



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	825 904 042
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ARCTIC FISH HOLDING AS
Forretningsadresse:	Innovaasjonspark Stavanger Richard Johnsens gate 4 4021 STAVANGER

### Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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### Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Svein Sivertsen
Dato for fastsettelse av årsregnskapet:	01.06.2023

### Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 23.08.2024



### Resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Other operating expenses	2	7 338 000	4 432 000
<b>Sum kostnader</b>		<b>7 338 000</b>	<b>4 432 000</b>
<b>Driftsresultat</b>		<b>-7 338 000</b>	<b>-4 432 000</b>
<b>Finansinntekter og finanskostnader</b>			
Net interest income from group co	6	9 930 000	7 136 000
Other Interest income		140 000	6 000
<b>Sum finansinntekter</b>		<b>10 070 000</b>	<b>7 142 000</b>
Net other financial expenses		128 000	94 000
<b>Sum finanskostnader</b>		<b>128 000</b>	<b>94 000</b>
<b>Netto finans</b>		<b>9 942 000</b>	<b>7 048 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>2 604 000</b>	<b>2 616 000</b>
Tax	7	0	0
<b>Ordinært resultat etter skattekostnad</b>		<b>2 604 000</b>	<b>2 616 000</b>
<b>Årsresultat</b>		<b>2 604 000</b>	<b>2 616 000</b>
<b>Overføringer og disponeringer</b>			
Allocated to other equity	5	2 604 000	2 616 000
<b>Sum overføringer og disponeringer</b>		<b>2 604 000</b>	<b>2 616 000</b>



### Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	5	676 588 000	676 588 000
Other non-current receivables	6	347 667 000	338 137 000
<b>Sum finansielle anleggsmidler</b>		<b>1 024 255 000</b>	<b>1 014 725 000</b>
<b>Sum anleggsmidler</b>		<b>1 024 255 000</b>	<b>1 014 725 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Other receivables		0	0
<b>Sum fordringer</b>		<b>0</b>	<b>0</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits and cash	8	10 956 000	11 275 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>10 956 000</b>	<b>11 275 000</b>
<b>Sum omløpsmidler</b>		<b>10 956 000</b>	<b>11 275 000</b>
<b>SUM EIENDELER</b>		<b>1 035 211 000</b>	<b>1 026 000 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	3,4	31 877 000	31 877 000
Annen innskutt egenkapital	4	988 852 000	988 852 000
<b>Sum innskutt egenkapital</b>		<b>1 020 729 000</b>	<b>1 020 729 000</b>
<b>Opptjent egenkapital</b>			



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Other equity	4	5 221 000	2 616 000
<b>Sum opptjent egenkapital</b>		<b>5 221 000</b>	<b>2 616 000</b>
<b>Sum egenkapital</b>		<b>1 025 950 000</b>	<b>1 023 345 000</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		706 000	0
Kortsiktig konserngjeld	6	8 555 000	2 655 000
<b>Sum kortsiktig gjeld</b>		<b>9 261 000</b>	<b>2 655 000</b>
<b>Sum gjeld</b>		<b>9 261 000</b>	<b>2 655 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 035 211 000</b>	<b>1 026 000 000</b>



## Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating revenues	2	583 446 000	595 895 000
<b>Sum inntekter</b>		<b>583 446 000</b>	<b>595 895 000</b>
<b>Kostnader</b>			
Cost of materials		190 328 000	299 189 000
Personnel expenses	18	65 724 000	54 151 000
Depreciation	7	54 435 000	46 501 000
Other operating expenses	6,12,2 3,24,3	237 106 000	109 110 000
Fair value adjustments	14	-107 960 000	-44 897 000
Production fees		7 225 000	3 843 000
<b>Sum kostnader</b>		<b>446 858 000</b>	<b>467 897 000</b>
<b>Driftsresultat</b>		<b>136 588 000</b>	<b>127 998 000</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	19	550 000	25 104 000
<b>Sum finansinntekter</b>		<b>550 000</b>	<b>25 104 000</b>
Financial expense	19	62 703 000	22 524 000
<b>Sum finanskostnader</b>		<b>62 703 000</b>	<b>22 524 000</b>
<b>Netto finans</b>		<b>-62 153 000</b>	<b>2 580 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>74 435 000</b>	<b>130 578 000</b>
Tax	13	13 151 000	-21 985 000
<b>Ordinært resultat etter skattekostnad</b>		<b>61 284 000</b>	<b>152 563 000</b>
<b>Årsresultat</b>		<b>61 284 000</b>	<b>152 563 000</b>
Minoritetsinteresser	4	0	0
<b>Årsresultat etter minoritetsinteresser</b>		<b>61 284 000</b>	<b>152 563 000</b>



## Konsernets balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Licenses	3,10	49 516 000	45 204 000
Utsatt skattefordel		6 327 000	19 479 000
Goodwill		6 915 000	6 915 000
<b>Sum immaterielle eiendeler</b>		<b>62 758 000</b>	<b>71 598 000</b>
<b>Varige driftsmidler</b>			
Buildings, boats, fleets & other operating assets	7,10	1 045 990 000	657 161 000
Right-of-use-assets	8,10	3 758 000	4 435 000
<b>Sum varige driftsmidler</b>		<b>1 049 748 000</b>	<b>661 596 000</b>
<b>Finansielle anleggsmidler</b>			
Other financial assets		651 000	630 000
<b>Sum finansielle anleggsmidler</b>		<b>651 000</b>	<b>630 000</b>
<b>Sum anleggsmidler</b>		<b>1 113 157 000</b>	<b>733 824 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	10,22	34 461 000	33 785 000
Biological assets	5,10,1 4	718 818 000	512 010 000
<b>Sum varer</b>		<b>753 279 000</b>	<b>545 795 000</b>
<b>Fordringer</b>			
Accounts receivable	6,10,1 5	44 772 000	57 192 000
Other short term receivables and prepayments	6,15,1 6	66 222 000	58 759 000
<b>Sum fordringer</b>		<b>110 994 000</b>	<b>115 951 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	9,15,1 7	75 822 000	18 380 000



## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Restricted cash	9,15,1 7	20 127 000	19 745 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>95 949 000</b>	<b>38 125 000</b>
<b>Sum omløpsmidler</b>		<b>960 222 000</b>	<b>699 871 000</b>
<b>SUM EIENDELER</b>		<b>2 073 379 000</b>	<b>1 433 695 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	20,21	31 877 000	31 877 000
Overkurs	20,21	1 001 739 000	1 001 739 000
<b>Sum innskutt egenkapital</b>		<b>1 033 616 000</b>	<b>1 033 616 000</b>
<b>Opptjent egenkapital</b>			
Retained earnings	20,21	3 175 000	-58 108 000
<b>Sum opptjent egenkapital</b>		<b>3 175 000</b>	<b>-58 108 000</b>
Minoritetsinteresser		0	0
<b>Sum egenkapital</b>		<b>1 036 791 000</b>	<b>975 508 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Non-current interest bearing debt	9,10,1 5	704 214 000	318 152 000
Long-term leasing liabilities	9,10,2 3	2 902 000	3 424 000
<b>Sum annen langsiktig gjeld</b>		<b>707 116 000</b>	<b>321 576 000</b>
<b>Sum langsiktig gjeld</b>		<b>707 116 000</b>	<b>321 576 000</b>
<b>Kortsiktig gjeld</b>			
Current interest bearing debt	9,10,1	121 102 000	36 063 000



## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
	5		
Short term leasing liability	9,10,2	1 070 000	1 138 000
	3		
Accounts payable	15	189 543 000	91 052 000
Other current liabilities	11,15,	17 757 000	8 358 000
	16		
<b>Sum kortsiktig gjeld</b>		<b>329 472 000</b>	<b>136 611 000</b>
<b>Sum gjeld</b>		<b>1 036 588 000</b>	<b>458 187 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>2 073 379 000</b>	<b>1 433 695 000</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 705861

#### Enheten

Organisasjonsnummer: 825 904 042  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ARCTIC FISH HOLDING AS  
Forretningsadresse: Innovasjonspark Stavanger  
Richard Johnsens gate 4  
4021 STAVANGER

#### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

#### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

#### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av  
årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av  
årsregnskapet til konsernet: IFRS

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Svein Sivertsen  
Dato for fastsettelse av årsregnskapet: 01.06.2023

#### Grunnlag for avgivelse

År 2022: Årsregnskap er elektronisk innlevert.  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 22.08.2023



Organisasjonsnr: 825 904 042  
ARCTIC FISH HOLDING AS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Other operating expenses	2	7 338 000	4 432 000
<b>Sum kostnader</b>		<b>7 338 000</b>	<b>4 432 000</b>
<b>Driftsresultat</b>		<b>-7 338 000</b>	<b>-4 432 000</b>
<b>Finansinntekter og finanskostnader</b>			
Net interest income from group co	6	9 930 000	7 136 000
Other Interest income		140 000	6 000
<b>Sum finansinntekter</b>		<b>10 070 000</b>	<b>7 142 000</b>
Net other financial expenses		128 000	94 000
<b>Sum finanskostnader</b>		<b>128 000</b>	<b>94 000</b>
<b>Netto finans</b>		<b>9 942 000</b>	<b>7 048 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>2 604 000</b>	<b>2 616 000</b>
Tax	7	0	0
<b>Ordinært resultat etter skattekostnad</b>		<b>2 604 000</b>	<b>2 616 000</b>
<b>Årsresultat</b>		<b>2 604 000</b>	<b>2 616 000</b>
<b>Overføringer og disponeringer</b>			
Allocated to other equity	5	2 604 000	2 616 000
<b>Sum overføringer og disponeringer</b>		<b>2 604 000</b>	<b>2 616 000</b>





Leverandørgjeld		706 000	0
Kortsiktig konserngjeld	6	8 555 000	2 655 000
<b>Sum kortsiktig gjeld</b>		<b>9 261 000</b>	<b>2 655 000</b>
<b>Sum gjeld</b>		<b>9 261 000</b>	<b>2 655 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 035 211 000</b>	<b>1 026 000 000</b>



Organisasjonsnr: 825 904 042  
ARCTIC FISH HOLDING AS

## KONSERNRESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating revenues	2	583 446 000	595 895 000
<b>Sum inntekter</b>		<b>583 446 000</b>	<b>595 895 000</b>
<b>Kostnader</b>			
Cost of materials		190 328 000	299 189 000
Personnel expenses	18	65 724 000	54 151 000
Depreciation	7	54 435 000	46 501 000
Other operating expenses	6,12,23,2	237 106 000	109 110 000
Fair value adjustments	14	-107 960 000	-44 897 000
Production fees		7 225 000	3 843 000
<b>Sum kostnader</b>		<b>446 858 000</b>	<b>467 897 000</b>
<b>Driftsresultat</b>		<b>136 588 000</b>	<b>127 998 000</b>
<b>Finansinntekter og finanskostnader</b>			
Financial income	19	550 000	25 104 000
<b>Sum finansinntekter</b>		<b>550 000</b>	<b>25 104 000</b>
Financial expense	19	62 703 000	22 524 000
<b>Sum finanskostnader</b>		<b>62 703 000</b>	<b>22 524 000</b>
<b>Netto finans</b>		<b>-62 153 000</b>	<b>2 580 000</b>
<b>Ordinært resultat før skattekostnad</b>			
Tax	13	13 151 000	-21 985 000
<b>Ordinært resultat etter skattekostnad</b>		<b>61 284 000</b>	<b>152 563 000</b>
<b>Årsresultat</b>		<b>61 284 000</b>	<b>152 563 000</b>
Minoritetsinteresser	4	0	0
<b>Årsresultat etter minoritetsinteresser</b>		<b>61 284 000</b>	<b>152 563 000</b>



Organisasjonsnr: 825 904 042  
ARCTIC FISH HOLDING AS

## KONSERNBALANSE

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Licenses	3,10	49 516 000	45 204 000
Utsatt skattefordel		6 327 000	19 479 000
Goodwill		6 915 000	6 915 000
<b>Sum immaterielle eiendeler</b>		<b>62 758 000</b>	<b>71 598 000</b>
<b>Varige driftsmidler</b>			
Buildings, boats, fleets & other operating assets	7,10	1 045 990 000	657 161 000
Right-of-use-assets	8,10	3 758 000	4 435 000
<b>Sum varige driftsmidler</b>		<b>1 049 748 000</b>	<b>661 596 000</b>
<b>Finansielle anleggsmidler</b>			
Other financial assets		651 000	630 000
<b>Sum finansielle anleggsmidler</b>		<b>651 000</b>	<b>630 000</b>
<b>Sum anleggsmidler</b>		<b>1 113 157 000</b>	<b>733 824 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	10,22	34 461 000	33 785 000
Biological assets	5,10,14	718 818 000	512 010 000
<b>Sum varer</b>		<b>753 279 000</b>	<b>545 795 000</b>
<b>Fordringer</b>			
Accounts receivable	6,10,15	44 772 000	57 192 000
Other short term receivables and prepayments	6,15,16	66 222 000	58 759 000
<b>Sum fordringer</b>		<b>110 994 000</b>	<b>115 951 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bank deposits	9,15,17	75 822 000	18 380 000
Restricted cash	9,15,17	20 127 000	19 745 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>95 949 000</b>	<b>38 125 000</b>
<b>Sum omløpsmidler</b>		<b>960 222 000</b>	<b>699 871 000</b>
<b>SUM EIENDELER</b>		<b>2 073 379 000</b>	<b>1 433 695 000</b>

## BALANSE - EGENKAPITAL OG GJELD

### Egenkapital



<b>Innskutt egenkapital</b>			
Share capital	20,21	31 877 000	31 877 000
Overkurs	20,21	1 001 739 000	1 001 739 000
<b>Sum innskutt egenkapital</b>		<b>1 033 616 000</b>	<b>1 033 616 000</b>
<b>Opptjent egenkapital</b>			
Retained earnings	20,21	3 175 000	-58 108 000
<b>Sum opptjent egenkapital</b>		<b>3 175 000</b>	<b>-58 108 000</b>
Minoritetsinteresser		0	0
<b>Sum egenkapital</b>		<b>1 036 791 000</b>	<b>975 508 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Non-current interest bearing debt	9,10,15	704 214 000	318 152 000
Long-term leasing liabilities	9,10,23	2 902 000	3 424 000
<b>Sum annen langsiktig gjeld</b>		<b>707 116 000</b>	<b>321 576 000</b>
<b>Sum langsiktig gjeld</b>		<b>707 116 000</b>	<b>321 576 000</b>
<b>Kortsiktig gjeld</b>			
Current interest bearing debt	9,10,15	121 102 000	36 063 000
Short term leasing liability	9,10,23	1 070 000	1 138 000
Accounts payable	15	189 543 000	91 052 000
Other current liabilities	11,15,16	17 757 000	8 358 000
<b>Sum kortsiktig gjeld</b>		<b>329 472 000</b>	<b>136 611 000</b>
<b>Sum gjeld</b>		<b>1 036 588 000</b>	<b>458 187 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>2 073 379 000</b>	<b>1 433 695 000</b>



Organisasjonsnr: 825 904 042  
ARCTIC FISH HOLDING AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
2

Antall årsverk i regnskapsåret  
0.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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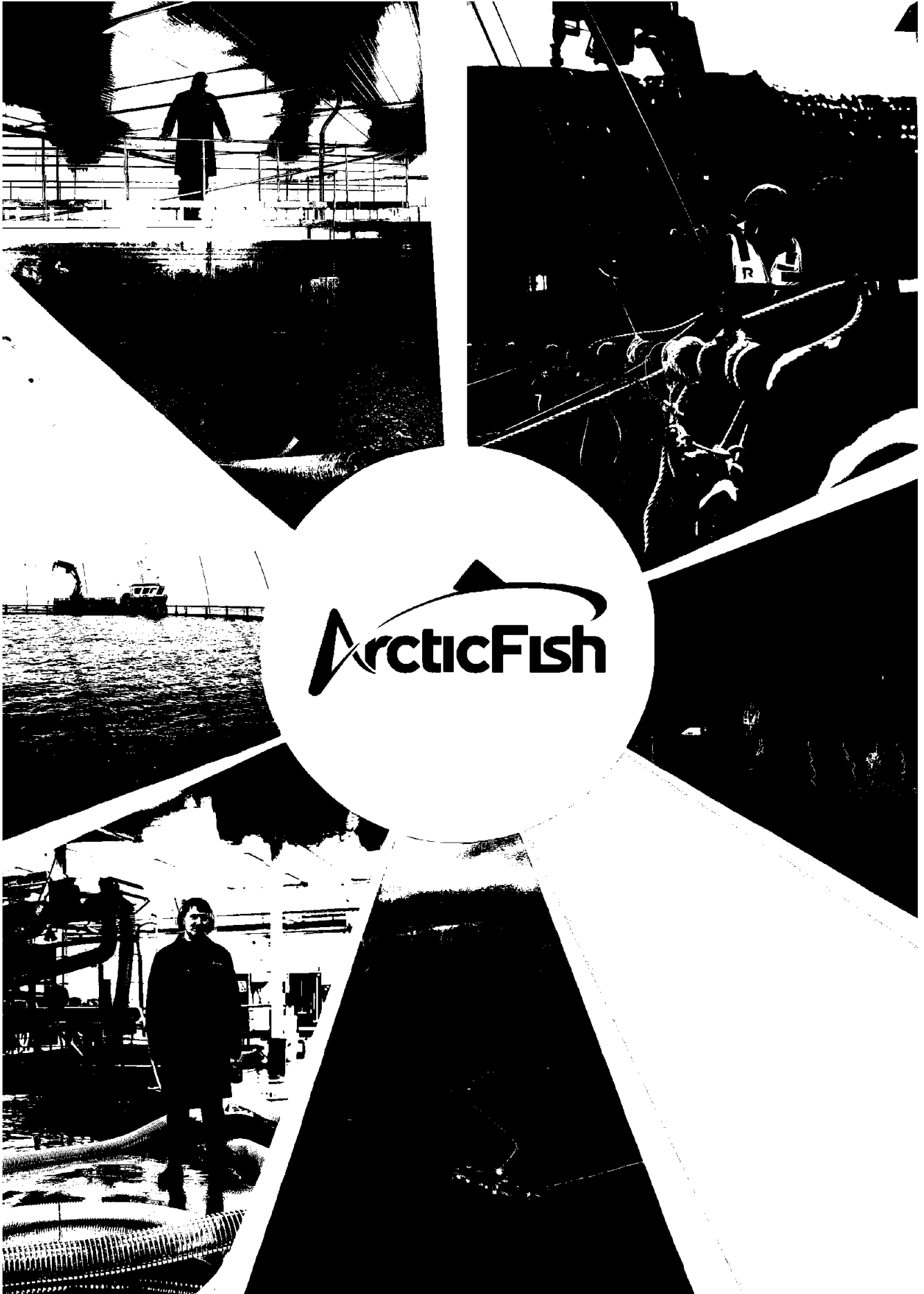
<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Organisasjonsnr: 825 904 042  
ARCTIC FISH HOLDING AS

NOTEOPPLYSNINGER - KONSERN

- alle poster oppgitt i hele tall





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## Abbreviations

In some cases, industry specific abbreviations are used as well as other abbreviations, a list of them is as follows:

ASC: Aquaculture Stewardship Council certification

BFCR: Biological feed conversion ratio

BOD: Board of Directors

COGS: Cost of Goods sold

EBIT: Earnings before interest and taxes

EBITDA: Earnings before interest, taxes, depreciation, and amortization.

EFCR: Economic Feed conversion ratio

ESG: Environmental, Social and Governance.

EUR: Euros

FCA: Free Carriage – a shipping term.

GDP: Gross Domestic Production

GHG: Green House Gas protocol

GW: Gutted Weight of Salmon

HOG: Head on Gutted weight of Salmon

HSE: Health, safety, and environment

HSMI: Heart, Skeleton and Muscle inflammation

ISK: Icelandic Kroner

KPI: Key Performance Indicators

LW: Live Weight of Salmon

MAB: Maximum allowed biomass

NOK: Norwegian Kroner

NRS: Norway Royal Salmon

RAS: Recirculating Aquaculture System

ROCE: Return on capital employed

ROE: Return on equity

TGC: Thermal Growth Coefficient

USD: United States Dollars



## Overview from the CEO

**2022 was an eventful year for Arctic Fish, as has been in our previous years, and I am grateful to be part of this dedicated team. Being part of a growing company in a remote area, producing salmon of high quality in a sustainable way gives a perspective that our employees and I are proud of.**

Farming of salmon has become a vital part of the economy in the Westfjords and significant in Iceland. The main factors for this are the good growth and living conditions for salmon. Iceland is one of the few countries that has substantial organic growth potential, based on the existing and applied licenses. This differs from other countries where growth possibilities are limited and for this reason Iceland is in a unique position. Arctic Fish is well positioned in as the Icelandic seafood sector as one of Iceland's leading salmon farmers. The company has solid growth potential and 2022 was a year where many fundamental investments were in progress with the purpose of realizing the growth potential and ongoing development of the company.

