



FIRST HALF 2021 RESULTS

Reykjavik, 26 August 2021

ARNARLAX® PRIVATE AND CONFIDENTIAL



Icelandic Salmon

SUSTAINABLE SALMON FROM ARNARLAX

AGENDA AND PRESENTERS



BJØRN HEMBRE
Chief Executive Officer



JÓNAS HEIÐAR BIRGISSON
Chief Financial Officer

- OPERATIONAL UPDATE
- FINANCIAL UPDATE
- STRATEGIC UPDATE AND OUTLOOK
- QUESTIONS AND ANSWERS

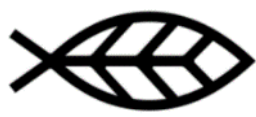
THIS IS ICELANDIC SALMON



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



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



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

Four smolt facilities, Capacity of 4.5 million smolt



Harvesting plant in Bíldudalur
30,000 tonnes per year capacity



Farming in six ASC sites in three fjords
Total MAB 25,200 tonnes



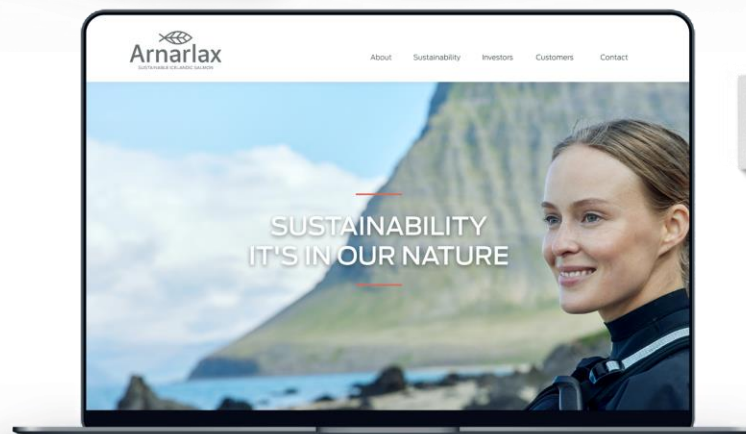
Sales by internal team
Domestic and global markets

NEW BRAND AND GLOBAL TRADEMARK



A LONG-TERM BRAND STRATEGY BUILT AROUND TRENDS AND CUSTOMER NEEDS

- Quality conscious consumers around the world want food that is not only good for them, but also for the planet.
- The Arnarlax brand is built on pillars of sustainability and Icelandic heritage – resulting in a premium product.
- We will add value in the salmon category through our unique story, substance and go to market
- A new brand identity is developed to reflect who Arnarlax is and how we are different.



MANAGEMENT FURTHER STRENGTHENED IN 2021



Two new senior officers appointed in first half of 2021

Kjersti Haugen started as Chief Sales Officer on 06.04.21. 34 years of international experience from the seafood industry. Most recently COO in Seaborn

Jón Garðar Jörundsson started as Chief Business Development Officer on 01.02.21. Has long history with the company, both as an advisor and as a board member of Arnalax.

A diversified management team with extensive experience from the salmon industry, both in Iceland and abroad.



