ICE FISH FARM

ICE FISH FARM NUMBERS 2020

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2020

ICE FISH FARM

Financial Statements 2020

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dh

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ICE FISH FARM CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2020

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THE BOARD OF DIRECTORS' REPORT 2020 FOR ICE FISH FARM AS

OPERATIONS AND LOCATIONS

Ice Fish Farm is a Norwegian holding company with headquarters in Iceland. The address of its registered office is Fjordgata 8, 7900 RØRVIK, Norway. Ice Fish Farm AS' headquarter is located at Nesbala 122, 170 Seltjarnarnes, Iceland. The fish-farming business is performed in several locations on the eastern coast of Iceland, including Fáskrúðsfjörður and Berufjörður.

The principal activities performed by Ice Fish Farm is salmon farming.

The Group includes, in addition to Ice Fish Farm AS, the following subsidiaries:

Company name	Registration no.	Ownership	Country of incorporation
Fiskeldi Austfjarda hf	520412-0930	100%	Iceland
Rifos	500692-2869	99%	Iceland

FISHFARMING

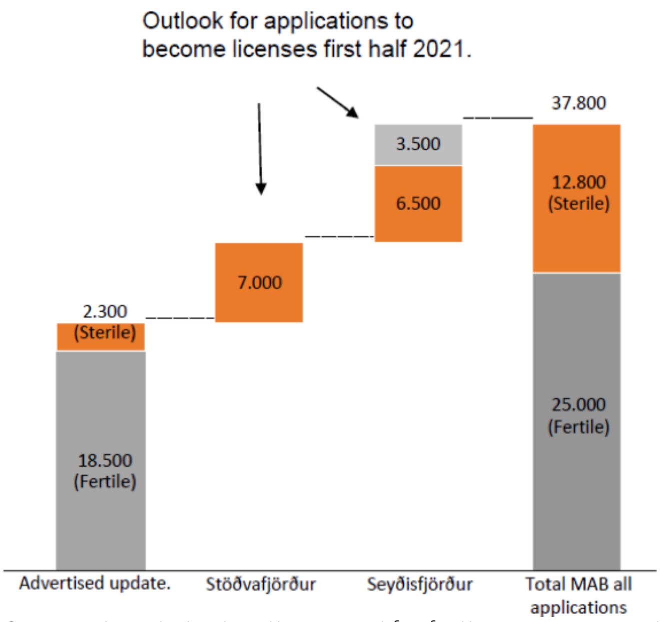
For 2020 fishfarming returned an EBIT total of NOK 12.7 per kg, with an EBIT of 15.3 NOK per kg for salmon. Reason for high EBIT is good performance in farming and sales. Total output of 2.6 million smolt into sea in 2020. Financing for investments in smolt, barges and vessels is secured for 2021 with a total amount of NOKm140. Financing of biomass for 2021 is also secured with an amount of NOKm217.

The harvest of arctic charr was completed in the fourth quarter of 2020 and farming of arctic charr in Rifos has been halted. Rifos now focuses on production of salmon smolt. Smolt station build up is going faster than planned, but there have been complications in production while facilities are under construction resulting in more mortality than expected.

Ice Fish Farm is proud to farm salmon with responsible methods. Such as not using copper on nets, no chemicals, natural colouring in feed, and full traceability in the production.

FUTURE GROWTH AND INVESTMENTS

The basis for our production is our licences. On 2 February 2021 ICE Fish Farm received a draft for an update on its licenses in Berufjörður and Fáskrúðsfjörður. The update will allow, when implemented, Ice Fish Farm to produce 6,500 tonnes more of fertile fish, i.e. 1,500 tonnes in Berufjörður and 5,000 tonnes in Fáskrúðsfjörður. This is due to new risk assessment issued by the Marine Institute in 2020. Total license of fertile will after the update be 18,500 tonnes and sterile 2,300 tonnes, or in aggregate of 20,800 tonnes license as before. Included in the update is maximum biomass allowance, that means licenses can be utilized better. Harvesting volumes can be expected, when to full capacity will be reached to be 1,3 times more than maximum biomass. License drafts where advertised by MAST and UST and licenses are expected to be issued within 4 weeks after a 30-days advertising period. Furthermore then we are waiting for additional licences to be issued, as there are two ongoing licence processes with the authorities.



Our investment plan lays the ground for further expansion and is closely linked to the expected awarding of licenses. According to law in Iceland all equipment for fish farming should comply with NS9415 standard. New Barges will arrive in Iceland in the summer 2021. They will be equipped with hybrid solution which means a drop in oil consumption of 70%.

Investment in smolt facilities is one of the main factor for growth going forward regarding production. Rifós and Kópasker smolt build up is going faster than planned.

Investment is less than we see for example in Faroes and Norway for similar stations and locations offer abundance of warm water and warm seawater. This makes production of healthy big post smolts at low costs possible. No RAS systems are needed and the fish has high quality water. Building up of completely new facility with the latest feeding systems will give great results.

COMMENTS RELATED TO THE FINANCIAL STATEMENT

The Group's revenues were NOKm 283 in 2020. Net income in 2020 was NOKm 38. Efficiency in operations contributed to satisfactory financial results in 2020 given the growth focus of the Group. For Ice Fish Farm AS the revenue was NOKm 0 in 2020, and the net income was NOKm -3.

Total investment NOKm	2021	2022	2023	2024
Floting rings	21	40	21	-
Nets	8	24	20	13
Birdnets, cameras, ocean light, feeding pipes, dead fish system	10	16	13	13
Mooring systems	12	11	6	-
Sum	**50**	**91**	**59**	**26**
Catamaran	13	13	28	14
Feed Barge new	66	66	68	35
Sum other farming equipment	**79**	**79**	**96**	**49**
Smolt stations	88	-	-	-
Other	14	10	11	11
Sum smolt stations and other	**102**	**10**	**11**	**11**
Total investments	**231**	**181**	**165**	**86**

Due to pending update on our licenses we will be able to use maximum allowed biomass and more sites. That means in 2023/4 we will add more barges.

The construction of post-smolt station at Kópasker and smolt station at Rifós will be completed in 2021, one year ahead of as planned.

OUTLOOK

Premium prices and good biological status is the basis for continued good performance.
Harvest in 2020 and outlook to 2023:

- Harvest for 2020 amounted to 3.917 tons
- Harvest for 2021 7.500 tons estimated.
- Harvest for 2022 12.000 tons estimated.
- Harvest for 2023 220.000 tons estimated.

Results will depend primarily on growth in sea and smolt production.

PRODUCTION

- Smolt investments and build up is going faster as planned.
- Output of smolt in 2021 expected to be 3.3 million at average weight of 200gr vs 106gr in 2020.
- With more sites, more fertile and Maximum Biomass makes it possible to build up more biomass and to produce more salmon at a lower risk.

The Group has not had any research and development cost during 2020. However, it is continuously working with different suppliers to improve its production, often on project basis.

Total cash flow from operating activities was NOKm -2 in 2020, and the operational profit was NOKm 55. The difference is mainly due to significant increase in working capital partially offset by ordinary depreciation. The Group's capital investments during 2020 amounted to NOKm 136.

The Group's liquidity reserve as of 31.12.2020 amounted to NOKm 150 in cash in addition to NOKm 9 in credit lines.

The Group's short-term debt 31.12.2020 constituted 37% of the Group's total debt and is substantially decreased as result of having more long-term financing in place. The Group's financial position is sound and there is enough cash in the Group to settle short-term debt as of 31.12.2020.

Total assets at year-end amounted to NOKm 1.468. The equity ratio was 73% as of 31.12.2020.

The parent company's balance consists of NOKm 1,657.5 investment in Fiskeldi Austfjarða, cash and cash equivalents NOKm 136.2, and equity of 1,793.4. The change in cashflow during the year is linked to the issuance of equity, which net of transaction costs amounted to NOKm 288.5, while cash payment for shares in subsidiaries amounted to NOKm 150. Other cashflow relates to the operation of the parent company, amounting to NOKm 2.

FUTURE CHALLENGES

The Group's focus is in salmon farming on the Icelandic east-coast. Overall activity level is high, and the main risks related to future operations is to keep profitability and growing the business at the same time. Growing also is based on the future total production licenses granted by the Icelandic government.

- Management and the Board of Directors are monitoring the development connected to the Group's expansion closely.
- There may be changes in the regulation regime in the future that the Group is exposed to. However, the Group has qualified personnel and is confident it will meet new laws and regulations and ensure that it will adapt its business in a good way.

FINANCIAL RISK

OVERALL VIEW ON OBJECTIVES AND STRATEGY

The focus of the Group is to remain a profitable and solid company for its shareholders and create a safe and stable workplace for its employees. This is done by carefully monitoring different risks the Group is exposed to and invest both in assets and within the workforce.

MARKET RISK

The company is exposed to financial risk in different areas. There is exchange rate risk related to some parts of the production cost being in Icelandic Krone, while sales mainly are done in American Dollars. It is possible to reduce this risk with use of financial instruments. The Group is constantly evaluating the use of such hedging instruments. The company's current strategy does not include the use of financial instruments. This is however, continuously being assessed by the Board of Directors. The company has also financial risk related to interest rate, since all of the group's debt has a floating interest rate.

There also is a risk associated with the sales to one major customer, where the price has been fixed for most of the year. The history shows this arrangement has been of high value for the company, but having one large customer can be a risk factor.

CREDIT RISK

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

LIQUIDITY RISK

The Group has around NOKm 304 in interest-bearing debt with credit institutions and lease obligations, and cash of NOKm 150. The overall liquidity situation is viewed to be good.

GOING CONCERN

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

ALLOCATION OF NET INCOME

The Board of Directors has proposed the net income of Ice Fish Farm AS to be attributed to:

Other equity	NOKm -3

THE WORKING ENVIRONMENT AND THE EMPLOYEES

Per 31.12.2020 there were no employees in the parent company, while there were 51 employees in the Group, whereof 11% are women. The Group has a clear policy of no discrimination related to gender, religious view and ethnic origin.

Leave of absence due to illness was 1.8% in 2020 of the total working hours in the Group. The Group is working on initiatives to decrease this number. During the year, there was on work-related injury which resulted in a lost time time from work (0.25% lost working days).

The working environment is considered good, and efforts for improvements are made on an ongoing basis. Each department is having regular meetings, with updates and discussions. Furthermore, the management also has regular meetings where organization, employees and other related topics are discussed.

EFFECT OF THE COVID 19 PANDEMIC

The group has been hit by the pandemic in several ways; some employees have been ill in the office in Reykjavík, while restrictions on travel has been limiting the possibilities to attend trade shows and meet one on one. This has been met by using online meetings. The production of salmon has been running as normal and sales have not been impacted. Icelandic government has been strict and managed to keep spreading low. On our production locations we have not had any COVID19 cases.

ENVIRONMENTAL REPORT

The board of directors is aware that the Group's business has an impact on the environment. However, there is a focus on reducing this impact as much as possible, including reducing use of fossil fuel, careful waste treatment and investments in new technology. The intention of the board of directors is to produce a healthy salmon with a high nutritional value with as low impact on the environment as possible. Furthermore, the Group is focusing on ensuring the welfare of the fish. All our facilities are certified by IMO with the AquaGap standard and that ensures that our product is sustainable with full traceability.

The following data shows some of our environmental focus areas (all numbers are for 2020):

- The waste is sorted according to waste-treatment plan in both production fjords
- Number of escapes: 0
- Survival in sea: 93.19%
- Sea lice: 0
- Use of antibiotics: 0
- Use of electricity and fuel/oil per produced ton of fish:

	Total use in 2020	Berufjörður		Fáskrúðsfjörður
	Gross harvest biomass	4,719	Ton	0
	Net Harvest biomass	3,917	Ton	0
	Growth 2020	2,237	Ton	4,249
1	Oil on the Barge and working boats liter	230,688	Liter	153,792
2	Fuel used for Small boats and cars liter	6,462	Liter	4,308
3	Electricity on land kWh	43,904	Liter	61,976

		Harvest fish gross		Harvest fish net		Growth	
		Berufjörður	Fáskrúðsfjörður	Berufjörður	Fáskrúðsfjörður	Berufjörður	Fáskrúðsfjörður
liter per ton of fish	1	48.88	0	58.89	0	103.12	36.19
liter per ton of fish	2	1.37	0	1.65	0	2.89	1.01
kWh per ton of fish	3	9.30	0	11.21	0	19.63	14.59

We wish to thank our workforce for a their diligent work and contribution in the year 2020.