2022 will also be remembered as the year when Mowi entered as the majority owner in Arctic Fish. The acquisition is both a strong recognition for Arctic Fish, and also for Iceland, as an emerging farming nation. Having strong industry players with both experience and knowledge together with their financial capacity benefits all stakeholder's and other shareholders. This, together with Mowi's position as the most sustainable animal protein producer in the world (amongst the largest 60 animal protein producers in the world) for four consecutive years by FAIRR Initiative, are providing security for a sustainable development for this industry, in Iceland.

### Market

The global salmon market had a price increase 20% year-on year on caused by good demand and reduced supply. Prices increased in all markets throughout all the quarters and in particular towards year end with the traditional season strong demand. As such, 2022 was another record year for the salmon market totalling approx. EUR 21 billion, up 30% year-on-year. For Arctic Fish, the year was affected by a mortality incident in



## ARCTIC FISH

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February. This had a negative impact on the volume but also on the price achievement due to reduced quality. Nevertheless, the market was fundamentally strong and is expected to be strong due to limited supply.

### Operations

The year was impacted by the mortality incident in the start of the year. The incident itself is a stern reminder that farming in these demanding condition needs to be handled with the greatest care. From the incident there was a lot to learn, and our staff gained valuable experience under difficult circumstances. Measures have already been implemented to minimize the risk of similar situations in the future. Furthermore, our smolt production continues to show good results, both on the smolt survival, but also the growth in sea. A total of 3,9 million smolt was stocked at sea this year and a new milestone for us. Securing optimal biological production for our salmon is a fundamental pillar in Arctic Fish and is an important part of running a sustainable operation. Many improvements have been done through the year on structural planning and monitoring, and together with the daily attention to small details makes the difference. The survival rate excluding the incident in February is at all-time high levels. This shows that the fundamental development and strategy has been correct.

### Projects 2022

The construction that extends our smolt facilities in Nordurbotn and our new harvesting plant in Bolungarvik progressed well throughout the year. For Arctic Fish it has been of great importance to secure control of our value chain, that action will contribute reaching our growth targets. We will in 2023 have a new state of the art harvesting facilities ready with high expectations on the advantages it is expected to give. Expected to follow are cost improvements, ample harvesting capacity that is under our full control and exiting potential in new and improved logistical routes and solutions all of which are of major importance for our future growth.



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### The team

A major contributing factor in the development of Arctic Fish is our dedicated and skilled workforce. The willingness of our team to achieve the best and to ensure that both fish and people are safe and happy at Arctic Fish, is of vital importance. It is ultimately down to the excellent people, our strong local leaders and production employees, that we have been able to develop and run our operations with good results. Even in our most difficult times, our dedicated team continues to shine.

Thanks to all colleagues for their dedication, commitment, and contributions in 2022.

Thanks also to our owners, both previously, but also new owners, who have placed their trust in us and allowed us to grow and develop. The Arctic Fish team will build on the results and experience, and the continued commitment to our core competence and sustainable values will create a strong foundation for years to come.

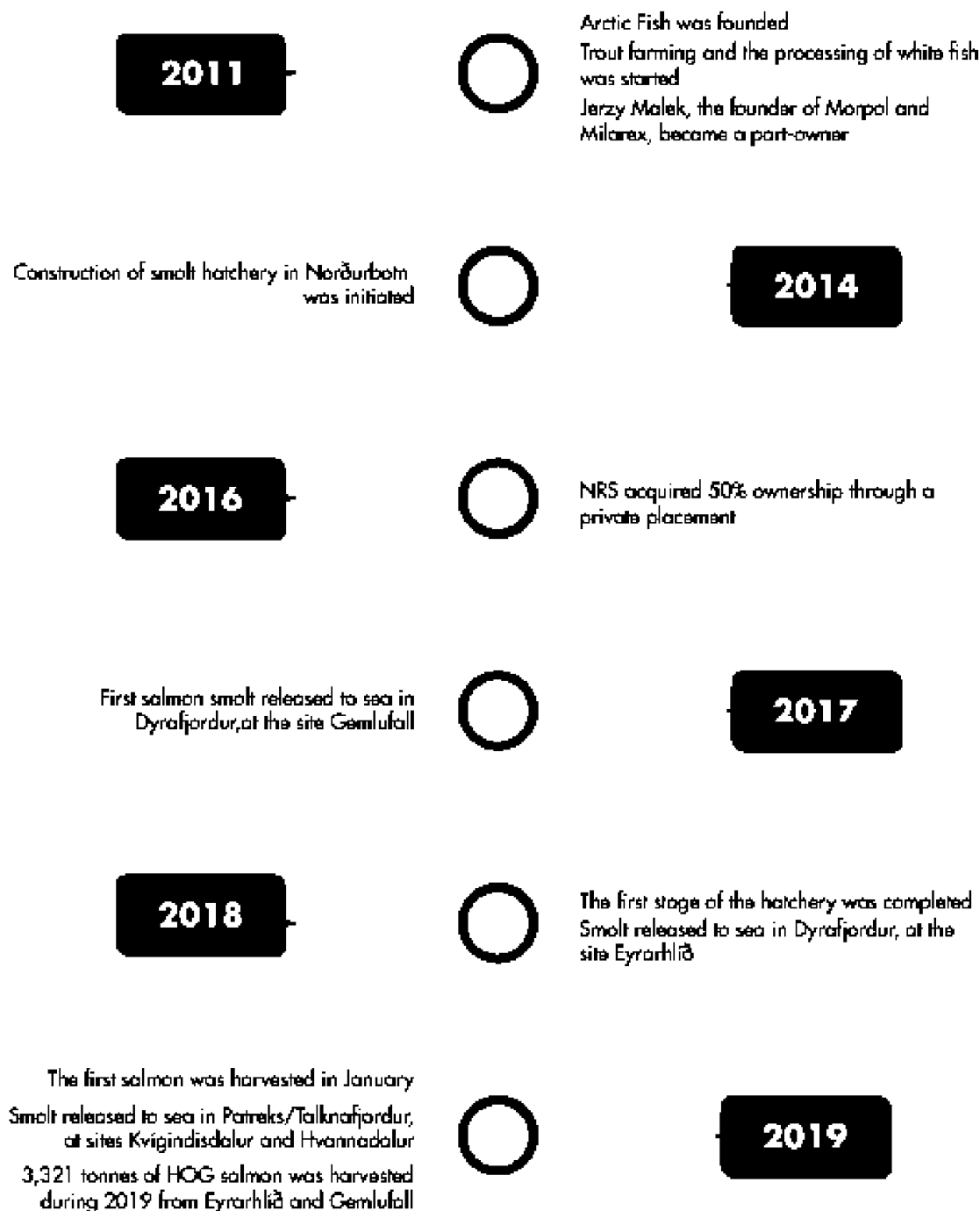


**Stein Ove Tveiten**

Chief Executive Officer



## Milestones





**2020**



Smolt released to sea in Dyrøfjordur, at sites Eyrarhlíð 2/Gemlufall and Haukadalsbót  
7,443 tonnes of HOG salmon was harvested during 2020 from Eyrarhlíð and Kvígindisdalur

The Company was listed and started trading at Euronext Growth Oslo on the 19th of February.

Smolt released to sea in Dyrøfjordur, at sites Eyrarhlíð and Kvígindisdalur  
11,479 tonnes of HOG salmon was harvesting during 2021 from Kvígindisdalur, Hvannadalur & Haukadalsbót

New Smolt expansion in Norðurbotn started



**2021**

New harvesting project started  
Smolt released in three different Fjords  
8,561 tonnes of HOG salmon harvested from Eyrarhlíð, Eyrarhlíð 2, Haukadalsbót & Hvannadalur  
MOWI purchases 51,28% ownership in Arctic Fish from NRS/Salmar

**2022**

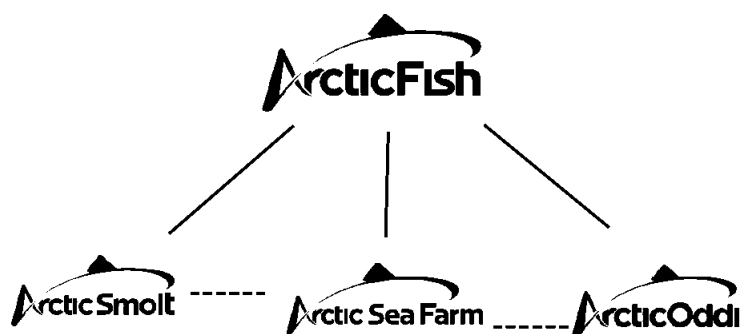


Scan the QR code with your phone to learn more about Arctic Fish.



## The business

Arctic Fish is a group of companies that has operations mainly in the Westfjords of Iceland. The group's principal activity is salmon farming, producing smolt in its own freshwater hatchery and farming salmon at sea before the fish is harvested and finally sold to the market.



Arctic Fish Holding AS was incorporated on 1 October 2020. The Company is a holding company which owns 100% of the shares in Arctic Fish ehf., the former parent company of the Group, that was incorporated on 1 July 2011. Arctic Fish ehf. was founded in 2011 and is now one of the leading salmon farmers in Iceland, situated in the West Fjords, a region with favourable conditions for fish farming. The West Fjords are known for their pristine nature, good seawater conditions and high growth potential.

The Group has a modern and high capacity smolt facility with recirculating aquaculture systems ("RAS") technology, being currently the only RAS facility in Iceland with large-scale production capacity. 7,443 tonnes of head-on gutted ("HOG") salmon were harvested by the Group in 2020 and 11,479 tonnes HOG in 2021, or a 54% growth year over year. In 2022 the Group harvested 8,561 tonnes HOG or a 25% decrease year over year due to loss of production and lack of harvesting capacity that lead to the mortality of market ready fish.

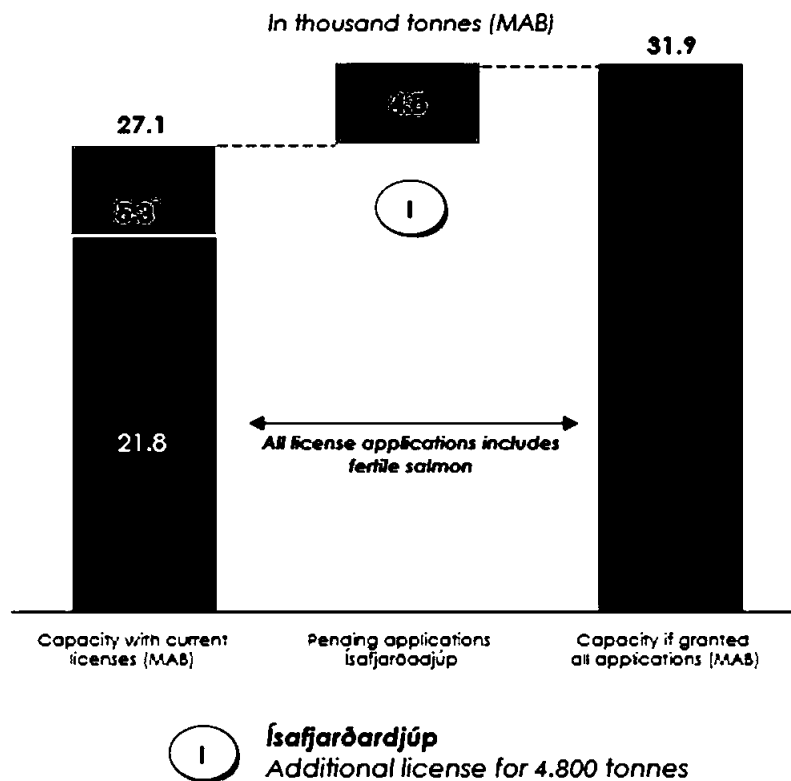
## ARCTIC FISH

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The Group has farming licences for a total of 27.1 thousand tonnes maximum allowed biomass ("MAB"), of which 5.3 thousand tonnes are licenses for rainbow trout that are in the process of being converted to salmon licences.

The Group also has applications for an additional 4.8 thousand tonnes of MAB for salmon which is expected to be finalized in the near future. The licenses already awarded cover 10 sites in four farming areas that are: Tálknafjörður and Patreksfjörður (two fjords together as one farming area), Arnarfjörður, Dýrafjörður and Ísafjarðardjúp. Each area has its own maximum allowed biomass according to the awarded licenses.

Additionally, the Group holds a license for land based smolt production on its own land in Norðurbotn, which is required for the Group's ongoing smolt production.





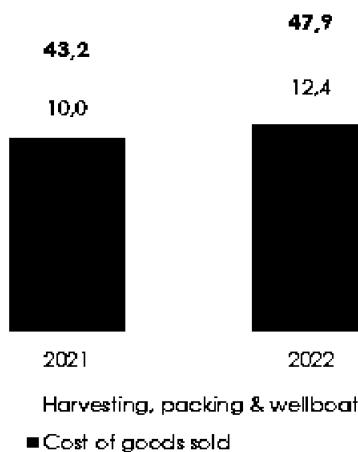
ARCTIC FISH

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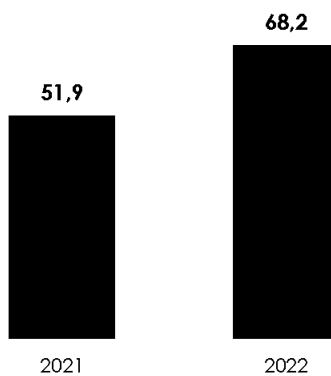
## Production highlights

### Annual

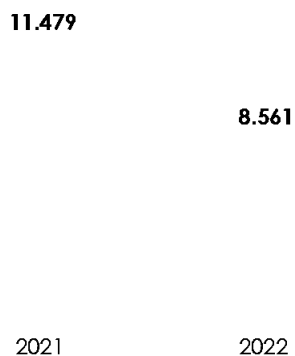
#### Production costs (NOK pr. kg)



#### Price achievement (NOK pr. kg)



#### Harvested quantities (tonnes)



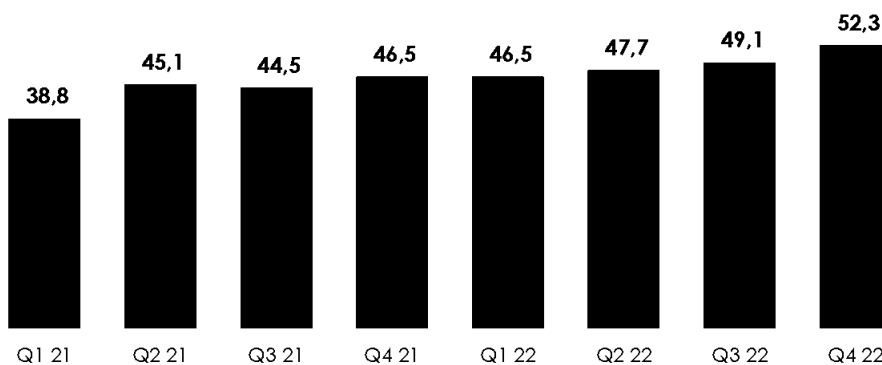


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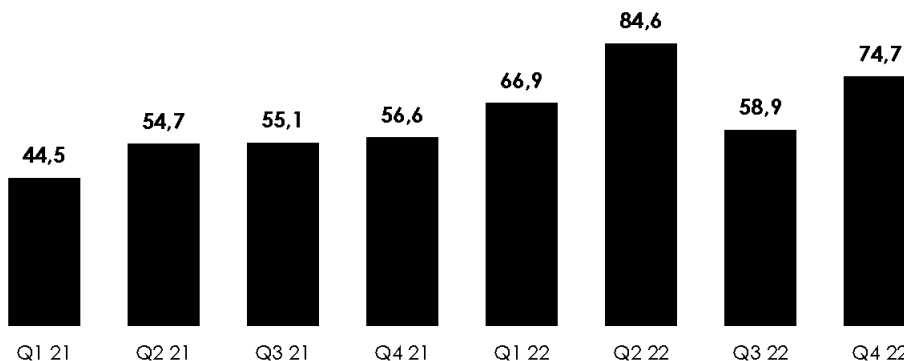
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### Quarterly

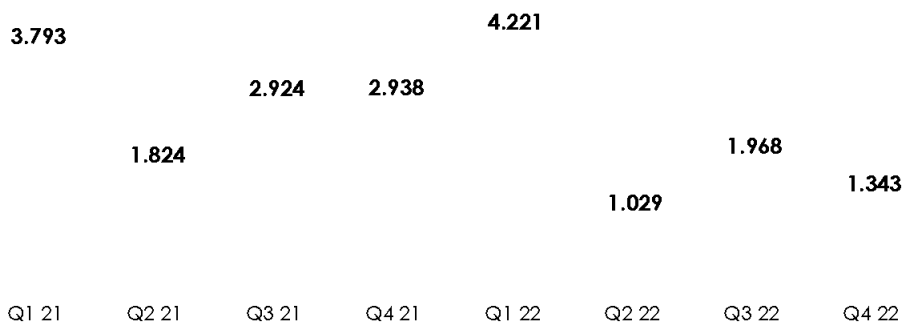
Production costs (NOK pr. kg)



Price achievement (NOK pr. kg)



Harvested quantities (tonnes)

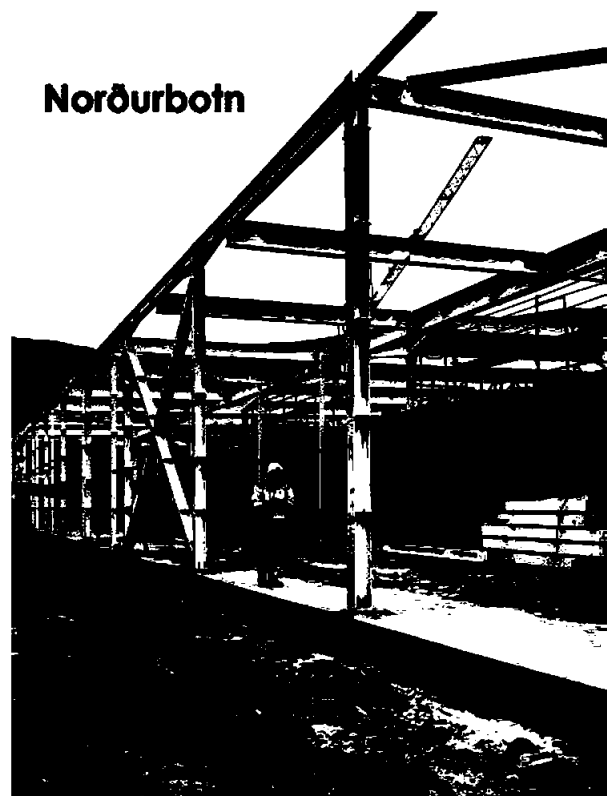




## Capital Expenditure summary

Capital expenditures for the year 2022 amounted to 446.9 million NOK.

The key expenditure was on the smolt expansion in Tálknafjörður and the harvesting facility in Bolungarvík that will continue in 2023. Further investments were made in sea farming related to biomass build-up.





## Freshwater production

The Group has a modern freshwater smolt production facility in Norðurbotn (Tálknafjörður), using RAS technology. The smolt production facility and hatchery is the largest single investment by the Group at NOK 509 million, including the new expansion which is under construction. The production facility is 100% owned by Arctic Fish. It has access to natural water temperatures of between 6°C and 22°C all year round and good geothermic conditions. The hatchery has a proven record of smolt production, with roughly 17 million smolt having been produced at the hatchery since 2017. The Group also owns a considerable land area near the smolt facility, which it is currently using to expand production. The existing facility (without the ongoing expansion) is sufficient to enable the annual production of 17.5 thousand tonnes of salmon HOG (Head on Guttet weight).