Björn Hembre
CEO



Jónas Heiðar Birgisson
CFO



Rolf Ørjan Nordli
COO of Biology



Hannibal Hafberg
COO of Harvest Plant



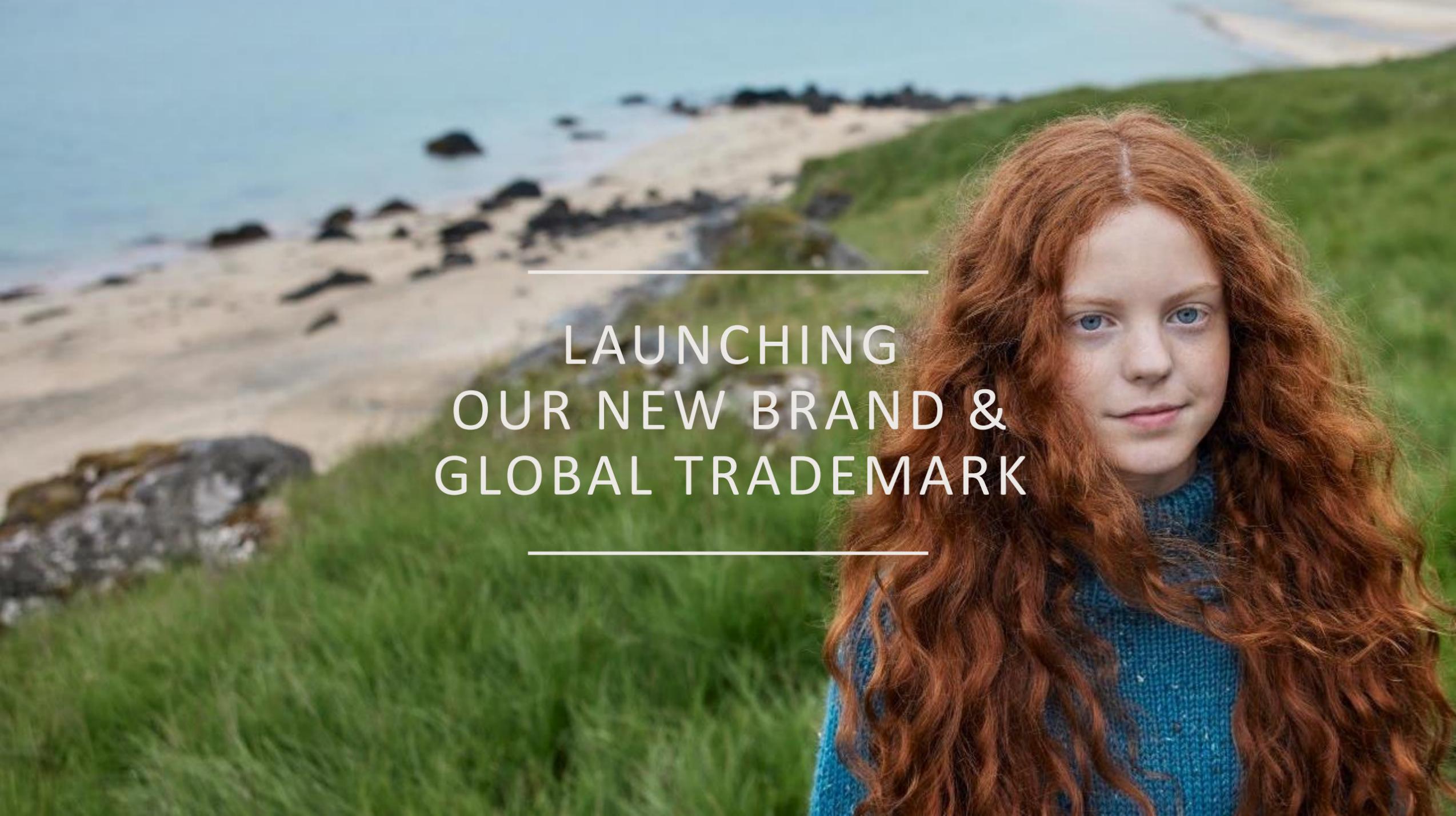
Kjersti Haugen
CSO



Silja Baldvinsdóttir
Quality Manager



Jón Garðar Jörundsson
CBDO



LAUNCHING
OUR NEW BRAND &
GLOBAL TRADEMARK

OPERATIONAL UPDATE



HIGHLIGHTS

Operational update



Icelandic Salmon

Biological performance improved, especially on mortality and growth rate. Low lice levels recorded, no delicing required.

Continued attention to cost efficiency and increased market prices contributed to sound financial results in first six months of 2021: EUR 35.42 million in revenues and EUR 3.43 million in operational EBIT.

Total own harvest was 4,848 tonnes. In addition, 5,620 tonnes were harvested for third party.

Released 1,600,000 smolt to sea (H1 20: 867,000) with an average weight of 252 gram (H1 20: 150 gram).

