



# ICELANDIC SALMON

NASF 2022, Björn Hembre

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**Icelandic Salmon**

SUSTAINABLE SALMON FROM ARNARLAX

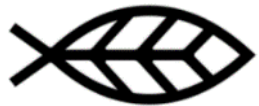
# THIS IS ICELANDIC SALMON



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



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 5 million smolt



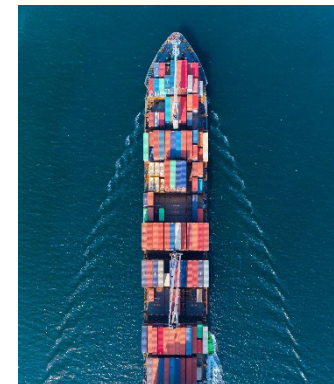
Harvesting plant  
in Bíldudalur.  
BRC\* certified  
30,000 tonnes  
per year capacity



Farming in seven  
sites in three fjords

All production ASC\*\*  
certified

Total MAB 25,200  
tonnes



Sales by internal  
team

Domestic and  
global markets

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

# STRONG OPERATIONAL PERFORMANCE

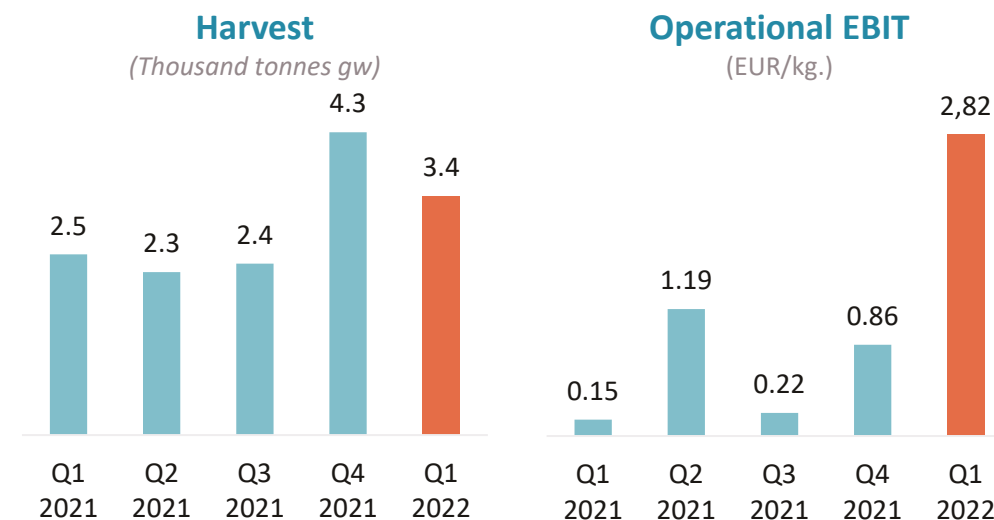
## Q1 SUMMARY



- A period of strong price achievement with high capacity utilization of our harvest plant while maintaining a stable cost level
  - Low contract level yielding positive results on price achievement with increased spot market pricing.
  - Large volumes through our harvest plant in the period
- 2020 generation accounted for volume in the period
  - Continuing cost performance from Q1 expected into Q2
  - Stable biological performance during a challenging winter period despite some extraordinary mortality. Successful implementation of seaside strategy contributing to solid base for growth after winter season
- Similar volume as for Q1 expected in Q2 2022, with stable cost level.
  - Continuing harvesting of 20 generation
  - Reduced harvest at the end of Q2 2022
- Volume guidance kept unchanged at 16,000 tonnes for 2022

KEY RESULTS	Q1 2022	Q1 2021	FY 2021
Operating income ('000 EUR)	37.107	17.351	90.806
Operational EBIT ('000 EUR)	9.514	367	7.314
<b>Operational EBIT (%)</b>	<b>26%</b>	<b>2%</b>	<b>8%</b>

Harvest volume (t <sub>gw</sub> )	3,4	2,5	11,5
<b>Operational EBIT/kg.</b>	<b>2,82</b>	<b>0,15</b>	<b>0,63</b>