## Seawater production

The Group's seawater sites are strategically located in all fjords in the Westfjords of Iceland. This ensures that production may be alternated and that minimises biological risk. It also positively impacts survival and efficiency in feeding. The Group has farming licences for a total of 27.1 thousand tonnes maximum allowed biomass ("MAB"), of which 5.3 thousand tonnes are for rainbow trout that are in the process of being converted to salmon licences.

The Group also has applications for an additional 4.8 thousand tonnes of MAB for salmon which is expected to be finalized in the near future. The licenses awarded cover 10 sites in four farming areas that are: Tálknafjörður and Patreksfjörður (two fjords together as one farming area), Arnarfjörður, Dýrafjörður and Ísafjarðardjúp. Each area has its own maximum allowed biomass according to the awarded licenses.

Additionally, the Group holds a license for land based smolt production on its own land in Norðurbotn, which is required for the Group's ongoing smolt production.



## Processing

All processing of the Group's salmon was handled externally through a contractor at a processing facility in Bildudalur, Arnarfjörður. A facility that has limited capacity for growth and lacks potential to gain economies of scale and increased efficiency. The Group invested in 2022 to secure its own harvesting capacity in its own 100% owned project in Bolungarvik, that is in the opening of Ísafjarðardjúp. The Group considers the current harvesting prices high and the ongoing investments in our own facility have a clear target of decreasing the slaughtering price.

## Sales

Since 2018 Arctic Fish has been growing rapidly. 2021, was the biggest year in terms of harvested and sold volumes with 11.5 thousand tonnes and remains our record year. In 2022 the company harvested 8.6 thousand tonnes, only due to lesser harvest volumes that were created by the unforeseen mortality.

All sales activities are handled by a well-established sales company and distributor of Icelandic and Norwegian salmon. All fish is sold to the sales company at the factory door in Bildudalur. The sales are to all the major markets and the long-term vision is to increase the proportion of sold volumes to high paying markets with more focused marketing strategies that build on an image of high quality, pristine natural conditions, and sustainability.



## Growth and development

The Group is already engaged in growth projects that are ongoing and have been in progress since 2022. An ongoing project is licensing, as it is an underlying foundation for our operations, and an awarded license needs to be utilized and realized. The issuing agencies awarding licenses are in the final stages of issuing a new license to the Group in Ísafjarðardjúp. The total license capacity when Ísafjarðardjúp will be issued brings the total license capacity up to 31.9 thousand tonnes.

One of the key growth projects of 2022 was to expand the smolt production. The planned expansion is to increase the production capacity both in terms of tonnes and number of smolt. It is expected that the facility can produce 5 million smolt or more depending on size and with at least a capacity of thousand tonnes of biomass. This expansion is done so that the Group can fully utilize its production potential of an expected 25 thousand tonnes HOG. At the time of issuance of this report we are still estimating the consequences of a fire incident we had at the facility on the 23rd of February 2023, further information on this incident can be found in Note 26 on page 91.

Another key growth investment was our investment in the harvesting capacity with a brand-new facility expected to be up and running in mid-2023. The project has the potential to harvest future expected volumes at a low and competitive cost pr. kg.



## Shareholder information

Arctic Fish holding was admitted to trading on the Euronext Growth Oslo under the trading symbol "AFISH" with an Initial Public Offering (IPO) on the 19th of February 2021.

As of 31<sup>st</sup> of December the company has 31,876,653 shares outstanding and Arctic Fish Holding does not own any of its own shares. MOWI, the largest salmon farming company in the world, entered into a share purchase agreement on the 31st of October 2022 to purchase 51.28%, or 16,346,824 shares. The purchase was at a price of 115 NOK per share and was purchased from the previous majority owner, NRS/Salmar.

**Top 20 shareholders of Arctic Fish Holding own 31,593,878 shares, or 99,11%.**

Rank	Name	# of shares	% ownership
1	MOWI ASA	16.346.824	51,28%
2	Sildarvinnslan hf.*	10.899.684	34,19%
2	J.P. Morgan SE *	1.996.380	6,27%
3	Landsbankinn hf.	481.267	1,51%
4	KVERVA FINANS AS	257.718	0,81%
5	CLEARSTREAM BANKING S.A.	252.948	0,79%
6	Íslandsbanki hf.	181.840	0,57%
7	VERDIPAPIRFONDET EIKA SPAR	167.406	0,53%
8	MP PENSJON PK	165.000	0,52%
9	PACTUM AS	154.386	0,48%
10	VERDIPAPIRFONDET PARETO INVESTMENT	132.900	0,42%
11	VERDIPAPIRFONDET EIKA NORGE	121.659	0,38%
12	State Street Bank and Trust Comp	118.200	0,37%
13	ROTH	80.000	0,25%
14	Euroclear Bank S.A./N.V.	46.989	0,15%
15	SKEIE ALPHA INVEST AS	41.757	0,13%
16	RAMSFJELL AS	40.849	0,13%
17	VERDIPAPIRFONDET EIKA ALPHA	33.705	0,11%
18	Saxo Bank A/S	30.703	0,10%
19	DNB Luxembourg S.A.	25.231	0,08%
20	VERDIPAPIRFONDET EIKA BALANSERT	18.432	0,06%
<b>Ownership of 20 largest shareholders</b>		<b>31.593.878</b>	<b>99,11%</b>
<b>Total number of shares</b>		<b>31.876.653</b>	<b>100,00%</b>

\* Sildarvinnslan hf is a part of the nominee account

"J.P. Morgan Bank Luxembourg S.A." but is shown separately



## ESG

### Our stakeholders

Arctic Fish has several stakeholders both locally and internationally. At Arctic Fish stakeholder communication is key to our success. We aim to continuously inform, educate, and communicate with our stakeholders.

Internal influence	Business associates	Customer groups	External influence
Employees	Partners	External customers	Authorities
Investors	Suppliers	New customer	Local communities
	Service providers	International customers	Interest organization
		National customers	Research institutions

### Greenhouse Gas Emission

When it comes to emissions of greenhouse gases (GhG), net pen salmon farming is one of the most environmentally friendly protein production method available. The largest direct factor of GhG emission from Arctic Fish's production stems from our feeding barges and boat fleet. In 2022 Arctic Sea Farm purchased its first hybrid feed barge. Moving forward to 2023 a second barge will be connected to electricity via a land connection to green renewable energy. Future barge purchases will be land connected or hybrid vessels, drastically reducing our direct carbon footprint.

Feed is the largest indirect GhG emission factor in aquaculture today. Arctic Fish continues to monitor developments in novel feed ingredients with the aim of reducing GhG emissions of our product. We require our feed suppliers to ensure that their ingredients are sustainably certified. We can therefore confidently sell a product that has been sustainably produced. Our feed has not been genetically modified, not been produced in areas threatened by deforestation, and do not depend on endangered fish stocks. Our feed is reviewed every year in our ASC audits. Arctic Fish uses a sustainability management system to register and monitor our energy consumption and our carbon footprint. Arctic Fish delivers annual green accounting reports to Iceland's Environmental Agency, which are



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available on their website ([www.ust.is](http://www.ust.is)). The report contains every chemical, waste, and medicine consumption, as well as electricity and oil usage for the company's production. Arctic Fish first reports emissions based on green account numbers in 2022 and will continue to do so as part of our ambition to monitoring our progress towards carbon neutrality.

Energy consumption	unit	2022
Scope 1: Fossil Fuel	liter	1,287,633
Scope 2: Electricity	MWH	5,238
GHG Emissions		
Scope 1: Fossil Fuel	tCO <sub>2</sub> e	3,474
Scope 2: Electricity	tCO <sub>2</sub> e	
<b>Total emission</b>	<b>tCO<sub>2</sub>e</b>	<b>3,474</b>

### Emission of nutrients

Emissions of nutrients in the environment surrounding our net cages need to be monitored to avoid eutrophication of the benthic sediment. The main sources of nutrient discharge from our operations are feed and fish faeces. To minimize overfeeding Arctic Fish operates a central feeding centre where our skilled staff feed our salmon to satiety using state-of-the-art camera monitoring and feeding systems, ensuring minimal feed waste. To monitor the health the sea bottom surrounding our sea sites, benthic samplings are conducted by a third party at regular intervals in accordance with laws and regulations. Reports from the sampling are then made available at the Environmental Agency web page.

### Logistics and transport

Arctic Fish has a strategic focus on increasing transport of products by sea rather than air. By using sea cargo, the carbon footprint can be reduced as compared to the conventional air freight.



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## **Waste management**

Arctic Fish like all ocean salmon farmers depends on a clean ocean to offer premium Atlantic salmon. Arctic Fish seeks to minimize the environmental impact caused by our operations and has established a range of control and monitoring systems to safeguard the environment in the fish farm's surroundings.

## **Healthy and safe seafood**

Few products compare with Atlantic salmon when it comes to nutritional value. Thanks to its high proportion of Omega -3, proteins, vitamins, and minerals, Atlantic salmon is one of the nutrient richest protein choices.

The cool arctic ocean supplements a slow but steady growth that delivers superior fillet quality. Our fjords sheltered by the surrounding mountains, give shelter from wind and waves, while the firm currents in our open fjords deliver fresh oxygen rich seawater to our cages, ensuring optimal conditions for our salmon.



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## KPI and ambitions

Our ESG performance is measured and monitored internally with the following KPI's

	KPI's	AMBITIONS	2022	2021
<b>Profitable salmon farmer</b>				
Shareholder returns	ROCE	> 15%	7,8 %	9,9 %
	ROE (after tax)	> 15%	6,0 %	15,6 %
<b>Customers</b>				
Product certification	Conduct external and internal audits to ensure that our production is in accordance with laws, regulations and internationally accepted standards	Compliant with laws, regulations and standards	Yes	Yes
Healthy and safe seafood	Conduct monitoring program for contaminant levels	Compliant with own standards	Yes	Yes
<b>Environment</b>				
	ASC-share of active sites	all new site will be ASC	100%	100%
	Share of sites with MOM-B state 1 or 2	100%	100%	100%
Prevent escapes	Incidents of escapes	Zero	0	0
Ensure good fish health / welfare	Survival	> 92%	91,4 %	95,9 %
Sea lice management	Minimize number of sites above sea lice action limit	Number of sites above action limit shall be less than 1 % of number of active weeks on sites	Yes	Yes
Low medicine use	Use of antibiotics per tonne produced fish	0,0 %	0,0 %	0,0 %
	Medicine use in sea lice treatments per tonne produced fish	Reduction in medicine use in sea lice treatments	No	No
Sustainable and efficient fish feed	Feed according to ASC requirements and GLOBAL G.A.P. certification	Compliant with standards	Yes	Yes
Waste management	Conduct audit of waste management procedures	100 % waste management	Yes	Yes
<b>Socially responsible</b>				
Ethical guidelines	No identified violations of ethical guidelines	Compliant with ethical guidelines	Yes	Yes
Health, safety and environment	Absence rate	< 4%	2,9 %	1,6 %
	Number of injuries which led to absence	Reduction in injuries leading to absence	1	4
Education and development	Increase number of trained employees in the company	Yes	Yes	Yes



### **Fish health and fish welfare**

Arctic Fish is focused on creating a healthy environment to ensure optimal welfare for our fish. We do this by using established best practices in our procedures and routines. Using pre-emptive measures, we aim to prevent diseases and maximize survival. Vaccination, cleaner fish, optimal feed, and low biomass density in our cages are key tools used to guarantee optimal conditions for a healthy and happy salmon.

As for most salmon farmers lice continued to be a concern for Arctic Fish in 2022.

Strategic treatments as needed were necessary in some cases but remain far below global industry norms. Arctic Fish continues to be a partner in sea lice monitoring efforts and will continue to explore options for novel approaches to combat the sea lice problem in 2023. All lice numbers are reported to the Food and Veterinary Authorities in Iceland and published on Arctic Fish's website within a week counting.

In 2022 Arctic Fish and Icelandic as a whole, continues to be a leader in antibiotic-free farming of Atlantic salmon.

### **Sustainable feed**

We require our feed suppliers to ensure that the ingredients they use are certified, so we can confidently sell a product that has been sustainably produced. This means that the feed ingredients are not genetically modified, have not been produced in areas threatened by deforestation, and do not depend on endangered fish stocks. Our feed is reviewed every year in our ASC audits.



## Certifications

In Arctic Fish we work according to the Aquaculture Stewardship Council standard (ASC). ASC is the most recognised environmental and social standard for aquaculture in the world. It sets strict standards for how the fish is produced in harmony with nature and surrounding societies. The standard requires documentation related to fish health, environmental impact, use of feed, relations with neighbours, and requirements for suppliers.

Customers can rest assured that ASC certified fish is produced using responsible and sustainable methods.

### Aquaculture stewardship Council (ASC)

Aquaculture Stewardship Council (ASC) is an environmental standard negotiated with World Wildlife Fund (WWF). It sets strict standards for how the fish is produced. The standard requires documentation related to fish health, environmental impact, use of feed, relations with neighbours, and requirements for suppliers. ASC – certified fish is produced in a responsible and sustainable way within very strict requirements.

Arctic Fish farms are 100 percent certified and the aim is to get all new sites certified.

## Certifications

---

**100%**

ASC – Certified sites



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## **Fresh water**

Fresh water is a critical key resource for the planet and important for the value chain. Arctic Fish Salmon has a very low water usage compared to other traditional livestock. Our smolt production facility is the only RAS (Recirculating Aquaculture Systems) in Iceland. At any given time, we recirculate our freshwater at a 95-99% rate, minimizing our drain on freshwater resources in the area.

## **Escapee prevention**

At our sea sites all our equipment is certified according to the requirements of the NS 9415:2016 standard. Remotely operated vehicles (ROVs) are used during operations to prevent damage to nets and escapes.

## **Training and Education**

In 2022 Arctic Fish was part of a collaboration to launch an Aquaculture track for students at the local high school (Menntaskóli Ísafjarðar). This new study track will enhance the opportunities for local education and in time increase the number of skilled aqua culturists in the area.



## HSE

### People and society

We at Arctic Fish are committed to create good relations and values in the local communities which we operate in and offer a safe workplace. Arctic Fish is a major employer and an important member of society and therefore we have multiple responsibilities to people, society, and industry.

Arctic Fish has a large number of skilled and capable people from all over the world working on the common goal of delivering world-class salmon in harmony with nature.

Employee ideas and innovative thinking are a crucial driver of Arctic Fish's performance, and the company welcomes forward-thinking and honest dialogue.

The safety of our people is a top priority and active measures are taken to reduce accidents by using a dynamic quality system and functioning Health & Safety work.

### Ethical guidelines and human rights

Arctic Fish has a continuous focus on compliance with guidelines and standards for areas that are under the company's social responsibility. Our values are also reflected in the ethical guidelines. The ethical guidelines describe Arctic Fish's goals as well as requirements for how the company and the company's employees should behave and what external shareholder can expect from us.

Arctic Fish shall in its daily operations act comply with applicable laws and regulations, and in an ethical and responsible manner. The guidelines have been communicated to all employees and are reviewed regularly. We aim to operate in an honest, proper, and trustworthy manner, and take pride in showing off what we do. Arctic Fish had no cases of committed or alleged corruption or discrimination in our business in 2022 and there have been no breaches of our ethical guidelines.



## **Responsible employer**

The employee's efforts and contributions have been essential for Arctic Fish's operations in 2022. The employees are our most valuable resources, and we want to offer safe and meaningful jobs. Arctic Fish seeks to be a preferred employer, by offering competitive benefits, employee follow-ups, and a safe and stable employment.

## **Employee health, safety and environment**

Health, safety, and environment (HSE) has the highest priority in Arctic Fish. HSE vision on no injuries on personnel, environment and equipment is a governing and long-term goal for the company. We encourage our employees to partake in physical activities and more movement with an annual sport grant. We believe that healthier employees lead to less sickness.

Focused HSE work is necessary to achieve a safe and efficient operation. Continuous efforts are made to firmly establish the importance of safety in all parts of the organisation. There is a close connection between systematic HSE work and good value creation. Internally, continuous efforts are done to create a corporate culture where effective and preventive HSE work is one of the pillars.

We perform continuous training in HSE and other areas. To clarify all matters relating to the Arctic Fish employees, an employee handbook has been prepared and introduced to employees when hired.

Arctic Fish conducts employee satisfaction surveys regularly in cooperation with HR Monitor, a company that specialized in such surveys. In the survey, the employee's experience of the organisation is measured in relation to trust in the management, pride of the work being done and the fellowship of colleagues. The purpose is that, through observations in this survey, we will prioritise our improvement areas and through various measures improve productivity and competitiveness by developing a trustbased leadership and corporate culture.



### **Worker's rights and social matters**

In Arctic Fish we value diversity and equal opportunities. The aquaculture industry has traditionally been a male-dominated workplace. On the 31st of December 2022, women made up 21 percent of Arctic Fish workforce. The top management is entirely made up of men. One of five members of Arctic Fish board of directors is a woman. Our subsidiaries in Iceland, where our main operations are, meet the requirements for gender equality on company boards by law. Each of our subsidiaries has two board members - one woman and one man. There shall be no gender-based discrimination with respect to pay, promotion or recruitment, or in any other matter. Arctic Fish shall be a good and safe workplace where there is no discrimination on the grounds of ethnicity, country of origin, colour, religious persuasion or reduced functional capacity or in any other matter. All employees have freedom of association and the right to collective bargaining.



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## Education and development

Within Arctic Fish we have employees with a high level of expertise in both salmon farming, and many other fields. We facilitate our employees to achieve the certificate as private students whilst they are in paid employment. We stimulate employees to study for certificates by providing supplementary salary to those who have accomplished certificate requirements. Our employees are trained and educated continuously in several (both statutory and preferred) areas, within both management, production, fish health, HSE and technical areas. Highly skilled and trained workers are essential to ensure that our operations can take place in the most professional, safe, and careful manner.

		Target	2022	2021
Employees	No. of fulltime equivalents (FTE)		71	63
	No. of women		15	19
Safety and sickness absence	No. of fatalities	0	0	0
	LTI's	0	1	4
	Hfactor	<6	6	10
	Sickness absence	<4%	2,94%	1,56%
Regulatory compliance	No. of violations	0	0	0
	Fines in ISK	0	0	0



### KPI's and ambitions

Committed to people

	KPI's	Ambitions	2022	2021
Ethical guidelines	No identified violations of ethical guidelines	Compliant with ethical guidelines	Yes	Yes
Health, safety and environment	Absence rate	< 4%	2,94%	1,6%
	Number of injuries which led to absence	Reduction in injuries leading to absence	1	4
Education and development	Increase number of trained employees in the company	Increase number of trained employees in the company	Yes	Yes



## Board of Directors

Arctic Fish has five board members. 4 men and 1 woman.

**Svein Sivertsen**

Chairman of the board

Board member and advisor in a wide range of industries. Previously MD of Fokus Bank ASA (now Danske Bank).

**Ivan Vindheim**

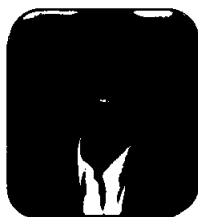
Board member

Joined Mowi as CFO in 2012. Became CFO of Mowi in 2019. Prior to joining the company, he was the CFO of Lerøy Seafood Group ASA for five years.

**Øyvind Oaland**

Board member

COO Farming Norway in Mowi since 2020. Previously he served as Mowi's Chief Technology officer/ Head of Global Research & Development. He has held various positions within Mowi since 2000 and also holds various board positions within the industry.

**Hildur Árnadóttir**

Board member

Board member and advisor in a wide range of industries. Experience as a senior manager and partner at KPMG Iceland, CFO at Bakkavör Group hf. and Director of Treasury at Islandsbanki hf.

**Gunnþór Ingvason**

Board member

Gunnþór joined Sildarvinnslan in 2003 after a merger was completed with SR-Mjöl hf. Became CEO of Sildarvinnslan in 2010.



## Board of Directors' report

### Group operations and locations

Arctic Fish is a fish farming company with its main activities in Iceland.

The Group's business is to supply the market with healthy salmon of high quality. The Group's strategy is to run effective fish farming operations, as well as to sell the output of our own production. Arctic Fish is a leader in salmon farming in Iceland as well a leader in the effort to develop the growing industry in the best way possible from a sustainable perspective.

