ICE FISH FARM AS
ANNUAL REPORT 2022

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2022

ICE FISH FARM

Financial Statements 2022

Design:
dh

Publisher:

ICE FISH FARM AS
Nordfroyveien 4137260
Sistranda, Norway

ICE FISH FARM

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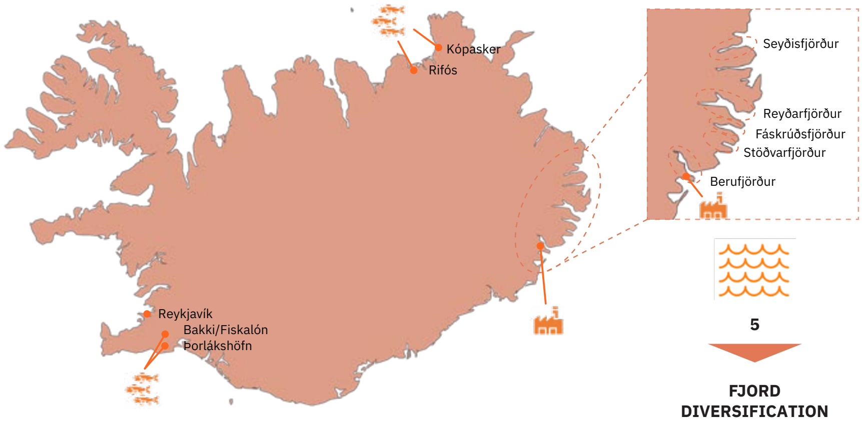
KEY FINANCIAL FIGURES

All figures in NOK 1.000	2022	2021
ICE FISH FARM stock price last trading day of the year NOK per share	28,00	41,60
NIBD	1.134.359	510.272
Equity ratio	61.9%	65,4%
Harvest volume	8.925	5.451
Operating revenue	669.538	322.764
Key figures before fair value adjustments related to biological assets and one off write-down		
EBITDA before fair value adjustments one off biomass write-down	120.796	61.572
EBIT before fair value adjustments and one off biomass write-down	29.288	23.147
Pre-tax Profit or loss before fair value adjustments and one off biomass write-down	54.716	8.968
Profit or loss before fair value adjustments and one off biomass write-down	82.432	4.443
Operating margin before fair value adjustments and one off biomass write-down	4,4%	7,2%
Profit margin before fair value adjustments and one off biomass write-down	12.3%	1,4%
Earnings per share before fair value adjustments	-0,38	0,08
EBIT/KG before fair value adjustments and one off biomass write-down	3,28	4,25
Fair value adjustments and one off write-down		
Fair value adjustments related to consolidated companies	-23.891	15.503
One off write-down of biomass	116.324	0
Key figures after fair value adjustments related to biological assets and one off write-down		
EBITDA	-19.419	77.075
EBIT	-110.926	38.650
Pre-tax profit	-85.498	24.471
Operating margin	-17%	12%
Earnings per share	-0,70	0,37

ORGANIZATION AND FUTURE GROWTH

ORGANIZATION AND VALUE CHAIN

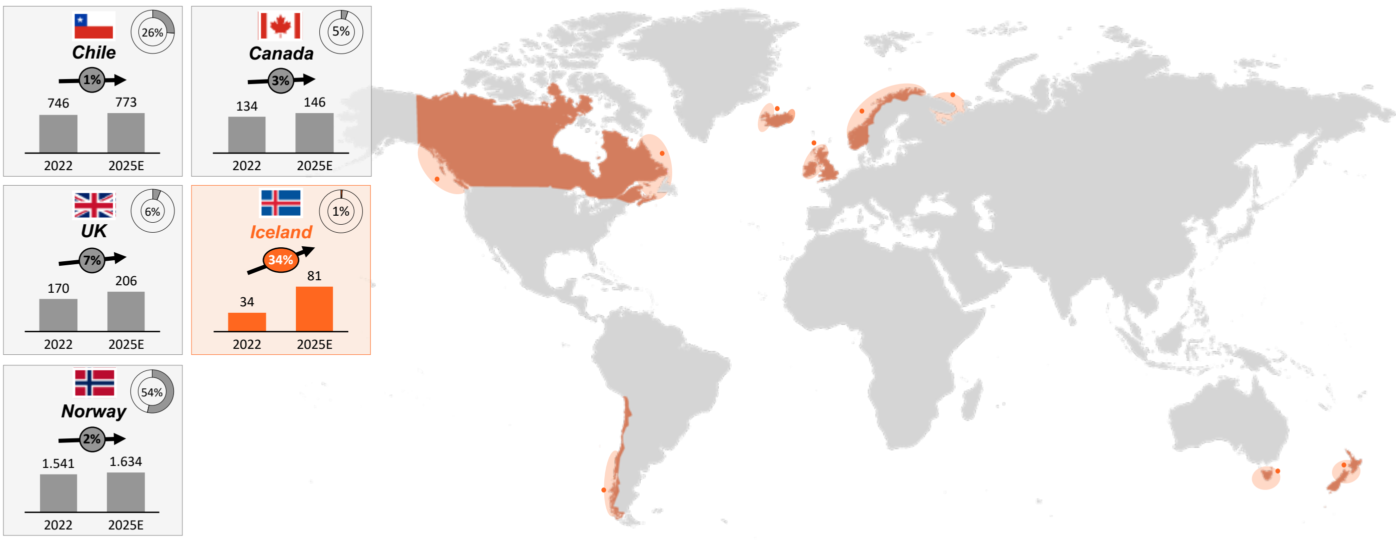


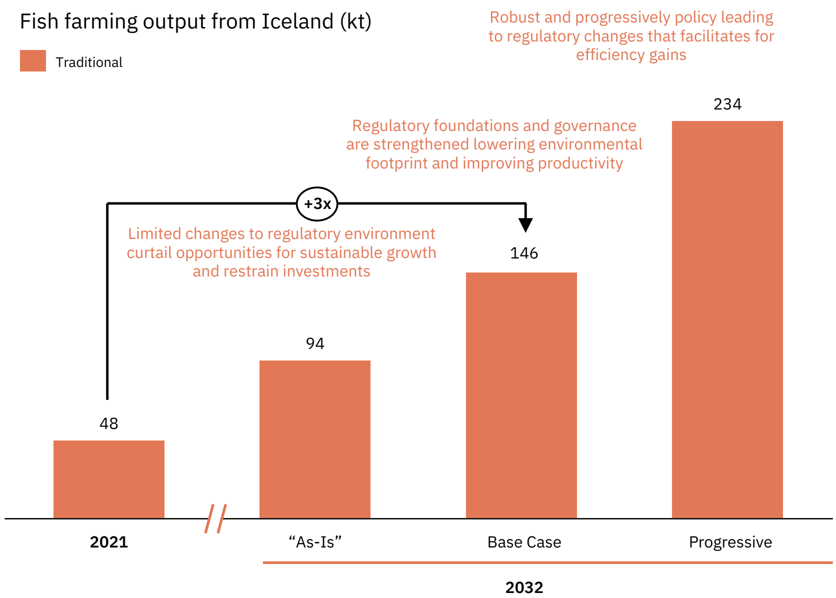
5	14	5	1
FJORD DIVERSIFICATION	PRODUCTION OPTIMIZATION	7-8 MILLION POST-SMOLT CAPACITY	30KT PROCESSING CAPCITY ON ONE SHIFT

Breeding	Freshwater farming	Post-Smolt	Seawater farming	Harvesting
The smolt operations are located in Rifós (North) and Bakki (South).	The freshwater farming operations are located in Rifós (North) and Bakki/Fiskalón (South).	Post-smolt facilities are located in Kópasker (North) and Þorlákshöfn (South).	Seawater farming is located in 5 fjords on the east coast of Iceland in 14 different sites	Búalandstindur harvesting station is located in Djúpivogur (East)

BUSINESS OPPORTUNITY

Iceland set to grow faster than other regions short-to-mid-term





10 YEARS OF EXPERIENCE

WITH SALMON FARMING IN ICELAND AND MORE THAN 150 DEDICATED EMPLOYEES

2012 – Incorporated

ICE FISH FARM

ICE FISH FARM founded by Guðmundur Gíslason , Þórður Þórðarson, Jónatan Þórðarson.

2012 – First smolt stocking

First salmon and trout put into sea

2013 – First harvest

First salmon generation harvested

2015 – MNH entry

MNH Midt-Norsk Havbruk AS

Capital placement translating into MNH ownership stake of 45%

2016 – Operational expansion

Investments in cages and equipment

2017 – Capital increase

MNH increases ownership stake to 62.5% (up from 45%)

2017 – Second smolt facility

Acquisition of Rífos

2017 – Third smolt facility

Development of third smolt facility (Kópasker) started

2017 – Capacity increase

1/3 of Búlandstindur (processing facility) sold to Laxar, capacity increased to 100 tonnes per day

2018 – New sales agreement

Sales agreement established with large international supermarket chain in the US

2020 – Måsøval Eiendom entry and listing on OSE Euronext

Måsøval

Måsøval enters in as new majority shareholder

2022 – Acquisition of

LAXAR FISKELDI

ICE FISH FARM acquires Laxar and becomes the sole salmon farmer in the East Fjords of Iceland

2023 – Refinancing with strong bank syndicate

DNB, Landsbanki, Nordea, Arion Bank

Refinancing package of up to EUR 156.2m

2023 – Måsøval and Isfelag enters strategic partnership

Måsøval, ÍSFÉLAG VESTMANNAEYJA HF

Måsøval controlling 70.7% of the joint company

SUSTAINABILITY AND ESG REPORTING

INTRODUCTION

The nature and the interaction with it has always been a foundation stone in the culture on Iceland. We have to play along with the nature and everything we do must be in harmony with it. Sustainability for us is what we do and how we do it to keep the balance in the harmony. The nature resources must be treated in a way that not compromises the existence of it in the future. The same resources and theirs capacity should be available and valuable for our comming generations in the future. Our people, management and communities are important players to keep balance in the harmony, and have our focus in a sustainable approch.

ICE FISH FARM will in our production of Atlantic salmon on Iceland, at all times strive to use the best known pratices, technology and equipment to ensure that we leave behind the smallest possible impact from our business. We are a young company in a early stage of development and have many things to improve, but that position gives us also an opportunity to establish sustainabillity as a core value in the company culture and "DNA". We will implement and use both international and national tools and goals as a guideline in our company development towards a sustainable future.

UN – SUSTAINABLE DEVELOPMENT GOALS

The 17 Sustainable Development Goals (SDG's) were agreed by all United Nations members in 2015. They were made as a guide for urgent actions by governments, civil society and the private sector to participate in a collaborative effort for change towards sustainable development.

ICE FISH FARM is a small private company in the larger world context. No one can do everything, but everyone can do something. We at ICE FISH FARM believe that we can have an extra impact and focus on a few of these SDG's:

13 CLIMATE ACTION

Global food production do have a large part of the world's greenhouse gas emmisions. Farming of salmon has a significant lower carbon footprint compared with other sources of protein. ICE FISH FARM wil continue to take specific actions to reduce our carbon footprint from the value chain

14 LIFE BELOW WATER

We borrow the ocean to do our business, and we are depending on a healthy environment for our fish. ICE FISH FARM will continoulsy monitor and implement the best practices to keep our impact to the ocean and it's ecosystem to the minimum. We will make sure that we have a responsible waste management system so no pollution to the ocean happens

2 ZERO HUNGER

ICE FISH FARM can contribute to produce sustainable food. Farmed salmon is a healthy source of marine protein and omega-3, and is one of the most effective production of food in regards of carbon footprint, feed conversion rate, reusable yield and use of by-products

CERTIFICATIONS

GlobalGAP:

GlobalGAP is a well-known and recognized standard for agriculture and aquaculture industries. The certification is a brand of smart farm assurance solutions, with the purpose of having a standard for safe, socially and environmentally responsible farming practices. The standard includes the processes and products during the whole value chain, from the input of eggs to harvested fish in the box, and requires documentation for environmental, fish welfare, hygiene, biosecurity, food safety and traceability actions to secure sustainability in all links in the chain. Good aquaculture practices aren't just about processes and products but also include the people involved. GlobalGAP for aquaculture does therefore include an add-on for social practices to demonstrate our responsibility and commitment to our employee's health, safety and welfare.

ICE FISH FARM has started a preparation process to get certified for the GlobalGAP standard, and we aim to be certified during 2023. The certification will include all sites on land and sea, and the harvest station Bulandstindur

AquaGAP:

AquaGAP is a recognized aquaculture standard for sustainable farming. The primary purpose of the AquaGAP standard is to promote quality seafood products, which include transparency of origin, quality at each stage of production, good aquaculture farming practices and adherence to principles for corporate social responsibility.

ICE FISH FARM has been certified for AquaGAP since 2018, including all sites on land and sea, and the harvest station Bulandstindur

ASC:

Aquaculture Stewardship Council (ASC) is a recognized and one the world's leading aquaculture standards for farmed seafood to be independently assessed and certified as environmentally and socially responsible. The ASC oganization communicate it self that theirs vision is to play a major role in supplying aquaculture food and social benefits for humanity whilst minimising negative impacts on the environment.

ICE FISH FARM has put ASC on the road map and will during 2023 put up a plan for a process towards being certified for some or all sites within a defined period.

Green-book reporting

According to Icelandic law and regulations about hygiene and pollution prevention (act no 7/1998 and regulation no 851/2002), the fish farming industry (along with other industries) is obligated to report a "Green-Book-Accunting" every year to The Environmental Agency of Iceland (UST). Green accounting is defined as material accounting that provides information on how environmental issues are handled in the relevant activity, mainly in the form of numerical information. Green accounting is presented in a report that annually states the results of green accounting for each accounting period. A report on green accounting must include information on the company's primary use of raw materials, energy, geothermal water and cold water during the accounting period, together with the main types and amounts of chemicals and substances that cause pollution.

Since the start of the company in 2014, ICE FISH FARM has reported the green book accounting in accordance with the law. The report is always reviewed and approved by a third party which issues a statement verifying compliance with the requirements of the law.

Data and information regarding environmental requirements, inspections, follow-ups and green accounting reports are available and published for the public on the webpage to UST (https://www.ust.is/atvinnulif/mengandi-starfsemi/starfsleyfi/eldi-sjavar-og-ferskvatnslifvera/)

Transparency

To build a good reputation in the community and achieve trust from our stakeholders, we need to be transparent and have an "open-book approach" in everything we do. We intend to do that with an open and transparent reporting strategy, including our annual and quarterly reports for financial and operational results. Also, our green book reporting to the authorities is available and published for the public on the webpage of UST.

ICE FISH FARM intends to work more with our transparency, and our goal is to establish a robust reporting system, including more specific KPIs for sustainability. This work will be continually developed in 2023.

Social accountability and community engagement

ICE FISH FARM has operations in five municipalities in Iceland. These municipalities are on the northeast coast, east fjords and the south coast.

As a significant employer in these communities, the company puts a focus on participating in building up and maintaining a good relationship with the local population and being informative. The company has had excellent and productive cooperation with the municipality's councils to inform and cooperate in different areas of operations.

The company holds a sponsor and grant program to support local

sports and cultural events in all of the communities the company has operations.

The company is now in the final stage of implementing the Equal Pay Certification program. The program is mandatory by authorities and secures that equality is among employees which are performing the same position within the company.

Green projects

The government of Iceland has introduced an ambitious goal for reducing carbon emissions. The goal is to reduce carbon emissions by 55% before 2030, and total carbon neutrality will be gained by 2040.

Fossil fuels are one of the most significant carbon footprints in our operations. Feed barges, well boats, operation and service vessels are powered by fossil fuel.

ICE FISH FARM is a leader among the fish farming companies regarding the "green energy transformation". The company was the first to connect one of its sites in Reyðarfjörður to land electricity and is now working on land connections in Fáskrúðsfjörður and a land connection for wellboats at our harvesting plant in Djúpivogur in cooperation with Blámi Green Energy Cluster.

The company has made ambitious goals to land-connect all feed barges before 2030 and, in coordination with the official goal of the Icelandic government, to gain total carbon emission neutrality by 2040.

Fish health and welfare

ICE FISH FARM is the only fish farming company operating on the East Coast of Iceland with 15 sites in 3 different fjords: Berufjörður, Fáskrúðsfjörður and Reyðarfjörður. Biosecurity-vise this is an optimal situation since the company has full control within its production area in sea. However, in 2021 ISAV was detected in one of our sites resulting in a severe situation where five sea sites were infected. This led to higher mortality and destruction of large parts of our biomass. Since then, several improvements in biosecurity have been introduced including separated production areas, strict routines on movement of equipment and personnel, monthly monitoring of infection status, and sanitation harvesting at our harvest station Bulandstindur. This experience has been a serious challenge for the company, but also a situation that has resulted in significant improvements in biosecurity and fish welfare that will be important for future production.

In addition, increased focus has been put on improving the quality and welfare for fish in our land sites, and significant investments have now been planned to make further improvements in the quality of the fish transferred to sea. Previous generations show that with good operations and a focus on details, we achieve good production results. However, we know that good welfare reduces risk of disease and improves growth, this improves profitability.

Farmed salmon has excellent growth potential provided that the health status of the fish and environmental conditions are favourable. At the same time, the growth rate has a significant indirect impact on the risk of disease and mortality because increased growth also reduces the time the salmon spends in open net pens. We therefore aim at producing a high quality smolt and to release big fish to sea, and also use the growth rate as a measure of good fish welfare.

