



Arctic Fish

Q4 2022 Presentation

15th of February 2023

Disclaimer



Cautionary note regarding forward-looking statements

This presentation is the management's summary of the 4th 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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Highlights for the period





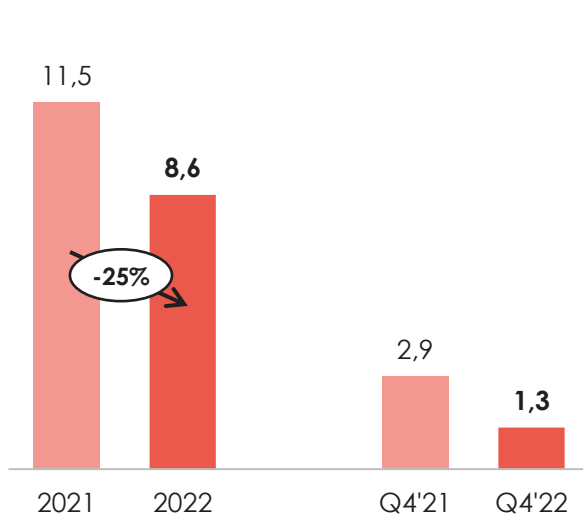
Highlights in Q4 2022

- Revenues:** Revenues amounted to **100.3 MNOK** in the quarter. For the same period last year revenues amounted to 166.3 MNOK.
- Harvesting quantities:** The company harvested **1,343 tonnes** in the quarter. For the same period last year the company harvested 2,938 tonnes. *Increased quantity guidance in Q1 2023 due to moved volumes from Q4 2022.*
- Price achievement:** Price achievement amounted to **74.7 NOK pr. kg**, for the same period last year price achievement amounted to 56.6 NOK pr. kg.
- Production costs:** Production costs amounted to **52.3 NOK pr. kg**, for the same period last year production costs amounted to 46.5 NOK pr. kg. *Increase in production costs can largely be traced to raw material increases and inflation.*
- Capital Expenditures:** CAPEX investments amounted to **113.9 MNOK** in the quarter. CAPEX for the full year amounted to 446.9 MNOK.
- Key notable events:** MOWI acquired **51,28%** of the shares in Arctic Fish.

Operational KPI's

Harvested volumes

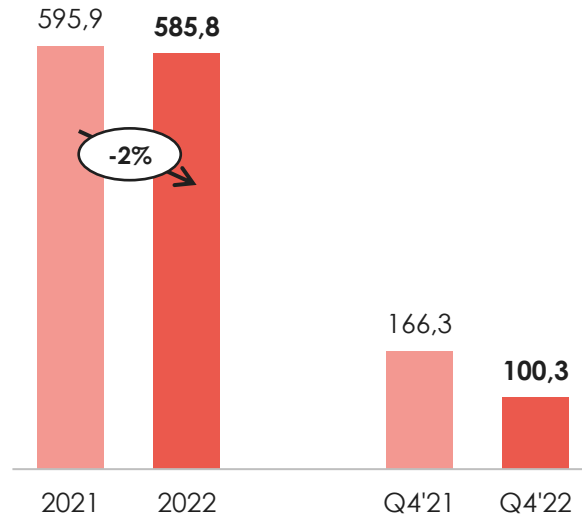
In thousand tonnes, HOG



- Arctic Fish harvested 8.561 tonnes in 2022, or approx. 25% less than last year.
- The mortality incident in Q1 2022, as well as harvesting capacity limitations in the harvesting facility has impacted the harvest volumes in the year.

Revenue

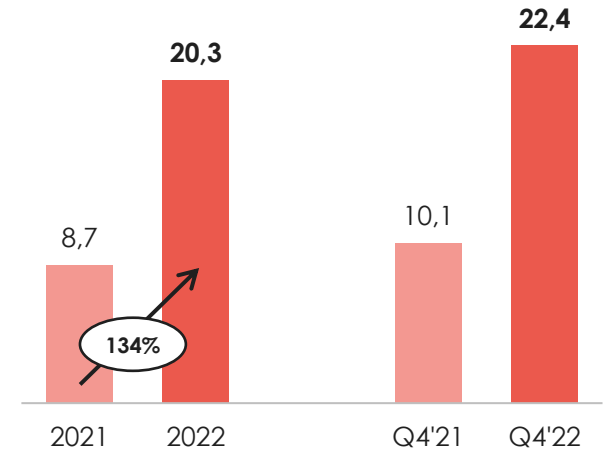
MNOK



- Revenues remain roughly the same YoY which is due to improved market prices realized throughout the year.
- Revenue is 2% less in 2022 compared to 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 positively.

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Operational performance



Operational performance

Operational EBIT pr. kg driven by large price change

Salmon prices in the quarter drive up the operational EBIT positively pr. kg with an increase in production costs the EBIT development compared to Q4 2021 increases by 12.3 NOK pr. kg.

