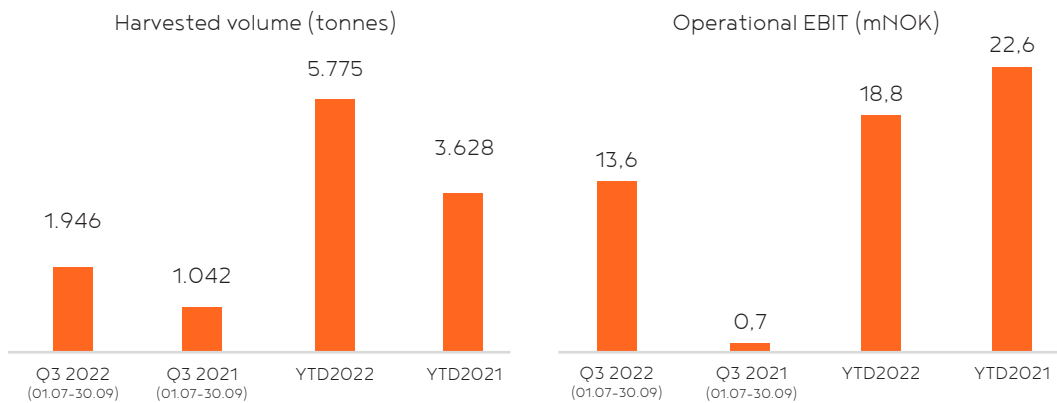




ICE FISH FARM

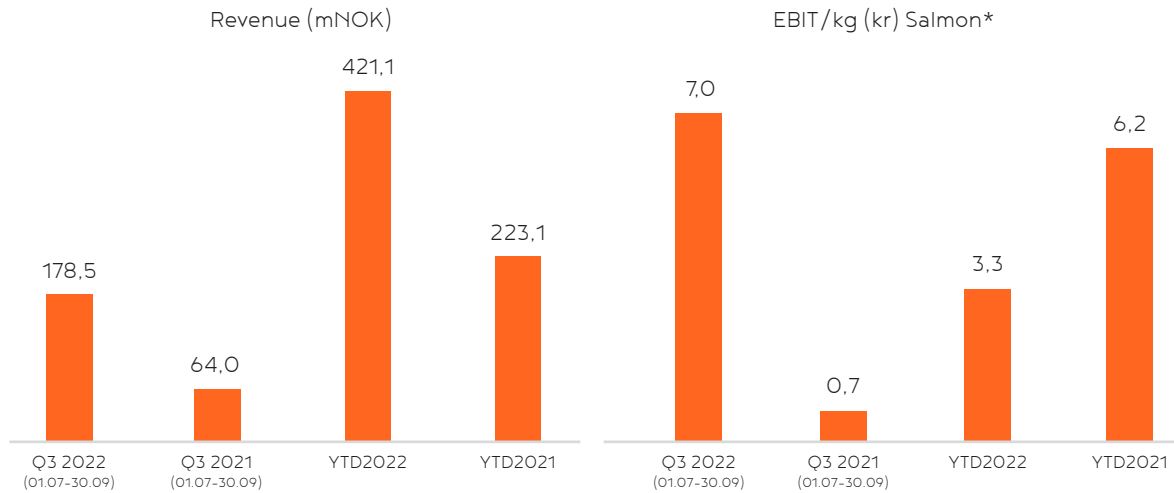


INTERIM REPORT Q3 | 2022



HIGHLIGHTS Q3 2022

KEY FIGURES



ICE FISH FARM Q3 HIGHLIGHTS

Operating EBIT per kg of NOK 6,97 in the quarter.

Harvested volume in Q3 amounted to 1.946 tonnes making YTD harvest volume of 5.775 tonnes and 8 151 tonnes including harvested volume in Laxar Fiskeldi during January through May 2022.

Still have 3 200 tonnes to harvest in Q4 and reaching over 11 300 tonnes for the merged company for full year 2022

Average weight of harvested fish in Q3 was low as expected or around 2.7 kg due to early harvest.

Smolt output is finished at end of October, and we expect to have about 5.8 million fish in the sea at end of 2022, all released to the sea in 2022.

All salmon is now certified for our high-end customers around the world.

Ice Fish Farm is currently in process with selected financial institution about refinancing of the group. The aim is to ensure sufficient funding, simplify the loan structure of the group and finance all interest-bearing liabilities on group level.



ICE FISH FARM

Ice Fish Farm AS is a holding company which owns 100% of the shares in Fiskeldi Austfjarða hf, 100% of shares in Laxar Fiskeldi ehf, 100% of shares in Rifós hf (Smolt facility) and 66.7% shares in Búlandstindur ehf (Harvesting station).

Ice Fish Farm AS is one of the leading salmon farmers in Iceland and the only salmon farmer in the world with the highly sought-after Aqua GAP certification which ensures environment-friendly production. Ice Fish Farm has a well-developed and fully integrated value-chain controlling all steps from hatchery to sales, enabling the group to provide its customers with a sustainable premium product. Ice Fish Farm is headquartered in Iceland.



