



# Capital Markets Day

CEO: Guðmundur Gíslason  
28. May 2024  
Eskifjörður, Iceland







12 Years of  
experience

More than  
175 dedicated  
employees and  
25% women







# Key Highlights

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## **Sole operator in the region**

14 farming locations and 43,8k tonnes MAB licences

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## **First to put up production zones**

Improved biosecurity

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## **Superior Smolt Production**

7-8 million 400gr smolt - shortened time in sea

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## **Milestone is to reach 30k+ tonnes**

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## **State of the art equipment**

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# Established Farming Stronghold





Holding the most  
licence volume  
in Iceland



## **Providing Unique Operational Advantages**

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Sole operator in five fjords on the  
East coast

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Implementation of production zones  
– separating generations

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No sea lice treatment has been needed

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Reducing risk  
of biological  
contamination  
between sites  
and generations



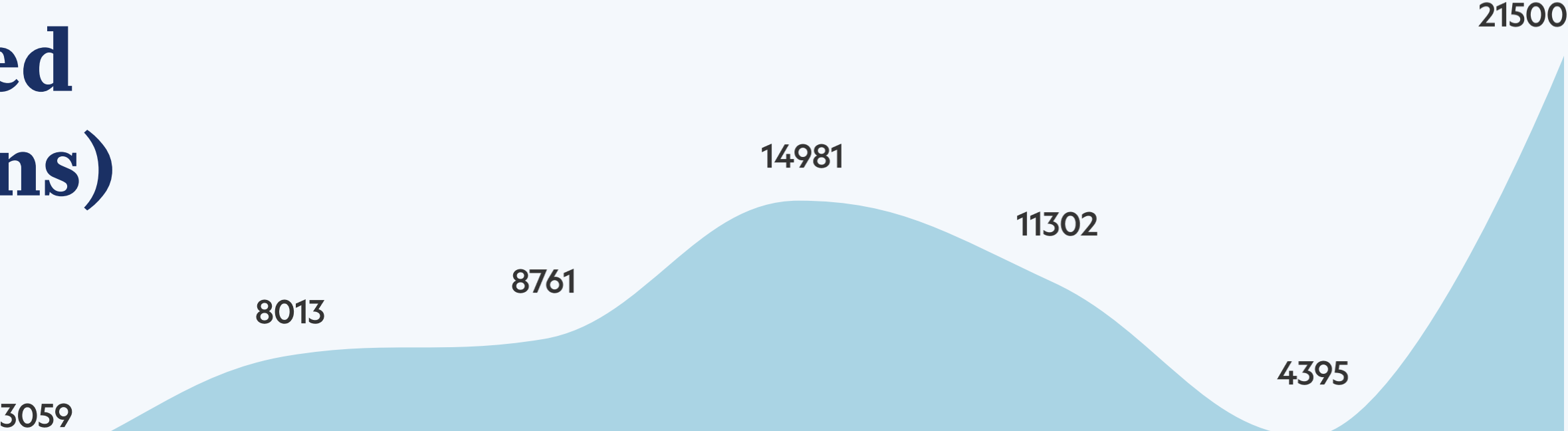
## Value Chain



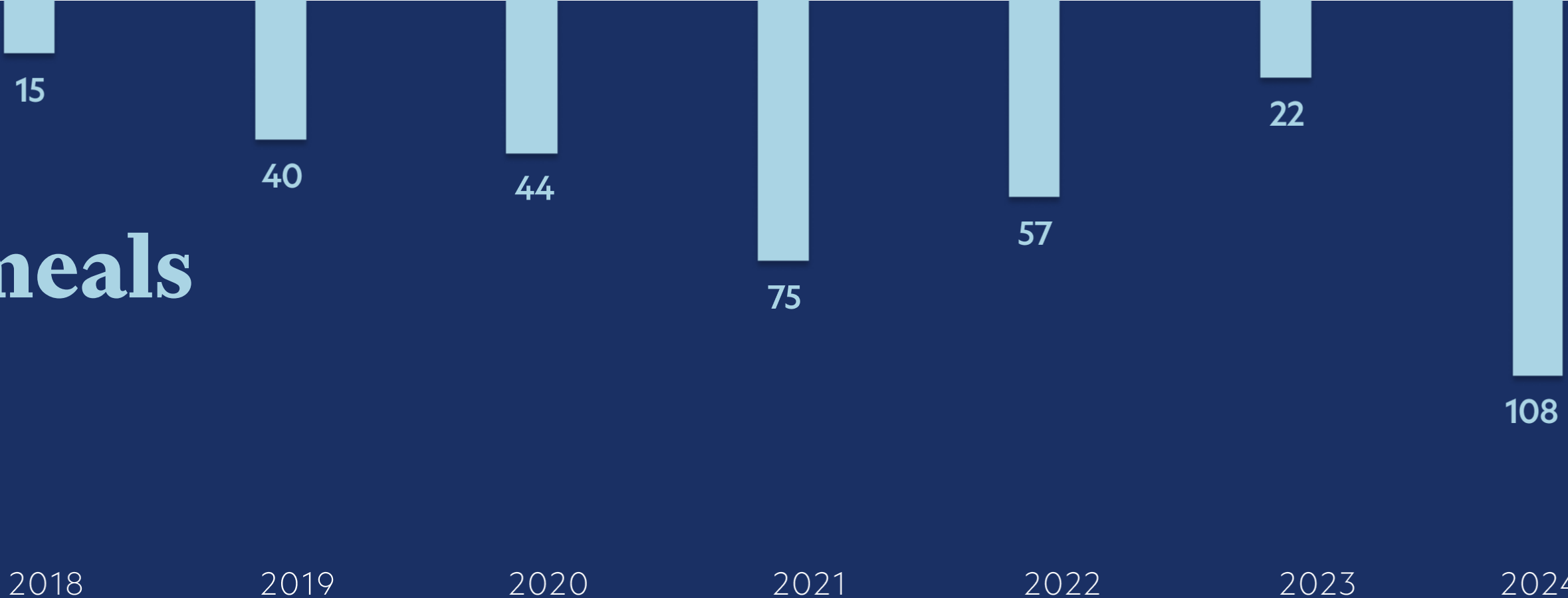


# Net harvested biomass (tons)

Excluding discharge

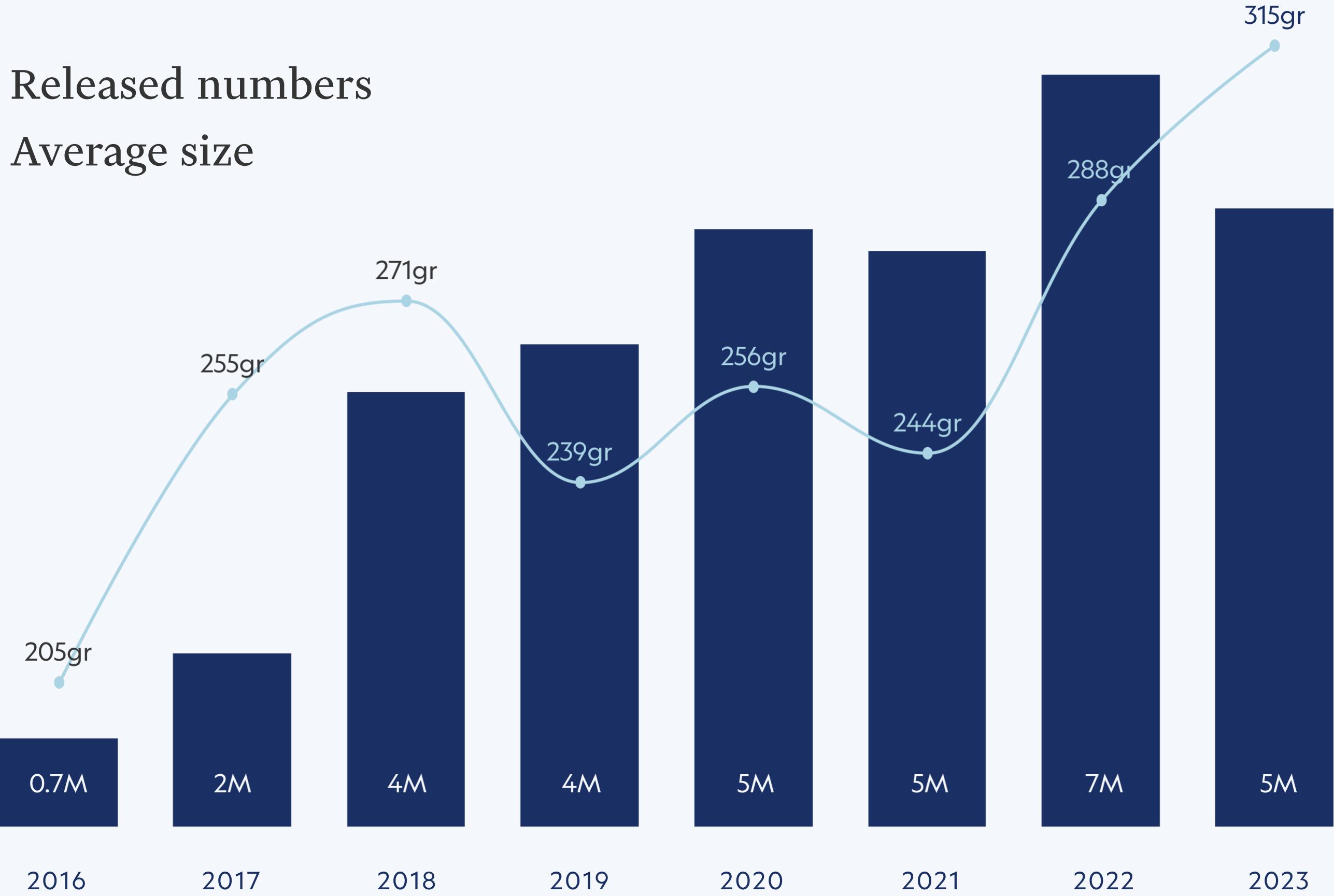


# Number of meals (millions)



● Released numbers

— Average size



**Capacity  
fresh water:**

**Land North:**  
4.000 cubic (m<sup>3</sup>)

**Land South:**  
3.500 cubic

**Building:**  
2.500 cubic

**Capacity  
at post  
smolt land,  
cubic 2024:**

**Land South:**  
27.000 cubic

**Land North :**  
7.200 cubic

**Total land licence:**  
6.000 tons

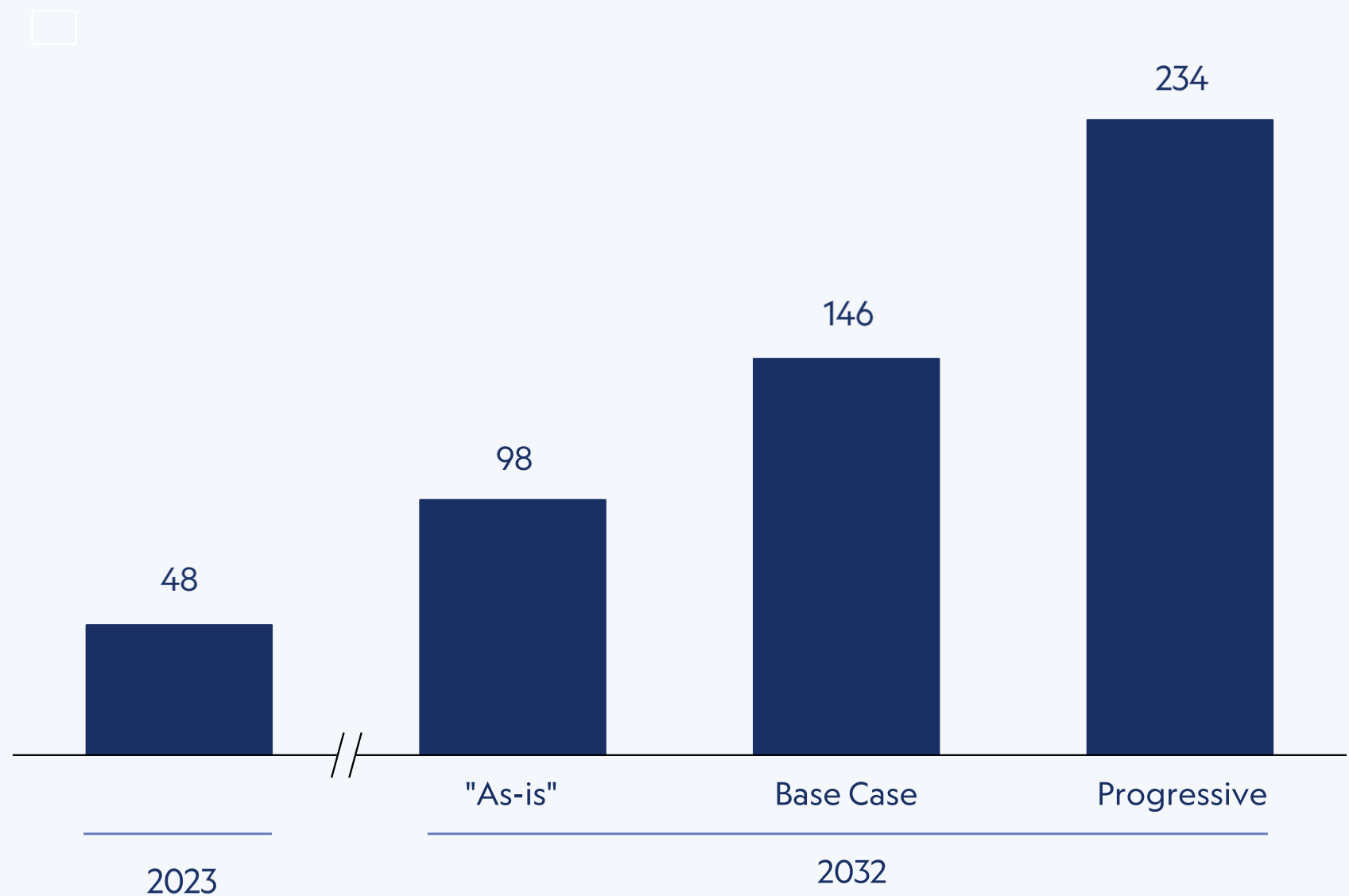
**Milestone:**  
8m release numbers  
400gr. avg. size



Recent report from  
Boston Consulting  
Group shows  
significant growth  
potential long-term

BCG

## Fish farming output from Iceland (tonnes)





# Certified Premium Salmon from the East Fjords of Iceland



Kaldvík



# Kaldvík Salmon

High in Omega3 • Whole Foods Approved • AquaGap certification • certified sustainable • colour is 30+ • full traceability • no chemicals • no GMO • no treatments • fantastic taste • low carbon footprint with smolt stations run on geothermal electricity and natural hot water from the ground • flow through • super-chilled in box • no copper on nets • natural colouring

We are very proud of our product.