Rørvik, 17 March 2021

Guðmundur Gíslason
Chairman of the Board

Roald Dolmen
Board Member

Roar Myhre
Board Member

Dagfinn Eliassen
Board Member

Einar Thor Sverrisson
Board Member

Building a better working world

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Ice Fish Farm AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ice Fish Farm AS comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the balance sheet as at 31 December 2020, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements comprise the balance sheet as at 31 December 2020, the statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- the financial statements are prepared in accordance with the law and regulations
- the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway
- the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Trondheim, 17 March 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Amund P. Amundsen
State Authorised Public Accountant (Norway)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ICE FISH FARM AS - Group

(NOK 1000)	Note	2020	2019
Revenue	2.1,2.2	283.463	293.304
Total revenue		**283.463**	**293.304**
Cost of materials	2.3	139.633	225.178
Employee benefit expenses	2.4,7.1	30.835	26.960
Other operating expenses	2.5	28.874	29.472
Depreciation, amortisation and impairment	3.1,3.2,3.3,3.4	29.524	22.494
Operating profit before fair value adjustment of biomass		**54.597**	**-10.800**
Fair value adjustment biomass	2.7	1.050	33.704
Operating profit		**55.647**	**22.904**
Finance income	4.5	1.532	34
Finance costs	4.5	-15.863	-16.823
Foreign exchange rate gain/ (-)loss	4.5	-6.454	2.067
Share of profit or loss of an associate	6.2	-6.555	3.296
Profit or loss before tax		**28.307**	**11.478**
Income tax expense	5.1	9.487	-5.090
Profit or loss for the period		**37.794**	**6.388**
Other comprehensive income			
Items that subsequently may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		-44.971	5.224
Total items that may be reclassified to profit or loss		**-44.971**	**5.224**
Other comprehensive income for the period		**-44.971**	**5.224**
Total comprehensive income for the period		**-7.177**	**11.611**
Profit or loss for the period attributable to:			
Equity holders of the parent		38.430	8.328
Non-controlling interests		-636	-1.940
Total		**37.794**	**6.388**
Total comprehensive income for the period attributable to:			
Equity holders of the parent		-6.444	13.659
Non-controlling interests		-733	-2.048
Total		**-7.177**	**11.611**
Earnings per share ("EPS"):			
- Basic and diluted	4.9	0,64	0,13
Average number of shares		60.434.335	65.055.577

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ICE FISH FARM AS - Group				
(NOK 1000)	Note	31/12/2020	31/12/2019	1/1/2019
ASSETS				
Non-current assets				
Licenses	3.2	598.028	615.036	608.954
Other intangible assets	3.2	15.913	14.374	12.360
Property, plant and equipment	3.1,3.3	287.628	176.822	122.529
Investments in associated companies	6.2	21.645	31.235	28.723
Deferred tax assets	5.1	2.756		
Total non-current assets		**925.971**	**837.467**	**772.566**
Current assets				
Biological assets	2.7	290.656	228.846	243.320
Inventories	2.3	11.748	6.904	8.890
Loan to related parties	2.6,4.1,7.2	41.989	36.327	3.747
Trade and other receivables	2.6,4.1	47.193	39.552	13.802
Cash and cash equivalents	4.1,4.4	150.118	1.130	1.869
Total current assets		**541.704**	**312.760**	**271.628**
TOTAL ASSETS		**1.467.675**	**1.150.227**	**1.044.194**
EQUITY AND LIABILITIES				
Equity				
Share capital	4.8	5.400	4.931	3.532
Share premium	4.8	1.790.636	211.089	149.946
Other equity	4.8	-726.963	574.048	561.878
Equity attributable to equity holders of the parent		**1.069.073**	**790.069**	**715.355**
Non-controlling interests		93	1.030	3.077
Total equity		**1.069.166**	**791.099**	**718.432**
Non-current liabilities				
Non-current interest bearing liabilities	3.3,4.1,4.2,4.3,4.6	251.086	77.661	62.491
Subordinated loan from related parties	4.1,4.2,4.3,4.6,7.2	-	25.521	58.831
Deferred tax liabilities	5.1	-	6.908	1.785
Total non-current liabilities		**251.086**	**110.091**	**123.107**
Current liabilities				
Current interest bearing liabilities	3.3,4.1,4.2,4.3,4.6	53.083	158.165	141.842
Subordinated loan from related parties	4.6,4.7,4.8,,8.1	25.578	29.605	11.483
Trade and other payables	2.8,4.1,4.3	68.761	61.267	49.330
Total current liabilities		**147.422**	**249.037**	**202.655**
Total liabilities		**398.508**	**359.128**	**325.761**
TOTAL EQUITY AND LIABILITIES		**1.467.675**	**1.150.226**	**1.044.194**

Guðmundur Gíslason
Chairman of the Board

Roald Dolmen
Board Member

Roar Myhre
Board Member

Dagfinn Eliassen
Board Member

Einar Thor Sverrisson
Board Member

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ICE FISH FARM AS - Group

(NOK 1000)	Note	Attributable to the equity holders of the parent					Non-controlling interest	Total Equity
		Share capital	Share premium	Foreign currency translation reserve	Other equity	Total		
As at 1 January 2019 (ICEGAAP)		**3.532**	**149.946**	**-**	**-60.273**	**93.205**	**3.077**	**96.282**
Effect of implementation IFRS	8.2				622.150	**622.150**		622.150
As at 1 January 2019 (IFRS)		**3.532**	**149.946**	**-**	**561.878**	**715.355**	**3.077**	**718.432**
Comprehensive income:								
Profit or loss for the period					8.328	**8.328**	-1.940	6.388
Other comprehensive income				5.331		**5.331**	-108	5.223
Transactions with owners:								
Issued share capital	4.8	1.366	59.690			**61.055**		61.055
Adjustments (exchangerate)		34	1.454		-1.488	**-**		-
At 31 December 2019		**4.931**	**211.089**	**5.331**	**568.717**	**790.069**	**1.029**	**791.098**
Comprehensive income:								
Profit or loss for the period					38.430	**38.430**	-636	37.794
Other comprehensive income				-44.874		**-44.874**	-97	-44.971
Deemed issue of share capital*	4.8	4.500	1.503.000			**1.507.500**		1.507.500
Deemed issue of share capital*	4.8	900	300.600			**301.500**		301.500
Transaction costs	4.8		-12.965			**-12.965**		-12.965
Effect of issued share capital in subsidiary					-1.451	**-1.451**	1.451	-
Acquisition of non-controlling interests					-1.633	**-1.633**	-1.655	-3.288
At 31 December 2020		**5.400**	**1.790.635**	**-39.543**	**-687.420**	**1.069.073**	**93**	**1.069.167**

* The legal parent of the Group changed in 2020. The equity of the Group is presented as a continuation of Fiskeldi Austfjarða hf. For further information see note 1.1 and note 1.2.

CONSOLIDATED STATEMENT OF CASH FLOWS

ICE FISH FARM AS - Group

(NOK 1000)	Note	2020	2019
Cash flows from operating activities			
Profit or loss before tax		28.307	11.478
Net fair value adjustment on biological assets	2.7	-1.050	-33.704
Tax paid	5.1		-1.590
Depreciation and impairment of property, plant and equipment, right-of-use assets and intagble assets	3.1,3.2,3.3,3.4	29.524	22.494
Share of profit or loss of an associate	6.2	6.555	-3.287
Changes in inventories, trade and other receivables and trade and other payables	2.3,2.6,2.8	-80.621	67.167
Finance income		-1.532	
Finance costs		15.863	-
Change in other accrual items		-13.171	-860
Net cash flows from operating activities		**-16.125**	**61.698**
Cash flows from investing activities			
Purchase of property, plant and equipment	3.1,3.3	-130.653	-45.282
Purchase of intangible assets	3.2	-3.701	-3.269
Purchase of shares in subsidiaries, net of cash acquired		0	-
Proceeds from sale of property, plant and equipment	3.1,3.3		1.702
Interest received		1.532	-
Net cash flow from investing activities		**-132.821**	**29.697**
Cash flow from financing activities			
Proceeds from borrowings	4.2,4.3	44.079	14.318
Repayment of borrowings	4.2,4.3	-28.986	-24.127
Subordinated loans, change		-24.102	-12.063
Payments for the principal portion of the lease liability	3.3,4.3	-10.082	-6.341
Interest paid		-15.863	-1.187
Overdraft facility	4.2,4.3	47.339	13.803
Proceeds from issuance of equity		301.790	-
Transaction costs on issue of shares		-12.965	-
Acquisition of non-controlling interests		-3.288	-
Net cash flow from financing activities		**297.922**	**-15.598**
Net change in cash and cash equivalents		**148.975**	**75.798**
Effect of change in exchange rate on cash and cash equivalents		12	11
Cash and cash equivalents, beginning of period	4.4	77.677	1.869
Cash and cash equivalents, end of period	**4.4**	**226.665**	**77.677**

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

INTRODUCTION AND SIGNIFICANT EVENTS IN 2020

1.1 INTRODUCTION

CORPORATE INFORMATION

ICE FISH FARM AS and its subsidiaries (collectively "the Group", or "ICE FISH FARM") is a publicly listed company on the Merkur Market, with the ticker symbol IFISH. The ultimate parent company is NTS ASA.

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

The consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Board of Directors on 17 March 2021.

ICE FISH FARM AS is a Company incorporated in Norway with headquarters in Iceland. The address of its registered office is Fjordgata 8, 7900 RØRVIK, Norway. ICE FISH FARM's headquarter is located at Nesbala 122, 170 Seltjarnarnes, Iceland.

MAY 2020 ACQUISITION AND GROUP REORGANISATION

The structure of the Group was changed in 2020. ICE FISH FARM AS is a newly established entity and was incorporated on the 16 March 2020. On the 29 May 2020 ICE FISH FARM AS acquired 100% of the shares in Fiskeldi Austfjarða hf with shares as consideration. ICE FISH FARM AS issued equity securities and is the legal acquirer in the acquisition. In the the consolidated financial statements of ICE FISH FARM, ICE FISH FARM is seen as a continuity of Fiskeldi. The values at Fiskeldi level is continued.

The Group has accounted for the reorganization as a continuation of Fiskeldi Austfjarða hf, together with a deemed issue of shares and a re-capitalisation of equity. The consolidated financial statements are presented as if the Group, with ICE FISH FARM AS as the parent company, had always existed. See note 1.2 for a more detailed description and accounting assessments performed.

Comparative financial information is provided for the preceding period in the Consolidated statement of comprehensive income, Consolidated statement of financial position and Consolidated statement of cash flows.

BASIS OF PREPARATION

The consolidated financial statements of the Group comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and related notes. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by The European Union ("EU"), and represents the first annual financial statements of the Group in accordance with IFRS. See note 8.2 for information related to first time adoption.