FINANCIAL PERFORMANCE

Figures in brackets = Q3 2021, unless otherwise specified.

REVENUES AND RESULTS

FOR THE QUARTER ENDING 30.9.2022

Operating income in Q3 amounted to NOK 178.5 million (NOK 64.0 million), while the operating profit before fair value adjustment of biomass was NOK 1.2 million (NOK 0.7 million). Operating EBIT before biomass write-down NOK 13.6 million in Q3 2022.

Harvested volume in Q3 2022 increased and reached 1 946 tonnes compared to 1 042 tonnes in Q3 2021.

Biomass one off write-down of NOKm 12.4 in Q3 for smolt in Isthor which was sold during the quarter. Operating EBIT per kg for Q3 2022 before biomass write-down amounted to NOK 7,0 (NOK 0.7) compared compared to operational EBIT after biomass write-down of NOK 0.6.

FINANCIAL ITEMS AND SHARE OF PROFITS FROM ASSOCIATES

Fiskeldi Austfjarða sold all shares in Eldisstodin Isthor to Arnarlax. The sales agreement between the companies was signed in May 2022. The closing date of the transaction was in August 2022. The enterprise value for 50% of the company amounted to €16 million. Recorded gain from the sale amounted to NOKm 84.3. The biomass in Isthor was also sold at the same time which resulted in one off biomass write down as the book value was higher than the market value.

BALANCE SHEET

ASSETS

Total assets amounted to NOKm 3.947 at the end of Q3 2022 compared to NOKm 3.759 in Q2 2022.

Biological assets amounted to NOKm 556 of which NOKm 52.8 are FV adjustment.

PP&E amounted to NOKm 1.298 and Licenses NOKm 1.680.

Isthor was the only associated company at end of Q2. Isthor was sold in Q3, thus decreasing investment in associated companies to zero. A condition in the sale agreement was that Isthor would pay back shareholder loan from Ice Fish Farm AS. This explains the decreased balance of loans to associates down to zero at the end of Q3 2022.

EQUITY AND LIABILITIES

The balance sheet of Ice Fish Farm AS is strong with equity ratio of roughly 61% at the end of Q3 2022.

Total liabilities amounted to NOKm 1.526 in Q3 2022 compared to NOKm 1.579 at the end of Q2 2022. Interest-bearing debt including lease liability and subordinated loan from shareholders amounted to NOKm 1.136 in Q3 2022. Lease liability was NOKm 84 in Q3.

Net interest-bearing debt amounted to NOKm 1.080 in Q3 compared to NOKm 1.111 at the end of Q2 2022.



INVESTMENTS

Investments in Q3 2022 amounted to around NOKm 34 which is mainly due to investments for Sea operations.

Total investment in the first three quarters 2022 amounted to NOKm 113.5.

Capex for next year is estimated to amount to approximately NOK 110 million and is mainly focused towards improving the operational performance. For 2024 we estimate NOK 211 left in our investment program to reach a yearly production capacity of 30.000 tonnes.

OPERATIONAL INFORMATION

SMOLT PRODUCTION

Smolt production and sea water production for fish released this year have gone well. At the end of the year, we expect to have about 5.8 million fish in the sea for generation 2022.

Land North (Rifós and Kópasker) had its first full year operations of smolt delivery. Total amount of smolt was 3,0 million smolt at average weight of 190gr and biggest smolt was 600gr+. Fish transferred to sea had a high 60-day survival rate after transferring. A game changer for ICE FISH FARM well above 95%.

Land South (Bakki, Fiskalón, Laxabraut) had a record year with over 1.300 tonnes of smolts delivered and we are working on improvements and smolt transfer.

The plan for our smolt production in 2023 is to continue to improve robustness of our smolt. This started with quality control implementation and all sites have been evaluated by a third party. The focus will be improving conditions for the fish on land and utilizing our production capacity. This will improve our production on land and at sea. Robust smolt performs better in the sea and we see clear difference on FCR and Growth.

FARMING SEA

Good biological development continued in Q3 in the sea operations. Conditions in the sea were good and low volume of algae and jellyfish this year. Farming is performing better than our plans. The temperature has been a bit lower than normal this year.

We are harvesting our generation 2020 and 2021 in Berufjordur, at both sites Svarthamarsvík and Hamraborg. We expect to have around 3.200 tones of harvest from these sites in Q4. Fish has grown well and low mortality in the quarter.

Generation 2022 is now spread over 2 fjords into 2 production areas and 4 sites with a total of around 5,8M fish. All the cages have been updated with stronger nets and improved setup. All sites are fed from centralized feeding center. Fish have grown well after arriving to sea. Our biggest fish has now reached over 2kg and will be just below 3kg at the end of this year and planned for harvest in Q3 2023.

Sea operations received new barges with hybrid solutions to lower fuel usage. These barges are built for high waves, and they have already proved their strength in a heavy storm at the end of September 2022.

