



ARNARLAX

CAPITAL MARKET DAY TROMSÖ 06.09.2023 – Björn Hembre

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**Icelandic Salmon**

SUSTAINABLE SALMON FROM ARNARLAX



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ICELAND – ENCIRCLED BY THE COLD NORTH ATLANTIC

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# 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,  
Current capacity  
of 7-8 million smolt,  
depending on size  
of smolt



Farming in seven sites in three fjords

All production  
ASC\*\* certified

Total MAB 23,700 tonnes

Harvesting plant  
in Bıldudalur.

BRCGS\* certified  
30,000 tonnes  
per year capacity



Sales by  
internal team

Domestic and  
global markets

# ICELANDIC SALMON

## WHERE DO WE OPERATE?



- Current operation
- Licence application



All production ASC certified

# ICELANDIC SALMON

## SMOLT PRODUCTION

### SMOLT FACILITIES

- Have today 3 facilities in operation, and a 4th under reconstruction
- Capacity of 7-8 mill smolts, depending on smolt size
- Have licences for 3.000 tonnes of MAB
- Have sufficient smolt capacity for existing licences in sea

### SMOLT STRATEGY

- Implement best-practice
- Good smolt quality
- Increase smoltweight,
- Have sufficient number of smolts



# ICELANDIC SALMON SEA FARMING

## SEA OPERATION

- 23.700 tonnes of MAB, in 3 fjords.
- 8 sites
  - Split into 5 generation zones.
- All production is ASC certified



## OPERATION CENTER – FEEDING

- Arnarlax operates a high class feeding center in land at Bíldudalur.
  - Where people are constantly monitoring and feeding the salmon



Arnarlax now holds licenses of 23,700 tonnes MAB in the Icelandic Westfjords (Arnarfjörður, Patreksfjörður and Tálknafjörður).

# ICELANDIC SALMON HARVESTING

## HARVEST PLANT

- Located in Bíldudalur with short distance to sea-water operations
- Capacity 30.000 tonnes/year
- BRCGS certified
- Use super-chill to extend shelf life



