



Capital Market Days
28th September 2023

Chairman Leif Inge Nordhammer



Icelandic Salmon

SUSTAINABLE SALMON FROM ARNARLAX

A new Saga

Matthías mættur til að skapa 150 störf á Bíldudal

Kristján Már Unnarsson skrifar · 3. júní 2013 18:45

Líkar þetta 238



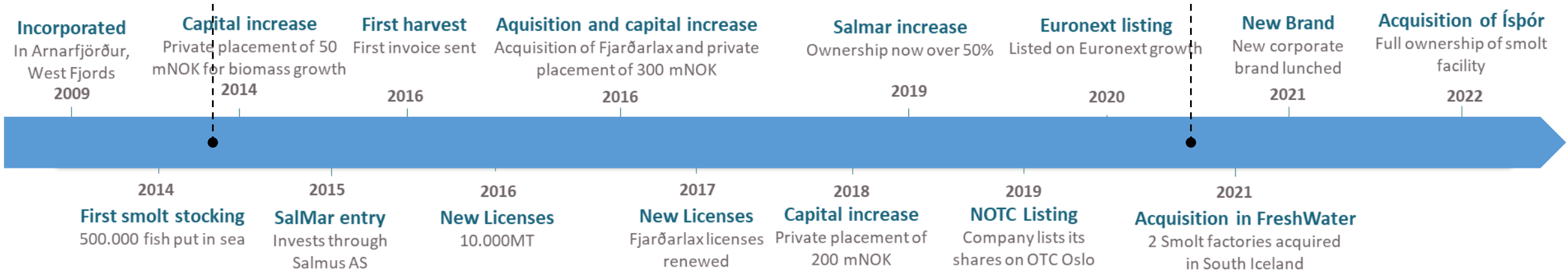
Laxeldi stefnir í að valda byltingu á Vestfjörðum á næstu árum og skapa mörghundrað störf. Matthías Garðarsson, fiskeldisfrömuður í Noregi, kom til landsins fyrir helgi til að byggja upp 150 manna fyrirtæki á Bíldudal. Hann segir að stjórnvöld verði að fylgja með í uppbyggingu innviða á Vestfjörðum.

Continuously development



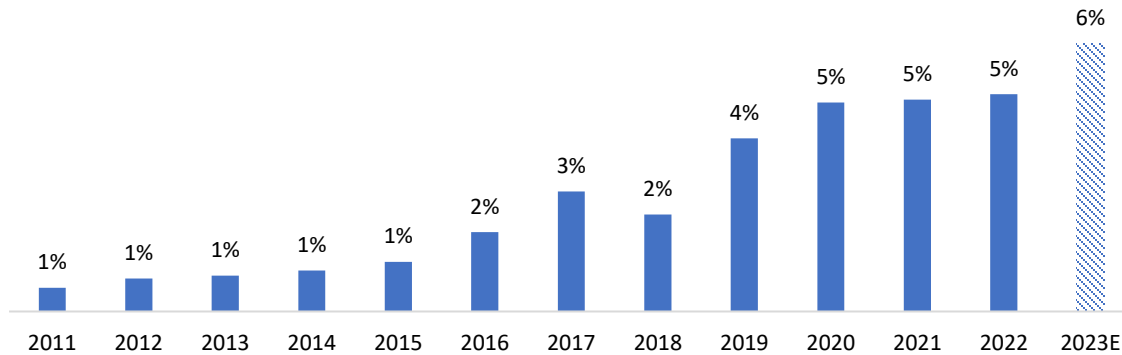
THE STORY OF ICELANDIC SALMON

From family-owned to dual-listing

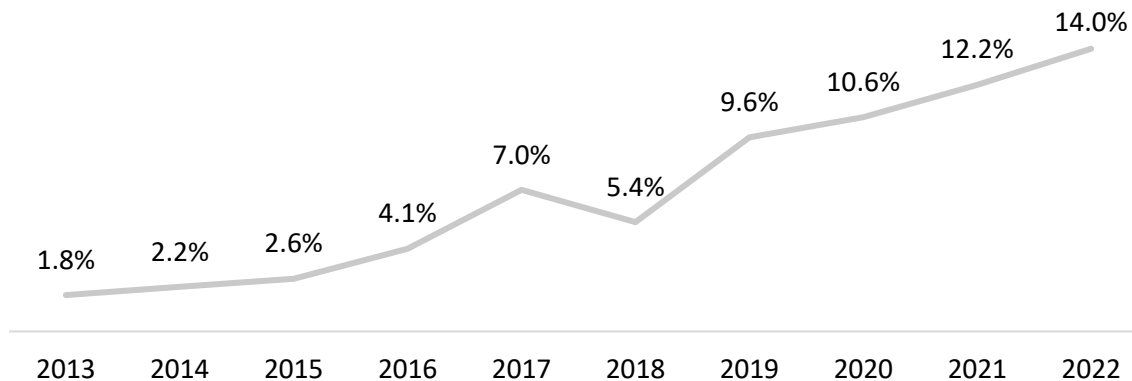


AQUACULTURE BECOMING A SUBSTANTIAL SHARE OF TOTAL EXPORTS OF GOODS FROM ICELAND IN RECENT YEARS

Aquaculture share over total exports of goods from Iceland



Share of aquaculture over total value of seafood exports



Potential for growth

- Good biological conditions
- Huge coastline
- Seaborn people
- Invest in people and competence in the value chain
- Work closely with local and national regulators



Thank you for your attention



Icelandic Salmon
SUSTAINABLE SALMON FROM ARNARLAX

28 September 2023

Kolbeinn Árnason



Future outlook for Iceland as a farming region

Icelandic Salmon Capital market day



Introduction

Increased funding for research and control enforcement

Traditional farming

Special taxes

Area management

Management measures related to licenses

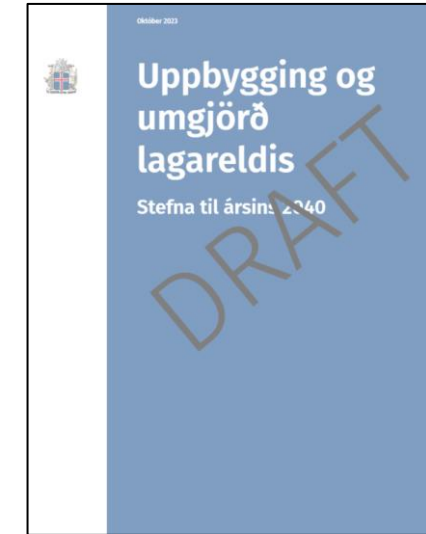
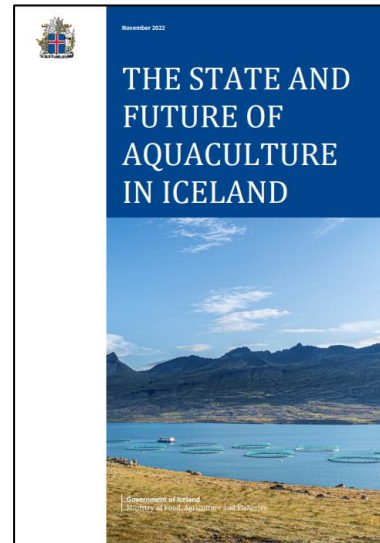
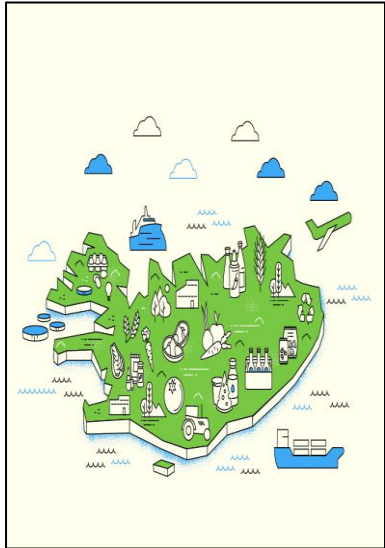
Summary

Land based

Offshore farming



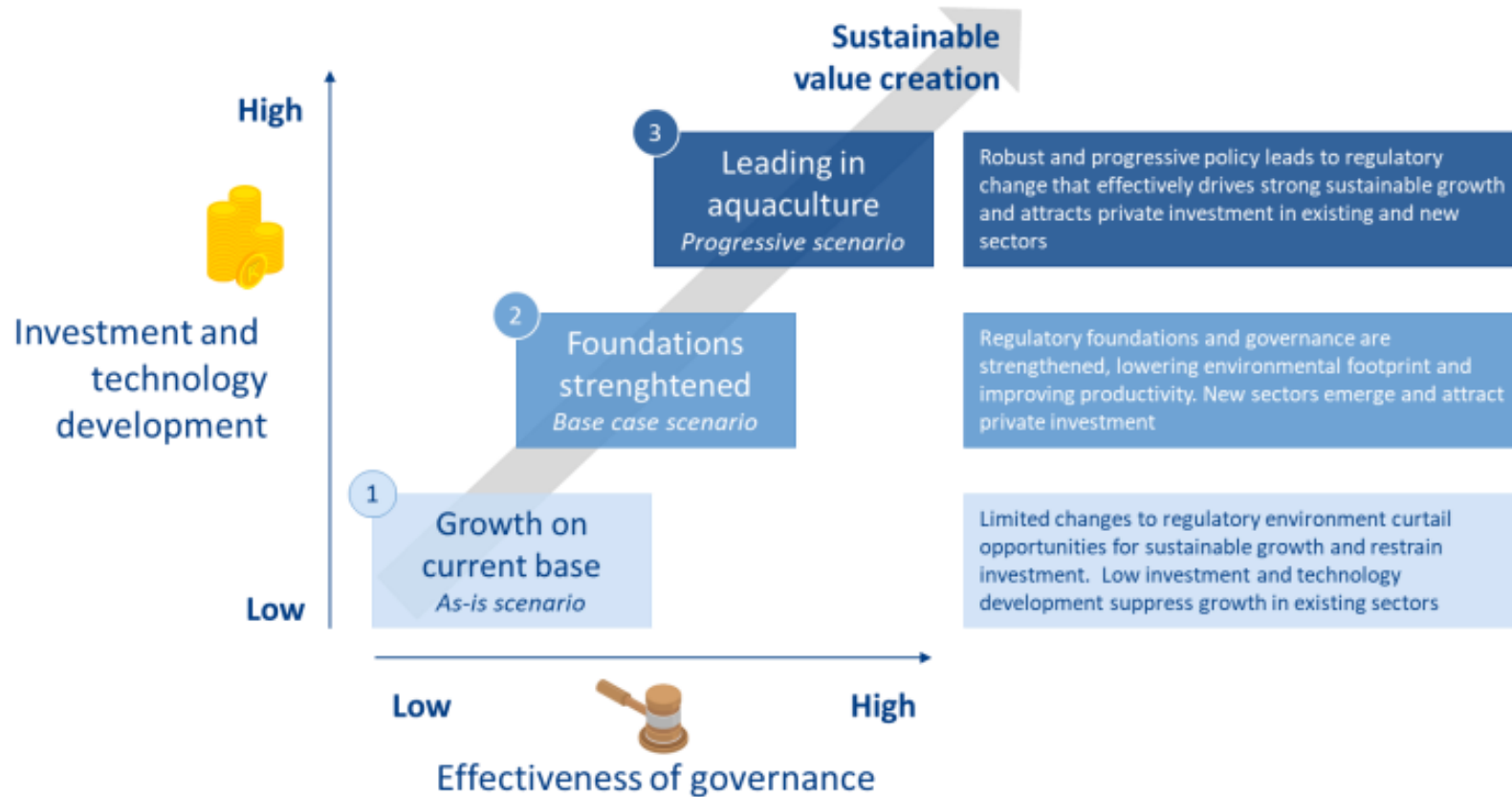
The road to a policy plan for Iceland as a farming region



Possible future scenarios



Efficiency of regulatory framework



Surveillance

“Surveillance of Icelandic aquaculture is too limited and too dependent on access to equipment and employees of aquaculture companies. Surveillance of Icelandic aquaculture needs to be considerably enhanced, but there is also a need for better coordination between the Food and Veterinary Authority and the Environment Agency”



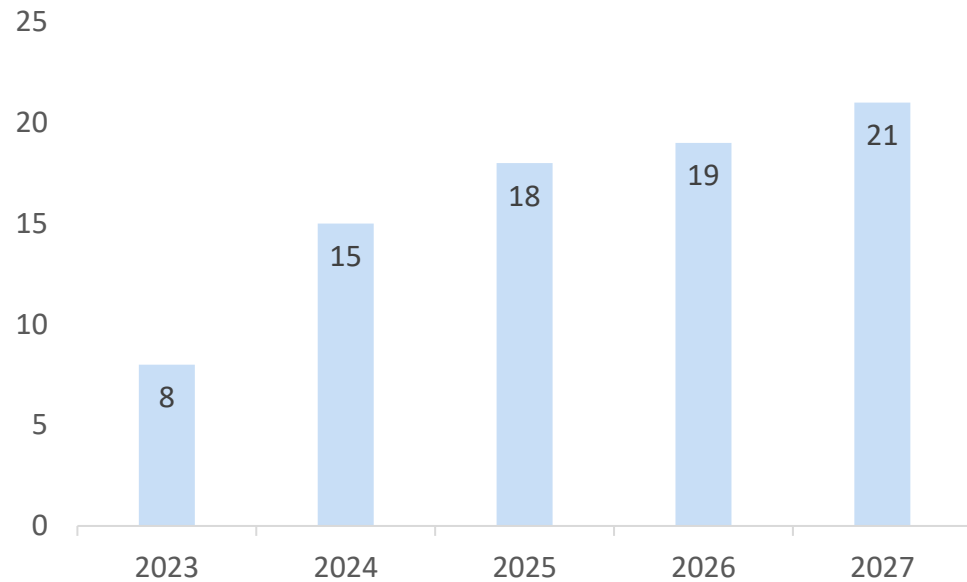
The Icelandic National Audit Office



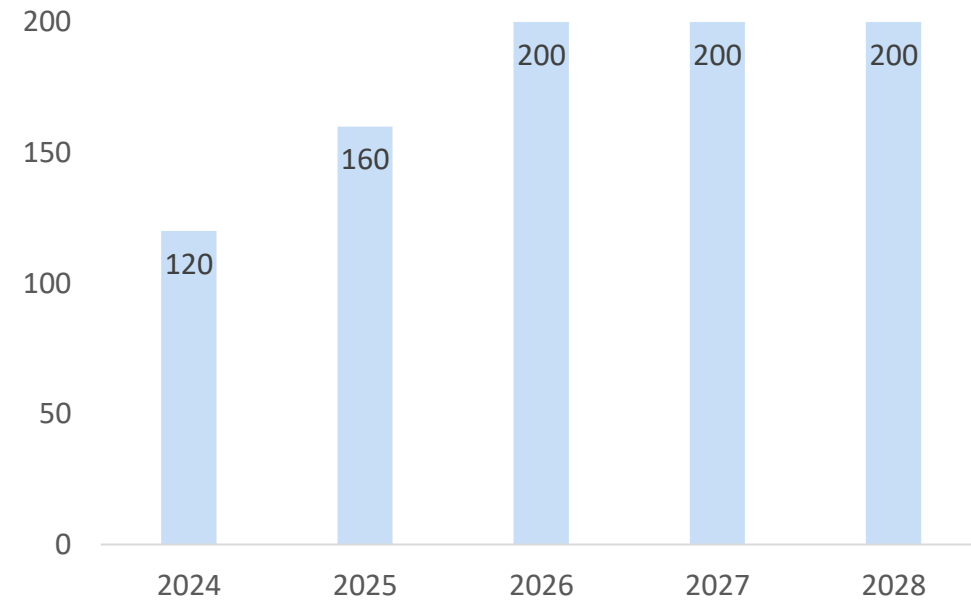
Increased funding for research and control & enforcement

Increased resources to research and monitoring

Number of employees at MFRI



Increased funding to MFRI (m. ISK)



Research and monitoring projects

Carrying capacity

Monitoring of
ecosystem

Risk assessment

Monitoring of
rivers

Strengthening
management of
wild salmon

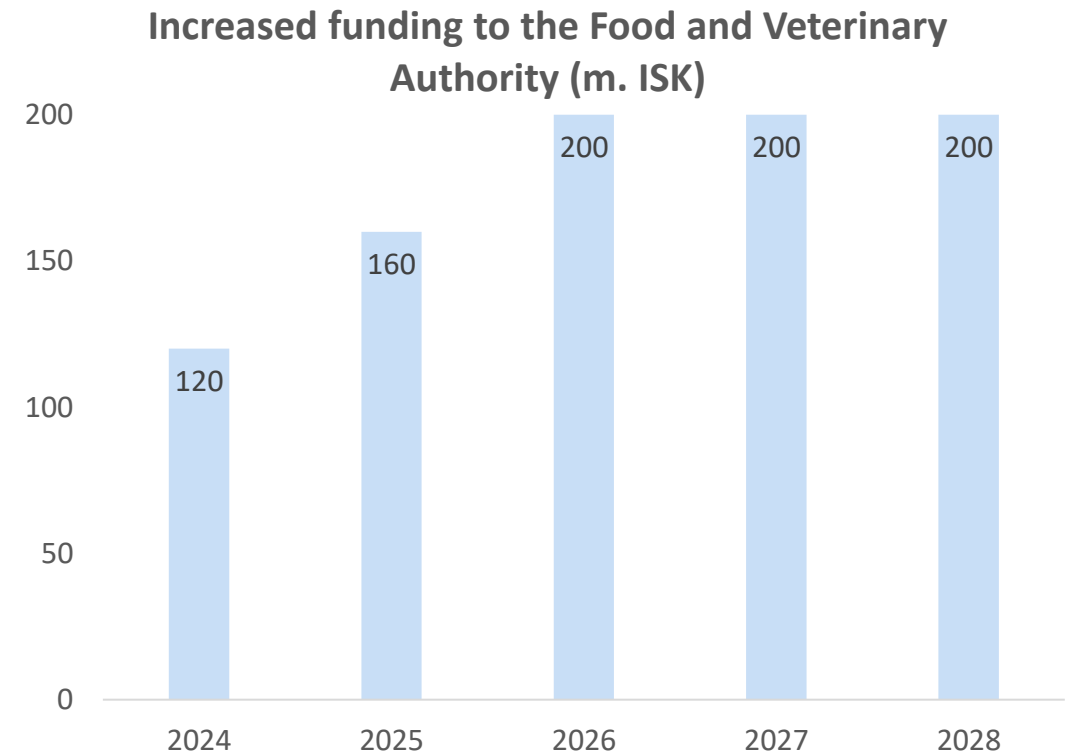
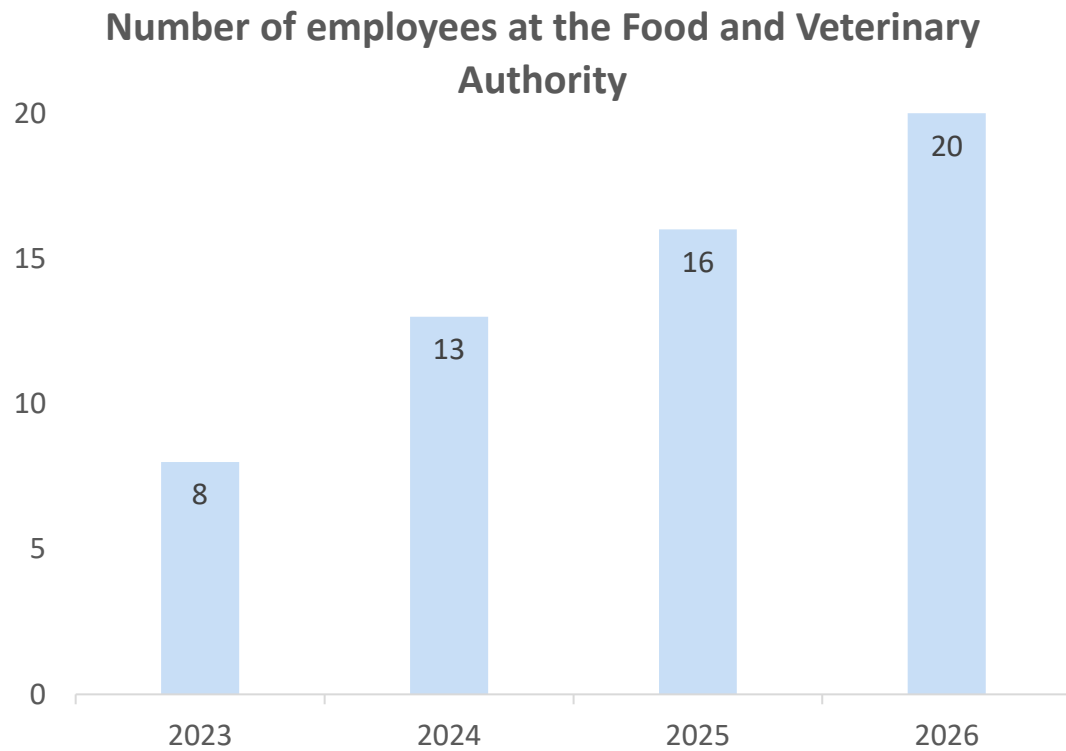
Sea lice



Installation of monitors – From 13 to 17



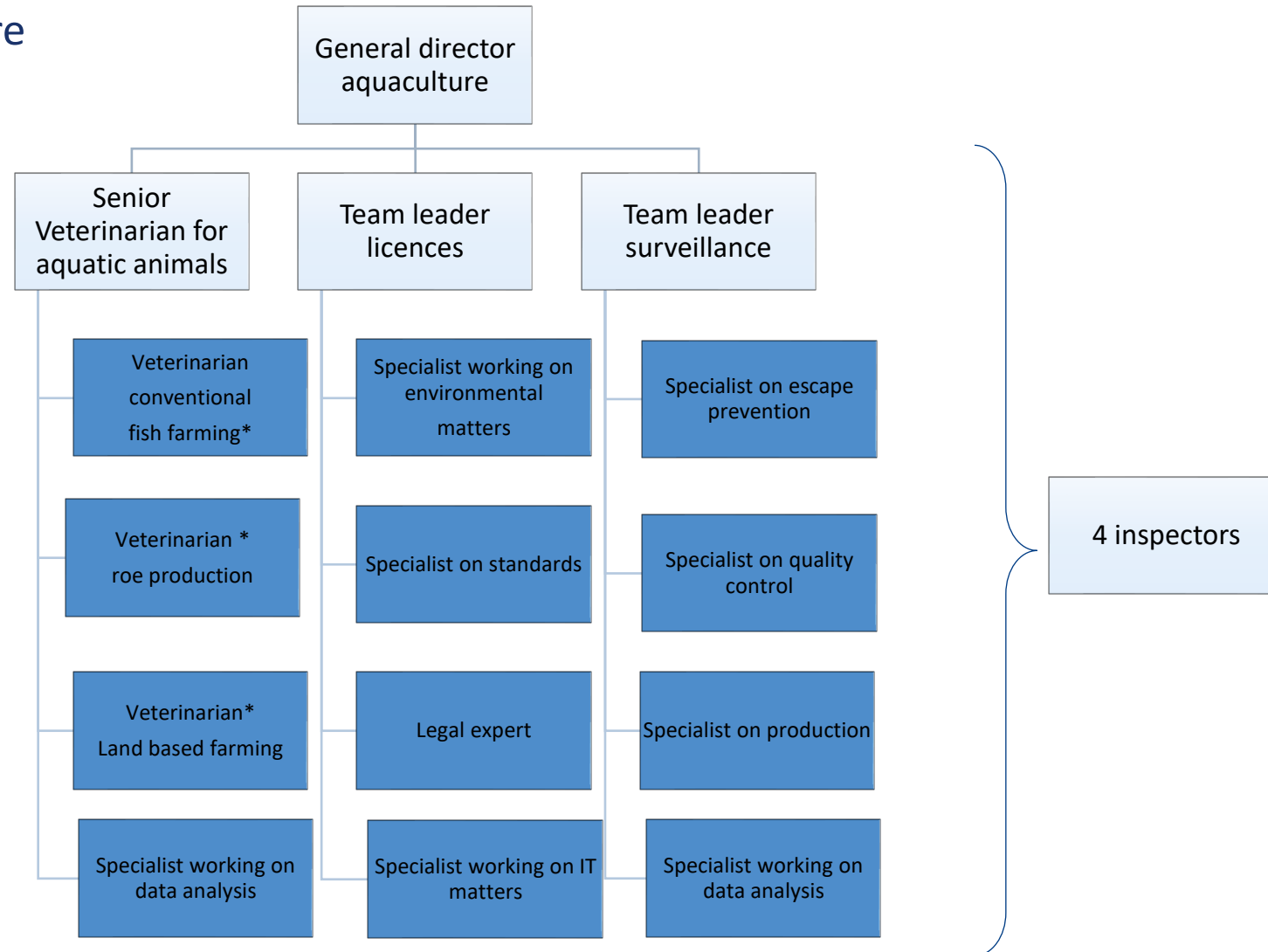
Increased resources to surveillance





Food and Veterinary Authority

Future personnel in aquaculture



Recruiting challenges will occur

*or fish health expert)



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Special taxes



2019 nr. 89 27. júní Lög um töku gjalds vegna fiskeldis í sjó og fiskeldissjóð

Taka gildi 18. júlí 2019. Koma til framkvæmda skv. fyrirmæli í 8. gr. Þrygt með L. 129/2022 (sjá gildi 1. jan. 2023 nema öðruvísi). Þá gæta söð gildi 1. maí 2023 og 31. og 60. gr. sem tóku gildi 31. des. 2022. Koma til framkvæmda skv. fyrirmæli í 68. gr. skv. stöðu þess. í s. 11.

