



Arctic Fish

Where are we heading the coming years

Presentation Lagarlíf

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Stein Ove Tveiten, CEO

Arctic Fish today

Freshwater (smolt)



- RAS smolt facility in Nordurbotn (Tálknafjörður)
- Hatching/start feeding capacity of 10-12 million per year
- Total annual current smolt capacity of 3,9 million smolt
- Expansion ongoing to increase up to 5-7 million smolt pr year with size of 250-350 gram

Seawater



- 8 sites in 5 different fjords
- 27.100 tones MAB
- Area management and all – inn, all out is reducing biological risk.

Processing



- Harvesting/processing of the salmon is completed currently through a service agreement.
- Ongoing construction and installation of a new harvesting plant in Bolungarvik.

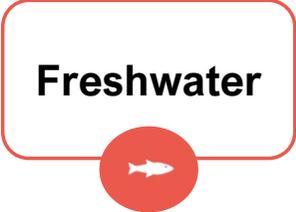
Sales

seaborn

iceborn SALMON

- Arctic Fish has a partnership with Seaborn (a major distributor of Norwegian and Icelandic salmon)
- The product is sold under the ICEBORN brand
- Sales and marketing strategies are based on Icelandic identity and branding to achieve price premium

Smolt quality and size – our approach forward



The sea water part of the operations has highest risk
Smolt quality and size is a factor to reduce biological risk

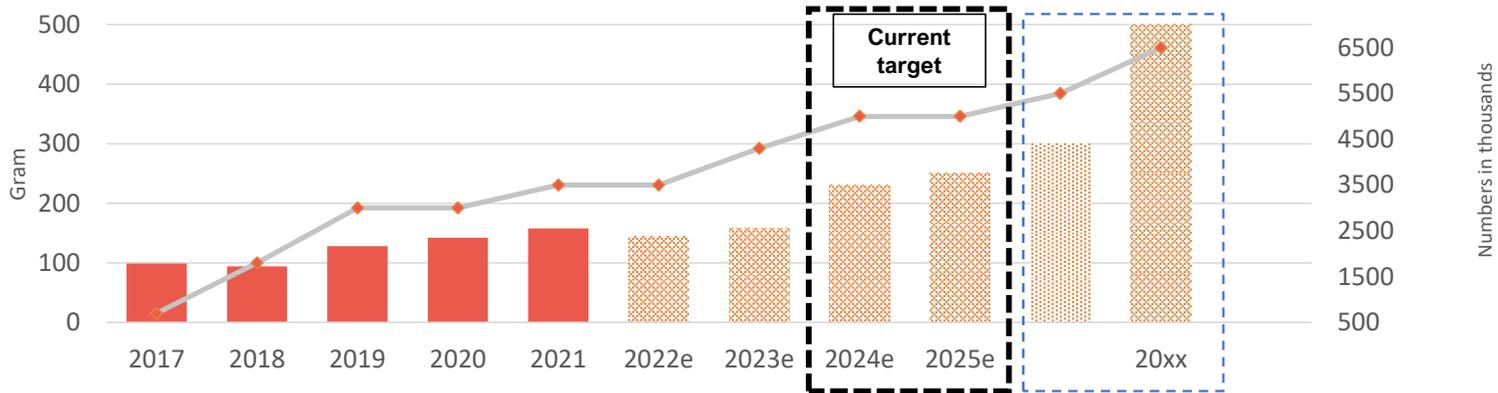


Plans to reach average smolt size of 250 gram in 2024
Up to 500 gram expected to be future target
Strong and healthy smolt reduce biological risk, increase production efficiency and enable organic growth



Reduced Biological Risk

Smolt size and numbers



Larger smolt – window of opportunity

Freshwater



- Bigger smolt will increase the utilization of the licenses
- Stronger and bigger smolt will handle colder period better
 - Increased smolt window with bigger and stronger smolt together with optimized handling
- Bigger smolt reduce the time in sea, not the overall production time
 - Fundamental approach and are considered as important to secure a strong and healthy smolt