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

Presentation currency and functional currency

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

For presentation purposes, balance sheet items are translated from functional currency to presentation currency by using

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

OTHER ACCOUNTING POLICIES:

Current versus non-current classification
The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.
An asset is current when it is:
Expected to be realised or intended to be sold or consumed in the normal operating cycle,
Held primarily for the purpose of trading,
Expected to be realised within twelve months after the reporting period, or
Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.
A liability is current when:
It is expected to be settled in the normal operating cycle,
It is held primarily for the purpose of trading,
It is due to be settled within twelve months after the reporting period, or
There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities

1.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.
The accounting policies applied by management which includes a significant degree of estimates and assumptions or judgements that may have the most significant effect on the amounts recognised in the financial statements, are summarised below:
Estimates and assumptions:
Fair value measurement of biological assets (note 2.7)
Impairment considerations of property, plant and equipment and licenses (note 3.4)

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

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

Accounting judgements:
Determining the useful lives of licenses (note 3.2)
May 2020 acquisition and group reorganization (note 1.3)
Measurement of deferred tax assets (note 5.1)

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

1.3 SIGNIFICANT EVENTS AND ASSESSMENTS IN 2020

MAY 2020 ACQUISITION AND GROUP REORGANISATION

NTS ASA has, through Midt Norsk Havbruk ("MNH"), split out Fiskeldi Austfjarða hf ("Fiskeldi") to create a single new reporting group, as a prelude to a subsequent initial public offering at Merkur. In this process NTS ASA acquired a new holding company, ICE FISH FARM. On the 29 May 2020 ICE FISH FARM acquired 100% of the shares in Fiskeldi with shares as consideration. NTS ASA had the ultimate control over Fiskeldi both before and after the transaction in accordance with IFRS 10. Fiskeldi is considered a business under IFRS 3. In the consolidated financial statements of ICE FISH FARM, ICE FISH FARM is seen as a continuity of Fiskeldi based on the following assessments:

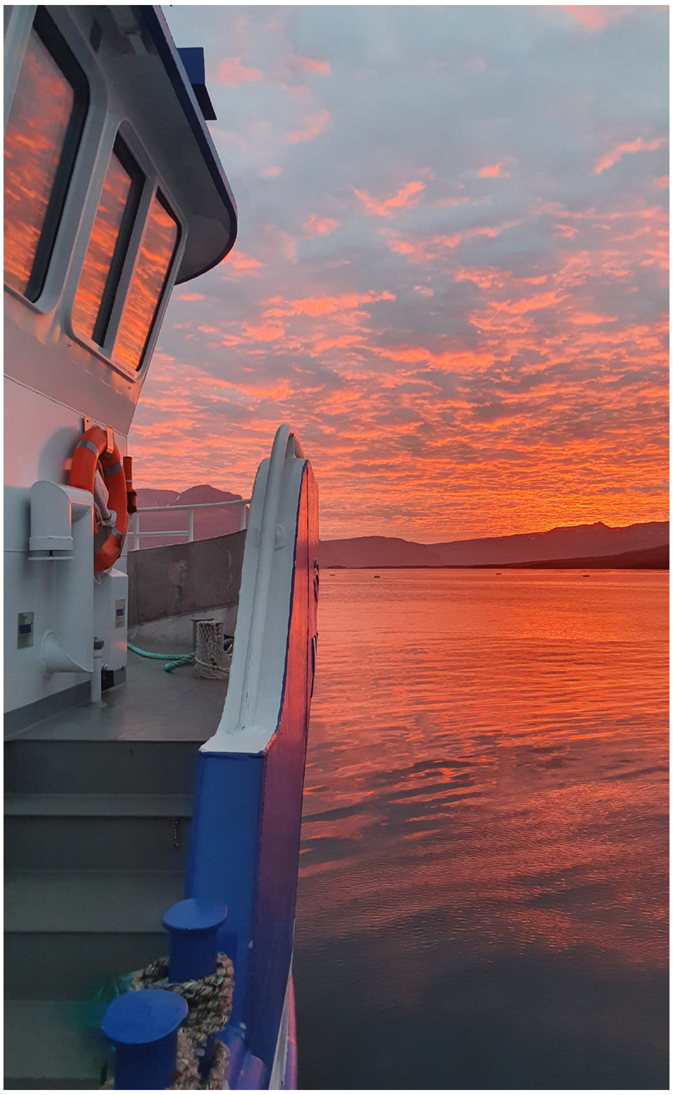
The transaction is assessed to not meet the definition of a business combination under IFRS 3. This because neither ICE FISH FARM nor Fiskeldi can be identified as the acquirer. IFRS 3.B18 states that a new entity formed to effect a business combination not necessarily is the acquirer. If a new entity is formed to issue equity interests to effect a business combination, one of the combining entities that existed before the business combination shall be identified as the acquirer. As a result, ICE FISH FARM cannot be identified as the acquirer as it issues shares to effect the combination.

In order for the transaction be a reverse acquisition, where Fiskeldi is identified as the acquirer, it must acquire a business.

ICE FISH FARM is a holding company consisting of only cash and equity at the time of the acquisition and does not meet the definition of a business in accordance with IFRS 3.B7. As a result, Fiskeldi cannot be identified as the acquirer (in a reverse acquisition) as ICE FISH FARM is not considered a business.

Based on the above, the transaction is outside the scope of IFRS 3.

Applying the IAS 8 hierarchy, ICE FISH FARM cannot elect to apply the acquisition method as set out in IFRS 3 since the transaction does not result in any change of economic substance (e.g. in terms of any real alteration to the composition or ownership of the group). Accordingly, the consolidated financial statements of ICE FISH FARM reflect that the arrangement is in substance a continuation of the existing group, Fiskeldi.
Continuity is a result of the transaction not resulting in changes in the economic realities. The transaction is in substance a continuation of the existing group, Fiskeldi. The carrying amounts for Fiskeldi are therefore carried forward.



The threat caused by the Covid-19 pandemic is challenging the world's economies and contributing to significant untertainty in global markets. There is significant undertainty regarding the economic impact of the pandemic, such as uncertainty with regards to how long it will last and what effect it will have after it has ended. However, the Group's operations have been good this year and the financial position is strong.

2.1 SEGMENT

ACCOUNTING POLICIES

An operating segment is a component of an entity:

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

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

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

FISH FARMING (ICELAND)

The Group owns and operates salmon farms in the Icelandic fjords Berufjörður and Faskrudsfjörður. The seawater purity in the eastern fjords enables ICE FISH FARM to deliver superior high quality salmon of 3,5kg+ with a yearly harvest of approximately 20 000 tons. The Group also owns and until 31.12.2020 operated arctic charr farms in Rifós, Iceland. The comparatively low seawater temperature enables ICE FISH FARM to deliver superior high quality trout of 1kg+ with a yearly harvest volume of approximately 8 000 tons.

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

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

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

INFORMATION ABOUT MAJOR CUSTOMERS

One of the Group's external customer amount to 10 per cent or more of the Group's total revenues. Revenue from this customer amounted to TNOK 266 528 for 2020 and TNOK 257 761 for 2019.

2.2 REVENUES

SOURCE OF REVENUE

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

ACCOUNTING POLICIES

GENERAL

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

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

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

The fair value adjustment of these biological assets prior to sale are recognised in accordance with IAS 41 and disclosed in note 2.7.
Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2020	2019
Type of goods		
Fish Farming	283.463	293.304
Total revenue from contracts with customers	**283.463**	**293.304**
Geographical markets		
US	263.621	258.108
Iceland	19.842	35.197
Total revenue from contracts with customers	**283.463**	**293.304**
Timing of revenue recognition		
Goods transferred at a point in time	283.463	293.304
Total revenue from contracts with customers	**283.463**	**293.304**

Payment is generally due within 14 days after delivery.

CONTRACT BALANCES

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

2.3 INVENTORIES

ACCOUNTING POLICIES

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

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

Live fish are presented as biological assets in note 2.7.

Cost of materials	2020	2019
Fish farming production cost including smolt, feed and slaughter cost	139.633	225.178
Total cost of materials	**139.633**	**225.178**

Inventories	31/12/2020	31/12/2019	1/1/2019
Raw materials (feed for the farming business)	11.748	6.904	8.890
Total inventories (gross)	**11.748**	**6.904**	**8.890**
Provision for obsolete inventories			
Total inventories at the lower of cost and net realisable value	**11.748**	**6.904**	**8.890**

No provisions have been made for obsolescence.

2.4 EMPLOYEE BENEFIT EXPENSES

ACCOUNTING POLICIES

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

Pensions

The Group has a defined contribution pension plan for its employees which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

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

Employee benefit expenses	2020	2019
Salaries	24.090	21.352
Social security costs	2.770	2.315
Pension costs	3.975	3.294
Total employee benefit expenses	**30.835**	**26.961**
Average number of full time employees (FTEs)	44	33

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

2.5 OTHER OPERATING EXPENSES

ACCOUNTING POLICIES

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

Other operating expenses	**2020**	**2019**
Property cost incl heating	1.568	1.219
Boats and vehicles, incl maintenance	15.350	9.539
Lease expenses (short term and low value)	347	142
Travel expenses	446	976
Consulting expenses and insourcing	3.134	2.296
Marketing expenses	956	379
Research expenses	48	327
Other operating expenses	7.025	14.594
Total other operating expenses	**28.874**	**29.471**

Auditor related fees	**2020**	**2019**
Audit fee	333	251
Tax advisory services	14	-
Other advisory services - Bookeeping for Fiskeldi Austfjarda performed by KPMG Iceland	1.076	949
Other advisory services including IFRS advise	759	-
Total auditor fees (excl. VAT)	**2.182**	**1.200**

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

2.6 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICIES

TRADE AND OTHER RECEIVABLES

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

EXPECTED CREDIT LOSSES

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

Trade receivables	31/12/2020	31/12/2019	1/1/2019
Trade receivables from revenue contracts with customers - external	46.542	36.978	13.802
Total trade receivables (gross)	**46.542**	**36.978**	**13.802**
Allowance for expected credit losses	-	-	-
Total trade receivables (net)	**46.542**	**36.978**	**13.802**

Other receivables	31/12/2020	31/12/2019	1/1/2019
Loan to related parties	41.989	36.327	3.747
Prepaid rent and other expenses	632	92	
VAT receivable	19	2.482	
Total other receivables (net)	**42.640**	**38.902**	**3.747**
Total trade and other receivables	**89.182**	**75.880**	**17.548**

Allowance for expected credit losses	Financial instrument	31/12/2020	31/12/2019	1/1/2019
At the beginning of the period	Financial asset at amortised cost	-	-	-
Provision for expected credit losses	Financial asset at amortised cost	-	-	-
At the end of the period	Financial asset at amortised cost	-	-	-

The credit risk of financial assets has not increased significantly from initial recognition. Based on historic performance, there is no loss allowance.

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

			Trade receivables			
			Past due but not impaired			
Ageing analysis of trade receivables	**Total**	**Not due**	**< 30 days**	**31-60 days**	**61 - 90 days**	**> 90 days**
31/12/2020	46.542	46.542				
31/12/2019	36.978	36.978				
1/1/2019	13.802	13.802				

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

2.7 BIOLOGICAL ASSETS

ACCOUNTING POLICIES

BIOLOGICAL ASSETS

The Group recognises a biological asset when:

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

A biological asset is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, in accordance with IAS 41 Agriculture and Fair Value IFRS 13. Fair value of biological assets is calculated based on a present value model 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 (mature fish) and fish not ready for harvest (immature fish), is the expected sale price. This is also the assumption that historically has had the greatest fluctuations. In order to estimate the expected sales price, the future price quoted by Fish pool for superior Norwegian salmon (3-6 kg gutted) is used as a starting point. It is the Group's opinion that the use of observable prices increases the reliability and comparability of the price assumptions.

For fish ready for harvest (mature fish), the future price for the following month is applied. For fish not ready for harvest (immature fish), 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 immature fish, 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 (4.5 kg gutted 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 4.5 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 18 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 1-4% 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. Licence rent
Salmon and trout farming do not take place in a market without competition and barriers to entry. Due to the limited access to fish farming licenses, these currently have a very high value. In order for a hypothetical buyer of live fish to be able to acquire and further farm the fish, it must be assumed that the buyer had a license, locality and other permits required for such production. Currently it is not allowed to rent licenses, however, in a hypothetical market for buying and selling live fish, we assume that this would be possible. In this scenario, a hypothetical buyer would demand a significant discount in order to allocate a sufficient share of the return to own licenses, or alternatively to cover the cost of license rent. Modeling a hypothetical annual license rent from prices of traded licenses is difficult, as the price curve will be based on expectations of future profit development in the industry. Furthermore, it is complex to derive a rental cost for shorter periods of time and ultimately per volume, given that the license restrictions are measured at different levels (location, region and Company).

3. Time value
Finally, the discount rate must reflect the time value of money for the committed capital allocated to the biomass. One must assume that a hypothetical buyer would require compensation for the opportunity cost of investing in live fish. The production cycle for salmon farming is currently up to 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.

2.7 BIOLOGICAL ASSETS (CONTINUED)

CARRYING AMOUNTS OF BIOLOGICAL ASSETS

Biological assets	31/12/20	31/12/19	1/1/19
Fish at cost	208.103	151.154	205.890
Fair value adjustment on fish	51.249	50.199	16.495
Fair value of fish in the sea	**259.353**	**201.354**	**222.385**
Smolt	31.304	27.493	20.935
Carrying amount of biological assets	**290.656**	**228.846**	**243.320**
Total biological assets at cost	239.407	178.647	226.824
Total fair value adjustment on biological assets	51.249	50.199	16.495
Fair value of biological assets	**290.656**	**228.846**	**243.320**

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

Fair value adjustment of biological assets in the statement of comprehensive income	2020	2019
Change in the fair value adjustment of biological assets	1.050	33.704
Fair value adjustment of biological assets	**1.050**	**33.704**

Reconciliation of the fair value of biomass in the period	Iceland	Total
Biomass at fair value 01.01.2019	16.495	16.495
Fair value change 2019	33.704	33.704
Fair value of biomass 31.12.2019	**50.199**	**50.199**
Fair value change 2020	1.050	1.050
Fair value of biomass 31.12.2020	**51.249**	**51.249**

Reconciliation of the carrying amount of biological assets	Smolt	Live fish in the sea	Fair value adjustment	Total biological assets
Biological assets 01.01.2019	**20.935**	**205.890**	**16.495**	**243.320**
Increase from biological transformation and cost of stock	7.044	236.783	33.704	277.531
Reduction from the sale of smolt	-486			-486
Reduction from harvest		-291.519		-291.519
Biological assets 31.12.2019	**27.493**	**151.154**	**50.199**	**228.846**
Increase from biological transformation and cost of stock	7.590	340.412	1.050	349.052
Reduction from the sale of smolt	-3.778			-3.778
Reduction from harvest		-283.463		-283.463
Biological assets 31.12.2020	**31.304**	**208.103**	**51.249**	**290.656**

Sensitivity analysis

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

Change in weighted average sale price	-10 NOK	-5 NOK	0 NOK	+5 NOK	+10 NOK
Change in the value of biological assets	-67.475	-24.162	0	19.999	40.491

Change in harvest volume	-2%	-1%	0%	1%	2%
Change in the value of biological assets	-8.546	-4.273	0	4.273	8.546

Financial risk management strategies

- The Group is exposed to risks arising from mortality and escapes and changes in prices.
- The Group manages mortality and escapes by checking on the fish and the surroundings, including the cages regularly.