■ 1. gr. Gjaldskylda.
□ Skyldu til greiðsla gjalds vegna fiskeldis í sjó ber rekstrarleyfishafi fiskeldisstöðvar samkvæmt lögum um fiskeldi.

■ 2. gr. Fjárhæð gjalds.
□ Rekstrarleyfishafi í ríkissjóð, Fiskistofu og fiskeldissjóðum með auglýsingaröðlast gildi fyrir 1. júlí.

□ Fjárhæð gjalds við [nýjasta 17 atlanthafslax] nema því hlutf. a. 3,5% b. 2% c. 0,5% þegar...

□ Fjárhæð gjalds á hverjum mánuði skal nema helmingi af gjaldinu. □ Fjárhæð gjalds á hvert kílógramm laxi og laxi sem alinn er í sjó með lokuðum netum nema helmingi af gjaldi skv. 2. mgr.

□ Með alþjóðlegu markaðsverði í 2. mgr. er átt við veruð slæðum atlanthafslaxi með haus. Við umreikning úr evrum í íslenskar krónur skal miða við miðgengi í hverjum mánuði fyrir sig.

■ 3. gr. Gjaldstofn, framtalskylda og söfnun upplýsinga.
□ Stofn til álagningar gjalds samkvæmt lögum þessum er þýngd afurða við slátrun, upp úr sjó, miðað við slæðgan fisk.

□ Félagsábyrgðingum og atvagnanir einstakra mála er einstaklingum og löggæðum skylt að láta Fiskistofu í té allar upplýsingar og gögn sem talin eru nauðsynleg. Skiptir ekki máli í því sambandi hvort upplýsingarnar væru þann aðila sem beiðninni er beint til eða þau skipti annarra aðila við

hann sem hann getur veitt upplýsingar um og varða atvagnanir og eftirlit Fiskistofu. Lagaákvæði um þagnarskyldu takmarka ekki skyldu til þess að veita upplýsingar og gögn sem hér um ræðir.

■ 4. gr. Alagning.
□ Fiskistofa leggur á gjald samkvæmt lögum þessum. Gjaldid skal lagt á tvisvar á ári, þ.e. 15. febrúar vegna tímabilins 1. júlí til 31. desember og 15. ágúst vegna tímabilins 1. janúar til 30. júní.

■ 5. gr. Innheimta.
□ Innheimtumennt ríkissjóðs innheimta gjald samkvæmt lögum þessum og fer ríkisskattstjóri með samræmingar- og eftirlitshlutverk við innheimtu þess. sbr. 1. mgr. 111. gr. laga um tekjuskatt, nr. 90/2003.

□ Eindagi er 14 dögum frá gjalddaga og skal greiða ríkissjóði dráttarvexti af því sem gjaldfallid er frá þeim tíma.

□ Kröfum um greiðslu gjalds samkvæmt lögum þessum fylgir lögvæð ríkissjóðs í fasteignum og lausafrekstrarleyfishafa í fjögur ár frá gjalddaga. Lögvæðid nær einnig til dráttarvaxta og innheimtakostnaðar.

□ Fiskistofa skal birta opinberlega allar upplýsingar um gjaldskvæðir gjalds samkvæmt lögum þessum.

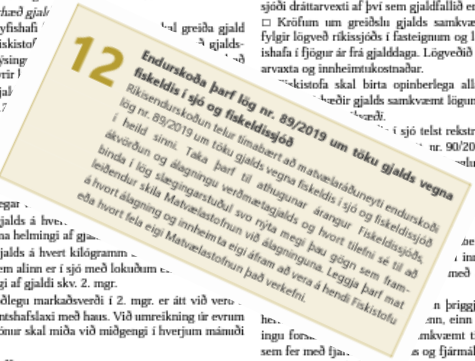
□ Sjóðir telst rekstrarstöðvar skv. 1. mgr. 90/2003. Löngverð nánari ákvæði um lögum þessum á fiskeldi.

□ Sjóðir sem hefur innvið þar sem fiski með samfélög og stöðir á hverjum mánuði. Þær sjóðir sem hefur innvið þar sem fiski með samfélög og stöðir á hverjum mánuði.

□ Sjóðir sjóðsins hefur yfirumsjón með rekstri hans í samræmi við lög þessi og reglugerð setta samkvæmt þeim. Sjóðin skilar ársreikningi og reglugerð yfirliti um störf sín til ráðherra og tekur ákvarðanir um úthlutunir og útgjöld. Ákvarðanir stjórnar eru endanlegar á stjórnsýslustigi. Ráðherra ákveður þöknum stjórnarmanna. Kostnaður af rekstri sjóðsins greiðist af tekjum hans.

Production fee

- Calculation methodology is unchanged.
- Increased numbers of fee rates to detect sensitivity in world market prices
- Production fees are calculated each month, 4 payments pr. year
- Financial incentives for changed farming methods

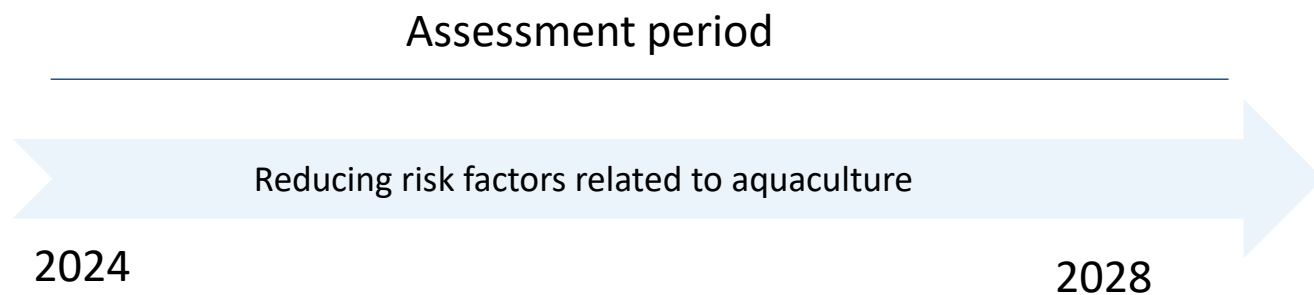


Production fee and incentives

	Methods		
$Q > X, Z \text{ og } Y$	x	z	Y
	Larger smolts	Sterile salmon /Rainbow trout	Closed cage system
Genetic mix	Impact of escapes is reduced	No risk of genetic mix	Low risk of escapes
Organic load	Less organic load		Low impact on seabed
Animal welfare	Less time in pens, reduced risk of diseases and sea lice problems Longer periods of following		Less risk of diseases. Reduced sea lice problems



Assessment period



Goals 2028

- Mortality
- Escapes
- Sea lice
- Organic load on seabed



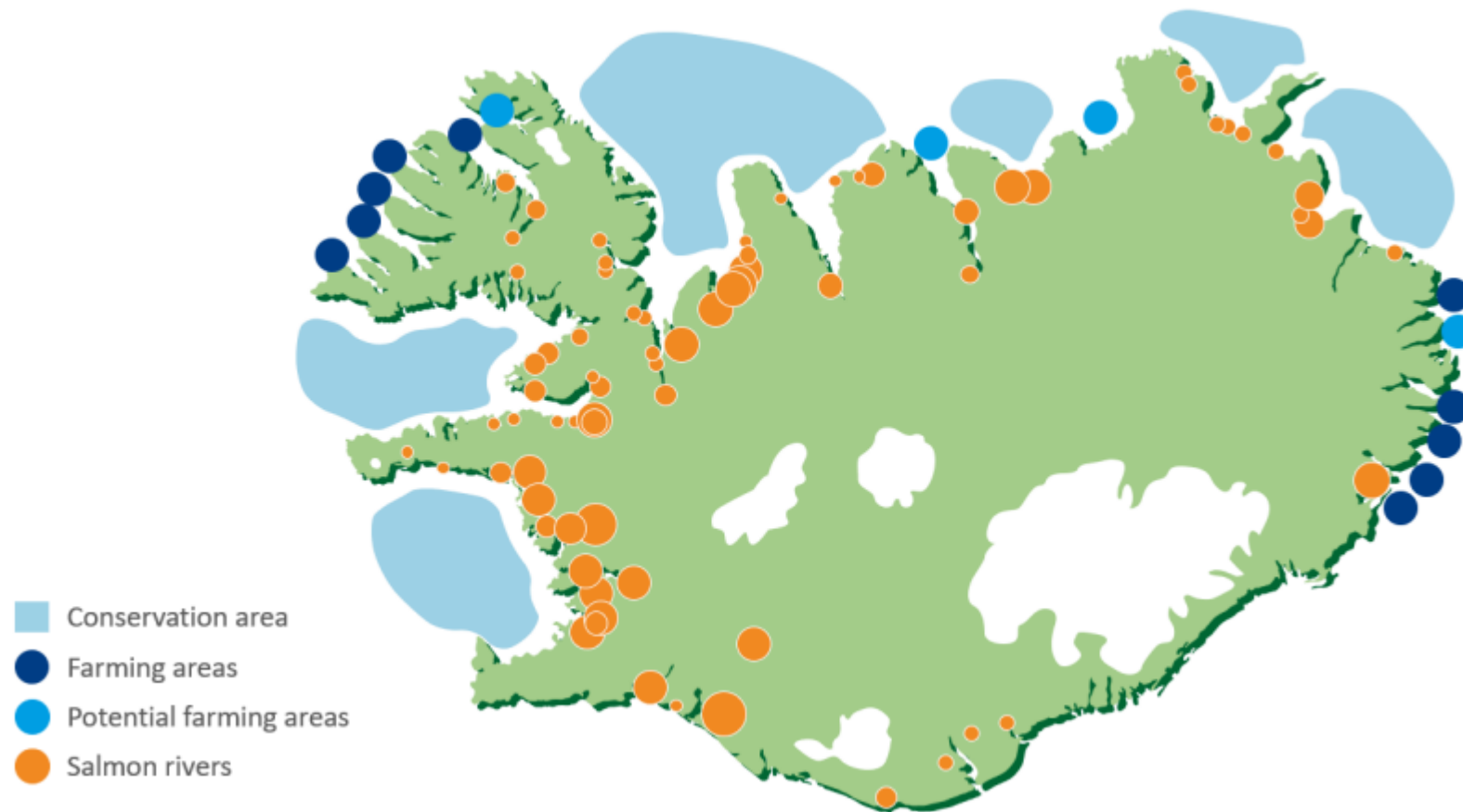
Environmental fund

- No changes on fee rates
- 80% of the income will be allocated to MFRI
- 20% of the income will be allocated to competitive projects

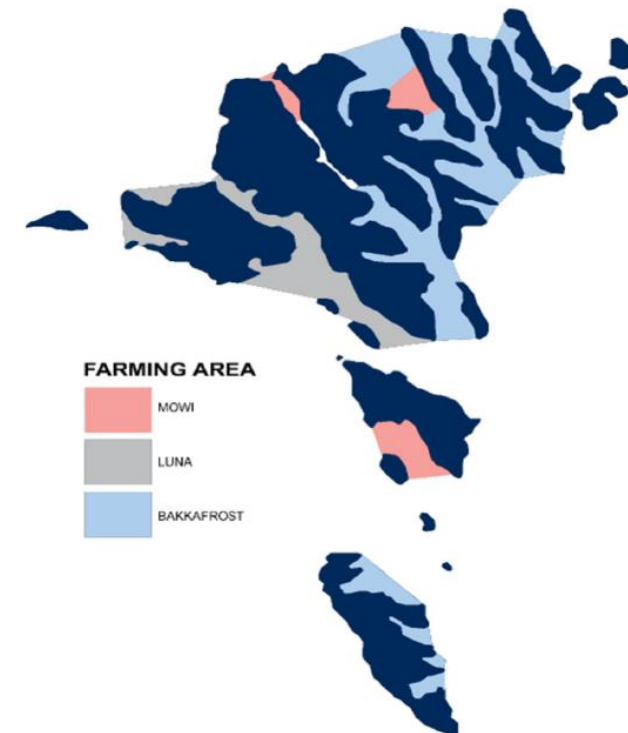
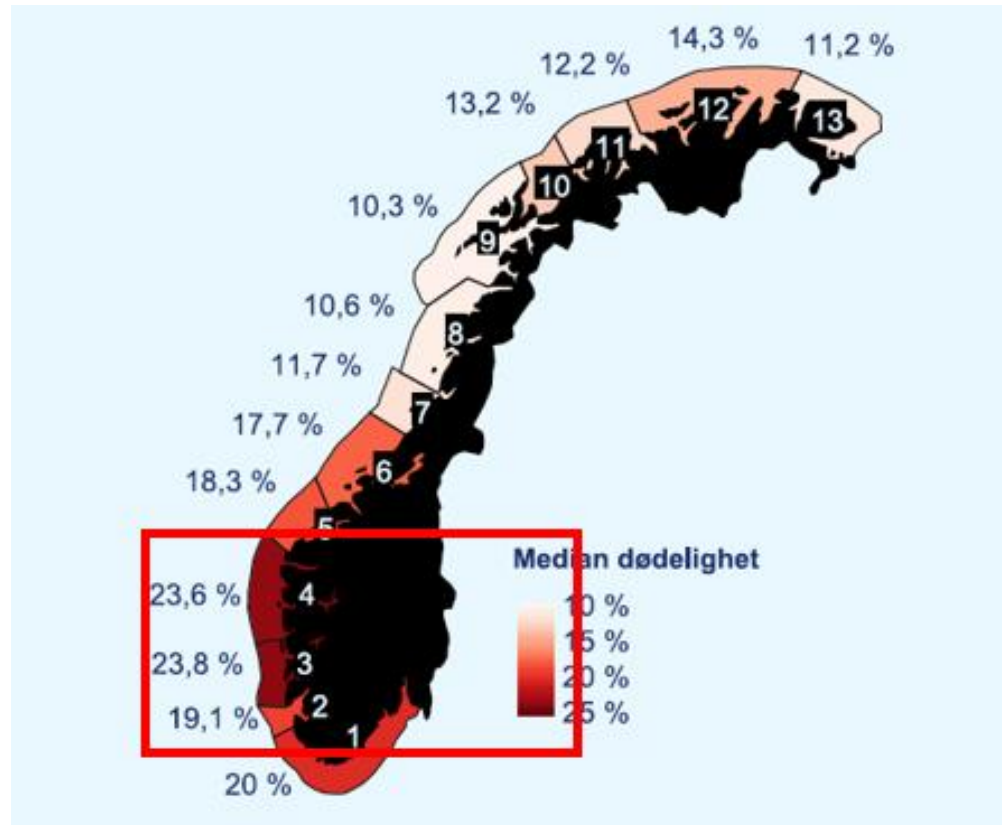


Area management

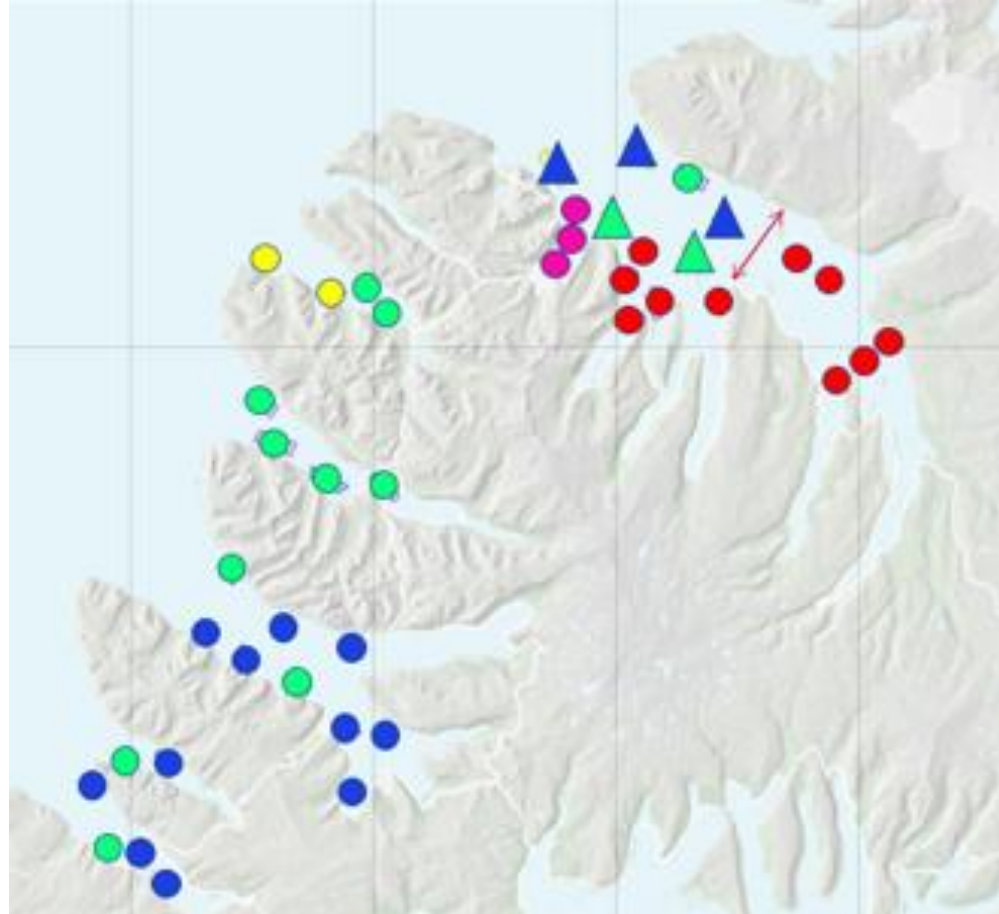
Legalisation of conservation areas



The Norwegian and the Faroes experience



The organisation in Iceland



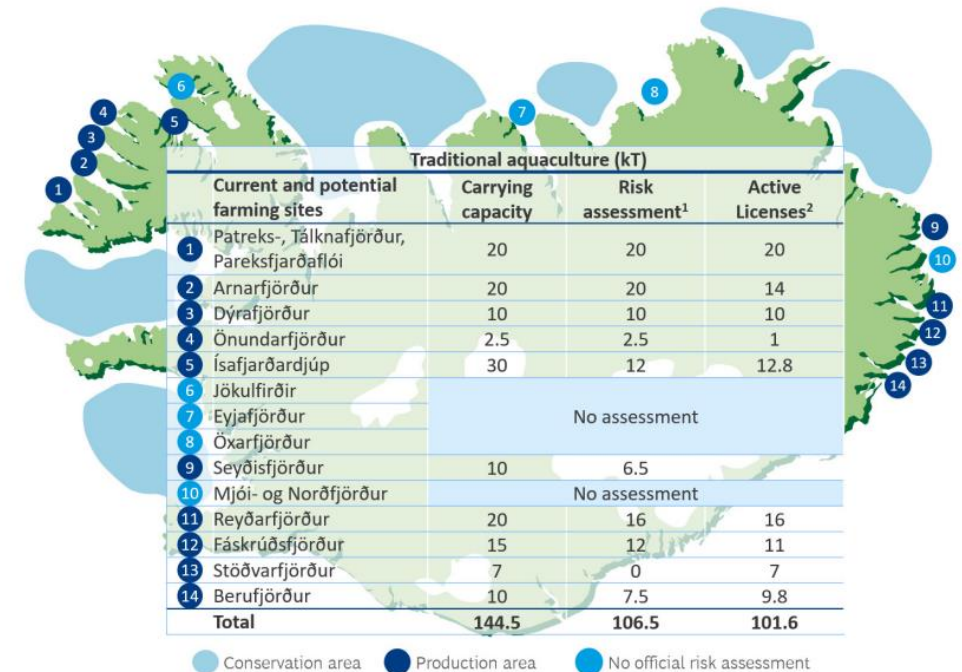


Management measures related to licenses

Carrying capacity

Ecosystem management

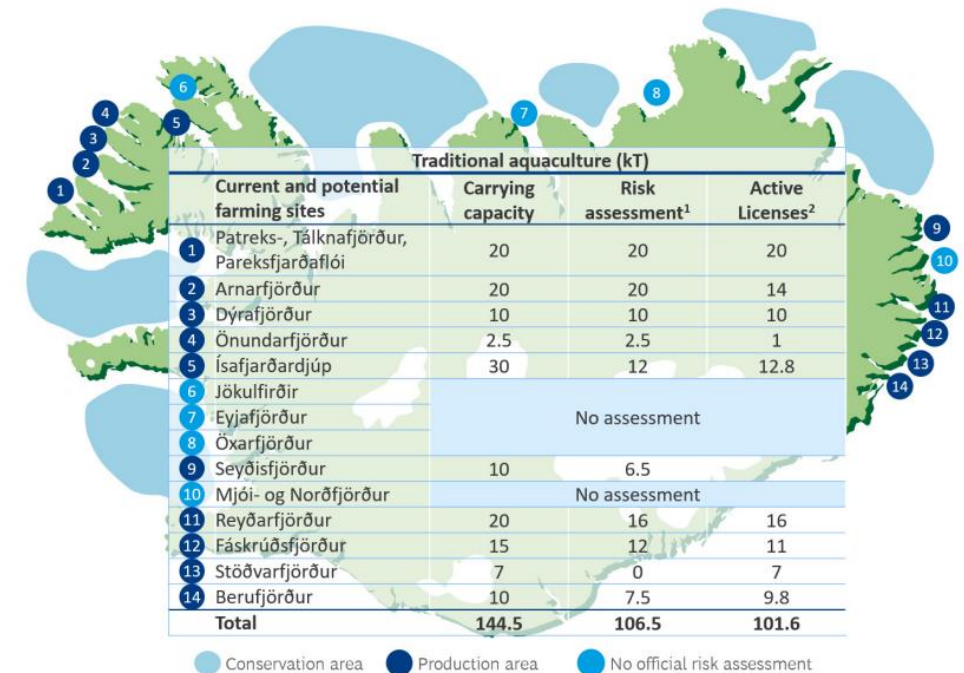
- Can increase or decrease based on organic load on seabed
- Responsibility of individual operators



Risk assessment

Management of effects on wild salmon

- Can increase or decrease based on numbers of escapees
- Collective responsibility for operators in the area



Traffic light systems

Based on the performance of individual operators, the volume of licenses is subject to changes based on these parameters:

- Mortality
- Sea lice
- Escapees



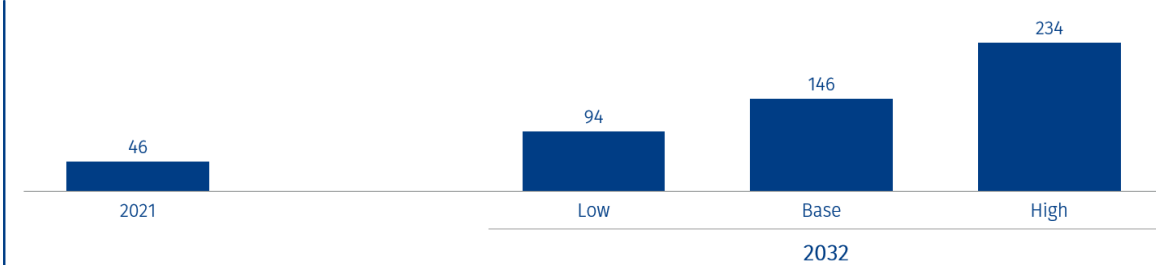


Summary

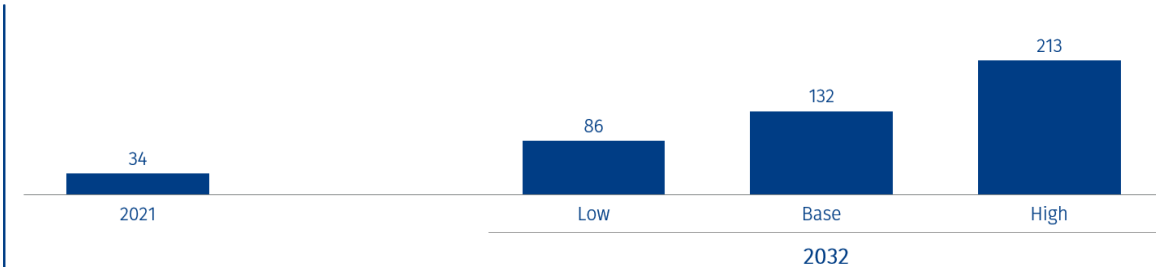
Summary

- Increased funding for research and control enforcement
- Amendment of the production fee
- Organisation of licenses
- Management measures related to licenses

Volume
kT



Sales value
bn.ISK



Review by 2028 based on performance of the industry



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→ **Land based**

Offshore farming



Land based

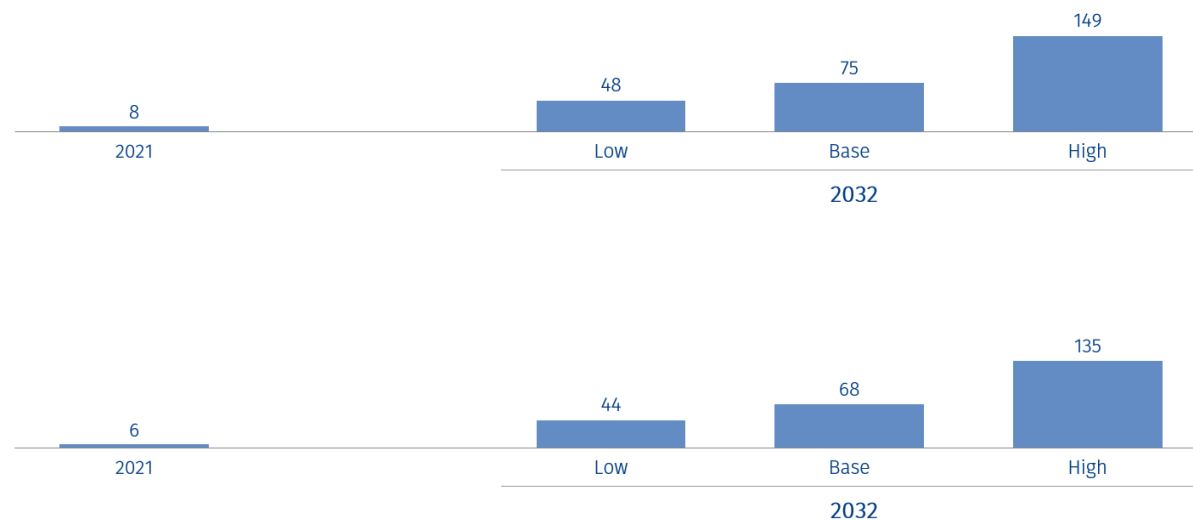
Key points in the policymaking

- Licensing process
- Strengthening of surveillance
- Rules will be implemented that meet the special requirements of land-based farming

Volume
KT



Sale value
Bn.ISK





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→ **Offshore farming**



Offshore farming

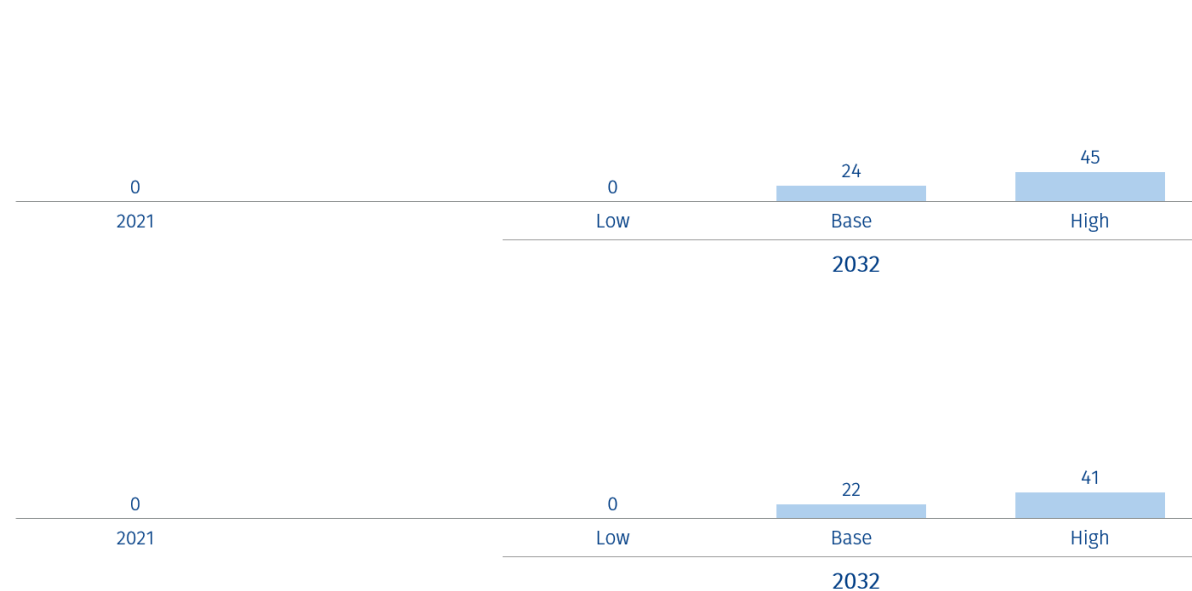
Key points in the policymaking

- Research on suitable locations
- Conditions will be set for the participation of private parties in such research.
- Carrying capacity and risk assessment will be taken into account

Volume
kT



Sale value
Bn .ISK



28. September

CMD ICELANDIC SALMON

Building an industry



Runar Sivertsen
Chief Strategy Officer
SalMar ASA

Great potential

Favorable biological conditions



- Long fjords create shelter while the wind, waves and current give salmon access to oxygen-rich seawater.

Huge Coastline



- Iceland's coastline is over 6.500 km

Coastal culture and seaborn people



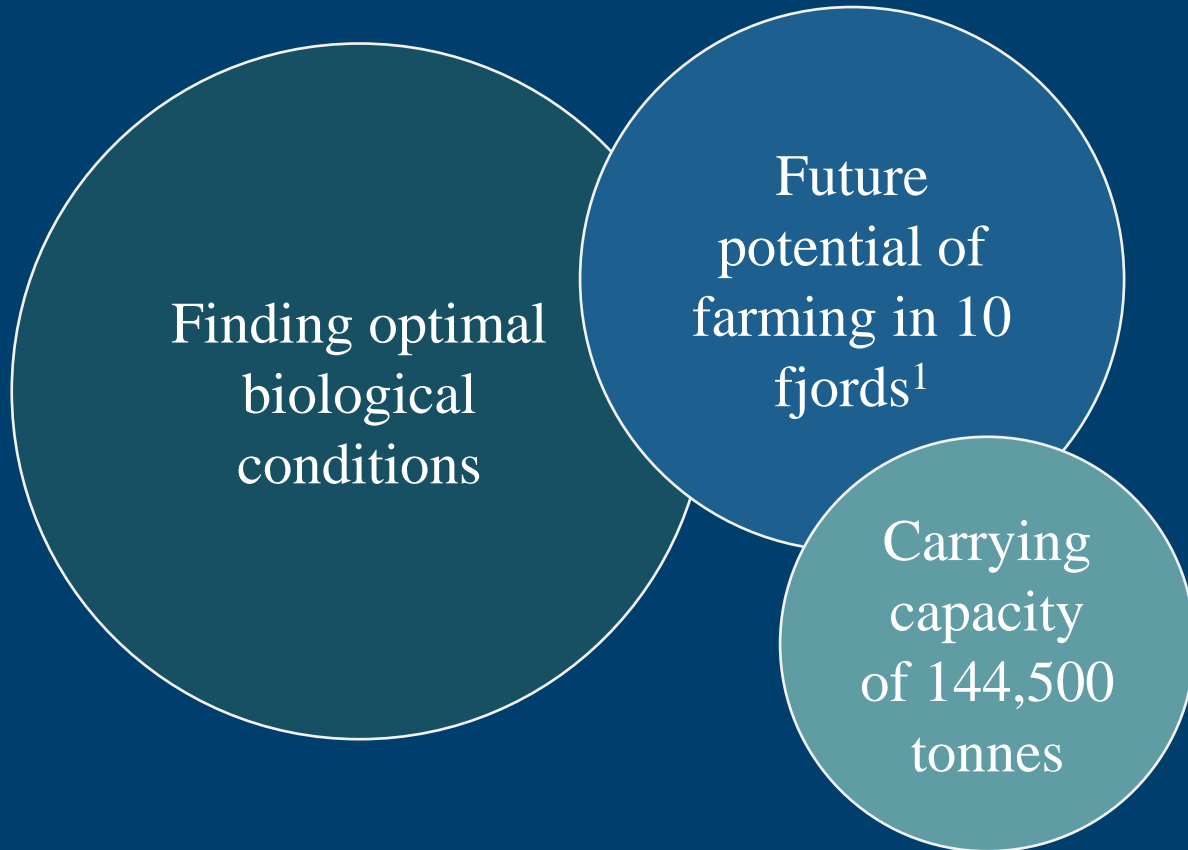
Our locations in Iceland






- Current operation
- License application

On the salmon's terms

Marine Research Institute (MRI) raised MAB to 106 500 tonnes in 2020



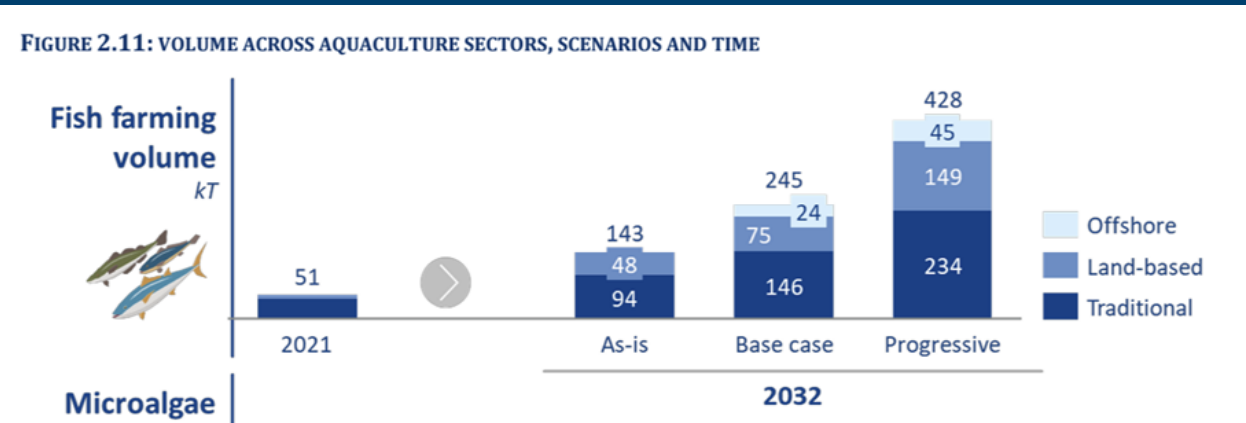
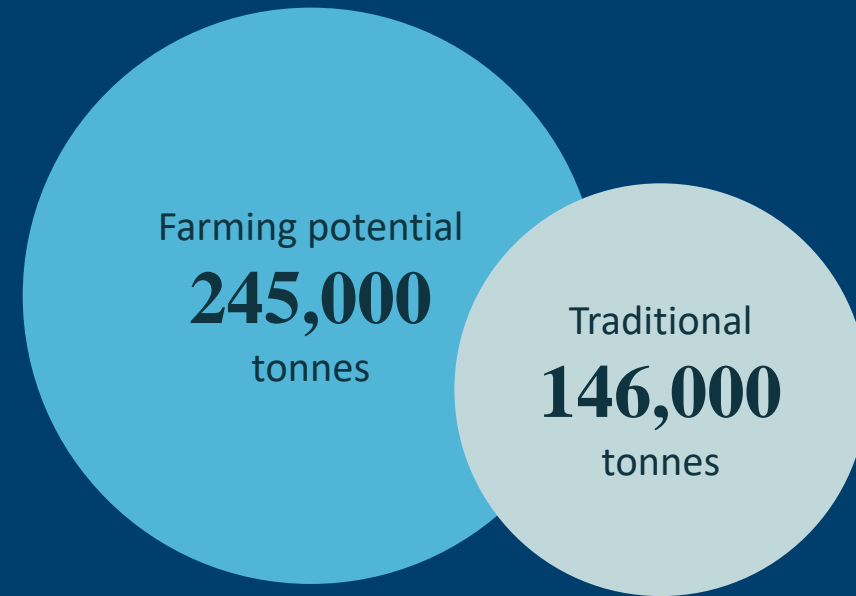
Currents	Temperature regime	Farming zones
		

Sustainable regulations



Close with local
and national
regulators

*Regulatory framework that
safeguards fish welfare and allows
Iceland to take out its farming
potential*



Invest in people and local communities



Facilitates the 24h human



Invest in people and competence to continue sustainable development of the industry



Ensuring viable and vital coastal communities that make it attractive to settle and participate in developing an industry

When we have the Biological Conditions, the Regulatory Framework and the People we are in position to reach critical mass



Biological conditions

+



Regulatory framework

+



People

=



Critical mass to further develop a sustainable industry

Why reaching a critical mass is crucial for the industry

1

Fish every day

Having a bigger harvesting volume would allow the company to be in the market 365 days a year, entering into contracts with retailers, thereby reducing exposure to spot market, and making it more attractive for shipping companies to improve logistic infrastructure.

2

Invest in a modern and sustainable value chain

By achieving economies of scale associated with a bigger volumes, it would be worthwhile for the company to invest stronger in the value chain, increasing efficiency and further improving the sustainability profile.

3

Enable Value Added Production

Unlocking access to retailers and long-term contracts, the company could invest in VAP. Value-added production, e.g. fillets generate, 3-4x higher employment rates than pure farming operations.

4

Make room for newcomers and innovation

Having large companies operating across the full value chain opens the door to smaller players as the overall barrier of entry to the industry is lowered. Newcomers can focus on any step of the value chain as they can outsource / sell their products /services to the main operators.

Higher farming volumes will unlock access to retail contracts, which are key to compete in global markets

1

Increased volumes

Regular shipments



- Increased harvest volumes in Iceland will contribute to lower logistics costs.
- Facilitate for regular shipments, more routes available, ability to hire cargo planes, add new vessel lines (dependent on volumes).
- Scale and negotiation power are also factors that will likely contribute to lower logistics costs.

2

More value-added processing

Lower freight costs



- More value-added processing in Iceland will reduce export volumes and freight cost.
- VAP production is estimated to create 3-4x more jobs than primary processing.
- VAP products are very reliant on retail contracts, which in turn depend on steady supply all year round.

3

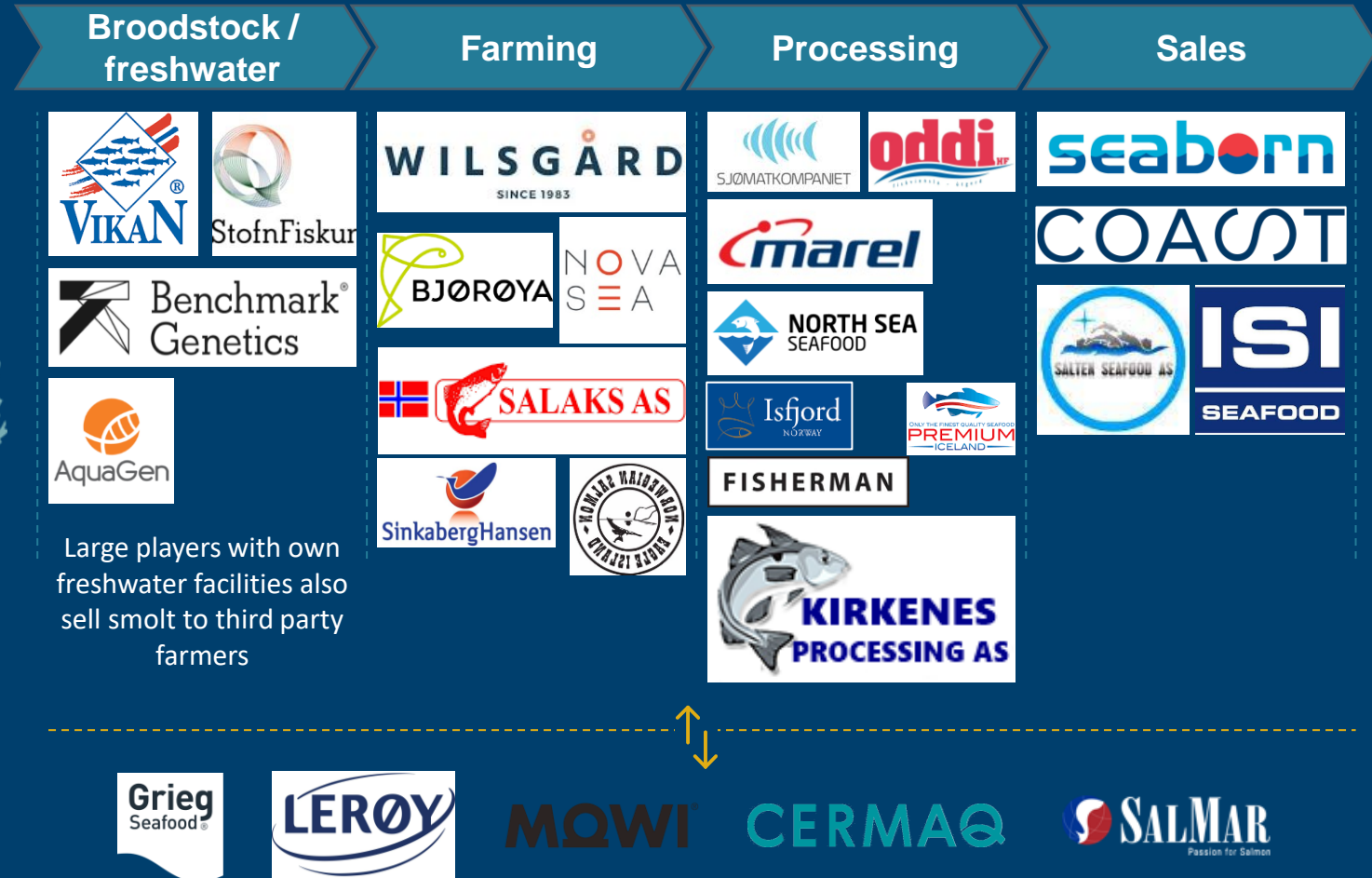
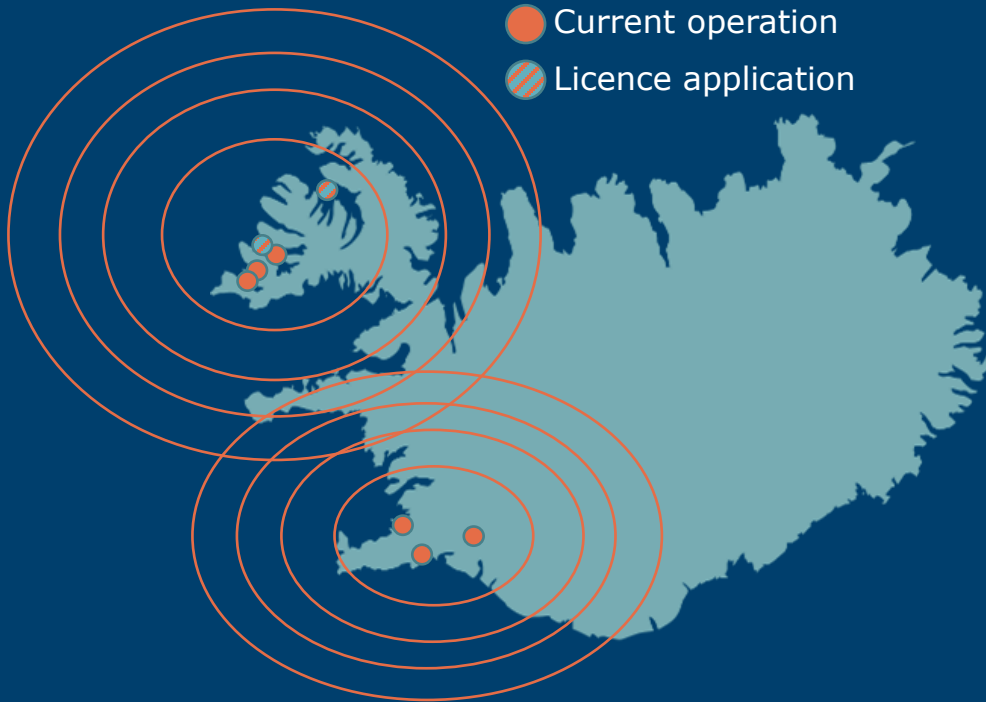
Promoting Iceland

Branding



- Contribute to create and promote Iceland while reinforcing the unique Icelandic qualities
- Creating a premium for the salmon and for Iceland
- Positive impact on Icelandic economy, contributing significantly to the local community

If we look to Norway: Positive impact of industry locomotives in the value chain



Norwegian salmon has gained a fantastic market worldwide, Iceland is to come



- 1** Iceland has great potential to further strengthen its position as a successful farming region
- 2** Critical mass of salmon make us able to deliver fish every day, which is key to develop the local industry. This creates a broad array of jobs and further develops the coastal society
- 3** Industry locomotives can lead development of infrastructure and value chain to the benefit of all, enabling access to smaller players
- 4** If Icelandic companies are in the market every day, they can to a larger extent develop value-added production in Iceland
- 5** Salmon farming in Iceland is still a young industry but in rapid development, with the potential market size determined by a mix of issued licenses, open areas, investments and people / competence.