Aim to produce 18 000 tonnes living weight and harvest 6,000 tonnes HOG in 2023. Estimating to have about 15 000 tonnes of biomass in sea at end of 2023.

ISA UPDATE

All fish in Berufjordur is expected to be harvested within end of 2022. The fish is performing well. Screenings at sites in Fáskrúðsfjörður and Reyðarfjörður show no indication of ISA. The company has undergone comprehensive biological risk assessment and implemented strict rules to minimize biology risk.



LICENSE AND SALE CONTRACT UPDATE

Majority of harvested volume in Q3 were sold through fixed price contract. The contract gave good price achievement for a relatively small size fish. New contracts have been secured for half of harvested volumes in Q4 of 2022, keeping our premium price for certified premium quality sustainable salmon and possible to use spot market when it is favourable.

License for 10 000 tonnes in Seyðisfjörður is being processed by authorities. License is likely to be issued summer 2023.

SHARES

The company's registered share capital is NOK 9 152 542, divided into 91 525 424 shares. Ice Fish Farm AS is traded under the ticker IFISH-ME. ISIN: NO0010884794. For shareholder information, see note 5 in the interim financial statement.

REFINANCING OF THE COMPANY

Ice Fish Farm is currently in talks with selected financial institution to discuss financing possibilities for future financing as well as refinancing of all interest-bearing debt.

Each company in the group is financed separately and adheres to different terms and covenants. The aim is to simplify the loan structure of the group and finance all interest-bearing debt on group level.

The process of refinancing has started well, and the target is to complete the refinancing before end of this year.

EVENTS SUBSEQUENT Q3 2022

No events subsequent Q3 2022.

MARKET CONDITIONS

Ice Fish Farm has a contract with a multinational supermarket chain which has committed to buy salmon from Ice Fish Farm, where the price is agreed every 3-6 months, on a rolling basis. Ice Fish Farm AS has been awarded certificates for all its fish which is a requirement in the fixed contract.

Ice Fish farm also has sales agreements that give exclusive rights to partners to market and sell salmon from Ice Fish Farm in the US, Canada, and Europe, and is working to expand its customer base.

OUTLOOK

Total harvested volume for 2022 is expected to be 11.300 tonnes. This is same as indicated in Q2 2022 report. We expect to harvest all fish from the 2020 and 2021 generation before year-end 2022, we had planned to have this fish finished much earlier in Q3. This is possible due to good biological status.

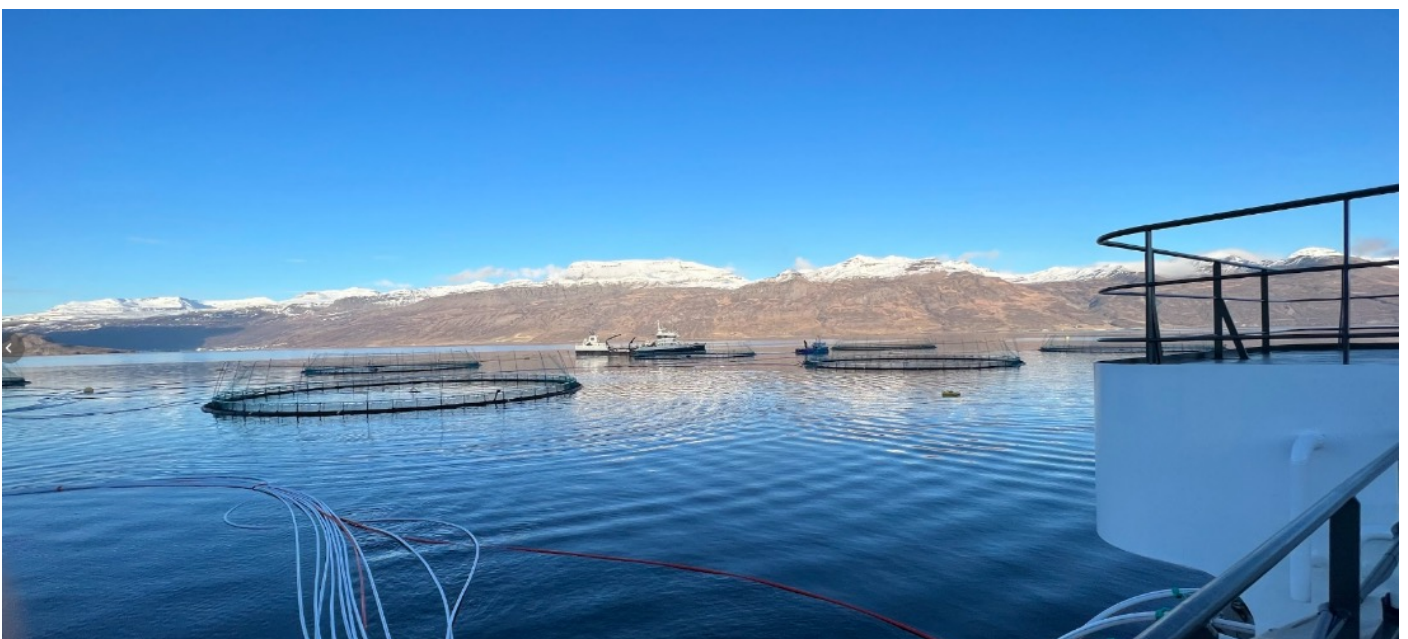
Planned harvest volume for 2023 is about 6.000 tonnes and will start Q3 2023. This is possible due to large sized post smolt output, and fish then ready for harvest within 15 months. At same time we have tripled the amount of biomass in sea, from 5.000 tonnes in Q3 2022 to over 15.000 tonnes in Q4 2023. The harvest volumes are planned to increase significantly in the next years to about 20.000 tonnes in 2024 and 30.000 tonnes in 2025.