The Group's exposure to fluctuations in the fish prices and sales volume is managed by entering into long term supply contracts with major customers.

No events occurred in the current and prior periods that give rise to material items of income or expense as a result of mortality, escapes or changed in prices.

2.8 TRADE AND OTHER PAYABLES

ACCOUNTING POLICIES

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

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

Trade and other payables	31/12/20	31/12/19	1/1/19
Trade payables - external	58.473	45.408	42.729
Trade payables to related parties	1.756	10.020	-
Withholding payroll taxes and social security	1.865	2.302	1.797
Accrued interest	1.483	221	291
Other payables	5.184	3.316	4.450
Total trade and other payables	**68.761**	**61.267**	**49.330**

Trade and other payables are non-interest bearing on general due dates between 10-40 days. For an overview of the term date of trade and other payables see note 4.3.

3.1 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICIES

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

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

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

No impairments of property, plant and equiment were made in 2019 or 2020. For the group's principles related to impairment of property, plant and equipment, see note 3.4.

	Property and land	Ships	Cages, machinery and equipment	Total
Acquisition cost 01.01.2019	**10.080**	**29.241**	**84.121**	**123.442**
Additions	7.539	-	37.743	45.282
Currency translation effects	98	283	906	1.287
Acquisition cost 31.12.2019	**17.717**	**29.525**	**122.769**	**170.011**
Additions	54.694	18.002	57.957	130.653
Assets sold			-130	-130
Currency translation effects	-5.616	-3.257	-8.885	-17.758
Acquisition cost 31.12.2020	**66.795**	**44.270**	**171.711**	**282.776**
				-
Accumulated depreciation and impairment 01.01.2019	**641**	**1.646**	**27.172**	**29.459**
Depreciation for the period	624	431	13.190	14.246
Currency translation effects	6	16	483	506
Accumulated depreciation and impairment 31.12.2019	**1.272**	**2.092**	**40.846**	**44.211**
Depreciation for the period	719	3.072	12.773	16.564
Assets sold			117	117
Currency translation effects	-103	-346	-2.347	-2.797
Accumulated depreciation and impairment 31.12.2020	**1.888**	**4.818**	**51.389**	**58.095**
				-
Carrying amount 01.01.2019	**9.439**	**27.596**	**56.948**	**93.983**
Carrying amount 31.12.2019	**16.445**	**27.432**	**81.923**	**125.800**
Carrying amount 31.12.2020	**64.906**	**39.452**	**120.322**	**224.681**
Property, plant and equipment including right-of-use asset 01.01.2019	9.720	27.596	85.213	122.529
Property, plant and equipment including right-of-use asset 31.12.2019	16.585	52.604	107.632	176.821
Property, plant and equipment including right-of-use asset 31.12.2020	64.907	81.463	141.259	287.629
Economic useful lives	33 years	13 years	5-10 years	
Depreciation method		Straight-line method		

3.2 INTANGIBLE ASSETS

NATURE OF THE GROUP'S INTANGIBLE ASSETS

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

ACCOUNTING POLICIES

LICENSES

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

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

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

OTHER INTANGIBLE ASSETS

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

SIGNIFICANT ACCOUNTING JUDGEMENTS

LICENCES

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

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

	Farming licences	Other Intangible	Total
Acquisition cost 01.01.2019	**608.954**	**12.473**	**621.427**
Additions		3.268	3.268
Currency translation effects	6.082	-	6.082
Acquisition cost 31.12.2019	**615.036**	**15.741**	**630.777**
Additions		3.701	3.701
Currency translation effects	-17.008	-444	-17.452
Acquisition cost 31.12.2020	**598.028**	**18.998**	**617.026**
Accumulated depreciation and impairment 01.01.2019	**-**	**113**	**113**
Depreciation for the period		1.370	1.370
Currency translation effects		-116	-116
Accumulated depreciation and impairment 31.12.2019	**-**	**1.367**	**1.367**
Depreciation for the period		1.757	1.757
Currency translation effects		-39	-39
Accumulated depreciation and impairment 31.12.2020	**-**	**3.085**	**3.085**
Carrying amount 01.01.2019	**608.954**	**12.360**	**621.314**
Carrying amount 31.12.2019	**615.036**	**14.374**	**629.410**
Carrying amount 31.12.2020	**598.028**	**15.913**	**613.940**
Economic useful lives	Indefinite	10 years	
Depreciation method	N/A*	Straight-line	

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

GENERAL INFORMATION ON ALLOCATION OF FARMING LICENCES ON ICELAND

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

THE GROUP'S LICENCES ON ICELAND

As of 31.12.2020 the Group has a license for the harvest of 20,800 tonnes salmon, 8,800 being infertile salmon at the east cost of Iceland (Berufjörður and Faskrudsfjörður). The Group also has access to two smolt hatcheries and harvest facilities.

Specification of farming licences:	Number of licences	Production capacity general license (tonnes)	Production capacity infertile salmon only (tonnes)	Acquisition cost	Carrying amount
Salmon, Berufjörðu, Iceland		6.000	3.800	548.623	598.028
Salmon, Faskruðfjörður, Iceland		6.000	5.000		

3.3 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

ACCOUNTING POLICIES

At inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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 and index or rate.

The Group presents its lease liabilities together wth Property, plant and equipment 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 3.2). The right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. Depreciation is calculated on a straight-line basis.

THE GROUP'S LEASED ASSETS

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

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

Right-of-use assets	**Property and land**	**Ships**	**Cages, machinery and equipment**	**Total**
Carrying amount 01.01.2019	**281**	**-**	**28.265**	**28.546**
Depreciations	-141	-4.181	-2.556	-6.878
Additions	-	29.353	-	29.353
Carrying amount 31.12.2019	**141**	**25.172**	**25.709**	**51.021**
Depreciations	-130	-6.356	-4.717	-11.202
Additions	-	23.195	-	23.195
Currency translation effects	-10	-	-55	-65
Carrying amount 31.12.2020	**0**	**42.011**	**20.937**	**62.948**
Lease term or useful life	1 year	13 years	1-4 year	
Depreciation plan		Straight-line		

3.3 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

The Group's lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	31/12/2020	31/12/2019	1/1/2019
Less than one year	12.329	9.929	5.531
One to two years	12.329	9.723	6.858
Two to three years	11.794	9.723	5.874
Three to four years	10.643	9.186	4.238
Four to five year	7.306	8.025	4.472
More than five years	10.898	9.698	5.443
Total undiscounted lease liabilities	**65.298**	**56.285**	**32.416**

Changes in the lease liabilities	Total
Total lease liabilities at 01.01.2019	**28.546**
New leases recognised during the period	29.353
Cash payments for the principal portion of the lease liability	-6.341
Cash payments for the interest portion of the lease liability	-1.187
Interest expense on lease liabilities	1.187
Currency translation effects	0
Total lease liabilities at 31.12.2019	**51.558**
New leases recognised during the period	18.669
Cash payments for the principal portion of the lease liability	-10.082
Cash payments for the interest portion of the lease liability	-1.780
Interest expense on lease liabilities	1.780
Currency translation effects	-67
Total lease liabilities at 31.12.2020	**60.078**

	31/12/2020	31/12/2019	1/1/2019
Current lease liabilities in the statement of financial position	10.725	8.542	4.668
Non-current lease liabilities in the statement of financial position	49.360	43.016	23.878
Total cash flow effect	-11.862	-7.528	n/a

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.

Exercising the extension options would increase the lease liability at 31.12.2020 by approximately TNOK 1 100.

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

3.4 IMPAIRMENT CONSIDERATIONS

ACCOUNTING POLICIES

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

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

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

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

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

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

BASIS FOR DETERMINING THE RECOVERABLE AMOUNT
The CGU's recoverable amount has been determined based on its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The cash flows are derived from the detailed budget and forecast estimates for the next five years approved by the Group Management. Restructuring activities and significant future investments are excluded from the budgets. A long-term growth of 2% rate is calculated and applied to project future cash flows after the fifth year. This i based on historical growth in GDP in expected future markets in US and high-income Europe. Avreage GDP the last 20 years is 2.22 in USA, and 2.48 in high-income Europe. A growth rate of 2 is therefore a conservative estimate.

KEY ASSUMPTIONS APPLIED TO DETERMINE THE RECOVERABLE AMOUNT
The calculation of value in use for the Fish farming CGU is most sensitive to the following assumptions:

- Spot price of salmon
- Pre-tax discount rate
- Harvest volume

Spot price of salmon:
The price of salmon applied in calculation of value in use is the spot price based on current sale agreements. The same price is applied in the forecast period between 2021 and 2024. This price is just above the Fishpool forward price trend line, and that is to reflect some of the premium price effect that has been historically for the Group's product.

Pre-tax discount rate:
The discount rate reflects the current market assessment of the risks specific to the CGU. The discount rate for the Group is estimated based on the weighted average cost of capital (WACC). The main components of the WACC are the risk free rate, the market equity premium, the CGU's Beta, interest cost of debt, expected debt/enterprise value ratio and the corporate tax rate. The pre-tax discount rate is determined by an iterative computation so that value in use determined using pre-tax cash flows and a pre-tax discount rate equals value in use determined using post-tax cash flows and a post-tax discount rate (WACC).

Harvest volume:
The estimate for future production/harvest is based on the current production level and harvest budget, then further forecasted based on expected changes in production given the current fish farming licenses. The calculations are based on the assumptions that the capacity level will increase over the years to 20 800 tonnes, the expected growth beyond firm licences of 20 800 is not included.

Necessary investments to meet expected growth are taken into account. There is significant undertainty regarding the economic impact of the Covid 19 pandemic, such as uncertainty with regards to how long it will last and what effect it will have after it has ended. However, the Group's operations have been good this year, and market situation for our salmon has remained solid. We have used our current situation as the basis for calculation, implying little impact from the pandemic.

3.4 IMPAIRMENT CONSIDERATIONS (CONTINUED)

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

	2020	2019
Key assumptions used to determine the recoverable amount for the CGU	**Fish farming (Iceland)**	**Fish farming (Iceland)**
Spot price of salmon per kg. (NOK)	57,15	57,20-62,39
Pre-tax discount rate	10,5 %	10,1 %
Harvest volume (tonnes)	7500-20800	6333-20800

Carrying amount of the intangible assets allocated to the CGU	**Fish farming (Iceland)**	**Fish farming (Iceland)**
Carrying amount of licenses	598.028	615.036
Total carrying amount	598.028	615.036

The recoverable amount of the cash generating unit is several times higher than its carrying amount and no impairment loss is recognised in the period. A sensitivity test is not performed, as the factors would have to change out of a normal operating mode in order to have a recoverable amount indicating a need for impairment.

4.1 OVERVIEW OF FINANCIAL INSTRUMENTS

ACCOUNTING POLICIES

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

CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

FINANCIAL ASSETS

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

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

FINANCIAL LIABILITIES

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

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

INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

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

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

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

Derecognition of financial instruments
A financial asset is derecognized when the rights to receive cash flows from the asset have expired, the Group has transferred its rights to receive cash flows from the asset or The Group has assumed an obligation to pay the received cash flows in full under a "pass-through" arrangement.

