

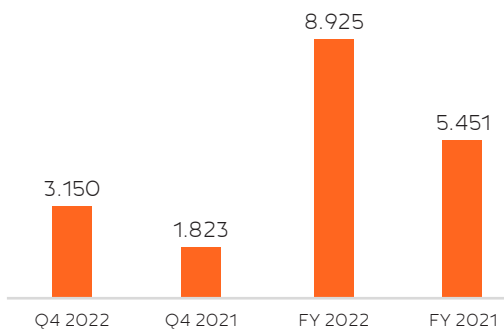


ICE FISH FARM

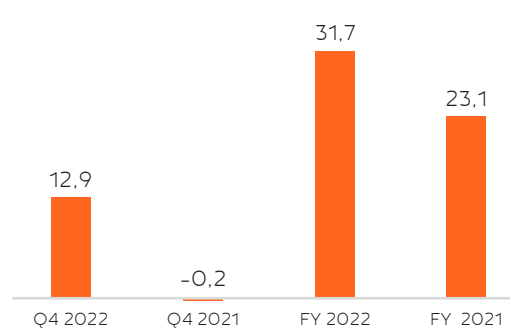


INTERIM REPORT Q4 | 2022

Harvested volume (tonnes)

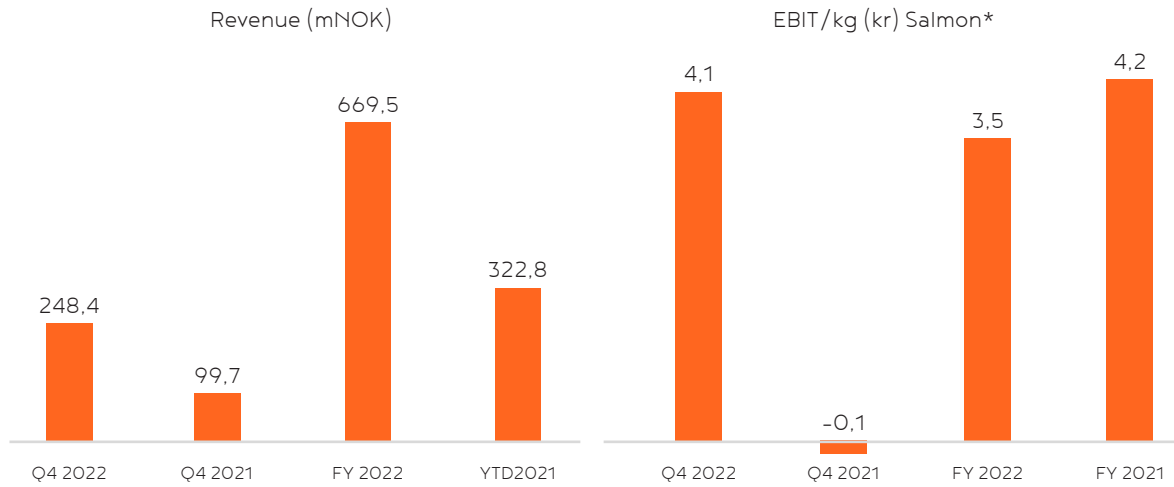


Operational EBIT (mNOK)



HIGHLIGHTS Q4 2022

KEY FIGURES



ICE FISH FARM Q4 HIGHLIGHTS

Revenues increased to NOKm 248,4 from NOKm 99,7 last year.

Operational EBIT per kg of NOK 4,1 in the quarter.

Premium certified salmon contract gave good price achievement for a relatively small size fish.

Harvested volume in Q4 amounted to 3 150 tonnes making YTD harvest volume of 11 300 tonnes.

Biomass build up is going as planned. Generation 2022 planned to give over 20 000 tonnes of harvest.

Investments in Q4 NOKm 27,2 and total for the full year NOKm 140,8, full year 2022 investments is lower due to some investments moved to 2023.