Smolt output for 2023 is planned reach about 6.0 million at average weight of 350gr.

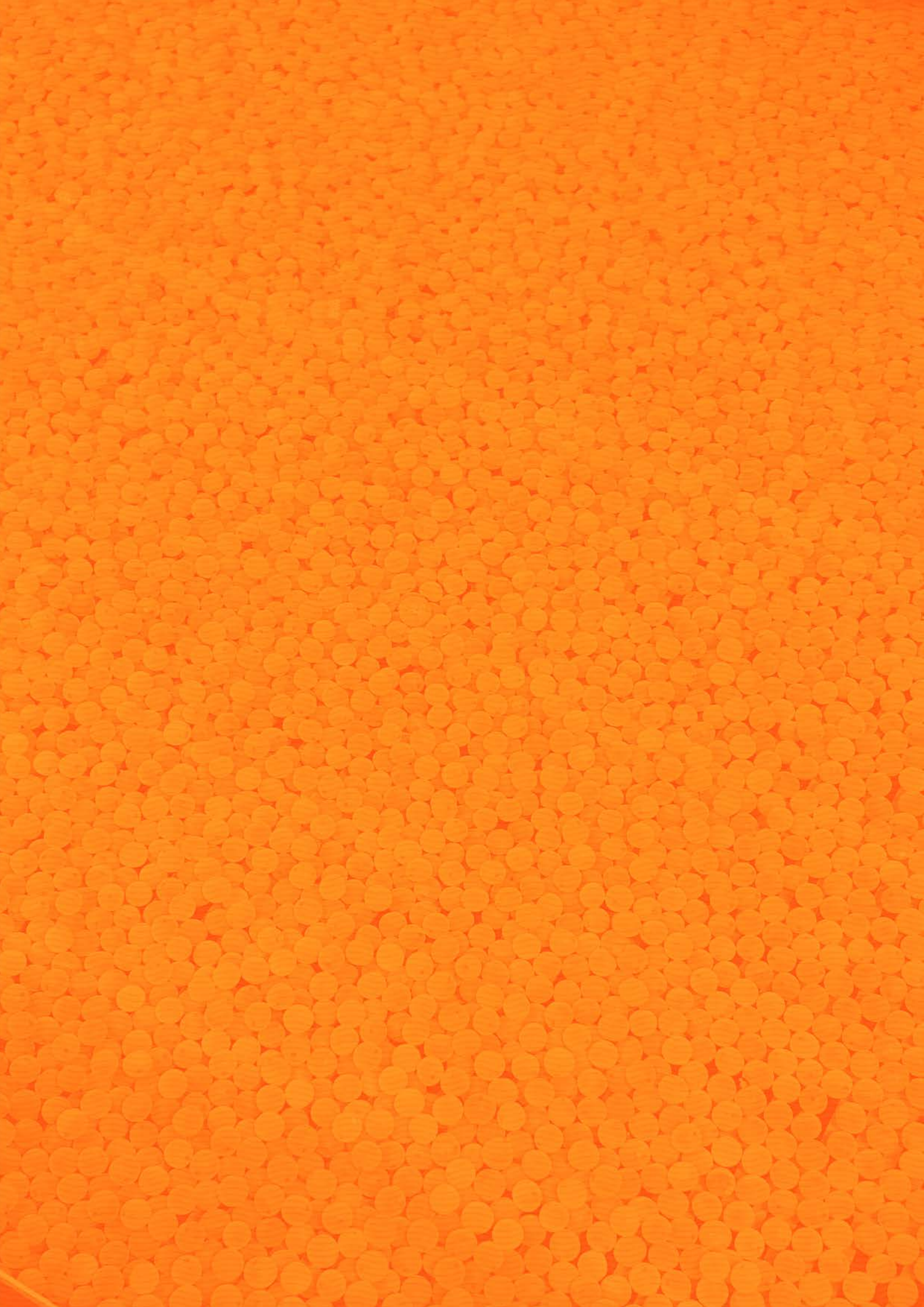
Upon finalisation of expansion and improved quality processes, total smolt capacity will be up to 8 million at average size of close to 400gr, corresponding to a potential harvest of 30 000 tonnes of HOG salmon. This volume can be increased up to 33 - 35 000 tonnes with improved production.