Mortality, the number of disease outbreaks and environmental parameters are other key indicators when ICE FISH FARM evaluates biology and fish health performance. Fish health is everybody's responsibility in ICE FISH FARM. Every one of our employees takes their share of the responsibility to ensure that the salmon has a good life – from roe to harvest ready fish. Every week the company's operating units and specialist personnel conduct a multidisciplinary biology meeting where we evaluate and make decisions to ensure good biological control over time. We also work systematically to identify the current biological challenges to the company, be it causes of death, capacity issues or environmental and production factors. We then determine where and how to focus our resources over time.

To succeed with this ongoing development process, we are working closely with several external experts both from Iceland and Norway. We make active contributions to research and development in the form of capital and expertise, and we continue to seek new technological solutions to improve biological control.

ICE FISH FARM is proud of the work that goes into ensuring the fish welfare of our salmon. Good biological control and good living conditions for our fish ensure healthy, happy and growing fish. This is key to safeguarding the company's profits and to maintaining our role as a sustainable food producer.

Going forward

There are several projects on the horizon which the company is already looking into. Environmental and social factors connected to our operations are constantly evolving and we will continusly monitor and analyse which projects are relevant for the industry.

Specific projects, already on the horizon, are Green House Gas emission reporting, ASC certification and projects connected to carbon offsetting.

REPORT OF THE BOARD OF DIRECTORS

2022 in brief

ICE FISH FARM received 7.000 tonnes license in Stöðvarfjörður in Q1 2022. A License for 10.000 tonnes in Seyðisfjörður is being processed by authorities and will hopefully be granted in 2023.

ICE FISH FARM acquired all shares in Laxar Fiskeldi ehf in Q2 2022. ICE FISH FARM also acquired 33% shares in Búlandstindur ehf harvesting station and now owns 67% of all shares in the company. Total purchase price of NOK 1,051 million.

Equity valuation of ICE FISH FARM AS vs Laxar Fiskeldi of 59/41 in ICE FISH FARM AS favour, settlement in ICE FISH FARM AS shares (total of 37.525.424 new shares which increased the total numbers of shares outstanding to 91.525.424). Closing of the transaction was 30th May 2022 and the acquired companies are consolidated from this date.

ICE FISH FARM sites Hamraborg and Svarthamarsvik in Berufjordur detected ISA virus in May 2022. All fish in Berufjordur was harvested in 2022. The company has undergone comprehensive biology risk assessment and implemented strict rules to minimize biology risk.

Total Biomass write-down due to ISA infected fish amounted to NOK 104 million at end of Q2

Fiskeldi Austfjarða, subsidiary of ICE FISH FARM, sold its shares in Eldisstöðin Isthor, smolt station, to Arnarlax. Sales agreement between the companies was signed in May 2022. The enterprise value for 50% of the company amounted to €16 million. The transaction was accounted at closing in August after receiving confirmation from the Icelandic Competition Authority.

ICE FISH FARM began talks with selected financial institution to explore financing possibilities for future financing as well as refinancing of all interest-bearing debt. Each company in the group was financed seperately and adhered to different terms and covenants. The aim was to simplify the loan structure of the group and finance all interest-bearing debt on group level. The refinancing process resulted in an bank syndicate with four banks, DNB Bank ASA, Nordea Bank, Arion Banki hf and Landsbankinn hf for a long-term bank financing package of up to EUR 156.2 million. Please refer to note 7.3 for subsequent events for more details regarding the refinancing package.

Operations and locations

ICE FISH FARM is a Norwegian holding company with headquarters in Iceland. The address of its registered office is Nordfroyveien 413, 7260 Sistranda, Norway, Norway. ICE FISH FARM’s headquarter is located at Nesbala 122, 170 Seltjarnarnes, Iceland.

The company operates in several locations around Iceland. The smolt Facilities are in North and south coast of Iceland. The sea-farming is performed on the eastern coast of Iceland, in Berufjörður, Fáskrúðsfjörður, Reyðarfjörður and Stöðvarfjörður.

Búlandstindur, harvesting station is located in Djúpivogur which is on the east coast of Iceland.

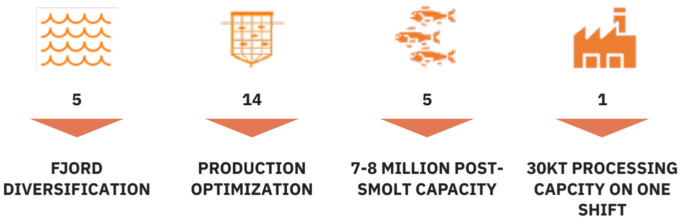
The principal activities performed by ICE FISH FARM is salmon farming. The Group includes, in addition to ICE FISH FARM, the following subsidiaries:

Company name	Registration no.	Ownership	Country of incorporation
Fiskeldi Austfjarda hf	520412-0930	100%	Iceland
Rifos hf	500692-2869	100%	Iceland
Laxar Fiskeldi ehf	450220-1400	100%	Iceland
Búlandstindur ehf	680999-2289	67%	Iceland

Future growth and investments

ICE FISH FARM has in recent years invested significantly. The first milestone of the company is to reach yearly production capacity of 30.000 tonnes.

ICE FISH FARM owns and operates 5 different smolt facilities with 7 – 8 million post-smolt capacity. Furthermore, the company has a license to farm salmon in 4 fjords in 11 different sites. ICE FISH FARM has a pending license application for Seyðisfjörður which will add 3 additional sites. Finally, ICE FISH FARM owns 67% in Búlandstindur, harvesting station. The station has annual processing capacity of 30.000 tonnes for one shift.



The investment plan for the next two years amounts to around NOKm 410. The majority of the capex plan will focus towards improving production in our land facilities. However, part of the capex will go toward setting up 3 sites in Seyðisfjörður in 2024.

Our investment plan lays the ground for the further expansion, closely linked to the expected award of licenses. Standard equipment for sea that is in regulation and law in Iceland that all equipment should comply with NS94 standard.

Research and development

The Group has a strong focus on sustainable biological production and fish welfare. Several internal projects have been initiated and are ongoing. The projects aim toward improving biosecurity, infection management, quality, and welfare of the fish as well as green energy transformation. An overview of ongoing projects is available in pervious chapter on sustainability and ESG reporting.

Outlook

Premium prices and good biological status are the basis for continued good performance.

Harvest outlook:

- Harvest for 2023 6.000 tonnes.
- Harvest for 2024 20.000 tonnes.

Financial performance

Consolidated operating revenues amounted to NOKm 670 in 2022 compared to NOKm 323 in 2021 which equals roughly 107% increase in revenues.

ICE FISH FARM harvested 8.925 tonnes in 2022 which is approximately 64% increase from 2021 when 5.451 tonnes were harvested.

ICE FISH FARM acquired Laxar Fiskeldi ehf in May 2022 which partly explains the increased harvesting and revenues in 2022 compared to prior year.

Average EBIT per kg in 2022 was NOK 3.3 per kg compared to NOK 4.3 per kg in 2021.

At 31 December 2022 the total balance amounted to NOKm 3.683 compared to NOKm 1.713 at year end 2021, an increase of NOKm 1.970. The acquisition of Laxar as well as currency rate changes explain majority of the increase of total balance between 2022 and 2021.

The premium created in the transaction was allocated to license and goodwill. The book value of licenses amounted to NOKm 1.790 at year end 2022 compared to NOKm 618 in 2021.

Property plant and equipment amounted to NOKm 1.220 at year end 2022 compared to NOKm 559. Investment in property plant and equipment during 2022 amounted to NOKm 141, mainly towards improvements in land facilities.

NIBD more than doubled in 2022 compared to 2021 where the NIBD at year end 2022 amounted to NOKm 1.134. The main reason is the acquisition of Laxar Fiskeldi.

The net cash flow from operating activities was NOKm 4.4 in 2022 and the operating loss ended at NOKm 85.5. The difference is mainly related to a significant increase in working capital partially offset by ordinary depreciation and FV adjustments.

Net cash flow to investing activities amounted to NOKm 5.4 and Net cash flow from financing activities NOKm 18.5 in 2021.

The Group's short-term debt as of 31.12.2022 constituted 49% of the Group's total debt compared to 29% in 2021. Few loan agreements have a maturity date in 2023, thus classified as short term. All loans in the group were refinanced in April 2023. Furthermore, Major shareholders supported the company during the refinancing process with shareholder loans. Shareholders loans amounted to NOKm 193 at year end 2022 compared to NOKm 27 in 2021. All shareholder loans were converted to equity in March 2023.

The equity ratio was 61,9% as of 31.12.2022.

The parent company's total capital was NOKM 2 928 at the end of the year (2021: NOKm 1 793). The equity ratio in the parent company as of 31.12.2022 was 97.0 % (2021: 99.9 %).

FINANCIAL RISK

Overall view on objectives and strategy

The focus for the Group is to remain a profitable and solid company for its shareholders and create a safe and stable place to work for its employees. This is done by carefully monitor different risk the Group is exposed to and invest both in assets and the workforce.

Market risk

The company is exposed to financial risk in different areas. There is exchange rate risk related to some parts of the production cost being in Icelandic Krone, while sales are done in American Dollars and Euros.

It is possible to reduce this risk with use of financial instruments. The Group is constantly evaluating the use of such hedging instruments. The company's current strategy does not include the use of financial instruments. This is however, continuously being assessed by the Board of Directors. The company also has financial risk related to interest rate for the loan agreements. As of today, all the group's debt has a floating interest rate.

Furthermore, there is a risk associated with the sales to one major customer, where the price has been fixed for most of the year. History shows this arrangement has been of high value for the company, but having one large customer is a risk factor to be mentioned.

Credit risk

The risk for losses on receivables is considered low, however could increase if market conditions were to change. The Group has not yet experienced significant losses on receivables.

Liquidity risk

The Group had at year end 2022 around NOKm 967 in interest-bearing debt with credit institutions and lease obligations, and NOKm 193 in subordinated loans from shareholders while cash balance amounted to NOKm 25.7.

Loans in one consolidated entity, Laxar Fiskeldi ehf, were in breach of covenants at end 2022. Lenders had issued a waiver in respect of certain provisions of the facilities agreement and event defaults that might otherwise have resulted in a default of loan agreements.

At year end 2022 Ice Fish Farm was in a process with financial institution with the goal to refinance all interest-bearing debt on a group level. The refinance of the group was complete in Q1 2023. Ice Fish Farm AS reached an agreement with four banks for a long-term bank financing package of up to EUR 156.2 million.

A condition under the financing package was that the Company raises a gross cash amount of approx. EUR 45 million in new equity, in addition to a conversion of the currently outstanding shareholder loans of approx. EUR 25 million. The private placement was completed in March 2023.

Please refer to note 7.3 for further information on the syndicate agreement and the private placement.

Overall, the Group's liquidity risk is considered to be at an acceptable level.

Going concern

The Annual Report is prepared under the assumption of going concern. We confirm that the assumption of going concern is in place.

Allocation of net income

The Board of Directors has proposed the net income of ICE FISH FARM AS to be attributed to:

Other equity NOKm -3,9

The working environment and the employees

Per 31.12.2022 there were no employees in the parent company, while there were 182 employees in the Group, whereof 20% are women. The Group has a clear policy of no discrimination related to gender, religious view, and ethnic origin.

Leave of absence due to illness was 1.8% in 2022 of the total working hours in the Group. The Group is working on initiatives to decrease this number. No serious injuries of personell were recorded in 2022.

The working environment is considered good, and efforts for improvements are made on an ongoing basis. Each department is having regular meetings, with updates and discussions. Furthermore, the management also has regular meetings where organization, employees, and other related topics are discussed on an on-going basis. The Board of Directors and Management have liability insurance coverage through the majority owner, Masoval Eigendom.

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 Ice Fish Farm, will be published on the group's website within the deadline of 30th June 2023.

Corporate social responsibility

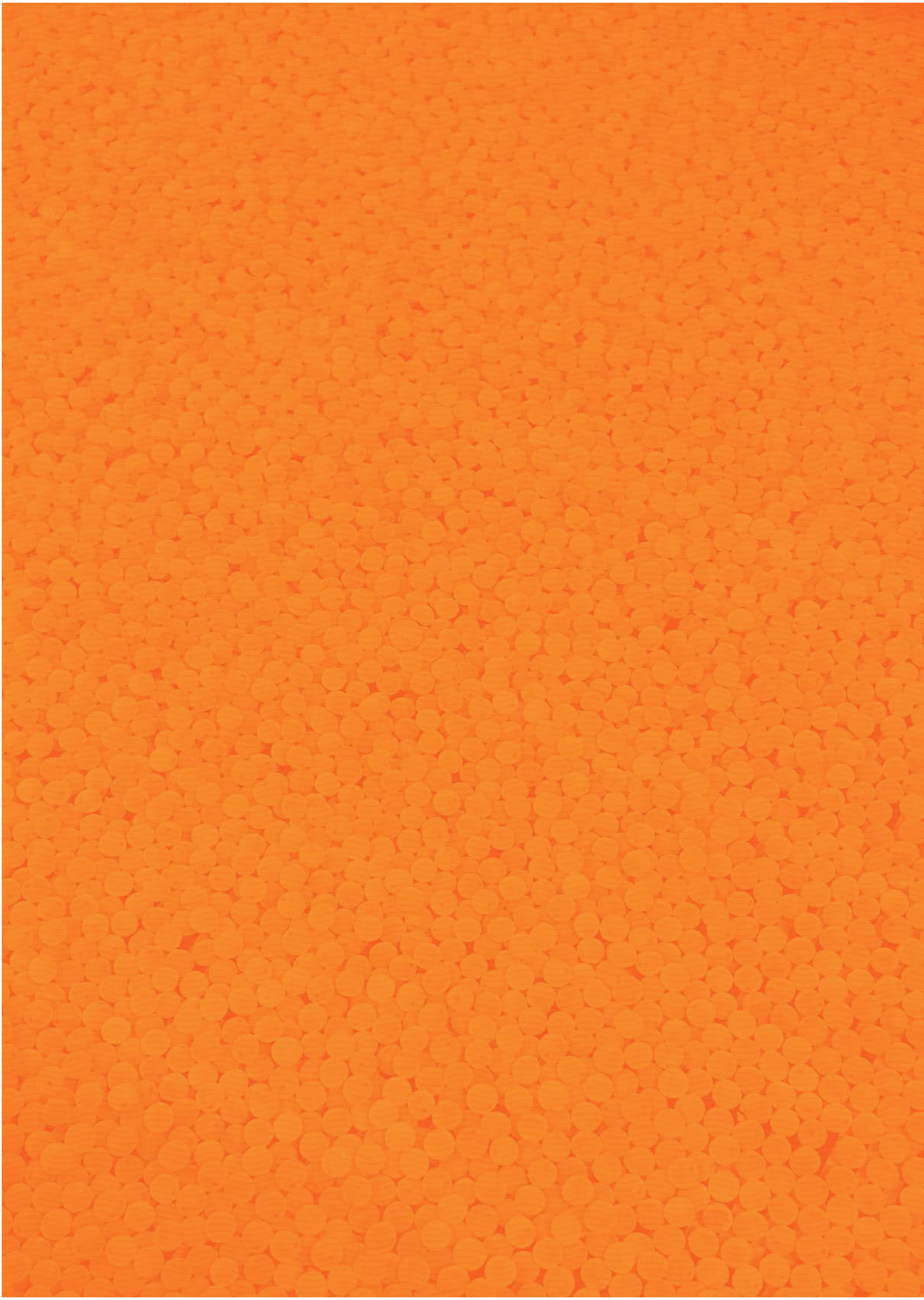
ICE FISH FARM put emphasize on ensuring long-term profitability through sustainable food production. The Group exercises its social responsibility by putting sustainable development of food production first. Our responsibility as a participant in the industry is linked to the sustainability work in the world around us.

The Group pollutes the external environment to a limited extent. ICE FISH FARM is a leader among the fish farming companies regarding the "green energy transformation". The company was the first to connect one of its sites in Reyðarfjörður to land electricity and is now working on land connections in Fáskrúðsfjörður and a land connection for wellboats at our harvesting plant in Djúpivogur.

An overview of how we take social responsibility and the "green energy transformation" is available in pervious chapter on sustainability and ESG reporting..