38 months from egg to finalized 5.5 HOG including resting



Future target put into realization

Freshwater

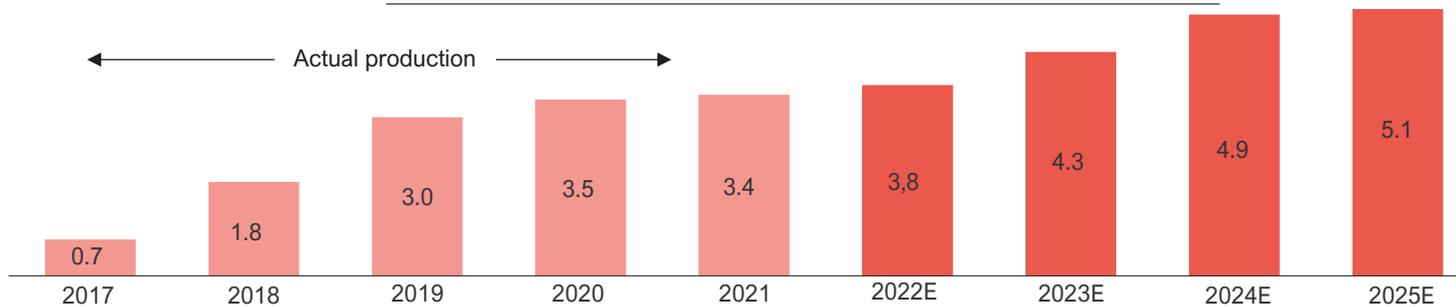
Commentary

- Ongoing construction of 7500 m3 additional tank capacity in NordurBotn.
- It is expected to be completed in the end of Q2'2023.
- Total cost is estimated to 3,700 MISK.
- 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.
- Eykt ehf, Eyvi, Aflhlutir ehf are the main supplier of the project



Current progress in Norður Botn

Smolt production forecast (in million)



Biosecurity needs to be the core of our business

Sea water



Operational focus

- Correct smolt at the correct time with the correct quality
 - Smoltification
 - Size and numbers per cage
 - Free of infectious agents
 - Transport vessel(well boat) are only used for smolt after docking and cleaning. Inspection and testing between sites.
- All equipment coming into a site is cleaned and disinfected
- One boat – one site/area
- Dead fish handling at each site – no cross over of dead fish

Monitoring

- Frequently screening and inspection of the fish
- Internal PCR screening with decreased response time

Impact reduction measures

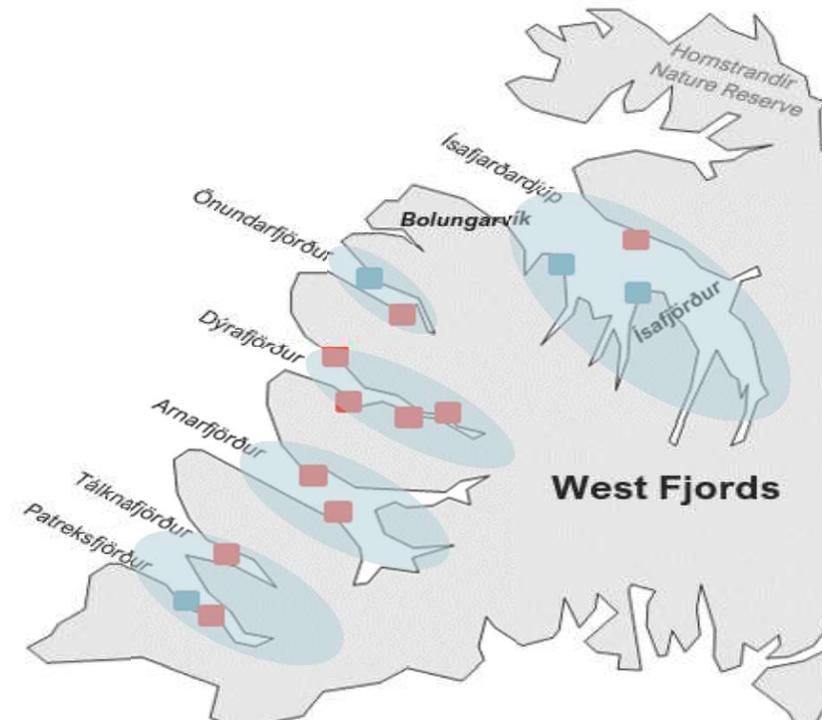
- Harvesting and well boat capacity
- Harvesting and well boat suitability
- **Area management**



Area management

Sea water

- Alternate production between different areas to minimize biological risk
- Few players to agree on coordination is positive
- Ongoing work initiated by the ministry to define criteria for Management Areas
- Existing regulatory framework are not adapted to Area Management
 - Solution to secure sustainability and our responsibility to produce are:
 - Rolling biomass

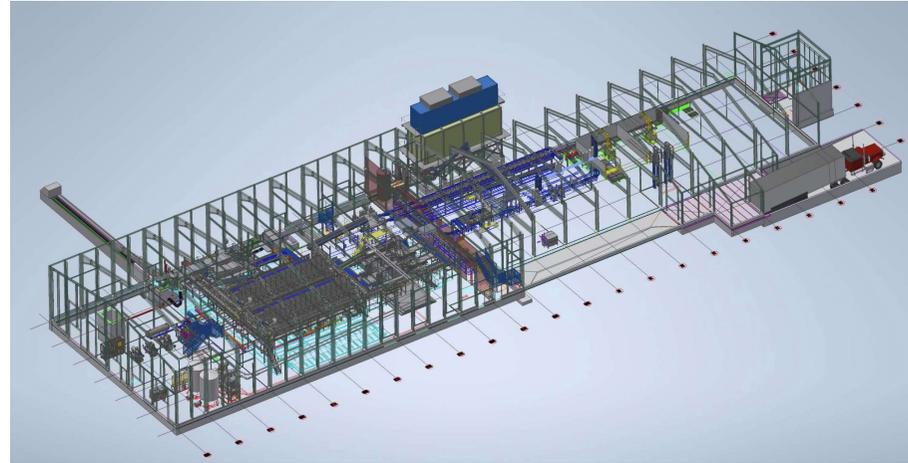


Patro/Talkna and Dýrafjörður are operated as all in – all out and common resting period per fjord – the resting period define the production cycle

Sufficient harvesting capacity for the future

Primary
processing

- Construction ongoing in Bolungarvik and expected startup in Q2 2023.
- 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.
- Parallel to this there are 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 Isafjordur to USA now achievable.