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

OFFSETTING OF FINANCIAL INSTRUMENTS

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

4.1 OVERVIEW OF FINANCIAL INSTRUMENTS (CONTINUED)

31/12/2020	Note	Financial instruments at amortised cost	Total
Assets			
Trade and other receivables related parties	2.6	41.989	**41.989**
Trade and other receivables	2.6	47.193	**47.193**
Cash and cash equivalents	4.4	150.118	**150.118**
Total financial assets		**239.300**	**239.300**
Liabilities			
Interest-bearing loans and borrowings			
Non-current interest bearing liabilities	4.2	251.086	**251.086**
Subordinated loan from related parties	4.2	25.578	**25.578**
Current interest bearing liabilities	4.2	50.917	
Overdraft facility	4.2	2.166	
Other financial liabilities			-
Trade and other payables	2.8	68.761	**68.761**
Total financial liabilities		**398.508**	**398.508**

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

31/12/2019	Note	Financial instruments at amortised cost	Total
Assets			
Trade and other receivables related parties	2.6	36.327	**36.327**
Trade and other receivables	2.6	39.552	**39.552**
Cash and cash equivalents	4.4	1.130	**1.130**
Total financial assets		**77.010**	**77.010**
Liabilities			
Interest-bearing loans and borrowings			
Non-current interest bearing liabilities	4.2	77.661	**77.661**
Subordinated loan from related parties	4.2	25.521	**25.521**
Current interest bearing liabilities	4.2	128.948	
Overdraft facility	4.2	29.217	
Other financial liabilities			-
Trade and other payables	4.2	61.267	**61.267**
Total financial liabilities		**322.614**	**322.614**

1/1/2019	Note	Financial instruments at amortised cost	Total
Assets			
Trade and other receivables related parties	2.6	3.747	**3.747**
Trade and other receivables	2.6	13.802	**13.802**
Cash and cash equivalents	4.4	1.869	**1.869**
Total financial assets		**19.417**	**19.417**
Liabilities			
Interest-bearing loans and borrowings			
Non-current interest bearing liabilities	4.2	62.491	**62.491**
Subordinated loan from related parties	4.2	58.831	**58.831**
Current interest bearing liabilities	4.2	103.664	
Overdraft facility	4.2	38.178	
Other financial liabilities			
Trade and other payables	4.2	49.330	**49.330**
Total financial liabilities		**312.494**	**312.494**

4.2 INTEREST BEARING LIABILITIES

Non-current interest bearing loans and borrowings	Maturity	Interest rate	31/12/2020	31/12/2019	1/1/2019
Loan from Arion Bank hf. (principal)	April 2022–June 2027	5.3%	201.726	34.645	38.613
Subordinated loan from related parties (principal)	NA	5%-7%	-	25.521	58.831
Leasing liability	June 2024-April 2028	3.2%	49.360	43.016	23.878
Total non-current interest bearing loans and borrowings			**251.086**	**103.183**	**121.322**

Current interest bearing loans and borrowings			31/12/2020	31/12/2019	1/1/2019
Loan from Arion Bank hf., due within 12 months	April 2021	5.3%	40.192	19.397	10.247
Subordinated loan from related parties, due within 12 months	NA	5%-7%	25.578	29.605	11.479
Overdraft facility	NA	LIBOR+4,5%	2.166	130.226	115.448
Leasing liability, due within 12 months	NA	3.2%	10.725	8.542	4.668
Current interest bearing loans and borrowings			**78.661**	**187.770**	**141.842**

The subordinated loan from related parties is considered subordinate to all financial obligations of the borrower to Arion Bank hf. 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 243 millions.

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

Assets pledged as security for interest bearing loans and borrowings	31/12/2020	31/12/2019	1/1/2019
Secured balance sheet liabilities:			
Non-current interest bearing liabilities	251.086	77.661	62.491
Current interest bearing liabilities	53.083	158.165	141.842
Total	**304.170**	**235.826**	**204.332**
Carrying amount of assets pledged as security for secured liabilities:			
Trade and other receivables	47.193	39.552	13.802
Inventories	11.748	6.904	8.890
Biological assets	290.656	228.846	243.320
Cash and cash equivalents	150.118	1.130	1.869
Investments in associated companies	21.645	31.235	28.723
Right-of-use assets	62.948	51.021	28.546
Property, plant and equipment	224.681	125.800	93.983
Total	**808.989**	**484.489**	**419.132**

COVENANT REQUIREMENTS

The Group is obligated to adhere to the following covenant requirement for it's interest bearing liabilities:
Equity/Enterprise value >35%

There have not been a breach in any financial covenants for the Group's interest-bearing loans and borrowing in the current or prior periods. Reference is made to note 4.7.

4.3 AGEING OF FINANCIAL LIABILITIES

Contractual undiscounted cash flows from financial liabilities is presented below:

	Remaining contractual maturity						
31/12/2020	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**More than 5 years**	**Total**
Financial liabilities							
Non-current interest bearing loans and borrowings	40.192	196.735	17.430	12.437	12.351	11.602	290.748
Current interest bearing loans and borrowings	25.578						25.578
Interest on loan	11.724						11.724
Trade and other payables	68.761						68.761
Non-current lease liabilities	0	12.329	11.794	10.643	7.306	10.898	52.970
Current lease liabilities	12.329						12.329
Total financial liabilities	158.583	209.064	29.224	23.079	19.658	22.500	462.109

	Remaining contractual maturity						
31/12/2019	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**More than 5 years**	**Total**
Financial liabilities							
Non-current interest bearing loans and borrowings	19.397	50.091	11.097	6.793	6.705	11.241	105.324
Interest on loan	15.863						15.863
Trade and other payables	61.267						61.267
Non-current lease liabilities	-	9.723	9.723	9.186	8.025	9.698	46.356
Current lease liabilities	9.929	0	0	0	0	1	9.929
Total financial liabilities	136.062	59.814	20.820	15.979	14.731	20.939	268.344

	Remaining contractual maturity						
1/1/2019	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**More than 5 years**	**Total**
Financial liabilities							
Non-current interest bearing loans and borrowings	10.247	37.750	42.778	3.380	3.380	8.895	106.430
Current interest bearing loans and borrowings	11.479						11.479
Interest on loan	16.823						16.823
Trade and other payables	49.330						49.330
Non-current lease liabilities	-	6.858	5.874	4.238	4.472	5.443	26.885
Current lease liabilities	5.531	0	0	0	0	0	5.531
Total financial liabilities	93.410	44.608	48.652	7.618	7.852	14.338	216.478

4.3 AGEING OF FINANCIAL LIABILITIES (CONTINUED)

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

			Non-cash changes				
2020	**31/12/2019**	**Cash flow effect**	**New leases recognised**	**Foreign exchange movement**	**Re-classified**	**Acquisition**	**31/12/2020**
Non-current interest bearing loans and borrowings	34.645	44.079	-	-1.006	124.009	-	201.727
Non-current lease liabilities	43.016	-10.082	16.523	-97	-	-	49.360
Subordinated loan related parties, non-current	25.521				-25.521		0
Total non-current financial liabilities	103.183	33.997	16.523	-1.103	98.488	-	251.087
Current interest bearing loans and borrowings	149.623	18.353	-	-1.609	-124.009	-	42.358
Current lease liabilities	8.542	-	2.147	36	-	-	10.725
Subordinated loan related parties, current	29.605	-24.102		-5.447	25.521		25.577
Total current financial liabilities	187.770	-5.749	2.147	-7.020	-98.488	-	78.660
Total liabilities from financing	**290.952**	**28.248**	**18.669**	**-8.122**	**-**	**-**	**329.747**

Cash-flow effect of tNOK 18353 on current interest bearing loans is the sum of repayment of borrowings (tNOK - 28 986) and overdraft facility (tNOK 47339) i the Cash flow statement.

			Non-cash changes				
2019	**1/1/2019**	**Cash flow effect**	**New leases recognised**	**Foreign exchange movement**	**Re-classified**	**Acquisition**	**31/12/2019**
Non-current interest bearing loans and borrowings	38.613		-	533	-4.500	-	**34.646**
Non-current lease liabilities	23.878	-6.341	25.479	-	-	-	**43.016**
Subordinated loan related parties, non-current	58.831			-3.124	-30.186		**25.521**
Total non-current financial liabilities	121.322	-6.341	25.479	-2.591	-34.686	-	**103.183**
Current interest bearing loans and borrowings	137.174	3.994	-	3.955	4.500	-	**149.622**
Current lease liabilities	4.668	-	3.874	-	-	-	**8.542**
Subordinated loan related parties, current	11.483	-12.063			30.186		**29.606**
Total current financial liabilities	153.325	-8.069	3.874	3.955	34.686	-	**187.770**
Total liabilities from financing	**274.646**	**-14.410**	**29.353**	**1.364**	**-**	**-**	**290.953**

Cash-flow effect of tNOK 3 994 on current interest bearing loans is the sum of proceeds from borrowings (tNOK 14 318), repayment of borrowings (tNOK - 24 127) and overdraft facility (tNOK 13 803) i the Cash flow statement.

4.4 CASH AND CASH EQUIVALENTS

ACCOUNTING POLICIES

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

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

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

The amount of withholding payroll taxes included in "Bank deposits, restricted" was TNOK 0 at 31.12.2020, TNOK 0 at 31.12.2019 and TNOK 0 at 01.01.2019.

Cash and cash equivalents	31/12/2020	31/12/2019	1/1/2019
Bank deposits, unrestricted	150.118	1.130	1.869
Bank deposits, restricted	-	-	-
Total in the statement of financial position	**150.118**	**1.130**	**1.869**
- Overdraft facility	2.166	130.226	115.448
Total in the statement of cash flows	**152.284**	**131.356**	**117.317**

	31/12/2020	31/12/2019	1/1/2019
Bank deposits, unrestricted	150.118	1.130	1.869
Overdraft facility (available funds)	9.423	89.282	101.952
Total cash and cash equivalents (available liquidity)	**159.541**	**90.412**	**103.821**

4.5 FINANCE INCOME AND FINANCE COSTS

ACCOUNTING POLICIES

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

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

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

INTEREST INCOME AND INTEREST EXPENSES

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

Finance income	2020	2019
Interest income	1.532	34
Share of profit of an associate	-	3.296
Gain on foreign exchange	-	2.067
Total finance income	**1.532**	**5.397**

Finance costs	2020	2019
Interest expenses	-14.083	-15.636
Interest expense on lease liabilities	-1.780	-1.187
Share of profit of an associate	-6.555	-
Loss on foreign exchange	-6.454	-
Total finance costs	**-28.872**	**-16.823**

4.6 FAIR VALUE MEASUREMENT

ACCOUNTING POLICIES

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Group.

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

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

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

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

FAIR VALUE DISCLOSURES

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

INTEREST-BEARING LOANS AND BORROWINGS

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

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

	Date	Carrying amount	Fair value	Level 1	Level 2	Level 3
Liabilities disclosed at fair value						
Interest-bearing loans and borrowings (Note 4.2)	31/12/2020	304.170	304.170			X
Interest-bearing loans and borrowings (Note 4.2)	31/12/2019	261.347	261.347			X
Interest-bearing loans and borrowings (Note 4.2)	1/1/2019	263.163	263.163			X

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

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

4.7 CAPITAL MANAGEMENT AND FINANCIAL RISK

CAPITAL MANAGEMENT

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

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

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

The Group's equity ratio was 73 % as of 31.12.2020 (70% as of 31.12.2019). The NIBD / EBITDA ratio was 2.2 as of 31.12.2020 (35.4 as of 31.12.2019).