Reached an agreement with banks for a long-term bank financing package of up to EUR 156.2 million

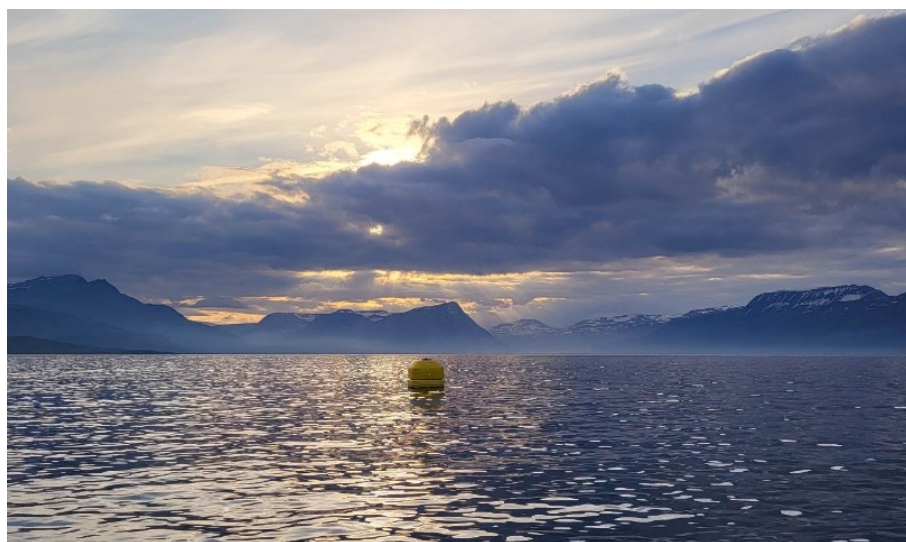
A condition under the New Financing that the Company raises a gross cash amount of approx. EUR 45 million in new equity within 30 June 2023, in addition to a conversion of the currently outstanding shareholder loans of approx. EUR 25 million.



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 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 has headquarters in Iceland.



FINANCIAL PERFORMANCE

Figures in brackets = Q4 2021, unless otherwise specified.

REVENUES AND RESULTS

FOR THE QUARTER ENDING 31.12.2022

Operating income in Q4 amounted to NOK 248.4 million (NOK 99.7 million), while the operating profit before fair value adjustment of biomass was NOK 12.9 million (NOK -0.2 million).

Harvested volume in Q4 2022 increased and reached 3 150 tonnes (1 823 tonnes).

EBIT per kg for Q4 2022 amounted to NOK 4.1 (NOK -0.1).

BALANCE SHEET

ASSETS

Total assets amounted to NOKm 3 717 at the end of Q4 2022 (NOKm 1 713) compared to NOKm 3 947 in Q3. The main reason for the decrease between quarters is currency fluctuations as well as decreased book value of biological assets.

Biological assets amounted to NOKm 340.7 of which NOKm 43.4 are FV adjustment.

PP&E amounted to NOKm 1 217 in Q4 compared to NOKm 1 297 in Q3. Licenses amounted to NOKm 1 782 in Q4 compared to NOKm 1 681 in Q3. The purchase price allocation of the acquisition of Laxar was updated in the quarter which resulted in increased value of licenses. Currency fluctuations are also contributing to changes between quarters.

EQUITY AND LIABILITIES

The balance sheet of Ice Fish Farm AS is strong with an equity ratio of 62% in Q4 2022.

Total liabilities amounted to NOKm 1 397 (NOKm 592) compared to NOKm 1 526 in Q3. Trade and other payables decreased by NOKm 151 in Q4 2022.

Net Interest-bearing debt including lease liability and subordinated loans from shareholders amounted to NOKm 1 130 in Q4 (NOKm 496) compared to NOKm 1 080 in Q3.

INVESTMENTS

Investments in Q4 2022 amounted to around NOKm 27.2 which is mainly due to investments for land operations.

Total investment in 2022 amounted to NOKm 140.8.

