



ARNARLAX

CAPITAL MARKET DAY – ARION BANKI

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Icelandic Salmon

SUSTAINABLE SALMON FROM ARNARLAX

# THIS IS ICELANDIC SALMON



Icelandic Salmon AS is listed on the Euronext Growth market in Oslo. The company is the sole owner and parent company of Arnarlax ehf.

Four smolt facilities,  
Current capacity  
of 5 million smolt



Farming in six sites  
in three fjords

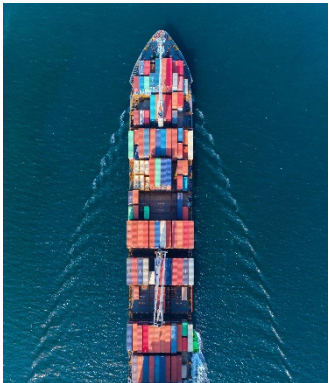
All production ASC\*\*  
certified

Total MAB 25,200  
tonnes



All operational activities of  
the group are performed in  
Arnarlax ehf.

Harvesting plant  
in Bıldudalur.  
Now BRC\*  
certified



Sales by internal  
team

Domestic and  
global markets

Arnarlax – Sustainable Icelandic  
Salmon is the common brand for all  
operational activities and products  
from Icelandic Salmon

30,000 tonnes  
per year capacity

Note: \*BRC = British Retail Consortium  
\*\*ASC = Aquaculture Stewardship Council

# Q4 PRESENTATION

## STABLE AND STRONG BIOLOGICAL PERFORMANCE



### Icelandic Salmon

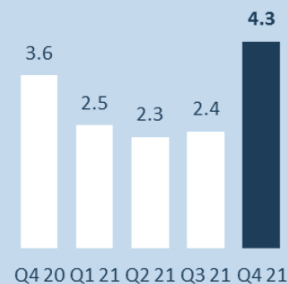
#### Improved price achievement and stable cost development

- Finished harvest of 2019 generation with stable cost development
  - Significantly improved biological performance compared to previous generations
  - Started harvesting of 2020 generation with good biological performance
- Improved price achievement already starting to materialize
  - Launch of new brand in August: Arnarlax – Sustainable Icelandic Salmon
- Expect lower volume and stable cost level in Q1 2022
  - Continue harvesting from 2020 generation
  - Good status of biomass going into the winter period
- Expect 16,000 tons harvest volume in 2022

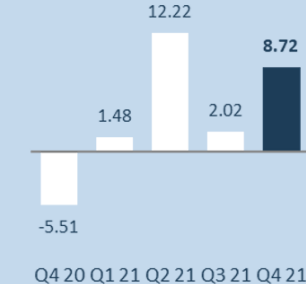
#### KEY RESULTS

	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating income (NOKm)	357	173	919	662
Operational EBIT (NOKm)	37	-20	74	-50
Operational EBIT %	10 %	-11 %	8 %	-8 %
Harvest volume (tgv)	4.3	3.6	11.5	11.2
EBIT/kg	8.72	-5.51	6.41	-4.49

**Harvest volume**  
(1,000 tons gw)



**EBIT/kg**  
(NOK)



- The biological development at Arnarlax has continued to improve
- The operation has throughout 2021 been without major incidents
- Strategic sales and marketing efforts yield promising results
- Icelandic Salmon expects to harvest 16,000 tonnes in 2022

Source: SalMar's report for Q4 2021

Note: Numbers may appear slightly inconsistent due to different accounting principles in SalMar and Icelandic Salmon

# SMOLT EXPANSION ON TRACK

## STRATEGIC UPDATE AND OUTLOOK

### SOUTH COAST EXPANSION DEVELOPING AS PLANNED

- Development at the Fjallalax smolt plant is progressing as planned
  - *Licence in place for 100 tonnes MAB*
  - *Operations started with input of eggs in January*
- Development plans at Laxabraut 5 are also on track
  - *Expecting a license of 900 tonnes MAB in Q1*
- The two expansion initiatives will provide both increased number of smolt and size for approximately 7,000 tonnes additional harvested volume
  - *This will support better utilisation of current licenses and prepare for new areas and licenses*