FINANCIAL RISK MANAGEMENT

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

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

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

(I) CREDIT RISK

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

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

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

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

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time

value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. See ageing of trade receivables in note 2.6

4.7 CAPITAL MANAGEMENT AND FINANCIAL RISK (CONTINUED)

(II) MARKET RISK

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

INTEREST RATE RISK

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

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

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax (+/-)	Effect on OCI
31/12/2020	+/- 100	0	
31/12/2019	+/- 100	0	
1/1/2019	+/- 100	0	

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

Interest bearing liabilities	31/12/2020	31/12/2019	1/1/2019
Interest bearing loans and borrowings	5,3 %	5,4 %	5,5 %
Lease liabilities	3,2 %	3,2 %	3,2 %

FOREIGN CURRENCY RISK

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

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

(III) LIQUIDITY RISK

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

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

Currency sensitivity	Date	Change in FX rate	Effect on profit before tax (+/-)	Effect on OCI
Increase / decrease in ISK/NOK	2020	+/- 10%	-8.934	-
Increase / decrease in ISK/NOK	2019	+/- 10%	-8.230	-
Increase / decrease in USD/NOK	2020	+/- 10%	14.477	-
Increase / decrease in USD/NOK	2019	+/- 10%	9.846	-

4.8 SHARE CAPITAL AND SHAREHOLDER INFORMATION

ACCOUNTING POLICIES

EQUITY AND LIABILITIES

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

COSTS RELATED TO EQUITY TRANSACTIONS

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

DISTRIBUTION TO SHAREHOLDERS

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

	31/12/2020	31/12/2019	1/1/2019
Ordinary shares, par value 1 ISK per share		4.932.000	3.532.000
Ordinary shares, par value 0,10 NOK per share	54.000.000		
Total ordinary shares issued and fully paid	**54.000.000**	**4.932.000**	**3.532.000**

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

	Number of shares		Share capital	
Changes in share capital	**31/12/2020**	**31/12/2019**	**31/12/2020**	**31/12/2019**
Beginning of period	70.129.908	51.230.613	4.932.000	3.532.000
Reclassification due to new parent*	-70.129.908		-4.932.000	
Share capital in Ice Fish Farm	1.000		30.000	
Write down of share capital in Ice Fish Farm	-1.000		-30.000	
Deemed issue of share capital*	45.000.000		4.500.000	
Deemed issue of share capital*	9.000.000	18.899.295	900.000	1.400.000
End of period	54.000.000	70.129.908	5.400.000	4.932.000

*The structure of the Group was changed in 2020. All of the shares in Fiskeldi were contributed to Ice Fish Farm, against an issuance of 45,000,000 shares in the Ice Fish Farm to the shareholders of Fiskeldi. Simultaneously, a write down of the existing share capital of Ice Fish Farm was performed. At the same time, a share capital increase were placed by issuing 9,000,000 new shares.

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

DIVIDENDS

ICE FISH FARM AS has paid the following dividends in the period:	2020	2019
Ordinary shares		
NOK 0 per share	-	n/a
Total	-	n/a

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

4.8 SHARE CAPITAL AND SHAREHOLDER INFORMATION (CONTINUED)

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

Overview of the 20 largest shareholders:		**Origin**	**31/12/2020**	
Shareholder:			**Number:**	**Ownership:**
MIDT-NORSK HAVBRUK AS		Norway	30.020.121	55,59%
Eggjahvita ehf		Iceland	7.122.384	13,19%
Hregg ehf.		Iceland	3.026.745	5,61%
State Street Bank and Trust Comp	NOM	USA	1.600.000	2,96%
VERDIPAPIRFONDET NORGE SELEKTIV		Norway	1.340.607	2,48%
Grjót ehf.		Iceland	1.323.204	2,45%
MAXIMUM HOLDING AS		Norway	966.612	1,79%
Áning Ásbru ehf		Iceland	892.593	1,65%
VERDIPAPIRFONDET DNB SMB		Norway	626.914	1,16%
Gleði ehf		Iceland	537.776	1,00%
VERDIPAPIRFONDET PARETO INVESTMENT		Norway	473.876	0,88%
J.P. Morgan Bank Luxembourg S.A.	NOM	Luxembourg	735.396	1,36%
PORTIA AS		Norway	330.000	0,61%
VERDIPAPIRFONDET DNB NORGE PENSJON		Norway	303.725	0,56%
Nordea Bank Abp	NOM	Sweden	300.000	0,56%
CRESSIDA AS		Norway	270.000	0,50%
CENTRA CAPITAL AS		Norway	265.000	0,49%
CLEARSTREAM BANKING S.A.		Luxembourg	252.056	0,47%
FRETHEIM BRUK AS		Norway	232.616	0,43%
MP PENSJON PK		Norway	229.170	0,42%
Total of the 20 largest shareholders			50.848.795	94,16%
Other shareholders			3.151.205	5,84%
Total			**54.000.000**	**100%**

4.9 EARNINGS PER SHARE

EARNINGS PER SHARE (EPS)

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

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

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

	2020	**2019**
Profit or loss attributable to ordinary equity holders - for basic EPS	38.430	8.328
Profit or loss attributable to ordinary equity holders adjusted for the effect of dilution		
Weighted average number of ordinary shares - for basic EPS	60.434.335	65.055.577
Weighted average number of ordinary shares adjusted for the effect of dilution		
Basic EPS - profit or loss attributable to equity holders of the parent	0,64	0,13
Diluted EPS - profit or loss attributable to equity holders of the parent	0,64	0,13
Basic EPS - profit or loss from continuing operations attributable to equity holders of the parent	0,64	0,13
Diluted EPS - profit or loss from continuing operations attributable to equity holders of the parent	0,64	0,13

5.1 TAXES

ACCOUNTING POLICIES

Income tax expense

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

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

Current income tax

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

Deferred tax

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

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

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

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

The Group has TNOK 114 187 as at 31.12.2020 (TNOK 84 157 as at 31.12.2019 and TNOK 76 466 as at 01.01.2019) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses, and may not be used to offset taxable income elsewhere in the Group. Some of these tax losses do not expire, however, the tax losses related to Icelandic subsidiaries has a 10-year period for which the losses may be utilised. The historical tax losses carried forward for the Icelandic subsidiaries are presented in a table further below.

For 2020, the Group has both unrecognised tax assets (in the parent company) and change in recognition of tax assets in Fiskeldi Austfjarda, as it is more likely than not that the carried forward tax-losses will be utlised in the future.

If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by TNOK 1 126.

Current income tax expense:	**2020**	**2019**
Change deferred tax/deferred tax assets (ex. OCI effects)	-9.152	5.124
Currency effects	-185	-33
Total income tax expense	**-9.337**	**5.091**

Deferred tax assets/tax liabilities:	**31/12/2020**	**31/12/2019**	**1/1/2019**
Property, plant and equipment	-47.319	-46.139	-45.227
Inventories	-51.249	-97.008	-62.786
Other current assets	3.264	-4.723	-6.372
Liabilities	531	21.339	25.139
Losses carried forward (including tax credit)	114.187	91.117	91.314
Basis for deferred tax assets:	**19.413**	**-35.413**	**2.067**
Calculated deferred tax assets	**3.883**	**-7.083**	**413**
- Deferred tax assets not recognised	-1.126	174	-2.199
Net deferred tax assets in the statement of financial position	**2.756**	**-6.909**	**-1.785**

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

5.1 TAXES (CONTINUED)

The Group's operations are subject to income tax in various foreign jurisdictions. The statutory income tax rates vary from 20% to 22%, which results in a difference between the statutory income tax rate in Iceland and the average tax rate applicable to the Group. The average tax rate for the group's deferred tax assets are 20% for 31.12.2020, 20% for 31.12.2019 and 20% for 01.01.2019. The average tax rate for the group's deferred tax liabilities are 20% for 31.12.2020, 20% for 31.12.2019 and 20% for 01.01.2019.

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

Reconciliation of income tax expense	**2020**	**2019**
Profit or loss before tax	**28.307**	**11.478**
Expected tax expense 22%	6.228	2.525
Permanent differences	1.400	659
Effects of foreign tax rates	-566	-230
Currency effects	1.445	-793
Effect of unregonised tax asset loss carried forward in ICE Fish Farm AS	513	
Other	-150	
Tax asset previously not recognised Fiskeldi Austfjarda	-18.355	2.929
Recognised income tax expense	**-9.486**	**5.091**

The Group has TNOK 114,187 tax losses carried forward among it's subsidiaries. The tax loss carried forward from Norway may be offset against future taxable income and will not expire. The tax loss carried forward from Iceland has a 10-year period for which the losses may be utilised and are presented in the table below:

Overview of tax losses carried forward that expire:	**31/12/2020**
Tax loss for the year 2020, utilisable until year-end 2030	30.030
Tax loss for the year 2019, utilisable until year-end 2029	7.691
Tax loss for the year 2018, utilisable until year-end 2028	7.196
Tax loss for the year 2017, utilisable until year-end 2027	22.208
Tax loss for the year 2016, utilisable until year-end 2026	2.303
Tax loss for the year 2015, utilisable until year-end 2025	42.510
Tax loss for the year 2014, utilisable until year-end 2024	2.249
Total tax losses carried forward that expire	114.187

6.1 CONSOLIDATED ENTITIES

ACCOUNTING POLICIES

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

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

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

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

CHANGE IN THE OWNERSHIP INTEREST OF A SUBSIDIARY, WITHOUT A LOSS OF CONTROL

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

LOSS OF CONTROL OF A SUBSIDIARY

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

NON-CONTROLLING INTERESTS

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

The following subsidiaries are included in the consolidated financial statements 31.12.2020:

Consolidated entities 31.12.2020	Country of incorporation	Business	Ownership share	Group's voting ownership share	Equity 31.12.2020	Profit before tax per 2020
Fiskeldi Austfjarda hf	Iceland	Fish Farming	100%	100%	294.087	29.528
Rifos	Iceland	Fish Farming	99%	99%	17.618	-5.838

The following subsidiaries are included in the consolidated financial statements 31.12.2019:

Consolidated entities 31.12.2019	Country of incorporation	Business	Ownership share*	Group's voting ownership share*	Equity 31.12.2019	Profit before tax 2019
Fiskeldi Austfjarda hf	Iceland	Fish Farming	n/a	n/a	136.082	11.540
Rifos	Iceland	Fish Farming	69%	69%	64	-62

Rifos is a subsidiary of Fiskeldi Austfjarda hf. With a shareholding of 99.4 after acquisition of 30% of the ownership during 2020.

* In 2019, Fiskeldi Austfjarda hf was the parent in the consolidated financial statement. See note 1.3 for more information.

6.2 INVESTMENTS IN ASSOCIATED COMPANIES

ACCOUNTING POLICIES

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

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

In the event impairment indicators, an impairment test is performed on the carrying amount of the investment. Any impairment is recognized in the share of profit from associated companies. No write-downs have been made in 2020.

BÚLANDSTINDUR EHF

The Group has a 33% interest in Búlandstindur ehf, which is a salmon harvesting facility in Iceland. Búlandstindur ehf is a private entity that is not listed on any public exchange. The Group's interest in Búlandstindur ehf is accounted for using the equity method in the consolidated financial statements.

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

Summary of the statement of financial position Búlandstindur ehf	**31/12/2020**	**31/12/2019**	**1/1/2019**
Equity	23.076	25.752	25.656
Group's share in equity – 33% (all periods)	7.615	8.498	8.467
Goodwill	-	-	-
Group's carrying amount of the investment	7.692	8.584	8.552

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

The associate had no contingent liabilities or capital commitments as at 31.12.2020, 31.12.2019 and 01.01.2019.

ELDISSTÖÐIN ÍSÞÓR EHF

The Group has a 50% interest in Eldisstöðin Ísþór ehf, which is involved in fish farming in Iceland. Eldisstöðin Ísþór ehf is a private entity that is not listed on any public exchange. Although the ownership and voting share is 50% the Group does not have joint control of the Company. The Group's interest in Eldisstöðin Ísþór ehf is accounted for using the equity method in the consolidated financial statements.

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

Summary of the statement of financial position Eldisstöðin Ísþór ehf	**31/12/2020**	**31/12/2019**	**1/1/2019**
Equity	27.906	45.302	40.342
Group's share in equity – 50% (all periods)	13.953	22.651	20.171
Goodwill	-	-	-
Group's carrying amount of the investment	**13.953**	**22.651**	**20.171**
Group's carrying amount of both investments in associates	**21.645**	**31.235**	**28.723**

The associate had no contingent liabilities or capital commitments as at 31.12.2020, 31.12.2019 and 01.01.2019.

Shares in associates are specified as follows	**2020**	**2019**
Book value 01.01	31.235	28.723
Share of profit in associaes	-6.999	3.294
Translation difference	-2.591	-782
Book value 31.12	21.645	31.235

7.1 REMUNERATION TO MANAGEMENT AND THE BOARD

REMUNERATION TO THE BOARD OF DIRECTORS

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

REMUNERATION TO EXECUTIVE MANAGEMENT:

The Board of ICE FISH FARM AS determines the principles applicable to the Group's policy for compensation of executive management. The
Board is directly responsible for determining the CEO's salary and other benefits. The Group's executive management includes the CEO and the management team of each business unit.

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

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

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

Severance Arrangements
If the CEO is terminated by the Board, he is entitled to severance pay of 6 months in addition to the ordinary notice period of 6 months.
For other executive management, there will be an individual assessment of severance packages that are reasonable in relation to responsibility and seniority and the reason for the termination of the employment.