28. september

CMD ICELANDIC SALMON

Building an industry



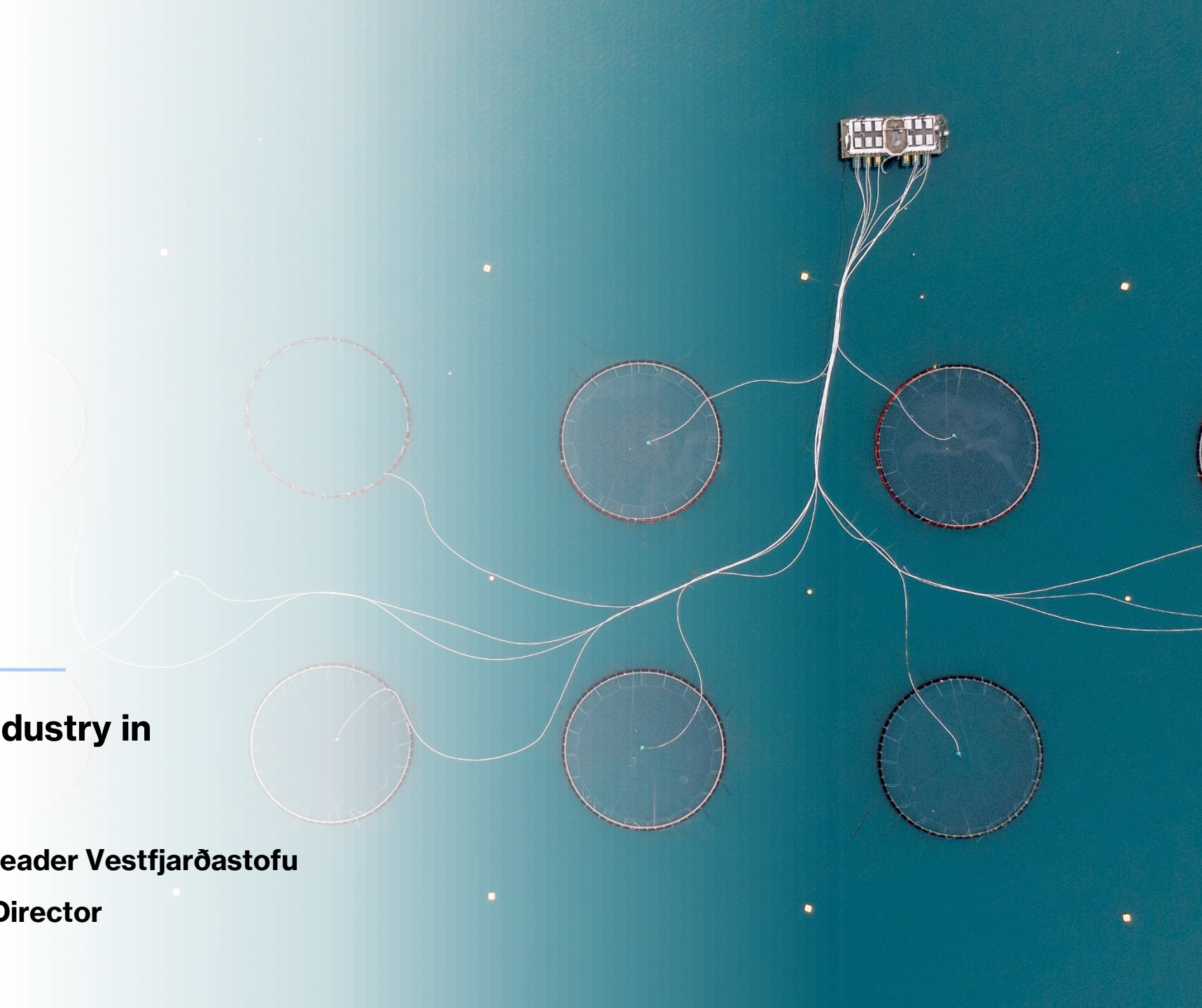
Vestfjarðastofa

Arnarlax Salmon in the Westfjords

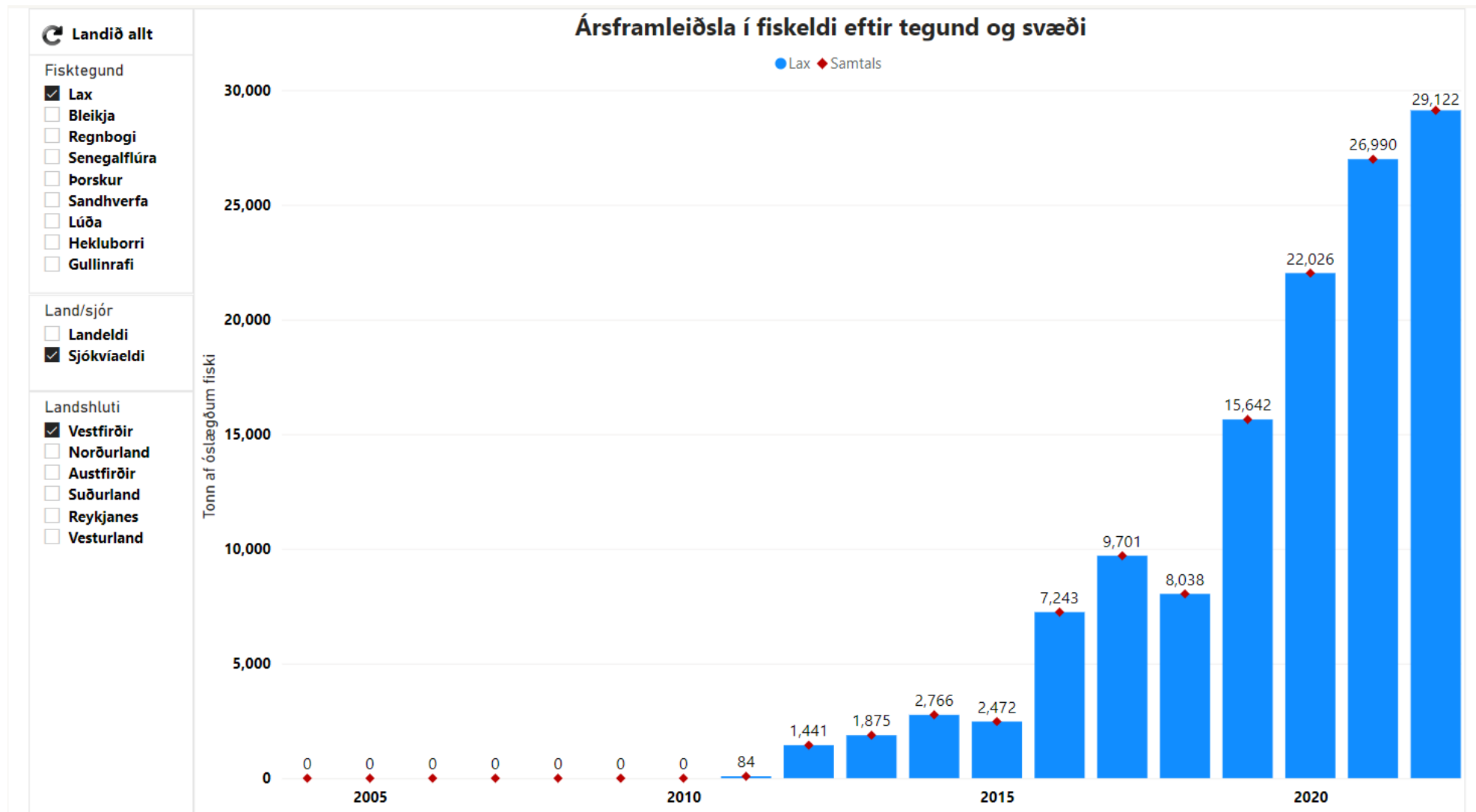
**Impacts of the fish farming industry in
Westfjords**

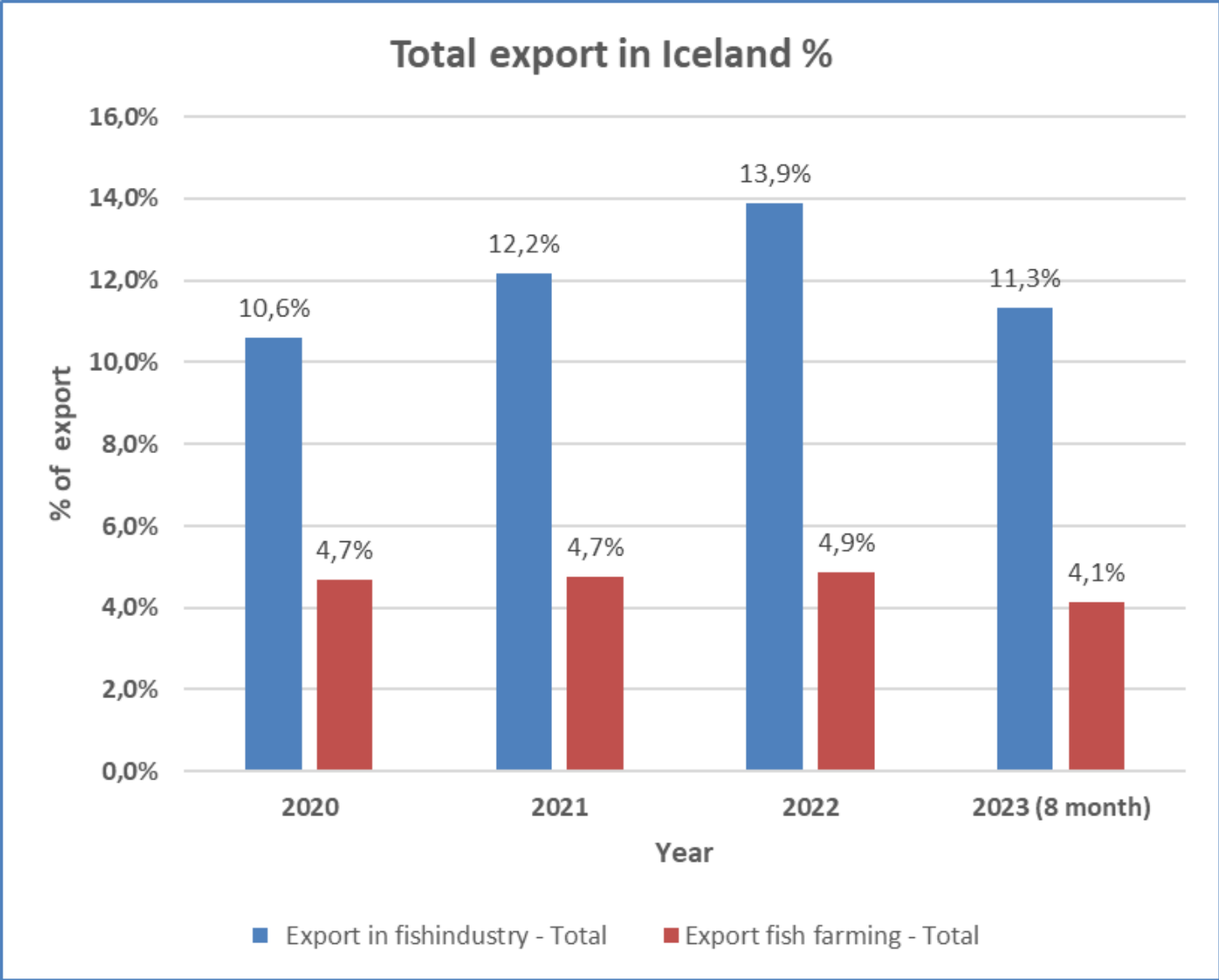
Guðrún Anna Finnbogadóttir Teamleader Vestfjarðastofu

Sigríður Ó. Kristjánsdóttir General Director

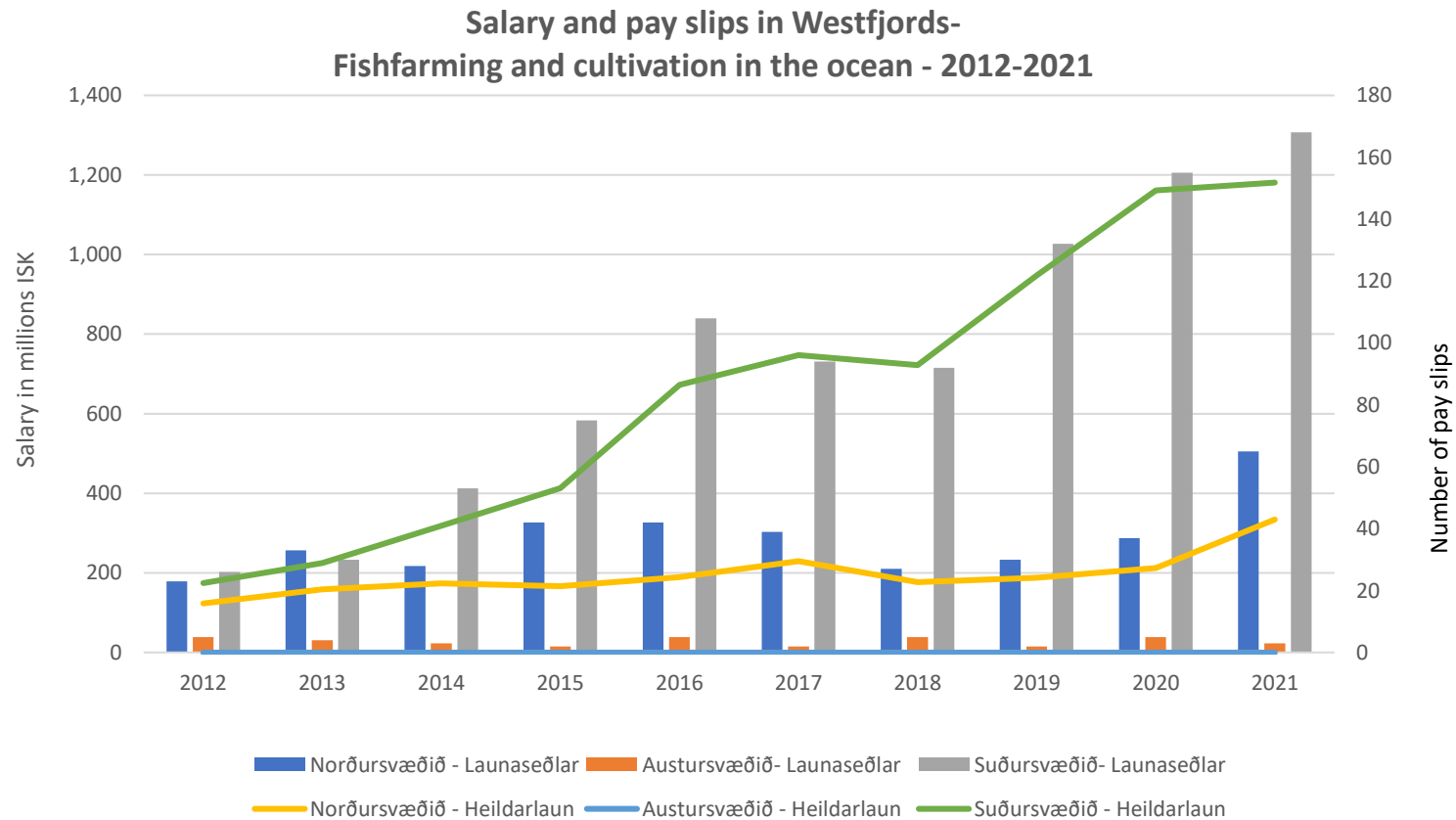


Salmon production in Westfjords

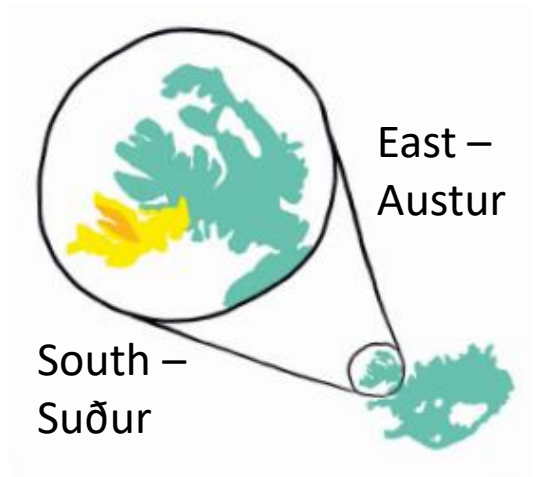




Salary and pay slips in Westfjords



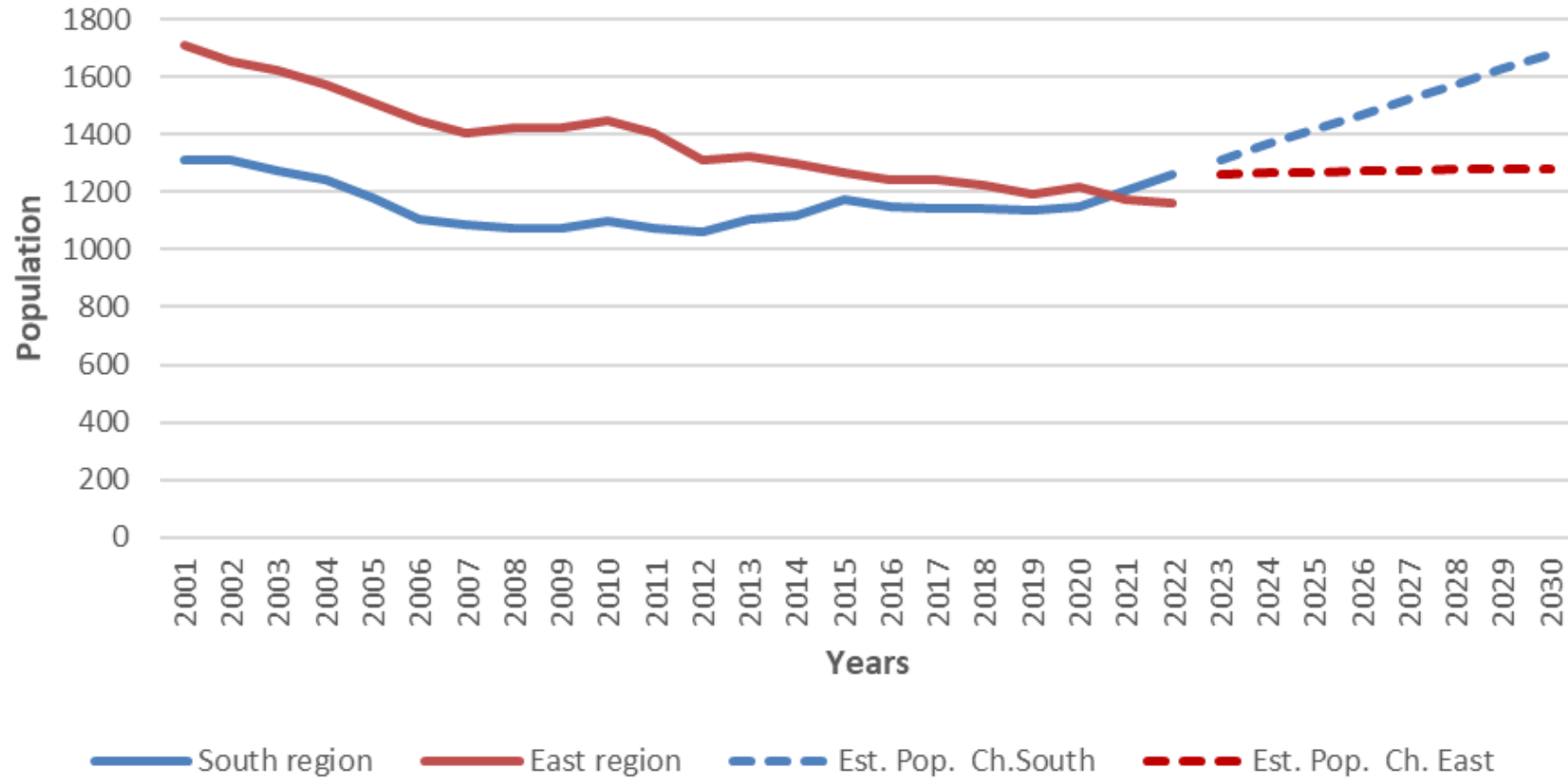
North –
Norður



East –
Austur

South –
Suður

Westfjord population change 2001-2022 Forecast for areas with & without aquaculture



Logi ehf

Machine shop



Established in 1955

Machine shop with varied services

Business for fish farming

Directly around 25 % plus indirect projects

Employees 6

Fish farming around 2 full positions



Vestfjarðastofa



- Starting from 2014 servicing aqua culture industry in Westfjords
- The service has been increasing along with more growth in production capacity for aqua culture in Westfjords
- Approximately 40 employees
- They also focus on other services
 - To have diversified projects
 - To even out seasonal highs and lows in aquaculture sector



Arnarlax in the society

Sustainable business



Research

Environment

Reputation

Expectations

Education

Society

Stability



Vestfjarðastofa

Fiskeldi á Íslandi

Helstu fiskeldisstöðvar

University Center of Westfjords

Ísafjörður Junior College

The Long Live Learning Centre

Holar University

NorthWest Iceland Junior College

University of Akureyri

East Iceland Academy of Engineering

The Aquaculture research center of Westfjords

Snæfellsnes Junior College

The Icelandic College of Fisheries

Vestmannaeyjar Junior College

LANDELDI

1	Grindavík	2
2	Stóra-Vatnsleysa	2
3	Reykjanes	2
4	Hólar	1
5	Óxarfjörður	2

Púsundir tonna

Fimm stærstu sjókvíafrirtækin

	Leyfi	Sótt um aukningu	Áform samtals
Arnarlax: Vestf., Eyjafj., Austf.	15	57	72
Arctic Sea Farm: Vestfirðir	3	24	27
Háafell (HG): Vestfirðir	2	5	7
Fiskeldi Austfjarða	11	43	54
Fiskeldi: Austfirðir	6	19	25
Samtals	37	148	185

SJÓKVÍAELDI

	Burðarþol	Leyfi	Áform
1 Patreks- og Tálknafjörður	20	4	18
2 Arnarfjörður	20	12	23
3 Dýrafjörður	10	2	4
4 Önundarfjörður	?	1	1
5 Ísafjörðardjúp	30	3	25
6 Jökulfirðir	?	0	10
7 Eyjafjörður	?	0	10
8 Óxarfjörður	?	1	1
9 Seyðisfjörður	?	0	18
10 Mjói- og Norðfjörður	?	0	18
11 Reyðarfjörður	20	6	16
12 Fáskrúðsfjörður	15	3	17
13 Stöðvarfjörður	?	0	10
14 Berufjörður	10	8	15