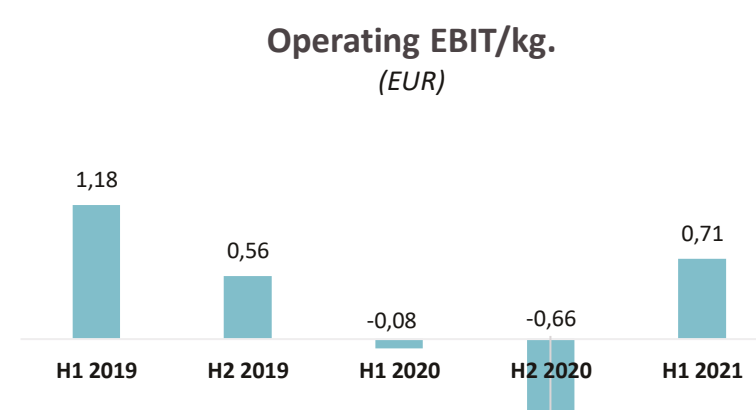
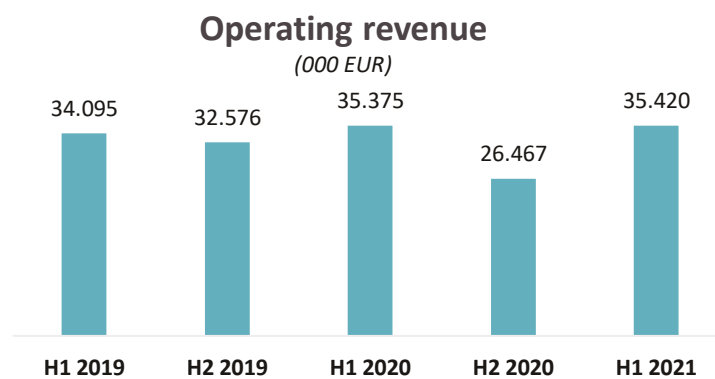
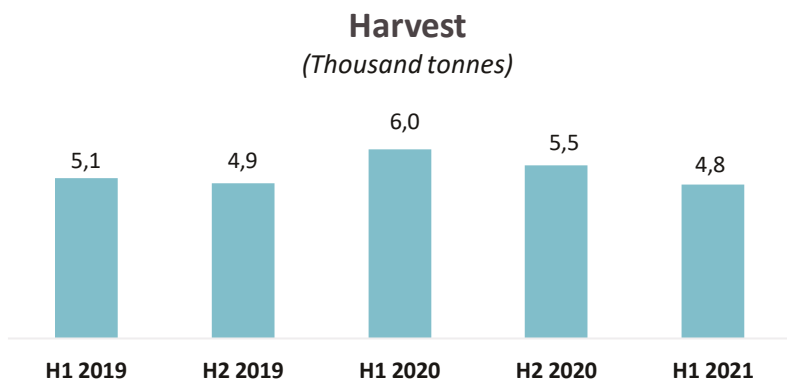
Two arctic char facilities were acquired and conversion to smolt production is underway. Will increase smolt capacity with 0.8 million smolt in 2022 and 1.5 million smolt in 2023 onwards.

New three-year loan agreement in place, replacing a previous long-term loan which matured in December 2021, securing better financial flexibility.

New brand launched in Q3: Arnarlax – Sustainability, it's in our nature. Will be instrumental to differentiate products and strengthening our position in existing markets and enter into new markets.

Expanding export route by boat to the US. Icelandic super chill technology makes transport by sea a cost efficient and environmentally better alternative to airfreight.

Expects to harvest 14,000 HOG tonnes of salmon in 2021.



