losses, depreciation and amortization	2.034	1.478	7.535	5.178
Change in inventory, trade payables and trade receivables	-10.029	-5.911	-697	1.142
Cash flow from operations	-4.268	-1.898	2.612	9.042
Purchase of fixed assets and additions to intangible assets	-5.749	-10.862	-36.865	-42.509
Cash flow from investments	-5.749	-10.862	-36.865	-42.509
Net proceeds from new interest-bearing debt	126.756	17.581	164.332	46.164
Downpayments interest bearing debt	-108.582	-1	-116.229	-4.242
Downpayment leasing debt	-65	-14	-88	-56
Net interest and financial items paid	-2.159	-1.342	-8.323	-2.858
Currency effects	271	252	-2.248	-41
Cash flow from financing	16.221	16.475	37.442	38.967
Change in cash in the period	6.203	3.715	3.189	5.500
Cash - opening balance	6.113	5.411	9.126	3.626
Cash - closing balance	12.316	9.126	12.316	9.126

Selected notes to the Interim Financial Statements

Note 1 General 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. 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.

Note 2 Accounting Principles

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 EUR which is the functional currency of the Group since 01.07.2023 where the Group converted the operational currency to Euros (EUR) from Norwegian Krona (NOK).

Note 3 Estimates and Risk Exposure

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting principles and recognised amounts of assets, liabilities, income and expenses. The most significant estimates relate to the valuation of biological assets. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on the management's best assessment at the time of reporting. All changes in estimates are reflected in the financial statements as they occur.

Arctic Fish is exposed to a number of risk factors: Operational risks, licenses, legal and regulatory framework and financial risk. The "Operational risk and risk management" section in the Annual Report contains a detailed description of risks and mitigation actions.

Note 4 Biological Assets

(EUR '000)	TOTAL
Net fair value adjustment biomass in the statement of comprehensive income	
Q4 2023	271
Q4 2022	5.467
2023	-412
2022	10.269
Volumes of biomass in sea (tonnes)	
31 December 2023	9.747
30 September 2023	9.283
31 December 2022	11.375
Fair value adjustment on biological assets in the statement of financial position	
31 December 2023	
Fair value adjustment on biological assets	14.825
Cost on stock for fish in sea	46.607
Cost on stock for freshwater and cleanerfish	4.471
Total biological assets	65.903
30 September 2023	
Fair value adjustment on biological assets	14.554
Cost on stock for fish in sea	34.946
Cost on stock for freshwater and cleanerfish	3.552
Total biological assets	53.052
31 December 2022	
Fair value adjustment on biological assets	15.237
Cost on stock for fish in sea	49.579
Cost on stock for freshwater and cleanerfish	3.555
Total biological assets	68.371

Note 5 Financial Items

(EUR '000)	Q4 2023	Q4 2022	2023	2022
Interest expenses	-2.876	-2.342	-9.528	-3.920
Interest expenses leasing (IFRS 16)	-4	-5	-15	-19
Net interest expenses	-2.879	-2.347	-9.543	-3.938
Net currency effect on long term positions	3	108	-2	-2.886
Net currency effects on short term positions	237	327	-2.245	-293
Net currency effects on short term currency hedges		-37		263
Currency effects on leasing (IFRS 16)	34	-37	-4	-13
Net currency effects	273	360	-2.250	-2.928
Net other financial items	300	969	243	955
Other financial items	300	969	243	955
Net financial items	-2.306	-1.018	-11.550	-5.912

Note 6 Share Capital

(EUR '000)	No. of shares	Share capital	Other paid in capital
Share capital			
Issued at the beginning of 2023	31.876.653	3.032	94.055
Changes during the period	0	0	0
Issued at the end of period	31.876.653	3.032	94.055

Note 7 Shareholders

Major shareholders as of 31.12.2023:

Name of shareholder	No. of shares	%
Mowi ASA	16.346.824	51,28%
Sildarvinnslan hf.**	10.899.684	34,19%
J.P. Morgan SE **	1.999.680	6,27%
Landsbankinn hf.	475.724	1,49%
Íslandsbanki hf.	298.616	0,94%
KVERVA FINANS AS	223.776	0,70%
CLEARSTREAM BANKING S.A.	214.557	0,67%
VERDIPAPIRFONDET EIKA SPAR	167.406	0,53%
MP PENSJON PK	165.000	0,52%
PACTUM AS	152.701	0,48%
State Street Bank and Trust Comp	149.995	0,47%
VERDIPAPIRFONDET EIKA NORGE	121.659	0,38%
PARETO AKSJE NORGE VERDIPAPIRFOND	104.328	0,33%
ROTH	80.000	0,25%
RAMSFJELL AS	40.849	0,13%
VERDIPAPIRFONDET EIKA ALPHA	33.705	0,11%
Euroclear Bank S.A./N.V.	33.000	0,10%
Saxo Bank A/S	32.822	0,10%
DNB Luxembourg S.A.	25.231	0,08%
SKEIE ALPHA INVEST AS	21.473	0,07%
VERDIPAPIRFONDET EIKA BALANSERT	18.432	0,06%
Total 20 largest shareholders	31.605.462	99,15%
Total other	271.191	0,85%
Total number of shares 31.12.2023	31.876.653	100,00%

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 SE".

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

Note 8 Share Price Development

Share price development at Euronext Growth (ticker AFISH)



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.



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