Sistranda, 16 November 2022

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



Last smolt delivered this year in Reyðarfjörður.



FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ICE FISH FARM AS - Group

(NOK 1000)	Note	Q3 2022 (01.07- 30.09)	Q3 2021 (01.07- 30.09)	YTD 2022	YTD 2021	FY2021
Operating income		178.475	64.025	421.109	223.079	322.764
Total revenue		178.475	64.025	421.109	223.079	322.764
Cost of materials		41.223	33.397	265.090	117.908	181.756
Employee benefit expenses		35.748	9.555	70.310	30.374	41.628
Other operating expenses		70.913	11.050	122.998	26.684	37.808
Depreciation, amortisation and impairment		29.414	9.297	60.238	24.778	38.425
Operating EBIT before fair value adjustment of biomass		1.177	725	-97.527	23.335	23.147
Net fair value adjustment biomass		52.853	8.975	-13.693	-10.261	15.503
EBIT		54.031	9.700	-111.221	13.074	38.650
Finance income		56	342	1.262	1.532	2.385
Finance costs		-22.756	-6.521	-37.980	-15.087	-19.975
Foreign exchange rate gain/ (-)loss		-1.951	-3.564	10.707	151	612
Profit from sale of Isthor		84.292	0	84.292	0	0
Share of profit or loss of an associate		-3.134	-293	-693	-1.927	2.799
Profit or loss before tax		110.537	-336	-53.631	-2.258	24.471
Income tax		-23.217	4.287	3.667	7.374	-4.525
Profit or loss for the period		87.320	3.950	-49.964	5.117	19.946
Items that subsequently may be reclassified to profit or loss:						
Exchange differences on translation of foreign operations		154.209	26.626	288.386	29.584	32.224
Total items that may be reclassified to profit or loss		154.209	26.626	288.386	29.584	32.224
Other comprehensive income for the period		154.209	26.626	288.386	29.584	32.224
Total comprehensive income for the period		241.529	30.576	238.422	34.701	52.170
Profit or loss for the period attributable to:						
Equity holders of the parent		87.834	3.959	-50.161	5.122	19.942
Non-controlling interests		-514	-9	197	-6	4
Total		87.320	3.950	-49.964	5.117	19.946
Total comprehensive income for the period attributable to:						
Equity holders of the parent		242.043	30.585	238.225	34.706	52.166
Non-controlling interests		-514	-9	197	-6	4
Total		241.529	30.576	238.422	34.701	52.170
Earnings per share ("EPS"):						
- Basic and diluted		0,96	0,07	-0,55	0,09	0,33
Average number of shares		91.525.424	54.000.000	70.677.966	54.000.000	60.434.335

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ICE FISH FARM AS - Group

(NOK 1000)	Note	30.9.2022	30.6.2022	31.12.2021
ASSETS				
Non-current assets				
Licenses		1.680.707	1.597.566	618.129
Other intangible assets		231.426	213.093	21.653
Property, plant and equipment		1.297.759	1.242.860	559.214
Investments in associated companies		0	14.995	24.511
Loans to associates		0	61.626	46.825
Total non-current assets		3.209.892	3.130.139	1.270.332
Current assets				
Biological assets		556.357	438.902	377.624
Inventories		46.217	18.154	13.186
Trade and other receivables		78.753	120.066	44.519
Cash and cash equivalents		55.876	51.851	7.472
Total current assets		737.203	628.974	442.801
TOTAL ASSETS		3.947.095	3.759.113	1.713.133
EQUITY AND LIABILITIES				
Equity				
Share capital		9.153	9.153	5.400
Other equity		2.401.088	2.159.696	1.115.844
Equity attributable to the parent		2.410.241	2.168.849	1.121.244
Non-controlling interests		10.407	11.673	98
Total equity		2.420.648	2.180.522	1.121.342
Non-current liabilities				
Non-current interest bearing liabilities		799.353	400.312	421.613
Deferred tax liabilities		70.666	64.590	1.555
Total non-current liabilities		870.019	464.903	423.168
Current liabilities				
Current interest bearing liabilities		157.552	587.474	69.193
Subordinated loan from related parties		179.416	175.040	26.938
Trade and other payables		319.460	351.175	72.492
Total current liabilities		656.429	1.113.689	168.623
Total liabilities		1.526.448	1.578.591	591.791
TOTAL EQUITY AND LIABILITIES		3.947.096	3.759.113	1.713.133

