



Arctic Fish

Q3'22 Presentation

16th of November 2022

Disclaimer

Cautionary note regarding forward-looking statements

This presentation is the managements summary of the 3rd 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.



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Outlook and summary

Highlights in Q3'2022

Solid biological performance and output targets surpassed

Smolt output in 2022 at 3,9 million smolt and overall structure and long-term growth maintained as planned, with 2 new farming areas this year.

Farming Operational EBIT of 9.8 NOK pr. kg

Slightly lower than the Farming Operational EBIT of 10.6 NOK pr. kg from Q3'2021.

Solid salmon prices in the quarter

Price achievement amounted to 58.9 NOK pr. kg.

Harvesting quantities

Harvested 1,968 tonnes in the quarter – a 32% decrease YoY.

Volumes for 2022 estimated to 9,400 tonnes and 2023 to 14,100 tonnes.

Production costs of 49.1 NOK pr. kg

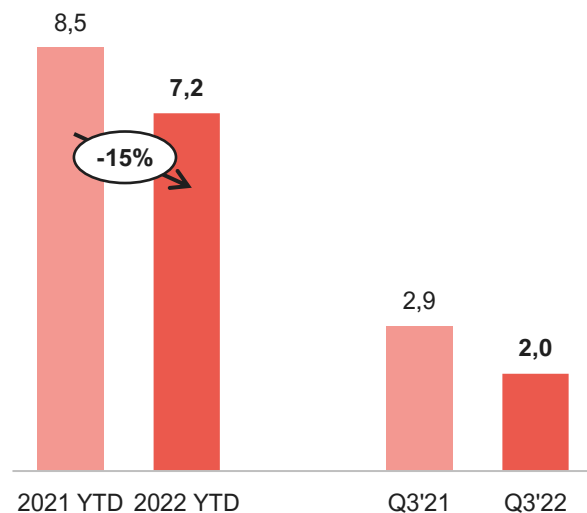
Production costs have increased by 4.6 NOK pr. kg from Q3'2021.



Operational KPI's

Harvested volumes

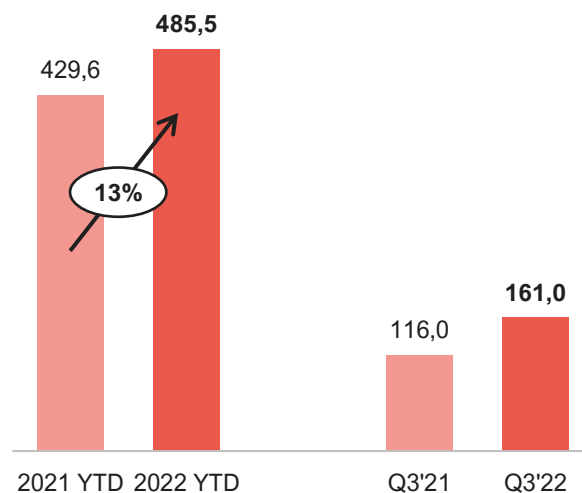
In thousand tonnes, HOG



- Arctic Fish has harvested 7.218 tonnes YTD, or approx. 15% less than at the same period last year.
- The mortality incident in Q1'22 has impacted the harvest volumes in the year.

Revenue

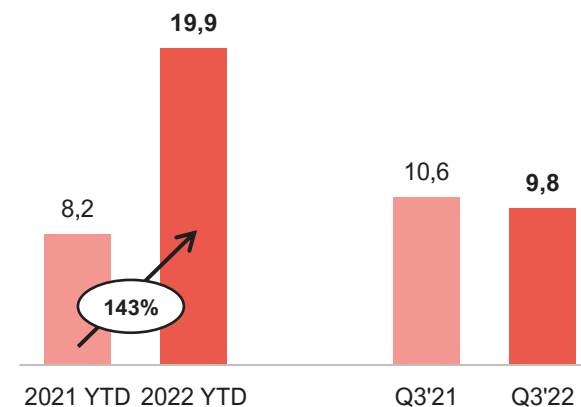
MNOK



- Revenues increased drastically which is due to improved market prices realized in first half of the year.
- Revenue has increased 13% 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.



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Operational performance

Operational EBIT pr. kg turns downward for the first time this year

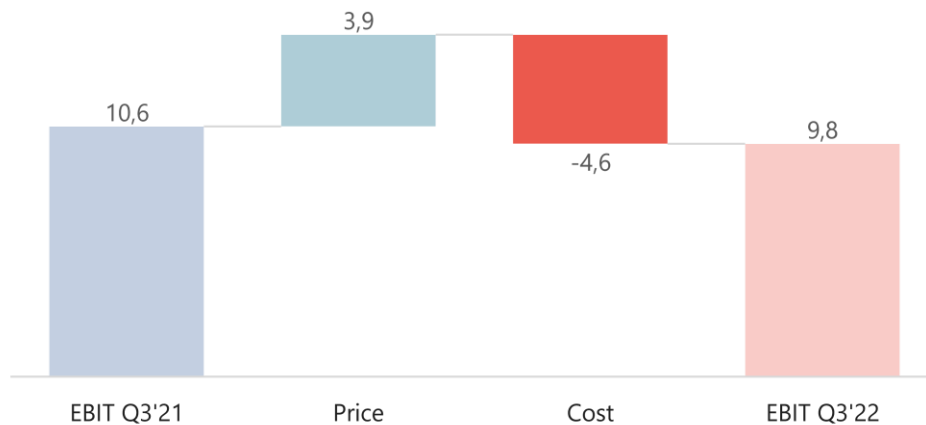
Salmon prices in the quarter impact the operational EBIT positively pr. kg, but the larger increase in production costs reduces the EBIT development compared to Q3'21.