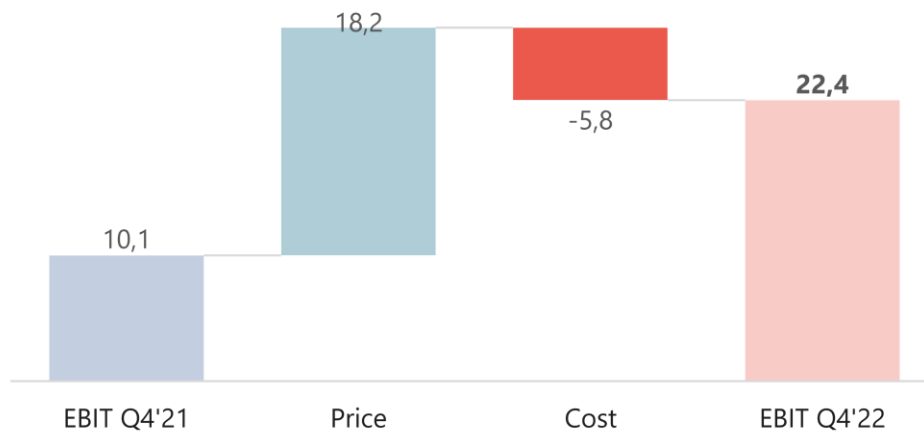
Operational Farming EBIT pr. kg has developed positively YoY as a result of the following factors

Price achievement increased by 18.2 NOK pr. kg.

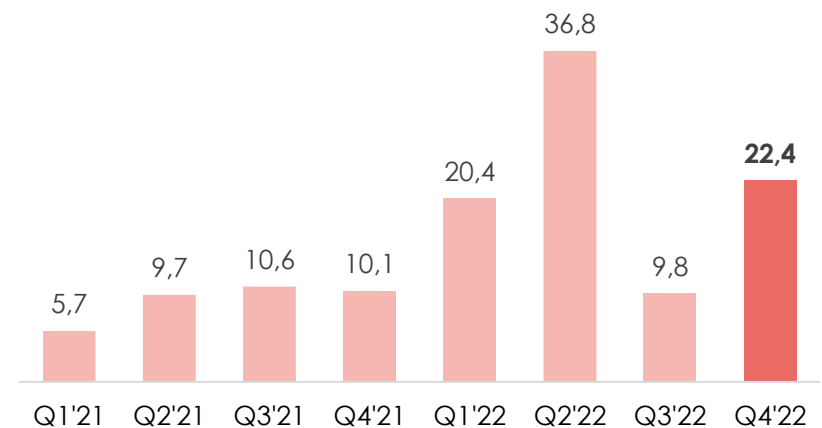
Production cost increased by 5.8 NOK pr. kg.

Total increase 12.3 NOK pr. kg.

Farming Operational EBIT YoY (NOK pr. kg)



Operational EBIT (NOK pr. kg)