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

Executive Management - 2020	Board remuneration	Fixed salary	Bonus	Other compensation	Pension	Total remuneration
Guðmundur Gíslason - Chairman of the board		1.556.918		342.479	15.591	1.914.988
*Kjartan Lindboel - Production director		828.058		87.362	106.189	1.021.609
Total	-	**2.384.976**	-	**429.841**	**121.779**	2.936.597

Executive Management - 2019	Board remuneration	Fixed salary	Bonus	Other compensation	Pension	Total remuneration
Guðmundur Gíslason - Chairman of the board		1.318.923		204.509	196.625	1.720.058
Total	-	**1.318.923**	-	**204.509**	**196.625**	1.720.058

No Employees in ICE Fish Farm AS in 2020 or 2019, the above figures relates to salary paid by group companies. Mr Lindbøl's salary is for 6 months.
Pension represent the premium paid for defined contribution plans.

	Board remuneration	
The Board of Directors	**2020**	**2019**
Gudmundur Gislason - Chairman of the Board	-	-
Roald Dolmen - Board member	-	-
Roar Myhre - Board member	-	-
Dagfinn Eliassen - Board member	-	-
Einar Thor Sverrisson - Board member	-	-
Total	-	-

No loans have been granted or collateral provided to Executive Management or members of the Board. No remuneration for 2020 or 2019 to the board.

Shares held by Executive Management and the Board of Directors 31.12.2020	**Number of shares held directly**	**Number of shares held indirectly**	**Number of shares held by related parties**
Gudmundur Gislason - Chairman of the Board 1)	-	7.122.384	-
Einar Thor Sverrisson - Board member	-		-
Roald Dolmen - Board member 2)	-	1	-
Total	-	**7.122.385**	-

1) Holds shares via 'Eggjahvita' 2) Holds share via 'Rodo Invest AS'

7.2 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. Note 6.1 provides information about the Group structure, including details of the subsidiaries and the holding company (relates parties).

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

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

Related party transactions and balances 2020 and 31.12.2020	Midt-Norsk Havbruk AS (Parent company)	Búlands-tindur ehf. (Associated company)	Eldisstöðin Ísþór hf. (Associated company)	Total
Current loans and borrowings to related parties*			41.989	41.989
Current trade and other payables to related parties			944	944
Purchases from related parties (incl. Management fees)	3.312	14.320	28.332	45.964
Interest paid to related parties				-

Related party transactions and balances 2019 and 31.12.2019	Midt-Norsk Havbruk AS (Parent company)	Búlands-tindur ehf. (Associated company)	Eldisstöðin Ísþór hf. (Associated company)	Total
Non-current loans and borrowings from related parties	29.605			29.605
Current trade and other payables to related parties	1.478	1.665	6.878	10.020

Related party balances 01.01.2019	Midt-Norsk Havbruk AS (Parent company)	Búlands-tindur ehf. (Associated company)	Eldisstöðin Ísþór hf. (Associated company)	Total
Non-current loans and borrowings to related parties				-
Non-current loans and borrowings from related parties	46.452			46.452
Current trade and other payables to related parties	599	651		1.250

* Loan to Isthor until 31.12.2025, with an annual interest rate of 5%.

7.3 SUBSEQUENT EVENTS

ACCOUNTING POLICIES

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

On 2 February 2021 ICE Fish Farm received a draft for an update on its licenses in Berufjörður and Fáskrúðsfjörður. The update includes a change in production as upon being effective, ICE Fish Farm will be authorized to produce 6,500 tonnes more of fertile fish, i.e. 1,500tonnes in Berufjörður and 5,000 tonnes in Fáskrúðsfjörður. This is due to new risk assessment issued by the Marine Institute in 2020. Total license of fertile will after the update be 18,500 tonnes and sterile 2,300 tonnes, or in aggregate of 20,800 tonnes license as before. This was advertised by MAST and UST and license is expected to be issued within 4 weeks after a 30-days advertising period.

The transaction between major shareholder Midt-Norsk Havbruk AS and Måsøval Eiendom AS and Måsøval Fishfarm AS of 23 November 2020 to buy 55.6% of the total shares in ICE Fishfarm AS is per 31.12.2020 is still awaiting for acceptance from the Icelandic competition authority to be completed.

8.1 CHANGES IN IFRS AND NEW STANDARDS

STANDARDS ISSUED BUT NOT YET EFFECTIVE

There are some standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements. However, none of these are expected to have significant impact for the Group.

8.2 FIRST TIME ADOPTION OF IFRS

These financial statements, for the period 31 December 2020 are the first the Group has prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2020, together with the comparative period data for the period ended 31 December 2019, as described in the basis of preparation (Note 1.1). In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2019, the Group's date of transition to IFRS.

This note explains the principal adjustments made by the Group when transitioning to IFRS from its previous reporting framework; Icelandic Financial Statement Act ("ICEGAAP") as of 1 January 2019, as well as for the period ended 31 December 2019.

EXEMPTIONS APPLIED

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. ICE FISH FARM AS has applied the following exemptions:

ESTIMATES

The estimates applied at 1 January 2019 and at 31 December 2019 are consistent with those made for the same dates in accordance with the Icelandic Financial Statement Act (after adjustments to reflect any differences in accounting policies).

DEEMED COST

The Group has elected to measure licenses at the date of transition to IFRSs at its fair value and used that fair value as its deemed cost at that date. When Midt-Norsk Havbruk acquired Fiskeldi in March 2018, the licenses were valued in the PPA at fair value. No impairment considerations were identified as at 31 December 2018, nor other events indicating a higher value. The purchase price for the licenses as at March 2018 are therefore used as fair value at implementation.

8.2 FIRST TIME ADOPTION OF IFRS (CONTINUED)

Conversion to IFRS has had the following effects on the figures:

Reconciliation of equity and financial position as of 1 January 2019:

(NOK 1000)	ICEGAAP	IFRS adj.	Notes	IFRS
ASSETS				
Non-current assets				
Licenses	-	608.954	A	608.954
Other intangible assets	12.360			12.360
Property, plant and equipment	97.391	25.139	B	122.529
Investments in associated companies	28.723			28.723
Deferred tax assets	1.514	-1.514		-0
Total non-current assets	**139.987**	**632.579**		**772.566**
Current assets				
Biological assets	226.825	16.495	C	243.320
Inventories	8.890			8.890
Trade and other receivables related parties	3.747			3.747
Trade and other receivables	13.802			13.802
Cash and cash equivalents	1.869			1.869
Total current assets	**255.132**	**16.495**		**271.627**
TOTAL ASSETS	**395.120**	**649.074**		**1.044.193**
EQUITY AND LIABILITIES				
Equity				
Share capital	3.532			3.532
Share premium	149.946			149.946
Other equity	-60.273	622.150	A,B,C	561.878
Equity attributable to equity holders of the parent	**93.205**	**622.150**		**715.355**
Non-controlling interests	3.077			3.077
Total equity	**96.282**	**622.150**		**718.432**
Non-current liabilities				
Non-current interest bearing liabilities	37.352	25.139	B	62.491
Subordinated loan from related parties	58.831			58.831
Deferred tax liabilities		1.785	B,C	1.785
Total non-current liabilities	**96.183**	**26.924**		**123.107**
Current liabilities				
Current interest bearing liabilities	153.325		B	153.325
Trade and other payables	49.330			49.330
Total current liabilities	**202.655**	**-**	**-**	**202.655**
Total liabilities	**298.838**	**26.924**	**-**	**325.761**
TOTAL EQUITY AND LIABILITIES	**395.120**	**649.074**		**1.044.194**

A: The IFRS adjustment reflects the difference between the booked value of licenses in Fiskeldi Austfjarða hf and the fair value of licenses as at 1 January 2019.
B: The IFRS adjustment reflects the effects of IFRS 16, where the Group has recognised a right-to-use asset related to property, ships and equipment. These leases were previusly treated as operating leases. A corresponding lease liability is recognised.
C: Biologic assets have previously been calculated using insurance value. According to IFRS, biologic assets are valued at fair value less costs to sell (see note 2.7). The IFRS adjustment reflects the difference between these two accounting principles.

8.2 FIRST TIME ADOPTION OF IFRS (CONTINUED)

Reconciliation of equity and financial position as of 31 December 2019:

(NOK 1000)	ICEGAAP	IFRS adj.	Notes	IFRS
ASSETS				
Non-current assets				
Licenses		615.036	A	615.036
Other intangible assets	14.374			14.374
Property, plant and equipment	155.787	21.035	B	176.822
Investments in associated companies	31.235			31.235
Total non-current assets	**201.396**	**636.071**		**837.467**
Current assets				
Biological assets	178.647	50.199	C	228.846
Inventories	6.904			6.904
Trade and other receivables related parties	36.327			36.327
Trade and other receivables	39.552			39.552
Cash and cash equivalents	1.130			1.130
Total current assets	**262.561**	**50.199**		**312.760**
TOTAL ASSETS	**463.956**	**686.271**		**1.150.227**
EQUITY AND LIABILITIES				
Equity				
Share capital	4.931			4.931
Share premium	211.089			211.089
Other equity	-80.904	654.952	A,B,C	574.048
Equity attributable to equity holders of the parent	**135.116**	**654.952**		**790.069**
Non-controlling interests	1.030			1.030
Total equity	**136.146**	**654.952**		**791.099**
Non-current liabilities				
Non-current interest bearing liabilities	56.322	21.339	A	77.661
Non-current interest bearing liabilities related parties	25.521			25.521
Deferred tax liabilities	-3.070	9.979	B,C	6.909
Total non-current liabilities	**78.773**	**31.318**		**110.092**
Current liabilities				
Current interest bearing liabilities	187.770			187.770
Trade and other payables	61.267			61.267
Total current liabilities	**249.037**	**-**		**249.037**
				-
Total liabilities	**327.810**	**31.318**		**359.129**
TOTAL EQUITY AND LIABILITIES	**463.957**	**686.271**		**1.150.227**

A: The IFRS adjustment reflects the difference between the booked value of licenses in Fiskeldi Austfjarða hf and the fair value of licenses as at 1 January 2019.
B: The IFRS adjustment reflects the effects of IFRS 16, where the Group has recognised a right-to-use asset related to property, ships and equipment. These leases were previusly treated as operating leases. A corresponding lease liability is recognised.
C: Biologic assets have previously been calculated using insurance value. According to IFRS, biologic assets are valued at fair value less costs to sell (see note 2.7). The IFRS adjustment reflects the difference between these two accounting principles.

8.2 FIRST TIME ADOPTION OF IFRS (CONTINUED)

Reconciliation of total comprehensive income for 2019:				
(NOK 1000)	**ICEGAAP**	**IFRS adj.**	**Notes**	**IFRS**
Operating income	293.304			293.304
Total revenue and other income	**293.304**	-		**293.304**
Cost of materials	225.178			225.178
Employee benefit expenses	26.960			26.960
Other operating expenses	33.954	-4.482	**A**	29.472
Depreciation, amortisation and impairment	18.390	4.104	**A**	22.494
Operating profit before fair value adjustment of biomass	**-11.178**	**378**		**-10.800**
Net fair value adjustment biomass	-	33.704	**B**	33.704
Operating profit	**-11.178**	**34.083**		**22.904**
Finance income	34			34
Finance costs	-16.140	-683	**A**	-16.823
Foreign exchange rate loss	2.067			2.067
Share of profit or loss of an associate	3.296			3.296
Profit or loss before tax	**-21.922**	**33.400**		**11.478**
Income tax expense	1.590	-6.680	**A,B**	-5.090
Profit or loss for the period	**-20.333**	**26.720**		**6.388**
Other comprehensive income				
Items that subsequently may be reclassified to profit or loss:				
Exchange differences on translation of foreign operations	5.224			5.224
Total items that may be reclassified to profit or loss	**5.224**	-		**5.224**
Other comprehensive income for the period	**5.224**	-		**5.224**
Total comprehensive income for the period	**-15.109**	**26.720**		**11.612**

A: The IFRS adjustment reflects the effects of IFRS 16, where the Group has recognised a right-to-use asset related to property, ships and equipment. These right-of-use assets are depreciated. Previously, the leases was classified as operating leases under other operating expenses. A corresponding lease liability is recognised, generating finance costs.
B: The IFRS adjustment reflects the difference between the fair value of fish and the cost price (see note 2.7 for more information)

8.2 FIRST TIME ADOPTION OF IFRS (CONTINUED)

Reconciliation of statement of cash flows for 2019:

Cash flows from operating activities (NOK 1000)	ICEGAAP	IFRS adj.	Notes	IFRS
Profit or loss before tax	-21.922	33.400	A,B	11.478
Net fair value adjustment on biological assets	-	-33.704	A	-33.704
Tax paid	-1.590			-1.590
Currency difference interest bearing liabilities				-
Depreciation and impairment of property, plant and equipment and right-of-use assets	18.390	4.104	B	22.494
Share of profit or loss of an associate	-3.287			-3.287
Changes in inventories, trade and other receivables and trade and other payables	65.625	683		66.308
Net cash flows from operating activities	**57.216**	**4.482**		**61.698**
Cash flows from investing activities				
Purchase of property, plant and equipment	-45.282			-45.282
Purchase of intangible assets	-3.269			-3.269
Proceeds from sale of property, plant and equipment	1.702			1.702
Net cash flow from investing activities	**-46.850**	**-**		**-46.850**
Cash flow from financing activities				
Proceeds from borrowings	14.318			14.318
Repayment of borrowings	-24.127			-24.127
Change in related parties liabilities	-12.063			-12.063
Payments for the principal portion of the lease liability	-2.542	-3.799		-6.341
Interest paid	-504	-683		-1.187
Overdraft facility	13.803			13.803
Net cash flow from financing activities	**-11.116**	**-4.482**		**-15.598**
Net change in cash and cash equivalents	-750			-750
Effect of change in exchange rate on cash and cash equivalents	11			11
Cash and cash equivalents, beginning of period	1.869			1.869
Cash and cash equivalents, end of period	**1.130**	**-**		**1.130**

A: The IFRS adjustment reflects the effects of IFRS 16, where the Group has recognised a right-to-use asset related to property, ships and equipment. These right-of-use assets are depreciated. Previously, the leases was classified as operating leases under other operating expenses. A corresponding lease liability is recognised, generating finance costs.