Sistranda, 22 May 2023

Asle Ronning Chairman of the Board	Lars Masoval Board Member	Martin Staveli Board Member
Guðmundur Gíslason CEO	Adalsteinn Ingolfsson Board Member	Einar Thor Sverrisson Board Member



ICE FISH FARM CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2022

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FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ICE FISH FARM - Group

(NOK 1000)	**Note**	**2022**	**2021**
Revenue	2.1,2.2	669.538	322.764
Total revenue		669.538	322.764
Cost of materials	2.3	391.926	181.756
Employee benefit expenses	2.4,7.1	104.136	41.628
Other operating expenses	2.5	169.004	37.808
Depreciation, amortisation and impairment	3.1,3.2,3.3,3.4	91.507	38.425
Operating profit before fair value adjustment of biomass		**-87.035**	**23.147**
Fair value adjustment biomass	2.7	-23.891	15.503
Operating profit		**-110.926**	**38.650**
Finance income	4.5	447	2.385
Finance costs	4.5	-61.019	-19.975
Foreign exchange rate gain/ (-)loss	4.5	2.400	612
Profit from sale of Isthor	4.5, 6.2	84.292	-
Share of profit or loss of an associate	6.2	-693	2.799
Profit or loss before tax		**-85.498**	**24.471**
Income tax expense	5.1	27.716	-4.525
Profit or loss for the year		**-57.782**	**19.946**
Other comprehensive income			
Items that subsequently may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		157.461	32.224
Total items that may be reclassified to profit or loss		**157.461**	**32.224**
Other comprehensive income for the year		157.461	32.224
Total comprehensive income for the year		**99.679**	**52.170**
Profit or loss for the period attributable to:			
Equity holders of the parent		-59.518	19.942
Non-controlling interests		1.737	4
Total		**-57.782**	**19.946**
Total comprehensive income for the period attributable to:			
Equity holders of the parent		97.943	52.166
Non-controlling interests		1.737	4
Total		**99.679**	**52.170**
Earnings per share ("EPS"):			
- Basic and diluted	4.9	-0,78	0,37
Average number of shares	4.9	75.889.831	54.000.000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ICE FISH FARM - Group			
(NOK 1000)	Note	31.12.2022	31.12.2021
ASSETS			
Non-current assets			
Licenses	3.2	1.790.710	618.129
Other intangible assets and goodwill	3.2	212.329	21.653
Property, plant and equipment	3.1,3.3	1.220.409	559.214
Investments in associated companies	6.2	-	24.511
Loans to associates	2.6,4.1,7.2	-	46.825
Total non-current assets		**3.223.448**	**1.270.332**
Current assets			
Biological assets	2.7	342.889	377.624
Inventories	2.3	39.168	13.186
Trade and other receivables	2.6,4.1	51.473	44.519
Cash and cash equivalents	4.1,4.4	25.714	7.472
Total current assets		**459.244**	**442.801**
TOTAL ASSETS		**3.682.692**	**1.713.133**
EQUITY AND LIABILITIES			
Equity			
Share capital	4.8	9.153	5.400
Other equity	4.8	2.260.749	1.115.843
Equity attributable to equity holders of the parent		**2.269.902**	**1.121.243**
Non-controlling interests		11.461	98
Total equity		**2.281.363**	**1.121.341**
Non-current liabilities			
Non-current interest bearing liabilities	3.3,4.1,4.2,4.3,4.6	635.785	421.613
Deferred tax liabilities	5.1	75.980	1.555
Total non-current liabilities		**711.765**	**423.168**
Current liabilities			
Current interest bearing liabilities	3.3,4.1,4.2,4.3,4.6	331.695	69.193
Subordinated loan from related parties	4.1,4.3,4.7,7.2	192.594	26.938
Trade and other payables	2.8,4.1,4.3	165.276	72.492
Total current liabilities		**689.565**	**168.623**
Total liabilities		**1.401.329**	**591.791**
TOTAL EQUITY AND LIABILITIES		**3.682.692**	**1.713.133**

Sistranda, 22 May 2023

Asle Ronning
Chairman of the Board

Lars Masoval
Board Member

Martin Staveli
Board Member

Guðmundur Gíslason
CEO

Adalsteinn Ingolfsson
Board Member

Einar Thor Sverrisson
Board Member

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ICE FISH FARM - Group

(NOK 1000)	Note	Attributable to the equity holders of the parent					Non-controlling interests	Total Equity
		Share capital	Share premium	Foreign currency translation reserve	Other equity	Total		
At 31 December 2020		**5.400**	**1.790.634**	**-39.543**	**-687.419**	**1.069.072**	**93**	**1.069.167**
Comprehensive income:								
Profit or loss for the year					19.944	**19.944**	4	**19.948**
Translation difference				32.226		**32.226**	1	**32.227**
At 31 December 2021		**5.400**	**1.790.634**	**-7.317**	**-667.474**	**1.121.244**	**98**	**1.121.341**
Comprehensive income:								
Profit or loss for the year					-59.518	**-59.518**	1.737	**-57.781**
Translation difference				157.461		**157.461**		**157.461**
Issued share capital		3.753	1.046.959			**1.050.712**		**1.050.712**
Acquisition of non-controlling interests						**-**	9.627	**9.627**
At 31 December 2022		**9.153**	**2.837.593**	**150.144**	**-726.988**	**2.269.902**	**11.461**	**2.281.363**

CONSOLIDATED STATEMENT OF CASH FLOWS

ICE FISH FARM - Group (NOK 1000)	Note	2022	2021
Cash flows from operating activities			
Profit or loss before tax		-85.498	24.471
Net fair value adjustment on biological assets	2.7	23.891	-15.503
Income tax paid	5.1	-	2
Gain/loss on disposal of property, plant and equipment		-	315
Depreciation and impairment of property, plant and equipment, right-of-use assets and intangible assets	3.1,3.2,3.3,3.4	91.507	38.425
Share of profit or loss of an associate	6.2	693	-2.799
Changes in inventories, trade and other receivables and trade and other payables	2.3,2.6,2.8	-2.462	-66.498
Profit from sale of Isthor	4.5,6.2,7.4	-84.292	-
Finance income		-447	-2.385
Finance costs		61.019	19.975
Change in other accrual items		-	5.302
Net cash flows from operating activities		**4.410**	**1.305**
Cash flows from investing activities			
Purchase of property, plant and equipment	3.1,3.3	-140.544	-302.133
Purchase of intangible assets	3.2	-2.752	-6.321
Loans to associates		2.840	1.940
Cash effect from investment in subsidiaries		30.076	-
Sales of shares in associates		104.572	-
Proceeds from sale of property, plant and equipment	3.1,3.3	-	1.206
Interest received		447	2.385
Net cash flow from investing activities		**-5.360**	**-302.923**
Cash flow from financing activities			
Proceeds from borrowings	4.2,4.3	191.397	329.669
Repayment of borrowings	4.2,4.3	-256.803	-83.912
Subordinated loans, new		165.656	1.360
Payments for the principal portion of the lease liability	3.3,4.3	-18.031	-12.328
Interest paid		-61.019	-19.975
Overdraft facility	4.2,4.3	-2.666	-56.309
Net cash flow from financing activities		**18.534**	**158.505**
Net change in cash and cash equivalents		**17.583**	**-143.113**
Effect of change in exchange rate on cash and cash equivalents		659	467
Cash and cash equivalents, beginning of period	4.4	7.472	150.118
Cash and cash equivalents, year end	4.4	**25.714**	**7.472**
Non-cash investing and financing activities:			
New shares issued		1.050.712	0
Investment in subsidiaries		-1.050.712	0

The consolidated statements of cash flows are prepared using the indirect method.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1.1-3: INTRODUCTION AND SIGNIFICANT EVENTS IN 2022

1.1 INTRODUCTION

CORPORATE INFORMATION

ICE FISH FARM AS (the "Company") and its subsidiaries (collectively "the Group", or "ICE FISH FARM") is a publicly listed company on the Euronext Growth market, with the ticker symbol IFISH. The ultimate parent company is MÅSØVAL EIENDOM AS.

ICE FISH FARM is one of the leading salmon farmers in Iceland and the only salmon farmer in the world with AquaGAP certification which ensures environmentally-friendly production. The Group has a well-developed and fully integrated value-chain controlling all steps from hatchery to sales, enabling the group to provide its customer with a sustainable premium product.

The consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Board of Directors on 22 May 2023.

ICE Fish Farm AS is a Company incorporated in Norway with headquarters in Iceland. The address of its registered office is Nordfroyveien 413, 7260 Sistranda, Norway. ICE Fish Farm's headquarter is located at Nesbala 122, 170 Seltjarnarnes, Iceland.

BASIS OF PREPARATION

The consolidated financial statements of the Group comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and related notes. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by The European Union ("EU").

The consolidated financial statements have been prepared on a historical cost basis, except for biological assets that have been measured at fair value. Further, the financial statements are prepared based on the going concern assumption. All figures are presented in NOK thousands (000), except when otherwise indicated.

Presentation currency and functional currency

The consolidated financial statements are presented in Norwegian Kroner (NOK), which is also the functional currency of the parent company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

For presentation purposes, balance sheet items are translated from functional currency to presentation currency by using exchange rates at the reporting date. Items within total comprehensive income are translated from functional currency to presentation currency by applying monthly average exchange rates. If currency rates are fluctuating significantly, transaction date exchange rates are applied for significant transactions.

OTHER ACCOUNTING POLICIES

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

1.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

The accounting policies applied by management which includes a significant degree of estimates and assumptions or judgements that may have the most significant effect on the amounts recognised in the financial statements, are summarised below:

Estimates and assumptions:

- Fair value measurement of biological assets (note 2.7)
- Impairment considerations of property, plant and equipment, licenses and goodwill (note 3.4)

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

A detailed description of the significant estimates and assumptions are included in the individual note where applicable.

Accounting judgements:

- Determining the useful lives of licenses (note 3.2)
- Purchase price allocation related to acquisitions of all shares in Laxar Fiskeldi ehf and majurity stake in Búlandstindur ehf. (note 7.4)
- Measurement of deferred tax assets (note 5.1)

A detailed description of the significant accounting judgements are included in the individual note where applicable.

1.3 SIGNIFICANT EVENTS AND ASSESSMENTS IN 2022

May 2022 shares in Laxar purchased with shares in ICE FISH FARM.

Ice Fish Farm received 7.000 tonnes license in Stöðvarfjörður in Q1 2022. A License for 10.000 tonnes in Seyðisfjörður is being processed by authorities and will hopefully be granted in 2023.

Ice Fish Farm AS (IFF) acquired all shares in Laxar Fiskeldi ehf in Q2. IFF also acquired 33% shares in Búlandstindur ehf harvesting station and now owns 67% of all shares in the company. Total purchase price of NOK 1,051 million. Refer to note 7.4.

Equity valuation of 59/41 in IFF favour, settlement in ICE FISH FARM AS shares (total of 37.525.424 new shares which will increase the total numbers of shares outstanding to 91.525.424). Closing of the transaction was 30th May 2022 and the acquired companies are consolidated from this date.

ICE FISH FARM sites Hamraborg and Svarthamarsvik in Berufjordur detected ISA virus in May 2022. All fish in Berufjordur was harvested in 2022. The company has undergone comprehensive biology risk assessment and implemented strict rules to minimize biology risk.

Total Biomass write-down due to ISA infected fish amounted to NOK 104 million at end of Q2

Fiskeldi Austfjarða, subsidiary of Ice Fish Farm AS, sold its shares in Eldisstöðin Isthor, smolt station, to Arnarlax. Sales agreement between the companies was signed in May 2022. The enterprice value for 50% of the company amounted to €16 million. The transaction was accounted at closing in August after receiving confirmation from the Icelandic Competition Authority.

Ice Fish Farm began talks with selected financial institution to explore financing possibilities for future financing as well as refinancing of all interest-bearing debt. Each company in the group was financed seperately and adhered to different terms and covenants. The aim was to simplify the loan structure of the group and finance all interest-bearing debt on group level. The refinancing process resulted in an bank syndicate with four banks, DNB Bank ASA, Nordea Bank, Arion Banki hf and Landsbankinn hf for a long-term bank financing package of up to EUR 156.2 million. Please refer to note 7.3 for subsequent events for more details regarding the refinancing package.

1.4 REPORTING STANDARDS

A few new international reporting standards apply to accounting periods beginning after 1 January 2022 and early adoption is permitted. The Group has however not implemented new or changed reporting standards prior to adoption when these financial statements were prepared.

It is not expected that the following changes to standards and interpretations will have significant effect on the Group's financial statements.

The amendments to IFRS accounting standards that became effective from 1 January 2022 did not have a material impact on the consolidated financial statements. A new IFRS accounting standard and amendments to several IFRS standards have been issued but are not yet effective. The Group did not early adopt any of them and intends to adopt them when they become effective. The Group currently does not expect a material impact on its future consolidated financial statements as a result of these changes.

NOTE 2.1-8: OPERATING PERFORMANCE

2.1 SEGMENT

ACCOUNTING POLICIES

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses,
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

The operating segments represents the business units for which the management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The Group operates responsible fish farming which means having eco-friendly operation with focus on sustainability and quality of production and harvesting. The Group is organised as one operating segment, and segment reporting is therefore identical to the Group financial statements presented in this annual report:

FISH FARMING (ICELAND)

The Group owns and operates salmon farms in the Icelandic fjords Berufjörður, Fáskrudsfjörður, Stöðvarfjörður and Reyðarfjörður. The seawater purity in the eastern fjords enables ICE FISH FARM to deliver superior high quality salmon of 3,5kg+ with a yearly license of 43.800 tonnes and applications of 10.000 tonnes.

No operating segments have been aggregated to form the above reportable operating segment.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The measurement principles applied for the operating segments are consistent with those applied in the Group's consolidated financial statements.

INFORMATION ABOUT MAJOR CUSTOMERS

One of the Group's external customer amount to 10 per cent or more of the Group's total revenues. Revenue from this customer amounted to TNOK 469 for 2022 compared to TNOK 312 for 2021.

2.2 REVENUES

Source of revenue

The Group has one main source of revenue consisting of the sale of fish.

ACCOUNTING POLICIES

GENERAL

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is presented net of VAT, discounts and rebates.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of a system, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and any consideration payable to the customer.

REVENUE FROM THE SALE OF GOODS (FISH FARMING)

Revenue from the sale of fish is considered to represent one performance obligation and is recognised at the point in time when control of the goods are transferred to the customer. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Additionally, control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset. Control is generally transferred when the fish is delivered to the customer.

The fair value adjustment of these biological assets prior to sale are recognised in accordance with IAS 41 and disclosed in note 2.7.

Set out below is the disaggregation of the Group's revenue from customers:

	2022	2021
Type of goods		
Fish Farming	614.979	322.764
Other income	54.559	-
Total revenue	**669.538**	**322.764**
Geographical markets of fish farming revenues		
US	468.835	312.275
EU	129.293	-
Iceland	16.851	10.489
Total fish farming revenue	**614.979**	**322.764**
Timing of revenue recognition		
Goods transferred at a point in time	614.979	322.764
Total fish farming revenue	**614.979**	**322.764**

Payment is generally due within 1 week after delivery.

CONTRACT BALANCES

As the Group's revenues are recognised and invoiced upon delivery, the Group does not have significant contract balances except for Trade Receivables. The Group presents its trade receivables arising from contracts with customers separately from other receivables in note 2.7.

2.3 INVENTORIES

ACCOUNTING POLICIES

Inventories are valued at the lower of cost and net realisable value. Purchase cost is allocated using the FIFO method.

Inventories mainly consist of fish feed, and other raw materials, packaging materials and slaughtered and processed fish.

Live fish are presented as biological assets in note 2.7.

Cost of materials	2022	2021
Fish farming production cost including smolt, feed and slaughter cost	391.926	181.756
Total cost of materials	**391.926**	**181.756**

Inventories	31.12.2022	31.12.2021
Raw materials	39.168	13.186
Total inventories (gross)	**39.168**	**13.186**
Provision for obsolete inventories		
Total inventories at the lower of cost and net realisable value	**39.168**	**13.186**

No provisions have been made for obsolescence.

2.4 EMPLOYEE BENEFIT EXPENSES

ACCOUNTING POLICIES

Employee benefit expenses comprise all types of remuneration to personnel employed by the Group (ie. not contracted manpower) and are expensed when earned. Ordinary salaries can be both fixed pay and hourly wages and is earned and paid periodically. Holiday pay is earned on the basis of ordinary pay and is normally paid in the holiday months of the following year. The employer's national insurance contribution (social security) is calculated and expensed for all payroll related costs including pensions. Pensions contributions are earned on a monthly basis.

Pensions

The Group has a defined contribution pension plan for its employees.

The scheme is a defined contribution plan. Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Employee benefit expenses	2022	2021
Salaries	83.558	32.316
Social security costs	8.231	4.141
Pension costs	12.347	5.170
Total employee benefit expenses	**104.136**	**41.628**
Average number of full time employees (FTEs)	129	51

For information on remuneration to Management and the Board of Directors, see note 7.1.

2.5 OTHER OPERATING EXPENSES

ACCOUNTING POLICIES

Other operating expenses are recognized when they occur and represent a broad range of operating expenses incurred by the Group in its day-to-day activities. Other operating expenses consist of expenses that are not classified on the lines for cost of materials, employee benefit expenses, depreciation and amortization.

Other operating expenses	**2022**	**2021**
Property cost incl heating	9.521	499
Boats and vehicles, incl maintenance	96.775	17.692
Lease expenses (short term and low value)	18.170	1.206
Travel expenses	2.868	4.285
Consulting expenses and insourcing	9.372	2.486
Marketing expenses	742	352
Other operating expenses	31.556	11.286
Total other operating expenses	**169.004**	**37.808**

Auditor related fees	**2022**	**2021**
Audit fee	1.310	400
Tax advisory services	18	45
Other advisory services	2.099	1.193
Other advisory services including IFRS advise	-	128
Total auditor fees (excl. VAT)	**3.427**	**1.766**

The audit fees presented above are related to the Group including the Parent Company and subsidiaries. All amounts are excl. VAT.

2.6 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables are financial assets initially recognized at transaction price and subsequently at amortized cost using the effective interest rate method. Trade and other receivables are subject to impairment by recognizing an allowance for expected credit losses.