Arctic Fish Holding AS is the parent company of Icelandic entities, and 100% owns the following: Arctic Fish ehf., Arctic Smolt ehf., Arctic Sea Farm ehf., and Arctic Oddi ehf.

Arctic Fish Holding AS is listed on the Euronext Growth and Arctic Fish ehf. is the Icelandic parent company of the other Icelandic entities that are all 100% owned by Arctic Fish.

The Group's fish farming operations are in the Westfjords of Iceland and the Group has licenses equivalent to 27,100 tonnes MAB. Sales are outsourced.

### Highlights of 2022

Arctic Fish was one of the largest salmon producers in Iceland with the following highlights throughout the course of the year:

- Harvested and sold 8,561 tonnes of salmon throughout the year.
- 3,9 million smolt stocked at sea – a new company record and milestone.
- Continued investments and the construction of our own harvesting facility securing our own capacity.
- Invested in expanding our smolt production capacity.
- All sites received ASC certification.
- Mowi entered as the majority owner in Arctic Fish.



## Research and development projects

Arctic Fish is actively developing the company and in 2022 some of the key projects were as follows.

Ongoing Expansion of RAS smolt production continued with an estimated completion in 2023. The total cost of the project is expected to be 300 MNOK and already invested 229 MNOK in 2022. The expansion builds on the previous success in building a RAS facility that utilizes the newest available technology. The facility will expand our production capacity to 5 million smolt with additional capacity to grow out smolt to a larger size. At the time of publishing this annual report a fire incident has occurred that has a material effect on the progress of the project. The extent of the affect is still under evaluation.

In 2022, the license development team worked on necessary changes and amendments to our current license portfolio to support our future growth plans. This includes alterations regarding site layout and site characteristics. All of which that aim at securing safer and more sustainable production in the long run. Expansion of production licenses for RAS smolt production facility was also filed.

In cooperation with local and national educational institutions Arctic Fish has continued to support the development of a curriculum for general workers in fish farming. Furthermore, there was training and education regarding feeding activities and fish health, both of which supported and developed by external specialists. Fish welfare had been a focal point and after our mortality incident in the start of 2022 there was increased focus set on internal training on fish welfare. The company was engaged in researching the effect of the farming activities on lice on wild salmon caught in neighbouring rivers, a monitoring project that was co funded by government grants.

Arctic Fish continues development regarding cooling and harvesting techniques, with the aim at extending the shelf life and quality of fish, making ocean freight a more viable option for longer distances such as to the North American Market. This can reduce the carbon footprint if ocean freight can be substituted for air freight. An increased effort was put on the development of logistical solutions with key shipping companies that service ocean freight to the North American market. The goal is to export from a port in the



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nearest proximity to the new harvesting plant in Bolungarvik, decreasing the need for trucking domestically in Iceland, both a cost saver and primarily a good contribution to decreasing the carbon footprint.

In 2022 we secured partly infrastructure for land-based connections for our feeding barges. This is an ongoing development project as the electrical infrastructure in the remote areas of the Westfjords need improvements to be able to connect the barges. This project has therefore a double effect, social and environmental. It will strengthen the rural infrastructure with better 3-phase power and electrical lines and decrease the carbon footprint of our feeding barges. We aim towards having all our barges that have the feasible possibility for a land-based connection to be connected.



**Financial performance**

Consequent to the listing of Arctic Fish on Euronext Growth the board made considerations on the accounting principles and chose to adopt IFRS in 2021. IFRS bring transparency by enhancing the international comparability and quality of financial information, enabling investors and other market participants to make informed economic decisions.

Further key comparative information between 2022 and 2021 can be found within the table "Financial performance summary".

**Income statement**

Arctic Fish generated consolidated operating revenues of NOK 583.5 million in 2022, compared to NOK 595.9 million in 2021. Operational EBIT totalled NOK 35.9 million (2021: NOK 86.9 million).

Price achievement increased by 32% year over year and amounted to 68.2 NOK pr. kg compared to 51.9 NOK pr. kg in 2021. Alongside the improvement in price achievement the Group realized increases in production costs from 43.2 NOK pr. kg in 2021 to 47.8 NOK pr. kg in 2022, or an increase of 11% year over year.

Fair Value Adjustments in 2022 totalled to NOK 108.0 million compared to a Fair Value Adjustment of NOK 44.9 million in 2021.

The Group had net financial item expenses of NOK 62.2 million (2021: net financial item income of NOK 2.6 million).

The fish farming operations of the company generated operating revenues of NOK 583.5 million in 2022 (2021: NOK 595.9 million). The segment of the company harvested 8,561 tonnes in 2022, compared to 11,479 tonnes the year before, a decrease of 25.4 percent.

The farming operations resulted in an operational EBIT of NOK 20.3 pr. kg harvested in 2022 (2021: NOK 8.7 pr. kg). Operational EBIT increased because of the large increase in price achievement but was also driven slightly down by the increased production costs compared to the prior year.



## Balance sheet

At year end of 2022, the Group had total assets of NOK 2,073 million (2021: NOK 1,434 million).

The change in total assets is attributable to several factors. Deferred tax assets decreased by NOK 13.2 million, license assets increased by NOK 4.3 million, property, plant and equipment increased by NOK 388.2 million. The biological assets increased from NOK 512.0 million to NOK 753.3 million throughout the year. Other inventory increased by NOK 0.7 million. Receivables decreased by NOK 5.0 million.

This subsequently affected the interest-bearing debt (including liabilities for right to use assets), which increased by 128% year over year and stands at 733.3 MNOK at the end of 2022, compared to 320.7 MNOK at the end of 2021.

As of 31 December 2022, the Group's equity ratio was 50.0 percent which represents a decrease of 18.0 percent as at the end of 2021 the equity ratio amounted to 68.0 percent.

## Cash flow

The Group's cash flow from operating activities in 2022 was NOK 96.4 million (2021: NOK -34.3 million). The positive cash flow is mainly due to a positive operational EBIT and a change in accounts receivables and payables of NOK 110.9 million, these two items had the largest impact on the overall operational cash flow.

Net cash outflows relating to investing activities in 2022 totalled NOK 446.9 million (2021: NOK 160.8 million). Investments in operating assets of NOK 442.5 million and licenses of NOK 4.4 million had a negative effect on the cash flow.

The Group had a positive cash flow from financing activities of NOK 408.4 million (2021: NOK 154.1 million) which mostly relates to new current debt issued throughout the year.

The total cash flow of NOK 57.8 million has resulted in net bank deposits totalling NOK 95.9 million (2021: NOK 38.1 million).

In the tables and graphs below, we compare certain key items and results from 2022 to 2021 and show the percentage change between years along with comments on the reasons for changes in key items:



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## Financial performance summary

FPS	Unit	2022	2021	% YoY	Commentary on changes between years:
Operating revenue	NOK '000	583.455	595.895	-2,1%	Lower harvested volumes result in decreased revenue
Harvested volume	Tonnes	8.561	11.479	-25,4%	Lesser harvesting volumes due to harvesting capacity limitations
Average price	NOK pr. kg	68,2	51,9	31,7%	Substantial increase in market prices
Production cost of sold fish	NOK pr. kg	47,9	43,2	10,8%	Production costs increased due to complications that are traced to the mortality event in Q1 2022 & increased raw material prices
Operational EBIT	NOK '000	35.853	86.944	-58,8%	Mostly due to the mortality incident suffered in Q1 2022 and higher production costs
Operational EBIT/KG	NOK pr. kg	20,3	8,7	133,9%	High market prices impact the operational EBIT pr. kg positively
Fair value adjustment	NOK '000	107.960	44.897	140,5%	Higher Fair Value Adjustments due to increased forward prices.
Financial items	NOK '000	-62.153	2.580	-2509,0%	Volatile currency markets had a negative impact on our financial items as loans are denominated in EUR.
Assets	NOK '000	2.073.379	1.433.695	44,6%	Increased due to substantial investments in property, plant, equipment, and biomass growth
NIBD	NOK '000	733.338	320.651	128,7%	Increased interest-bearing debt due to heavy capital expenditures cause an increase in NIBD
Cash	NOK '000	95.949	38.126	151,7%	Higher cash reserves at year end that previous year.



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### **Arctic Fish Holding Financial performance**

Arctic Fish Holding reported no revenues and operating expenses of 7.3 MNOK, compared to 4.4 MNOK in 2021. Financial items amounted to 9.9 MNOK in income compared to 7.0 MNOK the year before. Net result of the year amounted to 2.6 MNOK which is the same compared to 2021.

Total assets increased by 9 MNOK from prior year due to changes in other non-current receivables and amount to 1,035 MNOK at year end 2022.

Net cash flow from operating activities amounted to -0.8 MNOK in 2022, which is 1.2 MNOK less than in 2021 (2021: -1.9 MNOK). Overall, the net reduction in cash and cash equivalents for the year amounted to -0.3 MNOK and bank deposits stand at 11.0 MNOK at year end.

### Going concern

Arctic Fish Holding AS Board of Directors confirms that the year-end financial statements have been prepared on the basis that the enterprise is a going concern, in accordance with Section 3-3a of the Norwegian Accounting Act. This assessment rests on the Group's results, financial position, and budgets.

### Operational risk and risk management

The Group has identified risk factors that are as follows:

- **Operating risks**
  - Biological production and subcontractors in harvesting
  - Feed costs
  - Export and export barriers
  - Access to skilled personnel
  - Risks related to third party suppliers e.g., egg/ova/feed
  - Risks related to internal production of smolt
- **Licenses, legal and regulatory framework**
- **Financial risks**
  - Currency fluctuations
  - Receivables and one channel of sales
  - Financing, covenants

The above is detailed further in the following:

### Operating risks

The main risk in the operation of the company relates to the biological assets of the company and the production, this applies both for the biological production on land and in sea. Challenges in the land-based facility mainly relate to water quality, filtration, degassing, oxygen production, bio filtration, temperature, and electrical supply. Challenges in the sea farming phase of the operations relate to the smolt quality, diseases, sea lice, algae blooms, oxygen levels, temperatures, exposed farming sites with powerful wind, wave, and current conditions. Internal procedures are in place to mitigate the risks both in the land-based production and in the sea water production. Constant monitoring and monitoring systems of critical parameters for successful production is already practiced



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and regularly reviewed by external consultants and suppliers. Feeding procedures are monitored and reviewed by external consultants that ensure best practice in feeding. In production planning considerations and risk mitigation decisions are made regarding density, stocking and output schedule, lice treatments, seasonal challenges and other fish handling that can impact the fish health and overall production. A secondary risk in the biological production relates to the access to sufficient harvesting capacity. As the Group is not in full control of Wellboat operations and harvesting operation these important contractors have an influence on production planning and if there are issues with capacity, malfunctions, accidents, or other unforeseen incidents there is a risk that it will impact the production plans of the Group. It was seen in early 2022 that these external harvesting capacity issues created issues with harvestable fish that ultimately lead to a mortality incident that could have been avoided with sufficient harvesting capacity. Actions have already been made to address this risk with the investments throughout 2022.

The Group is reliant upon a steady and increased supply of ova/eyed eggs, smolt, feed, well boat capacity and other important supplies. The Group is also reliant on its outsourcing of the processing of fish. As all as all salmon farmers in Iceland, the Group is particularly reliant on its supply of eggs from Benchmark, the only brood stock company in Iceland. Egg contracts have been secured for the Group for its ongoing operations. Feed costs account for a significant portion of the Group's total production costs, and an increase in feed prices could have a major impact on the Group's profitability. The feed industry is characterised by large, global suppliers operating under cost plus contracts, and feed prices are accordingly directly linked to the global markets for fishmeal, vegetable meal, animal proteins and fish/vegetable/animal oils which are the main ingredients in fish feed. Increases in the prices of these raw materials will accordingly result in an increase in feed prices. Feed contracts have been secured for the Group for its ongoing operations. If other supplies are disrupted, there is an inherent replacement delay risk whilst alternative suppliers are put in place. There is also an inherent production risk in relation to the production amount of smolt, and the Group may not be able to supply smolt to itself in sufficient quantities. Expansion of the smolt production facility is a risk mitigating investment in 2022 and will be an ongoing investment.



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A significant portion of the Group's products are exported out of Iceland. Export activities also subject the Group to additional regulatory risks in its current and new export markets, including in relation to trade barriers. The Group's business is reliant on continued global demand for farmed Atlantic salmon. The seafood industry is a global industry and considered highly competitive, with many producers ensuring supply of a broad range of various fish and other seafood products worldwide. Many of the Group's competitors produce similar products as the Group does, use the same suppliers as the Group and serves the same customer base, which can drive the price of the Group's products down whilst the cost of raw materials, labour and energy is subject to its own respective variability. A failure by the Group to meet new and existing customer requirements may lower the demand for its products. Moreover, this also exposes the Group to the risk of product liability claims from its customers as well as end-consumers.

The Group's performance is to a large extent dependent on highly skilled personnel and management, and the Group's continued ability to compete effectively, implement its strategy and further develop its business depends on its ability to attract new and skilled employee candidates (with experience from the aquaculture sector) and retain and motivate existing employees. Any loss of key employees, particularly to competitors, or the inability to attract and retain highly skilled personnel could have a material adverse effect on the Group's business, operating result, financial position and/or prospects.

### **Licenses, legal and regulatory framework**

The Group is depended upon licenses and permits from the Icelandic regulators. The legal and regulatory framework is relatively new and for an industry that is growing fast. More maturity and increased efficiency in handling of operational improvements, license improvements and applications is needed in the legal and regulatory framework. The requirements from the Group do not discount any factors that relate to the environment or the integrity of sustainability. This need for efficiency and maturity, with a focus on sustainability, optimal fish health, fish welfare and minimizing environmental impact is



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communicated by the Group to the relevant authorities and government both directly and indirectly.

In general, changes in law may have a material adverse effect on the business' operations and profitability. The aquaculture industry is highly politically influenced. Fish farm operators are highly dependent on access to suitable fish farming sites along the coastline and is subject to the potential opinions and actions of neighbours, local fisherman and environmental organisations amongst others. The industry also has an environmental impact which is debated, particularly with respect to sustainability. Political decisions in Iceland, as well as influence from other countries such as Norway, the UK and the European Union may influence the regulation of the industry and consequently the Group's operations and profitability.



## Financial risks

The Group's operations are carried out in Iceland, with a substantial part of operating expenses being denominated in NOK with links to EUR and USD, while a majority of the Group's total revenue is generated from its export markets, with NOK as its main export currency but the price achievement linked to the EUR. In addition, part of the operating expenses of the Group are in ISK. Factors affecting the exchange rate between NOK and EUR may have adverse effects on the obtainable price for the Group's products, and factors affecting the exchange rate between ISK and NOK may have adverse effects on the operating expenses of the Group denominated in ISK, both of which may ultimately result in lower profitability for the Group. The currency development impacted the Group negatively in the year 2022. The Group has mitigated this risk to some extent with currency hedging in some capital investment.

The Group is reliant on the credit worthiness of its customers. In 2022 there was only one trader of the harvested volumes. The company is therefore exposed to the risk of failure of payment from this single trader. To reduce this risk, trade receivables are monitored constantly.

The Group is primarily financed by loans and credit lines from Arion Bank hf. and DNB Bank ASA provided to Arctic Fish. The Credit Agreements contain various financial covenants and undertakings binding Arctic Fish. The Group's ability to comply with the covenants, as well as maintaining adequate security is of significant importance. In 2022 the Group needed waivers for the covenants due to the mortality incident.

The Group's debt is based on floating interest rates, which means that the Group is exposed to movements in interest rates.

Liquidity risk is a product of the Group's earnings, financial position and access to financing in the capital markets. The largest single factor affecting liquidity risk is represented by fluctuations in the price of salmon. Overall, the Group's liquidity risk is at an acceptable level.

**Market conditions and future outlook**

The groups future outlook points to continued strong markets, as according to Kontali Analyse, a global supply growth for 2023 is expected to be modest at 2% which is supportive of a tight market balance for the year. The forward NASDAQ price for 2023 is EUR 8.0 per kg or close to 80 NOK pr. kg. With this modest growth on the horizon for salmon farmers, there are opportunities to achieve strong prices, which can outweigh the cost increases being realized on a global scale due to inflation. The company expects the macroeconomic factors such as interest rates and inflation, that indirectly affect the salmon prices and costs incurred to persist at current levels for a prolonged period, so the expectation is that markets will remain strong and fluctuations will be of a minimal nature, mainly due to accustomed seasonality rather than due to external efforts towards stabilization of the economy.

The Board of Directors is committed to react to changes in the external business environment and will do so swiftly and efficiently. It can do so due to the talented and dedicated human resources the company has, furthermore the financial position of the company, good funding and financially strong owners will contribute to the ability to overcome any unforeseen challenges.





## Corporate Social Responsibility

Arctic Fish will ensure long-term profitability through sustainable food production. Social responsibility is exercised as part of our everyday operations and focus on sustainability. An overview of how Arctic Fish takes social responsibility is available in the annual report in the chapters "ESG" as well as "HSE".

Issues described in the chapter "ESG" with regards to Corporate social responsibility are:

- The external environment
- Employee rights, diversity, and social issues
- Human rights
- Anti-Corruption

## External environment

Arctic Fish's farming operations are based on renewable resources and are located along the coast. Arctic Fish's value chain is dependent on sustainability where natural resources are treated with the highest respect possible. This is a prerequisite, so Arctic Fish can continue to farm fish in a sustainable way. A long-term sustainability perspective, for future generations, is the foundation for the company's approach to environmental issues.

## Work environment

On 31 December 2022, the Group had 71 fulltime employees.

On 31 December 2022, women made up 21 percent of the Group's workforce.

The Group shall have a working environment in which women and men enjoy complete equality. There shall be no gender-based discrimination with respect to pay, promotion or recruitment, or in any other matter. There must be no discrimination at Arctic Fish on the grounds of ethnicity, race, age, disability, sexual orientation, language, religious persuasion, political affiliation, or any other situation where a person is not treated as an individual. The Groups policy for working environment is therefore complete equal for both men and women. Our subsidiaries in Iceland, where our main operations are, meet the requirements for gender equality on company boards by law. Furthermore, the subsidiaries in Iceland where the Groups' employees primarily work, have equality and diversity

policies that comply with laws and regulations in Iceland. There have not been any discrimination cases nor wage related complaints filed with the union or courts in 2022. The Group had a sickness absence rate of 2.9 percent in 2022.

### **The share and shareholders**

As of 31<sup>st</sup> of December the company has 31,876,653 shares outstanding and Arctic Fish Holding does not own any of its own shares. The company has 178 individual and nominee accounts that are comprised of multiple individuals listed on the 31<sup>st</sup> of December 2022. The share price at the end of the year was 99.20 NOK pr share.

A large shareholder change was realized in 2022, where NRS, the majority owner sold its stake in the company. MOWI entered into a share purchase agreement on the 31<sup>st</sup> of October to purchase 51.28%, or 16,346,824 shares, at a price of 115 NOK per share. The purchase went through in the end of Q4 2022 with MOWI acquiring a majority stake in Arctic Fish.

### **Anti-Corruption**

Arctic Fish has established the following anti-corruption principles:

Arctic Fish shall strive for a culture of transparency in all areas concerning customer care, relationship building, sponsorships, gifts, entertainment, travel, etc. The Group's employees shall act in accordance with the Group's guidelines for giving and receiving gifts, travel, and other benefits, and clearly denounce all forms of corruption. The company always requires dual approval when approving and paying invoices.

### **Transparency act**

The board has been briefed on activity and reporting requirements in accordance with the Transparency Act, which was effective as of 1st July 2022. The purpose of the act is to promote Norwegian businesses' respect for human rights and decent working conditions. The first report for Arctic Fish Holding, will be published on the group's website within the deadline of 30th June 2023



## Corporate governance

The BOD and the Group both refers to the Norwegian Code of Practice for Corporate Governance as well as the Corporate Governance guideline from the Chamber of Commerce in Iceland. The purpose of the guidelines regulates the division of roles between shareholders, the board of directors and executive management.

The BOD has adopted ethical guidelines for the Group. The purpose of the guidelines is to create a healthy business culture and uphold the Group's integrity by helping employees to set high standards for good business practice. The guidelines are further intended to serve as a tool for self-evaluation and to develop the Group's identity.