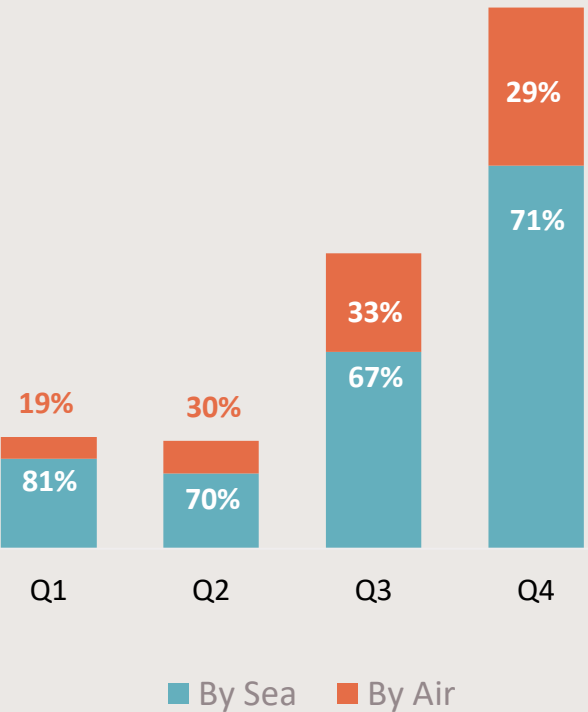


# SALES & MARKETING UPDATE

## STRATEGIC UPDATE AND OUTLOOK



TRANSPORTATION SPLIT  
TO NORTH AMERICA  
(Volume)



### SUSTAINABLE SALMON INCREASED DEMAND IN THE US

- Continued emphasis on sea transport to the US market
  - The program is serving our customers well with no quality claims*
- Icelandic logistics routes offer a new choice for a low carbon footprint salmon in the US market
- Arnarlax offers now both filets and HOG fish

### STRATEGIC CHANGES DELIVER STRONG SALES ACHIEVEMENT

- The new brand was launched during the fall of 2021
- Arnarlax has achieved a good increase in prices and margins across all markets during 2021

### CONTRACTS

Contract share for Q4 was 12.9% and is currently standing around 20% for Q1 2022 in accordance with our strategy and at comfortable price levels

# LICENSE STATUS FOR SEA-WATER

## STRATEGIC UPDATE AND OUTLOOK



Arnarlax holds licenses of 25,200 tonnes MAB in the Icelandic Westfjords (Arnarfjörður, Patreksfjörður and Tálknafjörður).

### NEW SITES WITHIN EXISTING LICENCES

Currently in process to build three more sites within existing licences, for better MAB utilisation

First site expected to be approved in 2022

### ÍSAFJÖRÐUR LICENSE STATUS

The Arnarlax application for a farming license in Ísafjarðardjúp is still in process

Arnarlax is in a position to receive a license for 10,000 tonnes in Ísafjarðardjúp despite uncertainty on the share of fertile fish

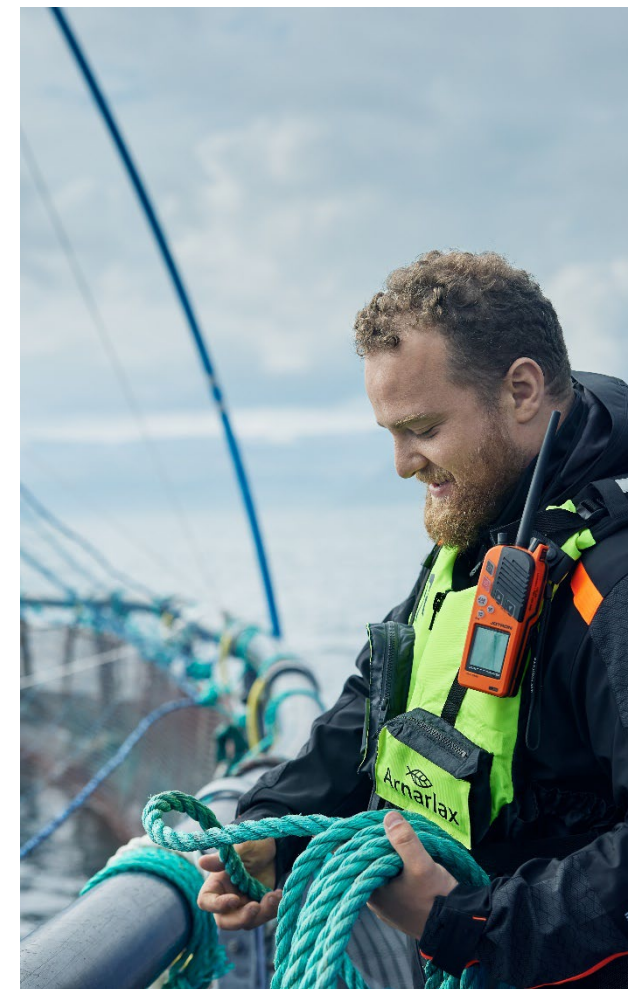
The license is now expected to be issued in 2022