Expected credit losses

The Group recognizes an allowance for expected credit losses (ECLs) for its financial assets. ECLs are based on the cash flows that the Group expects to receive. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group bases the allowance of its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Trade receivables	31.12.2022	31.12.2021
Trade receivables from revenue contracts with customers - external	38.019	12.440
Total trade receivables (gross)	**38.019**	**12.440**
Allowance for expected credit losses	-3.584	-
Total trade receivables (net)	**34.435**	**12.440**

Other receivables	31.12.2022	31.12.2021
Prepaid rent and other expenses	1.318	12.976
VAT receivable	15.720	19.103
Total other receivables (net)	**17.038**	**32.079**

Total trade and other receivables	**51.473**	**44.519**

Allowance for expected credit losses	Financial instrument	31.12.2022	31.12.2021
At the beginning of the period	Financial asset at amortised cost	-	-
Provision for expected credit losses	Financial asset at amortised cost	-.3584	-
At the end of the period	Financial asset at amortised cost	-3.584	-

The credit risk of financial assets has not increased significantly from initial recognition.

At the end of the reporting period the ageing analysis of trade receivables was, as follows:

			Trade receivables			
			Past due but not impaired			
Ageing analysis of trade receivables	**Total**	**Not due**	**< 30 days**	**31-60 days**	**61 - 90 days**	**> 90 days**
31.12.2022	38.019	34.435				3.584
31.12.2021	12.440	12.440				

For details regarding the Group's procedures on managing credit risk, reference is made to note 4.7.

2.7 BIOLOGICAL ASSETS

ACCOUNTING POLICIES

Biological assets

The Group recognises a biological asset when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably

A biological asset is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, in accordance with IAS 41 Agriculture and Fair Value IFRS 13. Fair value of biological assets is calculated based on a present value model. The inputs to measure fair value is categorised as level 3 in the valuation hierarchy in IFRS 13 as the most important assumptions in the calculations are not observable in a market. The difference between the fair value of fish and the cost price is included in the fair value adjustment in the consolidated statement of comprehensive income.

Transactions for the sale of live fish rarely occur, therefore the sales price is based on forward prices quoted by Fish Pool. The model uses the forward price for the period the fish is expected to be harvested and the prices are adjusted for estimated harvesting costs, packing and shipping costs to the market, as well as quality differences to arrive at the fair value less cost to sell.

The expected biomass (volume) is based on an estimated number of fish in the sea, adjusted for expected mortality up to the time of harvest and multiplied by the expected harvest weight.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group's biological assets comprise live fish in the sea (salmon and trout), eggs, juveniles and smolt.

The valuation process of determining the fair value less cost to sell includes a number of different assumptions, many of which are not observable. The assumptions are grouped into four different categories:

- Price
- Cost
- Volume
- Discounting

Price

An important assumption in the valuation of fish, is the expected sale price. This is also the assumption that historically has had the greatest fluctuations. In order to estimate the expected sales price, the future price quoted by Fish pool for superior Norwegian salmon (3-6 kg gutted) is used as a starting point. It is the Group's opinion that the use of observable prices increases the reliability and comparability of the price assumptions.

The starting point is the future price for the month the fish is planned to be harvested. In the event of biological challenges (which occur before the end of the reporting period), an additional price adjustment is made to reflect the impact of this event. Such price adjustment takes into account that the market price per kilo for small fish is less than for fish of normal size, the price is further adjusted for exporter-margin and clearing cost. Furthermore, adjustments are made for harvesting costs (well-boat, harvest and packaging), transportation costs and quality differences. Adjustments for harvesting costs, transportation costs and quality differences are based on the Group's historical costs, while the other adjustments are based on a discretionary assessment on historical data and the Group's expectation of future market developments.

Cost

An adjustment is made for the costs associated with further farming the fish to be harvest-ready. Estimates related to future costs are based on the Group's forecasts for each locality. There is uncertainty related to future feed prices, other costs and the biological development of the fish (growth, feed factor and mortality). If the estimated costs are higher than what a normal market participant would include, for example due to previously entered into long-term agreements with subcontractors which makes the costs deviate significantly from the market price, the cost estimate is adjusted to reflect the costs that a rational market participant would apply.

Volume

Expected harvest volume is calculated on the basis of the estimated number of fish (individuals) at the reporting date, minus expected future mortality, multiplied by the expected harvest weight. There is uncertainty related to the number of fish in the sea at the balance sheet date, remaining mortality and expected harvest weight. The actual harvest volume may therefore deviate from the expected harvest volume either as a result of a change in biological development, or if special events, such as mass mortality, occur. The estimate of the number of fish at the reporting date is based on the number of smolts released in the sea. The number of smolts is adjusted for expected uncertainty of counting and the actually registered mortality in connection with release.

Discounting

Every time a fish is harvested and sold, a positive cash flow arises. As a simplification, all the remaining expenses are allocated to the same period as the income, so that there is only one cash flow per locality. The cash flow is attributed to the expected month of harvest. The sum of cash flows from all the localities where the Group has fish in the sea are distributed over the entire fish farming period. With the current size of the smolt being released, and the frequency of the smolt releases, this may take up to 24 months. The expected future cash flow is discounted monthly. The discount rate used has a large impact on the estimate of fair value. The monthly discount rate as at the end of the reporting period is estimated at 1% per month. The discount rate contains the following three main elements: (1) risk adjustment, (2) license rent and (3) time value.

1. Risk adjustment

The risk adjustment must reflect the price reduction that a hypothetical buyer would require as compensation for the risk assumed by investing in live fish rather than an alternative placement. As the time to harvest increases, the probability that an event occur that impacts the cash flow increases. There are three main factors that may occur, and impact the cash flow; a volume change, change in costs, and a change in price.

2. Licence rent

Salmon and trout farming do not take place in a market without competition and barriers to entry. Due to the limited access to fish farming licenses, these currently have a very high value. In order for a hypothetical buyer of live fish to be able to acquire and further farm the fish, it must be assumed that the buyer had a license, locality and other permits required for such production. Currently it is not allowed to rent licenses, however, in a hypothetical market for buying and selling live fish, we assume that this would be possible. In this scenario, a hypothetical buyer would demand a significant discount in order to allocate a sufficient share of the return to own licenses, or alternatively to cover the cost of license rent. Modeling a hypothetical annual license rent from prices of traded licenses is difficult, as the price curve will be based on expectations of future profit development in the industry.

Furthermore, it is complex to derive a rental cost for shorter periods of time and ultimately per volume, given that the license restrictions are measured at different levels (location, region and Company).

3. Time value

Finally, the discount rate must reflect the time value of money for the committed capital allocated to the biomass. One must assume that a hypothetical buyer would require compensation for the opportunity cost of investing in live fish. The production cycle for salmon farming is currently up to 24 months, therefore the cash flow will cover a corresponding period. Given a constant selling price throughout the period, the cash flow will decrease for each passing month as costs are incurred to farm the fish to a harvest-ready weight. These costs increase for each month the fish is in the sea. This makes the effect of deferred cash flows lower than if the cash flows were constant, however, the component is still important due to the large total value of biological assets.

Carrying amounts of biological assets

Biological assets	**31.12.2022**	**31.12.2021**
Fish at cost	218.022	262.518
Fair value adjustment on fish	42.861	66.752
Fair value of fish in the sea	**260.883**	**329.270**
Smolt	82.006	48.353
Carrying amount of biological assets	**342.889**	**377.623**
Total biological assets at cost	300.028	310.871
Total fair value adjustment on biological assets	42.861	66.752
Fair value of biological assets	**342.889**	**377.623**

The table below shows the fair value adjustment in the period, related to biological assets.

Fair value adjustment of biological assets in the statement of comprehensive income	**2022**	**2021**
Change in the fair value adjustment of biological assets	-23.891	15.503
Fair value adjustment of biological assets	**-23.891**	**15.503**

Reconciliation of the fair value of biomass in the period	Iceland	Total
Biomass at fair value 01.01.2021	51.249	51.249
Fair value change 2021	15.503	15.503
Fair value of biomass 31.12.2021	**66.752**	**66.752**
Fair value change 2022	-23.891	-23.891
Fair value of biomass 31.12.2022	**42.861**	**42.861**

Reconciliation of the carrying amount of biological assets	Smolt	Live fish in the sea	Fair value adjustment	Total biological assets
Biological assets 01.01.2021	**31.304**	**208.102**	**51.249**	**290.656**
Increase from biological transformation and cost of stock	17.049	312.818	15.503	345.369
Reduction from harvest		-258.402		-258.402
Biological assets 31.12.2021	**48.353**	**262.518**	**66.752**	**377.623**
Increase from aqcusition of Laxar Fiskeldi ehf in May 2022	-	42.035	-	42.035
Increase from biological transformation and cost of stock	75.405	502.485	-23.891	553.999
Reduction from the sale of smolt	-29.359	-	-	-29.359
Reduction from harvest	-	-485.085	-	-485.085
Reduction from write-off	-12.393	-103.931	-	-116.324
Biological assets 31.12.2022	**82.006**	**218.022**	**42.861**	**342.889**

Volume and quantities

Live fish in sea amounted to 5.217 tonnes at year end 2022 compared to 5.694 tonnes at year end 2021. Number of fish amounted to roughly 5.8 million at year end 2022 compared to 3,2 million at year end 2021.

Sensitivity analysis

It is the Group's opinion that the weighted average sale price, expected harvest volume and discount rate are the key assumptions in the valuation for which the valuation are most sensitive. The Group has carried out the following sensitivity analysis which shows how the fair value of biological assets changes as a result of changes in the key assumptions:

At year-end 2022

Change in weighted average sale price	-10 NOK	-5 NOK	0 NOK	+5 NOK	+10 NOK
Change in the value of biological assets	-185.897	-92.949	0	92.949	185.897

Change in harvest volume	-2%	-1%	0%	1%	2%
Change in the value of biological assets	-1.424	-712	0	712	1.424

At year-end 2021

Change in weighted average sale price	-10 NOK	-5 NOK	0 NOK	+5 NOK	+10 NOK
Change in the value of biological assets	-80.655	-30.986	0	24.977	50.256

Change in harvest volume	-2%	-1%	0%	1%	2%
Change in the value of biological assets	-7.552	-3.776	0	3.776	7.552

Financial risk management strategies

The Group is exposed to risks arising from mortality and escapes and changes in prices.

- The Group manages mortality and escapes by checking on the fish and the surroundings, including the cages regularly.
- The Group’s exposure to fluctuations in the fish prices and sales volume is managed by entering into long term supply contracts with major customers.

Excluding the ISA incident and the related write-off of NOKm 116.3 discussed in the BOARD OF DIRECTORS REPORT on page 10 and demonstrated in ALTERNATIVE PERFORMANCE MEASUREMENT on page 63, No events occurred in the current and prior periods that give rise to material items of income or expense as a result of mortality, escapes or changed in prices.

2.8 TRADE AND OTHER PAYABLES

ACCOUNTING POLICIES

Trade and other payables are liabilities, i.e. present contractual obligations arising from a result of past events where settlement is expected to result in an outflow of resources (payment).

Trade and other payables are measured at fair value upon initial recognition and subsequently at amortized cost. Trade and other payables are expected to be settled within the normal operating cycle within twelve months after the reporting period.

Trade and other payables	**31.12.2022**	**31.12.2021**
Trade payables - external	126.152	63.482
Trade payables to related parties	17.714	2.311
VAT payable	2.589	-
Withholding payroll taxes and social security	6.853	1.656
Accrued interest	5.118	2.329
Other payables	6.850	2.714
Total trade and other payables	**165.276**	**72.492**


SELEY

NOTE 3.1-4: CON-CURRENT FIXED ASSETS

3.1 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICIES

Property, plant and equipment (“PP&E”) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the PP&E and borrowing costs for similar construction projects if they meet the recognition criteria. The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset. When significant parts of PP&E are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The residual values, useful lives and methods of depreciation of PP&E are reviewed at each financial year end and adjusted prospectively, if appropriate.

Right-of-use assets are recognised separately from property, plant and equipment and presented in note 3.3.

No impairments of property, plant and equiment were made in 2022 . For the group’s principles related to impairment of property, plant and equipment, see note 3.4.

	Property and land	Ships	Cages, machinery and equipment	Total
Acquisition cost 31.12.2021	191.161	157.262	243.230	591.653
Additions from Laxar and Búlandstindur 31.5.2022	238.327	93.539	181.242	513.108
Additions	58.461	12.324	69.759	140.544
Currency translation effects	15.060	25.256	14.856	55.172
Acquisition cost 31.12.2022	503.009	288.381	509.088	1.300.477
Accumulated depreciation and impairment 31.12.2021	4.822	3.043	75.783	83.648
Depreciation for the period	10.630	13.234	45.427	69.292
Currency translation effects	-87	1.119	5.298	6.330
Accumulated depreciation and impairment 31.12.2022	15.365	17.396	126.508	159.270
Carrying amount 31.12.2021	186.339	154.219	167.447	508.005
Carrying amount 31.12.2022	487.644	270.985	382.580	1.141.208
Economic useful lives	33 years	13 years	5-10 years	
Depreciation method		Straight-line method		

3.2 INTANGIBLE ASSETS

Nature of the Group's intangible assets

The Group's intangible assets mainly comprise of farming licenses.

ACCOUNTING POLICIES

Licenses

The Group may acquire licences through a business combination or through awards from a government.

The licences acquired through a business combination are measured on initial recognition at cost, which is the fair value on the date of acquisition. Licences acquired through a government award, typically through an auction, are measured on initial recognition at cost, which is typically the auction price together with other incremental costs of obtaining the licence. Following initial recognition, the licences are carried at cost less any accumulated amortisation and impairment losses.

The majority of licences have an indefinite life and are not amortised, but subject to annual impairment testing. The impairment testing of the CGU for which the licence relates is presented in note 3.4. An indefinite useful life means that it is not possible to estimate the foreseeable period over which the asset is expected to generate net cash inflows for the entity.

Other intangible assets

Other intangible assets are measured on initial recognition at cost. Following initial recognition, other intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Other intangble assets are typically working hours related to receive lisences for fish farming.

SIGNIFICANT ACCOUNTING JUDGEMENTS

Licences

The farming licences for salmon on Iceland was initially awarded for 10 years, subsequently amended to 16 years in 2020. However, Management has assessed the useful life of the licenses as indefinite as Management views the renewal of the licences as highly probably at the end of the initial licence period. Management's judgments are based on industry standards and conversations with the Icelandic Government. There is a presumption that as long as the Group fulfils the criteria for the initial licence award, the licence will be renewed for an indefinite period. The assessment is further based on the following determining factors by Management:

- The Group has not identified any contractual obligations or limitations related to the use of the licence
- The licences may be renewed at the end of the initial period without incurring any significant costs

IMPAIRMENT TEST

At year-end 2022, the Group's goodwill was tested for impairment. Goodwill arising upon acquisition has been allocated to one cash-generate unit, Fish farming.

The recoverable amounts for cash generating units are based on their value in use. Value in use is determined by discounting the future cash flows generated from the continuing use of the units. Cash flows were projected based on actual operating results and a 5-year business plan, and after the projected period a constant future growth rate is presumed in calculating residual value. The main presumptions are growth in income, EBIDTA ratio, future investments and growth rate after the 5 year projection period. WACC is taken into account in estimating present value. WACC is based on each cash generating unit where external and internal data is relied upon.

Operating plans are reviewed and approved by the Group's Board of Directors.

In evaluating value in use management relies on projections on future development in the field of information technology, based on both internal and external data. Following are the key assumptions for evaluation of value in use:

ASSUMPTIONS AT YEAR END 2022

Future revenue growth rate
Yearly average revenue growth rate 2023 - 2027
WACC

Realistic changes in key assumptions would not have led to impairment at year-end 2022.

INTANGIBLE ASSETS

Goodwill

Goodwill arises upon the acquisition of subsidiaries. Goodwill is the difference between the cost upon take-over and the fair value of overtaken assets, liabilities and uncertain liabilities. If negative goodwill arises it is immediately recognised in the statement of comprehensive income.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment loss.

Other intangible assets

Other intangible assets is recognised at cost less accumulated linear amortisation and impairment. Other intangible assets is amortised over 2 to 10 years.

Amortisation methods and useful lives are reviewed at each reporting date and changed if appropriate.

IMPAIRMENT

Financial assets

A financial asset, not recognised at fair value, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets measured at amortised cost is the difference between, on the one hand, their carrying amount, and on the other hand, the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss on financial assets available for sale is determined on the basis of their fair value at each time. Individual significant financial assets are tested specifically for impairment. Other financial assets are classified together based on credit risk characteristics and each group is tested specifically for impairment.

An impairment loss is expensed in the statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Impairment loss on investments held to maturity is reversed in the statement of comprehensive income.Other assets

Carrying amount of other assets of the Group, except for inventories and tax asset, is reviewed at each reporting date to determine whether there are indications of impairment. If there is any such indication the recoverable amount of the asset is estimated. Goodwill is tested for impairment at least once a year.

The recoverable amount of an asset or a cash generating unit is the higher of their net fair value or value in use. Value in use is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is expensed when the carrying amount of an asset or a cash generating unit is higher than its recoverable amount. A cash generating unit is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or asset groups. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of the goodwill and then to reduce the carrying amounts of the other assets in the cash generating unit on a pro rata basis. An impairment loss is expensed in the statement of comprehensive income.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

	Farming licences	Goodwill	Other Intangible	Total
Acquisition cost 01.01.2021	**598.028**		**18.998**	**617.026**
Additions	-		6.321	**6.321**
Currency translation effects	20.101		594	**20.695**
Acquisition cost 31.12.2021	**618.129**		**25.913**	**644.042**
Additions	-		16.800	**16.800**
Additions through acquisitions	1.019.689	203.938	-	**1.223.627**
Reclassed other intangible assets to farming licenses	42.713		-42.713	**-**
Currency translation effects	117.587	8.391	-	**125.978**
Acquisition cost 31.12.2022	**1.798.118**	**212.329**	**-0**	**2.010.447**
Accumulated depreciation and impairment 01.01.2021	**-**		**3.085**	**3.085**
Depreciation for the period	-		1.048	**1.048**
Currency translation effects	-		126	**126**
Accumulated depreciation and impairment 31.12.2021	**-**		**4.259**	**4.259**
Depreciation for the period	-		3.149	**3.149**
Currency translation effects	7.408		-7.408	**-**
Accumulated depreciation and impairment 31.12.2022	**7.408**		**-**	**7.408**
Carrying amount 01.01.2021	598.028	-	15.913	**613.941**
Carrying amount 31.12.2021	618.129	-	21.653	**639.782**
Carrying amount 31.12.2022	1.790.710	212.329	-0	**2.003.039**
Usefull life	Indefinite	Indefinite	10 years	
Depreciation method	N/A*	N/A*	Straight-line	

Farming licenses and goodwill are not amortised but tested for impairment at least annually. See note 3.4 for further information on the impairment test.