Majority of planned investments in Q4 were postponed to 2023 thus increased planned investments in 2023. Capex for 2023 is estimated to amount to approximately NOKm 200 and is mainly focused towards improving the operational performance. For 2024 we estimate NOKm 210 left in our investment program to reach capacity of 30 000 tonnes.



OPERATIONAL INFORMATION

SMOLT PRODUCTION

The plan for our smolt production in 2023 is to continue to improve the robustness of our smolt. Quality control implementation has been activated and all sites have been evaluated by a third party. The focus is on 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 Q4 in the sea operations. Conditions in the sea were good as expected, although the temperature has been a bit lower than in normal year.

Harvest of generation 2020 and 2021 in Berufjordur, at both sites Svarthamarsvík and Hamraborg finished in Q4. Total harvest volume in Q4 was as planned 3 150 tonnes with the average weight of 3.3 kg. The fish performed better than we expected and had low mortality in the quarter.

At the end of the year, we had over 5.8 million fish in the sea of generation 2022 and total biomass of 5 560 tonnes. Generation 2022 is now spread over 2 fjords into 2 production zones and 4 sites. All the cages have been updated with stronger nets and improved setup. All sites are fed from a centralized feeding center. Fish has grown well after arriving to sea, our biggest fish reached over 3kg at year end as planned and harvest is planned in Q3 2023.

We keep our plans for 2023. Aim to produce 18 000 tonnes living weight and harvest 6 000 tonnes HOG in 2023. We expect almost normal production for the 2022 generation due to biomass write-down in 2022.

LICENSE AND SALE CONTRACT UPDATE

Majority of harvested volume in Q4 were sold through fixed price contract. The contract gave good price achievement for a relatively small size fish.

New contracts for second half of 2023 are being negotiated and aim to continue contracting about 50% of our harvest volume, keeping our premium for certified premium quality sustainable salmon and possible to use spot market when it is favourable.

License for 10 000 (6 500 fertile) tonnes in Seyðisfjörður is being processed by authorities, license is likely to be issued in 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.