### ARNARFJÖRÐUR EXPANSION

The Arnarlax application for increased biomass in Arnarfjörður of 4,500 tonnes has not been processed and the application process has been delayed

Currently, there are 3.000 tonnes left of the carrying capacity in Arnarfjörður and the application will likely be updated to account for the difference

The exact timeline of the application process is still undetermined

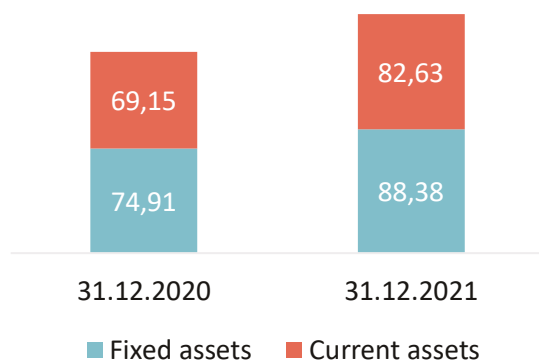


# FINANCIAL POSITION

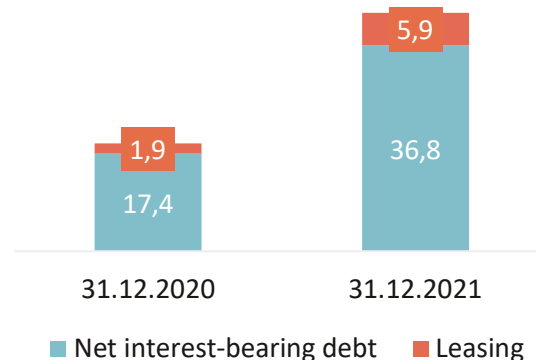
## FINANCIAL UPDATE



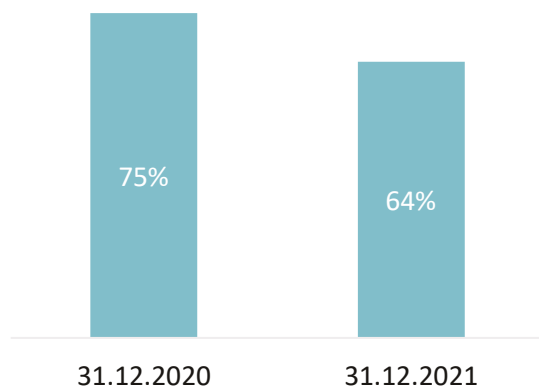
**Assets**  
(EUR million)



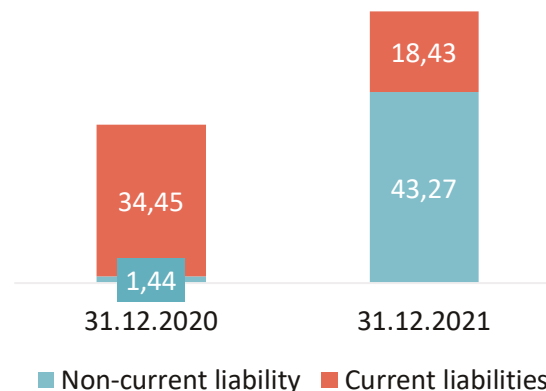
**Net Interest Bearing Debts**  
(EUR million)



**Equity ratio**



**Liabilities**  
(EUR million)



### KEY ITEMS FOR 2021

Total investment were EUR 14.5 million mainly related to smolt projects, increased production at sea and securing Harvest plant operation

Biological assets at cost value increased by EUR 16.1 million

Net cash flow from operational activities was negative of EUR 0.2 million compared to EUR 1.0 million in 2020

Net interest-bearing debt increased by EUR 19.4 million within the year in relation to increased biomass and continuing investments

New EUR 56.0 million three-year loan agreement signed with DNB and Arion Banki, replacing previous long-term credit arrangement