General information on allocation of farming licences on Iceland

Farming licencing in Iceland is regulated by the Law on fish farming and granted by the Icelandic Government. The licences are awarded with a lifetime of 16 years (changed in 2020 from 10 years). The farming is confined to specific areas and awarded in volumes (tonnes) for the specific fjords in these areas, with the goal of preserving the environment and creating sustainability. The licences were previously awarded based on harvested volumes per year, now however they are being changed to maximum amount of tonnes of fish the holder can contain at any given time. Even though the lifetime of the licences is limited to 16 years (previously 10 years), it is expected that these licences will be renewed if the criteria for the grant are adhered to.

The Group's licences on Iceland

As of 31.12.2022 the Group has a license for the harvest of 43 800 tonnes salmon, 9 300 being infertile salmon at the east cost of Iceland (Berufjörður, Fáskrúðsfjörður, Stöðvarfjörður and Reyðarfjörður). The Group also owns 4 smolt facilities and 1 harvest facility.

Specification of farming licences:	Number of licences	Production capacity general license (tonnes)	Production capacity infertile salmon only (tonnes)	Acquisition cost	Carrying amount
Salmon, Berufjörður, Iceland	1	7.500	2.300	548.623	690.873
Salmon, Fáskrúðsfjörður, Iceland	1	11.000	0		
Salmon, Stöðvarfjörður, Iceland	1	0	7.000	-	-
Salmon, Reyðarfjörður, Iceland	2	16.000	0	877.550	1.090.797

3.3 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

ACCOUNTING POLICIES

At inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group presents its lease liabilities in the consolidated statement of financial position as part of interest bearing liabilities (as per Note 4.2 and IFRS 16.47(b)).

Group as a lessee

At the commencement date, the Group recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets (with an yearly cost of less than NOK 50.000)

For these leases, the Group recognises the lease payments as operating expenses in the consolidated statement of comprehensive income.

Measuring the lease liability

The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option to extend the lease when the Group is reasonably certain to exercise this option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The lease payments included in the measurement comprise:

- Fixed lease payments, less any lease incentives received
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in and index or rate.

The Group presents its right-of-use assets in the consolidated statement of financial position as part of Property, plant and equipment.

Measuring the right-of-use asset

The right-of-use asset is initially measured at cost. The cost of the right-of-use asset includes the corresponding amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date and initial direct costs incurred.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses, applying the same policies for impairment as for property, plant and equipment (Note 3.2). The right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. Depreciation is calculated on a straight-line basis.

THE GROUP'S LEASED ASSETS

The Group leases several assets, mainly ships, cages, machinery and equipement in Iceland. Additionally, the Group leases office equipment for which the Group recognises right-of-use assets. Leases of land and buildings generally have lease terms between 5 and 10 years, while motor vehicles and other equipment generally have lease terms between 3 and 7 years. The Group also leases some machinery and equipment that are expensed as incurred as they are either considered short term or of low value.

The Group's right-of-use assets recognised in the consolidated statement of financial position are presented in the table below:

Right-of-use assets	Ships	Cages, machinery and equipment	Total
Carrying amount 01.01.2021	**60.633**	**2.315**	**62.948**
Depreciations	-10.804	-940	**-11.744**
Additions	-	-	**0**
Currency translation effects	-	4	4
Carrying amount 31.12.2021	**49.829**	**1.379**	**51.208**
Depreciations	-18.123	-944	**-19.067**
Additions	-	-	**-**
Additions through acquisition	47.053	-	**47.053**
Currency translation effects	-	7	**7**
Carrying amount 31.12.2022	**78.759**	**442**	**79.201**
Lease term or useful life	13 years	1-4 year	
Depreciation plan	Straight-line		

The Group's lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	**31.12.2022**	**31.12.2021**
Less than one year	23.093	11.046
One to two years	22.616	10.838
Two to three years	19.913	9.997
Three to four years	7.076	6.915
Four to five year	4.299	4.873
More than five years	1.391	5.690
Total discounted lease liabilities	**78.388**	**49.359**

Changes in the lease liabilities	**Total**
Total lease liabilities at 1.1.2021	**60.079**
Cash payments for the principal portion of the lease liability	-10.724
Cash payments for the interest portion of the lease liability	-1.604
Interest expense on lease liabilities	1.604
Currency translation effects	4
Total lease liabilities at 31.12.2021	**49.359**
New leases recognised through acquisition	47.053
Cash payments for the principal portion of the lease liability	-18.031
Cash payments for the interest portion of the lease liability	-521
Interest expense on lease liabilities	521
Currency translation effects	8
Total lease liabilities at 31.12.2022	**78.388**

	31.12.2022	**31.12.2021**
Current lease liabilities in the statement of financial position	23.093	11.046
Non-current lease liabilities in the statement of financial position	55.295	38.313
Total cash flow effect	-18.552	-12.328

LEASE COMMITMENTS NOT INCLUDED IN THE LEASE LIABILITIES

Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the Group's business needs. Management applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, they considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Purchase options

The Group does not have any lease contracts that includes purchase options.

3.4 IMPAIRMENT CONSIDERATIONS

ACCOUNTING POLICIES

Property, plant and equipment

Property, plant and equipment (and intangible assets that are subject to depreciation) are tested for impairment to the extent there is indications that the recoverable amount does not exceed the carrying amount. The recoverable amount of an asset is defined as the higher of fair value less costs to sell and the value in use.

Licenses

Intangible assets with indefinite useful lives (licenses) are not amortised, but subject to impairment testing. The testing is performed annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which licenses relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. A previously recognised impairment loss for licenses is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Impairment testing of licenses

There is significant estimation uncertainty related to the value of licenses. The uncertainty is mainly related to valuations from previous business combinations when the assets were acquired. In the business combination, assets and liabilities are recognised at fair value.

Fish farming is the smallest identifiable group of assets that generates cash inflows to the Group, and these are largely independent of the cash inflows from other assets. As the Group's licenses are intangible assets with an indefinite useful life which does not generate largely independent cash inflows, impairment is tested based on the Fish farming CGU and any impairment is made proportionate to the assets carrying amounts.

The Group performs an impairment test for licenses at least annually by determining the recoverable amount of the Fish farming CGU to determine if the carrying amount is impaired.

Basis for determining the recoverable amount

The CGU's recoverable amount has been determined based on its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The cash flows are derived from the detailed budget and forecast estimates for the next five years approved by the Group Management. Restructuring activities and significant future investments are excluded from the budgets. A long-term growth of 2% rate is calculated and applied to project future cash flows after the fifth year. This i based on historical growth.

Key assumptions applied to determine the recoverable amount

The calculation of value in use for the Fish farming CGU is most sensitive to the following assumptions:

- Spot price of salmon
- Discount rate
- Harvest volume

Spot price of salmon:

The price of salmon applied in calculation of value in use is the spot price based on current sale agreements. The same price is applied in the forecast period between 2023 and 2027. This price is just above the Fishpool forward price trend line, and that is to reflect some of the premium price effect that has been historically for the Group's product.

Discount rate:

The discount rate reflects the current market assessment of the risks specific to the CGU. The discount rate for the Group is estimated based on the weighted average cost of capital (WACC). The main components of the WACC are the risk free rate, the market equity premium, the CGU's Beta, interest cost of debt, expected debt/enterprise value ratio and the corporate tax rate.

Harvest volume:

The estimate for future production/harvest is based on the current production level and harvest budget, then further forecasted based on expected changes in production given the current fish farming licenses. The calculations are based on the assumptions that the capacity level will increase over the years to 30.000 tonnes.

The key assumptions used to determine the recoverable amount for the CGU is presented below:

	2022	2021
Key assumptions used to determine the recoverable amount for the CGU	**Fish farming (Iceland)**	**Fish farming (Iceland)**
Spot price of salmon per kg. (NOK)	67,6	57,15
Pre-tax discount rate	10,5 %	10,5 %
Harvest volume (tonnes)	6.000 - 30.000	7500-20800

Carrying amount of the intangible assets allocated to the CGU	**Fish farming (Iceland)**	**Fish farming (Iceland)**
Carrying amount of licenses	1.790.710	615.036
Total carrying amount	1.790.710	615.036

The recoverable amount of the cash generating unit is several times higher than its carrying amount and no impairment loss is recognised in the period.

Sensitivity analysis

Future events could cause the key assumptions to deviate from the amounts used in the forecast period. The Group has performed a sensitivity analysis for each key assumption; the spot price of salmon per kg. (NOK), the discount rate and harvest volume (tonnes). The table below shows how much the recoverable amount of the CGU changes if each key assumption was increased or decreased by a given percentage.

	2022	2021
Effect of 10% change in the spot price of salmon per kg. (NOK)	**Fish farming (Iceland)**	**Fish farming (Iceland)**
+10%	679.247	1.042.790
-10%	-679.247	-1.042.790
Effect of 1% change to the pre-tax discount rate (WACC)	**Fish farming (Iceland)**	**Fish farming (Iceland)**
+1%	-867.836	-719.765
-1%	1.132.512	914.181
Effect of 10% change to harvest volume (tonnes)	**Fish farming (Iceland)**	**Fish farming (Iceland)**
+10%	679.247	1.042.790
-10%	-679.247	-1.042.790

The table below shows the amount that each key assumption must change before the carrying amount of the CGU exceeds the estimated recoverable amount of the CGU, e.g. changes exceeding these amounts would result in impairment:

	Fish farming (Iceland)	**Fish farming (Iceland)**
Spot price of salmon per kg. (NOK)	-54%	-50%
Harvest volume (tonnes)	-54%	-50%


AKVA

NOTE 4.1-9: FINANCIAL INSTRUMENTS, RISK AND EQUITY

4.1 OVERVIEW OF FINANCIAL INSTRUMENTS

ACCOUNTING POLICIES

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification of financial instruments

The Group's financial instruments are grouped in the following categories:

Financial Assets

- Financial assets measured subsequently at amortised cost: Includes mainly trade receivables and cash and cash equivalents

All of the Group's financial assets are part of the Group's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, thereby passing the "SPPI test", constituting debt instruments measured at amortised cost.

Financial Liabilities

- Financial liabilities measured subsequently at amortized cost: Represent the Group's interest-bearing liabilities as well as non-interest bearing liabilities such as trade payables.

The Group do not have derivative financial instruments or other financial assets or liabilities measured at fair value. All financial assets and liabilities are measured subsequently at amortized cost.

Initial recognition and subsequent measurement

The Group's financial assets are initially recognised at transaction price and liabilities are initially recognized at fair value plus directly attributable transaction expenses. Subsequently, these instruments are measured at amortized cost using the effective interest method (EIR). Gains and losses are recognized in profit or loss upon impairment, when the instruments are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of comprehensive income.

Impairment of receivables

Receivables measured at amortized cost are considered for impairment by recognizing an allowance for expected credit losses (ECLs). The Group applies a simplified approach (as applicable for trade receivables) in calculating ECLs, where the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group bases its ECLs on its historical losses, adjusted for forward-looking factors specific to the debtors and the economic environment. See note 4.7 for further information related to management of credit risk.

Derecognition of financial instruments

A financial asset is derecognized when the rights to receive cash flows from the asset expire or the Group transfers the financial asset and the transfer qualifies for derecognition, the Group has transferred its rights to receive cash flows from the asset or The Group has assumed an obligation to pay the received cash flows in full under a "pass-through" arrangement.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

31.12.2022	Note	Financial instruments at amortised cost
Assets		
Trade and other receivables	2.6	51.473
Cash and cash equivalents	4.4	25.714
Total financial assets		**77.187**
Liabilities		
Borrowings		
Non-current interest bearing liabilities	4.2	635.785
Subordinated loan from related parties	4.2	192.594
Current interest bearing liabilities	4.2	331.695
Trade and other payables	2.8	165.276
Total financial liabilities		**1.325.349**

There are no changes in classification and measurement for the Group's financial assets and liabilities.
Significant finance income and finance costs arising from the Group's financial instruments are disclosed separately in note 4.5.

31.12.2021		Financial instruments at amortised cost
Assets		
Loans to associates	2.6	46.825
Trade and other receivables	2.6	44.519
Cash and cash equivalents	4.4	7.472
Total financial assets		**98.816**
Liabilities		
Borrowings		
Non-current interest bearing liabilities	4.2	421.613
Subordinated loan from related parties	4.2	26.938
Current interest bearing liabilities	4.2	67.027
Overdraft facility	4.2	2.166
Trade and other payables	2.8	72.492
Total financial liabilities		**590.236**

4.2 INTEREST BEARING LIABILITIES

Non-current interest bearing loans and borrowings	Maturity	Interest rate	31.12.2022	31.12.2021
Loan from banks (principal)	2024-2028	4.8%	580.490	383.300
Lease liability	June 2024- April 2028	3.2%	55.295	38.313
Total non-current interest bearing loans and borrowings			**635.785**	**421.613**

Current interest bearing loans and borrowings			31.12.2022	31.12.2021
Loan from banks, due within 12 months	Within 12 months	4.8%	308.602	55.481
Subordinated loan from related parties, due within 12 months	Within 12 months	5%-10%	192.594	26.938
Overdraft facility	Within 12 months	LIBOR+4,5%	-	2.666
Lease liability, due within 12 months	Within 12 months	3.2%	23.093	11.046
Current interest bearing loans and borrowings			**524.289**	**96.131**

The subordinated loan from related parties is considered subordinate to all financial obligations of the borrower to other financing parters, banks. The foregoing includes that the borrower may not pay any payments in connection with this loan, neither principal nor interest, until the Company's obligations with Arion Bank hf. have been fully paid or if the Bank gives its permission.

Overdraft facility

The Group has an overdraft facility in place which may be drawn at any time up to NOK 30 millions.

The Group has pledged assets as security for it's loans and borrowings, presented in the table below:

Assets pledged as security for interest bearing loans and borrowings	31.12.2022	31.12.2021
Secured balance sheet liabilities:		
Non-current interest bearing liabilities	635.785	421.613
Current interest bearing liabilities	331.695	69.193
Total	**967.480**	**490.806**
Carrying amount of assets pledged as security for secured liabilities:		
Trade and other receivables	51.473	44.519
Inventories	39.168	13.186
Biological assets	342.889	377.624
Cash and cash equivalents	25.714	7.472
Investments in associated companies	-	24.511
Right-of-use assets	79.201	51.208
Property, plant and equipment	1.141.208	508.006
Total	**1.679.653**	**1.026.526**

Covenant requirements

The Group is obligated to adhere to the following covenant requirement for it's interest bearing liabilities:

- Equity/Enterprise value >35%
- NIBD/EBITDA<5,5
- Interest cover ratio < 3,0

Loans in Laxar Fiskeldi ehf, were in breach of covenants at end 2022. Lenders had issued a waiver in respect of certain provisions of the facilities agreement and event defaults that might otherwise have resulted in a default of loan agreements. Reference is made to note 4.7.

4.3 AGEING OF FINANCIAL LIABILITIES

Contractual undiscounted cash flows from financial liabilities is presented below:

	Remaining contractual maturity						
31.12.2022	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**More than 5 years**	**Total**
Financial liabilities							
Non-current interest bearing loans and borrowings	308.602	85.036	80.857	80.233	31.877	241.469	828.074
Subordinated loans and borrwoings	192.594						192.594
Interest on loans	48.623	30.502	25.509	20.761	16.050	14.179	155.624
Trade and other payables	165.276						165.276
Non-current lease liabilities	-	22.616	19.913	7.076	4.299	1.391	55.295
Current lease liabilities	23.093						23.093
Interest on leases	2.674	1.759	909	369	142	28	5.881
Total financial liabilities	740.861	139.913	127.187	108.440	52.368	257.066	1.425.836

	Remaining contractual maturity						
31.12.2021	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**More than 5 years**	**Total**
Financial liabilities							
Non-current interest bearing loans and borrowings	55.481	58.504	47.243	47.776	41.816	170.651	421.472
Subordinated loans and borrwoings	26.938						26.938
Interest on loan	36.251	31.479	26.447	22.383	18.274	14.678	149.512
Trade and other payables	72.492						72.492
Non-current lease liabilities	-	10.838	9.997	6.915	4.873	5.690	38.313
Current lease liabilities	11.046	0	0	0	0	0	11.046
Interest on leases	1.753	1.316	899	561	325	228	5.082
Total financial liabilities	203.962	102.136	84.586	77.636	65.289	191.247	724.855

4.3 AGEING OF FINANCIAL LIABILITIES (CONTINUED)

Reconciliation of changes in liabilities incurred as a result of financing activities:

2022	31.12.2021	Cash flow effect	Non-cash changes: Foreign exchange movement	Non-cash changes: Re-classified	Non-cash changes: Acquisition	31.12.2022
Non-current interest bearing loans and borrowings	383.300	191.397	36.544	-471.113	440.362	**580.490**
Non-current lease liabilities	38.313		4.509	-34.580	47.053	**55.295**
Total non-current financial liabilities	421.613	191.397	41.053	-505.693	487.415	**635.785**
Current interest bearing loans and borrowings	58.147	-259.469	6.843	473.005	30.076	**308.603**
Current lease liabilities	11.046	-18.552	1.300	29.299	-	**23.093**
Subordinated loan related parties, current	26.938	165.656		-		**192.594**
Total current financial liabilities	96.131	-112.365	8.143	502.304	30.076	**524.289**
Total liabilities from financing	**517.744**	**79.031**	**49.196**	**-3.389**	**517.492**	**1.160.074**

Cash-flow effect of tNOK -259.469 on current interest bearing loans is due to repayments of borrowings.