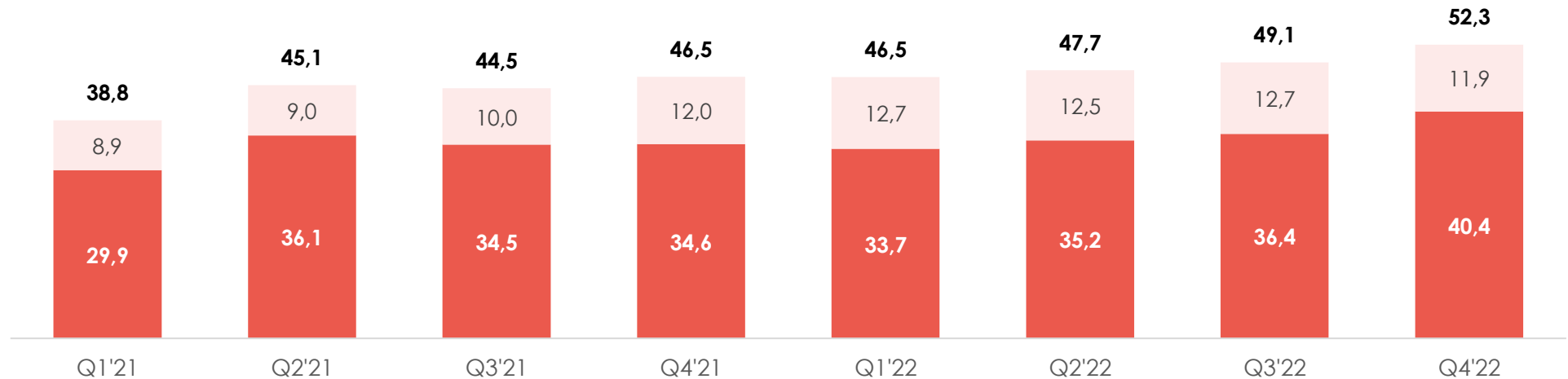


Production cost development

Production cost 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

Key P&L items in the quarter

Revenue
100,3
MNOK

Op. EBIT
27,7
MNOK

Harvested
1.343
Tonnes

Fair Value
57,5
MNOK

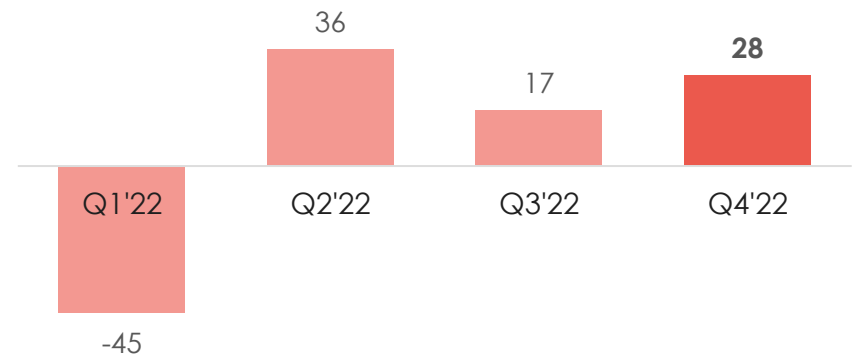
Production Tax
1,2
MNOK

Financial items
-10,5
MNOK

Commentary

Revenues decreased by 40% YoY, which is due to the fact that harvesting volumes were 55% less in Q4 2022 than in Q4 2021. When looking past that, the Operational EBIT achieved in Q4 2022 was 1% better than last year. Overall the profit after tax in the quarter amounted to 58.5 MNOK (23.4 MNOK better than same period last year), which is due to positive fair value adjustments in the period.

Operational EBIT 2022 (MNOK)



Financial Position

Key Balance Sheet item changes the quarter

Property, Plant & Equipment

98,4

MNOK increase

Biological Assets

212,8

MNOK increase

Receivables

-109,0

MNOK decrease

Bank Deposits

39,1

MNOK increase

Total Assets

232,0

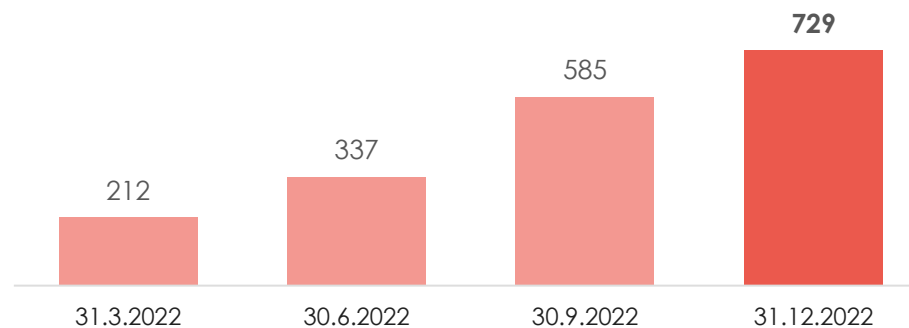
MNOK increase

NIBD

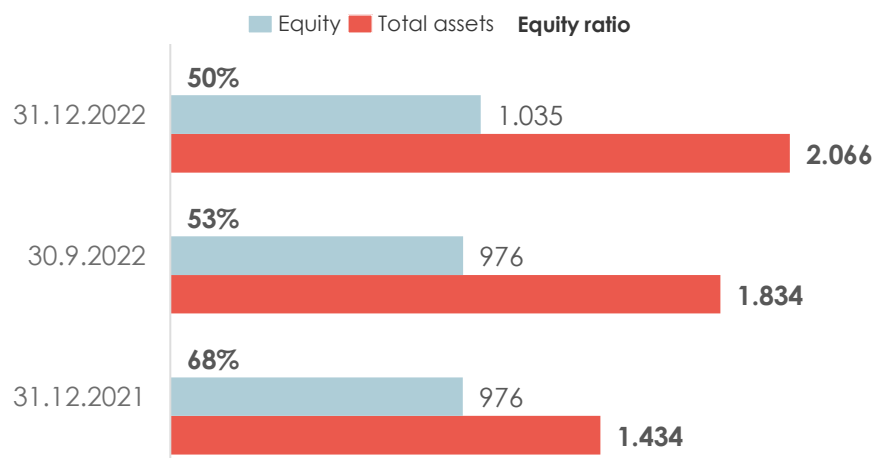
145

MNOK increase

NIBD development (MNOK)