# SMOLT EXPANSION ON TRACK

## STRATEGIC UPDATE AND OUTLOOK

### SOUTH COAST EXPANSION DEVELOPING AS PLANNED

- Development at the Fjallalax smolt plant continues to progress as planned
  - *Licence in place for 100 tonnes MAB*
  - *Operations started with input of eggs in January that are now being moved to start-feeding.*
  - *Expecting first deliveries from Fjallalax to Laxabraut 5 in the autumn 2022 for further post-smolt production there*
- Development plans at Laxabraut 5 are also on track
  - *License for 900 tonnes MAB in place in Q1 2022*
- 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*
  - *First output from the stations will be in spring 2023*

### AQUISITION OF 50% OF SHARES IN ISPOR SMOLTPLANT

- Gives Arnarlax 100% ownership of the company
- Need to be approved by Icelandic competition authorities
- Licence of 1.600 tonnes MAB
- Will speed up our big smolt strategy. This will give us:
  - *Shorter production time in sea*
  - *Better utilization of licence MAB in seawater licenses*





# EFFECT OF BIGGER SMOLT

## STRATEGIC UPDATE AND OUTLOOK

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### HAVE SIGNED LOI WITH VESTURBYGD MUNICIPALITY FOR LAND OF NEW HARVEST PLANT

- See that future volume will give need for further harvest capacity
- New facility will give us:
  - *Lower cost*
  - *More flexibility in harvest planning and better MAB utilization in the future*
  - *More flexibility to do strategic decisions for further VAP*



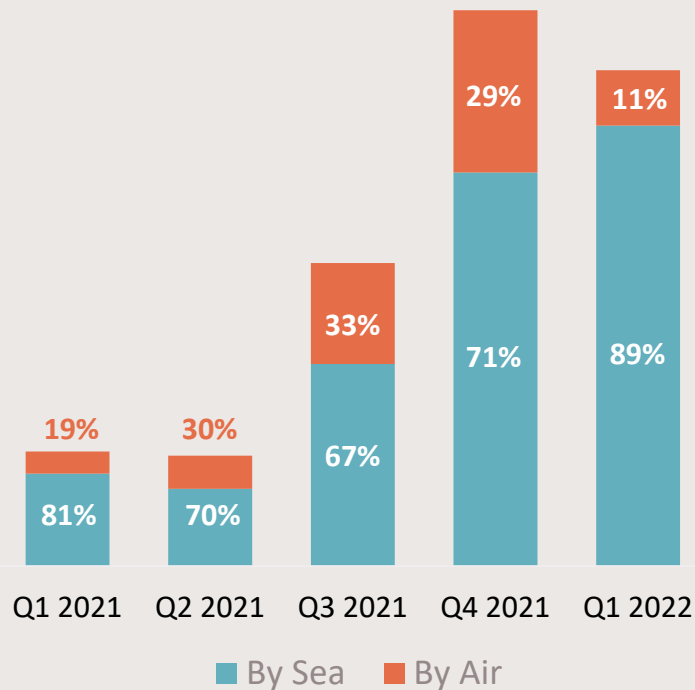
# SALES & MARKETING UPDATE

## 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*
  - We see increased interest from high end customers*
- Icelandic logistics routes offer perhaps the lowest carbon footprint salmon imported to North America.
- Arnarlax offers now both filets and HOG fish to our fast growing customer base

### STRATEGIC CHANGES DELIVER STRONG SALES ACHIEVEMENT

- The new brand has been well accepted in the market, with good feedback on the quality of the company's product
- Arnarlax achieved a significant increase in prices and margins across all markets during Q1 2022

### CONTRACTS

Contract share for Q1 was 15% and is currently standing around 19%, for Q2 2022.

# 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 has now been advertised by authorities and is expected to be issued in Q2 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