2021	31.12.2020	Cash flow effect	Non-cash changes: Foreign exchange movement	Non-cash changes: Re-classified	Non-cash changes: Acquisition	31.12.2021
Non-current interest bearing loans and borrowings	201.726	329.669	6.566	-154.661	-	**383.300**
Non-current lease liabilities	49.354	-12.328	1.287		-	**38.313**
Total non-current financial liabilities	251.080	317.341	7.853	-154.661	-	**421.613**
Current interest bearing loans and borrowings	42.358	-140.221	1.348	154.661		**58.147**
Current lease liabilities	10.725	-	321			**11.046**
Subordinated loan related parties, current	25.578	1.360		-		**26.938**
Total current financial liabilities	78.661	-138.861	1.669	154.661	-	**96.130**
Total liabilities from financing	**329.741**	**178.480**	**9.522**	**-**	**-**	**517.743**

Cash-flow effect of tNOK -140.221 on current interest bearing loans is the sum of repayment of borrowings (tNOK - 83.912) and overdraft facility (tNOK 56.309) in the Cash flow statement.

4.4 CASH AND CASH EQUIVALENTS

ACCOUNTING POLICIES

Cash and cash equivalents in the statement of financial position comprise cash at banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Cash and cash equivalents	31.12.2022	31.12.2021
Bank deposits, unrestricted	17.902	7.472
Bank deposits, restricted	7.812	-
Total in the statement of financial position	**25.714**	**7.472**
- Overdraft facility	-	2.666
Total in the statement of cash flows	**25.714**	**10.138**

	31.12.2022	31.12.2021
Bank deposits, unrestricted	17.902	7.472
Overdraft facility (available funds)	7.048	57.326
Total cash and cash equivalents (available liquidity)	**24.950**	**64.798**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

For more information on the Group's credit facilities see note 4.2. There are no restrictions on the use of these funds.

4.5 FINANCE INCOME AND FINANCE COSTS

ACCOUNTING POLICIES

Interest income and interest expenses on loans and receivables are calculated using the effective interest method.

Foreign currency gains or losses are reported as gain or loss on foreign exchange within in finance income or finance costs, except for currency translation effects from investments in foreign subsidiaries which are presented within OCI.

Interest costs on lease liabilities represents the interest rate implicit in the lease, or the incremental borrowing rate used to measure the lease liabilities recognized in the statement of financial position.

Finance income	**2022**	**2021**
Interest income	447	2.385
Share of profit of an associate	-	2.799
Gain on foreign exchange	2.400	612
Profit from sale of Isthor - one off	84.292	-
Total finance income	**87.139**	**5.796**

Finance costs	**2022**	**2021**
Interest expenses	-60.498	-18.371
Interest expense on lease liabilities	-521	-1.604
Share of loss of an associate	-693	-
Loss on foreign exchange	**-**	**-**
Total finance costs	**-61.711**	**-19.975**

Interest income and interest expenses

Interest income represents mainly interest income on cash deposits, and interest expenses represents mainly interest expenses on external financing, measured and classified at amortised cost in the statement of financial position.

4.6 FAIR VALUE MEASUREMENT

ACCOUNTING POLICIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value disclosures

Management has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and the current risk-free interest rates.

Interest-bearing loans and borrowings

Long-term and short-term interest-bearing loans have been entered into at floating interest rates. The Group considers that the margin on these loans indicates that the book value of the loans is approximately equal to the fair value

Information on fair value for the Group's financial liabilities:

	Date	Carrying amount	Fair value	Level 1	Level 2	Level 3
Liabilities disclosed at fair value						
Interest-bearing loans and borrowings (Note 4.2)	31.12.2022	967.480	967.480			X
Interest-bearing loans and borrowings (Note 4.2)	31.12.2021	490.806	490.806			X

There were no transfers between the levels during the current period.

Fair value of biological assets is considered a level 3 and is presented in note 2.7.

4.7 CAPITAL MANAGEMENT AND FINANCIAL RISK

Capital management

The primary objective of the Group's capital management is to maximise value creation over time. The Group seeks to optimize the capital structure by balancing risk and return on equity against collateral for lenders, requirements for liquidity and investment capacity.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group considers a solid equity ratio to be important to achieving its strategic goals in the future. Management regularly uses the ratio between net interest-bearing debt / earnings before interest, tax and depreciation & amortisation (NIBD / EBITDA) to assess the Group's financial flexibility, as well as the ability to assume new debt. The equity ratio also constitute the Group's financial covenants to the bank. See note 4.2 for further information on the Group's covenant requirements.

Net interest-bearing debt (NIBD) corresponds to the sum of "Non-current interest bearing loans and borrowings", "Current interest bearing loans and borrowings", "Non-current lease liabilities", "Current lease liabilities" and "Cash and cash equivalents" in the statement of financial position. Earnings before interest, tax and depreciation & amortisation (EBITDA) is calculated as the sum of "Operating profit", "Depreciation and amortisation" and "Impairment" in the Group's consolidated statement of comprehensive income. The equity ratio corresponds to the carrying amount of "Total equity" divided by the total "equity and liabilities" in the consolidated statement of financial position.

The Group's equity ratio was 62% as of 31.12.2022 (66% as of 31.12.2021). The NIBD / EBITDA ratio was 253.7 as of 31.12.2022 (8.3 as of 31.12.2021).

Financial risk management

The Group's principal financial liabilities, comprise interest bearing loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group do not hold derivative financial instruments.

The Group is exposed to a range of risks affecting its financial performance, including market risk, financial risk and credit risk. The Group seeks to minimise potential adverse effects of such risks through sound business practise and risk management. At the current time the liquidity risk of the Group is assessed to be low based on the operating cash flows, scheduled repayments of debt and the availability of credit facilities.

Risk management is carried out by Group management under policies approved by the Board. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

(I) CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables). As the counterparty to Cash and cash equivalents is respectable banks the credit risk associated is considered to be small.

The Group manage its credit risks by trading only with creditworthy third parties. It is the Group's policy that all customers wishing to trade on credit terms are subject to credit verification procedures, which include an assessment of credit rating and review of prior payment issues. The Group obtains sufficient collateral (where appropriate) from customers and ensures that the outstanding amounts do not exceed the set credit limits as means of mitigating the risk of financial loss from defaults. In addition, receivable balances are monitored on an ongoing basis. As a result, the risk that counterparties do not have the financial ability to meet their obligations is considered low in the markets in which the group operates.

The Group do not have significant credit risk related to a single counterparty or several counterparties with similar credit risk. Further, the Group did not provide any guarantees to or on behalf of third-parties liabilities.

No agreements have been entered into for set-off/netting of financial instruments.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. See ageing of trade receivables in note 2.6

(II) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include interest bearing loans and borrowings and cash and cash equivalents.

Interest rate risk

The Group is exposed to changes in the market interest rate, as the Group's interest bearing loans and borrowings has a floating interest rate. Furthermore, changes in market interest rates may affect investment opportunities in future periods.

The Group does not currently hedge the base interest rates. The current interest rate environment is low and the Group may enter into contracts to offset some of the risk depending on the future expected interest rates.

At year-end the interest rate profile of the Group's interest bearing financial instruments is specified as follows:

	2022	2021
Financial assets on floating interest	25.714	7.472
Financial liabilities on floating interest	-1.160.073	-517.744
Net financial liabilities	-1.134.359	-510.272

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax (+/-)	Effect on OCI
31.12.2022	+/- 100	-113.436	-90.749
31.12.2021	+/- 100	-51.027	-40.822

The average effective interest for the Group's interest bearing liabilities were:

Interest bearing liabilities	31.12.2022	31.12.2021
Interest bearing loans and borrowings	6,4 %	4,8 %
Lease liabilities	3,2 %	3,2 %

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (revenue and expenses denominated in a foreign currency), the Group's interest bearing liabilities.

A significant part of revenues are denominated in USD and EUR , with a smaller portion in ISK and NOK. The Group's interest bearing liabilities are denominated in ISK, NOK, EUR and USD. The Group's expenses are mainly denominated in ISK, NOK and EUR. The Group does not hedge currency exposure with the use of financial instruments at the current time, but monitors the net exposure over time.

The Group's exposure to foreign currency risk was as follows based on nominal amounts:

2022	NOK	ISK	DKK	EUR
Trade and other receivables	2.607.648	16.443.418	0	1.948.770
Cash and cash equivalents	2.274.111	1.459.035	3.432	1.863.609
Trade and other payables	-48.876.243	-22.441.842	-510.804	-32.030.852
Interest bearing liabilities	-39.336.262	-24.360.883	0	-17.333.089
Subordinated loan from related party	-27.881.901	0	-10.390.461	-121.751.569
Gross balance sheet exposure	-111.212.647	-28.900.272	-10.897.833	-167.303.131
Balances within the Group				
The Group's currency risk exposure	-111.212.647	-28.900.272	-10.897.833	-167.303.131

2021	NOK	ISK	DKK	EUR
Trade receivables	0	79.061.560	0	0
Cash and cash equivalents	1.645.970	2.621	0	9.237
Trade and other payables	-3.864.416	-19.286.311	0	0
Interest bearing liabilities	-89.022.863	0	0	0
Subordinated loan from related party	-28.436.459	0	0	0
Gross balance sheet exposure	-119.677.768	59.777.871	0	9.237
Balances within the Group				
The Group's currency risk exposure	-119.677.768	59.777.871	0	9.237

Currency sensitivity	Date	Change in FX rate	Effect on profit before tax (+/-)	Effect on equity
Increase / decrease in NOK	2022	+/- 10%	-11.121.265	-8.897.012
Increase / decrease in NOK	2021	+/- 10%	-11.967.777	-10.689.219
Increase / decrease in ISK	2022	+/- 10%	-2.890.027	-2.312.022
Increase / decrease in ISK	2021	+/- 10%	5.977.787	5.340.765
Increase / decrease in DKK	2022	+/- 10%	-1.089.783	-871.827
Increase / decrease in DKK	2021	+/- 10%	-	-
Increase / decrease in EUR	2022	+/- 10%	-16.730.313	-13.384.250
Increase / decrease in EUR	2021	+/- 10%	924	810

(III) LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. The Group monitors its risk to a shortage of funds by monitoring its working capital, overdue trade receivables and establishing credit facilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities, bank loans and loans from related parties to finance working capital and capital investments, without incurring any significant economical losses. The Group has flexible financing through an overdraft facility which is may draw funds (see note 4.2).

4.8 SHARE CAPITAL AND SHAREHOLDER INFORMATION

ACCOUNTING POLICIES

Equity and liabilities

Financial instruments are classified as liabilities or equity in accordance with the underlying economic substance. Share capital and share premiums are classified as equity.

Costs related to equity transactions

Transaction costs are deducted from equity, net of associated income tax.

Distribution to shareholders

The Group recognises a liability to make distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws of Norway, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

	31.12.2022	31.12.2021
Ordinary shares, par value 0,10 NOK per share	91.525.424	54.000.000
Total ordinary shares issued and fully paid	**91.525.424**	**54.000.000**

All shares are ordinary and have the same voting rights and rights to dividends.

	Number of shares		Share capital	
Changes in share capital	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Beginning of period	54.000.000	54.000.000	5.400.000	5.400.000
New issuance of share capital	37.525.424	-	3.752.542	-
End of period	**91.525.424**	**54.000.000**	**9.152.542**	**5.400.000**

DIVIDENDS

ICE FISH FARM has paid the following dividends in the period:	2022	2021
Ordinary shares		
NOK 0 per share	n/a	n/a
Total	**n/a**	**n/a**

The Group did not propose to distribute dividends for the current or prior periods.

4.8 SHARE CAPITAL AND SHAREHOLDER INFORMATION (CONTINUED)

The Group's shareholders (Shareholders in ICE FISH FARM):

Overview of the 20 largest shareholders:	**Origin**	**31.12.2022**		**31.12.2021**	
Shareholder:		**Number:**	**Ownership:**	**Number:**	**Ownership:**
MÅSØVAL EIENDOM AS	Norway	51.361.866	56,12%	30.020.121	55,59%
Krossey ehf	Iceland	10.301.456	11,26%	0	0,00%
Eggjahvita ehf	Iceland	7.122.384	7,78%	7.122.384	13,19%
Hregg ehf.	Iceland	3.026.745	3,31%	3.026.745	5,61%
Laxar Eignarhaldsfélag ehf	Iceland	2.319.071	2,53%	0	0,00%
State Street Bank and Trust Comp *	USA	1.892.195	2,07%	2.021.615	3,74%
J.P. Morgan Bank Luxembourg S.A.	Luxembourg	1.817.869	1,99%	1.064.768	1,97%
Grjót Eignarhaldsfélag ehf.	Iceland	1.323.204	1,45%	1.323.204	2,45%
VPF NORGE SELEKTIV	Norway	1.247.043	1,36%	1.204.382	2,23%
Áning Ásbru ehf	Iceland	892.593	0,98%	892.593	1,65%
MAXIMUM HOLDING AS	Norway	627.000	0,69%	737.500	1,37%
VERDIPAPIRFONDET PARETO INVESTMENT *	Norway	601.572	0,66%	621.000	1,15%
ABK Holding	Norway	598.355	0,65%	0	0,00%
Fjöryro Holdings Tom Inge Solbak	Norway	593.757	0,65%	0	0,00%
Gimli Holding	Iceland	555.012	0,61%	0	0,00%
VERDIPAPIRFONDET DNB SMB *	Sweden	547.083	0,60%	569.373	1,05%
Gleði ehf	Iceland	537.776	0,59%	537.776	1,00%
CLEARSTREAM BANKING S.A.	Luxembourg	521.527	0,57%	368.042	0,68%
Haulk Investment AS	Norway	412.451	0,45%	0	0,00%
Portia AS	Norway	330.000	0,36%	330.000	0,61%
Total of the 20 largest shareholders		**86.628.959**	**94,65%**	**49.839.503**	**92,30%**
Other shareholders		4.896.465	5,35%	4.160.497	7,70%
Total		**91.525.424**	**100%**	**54.000.000**	**100%**

* Custodian of shares

4.9 EARNINGS PER SHARE

Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the EPS calculations:

	2022	2021
Profit or loss attributable to ordinary equity holders - for basic EPS	-59.517	19.942
Weighted average number of ordinary shares - for basic EPS	75.889.831	54.000.000
Basic EPS - profit or loss attributable to equity holders of the parent	**-0,78**	**0,37**
Diluted EPS - profit or loss attributable to equity holders of the parent	**-0,78**	**0,37**
Basic EPS - profit or loss from continuing operations attributable to equity holders of the parent	**-0,78**	**0,37**
Diluted EPS - profit or loss from continuing operations attributable to equity holders of the parent	**-0,78**	**0,37**


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NOTE 5.1: TAX

5.1 TAXES

ACCOUNTING POLICIES

Income tax expense

Income tax expense consist of current income tax and change in deferred tax. Deferred tax assets and deferred tax liability are calculated based on differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date, with the exception of:

- initial recognition of goodwill,
- initial recognition of an asset or liability in a transaction which
  - is not a business combination, and
  - is not at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Current income tax

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognized in equity (OCI) and not in the statement of profit or loss.

Deferred tax

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has TNOK 894 850 as at 31.12.2022 (TNOK 119 585 as at 31.12.2021) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses, and may not be used to offset taxable income elsewhere in the Group. Some of these tax losses do not expire, however, the tax losses related to Icelandic subsidiaries has a 10-year period for which the losses may be utilised. The historical tax losses carried forward for the Icelandic subsidiaries are presented in a table further below.

Current income tax expense:	**2022**	**2021**
Change deferred tax/deferred tax assets (ex. OCI effects)	47.290	4.566
Currency effects	-19.574	-41
Total income tax expense	**27.716**	**4.525**

Deferred tax assets/tax liabilities:	**31.12.2022**	**31.12.2021**
Farming licences	-1.052.953	-
Property, plant and equipment	-180.691	-101.030
Inventories	-42.655	-75.525
Other current assets	-17.310	-
Liabilities	78.388	49.359
Losses carried forward (including tax credit)	832.345	119.585
Basis for deferred tax assets/tax liabilities:	**-382.876**	**-7.612**
Calculated deferred tax assets/deferred tax liabilities	**-76.575**	**-1.555**
- Deferred tax assets not recognised	595	-
Net deferred tax assets/tax liabilities in the statement of financial position	**-75.980**	**-1.555**

Deferred tax from right-of-use assets is included in Property, plant and equipment. Deferred tax from lease liabilities is included in liabilities.