Sistranda, 16 November 2022

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

CONSOLIDATED STATEMENT OF CASH FLOWS

ICE FISH FARM AS - Group

(NOK 1000)	Note	30.9.2022	30.9.2021
Cash flows from operating activities			
Profit or loss before tax		-53.631	-3.462
Net fair value adjustment on biological assets		13.693	10.261
Gain/loss on disposal of property, plant and equipment		-	317
Depreciation and impairment of property, plant and equipment and right-of-use assets		60.238	24.778
Share of profit or loss of an associate		693	1.927
Changes in inventories, trade and other receivables and trade and other payables		48.377	7.713
Profit from sale of Isthor		-84.292	
Finance income		-1.262	-1.532
Finance costs		37.980	15.087
Net cash flows from operating activities		21.795	55.089
Cash flows from investing activities			
Purchase of property, plant and equipment		-113.544	-266.513
Purchase of intangible assets		-3.668	-5.252
Loans to associates		58.437	-6.698
Sale of shares in associates, net of cash acquired		104.572	-
Proceeds from sale of property, plant and equipment		-	-1.212
Interest received		1.262	1.532
Net cash flow from investing activities		47.060	-278.143
Cash flow from financing activities			
Proceeds from borrowings		146.924	224.591
Repayment of borrowings		-299.448	-28.759
Change in related parties liabilities		152.478	651
Payments for the principal portion of the lease liability		-12.242	-8.013
Cash effect from investment in subsidiaries		29.417	-
Interest paid		-37.980	-15.087
Overdraft facility		-	-56.580
Net cash flow from financing activities		-20.850	116.802
Net change in cash and cash equivalents			
		48.005	-103.828
Effect of change in exchange rate on cash and cash equivalents		399	77
Cash and cash equivalents, beginning of period		7.472	150.118
Cash and cash equivalents, end of period		55.876	46.367
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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ICE FISH FARM AS - 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	1.069.073	93	1.069.167
Comprehensive income:						-		-
Profit or loss for the period					27.709	27.709	2	27.711
Conversion difference				24.464		24.464	1	24.465
At 31 December 2021		5.400	1.790.634	-15.081	-659.710	1.121.244	98	1.121.342
Comprehensive income:						-		-
Profit or loss for the period					-13.376	-13.376	-65	-13.441
Conversion difference				-8.062		-8.062		-8.062
At 31 Mars 2022		5.400	1.790.634	-23.143	-673.086	1.099.806	33	1.099.839
Comprehensive income:						-		-
Profit or loss for the period					-123.908	-123.908	-33	-123.941
Conversion difference				142.239		142.239		142.239
Issued share cpaital		3.753	1.046.959			1.050.712	11.673	1.062.385
At 30 June 2022		9.153	2.837.593	119.096	-796.994	2.168.848	11.673	2.180.521
Comprehensive income:						-		-
Profit or loss for the period					87.320	87.320	-1.265	86.055
Conversion difference				154.209		154.209		154.209
At 30 June 2022		9.153	2.837.593	273.305	-709.674	2.410.377	10.408	2.420.785

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

CORPORATE INFORMATION

ICE FISH FARM AS and its subsidiaries (collectively "the Group", or "ICE FISH FARM") is a publicly listed company on Euronext Growth, 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, Norway. ICE FISH FARM's headquarter is located at Nesbala 122, 170 Seltjarnarnes, Iceland.

The 2021 consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Board of Directors on the 25 May 2022.

Please refer to note 1 in the 2021 consolidated financial statements for further information on accounting principles.

NOTE 2: BIOLOGICAL ASSETS

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 which does not rely on historical cost. 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 incur, therefore the sales price is based on forward prices quoted by Fish Pool. The model uses the forward price for the month 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, 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 ready for harvest and fish not ready for harvest, 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.

For fish ready for harvest, the future price for the following month is applied. For fish not ready for harvest the starting point is the future price for the month in which the fish is assumed to be harvested. In the event of biological challenges (which incur 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. This applies to both mature fish and immature fish. 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

For fish not ready for harvest, 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. 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 incurs that impacts the cash flow increases. There are three main factors that may incur, and impact the cash flow; a volume change, change in costs, and a change in price.

2. License rent

Salmon farming does 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 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, sea site and other permits required for such production. The calculation is based on that a 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 (site, 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 taking a couple of years, 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	30.9.2022	31.12.2021
Fish at cost	427.640	262.518
Fair value adjustment on fish	52.853	66.547
Fair value of fish in the sea	480.494	329.065
Smolt	75.863	48.559
Carrying amount of biological assets	556.357	377.624
Total biological assets at cost	503.504	311.077
Total fair value adjustment on biological assets	52.853	66.547
Fair value of biological assets	556.357	377.624
Onerous contracts	-	-
Carrying amount of onerous contracts	-	-
Fish Pool contracts	-	-
Carrying amount of fish pool contracts	-	-

NOTE 3: 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 8.

No impairments of property, plant and equipment were made in 2019 or as of 31 December 2020. For the group's principles related to impairment of property, plant and equipment, see note XX.