As the Group ownership changed in the end of 2022, the Directors and Officer insurance policies changed, and the MOWI's policies apply to the Group's BOD and Officers therefore the Board of Directors and Management have liability insurance coverage according to those policies. Included in this insurance program is Directors & Officers Liability Insurance coverage which specifies its own global coverage with a corresponding master policy. All Directors and Officers in Mowi and its subsidiaries are part of this insurance coverage which has a total limit of NOK 350 million.



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## Allocation of profit for the year

The parent company made a net profit for the year of MNOK 2.604 in 2022.

The Board of Directors proposes the following allocation of the net profit for the year:

Transferred to accumulated earnings (MNOK)	2.604
Total allocation of funds (MNOK)	2.604

22.03.2023

### The Board of Directors of Arctic Fish Holding AS

Svein Sivertsen

Chairman

Ivan Vindheim

Board member

Gunnthor Ingvason

Board member

Øyvind Oaland

Board member

Hildur Árnadóttir

Board member



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## BOD declaration

We confirm that, to the best of our knowledge, the consolidated financial statements for the period 2022 have been prepared in accordance with IFRS and applicable additional disclosure requirements in the Norwegian Accounting Act, and that the financial statement of the parent company for 2022 have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards, and that the accounts give a true and fair view of the group and the company's consolidated assets, liabilities, financial position and results of the operations per 31 December 2022. We also confirm to the best of our knowledge, that the Board report provides a true and fair view of the development and performance of the business and the position of the group and the company including description of key risks and uncertainty factors pertaining to the group going forward.

22.03.2023

### The Board of Directors of Arctic Fish Holding AS

Svein Sivertsen

Chairman

Ivan Vindheim

Board member

Øyvind Oaland

Board member

Gunnthor Ingvason

Board member

Hildur Árnadóttir

Board member



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## Consolidated income statement

(NOK 1 000)	Note	2022	2021
Operating revenues	2	583.446	595.895
Cost of materials		190.328	299.189
Personnel expenses	18	65.724	54.151
Depreciation	7	54.435	46.501
Other operating expenses	6,12,23,24,3	237.106	109.110
<b>Total operating expenses</b>		<b>547.593</b>	<b>508.951</b>
<b>Operational EBIT</b>		<b>35.853</b>	<b>86.944</b>
Fair value adjustments	14	107.960	44.897
Production fees		-7.225	-3.843
<b>Net operating result</b>		<b>136.588</b>	<b>127.998</b>
Financial items			
Financial income	19	550	25.104
Financial expenses	19	-62.703	-22.524
<b>Net financial items</b>		<b>-62.153</b>	<b>2.580</b>
<b>Result before tax</b>		<b>74.435</b>	<b>130.578</b>
Tax	13	-13.151	21.985
<b>Net profit/loss and comprehensive income</b>		<b>61.283</b>	<b>152.563</b>
Profit attributable to:			
Owners of the parent company		61.283	152.563
Non-controlling interests	4	0	0
<b>Net result for the year</b>		<b>61.283</b>	<b>152.563</b>
Earnings per share, continuing operations (NOK)	21	1,92	4,97
Earnings per share, continuing operations - diluted	21	1,92	4,97
Earnings per share (NOK)	21	1,92	4,97
Earnings per share - diluted	21	1,92	4,97



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## Consolidated statement of financial position

(NOK 1 000)	Note	31.12 2022	31.12 2021
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Deferred tax asset		6.327	19.479
Goodwill		6.915	6.915
Licences	3,10	49.516	45.204
<b>Total intangible assets</b>		<b>62.758</b>	<b>71.598</b>
<b>Property, plant and equipment</b>			
Buildings, boats, fleets & other operating assets	7,10	1.045.990	657.161
Right-of-use assets	8,10	3.758	4.435
<b>Total property plant and equipment</b>		<b>1.049.748</b>	<b>661.596</b>
<b>Non-current financial assets</b>			
Other financial assets		650	629
<b>Total non-current financial assets</b>		<b>650</b>	<b>629</b>
<b>Total non-current assets</b>		<b>1.113.157</b>	<b>733.824</b>
<b>Current assets</b>			
Inventories	10,22	34.461	33.785
Biological assets	5,10,14	718.818	512.010
<b>Total inventory</b>		<b>753.279</b>	<b>545.795</b>
<b>Receivables</b>			
Accounts receivables	6,10,15	44.772	57.192
Other short-term receivables and prepayments	6,15,16	66.222	58.759
<b>Total short-term receivables</b>		<b>110.994</b>	<b>115.951</b>
Bank deposits	9,15,17	75.822	18.380
Restricted bank deposits	9,15,17	20.127	19.746
<b>Total current assets</b>		<b>960.222</b>	<b>699.871</b>
<b>Total assets</b>		<b>2.073.379</b>	<b>1.433.695</b>



ARCTIC FISH		ANNUAL REPORT 2022	
(NOK 1 000)	Note	31.12 2022	31.12 2021
<b>Equity</b>			
Share capital	20,21	31.877	31.877
Share premium	20,21	1.001.739	1.001.739
Retained earnings	20,21	3.175	-58.108
<b>Total equity attributable to owners of the parent company</b>		<b>1.036.791</b>	<b>975.508</b>
Non-controlling interests		0	0
<b>Total equity</b>		<b>1.036.791</b>	<b>975.508</b>
<b>Non-current liabilities</b>			
Non-current interest bearing debt	9,10,15	704.213	318.152
Long-term leasing liabilities	9,10,23	2.902	3.424
<b>Total non-current liabilities</b>		<b>707.116</b>	<b>321.576</b>
<b>Current liabilities</b>			
Current interest bearing debt	9,10,15	121.102	36.063
Short-term leasing liabilities	9,10,23	1.070	1.138
Accounts payables	15	189.543	91.052
Other current liabilities	11,15,16	17.758	8.357
<b>Total current liabilities</b>		<b>329.473</b>	<b>136.610</b>
<b>Total liabilities</b>		<b>1.036.588</b>	<b>458.186</b>
<b>Total equity and liabilities</b>		<b>2.073.379</b>	<b>1.433.695</b>



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22.03.2023

The Board of Directors of Arctic Fish Holding AS

Svein Sivertsen

Chairman

Ivan Vindheim

Board member

Gunnthor Ingvason

Board member

Øyvind Oaland

Board member

Hildur Árnadóttir

Board member



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## Consolidated statement of cash flows

(NOK 1 000)	Note	2022	2021
Operational EBIT		35.853	86.944
Adjusted for:			
Taxes paid		-7.225	-3.843
Depreciation	7	54.435	46.501
Change in inventories/biological assets	5	-99.525	-71.661
Change in receivables and accounts payables		110.911	-91.074
Change in other current assets and other current liabilities		1.937	-1.138
<b>Net cash flow from operating activities</b>		<b>96.386</b>	<b>-34.271</b>
<b>Cash flow from investing activities</b>			
Payments for purchase of fixed assets	7	-442.490	-142.612
Payments for purchase of licenses (MAB)	3	-4.430	-18.234
<b>Net cash flow from investing activities</b>		<b>-446.920</b>	<b>-160.846</b>
<b>Cash flow from financing activities</b>			
Receipts from new non-current debt	9	456.629	119.797
Non-current debt repayment	9	-44.598	-39.425
Down payments on right to use liabilities	9,23	-1.057	-528
Interest payments for right to use liabilities	23	-196	-153
Net change in bank overdraft	9	29.069	-247.450
Share issue		0	344.140
Net interest payments		-31.490	-22.311
<b>Net cash flow from financing activities</b>		<b>408.357</b>	<b>154.071</b>
Net increase in bank deposits		57.824	-41.046
Bank deposits as of 1 January		38.125	79.171
<b>Cash and cash equivalents as of 31 December</b>		<b>95.949</b>	<b>38.125</b>



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## Consolidated statement of changes in equity

Equity attributable to owners of the parent company

(NOK 1 000)	Note	Share capital	Share premium	Retained earnings	Total equity
Equity as of 1 January 2022		31.877	1.001.740	-58.109	975.508
Net result for the year		0	0	61.283	61.283
Total comprehensive income		0	0	61.283	61.283
Transactions with shareholders					
Total transactions with shareholders		0	0	0	0
Equity as of 31 December 2022		31.877	1.001.740	3.175	1.036.791

Equity attributable to owners of the parent company

(NOK 1 000)	Note	Share capital	Share premium	Retained earnings	Total equity
Equity as of 1 January 2021		689.476	0	-210.672	478.804
Net result for the year		0	0	152.563	152.563
Total comprehensive income		0	0	152.563	152.563
Transactions with shareholders					
Reclassification due to new parent		-689.476	12.888		-676.588
Proceeds from issue of new share capital		26.158	650.430		676.588
Proceeds from issue of new share capital		5.719	344.281		350.000
Transaction costs		0	-5.859	0	-5.859
Total transactions with shareholders		-657.599	1.001.740	0	344.141
Equity as of 31 December 2021		31.877	1.001.740	-58.109	975.508





## Notes to the annual consolidated financial statements

### Note 1. Corporate information and accounting policies

#### Corporate information

Arctic Fish Holding AS is a publicly listed company on Euronext Growth, with the ticker symbol AFISH. Arctic Fish Holding AS and its subsidiaries are collectively referred to as "the Group", or "Arctic Fish Group" in the financial statements.

Arctic Fish Holding AS is a Company incorporated in Norway with headquarters in Iceland. The address of its registered office is Innovasjonspark Stavanger, Richard Johnsens Gate 4, 4021 Stavanger, Norway. Arctic Fish's headquarter is located at Sindragata 10, 400 Isafjordur, Iceland. Arctic Fish is a majority owned subsidiary of MOWI.

The consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Board of Directors on 22<sup>nd</sup> of March 2023.

These consolidated financial statements have been approved for issue by the Board of Directors and CEO on the 22<sup>nd</sup> of March 2023. These Consolidated Financial Statements as presented in this report are subject to the adoption by the Annual General Meeting of Shareholders, to be held on 1<sup>st</sup> of June 2023.

#### Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Norwegian disclosure requirements for consolidated financial statements of listed companies.

#### Use of estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an

ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The principal estimate uncertainty is with respect to determination of fair value of biomass. For further information reference is made to note 5.

### **Operating revenue**

Revenue from sales of goods is recognised in the Income Statement on delivery, i.e. when control of the goods have been transferred to the buyer. The Group's revenue consists of sale of harvested fish. The fish are currently sold "Free Carriage" through a sales agreement with Seaborn AS, a major distributor of Icelandic and Norwegian salmon. The Group has a global footprint with sales in many countries. Current export routes are considered well-established, and there is potential to enter new markets in the future.

Adjusted for reduced volumes to Russia and Ukraine, European consumption was stable year-on-year and the Group does not consider the war in Ukraine to have any material impact on the sale of the fish as the widespread markets remain strong. Underlying demand for salmon in Europe and wider sales regions continued to develop favourably and key markets experienced value growth. Consumption in the retail channel remained considerably above pre-pandemic levels, whereas foodservice activity improved year-on-year.

### **Property, plant, and equipment**

Property, plant and equipment are capitalized at cost price less depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. Amortisation methods and useful lives are reviewed at each reporting date and changed if necessary

### **Intangible assets**

Intangible assets consist of licences and are capitalised at cost. Licences have indefinite useful life and are therefore not subject to annual amortisation but reviewed annually for possible impairment.



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### **Deferred tax asset**

The deferred tax asset represents the timing difference in the accounting methods used for tax purposes compared to the methods used in the consolidated financial statements. A deferred income tax asset is only recognised to the extent that it is probable that future taxable profits will be available towards the asset. Deferred income tax asset is reviewed at each reporting date.



## Note 2. Segment reporting

The operating segment Farming is used by Group management to assess performance and profitability at a strategic level. The Group management is defined as the chief operating decision-makers. The fish farming business includes smolt production, salmon farming, harvesting activities and sales of the harvested fish. All farming sites are located in the Westfjords of Iceland. Group management reviews monthly reports in connection with the production sites and operating segments. Performance is evaluated based on operating results (EBIT).

The eliminations in 2022 (and 2021 for comparison) in the table below relates to administration costs and some non-recurring costs.

(NOK '000)	Farming		Eliminations / other		TOTAL	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Total sales revenues	583.446	595.895			583.446	595.895
Operating costs	409.842	496.368	137.751	12.583	547.593	508.951
Operational EBIT	173.604	99.527	-137.751	-12.583	35.853	86.944
Fair value adjustments	107.960	44.897	0	0	107.960	44.897
Production tax	-7.225	-3.844			-7.225	-3.844
EBIT	274.339	140.580	-137.751	-12.583	136.588	127.998
Volume harvested (HOG)	8.561	11.479			8.561	11.479
Operational EBIT per kg Farming	20,28	8,67			20,28	8,67



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### Note 3. Intangible assets

Cost: (NOK 1 000)	Fish farming licenses	
	2022	2021
Book value as of 1 January	45.204	27.382
Additions during the year	4.430	18.234
Amortisation during the year	-118	-412
Book value as of 31 December	49.516	45.204

Specification of fish farming licenses by region:

(NOK 1 000)	Licenses tonnes		Book value 31.12.2022
	MAB	Cost	
Westfjords, Iceland	27.100	49.516	49.516
Total	27.100	49.516	49.516

#### Licenses

Arctic Fish Holding has licenses in Iceland equivalent to 21 800 tonnes MAB for salmon farming and 5 300 MAB for trout farming. In Iceland, licences are granted for a period of 16 years and must then be renewed. Licences will be renewed if the applicant meets the prevailing statutory and regulatory requirements at the time the licence comes up for renewal. A small charge must be paid for the licence's renewal. Because licences have a 16-year lifespan, with the possibility of renewal, Arctic Fish Holding has chosen to assume that these licences have an indeterminate usable life. The main condition for ordinary licenses is that they shall be operated in accordance with current laws and regulations.

Serious breaches of the terms of the licenses may give rise to loss of the licenses.



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## Note 4. Companies in group

(NOK 1 000)	Registered Office	Nominal share capital	Shareholding %	
			2022	2021
<b>Parent company</b>				
Arctic Fish Holding AS	Trondheim	31.877		
<b>Subsidiaries</b>				
Arctic Fish ehf	Isafjordur	689.476	100,00%	100,00%
Arctic Smolt ehf	Isafjordur	403.322	100,00%	100,00%
Arctic Sea Farm ehf	Isafjordur	628.463	100,00%	100,00%
Arctic Oddi ehf	Isafjordur	39	100,00%	100,00%

All subsidiaries are included in the consolidation. The proportion of the voting rights in the subsidiary held directly by the parent company do not differ from the proportion of ordinary shares held.



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## Note 5. Biological assets

Specification of biological assets:

(NOK 1 000)	31.12.2022	31.12.2021
Biological assets valued at cost	558.626	459.778
Fair value adjustments of the biological assets	160.192	52.232
<b>Total biological assets</b>	<b>718.818</b>	<b>512.010</b>

Specification of changes in book value of biological assets:

(NOK 1 000)	2022	2021
Biological assets as of 1 January according to IFRS	512.010	402.191
Increase due to production in the period	555.817	447.558
Non-recurring event at cost	-120.801	0
Reduction due to harvesting in the period	-336.168	-382.636
Fair value adjustments of the biological assets	107.960	44.897
<b>Biological assets as of 31 December</b>	<b>718.818</b>	<b>512.010</b>

Specification of biological assets – tonnes (ungutted weight)	2022	2021
Biological assets as of 1 January	11.477	10.513
Increase due to smolt releases in the period	457	436
Increase due to production in the period	12.147	14.541
Reduction due to mortality in the period	-2.728	-631
Reduction due to harvesting in the period	-9.977	-13.382
<b>Biological assets as of 31 December</b>	<b>11.376</b>	<b>11.477</b>



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Note 5. cont.

Specification of biological assets status on the balance sheet date 31 December 2022	Number of fish (1000)	Biomass (tonnes)	Costs	Fair value adjustments	Accounted value
Smaller than 1 kg	2.522	771	37.855	10.855	48.710
1-4 kg	2.305	5.215	256.089	73.436	329.526
Larger than 4 kg	890	5.389	264.682	75.901	340.582
<b>Biological assets</b>	<b>5.717</b>	<b>11.375</b>	<b>558.626</b>	<b>160.192</b>	<b>718.818</b>

Specification of biological assets status on the balance sheet date 31 December 2021	Number of fish (1000)	Biomass (tonnes)	Costs	Fair value adjustments	Accounted value
Smaller than 1 kg	1.145	444	46.277	2.028	48.305
1-4 kg	2.774	7.213	269.912	32.771	302.682
Larger than 4 kg	690	3.820	143.589	17.433	161.022
<b>Biological assets</b>	<b>4.609</b>	<b>11.477</b>	<b>459.778</b>	<b>52.232</b>	<b>512.010</b>

### Fair value of biological assets

In accordance with IAS 41, biological assets have to be valued at fair value. Fair value is calculated in accordance with IFRS 13. Changes to valuation adjustments are recognised in the income statement on an ongoing basis and classified on a separate line in order to highlight operating results before and after fair value adjustments. The valuation model for biomass makes the fair value within level 3 in the fair value hierarchy.



## Valuation model

Efficient markets for sale of live fish do not exist and the valuation of biological assets involves estimating fair value in a theoretical market for live fish.

The model uses an improved interpolation methodology in 2022 and beyond largely due to the impact of new majority owners, and the importance of standardization and coherence for such calculations where the known data points used in the model are the value of the fish when put to sea and when recognised as mature fish. Technically, the interpolation is calculated per location. The effect of this is that fish that have the same weight and quality are valued similarly. The interpolation model has a natural interpretation in the form of a present value calculation where an imputed rent of assets (i.e., theoretical license rent) per location is included as part of the rate of return.

The model for calculating fair value for the comparison period of 2021 was a present value model, where the present value was calculated for the biomass on each site/project by estimating the future sales value less remaining production costs and was then discounted to the present value at the balance sheet date. The fair value of fish in the sea calculated in the present value model was a function of the expected biomass at the time of harvest multiplied by the expected sales price. For fish that are not harvestable, estimated remaining costs to breed the fish to its harvestable weight are deducted. Cash flows are discounted monthly using a fixed discount factor which is the largest difference between the two methods. The discount factor consists of three main components: 1) risk for events that affect cash flow, 2) hypothetical license and site rent and 3) the time value of money.

Thus, using the interpolation the value is to a lesser degree affected by the sites themselves because low production cost at a high-quality site is offset by a higher imputed rent and vice versa. All surplus return in the future is assigned to the licenses through a similarly high imputed rent of assets, and where any shortage in return is recognised in profit and loss immediately. The interpolation model is updated every month, compared to the quarterly updates of the present value model, with best estimates for time of harvest, remaining months at sea, expected price at time of harvest



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and estimated residual cost to grow the fish to harvest weight. The methodology has the effect that any changes in price will have full effect on the biomass at hand, while the price effect on increased weight going forward will be allocated to the license and recognised over time as remaining time at sea decreases. An effect of this is that even with high salmon prices there is no profit at the time the fish is put to sea because all surplus return is assigned to future periods (licenses). Correspondingly the fair value of small fish is rather insensitive to price fluctuations.

The adapted interpolation model as described works best if important variables such as pace of growth, mortality and feed conversion ratios are constant per unit of time or weight increase. Experience shows that in particular there is a deviation from an even development during the first period in sea relating to increased value due, among other things to reduced risk after handling of the fish, vaccination and mortality related to the transfer to sea. This has been adjusted for.

Transactions with live fish rarely take place, partly due to regulatory constraints, so the valuation of live fish under IAS 41 implies the establishment of an estimated fair value of the fish in a hypothetical market. The calculation of the estimated fair value is based on market prices for harvested fish and adjusted for estimated differences in accordance with IFRS 13. The prices are reduced for harvesting costs and freight costs to market, to arrive at a net value back to farm. The valuation reflects the expected quality grading and size distribution. The valuation is completed for each Business Unit and is based on the biomass in sea for each seawater site and the estimated market price in each market derived from the development in recent contracts as well as spot prices. Where reliable forward prices are available, those have been used. The change in estimated fair value is recognised in profit or loss based on measurement as of each period, and is classified separately. At harvest, the fair value adjustment is classified as fair value adjustment on harvested fish. In cases of incident-based mortality, the fair value adjustment is classified as fair value adjustment on incident-based mortality when occurring. Both are included in net fair value adjustment of biological assets in the statement of comprehensive income.