Operational Farming EBIT of 9.8 NOK pr. kg has developed negatively YoY due to the following factors

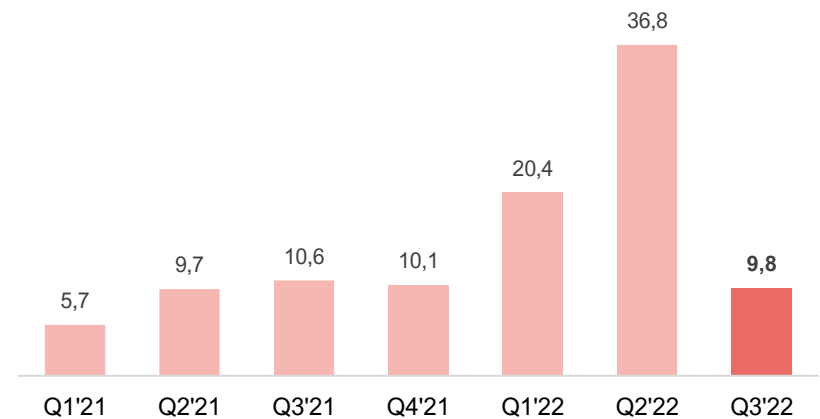
Price achievement increased by 3.9 NOK pr. kg.

Production cost increased by 4.6 NOK pr. kg.

Farming Operational EBIT YoY (NOK pr. kg)



Operational EBIT (NOK pr. kg)

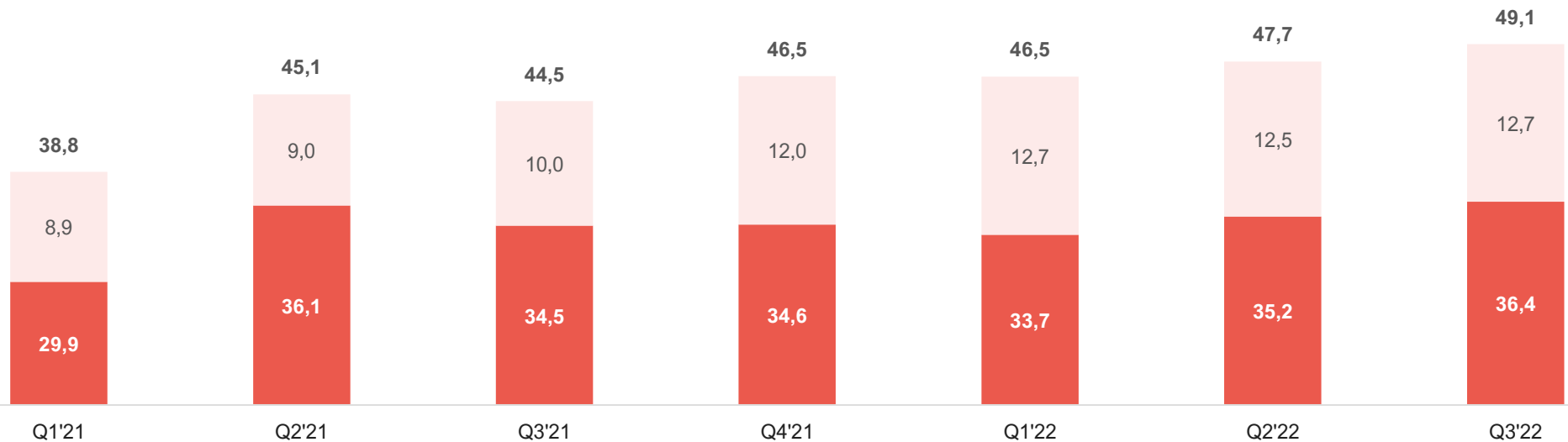


Stable and strong cost performance over time

Production cost development from 2021 and onwards

NOK pr. kg (HOG)

Harvesting, packing & Wellboat COGS



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.
- Full control of harvesting capacity will optimize timing both with regards to the market and the production in sea.

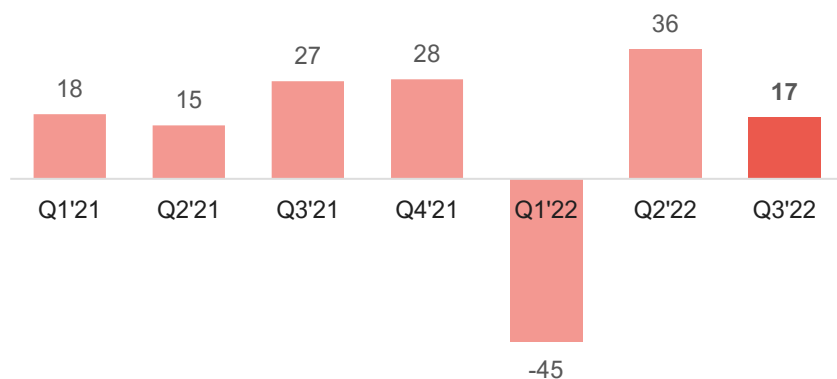
3 Primary processing

- 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 116 MNOK.
- Operational EBIT of 17.2 MNOK.
- Harvested volume of 1,968 tonnes (YoY 32% decrease).
- Negative fair value adjustment of -10.7 MNOK due to decreased forward prices.