	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	242.152	93.539	171.726	507.417
Additions	41.361	40.067	47.732	129.161
Assets sold	-	-26.538	-	-26.538
Currency translation effects	69.561	19.398	75.798	164.757
Acquisition cost 30.9.2022	544.236	283.728	538.486	1.366.450
Accumulated depreciation and impairment 31.12.2021	4.822	3.043	75.783	83.648
Depreciation for the period	7.432	10.273	29.245	46.949
Assets sold	-	-	-	-
Currency translation effects	1.756	1.590	20.036	23.381
Accumulated depreciation and impairment 30.9.2022	14.009	14.905	125.064	153.978
Carrying amount 31.12.2021	186.339	154.219	167.447	508.005
Carrying amount 30.9.2022	530.226	268.822	413.423	1.212.471
Economic useful lives	33 years	13 years	5-10 years	
Depreciation method		Straight-line method		

NOTE 4: 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.

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 underlying value of less than 50 thousand NOK)

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 an index or rate.

The Group presents its lease liabilities as separate line items in the consolidated statement of financial position.

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 xx). 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 land and buildings and motor vehicles 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	Property and land	Ships	Cages, machinery and equipment	Total
Balance at 01 January	-	49.829	1.379	51.208
Additions	-	47.053	-	47.053
Depreciations	-	-12.285	-719	-13.004
Currency translation effects	-	-	31	31
Balance at 30 September	-	84.597	691	85.288

Remaining lease term or remaining useful life

Depreciation plan

3-6 years

Straight-line

1-4 year

The lease expenses in the period related to short-term leases and low-value assets are included in other operating expenses in the consolidated statement of comprehensive income, and the payments are presented in the Group's operating activities in the consolidated statement of cash flows.

The Group's lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than one year	23.188
One to two years	22.857
Two to three years	20.784
Three to four years	10.627
Four to five year	4.267
More than five years	2.478
Total undiscounted lease liabilities at 30.9.2022	84.202
Changes in the lease liabilities	
Total lease liabilities at 31.12.2021	49.359
New leases recognised during the period	47.053
Cash payments for the principal portion of the lease liability	-12.242
Cash payments for the interest portion of the lease liability	-543
Interest expense on lease liabilities	543
Currency translation effects	33
Total lease liabilities at 30.9.2022	84.202
Current lease liabilities in the statement of financial position	23.188
Non-current lease liabilities in the statement of financial position	61.014
Total cash flow effect for YTD 2022	-12.785

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.

The Group did not include the renewal period for leases of ships as part of the lease term because management were not reasonably certain to exercise the option to renew the leases. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Purchase options

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

NOTE 5: 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.

	30.9.2022	31.12.2021
Ordinary shares, par value 0,10 NOK per share	9.152.542	5.400.000
Total ordinary shares issued and fully paid	9.152.542	5.400.000

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

Changes in share capital	Number of shares		Share capital	
	30.9.2022	31.12.2021	30.9.2022	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

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

Overview of the 20 largest shareholders:	30.9.2022		31.12.2021	
	Number:	Ownership:	Number:	Ownership:
MÅSØVAL EIENDOM AS	51.361.866	56,12%	30.020.121	55,59%
Krossey ehf	10.301.456	11,26%	0	0,00%
Eggjahvita ehf	7.122.384	7,78%	7.122.384	13,19%
Hregg ehf.	3.026.745	3,31%	3.026.745	5,61%
State Street Bank and Trust Comp	2.021.615	2,21%	2.021.615	3,74%
J.P. Morgan Bank Luxembourg S.A.	1.817.869	1,99%	1.064.768	1,97%
Grjót ehf.	1.323.204	1,45%	1.323.204	2,45%
VPF NORGE SELEKTIV	1.247.043	1,36%	1.204.382	2,23%
Áning Ásbru ehf	892.593	0,98%	892.593	1,65%
MAXIMUM HOLDING AS	622.200	0,68%	737.500	1,37%
ABK Holding	598.335	0,65%	0	0,00%
Fjöryro Holdings Tom Inge Solbak	593.757	0,65%	0	0,00%
VERDIPAPIRFONDET PARETO INVESTMENT	580.600	0,63%	621.000	1,15%
Gimli Holding	555.012	0,61%	0	0,00%
VERDIPAPIRFONDET DNB SMB	547.744	0,60%	569.373	1,05%
Gleði ehf	537.776	0,59%	537.776	1,00%
Helgi G Sigurðsson	504.029	0,55%	0	0,00%
CLEARSTREAM BANKING S.A.	495.524	0,54%	368.042	0,68%
Hauk Investment AS	412.451	0,45%	0	0,00%
Kjetil Fyrand	398.933	0,44%	0	0,00%
Total of the 20 largest shareholders	84.961.136	92,83%	49.509.503	91,68%
Other shareholders	6.564.288	7,17%	4.490.497	8,32%
Total	91.525.424	100%	54.000.000	100%

Ice Fish Farm AS acquired all shares in Laxar Fiskeldi ehf and 33% stake in Búlandstindur in May 2022. The purchase price was paid with 37.525.424 of new shares in Ice Fish Farm which were issued in June 2022. The issuance equals 41% of all shares in Ice Fish Farm AS.