SIGNIFICANT EBIT/KG IMPROVEMENT IN Q2

Operational update



Icelandic Salmon

Good operational performance and increased price achievement improving results

Improved price achievement, stable cost development and good capacity utilization at harvest plant

2019 generation has accounted for the volume

Significantly improved biological performance compared to last year

Expect higher volume and stable cost level in Q3 2021

Continue harvesting from 2019 generation

Significantly improved biological status of fish in sea compared to last year

Guiding maintained at 14,000 tons in 2021

Increasing smolt capacity through acquisition of two smolt facilities

Strengthening the foundation for future growth

Launch of new brand in Q3 2021

Arnarlax – Sustainable Icelandic Salmon

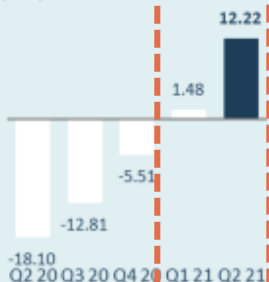
KEY RESULTS

	Q2 2021	Q2 2020	H1 2021	H1 2020
Operating income (NOKm)	182	99	360	379
Operational EBIT (NOKm)	28	-30	32	-9
Operational EBIT %	15 %	-30 %	9 %	-2 %
Harvest volume (tgv)	2.3	1.7	4.8	6.0
EBIT/kg	12.22	-18.10	6.57	-1.50

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



Good operational performance and increase price achievement improving results

Source: SalMar's report for the second quarter and first half of 2021

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

An aerial photograph of a large, circular fishing net floating in the deep blue ocean. The net is made of a complex web of lines and floats. To the right of the net, a small boat is moving, leaving a white wake. A thin, white, wavy line extends from the left edge of the frame towards the net. The text "FINANCIAL UPDATE" is centered over the net, flanked by two horizontal white lines.

FINANCIAL UPDATE

GROUP PROFIT AND LOSS

Financial update



EUR million	H1 2021	H1 2020	Delta (%)	FY 2020
Operating income	35.42	35.38	0.1 %	61.84
Operational EBITDA	6.20	2.58	140.3 %	2.75
Operational EBIT	3.43	-0.49		-4.71
Production tax	0.42	0.33	27.6 %	0.65
Fair value adjustments	0.76	-4.34		7.66
Operating results	3.77	-5.16		2.94
Profit/loss before tax	2.95	-6.88		-1.40
Harvested volume (tonnes)	4,848	5,954	-18.6%	11,415
Operational EBIT/kg.	0.71	-0.08		-0.36

** Production fee, comprises fees paid to the Icelandic Food and Veterinary Authority's environmental fund and resource fees paid to Directorate of Fisheries.*

FIRST SIX MONTHS OF 2021 VS SAME PERIOD 2020

Positive development in biology in the first half of 2021, mainly related to reduced mortality and a better growth rate

Change of harvest strategy with lower biomass into the winter season and lower density in the cages contributed to the improved results

The price of salmon (NASDAQ Salmon index) in the first half of 2021 averaged EUR 5.71, compared with EUR 5.95 in the first half of 2020. Most of the fish was harvested towards the end at favorable price levels

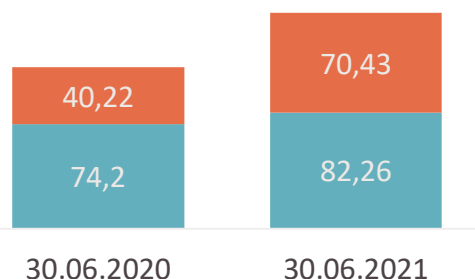
Operating profit for the first six months of 2021 was EUR 3.77 million, including a positive EUR 0.76 million fair value adjustment and EUR 0.42 million production tax.

CASHFLOW AND FINANCIAL POSITION

Financial update

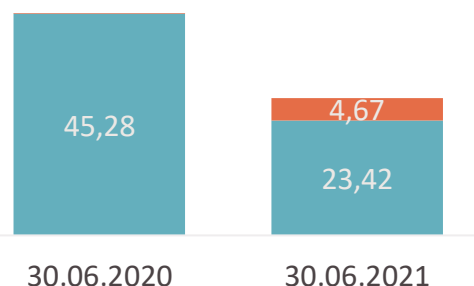


Assets
(EUR million)



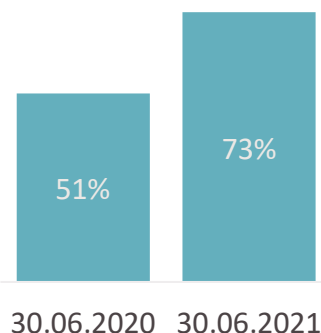
■ Fixed assets ■ Current assets

Net interest bearing debt
(EUR million)