Operational EBIT (MNOK)



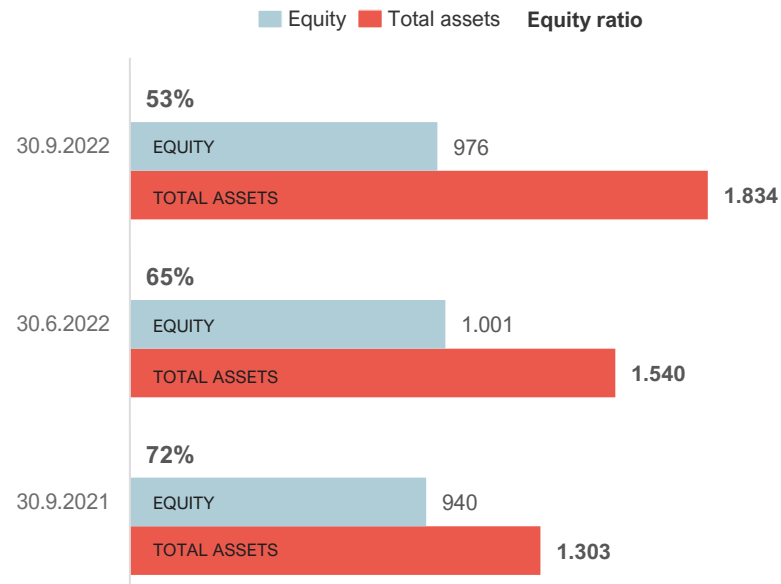
Key figures from P/L

| KEY FIGURES (NOK '000) | Q3 | Q3 | YTD | YTD |
|---|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Operating revenues | 116.000 | 161.000 | 485.526 | 429.642 |
| Operational EBIT | 17.236 | 26.904 | 8.081 | 59.414 |
| Fair value adjustments | -10.685 | -24.183 | 50.478 | 58.837 |
| Production tax | -1.676 | -818 | -6.108 | -3.054 |
| EBIT | 4.875 | 1.904 | 52.450 | 115.198 |
| Net financial items | -35.655 | -5.141 | -51.688 | 2.286 |
| Earnings before tax (EBT) | -30.780 | -3.237 | 762 | 117.484 |
| Volume harvested GW | 1.968 | 2.924 | 7.218 | 8.541 |
| Operational EBIT pr.kg (farming) | 9,83 | 10,55 | 19,88 | 8,20 |

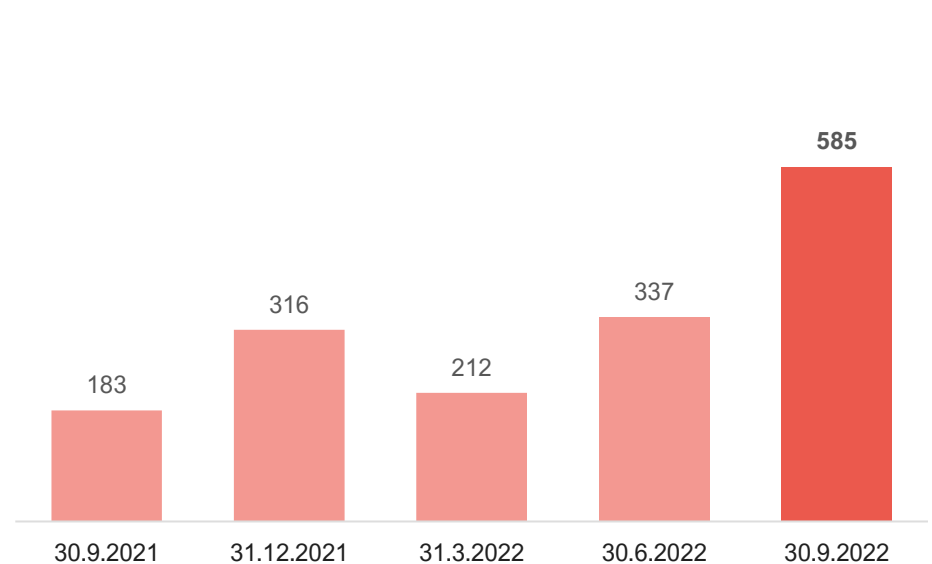
Financial position

- Total assets increased by 294.3 MNOK from the prior period (Q2'2022).
- Receivables increased by 97.6 MNOK from the prior period (Q2'2022).
- Biological assets and other inventories increased by 71.8 MNOK from the prior period (Q2'2022).
- Property, plant, and equipment increased by 124.1 MNOK from the prior period (Q2'2022).
- Bank deposits decreased by 6.5 MNOK from the prior period (Q2'2022).

Total assets & Equity (MNOK)

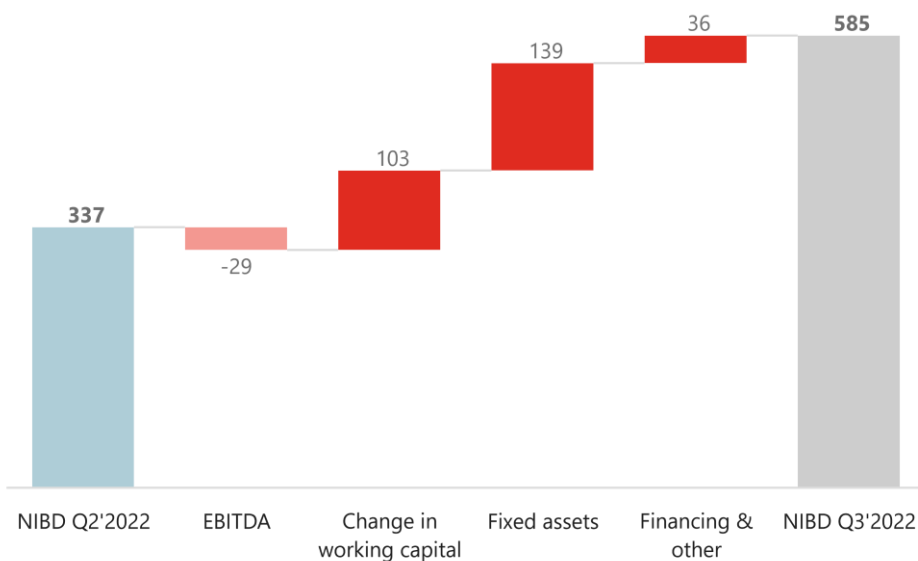


NIBD development (MNOK)