Increased lease assets in January 2022 by EUR 1.9 million following license issued in Fjallalax

### FINANCIAL POSITION

At the close of the year, the balance sheet totaled EUR 171.0 million, an increase of EUR 26.9 million from the end of 2020

Total equity at 31<sup>st</sup> of December 2021 was EUR 109.3 million, up from 108.2 million at end of year 2020

Full annual statement will be issued out on 22<sup>nd</sup> April 2022

# ROLLING BIOMASS (RAB) – AN INTRODUCTION

## BETTER LICENCE UTILIZATION AND INCREASED VALUE CREATION (1/2)



### EXAMPLE 1

#### HISTORIC BIOMASS DEVELOPMENT IN ARNARFJÖRÐUR

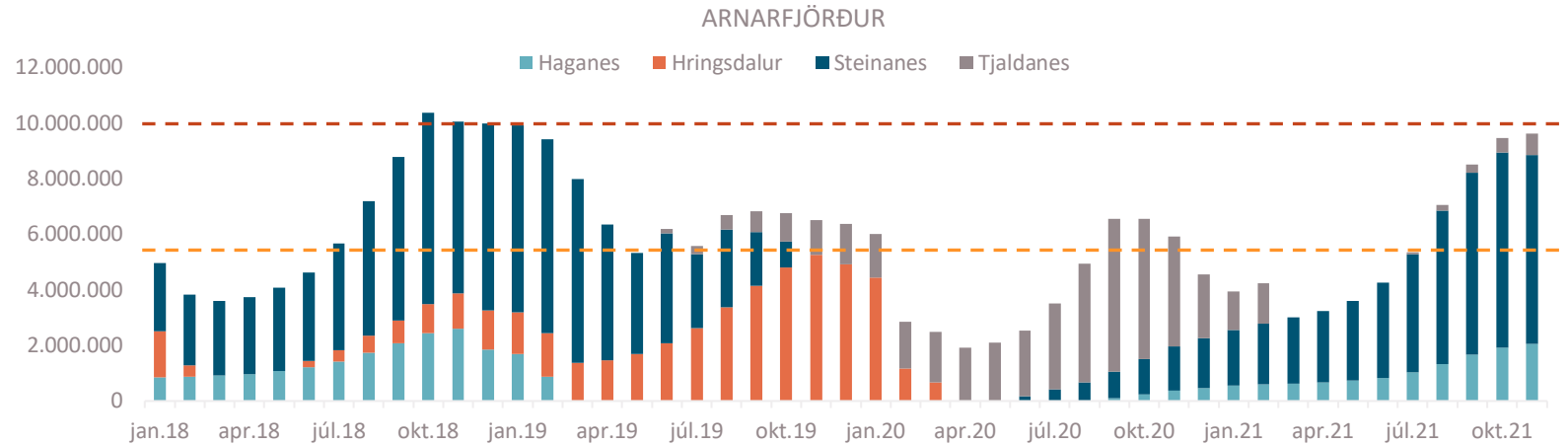
- MAB license is 10.000 tons
- Max biomass 10.000 ton (only 6 months in 4 years)
- Average biomass for the period only 5.799 ton (58 % utilization)
- Harvested HOG average at 6.300 ton in the period