The Group's operations are subject to income tax in various foreign jurisdictions. The statutory income tax rates vary from 20% to 22%, which results in a difference between the statutory income tax rate in Iceland and the average tax rate applicable to the Group. The average tax rate for the group's deferred tax assets are 20% for 31.12.2022 and 20% for 31.12.2021. The average tax rate for the group's deferred tax liabilities are 20% for 31.12.2022 and 20% for 31.12.2021.

A reconciliation of the differences between the theoretical tax expense under the rate applicable in Iceland and the actual tax expense is as follows:

Reconciliation of income tax expense	**2022**	**2021**
Profit or loss before tax	-85.498	24.471
Expected tax expense 20%	18.810	5.384
Permanent differences	-	-544
Gain on sale of shares in associate	16.232	-
Effects of foreign tax rates	-1.881	-538
Currency effects	-4.857	-41
Effect of unrecognised tax asset loss carried forward in ICE Fish Farm AS	-1.150	255
Other	563	10
Recognised income tax expense	**27.717**	**4.524**

The deferred tax asset from loss carry forward is recognized in the consolidated balance sheet. ICE FISH FARM AS has put forth abitious production plan with the aim to stabilize production, maximize license utilisation and profitability.

The Group has TNOK 832.345 tax losses carried forward among it's subsidiaries. The tax loss carried forward from Norway may be offset against future taxable income and will not expire. The tax loss carried forward from Iceland has a 10-year period for which the losses may be utilised and are presented in the table below:

Overview of tax losses carried forward that expire:	**31.12.2022**	**31.12.2021**
Tax loss for the year 2022, utilisable until year-end 2032	522.013	-
Tax loss for the year 2021, utilisable until year-end 2031	148.574	1.560
Tax loss for the year 2020, utilisable until year-end 2030	83.813	-
Tax loss for the year 2019, utilisable until year-end 2029	-	31.039
Tax loss for the year 2018, utilisable until year-end 2028	11.871	15.388
Tax loss for the year 2017, utilisable until year-end 2027	25.074	22.955
Tax loss for the year 2016, utilisable until year-end 2026	1.210	2.380
Tax loss for the year 2015, utilisable until year-end 2025	39.790	43.938
Tax loss for the year 2014, utilisable until year-end 2024	-	2.325
Total tax losses carried forward that expire	**832.345**	**119.585**

NOTE 6.1-2: GROUP INFORMATION

6.1 CONSOLIDATED ENTITIES

ACCOUNTING POLICIES

The Group's consolidated financial statements comprise the parent company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests is presented as a separate line item within equity in the consolidated statement of financial position.

Change in the ownership interest of a subsidiary, without a loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The consideration is recognised at fair value and the difference between the consideration and the carrying amount of non-controlling interests is recognised in equity attributable to the equity holders of the parent.

Loss of control of a subsidiary

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Non-controlling interests

Non-controlling interests in the consolidated financial statements constitute the non-controlling interest's share of the carrying amount of equity. Upon acquisition, non-controlling interests are measured at their proportionate share in the recognised amounts of the acquiree's identifiable net assets.

The following subsidiaries are included in the consolidated financial statements 31.12.2022:

Consolidated entities 31.12.2022	Country of incorporation	Business	Ownership share	Group's voting ownership share
Fiskeldi Austfjarda hf	Iceland	Fish Farming	100%	100%
Rifos	Iceland	Fish Farming	100%	100%
Laxar Fiskeldi ehf	Iceland	Fish Farming	100%	100%
Búlandstindur ehf	Iceland	Harvest station	67%	67%

The following subsidiaries are included in the consolidated financial statements 31.12.2021:

Consolidated entities 31.12.2021	Country of incorporation	Business	Ownership share*	Group's voting ownership share*
Fiskeldi Austfjarda hf	Iceland	Fish Farming	100%	100%
Rifos	Iceland	Fish Farming	99%	99%

6.2 INVESTMENTS IN ASSOCIATED COMPANIES

ACCOUNTING POLICIES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The ownership and voting rights are typically between 20 and 50%.

Investments in associated companies are accounted for using the equity method in the consolidated financial statements. The consolidated financial statements include the group's share of profit from associated companies from the time significant influence was achieved and until such influence ceases. Changes in other income and expenses in these investments are included in the Group's other income and expenses.

In the event impairment indicators, an impairment test is performed on the carrying amount of the investment. Any impairment is recognized in the share of profit from associated companies. No write-downs have been made in 2022.

Búlandstindur ehf

Búlandstindur ehf. is a salmon harvesting facility in Iceland. Búlandstindur ehf is a private entity that is not listed on any public exchange. Ice Fish Farm AS increased it´s shares in Búlandstindur during 2022 from 33% to 67% ownership. The Group's interest in Búlandstindur ehf was accounted for using the equity method in the consolidated financial statements prior to it becoming part of the group.

The following table illustrates the summarised financial information of the Group's investment in Búlandstindur ehf:

Summary of the statement of financial position Búlandstindur ehf	31.12.2022	31.12.2021
Equity	-	31.059
Group's share in equity – 33% (all periods)	-	10.250
Goodwill	-	-
Group's carrying amount of the investment	-	10.353

The associate requires the Group's consent to distribute its profits. The Group does not foresee giving such consent at the reporting date.

The associate had no contingent liabilities or capital commitments as at 31.12.2022 and 31.12.2021.

Eldisstöðin Ísþór ehf

Eldisstöðin Ísþór owns and operates smolt producing facility. It is a private entity that is not listed on any public exchange. The Group sold it share of 50% interest in Eldisstöðin Ísþór ehf during 2022. The Group's interest in Eldisstöðin Ísþór ehf was accounted for using the equity method in the consolidated financial statements until it was sold in August 2022.

The following table illustrates the summarised financial information of the Group's investment in Eldisstöðin Ísþór ehf:

Summary of the statement of financial position Eldisstöðin Ísþór ehf	31.12.2022	31.12.2021
Equity	-	28.316
Group's share in equity – 50% (all periods)	-	14.158
Goodwill	-	-
Group's carrying amount of the investment	-	14.158
Group's carrying amount of both investments in associates	-	24.511

The associate had no contingent liabilities or capital commitments as at 31.12.2022 and 31.12.2021.

Shares in associates are specified as follows	2022	2021
Book value 01.01	24.511	21.712
Share of profit in associaes	1.013	-6.999
Translation difference	-1.706	9.798
Búlandstindur becomes subsidiary	-7.369	-
Sale of Istthor	-16.449	-
Book value 31.12	-	24.511

NOTE 7.1-4: OTHER DISCLOSURES

7.1 REMUNERATION TO MANAGEMENT AND THE BOARD

Remuneration to the Board of Directors

Remuneration for the members of the Board is determined by the Annual General Meeting (AGM). The remuneration is not linked to the Group's performance but reflects the Board's responsibilities, expertise, time and commitment.

Remuneration to executive management:

The Board of ICE FISH FARM AS determines the principles applicable to the Group's policy for compensation of executive management. The

Board is directly responsible for determining the CEO's salary and other benefits. The Group's executive management includes the CEO and the management team of each business unit.

Principles for determining salary

The main principle for determining salary for each executive management member has been a fixed annual salary with the addition of benefits in kind such as telephone, insurance, internet subscription and newspaper subscription. The fixed salary has been determined on the basis of the following factors: competitive salary level, scope of work and responsibilities, as well as an assessment of the business and individual performance.

Pension

All executive management are members of the defined contribution pension scheme. Beyond this, there is no agreement on special pension schemes in the group.

Other benefits

There are no special benefits beyond ordinary salary and pension. No share option schemes or special bonuses have been agreed for executive management or the Board.

Severance Arrangements

If the CEO is terminated by the Board, he is entitled to severance pay of 6 months in addition to the ordinary notice period of 6 months.

For other executive management, there will be an individual assessment of severance packages that are reasonable in relation to responsibility and seniority and the reason for the termination of the employment.

The policy regarding the determination of salaries and other remuneration to executive management has been unchanged in recent periods and is expected to remain unchanged in the future.

Executive Management - 2022	Board remuneration	Fixed salary	Bonus	Other compensation	Pension	Total remuneration
Guðmundur Gíslason - CEO		2.054.419	-	127.800	277.347	2.459.566
Jens Garðar Helgason - Deputy CEO		1.646.208	-	94.210	222.238	1.962.657
Róbert Róbertsson - CFO		1.532.028	-	170.400	206.824	1.909.252
Kjartan Lindbol - COO for SEA		1.837.392	-	-	211.300	2.048.692
Fannar Þorvaldsson - COO Land North		1.627.178	-	4.536	219.669	1.851.382
Jóhannes Sigurðsson - COO Land South		1.403.022	-	-	189.408	1.592.430
Elís H Grétarsson - COO Harvesting		1.629.896	-	72.021	220.036	1.921.953
Total	**-**	**11.730.144**	**-**	**468.967**	**1.546.822**	**13.745.932**

Executive Management - 2021	Board remuneration	Fixed salary	Bonus	Other compensation	Pension	Total remuneration
Guðmundur Gíslason - CEO		1.777.790	-	363.710	272.630	2.414.130
Kjartan Lindboel - COO		1.795.376	99.953	177.217	219.064	2.291.610
Róbert Róbertsson - CFO		1.026.667	-	274.763	157.713	1.459.143
Total	**-**	**4.599.832**	**99.953**	**815.690**	**649.407**	**6.164.883**

No Employees in ICE Fish Farm AS in 2022 or 2021, the above figures relates to salary paid by group companies.

Pension represent the premium paid for defined contribution plans.

	Board remuneration	
The Board of Directors	**2022**	**2021**
Asle Ronning - Chairman of the Board	-	-
Lars Måsoval - Board member 1)	-	-
Martin Staveli - Board member	-	-
Einar Þór Sverrisson - Board member	-	-
Aðalsteinn Ingólfsson - Board member 2)	-	-
Total	-	-

No loans have been granted or collateral provided to Executive Management or members of the Board. No remuneration for 2021 or 2020 to the board.

Shares held by Executive Management and the Board of Directors 31.12.2020	Number of shares held directly	Number of shares held indirectly	Number of shares held by related parties
Lars Måsoval - Board member 1)	-	51.361.866	-
Aðalsteinn Ingólfsson - Board member 2)		10.301.456	
Guðmundur Gíslason - CEO 3)		7.122.384	
Jens Garðar Helgason - Deputy CEO 4)		72.134	
Jóhannes Sigurðsson - COO Land South 4)		55.775	
Fannar H Þorvaldsson - COO Land North		9.000	
Total	**-**	**68.922.615**	**-**

1) Holds shares via 'MÅSØVAL EIENDOM AS'

2) Holds shares via 'Krossey EHF'

3) Holds shares via 'Eggjahvita ehf'

4) Holds shares via "Laxar eignarhaldsfélag"

7.2 RELATED PARTY TRANSACTIONS

Related parties are associates, shareholders who have control, joint control or significant influence over the Group, members of the board and Management in Ice Fish Farm AS and the group subsidiaries. Note 6.1 provides information about the Group structure, including details of the subsidiaries and the holding company (relates parties).

All transactions within the Group or with other related parties are based on the principle of arm's length.

The following table provides the total amount of transactions that have been entered into with related parties (outside the Group) for the relevant financial period:

Related party transactions and balances 2022 and 31.12.2022	**Shareholders***	**MÅSØVAL Fiskopdrett AS (Sister company)**	**Búlands-tindur ehf. (Associated company) before acquisition**	**Laxar Fiskeldi ehf. (Sister company)**	**Eldisstöðin Ísþór hf. (Associated company)**	**Total**
Current loans and borrowings to related parties						-
Current trade and other payables to related parties		18.057				18.057
Subordinated loans and borrowings from related parties	192.594**					192.594
Purchases from related parties (incl. Management fees)		30.394	23.885	11.863	28.367	94.508

* MÅSØVAL EIENDOM AS, Krossey ehf., Eggjahvíta ehf., Grjót eignarhaldsfélag ehf. & Hregg ehf.

** Interest rates range between 5-10%

** All non-current loans and borrowings from related parties converted to equity in March 2023

Related party transactions and balances 2021 and 31.12.2021	**Shareholders***	**MÅSØVAL Fiskopdrett AS (Sister company)**	**Búlands-tindur ehf. (Associated company)**	**Eldisstöðin Ísþór hf. (Associated company)**	**Total**
Current loans and borrowings to related parties				46.825	46.825
Current trade and other payables to related parties				2.311	2.311
Subordinated loans and borrowings from related parties	26.938				26.938
Purchases from related parties (incl. Management fees)			42.071	5.359	47.430

7.3 SUBSEQUENT EVENTS

ACCOUNTING POLICIES

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, the Group will assess if the information affects the amounts that it recognises in the Group's consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

Private placement

ICE FISH FARM AS has raised approximately EUR 44 million, equivalent to NOK 499,707,991.20, ingross proceeds through a private placement of 18,105,362 new shares at a price per share of NOK 27.60.

Completion of the Private Placement and the issuance of the New Shares were resolved by the Board of Directors of the Company at a Board meeting held 30 March 2023 pursuant to an authorization to increase the share capital granted to the Board by the Company's extraordinary general meeting on 16 March2023.

In connection with the Private Placement, currently outstanding shareholder loans of approximately EUR 26 million have also been converted to 10,819,927 new shares, at the Subscription Price and based on the exchange rates published by Norges Bank 30 March 2023. The Company's share capital following the Private Placement and conversion of the shareholder loans will be NOK 12,045,071.30 divided into 120,450,713 shares, each with a par value of NOK 0.10.

Refinancing

Ice Fish Farm AS reached an agreement with DNB Bank ASA, Nordea Bank Abp, filial i Norge, Arion Banki hf and Landsbankinn hf for a long-term bank financing package of up to EUR 156.2 million

The New Financing includes

i) a EUR 60 million term loan facility for the refinancing of certain existing indebtedness of the group,

ii) a EUR 20 million capex facility for financing of new equipment, upgrades to facilities, investments in barges, vessels and other assets

iii) an up to EUR 70 million revolving credit facility to refinance current biomass financing and for general corporate and working capital purposes and

iv) an up to EUR 6.2 million term loan facility for refinancing of certain other existing indebtedness of the group and for financing of new equipment.

The borrowing base limitations for the revolving credit facility will be based on value of insured biomass and eligible account receivables.

The initial drawdown on the New Financing is expected within Q2 2023 and remain subject to documentation and customary conditions precedent.

7.4 BUSINESS COMBINATION

In December 2021 the shareholders of Ice Fish Farm AS and Laxar Holding ehf reach an agreement where Ice Fish Farm AS would aquire all shares in Laxar Fiskeldi AS and 33% shares in Búlandstindur. The transaction went through at 30 May 2022, which is the consolidation date of Laxar Fiskeldi ehf and Búlandstindur ehf. Laxar holding ehf received corresponding shareholding in Ice Fish Farm.

Ice Fish Farm AS is the sole shareholder of Fiskeldi Austfjarða hf, Laxar Fiskeldi ehf, Rifós HF (smolt facility) and is now the majority owner of Búlandstindur ehf (harvesting station) with 67% of all shares in the company.

Prior to the transaction Búlandstindur has been treated according to the equity method as an associated company. At the time of contol the entire equity investment in Búlandstindur is considered as realised and a new cost price established. The purchase price in Búlandstindur is considered to be equal to its equity value and therefore no premium created in the transaction of Búlandstindur.

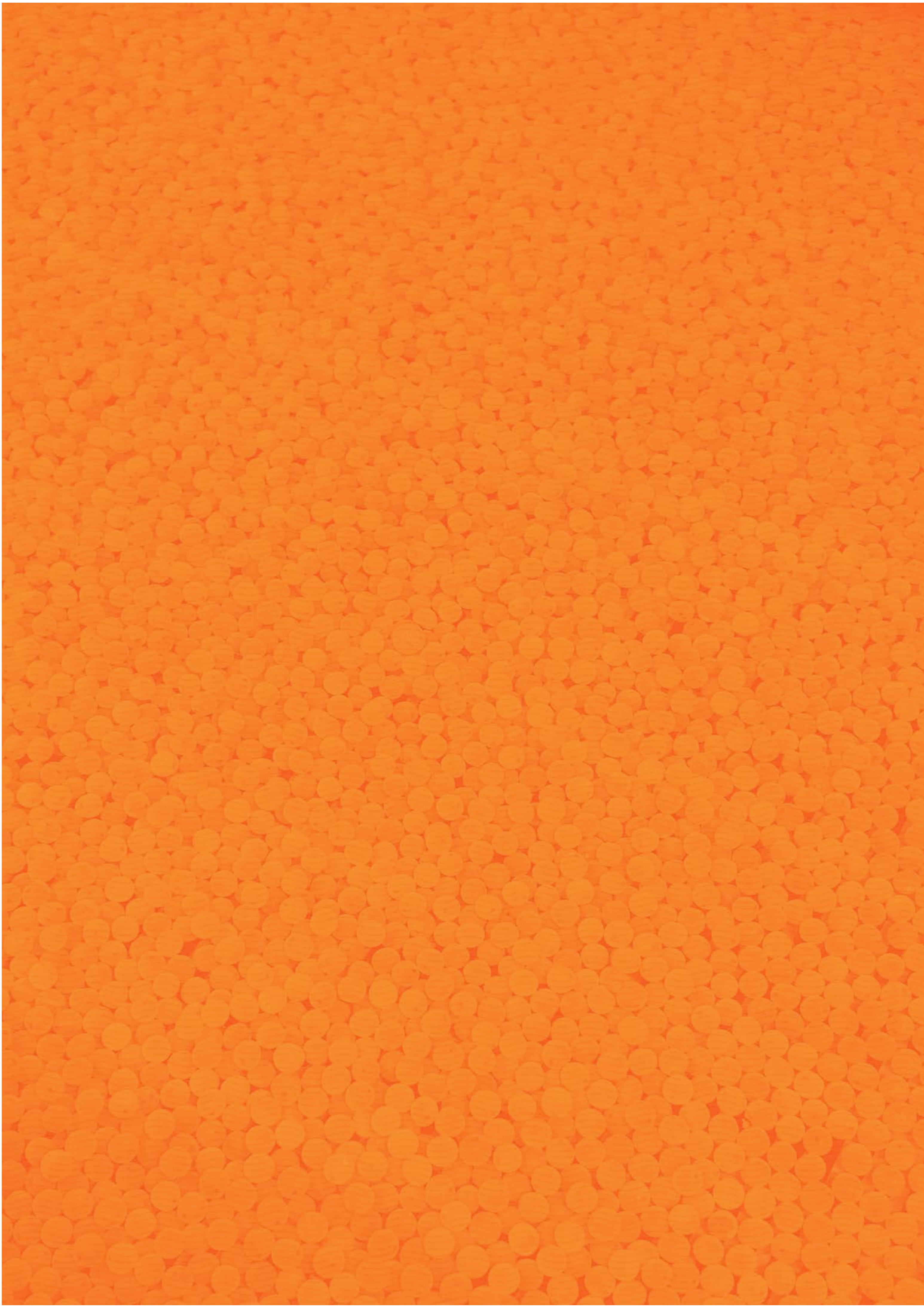
At the time of control in Laxar Fiskeldi ehf the company is consolidated to Ice Fish Farm AS consolidation. The allocation of the premium created in the transaction is shown below.