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## The valuation model uses the following forward prices:

Fish Pool forward prices 31.12.2022	NOK/kg
Q1 23	85,15
Q2 23	89,97
Q3 23	71,00
Q4 23	72,74
Q1 + Q2 24	81,07
Y2024	77,20

Fish Pool forward prices 31.12.2021	NOK/kg
Q1 22	68,67
Q2 22	68,23
Q3 22	56,43
Q4 22	62,27
Q1 + Q2 23	65,25
Y2023	62,88

## Sensitivity analysis:

Based on the Group's biomass at 31 December 2022, a change in some factors will affect the book value of the biomass in the following manner:

	Reduction	Effect on biomass value at 31 December 2022
Change in price	NOK -1, per kg	-893
Biomass at 31 December 2022	-1%	-3.285
Change in superior quality	-1%	-136



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## Note 6. Accounts receivables, other receivables and prepayments

Specification of accounts receivables, other receivables and prepayments:

(NOK 1 000)	31.12.2022	31.12.2021
Account receivables	44.823	57.243
Provision for bad debts	-51	-51
Net accounts receivables	44.772	57.191
Other short-term receivables and prepayments	66.222	58.759
<b>Total accounts receivables, other receivables and prepayments</b>	<b>110.994</b>	<b>115.950</b>

Other short-term receivables and prepayments comprise:

(NOK 1 000)	31.12.2022	31.12.2021
Fair value derivatives	0	2.205
Prepayments	8.533	18.615
Value added tax repayable	55.285	37.054
Other receivables	2.404	885
<b>Total other short-term receivables and prepayments</b>	<b>66.222</b>	<b>58.759</b>



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At 31 December 2022, accounts receivables of KNOK 23 778 (2021: KNOK 2 241) were past their due date but not impaired. These relate to a number of different customers that have not previously defaulted on their obligations to the group. Management does not assess credit risk of trade and other receivables. Expected loss is therefore immaterial. The age distribution of these receivables are:

(NOK 1 000)	31.12.2022	31.12.2021
Less than 1 month	6.096	37
Between 1 and 3 months	10.739	573
More than 3 months	6.943	1.630
<b>Accounts receivables past due date, but not impaired</b>	<b>23.778</b>	<b>2.241</b>

### Change in provision for bad debts

(NOK 1 000)	2022	2021
Provision for bad debts as of 1 January	-51	-51
Bad debts recorded in the year	0	0
<b>Provision for bad debts as of 31 December</b>	<b>-51</b>	<b>-51</b>

### Foreign currency exposure on receivables:

(NOK 1 000)	31.12.2022	31.12.2021
ISK	1.751	611
EUR	3.706	1.245
DKK	0	21
USD	0	0
NOK	39.366	55.366
<b>Total book value trade receivables</b>	<b>44.823</b>	<b>57.243</b>



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## Note 7. Property, plant and equipment

(NOK 1 000)	Land and buildings	Machinery and equipment	Boats and barges	Other operating assets	Total
Acquisition cost as of 1 January 2021	293.374	218.319	142.484	10.183	664.360
Additions	68.632	43.666	22.679	12.594	147.571
Reclassification to receivables	0	0	0	2	2
Effect of remeasurement	130	0	0	0	130
<b>Acquisition cost as of 31 December 2021</b>	<b>362.136</b>	<b>261.985</b>	<b>165.163</b>	<b>22.779</b>	<b>812.063</b>
Acquisition cost as of 1 January 2022	362.136	261.985	165.163	22.779	812.063
Additions	267.678	72.137	52.055	50.747	442.617
Effect of remeasurement	340				340
Disposals	0	0	-490		-490
<b>Acquisition cost as of 31 December 2022</b>	<b>630.154</b>	<b>334.122</b>	<b>216.728</b>	<b>73.526</b>	<b>1.254.530</b>
Accumulated depreciation as of 1 January 2021	19.796	67.423	11.693	5.459	104.371
Depreciation for the year	9.496	27.628	7.679	1.286	46.089
<b>Accumulated depreciation as of 31 December 2021</b>	<b>29.292</b>	<b>95.051</b>	<b>19.372</b>	<b>6.745</b>	<b>150.460</b>
Accumulated depreciation as of 1 January 2022	29.292	95.051	19.372	6.745	150.460
Depreciation for the year	10.107	33.796	8.880	1.534	54.317
Disposals	0	0	-1		-1
<b>Accumulated depreciation as of 31 December 2022</b>	<b>39.399</b>	<b>128.847</b>	<b>28.251</b>	<b>8.279</b>	<b>204.776</b>
Book value as of 1 January 2021	273.578	150.896	130.791	4.724	559.989
<b>Book value as of 31 December 2021</b>	<b>332.844</b>	<b>166.934</b>	<b>145.791</b>	<b>16.034</b>	<b>661.596</b>
<b>Book value as of 31 December 2022</b>	<b>590.755</b>	<b>205.275</b>	<b>188.477</b>	<b>65.247</b>	<b>1.049.748</b>
Economic life	33 years	3 – 15 years	5-15 years	3 – 5 years	
Depreciation method	Straightline	Straightline	Straightline	Straightline	



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## Note 8. Right of use assets

(NOK 1 000)	Land and buildings	Machinery and equipment	Boats and barges	Other operating assets	Total
Acquisition cost as of 1 January 2021 *	0	0	0	0	0
Additions	4.959	0	0	0	4.959
Effect of remeasurement	130	0	0	0	130
Acquisition cost as of 31 December 2021	5.089	0	0	0	5.089
Acquisition cost as of 1 January 2022	5.089	0	0	0	5.089
Additions	0	0	0	0	0
Effect of remeasurement	340	0	0	0	340
Acquisition cost as of 31 December 2022	5.429	0	0	0	5.429
Accumulated depreciation as of 1 January 2021 *	0	0	0	0	0
Depreciation for the year	654	0	0	0	654
Accumulated depreciation as of 31 Desember 2021	654	0	0	0	654
Accumulated depreciation as of 1 January 2022	654	0	0	0	654
Depreciation for the year	1.018	0	0	0	1.018
Accumulated depreciation as of 31 Desember 2022	1.672	0	0	0	1.672
Book value as of 1 January 2021	0	0	0	0	0
Book value as of 31 December 2021	4.435	0	0	0	4.435
Book value as of 31 December 2022	3.757	0	0	0	3.757

\* No right-to-use assets were recognised at the end of the year 2020.

Economic life	20-50 years	3-15 years	5-20 years
Depreciation method	Straight-line	Straight-line	Straight-line



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## Note 9. Interest bearing debt

Non current interest bearing debt:

(NOK 1 000)	31.12.2022	31.12.2021
Debt to financial institutions	704.213	318.152
Non current liabilities for right-of-use assets	2.902	3.424
<b>Total non current interest bearing debt</b>	<b>707.115</b>	<b>321.576</b>

Current interest bearing debt:

(NOK 1 000)	31.12.2022	31.12.2021
Liabilities to financial institutions	121.102	36.063
First year's instalment liabilities for right-of-use assets	1.070	1.138
<b>Total current interest bearing debt</b>	<b>122.172</b>	<b>37.201</b>

**Total interest bearing debt** 829.287 358.777

Cash and bank deposits 95.949 38.126

**Net interest bearing debt** 733.338 320.651

Total long term financial facility 932.371 751.432

Drawn upon long term financial facility -796.530 -354.163

Limit credit facility 31.541 30.000

Drawn upon credit facility -28.785 -52

**Unutilised drawing rights** 138.597 427.217

### Group loan agreements

The group's credit facilities to banks total MNOK 964. MNOK 315 is a revolving loan facility for biomass and receivables. MNOK 270 is a term loan with security on property, plant and equipment and has a 7-year repayment profile. MNOK 32 is an overdraft facility and MNOK 347 is a construction facility. The loan agreement is set to expire in December 2023 but has an optional add on for one year, that can be utilized if the Group is in compliance with the agreement. The interest rates are linked to the operational performance and a margin that is linked to EURIBOR.



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## Financial covenants

The group's main loan terms (covenants) are based on standard ratios. The agreement has a financial requirement for a minimum 40% equity ratio. Leverage ratio NIBD/EBITDA shall not exceed 4.5, a waiver was granted for this specific ratio due to the decreased EBITDA the company experienced because of the mortality incident faced in early 2022.

Note 9. cont.

Foreign currency exposure in connection with company's interest bearing debt at 31 December 2022:

(NOK 1 000)	NOK	EUR	USD	GBP	JPY	Other	Total
Long term liabilities to financial institutions	0	703.744	0	0	0	469	704.213
Non current liabilities for right-of-use assets	0	0	0	0	0	2.902	2.902
Short term liabilities to financial institutions	0	121.072	0	0	0	30	121.102
First year's instalment for right-of-use assets	0	0	0	0	0	1.070	1.070
<b>Total interest bearing debt</b>	<b>0</b>	<b>824.816</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4.471</b>	<b>829.287</b>

Foreign currency exposure in connection with company's interest bearing debt at 31 December 2021:

(NOK 1 000)	NOK	EUR	USD	SEK	JPY	Other	Total
Long term liabilities to financial institutions	0	317.707	0	0	0	445	318.152
Non current liabilities for right-of-use assets	0	0	0	0	0	3.424	3.424
Short term liabilities to financial institutions	0	36.036	0	0	0	27	36.063
First year's instalment for right-of-use assets	0	0	0	0	0	1.138	1.138
<b>Total interest bearing debt</b>	<b>0</b>	<b>353.743</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5.034</b>	<b>358.777</b>



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Maturity structure of Group's interest-bearing debt

(NOK 1 000)	31.12.2022	2023	2024	2025	2026	2027	After 2027
Non current liabilities to financial institutions	704.213	0	703.795	27	27	27	337
Interest on non current liabilities	75.126	39.910	34.982	29	27	25	153
Current liabilities to financial institutions	121.102	121.102	0	0	0	0	0
Non current liabilities for right-of-use assets	2.902	0	1.006	981	327	45	543
Interest on liabilities for right-of-use assets	455	172	120	70	38	28	27
Current liabilities for right-of-use assets	1.070	1.070	0	0	0	0	0
<b>Total interest bearing debt</b>	<b>904.868</b>	<b>162.254</b>	<b>739.903</b>	<b>1.107</b>	<b>419</b>	<b>125</b>	<b>1.060</b>

Maturity structure of Group's interest-bearing debt

(NOK 1 000)	31.12.2021	2022	2023	2024	2025	2026	After 2026
Non current liabilities to financial institutions	318.153	0	317.734	27	27	27	338
Interest on non current liabilities	24.419	12.787	11.417	27	25	23	140
Current liabilities to financial institutions	36.063	36.063	0	0	0	0	0
Non current liabilities for right-of-use assets	3.424	0	1.092	927	903	327	175
Interest on liabilities for right-of-use assets	510	200	144	93	48	17	9
Current liabilities for right-of-use assets	1.138	1.138	0	0	0	0	0
<b>Total interest bearing debt</b>	<b>383.707</b>	<b>50.188</b>	<b>330.387</b>	<b>1.074</b>	<b>1.003</b>	<b>394</b>	<b>662</b>



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## Note 10. Pledges and guarantees

Reported liabilities secured by pledge: (NOK 1 000)	31.12.2022	31.12.2021
Non current liabilities to financial institutions	825.315	354.164
<b>Total liabilities secured by pledges</b>	<b>825.315</b>	<b>354.164</b>
Book value of assets pledged: (NOK 1 000)	31.12.2022	31.12.2021
Property, plant and equipment	1.045.990	657.161
Inventories and biological assets	753.279	545.795
<b>Total book value of pledged assets</b>	<b>1.799.269</b>	<b>1.202.956</b>

## Note 11. Other current liabilities

Specification of other short-term liabilities (NOK 1 000)	31.12.2022	31.12.2021
Official taxes due	1.721	1.068
Holiday pay	2.607	2.899
Other short-term liabilities and accruals	13.430	4.389
<b>Total other short-term liabilities</b>	<b>17.758</b>	<b>8.357</b>



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## Note 12. Other operating expenses

Specification of other operating expenses:

(NOK 1 000)	2022	2021
Short term rental of equipment and offices	12.450	6.336
Maintenance	24.605	21.720
Fuel	8.794	7.690
External fees	36.305	13.898
Insurance	11.190	8.074
Other – incl. extraordinary costs incurred due to mortality	143.762	51.392
<b>Total other operating expenses</b>	<b>237.106</b>	<b>109.110</b>



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## Note 13. Taxation

Tax on the result is as follows:

(NOK 1 000)	2022	2021
Change in deferred tax	-13.151	21.985
<b>Tax</b>	<b>-13.151</b>	<b>21.985</b>

Reconciliation of nominal and actual tax rates:

(NOK 1 000)	2022	2021
Result before tax	74.435	130.578
Tax calculated at nominal tax rate (22 %)	16.376	28.727
Permanent differences:		
Effect of tax ratios of foreign tax regions	-1.437	-2.611
Valuation of tax asset	-573	-48.101
F/X difference on deferred tax asset	-1.216	0
<b>Tax on the result</b>	<b>13.151</b>	<b>-21.985</b>
Effective tax rate	17,7%	-16,8%



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Note 13. cont.

Deferred tax liabilities

Breakdown of deferred tax and basis for deferred tax:

(NOK 1 000)	31.12.2022	31.12.2021	Change
Property, plant and equipment	5.399	-7.850	13.249
Property, plant and equipment under financial leasing	-3.758	-4.435	677
Debt under financial leasing	3.972	4.560	-588
Current assets	-160.192	-52.240	-107.952
Deferred taxable exchange rate	14.243	-14.435	28.678
Tax-loss carry-forward	171.976	179.530	-7.554
Decrease in value of tax assets	0	-7.735	7.735
<b>Basis for deferred tax</b>	<b>31.640</b>	<b>97.395</b>	<b>-65.755</b>
Tax rate in Iceland	20%	20%	
<b>Estimated deferred tax asset</b>	<b>6.328</b>	<b>19.479</b>	<b>-13.151</b>

Change in deferred tax assets in balance sheet:

(NOK 1 000)	2022	2021
Book value as of 1 January	19.479	-2.506
Deferred tax posted in income statement	-13.151	21.985
<b>Book value 31 December</b>	<b>6.328</b>	<b>19.479</b>

A deferred tax asset amounting to NOK 1.5 million is not recognised due to uncertainty of future taxable profit. Carry forward loss expires if it is not used to offset taxable income within ten years. Carry forward tax losses can be used as follows:

(NOK 1 000)	2022	2021
Loss for the year 2012, to be used before end of 2022	0	7.734
Loss for the year 2013, to be used before end of 2023	0	0
Loss for the year 2014, to be used before end of 2024	0	0
Loss for the year 2015, to be used before end of 2025	7.733	7.683
Loss for the year 2016, to be used before end of 2026	47.498	52.000
Loss for the year 2017, to be used before end of 2027	15.355	14.979
Loss for the year 2018, to be used before end of 2028	16.117	15.722
Loss for the year 2019, to be used before end of 2029	44.370	43.289
Loss for the year 2020, to be used before end of 2030	39.078	38.121
Loss for the year 2022, to be used before end of 2032	1.825	0
<b>Total tax loss carry-forwards</b>	<b>171.976</b>	<b>179.528</b>



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## Note 14. Fair Value Adjustments

Fair value is part of consolidated EBIT but is presented on a separate line to give a better understanding of the Group's operating results on goods sold.

Specification of fair value adjustments in the income statement:

(NOK 1 000)	Note	2022	2021
Change in fair value adjustments of biomass	5	107.422	45.435
Change in provision for sales contracts	11	538	-538
<b>Total fair value adjustments</b>		<b>107.960</b>	<b>44.897</b>

Specification of fair value adjustments in the balance sheet:

(NOK 1 000)		31.12.2022	31.12.2021	Change
Fair value adjustments biomass (biological assets)	5	160.192	52.770	107.422
Provision for onerous sales contracts (other current liabilities)	11	0	-538	538
<b>Total fair value adjustments</b>		<b>160.192</b>	<b>52.232</b>	<b>107.960</b>



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## Note 15. Financial instruments by category

The principles applied for subsequent measurement of financial instruments in the balance sheet are as follows:

As of 31 December 2022

(NOK 1 000)	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Hedge accounting	Total
Trade and other receivables*	6	102.461	0	0	102.461
Cash and restricted bank deposits	17	95.949	0	0	95.949
<b>Total</b>		<b>198.410</b>	<b>0</b>	<b>0</b>	<b>198.410</b>

\* Trade and other receivables exclude prepayments

(NOK 1 000)	Note	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedge accounting	Total
Loans (excluding leasing liabilities)	8	825.315	0	0	825.315
Trade and other payables *	11	207.301	0	0	207.301
<b>Total</b>		<b>1.032.616</b>	<b>0</b>	<b>0</b>	<b>1.032.616</b>

\* Trade and other payables excluding statutory liabilities



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Note 15. cont.

The principles applied for subsequent measurement of financial instruments in the balance sheet are as follows:

As of 31 December 2021

(NOK 1 000)	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Hedge accounting	Total
Fair value hedging	16	0	2.205	0	2.205
Trade and other receivables*	6	95.130	0	0	95.130
Cash and restricted bank deposits	17	38.126	0	0	38.126
<b>Total</b>		<b>133.256</b>	<b>0</b>	<b>0</b>	<b>135.461</b>

\* Trade and other receivables exclude prepayments

(NOK 1 000)	Note	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedge accounting	Total
Loans (excluding leasing liabilities)	8	354.215	0	0	354.215
Trade and other payables *	11	99.409	0	0	99.409
<b>Total</b>		<b>453.624</b>	<b>0</b>	<b>0</b>	<b>453.624</b>

\* Trade and other payables excluding statutory liabilities

## Fair value of financial instruments

Fair value of financial instruments recognised at amortised cost. The Group assumes that the recognised value of financial assets and liabilities that are recognised at amortised cost is approximately equal to the fair value of those instruments.



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Note 15. cont.

### Fair value measurement of financial instruments

Financial instruments which are valued at fair value at the balance sheet date under IFRS 7 are grouped according to a valuation hierarchy based on the level of observability of the market value for establishment and disclosure of fair value of financial instruments:

Level 1: Listed price in an active market for an identical asset or liability

Level 2: Valuation based on other observable factors either directly (price) or indirectly (price-derived) than listed price (used in level 1) for assets or liabilities.

Level 3: Valuation based on factors not taken from observable markets (non-observable assumptions)

The table below shows the Group's assets and liabilities measured at fair value as of 31 December 2022:

(NOK 1 000)	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through profit or loss				
– Forward currency contracts	0	0	0	0
<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

No currency contracts were recognised in 2022.

The table below shows the Group's assets and liabilities measured at fair value as of 31 December 2021:

(NOK 1 000)	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through profit or loss				
– Forward currency contracts	0	2.205	0	2.205
<b>Total assets</b>	<b>0</b>	<b>2.205</b>	<b>0</b>	<b>2.205</b>

No currency contracts were recognised in 2022.



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## Note 16. Derivatives

As of 31 December 2022

(NOK 1 000)	Bank overdraft	Other short-term receivables	Other current liabilities
Forward currency contracts			0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

As of 31 December 2021

(NOK 1 000)	Bank overdraft	Other short-term receivables	Other current liabilities
Forward currency contracts	0	2.205	0
<b>Total</b>	<b>0</b>	<b>2.205</b>	<b>0</b>

*Derivatives used to reduce risk*

The Group uses forward currency contracts to hedge against currency fluctuations.

### Forward currency contracts

Forward currency contracts are recognised at fair value at the balance sheet date. At 31 December 2021 forward currency contracts were nominated in ISK. These contracts matured between 14 January 2022 and 27 October 2022 and were used to hedge cash flows relative to capex investments.

As of 31 December 2022

(NOK 1 000)	Type	Curr.	Currency amount	Currency period	Exchange rate range	Book value
Total forward currency contracts - cash flow hedging						0
Total forward currency contracts - fair value hedging						0
<b>Total forward currency contracts</b>						<b>0</b>

As of 31 December 2021

(NOK 1 000)	Type	Curr.	Currency amount	Currency period	Exchange rate range	Book value
Total forward currency contracts - cash flow hedging						0
Forward currency contracts - fair value hedging	Buy	ISK	875.342	27.10.21-27.10.22	0,0649-0,0652	2.205
Total forward currency contracts - fair value hedging						2.205
<b>Total forward currency contracts</b>						<b>2.205</b>



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## Note 17. Bank deposits

(NOK 1 000)	31.12.2022	31.12.2021
Cash	75.822	18.380
Restricted bank deposits	20.127	19.746
<b>Bank deposits</b>	<b>95.949</b>	<b>38.126</b>

The restricted bank deposits are payment guarantees for investment contracts.