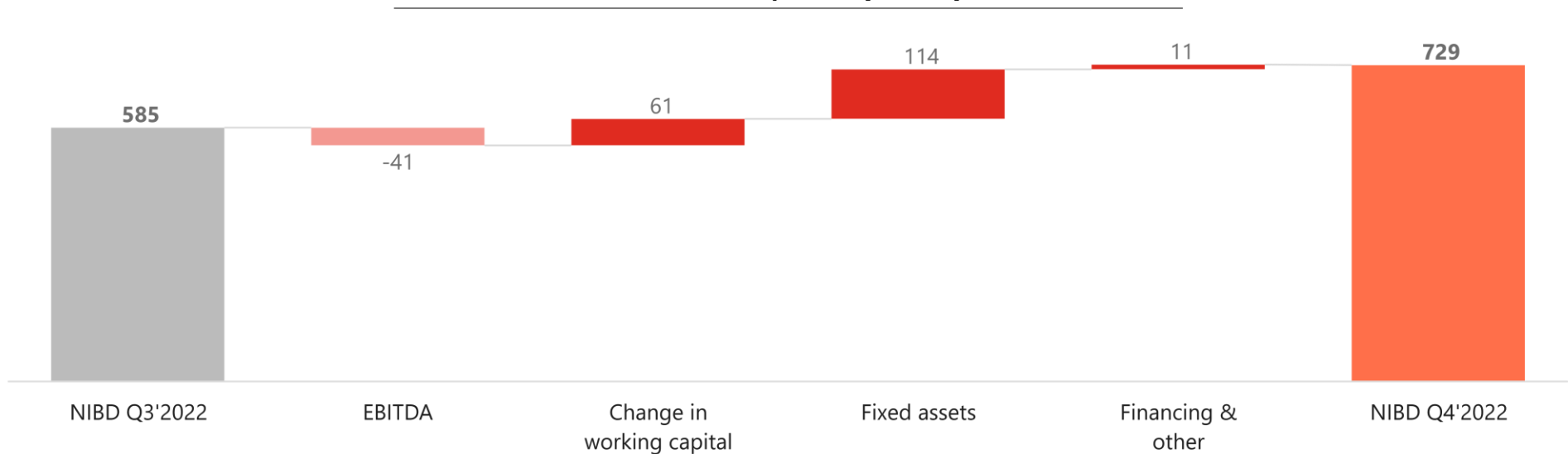


Total assets & Equity (MNOK)



NIBD development

NIBD development (MNOK)



Summary

- Net interest-bearing debt (NIBD) up by 145 MNOK in the quarter.
- The increase is largely due to working capital changes and fixed assets additions.

Bank covenants

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

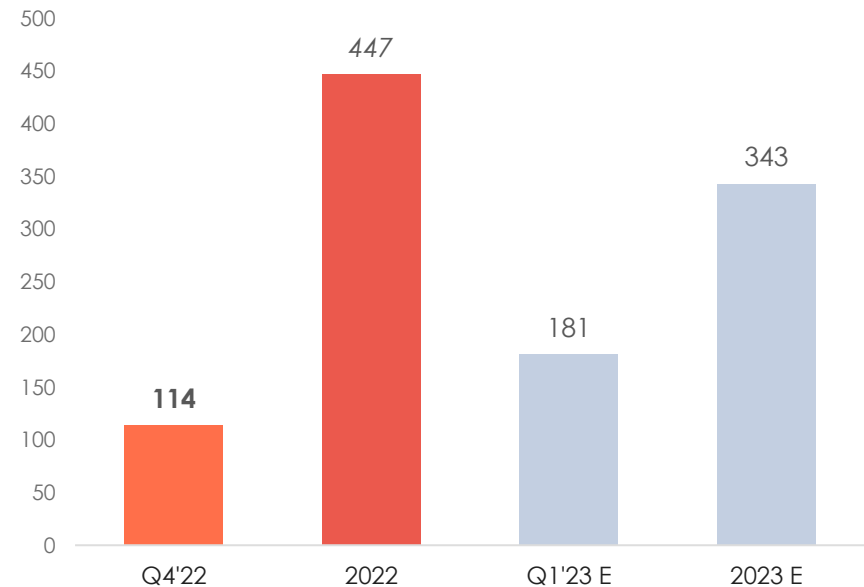
CAPEX overview

Ongoing investments

- We are committing to our growth plan with extensive investments in our Smolt Production capacity and in a Harvesting facility. Further details on each project can be found in later slides.
- Both investments are aimed at securing larger parts of our value chain, improving operational scale, less biological risk and ultimately decreasing our production cost.
- Investments are also aimed towards supporting future plans for growth

Planned capital expenditure going forward

■ Actual Capital Expenditures (MNOK)
■ Planned Capital Expenditures (MNOK)



Existing Credit facilities from bank



Existing loan agreement components

- 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.
- 250 MNOK Bridge loan.**

Covenants

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

Leverage = Net Interest bearing debt divided with EBITDA

**Bridge Loan agreement approved in December 2022. Signed and finalized in January 2023

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Key features



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.