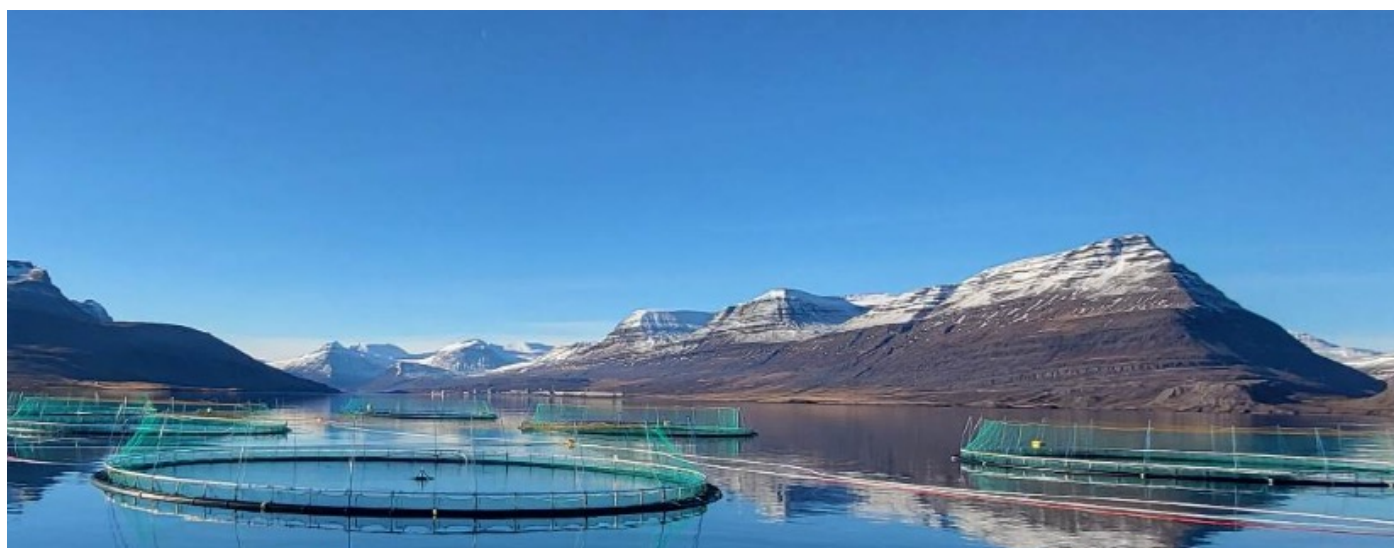
REFINANCING OF THE COMPANY

Ice Fish Farm has 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 150 156.2 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, and 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. In addition to the New Financing, the Company has an optionality to draw on a short-term bridge facility of EUR 10 million. The initial drawdown on the New Financing is expected within Q1 2023 and remain subject to documentation and customary conditions precedent. Some of the main shareholders have also supported the company by shareholders loan of about EUR 8 million in Q1 2023.

Further, it is a condition for the New Financing 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 Company has strong indications of support from the majority shareholder, Måsøval Eiendom AS, and the other main shareholders, Egghjavita ehf. and Krossey, in relation to the Share Issue. For this purpose, the Company has appointed DNB Markets, a part of DNB Bank ASA, as Sole Global Coordinator and Joint Bookrunner and Arion Banki hf and Nordea Bank Abp, filial i Norge, as Joint Bookrunners. Further information on the Share Issue, including the timeline, structure and detailed terms, will be published in due course. In order to facilitate the Share Issue, the Company expects to shortly call for a shareholders' meeting to request an authorization for the board of directors to issue shares.

EVENTS SUBSEQUENT Q4 2022

No other significant events than refinancing of the group have been recorded after the balance sheet date.



OUTLOOK

Planned harvest volume for 2023 is about 6 000 tonnes and harvesting will start in Q3 2023. This is possible due to large sized post smolt output, and fish therefore ready for harvest within 15 months from arriving in sea.

The harvest volumes are planned to increase significantly to about 20 000 tonnes in 2024 and about 30 000 tonnes in 2025.

Smolt output for 2023 is expected to be 6.0 million at the average weight of 300 gr and about 7 million for 2024.

Upon finalisation of expansion and improved quality processes in 2024, total smolt capacity is expected to be up to 8 millions of average size of close to 400gr, which correspond to a potential harvest of 30 000 tonnes of HOG salmon, and we assume this volume can be increased up to 33 - 35 000 tonnes with improved production.

Sistranda, 27 February 2023

		
Asle Ronning Chairman of the Board	Lars Masoval Board Member	Martin Stavelli Board Member
		
Guðmundur Gisláson CEO	Adalsteinn Ingólfsson Board Member	Einar Thor Sværnisson Board Member



FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ICE FISH FARM AS - Group

(NOK 1000)	Note	Q4 2022 (01.10- 31.12)	Q4 2021 (01.10- 31.12)	FY2022	FY2021
Operating income salmon		212.595	97.964	614.979	311.999
Other operating income		35.835	1.721	54.559	10.765
Total revenue		248.430	99.685	669.539	322.764
Cost of materials		129.922	63.848	395.012	181.756
Employee benefit expenses		34.160	11.254	104.470	41.628
Other operating expenses		40.182	10.857	163.180	37.808
Depreciation, amortisation and impairment		31.282	13.896	91.520	38.425
Operating EBIT before fair value adjustment of biomass		12.884	-170	-84.643	23.147
Net fair value adjustment biomass		-9.487	25.559	-23.180	15.503
EBIT		3.397	25.389	-107.823	38.650
Finance income		-465	1.195	798	2.385
Finance costs		-15.825	-4.907	-53.805	-19.975
Foreign exchange rate gain/ (-)loss		-2.450	462	8.257	612
profit from sale of Isthor		0	0	84.292	0
Share of profit or loss of an associate		0	4.726	-693	2.799
Profit or loss before tax		-15.343	26.865	-68.974	24.471
Income tax		26.421	-4.273	30.088	-4.525
Profit or loss for the period		11.078	22.592	-38.886	19.946
Items that subsequently may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations		-125.717	9.128	162.669	32.224
Total items that may be reclassified to profit or loss		-125.717	9.128	162.669	32.224
Other comprehensive income for the period		-125.717	9.128	162.669	32.224
Total comprehensive income for the period		-114.639	31.720	123.783	52.170
Profit or loss for the period attributable to:					
Equity holders of the parent		11.592	22.582	-40.628	19.942
Non-controlling interests		-514	10	1.742	4
Total		11.078	22.592	-38.886	19.946
Total comprehensive income for the period attributable to:					
Equity holders of the parent		-114.125	31.710	122.041	52.166
Non-controlling interests		-514	10	1.742	4
Total		-114.639	31.720	123.783	52.170
Earnings per share ("EPS"):					
- Basic and diluted		0,13	0,42	-0,54	0,37
Average number of shares		91.525.424	54.000.000	75.889.831	54.000.000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ICE FISH FARM AS - Group