Our beautiful salmon is reared in  
an untouched nature by  
Icelandic farmers who have fish  
in their genes





# Our Atlantic Salmon

- 2-6 KG Head On, Gutted
- Fresh, Sushi-Grade

Feed is free of:

- GMOs
- Land Based Animal Protein
- Parasites
- Hormones
- Antibiotics
- Synthetic Color

Diet is rich in marine protein sourced from the local North Atlantic waters. Salmon color is all naturally derived from marine microorganisms using Panaferd.

Processed pre-rigor in a state of the art facility, then super chilled to ensure fresh from the fjord quality upon arrival.

Completely vertically integrated from egg to harvesting/processing/packing to ensure each salmon is traceable.

- Firm Texture
- Even Marbling
- Ocean Fresh Flavor
- Vibrant Color
- Superior Grade
- Year Round Availability
- AquaGAP Certified

# Strong Price Performance

## ASC certification in process

*To be implemented in 2H 2024*

- Enables Kaldvík to utilize the sustainability pull from consumers to extract premium pricing from ESG oriented distributors and retailers
- Whole Foods Market standard on all our salmon since 2018
- Contract with U.S. retailer Whole Foods resulting in premium pricing on sizes 2.5-6+ kg

Kaldvík has been able to maintain a substantial and stable premium price, relative to the Nasdaq price for Norway (FCA Oslo)



The Company expects to maintain this price premium due to their environmentally friendly farming methods, high nutritional values and high quality meat, rich flavor and texture





# Strategically Positioned for Premium Prices



## **Low cost via boats to the U.S.**

### **Strong demand from US market**

Experiencing increased high-end customer demand for sustainable salmon in the US

Continued focus on maritime transport to the US market

### **Utilizing Icelandic super chill technology**

Ensuring the high quality of the fish remains intact

Chills the salmon down below freezing point of water within an hour

## **Big potential in the Asian market**

### **China is tax free for Iceland**

Likely direct cargo flights to Asia from Iceland.

Asia is a growing market for Salmon

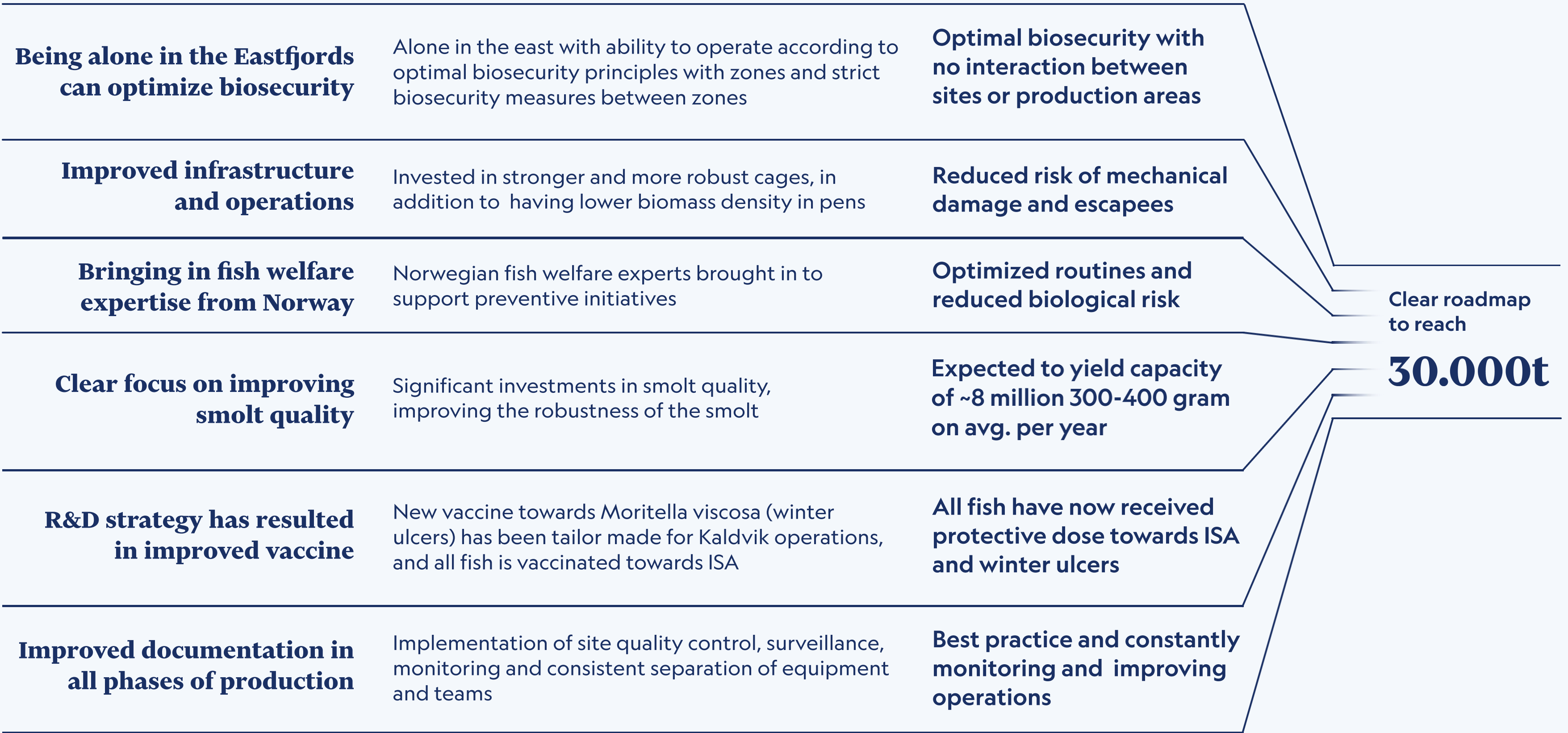
### **Competitive advantage with the Image of Iceland.**



Several initiatives  
implemented to  
ensure growth  
going forward



# Key initiatives implemented to reach 30.000 tonnes

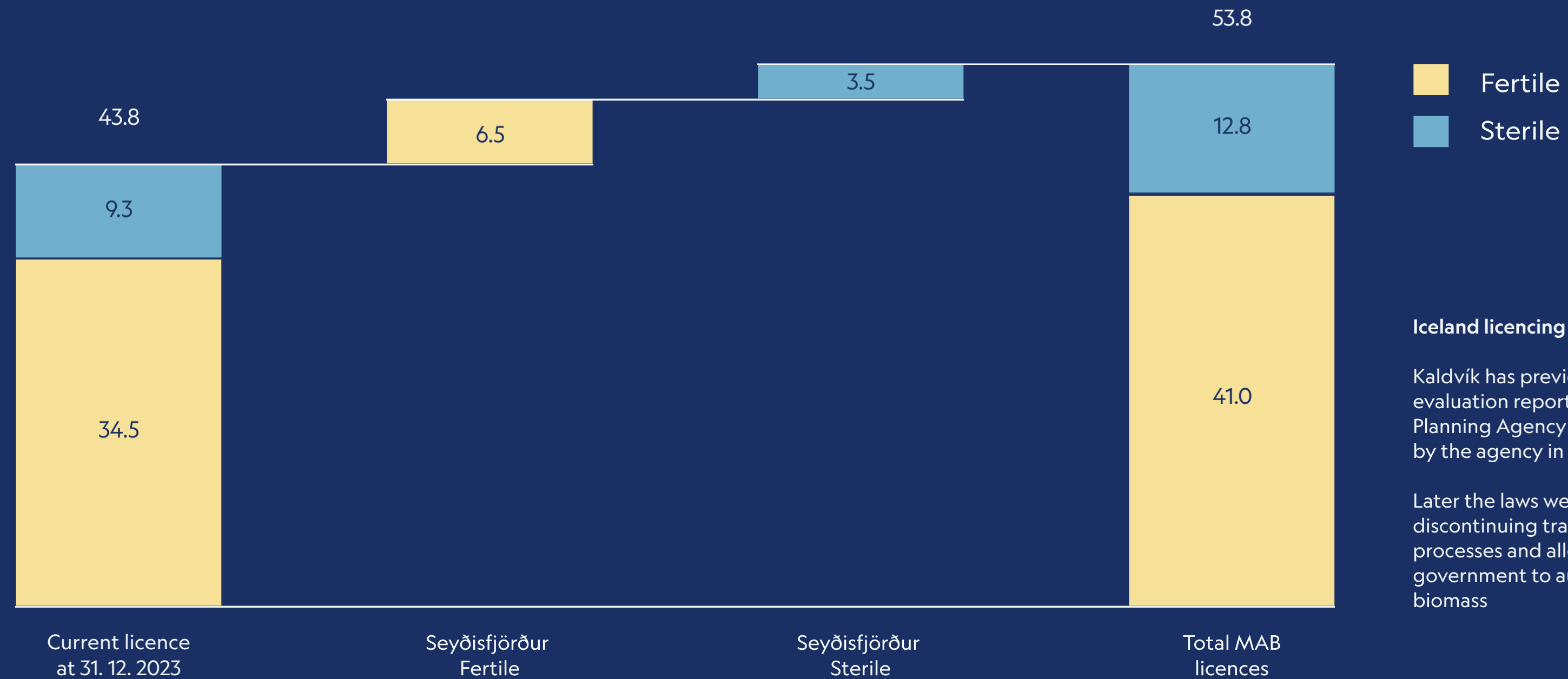




# Kaldvík Licence Overview (tonnes)

Issued licences of 43.800t MAB

Current outstanding applications of 10.000t MAB



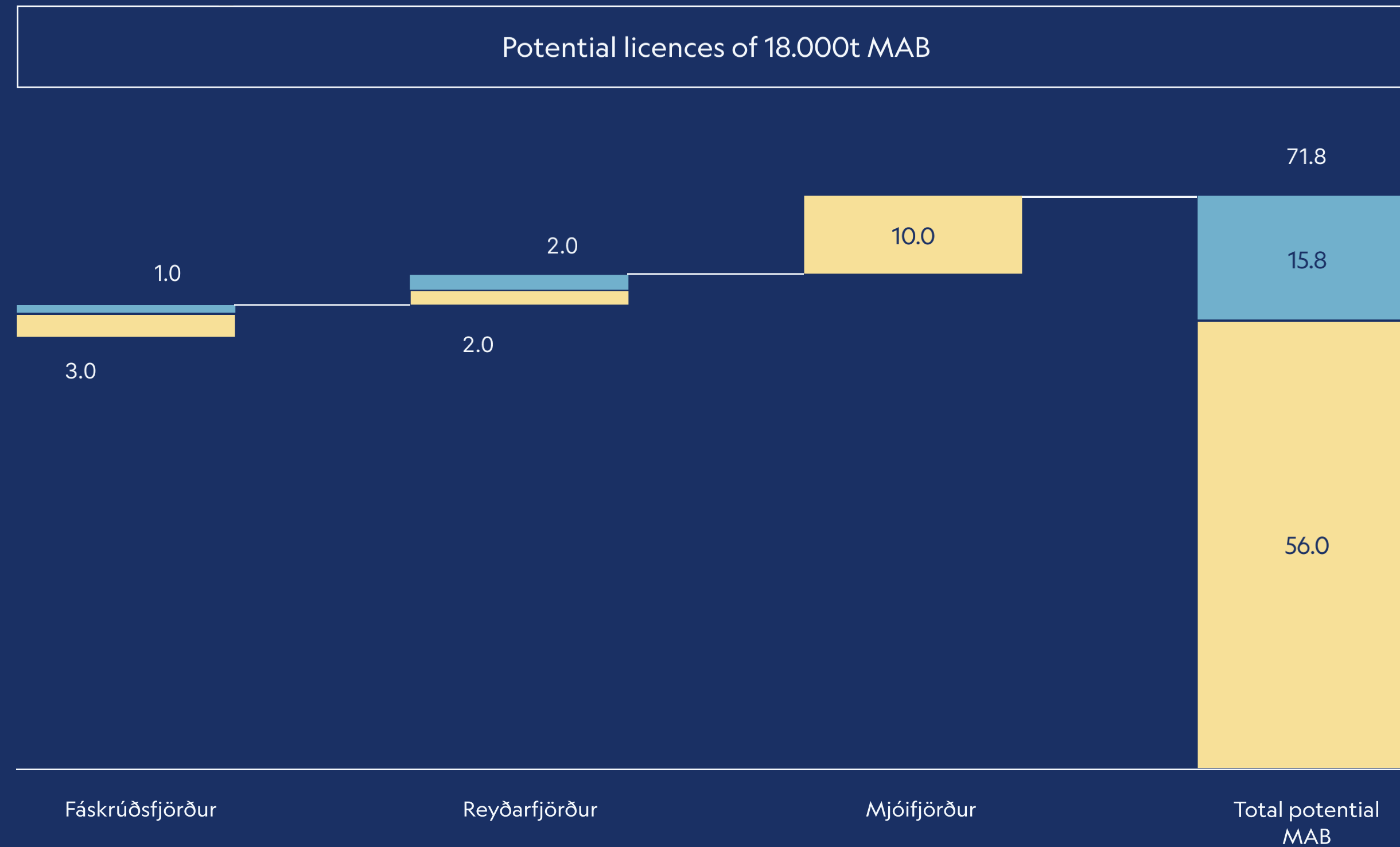
## Iceland licencing process:

Kaldvík has previously submitted an evaluation report to the National Planning Agency which was approved by the agency in 2014

Later the laws were changed, discontinuing traditional application processes and allowing the government to auction the fjord's biomass

*The planning agency has given a ruling and the application for licences in Seyðisfjörður is in process*

# Kaldvík Licence Overview (tonnes)



Fertile  
Sterile

**Potential of additional biomass in Fáskrúðsfjörður and Reyðarfjörður.**

According to a recent addition to the Marine Research Institute's risk assessment from June 2020 fertile biomass can be added given a minimum smolt size of 400 gram.