Púsundir tonna

Ísafjörður Junior College
The new contract

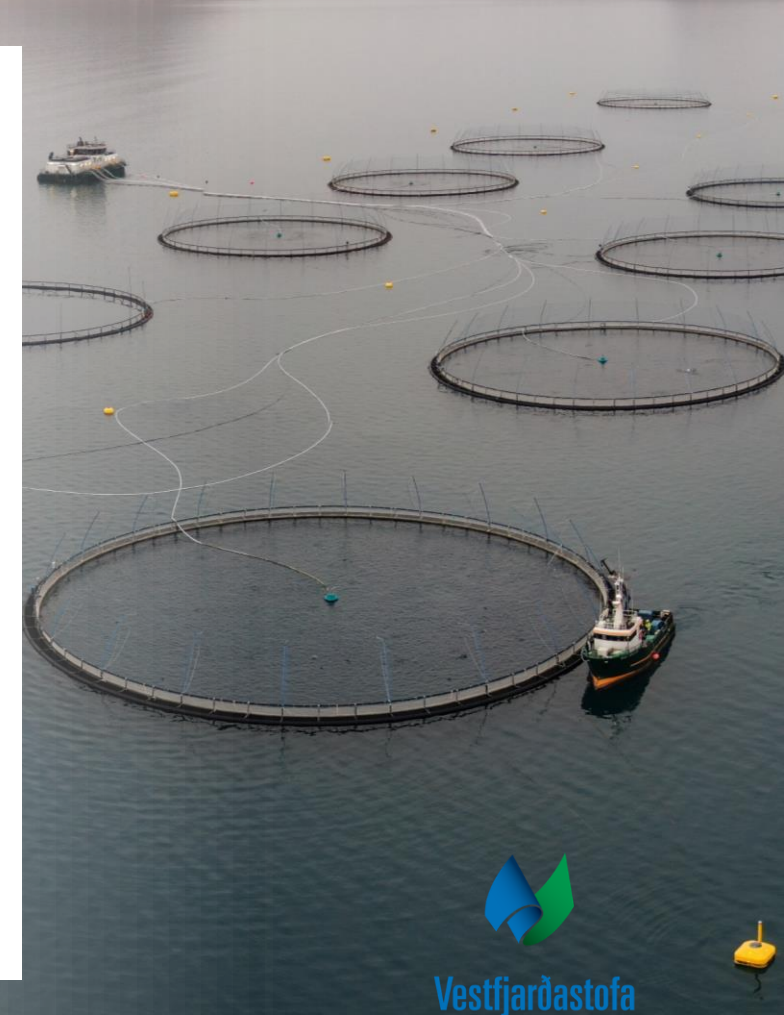
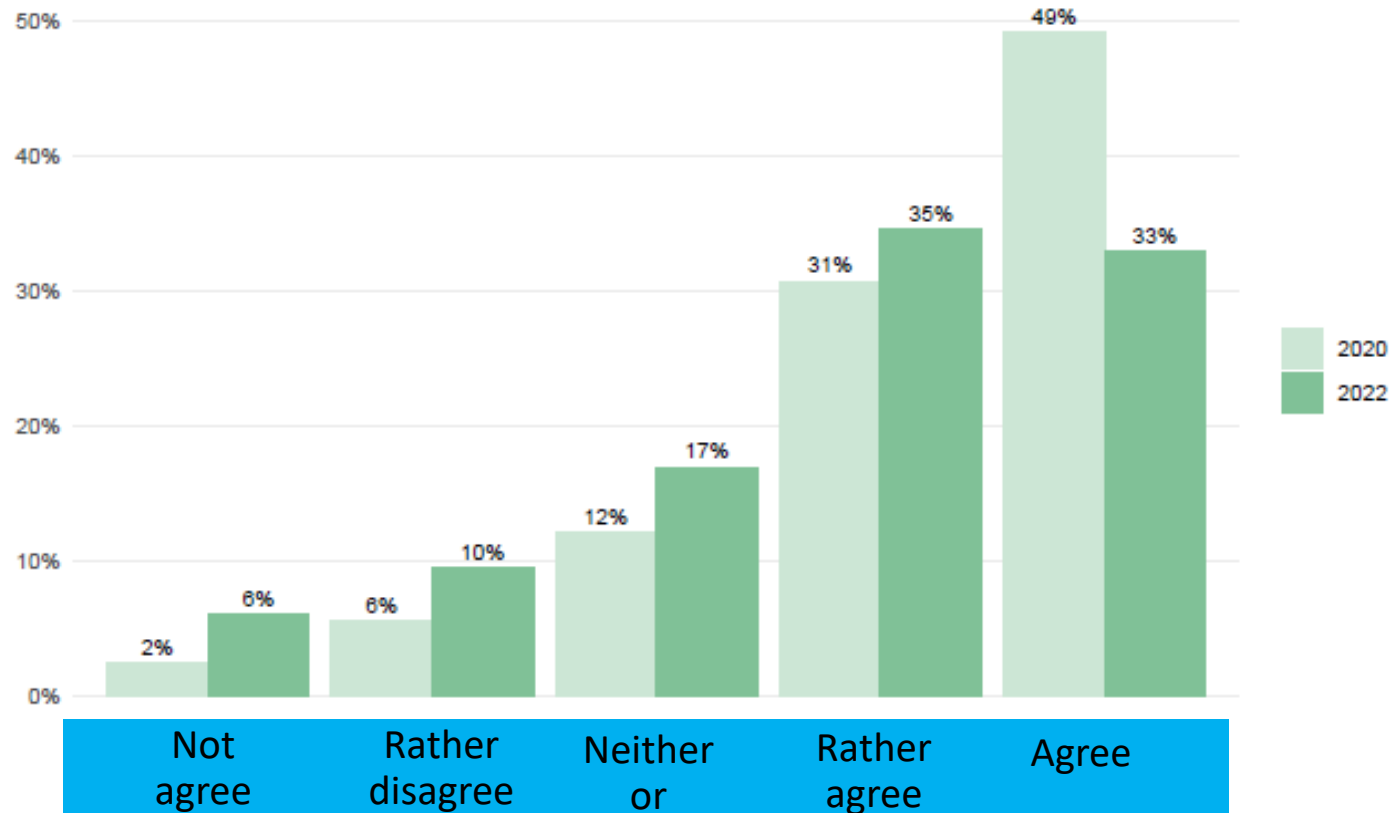


Aquaculture Research Center Vatneyrarbúð



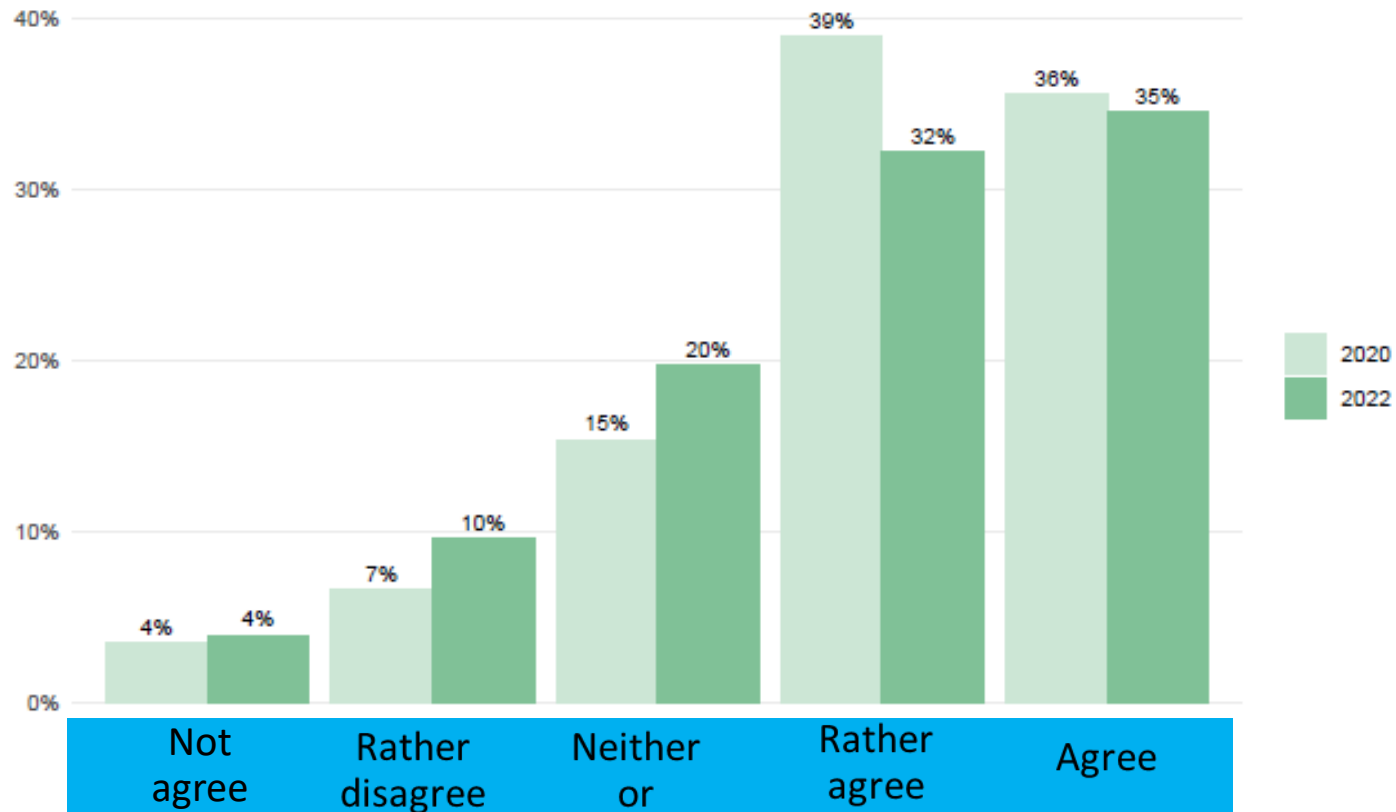
Fish farming creates valuable income for municipalities

Fiskeldi skapar miklar tekjur fyrir viðkomandi sveitafélag



Fish farming requires technical and higher education with good salaries in the local area of fish farming

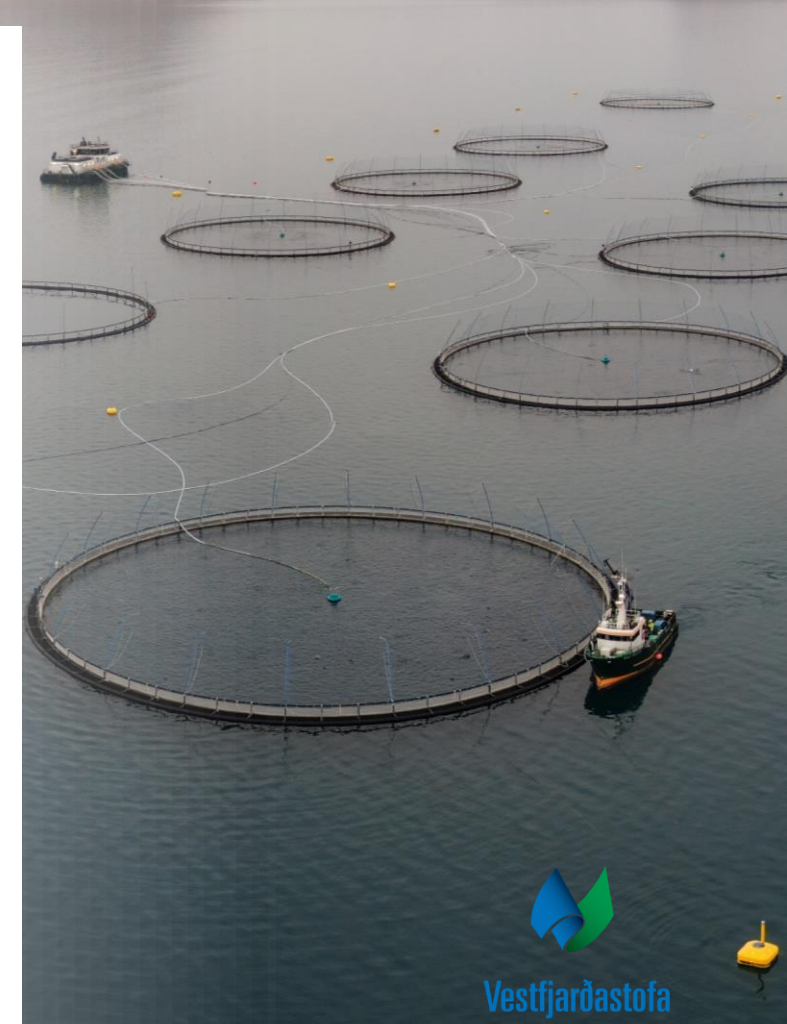
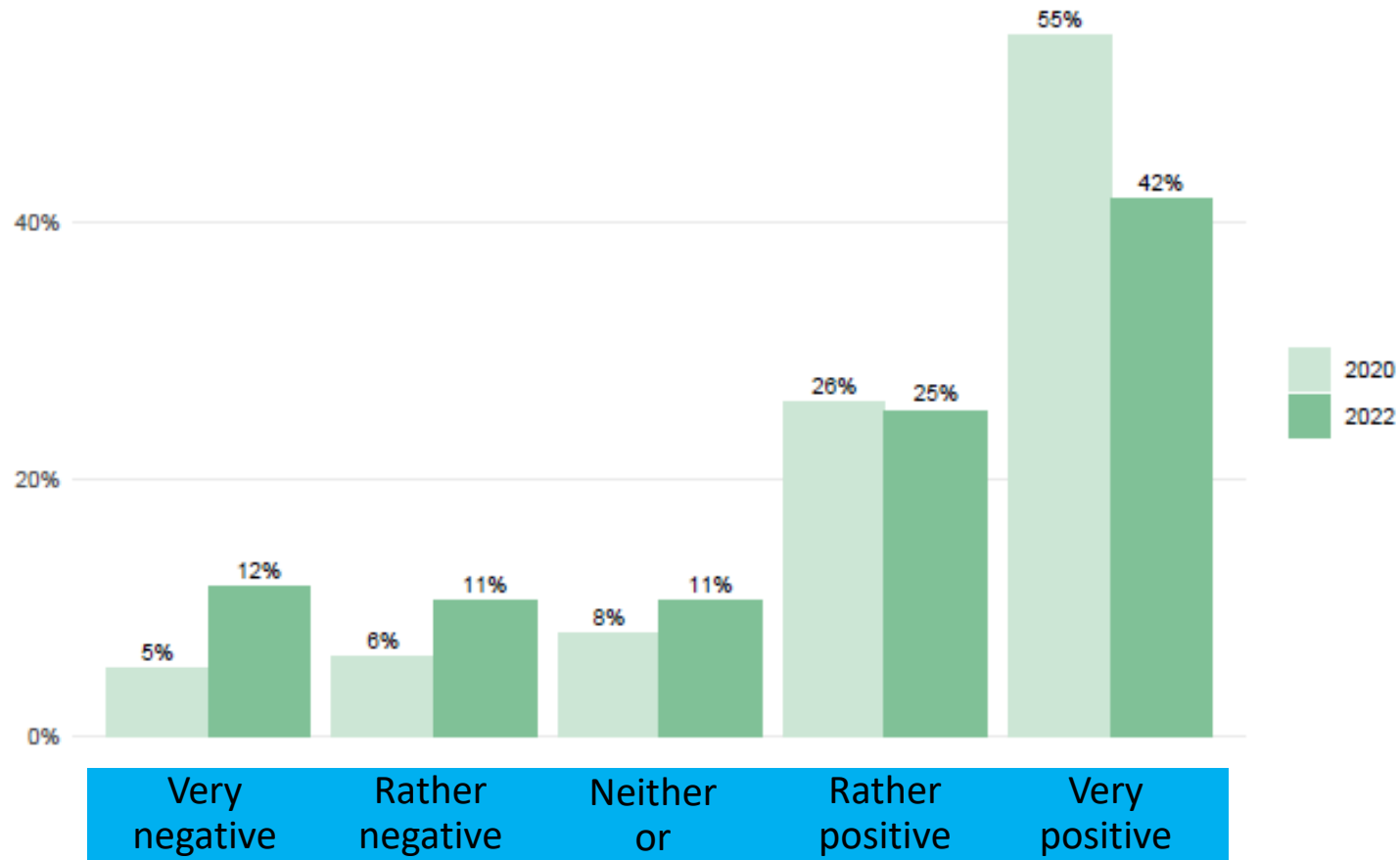
Fiskeldi leiðir af sér sérhæfð og vel launuð störf á atvinnusvæðinu



Looking at the whole industry in Westfjords

How positive/ negative are you towards fish farming

Þegar á heildina er litið, hversu jákvæður eða neikvæður ert þú gagnvart fiskeldi á þínu svæði?



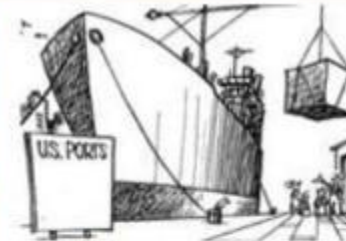
INFRASTRUCTURE



Roads



Airports



Ports

Coastal zone planning – finished in 2023
Destination development plan
Earth Check Certification
Regional plan
Regional waste management plan
Climate plan



Energy



Utilities



Education

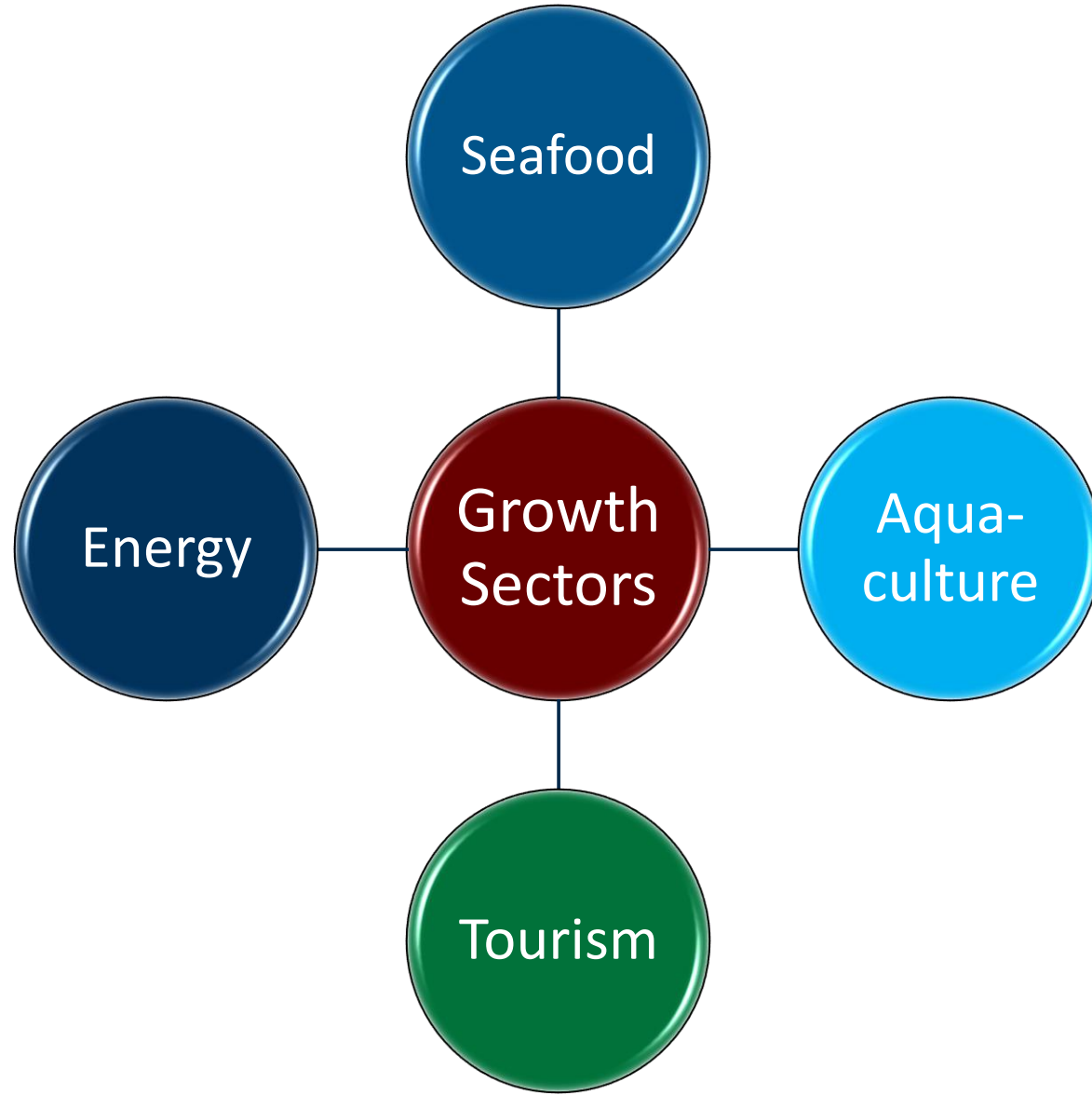


Healthcare



Social

Mindset
Capital
Market Access
Framework
Human resources



Vision for the Westfjords 2030

The Westfjords are an **excellent area** to live, work, visit and enjoy **clean nature** and tranquility. It is a strong, growing **international knowledge** community that is characterized by powerful creativity, strong self-image and **environmental awareness**. Infrastructures are good, the community services is excellent and there is a **diverse economy**, that is characterized out of respect for the environment, society and resources.



FRAMTÍÐARSÝN

Framtíðarsýn er hnitmiðuð lýsing á því hvernig heimamenn sjá landshlutann fyrir sér árið 2030. Dregin er upp mynd af eftirsóknarverðri stöðu sem ætluin er að ná og hverju heimamenn óska að hafa áorkað eftir tiltekinn tíma. Sóknaráætlun er einn liður í því að ná þeirri framtíðarsýn sem að er stefnt.

Vestfirðir eru **framúrskarandi svæði** til að búa, starfa, heimsækja og njóta **hreinnar náttúru** og kyrrðar. Þar er öflugt, vaxandi **alþjóðlegt þekkingarsamfélag** sem einkennist af kraftmikilli sköpun, sterkri sjálfsmynd og **umhverfisvitund**. Góðir innviðir, öflug samfélagsleg þjónusta og **fjölbreytt atvinnulíf** sem einkennist af virðingu fyrir umhverfi, samfélagi og auðlindum.





Vestfjarðastofa



ARNARLAX

CAPITAL MARKETS DAY BILDUDALUR 28.09.2023 – Björn Hembre



Icelandic Salmon

SUSTAINABLE SALMON FROM ARNARLAX



ICELAND – ENCIRCLED BY THE COLD NORTH ATLANTIC

REPRESENTATIVES FROM ARNARLAX AT CMD



Leif Inge Nordhammer
Chairman of Board



Kjartan Ólafsson
Board member



Runar Sivertsen
Chief strategy - *SalMar*



Björn Hembre
CEO



Jónas Heiðar Birgisson
CFO



Rolf Örjan Nordli
COO Biology



Sindri Már Atlason
Assistant CSO



Silja Baldvinsdóttir
Quality Manager



Hjörtur Methúsalemsson
Proj. Mger Business Dev



Johnny Indergaard
Freshwater Manager

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 Bíldudalur.