### EXAMPLE 2

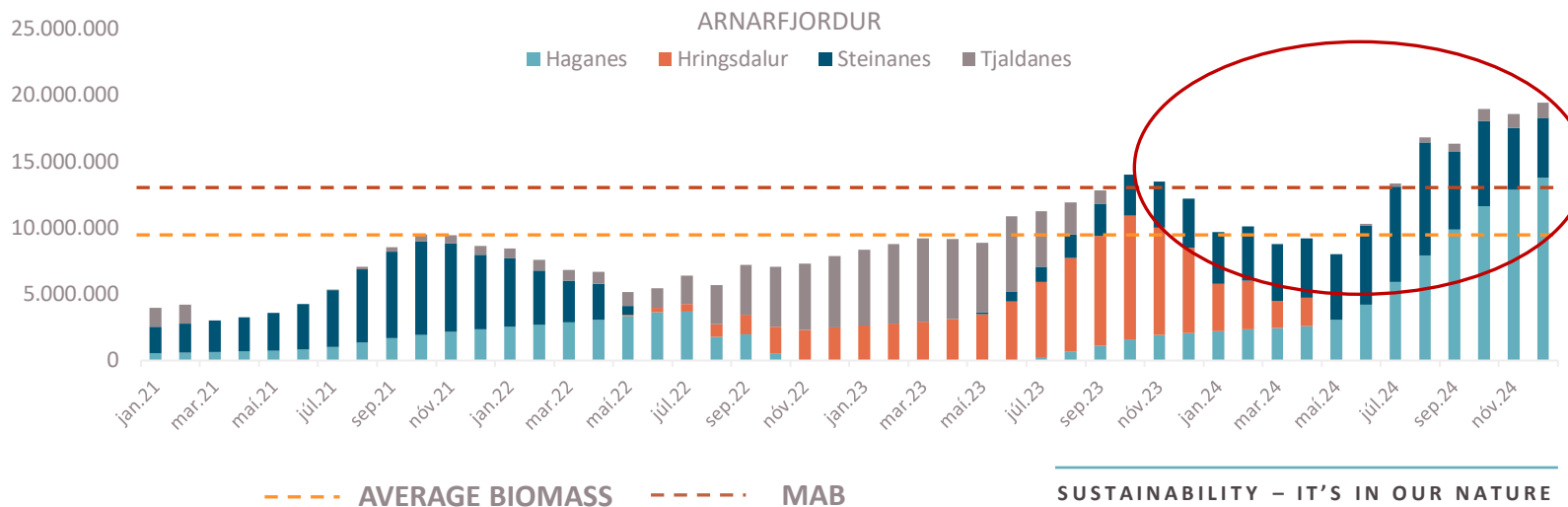
#### BIOMASS FORECASTED DEVELOPMENT IN ARNARFJÖRÐUR

- MAB license is 13.000 tons including Fosfjörður.
- Theoretical Max biomass at 19.553 tons
- Average biomass still only 9.212 tons (70 % utilization)