It is expected that allowed biomass in Mjóifjörður is to be auctioned.

The Ministry has not stated when the auction will take place.

The background is a dark blue, textured surface. It features a network of thin, light blue lines that form a complex web. Several large, circular traps are scattered across the image. Each trap has a dark blue center and a lighter blue, segmented outer ring. A central point where many lines converge is located near the top center. Small, yellowish-orange dots are scattered throughout the background, possibly representing fish or buoys.

**We harvest 28.000 fish per day**



An aerial photograph of three large, circular fish farming cages floating in the ocean. The cages are constructed with dark frames and green mesh netting. They are arranged in a triangular pattern, with a smaller cage at the top and two larger ones below it. White mooring lines extend from the cages into the water. The water is a deep blue-grey color. The text "We produce 500.000 healthy meals per day" is overlaid in the center in a white, serif font.

**We produce 500.000 healthy meals per day**



An aerial photograph of the Smolt Facility Rifós. The facility is located in a coastal area with a large body of water in the foreground. The facility includes several large industrial buildings, a cluster of white storage tanks, and various smaller structures. The surrounding landscape is a mix of dark, low-lying vegetation and patches of lighter, sandy or grassy ground. In the background, a range of mountains is visible under a clear blue sky.

# Smolt Facility Rifós





# Smolt Facility Kópasker



# Experienced management team



**Guðmundur Gíslason**  
CEO

Co-founder of Kaldvík in 2012

BS in Business and MBA from University of Reykjavík



**Róbert Róbertsson**  
CFO

Joined Kaldvík in 2020

University of Iceland: BA Economics, MA Accounting & Auditing, MA Corporate Finance. Formerly: EY Iceland - Manager of Transaction Services and Assurance



**Þórarinn Ólafsson**  
COO Land South

Joined Kaldvík in 2024

University of Akureyri: B.S. Hons. Fisheries, University of Iceland: MPM, Formerly CEO of Isthor and COO of Laxey



**Elís H. Grétarsson**  
COO Harvesting

Joined Kaldvík in 2014



**Jens Garðar Helgason**  
Deputy CEO

Joined Kaldvík in 2018

Norwegian School of Economics and University of Iceland, Formerly CEO of Laxar, CEO of Fiskimid Exporting



**Kjartan Lindbol**  
COO for Sea

Joined Kaldvík in 2018

Previous experience from NRS Finnmark



**Fannar Þorvaldsson**  
COO Land North

Joined Kaldvík in 2016

Has worked in aquaculture for 36 years, built up Rifós and Kópasker with his team



**Vidar Aspehaug**  
Head of Fish Health & Quality

Joined Kaldvík in 2022

PhD in fish health from University of Bergen, specialized in preventive fish health with particular focus on ISA

Founder and former CEO and CBDO in PatoGen



# Overview of the 20 largest shareholders

	No. shares	Ownership:
AUSTUR HOLDING AS	67,595,359	55.29%
Krossey ehf	14,507,982	11.87%
Eggjahvíta ehf	7,486,076	6.12%
Eskja Holding ehf	3,515,123	2.88%
Hregg ehf	3,026,745	2.48%
Laxar eignarhaldsfélag ehf	2,474,469	2.02%
J.P. Morgan	2,252,014	1.84%
State Street Bank and Trust Comp	1,846,614	1.51%
Stefnir hf	1,711,922	1.40%
Grjót eignarhaldsfélag ehf	1,323,204	1.08%
VPF DNB NORGE SELEKTIV	1,247,043	1.02%
Skel fjárfestingafélag hf	1,020,837	0.83%


	No. shares	Ownership:
Íslandsbanki hf	953,771	0.78%
Áning Ásbrú ehf	892,560	0.73%
ABK HOLDING AS	610,049	0.50%
FJØYRO HOLDING AS	593,757	0.49%
MAXIMUM HOLDING AS	561,312	0.46%
CLEARSTREAM BANKING S.A.	553,556	0.45%
GIMLI HOLDING AS	555,012	0.45%
PARETO AKSJE NORGE VERDIPAPIRFOND	520,447	0.43%
Total of the 20 largest shareholders	113,247,852	92.63%
Other shareholders	9,013,397	7.37%
Total	122,261,249	100%

# Reducing the Risk to Wild Salmon

## Steps we are taking to reduce risk

- Large Robust Smolts that are ready for sea
  - Improve survival
  - Reduce risk of maturity
  - Shorter time in sea reduce risk
- Strong nets and equipment - best to prevent escapees
- Surveillance of equipment and fish
- New AI cameras can detect if maturity is developing as well as the condition of the fish.
- Iceland is the only farming nation that has risk assessment – limiting amount of fertile salmon
- **Kaldvík has a clear track record - a history of no escapes**





# Improvements in smolt production

**Shifted focus from quantity to quality**

**Major improvements to:**

- Production planning
- Biosecurity routines and measures
- Water quality and quantity
- Smoltification routines and documentation

**Optimized transport/handling**

**Optimized vaccination**

**New vaccines**

- All fish ISA-vaccinated
- Tailor made vaccine towards *Moritella viscosa* (Winter ulcers)

**Measures against gas oversaturation implemented**

**And much much more...**



# Enhanced by AI inspection

Our state-of-the-art AI monitoring systems from Aquabyte gather data from cameras and sensors. Cloud-based Machine Learning algorithms work through this ocean of data to harvest real-time information about our flocks:

- Harvest reports

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- Lice reports

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- Condition of the fish

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- Live streaming video

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- Fish group tracking

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- Swim speed/fish behavior



# Contribution by our farming

- Low carbon emissions
- Healthy food
- Need to feed the world is doubling
- Land space taken
- Wild food is limited
- Competitive jobs in Iceland
- Will be a pillar of national exports

# Going forward

Our milestone is 30.000 tonnes

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Optimize and increase land  
farming to utilize capacity at sea

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Adjust to the new regulation and  
utilize new opportunities

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Marketing our salmon for  
premium customers





Care for Salmon and Heritage

28. maí 2024

The Ministry of Food, Agriculture and Fisheries



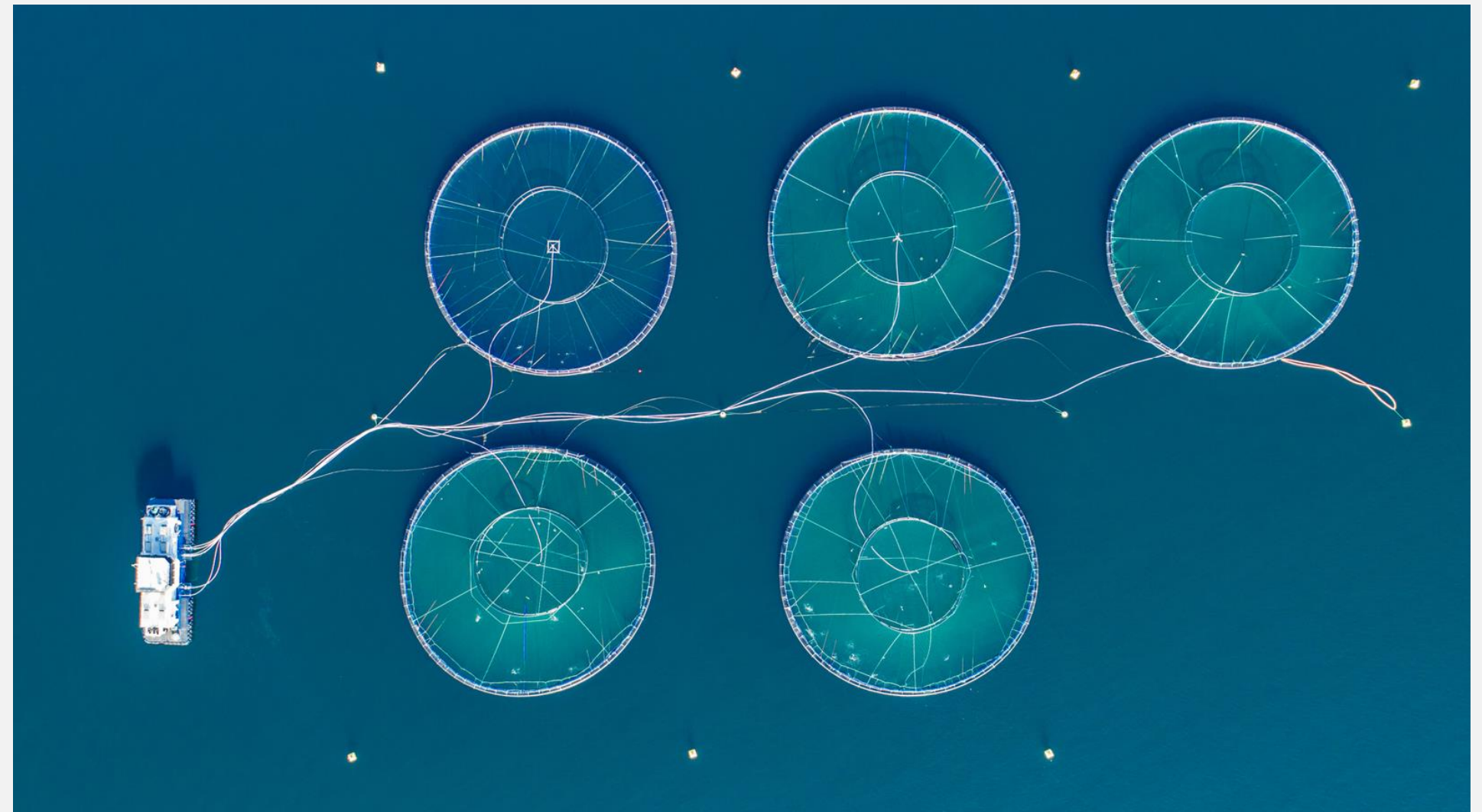
# Capital Markets Day

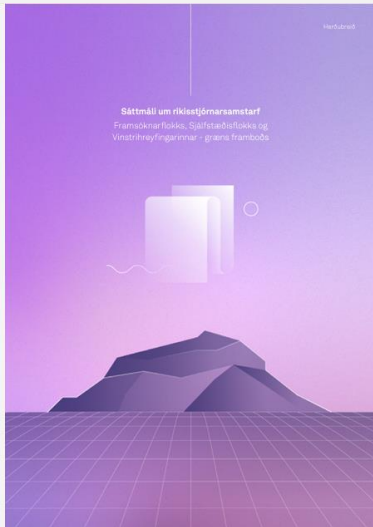
- Iceland's policy reforms.



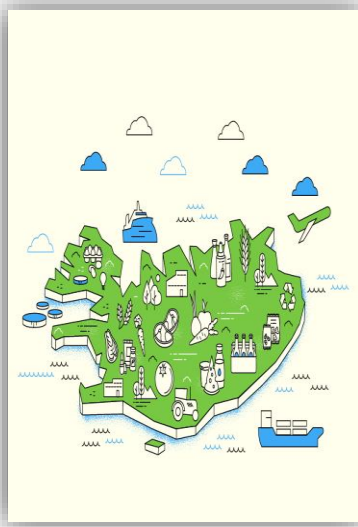
## Our focus

- Building a holistic regulatory framework.
- Balancing the environmental views and the industry vision.
- Increased funding to research, monitoring and surveillance to strengthening the foundation of the industry!
- Government has secured extra funding for around 13,5 million EUR to 2028.