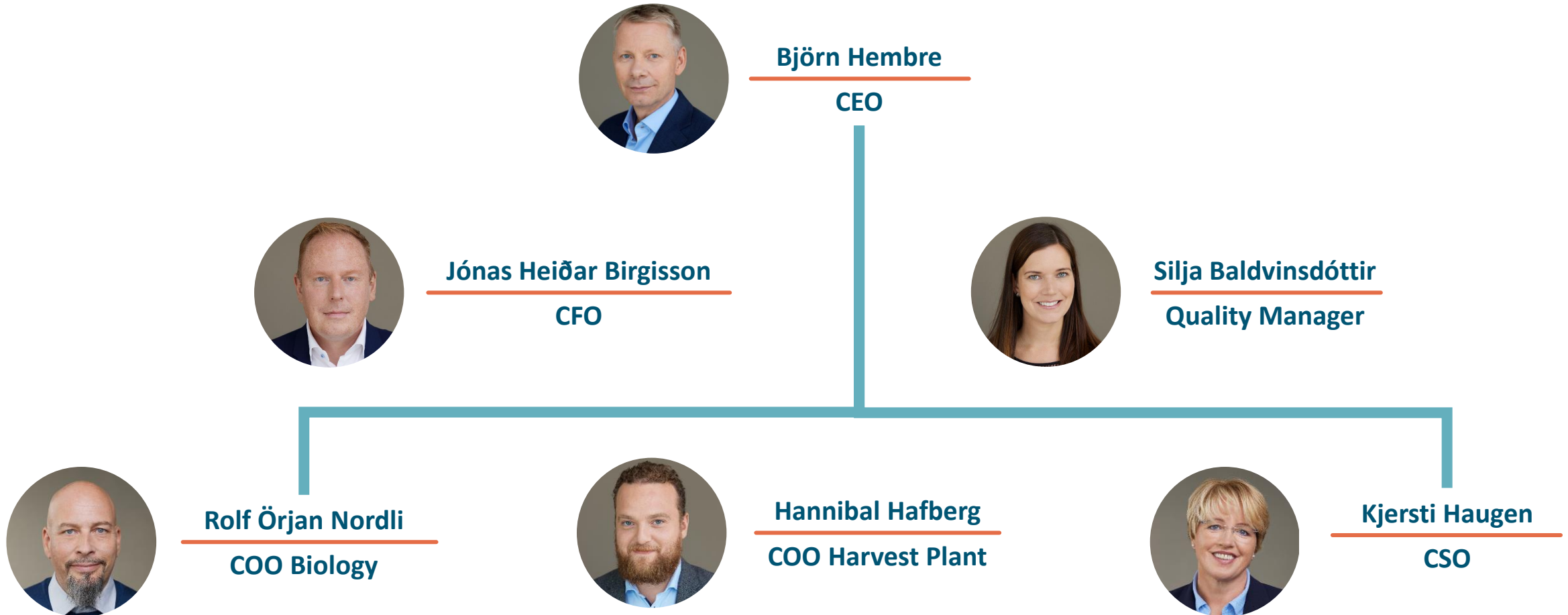
BRCGS* certified
30,000 tonnes
per year capacity



Sales by
internal team

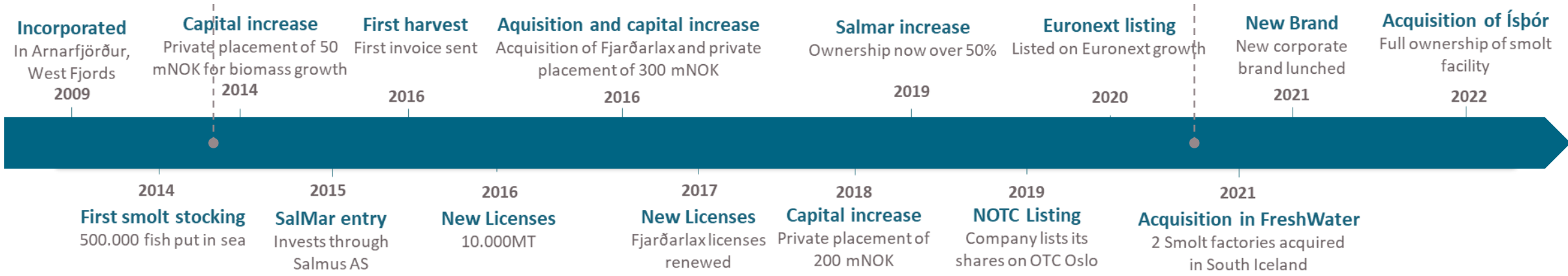
Domestic and
global markets

EXECUTIVE MANAGEMENT TEAM



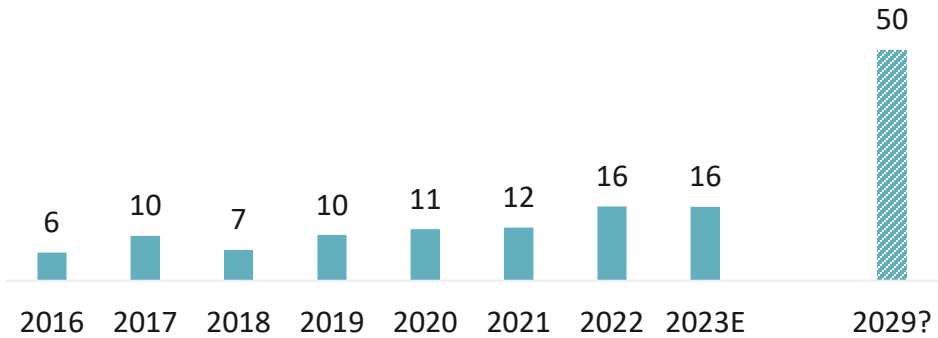
THE STORY OF ICELANDIC SALMON

From family-owned to dual-listing

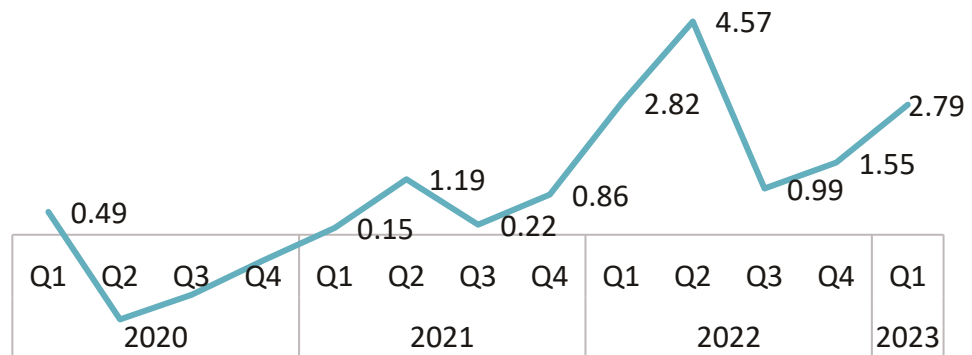


STEADILY IMPROVING OPERATIONS

Harvesting Volume (HOG kt)

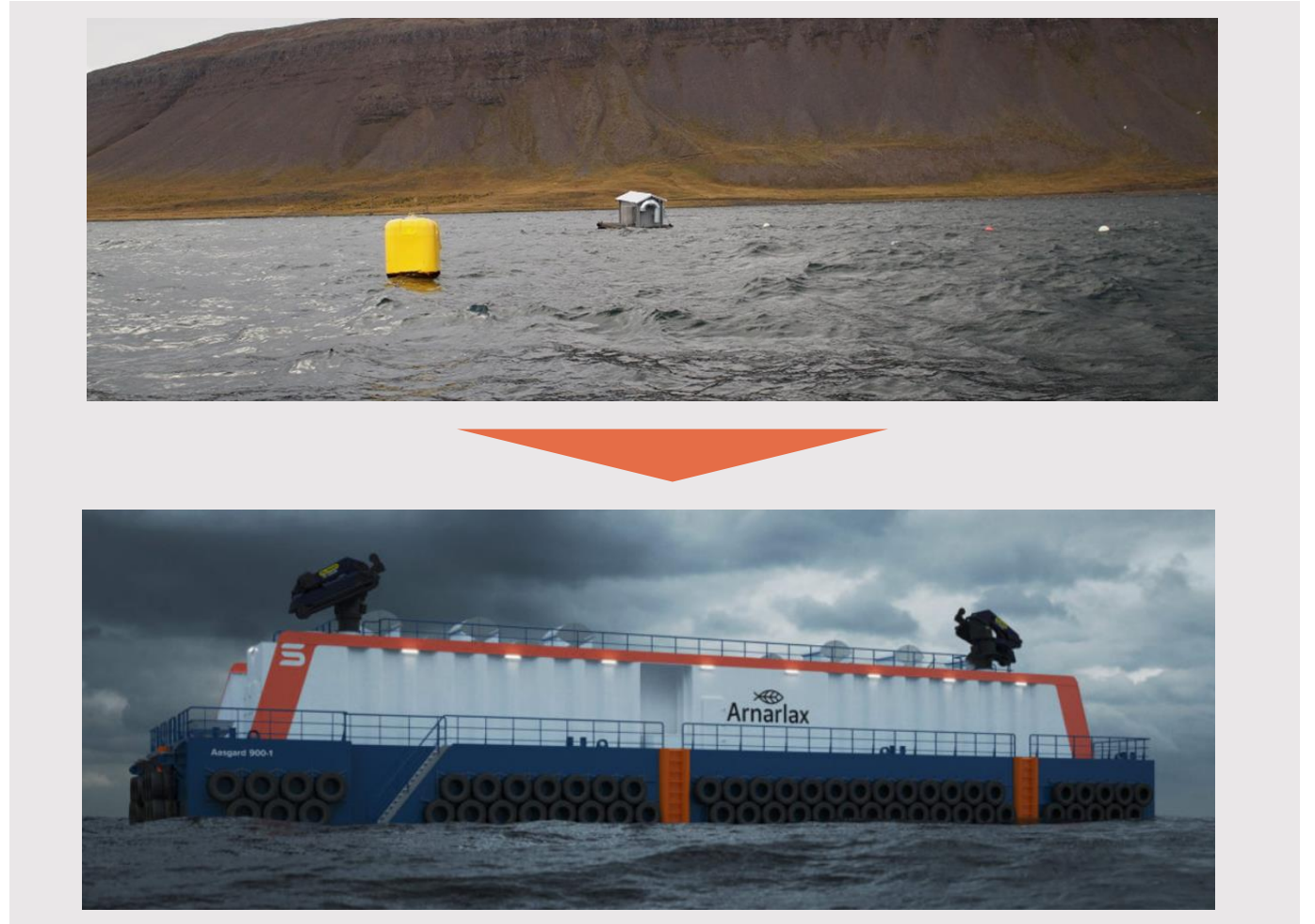


Operational EBIT/kg (€)



¹Represents harvest volume from Arnarlax and Fjarðalax (acquired in 2016)

² Estimated volume for FY 2023



ICELANDIC SALMON

WHERE DO WE OPERATE?



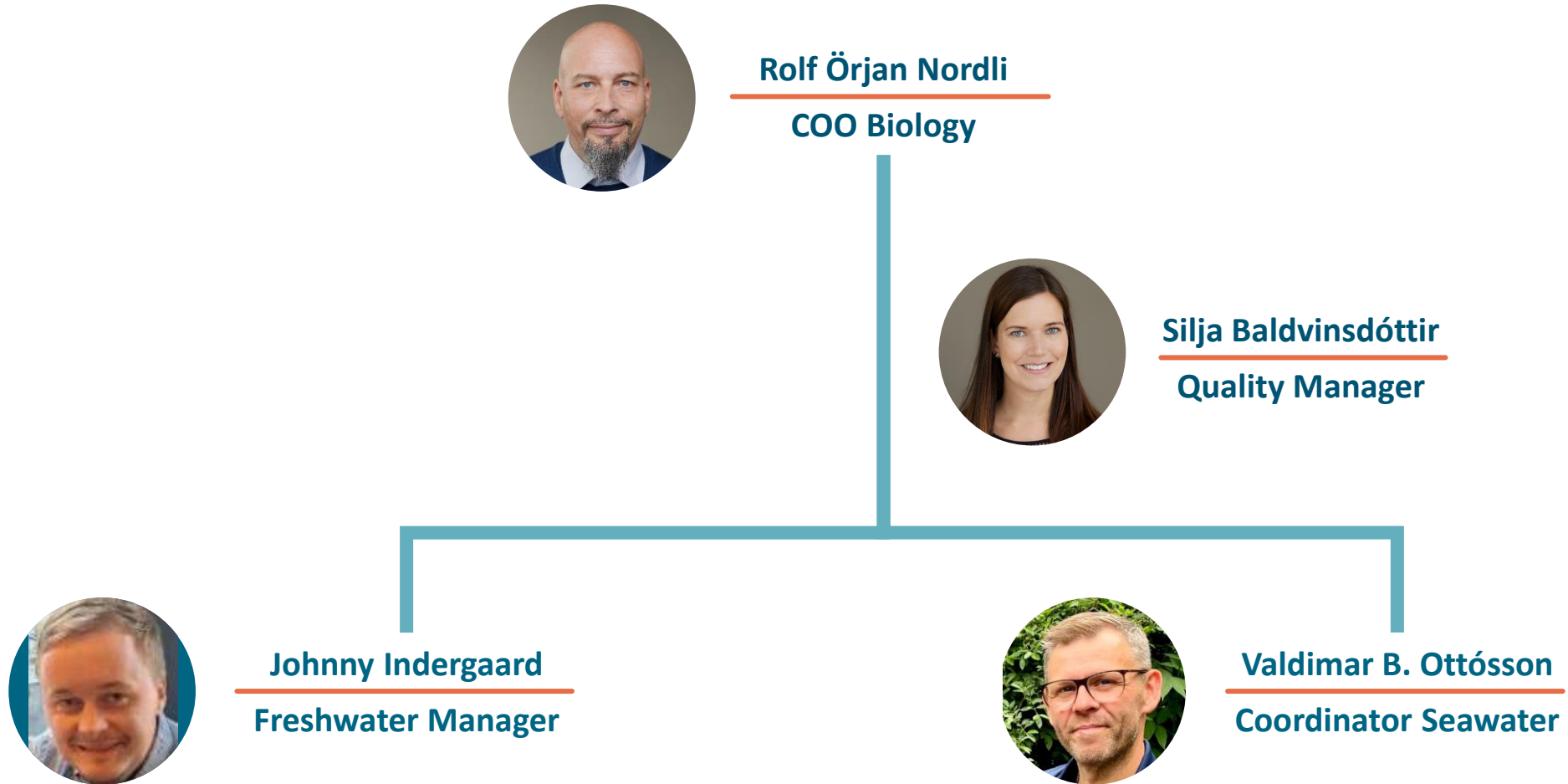
- Current operation
- Licence application



All production ASC certified

BIOLOGY

Fresh and sea water



FRESHWATER

Capacity to produce 26kt and potential to double within existing licenses and land

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

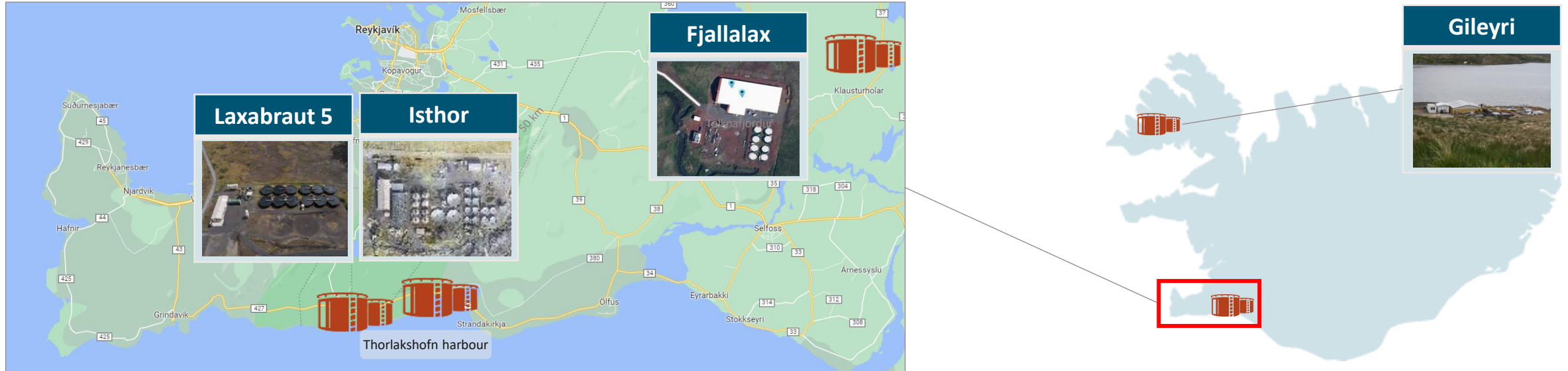
SMOLT STRATEGY

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



FRESHWATER

Overview existing facilities and potential capacity within exiting licenses and land



	Ownership	Location	Current capacity (# smolts)
Isthofn	Arnarlax (100%)	Thorlakshofn	4 - 5m
Gileyri	Arnarlax (100%)	Talknafjordur	2m
Fjallalax & Laxabraut 5	Arnarlax (100%)	Thorlakshofn	1m

7 - 8m smolts

Potential (# smolts)
10m
2m
5m

17m smolts

FRESHWATER

SMOLT PRODUCTION - Ispor

CURRENT CAPACITY

- Capacity of 4-5m smolts, depending on smolt size
- Tank capacity on seawater for post-smolt production 15.200 m³
- Tank capacity on fresh water for smolt production 6.250 m³
- Have licences for 1.800 tonnes of MAB

FUTURE POTENTIAL

- Own 24.000 m² land that is not used yet
- Good access to Seawater at 8°
- Good access to Fresh water
- Can potentially have capacity of 10 mill post smolt within existing plot and licence



FRESHWATER

SMOLT PRODUCTION - Gileyri



CURRENT CAPACITY

- Capacity of 2 mill smolts, 120 gr average weight
- Tank capacity on fresh water for smolt production 3.600 m³
- Have licences for 200 tonnes of MAB

FUTURE POTENTIAL

- Own 10.000 m² land that is not used yet
- Potential extension will be RAS
- Can potentially have capacity of 2 million post smolt with new licence of 1.000 tonnes MAB

FRESHWATER

SMOLT PRODUCTION - Fjallalax

CURRENT CAPACITY

- Capacity of 1,5 mill smolts, 90 gr avg weight
- Tank capacity on fresh water for smolt production 1.780 m³
- Have licences for 100 tonnes of MAB
- Deliver smolts for post-smolt production in Laxabraut 5



FRESHWATER

SMOLT PRODUCTION – Laxabraut 5



CURRENT CAPACITY

- Capacity of 1 mill post-smolts, 400 gr avg weight
- Smolts will be transported from Fjallalax in trucks
- Tank capacity on fresh water for smolt production 6.000 m³
- Have licenses for 900 tonnes of MAB

FUTURE POTENTIAL

- Own 21.000 m² land that is not used yet
- Good access to Seawater at 8 degrees
- Good access to Fresh water
- Can potentially have capacity of 5 mill post-smolt within todays licence of 900 tonnes MAB

SEAWATER OVERVIEW

SITE LOCATION IN THE SOUTHERN PART OF THE WEST FJORDS



- 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

SEAWATER

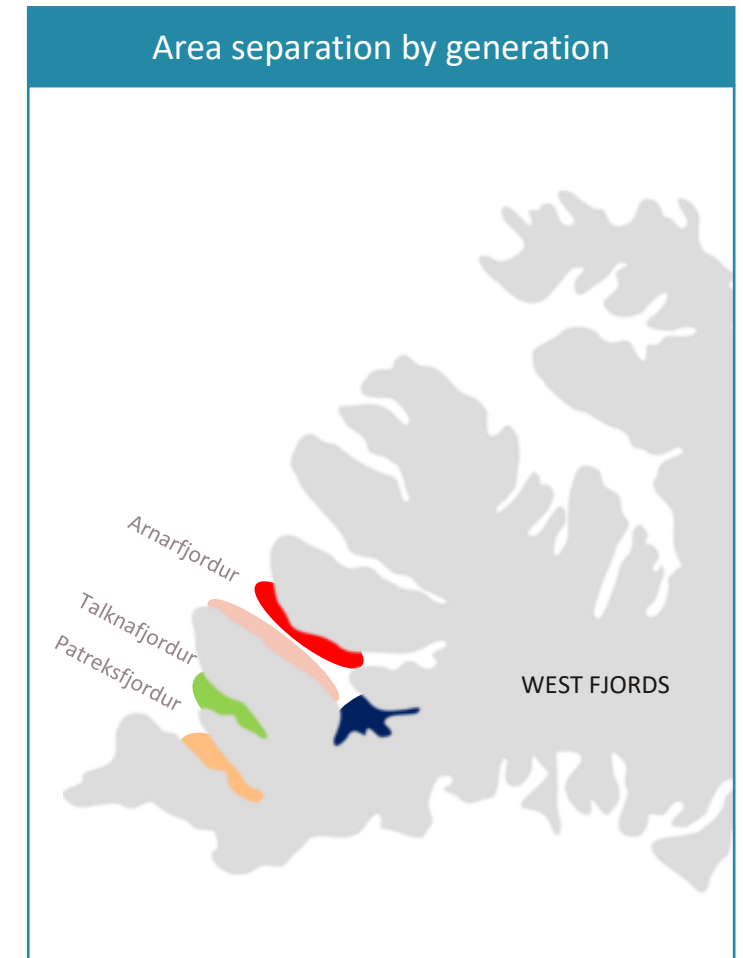
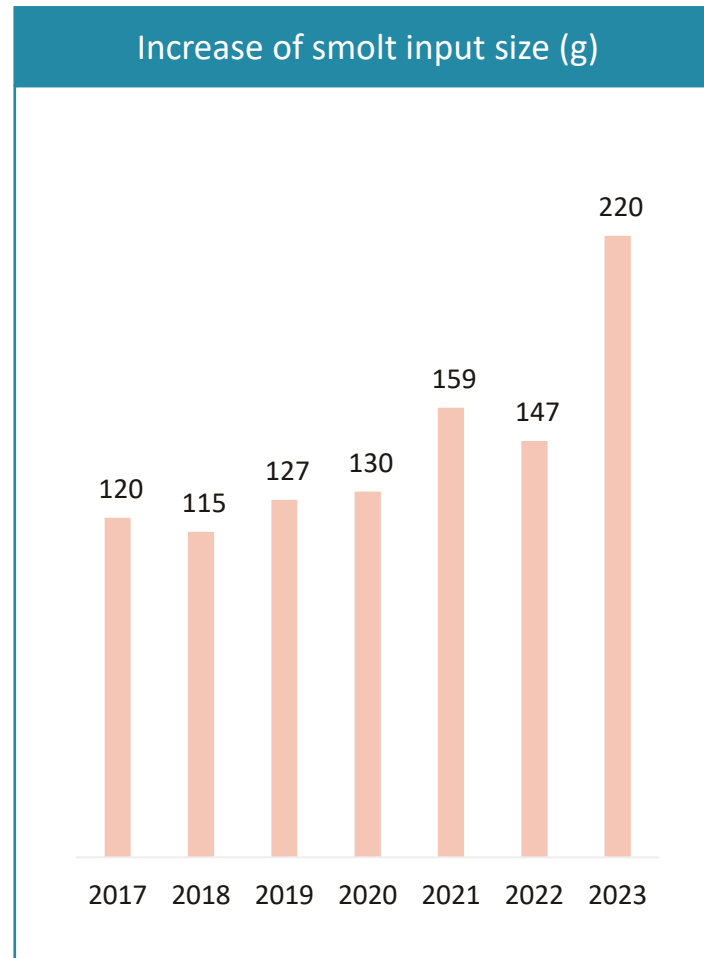
Overview improvements

Operational improvements

- Reduced density in cages during winter to 13 kg/m³
- Better smolt quality
- Increased size of smolts
- Decreased smolt output window to end mid-Sept.

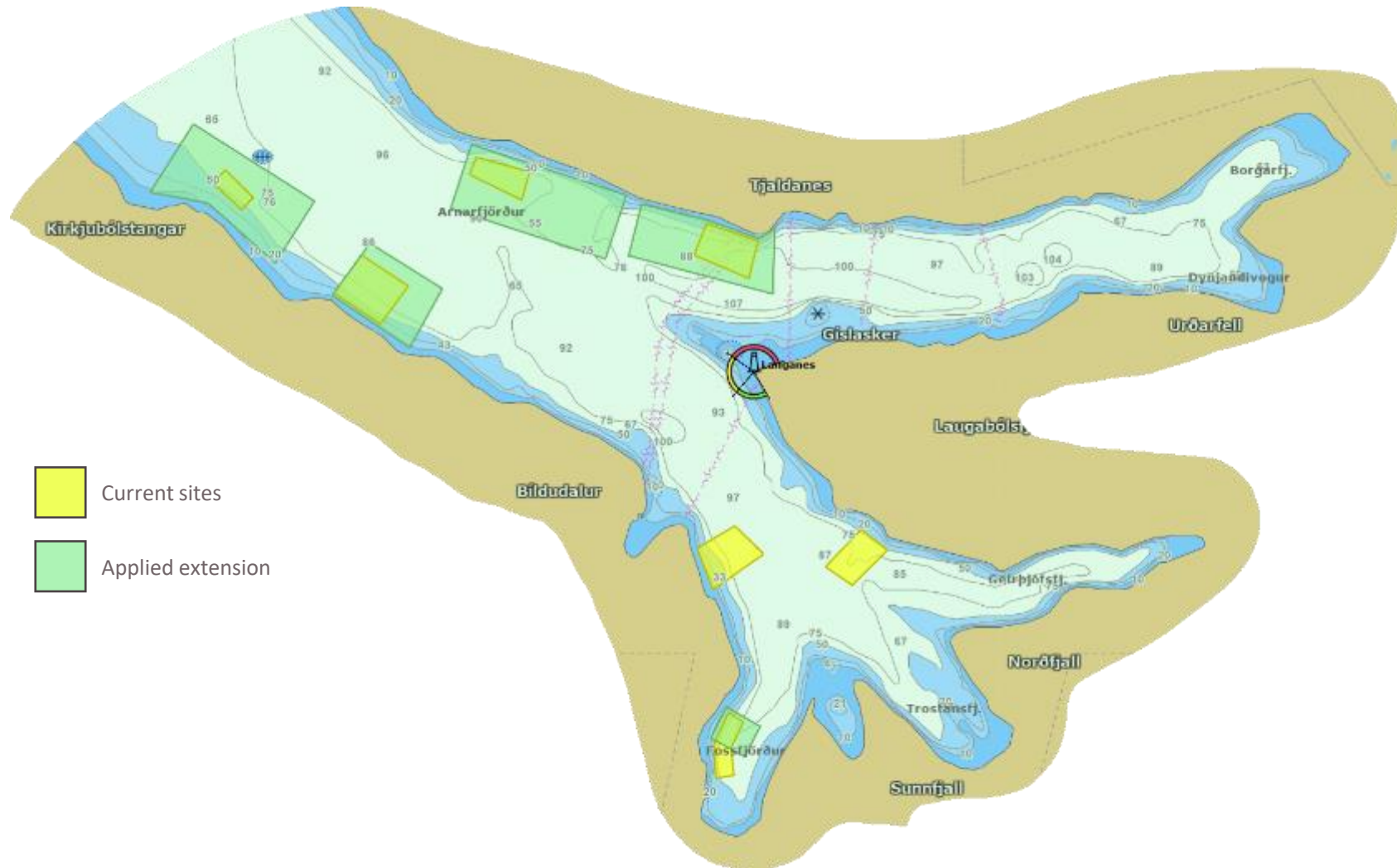
Strategical improvements

- Built competence
- Put out more smolts on the sites – high carrying capacity of sites
- Separate generations in sea
- Use only the best sites, have excluded smaller sites
- Feeding center
- More harvest capacity – reduced risk
- Adapted equipment:
 - Use more 200-cages
 - Scale Mldgard system to reduce risk of escapes
 - Bigger feed barges



SEAWATER

Sites with applied extension in Arnarfjordur



Rationale for extended site areas:

- Gives opportunity to have more cages
- Makes it possible to move cages within the area if needed
- Gives flexibility to optimize position of cages towards current, depth and other local conditions
- Gives potential for further growth

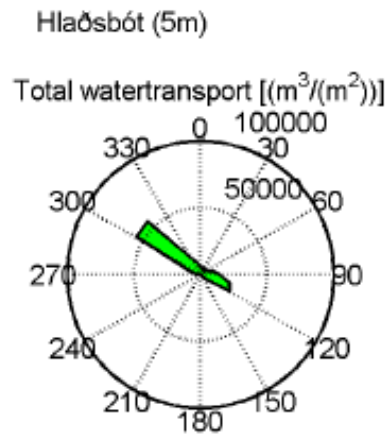
SEAWATER

Sites at sea

How is a typical site in the Westfjords?