- Red circle, could be solved with a rolling biomass model.

### HISTORIC BIOMASS DEVELOPMENT



### FORCESTED BIOMASS DEVELOPMENT



# ROLLING BIOMASS (RAB) – AN INTRODUCTION

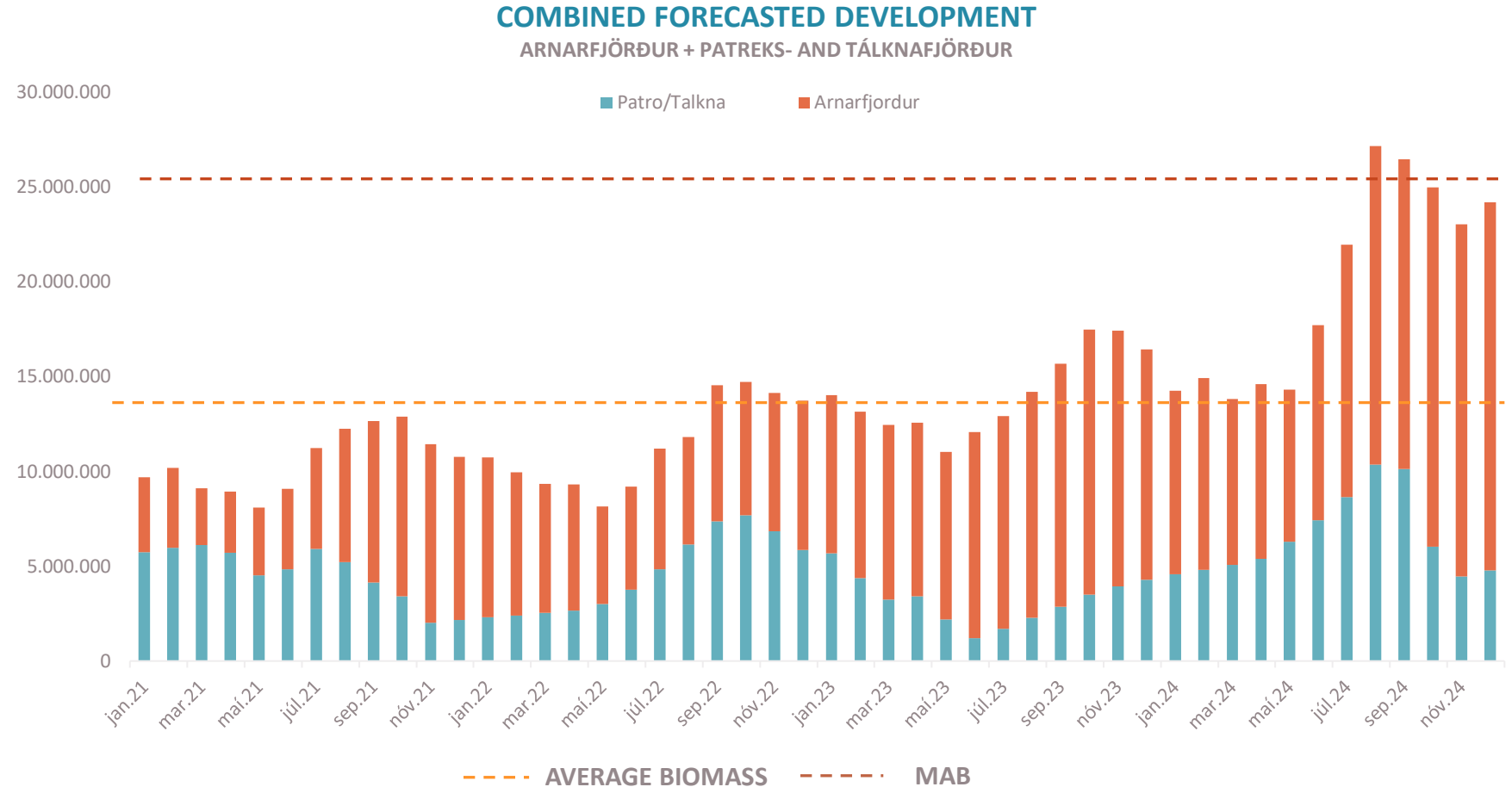
## BETTER LICENCE UTILIZATION AND INCREASED VALUE CREATION (2/2)