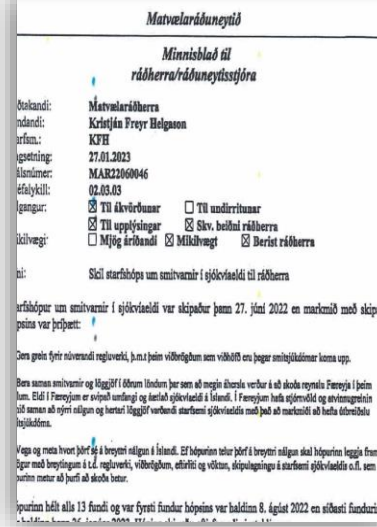
Government Charter  
(2021)



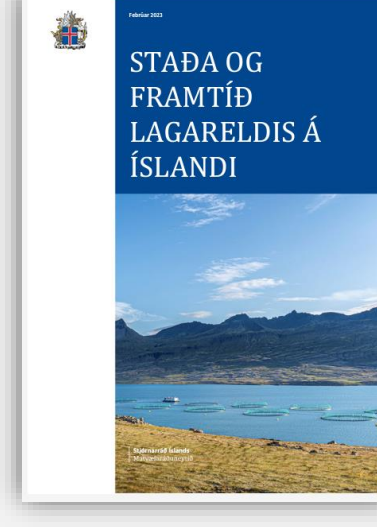
Food policy 2040  
(2022)



National audit  
(jan. 2023)



WG  
biosecurity.  
(jan. 2023)



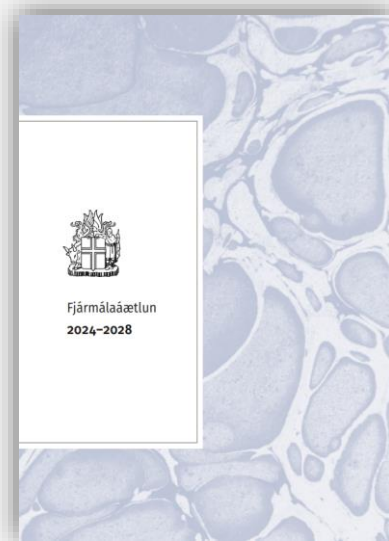
BCG  
(feb. 2023)



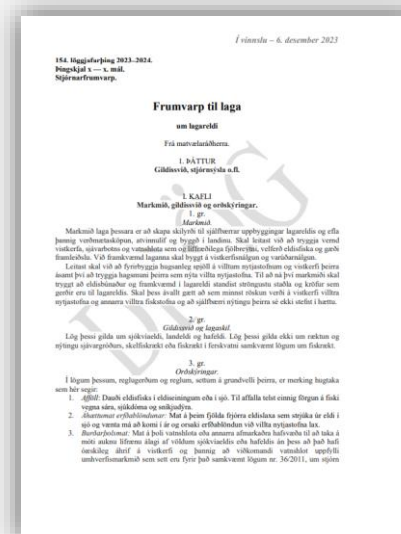
WG escapees  
(may. 2023)



Aquaculture  
policy to 2040  
(okt. 2023)



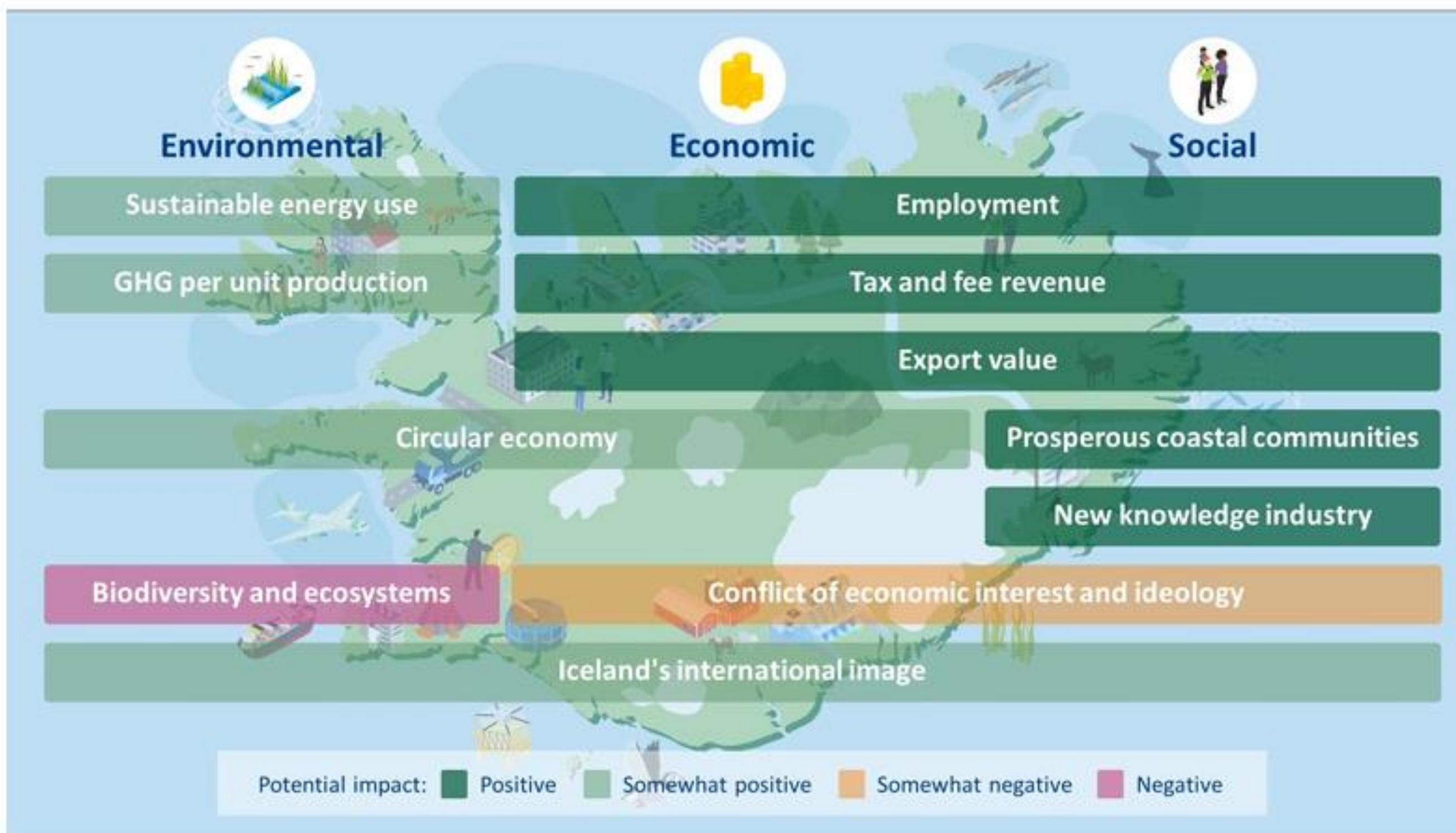
Government  
financial policy  
2024-2028

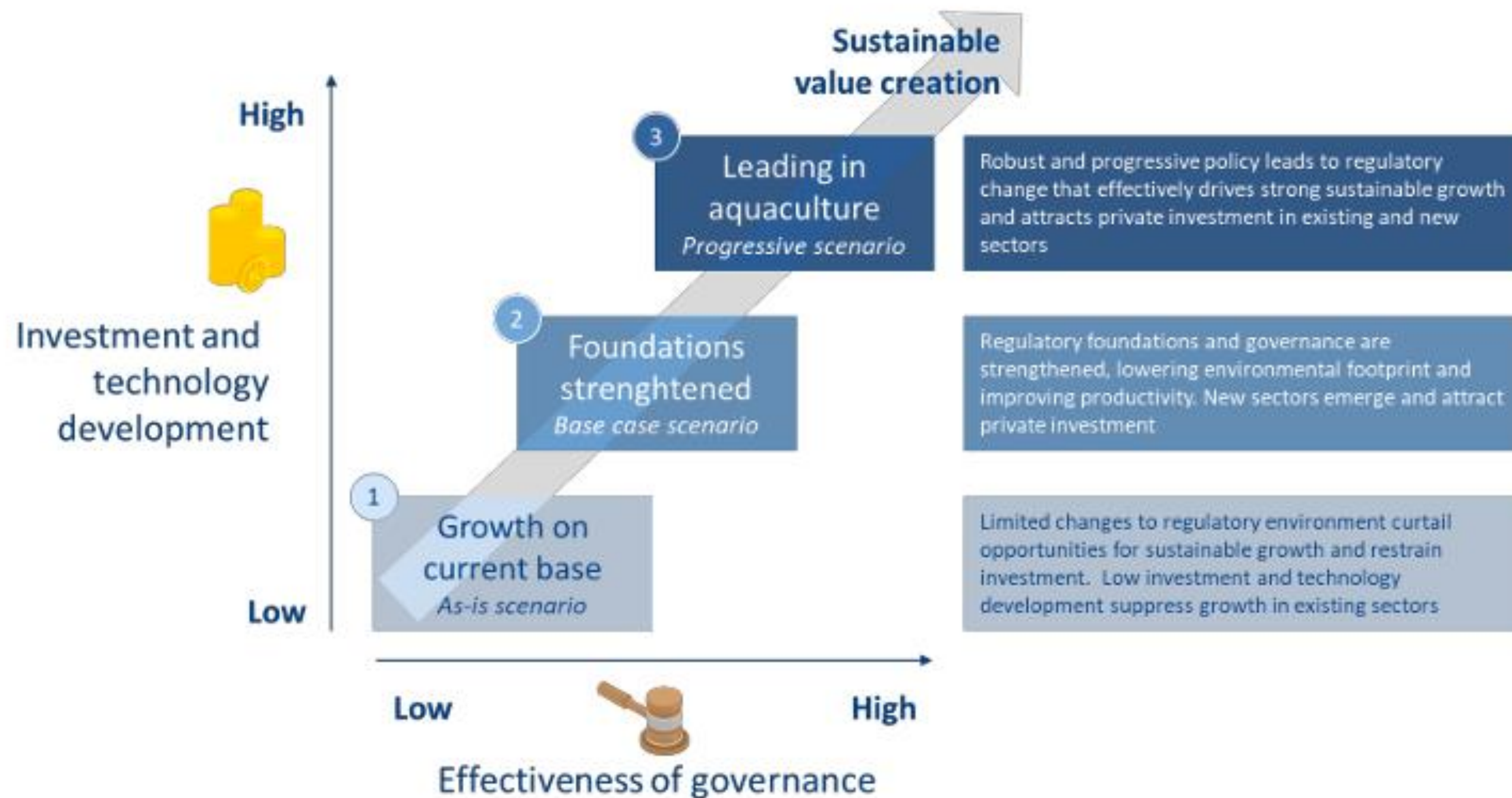


Bill  
(des. 2023)

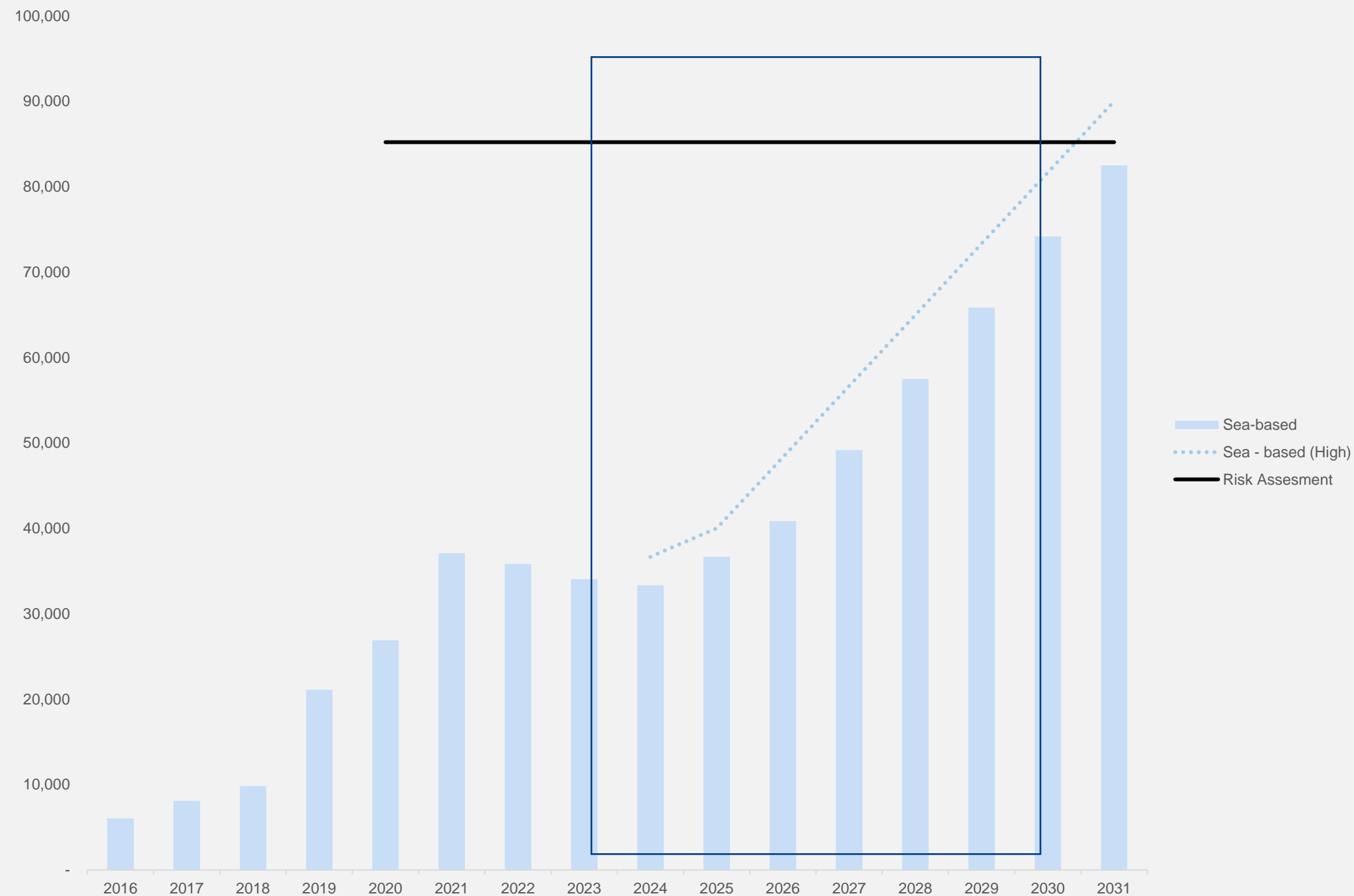


FIGURE 2.2: POTENTIAL IMPACT PROFILE OF GROWTH IN AQUACULTURE IN ICELAND



**FIGURE 2.11: OVERVIEW OF THREE FUTURE SCENARIOS FOR AQUACULTURE IN ICELAND**





## Environmental limitations:

Risk assessment – protecting wild salmon population (85.600 production).

Carrying capacity – organic load in fjords (currently at 144.500).

## Operational limitations:

Smolt capacity (current smolt capacity ~ 15 million per year).