- Good carrying capacity (>7.000 tonnes)
- Optimal temperature during summer and autumn
- Low winter temperatures, that we are managing. Improve product quality

Constant current and flow of water:



Total water transport



SEAWATER

Sites at sea



HARVESTING

Overview

Harvest plant in Bíldudalur

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

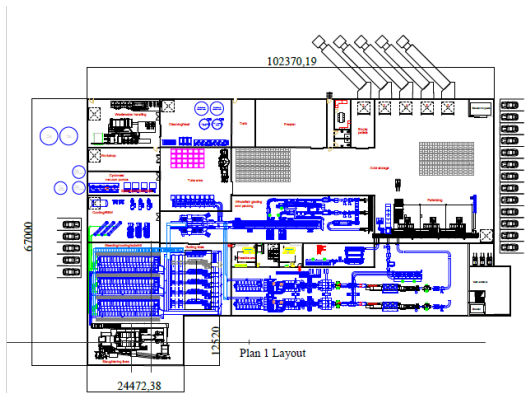


HARVESTING

Potential for growing harvest capacity

Status on new harvest capacity

- Have good dialogue with Municipality for land
- Have made a detailed plan for layout and capacity
- Filleting will be a part of future harvest plant



SALES AND LOGISTICS

Overview

Sales and logistics division

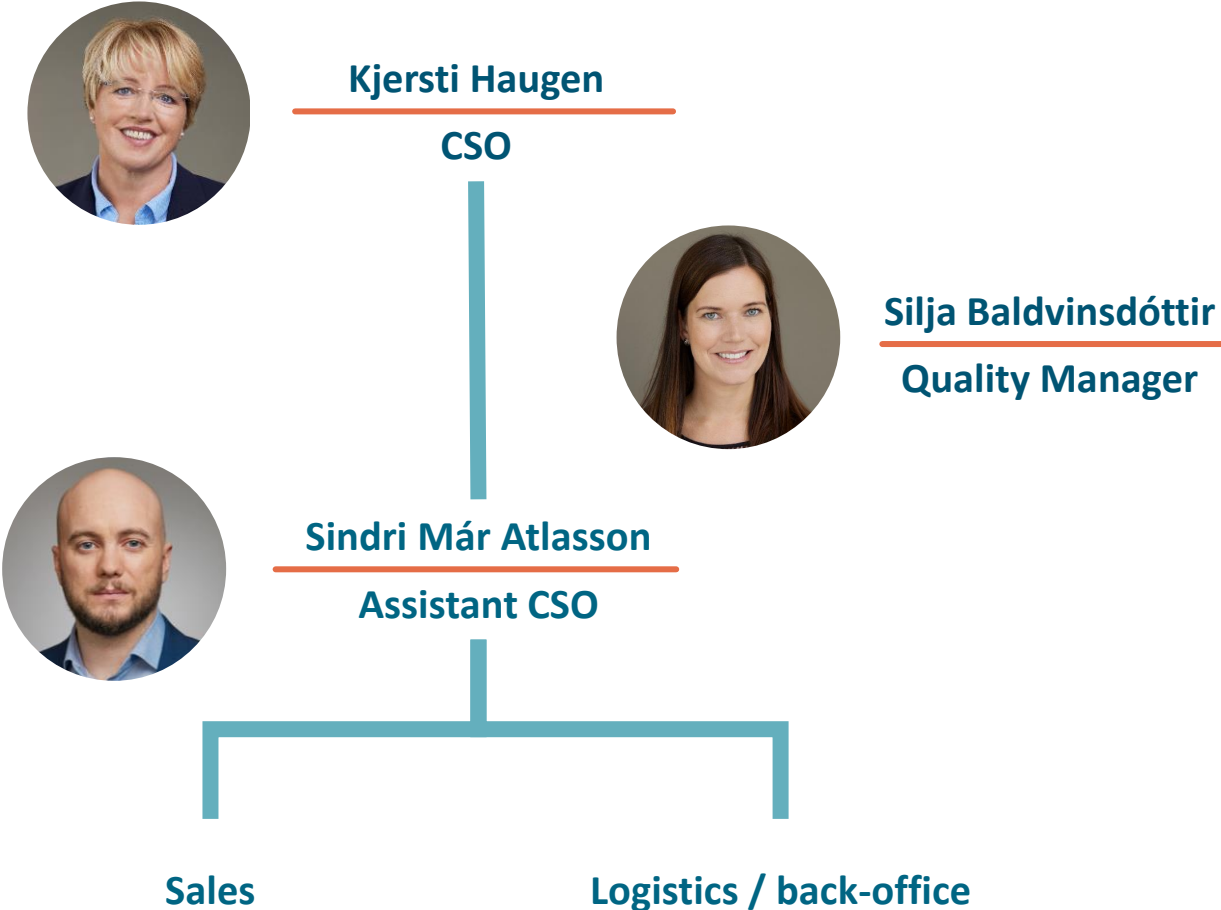
- Located in Reykjavik
- Our internal sales team sell all of our salmon
- Working close with premium customers in US and Europe
- Focus on Quality, Sustainability and Origin
- Filleting possibilities with local partner, Oðði

Where are our customers in 2022?

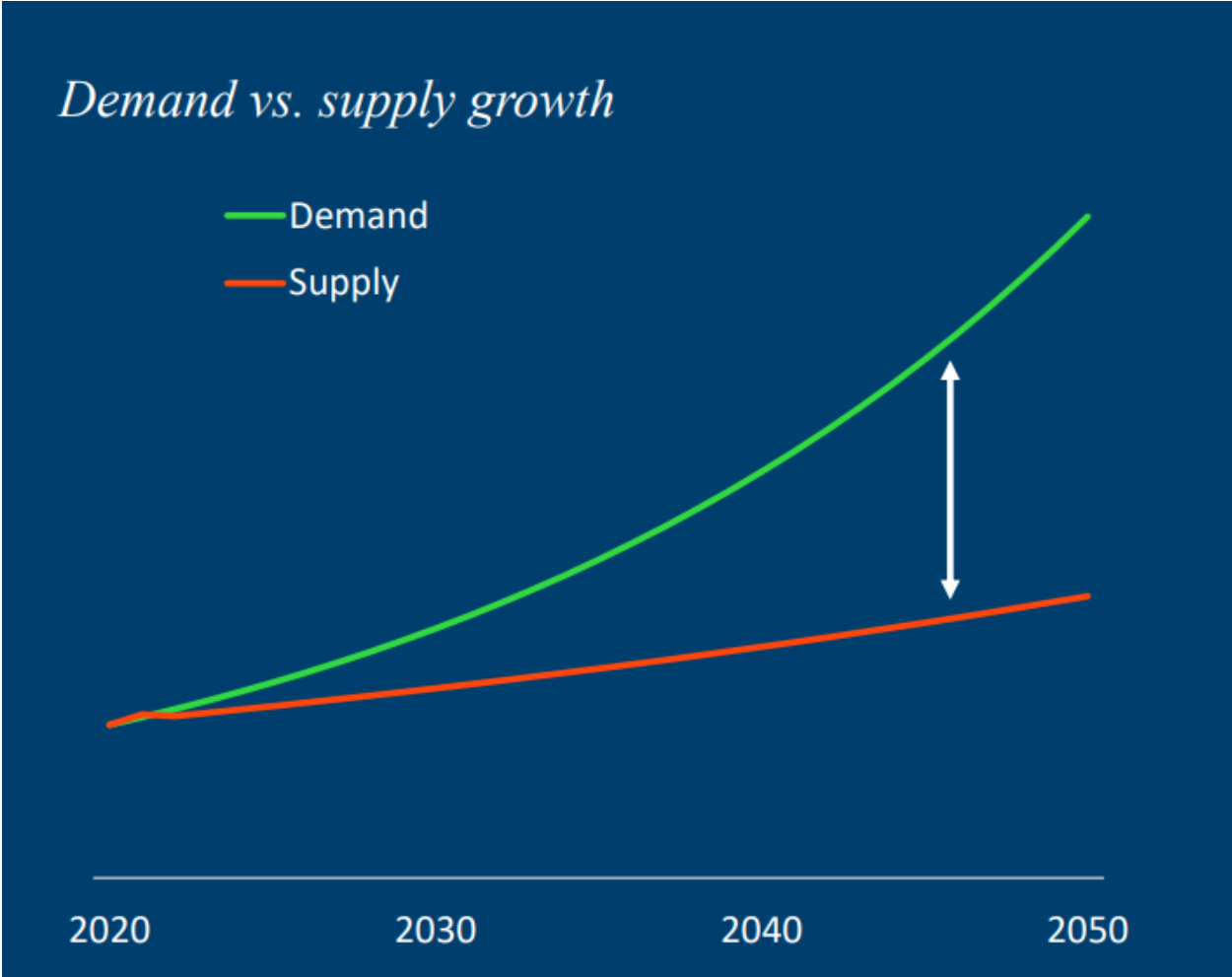


SALES AND LOGISTICS

Team

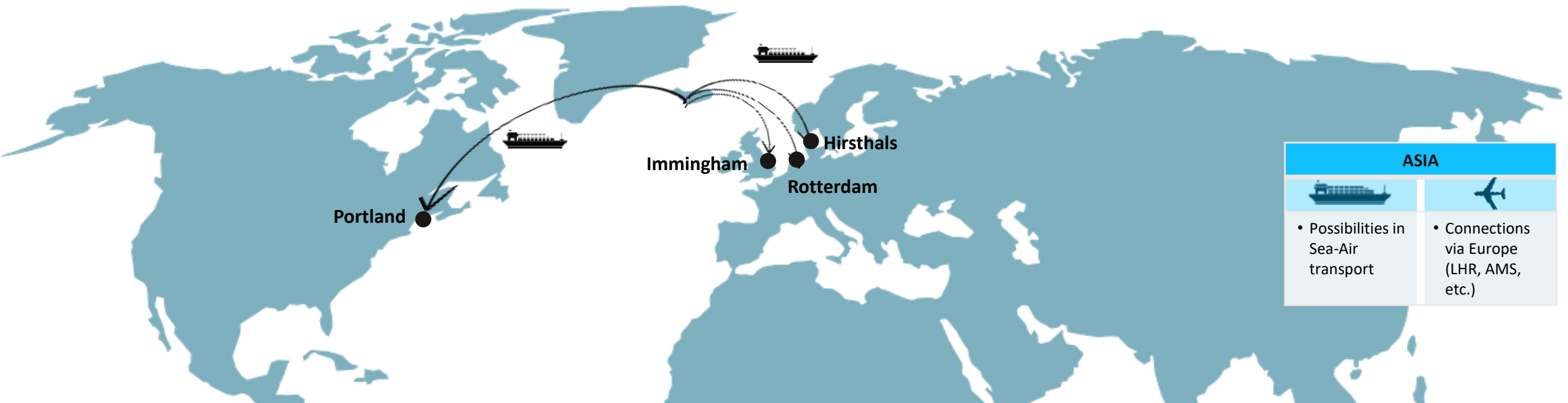


Supply growth slower than demand for the foreseeable future



SALES AND LOGISTICS

Logistics out of Iceland: How does the salmon reach the markets?



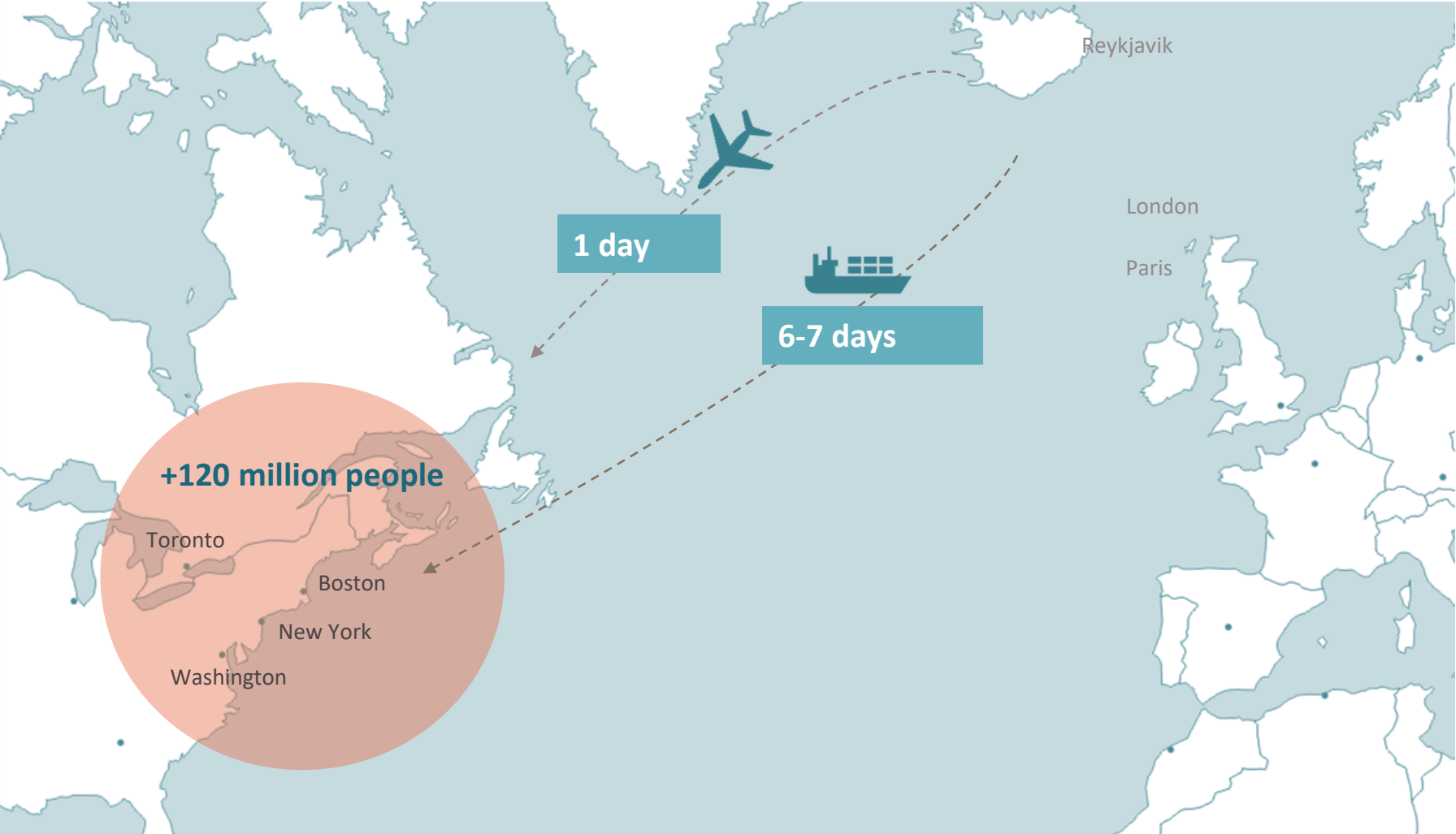
ASIA	
<ul style="list-style-type: none"> Possibilities in Sea-Air transport 	<ul style="list-style-type: none"> Connections via Europe (LHR, AMS, etc.)

NORTH AMERICA	
<ul style="list-style-type: none"> Weekly departure on Tuesdays from Reykjavík. Arrival in Portland, Maine, following Tuesday Significant reduction in CO2 emissions compared to air freight. Super-chilling and premium quality enables Arnarlax to utilize this route 	<ul style="list-style-type: none"> Regular freighters from Iceland into JFK Passenger flights from Iceland Connections via Europe (LHR, AMS, etc.) Direct freighter KEF-LAX starting in October.

EUROPE	
<ul style="list-style-type: none"> Multiple vessel departures per week Monday departure -> Arrival Thursday in Hirtshals DK Wednesday departure -> Arrival Saturday in Rotterdam Wednesday departure -> Arrival Sunday in Immingham for UK Thursday departure -> Arrival Sunday in Rotterdam Friday departure -> Arrival Monday in Rotterdam 	<ul style="list-style-type: none"> Daily Freighters into UK, Belgium and Denmark. Multiple options for connections using passenger flights.

SALES AND LOGISTICS

Strategic shift to low carbon footprint transport to North America



**95% REDUCTION
IN CO2
EMISSIONS**

BRAND POSITIONING AND REPUTATION IN THE MARKET



ICEFJORD BRAND IN OUR END-MARKETS



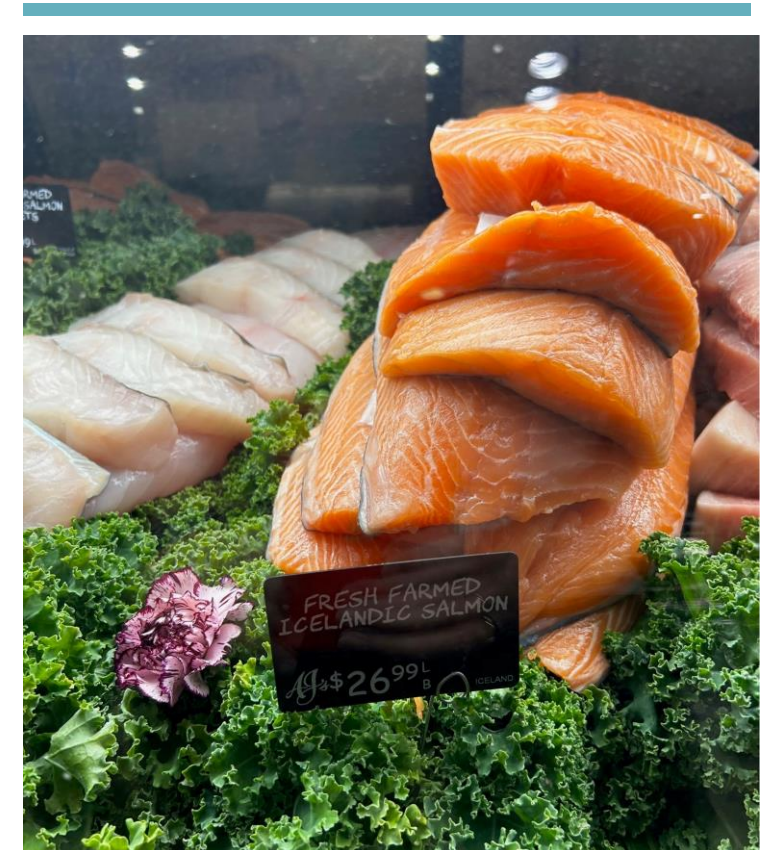
Launch in Japan



Instagram story from The Hermosa Inn, one of the most exclusive resorts in Arizona



Icelandic Salmon at AJ Fine Foods supermarket, Phoenix



SUSTAINABILITY

What do we do?

Steps taken to improve sustainability profile:

1. ASC certification in all production
2. Green loan: sustainability linked loan in new financing
3. Issue yearly sustainability report
4. Use of vessel transport to American market
5. 2 new hybrid barges in 2023
6. New hybrid service boat on chart
7. Use only green electricity
8. Only geothermal heating of water in the smolt plants
9. Monitor carrying capacity on sites
10. Have program for installing land power to barges at sea



PEOPLE

Organizational development and competence building



Arnarlax academy

- All employees involved one time a year
- Managers involved twice a year
- Focusing on cooperate culture and goal achievement

Blue planet Academy

- Is a tool to educate and give employees information
- Everyone has to take the courses they are invited to
- Introduction will be given by your superior

Vocational training

- Cooperate with Fisktækniskoli in Grindavik
- Approximately same curriculum as “fagbrev” in Norway
- Total of 20 of our employees have got the diploma so far

Trainee program

- We try to recruit trainees every year
- 5 have so far followed the trainee program, 2 are working in new jobs within the company, the other 3 are still in the industry.