Still expected to be issued in 2022

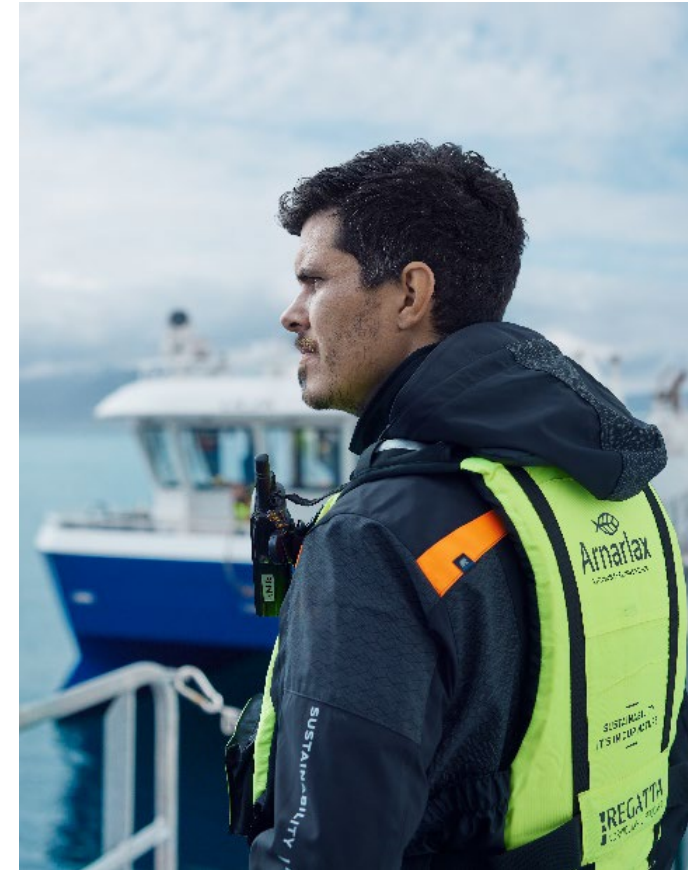
### ARNARFJÖRÐUR EXPANSION

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

Work on an updated application is in progress.

Further process is likely to be in accordance with the new legislation which allows for auctioning of licenses.

The exact timeline of the application process is still undetermined





# ORGANIZATIONAL DEVELOPMENT AND COMPETENCE BUILDING

## STRATEGIC UPDATE AND OUTLOOK

### Arnarlax academy

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



### Vocational training

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

### Trainee program

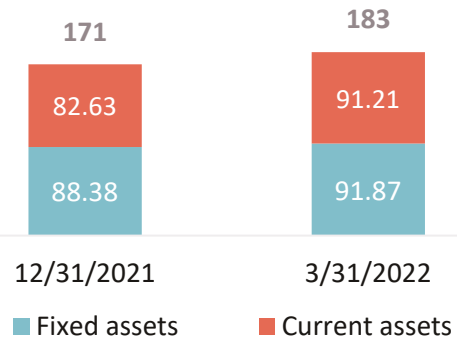
- We recrute trainees every year
- 5 have so far followed the trainee program, 2 are working in new jobs within the company, the other 3 are still in the industry.



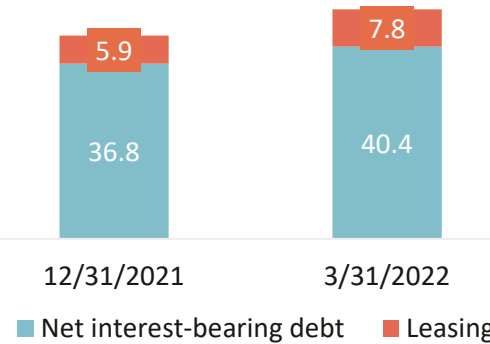
# STRONG FINANCIAL POSITION

## FINANCIAL UPDATE

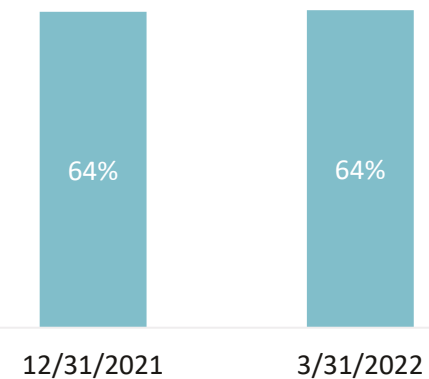
**Assets**  
(EUR million)



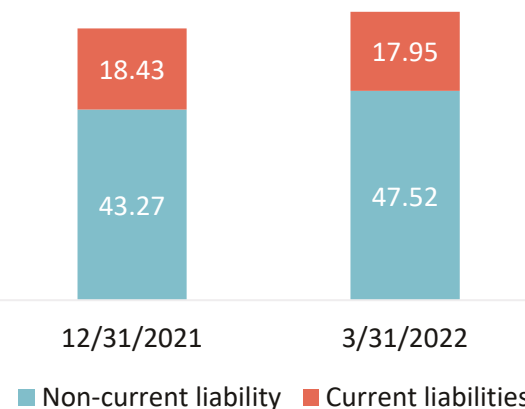
**NIBD**  
(EUR million)