NIBD development and financial covenants

NIBD development (MNOK)



Summary

- Net interest-bearing debt (NIBD) up by 248 MNOK in the quarter. The increase is largely due to working capital changes and fixed assets additions.

Alternate performance measures (APM)

Net interest bearing debt

| (NOK '000) | 30.09.2022 | 30.06.2022 | 30.09.2021 |
|---|----------------|----------------|----------------|
| Reported long-term interest-bearing debt | 536.550 | 359.477 | 201.720 |
| Reported short-term interest-bearing debt | 105.080 | 40.406 | 36.621 |
| Reported bank deposits | -56.889 | -63.369 | -55.517 |
| Total net interest bearing debt | 584.741 | 336.514 | 182.824 |

Equity ratio

| (NOK '000) | 30.09.2022 | 30.06.2022 | 30.09.2021 |
|-----------------------|---------------|---------------|---------------|
| Reported equity | 976.118 | 1.000.742 | 940.429 |
| Reported total assets | 1.833.971 | 1.539.719 | 1.302.770 |
| Equity ratio | 53,2 % | 65,0 % | 72,2 % |

Interest bearing debt overview

| (NOK '000) | 30.09.2022 | 30.06.2022 | Loan agreement | Unused 30.09.2022 |
|-----------------------------|------------|------------|----------------|-------------------|
| Total interest bearing debt | 641.630 | 399.883 | 801.432 | 159.802 |

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

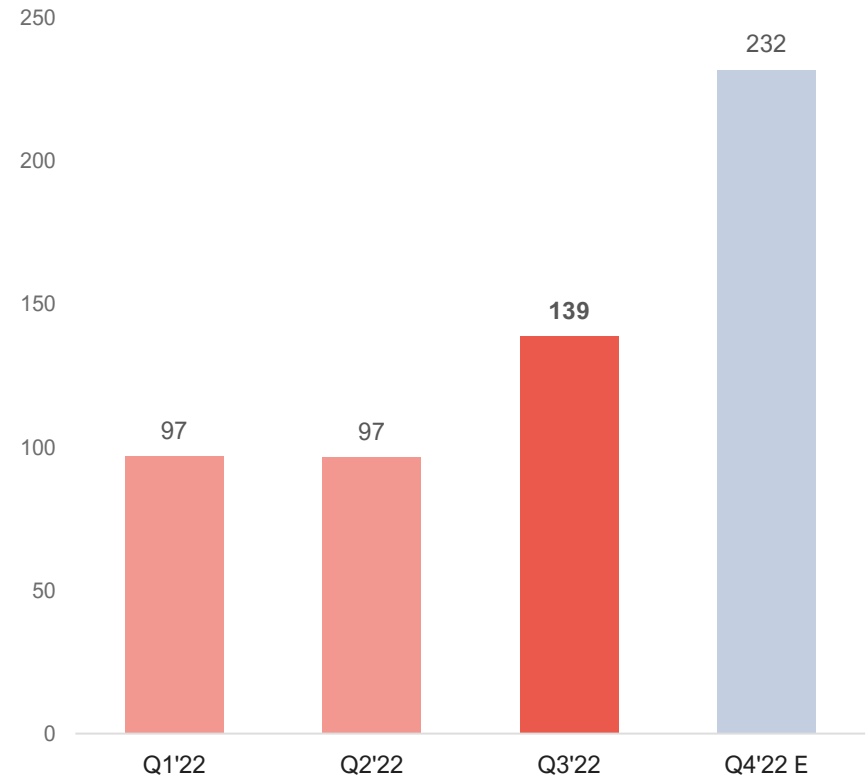
- We are committing to our growth plan with extensive investments in our Smolt Production capacity and in a Harvesting facility.
- Both investments are aimed at securing larger parts of our value chain, improving operational scale, less biological risk and ultimately decreasing our production cost.



Harvesting facility building in Bolungarvík

Planned capital expenditure going forward

- Actual Capital Expenditures (MNOK)
- Planned Capital Expenditures (MNOK)



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.
- 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.