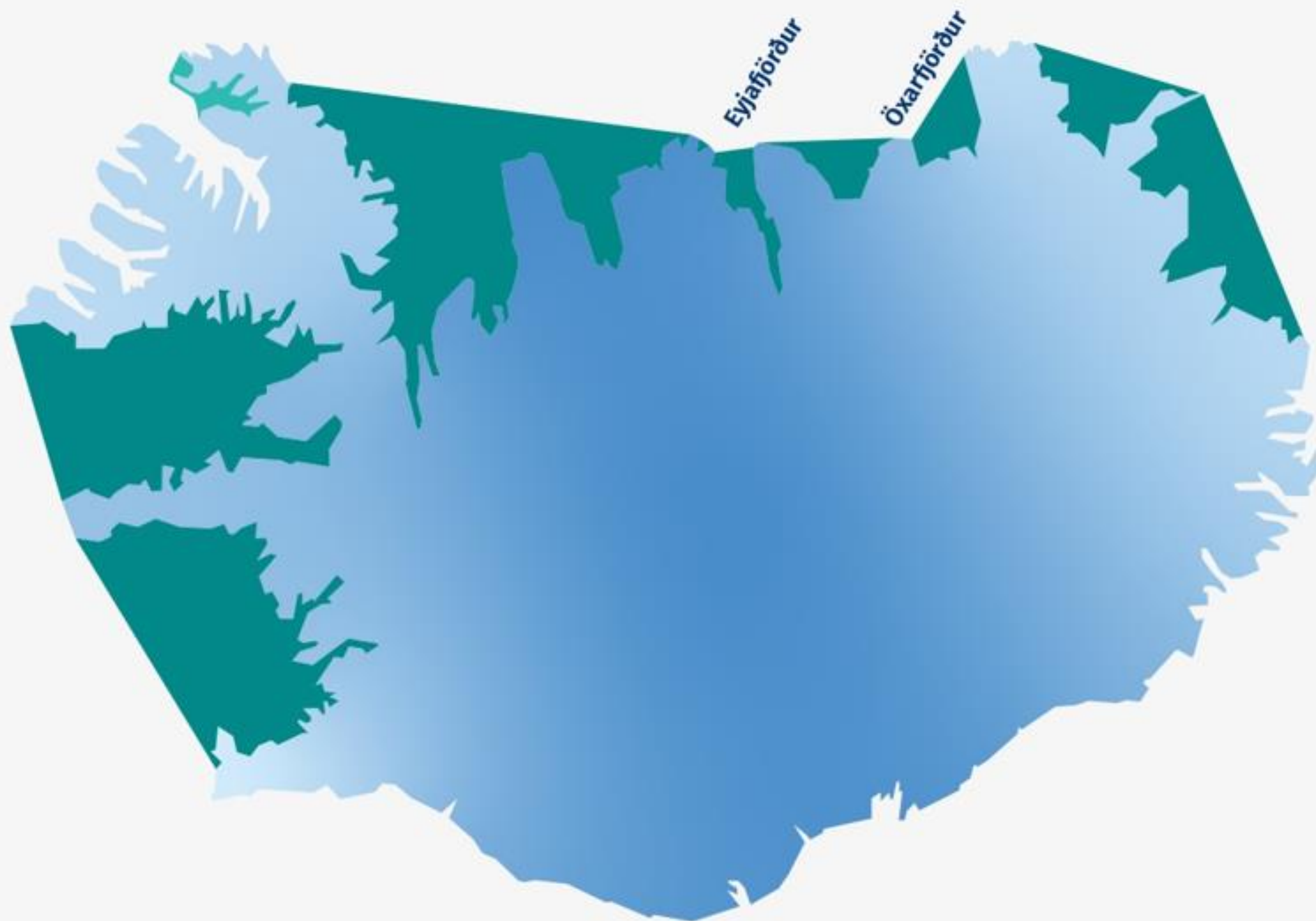
Access to service and skills.

## Biological limitations:

Lice.

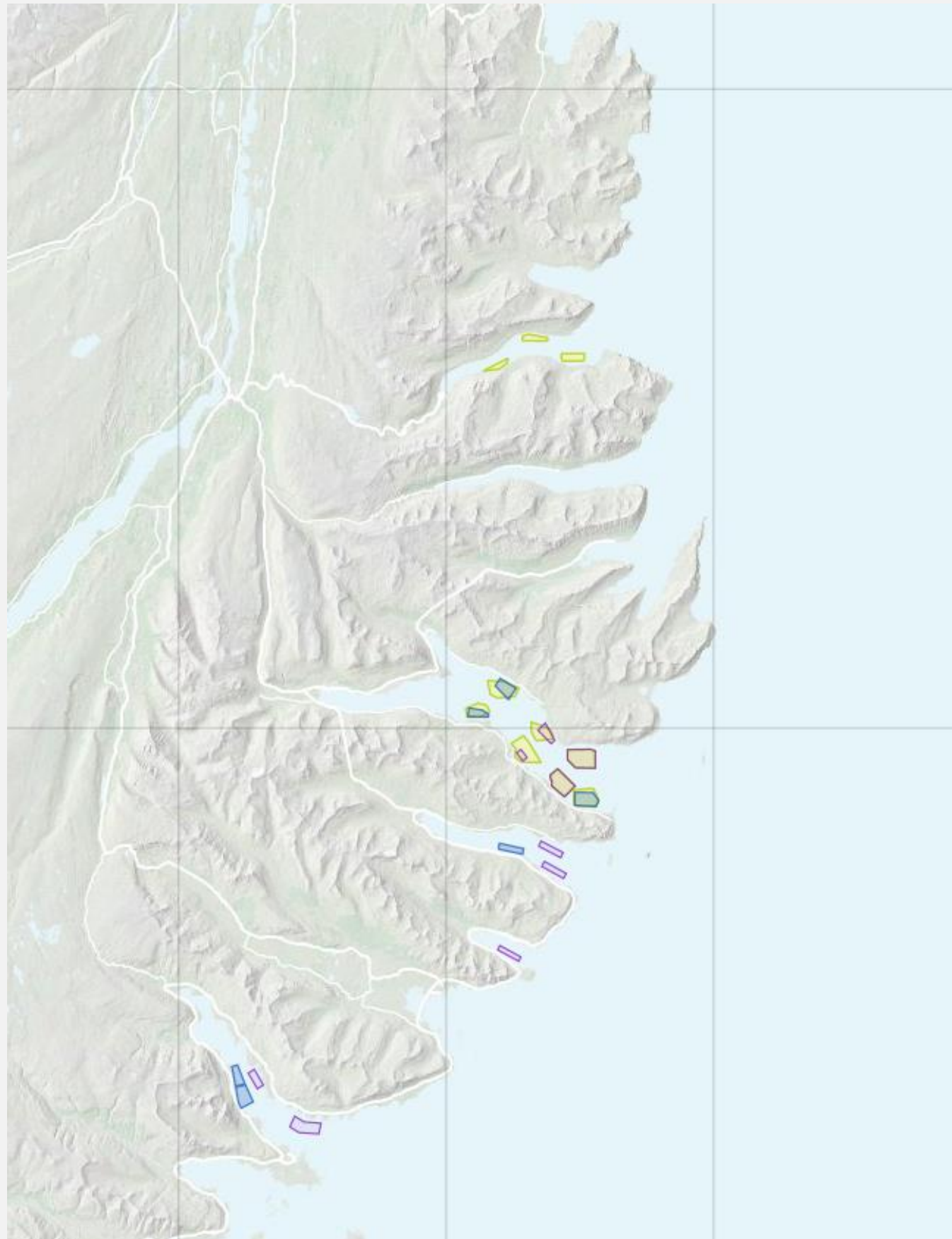
Sea water temperature.

Diseases



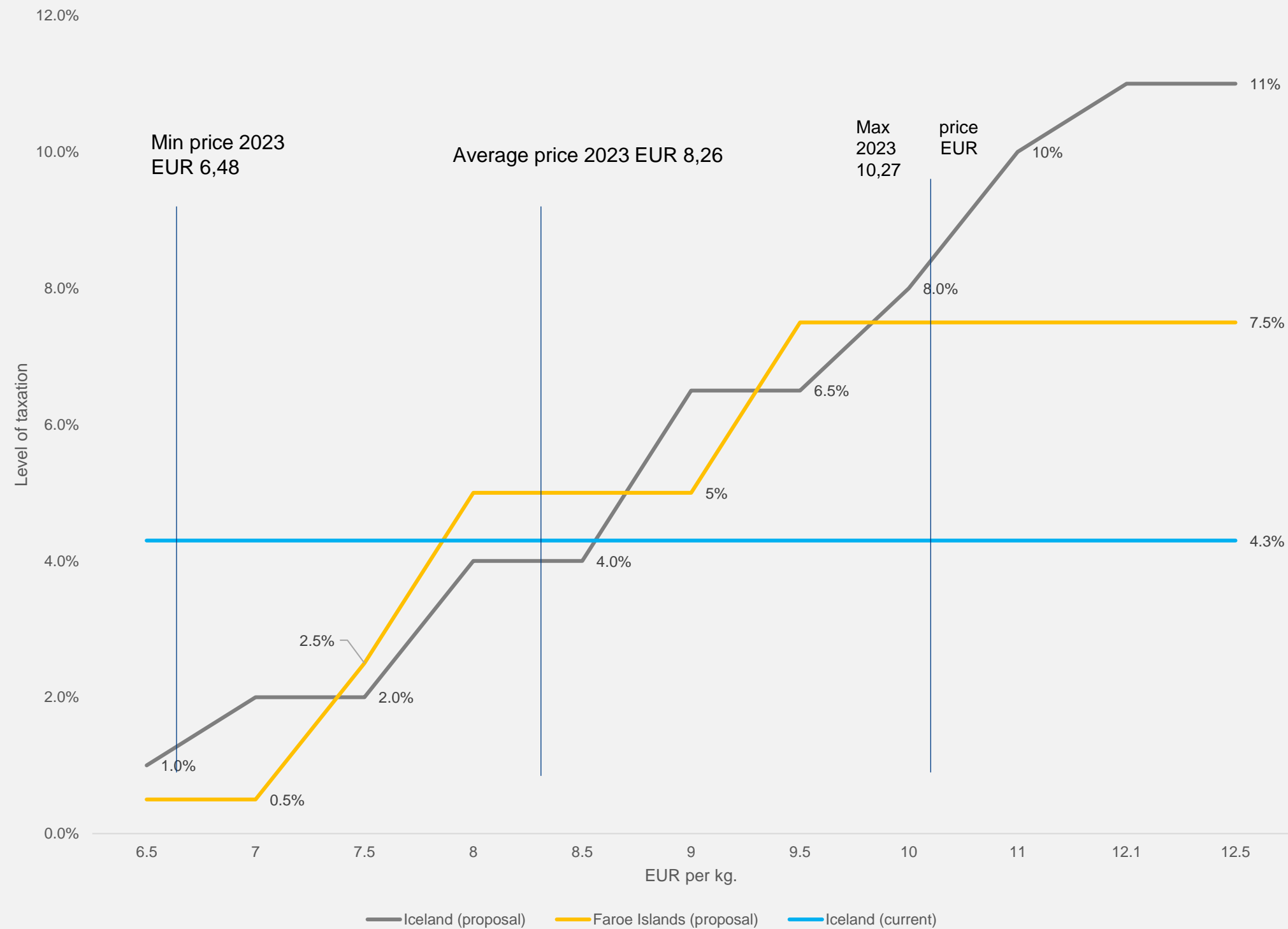
**Conservation zones.**





## Key proposals

- Risk management:
  - One farmer, one area. Biosecurity zones.
- Performance based system:
  - Mortality and lice.
- Taxations depended on production cost.
- Operational flexibility:
  - Salmon share and biosecurity zones.  
Increased utilizations of licenses. Farmers responsibility to maximize salmon share and biosecurity zones.



## Revenue based volume tax

- Seven bracket tax from 1%- 11%.
- Fish pool price.
- Production cost set at ~EUR 7 2024.
- Production cost changes yearly depended on development in feed price, salary cost index and CPI (fish farming index).
- Lower tax when difference between fish pool price and productions cost is low (“profit”).
- Higher tax when the “profit” increases.
- Adjustment period to 2028.
- Lower tax burden in Iceland when “profit” is low compared to Faroe Islands new reforms.