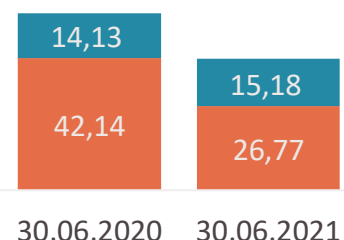


■ Net interest-bearing debt ■ Leasing

Equity ratio



Liabilities
(EUR million)



KEY ITEMS FIRST SIX MONTHS OF 2021

Net cash flow from operating activities was EUR 2,03 million compared with EUR 11,38 million in the same period last year

Total investments were EUR 6.76 million. Two new smolt facilities acquired for EUR 2.71 million, at Hallkelshólar and Þorlákshöfn respectively

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

FINANCIAL POSITION

At the close of the first half of 2021, the balance sheet totalled EUR 152.69 million, an increase of EUR 8.62 million from the end of 2020.

Mainly related to increased fixed and right of use assets of EUR 6.38 million mostly due to arrival of new barge and service boat, an increase value of biological assets of 3.90 million

Total cash and cash equivalents were reduced from EUR 3.05 million at the end of 2020 to EUR 2.45 million at the end of the first half of 2021.

Total equity at 30 June 2021 was EUR 110.74 million, up from EUR 58.14 million one year earlier and EUR 108.18 million at the end of 2020

STRATEGIC UPDATE AND OUTLOOK



BECOMING THE NEXT BIG REGION WITHIN SALMON FARMING



FAVORABLE REGULATORY FRAMEWORK

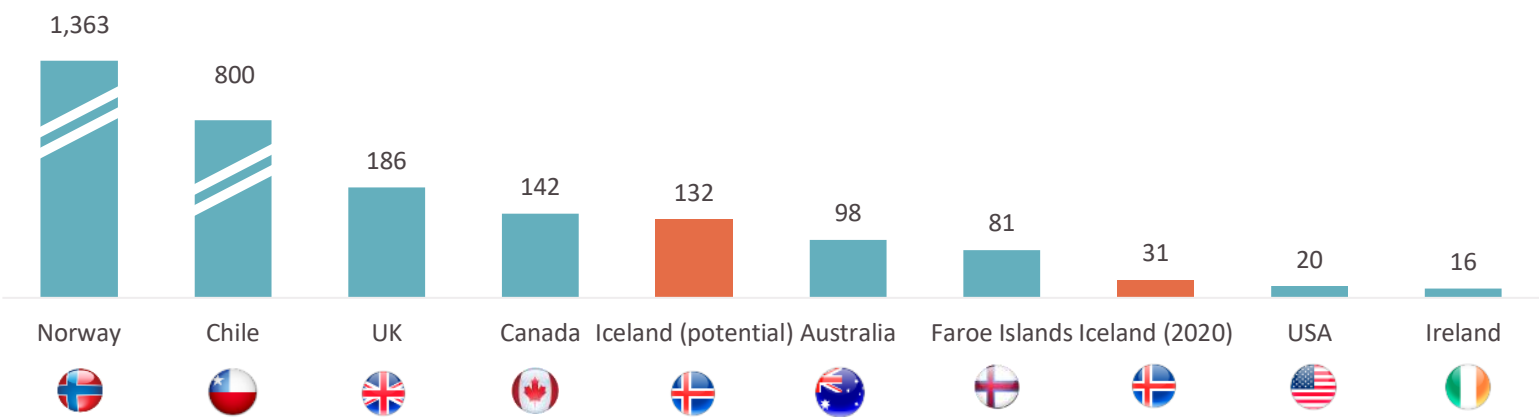
The Marine Research Institute (MRI) recently carried out an updated Risk Assessment for fertile salmon and set a figure of 106,500 tonnes.

Total of 10 fjords have a calculated carrying capacity biomass of 132,000 tonnes, making Iceland, potentially, one of the largest Atlantic salmon producers in the world

Further applications and growth will be possible by taking part in auctions.