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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

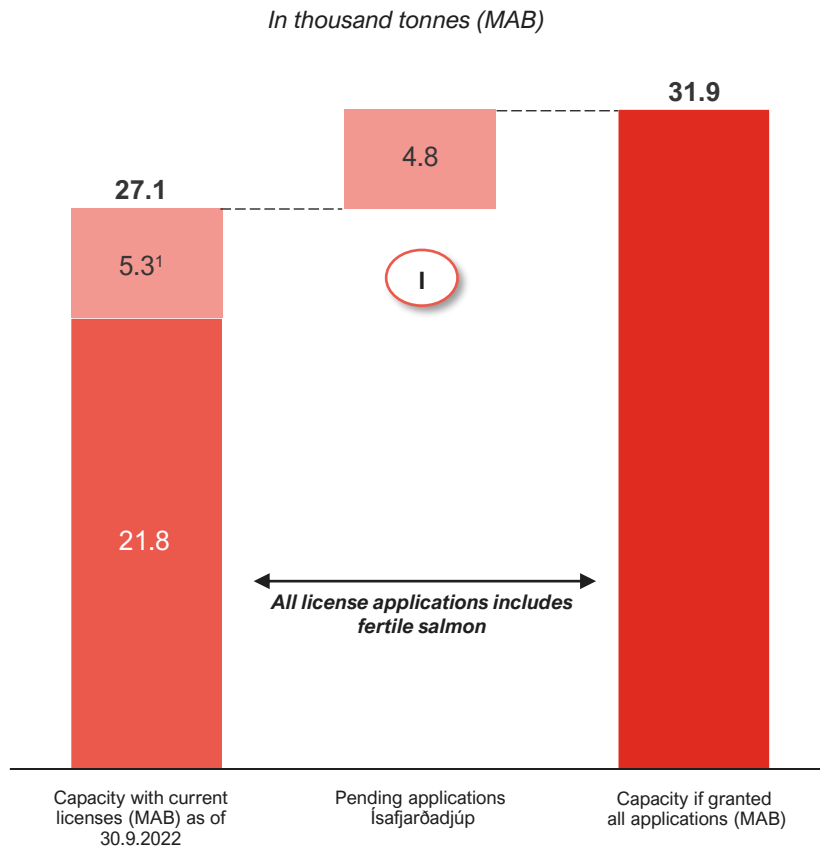


Source: Company

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

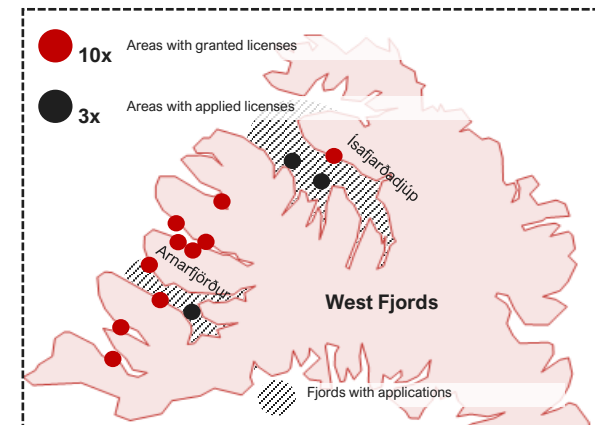


Current license applications

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.

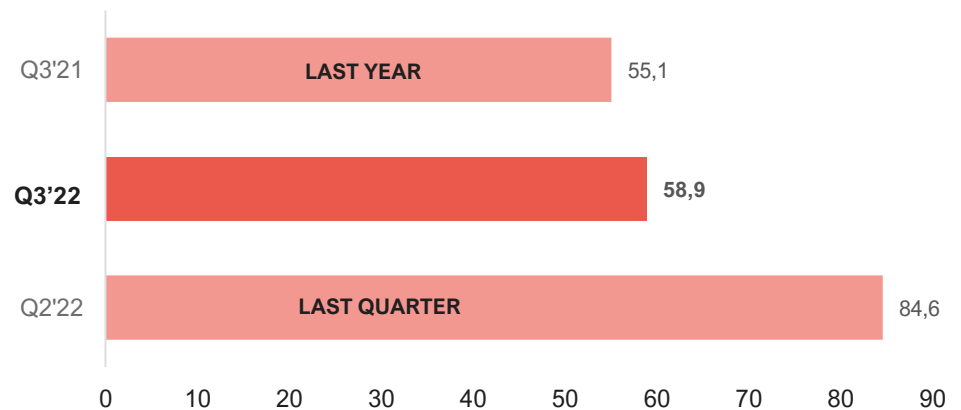


1: 5.3 thousand tonnes MAB for Trout farming that is in the process of being converted to salmon

Markets and sales

- The markets for salmon saw a substantial decline in strength from the previous quarter, this can be traced back to increased supply, large global harvesting quantities and general stabilization on markets.
- Despite the solid market conditions the price achievement was not optimal as the volume harvested was at lower average weight than preferred due to limitations with harvesting capacity.
- Price achievement was also affected due to fixed price contracts, logistics and sales commissions.
- Despite uncertainty, the forward prices for salmon are at high levels compared to 2021 and should remain at strong levels on average throughout Q4'22.
- Fixed price contracts will affect the price achievement in a less negative manner as their proportionate value in the sales is becoming less.

Price achievement development





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Smolt expansion in Tálknafjörður