### EXAMPLE 3

COMBINED FORECASTED DEVELOPMENT  
IN ARNAR-, TÁLKNA & PATREKSFJÖRÐUR

- Combined MAB licenses for 25.200 tons
- Theoretical Max biomass 27.147 ton
- Average biomass 13.956 ton (55 % utilization)

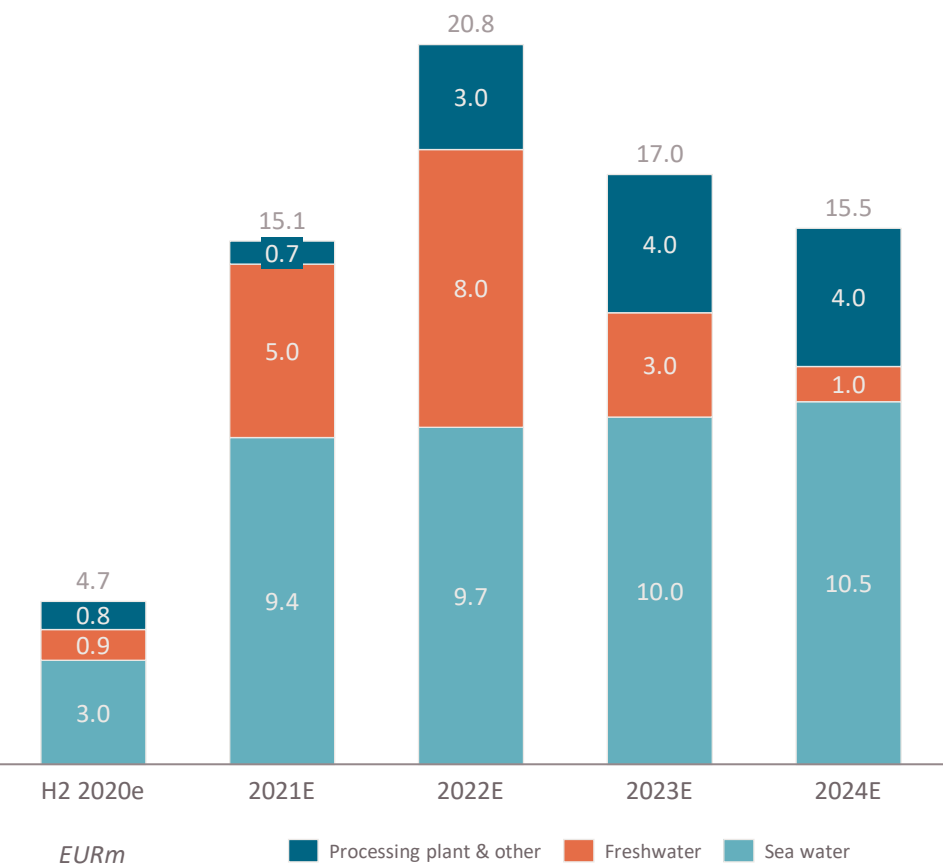


# IPO PRESENTATION FROM 2020

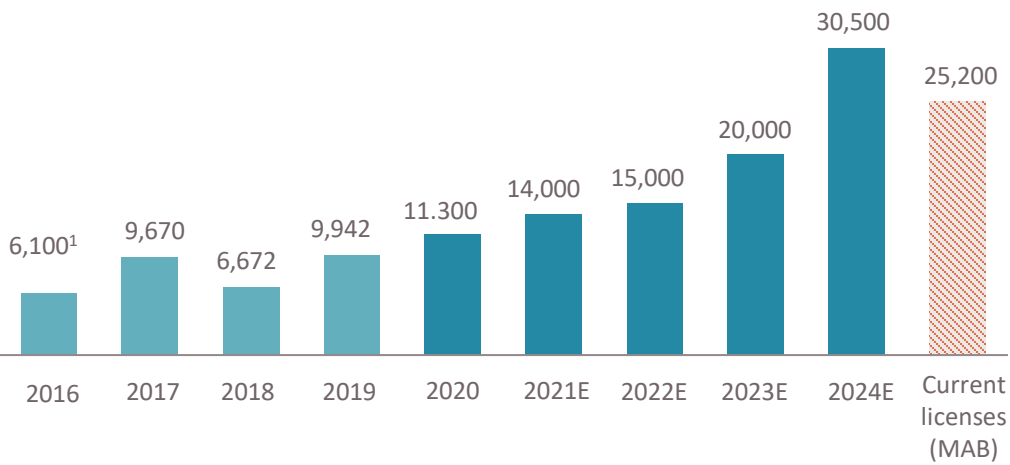
## CAPEX AND HARVEST DEVELOPMENT



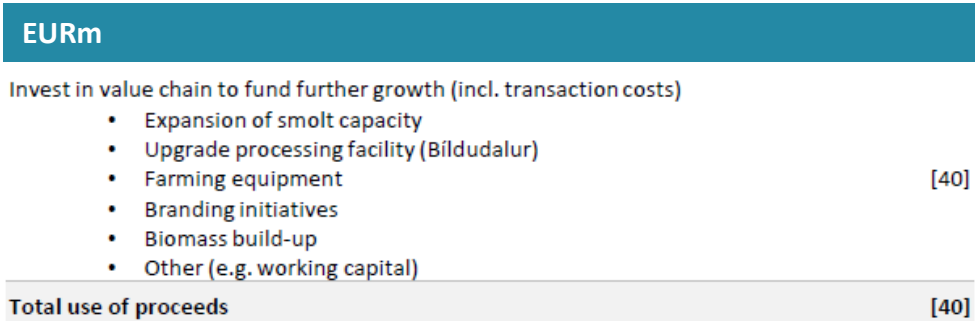
CAPEX PLAN AS IT WAS PRESENTED IN IPO



HARVEST PLAN AS IT WAS PRESENTED IN IPO



USE OF PROCEEDS AS PRESENTED IN IPO



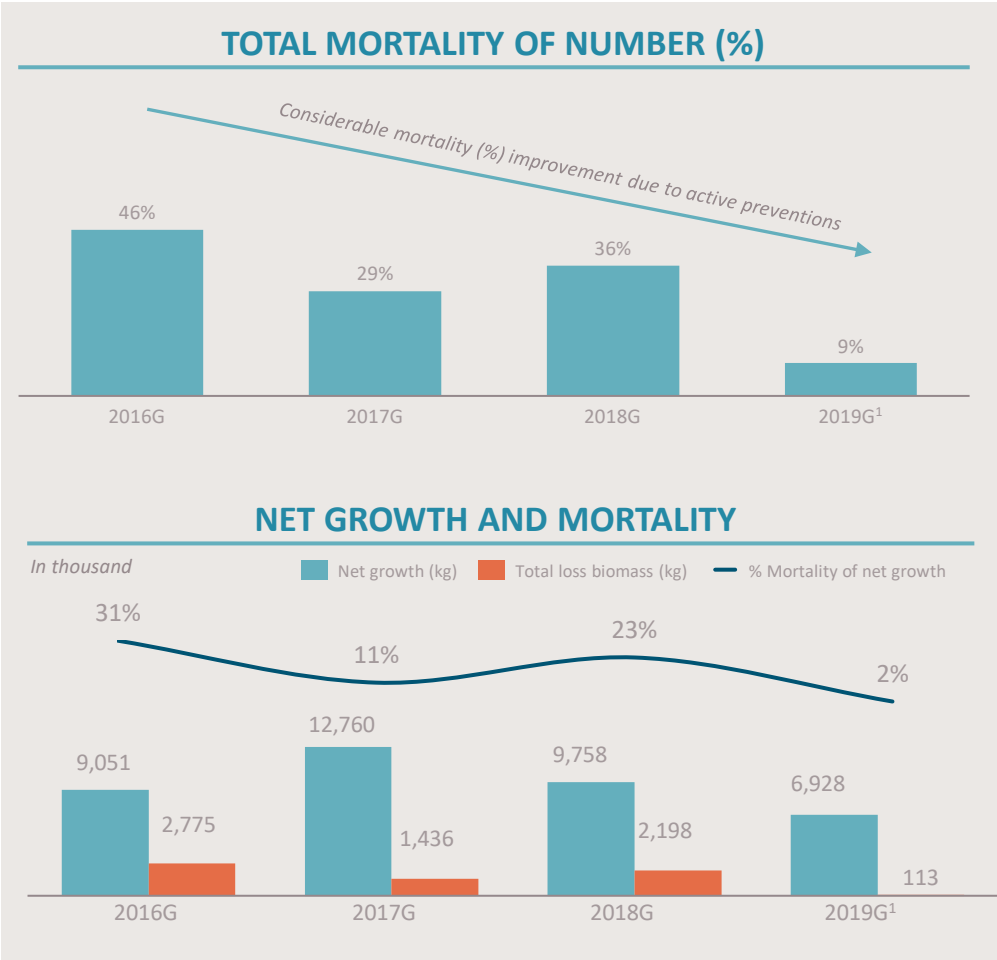
Source: Company Presentation – IPO 2020  
Note: Colours have been updated to new brand colours

# IPO PRESENTATION FROM 2020

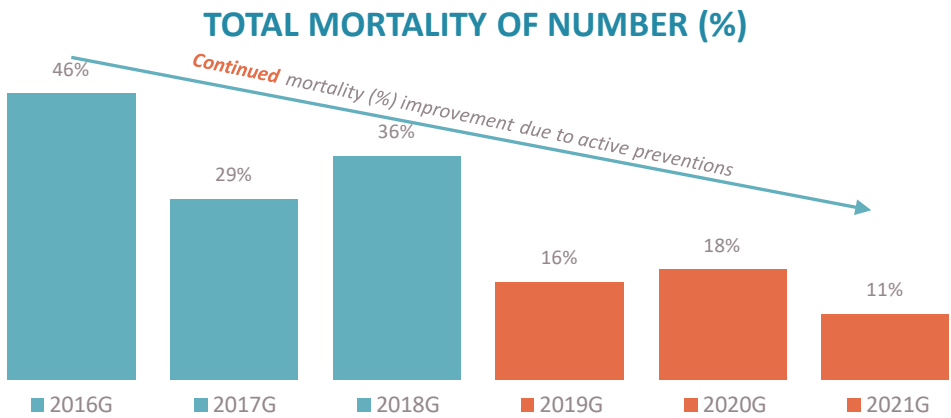
## CONTINUED MORTALITY (%) IMPROVEMENT DUE TO ACTIVE PREVENTIONS



### IPO DATA



### UPDATED NUMBERS



### PREVENTIVE ACTIONS PRESENTED IN IPO

1

- Have no BKD in smolt plants, by introducing better hygienic standard
- New tanks and delivery system in Isthor, making transportation more efficient and better for the smolt
- Better control on smoltification process

2

- Go into winter with lower biomass. More harvest in fall and less harvest during winter
- Max density during winter to 13 kg/m<sup>3</sup>
- Avoid using the most exposed sites for the second winter in sea
- Increased harvesting capacity in order to facilitate for faster harvesting out cages

Source: Company Presentation – IPO 2020  
Note: Colours have been updated to new brand colours



# Icelandic Salmon

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