Potential for new areas: Jökulfirðir, Mjóifjörður, and Eyjafjörður.

Iceland today vs potential based on new MRI assessment (000 MT)



Source: Kontali Salmon World 2020, Arnarlax

Marine Research Institute recently raised MAB to 106,500 tonnes



PRODUCTION AND PLANNED FURTHER GROWTH

Strategic update and outlook



Icelandic Salmon holds licenses of 25,200 tonnes maximum allowed biomass in the Icelandic Westfjords Arnarfjörður, Patreksfjörður and Tálknafjörður.

EXPANSION AND LICENSE APPLICATIONS

Currently in the process of applying for a 10,000 tonnes license in Ísafjarðardjúp and a 4,500 tonnes expansion of an existing license in Arnarfjörður.

License in Ísafjarðardjúp is expected to be issued before end of 2021. The license application in Arnarfjörður is in an appeal process from which results are anticipated by the end of 2022.

SMOLT CAPACITY

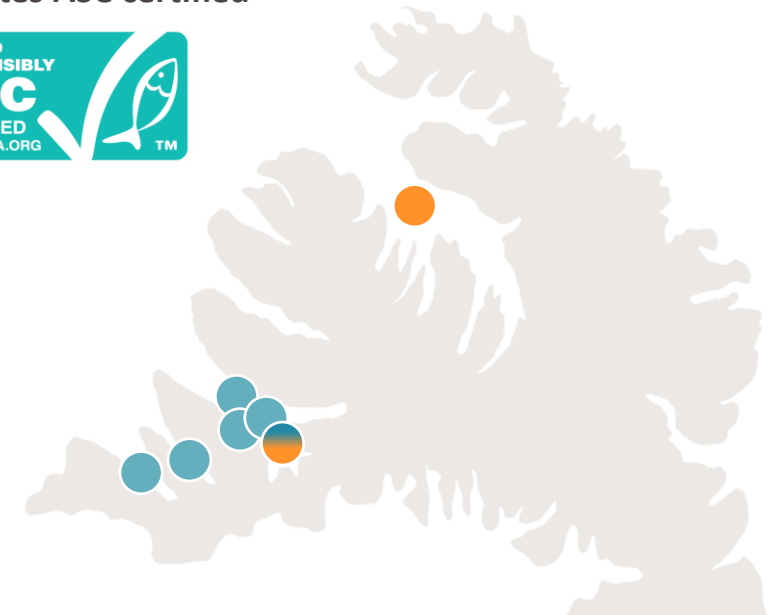
Acquisition of two smolt/post-smolt facilities will allow for increased in production of smolt: 0.8 million smolt in 2022 and 1.5 million smolt in 2023 onwards

Additional smolt capacity expected to convert to an increase in harvest volume of approx. 7,000 tonnes

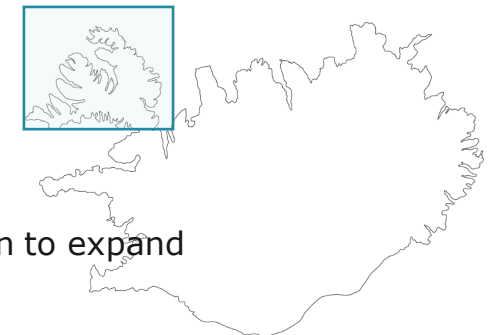
PRODUCT RANGE

Signed agreement with a local partner in the West Fjords, for production of pre-rigor filet, a new product for Arnarlax

All sites ASC certified



- Active site
- Licence application
- Active site, application to expand



SHIFT TO LOW-CARBON FOOTPRINT MARINE TRANSPORT

Strategic update and outlook



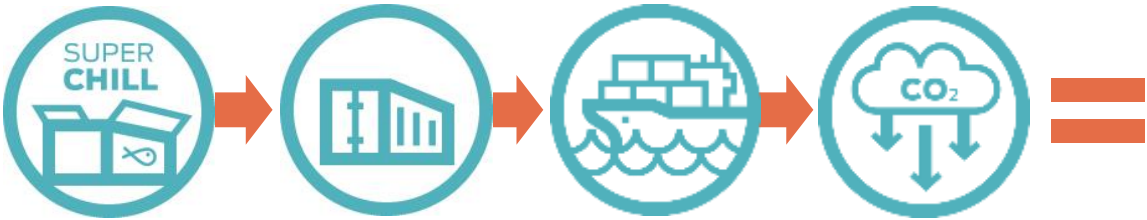
GOOD FOR THE ENVIRONMENT – AND FOR THE BOTTOM LINE

Arnarlax has recently switched a significant part of volume from air freight to marine transport to service the US market.