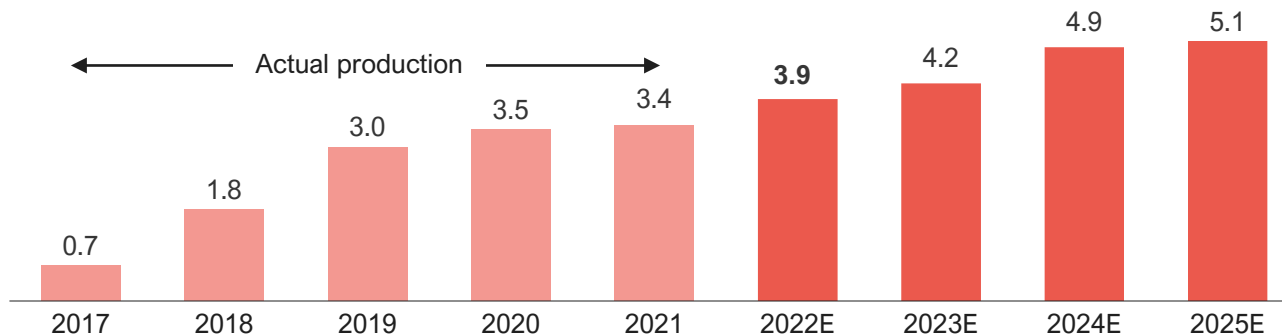
Commentary

- 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

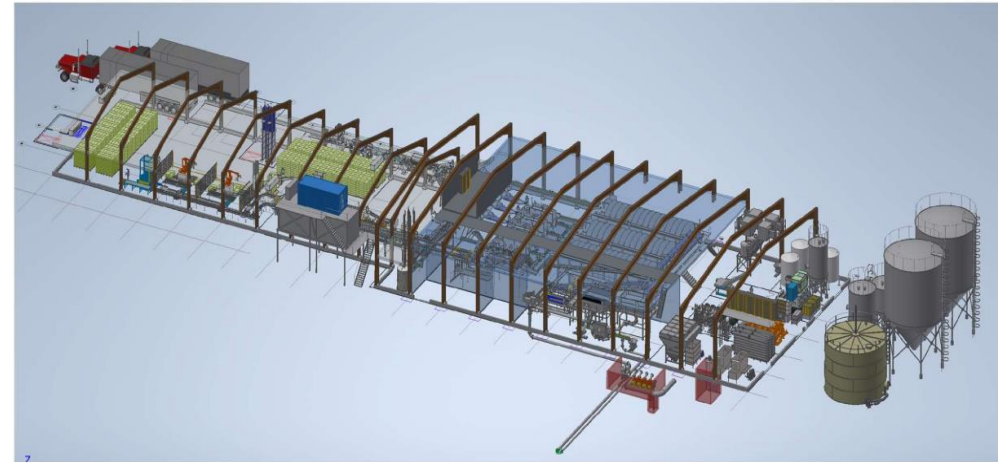
Commentary

- Project going forward on full speed with the aim of finishing 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

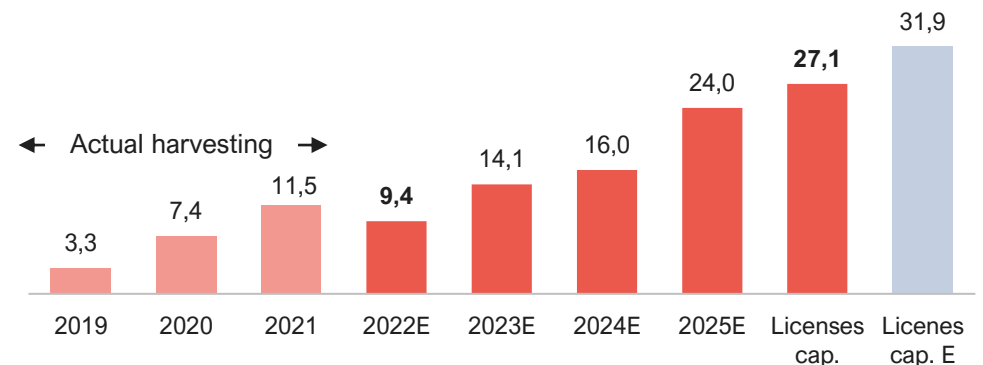
- Low biological risk for production areas ✓
- Proximity to sea cargo solutions and excellent logistics ✓
- Area for VAP, freezing and box factory available ✓
- Developed labor market and supply industry ✓

Design



Rendering of interior design

Harvest volumes forecast





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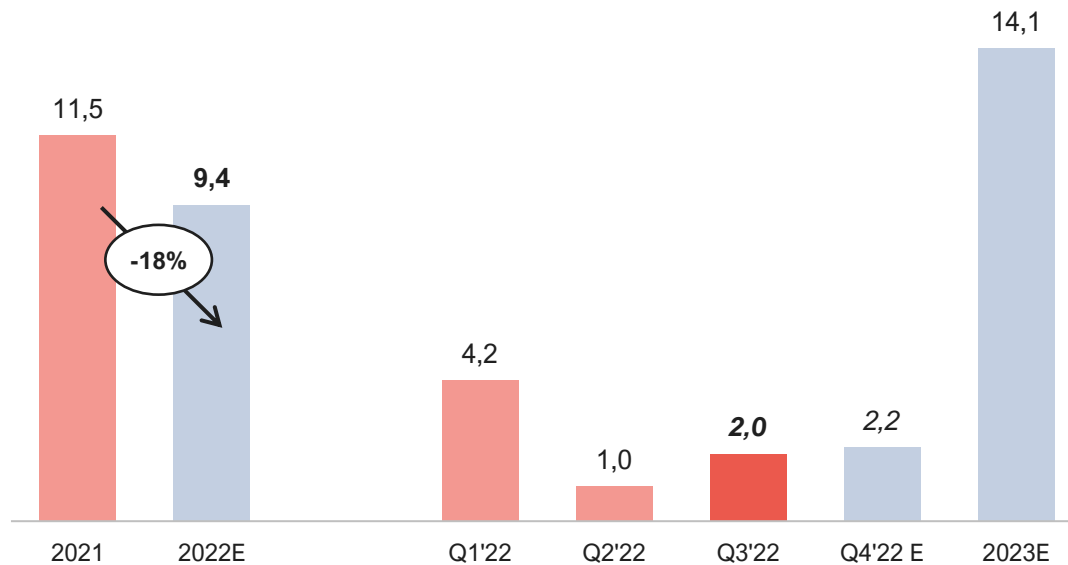
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Outlook and summary