FIGURE 2.11: VOLUME ACROSS AQUACULTURE SECTORS, SCENARIOS AND TIME

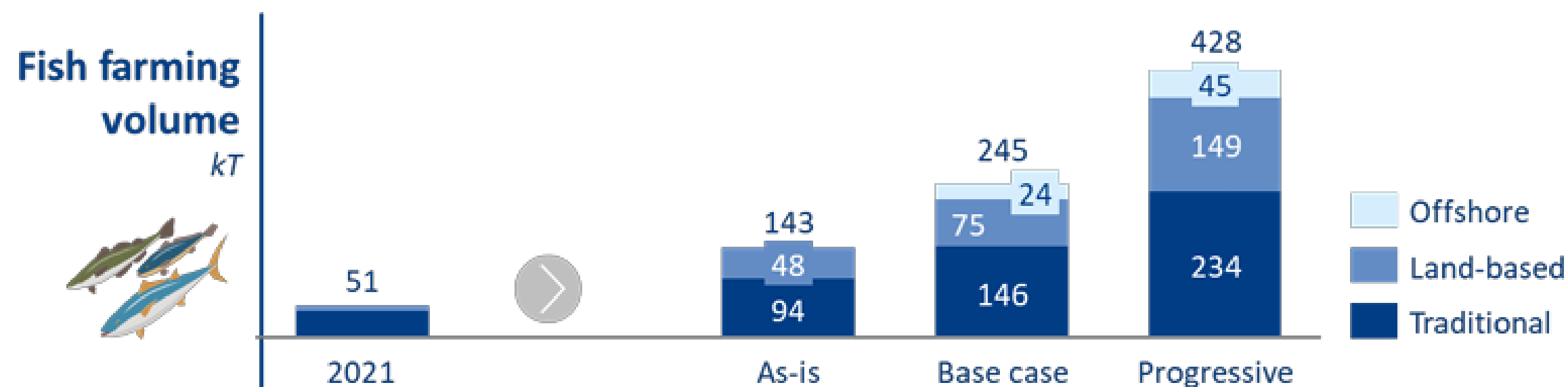
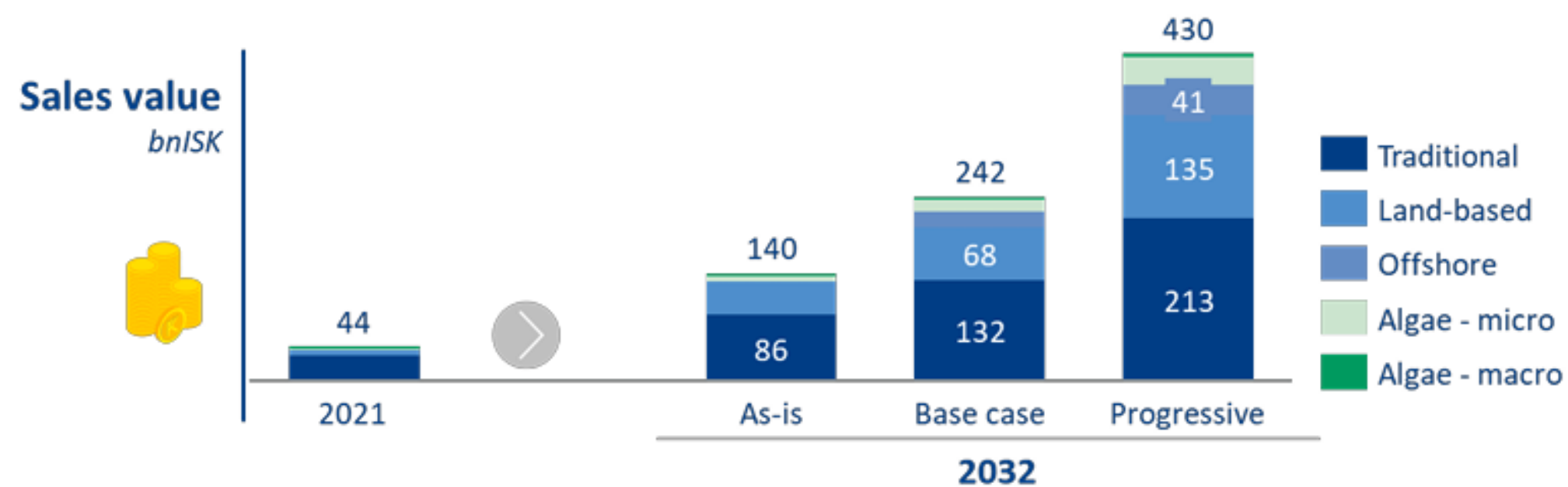


FIGURE 2.21: SALES VALUE ACROSS SECTORS, SCENARIOS AND TIME





# Fjarðabyggð

Jóna Árný Þórðardóttir

Mayor

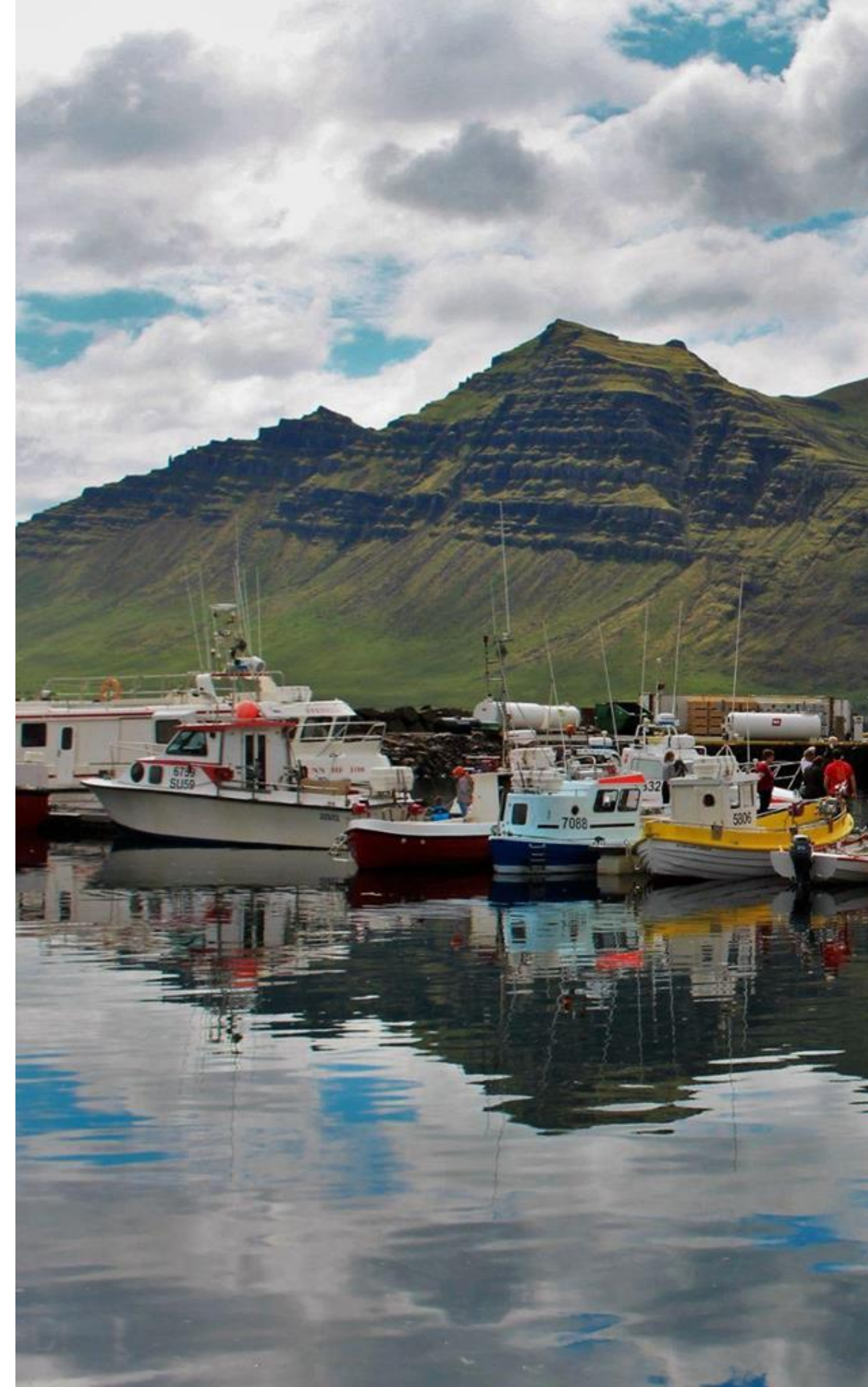
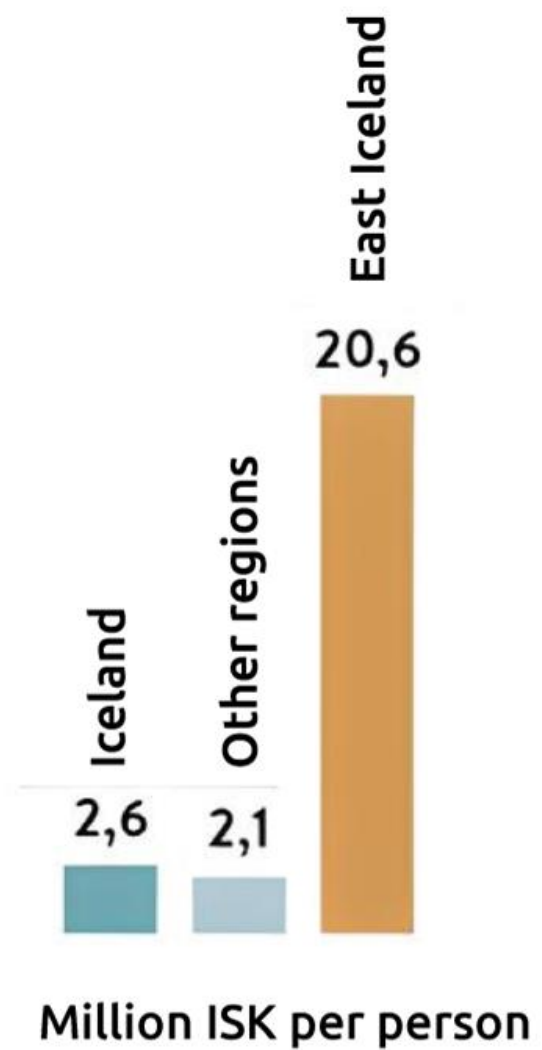
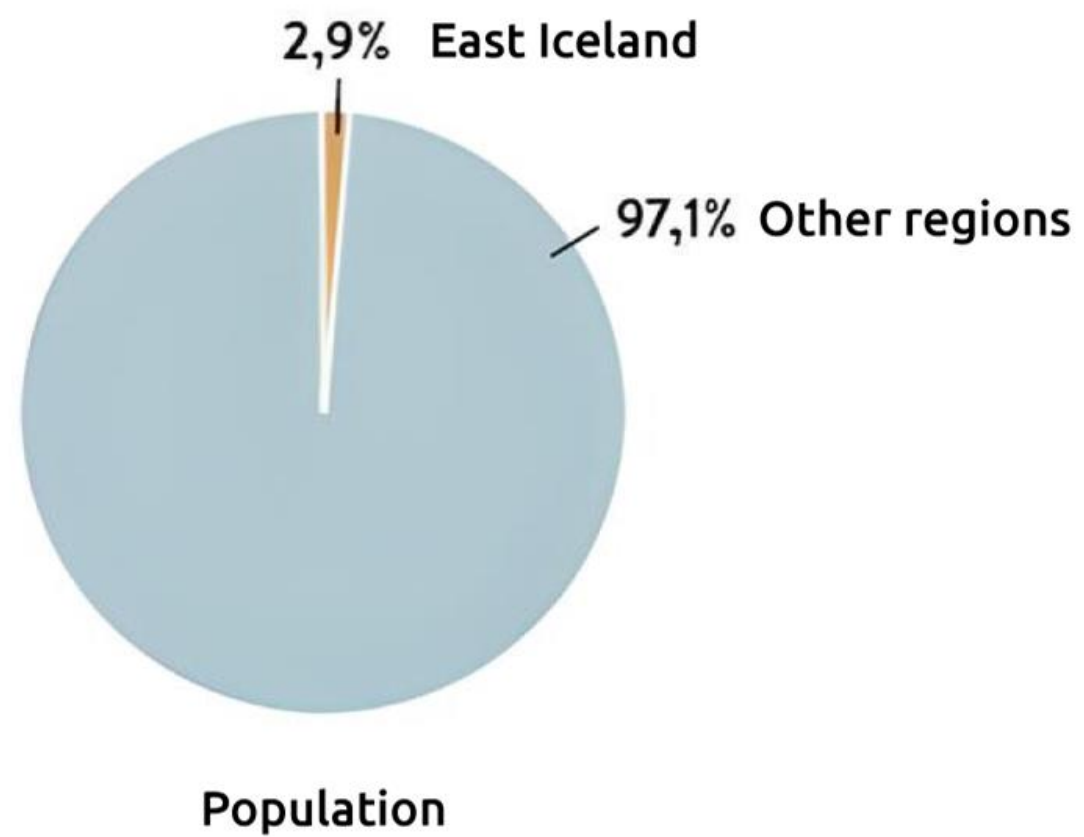








# Population and Product Export Value Per Capita



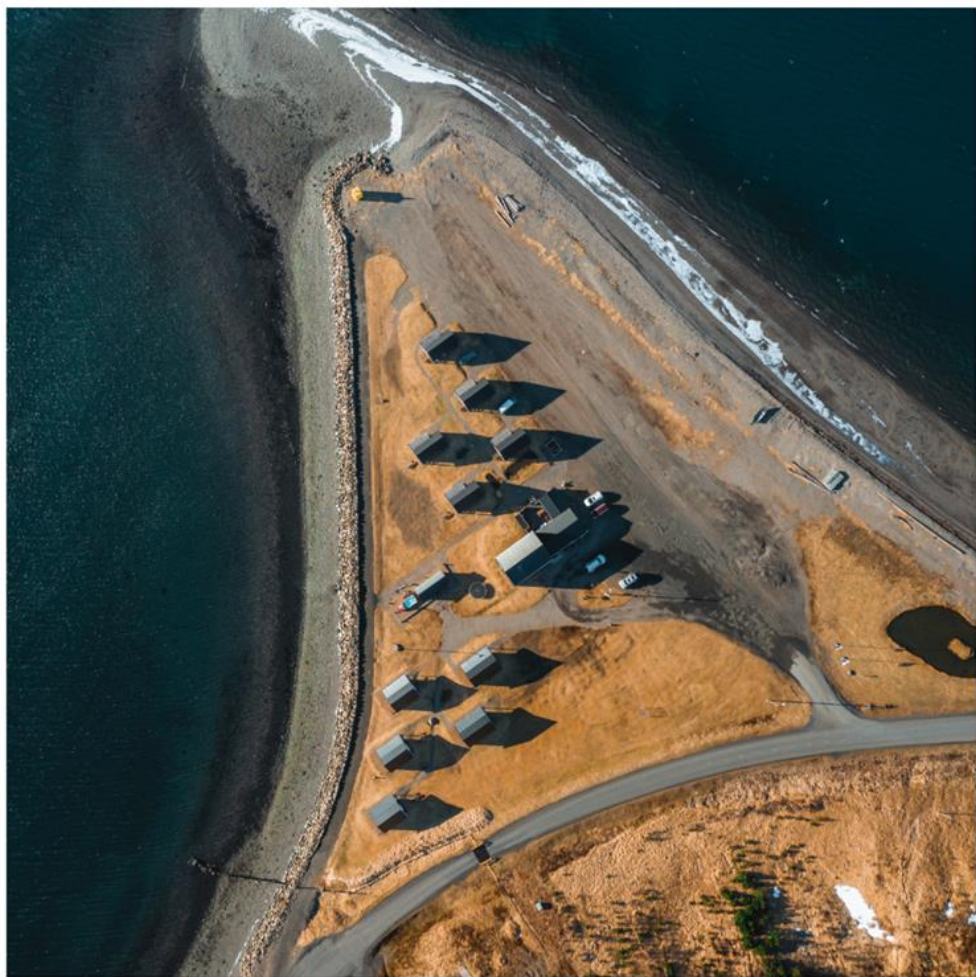















An aerial photograph of a lush green valley in Iceland. A wide, light-colored river winds through the center of the valley. In the background, rugged mountains are partially covered in snow. A bridge crosses the river in the lower right. The sun is low in the sky, creating a warm, golden glow and long shadows across the landscape.