Icelandic logistics route offers low carbon footprint with seaborne shipments once a week to the east coast of the US within seven days from harvest.

Icelandic super chill technology applied, making sure quality of Arnarlax salmon remains intact.

Initiative significantly reduces both freight cost and carbon footprint compared to conventional air freight, and therefore a competitive advantage.



95 % REDUCTION
IN CO2 EMISSIONS

EDUCATION, SOCIAL IMPACT & GOVERNANCE IN FOCUS

Strategic update and outlook

ICELANDIC SALMON WORKFORCE PROFILE



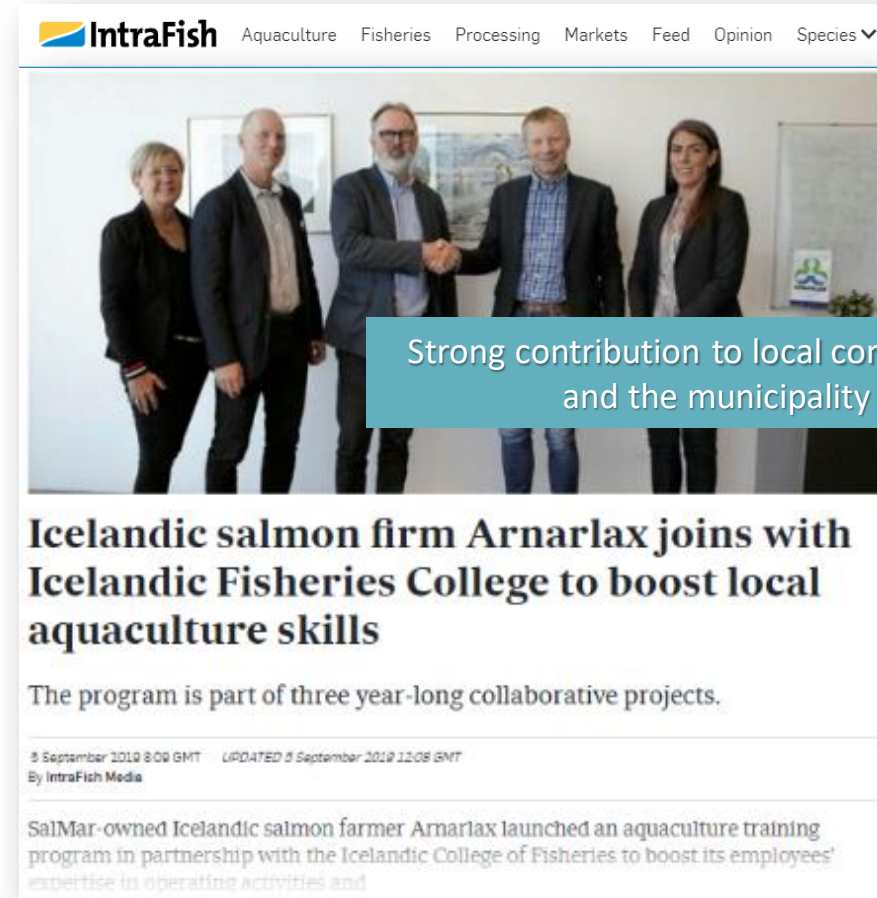
Gender ratio 24% of the company's workforce is female and Arnarlax's mission is to continue to strengthen the ratio further with new hires



>100 employees, contributing to creating jobs in the local municipalities, payment of taxes and fees to public authorities



Educational level with 22% of the employees having a university degree and 30% of employees with other relevant education