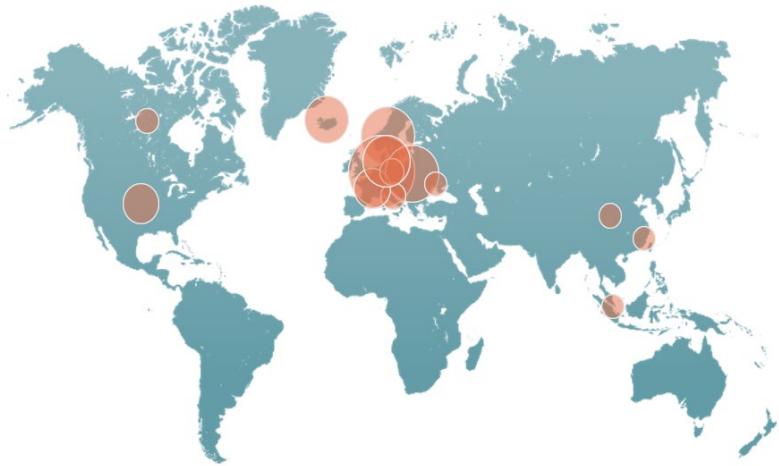
**BRCGS**

# ICELANDIC SALMON

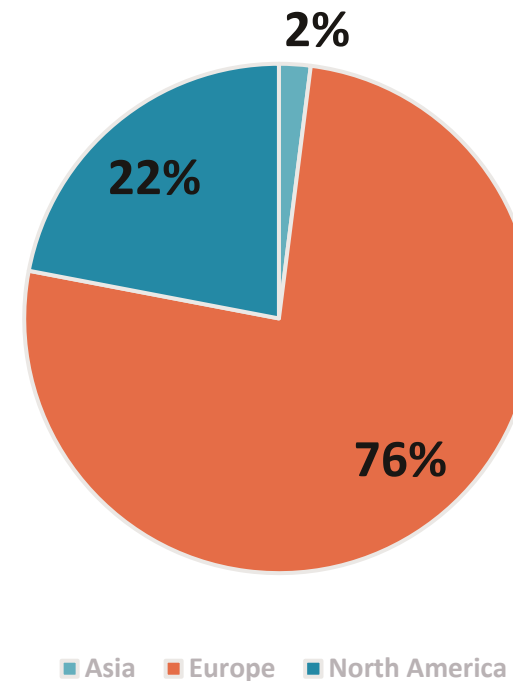
## SALES

### SALES TEAM

- Located in Reykjavik
- Our internal sales team sell all of our salmon
- Working close with premium customers in US and Europe
- Focus on Quality, Sustainability and Origin



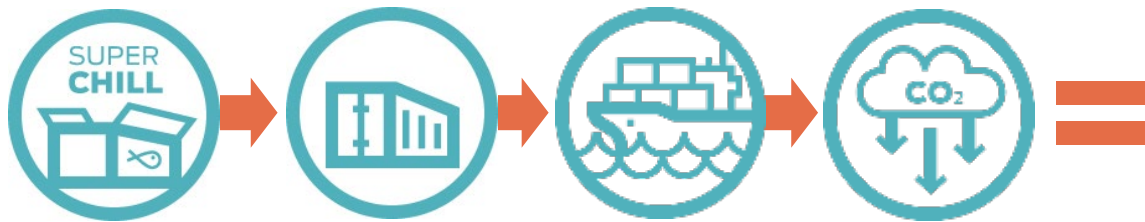
### Where are our customers in 2022?





# SHIFT TO LOW-CARBON FOOTPRINT MARINE TRANSPORT

## STRATEGIC UPDATE



**95 %** REDUCTION  
IN CO2 EMISSIONS

# ICELANDIC SALMON

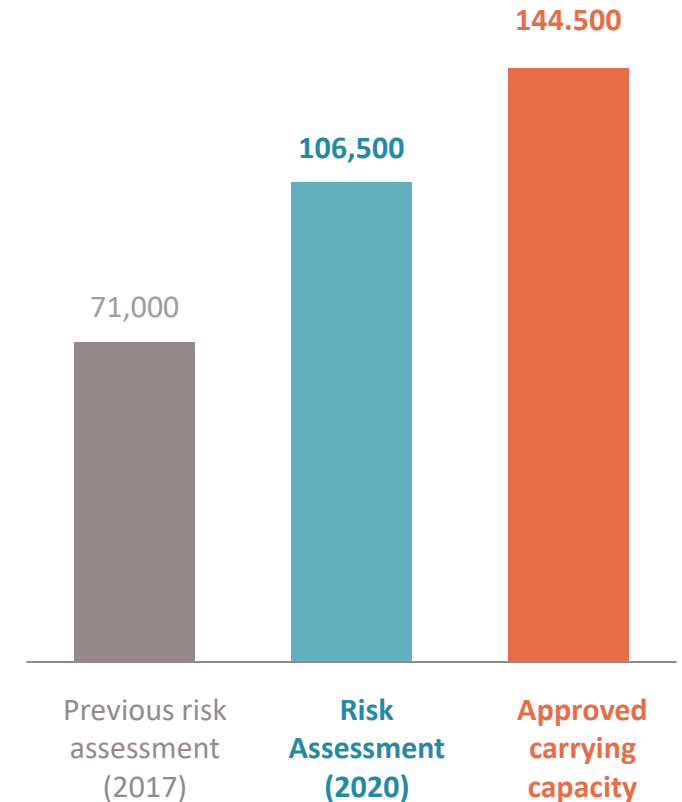
## THE NEXT BIG REGION WITHIN SALMON FARMING