(NOK 1000)	Note	31.12.2022	30.9.2022	31.12.2021
ASSETS				
Non-current assets				
Licenses		1.781.670	1.680.707	618.129
Other intangible assets		256.024	231.426	21.653
Property, plant and equipment		1.216.567	1.297.759	559.214
Investments in associated companies		3.848	0	24.511
Loans to associates		0	0	46.825
Total non-current assets		3.258.108	3.209.892	1.270.332
Current assets				
Biological assets		340.660	556.357	377.624
Inventories		39.168	46.217	13.186
Trade and other receivables		53.996	78.753	44.519
Cash and cash equivalents		25.340	55.876	7.472
Total current assets		459.164	737.203	442.801
TOTAL ASSETS		3.717.272	3.947.095	1.713.133
EQUITY AND LIABILITIES				
Equity				
Share capital		9.153	9.153	5.400
Other equity		2.299.170	2.401.088	1.115.844
Equity attributable to the parent		2.308.323	2.410.241	1.121.244
Non-controlling interests		11.466	10.407	98
Total equity		2.319.789	2.420.648	1.121.342
Non-current liabilities				
Non-current interest bearing liabilities		772.617	799.353	421.613
Deferred tax liabilities		73.882	70.666	1.555
Total non-current liabilities		846.499	870.019	423.168
Current liabilities				
Current interest bearing liabilities		194.296	157.552	69.193
Subordinated loan from related parties		188.690	179.416	26.938
Trade and other payables		167.998	319.460	72.492
Total current liabilities		550.984	656.429	168.623
Total liabilities		1.397.483	1.526.448	591.791
TOTAL EQUITY AND LIABILITIES		3.717.272	3.947.096	1.713.133

Sistranda, 27 February 2023

		
Asle Ronning Chairman of the Board	Lars Masoval Board Member	Martin Stavelli 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	31.12.2022	31.12.2021
Cash flows from operating activities			
Profit or loss before tax		-68.974	24.471
Net fair value adjustment on biological assets		23.180	-15.503
Gain/loss on disposal of property, plant and equipment		-	315
Depreciation and impairment of property, plant and equipment and right-of-use assets		91.520	38.425
Share of profit or loss of an associate		693	-2.799
Changes in inventories, trade and other receivables and trade and other payables		-5.449	-66.498
Profit from sale of Isthor		-84.292	
Finance income		-798	-2.385
Finance costs		53.805	19.975
Change in other accrual items		-	5.302
Net cash flows from operating activities		9.685	1.305
Cash flows from investing activities			
Purchase of property, plant and equipment		-140.773	-302.133
Purchase of intangible assets		-5.062	-6.321
Loans to associates		-	1.940
Sale of shares in associates		104.572	-
Proceeds from sale of property, plant and equipment		-	1.206
Interest received		798	2.385
Net cash flow from investing activities		-40.465	-302.923
Cash flow from financing activities			
Proceeds from borrowings		194.995	329.669
Repayment of borrowings		-267.024	-83.912
Change in related parties liabilities		161.752	1.360
Payments for the principal portion of the lease liability		-18.031	-12.328
Cash effect from investment in subsidiaries		30.076	-
Interest paid		-53.805	-19.975
Overdraft facility		-	-56.309
Net cash flow from financing activities		47.963	158.505
Net change in cash and cash equivalents			
		17.183	-143.113
Effect of change in exchange rate on cash and cash equivalents		685	467
Cash and cash equivalents, beginning of period		7.472	150.118
Cash and cash equivalents, end of period		25.340	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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ICE FISH FARM AS - Group