Harvesting estimates

Harvesting volumes and forecast

In thousand tonnes, HOG



- Arctic Fish continues developing according to its growth plan but harvesting quantities in 2022 are affected by the mortality incident occurred in Q1'2022.
- Harvesting volumes in 2022 are expected to be 18% lower than in 2021 overall, coming in at a total of 9.4 thousand tonnes.
- In Q3'2022, the Company harvested 2.0 thousand tonnes (HOG) compared to 2.9 thousand tonnes for the same period the year before (2021) which is a 32% decrease.
- 2023 harvesting quantities have been increased from previously guided volumes that is related to volume moved from Q4'2022 to early Q1'2023

Appendix: Group financials



Group income statement

CONSOLIDATED INCOME STATEMENT

| (NOK '000) | Q3 2022 | Q3 2021 | YTD 2022 | YTD 2021 | FY 2021 |
|--|----------------|----------------|----------------|----------------|----------------|
| Operating revenues | 116.000 | 161.000 | 485.526 | 429.642 | 595.895 |
| Cost of goods sold | 27.642 | 68.516 | 186.539 | 208.457 | 299.189 |
| Salaries | 16.461 | 17.253 | 50.056 | 42.624 | 54.151 |
| Depreciation | 13.822 | 11.961 | 39.671 | 33.562 | 46.501 |
| Other operating costs | 40.839 | 36.366 | 201.180 | 85.584 | 109.110 |
| Operational EBIT | 17.236 | 26.904 | 8.081 | 59.414 | 86.944 |
| Fair value adjustments | -10.685 | -24.183 | 50.478 | 58.837 | 44.897 |
| Production tax | -1.676 | -818 | -6.108 | -3.054 | -3.843 |
| EBIT | 4.875 | 1.904 | 52.450 | 115.198 | 127.998 |
| Other net financial items | -35.655 | -5.141 | -51.688 | 2.286 | 2.580 |
| Earnings before tax (EBT) | -30.780 | -3.237 | 762 | 117.484 | 130.578 |
| Taxes | 6.157 | 0 | -152 | 0 | 21.985 |
| Profit after tax from continuing operations | -24.623 | -3.237 | 610 | 117.484 | 152.563 |
| Profit after tax on discontinued operations incl. profit from sale | | | | 0 | 0 |
| Net profit/loss | -24.623 | -3.237 | 610 | 117.484 | 152.563 |
| Profit attributable to: | | | | | |
| Parent company shareholders | -24.623 | -3.237 | 610 | 117.484 | 152.563 |
| Minority interests | 0 | 0 | 0 | 0 | 0 |
| Earnings per share (NOK) | -0,77 | -0,10 | 0,02 | 3,69 | 4,79 |
| Earnings per share - diluted | -0,77 | -0,10 | 0,02 | 3,69 | 4,79 |

Statement of the financial position

STATEMENT OF FINANCIAL POSITION

| (NOK '000) | 30.9.2022 | 30.6.2022 | 30.9.2021 | 31.12.2021 |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Deferred tax assets | 19.327 | 13.170 | 0 | 19.479 |
| Intangible assets | 55.488 | 54.257 | 49.340 | 52.119 |
| Property, plant and equipment | 947.598 | 823.518 | 605.124 | 657.161 |
| Right of use assets | 3.940 | 4.098 | 0 | 4.435 |
| Non-current financial assets | 650 | 650 | 629 | 629 |
| Non-current assets | 1.027.003 | 895.693 | 655.094 | 733.823 |
| Biological assets | 506.041 | 439.584 | 496.880 | 512.010 |
| Other inventory | 29.195 | 23.881 | 18.800 | 33.785 |
| Receivables | 214.842 | 117.191 | 76.480 | 115.951 |
| Bank deposits | 56.889 | 63.369 | 55.517 | 38.126 |
| Current assets | 806.968 | 644.026 | 647.676 | 699.871 |
| TOTAL ASSETS | 1.833.971 | 1.539.719 | 1.302.770 | 1.433.695 |
| Share capital | 31.877 | 31.877 | 31.877 | 31.877 |
| Other equity | 944.241 | 968.865 | 908.552 | 943.631 |
| Equity | 976.118 | 1.000.742 | 940.429 | 975.508 |
| Deferred tax | 0 | 0 | 2.506 | 0 |
| Provisions | 0 | 0 | 2.506 | 0 |
| Long-term interest-bearing debt | 536.550 | 359.477 | 201.720 | 318.152 |
| Long term leasing liabilities | 3.057 | 3.420 | 0 | 3.424 |
| Total non-current liabilities | 539.607 | 362.897 | 201.720 | 321.576 |
| Short-term interest-bearing debt | 105.080 | 40.406 | 36.621 | 36.063 |
| Short term leasing liabilities | 1.252 | 1.252 | 0 | 1.138 |
| Trade payables | 208.633 | 119.224 | 112.110 | 91.052 |
| Other current liabilities | 3.280 | 15.198 | 9.384 | 8.357 |
| Current liabilities | 318.246 | 176.080 | 158.115 | 136.609 |
| TOTAL EQUITY AND LIABILITIES | 1.833.971 | 1.539.719 | 1.302.770 | 1.433.695 |