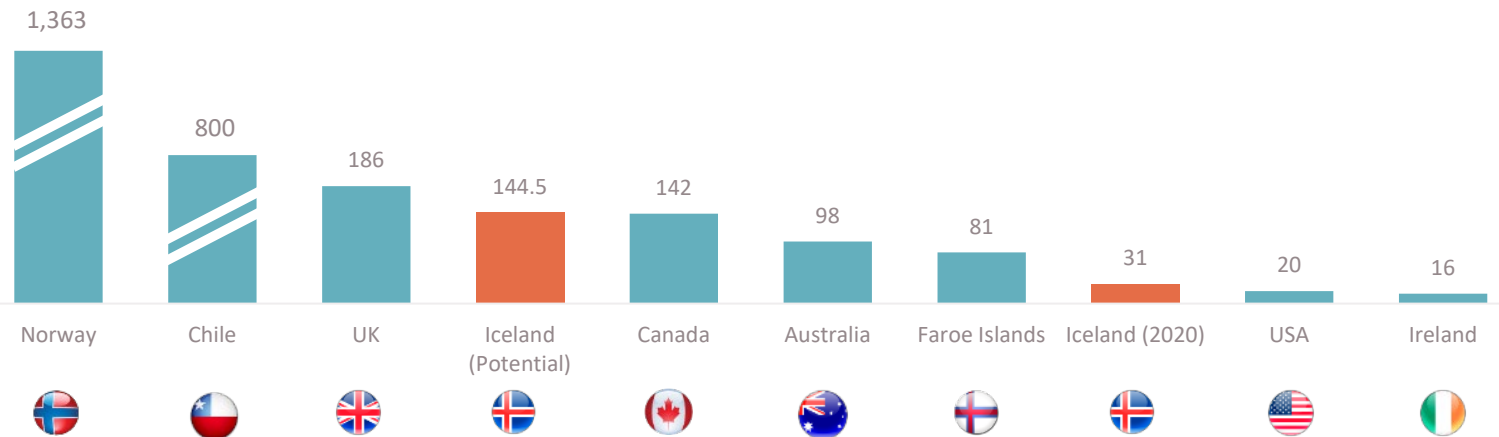
### A FRAMEWORK FOR FUTURE GROWTH

- The Marine Research Institute (MRI) recently carried out an updated Risk Assessment
  - A figure of **106,500 tonnes** of fertile salmon was set .
- Total of 10 fjords have a calculated carrying capacity biomass of 144,500 tonnes
  - Making Iceland, potentially, one of the largest Atlantic salmon producers in the world
- Potential for new areas:
  - Jökulfirðir, Mjóifjörður, and Eyjafjörður.