	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		
(NOK 1000)								
At 31 December 2020		5.400	1.790.634	-39.543	-674.831	1.081.661	93	1.081.755
Comprehensive income:						-		-
Profit or loss for the period					19.944	19.944	2	19.946
Conversion difference				32.226		32.226	1	32.227
At 31 December 2021		5.400	1.790.634	-7.319	-654.887	1.133.829	98	1.133.928
Comprehensive income:						-		-
Profit or loss for the period					-38.886	-38.886	-305	-39.191
Conversion difference				162.669		162.669		162.669
Issued share capital		3.753	1.046.959			1.050.712	11.673	1.062.385
At 31 December 2022		9.153	2.837.593	155.350	-693.773	2.308.324	11.466	2.319.789

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 (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 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 reach harvest-ready weight. 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 (4,8 kg live 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. The normal expected harvest weight is considered to be the live weight that gives 4 kg gutted weight, unless there are specific conditions present at the end a reporting period that indicate that the fish must be harvested before it reaches this weight. In these cases, the expected harvest weight is adjusted. The expected mortality in the period from the balance sheet date to the time when the fish is ready for harvest is estimated to be 0,5% per. month of incoming fish.

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 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 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 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. 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 (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 18 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	30.9.2022	31.12.2021
Fish at cost	216.395	427.640	262.518
Fair value adjustment on fish	43.367	52.853	66.547
Fair value of fish in the sea	259.762	480.494	329.065
Smolt	80.898	75.863	48.559
Carrying amount of biological assets	340.660	556.357	377.624
Total biological assets at cost	297.293	503.504	311.077
Total fair value adjustment on biological assets	43.367	52.853	66.547
Fair value of biological assets	340.660	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	178.280	513.971
Additions	57.099	12.703	70.972	140.773
Currency translation effects	8.965	21.414	22.294	52.672
Acquisition cost 31.12.2022	499.376	284.917	514.776	1.299.069
Accumulated depreciation and impairment 31.12.2021	4.822	3.043	75.783	83.648
Depreciation for the period	10.820	13.585	47.763	72.168
Currency translation effects	-87	1.119	4.977	6.009
Accumulated depreciation and impairment 31.12.2022	15.555	17.746	128.523	161.825
Carrying amount 31.12.2021	186.339	154.219	167.447	508.005
Carrying amount 31.12.2022	483.821	267.171	386.253	1.137.244
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	Ships	Cages, machinery and equipment	Total
Balance at 01 January	49.829	1.379	51.208
Additions	47.053	-	47.053
Depreciations	-18.123	-944	-19.067
Currency translation effects	-	7	7
Balance at 31 December	78.759	442	79.201
Remaining lease term or remaining useful life	3-6 years	1-4 year	
Depreciation plan	Straight-line		

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	23.093
One to two years	22.616
Two to three years	19.913
Three to four years	7.076
Four to five year	4.299
More than five years	1.391
Total undiscounted lease liabilities at 31.12.2022	78.388
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	-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
Current lease liabilities in the statement of financial position	23.093
Non-current lease liabilities in the statement of financial position	55.295
Total cash flow effect for FY 2022	-18.552

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.