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## Note 18. Personnel expenses and benefits

Wages and personnel expenses

(NOK 1 000)

2022

2021

Wages and salaries	54.530	45.448
Pension fund	6.097	4.561
Other salary-related expenses	5.097	4.142
<b>Total wages and personnel expenses</b>	<b>65.724</b>	<b>54.151</b>
Average full-time equivalents	65	63

Remuneration to senior management and Board of Directors:

Remuneration to management

(NOK 1 000)

2022

2021

Stein Ove Tveiten (CEO)	3.246	3.226
Neil Shiran Þórisson (CFO)	1.869	1.987
Daniel Jakobsson (CBDO)	1.613	1.165
Egill Ólafsson (COO farming)	1.171	
Other directors	0	1.073
<b>Total remuneration to management</b>	<b>7.900</b>	<b>7.451</b>
Board of directors	1.143	455



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## Note 19. Financial income and financial expenses

(NOK 1 000)	2022	2021
Interest income	550	2.752
Foreign exchange gain	0	22.352
<b>Financial income</b>	<b>550</b>	<b>25.104</b>
Interest expenses	-31.918	-22.524
Foreign exchange loss	-30.785	0
<b>Net finance expenses</b>	<b>-62.703</b>	<b>-22.524</b>
<b>Net financial items</b>	<b>-62.153</b>	<b>2.580</b>



## Note 20. Share capital and shareholder information

### Share premium

Share premium represents excess of payments above nominal value that shareholders have fully paid for shares sold by the Group. According to the Icelandic Act on Limited Liability Companies, 25% of the nominal share capital must be held in reserve which may not be paid out as dividend to shareholders.

### Retained earnings

Profit (loss) for the year is recognised in retained earnings (accumulated deficit).

Share capital in parent company as of 31

December 2022:	No. of shares	Nominal	Value
Ordinary shares	31.876.653	1,00	31.876.653

The company only has one class of shares.

All shares confer the same rights.

Ownership structure – the 20 largest shareholders as of 31 December 2022:

Shareholder	No. of shares	Shareholding	Voting rights
MOVI ASA	16.346.824	51,28%	51,28%
Sildarvinnslan hf.	10.899.684	34,19%	34,19%
J.P. Morgan SE	1.996.380	6,27%	6,27%
Landsbankinn hf.	481.267	1,51%	1,51%
KVERVA FINANS AS	257.718	0,81%	0,81%
CLEARSTREAM BANKING S.A.	252.948	0,79%	0,79%
Íslandsbanki hf.	181.840	0,57%	0,57%
VERDIPAPIRFONDET EIKA SPAR	167.406	0,53%	0,53%
MP PENSJON PK	165.000	0,52%	0,52%
PACTUM AS	154.386	0,48%	0,48%
VERDIPAPIRFONDET PARETO INVESTMENT	132.900	0,42%	0,42%
VERDIPAPIRFONDET EIKA NORGE	121.659	0,38%	0,38%
State Street Bank and Trust Comp	118.200	0,37%	0,37%
ROTH	80.000	0,25%	0,25%
Euroclear Bank S.A./N.V.	46.989	0,15%	0,15%
SKEIE ALPHA INVEST AS	41.757	0,13%	0,13%
RAMSFJELL AS	40.849	0,13%	0,13%
VERDIPAPIRFONDET EIKA ALPHA	33.705	0,11%	0,11%
Saxo Bank A/S	30.703	0,10%	0,10%
DNB Luxembourg S.A.	25.231	0,08%	0,08%
VERDIPAPIRFONDET EIKA BALANSERT	18.432	0,06%	0,06%
<b>Top 20 largest shareholders</b>	<b>31.593.878</b>	<b>99,11%</b>	<b>99,11%</b>
<b>Total other shareholders</b>	<b>282.775</b>	<b>0,89%</b>	<b>0,89%</b>
<b>Total no. of shares</b>	<b>31.876.653</b>	<b>100,00 %</b>	<b>100,00 %</b>



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Note 20. cont.

Shares held by members of the board, CEO and senior executives:

	No. of shares	Shareholding	Voting rights
Svein Sivertssen v/ Radin Invest	26.339	0,08%	0,08%
Hildur Arnadóttir	0	0,00%	0,00%
Gunnthor Ingvason	0	0,00%	0,00%
Stein Ove Tveiten	4.084	0,01%	0,01%
Neil Shiran Thorsson	0	0,00%	0,00%
Ivan Vindheim	0	0,00%	0,00%
Øyvind Oaland	0	0,00%	0,00%

## Note 21. Earnings per share

Earnings per share is calculated as profit (loss) for the year divided by the weighted average number of shares outstanding during the year. The Company has not issued any dilutive potentially ordinary shares such as convertible debt. Therefore, diluted earnings per share is the same as basic earnings per share.

Result allocated to majority shareholders (NOK 1 000)	2022	2021
<b>Majority share of net result for the year</b>	<b>61.283</b>	<b>152.563</b>
The majority's share of fair value adjustments on biomass after tax	-107.960	-44.897
<b>Majority share of value-adjusted result for the year</b>	<b>-46.677</b>	<b>107.666</b>
Number of shares per 1 January (NOK 1 000)	31.877	689.476
Issued share capital due to new parent - effect	0	-663.318
Issued share capital - effect	0	4.528
<b>Weighted average number of ordinary shares outstanding</b>	<b>31.877</b>	<b>30.686</b>



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Note 21. cont.

Earnings per share	2022	2021
Basis	1.92	4.97
Diluted	1.92	4.97

Earnings per share pre fair value adjustments	2022	2021
Basis	-1.46	3.51
Diluted	-1.46	3.51

Shares outstanding: (NOK 1 000)	2022	2021
Shares outstanding as of 1 January	31.877	689.476
Reclassification due to new parent	0	-689.476
Issued share capital due to new parent	0	26.158
Issued share capital	0	5.719
Shares outstanding as of 31 December	31.877	31.877



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## Note 22. Inventory

(NOK 1 000)	31.12.2022	31.12.2021
Raw materials	34.461	33.785
<b>Total inventory</b>	<b>34.461</b>	<b>33.785</b>

Inventory is mainly comprised of feed for the farming business. That is at cost value.

## Note 23. Lease liabilities

The Group leases office premises, warehouses, and land. These leases are generally for 10-20 years with extension options at the end of the lease term. Most of the leases are connected to the consumer price index and are in ISK.

Information on leases where the group is the lessee is presented in the table below, see also note 8 for an overview of the right-to-use assets:

(NOK 1 000)	2022	2021
Opening balance	4.562	0
Additions	0	4.959
Other effects	467	130
Interest on leasing obligation	196	153
<i>Cash flow effect: Rent payments</i>	-1.253	-680
<b>Book value 31.12.</b>	<b>3.972</b>	<b>4.562</b>

Breakdown of lease liabilities	2022	2021
Non-current lease liabilities	2.902	3.424
Current lease liabilities	1.070	1.138
<b>Total lease liabilities</b>	<b>3.972</b>	<b>4.562</b>

Cash flow effect on leasing obligation	2022	2021
Interest	-196	-153
Instalment	-1.057	-527
<b>Total cash flow due to leasing</b>	<b>-1.253</b>	<b>-680</b>



Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

## Note 24. Auditor's fees

Auditor's fees:

(NOK 1 000)	2022	2021
Statutory auditing services	1.424	693
<b>Total auditor's fees</b>	<b>1.424</b>	<b>693</b>

All auditor's fees are exclusive VAT.

## Note 25. Related parties

**Group transactions with related parties:**

Goods and services purchased

(NOK 1 000)	2022	2021
Enterprise controlled by large shareholder – purchase of products	2.115	17.784
Enterprise controlled by board members – purchase of services	2.987	3.526
<b>Total goods and services purchased from related parties</b>	<b>5.102</b>	<b>21.310</b>

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All goods and services are purchased at an arm's length distance. The board is not aware of any transactions with related parties in 2022 that in any way have a significant impact on the Group's financial position or result for the period.

Trade receivables due to goods and services sold:

(NOK 1000)	2022	2021
Shareholders in Arctic Fish Holding AS	0	588
<b>Total trade receivables related parties</b>	<b>0</b>	<b>588</b>

Trade payables due to goods and services purchased:

(NOK 1 000)	2022	2021
Shareholders in Arctic Fish Holding AS	0	2.099
<b>Total trade payables related parties</b>	<b>0</b>	<b>2.099</b>

## Note 26. Events after balance sheet date

### Fire at Arctic Smolt construction site

On February 23, 2023 at approximately 9:30 AM CEST, a fire broke out at a construction site of Arctic Smolt, the smolt production company in Iceland of Arctic Fish and is owned by Arctic Fish Holding AS (Arctic Fish). While all employees have been accounted for, both the staff of Arctic Smolt as well as the staff of the contractors, three employees of the contractors needed medical attention for minor injuries.

The Company expects the construction site and progress to be impacted by the fire and the material impact on the already existing uncomplete structure is not clear yet, but the progress plan and construction plans will be impacted by this incident. At this point in time there is no impact expected on the production plans and smolt production targets of 2023 and 2024 nor are the other existing buildings impacted by the incident.

The ongoing construction is insured against fire.

The Company will provide additional updates as more information becomes available.

## Note 27. Risk factors and risk management

The Group has identified risk factors that are as follows:

- **Operating risks**
  - Biological production and subcontractors in harvesting
  - Feed costs
  - Export and export barriers
  - Access to skilled personnel
  - Risks related to third party suppliers e.g., egg/ova/feed
  - Risks related to internal production of smolt
- **Licenses, legal and regulatory framework**
- **Financial risks**
  - Currency fluctuations
  - Receivables and one channel of sales
  - Financing, covenants

The above is detailed further in the following:

### Operating risks

The largest risk in the operation of the company relate to the biological assets of the company and the production, this applies both for the biological production on land and in sea. Challenges in the land-based facility mainly relate to water quality, filtration, degassing, oxygen production, bio filtration, temperature, and electrical supply.

Challenges in the sea farming phase of the operations relate to the smolt quality, diseases, sea lice, algae blooms, oxygen levels, temperatures, exposed farming sites with powerful wind, wave, and current conditions. Internal procedures are in place to mitigate the risks both in the land-based production and in the sea water production. Constant monitoring and monitoring systems of critical parameters for successful production is already practiced and regularly reviewed by external consultants and suppliers. Feeding procedures are monitored and reviewed by external consultants that ensure best practice in feeding. In production planning considerations and risk mitigation decisions are made regarding density, stocking and output schedule, lice treatments, seasonal challenges and other fish



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handling that can impact the fish health and overall production. A secondary risk in the biological production relates to the access to sufficient harvesting capacity. As the Group is not in full control of wellboat operations and harvesting operation these important contractors have an influence on production planning and if there are issues with capacity, malfunctions, accidents, or other unforeseen incidents there is a risk that it will impact the production plans of the Group. The Group experienced issues with this and a mortality incident on market ready fish occurred. Actions have already been made to address this risk with the investments in our own harvesting capacity that continued in 2022.

The Group is reliant upon a steady and increased supply of ova/eyed eggs, smolt, feed, well boat capacity and other important supplies. The Group is also reliant on its outsourcing of the processing of fish and its sole third-party distributor, Seaborn. As all as all salmon farmers in Iceland, the Group is particularly reliant on its supply of eggs from Benchmark, the only brood stock company in Iceland. Egg contracts have been secured for the Group for its ongoing operations. Feed costs account for a significant portion of the Group's total production costs, and an increase in feed prices could have a major impact on the Group's profitability. The feed industry is characterised by large, global suppliers operating under cost plus contracts, and feed prices are accordingly directly linked to the global markets for fishmeal, vegetable meal, animal proteins and fish/vegetable/animal oils which are the main ingredients in fish feed. Increases in the prices of these raw materials will accordingly result in an increase in feed prices. Feed contracts have been secured for the Group for its ongoing operations. If other supplies are disrupted, there is an inherent replacement delay risk whilst alternative suppliers are put in place. There is also an inherent production risk in relation to the production amount of smolt, and the Group may not be able to supply smolt to itself in sufficient quantities,

A significant portion of the Group's products are exported out of Iceland. Export activities also subject the Group to additional regulatory risks in its current and new export markets, including in relation to trade barriers. The Group's business is reliant on continued global demand for farmed Atlantic salmon. The seafood industry is a global industry and considered highly competitive, with many producers ensuring supply of a broad range of various fish and other seafood products worldwide. Many of the Group's competitors



produce similar products as the Group does, use the same suppliers as the Group and serves the same customer base, which can drive the price of the Group's products down whilst the cost of raw materials, labour and energy is subject to its own respective variability. A failure by the Group to meet new and existing customer requirements may lower the demand for its products. Moreover, this also exposes the Group to the risk of product liability claims from its customers as well as end-consumers.

The Group's performance is to a large extent dependent on highly skilled personnel and management, and the Group's continued ability to compete effectively, implement its strategy and further develop its business depends on its ability to attract new and skilled employee candidates (with experience from the aquaculture sector) and retain and motivate existing employees. Any loss of key employees, particularly to competitors, or the inability to attract and retain highly skilled personnel could have a material adverse effect on the Group's business, operating result, financial position and/or prospects.

### **Licenses, legal and regulatory framework**

The Group is depended upon licenses and permits from the Icelandic regulators. The legal and regulatory framework is relatively new and for an industry that is growing fast. More maturity and increased efficiency in handling of operational improvements, license improvements and applications is needed in the legal and regulatory framework. The requirements from the Group do not discount any factors that relate to the environment or the integrity of sustainability. This need for efficiency and maturity, with a focus on sustainability, optimal fish health, fish welfare and minimizing environmental impact is communicated by the Group to the relevant authorities and government both directly and indirectly.

In general, changes in law may have a material adverse effect on the business' operations and profitability. The aquaculture industry is highly politically influenced. Fish farm operators are highly dependent on access to suitable fish farming sites along the coastline and is subject to the potential opinions and actions of neighbours, local fisherman and environmental organisations amongst others. The industry also has an environmental impact which is debated, particularly with respect to sustainability. Political decisions in Iceland, as well as influence from other countries such as Norway, the UK and the European Union



may influence the regulation of the industry and consequently the Group's operations and profitability.

### Financial risks

The Group's operations are carried out in Iceland, with a substantial part of operating expenses being denominated in NOK with links to EUR and USD, while a majority of the Group's total revenue is generated from its export markets, with NOK as its main export currency but the price achievement linked to the EUR. In addition, part of the operating expenses of the Group are in ISK. Factors affecting the exchange rate between NOK and EUR may have adverse effects on the obtainable price for the Group's products, and factors affecting the exchange rate between ISK and NOK may have adverse effects on the operating expenses of the Group denominated in ISK, both of which may ultimately result in lower profitability for the Group. The Group has mitigated this risk to some extent with currency hedging.

The Group is reliant on the credit worthiness of its customers. In 2022 there was only one trader of the harvested volumes. The company is therefore exposed to the risk of failure of payment from this single trader. To reduce this risk, trade receivables are monitored constantly, and payment terms are with the shortest period possible.

The Group is primarily financed by loans and credit lines from Arion Bank hf. and DNB Bank ASA provided to Arctic Fish. The Credit Agreements contain various financial covenants and undertakings binding Arctic Fish. The Group's ability to comply with the covenants, as well as maintaining adequate security, may be impacted by events beyond its control and it may be unable to comply. Upon the occurrence of an event of default, the lenders could inter alia declare all amounts outstanding under the Credit Agreements to be immediately due and payable. In addition, the lenders would have the right to proceed against the assets the Group provided as collateral pursuant to the related security agreements. Due to the mortality incident in 2022 the Group needed waivers to comply with financial covenants, the waivers were granted by the banks.

The Group's debt is based on floating interest rates, which means that the Group is exposed to movements in interest rates.



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Liquidity risk is a product of the Group's earnings, financial position and access to financing in the capital markets and is defined as the risk that the Group will not be able to meet its day-to-day financial obligations. The largest single factor affecting liquidity risk is represented by fluctuations in the price of salmon. Overall, the Group's liquidity risk is at an acceptable level.



## Note 28. Capital management

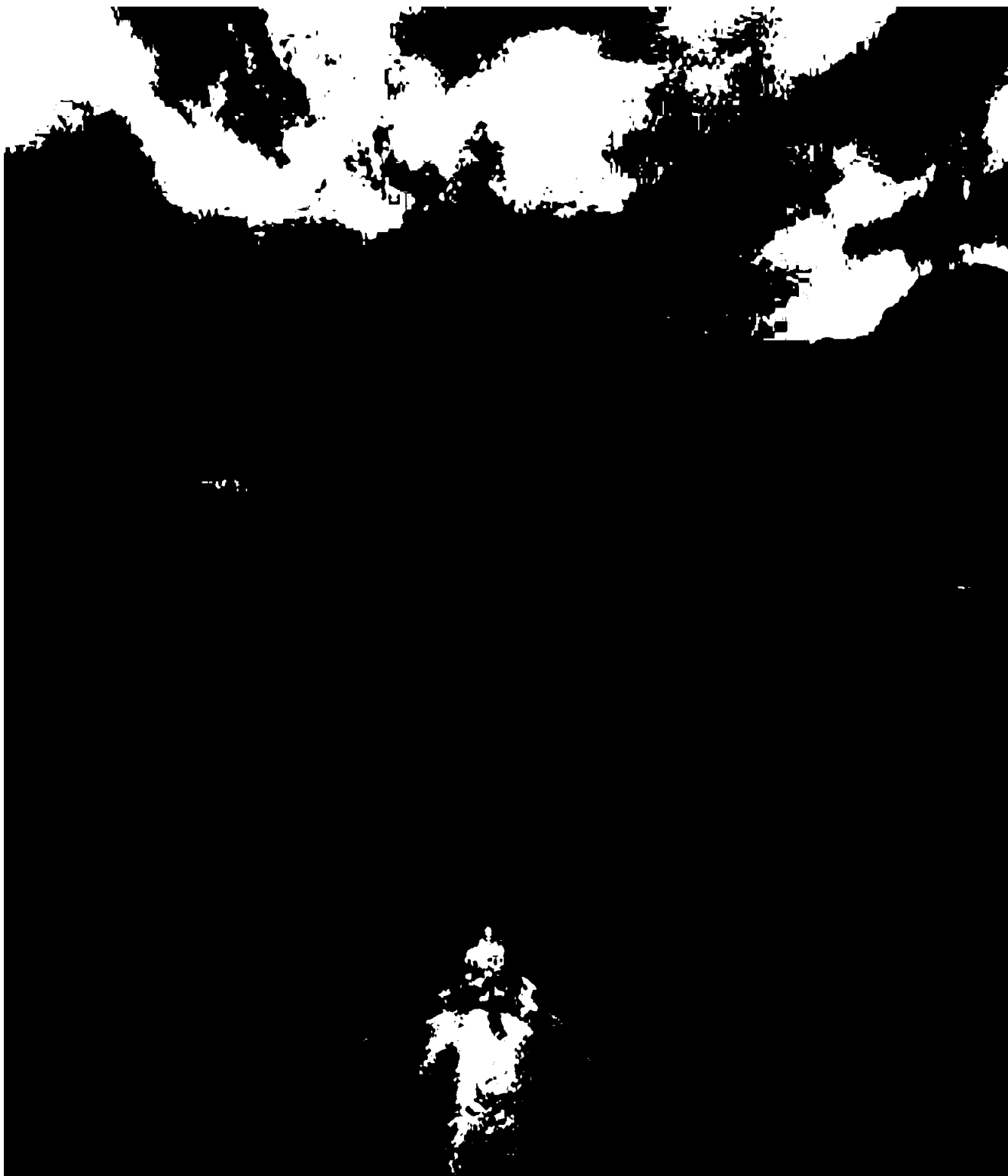
The Board of Directors' policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the Group's leverage, defined as net debt divided by EBITDA, this is also monitored as it is a financial covenant in existing loan agreements. The Group seeks to maintain a balance between the higher returns on equity that might be possible with higher levels of borrowings and the advantages and security of a sound capital position. The Group uses the leverage ratio in its approach to capital management. The leverage ratio is also reviewed within our ongoing dialog with the banks.