Socially responsible

- 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 ✓

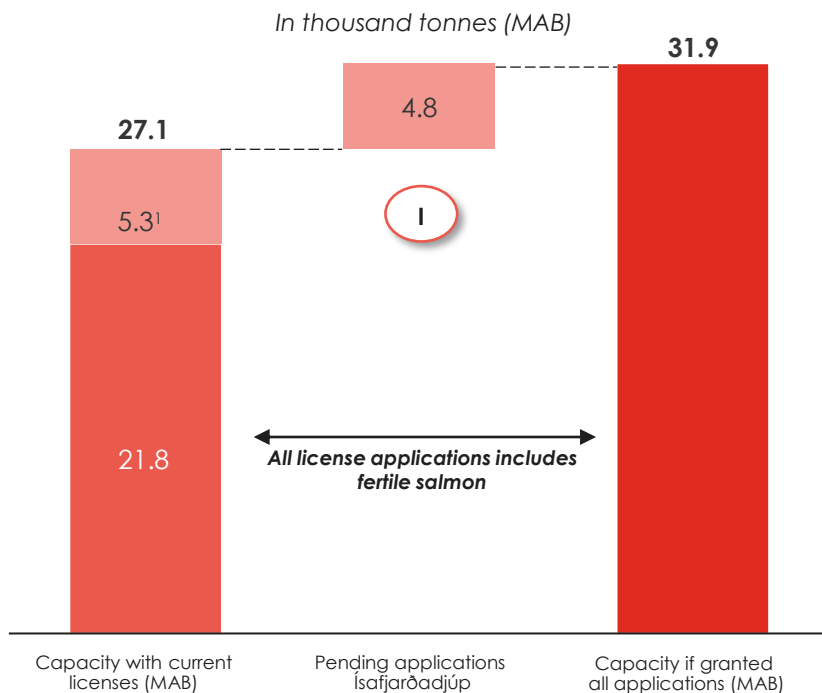
Source: Company

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



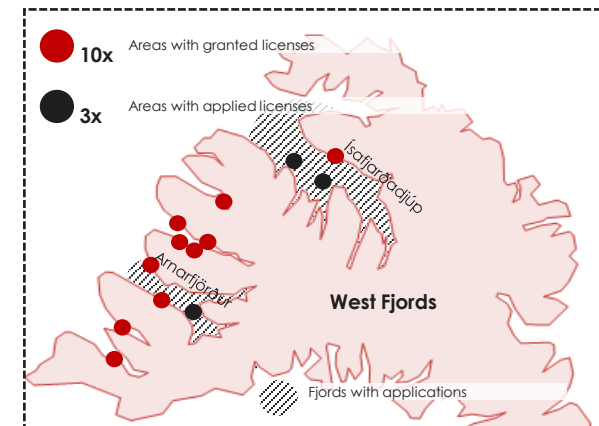
Licenses enabling growth and production potential

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



Ísafjarðardjúp
Additional license for 4.800 tonnes

Current license applications



Commentary

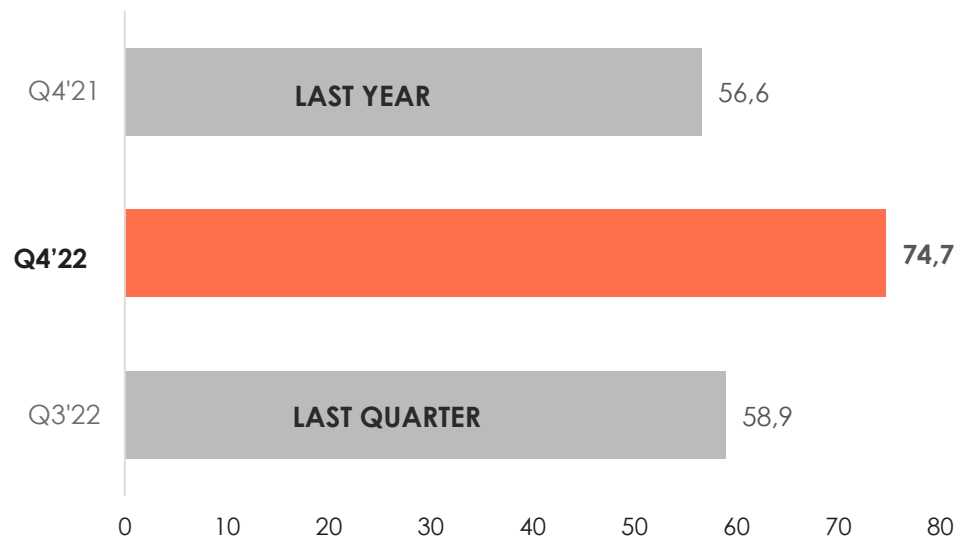
- Handed in an application for the expansion of the land based smolt production license from 1.000 tonnes to 2.400 tonnes.
- Ísafjarðardjúp is still in process, and is expected to be finalized in the near future.

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 regained strength from the previous quarter, this can be traced to large demand and historical strength of the fourth quarter.
- Price achievement was somewhat affected by logistics and sales commissions.
- The forward prices for salmon are at high levels compared to earlier forecasts and are likely to remain at strong levels for the early part of 2023.
- Fixed price contracts did not affect the price achievement at all since there were no fixed price contracts open.