Statement of equity

STATEMENT OF EQUITY

| 30.9.2022 | Equity allocated to parent company shareholders | | | Total equity |
|---|---|------------------|----------------|----------------|
| | (NOK '000) | Share capital | Share premium | |
| Equity at 01.01.2022 | 31.877 | 1.001.740 | -58.109 | 975.508 |
| Total comprehensive income | 0 | 0 | 610 | 610 |
| Transactions with shareholders | | | | |
| Dividend | 0 | 0 | 0 | 0 |
| Total transactions with shareholders | 0 | 0 | 0 | 0 |
| Equity at 30.09.2022 | 31.877 | 1.001.740 | -57.499 | 976.118 |

| 30.9.2021 | Equity allocated to parent company shareholders | | | Total equity |
|---|---|------------------|----------------|----------------|
| | (NOK '000) | Share capital | Share premium | |
| Equity at 01.01.2021 | 689.476 | 0 | -210.672 | 478.805 |
| Total comprehensive income | 0 | 0 | 117.484 | 117.484 |
| 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 30.09.2021 | 31.877 | 1.001.740 | -93.188 | 940.429 |

Group cash flow statement

STATEMENT OF CASH FLOW

| (NOK '000) | Q3 2022 | Q3 2021 | YTD 2022 | YTD 2021 | FY 2021 |
|--|-----------------|----------------|-----------------|----------------|-----------------|
| Operational EBIT | 17.236 | 26.904 | 8.081 | 59.414 | 86.944 |
| Adjusted for: | | | | | |
| Depreciation | 13.822 | 11.961 | 39.671 | 33.562 | 46.501 |
| Production tax | -1.676 | -818 | -6.108 | -3.054 | -3.843 |
| Change in inventories/biological assets | -82.456 | -39.117 | 61.036 | -27.605 | -71.661 |
| Change in account receivables and accounts payables | -8.242 | 15.958 | 18.689 | -30.545 | -91.074 |
| Change in other current assets and liabilities | -11.918 | -1.429 | -5.077 | -112 | -1.138 |
| Net cash flow from operating activities | -73.234 | 13.459 | 116.292 | 31.660 | -34.271 |
| Cash flow from investing activities | | | | | |
| Payments for purchase of fixed assets and licenses (MAB) | -138.975 | -12.476 | -333.003 | -93.745 | -160.846 |
| Net cash flow from investing activities | -138.975 | -12.476 | -333.003 | -93.745 | -160.846 |
| Cash flow from financing activities | | | | | |
| Proceeds from borrowings | 215.204 | 0 | 269.763 | 0 | 119.797 |
| Repayment of borrowings | -25.625 | -19.822 | -44.583 | -69.738 | -39.425 |
| Installments on right to use liabilities | -273 | 0 | -776 | 0 | -528 |
| Interest payments for right to use liabilities | -49 | 0 | -149 | 0 | -153 |
| Current debt change | 23.214 | -2.848 | 27.780 | -219.472 | -247.450 |
| Issued new share capital | 0 | 0 | 0 | 344.141 | 344.140 |
| Net interest payments | -6.740 | -5.496 | -16.559 | -16.499 | -22.311 |
| Net cash flow from financing activities | 205.730 | -28.166 | 235.475 | 38.432 | 154.070 |
| Net increase in bank deposits | -6.480 | -27.183 | 18.763 | -23.653 | -41.046 |
| Bank deposits as of start of period | 63.369 | 82.701 | 38.126 | 79.171 | 79.171 |
| Bank deposits at the end of the period | 56.889 | 55.518 | 56.889 | 55.517 | 38.126 |

Appendix:
Ownership structure - Shareholders



Shareholders

Ownership structure: The largest 20 shareholders as of 30.9.2022*

| Rank | Name | # of shares | % ownership |
|---|------------------------------------|-------------------|----------------|
| 1 | NORWAY ROYAL SALMON ASA | 16.346.824 | 51,28% |
| 2 | J.P. Morgan Bank Luxembourg S.A.** | 12.925.224 | 40,55% |
| 3 | Landsbankinn hf. | 481.567 | 1,51% |
| 4 | KVERVA FINANS AS | 258.000 | 0,81% |
| 5 | CLEARSTREAM BANKING S.A. | 247.721 | 0,78% |
| 6 | VERDIPAPIRFONDET EIKA SPAR | 172.312 | 0,54% |
| 7 | MP PENSJON PK | 165.000 | 0,52% |
| 8 | Íslandsbanki hf. | 159.964 | 0,50% |
| 9 | PACTUM AS | 152.751 | 0,48% |
| 10 | VERDIPAPIRFONDET PARETO INVESTMENT | 132.900 | 0,42% |
| 11 | VERDIPAPIRFONDET EIKA NORGE | 125.225 | 0,39% |
| 12 | State Street Bank and Trust Comp | 101.616 | 0,32% |
| 13 | ROTH | 80.000 | 0,25% |
| 14 | Euroclear Bank S.A./N.V. | 46.989 | 0,15% |
| 15 | RAMSFJELL AS | 40.849 | 0,13% |
| 16 | SKEIE ALPHA INVEST AS | 36.000 | 0,11% |
| 17 | VERDIPAPIRFONDET EIKA ALPHA | 34.693 | 0,11% |
| 18 | DNB Luxembourg S.A. | 25.231 | 0,08% |
| 19 | Saxo Bank A/S | 25.215 | 0,08% |
| 20 | VERDIPAPIRFONDET EIKA BALANSERT | 18.972 | 0,06% |
| Ownership of 20 largest shareholders | | 31.577.053 | 99,06% |
| 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.

**Sildarvinnsalan hf is a part of the nominee account "J.P. Morgan Bank Luxembourg S.A.".



ArcticFish

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