**Equity ratio**



**Liabilities**  
(EUR million)



### KEY ITEMS FOR FIRST QUARTER 2022

- Continuing focus on growth with total investment of EUR 4.0 million in the period mainly related to increased production at sea.
- NIBD, including leasing, increased by EUR 5.5 million within first quarter in relation to growth projects in investments and smolt facility.
- Biological assets at cost value decreased by EUR 5.8 million along with high harvest period
- Net cash flow from operating activities positive by EUR 1.8 million compared with negative EUR 0.2 million in the same period last year.

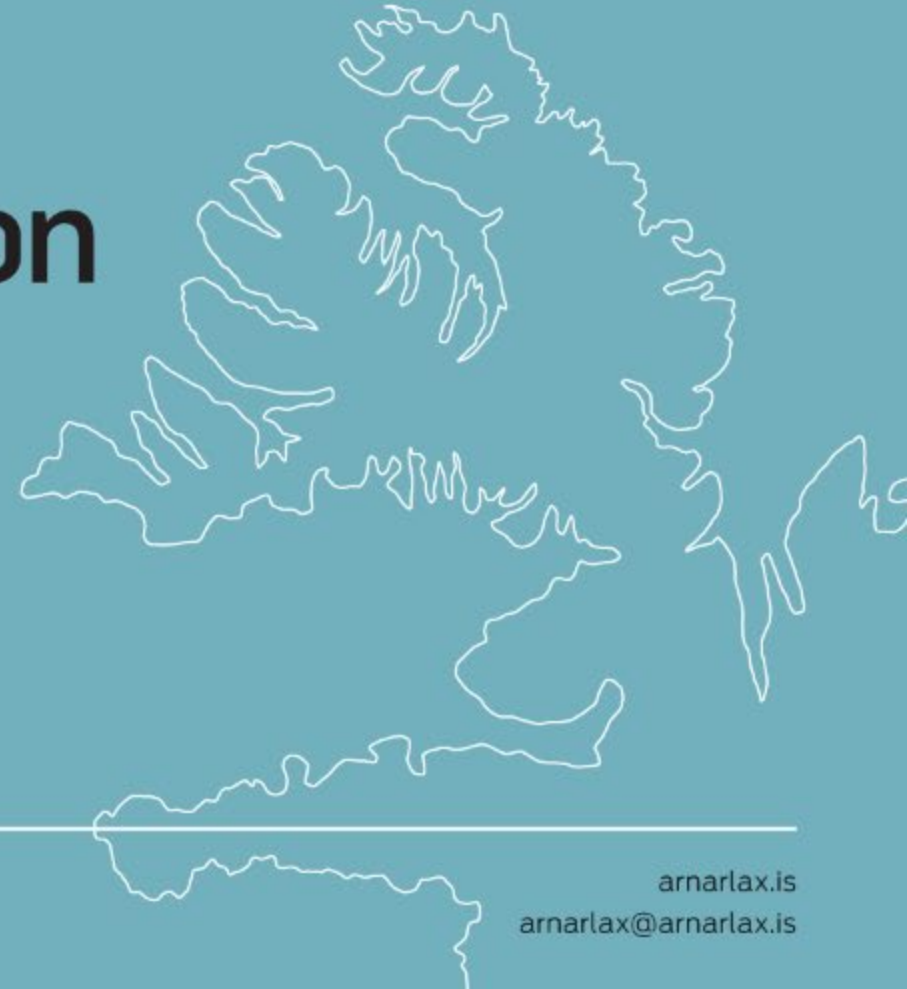
### STRONG FINANCIAL POSITION

- At the close of the first quarter, the balance sheet totaled EUR 183 million, an increase of EUR 12 million from the end of 2021.
- Total equity on 31st March 2022 was EUR 117.6 million up from EUR 109.3 million at end of 2021.



# Icelandic Salmon

SUSTAINABLE SALMON FROM ARNARLAX



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