B: The IFRS adjustment reflects the difference between the fair value of fish and the cost price (see note 2.7 for more information)

ALTERNATIVE PERFORMANCE MEASURES

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

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

OPERATIONAL EBIT

Operational EBIT is operational profit before fair value adjustments.

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

NOK 1000	2020	2019
Operational result before fair value adjustment	54.597	-10.800
Operational EBIT	**54.597**	**-10.800**

Operational EBIT per kg

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

NOK	2020	2019
Operational result before fair value adjustment	54.597	-10.800
Total harvested volumes	4.260	4.467
Operational EBIT per kg	**12,82**	**-2,42**

EBITDA

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

NOK 1000	2020	2019
	54.597	-10.800
Depreciation, amortisation and impairment	29.524	22.494
EBITDA	**84.121**	**11.694**

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INCOME STATEMENT

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

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

ICE FISH FARM AS - parent company

(NOK 1000)	Note	16.03.-31.12.2020
Other operating expenses	7,8	2.567
Operating profit		**-2.567**
Finance income		2
Profit or loss before tax		**-2.564**
Income tax expense	5	-
Profit or loss for the period		**-2.564**
Allocation of result for the period		
Allocated to other equity		-2.564
Total brought forward		-2.564

BALANCE SHEET

ICE FISH FARM AS - parent company

(NOK 1000)	Note	31/12/2020
ASSETS		
Investments in group company	2	1.657.500
Total non-current assets		**1.657.500**
Current assets		
Cash and cash equivalents	6	136.221
Total current assets		**136.221**
TOTAL ASSETS		**1.793.721**
EQUITY AND LIABILITIES		
Equity		
Share capital	3	5.400
Share premium	3	1.790.635
Other equity		-2.564
Equity attributable to equity holders of the parent		**1.793.471**
Current liabilities		
Trade and other payables	8	250
Total current liabilities		**250**
Total liabilities		**250**
TOTAL EQUITY AND LIABILITIES		**1.793.721**

CHANGES IN EQUITY

ICE FISH FARM AS - Parent company

(NOK 1000)	Note	Share capital	Share premium	Other equity	**Total**
Equity 16.03.2020		30			**30**
Profit or loss for the period				-2.564	**-2.564**
Write down of share capital in Ice Fish Farm		**-30**			**-30**
Deemed issue of share capital*		4.500	1.503.000		**1.507.500**
Deemed issue of share capital*		900	300.600		**301.500**
Transaction costs			-12.965		**-12.965**
At 31 December 2020		**5.400**	**1.790.635**	**-2.564**	**1.793.471**

For further information see note 1.

STATEMENT OF CASH FLOWS

ICE FISH FARM AS - Group

(NOK 1000)	**Note**	**16.03.-31.12.2020**
Cash flows from operating activities		
Profit or loss before tax		-2.564
Changes in inventories, trade and other receivables and trade and other payables		250
Finance income		-2
Net cash flows from operating activities		**-2.317**
Cash flows from investing activities		
Purchase of financial assets		-
Purchase of shares in subsidiaries, net of cash acquired		-150.000
Interest received		2
Net cash flow from investing activities		**-149.998**
Cash flow from financing activities		
Proceeds from issuance of equity		301.500
Transaction costs on issue of shares		-12.965
Net cash flow from financing activities		**288.535**
Net change in cash and cash equivalents		**136.221**
Cash and cash equivalents, beginning of period	6	-
Cash and cash equivalents, end of period	**6**	**136.221**

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

NOTE 1 - ACCOUNTING PRINCIPLES AND SIGNIFICANT TRANSACTIONS

CORPORATE INFORMATION

ICE Fish Farm AS is a publicly listed company on the Merkur Market, with the ticker symbol IFISH. The ultimate parent company is NTS ASA. ICE Fish Farm AS is a Company incorporated in Norway with headquarters in Iceland. The address of its registered office is Fjordgata 8, 7900 RØRVIK, Norway. ICE Fish Farm's headquarter is located at Nesbala 122, 170 Seltjarnarnes, Iceland.

The financial statements for the company were authorised for issue in accordance with a resolution of the Board of Directors on 17 March 2021.

MAY 2020 ACQUISITION AND GROUP REORGANISATION

ICE FISH FARM AS is a newly established entity and was incorporated on the 16 March 2020. On the 29 May 2020 ICE FISH FARM AS acquired 100% of the shares in Fiskeldi Austfjarða hf with shares as consideration. ICE FISH FARM AS issued equity securities and is the legal acquirer in the acquisition.

BASIS OF PREPARATION

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

ACCOUNTING PRINCIPLES

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

INCOME TAX

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

BALANCE SHEET CLASSIFICATION

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

SUBSIDIARIES AND INVESTMENT IN ASSOCIATES

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period. Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

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

CASH FLOW STATEMENT

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

NOTE 2 - SUBSIDIARIES

The following subsidiaries are included in the consolidated financial statements 31.12.2020:

Consolidated entities 31.12.2020	Country of incorporation	Business	Ownership share	Group's voting ownership share	Purchase cost	Equity 31.12.2020	Profit before tax 2020
Fiskeldi Austfjarda hf	Iceland	Fish Farming	100%	100%	1.657.500	294.087	29.528

NOTE 3 - SHARES AND SHAREHOLDERS

	31/12/2020
Ordinary shares, par value 0,10 NOK per share	5.400.000
Total ordinary shares issued and fully paid	**5.400.000**

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

	Number of shares	Share capital
Changes in share capital	**31/12/2020**	**31/12/2020**
Beginning of period	-	-
Share capital in Ice Fish Farm AS 16.03.2020	1.000	30.000
Write down of share capital in Ice Fish Farm	-1.000	-30.000
Deemed issue of share capital*	45.000.000	4.500.000
Deemed issue of share capital*	9.000.000	900.000
End of period	54.000.000	5.400.000

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

Dividends

ICE FISH FARM AS has paid the following dividends in the period:	**2020**
Ordinary shares	
NOK 0 per share	-
Total	-

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

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

Overview of the 20 largest shareholders:		**Origin**	**31/12/2020**	
Shareholder:			**Number:**	**Ownership:**
MIDT-NORSK HAVBRUK AS		Norway	30.020.121	55,59%
Eggjahvita ehf		Iceland	7.122.384	13,19%
Hregg ehf.		Iceland	3.026.745	5,61%
State Street Bank and Trust Comp	NOM	USA	1.600.000	2,96%
VERDIPAPIRFONDET NORGE SELEKTIV		Norway	1.340.607	2,48%
Grjót ehf.		Iceland	1.323.204	2,45%
MAXIMUM HOLDING AS		Norway	966.612	1,79%
Áning Ásbru ehf		Iceland	892.593	1,65%
VERDIPAPIRFONDET DNB SMB		Norway	626.914	1,16%
Gleði ehf		Iceland	537.776	1,00%
VERDIPAPIRFONDET PARETO INVESTMENT		Norway	473.876	0,88%
J.P. Morgan Bank Luxembourg S.A.	NOM	Luxembourg	735.396	1,36%
PORTIA AS		Norway	330.000	0,61%
VERDIPAPIRFONDET DNB NORGE PENSJON		Norway	303.725	0,56%
Nordea Bank Abp	NOM	Sweden	300.000	0,56%
CRESSIDA AS		Norway	270.000	0,50%
CENTRA CAPITAL AS		Norway	265.000	0,49%
CLEARSTREAM BANKING S.A.		Luxembourg	252.056	0,47%
FRETHEIM BRUK AS		Norway	232.616	0,43%
MP PENSJON PK		Norway	229.170	0,42%
Total of the 20 largest shareholders			50.848.795	94,16%
Other shareholders			3.151.205	5,84%
Total			**54.000.000**	**100%**

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

Three have been no empliyees in ICE Fish Farm AS in 2020, and hence the company is not required to have a pension.

No personell have been hired by the company during 2020.

There's been no payments to the board in 2020.

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

Shares held by Executive Management and the Board of Directors 31.12.2020	Number of shares held directly	Number of shares held indirectly	Number of shares held by related parties
Gudmundur Gislason - Chairman of the Board	-	7.122.384	
Roald Dolmen - Board member		1	
Total	**-**	**7.122.385**	**-**

Gudmundur Gislason owns shares in Ice Fishfarm via ownership interest in 'Eggjahvita ehf'

Roald Dolmen owns shares in Ice Fishfarm via ownership interest in 'Rodo Invest'

NOTE 5 - TAX

Current income tax expense:	**16.03.-31.12.2020**	**0**
Tax payable	-	
Change deferred tax/deferred tax assets (ex. OCI effects)	-	
Total income tax expense	**-**	**-**
Deferred tax assets:	**31/12/2020**	
Losses carried forward (including tax credit)	-2.854	
Basis for deferred tax assets:	**-2.854**	**-**
Calculated deferred tax assets	628	
- Deferred tax assets not recognised	-628	
Net deferred tax assets in the statement of financial position	**-**	**-**
Reconciliation of income tax expense	**16.03.-31.12.2020**	**0**
Profit or loss before tax	-2.564	
Tax expense 22%	-564	
Permanent differences*	-64	
Not Recognised income tax expense	**-628**	**-**

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

NOTE 6 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents	31/12/2020
Bank deposits, unrestricted	136.221
Bank deposits, restricted	-
Total in the balance sheet	**136.221**
	31/12/2020
Bank deposits, unrestricted	136.221
Overdraft facility (available funds)	-
Total cash and cash equivalents (available liquidity)	**136.221**

NOTE 7 - OTHER OPERATING COST

Other operating expenses	16.03.-31.12.2020	0
Consulting expenses and insourcing	2.567	-
Total other operating expenses	**2.567**	-

Auditor related fees	16.03.-31.12.2020	0
Audit fee	100	
Tax services	14	
Other services	440	
Total auditor fees (excl. VAT)	**554**	-

NOTE 8 - TRANSACTIONS WITH RELATED PARTIES

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

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

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

Related party transactions and balances 2020 and 31.12.2020	NTS ASA	Total
Current trade and other payables to related parties	250	250
Purchases from related parties (incl. Management fees)	250	250

NOTE 9 - ACQUISITION

MAY 2020 ACQUISITION AND GROUP REORGANISATION

The structure of the Group was changed in 2020. Ice Fish Farm AS is a newly established entity and was incorporated on the 16 March 2020. On the 29 May 2020 Ice Fish Farm AS acquired 100% of the shares in Fiskeldi Austfjarða hf with shares as consideration. Ice Fish Farm AS issued equity securities and is the legal acquirer in the acquisition. In the the consolidated financial statements of Ice Fish Farm, Ice Fish Farm AS is seen as a continuity of Fiskeldi. The values at Fiskeldi level is continued.
The Group has accounted for the reorganization as a continuation of Fiskeldi Austfjarða hf, together with a deemed issue of shares and a re-capitalisation of equity. The consolidated financial statements are presented as if the Group, with Ice Fish Farm AS as the parent company, had always existed.

ICE FISH FARM

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