Effect on the balance sheet after business transfer

NOK (1000)	Book value 31.5.2022	Adjustment to fair value	Fair value 31.5.2022
Licenses	6.554	1.019.689	1.026.243
Other intangible assets	0	203.938	203.938
Property, plant and equipment	560.162		560.162
Biological assets	71.712		71.712
Other current assets	31.415		31.415
Cash and cash equivalents	30.189		30.189
Other non-current liabilities	-497.446		-497.446
Deferred tax assets / liabilities	79.112	-203.938	-124.825
Current liabilities	-250.676		-250.676
Net identifiable assets and liabilities	**31.023**	**1.019.689**	**1.050.712**

*Book value 31.5.2022 has been converted from EUR and ISK to NOK

*Laxar Fiskeldi Balance sheet was updated by increased write-off of NOKm 147 in Q4



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INCOME STATEMENT

ICE FISH FARM AS - parent company			
(NOK 1000)	Note	01.01.-31.12.2022	01.01.-31.12.2021
Other operating expenses	2,3	3.592	957
Operating profit		**-3.592**	**-957**
Finance income		5.252	403
Finance costs		-5.520	
Profit or loss before tax		**-3.860**	**-555**
Income tax expense	4	-	-
Profit or loss for the period		**-3.860**	**-555**
Allocation of result for the period			
Allocated to other equity		-3.860	-555
Total brought forward		**-3.860**	**-555**

BALANCE SHEET

ICE FISH FARM AS - parent company			
(NOK 1000)	Note	31.12.2022	31.12.2021
ASSETS			
Non-current assets			
Investments in group company	5	2.838.553	1.787.842
Loans to group companies		77.812	-
Total non-current assets		**2.916.365**	**1.787.842**
Current assets			
Cash and cash equivalents	6	11.714	5.140
Total current assets		**11.714**	**5.140**
TOTAL ASSETS		**2.928.079**	**1.792.982**
EQUITY AND LIABILITIES			
Equity			
Share capital	7	9.153	5.400
Share premium	7	2.837.593	1.790.635
Other equity		-7.040	-3.119
Equity attributable to equity holders of the parent		**2.839.706**	**1.792.916**
Non-current liabilities			
Subordinated loan from related parties		88.373	-
Total non-current liabilities		**88.373**	**-**
Current liabilities			
Trade and other payables	8	-	66
Income tax payable		-	-
Total current liabilities		**-**	**66**
Total liabilities		**88.373**	**66**
TOTAL EQUITY AND LIABILITIES		**2.928.079**	**1.792.982**

Sistranda, 22 May 2023

Asle Ronning
Chairman of the Board

Lars Masoval
Board Member

Martin Staveli
Board Member

Guðmundur Gislason
CEO

Adalsteinn Ingolfsson
Board Member

Einar Thor Sverrisson
Board Member

CHANGES IN EQUITY

ICE FISH FARM AS - Parent company

(NOK 1000)	Note	Share capital	Share premium	Other equity	**Total**
Equity 16.03.2020		30			**30**
Profit or loss for the period				-2.564	**-2.564**
Write down of share capital in Ice Fish Farm		-30			**-30**
Deemed issue of share capital*		4.500	1.503.000		**1.507.500**
Deemed issue of share capital*		900	300.600		**301.500**
Transaction costs			-12.965		**-12.965**
At 31 December 2020		**5.400**	**1.790.635**	**-2.564**	**1.793.471**
Profit or loss for the period				-555	**-555**
At 31 December 2021		**5.400**	**1.790.635**	**-3.119**	**1.792.916**
Profit or loss for the period				-3.860	**-3.860**
Opening balance 2022 corrected				-61	**-61**
Issue of share capital		3.753	1.046.959		**1.050.712**
At 31 December 2022		**9.153**	**2.837.593**	**-7.040**	**2.839.707**

For further information see note 1.

STATEMENT OF CASH FLOWS

ICE FISH FARM AS - Parent company			
(NOK 1000)	**Note**	**01.01.-31.12.2022**	**01.01.-31.12.2021**
Cash flows from operating activities			
Profit or loss before tax		-3.860	-555
Changes in inventories, trade and other receivables and trade and other payables		-66	-184
Finance income		-5.252	-403
Finance costs		5.520	0
Net cash flows from operating activities		**-3.658**	**-1.142**
Cash flows from investing activities			
Purchase of shares in subsidiaries, net of cash acquired		-1.050.772	-130.342
Loan to subsidiaries		-77.812	0
Interest received		5.252	403
Net cash flow from investing activities		**-1.123.332**	**-129.939**
Cash flow from financing activities			
Change in related parties liabilities	8	88.373	0
Interest paid		-5.520	
Proceeds from issuance of equity		1.050.711	**0**
Net cash flow from financing activities		**1.133.564**	**0**
Net change in cash and cash equivalents		**6.574**	**-131.081**
Effect of change in exchange rate on cash and cash equivalents			
Cash and cash equivalents, beginning of period	**6**	**5.140**	**136.221**
Cash and cash equivalents, end of period	**6**	**11.714**	**5.140**

The consolidated statements of cash flows are prepared using the indirect method.

NOTE 1 - ACCOUNTING PRINCIPLES AND SIGNIFICANT TRANSACTIONS

Corporate information

ICE Fish Farm AS is a publicly listed company on the Merkur Market, with the ticker symbol IFISH. The ultimate parent company is MÅSØVAL EIENDOM AS. ICE Fish Farm AS is a Company incorporated in Norway with headquarters in Iceland. The address of its registered office is Nordfroyveien 413, 7260 Sistranda, Norway. ICE Fish Farm's headquarter is located at Nesbala 122, 170 Seltjarnarnes, Iceland.

The financial statements for the company were authorised for issue in accordance with a resolution of the Board of Directors on 22 May 2023.

Basis of preparation

The financial statements of the company comprise statement of income, balance sheet and cash flows, changes in equity, and related notes. The financial statements have been prepared on a historical cost basis, and on the going concern assumption. All figures are presented in NOK thousands (000), except when otherwise indicated. The financial statements are presented in Norwegian Kroner (NOK), which is also the functional currency of the parent company.

Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities. Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Subsidiaries and investment in associates

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

NOTE 2 - OTHER OPERATING COST

Other operating expenses	01.01.-31.12.2022	01.01.-31.12.2021
Consulting expenses and insourcing	3.592	957
Total other operating expenses	**3.592**	**957**

Auditor related fees	01.01.-31.12.2022	01.01.-31.12.2021
Audit fee	184	153
Tax services	18	4
Other services	679	353
Total auditor fees (excl. VAT)	**880**	**510**

NOTE 3 - TRANSACTIONS WITH RELATED PARTIES

Related parties are Group companies, associates, major shareholders, members of the board and Management in the parent company and the group subsidiaries.

All transactions within the Group or with other related parties are based on the principle of arm's length.

The following table provides the total amount of transactions that have been entered into with related parties (outside the Group) for the relevant financial period:

Related party transactions and balances 2022 and 31.12.2022	Shareholders	Subsidiaries	Total
Non-current loans and borrowings to related parties	-	77.812	77.812
Non-current loans and borrowings from related parties	88.373	-	88.373
Interest paid to related parties	5.520	-	5.520
Interest received from related parties	-	5.252	5.252

Related party transactions and balances 2021 and 31.12.2021	Shareholders	Subsidiaries	Total
Current trade and other payables to related parties	66		66
Purchases from related parties (incl. Management fees)	66		66

NOTE 4 PERSONNEL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATION, LOAN TO EMPLOYEES

There were no employees in ICE Fish Farm AS in 2022, and hence the company is not required to have a pension.

No personell have been hired by the company during 2022.

There's been no payments to the board in 2022.

No loans have been granted or collateral provided to Executive Management or members of the Board.

Shares held by Executive Management and the Board of Directors 31.12.2022	Number of shares held directly	Number of shares held indirectly	Number of shares held by related parties
Lars Måsoval - Board member 1)		51.361.866	
Aðalsteinn Ingólfsson - Board member 2)		10.301.456	
Guðmundur Gíslason - CEO 3)		7.122.384	
Jens Garðar Helgason - Deputy CEO 4)		72.134	
Fannar H Þorvaldsson - COO Land North		9.000	
Jóhannes Sigurðsson - COO Land South 4)		55.775	
Total	**-**	**68.922.615**	**-**

1) Holds shares via 'MÅSØVAL EIENDOM AS'

2) Holds shares via 'Krossey EHF'

3) Holds shares via 'Eggjahvita ehf'

4) Holds shares via "Laxar eignarhaldsfélag"

NOTE 4 - TAX

Current income tax expense:	**01.01.-31.12.2022**	**01.01.-31.12.2021**
Tax payable	-	-
Change deferred tax/deferred tax assets (ex. OCI effects)	-	-
Total income tax expense	-	-

Deferred tax assets:	**31.12.2022**	**31.12.2021**
Losses carried forward (including tax credit)	-3.860	-555
Basis for deferred tax assets:	**-3.860**	**-555**
Calculated deferred tax assets	849	122
- Deferred tax assets not recognised	-849	-122
Net deferred tax assets in the statement of financial position	**-**	**-**

Reconciliation of income tax expense	**01.01.-31.12.2022**	**01.01.-31.12.2021**
Profit or loss before tax	**-3.860**	**-555**
Tax expense 22%	-849	-122
Not Recognised income tax expense	**-849**	**-122**

* The permanent differences are related to non-deductible costs.

NOTE 5 - SUBSIDIARIES

The following subsidiaries are included in the consolidated financial statements 31.12.2022:

Consolidated entities 31.12.2022	Country of incorporation	Business	Ownership share	Group's voting ownership share
Fiskeldi Austfjarda hf	Iceland	Fish Farming	100%	100%
Rifos	Iceland	Fish Farming	100%	100%
Laxar Fiskeldi ehf	Iceland	Fish Farming	100%	100%
Búlandstindur ehf	Iceland	Harvest station	67%	67%

The following subsidiaries are included in the consolidated financial statements 31.12.2021:

Consolidated entities 31.12.2021	Country of incorporation	Business	Ownership share*	Group's voting ownership share*
Fiskeldi Austfjarda hf	Iceland	Fish Farming	100%	100%
Rifos	Iceland	Fish Farming	99%	99%

NOTE 6 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents	31.12.2022	31.12.2021
Bank deposits, unrestricted	11.714	5.140
Bank deposits, restricted	-	-
Total in the balance sheet	**11.714**	**5.140**
	31.12.2022	**31.12.2021**
Bank deposits, unrestricted	11.714	5.140
Overdraft facility (available funds)	-	-
Total cash and cash equivalents (available liquidity)	**11.714**	**5.140**

NOTE 7 - SHARES AND SHAREHOLDERS

	31.12.2022	31.12.2021
Ordinary shares, par value 0,10 NOK per share	91.525.424	54.000.000
Total ordinary shares issued and fully paid	**91.525.424**	**54.000.000**

All shares are ordinary and have the same voting rights and rights to dividends.

	Number of shares	Number of shares	Share capital	Share capital
Changes in share capital	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Beginning of period	54.000.000	54.000.000	5.400.000	5.400.000
New issuance of share capital	37.525.424	-	3.752.542	-
End of period	91.525.424	54.000.000	9.152.542	5.400.000

Reconciliation of equity is shown in the statement of changes in equity.

The Group's shareholders (Shareholders in ICE FISH FARM):

Overview of the 20 largest shareholders:		**Origin**	**31.12.2022**	
Shareholder:			**Number:**	**Ownership:**
MÅSØVAL EIENDOM AS		Norway	51.361.866	56,12%
Krossey ehf		Iceland	10.301.456	11,26%
Eggjahvita ehf		Iceland	7.122.384	7,78%
Hregg ehf.		Iceland	3.026.745	3,31%
Laxar Eignarhaldsfélag ehf		Iceland	2.319.071	2,53%
State Street Bank and Trust Comp	NOM	USA	1.892.195	2,07%
J.P. Morgan Bank Luxembourg S.A.		Luxembourg	1.817.869	1,99%
Grjót Eignarhaldsfélag ehf.		Iceland	1.323.204	1,45%
VPF NORGE SELEKTIV		Norway	1.247.043	1,36%
Áning Ásbru ehf		Iceland	892.593	0,98%
MAXIMUM HOLDING AS		Norway	627.000	0,69%
VERDIPAPIRFONDET PARETO INVESTMENT	NOM	Norway	601.572	0,66%
ABK Holding		Norway	598.355	0,65%
Fjöryro Holdings Tom Inge Solbak		Norway	593.757	0,65%
Gimli Holding		Iceland	555.012	0,61%
VERDIPAPIRFONDET DNB SMB	NOM	Sweden	547.083	0,60%
Gleði ehf		Iceland	537.776	0,59%
CLEARSTREAM BANKING S.A.		Luxembourg	521.527	0,57%
Haulk Investment AS		Norway	412.451	0,45%
Portia AS		Norway	330.000	0,36%
Total of the 20 largest shareholders			**86.628.959**	**94,65%**
Other shareholders			4.896.465	5,35%
Total			**91.525.424**	**100%**

KPMG AS
Sjøgangen 6
N-7010 Trondheim

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Ice Fish Farm AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Ice Fish Farm AS, which comprise:

- the financial statements of the parent company Ice Fish Farm AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- the consolidated financial statements of Ice Fish Farm AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, the 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.

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 May 2023
KPMG AS

Yngve Olsen
State Authorised Public Accountant

ALTERNATIVE PERFORMANCE MEASURES

Ice Fish Farm's consolidated financial information is prepared in accordance with international financial reporting standards (IFRS). In addition, the management's intention is to provide alternative performance measures, which are regularly reviewed by the management to enhance the understanding of the company's performance, but not replacing the financial statements prepared in accordance with IFRS. The alternative perfromance measures presented may be determined or calculated differently by other companies.

These APM's are adjusted IFRS measures, defined, calculated and used in a consistent and transparent manner over the years and across the company where relevant.

OPERATIONAL EBIT

Operational EBIT is operational profit before fair value adjustments.

Operational EBIT is a major alternative performance measure in the salmon farming industry. A reconciliation from EBIT to Operational EBIT is provided below.

NOK 1000	**FY 2022**	**FY 2021**
EBIT	-110.926	38.650
Net fair value adjustment biomass	23.891	-15.503
Operational EBIT of salmon before fair value adjustment	-87.035	23.147
Biomass write-down (one off)	116.324	0
Operational EBIT *	**29.288**	**23.147**

*Operational EBIT adjusted for write-down of biomass in FY 2022

Operational EBIT per kg

Operational EBIT per kg is Operational EBIT devided by harvested volumes.

NOK	**FY 2022**	**FY 2021**
Operational EBIT *	29.288	23.147
Total harvested volumes	8.925	5.451
Operational EBIT per kg	3,28	4,25

*Operational EBIT adjusted for write-down of biomass in FY 2022

EBITDA

Earnings before interest, tax, depreciations, amortizations and impairments (EBIDTA) is used to calculate operating result, where fair value adjustment of biomass is taken out. This APM is a useful measure of operating performance because they approximate the underlying cash flow by eliminating depreciation and amortisation. The focus is thus on the variable cost

NOK 1000	**FY 2022**	**FY 2021**
Operational EBIT of salmon before fair value adjustment	-87.035	23.147
Depreciation, amortisation and impairment	91.507	38.425
EBITDA	**4.472**	**61.572**

REARED IN PRISTINE ICELANDIC NATURE

ZERO BYCATCH

PROTEIN RICH

RESPONSIBLE FARMING

PURE PRISTINE WATERS

ICELAND QUALITY

GMO FREE

PREMIUM OMEGA 3

AQUA GAP CERTIFIED QUALITY

100% NATURAL NO ADDITIVES