Price achievement development



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Growth Projects



CAPEX projects

Smolt construction



Total costs

311 MNOK



Current costs

192 MNOK



Expected completion

May 2023

Harvesting facility



Total costs

299 MNOK



Current costs

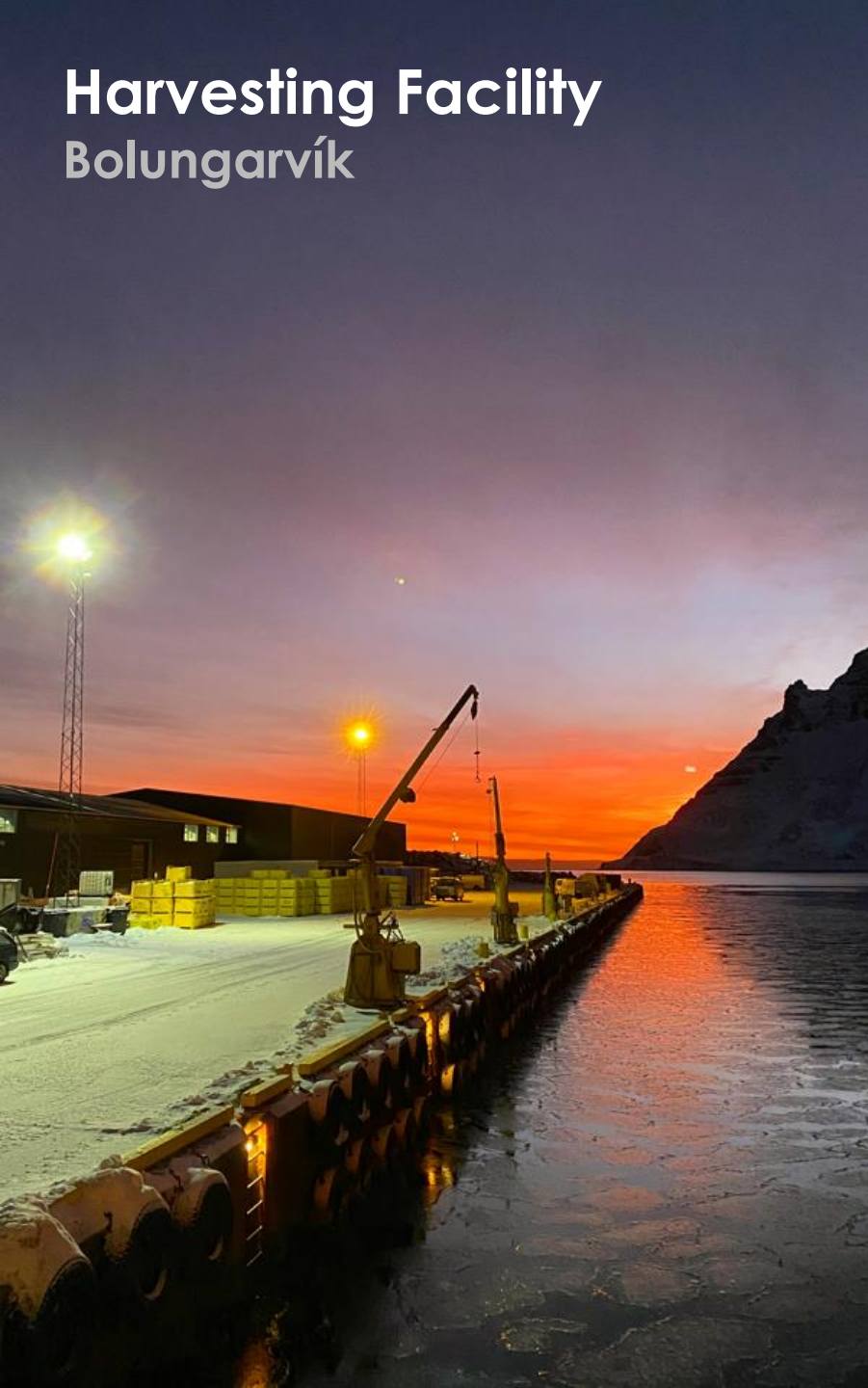
143 MNOK



Expected completion

June 2023

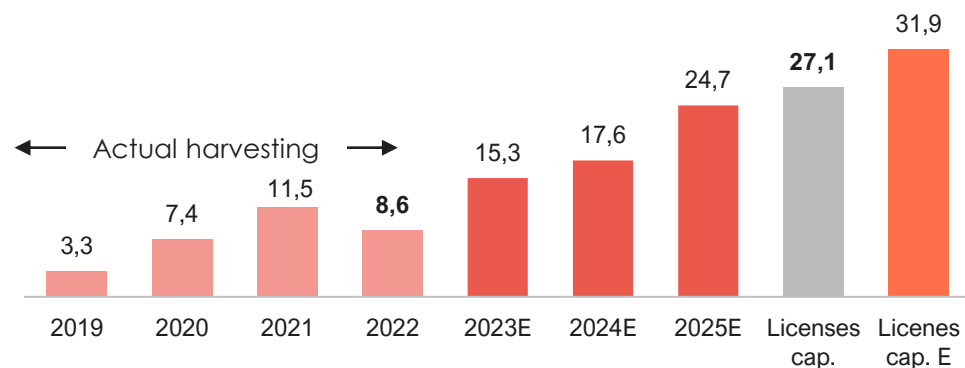
Harvesting Facility Bolungarvík



Commentary

- Project going forward on full speed with the aim of finishing in Q2 2023. Expected total costs have been updated to reflect price changes related to construction material and inflation related increases, as well as securing harvesting capacity.
- 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.
- Further 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 Ísafjörður to USA now achievable.