*“Austurland is a united multicultural society with quality of life in the foreground. Its colorful artistic life, rich cultural heritage, and interesting places, such as fjords, regions, and highlands, provide plenty of opportunities to experience real adventure. Its strong and diverse business life is based on the sustainable utilization of resources and knowledge and the population's creativity”.*





An Outstanding Home



The Area of Opportunities



A Strong Society



A Lifelong Adventure

ENVIRONMENTAL

Eco-friendly and  
beautiful

ECONOMIC

Creative and  
impactful

SOCIAL

United and healthy

CULTURAL

Fun and artistic



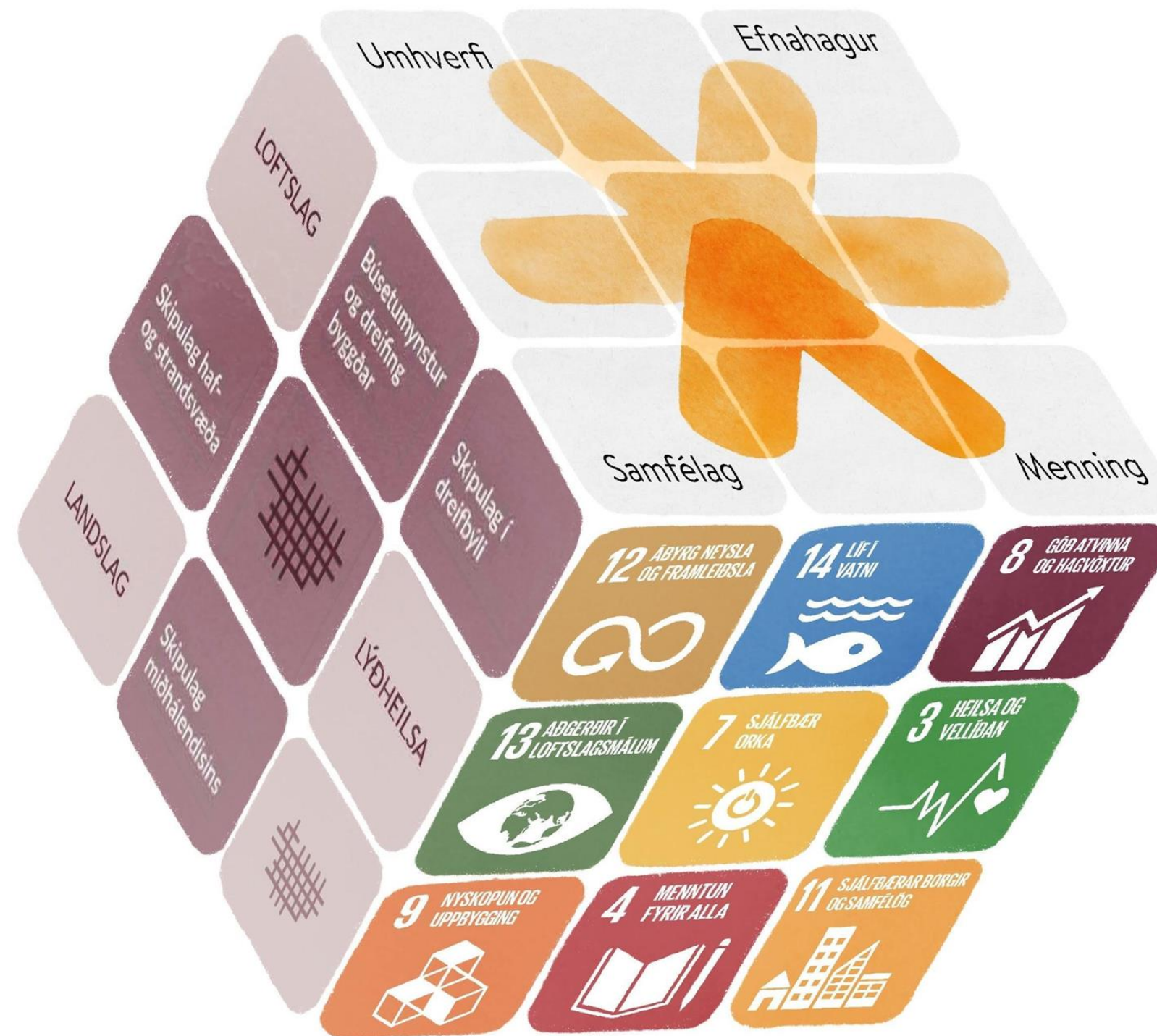








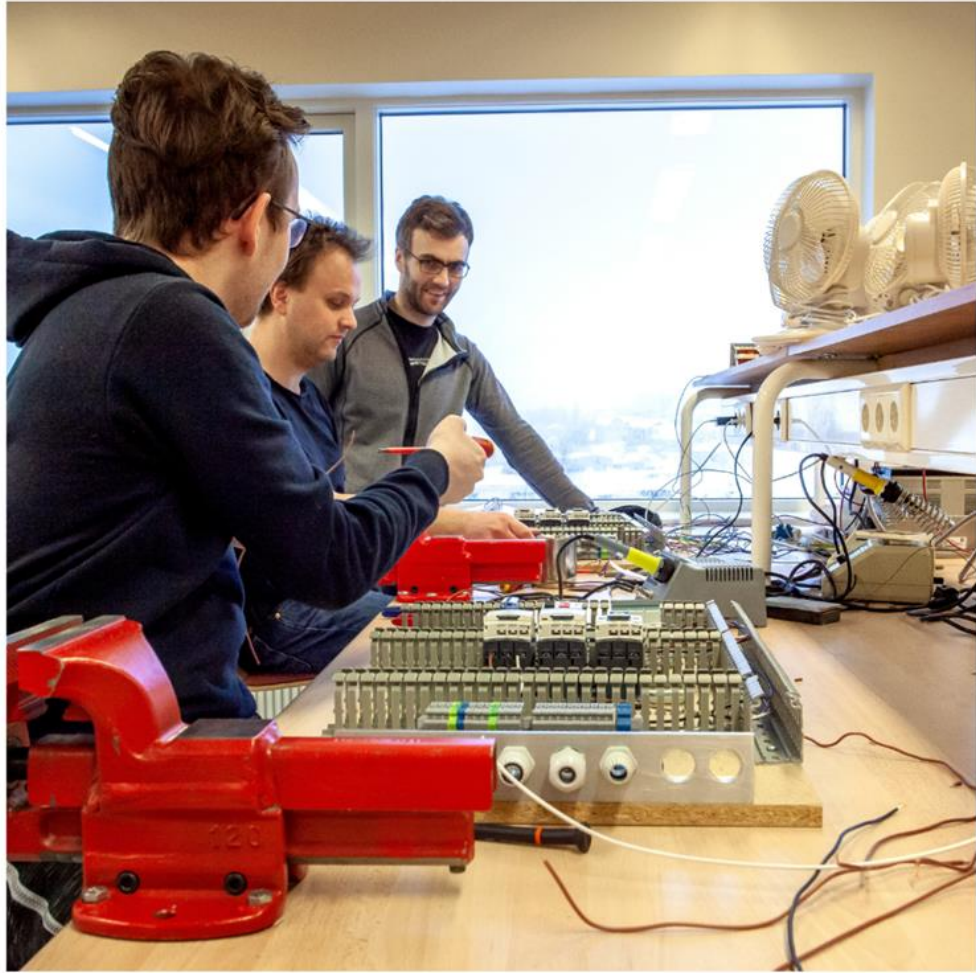




















**In the lead for 123 years**  
Ísfelag's view on salmon farming

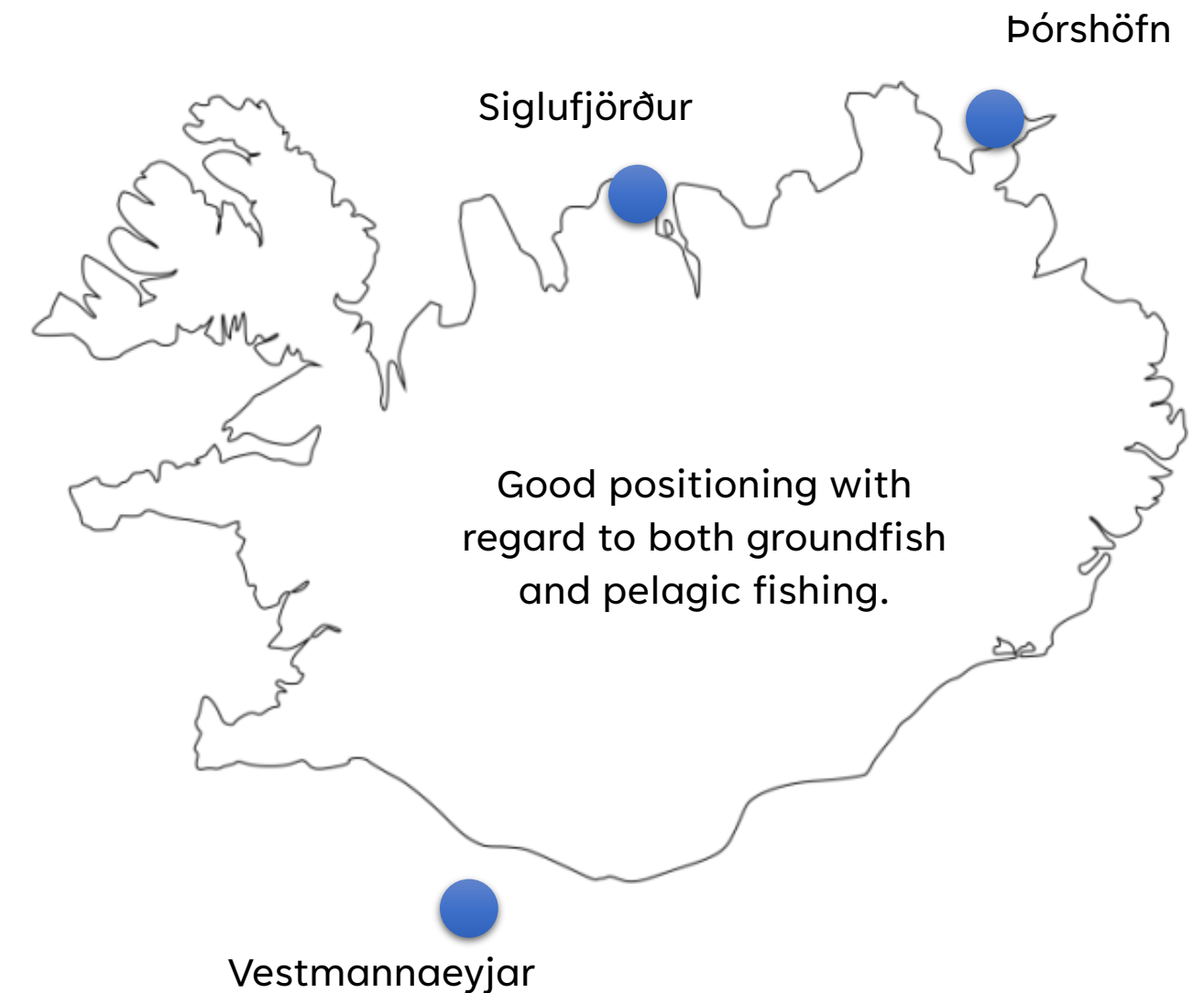
 **ÍSFÉLAG**  
*Founded in 1901*



## One of the largest seafood companies in the country

Well-equipped facilities and a powerful fleet of vessels.

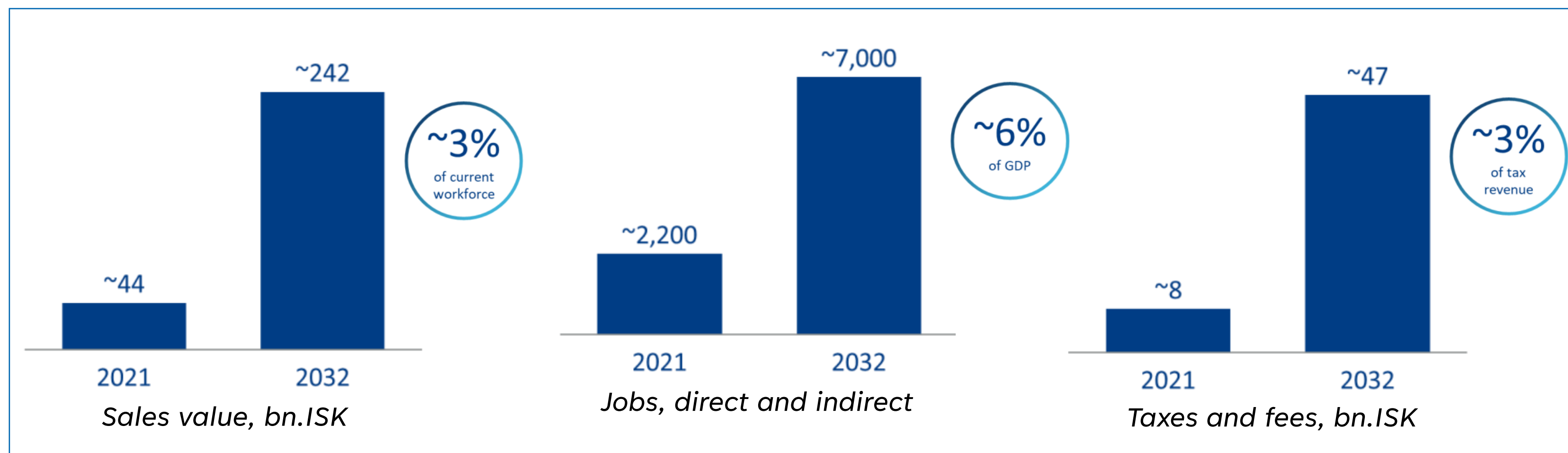
- Operations
  - Processing facilities at four locations in the country.
  - Four pelagic vessels, four trawlers, longliners, and a freezer trawler.
  - A workforce of 400 employees at sea and onshore.
  - A balanced mix of pelagic and demersal fishing resources.
- Significant investments in recent years
  - Fleet modernization.
  - Increased efficiency in offshore fishing and equipment upgrades.
  - Technological advancements in demersal fish processing
- Key numbers for Isfelag 2023
  - Revenue was 232. m. usd
  - EBITDA was 80. m. usd
  - NIBD was 99. m. usd
  - Profit was 45. m. usd after taxes
- Experienced and capable management.