NOTE 6: RELATED PARTY TRANSACTIONS

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 Q3 2022 and 30.9.2022	Shareholders	Associate	Total
Current loans and borrowings to related parties		-	-
Current trade and other payables to related parties		-	-
Current loans and borrowings from related parties	179.416		179.416
Sales to related parties			-
Purchases from related parties (incl. Management fees)		-	-
Interest paid to related parties	4.376		4.376
Interest received from related parties		-	-

Related party transactions and balances 2021 and 31.12.2021	Shareholders	Associate	Total
Current loans and borrowings to related parties		46.825	46.825
Current trade and other payables to related parties		2.311	2.311
Current loans and borrowings from related parties	26.938		26.938
Sales to related parties			-
Purchases from related parties (incl. Management fees)		90.458	90.458
Interest paid to related parties	1.477		1.477
Interest received from related parties		1.370	1.370

*Description of the significant related party transactions and balances above

*Description of the significant related party balances above

NOTE 7: INTEREST BEARING LIABILITIES

Non-current interest bearing loans and borrowings	30.9.2022	31.12.2021
Loan from banks (principal)	738.339	383.300
Leasing liability	61.014	38.313
Total non-current interest bearing loans and borrowings	799.353	421.613
Current interest bearing loans and borrowings	30.9.2022	31.12.2021
Loan from banks	134.364	58.147
Subordinated loan from related parties, due within 12 months	179.416	26.938
Leasing liability, due within 12 months	23.188	11.046
Current interest bearing loans and borrowings	336.968	96.131

The subordinated loan from related parties is considered subordinate to all financial obligations of the borrower. 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 million.

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

Assets pledged as security for interest bearing loans and borrowings	30.9.2022	31.12.2021
Secured balance sheet liabilities:		
Non-current interest bearing liabilities	799.353	421.613
Current interest bearing liabilities	336.968	96.131
Total	1.136.321	517.744
Carrying amount of assets pledged as security for secured liabilities:	30.9.2022	31.12.2021
Trade and other receivables		
Inventories	46.217	13.186
Biological assets	556.357	377.624
Cash and cash equivalents	55.876	7.472
Investments in associated companies	-	24.511
Right-of-use assets	85.288	51.208
Property, plant and equipment	1.212.471	508.005
Total	1.956.209	982.006

COVENANT REQUIREMENTS

The Ice Fish Farm consolidation consists of five different companies. Each company is financed separately and need to adhere to different terms and covenants.

- Equity/Enterprise value >35%
- NIBD/EBITDA < 5,5
- CFADS above 1.5

The Group is obligated to adhere to the following covenant requirement for its interest bearing liabilities:

Ice Fish Farm is currently in talks with financial institution with the goal to refinance all interest-bearing debt on a group level.

NOTE 8: BUSINESS COMBINATION

ICE FISH FARM AQUIRED ALL SHARES IN LAXAR FISKELDI EHF AND MAJORITY STAKE IN BÚLANDSTINDUR EHF

In December 2021 the shareholders of Ice Fish Farm AS and Laxar Holding ehf reach an agreement where Ice Fish Farm AS would acquire 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 control 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 - Laxar Fiskeldi ehf

NOK (1000)	Book value 31.5.2022	Adjustment to fair value	Fair value 31.5.2022
Licenses	6.554	877.550	884.104
Other intangible assets	0	175.510	175.510
Property, plant and equipment	539.765		539.765
Biological assets	195.429		195.429
Other current assets	25.417		25.417
Cash and cash equivalents	30.189		30.189
Other non-current liabilities	-487.415		-487.415
Deferred tax assets / liabilities	79.112	-175.510	-96.398
Current liabilities	-248.813		-248.813
Net identifiable assets and liabilities	140.238	877.550	1.017.787

*Book value 31.5.2022 has been converted from EUR to NOK

EFFECT ON THE BALANCE SHEET AFTER BUSINESS TRANSFER - BÚLANDSTINDUR EHF

Net identifiable assets and liabilities in Búlandstindur amounted to NOKt 32.925 which is considered to be equal to the purchase price and no premium created in the transaction. Identifiable assets and liabilities have been analysed and reviewed due to potential difference between book value and market price.

NOTE 9: 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.

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 performance measures presented may be determined or calculated differently by other companies.

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	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
EBIT	54.031	9.700	-111.221	13.074	38.650
Net fair value adjustment biomass	-52.853	-8.975	13.693	10.261	-15.503
Operational EBIT before fair value adjustment	1.177	725	-97.527	22.610	23.147
Biomass write-down (one off)	12.393	0	116.324	0	0
Operational EBIT *	13.570	725	18.796	22.610	23.147

*Operational EBIT adjusted for write-down of biomass

Operational EBIT per kg

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

NOK	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Operational EBIT *	13.570	725	18.796	22.610	23.147
Total harvested volumes	1.946	1.042	5.775	3.628	5.451
Operational EBIT per kg	6,97	0,70	3,26	6,23	4,25

*Operational EBIT adjusted for write-down of biomass



REARED IN PRISTINE ICELANDIC NATURE