The BOD has not implemented a dividend policy as the Group is still in its growth phase with extensive growth investments and capital expenditure ongoing. In the long term a dividend policy, post completion of these growth projects will be made that will support the goals mentioned in this Capital Management Policy.



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## Arctic Fish Holding – Income Statement

(NOK 1 000)	Note	2022	2021
Other operating expenses	2	7.338	4.432
Total operating expenses		7.338	4.432
Net operating result		-7.338	-4.432
Financial items			
Net other financial expenses		-128	94
Net interest income from group companies	6	9.930	7.136
Other interest income		141	6
Net financial items		9.943	7.048
Result before tax		2.604	2.616
Tax	7	0	
Net result for the year		2.604	2.616
Allocations:			
Allocated to other equity	5	2.604	2.616
Total allocations		2.604	2.616



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## Arctic Fish Holding – Financial position

(NOK 1 000)	Note	31.12.2022	31.12.2021
<b>Assets</b>			
<b>Non-current financial assets</b>			
Investments in subsidiaries	5	676.588	676.588
Other non-current receivables	6	347.666	338.137
<b>Total non-current financial assets</b>		<b>1.024.255</b>	<b>1.014.725</b>
<hr/>			
<b>Total non-current assets</b>		<b>1.024.255</b>	<b>1.014.725</b>
<hr/>			
<b>Current assets</b>			
<b>Receivables</b>			
Other receivables		0	0
<b>Total receivables</b>		<b>0</b>	<b>0</b>
<hr/>			
Bank deposits and cash	8	10.956	11.274
<b>Total current assets</b>		<b>10.956</b>	<b>11.274</b>
<hr/>			
<b>Total assets</b>		<b>1.035.211</b>	<b>1.026.000</b>



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(NOK 1 000)	Note	31.12.2022	31.12.2021
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital	3, 4	31.877	31.877
Other paid-in equity	4	988.852	988.852
<b>Total paid-in capital</b>		<b>1.020.729</b>	<b>1.020.729</b>
<b>Retained earnings</b>			
Other equity	4	5.220	2.616
<b>Total retained earnings</b>		<b>5.220</b>	<b>2.616</b>
<hr/>			
<b>Total equity</b>		<b>1.025.950</b>	<b>1.023.345</b>
<hr/>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		706	0
Other Group payable	6	8.555	2.655
<b>Total current liabilities</b>		<b>9.262</b>	<b>2.655</b>
<hr/>			
<b>Total liabilities</b>		<b>9.262</b>	<b>2.655</b>
<hr/>			
<b>Total equity and liabilities</b>		<b>1.035.211</b>	<b>1.026.000</b>



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## Arctic Fish Holding – Cash flow

(NOK 1 000)	Note	2022	2021
Profit/loss before tax		2.604	2.616
Change in accounts payables		6.606	2.655
Change in other current assets and other liabilities		-9.930	-7.138
<b>Net cash flow from operating activities</b>		<b>-719</b>	<b>-1.867</b>
Cash flow from investing activities			
Loan to subsidiaries		400	-331.000
<b>Net cash flow from investing activities</b>		<b>400</b>	<b>-331.000</b>
Cash flow from financing activities			
Capital Increase		0	350.000
Transaction costs relating to receipt of equity		0	-5.859
<b>Net cash flow from financing activities</b>		<b>0</b>	<b>344.141</b>
Net increase/ reduction in cash and cash equivalents		-318	11.274
Cash and cash equivalents as of 1 January		11.274	0
<b>Cash and cash equivalents as of 31 December</b>		<b>10.956</b>	<b>11.274</b>

## Arctic Fish Holding – notes to the financial statements

### Note 1. Corporate information

The financial statements for Arctic Fish Holding AS have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting practice in Norway.

#### **Principle for valuation and classification of assets and liabilities**

Assets intended for long-term ownership or use are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. Similar criteria are used when classifying non-current and current liabilities. Current assets are valued at the lower of acquisition cost and fair value.

Non-current assets are valued at acquisition cost, but are written down to their recoverable value if this is lower than book value and the impairment is expected to be permanent.

Non-current assets with a limited useful economic life are systematically depreciated or amortised.

Other long-term and current liabilities are valued at nominal value.

#### **Functional and presentation currency**

The functional and presentation currency is NOK.

#### **Shares in subsidiaries and associates**

Subsidiaries are defined as companies in which the shareholder has a controlling influence, normally where the shareholding exceeds 50 per cent. Associates are defined as companies in which the Group has a significant, but not controlling, influence. This is normally deemed the case where the shareholding is between 20 and 50 per cent.

Investments in subsidiaries are recognised at cost price.



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## **Receivables**

Trade and other receivables are recognised at nominal value less provisions for bad debts. Trade receivables are monitored continuously, and it is the company's policy to insure all material trade receivables. Provisions for bad debts are based on an individual assessment of each receivable.

## **Bank deposits, cash and cash equivalents**

Bank deposits, cash and cash equivalents include cash, bank deposits and other means of payment which can be immediately and with negligible exchange rate risk converted into cash.

## **Statement of cash flow**

The statement of cash flow has been prepared using the indirect method. The statement of cash flow shows a breakdown of the Company's total cash flow by operating activities, investing activities and financing activities. Cash flow associated with the acquisition and divestment of businesses is presented net under investing activities after deductions for cash reserves held by the acquired company.

## **Tax**

The tax expenses are matched to the result before tax. Tax relating to equity transactions is recognised in equity. The tax expense comprises tax payable and any change in net deferred tax. Deferred tax liabilities and assets are presented net in the balance sheet.



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## Note 2. Payroll costs, no. of employees, remuneration, employee loans, etc

The company has no employees of its own.

The company's CEO is employed by and receives a salary from the subsidiary Arctic Fish ehf.

The company is not obliged to provide an occupational pension scheme pursuant to the Norwegian Mandatory Occupational Pensions Act because it has no employees of its own.

### Auditor

(NOK 1 000)	2022	2021
Statutory auditing services	494	0
Other services	0	8
<b>Total auditor's fees</b>	<b>494</b>	<b>8</b>

Fees are presented inclusive of VAT



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### Note 3. Share capital and shareholder information

Share capital in parent company as of 31

December 2022:	No. of shares	Nominal	Value
Ordinary shares	31.876.653	1,00	31.876.653

The company only has one class of shares.

All shares confer the same rights in the company.

Ownership structure – the 20 largest shareholders as of 31 December 2022:

Shareholder	No. of shares	Shareholding	Voting rights
MOWI ASA	16.346.824	51,28%	51,28%
Sildarvinnslan hf.	10.899.684	34,19%	34,19%
J.P. Morgan SE	1.996.380	6,27%	6,27%
landsbankinn hf.	481.267	1,51%	1,51%
KVERVA FINANS AS	257.718	0,81%	0,81%
CLEARSTREAM BANKING S.A.	252.948	0,79%	0,79%
Íslandsbanki hf.	181.840	0,57%	0,57%
VERDIPAPIRFONDET EIKA SPAR	167.406	0,53%	0,53%
MP PENSJON PK	165.000	0,52%	0,52%
FACTUM AS	154.386	0,48%	0,48%
VERDIPAPIRFONDET PAREIO INVESIMENI	132.900	0,42%	0,42%
VERDIPAPIRFONDET EIKA NORGE	121.659	0,38%	0,38%
State Street Bank and Trust Comp	118.200	0,37%	0,37%
ROTH	80.000	0,25%	0,25%
Euroclear Bank S.A./N.V.	46.989	0,15%	0,15%
SKEIE ALPHA INVEST AS	41.757	0,13%	0,13%
RAMSFJELL AS	40.849	0,13%	0,13%
VERDIPAPIRFONDET EIKA ALPHA	33.705	0,11%	0,11%
Saxo Bank A/S	30.703	0,10%	0,10%
DNB Luxembourg S.A.	25.231	0,08%	0,08%
VERDIPAPIRFONDET EIKA BALANSERT	18.432	0,06%	0,06%
<b>Top 20 largest shareholders</b>	<b>31.593.878</b>	<b>99,11%</b>	<b>99,11%</b>
<b>Total other shareholders</b>	<b>282.775</b>	<b>0,89%</b>	<b>0,89%</b>
<b>Total no. of shares</b>	<b>31.876.653</b>	<b>100,00 %</b>	<b>100,00 %</b>



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Shares held by members of the board, CEO and senior executives:

	No. of shares	Shareholding	Voting rights
Svein Sivertssen & v/ Radin Invest	26.339	0,08%	0,08%
Hildur Arnadóttir	0	0,00%	0,00%
Gunnthor Ingvason	0	0,00%	0,00%
Stein Ove Tveiten	4.084	0,01%	0,01%
Neil Shiran Thorsson	0	0,00%	0,00%
Ivan Vindheim	0	0,00%	0,00%
Øyvind Oaland	0	0,00%	0,00%

## Note 4. Share capital

(NOK 1 000)	Share capital	Other paid-in equity	Other equity	Total
Equity as of 31 December 2021	31.877	988.852	2.616	1.023.345
<i>Change in the year:</i>				
Net result for the year	0	0	2.604	2.604
<b>Equity as of 31 December 2022</b>	<b>31.877</b>	<b>988.852</b>	<b>5.220</b>	<b>1.025.949</b>

(NOK 1 000)	Share capital	Other paid-in equity	Other equity	Total
Equity as of 31 December 2020	30	-6	0	24
<i>Change in the year:</i>				
Net result for the year	0	0	2.616	2.616
Reduction of share capital	-30	6		-24
Share capital increase from other assets	26.158	650.431		676.588
Capital contribution	5.719	344.281		350.000
Transaction costs on capital contribution	0	-5.859		-5.859
<b>Equity as of 31 December 2021</b>	<b>31.877</b>	<b>988.852</b>	<b>2.616</b>	<b>1.023.345</b>



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## Note 5. Subsidiaries

Company	Registered office	Voting and shareholding	Book value	Net profit/loss 2022	Book value of equity at 31 Dec 2022
Arctic Fish ehf.	Iceland	100,00%	676.588	58.679	687.430

The Group's reporting currency is NOK. The figures above are presented in NOK. Arctic Fish ehf. owns 100% of Arctic Sea Farm ehf., Arctic Oddi ehf. and Arctic Smolt ehf.



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## Note 6. Intra-group transactions and balances

Intra-group balances:

Non-current receivables (NOK 1 000)	2022	2021
Loan to group company*	347.666	338.137
<b>Total non-current receivables</b>	<b>347.666</b>	<b>338.137</b>

Current Group receivables (NOK 1 000)	2022	2021
Other short term receivables group companies	0	0
<b>Total current Group receivables</b>	<b>0</b>	<b>0</b>

Group trade payables (NOK 1 000)	2022	2021
Group companies	8.555	2.655
<b>Total Group trade payables</b>	<b>8.555</b>	<b>2.655</b>

Transactions with group companies: (NOK 1 000)	2022	2021
Other operating expenses**	6.200	1.500
Other interest income*	9.930	7.136

\* Interest for the year is capitalized to the loan

\*\* Arctic Fish ehf. has a management fee agreement with the company



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## Note 7. Taxation

Breakdown of the year's taxable income:

(NOK 1 000)	31.12.2022	31.12.2021
Profit/loss before tax	2.604	2.616
Transaction costs on capital contribution through equity	0	-5.282
<b>Year's taxable income</b>	<b>2.604</b>	<b>-2.665</b>

Specification of temporary differences and deferred tax:

(NOK 1 000)	31.12.2022	31.12.2021	Change
Accumulated tax-loss carryforwards	-67	-2.671	2.604
Not included in the calculation of deferred tax	67	2.671	-2.604
<b>Basis for deferred tax</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deferred tax assets	0	0	0
Tax rate used to calculate deferred tax	22%	22%	

Because the company has elected not to capitalise the net deferred tax asset, profit and loss was unaffected by any change in deferred tax.

Reconciliation of nominal and actual tax rates:

(NOK 1 000)	2022	2021
Result before tax	2.604	2.616
Expected tax after nominal tax rate (22 %)	-573	-576

Explanation of difference

Transaction costs on capital contribution through equity	0	-1.162
Valuation of tax asset	573	586
<b>Tax on ordinary result</b>	<b>0</b>	<b>-576</b>

Effective tax rate	0,0 %	0,0 %
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## Note 8. Bank deposits

(NOK 1 000)	31.12.2022	31.12.2021
Bank deposits	210	713
Restricted bank deposits	10.747	10.561
<b>Bank deposits</b>	<b>10.956</b>	<b>11.274</b>

The restricted bank deposits are payment guarantees for investment contracts in Iceland.



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To the General Meeting of Arctic Fish Holding AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Arctic Fish Holding AS, which comprise:

- the financial statements of the parent company Arctic Fish Holding AS (the Company), which comprise the financial position as at 31 December 2022, the income statement and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Arctic Fish Holding AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

### In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Offices in:

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bodo	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Straume	



## Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.



- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Trondheim, 22 March 2023  
KPMG AS

Yngve Olsen  
*State Authorised Public Accountant*



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## APM

### Alternate Performance Measures

The consolidated financial statements of Arctic Fish Holding AS are prepared in accordance with the International Financial Reporting Standards (IFRS). In addition, the management prepares alternative performance measures to provide useful and relevant information to the users of the financial statements. Alternative performance measures are designed to increase the understanding of the underlying operational performance and is not a substitute for the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS). The performance measures are regularly reviewed by the Board. The alternative performance measures can be defined and used differently by other companies.

### Net interest-bearing debt

Net interest-bearing debt is defined as the net of long-term debt, short-term debt, bank deposits and interest-bearing receivables. The measure is useful and necessary information to investors and other users of the financial statements to assess the net of the interest-bearing external capital used to finance the group. The measure is used to calculate return on capital employed and highlights the Group's ability to take on more debt.

(NOK 1 000)	31.12.2022	31.12.2021
Reported long-term interest-bearing debt	707.116	321.576
Reported short-term interest-bearing debt	122.172	37.201
Reported bank deposits, cash	-95.949	-38.126
<b>Net interest-bearing debt (NIBD)</b>	<b>733.339</b>	<b>320.651</b>
Leasing (IFRS 16 effects)	-3.972	-4.562
<b>NIBD according to bank covenant</b>	<b>729.367</b>	<b>316.089</b>



## ARCTIC FISH

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### Equity ratio

The equity ratio is defined as equity divided by total assets. The measure is expressed as a percentage. The measure is relevant to users of the financial statements to see how much of the assets are financed with equity, the measure also indicates something about the solvency of the group.

(NOK 1 000)	31.12.2022	31.12.2021
Reported equity	1.036.791	975.508
Reported total assets	2.073.379	1.433.695
<b>Equity ratio</b>	<b>50,0 %</b>	<b>68,0 %</b>
Total assets adjusted for Right-of-use-assets	2.069.621	1.429.260
Total liabilities adjusted for leasing liabilities	1.032.616	453.624
<b>Equity ratio according to bank covenant</b>	<b>50,1 %</b>	<b>68,3 %</b>

### Operational EBIT per kg

Operational EBIT per kg is defined as a central performance measure for Arctic Fish Holding AS. The measure is used to evaluate the profitability of sold goods and the operations of the Group. The performance measure is useful to users of the financial statements to evaluate the profitability of sold goods and the production. The measure is calculated before unallocated costs and non-recurring events, fair value adjustments, income from associated companies, financial expenses and taxes. The measure is expressed per kg harvested volume.

Operational EBIT per kg - Group		
(NOK 1 000)	2022	2021
Operational EBIT	35.853	86.944
Harvested volume	8.561	11.479
<b>Operational EBIT per kg</b>	<b>4,19</b>	<b>7,57</b>
Operational EBIT per kg - Farming		
(NOK 1 000)	2022	2021
Operational EBIT (note 2)	173.604	99.527
Harvested volume	8.561	11.479
<b>Operational EBIT per kg</b>	<b>20,28</b>	<b>8,67</b>



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## Fair value-adjusted earnings per share

Earnings per share before fair value adjustments is defined as the period's result adjusted for fair value adjustments after tax.

The performance measure is expressed per share and is useful for the users of Arctic Fish Holding's financial information.

The performance measure is used as raw data in analysis like of P/E.

(NOK 1 000)

	2022	2021
Majority share of net result for the period	61.283	-152.563
Majority share of fair value adjustments of biomass	-107.422	-45.435
Majority share of fair value of sales contracts and Fish Pool contracts	-538	538
<b>Majority share of value-adjusted result for the period</b>	<b>-46.677</b>	<b>107.666</b>
Weighted average number of ordinary shares outstanding	31.877	30.686
Fair value-adjusted earnings per share	-1,46	3,51





Skatteetaten

Vår dato  
10.06.2022

Din/Deres dato

Saksbehandler  
Kjetil Solbø Zahl

800 80 000  
Skatteetaten.no

Din/Deres referanse

Telefon

Org.nr  
974761076

Vår referanse  
2022/5483590

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

ARCTIC FISH HOLDING AS  
C/o Norway Royal Salmon ASA, Ferjemannsveien 10  
7042 TRONDHEIM

## Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for Arctic Fish Holding AS, org.nr. 825 904 042

Vi viser til Arctic Fish Holding AS (org.nr. 825 904 042) sin søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

### Bakgrunn

Fra søknaden siteres utdrag:

*[...] Arctic Fish Holding AS er hjemmehørende i Norge og registrert som norsk selskap, samtidig er den operasjonelle delen av Arctic Fish Group herunder selskapets operasjonelle datterselskaper hjemmehørende på Island. Blant selskapets operasjonelle datterselskaper benyttes engelsk som rapporteringsspråk. [...]*

*Selskapets styre har engelsk som arbeidsspråk og hoveddelen av selskapets ledelse er islandske og/eller kan ikke norsk. [...]*

*Selskapet anvender engelsk for at alle aksjonærer skal forstå regnskapet. Per 11.05.2022 har Arctic Fish Holding AS totalt 184 aksjonærer, inkludert forvalterregistrerte aksjer med flere aksjonærer, hvorav 15,2 % er hjemmehørende utenfor Norge. Eierandelen til aksjonærer hjemmehørende utenfor Norge er på 41,25 % og dette er i all hovedsak profesjonelle/institusjonelle eiere. Hovedaksjonæren i Arctic Fish Holding AS er Norway Royal Salmon ASA (org.nr. 864 234 232) som også rapporterer på engelsk. [...]*

*Arctic Fish Holding AS er notert på Euronext Growth Oslo og har fått innvilget dispensasjon fra reglene om språkkrav av Oslo Børs i forbindelse med utarbeidelse av finansielle rapporter på Euronext Growth Oslo. Selskapets kvartalsrapporter og kvartalspresentasjoner publiseres kun på engelsk. [...]*



*Arctic Fish Group produserer og selger oppdrettsfisk som laks og regnbueørret og er rettet mot et internasjonalt og globalt marked. All kommunikasjon med selskapets kunder foregår på et utenlandsk språk og hovedsakelig på engelsk. [...]*

*Etter dette anser vi at det ikke foreligger mulige brukere av selskapets regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon etter regnskapsloven § 3-4 tredje ledd. [...]*

*Dispensasjon til selskapet vil gi utenlandske eiere samt selskapets internasjonale kunder muligheten til å forstå regnskapsinformasjonen. Samtidig er det klart at bruk av engelsk som språk ikke vil redusere muligheten for norske investorer og kunder til å forstå regnskapsinformasjonen. Engelsk er et språk som de aller fleste nordmenn forstår godt, og som etter bokføringsloven § 12 kan benyttes i stedet for norsk i salgs- og kjøpsdokumentasjon, i dokumentasjonen av kontrollsporet, dokumentasjon av balansen og i spesifikasjoner av pliktig regnskapsrapportering. [...]*

#### **Skattekontorets vurdering**

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at den operasjonelle delen av virksomheten i konsernet er hjemmehørende på Island, engelsk benyttes som rapporteringsspråk i konsernet, styret bruker engelsk som arbeidsspråk, hoveddelen av selskapets ledelse er ikke norsk språklige, over 40 % av selskapets aksjonærer er hjemmehørende utenfor Norge og kommunikasjonen med selskapets kunder foregår i hovedsak på engelsk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.



Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Camilla Reinertsen  
Underdirektør  
Innsats, storbedrift  
Skatteetaten

Kjetil Solbø Zahl

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*