PEOPLE

Our top priorities:

- 1 Everyone safe home
- 2 Keep the salmon in the tanks and cages
- 3 Provide good fish welfare
- 4 Production

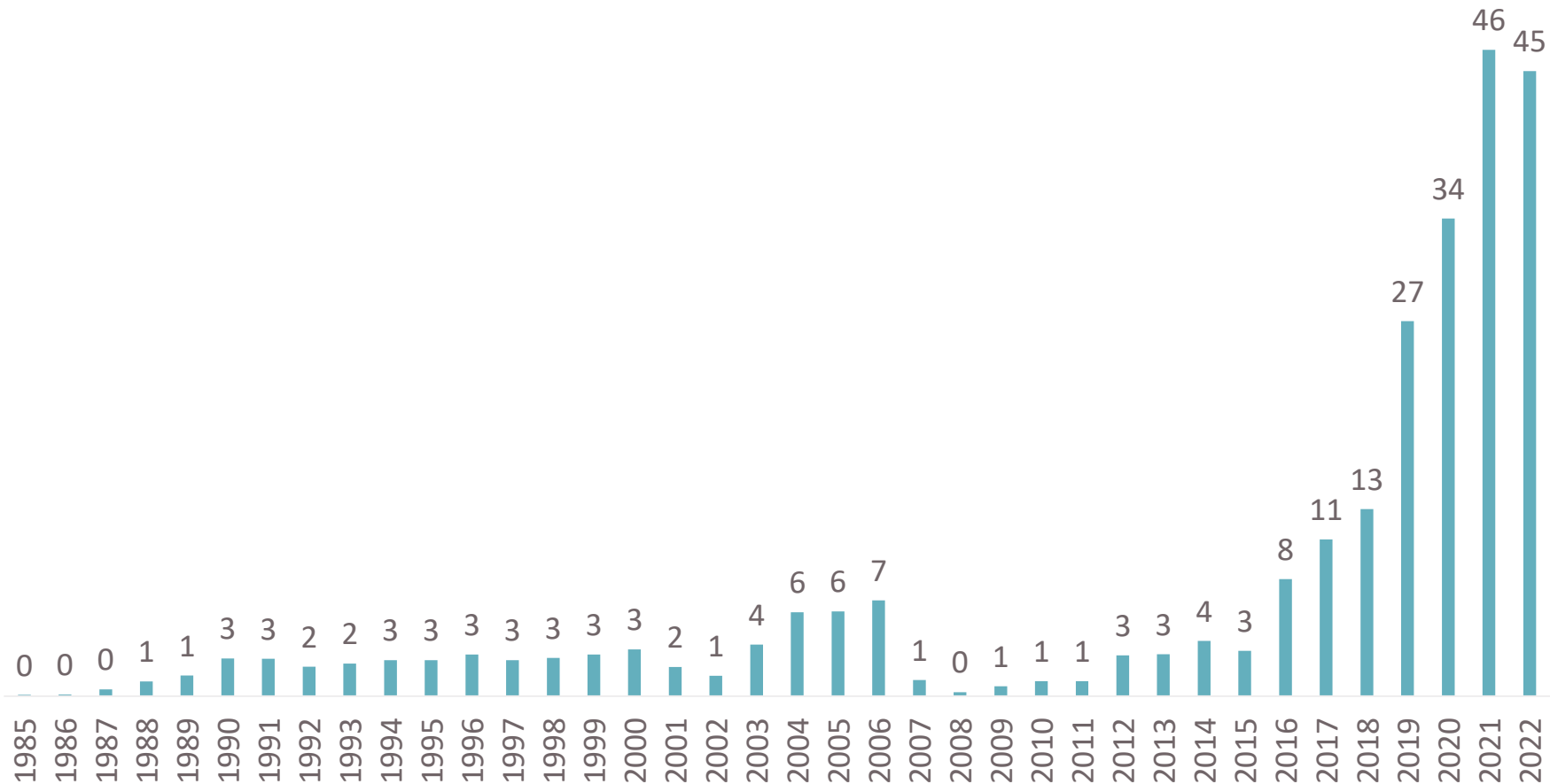


SALMON FARMING GROWING RAPIDLY IN RECENT YEARS

CAGR of +30% since 2015



Salmon farming production in Iceland (kt WFE)



Salmon farming has been the main driver behind aquaculture expansion in Iceland

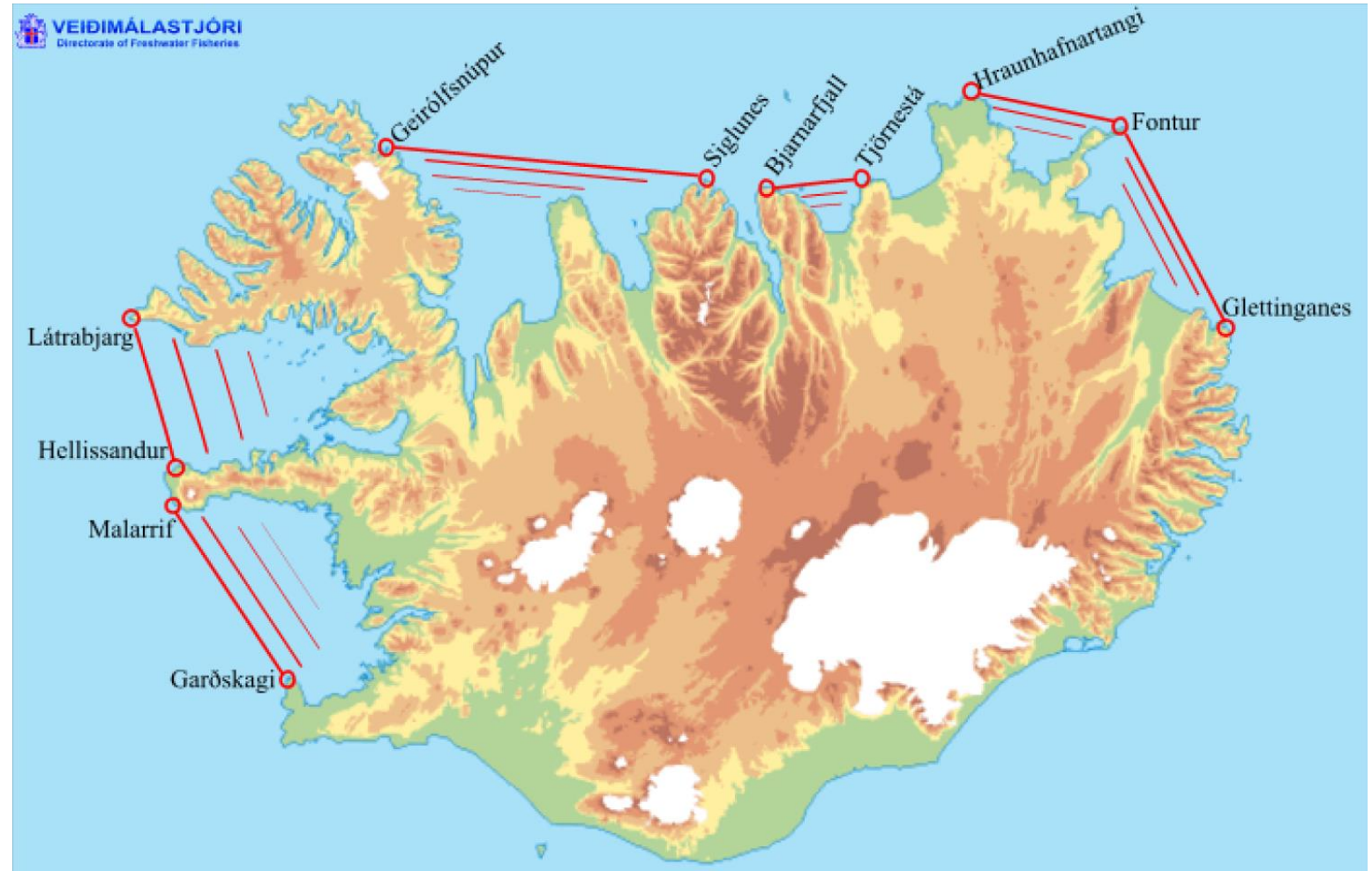
- In recent years salmon farming production in Iceland has increased very rapidly
- Iceland has become one of the fastest growing regions for traditional farming
- Aquaculture in Iceland benefits from a strong fishing heritage with a highly developed local seafood industry, in particular with regards to seafood processing equipment

SEAWATER

Open areas

Comments:

- Only 10 fjords have been analyzed in Iceland for potential used in fish farming with a total biomass allowed of 144,500t.
- There are fjords that are not closed to farming but have not yet been studied. The Company believes the aggregated volume that could potentially be auctioned will reach 66,000t – 102,000t.
- The fjords that are closed to fertile salmon could potentially be used for sterile production.



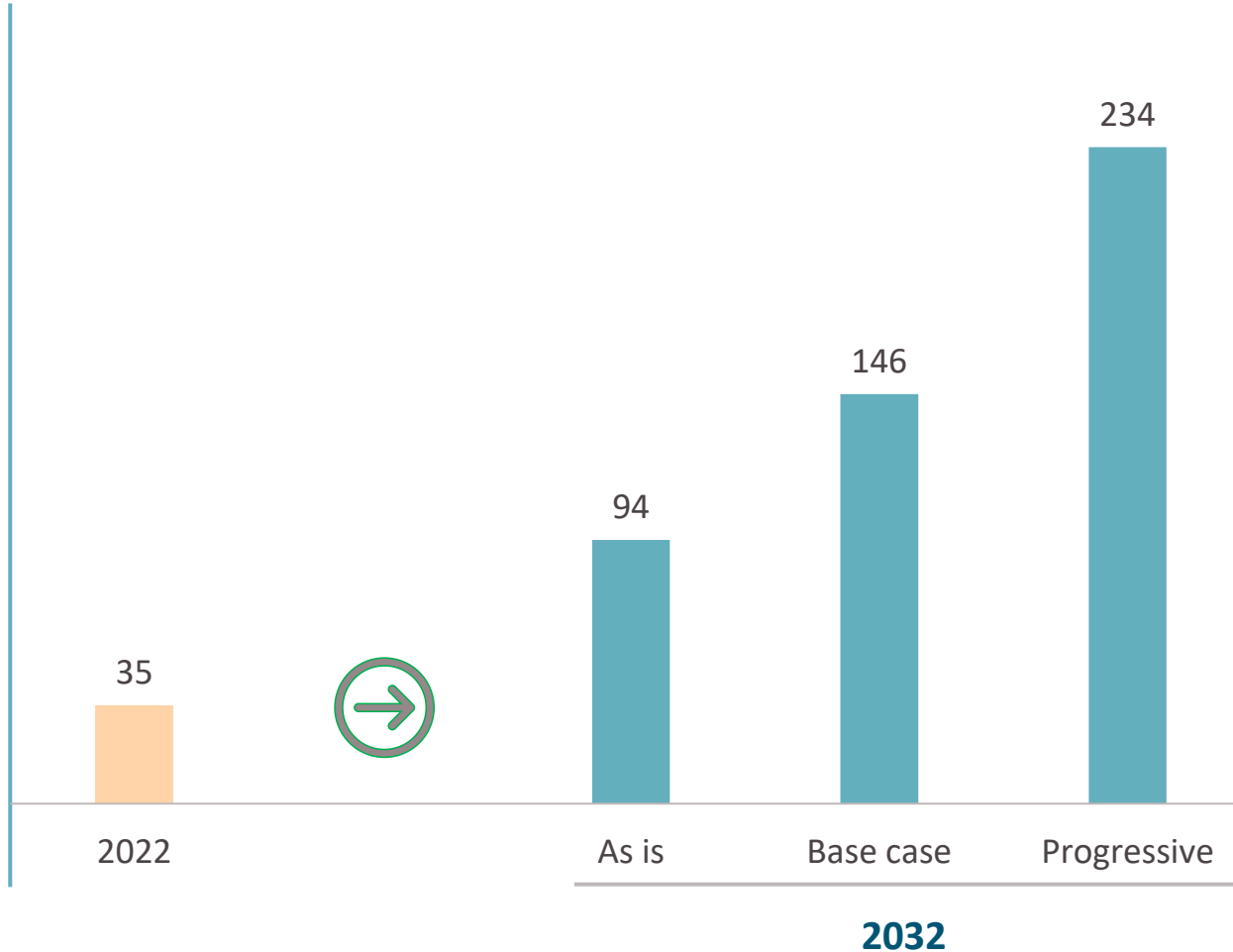
GROWTH - VOLUME SCENARIOS

Boston Consulting Group (BCG) report for the Ministry of Fisheries



Salmon harvest volume

kT HOG



BCG identifies 3 potential scenarios, with growth depending on regulatory framework

- BCG foresee a potential for a volume between 94.000 – 234.000 ton
- Base case and Progressive case assume the use of bigger smolt and better utilization of MAB (1x and 1.3x respectively)
- According to BCG, the economic value of the revenue of the base case could represent 6% of Iceland GDP
- Icelandic Salmon are in position to continue to be an industry leader in Iceland

ICELANDIC SALMON

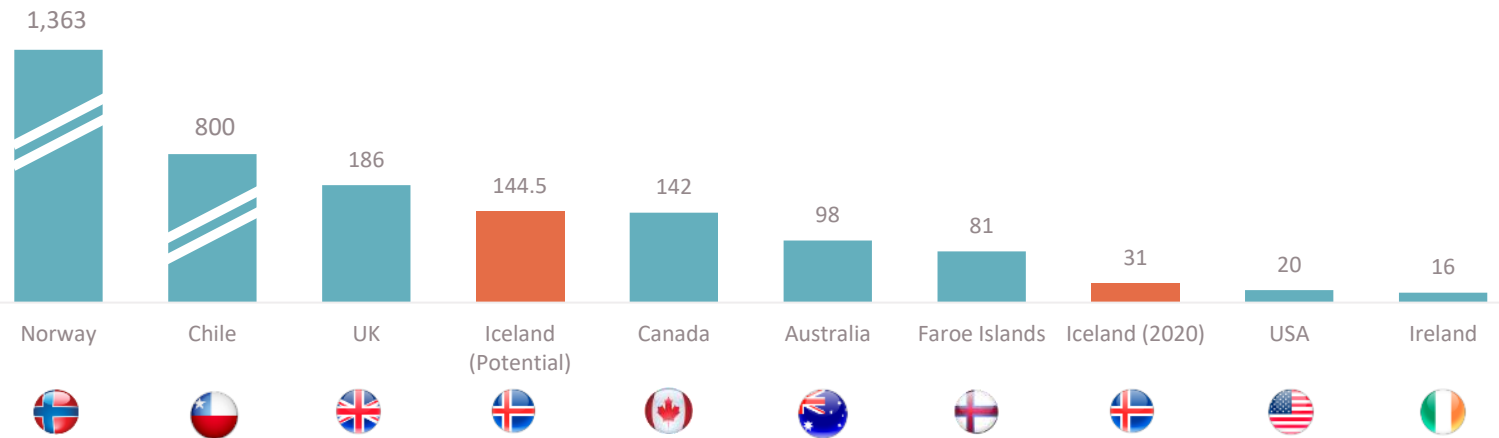
THE NEXT BIG REGION WITHIN SALMON FARMING



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.

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



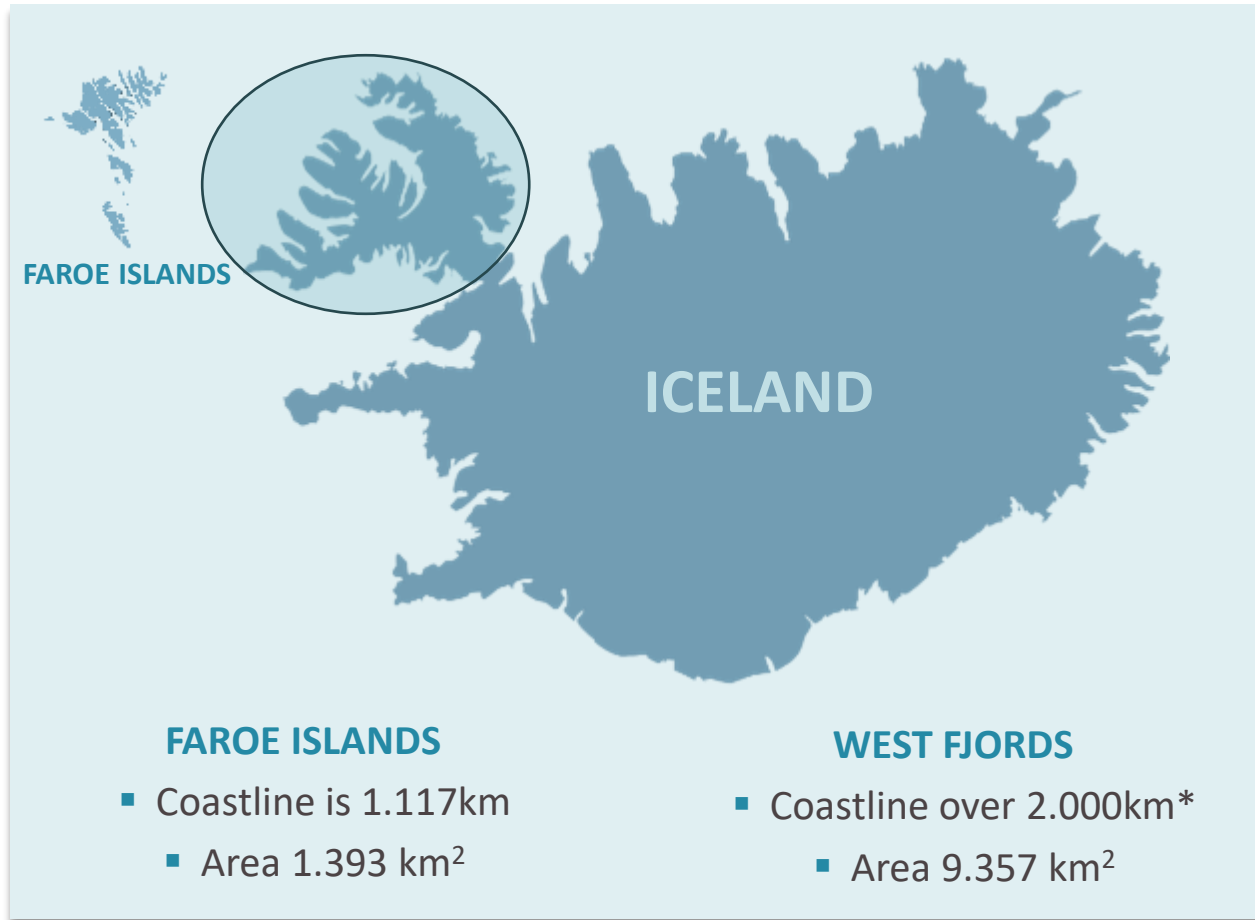
MRI RAISED MAB TO 106,500 TONNES IN 2020



Source: Kontali Salmon World 2020, Arnarlax

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>

DUAL LISTING AT FIRST NORTH

Icelandic Salmon AS first day of trading will be 29.09.2023



Increasing access for Icelandic investors and social acceptance

Published: 2023-09-27 12:00:12 CEST



First North Iceland
First North Growth Market - Equities

Nasdaq Iceland approves Icelandic Salmon AS's request for admission of its shares to trading on First North Iceland

Nasdaq Iceland hf. has approved Icelandic Salmon AS's request for admission of its shares to trading on First North Iceland. The first day of trading will be September 29, 2023.

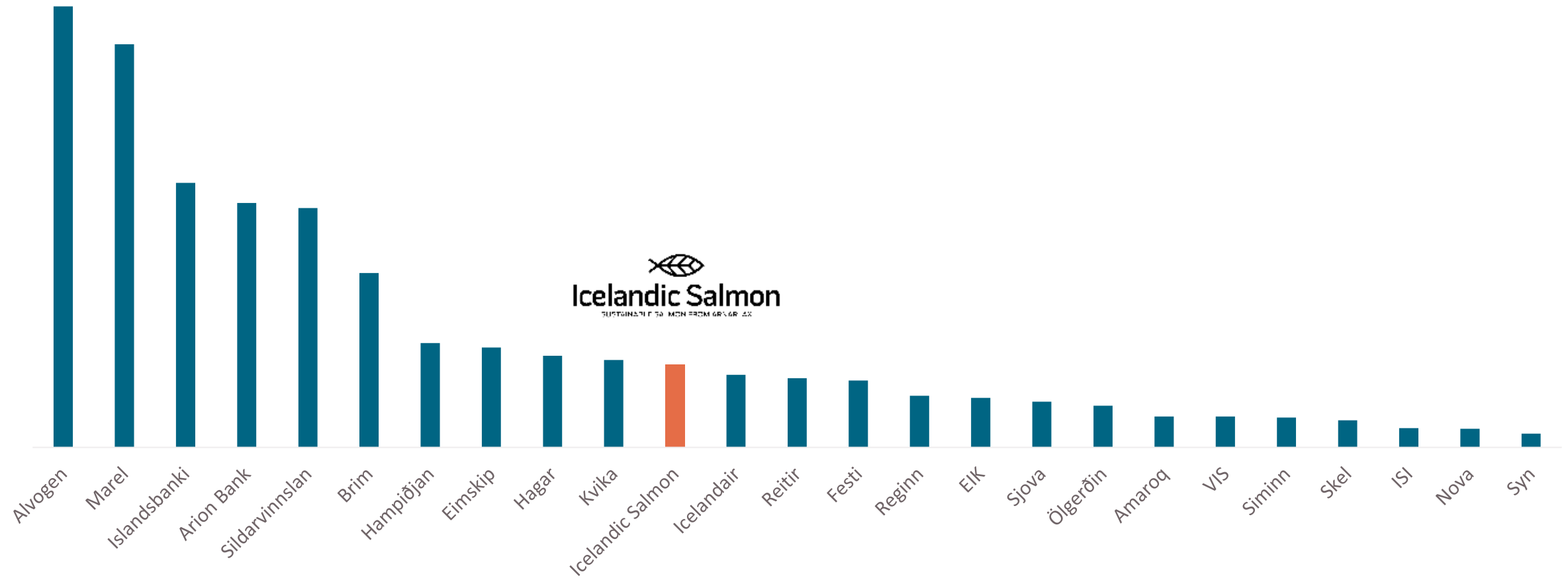
Information about the orderbook and other trading related matters will be announced in a market notice at least one trading day in advance.

This news release was distributed by Company News System, www.nasdaqomxnordic.com/news
Market Notices are now available through email and SMS, www.nasdaqomxnordic.com/news/marketnotices



POSITION IN THE ICELANDIC STOCK MARKET

Market Cap comparison – NASDAQ Iceland



OUTLOOK

Growth within existing licenses and significant potential beyond

Harvest volumes within existing licences

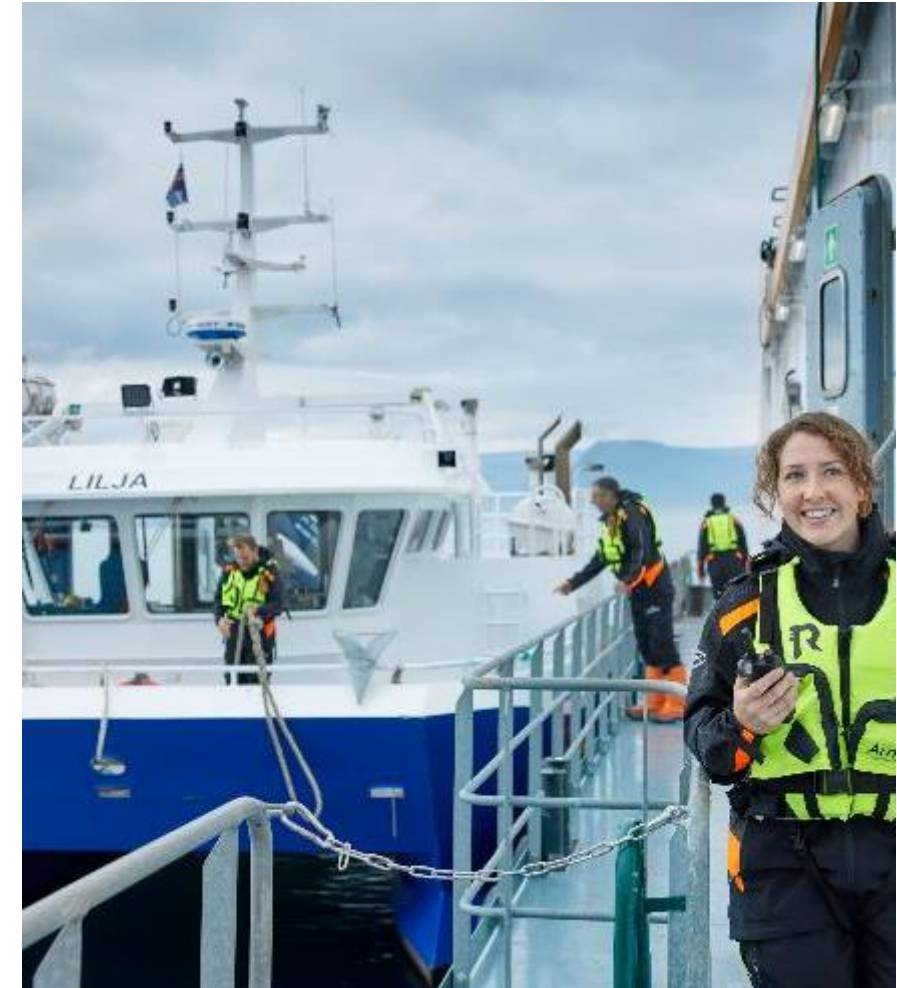
- 2023: 16.000 tonnes
- 26.000 tonnes within existing licences

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
- Very limited CAPEX

Potential growth in addition to existing licenses

- If Ministries proposal for new structure for the industry is decided – potential for 30.000 tonnes
- New licenses of 10.000 tonnes MAB in Ísafjörður
- New license of 4.500 tonnes in Arnarfjörður
- Total potential of 50.000 tonnes





SUSTAINABILITY
IT'S IN OUR NATURE

Strandgata 1 Iceland
465 Bíldudalur (354) 456 0100

arnarlax.is
arnarlax@arnarlax.is