### MRI RAISED MAB TO 106,500 TONNES IN 2020



### ICELAND TODAY VS POTENTIAL BASED ON MRI ASSESSMENT (000 MT)



Source: Kontali Salmon World 2020, Arnarlax

# ICELANDIC SALMON

## FUTURE POSSIBILITIES

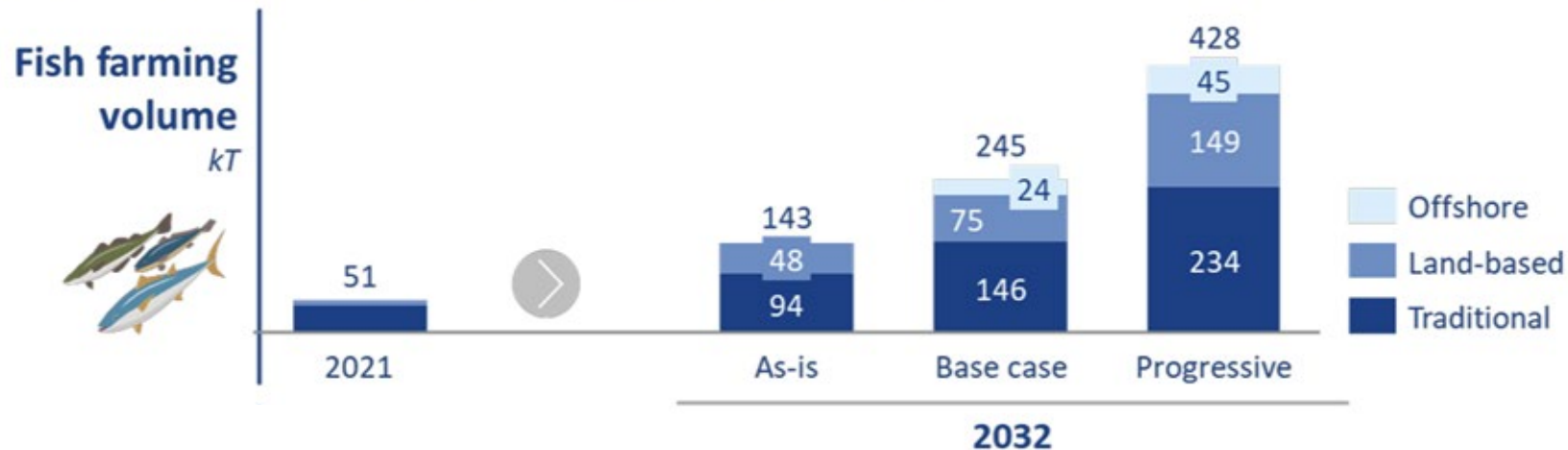
### Boston Consulting Group Report

- The minister asked BCG to investigate and make a report on the possibilities of aquaculture in Iceland
- Three possible goals in sea farming
  - *Unchanged – 94.000tons*
  - *Base picture – 146.000tons*
  - *Progressive – 234.000tons*

### Critical mass of Production

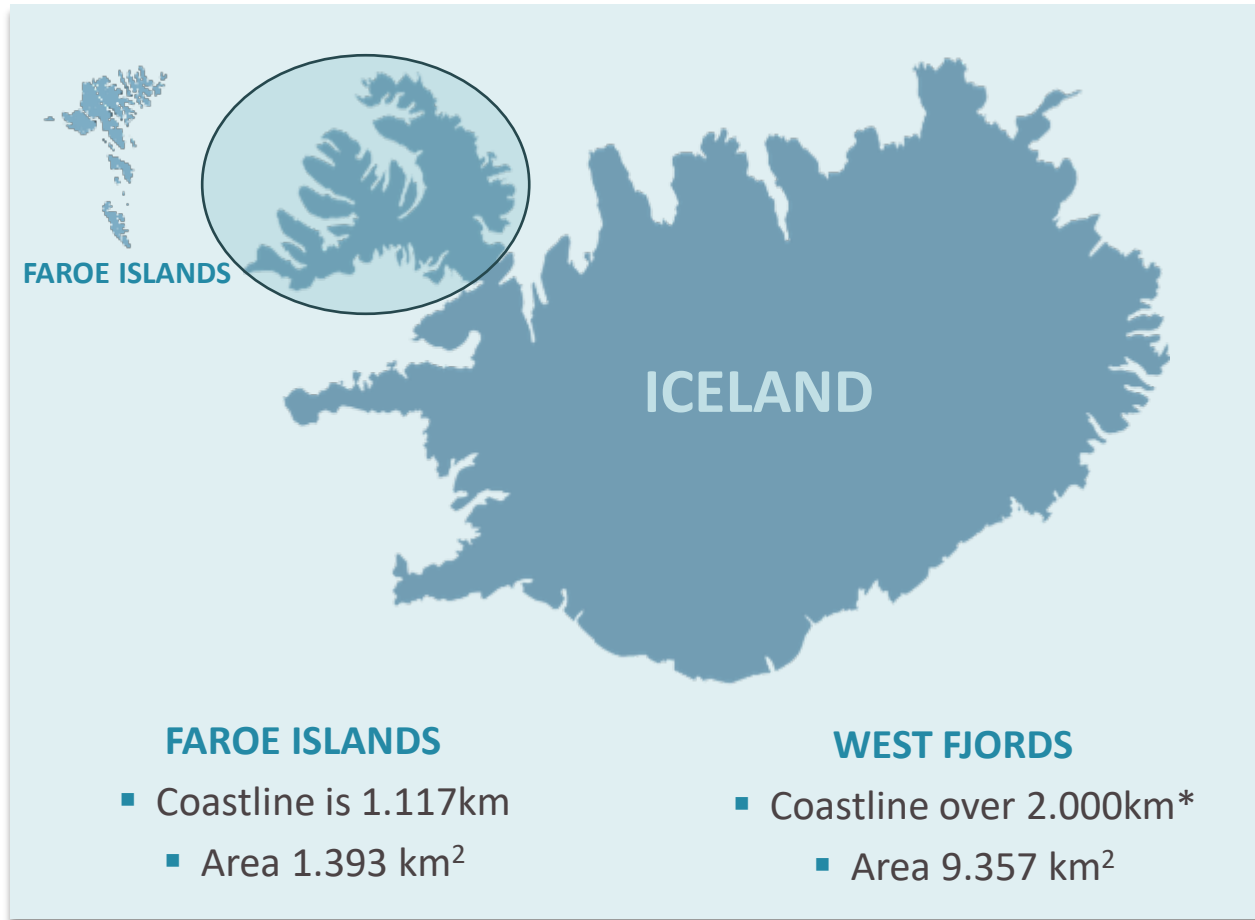
- Most industries are dependent on a critical produced volume to obtain large scale effects (to be able to compete)
  - *To be able to deliver salmon to the market every week*
  - *Value added products*
- Industry development in Iceland that will come with more production
  - *Feed producer in Iceland to provide the industry*
  - *More the income for the government*
  - *Supply education*