Harvest volumes forecast



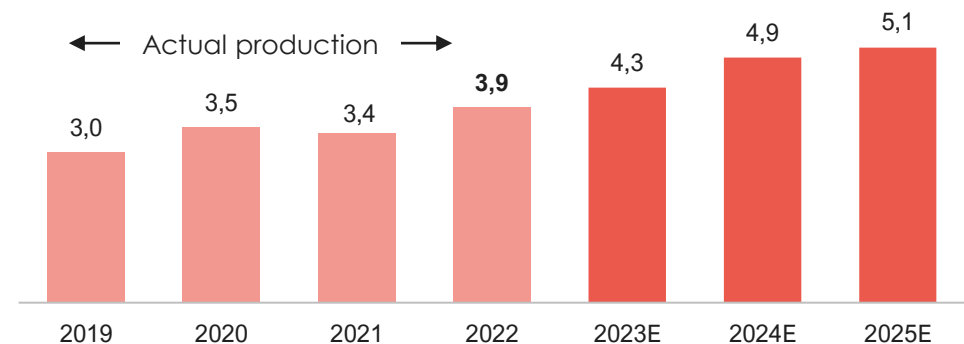
Smolt Facility Norðurbotn



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.
- Expected total costs have been updated to reflect price changes related to construction material and inflation related increases.
- 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.

Smolt capacity forecast (in million)



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Outlook and summary

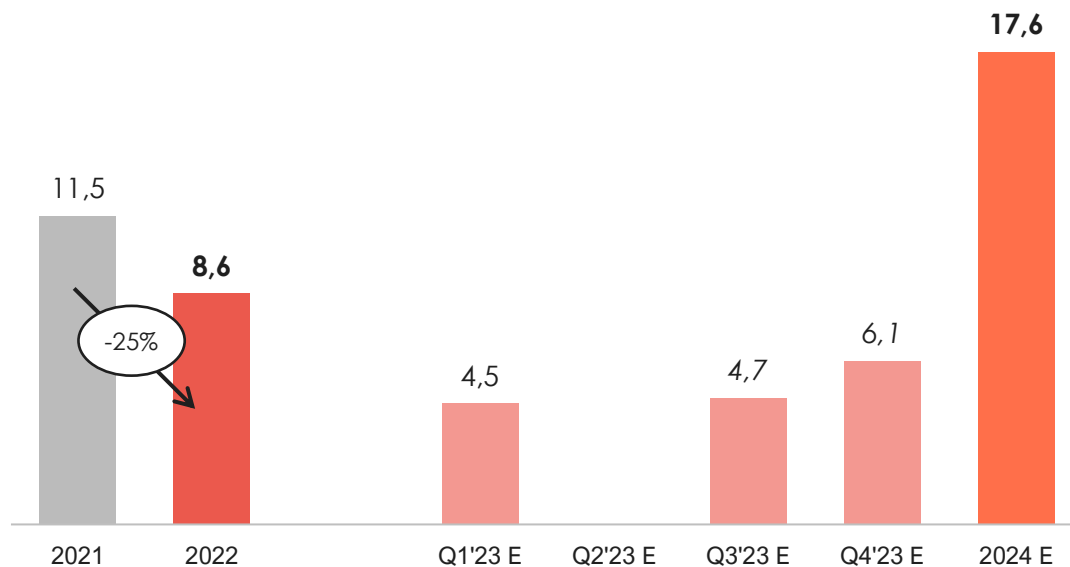


Harvesting estimates



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 as well as complications in terms of harvesting capacity faced on the latter half of the year.
- Harvesting volumes in 2022 were 25% lower than in 2021 overall, coming in at a total of 8.6 thousand tonnes.
- In Q4 2022, the Company harvested 1.3 thousand tonnes (HOG) compared to 2.9 thousand tonnes for the same period the year before (2021) which is a 55% decrease.
- 2023 harvesting quantities have been updated from previously guided volumes relative to the volume moved from Q4 2022 to Q1 2023.

Finance

Group Financials

Appendix



Group income statement

(NOK '000)	Q4 2022	Q4 2021	FY 2022	FY 2021
Operating revenues	100.329	166.253	585.855	595.895
Cost of goods sold	6.199	90.732	192.738	299.189
Salaries	15.668	11.526	65.724	54.151
Depreciation	14.764	12.940	54.435	46.501
Other operating costs	35.923	23.526	237.103	109.110
Operational EBIT	27.775	27.530	35.856	86.944
Fair value adjustments	57.482	-13.940	107.960	44.897
Production tax	-1.117	-790	-7.225	-3.843
EBIT	84.141	12.800	136.591	127.998
Other net financial items	-10.465	294	-62.153	2.580
Earnings before tax (EBT)	73.676	13.094	74.438	130.578
Taxes	-15.184	21.985	-15.336	21.985
Profit after tax from continuing operations	58.492	35.079	59.102	152.563
Profit after tax on discontinued operations incl. profit from sale				0
Net profit/loss	58.492	35.079	59.102	152.563
Profit attributable to:				
Parent company shareholders	58.492	35.079	59.102	152.563
Minority interests	0	0	0	0
Earnings per share (NOK)	1,83	1,10	1,85	4,79
Earnings per share - diluted	1,83	1,10	1,85	4,79