HP Bolungarvik - Suppliers of the project

Primary
processing

- Significant part of the chosen suppliers has an Icelandic identity
- The suppliers has delivered offers in hard competition and showed both high interest and competitiveness in their quotations.
- We see it as an advantage to have local suppliers with us on installation and support
- A strong and competitive supply industry in Iceland will benefit the farming industry ahead
- **With the existing “hub” of knowhow and technology in Iceland there are a great opportunity of Icelandic suppliers to take market shares in farming technology**

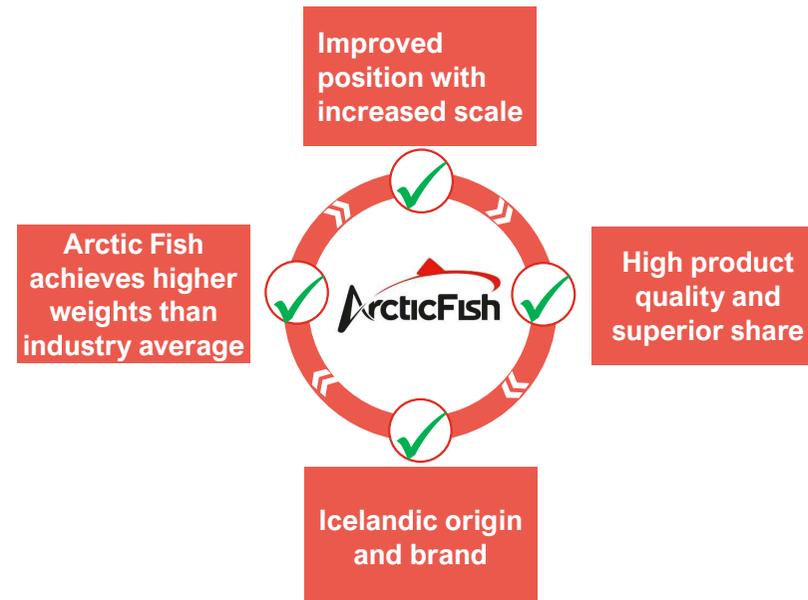


Arctic Fish positioned for improved prices achievement

Sales and market

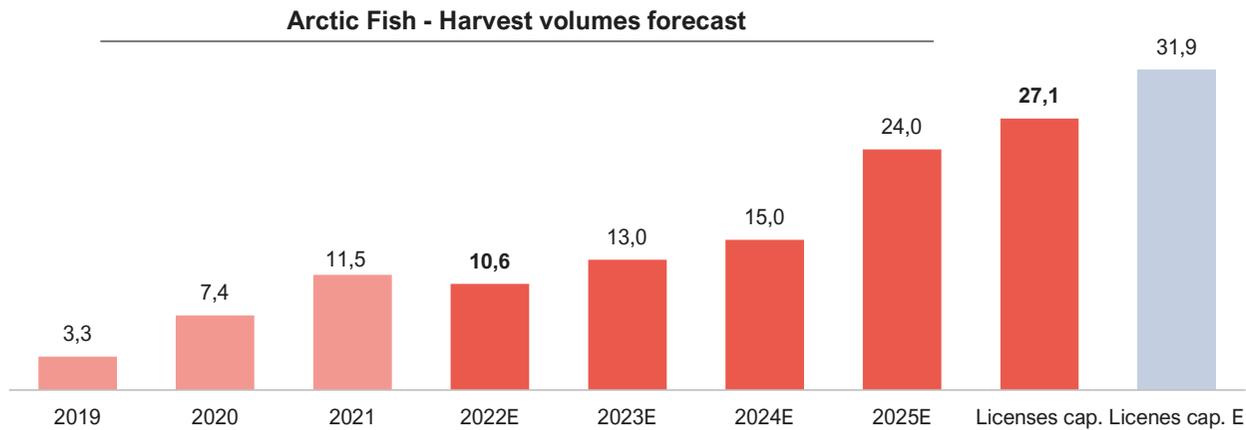


- Predictability and volumes essential
- Logistic solutions will develop and adapt with higher volumes
- Differentiating will improve the price sensitivity (freezing, VAP etc.) and improve the price achievement
- Maintain high quality and yield important



Outlook

- Rapid growth the last years to secure a fundament for the operations.
- Expected growth rate the coming years to continue based on unutilized licenses and increased smolt and harvesting capacity
- Main risk factors are fish health and restrictions are related to biology and regulatory framework.



Disclaimer

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Thank you!