FIGURE 2.11: VOLUME ACROSS AQUACULTURE SECTORS, SCENARIOS AND TIME



# ICELANDIC SALMON

## COMPARISON WITH FAROE ISLAND



- Faroe Islands produced with only 56% of the coastline of West Fjords
  - 89.000 tonnes in 2022
- There are 3 companies operating in Faroe Island
  - *Bakkafrost, Hiddenfjord and MOWI Faroe Islands*
- Export value of DKK 4,68 billion (2022)
  - 45% of total export value of Faroe Island
- Direct jobs inside the aquaculture around 1.200
  - About 2,3% of total population of Faroe Islands.

Note.: \* Excluded islands and reef.

Source: Landmælingar Íslands, Faroese Fish Farmers Association

<https://www.faroese seafood.com/fishery-aquaculture/stats/>

<https://hagstova.fo/en/news/exports-continue-rise-0>

# OUTLOOK

## STRATEGIC STEPS

### Harvest volumes within existing licences

- 2023: 16.000 tonnes
- 26.000 tonnes within existing licences

### Measures for organic growth

- Bigger and more smolt of good quality
- Best operational practice
- 2 more sites in Arnarfjörður
- Bigger farming areas on existing sites

### Potential growth in addition to existing licenses

- New licenses of 10.000 tonnes MAB in Ísafjörður
- If Ministries proposal for new structure for the industry is decided
- New license of 4.500 tonnes in Arnarfjörður
- Total potential of 50.000 tonnes



# DUAL LISTING

## STRATEGIC STEPS

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### DUAL LISTING ON FIRST NORHT

- Group has engaged in advisory service agreement with Arion Bank, with the objective of preparing for listing of the Group's shares on the First North stock exchange in Iceland.
  - *Depository notes.*
  - *No new shares issued.*
- Expected to be open for trading in second half 2023.
- Purpose to increase access for Icelandic investors.





SUSTAINABILITY  
IT'S IN OUR NATURE

Strandgata 1 Iceland  
465 Bíldudalur (354) 456 0100

arnarlax.is  
arnarlax@arnarlax.is