Statement of the financial position

(NOK '000)	31.12.2022	30.9.2022	31.12.2021
Deferred tax assets	4.143	19.327	19.479
Intangible assets	56.431	55.488	52.119
Property, plant and equipment	1.045.990	947.598	657.161
Right of use assets	3.758	3.940	4.435
Non-current financial assets	650	650	629
Non-current assets	1.110.972	1.027.003	733.823
Biological assets	718.818	506.041	512.010
Other inventory	34.461	29.195	33.785
Receivables	105.835	214.842	115.951
Bank deposits	95.949	56.889	38.126
Current assets	955.063	806.968	699.871
TOTAL ASSETS	2.066.036	1.833.971	1.433.695
Share capital	31.877	31.877	31.877
Other equity	1.002.733	944.241	943.631
Equity	1.034.610	976.118	975.508
Deferred tax	0	0	0
Provisions	0	0	0
Long-term interest-bearing debt	704.213	536.550	318.152
Long term leasing liabilities	2.902	3.057	3.424
Total non-current liabilities	707.115	539.607	321.576
Short-term interest-bearing debt	121.102	105.080	36.063
Short term leasing liabilities	1.070	1.252	1.138
Trade payables	193.604	208.633	91.052
Other current liabilities	8.535	3.280	8.357
Current liabilities	324.311	318.246	136.609
TOTAL EQUITY AND LIABILITIES	2.066.036	1.833.971	1.433.695

Statement of equity

31.12.2022	Equity allocated to parent company shareholders			Accumulated earnings	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	59.102	59.102	
Transactions with shareholders					
Dividend	0	0	0	0	
Total transactions with shareholders	0	0	0	0	
Equity at 31.12.2022	31.877	1.001.740	992	1.034.609	

31.12.2021	Equity allocated to parent company shareholders			Accumulated earnings	Total equity
	(NOK '000)	Share capital	Share premium		
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	

Group cash flow statement

(NOK '000)	Q4 2022	Q4 2021	FY 2022	FY 2021
Operational EBIT	27.775	27.530	35.856	86.944
Adjusted for:				
Depreciation	14.764	12.940	54.435	46.501
Production tax	-1.117	-790	-7.225	-3.843
Change in inventories/biological assets	-160.561	-44.055	-99.525	-71.661
Change in account receivables and accounts payables	93.978	-60.528	112.667	-91.074
Change in other current assets and liabilities	5.255	-1.026	177	-1.138
Net cash flow from operating activities	-19.906	-65.930	96.385	-34.271
Cash flow from investing activities				
Payments for purchase of fixed assets and licenses (MAB)	-113.916	-67.101	-446.920	-160.846
Net cash flow from investing activities	-113.916	-67.101	-446.920	-160.846
Cash flow from financing activities				
Proceeds from borrowings	186.866	119.797	456.629	119.797
Repayment of borrowings	-15	-9	-44.598	-39.425
Installments on right to use liabilities	-281	-528	-1.057	-528
Interest payments for right to use liabilities	-47	-153	-196	-153
Current debt change	1.290	2.345	29.069	-247.450
Issued new share capital	0	0	0	344.140
Net interest payments	-14.931	-5.812	-31.490	-22.311
Net cash flow from financing activities	172.882	115.640	408.357	154.070
Net increase in bank deposits	39.060	-17.391	57.823	-41.046
Bank deposits as of start of period	56.889	55.517	38.126	79.171
Bank deposits at the end of the period	95.949	38.126	95.949	38.126

Shareholders

Ownership structure

Appendix



Shareholders

Rank	Name	# of shares	% ownership
1	MOWI ASA	16.346.824	51,28%
2	J.P. Morgan SE**	12.896.064	40,46%
3	Landsbankinn hf.	481.267	1,51%
4	KVERVA FINANS AS	257.718	0,81%
5	CLEARSTREAM BANKING S.A.	252.948	0,79%
6	Íslandsbanki hf.	181.840	0,57%
7	VERDIPAPIRFONDET EIKA SPAR	167.406	0,53%
8	MP PENSJON PK	165.000	0,52%
9	PACTUM AS	154.386	0,48%
10	VERDIPAPIRFONDET PARETO INVESTMENT	132.900	0,42%
11	VERDIPAPIRFONDET EIKA NORGE	121.659	0,38%
12	State Street Bank and Trust Comp	118.200	0,37%
13	ROTH	80.000	0,25%
14	Euroclear Bank S.A./N.V.	46.989	0,15%
15	SKEIE ALPHA INVEST AS	41.757	0,13%
16	RAMSFJELL AS	40.849	0,13%
17	VERDIPAPIRFONDET EIKA ALPHA	33.705	0,11%
18	Saxo Bank A/S	30.703	0,10%
19	DNB Luxembourg S.A.	25.231	0,08%
20	VERDIPAPIRFONDET EIKA BALANSERT	18.432	0,06%
Ownership of 20 largest shareholders		31.593.878	99,11%
Total number of shares		31.876.653	100,00%

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

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

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





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Thank you