	31.12.2022	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	
	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

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

Overview of the 20 largest shareholders:	31.12.2022		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	1.892.195	2,07%	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	627.000	0,69%	737.500	1,37%
VERDIPAPIRFONDET PARETO INVESTMENT	601.572	0,66%	621.000	0,00%
ABK Holding	598.355	0,65%	0	0,00%
Fjöryro Holdings Tom Inge Solbak	593.757	0,65%	0	0,00%
Gimli Holding	555.012	0,61%	0	0,00%
VERDIPAPIRFONDET DNB SMB	547.083	0,60%	569.373	1,05%
Gleði ehf	537.776	0,59%	537.776	1,00%
CLEARSTREAM BANKING S.A.	521.527	0,57%	368.042	0,00%
Helgi G Sigurðsson	504.029	0,55%	0	0,00%
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	84.882.850	92,74%	49.509.503	89,85%
Other shareholders	6.642.574	7,26%	4.490.497	10,15%
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 Q4 2022 and 31.12.2022	Shareholders	Associate	Total
Current loans and borrowings from related parties	188.690		188.690
Interest to related parties	3.613		3.613

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
Purchases from related parties (incl. Management fees)		90.458	90.458
Interest to related parties	1.477		1.477
Interest 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	31.12.2022	31.12.2021
Bank loans - non-current	717.321	383.300
Leasing liability	55.295	38.313
Total non-current interest bearing loans and borrowings	772.617	421.613
Current interest bearing loans and borrowings	31.12.2022	31.12.2021
Bank loans - Current	171.203	58.147
Subordinated loan from related parties, due within 12 months	188.690	26.938
Leasing liability, due within 12 months	23.093	11.046
Current interest bearing loans and borrowings	382.986	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 the banks have been fully paid or if the Bank gives its permission.

The subordinated loans bear 5 - 10% interests.

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	31.12.2022	31.12.2021
Secured balance sheet liabilities:		
Non-current interest bearing liabilities	772.617	421.613
Current interest bearing liabilities	382.986	96.131
Total	1.155.603	517.744
Carrying amount of assets pledged as security for secured liabilities:	31.12.2022	31.12.2021
Trade and other receivables		
Biological assets	340.660	377.624
Cash and cash equivalents	25.340	7.472
Investments in associated companies	3.848	24.511
Right-of-use assets	79.201	51.208
Property, plant and equipment	1.137.366	508.005
Licenses		
Total	1.586.414	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
- Interest cover ratio < 3,0

Ice Fish Farm reached an agreement with banks in Q1 2023 for a long-term bank financing package of up to EUR 156.2 million.

The banks have waived the loan covenants at year end 2022 until the refinance has been completed.

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	1.047.689	1.054.244
Other intangible assets	0	209.538	209.538
Property, plant and equipment	560.162		560.162
Biological assets	43.712		43.712
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	-209.538	-130.426
Current liabilities	-250.676		-250.676
Net identifiable assets and liabilities	3.023	1.047.689	1.050.712

*Book value 31.5.2022 has been converted from EUR to NOK

*Laxar Fiskeldi Balance sheet was updated by increasing provision of NOKm 147 in Q4

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.

No other significant events other than refinancing of the group have been recorded after the balance sheet date. Please refer to the refinance chapter in the BoD report.

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	Q4 2022	Q4 2021	FY 2022	FY 2021
EBIT	3.397	25.389	-107.823	38.650
Net fair value adjustment biomass	9.487	-25.559	23.180	-15.503
Operational EBIT of salmon before fair value adjustment	12.884	-170	-84.643	23.147
Biomass write-down (one off)	0	0	116.324	0
Operational EBIT *	12.884	-170	31.680	23.147

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

Operational EBIT per kg

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

NOK	Q4 2022	Q4 2021	FY 2022	FY 2021
Operational EBIT *	12.884	-170	31.680	23.147
Total harvested volumes	3.150	1.823	8.925	5.451
Operational EBIT per kg	4,1	-0,1	3,5	4,2

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



REARED IN PRISTINE ICELANDIC NATURE