STRONG SUPPORT FROM LOCAL INVESTORS

Strategic update and outlook



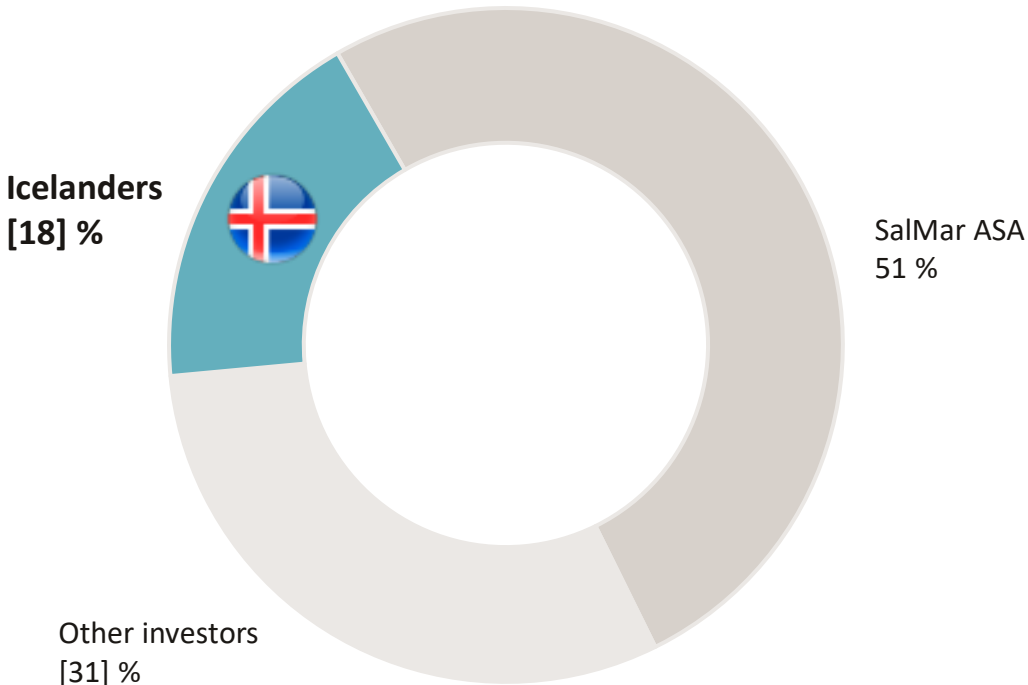
Total shareholder numbers was 272 whereof approximately 18 percent of the outstanding shares were held by shareholders controlled by Icelandic citizens.

Gildi, one of the largest pension funds in Iceland and Stefnir, a leading Icelandic Asset Management group owned by Arion banki, came in as Cornerstone investors in Icelandic Salmon during Euronext Growth listing 4Q 2020, and currently holds above 10%.

SalMar of Norway, with more than 13 thousands shareholders, owned 51 percent of the shares, ensuring continued commitment from a world-leading aquaculture company

SalMar and Icelandic Salmon's share the same passion for salmon. The companies are built on the same values and beliefs, farming salmon on the salmon's terms and in harmony with nature

Shareholder structure
(as of 30.06.2021)



OUTLOOK

Strategic update and outlook



In the first half of 2021, the salmon market has demonstrated resilience to the uncertainty created by Covid-19. The roll-out of vaccines in our main markets gives further reasons for optimism about the future demand, while the supply side shows near-zero growth

Fish Pool forward prices support our view on a strong market going forward.

The launch of the new brand and the recent opening of a new shipping route to the US will create new opportunities for Icelandic Salmon in the market.

Increase in number of smolts and smolt size according to plan will improve production capacity.

Cost levels in the second half of 2021 is expected to remain at the same level as in the first half of the year.

Icelandic Salmon maintains its estimate of total harvesting for 2021 of 14,000 tonnes of Icelandic salmon.





SUSTAINABILITY IT'S IN OUR NATURE

Strandgata 1
465 Bíldudalur

Iceland
(354) 456 0100

arnarlax.is
arnarlax@arnarlax.is



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