## New industry is rising

Will be a pillar both in local communities and in Iceland



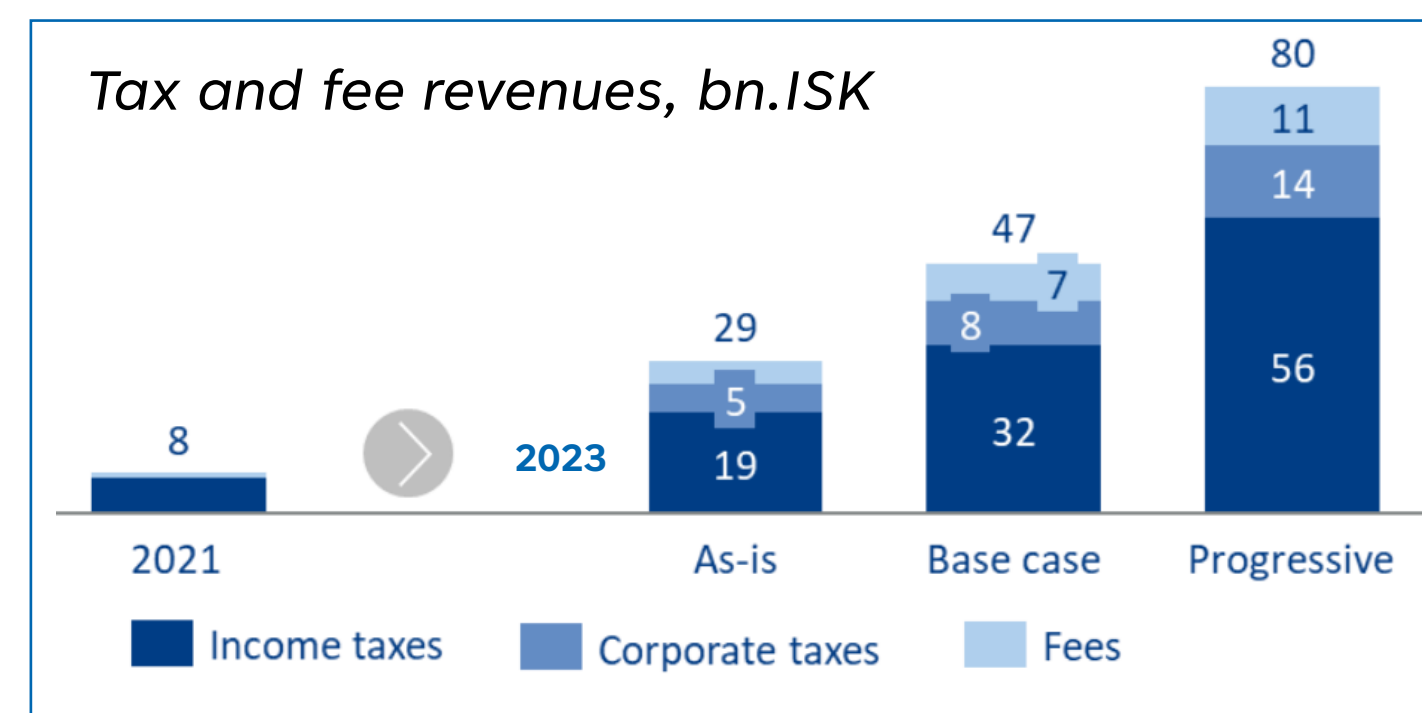
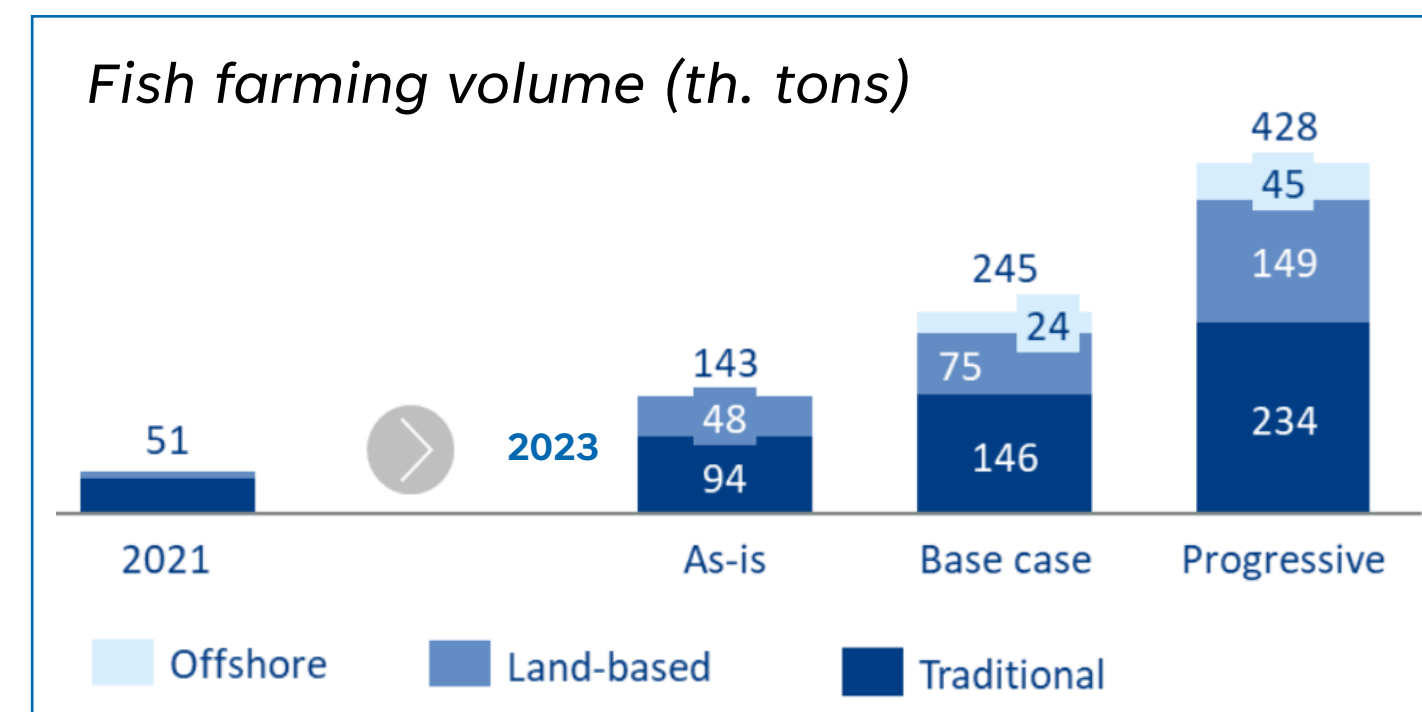
- How will it look in 2032 (BCG and McKinsey)
  - Aquaculture will be 6% of GDP in 2032
  - 7,000 jobs, thereof 3,200 direct jobs
  - And 3% of total tax revenue
- Great pillar in local communities
  - Already great impact on East- and Westfjords
- The three big salmon producers will be among largest companies in the countryside
- Production from 40 th. to 100 th. tons in 2032
  - Will go even higher with improvements in regulations and operation improvements
  - We should open more fjords for salmon farming



## We need to aim high

Aquaculture will be one of Iceland's greatest industries
































































































































- The aquaculture industry hard facts
  - Salmon on land and sea will support each other,
    - Service, transport, marketing and know-how
  - Will be the largest industry on Westfjords
- Significant growth until 2023
  - Traditional farming will produce 146 th tons (BCG)
  - Revenues will be 132 billion ISK
- But it is possible to take this even further
  - That will happen if the industry is able to show the impact that it can have on the Icelandic economy





## Why Kaldvik

Isfelag thinks that all the listed Icelandic companies have a great potential

		EV	M. cap	EV/EBITDA			EV/EBIT			EV/KG (NOK)			P/E		
Company		NOKbn	NOKbn	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Norwegian-listed salmon farmers				7.3x	6.1x	5.7x	10.0x	8.3x	7.6x	237	228	204	12.7x	10.3x	9.3x
	 MOWI	128.5	101.3	 7.6x	 6.8x	 6.6x	 10.0x	 9.0x	 8.7x	 259	 248	 240	 12.7x	 11.1x	 10.6x
	 Salmar	110.8	92.6	 10.7x	 9.5x	 8.8x	 12.6x	 11.0x	 10.1x	 428	 370	 346	 18.0x	 15.8x	 14.3x
	 BAKKAFROST	46.1	40.2	 10.6x	 9.6x	 8.4x	 13.8x	 11.8x	 10.7x	 507	 449	 398	 18.5x	 16.7x	 14.5x
	 LERØY	37.2	29.3	 6.7x	 6.1x	 5.7x	 9.3x	 8.3x	 7.6x	 152	 148	 144	 11.9x	 10.3x	 9.3x
	 Austevoll Seafood ASA	38.7	18.1	 5.8x	 5.4x	 5.1x	 8.2x	 7.7x	 7.1x	n.m.	n.m.	n.m.	 9.2x	 7.6x	 7.6x
	 Grieg	13.1	8.2	 7.3x	 5.8x	 5.4x	 10.9x	 8.0x	 7.2x	 161	 144	 138	 15.2x	 9.9x	 8.4x
 Måsøval	5.6	3.7	 6.4x	 5.7x	 5.5x	 8.2x	 7.2x	 6.8x	 215	 209	 168	 10.6x	 9.4x	 8.5x	
Icelandic listed salmon farmers			10.2x	6.1x	5.4x	14.6x	7.5x	6.8x	293	187	172	21.1x	8.9x	7.4x	
	 Icelandic Salmon	4.7	4.1	 10.8x	 5.9x	 5.1x	 15.3x	 7.0x	 6.8x	 311	 187	 174	 22.5x	 8.9x	 7.5x
	 ArcticFish	3.0	1.7	 10.2x	 6.7x	 5.4x	 14.6x	 8.4x	 6.4x	 293	 207	 172	 21.1x	 8.8x	 6.1x
	 ICE FISH FARM	4.7	3.4	 8.8x	 6.1x	 5.7x	 13.0x	 7.5x	 8.1x	 225	 169	 151	 14.9x	 9.2x	 8.8x











- Kaldvik has a unique positions being the only producer in the east
  - Licenses approved and in process are over 50 th. tons
- Strong shareholders with wide experience
  - Måsøval with over 50 years of farming experience
    - Hands-on owner that provides great support
- Isfelag is the largest Icelandic investor
  - Believes in the industry and the company
- Among shareholders are two of Iceland's finest seafood companies; Skinney-Pinganes and Eskja.
- Appealing comparison between Iceland and Norway
  - There is of course risk involved but also more upside potentials



## Why Kaldvik

Isfelag thinks that all the listed Icelandic companies have a great potential

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Company	EV/KG (NOK)			EV/EBIT		
	2024E	2025E	2026E	2024E	2025E	2026E
	237	228	204	10.0x	8.3x	7.6x
 MQWI	259	248	240	10.0x	9.0x	8.7x
 SALMAR	428	370	346	12.6x	11.0x	10.1x
 BAKKAFROST	507	449	398	13.8x	11.8x	10.7x
 LERØY	152	148	144	9.3x	8.3x	7.6x
 Austevoll Seafood ASA	n.m.	n.m.	n.m.	8.2x	7.7x	7.1x
 Grieg Seafood	161	144	138	10.9x	8.0x	7.2x
 Måsøval	215	209	168	8.2x	7.2x	6.8x
	293	187	172	14.6x	7.5x	6.8x
 Icelandic Salmor	311	187	174	15.3x	7.0x	6.8x
 ArcticFish	293	207	172	14.6x	8.4x	6.4x
 ICE FISH FARM	225	169	151	13.0x	7.5x	8.1x



## But there will be challenges

The industry needs both time to build up, and grow

- The salmon industry in Iceland is a young industry
  - The business is still in early stages and needs further investment
  - The politicians needs to understand we are years behind Norway
  - The tax and regulatory burden cannot be too heavy if we as an industry and a country want to reach full potentials
- Fighting against heavy criticism
  - Often fact less criticism, based on feelings not science
  - The industry is here to stay and general discussion needs to be based on that
- Important tasks ahead
  - The industry need to aim for highest standards
  - We need to educate with facts about the industry and the impact that the industry has and will have on Iceland



## Conclusion

This will be an interesting journey but not without challenges

- The industry will be among the biggest in Iceland
- Significant investments will be ahead
  - Important to have clear goals about where we are heading
- Icelandic salmon companies are good investment but not without a risk
- Iceland will be a leading producer of salmon both on land and sea
- The tax and regulatory framework need to take two things in consideration
  - Where the industry is today compared to other countries
  - That operating in Iceland will be way more expensive
    - At least until we reach more production
- The industry needs to educate with facts what we are and what we are doing